Mamre Road Data Centre Campus, State Significant Development

A Submission to the NSW Government (Planning)

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About ALC: The Australian Logistics Council is the peak national body representing the end-to-end freight and logistics supply chain. Our members include major retailers, road freight and freight rail carriers, customers, warehouse and transport operators, airports and ports, infrastructure owners and property companies. We work with government on policy to improve safety, efficiency and sustainability of Australian supply chains.

Executive Summary

- **Mamre Road's Strategic Freight Role:** The 52-ha site at 706–752 Mamre Road is located in the Western Sydney Employment Area (WSEA), which was rezoned in 2020 to provide ~850 ha of industrial land (~17,000 jobs)[1] focused on freight, warehousing and intermodal use. A portion of this precinct was explicitly reserved for the Western Sydney (Mamre Road) Intermodal Terminal (WSIMT) and dedicated freight rail. Approving a data centre here would permanently remove land needed for that terminal's freight operations.
- **Incompatibility with Policy:** This proposal directly conflicts with state freight and land-use policies. The Mamre Road precinct is classified as "State Significant Industrial" (linked to ports/intermodals) and is protected from incompatible uses. The Mamre Road Development Control Plan 2021 (DCP)[2] requires any development to *"facilitate the delivery of the Western Sydney Intermodal Terminal and dedicated freight network"*. It also mandates retaining a 10 m freight corridor and demonstrating rail access, which the data centre plans ignore.

[1] https://www.planning.nsw.gov.au/plans-for-your-area/priority-growth-areas-and-precincts/western-sydney-employment-area/mamre-road-precinct#:~:text=The%20precinct%20provides%20about%20850%C2%A0ha,IMT

[2] https://app.propcode.com.au/library/document/nsw/mamre-road-precinct-dcp-2021/html

Approving the data centre would contravene the state's Industrial Lands Action Plan[3] and NSW Freight Policy reforms[4] that prioritize Mamre Road for freight infrastructure.

- **Freight and Economic Impacts:** Eliminating this freight land would force more container traffic onto roads, increasing congestion, costs and emissions. Port Botany's rail modal share (target 28% by 2021[5]) would suffer without adjacently sited distribution centres. Increased truck movements degrade supply-chain productivity and raise costs for consumers[6]. Sydney's industrial land vacancy is already near zero[7]; losing Mamre Road's availability would worsen land scarcity and inflate rents[8].
- **Resilience and Emissions:** Rail freight emits far less CO_2 per tonne-km than road. Removing Mamre Road's role in supporting rail reduces decarbonisation prospects and makes the network more vulnerable to disruptions (floods, congestion). A rail-centric freight network is more resilient and aligns with NSW's net-zero targets.
- **Recommendation:** ALC **strongly recommends refusal** of the data centre proposal. At a minimum, consent should include strict conditions to preserve full freight functionality (e.g. mandated freight corridor, warehousing covenants, no encroachment on rail access). Approving this development as proposed would undermine critical freight investments and productivity.

1. Strategic Importance of Mamre Road for Freight

Mamre Road sits at the heart of the planned Western Sydney freight network. In 2020, NSW rezoned the Mamre precinct (706–830 Mamre Rd) as part of the Western Sydney Employment Area[9]. This created ~850 ha of new industrial land to meet long-term freight, logistics and manufacturing needs. The rezoning explicitly *"protects a site for a potential Western Sydney freight intermodal terminal (IMT)"*.

By geography, the Mamre Road site is immediately adjacent to the future Western Sydney Intermodal Terminal and the Western Sydney Freight Line (a dedicated freight rail link to Port Botany). It is one of only a few large parcels with direct access to this rail corridor. Preserving contiguous industrial land around the terminal is crucial: freight experts emphasise co-locating distribution centres with intermodal hubs to maximise rail usage.

Mamre Road's strategic value is highlighted by government actions. NSW and the Commonwealth have already jointly funded a business case for the Western Sydney Freight Line and terminal[10]. In 2025, an independent freight panel identified these projects (WSFL and Mamre IMT) as top priorities for NSW[11]. The Mamre site in particular was noted as the *"best opportunity for freight improvements"* in Western Sydney. Approving the data centre would squander this opportunity by denying the rail corridor vital warehousing support.

[3] https://www.planning.nsw.gov.au/sites/default/files/2025-01/industrial-lands-action-plan.pdf

[4] https://www.transport.nsw.gov.au/system/files/media/documents/2025/delivering-freight-policy-reform-in-nsw-june-2025.pdf

[5] https://austlogistics.com.au/media-centre/alc-submission-to-productivity-commission-inquiry-into-maritime-systems/#:~:text=One%20of%20its%20main%20goals,target%20has%20not%20been%20achieved

[6] https://www.cefc.com.au/insights/market-reports/delivering-freight-decarbonisation-strategies-for-reducing-australia-s-transport-emissions/#:~:text=Road%20freight%20emissions%20are%20about,an%20absolute%20increase%20in%20emissions

[7] https://www.cbre.com.au/insights/reports/sydney-industrial-and-logistics-land-supply-2023#:~:text=%2A%20Only%204,committed%20development%20supply

[8] https://www.planning.nsw.gov.au/sites/default/files/2023-03/employment-lands-industrial-report.pdf#:~:text=Strong%20demand%20and%20constrained%20supply,to%20continue%20while%20construction%20activity

[9] https://www.planning.nsw.gov.au/plans-your-area/priority-growth-areas-and-precincts/western-sydney-employment-area

[10] https://federalfinancialrelations.gov.au/sites/federalfinancialrelations.gov.au/files/2025-08/FFAS%20Funding%20Table%20-%202024-25%20MYEFO%20-%20NSW.pdf#:~:text=126943

[11] K.Schott et.al. 2025. Delivering Freight Policy Reform in New South Wales. Page 7. Available at: https://www.transport.nsw.gov.au/system/files/media/documents/2025/delivering-freight-policy-reform-in-nsw-june-2025.pdf

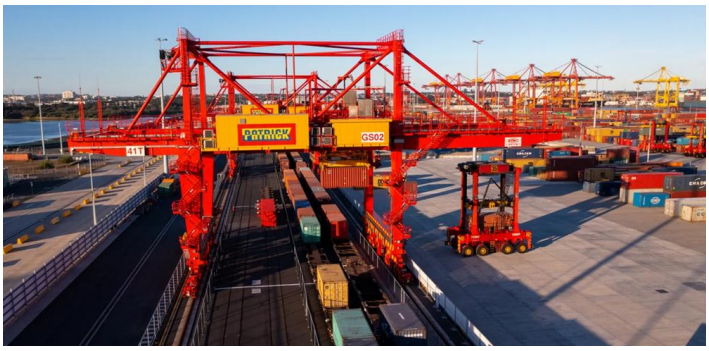

Figure: Container operations at Port Botany's on-dock rail terminal. Port Botany handles ~2.8 million TEU/year with rail connections to multiple intermodal terminals[12]. New Western Sydney intermodal capacity (Mamre Road) is intended to feed this network; removing freight land at Mamre undermines these flows.

Key Facts: Mamre Road (Kemps Creek) was designated industrial/freight in 2020 (850 ha WSEA), with 95 ha for open space and a reserved freight terminal site. It connects to new freight rail being developed. Preserving this land is essential to meet NSW's targets for rail freight share and supply-chain growth[13].

2. Land-Use Conflict and Sterilisation of Freight Land

The data centre is a land-use mismatch for this precinct. Current state planning categorizes Mamre Road as State Significant Industrial land due to its link to freight infrastructure. The NSW Industrial Lands Action Plan defines such land as areas *"directly linked to… significant infrastructure (ports, intermodals)"*, to be *"protected from incompatible uses"*. A 1 GW data campus (with 24/7 operations, noise, traffic) is clearly not a freight use. Allowing it would breach the intent of that policy.

The Mamre Road Development Control Plan reinforces this. Section 3.4.2 sets clear objectives: *"To facilitate the delivery of the Western Sydney Intermodal Terminal and dedicated freight network"* and *"dedicated freight access… to surrounding industrial precincts and warehouses"*. It also requires developments with access to the freight corridor to maintain its integrity and show how they will connect. The data centre's design provides no such connection – its internal Road 2 even infringes the 10 m reserved freight corridor. These contraventions go to the core intended function of the precinct.

In reality, approving the campus would sterilise roughly 52 ha of prime freight land. That land cannot later be recovered for logistics without demolishing massive data centre structures. NSW's planning panels have warned that once industrial land is lost it is "extraordinarily difficult to recover." This is especially true for land adjacent to key infrastructure. The Department's own report shows Sydney's industrial vacancy at ~0.5%, reflecting acute scarcity. Each hectare here is vital. Fragmenting the precinct with a non-freight use would undermine the entire Mamre freight strategy and violate policies calling for no net loss of industrial land in freight corridors.

Key Points: Mamre Road is expressly zoned and controlled for freight-industrial use. The data centre proposal ignores these controls (e.g. fails to preserve the freight corridor) and would permanently remove land that state policy seeks to protect for logistics.

3. Impact on Intermodal Terminal Viability and Rail Mode Shift

The WSIMT's efficiency depends on adjacent warehousing. If this site is used for a data centre instead, intermodal operations will suffer. Containers handled through the terminal would need extra road carriage to distant warehouses for unpacking. This *doubles* handling steps and adds significant road miles. By contrast, co-locating freight facilities on-site avoids those costs; industry literature notes that on-terminal warehousing *"encourages the greatest modal shift to rail"* and *"removes unnecessary additional movements"*. Mamre Road is the one location in Western Sydney where this best practice could be implemented.

Without co-location, the Port Botany rail freight network loses competitiveness. NSW aimed to grow rail's share to 28% of Port Botany's containers. It still lags far below that. Every diverted container means more trucks on the M4 and major

[12] https://www.nswports.com.au/port-botany#:~:text=Rail

[13] https://austlogistics.com.au/media-centre/alc-submission-to-productivity-commission-inquiry-into-maritime-systems/#:~:text=One%20of%20its%20main%20goals,target%20has%20not%20been%20achieved

roads. This not only inflates transport costs (fuel, time, road wear) but also aggravates congestion and emissions. It would also diminish the return on recent rail investments: for example, the state and DP World have co-funded equipment to handle ~1 million TEU by rail. If Mamre's lands are not used for logistics, those assets risk underuse.

In summary, approving the data centre will reduce future rail throughput from Western Sydney. Freight will flow less efficiently. The data centre itself generates no container movements or supply-chain productivity. Instead, it *forces a mode shift in the wrong direction* – away from rail, towards trucks. This outcome directly conflicts with NSW freight strategy goals.

Key Points: Removing 52 ha of terminal-adjacent land means more containers have to be trucked to/from the terminal, reducing rail's attractiveness. Port Botany's rail targets become harder to meet, and existing intermodal investments yield lower efficiency. In effect, the data centre proposal would disrupt the integrated freight network that WSIMT is meant to anchor.

4. Economic and Productivity Consequences

When freight land is tight, logistics inefficiencies translate into macroeconomic costs. Sydney's industrial vacancy (~0.5%)[14] and rapidly rising rents attest to this scarcity. Approving a non-freight use on Mamre Road will put upward pressure on land prices and rents across Western Sydney, as businesses compete for even fewer sites[15]. For retailers and manufacturers, this means higher land and facility costs, which ultimately raise consumer prices.

Logistics costs will also climb. For example, suppose 10,000 TEU per year are rerouted by road instead of rail due to this development (a plausible figure given growth forecasts). Each additional truck-leg (say 50–100 km round trip) could cost dozens of dollars in fuel and labour. Multiplied by thousands of containers, that could easily add tens of millions of dollars per year in transport costs for NSW businesses. These costs are borne by supply-chain participants and the economy. Freight productivity would likewise suffer. Extra trucking leads to more wear on infrastructure and congestion delays, slowing down freight turnaround[16]. Worse congestion also impacts workers (traffic delays) and local businesses. Over time, communities around Mamre Road and Penrith would see heavier traffic on roads the precinct was meant to relieve.

Quantitative Note: Detailed data on projected container volumes at WSIMT are not public, so we cannot give precise figures. Our scenario analysis (below) is qualitative, but based on known freight flows. In general, increased road reliance tends to increase costs materially (estimated by ~20–50%) per trip relative to rail, especially for heavy containers.

Key Points: Allocating this site to a data centre tightens already low industrial land supply, raising prices and rents. Freight costs rise with every additional truck-mile required. This hit to productivity and competitiveness has been consistently highlighted by industry studies. The long-term economic effect is higher prices and slower logistics growth.

5. Resilience, Emissions and Decarbonisation

Strategic freight land decisions also affect climate and resilience. Rail is inherently more energy-efficient than road. The Climateworks/CEFC *Freight Decarbonisation* study[17] finds that road freight produces about *five times* the emissions of rail/shipping for a given freight volume. Shifting a container from rail to road can increase CO_2 by several tonnes. Removing Mamre Road warehousing would lock in significant extra truck movements, making NSW's freight network more carbon-intensive. This directly undermines NSW's climate commitments.

From a resilience perspective, a multi-modal network is preferable. Heavy reliance on trucks makes the supply chain vulnerable to disruptions (weather, accidents, roadworks). A rail-connected Mamre precinct would offer an alternative route for freight, reducing the risk that a single road incident halts flows. In emergencies (e.g. floods on the M4), having freight on rail can keep supply lines open.

The proposed data centre itself adds new energy demand and potential environmental impacts (diesel generator emissions, water use). While decarbonisation of data centres is a separate issue, there is no climate benefit in locating it on prime freight land. On balance, preserving Mamre Road for rail-connected logistics generates a positive climate return; the data centre does not.

[14] https://www.planning.nsw.gov.au/data-and-insights/employment-lands-development-monitor#-nsw-employment-lands-development-monitor-

[15] https://www.cbre.com.au/insights/reports/sydney-industrial-and-logistics-land-supply-2023#:~:text=%2A%20Only%204,committed%20development%20supply

[16] https://www.infrastructureaustralia.gov.au/publications/2023-infrastructure-market-capacity-report

[17] https://www.cefc.com.au/insights/market-reports/delivering-freight-decarbonisation-strategies-for-reducing-australia-s-transport-emissions/

Key Points: Using Mamre Road for its intended freight purpose would *reduce* emissions (via rail use) and increase network resilience. Approving the data centre will do the opposite: increase road dependence and CO_2 output. This conflicts with NSW's net-zero goals and risk-management strategies for critical infrastructure.

6. Policy Alignment and Precedent

This proposal is contrary to multiple levels of policy intent. Nationally, Australia's freight strategy and urban freight principles call for protecting strategic freight land and integrating land use with freight networks. At the state level, the scenario is clear. The Mamre Road precinct was identified as a state freight priority in planning documents. The NSW Freight Policy Reform report explicitly recommended prioritising the Western Sydney Freight Line and Mamre Road intermodal before 2030. Approving a heavy data centre on this site would directly counter those recommendations.

NSW's own policies require scrutiny. The State Environmental Planning Policy (Industry and Employment) 2021 mandates that Transport for NSW assess developments for their impact on the integrated freight network. In practice, this data centre would fail that test, as discussed above. The NSW Industrial Lands Action Plan — an official state strategy — envisages Mamre Road as a core freight precinct, protected from anything that would undermine freight flows. Granting consent here would send a message that these planning designations are not to be taken seriously, undermining confidence in long-term freight infrastructure planning.

Finally, allowing this use would set a negative precedent. If Mamre Road can be lost, other designated freight lands could be at risk of piecemeal conversion. This would erode the very supply-chain planning framework ALC and others have promoted for years. To maintain policy consistency, Mamre Road must remain dedicated to freight/logistics.

Key Points: This project breaches both NSW and national freight policies. It contradicts state planning controls (Mamre DCP, SEPP) and approved freight strategy (panel report) which all depend on Mamre Road's freight role. Approving it would undermine policy coherence and the rule of law in strategic planning.

7. Recommendations and Conditions

- **Refusal: ALC's clear recommendation is that the Department refuse this application**. The case for refusal is grounded in the land's intended strategic use and the irreversible damage to freight objectives.
- **If Approval is Considered:** In the unfortunate event approval is granted, it must come with very strict conditions to safeguard freight outcomes:
    - **Freight Corridor Protection:** Maintain the full 10 m freight corridor on the site's eastern edge (as required by the DCP) and ensure no buildings or roads encroach on it.
    - **Dedicated Access:** Guarantee direct rail siding or intermodal access is not precluded (e.g. through covenants or design requirements).
    - **Use Covenants:** Impose covenants that allow temporary use of parts of the site for warehousing or require future transition to logistics use if needed.
    - **Staged Approval:** Consider allowing only the minimum staging of the data centre (or none on the critical parcels) until the intermodal terminal and freight corridor infrastructure are constructed.