



NSW GOVERNMENT
Department of Planning

***MAJOR PROJECT ASSESSMENT:
Versacold Cold Storage Facility,
Erskine Park***



Director-General's
Environmental Assessment Report
Section 75I of the
Environmental Planning and Assessment Act 1979

December 2008

Cover photo: Proposed view of the Versacold Storage Facility
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EXECUTIVE SUMMARY

In March 2007, the Minister for Planning approved a concept plan application for the establishment of a warehouse and distribution estate on 38 hectares of land within the Erskine Park Employment Area, in the Penrith local government area. A corresponding project approval provided for the subdivision of the land into six lots and development of one of those lots for a distribution centre.

GPT Group (GPT) now proposes to develop an additional lot on the approved industrial estate, Site Area D, as a cold storage facility. The project – known as the Versacold Cold Storage Facility – involves the establishment of a refrigerated warehouse for the storage and distribution of frozen and chilled products as well as dry goods.

The project has a capital investment value of \$19 million and is expected to employ around 150 people once operational.

The proposal constitutes a ‘major project’ under Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act), and consequently the Minister is the approval authority for the project.

During the exhibition period the Department received 5 submissions on the project, all from government authorities. None of these submissions objected to the project.

The Department has assessed the merits of the project in accordance with the relevant statutory requirements.

This assessment found that the main issues associated with the project relate to visual impacts and soil and water management. The Department is satisfied however, that these impacts can be adequately mitigated and/or managed to ensure an acceptable level of performance and has recommended a range of conditions to ensure this occurs.

The Department recognises the significance and need for the project in terms of promoting the development of the Western Sydney Employment Hub and the Erskine Park Employment Area. The project is consistent with the objectives of the Sydney Metropolitan Strategy providing for the early development of employment lands and generating jobs in Western Sydney.

The Department is satisfied that the project has significant social and economic benefits for the Western Sydney community and that it is therefore in the public interest.

Consequently, the Department recommends that the Versacold Cold Storage Facility be approved, subject to conditions.

1. PROPOSED PROJECT

1.1 Background

On 1 March 2007, the Minister for Planning approved a concept plan (06_0216) for the creation of a warehouse and industrial estate on 38 hectares (ha) of land off Lenore Lane in the Erskine Park Employment Area, in the Penrith local government area (see Figure 1). The Erskine Park Employment Area is approximately 500 ha in size and forms part of the broader Western Sydney Employment Hub. The Minister has previously approved a number of warehouse and manufacturing facilities in the area, including the adjacent BlueScope facility and warehouses for Woolworths, Linfox and Kimberly Clark.

The concept plan approval (and subsequent modifications) provide for the:

- subdivision of the site into 6 development lots;
- construction of 5 warehouse/industrial facilities, including the associated bulk earthworks and provision of estate-wide infrastructure;
- construction of amenities facilities (eg food and beverage facilities and childcare) on lot C;
- construction and use of a warehouse and associated infrastructure on one of these development lots (site area H); and
- stormwater management infrastructure including the realignment of a creek and landscaping.

The construction of the estate (bulk earthworks and infrastructure) started in 2007, and is now well advanced.

In March 2007 the Minister granted approval for the development of Lot H for warehousing. In August 2008 the Minister granted approval for the development of Lot E as a Goodman Fielder Food manufacturing facility.

GPT now proposes to develop a cold storage facility on Site D of the Industrial Estate on behalf of Versacold Logistic Services. The proposed development lot is shown on Figures 1 and 2, and has an approximate area of 5.4 hectares.

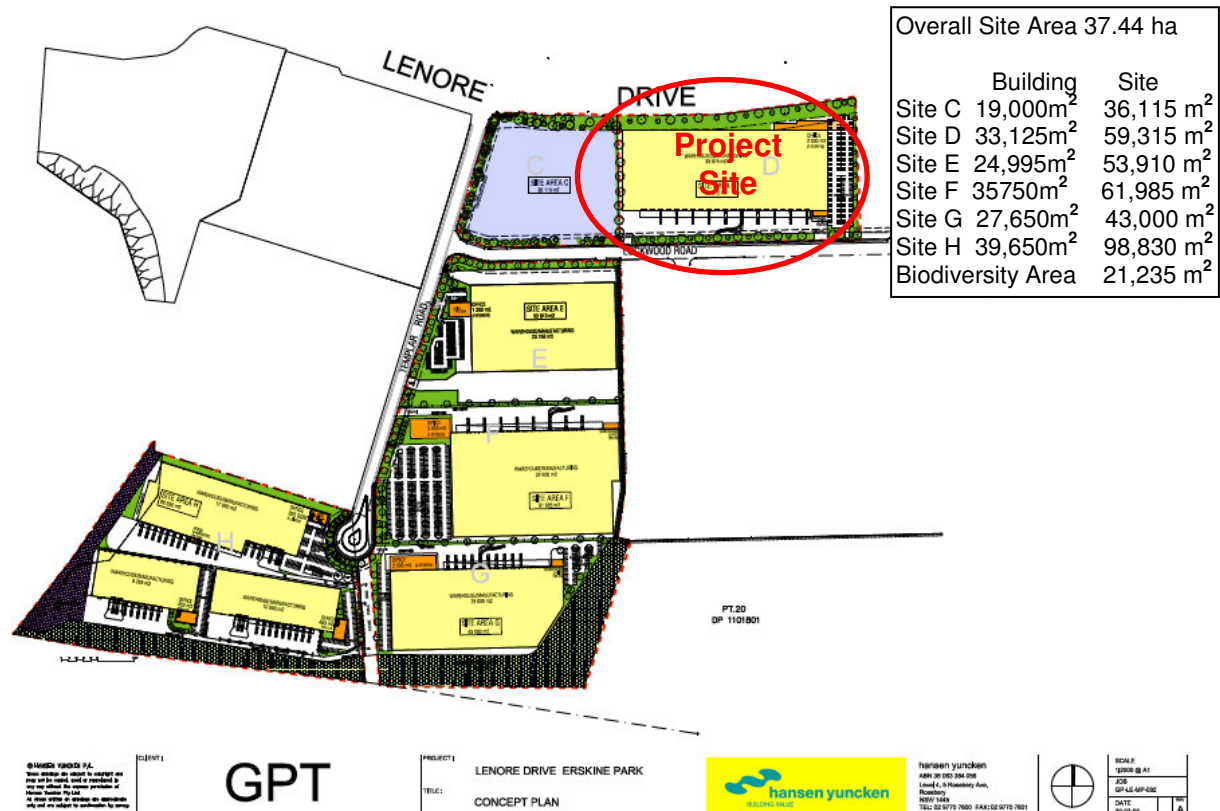




Figure 2: Proposed Project Site

1.2 Project Description

GPT proposes to develop Site Area D of the industrial estate for Versacold Logistic Services (Versacold). The Versacold cold storage facility has a building area of approximately 24,016 square metres and would be used as refrigerated warehouse space for the storage of frozen and chilled products as well as dry goods. The facility would be constructed in two stages. Stage 1 would include a 12,116 square metre warehouse, and office, amenities and plant areas. Stage 2 would involve an additional 10,000 square metres of warehouse space. Approximately 150 jobs would be created by the project.

The major components of the project are summarised in Table 1, and depicted in Figure 3. The project is described in full in GPT's Environmental Assessment (EA), which is attached as Appendix F.

Table 1: Major components of the project

Aspect	Description
Project Summary	Construction and use of Site Area D as a Cold Storage Facility and a range of associated infrastructure.
<i>Production Facility</i>	<p>The facility would:</p> <ul style="list-style-type: none"> comprise a central chilled storage area with climate control allowing both refrigeration (2-4 degrees celsius) and freezer conditions (minus 25 degrees celsius) for frozen and chilled products as well as dry goods; be developed in 2 stages: <ul style="list-style-type: none"> Stage 1 would comprise 12,116m² of warehouse, office, amenities and plant areas; and Stage 2 would involve construction of an additional 9,720m² of warehouse space.
<i>Employment</i>	<p>Construction – 120</p> <p>Operation – 150</p>
<i>Capital Value</i>	\$19 million.
<i>Construction</i>	Approximately 6 months.
<i>Hours of Operation</i>	Operations would take place 24 hours a day, 5 days a week (Monday-Friday), and from 5am to 1pm on Saturdays and Sundays.
<i>Traffic</i>	The project would generate up to 170 heavy vehicle movements per day, with a total of 48 vehicle movements per hour during peak periods.
<i>Parking</i>	157 car parking spaces.

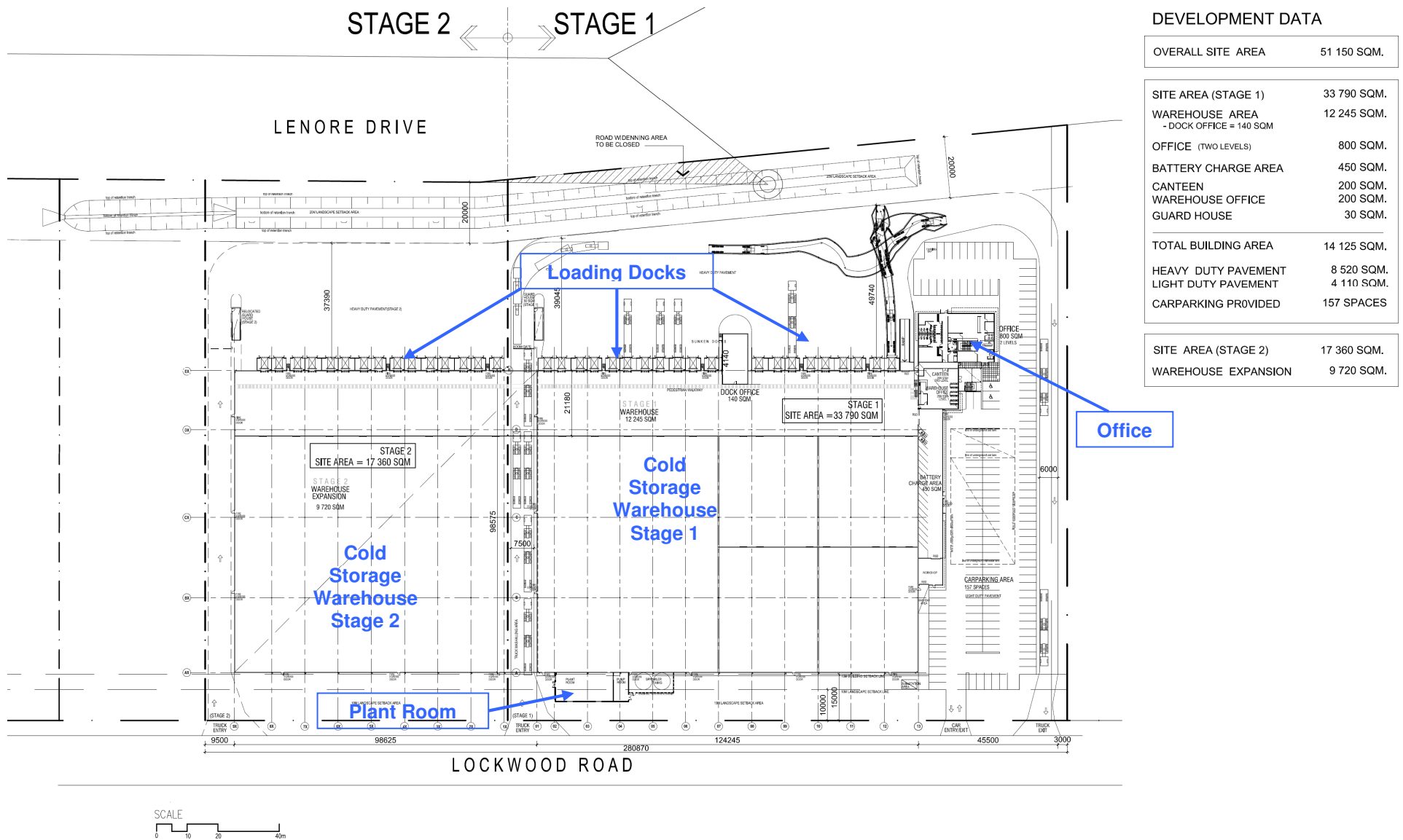


Figure 3 - Erskine Park Cold Storage Site Plan

1.3 Project Setting

The site is located within the Erskine Park Employment Area (EPEA) of the broader Western Sydney Employment Hub. The EPEA was established in 1994 and is now rapidly developing. A number of other industrial and warehouse facilities are located around the proposed site.

The closest residences are approximately 700m north of the site at Erskine Park and a retirement village and school are located about 1.3 km to the south-west.

1.4 Project Need

The Versacold group supplies refrigerated logistics services, operating a network of 120 refrigerated and frozen food distribution centres globally. Versacold operates an existing facility whose lease is due to expire next year. Consequently Versacold need a new facility with space for the business to grow. The project site has good links to Sydney's main road networks allowing for the efficient receipt and distribution of products.

1.5 State Plan and the Metropolitan Strategy

The project would be consistent with a number of priorities of the State Plan and the Metropolitan Strategy and the Draft *North West Subregional Strategy*. The project would provide jobs closer to home (priority E5), by generating employment opportunities close to Penrith. The project has a capital investment value of \$19 million and would increase business investment in NSW (priority P1). The project is consistent with strategic planning for the area providing for the development of Employment Lands and generating 150 jobs on site. This is consistent with the target to generate 130,000 new jobs in the North West Subregion.

2. STATUTORY CONTEXT

2.1 Major Project

The proposal is classified as a major project under Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act), because it is development that would employ over 100 people, and therefore triggers the criteria under the approved concept plan for the site (06_0216).

Consequently, the Minister for Planning is the approval authority for the project.

2.2 Permissibility

The project site is zoned 4(e) 'Employment' under the *Penrith Local Environmental Plan (Erskine Park Employment Area) 1994*. The project is permissible with development consent as an employment generating industry in this zone.

Consequently, the Minister may approve the project.

2.3 Exhibition and Notification

Under Section 75(3) of the EP&A Act, the Director-General is required to make the Environmental Assessment (EA) of a project publicly available for at least 30 days.

After accepting the EA for the project, the Department:

- made it publicly available from 1 October 2008 until 3 November 2008:
 - on the Department's website, and
 - at the Department's Information Centre, Penrith City Council and the Nature Conservation Council offices;
- notified landowners in the vicinity of the site about the exhibition period by letter;
- notified relevant State government authorities and Penrith City Council by letter; and
- advertised the exhibition in the Penrith Press.

This satisfies the requirements in Section 75H(3) of the EP&A Act.

During the assessment process the Department also made a number of documents available for download on the Department's website. These documents included the:

- project application;
- Director-General's environmental assessment requirements;

- EA; and
- Response to Submissions.

2.4 Environmental Planning Instruments

Under Section 75I of the EP&A Act, the Director-General's report is required to include a copy of or reference to the provisions of environmental planning instruments that substantially govern the carrying out of the project.

The Department has considered the project against the provisions of relevant environmental planning instruments (see Appendix C). The Department is satisfied that the project is able to be conducted in a manner that is consistent with the aims, objectives and provisions of the relevant instruments.

2.5 Objects of the Environmental Planning and Assessment Act 1979

The Minister's consideration and determination of the application must be consistent with the relevant provisions of the EP&A Act, including the objects set out in Section 5 of the Act. The objects of most relevance to the Minister's decision on whether or not to approve the proposed project are found in section 5(a)(i), (ii), (iv), (vi) and (vii). They are:

The objects of this Act are:

(a) *to encourage:*

- (i) *the proper management, development and conservation of natural and artificial resources, including agricultural land, natural areas, forests, minerals, water, cities, towns and villages for the purpose of promoting the social and economic welfare of the community and a better environment,*
- (ii) *the promotion and co-ordination of the orderly and economic use and development of land,*
- (iv) *the provision of land for public purposes,*
- (vi) *the protection of the environment, including the protection and conservation of native animals and plants, including threatened species, populations and ecological communities, and their habitats, and*
- (vii) *ecologically sustainable development.*

The Department has fully considered the objects of the EP&A Act, including the encouragement of ESD, in its assessment of the application. The assessment integrates all significant economic and environmental considerations and seeks to avoid any potential serious or irreversible damage to the environment. GPT has also considered alternatives to the proposed project (including the alternative of not proceeding) and considered the project in light of the principles of ESD.

The Department is satisfied that the project is able to be conducted in a manner that is consistent with the objects of the EP&A Act.

2.6 Statement of Compliance

Under Section 75I of the EP&A Act, the Director-General's report is required to include a statement relating to compliance with the environmental assessment requirements with respect to the project.

The Department is satisfied that the environmental assessment requirements have been complied with.

3. ISSUES RAISED IN SUBMISSIONS

During the exhibition period, the Department received a total of 5 submissions on the project, all from public authorities (Penrith City Council, RTA, NSW Fire Brigade, Sydney Catchment Authority and Sydney Water). A copy of these submissions is attached in Appendix E.

Council generally supported the project however requested clarification regarding the earthworks, stormwater management and visual treatments for the building. The RTA raised no objections and provided recommended conditions of approval. NSW Fire Brigade provided comments regarding the Building Code of Australia (BCA) report and requested clarification regarding the Dangerous Goods that would be stored onsite. Sydney Water provided comments regarding trade waste and water services and the Sydney Catchment Authority did not raise any concerns.

3.1 Response to Submissions

GPT has provided responses to the issues raised in submissions (see Appendix D), as well as a revised Statement of Commitments for the project. These have been made publicly available on the Department's website.

The Department has considered the issues raised in submissions, and GPT's responses to these issues, in its assessment of the project.

4. ASSESSMENT

The Department has assessed the merits of the project, and is satisfied that the impacts of the project are relatively minor and can be managed to an acceptable level of environmental performance. A summary of the Department's assessment is presented in Table 2.

Table 2: Assessment of Impacts

Issue	Consideration	Recommended Conditions
<i>Visual</i>	<ul style="list-style-type: none">• The project would be adjacent to Lenore Lane, a key access road for the Erskine Park Employment Area.• Consequently the project would be highly visible.• The building would be relatively large and Council noted the proposal is rather bland and could be improved with appropriate colour or articulation.• The Department notes the project is located within an industrial area with a number of warehouses and industrial developments in the area and visual impact would be minimal.	<ul style="list-style-type: none">• The Department has recommended conditions that would require GPT to:<ul style="list-style-type: none">- ensure articulation and design features are used to minimise the impact on the amenity of the area; and- update the landscape management plan to ensure screening is maximised.
<i>Soil and Water</i>	<ul style="list-style-type: none">• Stormwater flows from the site could increase due to the proposed project. Stormwater would need to be managed to ensure post development flows do not exceed predevelopment flows and treated to maintain the quality of the water discharged.• A stormwater management plan has been prepared however Council raised concerns about the proposed storage of stormwater in the landscaped setback.• The Department considers stormwater can be managed with a revised stormwater management plan.	<ul style="list-style-type: none">• The Department has recommended conditions that would require GPT to revise the stormwater management plan in consultation with Council.
<i>Energy and Greenhouse Gas Emissions</i>	<ul style="list-style-type: none">• The refrigeration requirements of the facility would have high energy requirements, which would generate greenhouse gas emissions.• Refrigeration and air-conditioning efficiencies have the greatest potential to reduce greenhouse gas emissions from the project.• The Department considers these emissions can be minimised with recommended conditions of approval.	<ul style="list-style-type: none">• The Department has recommended conditions that would require GPT to ensure the efficiencies of the proposed plant are reviewed and justified prior to the commencement of building works.
<i>Noise</i>	<ul style="list-style-type: none">• The project would generate noise during construction and operation.• The project would operate 24 hours 5 days a week and on Saturday and Sunday.• The Project is in an industrial area with the nearest residential area approximately 700m north of the site.• The noise assessment report found the project would not exceed the relevant noise criteria at the nearest residential areas during construction or operation.• The Department considers noise from the project can be managed.	<ul style="list-style-type: none">• The Department has recommended conditions that would require GPT to:<ul style="list-style-type: none">- comply with specific construction and operation hours;- comply with the relevant project noise criteria; and- comply with the relevant cumulative noise criteria for the GPT estate.
<i>Hazards</i>	<ul style="list-style-type: none">• The project is not classified as an offensive or hazardous facility however the storage and use of ammonia as a refrigerant would generate some risks.• The Department considers these risks can be managed through the implementation of emergency and fire management plans	<ul style="list-style-type: none">• The Department has recommended conditions that would require GPT to:<ul style="list-style-type: none">- prepare an Emergency Plan, Safety Management System and a Fire Safety Study; and- undertake hazard auditing.

Issue	Consideration	Recommended Conditions
<i>Traffic</i>	<ul style="list-style-type: none"> • The project would generate up to 170 heavy vehicle movements per day and up to 48 vehicle movements an hour during peak periods. • Strategic planning for the area was based on a rate of 15 trips per hectare per hour which equates to 71 trips per hour. • The road infrastructure to support the Erskine Park Employment Area is already in place. • The Department is satisfied the roads would have sufficient capacity to accommodate the project traffic. 	<ul style="list-style-type: none"> • The Department has recommended conditions that would require GTP to ensure the internal road network would meet Australian Standards.
<i>Parking</i>	<ul style="list-style-type: none"> • The project would include 157 parking spaces. • This is less than the 250 spaces required under the DCP, but more than the 77 required in the RTA guidelines. • Parking for the project is based on the specific requirements of the end-user and would exceed the RTA requirements. • The Department is satisfied sufficient parking has been provided. 	<ul style="list-style-type: none"> • The Department has recommended conditions that would require GTP to: <ul style="list-style-type: none"> - ensure the project's vehicle parking is accommodated on site; and - provide bicycle parking and facilities.
<i>Rainwater Harvesting</i>	<ul style="list-style-type: none"> • A rainwater harvesting scheme is proposed for the Erskine Park Employment Area. • The Department considers the project should participate in the rainwater harvesting scheme if it proceeds. 	<ul style="list-style-type: none"> • The Department has recommended conditions that would require GTP to install rainwater harvesting infrastructure.
<i>Air Quality</i>	<ul style="list-style-type: none"> • Construction works have the potential to generate dust emissions. • The facilities are located within an industrial area, with the nearest residential area 700m away. • Air emissions associated with the operation of the facilities would be from vehicles and plant. • Dust emissions have been addressed in the Construction Management Plan. • Operational emissions are not expected to be greater than typical light industrial facilities. • The Department is satisfied the project would not cause any significant air emissions. 	<ul style="list-style-type: none"> • The Department has recommended conditions that would require GTP to ensure dust and odour are minimised.
<i>Local and Regional Contributions</i>	<ul style="list-style-type: none"> • Under the Section 94 contribution plan for Erskine Park, the previous land owner (CSR – which obtained the original concept plan approval) paid over \$8.5 million towards local infrastructure. This equates to over \$190,000 per developable hectare for the industrial estate. • The Section 94 contribution plan includes works to upgrade Lenore Lane, which will form part of the Link Road (i.e., part of the regional road network for the Western Sydney Employment Hub). Therefore, the contributions paid by CSR include works towards the regional road network for this area. • The Department is satisfied that adequate provisions have been made for local and regional infrastructure and no further contributions are required. 	<ul style="list-style-type: none"> • None required.

5. RECOMMENDED CONDITIONS

The Department has prepared recommended conditions of approval for the project (see Appendix B), and summarised these conditions in Appendix A. These conditions are required to:

- prevent, minimise, and/or offset adverse impacts of the project;
- set standards and performance measures for acceptable environmental performance;
- ensure regular monitoring and reporting; and
- provide for the ongoing environmental management of the project.

The Department has provided the draft conditions of approval for the project to relevant government authorities for comment, and has incorporated these comments into the conditions of approval where appropriate.

GPT does not object to the imposition of the recommended conditions.

6. CONCLUSION

The Department has assessed the merits of the project in accordance with the requirements in the EP&A Act, and is satisfied that the environmental impacts of the project can be mitigated and/or managed to ensure an acceptable level of performance.

It is also satisfied that the project would make a major contribution towards the effective delivery of the Western Sydney Employment Hub, which is one of the primary objectives of the Metropolitan Strategy, principally by:

- facilitating the development of a new industrial facility within the Erskine Park Employment Area;
- attracting a capital investment of at least \$19 million to the region; and
- creating at least 150 jobs in Western Sydney.

On balance, the Department is satisfied that the project's benefits significantly outweigh any residual costs, and that it is in the public interest and should be approved, subject to conditions.


7. RECOMMENDATION

It is RECOMMENDED that the Minister:

- consider the findings and recommendations of this report;
- approve the project application, subject to conditions, under section 75J of the *Environmental Planning and Assessment Act 1979*; and
- sign the attached project approval (see Appendix B).

 18/12/08

David Kitto
Director
Major Development Assessment

 19.12.08

Chris Wilson
Executive Director
Major Project Assessment

Sam Haddad
Director-General

APPENDIX A: SUMMARY OF CONDITIONS OF APPROVAL

Aspect	Condition	Requirement
Schedule 2: Specific Environmental Conditions		
<i>Soil and Water</i>	14-17	Requires bunding, rainwater harvesting infrastructure and revision of the Soil and Water Management plan for the project.
<i>Transport</i>	18-20	Ensures access roads and parking comply with the Australian Standards and requires the provision of bicycle facilities.
<i>Visual and Landscaping</i>	21-25	Requires additional landscaping of the site and other measures to ensure the building does not detract from the visual amenity of the area.
<i>Noise</i>	26-28	Provides noise limits and working hours for construction and operation.
<i>Hazards</i>	29-32	Requires various hazard and safety studies prior to construction and during operation.
<i>Air</i>	33-35	Requires no offensive odour emissions and dust minimisation.
<i>Waste</i>	36	Requires waste management, minimisation and monitoring.
<i>Energy Efficiency</i>	37	Requires an energy efficiency program to ensure the project is energy efficient using best available technology
<i>Management and monitoring</i>	38-43	Requires ongoing management, monitoring, auditing and reporting to ensure the ongoing compliance and safety of the project

APPENDIX B: CONDITIONS OF APPROVAL

APPENDIX C: CONSIDERATION OF ENVIRONMENTAL PLANNING INSTRUMENTS

1 SEPP (Infrastructure) 2007

SEPP (Infrastructure) 2007 aims to ensure the RTA is made aware of and allowed to comment on projects for developments listed in Schedule 3 of the SEPP. Schedule 3 identifies development including industry with a site area of more than 20,000m², or any purpose with a capacity of 200 or more motor vehicles. The project therefore triggers the Infrastructure SEPP. The project was referred to the RTA for comment in accordance with the Infrastructure SEPP.

2 SEPP No.33 – Hazardous and Offensive Development

The project is not likely to be classified as 'potentially offensive industry' or a 'potentially hazardous industry' as defined under clause 3 of SEPP 33. However the project would use ammonia as a refrigerant which has the potential to explode. The Department has assessed this risks and recommended conditions of approval to ensure the storage and use of dangerous goods would be managed to minimise any potential hazards.

3 SEPP No.64 – Advertising and Signage

The Department has recommended conditions to ensure detailed signage plans are prepared in consultation with Penrith City Council and to the satisfaction of the Director-General. The Department is satisfied the building and identification signage would be consistent with the aims and objectives of SEPP 64.

4 Draft SEPP No.66 – Integration of Land Use and Transport

Draft SEPP 66 "aims to ensure that urban structure, building forms, land use locations, development designs, subdivision and street layouts help achieve the following planning objectives:

- a) improving accessibility to housing, employment and services by walking, cycling and public transport,
- b) improving the choice of transport and reducing dependence solely on cars for travel purposes,
- c) moderating growth in demand for travel and distances travelled especially by car,
- d) supporting the efficient and viable operation of public transport services,
- e) providing for the efficient movement of freight.

The Department is satisfied the proposal is not contrary to the above objectives and considers the project would help achieve objective a) by providing employment lands within the Western Sydney Employment Hub and objective e) through the sites proximity to the Orbital Motorway Network.

5 Draft SEPP (Western Sydney Employment Hub) 2008

The proposal is consistent with the aims of the Draft SEPP (WSEH) as it would assist in meeting the objectives of the Sydney Metropolitan Strategy, provide for new economic activity in Western Sydney and provide for efficient land use in the employment lands. Despite this the SEPP does not apply to the proposal as it has not yet commenced.

6 Sydney Regional Environmental Plan No 20 – Hawkesbury-Nepean River

The site is located in the South Creek catchment identified under the SREP. The Department is satisfied the proposal does not conflict with the aims of the plan as the Stormwater Management would ensure that post-development flows do not exceed pre-development flows and water polishing would ensure any water discharged meets stormwater quality guidelines.

7 Penrith Local Environmental Plan 1994 (Erskine Park Employment Area)

Penrith Local Environmental Plan provides development controls for development in the Erskine Park Employment Area. The proposed facility is located in land zoned 4(e) (Employment Zone). The objectives of the zone are to provide opportunities for a diverse range of employment generating activities. The Department is satisfied that the proposed facility is consistent with the objectives of the zone.

APPENDIX D: GPT'S RESPONSES TO SUBMISSIONS & ADDITIONAL INFORMATION

APPENDIX E: SUBMISSIONS

APPENDIX F: ENVIRONMENTAL ASSESSMENT
