

**Orica Southlands Site
Banksmeadow NSW**

**Southlands Remediation and Development Project
and associated roadworks**

June 2006

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Introduction

Orica Australia Pty Ltd (Orica) and Macquarie Goodman (MGQ) have agreed to proceed jointly to investigate the opportunity to remediate and develop the Orica Southlands property at McPherson Street, Banksmeadow.

Southlands is an approximately 18.3 hectare site owned by Orica. It is situated fronting McPherson Street, Banksmeadow, and lies entirely within the Botany Bay Local Government Area. With the exception of groundwater extraction wells, monitoring wells and associated pipe work that have been established by Orica to meet their ongoing groundwater remediation, the site is currently vacant.

Southlands is proposed to be remediated. As part of that process Orica and MGQ have agreed to take a collaborative approach to determining the extent of future development that may be coordinated with remediation of the property.

Initial concepts for the site see the land transformed into a high quality industrial and warehouse estate.

The future use of the land will incorporate all necessary infrastructure required for Orica's ongoing groundwater remediation works and will in no way compromise Orica's ongoing commitment to the Botany Groundwater Cleanup (BGC) Project.

As part of the project, a new entry road will be created through the Macquarie Goodman Discovery Cove Estate on Botany Road, linking directly to Southlands. Internal reconfiguration works are therefore required to Discovery Cove to allow the passage of the new road.

This initial assessment provides background information on:

- The applicability of Part 3A of the *Environmental Planning and Assessment Act 1979 (EP&A Act)* to the development of the Orica Southlands Site;
- The justification for the preparation of a concept plan for the Project;
- An outline of the likely environmental issues involved in the development of the land as proposed;
- Initial traffic improvement plans; and
- a preliminary site plan.

All of these issues are to be investigated in more detail prior to the finalisation of any new site plan, and the lodgement of an Application for Concept Approval and for staged development approvals.

In particular this brief report seeks to advise the Department of Planning on the background to the site, and therefore seek Environmental Assessment Requirements from the Department for an Application under Part 3A of the Environmental Planning and Assessment Act.

Property Description

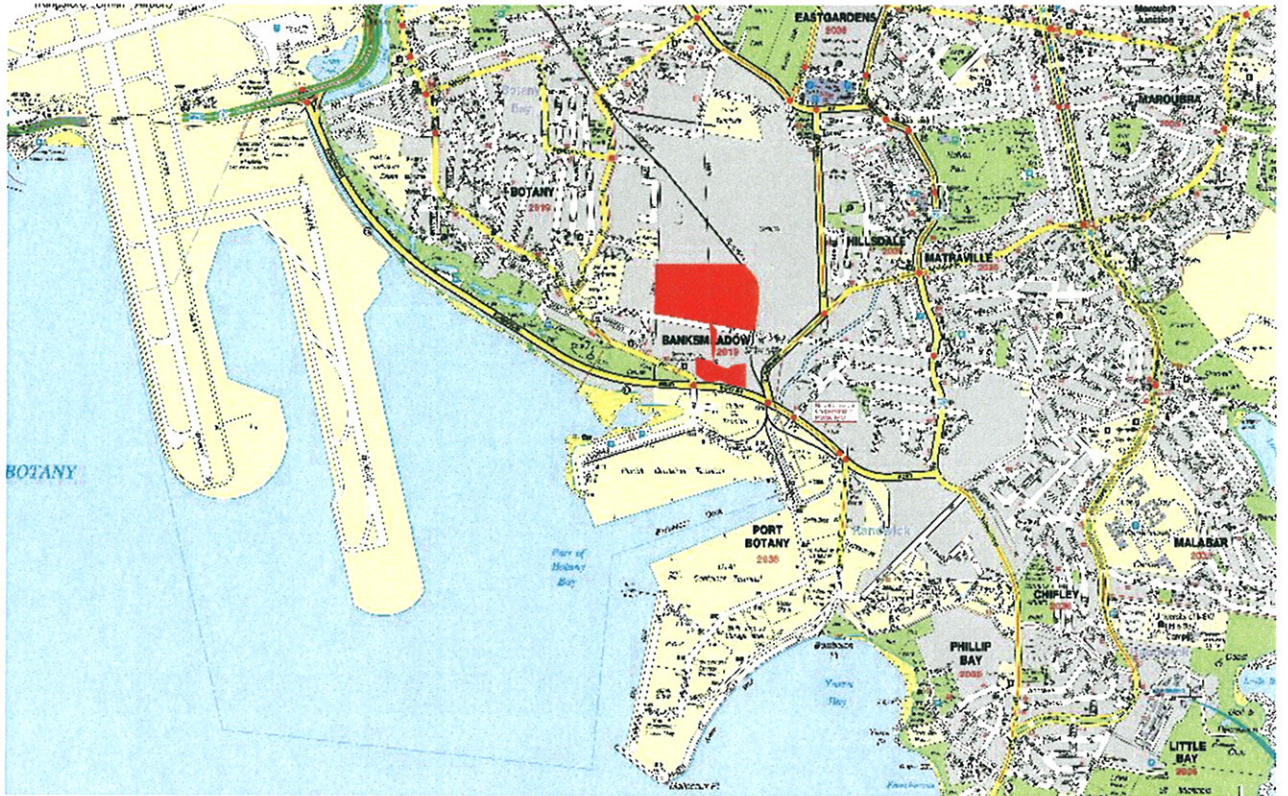
The Orica Southlands site (and the lands required for associated road works) comprises the following parcels:

Land Description	Area
Lot 1 in DP 254392	2,850 m ²
Lot 1 in DP 1078077	95,300 m ²
Lot 1 in DP 85542	61,300 m ²
Lot 11 in DP 109505	23,430 m ²
Sub Total	182,880 m²
Discovery Cove	75,680 m²
Lot 1 DP 873898	
Total	258,560 m²

Note: A strip of land through the MCS property is also required for site access in addition to the areas noted above. This parcel of land is noted as part of Lot 2 DP 740704.

The project involves the construction of the new entry road through the adjoining Maritime Container Services (MCS) land with a new intersection onto Botany Road through the Macquarie Goodman Discovery Cove Estate. MGQ have agreed that this work can occur, but it will require reconfiguration of existing Discovery Cove Buildings, parking access and circulation through that estate. Orica and MGQ are in discussions with MCS to achieve their agreement

Site location diagrams are shown on the following pages.



Site Location



Site Aerial Photo

Description of Project

The project is aimed at a collaborative remediation and development of the Southlands property to create a new industrial estate.

Remediation of the site and provision for the ongoing groundwater treatment by Orica are a key first step in that process. Any development within Southlands will therefore be planned and staged in a manner that will allow Orica to perform required groundwater remedial works.

A preliminary development concept for the site has been prepared in the form of a master plan that illustrates the possible future layout for development, subject to further detailed design scrutiny. The development concept is illustrated following.



Preliminary Site Plan

Staging within Southlands is seen as follows:



Southlands Envisaged Staging

It is envisaged that the site will become a major industrial and warehousing estate servicing Port Botany and the Sydney Metropolitan Area, whilst maintaining all necessary infrastructure for groundwater remediation. The development is likely to be staged, this will allow for Orica to perform required groundwater remedial works.

A summary of key aspects of the preliminary plan for the Southlands site are therefore as follows:

Total area	18.3 ha
Site area (ie total area less easements)	16.5 ha
Net development area (ie site area less access roads and detention basin, site remediation areas)	14.5 ha
Total building area	97,300m ²
Site coverage	57%
FSR	0.7:1
Car parking	1,380

The total remediation and construction cost of the development will exceed \$110m and will generate up to 1,400 new jobs (based on City of Botany Bay employment generation rate for warehousing), providing a major new industrial and employment area with close proximity to Port Botany.

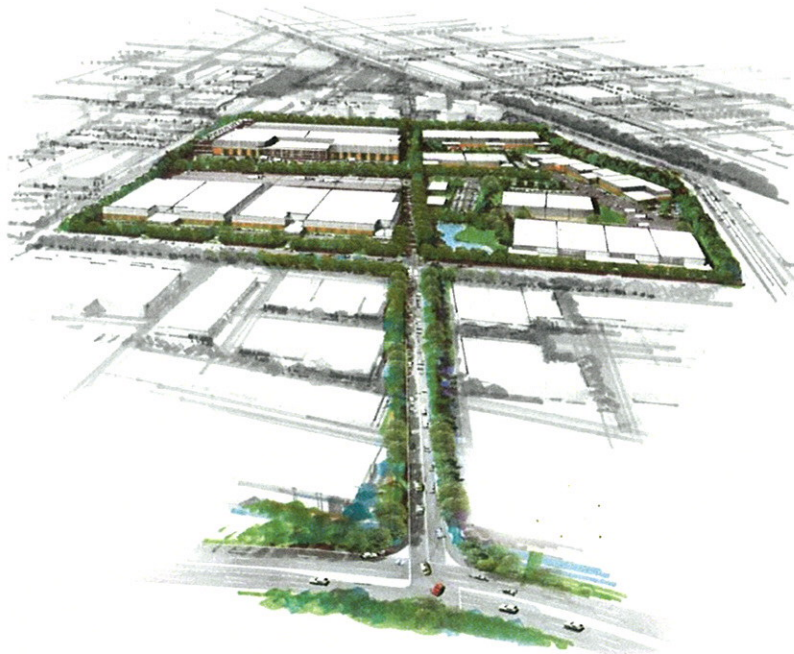
In addition, major works are required to create the new road link between Foreshore Road and McPherson Street through the existing Macquarie Goodman Discovery Cove estate, to deal with traffic and access problems in the area.

These will involve:

- Creation of a new signal controlled intersection on Foreshore Road;
- Reconfiguration of existing building within Discovery Cove; and
- Reconfiguration of Parking, access and vehicular circulation within Discovery Cove.

The development will be undertaken in stages (at this stage we see development of the site occurring over four stages). A concept approval will be sought along with staged development approvals.

The eastern portion of the site is seen as a Stage 1 release area offering space for larger units and making use of access from McPherson Street in the first instance. The western portion is primarily aimed at smaller unit development arranged around an estate park, and will be delivered in later stages.



Artists view of completed estate with new Entry Road through the MG Discovery Cove Estate.

Part 3A of the Environmental Planning and Assessment Act 1979

The following material briefly summarises the application of Part 3A of the EP&A Act and relevant planning instruments to the proposed development.

Part 3A

Part 3A of the EP&A Act provides an assessment and approvals regime for projects declared to be a project to which the Part applies by a declaration made by:

- a State environmental planning Policy; or
- an Order of the Minister published in the Gazette

The Minister for Planning is the consent authority for Part 3A projects.

State Environmental Planning Policy (Major Projects) 2005

One of the aims of State Environmental Planning Policy (Major Projects) 2005 (SEPP-MP) is to identify developments to which the development assessment and approval process under Part 3A of the EP&A Act should apply.

Group 4 of Schedule 1 of SEPP-MP describes development classified as *Other manufacturing industries, distribution and storage facilities*, that the Minister may declare as a Part 3A project. Development for the purpose of a container storage facility, or storage, or distribution centre, with a capital value of more than \$30 million, may be so declared by the Minister. As indicated in section 3 of this report, the proposed capital cost of the development of the Orica Southlands site as proposed will be in excess of \$110m. Accordingly, the Minister may form the opinion that the development is a Part 3A project in accordance with the provisions of Schedule 1 of SEPP-MP.

The Local Environmental Plan

The Orica Southlands site is zoned 4(a) Industrial under the *Botany Local Environmental Plan 1995* (BLEP). In this zone a wide range of industrial uses is permissible with consent. Botany Bay Council is the consent authority under the LEP. The permissible uses in the zone are:

Development for the purpose of:

Air freight forwarders; automotive uses; bulk stores; bus depots; car repair stations; child care centres; clubs; community facilities; container terminals; convenience shops or facilities; hotels; identified land uses; industries; light industries; materials recycling yard; motor showrooms; motor vehicle repair workshops; places of worship; recreation facilities; refreshment rooms; retail plant nurseries; road transport terminal; service stations; subdivision; taverns; utility installations; warehouses or distribution centres.

The proposed project is permissible with consent under the *Botany Local Environmental Plan 1995*. It is noted however that under Section 75R(3) of the EP&A Act, Local Environmental Plans do not relate to Part 3A projects.

The intention is to obtain Concept Plan approval for the entire site and concurrently seek Project Approval for the initial stage of the development described as Stage 1. Development approvals will then be sought for each of the subsequent stages of development.

State Planning Policies

Various State Environmental Planning Policies apply to this development in addition to SEPP-MP, including State Environmental Planning Policy No 11 – Traffic Generating Development and State Environmental Planning Policy No 55 – Remediation of Land.

Development Control Plans

Botany Bay City Council has a number of general development control plans that are relevant to the proposed development including:

- DCP 30 – Botany Randwick Industrial Area
- DCP 32 – Landscape
- DCP 33 – Industrial Development
- DCP 34 – Contaminated Land

Environmental Issues and Constraints

The following outlines a range of potential environmental issues associated with the construction and operation of the project.

The Environment Protection Authority has declared land at Botany to be a remediation site under section 22 of the Contaminated Land Management Act 1997 (CLM Act). The Orica Southlands site is within the declared remediation site. The nature of the contamination identified in the declaration relates to presence of elevated levels of various organic contaminants on the groundwater and/or soil. Particular reference is made to volatile and semi-volatile chlorinated hydrocarbons. A remediation order under S23 of the CLM Act has not been issued and Orica has initiated an intensive programme to remediate the groundwater within the remediation site. Orica P/L will continue to be responsible for the ongoing groundwater contamination and its remediation.

Site Contamination

The NSW Environment Protection Authority (EPA), part of the Department of Conservation (DEC), issued Orica Australia Pty Ltd (Orica) with Notice of Clean Up Action (NCUA) No. 1030236 on 26 September 2003, under the Protection of the Environment Operations (POEO) Act 1997. Several variation notices have subsequently been issued.

Orica has subsequently initiated large scale remedial measures consisting of hydraulic containment of containment in conjunction with pump and treat technologies. Any development within Southlands will be planned and staged in a manner that will allow Orica to meet its environmental obligations. Such obligations include:

- Performing further investigations and trialing removal technologies for contaminant source areas prior to development;
- Maintaining the groundwater pump and treat system throughout and following implementation of the concept plan;
- Allocating corridors for potential future insitu remedial technologies; and
- Maintaining access to the site for purposes of monitoring and investigations works following the development and divestment of the site.

Consideration of Orica's groundwater remedial obligations will be paramount in both the design of the concept plan, and the timing of its implementation.

Various easements and pipelines associated with the groundwater remediation works exist on the site and these pipelines will be repositioned across the site to suit future development and maintain the groundwater remediation works in line with the BGC Project.

In addition to groundwater contamination issues, soil remedial measures will also be required prior to the commencement of the development works.

A preliminary soil investigation program was undertaken in early 2005 by HLA Envirosciences. The investigation indicated the site has been subject to significant uncontrolled dumping of building waste and boiler ash, much of which occurred prior to Orica taking ownership of the land in 1979. A remedial action plan (RAP) will be developed for the site. A NSW EPA accredited site auditor will be appointed to review the RAP prior to submission with the Environmental Assessment.

Overall the soil remedial works will result in a significant improvement both aesthetically and environmentally to Southlands and its surrounds.

Traffic

A preliminary traffic strategy has been developed for the site in association with traffic engineers – Traffix. The basic principles of the traffic plan are generally summarized as follows:

- The street network in the area is a limiting factor for any new development on the site;
- Stage 1 development possibly occupying up to 25% of the site could proceed based on the current road network;
- Stage 2 development up to 40-50% of the site could proceed based on local area traffic improvements but larger scale development in following stages would be limited unless road improvements and an alternate road access option can be made available for the site;
- Macquarie Goodman has numerous nearby landholdings that offer a range of opportunities to provide new access alternatives to the Southlands site;
- A number of options have been considered in the Traffix Traffic Strategy that can provide new access alternatives for the Southlands property;
- Two alternative routes from Foreshore Road through the Discovery Cove Estate are possible or a combination of both routes may prove to be more beneficial. Traffix confirm that these new entry points would be acceptable to the RTA;
- Adoption of these new entry routes connecting Foreshore Road and McPherson Street will then offer sufficient traffic capacity to allow the full site development to proceed as shown in our preliminary Master Plan;
- Future more detailed works with Traffix, the RTA and Council will confirm the final intersection configurations;
- Major reconfiguration works are required within Discovery Cove to allow the passage of the new road, and therefore form part of this Application.

Flooding / Flood Storage Capacity

A detailed hydraulic investigation will be undertaken to establish flood levels and therefore floor levels for any new development and any impacts.

Flora and Fauna

A range of environmental investigations have been made of the site in past years and the key issues in relation to ecology, flora and fauna issues would appear to be the following:

- The site is highly modified;
- No remnant natural features or vegetation exist on the site;
- No threatened plant species or ecological communities exist on the site;
- A survey on Southlands in autumn 1997 located five juvenile green and golden bell frogs in an ephemeral puddle on Block 2 (White, 1997). However, further intensive surveys carried out on the same site during warmer weather failed to locate any individuals of the species. White (1997) concluded that, "it can be confidently concluded that there are no permanent colonies of these frogs on Southlands". There is therefore no evidence of a viable local population on Southlands.
- The ponds on Southlands are filled with a mix of rainwater and contaminated groundwater and also contain the exotic mosquito fish, *Gambusia holbrooki*, a known predator of frog eggs and tadpoles; particularly of tree frogs. White (1997) considers that the presence of the mosquito fish is a key reason for the green and golden bell frog not residing permanently on Southlands.
- There will be a need to discuss the existing drainage lines and water bodies on the site with the Department of Natural Resources in relation to their control under the Rivers and Foreshores Improvement Act 1948.

In summary there does not appear to be major ecological constraints to the development of the site, but this will need to be confirmed by way of a complete investigation.

Geotechnical Issues

Douglas Partners have provided geotechnical advice for the site and have advised that there is likely to be a need to carry out significant improvement to the upper layer of the land with the following key summary points:

- The upper 5 m of the existing profile across the site is highly variable and includes significant depths of weak material;
- Below 5 to 6 m depth, the profile comprises continuous dense and very dense sand to substantial depths;
- Subgrade improvement and preparation for external truck pavements and for ground slabs will require a significant amount of effort;

- Structural loading should preferably be carried by driven precast concrete piles bearing in dense sand to say 8 to 12 metres in depth;

The consultants note that the upper layers of the site will likely need to be replaced with new material and heavily compacted.

Site Services

Preliminary enquiries have been made into the availability of site services and the costs to upgrade these services. The availability of services is summarized as follows:

Electricity -The site lies to the north and west of major electricity distribution. In discussion with Energy Australia it is apparent that the site can be supplied via underground 11kv distribution off McPherson Street and the adjacent roads. A dedicated kiosk transformer of 1,000kVA capacity might then be provided for each proposed warehouse development within the estate.

Telecommunications - The site can be supplied by copper and optic fibre services located to the south of the site in particular. Telstra undertake to supply one or other service as required to satisfy the telecommunications requirements of new development.

Water and Sewerage - Formal advice has been sought from Sydney Water on Water and Sewerage supply to the site. Sydney Water have confirmed that supply can be made available and have the confirmed the extensions to services that will be required to service the property.

Gas - To date gas services have not been explored for the site but AGL would normally advise that gas services can be made available depending upon demand from individual users. The availability of gas supplies are not normally a major consideration fro industrial or commercial users excepting for specialist industrial operations.

Stakeholder and Community Consultation

Clear and timely consultation with a number of stakeholders will be necessary to ensure the successful remediation and development of the Orica Southlands site. The following table provides a snapshot of stakeholders and their key interest in the site.

Stakeholder	Key Site Interest
DoP	Approvals process. Site Planning considerations
DEC	Ongoing groundwater remediation. Site remediation.
DNR	Ongoing groundwater remediation.
CoBB	Council controls and issues; Traffic and hydraulic considerations; Ongoing groundwater remediation.
RTA	New Road Access / Intersection
Industrial neighbours	Construction and operational impacts (including traffic). Potential development prospects.
RailCorp / Pacific National	Adjacent land owner.
Local community	Ongoing groundwater remediation. Changed traffic conditions. Cumulative land-use impacts.

The first stage of community and stakeholder consultation for the remediation and development project was facilitated as part of a site tour and community briefing held at Orica's Botany offices on Saturday 17 June 2006. This session addressed current and future Orica cleanup projects at Botany. Presentations on the Southlands proposal from both Orica and Macquarie Goodman were provided along with the opportunity for stakeholders to raise questions and issues of key importance.

Community members expressed a keen interest in ongoing consultation on the project and this is currently being planned.

Summary

The proposed development of the Orica Southlands Site seeks to make efficient and effective use of a large vacant parcel of industrial land at the heart of Sydney's major industrial and ports precinct.

The development seeks to create a collaboration between site remediation and new development allowing the current vacant land to make a valuable economic and employment contribution to the area.

A high quality estate is proposed for the site attracting a range of new users under the long term control and guidance of Macquarie Goodman.

The scale of the development, and its regional significance, is such that the proposal meets the requirements described in clause 12 of Schedule 1 of State Environmental Planning Policy (Major Projects) 2005 and therefore can be dealt with by the Minister for Planning under Part 3A of the Environmental Planning and Assessment Act.

Orica and Macquarie Goodman seek confirmation from the Department of Planning that the project will be considered under Part 3A of the Environmental Planning and Assessment Act and seek Environmental Assessment Requirements to be addressed in the preparation of an Environmental Assessment to support a Concept Plan and staged development approval application.