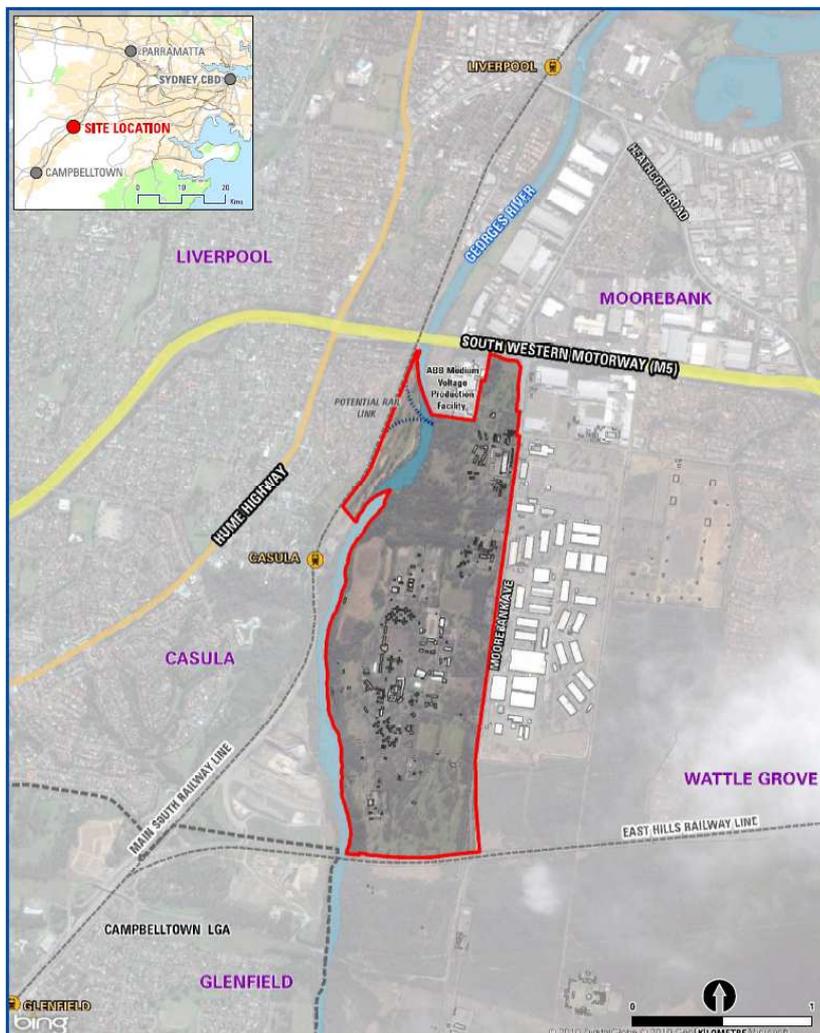


***Planning Proposal:
Amendment to Liverpool LEP 2008
Moorebank Avenue, Liverpool***



May 2013

Cover Photograph: Project Locality (Source Parsons Brinckerhoff Australia P/L, 2011)

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EXECUTIVE SUMMARY

The Department has received a request from the applicant, Commonwealth Department of Defence and Deregulation, now known as the Moorebank Intermodal Company to amend the zoning of the subject site to facilitate the development of intermodal terminal facilities at Moorebank Avenue, Liverpool. The site is currently zoned SP 2 Infrastructure (Defence), W1 Natural Waterways and RE1 Public Recreation.

This planning proposal (PP) seeks to rezone land from SP2 Infrastructure (Defence) to partly E3 Environmental Management and IN1 General Industrial, amend the controls for floor space ratio, height of buildings, minimum lot size and amend Part 7 (additional local provisions) of the *Liverpool Local Environmental Plan 2008* to permit development for the purposes of 'public utility' and 'drainage' on certain land at the Project site. The amendments would facilitate the provision of a rail connection from the site to the Southern Sydney Freight Line over the Georges River and Northern Powerhouse Land and create a dedicated green belt along the western edge of the site.

This PP has been submitted with a request for Director-General's Requirements for a State Significant Development (SSD) application for an intermodal terminal on the site. The consideration of the PP and the SSD application by the Department will occur concurrently. In accordance with section 89E(5) of the *Environmental Planning and Assessment Act 1979* (the Act), the Director-General is the relevant planning authority (RPA) under Part 3 of the Act.

The applicant has submitted a request justifying the PP and addressing the key issues relating to the proposed amendments. This report considers the merits and justification for commencing the preparation of a local planning instrument.

This PP is supported in principal and the Department considers that there is sufficient information to justify proceeding with the rezoning request. It is recommended that the process to prepare a local environmental plan (LEP) to amend the Liverpool LEP 2008 be commenced, and that exhibition of the PP and the SSD application be carried out concurrently.

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1. BACKGROUND

The Commonwealth and NSW Governments have identified a 220 hectare site at Moorebank as a potential site to meet future intermodal freight terminal (IMT) requirements within Sydney. The possibility for using this site for an intermodal freight terminal was first announced by the Commonwealth Government in 2004.

The site is currently owned and occupied by the Department of Defence's School of Military Engineering (SME). The Department of Defence has indicated a longer-term desire to relocate the SME from the site.

On 11 May 2010, the Commonwealth Government announced \$70.7 million of funding in the 2010-2011 Budget to complete the detailed planning and approval of the Moorebank Intermodal Terminal and the relocation of the SME and other Defence units to Holsworthy. It also announced an intention that staged redevelopment of the site is expected to commence in 2013, subject to securing necessary approvals.

The Commonwealth Government has established the Moorebank Intermodal Company (MIC) (previously Moorebank Project Office (MPO)) to drive detailed planning for the site, and the NSW Government and its agencies are working with the MIC on this work, with Transport for NSW as the lead NSW government agency.

On 7 December 2010, the MPO lodged a request for Director-General's Requirements under the State Significant Development (SSD) provisions of Part 4 of the *Environmental Planning and Assessment Act 1979* (the Act), for an intermodal facility and associated commercial and warehousing development on the SME site. The site is located entirely within the Liverpool local government area and is subject to the provisions of the *Liverpool Local Environmental Plan (LEP) 2008*. The predominant zoning of the site is SP2 Infrastructure (Defence) whilst the rest of the site is variously zoned IN1 General Industrial (land zoned IN1 General Industrial is not subject to the planning proposal), RE1 Public Recreation and W1 Waterways. The IMT is not permissible under the predominant zoning of the site (SP2 Infrastructure (Defence)) and land proposed to be traversed by the rail link (zoned RE1 Public Recreation and W1 Waterways) under the Liverpool LEP.

Under Division 15 of the *State Environmental Planning Policy (Infrastructure) 2007* (Infrastructure SEPP), the development may be considered to be *rail infrastructure facilities*, being railway tracks, rail freight terminals, sidings and freight intermodal facilities. Clause 81(a) of the Infrastructure SEPP states that development for the purpose of rail freight terminals, rail freight sidings or rail freight intermodal facilities may be carried out by any person with consent on land in a prescribed zone, including SP2 Infrastructure, but not W1 Waterways or RE1 Public Recreation.

Under Section 89E(3) of the *Environmental Planning and Assessment Act 1979* (the Act), development consent may be granted for an SSD despite the development being partly prohibited by an environmental planning instrument. Further, Section 89E(5) of the Act facilitates for the consideration of an SSD application that is partly prohibited, in conjunction with a proposed environmental planning instrument, to permit the carrying out of that development. Under this course of action, the Director-General is the relevant planning authority for the proposed rezoning under section 54(2) of the Act.

Given the above considerations, the MIC has determined that rezoning of the site is preferable, as this would 'regularise' the zoning of the entire site for the proposed development, meet community and stakeholder expectations, and optimise environmental compliance requirements for any subsequent third party ownership of the intermodal facility.

On 6 November 2012, the MPO submitted a request to the Department to commence the preparation of a planning proposal (PP) to facilitate the development on the site. This PP is being prepared concurrently with the consideration of the SSD application for an intermodal terminal facility.

This PP has been prepared by the Department's Infrastructure Projects branch, in accordance with Section 55 of the Department's '*A Guide to Preparing Local Environmental Plans (October 2012)*' and '*A Guide to Preparing Planning Proposals (October 2012)*' and is also based on the applicant's submission to the Department, dated April 2013.

To ensure fairness and transparency within the PP process, the Department's Sydney Region West branch reviewed the PP in January 2013 and recommended Gateway Determination under Section 56 of the Act. The Minister for Planning and Infrastructure provided his Gateway Determination on 15 March 2013, subject to conditions. This planning proposal had been revised to respond to the conditions of the Gateway Determination and to also facilitate an amendment to the site which is subject to the planning proposal.

The PP submitted to Sydney Region West on 7 December 2012 included land within Lot 3001 DP 1125930 on the eastern side of Moorebank Avenue within the SP2 (Defence) zone. The proposal included the rezoning of this portion of land to E3 Environmental Management, consistent with the intention to allocate this land for future biodiversity offsets. This area of land has now been removed from the PP, to reflect that other options for meeting the project's offset requirements will be considered through the State Significant Development process. It is expected that any future biodiversity offsets will meet both State and Commonwealth requirements.

2. PROJECT SITE

2.1. Location

The Moorebank IMT site is located to the west of Moorebank Avenue at Moorebank, approximately 30 kilometres south-west of the Sydney Central Business District (CBD) and approximately 4 kilometres south of the Liverpool CBD. See **Figure 1**. It is in proximity to key transport corridors including the Main South Line rail corridor (the Southern Sydney Freight Corridor), the M5 and M7 motorways and the Hume Highway. The site is located within the City of Liverpool local government area.

The land, which comprises an area of approximately 220 hectares, is bounded by the Georges River to the west, Moorebank Avenue to the east, the M5 Motorway and ABB Medium Voltage Production facility to the north and the East Hills Railway line to the south as shown in Figure 3.

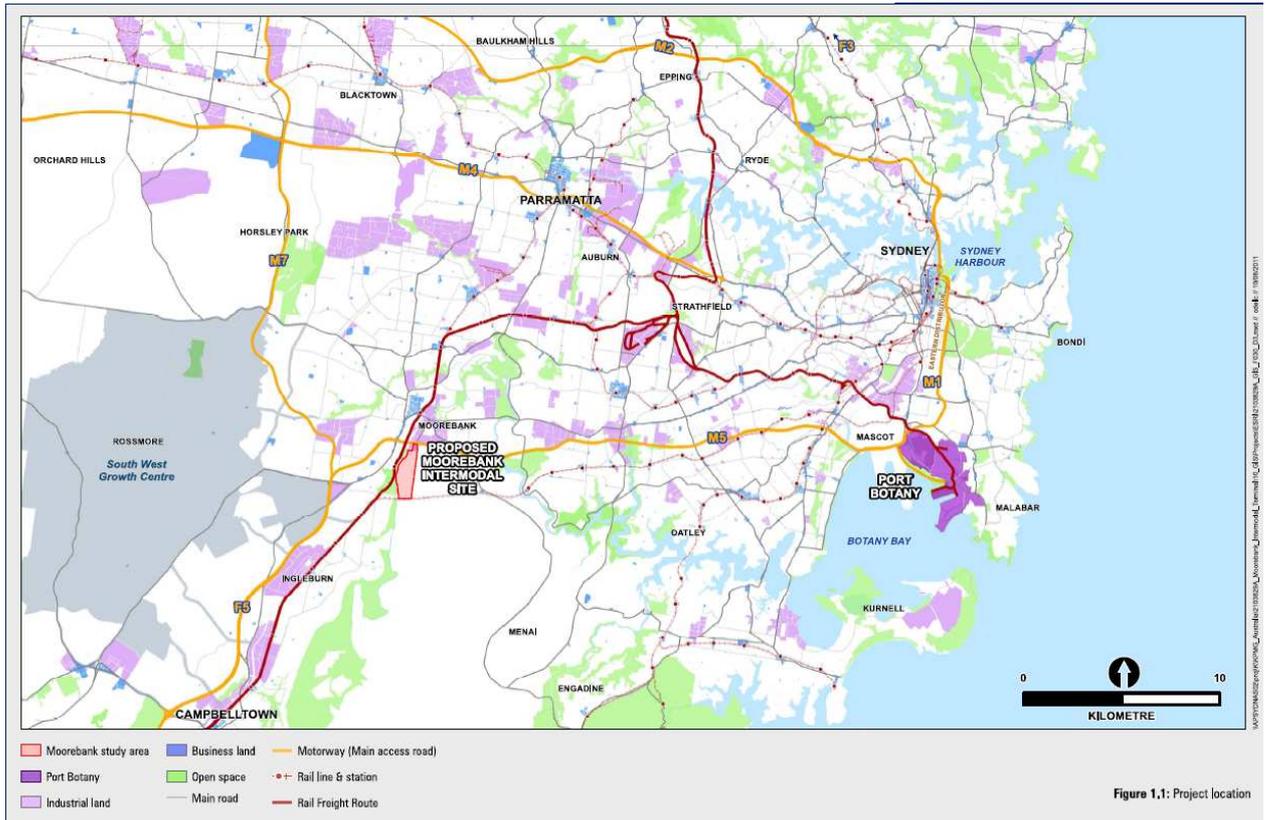


Figure 1.1: Project location

Figure 1: Project location.

2.2. The Site and Surrounding Land Uses

The site is currently owned and occupied by the Department of Defence’s School of Military Engineering (SME) and a number of other Defence units, which forms parts of the Liverpool Military Area. See **Figure 2**. The SME has indicated a longer-term desire to relocate from the site.

The main land uses surrounding the site are residential suburbs of Casula, Wattle Grove and Glenfield, as well as industrial, commercial and the Department of Defence land largely comprising the Holsworthy Military Area to the south and the Defence National Storage and Distribution Centre (DNSDC) to the east. See **Figure 2**.

On the DNSDC site to the east, the Sydney Intermodal Terminal Alliance (SIMTA) is proposing to construct and operate an intermodal terminal facility with a capacity of 1 million twenty foot equivalent units (TEUs) per annum, warehousing and distribution facilities and a freight village. The proposal is being considered by the Department as a transitional Part 3A transitional Concept Plan and was exhibited from 28 March 2012 to 28 May 2012.



Figure 2: The site and surrounds.



Figure 3: The site and surrounding suburbs.

3. THE PROPOSAL

3.1 The Intermodal Freight Terminal

The MPO has requested the commencement of this PP to facilitate an IMT on the Moorebank site. The development of the IMT would require approximately 220 hectares of Commonwealth Department of Defence owned land, and three parcels of land on the western bank of the Georges River, owned by Liverpool City Council, for a rail connection to the Southern Sydney Freight Line (SSFL), which became operational in early 2013.

The IMT comprises the following components:

- warehousing and commercial development;
- support functions (administrative and rail/container maintenance/repair) for the terminal;
- working tracks for rail freight movements and loading/unloading of containers;
- storage tracks for the storage of freight carriages within the site;
- container laydown/storage areas;
- intermodal site roads, stormwater management infrastructure, power and utilities; and
- environmental conservation zone on the eastern bank of the Georges River.

The site is proposed to be developed over two general phases: Phase 1A - Port Shuttle Terminal Area, Phase 1B - Warehousing and Distribution Area and Phase 2 - Interstate Terminal Area. The development of the proposed IMT site would occur progressively over time and would be upgraded to allow future freight demands and may include further enhancements to off site road and rail capacity. The current SSD Director-General's Requirements request application is for a stage 1 Development Application which sets out a concept for the entire development site.

3.2 The Planning Proposal

Under the *Liverpool LEP 2008*, the SME site (including land to be traversed by the proposed rail link to the SSFL) is currently zoned as follow (see **Figure 4**):

SME site: SP2 Infrastructure (Defence) and IN1 (General Industrial) (land zoned IN1 is not subject to this planning proposal). The proposal is prohibited under the SP2 zoning but permissible under IN 1.

Rail link site: RE1 Public Recreation and W1 Waterways. Rail infrastructure is prohibited under these zonings.

As stated above, under the provisions of the Infrastructure SEPP, the project is permitted with development consent under land zoned SP2 Infrastructure, but not under W1 Waterways or RE1 Public Recreation.

Given the *Infrastructure SEPP* provisions, this PP seeks to 'regularise' the current SP2 Infrastructure (Defence) zoning with a more appropriate industrial zoning. (See **Figure 5**):

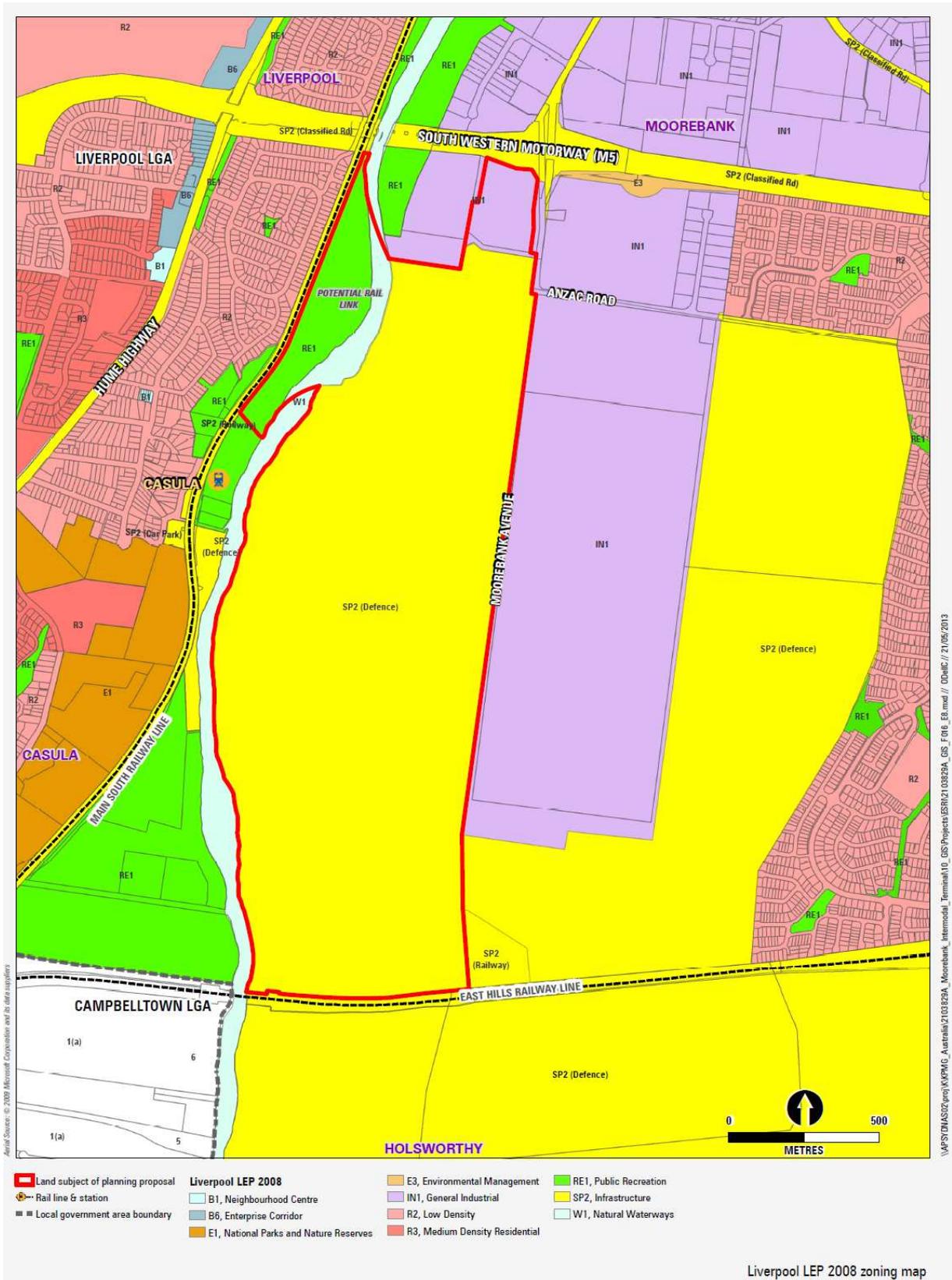


Figure 4: Liverpool LEP 2008 Zoning (existing).

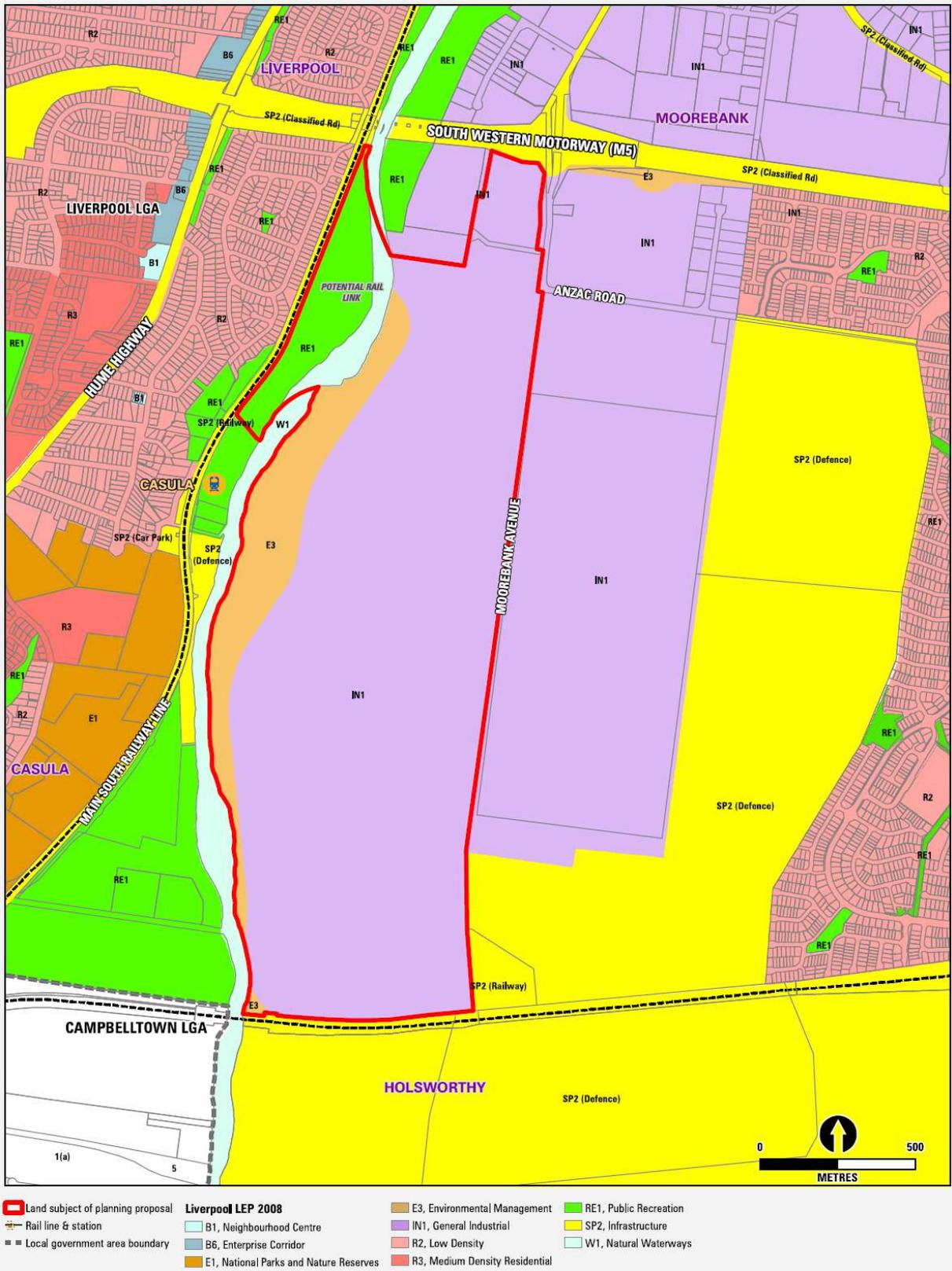


Figure 5: Proposed amendments to land use zoning.

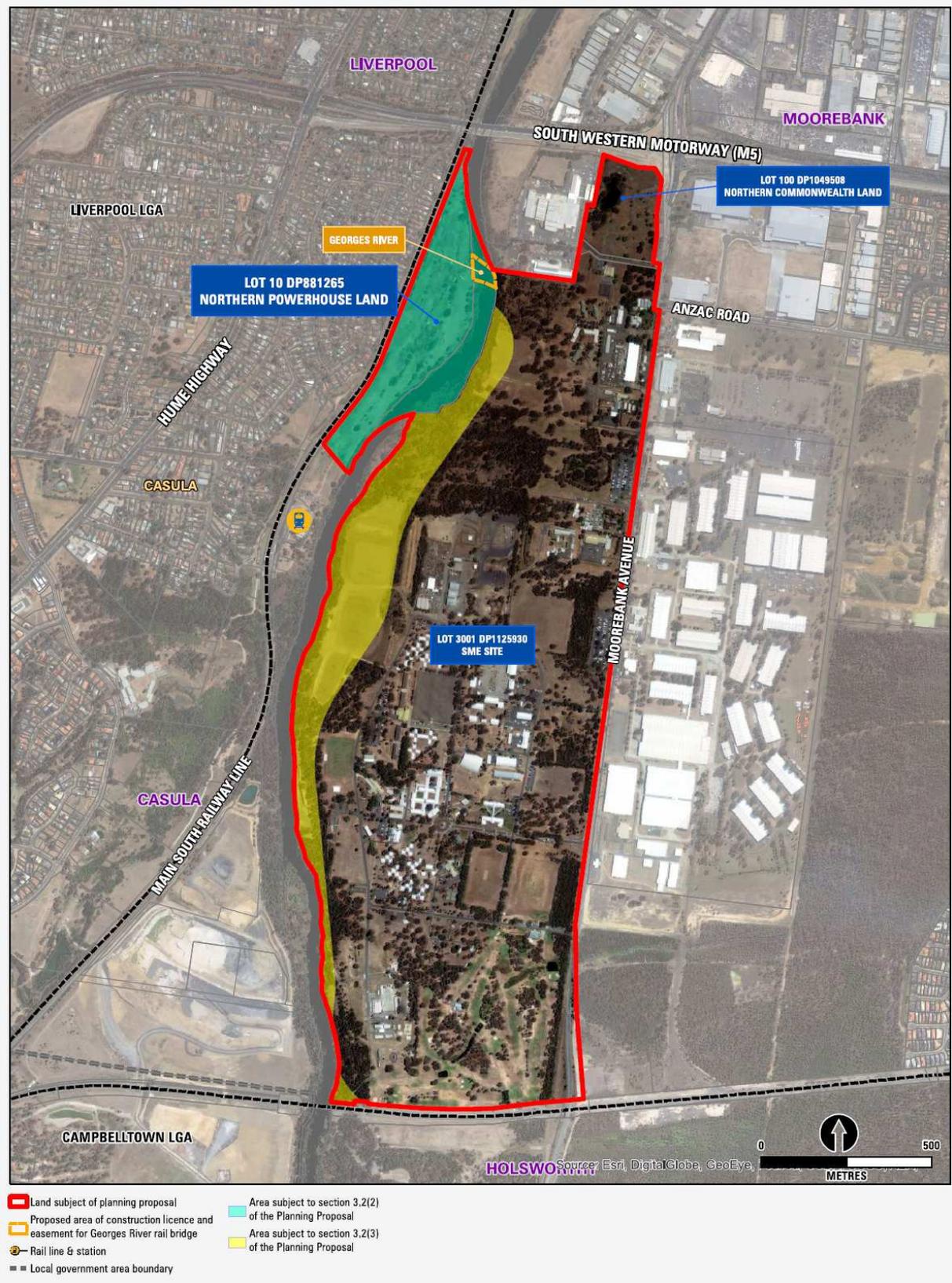


Figure 6: Site description

3.3 Studies Submitted by the Applicant

The Applicant has submitted a Preliminary Project Environmental Overview and PP to support the request for a PP and request for Director-General's environmental assessment requirements for the SSD application.

3.4 Future Studies

In January 2012, the Department sought inputs from Liverpool Council and relevant Government agencies on the Director-General's Requirements (DGRs) for the IMT SSD application. The DGRs were issued on 27 February 2012 and identified key environmental issues which are required to be addressed in the Environmental Impact Statement, including traffic, transport and access, noise and vibration, biodiversity, hazards and risks, soils and contamination, hydrology, air quality, heritage, visual and urban design and property and infrastructure.

4. DEPARTMENT'S CRITERIA FOR JUSTIFYING PLANNING PROPOSALS

Based on the applicant's submission, the PP has been prepared in accordance with the Department's '*A Guide to Preparing Planning Proposals (October 2012)*'.

PART 1 – OBJECTIVES OR INTENDED OUTCOMES

The objectives of the planning proposal are to:

1. enable redevelopment of the site for the proposed Moorebank IMT that:
 - a. is a key component for the future development of Sydney's intermodal capacity;
 - b. would allow for the types of land uses proposed that include freight transport facility and ancillary development;
 - c. is compatible with agreed State and regional strategic direction for development of the site;
 - d. is consistent with the outcomes of strategic studies undertaken into addressing Sydney's lack of intermodal capacity;
 - e. allow for planning controls compatible with the proposed land uses,
 - f. supplement substantial Government investment in rail, ports and freight facilities; and
 - g. provide certainty to Government that the site could be developed in the future for the purposes of an intermodal facility.
2. permit development of the rail connection from the site to the SSFL over the Georges River and Northern Powerhouse Land;
3. enhance amenity to the site and improve the public domain in the surrounding area by creating a dedicated green belt along the western edge of the site.

PART 2 – EXPLANATION OF PROVISIONS

The objective or intended outcome of the PP is proposed to be achieved by amending the Liverpool Local Environmental Plan (LLEP) 2008 by:

1. amending the LLEP 2008 Land Zoning Map (LZN-013) by rezoning the IMT site from SP2 Infrastructure (Defence) to partly E3 Environmental Management and IN1 General Industrial as shown in Figure 5;
2. amending the LLEP (by inserting a local provision) to permit development for the purposes of public utility undertaking and rail infrastructure on land at 474 Hume Highway, Casula, being the southern part of Lot 10 DP 881265 in zone RE1 Public Recreation, and part of the Georges River in zone W1 Natural Waterways;
3. amending the LLEP (by inserting a local provision) to permit development for the purposes of drainage on land at the western part of Lot 3001 DP 1125930 in zone E3 Environmental Management;
4. Amending the LLEP 2008 Floor Space Ratio Map (FSR-013) to allow for a maximum floor space ratio of 1:1 for part of Lot 3001 DP 1125930 and Lot 100 DP 1049508;
5. Amending the LLEP 2008 Height of Buildings Map (HOB-013) to allow for a maximum building height of 21m for part of Lot 3001 DP 1125930 for buildings and containers; and
6. Amending the LLEP 2008 Lot Size Map (LSZ-013) to allow for a minimum lot size of 2,000sq m for part of Lot 3001 DP 1125930.

PART 3 – JUSTIFICATION

This section sets out the reasoning for the proposed rezoning of the site, taking into consideration of the intended outcomes and objectives outlined above. The following questions are set out in *A Guide to Preparing Planning Proposals* (October 2012) and address the need for the planning proposal, its strategic planning context, the environmental, social and economic impacts and the implications for State and Commonwealth government agencies.

Section A – Need for the planning proposal

1. *Is the planning proposal a result of any strategic study or report?*

The PP is undertaken in response to a Detailed Business Case (DBC) prepared for the development of an IMT on the site (see Appendix 4 for DBC Summary). The DBC involved an assessment of the need for an IMT at Moorebank, taking into account projected freight demand, existing transport infrastructure constraints, the commercial feasibility of the project and the technical and environmental suitability of the site. Based on the findings of the DBC, a decision was made by the Commonwealth Government in early 2012 to proceed with the project, which would provide key infrastructure in addressing Sydney's shortage of intermodal terminal capacity and facilitate in the redistribution of freight from Port Botany to the IMT. The PP has subsequently been prepared in order to facilitate the proposed Moorebank IMT and associated industrial development, including warehousing, and provide environmental protection on the site.

2. *Is the planning proposal the best means of achieving the objective or intended outcomes, or is there a better way?*

It is considered that the PP is the best means of achieving the Project's objectives identified under Part 1.

Under the current zoning, land that would be developed for the purposes of the IMEX (import/export) and interstate freight terminals and warehousing is zoned SP 2 Infrastructure (Defence). This zoning would potentially prohibit future development of the site for warehousing, establishment of a second rail connection and ancillary development required for the operations of the Moorebank IMT. The PP intends to rezone this land to IN1 General Industrial zone to better reflect the intended use of the site.

Amendment to the zoning of the site would provide certainty to the community that the site would be developed in accordance with the proposed SSD project, and provide for environmental conservation through rezoning part of the site to an E3 Environmental Management zone. The E3 zone is considered preferable to pursuing an alternative zoning that allows drainage works, such as IN1 zone, because it provides environmental benefits associated with conserving the existing natural environment.

Reclassification of public owned land

The Northern Powerhouse Land is currently zoned RE1 Public Recreation and would require reclassification of the land from 'community' to 'operational' in order to permit the construction of a proposed rail link over the land. The Commonwealth currently proposes to acquire the freehold title of the Northern Powerhouse Land by compulsory acquisition, under the *Lands Acquisition Act 1989* (Cth)(Lands Acquisition Act, or LA Act). The Commonwealth will comply with the provisions of the LA Act in relation to the acquisition.

The Commonwealth proposed that construction of the proposed rail link would not commence until the acquisition of the Northern Powerhouse Land has been completed. Under Section 41 of the LA Act, acquisition will have the effect of:

vesting the freehold to the Northern Powerhouse Land in the Commonwealth; and freeing and discharging the Northern Powerhouse Land from all interests, trusts, restrictions, dedications and reservations and other affectations existing at the date of acquisition.

This will have the effect of removing the classification of the Northern Powerhouse Land for the purposes of the *Local Government Act 1993* (NSW) (LG Act) and the need to consider reclassifying public owned land, zoned RE1 Public Recreation from 'community' to 'operational'.

3. Is there a net community benefit?

The Moorebank IMT is considered to achieve a net community benefit. The DBS prepared by KPMG in 2012 has identified a number of economic, social and environmental benefits for the community and economy and are summarised below.

The development of the Moorebank IMT is intended to increase intermodal capacity in Sydney, and will have a number of flow-on benefits across the freight sector and

the State economy. The total economic benefits of the Moorebank IMT Project, over a 30 year operational period have been assessed at \$10 billion or \$2.3 billion in present value terms. The benefit cost ratio for the project is 1.72, which is considered a strong positive economic evaluation for an infrastructure project.

By providing increased intermodal capacity in Sydney, it is envisaged that the unit costs of transporting containers by rail for IMEX and interstate markets would be decreased, and would also lead to an increase in the share of freight movements by rail. The contributing factors to the total economic benefits include the following:

- savings in operating costs in the freight transport sector, through productivity improvements associated with rail freight movement;
- improvement in reliability and availability of freight services, relative to road services;
- reductions in road damage and associated savings;
- reductions in costs associated with road congestion and road accidents;
- increased reliability in journey times;
- reductions in operating cost, resulting from the economies of scale provided by rail transport;
- incremental revenues resulting from operating surplus;
- the residual value of the Moorebank IMT physical assets, following the end of the indicate 30 year operational period;
- increased employment in south-west Sydney during construction and operation;
- reductions in environmental and social costs associated with road transport, including noise, greenhouse gas emissions, fuel costs etc.

Further, the proposal may also bring in potential community benefits through the preservation of the green corridor along the banks of the Georges River.

Section B – Strategic Planning Framework

4. *Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy (including the Sydney Metropolitan Strategy and exhibited draft strategies)?*

The need for additional intermodal capacity at Moorebank has been identified in a number of State strategic policies, and the Moorebank IMT is intended to meet Sydney's intermodal capacity needs.

Metropolitan Plan for Sydney 2036

The *Metropolitan Plan for Sydney 2036* identified nine major challenges for the future growth of the metropolitan area, including the need for more efficient transport and infrastructure delivery and tackling climate change. Key objectives and actions identified include strengthening existing freight and industry clusters and the support of new clusters. The Moorebank to Prestons and Minto area is identified as a significant freight industry cluster.

The *Metropolitan Plan* also identifies intermodal terminals as an essential component of an efficient freight and logistics sector and identifies ongoing collaboration with the Commonwealth government towards facilitating development of intermodal facilities. The Moorebank IMT is noted for its potential to generate employment within the Liverpool LGA and support commercial land use across the metropolitan area.

Further, item D5 of the *Draft East Subregional Strategy* has identified several actions to ensure sufficient port capacity is available to serve Sydney. In particular, the Strategy noted that the Ministry of Transport will be working with the Commonwealth Government to secure intermodal terminals at strategic locations within the Sydney metropolitan area. This work will build upon initiatives and actions outlined in the Metropolitan Strategy and NSW Government's response to the Freight Infrastructure Advisory Board (FIAB) report.

Under the FIAB report, the IMT is described by the Government as a 'critical element in the national transport network ... [that] will create thousands of jobs and act as an incubator for new transport-related industry in Sydney.' (Freight Infrastructure Advisory Board, 2005)

Draft Metropolitan Strategy for Sydney to 2031

The *Draft Metropolitan Strategy for Sydney to 2031* (Draft Metropolitan Strategy) was released for public consultation in March 2013. Once the current draft strategy is finalised later in 2013, this will replace the Metropolitan Plan.

The Draft Metropolitan Strategy sets the framework and strategic planning foundation for the sustainable growth of Sydney and has been prepared in conjunction with *NSW 2021*, the *NSW Long Term Transport Master Plan* and the *State Infrastructure Strategy* to fully integrate land use and infrastructure outcomes.

The Draft Metropolitan Strategy identifies the need for more efficient transport and infrastructure delivery to ensure that Sydney's freight transport and intermodal terminal network will be more efficient and have greater capacity. The Strategy identifies that industrial lands close to rail, motorways, other major roads, or ports, airports and intermodal terminals have high strategic value and recognises the need to plan for the Moorebank IMT Project in the medium to long term. The planning proposal would provide certainty that the Project Site could be developed for the purposes of the Moorebank IMT, consistent with the provisions of the Draft Metropolitan Strategy.

NSW 2021

Under *NSW 2021: A plan to make NSW number one*, the NSW Government has identified the target of enhancing rail freight movement in NSW by doubling the proportion of container freight movement by rail through NSW ports by 2020. The State Government has also identified that shifting freight movements to rail is a priority action to maximise capacity at Port Botany, and reduce truck movements on the NSW road network. By facilitating future development on site for the purposes of the IMT, the PP is considered consistent with the NSW 2021 Plan.

State Infrastructure Strategy 2012-2032

The Strategy provides an assessment of the infrastructure needed to serve the State over the next 20 years and identifies a number of principal recommendations for infrastructure projects to meet this demand, including the provision of transport access to and from Sydney international gateways as a short term infrastructure priority.

Development of the Moorebank IMT in the next five years (2017-2022) has been identified as one of the principal recommendations in the Strategy, particularly if there is strong growth in demand for IMEX intermodal freight handling in NSW. The PP

would provide optimum land use zoning for the future development of an IMT at Moorebank.

NSW Long Term Transport Master Plan

The *NSW Long Term Transport Master Plan* (LTTMP) was adopted by the NSW Government in December 2012. The LTTMP provides the basis for decision making in the delivery of transport infrastructure in NSW over the next 20 years and identifies critical transport challenges and the framework for integrating transport planning into the long term future plans and strategies for the state.

The LTTMP identifies intermodal terminals as a key part of the NSW freight network system, critical to increasing the share of container freight moved by rail and to manage growing import container trade, particularly in Sydney. The Moorebank IMT is identified within the LTTMP as having the potential to generate new jobs in the transport and logistics sector and supporting commercial activities across South West Sydney and the broader city. The planning proposal is intended to reduce planning limitations on developing the Project Site for the purposes of the Moorebank IMT, and would contribute to implementing the measures and actions identified in the LTTMP.

South West subregion: Draft Subregional Delivery Plan

The Draft Metropolitan Strategy identifies six sub-regions to provide direction for subregional planning including metropolitan priorities. Subregional Delivery Plans will be a key intermediate step to translate the outcomes sought by the Metropolitan Strategy for Sydney at the local scale. The Liverpool LGA will be included in the South West subregion under the Draft Metropolitan Strategy which includes priorities protecting metropolitan-significant infrastructure including freight corridors and intermodal terminals. Specifically, the sub-regional strategy identifies Moorebank as a location for an intermodal terminal.

Draft Freight and Ports Strategy

The *Draft Freight and Ports Strategy* is a document which explains how Transport for NSW would work with commercial interests and across government to provide an efficient network and a framework for managing growth. The Strategy aims to inform government and commercial investment decisions across all modes of transport and highlights short, medium and long term tasks to improve freight movement on the network.

The Strategy has identified a number of Strategy Action Areas to be adopted.

Action 2E – Foster intermodal terminal network development

The draft Strategy notes that metropolitan intermodal terminals are critical to increase rail mode share and manage the rapidly growing import container trade and interstate freight task. Whilst the NSW Government does not need to be directly involved in the development or operation of intermodal terminals, it has a role in identifying and protecting land and freight corridors. The Government also has a role, where necessary, in identifying supporting road and rail infrastructure.

The draft Strategy has developed a number of tasks, including Task 2E-1 – Foster intermodal terminals in Metropolitan areas. This task targets the development of sustainable facilities that create network capacity through support to ARTC’s completion of the Southern Sydney Freight Line to connect the proposed intermodal facilities at Moorebank to the Metropolitan Freight Network and support the development of new intermodal facilities at Moorebank by identifying road upgrade requirements.

The Moorebank Intermodal Precinct has been selected as a case study in the draft Strategy, and Transport for NSW is seeking to provide road network upgrades to manage potential impacts on the road network.

Railing Port Botany’s Containers

Under *Railing Port Botany’s containers: Proposals to ease pressure on Sydney’s roads*, the Moorebank site was identified as strategically important given its proximity to the SSFL, the M5 and M7 Motorways. The report, prepared by the FIAB, recommended the NSW State Government to implement the following strategies:

- a. develop the major new terminals at Enfield, Moorebank and Eastern Creek;
- b. regard Moorebank as a key component in meeting Sydney’s intermodal capacity needs;
- c. ensure that the Moorebank site is secured for intermodal terminal development by the private sector;
- d. work with the Commonwealth Government to see the SME moved from the site as soon as possible;
- e. commence planning for the site’s development by the private sector as an intermodal terminal with the capacity to handle at least 500,000 truck equivalent units annually;
- f. develop a business model for the acquisition and development of the site in a way that allows the private sector to bring forward the terminal’s development;
- g. pursue negotiations with the Commonwealth for AusLink funding for an Australian Rail Track Corporation rail connection into the Moorebank site;
- h. ensure that access to the Moorebank site is delivered in a way that does not compromise the future expansion of the East Hills passenger line; and
- i. ensure planning for Moorebank includes design buffers to reinforce the site’s separation from residential development and provide public recreation facilities along both sides of the Georges River.

The PP is generally consistent with the above recommendations by facilitating intermodal terminal facilities at the site, undertaken by the Commonwealth Government as part of its overall commitment to investigate the feasibility of the rail system to improve the transport system of NSW. The degree to which the PP contributes to these recommendations will be detailed in the EIS and technical studies, but it is noted that the Australian Government is committed to investing in Australia’s infrastructure including port facilities and freight networks to meet Australia’s freight container requirements.

5. *Is the planning proposal consistent with the local Council’s Community Strategic Plan, or other local strategic plan?*

Growing Liverpool 2021: Community Strategic Plan

The Liverpool LEP amendment is generally consistent with Liverpool's *Community Strategic Plan: Growing Liverpool 2021* and contributes to the following key principals articulated in the document:

Principal 5: recognise the value of our natural ecosystems to our well being and protect and restore them and Principal 7: reduce the ecological footprint of our community

The applicant recognises the value of protecting natural ecosystems for the well-being of the community and provides for development that will reduce the ecological footprint of the community through reducing fuel consumption and road-based vehicular emissions. This would be achieved by providing for land to be zoned E3 Environmental Management along the bank of the Georges River, and promoting the reduction of road based freight movements through Sydney and along the North-South corridor between Brisbane and Melbourne by facilitating a rail link to the SSFL.

By shifting freight movements from road to rail, the IMT proposal aims to reduce the overall impacts from freight traffic on Sydney's road network between Port Botany and south-western Sydney. The proposal intends to promote an efficient and highly connected transport system that satisfies the increasing demand for rail-based solutions to Sydney's freight infrastructure needs.

Principle 6: Achieve long term economic and social security

By providing a dedicated industrial zone within the IMT site, the LEP amendment provides for increased employment opportunities in the Liverpool LGA and aims to create long-term economic and social security, consistent with principal 6.

The PP would also facilitate warehousing and commercial development on the subject land, as well as support functions for the terminal, including administrative and rail/container maintenance/repair. These uses are compatible and associated with the IMT and would assist in providing a commercially viable environment for operators of the facilities.

6. *Is the planning proposal consistent with applicable state environmental planning policies?*

The key State Environmental Planning Policies (SEPPs) that are relevant to this PP include the following:

State Environmental Planning Policy No. 19 – Bushland in Urban Areas

The project involves the removal of bushland in a section of land zoned RE1 Public Recreation in order to allow for the proposed rail link connection to the SSFL. Vegetation clearance would be limited to land required for construction of the rail link and associated maintenance access corridor. Vegetation would be reinstated where possible across the Project Site following construction. In addition, off-site biodiversity offsets would be provided in accordance with NSW and Commonwealth requirements.

In summary, the PP is considered consistent with SEPP 19.

State Environmental Planning Policy No. 44 – Koala Habitation Protection

If present of the Project Site of the Moorebank IMT, koala populations would likely be limited to the banks of the Georges River, given disturbance and habitat fragmentation elsewhere on the site. This land is generally included within the lands to be included in the proposed E3 Environmental Management zone. A comprehensive assessment of potential impacts on koala habitat and proposed mitigation strategies will be provided in the EIS.

State Environmental Planning Policy No. 55 – Contaminated Land

The PP includes the rezoning of land that is contaminated. A Phase 1 Environmental Site Assessment was completed in November 2010 and results indicated that remediation would be required prior to use of the site for commercial and/or industrial purposes. All remediation work carried out as part of the Project would be carried out in accordance with the requirements of SEPP 55, including compliance with the contaminated land planning guidelines, and guidelines in force under the *Contaminated Land Management Act 1997*, the National Environmental Protection Measures and a plan of remediation prepared in accordance with the contaminated land planning guidelines (cl 17(1)). A notice of completion of remediation work would be issues to Council within 30 days of completion of the work (cl 17(2)-(3)).

State Environmental Planning Policy (Infrastructure) 2007

The MIT proposal is prohibited under the predominate zoning of the site in the Liverpool LEP 2008. However, Clause 81 of the Infrastructure SEPP partly overcomes the zoning prohibition by allowing the carrying out of rail infrastructure facilities by any person with consent on land in a prescribed zone. Whilst the intermodal facility is within a prescribed zone as defined in clause 78 of the Infrastructure SEPP, the proposed rail link is not within a prescribed zone and therefore not permissible under the policy.

In noting this inconsistency, the Applicant has sought a request to regularise the zoning of the entire site for the IMT development through this PP. The PP is intended to allow for the types of development proposed, including development of a freight transport facility and ancillary development, and provide certainty to the Government and community that the site could be developed for the proposed purposes.

State Environmental Planning Policy (State and Regional Development) 2011

The proposed Moorebank IMT has a capital investment value of \$570 million and is development described in Schedule 1, Clause 19(1)(b) of the State and Regional Development SEPP, which describes '*Development that has a capital investment value of more than \$30 million for any of the following purposes ... railway freight terminal, sidings and intermodal facilities*'.

The proposal will be consistent with SEPP (SRD) and be further assessed in the EIS.

Greater Metropolitan Regional Environmental Plan No. 2 – Georges River Catchment

The PP is considered consistent with the Georges River Catchment REP. The land zoned E3 in the west of the Project Site will be retained as a green belt along the

Georges River, providing possible future public access to this part of the Site and to act as a buffer to the adjoining Moorebank IMT.

The impacts of stormwater runoff and sewer overflows caused by the proposed development will be appropriately managed through the EIS process. A comprehensive assessment of the hydrological and water quality impacts of the Project will be provided in the EIS and the findings of the assessment incorporated in the assessment in Appendix C of the EIS. All of the REP principles have been considered and addressed as part of the EIS.

7. *Is the planning proposal consistent with applicable Ministerial Directions (s.117 directions)?*

Section 117 of the Act requires PPs to be consistent with the terms of the Minister's direction issued under section 117(2). The following Directions are considered to be relevant to this PP and the Department's consideration are detailed in Table 1 below:

Table 1: Ministerial Directions

| Directions | | Objective | Consistency of this planning proposal with applicable Ministerial Directions |
|--|--|--|--|
| Employment and Resources | 1.1 Business and Industrial Zones | To: a) encourage employment growth in suitable locations; b) protect employment land in businesses and industrial zones; and c) support the viability of identified strategic centres | The PP facilitates to increase the area of industrial zoned land on the subject site. The rezoning of the site would enable the development of intermodal terminal facilities which would generate approximately 1,650 and 975 jobs during the construction of the IMEX terminal and interstate terminal, respectively, and 1,700 jobs during the operation of both terminals and warehousing. The PP will also retain the area and location of existing industrial zone adjoining the site. The PP is considered consistent with this direction as it encourages employment growth in a suitable location adjacent to industrial and commercial uses and transport links. |
| Environment and Heritage | 2.1 Environment Protection Zones | To: a) protect and conserve environmental sensitive areas | The PP proposes to rezone part of the site from SP2(Defence) to E3 Environmental Management and provides for the protection and conservation of environmentally sensitive areas adjacent to the Georges River. |
| | 2.3 Heritage Conservation | To conserve items, areas, objects, and places of environmental heritage significance and indigenous heritage significance. | European and Aboriginal Heritage Assessments have been prepared for the Project, and will be included in the EIS. Several items of heritage conservation interest have been identified and appropriate measures have been drafted to address them. It is considered the PP is consistent with Direction 2.3. |
| Housing, Infrastructure and Urban Development | 3.4 Integrating Land Use and Transport | To ensure urban structures, building forms, land use locations, development designs, subdivision and street layouts achieve: a) improving access to housing, jobs and services by walking, cycling and public transport; b) increasing the choice of available transport and | The Moorebank IMT was identified by the NSW State Government as a critical component in meeting Sydney's freight rail targets in the <i>Railing Port Botany Containers: Proposals to Ease Pressure on Sydney's Roads</i> . The site is strategically located and in close proximity to major transport, including the SSFL, M5 and M7 motorways and serves as a key component in meeting Sydney's intermodal capacity needs. |

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| | | <p>reducing dependence on cars;</p> <p>c) reducing travel demand including the number of trips generated by development and the distances travelled, especially by car;</p> <p>d) supporting the efficient and viable operation of public transport services; and</p> <p>e) providing for the efficient movement of freight.</p> | |
| Hazard and Risk | 4.1 Acid Sulfate Soils | <p>To:</p> <p>a) avoid significant adverse environmental impacts from the use of land that has a probability of containing acid sulphate soils.</p> | <p>The site is identified as Class 5 on the Liverpool LEP Acid Sulfate Soils Map.</p> <p>The PP is inconsistent with this direction, because it proposes an intensification of land uses on the Site. A PP may only be inconsistent with Direction 4.1 in the event that the Director-General or his delegate is satisfied that the proposal is 'justified by a study prepared in support of the PP which gives consideration to the objective of this direction'.</p> <p>The EIS will identify the need for further testing of soils to confirm the presence of acid sulphate soils (ASSs). If ASSs are detected, an ASS Management Plan would be developed and any offsite disposal would be in accordance with the NSW DECC (2008) <i>Waste Classification Guidelines Part 4: Acid Sulphate Soils</i>.</p> <p>The EIS accompanying the IMT SSD application will include a remediation action plan.</p> |
| | 4.3 Flood Prone Land | <p>To:</p> <p>a) prevent damage to life, property and the environment on land identified as unstable or potentially subject to mine subsidence.</p> | <p>The site is identified as flood prone land. The proposal provides for establishment of an E3 Environmental Management land use zone that would correspond with land identified as within the 100 year average recurrence interval (ARI) flood area. A series of detailed hydrological investigations were undertaken as part of the Reference Design for the Project, including a detailed flood impact assessment and a Storm Water Management Plan. As a result of these investigations, a number of potential surface water impacts were</p> |

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| | | | <p>able to be identified and mitigated through the design. In particular, the extent of the 100 year average recurrence interval (ARI) flood line on the east bank of the Georges River was delineated, and provided a significant constrain on development of the Project. As a result, an undeveloped conservation zone (comprising land proposed to be zoned E3 Environmental Management zone) is proposed between the Georges River and the Project footprint.</p> <p>The proposed Project Site drainage system has been designed to contain stormwater run-off for all events up to and including the 100 year ARI design event in an underground piped network. Run-off from larger events would surcharge the network and travel overland via the road network, dedicated open channels or via graded channels across the Project Site. The proposed system has been designed to minimise disturbance to Project Site operations as a result of a rainfall event or from a flood event within the Georges River. All outlets from the Project's stormwater system would be set above the 100 year ARI design flood level in the Georges River.</p> <p>It is considered the PP is consistent with Direction 4.3.</p> |
| | <p>4.4 Planning for Bushfire Protection</p> | <p>To:</p> <ul style="list-style-type: none"> a) protect life, property and the environment from bush fire hazards, by discouraging the establishment of incompatible land uses in bush fire prone areas; and b) encourage sound management of bush fire prone areas. | <p>The site is identified as being bushfire prone land on Council's map. Development of an asset protection zone would be established in the detailed design of the project. The EIS accompanying the IMT SSD application would include a hazard and risk assessment and would assess the potential impacts from bushfire events at the site.</p> <p>The NSW Rural Fire Service (RFS) reviewed the assessment of bushfire risks undertaken for the EIS, and confirmed that the assessment was thorough in its view. The RFS also advised that the aims and objectives of the 'Planning for Bush Fire Protection' 2006 apply to buildings constructed in association with the Project.</p> <p>A more detailed bushfire assessment would be undertaken as part of the detailed design process, in consultation with the NSW Rural Fire Service to minimise any remaining risk.</p> <p>It is considered the PP is consistent with Direction 4.4.</p> |
| <p>Local Plan Making</p> | <p>6.1 Approval and Referral</p> | <p>To:</p> | <p>The PP does not seek to introduce further approval and referral</p> |

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| | Requirements | a) ensure that LEP provisions encourage the efficient and appropriate assessment of development. | requirement into an Local Environmental Plan. Therefore, the PP is not inconsistent with the Direction. |
| | 6.3 Site Specific Provisions | To: a) discourage unnecessarily restrictive site specific planning controls. | The PP has been prepared to enable the development of an IMT at the site and does not seek to introduce further controls. |
| Metropolitan Planning | 7.1 Implementation of the <i>Metropolitan Plan for Sydney 2036</i> | To: a) give legal effect to the vision, transport and land use strategy, policies, outcomes and actions contained in the <i>Metropolitan Plan for Sydney 2036</i> | As discussed under section B, this planning proposal is consistent with the <i>Metropolitan Plan for Sydney 2036</i> , which has identified intermodal terminals as an essential component of an efficient freight and logistics sector. |

Section C – Environmental, social and economic impact

1. *Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?*

The IMT proposal has been declared a controlled action under the *Environment Protection and Biodiversity Conservation Act 1999* due to potential significant impacts on Commonwealth land and listed threatened species and communities.

A comprehensive biodiversity assessment has been prepared as part of the EIS that provides an assessment of likely impacts on the natural environment and include mitigation measures to minimise the impacts of the Moorebank IMT. The Moorebank IMT Project would include the provision of offsets, which would comprise the land proposed for rezoning to E3, and as yet other unidentified land which would meet both state and Commonwealth biodiversity offsetting requirements.

2. *Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?*

The EIS for the IMT proposal will provide a detailed assessment of the potential key environmental impacts, include the following:

- traffic, transport and access;
- noise and vibration;
- biodiversity;
- hazards and risks;
- soils and contamination;
- hydrology;
- air quality;
- heritage;
- visual and urban design; and
- property and infrastructure.

Furthermore, the EIS will also include an environmental risk analysis which identifies the potential environmental impacts associated with the development during construction and operation, and the identification of measures proposed to manage, mitigate and monitor key environmental impacts.

As the EIS will be assessed in conjunction with the PP, the Department is satisfied that the above question will be adequately addressed in the EIS.

3. *How has the planning proposal adequately addressed any social and economic effects?*

In addition to the studies listed above, the EIS will include a discussion of the social and economic impacts the Moorebank IMT Project may have at the local, regional and national levels. The social and economic environment was assessed by conducting a social impact assessment and economic impact assessment.

During construction of the project it is expected that the typical daily workforce for Project Stage 1 would be 530 full-time staff, with a daily workforce of 160 during

Project Stage 1B (IMEX terminal and warehousing) construction activities, and 275 persons during Project Stage 2 (Interstate terminal). The Project is expected to generate a peak daily construction workforce of approximately 915 during Project Stage 1A, 455 during Project Stage 1B and 475 in Project Stage 2. 1700 jobs will be realised with the operation of both terminals together with warehousing.

Some local social and recreational infrastructure may be impacted by the Project. This would be limited to the Royal Australian Engineers (RAE) Golf Club located at the southern end of the Project Site and the NSW Barefoot Water Ski Club, which operates on the Georges River with a ramp from Helles Park just north of the N5 Motorway overbridge.

Some impacts to social and community infrastructure, including housing and accommodation; increased demand on medical, health services and/or infrastructure; demand on education services are likely to occur throughout the construction and operational stages of the Project. Social amenity impacts on local traffic, air quality, noise and vibration and visual amenity as well as mitigation and management strategies will also be considered in the EIS.

Construction and operation of the Moorebank IMT would bring about some economic benefits to the regional and national economy. The Detailed Business Case (DBC 2012) prepared for the Moorebank IMT Project identified the positive economic impacts of the Project on the regional and national economy. The DBC does not identify any major negative impacts on the regional and national economy as a result of the construction and/or operation of the Project. However, the DBC does identify a number of adverse economic consequences of not proceeding with the Moorebank IMT Project.

Some local businesses may be impacted by the construction and/or operation of the Project. Consultation has occurred with local businesses and meetings have been held with the Sydney Business Chamber and NSW Business Chamber with a view to consult with local businesses in the area as the assessment of the Project progresses.

Section D – State and Commonwealth interests

1. Is there adequate public infrastructure for the planning proposal?

The site is located in close proximity to the SSFL and East Hills Rail Line, and access to the M5, M7 and Hume Highway. The Moorebank IMT would require the construction of a rail link across the Georges River and upgrades to the road and/or rail network, drainage works and connections to utilities. These upgrades would be identified and assessed in the EIS.

As part of the EIS, a Transport and Accessibility Impact Assessment will be included; this will provide an assessment on the capacity of existing and proposed road and rail routes to handle predicted increases in traffic. The assessment would also identify the required road and rail infrastructure upgrades within proximity of the site, including the M5 and M7 Motorways and Cambridge Avenue, taking into account the

2. What are the views of State and Commonwealth Public Authorities consulted in accordance with the gateway determination, and have they resulted in any variations to the planning proposal?

The Department will be seeking the views of public authorities under section 57 of the Act, which will run concurrently with the exhibition of the IMT SSD application. The DGRs for the SSD application also requires the Applicant to consult with the following agencies and stakeholders during the preparation of the EIS:

- Commonwealth Department of Sustainability, Environment, Water, Population and Communities;
- Environment Protection Authority;
- Office of Environment and Heritage;
- Transport for NSW
- Department of Primary Industries (Fisheries & Office of Water);
- NSW Rural Fire Services;
- NSW Health;
- Sydney Ports Corporation;
- Liverpool City Council;
- Campbelltown City Council;
- Roads and Maritime Services;
- Australian Rail Track Corporation;
- RailCorp;
- Sydney Water Corporation;
- Integral Energy;
- Jemena;
- Telstra;
- AGL Upstream Investments Pty Ltd;
- Specialist interest groups; and
- the public, including community groups and adjoining and affected landowners.

At the request of the Department, Liverpool City Council provided preliminary response on the planning proposal. Key issues raised by Council were:

- Council opposes the Department of Defence and Deregulation's and Sydney Intermodal Terminal Alliance's proposals for freight intermodal facilities at Moorebank;
- Council objects to the proposal to amend Schedule 1 of the Liverpool LEP 2008 affecting land zoned RE 1 Public Recreation and W1 Natural Waterways on the basis of Council's resolutions, and that rail infrastructure supporting an intermodal and warehousing is not consistent with the objective of either zone; and
- Council also objects to the proposal to rezone land owned by the Commonwealth to IN1 General Industrial and E3 Environmental Management until Council has been given the opportunity to review the Environmental Assessment and supporting studies of the SSD application.

PART 4 – COMMUNITY CONSULTATION

The applicant is committed to continuing the process of consultation with a range of stakeholders following the Gateway determination. The PP would be subject to further community consultation conducted in accordance with a Community Liaison Plan/Construction Communications Plan, involving members of the community and key stakeholders, such that:

- stakeholders have a high level of awareness of the processes and activities associated with the project;
- information is made readily available;
- timely response is given to issues and concerns raised;
- a dedicated 1300 hotline and email address would be provided to allow public enquiries about the PP and the Moorebank IMT project.

The Department recommends that community consultation for the PP occurs concurrently with the public exhibition for the Moorebank SSD application and EIS, and in accordance with the consultation requirements set out in '*A Guide to Preparing Local Environmental Plans.*' The statutory exhibition period for the SSD application is 30 days, but the Department recommends 60 days in recognition of the complexities of the project and the level of community concern. The Applicant has agreed to this timeframe.

PART 5 – TIMELINE

- MPO/PB lodge planning proposal (PP) supporting documentation and request DP&I (as Relevant Planning Authority) to commence PP preparation. **Complete**
- DP&I (Infrastructure Projects assessments branch) prepares PP (based on information submitted) including consultation with Liverpool Council. **Complete**
- DP&I (Infrastructure Projects assessments branch) then submits PP to Regional Team (RT) for Gateway assessment. **Complete**
- RT assesses the proposal (in conjunction with advice from the LEP panel) and makes recommendations to Minister for Planning. **Complete**
- Gateway determination by the Minister. **Complete**
- Depending on Gateway determination, further work, amendments, studies, consultation may be required.
- Lodge final (amended) PP to DP&I who then prepares the PP for exhibition. **Complete**
- Exhibition of PP. **Concurrent with exhibition of SSD proposal.**
- **Exhibition commencing June 2013 for 60 days**
- Applicant/Dept varies proposal if required. **Anticipated to occur September 2013**
- DP&I (RT) finalises PP and the legal team and the Parliamentary Counsel prepares the draft LEP. **Anticipated late 2013**

5. FEES

Under Section 256O of the *Environmental Planning and Assessment Regulation 2000*, the fee payable for considering a proposed environmental planning instrument in conjunction with an application under section 89E (5) of the Act is \$22,650 plus an additional fee of \$1,130 for each hectare (or part of a hectare) of the area of the proposed development site.

Based on the above, the fees payable is \$271, 250.

6. CONCLUSION

The PP involves the rezoning of SP 2 Infrastructure (Defence) land and the amendment of associated planning controls to facilitate intermodal terminal facilities at Moorebank. The Department recognises the justification for the PP with respect to providing additional terminal infrastructure in Sydney in meeting expected growth and demand in freight volumes.

The Infrastructure Projects branch has prepared this report in accordance with 'A Guide to Preparing Local Environmental Plan', addressing all matters to be addressed in a PP, and to address the conditions of the Minister for Planning and Infrastructure Gateway Determination.

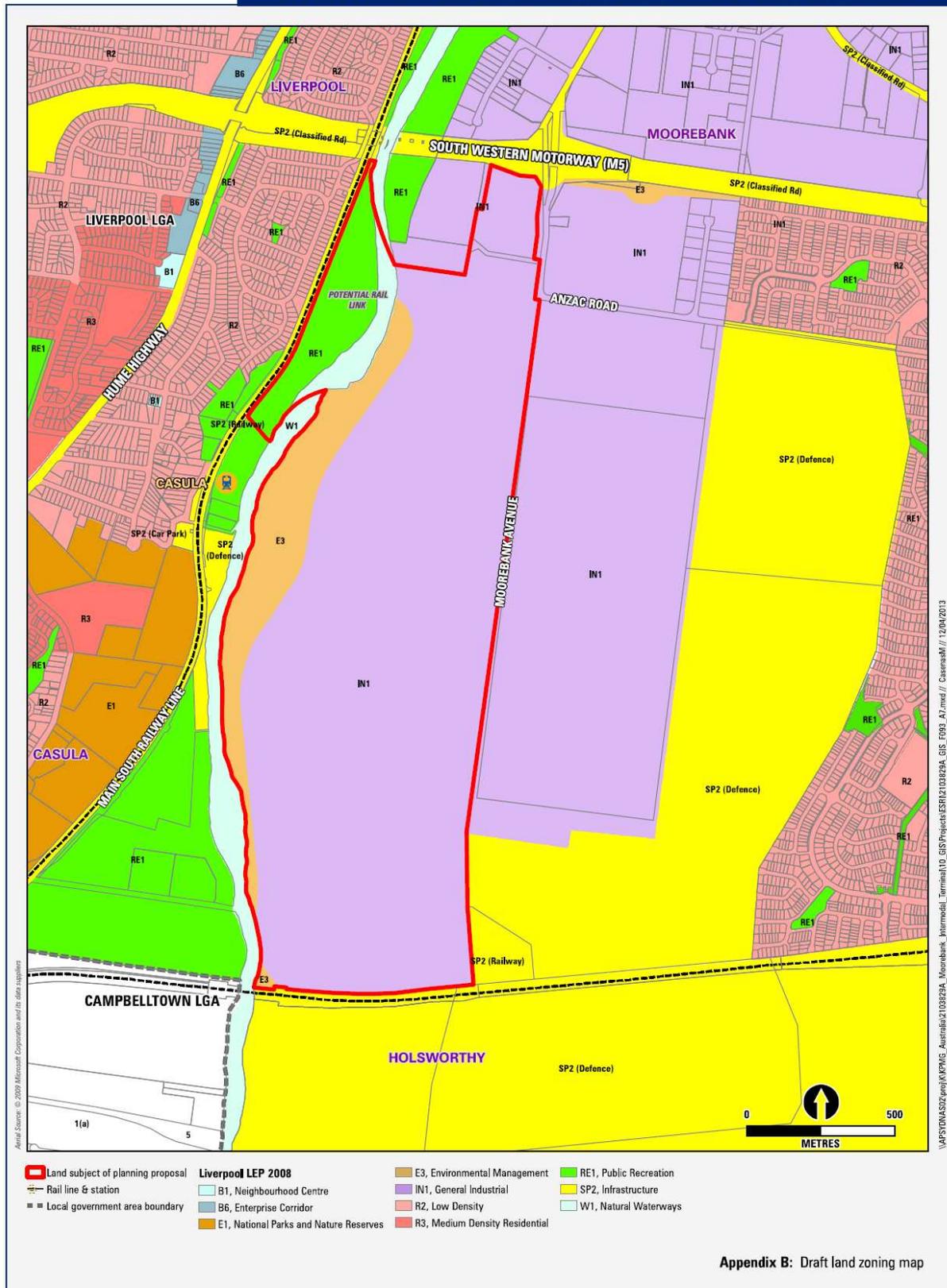
7. RECOMMENDATION

That the Department (Sydney Region West):

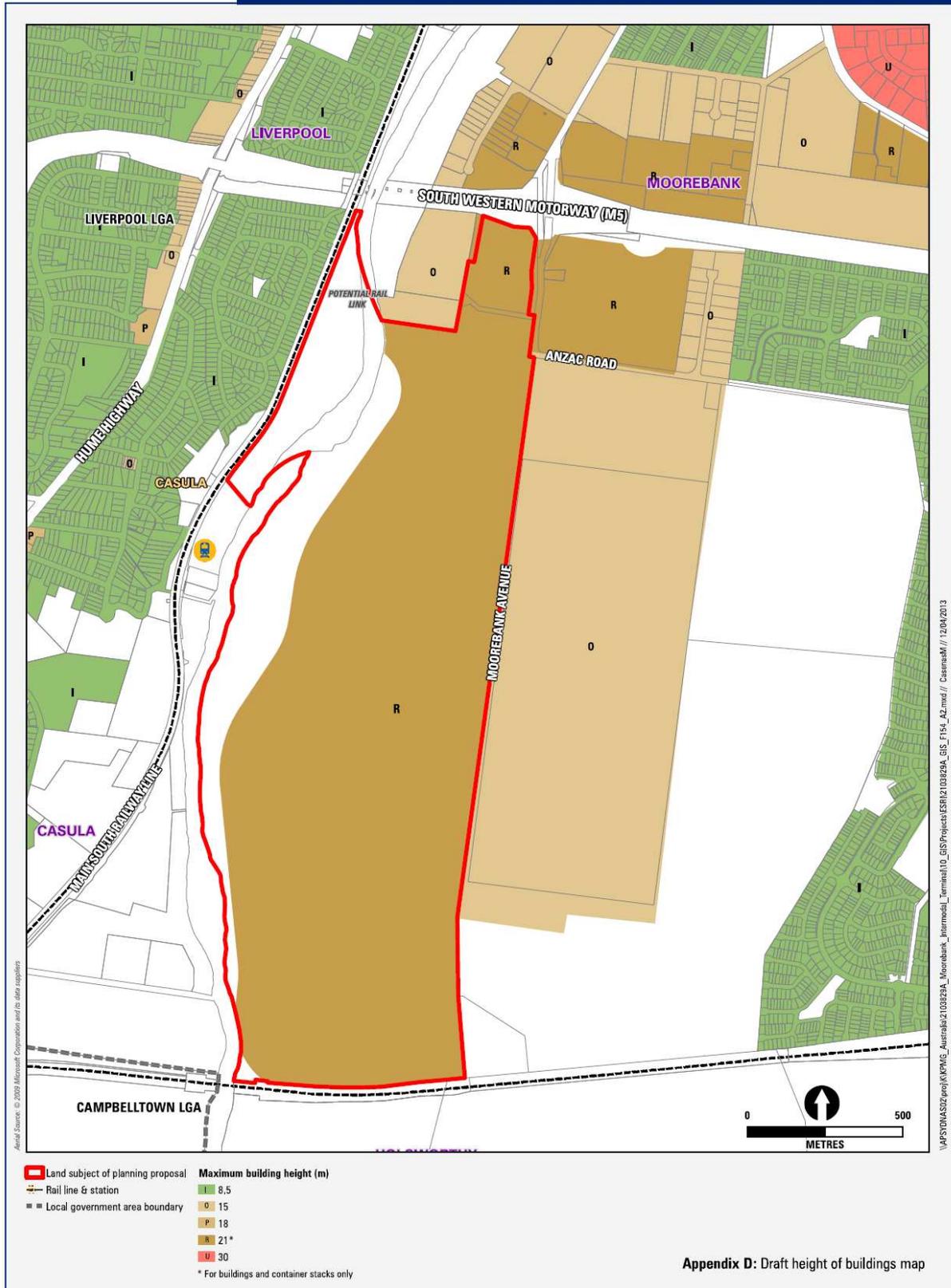
- a. **agree** that the changes to the planning proposal are minor and do not need to be heard at the LEP Review Panel;
- b. **adopt** the revised planning proposal for the project, as shown in Figure 5, in accordance with section 56 of the Act; and
- c. **forward** the revised planning proposal to the Minister for Planning and Infrastructure, requesting a revised Gateway Determination in accordance with Section 56 of the Act.

APPENDIX 1 PROPOSED AMENDMENT TO LIVERPOOL LEP 2008 MAPS

PLANNING PROPOSAL PROPOSED AMENDMENT TO LIVERPOOL LOCAL ENVIRONMENTAL PLAN 2008



**PLANNING PROPOSAL
PROPOSED AMENDMENT TO LIVERPOOL LOCAL ENVIRONMENTAL PLAN 2008**



**PLANNING PROPOSAL
PROPOSED AMENDMENT TO LIVERPOOL LOCAL ENVIRONMENTAL PLAN 2008**

