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Director, Industry and Infrastructure Policy
NSW Department of Planning and Environment
GPO Box 39
Sydney NSW 2001

Dear Sir/Madam,

SUBMISSION - AMENDMENTS TO STATE ENVIRONMENTAL PLANNING POLICY (SEPP) THREE PORTS 2013

The Trust Company (Australia) Ltd atf Banksmeadow Property Asset Trust A (Banksmeadow PAT A) appreciate the opportunity to comment on the amendment to *Statement Environmental Planning Policy Three Ports 2013* (Three Ports SEPP).

We would welcome the opportunity to discuss any of these matters with you in greater detail and we look forward to being further consulted throughout the implementation phase of the draft Three Ports SEPP.

OUR SITE

Banksmeadow PAT A are the land owners of 130 Wentworth Avenue, Banksmeadow (subject site) which is leased to global packaging company Orora. The site is currently located within the *Botany Bay Local Environmental Plan 2013* (Botany LEP) and is zoned IN2 light Industrial. It is proposed to be incorporated into Three Ports SEPP and will be zoned IN1 General Industrial.

The site:

- is accessed by Moore Street via a small vehicle driveway to the west and a large truck driveway in the east,
- accommodates a large warehouse building,
- is surrounded by a range of different uses, including:
 - Open space and recreational land - Mutch Park and Bonnie Doon Golf Club to the north
 - Industrial, warehousing and business uses to the east, west and south
 - Westfield Eastgardens is located to the east on the opposite side of Wentworth Avenue

Figure 1 provides an aerial of the site. Figure 2 shows the site in relation to the 'Wentworth Avenue' land.

Figure 1 – Subject site



Source: Near Map

Figure 2 – Wentworth Avenue land subject to the Three Ports SEPP rezoning



Source: NSW Government

OUR SUBMISSION

Banksmeadow PAT A understand the importance of the amendments to protect land in proximity to Port Botany for port related uses and to provide a transition buffer between heavier industrial land uses and sensitive uses. However, this objective must be balanced with the need to protect land zoned for industrial uses to support the efficient and competitive logistics and distribution network within inner Sydney now and into the future. The amendment must also consider the unique site characteristics of the subject site and the surrounding sites within Wentworth Avenue buffer area.

OPPORTUNITY: WENTWORTH AVENUE BUFFER AREA

The Wentworth Avenue buffer area provides an unparalleled opportunity to not only provide a transitional buffer, but to further investigate the sites potential to increase floor space yields to accommodate higher intensity employment generating uses, such as vertical warehouses.

The evolution of e-commerce such as the 'last mile' and 'just in time' manufacturing and logistics has stimulated demand for warehouse development to be located closer to consumers and businesses in the inner city. However, land values within the inner city have increased due to other land uses (mainly residential and mixed-use development). As such, vertical warehouses and multi-storey industrial buildings are now considered as a viable solution to delivering more floorspace where there is limited land supply.

Banksmeadow PAT A support the inclusion of the site into the Three Ports SEPP and removing the existing building height and FSR restrictions on the site. Land within the Three Ports SEPP does not include maximum building height or FSR controls. However, future consideration for taller industrial development would need to be given to the general Aims of the Policy which include *(e) to provide for development at Port Botany that does not, by its nature or scale, constitute an actual or potential obstruction or hazard to aircraft*. The height of any proposed development would need to address the airspace operational requirements, including the Obstacle Limitation Surface (OLS) and the Procedures for Air Navigation Services Operations Surface (PAN-OPS) for Sydney Airport.

The subject site and the Wentworth Avenue buffer area is conveniently located in proximity to the ports, Westfield Eastgardens and major inner city and Western city transport connections. As such, the site has excellence local and regional access and has exceptional potential to provide a supportive urban service function to various regions in Sydney.

OBJECTION: RESTRICTING USES IN THE IN1 GENERAL INDUSTRIAL ZONE

This following outlines our concerns regarding the proposed amendments in Part 2, Option 3 which recommends restricting the permitted land uses in the IN1 General Industrial zone. This approach will have significant implications for existing demand of industrial land close to major transport networks and the inner city.

We believe the amendment erodes the viability of land in south Sydney and is not consistent with the strategic direction of NSW as documented in the Greater Sydney Region Plan (Region Plan), as outlined below.

Objective 16: Freight and logistics network is competitive and efficient

The Region Plan seeks to retain industrial lands for logistic uses and avoids encroachment of commercial, residential and other non-compatible uses which would adversely affect industry viability and long-term growth. It seeks to optimise the efficiency and effectiveness of the freight handling, distribution and logistics network.

There is a recognised shortage of employment and industrial zoned land within the Eastern Harbour City, as outlined in the Greater Sydney Commission's *A Metropolis the Works*:

Studies indicate only 8 per cent of land across Greater Sydney is presently zoned for nonresidential uses such as industrial and urban services. Despite this, 19 per cent of all jobs across Greater Sydney are classified as industrial and in some Districts the proportion on industrial land is as high as 37 per cent. (GSC 2017 and 2018b)

Increasing land values and rents is exacerbated with the increased demand for inner city sites created by the pressure from competing residential and mixed-use developments.

The long term objective of the SEPP amendment (protecting land for port related uses) must be balanced with the need to retain and protect the remaining industrial zoned land within the Eastern Harbour City. Light industry and warehouse and distribution uses located in proximity to high density urban areas are a vital component of the 'business to customer' and 'business to business' supply chain network, as outlined in the Greater Sydney Commission's *A Metropolis the Works*:

Both old and new industrial and urban services activities share important characteristics central to their success, as well as the fundamentals to a functioning city: proximity to end-markets and the creation and sustaining of local networks. They also remind us that while the nature and scope of employment-generating activities will shift over time, the core drivers underpinning why productive activity succeeds in these locations remains.

Without suitably industrial zoned sites allowing for the full range of industrial and logistic land uses, the opportunity for a competitive and efficient south Sydney logistic and distribution network is lost.

Objective 23: Industrial and urban services land is planned, retained and managed

The Region Plan provides principles for industrial land, including the retention and management of existing industrial land to safeguard it from competing pressures (as noted earlier). The Region Plan recognises that there is a shortage of industrial land within the Eastern Harbour City. It also notes the importance on the mix of economic outcomes that support the city and population.

Restricting the range of urban service land uses (storage, warehousing and distribution for example) will impact on the economic performance of the city and diminishes the supportive function many light industrial land uses provide to the operation of the port. The locational characteristics of these land uses and need to be located in proximity to local business and residents mean they cannot be limited to the outer inaccessible areas of Sydney. Rather these uses must be located in proximity to business and residents. Again, this matter is outlined in the Greater Sydney Commission's *A Metropolis the Works*:

The Eastern Harbour City will continue to be the focus for efficiently distributing freight and logistics, and adapting to global trends for automation and consolidation of distribution and logistics services will be essential. Proximity to these key nodes within the wider metropolitan economy is vital: they are far from able to readily relocate without fundamentally reconfiguring logistical dependencies and connections.

Without sufficiently zoned land available for a range of industrial uses in the Eastern Harbour City the opportunity to encourage a mix of urban service land uses will be lost, with significant economic and operational implications for Sydney's future.

Objective 33: A low-carbon city contributes to net-zero emissions by 2050 and mitigates climate change

The Region Plan states the transport sector is a significant contributor to greenhouse gas emissions. It seeks to reduce emissions in buildings, transport and waste through a range of strategies including the 30 Minute City concept. Emissions reductions can also be achieved by locating smaller-scale

warehouse and distribution facilities closer to consumers resulting in a reduction of vehicle kilometres travelled.

Restricting warehouse and distribution uses in proximity to the inner city close to a dense residential population and to encourage efficiency in the transport network for last mile deliveries, will increase distances travelled and contribute to greater emissions over time.

Recommendations

- The proposed amendment to the Three Ports SEPP requires further investigation with evidence based data to support the changes, including impacts on industrial land supply.
- Given the unique characteristics of the subject site and the Wentworth Avenue buffer area, rigorous analyses should investigate the potential to provide higher industrial densities. Given the scarcity of and demand for industrial zoned land, discussions between Banksmeadow PAT A, surrounding land owners, Bayside Council, DPE and other government agencies should occur to realise the unparalleled opportunity of the Wentworth Avenue buffer area.
- The Three Ports SEPP amendment should not limit nor restrict a large range of commercial and employment generating uses by way of restricting the permitted uses or mandating that the use of these sites must be strictly related to port activities. Warehouses and other indirect industrial land uses provide a supportive function to the ports and these must be acknowledged, considered and discussed with affected land owners prior to any amendment is gazetted.
- We request that the subject site and the Wentworth buffer area be included on the 'Additional Permitted Uses Map Sheet APU_001 Port Botany' of the Three Ports SEPP. This will ensure that a wide range of land uses will be able to be provided to encourage the viability and success of the precinct, but also will formalise the transitional buffer the area provides.

CONCLUSION

We look forward to discussing the issues raised in this submission with DPE. In the interim, please do not hesitate to contact me on (02) 8233 7631 or rmacindoe@urbis.com.au should you require any additional information regarding this submission.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "R Macindoe".

Ryan Macindoe
Senior Consultant