

**ANGEL PLACE
LEVEL 8, 123 PITT STREET
SYDNEY NSW 2000**

URBIS.COM.AU
Urbis Pty Ltd
ABN 50 105 256 228

18 December 2020

Ms Jane Grose
Director
Department of Planning, Industry and Environment
4 Parramatta Square
12 Darcy Street
Parramatta, NSW 2150

Dear Jane,

MIRVAC SUBMISSION ON MAMRE ROAD PRECINCT DEVELOPMENT CONTROL PLAN

This submission has been prepared by Urbis Pty Ltd (**Urbis**) on behalf of Mirvac in response to the release of the draft Mamre Road Precinct Development Control Plan (**draft DCP**). Mirvac welcomes the opportunity to comment on the exhibition package and seeks a continued partnership with the NSW Government on the rezoning and delivery of Mamre Road Precinct.

Mirvac congratulates the Department of Planning, Industry and Environment (**DPIE**) on releasing the draft DCP. It is recognised that the DCP, together with the Section 7.11 Development Contribution Plan and Western Sydney Aerotropolis Special Infrastructure Contribution, is the last remaining planning document required to facilitate delivery of employment land within the precinct. Therefore, it is imperative to ensure the DCP controls enable the delivery of employment lands, as there is a critical shortage in appropriately zoned and serviced employment lands across NSW.

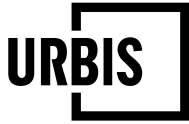
Mirvac is an active participant in responding to market need and addressing industrial land supply shortfalls. Due to their understanding of the market, Mirvac supports the future success of Mamre Road Precinct.

This submission builds upon the Mamre Road Landowner Group's submission, which focusses on collective issues to be addressed to unlock the Mamre Road Precinct for development. The Landowner Group's submission is attached for clarity. Both submissions should be read in conjunction to have a comprehensive understanding of Mirvac's concerns and recommendations.

1. ABOUT MIRVAC'S SITE

Mirvac's site is located on Lots 54 – 58 in DP 259135 Mamre Road, Kemps Creek. It is bounded by large rural residential lots to the north, south and east, and Mamre Road to the west. The site has a total area of 56.3 hectares (**ha**).

Mirvac's vision for the site is to deliver an employment estate for future industrial and logistic users based around an emphasis on design quality, flexibility, technology, and sustainability. Industrial land



uses will be similar to those dominant in the zoned Erskine Park Industrial Estate and Mamre West Precinct, responding to a current industrial market and pipeline supply shortage.

2. COMMENTS AND RECOMMENDATIONS ON THE EXHIBITION PACKAGE

2.1. CONSISTENCY WITH MAMRE ROAD PRECINCT LANDOWNER GROUP SUBMISSION

This submission builds upon the Mamre Road Precinct Landowner Group Submission and provides site-specific comments in relation to Mirvac's land. For ease of clarity, the Landowner Group has been attached to this letter. Mirvac supports the recommendations outlined in the Landowner Group submission, refer to **Attachment A**.

2.2. RIPARIAN LANDS

In addition to the Landowner Group submission in relation to Riparian Lands, Mirvac wishes to add further commentary and recommendation in association with Riparian Lands. The draft DCP diverges from previous Department of Planning, Industry and Environment advice in relation to construction of E2 Environmental Conservation corridors and their appropriate width requirements.

On 14 August 2020, Gina Metcalfe, A/Director, advised Mirvac the riparian corridor should be retained at 40m (**Attachment A**). This rationale was applied and used to inform the State Significant Development Application for Aspect Industrial Estate.

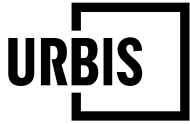
The draft DCP diverges from this advice by adding an additional requirement '+ *channel width*'. This additional inclusion is not supported and is inconsistent from previous DPIE advice. Therefore, the DCP must be amended to align with the 40m requirement, as outlined in the attached letter.

The draft DCP Section 2.2.3 Environmental Conservation and Recreation Zones Control No.5 proposes to restrict basins within land zoned E2 Environmental Conservation (which meet the definition of a Category 1 or 2 river under the Water Management Act) which is in conflict with Natural Resources Access Regulator Guidelines for controlled activities on waterfront land. Mirvac requests that this control be amended to allow permissible infrastructure within waterfront land in accordance with Natural Resources Access Regulator *Guidelines for controlled activities on waterfront land*.

3. CONCLUSION

Mirvac commends the DPIE for advancing the planning through the exhibition of the Mamre Road Precinct Development Control Plan. Mirvac appreciates the NSW Government's response to the zoned industrial land shortfall and its recognition of the merits of the Precinct as future employment land.

Prior to finalisation of the draft DCP, amendments are required to enable a balanced outcome for the Precinct. Mirvac has prepared a joint submission with the Mamre Road Precinct Landowner Group commenting on key issues arising in the Precinct. Mirvac supports the recommendations proposed within the Landowner Group submission and has provided additional site-specific comments which relate solely to its site. This submission requests that the NSW Government collectively reviews both submissions to understand the comprehensive picture of Mirvac's point of view on the proposed DCP exhibition package.



Mirvac requests consideration of these issues prior to finalisation of the plan. Mamre Road Precinct is integral to the timely delivery of employment land in Western Sydney. The NSW Government has an opportunity to deliver a high-quality employment precinct contributing to the Western Parkland City vision and objectives, with controls that will facilitate and not stymie the delivery of high quality industrial precincts. However, the current state of the proposed DCP and associated contribution framework will prevent investment and minimise Mamre Road Precinct's ability to attract investment to the Western Parkland City.

Yours sincerely,

A handwritten signature in black ink, appearing to read "JParker". The signature is fluid and cursive, with a large initial "J" and "P".

Jacqueline Parker
Director
+61 2 8233 9969
jparker@urbis.com.au

Enc Attachment A: Mamre Road Precinct Landowner Group Submission
 Attachment B: DPIE Letter re. riparian corridor

URBIS

SUBMISSION ON THE MAMRE ROAD DEVELOPMENT CONTROL PLAN

Mamre Road Landowner
Group

Prepared for
MAMRE ROAD LANDOWNER GROUP
17 December 2020

URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:

Director	Jacqueline Parker
Consultant	Grace Macdonald
Project Code	P0029734
Report Number	Final

All information supplied to Urbis in order to conduct this research has been treated in the strictest confidence. It shall only be used in this context and shall not be made available to third parties without client authorisation. Confidential information has been stored securely and data provided by respondents, as well as their identity, has been treated in the strictest confidence and all assurance given to respondents have been and shall be fulfilled.

© Urbis Pty Ltd
50 105 256 228

All Rights Reserved. No material may be reproduced without prior permission.

You must read the important disclaimer appearing within the body of this report.

urbis.com.au

CONTENTS

1.	Introduction	1
	Key Recommendations of this Submission	1
2.	Mamre Road Precinct.....	5
	2.1. Precinct Location and Context	5
	2.2. Government Response To Date	6
3.	About the Landowner Group	7
4.	Comments on and Recommendations for the Development Control Plan	9
	4.1. Vision for Mamre Road Precinct	9
	4.2. Biodiversity.....	9
	4.3. Aboriginal Heritage	10
	4.4. Riparian Lands.....	10
	4.5. Integrated Water Cycle Management	11
	4.5.1. Impervious Surface Target	11
	4.5.2. Trunk Drainage.....	11
	4.5.3. Water Sensitive Urban Design	12
	4.5.4. Summary	12
	4.6. Flood Prone Land	13
	4.7. Aviation Safeguarding.....	14
	4.8. Transport Investigation areas	14
	4.9. Subdivision.....	14
	4.10. Views and Visual Impacts	15
	4.11. Transport Network	15
	4.12. Dedicated Freight Road Network.....	16
	4.13. Built Form and Design Controls	16
	4.13.1. Height	17
	4.13.2. Landscaping	17
	4.13.3. Building Design.....	17
	4.14. Earthworks and Retaining Walls	18
	4.15. Formatting.....	19
5.	Economic Impacts on Mamre Road Precinct	20
	5.1. Development Impacts	20
	5.2. Economic Impacts.....	20
6.	Conclusion.....	22
	6.1. Next Steps	22
	Disclaimer.....	23

Appendix A	Tracked-Change DCP
Appendix B	Tracked-Change Western Parkland City Urban Typologies and Stormwater Solutions
Appendix C	Ason Letter
Appendix D	Sydney Water Letter & AT&L Response

FIGURES

Figure 1 Context Map	5
Figure 2 Landowner location map	7

TABLES

Table 1 Comparison of Pollutant Load Reduction Target 12
Table 2 Comparison of Average Industrial Rents per sq.m (\$ per sqm) 21
Table 3 Comparison of Trade per Capita, 2018-19 21

1. INTRODUCTION

This submission has been prepared by Urbis Pty Ltd (**Urbis**) on behalf of the Mamre Road Precinct Landowner Group (**Landowner Group**) in response to the release of the draft Mamre Road Precinct Development Control Plan (**DCP**). The Landowner Group welcomes the opportunity to comment on the DCP and seeks a continued partnership with NSW Government on the delivery of Mamre Road Precinct. It is critical to ensure the DCP controls provide the right balance in delivering high quality industrial estates and providing sustainable economic outcomes across the precinct.

The Landowner Group congratulates the Department of Planning, Industry and Environment (**DPIE**) on releasing the draft DCP. It is recognised that the DCP, together with the Section 7.11 Development Contribution Plan and Western Sydney Aerotropolis Special Infrastructure Contribution, is the last remaining planning document required to facilitate delivery of employment land within the precinct. Therefore, it is imperative to ensure the DCP controls enable the delivery of employment lands, as there is a critical shortage in appropriately zoned and serviced employment lands across NSW.

The Landowner Group is committed to be an active participant in responding to the industrial land shortfall in Sydney. Through this participation, the Landowner Group has worked collaboratively with NSW Government and Penrith City Council to ensure the timely rezoning of the Mamre Road Precinct. This has enabled a solutions-oriented rezoning in under 6 months, a precedent for greenfield planning in Western Sydney. The Landowner Group seeks to continue this momentum through working with NSW Government to finalise the DCP.

The Landowner Group includes seven members. It does not speak for the entire Precinct, rather it represents the major institutional investors who have made a strategic decision to locate in the Mamre Road Precinct in response to demand from their customers. 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 Sydney metropolitan area more broadly.

The Landowner Group has interests in 407 hectares (**ha**), approximately 47%, of the Mamre Road Precinct. The track record of each individual member and strategic locations of their sites will allow a quick delivery response to the employment land shortfall. This track record provides certainty to the NSW Government that an immediate development outcome will result from continued collaboration between the Landowner Group and the NSW Government.

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 DCP;**
- **Response to Employment Land Shortage and Affordability:** 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 resolve the DCP.

In addition to the body of this submission, the Landowner Group has included a tracked-change version of the DCP, refer to **Appendix A**. This marked-up copy provides recommendations on wording to minimise risk associated with interpretation and implementation of this document at the development application phase.

Key Recommendations of this Submission

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

1. **The cost and functionality of the dedicated freight route must be further investigated, particularly considering uncertainty around the timing and end uses of the potential intermodal terminal.**

2. The ability to achieve the 40% tree canopy target within an industrial precinct is impossible, given the functionality of these buildings, including wide hardstands and truck turning areas. If this target is to be adopted, it should not be a control within the Mamre Road Precinct Development Control Plan.
3. The Landowner Group has marked up the DCP to reflect the appropriate wording, refer to Appendix A. This must be reflected prior to finalisation of the DCP.
4. The CPCP must not be adopted and reflected in the DCP until on-the-ground investigations of biodiversity value occur in the post-exhibition phase.
5. Figure 3 is inaccurate and does not reflect the existing conditions within Mamre Road Precinct. This map must be removed until the latest technical investigations are complete across the Precinct.
6. Section 2.2.3, Controls 4, 5, 6 in the DCP must be updated to reflect the suggested Landowner Group wording outlined above.
7. The DCP must reference the data source of Figure 5, which identifies Site of known Aboriginal heritage and areas of high and moderate-high Aboriginal archaeological potential.
8. The DCP must be amended to reflect the current processes in relation to Aboriginal Heritage, such as preparation of an ACHAR. Aboriginal Heritage Impact Permits should not be required unless identified in the EP&A Act.
9. The DCP must remove reference to all controls related to 'avoid modifications to natural watercourse'. If these controls are implemented, they will significantly impact the ability to deliver industrial uses within the Precinct.
10. The DCP must remove any reference to additional vegetated buffer zones outside the riparian areas. This is not required and will further impact employment outcomes.
11. Table 4 must be amended to remove reference to '+ channel width'. Channel width is included in the total riparian corridor width reservation.
12. Amend Section 2.2.3 Environmental Conservation and Recreation Zones Control Number 5 to allow basins within land zoned E2 Environmental Conservation (which meet the definition of a Category 1 or 2 river under the *Water Management Act*) in accordance with NRAR's *Guidelines for controlled activities on waterfront land*.
13. The Department of Planning, Industry and Environment must not adopt the Sydney Water study without proper consultation with landowners, industry and other stormwater authorities, e.g. Penrith City Council.
14. The pervious surface target is not achievable and is not required to meet both the water quality and quantity targets. It must revert back to the current industry standard. Prior to implementation in the DCP, the Department of Planning, Industry and Environment must consult with industry and landowners to understand the implications of introducing this control.
15. Figure 6 must be removed from the DCP. The mapping of trunk drainage infrastructure is not required. This needs to be confirmed via modelling, ground truthing and alternative engineering options to support each individual estate development.
16. The Department of Planning, Industry and Environment needs to work with Penrith City Council to ensure consistent approaches to acquisition of drainage infrastructure. The Landowner Group supports the removal of drainage infrastructure (land and works) from the Section 7.11 Contribution Plan.
17. The introduction of new benchmark controls, such as pollutant load reduction targets, must be properly assessed. The Department of Planning, Industry and Environment must understand the cumulative impacts, including financial viability impacts on industrial development and consider the least cost means of achieving these targets.
18. There are inconsistent approached to water reuse between Sydney water and Penrith City Council. Therefore, it is request that Department of Planning, Industry and Environment

coordinate a workshop between Sydney Water, Penrith City Council and the Landowner Group prior to any significant changes to water quality and quantity targets, and recycled water.

19. The flood controls must enable trunk pipe drainage channels in the Mamre Road Precinct. Without this allowance, it will be extremely difficult to deliver naturalised drainage channels due to the Precinct's topography, fragmented land ownership and proposed change of levels along with the excessive costs to build and maintain the channels.
20. Clause 16 must be amended to remove reference to on-lot. The current wording suggests each lot will have its own OSD.
21. The Department of Planning, Industry and Environment must ensure the entire DCP objectives and controls will not conflict. At the moment, the desire to increase bioretention basins and protect airport operations is at odds with the risk of increasing wildlife strike within the Airport's flight path.
22. Figure 9 must be removed as it will likely become redundant as design is further refined through discussions with landowners and agencies in ensuring essential infrastructure is delivered in the precinct.
23. The Department of Planning, Industry and Environment must define 'larger lot' in the context of subdivision. This needs to be clearly communicated to landowner prior to finalisation of the DCP, so landowners can understand the impacts of this control.
24. The flexibility of lot size and land use must be maintained throughout the precinct to promote efficiency, technological advances and employment.
25. Section 3.2 Views and Visual Impacts must be reworded to reflect the amendments contained in Appendix A.
26. The Transport Network section must be reviewed and updated once the transport modelling is complete for the Precinct.
27. The road classifications must be determined based on anticipated traffic generation in line with industry standard within the surrounding area.
28. Other than Mamre Road, Southern Link Road, Aldington Road, and Abbots Road, there must not be a restriction on access to the remaining roads within the Precinct.
29. Figure 14 and the naming terminology used in the road sections must be aligned to minimise misinterpretation with only Aldington Road and Abbots Road specified as Distributor Road. Therefore, it is recommended for Figure 14 to adopt the road section references.
30. The Landowner Group requests a workshop with DPIE and TfNSW to resolve the role and purpose of the dedicated freight network prior to introducing controls into the DCP. Until this workshop is held, DCP controls in relation to the dedicated freight network cannot be supported.
31. The merit-based assessment on height (where >20m) is supported.
32. Height must be measured from pad level, not existing ground level.
33. Height controls related to sloping of sites must be removed, as they are not feasible.
34. The setback and landscaping setback controls related to E2, RE1, and RE2 zoned lands should be accommodated within these zones
35. The 40% tree canopy and 15% pervious surface targets should be removed from controls and inserted into objectives. They are not achievable from a lot by lot or precinct-wide basis, and should be assessed through a metropolitan Sydney wide perspective.

To provide NSW Government the confidence on each development contributing to these targets, a development application will outline the appropriate implementation measures which contribute to each target.
36. The NSW Government must provide further clarification on how the 40% tree canopy target was determined, and how it intends to monitor this measurement across metropolitan Sydney.

37. The DCP must not dictate the percentage of building materials to be used on a development, including % coverage of glazing or single materiality. The architectural design of existing industrial buildings are well-designed, and consider effects of passive surveillance and streetscape character.
38. The Department of Planning, Industry and Environment must clarify a variety of matters related to built form controls prior to finalisation of the DCP. Once clarified, the Department of Planning, Industry and Environment needs to allow the landowners to digest this information and provide a view on if they are appropriate.
39. Earthworks and retaining wall objectives and controls need to be significantly reworked. It is recommended that a workshop be held on this matter between the Landowner Group and Department of Planning, Industry and Environment as a matter of urgency.
40. The controls for earthworks and retaining walls must reflect and allow response to the current topographical constraints across the precinct. The current wording will not enable delivery of industrial uses. It is recommended that the controls be amended to enable greater flexibility in the use of cut and fill to create suitably sized development pads.
41. Green walls must be an acceptable outcome for any walls of any height.
42. The DCP requires a formatting review to remove inconsistencies in relation to chapter heading and wording discrepancies. It is recommended for DPIE to adopt the suggested wording as noted in Appendix A.

2. MAMRE ROAD PRECINCT

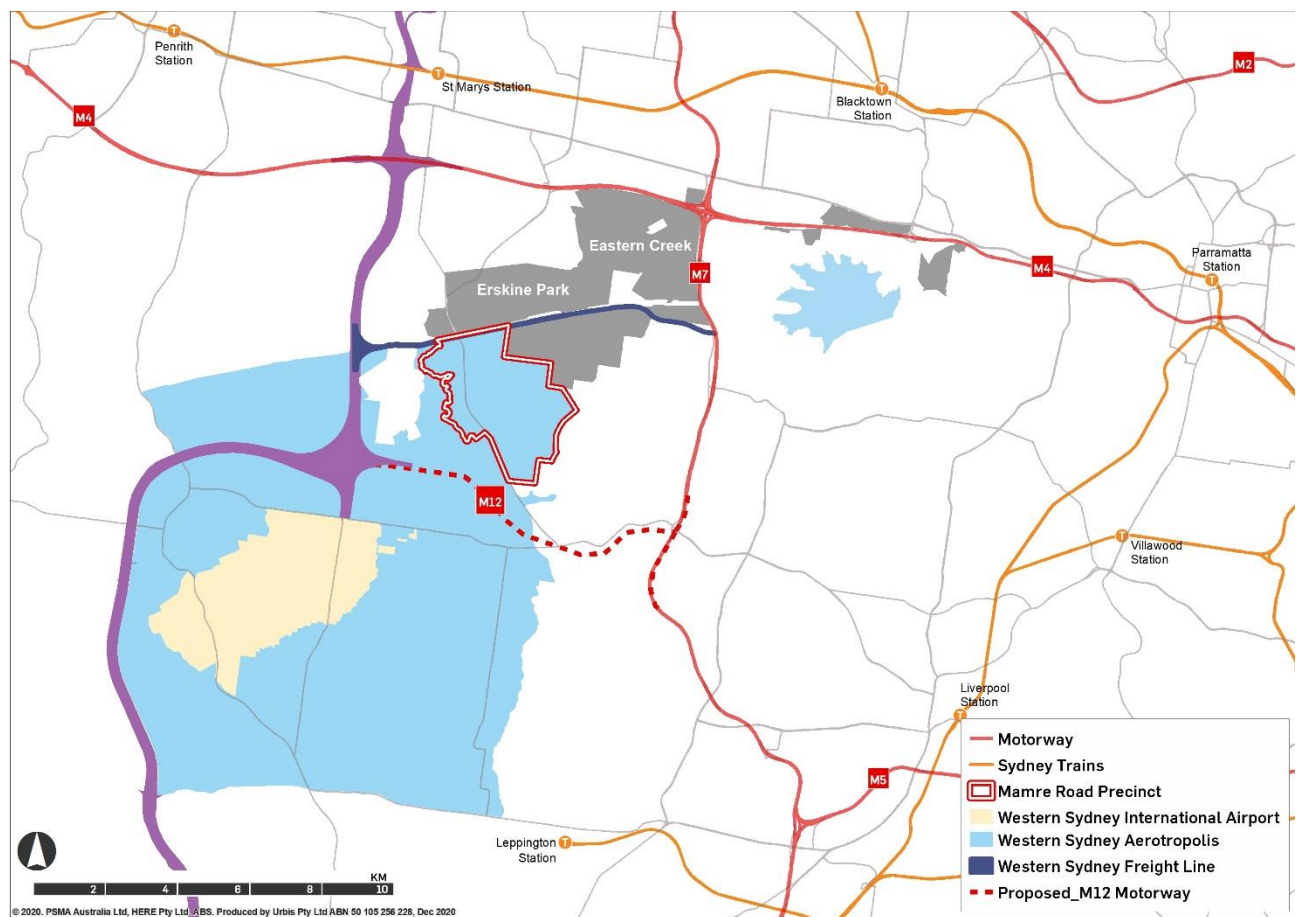
2.1. PRECINCT LOCATION AND CONTEXT

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

The precinct covers an area of approximately 1,005 ha. It 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 Aerotropolis sits to the south.

The precinct is currently used for rural residential purposes. However, it was zoned predominately IN1 General Industrial under the *State Environmental Planning Policy (Western Sydney Employment Area) 2009 (WSEA SEPP)* on 11 June 2020.

Figure 1 Context Map



Source: Urbis

2.2. GOVERNMENT RESPONSE TO DATE

The Landowner Group commends the NSW Government on its response to industrial land shortfall. Since this precinct was exhibited in November 2019, the cooperative partnership between public and private has enabled a swift and decisive rezoning of the precinct in June 2020. The DCP is one of the remaining critical elements required to facilitate a timely response to industrial land supply in Greater Sydney. The Landowner Group recognises the importance of the DCP, as the WSEA SEPP states the following:

Clause 18 Requirement for development control plans

- (1) *Except in such cases as the Secretary may determine by notice in writing to the consent authority or as provided by Clause 19, **the consent authority must not grant consent to development on any land to which this Policy applies unless a development control plan has been prepared for that land.***

Given the statutory weight given in the WSEA SEPP, it is imperative to ensure development controls facilitate employment outcomes by enabling delivery of industrial uses, which will achieve the vision and objectives of the Western Parkland City. Therefore, the Landowner Group respectfully asserts that a continued commitment by the NSW Government to continue cooperative, productive discussions with landowners in relation to the DCP will be a vital element to ensuring that industrial and employment uses within the Precinct can be delivered in a practical and timely manner.

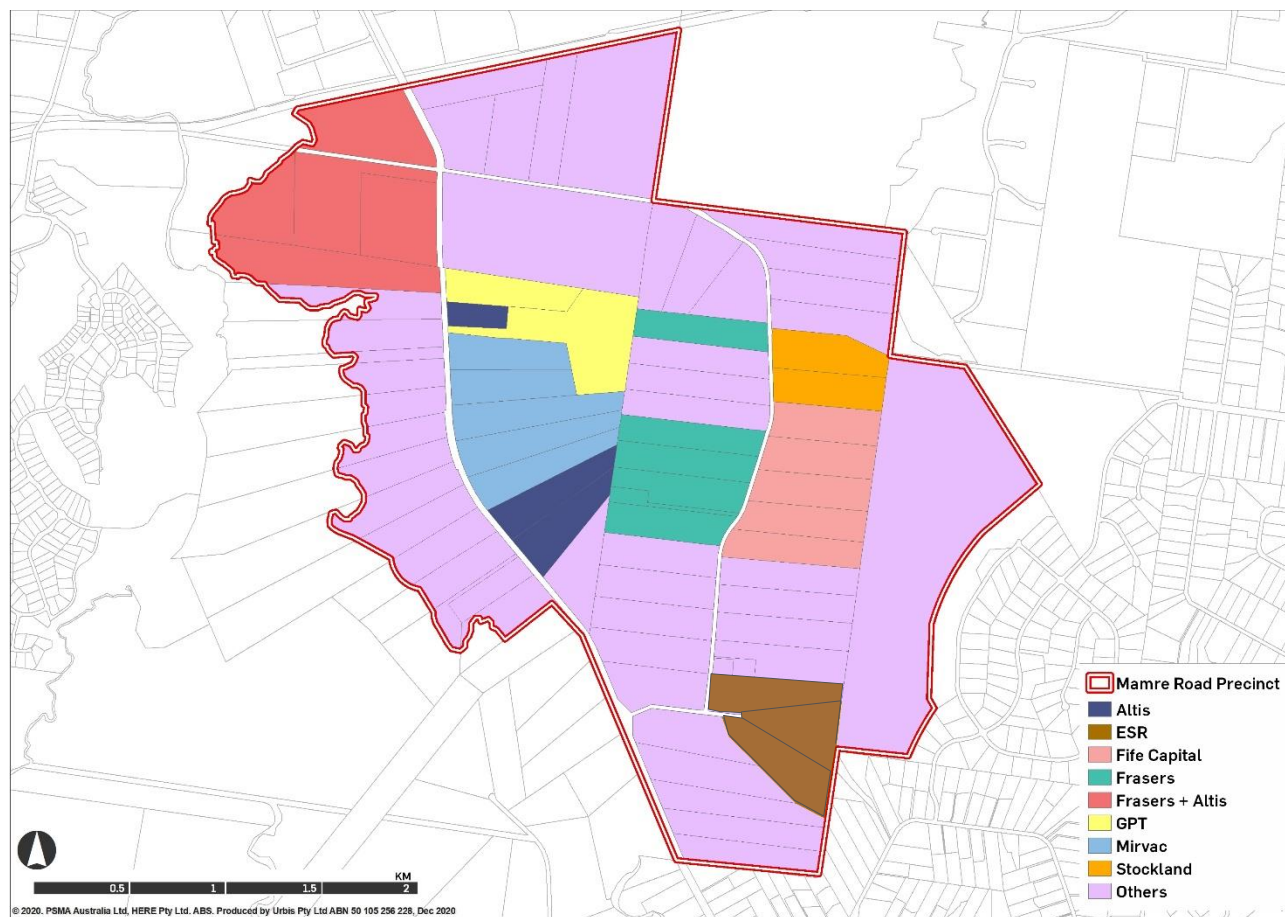
3. ABOUT THE LANDOWNER GROUP

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

- Altis Property Partners;
- ESR Australia;
- Fife Capital;
- Frasers Property;
- GPT;
- Mirvac; and
- 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 2** identifies the location of each landowner in the context of the Mamre Road Precinct.

Figure 2 Landowner location map



Source: Urbis

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 identifies an objective to preserve the existing and identify new industrial lands to service the growing Greater Sydney region. Mamre Road Precinct covers an area of approximately 1,005ha, of which 850 ha is developable with the Landowner Group having interests in 407ha, being approximately 47%.

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 take up of First Estate at Mamre West, with 45 hectares of zoned WSEA Industrial land fully committed within three years of gazettal.

The Landowner Group applauds the Minister for Planning for recognising 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 Melbourne and Brisbane. The release of Mamre Road Precinct is a great first step in combating the affordability crises in NSW by providing more land. However, it is critically important for the Minister for Planning to consider amending the DCP controls to ensure the costs of developing the precinct do not counteract this supply and cause further price disparity with other states.

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

4. COMMENTS ON AND RECOMMENDATIONS FOR THE DEVELOPMENT CONTROL PLAN

The Landowner Group has a number of significant concerns with the proposed DCP 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. The cumulative requirements of the DCP, both in terms of non-developable land area and infrastructure requirements would result in significant, financially onerous development obligations being imposed on development which would eliminate the competitiveness of this precinct and its ability to secure occupiers at a time where capacity to pay is significantly diminished. This is directly contrary to the Government's vision for the precinct to provide employment generating development which supports the competitiveness of Sydney and provides much needed jobs in Western Sydney. This is further detailed within **Section 5** of this submission.

4.1. VISION FOR MAMRE ROAD PRECINCT

The Landowner Group supports the overall vision for Mamre Road Precinct. However, there is some wording that requires refinement in relation to the following:

- Dedicated freight route;
- Educational facilities; and
- 40% tree canopy target.

Concerns related to the dedicated freight line and the 40% tree canopy target are discussed in detail at **Section 4.12** and **4.13.2** respectively. In relation to educational facilities, there should not be a weight placed on educational facilities within the precinct. The Department of Planning, Industry and Environment has already identified these sites to transition to employment uses, as they are zoned IN1 General Industrial. While the educational facilities' relationship to other sites will be a short term consideration, these sites will ultimately transition to employment uses in the medium to long term.

Recommendation:

1. **The cost and functionality of the dedicated freight route must be further investigated, particularly considering uncertainty around the timing and end uses of the potential intermodal terminal.**
2. **The ability to achieve the 40% tree canopy target within an industrial precinct is impossible, given the functionality of these buildings, including wide hardstands and truck turning areas. If this target is to be adopted, it should not be a control within the Mamre Road Precinct Development Control Plan.**
3. **The Landowner Group has marked up the DCP to reflect the appropriate wording, refer to Appendix A. This must be reflected prior to finalisation of the DCP.**

4.2. BIODIVERSITY

The DCP seeks to set principles, objectives and controls for biodiversity conservation across the precinct. It is understood that biodiversity conservation is an important consideration for NSW Government, especially with the recent exhibition of the Cumberland Plain Conservation Plan (**CPCP**). The Landowner Group supports biodiversity conservation but acknowledges accurate conservation requires on-the-ground knowledge to develop an evidence-base which is accurate and reflects the current landscape across the Precinct. Therefore, the CPCP should not be adopted across Mamre Road Precinct until appropriate investigations are complete during the post-exhibition phase.

In addition, the Landowner Group views the mapped areas of high value biodiversity and indicative riparian areas on the draft DCP's Figure 3 as premature and incorrect. This map requires ground truthing prior to insertion into the DCP. Current investigations by the Landowner Group identify discrepancies between some of the nominated areas, which ground truthing has confirmed holds no existing biodiversity value. Therefore, Figure 3 must be removed until recent evidence-based investigations are incorporated and updated to ensure the appropriate areas are mapped across the Precinct.

Finally, the wording of certain controls in Section 2.2.3 of the DCP require refinement including:

- Control 4: Asset Protection Zone (**APZ**)

Landowner Group Response: Where IN1 abuts electrical easements and/or open grass or flood ways, the APZ should be located within those areas and appropriately managed.

- Control 5: Stormwater and road infrastructure in E2 zones

Landowner Group Response: Under the WSEA SEPP, basins, roads and other public infrastructure are permitted within the E2 zone. The DCP should align with the WSEA SEPP and cannot limit permissible land uses under this zone.

- Control 6: Infrastructure to be considered within landscape buffer

Landowner Group Response: A fire compliance road must be able to be located within the setback. A fire compliance road will enable an APZ and provide separation between invasive and native vegetation species.

Recommendation:

4. The CPCP must not be adopted and reflected in the DCP until on-the-ground investigations of biodiversity value occur in the post-exhibition phase.
5. Figure 3 is inaccurate and does not reflect the existing conditions within Mamre Road Precinct. This map must be removed until the latest technical investigations are complete across the Precinct.
6. Section 2.2.3, Controls 4, 5, 6 in the DCP must be updated to reflect the suggested Landowner Group wording outlined above.

4.3. ABORIGINAL HERITAGE

The draft DCP documents Sites of known Aboriginal heritage and areas of high and moderate-high Aboriginal archaeological potential. The Landowner Group requests the Department of Planning, Industry and Environment provide the source of this documentation. There are current processes in place to identify Aboriginal heritage within a site, such as an Aboriginal Cultural Heritage Assessment Report. (**ACHAR**). An ACHAR requires significant consultation with Registered Aboriginal Parties and archaeological digs to confirm artefacts across the site. The current practice of preparing an ACHAR is deemed appropriate to mitigate impacts associated with Aboriginal heritage. The DCP should not introduce new approaches, such as Aboriginal Heritage Impact Permits, unless required under the *Environmental Planning and Assessment Act 1979 (EP&A Act)*.

Recommendation:

7. The DCP must reference the data source of Figure 5, which identifies Site of known Aboriginal heritage and areas of high and moderate-high Aboriginal archaeological potential.
8. The DCP must be amended to reflect the current processes in relation to Aboriginal Heritage, such as preparation of an ACHAR. Aboriginal Heritage Impact Permits should not be required unless identified in the EP&A Act.

4.4. RIPARIAN LANDS

The Landowner Group has several concerns in relation to the objectives and controls within Section 2.5 Riparian Lands. In particular its intent to avoid modifications to a natural watercourse. Given the nature of industrial development, significant earthworks will be required to create level development pads consistent with occupier needs. In return, it will be difficult to maintain any of the existing drainage channels in their existing form without being interfaced with walls or batters. If any of these controls under this header are

retained, there will be significant impacts on development outcome and the ability to deliver employment uses within Mamre Road Precinct.

In addition, Table 4 details riparian corridor widths across the precinct. The wording contained in the DCP is at conflict with advice received from the Department of Planning, Industry and Environment. Total Riparian Corridor width only needs to include the numerical control, e.g. 20, 40, 60, 80m. Channel width is included in the corridor reservation.

Recommendation:

9. The DCP must remove reference to all controls related to 'avoid modifications to natural watercourse'. If these controls are implemented, they will significantly impact the ability to deliver industrial uses within the Precinct.
10. The DCP must remove any reference to additional vegetated buffer zones outside the riparian areas. This is not required and will further impact employment outcomes.
11. Table 4 must be amended to remove reference to '+ channel width'. Channel width is included in the total riparian corridor width reservation.
12. Amend Section 2.2.3 Environmental Conservation and Recreation Zones Control Number 5 to allow basins within land zoned E2 Environmental Conservation (which meet the definition of a Category 1 or 2 river under the *Water Management Act*) in accordance with NRAR's *Guidelines for controlled activities on waterfront land*.

4.5. INTEGRATED WATER CYCLE MANAGEMENT

The Mamre Road DCP adopts the *Mamre Road Precinct Integrated Water Cycle Management Strategy*, as prepared by Sydney Water. The adoption of this study is a significant shift in water cycle management and raises the following concerns.

4.5.1. Impervious Surface Target

The DCP states '*applicants should target a 35% pervious surfaces within lots and streets to ensure adequate management of stormwater runoff and contribute to mean annual runoff volume and water quality targets.*' The Department of Planning, Industry and Environment must clarify if this target applies to the entire site or lot by lot. The current industry standard for industrial properties is typically 10% achievable on an estate level. The Department of Planning, Industry and Environment must recognise a 35% target is not economically achievable within industrial development, given its development characteristics, including large hardstand areas and truck circulation areas require for operational efficiency. This proposed change is a significant shift from current industry standards and it appears to be based on a built form typology analysis which is inconsistent with occupier needs and incapable of achieving within the current economic parameters (particularly land values and market rents).

From reviewing of supporting exhibition material, a typology study prepared by Architectus was prepared to inform suggested impervious surface targets. A preliminary mark-up is included in **Appendix B** to illustrate some errors in calculations and deficiencies in operational considerations. Furthermore, we understand the reference built example is the Toll Lindt facility in Marsden Park. This is a highly specialised facility and for which future building expansion area has incorrectly been assumed to be available for pervious surfaces. The Landowner Group would welcome further discussions to explain occupier functions needs which are essential to be accommodated to ensure development is fit for purpose.

By adopting this target, development sites will lose up to 22% developable area, leading to significant job losses, a reduction in investment, and adding to the affordability problem within NSW – a major issue to attracting and retaining industrial tenants. This issue is further discussed in **Section 5**.

4.5.2. Trunk Drainage

The DCP identifies major trunk drainage elements across the precinct. While the Landowner Group understands this figure relates to indicative Water Sensitive Urban Design basins, the trunk drainage

elements shown in Figure 6 need to be discussed. The mapping of trunk drainage elements is considered premature since limited modelling has been undertaken by the NSW Government.

The DCP states trunk drainage infrastructure is to be retained in private ownership, unless otherwise agreed by Council. This statement is at conflict with the draft Section 7.11 Contribution Plan for Mamre Road Precinct. The Section 7.11 Contribution Plan identifies drainage channels and basins to be owned and maintained by Penrith City Council. The DCP and Section 7.11 Contribution Plan must be consistent. The Landowner Group supports removal of drainage basins from the Section 7.11 Contribution Plan and the adoption of traditional pit, pipe and detention estate drainage while meeting appropriate water quality and quantity targets at the estate boundary.

4.5.3. Water Sensitive Urban Design

The Water Sensitive Urban Design (WSUD) reductions create a significant impact in relation to stormwater infrastructure. The DCP increases requirements in relation to pollutant load reduction targets as outlined in Table 1 below.

Table 1 Comparison of Pollutant Load Reduction Target

Pollutant	Average Annual Pollutant Load Reduction (%)		Increase/Decrease
	Penrith DCP	Draft Mamre Road DCP	
Total Nitrogen (TN)	45	68	+23
Total Phosphorus (TP)	60	75	+15
Total Suspended Solids (TSS)	85	95	+10
Gross Pollutants	90	100	+10

Achieving these rates will significantly increase stormwater infrastructure costs per lot. The likely outcome of meeting these reductions will mean including all of the following:

- WSUD Basins increasing by 1.5 – 2x the current design size for WSEA land;
- Tree pits at every kerb;
- On lot filter cartridges;
- Carparks having permeable paving; and
- Bio swales in all landscape.

The Department of Planning, Industry and Environment must understand the impacts associated to landowners and developers prior to introducing new controls. While all these interventions are individually reasonable on their own merit, their collective implementation to meet the WSUD targets creates a significant cost for construction and operation. For example, tree pits are expensive, time consuming to construct, have a long-term maintenance commitment, and can easily be damaged. To meet the above requirements, these would be required at every kerb in let pit, approximately every 40m.

Affordability is directly related to employment generation within both the Mamre Road Precinct and Western Sydney. Adoption of these measures will further exacerbate the business affordability problem in NSW compared to other states, an issue that is discussed in **Section 5** below.

4.5.4. Summary

The Landowner Group cannot support the proposed integrated water cycle management framework as it currently worded in the DCP. The introduction of the controls set out in Section 2.6 have significant impacts to the financial viability of employment lands in Mamre Road Precinct.

It is requested that the Department of Planning, Industry and Environment adopt integrated water cycle management controls from Penrith City Council, who are the guiding authority in relation to stormwater infrastructure. In addition, the Landowner Group request to meet with the Department of Planning, Industry and Environment to discuss the Sydney Water study and identify ways to efficiently implement the objectives contained in Section 2.6 of the draft DCP to an industrial precinct that can be sustainably delivered without compromising development feasibility and built form outcomes which are consistent with occupier design requirements for their specific operational needs.

Finally, Sydney Water issued a letter on 15 December 2020 to developers within the Mamre Road Precinct (**Attachment D**). In this letter, it outlined Sydney Water's intent to develop a recycled water scheme across the precinct. It is viewed this work is being conducted in isolation, and a double up in relation to water reuse on a Council level. It is critical for both State and local government to develop a holistic response to water balancing and reuse across the precinct. Therefore, it is requested for Department of Planning, Industry and Environment to consult jointly with Sydney Water and Penrith City Council, and the Landowner Group prior to any government decision, both at a State and local level, on water reuse to ensure a co-ordinated approach, resulting in no excess infrastructure expenditure for water and stormwater management. AT&L have prepared a letter in response to the Sydney Water letter, which is included as part of this submission (**Attachment E**). The response further outlines the issues associated with uncoordinated approach to water quality and quantity targets, and recycled water.

Recommendation:

- 13. The Department of Planning, Industry and Environment must not adopt the Sydney Water study without proper consultation with landowners, industry and other stormwater authorities, e.g. Penrith City Council.**
- 14. The pervious surface target is not achievable and is not required to meet both the water quality and quantity targets. It must revert back to the current industry standard. Prior to implementation in the DCP, the Department of Planning, Industry and Environment must consult with industry and landowners to understand the implications of introducing this control.**
- 15. Figure 6 must be removed from the DCP. The mapping of trunk drainage infrastructure is not required. This needs to be confirmed via modelling, ground truthing and alternative engineering options to support each individual estate development.**
- 16. The Department of Planning, Industry and Environment needs to work with Penrith City Council to ensure consistent approaches to acquisition of drainage infrastructure. The Landowner Group supports the removal of drainage infrastructure (land and works) from the Section 7.11 Contribution Plan.**
- 17. The introduction of new benchmark controls, such as pollutant load reduction targets, must be properly assessed. The Department of Planning, Industry and Environment must understand the cumulative impacts, including financial viability impacts on industrial development and consider the least cost means of achieving these targets.**
- 18. There are inconsistent approached to water reuse between Sydney water and Penrith City Council. Therefore, it is request that Department of Planning, Industry and Environment coordinate a workshop between Sydney Water, Penrith City Council and the Landowner Group prior to any significant changes to water quality and quantity targets, and recycled water.**

4.6. FLOOD PRONE LAND

Flood planning controls in the DCP encourage delivery of naturalised drainage channels. The delivery of naturalised, open channels is difficult to implement within this precinct due to topography, fragmented ownership and the required level changes to facilitate industrial development. Therefore, the DCP should not dismiss the business-as-usual reliance on trunk pipe drainage infrastructure to mitigate storm events across the precinct. It is recommended that trunk pipe drainage channels be incorporated into Control 15 in Section 2.7.

Clause 16 needs to be amended to remove reference to 'on-lot'. The current wording suggests each lot will have its own OSD. This is not feasible nor an efficient use of drainage infrastructure.

Recommendation:

19. The flood controls must enable trunk pipe drainage channels in the Mamre Road Precinct. Without this allowance, it will be extremely difficult to deliver naturalised drainage channels due to the Precinct's topography, fragmented land ownership and proposed change of levels along with the excessive costs to build and maintain the channels.
20. Clause 16 must be amended to remove reference to on-lot. The current wording suggests each lot will have its own OSD.

4.7. AVIATION SAFEGUARDING

The DCP seeks to further protect the 24-hour airport operation by introducing aviation safeguarding controls. The Landowner Group supports these controls but notes these controls are at conflict with biodiversity. The increase of bioretention basins across the Precinct will increase the chances of wildlife obstructing airport operations. It is recommended for the Department of Planning, Industry and Environment to review both sections to ensure consistency across the DCP.

Recommendation:

21. The Department of Planning, Industry and Environment must ensure the entire DCP objectives and controls will not conflict. At the moment, the desire to increase bioretention basins and protect airport operations is at odds with the risk of increasing wildlife strike within the Airport's flight path.

4.8. TRANSPORT INVESTIGATION AREAS

The insertion of Figure 9 Precinct Infrastructure has the ability to become redundant quickly, as infrastructure agencies such as Sydney Water refine their design and work with landowners to deliver essential infrastructure. Therefore, it is recommended to remove the figure to minimise any discrepancy between further design refinement for essential infrastructure.

Recommendation:

22. Figure 9 must be removed as it will likely become redundant as design is further refined through discussions with landowners and agencies in ensuring essential infrastructure is delivered in the precinct.

4.9. SUBDIVISION

Clause 8 in Section 3.1 Subdivision states the following:

Lots adjoining the intermodal terminal and integrated freight network should be larger lots to support the development of the intermodal terminal and co-located freight and logistics development.

The Department of Planning, Industry and Environment must clarify the definition of a 'larger lot'. Until this is clarified, this control cannot be supported as it is vague and at risk for misinterpretation at the development application stage.

Recommendation:

23. The Department of Planning, Industry and Environment must define 'larger lot' in the context of subdivision. This needs to be clearly communicated to landowner prior to finalisation of the DCP, so landowners can understand the impacts of this control.
24. The flexibility of lot size and land use must be maintained throughout the precinct to promote efficiency, technological advances and employment.

4.10. VIEWS AND VISUAL IMPACTS

The DCP includes objectives and controls in relation to Views and Visual Impacts. The premise of this section is to preserve the existing topography, protect ridgelines and maintain a sense of rural character when viewed from adjoining areas and prominent locations. This section conflicts with the purpose of the Mamre Road Precinct, which is to provide employment through industrial and warehouse development.

In order to facilitate delivery of employment, development requires significant earthworks to provide level pads suitable for industrial and warehouse uses. The scale of earthworks required to achieve the purpose of the Mamre Road Precinct (create industrial buildings) will need to alter the existing landscape and change the current topography patterns.

The failure to remove these controls will render a vast proportion of the Mamre Road Precinct either undevelopable or make development uneconomical, a notion that is against the NSW Government's objective to release and promote additional employment across NSW. Therefore, the DCP should reflect the amended note in **Appendix A** to ensure the appropriate early site works can facilitate delivery of employment lands.

Recommendation:

25. Section 3.2 Views and Visual Impacts must be reworded to reflect the amendments contained in Appendix A.

4.11. TRANSPORT NETWORK

The Landowner Group is working with Transport for NSW and the Department of Planning, Industry and Environment to finalise transport modelling to understand the broader road network needs across the precinct. This work is anticipated to be completed in Q1 2021. Once this work is complete, the DCP must be updated to align with the results.

In addition to the broader modelling, the Landowner Group has concerns with the proposed road typologies, classification of roads, requirement for roads adjoining open space and the notion that Distributor or higher order roads might be access denied. These are outlined below.

- The proposed road typologies within the DCP of 26.5m and 24m respectively are between 20% and 30% larger than the current council guidelines and are not required to support safe industrial movements as advised in the letter from Ason Group at **Appendix C**. In addition, these typologies have introduced medians that may seek to restrict access to sites within the precinct's local road network which initial traffic modelling confirms would provide no benefit but rather could worsen traffic by restricting movements and placing greater pressure on intersections.
- It is considered both inefficient and uneconomical to have access denied on roads that run parallel to each other. For example, the western side of Mamre Road has the potential for five internal roads running parallel with each other in an industrial zoned area of less than 500m wide. This concept would not only cause significant impact to developable area and jobs but it would be cost prohibitive to developers due to the need to construct and pay for the additional roads and only achieve small lots.
- Roads adjoining open space, including RE1, RE2 and the Wianamatta-South Creek Precinct are not required, nor do they have any nexus to an industrial development. If DPIE or Council require these roads, they should be located on the RE1 and RE2 zoned land and paid for by Council separate from the 7.11 Contribution Plan. Roads are permissible with consent in these zones.

- Finally, there are discrepancies between the naming of road typologies as shown in the road sections (Figure 12 and Figure 13) and the road classifications used in Figure 14. In order to minimise confusion, Figure 14 must be updated to reflect the terminology associated with the road sections, whereby only Aldington Road and Abbotts Road should be classified as Distributor Road. All other roads should be industrial roads.

Recommendation:

- 26. The Transport Network section must be reviewed and updated once the transport modelling is complete for the Precinct.**
- 27. The road classifications must be determined based on anticipated traffic generation in line with industry standard within the surrounding area.**
- 28. Other than Mamre Road, Southern Link Road, Aldington Road, and Abbotts Road, there must not be a restriction on access to the remaining roads within the Precinct.**
- 29. Figure 14 and the naming terminology used in the road sections must be aligned to minimise misinterpretation with only Aldington Road and Abbotts Road specified as Distributor Road. Therefore, it is recommended for Figure 14 to adopt the road section references.**

4.12. DEDICATED FREIGHT ROAD NETWORK

The DCP identifies a dedicated freight network, which intends to service the future intermodal terminal. The Landowner Group raises the following concerns.

The dedicated freight network is intended to be designed to accommodate a 26m long B-double (PBS Level 2 Type B) and tested for a 36m long B triple (PBS Level 3 Type A). The Landowner Group views that the scope has changed from an Automated Guided Vehicle (AGV) network, which was originally proposed by Transport for NSW. The initial precinct-wide traffic modelling indicates sufficient capacity within the adjoining road network to accommodate these demands.

With this knowledge, the Landowner Group questions the validity of the dedicated freight network as it currently is proposed, and requests a workshop with Transport for NSW and Department of Planning, Industry and Environment to confirm the role and purpose of this corridor. It is viewed this alignment will likely become redundant as industrial uses are delivered across the broader Precinct, Aerotropolis and Western Sydney. Freight goods will be leaving and entering the intermodal terminal from other areas beyond the Mamre Road Precinct. Until these questions are answered and rationale is provided by Transport for NSW, the dedicated freight road network cannot be supported.

Recommendation:

- 30. The Landowner Group requests a workshop with DPIE and TfNSW to resolve the role and purpose of the dedicated freight network prior to introducing controls into the DCP. Until this workshop is held, DCP controls in relation to the dedicated freight network cannot be supported.**

4.13. BUILT FORM AND DESIGN CONTROLS

The DCP identifies a range of built form and design controls, which will influence the form and function of a future development within the Mamre Road Precinct. The Landowner Group provides the following comments in relation to the following controls.

4.13.1. Height

The Landowner Group supports Control 3, which enables a merit-based assessment for buildings requiring a taller built form above 20m. As the industrial product is rapidly changing to suit future tenant needs, this flexible and merits-based approach to height is integral.

Further matters required to be addressed in relation to height include:

- Building height must be measured from the earthworks pad level, not the existing ground level. This precinct will require significant earthworks to provide suitable pads for industrial development which will be stepped with the existing topography. On this basis, it is not considered feasible to measure heights from the existing ground level.
- The Landowner Group questions the purpose of shadowing requirements for an industrial area. While it is understood that sunlight is an important requirement for open space and environmental areas, the overshadowing of footpaths is not a critical consideration given the industrial nature of the Precinct and could inadvertently prevent functional needs of occupiers from being achieved. Therefore it is recommended to remove reference to footpaths in Control 5.
- Controls 8, 9, 10 relate to sloping sites within the precinct. These controls are both impractical and uneconomical given the existing undulating topography across the precinct, and the requirement for earthworks to level sites to make them suitable for industrial development. Therefore, it is recommended that these controls be deleted.

4.13.2. Landscaping

The Mamre Road DCP references a 40% tree canopy target within the landscaping controls. This should be removed from being a development control and be inserted into the objectives as a target. In addition, the NSW Government must provide further clarification on how the 40% tree canopy target was determined, and how it intends to monitor this measurement across metropolitan Sydney.

In addition, the DCP needs to clearly state the 40% tree canopy target is for metropolitan Sydney overall, and should not be used as an assessment metric against proposed development within the precinct or lot. Instead, development applications must clearly state how they are contributing to the 40% tree canopy target by retaining existing trees or delivering additional trees through landscaping across the estates.

The 15% pervious target should be moved to an objective. If applied as a control, it would be extremely difficult for industrial uses to meet this target due to the site coverage requirements required by potential tenants, including the requirements for large hardstands and truck turning areas. Alternatively it will make land take for warehouse development overly large, resulting in increased rents which would result in occupiers prioritising alternative locations.

Finally, the following matters need to be clarified by the Department of Planning, Industry and Environment prior to finalisation of the DCP:

- Control 9: The Department of Planning, Industry and Environment must clarify the classification of 'designated roads' to enable landowner to fully understand the implications of this control.
- Control 13: Street planting must be amended to a 50 to 75L pot size, which is the current accepted standard for industrial estates, more widely available and is proven to establish more quickly than 100L trees.

4.13.3. Building Design

The Building Design Control Number 15 requires that façades along main street frontages provide a minimum of 30% glazing to strengthen passive surveillance and streetscape character. This control diverges significantly from the current practice of architectural design in industrial estates, and is unsuited relative to the internal purpose of warehouse and industrial buildings which do not have high employment densities. Such glazing will not generate passive surveillance for buildings used as warehouses. It would also result in thermal gain in the warehouses which would reduce occupant comfort particularly in summer and likely result in additional cooling interventions which would increase energy demands. This control must apply only to office components within an industrial development. High quality industrial estates currently use various approaches to façade treatments that create an inviting atmosphere, which promotes passive surveillance and streetscape character, without the use of glazing.

Building Design Control Number 22 requires that the use of a single construction material shall be limited to 50% of a wall surface area. Similar to the above, this is an impractical imposition that will create increased costs for industrial projects. High quality industrial precincts can achieve attractive industrial and warehouse buildings whilst still using a single wall construction material. Varied materiality may be practical on small buildings such as those depicted in Figure 18 and Figure 19 of the DCP, however the sale of these buildings are not representative of the large warehouse buildings demanded by the market.

The DCP references architectural and design merit across various controls. The Department of Planning, Industry and Environment must define how architectural and design merit is defined and applied during assessment. The Landowner Group cannot comment if the proposed controls are supportable until further information is provided.

Recommendation:

- 31. The merit-based assessment on height (where >20m) is supported.**
- 32. Height must be measured from pad level, not existing ground level.**
- 33. Height controls related to sloping of sites must be removed, as they are not feasible.**
- 34. The setback and landscaping setback controls related to E2, RE1, and RE2 zoned lands should be accommodated within these zones**
- 35. The 40% tree canopy and 15% pervious surface targets should be removed from controls and inserted into objectives. They are not achievable from a lot by lot or precinct-wide basis, and should be assessed through a metropolitan Sydney wide perspective.**
To provide NSW Government the confidence on each development contributing to these targets, a development application will outline the appropriate implementation measures which contribute to each target.
- 36. The NSW Government must provide further clarification on how the 40% tree canopy target was determined, and how it intends to monitor this measurement across metropolitan Sydney.**
- 37. The DCP must not dictate the percentage of building materials to be used on a development, including % coverage of glazing or single materiality. The architectural design of existing industrial buildings are well-designed, and consider effects of passive surveillance and streetscape character.**
- 38. The Department of Planning, Industry and Environment must clarify a variety of matters related to built form controls prior to finalisation of the DCP. Once clarified, the Department of Planning, Industry and Environment needs to allow the landowners to digest this information and provide a view on if they are appropriate.**

4.14. EARTHWORKS AND RETAINING WALLS

The delivery and practical design of Earthworks and retaining walls are critical to the success of the Mamre Road Precinct and the ability for this precinct to accommodate occupier needs and functional requirements. The current objectives and controls contained in this section are inconsistent with outcomes associated with employment lands. This section needs to be reviewed and address the following matters:

- Control 4: The requirement that retaining walls can only be a max 1m in height adjacent to public domain boundaries is impractical. The slope of the precinct varies up to 120m. It is recommended to amend the control to allow 4m as has been adopted in numerous industrial precincts.
- Control 12: Fill material must include resource recovery materials to permit circular economic outcomes.
- Control 13: Delete reference to pier foundation building design. This design is not practical for industrial building construction and typically cost prohibitive.

The Landowner Group seeks to work with the Department of Planning, Industry and Environment to refine the controls and ensure appropriate earthworks can occur to facilitate delivery of employment lands. As this section currently stands, it is not reflective of an industrial precinct and cannot be accepted. The current DCP parameters will create significant barriers to the delivery of development across the precinct.

Recommendation:

39. Earthworks and retaining wall objectives and controls need to be significantly reworked. It is recommended that a workshop be held on this matter between the Landowner Group and Department of Planning, Industry and Environment as a matter of urgency.
40. The controls for earthworks and retaining walls must reflect and allow response to the current topographical constraints across the precinct. The current wording will not enable delivery of industrial uses. It is recommended that the controls be amended to enable greater flexibility in the use of cut and fill to create suitably sized development pads.
41. Green walls must be an acceptable outcome for any walls of any height.

4.15. FORMATTING

The DCP contains inconsistent references to sections, such as Chapter 5 Other Developments, and minor wording discrepancies. These need to be amended prior to finalisation. It is recommended that the suggested wording as marked-up in **Appendix A** be adopted.

Recommendation:

42. The DCP requires a formatting review to remove inconsistencies in relation to chapter heading and wording discrepancies. It is recommended for DPIE to adopt the suggested wording as noted in Appendix A.

5. ECONOMIC IMPACTS ON MAMRE ROAD PRECINCT

The proposed DCP and infrastructure contributions are expected to have a significant impact on the feasibility of industrial developments in the Mamre Road Precinct, and further weaken the Sydney industrial market's competitive positioning.

The competitive rents and land values are currently impacted as outlined below.

Sydney's average warehousing net rents in September 2020 are 66% higher than Melbourne, and 28.5% higher than Brisbane. The net rent spread between Sydney and Melbourne is 5.3% higher than 12 months ago and 28.5% higher than the 10-year average spread. The net rent spread between Sydney and Brisbane in September 2020 is 4.6% higher than 12 months ago, and 94% higher than the 10-year average spread.

In addition to rents, the Sydney Outer Central West serviced land values are 135% higher than land values in Melbourne West and 73% higher than Brisbane's Trade Coast. The existing serviced land value spread between Sydney Outer Central West and Melbourne West is 59.8% above the 10 year average. The existing serviced land value spread between Sydney Outer Central West and Brisbane Trade Coast is 220% above the 10-year average. (Source: JLL)

Given this current market context, it is imperative to ensure Sydney can maintain economic competitiveness to Melbourne and Brisbane.

5.1. DEVELOPMENT IMPACTS

The proposed DCP implements a number of additional requirements that reduce the ability to convert Gross Land Area to Net Developable Area (**NDA**). These requirements include increased on-site stormwater detention, water quality treatment, trunk drainage, road widths, riparian corridors, and tree canopy. As a result of these proposed requirements, site efficiency is likely to be reduced from 80% today to approximately 65%. This means that the ultimate quantum of supportable Net Lettable Area (NLA) in the precinct will decrease.

In addition, a permeability target of 35% of NDA has been set which reduces the ability to convert NDA to Net Lettable Area (**NLA**). Historically in the WSEA, sites could be developed to achieve a Floorspace Ratio (**FSR**) of 0.6:1. However, based on the proposed permeability target of 35% and the "new urban typology for large format industrial" analysis published by Sydney Water in the *Mamre Road Flood, Riparian Corridor and Integrated Water Cycle Management Strategy*, an FSR of only 0.45:1 will be capable of being achieved (despite the Strategy's claims of 0.6:1). These proposed changes will significantly impact the quantum of NLA that can be achieved in the Mamre Road Precinct.

The additional infrastructure requirements under the proposed DCP will also result in increased development costs, including the extra over costs of water treatment and paving as well as additional landscaping. Furthermore, the proposed Section 7.11 Contributions and Special Infrastructure Contribution (SIC) will also result in higher statutory costs for developers.

Overall, this means developer costs will increase (as a result of higher infrastructure and statutory costs) while developer incomes (i.e. total rent) will decrease due to reduced NDA and therefore NLA.

5.2. ECONOMIC IMPACTS

As a result of reduced NDA and NLA, and higher infrastructure and statutory costs, developers in the Mamre Road Precinct will be forced to seek even higher rents per sq.m in order to maintain the feasibility of their projects.

Sydney is already substantially more expensive than Australia's other two largest industrial markets with rents currently averaging \$153 per sq.m. In comparison, Sydney's two main competing industrial markets of Melbourne and Brisbane are achieving average industrial rents far lower of only \$113 and \$111 per sq.m, respectively. As such, Sydney's industrial rents per sq.m are \$40-42 higher, which reflects a 35-38% premium.

Table 2 Comparison of Average Industrial Rents per sq.m (\$ per sqm)

	Q3 2017	Q1 2018	Q3 2018	Q1 2019	Q3 2019	Q1 2020	<i>Average Annual Growth (%)</i>
Sydney	\$140	\$142	\$144	\$151	\$150	\$153	3.6% p.a.
Melbourne	\$107	\$108	\$108	\$111	\$111	\$113	2.2% p.a.
Brisbane	\$106	\$106	\$100	\$110	\$111	\$111	1.9% p.a.

Note: Rents are prime average

Source: Colliers International; Urbis

If these higher rents per sq.m are achieved then the affordability of industrial land in Sydney will worsen. As a result, Sydney will become even less competitive with Melbourne and Brisbane with prospective and even existing tenants expected to increasingly choose to locate in those more affordable cities.

Therefore, the precinct is unlikely to be developed in line with the NSW Government and Penrith City Council's vision. This will, in turn, negatively impact Sydney's ability to create jobs and economic opportunities.

Sydney also already underperforms relative to its size and population in terms of trade processed. Despite Sydney's large population and therefore the potential economies of scale and agglomeration benefits it can offer in addition to its geographical location between Brisbane and Melbourne, an average of only 5 tonnes of goods are processed through its ports and airports per head of population.

In comparison, 7.3 tonnes per capita are processed through Melbourne while 13.5 tonnes per capita are processed through Brisbane. The proposed changes to the DCP and infrastructure contributions will dramatically increase industrial rents and further worsen the quantum of trade processed per capita in Sydney.

Table 3 Comparison of Trade per Capita, 2018-19

	Total Trade (tonnes)	GCCSA Population (persons)	Trade per Capita
Sydney	26,676,517	5,312,163	5.0
Melbourne	37,248,076	5,078,193	7.3
Brisbane	33,850,676	2,514,184	13.5

Note: Trade includes goods processed through ports and airports within the Greater Capital Cities (GCCSA)

Source: Port Australia; Australian Department of Infrastructure, Transport, Regional Development and Communications; Urbis

the NSW Government recognises the shortage of industrial land and has actively responded by rezoning more land such as the Mamre Road Precinct, this alone is unlikely to completely address Sydney's affordability and competitiveness issues. What is required is timely servicing and delivery of this land and ensuring it can be done so whilst maintaining development contributions to a level that does not further deteriorate the costs for occupiers relative to other states and precincts.

The NSW Government must recognise increasing rents is not feasible. With Sydney already at a disadvantage to the Melbourne and Brisbane markets in terms of affordability, any increased rents will lead to tenants investing elsewhere. However within increased rents, development feasibility and subsequent ability to deliver on the NSW Government's employment aspirations are at significant risk in consideration of reduced NDA and NLA, and higher infrastructure and statutory costs.

The Landowner Group welcomes the opportunity to discuss the economic implications with the NSW Government, and urges this conversation to be extended to prospective industrial tenants to effectively share the significance of these proposed changes on not only the viability of Mamre Road Precinct but the ability for Sydney to retain a competitive market with Melbourne and Brisbane.

6. CONCLUSION

The Landowner Group acknowledges the dedication by the NSW Government to respond to the industrial land shortfall in Greater Sydney via rezoning Mamre Road Precinct. This swift and decisive response is unprecedented in greenfield release areas and is very much welcomed. The Mamre Road DCP is one of the last remaining elements required to enable the issuance of development consent for projects within the Precinct. While the work done to date by the NSW Government is recognised, the successful delivery of employment land in Mamre Road Precinct is dependent on consideration and adoption of the comments and recommendations contained within this submission.

The submission highlights significant issues that require review or refinement to realise a timely and effective delivery of industrial land uses within the precinct, which is outlined in **Section 4** and **Section 5**. The Landowner Group seeks to engage in further discussions with the NSW Government about the resolution of these issues prior to finalisation of the DCP, so to ensure an effective and efficient delivery of employment-generating industrial uses across the Precinct.

6.1. NEXT STEPS

The finalisation of the DCP is critical to the successful delivery of Mamre Road Precinct, and the response to industrial land shortfall across Greater Sydney. Therefore, the Landowner Group requests further consultation through workshops prior to the finalisation of the DCP in January and February 2021. 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 and the DCP mark ups attached at Appendix A.

The Landowner Group seeks requests consideration of these issues prior to finalisation of the plan. 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 and objectives, with controls that will facilitate and not stymie the delivery of high quality industrial precincts. The Landowner Group seeks a series of technical workshops to resolve the above matters at the NSW Government's earliest convenience in January and February 2021.

DISCLAIMER

This report is dated 8 December 2020 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 (**Urbis**) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of Mamre Road 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).

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report, and upon which Urbis relied. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

In preparing this report, Urbis may rely on or refer to documents in a language other than English, which Urbis may arrange to be translated. Urbis is not responsible for the accuracy or completeness of such translations and disclaims any liability for any statement or opinion made in this report being inaccurate or incomplete arising from such translations.

Whilst Urbis has made all reasonable inquiries it believes necessary in preparing this report, it is not responsible for determining the completeness or accuracy of information provided to it. Urbis (including its officers and personnel) is not liable for any errors or omissions, including in information provided by the Instructing Party or another person or upon which Urbis relies, provided that such errors or omissions are not made by Urbis recklessly or in bad faith.

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

TRACKED-CHANGE DCP

APPENDIX B

**TRACKED-CHANGE WESTERN
PARKLAND CITY URBAN TYPOLOGIES
AND STORMWATER SOLUTIONS**

APPENDIX C

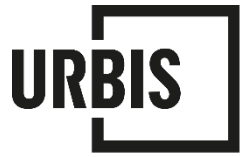
ASON LETTER

APPENDIX D

SYDNEY WATER LETTER

APPENDIX E

AT&L RESPONSE TO SYDNEY WATER LETTER





Mr Richard Seddon
General Manager – Industrial
Mirvac Group
Level 28, 200 George Street
SYDNEY NSW 2000

Via email: Richard.Seddon@mirvac.com

Dear Richard

Thank you for your letter regarding the Aspect Industrial Estate and your efforts to provide an ecological corridor within it in line with the structure plan. Thank you also for meeting with the Department on 4 August 2020. We have reviewed the proposed concept master plan seeking to realign the E2 Environment Conservation corridor.

The E2 corridor was identified in the rezoning of the Mamre Road Precinct under the State Environmental Planning Policy (Western Sydney Employment Area) 2009 (WSEA SEPP) in response to its riparian and ecological values. The E2 corridor has been identified as it provides an important ecological corridor and stepping stone habitat connecting South Creek and Ropes Creek.

Cumberland Plain Conservation Plan

In addition to the E2 Environmental Conservation zoning, the Mamre Road Precinct is seeking biodiversity approval through the *Draft Cumberland Plain Conservation Plan (CPCP)* under the *Biodiversity Conservation Act 2016* (NSW) and the *Environment Protection and Biodiversity Conservation Act 1999* (Cth). The E2 corridor meets the definition of riparian land under the *Water Management Act 2000*, as well as the Biodiversity Assessment Method Appendix 3, which is under the *Biodiversity Conservation Act 2016*.

Projects for which development applications in Mamre Road Precinct are lodged before the Department applies for biodiversity approval through the CPCP will be “excluded” from the CPCP and will need to obtain their own biodiversity approvals under NSW and Commonwealth legislation, because two applications for biodiversity approval cannot be running concurrently. The CPCP is finalised for public exhibition in mid-2020. Any updates, for example if land needs to be “excluded”, can be made after public exhibition.

When the CPCP is approved, urban development projects covered by the biodiversity approvals must adhere to the areas of biodiversity certified land (urban capable land) and protect areas zoned for environmental conservation.

Regardless of which pathway for biodiversity approval the development follows, the riparian corridors across the precinct are an important contributor to landscape connectivity. In particular, this corridor offers linkages between areas of high-value biodiversity and remnant vegetation in the east to the South Creek corridor in the west. Maintaining ecological connectivity across this site to Ropes Creek will be important for supporting the regional biodiversity outcomes of the CPCP.

Comments on proposed E2 realignment

Mirvac identified a proposed E2 realignment of the watercourses and associated E2 corridor, in Figure 6 of its letter dated 28 July 2020. This includes identification of a 40m riparian corridor traversing the northern portion of your site in an east-west direction.

The Department raises no objections in principle to this realignment. However, alignment with the following requirements must be demonstrated:

- A. The corridor width should be retained at 40m and must enter and exit the site at the same location as the zoned E2 land. Any reduction is unlikely to be supported as it minimised the protection of the ecological corridor. This is essential to be consistent with the CPCP, the *Water Management Act 2000* (NSW) and the Mamre Road Precinct Structure Plan. The widest possible riparian corridor that has good solar access and an opportunity to support native habitat should be secured. The recommended width is based on the Strahler order and requirements of the *Water Management Act 2000* (NSW).
- B. The Mamre Road Precinct Structure Plan identifies a required transition area between the E2 zoning and the industrial buildings. The master plan should provide a minimum 10m setback to industrial buildings and incorporate the Department's Urban Design team comments are included in Attachment A.
- C. Justification for the realignment must be supported with a demonstration that it will have natural flow, with Clause 33L of the WSEA SEPP encouraging the restoration of riparian land. Sunlight access and the ability for vegetation to grow is essential.
- D. The requirements of relevant legislation, including the *Biodiversity Conservation Act 2016* and the *Water Management Act 2000* must be met.

Please note that a detailed assessment will be undertaken as part of the State Significant Development (SSD) assessment process. The SSD will need to provide justification for the realignment and respond to the transition area requirements, as well as satisfy the statutory process for the realignment and how clause 33A Development near zone boundaries has been satisfied and the potential need for a SEPP amendment.

In addition, the Department is continuing to work collaboratively with you to resolve outstanding issues including acceptable road widths, the road network and detailed controls for the draft Mamre Road Development Control Plan, which will need to be considered as part of the SSD.

If you have any questions, please contact Melissa Rassack, Acting Manager, Western Sydney Employment Area at the Department of Planning, Industry and Environment on 8837 6345.

Yours sincerely



14 August 2020
Gina Metcalfe
Acting Director, Central (Western)
Greater Sydney, Place and Infrastructure

Encl: Attachment A – Urban Design Comments



Attachment A – Urban Design Comments

The Department's Urban Design team have undertaken a high level assessment of the draft revised E2 master plan. The following design comments should be considered:

- A. Carpark design must incorporate water sensitive urban design (WSUD) to treat run-off and achieve passive irrigation. This includes the use pervious and porous surfaces and use grass swales to channel and infiltrate stormwater along riparian corridor land.
- B. Adjacent building height should bring lower elements on the building line interfacing the riparian corridor. The proposed location of office space at the rear of northern warehouses is supported in principle.
- C. Where large paved areas are required, the design should also integrate tree canopy and shading elements to prevent heat island effect. The concept design does not provide detail on this matter.
- D. Physical ground plane connection should also be achieved to ensure healthy interface between site users and riparian lands. This would also provide an opportunity to integrate active transport along the riparian corridor.
- E. Enable visual connection of the proposed development to ensure passive surveillance of these corridors is achieved at all times.
- F. Minimise barriers such as fencing and walls between the industrial use and the riparian corridor.
- G. Integrated creeks and waterways should be integrated as key features of the landscape design.
- H. Any proposed regeneration of the riparian corridor should provide continuity with the existing natural vegetation (beyond the current site and Mamre Road Precinct).