

Our Ref: PNL:913953

18 December 2019

The Department of Planning, Industry and Environment
320 Pitt Street
SYDNEY NSW 2000

By Email

Dear Sir/Madam

Jacfin Pty Ltd
Submission on Draft Mamre Road Structure Plan and Precinct Rezoning Discussion Paper

We refer to the exhibition of the Draft Mamre Road Structure Plan and Precinct Rezoning Discussion Paper and **enclose** a submission on behalf of our client, Jacfin Pty Ltd (**Jacfin**).

Jacfin is the owner of approximately 271ha of land within the Western Sydney Employment Area (**WSEA**) which Jacfin is progressively developing for employment purposes consistent with the zoning under *State Environmental Planning Policy (Western Sydney Employment Area) 2009*. Whilst Jacfin's landholdings are outside of the Mamre Road Precinct, it has a strong interest and long term commitment to the growth and diversification of economic activity in the WSEA.

Jacfin commends the Department of Planning, Industry and Environment (**DPIE**) for the well-considered, timely and strategic nature of the Draft Mamre Road Structure Plan and Precinct Rezoning Discussion Paper.

Jacfin supports DPIE's response to land supply needs and consideration of the need for integrated land use planning and infrastructure investment in the WSEA. However, to keep pace with rapidly changing industrial sector, a greater diversity of uses and built form should be considered in the established parts of the WSEA. Such consideration will permit evolution from warehousing and logistics focused uses to integrated campus style development, permitting the colocation of the industrial and commercial components of businesses.

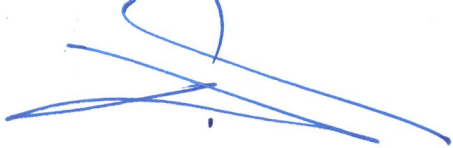
Jacfin looks forward to working with DPIE in progressing the Draft Mamre Road Structure Plan and would appreciate an opportunity to meet with DPIE to further discuss its submission.

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Doc ID 696464603/v1

Please contact the undersigned should you have any questions to relation to Jacfin's submission.

Yours faithfully

A handwritten signature in blue ink, consisting of several overlapping loops and lines, positioned above the contact information for Paul Lalich.

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16 December 2019

The Department of Planning,
Industry, and Environment

Online lodgement via
<https://www.planningportal.nsw.gov.au/>

Dear sir / madam,

SUBMISSION TO DRAFT MAMRE ROAD STRUCTURE PLAN AND PRECINCT REZONING DISCUSSION PAPER ON BEHALF OF JACFIN PTY LIMITED

This submission has been prepared by Ethos Urban on behalf of Jacfin Pty Limited (Jacfin) in response to the exhibition of the Draft Mamre Road Structure Plan and Precinct Rezoning Discussion Paper. Jacfin owns significant landholdings within the Western Sydney Employment Area (WSEA), including:

- Lot A, DP 392643 at 2B Aldington Road, Kemps Creek (100 ha);
- Lot 4002, DP 1243178 at Eastern Creek Drive, Eastern Creek (80.54 ha);
- Lot 11, DP 1157491 at Eastern Creek Drive, Eastern Creek (5.68 ha); and
- Lot 2, DP 1226705 at Old Wallgrove Road, Eastern Creek (84.6 ha).

While Jacfin's landholdings are located outside the Mamre Road Precinct, it has an interest in the Draft Structure Plan related to a long term and ongoing commitment to the growth and diversification of economic activity in WSEA, as well as the implications of the upcoming land release on areas outside the subject precinct.

Jacfin commends the Department of Planning, Industry and Environment (DPIE) on the preparation and release of this well-considered and timely strategic document. We recognise the value of the proposed rezoning in unlocking economic opportunities for, not only for the Mamre Road Precinct, but also the Greater Sydney area by connecting the precinct to Port Botany and the Western Sydney Airport and Aerotropolis. We are encouraged by this strategic direction, particularly within the context of an employment land shortage and rapidly growing demand.

With the immediate economic need for warehousing and logistics addressed, the pressure to provide these land uses within existing parts of the WSEA has been reduced. This provides an opportunity to revisit how land outside the Mamre Road Precinct can be best utilised for WSEA's next phase of growth.

This submission outlines:

1. Aspects of the Draft Mamre Road Structure Plan and Precinct Rezoning Discussion Paper which Jacfin wishes to support.
2. Trends that we have observed within the industrial sector.
3. Matters that we believe need to be considered as part of future planning, looking beyond the immediate needs of the Mamre Road Precinct

Jacfin would appreciate the opportunity to meet with DPIE to discuss the content of this submission and provide additional material to consider in subsequent planning for the WSEA.

1.0 The draft structure plan

There are several elements of the Draft Mamre Road Structure Plan and Precinct Rezoning Discussion Paper that will contribute towards positive employment and economic outcomes for the WSEA and Greater Sydney area. Jacfin wishes to express support for the following in particular:

- **Response to land supply needs:** We are encouraged to see that DPIE has responded to the need for urgent land supply, noting that the stock of developable land may be as low as 4 to 5 years supply due to rapid uptake in recent years, as well as constrained land that cannot support development.
- **Integrated land use planning and infrastructure investment:** Development viability and likelihood will be significantly boosted by the proposed Western Sydney Freight Line, proposed upgrade of Mamre Road, and proposed Southern Link Road (including connection to the proposed M9 Outer Sydney Orbital to the west of the precinct), and potential Intermodal Terminal (subject to business case development).
- **Intermodal terminal:** While the business case for investment is yet to be established, this is a highly important component of the Mamre Road Precinct, and for the role of WSEA, as a whole, as a central hub in the logistics and supply chain for NSW and Australia. In our view, an intermodal terminal would play an integral role in unlocking opportunities for existing and future businesses to more readily access their markets and develop new service lines or business components. Strengthening freight rail connections between Port Botany and Western Sydney will also reduce pressure on the road network.
- **Employment land for Western Parkland City:** Western Parkland City is an ambitious and visionary commitment to the community. Population growth from 740,000 in 2016 to 1.1 million by 2036 will require access to proximal employment land, and land within the WSEA requires opportunities for its workforce to live within a convenient distance. We support the link that is being made between housing and employment needs, with jobs closer to homes.
- **Link roads extending east and north of the Mamre Road Precinct:** The Draft Structure Plan provides the framework for important linkages between the Mamre Road Precinct and the wider WSEA. These should be maintained into the future to ensure convenient movement patterns.
- **Employment Service Hubs:** The concept of employment service hubs is a positive aspect of the structure plan, which will likely support the development of centralised facilities and complementary land uses that can be accessed by various businesses within the precinct. We note, however, that there is a lack of definition for how these service hubs may function.

2.0 Trends in the industrial sector

The industrial sector is undergoing rapid change, with major trends shaping the outlook for the sector including technology and automation, infrastructure investment and supply-chain and logistics operations. The growth in e-commerce and last-mile fulfilment will continue to put pressure on the existing industrial network and drive competition for land. The WSEA is a key destination for existing industrial users, being well positioned in close proximity to the major motorways that enable the efficient distribution of goods across both metropolitan Sydney and interstate, and supporting the development of large, modern industrial properties that are now required in the evolving industrial sector.

Additionally, advances in technology are continuously mitigating or negating environmental impacts associated with traditional industrial uses. As such, previous approaches to planning for industrial land, intended to contain impacts associated with polluting industrial operations, are becoming increasingly outdated. This context is critical in scoping the role of future urban services and employment lands.

Many high-tech industries (such as those required to support the growth of the WSEA) have operational requirements similar to commercial office uses who choose to co-locate their industrial and office components within a single location (i.e. campus-style development). To cater for these industries and facilitate the potential for an increase in employment density

within the WSEA, a greater diversity of uses and built form should be considered in the more established parts of the WSEA, where businesses are evolving from being almost entirely focused on warehousing and logistics to integrating a range of functions within a single site. Jacfin has observed amongst its tenants a shift towards co-location of head office, warehousing and logistics, service and some customer service functions. There is also a drive to improve amenity and access to services and facilities to attract a denser and more diverse workforce to the WSEA in response to this more integrated business operational model. The planning controls for the WSEA have not kept pace with the changing nature of businesses, and Jacfin contends that, in areas that have matured beyond the initial phase of predominantly low employment density and lower capital investment value facilities, there is a need to re-consider planning controls to enable the ongoing maturation and diversification of employment related uses..

3.0 Opportunities to progress and refine planning for WSEA

Land use efficiency

The WSEA has experienced significant development, which is predominantly attributed to the warehousing and freight sector. This has created a critical supply shortage and DPIE is responding appropriately by releasing additional land in the Mamre Road Precinct. The ongoing need for warehousing and logistics needs is acknowledged, with links to Port Botany and the Western Sydney Airport to enable ‘last mile’ delivery. The Mamre Road Precinct is particularly suitable for this, as land can be provided cost effectively and with convenient access to the needed road and rail infrastructure. Jacfin therefore supports the proposal to adopt the statutory planning controls that currently apply to existing parts of the WSEA, to the Mamre Road Precinct.

In addition to addressing this critical and immediate shortage, however, there are longer term implications for the government to consider. The urgency of providing additional land underscores the need to use land as efficiently as possible – enabling the highest value businesses to establish where they are needed most. In this respect, we observe that more mature precincts in the WSEA are seeing increases in land value and/or rents, which can be unattractive for stand-alone logistics and warehousing businesses. The area is also experiencing the emergence of more advanced and integrated business operations. For instance, Jacfin is aware of businesses in the WSEA that include offices and other functions that are reducing the proportion of warehousing/storage floorspace relative to floorspace for office and other functions, including service and repairs, specialist design, engineering and maintenance functions, and related worker amenities. There are also businesses such as Fujitsu and Ricoh, which offer advanced product customisation services, beyond their warehousing functions.

Enabling these businesses to evolve in a rapidly changing commercial environment is critical for the NSW economy to remain competitive, and the WSEA is an appropriate and “in demand” location for this transition to occur. Evidence from existing and emerging businesses that are Jacfin tenants provides early insights into the importance of enabling the evolution of the WSEA beyond a ‘traditional’ industrial area. It also demonstrates that the area has potential for more diversified and specialised land uses that provide greater return on investment for businesses, and greater job diversity and economic opportunities for the area and will contribute to achieving many of the employment and economic goals of the Greater Sydney Region Plan and Western City District Plan.

Value of infrastructure investment

The NSW government is investing heavily in infrastructure, including the Western Freight Line and significant road upgrades within and surrounding the Mamre Road Precinct. It is also progressing a business case to evaluate whether it can invest further in the potential Western Sydney Intermodal. Further, we note that the WSEA enjoys the benefits of access to the Moorebank Intermodal, Western Sydney Airport, and the planned M12 and M9 orbital motorways. These projects will support growth in Western Sydney but will also increase the accessibility and exposure of this employment land, making it more appealing to industrial occupiers.

This underpins the case for enabling the highest and best use of land within the Mamre Road Precinct, as well as the wider WSEA. For the Mamre Road Precinct, we appreciate that in the early stages of its development the greatest value is likely to be unlocked through warehousing and logistics, aligning with the wider strategic planning to link the precinct to Port Botany and the Western Sydney Airport and Aerotropolis. For the established parts of WSEA, which are further advanced and where the evolution of businesses is more progressed, the planning context is more complex. As we have discussed, there are

opportunities for the statutory planning framework to facilitate a greater diversity of uses. These opportunities, combined with existing and future infrastructure investment, create a compelling case for planning the next phase of growth in the greater WSEA.

The WSEA's role in supporting competitiveness

Genuine employment and innovation clusters require a diversity of land uses / businesses to be able to compete globally. This is particularly important for creating supply chain efficiencies, partnerships that result in business and technology advancements, research and development, pharmaceuticals, specialised workforce training, and other avenues for building State and nationally significant employment areas.

Facilitating the development of such clusters is highly important for competing with lower-cost manufacturers and producers in the global market. Within this context:

- Agglomeration economies will be highly important to facilitate the development of shared facilities and infrastructure, mature and strengthen supply chains, and develop a skilled labour force that caters for emerging economic specialisations. Within the WSEA context, warehousing and logistics will play an important role, but these are not the only industrial uses which can be accommodated. As we will discuss, there are also opportunities for accommodating multinational and high value companies that have multi-faceted business needs.
- Thought capital and innovation are essential in order provide value-added production and services that distinguish Sydney-based businesses from lower-cost international competition. This relies on leveraging proficiencies in complex production, industry specialisations, and the development of new technologies or business approaches to meet rapid changes in consumer needs. This increasingly requires the integration of a range of business offerings, which have not traditionally been envisaged in industrial areas.

To illustrate, we note that the Sydney Science Park has received interest from major automotive industry innovators.¹ Opportunities of this nature are important to capture, to be able to address disruptive industry trends that affect economic stability, and to leverage supply chain development.

Catering for multinationals and high value companies

Multinational and high-value companies frequently seek organisational efficiencies by collocating their operations. This includes major machinery manufacturers, innovative energy companies, battery storage, and technology leaders, who benefit from collocating their headquarters / regional offices and ancillary / associated business arms with their industrial operations. Such collocation results in direct costs savings through efficient land use. It also provides organisations the opportunity for office workers and technicians to be connected to the industrial / semi-industrial operations of the business and eliminates the need for travel between business areas and industrial areas.

Complementary uses

Modern economic clusters are moving beyond the traditional models of business and industry parks. They are increasingly taking the form of campus-style development and incorporating complementary uses such as gyms, child care centres, and suitably scaled activity centres / hubs (where appropriate). These uses play a role in enabling work-life balance and workforce retention, which are important to the ongoing success of employment areas. They also enable partnerships and collaboration across businesses, improving prospects for innovation and the development of more mature market sectors.

¹ <https://theurbandevolver.com/articles/thinktank-meet-to-discuss-australias-5bn-smart-city>

4.0 Conclusion

Jacfin generally supports the Draft Mamre Road Structure Plan, which we see as a welcome initiative for economic development and employment in western Sydney. The proposed expansion of WSEA into the Mamre Road Precinct is an opportunity to 'take stock' and plan effectively for the next phase of growth within the more established parts of WSEA. This opportunity has arisen from the immediate land shortage being addressed through expansion of WSEA into the Mamre Road Precinct. Mamre Road will, in its early stages of development, fulfil the same role that the existing WSEA did in its early phases of development, providing an ongoing supply of relatively cheap land for large floorplate warehousing and logistics operations in an accessible location. The Mamre Road Precinct will carry forward the early legacy of WSEA. However, the situation has become more dynamic in those established parts of the existing WSEA which are more mature, and where the nature of employment and industrial uses is evolving. For the existing WSEA areas, the proposed release of the Mamre Road Precinct is a catalyst to revisit planning controls and facilitate the transition to uses that support higher economic value, are more employee focused, support higher worker densities and a more diverse and specialist workforce. These existing parts of WSEA hold the prospect of capitalising on emerging industry trends which can assist the WSEA in reaching its highest potential.

Jacfin considers that more detailed master planning can be undertaken to create a more dynamic, diverse and activated mix of uses that maintain and increase the strategic role that WSEA plays within the Sydney, inter-state and international markets. We would accordingly appreciate the opportunity to meet with the DPIE to discuss the content of this submission and commence a conversation on how Jacfin can work with government to deliver shared economic and employment objectives.

Should you require any further information in relation to the matters raised in this submission, please do not hesitate to contact the undersigned.

Yours sincerely,



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