

Kelly McNicol
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Department of Planning and Environment
Level 22, 320 Pitt Street
Sydney NSW 2000

14 November 2018

Dear Kelly

RE: SSDA 9429 – Snackbrands Warehouse and Distribution Facility

The following provides a response to the Department of Planning and Environment (DPE) letter to Willowtree planning dated 5/11/2018 relating to the above State Significant Development Application for the proposed new Snackbrands Warehouse and Distribution Facility.

Snackbrands is a manufacturer and distributor of snacks and has been in operation within Sydney for over 35 years. Snackbrands produces iconic Australian brands such as Kettle Chips, Thins, CC's and Cheezels, supplying the major chain supermarkets and smaller retail outlets alike. The company has experienced significant growth over the last 10 years and currently employs over 500 staff within NSW.

Snack Brands' business operation consists of two Manufacturing sites and three Warehousing and Distribution Centre plus a Head Office at Bella Vista.

The manufacturing facilities are currently located in two sites within the Sydney basin, being:

- 15-21 Britton Street, Smithfield
- 30-32 Bessemer Street, Blacktown

Warehousing and distribution operations are split between three sites being:

- 39 Britton Street, Smithfield
- 45 Britton Street, Smithfield
- 30-32 Bessemer Street, Blacktown

Given the size, age and geographic separation of the current facilities, Snackbrands' business growth potential is constrained and inefficient.

Development of Proposed New Facility

To remain competitive within the current global market and maintain a presence in NSW, Snackbrands have taken the opportunity to develop a growth strategy and business case that improves operational costs and efficiencies and provides space to grow.

As a part of this process, TM Insight were engaged to analyse the Snack Brands supply chain and recommend a future real estate strategy. The real estate strategy took into account geographic efficiencies and specifications for the new facility.

The analysis of geographic location for the new facilities took into account various inputs such as: location of key suppliers and customers, colocation of facilities, proximity to key transport arterials (M4/M7), staff retention and availability of required services (electricity and gas).

The analysis of the specification for the new facilities took into account various inputs such as: Land costs and rents, 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 was minimum 10 hectares, so that future expansion plans could be possible.

In order to meet the criteria set out above and remain competitive, a brief was developed for a warehouse with a high bay component that incorporates the latest warehousing and supply chain technology. The technologies are an integrated Automated Storage and Retrieval System (ASRS) for handling of palletised goods and Sorting Transfer Vehicles (STV) to move the pallets in and out. This technology replaces manual pallet handling and is more space and cost efficient. The height and dimensions of the high bay warehouse and adjacent low bay staging area are set based on the optimized design of the ASRS and STV. The depth of the hardstand on the dock face is determined to offer flexible and safe loading options, considering the number of truck movements daily.

Site Selection

A number of sites in the Sydney market were reviewed against suitability to the criteria set out above.

The site at 585-649 Mamre Road, Orchard Hills was selected over the other sites for the following reasons:

- Ability to site the highbay, associated lowbay and hardstand in a functional and efficient arrangement on a 5 ha site.
- Inclusion of a 5 ha vacant site immediately adjacent to provide the possibility to co-locate the manufacturing facility in the future
- Superior access and close proximity to the M4 and M7
- Availability of critical services being power, water and gas
- Woolworths and Coles distribution centre (key customers) being in adjacent estate in Sarah Andrews Close
- Suitable geotechnical condition for construction of high tolerance slab required for high bay ASRS equipment
- Suitable rent to support business case

Alternative Building Heights

The height and dimensions of the high bay warehouse and adjacent low bay staging area are based on the optimized design of the ASRS and STV. The design of the ASRS is such that the number and height of the cranes is determined so that:

- The warehouse foot print is minimised while maintaining pallet numbers
- Pallet retrieval time is minimised
- Number and height of cranes is minimised

The depth of the low bay stage area (to the west of the highbay area) is set to optimize the length of the STV outbound lanes. This area is where pallets from the high bay storage area are delivered for loading onto truck manually.

The depth of the hardstand on the dock face is determined to offer flexible and safe loading options.

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

- **Option to sink the floor of the warehouse below ground level.** This was rejected for the following reasons:
 - the Floor level of the warehouse and external hardstand is required to be level to allow forklift movements from inside to outside in order to side load trucks
 - A sunk floor level will increase the risk of water ingress

- **Reducing the height and increasing the width (including to other site)** This was rejected for the following reasons:
 - o 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 housed in a 13.7m warehouse, the footprint would almost triple. This option was examined extensively and to proceed on this basis would mean relocating the entire business to Melbourne where the availability of land is greater and rents more sustainable.
 - o Less optimal pallet retrieval times leading to lower operational efficiencies and higher operating costs, undermining business case feasibility
- **Setting the high bay portion back from Mamre Road.** This was rejected for the following reasons:
 - o The high bay cannot be located closer to the west side of the site (furthest away from Mamre Rd) as this would require the loading dock to face Mamre road. This is not desirable for two reasons:
 - i. The DCP guidelines discourage loading docks facing Mamre Rd
 - ii. The truck access will be too close to the intersection and will be breach of RMS requirements
 - o The highbay cannot be any further back from Mamre Rd as ASRS, STV and the hardstand set the optimal site depth

Snackbrands has always had it's national operations from Sydney, however due to the changing 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 Snackbrands business were carefully considered when choosing the site at 585-649 Mamre Road Orchard Hills. Highbay warehousing within the logistics industry is increasing in popularity due to the cost efficiencies it provides. In an environment like Sydney, where land values are at a significant premium to other states, it becomes an essential part of the business case to continue operations in NSW. Furthermore, we wish to remain significant employers in NSW and this site will enable us to retain and develop our key staff and grow employment in the Penrith jurisdiction.

I trust that the above provides sufficient information and justification to support this application.

Regards



Neville Tapp
Director, Supply Chain and Operations
Snackbrands Australia Pty Ltd