



NSW GOVERNMENT
Department of Planning

***MAJOR PROJECT ASSESSMENT:
Australian Red Cross Medical
Research and Development Project
Alexandria***



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

February 2009

Cover photo: Artist's impression of the project

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EXECUTIVE SUMMARY

Goodman International Limited (Goodman) proposes to establish a laboratory, warehouse and office building for the Australian Red Cross Blood Service at Alexandria in the City of Sydney Local Government Area. The proposed facility would consolidate the Red Cross Blood Service's existing facilities onto 1 site. The site is on O'Riordan St, a key gateway from the airport to the city and is close to Green Square Railway Station and the planned Green Square Major Centre. The site is zoned for mixed use and is adjacent to industrial users and vacant land to be used by Energy Australia.

The project would receive, handle and distribute all blood donation products from NSW. The project has a capital investment value of \$72 million and would employ 500 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 7 submissions on the proposal, including 6 from public authorities and 1 from a local resident. Submissions from public authorities raised issues in relation to construction and demolition management, traffic and pedestrian safety and flooding. Energy Australia raised concerns that the project may not be compatible with the proposed Energy Australia Works Depot on the neighbouring land. The local resident supported the project but requested a cycle path be included through the site.

The key issues associated with the project include potential visual and flooding impacts.

The Department has assessed the merits of the project and is satisfied that the impacts of the project can be managed to ensure an acceptable level of environmental performance.

In addition, the Department's assessment recognises the significance and need for the project in terms of promoting the development of the Green Square Major Centre. The project is consistent with the objectives of the Metropolitan Strategy, providing for the development of land around Green Square Major Centre, close to major public transport and generating jobs closer to home.

The Department is satisfied that the project has significant social and economic benefits, that any impacts from the project can be adequately managed and that the project is therefore in the public interest.

Consequently, the Department recommends that Red Cross Medical Research and Development Project be approved, subject to conditions.

1. PROPOSED PROJECT

1.1 Project Description

The Australian Red Cross Blood Service (a subsidiary of the Australian Red Cross Blood Society) is responsible for managing the supply and testing of blood and related products such as organs and tissue for transplanting. Due to changes in technology and an increase in services, the Australian Red Cross Blood Service needs a more modern and larger facility.

Goodman proposes to construct a new facility at 17 O'Riordan St, Alexandria on behalf of the Australian Red Cross Blood Service (see Figure 1).



Figure 1 – Proposed site and regional context

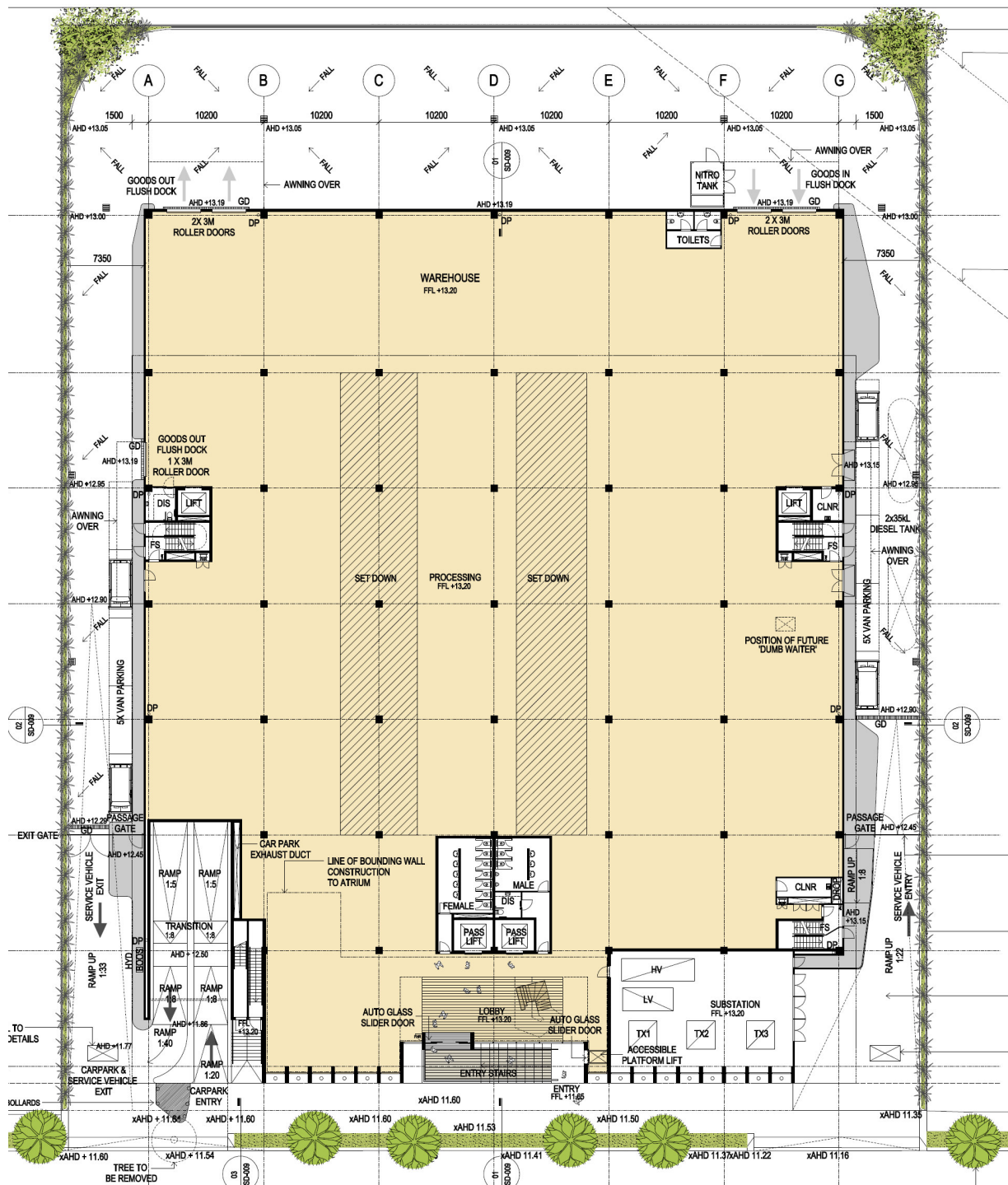
The project would include demolition of an existing 2 story building, currently used as a warehouse and office for an online outlet store, and construction of a four storey laboratory and office building with warehouse and distribution facilities and underground parking.

The major components of the project are summarised in Table 1, and depicted in Figure 2 and Figure 3. The project is described in full in Goodman's Environmental Assessment (EA), which is attached as Appendix F.

Table 1: Major components of the project

Aspect	Description
Project Summary	<p>The project would receive and process all blood products from blood donation facilities in NSW and the ACT. The project includes:</p> <ul style="list-style-type: none"> • Demolition of the existing 2 storey warehouse; and • Construction of a 4 storey building with a gross floor area of 13,548 m² including: <ul style="list-style-type: none"> - Basement - 97 car spaces including 9 visitor spaces, bicycle parking and rainwater tanks; - Ground Floor - Laboratories and temperature controlled warehouse and distribution areas; - Level 1 - Storage space, plant and equipment and meeting rooms; - Level 2 - Laboratories, meeting office space and outdoor terrace areas; and - Level 3 – Laboratories, meeting and office space.

Aspect	Description
Hours of Operation	24 hours, seven days a week
Capital Investment Value	\$72 million
Jobs	Construction - 110 Operation - 500
Demolition and construction duration	Approximately 2 years



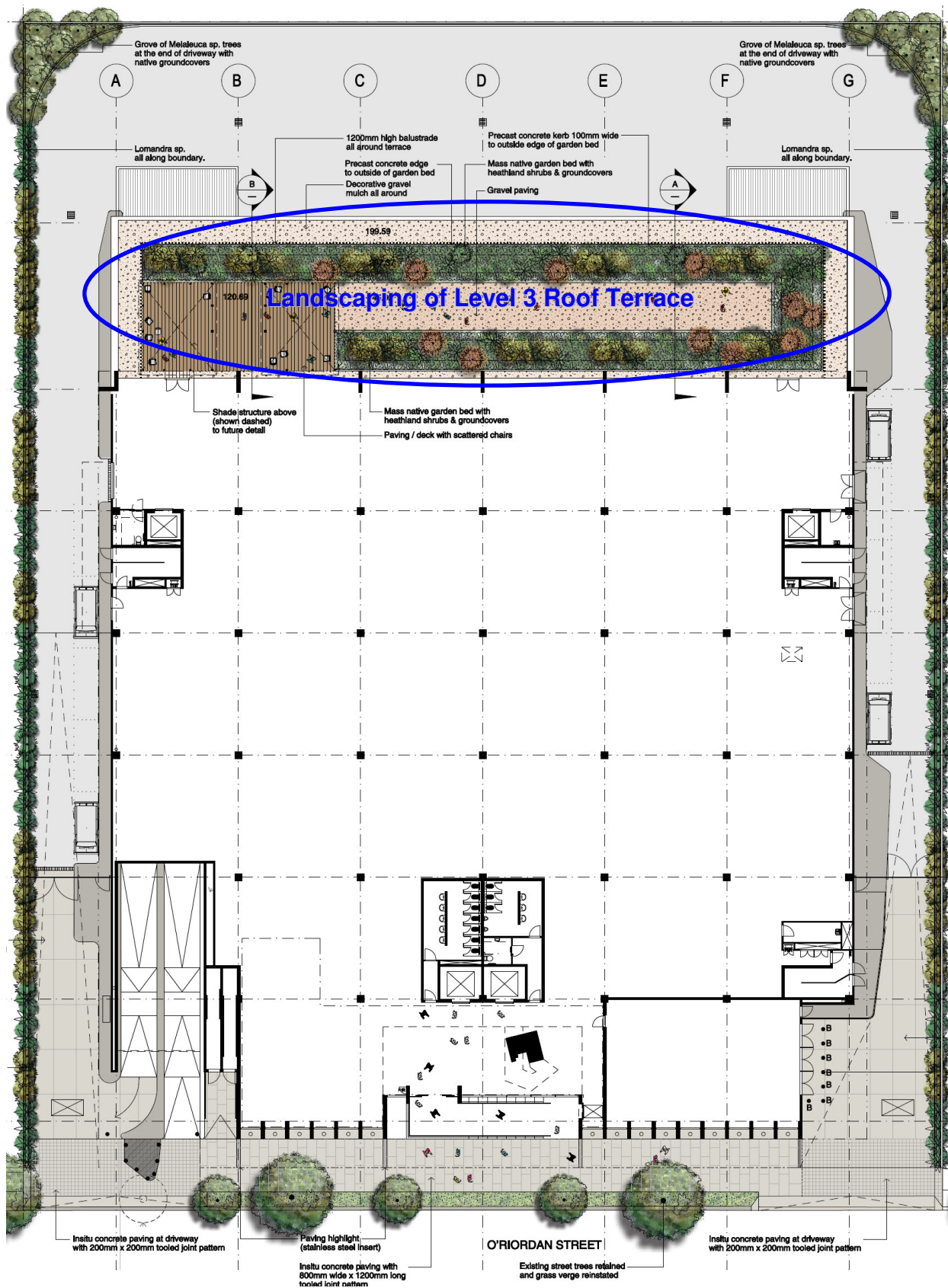


Figure 3 – Site layout and landscaping

1.2 Project Setting

The site is centrally located and well connected to major road networks (such as South Dowling/ Eastern Distributor and the M5) and the airport. The central location of the site is ideal for the prompt collection and delivery of blood products to Sydney's major hospitals and regional areas, via Sydney Airport. The site is also close to Green Square railway station providing good access for the projects 500 employees.

The Metropolitan Strategy identifies the city to airport corridor as a global economic corridor, with the most significant concentration of economic activity in Australia. The site is located within this corridor and would contribute to its development through the provision of 500 jobs. Consequently, the project would contribute to objectives:

- B5 - to protect and strengthen the primary role of economic corridors; and
- B4 - to concentrate activities near public transport.

The site is also located within the planned Green Square Major Centre identified in the Metropolitan Strategy and the Draft City of Sydney subregional strategy. The Green Square Major Centre has an employment target of 14,000 by 2031.

1.3 Project Need

The Australian Red Cross Blood Service currently operates its NSW operations centre at 153 Clarence St Sydney, with supporting facilities in Newcastle, Parramatta and Canberra. Due to space restrictions at these facilities and future expansion needs, the Australian Red Cross Blood Service proposes to consolidate its facilities onto one site. This has a number of advantages including the opportunity to increase efficiencies and increase collaboration on the research and development aspects of the project.

The Australian Red Cross Blood Service considered a number of alternative locations for the project, including Homebush, Redfern, Bankstown and Eastern Creek and selected the proposed site due to its close proximity to key delivery areas such as hospitals, courier depots and the airport.

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 for the purpose of medical products and medical research, and therefore triggers the criteria in Clause 11 and Clause 19 of Schedule 1 of State Environmental Planning Policy (Major Projects) 2005.

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

On 18 November 2008, the Minister delegated her powers and functions as an approval authority for certain project applications (including those projects whose boundaries fall within the electoral district the Minister represents) to the Planning Assessment Commission (the Commission). This project is in the Minister's electoral district and meets the terms of the delegation. Consequently the Commission may determine the project under delegated authority.

2.2 Permissibility

Under Section 75J of the EP&A Act, the Minister cannot approve the carrying out of a project that would be wholly prohibited under an environmental planning instrument.

The site is zoned 10(d) Mixed Use under the South Sydney Local Environmental Plan 1998, and is permissible with development consent in this zone.

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 25 September 2008 until 27 October 2008:
 - on the Department's website, and
 - at the Department's Information Centre, Sydney City Council's offices and the Nature Conservation Council's office;
- notified landowners in the vicinity of the site about the exhibition period by letter;
- notified relevant State government authorities and Sydney City Council by letter; and
- advertised the exhibition in the local newspaper, the Central Courier.

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
- Goodman's responses to issues raised in submissions.

2.4 Environmental Planning Instruments

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

- *State Environmental Planning Policy (SEPP)* that substantially govern the carrying out of the 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 project against the relevant provisions of several environmental planning instruments (including *State Environmental Planning Policy (Infrastructure)*, *State Environmental Planning Policy (SEPP) No 64.*, *Draft SEPP 66*; and the *South Sydney Local Environmental Plan 1998*).

The Department is satisfied that, subject to the implementation of the recommended conditions of approval, the proposal is generally consistent with the aims and objectives of these instruments (see Appendix C).

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 the Act's section 5. 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.

Goodman has also considered a number of alternatives to the proposed project (including the alternative of not proceeding), and considered the project in the light of the principles of ESD.

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 7 submissions on the project:

- 5 from public authorities (Ministry of Transport, the Roads and Traffic Authority, Railcorp, Sydney Water, Sydney City Council (Council)) and Energy Australia; and
- 1 submission from the general public.

A summary of the issues raised in submission is provided below. A full copy of these submissions is attached in Appendix E.

3.1 Public Authorities

Council raised concerns regarding vehicle access and safety as a pedestrian refuge was not proposed, and also regarding flooding.

The RTA did not raise concerns, but provided recommended conditions of approval relating to stormwater discharges, excavation management and internal access and parking requirements.

Sydney Water raised concerns about the existing and potential stormwater flows from the site and encouraged the use of water sensitive urban design.

RailCorp did not raise concerns but provided recommended conditions of approval in relation to noise and vibration and corrosion.

The Ministry of Transport had no concerns with the project.

Energy Australia noted they have acquired the adjoining property for development of a major works depot and that the proposed depot could impact on the amenity of the Red Cross Facility and any sensitive medical equipment.

3.2 Community and Interest Groups

A local resident supported the project but requested an easement be established on the property and adjoining land to provide for a cycle lane and footpath through the site.

3.3 Response to Submissions

Goodman have 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 Goodman's responses to these issues, in its assessment of the project.

4. ASSESSMENT

4.1 Visual

The project involves the demolition of a 2 storey warehouse and office building and the development of a 4 storey laboratory, office and warehouse building. The building would be developed on O’Riordan St, one of the main thoroughfares from the airport to the city, so the project would be highly visible to passing traffic, especially visitors arriving in the city.

The existing facility is relatively unobtrusive, fitting in with the other buildings in the area in terms of height, use and architectural style (see Figure 4).



Figure 4 – existing building

The Department notes however that most of these buildings were constructed prior to the rezoning of the area in the *South Sydney Local Environmental Plan 1998*. The area is no longer zoned industrial and the objectives of the current mixed use zone include to:

- encourage an employment based zone;
- promote the vitality of the public domain;
- ensure a high level of amenity; and
- enhance and enliven Green Square.

Consequently new buildings will be required to have a higher level of design and amenity than the existing facilities in the area. The proposed building would also be approximately twice as high as existing buildings in the vicinity of the site, and so would be more visually prominent, at least until other buildings along O’Riordan St are redeveloped. Consequently, the design and visual impact of the building have the potential to impact on the amenity of the Green Square Major Centre and the O’Riordan St (airport to city) corridor.

An artists impression of the proposed facility is illustrated in **Figure 5** and **Figure 6**. The Department considers the building form, massing and materiality have been well considered with a good design outcome. The design of the street front façade allows for a more transparent and welcoming address to O’Riordan St, and this is also assisted by the generous scale of the entry and atrium.

While the landscaping of the site is minimal and does not meet the requirements of the development control plan, the Department accepts the landscaping of the site was constrained by the size of the site and requirements for the layout of the building. The use of landscaping on the roof terrace is

supported as a means of increasing the landscaping of the site and increasing the amenity of the terrace.

The project would have a building height of 16.250 metres which is below the 18m height limit in the South Sydney Development Control Plan. It would also be below the 51 RL obstacle height limitation for the airport, with an RL of 35.65.



Figure 5 – proposed facility looking south west



Figure 6 – proposed facility looking north west

Overall, the Department considers the visual impacts of the project would be mitigated by the high quality design proposed and that the project would be an improvement to the site and Council have not raise concerns. The Department is satisfied the project would not adversely affect the visual amenity of the area and has recommended conditions to manage the landscaping and any signage, lighting and fencing.

4.2 Flooding

The modelling of flood scenarios for the area indicate that the existing site experiences some inundation around the front gate of the site during the 1% annual exceedance probability (AEP) event and ponding occurs to the northeast of the site, on O’Riordan St. The proposed facility would also experience some inundation along the front of the site, however modelling indicates there would be no difference in water levels, compared to the existing facility. During the Probable Maximum Flood (PMF) the inundation around the perimeter of the site would be deeper, however flood modelling shows that, as required by the South Sydney Development Control Plan and the Department’s “Guideline on Development Controls on Low Flood Risk Areas – Floodplain Development Manual”, the floor levels and entry to the basement would be above the 1% AEP plus 500mm and the PMF levels. While access to the facility may be restricted during these flood events they would not impact on the facility. Modelling also indicates the proposed facility would not adversely affect flood behaviour upstream or downstream up to the 1% AEP event. The Department is therefore satisfied the project has been appropriately designed to handle flooding of the area.

4.3 Greenhouse Gas Emissions

The Commonwealth Government recently released a White Paper (The Carbon Pollution Reduction Scheme: Australia’s low pollution future) setting out Australia’s commitments to reducing Greenhouse Gas Emissions. The White Paper sets out Australia’s long term and medium term national targets to reduce Greenhouse Gas Emissions and commits to reduce Australia’s Greenhouse Gas Emissions by between 5% and 15% below 2000 levels by the end of 2020 and by 60% by 2050. In order to do this the White Paper outlines 4 major elements through which Australia will seek to meet its emissions reductions objectives. These elements include an expanded Renewable Energy Target and action on energy efficiency.

Energy efficiency design principles have been incorporated into the design of the building, however the reduction in Greenhouse Gas Emissions this would achieve has not been quantified at this stage. Goodman have committed to investigating further energy efficiencies through the detailed design of the project, however have not committed to any quantifiable reduction in energy or Greenhouse Gas Emissions.

In light of the Commonwealth Government’s recent White Paper on Greenhouse Gas Emissions the Department has recommended conditions of approval to ensure the project would implement measures to reduce its Greenhouse Gas Emissions by at least 15% or purchase greenpower for any shortfall of this target. This is inline with the White Paper objectives for increased energy efficiencies and the use of renewable energy. The Department considers this is also inline with other government policies such as BASIX which requires new homes in NSW to achieve a 25% reduction in energy use.

The Department also notes the Red Cross has been operating at its existing premises for over 30 years and is likely to occupy the proposed facility for at least 40 years. The facility would therefore be operating well beyond 2020 when further reductions in Greenhouse Gas Emissions will be necessary. The recommended 15% reduction in Greenhouse Gas Emissions is considered a minimum requirement, given the expected life of the project.

To ensure the project would reduce its Greenhouse Gas Emissions, the Department has recommended a condition requiring Goodman to prepare a Water and Energy Efficiency Program. A goal of the program is to reduce the Greenhouse Gas Emission of the project by at least 15%. Goodman would have to investigate the energy and water efficiency measures available and demonstrate the use of best available technology in the design and construction of the building. The Department is satisfied that by requiring Goodman to:

- reduce the Greenhouse Gas Emissions of the project by 15%; and
- implement best available technology for energy and water efficiency,

the project would be consistent with the Government’s commitments to reduce Greenhouse Gas Emissions and ensure the building is energy efficient.

4.4 Summary of Other Issues

Other issues raised during the assessment process and the Department's consideration of each issue are summarised in Table 3 below.

Table 3: Other Issues

Issue	Consideration	Recommended Conditions
Contributions	<ul style="list-style-type: none"> As a blood donation processing and distribution centre, the Project would provide a distinct community benefit on a non-for-profit basis. Consequently Council has advised development contributions are not required. The Department notes that Goodman is the proponent, not the Red Cross, however Goodman have confirmed the savings would be passed onto the Red Cross. The redevelopment of Green Square is expected to impact on the affordability of housing and the <i>South Sydney Local Environmental Plan 1998</i> requires the consent authority to consider the need to provide for Affordable Housing. The Project would redevelop the site, increasing the intensity of development on site and also increasing employment in the area. Consequently, the Department considers the Project would be likely to contribute to impacts on affordable housing in the area. However, the Department also recognises the community benefit provided by the end user, the Red Cross Blood Service, and considers contributions towards affordable housing should be reduced. The Department is satisfied that by requiring a reduced contribution towards affordable housing it recognises the community benefit provided by the Red Cross, while also minimising impacts on affordable housing. 	<ul style="list-style-type: none"> The Department has recommended conditions that require the Proponent to demonstrate the savings made as a result of the exemption from development contributions has been passed onto the Red Cross. As required under the <i>South Sydney Local Environmental Plan 1998</i>, the Department has recommended conditions to ensure the project would contribute towards affordable housing. Due to the community benefit provided by the Red Cross Blood Service the Department has recommended the payment of 50% of the recommended contribution and requires the Proponent to demonstrate the savings have been passed on to the end user, the Red Cross Blood Service.
Contamination	<ul style="list-style-type: none"> Due to the long history of industrial activity in the area the soil and water onsite may be contaminated. Preliminary investigations around the site found elevated levels of lead, benzo[a]pyrene and total PAH in the soil and TPH (C6-C9) and TPH (C10-C36) in the groundwater. Investigations undertaken so far have been restricted to the northern area of the site due to the current operations and restrictions of the existing building onsite. The conclusions of the preliminary investigations recommend further testing of the site, but also note that most contaminants would be likely to be excavated and removed during construction of the basement carpark. The Department is satisfied the contamination on site can be managed, through recommended conditions. 	<ul style="list-style-type: none"> The Department has recommended conditions that require the Proponent to undertake a detailed site assessment to determine the level of contamination on site, and to ensure the site would be appropriately remediated, prior to the commencement of construction.
Soil and Water	<ul style="list-style-type: none"> Erosion and sediment, soil and stormwater would need to be managed on site. The RTA, Railcorp and Sydney Water recommended conditions of approval relating to stormwater discharges and geotechnical reporting requirements for demolition and construction. A conceptual Stormwater Management Plan was provided in the Environmental Assessment and the Department is satisfied that soil and water issues, including stormwater can be managed through the preparation and implementation of management plans. 	<ul style="list-style-type: none"> The Department has recommended conditions of approval to ensure: <ul style="list-style-type: none"> - erosion and sediment controls are implemented during construction and demolition; - a stormwater management plan is prepared and implemented to ensure post development flows do not exceed pre development flows; and

Issue	Consideration	Recommended Conditions
		<ul style="list-style-type: none"> - a geotechnical report is prepared to ensure demolition and construction do not impact on neighbouring landuses including the rail tunnel and the road network.
Traffic and Transport	<ul style="list-style-type: none"> • The project is approximately 300m from Green Square Railway Station and the majority of staff are expected to travel to work by public transport. • The project would generate up to 102 trips per hour during the morning and afternoon peaks. • The main nearby intersections would maintain their existing levels of service of C and B. • The Department is satisfied the project's traffic impacts would be minimal, the RTA did not raise concerns and Council's concerns were addressed by the Proponent in their response to submissions. • The RTA recommended conditions of approval relating to the management of demolition and construction and the design of the parking and internal road. 	<ul style="list-style-type: none"> • The Department has recommended conditions that require the Proponent to prepare and implement a Demolition and Construction Traffic Management Plan and to design all internal roads and parking in accordance with the Australian Standards.
Noise	<ul style="list-style-type: none"> • The project would generate noise during demolition, construction and operation. • The nearest residence is approximately 50 m from the site, however there are 2 roads, O'Riordan St and Reserve St and a small park between the site and the residence. • The Department considers traffic noise from O'Riordan St would be likely to mask any noise emissions from the project and the project should be able to meet the noise limits. The Department is satisfied noise from the project could be managed. 	<ul style="list-style-type: none"> • The Department has recommended conditions of approval including noise limits and construction and demolition hours.
Heritage	<ul style="list-style-type: none"> • The Hill View Conservation Area is opposite the site, and is identified as a "Heritage conservation area" under the South Sydney Local Environmental Plan. • The weatherboard cottages that comprise the conservation area are important to the social and economic history of the area. The Statement of Heritage Impact concludes they are representative of the modest dwellings of working class people, and form a material testament to the families who lived in the area and were known for their community spirit. • The proposal is substantially higher than the existing warehouse on the site, however McConville reserve between the houses and the site would screen the visual impacts of the project. • While the proposal would change the nature of the O'Riordan streetscape, Council did not raise concerns and the Department is satisfied it is consistent with the industrial character of the area and would not compromise the heritage significance of the cottages. 	<ul style="list-style-type: none"> • No conditions were considered necessary.
Waste	<ul style="list-style-type: none"> • The project would generate a number of waste streams including construction and demolition waste and once operational; General Office and Warehouse Waste and Medical and Laboratory Waste. • The Department is satisfied waste from the project could be managed, if sorted and recycled or disposed of appropriately. 	<ul style="list-style-type: none"> • The Department has recommended conditions of approval to ensure waste is minimised and all waste streams are classified and disposed of in accordance with the relevant guidelines.
Air Quality	<ul style="list-style-type: none"> • The project could generate dust during construction but is not expected to generate significant emissions once operational. 	<ul style="list-style-type: none"> • The Department has recommended conditions of approval to ensure the Proponent would minimise the generation of dust.

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.

Goodman has reviewed and accepts 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 development of the Green Square Major Centre, which is one of the primary objectives of the Metropolitan Strategy, principally by:

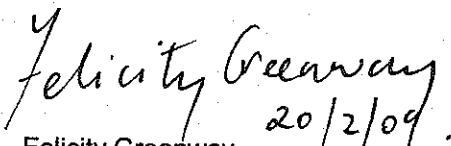
- facilitating the development of a new facility at Green Square;
- attracting a capital investment of at least \$72 million to the region; and
- creating 500 jobs in Green Square.


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.

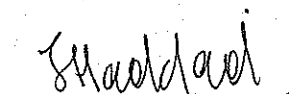
7. RECOMMENDATION

It is RECOMMENDED that the Planning Assessment Commission:

- 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).


Felicity Greenway
Acting Manager
Manufacturing and Rural Industries

 10.1.04
Chris Wilson
Executive Director
Major Project Assessment


Sam Haddad
Director-General