

[REDACTED]

From: system@acelo.com on behalf of Adam Byrnes [REDACTED]
Sent: Friday, 2 November 2018 3:52 PM
To: [REDACTED]
Subject: Submission Details for company Think Planners (org_comments)
Attachments: 292148_18 November_ LOW RES_ Waterhouse + GPT Submission_ WSA LUIIP.pdf

Follow Up Flag: Follow up
Flag Status: Completed

Confidentiality Requested: no

Submitted by a Planner: no

Disclosable Political Donation:

Agreed to false or misleading information statements: yes

Name: Adam Byrnes
Organisation: Think Planners (Director)
Govt. Agency: No
Email: [REDACTED]

Address:
[REDACTED]
[REDACTED]
[REDACTED]

Content:
Please find attached a submission made on behalf of the Waterhouse Group and GPT Group.

IP Address: - 115.70.209.9
Submission: Online Submission from company Think Planners (org_comments)
https://majorprojects.acelo.com/?action=view_activity&id=292148

Submission for Job: #9552
https://majorprojects.acelo.com/?action=view_job&id=9552

Site: #0
https://majorprojects.acelo.com/?action=view_site&id=0



PLANNING SUBMISSION: WATERHOUSE LAND

NOVEMBER 2018



QUALITY ASSURANCE	
Project:	Submission: Draft Western Sydney Aerotropolis LUIP – Stage 1
Author:	Think Planners Pty Ltd

Date	Purpose of Issue	Rev	Reviewed	Authorised
October 2018	Draft Issue	Draft	LK/SF	AB
November 2018	Submission	Final	AB	AB

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PRELIMINARY

This submission is prepared by Think Planners Pty Ltd on behalf of The Waterhouse Group and the GPT Group, in response to the August 2018 publication of the Draft Western Sydney Aerotropolis Land Use and Infrastructure Implementation Plan (WSA LUIIP), by the Department of Planning and Environment.

The Waterhouse Group owns 233 hectares of land that directly borders the future Western Sydney Airport (WSA). The land is one of the largest holdings in the Precinct and has the potential to be a catalyst for desirable development, noting that it is strategically located adjacent to the cargo loading, logistics and commercial entry of the Western Sydney Airport. The land is also ideally located proximate to the redirected 6 lane The Northern Road and the North-South Rail link. The future Outer Sydney Orbital and freight line are planned to run through the Waterhouse Land.

The subject land is partially within the Agriculture and Agribusiness Precinct of the first stage of the Western Sydney Aerotropolis Structure Plan.

The Waterhouse Group are partnered with The GPT Group (GPT), who share a vision and intention to deliver a Fresh Food Precinct (FFP) within the Agriculture and Agribusiness Precinct.

The draft WSA LUIIP is welcomed, as it provides opportunity, vision and guidance to landowners and the investment community in relation to the structure and roll out of the WSA. The draft is a positive step forward in the evolution of an overall concept and related planning controls. The Waterhouse Group and GPT seek positive collaborative engagement with the Department of Planning and Environment, as the draft is refined and published.

Notwithstanding the positive contribution of the draft LUIIP, there are a number of matters that are raised in this submission that will improve the draft and give rise to consolidated landowner support, private investment focus and commitment, and be a creator for economic value to the NSW Government and economy.

The Waterhouse Group and GPT Group submit –

- The Waterhouse Group and the GPT Group are positioned to deliver on the vision for the Precinct, in a timely manner that ideally coincides with the opening of the WSA.
- The WSA LUIIP will be improved by the inclusion of the Agriculture and Agribusiness Precinct into Stage 1.
- The boundary of the Agriculture and Agribusiness Precinct should be amended so as to improve the economic viability and functional delivery of the Precinct.

- The WSA LUIIP will be improved by a clearer designation of activities and land uses within each Precinct and remove any commercial or land use conflict between the Northern Gateway Precinct and the Agriculture and Agribusiness Precinct.
- The opportunity exists to provide a clearer vision in the WSA LUIIP for the Agriculture and Agribusiness Precinct that will motivate and inform investment at an early stage to time with the opening of the WSA.
- The WSA LUIIP should capitalise on large landowner willingness and also the large amalgamated land parcels to improve the sequencing of development of the Aerotropolis, by providing policy direction that will lead to the early delivery of the Agriculture and Agribusiness Precinct.
- The Agri-Port is a key element to the Aerotropolis' economic success, its sequencing should be prioritised and incorporated into Stage 1 of the Structure Plan.
- The WSA LUIIP can be improved by clarifying that land immediately adjacent the cargo loading, logistics and commercial entry to the Airport is strategically connected, and there is a need to ensure there are no impediments within the plan, including unmeritorious conservation areas, to the delivery of a Fresh Food Precinct that is connected to the WSA. Thereby ensuring the NSW economy and the new Airports' ability to capitalise on the agriculture and agribusiness lands.
- The location of the proposed 'Environment and Conservation Area' contrasts significantly with the proposed airport 'Agribusiness Precinct'. While some localised protection of vegetation within the Precinct is appropriate, a balance must be sought between environmental conservation and agribusiness in the Precinct. As most of the land in the study area has been historically cleared and degraded through agricultural land uses, it is recommended that the majority of the land in this area is retained for this strategic agribusiness purpose, consistent with the Precincts purpose. Given the impacts of an Airports operations, the creation of a 'conservation zone' in the Precinct will not contribute to suitable environmental restoration or biodiversity conservation gain, but rather, lead to misguided denuding of usable land. If and where needed there is the possibility of targeted conservation actions to restore and enhance native vegetation, threatened species habitat and overall habitat connectivity in locations of the Cumberland Plain that are not proposed to be developed in the future and not spatially unconstrained by the direct and indirect impacts of a major Aerotropolis.

THE WATERHOUSE LAND – 233 HECTARES

LAND HOLDING

The Waterhouse Land of 233 Ha land comprise:

- Lot 26 DP 259698 (435 Willowdene Avenue, Luddenham)
- Lot 181 DP 560518 (527 Greendale Road, Greendale)
- Lot 19 DP 528902 (711 Greendale Road, Greendale)

LOCATION

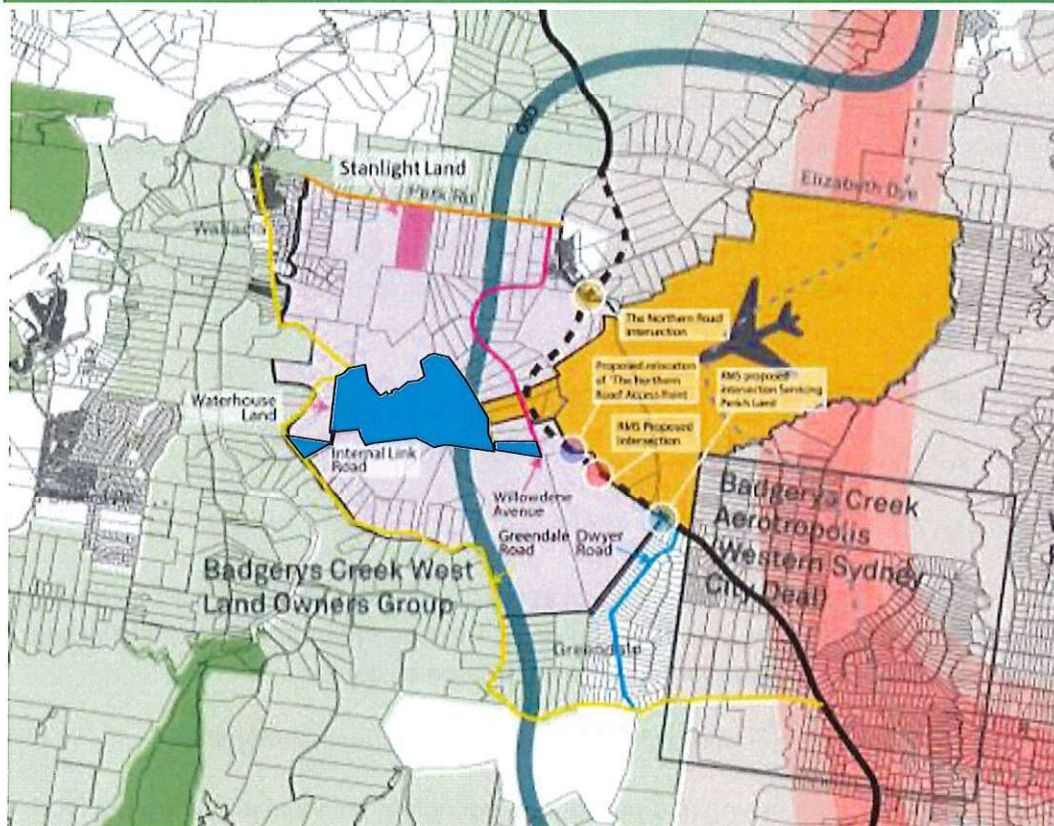
The Waterhouse Land holding is located immediately adjacent and shares the boundary of the Western Sydney Airport. It comprises a large allotment within a semi-rural area as shown below. Figure 1 identifies the Waterhouse Land. Figure 2 identifies the Waterhouse Land adjoining the WSA.

Figure 1: Aerial Map Extract of the subject land parcels (Source: Six Maps 2018)



- | | |
|---|----------------------------------|
|  | 435 Willowdene Avenue, Luddenham |
|  | 527 Greendale Road, Greendale |
|  | 711 Greendale Road, Greendale |

Figure 2: Aerial Map Extract of the subject land parcels (Source: Six Maps 2018)



 Waterhouse Land

OTHER LAND OWNERS

The Waterhouse Group is also a member of the Western Sydney Airport Agribusiness Landowner Group (WSAA LoG). The WSAA LoG are coordinated around a vision for the Agriculture and Agribusiness Precinct, as discussed further in this submission. The consolidated WSAA LoG covers land holdings of over 1000Ha.

THE PRECINCT VISION

In partnership with The GPT Group (GPT), the Waterhouse Group's vision is to deliver a Fresh Food Precinct (FFP) within the proposed Agri-Business and Ag-Tech precinct for New South Wales.

The Waterhouse and GPT Groups have the ambition, the capability, the alignment of landowners, and the landholding to be the catalyst for, and instrumental in, the delivery of the Fresh Food Precinct.

The Fresh Food Precinct vision comprises –

- A 1000Ha Agri-Precinct.
- An Agri-Port.
- Direct connection of the Precinct to the Freight and Distribution Precinct of the WSA, to allow for automated and secure movement and delivery of produce via underground and/or at grade automated systems.
- High value food production, using high tech production methods.
- Best food processing and packaging technology for local and imported food.
- State of the art food authentication and proof of origin technology.
- Bio-security and Quarantine facilities to ensure that the FFP will comply with the necessary Australian Quarantine regulations and the regulations of key export market destinations, so that food processed in the FFP is immediately cleared for export, avoiding double handling of produce and increasing efficiency and export speeds.
- Complementary businesses and industry, education institutions with R&D associated with food and agriculture.
- Receive inbound produce from other nations in the region (eg Vanilla from Tonga) for processing, packaging and use locally or exported.

We concur with Matt Brand, CEO of the NSW Farmers Association in the report Growing NSW's Food Economy – Linking Western Sydney and the Central West, which stated *"Ambition is required to transform New South Wales' food and agriculture sectors into world beating industries that can be the engines for economic growth for state and country"*.

The Waterhouse Land is perfectly suited to be the location, and catalyst, for development of the Fresh Food Precinct. The Waterhouse Land can be the core

location for the FFP in the Agribusiness Precinct of Western Sydney, to integrate high-value food production and manufacturing with the best in food processing technology to be able to deliver the premium produce and fresh food of NSW to domestic and global markets via the WSA agri-port.

GPT intend to provide the facilities required for future users of the FFP in the Agribusiness Precinct of the Waterhouse Land.

The FFP will be an integral part of the food supply chain, receiving and shipping high-quality fresh produce from the regions surrounding Sydney and ultimately to WSA for processing, and supplying the food on the plates of international consumers within 36-72 hours. This will guarantee premium prices for our producers, value add to our exports and sustainable jobs for Western Sydney.

An Agribusiness area with an FFP – located with immediate proximity of the WSA agri-port would be capable of delivering fresh produce and pre-prepared food (with significant export value-add) anywhere in the world. This needs to be within 36 hours from production to consumption if it is to service the premium food markets and appeal to consumers who are willing to pay for the value of these high-quality and safe food products.

The absence of restrictions to the number of airlines able to utilise WSA, means there will be a wide variety of international carriers – most of which will be looking to fill 100 tonnes or more of capacity in each plane's cargo hold with valuable airfreight. Fresh food is ideally suited to airfreight as it is perishable and the greatest value for food and produce is achieved by delivering it as quickly as possible after harvest or production. With a finite shelf-life usually measured in just days, being able to save one, two or more days of transport, processing and streamlined clearance not only improves the quality and premium value but the shelf-life at the end destination.

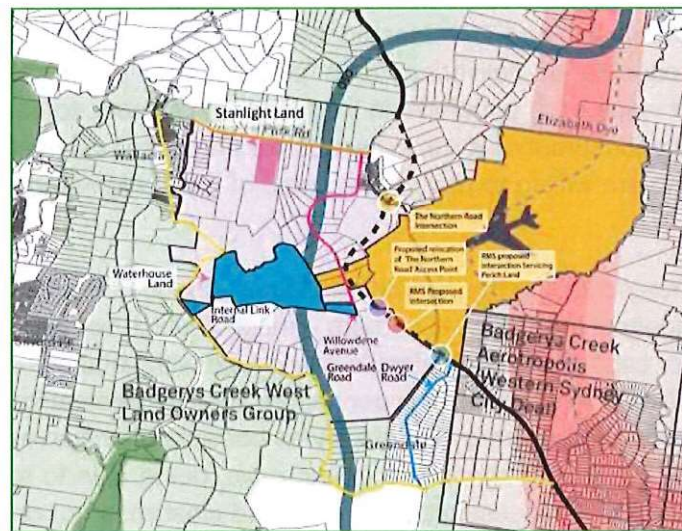
The Waterhouse Group and the GPT Group are in discussions with Ali Baba in regard to their Hema Fresh operations in China; which specialises in sourcing high-quality food from preferred food production countries such as Australia. Hema Fresh distributes groceries and pre-prepared food throughout China and are on track to have 2000 Hema Fresh outlets in China by 2020.

The Waterhouse Land is large and perfectly located to be instrumental in the delivery of the Fresh Food Precinct.

WATERHOUSE LAND – WELL LOCATED AND READY FOR DELIVERY

LOCATION

The 233 Hectares of land owned by The Waterhouse Group is strategically proximate to the Logistics and Freight Precinct, and commercial entry of the WSA. The land enjoys proximity to the re-aligned The Northern Road, committed North-South Rail Link and will be ultimately crossed by the proposed Outer Sydney Orbital and freight line. The close strategic relationship of the Waterhouse Land to the WSA freight and logistics area, is illustrated in the two extracts below. The Waterhouse Land is identified on relevant maps below.



The Waterhouse Land with an FFP directly bordering the airside commercial / cargo entry of WSA, is the ideal location for the agri-port and to maximise the value of NSW's produce by having the closest and seamless connection to cargo loading. Production systems, logistics, processing, packaging and delivery to point of consumption needs to be fast, individualised and precise to minimise waste, optimise the consumer experience and drive profitable food production systems. If the produce processing, certification and production of food ready for export is not performed in a location directly connected to the western end of the airport, it would need to be repacked and loaded onto trucks to reach the cargo area of the airport. This inefficiency not only increases logistics, costs and the valuable time it takes to export, it also increases the risk of damage by adding multiple additional touch points and reduces retail shelf-life, quality and the value of produce. It would be allowing in built inefficiency.

Any fresh food processing will need to comply with the necessary regulations of key export market destinations so that food processed in the FFP can be quickly cleared for export via air freight with digital certification and the essential 'proof of origin' required for Asia. The Waterhouse Land could contain or work closely with a single point for biosecurity and quarantine processing to ensure quality standards, help maintain 'Brand Australia' and assist in enhancing smooth export protocols with key markets.

EXPANDED BOUNDARIES

It is recommended that the elevation of the Agriculture and Agribusiness Precinct to Stage 1 of the WSA LUIIP also include a strategic expansion of the Precinct to include land west of the Outer Sydney Orbital. As discussed previously the Fresh Food Precinct necessitates some 1000 hectares in area. The Agriculture and Agribusiness Precinct will accommodate Sydney Markets; land that is subject to constraints (local creek, isolated vegetation, etc); land that is already committed to other rural pursuits (eg Perich Dairy Farm); and includes land that is highly fragmented into small land parcels to the south and north of the Waterhouse Land; it is therefore necessary that the Precinct be expanded in area and shaped to be the most efficient to service cargo into the airport.

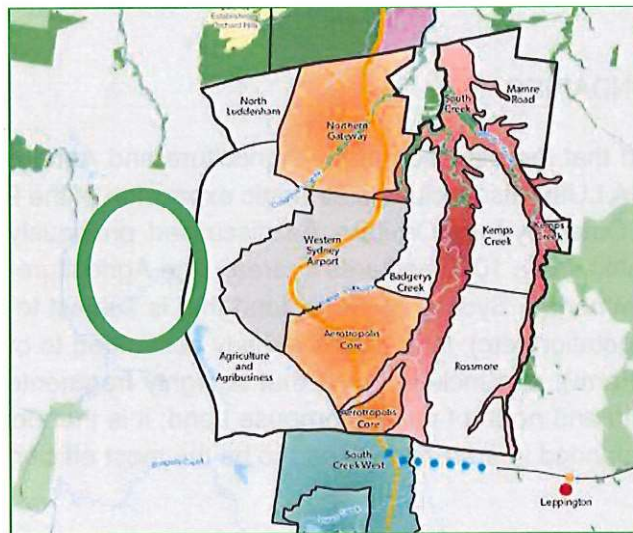
The LUIIP currently only covers a portion of the Waterhouse Land.

An expansion to the western side of the Outer Sydney Orbital will enable the inclusion of the entire Waterhouse Land parcel into the Precinct, thereby giving greater certainty to the delivery of the vision for the land due to the consolidated land holding and partnership aspirations. Importantly, a western expansion in the vicinity and over the Waterhouse Land will remain proximate to the WSA freight and logistics precinct. The proposed Outer Sydney Orbital should not form the boundary to the Precinct, but rather, when committed to, would become a road and rail spine that will facilitate movement within, through and to the Precinct.

To not elevate this Precinct to Stage 1 or expand the boundaries of the Precinct so that it can accommodate the full range of uses within the Agriculture and Agribusiness Precinct will be a lost opportunity and likely result in the Precinct not realising its potential and nor being functional by the opening of the WSA.

Expanding the boundary of the Agriculture and Agribusiness Precinct as broadly indicated in the image below will –

- Allow for the delivery of a 1000Ha Fresh Food Precinct;
- Future proofing the Precinct for years to come by ensuring there is adequate land committed to the purpose;
- Be located under and adjacent the flight path where non residential uses are most appropriate;
- Allow the Precinct to leverage off the infrastructure investment; and
- Be connected to the WSA Freight and Logistics Precinct.



Taking into account the Waterhouse Lands location and size, and given the motivated partnership with GPT, there is the potential for the early delivery of the core elements of the Fresh Food Precinct, that will serve as a catalyst for the remaining land within the Precinct.

The Waterhouse Group is in partnership with The GPT Group, with a shared vision to deliver a Fresh Food Precinct and possible relocated Sydney Markets.

The Waterhouse family has owned these significant land holdings for over five decades and is a strong supporter of Western Sydney and the opportunities through the development of Western Sydney Airport.

The Waterhouse Group 233Ha land holding is a strategic land parcel that directly adjoins the boundary of the WSA and is the opportunity to be the catalyst for the creation of the Fresh Food Precinct and Agri-Tech Precinct, free of any constraint of highly fragmented land.

AGRICULTURE AND AGRIBUSINESS PRECINCT – BELONGS IN STAGE 1

THREE PRECINCTS AND INFRASTRUCTURE

The draft plan identifies nine precincts, but the planning and delivery begins with three precincts only.

The Plan explains that the selection of the first three precincts is based on “*capitalising on infrastructure investment to achieve agreed land use and infrastructure outcomes and recognises South Creek and its catchment as the Western Parkland City’s green spine*”.

It is noteworthy that the Agriculture and Agribusiness Precinct benefits directly from –

- The upgrade to the 6 lane The Northern Road (which is a committed infrastructure project, funded by the Western Sydney City Deal) that improves north-south connections;
- The Outer Sydney Orbital, a major north-south transport corridor with dedicated freight rail infrastructure that provides a regional connection between Port Kembla, the Port of Newcastle and WSA;
- Elizabeth Drive key east west link that connects with the northern end of the Agriculture and Agribusiness Precinct; and
- Upgrades to Bringelly Road (committed) providing an east west link that connects with the southern end of the Agriculture and Agribusiness Precinct.
- The North South Rail Link infrastructure investment.
- The committed M12 project.

Contrary to the suggestion in the LUIIP, the Agriculture and Agribusiness Precinct is not at the western or outer edge of the Structure Plan area, it is strategically immediately adjacent the Airport and directly connected to key infrastructure.

The WSA LUIIP can be strengthened by elevating the Agriculture and Agribusiness Precinct to Stage 1. Noting that applying the test of infrastructure, the Precinct is a significant early beneficiary of critical infrastructure.

The inclusion of the Agriculture and Agribusiness Precinct in Stage 1 of the WSA LUIIP is sought. As well, this submission articulates that the promotion of the Precinct from Stage 2 to Stage 1 of the WSA LUIIP is not only on the basis of Infrastructure investment, but for far more critical and economically significant factors, such as timing

the delivery to support the new airport right from its opening date in 2026, discussed further below.

Not only does the Precinct benefit from the infrastructure commitment, the Waterhouse Land would be further enhanced in the future, by any commitment to the Outer Sydney Orbital (OSO) and the OSO Freight Line passing through it. However, the Precinct is not reliant upon the OSO to deliver direct freight rail connection for the FFP to WSA and the agri-port.

The Agriculture and Agribusiness Precinct will benefit from and capitalise on existing Infrastructure Investment that directly enhances the Precinct.

The appropriate recognition of the Precinct in Stage 1 will not only recognise that it benefits from Infrastructure Investment but significantly, will give investment confidence and will be the catalyst for immediate economic investment, that will ensure the delivery of the Agri-Port and related Agr-business facilities.

ECONOMIC IMPERATIVES FOR THE PROMOTION OF THE AGRICULTURE AND AGRIBUSINESS PRECINCT TO STAGE 1

THE WSA LUIIP VISION

The Agriculture and Agribusiness Precinct is far more than a place for the *“existing agricultural uses within the Aerotropolis to be transitioned further west as the Aerotropolis and Airport are constructed.”* (LUIIP)

The WSA LUIPP rightly identifies that the precinct will allow for *“agriculture to transition to more intensive forms and with activities structured to take advantage of the Airport. A new agri-port and agri-business activities will catalyse this agricultural transition.”*

However, the WSA LUIIP needs to capitalise on the vision, landowner willingness and investment commitment that currently exists and better elevate the precinct delivery for the benefit it will bring immediately to the viability of the WSA and the NSW economy. That vision includes the processing, packaging and transportation of produce within the Precinct for NSW and export.

AN IMPROVED VISION, WITH ECONOMIC BITE

KPMG and NSW Farmers have been instrumental in formulating a strategic vision for the Precinct which has been largely incorporated into the Precinct, that brings together multiple stakeholders to reimagine this Precinct (*“Think Big, Think Fresh November 2017”*).

This vision includes, but is not limited to –

- A connected intensive food manufacturing and consolidation zone where businesses are clustered around shared infrastructure and a unique value proposition.
- This vision is for a borderless food precinct adjacent Western Sydney Airport, that may well be co-located with the repositioned Sydney Markets.
- That vision includes highly automated and technologically enabled facility; land within the Precinct that has International Quarantine Services and Clearance; cool storage and autonomous sorting to connect with distribution logistics; and e-auction facilities to allow produce and goods at market to be acquired and shipped same day.
- The Precinct will be a catalyst to further innovation in the agriculture and produce space. For example, customs bonded export food clearance facilities for direct shipment into key international markets would mean the facility would have multiple tenancy options and provide Sydney Markets operators with the

option to accelerate their businesses with technology as well as access additional customer options such as onsite ready meal production and to the surrounding industry of Western Sydney Airport businesses.

FRESH FOOD PRECINCT

The opportunity is for the creation of a seamless and world-leading Fresh Food Precinct immediately adjacent the WSA. The Fresh Food Precinct incorporates high value food production and the best in food processing and technology, located adjacent the WSA for seamless access to local and international markets.

Australia and NSW have a very good reputation in Asia (and particularly China) for high quality and pure food. The precinct will capitalise on this enormous export demand potential from Asia.

Analysis conducted by KPMG and NSW Farmers confirms that the supply of high quality Australian fresh food has a growing demand to local and international consumers, and there is an exciting future for this sector. The Fresh Food Precinct requires an area of some 1000 hectares of land, in close proximity to the WSA. The Fresh Food Precinct has the potential to create 12,000 jobs.

The economic opportunities resulting from the increasing global demand for food, and the potential for Australia to deliver fresh produce and pre-prepared food anywhere in the world within 36 hours from production to consumption is monumental.

The time to commence planning and private investment for this Precinct is now. The WSA LUIP's relegation of the Agriculture and Agribusiness Precinct to an uncertain timing for Stage 2. And the lack of a committed vision for the Precinct, only serves to delay planning and private sector investment. The WSA LUIP should be the catalyst for this Precinct. Its failure to include the Precinct in Stage 1 is a lost opportunity, that should not be allowed to happen.

"Ambition is required to transform New South Wales' food and agriculture sectors into world beating industries that can be the engines for economic and jobs growth for state and country."

Matt Brand, CEO NSW Farmers Association

SYDNEY MARKETS

As is widely known, Sydney Markets, currently located in Flemington, is canvassing relocation options. In 2016, Chief Executive Bradley Latham confirmed that a study would be commissioned to evaluate the future of the business, including its location.

The relocation of Sydney Markets to the Agriculture and Agribusiness Precinct is a logical fit. Mr Latham is quoted in the Sydney Morning Herald in April 2016 as stating – *“I think conceptually if you look at Badgery’s it’s going to have really good infrastructure there, good roadways and railway lines. It makes sense, but there could be other areas just as good.”*

The Sydney Markets will also require fully integrated processing, distribution and biosecurity facilities; which are to be delivered in the Precinct.

The future expansion requirements of Sydney Markets, and the evolution of agriculture production, processing, distribution and international freighting, confirms the inevitability of the relocation of Sydney Markets. The best fit is within the Agriculture and Agribusiness Precinct.

ECONOMIC INJECTION

The development of a food economy will assist in addressing the region’s 200,000 job deficit. The food economy will be a significant driver of sustainable jobs growth within the region with a favourable containment ratio – drawing on workers within the area. As an example, the development of an FFP alone could create in excess 12,000 sustainable jobs in Western Sydney (The KPMG and NSW Farmers Association Report *Think Big, Think Fresh – a fresh food precinct at the heart of Western Sydney NSWFA-KPMG 2017*). Food manufacturing is already at the centre of Western Sydney’s economy. The Australian Food and Grocery Council maintains that food processing and manufacturing in the five largest Western Sydney local government areas (Blacktown, Fairfield, Liverpool, Penrith and Campbelltown) accounts for approximately 20,000 jobs within the LGAs. The development of a true agri-business precinct with an FFP at its core would further increase the economic and employment contribution of the food manufacturing sector in the region. Liverpool Council are supportive and desirous of an FFP in an Agribusiness precinct in the area directly west of WSA.

NSWFA-KPMG 2017 forecasts that an integrated and world leading FFP within an Agribusiness precinct in close proximity to WSA has the potential to create 12,000 jobs and provide local residents access to fresh fruit, vegetables and meat products sourced from within NSW and the airport precinct and with fresh and processed food exported to the world through an agri-port export connection within WSA.

The Agriculture and Agri-business Precinct will create approximately 12,000 sustainable local jobs with a high job containment ratio.

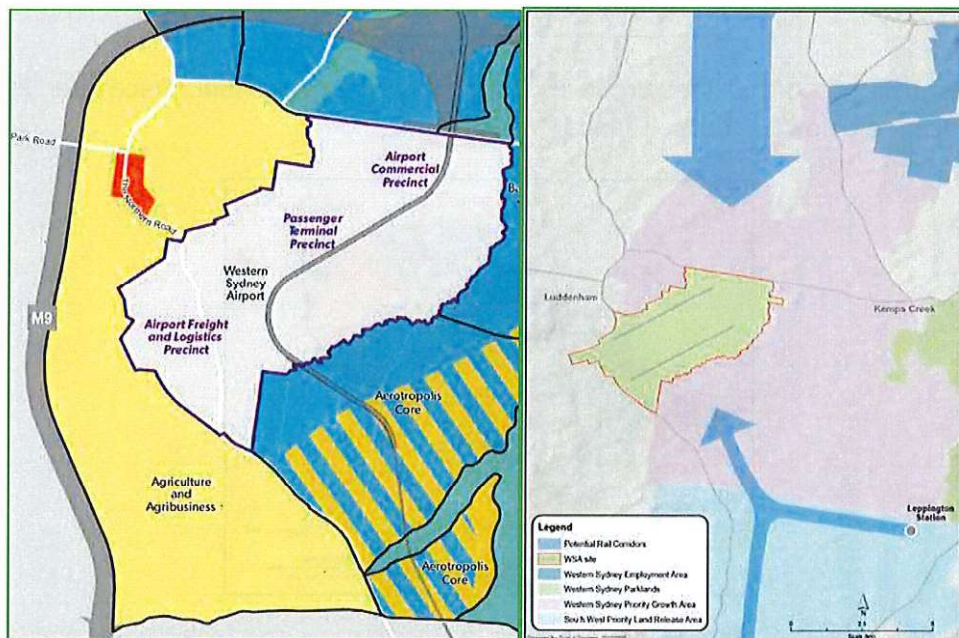
The Precinct will generate investment and open up significant opportunities to exploit lucrative international markets for provenance based premium and fresh food experts that rely on ‘just-in-time’ supply chains.

WHERE TO LOCATE THE AGRI-PORT?

A FRESH FOOD PRECINCT AND THE SYDNEY MARKETS NEED A WELL LOCATED AGRI-PORT

The WSA LUIIP promotes the Agriculture and Agribusiness Precincts proximity to the airport and notes that the precinct will “benefit from easy access to the Airport to move fresh produce to direct flights to international markets.” Unfortunately, the WSA LUIIP appears to actively work against this aspiration. The LUIIP disrupts this intent by divorcing the Precinct from the Airport Freight and Logistics Precinct through a proposed conservation zone.

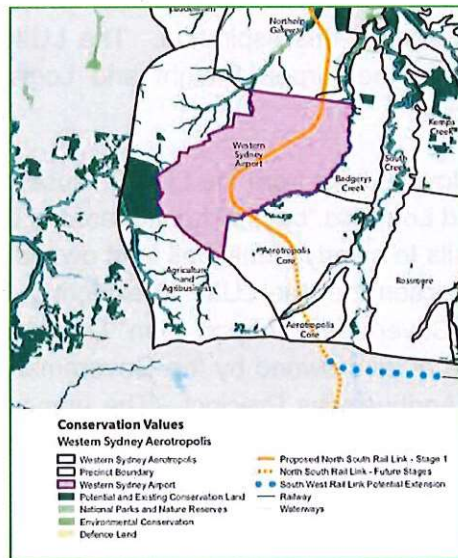
The image on the left below, extract from the LUIPP, illustrates the adjacency of the Precinct to the Freight and Logistics “back of house” area of the airport. However, the image is simplistic and fails to clearly identify all land owned by the Government, nor the impediments to connection that the LUIIP is exploring. The image on the right, extract from the Federal Government “Airport Plan” December 2016, also illustrates that there is around 50Ha of land owned by the Government that extends westward into the Agriculture and Agribusiness Precinct. The unmapped land owned by the Government is the logical connection point between the Agriculture and Agribusiness Precinct and the Freight and Logistics Precinct of the Airport.



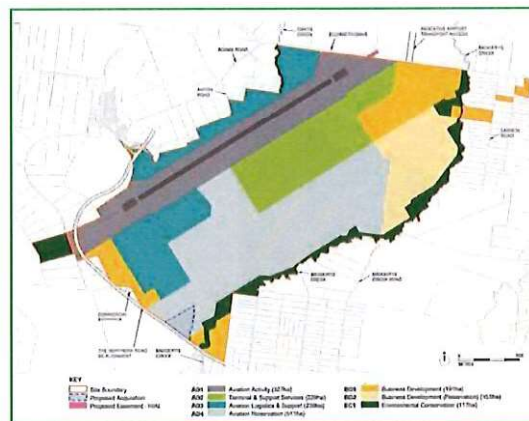
Part 4 of the WSA LUIIP includes a discussion on Policy Drivers, including Environmental Conservation. The LUIIP states that a Cumberland Plain Conservation Plan will be developed that will support an application for biodiversity certification of the Aerotropolis. This will include a range of conservation measures to protect land

and implementation of development controls. These actions are intended to run concurrently with the Precinct Planning.

The WSA LUIIP includes a “Conservation Values” map that indicates the connection point from the Agriculture and Agribusiness Precinct to the Freight and Logistics Precinct of the WSA may be potentially disconnected and fragmented due to “Potential and Existing Conservation Land” (see extract below).



Finally, it is noted that the Airport Plan (Australian Government. December 2016) provides the below Land Use Plan for the Airport.



Having regard to the above extracts from various documents, it is apparent that there is a need to confirm for the way in which the Agriculture and Agribusiness Precinct will seamlessly connect with the Freight and Logistics areas of the WSA. It is apparent that the LUIIP indicates that the land adjacent the Freight and Logistics Precinct of the WSA is detached and separated by potential environmental land.

Further in this submission, discussion and recommendations are made in relation to the lack of merit of the conservation area, based on an analysis of the existing vegetation and the impacts arising from the operation of an airport.

There is an urgent need to address and reassess the proposed conservation area in the LUIP now.

The coordination and connection of the Agriculture and Agri-business Precinct with the logistics and freight areas of the Airport is of fundamental importance and has far reaching economic implications.

The connection of the Agriculture and Agribusiness Precinct with the Logistics and Freight Precinct of the Airport is not well articulated in the draft WSA LUIP.

The WSA LUIP cannot proceed with confidence until connection is resolved and the Precincts intent for an Agri-Port is capable of being achieved.

The Agriculture and Agri-business Precinct should be elevated to Stage 1 in the LUIP and precinct planning must ensure that the Precinct is connected to where it needs to be at the WSA – freight and logistic areas.

If a proposed conservation area is unmeritoriously imposed, it will effectively denude the Precinct of its core and of its direct connection to the WSA.

CLARITY OF PRECINCT ROLES

THE ROLE OF THE NORTHERN PRECINCT

The WSA LUIIP provides a welcomed vision for the various precincts that will make up the Aerotropolis. In addition to identifying Precinct boundaries, the draft LUIIP has sought to identify roles for each Precinct, that not only informs landowners, but ensures that there is a well-balanced, coordinated delivery of land uses across the region.

The WSA LUIIP identifies the Northern Gateway Precinct within Stage 1. The study states that the:

“North-South Rail Link creates the possibility for a high technology centre, focused on tourism, health, education, research and development associated with food production and processing.”

“The Precinct could also accommodate export related activities adjacent to the Airport to facilitate trade, such as cold storage, food processing and packaging, and agricultural warehousing and logistics.”

It is recommended that the LUIIP be improved through more explanation of the roles identified for the Northern Gateway Precinct and the Agriculture and Agri-business Precinct, to ensure that there is a clear vision.

The Agriculture and Agribusiness Precinct is far more than traditional agriculture production. It is an opportunity to develop a sophisticated, world leading Fresh Food Precinct that incorporates high tech farming and processing systems; packaging of goods for air freight delivery globally within 36 hours of ordering; high tech packaging; quarantine and biosecurity systems and procedures, agricultural logistics with direct and immediate connection to the Logistics and Freight areas of WSA. Activities such as R&D of food production and processing is also appropriate within the Agriculture and Agribusiness Precinct.

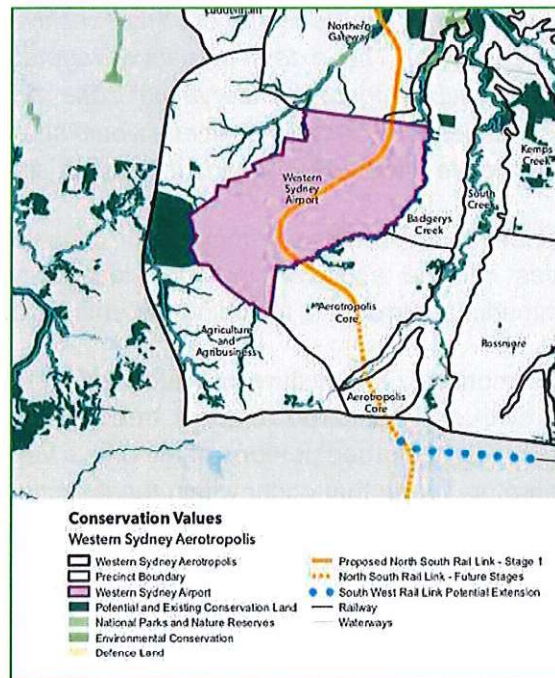
The promotion of the Agriculture and Agribusiness Precinct to Stage 1 will allow for the refinement of the specific roles for the precincts and ensure that there is no cross over that would impact on the viability, function or purpose of any precinct. Prior to finalisation of the draft LUIIP it is considered necessary that the plan be enhanced by a clearer discussion on the role of each Precinct, along with a stronger identification of the land uses and intended branding and purpose of each Precinct.

The promotion of the Agriculture and Agribusiness Precinct to Stage 1 will allow for the refinement of the specific roles for the precincts and ensure that there is no cross over that would impact on the viability, function or purpose of any precinct.

ENVIRONMENTAL INVESTIGATIONS

Narla Environmental (Narla) have been commissioned by The Waterhouse Group and the GPT Group to analyse and report on the identification of land within the Agriculture and Agri-business Precinct as "Potential and Existing Conservation Land" (Conservation Land).

The Narla investigation is focused on the large area of land shaded green on the Conservation Values map within the WSA LUIIP and that cuts the precinct into two. The land is approximately 200Ha in area. The Narla Environmental Investigation Report will be submitted to the Department of Planning and Environment next week.



OVERVIEW

As is typical of the majority of low density and rural areas in the greater Sydney region that contain remnant native vegetation, there is a multitude of biodiversity threatening processes. This is also the case within the study area and the Agriculture and Agri-business Precinct.

It is clear from research and information available in the Narla literature review, that the proposed Aerotropolis will introduce or enhance key threatening processes along with other direct and indirect impacts which will significantly reduce biodiversity values also across the study area and surrounds.

In relation to the proposed 'environmental conservation zone' that encompasses the Study Area, The Biodiversity Offset Package for the proposed Aerotropolis (GHD 2015c) states:

"The specific measures are proposed to manage weeds at the airport site, to mitigate biosecurity risks and to reduce the risk of off-site impacts. The land use plan for the airport site includes around 122 hectares of land that is zoned 'EC 1 Environmental conservation' and that would be managed for biodiversity conservation (see Figure 1). The proposed environmental conservation zone would provide a buffer between the proposed airport and adjoining areas of native vegetation along its eastern, southern and western boundaries, including the riparian corridors of Badgerys Creek, Oaky Creek and Duncans Creek. There is no Cumberland Plain Woodland or other sensitive environments to the north of the airport site. The extent of native vegetation cover would be increased in the environmental conservation zone and weeds would be managed. This reduces the chance that weeds would spread or that other edge effects would penetrate into habitat outside the airport site."

It is questionable whether adequate environmental conservation / biodiversity conservation objectives can be achieved in lands located within the proposed Aerotropolis and its immediate surrounds, including the entirety of the Study Area.

Currently the land is comprised of a mixture of historically cleared land and native woody vegetation regrowth and scattered remnant trees, shrubs and groundcover. While the condition of the less disturbed portions of the native vegetation patches, and the threatened and migratory fauna that occur within these limited areas are currently moderate to good throughout the study area, these values will be further undermined and permanently reduced during development and operation of the proposed Aerotropolis.

Furthermore, the conservation benefits of any proposed revegetation of the historically cleared and disturbed areas of the proposed 'Environmental Conservation Zone' will be overshadowed by the intensive, on-going impacts of the Aerotropolis development and operations. The benefits to long-term biodiversity of zoning this impacted area as 'environmental conservation' will be futile, particularly for disturbance sensitive vertebrate fauna such as woodland birds, microbats and koala.

AIRPORT IMPACTS

Narla's research confirms that the proposed Aerotropolis will incur a more extensive, lasting suite of impacts upon the biodiversity (native vegetation and fauna) within the Study Area including the proposed 'environmental conservation area' than described by GHD (2015c). Considering the extent and permanency of these impacts cause by the Aerotropolis on this land and the remainder of the Study Area, it is recommended that alternative use is sought for this land.

The loss of sensitive fauna and flora from the landscape caused by the extensive increased noise, vibration, light, weed infestation, disease and pest proliferation along with physical disturbance to the habitat in the proposed 'environmental conservation zone' associated with the Aerotropolis and its ongoing operations will contribute to the degradation of the local occurrence of the two BC Act and one EPBC Act listed Endangered Ecological Communities such that they will be significantly impacted beyond repair:

- Cumberland Plain Woodland in the Sydney Basin Bioregion
- River-Flat Eucalypt Forest on Coastal Floodplains of the NSW North Coast, Sydney Basin and South East Corner bioregions

While Narla does not object to revegetation and weed management efforts being undertaken within parts of the Study Area, a balance can be achieved between environmental conservation and urban land use in areas such as this which are proposed to be significantly impacted by significant infrastructure development and future land use. To assume that lands located so close to a major regional airport can be improved or even enhanced to levels above their current standard, through a proposed rezoning, is unrealistic and ill-conceived.

PUTTING RESOURCES INTO MEANINGFUL OUTCOMES

Any resources proposed to be allocated for 'increasing native vegetation and managing weeds' in the so-called 'environmental conservation zone' (as discussed by GHD 2015c) located within the Study Area are likely to be a wasted on such compromised land. Such resources and would be better spent on protecting and restoring, larger areas of native vegetation including Cumberland Plain Woodland and Riverflat Forest elsewhere in the Cumberland Plain, where such resourcing can contribute to long-term benefits of revegetation, habitat connectivity enhancement, fauna habitat restoration, weed control and on-going maintenance and improvement of such areas.

RECOMMENDATION

In the interest of biodiversity conservation, Narla Environmental confirm that as the Aerotropolis is committed, and there will inevitably be environmental impacts on the Study Area, then appropriate offsets may be sought to offset the permanent loss of all threatened and migratory values confirmed, present or considered to have potential to occur within the Aerotropolis and equally important, the entirety of the Study Area.

This is the only realistic solution to achieve any form of biodiversity gain in light of the proposed impacts associated with the Aerotropolis.

Localised protection of vegetation within the Study Area should be maintained, however, a balance should be sought between environmental conservation and

agribusiness in the Study Area. Since most of the land in the study area has been historically cleared and degraded through agricultural land uses, Narla recommends that the majority of the land in this area is retained for agricultural related purpose, and no Conservation Land be identified.

ENVIRONMENTAL CONCLUSION

The zoning any of the 'Study Area' as 'conservation land' will not contribute to suitable environmental restoration or biodiversity conservation gain, but rather, lead to misguided use of land. The Government should undertake targeted conservation actions to restore and enhance native vegetation, threatened species habitat and overall habitat connectivity in locations of the Cumberland Plain that are not proposed to be developed in the future and not spatially unconstrained by the direct and indirect impacts of a major Aerotropolis.

The Narla Environmental Report is to be submitted in November 2018. We request a meeting with the Department of Planning and Environment Director of Aerotropolis Activation and the relevant Biodiversity Manager to discuss the findings of the environmental reporting.

CONCLUSIONS

The Waterhouse Group and GPT Group are committed to the delivery of a Fresh Food Precinct and potential relocated Sydney Markets within the Agriculture and Agribusiness Precinct. The Waterhouse Group are strong advocates for the WSA Agri-business Precinct and support the vision for a Fresh Food Precinct and Agri-port for the Waterhouse Land.

This submission is intended to assist the NSW Government in finalising the WSA LUIP and positively contributing to the success of the Aerotropolis and WSA. The Waterhouse Group, along with a large landowner group of 1000Ha (Western Sydney Airport Agribusiness Landowner Group), are committed to delivery of the FFP, the Agri-Port, the relocation of the Sydney Markets, connecting directly to the WSA, and contributing to the NSW economy through the international fresh food marketplace.

The following recommendations are made –

- The promotion and inclusion of the Agriculture and Agribusiness Precinct to Stage 1 of the WSA LUIP.
- Incorporate into Stage 1 of the Plan a more detailed and better articulated vision for the Agriculture and Agribusiness Precinct, so that it gives industry bodies, producers and economic partners the confidence to make investment decisions.
- The reconfiguration of land within the Agriculture and Agribusiness Precinct, by expanding the Precinct west of the Outer Sydney Orbital, and in particular to include all of the Waterhouse Land.
- Carefully analyse and restate the different roles of the Northern Gateway Precinct and the Agriculture and Agribusiness Precinct, ensuring that they do not cannibalise each other, and that the agricultural opportunities for research and development, processing and packaging of produce is articulated and included in the Agriculture and Agribusiness Precinct.
- Clarify in the WSA LUIP that the sequencing of development of the Aerotropolis is to include the early delivery of the Agriculture and Agribusiness Precinct.
- The Agri-Port is key to the Aerotropolis economic success, its sequencing should be prioritised and incorporated into Stage 1 of the Structure Plan.
- The identification of potential conservation land immediately adjacent the cargo loading, logistics and commercial entry to the Airport is impractical,



environmentally flawed, and compromises the Airport's ability to capitalise on the agriculture and agribusiness lands.

- The direct connection of the Precinct to the Airport Logistics and Freight Precinct must be articulated in the LUIPP.

The Waterhouse Group and GPT look forward to continuing to work with the Department of Planning and Environment on further refinements of the WSA LUIP and associated precinct plans. We welcome the opportunity to work further with the Department of Planning and Environment and are available for further collaboration.