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Mr Jim Betts Planning Secretary
The Department of Planning, Industry and Environment
320 Pitt Street
Sydney NSW 2000

Dear Jim,

DRAFT MAMRE ROAD STRUCTURE PLAN - SUBMISSION - 754-770 AND 784- 786 MAMRE ROAD, KEMPS CREEK

1. INTRODUCTION

We, The GPT Group ('GPT') write to you as owner of 754-770 and 784-786 Mamre Road, Kemps Creek (the site), in relation to the Discussion Paper released by the NSW Department of Planning Industry and Environment (DPIE). We thank the DPIE for the opportunity to comment on the Mamre Road Structure Plan and State Environmental Planning Policy (Western Sydney Employment Area) 2009 (WSEA SEPP) amendments during formal exhibition period.

GPT is one of a number of landowners within the Mamre Road precinct, the subject of the proposed WSEA SEPP amendment, and is a member of the industry landowner group. That landowner group has prepared a separate submission, representing the common interests of that membership. GPT confirm we fully support the Landowners Group submission.

Western Sydney is where the bulk of NSW's population growth, jobs growth and infrastructure spending will be centred over the coming decades. As investment in crucial infrastructure projects continues to increase, GPT and other large property companies will continue to focus much of their development activity in Western Sydney. GPT believe both the public and private sector have an important role in accelerating Western Sydney achieving the region's exciting potential.

GPT has been very active in Western Sydney, with Group investment in Sydney's West now totalling approximately \$4 billion. These projects will improve productivity, congestion and the overall liveability of Western Sydney.

This submission has been prepared specifically in relation to issues as they affect the GPT owned land.

2. PROPOSED WSEA SEPP AMENDMENT

The Stage 1 Western Sydney Aerotropolis Land Use Infrastructure and Implementation Plan (Aerotropolis LUIIP) identified the intended planning outcomes for land surrounding the Aerotropolis. In respect to the Mamre Road precinct, the future intended use was identified as a warehousing and logistics precinct. The land is connected to the proposed Western Sydney Freight Line, affected by aircraft noise and is not suitable for noise sensitive land uses.

Since release of the LUIIP, a decision has been made to bring forward the rezoning of the Mamre Road precinct via an amendment to WSEA SEPP. This rezoning is however, consistent with the intention of the LUIIP and the more recently exhibited Aerotropolis Planning Framework.

The WSEA SEPP amendment proposes to rezone the precinct for industrial purposes with a focus on servicing the growing freight and logistics market.

The additional industrial land supply proposed through this WSEA SEPP amendment is intended to integrate with and form an extension to the existing zoned land covered by the WSEA SEPP. The rezoning will see much of the Mamre Road precinct zoned as IN1 General Industry and will include new land zonings not previously included under the SEPP, including RE1 Public Recreation and RE2 Private Recreation. Areas which have been considered to hold environmental value will be zoned E2 Environmental Conservation. Recreation areas adjoining environmentally sensitive areas will also be zoned accordingly.

3. MAMRE ROAD PRECINCT

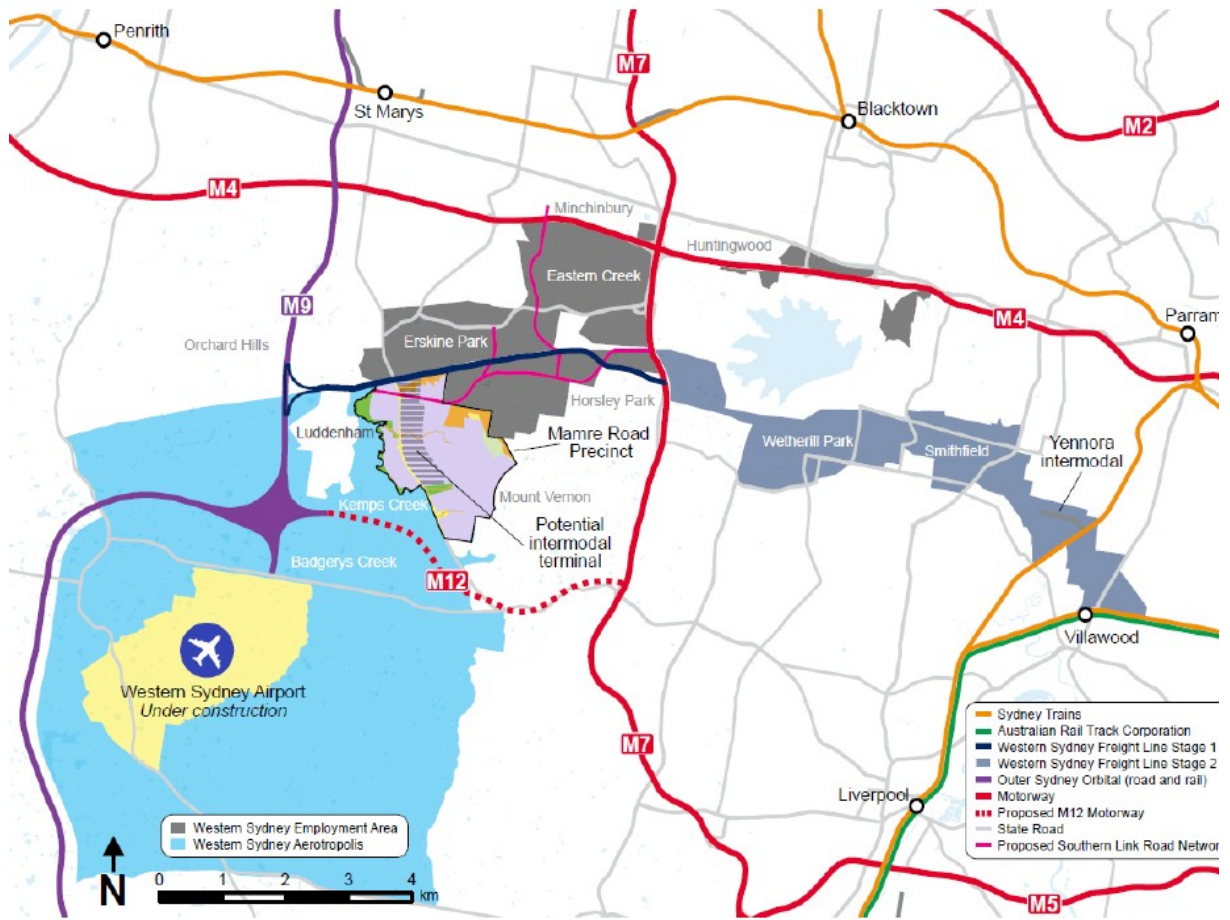
3.1. PRECINCT LOCATION AND CONTEXT

Mamre Road Precinct is located within the Western Sydney Employment Area (WSEA), approximately 40km west of the Sydney CBD and 12km south-east of the Penrith CBD. It is also located within the Western Sydney Aerotropolis, approximately 6km from the future Western Sydney International (Nancy-Bird Walton) Airport.

The precinct covers an area of approximately 972 hectares. The precinct is located within the Penrith Local Government Area (LGA). It is partially located in the suburbs of Kemps Creek and Mount Vernon. The precinct is directly south of the established Erskine Park Industrial Area, and south-west of Oakdale Estate – both of which form part of the WSEA. Large lot rural residential borders the precinct to the east, South Creek forms its western boundary and Rossmore Precinct within the Western Sydney Aerotropolis sits to the south.

The precinct is currently used for rural residential purposes. It is zoned predominately RU2 Rural Landscape under the Penrith Local Environmental Plan 2010 (PLEP 2010). Under the existing zoning, development for the purposes of industrial warehouses is prohibited.

Figure 1 – Context Map



Source: Transport for NSW

SP2 Infrastructure (Classified Road)

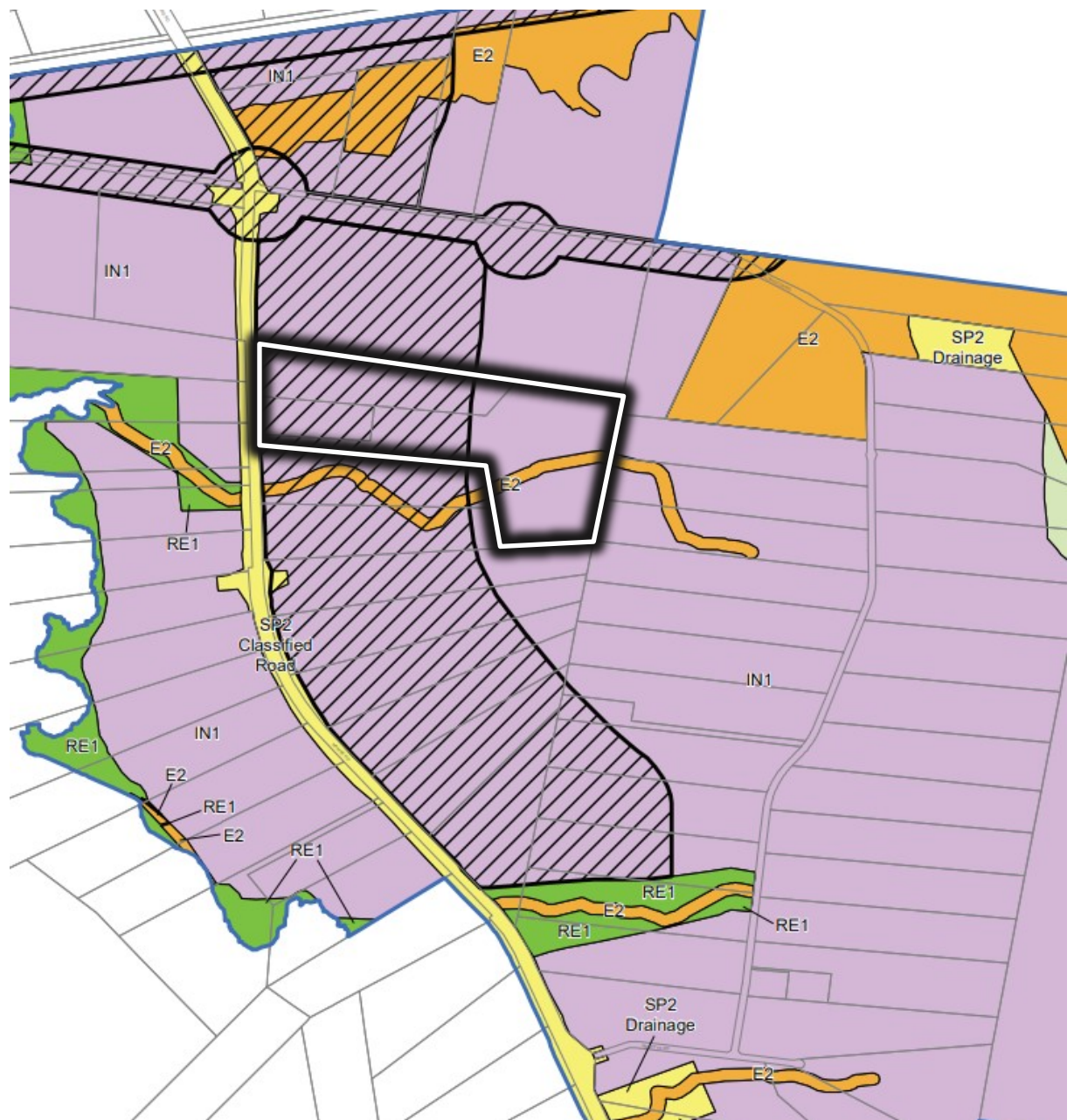
Mamre Road, and adjacent land to accommodate its future widening, is proposed to be zoned SP2 Infrastructure (Classified Road). Part of the site, as it fronts Mamre Road, is proposed to be zoned SP2 to accommodate this widening.

The proposed road widening is intended to be reflected on the Land Reservation Acquisition Map with TfNSW (Roads and Maritime Services) as the proposed acquisition authority. The timing for land acquisition is not stated in the available public documents. TfNSW will have a concurrence role for any development proposed in this reserved land corridor, to ensure that works are not inconsistent with the future road widening.

Transport Infrastructure Investigation Area

A potential intermodal site has been identified on the draft Mamre Road structure plan, over a large portion of the GPT land. The intermodal terminal would be serviced by the Western Sydney Freight Line and provide connections to the Outer Sydney Orbital and major roads such as the M4 and M7 Motorways. The exhibition documents state that intermodal terminal site would require approximately 100ha of land.

Figure 3 – Draft Zoning Map Extract noting GPT's land holdings



5. RESPONSE TO DRAFT STRUCTURE PLAN

5.1. ASPECTS SUPPORTED BY GPT

IN1 General Industry Land

It is widely acknowledged that there is a supply shortage of industrial and logistics land in Western Sydney. Industry has advised government of the critical shortage of serviced land emerging, and that the increasing needs for warehouse and logistic facilities, generated by increased e-commerce demand, are forecast to exacerbate this. Approximately 600 hectares of readily developable land is available within the WSEA however, take up rates suggest this could be exhausted in as little as five years.

The Western Sydney Airport is set to commence operations in 2026 and will focus further need for freight and logistics land in western Sydney.

The rezoning of the Mamre Road precinct for the purpose of IN1 General Industry is heavily supported. This would, void of other zoning restrictions as discussed below, help deliver much needed developable land suitable for warehousing and logistics estates. The site is extremely well positioned to deliver this land as part of a wider and integrated transport network, which will benefit greatly from the Western Sydney Airport.

5.2. AREAS OF CONCERN AND DISCUSSION

Transport Infrastructure Investigation Area

There is an abundant need for warehousing space in Western Sydney. The establishment of an intermodal terminal, such as that seen at Moorebank, is highly expensive, and slow to gain traction. Importantly, this results in a lag time in profitability which suggested why the current operators of existing intermodals within the city are not driving current demand for more sites. Despite no current need existing for an intermodal, the exhibited discussion paper has placed a restriction over approximately 200ha of prime land fronting Mamre Road, which will result in the significant dilution of (potentially long term) development capacity of this land to meet the known and immediate need for warehousing and logistic estates which would critically effect employment opportunities and investment in Western Sydney.

No supporting documentation or consultation was provided with the rezoning discussion paper that provides any form of strategic justification for the sterilisation of this land, or the proposed location for an intermodal terminal despite the implication to landowners. Further, there is no proposed land reservation or acquisition process proposed for this land.

GPT question whether the Mamre Road Precinct is an appropriate site for an Intermodal Terminal. Specifically, the very challenging topography needs to be clearly understood in terms of the amount of cut and fill required, the resultant impact on landform and roads and the extent and height of retaining walls.

The discussion paper notes however, that TfNSW will continue to undertake more detailed investigations to determine a refined location, along with identifying mechanisms to rezone land for infrastructure purposes.

Contextual considerations in relation to connectivity to current and proposed major infrastructure suggest how the proposed location was informed however, this is unable to be quantified. It is understood that only one other area was considered for the potential location of the intermodal terminal further west of the site in the Aerotropolis. It is likely this location was disregarded due to the additional cost to extend transport infrastructure, particularly the Western Sydney Freight Line.

While the preferred location is yet to be chosen, at its briefing to industry on 4 December 2019, the DPIE advised that the subject location is the preferred site for the intermodal. Its delivery will be subject to a business case requiring sign off by cabinet and will require the cooperation of the private sector. The Government is not currently intending to acquire the site for the purposes of the intermodal. The timing for the business case is not yet known however, the exhibition documents cite a need for the terminal by approximately 2031.

No alternate intermodal location was shown in the Western Sydney Aerotropolis Planning Package exhibition documentation. That documentation still referenced the location of the intermodal within the Mamre Road Precinct.

Should the location for the intermodal be formally included in the SEPP WSEA zoning maps, the impacts to the site will likely be as follows:

- The immediate development potential of the affected land for warehouse & distribution centres and other permanent industrial uses, will be diluted if not removed completely. Concurrence will be required by TfNSW for development within the identified future intermodal land. Concurrence will unlikely be granted, unless it can be demonstrated that the proposed use will not detract from the future delivery of the intermodal in its preferred location.
- This may result in the limitation on redevelopment opportunities for warehouse and distribution purposes until such time as:
 - The intermodal location is agreed, releasing the remaining land for industrial development, or
 - The intermodal terminal land is acquired by government or purchased by a future Intermodal operator for that purpose.
- The resultant restriction on use would dilute development potential of land intended to supply the critical shortage of serviced land for warehouse and logistics demands in Western Sydney.
- If the intermodal is located along the Mamre Road frontage, consideration in the structure planning and subdivision of the Precinct would need to be given to provision of access to unencumbered industrially zoned land to its east. It is considered that the location of the potential intermodal will hinder road access to that land.

Should the government continue to require the setting aside of this land for possible future intermodal purposes, the land should be acquired at market rate. If this is not the case, then the land should be allowed to be developed for industrial purposes. At such time that a future intermodal is required, operators informed by the market, can negotiate to purchase a site.

It is unreasonable to sterilise the development of prime industrial land, in a market where there is demonstrable demand for logistics warehousing, where there is no firm knowledge or commitment to a future intermodal at this location.

GPT understand DIPE will hold workshops with stakeholders to discuss Transport Infrastructure Investigation Area and we are keen to engage with all involved to develop the best outcome for Western Sydney and the precinct.

E2 Environmental Conservation Zone

A small tract of land within the Precinct is proposed to be zoned E2 Environmental Conservation. This tract does not form a stream on the ground but comprises a number of artificial farm dams.

It is understood that the exhibition paper states that the urban development footprint (and therefore the resultant environmental conservation zones) has been determined through a process of strategic conservation planning in order to mitigate impact of development on the area's biodiversity values.

The WSEA SEPP amendment mapping which shows the creek alignment has been informed by Penrith City Council data, and no further technical studies have been undertaken to support these locations.

Technical review of the Strahler Stream classification of this E2 zone extent is required, including the ground truthing of the ecological value of the farm dams.

GPT requests that the E2 zoning be removed from its land, and that ecological conservation of any potential actual stream in this location be managed at the DA stage.

Contributions & Infrastructure Delivery

GPT seeks clarification and confirmation of the intended infrastructure funding mechanism for this site.

It is important to ensure that infrastructure is delivered in a coordinated way, and within a short timeframe, enabling the much needed logistics warehousing development to proceed.

6. RECOMMENDATIONS

GPT acknowledges the swiftness with which the proposed rezoning paper was prepared however, recommends that the following be undertaken so not to unreasonably inhibit the development potential of this land and undermine the intention of the WSEA SEPP amendment, which is to bring serviceable industrial land to market.

- Without a business case, a land acquisition process, or committed private operator, the 'transport infrastructure investigation area' overlay should be removed from the site as it applies to the possible future intermodal location. The restriction of development on this land, for no definitive timeframe or demonstrable intermodal demand, is unreasonable and unjustifiable.
- The extent of E2 zoning within the precinct needs to be verified by ecological studies. Should such studies not be prepared, land zoning should revert to IN1 General Industrial, with detailed investigations informing future Development Control Plans and Development Application processes.
- Infrastructure delivery across the precinct needs to be coordinated and delivered swiftly. It is recommended that VPAs between private developers and government forward-fund the provision of trunk infrastructure by government agencies. The Department should coordinate with these agencies to ensure that they are prepared to undertake the required infrastructure delivery in a timely manner so as not to delay the servicing of land.

7. CONCLUSION

GPT thanks the DPIE for the opportunity to comment on the draft rezoning package for the Mamre Road Precinct, and appreciates the work completed to date to progress the WSEA SEPP amendment.

GPT strongly supports the rezoning of the Mamre Road Precinct and is happy to share with DPIE its due diligence phase ecological and contamination studies to assist in the rezoning process.

As the rezoning process continues, GPT looks forward to future engagement with the DPEI via landowner workshops and providing input into discussions regarding contributions framework.

Should you wish to discuss any aspect of this submission, please contact either Darren Hunt Darren.Hunt@gpt.com.au or myself, Matthew.Faddy@gpt.com.au.

Yours sincerely,



Matthew Faddy
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The GPT Group