

# NSW Freight Reform Program – Response to Consultation Paper

**Submission**  
May 2024

The City of Sydney acknowledges the Gadigal  
of the Eora Nation as the Traditional  
Custodians of our local area.

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# 1. Introduction

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## 1.1. Purpose of this document

This document provides the City of Sydney's submission to the NSW Government's Freight Policy Reform Program Consultation Paper.

The City's submission focuses on aligning the Reform Program with the requirements for the urban centre elements of the freight supply chains. This submission draws on the City's *CityPlan 2036* (Local Strategic Planning Statement), *Access Strategy and Action Plan*, and *Electrification of Transport Strategy and Action Plan*.

The submission also discusses how the freight reform challenge and opportunity needs alignment with other NSW Government policies and previous approaches, including the 2018-23 Freight Strategy, "movement and place", and Net Zero Emissions and Vision Zero for road trauma.

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## 1.2. Background

The Minister for Transport announced the Freight Policy Reform Program in January 2024. The Minister established a Freight Reform Advisory Panel ("the Panel").

As part of the consultation process, Transport for NSW released the Freight Reform Policy Reform Consultation Paper ("the Consultation Paper") in April 2024, and are seeking stakeholder submissions in relation to six specific questions.

### 1.2.1. Terms of Reference

The Minister tasked the Panel with providing advice on:

1. The role of the NSW Government, Australian Government and industry in making a step change in freight transport.
  2. The major ports in NSW.
  3. The road and rail network.
  4. The supporting metropolitan and regional intermodal terminals (IMTs) and other enabling transport infrastructure.
  5. Consideration of freight in the identification and use of industrial land.
  6. Embedding freight considerations into transport planning, prioritisation and investment decisions.
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## 1.3. The Consultation Paper

As part of the consultation process, Transport for NSW released the Freight Reform Policy Reform Consultation Paper ("the Consultation Paper") in April 2024, and are seeking stakeholder submissions in relation to six specific questions. These relate broadly to the Terms of Reference.

## 2. Strategic Context

This section outlines key City of Sydney strategies and positions relating to freight, delivery and servicing.

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### 2.1. The City supports freight, delivery and servicing

The City of Sydney strongly supports efficient freight systems that deliver economic, environmental and social outcomes. The City understands the importance of supply chains that support the economic productivity of the City of Sydney, Greater Sydney and NSW. The City's contribution to GDP is well in excess of \$100BN per annum. With significant building to occur, the construction transport component of the freight task is crucial in the City of Sydney.

The City expresses its support for well-managed freight in a number of strategies, plans or policies. These are outlined below, in summary.

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### 2.2. CityPlan 2036

The *CityPlan 2036* (Local Strategic Planning Statement) is the City's plan for managing growth, consistent with the NSW Government planning framework.

<https://www.cityofsydney.nsw.gov.au/strategic-land-use-plans/city-plan-2036>

*CityPlan 2036* sets out a 20-year land use vision, balancing the need for housing and economic activities while protecting and enhancing local character, heritage, public places and spaces. It links state and local strategic plans with our planning controls to guide development.

It reinforces the links between the NSW Government's strategic plans and the City's community strategic plan, *Sustainable Sydney 2030-2050*, and the planning controls that guide development in the City of Sydney.

A key priority in the Productivity section of *CityPlan 2036* is to protecting industrial and urban services in the Southern Enterprise Area and evolving businesses in the Green Square-Mascot Strategic Centre. This is Priority P3 (p.168). *CityPlan 2036 states:*

*The Southern Enterprise Area in the Green Square/Mascot Strategic Centre comprises some of Sydney's most strategically located areas of business, industry and urban services. The area offers unique value from its locational efficiency close to the economic powerhouse of Central Sydney and the global gateways of Port Botany and Sydney Airport.*

*The role of the Southern Enterprise Area is to facilitate new businesses and industry opportunities, provide employment across a range of sectors, and make land available for key industrial activities and essential urban services. Businesses within this area currently deliver both direct and indirect support services to facilitate the development and operation of the critical international trade gateways of Sydney Airport and Port Botany as well as Central Sydney and business and community needs throughout the district. The Southern Enterprise Area will continue to play a crucial role in supporting the growth of the local, metropolitan, state and national economies, while facilitating regional and global network connections.*

*Situated within the Eastern Economic Corridor and just three kilometres from Central Sydney, the Green Square-Mascot Strategic Centre, including the Southern Enterprise Area may accommodate up to 11,400 additional jobs by 2036 to meet the District Plan's baseline jobs target. It is two kilometres from Sydney Airport, which handles around 44.4 million domestic*

*and international passengers per year. Around 530,000 tonnes of freight passes through the airport, and it is a major generator of both direct and indirect jobs, many of which are located in the Enterprise Area. Also located just three kilometres to the south of the Strategic Centre is Port Botany, which is Australia's largest port by volume, handling over 2.5 million twenty-foot equivalent units (TEU) of freight*

Preserving these industrial/urban service lands in the Eastern Economic Corridor will make the future freight management task easier compared to opening up new industrial areas on Sydney's fringes.

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## 2.3. Access Strategy and Action Plan: Moving kerbside deliveries off-street over time

The City's updated *Access Strategy and Action Plan – Continuing the Vision* is:

<https://www.cityofsydney.nsw.gov.au/strategies-action-plans/access-strategy-and-action-plan-continuing-the-vision>

At Action 10 (p.49), this Strategy and Action Plan recognises the importance of efficient and timely freight and deliveries in the City:

*It plans to increase off-street loading capacity to enable a progressive reduction of on-street loading in nearby streets, using the kerb space for other purposes while ensuring businesses retain access for their freight and servicing needs.*

*The City will aim to transition the bulk of on-street loading and servicing activities to off-street facilities in the city centre over the next 20 years. This will free up the kerbside lane for higher value uses such as wider footpaths, cycleways and tree plantings.*

*A key way to achieve this is through the development of publicly accessible off-street loading and servicing hubs. Hubs could be delivered within private developments, shared between surrounding properties, or be commercial public facilities, similar to existing car parks.*

*To support this transition, the NSW Government should explore options that increase the efficiency of any kerb loading zones, such as booking systems and potential premium offers....*

*...The current freight system will not cope with the planned growth, with 100,000 new city centre jobs, and each person generating more freight. The scale of growth in freight and servicing activity requires that we look at how we manage, plan for and provide space for these activities now and looking forward for the next 20 years.*

*The planning system is a key tool in managing freight. Nearly all new developments will provide for their loading and servicing needs on-site through off-street loading and servicing facilities.*

*For other buildings, we need a different solution: public off-street loading hubs in new buildings. These could be used by nearby heritage buildings, small sites or areas where new vehicle access is not desirable because of the public domain impacts and high numbers of people walking.*

*Well-located shared public loading hubs would create the opportunity to shift from vehicles to lower impact options for the "last mile" (the last leg of the journey), such as shifting goods from vehicles to trolleys and walking them to their final destination, or shifting goods to electric and other bikes, and small electric vehicles. The hubs would also provide an opportunity for lockers and other on-site storage to enable deliveries to take place outside of peak periods and*

*collected when convenient for the recipient. Sites could be booked, so drivers could park where and when they are delivering.*

*The NSW Government and the City have collaborated to create the Goulburn Street freight hub, which has operated for more than five years. Drivers park their trucks or vans at the hub and distribute their deliveries to bicycle couriers who can make the “last kilometre” of the delivery more efficiently. With the growing network of separated cycleways, there are more opportunities for this type of hub, including in existing public commercial car parks.*

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## 2.4. Electrification of Transport Strategy and Action Plan: A transition for electrification that focuses on high-impact transport fleets

The City’s approach is contained in:

<https://www.cityofsydney.nsw.gov.au/strategies-action-plans/electrification-transport-strategy-action-plan>

Strategy 2.3 focusses on the vehicle fleets that cause the most impactful local and global emissions – those that travel the most on City Streets (buses, service vehicles etc) to maximise the opportunities for electrification and allow focus on the highest impact fleets.

The City expects that electrification will be easier to achieve in some sections of the full supply chain than others, due to scale, ownership and availability of incentives.

However the emissions impact of the often older, less clean delivery vehicles concentrates in our most economically valuable places, such as Sydney’s global city centre.

Action 10 of the Action Plan is therefore:

*Advocate that the NSW Government accelerates the transition of service and delivery vehicle fleets to electric vehicles, including the use of e-bikes and other micromobility modes.*

# 3. Overarching / structural issue

This section outlines overarching issues that the City has identified in the Freight Policy Reform: Consultation Paper.

## 3.1. Freight Policy Reform Program must be comprehensive, and address urban freight – via a Freight Strategy/Action Plan

The City's understanding is that the initial catalyst for the Freight Policy Reform Program was a number of potentially inter-related issues relating to long distance and/or inter-modal freight. The City supports attention to these issues in a way that maximises the outcomes to the NSW community.

The City notes that those issues, while economically and environmentally crucial to Australia, are a subset of the total freight policy framework. Urban freight, especially "last mile" freight, is a major element of the total freight system, especially as it supports and potentially impacts our urban centres - which are also crucial to Australia's economic future.

The most recent NSW Government Freight Strategy included detailed consideration of urban freight issues such as the last mile. Goal 4 was to manage freight in key urban centres.

<https://www.transport.nsw.gov.au/projects/strategy/nsw-freight-and-ports-plan/part-3-how-we-will-respond-to-challenges-and>

Transport for NSW has an Urban Freight section that works to address issues and opportunities, in partnership with local government and business.

<https://www.transport.nsw.gov.au/industry/freight-hub/urban-freight>

These types of issues and potential initiatives are mostly absent from the Consultation Paper.

However there are generalised statements in the Consultation Paper in support of more access for bigger heavy vehicles that potentially run counter to the approaches in these Transport for NSW plans. (The City understands the case for productivity measures for road freight but the context and opportunity for these is completely different in metropolitan Sydney, especially the inner city, compared to most of the rest of NSW. Moreover, the massive investment in the motorway network was partly justified by improvements for freight.)

To address the risk of the limited focus, the NSW Government should develop a Freight Strategy and Action Plan. This should encompass the full supply chain, including last mile in urban centres. It should have 10-12 priority funded actions that the NSW Government will lead in partnership with business, community and local government.

To assist this approach, Section 3 translates the City's key strategies and actions against the Consultation Paper's Discussions Question – it outlines the City's positions, and more detail or rationale where required.

Additional information on each issue is available in each City Strategy/Plan.

Local government should be intimately involved in developing any Freight Strategy and Action Plan.

# 4. Response to Discussion Questions

All Discussion Questions in the Consultation Paper flow from the Terms of Reference for the Panel. The City outlines its position on the Terms of Reference and Consultation Paper generally, at Section 3. The input provided in this Section are provided in that context. In some instances the answers will refer back to City's strategic context outlined in Section 2.

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## 4.1. Discussion Question1

**a. In relation to the (Terms of Reference) are there particular aspects of policy that are causing challenges to your business operations or efficiency?**

- The policy for prioritising street space in NSW is clear (Road User Space Allocation Policy), and the need to apply a movement AND place approach is mandated. However, NSW Government decisions do not always align with this, and can affect freight efficiency by providing too much consideration to the demands of private vehicle drivers.
- The policy framework for last mile transport is relatively unsophisticated and is not able to be scaled to cope with the increase in demand (and therefore may not capitalise on potential alternative approaches such as micromobility). This issue is discussed in Section 2.3 of this Submission.
- To support the needs of businesses and residents, the City has to support the crucial loading/servicing activity with bulk provision of free on-street loading, which has the following limitations:
  - a system that does not provide space for the large number of alternative uses for kerbside space in city centres
  - a system without any price or demand management signals, which does not encourage industry reform
  - a system that does not address the negative externalities from related vehicle access.
- This is exacerbated by the absence of a coherent road pricing or access framework for high value urban centres.
- There is little evidence of an emerging NSW Government integrated framework to support electrification of last mile delivery fleets (other than provision of limited amounts of rapid vehicle charging).

**b. Are there particular actions – short, medium or long-term, that you think the NSW Government alone or together with the Australian Government should take to support the efficient operations of your business?**

1. The NSW Government should develop a Freight Strategy and Action Plan. This should encompass the full supply chain, including last mile in urban centres. It should have 10-12 priority funded actions that the NSW Government will lead in partnership with business, community and local government.



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- a. The off-street hub concept outlined at Section 2.3 of this Submission should be a key element of the Strategy and Action Plan.
  - b. Mechanisms to accelerate electrification of all freight fleets, discussed at Section 2.4 of this Submission, should be a key element of the Strategy and Action Plan. This should not be limited to funding or subsidising vehicle charging infrastructure.
2. The NSW Government should work with the Australian Government to develop road pricing and/or access charging schemes that facilitate access to urban centres consistent with government policy, and assist the transition to Net Zero emissions.
- a. The NSW Government could initiate this as part of its response to the Fels/Cousins Tolling Review.

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### 4.2. Discussion Question 2

#### **Do you have recommendations or issues to note about rail freight policy?**

- The City supports the maximum use of the rail system for freight, not just limited to intermodal container freight.
- The NSW Government should increase the capacity of the rail system wherever it is necessary for the freight and passenger tasks to coexist. The Australian Government should support with funding, given the national economic importance of both tasks in Greater Sydney.

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### 4.3. Discussion Question 3

#### **Do you have recommendations or issues to note about ports?**

- The NSW Government should take steps to minimise the presence of port-related heavy vehicles on the City's road network – except on the motorway network expressly developed to improve access to Port Botany.
- This may require changes to dangerous goods regulation, which may require Australian Government involvement.

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### 4.4. Discussion Question 4

#### **Do you have recommendations or issues to note about road freight?**

- Road freight is an important component of the full supply chain, including in urban centres.
- Support for the appropriate use of road freight needs to consider not just the specific aspirations of particular supply chain operators, as this might maximise economic or financial benefits for some businesses while reducing overall economic, social and environmental benefit in Sydney.
- The NSW Government's Freight Reform Policy framework, as it relates to roads, has to reflect its own frameworks that address the key economic, social and environmental challenges, including:
  - Frameworks for employment and housing growth
  - Movement and place
  - Vision Zero for road trauma

- Net Zero Emissions.
- The proposed Freight Strategy and Action Plan should reflect all of these issues.

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## 4.5. Discussion Question 5

**Do you have recommendations or issues to note about decarbonisation or changing technology?**

- This issue is discussed at Sections 2.4 and 4.1 of this Submission.

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## 4.6. Discussion Question 6

**Do you have recommendations or issues to note about strategic land use planning and industrial land?**

- The City’s planning to support industrial land is outlined in Section 2.2 of this Submission.
- Inner metropolitan areas face multiple challenges in maintaining and protecting their important employment/industrial lands. These include:
  - High demand for limited employment land
  - Constrained road capacity (especially for road freight)
  - Increasing demands for more intense or new types of activities (such as industrial/commercial premises including boutique breweries)
  - Pressure to consider rezoning for housing, given the relative proximity to the city centre
    - Often with little consideration on the potential sterilisation of industrial land, or the potential poor amenity in any residential precinct.
- Even within the construct of “industrial land”, there are gradations, that each generate different levels and types of freight access requirements.
- To the maximum extent, the city’s strategic and statutory planning for these types of precincts seeks to integrate with the transport system, including for road freight.
- As these industrial areas evolve, there needs to be a related evolution of the way freight access is managed. The coexistence of different types of land use will require the road network to meet the access and safety needs of an increasing variety of users. This should be addressed in the Freight Strategy and Action Plan.
  - In the case of Green Square, the issue raised at Section 3 of this Submission relating to port traffic using the motorway network is pivotal – this would maximise the potential for roads in Green Square to serve freight going to/from Green Square (not through it), and local access needs.

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## 4.7. Further discussion

The City welcomes the opportunity to discuss any aspect of this Submission with the Review Panel, as required.

