

Attachment 3 – Sequential Test

The Draft Centres Policy (March 2011) includes a Sequential Test to assist in considering rezoning proposals for edge and out of centre locations. The locations that have been considered are those alternate sites identified in the Council report considered at the meeting of Liverpool Council held 29 August 2011.

The proposal for the Weekend Markets site represents a market opportunity for the re-use of an existing building to accommodate a retail outlet centre. The concept is to provide this offering in a synergistic relationship with the adjacent Bulky Goods MegaCenta and to utilise existing infrastructure. The proposal does not seek to alter the underlying B5 Business development zone under Liverpool LEP 2008, but to provide for an additional use on the site.

To assist in the consideration of the proposal, a Sequential Test has been undertaken and detailed below:

Site Assessment

The Sequential Test includes the following three considerations:

- 1) Demonstrate that there are no suitable sites within an existing or planned new centre that can satisfy the demand to be accommodated.
- 2) Demonstrate that there are no suitable sites in an edge of centre location that can satisfy the demand to be accommodated; and
- 3) An out of centre site that can satisfy the demand to be accommodated may be considered if the site meets the Site Suitability Criteria contained with the Draft Centres Policy (March 2011).

The Orange Grove Weekend Market site is located within existing Employment lands as identified in the in the Metropolitan Plan for Sydney 2036. The site can also be described as an edge of centre location given its relative proximity of the site to the Regional Centre of Liverpool. A range of existing centres have been reviewed in an effort to identify a site upon which a 15,000 – 19,000sqm building and associated car parking could be accommodated.

The sequential test accesses the suitability of such development at the following centres:

- Bankstown
- Cabramatta
- Carnes Hill
- Cross Roads Casula
- Leppington
- Liverpool City Centre

The Edge of Centre locations in the assessment are:

- The El Toro Industrial estate

- Former Liverpool swimming pool site corner Memorial Drive and Hume Highway; and
- Moorebank

The suitability of these alternate locations to accommodate the proposed retail outlet centre has been considered against the Site Suitability Criteria from the Draft Centres Policy (March 2011).

Bankstown

The Bankstown City Centre is located approximately 15km east of the subject site. The centre is identified as a Major Centre under the Metropolitan Plan for Sydney 2036 and is served by Bankstown Railway Station to the south of the centre.

To accommodate a site of 5.0ha (as per proposal) in the Bankstown centre would require significant site amalgamation. The site currently existing of the appropriate size is currently developed as a large shopping complex (Centro Bankstown).

No readily available feasible sites were identified.

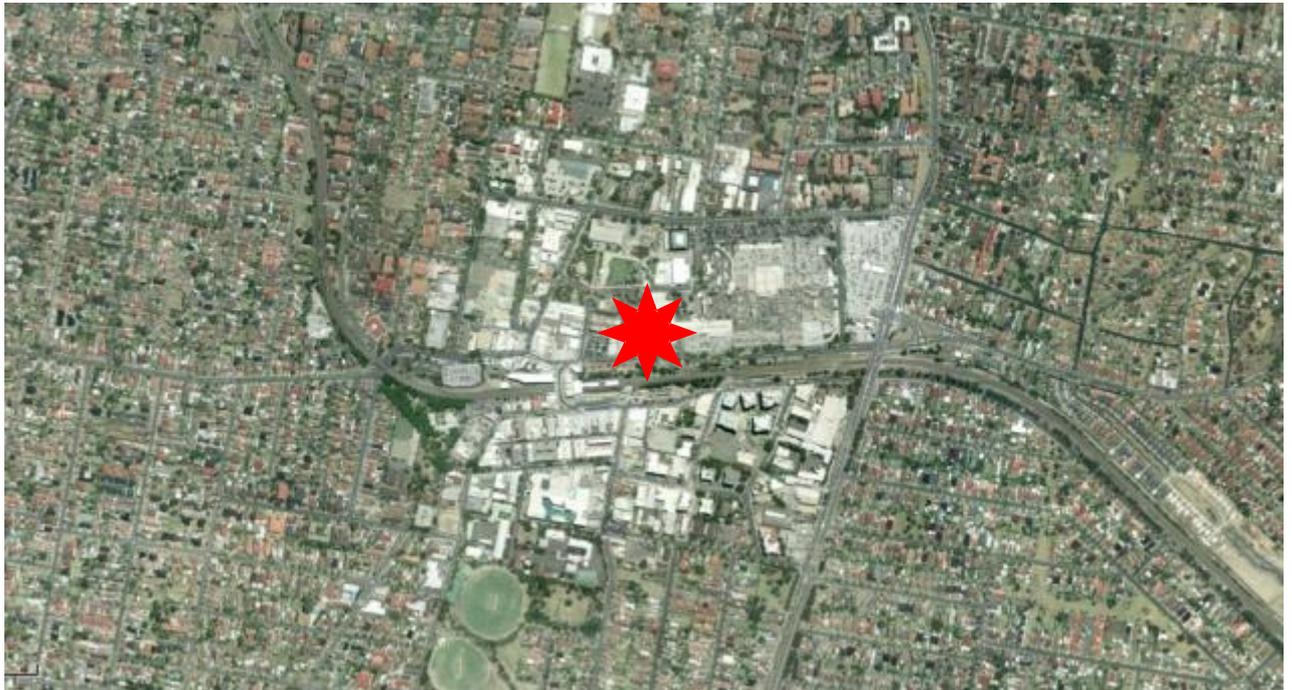


Figure 1: Bankstown City Centre

Site suitability criteria	Consideration
Strategy Consistent	Bankstown is a Major Centre under the Metropolitan Plan for Sydney 2036 and the draft Subregional Strategy and would therefore be a consistent location.
Infrastructure	No detailed assessment has been undertaken; however traffic management would be likely to be a significant matter to be resolved.
Access considerations	Good public transport to Bankstown is available and pedestrian access could be accommodated.
Urban considerations	<p data-bbox="523 703 619 734">Design</p> <p data-bbox="644 703 1359 831">Conflicts with the large format retail and large customer car parking demand requirements could present challenges to integrating the proposal into the Bankstown Centre.</p>
Competing land issues	The proposal would displace existing uses through the need to amalgamate sites. The amalgamation of sites would likely render the proposal as financially unviable considering the proposal does not represent the highest and best use of town centre land.
Proximity to labour markets	High accessibility to labour markets is available.
Environmental considerations	No apparent concerns arise that have been considered in detail.
Public benefit considerations	The public benefits experience from the introduction of the proposal would in part be off-set by the displacement of current uses through the need to amalgamate sites. The difficulties of introducing large format retail into a generally denser CBD centre may result in a poorer urban design outcome for the centre. E.g. limit pedestrian links, potential traffic congestion etc.

Table 1: Bankstown assessment

Cabramatta

The Cabramatta town centre is located approximately 3.0km north east of the subject site. The centre is identified as a Potential Major Centre under the West Central Subregion Draft Subregional Strategy. The centre is served by Cabramatta Railway Station located to the east of the centre. Existing development comprises traditional high street retail buildings to John Street surrounded by mid-sized retail/commercial complexes.

The proposed floor area of 19,000sqm and associated parking would require significant site amalgamation due to the significant land fragmentation.

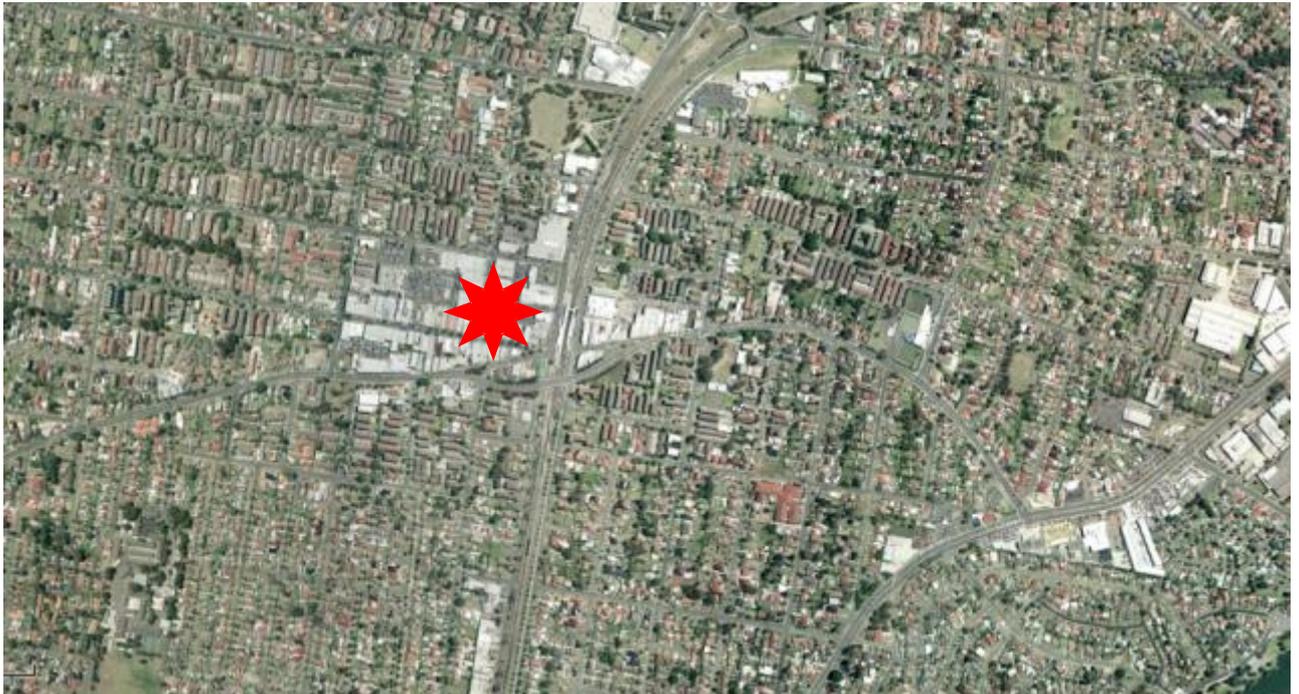


Figure 2: Cabramatta CBD

Site suitability criteria	Consideration
Strategy Consistent	Cabramatta is a Potential Major Centre under the draft Subregional Strategy and would therefore be a consistent location.
Infrastructure	No detailed assessment has been undertaken; however traffic management would be likely to be a significant matter to be resolved.
Access considerations	Good public transport to Cabramatta is available and pedestrian access could be accommodated.
Urban Design considerations	Conflicts with the large format retail and large customer car parking demand requirements could present challenges to integrating the proposal into a location that retains a high shopping street focus to John Street.
Competing land issues	The proposal would displace existing uses through the need to amalgamate sites. The amalgamation is however likely to make the proposal unviable in a location that has high land ownership fragmentation, some of which incorporate higher density development compared with a retail outlet centre.
Proximity to labour markets	High accessibility to labour markets is available.
Environmental considerations	No apparent environmental concerns arise that have been considered in detail.
Public benefit considerations	The public benefits experience from the introduction of the proposal would in part be off-set by the displacement of current uses through the need to amalgamate sites. The difficulties of introducing large format retail into a generally denser shopping street location may result in a poorer urban design outcome for the centre.

Table 2: Cabramatta assessment

Carnes Hill

Carnes Hill is located approximately 10.0km south west of the subject site. The centre is identified as a Town Centre under the South West Subregion Draft Subregional Strategy. The centre is served by public bus transport along Cowpasture Road. Existing development comprises stand alone shopping mall anchored by a supermarket with at grade car parking. The accommodation of 19,000sqm in the Carnes Hill centre would require either displacement of the current retail development or expansion of commercially zoned land to accommodate the proposed use.



Figure 3: Carnes Hill Town Centre

Site suitability criteria	Consideration
Strategy Consistent	Carnes Hill is identified as a Town Centre under the draft Subregional Strategy. The required level of expansion may result in the creation of the centre as a higher order centre than the current planning framework envisages.
Infrastructure	No detailed assessment has been undertaken; however traffic management would be likely to be a significant matter to be resolved given the distance of the site from rail.
Access considerations	Public transport via bus is available and pedestrian access could be accommodated.
Urban considerations	Design The pattern of current development could accommodate the proposed large format retail proposed.
Competing land issues	The proposal would require the displacement of existing uses and or require a significant expansion to land zoned for commercial/business. The potential expansion to the north is limited by tributary of Cabramatta Creek and is likely to represent constraints from flooding and flood management. Expansion to the east and south is limited by developing residential areas.
Proximity to labour markets	Accessibility to labour markets is available however the access is constrained due to the limited public transport availability.
Environmental considerations	Flooding and flood management is likely to be a constraint if the employment lands were to be expanded to the north of the site. This land to the north is currently zoned for public recreation purposes and is the subject of future community uses.
Public considerations	benefit The public benefits of this location would be likely to be limited given the loss of land zoned for public recreation purposes, and the cost of reconfiguring the existing centre.

Table 3: Carnes Hill Assessment

Casula Mall

Casula Mall is located approximately 6.0km to the south of the subject site. The site is a stand-alone shopping centre that is identified as a Town Centre under the South West Subregion Draft Subregional Strategy. The opportunity for expansion is highly constrained by existing public and developed residential areas.

The centre is not located on an arterial road and therefore likely to create neighbourhood traffic issues.

The establishment of the outlet centre on the site would effectively require the displacement of current land uses, which is considered unlikely and unfeasible.



Figure 4: Casula Mall

Site suitability criteria	Consideration
Strategy Consistent	Casula Mall is identified as a Town Centre under the draft Subregional Strategy and therefore is not categorised as a location suitable for major destination retailing.
Infrastructure	No detailed assessment has been undertaken; however traffic management would be likely to be a significant matter to be resolved given the lack of rail public transport options and the circuitous route to the arterial road network.
Access considerations	Public transport via bus is available and pedestrian access could be accommodated.
Urban Design considerations	The pattern of current development could accommodate the proposed large format retail proposed, but would necessitate the displacement of the current uses in order to accommodate the required land area due to the absence of expansion opportunities.
Competing land issues	The displacement of current land uses would be required.
Proximity to labour markets	Access to the employee market is limited by the lack of public transport options.
Environmental considerations	No apparent concerns arise that have been considered in detail.
Public benefit considerations	No apparent potential public benefits. Any expansion of the centre would result in a negative public benefit through the potential loss of open space and impact on neighbourhood collector roads.

Table 4: Casula Assessment

Leppington

Leppington is approximately 14.5km south west of the subject site and is a Planned Major Centre located within the South West Growth Centre. The proposed centre is within the Leppington precinct that is yet to be serviced for urban development. The timeframe for development is therefore not expected to be in the short term and therefore not appropriate.

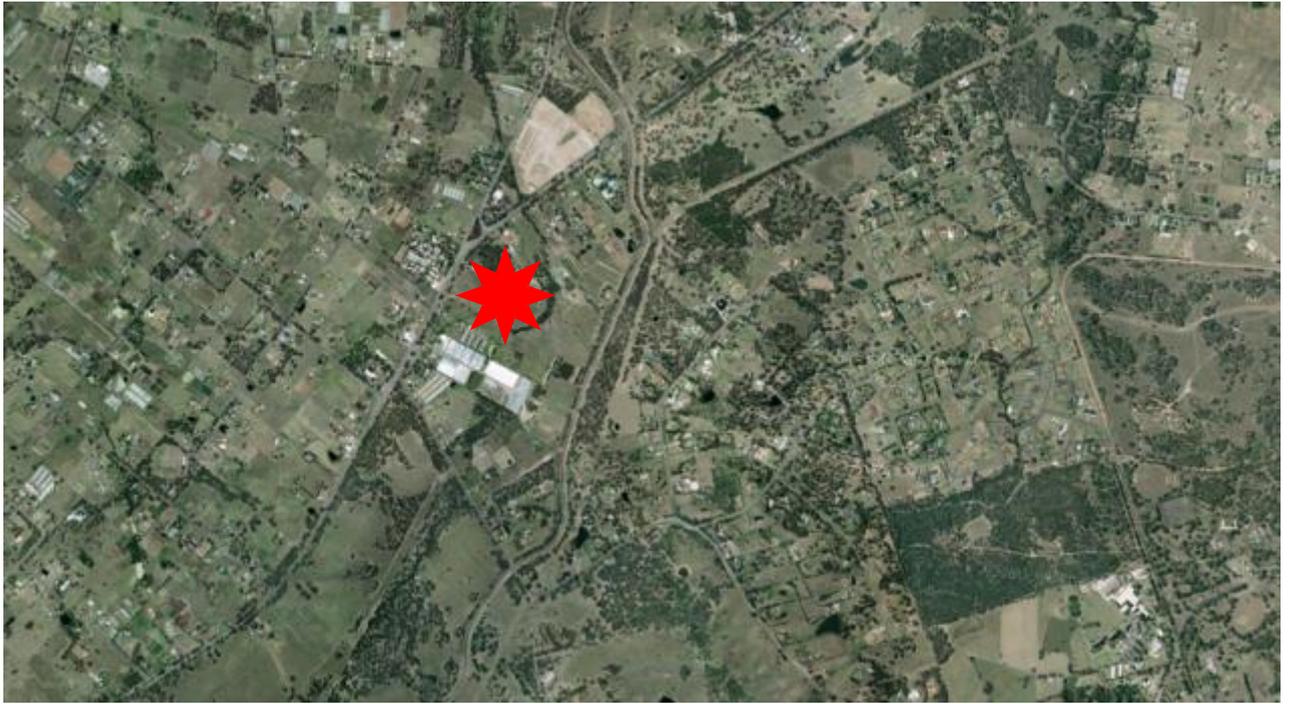


Figure 5: Leppington Planned Major Centre

Site suitability criteria	Consideration
Strategy Consistent	Leppington is a Planned Major Centre under the draft Subregional Strategy and the Growth Centres Structure Plan and would therefore be a consistent location for the proposal if the land was zoned and available for development.
Infrastructure	Currently not available but will be provided as part of the precinct development process.
Access considerations	The centre is planned to be serviced by the South West Rail Link and public transport in the form of buses will be planned for in the precinct release process.
Urban Design considerations	These could be accommodated; however the preferred location of large format retailing has not yet been certified.
Competing land issues	The land is planned for retail and employment generating uses.
Proximity to labour markets	Currently poor, but if the rail link is delivered will be significantly improved. In any case, the necessary residential catchment will not likely eventuate for quite some time.
Environmental considerations	No detailed assessment at this stage but preliminary investigation through the structure plan development phase has identified that the land will be suitable for development in the future.
Public benefit considerations	No specific potential public benefit has been identified and would be difficult to identify due to the longer term nature of release areas.

Table 5: Leppington Assessment

Liverpool CBD

The central Liverpool CBD is 1.5km to the south of the subject site and is identified as a Regional Centre under the Metropolitan Plan for Sydney 2036. The north of the centre is dominated by the Liverpool Westfield complex with a variety of retail and commercial spaces accommodated in the traditional grid pattern layout of the centre. The land holdings generally consist of a mixture of smaller holdings up to 500sqm in area interspersed with larger holdings that have been created as a result of site amalgamations. These larger holdings are generally between 3000 - 5000sqm in area.

With this pattern of subdivision, significant amalgamations would be required to provide a development site of sufficient area to accommodate the larger format retail concept proposed. There are no apparent opportunities to feasibly accommodate the proposal within the City Centre on land currently zoned to permit the use.

An alternative approach to potential development sites for the proposal includes the consideration of Council owned car parks within the CBD area. There are two at grade Council owned car parks with areas of approximately 6,800sqm and 3,300sqm in area. These car parks have been acquired and developed by Council over a significant period of time via land dedication and acquisition via Section 94 Development Contributions.

These sites are too small to facilitate the proposed development. To accommodate the required floor space and car parking on these sites would necessitate the construction of 4-5 levels of retail space and several levels of basement car parking. This is a very expensive form of construction, particularly for a low margin stock clearance operation. These construction costs are compounded by the need to provide additional public car parking accommodating the current quantum of public car park provision.

The lack of readily available sites in the City Centre and the unfeasibility of undeveloped sites such as Council's car parks make the Liverpool CBD an unfeasible option for the proposal.

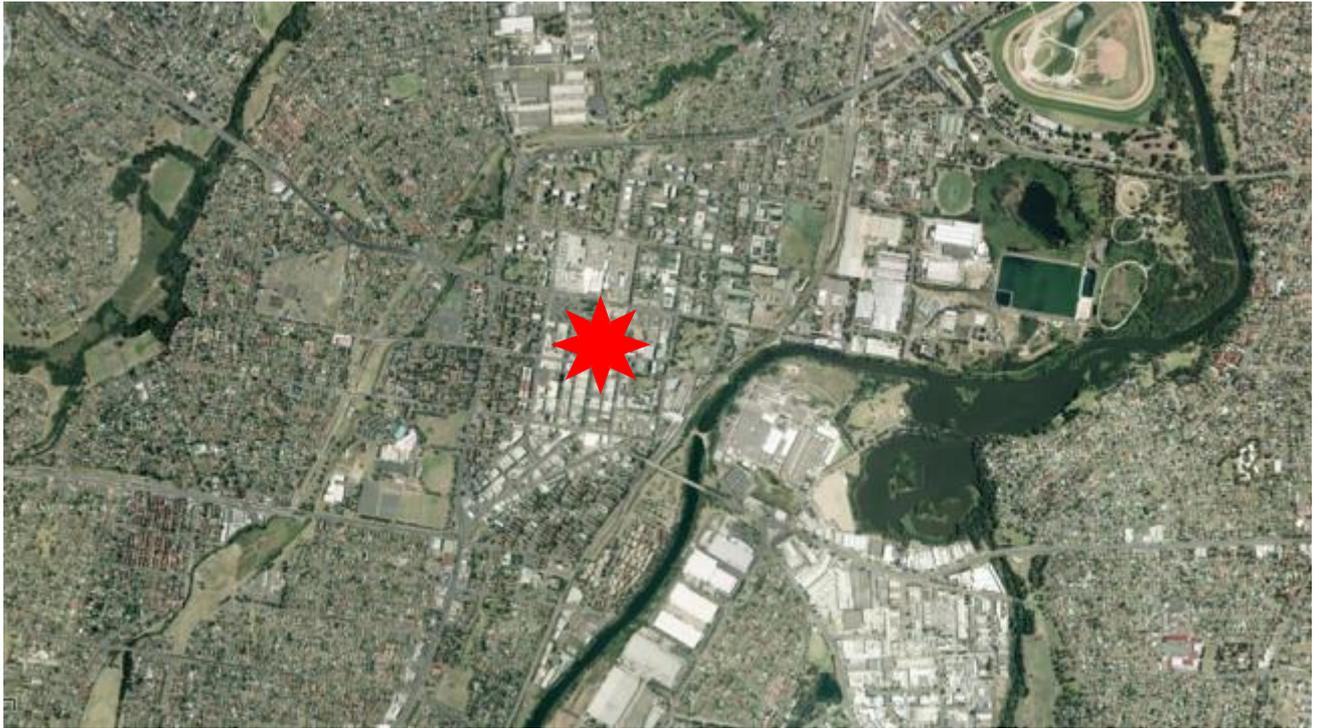


Figure 6: Liverpool CBD

Site suitability criteria	Consideration
Strategy Consistent	The Liverpool City Centre would be consistent with the Metropolitan Plan for Sydney 2036, the draft Subregional Strategy and Council's Business centre and Corridors Strategy.
Infrastructure	No detailed assessment has been undertaken; however traffic management would be likely to be a significant matter to be resolved. Utility services would potentially require augmentation.
Access considerations	Good public transport accessibility is available.
Urban Design considerations	The insertion of the large format retail concept into a relatively fine grained location could be problematic and would be unsuitable for the intended method of retailing.
Competing land issues	Land uses would be competing on an economic feasibility basis. The proposal by nature of the retail model and the expense of providing the required retail volume is unlikely to be an economically feasible option. Considering the significant development potential under the planning controls, a retail outlet centre would not represent the highest and best use.
Proximity to labour markets	The city centre enjoys high accessibility to employment markets.

Site suitability criteria	Consideration
Environmental considerations	No detailed assessment has been undertaken; however there are no apparent issues that would preclude the proposal from the CBD location.
Public benefit considerations	If a feasible site were able to be amalgamated there could be public benefits subject to resolution of urban design integration requirements.

Table 6: Liverpool CBD Assessment

Crossroads

Detailed consideration of the Crossroads site has not been pursued as a significant area of the land zoned B5 Business Development is the subject of a current Gateway Determination to facilitate the development of the site for a Costco.

The establishment of a retail outlet at this location would necessitate a rezoning of land currently zoned IN3 Heavy Industrial.

Moorebank

Moorebank is an edge of centre location that is approximately 4km southeast of the subject site. The edge location precinct is located to the east of the Georges River, opposite the Liverpool City Centre.

The precinct comprises range of relatively large holdings zoned IN1 General Industrial and IN2 Light Industrial.

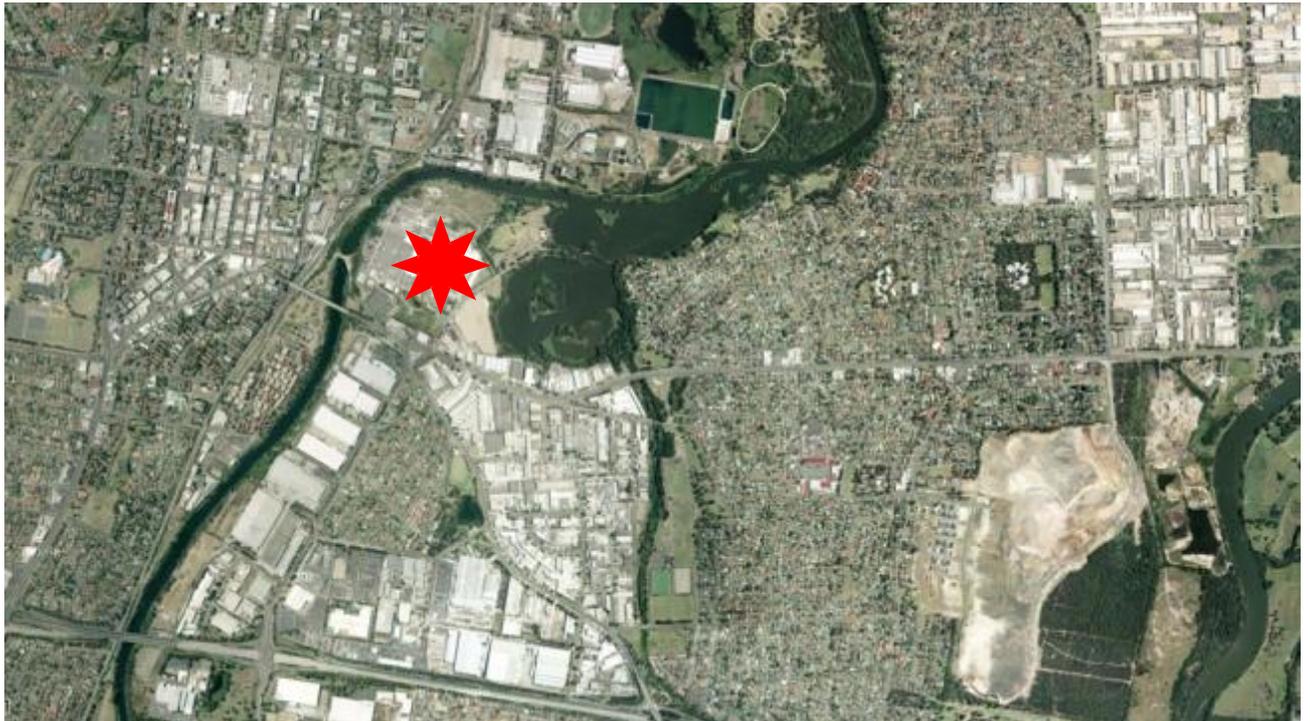


Figure 7: Moorebank Industrial precinct

Site suitability criteria	Consideration
Strategy Consistent	Geographically the area is an Edge of Centre Location; however there is a significant barrier to integration formed by the Georges River. The area is identified as employment lands for industrial purposes and any rezoning to permit retail activity would be contrary to the Metropolitan Plan for Sydney 2036 as it would result in the loss of land zoned for industrial purposes.
Infrastructure	Utility infrastructure is likely to be available or could be augmented. Traffic impacts arising from the increased light vehicle traffic would be an issue that would require resolution and would be made more difficult by the limited existing connectivity.
Access considerations	Public transport access is poor. Pedestrian access may be accommodated.
Urban Design considerations	The locality is an industrial precinct into which the large format building could be integrated.
Competing land issues	Any rezoning would necessitate the loss of land zoned for industrial purposes.
Proximity to labour markets	Relatively poor due to the limited access to public transport options to the locality.
Environmental considerations	Likely to require flood management considerations and confirmation of the suitability of the area having regard to potential land contamination.
Public benefit considerations	Limited unless direct pedestrian link is established from Liverpool railway station.

Table 7: Moorebank Assessment

El Toro Industrial estate

The El Toro Industrial estate is located to the immediate south of the subject site and is zoned IN 1 General Industrial. The precinct would be considered as an edge of centre location. These industrial units in this complex are largely strata titled complexes representing a significant barrier to the amalgamation of sites large enough to accommodate the proposed retail outlet.

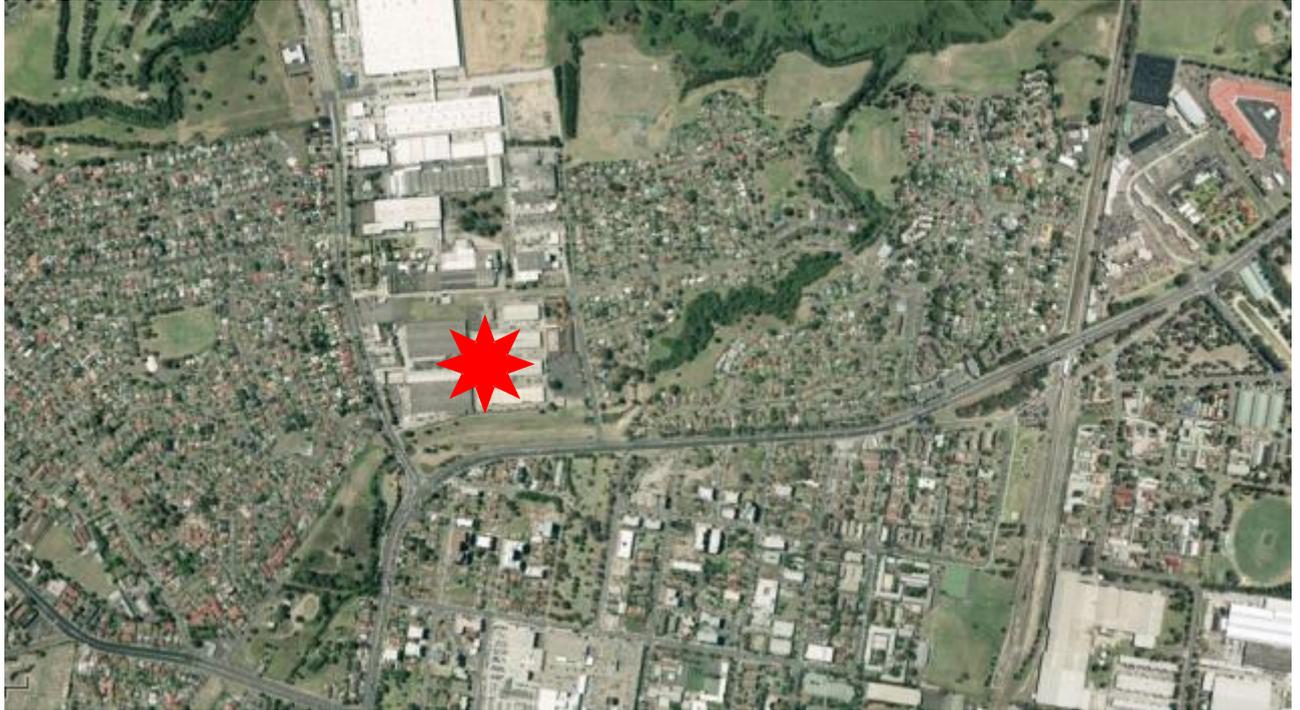


Figure 8: El Toro Industrial Estate

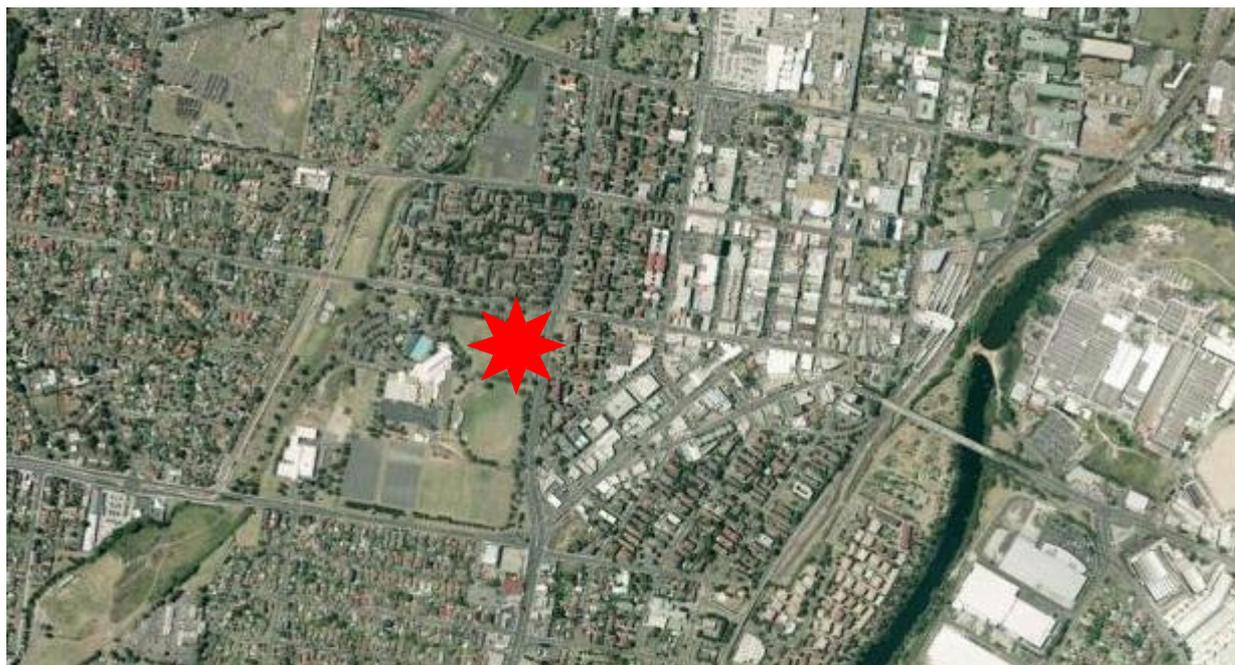
Site suitability criteria Strategy Consistent	Consideration The site is an edge of centre location and is therefore consistent with the Metropolitan Plan for Sydney 2036 as an option to consider. The conflict with the Strategy arises from the area being identified as employment lands for industrial purposes. Any rezoning to permit retail activity would be contrary to the Metropolitan Plan for Sydney 2036.
Infrastructure	Infrastructure could be augmented, however additional traffic management measures would be required to be provided to facilitate access into and out of the location.
Access considerations	Access is available via bus public transport along Orange Grove Road and the Hume Highway public. Pedestrian accessibility could be accommodated
Urban Design considerations	The large format retail could be integrated into the existing development forms and management of impacts to residential lands to the west could be addressed.
Competing land issues	The use of this land would require displacement of land zoned for industrial purposes. The displacement of existing use would affect the feasibility of the location as an option.
Proximity to labour markets	Good given the proximity to the Regional Centre of Liverpool.
Environmental considerations	Minimal expected however confirmation of the suitability relative to land contamination may be required.
Public benefit considerations	The displacement of industrial employment lands would need to be considered in the context of the employment opportunities that would arise. In this context a neutral public benefit is likely to accrue.

Table 8: El Toro Assessment

Former Liverpool swimming pool site

The former Liverpool swimming pool site is located at the intersection of Memorial Drive and the Hume Highway. The site adjoins the Whitlam Leisure Centre. The site is located 2.0km south of the subject site.

The land is an edge of centre location but separated from the Liverpool CBD by residential development to the north and east. To the south and west of the location are community uses in the form of open space and recreation facilities.



Site suitability criteria	Consideration
Strategy Consistent	The site is an edge of centre location and is therefore consistent with the Metropolitan Plan for Sydney 2036 as an option to consider.
Infrastructure	Infrastructure would require augmentation and traffic management would need to be considered.
Access considerations	Public transport via bus is available adjacent to the site and pedestrian access could be readily accommodated.
Urban Design considerations	Integrating with the City Centre and surrounding recreation would be a significant consideration.
Competing land issues	The use would require rezoning and would displace recreation lands due to the land take requirements of the proposal.

Site suitability criteria	Consideration
Proximity to labour markets	Relatively good given the proximity to the Regional Centre of Liverpool.
Environmental considerations	No apparent concerns arise that have been considered in detail.
Public benefit considerations	Likely to be negative given the loss of recreation lands and public parking currently situated at the site.

Table 9: Liverpool CBD assessment

Location Characteristics

In addition to the Sequential Test and consideration of the Site Suitability Criteria, information was sought regarding the locational characteristics of the proposal to demonstrate the suitability of the Planning Proposal. The suitability of the site for the proposed use is detailed in the following section.

The retail outlet is a low margin stock clearance concept that requires 14,000 – 20,000sqm of space with access to good car parking. The sites require high levels of exposure preferably on a highway location with the ability to service a large catchment.

The subject site provides these requirements through the proposed re-use of the existing buildings and car parking on the site. The Sequential Test has demonstrated that there are no opportunities to use existing buildings in the Liverpool CBD for this purpose and that there are limited sites that could be considered to accommodate the development. To amalgamate an appropriately sized site within the Liverpool CBD would be difficult due to the high fragmentation of land ownership and current subdivision pattern.

The Orange Grove Road site is an existing activity centre that contains a number of current uses including bulky goods retailing, food outlets and a gym. The proposed retail outlet expands upon this current range of activities and will allow multi-purpose trips to be undertaken in a single visit. The proposed retail outlet is a complementary use to the existing bulky goods retailing and will assist in maintaining the viability of this use through the provision of an additional attractor to the centre.

As previously detailed, the Orange Grove site is an existing activity centre and is an edge of centre location relative the Liverpool major centre. The site is within 2.0km of the City Centre and serviced by public transport routes. The proposed retail outlet and the existing bulky goods retailing has the opportunity to support the City Centre by drawing customers from a broad retail catchment. Some of these customers are likely to also access the CBD on these visits.

The site is also strategically well located between the Liverpool and Fairfield Council areas allowing the site to service these large population centres in a location with highway exposure (Cumberland Highway).

The site is large and readily accommodates the proposal in a manner that has no impacts upon the amenity of sensitive land uses. In this instance the subject site backs onto creek lands, open space and industrial land uses.

Retail Impacts

The retail impact assessment undertaken in support of the proposal and the peer review commissioned by Council conclude that the retail impacts upon the Liverpool CBD will be below 10%. The peer review assessment concludes that the perceived retail impact does not threaten the economic sustainability of the Westfield shopping complex.

The economic assessments also concluded that the forecast in the growth of the population and real growth in retail spending will compensate for any short term trade reduction.

The proposed limitation on total floor space and the limitation on the maximum size of any individual retail tenancy is aimed to limit the trade impact and reduce the attractiveness of large anchor tenancies e.g. supermarkets from locating on the subject site.

The concept for the site is the establishment of a symbiotic relationship between the proposed retail outlet and the existing bulky goods retailing complex that utilises existing buildings and infrastructure. The proposal to utilise existing buildings and infrastructure in an existing centre that is also in an edge of centre location (relative to the Liverpool CBD) is consistent with the Draft Centre policy in guiding uses to edge of centre locations when in centre locations are not available or not viable alternatives.

Suitability of the Orange Grove Road site

The preceding assessment has demonstrated that the Orange Grove Road site is a feasible and practical location for the proposed retail outlets centre. The assessment has demonstrated that there are limited feasible and practical within the Liverpool City Centre for the proposal.

Further, the Orange Grove site fronts the Cumberland Highway and in just north of the Hume Highway and provides a large volume of car parking in close proximity to the centre.

The amalgamation of sites in the centre to create a 5.0ha holding from existing lot sizes between 500sqm and 5000sqm would necessitate the consolidation of several properties. Similarly, the construction of a multi level retail outlet centre is considered unviable and not the land's highest and best use considering the FSR and height controls that apply. The Orange Grove Road site is an existing large holding that already has the required building, car parking and utility infrastructure in place.

The expansion of existing centres considered in the Sequential Test identifies that adverse impacts would arise through the displacement of existing retail services or community and recreation lands.

Attachment 4 – Response to Public Authority Consultation

Public Authority	Submission Status	Issue/Statement	Comment
RMS	Not received	-	-
Fire & Rescue NSW	Not received	-	-
Penrith Council	Received – No Objection	N/A	N/A
Campbelltown Council	Received – No Objection	N/A	N/A
Camden Council	Not received	-	-
Bankstown Council	Not received	-	-
Sutherland Council	Received – No Objection	N/A	N/A
Wollondilly Council	Not received	-	-
Fairfield City Council	Received – Objection	General retail environment is not experiencing growth. The reliance on models that use historical retail spend per capita data to forecast future growth is problematic and may not be an accurate reflection of the proposals current impact.	The Hill PDA peer review reinforces current and future spend. The trade area of the proposed outlet centre is experiencing population growth and retailing spending in Liverpool and Fairfield is expected to increase due to population pressures.
		Fairfield Council does not consider declines in retail turnover in Fairfield City Centres between 2 and 4.8% by 2015 to be insignificant in the current environment.	Hill PDA's Peer review confirms that there are no universal measures of significance of impact. There are references in various consultancy reports and statements in the Land and

Public Authority	Submission Status	Issue/Statement	Comment
			Environment Court which suggest than a loss of trade below 5% is considered insignificant, 5% to 10% is low to moderate, 10% to 15% is moderate to high and above 15% is a strong or significant impact.
		Cumulative impacts of Amendment 19 and 22, together with the existing Mega Centre, at maximum potential floor space have not been modelled.	Appropriate economic modelling has been undertaken for the proposed development.
		The potential use of SEPP (Exempt and Complying Development Codes) 2008 have not been modelled.	Council has received advice from Department of Planning and Infrastructure that enables the planning proposal to amend the Exempt and Complying SEPP to limit a change of use to tenancies less than the 1,200sqm
		There is a degree of uncertainty to the proposal and there is variability of its likely impact depending on which scenario is modelled.	Appropriate economic modelling has been undertaken which demonstrates a worst case scenario. It is considered that the proposed development is one of low economic impact.
		The Planning Proposal conflicts with actions A2.1, B1.2, and E2.1 contained with Metropolitan Plan for Sydney 2036, and is therefore inconsistent with the Ministers Section 117 Directive 7.1 which required Planning Proposals to implement the Metropolitan Plan.	The proposed outlet centre use does not comprise bulky goods uses and therefore the proposed development does not make a positive contribution to the Metropolitan Plan. However, it is considered that the development will assist in protecting the viability of the existing bulky goods retail stores at the Orange Grove Road Mega Centre and will assist in the economic

Public Authority	Submission Status	Issue/Statement	Comment
			development of the Liverpool Local Government area.
		The Planning Proposal is in conflict with the South West Subregional Strategy (2007) as demand and supply assessments for new commercial centres have not been undertaken and the strategy nominates the site for bulky goods retailing.	Outlet centre uses do not comprise bulky goods uses and therefore the proposed development does not make a positive contribution to the Strategy. However, it is considered that the development will assist in protecting the viability of the existing bulky goods retail stores at the Orange Grove Road Mega Centre.
		The proposal is contrary to the Liverpool City Centres Hierarchy Review (2006) which designated the site for bulky goods retailing.	<p>The Liverpool City Centre Hierarchy Review did not specifically consider the provision of an outlet centre anywhere within the LGA over the 2006 to 2031 period.</p> <p>In turn, Council commissioned an independent assessment of this proposal to determine the impact that broadening the retail uses permitted on the site would have on the existing retail centres in Liverpool.</p> <p>In order to facilitate demand for bulky goods retailing, the underlying zoning is to be retained as B5 Business Development. In the event that a retail outlet centre is not pursued, the B5 zone will facilitate any demand for bulky goods retailing on the site.</p>
		There are inconsistencies within the Planning Proposal and documentation supplied	Council agrees there are some inconsistencies within the documentation.

Public Authority	Submission Status	Issue/Statement	Comment
		concerning the manner in which the proposed floor space limit is described and request that gross floor space be used as the descriptor for floor space.	It is confirmed that Council is seeking to limit the gross floor area of retail premises on the subject site to 19,000sqm (i.e. the total floor area of the existing building including the area of the basement) and to limit the gross floor area of tenancies to 1,200sqm.
		Liverpool City Council should consider the impact of State Environmental Planning Policy (Exempt and Complying Development Codes) 2008, on the ability to control single tenancies to the proposed 1200 square metre and the resultant impacts on retail expenditure modelling if this limit cannot be enforced.	Council has received advice from Department of Planning and Infrastructure that enables the planning proposal to amend the Exempt and Complying SEPP to limit a change of use to tenancies less than the 1,200sqm
		Concerns over the ability for Liverpool City Council to limit the use of the site to Direct Factory Outlet units within the limitations set by the Standard LEP template, given that Retail Premises allows a range of other retail uses do not fit the DFO format.	<p>It is possible for Council to propose a new definition for “outlet retailing”, however past attempts by various planning authorities to develop an appropriate definition have fraught with difficulty as most definitions attempt to describe the type of goods sold by outlets i.e. discounted goods, last seasons stock etc. Furthermore, facilitating the proposal with a use-specific definition has the potential to become an on-going litigation and enforcement problem if the type of goods being sold does not reflect the specific permitted land use definition.</p> <p>Council is satisfied that the size of tenancies can be limited to 1,200sqm, hence preventing large</p>

Public Authority	Submission Status	Issue/Statement	Comment
		Fairfield Council received advice from Norling Consulting which considered the economic impact of Liverpool Planning Amendments 19 and 22 as well as the additional impact of the COSTCO and Liverpool Council's Administration Centre site proposal.	anchor tenants e.g. department stores and full line supermarkets from operating from the premises. This has been addressed by the Liverpool Cumulative Economic Impacts Study
Cabramatta Chamber of Commerce & Industry	Received – Objection	Increased Traffic	A Traffic and Parking Assessment has been undertaken by Dobinson and Associates. In regard to traffic generation and the capacity of the network to accommodate the traffic, the assessment has concluded that the peak demand can be accommodated by the network.
		The land is flood prone. Buildings within this area should be above the peak flood height that happens in this corridor along Cabramatta Creek.	Noted. The proposed retail use will likely be contained within the existing building. Any future buildings will be subject to a Development Application.

Attachment 5 – Response to Community Consultation

Submission No.	Issues Raised	Comment
1	<p>The Planning Proposal is contrary to the B5 Business Development zone objective to maintain the economic strength of centres by limiting the retailing of food and clothing.</p>	<p>The proposal does not directly limit retailing of food and clothing; however it does limit the retail floor space and the size of individual tenancies and the size of the shopping complex.</p> <p>The proposal could be deemed acceptable in the B5 Business Development zone on the basis that all centres in the retail hierarchy are expected to continue to experience an increase in retail expenditure captured to 2015 despite the opening of an outlet centre on the weekend markets site.</p> <p>The predicted growth in retail expenditure is principally due to the significant population growth within Liverpool LGA and subsequent increased retail expenditure in the catchment. The economic strength of centres is compromised to an acceptable level.</p> <p>Further, the customer behaviour of DFO shoppers is infrequent which is compatible with bulky goods destinations (i.e. B5 zone).</p>
	<p>The Planning Proposal is inconsistent with the Metropolitan Plan for Sydney 2036. In particular, it is inconsistent with objective B1 of the Growing and Renewing Urban Centres Strategic Direction chapter of the Metropolitan Plan which is to focus activity in accessible centres.</p>	<p>The Metropolitan Strategy supports the location of commercial development in the central part of existing centres, avoiding pressure for such development in inappropriate out of centre locations.</p> <p>It is noted that the proposed development is not located in a traditional centre. However, the Strategy states that retailing which requires large floor areas cannot always be readily accommodated in existing centres (e.g. Bulky Goods). The Strategy notes that the <i>B5 Business</i></p>

Submission No.	Issues Raised	Comment
		<p><i>Development Zone</i> is generally an appropriate zone in which to cluster this kind of development. It should be noted that the Strategy is silent about “retail outlet centres”. Notwithstanding this, retail outlet centres do require large floor areas and therefore according with the Metropolitan Plan can be located in B5 zones.</p>
	<p>The clustering of bulky goods retailing supports the economic viability of these retailers, however due to their nature are generally not in direct competition with standard retailing in centres. The inclusion of “retail premises” as an additional permitted use at the subject site that is in a B5 zone, could act as a powerful precedent in NSW, effectively permitting direct competition of bulky goods clusters with regional and town centres, thus providing the ability for the owners of these B5 zoned clusters to essentially create new centres directly competing with retailers in traditional centres. This is contrary to the objectives and intentions of the B5 zone and the Metropolitan Plan.</p>	<p>The development is a response to market-led demand and would generally aid competition in the retail sector.</p> <p>The use is in support of the existing bulky goods node and a retail outlet centre is not considered to be an incompatible use to bulky goods retailing. The use is considered to be a regional level attraction that draws from a large catchment. The model is similar to that at Homebush, but will accommodate the South Western Sydney market.</p>
	<p>The Draft South West Subregional Strategy identifies the Orange Grove Road precinct as a bulky goods cluster. It is strategically situated providing a location for activities that support but do not compete with Liverpool Regional City uses.</p>	<p>It is considered that the development will assist in protecting the viability of the existing bulky goods retail stores at the Orange Grove Mega Centre due to increased customer visits. Further, the mechanism of permitting the use through Schedule 1 amendment also retains the possibility of some bulky goods retailing which allows a capped amount of retail.</p> <p>The Hill PDA reporting establishes that the impact of this proposal on the Liverpool City Centre is less than 10%, which is considered to be low-moderate impact.</p>
	<p>The draft Activity Centres Policy 2009 states that factory outlets which operate as retailers are classified as ‘shops’ under the Standard LEP Template definitions and should be accommodated in zones B2-B4.</p>	<p>The draft document was prepared in 2009 and is not considered to be official government policy.</p> <p>It is noted that the proposed development is not located in a traditional centre, but in a bulky goods/highway retail cluster the development is a response to market-led</p>

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		<p>demand and would generally aid competition in the retail sector.</p> <p>Due to the scale of the development, it would be difficult to locate such a development in an existing centre zoned B2 – B4.</p> <p>The Metropolitan Strategy for Sydney 2036 (which is official government policy) states that retailing which requires large floor areas cannot always be readily accommodated in existing centres and that the B5 zone is an appropriate zone in which to cluster this kind of development.</p>
	<p>The notion as argued in the Planning Proposal that the size of the proposed development would be difficult to locate in a core retailing centre is misleading. Rather, the large size of the proposed development at 19,000sqm with shops restricted in size to a maximum of 1,200sqm is precisely the type of retail existing centres such as Liverpool, Cabramatta, Fairfield and Stockland Wetherill Park are designed and encouraged to accommodate.</p>	<p>The suggestion that individual shops could (and should) be encouraged into existing centres is a valid one. However, what is being proposed is a retail outlet centre.</p> <p>Outlet centres are a relatively new retail format that has been arguably seen as a niche form of retailing because the items are typically sold at a discount price. Customers at outlet centres have similar behaviour to customers at bulky goods retail outlets in the way that they usually undertake infrequent trips compared to core retail premises which sell 'day to day' and convenience goods.</p> <p>A key characteristic of outlet centres is the absence of a large anchor tenant (e.g. supermarkets and department stores). In this regard, Council will be working with DOPI to ensure the planning mechanism limits the type of retailing on the subject site.</p>
	<p>There are significant discrepancies within the various economic modelling in respect to the Stockland Wetherill Park centre.</p>	<p>The Peer review and Cumulative Impact Study was completed by Hill PDA, Council's independent consultants. The figures stated in the Hill PDA report are considered reliable. With regard to the impact of this proposal, the report suggests the impact on Stockland</p>

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		Wetherill Park centre is considered acceptable.
	It is considered that the economic impacts need to be considered in the context of the draft Competition SEPP in terms of the potential for existing centres to continue to provide a equivalent range of services and facilities. Clause 9 of the draft SEPP requires the consent authority to consider the 'overall adverse impact on the extent and adequacy of local community services and facilities' as part of any assessment in relation to new and expanded retail facilities. Such an assessment would be appropriately undertaken as part of the planning proposal.	Clause 9 of the draft Competition SEPP relates to development assessment, not planning proposals. The planning proposal has been the subject of vigorous economic assessment and analysis which has demonstrated that the proposal will have low-moderate economic impact on the Liverpool CBD and other nearby centres.
	There are concerns that while the 1,200m2 tenancy restrictions may prevent retail stores such as full line supermarkets and department stores, the restriction will still allow for shops which are generically referred to as mini majors (e.g. Best and Less, Rebel Sport, JB HiFi etc). The provision of such outlets within centres such as Stockland Wetherill Park adds to the vibrancy of the centre. The capacity of the proposed development to accommodate such facilities should be reconsidered.	The planning mechanism has yet to be finalised with DOPI. However it should be noted that there is an intention to limit supermarkets, discount department stores and mini-major retailing on the subject site.
	There appears to be some confusion as to exactly what floor space the outlet centre is proposed to occupy. It appears that a robust assessment of a centre comprising 19,000m2 of floor space has not been considered.	Leyshon's EIA considers a worst case scenario. What is proposed is 19,000sqm (GFA) of outlet centre floor space. Council's independent assessment considers 19,000sqm to be acceptable.
	There is a discrepancy over the estimated turnover (in terms of \$/m2) of the ALDI store and Dan Murphys liquor outlet to be developed on the B6 zoned land. The potential turnovers have been understated in which case the potential cumulative impact is likely to be greater than that estimated.	In addition to the applicants economic reporting, a Cumulative Economic Impact Study was completed by Hill PDA, Council's independent consultants. The figures stated in the Hill PDA report are considered reliable and establish a low-moderate impact on Liverpool City Centre and other nearby centres.
	The sequential test should consider all of Fairfield's centres given that the Fairfield LGA constitutes part of the primary trade area for the proposed development.	The centres assessed meet the developer's locational requirements to be within proximity of a regional city. This is considered reasonable given that alternate locations

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	<p>The statement in the Planning Proposal that “the impacts on all other centres do not exceed 5% loss in turnover...and therefore not considered significant” is dismissive and potentially incorrect.</p>	<p>could be considered less viable.</p> <p>The Hill PDA Peer review of the EIA noted that there are no universal measures of significance of impact. There are references in various consultancy reports and statements in the Land and Environment Court which suggest that a loss of trade below 5% is considered insignificant, 5% to 10% is low to moderate, 10% to 15% is moderate to high and above 15% is a strong or significant impact.</p> <p>The model shows that the immediate impact on Liverpool CBD will be below 10% loss in trade and therefore deemed to be of low to moderate impact.</p>
2	<p>Concern expressed over ad-hoc planning decisions in the Liverpool LGA, having regard to a number of retail rezoning proposals. Strategic Planning, as reflected in land use zoning, should not be subject to constant pressures to reinvent itself in response to landowners or developers seeking to take advantage of lower land prices.</p> <p>‘Retail factory outlets’ should be treated like normal retailing outlets, unless they are genuinely ancillary to on-site manufacturing. Other forms of ‘factory outlets’, such as the one proposed at Orange Grove, are simply shops seeking low rents, and is an undesirable and inappropriate use in the B5 Business Development zone.</p>	<p>Spot rezonings are often necessary to ensure that Council listens to the market and does not provide an over supply of commercial floor space. Further, spot rezonings offer an opportunity to facilitate development opportunities and promote economic growth.</p> <p>The Planning Proposal seeks to facilitate the development of an “outlet centre”.</p> <p>Outlet centres are a relatively new retail format that focus on the provision of clothing, footwear, household goods and other non-bulky items; it has been arguably seen as a niche form of retailing because the items are historically sold at a discount price. Customers at outlet centres have similar behaviour to customers at bulky goods retail outlets in the way that they usually undertake infrequent trips compared to core retail premises which sell ‘day to day’ and convenience goods.</p> <p>A key characteristic of outlet centres is the absence of a large anchor tenant (e.g. supermarkets and department</p>

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		<p>stores). In this regard, the size of individual tenancies will be restricted to 1200sqm to restrict supermarkets and department stores.</p> <p>It is recommended that Council writes to DOPI to gain a clearer policy direction in relation to outlet centre retailing in NSW. Council will also be working closely with DOPI to formalise an appropriate planning mechanism.</p>
	<p>Despite the 1200sqm maximum tenancy size, which prevents full line supermarkets or a department store, the planning proposal enables the development of a 19,000sqm (sub-regional scale) shopping centre, which could conceivably comprise of smaller supermarkets, mini-major retailers (e.g. Rebel Sport, JB Hi Fi, large liquor retailer etc) as well as food court and specialty shops.</p>	<p>The planning mechanism has yet to be finalised with DOPI. However it should be noted that there is an intention to limit supermarkets, discount department stores and mini-major retailing on the subject site.</p>
	<p>Out of Centre retail development is inappropriate and should not be supported. Further, the proposal is inconsistent with the Metropolitan Plan 2036, draft South West Sydney Sub-Regional Strategy, and the provisions of the Liverpool LEP.</p>	<p>It is acknowledged that there is some inconsistencies with State Government policy direction, much of which is draft.</p> <p>Outlet retail formats are similar in customer attraction to bulky goods and can appropriately be co-located with bulky goods retailers, as they require similar infrastructure and are considered compatible.</p> <p>It is recommended that Council write to DOPI to gain a clearer policy response to outlet centre retailing in NSW.</p>
	<p>The proposal is diluting an exiting bulky goods node, which will inevitably result in pressure for bulky goods retailing to occur in other suburbs in the future to meet demand.</p>	<p>The existing use on the site is a weekend market.</p> <p>In order to facilitate demand for bulky goods retailing, the underlying zone is to be retained as B5 Business Development. In the event that a retail outlet centre is not pursued, the B5 zone will facilitate any demand for bulky goods retailing on the site.</p> <p>This use is considered likely to invigorate the bulky goods destination.</p>
	<p>The proposal is substantially inconsistent with the objectives of the B5</p>	<p>The proposal does not directly limit retailing of food and</p>

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	zone under Liverpool LEP 2008.	<p>clothing; however it does limit the retail floor space and the size of individual tenancies.</p> <p>The proposal could be deemed acceptable in the B5 Business Development zone on the basis that all centres in the retail hierarchy are expected to continue to experience an increase in retail expenditure captured to 2015 despite the opening of an outlet centre on the weekend markets site.</p> <p>The predicted growth in retail expenditure is principally due to the significant population growth within Liverpool LGA and subsequent increased retail expenditure in the catchment. The economic strength of centres is compromised to an acceptable level.</p>
	There are implications for precedent and the potential for pressure on Liverpool and other South West subregional Councils for further ad hoc rezonings.	<p>Spot rezonings are often necessary to ensure that Council listens to the market and does not provide an over supply of commercial floor space. Further, spot rezonings offer an opportunity to facilitate development opportunities and promote economic growth.</p> <p>Each Council will need to assess the merits of the proposal and ensure appropriateness in the local, regional and state context. Inappropriate developments will not be supported on their own merits. As such ad-hoc decisions are avoided by appropriate consideration of factors.</p>
3	In support of the proposed development as it will increase local employment and provide greater retail options.	Noted.
4	The proposal is seeking to create a new activity centre by stealth and one which is not identified in any strategic studies or plans.	<p>The proposal is for a retail outlet centre and this use will be facilitated by an appropriate planning mechanism. Such a use would not transform the site into a new activity centre, but rather support existing bulky goods retailing.</p> <p>It should be noted that there has been a submission to the</p>

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		<p>Retail Hierarchy Review to locate higher level retail uses at the Orange Grove Mega Centre site (relating to a possible ALDI and Kmart on the site). In this regard, Hill PDA suggests that provision of retail floorspace of this nature would likely have an adverse impact upon the Liverpool City Centre. In this regard, higher level retail uses are not proposed under this LEP Amendment and should not be supported due to unacceptable economic impacts.</p>
	<p>The proposal is not consistent with the objectives of the B5 zone.</p>	<p>The proposal does not directly limit retailing of food and clothing; however it does limit the retail floor space and the size of individual tenancies.</p> <p>The proposal could be deemed acceptable in the B5 Business Development zone on the basis that all centres in the retail hierarchy are expected to continue to experience an increase in retail expenditure captured to 2015 despite the opening of an outlet centre on the weekend markets site.</p> <p>The predicted growth in retail expenditure is principally due to the significant population growth within Liverpool LGA and subsequent increased retail expenditure in the catchment. The economic strength of centres is compromised to an acceptable level.</p>
5	<p>In support of the proposed development as it will likely increase local employment opportunities, provide greater retail options, and boost economic development.</p>	<p>Noted.</p>
6	<p>Supports the proposal as it will improve employment opportunities.</p>	<p>Noted.</p>
7	<p>Objects to the proposal as it will remove the weekend market which is an ideal use for the Liverpool area.</p>	<p>Noted. Council cannot force an ongoing development. The use of the land is up to the developer in accordance with permissibility and conditions of consent on a site.</p>

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	Objects to the proposal as there are many existing shopping centres and the proposal will have high economic impacts on these centres.	Appropriate economic modelling has been undertaken which demonstrates a worst case scenario. It is considered that the proposed development is one of low to moderate economic impact on the Liverpool CBD and other nearby centres.
8	Raises no objection to the change of usage from markets to retail, but requests that the development include facilities for bicycle access and parking to the shops.	Noted. Bicycle access and parking can be dealt with as part of a Development Application.
9	Supports the proposal as it provides an opportunity for residents to spend locally and for local jobs to be created.	Noted.
10	Supports the proposal as it will likely increase competition, improve accessibility to bulky goods and retail outlet retailing, encourage employment opportunities and will attract shoppers from adjoining areas.	Noted.
11	The Planning Proposal is inconsistent with the draft Centres Policy because Orange Grove Road is not a centre in the traditional sense and does not have good access to public transport. Allowing a new centre to form in such proximity to a Regional City Centre would simply fragment activity to the detriment of the established centre. There is no overriding need for the proposed development as evidenced by the high trading impacts on other centres.	<p>It is noted that the proposed development is not located in a centre; the development is a response to market-led demand and would generally aid competition in the retail sector.</p> <p>Although the proposal is not located within a core retail centre, it seeks additional retail uses in an existing (bulky goods) activity hub and within an established centre.</p> <p>It is noted that the draft Centres Policy is not considered to be official government policy. It is recommended that Council writes to DOPI requesting clearer policy direction in relation to outlet centre retailing in NSW.</p>
	The Draft Centres Policy is unambiguous. Brand outlet centres are simply shops and should locate in B2 Neighbourhood Centre, B3 Commercial Core or B4 Mixed Use Zones.	<p>The document was prepared in 2009 and is not considered to be official government policy.</p> <p>It is noted that the proposed development is not located in a centre; the development is a response to market-led demand and would generally aid competition in the retail</p>

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		<p>sector.</p> <p>Due to the scale of the development, it would be difficult to locate such a development in an existing centre zoned B2 – B4.</p> <p>The Metropolitan Plan for Sydney 2036 (which is official government policy) states that retailing which requires large floor areas cannot always be readily accommodated in existing centres and that the B5 zone is an appropriate zone in which to cluster this kind of development.</p> <p>It is recommended that Council writes to DOPI requesting clearer policy direction in relation to outlet centre retailing in NSW.</p>
	<p>Brand outlet centres are simply another form of shopping centre, albeit ones with a much lower standard of finish, presentation and fit-out than most traditional shopping centres (and hence lower development costs). To all intents brand outlet retailing is general retailing under another name. There is no operational requirement for brand outlet centres to be located outside of existing centres.</p>	<p>Outlet centres are a relatively new retail format that focus on the provision of clothing, footwear, household goods and other non-bulky items; it has been arguably seen as a niche form of retailing because the items are historically sold at a discount price.</p> <p>Customers of outlet centres have a similar behaviour to customers of Bulky Goods retail outlets in the way that they usually undertake infrequent trips compared to core retail premises.</p> <p>A key characteristic of outlet centres in the absence of a large anchor tenant (e.g. supermarkets and department stores). These uses will be limited in the planning mechanism.</p> <p>There is considerable debate over where outlet centres should locate. On the one hand, State Government policy states that they should be defined and considered as general retail premises and should be located in declining centres or enterprise corridors where they can play a role</p>

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		<p>in their revitalisation. On the other hand, some argue that it is difficult to amalgamate a site large enough to build an effective outlet centre. Furthermore, it is also argued that locating in a CBD where rents are high would make outlet-style retailing unviable.</p> <p>It is recommended that Council writes to DOPI requesting clearer policy direction in relation to outlet centre retailing in NSW.</p>
	<p>The Planning Proposal is also contrary to the findings and recommendations of the NSW Government review of competition through the planning system and the draft competition SEPP 2010. The distortion of planning controls is anti-competitive in so far as it prejudices established retail centre operators.</p>	<p>The proposed development is a response to market-led demand and would generally aid competition in the retail sector. It is noted that the draft competition SEPP 2010 relates primarily to development assessment and overall promotes competition.</p> <p>There is considerable debate over where outlet centres should locate. On the one hand, State Government policy states that they should be defined and considered as general retail premises and should be located in declining centres or enterprise corridors where they can play a role in their revitalisation. On the other hand, some argue that it is difficult to amalgamate a site large enough to build an effective outlet centre. Furthermore, it is also argued that locating in a CBD where rents are high would make outlet-style retailing unviable.</p> <p>It is recommended that Council writes to DOPI requesting clearer policy direction in relation to outlet centre retailing in NSW.</p>
	<p>There is no mechanism in the proposed planning controls (or indeed the standards LEP template) to distinguish between retail premises, supermarkets or retail outlets. The proposed planning controls would therefore permit the development of a suite of usual "town centre" uses which would further impact on existing centres within the</p>	<p>What is being proposed is a retail outlet centre. A key characteristic is the absence of a larger anchor tenant such as a supermarket.</p> <p>Council has received advice from DOPI that the Department will seek advice on the best way to draft</p>

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	<p>Liverpool CBD. The floor space cap is, according to the Hill PDA 'Cumulative Economic Impacts Study', insufficient to control the nature of retail development at Orange Grove. Recommendations in the Hill PDA report are absent from Council's Proposal.</p>	<p>clauses consistent with the Standard Instrument Order.</p> <p>It is recommended that Council forwards the Planning Proposal to the regional branch of the Department of Planning and Infrastructure for Parliamentary Counsel consideration and requests that the wording of the amendments confirmed with Council prior to being made.</p>
	<p>The proposal will have an adverse impact on the extent and adequacy of facilities and services available to the local community.</p>	<p>It is unlikely that the proposal will have detrimental impacts on the extent and adequacies and services available to the local community. The addition of a DFO to local retailing increases choice and competition for local consumers.</p>
	<p>The proposal is inconsistent with the Liverpool Business Centres and Corridors Strategy as none of the recommended strategies included the change of the Orange Grove Road precinct to a retail centre.</p>	<p>The Liverpool City Centres Hierarchy Review, developed in 2006, which informed the Strategy, did not specifically consider the provision of an outlet centre anywhere within the LGA over the 2006 to 2031 period.</p> <p>The Hill PDA draft retail hierarchy review supports a specialist centre at this site.</p> <p>The proposed development is a response to market-led demand and would generally aid competition in the retail sector. When economic assessments were carried out, the use and its impacts were considered reasonable.</p>
	<p>A loss of trade and redirection of retail development to Orange Grove will significantly reduce the capacity of the CBD to attract investment, evolve and develop.</p>	<p>The model shows that the immediate impact on Liverpool CBD will be below 10% loss in trade which is deemed to be of low to moderate impact.</p> <p>Despite the reduction, the reporting shows that in all three of the scenarios modelled by Hill PDA Liverpool CBD, and indeed all the centres in the surrounding retail hierarchy, would continue to experience an increase in retail expenditure captured to 2015 despite the opening of an outlet centre on the weekend market site.</p>

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		It is unlikely that this will significantly reduce the capacity of the CBD to attract investment and to evolve and develop.
	<p>The potential impact of the proposed 19,000sqm factory outlet on Orange Grove must not be considered in isolation. It should also be considered based on the submissions to the Liverpool Retail Centres Hierarchy Review by Hill PDA which calls to elevate Orange Grove to the status of a standalone centre to total a substantial 71,000sqm of retail floorspace including an ALDI, a Dan Murphy's and a Kmart.</p> <p>Such a high provision of retail in such close proximity to the Liverpool CBD will have a detrimental impact on the retail hierarchy of the LGA. The proposed Orange Grove retail expansion may result in a structural change, reduce the relevance of the Liverpool CBD as a shopping destination and shift the focus of the core retailing in the region from the Liverpool CBD to Orange Grove.</p>	It should be noted that there has been a submission to the Retail Hierarchy Review to locate higher level retail uses at the Orange Grove Mega Centre site (relating to a possible ALDI and Kmart on the site). In this regard, Hill PDA suggests that provision of retail floorspace of this nature would likely have an adverse impact upon the Liverpool City Centre. In this regard, higher level retail uses are not proposed under this LEP Amendment and should not be supported due to unacceptable economic impacts.
	There is a lack of clear strategy. There is a fundamental shift in approach whereby the growth is supported outside of the CBD, which under the current local and state planning and retail strategy is the primary emphasis. Further, there is no clear analysis to support this substantial change in emphasis.	<p>It is recommended that Council writes to DOPI requesting clearer policy direction in relation to outlet centre retailing in NSW.</p> <p>The economic modelling shows that the immediate impact on Liverpool CBD will be below 10% loss in trade which is deemed to be of low to moderate impact.</p> <p>Despite the reduction, the reporting shows that in all three of the scenarios modelled by Hill PDA Liverpool CBD, and indeed all the centres in the surrounding retail hierarchy, would continue to experience an increase in retail expenditure captured to 2015 despite the opening of an outlet centre on the weekend market site.</p> <p>It is unlikely that this will significantly reduce the capacity of the CBD to attract investment and to evolve and develop.</p>

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	The vacancy rates in Liverpool CBD and other centres suggest an overprovision of retail floor space rather than the undersupply noted in the Hill PDA reporting.	Despite the current vacancy rates in the Liverpool CBD, the reporting indicates that there is an undersupply of retail floor space. This is due, in part, to an expected population increase and demand for retail floor space.
	The supporting documentation to the Planning Proposal is inadequate and skews the figures to unrealistically support the contentions of the proposed LEP amendment.	The planning proposal has been the subject of vigorous planning assessment and economic analysis. Council has undertaken independent cumulative impact analysis which has demonstrated that the proposal will have low-moderate economic impact on the Liverpool CBD and other nearby centres.
	There is little stopping the inclusion of supermarkets and discount department store in Orange Grove in terms of permissibility. Should this occur, as mooted, then this will preclude the addition of a discount department store and likely delay the entry of another supermarket in the Liverpool CBD by about 10 years. Without new anchors it will be difficult to support new speciality shops and fill existing vacancies.	Council has received advice from DOPI that the Department will seek advice on the best way to draft clauses consistent with the Standard Instrument Order. It is recommended that Council forwards the Planning Proposal to the regional branch of the Department of Planning and Infrastructure for Parliamentary Counsel consideration and requests that the wording of the amendments confirmed with Council prior to being made.
	The trading impacts of the proposed retail developments on the Liverpool CBD are of a sufficient size and significance to threaten the viability of retailers in the CBD. Given the current state of retailing in the Liverpool CBD and the market generally, a 15% impact would not be manageable without adverse consequences.	The planning proposal has been the subject of vigorous economic assessment and analysis. Council has undertaken independent cumulative impact analysis which has demonstrated that the proposal will have low-moderate economic impact on the Liverpool CBD and other nearby centres.
	The sequential test undertaken in Council's Planning Proposal is superficial and misleading. The sequential Test is flawed in that it seeks to identify sites "upon which a 15,000 – 19,000sqm. building and associated car parking could be accommodated". What the test does not investigate is the capacity for these locations to accommodate the quantum and mix of the proposed uses individually	The purpose of the planning proposal is to facilitate the development of an outlet centre which is arguably a niche form of retailing with similar characteristics to bulky goods retailing. In this regard, it is considered appropriate for the sequential test to identify sites where a 15,000 – 19,000sqm building and associated car parking could be

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	within the Centres.	accommodated. It is recommended that Council writes to DOPI requesting clearer policy direction in relation to outlet centre retailing in NSW.
	In terms of the 'public interest' this rezoning for retail premises will result in a considerable uplift in the value of the land at Orange Grove. This uplift in development potential will be achieved, ostensibly, in the absence of significant Section 94 develop contributions. The value creation at the Orange Grove site should be off-set through improvements in the Liverpool CBD, which recognise the documented impacts to the centre through some form of community benefit. In this regard, a Voluntary Planning Agreement should be considered.	There is no direct nexus between the proposed development and improvements to the Liverpool CBD.
	Before the proposal proceeds, there needs to consideration of Census 2012 data for population growth, retail spend and affluence detailed in Hill PDA peer reports and calibration of analysis where appropriate.	The Planning Proposal has been under assessment since May 2011. It could be considered unreasonable to delay the process in order to update technical reports in response to the 2012 Census data, particularly considering that census data does not predict growth.
	Before the proposal proceeds, there should be an independent and full analysis of the proposal of the Net Community Benefit Test and Consequential Impacts on the Liverpool CBD.	It is considered that an adequate Net Community Benefit Test has been carried out and impacts on the Liverpool CBD have been carefully considered.
12	Liverpool Cumulative Economic Impact Study, prepared by Hill PDA in July 2012 did not model the impact of the Orange Grove Road site to provide traditional retail specialties.	The study models the economic impact of a brand outlet premises which is what is intended for the subject site. DOPI has indicated that they will be drafting clauses consistent with the SI Order that meets Council's objective to facilitate the development of a brand outlet premises on the subject site.
	Liverpool Cumulative Economic Impact Study, prepared by Hill PDA in July 2012 did not model the proposed and approved additions to the Fairfield retail network (Bonnyrigg and Stocklands at Prairiewood).	It is noted that the cumulative impact on nearby centres is low to moderate and that impact is reduced as the distance is increased. As such, impacts are acceptable.
	The 17.8% growth assumptions used for Fairfield Centres were based	The Cumulative Economic Impact Study was completed

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	on the expansion of Stocklands and Bonnyrigg and therefore this is masking the potential impacts that may occur other Fairfield Centres.	by Hill PDA, Council's independent consultants. The figures stated in the Hill PDA report are considered reliable.
	The size and turnover attributed to the Fairfield centre may be inflated and this may result in an impact of more than negative -2.8%.	-2.8% is an insignificant impact. The reporting establishes that anything below 5% is insignificant. The Cumulative Economic Impact Study was completed by Hill PDA, Council's independent consultants. The figures stated in the Hill PDA report are considered reliable. It is noted that despite the impact, the centres are all likely to increase in retail expenditure captured to 2015.
	The strategy recommended by Hill PDA, to prevent traditional retail facilities establishing within Orange Grove factory outlet development, by limiting lettable floor space to be used for sale of food and related goods, would not prevent the centre from providing a substantial amount of floor space to traditional retail specialty stores.	Council has received advice from DOPI that the Department will seek advice on the best way to draft clauses consistent with the Standard Instrument Order. It is recommended that Council forwards the Planning Proposal to the regional branch of the Department of Planning and Infrastructure for Parliamentary Counsel consideration and requests that the wording of the amendments confirmed with Council prior to being made.
	The EIA prepared by Leyshon Consulting in April 2012 is flawed as the study did not assess the cumulative impacts of the other Liverpool Amendments 19 and 26 nor the approved Fairfield retail extensions. The study also did not estimate the likely impacts that would occur should the centre in full or in part provide traditional specialty retail stores.	Council acknowledges the need for a cumulative impact report that addresses the combined impact of the crossroads, B6 zone change and this proposal. Council engaged an independent analysis. The Hill PDA Peer Review and Cumulative Impact Study addresses the issues in the Leyshon Consulting report.
13	The Proposal will permit the Orange Grove complex to have a combined retail space equivalent to 50% of the retail space within Liverpool CBD (<i>Urbis, 2012</i>). The proposal will reduce retail turnover in the Liverpool CBD by an expected \$36.7m or 5.5% (<i>Urbis 2012</i>).	The Hill PDA cumulative impact assessment has assessed the impacts of Amendment 19 which was recently gazetted, the Crossroads Costco proposal and this proposal. This found the total impact on Liverpool to be 7.8% at 2016, which was considered to be "low to

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		<p>moderate” and “within the normal competitive range”. Further, the report states that despite the low to moderate adverse impacts identified on Liverpool and Casula, these centres will experience growth of 3.3% and 2.1% respectively over the 2012 to 2016 period.</p>
	<p>The ‘Cumulative Impacts Study’ commissioned by Liverpool City Council (Hill PDA, July 2012) to assess the combination of all retail applications currently being considered by the Council was not a comprehensive study as it failed to consider impacts arising from developments at Bonnyrigg Plaza and Wetherill Park shopping centres which will result in an estimated further negative impact of \$20m on Liverpool CBD retail expenditure (Urbis, 2012).</p> <p>The real “Cumulative Impacts” of Costco, Orange Grove and other proposals in the region are in the order of \$80.2m or a 12% decline in CBD turnover.</p> <p>Orange Grove alone accounts for 46% of this impact.</p>	<p>The cumulative study has adequately cindered the impacts on centres outside of the Liverpool LGA.</p> <p>It is noted that the Bonnyrigg development is proposed inline with substantial redevelopment of the Bonnyrigg suburb including the introduction of substantial doubling of dwellings in the area. With regard to the impact of investment of the Wetherill Park Prairewood Centre, it is noted the relative distance of this centre to the site (approximately 9km). Further, the Hill PDA reporting takes into account the two DA consents that relate to additional floor space at this centre.</p>
	<p>Liverpool CBD already has one of the largest concentrations of retail space in the south west region (Urbis 2012) and is over supplied. Liverpool CBD currently has 5000sqm of retail shop front vacancy (Urbis 2012) which is extremely high by comparative benchmarks.</p>	<p>Despite the current vacancy rates in the Liverpool CBD, the reporting indicates that there is an undersupply of retail floor space. This is due, in part, to an expected population increase and demand for retail floor space.</p>
	<p>There has been little or no retail expenditure growth in existing key centres in the region including Liverpool Westfield, Macarthur Square, Bonnyrigg Plaza and Stockland Wetherill Park, which have averaged growth of 0.3% per annum in real terms over the 2008-2011 period (Urbis 2012).</p> <p>If the depth of the retail market is so vast so as to need in excess of an additional 32,000sqm of retail space (being the combined area of</p>	<p>As outlined in the Hill PDA reporting, retail spending growth in Australia has been sluggish over the past four years. This however is not reflective of the long term trend which has grown at nearly 1.5% over the 1986-2010 period.</p>

Submission No.	Issues Raised	Comment
	<p>the Costco and Orange Grove proposals alone) these centres would surely have been “over trading” rather than underperforming.</p> <p>Unintended consequences arising from an approval may create a non-level playing field and be viewed as “Anti-Competitive” as it is more expensive to develop and maintain an asset within the Liverpool CBD than outside of it.</p> <p>Non-CBD developments are not levied to the same extent as CBD development in the form of s94 and s94AA contributions thereby providing minimal financial benefit to the community and its infrastructure.</p> <p>If the Orange Grove proposal is approved, at the very least, the same levies should be applied on the replacement value of the building and its required parking not just on costs to reconfigure the internals of the building to provide for a DFO.</p> <p>Liverpool CBD developments are charged higher and disproportionate Council rates than ‘out of CBD’ developments.</p> <p>If approved, the Orange Grove complex should be required to pay the equivalent rate as levied against the Westfield Liverpool shopping centre as the DFO will be selling substantially the same goods.</p> <p>It would not be appropriate for one retail complex to be treated differently to another retail complex.</p>	<p></p> <p>It is noted that the amendment does not seek to allow the full range of unrestricted retailing as is permissible in normal centres.</p> <p>The development is a response to market-led demand and would generally aid competition in the retail sector.</p> <p>There is no nexus between the proposed development and improvements to the Liverpool CBD.</p> <p>Evaluation of infrastructure can be carried out at the DA stage to ensure traffic and drainage infrastructure are appropriately provided for.</p> <p>Rates are based upon land valuations as established by the NSW Valuer General.</p>
	<p>Out of CBD’ developments do not have to abide by the strict design requirements of the Council which would otherwise apply to those wishing to develop within the CBD precinct. At the very least compliance with such design requirements should be required.</p> <p>Larger retailers including supermarkets like to situated ‘Out of CBD’ to take advantage of a captive market where no ‘comparison shopping’ can occur (i.e. isolate the customer).</p>	<p>The assessment of any development application for the site will be in accordance with the development controls applicable to that locality.</p> <p>This proposal does not support the establishment of supermarkets on this site.</p>

Submission No.	Issues Raised	Comment
	<p>Larger format retailers, supermarkets and developers prefer to develop 'Out of CBD' as the costs to develop land (land, Council & State infrastructure charges, design codes) and ongoing operating costs (Council rates, land tax and levies) are significantly lower. This creates a non-level playing field whilst directly competing with CBD retailers. Investment will be driven away from the Liverpool CBD because of the non-level playing field, including investment at Westfield Liverpool.</p>	<p>This proposal seeks to establish a specialised outlet retail destination only. It does not support unlimited retailing as would be applied to a centre location. The use is likely to increase competition which is supported by the Competition SEPP. Finally, the economic impact has been assessed to be low to moderate impact on the Liverpool City Centre.</p>
	<p>There is questionable long-term community benefit.</p>	<p>The long term community benefit has been carefully considered in the Planning Proposal. The use would provide for increased competition as well as providing for over 400 local jobs.</p>
	<p>Leyshons Economic Impact Assessment has several key shortfalls in that it did not consider:</p> <ul style="list-style-type: none"> - cumulative impacts; - The effect of a diversion of retail activity from the Liverpool CBD on its capacity to achieve the strategic objectives for a regional city within the Sydney Metropolitan Strategy; - Whether there is a need or demand for an outlet centre; and - Online retail. 	<p>The shortfalls of Leyshon's Economic Impact Assessment were addressed in the Hill PDA Peer Review and subsequent Cumulative Impact Study. These impacts have therefore been adequately assessed by Council's independent economic consultants.</p>
	<p>If the outlet centre does fail, the owners will likely seek to overturn the 1,200 tenancy restriction and create a new regional shopping centre further detracting and dislocating the CBD.</p>	<p>Hill PDA have established that while DFO style development can be supported, a full range of retailing is not appropriate at the site due to significant impacts. Such a proposal would be subject to extensive planning and economic assessment and could not be supported given the current economic modelling.</p>
	<p>As fragmented 'Out of CBD' hubs develop, the vitality of the Liverpool CBD will be further diminished and it will lose its significance to the community.</p>	<p>The economic reporting indicates that the immediate impact on Liverpool CBD will be below 10% loss in trade and therefore deemed to be of low to moderate impact. It</p>

Submission No.	Issues Raised	Comment
	<p>The proposal will likely cause the shallowing of the retail mix in the CBD and cause the closure of retail shops, increased vacancy rates and contracting employment.</p> <p>It will:</p> <ul style="list-style-type: none"> Contribute to the conversion of retail premises to lower value uses. Reduce vibrancy, amenity and activity in the eroding the role of the Community Epicentre of Liverpool. Reduction in complementary activity throughout the town centre and lower public usage (further hindering retailing in the CBD). <p>Investment in the Liverpool CBD should be driven by Policy incentives to be in the CBD not out of it.</p> <p>Policy incentives could include density and height bonuses upon the amalgamation of titles; lowering the costs to develop and maintain an asset in the CBD; and grow the Liverpool CBD area so that new development areas and commercial properties are co-located with the CBD.</p>	<p>is unlikely that this will significantly reduce the capacity of the CBD to attract investment and to evolve and development. Further, it is unlikely that the proposed development will result in the Liverpool CBD losing significance to the community.</p> <p>Appropriate economic modelling has been undertaken which demonstrates a worst case scenario. It is considered that the proposed development is one of low to moderate economic impact on the Liverpool CBD. The modelling does not support this statement.</p> <p>Council agrees that the Liverpool CBD should be driven by policy incentives to be in the CBD.</p> <p>In fact, the existing Liverpool Local Environmental Plan 2008 provides generous incentives for development in the CBD (including incentives relating to FSR and height) for consolidation of parcels. This is supported by expenditure of Town Improvement Fund and capital funds to improve the vibrancy of the CBD.</p>
14	Supports the proposal as it will improve the viability of the existing bulky goods Mega Centre.	Noted.
15	Supports the proposal as it will improve the viability of the existing bulky goods Mega Centre.	Noted.
16	Petition of 3,500 signatures collected by the applicant in support of the proposal.	Noted.

Submission No.	Issues Raised	Comment
17	Supports the proposal and it will improve the retail offering in Liverpool and provide local jobs.	Noted.
18	Objects the proposal on the basis of increased traffic.	A Traffic and Parking Assessment has been undertaken by Dobinson and Associates. In regard to traffic generation and the capacity of the network to accommodate the traffic, the assessment has concluded that the peak demand can be accommodated by the network.
	Notes that the site is subject to flooding.	Noted. The proposed retail use will likely be contained within the existing building. Any future buildings will be subject to a Development Application, at which stage detailed assessment of flooding will be undertaken in accordance with the Liverpool DCP.
	Suggests that the site be rezoned to light industrial to increase manufacturing within the area.	The site is currently zoned B5 Business Development and this zone is to be retained. The Metropolitan Strategy states that retailing which requires large floor areas cannot always be readily accommodated in existing centres and notes that the B5 Business Development Zone is generally an appropriate zone in which to cluster this kind of development. There is adequate industrial zoned lands within the LGA that can be developed to establish manufacturing related uses.
19	Supports the proposal as it will help local businesses.	Noted.
20	Letter of support.	Noted.
21	No objection.	Noted.

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

ITEM NO:	PLAN 03	FILE NO:	RZ-1/2012
SUBJECT:	DRAFT AMENDMENT NO. 26 TO LIVERPOOL LOCAL ENVIRONMENTAL PLAN 2008 - PUBLIC EXHIBITION OUTCOMES		

Liverpool City Council

Planning Proposal

***Liverpool Local Environmental Plan 2008
Amendment No. 26 - Additional Permitted Uses
on Part of Lot 200 DP 1090110 Beech Road,
Casula (Corner of Beech Road and Parkers
Farm Place)***

October 2012

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DRAFT

Background

This planning proposal seeks to permit a 13,000 sqm Costco retail premises on Part of Lot 200 DP 1090110 Beech Road Casula.

The site is currently zoned B5 Business Development which does not permit range of uses proposed in the Costco proposal. Costco stores typically operate from traditional purpose built retail warehouse buildings. These generally comprise of large retail floor plates. The Costco Warehouse model also generally comprises a number of ancillary uses/ services within its premises.

These comprise:

- Small cafe - this is referred to as a 'food court' within the Costco model, however it generally involves an indoor seating area and sells a small range of convenience fast food, i.e. pizza, hot dogs, salads and cold beverages for consumption on the premises.
- Tyre Centre - this comprises a drive-in tyre fitting and balancing facility;
- Optometrists - this involves the provision of a reception kiosk and examination rooms;
- Photo processing;
- Hearing facility, hearing aid service/sales; and
- Service Station

It is therefore proposed that an amendment to Schedule 1 to permit retail, business premises, vehicle repair station and service station on the site is the appropriate mechanism to permit the proposal.

The site has a road frontage to both Beech Road and Parkers Farm Place, and vehicular access would be provided from these two frontages. The primary access will be located on Parkers Farm Place which would be located approximately 180m from the Beech Road roundabout. Car parking will be provided on site (with almost 700 car spaces proposed).

Part 2 - Explanation of provisions

The aims of this planning proposal will be achieved through an amendment to Schedule 1 Additional Permitted Uses within the Liverpool Local Environmental Plan 2008 (LLEP 2008) by adding additional uses of “retail premises”, “business premises”, “service station” and “vehicle repair station” as permissible on Part of Lot 200 DP 1090110 Beech Road, Casula. These uses are not currently permissible within the B5 Business Development zone.

Amendment to Schedule 1 of LLEP 2008

Proposed Change to LLEP 2008	Purpose
Maintain the current B5 Business Development Zone and provide for additional uses on the site for "retail premises", "business premises", "service station" and "vehicle repair station".	Additional uses on the subject site rather than rezoning is supported in this instance as the Crossroads locality is a bulky goods precinct. This use predominantly fits within the bulky goods definition; however portions of the use fall outside of this definition. The additional use mechanism retains the objectives of the zone while facilitating the use. If a Costco store is not feasible, the B5 zone will allow the site to be utilised for Bulky Goods sales without further amendment to the LLEP 2008.
Development on the site is to have a maximum gross floor area of 13,500sqm.	To ensure that the economic impact of the use is managed appropriately and in line with the accepted economic reporting.
Development on the site must be within a single tenancy.	Ensure that any development on the site is in line with the planning proposal lodged for the site, i.e. to provide for the Costco operation on the site.

It should be noted that no LEP mapping amendments will be required as no alterations are proposed or required to facilitate the planning proposal as no change to facilitate the planning proposal as no change to the zoning, floor space ratio, height of buildings or minimum lot sizes controls are proposed.

Part 3 - Justification

A. Need for the planning proposal

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

The Planning Proposal is not the result of any strategic study or report. The need for the proposed LEP amendment has been initiated by the applicant who lodged a rezoning application with Council.

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

An amendment to the LLEP 2008 is the only means within which to permit the proposed development.

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

The Planning Proposal will provide net community benefits, commensurate with the scale of the proposed amendment. The Economic Impact Assessment, prepared by Essential Economics, stipulates that the proposal will generate a number of social and economic benefits for the local area as follows:

- The introduction of Costco at Crossroads will assist in lifting the performance of the existing bulky goods/hub activity centre;
- The introduction of Costco contributes to choice and competition in the broader retail and wholesale markets;
- The Costco Warehouse is expected to generate approximately 250 full time positions. A further 225 indirect or flow-on jobs are expected to be created indirectly through the employment multiplier effect within Sydney, other parts of NSW and interstate;
- An injection of approximately \$35 million into the local economy through the construction of the Costco Warehouse and would create approximately 80 construction jobs over a 12 month construction phase, plus a further 130 indirect or flow-on jobs elsewhere in the economy.

B. Relationship to strategic planning framework

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

The planning proposal is deemed consistent with the objectives and actions contained within the Metropolitan Plan and South-West Subregional Strategy. This is discussed as follows:

Action	Response
Economy and Employment	<p>The Metropolitan Subregional strategy recognises the site as an existing Neighbourhood Centre and existing zoned employment land.</p> <p>The additional permitted site specific uses will not significantly impact upon the land supply for economic activity and investment. Indeed, it is likely to stimulate tenant interest in the Crossroads precinct and provide approximately 250 full time positions plus another 225 additional in-direct jobs.</p> <p>The Planning Proposal will not lead to a reduction in employment opportunities within the Precinct.</p> <p>The Planning Proposal is specific to the site, which is located within an existing activity centre. The development is expected to have a positive outcome for the Crossroads Centre and will attract consumers and is thus considered a regional attractor.</p>
Centres and Corridors	<p>The Subregional Strategy seeks to maximise the use of infrastructure where demand and opportunities exist. The Subregional Strategy identifies Crossroads as employment lands, adjacent to a freeway (M5) and south west rail link. The Crossroads precinct is identified as an industrial precinct particularly, for freight and logistics and bulky goods. Retail activity is encouraged in Business Development Zones.</p> <p>The proposed development shares similarities to bulky goods retail and will add to the reasonable concentration of business activities to the north of the site. The proposed Costco store would be easily accessible from within this area and there is a lack of comparable provision within the South West. Costco provides a strong attraction to shoppers given the low prices which it can offer and therefore it is reasonable that shoppers would be prepared to travel for at least 30-minutes to reach it.</p> <p>The planning proposal is consistent with the Metropolitan Plan which states that “retailing which requires large floor areas... cannot always be readily accommodated in existing centres... the business development zone is generally an appropriate zone in which to cluster this kind of development”.</p>
Housing	<p>The use will provide for upgrades to intersections and pedestrian facilities in the area. Therefore improving walk-ability within the locality. The use will also generate local employment opportunities important to support the growing western Sydney communities.</p>
Transport	<p>The Planning Proposal is consistent with Ministerial Direction 3.4 - Integrating Land use and Transport. This site has direct access to the regional arterial network. The M5 South Western Motorway runs along the western boundary of the site. The motorway provides a link for this area to Sydney City in the north east. The M7 provides an arterial connection to areas north of the site.</p> <p>There are no bus services that enter the Crossroads precinct but</p>

	<p>there is a bus stop on Camden Valley Way (approx 300m from the site). The planning proposal is consistent with the directions of the strategy as it ensures anchor retail development is carried out in centres that possess an acceptable level of public transport services. The use will provide for upgrades to intersections and pedestrian facilities in the area. Therefore improving walk-ability within the locality.</p>
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5. Is the planning proposal consistent with the local council's Community Strategic Plan, or other local strategic plan?

Source	Policy/Strategy	Overview	Comment
Liverpool Council	Liverpool Business Centres and Corridors Strategy	<p>This study responds to the findings of Council's hierarchy study prepared by Leyshon's Consulting. This strategy guides the identification of centres and corridor zones and future functions.</p> <p>The strategy identifies the subject site at Crossroads as an existing bulky goods node. The report outlined that within the Liverpool LGA up to 2031 the theoretical demand for additional retail floorspace would be 350,592m², the demand for additional supermarket floorspace would be 72,592 m² (equivalent to 23 supermarkets) and the demand for additional bulky goods type floorspace to be up to 155,808m².</p> <p>The strategy recommends Council adopts a policy of reinforcing existing bulky goods retail nodes within the LGA rather than creating new locations within the LGA.</p>	<p>Leyshons report recommends the provision of additional bulky goods retailing at the Crossroads precinct. The Costco business model is similar to bulky goods retailing. Whilst Costco cannot be entirely characterised as 'Bulky Goods Retailing' the Costco model shares many structural and operational characteristics with bulky goods retailing in that many consumers purchase in bulk quantities in order to take advantage of reduced prices.</p> <p>The proposal is not wholly consistent with this strategy the proposal is deemed appropriate in that the proposed use is complimentary to existing uses on site and fulfils demand for retail floorspace in the region.</p>
	Growing Liverpool 2021	Growing Liverpool 2021 is the Community Strategic Plan for the City of Liverpool and identifies the community's key objectives for the area of a 10 year period.	The proposal is generally consistent with this strategy as it provides for investment local employment and additional retail opportunities. The re-invigoration of the Crossroads precinct is also consistent with the policy.
		1.3 – Further develop commercial centres that accommodates a variety of employment opportunities	The submission is supported by an economic impact assessment that states that there will acceptable impacts on surrounding centres.

Source	Policy/Strategy	Overview	Comment	
		2.8 – Encourage the revitalisation of local retail centres	It is considered that the Costco store would strengthen the existing Crossroads precinct. A Costco store within the centre will act as a catalyst for visitors and future tenants to the Crossroads Centre, which is currently considered to be under performing.	
		10.2 – Facilitate economic development	The Costco store is likely to stimulate tenant interest in the Crossroads precinct and provide approximately 250 full time jobs.	
		The objectives of the B5 – Business Development Zone are:	Consistency	Justification
		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.	Consistent	The proposed amendment to Schedule 1 to allow for additional uses will ensure that the underlying zoning objectives of the existing B5 Business Development are retained. In the event that a Costco store is not pursued, the site can still facilitate any future demand for bulky goods retailing. The proposal shows attributes with bulky goods retailing in that many consumers buy large quantities, and bulky items.
		To maintain the economic strength of centres by limiting the retailing of food and clothing.	Consistent	This planning proposal imposes a cap on the ultimate size of the centre. The Costco model sells a wide variety of

Source	Policy/Strategy	Overview	Comment	
				<p>products and acts as a regional attractor.</p> <p>This proposal has the potential to impact on centres however the impact is considered insignificant.</p>
		To provide for a larger regionally significant business development centre in a location that is highly accessible to the region.	Consistent	The subject site has excellent access to the regional road network and to existing and emerging residential areas. The proposal will increase the scope of offer at the Homemaker Centre which is deemed an “activity centre” with complimentary commercial uses.
		To ensure a reasonable concentration of business activity.	Consistent	The proposal is defined as retail and will consolidate the Cross Roads Homemaker precinct.

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

Source	Policy/Strategy	Overview	Comment
Department of Planning & Infrastructure	Draft Activity Centres Policy (2010) and Draft Centres Policy.	<p>This document was prepared in 2009 and is not considered to be official Government policy. Objectives of the policy include:</p> <ul style="list-style-type: none"> • The need to reinforce the importance of centres and clustering business needs. • The need to ensure the planning system is flexible, allows centres to grow and new centres to form. • The market is best placed to determine need whilst regulating scale and location. <p>–</p>	<p>The Crossroads Homemaker Centre is considered to be an Activity Centre. The Planning Proposal is consistent with this policy in that it seeks to provide additional retail activity within an existing activity centre. The Activity Centres Policy recognises that the planning system should be flexible enough to allow activity centres to grow over time to meet market demand. In accordance with this Principle, the Planning Proposal seeks to utilise the existing Site, which has been vacant for at least 10 years, for a Costco warehouse development.</p> <p>Further land remains vacant for potential bulky goods development as per the initial intention for the land. Due to substantial land required 5.9ha, it is considered appropriate to locate in a business zone rather than taking up industrial land, or locate within a residential area.</p>
	Draft Competition SEPP (2010)	<p>The proposed State wide planning policy removes artificial barriers on competition between retail businesses.</p> <p>Objectives of the proposal include:</p> <ul style="list-style-type: none"> • Let market decide on the viability of new entrants to the retail sector • The commercial viability of a proposed development may not be taken into consideration by a consent authority when determining development applications 	<p>The proposed development is consistent with this SEPP as it allows for competition between retailers to exist and market led commercial viability.</p>

Source	Policy/Strategy	Overview	Comment
	Metropolitan Plan for Sydney 2036	The plan identifies the Crossroads site as an existing neighbourhood centre and existing zoned employment land.	<p>The planning proposal is consistent with the Metropolitan Plan which states that “retailing which requires large floor areas... cannot always be readily accommodated in existing centres... the business development zone is generally an appropriate zone in which to cluster this kind of development”.</p> <p>The proposal shares similarities to bulky goods premises considering consumer behaviour, high car dependence of consumers, large floor plate and high percentage of large quantities sold at wholesale quantities.</p> <p>The B5 – Business Development zone allows for bulky goods in the future.</p>

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

The Planning Proposal is considered to be consistent with the current Section 117 Directions particularly the following Ministerial Directions:

§ *1.1 - Business and Industrial Zones*

The Planning Proposals does not reduce the available land zoned for Business use. The planning proposal supports and encourages employment growth and supports the range and diversity of centres within Liverpool by broadening the range and type of centres accommodated. It is also likely to reinvigorate an existing precinct.

§ *3.4 - Integrating Land Use and Transport.*

The proposed development has good access to a main arterial road network with regular scheduled bus services on Camden Valley Way. Bus stops are located around 300m from the front entrance of the Costco Store, and pedestrian facility upgrades are proposed as part of the development.

The applicant will provide necessary intersection improvement at the Camden Valley Way/Beech Road intersection on the basis that there is a nexus between the development and the requirement of works to be undertaken. The RMS has accepted the proposed works as a reasonable contribution on to reducing impacts on the surrounding network.

§ *4.3 – Flood Prone Land*

According to Council's survey in 2008, the subject portion of land is not flood prone (1 in 100 year flood). The planning proposal is supported with a flood assessment report which satisfactorily assesses the flooding conditions on the site.

§ *6.1 - Approval and Referral Requirements*

The planning proposal is consistent with this Ministerial Direction.

• *6.2 – Reserving Land for Public Purposes*

The planning proposal is consistent with this Ministerial Direction.

• *6.3 – Site Specific Provisions*

The planning proposal is consistent with this Ministerial Direction.

§ *7.1 – Implementation of the Metropolitan Strategy*

The Planning Proposal is consistent with the objectives of the South West Draft Subregional Strategy (Refer to Section 6 of the Planning Proposal).

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

The site is currently vacant and cleared of any vegetation.

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

There are no likely environmental effects of the proposal.

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

An Economic Impact Assessment (EIA) was submitted supporting the Planning Proposal. The EIA stipulates that the introduction of Costco at the Crossroads site in Casula would generate considerable benefits for the precinct and for the wider community in the City of Liverpool and beyond. The EIA also supports the proposal based on the following considerations:

- The proposal is in accordance with planning objectives that recognise the need for retail development to meet ongoing growth in demand, with Crossroads an identified site for future development of large floor plate uses.
- Analysis of alternative sites against the site suitability criteria shows that the Crossroads Casula site is more appropriate, for the proposed development.
- The Costco store would support the existing precinct at Crossroads, bringing in around 670,000 shopping visits, and overall further improving the current poor performance of the precinct.
- The development involves approximately \$35 million in capital investment and would create approximately 80 construction jobs over a 12-month construction phase, plus a further 130 indirect or flow-on jobs elsewhere in the economy over that 12-month period due to the employment multiplier effect.
- Approximately 250 EFT jobs would be generated, plus a further 225 EFT jobs elsewhere in the local and national economies due to the employment multiplier effect.
- The introduction of Costco will provide shoppers with improved retail choice and competitive prices, with analysis undertaken for the Auburn store indicating that price savings of 10-25% would be achieved.
- Costco will provide small businesses with the opportunity to purchase low cost, high quality merchandise for their own use or for re-sale (noting that sales to business would represent approximately 33% of all sales at Costco).
- Costco actively engages with local businesses and suppliers to source goods and services.
- The introduction of Costco would not generate significant adverse impacts on existing centres in the City of Liverpool and a wider catchment.

The proposal has positive social and economic outcomes as it provides for increased retail competition and employment opportunities. The Economic Impact Assessment establishes that the maximum trade loss for any one individual centre is 2.8% on any one individual centre, and therefore the impact is not considered significant.

D. State and Commonwealth interests

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

The existing infrastructure is not considered adequate to service the site. The proponent has however in consultation with the RMS acknowledged the need to upgrade the intersection of Camden Valley Way and Beech Road to reduce transport network impacts. These works are included in the development application and can be secured through a Works Authorisation Deed between the RMS and the developer.

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

The gateway determination stipulated that the following public authorities be consulted:

- Office of Environment and Heritage
- Integral Energy
- NSW Fire Brigade
- RMS
- Sydney Water
- Adjoining LGAs

The views and issues raised by the State and Commonwealth Public Authorities has been summarised (*Please refer to attachment 1*)

Part 4 - Community Consultation

In accordance with the Gateway Determination received on 25 November 2011, the planning proposal was exhibited for 28 days seeking community comment.

A total of ten submissions were received relating to both the planning proposal and development application. Of these submissions, two submissions supported the proposal, six raised objection to the proposal and two submissions that made no comment. The public submissions that objected to the proposal raised the following concerns:

- The proposal involves a prohibited land use in the B5 Business Development Zone,
- The proposal is a shopping centre and will compete against traditional retail centres,
- The proposal is inconsistent with state strategies and plans,
- The proposal will not attract Section 94 contributions similar to the CBD and is therefore at a competitive advantage,
- Various rezonings being dealt with by Liverpool Council will establish a precedent and may encourage,
- Concerns that the various rezonings being dealt with by Liverpool Council will establish a precedent and may encourage a further rush of ad-hoc proposals by landowners and speculative developers to create out-of-centre developments throughout south western Sydney.

Submissions from Westfields and Macarthur Square raise concern regarding the appropriateness of the Costco Proposal in a location outside the traditional retail shopping centres. Council has carefully considered these issues, and the proponents supporting documentation. The issues are addressed in detail in the submission evaluation table attached to this report. In summary, it is considered that the site is appropriate for the Costco proposal as it is located in an existing bulky goods activity centre, consistent with strategic directions (both state and local). Also, based on information provided by the proponent and Councils' independent economic assessment the proposal is unlikely to have unreasonable impact upon the viability of existing centres.

Attachment 1 - Summary of Public Authority Submissions

Public Authority	Comment	Response
Office of Environment and Heritage	No objections regarding the proposal.	Noted
Sydney Water	A drinking water main is available for connection on the northern side of Parkers Farm Place.	Noted, this matter can be addressed by the developer.
	This development area is not serviced by a recycled water system.	Noted, this matter can be addressed by the developer.
	The current wastewater system has sufficient capacity to serve the proposed development. The wastewater main available for connection is the 225mm traversing the western side of the property. The proposed development conflicts with the location of the 225mm wastewater main and a wastewater deviation may be required.	This can form part of a condition of consent at the Development Application stage.
	Developer to obtain a Section 73 Certificate from Sydney Water and manage the servicing aspects of the development.	This can form part of a condition of consent at the Development Application stage.
Transport NSW	Provision should be made for adequate pedestrian friendly links to bus services from the development together with complementary way-finding information.	As part of the Development Application Process, the following pedestrian upgrades will be required as a condition of consent: <ul style="list-style-type: none"> • Provision of pedestrian refuges and kerb ramps • Paved footpath on Parkers Farm Road and Beech Road linking with proposed pedestrian routes and existing pavements.
	Additional measures recommended by TNSW include a requirement for the developer to devise and implement Work Place Travel Plans.	A Revised Traffic Report has been submitted by the applicant which includes a Work Place Travel Plan. The plan addresses the following site specific measures: <ul style="list-style-type: none"> • Appointment of a travel plan co-ordinator, • Provision of a transport access guide, • Public transport notice boards. The Work Place Travel Plan recommends that a condition of consent is imposed for the developer to design and implement a

		more detailed work plan prior to the occupation of the site.
NSW Fire Brigades	The proposed additional uses would not significantly impose a higher fire risk on the community	Noted.
	FRNSW would expect any new building proposal to comply with the current Building Code of Australia and relevant Australian Standards.	Compliance with BCA will be required through a construction certificate.
RMS (Letter dated 22 December 2011)	A Traffic Survey should be undertaken at the existing Costco store in Auburn to obtain the latest and empirical data to establish traffic generation rate from Costco development in Sydney. The survey should be undertaken in weekday AM/PM peak hours and weekends mid-peak hour periods	A Revised Traffic Report was prepared by Halcrow. The Report outlines that traffic generation surveys were conducted at all entrance/exit points at the Auburn store for both Thursday and Saturday peak periods.
	A Traffic model is required to assess the traffic impact of the proposed development and the cumulative impacts from the developments in the surrounding area. The traffic models should consider the future planned traffic growth within the surrounding area. Key Intersections are to be modelled and examined.	The applicant has now provided traffic modelling to the satisfaction of RMS.
	The traffic and transport impact assessment should consider any future road upgrading proposals and the draft Southwest road network strategy in the surrounding area.	A revised traffic and transport impact assessment has been submitted to council considering these issues. The study concludes that upgrades are required and will be provided. The design of the traffic arrangement will be subject to the RMS.
	Proposed number of car parking spaces and compliance with the appropriate parking codes.	This issue can be dealt with at the Development Application Stage.
	Details of service vehicle movements (including vehicle type and likely arrival and departure times).	This issue can be dealt with at the Development Application Stage.
	It is recommended that TNSW are consulted to determine whether additional bus services can be provided or rerouted to this development to achieve a reasonable mode shift to public transport.	TNSW have been consulted as part of the state agency consultation process and their comments have been addressed above.

RMS (Letter dated 28 May 2011)	<p>PARAMICS modelling indicate that the length of the existing right turn bay on Camden Valley Way on the western approach to the existing signalised intersection at Beech Road is insufficient in length to cater for the traffic generated by the proposed development in 2026.</p> <p>RMS requests a dual right turn lane to be provided on Camden Valley Way on the western approach to the Beech Road signalised intersection. The length of both dual right turn lanes shall extend the full length of the existing single right turn lane.</p> <p>The proposed dual right turn lanes on Camden Valley Way will also require two lanes on Beech Road on the departure side of the signalised intersection, which shall be in accordance with Austroads.</p> <p>A concept plan of these road works, which illustrate road design dimensions and swept paths overlayed on an accurate survey plan, shall be submitted to RMS for review and comment.</p>	<p>The applicant has confirmed commitment to providing a dual right turn lane of 100 m length with a 45m taper to address traffic impact arising from the Costco development.</p> <p>A concept layout plan has also been submitted by the applicant as part of the development application.</p> <p>This can be secured through a consent condition requiring a Works Authorisation Deed between the developer and the RMS.</p>
	<p>The existing left turn lane on Camden Valley Way on the eastern approach to the Beech Road signalised intersection shall be extended to cater for the additional left turn movements generated by the proposed development. SIDRA modelling will determine the appropriate length of this left turn lane extension.</p>	<p>Following discussions with RMS, it was confirmed that due to existing constraint, it may not be possible to extend the left turn lane beyond the existing carriageway. Therefore road construction works is no longer required.</p> <p>Also traffic modelling indicates that the existing 60m turn lane is sufficient to accommodate the modelled traffic flows turning left. Adjustments will be made to line markings.</p>
	<p>A Traffic and Management Plan (TAMP) is to be prepared for the first three (3) months of trading.</p>	<p>The applicant has agreed to prepare an opening period Traffic and Management Plan. This will be a condition of consent. Details of the hours of operation will be set out within the DA documentation.</p>
	<p>The developer will be required to enter into a Major Works Authorisation Deed (WAD) for the abovementioned works.</p>	<p>The developer can be required to enter into a Major Works Authorisation Deed and this will be subject to conditions set by council on the development consent.</p>
	<p>An electronic copy of the survey data from the Auburn store should be provided to Council and RMS</p>	<p>The survey data has been provided to RMS in electronic format by JBA in a letter dated 31 May 2012. Council and RMS also received</p>

		this information in an emailed dated 1 June 2012. Further discussions with RMS confirmed that no further objections have been raised.
	Further information should be submitted to Council and RMS regarding the methodology used to assign trips on the road network to/from the proposed development for review and comment	Further discussion with RMS and Halcrow clarified that this was based on generation rates from the existing Auburn Store. The proposed service station will only permit card holders and would be expected to generate approximately 8 trips per browser based on a trip generate rate from the US. This has been deemed acceptable.
	Landscaping within the car parking areas should be provided to Council's satisfaction.	Landscaping within the car parking area is shown on the plans which accompany the DA. Following public exhibition of the DA, Costco will discuss in detail the landscape requirements with Council officers and provide amended plans to Council for their consideration.
	Consideration should be given to provide pedestrian facilities on the local road network adjacent the subject site, such as footpaths and pedestrian refuges. This shall be addressed to Council's satisfaction.	The applicant has confirmed commitment to the provision of pedestrian facilities on the local road network such as footpaths and pedestrian refuges. These works will be included the planning conditions as part of the development application.
	Council raised concern with regard to car parking spaces being located directly adjacent the entry point on Beech Road and the potential for this to create conflict and queuing at the entry point. This issue shall be addressed to Council's satisfaction.	This can be dealt with at the DA stage.
	The number of car parking spaces provided shall be to Council's satisfaction.	This will be conditioned as part of the DA consent.
	<p>– The electronic copy of the SIDRA models for the following intersections should be submitted to RMS and Council:</p> <ul style="list-style-type: none"> • Camden Valley Way/Beech Road • Hume Highway/Campbelltown Road • Campbelltown Road/Glenfield Road • Campbelltown Road/Beech Road • Beech Road/Creek side Place • Beech Road/Parkers Farm Place 	Revised SIDRA modelling has been submitted by the applicant, and the Development application will be revised to include the required intersection improvements at the Camden Valley Way/Beech Road intersection. No further information is required.

	The layout of the proposed car parking areas associated with the subject development should be in accordance with Australian Standards for the longest vehicle adopted in the design.	The layout included in the DA largely accords with Australian Standard but council will also impose a condition of consent.
	The swept path of the longest vehicle entering and exiting the subject site shall be in accordance with AUSTROADS	The swept paths of the largest vehicle entering the site is outlined in the Traffic Report submitted as part of the planning proposal. The vehicles used for the swept paths are in accordance with those contained in Austroads.
	A Construction Traffic Management Plan detailing construction vehicle routes, number of trucks, hours of operation, access arrangements and traffic control should be submitted to Council prior to the issue of a Construction Certificate.	This can be conditioned as part of the DA consent.
	The developer shall be responsible for all public utility adjustment/ relocation works, necessitated by the above work and as required by the various public utility authorities and/or their agents.	This can be conditioned as part of the DA consent.
	Disabled car parking spaces are to be provided in accordance with Council's requirement and are to conform to AS 2890.6 – 2009	This can be conditioned as part of the DA consent.
	All new pedestrian accesses are to comply with AS 1428.1 – 2001 Design for Access and Mobility	This can be conditioned as part of the DA consent.
	All vehicles are to enter and leave the site in a forward direction	This can be conditioned as part of the DA consent.
	The proposed turning areas are to be kept clear of any obstacles, including parked cars, at all times	This can be conditioned as part of the DA consent.
	All traffic control during construction must be carried out by accredited RMS approved traffic controllers.	This can be conditioned as part of the DA consent.
	All works/regulatory signposting associated with the proposed development are to be at not cost to RMS.	This can be conditioned as part of the DA consent.
Integral Energy	No objection regarding the proposal.	Noted

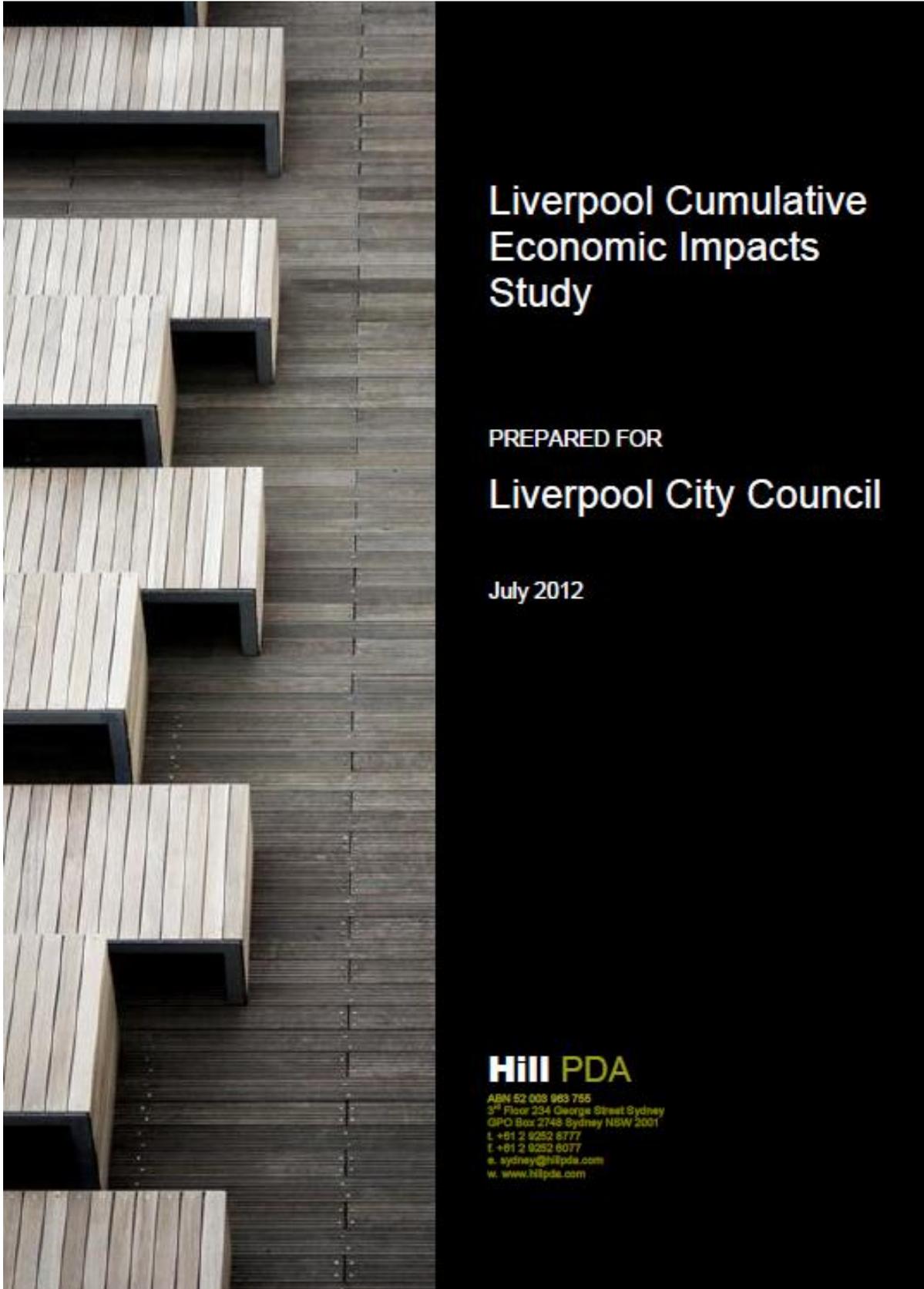
Fairfield City Council	Letter sent to public authorities invites comments for a 21 day period however the Gateway Determination requires that the Planning Proposal is publicly available for 28 days. Can you advise whether you intend to extend the exhibition period to accord with the Gateway Determination?	The 28 days exhibition period suggested within the Gateway Determination is for “public exhibition” not “state agency consultation”. There is no extension required.
	Has Council now had adequate time to finalise its Commercial Centres Hierarchy Review and if so will a copy be provided to Fairfield City Council for comment?	The Retail Hierarchy Report was placed on public exhibition for Fairfield City Council to comment.
	The record of Council’s decision relating to Item PLAN 03 to the Ordinary Meeting of Council on 28 September 2011 does not indicate that a division was called as required by Section 375A of the Local Government Act. It would be appreciated if extracts of the Register of Planning Decisions, relating to amendments 19, 22, 23 and 26 can be made available to Fairfield City Council for its records and further consideration.	Council has sought legal advice which confirms that the decisions remain valid. Council has reviewed its voting on all planning decisions is recorded in accordance with Section 375A of the Local Government Act 1993.
	The report to Council dated 28 September 2011 makes reference to a Costco store of approximately 13,500 sqm. Clarify whether this is gross or net leasable floorspace?	The DA concept plans confirm a Gross Floor Area of 13,000 sqm. The DA will be concurrently advertised with this Planning Proposal.
	Fairfield Council is particularly interested in the impact of proposals on centres within the City of Fairfield. Economic impacts on Fairfield City Centres needs to be documented within the reports to Liverpool Council?	The trading impacts of the proposed Costco development are shown in Table 4.4 of the Economic Impact Assessment prepared by Essential Economics (submitted as part of the Planning Proposal). These trading impacts are shown for a large number of centres and freestanding big box retailers within the main trade area in 2013 (the expected opening year). The list includes four centres within the Fairfield LGA: <ul style="list-style-type: none"> • Cabramatta Town Centre • Stockland Mall Wetherill Park • Fairfield Forum; and • Neeta City Shopping Centre The largest impact is on Stockland Mall Wetherill Park (-0.7%), while smaller impacts are forecast for the other 3 centres (See

		<p>Table 4.4 in the EIA). As identified in the report, these impacts are not considered sufficient and will not undermine the role and function of these centres.</p> <p>The Land and Environment Court cases in the past have noted that impacts of 10% to 15% are significant and enough to cause decline in the viability and ranges of service offered in an existing centre. On this basis, an impact of -0.7% is considered extremely minor.</p> <p>As set out in Section 4.3 of the EIA, smaller centres and individual retailers outside the City of Liverpool serve localised roles to their surrounding community and are unlikely to experience any measurable adverse impact from the proposed Costco development, which will operate as a regional level retail destination.</p> <p>Please also be advised that this has been addressed by the Liverpool Cumulative Economic Impacts Study July 2012.</p>
	<p>It is assumed that a cumulative retail assessment has been carried out which included the assessment of impacts on centres located within Fairfield City Council. Therefore it is requested that this cumulative impact assessment be provided to Fairfield City Council for consideration.</p>	<p>Further analysis was provided by the applicant with regard to the cumulative impact arising from proposed Amendment 26 along with other draft amendments. Although the focus of the analysis is to consider the potential cumulative impact in regard to Liverpool City Centre, some implications for centres located in the Fairfield LGA are also apparent.</p> <p>It is also important to note that Costco sells a wide range of products across a diverse range of markets, from high priced jewellery to budget dry groceries. Therefore the “cumulative impact” with the other proposed developments which have an almost exclusive emphasis on apparel and household goods, will actually be relatively minor for the specific retailers involved. For example, a furniture retailer who experiences a trading impact associated with a new home improvement centre would experience only a very modest additional impact associated with Costco, given the comparatively more limited range of furniture products sold at a Costco store.</p>

		<p>The timing of development and opening of Costco and the other proposals is unlikely to be simultaneous. On this basis, ongoing population and retail spending growth across the region will “soften” any cumulative impacts. That is, in practical terms it is not feasible to consider that the trading impacts will combine at a specific point in time, but will rather manifest over an extended period. This is consistent with the constant shift in competitive circumstances which characterises the retail sector in Australia.</p> <p>Furthermore, the economic impact assessment concludes that even with consideration of cumulative impacts, Costco has no significant implications for the future of centres such as the Liverpool City Centre. This will also be the same for more distant centres such as those in the Fairfield LGA, where the cumulative impacts from Costco will be lower than those experienced in Liverpool.</p> <p>The full range of information was placed on public exhibition to allow for public scrutiny.</p> <p>A Liverpool Cumulative Economic Impact Study was also prepared by Hill PDA. The report outlines that “Examining impacts over the 2012 to 2016 period it is evident that all retail centres and localities in the surrounding area will experience an increase in their trading performance. All destinations would therefore be able to sustain the economic impact of the proposed development”.</p>
	<p>The sequential site analysis prepared on behalf of the applicants and submitted with the Planning Proposal does not examine sites within Fairfield City. It is noted that the sequential test undertaken for Amendment 22 was undertaken by Liverpool Council staff whereas in the case of Amendment 26 it has been prepared by the applicants. Is there a reason for this and what is Council's position in respect to applicants preparing the sequential analysis?</p>	<p>Crossroads is considered to be an existing Activity Centre, therefore in regard to the Sequential Test as specified in the Draft NSW Activity Centres Policy (May 2010) (Draft Activity Centres Policy), the site is considered to be a sequentially preferable location for additional retail floorspace. Furthermore, the Planning Proposal prepared by JBA Planning demonstrates in Section 4.3.2 and in Tables 3 and 4 its consistency with the Draft Activity Centres Policy.</p> <p>Notwithstanding this, a sequential site assessment was undertaken as part of the Planning Proposal. The reason for this was that the Crossroads Precinct was described as a bulky-goods</p>

		<p>specialist centre (within the Liverpool City Retail Centres Hierarchy Review, December 2009) and further retail at Crossroads was resisted within the South-Western Sub-Regional Strategy.</p> <p>Under the Draft Activity Centres Policy, the purpose of the Sequential Test is to demonstrate that there are no 'suitable sites' within an existing or planned new activity centre or in an edge-of-centre location before an out-of-activity centre site is considered for development. Given there is no explanation provided within the Draft Activity Centres Policy as to what is a 'suitable site', the approach taken by Costco (as explained in Section 2.2 of the EIA) is based upon Costco's site requirements. As explained in Section 2.3 of the EIA, Centres further afield (including those in Fairfield) than the ones assessed within the EIA were excluded on the basis that a Costco would not be able to serve the identified south-west region from such locations, therefore it is considered unreasonable and unnecessary to include sites within the Fairfield LGA within the sequential site assessment.</p>
Bankstown Council	No objection to the planning proposal.	Noted
Penrith Council	No objection to the planning proposal.	Noted
Campbelltown Council	No objection to the planning proposal.	Noted
Wollondilly Council	No objection to the planning proposal.	Noted

Attachment 2 – Liverpool Cumulative Economic Impacts Study



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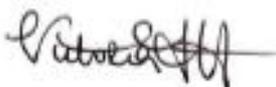
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QUALITY CONTROL

This document is for discussion purposes only unless signed and dated by a Principal of Hill PDA.

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1. EXECUTIVE SUMMARY

Liverpool City Council ('Council') is considering a number of amendments to the Liverpool draft Local Environmental Plan (Liverpool LEP) 2008 relating to retail uses. In response to these amendments Fairfield City Council has requested that additional work be undertaken to determine the cumulative economic impacts on existing centres in Fairfield City Local Government Area (LGA) of these amendments proceeding together.

The purpose of this Cumulative Economic Impacts Study ('Study') is to quantify the extent of the cumulative impact of the proposed amendments on existing centres in the area outside of Liverpool LGA and to recommend planning controls that may be appropriate to limit the extent of any impacts.

The Amendments considered in this Study are:

- **Amendment 19, B6 zoned land at Orange Grove Road, Warwick Farm.** This amendment is made. It rezoned land fronting Orange Grove Road from B5 to B6 uses. It also increased the limit of individual retail premises permitted in the B6 zone to 1,600sqm which will permit a number of retail stores such as Dan Murphys and ALDI to operate from B6 land.
- **Amendment 22 – 5 Viscount Place, Orange Grove Road.** Proposal to facilitate the development of a 19,000sqm brand outlet premises.
- **Amendment 26 – Costco at Crossroads.** Proposal to facilitate the development of a 13,000sqm Costco large format retail premises.

Hill PDA has prepared bespoke gravity models to examine the impacts of the above amendments individually and cumulatively.

The culmination of the gazetted and proposed amendments relating to Orange Grove and Crossroads would equate to a total additional retail expenditure capture of some \$185m in these locations in 2016. This additional turnover would be redirected from a range of other centres but in particular Liverpool (\$53m decline in trade in 2016), Casula (\$16.5m) and Macarthur Square (\$15.3m).

In terms of proportional impact on trade at 2016 only Casula (8.9% reduction in trade) and Liverpool City Centre (7.8% reduction) would experience impacts of greater than 5%, with the impact upon all other centres being "insignificant" (i.e. less than 5%). The impacts on Liverpool and Casula are considered to be "low to moderate" and within the normal competitive range.

Examining trading impacts over the 2012 to 2016 period it is evident that even with the development of retail facilities under the gazetted and proposed amendments all centres in the surrounding area will experience growth in their trading level. This is attributable to expenditure growth over the intervening period resulting from population and real growth (above CPI) in per capita expenditure in line with the historic trend. Surrounding centres and retail destinations are expected to experience average growth of 9% over the 2012 to 2016 period following the proposed amendments.

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

A number of retail schemes are subject to extant development application approval in Bonnyrigg and Stockland Wetherill Park, in the Fairfield LGA. In granting approval for these developments Fairfield City Council accepted that the economic impacts on existing centres which would eventuate, would be acceptable.

The levels of impact on centres in the Fairfield LGA from the proposed amendments in the Liverpool LGA are modest. Due to population and expenditure growth, all permitted and proposed developments in Fairfield and Liverpool LGAs would return to their 2011 trading levels by 2016, notwithstanding the impacts from the subject amendments.

Council is examining a variety of mechanisms to restrict food and grocery sales at Orange Grove, if a brand outlet premises were permitted.

2. INTRODUCTION

Liverpool City Council ('Council') is considering a number of amendments to the Liverpool draft Local Environmental Plan (Liverpool LEP) 2008 relating to retail uses. In response to these amendments Fairfield City Council has requested that additional work be undertaken to determine the cumulative economic impacts of these amendments proceeding together on existing centres in Fairfield City Local Government Area (LGA).

The purpose of this Cumulative Economic Impacts Study ('Study') is to quantify the extent of the cumulative impacts of the proposed amendments on existing centres either within or outside of Liverpool LGA, and recommend planning controls that may be appropriate to limit the extent of any impacts.

2.1 The Need for the Study

This Study is a response to a submission made by Fairfield City Council (dated 11 April 2012) on Amendments 19, 22, 23 and 26 to the Liverpool LEP. This submission was based largely on a peer review by Norling Consulting on the economic reports prepared by Hill PDA, Leyshon Consulting and Essential Economics related to these amendments.

The Norling Consulting peer review dated 12 March 2012 concludes that:

- *None of the [Hill PDA, Leyshon Consulting or Essential Economics] studies individually or combined provide a conclusive estimate of the cumulative impacts of all proposed additions to the retail network. That is, there is no conclusive estimate of the cumulative impacts of both Fairfield and Liverpool extensions and amendments to each individual centre within the network, with the network encompassing centres within both Fairfield and Liverpool LGA's.*
- *Whilst we believe that the cumulative impacts of Liverpool City Council Amendments 19, 22, 23 & 26 may be at minor to modest levels, we are concerned about the possible scale of cumulative impacts once various proposals to expand Fairfield centres are also taken into account. This is of most concern in relation to Fairfield Town Centre which we understand has and is still performing poorly. Whilst not within the scope of this research, we recommend that Liverpool City Council commission a study which assesses the cumulative impacts of all approved and proposed developments and estimates the likely duration of underperformance that these impacts may generate.*¹*

This Study addresses these concerns.

2.2 Real Retail Spend Growth Assumptions

Note that the base data utilised in this Study regarding population projections, and existing and planned future retail provision is consistent with that used in the Liverpool Retail Centres Hierarchy Review (Hill PDA, July 2012).

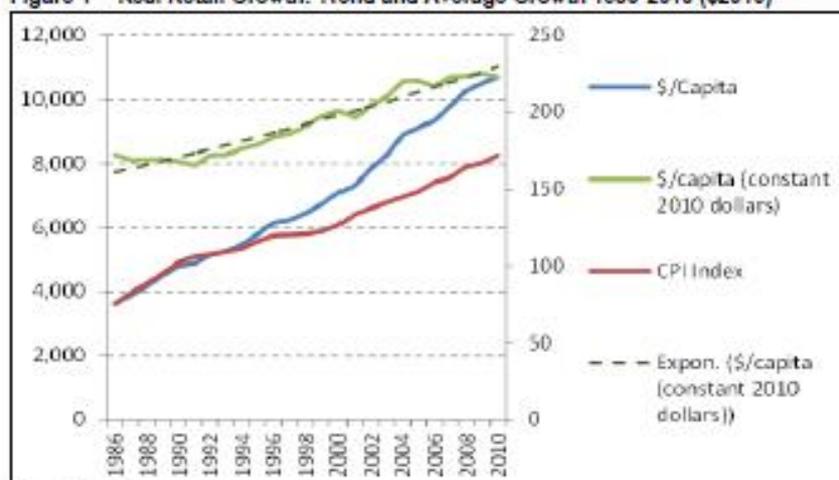
¹ Source: Norling Consulting, 'Re: Liverpool City Planning Amendments' letter, 12 March 2012

However, our forecasts of real expenditure growth have been revised downwards from 1.3% per annum to 1.2% per annum to reflect current market conditions².

Between 1986 and 2010 the average real retail growth rate per capita was 1.1% (ABS Retail Sales, CPI and Population Estimates). However, the long-term trend line ("line of best fit") indicates a greater level of average growth at nearly 1.5% over the 1986 to 2010 period. 1.3% was used in the Liverpool Retail Centres Hierarchy Review as equidistance between the average and the trend in retail growth, however a slightly lower figure of 1.2% has been used in this Study given recent more sluggish retail spending growth in Australia. Retail sales over the past four years have been flat but this is not reflective of the long term trend.

The historic trend in real retail growth compared to CPI between 1986 and 2010 is depicted in the figure below.

Figure 1 - Real Retail Growth: Trend and Average Growth 1986-2010 (\$2010)



Source: Hill PDA

2.3 Identification of the Amendments

The amendments reviewed as part of this Study are as follows:

- Amendment 19 – B6 zoned land at Orange Grove Road, Warwick Farm.** This amendment rezoned land fronting Orange Grove Road from B5 Commercial Development to B6 Enterprise Corridor zoning. It also amended Clause 7.23 of the Liverpool LEP 2008 to increase the maximum gross floor area of individual retail premises in the B6 Enterprise Corridor zone from 1,000sqm to 1,600sqm. This amendment was sought to allow a Dan Murphy's store to be developed on part of the site (note: Dan Murphys is subject to a separate Development Application). This amendment could lead to development of more retail type stores on B6 zoned land.
- Amendment 22 – 5 Viscount Place.** This amendment relates to the "weekend markets" site. It seeks to add a clause in Schedule 1 of the Liverpool LEP 2008 to make "retail premises" permissible at 5

² Note the expenditure modelling in the Liverpool Retail Centres Hierarchy Review was undertaken prior to June 2012, when the expenditure modelling for this Study was undertaken

Viscount Place. This would facilitate the operation of a brand outlet premises. Retail premises floorspace would be restricted to 19,000sqm in total, with individual tenancies being restricted to 1,200sqm each. Amendment 22 has been accepted by the Department of Planning and Infrastructure (DoPI) under the Gateway process and is currently being considered by Council.

- **Amendment 23 – 1 Hoxton Park Road.** This amendment seeks the rezoning of the former Council administration building on Hoxton Park Road to B6 uses. Given the position of this site and the range of permissible uses under the B6 zoning, we are of the view that any retail or bulky goods development which may eventuate from this amendment is unlikely to draw any significant trade from beyond Liverpool LGA. As such proposed Amendment 23 is not considered further in this Study.
- **Amendment 26 – Costco at Crossroads.** This amendment relates to land at Beech Road, Crossroads on which additional permitted uses are sought under Schedule 1. This is sought in order to allow the development of a Costco large format retail premise under the current B5 zoning. Amendment 22 has been accepted by the DoPI under the Gateway process and is under consideration by Council.

2.4 Structure of the Study

The Study is set out in the following manner:

- Chapter 3 considers the likely trade draw and models the economic impact of development at Orange Grove eventuating from Amendments 19 and 22.
- Chapter 4 considers the likely trade draw and models the economic impact of the development of a Costco store at Crossroads in line with Amendment 26.
- Chapter 5 models the cumulative economic impacts of Amendments 19, 22 and 26 on centres and retail facilities in the surrounding area if all amendments were to proceed. It also considers potential impacts of pipeline development in Fairfield.
- Chapter 6 considers the importance of having tightly defined planning controls governing the future use of a brand outlet premises at Orange Grove, should this use be permitted.

3. IMPACTS OF ORANGE GROVE

This Chapter considers the economic impacts associated with Amendment 22 (5 Viscount Place) which seeks to facilitate the development of a **brand outlet premises** at Orange Grove. It includes an allowance for the potential impacts associated with Amendment 19 as it relates to Orange Grove.

3.1 Characteristics of Brand Outlet Retailing

Brand outlet premises focus on providing discount branded clothing and footwear goods to the general public. Such goods account for the bulk of floorspace of discount outlet centres. A smaller number of stores in **brand outlet premises** sell household goods, other non-bulky items. Finally a small component of cafes and restaurants are sometimes provided as an ancillary offer.

In this context **brand outlet premises** provide a limited retail offer and lack the diverse range of goods and services provided by large retail centres. Given the narrow range of goods sold they require much larger trade areas than traditional centres in order to be economically viable. Residents are also more prepared to travel greater distances in order to purchase discounted clothing and footwear goods when compared to a traditional retail centre.

The economic impacts of a **brand outlet premises** at Orange Grove would therefore be concentrated on a narrow category of retail goods and spread thinly across a range of retail centres and destinations throughout the trade area.

3.2 Trade Area

The trade area served by any retail centre/facility is determined by the consideration of:

- The strength and attraction of the centre and/or store as determined by factors such as the composition, layout, ambience/atmosphere and car parking in the centre/facility;
- Competitive retail centres, particularly their proximity to the subject centre/facility and respective sizes, retail offer and attraction;
- The location and accessibility of the centre/facility, 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.

The terms Primary Trade Area (PTA) and Secondary Trade Area (STA) as used by Hill PDA in this Study are defined as follows:

- Primary Trade Area - the geographical area from within which the **brand outlet premises** would draw the majority its trade; and
- Secondary Trade Area - the area from which the **brand outlet premises** would draw a proportion of its trade, although at a significant lower rate than within the PTA.

Given the unique attraction of brand outlet premises the proposed development at Orange Grove would draw from a large trade area which would extend to include both Fairfield and Liverpool LGAs. We also note the presence of Liverpool City Centre 1km to the south of Orange Grove and the regional shopping role performed by this centre. Given the position of the weekend markets site adjacent to Orange Grove Road, which provides the main north/south vehicular route through Fairfield LGA and Liverpool LGA, it would be well positioned to capture trade from residents in Fairfield LGA.

Liverpool and Fairfield LGAs are defined as consisting the PTA for the proposed development. The extent of the PTA to the north, east and west is restricted by the distances involved and the attraction of competing higher order centres in the wider area such as Parramatta CBD.

The proposed brand outlet premises could also expect to attract some trade from the Macarthur Region (comprising Campbelltown, Camden and Wollondilly LGAs) although at a significantly lower level than within the PTA. This is because of the strong attraction of this type of retailing and the comparative lack of existing provision in this geographical area. This area is defined as constituting the STA for the proposed development.

The 11,000sqm Brands on Sale brand outlet premises on Queen Street in Campbelltown LGA will provide direct competition to the proposed development and will restrict the extent of trade captured from the Macarthur Region. Brands on Sale is however a smaller and older facility than that proposed at Orange Grove. It is expected that because of its smaller size, the retail offer at Brands on Sale is not as strong as that which is proposed at Orange Grove.

3.3 Turnover

The composition of floorspace to be provided at Orange Grove is not known at this stage. For the purposes of this Study it is assumed that 85% of the proposed floorspace would be used for the sale of apparel and 15% would be used for "other" retailing such as household goods and food consumed on premises. This is based on our understanding of the business model of brand outlet premises and our experience with centres elsewhere such as DFO Homebush.

We note that the proportion of apparel sales assumed by Hill PDA is somewhat higher than that referenced in the Economic Impact Assessment³ which accompanied the rezoning application for the site. The Economic Impact Assessment assumed that 71.5% of the proposed floorspace would be used for clothing, footwear and accessory sales, 19% for household goods sales and 9.5% for sales of other merchandise.

An allowance has been made for the development which may eventuate as a result of gazetted Amendment 19 as it relates to Orange Grove (i.e. the development of a Dan Murphy's store of 1,200sqm). Given the amended wording of Clause 7.23 of the Liverpool LEP 2008, which would permit retail premises of up to 1,600sqm, the development of a food store of 1,500sqm (such as ALDI) at Orange Grove has also been assumed.

³ Proposed Outlet Retail Centre, Orange Grove, Economic Impact Assessment, Leyshon Consulting (May 2011)

Target turnover rates are applied to assumed floorspace in order to estimate turnover. This is shown in the following table. Note that target turnover levels are expected to increase at a rate of 0.6% per annum above the CPI rate in line with the historic trend⁴.

Table 1 - Estimated Turnover of Proposed Developments at Orange Grove (\$2010)

	Floorspace (sqm GFA)	Target Turnover (\$/sqm) ^a		Turnover (\$m)	
		2012	2016	2012	2016
Brand Outlet Premises					
Apparel (85% GFA)	12,750	5,500 ^a	5,633	70.1	71.8
Other Retail Goods (15% GFA)	2,250	4,000	4,097	9.0	9.2
Café	300	6,500	6,657	2.0	2.0
Total Brand Outlet Premises	15,300	-	-	81.1	83.0
B6 Lands					
Dan Murphy's	1,200	8,000	8,194	9.6	9.8
Other Food Retailer	1,500	8,000	8,194	12.0	12.3
Total B6 Lands	2,700	-	-	21.6	22.1
Total Orange Grove	18,000	-	-	102.7	105.2

Source: Hill PDA ^a Clothing and footwear related stores in metropolitan locations such as Liverpool LGA can expect to trade at around \$5,000/sqm. Given the unique retailer offer provided by a brand outlet premises and its trade area it can expect to trade at above average levels ^a Target turnover levels are forecast to increase at a rate of 0.6% per annum above the CPI rate in line with the historic trend

Based on our assumptions, the estimated turnover of the proposed retail facilities at Orange Grove in 2016 is \$105m. The majority of this (\$83m or 79%) would be accounted for by the brand outlet premises.

3.4 Retail Impact Assessment

For the purposes of this Study the retail impact of the proposed development is tested at 2016. It is assumed that 2016 will be the first year of trading of all the stores to which this report relates.

The retail impact of the brand outlet premises is assessed using a bespoke gravity model developed by Hill PDA. The main principles in the gravity model are that:

1. Like for like stores compete with one another. That is the grocery/ food retailer will compete with existing grocery/ food retailers in the locality, and likewise with apparel stores, bulky goods stores and other specialty retail;
2. The level of redirected expenditure from a centre is directly proportional to the turnover of that centre. Hence more expenditure will be drawn from a centre that has higher trading levels; and
3. The level of redirected expenditure from a centre is indirectly proportional to the distance from the site of the hypothetical stores. This is based on the premise that shoppers will try to minimise distance, time and travel costs when travelling to undertake shopping – particularly “chore” shopping (predominantly for food, groceries and other regular items).

⁴ Note that this differs from the 0.65% per annum increase in target turnover rates assumed in previous Hill PDA studies for Council and has been revised downwards to reflect recent trends

The following table shows the results of the gravity model related to the proposed developments at Orange Grove. Note that 'proposed retail' in the table refers to the brand outlet premises, Dan Murphy's and other food retailer outlined in Table 1, whilst 'existing retailers' refers to the retail and bulky goods floorspace currently provided at Orange Grove.

Table 2 - Retail Impact of Amendments 19 and 22 at Orange Grove (\$m in \$2010)

	1	2	3	4	5	6	7	8	9
Retail Centre	Distance from Subject Site (mins)	Approx. Retail Floor Space (sqm)	Turnover in 2012 (\$m)	Turnover in 2016 without Proposal (\$m)	Turnover in 2016 with Proposal (\$m)	Immediate Shift in Turnover (\$m)	% Shift in Turnover in 2016	Shift in turnover 2012 to 2016 (\$m)	% Shift in turnover 2012 to 2016
Proposed Retail	-	-	-	-	105.2	105.2	-	-	-
Existing Retailers	-	36,500	115.0	128.9	128.9	0.0	0.0%	13.9	12.1%
Total Orange Grove	-	36,500	115.0	128.9	234.1	105.2	81.6%	119.1	103.6%
Liverpool City Centre	3.0	119,850	605.5	678.8	639.7	-39.2	-5.8%	34.2	5.6%
Casula	10.0	26,100	165.0	185.0	181.9	-3.1	-1.7%	16.9	10.2%
Carnes Hill	14.0	17,400	122.1	136.9	134.7	-2.3	-1.7%	12.5	10.2%
Moorebank	10.0	6,750	46.0	51.6	50.9	-0.6	-1.2%	4.9	10.7%
Green Valley	12.0	10,700	73.0	81.8	81.0	-0.8	-1.0%	8.0	11.0%
Miller	9.0	10,850	54.6	61.2	60.4	-0.8	-1.3%	5.8	10.6%
Wettle Grove	13.0	3,150	21.0	23.5	23.3	-0.2	-0.8%	2.3	11.2%
Crossroads	11.0	57,650	202.0	226.5	226.5	0.0	0.0%	24.5	12.1%
Wenwick Farm	3.0	20,000	70.0	78.5	78.5	0.0	0.0%	8.5	12.1%
Fairfield	11.0	78,800	361.7	386.9	379.6	-7.3	-1.9%	17.9	4.9%
Bonnyrigg TC	7.0	32,450	132.0	141.2	138.0	-3.2	-2.2%	6.0	4.6%
Cabramatta	4.0	41,500	204.0	218.2	214.1	-4.1	-1.9%	10.1	5.0%
Prinewood*	12.0	36,250	264.1	282.5	276.4	-6.1	-2.2%	12.3	4.7%
Canley Heights	4.0	10,550	62.8	67.2	66.1	-1.1	-1.6%	3.3	5.2%
Brands on Sale	22.0	13,000	61.0	65.5	61.7	-3.8	-5.8%	0.7	1.2%
Campbelltown	20.0	75,350	352.0	375.1	370.6	-4.5	-1.2%	18.6	5.3%
Macarthur Square	25.0	75,200	537.3	572.5	564.0	-8.5	-1.5%	26.7	5.0%
Blexland Road BG	22.0	51,950	182.0	193.9	193.9	0.0	0.0%	11.9	6.6%
Ingleburn	24.0	22,250	110.5	117.8	117.0	-0.7	-0.6%	6.5	5.9%
Minto Mall	24.0	26,650	68.0	73.0	72.5	-0.5	-0.7%	4.5	6.6%
Glenquarie	18.0	15,500	86.7	92.4	91.7	-0.6	-0.7%	5.0	5.8%
Other Localities	-	-	-	-	-	-17.7	-	-	-
TOTAL	-	788,400	3,896.4	4,239.2	4,256.9	-	0.4%	360.5	9.3%

1 Drivetime in minutes derived from Googlemaps.

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

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

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

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

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

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

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

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

* Stockland Wetherill Park.

As a result of the proposed development, the turnover achieved by Orange Grove is forecast to reach \$234m in 2016, of which the brand outlet premises and B6 lands development would account for \$105m or 44%.

The gravity model indicates (Column 6) that in absolute terms the greatest levels of impact will be on Liverpool City Centre (\$39m immediate loss of trade in 2016). Other localities will include a range of retail centres and destinations such as DFO Homebush and Sydney CBD. In terms of proportional impacts (Column 7), Liverpool will experience a 5.8% decline in trade in 2016 as a direct result of the proposed developments and Brands on Sale will also lose 5.8% in trade.

There are no universal measures of significance of economic impact. There are references in various consultancy reports and statements in the Land & Environment Court which suggest that a loss of trade below 5% is considered insignificant, 5% to 10% is low to moderate, 10% to 15% is moderate to high, and above 15% is a strong or significant impact. Impacts of up to 10% are generally considered to be within the normal competitive range. Consultants who have previously cited these broad impact ranges include Leyshon Consulting, Location IQ and MacroPlan Dimasi.

On this basis, the proposed development would equate to a low to moderate impact on Liverpool City Centre and on the Brands on Sale outlet in Campbelltown. All other centres will experience an insignificant impact – less than 5% loss in trade. These are point in time or immediate impacts. Over time impacts will be lessened because centres will experience growth in turnover resulting from population growth and growing affluence in their respective trade areas.

Over the 2012 to 2016 period all centres will experience an increase in the quantum of expenditure captured (Column 8) if the proposed development is implemented. Thus all centres will experience a positive shift in trade over the 2012 to 2016 period (Column 9). The development of a brand outlet premises and additional retail units fronting Orange Grove Road would not threaten the vitality or viability of any existing centres, as redirection of trade would be mitigated by growth in trade over time.

4. IMPACTS OF COSTCO

This Chapter considers the economic impacts associated with Amendment 26 which would facilitate the development of a Costco store (large format retail) at Crossroads.

4.1 Characteristics of Costco

Costco is a new entrant to the retail market in Australia. It comprises a large format retail operator selling a wide range of products to a customer base which includes a high proportion of business related customers buying in bulk. Costco is able to offer lower prices than other more traditional high street retailers by buying in bulk and charging customers an annual fee to be able to enter their stores. Because of lower prices, Costco is able to attract shoppers from a wide trade area from across the full spectrum of retail goods. Costco currently has one store in NSW in Auburn which is understood to be trading strongly.

The Costco store proposed at Crossroads comprises approximately 13,000sqm of sales floorspace⁵.

4.2 Trade Area

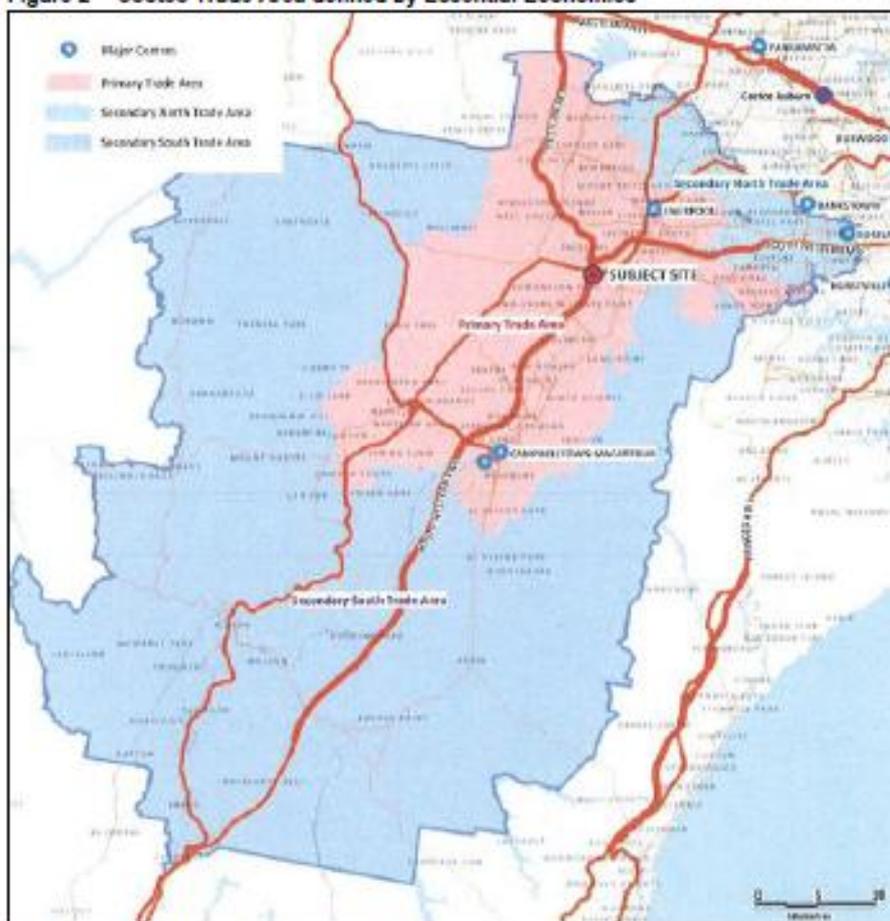
The proposed Costco at Crossroads in Liverpool is supported by an Economic Impact Assessment dated March 2011 (Essential Economics). This defines a main trade area for the proposed development which comprises a 30-minute drive time and encompasses an area approximately bounded by Prospect Creek in the north, Holsworthy Military Reserve in the east, the Blue Mountains National Park to the west and the townships of Yanderra and Buxton to the south.

Within this main trade area a PTA is defined which encompasses the eastern part of Liverpool LGA, the western part of Fairfield LGA, the northern part of Campbelltown LGA and the north-western part of Camden LGA.

The main trade area defined in the Costco Economic Impact Assessment is shown in Figure 1.

⁵ Source: Liverpool City Council

Figure 2 - Costco Trade Area defined by Essential Economics



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

In our view the PTA defined by the Costco Economic Impact Assessment is reasonable. The proposed Costco store would be easily accessible from within this area and there is a lack of comparable provision within it. Costco provides a strong attraction to shoppers given the low prices which it can offer, and therefore it is reasonable that shoppers would be prepared to travel for at least 30-minutes to reach it.

The extent of the trade area to the north and east will be restricted by the presence of the Costco Aukum, to the west by the Blue Mountains and to the south by distance.

The impact of the proposed Costco store would be spread thinly across the retail centres and destinations within the main trade area, with greater levels of impact on centres located in the PTA and those closest to Crossroads.

4.3 Turnover

The Costco Economic Impact Assessment states that based on Costco's experience with other stores, the total turnover of the proposed development would be in the order of \$120m (\$2010) in 2013. Of this, 67% (or \$80.8m) would be derived from households and 33% (\$39.6m) generated from sales to small businesses.

Household-related sales are expected to be split between different retail categories as indicated in the following table.

Table 3 - Estimated Split of Costco Household-Related Sales

Retail Category	Proportion of Total Household Sales	Turnover (\$m)	
		2013	2016*
Food, Liquor, Grocery	66.6%	53.8	54.8
Food Court/ Cafe	1.5%	1.2	1.2
Apparel	5.6%	4.6	4.7
Homewares	6.7%	5.4	5.5
Bulky Merchandise	6.7%	5.4	5.5
Leisure/ General	11.4%	9.2	9.4
Retail Services	1.4%	1.1	1.1
Total	100%	80.8	82.3

Source: Table 3.5, Costco Liverpool Economic Impact Assessment, Essential Economics (March 2011) * Escalated by 0.6% per annum in line with Hill PDA estimates

90% of the household goods related turnover captured by the proposed Costco would be derived from within the main trade area, according to the supporting Economic Impact Assessment. This would be derived from the range of retail categories listed in the table above.

4.4 Retail Impact Assessment

The retail impact of Costco is assessed using the same bespoke gravity model developed by Hill PDA and the results are presented in the following table.

Note that 'proposed retail' in the table refers to the Costco premises and 'existing retailers' refers to the bulky goods floorspace currently provided at Crossroads.

Table 4 - Retail Impact of Amendment 26 (\$m in \$2010)

	1	2	3	4	5	6	7	8	9
Retail Centre	Distance from Subject Site (mins)	Approx. Retail Floor Space (sqm)	Turnover in 2012 (\$m)	Turnover in 2016 without Proposal (\$m)	Turnover in 2016 with Proposal (\$m)	Immediate Shift in Turnover (\$m)	% Shift in Turnover in 2016	Shift in turnover 2012 to 2016 (\$m)	% Shift in turnover 2012 to 2016
Proposed Centre	-	-	-	-	82.3	82.3	-	-	-
Existing Retailers	-	57,650	202.0	226.5	224.1	-2.4	-1.0%	22.1	10.9%
Total Crossroads	-	57,650	202.0	226.5	306.4	79.9	35.3%	104.4	51.7%
Liverpool City Centre	10.0	119,850	605.5	678.8	664.8	-14.0	-2.1%	59.3	9.8%
Casula	5.0	26,100	165.0	185.0	171.6	-13.4	-7.2%	6.6	4.0%
Comes Hill	9.0	17,400	122.1	136.9	132.5	-4.4	-3.2%	10.3	8.5%
Moorebank	11.0	6,750	46.0	51.6	49.8	-1.8	-3.5%	3.8	8.2%
Green Valley	12.0	10,700	73.0	81.8	79.3	-2.5	-3.1%	6.3	8.6%
Miller	10.0	10,850	54.6	61.2	59.0	-2.2	-3.7%	4.4	8.0%
Wetlie Grove	12.0	3,150	21.0	23.5	22.8	-0.8	-3.3%	1.8	8.4%
Orange Grove	12.0	36,500	115.0	128.9	128.8	-0.1	-0.1%	13.8	12.0%
Wenwick Farm	13.0	20,000	70.0	78.5	78.4	-0.1	-0.1%	8.4	12.0%
Fairfield	21.0	78,800	361.7	386.9	383.3	-3.6	-0.9%	21.6	6.0%
Bonnyrigg TC	16.0	32,450	132.0	141.2	139.3	-1.9	-1.4%	7.3	5.5%
Cabramatta	14.0	41,500	204.0	218.2	215.4	-2.8	-1.3%	11.4	5.6%
Preinwood*	20.0	36,250	264.1	282.5	279.9	-2.6	-0.9%	15.8	6.0%
Canley Heights	15.0	10,550	62.8	67.2	66.3	-0.9	-1.3%	3.5	5.6%
Brends on Sale	13.0	13,000	61.0	65.5	65.2	-0.3	-0.5%	4.2	6.8%
Campbelltown	16.0	75,350	352.0	375.1	369.7	-5.4	-1.4%	17.7	5.0%
Macarthur Square	17.0	75,200	537.3	572.5	565.8	-6.7	-1.2%	28.5	5.3%
Blandford Road BG	14.0	51,950	182.0	193.9	193.8	-0.1	-0.1%	11.8	6.5%
Ingleburn	12.0	22,250	110.5	117.8	115.2	-2.6	-2.2%	4.7	4.2%
Minto Mall	16.0	26,650	68.0	73.0	71.9	-1.1	-1.5%	3.9	5.8%
Glenquarie	10.0	15,500	86.7	92.4	88.7	-3.7	-4.0%	2.0	2.3%
Other Localities	-	-	-	-	-	-8.7	-	-	-
TOTAL	-	788,400	3,896.4	4,239.2	4,247.9	0.0	0.2%	351.5	9.0%

1 Drive time in minutes derived from Googlemaps.

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

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

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

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

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

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

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

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

* Stockland Wetherill Park.

As would be expected given the nature of the Costco business model, the retail trading impacts would be spread thinly across a range of retail centres and localities. The greatest impacts in 2016 will be directed towards those centres which are closest to it, including Casula (\$13.4m equal to 7.2% decline in turnover), Liverpool City Centre (\$14.0m equal to 2.1% reduction) and Glenquarie (\$3.7m or 4.0% reduction in turnover).

Only Casula would experience an adverse impact considered to be "low to moderate" (i.e. greater than 5% reduction in trade), with impacts on all other centres being "insignificant" (less than 5%).

Examining impacts over the 2012 to 2016 period it is evident that all retail centres and localities in the surrounding area will experience an increase in their trading performance if the proposed Costco were developed. All destinations would therefore be able to sustain the economic impact of the proposed development.

Note that the trade retail sales floorspace would also impact upon businesses in the surrounding area. However these impacts would predominately fall upon trade-related business situated in industrial and employment areas

and not in centres. As with captured household expenditure the impacts of redirected trade-related expenditure resulting from the Costco would be spread thinly across a range of different localities throughout the trade area.

Also note that the largest impact associated with Costco will be felt by centres within the Liverpool LGA. Costco has no significant implications for the future of centres such as the Liverpool City Centre. This is also true for more distant centres such as those in the Fairfield LGA, where the impacts from Costco will be lower than those experienced in Liverpool LGA.