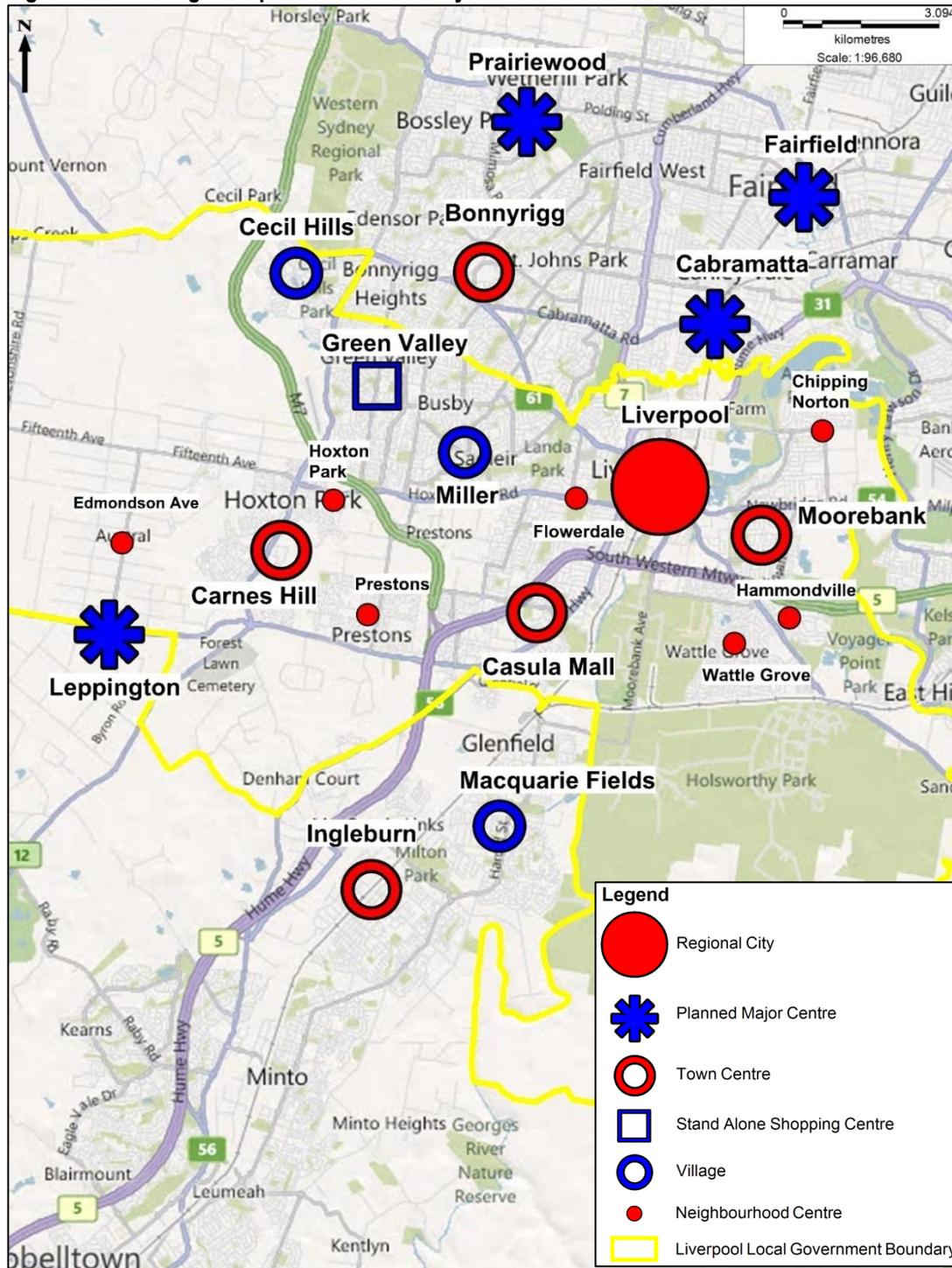


In addition to the above there are three established bulky goods clusters in Liverpool LGA:

- Crossroads Home Maker Centre;
- Orange Grove MegaCenta; and
- Warwick Farm Home Maker Centre.

The following map identifies the key centres in the hierarchy.

Figure 3 - Existing Liverpool Retail Hierarchy



Source: Map produced by Hill PDA using MapInfo 11.0 software and Microsoft Bing © 2011 Microsoft Corporation

5.2 Existing Floorspace Supply

The table below shows the quantum of existing floorspace in Liverpool LGA based on Hill PDA's 2011 floorspace survey and other data sources where indicated.

Table 10 - Existing Retail Floorspace Supply in Liverpool LGA (December 2011)

Centre	No. Retail Tenancies [^]	Retail Floorspace (sqm) GLA				Total
		Supermarket	Department Store/ DDS	Other ¹	Bulky Goods	
Major Regional Centre:						
Liverpool City Centre	795	11,062	35,307	111,906	2,766	161,041
Town Centres:						
Carnes Hill	53	4,494	5,635	7,313	-	17,442
Casula Mall	54	7,212	7,815	5,073	-	20,100
Moorebank	50	3,119	-	7,033	-	10,152
<i>Total Town Centres</i>	<i>157</i>	<i>14,825</i>	<i>13,450</i>	<i>19,419</i>	<i>-</i>	<i>47,694</i>
Stand Alone Shopping Centre:						
Green Valley	40	5,832	-	5,035	-	10,867
Village Centres:						
Cecil Hills	14	1,700	-	1,400	-	3,100
Miller	42	5,094	-	6,589	-	11,683
<i>Total Village Centres</i>	<i>56</i>	<i>6,794</i>	<i>-</i>	<i>7,989</i>	<i>-</i>	<i>14,783</i>
Small Village Centres²:	114	7,581	-	9,153	-	16,734
Neighbourhood Centres³:	168	1,036	-	16,028	194	17,258
Bulky Goods Clusters:						
Crossroads	27	-	-	3,046	49,269	52,315
Orange Grove	23	-	-	2,115	38,600	55,215
Warwick Farm	17	-	-	2,067	13,588	15,655
<i>Total Bulky Goods Clusters</i>	<i>67</i>	<i>-</i>	<i>-</i>	<i>7,228</i>	<i>101,457</i>	<i>123,185</i>
Total Liverpool LGA Existing	1,397	47,130	48,757	176,758	104,417	377,062

Source: Various, including Hill PDA floorspace surveys December 2011, SCN Big Guns, Mini-Guns and Little Guns 2011, PCA Shopping Centre Database.

[^] Includes vacancies

¹ Comprises specialty food and non-food, personal services, vacancies and non-retail uses such as shop front commercial uses except for 'bulky goods clusters' which amalgamate vacant floorspace with bulky goods floorspace

² Excludes Edmondson Avenue/ 10th Austral Small Village Centre which forms part of the SWGC area

³ Excludes West Hoxton Neighbourhood Centre which forms part of the SWGC area

Note: DDS = Discount Department Store

Each of the centres in Liverpool LGA is explored on an individual basis for the remainder of this Chapter. Note that detailed analysis for each centre is provided in Appendix 4.

5.3 Liverpool Regional City

Current Role

Liverpool Major Centre or CBD is the largest retail centre in the South West. In addition to the provision of retail goods and services, Liverpool City Centre performs a range of employment, administrative and educational functions for the LGA. It is also a major transport node.

Existing Floorspace

The 2011 Hill PDA floorspace survey indicates that Liverpool City Centre contains 161,041sqm Gross Lettable Area (GLA) retail and commercial shopfront floorspace (including vacant floorspace). Vacancies account for an estimated 16,000sqm or nearly 10% of total retail and non-retail commercial shopfront provision in Liverpool City Centre which, based on our experience, is a relatively high proportion.

Westfield Liverpool shopping centre accounts for 83,315sqm GLA⁷ (or 52%) of the total retail floorspace recorded in Liverpool City Centre. Westfield Liverpool's major retail anchors are Myer (18,766sqm), Target (8,291sqm), Big W (8,250sqm), Coles (3,876sqm), Woolworths (3,659sqm), Toys R Us (3,260sqm) and Best & Less (1,189sqm). There are a further 330 specialty shops providing 36,024sqm of retail floorspace. Westfield Liverpool also includes a 7,800sqm cinema complex. In total, the shopping centre provides over 91,000sqm of leasable floorspace. The last major redevelopment of the centre was in 2006/7 when a second discount department store (Big W) and various specialties were added.

Other retail and commercial floorspace in Liverpool City Centre includes Liverpool Plaza on Macquarie Street. The Plaza is classified as a neighbourhood shopping centre (using Property Council of Australia (PCA) definitions) and has a total area of 6,373sqm GLA, all of which is dedicated to retail floorspace. It is anchored by a 1,300sqm Franklins supermarket and contains 44 specialty shops totalling approximately 5,100sqm. We understand that Council has granted Development Application (DA) consent for alterations and additions to Liverpool Plaza to include a marginal increase of retail floorspace of 334sqm.

Trade Area

Liverpool City Centre draws from a wide catchment area. Typically households spend around 20-25% of their retail expenditure at Regional Centres, and as the largest retail centre in Liverpool LGA it will draw trade from throughout the LGA. Furthermore, there are no Regional Centres within Fairfield LGA. As a result Liverpool City Centre is likely to capture some of the expenditure generated by residents of Fairfield LGA.

Residents of the northern suburbs of Campbelltown LGA have easy access to Liverpool City Centre and are located equidistant between it and Campbelltown-MacArthur Major Centre. Liverpool City Centre will capture a proportion of trade from this area in a range of retail goods categories.

The Liverpool City Centre Trade Area contained 398,000 persons in 2011⁸. The extent of the trade area is shown overleaf.

⁷ Source: Property Council of Australia Shopping Centre Database

⁸ Source: Final TDC October 2009 Release Population Forecasts (2010)

Capacity to Accommodate Growth

As the sole Regional Centre in the South West Subregion, Liverpool City Centre should be the focus of future retail growth and investment. However the capacity of the centre to absorb future retail development appears to be somewhat limited with a lack of vacant or available development sites.

Potential development sites of which we are aware comprise:

- **Northumberland Street car park.** This appears to be the prime development opportunity in the CBD, although any redevelopment of this site would need to provide equivalent replacement car parking. This is a Council operated car park which provides in the order of 440 car parking spaces. It comprises around 0.35ha of land and could offer the potential to revitalise the southern part of Liverpool City Centre.
- **Bathurst Street car park.** This Council car park is situated directly opposite Westfield Liverpool. Again any redevelopment of the site would require replacement car parking to be provided. This site occupies approximately 0.8ha of land.
- **Elizabeth Street.** Land to the south of Elizabeth Street between the junctions of Bigge Street and George Street could be a future development option. Land to the south of Elizabeth Street opposite the entrance to Westfield Liverpool may also present opportunities to accommodate retail development in the future.

Details of the demographic characteristics of the main trade area, and a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis for Liverpool City Centre are contained at Appendix 4.

5.4 Town Centres

Carnes Hill Town Centre

Carnes Hill Town Centre is focused upon the purpose built Carnes Hill Marketplace shopping centre. Carnes Hill Marketplace provides approximately 17,200sqm GLA of retail floorspace¹¹. Anchor tenants include Big W (5,635sqm), Woolworths (4,494sqm) and Dan Murphy's Liquor (1,414sqm). There are an additional 50 specialty shops that provide around 5,899sqm of retail floorspace.

Carnes Hill Marketplace recorded a turnover of \$122.14m for the August 2010 to July 2011 period¹². This ranks the centre 20th nationally out of the 166 Mini Gun centres¹³ in Australia in terms of gross turnover. It achieved a turnover per square metre of \$7,565/sqm which ranks it 80th nationally, marginally greater (by 1%) than the Mini Guns median of \$7,467/sqm for the period.

The main trade area of Carnes Hill is likely to comprise the surrounding suburbs of Carnes Hill, West Hoxton, Hoxton Park and Horningsea Park together with part of Prestons and a small part of Hinchinbrook which is

¹¹ Shopping Centre News Mini-Guns 2011

¹² Shopping Centre News Mini-Guns 2011

¹³ Note: a Mini-Gun is defined by SCN as a shopping centre with a GLA in excess of 6,000sqm but less than 20,000sqm

southwest of the M7 motorway. This area contained in the order of 22,500 people at the time of the 2006 ABS Census.

Carnes Hill clearly functions as a town centre given the strong retail offer which it provides. Data on trading levels indicate that the centre is performing strongly and it is the focal point for shopping in the trade area which it serves. The shopping centre provides community meeting rooms and there is a school next door to the centre. We understand that there is a proposal to build a community centre at Carnes Hill. There also are plans to expand the range of uses which it currently provides to potentially include a library and indoor and outdoor sports facilities, but this will not involve any substantial addition to retail floorspace.

Casula Mall Town Centre

Casula Mall is owned by DEXUS and comprises a purpose built shopping centre of approximately 20,100sqm¹⁴ retail floorspace. The main trade area for Casula Mall comprises the suburbs of Lurnea, Casula and part of Prestons. This area contains in the order of 27,000 residents. Anchor traders are Kmart (7,815sqm), Coles (5,307sqm) and Franklins (1,905sqm). The remaining 5,100sqm of retail floorspace is provided in 51 specialty retail outlets.

Casula Mall is categorised as a Little Gun shopping centre by SCN¹⁵. It recorded a turnover of \$154.98m for the October 2009 to September 2010 period¹⁶. This equates to a turnover of \$7,703/ sqm which is 14% higher than the Little Gun median and ranks the centre 29th of the 100 Little Gun shopping centres surveyed in Australia. This indicates that the centre is currently performing well.

Casula Mall functions well as a town centre for the residential trade area which it serves. It contains a wide variety of retail goods and services which meet the weekly shopping needs of the trade area. It is trading strongly at the current time. The centre contains a community casual leasing site for local groups and a library which provide a decent level of community uses.

Casula Mall is built in a developed residential area and expansion onto surrounding plots to accommodate additional floorspace is not feasible. Expansion would only be possible within the boundaries of the existing site although there appears to be potential to rationalise the existing car park to provide additional land, providing any car parking which is lost were offset by additional car parking provision on site. 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.

Moorebank Town Centre

Moorebank Shopping Centre comprises centralised surface level car parking with retail units around the perimeter. The centre provides approximately 10,150sqm of retail floorspace. It is anchored by a Woolworths and a Franklins supermarket, which provide in the order of 2,200sqm and 900sqm floorspace respectively. It

¹⁴ SCN Little Guns 2010

¹⁵ Note: A Little Gun is a centre which provides between 20,001sqm and 45,000sqm GLA floorspace

¹⁶ SCN Little Guns 2010

accommodates 48 additional specialty retail units both within the shopping centre itself and along Maddecks Avenue and Stockton Avenue.

The primary trade area for Moorebank comprises the suburb of Moorebank which contained some 7,600 people at the time of the 2006 ABS Census. It is also likely to derive a proportion of trade from residents in Chipping Norton, Holsworthy and Hammondville.

There is no published data concerning the trading performance of Moorebank Town Centre. It is however the only main shopping facility with the trade area which it serves and anecdotal evidence appears to suggest that it is trading well.

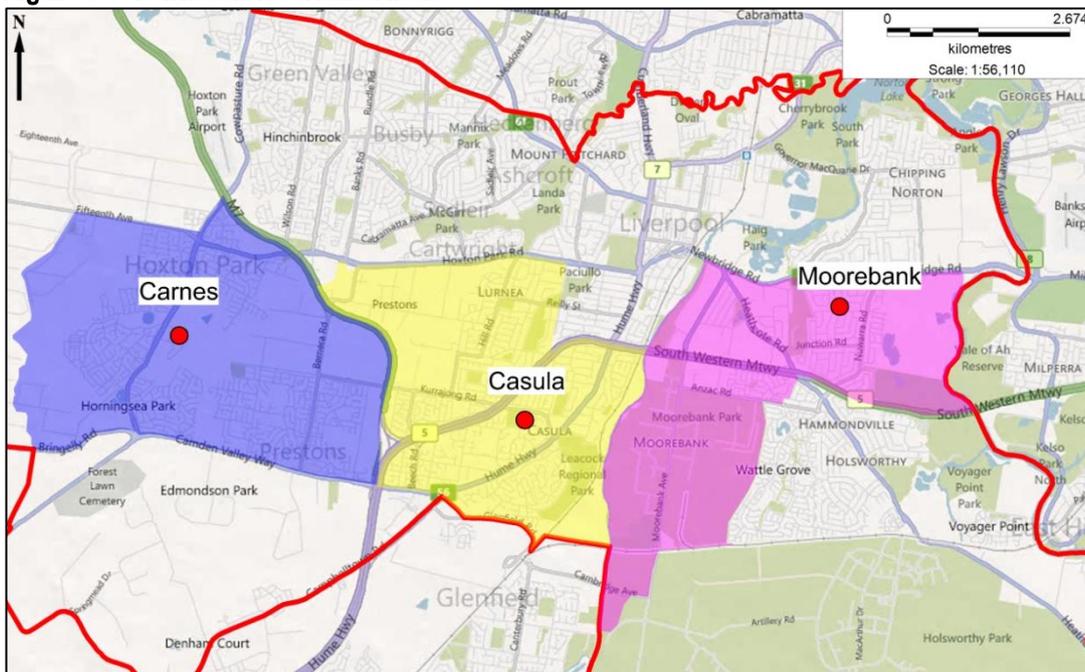
Moorebank Town Centre fulfils the requirements of a town centre. It has a strong retail offer which includes two supermarkets, a range of speciality retailers and other community functions including an educational facility (Nurwurra Public School), a community centre, medical facilities and a library.

The centre currently provides a significantly lesser quantum of floorspace (around 10,150sqm) than both Carnes Hill (17,200sqm) and Casula Mall (20,100sqm). There is scope to expand the existing centre within the B2 zoning through construction on undeveloped plots and through the intensification and redevelopment of existing buildings. Moorebank contains three vacant units totalling 319sqm of retail floorspace which could be reoccupied to contribute towards meeting future demand for retail floorspace in this area. A second storey could also be accommodated in the Moorebank Shopping Centre under the existing height and FSR limits.

Town Centre Trade Areas

The main trade areas for Casula Mall, Carnes Hill and Moorebank are shown below.

Figure 5 - Town Centres Trade Areas



Source: Map produced by Hill PDA using MapInfo 11.0 software and Microsoft Bing © 2011 Microsoft Corporation

5.5 Green Valley Stand Alone Shopping Centre

Valley Plaza shopping centre is a stand alone village centre that provides 9,834sqm of retail floorspace¹⁷. The Centre is anchored by Coles (3,561sqm) and Woolworths (2,271sqm), which are supported by 35 specialty shops (4,002sqm).

An additional 1,033sqm of retail floorspace is provided in retail units fronting Wilson Road, outside of the Valley Plaza shopping centre but within the B2 zoning. In total the centre provides some 10,867sqm of retail floorspace.

Property Council of Australia (PCA) data indicates that the centre had a turnover of \$69.7m in 2009, which equates to a turnover per sqm of some \$7,088/sqm which is a reasonable performance. No trading information on this centre is recorded by SCN.

The trade area served by the centre comprises the suburbs of Green Valley and the majority of Hinchinbrook. This area contained approximately 22,390 persons at the time of the 2006 ABS Census.

Green Valley has the potential to become a town centre in the future, and performs a similar function (albeit on a smaller scale) to the existing town centres in the LGA in terms of retail provision. It is larger than Moorebank Town Centre (10,150sqm) in terms of the amount of retail floorspace which it provides.

Given the relatively low density of development under the B2 Local Centre zoning there is potential to provide additional retail floorspace in the centre to meet future needs. Incorporating a range of community uses in any expansion, which could include a medical centre or public square, would assist in elevating this centre to town centre status although we note that Green Valley Library and a police station are located adjacent to the shopping centre.

5.6 Village and Small Village Centres

Cecil Hills Village Centre

Cecil Hill is located in the north-west of Liverpool LGA. It comprises the Cecil Hill Shopping Centre which primarily serves the Cecil Hills suburb which contained some 6,500 people at the time of the 2006 ABS Census. The Hill PDA floorspace survey indicated that Cecil Hills Shopping Centre contained around 3,100sqm of floorspace in 14 retail premises. It is anchored by a Woolworths supermarket (1,700sqm) and Woolworths Liquor (150sqm).

Cecil Hills provides a range of retail facilities serving the localised daily needs of the Cecil Hills suburb. It appears to be trading well. We note that childcare facilities (Head Start Long Day Care) are located within close proximity to the centre. There appears to be some limited scope to intensify retail development in the existing B2 zoning to provide additional floorspace in Cecil Hills in the future, should it be required. It is adequately meeting its Village Centre role.

¹⁷ SCN Little Guns 2010

Miller Village Centre

Retail provision in Miller is focused upon the Miller Community Shopping Village. The centre provides some 9,653sqm of retail floorspace including a Woolworths (3,551sqm) and a Franklins (1,543sqm)¹⁸. Outside of the shopping centre is an additional 2,030sqm of retail floorspace based on the Hill PDA survey. The appearance of the centre is somewhat dilapidated.

The trade area for Miller comprises the suburbs of Miller, Cartwright, Ashcroft, Sadleir, Busby and Heckenberg. This area contained approximately 17,800 people at the time of the 2006 ABS Census.

A DA has been permitted by Council for alterations and additions to Miller Shopping Centre to include facade upgrade and the creation of additional tenancies.

Given the retail offer Miller provides which includes it fulfils the attributes of a Village Centre. Additionally it performs a variety of community functions and includes a medical centre, a community centre, a library and a fire station. However, we note that the centre appears to be trading somewhat poorly at the current time although this may reflect the demographic characteristics of its trade area as shown in the centre proforma at Appendix 4.

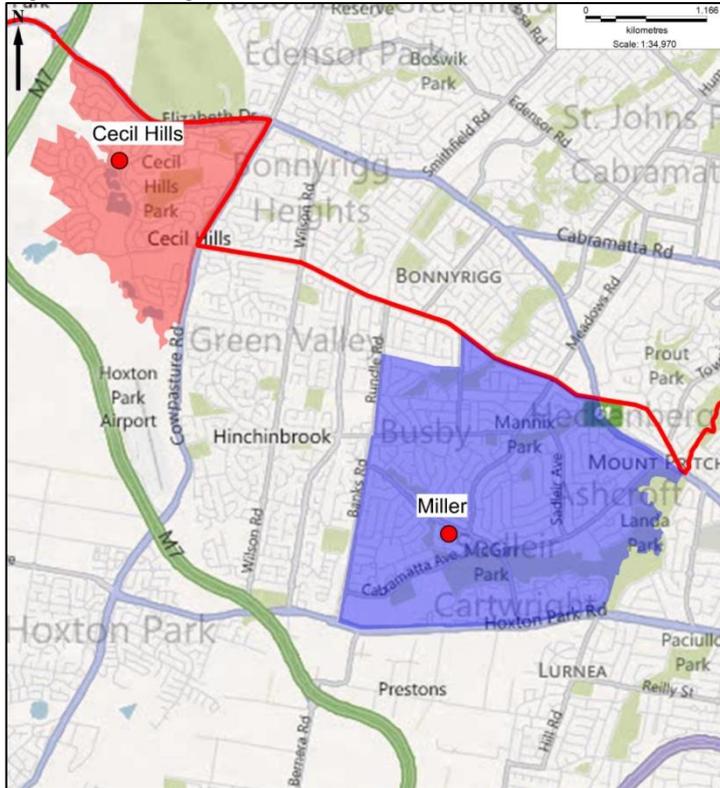
In our view given the retail and non-retail offer of Miller it is more akin to a Town Centre rather than a Village Centre and should be considered for elevation in the retail hierarchy if additional retail development in the centre can be secured. There appears to be scope to provide additional retail floorspace within the existing B2 zoning.

¹⁸ Source: Property Council of Australia Shopping Directory

Village Centre Trade Areas

The main trade areas for Cecil Hills and Miller Village Centres are shown in the figure below.

Figure 6 - Village Centre Main Trade Areas



Source: Map produced by Hill PDA using MapInfo 11.0 software and Microsoft Bing © 2011 Microsoft Corporation

Chipping Norton Small Village Centre

This centre comprises the purpose built Market Plaza shopping centre serving the Chipping Norton suburb which contained approximately 8,600 people at the time of the 2006 ABS Census. It contains in the order of 5,300sqm of retail floorspace of which a Coles supermarket accounts for 2,830sqm. It is the largest of the centres currently defined as Small Villages, and given the nature of this centre and its role in our opinion it should be defined as a Village Centre.

We note that the B2 zoned land which defines the extent of this centre includes an area to the west of Ernest Avenue which is in use for residential purposes. Council may consider redefining the extent of Chipping Norton to exclude this land.

Anecdotal evidence indicates that the centre is performing well, although no published data is available to substantiate this assertion.

Edmondson Avenue/ 10th Austral Small Village Centre

Edmondson Avenue/ 10th Austral Small Village Centre is situated in the western and rural portion of the LGA. The centre provides in the order of 3,260sqm of retail floorspace based on the Hill PDA floorspace survey, including an IGA supermarket of around 1,090sqm. The role of the centre is likely to change significantly in the future as the SWGC is developed.

The centre is currently meeting the requirements of a Small Village Centre. Given the location of this centre within the SWGC its role is likely to evolve significantly over the period of the Review.

Flowerdale Small Village Centre

The Flowerdale Small Village Centre is located on Hoxton Park Road adjacent to the junction with Flowerdale Road. It provides around 4,720sqm of retail floorspace in 18 retail units which include an ALDI store of 1,460sqm.

Given the presence of the ALDI, which is likely to draw from a much wider trade area than would normally be expected of a Small Village Centre, in our view Flowerdale should be considered as a Village Centre in the hierarchy in reflection of its role. Comprehensive redevelopment of part of the southern part of the centre could offer potential to strengthen this role.

Hammondville Small Village Centre

Hammondville Small Village Centre serves the Hammondville suburb and provides a little under 1,900sqm of retail floorspace. It includes a small IGA store, although given the modest size of this facility (300sqm) it functions more as a large convenience store rather than a small supermarket.

The Hammondville suburb, which corresponds to the trade area for this centre, contained 2,900 residents at the time of the 2006 ABS Census but in view of the modest residential growth forecast for this area the potential for future retail development in the centre appears limited.

Hammondville meets the description of a Small Village Centre offering an array of convenience or top-up related goods and services to the Hammondville suburb which it serves. Based on our site visit it appears to be trading reasonably. There appears to be some scope to intensify retail development within the parameters of the existing B2 zoning which applies to Hammondville Small Village Centre.

Hoxton Park Road/ Dorrigo Avenue Small Village Centre

This Small Village Centre fronts Hoxton Park Road adjacent to the junction with Dorrigo Avenue. It contains in the order of 1,139sqm of retail floorspace based on the Hill PDA floorspace survey and provides a range of retail goods and services. These include a number of convenience stores, a doctors surgery, an Australia Post outlet and several pharmacies but no supermarket.

The trade area for the centre comprises the Hoxton Park suburb and the southern part of Hinchinbrook, an area of some 7,500 people according to the 2006 ABS Census. It is also likely to capture some trade from passing traffic. This centre appears to be performing well at the current time.

The centre caters for the day to day shopping needs of residents in its trade area. The trading performance of this centre anecdotally appears to be average. It accords with the definition of a Small Village Centre.

Prestons Small Village Centre

Prestons is a modern purpose built centre serving the recently developed residential suburb of Prestons which contained 12,800 people at the time of the 2006 ABS Census. It provides 1,533sqm of retail floorspace based on

the Hill PDA floorspace survey and is anchored by an IGA supermarket of approximately 460sqm. It incorporates a medical centre. Its trading performance is likely to reflect its role as a localised shopping centre.

Wattle Grove Plaza Small Village Centre

Wattle Grove Plaza is a purpose built enclosed shopping mall serving the suburbs of Wattle Grove and Holsworthy. These suburbs contained around 11,235 people according to the 2006 ABS Census. Wattle Grove Plaza is anchored by a Coles supermarket of 2,135sqm and in total the centre provides some 3,150sqm of retail floorspace¹⁹. It appears to be trading well in our view although there is no quantitative data publically available to confirm this.

The B2 zoning applicable to the centre also encompasses an educational facility and a place of worship. Given the presence of Coles, in our view this centre should be defined as a Village Centre for planning purposes. There appears to be some scope to expand retail facilities within the existing B2 zoning.

Orange Grove Small Village Centre

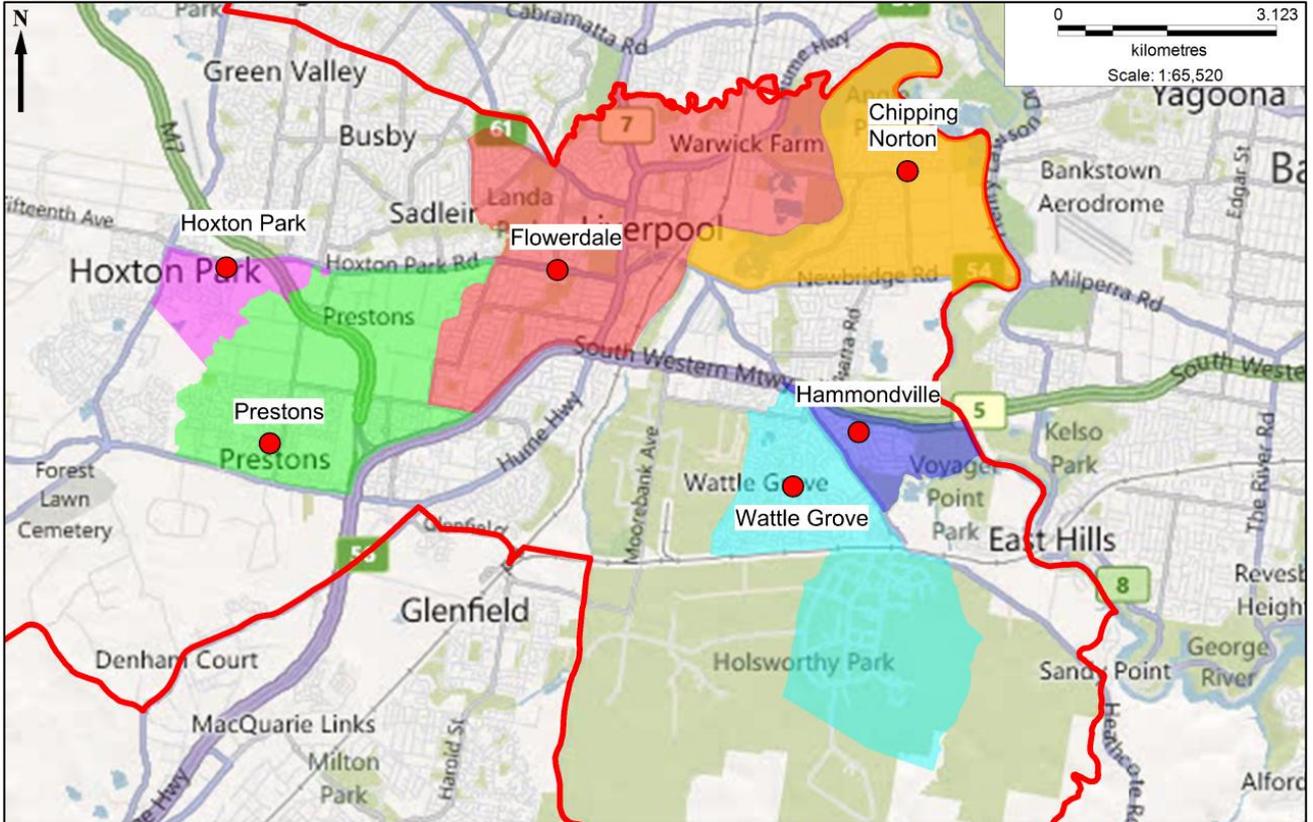
We note that the draft South West Subregional Strategy recognises the existence of a Small Village Centre at Orange Grove. It is unclear where this centre is and it may be a reference to retail uses associated with the Orange Grove bulky goods retailing area.

Small Village Centre Trade Areas

The main trade areas for Small Village Centres are shown in the following figure.

¹⁹ Source: Property Council of Australia Shopping Directory

Figure 7 - Small Village Centres Main Trade Areas



Source: Map produced by Hill PDA using MapInfo 11.0 software and Microsoft Bing © 2011 Microsoft Corporation

5.7 Neighbourhood Centres

Retail and Commercial Floorspace

A summary of retail provision in centres zoned B1 Neighbourhood Centre in the Liverpool LEP 2008 is provided in the table overleaf. Note that the table below refers to retail floorspace only (i.e. commercial and commercial shopfront uses are excluded).

Table 11 - Retail Floorspace Provided B1 Neighbourhood Centre Zoned Land in Liverpool LGA

Centre	Total*		Vacant		Key Tenants
	No. Tenancies	F'space (sqm GLA)	No. Tenancies	F'space (sqm GLA)	
Elizabeth Drive/ Park Road/ Marsden Road	1	260	-	-	7-eleven/ Spar
Luddenham	12	1,027	2	177	IGA, Australia Post
West Hoxton	8	1,467	1	233	Little Bottler
Green Valley Road	18	2,325	1	320	Little Bottler
Heckenberg	9	442	1	40	Bottle-O
Exhibition Parade	5	402	4	402	
Sinclair Road, Ashcroft	4	360	2	180	
Sadleir	2	210	-	-	
Cartwright	4	570	1	570	
Lurnea	23	2,291	1	105	Medi Advice Pharmacy
Maryvale Avenue	9	637	2	245	
Boundary Road	5	462	2	166	
Rose Street	4	240	1	72	
Warwick Farm	3	436	-	-	Valorie Cellars
Goulburn Street	9	908	2	190	BP
Grimson Crescent	5	395	4	316	
Camden Valley Way, Casula	1	302	-	-	Op Shop
De Meyrick Avenue	5	272	1	61	
Casula Shopping Centre	12	1,277	-	-	
Marsh Parade	6	396	-	-	
Chipping Norton Shopping Centre	10	1,217	-	-	
Governor Macquarie Shopping Centre	10	902	-	-	IGA
Liverpool Day Surgery	-	-	-	-	
Newbridge Road	2	383	-	-	Red Rooster
Heathcote Road/ Wattle Grove Drive	1	314	-	-	
Total	168	17,495	25	3,077	

* Total includes vacant floorspace
Hill PDA Floorspace Survey December 2011

Our appraisal of the extent to which the defined neighbourhood centres are meeting their role is summarised below. Note that this does not consider zoned centres which have yet to be developed.

- **Elizabeth Drive/ Park Road/ Marsden Road** (Luddenham) – Contains a 7-eleven in a petrol filling station and accords with the definition of a Neighbourhood Centre.
- **Luddenham** (The Northern Road, Luddenham) – This centre is somewhat larger than the Neighbourhood Centre definition containing 12 retail units (in two separate B1 zonings). The southern B1 zoned land includes an IGA supermarket, an Australia Post branch and a pharmacy and performs more of a Small Village Centre role.
- **West Hoxton** (Fifteenth Avenue, West Hoxton) – Currently functioning as a Neighbourhood Centre, although its role is likely to develop with the SWGC.
- **Green Valley Road** (Green Valley) – This is a large centre of some 17 retail units and 3,160sqm of retail floorspace. Its role and function is more comparable to the definition of a Small Village Centre.

- **Heckenberg** (Khancoban Street, Heckenberg) – Small shopping centre serving local needs which accords with the role of a Neighbourhood Centre.
- **Exhibition Parade** (Reservoir Road, Mount Pritchard) – New centre which will perform a Neighbourhood Centre role once it is fully occupied.
- **Sinclair Road, Ashcroft** – Performing as a Neighbourhood Centre.
- **Sadleir** (Quadrant Lane, Sadleir) – This centre would benefit from investment but should be considered as a Neighbourhood Centre for planning purposes.
- **Cartwright** (Hoxton Park Road) – This centre is functioning more as freestanding automotive retail premises at the current time and does not accord with a Neighbourhood Centre role.
- **Lurnea** (Hills Road/ Riley Street) – A vital and viable centre containing some 23 retail units in 2,360sqm of retail floorspace. Performs an important local function more akin to that of a Small Village Centre.
- **Maryvale Avenue** (Liverpool) – The range of uses provided in this centre accords with its Neighbourhood Centre role.
- **Boundary Road** (Boundary Road/ Ives Avenue, Liverpool) – Functions as a Neighbourhood Centre.
- **Rose Street** (Liverpool) – Small centre comparable to the role of a Neighbourhood Centre.
- **Warwick Farm** (Warwick Farm Neighbourhood Centre) – Consistent with the role and function of a Neighbourhood Centre.
- **Goulburn Street** (Liverpool) – Should remain a Neighbourhood Centre to reflect its current role and function.
- **Grimson Crescent** (Liverpool) – In need of rejuvenation but functions as a Neighbourhood Centre.
- **Camden Valley Way, Casula** (632-634 Camden Valley Way) – This centre comprises just one retail occupier which is Father Riley's charity shop. It therefore does not currently perform a role as a Neighbourhood Centre.
- **De Meyrick Avenue** (Lurnea) – Comparable to a Neighbourhood Centre.
- **Casula Shopping Centre** (Casula Shopping Centre. De Meyrick Ave/ Hume Highway) – Contains a wider range of shops and a greater quantum of floorspace than would be expected of a Neighbourhood Centre.
- **Marsh Parade** (Casula) – Functions as a Neighbourhood Centre.
- **Chipping Norton Shopping Centre** (Alfred Road and Governor Macquarie Drive, Chipping Norton) – Predominately functions as a service centre for the local populous containing a number of fast food and take away outlets, a café, a bakery and a newsagent. It currently lacks a convenience store however and, although it is larger than typical for Neighbourhood Centres.
- **Governor Macquarie Shopping Centre** (Childs Road and Epsom Road, Chipping Norton) – The 10 retail units in this centre are fully occupied and offer a range of important retail goods and services to local residents. It includes a small IGA store, a number of convenience stores (butcher, bakery,

greengrocer, off licence) and service providers (hairdressers, fast food and take aways). In our view it is more akin to a Small Village Centre.

- **Liverpool Day Surgery** (Longstaff Avenue, Chipping Norton) – This centre currently lacks any retail provision whatsoever and functions instead as a private day surgery.
- **Newbridge Road** (Moorebank) – Comprises two retail units one of which (Red Rooster) is not comparable with the role of a Neighbourhood Centre.
- **Heathcote Road/ Wattle Grove Drive** (Moorebank) – Comprises solely a petrol filling station and convenience store but accords with the role of a Neighbourhood Centre.
- **Lealocks Lane/ Alcock Avenue** (Casula) – In use for residential purposes and should be rezoned R2 Low Density Residential.
- **Hill Road/ Hoxton Park Road** (Lurnea) – The majority of the land defined in the Liverpool LEP 2008 as constituting this centre has been developed for residential purposes which around 0.1ha of undeveloped land remaining.

5.8 Bulky Goods Clusters

Crossroads

Crossroads Homemaker Centre is located on Camden Valley Way in Casula. This area is zoned B5 Business Development uses in the Liverpool LEP 2008.

It provides some 57,634sqm (GLA)²⁰ of bulky goods floorspace making it the largest Homemaker centre in NSW. Anchor tenants include Bunnings (12,560sqm), Flower Power (4,145sqm), Buy Direct Deals (3,335sqm), The Good Guys (2,898sqm), Freedom Furniture (2,235sqm) and Bing Lee (1,689sqm). There are an additional 20 specialty shops providing 3,700sqm of floorspace.

An additional 915sqm unit occupied by the Crossroads Hotel is located within the B5 zoning adjacent to the Homemaker Centre.

Given the quantum of retail floorspace provided on the site it is likely to serve Liverpool LGA in addition to the northern part of Campbelltown LGA. It is well positioned to capitalise on the market which will be created as a result of the implementation of the SWGC.

Orange Grove

MegaCenta Liverpool is located on Orange Grove Road at Warwick Farm. The centre has a total floor area of 36,500sqm GLA according to the PCA²¹. It is anchored by Harvey Norman (10,147sqm) and Domayne (4,906sqm). It provides a further 21,447sqm of retail floorspace in specialty bulky goods retailers.

²⁰ Source: Property Council of Australia Shopping Centre Database

²¹ Source: Property Council of Australia Shopping Centre Database

Additional freestanding retail units providing fast food and take away uses are provided adjacent to the MegaCenta by occupiers which include McDonalds, Oporto, Krispy Crème and Subway. This area also includes an Officeworks store of 2,100sqm.

It is understood that both Schweppes and Campbell's Cash and Carry, who are major tenants in the IN1 General Industrial zoned land adjoining Orange Grove, may be looking to move out of the area. If these occupiers do relocate, it would provide a significant quantum of land which may be suitable for redevelopment to accommodate other uses.

Warwick Farm

Warwick Farm Homemaker Centre is located on Sappho Road and accounts for around 15,655sqm of bulky goods floorspace based on the Hill PDA survey. Warwick Farm Homemaker Centre is zoned IN1 General Industrial in the Liverpool LEP 2008. Retailers represented in Warwick Farm include Fantastic Furniture, Lincraft, Supercheap Auto, KFC, Hungry Jacks and SuperFurn. No performance data related to the Homemaker Centre is publicly available,

5.9 Other Pipeline Development

Permitted retail development or development which is currently being considered by Council of which we are aware comprises:

- The Orange Grove Weekends Market site is included within the B5 zoned land at Orange Grove. Council is considering a proposal to amend the B5 zoning applicable to this site to incorporate additional uses which would allow a brand outlet premises to operate from the site.
- Land adjacent to the MegaCenta is subject to Amendment 19 to the Liverpool LEP, which has been made. This amendment rezoned an area fronting Orange Grove Road to B6 uses and increased the threshold of permissible retail premises to 1,600sqm. This was to facilitate the development of a Dan Murphy's liquor store of 1,342sqm on the site (subject to DA approval).
- A Costco warehouse is proposed at Crossroads. Costco does not constitute a 'bulky goods' retailer in the traditional sense but given the large retail format of Costco stores, with a store of 13,000sqm GLA proposed at Crossroads, finding sufficiently sized sites within an existing retail centre is an issue. As such we consider that Crossroads, which comprises an established bulky goods destination and has sufficient vacant land to accommodate the proposed development, is an appropriate location in principle. Detailed consideration the economic impacts associated with this proposed Costco store will be required.
- Proposed 13,600sqm Masters home improvement store at 21-27 Munday Street and 3-7 Warwick Street, Warwick Farm (Amendment 18 to Liverpool LEP has been made but a DA is still pending). For the purposes of this Review 8,300sqm of this is assumed to comprise household related sales floorspace.
- Proposed 13,500sqm Masters home improvement store at Hoxton Park (Subject to proposed LEP Amendment 24 – Len Waters Estate). For the purposes of this Review 8,300sqm of this is assumed to comprise household related sales floorspace.

- 7,000sqm Holsworthy Plaza shopping centre, Holsworthy which is subject to extant DA approval. This centre will include an ALDI supermarket.

In addition, we note the presence of the following zoned land upon which retail floorspace has yet to be developed:

- Approximately 1ha of land zoned for B1 uses in an area to the south of Cecil Hills and north of the former Hoxton Park aerodrome (known as 'Elizabeth Hills'). This area is subject to a planning proposal seeking to realign the boundaries of the B1 zoned land in order to facilitate a transmission easement across the site. The realignment of zone boundaries does not seek to increase retail floorspace. Notwithstanding this, we understand that the easement is likely to remove the potential to develop commercial floorspace in this location. As a result it is unlikely that this site will provide any contribution towards the retail hierarchy in the future.
- A vacant plot of approximately 1ha B1 zoned land on the corner of Hill Road and Hoxton Park Road in Lurnea.
- 15ha of B2 zoned land at Middleton Grange. This will serve a new suburb which is expected to accommodate approximately 9,000 residents once it is fully developed. It will include a new supermarket based town centre of around 5,500sqm²² of which some 500sqm will be homemaker style retail floorspace.
- Around 25,000sqm of additional retail and other commercial floorspace²³ at Edmondson Park which will form the retail centre serving this suburb and which forms part of the SWGC. Delivery of Stage 1 of this centre is anticipated for 2016.
- A plot of some 2ha of B2 zoned land at the corner of Banks Road and Hoxton Park Road. We understand that this land is highly flood liable and development is unlikely;
- Approximately 4ha of triangular shaped land at Holsworthy adjacent to Heathcote Road, zoned for B2 land uses, which will accommodate Holsworthy Plaza (see above).
- Around 1ha of B1 land on Bernera Road to the south-west of the junction with Kurrajong Road. This is irregularly shaped and is owned by Council. We understand that it is not a high development opportunity at the current time.
- Land zoned for B1 uses at Hills Road/ Hoxton Park Road has been largely redeveloped for residential purposes although around 0.1ha this land remains undeveloped

Outside of Liverpool LGA to the south-east a significant quantum of development is mooted at Heathcote Ridge comprising of land surrounding the Ridge Sporting Complex. This area is currently being considered by the DoPI as a proposed State Significant Site and the draft plan for the West Menai bushland site which forms part of this area proposes some 2,700 new homes. This is in addition to 70ha of employment land which is anticipated to accommodate approximately 15,000 jobs. The Economic Assessment which has been submitted to the DoPI

²² Liverpool Business Centres and Corridors Strategy

²³ Source: Liverpool City Council

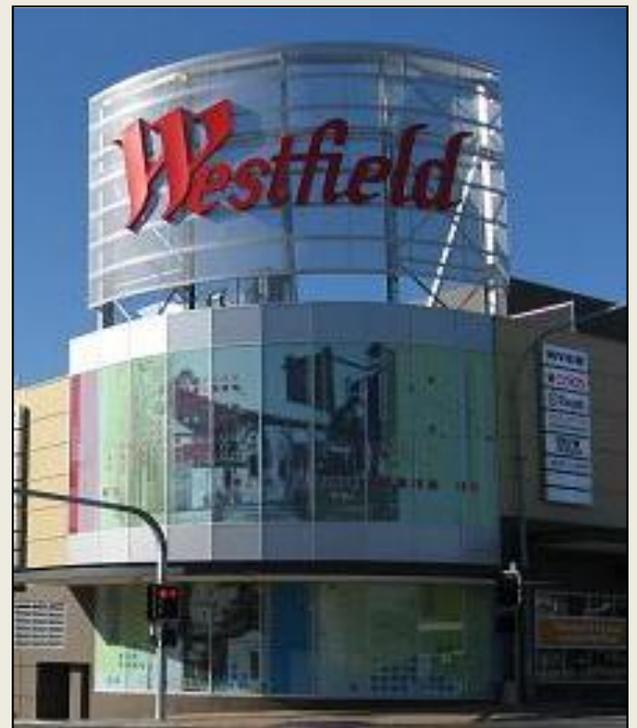
recommends the provision of two small village centres, each with an IGA style supermarket of up to 1,500sqm, to cater for the demand generated by new residents of the area²⁴.

²⁴ Source: Economic Assessment of Appropriate Retail Provision - Heathcote Ridge. July 2011. Leyshon Consulting

Part B – Liverpool in the Future



This part of the Review seeks to understand how demand for retail floorspace may change in the future and the implications of this on the retail hierarchy. In addition to exploring historic and emerging retail trends, it undertakes retail expenditure modelling to derive the implications for retail demand which will result from forecast population growth. It subsequently considers demand may manifest in terms of demand for floorspace and how this could be distributed across existing and future centres.



6. RETAIL AND COMMERCIAL TRENDS

There are a number of local, regional and global trends that are either presently, or likely in the future, to influence the retail and commercial centres within the Liverpool LGA including their size, mix of uses, location vitality and economic viability. Accordingly this Chapter analyses these trends at a macro and in some cases a micro level, to better understand what social and economic trends may influence the growth and success of centres.

6.1 Retail Trends

Traditionally retailing followed a hierarchy from regional through district to small neighbourhood centres. More recently that hierarchy has been challenged by the following social and economic trends:

- Increase in the proportion of working women;
- Increase in the proportion of part-time and casual employment and reduction in full-time employment;
- Reduction in the proportion of households that match the 'traditional family' model and an increase in the number of single persons and single parent households;
- Increase disparity of household income, ranging from high double income households to households that rely on welfare;
- Ageing of the population; and
- Increasing working hours for those in full-time employment.

These changes are placing greater pressure on many of the existing centres in Liverpool to either adapt or lose market share. As a result, shoppers are increasingly spending more on entertainment, technology and leisure related goods rather than traditional grocery and clothing offers. Shoppers are also seeking a broader range of activities that provide both retail and entertainment options including eating out, wine bars, cinemas and video game parlours.

Accordingly some of the key retail trends influencing Liverpool LGA include:

- Expansion of the regional centres with a stronger element of leisure/entertainment activity. The trend towards both larger stores and larger centres in Australia has been evident for decades. Super regional centres over 100,000 square metres (such as Liverpool City Centre) have established themselves in most major metropolitan areas.
- Continued suburbanisation of office space and the growth of business parks.
- Strong growth in the bulky goods retailing centres with the big box retailers looking to capture market share from the department stores and some specialty retailers in traditional retail centres.
- Growth in the size of supermarket floor sizes, their trading hours and market share of the food and beverage household expenditure.
- Growth of mini-majors²⁵ and category killers²⁶.

²⁵ Stores of between 400sqm and 2,000sqm such as ALDI, Apple, Lowes

- Reduced share of expenditure captured by traditional department stores.
- Pressure from supermarket and big box retailers to develop outside commercial centres.
- Loss of many traditional speciality retailers but also new retailers entering the market (e.g. ALDI, Masters, Costco).
- Potential rise in electronic shopping. This purchasing medium current represented around 4% of all retail sales in 2009²⁷.

The above trends are expanded upon in Appendix 5.

6.2 Commercial Trends

Liverpool City Centre is the main location within the Liverpool LGA and the wider Subregion for commercial and professional businesses and is the regional city for South West Sydney. It also includes a range of recreation and entertainment facilities. The following trends have been identified as having potential to influence the future demand for, and location of, commercial office space across all of the defined centres in Liverpool LGA as follows:

- The growth of the new economy and ongoing deindustrialisation is expected to strengthen demand for commercial floorspace especially in key locations, close to tertiary education and transport links;
- The slower than predicted rate of conversion to homeworking, resulting in over 80%²⁸ of Australians still working in business premises rather than home offices;
- The emergence of business parks and changes in business composition and technology, over the last decade and a half resulting in a significant shift in the location of office-based activities outside of traditional Activities Areas thereby creating potential competition with existing centres for office tenants;
- Rising fuel prices and the introduction of mandatory energy efficiency disclosure for large commercial buildings (>2,000sqm) by the Federal Government in the second half of 2010. This will lead to sustainability becoming an increasingly important driver of price and demand²⁹; and
- An increase in the number of working hours per household and a greater proportion of dual earning households is a trend that means less time for family responsibilities. Accordingly work places that enable workers to conveniently combine paid work, leisure and family responsibilities are becoming increasingly attractive (i.e. locations that offer improved access to high quality retail shops and services, a wide range of health, legal, child care, banking and government related outlets, as well as consumer outlets).

²⁶ Stores which provide an extensive range of goods within a single market segment such as Toys R Us, Dymocks, JB Hi-Fi, Priceline

²⁷ Source: J.P. Morgan Australian Equity Research 2011; US Census Bureau; M. Baker Retailing in the Online Channel: A Global Overview 2011; Urbis

²⁸ ABS Locations of Work Survey 2005

²⁹ The Jones Lang LaSalle 2009 global survey on Corporate Real Estate and sustainability indicates that an increasing number of corporate executives consider sustainability to be a critical business issue.

7. DEMAND FOR RETAIL FLOORSPACE

This Chapter calculates demand for retail floorspace within the Liverpool LGA. This demand results from those households who reside within the LGA, as well as those in neighbouring areas who direct a proportion of their expenditure to retail facilities in Liverpool. Derived demand is compared to floorspace supply to determine the level of residual demand for which Council will need to plan.

7.1 Catchment Area

In order to measure need and undersupply of retail and commercial shopfront floorspace, a trade or catchment area needs to be defined. The trade area served by any retail centre is determined by a number of factors including:

- The strength and attraction of the centre in question, determined by factors such as the composition, layout, ambience/atmosphere and car parking in the centre;
- Competitive retail centres, particularly their proximity to the subject centre and respective sizes, retail offer and attraction;
- The location and accessibility of the centre, including the available road and public transport network and travel times; and
- The presence or absence of physical barriers, such as rivers, railways, national parks and freeways.

For the purposes of this Review, we have defined the 'Catchment Area' as comprising the area from within which retail centres within Liverpool LGA will capture the majority of their trade. Based on the above assumptions, Hill PDA have deduced that the Catchment Area includes all households within Liverpool LGA.

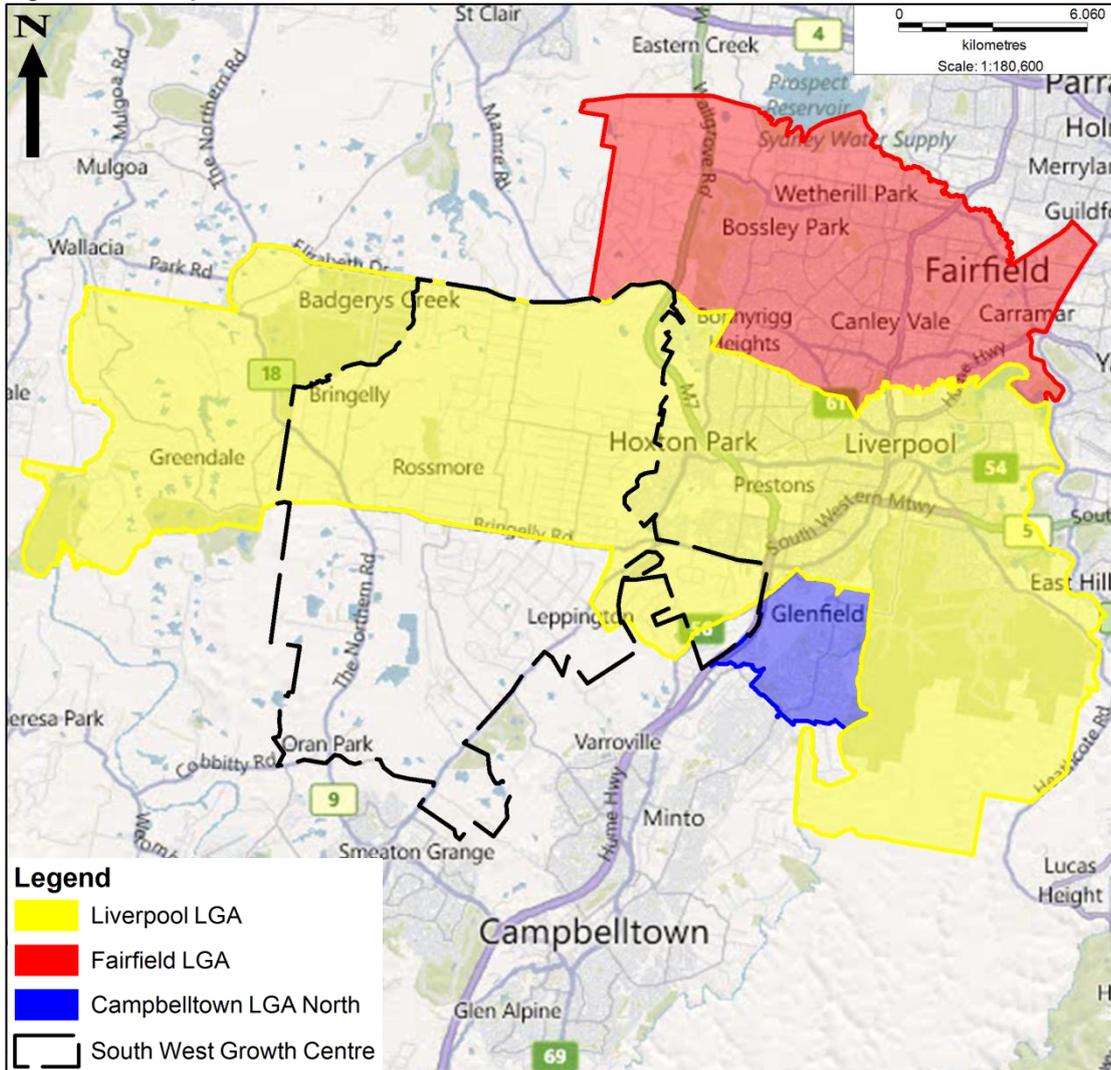
The Catchment Area includes those planned precincts within the SWGC. That said, the Review does not consider the need for centres within the SWGC, as this is part of Hill PDA's previous 2010 review of the SWGC for the Department of Planning & Infrastructure. As a result the Catchment Area assumes retail facilities in the remainder of Liverpool LGA capture trade from existing residents in these precincts. However, this will lessen over time as centres within the SWGC (particularly Leppington Major Centre) develop.

The Catchment Area also includes a number of areas outside of Liverpool LGA from which a proportion of trade is assumed to be captured. This includes the whole of Fairfield LGA as well as the northern parts of Campbelltown LGA such as the suburbs of Macquarie Links, Macquarie Fields, and the majority of Glenfield.

Based on this Catchment Area, the expenditure modelling will determine the extent of over or under supply of retail floorspace for the LGA. Based on the result, growth in demand will be distributed across centres based on anticipated population and dwelling growth (e.g. at a suburb level), proposed and planned developments, their existing role and function and other attributes.

The extent of Catchment Area is depicted in the following figure.

Figure 8 - Liverpool LGA Catchment Area



Source: Map produced by Hill PDA using MapInfo 11.0 software and Microsoft Bing © 2011 Microsoft Corporation

7.2 Population Growth in the Catchment Area

For the purposes of determining demand, population projections have been sourced from the NSW Bureau of Transport Statistics (BTS). These projections were released in October 2009 and are based on the estimated resident population (ERP)³⁰.

Please note that the forecasts are based on travel zones which do not align precisely with suburb boundaries and therefore the population of Liverpool LGA as of 2006 in the following table differs from that recorded in the 2006 ABS Census data considered in Section 4.1.

³⁰ Note that the Liverpool LEP Proposed Amendments to B6 Zoning Study used population in occupied private dwellings

Table 12 - Population Projections for the Catchment Area to 2031

Area	Forecast Population						Growth 2006-2031	
	2006	2011	2016	2021	2026	2031	Persons	Av. Annual Growth
Liverpool LGA (excluding SWGC)	160,958	175,920	188,964	198,746	209,650	219,692	58,735	1.25%
SWGC Precincts in LGA*	9,957	10,418	13,030	32,156	49,687	64,904	54,947	6.4%
Total Liverpool LGA	170,915	186,338	201,993	230,902	259,337	284,596	113,681	1.7%
Fairfield LGA	187,263	191,580	196,213	202,519	207,248	216,745	29,482	0.5%
Campbelltown LGA North**	18,889	19,768	21,287	22,549	23,552	24,943	6,054	0.9%
Total Catchment Area	377,067	397,686	419,493	455,970	490,137	526,284	149,217	1.34%

Source: Final TDC (now BTS) October 2009 Release Population Forecasts (2010), Hill PDA (2012)

* Comprises all or part of the following SWGC Precincts: Kemps Creek, North Bringelly, North Rossmore, Austral, Leppington, Rossmore and Bringelly

** Comprises the suburbs of Macquarie Links, Macquarie Fields, and Glenfield. Note that for the suburb of Glenfield one travel zone (TZ1272) has been excluded given that it forms part of the SWGC.

The results above indicate that the population of Liverpool LGA will increase from an estimated 170,915 persons in 2006 to 284,596 persons in 2031, equating to average annual growth of 1.7%. Nearly half of the forecast population growth is attributable to the release and development of precincts in the SWGC.

7.3 Household Expenditure

Household expenditure in each catchment is dependent upon population size, household size and the socio-demographic characteristics of those households. Most notably there is a strong correlation between expenditure and household type and household income levels. Household expenditure was sourced from:

- The ABS Household Expenditure Survey 2003-04 which provides household expenditure by broad commodity type by household income quintile; and
- MarketInfo 2009 which is generated by combining and updating data from the 2006 Census and the ABS Household Expenditure Survey (HES).

MarketInfo combines the data from the Census, HES and other sources to derive total HES by commodity type. This data, which was validated using taxation and national accounts figures, quantifies around 14% more expenditure than the ABS HES Survey.

Average retail spend in Liverpool LGA per capita was \$11,103 in 2009 (including food and liquor consumed on premises, cinema admissions and selected personal services defined under ANZIC). This compares to an average per capita spend of \$10,115 for Fairfield LGA and \$10,739 for residents in Campbelltown LGA North. Average per capita expenditure is expected to increase by around 1.3% per annum as a result of increasing affluence and in line with historic trends³¹.

The following table shows total retail expenditure attributed to the Catchment Area to 2031.

³¹ Expenditure per capita has increased at around 1.3% to 1.4% above CPI every year since 1986 (ABS Retail Sales, CPI and Population Estimates). Note that this estimate was consistent with the Hill PDA assumptions being used at the time the expenditure modelling was undertaken, being June 2012

Table 13 - Total Forecast Household Expenditure to 2031 (\$m2009)

Area	2011	2016	2021	2026	2031
Within Liverpool LGA					
Liverpool LGA (excluding SWGC)	2,088.6	2,393.2	2,685.0	3,021.2	3,377.2
SWGC in Liverpool LGA	124.2	168.5	461.1	767.0	1,072.9
Total Liverpool LGA	2,212.9	2,561.7	3,146.0	3,788.4	4,450.1
Fairfield LGA	2,069.7	2,261.1	2,489.5	2,717.6	3,031.7
Campbelltown LGA north	237.8	273.1	308.6	343.8	388.4
Total Catchment Area	4,520.2	5,095.9	5,944.2	6,849.6	7,870.2

The above results show that the total amount of retail expenditure generated by residents of the Catchment Area was estimated at \$4.5bn in 2011. This is forecast to increase to nearly \$8bn by 2031.

Marketinfo provides a breakdown of this spend by retail store type. The following table shows total retail expenditure generated by the Catchment Area by store type.

Table 14 - Total Forecast Household Expenditure by Retail Store Type to 2031 (\$m2009)

Retail Store Type	Proportion	2011	2016	2021	2026	2031
Supermarkets & Grocery Stores	30.7%	1,388.5	1,563.6	1,816.7	2,086.8	2,392.6
Specialty Food Stores	9.6%	432.0	486.8	566.4	651.3	747.4
Fast-Food Stores	8.0%	360.7	407.1	477.2	552.1	636.1
Restaurants, Hotels and Clubs*	6.8%	309.2	349.3	410.5	475.8	548.9
Department Stores	8.4%	379.2	427.6	499.4	575.9	662.2
Clothing Stores	5.1%	231.3	260.9	305.7	353.5	407.1
Bulky Goods Stores	13.6%	613.6	692.7	811.6	938.7	1,081.0
Other Personal & Household Goods	15.1%	683.5	770.1	896.0	1,030.4	1,182.3
Selected Personal Services**	2.7%	122.2	137.8	160.7	185.2	212.7
Total	100.0%	4,520.2	5,095.9	5,944.2	6,849.6	7,870.2

* Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling)

** Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos

7.4 Capture Rates

Of total household expenditure generated by the Catchment Area, not all will be captured by retail centres in Liverpool LGA. A proportion of expenditure will escape to other centres and locations. Assumptions as to how much expenditure can be captured from various locations are discussed below.

Liverpool LGA (excluding SWGC precincts)

Not all retail expenditure generated by residents will be retained by centres within the LGA. The three main reasons for escape expenditure are:

- Around 6% to 7% of total household expenditure is spent by residents whilst on holidays (overnight) and/or making day trips (more than 50km travelled) as defined by Tourism Australia³².

³² Total retail tourism spend in NSW (Tourism Research Australia) equals 7% of the total household expenditure generated in NSW (Marketinfo 2009). This assumes that tourism retail spend going out of NSW is equal to tourism retail spend coming in to NSW

- Expenditure on retail goods and services near the place of work. Based on Journey to Work data compiled by the Bureau of Transport Statistics based on ABS data, in 2006 Liverpool had more than 67,000 working residents yet less than 49,000 jobs – a job containment ratio of 73%. As much as 15% to 20% of household expenditure can be spent close to the place of work but this proportion varies considerably between locations depending upon the levels of retail offer. Hence around 5% of total household expenditure escapes the LGA for this reason.
- Some expenditure will be lost to other competing regional and higher order centres such as Parramatta and Sydney CBD. Some will also be lost to the likes of brand outlet centres such as DFO Homebush and Brands on Sale Campbelltown.

Based on the above, it is estimated around 15% of Liverpool LGA's household retail expenditure is lost to centres outside the local government area boundary.

That said, it must also be recognised that capture of retail spend from residents west of the M7 will decline over time due to the development and opening of centres in the SWGC, particularly Leppington Major Centre which will be closer to residents in this location. To account for the expected contraction of the trade area as a result of Leppington Major Centre, capture rates beyond 2021 from residents west of the M7 has been reduced.

SWGC in Liverpool LGA

The SWGC Structure Plan allows for retail centres to be developed as a result of population growth in released precincts. However, we have incorporated an allowance for a proportion of household expenditure generated by residents in these precincts to be captured by retail facilities in Liverpool LGA, particularly prior to Leppington Major Centre coming online. Such expenditure is generated by households currently residing in the defined SWGC precincts in existing settlements such as Austral and Rossmore.

As a result in 2011 it has been assumed that the majority of expenditure generated by these precincts will be directed to centres in Liverpool LGA, equivalent to around 85% of total expenditure. At 2016 and beyond, this proportion of capture reduces to account for new centres which will be developed (i.e. Leppington Major Centre which will be developed in stages over a number of years).

By 2021, capture of retail spend from residents in the SWGC is assumed to fall to between 4% and 5% for all types of store types, with the exception of bulky goods for which a 30% capture rate is assumed.

As a result existing centres within Liverpool LGA have the ability to capture around \$106m of expenditure in 2011 from residents in these locations (i.e. not including Leppington Major Centre and the other centres which will form part of the SWGC and which will be located in Liverpool LGA). By 2031, capture of this spend will decrease to \$90m as a result of trade diversion associated with Leppington Major Centre.

Balance of the SWGC

Note that a 30,000sqm expansion of bulky goods floorspace at Crossroads was recommended in the "Retail Floorspace Capacity and Staging Project in the Austral, Leppington North and Oran Park Precincts" undertaken by Hill PDA for the DoPI in May 2010. This expansion was to meet demand emanating from residents of the SWGC. Whilst some of this demand is accounted for by residents in the SWGC in Liverpool LGA, an allowance for bulky goods demand generated by residents in the balance of the SWGC was made in the assessment.

In this Review, additional demand for bulky goods floorspace at Crossroads from the balance of the SWGC has not been added to the retail expenditure captured in 2011 (given that facilities in Liverpool LGA are unlikely to capture any expenditure from this area in 2011). That said, it has been factored into floorspace demand in 2016 and beyond.

Fairfield LGA

It has been assumed that retail centres in Liverpool LGA capture around 10% of Fairfield's total expenditure. This is spread across retail store types as follows:

- 3% for food and grocery shopping;
- 20% for department store and clothing store merchandise;
- 35% of their bulky goods expenditure; and
- 5% of all other categories.

As a result we estimate that around \$210m of expenditure from Fairfield residents in 2011 is captured by retailers in Liverpool. This capture rate is assumed because Fairfield LGA contains limited bulky goods facilities and given the size and offering of Liverpool City Centre which includes a Myer store and 2 DDSs (Big W and Target). Fairfield LGA does not contain a department store and the southeast of the LGA lacks a DDS.

Note with respect to the capture rates for Fairfield LGA, and the assumed capture rates for other areas outside of Liverpool LGA (excluding SWGC precincts), that these are broad scale capture rates across the whole of that area. They are not site specific. Capture rates for a specific development adjacent to the boundary of Fairfield LGA, for example, may have a trade area which extends into Fairfield LGA and may attract a higher proportion of trade from this part of the trade area than the capture rates assumed in this Study. As such, the capture rates for particular projects within Liverpool LGA will vary and will need to be reviewed on their own merits on a case by case basis based on locational attributes, trade area, strength of attraction and so on.

Campbelltown LGA north

It has been assumed that retail centres in Liverpool LGA capture around 15% of the total expenditure from residents in the north of Campbelltown LGA. This is spread across retail store types as follows:

- 30% for department store and clothing store merchandise;
- 50% of their bulky goods expenditure in 2011, increasing to 75% by 2016 and beyond; and
- 5% of all other categories.

As a result, centres within Liverpool LGA have the ability to capture around \$35m of expenditure in 2011 from residents in Macquarie Links, Macquarie Fields, and Glenfield. By 2031, capture of this spend will increase to some \$57m. A proportion of the expenditure generated by households in this area is assumed to be captured by retail facilities in Liverpool LGA due to the close proximity of residents to Crossroads, the size of the retail offer provided in Liverpool City Centre and given its closer proximity to residents compared to Campbelltown-Macarthur Major Centre.

Total Retail Expenditure Captured by Liverpool LGA (excluding SWGC)

Based on applying the abovementioned capture rates to the expenditure generated by households in the Catchment Area, the table below shows total expenditure available to retailers in Liverpool LGA (excluding planned centres in the SWGC). Note that this is based on the 2011 catchment area (i.e. excluding the balance of the SWGC outside of Liverpool LGA).

Table 15 - Retail Spend Captured in Liverpool LGA (excluding SWGC) (\$m2009)

Retail Store Type	Capture Rate 2011	2011	2016	2021	2026	2031	Growth 2011 to 2031	
							\$m	%
Supermarkets & Grocery Stores	43%	590.3	651.5	712.5	792.5	887.9	297.6	50%
Specialty Food Stores	43%	185.3	205.3	222.7	246.2	276.0	90.7	49%
Fast-Food Stores	45%	160.8	179.3	193.3	213.9	239.8	79.0	49%
Restaurants, Hotels and Clubs*	45%	140.0	156.1	167.3	183.7	206.0	66.0	47%
Department Stores	52%	198.9	220.9	227.9	237.4	265.6	66.7	34%
Clothing Stores	52%	121.3	134.3	139.0	144.8	162.1	40.8	34%
Bulky Goods Stores	61%	374.4	423.8	459.8	493.4	560.0	185.6	50%
Other Personal & Household Goods	44%	300.3	330.7	339.9	350.4	391.9	91.6	31%
Selected Personal Services**	44%	54.0	60.2	63.2	67.8	76.0	22.0	41%
Total Retail Spend Captured	47%	2,125.3	2,362.1	2,525.5	2,730.2	3,065.2	939.9	44%

* Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling)

** Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos

The results show retailers in Liverpool LGA (excluding the SWGC) captured over \$2bn of retail expenditure in 2011, which accounted for approximately 47% of the total expenditure generated in the Trade Area. This is forecast to increase to over \$3bn by 2031, by which point the overall capture of expenditure will fall to 39% as a result of the opening of Leppington Major Centre and other retail facilities in the SWGC.

Liverpool City Centre in particular may capture a small proportion of retail expenditure from outside the Catchment Area as a result of workers commuting to the centre from beyond it. We have not incorporated an additional allowance for such expenditure in the expenditure modelling given that the amount of expenditure capture is hard to quantify and likely to be relatively modest within the context of total expenditure calculated in Table 15.

7.5 Retail Floorspace Demand

Demand for retail floorspace is calculated by applying target turnover rates on a per square metre basis to expenditure captured. The table below provides assumed target turnover rates (or industry benchmarks) by retail store type to 2031. The table assumes that real turnover will increase at a rate of around 0.65% per annum³³.

³³ This is in line with historic trends. Expenditure per capita has increased at around 1.3% to 1.4% above CPI every year since 1986. Around half of this increase has translated into an increase in retail floorspace per capita (from 1.8sqm in the 1980s to around 2.1-2.2sqm today). The balance of the increase in expenditure has translated into a real increase in turnover per square metre rates.

Table 16 - Benchmark Turnover Rates in 2011 to 2031 (\$/sqm GLA)

Retail Store Type	2011	2016	2021	2026	2031
Supermarkets & Grocery Stores ³⁴	11,000	11,362	11,736	12,123	12,522
Specialty Food Stores	7,500	7,747	8,002	8,265	8,538
Fast-Food Stores	7,500	7,747	8,002	8,265	8,538
Restaurants, Hotels and Clubs**	4,750	4,906	5,068	5,235	5,407
Department Stores ³⁵	3,500	3,615	3,734	3,857	3,984
Clothing Stores	5,000	5,165	5,335	5,510	5,692
Bulky Goods Stores	3,500	3,615	3,734	3,857	3,984
Other Personal & Household Goods Retailing	4,500	4,648	4,801	4,959	5,123
Selected Personal Services**	4,000	4,132	4,268	4,408	4,553

Sources: ABS Retail Survey 1998-99 (escalated to 2007 dollars), JHD Retail Averages, Hill PDA and various consultancy studies.

* Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling)

** Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos

By applying the benchmark turnover rates to the capture of expenditure, forecast demand for retail floorspace can be calculated as indicated in the following table.

Table 17 - Forecast of Retail Floorspace Demand in Liverpool LGA to 2031 (sqm GLA)

Retail Store Type	2011	2016	2021	2026	2031
Supermarkets & Grocery Stores	53,662	57,335	60,706	65,377	70,908
Specialty Food Stores	24,712	26,507	27,828	29,786	32,324
Fast-Food Stores	21,444	23,140	24,162	25,874	28,091
Restaurants, Hotels and Clubs*	29,476	31,814	33,004	35,097	38,101
Department Stores	56,828	61,094	61,022	61,546	66,653
Clothing Stores	24,257	25,999	26,053	26,286	28,474
Bulky Goods Stores	106,978	117,227	123,133	127,909	140,564
Bulky Goods Demand from SWGC Balance	-	1,124	3,145	7,394	12,741
Other Personal & Household Goods Retailing	66,729	71,150	70,801	70,654	76,503
Selected Personal Services***	13,493	14,581	14,807	15,389	16,686
Total Retail Floorspace Demand	397,578	429,971	444,661	465,312	511,045

* Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling)

** Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos

The following table shows a comparison of floorspace supply to demand in 2011. Note that for the purposes of comparing supply and demand, a range of specialty retail store types have been grouped together. Specialty retail floorspace comprises all retail store types excluding 'Supermarket & Grocery Stores', 'Department Stores' and 'Bulky Goods Stores'.

³⁴ Note that supermarket and grocery store target turnover rates have been estimated considering the following data:

- Woolworths Annual Report 2011 Page 86. Woolworths at the beginning of 2010-11 FY had 823 supermarkets in Australia with an average floor area of 2,676sqm (Footnotes states that it includes Dan Murphy stores but excludes BWS stores and petrol outlets). Sales per square metre = \$15,895/sqm which was a 9% increase from 2007 (\$14,571/sqm).
- ABS Retail Survey in 1998-99 had supermarkets trading at an average of \$7,666/sqm across Australia. To June 2011 CPI growth has been 45.8%. Hence based on 2011 dollars average sales were \$11,176/sqm.
- Generally it is known in the industry that Woolworths supermarkets trade the highest, followed by Coles and that Franklins and IGAs are lower.

³⁵ Note: This target turnover rates refers to both department stores and Discount Department Stores (DDSs). Target turnover rates vary between different retailers. We understand that department stores trade at a little under \$3,000/sqm whilst DDSs trade at around \$4,000/sqm or more. Big W is the strongest performing DDS in terms of sales per square metre. In our view \$3,500/sqm is an appropriate target turnover rate to use.

Table 18 - Floorspace Demand vs. Supply in Liverpool LGA in 2011 (sqm GLA)

Retail Store Type	Existing Floorspace	Floorspace Demand	Difference
Supermarkets & Grocery Stores	47,130	53,662	-6,532
Specialty Stores*	176,758	180,110	-3,352
Department Stores/ DDS	48,757	56,828	-8,071
Bulky Goods Stores	104,417	106,978	-2,561
Total Retail Spend Captured	377,062	397,578	-20,516

Blue indicates oversupply, Red indicates undersupply.

* Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling).

** Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos.

The results show that Liverpool LGA is undersupplied by some 20,500sqm of retail floorspace in 2011. Department and discount department stores accounted for the largest proportion of this undersupply at 8,071sqm (or 40% of total floorspace undersupply). The remainder of this undersupply was accounted for by supermarkets (6,500sqm undersupply), specialty stores (3,400sqm) and bulky goods stores (2,600sqm).

The table below compares supply and demand of retail floorspace between 2016 and 2031 to determine the need for additional retail floorspace in Liverpool LGA. Note that the table assumes that there are no additions to the supply side over the 2011 to 2031 period.

Table 19 - Supply vs. Demand in Liverpool LGA 2016 to 2031 (sqm GLA)^

Retail Store Type	Supply 2016	2016	2021	2026	2031
Supermarkets & Grocery Stores	47,130	-10,205	-13,576	-18,247	-23,778
Specialty Stores*	176,758	-16,431	-19,898	-26,328	-43,420
Department Stores	48,757	-12,337	-12,265	-12,789	-17,896
Bulky Goods Stores	104,417	-13,934	-21,861	-30,886	-48,888
Total Retail Spend Captured	377,062	-52,908	-67,600	-88,250	-133,982

Blue indicates oversupply, Red indicates undersupply

* Comprises the following retail store types: Specialty Food Stores, Fast-Food Stores, Restaurants, Hotels and Clubs, Clothing Stores, Other Personal & Household Goods Retailing, Selected Personal Services

The table above indicates that by 2016, Liverpool LGA will be undersupplied by almost 53,000sqm of retail floorspace. This is forecast to increase to 134,000sqm by 2031.

Further to retail floorspace demand, is the demand for shopfront space occupied by non-retail commercial users. There are different types of commercial space such as:

- Non-retail in shopfront floorspace such as a travel agent, bank, doctors and so on, these make up around 5% to 7% of total retail shopfront space in a retail centre³⁶; and
- Non-shopfront commercial spaces being stand-alone commercial buildings and shop top commercial above retail.

As a rule of thumb an additional 5% to 10% of specialty stores³⁷ should be provided to accommodate these uses with a further 3% to 4% of specialty stores assumed to be vacant at any one time. Based on these assumptions, by 2031 demand for shopfront floorspace in the Liverpool LGA (outside of the SWGC) will increase to between

³⁶ Note: The proportion of non-retail commercial uses provided within total shopfront floorspace varies significantly depending upon the centre. Non-retail uses are typically lower rent payers and therefore such uses are found in greater proportions in strip retail and poorer performing centres, within which such uses can account for up to 15% of total floorspace. In large shopping centres, such as Westfield Liverpool, and in well performing centres where demand for representation from specialty retailers is stronger, the proportion of non-retail commercial uses is much lower and can be less than 5%. In our view 5-7% is an appropriate mid-range estimate as a proportion of total floorspace.

³⁷ Typically this proportion is as little as 5% to 7% in the indoor centres but may be as high as 30% to 40% in traditional strip retail centres.

145,000sqm to 153,000sqm. As previously indicated Liverpool LGA currently (2011) contains approximately 337,000sqm of shopfront floorspace.

8. ACCOMMODATING GROWTH

This Chapter considers options to accommodate the required floorspace growth across the LGA. It is based on an analysis of population growth, existing supply, development proposals and other local factors as relevant. The following chapter examines options for growth in the short term (2011-2019), medium term (2019-2026) and long term (beyond 2026).

In general terms, it is that part of Liverpool LGA west of the M7 which is anticipated to experience the greatest need for additional supermarket facilities over the 2011 to 2031 period, reflecting the significant population growth forecast for this area. The Cecil Hills/ Green Valley area also exhibits strong growth in demand for additional supermarket facilities.

Department, discount department and bulky goods floorspace demand also experiences significant growth over the period. Much of this demand will come from the inflow of expenditure from outside, particularly Fairfield for department store floorspace and the SWGC for the bulky goods floorspace.

8.1 Future Expansion Summary

The following table summarises the potential accommodation of floorspace growth in Liverpool LGA over time. These recommendations are further discussed in the following sections of this Chapter.

Table 20 - Targeted Increase in Supply of Retail Space (GLA sqm)

	2011-2019	2019-2026	Post 2026	TOTAL
LIVERPOOL CITY CENTRE				
Total		15,000	20,000	35,000
TOWN CENTRES:				
Moorebank		5,000		5,000
OTHER CENTRES:				
Miller or Green Valley		5,000		5,000
NEW CENTRES:				
Holsworthy Plaza	7,000			7,000
Middleton Grange	5,500			5,500
ORANGE GROVE:				-
Freestanding Retail Units [^]	3,000			3,000
CROSSROADS:				-
Bulky Goods		15,000	15,000	30,000
OTHER FLOORSPACE:				-
Masters, Len Waters Estate	8,300			8,300
Masters, Munday Street	8,300			8,300
Retail Development on B6 Lands	1,500	6,000	6,000	13,500
TOTAL LGA	33,600	46,000	41,000	120,600

Note: The table includes planned and proposed centres

[^] Relates to potential Dan Murphys and Aldi stores at Orange Grove

Note that the recommendations provided above are based on an examination of retail supply and demand at more detailed spatial scales than that of the Liverpool LGA as a whole (i.e. the Carnes Hill area, the Wattle Grove area

and so on). The recommendations are based on population and dwelling growth assumptions in these areas, and planned and proposed developments.

In total, around 120,600sqm of additional retail space is proposed in Liverpool LGA over the next 30 years. Around 29% of this (35,000sqm) would be accommodated within Liverpool City Centre. Significant amounts of retail floorspace would also be accommodated by development in Crossroads 30,000sqm (25%). Note that the timings of the proposed floorspace may vary.

The targets aim to accommodate an additional 121,000sqm of shopfront retail floorspace in Liverpool LGA in the long term which is somewhat less than the 134,000sqm of demand calculated in Table 19. However, this allows for other proposed developments to be brought forward over this period which may include the proposed Costco and Crossroads, the proposed brand outlet premises at Orange Grove Road or other retail proposal as yet unknown.

The impact of Leppington Major Centre in the long term, in terms of trade diversion from Liverpool City Centre, is uncertain and floorspace increases should be reviewed at least every 5 years to reflect the impact of this centre.

As acknowledged previously in this Study a Costco of 13,000sqm GLA is proposed at Crossroads. If this development were to eventuate it would satisfy some of the undersupply of supermarket & grocery store, specialty store, department store and bulky goods store floorspace identified. Indeed, analysis of the Economic Impact Assessment submitted to Council in support of the Costco³⁸ indicates that of the 67% of total sales achieved by Costco (\$120m in 2013 in \$2010) which would be derived from household expenditure, some 67% or \$54m would relate to food, grocery and liquor sales. Residual household related trade would be derived from a broad range of retail goods categories including leisure/ general (\$9m or 11% of trade in 2013), homewares (\$5m or 7%), bulky merchandise (\$5m or 7%) and apparel (\$5m or 6%). The trade area served by Costco would however be significantly larger than that considered in this Study. In our view if the proposed Costco development were to eventuate it may satisfy the demand for up to one full-line supermarket and one DDS identified in Section 7.5.

If a brand outlet premises at Orange Grove were to eventuate, this would also cater for a proportion of the identified demand for department store and speciality retail floorspace identified in the Study.

8.2 Short-term Growth (2011-2019)

Liverpool City Centre

Opportunities to strengthen or consolidate the retail offer of Liverpool City Centre in the short-term to 2019 should be supported by Council. Short term growth in the Liverpool City Centre can be encouraged through a variety of initiatives, in particular the relevant Actions contained within the Liverpool City Centre Vision.

Middleton Grange

Middleton Grange is a new residential suburb being developed to the west of the M7 north of Hoxton Park and West of the former Hoxton Park aerodrome. It is expected to accommodate more than 10,000 people once fully

³⁸ Source: Costco Economic Impact Assessment, Essential Economics (March 2011)

developed and we understand that a town centre of around 5,500sqm is proposed, of which around 500sqm will be homemaker style floorspace. This would assist in meeting the need arising in the short-term in this area and should include a full-line supermarket and specialty stores and shopfront commercial retail facilities.

Holsworthy Plaza

Holsworthy Plaza in the south-west of Liverpool LGA has existing DA approval for the development of 7,000sqm of retail floorspace including ALDI and Coles supermarkets. Examination of the retail demand generated by residents of the Wattle Grove area in isolation indicates an undersupply of supermarket and specialty floorspace in this area in 2011 and beyond. The Holsworthy Plaza development will address the immediate undersupply of supermarket floorspace and will negate the need for any additional supermarket floorspace in the area to 2031, based on current population projections.

Orange Grove

A total of 3,000sqm of floorspace at Orange Grove has been allowed for in the short-term. This comprises a Dan Murphy's retail and the provision of an ALDI store.

Amendment 22 to the Liverpool LEP seeks to facilitate the use of the weekend markets site for the purposes of a 19,000sqm brand outlet premises by amending Schedule 1 for 5 Viscount Place. It has been accepted by the DoPI under the Gateway process but is still being considered by Council. As this development is only a possibility at this stage, and is not a finalised development, it has not been included in our assessment of supply. However we note that, if it were to be approved, it would be likely to attract additional expenditure from residents outside of the Liverpool LGA that would not otherwise be directed to it, particularly from residents in the Fairfield LGA. As such, there is likely to be sufficient retail need to justify an outlet centre of this size in the short term to 2019. Notwithstanding this, detailed consideration of economic impacts associated with this proposed development will be required to determine whether it is acceptable in economic terms.

ALDI has expressed an interest in locating at Orange Grove in their submission to the Review. Amendment 19 to the Liverpool LEP has now been made which increases the permissible threshold of 'retail premises' in all B6 zones to 1,600sqm, together with permitting the rezoning of land fronting Orange Grove Road from B5 to B6 uses. The effect of these changes could therefore be to facilitate the development of an ALDI store at Orange Grove in the short-term.

In this regard, it is noted there are existing ALDI stores in Fairfield LGA at Bonnyrigg, Fairfield, Fairfield West, Villawood and Guildford. However the area to the south-east of Cabramatta is not served by any ALDI supermarkets. Orange Grove is well situated to service this unmet demand resulting from the lack of provision in Cabramatta's trade area.

Crossroads

Note that no allowance for additional development at Crossroads has been made in the short-term. Although Costco is seeking to locate in Crossroads, as this is only a proposal at this stage no allowance for it has been made.

Miller

Proposals seeking the redevelopment of, or the extension of, Miller Shopping Centre over the short-term should be supported in order to improve the trading performance of this centre and widen choice for residents in the trade area which it serves. It is noted that Council has approved a Development Application recently to enable the renovation of the centre.

Other Bulky Goods

Two Masters home improvement centres are proposed, one each at the Len Waters estate and Munday Street, Warwick Farm. Both proposals are subject to Development Applications.

Retail Development on B6 Lands

Council has made Amendment 19 to the Liverpool LEP which increases the size of retail premises permissible in the B6 Enterprise Corridor zone from 1,000sqm to 1,600sqm. As a result a number of retail stores are likely to be developed on B6 land within the Liverpool LGA in the short, medium and long term. An allowance for such development has been made in the future expansion summary.

8.3 Medium-term Growth (2019-2026)

Liverpool City Centre

Expansion opportunities in Liverpool City Centre to 2026 should be supported. These could include the provision of additional department store or DDS floorspace (5,000sqm) and further specialties. In total an expansion of up to 15,000sqm of retail floorspace in Liverpool City Centre is supportable. Opportunities for infill development within Liverpool City Centre should be supported.

Valley Plaza/ Miller

By 2026 there will be over 7,000 additional people living in the Green Valley/ Cecil Hills trade area as a result of new residential development. This will lead to additional demand for a further full-line supermarket (3,000sqm). This floorspace undersupply could best be met by an expansion of the retail offer provided in either Valley Plaza or Miller. An expansion could also include specialty retail floorspace in the order of 2,000sqm.

Orange Grove

In the medium term (i.e. the 2019-2026 period) a change in the role of Orange Grove may be supported by Council to diversify its retail offer beyond bulky goods, subject to economic impact issues. This reflects the evolving nature of the area given the proposed brand outlet premises and Dan Murphy's and a number of the

submissions to the Review relating to ALDI, Kmart and other non-bulky goods retail. Provision of retail floorspace of this nature would have some adverse impact upon the Liverpool City Centre, the extent of which should be quantified in the economic impact assessments accompanying the planning proposal and development applications for such uses.

In this regard we note that there is some undersupply of department and discount department store floorspace in 2011 and beyond in Liverpool LGA. Fairfield LGA has a number of discount department stores being in Bonnyrigg, Fairfield and Prairiewood. However to the south-east Cabramatta is not served by any discount department stores. Orange Grove is well situated to service this unmet demand resulting from the lack of provision in Cabramatta's trade area. The provision of a DDS and associated facilities at Orange Grove would attract to Liverpool LGA additional retail expenditure which would not otherwise be directed to it. Notwithstanding this, potentially a significant proportion of expenditure would be redirected from Liverpool City Centre.

It is not clear whether the impacts of development of this nature on Liverpool City Centre would be deemed acceptable and therefore whether this development is likely to proceed. In the targeted floorspace increases recommended in Table 20 we have not allowed for additional retail floorspace at Orange Grove in the medium and long-term. It is assumed that if such retail floorspace is provided it would comprise reoccupation of existing floorspace.

It is understood that Harvey Norman may wish to relocate in the future, which would provide vacant floorspace capable of accommodating other retail uses. Notwithstanding this, we recognise that Orange Grove has capacity to expand within the parameters of the existing B5 zoning should an expansion be required and justified in economic terms.

Based on the above, outside of that land zoned for B5 Business Development, there is no requirement for additional lands at Orange Grove to be redeveloped for bulky goods (i.e. the Schweppes and Campbell's Cash and Carry sites should they become available).

Moorebank

If the opportunity arises, an extension to retail provision in Moorebank could be supported to provide in the order of 5,000sqm of additional retail floorspace.

Crossroads

In the medium term a 15,000sqm expansion of bulky goods floorspace at Crossroads should be supported. Additional bulky goods floorspace in this location would cater for demand from residents of the SWGC in an existing and established bulky goods destination. This recommendation is also consistent with Hill PDA's previous advice to the DoPI in the "Retail Floorspace Capacity and Staging Project in the Austral, Leppington North and Oran Park Precincts"³⁹. Crossroads is well placed to meet the needs of residents in the SWGC and the Liverpool LGA.

³⁹ "Retail Floorspace Capacity and Staging Project in the Austral, Leppington North and Oran Park Precincts" undertaken by Hill PDA for the DoPI (May 2010)

Retail Development on B6 Lands

For the purposes of this Review, it is assumed that Amendment 19 will lead to the development of two 1,500sqm food stores and two 1,500sqm non-food stores on B6 zoned land across the LGA in the medium term.

8.4 Long-Term Growth (Post 2026)

Liverpool City Centre

Growth in the long term beyond 2021 will be sufficient to support a significant expansion of retail floorspace provided within Liverpool City Centre. At least a further 20,000sqm of supermarket, speciality, and department and discount department store floorspace could be provided to strengthen the retail offer of the centre. It is likely to suffer some loss of trade as a result of Leppington Major Centre, and therefore an expansion such as recommended, will assist in rejuvenating the retail offer of the CBD.

Crossroads

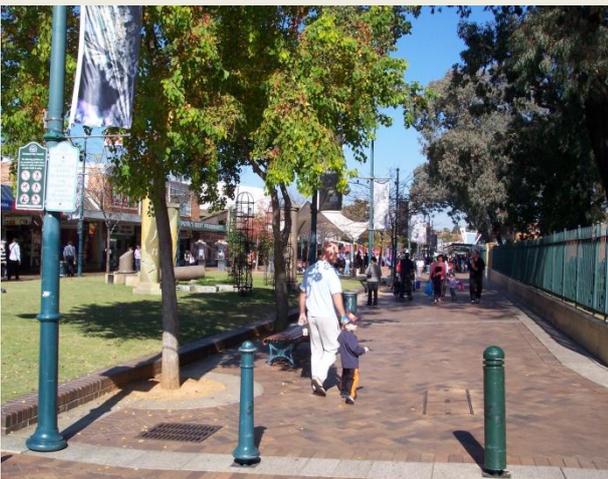
A further 15,000sqm expansion of bulky goods floorspace at Crossroads should be supported in the long term to cater for demand emerging out of the SWGC.

Retail Development on B6 Lands

For the purposes of this Review it is assumed that Amendment 19 will lead to the development of a further two 1,500sqm food stores and two 1,500sqm non-food stores on B6 zoned land across the LGA in the long term.

Part C – Planning & Policy Recommendations

The last part of the Review translates the key findings of Parts A and B into recommendations for the LGA. Part C provides guidance on planning controls which Council may wish to use to control and encourage business centre development in the future in line with the recommended retail hierarchy. The recommendations also provide Council with an approach through which proposals for retail development can be assessed in the future. Within the context of our recommendations, Part C provides an assessment of relevant submissions which have already been made to Council.



9. RECOMMENDATIONS

This Chapter sets out a series of recommendations for Council as a result of the findings of the Review. It suggests a retail and commercial centres hierarchy for the LGA, including those which will form part of the SWGC, and considers how this may be supported through future LEP zonings. It also sets out specific guidance for each of the main centres in the LGA.

9.1 Retail/Commercial Centres Hierarchy

The following retail and commercial centres hierarchy is recommended for Liverpool LGA:

Table 21 - Liverpool LGA Retail & Commercial Centres Recommended Hierarchy

Centre Typology	Retail Centre
Regional City (1)	Liverpool City Centre
Town Centre (6)	Carnes Hill Casula Mall Edmondson Park Green Valley Miller Moorebank
Out-of-Centre Bulky Goods Clusters (2)	Orange Grove Crossroads
Village Centre (6)	Chipping Norton Cecil Hills Flowerdale Middleton Grange Holsworthy Plaza Wattle Grove
Small Village Centre (9)	Hammondville Hoxton Park Edmondson Ave/ 10 th Austral Prestons Luddenham Green Valley Road Lurnea Governor Macquarie Shopping Centre Casula Shopping Centre
Neighbourhood Centre (24)	Elizabeth Drive/ Park Road/ Marsden Road West Hoxton Heckenberg Exhibition Parade Sinclair Road, Ashcroft Sadleir Cartwright Maryvale Avenue Boundary Road Rose Street Warwick Farm Goulbourn Street Grimson Crescent Camden Valley Way, Casula De Meyrick Avenue Marsh Parade Chipping Norton Shopping Centre Liverpool Day Surgery

Newbridge Road
 Heathcote Road/ Wattle Grove Drive
 15th/ 22nd, Austral
 Edmondson Ave/ 15th, Austral
 Rossmore
 Bringelly

Note that Leppington Planned Major Centre has not been included as part of the recommended hierarchy given that the majority of this centre falls within the Camden LGA boundary. However, Leppington should be recognised as forming part of the broader regional retail dynamics and will be used by future residents of the Liverpool LGA located in the SWGC as their primary retail centre.

By adopting this hierarchy Council can be guided in the assessment of future proposals for new centres and expansion of existing centres. The purpose of the hierarchy is to ensure that the roles of these centres are clearly defined and that expansion of one centre will not threaten the role of another centre further up or down the hierarchy.

The Review has identified a need to increase floorspace to meet growth in demand. The options for increasing floorspace are based on the need to maintain a functional hierarchy of centres and to balance the retail offer, competitiveness and accessibility for consumers.

In accordance with the Liverpool LEP 2008, the role of B5 lands such as Orange Grove and Crossroads is:

- *To enable a mix of business and warehouse uses, and bulky goods premises that require a large floor area, in locations that are close to, and that support the viability of, centres.*
- *To maintain the economic strength of centres by limiting the retailing of food and clothing.*
- *To provide for a larger regionally significant business development centre in a location that is highly accessible to the region.*
- *To ensure a reasonable concentration of business activity.*

On this basis their primary role in retail terms is to accommodate specific, large scale business, warehouse and bulky goods uses which cannot be accommodated within centres due to insufficient space. The preferred location for all new retail floorspace, including bulky goods floorspace, is within centres. In accommodating uses which are unable to locate within centres, B5 lands support rather than compete with the centres hierarchy. Retail would not normally be appropriate in these locations due to the potential for adverse economic impacts on centres.

Specifically in terms of Liverpool City Centre, Council may seek to support future investment by investigating options for key development sites, such as those identified in Section 5.3, to accommodate additional retail development in the future or by amending Schedule 1 of the Liverpool LEP. This may include considering, for example, ways in which any loss of parking on the Northumberland Street car park could be mitigated elsewhere in the centre to enable the future development of this key site. This would assist in ensuring that Liverpool City Centre has the capacity to accommodate future floorspace demand requirements. This approach would reflect the main inhibitor to future retail development in Liverpool City Centre being a lack of suitable, available and viable development sites.

9.2 LEP Land Use Zonings

The Liverpool LEP 2008 zoning and land use controls are set out in Appendix 1. Based on these, and the recommended retail and commercial centres hierarchy set out above, the use of the following zonings are recommended:

Table 22 - Liverpool LGA Retail & Commercial Centre Zones

Zone	Centres
B1 – Neighbourhood Centre	Neighbourhood Centres
B2 – Local Centre	Town Centres, Village Centres and Small Village Centres
B3 – Commercial Core	Liverpool City Centre core
B4 – Mixed Use	Liverpool City Centre periphery
B5 – Business Development	Orange Grove, Crossroads
IN1 – General Industrial	Warwick Farm

If Council approve additional development at Orange Grove and Crossroads, this may be most appropriately accommodated through adding additional uses as permissible. In doing so Council would retain a greater degree of control over the type of development which occurs in these areas, and thus mitigate the potential impacts upon Liverpool City Centre and other centres.

The size of zones needs to be carefully considered. Zones should be sufficient in scale to accommodate growth under this strategy. However they should not be too disperse such that it discourages containment of the retail core or excess supply of commercial land. At worst case a dispersed zone allows further fragmentation of the retail core and poor market performance.

Containment of retail centres is a desirable policy for several reasons:

- It reduces distances between shops and other commercial uses which encourages walking and reduces car trips;
- It improves the efficiency of the retail centre (as measured by the floor area of the centre divided by time taken to visit every retail and commercial premise);
- It improves convenience (as measured by time taken to travel to the centre, park the car, shop and return to the car);
- It improves convenience for those shoppers that don't or can't travel by car and hence improves equity of accessibility; and
- It improves price competition since improved convenience and efficiency enables shoppers to easily compare price and quality between retailers.

9.3 Commercial Office

Guiding development principles for commercial office space in Liverpool LGA include:

- 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 circumstances enterprise corridors;
- Identify a commercial core which should be protected and which may be surrounded by mixed use areas where commercial and retail uses can grow on lower floors below residential;
- Recognise that the economics of the suburban office market is currently fragile;
- Minimise development levies taking into account competition from other areas (e.g. Campbelltown); and
- Ensure that local planning controls provide for future commercial development in smaller centres.

9.4 Employment Uses

Employment uses can provide strong synergies with retail centres. Commercial centres with a high number of office workers generate demand in the centres for further retail space over and above household expenditure in the trade area. Workers may spend as much as 10-15% of their total household expenditure near their place of work if the retail offer is good.

It is important that when identifying which uses are appropriate for specific industrial areas, that consideration be given to restricting the commercial/retail development that is permitted. Retail should be restricted to bulky goods, a convenience store and fast foods to service the industrial parks and should not be permitted to selling foods and apparel items that would compete with the commercial centres. Office spaces should be encouraged in the commercial zones or in dedicated business parks and should be restricted in the industrial area. Office space in the IN zones should only be permitted where it is ancillary to the range of industrial type uses that are permitted.

9.5 Bulky Goods Nodes

Anecdotal evidence suggests that there is variation in the performance of existing bulky goods clusters in Liverpool. Crossroads appears to be performing strongly reflecting its location close to growing suburbs and the SWGC. The provision of a Costco store at Crossroads is likely to significantly improve the trading performance of this bulky goods node. We understand that Orange Grove and Warwick Farm are trading less strongly.

The Review recommends that Crossroads and Orange Grove are defined as Out-of-Centre Bulky Goods Clusters in the Liverpool LGA retail hierarchy. This would support their role in the provision of bulky goods to the Liverpool LGA and beyond. Limited diversification of retail uses e.g. through the provision of a Costco (Crossroads) and brand outlet premises (Orange Grove) may be acceptable. Costco and a brand outlet premises both require large site plots and easy accessibility by car, given the large trade areas which they serve, and therefore lend themselves to Out-of-Centre Bulky Goods Clusters. We are not aware of any suitable sites within Liverpool CBD capable of accommodating these uses. Other retail uses would not be appropriate in these locations given potential adverse economic impacts upon centres which could result, as well as in view of the “centres first” approach advocated by planning policy.

Orange Grove would be a suitable location at which to accommodate a brand outlet premises on the weekend markets site. Having said that there is potential for significant adverse economic impacts resulting from other types of retail uses at Orange Grove, on Liverpool City Centre in particular, and it has limited connectivity on foot to surrounding residential areas. As a result it is unlikely that this location would be suitable for diversification of retail uses beyond a brand outlet premises until the medium term at the earliest (i.e. beyond 2019).

As previously noted, the Schweppes and Campbell's Cash and Carry sites may become available for alternative uses in the near future. However, based on our expenditure modelling there is no need for additional land to accommodate retail or bulky goods demand to 2031. Should the Schweppes and Campbell's Cash and Carry sites become available, Council should consider uses other than retail or bulky goods.

We do not recommend any change to the IN1 General Industrial zoning of Warwick Farm.

Council has made one amendment to the Liverpool LEP to facilitate the development of a Masters at Munday Street, Warwick Farm (Amendment 18), and is considering a second amendment for a Masters at Len Waters estate (Amendment 24). Neither of these is located within an existing bulky goods cluster. Masters would consider themselves to be an anchor retailer in their own right and therefore unlike other bulky goods retailers they do not need to cluster together with similar uses. As such their preferred location is determined by proximity to their target market rather than influenced by the location of existing bulky goods retailers.

9.6 Consideration of Submissions & DAs

A number of submissions to the Review were received by interested parties. These are provided at Appendix 2 and summarised in Section 3.4. Our advice in relation to each of these is provided in the following table.

Table 23 - Summary of Submissions to the Review

Site	Hill PDA response
1450 Elizabeth Drive, Kemps Creek	The site subject to this submission is located within the SWGC and therefore is outside the scope of this Review. Notwithstanding, this we note that the Kemps Creek suburb within which the site is located will contain a modest 1,000 dwellings and 2,500 residents once it is fully developed. Adjoining land to the east comprises Western Sydney Parkland and the next suburb to the west comprising future industrial uses. On this basis, there is unlikely to be sufficient demand to justify a retail centre of any notable size on the site in this location, notwithstanding the provision for centres made within the SWGC Structure Plan. Bulky goods uses would also be unlikely to be suitable for this location, given that planning policy advocates clustering these on highly accessible nodes if insufficient space is available within centres. Further studies would be required to determine whether other types of commercial uses (e.g. office, light industry) would be suitable in the location, and what the most appropriate zoning to accommodate such uses would be.
1975-1985 Camden Valley Way Prestons	Proposed expansions at Carnes Hill and Middleton Grange will satisfy demand for retail space in the Liverpool LGA area west of the M7 in the short to medium term. As such there is no need for an additional supermarket based centre in this location in the foreseeable future. Furthermore, the provision of an additional centre in this location is likely to have a significant adverse impact upon the existing Prestons Small Village Centre located 1.1km to the northwest and the establishment of Edmondson Park Town Centre. We would advise Council not to rezone this land in accordance with the submission in the short term.

Orange Grove Road	<p>Three submissions were received by Council in relation to a discount department store, ALDI store and specialty retail on Orange Grove Road where the existing homemaker centre is located. This location is well positioned to address unmet demand from the south-east of Fairfield LGA. The provision of additional retail floorspace at Orange Grove, which would include such uses will serve to attract additional expenditure into Liverpool LGA which would not otherwise be captured by retail facilities within it. In principle there are economic benefits to Liverpool LGA of such an expansion, with a wider retail offer being provided at Orange Grove.</p> <p>However the quantum and type of retail floorspace proposed is nevertheless likely to have adverse impacts upon Liverpool City Centre which is only 1.5km away. Any application for rezoning to facilitate such uses should be accompanied by a full Net Community Benefit Test and a detailed economic impact assessment which quantifies the trading impacts on Liverpool City Centre, in order for the severity of impacts to be fully considered by Council prior to DA or rezoning approval being granted.</p> <p>As noted in the Review it is understood that the major land owners of the IN1 General Industrial lands adjoining Orange Grove to the south (Schweppes and Campbell's Cash and Carry), may be looking to move out of the area. There is no requirement for additional lands to accommodate retail or bulky goods floorspace at Orange Grove outside of the area already zoned for B5 uses to 2031. On this basis should the IN1 General Industrial land to the south become available, alternative industrial or employment uses should be considered, which do not include retail or bulky goods uses.</p>
607-611 Hume Highway, Casula	<p>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.</p> <p>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.</p>

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