



19 December 2019

Ms Catherine Van Laeren
A/Executive Director
Department of Planning, Industry and Environment
GPO Box 39
Sydney NSW 2001

Dear Catherine,

Re: Mamre Road Landowner's Group – Response to Publicly Exhibited Draft Structure Plan

Mamre Road Landowners Group

As you are aware, Mirvac, Frasers Property, Fife Capital, Stockland, Altis, GPT and DexuS have formed a Mamre Road Precinct Landowners Group in order to work collaboratively with the Department of Planning, Infrastructure & the Environment ('DPIE') and other agencies to progress the rezoning of the Mamre Road Precinct and address the current industrial land supply shortage.

The Landowners Group represents approximately 42% of the total area within the Mamre Road Precinct and each member has a substantial track record in developing, investing and managing high quality industrial property portfolios across Australia.

In relation to the Mamre Road Precinct, the Landowner Group holdings generally represent the largest consolidated parcels most capable of being accessed and serviced within the Precinct and thus provide an ideal opportunity to advance much needed 'on the ground' employment opportunities within the Aerotropolis and help prevent loss of investment and employment opportunities to other states.

Public Exhibition of Draft Structure Plan

The Landowner Group congratulates the NSW Government for the release of the draft Mamre Road Precinct exhibition package. We appreciate the consultation to date and the opportunity to provide comment on the draft plans.

In order to assist the process, the Landowners Group has engaged Urbis to provide a consolidated submission to the draft Mamre Road Precinct exhibition package on its behalf.

Whilst we are overwhelmingly supportive of the DPIE initiative to accelerate rezoning of the precinct via the Western Sydney Employment Area SEPP framework there are 21 recommendations which we seek urgent resolution as outlined in the attached submission.

It must also be noted that the comments provided are based on a high level assessment of the draft documents given time available.

Accordingly, in the interest of expedience and collaboration we welcome a workshop with DPIE in January 2020 to reach resolution of these critical matters and advance the Mamre Road Precinct to achieve rezoning of the Mamre Road Precinct by Q1 2020.

Please don't hesitate to contact Richard Seddon for any co-ordinating matters in relation to the Landowners Group on 0424 186 095 or Richard.Seddon@Mirvac.com.
The Mamre Road Precinct Land Owners Group

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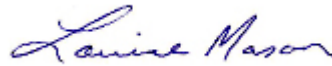
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SUBMISSION ON THE MAMRE ROAD PRECINCT EXHIBITION PACKAGE

MAMRE ROAD PRECINCT LANDOWNER GROUP

18 DECEMBER 2019
P0018760
FINAL
PREPARED FOR MAMRE ROAD PRECINCT LANDOWNER GROUP

URBIS

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1. INTRODUCTION

This submission has been prepared by Urbis on behalf of the Mamre Road Precinct Landowner Group (Landowner Group) in response to the release of the draft Mamre Road Precinct exhibition package. The Landowner Group welcomes the opportunity to comment on the exhibition package and seeks a continued partnership with NSW Government on the rezoning and delivery of Mamre Road Precinct.

The Landowner Group congratulates the Department of Planning, Industry and Environment (Department) on releasing the draft exhibition package. The response to the critical shortage in appropriately zoned and serviced employment land is timely and appreciated by the industry and landowners. It is recognised that the plan has been released very quickly in response to the Stage 1 LUIP exhibition submissions. Although this has caused some concerns, which are discussed in this submission, the release of the draft exhibition package does get the process going from which refinements can be made.

The Landowner Group is committed to be an active participant in response to the industrial land shortfall. Through this participation, the Landowner Group supports the success of Mamre Road Precinct through the delivery of a timely rezoning. This consortium has a substantial track record of developing, investing and managing high quality industrial property portfolios across Australia. Each member has a strong commitment to Western Sydney, having developed many high quality employment precincts in the Western Sydney Employment Area (WSEA) and the Sydney metropolitan area more broadly.

The Landowner Group includes seven members. The Group does not speak for the entire Precinct, rather it represents the major institutional investors who have made a strategic decision to locate in Mamre Road Precinct. The Landowner Group owns approximately 420ha, approximately 43%, of Mamre Road Precinct. The track record of each individual member and the strategic locations of their sites will allow a quick delivery response to the employment lands shortfall, once the land is zoned and serviced. This track record provides certainty to the NSW Government that an immediate development outcome will result from this rezoning process.

This submission has been divided into the following key sections:

- **The Mamre Road Precinct:** Overview and history of the Mamre Road Precinct;
- **About the Landowner Group:** Outlining the key stakeholders supporting this submission and their sites within the Mamre Road Precinct;
- **Comments and recommendations on the exhibition package;**
- **Response to Employment Land Shortage:** an assessment on how effective the proposed Mamre Road Precinct will be in responding to the pipeline supply shortfall in zoned employment land; and
- **Conclusion and Next Steps:** Discussion on the appropriate next steps to get Mamre Road Precinct rezoned in a timely manner.

Key Recommendations of this Document

We look forward in working with the NSW Government in addressing the following concerns and recommendations:

1. Exhibit the Infrastructure Contribution mechanisms for Mamre Road Precinct as a matter of urgency to allow landowners to understand the complete picture of the proposed costs of developing in the Precinct. It is noted that the SIC contribution rate should be no more than that currently applicable to the existing WSEA.
2. The Structure Plan for Mamre Road Precinct should align with the strategic transport direction set out in the Western Sydney Aerotropolis Plan. While that plan discusses the need for an Intermodal Terminal, it does not specify where it should be located and identifies that a series of investigations are needed before a site can be confirmed.
3. The Landowner Group supports the use the WSEA SEPP as the primary environmental planning instrument for the precinct.

4. It is requested that the WSEA SEPP be retained in its current operating capacity. The addition of new land uses and clauses into the SEPP is excessive and duplicates current Policies, Ministerial Directions and local planning controls which still apply to the Precinct and must be addressed through the development application phase.
5. The Mamre Road Precinct Landowner Group seeks to work with the NSW Government in finalising technical inputs needed to satisfy the rezoning. The rezoning should not, however, be overcomplicated. The majority of technical inputs can be resolved at the DCP or DA stage through detailed design, and by way of satisfying existing NSW Policies and DCP controls.
6. The Landowner Group asks the NSW Government to review the cumulative supply of current and proposed Intermodal operations. The Landowner Group's preliminary analysis identifies that there may be a need for a Western Sydney Intermodal Terminal in the long term, beyond 2040.
7. Technical investigations need to confirm Mamre Road Precinct is an appropriate site for an Intermodal Terminal prior to identification on a Structure Plan and Land Zoning Map. 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. For comparison the fall across the entire Moorebank Intermodal Precinct is approximately 2.5m.
8. The NSW Government needs to respond to the following points prior to rezoning and have sufficient evidence to support the Intermodal Terminal:
 - The Landowner Group's consultation to date suggests there is not an immediate market need for an Intermodal Terminal in Western Sydney Aerotropolis. The need for this asset extends beyond 30 years, and requires interest from an Intermodal operator.
 - The delivery of the Intermodal Terminal is dependent on the delivery of the Western Sydney Freight Line. The Western Sydney Freight Line appears to be exceedingly difficult to achieve given the land acquisition and business disruption challenges associated with the eastern section which is yet to be defined through Wetherill Park, Smithfield and Yennora. The Landowner Group queries whether this business case is capable of being supported by NSW Government. Infrastructure Australia (2016) estimated that land acquisition costs alone totalled approximately \$3.2 billion. If the business case cannot be achieved, it is not appropriate to identify a potential Intermodal Terminal subject to a potential NSW Business case.
 - If an Intermodal Terminal is an important infrastructure asset for Western Sydney, it should have been identified in the Western Sydney Freight Line corridor announcement in 2018. Its identification during the Mamre Road Precinct exhibition is perceived as an afterthought particularly since the corridor is only partially defined.
 - The ultimate location of the Intermodal Terminal needs to factor in existing conditions, such as topography.
 - The NSW Government needs to seriously consider the probability of this site being developed as an Intermodal Terminal. Its delivery is dependent on the construction and operation of the Western Sydney Freight Line and interest and land acquisition by a private intermodal operator. Acquisition of sequential allotments in fragmented ownership will present complications in the consolidation of the Intermodal site by a private operator.
 - The NSW Government needs to confirm the legality of the concurrence requirement by TfNSW if the land for the Intermodal Terminal is not proposed to be compulsorily acquired, but is intended to be privately owned and operated.
 - The NSW Government needs to advise if alternate locations were considered and provide an analysis as to why Mamre Road Precinct is the preferred site for this significant piece of infrastructure. A response is needed as to why the Department and TfNSW has not provided any detail as to why other potential Intermodal locations have been discarded including land already owned or controlled by the NSW Government, such as Ropes Creek and Western Sydney Parklands.
 - The current market operations in WSEA and prospective tenants in Mamre Road Precinct are not requiring an Intermodal Terminal for their operations in the short, medium and long term. The

assurance of obtaining long term lease agreements or tenure is a critical determinant in justifying investment by tenants in expensive optimising technologies for their warehouses. Without this certainty, investment decisions can be jeopardised.

- The cross hatching overlay as it applies to the identified Intermodal Terminal land is oversized. Reserving land for 1,500m long interstate trains is not feasible. These trains are rarely used in Intermodal Terminal operations today in NSW. As such the NSW Government needs to rethink the intended layout design for the Intermodal Terminal in this location and extent of the overlay hatching in the Precinct.
- 9. An Intermodal Terminal should not be identified on Mamre Road Precinct until NSW Government can demonstrate to the public it is the most appropriate location for this use. It is the Landowner Group's view there are more appropriate alternative locations in the Western Sydney Aerotropolis.
- 10. The NSW Government needs to confirm that the proposed zoning and land acquisition for Mamre Road is consistent with the final design for the upgrade.
- 11. The NSW Government needs to confirm the program for delivery of the Mamre Road upgrade.
- 12. The concept design for the Southern Link Road should be expedited to establish the land reservation requirements and remove the need for concurrence from TfNSW.
- 13. The NSW Government should maintain the current flood planning level to the 1:100 ARI event, which is in line with current NSW Policies. Planning controls, such as the Land Zoning Map, should reflect the 1:100 flood planning level or cadastral boundaries.
- 14. If NSW Government seeks to update flood planning policy, the public should be presented with the opportunity to review the technical basis of the South Creek Sector Review to understand the rationale of amending current standards. PMF is not an economically viable standard for flood planning, regardless to any change in policy. It should not be introduced without proper consultation.
- 15. The NSW Government should investigate the opportunity to maximise the appropriate use of land within the 1:100 ARI flood event, including for water quality and quantity control basins. The current permissible uses should be amended to include these opportunities.
- 16. There needs to be a clear match between environmental conservation areas and statutory controls. It needs to be demonstrated that appropriate areas are being conserved, which are supported by evidence-based studies.
- 17. RE1 Public Recreation and RE2 Private Recreation zones need to be removed from the proposed rezoning package. Appropriate open space for an employment precinct will be provided through industrial estates to ensure employees will have sufficient access to amenity.
- 18. The NSW Government needs to confirm Penrith City Council's stance on RE1 Public Recreation along South Creek, and their willingness to acquire land adjacent to South Creek.
- 19. The NSW Government needs to clarify the purpose of the proposed RE2 Private Recreation zone and should amend it to reflect an IN1 General Industrial zone.
- 20. Whilst infrastructure contribution frameworks are refined, the NSW Government should not prevent the rezoning of land and progression of development approvals as there is an appropriate 'satisfactory arrangement' mechanism within SEPP WSEA to ensure infrastructure is delivered to service the needs of the development and employees.
- 21. Concurrence requirements from TfNSW should be removed from the proposed WSEA SEPP amendment for the Intermodal Terminal, as it will not be a publicly owned and operated infrastructure asset.

2. MAMRE ROAD PRECINCT

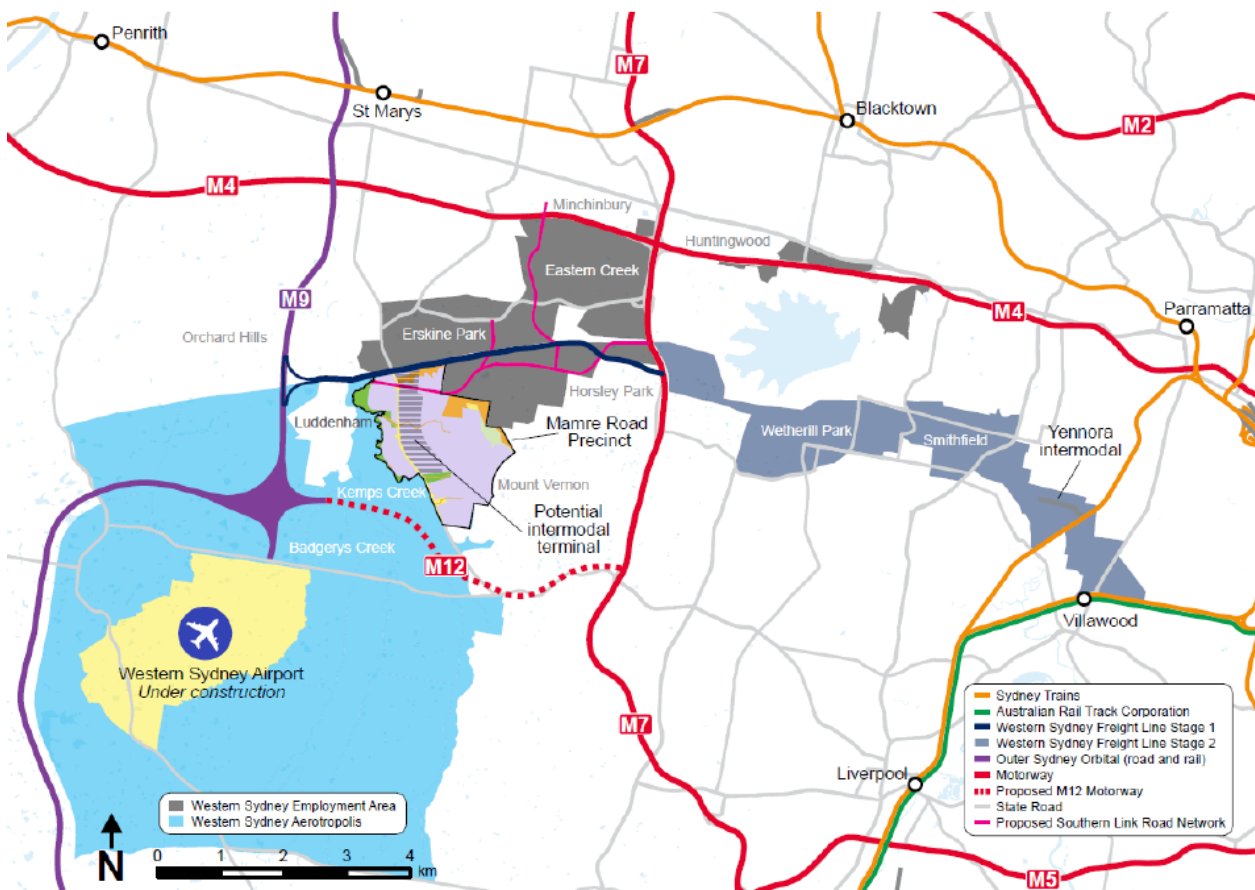
2.1. PRECINCT LOCATION AND CONTEXT

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 Kemps Creek and Mount Vernon localities. The precinct is directly south of the established Erskine Park Industrial Area, which forms 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*. Under the existing zoning, development for the purposes of industrial warehouses would be prohibited.

Figure 1 – Context Map



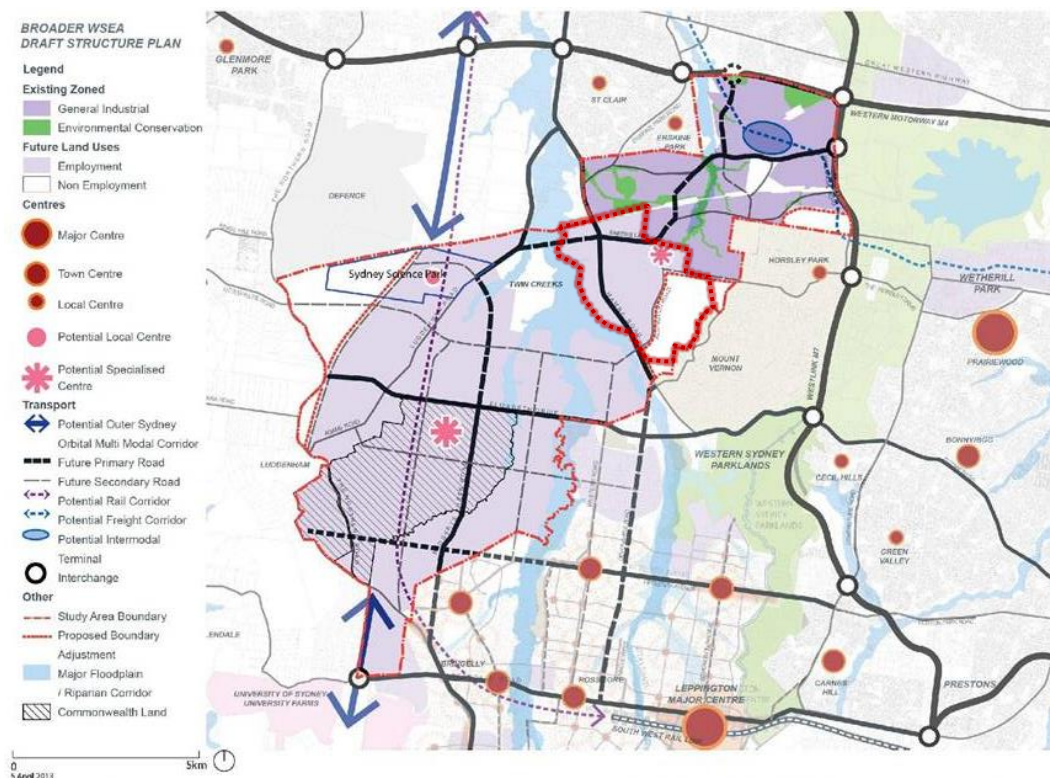
Source: Transport for NSW

2.2. PLANNING BACKGROUND

The Mamre Road Precinct has a history of being designated as future employment land. This began in 2014 when the NSW Government announced a proposal to expand the WSEA to dedicate a further 4,574 hectares (ha) of employment land. This proposal amended the *State Environmental Planning Policy (Western Sydney Employment Area) 2009 (WSEA SEPP)* Land Application map to increase the boundary south to Elizabeth Drive and include land west to the planned Western Sydney Airport. The expansion of employment area was referred to as the Broader WSEA.

A draft Structure Plan divided the Broader WSEA into 6 precincts: Aldington Road, South Creek, Luddenham Road West, Adams Road, Commonwealth Land and the South West Growth Centre Industrial. The present Mamre Road Precinct and part South Creek Precinct was originally within the broader WSEA's Aldington Road Precinct and South Creek Precinct (refer to **Figure 2**). These precincts were adjacent to the existing WSEA zoned land and identified 493 ha for employment uses and 377 ha for non-employment. Its proximity to existing employment areas made it the next logical extension from the zoned WSEA land.

Figure 2 – Broader WSEA Structure Plan



Source: Department of Planning, Industry and Environment

In 2018, the NSW Government announced the Western Sydney Aerotropolis, which included parts of the broader WSEA including Mamre Road Precinct. The release of the Stage 1 Land Use and Infrastructure Implementation Plan (Stage 1 LUIIP) provided preliminary guidance on the Aerotropolis, including the first rezoning phase: Aerotropolis Core, Northern Gateway and South Creek.

Detail on the sequencing and delivery of the remaining precincts, including Mamre Road, was deferred to the Stage 2 LUIIP. Following the exhibition of the Stage 1 LUIIP, the Planning Partnership released a 'What we heard' report. This report acknowledged:

- the need identified by industry for Mamre Road Precinct to be an initial precinct to address the pipeline supply shortfall of zoned and serviceable industrial land;
- that rezoning of employment lands should be expedited; and
- the Precinct should be retained within the Western Sydney Employment Area.

The exhibition of Mamre Road Precinct began on the 20 November 2019. The exhibition package included the following:

- Mamre Road Precinct Structure Plan;
- Mamre Road Precinct Discussion Paper outlining an explanation of intended effects of the proposed rezoning; and
- Proposed SEPP maps.

The exhibition confirms the WSEA SEPP as the primary environmental planning instrument (EPI) governing land use and development on the site. However, application of the strategic documents and infrastructure funding mechanisms for the Western Sydney Aerotropolis will continue to apply.

2.2.1. Landowner Response to the Planning Background

The Landowner Group commends the NSW Government for its acknowledgement of Mamre Road Precinct as an essential employment area for Western Sydney. The expedited planning and rezoning of the precinct is supported and the Landowner Group believes the choice to rezone the land under the WSEA SEPP is appropriate.

Historically, the NSW Government has prepared and delivered strategic planning pathways for employment land in Western Sydney. The NSW Government's long held intention that the land contained within the Broader WSEA, including Mamre Road Precinct, be zoned eventually for industrial purposes has set expectations and informed investment decisions for landowners and developers. Significant land purchases have been made on the basis that long term and consistent strategic planning policy pointed towards land in this precinct being zoned for employment purposes. Outside of the current exhibition period, there has been limited dialogue between NSW Government and the private sector about how current and future markets and land supply can achieve the strategic vision of the Western Parkland City and respond to the shortage of industrial land to meet required land supply for Greater Sydney.

In order to see Mamre Road Precinct delivered in a timely manner, there needs to be a continued commitment by the NSW Government, and services delivery authorities, to continue cooperative, productive discussions with landowners to ensure that the intended industrial and employment uses within the Precinct can be delivered in a practical and timely manner. Previous examples of such cooperative delivery in the Western Sydney Growth Centres include Marsden Park Industrial Precinct and the Oran Park Precinct. The Landowner Group asks that the NSW Government work with landowners and developers to ensure Mamre Road Precinct is delivered in a timely manner responding to market needs and contributing to the overall vision of the Western Parkland City.

2.3. INDUSTRIAL LAND SUPPLY IN WESTERN SYDNEY

Planning for the Mamre Road Precinct needs to align with the broader land use needs of the WSEA and the Western Parkland City. The prompt exhibition of Mamre Road Precinct Exhibition Package is the NSW Government's response to the industrial land supply shortage in Western Sydney. Analysis by the Property Council of Australia (PCA) indicates that based on a take up of between 200 and 250 ha per year, there is only about 2 to 3 years of industrial land supply available in the Greater Sydney market.

The Landowner Group commends the NSW Government for recognising the limited land supply within the WSEA, however it notes the discrepancy between PCA assumed land supply (2-3 years) and the ELDM forecast land supply (6 years). The Department also notes that there could be less than 5 years of land supply if some landowners decide not to develop.

Based on the Department's ELDM, the addition of 780 hectares of industrial zoned, undeveloped and developable land within the Mamre Road Precinct is expected to add around 8 years to the industrial land supply within the WSEA. The scale and timing of this precinct rezoning is crucial to serving the short-medium term demand for freight and logistics space close to the Western Sydney Airport and key transport corridors along the M4 and M7 Motorways.

There is a difference of current and future land supply quoted by the PCA and the Department's ELDM. This discrepancy is based on the assumed annual land take up rate with the PCA adopting higher rates than ELDM. The analysis prepared by the PCA should be the preferred data source in assessing current and future industrial land supply in Greater Sydney. The PCA uses market intel from industry to understand what is happening on the ground to inform assumptions about future market needs. Industry feedback has stressed the need for additional land for industrial development, with an anticipated increase in market demand and land supply take up over coming years than there has been in the past.

The Department should review the assumptions used in assessing current and forecasted demands, used to inform its ELDM. From a preliminary analysis, the ELDM relies on historic take up rates for the WSEA. Forecasted demand should not rely on historic take up rates, as there has been long lead times to establish employment precincts in Western Sydney due to lags in infrastructure delivery. With employment now established in Western Sydney, the ELDM should be forecasting demand similar to the assumptions used by the PCA. The results of this analysis will show the greater need for the NSW Government to proactively plan for employment areas, such as Mamre Road, to meet the demand in Greater Sydney and respond to other competitive markets nationally and internationally.

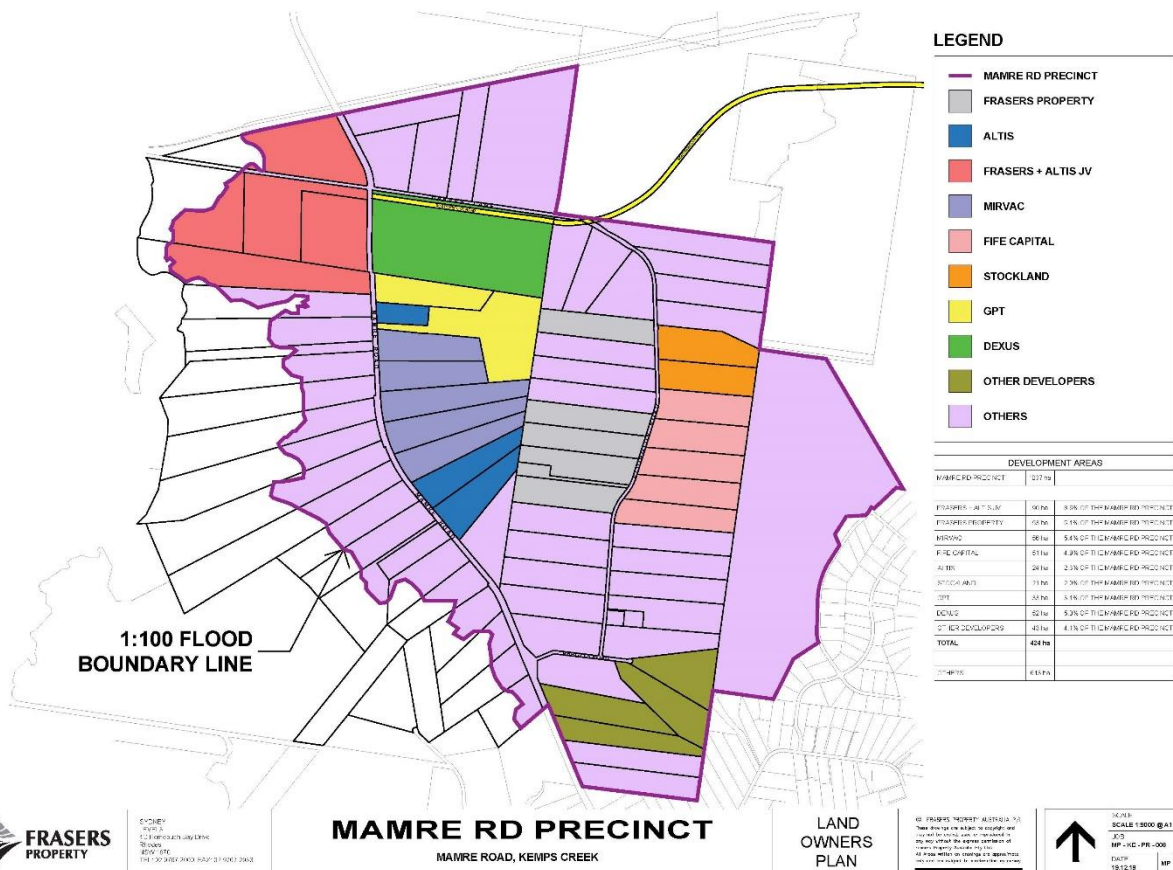
3. ABOUT THE LANDOWNER GROUP

The Mamre Road Precinct Landowner Group is a collective of landowners within the precinct, including:

- Altis Property Partners;
- Dexus;
- Fife Capital;
- Frasers Property;
- GPT;
- Mirvac;
- Stockland.

Each landowner has a highly regarded track record in delivery of and investment into high quality developments. This Landowner Group represents Australia’s leading property development and investment institutions. Their individual track records demonstrate practical responses to the employment market and a continued commitment to growing the NSW economy including the creation of new jobs. **Figure 3** identifies the location of each landowner in the context of the Mamre Road Precinct.

Figure 3 – Landowner location map



Source: Frasers Property

The Landowner Group was formed with the collective interest to unlock Mamre Road Precinct for future employment. This collective interest results from the significant shortage of zoned, serviced industrial land. This shortage is recognised in *A Metropolis of Three Cities: Greater Sydney Region Plan* and *Western City District Plan*, which identified an objective to preserve existing and identify new industrial lands to service the growing Greater Sydney region. Mamre Road Precinct covers an area of approximately 972 ha, with the Landowner Group owning 420 ha, being approximately 43%. This significant ownership presents an

opportunity for an immediate and significant response to the industrial land shortfall, with a resultant direct and tangible contribution to the NSW economy. This rapid response was clearly demonstrated by the First Estate at Mamre West, with 45 hectares of zoned WSEA Industrial land fully committed within three years of gazettal.

The Landowner Group sees the Mamre Road Precinct as an opportunity to satisfy short and medium term demand for industrial land supply. The failure to address zoned and serviced land supply places at risk private sector investment which will otherwise be attracted to other more accessible markets outside of Sydney, particularly north Melbourne and Brisbane.

The Landowner Group seeks to work with NSW Government on the timely delivery of Mamre Road Precinct. The timing is, however, dependent on NSW Government appropriately responding and working with the Landowner Group on the comments and recommendations outlined in **Section 4** of this report.

4. COMMENTS AND RECOMMENDATIONS ON THE EXHIBITION OF MAMRE ROAD PRECINCT

The Landowner Group has a number of significant concerns with the proposed rezoning that require clarification or reconsideration prior to finalisation of the exhibition package. These issues are critical to the timely delivery and resulting success of Mamre Road Precinct.

4.1. RELATIONSHIP BETWEEN MAMRE ROAD PRECINCT AND THE WESTERN SYDNEY AEROTROPOLIS

The exhibition of Mamre Road Precinct brings forward rezoning of this land under the WSEA SEPP. This differs from the original strategic planning guidance outlined under the *Western Sydney Aerotropolis: Stage 1 Land Use and Infrastructure Implementation Plan* (Stage 1 LUIP), which deferred consideration of the Mamre Road Precinct until the release of Stage 2 LUIP and following rezoning of the initial precincts.

Since the announcement of the Mamre Road Precinct exhibition, the NSW Government has released the Western Sydney Aerotropolis Plan (December 2019), which supersedes the Stage 1 LUIP. In this strategic document, Mamre Road Precinct is identified as an initial precinct for the Western Sydney Aerotropolis delivered via an amendment to the WSEA SEPP.

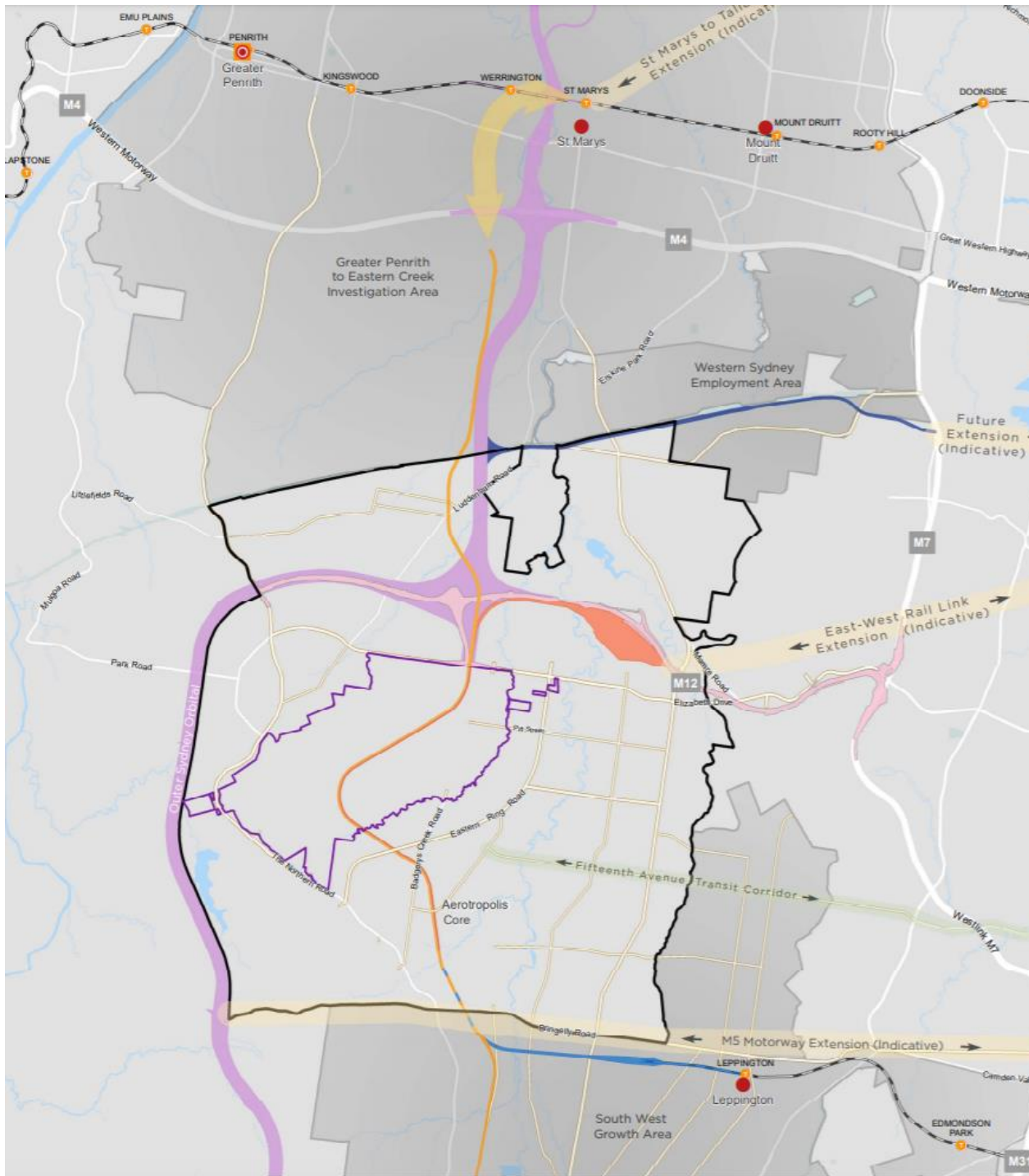
The Landowner Group commends the NSW Government's response to the feedback received during the Stage 1 LUIP exhibition, and its recognition of the industrial land pipeline supply shortfall. The WSEA SEPP has a record of delivering high quality employment land in a streamlined process. This environmental planning instrument (EPI) is the appropriate statutory instrument to deliver industrial land supply within the Mamre Road Precinct.

While the WSEA SEPP's application to Mamre Road precinct is transparent, the strategic application of the Western Sydney Aerotropolis to the precinct is unclear. The Discussion Paper notes the Western Sydney Aerotropolis will still apply to Mamre Road Precinct. This includes application of the Western Sydney Aerotropolis Plan, Special Infrastructure Contributions, Place-based Infrastructure Compact and a Section 7.11 Contribution Plan. These inputs are critical in understanding the future vision of the area and need to be explained in greater detail.

There is a need to exhibit the Special Infrastructure Contributions, Place-based Infrastructure Compact and Section 7.11 Contribution framework as a matter of urgency. These inputs are critical for the assessment of development feasibility.

The Western Sydney Aerotropolis Plan mapped proposed transport corridors (refer to **Figure 4** below). While the Western Sydney Freight Line frames the northern end of the Mamre Road Precinct, the proposed Intermodal Terminal is not specifically identified by the Western Sydney Aerotropolis Plan as being located within the Mamre Road Precinct. It is unclear why the exhibition package of Mamre Road Precinct, including the Structure Plan does not align with the Western Sydney Aerotropolis Plan and associated mapping. The document confirms there is a need for an Intermodal Terminal but does not specify where it should be located within the Western Sydney Aerotropolis. This suggests that an alternative location for the Intermodal Terminal could be accommodated. The lack of specificity for the Intermodal Terminal's location should also be reflected in the Mamre Road Precinct Exhibition Package until a clear location and delivery mechanism has been determined.

Figure 4 – Proposed Transport Corridors



Proposed Transport Corridors
Western Sydney Aerotropolis

- | | | |
|--|---|---|
| Western Sydney Aerotropolis | M12 Motorway Corridor | Sydney Metro Greater West |
| Western Sydney International (Nancy-Bird Walton) Airport | Outer Sydney Orbital Corridor | Tunnel Connection to T1 (Subject to further investigation) |
| Metropolitan Cluster | Potential South West Rail Link Extension Corridor | North South Rail Line Corridor |
| Strategic Centre | Potential Western Sydney Freight Line Corridor | Potential East-West Rail Link, Stabling and Critical Infrastructure |
| Key Network Upgrades | | |



Source: NSW Government/ Planning Partnership

RECOMMENDATIONS:

1. Exhibit the Infrastructure Contribution mechanisms for Mamre Road Precinct as a matter of urgency to allow landowners to understand the complete picture of the proposed costs of developing in the Precinct. It is noted that the SIC contribution rate should be no more than that currently applicable to the existing WSEA.
2. The Structure Plan for Mamre Road Precinct should align with the strategic transport direction set out in the Western Sydney Aerotropolis Plan. While that plan discusses the need for an Intermodal Terminal, it does not specify where it should be located and identifies that a series of investigations are needed before a site can be confirmed

4.2. STATE ENVIRONMENTAL PLANNING POLICY (WESTERN SYDNEY EMPLOYMENT AREA) 2009

The exhibition of the Mamre Road Precinct confirms the WSEA SEPP will be the primary environmental planning instrument through which land rezoning and future development will be realised. This is the appropriate planning instrument to facilitate timely delivery of employment lands within Western Sydney. However, the Landowner Group recognises there is divergence between the current written and mapped instruments and Mamre Road Precinct exhibition, including:

- Introduction of new zones: RE1 Public Recreation and RE2 Private Recreation;
- Identification of SP2 Drainage on the Land Zoning Map and Land Application Map;
- Insertion of a new clause – Development of land within or adjacent to a transport corridor requiring a consent authority to obtain concurrence of TfNSW;
- Insertion of a new clause – Development in areas subject to aircraft noise – Sets out additional matters for a consent authority to consider before it grants development consent on land affected by the ANEC/ANEF contour of 20 or greater;
- Insertion of new clause – Development to satisfy any requirements set out in Clause 6(1) of *State Environmental Planning Policy No 55 – Remediation of Land*;
- Insertion of new clause – Require development to be serviced by a water recycling plan, when available;
- Insertion of new clause – Ensure earthworks will not have a detrimental impact on environmental functions and processes, neighbouring uses, cultural or heritage items or features of surrounding land;
- Insertion of new clause – Require development to address stormwater and management requirements; and
- Insertion of new clause – Require consent authorities to consider the cumulative and local impact of development on the whole flood plain within the Probable Maximum Flood (PMF) and 1: 100 ARI flood events.

The introduction of these new land use zones and clauses is excessive. The purpose of the WSEA SEPP is to provide a simplified process to encourage the delivery of employment in Western Sydney. The policy has been operating successfully in its current form since 2009. The WSEA SEPP should not introduce new land use zones. The identification of drainage, public and private recreation areas should be identified at the development application stage within the IN1 zone, when detail on non-developable area and basin requirements are known. The identification of these land uses on the Structure Plan and Zoning Map are premature, particularly as the technical studies underpinning this have not been completed or made public.

There are significant proposed changes to the WSEA SEPP's written instrument. The need for the clauses is not warranted. There are current Policies, Section 9.1 Directions and local government controls through a Development Control Plan which require the compliance and similar outcomes during the development application stage, such as:

- Ministerial Direction 3.5 Development near regulated airports and defence airfield;
- Ministerial Direction 4.3 Flood Prone Land;
- Ministerial Direction 7.8 Implementation of Western Sydney Aerotropolis Interim Land Use and Infrastructure Implementation Plan;
- *State Environmental Planning Policy No 55 – Remediation of Land.*

The introduction of these clauses will result in duplication with existing policies and overcomplicates the planning process. It is recommended that the WSEA SEPP maintains its simplicity and that technical detail, such as drainage basins, should be refined at the DA stage.

RECOMMENDATIONS:

3. The Landowner Group supports the use the WSEA SEPP as the primary environmental planning instrument for the precinct.
4. It is requested that the WSEA SEPP be retained in its current operating capacity. The addition of new land uses and clauses into the SEPP is excessive and duplicates current Policies, Ministerial Directions and local planning controls which still apply to the Precinct and must be addressed through the development application phase.

4.3. EVIDENCE BASED PLANNING

The use of evidence-based technical inputs to inform planning is widely accepted as the appropriate procedure to determine new planning controls for an area. The exhibition of Mamre Road Precinct is accompanied by limited technical investigations to inform planning outcomes. The rezoning for Mamre Road Precinct should not be over complicated with the need to prepare a suite of technical studies typically required at the DA stage.

The Landowner Group has already undertaken a range of technical investigations as part of their individual land acquisition processes and is willing to work with the NSW Government to prepare the evidence needed to update the Structure Plan and associated planning controls to reflect the latest information available for the Precinct.

The future Development Control Plan and Development Application preparation stage can rely on more detailed technical information to inform resolution of details appropriate for those stages and to reflect the environmental capacity of the land and needs of the project.

RECOMMENDATIONS:

5. The Mamre Road Precinct Landowner Group seeks to work with the NSW Government in finalising technical inputs needed to satisfy the rezoning. The rezoning should not, however, be overcomplicated. The majority of technical inputs can be resolved at the DCP or DA stage through detailed design, and by way of satisfying existing NSW Policies and DCP controls.

4.4. INFRASTRUCTURE

4.4.1. Intermodal Terminal

The NSW Freight and Ports Plan 2018 – 2023 highlights the need to identify, protect and provide access to future intermodal terminals in Western Sydney. The plan forecasts the Greater Sydney region freight volumes will increase from 194 to 288 million tonnes per annum between 2016 and 2036 – being a roughly 50% increase, driven mostly by growth in general manufacturing.

TfNSW identified an urgent need to plan and protect intermodal terminal capacity to serve Western Sydney. It identified that by 2031, the broader WSEA will be a key destination for cargo arriving at Port Botany.

While an indicative location has been identified on the Structure Plan, the final location of the intermodal terminal is subject to a potential NSW Government business case. The exhibition package does not provide an indicative date as to when this business case will be finalised.

The Discussion Paper's rationale in support of the identified Intermodal Terminal location is reliant on its proximity and efficient connection to the Western Sydney Freight Line, Outer Sydney Orbital, and M4 and M7 Motorways. In addition, the indicative location is relatively flood free and protected from incompatible land uses.

The placement of an Intermodal Terminal within the Mamre Road Precinct, primarily on land identified for industrial, will significantly reduce the Precinct's effect in addressing the shortage of industrial land supply in the WSEA and the Western Parkland City and create a great deal of uncertainty in the market.

Spatial analysis of the proposed structure plan for the Mamre Road Precinct finds that the proposed Intermodal Terminal will occupy approximately 173.1 hectares of land within the Precinct, including an estimated 153.3 hectares of industrial zoned land. **Table 1** shows the impact of this reduction on industrial land supply across the region, finding that the proposed Intermodal Terminal would cause a reduction of between 1.5 and 3.4 years of industrial land supply.

Table 1 – Effect of Proposed Intermodal Terminal (IMT) on Supply of Industrial Land in the WSEA

	Post-Rezoning	Including IMT	IMT Effect
WSEA total zoned and undeveloped land	1,838 ha	1,685 ha	-153 ha
WSEA developable zoned and undeveloped land	1,405 ha	1,252 ha	-153 ha
WSEA industrial take up rate (2008-17)	45.5 ha p.a.	45.5 ha p.a.	n/a
Implied years of remaining supply	30.9 years	27.5 years	-3.4 years
WSEA industrial take up rate (2018-19)	100 ha p.a.	100 ha p.a.	n/a
Implied years of remaining supply	14.1 years	12.5 years	-1.5 years

Source: NSW DPIE Economic Lands Development Monitor data, compiled by Urbis

The 153 hectares of land proposed as an intermodal terminal also reflects lost job potential within the Mamre Road Precinct, due to the lower job density associated with Intermodal Terminal operations.

Table 2 shows that of the 17,000 jobs planned for the Mamre Road Precinct by the Department, around 103 of these are expected to be within the Intermodal Terminal. This estimate is based on the estimated number of jobs required for the Moorebank Intermodal Terminal operations and site management. The remaining 16,897 jobs are expected to be spread across the other industrial zoned land.

Table 2 – Mamre Road Precinct Industrial Jobs

	Jobs	Source
Expected Total Mamre Road Precinct Jobs	17,000 jobs	NSW DPIE Precinct Objective
Estimated Intermodal Terminal Jobs	103 jobs	Moorebank Intermodal Terminal estimate
Estimated Mamre Road Industrial Land Jobs	16,897 jobs	

Source: NSW DPIE Economic Lands Development Monitor data, compiled by Urbis

Table 3 shows the lost employment potential as a result of the proposed Intermodal Terminal in the Mamre Road Precinct. Based on the Department's planned jobs for the Precinct, 627 hectares of industrial land (excluding the intermodal terminal) is expected to accommodate one job per 371 square metres of land. Applying this job density to the 371 hectares of land planned for the Intermodal Terminal indicates a job potential of 4,133 jobs if this land was instead used for industrial land uses. Therefore, the proposed intermodal terminal represents a net potential loss of 4,030 jobs within the Mamre Road Precinct.

Table 3 – Effect of Proposed Intermodal Terminal on Mamre Road Precinct Jobs

Mamre Road Precinct Excluding the Intermodal Terminal	Industrial Zoned Land	627 ha
	Planned Jobs	16,897 jobs
	Expected Industrial Land Job Density	371 sq.m per job
Proposed Intermodal Terminal Site	Industrial Zoned Land	153.3 ha
	Potential Industrial Land Job Density	371 sq.m per job
	Potential Industrial Jobs (A)	4,133 jobs
	Estimated Intermodal Terminal Jobs (B)	103 jobs
	Total Net Job Loss (A - B)	4,030 jobs

Source: NSW DPIE Economic Lands Development Monitor data, compiled by Urbis

Preliminary analysis shows with the expansion of Moorebank Intermodal Terminal to 1.7 million TEU and Stage 1 St Marys, there will be a total Intermodal capacity of approximately 4.3 million TEU by 2041. There will be even greater capacity if the balance of St Marys is developed before 2041 and if the Minto site at Culverston Road is activated. The Moorebank Environmental Impact Assessment projection of 13.6 TEU at Port Botany by 2040 would need a total of 3.8 TEU of rail freight capacity within Sydney, given the 28% freight rail target set by the NSW Government. In addition, there will be 0.36 million TEU of interstate freight in Sydney. The projected capacity of 4.3 million TEU by 2040 is sufficient to meet the expected freight demand of 4.2 million TEU, indicating that there is no further need for additional Intermodal Terminal capacity by the year 2030. In addition, there is no regard for the automation/ efficiency improvements which could be implemented at the existing Intermodal Terminals which are likely within the 30 year timeframe.

Having regard to the above, it is the Landowner Group's view that the identification of the Intermodal Terminal in the Mamre Road Precinct, with no other alternative options considered, is premature. Further work involving industry and the NSW Government needs to occur in order to ensure any future Intermodal Terminal is sited in the most suitable location. Its location within the Mamre Road Precinct will present significant economic implications.

The NSW Government needs to provide assurance to the landowners within the precinct on the Intermodal Terminal prior to adopting statutory controls which directly impact the delivery of future employment lands. The NSW Government needs to respond to the following:

- The Landowner Group's consultation to date suggests there is not an immediate market need for an Intermodal Terminal in Western Sydney Aerotropolis. The need for this asset extends beyond 30 years, and requires interest from an Intermodal operator.
- The delivery of the Intermodal Terminal is dependent on the delivery of the Western Sydney Freight Line. The Western Sydney Freight Line appears to be exceedingly difficult to achieve given the land acquisition and business disruption challenges associated with the eastern section which is yet to be defined through Wetherill Park, Smithfield and Yennora. The Landowner Group queries whether this business case is capable of being supported by NSW Government. Infrastructure Australia (2016) estimated that land acquisition costs alone totalled approximately \$3.2 billion. If the business case cannot be achieved, it is not appropriate to identify a potential Intermodal Terminal subject to a potential NSW Business case.
- If an Intermodal Terminal is an important infrastructure asset for Western Sydney, it should have been identified in the Western Sydney Freight Line corridor announcement in 2018. Its identification during the Mamre Road Precinct exhibition is perceived as an afterthought particularly since the corridor is only partially defined.
- The ultimate location of the Intermodal Terminal needs to factor in existing conditions, such as topography.
- The NSW Government needs to seriously consider the probability of this site being developed as an intermodal terminal. Its delivery is dependent on the construction and operation of the Western Sydney Freight Line and interest and land acquisition by a private intermodal operator. Acquisition of sequential

allotments in fragmented ownership will present complications in the consolidation of the Intermodal site by a private operator.

- The NSW Government needs to confirm the legality of the concurrence requirement by TfNSW if the land for the Intermodal Terminal is not proposed to be compulsorily acquired, but is intended to be privately owned and operated.
- The NSW Government needs to advise if alternate locations were considered and provide an analysis as to why Mamre Road Precinct is the preferred site for this significant piece of infrastructure. A response is needed as to why the Department and TfNSW has not provided any detail as to why other potential Intermodal locations have been discarded including land already owned or controlled by the NSW Government, such as Ropes Creek and Western Sydney Parklands.
- The current market operations in WSEA and prospective tenants in Mamre Road Precinct are not requiring an Intermodal Terminal for their operations in the short, medium and long term. The assurance of obtaining long term lease agreements or tenure is a critical determinant in justifying investment by tenants in expensive optimising technologies for their warehouses. Without this certainty, investment decisions can be jeopardised.
- The cross hatching overlay as it applies to the identified Intermodal Terminal land is oversized. Reserving land for 1,500m long interstate trains is not feasible. These trains are rarely used in Intermodal Terminals operations today in NSW. As such the NSW Government needs to rethink the intended layout design for the Intermodal Terminal in this location and extent of the overlay hatching in the Precinct.

The Landowner Group asks the NSW Government to work with the landowners on an alternative solution.

There is a serious practical question as to how a private intermodal operator will acquire the land for the Intermodal Terminal, particularly if a key landowner does not want to sell. Issues with land acquisition resulting from the fragmented landownership in the location of the proposed Intermodal Terminal needs to be recognised.

The total area of the cross hatched land is 173.14 hectares (ha). The width of the reservation seems to assume the accommodation of both the rail spur and warehouse or distribution buildings immediately adjacent which will be operationally linked to the container handling process and will need to be on the same pad level as the rail line. This will require levelling of the entirety of the Intermodal and warehousing area prior to construction of the warehouse buildings. The amount of cut and fill required is significantly greater than the levelling required for a benched solution which works with the topography of the land to allow construction of warehouses over a number of levels.

To ensure that the land is not sterilised for both the rail and related warehouse development means that it is effectively impossible to have an interim use within the cross hatched area. TfNSW has suggested that the Intermodal Terminal will be needed within ten to fifteen years. This short period also means that it would be uneconomic to build interim warehouses as the economic life of these structures is at least 20 years. Further, key customers would not be willing to invest in high technology product handling fitouts with the prospect of demolition occurring in the medium term.

The expectation by the Department for landowners to work out a compromise land use within the cross hatched area that does not sterilise the Intermodal Terminal opportunity is not realistic. This constraint makes interim economic development, within the TfNSW predicted timeframes, impossible.

In these circumstances, the only reasonable outcome would be for TfNSW to acquire the land. However, to sterilise the land for fifteen years in the hope that a private Stevedoring company may choose to buy the land at an unspecified point in the future is not realistic. All other transport corridors identified in planning instruments, e.g. Growth Centres SEPP, are for government sponsored projects where a clear, statutory based land acquisition process can be followed.

The restriction on economic use of land based on a future possibility that a private intermodal operator may one day decide to purchase land, without any present-day evidence to support this premise, is not reasonable. This is particularly so, given the Moorebank and St Marys facilities are very likely to satisfy Intermodal demand for the region to beyond 2040. The end result is prime employment land being sterilised for thirty years, which is completely at odds with the NSW Government's intention to release and rezone land at a time of critical land shortage. The cross hatched area is the exact location of the likely first phase of development which benefits from Mamre Road access and proximity to existing services within the WSEA.

The Industry Briefing sessions for Mamre Road Precinct suggested that land acquisition by the government is not an option being explored. It is understood that, being a private sector proposal, it may not be possible for the NSW Government to become a land acquisition authority.

Given these circumstances, and the lack of evidence that alternative sites are not available, this submission seeks the immediate removal of the cross hatching for an Intermodal Terminal from the draft Precinct Plan.

RECOMMENDATIONS:

6. The Landowner Group asks the NSW Government to review the cumulative supply of current and proposed Intermodal operations. The Landowner Group's preliminary analysis identifies that there may be a need for a Western Sydney Intermodal Terminal in the long term, beyond 2040.
7. Technical investigations need to confirm Mamre Road Precinct is an appropriate site for an Intermodal Terminal prior to identification on a Structure Plan and Land Zoning Map. 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. For comparison the fall across the entire Moorebank Intermodal Precinct is approximately 2.5m.
8. The NSW Government needs to respond to the following points prior to rezoning and have sufficient evidence to support the Intermodal Terminal:
 - The Landowner Group's consultation to date suggests there is not an immediate market need for an Intermodal Terminal in Western Sydney Aerotropolis. The need for this asset extends beyond 30 years, and requires interest from an Intermodal operator.
 - The delivery of the Intermodal Terminal is dependent on the delivery of the Western Sydney Freight Line. The Western Sydney Freight Line appears to be exceedingly difficult to achieve given the land acquisition and business disruption challenges associated with the eastern section which is yet to be defined through Wetherill Park, Smithfield and Yennora. The Landowner Group queries whether this business case is capable of being supported by NSW Government. We note that Infrastructure Australia (2016) estimated that land acquisition costs alone totalled approximately \$3.2 billion. If the business case cannot be achieved, it is not appropriate to identify an Intermodal Terminal in Mamre Road Precinct.
 - If an Intermodal Terminal is an important infrastructure asset for Western Sydney, it should have been identified in the Western Sydney Freight Line corridor announcement in 2018. Its identification during the Mamre Road Precinct exhibition is perceived as an afterthought.
 - The ultimate location of the Intermodal Terminal needs to factor in existing conditions, such as topography.
 - The NSW Government needs to seriously consider the probability of this site being developed as an Intermodal Terminal. Its delivery is dependent on the construction and operation of the Western Sydney Freight Line and interest and land acquisition by a private intermodal operator. Acquisition of sequential allotments in fragmented ownership will present complications in the consolidation of the Intermodal site by a private operator.
 - The NSW Government needs to confirm the legality of the concurrence requirement by TfNSW if the land for the Intermodal Terminal is not proposed to be compulsorily acquired, but is intended to be privately owned and operated.
 - The NSW Government needs to advise if alternate locations were considered and provide an analysis as to why Mamre Road Precinct is the preferred site for this significant piece of infrastructure.
 - The current market operations in WSEA and prospective tenants in Mamre Road Precinct are not requiring an Intermodal Terminal for their operations in the short, medium and long term. The assurance of obtaining long term lease agreements or tenure is a critical determinant in justifying investment by tenants in expensive optimising technologies for their warehouses. Without this certainty, investment decisions can be jeopardised.

- The cross hatching overlay as it applies to the identified Intermodal Terminal land is oversized. Reserving land for 1,500m long interstate trains is not feasible. These trains are rarely used in Intermodal Terminals operations today in NSW. As such the NSW Government needs to rethink the intended layout design for the Intermodal Terminal in this location and extent of the overlay hatching in the Precinct.
9. An Intermodal Terminal should not be identified on Mamre Road Precinct until NSW Government can demonstrate to the public it is the most appropriate location for this use. It is the Landowner Group's view there are more appropriate alternative locations in the Western Sydney Aerotropolis.

4.4.2. Mamre Road Upgrade

Mamre Road forms the central access corridor to the precinct. Planning has commenced for the future upgrade of Mamre Road. This upgrade extends for 10 kilometres connecting the M4 Motorway to Kerrs Road. The acquisition requirement for the Mamre Road upgrade is shown on the proposed Zoning and Land Application Map. This infrastructure project has been communicated to the public prior to the Mamre Road exhibition with opportunities to provide feedback.

Mamre Road is an integral link for connecting the future employment land to the regional road network. With Roads and Maritime Services (RMS) identified as the acquisition authority, an update regarding the timing of acquisition and delivery of Mamre Road upgrade as part of the finalisation of this precinct is requested. This road upgrade is critical for the delivery of future employment in Mamre Road Precinct in the short term.

RECOMMENDATIONS:

10. The NSW Government needs to confirm that the proposed zoning and land acquisition for Mamre Road is consistent with the final design for the upgrade.
11. The NSW Government needs to confirm the program for delivery of the Mamre Road upgrade.

4.4.3. Southern Link Road

The Southern Link Road is a future link from Wallgrove Road to Mamre Road, connecting the Precinct to the existing zoned WSEA. RMS is undertaking a concept design for this road which includes an environmental and constraints analysis.

Landowner briefings suggested the possibility of grade separation with Mamre Road as well as the Intermodal Rail line. These have major design and land take implications. The land take may in fact be greater than that currently shown on the Land Reservation Map.

The concept design should therefore be expedited to establish the land reservation requirements. This will allow landowners to incorporate the road into future development options, streamline the delivery of employment lands and it will also eliminate the need for the overlay hatching requiring concurrence from TfNSW or RMS.

RECOMMENDATIONS:

12. The concept design for the Southern Link Road should be expedited to establish the land reservation requirements and remove the need for concurrence from TfNSW.

4.5. FLOODING AND STORMWATER

The NSW Government's focus to rethink flood planning in the South Creek Precinct has changed how planning informs the development process. Extension of the flood planning level to the PMF would set a new precedent. The historic standard of the 1:100 ARI is the appropriate flood planning level for Mamre Road Precinct. This aligns with current government policy, including:

- *Penrith City Council Local Environmental Plan 2010, Section 7.1 – Flood Planning, Clause 7*

Flood planning level means the level of a 1:100 ARI (average recurrence interval) flood event plus 0.5 metres freeboard

- Floodplain Development Manual 2005, Section 1.1.2 – Policy Provisions

*A merit based approach to selection of appropriate flood planning levels (FPLs). This recognises the need to consider the full range of flood sizes, up to and including the probable maximum flood (PMF and the corresponding risks associated with each flood, whilst noting that with few exceptions, **it is neither feasible nor socially or economically justifiable to adopt the PMF of the basis for FPLs.** FPLs for typical residential development would generally be based around the 1% AEP flood event plus an appropriate freeboard (typically 0.5m)*

- Section 9.1 Local Planning Direction

4.3 Flood Prone Land and Department of Planning letter to Councils:

The NSW Government's Flood Prone Land Policy and Floodplain Development Manual support the wise and rational development of flood prone land, the area inundated by the probably maximum flood (PMF). The Policy acknowledges that flood prone land is a valuable resource that should not be sterilised by unnecessarily precluding its development and that development should be treated on its merits rather than through imposition of rigid and prescriptive criteria.

- *Draft South Creek Floodplain Management Plan and Study*

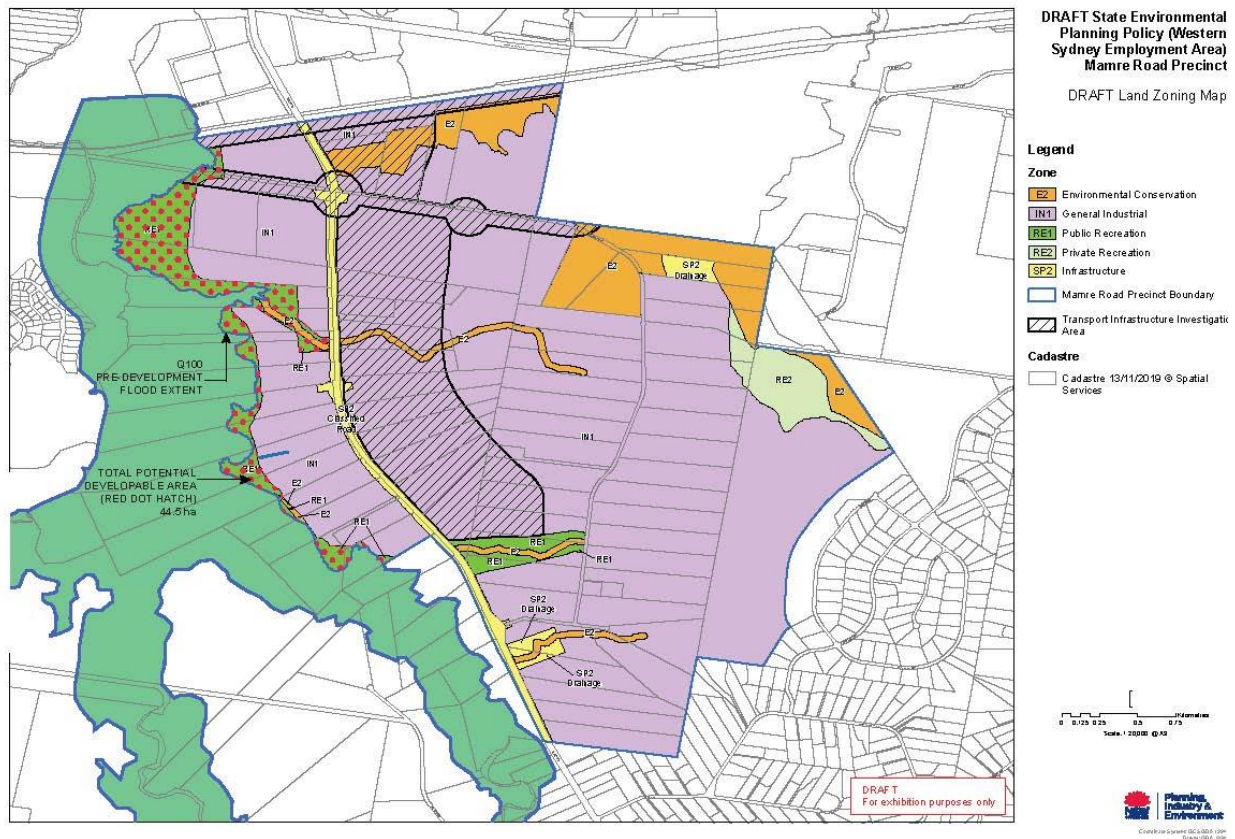
The adoption of the PMF as the 'planning flood' is not realistic or practical because it would sterilise a large area of land, thereby forcing development to areas of higher ground which may not historically be serviced or which could introduce unrealistically high infrastructure costs. Hence, a lesser flood standard is adopted. Penrith City Council has adopted the 1% Annual Exceedance Probability (AEP) flood plus a freeboard of 500mm.

- *Western Sydney Aerotropolis Plan*

In response to submissions from the Stage 1 LUIIP, the South Creek Precinct was amended to reflect the 1:100 flood planning level.

The proposed exhibition material does not align with current Policy by identifying additional land for non-urban purposes within the South Creek catchment. This is shown in **Figure 5**. It should be amended to align with the pre-development flood extent for the precinct, which is outlined in the teal colour below.

Figure 5 – Comparison of Pre-Development Flood Extent and Proposed Flood Planning Level for Mamre Road Precinct



Source: Department of Planning, Industry and Environment adapted by Fraser Property

The Landowner Group understands the revised thinking on the flood planning level stems from the Infrastructure NSW South Creek Sector Review. If NSW Government seeks to change these standards, there needs to be opportunity for industry and landowners to review the technical inputs and provide comment. There is a concern about the lack of transparency associated with such a major change in flood planning policy.

For innovative planning in Western Sydney, the NSW Government should investigate opportunities to maximise the use of 1:100 ARI extent (non-developable areas) with opportunities to locate water quality and quantity control basins (bio-retention and on-site detention). These should be made permissible within the Mamre Road Precinct rezoning.

RECOMMENDATIONS:

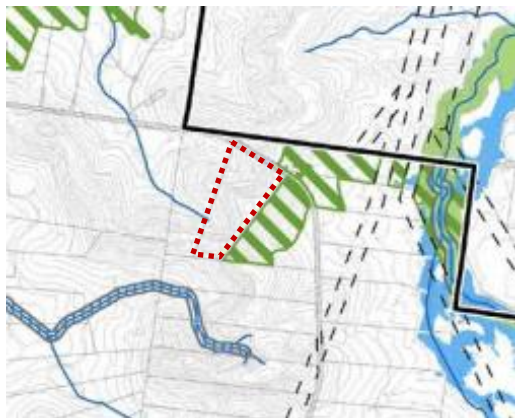
13. The NSW Government should maintain the current flood planning level to the 1:100 ARI event, which is in line with current NSW Policies. Planning controls, such as the Land Zoning Map, should reflect the 1:100 flood planning level or cadastral boundaries.
14. If NSW Government seeks to update flood planning policy, the public should be presented with the opportunity to review the technical basis of the South Creek Sector Review to understand the rationale of amending current standards. PMF is not an economically viable standard for flood planning, regardless to any change in policy. It should not be introduced without proper consultation.
15. The NSW Government should investigate the opportunity to maximise the appropriate use of land within the 1:100 ARI flood event, including for water quality and quantity control basins. The current permissible uses should be amended to include these opportunities.

4.6. ENVIRONMENTAL CONSIDERATIONS

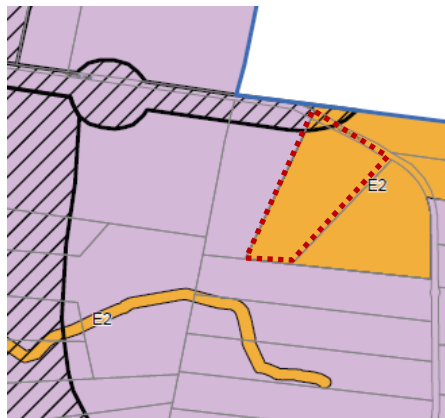
The Landowner Group supports the protection of environmental conservation areas through the identification of E2 Environmental Conservation zones. However, there needs to be evidence to ensure the appropriate areas are conserved. There is limited information available to understand how the E2 Environmental Conservation zones in Mamre Road Precinct have been identified.

The Landowner Group's preliminary investigations have identified updates to the Strahler Stream Order for creeks that do not meet the higher order classification mapped on the Land Zoning Map. In addition, there are discrepancies between the Environmental Considerations map in the Discussion Paper and the Land Zoning Map, as shown below.

Figure 6 – Comparison of Exhibition Maps



Picture 1 – Environmental Considerations Map



Picture 2 – Land Zoning Map

Source: Urbis

The Landowner Group is willing to work with the NSW Government on these refinements by providing the latest information relating to riparian and biodiversity studies. Coordination between the two groups will enable mapping discrepancies to be updated to reflect the latest technical information to inform the statutory planning controls for the Precinct.

RECOMMENDATIONS:

16. There needs to be a clear match between environmental conservation areas and statutory controls. It needs to be demonstrated that appropriate areas are being conserved, which are supported by evidence-based studies.

4.7. OPEN SPACE

The Mamre Road Precinct exhibition package proposed new land uses within the WSEA SEPP: *RE1 Public Recreation* and *RE2 Private Recreation*. The rationale for the introduction of these new land uses needs to be given as it downzones land suitable for employment purposes. It is the Landowner Group's opinion that these zones are not needed for an employment precinct, where appropriate amenity for future employees will be provided within the development.

The exhibition package identifies 422ha of open space land within the 1:100 flood line, with an additional 1,640ha within the Aerotropolis. This is a significant quantum of publicly accessible recreation land. Additional public recreation land is not considered warranted within the Mamre Road Precinct where it would otherwise detract from the provision of employment generating uses.

In addition, the exhibition package identifies *RE1 Public Recreation* along South Creek. In Western Sydney over the last decade, Councils have not accepted ownership of riparian areas and flood prone land. Confirmation is needed on Penrith City Council's stance on this matter, as they have been identified as the

relevant acquisition authority. If retained as RE1 Public Recreation, the acquisition of land will require government to pay at a rate equivalent to that for the highest and best use.

While RE1 Public Recreation has a clearer pathway, it is unknown why the NSW Government decided to use RE2 Private Recreation within the Precinct. The NSW Government needs to clarify the purpose of this zone and what activities are envisioned. Given that this land will need to be in private ownership, and recreation or open space for industrial employees will be provided within individual development sites. It is the Landowner Group's view that this zone is unwarranted and needs to be removed from the Precinct.

RECOMMENDATIONS:

17. RE1 Public Recreation and RE2 Private Recreation zones need to be removed from the proposed rezoning package. Appropriate open space for an employment precinct will be provided through industrial estates to ensure employees will have sufficient access to amenity.
18. The NSW Government needs to confirm Penrith City Council's stance on RE1 Public Recreation along South Creek, and their willingness to acquire land adjacent to South Creek.
19. The NSW Government needs to clarify the purpose of the proposed RE2 Private Recreation zone and should amend it to reflect an IN1 General Industrial zone.

4.8. CONTRIBUTIONS

The Mamre Road Precinct exhibition package and the Western Sydney Aerotropolis Plan provide limited guidance on the proposed contribution mechanism for the Western Sydney Aerotropolis. Clarity is needed on the contribution rates for the Special Infrastructure Contribution, Section 7.11 Contribution Plan and the Place-based Infrastructure Compact. The introduction of higher rates can have major impacts on development feasibility and investment in the Western Parkland City. There is a need for consultation with landowners on the infrastructure funding mechanisms to achieve the appropriate balance between infrastructure delivery and development feasibility.

The rezoning of the Mamre Road Precinct should not, however, be held up pending finalisation of a contributions framework. In the interim, Voluntary Planning Agreements at the prevailing WSEA rate can be progressed to enable development in Mamre Road Precinct to proceed. In addition, there are appropriate mechanisms in the WSEA SEPP and *Environmental Planning and Assessment Regulation 2000* (EP&A Reg) to provide the appropriate contribution regime to service an employment precinct.

RECOMMENDATIONS:

20. Whilst infrastructure contribution frameworks are refined, the NSW Government should not prevent the rezoning of land and progression of development approvals as there is an appropriate 'satisfactory arrangement' mechanism within SEPP WSEA to ensure infrastructure is delivered to service the needs of the development and employees.

4.9. REFERRALS

The introduction of the overlay hatching for 'transport investigation area', requires the consent authority to seek concurrence from TfNSW. This approach has been used in the *State Environmental Planning Policy (Sydney Region Growth Centres) 2006* (Growth Centre SEPP) to preserve land for the future transport corridor extension from Tallawong Station to Marsden Park Town Centre in the North West Growth Area. The use of this referral mechanism relates to government projects, not privately delivered infrastructure assets.

Due to the underdeveloped nature of the intermodal terminal as detailed in Section 4.4 above and the Government's intent that it be delivered by the private sector, it is the Landowner Group's opinion that the

overlay hatching is premature and warrants removal. The NSW Government should not require a concurrence process for the Intermodal Terminal as it will not be the owner.

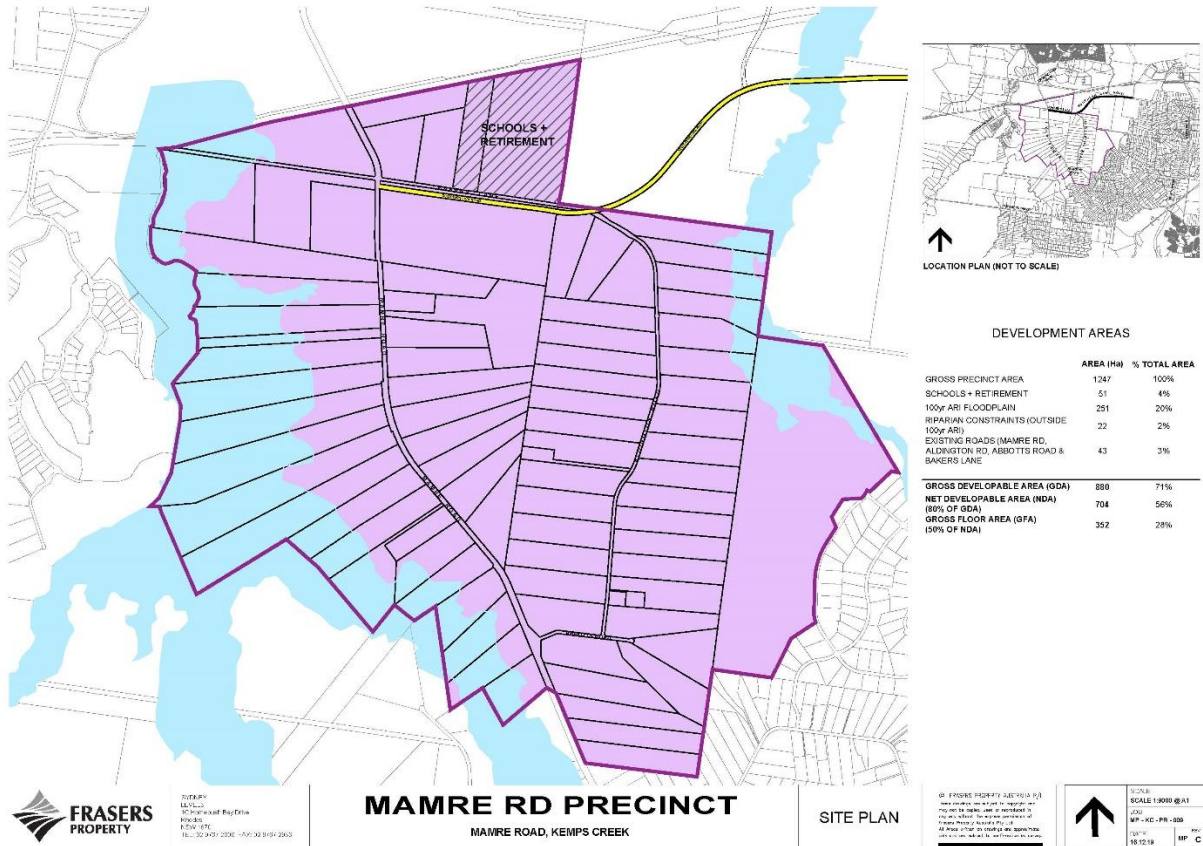
RECOMMENDATIONS:

21. Concurrence requirements from TfNSW should be removed from the proposed WSEA SEPP amendment for the Intermodal Terminal, as it will not be a publicly owned and operated infrastructure asset.

5. RESPONSE TO EMPLOYMENT LAND SHORTAGE

After review of the Mamre Road Precinct exhibition package, it is important to assess the cumulative impact of the proposed exhibition package on its intended response to the lack of zoned industrial land supply. **Figure 7** maps the developable area of the Precinct, if the current WSEA SEPP applied to the site.

Figure 7 – Mamre Road Precinct Developable Area



Source: Frasers Property

The Mamre Road Precinct planning package diverges from the status quo of the WSEA SEPP and introduces new controls, including:

- Concurrence mechanism to TfNSW for Intermodal Terminal and Southern Link Road;
- Introduction of RE1 Public Recreation and RE2 Private Recreation zones;
- Introduction of SP2 Drainage zone;
- Application of the PMF as the Flood Planning Level; and
- Inconsistencies of E2 Environmental Conservation zone extent with mapping in technical studies.

Identification of these items within the proposed zoning package reduces the net developable area within the Mamre Road Precinct and calls into question the ability to appropriately respond to the industrial land shortfall. The Landowner Group’s preliminary calculations identify the following:

- Open space proposed in the Precinct: ~60 ha
 Impact:
 Loss of 1,800 operational jobs and 600 construction jobs
 Acquisition cost to government: c. \$500 million
- Flooding (based upon PMF flood planning level): ~120ha as mapped at **Figure 8** below.

Impact:

Loss of 3,600 operational jobs and 2,000 construction jobs

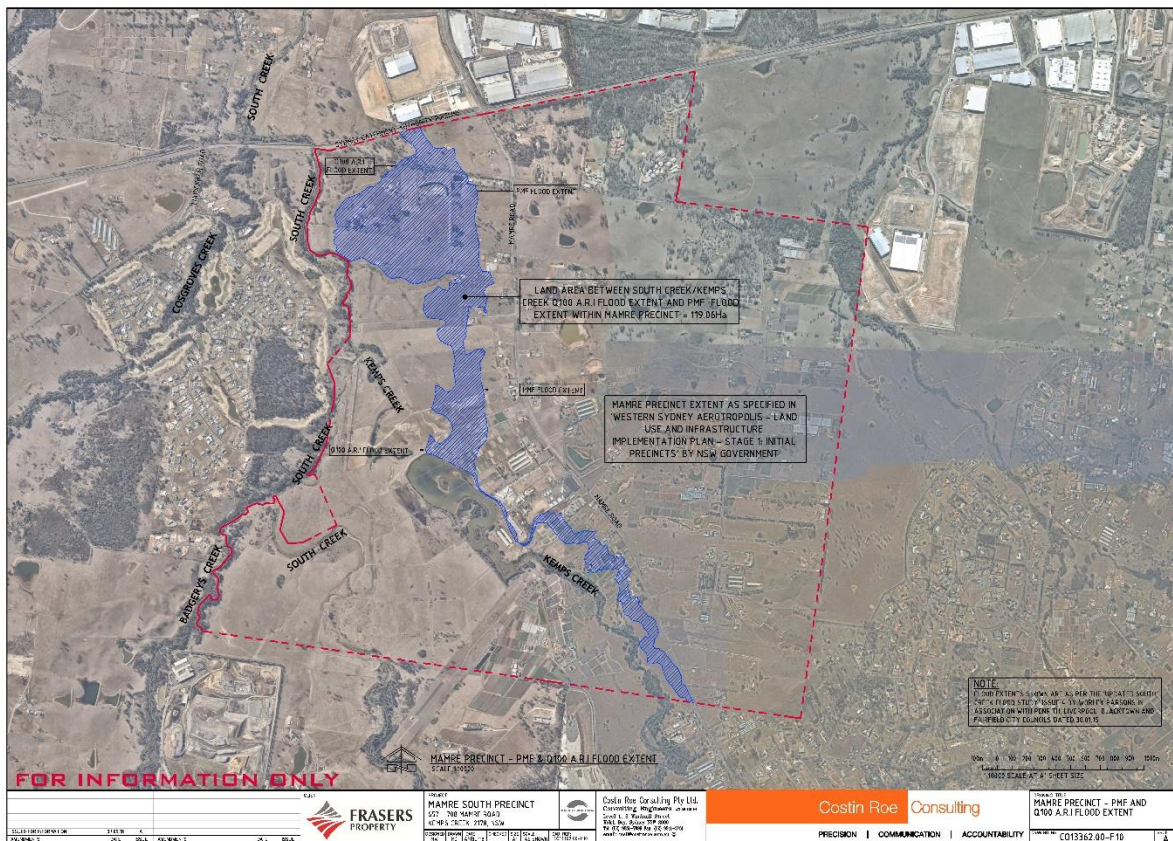
Acquisition cost to government: c.\$1 billion

- Intermodal Terminal

Impact:

Loss of 4,030 operational jobs

Figure 8 – South Creek PMF and 1:100 Flood Extent



Source: Fraser Property

The NSW Government needs to recognise the risk posed by these proposed controls on the availability and developability of the future IN1 zoned land. It also needs to acknowledge the potential outflow of investment from this region to competing interstate markets in Queensland and Victoria where the certainty of development and investment decisions is greater. Industry groups, including PCA, have advised government on this risk and the economic impact of not providing market certainty in the short, medium and long term.

The NSW Government needs to carefully consider the introduction of new controls and weigh these up with the purpose of the rezoning. If that purpose is to unlock new employment opportunities, as announced, then the NSW Government needs to adopt the recommendations outlined in this submission and provide the market with confidence that investors can rely on Mamre Road Precinct as an employment hub for the short, medium and long term.

6. CONCLUSION

The Landowner Group supports the exhibition and acceleration of Mamre Road Precinct for employment purposes. The response by the Minister to the critical shortage in appropriately zoned and serviced employment land is timely and welcomed. The successful delivery of employment land in the Mamre Road Precinct by the private sector is dependent on consideration of the comments and recommendations contained within this submission.

This submission highlights eight key issues that require review or refinement to realise a timely and effective delivery of industrial land uses within the precinct:

1. The identified location for the Intermodal Terminal location and associated TfNSW concurrence mechanism for development on that land
2. Finalisation of a contributions framework
3. Suitability of new land use zones and provisions within WSEA SEPP
4. Certainty of Mamre Road and Southern Link Road Designs and land take
5. Flood Planning Levels
6. Suitability of the E2 Conservation Area zone extents
7. Open space provision
8. Impact of the proposed rezoning framework on jobs creation and investment decision making

The Landowners Group seeks to engage in further dialogue with the NSW Government about the resolution of these issues prior to the finalisation of the rezoning package, so as to ensure an effective and efficient delivery of employment generating industrial uses within the Precinct.

6.1. NEXT STEPS

The rezoning of this Precinct is critical to release Industrial land supply in Greater Sydney. Therefore, the landowner group supports further consultation through workshops prior to the finalisation of the planning package. The Landowner Group holds significant concerns about a number of issues raised in the exhibition package, and these are reflected in the recommendations made in this submission. The Landowner Group seeks careful consideration of these issues prior to finalisation of the plan.

In order to respond to the shortfall in industrial zoned land, it is requested that the NSW Government finalises the rezoning of the Mamre Road Precinct by Q1 2020 subject to the technical workshops and refinements to the planning package to address the issues raised in this submission. Mamre Road Precinct is integral to the timely delivery of employment land in Western Sydney. By working with the Landowner Group, the NSW Government has an opportunity to deliver a high quality employment precinct contributing to the Western Parkland City vision.

DISCLAIMER

This report is dated 18 December 2019 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (**Urbis**) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of Mamre Road Precinct Landowner Group (**Instructing Party**) for the purpose of Submission (**Purpose**) and not for any other purpose or use. To the extent permitted by applicable law, Urbis expressly disclaims all liability, whether direct or indirect, to the Instructing Party which relies or purports to rely on this report for any purpose other than the Purpose, and to any other person which relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

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This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.

APPENDIX A PROPOSED AMENDMENTS

Mamre Road Precinct Structure Plan

- Remove Intermodal Terminal Overlay Hatching
- Remove Open Space from the Structure Plan
- Align Flood Planning Level to the 1:100 ARI

State Environmental Planning Policy (Western Sydney Employment Area) 2009

Written Instrument

- Remove new clause – Development of land within or adjacent to transport corridor requiring a consent authority to obtain concurrence of TfNSW land affected by the overlay hatching on the Land Zoning Map;
- Remove new clause – Development in areas subject to aircraft noise – Sets out additional matters for a consent authority to consider before it grants development consent on land affected by the ANEC/ANEF contour of 20 or greater
- Remove new clause – Development to satisfy any requirements set out in Clause 6(1) of *State Environmental Planning Policy No 55 – Remediation of Land*
- Remove new clause – Require development to be serviced by a water recycling plan, when available.
- Remove new clause – Ensure earthworks will not have a detrimental impact on environmental functions and processes, neighbouring uses, cultural or heritage items or features of surrounding land
- Remove new clause – Require development to address stormwater and management requirements
- Remove new clause – Require consent authorities to consider the cumulative and local impact of development on the whole flood plain within the Probable Maximum Flood (PMF) and 1: 100 ARI flood

Maps

- Remove Intermodal Terminal Overlay Hatching in Land Zoning Map
- Remove RE1 Public Recreation and RE2 Private Recreation zones
- Remove SP2 Drainage zone
- Align Flood Planning Level to the 1:100 ARI
- Update E2 zones with latest technical studies.*

*The Landowner Group will provide studies to inform these amendments

