

ASSESSMENT REPORT

Section 75W Modification DEXUS Estate – Manufacturing Use

1. BACKGROUND

On 8 November 2009, the Minister for Planning approved a proposal from DEXUS Funds Management Limited (DEXUS) under Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act), for the DEXUS Estate Industrial Park Project within the Greystanes Southern Employment Lands (SEL).

The DEXUS Estate approval provides for the construction and operation of a range of warehouses and distribution facilities within the Estate. The layout for the Estate is shown on Figure 1.



Figure 1: Approved DEXUS Estate Masterplan

Under the Minister's approval, DEXUS are required to obtain the Director-General's approval prior to the construction of each individual warehouse or distribution building within the Estate. As part of seeking the Director-General's approval, DEXUS are required to provide detailed design plans and its supporting management plans for the building and its occupants.

As such, the DEXUS Estate would be developed in stages in line with the securing of end users for the facilities and/or market demand.

To date, three end-user facilities have been approved by the Director-General. This includes the DEXUS Data Centre on Lot 3 of Superlot A, the Symbion Health Facility on Lots 4 and 5 of Superlot B, and the Solaris Paper Facility on Lots 8 and 9 of Superlot B of the estate (see Figure 2).

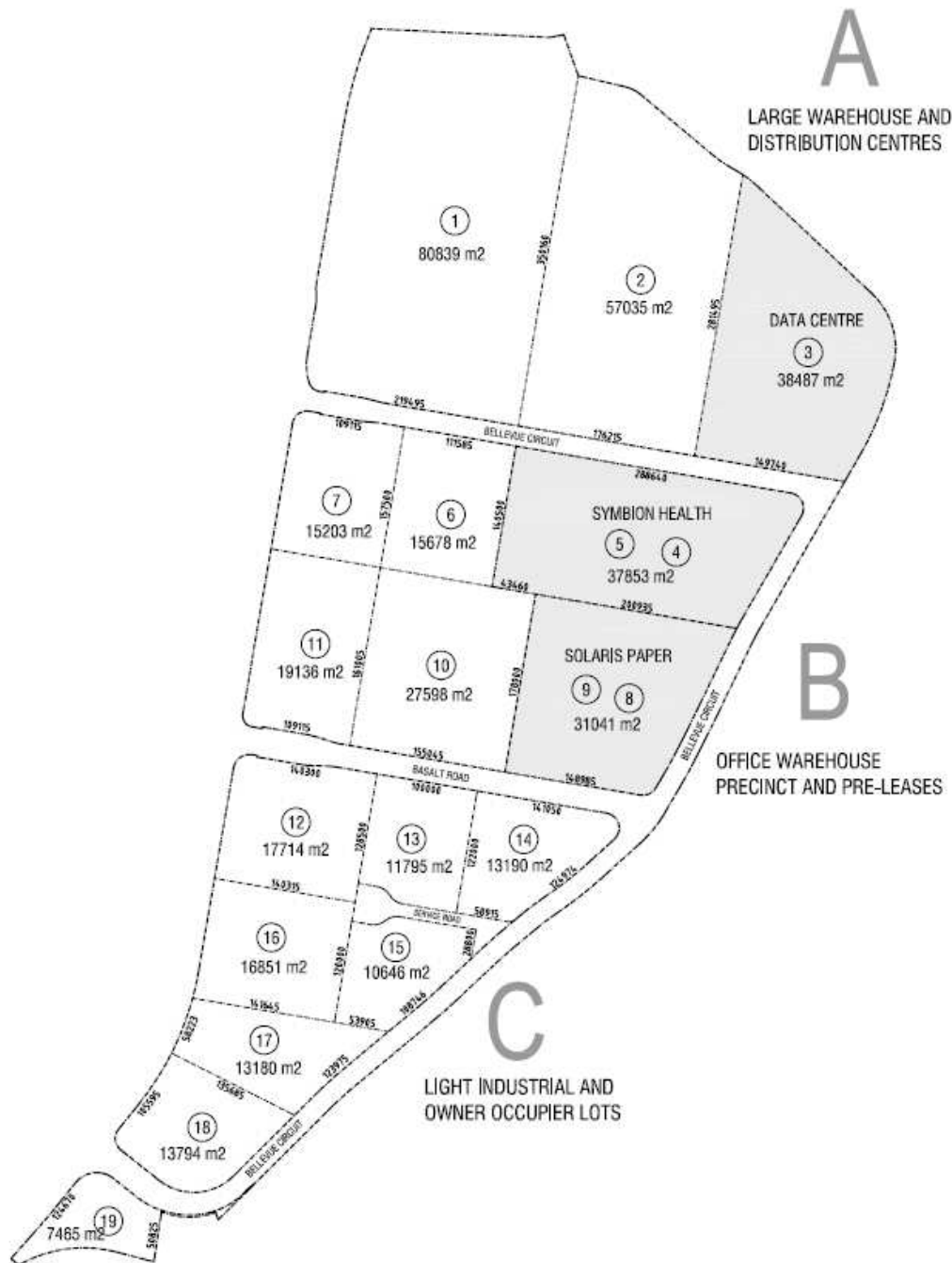


Figure 2: Solaris Paper Facility Location Plan

The Solaris Paper Facility involves warehousing and distribution (including 'packaging') of paper products, with an ancillary office. The 'packaging' process (which is discussed in more detail in Section 2) is considered a form of 'manufacturing', which is currently inconsistent with the approved use of the DEXUS Estate, namely warehousing and distribution. Notwithstanding, the proposed 'manufacturing' use is permissible within the IN2 'Light Industrial' zone of the DEXUS Estate.

To overcome the potential inconsistency with the project approval in relation to the 'manufacturing' use of the Solaris Paper Facility, and to ensure that the proposed use of the facility is lawful, DEXUS proposes

to modify the project approval for the DEXUS Estate under Section 75W of the EP&A Act to allow manufacturing of paper products within the Solaris Paper Facility on Lot 8 of Superlot B.

2. PROPOSED MODIFICATION

DEXUS proposes to modify the project approval for the DEXUS Estate under Section 75W of the EP&A Act to allow manufacturing of paper products within the Solaris Paper Facility on Lot 8 of Superlot B.

The manufacturing process is essentially a dry process involving transforming 'jumbo' (ie. large) tissue paper rolls into smaller finished product. The main products would be bathroom tissue and household towel, with smaller amounts of facial tissue and other tissue products (napkins, hand-towel, industrial towel products, etc).

The jumbo tissue paper rolls would be unwound, embossed, printed (for some designs), perforated, cut, packaged and palletised. The finished pallets would then go into storage or direct transport to customers.

The plant associated with the manufacturing process would occupy approximately 4,000m² of the warehouse floor space, with the remainder (ie. approximately 14,000m²) occupied by storage and distribution areas. The layout of the proposed facility is shown on Figure 3.

The main machinery involved in the process would include paper rewinders (including paper core machine, cutters, wrappers, packers and conveyors), facial tissue folders, compressing units, dryers, boxers, packers, palletisers, compactors, machine cranes and air compressors.

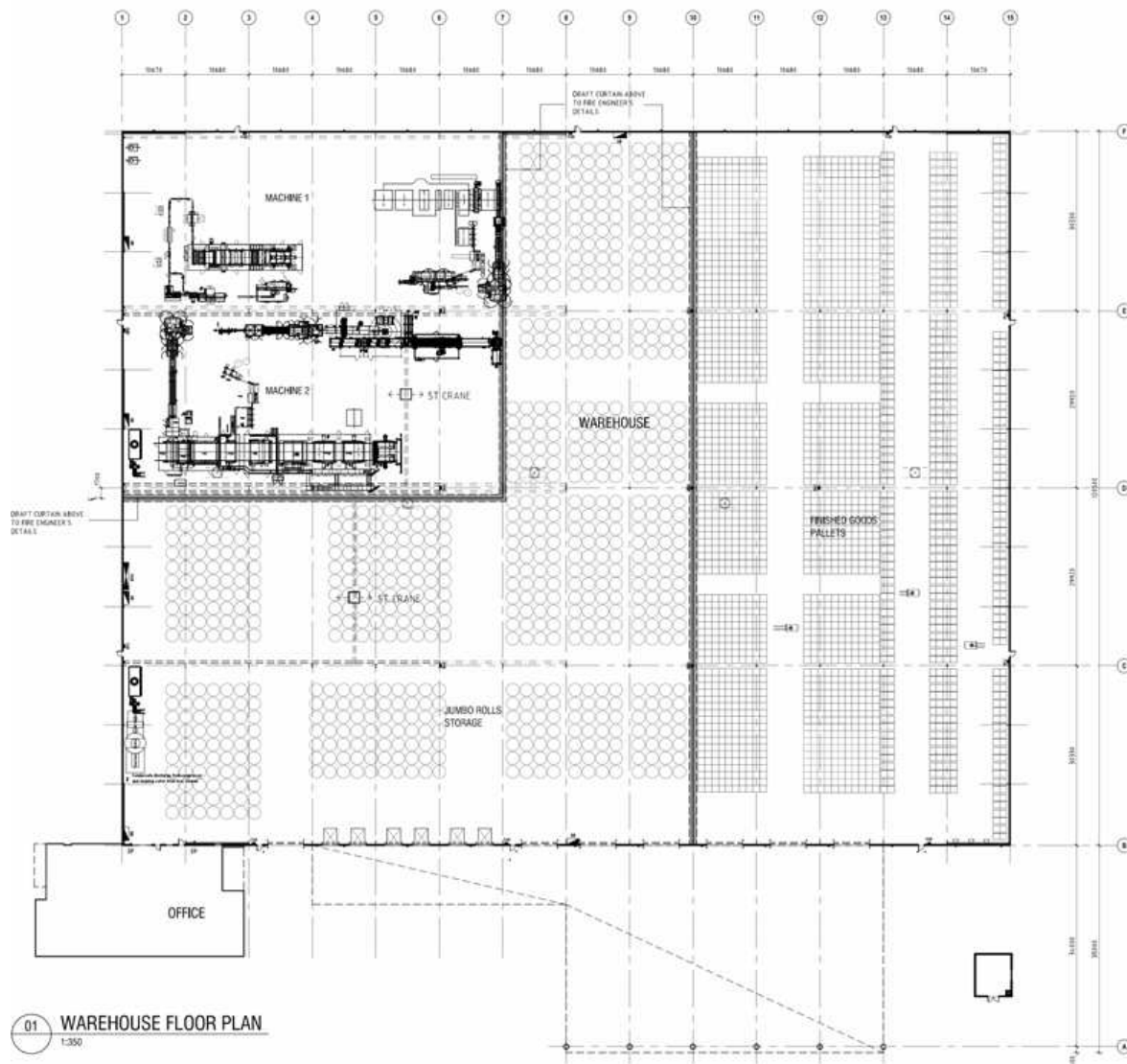


Figure 3: Solaris Paper Facility Warehouse Fitout Plan

The proposed manufacturing use would not require any external changes to the Solaris Paper Facility, from that approved by the Department in the letter dated 29 January 2010. Given the nature and size of the manufacturing component of the project site (Lot 8 of Superlot B) within the DEXUS Estate, the manufacturing use is considered ancillary to the warehouse and distribution use.

3. STATUTORY CONTEXT

Approval Authority

Section 75W of the EP&A Act confers on the Minister an implicit obligation to be satisfied that the modification request falls within this section of the EP&A Act.

The Department notes that:

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

It is therefore recommended that the Executive Director of Major Project Assessments under the Ministers delegation of 25 January 2010, agree that the modification request falls within section 75W and the request can be determined.

Exhibition and Notification

Under Section 75W of the EP&A Act, the Department is not required to notify or exhibit the application. Following a review of the modification application, the Department determined that the proposed modification should be referred to Holroyd City Council, Fairfield City Council, the Department of Environment Climate Change and Water (DECCW) and Sydney Water (SW). Consultation with other government agencies and neighbouring sites was considered unnecessary, as the environmental impacts of the proposal would essentially remain unchanged from the approval project.

Holroyd City Council in principal did not object to the manufacturing use, provided that the use is a permissible use for the zone under the Major Project SEPP and is consistent with the objectives of the zone. Council did raise concerns regarding potential noise impacts and parking provisions.

Fairfield City Council did not object to the proposed modification and considered the modified use of packaging (or 'manufacturing') of paper products to be generally consistent with the objectives and nature of light industrial uses that would be expected in an IN2 zone.

The **DECCW** did not object to the proposed modification and advised that the facility would not require and Environmental Protection License (EPL).

Sydney Water did not object to the proposed modification. However, they requested that the Department advise the Proponent to obtain a Section 73 Certificate.

The Department has considered the submissions in the assessment provided below.

4. ASSESSMENT

The Department has reviewed the proposed modification and considers the key issues to be wastewater, noise, air quality and parking. All other issues are considered to be minor.

Table 2: Consideration of Other Issues

Issue	Potential Impacts/Consideration	Recommendation
Wastewater	<ul style="list-style-type: none"> ▪ The proposal does not involve any change to the hardstand area of the site, and hence does not require any change to the approved stormwater arrangements. ▪ The only liquid wastewater associated with the process is condensates from the air compressor and dryer (about 100 litres a day), and wash water from cleaning the printing rolls. This wash water would comprise water and water-based inks, (approximately 1 litre of ink mixed with 200 litres of water per day). 	<p>Recommended conditions require the Proponent to:</p> <ul style="list-style-type: none"> ▪ comply with section 120 of the POEO Act 1997; and ▪ wastewater generated by the project shall be discharged to sewer in accordance with a Trade

	<ul style="list-style-type: none"> ▪ The wastewater would be discharged direct to sewer in accordance with a trade waste agreement with Sydney Water. ▪ The Department is satisfied that wastewater from the project would be effectively managed. 	Waste Agreement obtained from Sydney Water.
Noise	<ul style="list-style-type: none"> ▪ All fixed plant associated with the manufacturing process would be located internally. Most machines are expected to generate less than 80dBA with the noisiest machines expected to generate 85 dBA and 87dBA. ▪ A noise assessment was undertaken as part of the original Environmental Assessment for the DEXUS Industrial Estate project. This modelled a worst case scenario involving the development of heavy industry (metal fabrication) within the Greystanes SEL and NEL based on a total of 15 heavy industries throughout the estate, each with 8 pieces of internal noisy equipment generating between 98dBA and 114dBA each. ▪ The assessment found that the worst case noise levels at the residential area to the east (ie. Nelsons Ridge) would comply with the relevant project specific noise criteria for day, evening and night periods of 48dB, 38dB and 37dB, respectively. ▪ The Department is satisfied that the proposed modification would not result in significant noise emissions and could be undertaken within the project specific noise limits. Further, the existing project approval includes adequate measures to mitigate potential noise impacts from the modification. 	<ul style="list-style-type: none"> ▪ No additional conditions are recommended.
Air Quality	<ul style="list-style-type: none"> ▪ The manufacturing plant has the potential to generate light paper tissue dust (in the order of 1-5 kilograms a day). ▪ This would be filtered out of the machinery exhaust via bag filters. The exhaust air would be discharged internally via a small exhaust vent. ▪ The project is not anticipated to generate any other significant air emissions. ▪ Given the minor nature of emissions and the proposed measures to address dust, the Department is satisfied that the modification would not result in any adverse air quality impacts and the existing project approval includes adequate measures to mitigate potential noise impacts from the modification. 	<ul style="list-style-type: none"> ▪ No additional conditions are recommended.
Traffic & Parking	<ul style="list-style-type: none"> ▪ The proposal would not have any significant effect on traffic volumes, access and circulation arrangements associated with the approved Solaris Paper Facility. ▪ With regard to parking, the Major Projects SEPP requires parking for light industry to be provided at an increased rate of 1 space per 77 squares metres of gross floor area, as opposed to 1 space per 300 square metres for warehouse and distribution use. ▪ Application of the SEPP parking rates to the proposed Solaris Paper Facility manufacturing use would require a total parking provision of some 114 spaces. ▪ Given that the predominant use of the facility is distribution and storage and that the manufacturing component is an ancillary use, the Department considers the application of the SEPP parking rates are unreasonable and unnecessary for the proposed Solaris Paper Facility. Consequently, the Department considers parking provision of 84 spaces to be satisfactory to meet the demands of the facility. 	<ul style="list-style-type: none"> ▪ No additional conditions are recommended.
Greenhouse Gas	<ul style="list-style-type: none"> ▪ The machinery associated with the manufacturing use would be modern, state-of-the-art equipment designed to minimise energy wastage. Notwithstanding there would be a marginal increase in energy consumption (and GHG emissions) associated with the Solaris Paper Facility. ▪ Existing conditions of approval require the Proponent to prepare an Energy Management Plan prior to the construction of the facility. Since the Solaris Paper Facility has been constructed, the Department requests that a revised Energy Management Plan be submitted for approval. 	<ul style="list-style-type: none"> ▪ No additional conditions are recommended.
Hazards	<ul style="list-style-type: none"> ▪ The modified project would not involve the storage or use of any significant quantities of dangerous goods or hazardous 	Recommended conditions require the Proponent to:

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| <ul style="list-style-type: none">substances. All process inks would be stored internally in appropriately banded areas with no external drainage.▪ Based on the information provided, and the Proponent's commitment to additional measures to further reduce the likely occurrence of spills in the design of the project, the Department is satisfied that the project is not hazardous and no hazards related conditions are required. | <ul style="list-style-type: none">▪ ensure that all above ground tanks and vats, including those used for treating or processing wastewater, are surrounded by a bund with a capacity to contain 110% of the largest tank within the bund. |
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5. RECOMMENDED CONDITIONS OF APPROVAL

The Department considered that the proposal represents a minor modification of the project as approved and would not have any impacts beyond that assessed and approved.

The Department has recommended minor amendment to the current project approval to include the modification application within the terms of the approval.

6. CONCLUSION

The Department has assessed the merits of the proposal in accordance with the requirements in Clause 8B of the EP&A Regulation.

This assessment has found that the proposed modification is minor and is unlikely to cause any significant impacts beyond that assessed and approved. Consequently, the Department believes the proposed modification is in the public interest, and should be approved.


7. RECOMMENDATION

It is RECOMMENDED that the Executive Director of Major Projects Assessment:

- approve of the proposed modification under Section 75W of the EP&A Act; and
- sign the attached instrument (tagged A).


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20/8/10.

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20.8.10