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Carolyn McNally  
 Secretary  
 NSW Department of Planning and Environment  
 320 Pitt Street  
 Sydney NSW 2000

## **SUBMISSION TO PROPOSED AMENDMENTS TO STATE ENVIRONMENTAL PLANNING POLICY (THREE PORTS) 2013**

Dear Madam,

This submission has been prepared on behalf of Goodman Property Services (Aust) Pty Ltd (referred to as Goodman hereafter) in relation to the proposed amendments to *State Environmental Planning Policy (Three Ports) 2013* (SEPP Three Ports) which are currently on exhibition for public comment until 1 November 2018.

### **1. Introduction**

Goodman presently owns 11 properties within the land application area to which SEPP Three Ports applies and therefore raises concerns with respect to some of the amendments proposed to the Environmental Planning Instrument. Specifically, the properties which Goodman owns bear a relationship with the operation of Port Botany and are essential in contributing to the function of the locality to support the distribution of goods and products on a local, regional and national scale. Accordingly, the existing operative land uses have an inherently important employment generating potential and should not be undermined by the proposed amendments which are currently under consideration.

The properties which are under the ownership of Goodman include:

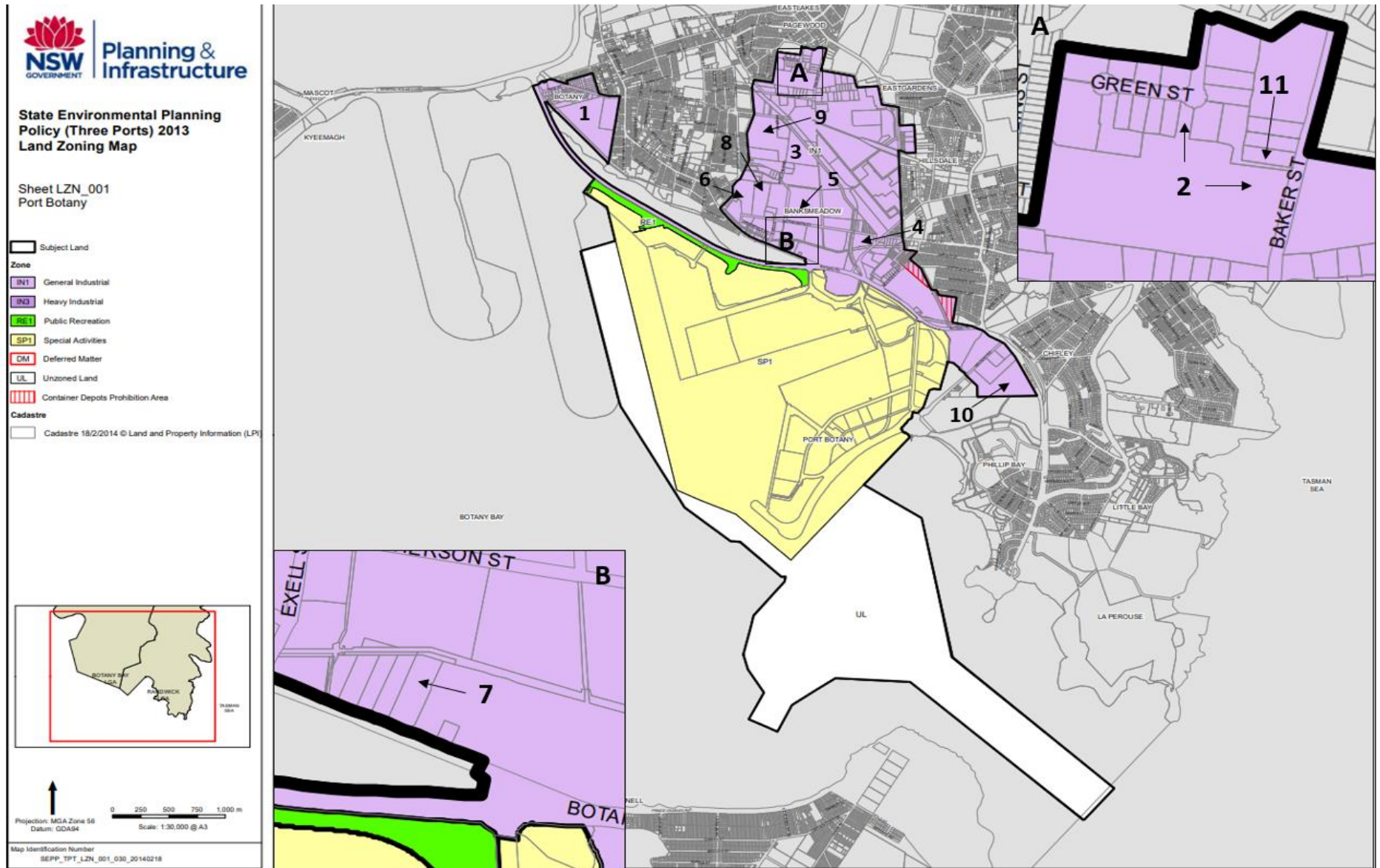
<b>Table 1: Goodman Properties - SEPP Three Ports (Botany)</b>				
<b>#</b>	<b>Site Address</b>	<b>Primary Land Use</b>	<b>Land Area</b>	<b>GLA</b>
1	1a Hale Street, Botany	Warehousing/Logistics	186,300sqm	95,606sqm
2	16-20 Baker Street and 21-23 Green Street, Banksmeadow	Warehousing/Logistics	67,010sqm	31,523sqm
3	32 Swinbourne Street, Banksmeadow	Warehousing/Logistics	54,640sqm	13,388sqm
4	2-12 Beauchamp Road, Botany	Warehousing/Logistics	296,180sqm	24,975sqm
5	26 McPherson Street, Banksmeadow	Warehousing/Logistics	93,810sqm	38,252sqm
6	2-8 McPherson Street, Banksmeadow	Warehousing/Logistics	46,510sqm	29,860sqm
7	1801 Botany Road, Banksmeadow	Warehousing/Logistics	75,700sqm	49,581sqm
8	10-16 McPherson Street, Banksmeadow	Warehousing/Logistics	41,090sqm	23,518sqm

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9	47 Stephen Road and Coal Pier Road, Banksmeadow	Warehousing/Logistics	95,900sqm	44,479sqm
10	33-41 Military Road, Matriville	Warehousing/Logistics	113,400sqm	54,783sqm
11	12-14 Baker Street, Banksmeadow	Warehousing/Logistics	4,079sqm	3,113sqm

The above properties are also shown on **Figure 1** and **Figure 2** overleaf within the context of the land application area under SEPP Three Ports.



**Figure 1: Goodman Properties - SEPP Three Ports (refer corresponding Table 1)**





**Figure 2: Aerial Image of Goodman Properties (refer corresponding Table 1**

The proposed amendments to SEPP Three Ports are ambiguous and require further clarification to ensure that the operations which take place on the land owned by Goodman are not undermined. In summary, the key concerns are summarised as follows:

## **2. Restriction of Land Uses within the IN1 General Industrial Zone**

As discussed within the Explanation of Intended Effects dated September 2018, the proposed amendments provided under Option 3 seek to restrict land uses within the IN1 General Industrial Zone to container storage and port related uses. However, there is no clear definition as to what these uses would constitute and how a relationship with the port would be defined to allow Goodman or its tenants to understand the impact on its existing properties and whether current activities would be permissible. Accordingly, for this policy change to be considered further, this information would need to be understood to determine how existing Goodman tenants would be affected and what the ultimate development potential of the land may be.

It is evident as shown in **Table 1** above, that the existing Goodman properties located in the Three Ports land application area are predominantly warehousing and logistics related. Daily, these facilities bear a relationship with Port Botany as goods are received and distributed to/from the Port. Therefore any change made to SEPP Three Ports which places a limitation to permit only container storage and port related uses must consider the fact that there is an inherent interaction with the vast majority of the industrial land uses located within the Three Ports area, and therefore such proposed amendments would affect the ongoing viability and operational capacity of the present and future businesses. Clarity is required on the level of interaction these facilities are required to have with the Port to satisfy the "Port relates uses requirement".

It is noted that there is commentary within the Explanation of Intended Effects which states that any existing land uses could rely on existing use rights in the instance where the permissible land uses are changed to limit those which are container storage or port related. This however is a major factor of concern for Goodman as the ultimate potential to renew or redevelop land for improved and efficient warehousing, logistics and industrial operations may be undermined.

Any reliance on existing use rights would severely limit opportunities for Goodman to ensure that the land under ownership can be redeveloped and renewed over time in an economically viable manner, with a degree of planning certainty. This would inevitably adversely affect end land and asset values given the limitations that would apply.

Relevantly, there is presently a severe undersupply of industrial zoned land within Metropolitan Sydney. Any further limitations on the types and nature of operations which can be carried out within the SEPP Three Ports land application area would result in exacerbated pressure on the supply of industrial land and cause further increases in land and lease prices.

The Department of Planning and Environment (DPE) Employment Lands Development Monitor (ELDM), has tracked both the total stock and development status of all B5- Business Development, B6- Enterprise Corridor and B7- Business Park zoned land, in addition to all Industrial zoned land under the Standard Instrument Local Environmental Plans in the Greater Sydney and Central Coast Region. This included all related lands within the Employment Land and Business Park precincts and all special-use zones for the port and airport, which also provide for employment.

The DPE has tracked both the total stock and employment land across Business and Industrial Zones to determine if sufficient employment land exists in the supply chain to satisfy future demand. Clearly, the focus to provide employment is paramount in all strategic planning documents prepared for the Sydney Metropolitan Area, and therefore should be duly considered with respect to any proposed amendments to SEPP Three Ports to ensure that there are no undue impacts on supply and prices. The proposed limitations also place undue restrictions on land available for airport related uses. This is unacceptable considering the limited availability for these uses.

The Greater Sydney Commissions (GSC) *A Working Metropolis* suggests existing industrial should permit and encourage an expansion of land uses to enable space for a variety of activities. The SEPP Three Ports proposed

amendments should not be inconsistent with the GSC. Whilst it is understood that that the land within the Three Ports plays a vital role on a national and international scale, the proposed criterion to place limitations on the types of uses which can operate within the IN1 General industrial zone is not warranted

To this effect, Goodman supports the continued permissibility of the following land uses within the IN1 General Industrial Zone as presently permitted by SEPP Three Ports:

*Boat building and repair facilities; Business premises; Depots; Food and drink premises; Freight transport facilities; General industries; Jetties; Light industries (other than artisan food and drink industries); Neighbourhood shops; Office premises; Roads; Signage; Truck depots; Vehicle body repair workshops; Vehicle repair stations; Warehouse or distribution centres; Waste or resource management facilities*

### **3. Implementation of a 2HA minimum Lot Size**

The Explanation of Intended Effects (Option 2) proposes to introduce a 2ha minimum subdivision lot size for lots which are currently greater than 2ha in area and zoned IN1 General Industrial under SEPP Three Ports 2013. As noted in **Table 1**, all of the properties which Goodman owns within the SEPP Three Ports land would be affected by this change. Goodman however does not object to this proposed change to the Three Ports SEPP.



#### **4. Heads of Consideration Provisions**

Goodman is of the position that there should be no introduction of additional heads of consideration with respect to subdivision of IN1 General Industrial zoned land as it is not considered an appropriate response to deal with the potential fragmentation. It is understood that the potential heads of consideration could read as follows:

- The impact of the subdivision on the Port or the suitability of the subdivision
- Location/access to the port
- Potential land use conflicts
- The natural and physical constraints and future opportunities for the land

Should the above be introduced, there criterion would allow the consent authority to object to development on unclear and undefined grounds, thus resulting in planning uncertainty with respect to any future subdivision.

Accordingly, this change is not supported.

#### **5. Do Nothing Scenario**

The current operation of the SEPP Three Ports land application area is considered to provide essential employment generating land uses in various forms, which are complimentary and compatible with Port Botany. The material benefit from the proposed amendments stated in Part 2 of the Explanation of Intended Effects is not apparent and therefore the Environmental Planning Instrument should remain unchanged.

#### **6. Conclusion**

As aforementioned, the proposed changes to SEPP Three Ports are generally not supported on the basis that:

- A. They would undermine the existing land holdings and the future development opportunities.
- B. The proposed criterion is unclear and undefined.
- C. Any restriction on land uses would impact the supply of industrial zoned land in a market which is experiencing severe undersupply.
- D. Any limitations to the subdivision lot size would restrict the dynamic nature of industrial land use operations.
- E. The existing framework under SEPP Three Ports is sufficient to ensure the orderly development of land which is in the public interest.

Any changes to the Environmental Planning Instrument should be subject to further detailed community consultation, particularly with existing land owners.

Should you wish to discuss further, please contact the undersigned.



Andrew Cowan  
Director  
Willowtree Planning Pty Ltd