



Reference: FIL19/00333
Contact: David Christy

18 October 2019

Executive Director
Compliance, Industry and Key Sites
Department of Planning, Infrastructure & Environment
GPO BOX 39
SYDNEY NSW 2000

Dear Sir/Madam

Subject: State Environmental Planning Policy – Activation Precincts

AlburyCity is pleased to provide feedback to the NSW Government's Explanation of Intended Effect (September 2019) in relation to the State Environmental Planning Policy for Activation Precincts. AlburyCity strongly supports the wider roll out of Special & Local Activation Precincts across the State in line with the Explanation of Intended Effect.

As a major regional NSW city located at the southern extremity of the state, Albury is a vibrant community situated on the Hume Freeway some 550km from Sydney and 310km from Melbourne. With a population of approximately 53,000 people (almost 100,000 people when combined with Wodonga), Albury is an essential regional capital city providing infrastructure, health and professional services, business, employment, education, culture, sports and recreation to a broader regional catchment of approximately 200,000 people.

The city's liveability and strategic location is evidenced by the presence of many national and multi-national businesses from a variety of sectors, some of which have established head offices in the city. More than 4,000 businesses service regional, national and international markets and the local economy valued at \$3.82 billion annually, demonstrates the importance of the city to the NSW state economy.

Regional NSW has an important part to play in the ongoing prosperity and job creation for the state. Organic jobs, population growth and private investment are burgeoning in Sydney, resulting in significant planning and investment focus being aimed at addressing housing affordability, productivity, congestion, transport and pollution. This situation differs dramatically for regional cities, many of which have immediate and master-planned capacity for growth, where commute times are short, productivity is high, and the lifestyle offer is outstanding.

The NSW Government has recognised the contribution of Albury to the State in its 20-Year Economic Vision for Regional NSW (July 2018), naming it as a 'Growth Centre'. Albury supports a number of the 'engine' industries identified in the Plan, most notably Freight and Logistics. With a coveted location on the Hume Freeway, the

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Melbourne to Sydney Mainline and the Inland Rail corridor (with direct access to the Ettamogah Rail Hub: an open access intermodal facility), our city plays an important role in connecting businesses to markets throughout Australia and across the world.

As part of the Regional Economic Development Strategy (REDS) development process, facilitated by the NSW Department of Premier and Cabinet, AlburyCity has identified planning priorities for the city and the wider Functional Economic Region (FER). The Albury Wodonga REDS sets out an economic pathway for the FER and builds on the region's strengths to guide investment over the next four years. This involves leveraging the significant built infrastructure endowments and natural amenity, access to land and water, climate and lifestyle offering. These endowments form the basis for the region's specialisations.

An analysis of the region's natural endowments, economic data and core competencies identified a number of sectors in which the Albury Wodonga FER has a comparative advantage and would be expected to drive economic growth in the future.

These are:

- **Manufacturing** - The Albury Wodonga FER has a successful and highly varied manufacturing sector, with major employers such as Mars Petcare, Visy, Overall Forge, Milspec, Wilson Transformers and Kotzur Silos contributing significant value-add and employment to the region. This was reflected in the Location Quotient Analysis undertaken, which identified a number of manufacturing sectors as emergent growth sectors. The connections to the strong Transport and Logistics sector across road, rail and air are a source of comparative advantage to the sector by providing direct access to a logistics network that can bring goods to market efficiently and at a low cost.
- **Transport and Logistics** - The Albury Wodonga FER has a strong comparative advantage in the Transport and Logistics sector as a result of its geographic location along the main freight and passenger corridor between Melbourne and Sydney. Additional infrastructure assets such as the Inland Rail corridor, Nexus Industrial Precinct, Wodonga Logic and the Ettamogah Rail Hub provide significant capability for this sector and opportunities for future growth. The Transport and Logistics sector is also a major enabler of a number of other sectors in the FER.
- **Agribusiness** - A number of agricultural sectors in the FER, including livestock and grain farming, have comparative advantages including significant land endowment, good water security, temperate climate, and access and geographic co-location to food product manufacturing businesses in the FER.
- **Tourism** – The Albury-Wodonga FER attracts a significant number of visitors for a variety of reasons, including for business, health and visiting friends and relatives. While growth in visitor numbers will likely be driven by growth in other sectors, the tourism sector still serves a significant complementary component to the wider FER economy and can be leveraged further to drive growth.

We urge the Department to consider Albury's premier industrial estate, the Nexus Industrial Precinct (Nexus) in its plans for Activation Precinct roll outs across the state. Just 10km from the Albury CBD, Nexus comprises 450ha zoned to support 24/7 large-scale heavy industry. A comprehensive masterplan, being the Albury Industrial Hub Masterplan, for the long term development of the precinct has been completed in consultation with the six major landholders. This masterplan addresses the requirements for an Activation Precinct and, as outlined below, the infrastructure required to establish the precinct is either completed or in progress.

The development of the Albury Industrial Hub Masterplan included comprehensive stakeholder engagement during its creation and extensive community engagement when publicly exhibited, prior to formal inclusion into Albury Development Control Plan 2010. Therefore, it is not anticipated that there will be any community or adjoining landowner concerns raised in regards to Nexus being identified as an Activation Precinct.

A range of critical infrastructure has been identified for the precinct to drive future private investment and jobs. AlburyCity has committed \$14.2 million for the provision of subdivision works, water and sewer network augmentation, power and telecommunications – the majority of which is now complete.

The NSW Government has committed \$9.9 million to fund gas reticulation to the site and 50% contribution towards the Davey Road interchange southern access ramps to enable safer and more efficient access to the precinct from the Hume Freeway. We are currently working with the Australian Government to finalise the remaining 50% contribution for the Davey Road interchange, which was the subject of a pre-election commitment by the Coalition government.

The Riverina Murray Regional Plan 2036 (RMRP) also has a number of goals, directions and key actions that would be supported by the inclusion of Nexus as an Activation Precinct.

Goal 1 of the RMRP relates to a growing and diverse economy. This goal contains two directions and a number of actions that would be directly addressed by identification of Nexus as an Activation Precinct, namely:

- Direction 3 - Expand advanced and value-added manufacturing
 - Action 3.1 – Promote investment in advanced and value added manufacturing by removing restrictive land use zonings and outdated land use definitions in local plans
 - Action 3.3 – Encourage co-location of related advanced and value added manufacturing activities to maximise efficiency and infrastructure use, decrease supply chain costs, increase economies of scale and attract further investment.
- Direction 4 – Promote business activities in industrial and commercial areas
 - Action 4.1 – Encourage the sustainable development of industrial land to maximise the use of infrastructure and connectivity to the existing freight network.

Goal 3 of the RMRP relates to efficient transport and infrastructure networks. This goal contains a direction and a number of actions that would be directly addressed by identification of Nexus as an Activation Precinct, namely:

- Direction 17 – Transform the region into the eastern seaboard’s freight and logistics hub
 - Action 17.1 – Strategically locate freight and logistics hubs to support further industry development
 - Action 17.2 – support the ongoing performance of existing freight and logistics facilities, particularly those in the regional cities of Albury, Wagga Wagga and Griffith.
 - Action 17.4 – Target opportunities for new freight and logistics facilities in areas that maximise the use of available industrial land, access to transport and specific labour market requirements. It is noted that this direction directly identifies Ettamogah Rail Hub and its importance.

It is also noted that the Local Government Narratives contained on p57 of the RMRP identified key priorities for Albury, one of which is:

- Support industrial land development around Nexus

AlburyCity contends that Nexus is well on its way to being investment ready and thus eminently suitable for identification as an Activation Precinct. The project is deemed to be economically desirable with benefits substantially outweighing costs, providing a Net Present Value of \$485.1 million and a Benefit Cost Ratio of 3.05 (7% discount rate). Once fully developed, it is estimated the direct and indirect impacts of activity at Nexus will support over \$1.5 billion in GRP and more than 9,400 FTE jobs.

There are also opportunities to include further planning strategy work to determine suitability of future expansion on the eastern side of the freeway as identified in the Albury Land Use Strategy 2007 and Albury Industrial Hub Masterplan. The 700+ hectares on the eastern side of the freeway could then be master planned to support an expansion of Nexus and/or incorporate alternate uses such as recreation or rural residential to support the growth of Thurgoona and Table Top.

It is important to note that Nexus faces competition from the Logic Industrial Estate, located in the neighbouring Victorian city of Wodonga. We have consistent feedback from our development industry and potential investors that can be summarised as follows:

- NSW-Victorian border location means that we have a close and direct competitor in Wodonga. If investors are considering Albury as a location for their business, they are also invariably considering Wodonga.
- Investors want certainty around timelines for the planning process very early in their due diligence period.
- It appears the Victorian Government has mechanisms in place to fast track major developments.
- Any unreasonable delays in the planning process are particularly significant to Albury, given our existing competition.
- Investors generally like dealing with Council staff as the impact of the project on the local economy is valued. This is not always the perception when dealing with State Government departments and thus identification for State Significant Development is not seen as an advantage. Simplification of the planning processes around development in Nexus would be a significant benefit.
- The Victorian Government seem to be more agile in providing financial incentives to relocating businesses to Wodonga. I understand that this is being addressed through the NSW Government's Regional Investment team, but the concept needs to flow through to supporting NSW Government teams facilitating the provision of the incentive.

Nexus' proximity to Victoria makes it all the more important for a competitive advantage to be realised through classification as an Activation Precinct.

AlburyCity is currently in discussions with two major businesses seeking to establish operations within Nexus. With combined investment in excess of \$250 million and plans to create more than 100 jobs, both developments will be classified as State Significant under current guidelines. Both companies are working to tight timeframes and have indicated a business critical requirement to commence construction within 12 months.

Given the considerable planning and infrastructure investment already in place for Nexus, and the significant positive economic impacts for both the local economy and the State more broadly, it is imperative that an Activation Precinct classification is allocated. The Activation Precinct classification will provide a clear and expedited pathway for private sector investment and will ensure the environmental, economic and social parameters of Nexus are upheld.

To reiterate, AlburyCity is absolutely supportive of the proposed Activation Precinct SEPP. We applaud the NSW Government for its endeavours in this regard and look forward to the initiative being fast tracked to drive growth and investment in regional NSW.

Should any further information be required please do not hesitate to contact me on [REDACTED] or alternatively [REDACTED].

Yours faithfully

A handwritten signature in black ink, appearing to read 'David Christy', written in a cursive style.

David Christy
Service Leader City Development
Infrastructure, Planning & Environment