

17 December 2020

2200292

Department of Planning, Industry and Environment  
Locked Bay 5022  
Parramatta NSW 2150

Dear Sir / Madam,

## **RE: MAMRE ROAD PRECINCT DRAFT DEVELOPMENT CONTROL PLAN**

This submission has been prepared on behalf of Fife Kemps Creek Trust Pty Ltd (FKC) being a joint venture between Fife Capital and Stockland who are development partners with the landowners of the seven lots comprising 106-228 Aldington Road, Kemps Creek, within the Mamre Road Precinct.

FKC welcome the opportunity to comment on the draft Mamre Road Development Control Plan. The draft DCP represents a significant step forward in the land use and planning framework for the Mamre Road Precinct following the amendment to the WSEA SEPP in late 2019. Expedited development of the Mamre Road Precinct is critical to increasing Sydney's supply of serviced industrial land. The lack of land supply in recent years has created an uncompetitive environment for industrial development Western Sydney when compared with the superior land supply and lower costs associated with equivalent precincts in other states. It is imperative that the land use and development controls to be implemented across the Mamre Road Precinct create a level playing field to ensure that the employment goals for the Western Parkland City can be achieved.

FKC has a significant interest in the draft DCP provisions to ensure that they deliver a high quality, high amenity outcome for development in the Precinct, but that the controls are realistic in terms of ensuring that the cost of future development in the Precinct is economically feasible and competitive.

### **1.0 Mamre Road Precinct Landowner Group Submission**

FKC is a participant in the Mamre Road Precinct Landowner Group which is comprised of seven development firms with significant interests in the Precinct. The Landowners Group either owns or has land interests over approximately 47% of the Precinct and will be the catalyst for initial industrial development and associated enabling infrastructure in the Precinct. The Landowner Group has come together to proactively work with the State government and Council to facilitate a successful world class employment precinct.

A separate submission has been prepared by the Landowner Group and submitted under separate cover. The issues raised in the Landowner Group submission are precinct-wide and, in general, common to all landowners and developers in the Precinct. In particular, the submission raises issues with respect to Built Form and Design Controls, Water Cycle Management, Flood Management, the Transport Network and Earthworks and Retaining Walls. As a member, FKC fully endorses the recommendations of the Landowner Group Submission and shares the concerns of the Group with regard to the significant economic impacts the DCP as currently drafted will have on the development industry and by extension, the feasibility of industrial development in the Precinct.

### **2.0 Background to the 200 Aldington Road development**

FKC are the development partner with the landowners of seven adjacent lots on Aldington Road. It is proposed to develop the land for industrial purposes, primarily warehouse and distribution uses, in line with the desired future outcomes of the Mamre Road Precinct and the broader Western Sydney Employment Area (WSEA). The FKC development area (200 Aldington Road) is shown in **Figure 1** below and the description of

the relevant landholdings that comprise the development site are in **Table 1**. By working with FKC, the landowners are seeking to facilitate common land use and development outcomes for their land to enable for development efficiencies that will benefit not just the entire FKC site, but the overall facilitation of the Mamre Road Precinct through enabling significant and strategic sites to be developed as one integrated development. This will:

- Provide opportunities for coordinated land use and infrastructure provision, in particular efficient road layouts and stormwater management;
- Minimise the impacts associated with bulk earthworks;
- Provide for common and consistent technical studies and data across the seven landholdings; and
- Provide the opportunity for earlier provision of infrastructure through works-in-kind agreements.



**Figure 1 FKC Development Site**

Source: Nearmap and Ethos Urban

**Table 1 Site Description**

Address	Title
106-124 Aldington Road	Lot 32 DP258949
126-142 Aldington Road	Lot 31 DP258949
144-160 Aldington Road	Lot 30 DP258949
162-178 Aldington Road	Lot 23 DP255560
180-196 Aldington Road	Lot 22 DP255560

198-212 Aldington Road	Lot 21 DP255560
214-228 Aldington Road	Lot 20 DP255560

FKC has recently lodged a State Significant Development Application (SSDA) for the Site seeking concept approval for an industrial estate comprising 13 development lots and two drainage infrastructure lots yielding a total GFA of 375,755m<sup>2</sup> of warehouse space and associated ancillary office space. The SSDA also seeks Stage 1 approval for the first warehouse (48,430m<sup>2</sup>) and associated bulk earthworks and infrastructure. The SSDA has been prepared in accordance with the Secretary’s Environmental Assessment Requirements issued by the Department in July 2020 and was publicly exhibited by the Department from 18 November to 15 December 2020.

Under Section 4.23 of the *Environmental Planning and Assessment Act 1979* (the Act), where an environmental planning instrument requires the preparation of a development control plan before development is carried out, that obligation may be satisfied by the making and approval of a concept development application in respect of that land. Therefore, the concept SSDA for the site includes a full assessment against the required items relating to the preparation of a DCP in Schedule 4 of the WSEA SEPP, including proposed design and landscape controls. Notwithstanding this, FKC acknowledge that where appropriate, the design of the SSDA development should be generally consistent with the draft DCP provisions to ensure that the development integrates with future development on surrounding land in the Mamre Road Precinct.

The following sections outline FKC’s key concerns with regard to the draft DCP:

### 3.0 Consistency of development controls with comparable employment land precincts

The rezoning of the Mamre Road precinct in late 2019 was welcomed by FKC. While the NSW Government rezoned the Precinct under the banner of a Covid-19 “fast track” project, the reality is that the lack of supply of zoned, serviceable employment land in Western Sydney had not been seriously addressed by successive governments for over a decade. The escalation of land costs as a result of this undersupply placed industrial development in Western Sydney at a significant competitive disadvantage to other employment land precincts in Victoria and Queensland.

A key objective of the DCP objectives and controls should be to ensure that the development of land in the Precinct is competitive. There is a fine balance between delivering the un-costed aspirations of the Western Parkland City and ensuring that development is feasible and competitive in a national context. FKC believe that the proposed DCP controls and infrastructure requirements do not achieve this balance and will threaten the achievement of the desired land use outcomes for the Precinct.

Elsewhere in the WSEA the development industry has worked with the DPIE assessment team to establish an agreed set of design standards and controls for infrastructure provision and development that have delivered high quality, award winning industrial estates. The proposed land use and infrastructure provisions in the draft DCP are significantly more onerous than the accepted WSEA outcomes and will place a significant additional cost burden on development in the Precinct. Development costs in the precinct need to be competitive both within the Sydney metropolitan context but also with other jurisdictions nationally.

There needs to be recognition that the proposed infrastructure requirements, as expressed in the District plan, Aerotropolis plan and the draft Mamre Road DCP are considerably in excess of any comparable precincts in metropolitan Sydney and nationally. While FKC generally support the vision for the Western Parkland City, the expectation that the development industry bear the bulk of the burden to fund the infrastructure is misguided and will undermine the feasibility development in the precinct.

## 4.0 Need for flexibility for alternative solutions

The purpose and status of development control plans are articulated in Section 3.42 of the *Environmental Planning and Assessment Act 1979* (the Act):

*(1) The principal purpose of a development control plan is to provide guidance on the following matters to the persons proposing to carry out development to which this Part applies and to the consent authority for any such development—*

- (a) giving effect to the aims of any environmental planning instrument that applies to the development,*
- (b) facilitating development that is permissible under any such instrument,*
- (c) achieving the objectives of land zones under any such instrument.*

*The provisions of a development control plan made for that purpose are not statutory requirements.*

While DCPs specify a greater level of detail than the environmental planning instruments (EPI) that they support, the Act makes it clear that they are *guidance* and should support the key aims land use outcomes and objectives of the EPI. DCPs therefore need to be flexible and provide for alternative solutions that are still consistent with the EPI outcomes.

FKC acknowledges that Clause 1.5.2 permits variations to the DCP controls and this is welcomed. This flexibility for alternate solutions to be proposed in development applications is particularly important in the context of the Mamre Road Precinct where there has been generally high level and limited technical studies undertaken by government site specific data has not been available. Landowners are required to undertake detailed specialist technical studies for the landholdings as part of any development application process. These studies will inform site specific design and inevitably lead to variations or departures from the promoted DCP outcomes to reflect on the ground environmental constraints.

It is acknowledged that the draft DCP seeks to provide a framework for precinct-wide solutions, particularly in terms of infrastructure provision. While this is a logical and sensible approach, the reality is that the Precinct encompasses a large number of landowners and developers with different timeframes for development of their land. While initiatives such as the Landowner Group has promoted greater dialogue between adjoining landowners to facilitate common development outcomes and efficiencies, there will be circumstances where alternative locations or design for infrastructure need to be considered and supported to ensure development in the Precinct is not stalled or stymied. FKC therefore supports the inclusion of Clause 1.5.2 to facilitate this flexibility.

## 5.0 Proposed road network

The categorisation of roads within the draft DCP, as proposed in Section 3.4 and Figure 14 is confused and inconsistent. The Landowner Group, in its submission, has recommended that the Transport Network section of the draft DCP be reviewed and updated once precinct wide transport modelling is completed in early 2021. FKC supports this recommendation.

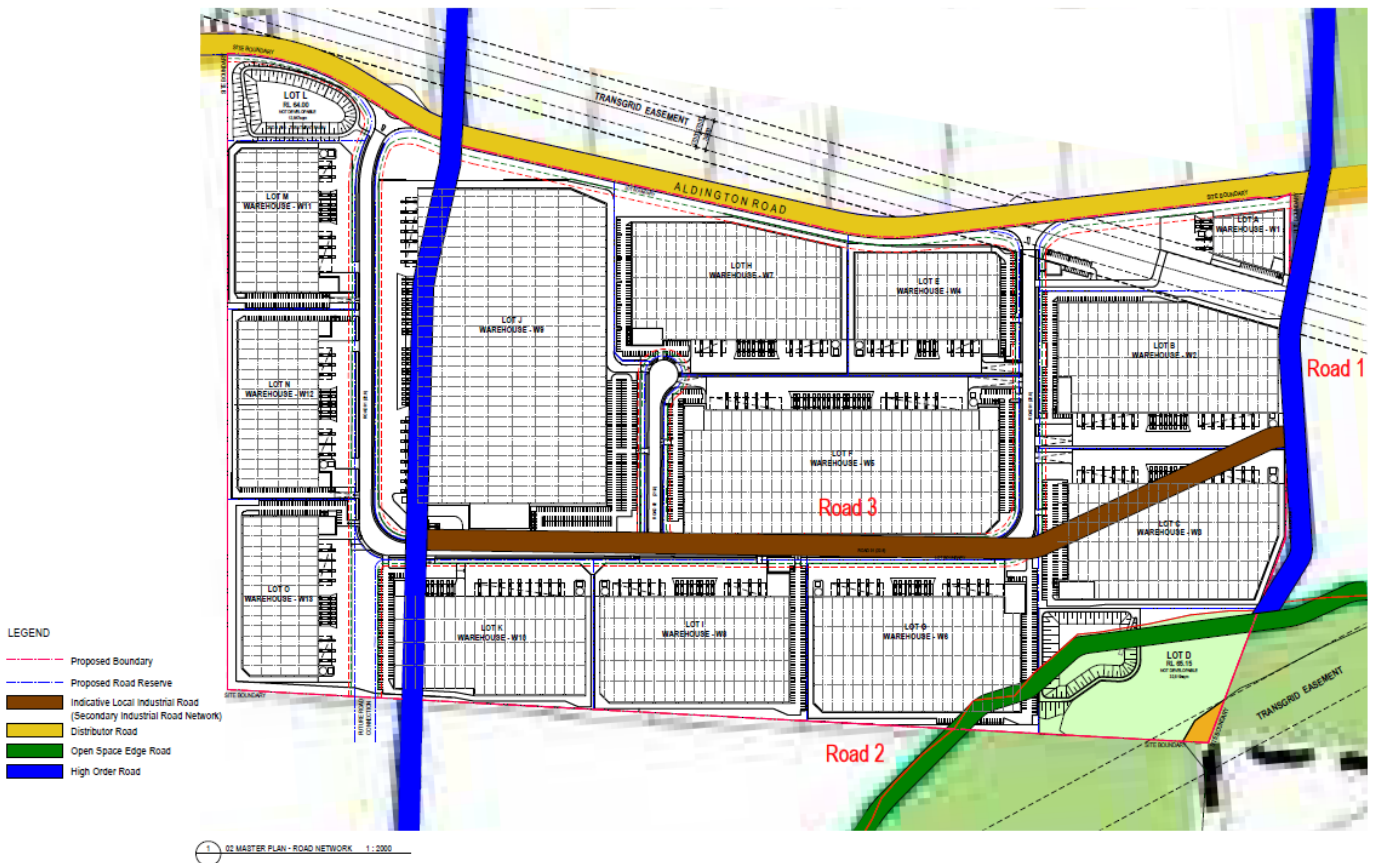
Figure 14 includes serious anomalies where roads that serve a single landowner are designated as High Order Roads (e.g., roads within the land to the east of the FKC site), while roads which serve multiple landowners are categorised as Local Industrial Roads). These anomalies are of concern given that the draft s7.11 plan exhibited by Penrith City Council uses the proposed road network in Figure 14 to determine which roads are to be funded under the contributions framework. To ensure an equitable outcome across the precinct, FKC would support only Aldington Road and Abbotts Roads being funded under the s7.11 contributions framework. Other roads should be funded as part of the estate development and dedicated to Council, as is currently the norm in the other WSEA precincts.

The draft DCP proposes a hierarchy of roads to support the Precinct including:

- Distributor Road (yellow)

- High Order Roads (blue)
- Indicative Local Industrial Roads (brown), and;
- Open Space Edge Road (green)

The submitted FKC Concept SSDA provides an alternate road layout that is based on detailed traffic modelling and engineering analysis. An overlay of the draft DCP Road Network Map on the submitted FKC Concept SSDA is shown in **Figure 2**.



**Figure 2 200 Aldington Road Concept SSDA and draft DCP Road Network**

Source: SBA Architects

While there are some consistent elements between the Concept SSDA and the draft DCP road networks which are resolvable through the assessment process, there are a couple of key inconsistencies which are addressed in the flowing sub-sections:

**Northern Boundary High Order Road (Road 1)**

FKC objects to the location of this road. The road is proposed to be along the FKC site’s northern boundary and shared with the adjoining landowner to the north. A road in this location will require significant engineering given topographical constraints along the proposed alignment. This will significantly increase the cost of delivering the road but also compromise the ability to efficiently develop the land adjoining the road. The proposed road corridor, straddling two separate landholdings with differing development timeframes will compromise its delivery. The 200 Aldington Road development does not rely on this road to manage its traffic generation. FKC recommend that the location and status of this road be dictated by the orderly development of the land in the future, and following the conclusion of precinct-wide modelling.

The Concept SSDA proposes that a local industrial road be developed further south within the FKC site. The proposed road has been the subject of traffic modelling as part of the EIS process and can be delivered in a short term time-frame as part of the estate development.

### **Open Space Edge Road (Road 2)**

The draft DCP identifies an “Open Space Edge Road” along the north east boundary of the FKC SSDA site. It is understood that this road is to provide access to the RE2 zoned land associated with the 1% AEP flood liable land along Ropes Creek. This road will be totally unrelated to the industrial land use activities proposed by the landowners of the FKC SSDA site and provide no benefit to the Precinct. The road is a significant cost burden to the landowners given it does not benefit the IN1 land use, takes up otherwise useable employment land and, given its close proximity to an identified industrial road to the west, further sterilises land by creating undevelopable parcels of land between the roads.

The RE2 zoned land adjacent to the proposed road is not a public recreation area and therefore does not require a road to provide public access. The RE2 zoned area is private property, located in an industrial precinct and will have no public recreational function or facilities. Therefore, there is no need for public access to this area. Perversely, the road may provide access to RE2 area for less desirable activities including illegal dumping of waste. The road will also occupy a significant area of land that would more beneficially be used for employment related development.

It is noted that the draft s7.11 plan for the Precinct exhibited by Penrith City Council does not propose to fund this road as part of the contributions framework. The road will therefore be a significant additional cost burden to landowners with no discernible benefit to the surrounding industrial development.

Notwithstanding this objection, should the road remain in the final DCP, it should be categorised as a high order road and funded under the s7.11 plan given it has been imposed by the Department and Council at significant cost but serves no benefit to the surrounding development. The road will link into the high order road on the adjoining land to the east. The green park edge road should be therefore also be identified as a high order road.

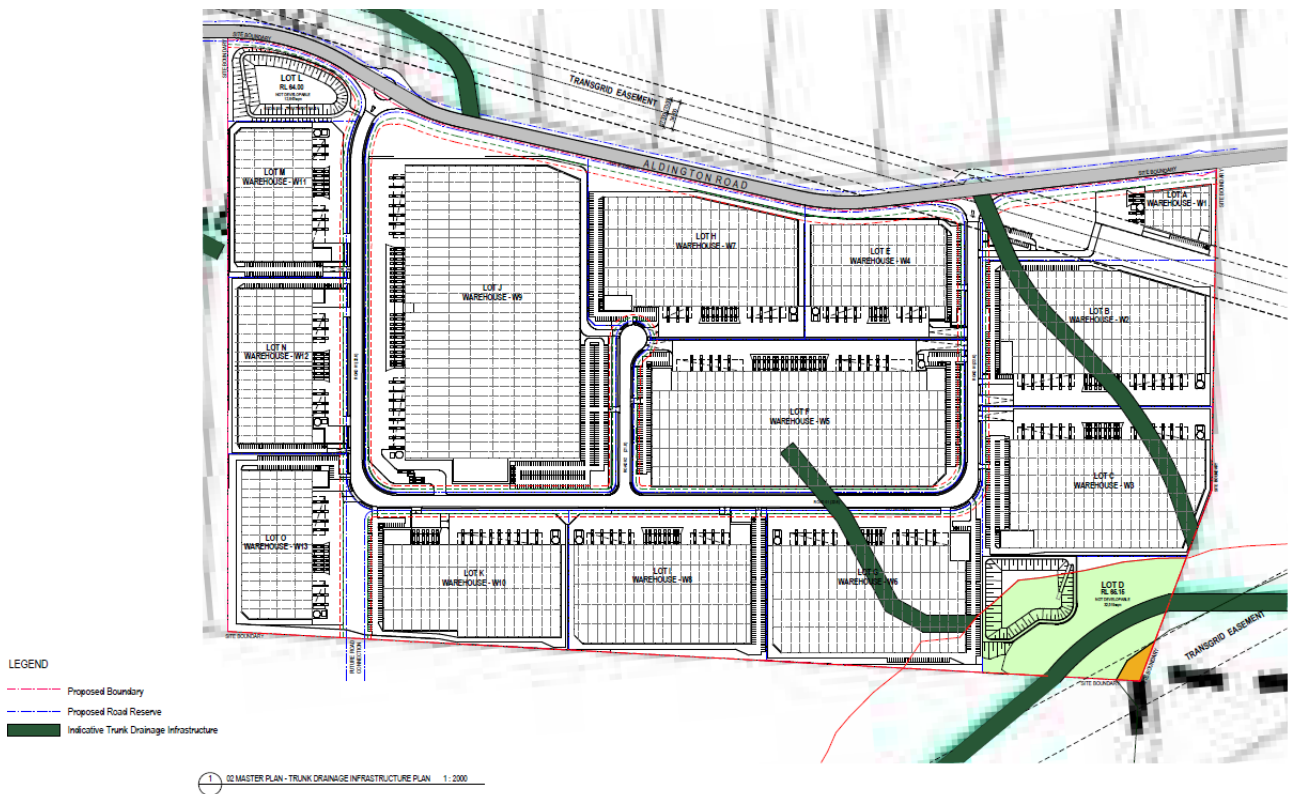
FKC requests that this road be removed and replaced with an alternative edge solution to the RE2/E2 zoned area. This could include a landscape setback

## **6.0 Integrated water cycle management**

The Landowner Group submission has addressed Precinct-wide concerns with regard to the proposed integrated water cycle management framework and associated objectives and controls in Section 2.6 of the draft DCP. The draft DCP requirements for impervious surfaces, trunk drainage channels and water sensitive urban design are significantly in excess of standard practice elsewhere in the WSEA and will further sterilise land that could be developed for employment purposes. The requirements will also significantly increase development costs. The Landowner Group advocates that drainage infrastructure should be developer driven and excluded from the draft Penrith s7.11 contributions plan. FKC supports this position.

The proposal for trunk drainage infrastructure to be implemented by way of existing drainage channels is impractical due to the significant change of land levels to facilitate large format warehouse development. The drainage channels will also incur significant costs associated with road crossings.

When overlaid on the FKC Concept SSDA plan (**Figure 3**), the impact of the proposed channels identified as H01 and H02 in Figure 6 of the draft DCP can be seen. Significant area in the northern section of the site would be rendered undevelopable especially when included with the proposed road network noted above.



**Figure 3 200 Aldington Road Concept SSDA and draft DCP Trunk Drainage**

Source: SBA Architects

FKC has developed a drainage strategy which accommodates stormwater flows for the entire catchments of H01 and H02. The proposed alternate trunk pipe solution has been modelled as part of the stormwater strategy that accompanied the SSDA and should be accepted as an alternative solution for the site.

The proposed controls relating to Stormwater Management (Section 2.6.1) are onerous and will add significant and unnecessary cost to development in the Precinct. The 35% target for pervious surfaces is a significant constraint on site development. The target is significantly greater than the current 15% industry standard and is unprecedented in the context of employment land development. This target, when combined with the required pollution load reduction targets, will be a significant cost to development in terms of the cost of infrastructure and loss of developable land to facilitate the WSUD infrastructure. The Department should consult with industry regarding alternative stormwater management outcomes which can also deliver the objective of returning streams to more natural flow regimes with less impact on employment land yield and development feasibility.

## 7.0 Biodiversity

Figure 3 in Section 2.2 of the draft DCP identifies the RE2 zoned land in the north east corner of the 200 Aldington Road site as being an “Area of High Biodiversity Value”. This designation is questioned for the following reasons:

- The draft Cumberland Plain Conservation Plan, which has informed the draft DCP designates the area as “Certified – Urban capable” and does not identify it for any conservation value.
- The RE2 zone for the area was the result of the 1% AEP flood affectation and not due to biodiversity

FKC has commissioned ecological surveys of the area to support the Concept SSDA. The surveys have identified that the vegetation in the area is of low to moderate biodiversity value. FKC is happy to provide a copy of the Biodiversity assessment of this area to inform the finalisation of the draft DCP.

## 8.0 Built form and design controls

The General Requirements for Industrial Development in Section 4 of the draft DCP provide detailed objectives and development controls for future development in the Precinct. As with other sections of the DCP, the proposed controls are highly prescriptive and represent a significant departure from the controls that have been applied to development in other parts of the WSEA, and more broadly in Western Sydney.

The Landowner Group submission has provided general and specific comments on the proposed built form and urban design controls, which FKC endorses. In particular, attention is drawn to the specific comments and recommendations regarding the removal of the 35% pervious surface target and 40% tree canopy targets as development controls and their inclusion as higher level development objectives. In terms of tree canopy, FKC supports a practical approach to the 40% tree canopy target. However, this should be a target for the broader Western Parkland City and not applicable to the Mamre Road Precinct having regard to the building typology associated with large warehouse buildings supported by hardstands

The built form and urban design controls in the draft DCP Urban design controls appear to relate to industrial building typologies that are more appropriate for brownfield urban services lands rather than greenfield large format warehouse use. Building design controls need to respect the building function. Warehouses are built to the specific needs of the user and require site and building layouts that maximise the efficient movement of the goods and their specific storage requirements. These considerations cannot be subordinate to design to the extent that the buildings cannot operate.

Many of the built form controls, while well-meaning when considered in an isolated design context, may have significant negative environmental or amenity outcomes when applied to large format warehousing. Examples of this include:

- Section 4.2.2 – Control 12 which requires loading bays and parking areas to be at the rear of the development site. This requirement may create noise impact issues at estate boundaries where the buildings are located at the rear of the site to serve as noise barriers and do not promote the efficient entry and exit for large vehicles into the sites.
- Section 4.2.4 – Control 15 which requires a minimum 30% façade glazing for the street front. The requirement provides little or no amenity benefit however, may significantly compromise sustainability outcomes and feasibility of the buildings.
- Section 2.6.1 – Control 7 which requires Applicants to target 35% pervious surfaces within lots. The 35% target for pervious surfaces is a significant constraint on site development. The target is significantly greater than the current 15% industry standard and is unprecedented in the context of employment land development. This target, when combined with the required pollution load reduction targets will be a significant cost to development in terms of the cost of infrastructure and loss of developable land to facilitate the WSUD infrastructure.

Prior to the finalisation of the DCP, the Department needs to proactively engage with industry, and experienced industrial design practitioners to establish realistic and affordable design parameters. As stated at the beginning of the submission, the current design standards and controls applied in the WSEA are creating high quality, high amenity estates which meet end user requirements, and it is of concern that the draft DCP is departing from this framework.

## 9.0 Economic impacts of the draft DCP

The Landowner Group Submission included an Economic Impact Analysis of the proposed draft DCP provisions as well as the draft Mamre Road s7.11 Development Contributions Plan prepared by Penrith City Council. The analysis modelled the impacts of the two draft plans on an entire conceptual estate as well as a single development lot within an estate. The analysis found that the combined impact of the proposed DCP and s7.11 frameworks would lead to a 39.9% increase in rent per SQ.M for the estate and a 26.2% increase in rent per SQ.M per lot when compared to the existing development control and contributions frameworks in the WSEA. This increase will make the Sydney



market, already the nation's most expensive for industrial development, even less competitive than equivalent employment lands in Melbourne and Brisbane.

## 10.0 Conclusion

FKC commend the Department on the release of the draft DP and the further progression of the land use and planning framework for the Mamre Road Precinct. While it is acknowledged that significant effort has been expended to create a comprehensive suite of objectives and controls, careful consideration is needed in the finalisation of the DCP to ensure there is a greater balance between subjective, aspirational outcomes proposed in the objectives and controls, with the need for development in the Precinct to function for its purpose and be economically feasible. Ultimately the success of the Precinct and of the broader WSEA and Western Parkland City depends on getting this balance right.

The development objectives and controls expressed in the draft DCP are a significant departure from those applied to other precincts within the WSEA. FKC are concerned that there has been insufficient testing of the proposed controls both in terms of delivering site development outcomes that are fit for purpose for end users, as well as the economic feasibility of development in the Precinct, particularly when combined with the proposed development contributions frameworks. The draft DCP objectives and controls have the potential to significantly affect the competitiveness of the Precinct in attracting business and jobs to Western Sydney.

Prior to finalisation of the DCP, the Department should proactively engage with industry and experienced industrial design practitioners to review and revise the proposed built form and urban design controls to ensure that the right balance is achieved between the functional requirements of development in the Precinct and design outcomes. In this regard, FKC is willing to meet with Department to run through these concerns to ensure that the final version of the DCP is appropriate in terms of its planning controls and resulting development outcomes to enable the delivery of the Mamre Road Precinct to support the broader Western Sydney Aerotropolis and Parkland City.

Yours sincerely,



**Gordon Kirkby**  
Director, Planning  
0448 476 754]  
gkirkby@ethosurban.com