

DEPARTMENT OF PLANNING

Development Assessment and Systems Performance

For decision

SUBJECT: DHL LOGISTICS HUB MOD 2

PURPOSE

To determine a modification request for the DHL Logistics Hub.

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 (See Figure 1). The Stage 1 Project Application included the construction and operation of two warehouse facilities for DHL. The Estate is located on a 62 hectare site, adjacent to the Sydney Water Pipeline in the Western Sydney Employment Area (WSEA) and would be developed for warehouse, distribution and freight logistics purposes.

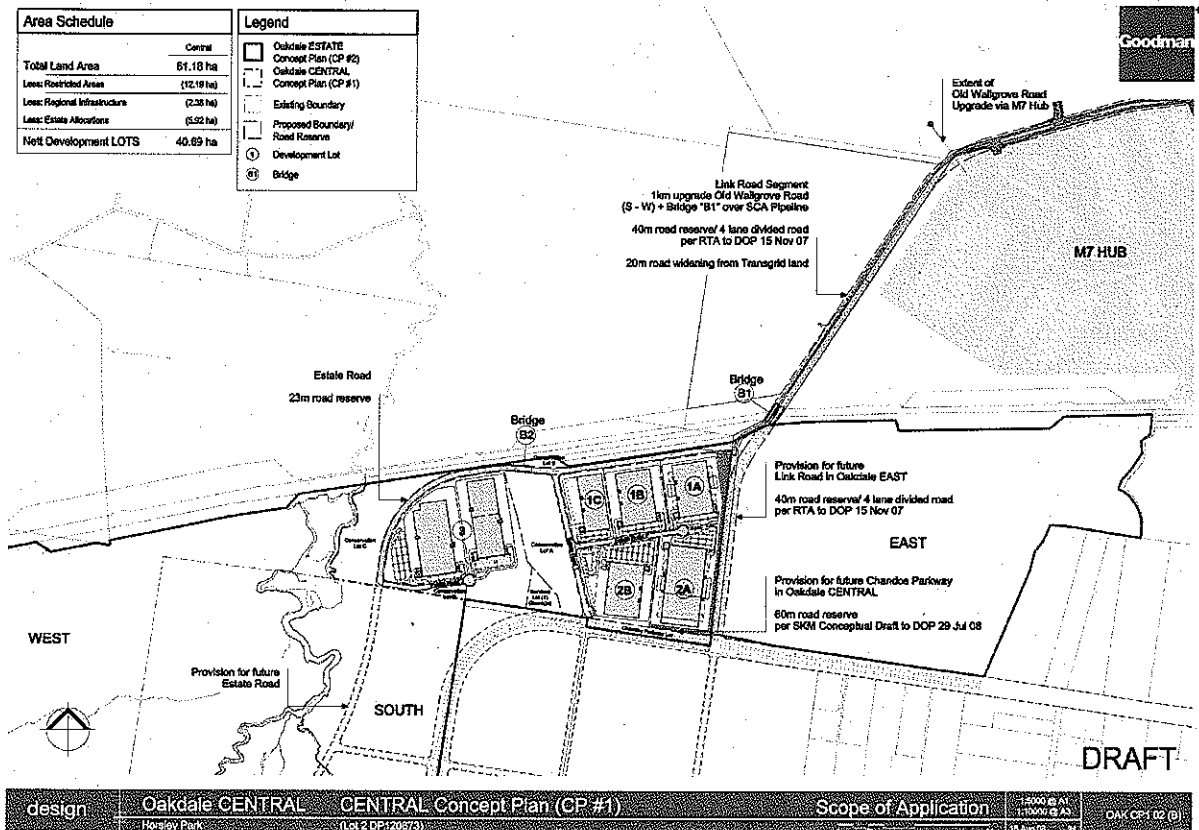


Figure 1: Concept Plan (as approved)

On 4 November 2010, the Department approved an application to modify the approved Oakdale Central Concept Plan and DHL Logistics Hub Project, to address design and building layout changes, and to accord with the alignment of adjoining regional road infrastructure within the WSEA SEPP.

The Department's approval of the November 2010 modification also amended Goodman's contribution condition in order to be consistent with the Government's announced Special Infrastructure Contribution (SIC) for the Western Sydney Employment Area (ie \$180,000 per

developable hectare instead of up to \$300,000 as was approved under the original Concept Plan).

A condition imposed on the modified project included setting a timeframe for Goodman to enter into a Voluntary Planning Agreement (VPA) to make the necessary contributions. The timeframe is specified as, *"prior to the commencement of building works on Lot 2A, or the issue of a Subdivision Certificate, whichever is sooner"*.

Under s93G(1) of the EP&A Act, a Planning Agreement cannot be entered into, unless it has been publically notified for a period no less than 28 days.

Due to some technical issues experienced during the VPA exhibition process, the public notification of the draft VPA started on Wednesday 12 January and recently closed on 11 February 2011. No submissions were received.

As a result of the delayed exhibition, the construction timeframe for the Project and the timing for the entering into a VPA are now out of sequence. As a result, Goodman has requested to modify the project again to adjust the timing for entering into the VPA.

PROPOSED MODIFICATION

Goodman seeks to modify the conditions to change the timing for entering into the VPA from:

- *"prior to the commencement of building works on Lot 2A, or the issue of a Subdivision Certificate, whichever is sooner;*
- *To "Within 7 days of receiving notice from the Department ...and in accordance with the terms of their offers made to the Department on 4 February 2011 and 14 February 2011... the proposed planning agreement must be entered into prior to obtaining an occupation certificate or subdivision certificate in relation to the Site".*

CONSULTATION

In accordance with section 75X of the EP&A Act and clause 8G of the EP&A Regulation; the modification request was made available on the Department's website. Due to the minor nature of the proposed modification, the modification request was not exhibited by any other means. No submissions were received on the modification request.

DELEGATED 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.

KEY ISSUES

Consistency of the VPA and Project Approval

The timing for the payment of the SIC needs to be consistent in both the Project Approval and the VPA.

Due to the technical reasons outlined above, the timing for payment of the SIC between the Project Approval and VPA have become inconsistent, and this needs to be rectified.

The proposed wording in the recommended modification and the draft VPA have been reviewed by the Department's Legal Services Branch to ensure certainty, security and clarity is achieved for all parties.

The proposed drafting will also ensure that a timely payment of the SIC is also made.

The Department considers this modification to be principally an administrative amendment and does not consider that there will be any environmental impacts resulting from the proposal.

Given the above, the Department recommends that the modification application be approved, subject to the conditions outlined in the supporting modifying instrument.

RECOMMENDATION

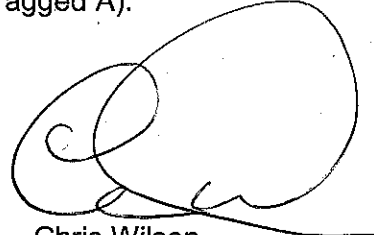
It is RECOMMENDED that the Executive-Director:

- note the information provided in this briefing;
- approve the modification request, under Section 75W of the EP&A Act; and
- sign the attached modifying instrument (Tagged A).



Chris Ritchie
Manager - Industry
Mining & Industry Projects

16/1/11



Chris Wilson
Executive Director
Major Projects Assessment

17.2.11