



Thursday 30 May 2024

Carmel Donnelly PSM
Chair
Independent Pricing and Regulatory Tribunal
Email: ipart@ipart.nsw.gov.au

Cost of stormwater drainage in the Mamre Road Precinct

Dear Ms Donnelly,

The Property Council of Australia and Urban Development Institute of Australia (NSW) welcome the opportunity to provide a joint submission on behalf of our members to IPART's Issues Paper on the Cost of stormwater drainage in the Mamre Road Precinct.

Our organisations have a longstanding commitment to advocacy for the land use planning controls, investment in roads and enabling utilities required to address Sydney's chronic shortage of industrial land. With less than one year's supply of zoned and serviced industrial land available, we are in the midst of an industrial land supply crisis – and this crisis is placing pressure on the efficient operation of our supply chain network.

The Mamre Road Landowners Group (MLOG) submission details how Sydney Water's current proposal incurs significant costs which cannot be feasibly borne by industry. Should the present proposal be adopted, further development within the precinct is likely to stall, and this will deprive Sydney Water of the funds required to deliver the scheme. Both the Property Council and UDIA NSW have worked with the MLOG since Sydney Water was appointed as the responsible stormwater authority in 2022 and we support the concerns expressed by landowners regarding the cost of the scheme.

We are pleased that the NSW Government has already started to hear the concerns of our members regarding development feasibility, and this is reflected in their decision to set a maximum bonding amount of \$800,000 per hectare prior to a final charge being determined. Modelling commissioned by MLOG confirms this figure, when considered cumulatively with other local and state contributions, is still beyond the point of making development within the precinct economically feasible.

Since December last year, the Property Council and UDIA NSW have sought to establish a Technical Working Group (TWG) to bring the industry together with the multitude of government stakeholders involved in preparing the scheme and setting its underlying specifications: the Department of Planning, Housing and Industry; the Department of Environment, Climate Change and Water; and Sydney Water. The intention of the Technical Working Group would be to workshop potential alternate models that lowers costs while also deliver a high standard of water quality into South Creek.

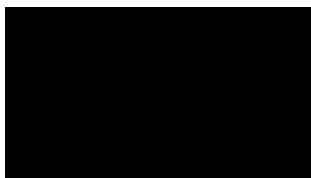
In previous discussions with government, the Mamre Road Landowners Group has identified a multitude of pathways to achieve a more efficient, lower cost outcome for stormwater management within the precinct. These options were intended to be scoped for further technical examination by the Technical Working Group, but this has not been able to occur. If a TWG were to operate and provide advice to industry, landowners were prepared to commission independent external consultants to prepare the detailed designs and reports required for these options to be properly considered.

In the absence of a functional Technical Working Group to assess alternatives, the Property Council and UDIA encourage the Tribunal to consider making the following recommendations to the NSW Government:

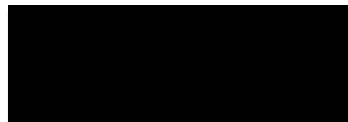
1. That the NSW Government not proceed with the scheme in its present form and that a comprehensive review and peer review of the current Mamre Road Precinct and Aerotropolis waterway targets is undertaken.
2. That a new cap on stormwater charges be set at \$500,000/ha of net developable area - the level identified by industrial landholders as being economically feasible for development to proceed.
3. That any costs incurred beyond the capped charges be funded from Sydney Water's dividend to the NSW Government, through consolidated revenue, or contributed by owners as part of quarterly or yearly rates notices for the scheme.
4. That a Technical Working Group between the consisting of the Property Council of Australia; Urban Development of Australia (NSW); Mamre Road Landowners Group Department of Planning Housing and Infrastructure; Department of Environment, Climate Change and Water and Sydney Water be established to properly examine lower cost interim solutions and the pathway to achieving long-term waterway health targets.

Our organisations remain committed to working with government stakeholders to deliver solutions for Mamre Road that are efficient and deliver quality environmental outcomes. For further information please contact the Property Council of Australia's Western Sydney Regional Director Ross Grove on [REDACTED]

Yours sincerely,



Katie Stevenson
NSW Executive Director
Property Council of Australia



Stuart Ayres
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