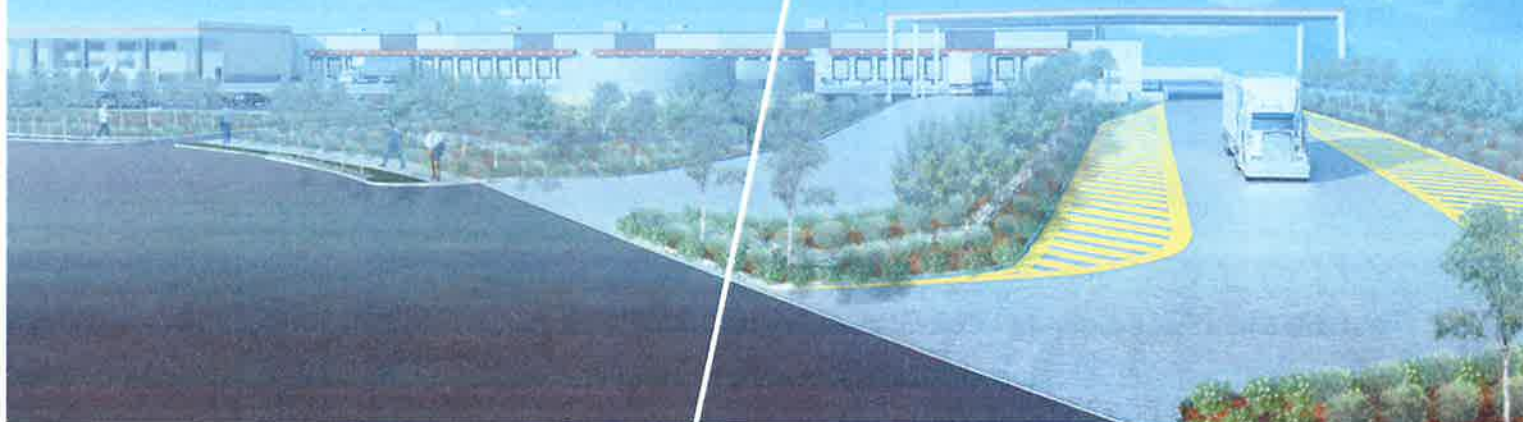




Oakdale South Stage 4, Site 4A – Costco Wholesale

*State Significant
Development
Modification Assessment
(SSD 8209 MOD 2)*



November 2018

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Glossary

Abbreviation	Definition
AHD	Australian Height Datum
BCA	Building Code of Australia
CIV	Capital Investment Value
CIP	Community Involvement Plan
Consent	Development Consent
Council	Penrith City Council
Department	Department of Planning and Environment
DPI	Department of Primary industries
EIS	Environmental Impact Statement
EPA	Environment Protection Authority
EP&A Act	<i>Environmental Planning and Assessment Act 1979</i>
EP&A Regulation	<i>Environmental Planning and Assessment Regulation 2000</i>
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
EPI	Environmental Planning Instrument
EPL	Environment Protection License
ESD	Ecologically Sustainable Development
FRNSW	Fire and Rescue NSW
LEP	Local Environmental Plan
Minister	Minister for Planning
OEH	Office of Environment and Heritage
RMS	Roads and Maritime Services
RtS	Response to Submissions
SEARs	Secretary's Environmental Assessment Requirements
Secretary	Secretary of the Department of Planning and Environment
SEPP	State Environmental Planning Policy
SRD SEPP	<i>State Environmental Planning Policy (State and Regional Development) 2011</i>
SSD	State Significant Development
SSI	State Significant Infrastructure



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1. Introduction

This report provides an assessment of an application to modify the State Significant Development (SSD) approval for the Oakdale South Stage 4, Site 4A Costco Wholesale Warehousing and Distribution Facility. The modification application seeks approval to modify the approved depot office including the removal of the first-floor component and minor design amendments, as well as the inclusion of a temporary optical lab on site. The application has been lodged by Costco Wholesale Australia Pty Ltd (the Applicant) pursuant to section 4.55(1A) of the *Environmental Planning and Assessment Act 1979 (EP&A Act)*.

1.1 Background

On 26 October 2016, the Executive Director, Key Sites and Industry Assessments approved a concurrent Concept Proposal and Stage 1 Development Application (DA) for a warehousing and employment precinct (SSD 6917) known as the Oakdale South Industrial Estate (Oakdale South). The Concept Proposal established 15 building envelopes for warehouse and distribution facilities across six development precincts, conceptual subdivision, landscaping, stormwater and infrastructure designs, conceptual site levels, conceptual car parking and biodiversity offset requirements.



Figure 1 | Site Location

On 23 February 2018, the Executive Director, Key Sites and Industry Assessments approved the Costco Wholesale Warehousing and Distribution Facility (SSD 8209) on site 4A of Oakdale South, at Kemps Creek in the Penrith local government area (LGA). The consent allows for the storage and distribution of goods for Costco Wholesale. The facility represents Costco Wholesale's primary distribution facility in Australia, with the closure of its existing facility at Wetherill Park. The consent allows for operation of the facility 24 hours a day, 7 days a week.

The site is identified as Lot 3 in Deposited Plan 1229850 and is commonly known as 15 Ottelia Road, Kemps Creek. It has an area of approximately 14.27 hectares (ha). It is located approximately 40 kilometres (km) west of the Sydney city centre, 12 km south-east of Penrith, 5 km south of the M4 and 4 km west of the M7 Motorway (see **Figure 1**). The site is also located within the Western Sydney Employment Area (WSEA) which is

strategically identified industrial and employment land under State Environmental Planning Policy (Western Sydney Employment Area 2009 (WSEA SEPP).

Bulk earthworks, infrastructure construction and the building pad for the Costco warehouse have been complete across the site in accordance with SSD 6917. The frame of the Costco warehouse and hardstand areas are currently under construction .

Several residential receivers are located near the site in the suburbs of Kemps Creek, Mount Vernon and Horsley Park, with the closest located 500 metres (m) to the south-east on Aldington Road.

Surrounding land uses include those associated with industrial activities in the WSEA to the north, east and west and residential land uses are located further to the east, south and south-west. Land uses in the vicinity of the site include:

- Toyota Spare Parts Warehouse and Distribution Centre (SSD 7663) to the immediate north
- Oakdale Central Industrial Estate (MP 08_0065 & SSD 6078)
- Proposed Oakdale West Industrial Estate (SSD 7348) to the north-west
- Jacfin Horsley Park Warehousing Hub (MP 10_0130) to the west
- Residential subdivision known as Capitol Hill to the south

1.2 Approval History

On 23 February 2018, the Executive Director, Key Sites and Industry Assessments approved the Costco Wholesale Warehousing and Distribution Facility (SSD 8209) on site 4A of Oakdale South, at Kemps Creek in the Penrith (LGA).

Consent was granted for the construction and operation of a warehouse and distribution facility in two stages (SSD 8209). The development consent permits the following works:

- a warehouse and distribution facility
- ancillary office space
- car parking
- stormwater and rainwater infrastructure
- landscaping.

The development consent has previously been modified on one occasion (see **Table 1**).

Table 1 | Summary of Modifications

Mod No.	Summary of Modifications	Approval Authority	Type	Approval Date
MOD 1	Minor amendments to the design and layout of the warehouse and ancillary buildings	Department	4.55(1A)	17 August 2018



2. Proposed Modification

The Applicant has lodged a modification application under section 4.55(1A) of the EP&A Act to make minor modifications to the approved building plans and sustainability management plan to enable minor changes to the approved buildings under SSD 8209. The modification is described in full in the Statement of Environmental Effects (SEE) included in **Appendix A** and is summarised below in **Table 2**.

The Applicant has proposed the following modifications to the approved development:

- office/ staff area reconfiguration
- inclusion of temporary optical lab
- revised sustainability management plan

Table 2 | Summary of proposed Modifications

Aspect	Proposed
Office/ Staff Area Reconfiguration	<ul style="list-style-type: none">• Removal of the first-floor component of the office reducing the office floor area to 827m²• Reconfiguration of the ground floor office including amendment of the grids and structure• Removal of the lift and stairs from the office and amendment of the layout of the electrical room and payroll office• Amendment of the stairs located at the south-western entrance to the office• Amendment of window size in the conference room• Relocation of the first-floor office area to the north-western end of the dry depot area, to be used temporarily as an optical lab.
Inclusion of Temporary Optical Lab	<ul style="list-style-type: none">• The inclusion of a temporary optical lab which includes low scale manufacturing with no chemical usage. The process involves taking pre-manufactured glass blanks (lens) that are imported from the companies United States lens manufacturer and cutting them to fit the frames, then water is used to cool the cutting heads. It is intended the optical lab would only be a temporary component of Stage 1, with a permanent operation on site and plans to relocate it to be provided in Stage 2 and subject to a separate modification application. The inclusion of the temporary optical lab will see it located on an existing hardstand area to the sites north, before being relocated into the future building design of stage 2 which includes a total floor area of 25,716m².
Revised Sustainability Management Plan	<ul style="list-style-type: none">• Revised recommendations and strategies within the Sustainability Management Plan prepared by SLR Consulting Australia Pty Ltd to align with the approved modifications under SSD 8209 MOD 1 and in accordance with proposed modifications under this modification application.

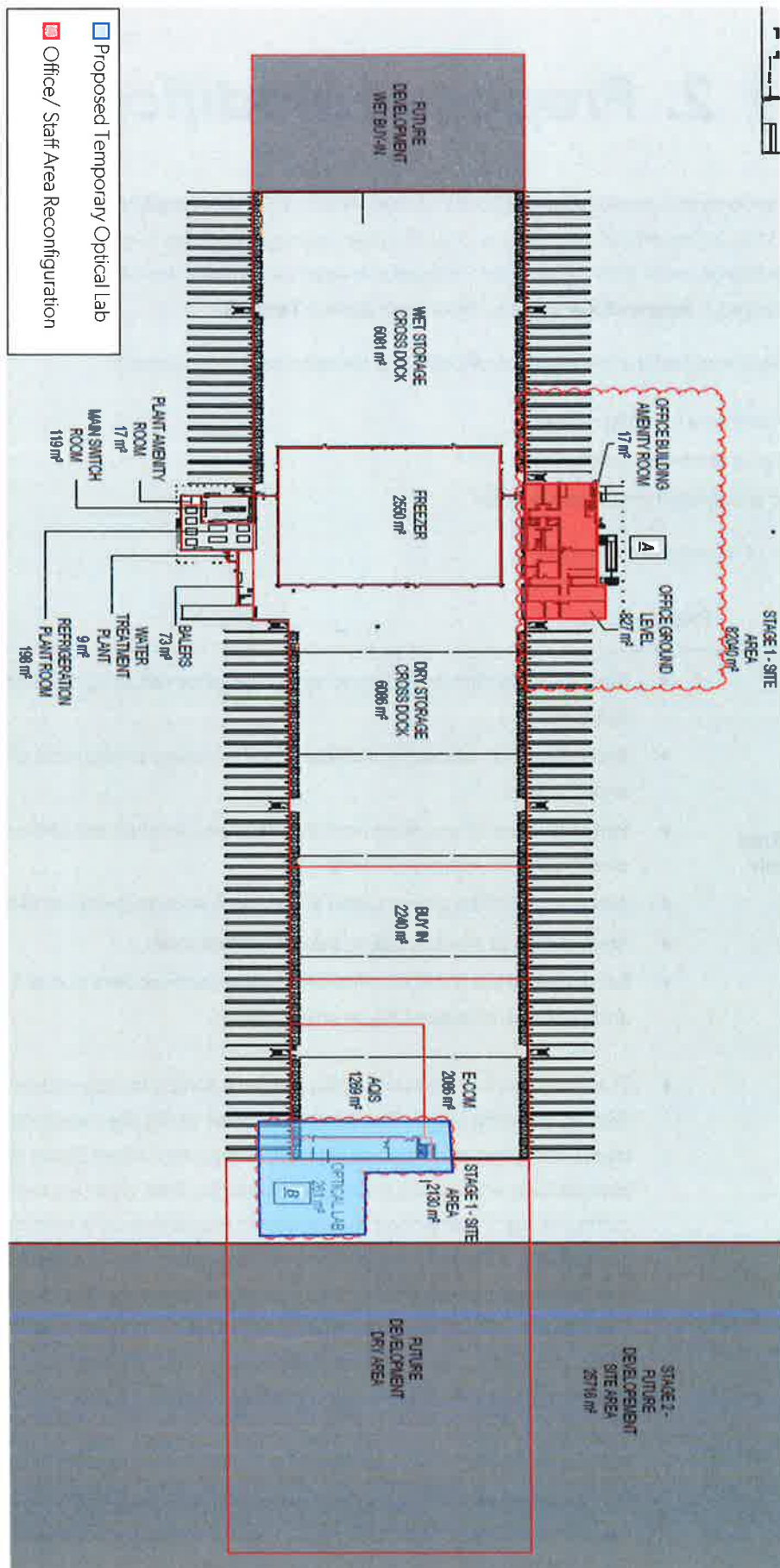


Figure 2 | Proposed Modification to Approved Plans

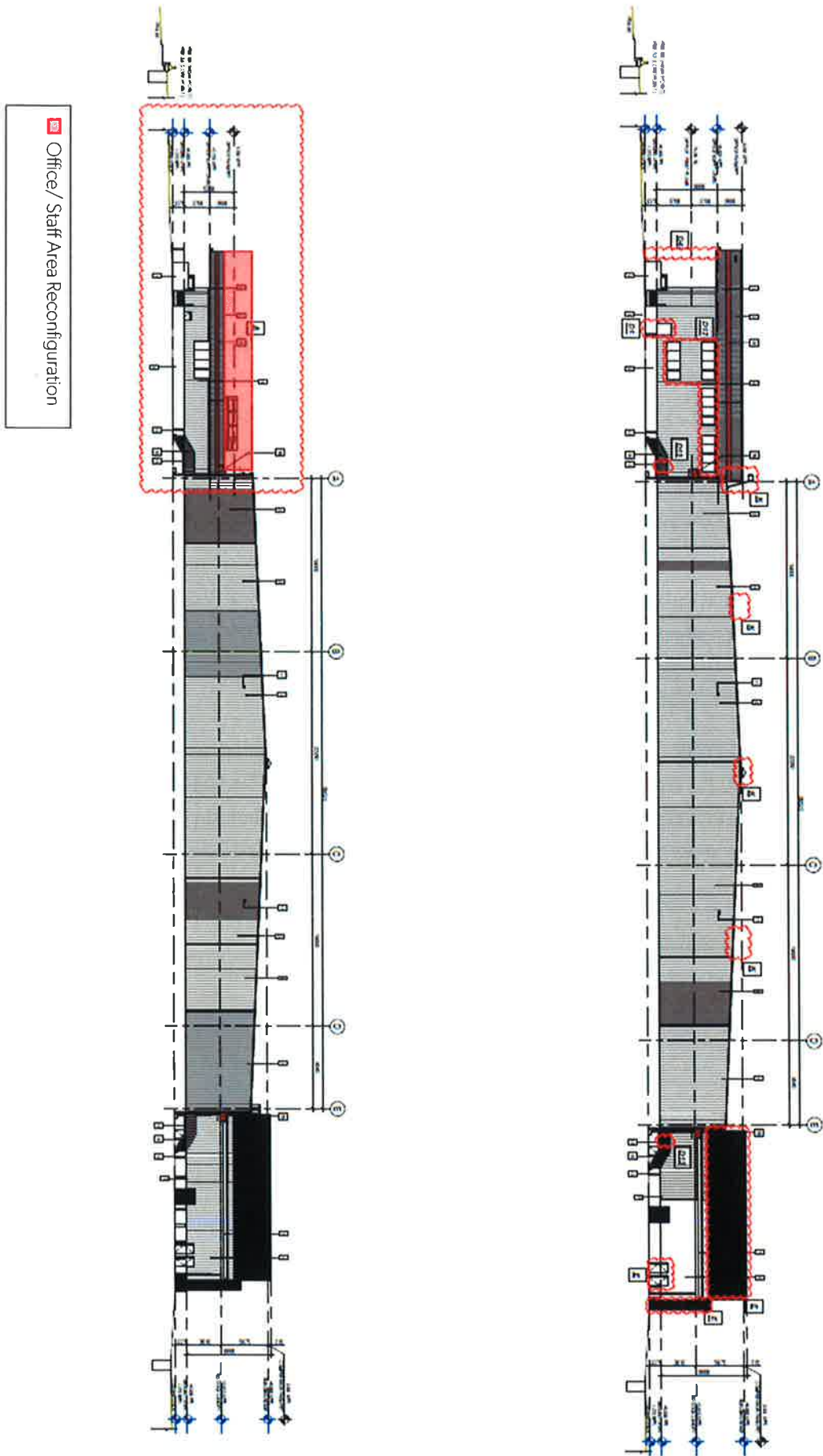


Figure 3 | South Elevation of Proposed Office Modification



3. Statutory Context

3.1 Scope of Modifications

The Department has reviewed the scope of the modification application and considers that the application can be characterised as a modification involving minimal environmental impacts, and relates to substantially the same development as the original development consent on the basis that:

- the primary function and purpose of the approved development would not change as a result of the proposed modification
- the modification is of a scale that warrants the use of section 4.55(1A) of the EP&A Act
- any potential environmental impacts would be minimal and appropriately managed through the existing or modified conditions of consent
- would not involve any further disturbance outside the already approved disturbance areas for the development.

Therefore, the Department is satisfied the proposed modification is within the scope of section 4.55(1A) of the EP&A Act and does not constitute a new development application. Accordingly, the Department considers that the application should be assessed and determined under section 4.55(1A) of the EP&A Act rather than requiring a new development application to be lodged.

3.2 Consent Authority

The Minister for Planning is the consent authority for the application under section 4.5(a) of the EP&A Act. However, under the Minister's delegation dated 11 October 2017, the Director, Industry Assessments, may determine the application under delegation as:

- the relevant local council has made no objection
- a political disclosure statement has not been made
- there are no public submissions by way of objection.



4. Engagement

4.1 Department's Engagement

Clause 117(3B) of the Environmental Planning and Assessment Regulation 2000 (EP&A Regulation) specifies that the notification requirements of the EP&A Regulation do not apply to State significant development.

Accordingly, the application was not notified or advertised. However, it was made publicly available on the Department's website on 28 September 2018 and was referred to Penrith City Council for comment.

4.2 Summary of Submissions

During the notification period one (1) submission was received from Penrith City Council which did not object to the development.

4.3 Key Issues – Council

Council did not object to the proposed modification but provided comments to be addressed by the Applicant. Council requested additional information outlining the manufacturing process of the lenses within the temporary optical lab component of the modification. Similarly, additional information was requested detailing the water quality treatment of the wastewater from the equipment utilised within the proposed optical lab.

4.4 Response to Submissions

On the 18 October 2018, the Planning Hub, on behalf of the Applicant provided a response to the comments raised by Council relating to the chemical usage and water quality treatment.



5. Assessment

The Department has assessed the merits of the proposed modification. During the assessment, the Department has considered the:

- the SEE and RTS provided to support the proposed modification (see **Appendix A**)
- the assessment report for the original development application and subsequent modification application
- the submission received from Council (**Appendix B**)
- relevant environmental planning instruments, policies and guidelines
- requirements of the EP&A Act, including the objectives of the EP&A Act.

The Department's assessment of the modification application is provided in **Table 3**.

Table 3 | The Department's Assessment

Issue	Findings	Recommended Condition
Introduction of temporary optical lab	<ul style="list-style-type: none">• The modification application includes the introduction of a temporary optical lab on site which could be considered an industrial process warranting additional environmental controls. The optical lab includes low scale manufacturing with no chemicals involved in the process, with all lenses pre-manufactured overseas and only cut and fitted into spectacles on site.• Council made a submission on the proposed modification that did not object to the application but raised concerns regarding chemical usage in the manufacturing of the lenses and the water quality treatment. Council required additional information regarding the manufacturing processes undertaken in the lab, and greater clarity around any water recycling systems utilised, including any treatment mechanisms.• The Planning Hub, on behalf of the Applicant provided a response to the submission by Council, including a memo prepared by NIDEK who manufactures the lens cutting equipment.• The Applicant noted that Costco Wholesale would not be undertaking any chemical processes such as liquid polishing or use of treatment compounds on site. All processes that involve chemical usage and done by the United States Costco manufacturing facility (off site). The only process Costco Wholesale would undertake at the facility is cutting and fitting the lenses to the customers	<ul style="list-style-type: none">• Administrative changes to the development consent to facilitate the proposed changes and a condition to ensure the proposed optical lab is only operated ancillary to an approved industry.• Restrict optical lab to the processing of lenses and frames distributed at the warehouse only.

purchased frames. Treatment of the lenses would be carried out off site and not within the proposed optical lab.

- Council raised similar concerns that during the cutting process of the lenses, water utilised would be filtered and recycled. Council requested additional detail and specifications for the proposed water recycling system, including any treatment mechanisms.
- The Applicant's response noted the proposed equipment in the lab would not contain a drain connection, it's self-contained and recycles the water. The machine includes a centrifuge which collects the solid plastic waste from the water which could be disposed into general waste, whilst water in the machine would be continuously recycled and not externally disposed.
- Council was satisfied with the Applicant's response and conceded no further information or clarification was required from the applicant.
- The proposed optical lab consists of a 261m² temporary facility that is to be constructed over existing hardstand surface that will be later occupied by stage 2. As a result, the modification is not drastically changing the approved building envelope previously approved under SSD 8209.
- The Department considers the proposed optical lab to be an ancillary use as its purpose is to fit lenses to only the frames which are distributed from the warehouse.
- As such the Department does not consider the proposed optical lab as an additional land use and therefore the modification can be considered substantially the same as the development approved under the original approval.
- The Department has recommended a condition of consent which restricts the use of the optical lab to the processing of lenses and frames distributed at the warehouse on site.
- The Department assessment has considered that the proposed temporary optical lab is ancillary to the dominant land use and will not have any adverse effects as a result of chemical usage and water quality treatment, and that the proposed modification would not result in any impacts beyond what has been assessed as part of the original approval and MOD 1.

**Amendments
to the office/
staff area**

- The modification application includes a proposal to change the staging of the construction of the staff/ office area.
- The Applicant has suggested that the proposed modifications all remain Building Code of Australia (BCA) compliant with a significant amount of the proposed alterations relating to the internal layout, having negligible effects to the surrounding locality. The removal of the first-floor office and relocation to the north western end of the dry depot area, to be used as the temporary optical lab, remains compliant and ensures that the design is consistent with the existing amenity of an industrial zone, as well as remains concealed by the existing approved landscape design (refer to **Figure 3**).
- To reflect the amendments proposed in this modification application and approved under MOD 1, the Applicant has also submitted revised recommendations and strategies within the Sustainability Management Plan prepared by SLR Consulting Australia Pty Ltd.
- The Department's assessment considers the key assessment issues in the original approval were in relation to noise, traffic and access. The proposed modifications are not considered to further exacerbate these issues. As such, the Department considers that the proposed amendments are minor in nature and do not alter the overall building design approach. In addition, the amendments would not reduce the architectural quality of the development or jeopardise the achievement of a high standard of warehouse design.
- The Department considers the proposed amendments are minor in nature and would not result in any impacts beyond that which has been assessed as part of the original approval and MOD 1.
- Insert revised plans into the conditions of consent.



6. Evaluation

The Department has assessed the proposed modification in accordance with the relevant requirements of the EP&A Act. The Department considers the proposed modification is appropriate on the basis that:

- the proposed modification will result in minimal environmental impacts beyond the approved facility
- the modification is of a scale that warrants the use of section 4.55(1A) of the EP&A Act
- it will facilitate the use of land for employment generating purposes in accordance with the *State Environmental Planning Policy (Western Sydney Employment Area) 2009*

The Department is satisfied that the modification should be approved, subject to conditions.



7. Recommendation

It is recommended that the Director, Industry Assessments, as delegate of the Minister for Planning:

- **considers** the findings and recommendations of this report; and
- **Determines** that the application for SSD 8209 MOD 2 falls within the scope of section 4.55(1A) of the EP&A Act
- **accepts and adopts** all of the findings and recommendations in this report as the reasons for making the decision to grant approval to the application;
- **modify** the consent SSD 8209; and
- **signs** the attached approval of the modification (Attachment D),

Recommended by:

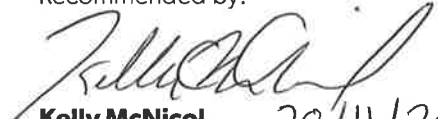
 28/11/18

John Booth

Para-Planner

Industry Assessments

Recommended by:

 28/11/2018.

Kelly McNicol

Team Leader

Industry Assessments



8. Determination

The recommendation is: **Adopted by:**

Chris Ritchie

Director

Industry Assessments

3/12/18.



Appendices

Appendix A – List of Documents

The Department has considered the:

- Environmental Assessment Report – Costco Wholesale Warehouse and Distribution Centre Site 4A, Oakdale South Industrial Estate, Kemps Creek (SSD 8209), prepared by the Department of Planning and Environment, February 2018
- Response to Submission, prepared by The Planning Hub, 18 October 2018
- Section 4.55(1A) Modification Assessment Report – Oakdale South Stage 4, Site 4A – Costco Wholesale (SSD 8209 MOD 1), prepared by the Department of Planning and Environment, August 2018
- Statement of Environmental Effects – S4.55(1A) Modification Application (MOD 2) SSD 8209 Site 4A, Oakdale South Industrial Estate, Kemps Creek, prepared by The Planning Hub, 28 September 2018
- Sustainability Management Plan Oakdale South Industrial Estate Costco Depot, prepared by SLR Consulting Australia Pty Ltd, 27 September 2018, Revision 2
- Existing conditions of consent
- Relevant environmental planning instruments, policies and guidelines
- Relevant requirements of the EP&A Act.

Appendix B – Statement of Environmental Effects/ Environmental Assessment

Appendix C – Submissions

Appendix D – Consolidated Consent

Appendix E – Notice of Modification

