

# SUBMISSION

## Draft Western Sydney Aerotropolis Plan WSAP

March 2020

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*This submission is prepared by WalkerDevelop on behalf of The Waterhouse Group in response to the December 2019 release of the Draft Western Sydney Aerotropolis Plan (WSAP) by the Department of Planning, Industry and Environment (DPIE) in particular with regard to the Agribusiness Precinct.*

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## Appendix – Waterhouse Group Vision Statement

## Executive Summary

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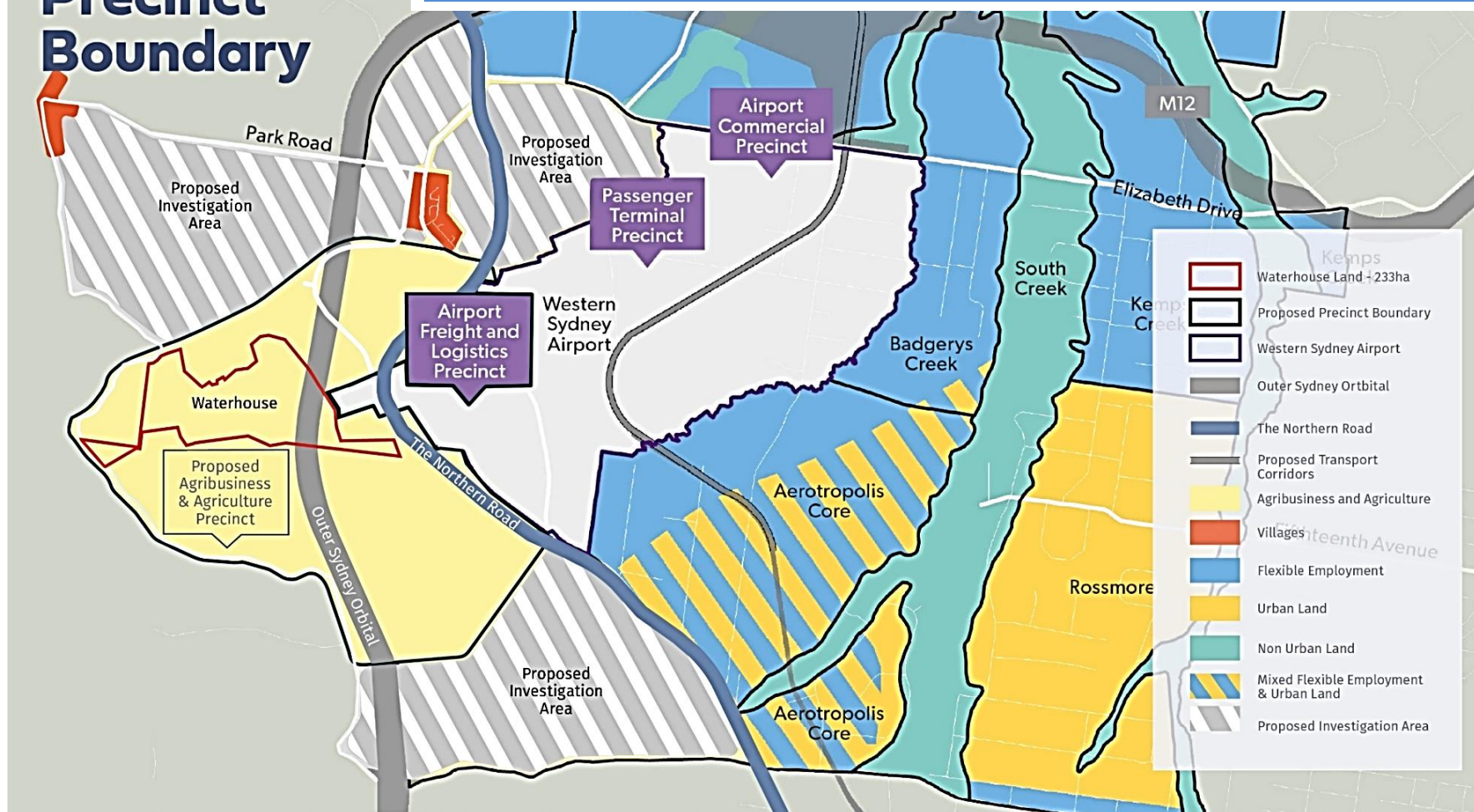
The Waterhouse Group supports the Government's vision for the Agribusiness Precinct. However, we believe the vision is only able to be achieved if the draft WSAP Agribusiness Precinct boundary expands West and is reinstated to its original size (as per the map) for the following reasons:

- The Draft Agribusiness Precinct is dominated by one large landowner and the remainder is constrained in the North of the Precinct by its existing residential and town centre so it is not suitable for Agribusiness. It has small fragmented lots, shops, homes and a local road network
- Agribusiness/Business would be better placed under the Airport ANEF Corridors and away from residential areas
- The Agribusiness Precinct should support airport cargo logistics operations in the most efficient way by incorporating strategic, flat land on its cargo border
- The Outer Sydney Orbital (OSO) is better placed further West towards the Nepean River and not adjacent to the newly built Northern Road
- There is likely to be no significant additional Infrastructure cost to Government as a result of the reshaped Agribusiness Precinct
- The Agribusiness Precinct original size could be reinstated by widening the area to the west to ensure its flexibility and economic feasibility
- It is critical to deliver the Agri-Port by the Airport Operational Date of 2025 – in time for the first freight flights at WSA
- Public Interest, Transparency and Competitive Tension is essential if Government wishes to take the lead in helping to set up an Agri-Port on private, non-Government land. Numerous larger landowners need to be able to tender to be part of the Agribusiness development. Competitive tension will create the best value for government and best deal for the WCAA Foundation Partners.
- Extending the Agribusiness precinct West brings six other significant landowners into play each with land areas greater than 50Ha.

# Proposed Agribusiness Precinct Boundary

A re-shaped Agribusiness Precinct directly west of the airport gives the best connectivity to the WSA cargo entry, places business under the airport noise contours and on large land holdings away from residential town areas.

This also brings an extra six large landowners into play to provide the competitive tension necessary to facilitate the best value and outcomes for the WCAA and its Foundation Partners. This enables the Government to grow the NSW economy value and create over 2500 jobs.



# Introduction

The Waterhouse Family owns 233 hectares of land that directly borders the future Nancy-Bird Walton Western Sydney Airport (WSA). This land is one of the largest holdings in the area to the west around the Aerotropolis and ideally positioned to be a catalyst for development – as it is strategically located for Agribusiness. It shares a boundary with the airport and is adjacent to the cargo loading, logistics and commercial entry of the Western Sydney Airport. The land is also proximate to the Northern Road and the North-South Rail link. It currently sits partly within and the remainder adjoining the Agribusiness Precinct of the WSAP.

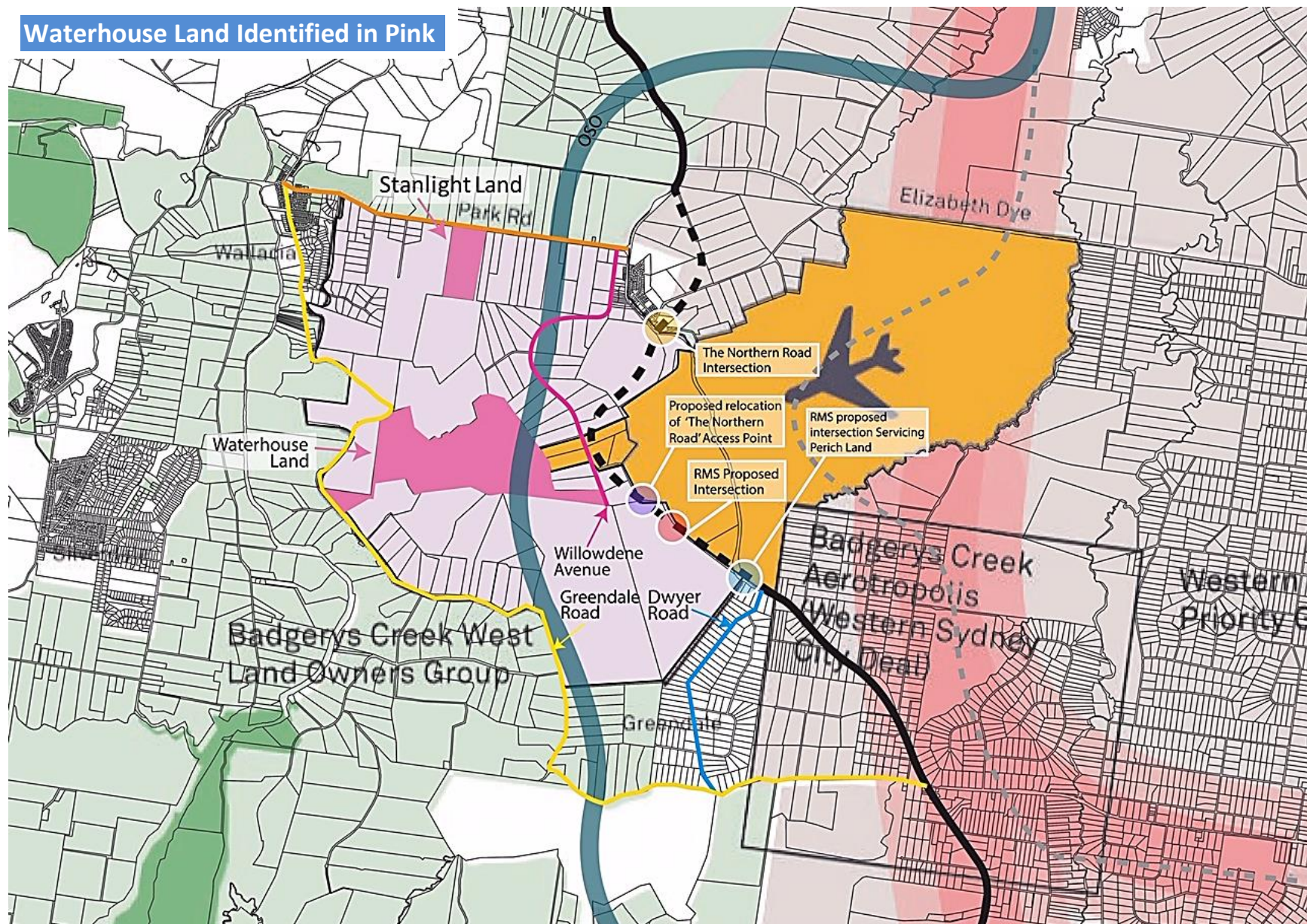
The Waterhouse Group has been working on the Agribusiness Precinct concept for Western Sydney since proposed by NSW Farmers in 2017 and is well-advanced in thinking and planning to bring a cutting-edge Precinct to reality in this area adjoining the cargo end of WSA. To illustrate this further we have included, as an appendix, our Vision Statement for this Agribusiness Precinct. The Group has significant interest from grocery and meat exporters, logistics operators and freight forwarders to partner with them to deliver on this vision.

The Waterhouse Group has grave concerns that the proposed draft WSAP will not deliver an optimal outcome for either Government or business unless it is modified to the new shape extended West for the reasons outlined.

To enable this Agribusiness Precinct to deliver on the NSW government vision, the WSAP Agribusiness Precinct boundary needs to expand on the western side.









# 1. Current Agribusiness Precinct is Dominated by One Large Landowner and Constrained by Fragmented Ownership and Community Township

The reduced 1572ha Draft Agribusiness Precinct is dominated by one large consolidated land parcel of 528Ha - a successful dairy operation owned by the Leppington Pastoral Company (LPC)– which accounts for one third of the Draft Precinct of 1500Ha. The Perich family have invested heavily and we assume they are unlikely to cease this operation in the short to medium term. Apart from a 60ha portion of the Waterhouse Land, the remaining 984ha of the precinct is made up of the Luddenham Town Centre and around 100 owners who mainly have smaller fragmented blocks of less than 10ha. It features:

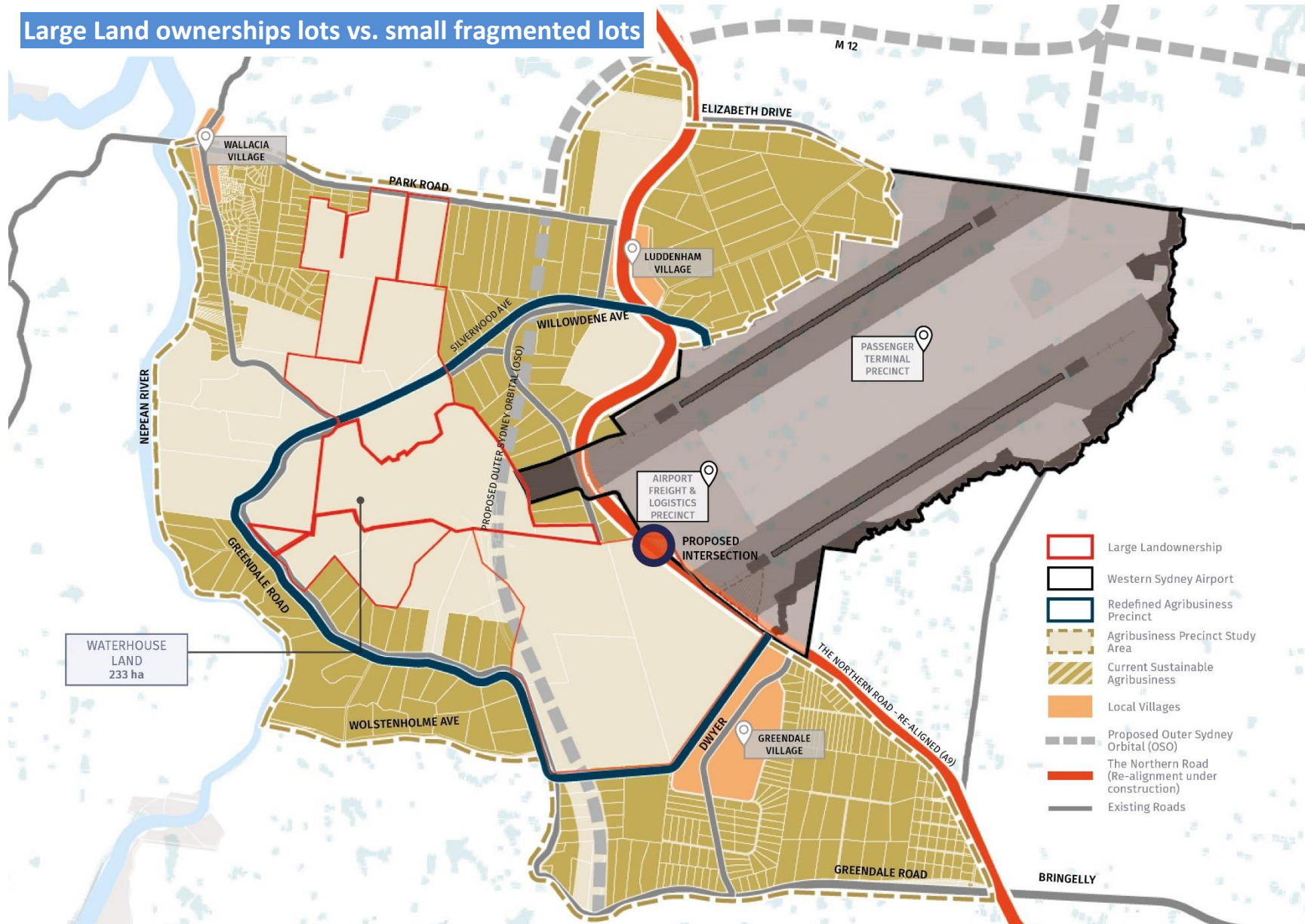
- Existing owner-occupied dwellings
- Disparate landowner aspiration mix
- Community township with town centre and local road network



In the absence of compulsory state acquisition of multiple small land holdings and early disruption to a successful dairy, the Government cannot achieve timely large-scale agribusiness operations.



## Large Land ownerships lots vs. small fragmented lots



## 2. The Small Residential Lots and Town Centre in The North Means it is Not Suitable for Agribusiness

The Agribusiness Precinct needs to be re-drawn to allow for limitations with land of existing urban use, varying topography and built up residential and local road network.

An Agribusiness Precinct which extends directly west from the cargo operations of the airport will take advantage of large tracts of available flat land. This land is unfertile so underutilised so can quickly work with the WCAA and its Foundation Partners to deliver industrial agribusiness.



**Urban Luddenham Town Centre**

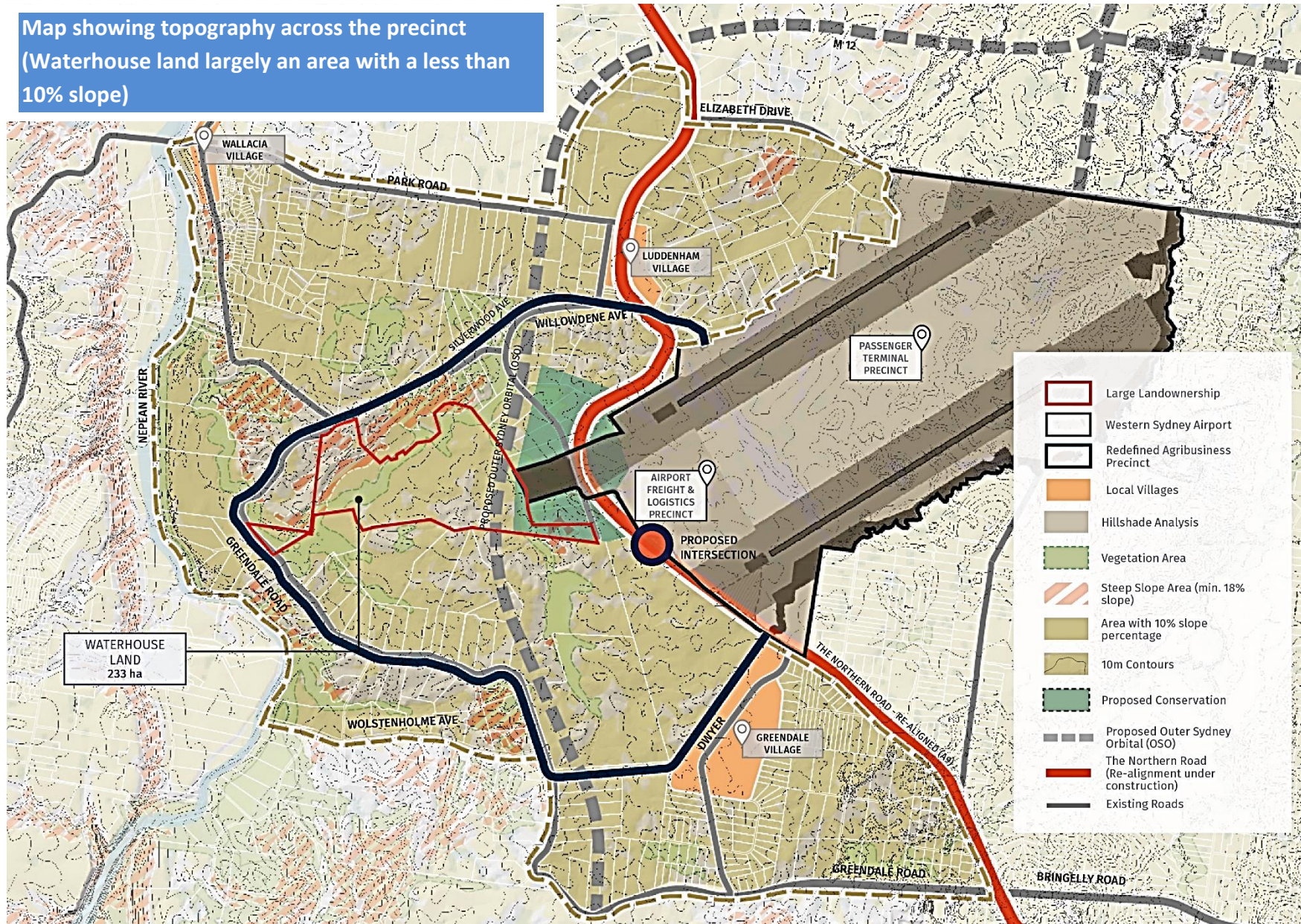


**Waterhouse Flat Land Sharing the Western Boundary with WSA**

The Waterhouse Land and its neighbours within the proposed reshaped Precinct is relatively flat, mainly with a gradient less than 10%.



Map showing topography across the precinct  
(Waterhouse land largely an area with a less than 10% slope)

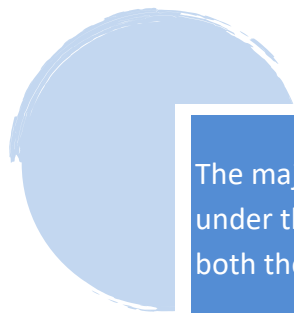




### 3. Agri-Port and Agribusiness Should be Under the Airport ANEF Corridors and Away from Residential Areas

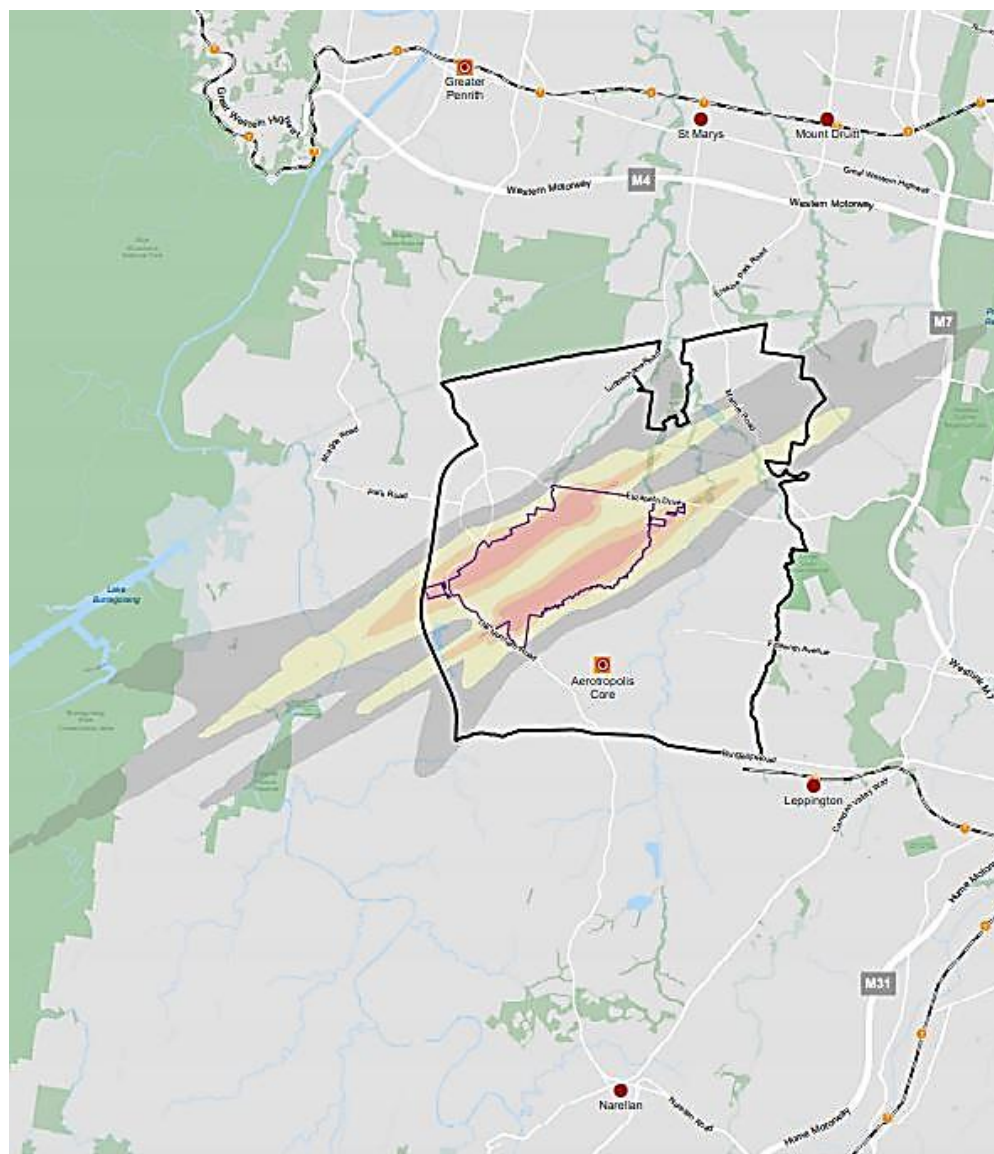
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- Land impacted by ANEF noise contours is not suitable for residential but ideally suited for an Agri-Port and Agribusiness use – a productive long-term use.
- This land is likely to be more affordable than non-noise affected areas currently identified in the Northern Zone of the Agribusiness Precinct around the Luddenham Town Centre.
- Runway/flight path constraints: Land south-west sitting directly under both runways does limit the height and extent of development in that location from a National Airports Safeguarding Framework (NASF) safety perspective. The government needs to ensure flexibility by including extra land that, while affected by ANEF contours, future development is not limited by being under the flight paths of both runways one and two.



The majority of The Waterhouse land, whilst affected by noise contours, is not directly under the flight path and so does not have the constraining height limits required under both the flightpaths.





#### ANEC Contours Western Sydney Aerotropolis

- Western Sydney Aerotropolis
- Western Sydney International (Nancy-Bird Walton) Airport
- Environmental Conservation
- National Parks and Nature Reserves
- ANEC = 20-25
- ANEC = 25-30
- ANEC = 30-35
- ANEC = 35+
- Metropolitan Cluster
- Strategic Centre
- Railway
- Waterways

Agri-Port and Agribusiness uses should be placed under land affected by the ANEC contours.


The majority of The Waterhouse land, whilst affected by the noise contours, is not directly under the flight path and so without NASF height limitations.



## 4. Agribusiness Precinct Needs to be Extended Directly West of WSA

- The WSAP draft Agribusiness Precinct shape is counter-intuitive as it is the narrowest in the critical area closest to the WSA cargo area and runs several kilometres to the north – moving away from the freight access entry for the cargo area of the airport.
- Agricultural exports packaged or processed in an area not directly adjoining the cargo area of the airport will require double handling (processing and then re-trucking to the airport). An Agribusiness Precinct incorporating areas where are not directly connected will be hindered by:
  - increased logistics costs
  - delays in export timeframe
  - resultant loss of fresh-food quality (including risk of bruising through double handling);
  - lower quality, less fresh produce going to market and
  - loss of shelf life and product value

With a narrow North-South Agribusiness Precinct stretching to the north - several kilometres away from the cargo entrance to the airport, much of the proposed Agribusiness Precinct is not able to rely on location efficiencies for seamless exporting.



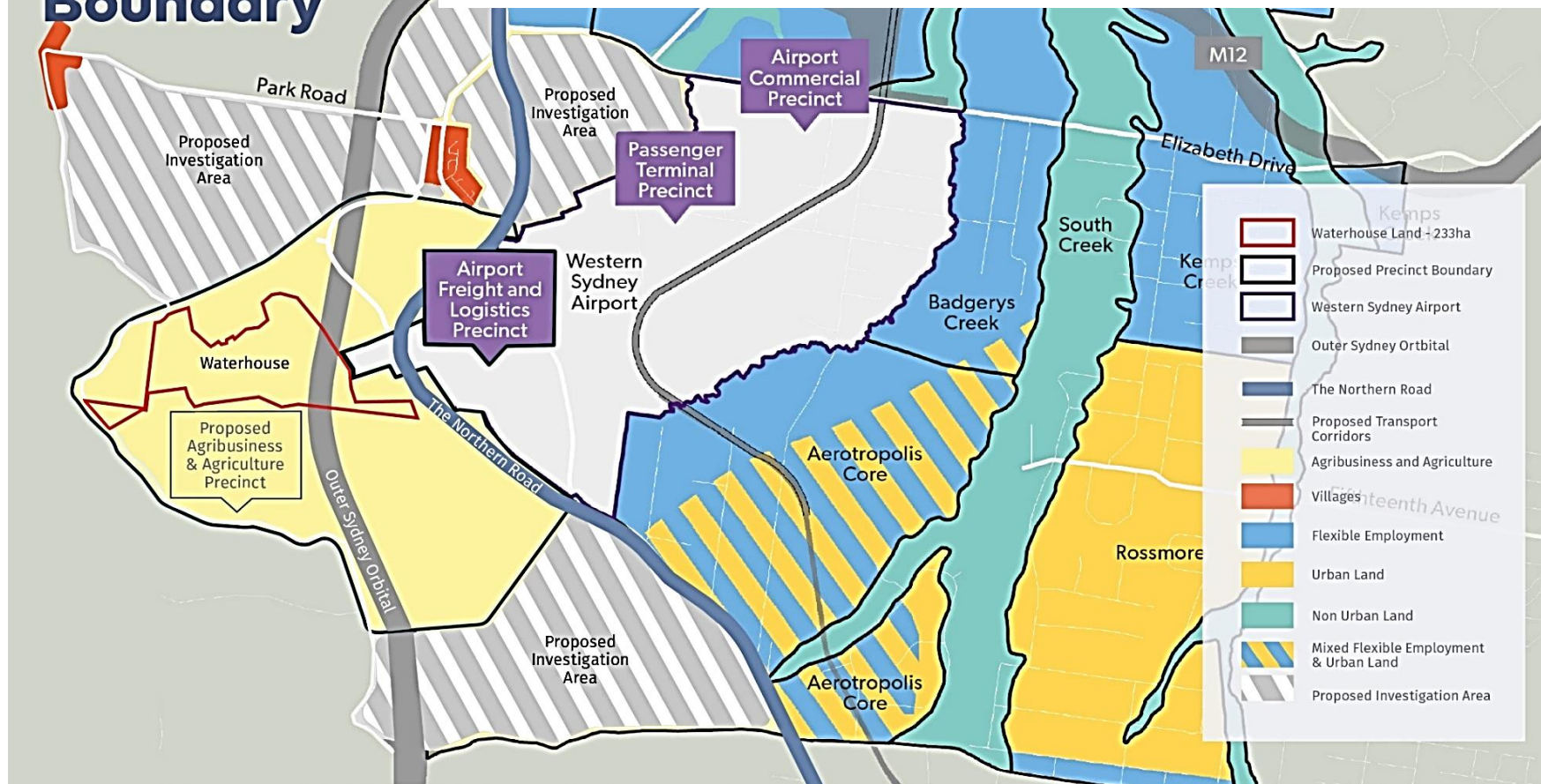
The Agribusiness Precinct should be planned to work in seamlessly with the airport cargo logistics operations. By extending the Agribusiness Precinct west to incorporate strategic and flat land bordering the airport, the government be better able to deliver on its promise of a connected 'Cutting Edge' Agribusiness Precinct - and by 2025.

# Proposed Agribusiness Precinct Boundary

A re-shaped Agribusiness Precinct directly west of the airport gives the best connectivity to the cargo entry, places business under the airport noise contours and on large land holdings away from residential town areas.

This also brings an extra six large landowners into play to provide the competitive tension necessary to facilitate the best value and outcomes for the WCAA and its Foundation Partners.

This enables the Government to grow the NSW economy value and create over 2500 jobs.





## 5. The Outer Sydney Orbital (OSO) is Better Placed Further West Towards the Natural Boundary of the Nepean River

- The OSO would be better located further west and close to the natural boundary of the Nepean River.
- The proposed route of the OSO (currently unfunded and perhaps decades from being built), is not a natural or valid boundary to the Agribusiness Precinct but a rather artificial and unnecessary constraint which works against a viable logical shape for the Precinct.
- The current location is not only obstructive to orderly development of the area west of the airport, it is also drawn almost adjacent to the Northern Road which the government is currently spending billions upgrading. This replication of road infrastructure in that location should be questioned.

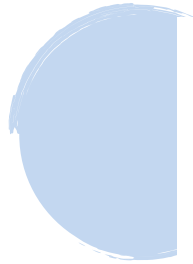
The OSO should not act as an artificial boundary to the city with development on only one side but rather act as an enabler to create and maximise Sydney employment lands – the Greater Sydney Commission and Government have a goal to preserve employment land across the Sydney basin.



**Current Northern Road Upgrade Works**



## 6. Likely to be No Significant Additional Infrastructure Cost to Government with the Reshaped Agribusiness Precinct



The inclusion of the Waterhouse land parcel within the Agribusiness precinct in the WSAP would be unlikely to result in additional infrastructure costs for government as the front portion of the Waterhouse land is already within the WSAP boundary and would have access to infrastructure being provided for the Precinct. Internal infrastructure within properties is funded by landowners or developers.

## 7. The Economic Feasibility of the Precinct needs to be considered when determining its size and location

- The Draft WSAP responded to concerns from residents in the south of the former Agribusiness precinct and removed them in the redefined WSAP Agribusiness Precinct. However, this has made the Precinct significantly smaller - by 748ha – losing a third of its size which has reduced flexibility of the precinct – currently dominated by one larger land owner of 500Ha.
- The original Precinct size of over 2000ha was specified by Government and was the basis for the KPMG feasibility report 'Integrated Intensive Production Hub' by Robert Poole, KPMG National Lead Agri-Business. That larger size was determined to allow for location, flexibility, landowner fragmentation and adaptability to topography. Reducing the precinct by a third undermines this study and compromises the Precinct's economic feasibility.




The original size, functionality and flexibility of the Agribusiness Precinct can be achieved by extending west of the airport - reinstating approximately 780ha – the Agribusiness Precinct's original and economically feasible scale.

## 8. The Agri-Port Delivery Needs to be by 2025 Inline with the Airport Operations Start Date

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- For NSW to take advantage of the export opportunities from the WSA, the first stage of the Agri-Port needs to be operational in time to support the targeted freight and logistics operations date of 2025.
- Key infrastructure connections, road access, utilities and services are crucial to be delivered as a priority.
- Customs, biosecurity and quarantine for agribusiness exports needs to commence in parallel with work on trade agreements and workable biosecurity protocols to leverage the ambitions of servicing the international market via the Agribusiness Precinct.
- Planning and construction of an Agri-Port will take several years.
- The WCAA and its Foundation partners need to be able to work with willing and nimble landowners in a competitive environment within the Agribusiness Precinct who not only have the right location and topography but are also able to deliver on this timeline.



Landholders prepared to be early movers are needed to assist government in delivering the seamless, state of the art Agri-port and Agribusiness vision on time.

## 9. The WCAA Masterplanning Process Must be in the Public Interest, Have Transparency and Competitive Tension

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- In the public Interest, Transparency and Competitive Tension is essential if Government wishes to take the lead in helping to set up an Agri-Port and Agribusiness Precinct on private, non-Government land.
- The Agribusiness Precinct needs to include numerous larger landowners able to tender to be part of the Agribusiness development providing the competitive tension necessary to create the best value for government.
- The re-instatement of 780h to the Agribusiness Precinct, by extending the western side of the Draft Agribusiness Precinct, brings six other significant landowners into play each with land areas greater than 50Ha.
- The process for selecting which land the WCAA will masterplan within each Precinct needs to be justifiable and transparent. To protect public interest, transparency and ensure competitive tension between landowners, the government should not plan on or be beholden to just one larger landowner in any of the Precincts.
- Concerningly, page 23 of the Draft DCP states, however “It is envisaged that an Agri-Port will be established within the precinct southwest of the Airport, providing for the movement and storage of agricultural commodities through an innovative multimodal supply chain solution for Greater Sydney, NSW and Australia, adjacent to the freight and logistics precinct on Airport land.” Under the current Precinct shape there is only one landowner ‘southwest’ of the airport. It is, in our respectful submission, inappropriate for the DCP to presuppose this outcome when the final boundaries and the tenders for the Foundation Partners as end-users have not been released.

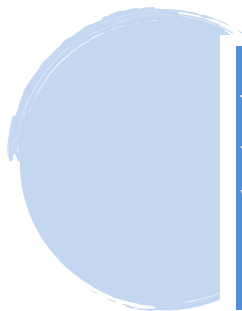
- Of further concern, the WCCA Master Plan Tender document states: “The study area for the Stage 1 Master Plan will focus on approximately 300ha adjacent to the Airport. **The single large ownership of the Stage 1 study area\*** offers an opportunity for the Authority to partner in the development of the Master Plan. The proximity to the airport provides an opportunity to partner with the Western Sydney Airport Company to agree on joint airside and landside operations. The location of the Stage 1 study area will be confirmed with the consultant on award of the Tender.” (\* emphasis added)

- The imminent timing referred to above for the study area for the Master Planning ignores the fact that the Agribusiness Precinct size, shape and location is currently on exhibition for public comment.

- Establishing a priority precinct in an area with fragmented land ownership (average of 10h or less) and dominated by a very successful dairy operation, adds complexity and limits options which could delay the delivery of the Agri-Port and Agribusiness Precinct.

- While it is understandable that the government should wish to minimise the difficulties associated with small land lot fragmentation, the lack of transparency in the process of singling out one larger landowner is of concern.

- Rather, by establishing the precinct on underutilised, larger or amalgamated landholdings without existing major commercial uses and with owners who are ready, willing and able to undertake industrial agribusiness by 2025 presents far less difficulty, is transparent and consistent with good public practice.




The Agribusiness Precinct needs to include several larger landowners able to tender to be part of the Agribusiness development providing the competitive tension necessary to create the best value for government but without the fragmentation (less than 10Ha) or dominated by one large land holding - associated with the current proposed Precinct.



## 10. Environmental Zones Bordering an Airport Are Not Permissible Under NASF Safety Guidelines

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- The location of any proposed 'Environmental Areas' conflicts significantly with the proposed airport 'Agribusiness Precinct' needs. While some localised protection of vegetation within the Precinct is appropriate, a balance must be sought between effective environmental conservation and agribusiness in the Precinct.
- Some of the designated 'Environment' areas compromise direct connections between the proposed Agribusiness Precinct and the commercial entry of the Western Sydney Airport – a key objective of the Department of Primary Industries as it looks to develop a seamless Agri-Port.
- There is an inconsistent approach by DPIE to land designated environmental as opposed to areas which are not. Despite requests, we have not been provided with required digital mapping for our ecologists to advise on the area.
- As most of the land in the study area has been historically cleared and degraded through agricultural land uses, that land should be retained for Agribusiness, consistent with the Precinct's purpose.



Environmental Zones adjacent to an airport are also ill-advised for safety reasons. The National Airports Safeguarding Framework (DIRD) states that to mitigate wildlife strikes right under this flight path, conservation zones should not be within 3kms of an airport.

## 11. Zoning Should be Flexible Enough to Allow Business Innovation

- NSW Productivity Commission released a paper in 2019 stating that being overly prescriptive in regard to zoning acts as a barrier to business innovation and competition and in doing so suppresses productivity growth.



Clarity is required within the planning regulations to ensure the MRA zoning within the area can deliver the Government vision for the agribusiness precinct (i.e. packaging, processing, cold storage, protected vertical cropping, agricultural warehousing, ag freight forwarding, logistics, biosecurity certification etc).



## 12. Planning Steps – 100Ha DCP Request



**100Ha Masterplanning DCP** - Given the Waterhouse land meets the draft DCP criteria of over 100Ha and falls within the DCP boundary map (page 12 of the Draft DCP), we request that the 233Ha Waterhouse parcel to be incorporated into the process for a fast tracked DCP with the WCAA and the PPO. We look forward to advice on the next steps to facilitate this process.