

18 December 2019

Greater Sydney Place and Infrastructure
NSW Department of Planning, Industry and Environment
C/o Catherine Van Laeren
GPO BOX 39
Sydney NSW 2000

Via website: <https://www.planningportal.nsw.gov.au/draftplans/exhibition/mamre-road>

Dear Catherine,

1. Re: Mamre Road Precinct draft Structure Plan

PRC Capital Pty Limited (**PRC**) provides this submission to the proposed amendments to *State Environmental Planning Policy (Western Sydney Employment Area) 2009 (WSEA SEPP)* to rezone the Mamre Road Precinct (**MRP**) for primarily industrial purposes.

PRC commends the Department of Planning, Industry & Environment (**DPIE**) for expediting the rezoning of the MRP under the WSEA SEPP in accordance with PRC's recommendations in our submission to the Western Sydney Aerotropolis (**Aerotropolis**) Land Use and Infrastructure Implementation Plan (**LUIIP**) dated 2 November 2018 and our meetings with DPIE on 19 September 2018 and the Western Sydney Planning Partnership (**PPO**) on 11 March 2019.

DPIE has acknowledged the "urgent need to provide additional industrial land" so it is imperative that the rezoning of MRP is not delayed by potential issues such as the proposed Intermodal Terminal (**IMT**) or the Probable Maximum Flood (**PMF**). The requirement of a Development Control Plan (**DCP**) within the WSEA SEPP allows such issues to be thoroughly investigated concurrently, or even subsequently, to the implementation of the rezoning process. PRC respectfully disagrees with some of the assertions of the MRP rezoning package with regards to industrial land supply and urges DPIE to forge ahead.

PRC is actively working with a number of landowners in the MRP and Aerotropolis and has advocated for the MRP to be rezoned under the WSEA SEPP since the release of the Aerotropolis LUIIP. We have consulted with DPIE, PPO, Sydney Water, Endeavour Energy and TransGrid with regard to the future development of MRP and provide the following comments for the consideration of DPIE.

In this submission PRC's key recommendations are that DPIE:

- a) **Expedite the rezoning of the Mamre Road Precinct to address the existing issues motivated by the lack of vacant industrial land in Western Sydney; and**
- b) **Allow a merits-based assessment for treatment of floodplain management where the cumulative flood impact can be demonstrated to be improved by alterations within the 1:100 ARI (average recurrence interval).**

2. Industrial land supply in Western Sydney

As detailed in PRC's submission to the Aerotropolis LUIIP, ownership of vacant industrial land in the WSEA is dominated by private organisations and the NSW Government, leaving almost the entire developer market unrepresented in the precinct. According to DPIE's 'Economic Development Land Monitor', the take-up of employment land for industrial development decreased from 171 hectares in 2016 to 140 hectares in 2017 which we contend is the result of constrained land release caused by an inability for developers to access land.

Analysis undertaken by PRC suggests that the area of readily developable land within the WSEA is significantly less than the "around 600 hectares" stated in the MRP package, particularly when development constraints, alternate existing land uses and proposed infrastructure upgrades are considered. In addition much of the remaining land is irregular in shape (due to riparian and easements), committed under contract already or held by private or government landowners that are not releasing land to the developer market.

Of the large industrial estates mentioned on page 10 of the Discussion Paper, three have been developed by the same developer and the rezoning of another was prompted by a developer due to the shortage of industrial land back in 2014.

When the tight ownership conditions of the WSEA is considered in combination with the area of uncommitted, developable land, the state of the industrial land supply in Western Sydney is already at alarming rates that create challenging market conditions that favour landowners over lessees and purchasers.

The MRP documentation makes numerous references to the growing demand for industrial property in Western Sydney however in our opinion, the current issue originates from a historic starvation of supply rather than growing demand.

The unprecedented appetite of developers to enter contracts over land not yet rezoned undisputedly demonstrates the chronic shortage, even more concerning when considered in conjunction with the lag time between commencement of the rezoning process and completion of an industrial facility.

3. Flooding

We appreciate that there are extensive works being undertaken at various levels of government with regards to floodplain management however we implore DPIE to take the sensible step of implementing zonings and planning controls that allow a merits-based assessment.

Previously, a leading flood consultant engaged by PRC prepared a site-specific model using the most recent flood modelling data available to reconfigure the 1:100 ARI and clearly demonstrate an improved flood outcome in the post-development scenario compared to the pre-development scenario for the site and all neighbouring properties. PRC submits that where the cumulative flood impact can be demonstrated to be reduced by alterations within the 1:100 ARI, the strategy should be encouraged and that limitations imposed relate to the post-development scenario only.

Irrespective of the respective zoning of land, a development application (**DA**) is required to demonstrate the suitability and capability of the proposed development and the assessment process will ensure land is allocated to floodplain management or drainage as required. Accordingly, and in consideration of the merits-based approach detailed above, PRC submits that DPIE should impose the IN1 General Industrial zoning rather than RE2 Private Recreation (**RE2**) to land that is to be assessed in further detail, noting also that provision of open space for employee amenity will be a DA requirement.

4. Other

a. Rezoning process

PRC understands that DPIE is considering the preparation of a precinct-wide DCP that would be undertaken prior to the rezoning of land. When considered with the other requirements of the rezoning process including addressing submissions, finalisation of the report to the Minister and exhibition of the DCP, PRC submits that the timeframe will be far too long to address the chronic undersupply of industrial land. Rather, PRC proposes that the zoning be implemented and a subsequent DCP required as is currently the case under the WSEA SEPP. This will allow developers to finalise transactions and commence DA planning works while the DCP is being prepared therefore reducing the significant lag of introducing land to the market.

b. Transition Area

On the Structure Plan, the *Transition Area* should be limited to land “that is within 250 metres of land zoned primarily for residential purposes” as per clause 23 of the WSEA SEPP. Appropriate treatments to RE2 and E2 Environmental Conservation lands should be assessed as part of the precinct-wide DCP.

c. Water reservoir

The indicative location appears to be unsuitable based on the requirement to be at a peak (as advised by Sydney Water) and the alignment of an easement as shown in Figure 2 of the Discussion Paper.

d. Intermodal Terminal

The clear lack of interest in an IMT at MRP communicated by the property industry at the MRP Industry Briefing as well as concerns relating to topography are major obstacles that have the potential to frustrate the much-needed release of industrial land. There also appears to be no mechanism for the implementation of an IMT including how an operator will gain ownership other than potentially through controls of the DCP which will be majorly contested given developers have already taken a position in the market. We recommend the IMT investigation area is removed from the MRP or at very least, the DCP and rezoning process is permitted to proceed to allow the development of other parcels.

e. Mamre Road upgrade

PRC understands that Transport for NSW (**TfNSW**) is currently prioritising projects north of the water pipeline despite the allocation of funding to the Mamre Road upgrade. As Sydney Water is rapidly progressing plans to install a new watermain in Mamre Road, PRC proposes that TfNSW should prioritise the Mamre Road upgrade so that services and road works can be undertaken concurrently.

PRC commends DPIE for recognising the shortage of industrial land in Western Sydney and progressing the rezoning of the MRP under the WSEA SEPP however expresses serious concerns to the potential for issues such as the IMT and PMT to delay the rezoning process. PRC recommends that DPIE progress the rezoning process without allowing such issues to delay the process.

PRC also recommends that DPIE encourages a merits-based assessment for treatment of floodplain management and encourage the sensible alteration of the existing 1:100 ARI while protecting the post-development 1:100 scenario.

Yours sincerely,



Tim Colless
Director
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