Appendix A Call-In Request



REQUEST FOR STATE SIGNIFICANT DEVELOPMENT DECLARATION

QANTAS FLIGHT TRAINING CENTRE

Prepared for **QANTAS AIRWAYS LIMITED** December 2018



URBIS

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GLOSSARY AND ABBREVIATIONS

GLOSSARY

Term

Definition

The Site

Qantas Airways Limited owned land in Mascot to the north of Sydney Kingsford Smith Airport consisting of Lots 2 and 4 of DP234489. Current site improvements include at-grade car parking, a shed used to store spare aviation parts and a disused gatehouse.

The Project

The construction of a new Flight Training Centre to replace the existing facility on the Qantas Jetbase that will be impacted by RMS' Sydney Gateway Project.

Mascot Campus Over 19ha of Qantas Airways Limited controlled land in Mascot to the north of Sydney Kingsford Smith Airport consisting of freehold and leased land.

The following lots are owned by Qantas: Lot 133 of DP 659434; Lots 4 & 5 of DP 38594 Lot 23 of DP 883548; Lots 1 & 2 of DP 738342; Lot 3 of DP 230355; Lot 4 of DP 537339; Lots 2 & 4 of DP 234489; Lot 4 of 234489; Lot 1 of DP 81210; Lot 1 of DP 202093; Lot 1 of DP 721562; Lot 2 of DP 510447; Lot 1 of DP 445957; Lot B of DP 164829 and Lot 1 of DP 202747 and equates to 16.5ha of land.

The following lots are leased by Qantas: Lot 14 of DP 1199594 and Lot 2 of DP 792885 and equates to 2.7ha of land.

Jetbase

Qantas leased land within the boundaries of Sydney Kingsford Smith Airport.

Sydney Gateway Project A RMS Project including a road and rail component that is intended to increase capacity and improve connections to the ports to assist with growth in passenger, freight and commuter movements across the region, by expanding and improving the existing road and freight rail networks. Discussed further in **Section 3.3**.

The Qantas Group Qantas International – A premium full service international airline providing transportation between Australia and New Zealand, Asia, North and South America, Africa, and Europe under the Qantas brand. In FY18, over eight million passengers were carried on over 680 flights per week.

Qantas Domestic – Australia's largest premium full service airline, carrying over 22 million passengers in FY18 on approximately 4,300 flights per week in Australia.

In addition to the core business of transporting passengers and air freight, Qantas operates a number of subsidiaries, including:

- QantasLink operates over 2000 flights each week to a network of 56 metropolitan and regional destinations across Australia.
- Jetstar offers more than 4,000 flights a week to more than 75 destinations in 17 countries and territories across the Asia Pacific region with a fleet of more than 120 aircraft. The Jetstar Group provides employment to around 7,000 staff across the Asia Pacific.
- Qantas Loyalty innovative data led business that drives customer and partner loyalty through Qantas Frequent Flyer and Qantas Business Rewards programs.

Term Definition

- Qantas Freight Australia's largest independent air freight services business, shipping more than 4000 air freight items to over 500 destinations globally every day.
- Jetconnect wholly owned subsidiary of the Qantas Group, based in New Zealand, which operates services across the Tasman.
- Express Ground Handling provides comprehensive ground handling services to Jetstar and several regional airlines.
- Qantas Holidays part of the Jetset Travelworld Group wholesale suite, is one of Australia's leading travel wholesalers

ABBREVIATIONS

Definition
Australian Rail Track Corporation
Botany Bay Local Environmental Plan 2013
Civil Aviation Safety Authority
Environmental Planning and Assessment Act 1979
Environmental Planning and Assessment Regulation 2000
Full-time Equivalent
Sydney Gateway Project
Hectares
State Environmental Planning Policy (Infrastructure) 2007
Local Environmental Plan
Local Government Area
New South Wales
Qantas Airways Limited
NSW Roads and Maritime Services
Sydney Airport Corporation Limited
State Environmental Planning Policy
State Environmental Planning Policy No. 55 - Remediation of Land
State Environment Planning Policy (State and Regional Development) 2011
Full Motion Flight Simulators

Acronym	Definition
sqm	Square Metres
SSD	State Significant Development
the Airport	Sydney Kingsford Smith Airport
the Department	Department of Planning and Environment
the District Plan	Eastern City District Plan (2018)
the Minister	the Minister for Planning
the Region Plan	A Metropolis of Three Cities – the Greater Sydney Region Plan (2018)
the Strategy	The Future Transport Strategy 2056 (2018)

EXECUTIVE SUMMARY

As a result of Roads and Maritime Services' (RMS) Sydney Gateway Project (Gateway), Qantas Airways Limited (Qantas) need to relocate their existing flight training centre from its current location within Sydney Kingsford Smith Airport (the Airport) to a new location within their landholdings in Mascot. This requirement has arisen due to Gateway's proposal to acquire part of the existing flight training centre and demolish it in order to widen Qantas Drive. An operational flight training centre is critical to Qantas' business and operational continuity.

Absent for Gateway, Qantas would not be moving from their existing flight training centre due to the latent economic value, ongoing functionality and strategic location of the existing centre.

'The Project' seeks consent for the construction and operation of a new flight training centre to service Qantas' fleet. It will include space to house full motion flight simulators for pilot training, and emergency training for pilots and cabin crew. The existing Qantas flight training centre at Mascot is the largest flight training centre in the Southern Hemisphere. The Project seeks a modern like-for-like replacement of their existing facility.

Due to the complexity, urgency and critical importance of the Project, Qantas is seeking Ministerial assistance through a Ministerial Call In. This would enable the Project to be assessed at State level commensurate with its State (and wider) significance. Given the significance of the flight training centre to day to day operations, Qantas believes it is appropriate for the development application to be managed and coordinated by the Department. This would ensure the requirements of the various stakeholders are appropriately coordinated and would maximise the opportunity for alignment in timeframes between The Gateway road project and the relocation and establishment of the new flight training centre such there is no "down-time" for Qantas operations.

The purpose of this report is to request that the Minister for Planning declare the Project as State Significant Development (SSD) in accordance with Section 4.36(3) of the Environmental Planning and Assessment Act 1979 (EP&A Act).

STATE SIGNIFICANT DISCUSSION

In accordance with the DPE 'Guideline on 'call-in' of state significant development under the Environmental Planning and Assessment Act 1979', the Project has been assessed against the six general determining issues relating to the State and local significance of projects. A summary of this discussion is provided in Table 1 below.

Table 1 - Summary of Project Against the General Determining Issues

General Determining Issue

Whether the proposal is of regional or State importance because it is in an identified strategic location, or is critical in advancing the nominated strategic direction or achieving a nominated strategic outcome, contained in a relevant State policy, plan or strategy, or regional or sub-regional strategy.

large-scale essential transport, utility infrastructure, or social services to the community.

Summary of Response

The Project is located within the Regionally significant trade gateway and at a key juncture of declared critical road infrastructure that is being constructed to support this trade gateway. Qantas' existing flight training centre must simply be relocated to enable the Gateway road project to proceed.

Conversely the Project is crucial in maintaining Qantas' operational effectiveness as a global airline, whose headquarters/home base are at Mascot. In the absence of a flight training centre, Qantas' ability to operate and thus in turn effectively support Sydney Airport will be undermined

Whether the proposal delivers major public benefits such as The Project has arisen in response to RMS' Gateway Project. It is acknowledged and accepted that as a growing city Sydney's road and rail infrastructure will invariably need to be upgraded or added to in order to safe-guard economic and population future growth. Absent for Gateway, Qantas would not be moving from their existing flight training

General Determining Issue

Summary of Response

centre due to the latent economic value, ongoing functionality and strategic location of the existing centre.

Qantas support RMS's investment in road and rail infrastructure but in doing so necessitates relocating their existing flight training centre from the Jetbase onto their own land adjacent to the Airport. This will enable Qantas Drive to be widened as part of Gateway.

In order to meet RMS' construction timetable for Gateway (vacating existing facility by 30 June 2021), Qantas needs to begin construction of their new flight training centre by no later than 01 September 2019.

Whether the proposal is likely to have significant environmental, social or economic impacts or benefits, be of a significant hazardous or environmentally-polluting nature, or is located in or in close proximity to areas or locations that have State or regional environmental, archaeological or cultural heritage significance.

The Project will have significant economic impacts should it not meet the strict construction deadlines identified by the RMS for Gateway. Should the Project not be called in as SSD, Qantas will be potentially unable to relocate in alignment with RMS' construction deadlines for the Sydney Gateway project.

The Project is not considered to be of a significantly hazardous or environmentally-polluting nature. The Project is not expected to generate any adverse environmental impacts. The Project is not proximate to any areas or locations of State or regional environmental, archaeological or cultural heritage significance.

Whether the proposal is of significant economic benefit to a region, the State or the national economy, such as those with high levels of financial investment and continuing or long-term employment generation.

The Proposal has significant economic benefit to the Sydney Region, and State and National economies as it central to Qantas' operational mandate. Sydney Kingsford Smith is Australia's biggest and busiest airport, and Qantas is the biggest airline. The potential grounding of Qantas and its subsidiary airlines' fleets would have a significant impact on National economy across a broad range of sectors including: tourism, business, professional services, finance and freight and logistics.

The Qantas Group's annual direct contribution to the NSW economy is \$2.8 billion, whiles its total annual contribution (direct and indirect) to the NSW economy is \$4.4 billion. Qantas Group's direct contributions to the NSW economy is in the form of spending and purchasing within NSW, a significant proportion of which are conducted due to Sydney being the operational hub of the airline. The Qantas Group's indirect contributions relating to the economic value facilitated by their services.

Whether the proposal is geographically broad in scale, including whether it crosses over multiple council and other jurisdiction boundaries, or impacts a wide area beyond one local government area.

It is considered that this is not a relevant determining issue.

Whether the proposal is complex, unique or multi-faceted and requires specialist expertise or State coordinated assessment, including where councils require or request State assistance.

The Qantas flight training centre is unique to the Qantas Group. The flight training centre is a specialised facility that plays a central role in supporting Qantas' business operations which are globally headquartered at Mascot.

General Determining Issue

Summary of Response

The Project has been born purely as a consequence of impacts associated with land acquisition to support the construction of a piece of declared critical road infrastructure being delivered by the State. Absent for Gateway, Qantas would not be moving from their existing flight training centre due to the latent economic value, ongoing functionality and strategic location of the existing centre. In this context it is essential that there is a State based level of co-ordinated assessment so that timeframes for the delivery of Gateway are central to the assessment timeframes of the flight training centre Project.

Based on the reasoning outlined above and in further detail throughout this report, Qantas considers the Project to be of State significance and accordingly requests a SSD Declaration for the Project in accordance with the provisions of Section 4.36(3) of the *Environmental Planning and Assessment Act 1979*.

1. INTRODUCTION

Qantas Airways Limited (Qantas) owns over 16.5 hectares of land to the north of Sydney Kingsford Smith Airport. This is in addition to significant leases within the Airport and Mascot more broadly that support their operations.

The Project seeks to construct a new flight training centre that will be the most advanced and largest training centre of its kind in the Southern Hemisphere. It will comprise purpose-built facilities where pilots and cabin crew will benefit from high level practical and theoretical training. The new flight training centre will contain 12 full motion flight simulators (simulators), aircraft cabin mock-ups, ditching pools and multimedia learning centres.

The need for this Project is a direct result of the Sydney Gateway Project (Gateway) proposed by Roads and Maritime Services (RMS). The existing flight training centre will be directly impacted by this piece of critical road infrastructure, requiring relocation and construction of a new flight training centre.

The stated objective of Gateway is to improve connections to the ports and increase capacity of the road and rail network through expanding and improving the existing road and freight rail networks. As part of Gateway, Qantas Drive will be widened approximately 16 metres which will require the partial demolition of Qantas' existing flight training centre. The vibrations associated with the construction and operation of Gateway will exceed the Civil Aviation Safety Authority's (CASA) regulatory requirements in relation to the operation of Qantas' simulators.

Were the existing flight training centre not being critically impacted by the approximately 16 metre expansion of Qantas Drive as part of Gateway, Qantas would not be moving from its existing facility. This is due to the latent economic value, ongoing functionality and strategic location of the existing flight training centre. If action is not taken immediately by the New South Wales Government, the consequential impacts on both Qantas' operations and the State will be far-reaching.

RMS requires the existing flight training centre to be vacated by 30 June 2021 to enable Gateway to meet its construction deadlines. Qantas expects that construction of a new flight training centre would take 16 months to construct and then a further 7 months for the installation, commissioning and calibration of the simulators. In order to meet RMS' timeframes and to avoid either delaying the construction of Gateway or potential grounding their fleet, Qantas needs to begin construction of its replacement flight training centre by no later than 01 September 2019.

The purpose of this report is to request that the Minister for Planning declare the Project as State Significant Development (SSD) in accordance with Section 4.36(3) of the Environmental Planning and Assessment Act 1979 (EP&A Act).

This report has been prepared by Urbis Pty Ltd (Urbis) on behalf of Qantas having regard to the Department of Planning and Environment's (the Department) 'Guideline on 'call-in' of state significant development under the Environmental Planning and Assessment Act 1979' (Guidelines). This report is also accompanied with the prescribed \$3,000 lodgement fee and a completed and signed Disclosure of Any Reportable Political Donations Form.

1.1. PROPONENT AND LANDOWNER

The proponent and landowner is Qantas Airways Limited. The relevant contact details for the Project are:

Charlie Westgarth

Qantas Airways Limited

B Wing, Level 1, 10 Bourke Road,

Mascot NSW 2020 Australia

ABN: 16 009 661 901

Telephone: +61 2 9691 3300

1.2. CAPITAL INVESTMENT VALUE

The indicative capital investment value (**CIV**) of the Project has been calculated at \$112,000,000.00 excluding GST. The CIV includes construction costs, relocation costs, consultant fees and authority fees. This cost includes the cost of relocating and installing the existing simulators. There are no new full motion flight simulators included. Prior to formal lodgement of a State Significant Development Application the CIV would be confirmed.

2. THE SITE

2.1. MASCOT CAMPUS

Qantas has significant property interests in Mascot and within Sydney Kingsford Smith Airport (**the Airport**) to support their operations. This includes:

- Freehold ownership of over 16.5 hectares of land to north of the Airport in Mascot (that represents the majority of what is referred to as their 'Mascot Campus'):
- Leases on significant portions of the Sydney Airport Corporation Limited (SACL) controlled Airport (including the existing Flight Training Centre); and
- Lease on 2.7 hectares relating to the location of their corporate headquarters at 10 Bourke Road (that represents the remainder of what is referred to as their 'Mascot Campus').

Qantas' freehold land consists of the following lots: Lot 133 of DP 659434; Lots 4 & 5 of DP 38594 Lot 23 of DP 883548; Lots 1 & 2 of DP 738342; Lot 3 of DP 230355; Lot 4 of DP 537339; Lots 2 & 4 of DP 234489; Lot 4 of 234489; Lot 1 of DP 81210; Lot 1 of DP 202093; Lot 1 of DP 721562; Lot 2 of DP 510447; Lot 1 of DP 445957; Lot B of DP 164829 and Lot 1 of DP 202747 (see **Figure 1**).

Qantas' Mascot leases consist of the following lots: Lot 14 of DP 1199594 and Lot 2 of DP 792885 (see **Figure 1**). All of Qantas' Mascot (non-airside) land is collectively referred to as the Mascot Campus.

A direct road connection between their Mascot Campus and the Airport exists via a road bridge that spans Qantas Drive and the Port Botany Freight Rail Line. The bridge departs from Qantas owned State land and lands on SACL leased Federal land. The Project does not seek to modify the road bridge in any way.



Figure 1 - Qantas' Mascot Campus and Location of Subject Site

2.2. SITE OVERVIEW

'The Site' for the purposes of the Project is located at 297 King Street, Mascot and is approximately 17,580sqm in area (see Figure 2). The Site is legally described as Lots 2 and 4 of DP234489. The site is located within the Bayside Council Local Government Area (LGA). The whole Site is zoned as IN1 General Industrial under the Botany Bay Local Environmental Plan 2013.

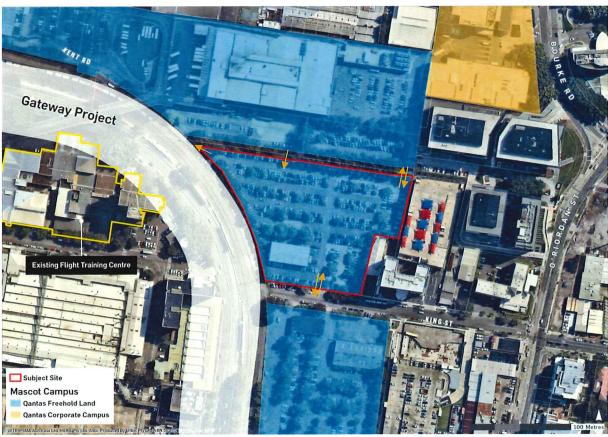
The Site is bounded to the north by a Sydney Water Asset beyond which is Qantas owned land, to the east by a hotel development, to the south by King Street, and to the west by the Port Botany Freight Rail Line and Qantas Drive beyond which lies the Airport.

Figure 2 shows the Site and its key components including existing site improvements, including at-grade parking, an industrial shed used to store spare aviation parts, a substation and a disused gatehouse. The Projects seeks consent for the demolition of all existing site improvements.

Vehicular access to the site from the local road network is available from King Street. The site has intracampus connections along the northern boundary in the form of three connecting driveways in the north-east corner, centre and north-west corner of the site along the northern boundary which link it to the broader Mascot Campus (see arrows on Figure 2 for location and direction of driveways).

The site is largely level and has a variety of native and exotic trees and vegetation around the perimeter of the site which help screen the site from surrounding uses. The site is currently planted with multiple mature Plane Trees scattered throughout the car park.

Figure 2 - The Site



Source: Urbis

2.3. LOCAL CONTEXT

The Site's local context is defined by industrial, commercial and airport related uses including (see Figure 3):

- North: beyond the Sydney Water Asset which borders the site to the north is Qantas owned land that
 includes the Qantas Catering Facility and Corporate Campus, further north there is a combination of
 commercial uses and the Mascot Town Centre.
- East: the Site is adjacent to a hotel development and other commercial uses beyond which is O'Riordan Street.
- South: the Site's single street frontage is to King Street beyond which is more Qantas owned land and further south the Port Botany Freight Rail Line and Qantas Drive beyond which lies Sydney Kingsford Smith Airport.
- West: the Site is adjacent to the Port Botany Freight Rail Line and Qantas Drive beyond which lies the Qantas Jetbase within Sydney Kingsford Smith Airport.

The nearest residential areas are over 200m to the south-east of the site. The closest dwellings are at the corner of King and O'Riordan Streets and are within a high-density mixed-use development with commercial uses along the ground plane. Industrial/commercial uses are located between this area and the Site.

The Site is located within a 1km radius of both the Mascot Train Station and the Domestic Terminal of the Airport.

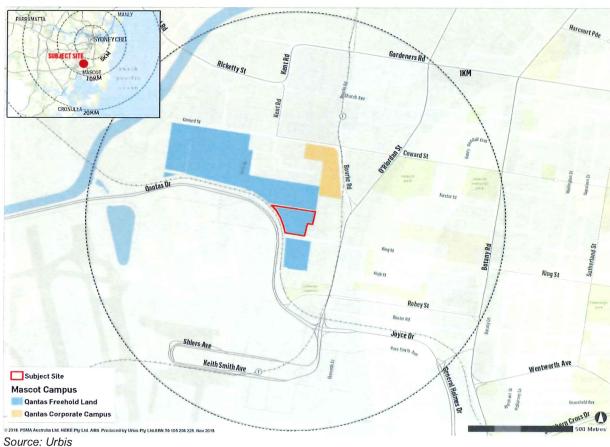


Figure 3 - Local Context of the Site

3. PROPOSED FLIGHT TRAINING CENTRE

3.1. OVERVIEW

Safety is Qantas' first priority; the flight training centre is a key pillar of this value. The facility enables pilots and flight crews to undertake periodic testing to meet regulatory requirements by simulating both aircraft and emergency procedural environments. The Project seeks consent for the construction and operation of new flight training centre, that will include:

- 2 x cabin evacuation emergency trainers Full-scale cabin mock-ups are used as practical training devices. Within these, emergency situations are accurately portrayed. These allow pilots and cabin crew to handle emergency situations in both wide and narrow-bodied aircraft.
- 1 x (12.5 x 19) evacuation training pool Indoor pool facilitates realistic training for ditching emergencies. Water evacuations incorporating various types of slide rafts and survival equipment are rehearsed, this will include 2 wet rafts.
- Door trainers Enables realistic training of use of emergency exits to evacuate air craft for pilots and cabin crew.
- Rafts (2 x static 2 x wet) Full-scale rafts are used as practical training devices. Within these, emergency situations are accurately portrayed.
- Fire trainers Enables practical tuition on fire fighting within the confined nature of an air craft.
- Slide descent tower Enables realistic training of deployment and use of slides to evacuate air craft for pilots and cabin crew.
- Security room Enable practical tuition on personal security training for staff to be able to restrain disruptive passengers.
- Aviation medicine training Enables practical training on emergency medicine and aviation specific procedures.
- Equipment room Storage of emergency equipment (oxygen tanks, defibrillators etc.) that supports the training and assessment of cabin crew and pilots on aviation medicine.
- 12 x simulator bays State of the art full motion flight simulators with visual fidelity, motion and sound. This allows crew to be trained in all aspects of normal and non-normal operations; including instrument approaches and landings in all weather conditions. The current flight training centre is the largest in the Southern Hemisphere there is scope in this project for further expansion in the future with 2 additional full motion flight simulators.
- 6 x integrated procedures trainers Enable pilot training on lower level devices, these are smaller simulators for learning flight management systems.
- Maintenance workshop and visual repair Workshop for the on-site maintenance and repair of simulator components.
- Spares store On-site storage of spare parts for simulators.
- 12 x computer rooms Storage of the computers & power cabinets that drive and relate to each of the simulators.
- 24 x briefing and de-briefing rooms Pre-flight and post-flight rooms required for pilot simulator training.
- Pilots Lounges Area for pilots to wait prior to simulator sessions.
- QF Frequent Flyer Lounge Area intended to be used for Qantas frequent flyers to 'buy' time on simulators (if available) with their frequent flyer points.
- 8 x training rooms Cabin crew training rooms for emergency procedures and other courses.

- 10 x classrooms Cabin crew, pilot & third-party classrooms for courses on emergency procedures and other relevant issues.
- 1 x CBT exam room Computer based training exam room for online training courses/components.
- 1 x auditorium For larger group discussions.
- Meeting rooms To support teaching services.
- Lunch/tea room To support both teaching and training services.
- Reception To control access and oversee centre.
- 2 x project rooms Serve as breakout rooms that are used to separate open plan offices for sensitive or important projects.
- Open plan office Full-time staff office space for approximately 140 staff.
- Toilets, plant, loading dock, vertical circulation to support centre generally.

The current breakdown of ancillary and supportive uses is likely to be refined during detailed design. however the fundamental components (simulators and training activities) and land use will remain unchanged, refer to Appendix A for initial Concept Plans.

3.2. SYDNEY GATEWAY

The Sydney Gateway Project (Gateway) proposed by RMS is intended to improve connections to the ports and increase capacity of the road and rail network through expanding and improving the existing road and freight rail networks. Absent for Gateway, Qantas would not be moving from their existing flight training centre. As part of Gateway, Qantas Drive will be widened approximately 16m (still to be finalised by RMS) which will require the partial demolition of the existing flight training centre.

RMS requires the existing flight training centre to be vacated by 30 June 2021 to enable Gateway to meet its construction deadlines. Qantas expects that construction of a new flight training centre would take approximately 16 months of construction and then a further approximately 7 months for the installation, commissioning and calibration of all the full motion flight simulators.

In order to meet RMS timeframes, Qantas needs to begin construction by no later than 01 September 2019.

3.3. PROJECT OBJECTIVES

The Project's primary objective is to ensure business continuity for Qantas, by constructing a new flight training centre to replace their existing flight training centre that will be demolished as part of RMS' Gateway project. Absent for Gateway, Qantas would not be moving from their existing flight training centre.

As a result of Gateway, Qantas needs to relocate it's existing flight training centre operations from their current location to the Site for the following reasons:

- The widening of Qantas Drive to facilitate Gateway will require the partial demolition of the flight training centre which will result in the demolition of the pool, classrooms and emergency procedures training area that are critical to Qantas' operations.
- The noise and vibrations associated with the construction and operation of Gateway will exceed CASA's regulatory requirements in relation to the operation of simulators, which necessitates their relocation.
- Without a functioning and compliant flight training centre Qantas are unable to maintain the legislated level of training for their pilots and cabin crew. If pilots and cabin crew do not meet the training requirements as regulated by the CASA then they are unable to fly. This has an obvious knock-on effect of Qantas being able to effectively run their business.

The Project essentially represents a like-for-like replacement of the existing flight training centre, however due to modern construction efficiencies the floor plate is 12% more efficient and smaller than the existing flight training centre.

4. STRATEGIC CONTEXT

4.1. A METROPOLIS OF THREE CITES – THE GREATER SYDNEY REGION PLAN

A Metropolis of Three Cities – the Greater Sydney Region Plan (2018) (the Region Plan) sets a 40-year vision (to 2056) and establishes a 20-year plan to manage growth and change for Greater Sydney in the context of social, economic and environmental matters. The Project is located within the Eastern Harbour City.

The Region Plan identifies that passenger trips at the Airport are forecast to grow from 37 million to 74 million passengers by 2033. It is critical that Qantas have an operational flight training centre to ensure that they can service the growing demand for Australia as an international tourism location, and Regional Financial Centre for the Asia-Pacific Region.

The two key planning objectives of the Region Plan as they relate to the project are:

- Objective 1. Infrastructure supports the three cities The Project has arisen is in response to RMS' Gateway Project. It is acknowledged and accepted that as a growing city Sydney's road and rail infrastructure will invariably need to be upgraded or added to in order to safe-guard future growth. Qantas support RMS's investment in road and rail infrastructure to support the three cities but in doing so must not be unduly impacted operationally. The relocation of their existing flight training centre from the Jetbase onto their own land adjacent to the Airport will enable Qantas Drive to be widened as part of Gateway. Absent for Gateway, Qantas would not be moving from their existing flight training centre.
- Objective 16. Freight and logistics network is competitive and efficient The Region Plan recognizes that retaining internationally competitive operations at both the Airport and Port Botany is vital to the productivity of the NSW economy. A key objective of the Region Plan is to prevent development that would impact or jeopardise the operations of both the Airport and Port Botany. The Gateway Project will help ensure that transport networks continue to support the needs of the Nationally significant Airport and Port Botany. However, the construction timetable for Gateway must be cognisant of Qantas' ability to operate as an airline, and upon which a continually operational flight training centre is critical.

4.2. FUTURE TRANSPORT 2056

The Future Transport Strategy 2056 (2018) (**The Strategy**) is a 40-year strategy that integrates land-use and transport planning for Greater Sydney and Regional NSW that supports the Region Plan. The Strategy identifies that over the next 40 years, Greater Sydney will continue to grow as a global tourist and skilled worker destination, and as Australia's gateway to Asia.

The new flight training centre is aligned with this Strategy as it will contribute to the construction of the Sydney Gateway project. However, this must be balanced by a recognition that Qantas' operation and thus its own contribution to supporting the long term growth of Sydney Airport is not unduly impacted by a need to relocate its existing flight training centre.

4.3. EASTERN CITY DISTRICT PLAN

Eastern City District Plan (2018) (the District Plan) gives effect to the Region Plan and provides more detailed guidance for the LGA areas of Bayside, Burwood, City of Canada Bay, City of Sydney, Inner West, Randwick, Strathfield, Waverley and Woollahra.

The site is located within the identified Green Square-Mascot Strategic Centre and is adjacent to and is interdependant with the Airport trade gateway.

The following three Planning Priorities have been identified as being most relevant to the Project:

- Planning Priority E1. Planning for a city supported by infrastructure The Project seeks to ensure
 that the delivery of a key piece of city-shaping infrastructure (Gateway) doesn't inadvertently impair the
 operations of a key piece of Nationally significant infrastructure (the Airport).
- Planning Priority E9. Growing international trade gateways the District Plan recognises that it is critical to protect the Airport's function as an international gateway for passengers and freight, and to support airport-related land uses and infrastructure in the area around the Airport. The Project seeks to

ensure that the Airport remains a functional international gateway for passengers and freight by constructing a new flight training centre to replace the existing flight training centre that will be impacted by Gateway.

Planning Priority E9 gives effect to Objective 16 of the Region Plan and is supported by identified Actions. The Project will help realise *Action 31. Protect and grow the trade gateways by*: ...

j. protecting Sydney Airport's function as an international gateway for passengers and freight, and support airport-related land uses and infrastructure in the area around the Airport

k. facilitating road planning to connect Sydney Airport to WestConnex

The Project is best defined as an airport-related land use and will directly support Qantas' operations both at the airport and globally. As such, a Ministerial Call In would be consistent with Action 31. j. as it would enable both the protection of the Airport's function as an international gateway and would support the establishment of additional airport-related land uses in the area around the Airport.

Furthermore, the Project has arisen as a direct result of the Gateway Project, which is intended to realise Action 31. k. which relates to facilitating road planning to connect Sydney Airport to WestConnex.

The Project is consistent with the planning priorities and their associated actions for the Eastern Harbour City as outlined in the District Plan and will protect and reinforce the Airport's function as an international gateway for passengers and freight.

5. STATUTORY CONSIDERATIONS

5.1. STATE ENVIRONMENTAL PLANNING POLICY (STATE AND REGIONAL DEVELOPMENT) 2011

Clause 13 of State Environment Planning Policy (State and Regional Development) 2011 (SEPP SRD) extends the application of clauses 9-11 of SEPP SRD to applications that have been called in and declared State Significant Development (SSD) under Section 4.36(3) of the EP&A Act. Of importance is clause 11 which relates to the exclusion of application of development control plans to SSD:

Development control plans (whether made before or after the commencement of this Policy) do not apply to:

- (a) State significant development, or
- (b) development for which a relevant council is the consent authority under section 4.37 of the Act.

As such, the proposed application should it be declared SSD through a Ministerial Call In, will be exempt from the controls outlined in the Botany Bay Development Control Plan 2013.

5.1.1. Planning Pathways and Permissibility

SEPP SRD aims to identify development that is either SSD, State significant infrastructure (**SSI**) or critical State significant infrastructure (**CSSI**), and to then confer functions on either the Planning Assessment Commission or Joint Regional Planning Panels / Sydney Planning Panel (JRPP/SPP) to determine development applications.

Schedule 1 of the SEPP SRD lists categories of development that are considered to be SSD. The following pathways were investigated as possible planning pathways for the application.

5.1.1.1. Educational establishment

Clause 15 of Schedule 1 relates to development for the purposes of education facilities that would trigger SSD, and identifies that

- (1) Development for the purpose of a new school (regardless of the capital investment value).
- (2) Development that has a capital investment value of more than \$20 million for the purpose of alterations or additions to an existing school.
- (3) Development for the purpose of a tertiary institution (within the meaning of State Environmental Planning Policy (Educational Establishments and Child Care Facilities) 2017 [(Education SEPP)]), including associated research facilities, that has a capital investment value of more than \$30 million.

For the purposes of the Education SEPP a tertiary institution is defined as a tertiary institution, including a university or a TAFE establishment, that provides formal education and is **constituted by or under an Act**.

The new flight training centre is neither a university or TAFE establishment, and is not constituted by or under an Act. As a result the new flight training centre cannot use the 'educational establishment' planning pathway for SSD under SEPP SRD.

5.1.1.2. Air Transport Facility

Clause 17 of Schedule 1 relates to development for the purpose of air transport facilities that has a capital investment value of more than \$30 million.

The definitions of uses under SEPP SRD are the same (unless otherwise stated) as the standard local environmental planning instrument prescribed by the Standard Instrument (Local Environmental Plans) Order 2006 (Standard Instrument). The Standard Instrument, contains the following definitions:

air transport facility means an airport or a heliport that is not part of an airport, and includes associated communication and air traffic control facilities or structures.

airport means a place that is used for the landing, taking off, parking, maintenance or repair of aeroplanes, and includes associated buildings, installations, facilities and movement areas and any heliport that is part of the airport.

Note.

Airports are a type of air transport facility—see the definition of that term in this Dictionary.

The definition of the Airport as a place defined by land parcels (Lot and DP) in the Airports Regulations 1997 - Reg 1.03 Part 1.19 -- Sydney (Kingsford-Smith) Airport C'th. Under Part 1.19 the Airport as a place does not extend to the proposed Site.

Although the proposed new flight training centre directly relates to the airport, as discussed above it is not within the boundaries of the Airport. Therefore, the 'air transport facility' planning pathway for SSD under SEPP SRD is not available for the Project.

5.2. STATE ENVIRONMENTAL PLANNING POLICY NO. 55 - REMEDIATION OF LAND

State Environmental Planning Policy No. 55 - Remediation of Land (SEPP 55) applies to all development in NSW. Clause 7(1) requires the consent authority to consider whether land is contaminated prior to granting consent to a development application. An Environmental Site Investigation will be undertaken to confirm the suite's suitability from a contamination perspective for the Project, as part of the Environmental Assessment Report prepared in support of the State Significant Development Application.

5.3. **BOTANY BAY LOCAL ENVIRONMENTAL PLAN 2013**

5.3.1. Zoning, Permissibility and Objectives

The Site is zoned as IN1 - General Industrial in the Botany Bay Local Environmental Plan 2013 (BBLEP 2013). The objectives of this zone are:

- To provide a wide range of industrial and warehouse land uses.
- To encourage employment opportunities.
- To minimise any adverse effect of industry on other land uses.
- To support and protect industrial land for industrial uses.

The land use table for IN1 lists development that is permitted without consent, development that is permitted with consent, and development that is prohibited.

The flight training centre is best defined as an industrial training facility, which is defined in the Dictionary of the BBLEP 2013 as a building or place used in connection with vocational training in an activity (such as forklift or truck driving, welding or carpentry) that is associated with an industry, rural industry, extractive industry or mining, but does not include an educational establishment, business premises or retail premises.

Industrial training facilities are listed as works permitted with consent in the land use table.

The site is also subject to site specific Additional Permitted airport related land Uses as outlined in Schedule 1 which are discussed in Section 5.3.3.

5.3.2. Principal Development Standards

Table 2 provides a preliminary assessment of preliminary Project plans (enclosed at Appendix A) against the principal development standards within the BBLEP 2013.

Table 2 - BBLEP 2013 Principal Development Standards Compliance Table

Development Standard	Control	Proposed	Complies
4.3 Height of Buildings	44m	18.1m	Yes

Development Standard Control Proposed Complies

4.4 Floor Space Ratio The site has a base floor space ratio (FSR) of 1.2:1, however under clause 0.79:1 Yes 9A of Schedule 1 the maximum FSR is 1.5:1. Refer to Section 5.3.3.

5.3.3. Additional Permitted Uses

Clause 2.5 of the BBLEP 2013 outlines the requirements for Additional Permitted Uses (**APU**) for particular land within the LGA. The site is identified as benefitting for APU as outlined in clause 9A(1) of Schedule 1 by virtue of being listed as applicable parcels of land. Sub-clause 9A(2) and (3) identify the types of development that is permitted with consent under the clause:

- (2) Development is permitted with development consent:
 - (a) for any of the following purposes, but only if the purpose relates to the use of Sydney (Kingsford Smith) Airport:
 - (i) commercial premises,
 - (ii) function centres,
 - (iii) information and education facilities.
 - (iv) passenger transport facilities,
 - (v) tourist and visitor accommodation, or
 - (b) for the purpose of any other building or place used only for purposes that relate to the use of Sydney (Kingsford Smith) Airport.
- (3) Without limiting subclause (2), development is permitted with development consent for the purpose of a building or place used for the provision of any of the following services:
 - (a) services related to any of the following uses carried out at Sydney (Kingsford Smith) Airport:
 - (i) the assembly, storage or land transport of air freight,
 - (ii) the accommodation, or transportation by air or land, of air passengers or air crew,
 - (iii) the storage, operation, maintenance or repair of aircraft or aircraft components,
 - (iv) the administrative functions associated with the airport, such as airport management and security,
 - (v) the functions of government departments and authorities related to air passengers and air freight,
 - (b) services provided for hotel or motel guests, including banking, dry cleaning, hairdressing and the like, that are located within the confines of the hotel or motel building.

The proposed development of a new flight training centre will only be used for purposes that relate to the Airport, being the training of pilots and cabin crew to enable the safe and lawful operation of commercial aircraft.

The proposal is permissible with consent under both the IN1 Zone, and clause 2.5 APU as development for the purpose of a building or place used only for purposes that relate to the use of the Airport.

STATE OR REGIONAL PLANNING SIGNIFICANCE 6.

In accordance with the Department's Guidelines, the Project has been assessed against the six general determining issues relating to the State and Local significance of projects. The assessment and applicability of the Project against these considerations is outlined below.

GENERAL DETERMINING ISSUE 1 6.1.

Whether the proposal is of regional or State importance because it is in an identified strategic location, or is critical in advancing the nominated strategic direction or achieving a nominated strategic outcome, contained in a relevant State policy, plan or strategy, or regional or sub-regional strategy.

The Project is located within the Regionally significant trade gateway and at a key juncture of declared critical road infrastructure that is being constructed to support this trade gateway. Qantas' existing flight training centre must simply be relocated to enable the Gateway road project to proceed. Absent for Gateway, Qantas would not be moving from their existing flight training centre.

Conversely the Project is crucial in maintaining Qantas' operational effectiveness as a global airline, whose headquarters/home base are at Mascot. In the absence of a flight training centre, Qantas' ability to operate and thus in turn effectively support Sydney Airport will be undermined.

GENERAL DETERMINING ISSUE 2 6.2.

Whether the proposal delivers major public benefits such as large-scale essential transport, utility infrastructure, or social services to the community.

The Project has arisen in response to RMS' Gateway Project. It is acknowledged and accepted that as a growing city Sydney's road and rail infrastructure will invariably need to be upgraded or added to in order to safe-guard economic and population future growth.

Qantas support RMS's investment in road and rail infrastructure but in doing so necessitates relocating their existing flight training centre from the Jetbase onto their own land adjacent to the Airport. This will enable Qantas Drive to be widened as part of Gateway.

Due to the specialised nature of the flight training centre and the length of time it takes to relocate, install and recalibrate the simulators, the process is expected to take a minimum of 23 months before the new flight training centre is operational.

In order to meet RMS' construction timetable for Gateway (vacating existing facility by 30 June 2021). Qantas needs to begin construction of their new flight training centre by no later than 01 September 2019.

An operational flight training centre is critical to Qantas Group's business and operational continuity. The Qantas Group is currently responsible for over 50% of the air traffic into and out of the Airport (both domestic and international). In addition to this, Qantas' flight training centre facilitates the training of some of Virgin and Fiji Airways pilots.

Due to the criticality of flight training to Qantas' operations should a new and operational flight training centre not be available by 30 June 2021, they would be unable to vacate the existing building, meaning that Gateway would be unable progress. The Project will ensure that the Airport's ability to function as a key piece of Nationally significant infrastructure is not impaired by operational impacts on Qantas.

6.3. **GENERAL DETERMINING ISSUE 3**

Whether the proposal is likely to have significant environmental, social or economic impacts or benefits, be of a significant hazardous or environmentally-polluting nature, or is located in or in close proximity to areas or locations that have State or regional environmental, archaeological or cultural heritage significance.

The Project will have significant economic impacts should it not meet the strict construction deadlines identified by the RMS for Gateway. Should the Project not be called in as SSD, Qantas will be potentially unable to relocate in alignment with meet RMS' construction deadlines for the Sydney Gateway project. This will potentially result in either:

- 1. The grounding of the majority of Qantas' fleet which would have significant impacts on the National economy, as outlined in **Section 6.2**; or
- 2. Significant delays to the delivery of RMS' Gateway Project which would have major impacts on the delivery of critical road and rail infrastructure resulting in further constraints on the regional economy due to constraints related to efficient access to the trade gateways of the Airport and Port Botany.

Both of these options would significantly impact the NSW economy in differing ways. At its completion the Project will have significant economic benefits for the State by protecting Sydney Airport's function as an international gateway for passengers and freight enabling continued growth of the tourism economy and economic growth related to trade.

The Project is not considered to be of a significantly hazardous or environmentally-polluting nature. The Project is not expected to generate any adverse environmental impacts. The Project is not proximate to any areas or locations of State or regional environmental, archaeological or cultural heritage significance.

6.4. GENERAL DETERMINING ISSUE 4

Whether the proposal is of significant economic benefit to a region, the State or the national economy, such as those with high levels of financial investment and continuing or long-term employment generation.

The Proposal has significant economic benefit to the Sydney Region, and State and National economies as it central to Qantas' operational mandate. Sydney Kingsford Smith is Australia's biggest and busiest airport, and Qantas is the biggest airline. The potential grounding of Qantas and its subsidiary airlines' fleets would have a significant impact on National economy across a broad range of sectors including: tourism, business, professional services, finance and freight and logistics.

The Qantas Group's annual direct contribution to the NSW economy is \$2.8 billion, whiles its total annual contribution (direct and indirect) to the NSW economy is \$4.4 billion. Qantas Group's direct contributions to the NSW economy is in the form of spending and purchasing within NSW, a significant proportion of which are conducted due to Sydney being the operational hub of the airline. The Qantas Group's indirect contributions relating to the economic value facilitated by their services.

The Qantas Group makes a significant contribution to employment in NSW accounting for 12,983 direct full-time equivalent (FTE) jobs and an additional 10,011 indirect FTE jobs The Qantas Group is directly responsible for 0.48% of NSW's Gross State Product (GSP) and contributes indirectly and directly 0.76% of the NSW's GSP. For the 2016-17 Financial Year the NSW economy accounts for 32.9% of Australia's Gross Domestic Product (GDP)¹. Any grounding of Qantas' fleet due to RMS' Gateway will represents a significant and real negative impact to both the NSW and National economy.

The location of the flight training centre in Sydney enables Qantas' long-term employment generation to remain predominantly in Sydney, and represents a logical co-location with Qantas' Head Office in its corporate campus.

6.5. GENERAL DETERMINING ISSUE 5

Whether the proposal is geographically broad in scale, including whether it crosses over multiple council and other jurisdiction boundaries, or impacts a wide area beyond one local government area.

It is considered that this is not a relevant determining issue.

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¹ Australian Government Department of Foreign Affairs and Trade, *New South Wales*, accessed 26 November 2018 https://dfat.gov.au/trade/resources/Documents/nsw.pdf

6.6. GENERAL DETERMINING ISSUE 6

Whether the proposal is complex, unique or multi-faceted and requires specialist expertise or State coordinated assessment, including where councils require or request State assistance.

The Qantas flight training centre is unique to the Qantas Group. The flight training centre is a specialised facility that plays a central role in supporting Qantas' business operations which are globally headquartered at Mascot.

The Project has been born purely as a consequence of impacts associated with land acquisition to support the construction of a piece of declared critical road infrastructure being delivered by the State. In this context it is essential that there is a state based level of co-ordinated assessment so that timeframes for the delivery of Gateway are central to the assessment timeframes of the flight training centre Project.

7. CONCLUSION

The Project has demonstrated State significance. If Qantas does not have a new and operational flight training centre to move to by 30 June 2021, there is a significant risk to delaying Gateway or alternatively that flight operations will be grounded.

Were the existing flight training centre not being critically impacted by the approximately 16 metre expansion of Qantas Drive as part of Gateway, Qantas would not be moving from its existing facility. This is due to the latent economic value, ongoing functionality and strategic location of the existing flight training centre. If action is not taken immediately by the New South Wales Government, the consequential impacts on both Qantas' operations and the State will be far-reaching.

Qantas believes it is appropriate for the development application to be managed and coordinated by the Department. This would ensure the requirements of the various stakeholders are appropriately coordinated and would ensure that the importance delivering the Project within a tight timeframe set-out by RMS for Gateway.

Therefore, for the reasons outlined in this report, the Project is considered of State significance and Qantas formally seeks a SSD declaration for the Project in accordance with the provisions of Section 4.36(3) of the *Environmental Planning and Assessment Act 1979*.

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DISCLAIMER

This report is dated 30 November 2018 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's (**Urbis**) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of Qantas Airways Limited (**Instructing Party**) for the purpose of Request for State Significant Development Declaration (**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).

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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.

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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.

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APPENDIX A CONCEPT PLANS



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19 December 2018

Ms Carolyn McNally
Secretary
Department of Planning and Environment
320 Pitt Street, Sydney NSW 2000
Attention: Chris Ritchie – Director Industry Assessments

Dear Chris,

ADDENDUM TO MINISTERIAL CALL IN REQUEST AS IT RELATES TO QANTAS' FLIGHT TRAINING CENTRE

We write on behalf of Qantas Airways Limited (Qantas) in relation to their Request for a Ministerial Call In for the construction and operation of their new Flight Training Centre. This letter is an addendum to the original application and constitutes a formal request to expand the Site to include additional parcels of land as detailed below, to allow for car parking and associated supportive and ancillary works:

- Lots 2 & 4 of DP 234489 (extent of original request);
- Lots 3 & 5 of DP 234489;
- Lot 1 of DP 202747;
- Lot B of DP 164829; and
- Lot 133 DP 659434.

Sydney Water owns Lots 3 & 5 of DP 234489 and it is understood that should any works be proposed to these land parcels owners consent would need to be obtained by Qantas from Sydney Water.

In support of this expanded scope, we have attached an Architectural Plan outlining the extent of the expanded proposed Project Site.

If you have any questions please don't hesitate to contact the undersigned on 8233 9925 or Emma Fitzgerald on 8233 7667 or efitzgerald@urbis.com.au

Yours sincerely,

David Hoy

Regional Director

Enc: Proposed Project Site Plan

Addendum to Ministerial Call In Request - Qantas



