

***MAJOR PROJECT ASSESSMENT:  
ALDI WAREHOUSE AND  
DISTRIBUTION CENTRE***



Director-General's  
Environmental Assessment Report  
Section 75W and Section 75I of the  
*Environmental Planning and Assessment Act 1979*  
February 2011

Cover Image: Photomontage of the proposed Aldi warehouse and distribution centre as viewed from Canavan Drive.

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## EXECUTIVE SUMMARY

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Aldi Foods Pty Ltd (ALDI) proposes to develop a new warehouse and distribution facility on a 15 hectare (ha) site within the Freeway North Business Park, at Beresfield in the Newcastle local government area.

The Freeway North Business Park is an industrial business park approximately 85 ha in area which was granted concurrent concept and project approval (MP 06\_0199) by the Minister for Planning on 29 September 2008. The approval provided for the subdivision and use of the 85 ha site for industrial and future employment uses.

In order to accommodate the Aldi project, the Hunter Land Company (Hunter Land – owners of the Freeway North Business Park) and Aldi Foods Pty Ltd (Aldi) have concurrently lodged the following applications:

1. A s75W application to modify the existing Concept Plan and Project Approval (MP 06\_0199) to:
  - o correct an administrative error which inadvertently restricts the Minister for Planning determining Major Project Applications within the concept area; and
  - o amend the subdivision and road layout approved under MP 06\_0199.
2. A Project Application to construct and operate a warehouse and distribution centre for Aldi.

The Aldi proposal includes the construction and operation of a 56,833m<sup>2</sup> building which would be used as a regional warehouse and distribution centre to service 75 Aldi stores across NSW. The proposal also includes warehouse storage, cool house area, loading docks and administrative area.

The Aldi proposal has a capital investment value of \$100 million and would create around 300 full time positions once fully operational.

The Aldi project constitutes a 'major project' under Part 3A of the *Environmental Planning and Assessment Act 1979* (the Act), and consequently the Minister is the approval authority.

During the exhibition period, the Department received six submissions, including three submissions from public authorities and three from neighbouring landowners. Submissions from the public authorities raised issues in relation to the impact the Aldi Warehouse Project may have on queuing along Canavan Drive, and the timing of the construction works for the Weakleys Drive roundabout. All authorities provided recommendations in relation to the above issues.

Submissions from the general public raised objection to the depiction of road connections over lots outside the Freeway North Business Park concept plan area, and the proposed hours of operation for the Aldi warehouse and distribution centre. In order to manage potential impacts associated with operating the facility 24 hours per day, 7 days per week, the Department has recommended the imposition of strict conditions to manage the potential noise, traffic and light spill impacts of the project.

The Department has assessed the merits of the section 75W application and the Aldi Warehouse Project in close consultation with Newcastle City Council and the RTA, and is satisfied that the potential environmental impacts of the project 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.

Consequently, the Department believes the project is in the public interest and should be approved subject to conditions.

# 1. BACKGROUND

## 1.1 Background

On 29 September 2008, the Minister for Planning concurrently approved a concept plan and project application from the Hunter Land Company (Hunter Land), to facilitate the establishment of the Freeway North Business Park (MP 06\_0199).

The Concept Plan approval provides for the use of 85 hectare (ha) of land as an industrial business park, and establishes provisions for:

- the assessment and determination of future development applications;
- the design of public road connections within the concept plan area;
- vegetation offsets applicable within the concept plan area (2:1 offset); and
- bushfire protection.

The approved Concept Plan is depicted in **Figure 1** below.



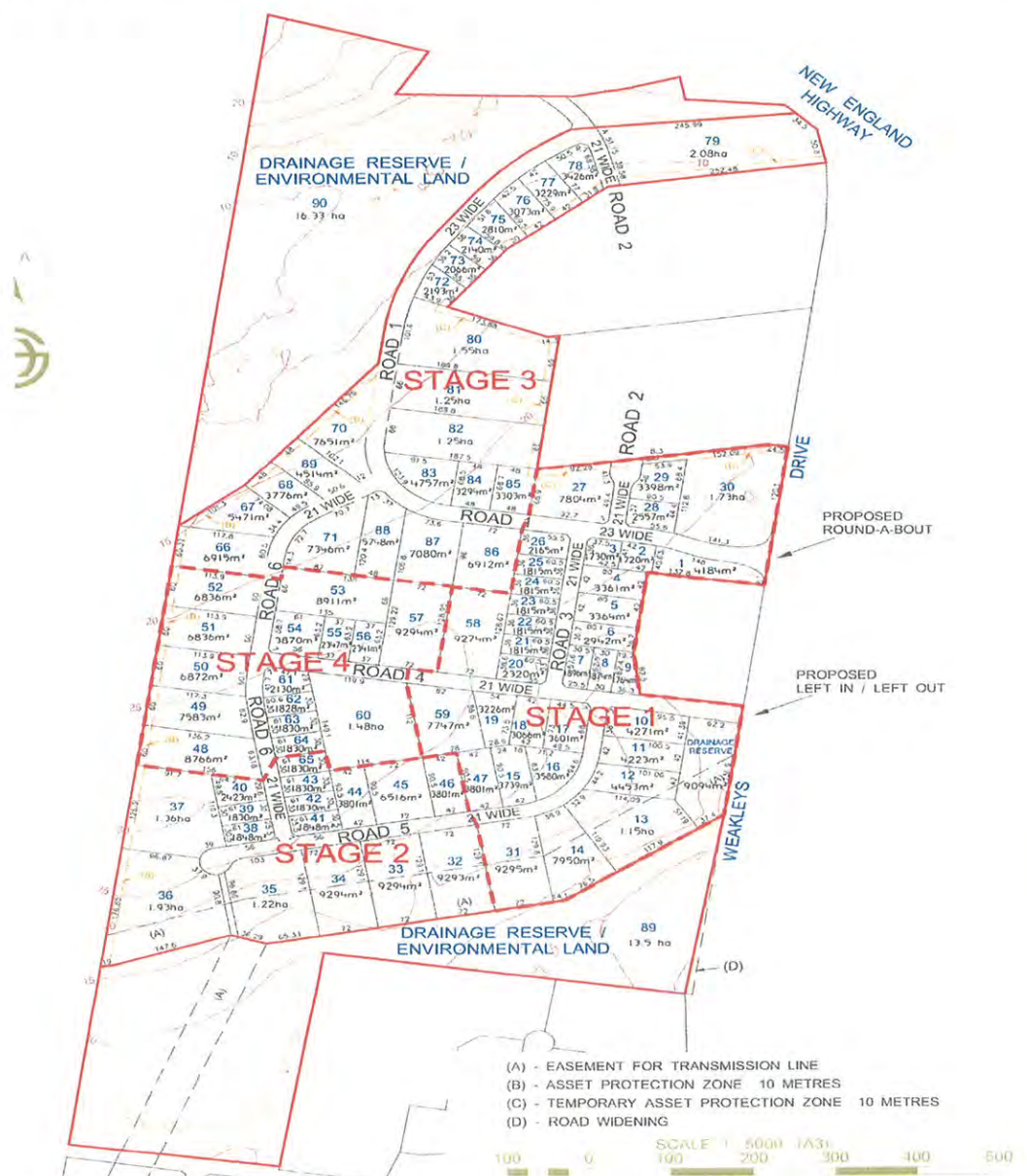
**Figure 1:** Approved Concept Plan (MP06\_0199)

The project application provides for the subdivision of the site into 88 industrial and two conservation lots, and permits:



- the construction of streets, stormwater management works, utility services and bulk earthworks; and
- public domain improvements including the planting of street trees.

In addition, the project approval requires the construction of a two lane dual circulating roundabout at the intersection of Weakleys Drive and the Freeway North Business Park internal access road, in order to ensure the optimal operation of the local and regional road network. The approved subdivision plan is depicted in **Figure 2** below.



**Figure 2: Approved Plan of Subdivision.**

On 10 October 2008, the Freeway North Business Park was listed as a State Significant Site, and the *Newcastle Local Environmental Plan 2003* (Newcastle LEP) was subsequently amended to rezone the concept plan area '4(a) Urban Services' and '7(b) Environmental Protection'.

Since 1997, the area immediately north and south of the New England Highway at Beresfield has been identified as a strategically important area for employment use, due to its proximity to major regional road infrastructure. The importance of this region for employment generating uses is reflected in the *Lower Hunter Regional Strategy 2006* and the *Draft Newcastle Local Environmental Plan 2011*.



The development of land for employment generating uses is well advanced in this locality, with Part 4 approvals in place for the subdivision and development of land within the Thornton Industrial Estate, the Holmwood Business Park and the Freeway South Business Park.

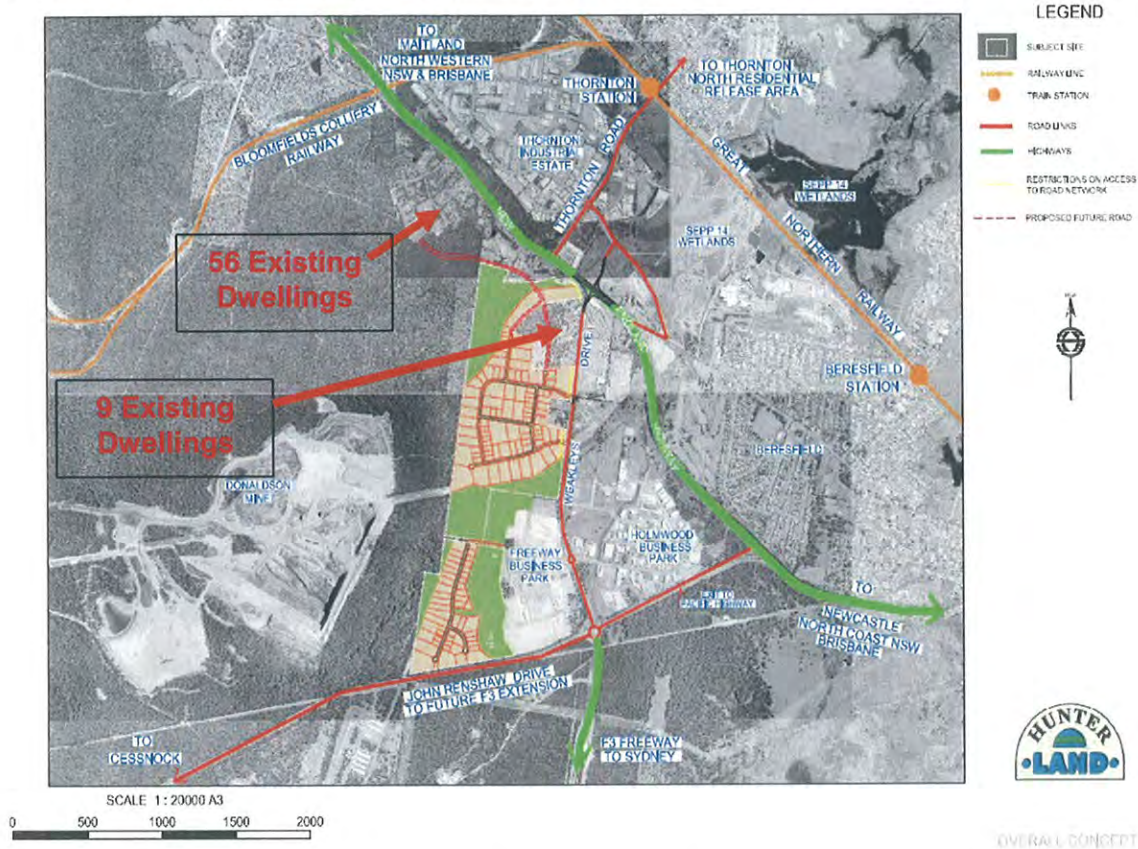
## 1.2 Site History

The Freeway North business park is located within the Newcastle local government area, and was formerly used for agricultural purposes.

Hunter Land currently owns all land within the Freeway North Business Park, and has entered into contractual arrangements with Aldi to sell proposed Lot 124, should the Minister approve the proposed modifications to the concept plan and project approval.

## 1.3 Location and Surrounding Land Uses

The Freeway North Business Park is located on an 85 ha site and is bounded by the New England Highway to the north, Weakleys Drive to the east, the Freeway South Business Park to the south and the former Donaldson mine to the west (see **Figure 3**).



**Figure 3: Location Plan**

The closest residential areas are Beresfield to the east and Thornton, Ashtonfield and Metford to the north-west, all of which are located between one and three kilometres from the boundary of the Freeway North Business Park. Notwithstanding, there are 17 lots containing 9 dwellings located between the eastern boundary of the Freeway North Business Park and Weakleys Drive. In addition, there are 56 dwellings located west of the northern boundary of the Freeway North Business Park and the New England Highway (refer to Figure 3 above).

The properties located between the eastern boundary of the business park and Weakleys Drive are currently zoned '4(a) Urban Services' within the Newcastle LEP 2003 and have existing use rights. In addition, the lots located north-west of the business park are zoned '1(c) Rural Small Holdings' within the *Maitland Local Environmental Plan 1993*.

## 2. PROPOSAL

### 2.1 Project Description

#### Aldi Project Application

Aldi proposes to develop a warehouse and distribution facility at the Freeway North Business Park.

The Aldi project application (MP 10\_0042) includes the construction, fit out and operation of a 56,833m<sup>2</sup> warehouse and distribution centre on a 15 ha site. The warehouse would be used to store a range of household goods received from local and overseas suppliers, for distribution to 75 Aldi stores across NSW. Access to the site would be via a new internal subdivision road (Canavan Drive) which is proposed to connect with Weakleys Drive, a major north/south link providing access to the New England Highway and the F3.

#### Modifications to the Concept Plan and Project Approval

In order to facilitate the development of the Aldi facility, Hunter Land concurrently lodged a Section 75W application to modify the Freeway North Business Park concept plan and project approval (MP 06\_0199).

The main aspects of the proposed modification include:

- re-wording Condition A5 of the concept plan approval to correct an administrative error which restricts the Minister for Planning from determining projects that fall under the scope of Schedule 1 of the *State Environmental Planning Policy (Major Projects) 2005*;
- revising the design and staging of the approved plan of subdivision to facilitate the creation of a 15 ha site for use by Aldi (proposed Lot 124); and
- altering the upgrading works for Weakleys Drive to reflect the requirements of the Works Authorisation Deed Hunter Land has in place with the RTA.

The major components of the Aldi Warehouse Project (Aldi Project) and s.75W modification application are summarised in Table 1 and 2 below, and are depicted in **Figures 4, 5 and 6** below. The Section 75W modification and Aldi Project are described in full in the Section 75W Modifications Report, prepared by RPS; and the Aldi Environmental Assessment (EA), prepared by ADW Johnson. Copies of these reports are provided at **Appendix E**.

**Table 1: Major Components of the Aldi Project**

<b>Aspect</b>	<b>Description</b>
<b>Aldi Project Summary</b>	<b>Construction and operation of a warehouse and distribution centre, 24 hours per day, 7 days per week.</b>
Warehouse	The construction and operation of a generally rectangular 56,883m <sup>2</sup> warehouse, with 3,788m <sup>2</sup> of office space, a 356m <sup>2</sup> truck wash down area and an 18m <sup>2</sup> gatehouse.
Associated Infrastructure	The project application proposes the installation of on-site drainage and stormwater infrastructure, and the construction of separate car and heavy vehicle access points, internal circulation roads and car parking facilities.
Parking	Parking facilities for 302 cars and 18 motorbikes on the northern boundary of the site. In addition, the project proposes the creation of five parking bays for articulated vehicles on the southern boundary of the site.
Signage	Installation of: <ul style="list-style-type: none"><li>• two 5.5 m high x 2 m wide pylon signs;</li><li>• one 2.4 m high x 3 m wide wall mounted sign; and</li><li>• one 3.6 m high x 3 m wide wall mounted sign.</li></ul>
Construction	Construction works would occur between 7:00 am and 6:00 pm Monday to Friday, and 8:00 am to 1:00 pm on Saturday.
Capital Investment Value	The capital investment for the Aldi project is estimated at \$100 million.
Employment	The Aldi project would create 50 construction jobs and 300 full time and 39 part-time operational jobs.
Hours of Operation	24 hours per day, seven days per week.



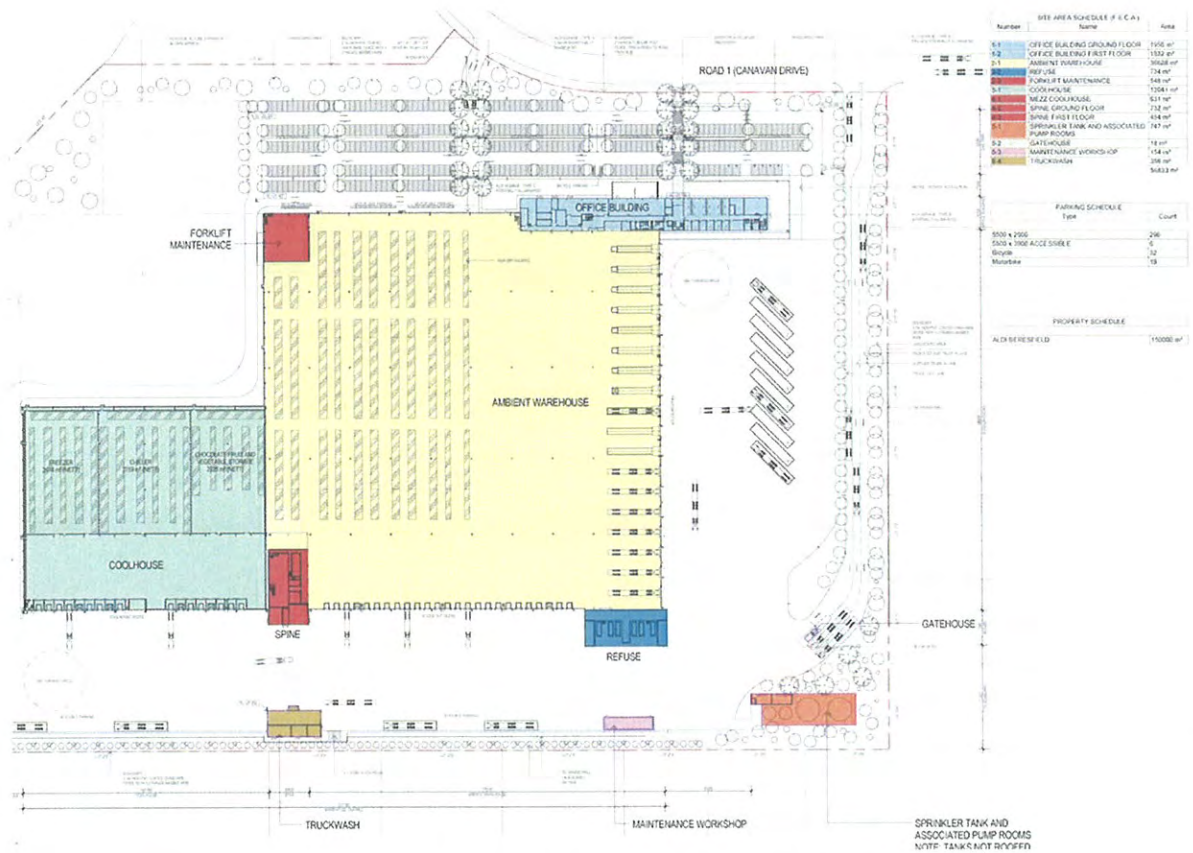


Figure 4: Aldi Project Site Layout



Figure 5: Artist Impression of Aldi Proposal



**Table 2:** Major Components of the Section 75W Modification

Development Component	As Approved	Changes Proposed Under S.75W Application
<b>Concept Plan</b>	<ul style="list-style-type: none"> <li>90 lot industrial business park.</li> <li>All DAs to be assessed by Council, except where Schedule 2 of <i>State Environmental Planning Policy (Major Projects)</i> 2005 applies.</li> </ul>	<ul style="list-style-type: none"> <li>56 lot industrial business park.</li> <li>Amending Condition A5 to refer to Schedule 1 of <i>State Environmental Planning Policy (Major Projects)</i> 2005.</li> </ul>
<b>Project Approval</b>	<ul style="list-style-type: none"> <li>90 lot subdivision and construction of associated works;</li> <li>Lot sizes between 1815 m<sup>2</sup> and 1.93 ha;</li> <li>Creation of 6 road reserves;</li> <li>Creation of one drainage basin;</li> <li>Upgrades to Weakleys Drive between the New England Highway and Balook Drive.</li> </ul>	<ul style="list-style-type: none"> <li>56 industrial lots and associated works;</li> <li>Lot sizes between 1500m<sup>2</sup> and 15 ha;</li> <li>reconfiguration of the internal road layout to 4 road reserves;</li> <li>removal of the drainage basin;</li> <li>Minor changes to the approved road works to reflect RTA requirements.</li> </ul>



**Figure 6:** Comparison Between the Approved Proposed Plan of Subdivision

## 3. STATUTORY CONTEXT

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### 3.1 Major Project

The Aldi Project is classified as a major project under Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act), because it is development for the purpose of a distribution centre with a capital investment value of more than \$30 million. Consequently, the Minister for Planning is the approval authority for the project.

On 24 March 2010, the Director, Mining and Industry Projects, on behalf of the Minister for Planning formed the opinion that the project was a "Major Project" for the purposes of Part 3A of the EP&A Act.

As the project involves a development with less than 25 public submissions, the Deputy Director-General may determine the carrying out of the project under the Minister's delegation of 25 January 2010.

### 3.2 Section 75W Modification

The Freeway North Business Park Section 75W modification proposes the reconfiguration of the subdivision plan approved under MP 06\_0199, and the re-wording of Condition A5 to refer to the correct Schedule of the Major Project SEPP. The Department has considered the nature of the proposed modification (see Table 1 and the assessment below) and has concluded that:

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

It is therefore recommended that the Deputy Director-General, under the Minister's delegation of 25 January 2010, agree that the modification request falls within section 75W of the Act, and that the request can be determined.

### 3.3 Permissibility

The site is zoned '4A Urban Services' within the *Newcastle Environmental Plan 2003*. The use of the site for an industrial business park is permissible within this zone. Furthermore, the development of proposed Lot 124 as a warehouse and distribution centre is permissible within this zone.

The Newcastle City Council has prepared a draft LEP which proposes to rezone the land within the Freeway North Business Park 'IN(2) Light Industrial'. The redevelopment of land as an industrial business park would remain permissible within this zone. Furthermore the development of proposed Lot 124 as a warehouse and distribution centre would be permissible within this zone.

### 3.4 Exhibition and Notification

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

After accepting the Freeway North Business Park Section 75W modification and EA for the Aldi Project, the Department:

- Made the Section 75W modification and Aldi Project application publically available from 22 September 2010 to 25 October 2010:
  - on the Department's website, and
  - at the Department's Information Centre, Newcastle City Council's offices and the Nature Conservation Council;
- notified all relevant State government authorities and the Newcastle City Council; and
- advertised the exhibition in the Newcastle Herald.

This satisfies the requirements of Section 75(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 include the:

- Section 75W Modification Report;
- Director-General's environmental assessment requirements for the Aldi Project;
- Aldi Project EA;

- submissions; and
- ADW Johnson's response to issues raised in submissions.

### 3.5 Environmental Planning Instruments

Under Section 75I of the EP&A Act, the Director-General's report is to include a copy of reference to the provisions of any:

- State Environmental Planning Policy (SEPP), that substantially governs the carrying out of a project; and
- environmental planning instrument that would (but for Part 3A) substantially govern the carrying out of the project and that have been taken into consideration in the environmental assessment of the project.

The Department has considered the Section 75W modification and the Aldi Project Application against the relevant provisions of several environmental planning instruments (including the Major Development SEPP, Infrastructure SEPP, SEPP 33, SEPP 55 and SEPP 64, and the *Newcastle Local Environmental Plan 2003*). The Department is satisfied that, subject to the implementation of the recommended conditions of approval, the proposals are generally consistent with the aims and objectives of these instruments (see Appendix 3).

### 3.6 Objects of the Environmental Planning & Assessment Act 1979

The Minister is required to consider the objects of the EP&A Act when he makes decisions under the Act. These objects are detailed in Section 5 of the Act, and include:

- (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 communication and utility services,
  - (iii) the provision of land for public purposes,
  - (iv) the provision and co-ordination of community services and facilities, and
  - (v) 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
  - (vi) ecologically sustainable development, and
  - (vii) the provision and maintenance of affordable housing, and
- (b) to promote the sharing of the responsibility for environmental planning between the different levels of government and the State, and
- (c) to provide increased opportunity for public involvement and participation in environmental planning and assessment.

The objects of most relevance to the Minister's decision on whether or not to approve the proposals are those under Section 5(a)(i),(ii),(iii), (vi), 5(b) and (c).

With respect to ecologically sustainable development (ESD), the EP&A Act adopts the definition in the *Protection of the Environment Administration Act, 1991*. Section 6(2) of that Act states that ESD 'requires the effective integration of economic and environmental considerations in decision-making processes' and that ESD 'can be achieved through' the implementation of the principles and programs including the precautionary principle of inter-generational equity, the principle of conservation of biological diversity and ecological integrity, and the principle of improved valuation, pricing and incentive mechanisms. In applying the precautionary principle, public decisions should be guided by careful evaluation to avoid, where ever practicable, serious or irreversible damage to the environment and an assessment of the risk weighted consequences of various options.

The Department has fully considered the objects of the EP&A Act, including the encouragement of ESD in its assessment of the Freeway North Business Park Section 75W modification and the Aldi project application.

In this regard, the proposed modifications to the Freeway North Business Park concept plan and project approval would not alter the environmental performance of the Freeway North Business Park.



Furthermore, the Department considers that the use of proposed Lot 124 as a warehouse and distribution centre would capitalise on the site's strategic transport links, thereby improving the efficiency of the road network, and reducing the consumption of fuel required to transport bulky goods.

In addition, the Department considers the solar passive design of the proposed warehouse, coupled with the use of water saving tap ware and stormwater harvesting (to irrigate the landscape areas on site) is consistent with best practice ESD principles.

### **3.7 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 Director-General's environmental assessment requirements with respect to the project.

The Department is satisfied that the Director-General's environmental assessment requirements have been complied with.

### **3.8 Strategic Planning**

The key strategic planning instruments governing the area include the:

- State Plan;
- *Lower Hunter Regional Strategy 2006*; and
- *Draft Newcastle Local Environmental Plan 2011*.

#### State Plan

The State Plan provides priorities for Government action for the State of NSW. The State Plan seeks to improve access to employment lands, simplify planning processes and enhance transport infrastructure particularly around employment lands. The development of the site as a warehouse and distribution centre is consistent with the objectives of the State Plan, insofar as it will provide employment generating uses on land within close proximity to regional and national transport links.

#### Lower Hunter Regional Strategy 2006 (LHRS)

The LHRS provides a plan for sustainable growth within the Lower Hunter region until 2031. The LHRS reinforces Newcastle as the regional city servicing the Lower Hunter region, and also identifies future housing and employment opportunities in existing centres and renewal corridors. In this regard, the subject land is identified as 'Future Freight Hub and Employment Lands' within the LHRS, with the intention that the site will be used to accommodate large scale storage and distribution facilities. The use of the site as a warehouse and distribution centre is considered to be consistent with these objectives.

#### Draft Newcastle Local Environmental Plan 2011 (Draft LEP)

The Draft LEP proposes to rezone the site 'IN(2) Light Industrial' to provide for a range of light industrial and associated uses within the Freeway North Business Park. The proposed changes to the approved subdivision plan, and the use of the site as a warehouse and distribution centre would be consistent with the intent of the Draft LEP.

## **4. ISSUES RAISED IN SUBMISSIONS**

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During the exhibition period, the Department received a total of 7 submissions on the modification and project application, including:

- 4 from public authorities; and
- 3 from the general public.

A summary of the submissions is provided below. A full copy of the submissions is provided at Appendix D.

### **4.1 Public Authorities**

The public authorities did not oppose the proposals; however requested a number of minor modifications to the Aldi project to provide safer access and egress to the site. Issues raised in submissions from the public authorities are summarised below.

**Newcastle City Council** (Council) did not object to the proposals however recommended a number of conditions for inclusion on the Aldi project approval, including:

- the provision of left-in and right turn out access for trucks accessing the Aldi site;
- the construction of dedicated acceleration and deceleration lanes along Canavan Drive to provide safe access for heavy vehicles entering and exiting the Aldi site; and
- the redesign of the light vehicle access point to provide sufficient queuing space for vehicles entering the Aldi site during shift change over.

Following the exhibition of the proposals, the Council wrote to the Department to clarify that Aldi would not need to dedicate and construct separate acceleration and deceleration lanes adjacent to its site, due to the width of the road reserves proposed under the Freeway North Business Park Section 75W modification. Notwithstanding, the Council has requested that the Department include a condition requiring the implementation of line markings and signage in accordance with the *Ausroads: Guide to Road Design Part 4A: Unsignalised and Signalised Intersections* to provide safe access and egress to and from the site. The Department has included a condition reflecting the Council's requirement in the instrument of approval.

**NSW Rural Fire Service (RFS)** raised no objection to the proposals, however recommended a number of conditions to ensure the Aldi project incorporates suitable fire protection measures.

The Department has included conditions in the Aldi project approval requiring the implementation of these measures.

**Roads and Traffic Authority (RTA)** raised no objection to the proposals, however recommended a condition requiring the construction of the roundabout at the intersection of Weakleys Drive and Canavan Drive prior to the issue of a construction certificate for the Aldi project.

The Department has included a condition in the Aldi project approval to ensure the construction of the Weakleys Drive roundabout is finalised prior to the commencement of construction works on the Aldi site.

**Hunter Regional Development Committee (HRDC)** raised no objection to the proposals; however recommended several conditions, including the requirement to widen the access point between the gate house and Canavan Drive to provide safe access to and from the Aldi site.

In addition, the HRDC requested that Aldi identify the potential for queuing on Canavan Drive as a result of the proposed location of the light vehicle access boom gate.

Aldi has provided additional information to address the issues raised by the HRDC. This is discussed in greater detail in Section 5 of the report.

## 4.2 Community

Three submissions of objection were received from members of the general public. These submissions highlighted existing traffic problems experienced by land owners adjacent to the Freeway North Business Park, and contended that:

- the upgrade of Weakleys Drive would reduce the ease of access to existing residences with frontage to Weakleys Drive; and
- the Aldi project may generate adverse construction and operational noise impacts.

In addition, one objection was received regarding the depiction of a road connection on land outside the Freeway North Business Park Concept Plan area, over lots that are not owned by Hunter Land. The road connections depicted over lots outside the approved concept plan area were required in order to address concerns the Department raised in its initial assessment of the Freeway North Business Park Concept Plan. Given the above, the Department considers their inclusion in the modification and project application documentation appropriate.

The upgrade of Weakleys Drive was approved under MP 06\_0199, and is consistent with the access requirements outlined in Element 7.3 (South Beresfield Industrial Precinct) of the *Newcastle Development Control Plan 2005*. Notwithstanding, the Department considers that traffic congestion and access arrangements along Weakleys Drive will improve as a result of the implementation of the Freeway North Business Park project approval, given that the project will result in the construction of a two lane round-about adjacent to existing residential dwellings, and will result in the widening of Weakleys Drive between John Renshaw Drive and the New England Highway.

In addition, the Department considers that noise generated by the Aldi project can be regulated via the imposition of conditions of approval. This issue is discussed in greater detail in Section 5 of the report.

#### 4.3 Response to Submissions

AWD Johnson has provided a response to the issues raised in submissions (see **Appendix C**). This response has been made publically available on the Department's website since 29 November 2010.

## 5. ASSESSMENT

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### 5.1 Traffic

#### Reconfiguration of the Freeway North Business Park Road Layout

The Freeway North Business Park Section 75W modification proposes to reconfigure the internal road layout approved under the concept plan and project approval for MP06\_0199. In addition, the application seeks approval to alter the upgrading requirements for the intersection at Weakleys Drive and the main access road to the Freeway North Business Park (Canavan Drive), to reflect the required upgrade works outlined in the Works Authorisation Deed (WAD) Hunter Land has in place with the RTA.

The Department, the RTA and the Council have all assessed the proposed changes to the internal road layout and have concluded that:

- the proposed modifications will not result in any safety issues; or
- impact on the efficiency of the local or regional road network.

In addition, the RTA raised no objection to modifying the Weakleys Drive upgrade works to reflect the arrangements of the current WAD agreement, subject to Hunter Land completing the construction of the Weakleys Drive roundabout prior to the commencement of construction works on the Aldi site. The Department has considered the RTA's comments and agrees that the construction of the Weakleys Drive roundabout should be completed prior to development occurring on any lots within Stage 1 of the Freeway North Business Park. This would ensure safe access for heavy vehicles accessing the Freeway North Business Park during construction works, and would reduce potential traffic impacts along Weakleys Drive.

The Department has recommended modifications to Condition B1 of the Freeway North Business Park project approval to restrict the release of subdivision certificates until the road upgrade works along Weakleys Drive have been constructed in accordance with the requirements of the WAD. In addition, the Department has recommended a condition in the Aldi project approval to prohibit the commencement of construction works until the Weakleys Drive roundabout is complete.

#### Aldi Site Access Arrangements

Access to the Aldi site would be provided via an internal subdivision road (Canavan Drive), which intersects with Weakleys Drive between the New England Highway and John Renshaw Drive (see **Figure 7**). There would be two separate vehicular access points to the site off Canavan Drive which would separate heavy and light vehicle movements (see **Figure 8**).



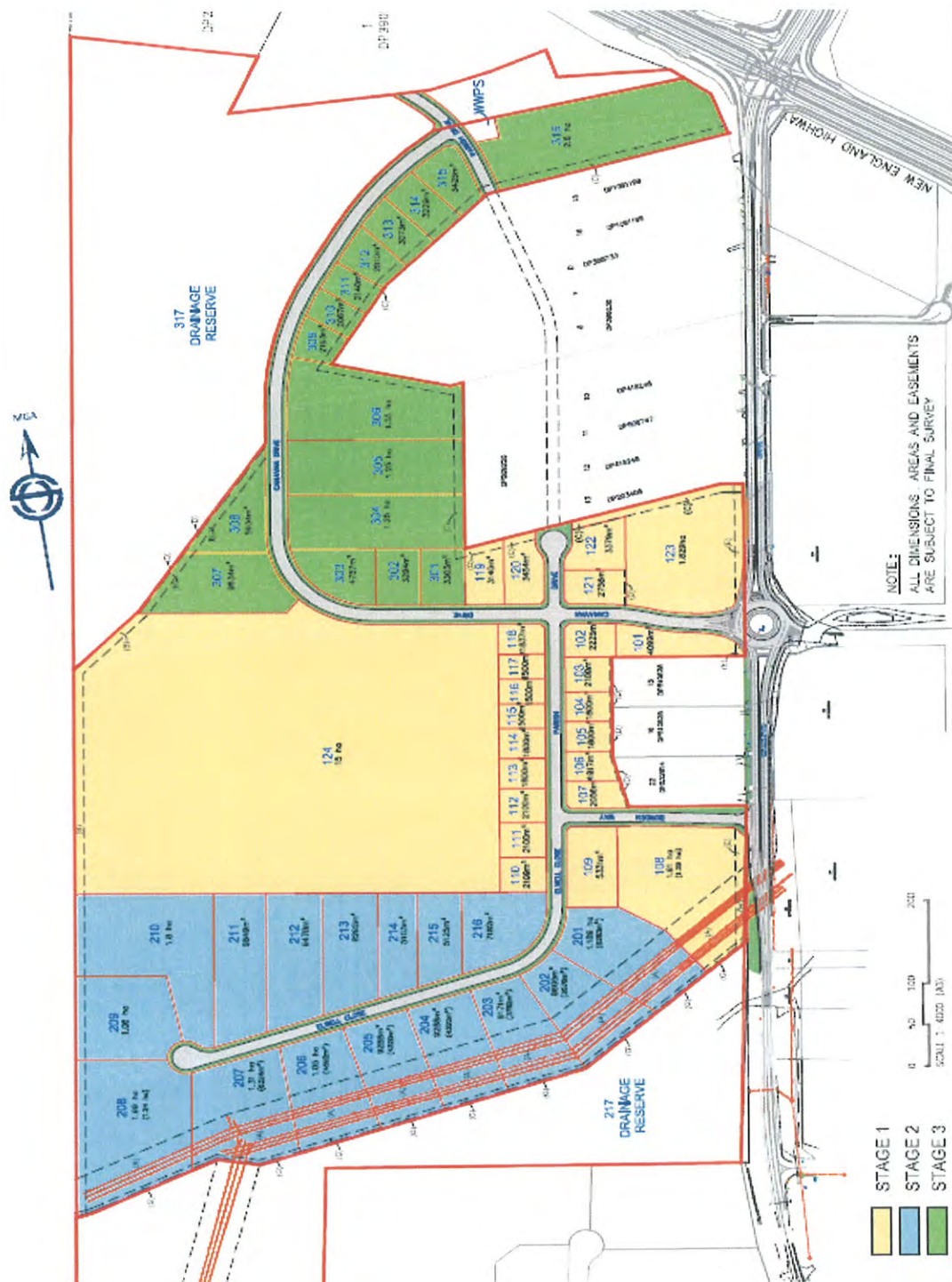


Figure 7: Proposed Road Network



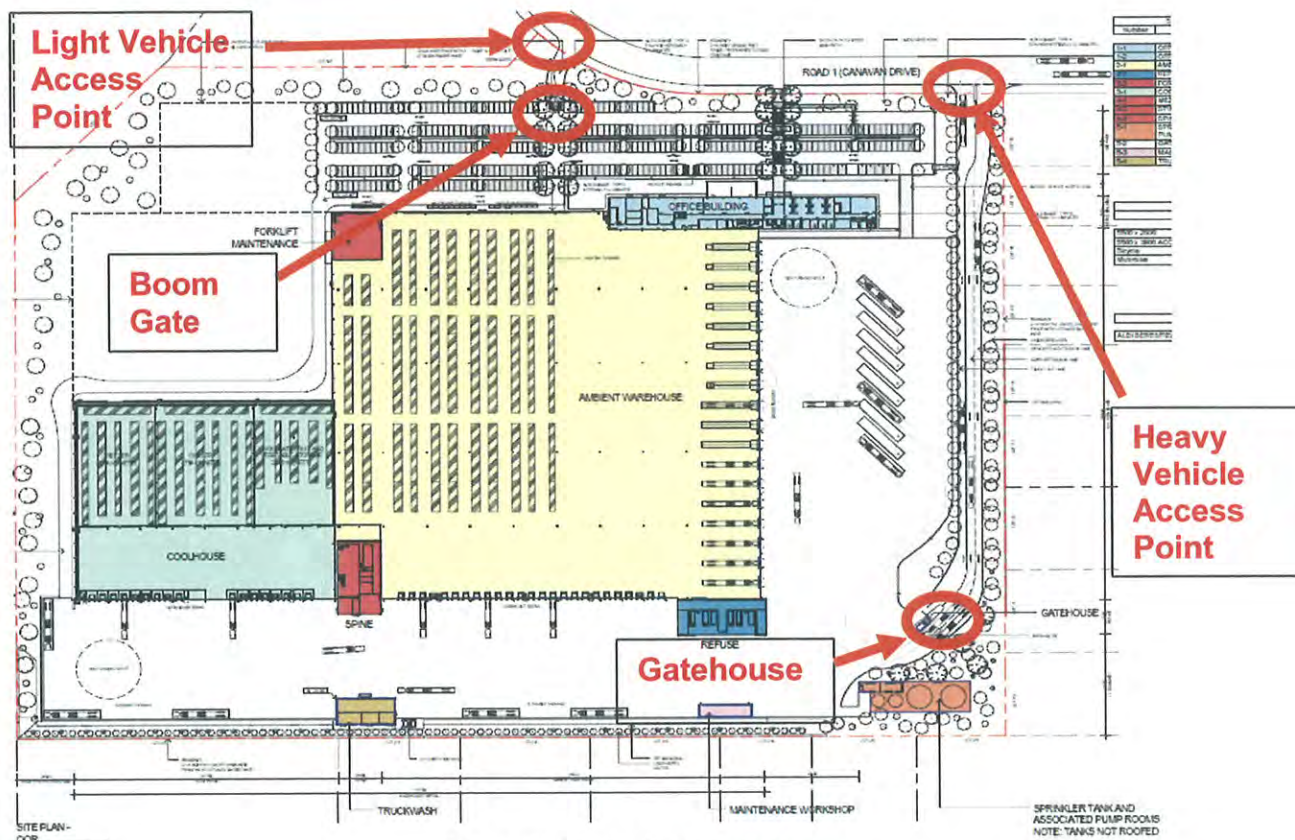


Figure 8: Access Arrangements

The Council, the RTA and the HRDC reviewed the site access arrangements and requested that Aldi provide the following information:

- confirmation that traffic in front of the boom gate will not overflow onto Canavan Drive during peak periods; and
- confirmation that vehicles would not cross over centrelines, kerbs or medians when entering/exiting the site.

Aldi provided the Department with a traffic note from Colston Budd, Hunt & Kaftes (Colston's), dated 16 December 2010 which demonstrates that:

- the boom gate is setback a sufficient distance to ensure compliance with the queuing requirements outlined in AS 2890.1:2004; and
- light and heavy vehicles can enter/exit the site without crossing over centrelines, kerbs or medians.

In order to ensure safe access and egress to the site, the Department has included conditions on the Aldi project approval requiring the design of the car park and vehicle access points to comply with AS 2890.1:2004 and AS2890.2:2002.

#### Traffic Impacts

The traffic assessment prepared by Colston's takes into consideration the traffic impacts predicted for the Freeway North Business Park concept plan and project approval. In this regard, the traffic report prepared to support the concept plan and project approval predicted that the business park as a whole would generate 1,350 vehicles per hour (vph) during the morning peak period (AM), and 1,480 vph during the afternoon peak period (PM).

Given that the Aldi site represents 32 per cent of the total developable area within the Freeway North Business Park concept plan, the Aldi project should not generate more than 32 per cent of the vehicle movements within the concept plan area (432 vph in the AM peak, and 473.6 vph in the PM peak).

In order to more accurately determine the number of vehicle movements the Aldi project would generate, Colston's surveyed the traffic generated at Aldi's existing distribution centre at Prestons, NSW. Aldi's Preston facility services 38 sites within NSW and generates approximately 115 vph in the AM peak period and 60 vph in the PM peak period. On this basis, Colston's predict that the Aldi project should generate approximately 230 vph in the AM peak period and 120 vph in the PM peak

period. This equates to approximately 17 per cent of the overall vehicle movements from the Freeway North Business Park within the AM peak period, and 8 per cent of the overall movements during the PM peak period.

The Department, the Council, the RTA and the HRDC have reviewed the findings of the traffic report and concluded that the Aldi project would not generate traffic impacts beyond that previously predicted for the Freeway North Business Park, and therefore no additional road works are required to accommodate the Aldi project. Given the above, the Department is satisfied that the project would not generate any adverse impacts on the local or regional road network.

#### Car Parking

The traffic assessment concluded that the Aldi project would comply with the RTA's parking requirements, however, would require an 11 per cent variation to the car parking requirements outlined in the NDCP 2005 (340.9 car bays required, 302 proposed). Table 3 below provides a comparison between the RTA and NDCP.

**Table 3:** Comparison of RTA and Council Car Parking Requirements Required to Service the Aldi Project

Use	GFA (m <sup>2</sup> )*	RTA Guide		NDCP 2005	
		Rate	Car Bays	Rate	Car Bays
Warehouse	53,045	1/300m <sup>2</sup>	176.8	6. The greater of 1 space/200m <sup>2</sup> of GFA, or 1 per 2 employees.	265.2
Office	3,788	1/40 m <sup>2</sup>	94.7	1/50m <sup>2</sup>	75.76
			<b>271.5</b>		<b>340.9</b>

\* Gross Floor Area

Whilst the number of car bays proposed to service the Aldi project is below that recommended under the NDCP (340.9 bays required, 302 bays proposed), Aldi has advised that there would be a surplus of 83 bays during its busiest shift. On this basis, the Department and the Council are satisfied that the number of car bays proposed would be sufficient to cater for the peak demands of the development.

Overall, the Department is satisfied that the access, traffic and car parking impacts of the project can be regulated via the imposition of conditions requiring:

- all access and egress arrangements for the Aldi project to comply with AS2890.1:2004 and AS2890.2:2002;
- the construction of the roundabout at the intersection of Weakleys Drive and Canavan Drive, as required under MP 06\_0199, being completed prior to the commencement of construction works for the Aldi project; and
- the preparation and implementation of a traffic management plan prior to the commencement of construction works.

These conditions have been included in the project approvals for the Freeway North Business Park and Aldi projects.

## **5.2 Water Management**

### **5.2.1 Freeway North Business Park Water Management Measures**

Hunter Land is seeking approval to revise the drainage strategy approved under the Concept Plan (MP 06\_0199). This includes the diversion of water flows from Catchment 2 to the Viney Creek Catchment, thereby removing the need to construct the drainage basin adjacent to Weakleys Drive which was proposed to service Catchment 2.

The modification is supported by a Stormwater and Drainage Report prepared by Geoff Craig and Associates, dated 9 April 2010. The report assesses the impacts of modifying the drainage strategy for the Freeway North Business Park and concludes that:

- only a small proportion of stormwater generated within the business park flows into Catchment 2;
- there is sufficient capacity in the Viney Creek catchment to accommodate additional water flows without increasing the risk of flooding;
- modelling results (using both the DRAINS and RAFTS models) demonstrate that diverting water into the Viney Creek catchment would result in a minimal increase (less than 1%) in the peak flow rate during a 10, 20 and 50 year average recurrence interval (ARI) storm event; and



- diverting stormwater to the Viney Creek would result in a minor decrease (0.1%) in the peak flow rate during a 1 in 100 year ARI storm event.

The Department has reviewed the stormwater modelling, in consultation with Council, and is satisfied that the proposed modification would not result in a substantial departure from the flow regimes modelled for the original project application, or increase the probability of flooding within the Viney Creek catchment during a 1 in 100 year ARI storm event. In order to ensure the recommendations of the revised drainage strategy are implemented, the Department has required Hunter Land to revise its statement of commitments dated 9 July 2008 to reflect the recommendations contained in Stormwater Drainage Report.

### **5.2.2 Aldi Water Management Measures**

The Aldi project would result in an increase in stormwater runoff due to the clearing of native vegetation and the associated increase in impervious surfaces on site. These surfaces, namely roof areas, concrete pavement and hardstand areas, require mitigating measures to minimise the negative impacts of increased runoff.

Aldi engaged Robert Bird Group (RBG) to prepare a water management plan which identifies the risk of on-site flooding, and recommends measures to address the quantity and quality of runoff generated as a result of the project. The stormwater calculations for the project have been undertaken in accordance with the EPA's *Managing Urban Stormwater: Treatment Techniques*. In addition, all water quality controls are consistent with the requirements of Landcom's *Managing Urban Stormwater: Solid and Construction* (4<sup>th</sup> Edition – Vol 1, Landcom, 2004).

#### **Flooding**

The NDCP 2005 requires habitable areas within new developments to achieve a freeboard of 500mm from the 100 year ARI flood level. Based on the findings of the *Flood Modelling and Stormwater Management Strategy* for the Freeway North Business Park prepared by Parsons Brinkerhoff, and the Stormwater Drainage Report prepared by Geoff Craig and Associates, RGB concluded that the lowest area within the warehouse building would achieve a 13.5 m freeboard from the 1 in 100 year flood level. In addition, all hardstand areas would achieve a minimum freeboard of 10.1 m. Given the extent of the freeboard within the warehouse and hardstand areas, the Department is satisfied that the risk of harm to life and property as a result of flooding is negligible.

#### **Overland Flow**

Any water in excess of the on-site piped drainage system is proposed to be conveyed across the site as overland flow. In order to comply with the Council's guidelines, Aldi proposes to provide a single discharge point on the north western boundary of the property, where water will be directed toward Scotch Dairy Creek. The Department is satisfied that the overall discharge from the site can be accommodated within the Scotch Dairy Creek Catchment, and that the direction of the overland flow path is consistent with Council's design requirements and the intention of Stormwater Drainage Report for the Freeway North Business Park prepared by Geoff Craig and Associates.

#### **Water Quality**

In order to address stormwater quality during the construction and operation of the project, the RBG assessment recommended the use of the following water quality measures:

- installation of sediment fences downstream of disturbed areas;
- installation of truck shaker trays at each vehicle access point;
- the use of sediment basins; and
- installation of two gross pollutant traps/oil and silt arrestor structures.

In terms of the proposed changes to the Freeway North Business Park stormwater management strategy, and the proposed water management measures for Aldi, both the Department and Newcastle Council are generally satisfied that the proposed changes and measures are consistent with the local DCP and the intent of the Freeway North Business Park stormwater management strategy.

Notwithstanding, in order to ensure an appropriate level of environmental performance, the Department has recommended conditions requiring Aldi to prepare a stormwater management plan prior to the commencement of construction works. In addition, the Department has recommended the imposition of a condition requiring all discharges to comply with Section 120 of the *Protection of the Environment Operations Act 1997*.

### 5.3 Visual Impact, Signage and Landscaping

#### ***Building Appearance***

The proposed warehouse is generally rectangular in form with a gross floor area of 56,883m<sup>2</sup>. The overall height of the building would be 17 m at the ridge. In terms of appearance, the external finishes would be comprised of pre-cast concrete panels and metal wall cladding. The colour palette is predominantly comprised of dark recessive tones (pewter grey) to reduce the visual impact of the building. In addition, yellow ochre accents are proposed to provide articulation along the northern and southern elevations, both of which would be visible from the public domain (see **Figures 9 and 10**).



**Figure 9:** Artist impression from Canavan Drive travelling south east



**Figure 10:** Artist impression from Canavan Drive and the heavy vehicle access point

There are nine residences located within 500 m of the Aldi site, with three residences located 100 m south of proposed Lot 124. Although the proposed warehouse would be visible from the nearest residential receiver, the building would eventually be screened by smaller scale development adjacent to proposed road 4 (Bowden Road).

The Department has assessed the overall design of the building and has concluded that:

- the scale of the building is compatible with the intended use of the site (industrial business park);



- appropriate measures have been used to break up the visual bulk of the building (use of appropriate colours and materials);
- the operational components of the building (loading facilities and wash down bays) have been designed to limit their visibility from the public domain; and
- landscaping measures would soften the appearance of the building.

### Signage

The application proposes the installation of:

- two 5.5 m high x 2 m wide illuminated pylon signs at the access points along Canavan Drive;
- one 2.4 m high x 3 m wide illuminated wall mounted sign on the western elevation; and
- one 3.6 m high x 3 m wide illuminated wall mounted sign on northern elevation.

The Department has assessed the visual impacts of the proposed signage and has concluded that the signage is suitable based on the use and overall scale of the building and is unlikely to result in any visual impact due to the separation of the facility to existing residences.

### Lighting

The application proposes the illumination of all signage on site, and the installation of perimeter lighting. In order to manage the visual impacts of light spill along Canavan Drive and at the surrounding residential premises, the Department has recommended the imposition of a condition requiring Aldi to operate all lighting in accordance with the latest version of Australian Standard AS 4282(INT)-Control of Obtrusive Effects of Outdoor Lighting.

### Landscaping

Aldi EA engaged Scape Design to prepare a landscape plan for the site (see **Figure 11**). The landscape plan proposes the implementation of a 10 m wide landscape buffer adjacent to the site boundaries, with plantings predominantly comprised of a native woodland trees, shrubs and grasses.



Figure 11: Landscaping Details



The Department is satisfied that the proposed landscape plan would soften the visual impacts of the project when viewed from the adjoining residences and adjacent road network.

In order to ensure that views to the site from surrounding residences are sufficiently screened the Department has recommended a condition requiring Aldi to implement the landscape plan.

#### 5.4 Other Issues

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

**Table 4: Other Assessment Issues**

<b>Issue</b>	<b>Consideration</b>	<b>Recommended Conditions</b>
<i>Changes to the Subdivision Plan approved under MP 06_0199</i>	<ul style="list-style-type: none"> <li>The Section 75W application proposes to: <ul style="list-style-type: none"> <li>reduce the number of lots approved under the Freeway North Business Park concept plan and project approval;</li> <li>reduce the minimum lot size from 1815 m<sup>2</sup> to 1500m<sup>2</sup>; and</li> <li>increase the maximum lot size from 1.93 ha to 15 ha.</li> </ul> </li> <li>The modifications are proposed to provide a more diverse range of lot sizes that match current market demands and to allow the Aldi Project to be considered on the site.</li> <li>The proposed modifications to the approved Plan of Subdivision provide a suitable road configuration and will allow for a broader range of warehouse and storage uses within the business park.</li> <li>The Department is also satisfied that the diversification of lot sizes would also assist with the implementation of the Lower Hunter Regional Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>The existing conditions of approval are sufficient to manage the impacts associated with subdividing the site.</li> </ul>
<i>Noise</i>	<ul style="list-style-type: none"> <li>A noise assessment considered the potential noise impacts associated with the construction and operation of the proposed warehouse and distribution centre over 24 hours per day and 7 days a week.</li> <li>The assessment concluded that construction noise would comply with the noise limits recommended in DECCW's construction noise guideline;</li> <li>While operational noise would also comply with the Industrial Noise Policy and Sleep Disturbance Criteria; and</li> <li>Traffic generated by the project would not increase existing traffic noise levels beyond 2dB, and therefore no noise mitigation measures are required</li> </ul>	<p>The Department has recommended conditions of approval to:</p> <ul style="list-style-type: none"> <li>restrict Aldi's construction hours to 7:00 am to 6:00 pm Monday to Friday, and 8:00 am to 1:00 pm on Saturdays;</li> <li>require Aldi to operate in accordance with project specific noise levels set by the Department; and</li> <li>require attended noise monitoring at residential receivers' in the event that substantiated noise complaints are received.</li> </ul>
<i>Air Quality</i>	<ul style="list-style-type: none"> <li>The impacts of dust emissions during the construction works for the Freeway North Business Park were assessed and conditioned under the Concept Plan MP06_0199.</li> <li>An air assessment for the Aldi proposal outlined that any dust impacts would be managed through the use of dust suppression sprays and best management practices.</li> </ul>	<ul style="list-style-type: none"> <li>The Department has recommended a condition requiring Aldi to cover all trucks entering and exiting the site during the construction period in order to limit any potential dust related impacts.</li> </ul>
<i>Greenhouse Gas Emissions</i>	<ul style="list-style-type: none"> <li>The primary sources of GHG emissions from the Aldi project are expected to be from vehicles and energy consumption.</li> <li>Vehicular emissions are difficult to</li> </ul>	<ul style="list-style-type: none"> <li>The Department has included a condition requiring Aldi to develop an energy management plan outlining options for alternative energy sources.</li> </ul>

<b>Issue</b>	<b>Consideration</b>	<b>Recommended Conditions</b>
	<ul style="list-style-type: none"> <li>minimise for projects that are reliant on vehicular transport.</li> <li>However, emissions associated with energy consumption can be minimised through reduced energy consumption, improved efficiency and provision of energy from alternate sources.</li> </ul>	
<b>Waste</b>	<ul style="list-style-type: none"> <li>No hazardous or offensive industries or storage establishments would be permitted onsite.</li> </ul>	<ul style="list-style-type: none"> <li>The Department has recommended a condition requiring Waste Management Plan be prepared to manage waste generated by the construction and operational phases of the project.</li> </ul>
<b>Flora and Fauna</b>	<ul style="list-style-type: none"> <li>All vegetation to be removed from the site would be undertaken in accordance with the conditions outlined in the project approval for MP 06_0199.</li> <li>The Concept Plan approval for the Freeway North Business Park provides for the clearing of approximately 55 ha of native vegetation, including two endangered ecological communities, subject to Hunter Land providing a 2:1 offset on Lots 2 to 4 in Deposited Plan (DP) 1061633.</li> <li>The Aldi project application area is within the envelope identified as being suitable for clearing in the Concept Plan approval. Notwithstanding, a conservation agreement binding Hunter Land to preserve and maintain vegetation on Lots 2 to 4 in DP 1061633 was executed on 12 August 2008.</li> </ul>	<ul style="list-style-type: none"> <li>The Department is satisfied that the existing conditions under the Concept Plan satisfactorily address the vegetation clearing.</li> </ul>
<b>Contributions</b>	<ul style="list-style-type: none"> <li>Infrastructure contributions are levied as per the provisions outlined in the provision of the <i>Newcastle City Council S94A Development Contributions Plan 2009</i>.</li> </ul>	<ul style="list-style-type: none"> <li>The Department has recommended a condition requiring Aldi to pay a development contribution in accordance with the requirements of the <i>Newcastle City Council S94A Development Contributions Plan 2009</i>, prior to the issue of a Construction Certificate.</li> </ul>

## 6. RECOMMENDED CONDITIONS

The Department has recommended conditions to:

- prevent, minimise, and/or offset adverse impacts of the proposed modifications to the Freeway North Business Park Concept Plan and Project Approval and the Aldi project Application;
- set standards and performance measures for acceptable environmental performance for both the Freeway North Business Park Concept Plan and Project Approval and Aldi Project Application; and
- ensure regular monitoring and reporting for the Aldi Project Application.

Newcastle City Council and the RTA were consulted on the recommended conditions and raised no issues.

Hunter Land and Aldi have also reviewed and accepted the recommended conditions.

## 7. CONCLUSION

The Department has assessed the merits of both the Aldi Project Application and the Freeway North Section 75W modification in accordance with the requirements in the EP&A Act.

This assessment has found that the environmental impacts of both applications can be mitigated and/or managed to ensure an acceptable level of performance.

It also found that both applications are consistent with the objectives of the State Plan, Lower Hunter Regional Strategy, and broader strategic planning being carried out for the area.

Finally, it has found that the Aldi Project Application would provide significant economic and social benefits in the Lower Hunter Region, as it would attract up to \$100 million worth of capital investment and create up to 300 full-time jobs in a strategically important employment area.

Consequently, the Department believes that both the Aldi Project Application and Freeway North Business Park Section 75W modification are in the public interest, and should be approved subject to conditions.

## 8. RECOMMENDATION

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It is RECOMMENDED that the Deputy Director-General:

- consider the findings and recommendations of this report;
- approve the Instrument of Modification for the Freeway North Business Park Concept Plan and Project Approval (MP06\_0199) under section 75W of the EP&A Act; and
- approve the Aldi Project Application, subject to conditions, under section 75J of the EP&A Act.

  
Chris Ritchie  
Manager – Industry 21/2/11

  
Richard Pearson  
Deputy Director-General 23/2/11

  
Chris Wilson  
Executive Director  
Kate MacDonald  
Senior Planner  
22.2.11



## APPENDIX A – SUMMARY OF ALDI CONDITIONS OF APPROVAL

<i>Aspect</i>	<i>Condition</i>	<i>Requirement</i>
<b><i>Schedule 3: Specific Environmental Conditions</i></b>		
Construction Works	1	Requirement to carry out construction activities in a reasonable manner and to manage impacts satisfactorily.
Infrastructure	6	Requirement to design and construct all infrastructure in accordance with relevant authority standards.
Infrastructure Contributions	10	Requirement to provide an infrastructure contribution as per the requirements of the <i>Newcastle Council Section 94A Development Contributions Plan 2009</i>
Traffic and Transport	17, 21 - 26	Requirement to develop internal roads and hardstand areas to meet Australian Standards; management of traffic impacts and sustainable transport alternatives; and allow for the provision of bicycle parking onsite.
Soil and Water	18 -20	Discharge limits, bunding and management
Noise	27	Noise level criteria and hours of operations.
Air	30	Requirements to minimise dust and ensure no offensive odour emissions.
Visual	33-35	Requirements for landscaping, fencing, signage, and lighting.
Waste	36-38	Requirement to manage waste appropriately.
<b><i>Schedule 4: Environmental Reporting Conditions</i></b>		
Auditing	40, 41	Director-General may require at any time an update on compliance with any condition of this approval.
Environmental Reporting	42	Requirement to report incidents

## **APPENDIX B – CONDITIONS OF APPROVAL**

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See the attached Instrument of Approval (Tag B).