

ASSESSMENT REPORT

Section 75W Modification Modification of Oakdale Central Concept Plan and DHL Logistics Hub Project, Horsley Park

1. BACKGROUND

On 2 January 2009, the then Minister for Planning approved a Concept Plan and concurrent Stage 1 Project Application from Goodman Pty Limited (Goodman) to establish the Oakdale Industrial Estate. The Estate is located on a 62 hectare site, adjacent to the Sydney Water Pipeline in the Western Sydney Employment Area and would be developed for warehouse, distribution and freight logistics purposes (refer to Figure 1).

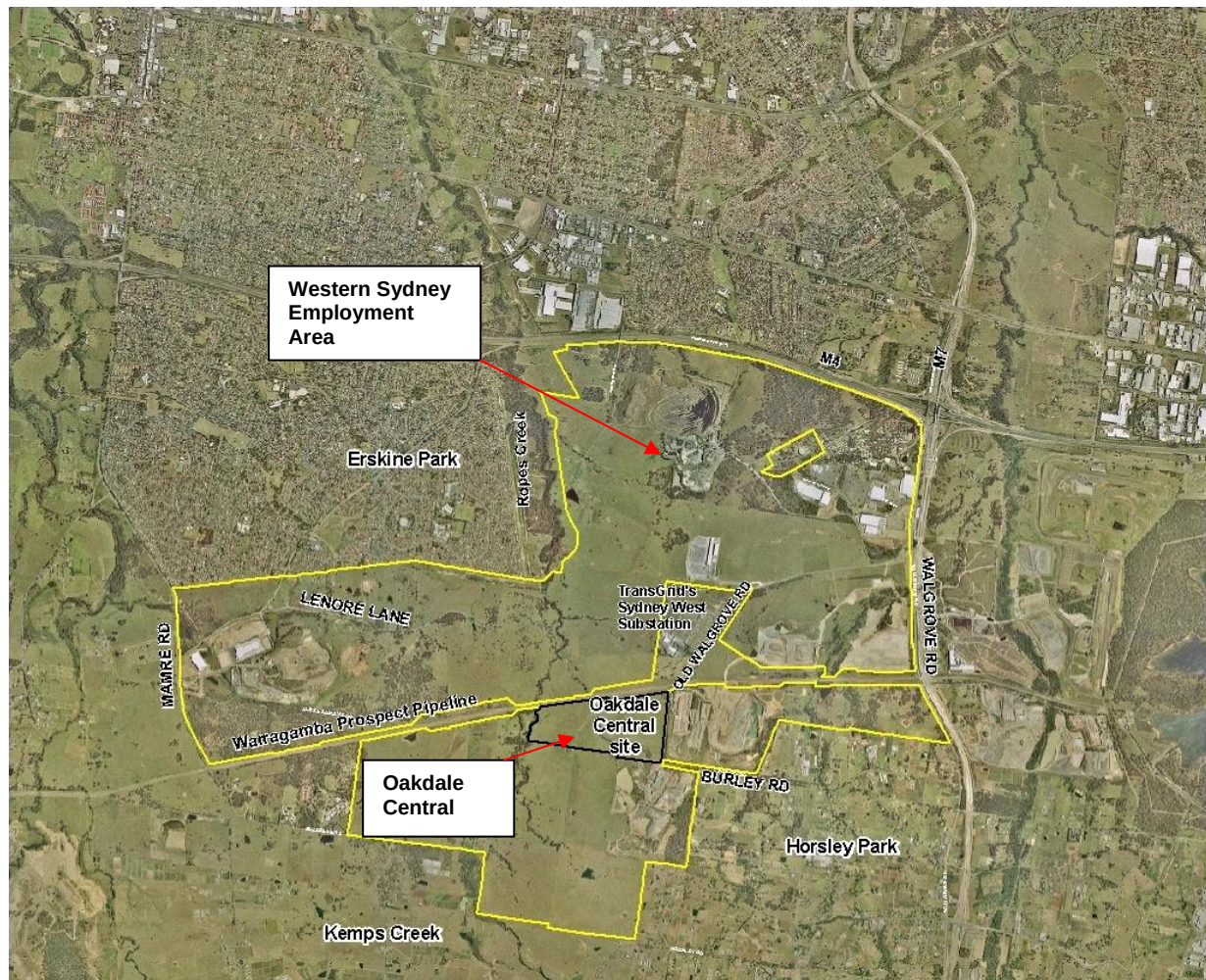


Figure 1: Site Location

Concept Approval

The Oakdale Central Concept Plan (08_0065) approval included:

- subdivision of the site to create:

- o 40 hectares of developable area for industrial/employment purposes
- o 1 hectare for services
- o 7.4 hectares of recreation/open space
- o 4.6 hectares for environmental conservation
- o 8.6 hectares for road corridors.
- 7 industrial buildings with a combined gross floor area of ~150,000m², and associated infrastructure
- upgrade of Old Wallgrove Road between Roberts Road and the site to provide a 7m wide road to provide B-double access (refer Figure 2).

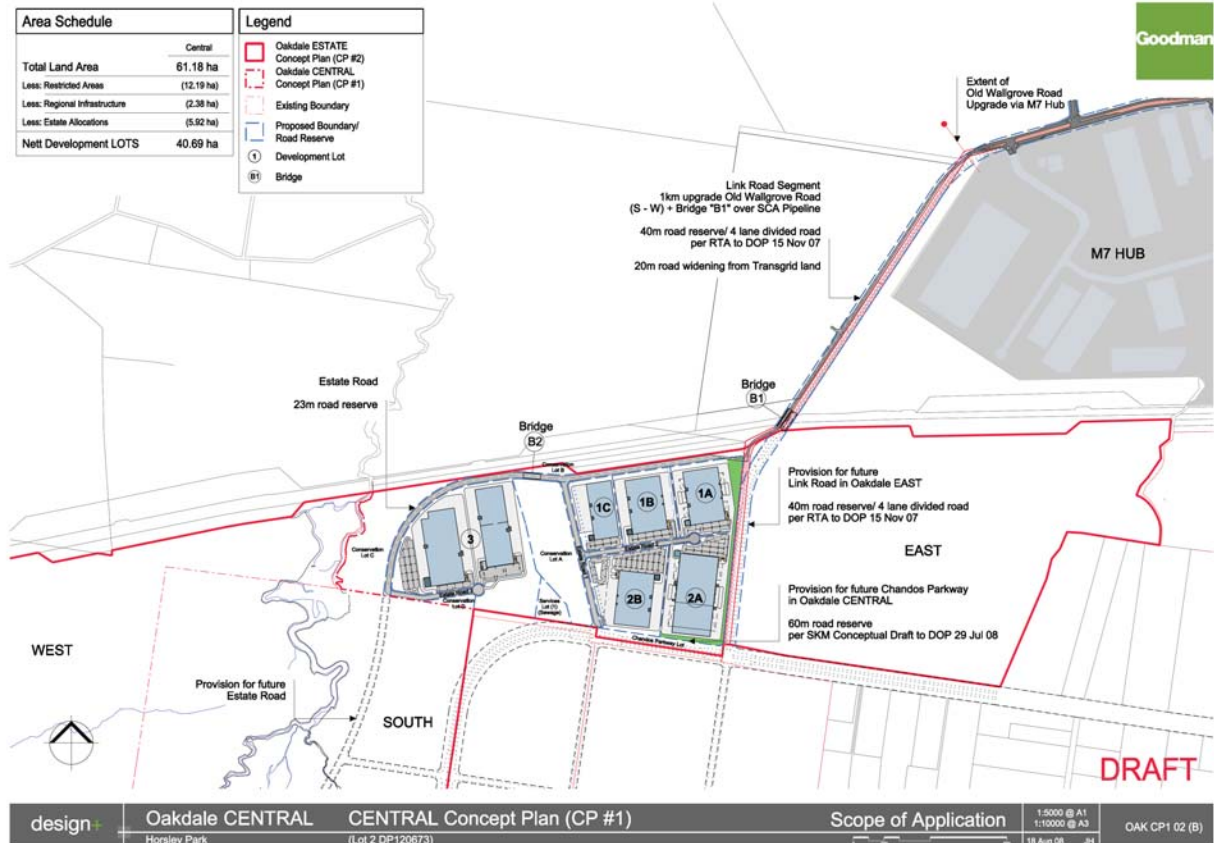


Figure 2: Concept Plan (as approved)

Project Approval

The DHL Logistics Project Approval (08_0066) included:

- construction and operation of a DHL Logistics Hub consisting of two warehouses and associated infrastructure on an 11 hectare lot on the eastern portion of Oakdale Central, including:
 - o building 1A with a gross floor area of ~20,000m² and an office area ~620m²
 - o building 2A with a gross floor area of ~32,530m² and an office area of ~1,180m².
- subdivision of the site to create:
 - o 6 industrial lots;
 - o 1 services lot (1 ha);
 - o 4 environmental/recreational lots (total area ~12 ha); and
 - o 5 road corridors.
- earthworks;
- provision of four Estate Roads to service the site;
- the upgrade of a section of Old Wallgrove Road between the site and Roberts Road; and
- buildings set back ~20m from Old Wallgrove Road to allow for future upgrade works to Chandos Parkway (refer Figure 3).

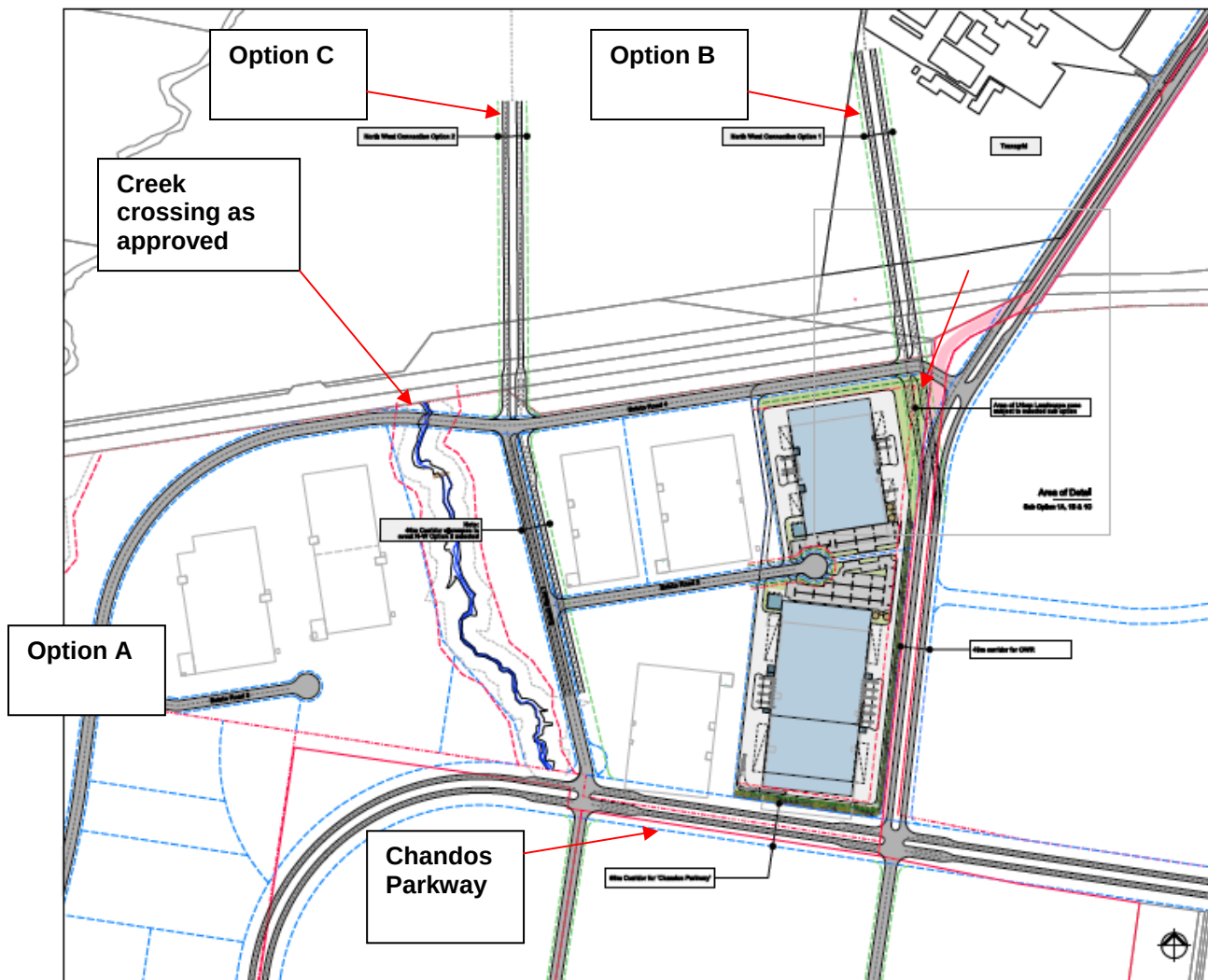


Figure 3: DHL Logistics Hub (as approved)

At the time of the approval, the Western Sydney Employment Area SEPP (WSEA) had not been finalised. In addition, a determination of the Link Road Concept Plan had yet to be made, and the specific layout of the regional road network for the broader Western Sydney Employment Area was still being determined.

As a result, the Oakdale Central proposal had to remain flexible with regard to the location of the southern extension of Archbold Road. To provide this flexibility, Goodman's proposal made provision for three possible extensions:

1. one to the west of the buildings adjoining Ropes Creek (option A);
2. another adjacent to the tributary of Ropes creek which bisects the site (option C); and
3. the final option along the current alignment of Old Wallgrove Road to the east of the site access road (option B).

In addition, the design made provision for the future east-west corridor of the Chandos Parkway (a 60 metre road reservation) (refer Figure 3).

In August 2009, *State Environmental Planning Policy (Western Sydney Employment Area) 2009* commenced, and at the same time, the Concept Plan approval for the Link Road Network was made. This was some seven months after the approval of Goodman's Concept Plan and Project Application.

The WSEA SEPP identifies an indicative alignment for the link road network consistent with the Link Road approval (refer Figure 4). That is, the Archbold Road extension is somewhere in the middle of Option B and Option C.

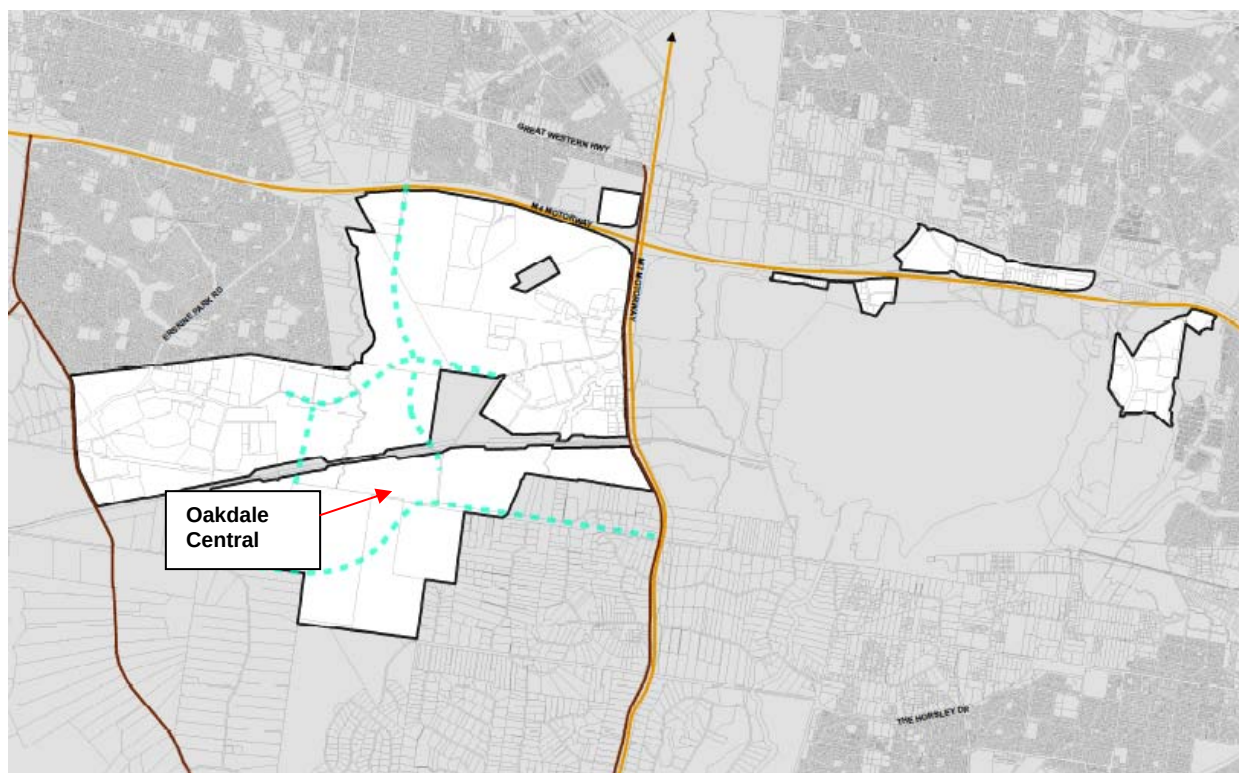


Figure 4: WSEA SEPP Transport and Arterial Road Infrastructure

The SEPP also requires that satisfactory arrangements are to be made for provision of infrastructure to serve the employment area. At the time the WSEA SEPP was gazetted, Government also announced its intention to impose a State Infrastructure Contribution (SIC) of \$180,000 per net developable hectare to be applied to all industrial development in the area covered by the SEPP.

2. PROPOSED MODIFICATION

On 14 October 2010, Goodman lodged an application to modify the approved Oakdale Central Concept Plan and DHL Logistics Hub Project, in response to DHL's requested design changes to building layouts. In addition, the modification is in response to the WSEA SEPP arterial road infrastructure map providing clarity over the alignment of the extension to Archbold Road. The proposed modifications are detailed in Table 1 below.

Table 1: Proposed modifications to Concept Plan (08_0065) and Project approval (08_0066)

Roads – refer Figures 5 and 6	Goodman is seeking to modify the approved Project and Concept Plan to: - delete two of the proposed future north-south connections to Archbold Road, leaving only the alignment along the current alignment of Old Wallgrove Road to the east of the site, in accordance with the WSEA SEPP; - reduce and realign internal roads from four estate roads to a single central estate road, rather than running along the northern boundary (and ultimately forming part of the future link road), will be located off Old Wallgrove Road and will run in an East / West direction bisecting the estate; and - upgrade of a 0.5km section of Old Wallgrove Road from the Sydney Catchment Authority (SCA) crossing to the estate entry road to facilitate access to the revised estate entry location.
Subdivision – refer figure 5	Goodman propose to adjust subdivision boundaries to: - increase development allotments by two – through the subdivision of Lot 3 (as approved) into two lots (proposed lots 3A and 3B) and conversion of the conservation lot on the top of the hill to a developable lot; - reduce conservation allotments by one; - create a single estate road allotment (Estate Road 1 with a 23m wide corridor) rather than 3 and provision of 2 regional road allotments

	(Regional Road Lot 1 with a 40m road corridor and Regional Road Lot 2 to provide provision for a 60m road corridor for the future Chandos Parkway) rather than 1 (see above); and • create a more regular shaped Lot 3B allotment. Overall the subdivision as modified would create: • 8 development lots; • 3 environmental/recreation lots (total area ~10.5ha); • 3 road corridor lots; and • 1 services lot. The net developable area would increase by 5.27ha
Contributions	The modification seeks to adjust Goodman's contributions to \$180,000 per developable hectare (instead of up to \$300,000 as approved), consistent with Government's announced SIC for the Western Sydney Employment Area. Goodman is seeking to exclude the regional road lots from the contribution calculation for the SIC.
Landuse	Goodman is seeking to change the proposed land use RE2 Recreation to E2 Environmental Conservation to align with the land use zoning in the WSEA SEPP.
Creek crossing	As the internal road layout will comprise of a single road running through the middle of Oakdale Estate, the proposed creek crossing will be relocated some 300m to the south of the approved crossing (refer Figure 6).
DHL facility	The building layout has been adjusted in response to the revised road layout as well as to better serve DHL operational requirements (refer Figures 6 and 7). The proposed DHL facility is similar to that described in the EA with the main differences being as follows: <u>Warehouse 1 (Lot 1A)</u> • Building envelope moving slightly north and east and rotated 180 degrees so that the hardstand is on the opposite side to the public road. • Warehouse 1 is to reduce in size from 20,000m² to 19,520m² with a single sided hardstand instead of a double. • The office space will be reduced by some 120m². <u>Warehouse 2 (Lot 2A)</u> • Building footprint moving some 20m to the east and 50m to the west. The approved project allowed for buildings 1 and 2 to act as a single facility if required. The new road alignment bisects these two buildings so, to better serve DHL operational requirements, the proposed modification separates warehouse 2 into warehouses 2 and 3 so that these two can act as a single facility if required. • Approved as a 32,530m² warehouse the modification comprises of a 24,650m² (Warehouse 2) and a 9,291m² warehouse (Warehouse 3). With a minor increase in site and building area. • Building 2A was to have a double sided hardstand, Warehouse 2 is to now have hard stand at each end of the building, while Warehouse 3 is to have double sided hardstand. • Warehouse 2 will be air-conditioned and include a dangerous goods store which would comprise of full height pre-cast panels with 4 hour fire rating. <u>In addition</u> • External finishes changing from precast concrete panels to concrete dado with metal deck cladding • Rather than constructing all estate roads during stage 1, Goodman are seeking to construct the 260m long portion of the new estate road only. The temporary access is no longer required.
Car parking	Goodman is seeking a reduction in car parking by 25 spaces to accord with tenant requirements.

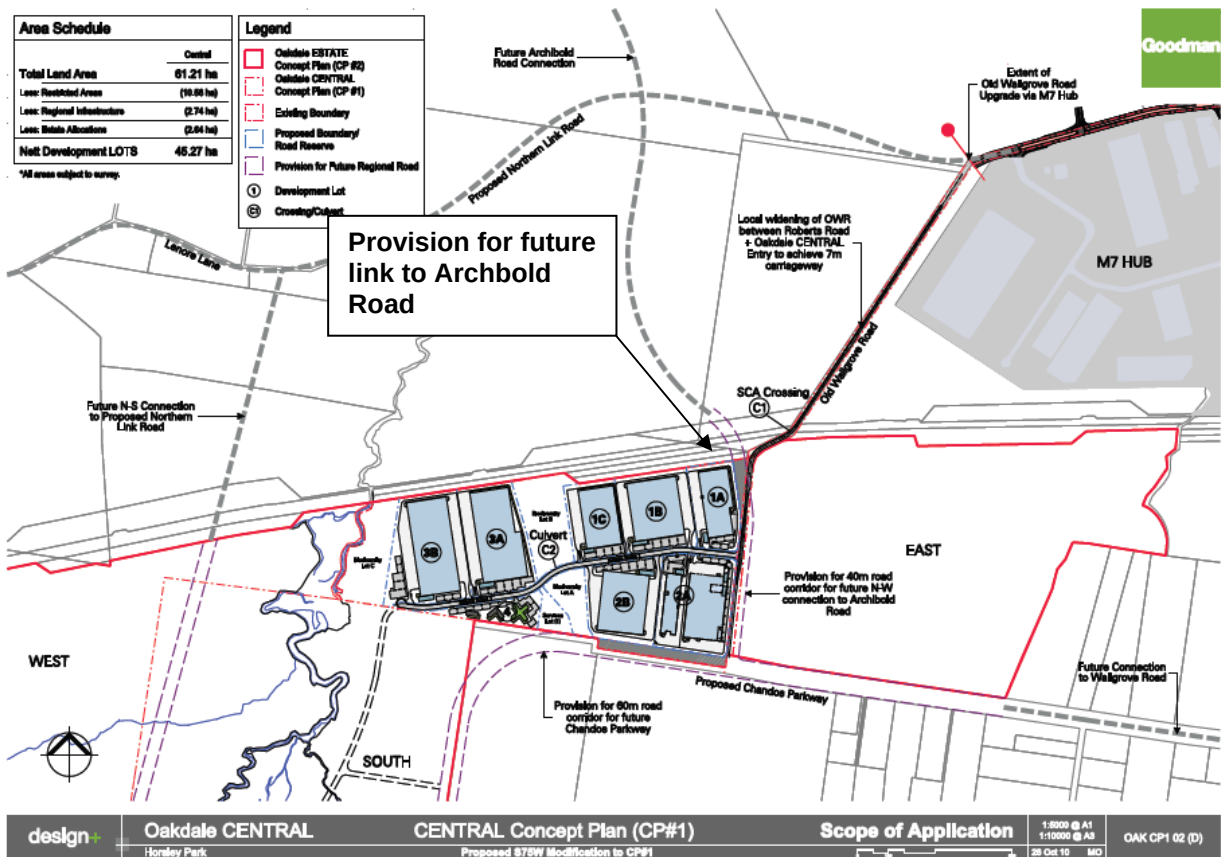


Figure 5: Proposed Concept Plan

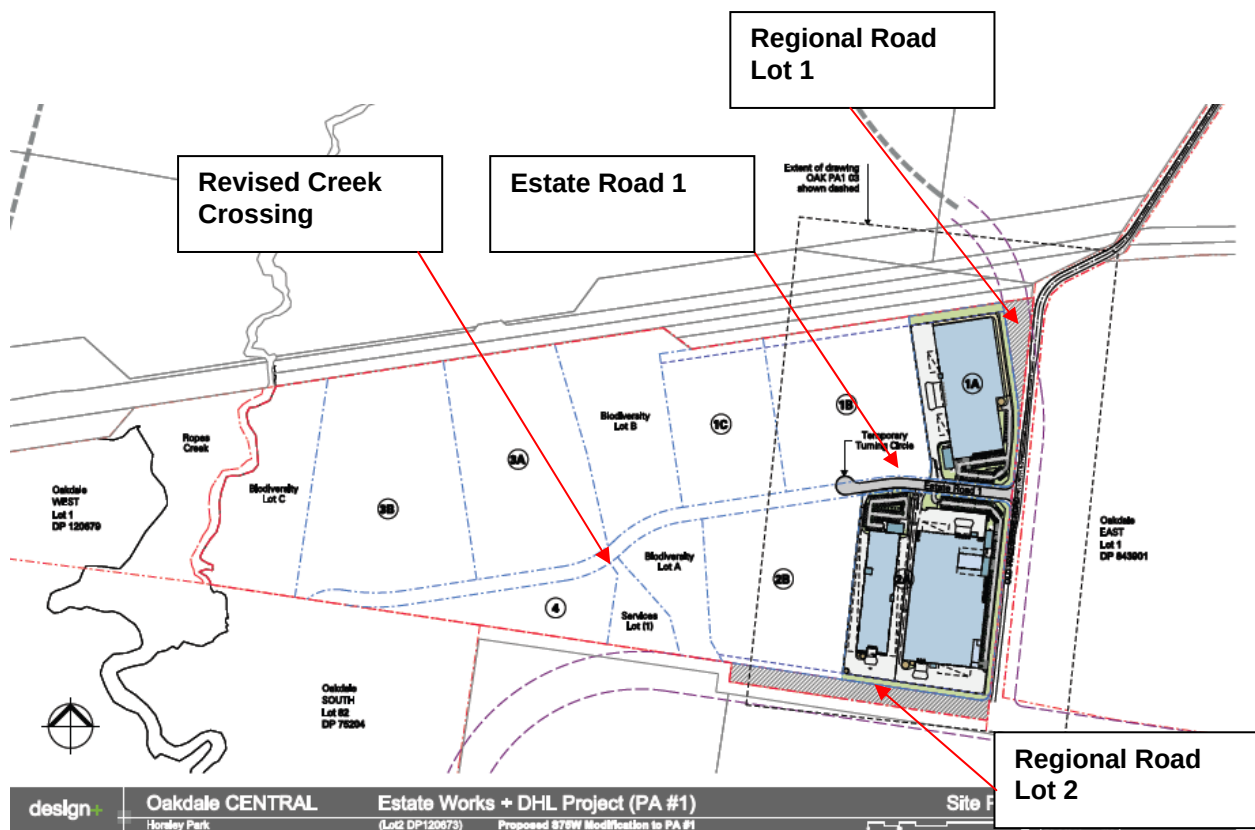


Figure 6: Proposed DHL Project Plan

3. STATUTORY AND STRATEGIC CONTEXT

Approval Authority

Section 75W of the EP&A Act confers on the Minister an implicit obligation to be satisfied that the modification request falls within this section of the EP&A Act.

The Department notes that:

- the proposed modification does not seek approval for a new and different project for which approval was granted; and
- any potential impacts would be minimal and could be appropriately managed through the existing or modified conditions of approval.

It is therefore recommended that the Executive Director of Major Projects Assessment, under the Ministers delegation of 25 January 2010, agree that the modification request falls within section 75W and the request can be determined.

Exhibition and Notification

Under Section 75W of the EP&A Act, the Department is not required to notify or exhibit the application. Following a review of the modification application, the Department determined that the proposed modification should be referred to Fairfield City Council, Blacktown City Council, the Roads and Traffic Authority and the NSW Office of Water. Consultation with other government agencies and neighbouring sites was considered unnecessary as the environmental impacts of the proposal would essentially remain unchanged from the approved project.

The following responses were received from public agencies:

RTA – noted that the proposed modification does not result in any additional / adverse traffic impacts beyond those assessed under the original project application. RTA has no comment or additional conditions of approval.

Blacktown Council – objects to approval of the modification until Old Wallgrove Road is included as a SIC road and all the SIC roads and their funding are resolved. Blacktown Council also raised concerns over on-site water detention, hydrologic impacts on Ropes Creek and other tributaries, water quality management strategy and discrepancies between the Archbold Road connection route shown on plan OAK PA1 01 (C) and the SEPP WESA as well as concerns over the road extension passing through the Transgrid substation site.

Fairfield Council - raised concerns in relation to traffic management, including the adequacy of Old Wallgrove Road upgrades and car parking, water quality, flooding and flora and fauna.

NSW Office of Water – raised no concerns in relation to the change of creek crossing location provided the revegetation of the riparian area is not less than the currently approved amount of 4.27ha.

Strategic Planning

The key strategic planning instruments governing the area include:

- the State Plan;
- the Metropolitan Strategy; and
- the State Environmental Planning Policy (Western Sydney Employment Area) 2009.

State Plan

The State Plan provides priorities for Government action for the State of NSW. In relation to the western Sydney region, the State Plan seeks to improve access to employment lands, simplify planning processes and enhance transport infrastructure particularly around employment lands. The western Sydney region is a major contributor to the economic output of NSW and the provision of jobs closer to home for the people of western Sydney is seen as a

key objective for the area. The Department is satisfied that the approved project and the proposed modification are consistent with the objectives of the State Plan.

Metropolitan Strategy

The Metropolitan Strategy presents a plan for sustainable growth in the Sydney region until 2031. The Metropolitan Strategy is currently under review. However, the strategy sets out key aims for employment, housing, infrastructure and service provision. One of the objectives of the strategy is to protect and enhance the WSEA.

The provision of high employment generating development is consistent with the objectives for the area and represents an appropriate use of strategically located employment land. The proposal would assist in achieving employment targets identified in the Metropolitan Strategy and draft North West Subregional Strategy.

WSEA SEPP

The WSEA covers the area of central western Sydney centred on the intersection of the M7 and M4 motorways, identifying ten precinct areas including the 'Lands South of the Sydney Water Pipeline' Precinct (ie Precinct 8), of which this proposal forms a part.

The Department and RTA have been working closely to progress the development of regional infrastructure in the area, particularly the Link Road (between the already built Lenore Lane and Old Wallgrove Road) and works to Old Wallgrove Road.

A 'Review of Environmental Factors' (REF), that includes detailed design for this initial section of the Link Road is expected to be determined in early 2011. As such, road works on the Link Road are expected to commence in the first part of 2011. While in relation to Old Wallgrove Road, in August 2010 the RTA advised Blacktown Council of its intent to recommend to the Minister for Transport and Roads that the Erskine Park link Road (including Old Wallgrove Road) be declared a State road. Council is supportive of this proposal. In addition, the RTA and the Department have progressed to detailed design works, and have consulted with various landowners and Blacktown Council as part of the preparation of this design, which will also facilitate upgrade works commencing on Old Wallgrove Road.

The Department is satisfied that the proposal is consistent with the objectives of the SEPP, as it would promote development of the land for high employment generating uses and assist in coordinated development of the area. The Department is further satisfied that the development can be accommodated within the local road network, and that detailed design works and a program for implementing these works has progressed.

The Department is satisfied that the proposal is consistent with the objectives of the WSEA SEPP.

4. ASSESSMENT

KEY ISSUES

The Department has reviewed the proposed modification and considers the key issues to be traffic (in relation to strategic planning and road alignments) and contributions. All other issues are considered to be minor.

Traffic (Road alignments)

At the time of the approval of the DHL Project and Oakdale Central Concept Plan, there was a degree of uncertainty regarding the regional road alignment. Therefore the DHL project approval provided for three north-south road corridors and one east-west corridor (Chandos Parkway). The original application assumed the east-west Road would run along the northern boundary of the Oakdale precinct. Accordingly, a 60m reservation was provided on the northern side of the estate. However as the project progressed, it was determined that Chandos Parkway was the preferred south-west link road alignment, therefore the approved project accommodated a 60m wide road corridor for the Chandos Parkway on the southern side of the

site. However, not all of the plans were updated accordingly. Therefore a condition was included in the Concept Approval (Condition 2) requiring the concept plan be modified so that within 3 months of the approval, the Proponent was to:

- a) Revise all drawings and plans lodged with the Concept Plan to accommodate the proposed Chandos Parkway and demonstrate that the revised drawings and plans are compliant with the Oakdale Central Concept Plan Controls*

As discussed above, the now commenced WSEA SEPP provides an approved north-south and east-west regional road alignment for the 'southern link'. Therefore Goodman, as well as providing revised drawings to accommodate the proposed Chandos Parkway, propose to modify the project by removing the other two now superfluous north-south corridors as well as revising the internal road layout.

The Department considers the modification to be consistent with current strategic planning work for the area and allows for the provision of future regional roads.

Blacktown City Council raised concerns that Goodman's north-south link road alignment does not match the WSEA SEPP Transport and Arterial Road Infrastructure map indicative alignment. Council's main concern is that Goodman's alignment impacts Transgrid's land to the north-east of the site. Following discussions with the Department, Goodman amended their plans to better reflect the WSEA SEPP.

Internal Roads

In response to the preferred regional road alignment, Goodman also proposes to modify the internal estate roads. The modified estate roads would comprise of a single road to be accessed from Old Wallgrove Road running in an E/W direction and terminating in a cul-de-sac. This road access would enable the Central precinct to be accessed by a single estate road through the centre of the estate, thereby providing direct access to the development allotments.

The Department agrees with Goodman's assessment that the revised access arrangement is a better solution to the original approval as:

- it would relocate the estate entry from Old Wallgrove road away from the SCA crossing resulting in a safer access arrangement to the estate;
- the relocated estate road creek crossing would be shorter; and
- estate road works would provide more direct access to development allotments.

Goodman is also seeking approval to stage the construction of the internal roads, commencing with the construction of the 260m road to access DHL (See Figure 8). Detailed design and construction of the remainder of the road would occur as the estate progressively developed.

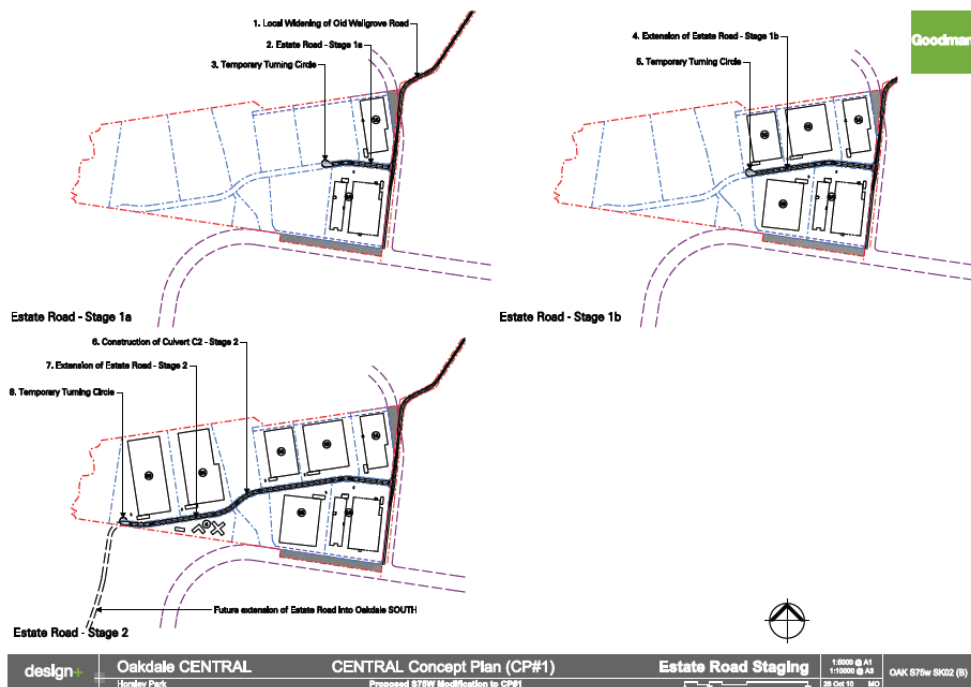


Figure 8: Proposed staging

Capacity of road network

Traffix's traffic impact assessment determined that, as traffic generation would remain unchanged or be reduced as a result of the modification, no additional upgrades to the external road network are required. However, due to the movement of the access road to the south of the approved road, Goodman propose to extend the proposed upgrade of Old Wallgrove Road to the (modified) access road.

Blacktown Council objects to the Oakdale Industrial Estate on the grounds that funding for the upgrade of Old Wallgrove Road remains unresolved. However, the Department notes that Goodman has already been conferred development rights for the DHL proposal, and is still obligated under the original project approval to upgrade Old Wallgrove Road to a standard that will ensure it has sufficient capacity to accommodate the predicted traffic of the Oakdale Central project in the short to medium term. That is, before the regional roads are built to support the expansion of the Western Sydney Employment Area.

The Department is satisfied that the project as modified will not place an additional burden on the existing road network beyond that assessed and conditioned for the original project. Furthermore, the Department believes that the revised road layout better responds to the site's constraints and would reduce the burden on Council in the long term if estate roads are to be dedicated in future.

Most of Fairfield Council's concerns in relation to traffic were addressed as part of the original assessment. The modification actually predicts a reduction in trip generation; therefore the Department considers that the existing conditions sufficiently address any potential changes in traffic impacts.

Parking

Goodman is seeking a reduction of car parking spaces for the DHL facility, by 25 spaces, to accord with tenant requirements. However, the car space provision is generally in accordance with the concept plan rates of 1 car per 200m² for warehouse and 1 per 40m² for office space. Fairfield Council raised concerns over the reduction in car spaces, however the modified number of spaces still complies with RTA's guidelines. As such, the Department is satisfied that the proposed number of parking spaces, along with the project approval requiring the Proponent to ensure that all parking generated by the project is accommodated on site; and that no vehicle associated with the project shall park on the public road system at any stage sufficiently addresses car parking requirements.

Contributions

At the time of the original approval, the NSW Government had not specified the likely level of contribution required for regional infrastructure.

To address this, Goodman agreed to:

- pay up to \$3.6 million for the provision of regional infrastructure for the DHL Logistics Hub project, which equates to \$300,000 per developable hectare; and
- pay contributions towards regional infrastructure with each subsequent development/project application for the Oakdale Central concept plan

Since that time, the then Minister for Planning announced the Government's intention to impose a \$180,000 State Infrastructure levee, or SIC, per hectare of developable land in the Western Sydney Employment Area. Accordingly, Goodman propose to modify the DHL Project Approval to provide contributions consistent with Government's intended SIC.

The Department is satisfied with Goodman's revised offer and that adequate provisions have been made for regional infrastructure contributions.

Other Issues

The Department's consideration of other issues is provided in Table 2 below.

Table 2: Other Assessment Issues

Issue	Impact	Recommendation
Site layout and design	The proposal would not significantly alter the design or layout of the DHL buildings. The modification results in the same boundary to the regional road network and will incorporate the same design and landscaping. The internal traffic movements will alter slightly however internal circulation will still result in an adequate level of safety and amenity. The site layout will reduce the private recreation area by 1.5 hectares. However, as the riparian corridors will remain the same and Goodman still propose to revegetate 4.27 hectares as approved, the Department is satisfied that the reduction in recreation area will not affect flora and fauna. In addition, as the modified proposal will still ensure 10.56ha of land is zoned E2, the Department doesn't consider the loss of 1.5 hectare to be significant. Parts of the site, and in particular the areas adjacent to Ropes Creek and its tributary, are flood liable. The modified subdivision boundary of Lot 3B encroaches on the 1 in 100 year flood level. However, this issue will be addressed during project application stage as the concept approval requires Goodman to undertake a flood assessment for all future project applications.	No change to project approval required.
Visual	Visual impacts of the original proposal were assessed in the context of transforming an existing rural area to a strategic employment centre. The conclusion being that the transformation is consistent with the strategic objectives for creating an employment hub in this location. Visually, the modification would be very similar to the approved project with only minor changes including the relocation of one of the hardstands away from the public road and use of a slightly different cladding material. The Department is satisfied that visual impacts will be consistent with the approved the concept plan and project application	No change to project approval required, Goodman is required to comply with existing conditions regarding preparation of a landscape plan.
Noise	The only change from the original project in terms of noise	Goodman is required to

	generation is the addition of air conditioners on warehouse 2A. Goodman's noise assessment predicted noise levels at residences comply with the existing night noise criteria.	comply with existing noise limits.
Flora and Fauna	The proposed new location of the estate road crosses the creek to the south of the approved crossing. The new crossing will reduce the amount of Swamp Oak Floodplain Forest to be removed from 0.19ha to 0.09ha. Goodman still propose to revegetate 4.27 hectares as approved. However, as the information included in the modification application shows a reduction in area to be revegetated the Department recommends a condition requiring Goodman to revegetate an area of 4.27 hectares, of which 2.50 hectares must be Swamp Oak Forest. Existing conditions also require Goodman to prepare and implement a Vegetation Management Plan (VMP) for the project which would ensure vegetation on site is also managed.	Recommended condition requires Goodman: to revegetate 4.27 hectares of which at least 2.5 hectares is Swamp Oak Forest.
Soil and Water	The Stormwater Management Strategy for the DHL project as modified has been designed in a manner that is consistent with the overall Oakdale Estate WSUD Strategy prepared by GHD Pty Ltd. The proposed stormwater management for the site consists of swales and bio-retention systems, to ensure post development flows from the site are reduced to pre-development flows for the 1 in 100 year average recurrence interval (ARI) and stormwater is treated to an appropriate level prior to discharge. Both Blacktown and Fairfield Council's concerns have been addressed during the assessment for the original application and are thus addressed through existing conditions.	No change to the approval is required, Goodman will be required to comply with existing conditions requiring preparation and implementation of a Stormwater Management Plan
Hazards and Waste	The original approval required that a hazard assessment is undertaken in accordance with <i>State Environmental Planning Assessment No. 33 – Hazardous and Offensive Development</i> for each subsequent development/project application Though the project as modified would not alter the hazards associated with the project a hazard assessment was included in accordance with the original approval.	No change to the approval is required.

5. RECOMMENDED CONDITIONS OF APPROVAL

The Department considered that the proposal represents a minor modification of the project as approved and will only have minimal impacts beyond that assessed and approved.

The Department has recommended a minor amendment to the current project approval to include the modification application within the terms of the approval.

6. CONCLUSION

The Department has assessed the merits of the proposal in accordance with the requirements in Clause 8B of the *EP&A Regulation*.

This assessment has found that the proposal is consistent with the strategic development of the area as an important employment hub and the modification is minor and is unlikely to cause

any significant impacts beyond that assessed and approved. Consequently, the Department believes the proposed modification is in the public interest, and should be approved.

7. RECOMMENDATION

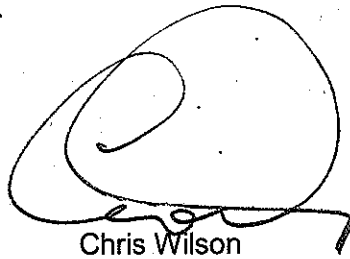
It is RECOMMENDED that the Executive Director, Major Projects Assessment:

- approve of the proposed modification under Section 75W of the EP&A Act; and
- sign the attached instrument (tagged A).



Chris Ritchie
Manager - Industry
Mining & Industry Projects

4/11/10



Chris Wilson
Executive Director
Major Projects Assessment

4.11.10