

Dominic Crinnion
Team Leader – Water and Intermodal Assessments
NSW Department of Planning, Industry and Environment
4 Parramatta Square, 12 Darcy Street
Parramatta NSW 2150

RE: MODIFICATION OF SSD APPLICATIONS 5066 & 7709 – WOOLWORTHS WAREHOUSE AND DISTRIBUTION FACILITIES (JANUS PROJECT)

PROPERTY AT: MOOREBANK LOGISTICS PARK – MOOREBANK AVENUE, MOOREBANK (LOT 1 DP 1197707)

Dear Dominic,

The ensuing contents of this letter provides a response to the NSW Department of Planning, Industry and Environment (DPIE) letter to the Applicant (SIMTA), dated 7 September 2020 in relation to the Submissions received pertaining to both **SSD 5066 MOD 2** and **SSD 7709 MOD 1**, with regard to the two (2) new State-of-the-Art Warehouse and Distribution Facilities proposed by Woolworths.

Woolworths is a manufacturer, distributor and retailer of consumer items including groceries and has been in operation within Sydney for over 90 years. Woolworths has experienced significant growth over the last 20 years and now employs over 200,000 staff. As a result of continual growth and to remain competitive within the Sydney Metropolitan Region, the Subject Site – Moorebank Avenue, Moorebank – was chosen to facilitate the growth of the business with respect to the proposed Warehouse and Distribution Facilities.

Development of Proposed Warehouse and Distribution Facilities

To remain competitive within the current global market and maintain a strong presence in NSW, Woolworths have taken the opportunity to develop a growth strategy and business case that improves operational costs and efficiencies within the supply chain, that provides space to grow and adapt with respect to shifting and growing economies; consumer demands; and emerging technologies. This strategy has taken into account geographic efficiencies and specifications to accommodate the new facilities proposed under the subject Modification Applications.

Accordingly, the analysis of geographic location pertaining to the requirements of the new facilities took into account various parameters including, the location of key suppliers and customers (store locations); colocation of our existing facilities; proximity to key transport infrastructure routes (M5 and M7 Motorways), as well as accessible arterial road networks on a local level; staff retention and future employment opportunities; and availability of services to the Site via augmentation of existing networks including electricity.

The analysis of the specification in relation to the new Warehouse and Distribution Facilities takes into account varied inputs including, land cost and rent costs associated with a proposal; current and future pallet space requirements; internal warehouse operational efficiencies; availability and reliability of new technology; staff safety; and corporate image.

The land size required to collocate the two (2) facilities was approximately 27 hectares (ha), to meet immediate and future expansion requirements.

Additionally, in order to meet the criteria outlined above, whilst remaining competitive within the market, a brief was developed for two (2) State-of-the-Art warehouses, which includes a high bay and case buffer components within a portion of the Site for both warehouses, that incorporates the latest warehousing and supply chain technology.

The technologies proposed include an integrated Automated Storage and Retrieval System (ASRS) for the handling of individual packaged goods and Pallet Handling Equipment to move the pallets in and out of the warehouses for distribution. The height and dimensions of the high bay warehousing components and adjacent case buffer area is set based on the optimized design of the ASRS and Pallet Handling Equipment configuration.

The depth of the hardstand on the dock faces is determined to offer flexible and safe loading options, considering the number of truck movements daily and configuration.

Site Selection

A number of sites in the Sydney market were reviewed against suitability to the criteria set out above. The Site at Moorebank Avenue, Moorebank was selected over the other sites for the following reasons:

1. Ability to site the highbay components, associated lowbay and hardstand in a functional and efficient arrangement on a cumulative 27 ha site, whilst ensuring sensitive receivers are managed and mitigated where possible.
2. Inclusion of an area immediately adjacent to both warehouses to provide the possibility to expand the manufacturing facility in the future, ultimately increasing job opportunities on the Site.
3. The possibility of co-location of other key Woolworths Vendors within the Precincts (MPW and MPE) are seen as a benefit that the Subject Site (Moorebank Logistics Park) offers to Woolworths.
4. Superior access and close proximity to the M5 and M7 Motorways.
5. Availability of critical infrastructure services being electricity and water.
6. Suitable geotechnical conditions for construction of high tolerance slab required for high bay ASRS equipment. Sites in the Western Sydney Aerotropolis and Mamre Road Precinct require significant fill levels for which were considered to be unfeasible for the Proposal, as well as flood prone areas deemed unsuitable for highbay warehousing.
7. Suitable rent to support the business case.

Alternative Building Heights

The height and dimensions of the high bay warehouse and adjacent case buffer are based on the optimized design of the ASRS and Pallet Handling systems required to facilitate the end user operations. The design of the ASRS is such that the number and height of the internal cranes is determined so that:

1. The warehouse footprint is minimised while maintaining pallet numbers across the Site.
2. Pallet retrieval time is minimised due to crane speeds being more efficient on a longitudinal trajectory as opposed to a horizontal plane.
3. Number and height of cranes is minimized.



4. The low bay staging areas to the north, east and south of the high bay are designed for the receipt and dispatch of goods from the site, and are sized only to accommodate the horizontal movement of goods, pallets and waste. The depth of the hardstand on the dock face or on grade is determined to offer flexible and safe loading options for a varied format trucking fleet.

A number of alternatives to modify the height and size of the warehouses has been reviewed and rejected for the following reasons:

1. **Option to sink the floor of the warehouses below ground level.** This was rejected for reasons:

- For the case buffer, the floor level can only be offset by 1200mm to the external hardstand, to allow forklift movements from inside to outside in order to side load trucks prior to distribution.
- For the highbay we have counter-sunk the base of the high-bay to a depth of approximately 3m. Beyond this point a sunken floor level will increase the risk of water ingress and also increased ground conditions risk.

2. **Reducing the height and increasing the width (including to other site).** This was rejected for the following reasons:

- Lower land efficiency reflected in higher rents would not support the business case in NSW. For example, if the same number of pallets were to be housed in a standardised 13.7 m high warehouse, the footprint would almost triple, for which the Proposal would require a site area in excess of 55 ha.

There are no parcels of land appropriately zoned; continuous; and level in the industrial sector within the Sydney Metropolitan Basin of the scale that Woolworths could co-locate the two warehouse operations.

The utilization of Highbay is the only solution available to Woolworths to meet the growing needs of Sydney, ACT and Regional NSW (for fast moving goods) and Australia (for slow moving goods) given growing land constraints, without giving rise to shifting part of this proposal inter-state.

- Less optimal pallet retrieval times leading to lower operational efficiencies and higher operating costs, undermining business case feasibility.

Woolworths has always had its national operations in Sydney; however, due to the changing economic climate and nature of the market, the introduction of increased international competition and escalating rents, the business has to adapt to remain profitable.

As detailed above, the specific requirements of Woolworths business have been carefully considered when choosing the Site at Moorebank Avenue, Moorebank (Moorebank Logistics Park). Highbay warehousing within the logistics industry is increasing in popularity due to the cost efficiencies it provides, but also it helps in over-coming the existing shortage of 'employment lands'. In an environment like Sydney (particularly the Western Sydney Region), where land values are identified at a significant premium to other states, it becomes an essential part of the business case to continue operations in NSW.

WOOLWORTHS GROUP



Woolworths wish to remain significant employers in NSW and this site will enable us to retain and develop our key staff and grow new employment opportunities within the Liverpool Local Government Area (LGA).

Woolworths trust that the above information provides sufficient information and justification to support the subject Modification Applications.

Yours faithfully

Thomas Stock
Regional Development Manager – Non Retail
Woolworths