

ASX and Media release

18 October 2017

DESANE OBJECTION TO WESTCONNEX ROZELLE M4-M5 LINK EIS PROPOSAL

Desane Properties Pty Ltd, a controlled entity of Desane Group Holdings Limited (**ASX: DGH**), is pleased to provide the market with an update on its 5,274m² property located at **68-72 Lilyfield Road, Rozelle**, the subject of a proposed acquisition notice by the Roads & Maritime Services ("**RMS**") for Sydney Motorway Corporation ("**SMC**").

In August 2017, Desane commissioned national planner Urbis Pty Ltd ("**Urbis**") to undertake a comprehensive statutory planning review of the 13 Volumes, 24 Appendixes and more than 7,000 pages of exhibited WestConnex M4-M5 Link Environmental Impact Statement ("**EIS**") material in order that it prepare a detailed submission.

The Board of Desane agreed with the Urbis review of the EIS and that an objection should be lodged with the NSW Department of Planning on the basis that a clear number of deficiencies were identified in both the current design of the Project and the way in which activities associated with the Project have been and continue to be conducted by the NSW Government and its agencies the RMS & SMC.

On Monday, 16 October 2017, Urbis, on behalf of Desane, formally lodged its comprehensive review of the EIS with the Department of Planning, objecting to the Project's approval.

Desane's property at **68-72 Lilyfield Road, Rozelle** is impacted by the WestConnex Project as it has been identified in the EIS as a site to be compulsory acquired for the purposes of providing a temporary staff car park, followed by its rehabilitation as a passively landscaped area following completion of the proposed Rozelle Interchange. The latter use, Urbis contends in its EIS submission, is in direct **contravention** of the Department of Planning's *Secretary's Environmental Assessment Requirements (SEARs)* for *Land Use* and *Property* associated with the WestConnex Project.



The M4-M5 Link Project EIS, released by WestConnex in August 2017, shows passive landscaping where Desane's property now exists.

Key deficiencies identified by Urbis in the WestConnex EIS include:

- ➔ Contrary to and inconsistent with the Department of Planning's SEARs requirements
- ➔ Unnecessary compulsory acquisition of property with potential value capture mechanisms
- ➔ Lack of sufficient detail around work proposed for the Rozelle Interchange
- ➔ Poor project design
- ➔ Poor planning, construction delivery and funding mechanisms
- ➔ Inconsistency with State Government strategic and urban planning objectives including the Bays Precinct Transformation Plan
- ➔ Poor traffic modelling and use of outdated CENSUS data
- ➔ Lack of meaningful assessment of alternative transport projects, such as Sydney Metro West
- ➔ Impacts to human health including poor air quality and ongoing operational and construction issues (including noise, dust etc)

The Urbis submission contends and Desane agrees that until such time as all the issues raised in the EIS have been comprehensively addressed by the NSW Government and its agencies, the application by the RMS for the M4-M5 Link Project **is not capable of assessment by the Department of Planning** let alone approval.

Responding to the Urbis EIS submission, Desane's Chairman, Professor John Sheehan said the Urbis analysis raised a long list of identifiable inadequacies and deficiencies in the Project, many of which have been highlighted by other key stakeholders in the over 12,000 public EIS submissions also lodged on Monday.

"From Desane's perspective, the EIS confirms that the need for the acquisition of our property is unwarranted and in direct contrast to the Project's planning objective of minimising the impacts associated with acquisition of properties on communities", Professor Sheehan explained.

"To date the NSW Government, the RMS and SMC have failed to provide Desane with any information on the permanent need for our property other than confirming, through the EIS, that our property will form part of a residual land bank for the Government. This lack of clarity and over reach is indicative of the deficiencies identified in the EIS, particularly in relation to the uncertainty of the proposed future works at the Rozelle Interchange."

"The Urbis EIS submission has further found that there are major inconsistencies from a strategic and urban renewal perspective, with other various current NSW Government projects including **the Bays Precinct Transformation** and the **Sydney Metro West** train line" Professor Sheehan continued."

"It is evident that the NSW Government is attempting to ram this Project and the EIS through the normal planning process, to clear the pathway for the sale of the SMC to the private sector. The sale of SMC, we believe, will remove from public accountability any responsibility, oversight and control of the final design, cost and implementation of this \$7.8 billion M4-M5 Link project, which is contrary to the public interest."

"The EIS contains more questions than answers," Professor Sheehan said.

"Given the disturbing issues uncovered in the Urbis submission, we believe it's now incumbent on the NSW Government and its agency the RMS to pause, reflect and undertake further meaningful consultation with major landowners and stakeholders such as Desane."

"If the Minister for WestConnex, Stuart Ayres, wants to put a stop to the ongoing costly court litigation, it's time he listened to Desane's and other key stakeholders' concerns over this Project."

A full copy of the Urbis EIS submission on the M4-M5 Link Project can be downloaded from the Desane website at <http://desane.com.au/wp-content/uploads/Desane-Submission-to-SSI-16-7485.pdf>.

DESANE MEDIA CONTACT – 0411 254 390

Prof. John Sheehan AM
Chairman
Desane Group Holdings Limited
(02) 9555 9922
info@desane.com.au

Jack Sciara
Company Secretary
Desane Group Holdings Limited
(02) 9555 9922
jacksciara@desane.com.au

ABOUT DESANE:

*Desane Group Holdings Limited is a property investment and development business based in Sydney, with expertise in property acquisitions, investment, management, leasing, sales and development of industrial, commercial and residential properties. Desane has a disciplined “**add value**” property acquisition approach, which will deliver maximum shareholder value in the medium to long term.*