

## 5. CUMULATIVE IMPACT MODELLING

This Chapter considers the combined impact of the proposed amendments on existing centres and retail destinations in the surrounding area.

### 5.1 Cumulative Retail Impact

The table below combines the impacts modelled in Chapters 3 and 4 to determine the cumulative impact of the proposed developments in Orange Grove and Crossroads.

An allowance for Amendment 19 has not been made beyond the development at Orange Grove discussed in Chapter 3. This is because retail development on other B6 lands across Liverpool LGA of up to 1,600sqm (which is permissible under this amendment) would not draw any significant trade from other retail centres or destinations beyond the Liverpool LGA boundary.

Table 5 - Cumulative Impact of Amendments 19, 22 and 26 to Liverpool LEP (\$m in \$2010)

Retail Centre	2 Approx. Retail Floor Space (sqm)	3 Turnover in 2012 (\$m)	4 Turnover in 2016 without Proposals (\$m)	5 Turnover in 2016 with Proposals (\$m)	6 Immediate Shift in Turnover (\$m)	7 % Shift in Turnover in 2016	8 Shift in turnover 2012 to 2016 (\$m)	9 % Shift in turnover 2012 to 2016
Orange Grove	54,500	115.0	128.9	234.1	105.2	81.6%	119.1	103.6%
Crossroads	68,270	202.0	226.5	305.9	79.4	35.1%	103.9	51.4%
Liverpool City Centre	119,850	605.5	678.8	625.7	-53.2	-7.8%	20.2	3.3%
Casula	26,100	165.0	185.0	168.5	-16.5	-8.9%	3.5	2.1%
Carles Hill	17,400	122.1	136.9	130.2	-6.7	-4.9%	8.1	6.6%
Moorebank	6,750	46.0	51.6	49.2	-2.4	-4.7%	3.2	6.9%
Green Valley	10,700	73.0	81.8	78.5	-3.3	-4.1%	5.5	7.5%
Miller	10,850	54.6	61.2	58.2	-3.0	-5.0%	3.6	6.5%
Wettle Grove	3,150	21.0	23.5	22.6	-1.0	-4.1%	1.6	7.5%
Worwick Farm	20,000	70.0	78.5	78.4	-0.1	-0.1%	8.4	12.0%
Fairfield	78,800	361.7	386.9	376.0	-10.9	-2.8%	14.3	4.0%
Bonnyrigg TC	32,450	132.0	141.2	136.1	-5.1	-3.6%	4.1	3.1%
Cabramatta	41,500	204.0	218.2	211.3	-6.9	-3.2%	7.3	3.6%
Prairieville*	36,250	264.1	282.5	273.8	-8.7	-3.1%	9.7	3.7%
Canley Heights	10,550	62.8	67.2	65.2	-2.0	-2.9%	2.4	3.8%
Brands on Sale	13,000	61.0	65.5	61.4	-4.1	-6.3%	0.4	0.6%
Campbelltown	75,350	352.0	375.1	365.2	-9.9	-2.6%	13.2	3.8%
Macarthur Square	75,200	537.3	572.5	557.3	-15.3	-2.7%	20.0	3.7%
Blaxland Road BG	51,950	182.0	193.9	193.8	-0.1	-0.1%	11.8	6.5%
Ingleburn	22,250	110.5	117.8	114.5	-3.3	-2.8%	3.9	3.6%
Minto Mall	26,650	68.0	73.0	71.4	-1.6	-2.2%	3.4	5.0%
Glenquarie	15,500	86.7	92.4	88.0	-4.4	-4.7%	1.3	1.5%
Other Localities	-	-	-	-	-26.4	-	-	-
<b>TOTAL</b>	<b>788,400</b>	<b>3,896.4</b>	<b>4,239.20</b>	<b>4,265.40</b>	<b>0.0</b>	<b>0.6%</b>	<b>351.5</b>	<b>9.0%</b>

2 Various including Shopping Centre News, PCA Shopping Centres Directory, Hill PDA Floorspace Surveys.

3 Various including Shopping Centre News, PCA Shopping Centres Directory, Shopping Centre Annual Reports, Urbis Retail Averages, Other Consultancy Reports and Hill PDA Estimate.

4 Allows for population growth (variable for each centre) and real growth in retail spend per capita of 1.2% per annum in line with historic trend since 1986 (Hill PDA Calculation from ABS Retail Sales, population estimates and CPI indexes).

5 The turnover of localities following the proposed development. The forecast turnover of the proposed development is distributed between localities based on distance and size.

6 Immediate shift in turnover. This is difference between the development and the do nothing options (i.e. Column 4 minus Column 5).

7 Immediate percentage shift is shift in turnover divided by the turnover in 2010 without the development proceeding.

8 This is the shift in turnover from 2012 to 2016 after the opening of the new development.

9 This is shift in turnover from 2012 to 2016 divided by the based turnover in 2012.

\* Stockland Wetherill Park.

## 5.2 Analysis of Cumulative Impacts

The culmination of the gazetted and proposed amendments in Orange Grove and Crossroads would equate to a total additional expenditure capture of some \$185m in these locations in 2016. This will be redirected from a wide number of existing centres.

With respect to point in time impacts, the greatest shift in turnover in absolute monetary terms will be Liverpool City Centre which will experience a decline in trade of \$53m in 2016. This is followed by Casula (\$16.5m), Macarthur Square (\$15.3m) and Fairfield (\$10.9m). \$26.4m of the turnover of the proposed retail facilities would be redirected from locations not listed in the gravity model such as Costco Auburn, DFO Homebush, Sydney CBD etc.

In terms of proportional impact on trade at 2016, the greatest impacts will fall upon Liverpool (7.8% loss in trade), Casula (8.9% loss) and Brands on Sale, Campbelltown (6.3% loss). These impacts are considered to be "low to moderate" and within the normal competitive range. All other centres will experience a trading impact in 2016 of less than 5% (i.e. "insignificant").

Notwithstanding the immediate impacts from development of retail facilities under the gazetted and proposed amendments all existing centres in the locality will experience some growth in their trading level from 2012 to 2016. This is attributable to expenditure growth resulting from population and real growth in retail spend per capita. Average growth on all centres from 2012 to 2016 will be 9%.

Despite the "low to moderate" adverse impacts identified on Liverpool City Centre and Casula, these centres will experience growth of 3.3% and 2.1% respectively over the 2012 to 2016 period.

## 5.3 Impacts on Centres Outside of Liverpool LGA

### Fairfield

The gravity modelling indicates that immediate 2016 trading impacts on Fairfield will be -\$10.9m or -2.8% and the centre will experience growth of +\$14.3m or +4.0% from 2012 to 2016. The impacts on Fairfield are insignificant and acceptable.

Fairfield contains approximately 78,000sqm of retail floorspace<sup>5</sup> around half of which is provided within Neeta City (24,400sqm<sup>7</sup>) and Fairfield Forum (17,780sqm<sup>8</sup>). As noted in the Fairfield City Retail & Commercial Centres Study<sup>9</sup> the trade area served by Fairfield has shrunk in spatial terms due to the increasing influence of other centres in Fairfield LGA, particularly Prariewood (Stockland Wetherill Park) and Bonnyrigg. As a result, a contraction of the retail floorspace provided in the centre is anticipated by the Study. The below average turnover of the centre is likely a reflection of its over-supply of retail floorspace and would be expected in this context.

<sup>5</sup> Source: Liverpool LEP Proposed Amendments to B6 Zoning Study, Hill PDA (August 2011)

<sup>7</sup> Source: Property Council of Australia: Shopping Centre Directory 2011/ 2012

<sup>8</sup> Source: Property Council of Australia: Shopping Centre Directory 2011/ 2012

<sup>9</sup> Source: Fairfield City and Commercial Centres Study, Leyshon Consulting (June 2005)



In any case the quantum of trade attracted to Fairfield is forecast to increase over the 2012 to 2016 period even if the proposed amendments in Liverpool LGA were to proceed assuming no additions to supply in Fairfield LGA. Therefore the impact of these amendments could be absorbed by the centre without the vitality or viability of the centre being prejudiced.

### Bonnyrigg

The impact on Bonnyrigg from the expansions at Orange Grove and The Crossroads is insignificant at less than 5% loss in trade. Bonnyrigg is expected to increase its trade by 3.1% from 2012 to 2016 notwithstanding those impacts and assuming no further increases in supply in the locality.

Bonnyrigg currently contains one purpose built shopping centre, Bonnyrigg Plaza, which provides approximately 20,700sqm of retail floorspace<sup>10</sup> and achieved a turnover of \$98.2m in 2010/2011<sup>11</sup>. Bonnyrigg is a below average performing centre with a turnover of \$4,415/sqm in 2010/2011 compared to a median of \$6,748/sqm for similar sized centres in Australia of between 20,001sqm and 45,000sqm.

Notwithstanding this, Bonnyrigg Plaza has extant development approval for a 9,700sqm expansion to include a full-line supermarket<sup>12</sup>. If development proceeds its trading level is expected to increase to around \$150m. There is also a proposal for a new shopping centre in Bonnyrigg which is under consideration by Fairfield City Council on the other side of Transit Way. This seeks approval for some 18,800sqm of retail floorspace which would include a Kmart discount department store and a Coles supermarket<sup>13</sup>. The likelihood of both developments proceeding is low.

### Cabramatta

Immediate impacts of the proposed amendments on Cabramatta in 2016 will be -\$6.9m or -3.2% and impacts over time (2012 to 2016) will be +\$7.3m or +3.6%. Cabramatta offers a unique retail offer focused on the provision of Asian (predominantly Indo-Chinese) goods and services. Identified impacts would largely result from the proposed **brand outlet premises** given that Cabramatta contains a range of apparel stores, albeit mostly ethnically themed.

Given the role of Cabramatta as a specialist provider of Indo-Chinese focused goods and services, although it would suffer some decline in trade as a result of the proposed amendments its function would not be undermined and it would continue to cater for niche demand as currently. In effect it provides a different retail offer to that which would be provided by the proposed developments in Liverpool LGA and therefore would not compete with these to a great extent.

### Prairiewood/ Stockland Wetherill Park

This centre is forecast to experience an immediate trading impact of -\$8.7m or -3.1% in 2016 as a result of the proposed amendments and +\$9.7m or +3.7% over the 2012 to 2016 period.

<sup>10</sup> Source: Property Council of Australia: Shopping Centre Directory 2011/2012

<sup>11</sup> Between October 2010 and September 2011, sourced from Shopping Centre News: Little Guns 2011

<sup>12</sup> Source: Cordell's

<sup>13</sup> Source: Cordell's

Prairiewood is anchored by the 51,500sqm Stockland Wetherill Park, a well performing centre. In terms of turnover per sqm, the centre is ranked 28<sup>th</sup> nationally out of 87 large centres of greater than 45,000sqm. Its turnover is equivalent to \$7,130/sqm in 2011 some 5% above the median for similar sized centres in Australia (\$6,758/sqm)<sup>14</sup>. Total turnover was \$264.09m in 2011<sup>15</sup>.

We note that Stockland Wetherill Park has an extant DA approval for an additional 11,955sqm of retail floorspace<sup>16</sup> in addition to a separate DA approval for 12,300sqm of bulky goods retail floorspace<sup>17</sup>. These developments will strengthen its trading position further when implemented. This centre can easily absorb the point in time impacts of the proposed amendments within the context of its above-average performance, pipeline development and expenditure growth over the period.

### Canley Heights

The immediate trading impact of the proposed amendments in Liverpool LGA on Canley Heights is forecast in 2016 at -\$2.0m (-2.9%). Impacts over the 2012 to 2016 period are projected to be +\$2.4m (+3.8%).

Canley Heights is a village centre of around 10,600sqm<sup>18</sup>. It provides retail goods and services to a localised catchment and is deemed to be performing its role successfully. It contains a high proportion of restaurants and like Cabramatta has a high proportion of Indo-Chinese specialties. The impacts from the proposed amendments in Liverpool LGA would not undermine the role and performance of this centre to any significant level.

### Brands on Sale

An immediate impact of -\$4.1m or -6.3% and impact over 2012 to 2016 period of +\$0.4m or +0.6% is forecast. Although it would compete directly with the proposed brand outlet premises at Orange Grove, Brands on Sale is of a smaller scale and the primary trade areas of the two competing facilities would not overlap to any great extent. Brands on Sale is a fringe retailer outside the prime retail strip along Queens Street in Campbelltown.

### Campbelltown

Immediate trading impacts of -\$9.9m (-2.6%) in 2016 are forecast for Campbelltown but the centre will experience growth of +\$13.2m (+3.8%) over the 2012 to 2016 period. The Queens Street area contains in the order of 80,000sqm of shopfront floorspace including 41,300sqm provided within the Campbelltown Mall<sup>19</sup>.

Campbelltown Mall is an underperforming shopping facility with a turnover of \$5,466/ sqm for the 2010/ 2011 period<sup>20</sup> which is some 23% below the median for similar sized centres in Australia (\$6,748/sqm). Notwithstanding this, with a recorded turnover of \$219m the adverse impacts of the proposed amendments are insignificant.

<sup>14</sup> Source: Shopping Centre News Big Guns 2012

<sup>15</sup> Source: Property Council of Australia: Shopping Centre Directory 2011/ 2012

<sup>16</sup> Source: Cordell's

<sup>17</sup> Source: Stockland Wetherill Park, Sydney Stage 4 expansion Economic Impact Assessment, Pitney Bowes (December 2010)

<sup>18</sup> Source: IBECOM data

<sup>19</sup> Source: Property Council of Australia: Shopping Centre Directory 2011/ 2012

<sup>20</sup> Between October 2010 and September 2011, sourced from Shopping Centre News Little Guns 2011



### Macarthur Square

Immediate impacts of -\$15.3m (-2.7%) and impacts over time between 2012 and 2016 of +\$20.0m (+3.7%) are forecast for Macarthur Square as a result of the proposed amendments. This shopping centre comprises some 94,750sqm of leasable space including 73,200sqm of retail floorspace<sup>21</sup>. The centre performs well with a turnover of \$6,665/sqm in 2011, broadly comparable to the median turnover for similar sized centres of \$6,758/sqm<sup>22</sup>.

### Ingleburn

This centre will experience an immediate impact of -\$3.3m (-2.8%) in 2016 and an impact of +\$3.9m (+3.6%) over the 2012 to 2016 period as a result of the proposed amendments. Immediate impacts are predominately the result of Costco which is located a 12 minute drive from it.

Ingleburn contains in the order of 22,000-23,000sqm of retail floorspace<sup>23</sup>. Ingleburn Fair is the main shopping centre providing 7,750sqm of retail floorspace including Coles (2,350sqm)<sup>24</sup>. Trading information is not available for Ingleburn, although in our view the centre is performing at below average levels predominately due to its proximity to Minto which performs a similar role and in reflection of the demographic of its trade area.

Although this centre will suffer some decline in trade as a result of the proposed amendments, this will be mitigated by the growth in trade over time which it attracts. It is therefore able to sustain the point in time impacts.

### Glenquarie

Glenquarie is forecast to experience an immediate -\$4.4m (-4.7%) reduction in trade as a result of the proposed amendments, although over the 2012 to 2016 growth in its trade is forecast at +\$1.3m (1.5%).

Glenquarie Town Centre comprises an indoor shopping centre anchored by Woolworths (4,100sqm) and Coles (3,149sqm). In total it provides in the order to 15,500sqm of retail floorspace<sup>25</sup>. It has undergone recent (2010) expansion and refurbishment.

The centre performs a different role to that of the amendments in Liverpool LGA, serving the convenience shopping needs of residents in the surrounding area. This role would not be threatened by the proposed amendments.

### Minto Mall

Minto is forecast to experience immediate impacts in 2016 of -\$1.6m or -2.2% as a result of the proposed amendments in Liverpool LGA, with the impacts over the 2012 to 2016 period being +\$3.4m or +5.0%.

Minto Mall provides a total retail floorspace of some 22,450sqm<sup>26</sup>. We understand that Minto Mall is trading at below average levels compared to other shopping centres of a similar size across NSW<sup>27</sup> due to a combination of

<sup>21</sup> Source: Property Council of Australia: Shopping Centre Directory 2011/2012

<sup>22</sup> Source: Shopping Centre News Big Guns 2012

<sup>23</sup> Source: IBECOM and Campbelltown Business Centres Strategy, Hill POA (2005)

<sup>24</sup> Source: Property Council of Australia: Shopping Centre Directory 2011/2012

<sup>25</sup> Source: Property Council of Australia: Shopping Centre Directory 2011/2012

<sup>26</sup> Source: Property Council of Australia: Shopping Centre Directory 2011/2012

neglect and the socio-demographics of the trade area. The impact on Minto Mall however is below 5% loss in trade which is considered insignificant.

Also Minto Mall will enjoy improvement in trade with the renewal and gentrification of the Housing NSW Minto estate.

## 5.4 Summary of Cumulative Impacts

The cumulative impact gravity modelling undertaken above indicates that the proposed amendments to the Liverpool LEP 2008 relating to Orange Grove and Crossroads, and the developments which these would allow, are acceptable in economic impact terms. All centres which would be impacted by these developments have the capacity to sustain the point in time impacts which would eventuate and all will continue to experience growth in the amount of trade which they capture over the 2012 to 2016 period even if the proposed amendments proceed.

## 5.5 Pipeline Development in Fairfield

Note that our assessment does not take into account the permitted and proposed developments in Bonnyrigg and Stockland Wetherill Park. These developments, if they were to proceed, would serve to increase the trading levels of the Bonnyrigg and Prairiewood (Stockland Wetherill Park) centres and therefore lessen the proportional impact of the proposed amendments in Liverpool LGA. However, these developments would also lead to greater cumulative impacts upon other centres which fall within their trade area, such as Cabramatta and Fairfield.

In regard to these developments we note the following:

- The Bonnyrigg Plaza expansion has had DA consent for a number of years but has yet to be implemented. In this context it is not clear if or indeed when it will proceed.
- It is unlikely that the proposed Bonnyrigg Shopping Centre development would be implemented in addition to the permitted Bonnyrigg Plaza extension, given that these are essentially catering for the same anchor tenants (in particular Coles) which are not currently represented in Bonnyrigg. The development of both schemes is highly unlikely in our view.
- The economic impact assessment supporting the Bonnyrigg Shopping Centre DA<sup>28</sup> defines a main trade area which excludes all of the other centres in Fairfield LGA listed in our gravity models (i.e. Cabramatta, Fairfield, Prairiewood (Stockland Wetherill Park), Canley Vale). The economic impacts on these centre resulting from the proposed developments at Bonnyrigg is therefore likely to be limited.
- The economic impact assessment submitted with the DA for the extension to Stockland Wetherill Park<sup>29</sup> states that it would lead to an increase in turnover in the order of the centre of \$62m in 2014/15<sup>30</sup>. The impact of this development on individual centres is not quantified in the assessment, although it notes

<sup>27</sup> Source: Campbelltown Business Centres Strategy, Hill PDA (2005)

<sup>28</sup> Source: Bonnyrigg Shopping Centre Sydney, Economic Impact Assessment, MapInfo, (October 2007)

<sup>29</sup> Source: Stockland Wetherill Park, Sydney Stage 4 expansion Economic Impact Assessment, Fitney Bowes (December 2010)

<sup>30</sup> Note: This assumes that one or other of the proposed developments at Bonnyrigg proceeds



that a "significant proportion" of the additional turnover would be that which currently escapes the trade area i.e. it would not be redirected from existing centres within it such as Fairfield. The assessment states that "the levels of impact projected will not threaten the ongoing viability of existing retail centres or precincts throughout the trade area, or the future potential for expansion of retail facilities in the region".

- In granting DA approval for the extension to Stockland Wetherill Park, Fairfield City Council has accepted that the economic impacts of the cumulative development of this extension and that in Bonnyrigg on other centres in Fairfield LGA and beyond is acceptable.
- We understand that the permitted bulky goods floorspace at Stockland Wetherill Park has been extant for some time, and that the site has been marketed for a number of years. If this development is implemented, the impacts would predominantly fall on other bulky goods destinations such as Orange Grove, rather than on other centres in Fairfield which provide a limited bulky goods offer.

In summary it is not clear which of the pipeline proposals within Fairfield LGA will proceed, however the economic impacts of these proposals if they were to eventuate, would not adversely impact upon centres in Fairfield LGA to a great extent in the context of growth between 2009/10 and 2014/15. Indeed even within the context of the Stockland Wetherill Park expansion and the Bonnyrigg Plaza expansions being realised, the trading levels of existing centres in the Stockland Wetherill Park trade area (including Cabramatta, Fairfield, Prairiewood (Stockland Wetherill Park), Canley Vale) overall would still be 17.8% greater in 2014/15 than estimated sales in 2009/10<sup>31</sup>.

Centres in Fairfield LGA will experience growth in trade of around 3% to 4% over the 2012 to 2016 with the proposed amendments in Liverpool being development. In the context of the strong growth in trade forecast with the Stockland Wetherill Park and Bonnyrigg expansions (+17.8% between 2009/10 and 2014/15), the cumulative impact over time of all of the Fairfield LGA pipeline developments and proposed amendments in Liverpool LGA would be net positive or at worst marginal. On this basis the cumulative impact of all of these pipeline proposals would be sustainable by the impacted centres in Fairfield LGA and beyond

It should be noted that all new retail development, except possibly for those in entirely new centres such as the growth centres, will have some impact upon existing centres and retail facilities. The impacts on centres in Fairfield of pipeline developments in Fairfield and Liverpool LGAs are within the acceptable competitive range which allows competition to exist and shopping facilities to evolve in reflection of demand.

<sup>31</sup> Source: Stockland Wetherill Park, Sydney Stage 4 expansion Economic Impact Assessment, Pitney Bowes (December 2010)

## 6. ORANGE GROVE PLANNING CONTROLS

If Amendment 22 (5 Viscount Place) is deemed appropriate by Council it would be necessary for future development on the weekend markets site to be tightly controlled. Development of retail uses other than those modelled in this Study, for example supermarket-related floorspace, would have significantly greater adverse impacts upon existing centres in the surrounding area than those calculated in Chapter 5. As such in granting permission for brand outlet premises at Orange Grove, Council must ensure that permissible uses are restricted.

We note that Council proposes to restrict the size of individual tenancies to 1,200sqm each. We should note that even with this restriction, there is nothing to prevent a single retailer occupying a number of tenancies and thereby creating, in effect, a larger retail unit. In economic impact terms the provision of one retailer of, say 4,800sqm would be the same as that of four individual retailers of 1,200sqm each selling the same range of goods.

If a supermarket or a DDS store were provided at Orange Grove, for example, such uses would have the potential to redirect trade away from Liverpool City Centre and other smaller centres in the surrounding area. Such impacts could be significant. Providing such uses in this location would be inconsistent planning policy which promotes a "centres first" approach. We note that Orange Grove is not well connected to surrounding residential areas by foot.

On this basis, therefore, Council would be prudent to ensure that it has other means by which to control the nature of retail development at Orange Grove, if Amendment 22 is supported.

### 6.1 Defining Outlet Retailing

One means by which Council could seek to limit permissible retail uses on the weekend markets site would be through restricting uses to "outlet centre" retailing. As noted by Council in applying for Gateway determination to the NSW Department of Planning & Infrastructure, no definition for such retailing exists in the NSW Standard Instrument Local Environmental Plan.

Defining the term "outlet centre" for planning purposes is difficult given the similarity between retail goods sold by outlet centres and retail goods sold by other retailers. Even if an "outlet centre" is defined for planning purposes, enforcing any restriction on sales would also be difficult.

As a result of the above, we concur with Council's view that restricting permissible uses by defining "outlet centre" uses would not be an effective means of controlling future development at the weekend markets site.

### 6.2 Planning Controls

On this basis, planning controls would be the most appropriate means by which the future use of floorspace in the brand outlet premises could be controlled. We understand that Council is examining a variety of mechanisms to restrict food and grocery sales at Orange Grove, if a brand outlet premises were permitted.



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Comment Raised	Planning Comment
<p>We reiterate views expressed in our previous submission to Council made as part of the review process that we consider existing bulky goods retailing at Orange Grove is likely to be subject to further competitive pressure if the Crossroads centre is expanded and particularly if a major Costco store is developed in that location.</p>	<p>The Costco store proposed at Crossroads takes up undeveloped land zoned for bulky goods retailing. Hill PDA has confirmed that the Costco proposal satisfies identified market demands and that the economic impact is acceptable.</p>
<p>Access to the Crossroads centre is highly geared towards motor vehicles and that adequate provisions should be made for near-by residents that may wish to walk or cycle to the centre.</p>	<p>The proposed Costco development will provide adequate pedestrian provisions such as:</p> <ul style="list-style-type: none"> <li>- Pedestrian refuges and kerb ramps adjacent the subject site.</li> <li>- Paved footpath on Parkers Farm Road and Beech Road linking with proposed pedestrian routes and existing pavements.</li> <li>- Intersection improvements which will provide pedestrian crossing facilities at Camden Valley Way and Beech Road.</li> </ul>
<p>Currently there is no pedestrian crossing at either Glenfield Road and the Panorama/Vista Estate gate/access point at the intersection of Parkers Farmers Lane and Campbelltown Road. Given the retail nature of the Costco development and the lack of alternate retail centres within walking distance I would request that council consider it appropriate that provisions are made for the addition pedestrian traffic crossings at both these locations.</p>	<p>The abovementioned additional pedestrian provisions should be sufficient to cater for additional pedestrian traffic from nearby residents. The car park will also provide for tree lined pedestrian paths.</p> <p>The planned upgrade of Campbelltown Road by the RMS is designed to incorporate Pedestrian crossings at the intersections of Glenfield Road and Beech Road.</p>
<p>Council should ensure that if approved, this proposal is conditioned to comply with the same prescriptive conditions imposed for any major retail development in the Liverpool LGA (including those applied to Westfield Liverpool) consisting of 'built-form compliance', 'roads &amp; infrastructure contribution', 'Council rates' and other 'taxable levies'.</p>	<p>Costco will need to pay contributions in line with the Liverpool Contributions Plan 2009 and provide these works necessary to facilitate development, should approval be given.</p>
<p>Non CBD developments are not levied to the same extent as CBD development in the form of s94 and s94AA contributions (inequity) thereby providing minimal financial benefit to the community and its</p>	<p>Council can only collect S.94 contributions in accordance with the contributions plan.</p> <p>Costco proposes to provide road upgrades and additional pedestrian</p>

Comment Raised	Planning Comment
public infrastructure.	facilities that have a nexus with the development.
Liverpool CBD developments are charged significantly higher and disproportionate Council Rates than 'Out of CBD' developments.	Council land rates are based upon the land value of each property, as set by the NSW Valuer –General. As such lower rates are collected from locations with lower land values.
'Out of CBD' developments do not have to abide by the strict design requirements which the Council would otherwise apply to those wishing to develop within the CBD precinct. At the very least compliance with such design requirements should be mandated.	Design requirements for the CBD seek to ensure high quality urban design to reflect the desired ambience of the regional city and ensure pedestrian amenity. The Costco store is proposing to locate within a bulky goods retail environment. Site Specific provisions considering the context adjoining the site will be applied to ensure appropriate scale and amenities are delivered.
<p>Some initiatives which Council may consider to promote further investment in the CBD could include;</p> <ul style="list-style-type: none"> <li>a) A new policy direction that provides Density and Height Bonuses upon the amalgamation of titles. This will entice passive landlords to sell to developers wanting to amalgamate title to achieve density.</li> <li>b) Apportioning the same contributions and levies to developers where development is of a similar nature, whether they are located in the CBD or outside the CBD to ensure the City Centre remains relevant and vibrant and commercially competitive. This will also ensure the ratepayers are not burdened with the ongoing costs of maintaining public infrastructure to areas outside of the CBD.</li> <li>c) Growing the Liverpool CBD area so that new development</li> </ul>	<ul style="list-style-type: none"> <li>a) The Liverpool Local Environmental Plan 2008 allows for increased floor space and building height potential to match the land uses and introduced a FSR sliding scales scheme to promote certain development in the CBD Core Precincts. Clause 4.4 of the LLEP 2008 has provisions that are designed to encourage development.</li> <li>b) The Section 94 contributions plan seeks to strike a balance between encouraging development and collecting funds for the provision of services and facilities. A flat rate based on type of development cannot be applied as this does not adhere to the nexus framework in the legislation and does not correspond to the needs generated within the catchment.</li> <li>c) The boundary of Liverpool City Centre was informed by state policies such as the "Metropolitan Strategy" which identified Liverpool as a Regional City. The identification of the business CBD was undertaken after investigating land uses, building stock,</li> </ul>



Comment Raised	Planning Comment
<p>areas and commercial properties are co-located with the CBD.</p>	<p>physical and amenity constraints, market trends, pedestrian activity and proximity to public transport and infrastructure. The boundary is based on the natural barriers and development typologies around the city centre. The boundary is also adopted by the Liverpool City Centre Vision Document and Civic Improvement Plan.</p> <p>Liverpool City Centre is the preferred location for residential, commercial development, shops, public transport and community facilities. The plans identify the CBD Core and Macquarie Street Mall Precinct as areas that can best accommodate business development potential.</p>
<p>The proposed development is in conflict with the provisions of the Sydney Metropolitan Strategy, the provisions of the State-wide B5 Zone, the Metropolitan Transport Plan and the NSW Centres Policy. Approval of this proposal should not provide an avenue for the further co-location of Retail Uses (on this site).</p>	<p>The Metropolitan Plan for Sydney 2036 has directions towards focusing activity in accessible centres. The Metropolitan Plan outlines “Retailing which requires large floor areas... cannot always be readily accommodated in existing centres...The B5 Business Development Zone is generally an appropriate zone in which to cluster this kind of development”. Consistent with this plan, the subject site is located within the B5 Business Zone. Costco’s business model shares many structural and operational characteristics with bulky goods retailing, which is permissible on the site under a B5 Zone. The proposed Costco store should not detract from this direction and is therefore deemed consistent with the Metropolitan Plan and standard B5 Business Development zone.</p> <p>The planning proposal is not in conflict with the Draft Activity Centres Policy as the site is considered to be within an existing Activity Centre, and seeks to provide additional retail activity.</p> <p>The planning proposal is considered to be consistent with the Metropolitan Transport Plan as it ensures land uses, building forms and infrastructure directly relates to the walkable catchment to public transport. This will help to improve access to walking, cycling and</p>

Comment Raised	Planning Comment
	<p>public transport. Also the road network will be upgraded to manage any congestion arising from the proposed development,</p> <p>The applicant included in the DA intersection improvements to the Camden Valley Way/Beech Road Intersection on the basis that there is a nexus between the development and the requirement of works to be undertaken. The RMS has accepted the proposed upgrades to the road network to be a reasonable contribution toward reducing impacts on the surrounding network.</p>
<p>The proposal should not be allowed to develop over time from a 'single use' business enterprise into a competing shopping Centre containing multiple retailers which would further undermine and destabilise the Planning intent of the CBD. Council could 'condition' any approval to achieve this outcome.</p>	<p>The LEP Gateway sought the Planning Proposal to be amended to ensure the following:</p> <ul style="list-style-type: none"> <li>• development occurs on the identified site;</li> <li>• retail uses are only allowed in conjunction with other uses as part of one business; and</li> <li>• A minimum floor plate of 13,000m<sup>2</sup> is provided;</li> <li>• Council is to submit another planning proposal to remove the additional uses on the site if Costco does not commence within the next five years. This will limit the risk of the site being used for stand alone retail purposes if the Costco DA does not proceed;</li> </ul> <p>Consideration of conditions will be left to the DA and are not relevant to this planning proposal.</p>
<p>The cumulative impact of this proposal, combined with several other retail planning proposals within Liverpool, will impact Macarthur Square by altering the existing centres-based pattern of floor space supply across the subregion and creating a precedent for ad-hoc expansion across other areas.</p>	<p>An independent Cumulative Impact Study was undertaken for the various rezoning proposals presently being assessed. The study quantifies the extent of the cumulative impact of the proposed amendments on existing centres.</p>



Comment Raised	Planning Comment
	<p>A Cumulative Impact Study for the various rezoning proposals presently with LCC was undertaken by Hill PDA that quantifies the extent of the cumulative impact of the proposed amendments on existing centres in the area outside of Liverpool LGA. The study clearly indicates that the retail impact of the various amendments on Macarthur Square will be 1.5% in 2016, and therefore the loss in trade is considered to be minor in nature.</p> <p>Also, the LEP Gateway Process exists to allow for amendment to the LEP subject to a thorough merit assessment, should developers or council wish to propose an amendment. Decisions are based upon research and consideration of the full range of impacts, environmental, social and economic. This type of process does not enable ad-hoc planning decisions to occur.</p>
<p>The proponent is simply a volume retailer seeking cheap, easily developed land, not a “specialist’ retail format deserving of special planning considerations</p>	<p>The proposed development is a large retail operator selling a wide range of products to a customer base which includes a high proportion of business related customers buying in bulk. Costco charges customers an annual fee to be able to enter their stores. Also, Costco attracts shoppers from a wide trade area from across the full spectrum of retail goods. Costco will provide a strong attraction to shoppers given the low prices, which it can offer, and therefore it is reasonable that shoppers would be prepared to travel for at least 30-minutes to reach it.</p> <p>As the shopping model generates less frequent bulk purchases this relates well to the bulky goods node at Crossroads.</p>
<p>Due to the lack of a floor space cap, the planning proposal could facilitate the development of a 45,000sqm shopping centre, making it the largest retail centre in the Liverpool LGA outside the CBD;</p>	<p>This statement overstates the extent of the planning proposal. No change to the remainder of the Crossroads Bulky Goods precinct is proposed. It is not a fair comparison to say that bulky goods retailing</p>

Comment Raised	Planning Comment
	<p>floorspace is equivalent to unencumbered general retail floorspace. Whilst Crossroads may ultimately facilitate one of the largest bulky good centres in the Liverpool LGA (based on planning controls that have been in place of many years), the largest general retailing centre in the Liverpool LGA will not be facilitated nor is it contemplated by the Draft LEP.</p> <p>The Planning Proposal seeks to ensure that retail uses permitted are restricted and are required to meet certain standards (i.e. a maximum gross floor area of 13,500m<sup>2</sup>). These restrictions would enable a Costco development to operate, without opening up the risk for future retail development or a shopping centre to be located on the site, should Costco ever vacate.</p>
<p>Out-of-centre retail development is inappropriate and not supported by adopted planning policy frameworks.</p>	<p>It has been established in the above responses that Costco is a 'large format' retailer which requires a large and accessible site.</p> <p>As established in the Sequential Site Assessment, there are no suitable existing sites within existing or on the edge of existing centres.</p> <p>The Sequential Site Assessment, was undertaken in accordance with the Sequential Test and Site Suitability Criteria included within the draft Activity Centres Policy (May 2010).</p> <p>Further, there is limited guidance available, in regard to the explanation of an 'activity centre', and the regional and draft sub-regional planning documents relevant to the site do not adequately identify new/emerging centres.</p>



Comment Raised	Planning Comment
<p>Inconsistency with the Metropolitan Plan 2036, draft South West Sydney Sub-Regional Strategy, and the provisions of the Liverpool LEP.</p>	<p>The Metropolitan Plan for Sydney 2036 has directions towards focusing activity in accessible centres. The Metropolitan Plan outlines “Retailing which requires large floor areas... cannot always be readily accommodated in existing centres...The B5 Business Development Zone is generally an appropriate zone in which to cluster this kind of development”. Consistent with this plan, the subject site is located within the B5 Business Zone. Costco’s business model shares many structural and operational characteristics with bulky goods retailing, which is permissible on the site under a B5 Zone. The proposed Costco store should not detract from this direction and is therefore deemed consistent with the Metropolitan Plan and standard B5 Business Development zone.</p>
<p>The Proposal is for a volume retail shop, not “specialised” retailing. Notwithstanding that the retail format of the Costco business model involves a particular form of customer loyalty program; the proposed development is no different from a large supermarket or discount department store.</p>	<p>The proposed development is a large retail operator selling a wide range of products to a customer base which includes a high proportion of business related customers buying in bulk. Costco charges customers an annual fee to be able to enter their stores. Also, Costco attracts shoppers from a wide trade area from across the full spectrum of retail goods. Costco will provide a strong attraction to shoppers given the low prices, which it can offer, and therefore it is reasonable that shoppers would be prepared to travel for at least 30-minutes to reach it.</p> <p>As the shopping model generates less frequent bulk purchases this relates well to the bulky goods node at Crossroads.</p>
<p>Costco’s requirement for a “large floor area” is no different from a land use perspective than the requirement for a large floor area for, for example – Myer, David Jones, or Target. The retailers would never hope to achieve an ad-hoc rezoning of an industrial or bulky goods zone just because they need a large floor area.</p>	<p>An investigation of the established Costco at Auburn confirms that the Costco format differs from a large supermarket or department store, through its membership schemes, and that it operates and functions similar to a warehouse style model in that its large floor plate format includes the storage of items on pallets and warehouse shelving units and products are generally packaged in large bulk sizes or are of an institutional quantity focused toward trade customers. The Costco</p>

Comment Raised	Planning Comment
	<p>business model was recognised as being "large format retail", compatible with bulky goods retailing outlets within the Director-Generals Report to the Concept Plan and Project Application for the Costco development in Auburn.</p> <p>The Costco retail model consisting of warehouse-style retailing is already established in over 590 establishment's worldwide (including USA, Canada, Mexico, UK, Korea, Taiwan, Japan and new establishments in Australia – Auburn, Canberra and Melbourne). The proposed Costco is consistent with the established model elsewhere.</p>
<p>The Hill PDA Retail Review identifies Crossroads as a "Specialised Centre" and recommends that the retention of the B5 zoning with additional uses added to enable Council to "retain a greater degree of control over the type of development which occurs". Yet to permit retail premises across the site, with no limits, caps or restrictions, fails to impose any control despite the recommendation.</p>	<p>Gateway Determination by DOPI if a Costco development does not go ahead within 5 years the additional uses provision is to be removed from the Schedule.</p>
<p>The proposal is considered to be an out-of-centre development, which is considered inappropriate and cannot be supported by policy framework.</p>	<p>It has been established in the above responses that Costco is a 'large format' retailer which requires a large and accessible site.</p> <p>As established in the Sequential Site Assessment, there are no suitable existing sites within existing or on the edge of existing centres.</p> <p>The Sequential Site Assessment, was undertaken in accordance with the Sequential Test and Site Suitability Criteria included within the draft Activity Centres Policy (May 2010).</p> <p>Further, there is limited guidance available, in regard to the explanation of an 'activity centre', and the regional and draft sub-regional planning documents relevant to the site do not adequately identify new/emerging centres.</p>



Comment Raised	Planning Comment
<p>Development should be focused within planned centres due to the following reasons:</p> <ul style="list-style-type: none"> <li>• Better development opportunities are accessible by businesses</li> <li>• Investment in community infrastructure is protected and better applied now and in the future</li> <li>• a level play field is provided for the benefit of all residents</li> <li>• confidence of investors is maintained</li> <li>• community facilities aren't placed in jeopardy by new development</li> </ul>	<p>The LLEP 2008 establishes a clear hierarchy of centres supported by areas of higher density. The Costco business model was recognised as being “large format retail”, compatible with bulky goods retailing outlets within the Director General’s Report to the Concept Plan and Project Application for the Costco development in Auburn.</p>
<p>Crossroads is not an “activity” centre (as claimed by the applicant) and therefore all locational justifications are incorrect.</p>	<p>The Southwest Subregional Strategy establishes the Crossroads locality as a bulky goods and logistics centre. This proposal as specified by DOPI in their assessment of Auburn Costco is consistent with Bulky Goods retailing.</p>
<p>The ruling out of all Out-of-Centre locational options for the Costco proposal is ludicrous.</p> <p>The applicant’s sequential site assessment outlines the criteria for Costco as “ large sites, vacant or with existing low value-development, preferably in single ownership, no site constraints, ability to erect a large box and on grade parking with no urban design constraints such as those found in town centre areas, excellent road access and room for extensive car parking provision”. This type of demand by Costco make any other site and out of centre location.</p> <p>Concerns are raised about the inconsistency with overarching strategic plans (Metropolitan Plan 2036, draft South West Subregional Strategy, and Liverpool LEP)</p>	<p>It has been established in the above responses that Costco is a 'large format' retailer which requires a large and accessible site.</p> <p>As established in the Sequential Site Assessment, there are no suitable existing sites within existing or on the edge of existing centres.</p> <p>The Sequential Site Assessment, was undertaken in accordance with the Sequential Test and Site Suitability Criteria included within the draft Activity Centres Policy (May 2010).</p> <p>Further, there is limited guidance available, in regard to the explanation of an 'activity centre', and the regional and draft sub-regional planning documents relevant to the site do not adequately identify new/emerging centres.</p>

Comment Raised	Planning Comment
<p>An assessment of centres within the Metropolitan Plan, Draft Activity Centres Policy and Liverpool Local Environmental plan has concluded that a retail format (similar to Costco) is not permissible in the B5 zone.</p>	<p>The Metropolitan Plan for Sydney 2036 has directions towards focusing activity in accessible centres. The Metropolitan Plan outlines “Retailing which requires large floor areas... cannot always be readily accommodated in existing centres... The B5 Business Development Zone is generally an appropriate zone in which to cluster this kind of development”. Consistent with this plan, the subject site is located within the B5 Business Zone. Costco’s business model shares many structural and operational characteristics with bulky goods retailing, which is permissible on the site under a B5 Zone. The proposed Costco store should not detract from this direction and is therefore deemed consistent with the Metropolitan Plan and standard B5 Business Development zone.</p> <p>The B5 zone under the LLEP provides for bulky goods retailing among other uses. As accepted by DOPI in Costco at Auburn Part 3a approval, this use is consistent with Bulky Goods Retailing.</p>
<p>The Draft South West Subregional Strategy identifies Crossroads as a “Strategic employment land” not a centre. The strategy states that the current bulky goods uses on the site do not take advantage of the locational opportunities available i.e. - being located within the interchange of M5 and M7 motorway, and frontage to Hume Highway and Campbelltown Road. The site could be better utilised for freight and logistic purposes. The proposed development is expanding retail use on the site and therefore is inconsistent with the Draft Subregional Strategy.</p>	<p>This is not entirely correct. The SW Subregional strategy establishes the Crossroads as bulky goods and logistics centre. This is consistent with the LLEP 2008 which establishes the B5 zone in the north and the IN3 zone in the south. This site is within the B5 bulky goods component and therefore does not displace land identified for logistics purposes. The planning proposal is consistent with the South West Sub Regional Strategy.</p>
<p>The Retail Centres Hierarchy Review by Hill PDA proposed Cross Roads as a “Specialised Centre”. Hill PDA also recommends that council needs to reinforce existing bulky goods nodes rather than creating new locations within the LGA. The proposed development at Crossroads and Orange Grove will dilute the existing bulky goods nodes and further result in similar rezonings in suburbs to meet future</p>	<p>The proposed use comprises the retailing of bulky goods items, in addition to other items. As such the use does provide for the bulky goods function anticipated by the zoning on a site that has been vacant for many years. The proposal is considered likely to reinvigorate the locality.</p>

Comment Raised	Planning Comment
demand.	
<p>The various rezonings being dealt with by Liverpool Council will establish a precedent and may encourage a further rush of ad-hoc proposals by landowners and speculative developers to create out-of-centre developments throughout south western Sydney. While Council may respond that each application will be dealt with on its merits, it appears in practice that any prior strategic planning can be simply discarded to accommodate the latest ad-hoc proposal. Pressures for land use 'creep' from industrial to bulky goods to general retail are well recognised. With financial feasibility issues and rising vacancy rates currently facing bulky goods landowners, the pressure is likely to increase for conversion to other forms of retail.</p>	<p>As addressed in the responses above, the proposed amendment to the Liverpool LEP 2008 will not result in an ad-hoc decision being made and whilst neither Council nor Costco have any control over planning proposals being put forward by other landowners, the LEP Gateway process guarantees that each application is assessed on its merits and includes at least three stages where a planning proposal can be determined 'not' appropriate prior to final assessment and gazettal.</p> <p>It is considered that through rational consideration of applications, the rezoning process ensures appropriate probity is applied and ad-hoc decisions are not made. The planning proposal is partnered by a DA for the use that provides certainty of intended development outcomes.</p>
<p>The Valley Plaza Shopping Centre comprises of two supermarkets (Woolworths and Coles), Medical Centre and Pharmacy, a number of speciality stores and food offerings. There is also a collection of other land use offerings within the precinct including a car wash, McDonalds and a 7-Eleven service station. This type of offerings (collectively) could be considered as a retail form most similar to that offered by the Costco model.</p>	<p>While it is agreed that some of these items may be offered by Costco, the site also retails a substantial bulky goods component. The DOPI has accepted that this is comparable to, acceptable in bulky goods retailing locations.</p>
<p>Concern is raised on the service station component of the Costco Proposal, as this will lead to significantly less potential customers attracted to the Valley Plaza Centre. The EIA does not specifically address market segments such as fuel (i.e. – supply or demand in the catchment area)</p>	<p>The Draft State Competition SEPP establishes that consideration of competition impacts is not appropriate at the DA stage. Council considers that the economic impact assessment undertaken and independently reviewed to be a comprehensive and sound basis for supporting the proposal.</p>
<p>The application for the Costco development does not indicate what "products" will suffer in sales decline. The estimated \$0.5m loss from the centre as a result of the Costco store could be very detrimental</p>	<p>The Draft State Competition SEPP establishes that consideration of competition impacts is not appropriate at the DA stage. Council considers that the economic impact assessment undertaken and</p>



Comment Raised	Planning Comment
across a range of businesses within the Green Valley Plaza.	independently reviewed to be a comprehensive and sound basis for supporting the proposal.
The Costco proposal uses various means to justify the proposal. The Liverpool Business Centres and Corridors Strategy identified the site as an existing bulky goods retailing node. The strategy recommends council reinforce existing bulky goods retail nodes rather than creating new locations. The proposal is not considered consistent with the strategy – Council has put forward the justification that there the proposed development will complement the existing uses on the site and it fulfils the demand for retail floor space in the region.	The proposed use comprises the retailing of bulky goods items, in addition to other items. As such the use does provide for the bulky goods function anticipated by the zoning on a site that has been vacant for many years. The proposal is considered likely to reinvigorate the locality.
The Costco Development has similar characteristics of shopping centre type development and would be better suited to close to or within an existing centre. Costco provides all aspects of a normal shopping centre such as The Valley Plaza and therefore will be a direct competitor.	While it is agreed that some of these items may be offered by Costco, the site also retails a substantial bulky goods component. The DOPI has accepted that this is comparable to, acceptable in bulky goods retailing locations.

**LIVERPOOL CITY COUNCIL****CITY PLANNING REPORT****ORDINARY MEETING****05/11/2012**

<b>ITEM NO:</b>	<b>PLAN 04</b>	<b>FILE NO:</b>	<b>215436.2012</b>
<b>SUBJECT:</b>	<b>402 (LOT 5 DP 1036695) HOXTON PARK ROAD, PRESTONS PROPOSED REZONING FROM IN2 – LIGHT INDUSTRIAL AND IN3 – HEAVY INDUSTRIAL TO B6 – ENTERPRISE CORRIDOR</b>		

# ***Planning Proposal***

***Draft Liverpool LEP 2008 Amendment No. XX  
B6 Enterprise Corridor zoning of 402 Hoxton  
Park Road, Prestons***

***November 2012***

DRAFT



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## Background

This Planning Proposal provides an outline of and justification for the proposed rezoning of land at 402 Hoxton Park Road, Prestons (the Site).

The purpose of the planning proposal is to rezone the site from its current IN2 Light Industrial and IN3 Heavy Industrial zonings under Liverpool Local Environmental Plan 2008 to the B6 Enterprise Corridor zone to allow for its development for the purpose of a vehicle sales or hire complex with warehousing of goods, service department and pre-delivery area and a 1600sqm administration building to house local and national offices.

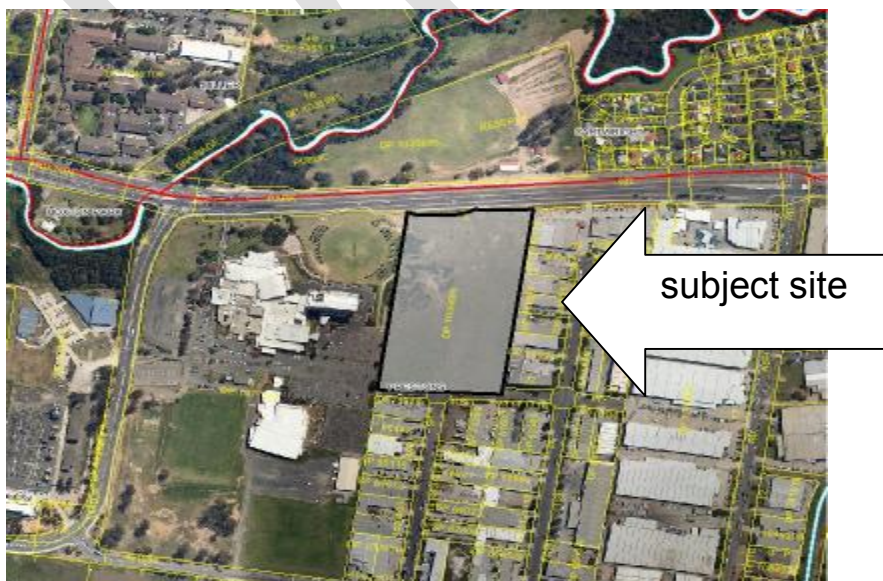
## Site identification

The subject land is described as Lot 5 in DP 1036695 No 402 Hoxton park Road, Prestons. Legal access to the site is from Hoxton Park Road, via a service road and from Dampier place the rear' The aerial photograph at Figure 1 shows the context of the site to adjoining properties.

The subject property is located within the Prestons Industrial Estate. The Estate covers an extensive area and generally bounded by Hoxton Park Road, Kurrajong Road, Cabramatta

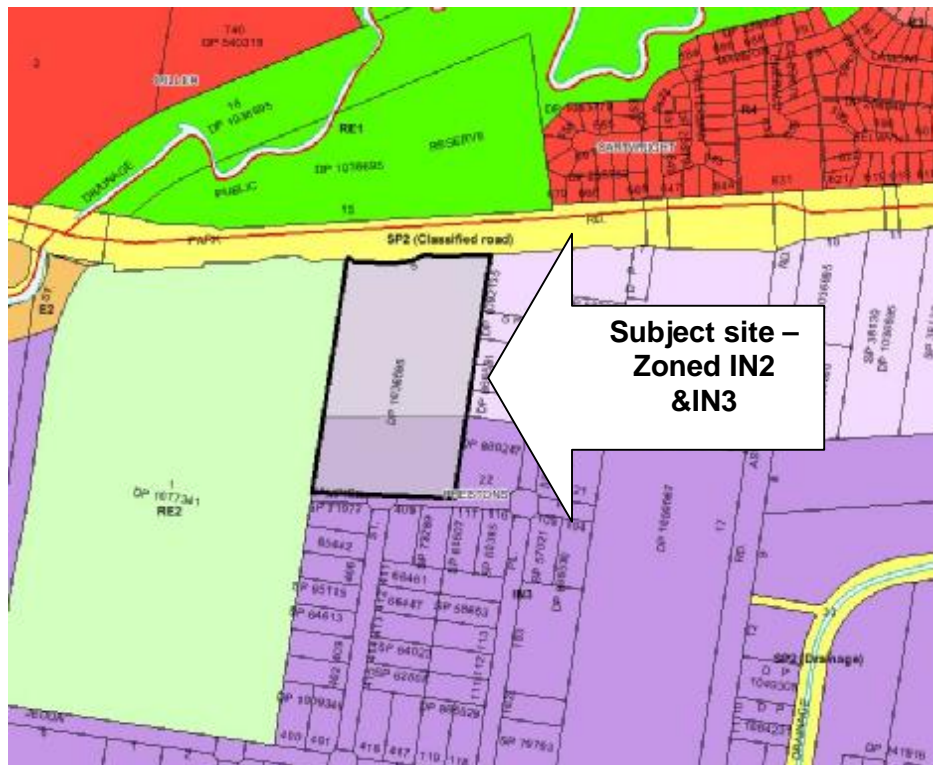
Creek and Wonga Road. The industrial estate has 'boomed' since the construction of the Westlink M7, with a number of transport related industries locating within the estate.

To the north of the subject site is Miller Park, with Miller Colege/TAFE located to the west on the corner of Banks Road. Immediately adjoining the site to the west is the Liverpool Catholic Club which includes the Mecure Hotel. To the east are a number of factory complexes, including factory units and warehouses. Bulky goods retail outlets are located further to the east in the area of Lyn Parade, including Bunnings. To the south are further industrial complexes. Hoxton Park Road is also part of the Parramatta – Liverpool Transitway.



**Figure 1. Aerial image of site**

In terms of services, the subject property has all utility services available. In terms of roads, Hoxton Park Road is a regional road with generally two travelling lanes, including the Parramatta Liverpool Transitway within the central median strip. Hoxton Park Road links Liverpool with Parramatta to the north. The Westlink M7 is the major arterial road linking with the M5 Motorway and the M4 Motorway with other parts of the Sydney Metropolitan Area.



**Figure 2 – current zoning.**

### Land Use Zoning

Under the Liverpool LEP 2008 the site is currently zoned part IN2 – Light Industrial and part IN3 – Heavy Industrial.

The objectives of IN2 are:

- To provide a wide range of light industrial, warehouse and related land uses.
- To encourage employment opportunities and to support the viability of centres.
- To minimise any adverse effect of industry on other land uses.
- To enable other land uses that provide facilities or services to meet the day to day needs of workers in the area.
- To support and protect industrial land for industrial uses.
- To allow other land uses that are compatible with industry and that can buffer heavy industrial zones while not detracting from centres of activity.

The objectives of IN3 are:

- To provide suitable areas for those industries that need to be separated from other land uses.
- To encourage employment opportunities.
- To minimise any adverse effect of heavy industry on other land uses.



- To support and protect industrial land for industrial uses.
- To preserve opportunities for a wide range of industries and similar land uses by prohibiting land uses that detract from or undermine such opportunities.

### **Why this site**

Following upon the gazettal of Amendment 15 of the LLEP 2008 on 22 July 2011, all proposed uses for the site, with the exception of “office premises” (vehicle repair station, vehicle sales or hire premises, warehouse or distribution centre) are permitted, with consent.

The current zoning does not reflect the aspirations of the owners to redevelop the land for vehicle sales or hire premises on the land, with offices. The proposed zoning would ensure that the offices would support the operations of the site.

If the rezoning is not approved to permit the office proposal, the project is likely not to proceed and the land developed for industrial purposes with a lower employment numbers than that promoted by the overall development of the site. In addition the current businesses scattered throughout the Liverpool LGA are likely to remain in place and the issue of conflicts with adjoining properties, transportation of vehicles, etc will remain, as there is no incentive to relocate to a combined site. A number of these sites adjoin residential properties.

The issue can be most effectively resolved by the rezoning of the subject land to B6 – Enterprise Corridor, which would permit with consent all proposed uses on the site. Specifically, it would permit the development of the site for the purpose of “commercial premises” (as defined by the LLEP 2008, office premises are a form of commercial premises).

## **Part 1 – Objectives**

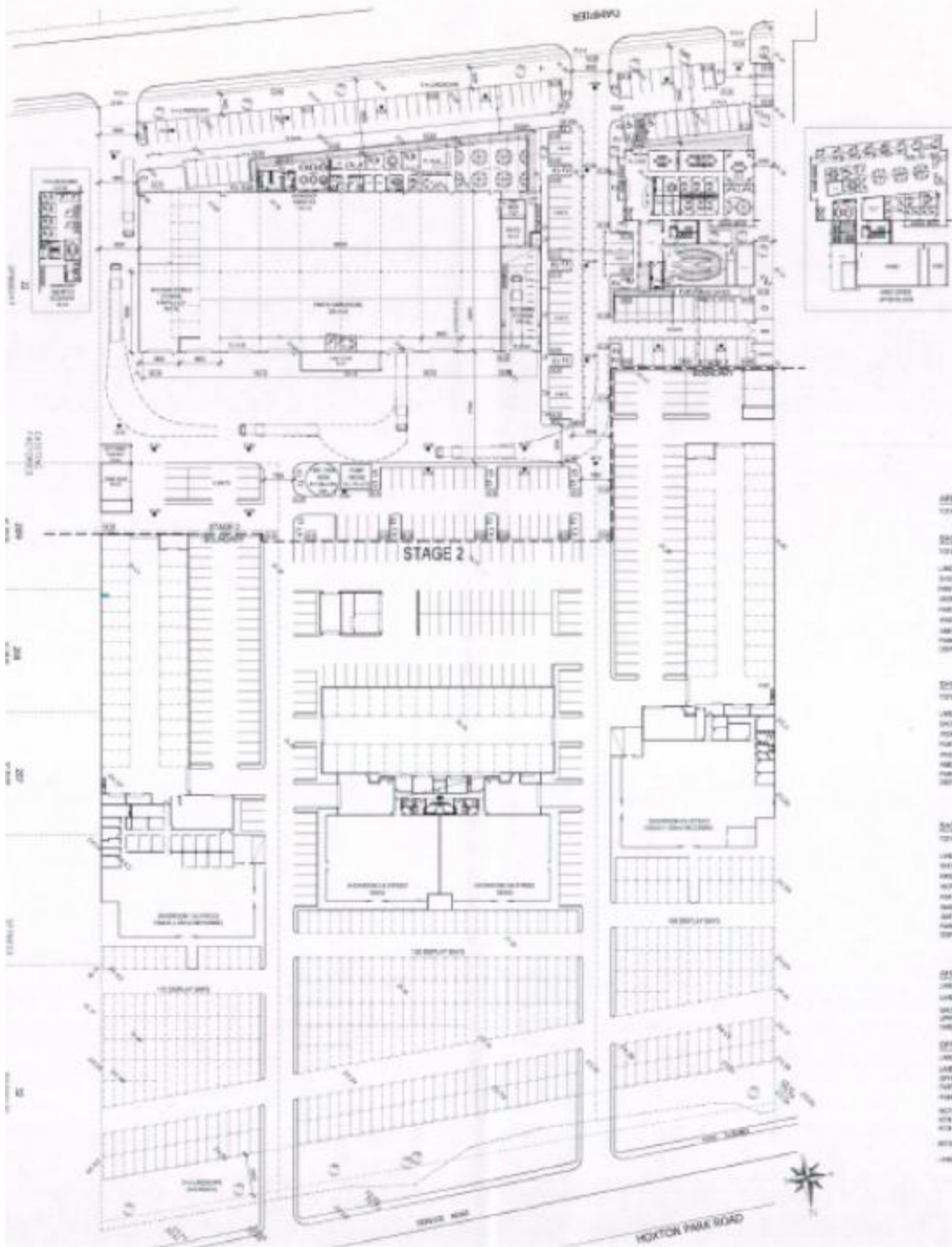
### **1.1 Objectives for the sites**

The objective of the Planning Proposal is to:

- enable the development of No 402 Lot 5 in DP 1036695 Hoxton park Road, Prestons for vehicle sales or hire premises, including the servicing of motor vehicles, sale of spare parts, motor vehicle storage and offices under a B6 – Enterprise Corridor zoning.

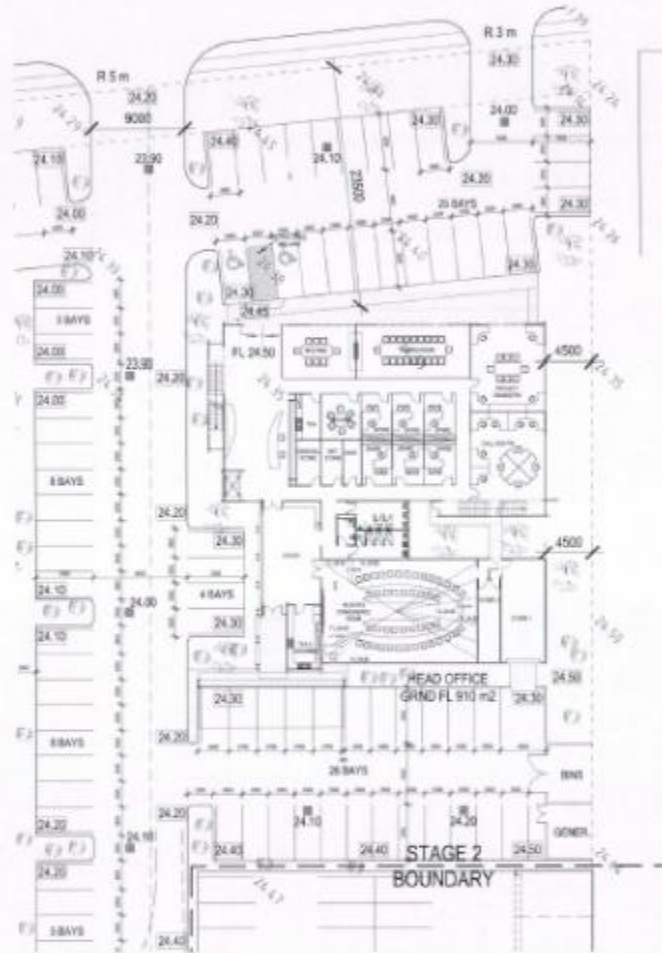
#### **1.1.1 Concept plan**

The concept plan for the site is identified in the two figures below.

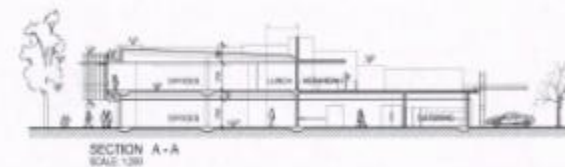
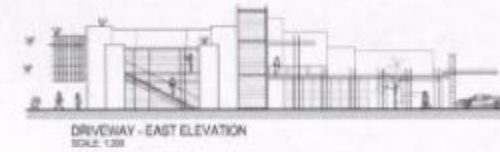


AREA SUMMARY	
TOTAL GFA	1297.00
STAGE 1	
TOTAL GFA	770.40
LANDSCAPE	28.40
STRUCTURAL OFFICE	100.00
MEET ROOM OFFICE	80.00
WORKSHOP & STORES	170.00
PARKS	10.00
ROADWAYS	8.00
MEET ROOM OFFICE	70.00
MEET ROOM OFFICE	100.00
TOTAL STAGE 1	770.40
STAGE 2	
TOTAL GFA	526.60
LANDSCAPE	78.00
STRUCTURAL OFFICE	120.00
WORKSHOP & STORES	170.00
PARKS	20.00
MEET ROOM OFFICE	100.00
MEET ROOM OFFICE	70.00
TOTAL STAGE 2	526.60
STAGE 3	
TOTAL GFA	100.00
LANDSCAPE	20.00
STRUCTURAL OFFICE	100.00
MEET ROOM OFFICE	100.00
WORKSHOP & STORES	170.00
PARKS	10.00
MEET ROOM OFFICE	80.00
MEET ROOM OFFICE	80.00
TOTAL STAGE 3	100.00
RESIDENTIAL OFFICE	
TOTAL GFA	1297.00
LANDSCAPE	28.40
MEET ROOM OFFICE	80.00
MEET ROOM OFFICE	80.00
TOTAL RESIDENTIAL OFFICE	176.40
OFFICE BUILDING	
TOTAL GFA	100.00
LANDSCAPE	20.00
OFFICE	80.00
MEET ROOM OFFICE	100.00
TOTAL OFFICE BUILDING	200.00
TOTAL GFA	
TOTAL GFA	1297.00

HOXTON PARK  
 LOT 5 HOXTON PARK ROAD PRESTONS, NSW, 2170  
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 12 AUGUST 2011  
 SCHEME G.5



MILKSHEDS	
CONCRETE	100.00
PAVING	80.00
GRASS	20.00
LANDSCAPE	20.00
TOTAL	120.00
OFFICE WAREHOUSE	
CONCRETE	100.00
PAVING	80.00
GRASS	20.00
LANDSCAPE	20.00
TOTAL	120.00
TOTAL	
CONCRETE	200.00
PAVING	160.00
GRASS	40.00
LANDSCAPE	40.00
TOTAL	440.00



SCALE 1:200

HOXTON PARK HEAD OFFICE  
LOT 5 HOXTON PARK ROAD PRESTONS, NSW, 2170

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10 AUGUST 2011

02/10/10/11 J.R.

## Part 2 - Explanation of provisions

### 1.2 Amendment of land use zonings

#### 1.2.1 Proposed amendment

- Amendment of the Land Zoning Map to zone the site B6 Enterprise corridor.

#### 1.2.2 Proposed land use zones

It is proposed to rezone the subject land from IN2 – Light Industrial and IN3 – Heavy Industrial to B6 – Enterprise Corridor.

The proposed development would consist of the following land uses which are compatible with the proposed land use zoning:

**office premises** means a building or place used for the purpose of administrative, clerical technical, professional or similar activities that do not include dealing with members of the public at the building or place on a direct and regular basis, except where such dealing is a minor activity (by appointment) that is ancillary to the main purpose for which the building or place is used.

**vehicle repair station** means a building or place used for the purpose of carrying out repairs or the selling of, and fitting of accessories to, vehicles or agricultural machinery, but does not include a vehicle body repair workshop.

**vehicle sales or hire premises** means a building or place used for the display, sale (whether by retail or wholesale) or hire of motor vehicles, caravans, boats, trailers, agricultural machinery and the like, whether or not accessories are sold or displayed there.

**warehouse or distribution centre** means a building or place used mainly or exclusively for storing or handling items (whether goods or materials) pending their sale, but from which no retail sales are made.

The proposed development will meet the zone objectives, identified as follows:

Zone B6 Enterprise Corridor

*“Objectives of zone*

- *To promote businesses along main roads and to encourage a mix of compatible uses.*
- *To provide a range of employment uses (including business, office, retail and light industrial uses) and residential uses (but only as part of a mixed use development).*
- *To maintain the economic strength of centres by limiting the retailing activity.*



- *To provide primarily for businesses along key corridors entering Liverpool city centre, major local centres or retail centres.*
- *To ensure residential development is limited to land where it does not undermine the viability or operation of businesses.”*

The following land uses are permitted with consent:

*“Building identification signs; Bulky goods premises; Business identification signs; Business premises; Car parks; Community facilities; Crematoria; Depots; Drainage; Earthworks; Educational establishments; Entertainment facilities; Environmental facilities; Environmental protection works; Flood mitigation works; Function centres; Helipads; Home businesses; Home industries; Hotel or motel accommodation; Information and education facilities; Landscape and garden supplies; Light industries; Multi dwelling housing; Office premises; Passenger transport facilities; Places of public worship; Public administration buildings; Recreation areas; Recreation facilities (indoor); Recreation facilities (outdoor); Registered clubs; Retail premises; Roads; Service stations; Shop top housing; Storage premises (other than offensive storage establishments or hazardous storage establishments); Timber and building supplies; Transport depots; Vehicle repair stations; Vehicle sales or hire premises; Veterinary hospitals; Warehouse or distribution centres”*

All other clauses within the Liverpool LEP 2008 relating to B6 Enterprise corridor will apply.

## **Part 3 - Justification**

### **A. Need for the planning proposal**

1. *Is the planning proposal a result of any strategic study or report?*

The planning proposal is not as a result of any strategic study or report by Government.

2. *Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?*

The current zoning permits a range of industrial landuses applicable to the zoning of the land, noting that the land has two zonings and Amendment No 15 of the LLEP 2008 permits the vehicle sales and hire premises and other uses, but technically not the office component. The proposal would change the zoning of the land to B6 - Enterprise Corridor to permit the range of uses proposed for the site.

There are some landuses permitted under the zoning that are considered inappropriate for the site being of a residential nature, i.e. multi dwelling housing, shop top housing given the general industrial nature of the precinct. Notwithstanding these permissible uses, the proponent has no intention to develop the land for residential purposes.

Development Application DA-237/2011 seeking consent for the proposed development was withdrawn prior to refusal as the office component of the proposed development was not considered ancillary and was therefore not permissible development on land zoned IN2 or IN3. To overcome this situation, it is proposed to rezone the land B6 – Enterprise Corridor. The planning proposal therefore is the best means of achieving the objectives as the approach is site specific. The proposal is best achieved by rezoning the land B6 – Enterprise Corridor, which would permit all the intended uses.

*3. Will the net community benefit outweigh the cost of implementing and administering the planning proposal?*

The Net Community Benefit Test (table below) has been used to assess the merits of the planning proposal using the questions set out in the draft Centres Policy.

Overall, the proposal will provide a net community benefit for the following reasons:

- It constitutes a balanced and appropriate use of land is and is in keeping with the adjoining industrial character and that of development planned for lands immediately adjoining.
- The proposal will contribute to Council's requirement to facilitate new growth in employment in accordance with the Subregional Strategy targets.
- The proposal will not result in any significant adverse environmental impacts.
- It will create local employment opportunities through the construction jobs associated with the civil and building works to the benefit of the local economy.

<b>Net Community Benefit Test Evaluation Criteria</b>	<b>Response</b>
Will the LEP be compatible with agreed State and regional strategic direction for development in the area (e.g. land release, strategic corridors, development within 800m of a transit node)?	Yes.  The proposed rezoning is compatible with the Metropolitan Plan, the Draft South West Subregional Strategy (refer to 5.3.1 below). The site is located on the Liverpool-Parramatta Transitway, which provides a transport link between the two suburbs.
Will the LEP implement studies and strategic work consistent with State and regional policies and Ministerial (s.117) directions?	Yes.
Is the LEP located in a global/regional city, strategic centre or corridor nominated within the Metropolitan Strategy or other regional/subregional strategy?	No.  The subject Site is not identified within a key strategic centre or corridor but is contiguous with the Prestons Industrial area. In addition, the proposed offices are located at the rear of the site with access from Dampier Place. The purpose of positioning the office building in this location is to ensure that the offices are not the dominant use and that the vehicles sales is the predominant use with exposure to Hoxton Park Road.
Will the LEP facilitate a permanent employment generating activity or result in a loss of employment lands?	Yes.  The site is zoned to facilitate employment and is likely to generate some 368 jobs during the operational phase. The proposal will create employment through the construction jobs to install the infrastructure and constructing the buildings therefore delivering an economic benefit to the community.
Will the LEP be	Yes.

compatible/complementary with surrounding land uses?	The proposal is compatible with adjoining land uses within the Prestons Industrial Estate. The site is well serviced by existing infrastructure.
Are there significant Government investments in infrastructure or services in the area where patronage will be affected by the proposal? If so, what is the expected impact?	No.  The proposal does not require significant further investment in public infrastructure, it will utilise the existing infrastructure and services. The developer will extend and upgrade infrastructure to service the development at no cost to government.
Will the proposal impact on land that the Government has identified a need to protect (e.g. and with high biodiversity values) or have other environmental impacts? Is the land constrained by environmental factors such as flooding?	The site has not been identified for conservation purposes. The subject land is classified as being of 'low' flood risk. It is positioned above the level of AEP 1% flood level but within the extent of the PMF event. Council's floodplain engineers have advised that they have no concerns with the proposed rezoning.
Will the proposal increase choice and competition by increasing the number of retail and commercial premises operating in the area?	No.  The proposed office component serves the proposed motor showroom facilities on the site.
What are the public interest reasons for preparing the draft plan? What are the implications of not proceeding at that time?	The proposal will provide additional employment to assist in the delivery of meeting the economic growth actions from the subregional and local strategies.  If the rezoning were not supported, the site would be developed for industrial purposes and the employment numbers that are likely to be generated (estimated to be 368) would not eventuate as warehousing and other similar landuses have low employment numbers.
Will the public domain improve?	Yes.  Section 94 Contributions would be paid to Council upon approval of the development application in accordance with Council's Contribution Plan.
Is the LEP likely to create a precedent; or create or change the expectations of the landowner or other landholders?	No.  The proposed rezoning is unlikely to create a precedent within the locality or change the expectations in respect of the Site. Notwithstanding this comment, the majority of the uses are currently permissible and that a small component of the office is for off-site management which renders the need for a rezoning. Focusing on the specialised nature of this development may also limit the potential for other landowners to justify the rezoning from an IN zone to a Business zone.
Will the LEP deal with a deferred matter in an existing LEP?	No.  Not applicable.
Is the existing public infrastructure (roads, rail, utilities) capable of servicing the proposed site? Is there good pedestrian and cycling access? Is public transport currently available or is there infrastructure capacity to support future transport?	Yes.  The existing public infrastructure is adequate to meet the needs of the proposal. The site is located on the Liverpool to Parramatta Transitway.
Will the proposal result in changes to	The proposal is likely to improve car distance travel, as

the car distances travelled by customers, employees and suppliers? If so, what are the likely impacts in terms of greenhouse gas emissions/ operating costs and road safety?	currently the business operates from several premises and the relocation to one site will have positive impacts on the area.
Have the cumulative effects of other spot rezoning proposals in the locality been considered? What was the outcome of these considerations?	Yes.  Following a review of the Liverpool Zoning Plan, there appear to be no other spot rezonings that have occurred in the immediate vicinity of the subject land and consequently, no negative impacts arising from the cumulative impact of spot rezonings in this locality are envisaged.

Overall, the proposal will provide a net community benefit for the following reasons:

- It constitutes a balanced and appropriate use of land and is in keeping with the adjoining industrial character and that of development planned for lands immediately adjoining.
- The proposal will contribute to Council's requirement to facilitate new growth in employment in accordance with the Subregional Strategy targets.
- The proposal will not result in any significant adverse environmental impacts.
- It will create local employment opportunities through the construction jobs associated with the civil and building works to the benefit of the local economy.

## B. Relationship to strategic planning framework

### 4. *Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy (including the Sydney Metropolitan Strategy and exhibited draft strategies)?*

The planning proposal is not the result of any strategic study or report. However, a rezoning of the site is aligned with both the NSW Government's and Council's strategic priorities (see table below).

Strategy	Comment
<b>NSW State Plan</b>	<p>The Strategy highlights the importance of increasing the number of jobs located in western Sydney through the provision of zoned land in western Sydney localities with high quality transport access (including the orbital motorway M4/M5/M7 network and the Parramatta to Liverpool Transitway) for business, manufacturing, warehousing and transport activities.</p> <p>It also notes that a predicted increase in Sydney in transport storage and logistics employment opportunities related to the assembly and distribution of goods, particularly in outer areas of the city will require an anticipated 7,500 hectares of industrial land for these purposes.</p> <p>Three of the Strategy's five aims designed to create a more sustainable Sydney require the sufficient availability of land for industrial and employment development which is accessible to residential areas. These aims are:</p> <ul style="list-style-type: none"> <li>• Enhance Liveability - through a range of housing that is close to services.</li> <li>• Strengthening economic competitiveness - by increasing the city and region's competitiveness and global markets, leading to benefits</li> </ul>



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spread across the city.

- Ensure fairness - by providing housing, jobs and services that are close to where people live.

The subject proposal will create short-term jobs during the construction phase and long-term jobs (360) within the local area during on-going operation. This is consistent with the Metropolitan Strategy document for creating small business employment opportunities. The focus on employment is at the centre of the Strategy.

Whilst the PP seeks to introduce office floor space in an out of centre location, the floor space proposed is only a small component of the overall operation. Indeed the office space relates to 'off-site' administration functions and that Liverpool existing centres are not considered to be undermined, as addressed below.

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**Draft  
Subregional  
Strategy**

The NSW Department of Planning's *Draft South West Subregional Strategy* is the strategic land use planning framework to guide the sustainable growth of South West Sydney over the next 25 years. It translates the priorities of the Sydney Metropolitan Strategy to the local level. According to the Strategy, South West Sydney will experience growth in the vicinity of some 155,000 new dwellings, and employment creation in the region's major regional centres of 89,000 jobs over the next 25 years.

It notes that the South West Subregion will continue to be a desirable location for those activities requiring larger affordable sites, proximity to a large population base, and with strong transport links to Port Botany, Sydney Airport and interstate. The subregion will continue to provide employment in manufacturing, building and construction trades as residential and commercial development continues to expand in Western Sydney over the next 25 years.

The subregional strategy emphasises that it will be important that sites and premises for a range of economic activities are provided in the South West to accommodate various manufacturing, warehousing, transport related and logistics activities drawn to the area by its location advantages and available workforce as well as the demand for services from a growing population.

The Prestons industrial area is identified by the subregional strategy as being strategically located for freight and logistics as well as manufacturing and urban support. The subregional strategy also cautions that fragmentation of the larger holdings and the expansion of retail development would limit its value for these uses.

The proposed rezoning of the site is consistent with the subregional strategy, in that the proposed rezoning will maintain the site as a contiguous whole, while allowing development to make maximum use of the subject site, utilising its proximity to the Liverpool centre, the Liverpool to Parramatta Transitway, and the M5 and M7 motorways.

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**Liverpool  
Industrial  
Lands  
Strategy**

The Liverpool Industrial Lands Strategy is intended to guide the identification, release, rezoning and development of employment lands in the Liverpool LGA. It incorporates three strategic planning documents – the South West Employment Lands Strategy (2003), MACROC Industrial Lands report (2006) and the Employment Lands for Sydney Action Plan (2007).

The South West Employment Lands Strategy notes that industrial development requires a degree of flexibility in location choice due to organisations requiring larger sites for consolidation. It also notes the trend towards the requirement for purpose-built facilities. Both considerations are consistent with the intended use of the site at the subject premises.

Central to the *Employment Lands for Sydney Action Plan* is the requirement to protect priority employment land in existing areas, as to is fast tracking the zoning and availability of serviced industrial land to meet the needs of business growth across the state.

The Plan gives a broad definition of employment lands, including the traditional industrial areas for manufacturing, warehousing, construction and repairs, and areas containing a mix of activities associated with transforming, storing, maintaining and repairing materials and goods.

The proposed rezoning of the subject land from IN2 (Light Industrial) and IN3 (Heavy Industrial) to B6 (Enterprise Corridor), will preserve the employment focus of the subject land while permitting a greater diversity of use (i.e. the development of additional office space not ancillary to the other uses), and in doing so, respond effectively to the demand for a mix of activities relating to employment uses.

The proposed amendment is consistent with the objectives of the policy.

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**Liverpool  
Retail  
Centres  
Hierarchy  
Review  
2012**

Section 6.2 of the Liverpool Retail Centres Hierarchy Review assesses commercial trends and indicates that the emergence of business parks and changes in business composition and technology, over the last decade and a half have resulted in a significant shift in location of office-based activities outside of traditional Activities Areas thereby creating potential competition with existing centres for office tenants.

In addition, section 9.3 establishes principles for the future development of commercial office space including:

- Guard against leakage of office space to industrial lands and emerging business parks through the restriction of permitted office space as an objective.
- Office space primarily should be located in commercial/retail centres. The standard LEP template limits retail and office activity to core commercial and mixed use zones, business development zones and in some cases enterprise corridors.

While the proposed rezoning, to permit the construction of a 1600sqm business office at the subject site, would appear to be inconsistent with the recommendations of the Review, the fact that the offices are to be used by the one tenant of the site as a local and national head office (i.e. that no part of the building is to be commercially let to third parties) obviates the potential conflict. The proposed business offices will not compete with existing centres for commercial tenants and will not therefore contribute to undermining the viability of existing centres.

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**5. Is the planning proposal consistent with the local council's Community Strategic Plan, or other local strategic plan?**

The Growing Liverpool 2021 10 year Community Strategic Plan identifies social and community priorities for Liverpool and proposes strategies that work towards and sustain a positive level of wellbeing within the community.

The planning proposal is considered to be consistent with Council's Community Strategy by supporting economic development and promoting a 'working community'. The zoning of land for business and employment-generating use encourages continued investment in business activity in Liverpool LGA. This in turn will assist in the achievement of a number of "City Strategies" identified below:

- 10.1 Encourage further development of a variety of employment opportunities, which provide for a range of skill levels and employment categories.
- 10.2 Facilitate economic development.

6. *Is the planning proposal consistent with the applicable state environmental planning policies?*

Various State Environmental Planning Policies are relevant to the subject site. The requirements of each of these are summarised below.

### Consistency with State Environmental Planning Policies (SEPPs)

SEPP	Consistency / Response
55 – REMEDIATION OF LAND	Yes A Phase 1 contamination report has been submitted with the development application DA 237/2011,.
64 – ADVERTISING AND SIGNAGE	Yes Not inconsistent.
EXEMPT AND COMPLYING DEVELOPMENT CODES 2008	Yes The planning proposal will not contain provisions that will conflict or obstruct the application of the SEPP
INFRASTRUCTURE 2007	Yes The planning proposal will not contain provisions that will conflict or obstruct the application of the SEPP.
State Environmental Planning Policy (Building Sustainability Index: BASIX) 2004	Yes Not inconsistent (The relevant principles will inform building design).
Deemed State Environmental Planning Policy No 2 - Greater Georges River Catchment (SREP 2)	Yes The planning proposal will not contain provisions that will conflict or obstruct the application of the SEPP.
EXEMPT AND COMPLYING DEVELOPMENT CODES 2008	Yes The planning proposal will not contain provisions that will conflict or obstruct the application of the SEPP

7. *Is the planning proposal consistent with applicable Ministerial Directions (s.117 directions)?*

### Consideration of Section 117 Directions

Section 117 Direction	Consistency / Response
EMPLOYMENT AND RESOURCES	Yes
1.1 Business and Industrial Zone	The planning proposal does not reduce business zones. However, the rezoning of the land from IN2 – Light Industrial and IN3 – Heavy Industrial to B6 – Enterprise Corridor will continue to provide a range of uses that are of an industrial nature. The proposal will lead to development which will create significant employment on the site, which is consistent with this direction.
HOUSING INFRASTRUCTURE AND	

Section 117 Direction	Consistency / Response
<b>URBAN DEVELOPMENT</b>	
3.4 Integrating Land Use and Transport	The planning proposal will be consistent with this Ministerial Direction and is does not conflict with the aims, objectives and principles of: (a) <i>Improving Transport Choice – Guidelines for planning and development</i> (DUAP 2001), and (b) <i>The Right Place for Business and Services – Planning Policy</i> (DUAP 2001).
<b>HAZARD AND RISKS</b>	
4.3 Flood Prone Land	Yes  The planning proposal will be consistent with the Ministerial Direction. Future development on the site will be developed above identified flood levels and all site works will be undertaken such that the works will not increase the impact of flood waters on surrounding landholdings.
<b>LOCAL PLAN MAKING</b>	
6.1 Approval and Referral Requirements	Yes  The planning proposal will be consistent with the Ministerial Direction.
6.3 Site Specific Provisions	Yes.  The Planning Proposal will not introduce new standards other than that which currently apply in Council documents, including the Liverpool Development Control Plan 2008.
<b>METROPOLITAN PLANNING</b>	
7.1 Implementation of the Metropolitan Strategy	Yes.  The planning proposal will be consistent with the Ministerial Direction.  The planning proposal is consistent with the <i>NSW Metropolitan Strategy</i> . The subject land is described as employment land; the proposed rezoning of the land will preserve this land use.

## C. Environmental, social and economic impact

8. *Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?*

The subject site is largely devoid of vegetation and therefore it is unlikely that there will be an impact of critical habitat.

9. *Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?*

It is unlikely that any significant environmental effects will arise as a result of this planning proposal. Relevant matters are outlined below:

### *Parking and Traffic*

A traffic assessment submitted with DA-237/2011 concluded that the proposal will not have a significant impact on the local road system.

### *Stormwater*

The site is located in a low flood risk area. The site is situated above the 1% AEP flood level but within the extent of the PMF event. Council's Floodplain Engineer has advised that conditions pertaining to flooding may be applied at the time of development assessment.

*10. How has the planning proposal adequately addressed any social and economic effects?*

The proposal has positive social and economic contributions and will supply a much needed form of employment. It will also contribute to local business operation. Further, the development process will have a positive economic impact upon the development/construction industry, including the prospect of local employment. In addition, employment growth will occur through on-site job creation within administration dealerships and maintenance of vehicles. It is considered that the proposed development will make a positive social and economic contribution.

### **D. State and Commonwealth interests**

*11. Is there adequate public infrastructure for the planning proposal?*

Yes. No additional infrastructure is required to accommodate the planning proposal. All services are readily available to the site. The site also has good road access and is accessible to the Liverpool-Parramatta Transitway.

*12. What are the views of State and Commonwealth Public Authorities consulted in accordance with the gateway determination, and have they resulted in any variations to the planning proposal?*

Council will forward the proposal to the Department of Planning for Gateway Determination in due course as required by the *Environmental Planning and Assessment Act 1979*.

Any relevant public authorities will be notified of the planning proposal and be given an opportunity to comment on the draft plan.

## **Part 4 - Community Consultation**

In recognition that the planning proposal may raise some concerns within the local community, Council will consult with the Liverpool communities as instructed in the Gateway determination.



**LIVERPOOL CITY COUNCIL****CITY PLANNING REPORT****ORDINARY MEETING****05/11/2012**

<b>ITEM NO:</b>	<b>PLAN 05</b>	<b>FILE NO:</b>	<b>RZ-3/2012</b>
<b>SUBJECT:</b>	<b>607-611 (LOTS 5-7 DP 15667) HUME HIGHWAY CASULA PROPOSED REZONING TO PERMIT THE DEVELOPMENT OF A 4300SQM SUPERMARKET, WITH CONSENT.</b>		

# 607-611 Hume Highway, Casula Planning Proposal

## Final Report

20 July 2012

Prepared for Woolworths Limited

## Quality Assurance

Report Stage	Author	Date	Review	Date
<b>Draft Report</b>	Patricia Docherty	07/06/2012	Wayne Gersbach	19/06/2012
<b>Final Report</b>	Patricia Docherty	22/06/2012	Wayne Gersbach	22/06/2012

## Project Manager



Wayne Gersbach

Director NSW

Planning Team

Project Number: P84721

20 July 2012

*This document is for discussion purposes only unless signed and dated by the persons identified.*

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## Executive Summary

The intended outcome of this planning proposal is to rezone the subject land to B2 Local Centre and to amend *Liverpool Local Environmental Plan 2008* to enable its development for supermarket purposes.

The subject land is located at 607-611 Hume Highway, Casula, being Lots 5, 6 and 7 in DP 15667. The site comprises 10,908m<sup>2</sup> (1.091 hectares) of urban land. The planning proposal seeks to encourage a range of activities that are compatible with the B2 Zone objectives:

*To provide a range of retail, business, entertainment and community uses that serve the needs of people who live in, work in and visit the local area.*

*To encourage employment opportunities in accessible locations.*

*To maximise public transport patronage and encourage walking and cycling.*

*To allow for residential and other accommodation while maintaining active retail, business or other non-residential uses at street level.*

*To facilitate a high standard of urban design and a unique character that contributes to achieving a sense of place for the local community.*

The subject land is suited to meet the B2 Local Centres land use objectives, taking into account its suitability for a retail supermarket and the availability of services/infrastructure and public transport, the nature of surrounding land uses and the site's considerable distance from other centres.

This site is well suited to meet South West Draft Sub Regional Strategy objectives to concentrate retail activities near public transport in centre-based catchments. The land is within the 800 metre catchment of what is known as the Casula 'town centre' but effectively, along with other neighbouring uses that constitute current development along the Hume Highway, operates as part of a 'centre' in its own right.

There are a number of commercial, retail and other business uses that already exist in the immediate vicinity of the subject site along the Hume Highway, none of which retail grocery or food items. The site provides an opportunity to deliver a wider range of services than are currently available to meet the needs of its catchment. Apart from food and groceries, however, the precinct currently offers a complete range of services that one would normally expect to find within a 'centre' – including restaurants and take-away food, fuel services, gym clubs and fitness centres, real estate services, architectural services, tax accountants, landscaping supplies, furniture shops, convention facilities, hairdressers, veterinary services and training and educational services.

Residential uses around the site are predominantly medium density in nature and include accommodation for seniors. Indeed, the level of higher density housing form around the subject site is greater than that which exists near to the Casula 'town centre', further augmenting the Hume Highway precinct as an effective 'centre'. These adjoining residential uses will be well served by the proposed development on the site. Importantly, resident seniors from the nearby Maple Grove Retirement Village will benefit from the availability of daily convenience needs within walking distance.

The immediately adjoining land is zoned to provide local road access from Hume Highway, facilitating improved private and public transport access for the catchment. Frequent public bus services are available along the Liverpool to Campbelltown Strategic Bus Corridor.

The provision of retail services at Casula is limited due to the under provision of appropriately zoned land to meet demand. The provision of additional supermarket services at the site will help

meet the community's shopping needs. The proposal will also enhance competition between supermarket traders within the centre catchment, to the benefit of the Casula community.

The crux of the planning proposal is to rationalise the site's zoning, underpinned by a strong local demand for additional retail services. The proposal will generate employment opportunities and provide substantial net community benefits.

Whilst the planning proposal raises questions about the suitability of commercial/retail development outside of designated centres, our case for rezoning is supported by:

- A demonstrated undersupply of supermarket facilities serving the local catchment. This under supply has been estimated at 9,400m<sup>2</sup> of supermarket space by 2026.
- The fact that the Casula 'strip' of the Hume Highway effectively operates as a centre in its own right, offering a range of commercial and retail services that will be appropriately supplemented a supermarket at the subject site.
- Dense residential development in proximity of the site, thus allowing the proposed supermarket to provide additional retail services to a walkable catchment.
- Evidence from other Councils that embrace transport corridors as a legitimate location for centre-based activities. The proposed development will augment the Casula strip as a functional local centre node.

Should this planning proposal not be recommended by Liverpool City Council to proceed through the NSW LEP gateway process, a modern format supermarket will remain prohibited at this under-utilised but well serviced site, to the detriment of the local community's needs.

# 1 Introduction

## 1.1 The Site

This planning proposal affects the subject land at 607-611 Hume Highway, Casula, NSW being Lots 5, 6 and 7 in DP 15667. The subject site comprises 10,908m<sup>2</sup> (1.091 hectares) of urban land within Liverpool City Local Government Area, identified in Figure 1.

Figure 1 Subject Land of Planning Proposal



Source: Google

## 1.2 Structure

The planning proposal was prepared in accordance with the NSW *“A Guide to Preparing Local Environmental Plans”* and *“A guide to preparing planning proposals.”* It consists of four parts:

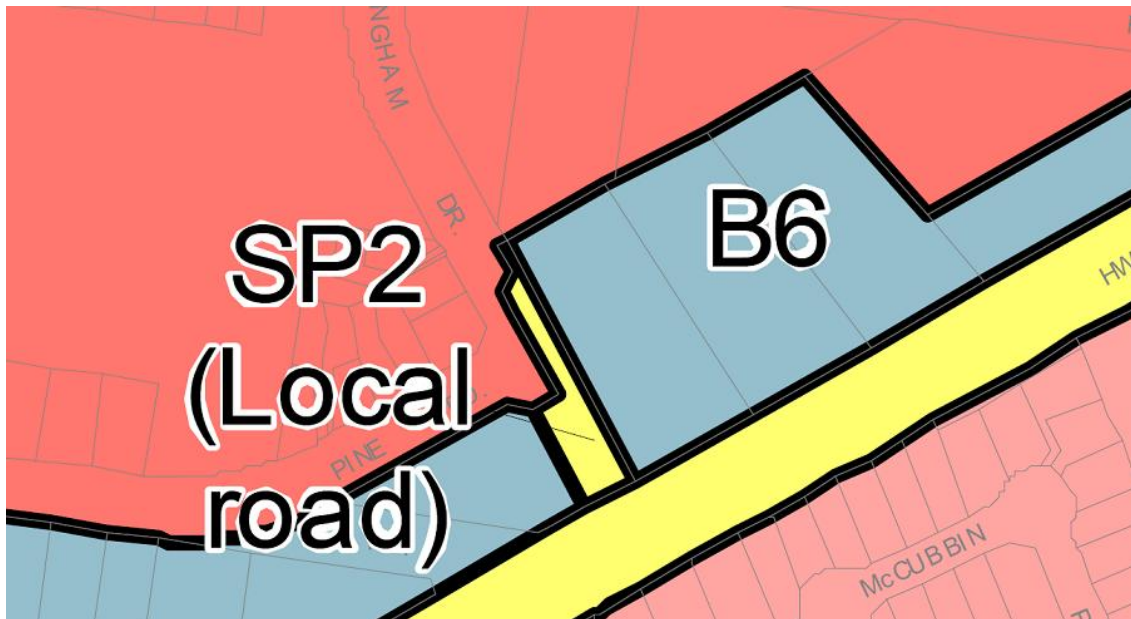
- Part 1 Intended Outcomes
- Part 2 Explanation of Provisions
- Part 3 Justification
- Part 4 Community Consultation

The proponent of this planning proposal is Woolworths Ltd.

## 1.3 Liverpool LEP 2008

The land is currently zoned B6 Enterprise Corridor as indicated on the following zoning map extract.

Figure 2 Current Liverpool LEP Zoning Map Extract



Source: Liverpool LEP 2008

Whilst some retail activity is permitted under the current zoning Clause 7.23 of *Liverpool Local Environmental Plan 2008 (LLEP 2008)* applies a development standard restricting retail floorspace to 1,600m<sup>2</sup> or less.

#### **7.23 Bulky goods premises and retail premises in Zone B6 (LLEP 2008)**

- (2) Development consent must not be granted to development for the purposes of retail premises on land in Zone B6 Enterprise Corridor if the gross floor area of the retail premises is more than 1,600 square metres.**

This cap cannot be varied under State Environmental Planning Policy (SEPP) No. 1 due to the limiting provisions of Clauses 1.9 and 4.6 (8) of LLEP 2008.

This planning proposal outlines the objectives and intended outcomes of rezoning the subject land to amend *LLEP 2008* and enable development of a supermarket on this site. The proposed Zone B2 Local Centre is prescribed in the *NSW Standard Instrument LEP Order 2006*.

The planning proposal does not seek to alter floor space ratio or height of building development standards controlling bulk and form, thereby limiting any amenity impacts attributable to the rezoning. It seeks to alter the permissibility of development only.

The planning proposal articulates the intended purpose of the rezoning of the land and explains the relevant provisions to bring into effect an amendment to the *Liverpool Local Environmental Plan 2008*.

The planning proposal is a key initiative in making economically productive use of strategically located but underutilised business land. The proponent is committed to meeting market demand for additional supermarket floorspace. The attached Economic Impact Assessment (**Attachment 1**) identifies the demand for the proposed land use zone to accommodate a modern supermarket in the catchment.

The planning proposal clearly identifies the social, environmental and economic benefits of the B2 Local Centre in this location and considers the existing Draft Sub Regional Centres.

It is anticipated that this planning proposal will amend the *Liverpool LEP 2008*.

Under LLEP 2008, the site does not present any issues in relation to:

- Heritage items or land,
- Acid sulfate soils,
- Flood
- Natural resources, and
- Height of Buildings
- Floor Space Ratio

Site specific studies have been carried out to address likely measures arising from traffic, access and contamination. The justification for the B2 Local Centre provided in Section 4 of this report addresses all relevant Section 117 Ministerial Directions and is in accordance with NSW State Environmental Planning Instruments.



## 2 Statement of Intended Outcomes

The intended outcomes of this planning proposal are outlined below.

To rationalise the planning provisions applicable to business land at 607-611 Hume Highway to enable development of commercial premises for a 4,300m<sup>2</sup> supermarket on a 10,908m<sup>2</sup> site in response to market demand in Casula.

Specifically, it seeks to amend the current land use zoning in the Liverpool Local Environmental Plan to B2 Local Centre on the land use zoning map and to remove the anti-competitive floor space cap applicable to the land.

The emphasis of this proposal is to minimise the anti-competitive effects of the current zoning and planning provisions, to ensure that areas where retailers locate are both sufficiently large (in terms of total retail floor space) and sufficiently broad (in terms of permissible use, particularly those relating to uses defined in the Standard Instrument Order 2006) to allow new and innovative businesses to enter local markets and existing firms to expand in locations where market forces demand an increase in products and services.

The proposal meets the Aims of Liverpool LEP 2008:

1. *to encourage a range of housing, employment, recreation and services to meet the needs of existing and future residents of Liverpool,*
2. *to foster economic, environmental and social well-being so that Liverpool continues to develop as a sustainable and prosperous place to live, work and visit,*
3. *to provide community and recreation facilities, maintain suitable amenity and offer a variety of quality lifestyle opportunities to a diverse population,*
4. *to strengthen the regional position of the Liverpool city centre as the service and employment centre for Sydney's south west region,*
5. *to concentrate intensive land uses and trip-generating activities in locations most accessible to transport and centres,*
6. *to promote the efficient and equitable provision of public services, infrastructure and amenities,*
7. *to conserve, protect and enhance the environmental and cultural heritage of Liverpool,*
8. *to protect and enhance the natural environment in Liverpool, incorporating ecologically sustainable development,*
9. *to minimise risk to the community in areas subject to environmental hazards, particularly flooding and bush fires,*
10. *to promote a high standard of urban design that responds appropriately to the existing or desired future character of areas.*

The proposal particularly supports the following:

*Section 5 'Objectives - Environmental Planning and Assessment Act 1979, 'to encourage:*

*5 (a)(i) the proper management, development .. of ... resources, including ... 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...'*

## 3 Explanation of Provisions

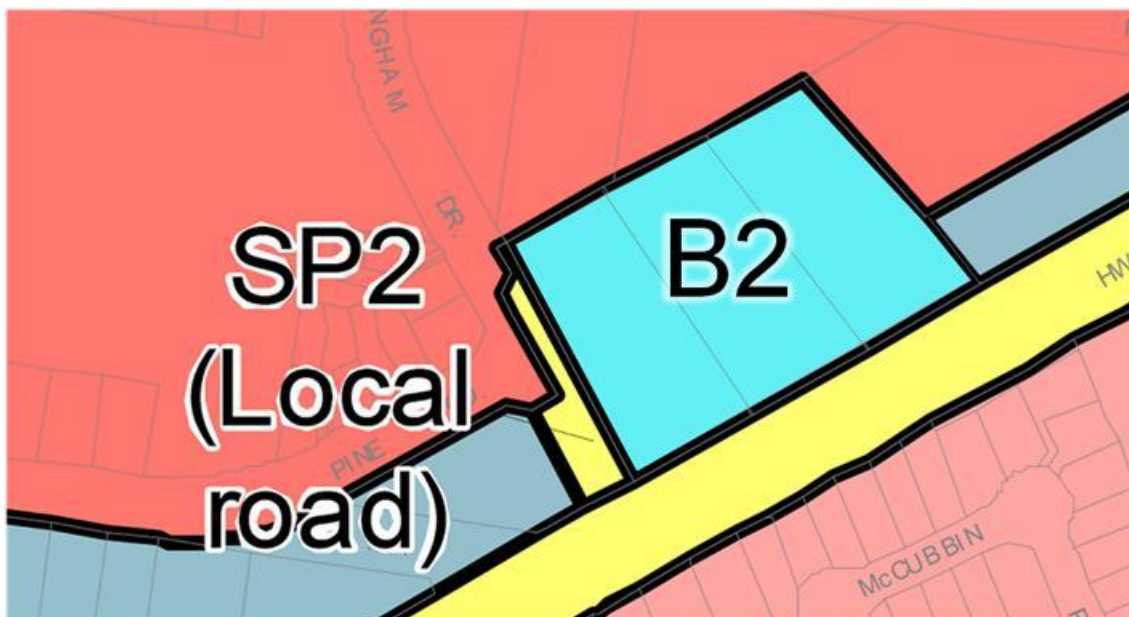
### 3.1 Amendments

In accordance with the *Standard Instrument LEP Order 2006*, this planning proposal affects the land at 607-611 Hume Highway, being Lots 5, 6 and 7 of DP 15667 in respect of the Draft Zone B2 Local Centre under *Liverpool Local Environment Plan 2008*.

The planning proposal seeks to:

1. Amend the current land use zoning in accordance with land identified B2 Local Centre in the **land use zoning map** and adopting the existing land use zone objectives and land use table:

Figure 3 Proposed Amendment to Liverpool LEP 2008 Land Use Zoning Map



2. Remove the anti-competitive floor space cap applicable to land at this location, amending **Schedule 1**, additional permitted use as follows:

**2 Use of certain land at Casula zoned B2 or B6**

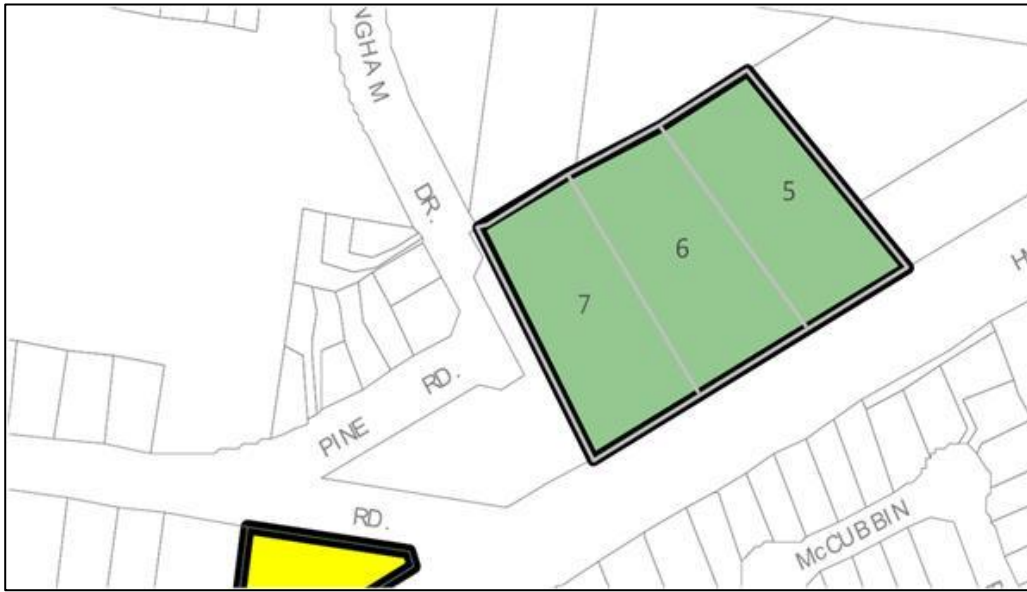
- (1) *This clause applies to the following land: shown coloured green on the Liverpool Local Environmental Plan 2008 Key Sites Map.*

(a) 607-611 Hume Highway, being Lots 5, 6 and 7 of DP 15667

- (2) *Development for the purpose of commercial premises is permitted with consent up to a maximum of 4,300m<sup>2</sup>.*

3. Amend the *Liverpool Local Environmental Plan 2008 Key Sites Map* as follows and mark the legend to refer to Schedule 1, Item 2:

Figure 4 Proposed Amendment to Liverpool LEP 2008 Key Sites Map



## 4 Justification for Planning Proposal

### 4.1 Analysis

MacroPlan Dimasi has undertaken a retail needs analysis to test market demand for additional retail services at the site. An ***Economic Impact Assessment*** for this highly accessible site that will service both the surrounding main trade area population, as well as nearby worker markets and passing traffic is presented at ***Attachment 1***.

The main trade area accommodates two supermarkets (Coles and Franklins), both located at Casula Mall totalling 7,212m<sup>2</sup>, however only the Coles supermarket (at 5,300m<sup>2</sup>) provides 'full-line' supermarket services.

There is an existing gap of around 4,600m<sup>2</sup> of supermarket floorspace, with this gap expected to increase by around a further 4,800m<sup>2</sup> by 2026, or the equivalent of 1-2 full-line supermarkets. Most importantly, the size of the gap increases rapidly over future years, reflecting increased need by the catchment's growing population.

The main trade area that would be serviced by a potential full-line supermarket at the subject site is currently estimated to comprise some 27,550 persons, including 14,400 residents in the key primary sector.

The main trade area is expected to grow by 1.5% per annum over the next 15 years, and is expected to reach 34,350 residents by 2026, reflecting an increase of about 6,800 residents. This growth alone would almost support another full-line supermarket.

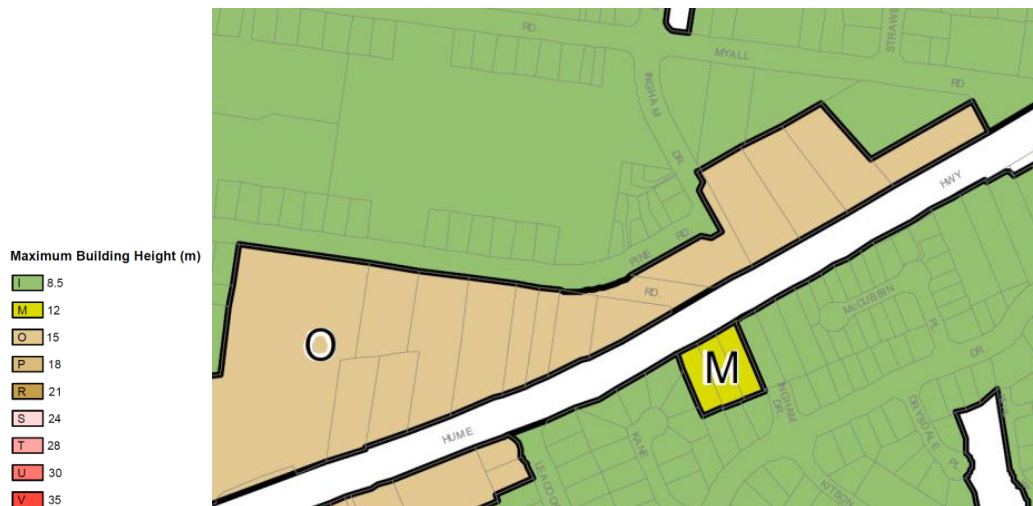
A variation to the existing 1,600m<sup>2</sup> cap on retail development is necessary to allow development that can meet current and expected demand to 2026.

Leasable commercial floorspace caps result in land use planning that is unresponsive to modern retailing requirements and consumer expectations. Such floor space caps contravene Section 5 (a) (ii) of the Environmental Planning and Assessment Act (The Act). Specifically, the floorspace cap does not *enable the promotion and co-ordination of the orderly and economic use and development of land*.

Floor space caps do not comply with State Planning Guidelines *and NSW Draft State Environmental Planning Policy (Competition) 2010*, which is a consideration for all development assessment under Section 79C (1) (ii) of the Act.

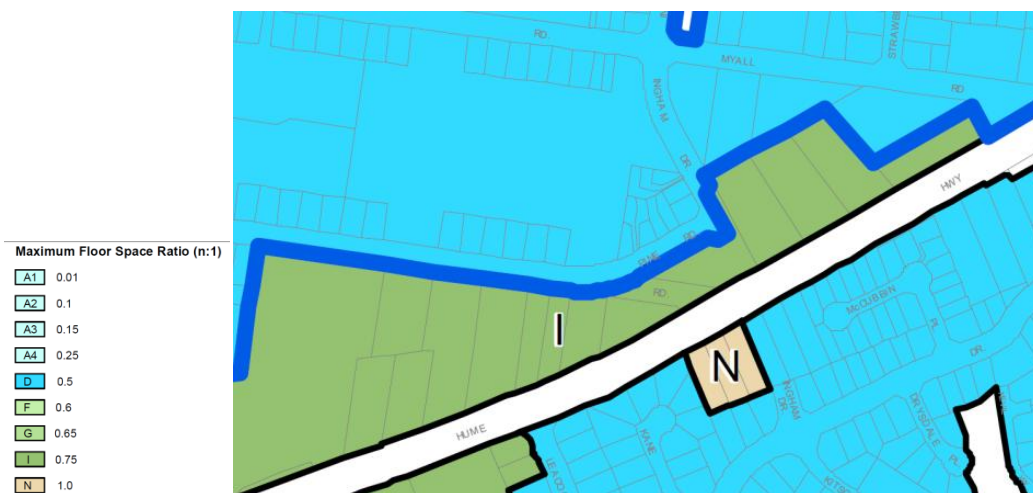
LLEP 2008 Development Standards in relation to maximum FSR and Height adequately protect amenity in relation to scale, without the need for a set specified floorspace restriction. The ridge line of the roof for a proposed supermarket will not exceed the 15 metre maximum height development standard that applies to the land.

Figure 5 Liverpool LEP 2008 Height of Buildings Map



Development of commercial premises for a proposed 4,300m<sup>2</sup> supermarket on a 10,908m<sup>2</sup> site represents an FSR of less than 0.4:1, which is significantly below the applicable 0.75:1 Floor Space Ratio (FSR) development standard.

Figure 6 Liverpool LEP 2008 FSR Map



## 4.2 Modern Retail Requirements

MacroPlan Dimasi has undertaken a review of the modern retailing requirements for supermarkets with respect to long term trends in terms of size and offer. The analysis has revealed a number of important trends:

- The size of modern supermarkets is larger than in the past.
- The general product offer has remained relatively constant – stores are essentially selling the same products (i.e. milk, bread, meat, etc).

The analysis confirms the stronghold presence of supermarkets as a retail cornerstone, less affected by online shopping than other retail formats. Supermarket store sizes have also trended to increase in size, in response to shopper expectations for a larger product range and circulation space.

## 4.3 Economic Structure and Performance of the



## Australian Retail Industry

The Australian Government's independent research and advisory body, the Productivity Commission makes a number of relevant recommendations in its report *Economic Structure and Performance of the Australian Retail Industry*, published in November 2011.

Retail plays a crucial part in the local and national economy in terms of productivity and job creation. There are almost 140,000 retail businesses in Australia, accounting for 4.1 percent of GDP and 10.7 percent of employment<sup>1</sup>.

The Productivity Commission has found that retailers operate under several regulatory regimes that restrict their competitiveness and ability to innovate. The Commission has identified several major restrictions which need to be addressed, including:

- *Planning and zoning regulations which are complex, excessively prescriptive, and often anticompetitive*
- *Land use regulation that centralises retail activity can be either competition-enhancing or competition-reducing, depending on how it is designed and implemented by the relevant planning authorities.*
- *To minimise the anti-competitive effects of zoning, policy makers need to ensure that areas where retailers locate are both sufficiently large (in terms of total retail floor space) and sufficiently broad (in terms of allowable uses, particularly those relating to business definitions and/or processes) to allow new and innovative firms to enter local markets and existing firms to expand.*
- *A number of overseas studies have examined the impact on the retail industry of some land use regulations that restrict the establishment of new large format stores. These studies suggest that restricting the development of larger stores lowers retail productivity, reduces retail employment and raises consumer prices.*
- *Overseas evidence also suggests that some land use restrictions raise property prices in residential and commercial markets by constraining the quantity (and location) of available space. These empirical results are useful directional proxies for the impact of planning and zoning controls on domestic retail property values.*

The Productivity Commission recognises that, while all leading practices should be implemented to improve the competitiveness of the retail market, two are of particular importance:

*State, territory and local governments **should (where responsible) broaden business zoning and significantly reduce prescriptive planning requirements to allow the location of all retail formats in existing business zones to ensure that competition is not needlessly restricted.** In the longer term, most business types (retail or otherwise) should be able to locate in the one business zone.*

*Governments should not consider the viability of existing businesses at any stage of planning, rezoning or development assessment processes. Impacts of possible future retail locations on existing activity centre viability (but not specific businesses) should only be considered during strategic plan preparation or major review — not for site specific rezoning or individual development applications.*

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<sup>1</sup> Productivity Commission

## 4.4 Promoting Economic Growth and Competition through the Planning System-Review Report

In May 2009, the Department of Planning and the Better Regulation Office released a discussion paper to facilitate discussion on what elements of the NSW planning system promote or detract from opportunities for competition and economic growth to provide specific recommendations that will assist in improving opportunities for economic growth in the State.

Importantly, the recommendations directly address the Council of Australian Governments (COAG) commitment made on 7 December 2009 to ensure that:

- ***processes are in place to maintain adequate supplies of land suitable for a range of retail activities; and***
- ***any unnecessary or unjustifiable protections for existing businesses from new and innovative competitors are eliminated.***

The recommendations also address calls for review of State planning and zoning laws that have been made by the Australian Competition and Consumer Commission (ACCC) and the Productivity Commission to assess if they impose any unnecessary restrictions on competition.

While many of the recommendations are focused on strengthening competition in the retail sector through the planning system, the review also addresses concerns from some stakeholders regarding the constraints on market efficiency and economic development due to a lack of clarity over certain planning provisions with the potential for delays.

## 4.5 NSW Draft SEPP (Competition) 2010

As a result of the Promoting Economic Growth and Competition through the Planning System-Review, the NSW Draft State Environmental Planning Policy (Competition) 2010 was prepared and placed on public exhibition till August 2010.

The Aims of this Draft SEPP are:

- (a) to promote economic growth and competition, and*
- (b) to remove anti-competitive barriers in environmental planning and assessment.*

The Draft SEPP has not yet been finalised. Notably, it has not specifically been rejected or deferred by the Minister, therefore it is still a relevant draft EPI, which must be considered during development assessment under Section 79C (a) (ii) of the Act.

## 4.6 Draft Activities Centres Policy

The NSW Draft Centres Policy is a guideline and not an Environmental Planning Instrument, however it provides a planning framework for the development of new and existing retail and commercial centres in NSW. The policy is based on six planning principles:

- *Retail and commercial activity should be located in centres to ensure the most efficient use of transport and other infrastructure, proximity to labour markets, and to improve the amenity and liveability of those centres.*
- *The planning system should be flexible enough to enable centres to grow, and new centres to form.*

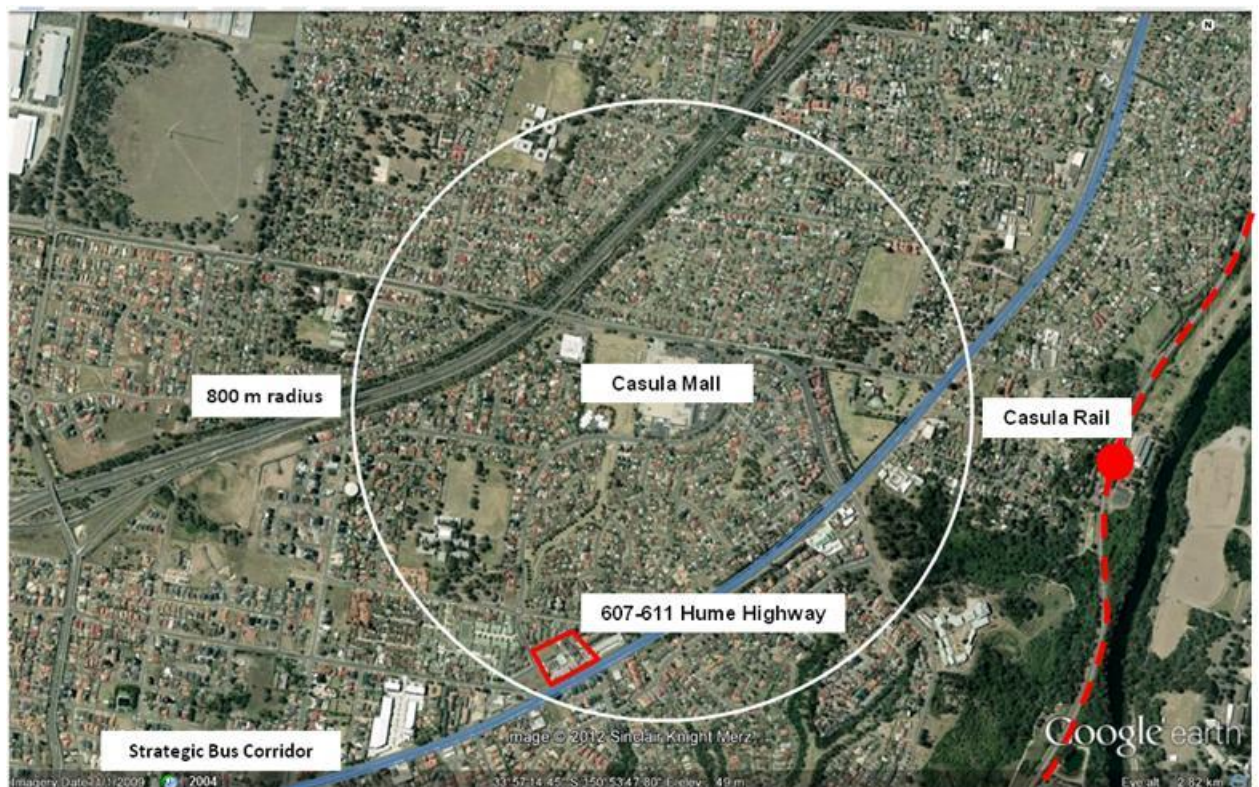
- *The market is best placed to determine the need for retail and commercial development. The role of the planning system is to regulate the location and scale of development to accommodate market demand.*
- *The planning system should ensure that the supply of available floorspace always accommodates the market demand, to help facilitate new entrants into the market and promote competition.*
- *The planning system should support a wide range of retail and commercial premises in all centres and should contribute to ensuring a competitive retail and commercial market.*
- *Retail and commercial development should be well designed to ensure they contribute to the amenity, accessibility, urban context and sustainability of centres.*

The planning proposal meets these principles; it is underpinned by a strong market demand, it promotes competition and enables commercial growth through the utilisation of land in an accessible and suitable location, is situated close to local labour markets and to public transport facilities.

## 4.7 Metropolitan and South West Draft Sub Regional Strategy

The Metropolitan and South West Sub Regional Strategies define a catchment of 800m radii for local town centres.

Figure 7 Casula Mall 800 metre radii



Source: South West Sub Regional Strategy Google

This site is well suited to meet South West Draft Sub Regional Strategy objectives to concentrate retail activities near public transport in centre-based catchments. The land is within the 800 metre catchment of what is known as the Casula 'town centre' but effectively, along with other neighbouring uses that constitute current development along the Hume Highway, operates as a centre in its own right.

Rezoning this site from B6 Enterprise Corridor to B2 Local Centre complements existing Strategic Centres identified in the South West Subregional Strategy 2007. The site will help deliver the following objectives:

**B1** Provide places and locations for all types of economic activity and employment in the Sydney region.

**B4** Concentrate activities near public transport

**B7** Recognise the role of enterprise corridors as locations for local employment.

Specifically,

- Rezoning will ensure a more flexible approach to economic growth and productivity.
- The site is 1.5 kilometres to Casula Rail Station and on the Liverpool to Campbelltown Strategic Bus Corridor.
- Casula Mall Town Centre is 760 metres from the site (within the Metro Strategy 800 metres radius walking catchment, which is the area considered to constitute the centre).
- The site is significantly distant from the all other centres.
  - Liverpool Regional City Centre is 4.4 km from the site (therefore it is outside the 2km radii considered the catchment for this centre).
  - Moorebank Town Centre is 4.6 km from the site
  - Carnes Hill (Horningsea Park) Town Centre is 5.1 km from the site
  - Ingleburn Town Centre is 5.6 Km From the site
  - Leppington Planned Major Centre is 7.5 km from the site
  - Campbelltown - Macarthur Regional Centre is further still at 19 km distance from the site.

In terms of employment and economic outcomes, retail is a major employment generator-accounting for the second largest proportion (10.5%) of employment in all industries in NSW (Industry and Investment NSW).

*Food retailing has consistently been the biggest driver of growth in the NSW retailing industry. In 2009–10, food retailing turnover was valued at \$29.4 billion, representing 40 percent of the total value of all retail turnover in NSW.*

*NSW's retail sector accounted for \$17.2 billion, or 5.2 percent of NSW's total industry value added in 2009–10. It is forecast to grow 22 percent over the next decade.<sup>2</sup>*

## 4.8 Council's Retail Hierarchy Review

Council has recently exhibited a review of its hierarchy of centres.

The subject site was presented to Council's consultants for their consideration as part of the review but has not been recommended as a centre under the review.

Importantly, with respect to the existing Casula Town centre the review notes:

***There appears to be justification for additional retail floorspace in the centre given its strong trading performance however it lacks sufficient space for an extension to be provided at the current time. A second storey could potentially be accommodated under the existing height and FSR limits.***

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<sup>2</sup> Industry and Investment NSW



The review has also provided the following specific response to the initial presentation of the subject site as a supermarket site.

*The more detailed area modelling which we undertook to inform our recommendations indicates that, for the Casula Mall trade area **there is limited undersupply of supermarket and grocery store expenditure in 2011. Thus there is insufficient need for 4,200sqm supermarket as sought in this submission.** The limited undersupply of supermarket and grocery store expenditure which does exist is likely to be met to some extent by the development of the Costco which will sell a range of food and grocery items.*

***Beyond 2026 there is a need for an additional supermarket in the Casula area at which time rezoning of the site may be appropriate if no alternative sites are available to accommodate a supermarket in Casula Mall or in other existing centres in the surrounding area.***

We note that Hill PDA rely upon a retail turnover density (RTD) for supermarkets of \$11,000 per square metre, increasing in real terms by 0.65% per annum. This level of retail turnover would constitute a very successful supermarket turnover level within an enclosed shopping centre.

When assessing the appropriate level of provision for a particular broad region, such as an LGA, a more suitable threshold that covers likely trading performance for smaller local centre supermarkets would be more appropriate. An RTD closer to \$9,000/m<sup>2</sup> would be more applicable, and even this would represent a strong trading position for any supermarket.

If an RTD of \$9,000/m<sup>2</sup> is applied then, using Hill PDA's own numbers, this would equate to an additional 8,500m<sup>2</sup> of supermarket demand within the LGA. This equates to more than two 4,200m<sup>2</sup> supermarkets.

We disagree also with the suggestion that Costco, a member base retail warehouse that serves a trade area of 500,000 to 1 million persons, could be considered to meet some of the localised market gap for convenience based retail.

This planning proposal is presented in advance of Council's finalisation of its retail hierarchy review, with the intention of informing Council's consideration of market need and its final deliberations with respect to an appropriate retail hierarchy.

Our view is that the restrictions imposed by the proposed hierarchy are far too limiting to encourage a variety of supermarket offerings intended to enhance community choice and to meet community need.

## 4.9 Catchments

The extent of a trade area or catchment that is served by any centre is shaped by the interplay of a number of critical factors. These factors include:

1. The relative attraction of the centre, in comparison with alternative competitive retail facilities. The factors that determine the strength and attraction of any particular centre are primarily its scale and composition (in particular the major trader or traders that anchor the centre); its layout and ambience; and carparking, including access and ease of use.