

[REDACTED]

From: system@accelo.com on behalf of Murray Donaldson [REDACTED]
Sent: Friday, 2 November 2018 3:57 PM
To: [REDACTED]
Subject: Submission Details for company Urbis Pty Ltd, on behalf of St Mary & St Merkorius Coptic Orthodox Church (org_comments)
Attachments: 292154_Submisison to draft LUIP_Mamre Road Precinct_02112019.pdf

Confidentiality Requested: no

Submitted by a Planner: no

Disclosable Political Donation:

Agreed to false or misleading information statements: yes

Name: Murray Donaldson
Organisation: Urbis Pty Ltd, on behalf of St Mary & St Merkorius Coptic Orthodox Church (Urbis Pty Ltd, on behalf of St Mary & St Merkorius Coptic Orthodox Church)
Govt. Agency: No
Email: [REDACTED]

Address:

[REDACTED]
Sydney, NSW
[REDACTED]

Content:
Refer to attached letter.

IP Address: - 218.185.239.18
Submission: Online Submission from company Urbis Pty Ltd, on behalf of St Mary & St Merkorius Coptic Orthodox Church (org_comments)
https://majorprojects.accelo.com/?action=view_activity&id=292154

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

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



**TOWER 2, LEVEL 23
DARLING PARK, 201 SUSSEX ST
SYDNEY NSW 2000**

URBIS.COM.AU
Urbis Pty Ltd
ABN 50 105 256 228

02 November 2018

Director, Aerotropolis Activation
Department of Planning and Environment
GPO Box 39
Sydney NSW 2001

Dear Catherine,

**SUBMISSION TO THE WESTERN SYDNEY AEROTROPOLIS LAND USE AND
INFRASTRUCTURE IMPLEMENTATION PLAN – STAGE 1: INITIAL PRECINCTS
(LUIIP) : 106-124 AND 126-142 ALDINGTON ROAD, KEMPS CREEK**

On behalf of PRC Capital Pty Ltd (**PRC Capital**), Urbis provides this submission to the Department of Planning & Environment (**DPE**) in response to the exhibition of the Western Sydney Aerotropolis Land Use and Infrastructure Implementation Plan – Stage 1: Initial Precincts (**LUIIP**).

PRC Capital has a controlling interest of 106-124 and 126-142 Aldington Road, Kemps Creek (Lot 32 and Lot 31 of DP258949) (**Site**) which are identified in the Mamre Road Precinct of the LUIIP and is eager to see the prompt rezoning and servicing of the Site to address the critical undersupply of employment land in Western Sydney.

We have undertaken a review of the LUIIP exhibition materials and while we commend DPE for the vision presented for the Western Sydney Aerotropolis (**Aerotropolis**), we express serious concern relating to the timing of rezoning land to accommodate industrial land uses. As detailed in Section 1, the supply of land excluding development constraints poses a significant shortage to operator and developer requirements and must be addressed urgently due to the lag of development timeframes.

PRC Capital is seeking rezoning and servicing of the Mamre Road Precinct (**MRP**) in the short-term by either:

1. Inclusion of the MRP in the Stage 1 Initial Precincts; or
2. Rezoning of the MRP under the Western Sydney Employment Area (**WSEA**) SEPP.

Submission to draft LUIIP_Mamre Road Precinct_02112019

Even under one of these scenarios, it is considered that the lack of industrial land supply will have a detrimental impact on the Western Sydney economy when considered against the potential if there was sufficient existing supply currently available.

The MRP is the most logical option to address the shortage due to:

- Suitable existing road network in the short term.
- Potential to leverage existing services in the existing WSEA.
- Extension of similar development of WSEA, consistent with vision of the LUIIP.
- Generally large scale land holdings of approximately 10 hectares.
- Multiple land holdings in the ownership of organisations with development expertise.
- No immediate reliance on the major infrastructure projects that will be relied upon for other precincts.

PRC Capital has consulted with owners of the majority of the land within the MRP and has initiated the Mamre Road Precinct Landowners Group which is focussed on the cooperation of landowners to ensure the swift rezoning and servicing of MRP. Concepts that have been discussed to assist the rezoning process include the funding of works at a precinct level including strategic planners to assist DPE.

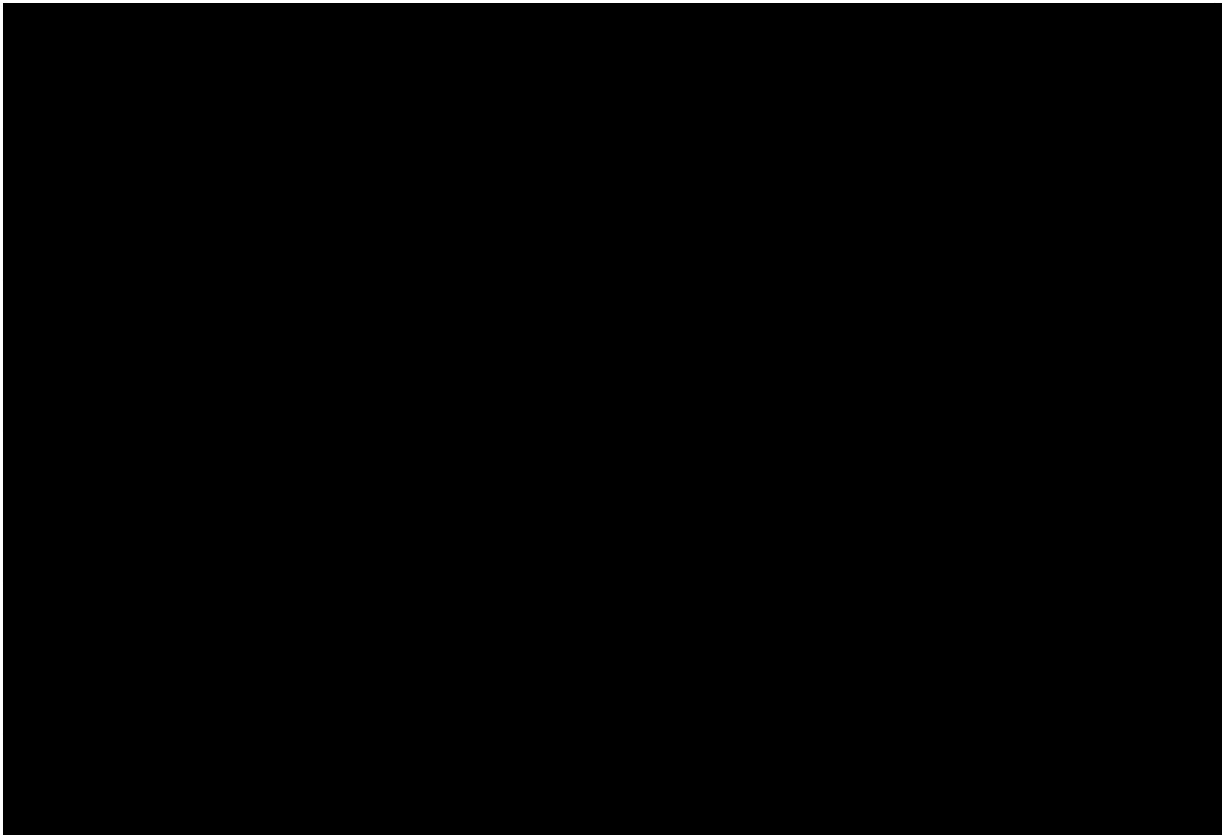
1. INDUSTRIAL LAND SUPPLY IN WESTERN SYDNEY

The critical shortage in the availability of industrial development land in Western Sydney is stifling capital investment and jobs growth in the region. Ownership of undeveloped land within the Western Sydney Employment Area (**WSEA**) is dominated by private organisations (Jacfin, Fitzpatrick Investments and Gazcorp) and the NSW Government, leaving the majority of Australian Real Estate Investment Trusts (**A-REITs**) unrepresented.

Land value rates have soared as a result of constrained supply demonstrated by sales such as 16 Lockwood Road, Erskine Park which was recently purchased for \$10.1million (\$711/m²), almost double the \$5.4million (\$380/m²) the parcel same sold for only 18 months prior.

The State Environmental Planning Policy (Western Sydney Employment Area) 2009 (**WSEA SEPP**) established industrial land uses and development controls across approximately 2,400 hectares of land predominantly located in Eastern Creek, Erskine Park and Horsley Park. The large scale of landholdings within these locations has allowed warehouses as large as 80,000m² to be developed for some of Australia's largest employers.

Industrial land is identified in purple in Figure 1 with land west of Westlink M7 representing the majority employment land zoned under the WSEA SEPP. This land is bisected by Ropes Creek running north-south and by the Sydney Water pipeline which runs generally east-west.



The Department of Planning & Environment (DPE) published the *Supply of Employment Lands* on 30 June 2017 as part of the *Employment Lands Development Monitor 2017 (DPE Monitor)*. As at January 2017, the DPE Monitor estimates the following areas of undeveloped, zoned employment land stock for respective precincts:

- Eastern Creek - 331.9 hectares
- Ropes Creek 185.7 hectares
- Erskine Park: 115.7 hectares
- Mamre West: 46.9 hectares
- South of Sydney Water Pipeline (Fairfield LGA): 51.3 hectares
- South of Sydney Water Pipeline (Penrith LGA): 337.2 hectares

The DPE Monitor defines Undeveloped Employment Lands as *"Currently zoned Employment Lands which were not occupied by an employment land use at the time of data collection. It may therefore be vacant or occupied by another use."*

The following should be accounted when considering the DPE Monitor:

1. The DPE Monitor does not give consideration to the area of land that is undevelopable. Transmission lines run throughout the WSEA land from the Eastern Creek Zone Substation, in particular encroaching undeveloped land at the Ropes Creek, Erskine Park and South of the Pipeline precincts. For some landholdings such as Jacfin's Ropes Creek land, approximately half of the land is encroached and when considered with traversing environmental lands, the residual developable land is irregular in shape creating development constraints.
2. Significant amounts of development have occurred since January 2017 to the point that prelease tenants have been committing estates such as Oakdale South and Oakdale West prior to approval being granted to concept approvals. It is likely that was more land available for development by A-REITs, as is often the preference of tenants, a higher volume of land would have been absorbed by the market.

Detailed analysis undertaken by Colliers International in October 2018 identified that just 248.6 hectares (ha) of industrial land is immediately available for development in Western Sydney which reduces to 197.6ha when inactive landowners, government sites and land-locked property is excluded. Colliers estimates that just 323.6ha could be available for development in the next three years.

Colliers has identified the take-up of land in Western Sydney was 117.9ha, 83.0ha and 61.6ha in the years 2016, 2017 and 2018 respectively, providing an average of 87.5ha per annum (excluding adjustment for 2018 year to date).

Until 2016 DPE produced the *Employment Lands Development Program Report (DPE Report)* annually which in addition to the supply analysis detailed in the DPE Monitor, also included take-up of land. The DPE Report identified an industrial take-up of 123.1ha, 190.3ha and 121ha in 2012, 2013 and 2014 respectively in the Sydney metropolitan region, representing an annual average of 145ha during the three year period. This rate of take-up supports the Colliers research when the WSEA and locations with a similar nature of development are considered.

A current market trend is the demand for large sites, evident at Oakdale South, one of the few WSEA englobo parcels owned by an AREIT, where Goodman sold land to Costco (14ha), Toyota (6ha) and

Sigma Pharmaceuticals (7ha). In addition, there are a number of large requirements over 10ha in the market for Australia's largest logistics and supermarket organisations which have been unable to secure land due to a lack of supply. This trend is likely to increase the annual take-up if supply is made available.

With 320ha of employment land available for development in the next three years and an annual demand of approximately 90ha trending upwards, the employment land scenario in Western Sydney is already critical. The constrained release of employment land over recent years combined with the long lead times of development, mean capital investment and job opportunities have already been missed.

Even if the *initial precincts* of the LUIIP included land proposed to accommodate large format industrial warehouses and rezoning occurs by the end of 2019, the further planning works such as precinct planning and development applications (12 months), infrastructure and site development (12 months) and construction of built form (9 months) mean that facilities will not be occupied by operators until the end of 2022 at the earliest.

The Employment Land Precincts webpage on the DPE website estimates that 25.8 jobs and \$14.26 million gross output are generated per developed hectare in the Western City District. Applying a conservative rate of 29 jobs per hectare for the land at Mamre Road and reducing the area by 15% for transmission line easements, flooding, ecological constraints and internal roads, the Mamre Road Precinct is estimated to generate 12,580 jobs and almost \$9 billion.

2. STRATEGIC PLANNING CONTEXT

Urbis and its client fully support the "*Flexible Employment*" land uses proposed for the Site however submit that there is an immediate need for the prioritised release of employment lands within the Mamre Road Precinct (MRP) and greater western Sydney.

This position is supported by current market data and evidence provided within Section 1 of this submission and it is demonstrated there is both the strategic planning justification and economic basis to support the immediate rezoning of the MRP.

The NSW Government has established that the Site is consistent with, and aligned to, the objectives, principles and deliverables of the following strategies:

- A Metropolitan of Three Cities;
- Western Sydney Aerotropolis Land Use and Infrastructure Implementation Plan – Stage 1: Initial Precincts;

- Western Sydney Employment Area;
- Western Sydney Priority Growth Area;
- Western City District Plan; and
- The Western City Deal.

A key component of these strategies is the timely release of employment lands to attract capital investment and create jobs in Western Sydney.

3. A METROPOLIS OF THREE CITIES

A Metropolis of Three Cities has been developed by the Greater Sydney Commission to guide urban growth, renewal and infrastructure investment for the next 40 years. The plan provides the strategic vision for growth in the Sydney Metropolitan region, including a vision of defining Sydney as three cities - the Eastern City (existing Sydney CBD), Central River City (Parramatta) and Western Parklands (Western Sydney).

The Site is located in the Western Parklands City, and located within the Western City District. Key directions for the Western Parklands City and the Site within the MRP are:

- Alignment of growth with major new infrastructure and services to support a connected, 30-minute city, and providing jobs in Western Sydney where the largest population growth is projected to occur.
- The Western City Deal is the key driver for the delivery of the Western Sydney Airport (WSA) and the Aerotropolis. Collaboration between the three tiers of Government, industry and the local community is required to achieve economic and jobs growth in the area.
- The new Western Economic Corridor will provide a north-south access between the Western Parkland City and the WSA, will agglomerate the economic activities of the Western Parkland City and provide new jobs closer to homes.
- The WSEA includes the identification of additional land for future industrial activity yet to be zoned or serviced.
- The adaptation of buildings to accommodate high-bay automation requires building heights greater than existing buildings and current planning limits.
- A long-term approach to sustainable planning for Sydney's existing waterways, biodiversity and bushlands, and green spaces.

The early release and rezoning of the MRP addresses the objectives and key priorities in *A Metropolis of Three Cities* by:

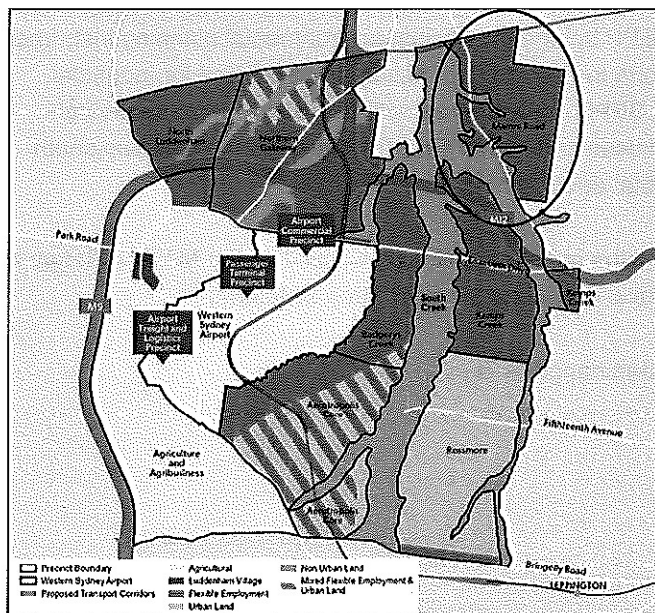
- Releasing employment generating industrial land within a timely manner;
- Supporting investment in infrastructure through the proximity to the M12 Motorway and upgrading required to Mamre Road;
- Supporting the development and growth of the manufacturing, freight and logistics sectors;
- Ensuring careful consideration is given to potential flooding and stormwater impacts; and
- Creating additional opportunities for investment and economic growth within Western Sydney through future development of the land.

The MRP can deliver employment land supply without negatively impacting the Government's broader initiatives and delivery focus within the WSA and the Aerotropolis.

4. WESTERN SYDNEY AEROTROPOLIS LAND USE AND INFRASTRUCTURE IMPLEMENTATION PLAN – STAGE 1: INITIAL PRECINCTS

In August 2018, the NSW Government released the LUIIP for the Aerotropolis. The LUIIP provides an initial vision for the potential land uses and development sequencing of land surrounding the WSA.

Figure 2 – LUIIP Stage 1 Structure Plan



Source: NSW Department of Planning, 2018

The LUIIP adopts land use principles that will see the North-South Rail Link to the Airport providing opportunities to create intensive employment centres around new stations, while away from the rail line a broader and flexible approach to employment and industrial activity.

The LUIIP identifies nine precincts of which three (Northern Gateway, Aerotropolis Core and South Creek) are classified as initial precincts and are proposed for rezoning before the end of 2019. Land uses around the new WSA are focused towards innovative businesses associated with aerospace, high technology, commercial, tourism and community uses. The LUIIP explains that these precincts have been identified in recognition of the growth and open space opportunities enabled by major investment by government aligned with the Western Sydney Infrastructure Plan.

The remaining six precincts are sequenced to be matched with *"infrastructure investment and population and employment growth"*.

5. MAMRE ROAD PRECINCT

The MRP is a *'remaining precinct'* that is bordered generally by the South Creek precinct to the west, the Warragamba pipeline to the north, E4 Environmental Living in Mount Vernon to the east and the Mount Vernon suburb boundary to the south. 'Flexible employment' is earmarked as the potential future land use of the MRP in the LUIIP including *"uses such as a warehousing and logistics"*.

The MRP is located within the WSEA SEPP being the principal environmental planning instrument applicable to the Site. The land to the north in Erskine Park has been developed for industrial purposes in accordance with the WSEA SEPP. The development to the east comprises rural-residential development and agricultural uses and further East the Oakdale and Oakdale south precincts are being developed for industrial development.

The MRP benefits from close proximity to the major arterial routes including the M4, M7 Motorways and the Great Western Highway, with travel distances to key centres as follows:

- M4 Motorway (Eastern Creek Interchange) – 7km
- Great Western Highway – 8km
- M7 Motorway – 10km
- Parramatta – 25km
- Sydney CBD – 45km
- Port Botany – 50km

The current primary transport routes from the site are via Lenore Drive/Old Wallgrove Road and Erskine Park Road that in turn provides access to the M4 & M7 motorways. The sites access will markedly improve in line with the infrastructure expenditure associated with the WSA.

Given the MRP's relationship to the established neighbouring Erskine Park and Eastern Creek industrial precincts, the extension of services is expected to be achievable within a nearer timeframe than may other be expected from the initial precincts in the WSA. PRC is already working with Sydney Water and Endeavour Energy to ensure prompt servicing of the Site.

There are a number of clear advantages to facilitate early rezoning and development of employment land in the MRP. The MRP is considered a superior option when compared to Kemps Creek or North Luddenham precincts for the following reasons:

- Ownership of the land in those precincts is generally fragmented and does not represent the scale needed to drive significant investment.
- Conversely, the MRP is generally 25-acre (10ha) lots and the landowners have indicated agreement to act to progress servicing and rezoning. This approach will enable a better coordination of infrastructure and services to support the future employment land release and rezoning.
- Kemps Creek or North Luddenham precincts are more reliant on infrastructure (M12, North-South Rail Link) that will be delivered mid 2020's or beyond.
- The MRP will be delivered from the extension of services from WSEA and requires relatively low road upgrades given the significant investment that has already been undertaken in Erskine Park and Eastern Creek and existing road network.

Furthermore, we note that the LUIIP also identifies a mechanism for '*Interim and out of sequence arrangements*' for the remaining precincts, where land supports and align with the Aerotropolis vision and can be delivered in line with infrastructure. The key tests for an out of sequence arrangement are as follows:

- **Demonstrating compliance with 'A Metropolitan of Three Cities' and the 'Western City District Plan'** – the Site and MRP have been established as being aligned with these strategies and uses as proposed under the LUIIP;

- **Not compromise the land use and transport planning for the initial precincts** – the MRP will play an important role in line with the initial precincts while importantly bringing on land uses that are complementary and not competition.

While the existing transport infrastructure can serve the short to medium term needs of the MRP, the planned road and rail infrastructure to support this precinct are well defined given the MRP's inclusion and relationship to the WSEA.

- **No Cost to Government** – with large non-fragmented land parcels and the ability to deliver major projects in the MRP, the infrastructure upgrades will be commercially feasible for landowners to fund with no cost to Government.
- **Fully supported by enabling infrastructure** – with the scale and type of employment uses that could be delivered, this will allow for the alignment of investment into the upgrade of existing infrastructure and delivery of new infrastructure.
- **Not preclude future urban development** – the delivery of the MRP as an initial precinct will allow address the market supply issues and allow for the delivery of a range of employment typologies.

In conclusion, there is a strong case to demonstrate that the bringing forward the MRP as an initial precinct will support the WSA vision and broader government strategies and address the employment land supply issue in western Sydney in the short term.

Figure 3— Mamre Road Precinct



Source: NSW Department of Planning, 2018

Figure 4— Locality Plan

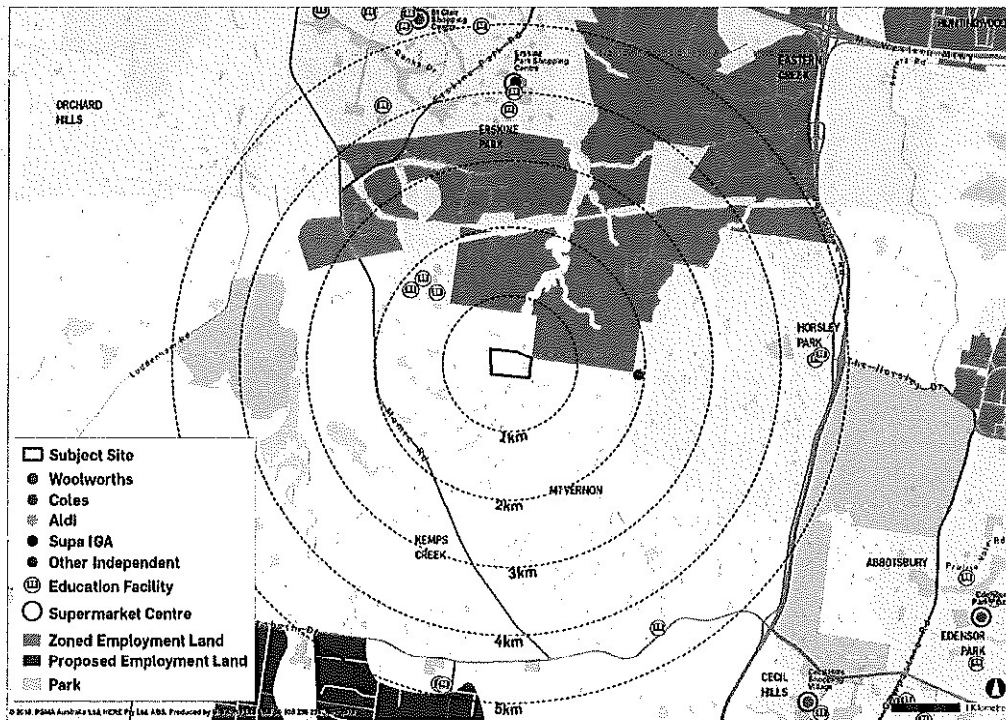


Figure 5 – Aerial Photograph



6. WESTERN SYDNEY EMPLOYMENT AREA

The broader WSEA Structure Plan was released in June 2013. In April 2014, the Commonwealth Government confirmed Sydney's second airport would be built at Badgerys Creek, adjacent the Broader WSEA.

In 2016 the MRP was legislated as Precinct 11 'Broader Western Sydney Employment Area' of the State Environmental Planning Policy (Western Sydney Employment Area) 2009 (WSEA SEPP). The WSEA SEPP is the current principal environmental planning instrument to guide the release and rezoning of land within the precinct.

Precinct 7 'Erskine Park Employment Lands' and Precinct 8 'South of Sydney Catchment Authority Warragamba Pipelines' of the WSEA SEPP are located immediately north and north-west of the MRP respectively and both contain land primarily zoned IN1 General Industrial.

The WSEA was to provide more than the 57,000 jobs over the next 30 years, and the 212,000 jobs for the longer term. The WSEA was to provide businesses in the region with land for industry and employment, including transport and logistics, warehousing and office space.

One of the key attributes listed as to why the WSEA was an appropriate location for additional employment opportunities was that the, *"This will also provide people living in Western Sydney the chance to work locally so they can spend less time commuting and more time with their families"*.

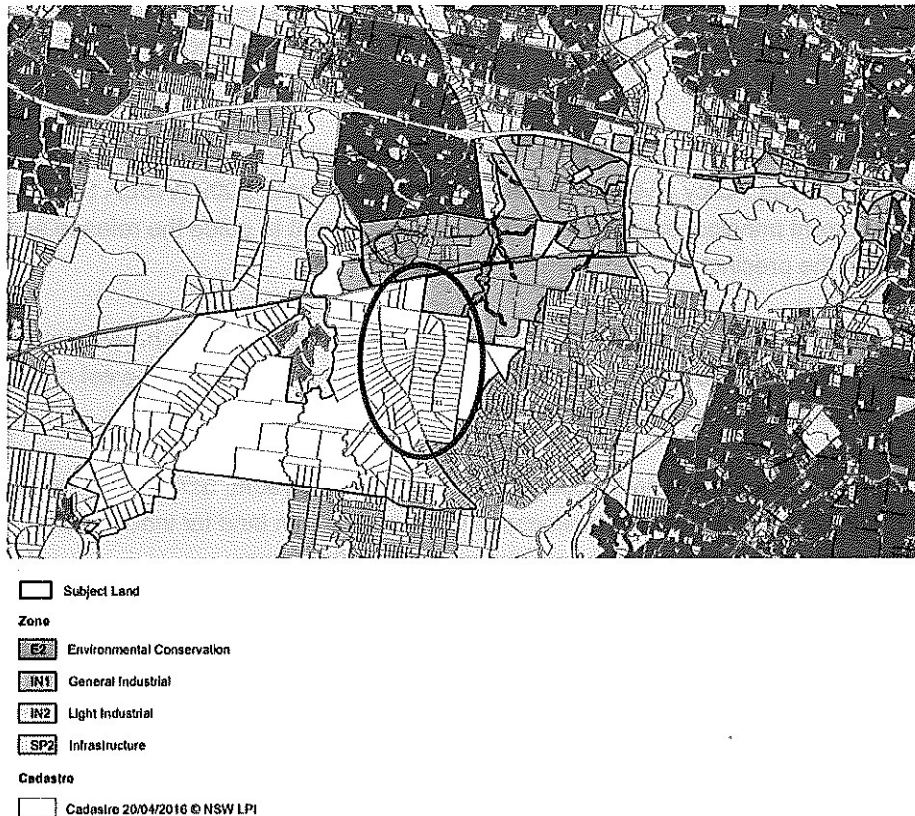
Figure 6 illustrates the boundary of the WSEA, including the Mamre Road Precinct, including the site.

Figure 6— WSEA Boundary



Source: WSEA SEPP

Figure 7 – WSEA Zoning Map

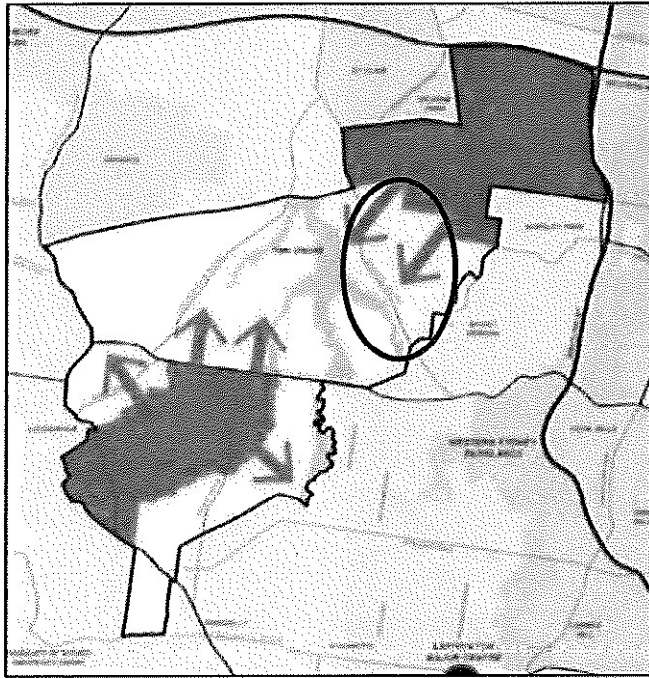


Source: WSEA SEPP

Detailed planning and land release in the WSEA has been contingent on the staging of infrastructure. Staging and sequencing scenarios were refined as part of the WSEA structure planning. The draft Structure Plan considered three potential staging scenarios comprising:

1. An extension of the Existing WSEA following water and sewer infrastructure.
2. Development occurring on two fronts (Figure 8):
 - a. an extension of the Existing WSEA development; and
 - b. from the Commonwealth land should a catalyst development occur.
3. An extension of the Existing WSEA plus potential 'out of sequence' development would need to proceed at no cost to Government.

Figure 8 – Development occurring on two fronts – WSEA and the new Airport



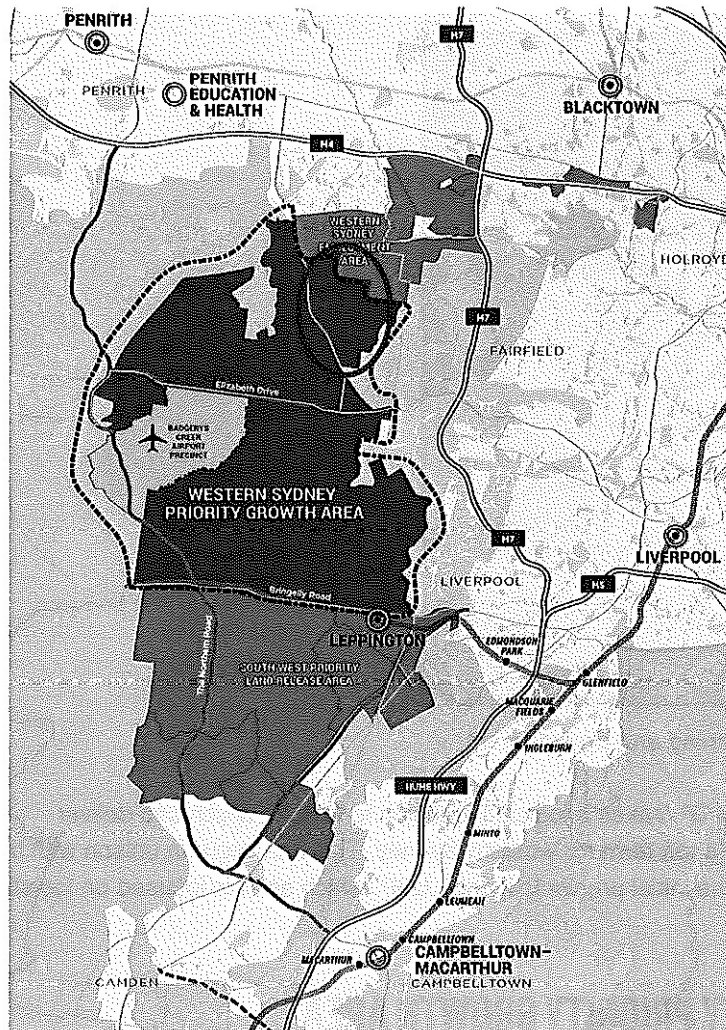
Source: NSW Department of Planning and Environment

The location of the Site and the MRP makes a logical extension to WSEA, which can deliver significant industrial supply in the short term for western Sydney. This can occur in unison with the strategic land use objectives for the initial precincts in the LUIIP, which are not focused on logistics, industrial and business parks.

7. WESTERN SYDNEY PRIORITY GROWTH AREA

The MRP was identified in the northern most point of the Western Sydney Priority Growth Area. It is immediately adjacent to the WSEA, with the Erskine Park employment area located along the boundary of the Precinct.

Figure 9– Western Sydney Priority Growth Area (Precinct outlined in red)



The *Broader Western Sydney Employment Area Structure Plan* provided an interim framework to guide future land use planning and provision of infrastructure.

The early rezoning of the MRP is consistent with the objectives of the WSEA SEPP and will make a significant contribution to achieving the vision and objectives for the extension area.



8. CONCLUSION

This submission is prepared on behalf of PRC Capital and seeks rezoning and servicing of the MRP in the short-term by either:

1. Inclusion of the MRP in the Stage 1 Initial Precincts; or
2. Rezoning of the MRP under the WSEA SEPP.

The MRP is the most logical option to address the critical shortage of employment land in Western Sydney due to:

- Suitable existing road network in the short term.
- Potential to leverage existing services in the existing WSEA.
- Extension of similar development of WSEA, consistent with vision of the LUIIP.
- Generally large scale land holdings of approximately 10 hectares.
- Multiple land holdings in the ownership of organisations with development expertise.
- No immediate reliance on the major infrastructure projects that will be relied upon for other precincts.

PRC Capital has consulted with owners of the majority of the land within the MRP and has initiated the Mamre Road Precinct Landowners Group which is focussed on the cooperation of landowners to ensure the swift rezoning and servicing of MRP. Concepts that have been discussed to assist the rezoning process include the funding of works at a precinct level including strategic planners to assist DPE.

We look forward to progressing the rezoning of the MRP precinct, and would be pleased to meet with you and your team to discuss the planning pathway to achieve this in the short term.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Murray Donaldson". The signature is stylized with a large, flowing "M" and a long, sweeping underline.

Murray Donaldson
Director