



LIVERPOOL CENTRES AND CORRIDORS STUDY



© SGS Economics and Planning Pty Ltd 2019

This report has been prepared for Liverpool City Council. SGS Economics and Planning has taken all due care in the preparation of this report. However, SGS and its associated consultants are not liable to any person or entity for any damage or loss that has occurred, or may occur, in relation to that person or entity taking or not taking action in respect of any representation, statement, opinion or advice referred to herein.

SGS Economics and Planning Pty Ltd
ACN 007 437 729
www.sgsep.com.au
Offices in Canberra, Hobart, Melbourne, Sydney

TABLE OF CONTENTS

EXECUTIVE SUMMARY	VI
1. INTRODUCTION	1
2. CONTEXT	2
2.1 Current retail context	2
1.1 NSW Government Policies	5
1.2 Local Government Strategies	10
2.2 Directions for retail planning	13
2.3 Consultation	18
3. RETAIL TRENDS	21
3.1 Evolution of retail formats	21
3.2 Online retailing	23
3.3 Supermarket and hospitality spending	25
3.4 Emergence of café culture eat streets and food centres	26
3.5 Longer trading hours	28
3.6 Demand for Fine Grain Retailing	29
3.7 Bulky Goods and out of centre retailing	30
3.9 Macroeconomic impacts on retail spending	32
3.10 Key findings	33
4. RETAIL FLOORSPEACE SUPPLY	35
4.1 Current and planned floorspace	35
4.2 Floorspace capacity	41
5. FLOORSPEACE DEMAND	47
5.1 Retail modelling method	47
5.2 Retail demand results	49
5.3 Commercial floorspace demand	54
6. ISSUES FOR FUTURE PLANNING	59
6.1 Retail floorspace gap	59
6.2 Access to retail facilities	63
6.3 Commercial land uses	64
6.4 Western Sydney Aerotropolis	65
7. RETAIL HEIRARCHY	67
7.1 The role of Liverpool's centres	67
7.1 Economic prospects of centres	73

7.2 Recommended amendments to the retail hierarchy	74
7.3 Recommended retail hierarchy	78
8. ADDITIONAL RECOMMENDATIONS	82
APPENDIX A: SOCIAL INFRASTRUCTURE MAPS	85
APPENDIX B: PROPOSED DEVELOPMENTS	89

LIST OF FIGURES

FIGURE 1: HILL PDA RETAIL HEIRARCHY	2
FIGURE 2: SUPERMARKETS AND DISCOUNT DEPARTMENT STORES IN AND NEAR THE LIVERPOOL LGA	3
FIGURE 3: HEIRARCHY OF CENTRES IN GREATER SYDNEY	6
FIGURE 4: WESTERN SYDNEY AEROTROPOLIS STRUCTURE PLAN	9
FIGURE 5: B5 AND B6 ZONES IN THE LIVERPOOL LGA	15
FIGURE 6: THE CASULA CENTRAL DEVELOPMENT	15
FIGURE 7: SHARE OF TOTAL GROCERY MARKET, 2017	21
FIGURE 8: GROWTH IN ONLINE AND IN-STORE RETAIL SALES	23
FIGURE 9: GROWTH IN ONLINE RETAIL SALES BY INDUSTRY (YEAR ON YEAR GROWTH RATE)	24
FIGURE 10: GROWTH IN SPENDING IN EACH RETAIL SECTOR SINCE 2004	25
FIGURE 11: RETAIL TRADE GROWTH BY SECTOR, YEAR TO JANUARY 2019	26
FIGURE 12: NATIONAL HOUSING MARKET TRANSACTIONS (NO., DARK BLUE) AND HOUSEHOLD GOODS SALES (\$M, LIGHT BLUE), 1982 TO 2017	31
FIGURE 13: DISTRIBUTION OF RETAIL FLOORSPEACE IN THE LIVERPOOL LGA BY CENTRE TYPE	36
FIGURE 14: PLANNING DISTRICTS IN THE LIVERPOOL LGA	45
FIGURE 15 PROJECTED POPULATION, EMPLOYMENT & TERTIARY ENROLMENTS, LIVERPOOL CBD	48
FIGURE 16 PROJECTED TOURISM VISITATION AND EXPENDITURE FOR THE LIVERPOOL LGA	49
FIGURE 17: ACCESS TO MAJOR SUPERMARKETS FROM DIFFERENT PARTS OF THE LIVERPOOL LGA	63
FIGURE 18: THERE IS POOR INTEGRATION BETWEEN THE RETAIL CENTRE AND SURROUNDING SOCIAL INFRASTRUCTURE AT GREEN VALLEY	68
FIGURE 19: ALIGNMENT OF SOCIAL INFRASTRUCTURE AND LOCAL CENTRE LOATION IN THE 2168 DISTRICT	85
FIGURE 20: ALIGNMENT OF SOCIAL INFRASTRUCTURE AND LOCAL CENTRE LOATION IN THE ESTABLISHED DISTRICT	86
FIGURE 21: ALIGNMENT OF SOCIAL INFRASTRUCTURE AND LOCAL CENTRE LOATION IN THE NEW RELEASE DISTRICT	87
FIGURE 22: ALIGNMENT OF SOCIAL INFRASTRUCTURE AND LOCAL CENTRE LOATION IN THE EASTERN DISTRICT	88
FIGURE 23: PROPOSED LAND ZONING FOR RZ-4/2017	91

LIST OF TABLES

TABLE 1: PERMISSIBILITY OF DIFFERENT USES IN THE B6 ZONE IN LEPS WITHIN GREATER SYDNEY	17
TABLE 2: PERMISSIBILITY OF DIFFERENT USES IN THE B5 ZONE IN LEPS WITHIN GREATER SYDNEY	18
TABLE 3: CURRENT AND FUTURE EXPECTED RETAIL SUPPLY IN THE LIVERPOOL LGA	36
TABLE 4: CURRENT RETAIL FLOORSFAC BY COMMODITY TYPE IN CENTRES IN THE LIVERPOOL LGA	37
TABLE 5: LIVERPOOL CENTRES BY RETAIL COMMODITY GROUP	38
TABLE 6: PROPOSED CENTRE DEVELOPMENTS ACROSS THE LIVERPOOL LGA	40
TABLE 7: LAND EXCLUSIONS USED TO IDENTIFY AVAILABLE LAND	41
TABLE 8: COMMERCIAL AND RETAIL FLOORSFAC CAPACITIES IN SQM FOR THE LIVERPOOL LGA	44
TABLE 9: RETAIL EXPENDITURE BY RESIEDNTS OF THE LIVERPOOL LGA (\$ MILLION), 2019-2036	50
TABLE 10: RETAIL TURNOVER BY CENTRE TYPE 2019-2036 (\$ MILLION)	51
TABLE 11: HOUSEHOLD GOODS TURNOVER IN BULKY GOODS CENTRES 2019-2036	52
TABLE 12: RETAIL FLOORSFAC DEMAND BY DISTRICT, 2019-2036	53
TABLE 13: RETAIL FLOORSFAC DEMAND BY CENTRE TYPE, 2019-2036	54
TABLE 14: EMPLOYMENT GROWTH IN THE LIVERPOOL LGA FROM 2016	56
TABLE 15. BREAKDOWN OF CHANGES IN OFFICE-BASED EMPLOYMENT – POPULATION-SERVING AND BUSINESS-SERVING, FROM 2016	57
TABLE 16. COMMERCIAL OFFICE FLOORSFAC REQUIREMENTS (SQM), 2016 TO 2036	58
TABLE 17: RETAIL FLOORSFAC GAP BY DISTRICT (EXPECTED FUTURE SUPPLY – MODELLED DEMAND) NEGATIVE VALUES INDICATE UNMET DEMAND AND ARE COLOURED IN RED	59
TABLE 18: RETAIL FLOORSFAC GAP BY DISTRICT AND COMMODITY TYPE IN 2036 (VALUES INDICATING UNMENT DEMAND ARE COLOURED IN RED)	60
TABLE 19: FLOORSFAC DEMAND BETWEEN 2019-2036 AND CAPACITY IN EACH DISTRICT	62
TABLE 20: FLOORSFAC CAPACITY GAP IN EACH DISTRICT	62
TABLE 21: THE CO-LOCATION OF SOCIAL INFROASTRUCTURE WITH LIVERPOOL’S CENTRES – GREEN CELLS INDICATE CO-LOCATED SOCIAL INFRASTRUCTURE	70
TABLE 22: THE CHARACTERISTICS OF LIVERPOOL’S CENTRES AND THEIR SUGGESTED CLASSIFICATION	71
TABLE 23: RECOMMENDED RETAIL HEIRARCHY FOR THE LIVERPOOL LGA	78
TABLE 24: PROPOSED SGS CENTRE HEIRARCHY	80
TABLE 25: MODELLED RETAIL FLOORSFAC DEMAND GAP IN EAST LEPPINGTON, INCLUDING WILLOWDALE AND THE LIVERPOOL NEIGHBOURHOOD CENTRES	90
TABLE 26: IMPACTS OF 1% OR GREATHER OF THE PROPOSED HOLSWORTHY CENTRE DEVELOPMENT ON TURNOVER OF OTHER CENTRES IN THE LIVERPOOL LGA	92
TABLE 27: ANTICIPATED YIELDS OF PLANNING PROPOSALS ON THE EASTERN SIDE OF THE GEORGES RIVER	95
TABLE 28: IMPACTS ON RETAIL TURNOVER OF 17,000SQM OF RETAIL FLOORSFAC ON THE EASTERN SIDE OF THE GEORGES RIVER	96

EXECUTIVE SUMMARY

Introduction

SGS Economics and Planning has been commissioned by Liverpool City Council to review the existing retail centre hierarchy in the local government area (LGA) and provide recommendations regarding future retail and business development. This study will update the retail hierarchy established in the previous retail study in 2012 and will inform Council's Local Strategic Planning Statement and the review of the Liverpool Local Environmental Plan 2008.

This study considers land with a business zone across the Liverpool LGA. This includes retail centres, specialised retail areas and corridors along major roads which mix retail and other uses.

Strategic context

Evolving role of Liverpool LGA and Liverpool CBD

Strategic planning policies aim to transform the role of the Liverpool LGA within Greater Sydney. The Western Sydney Aerotropolis next to the future Western Sydney Airport (within the Liverpool LGA) is intended to be developed as a major commercial centre at the heart of Sydney's Western Parkland City. The Aerotropolis is intended to share the role of the main centre in the Western Parkland City with the Liverpool CBD, Penrith and Campbelltown-Macarthur.

The proposed economic development in and around the Liverpool LGA has implications for the planning of centres and corridors. Strategic planning policies support the continued evolution of the Liverpool CBD to be a major city centre and the primary commercial centre in the surrounding sub-region, capitalising on rapid transit connections to Western Sydney International Airport. Stakeholders highlighted the retail opportunities for the Liverpool CBD building on its current development momentum, particularly as a dining and hospitality destination. Liverpool CBD is also likely to continue to build on its role as a major commercial centre.

The development of the Western Sydney International Airport and Western Sydney Aerotropolis could also create opportunities for new transit-oriented developments including retail centres along the route of any rapid transit connections from the airport. A rapid transit connection is being planned along Fifteenth Avenue.

The layout of the Western Sydney Aerotropolis and the amount of retail, commercial and residential development is still being planned. As such, any retail development in the Aerotropolis has not been included in the modelling in this study. Retail development at Western Sydney Airport and Western Sydney Aerotropolis is likely to be far enough away from the currently developed parts of the Liverpool LGA to have relatively limited impacts on existing retail centres. However, the airport will provide an entry point to tourists who could travel to the Liverpool CBD, boosting its retail prospects.

Guidelines for planning centres

Strategic planning documents and retail planning guidelines produced by the Department of Planning, Industry and Environment provide the following directions for the planning of retail facilities and local centres:

- Local centres should be viewed as high-quality places and as important social connectors at the heart of the local community. They should contain a variety of uses to support this role, similar to those in traditional town centres.
- Concentration of retail provision in centres is necessary to bolster their local roles and to permit multipurpose shopping. Significant out-of-centre development risks limiting the retail spending and vibrancy in local centres.
- Where possible, higher-density residential development, community facilities, social infrastructure and open space should be co-located with local centres which have good public transport accessibility and other attributes required to support higher density development.
- New centres may be needed in the future to increase retail provision to the growing population in both greenfield and established areas, but the potential impacts of these developments on the economic viability of existing centres should be considered.
- There are limited cases in which centres may expand into industrial areas, but this should not compromise the function of those industrial areas.
- Bulky goods clusters should be regarded as part of the centres framework, and planning for new clusters should be conducted in the same way as planning for other new centres.
- Flexible zoning provisions are required to allow transitions in retail functions.

Consultation

Consultation with stakeholders reinforced the need for flexible strategic planning approaches in responses to the changing nature of centres. The local retail market was felt to be performing strongly, driven by continued population growth. Larger local centres serve an increasingly diverse number of roles with a convenience retailing focus. Threats were highlighted to smaller and neighbourhood centres from competition with larger centres, as well as to large-format retailing which competes with online retail and is exposed to the performance of the economy and housing market.

Distribution of centres

There are local centres distributed throughout the established parts of the Liverpool LGA. These provide access by road from most residents of the LGA to a major supermarket in 2km or less. Significant exceptions to this accessibility standard are found in and around Middleton Grange, Voyager Point, Pleasure Point and Hammondville. The creation of planned centres in Middleton Grange and Holsworthy would address this problem. It is also important for the timely development of new centres to occur in greenfield areas to provide access to retail facilities for newly developed suburbs.

The B6 Enterprise Corridor zone covers business premises along major road corridors, while the B5 Business Development zone covers the large format retail areas at Orange Grove and Crossroads. The Liverpool B6 zone allows a wider range of uses than most other B6 zones in Greater Sydney, while the Liverpool B5 zone is relatively restrictive in terms of permissible uses. In some cases, out of centre retail developments with a range of uses more typically found in local centres have occurred in the B6 zone, and a revision of the zone would be required to prevent this occurring.

Retail Sector

Trends and drivers

The prospects for retail centres in the Liverpool LGA are influenced by broader trends in the retail sector. Spending on hospitality in physical stores has been growing strongly in Australia in recent years with the rise of 'café culture'. Spending on fresh food has also been increasing, while partly as a result of competition from online trading the growth in spending on clothing has been more modest and spending in department stores has been decreasing in real terms. Spending patterns present a strong basis for growth in local centres anchored by

supermarkets or with strong hospitality offerings, while centres with large department stores may require reconfiguration in the future.

The continued rise of online retail threatens retail sectors which lend themselves to online comparison shopping such as household goods and department stores. Experience-based retail and convenience retail is likely to remain more competitive in the future. In response to competition, centres and large-format retail precincts are diversifying their range of activities beyond retail, while new centres are being designed to respond to a demand for fine-grain retail experiences in traditional retail streetscapes. New greenfield centres in Liverpool should be encouraged to contain a mix of uses and be designed to be permeable and activated at the street level. Ensuring that existing centres have attractive public domains will make them more attractive as general retail destinations and for dining and hospitality, which are growth sectors.

Retail floorspace supply and demand

The table below shows the current retail floorspace in the Liverpool LGA by centre type (the town centre category includes Casula Mall, Moorebank, Green Valley, Miller and Carnes Hill).

RETAIL FLOORSPACE IN THE LIVERPOOL LGA

Commodity	Liverpool CBD	Town Centres	Bulky Goods Centres	Other	Total
Retail floorspace (sqm)	125,241	65,550	97,351	103,923	392,065

There is a large amount of additional floorspace expected to be constructed in the Liverpool LGA by 2036, as shown in the table below. This future floorspace includes the current development pipeline as well as centres expected to be completed in greenfield areas. Most expected additional floorspace is in greenfield developments.

FUTURE EXPECTED RETAIL SUPPLY IN THE LIVERPOOL LGA

Commodity Type	2019	2026	2036	New retail supply (19-36)	Average annual growth rate
Retail floorspace (sqm)	392,065	475,468	665,575	273,509	2.7%

SGS has modelled likely future retail floorspace demand using a retail gravity model based on current and future retail floorspace estimates as well as projections of population and expenditure. The resulting estimates for future retail floorspace demand are shown in the table below. The substantial increase in demand is driven by population projections, with Forecast.id predicting an annual growth in the Liverpool LGA's population of 2.7% (a 69% increase between 2016-2036).

As the most population growth is expected in the New Release District, the greatest expected increase in retail demand is in that District. Little population growth is expected in the Eastern District, and so retail demand is static, while moderate growth in demand is expected elsewhere. The retail model presents one possible view of the future in which the retail landscape does not change dramatically. For this reason, the distribution of demand to individual districts should be treated as a guide rather than a prescription.

EXPECTED RETAIL DEMAND IN THE LIVERPOOL LGA

District	2019	2026	2036	Increase
New Release District	70,978	144,481	293,222	222,244
2168 District	21,808	20,867	23,904	2,096
Established District	149,972	168,070	182,105	32,133
Eastern District	24,066	22,511	24,315	250
City Centre District	125,241	133,093	145,814	20,572
Total	392,065	489,022	669,360	277,294

Supply demand gap

The following table shows the expected retail gap in 2036, which is the modelled future retail demand subtracted from the expected retail floorspace supply. The results show that overall demand in 2036 is slightly higher than anticipated supply. Additional developments beyond the current development pipeline could occur by 2036 in response to the modelled unmet retail demand.

Where a potential unmet demand has been identified, there are likely to be opportunities to accommodate that demand without significant changes to the current planning framework or centre hierarchy. Specific implications of the retail floorspace supply-demand balance include:

- Additional supermarkets could be accommodated in the City Centre or nearby (including in Warwick Farm if any redevelopment is proposed there).
- The New Release District could accommodate an additional supermarket at Carnes Hill or larger than expected supermarkets in greenfield centres in Austral or Middleton Grange.
- Additional retail floorspace in other categories in the New Release District could be accommodated in proposed greenfield centres, expansions of existing centres or in the future large-format retail which is zoned in Austral.
- Some of the unmet demand could be absorbed by the improved trading performance of existing centres rather than the delivery of new floorspace.
- An increased market share for online retail may account for some or much of the indicated unmet demand for household goods and other categories.
- There is an oversupply of floorspace proposed for household goods as a result of the proposed large-format retail centres in Austral.

RETAIL FLOORSPACE DEMAND GAP BY DISTRICT AND COMMODITY TYPE IN 2036
(NEGATIVE VALUES INDICATE UNMET DEMAND AND ARE COLOURED RED)

District	Supermarket	Household Goods	Other categories	Total
New Release District	-5,952	44,070	-22,198	15,920
2168 District	-1,477	21	-634	-2,090
Established District	2,147	-4,431	-4,560	-6,844
Eastern District	-891	-81	729	-244
City Centre District	-6,437	-2,344	-1,746	-10,527
Total	-12,610	37,234	-28,409	-3,785

Commercial sector

SGS has modelled demand for commercial floor space based on employment projections created by Transport for NSW and used across the NSW Government. These projections predict that employment will grow by around 40,000, or around 2.3% per year, in the Liverpool LGA between 2016-2036. Employment projections have been converted into

floorspace demand projections based on high level assumptions of where and in what kinds of broad land use employment will be located.

Commercial employment has been split into two categories: population serving and business serving. Population serving commercial jobs are those that are associated with services which have a local catchment such as real estate agents. Employment of this type is expected to increase throughout the LGA in line with population growth. Business serving commercial employment is more footloose, with businesses selecting where to locate based on the competitiveness of different centres and business precincts. The Liverpool CBD is the most attractive business location in the LGA and is likely to remain so in the future, and so is expected to host most of the business serving employment.

EXPECTED INCREASE IN COMMERCIAL FLOORSPACE DEMAND BETWEEN 2016-2036 (SQM)

District	Population serving	Business serving	Total
2168 District	1,256	0	1,256
Eastern District	1,440	0	1,440
Established District	2,564	0	2,564
City Centre District	1,921	24,145	26,066
New Release District	8,056	0	8,056
Rural District	3,225	0	3,225
Total	18,462	24,145	42,607

Based on recent development activity, these projections are likely to underestimate commercial floorspace demand for the Liverpool CBD. They are likely to be more accurate in other districts, and show that there will be a modest demand for additional commercial floorspace as population growth occurs to serve the needs of the local population.

Floorspace capacity and demand alignment

SGS has estimated floorspace capacity for employment generating uses in business zones in the Liverpool LGA under current planning controls using three development scenarios. The gap between the resulting capacity and modelled floorspace demand (including both retail and commercial demand) is shown in the table below.

Only the low and medium capacity scenarios are shown here as they provide the best estimates of development capacity. The low scenario estimates capacity if little redevelopment of existing premises occurs and the minimum amount of commercial floorspace is delivered in new developments, while the medium scenario estimates capacity if some redevelopment occurs.

The results show that if redevelopment of existing premises occurs there is likely to be enough capacity across the LGA under current planning controls to accommodate expected floorspace demand, including the identified unmet retail demand discussed in the 'Supply demand gap' section above. If little redevelopment occurs or development delivers only modest amounts of employment generating floorspace, capacity is likely to be constrained in the established areas in the 2168 District, Established District and centres in the New Release District. Under the low scenario capacity is negative in some areas because mixed-use development could decrease the overall amount of employment generating floorspace.

FLOORSPACE CAPACITY GAP IN EACH DISTRICT (CAPACITY – DEMAND) (SQM)
 NEGATIVE NUMBERS INDICATE A CAPACITY SHORTFALL WHILE POSITIVE NUMBERS INDICATE EXCESS
 CAPACITY

District	Low scenario		Medium scenario	
	Centres	Centres & B5/B6	Centres	Centres & B5/B6
2168 District	-3,352	-3,352	22,130	22,130
Eastern District	3,901	3,901	21,880	27,244
Established District	-33,350	-20,159	-10,947	114,891
City Centre District	1,242,714	1,242,714	1,277,677	1,280,098
New Release District	-31,175	42,465	2,466	154,595
Total	1,178,738	1,265,569	1,313,206	1,598,958

The future roles of centres

Based on retail modelling and capacity analysis, significant changes to the retail planning hierarchy and planning controls are not required to accommodate retail demand in the established parts of the Liverpool LGA. However, based on SGS's analysis of the strategic context and retail trends and drivers, Liverpool's centres should aim to diversify their role beyond retail towards acting as centres of the local community. As part of this diversification they should provide a wide range of facilities and services, including social infrastructure like parks, schools and community facilities. This will maintain activity in local centres and ensure that they remain competitive in the face of competition from online retail, shifting consumer preferences and the evolving nature of physical retail. This diversification is also aligned with strategic planning directions encouraging place-based planning, and will ensure that the Liverpool LGA contains multiple vibrant local centres.

In line with the above discussion, SGS recommends that the intended future role of individual retail centres in the Liverpool LGA be based on:

- Their capacity to act as social connectors and hubs,
- The amount of retail floorspace that they contain,
- The presence of anchor tenants, which will influence future retail prospects, and
- Their accessibility and design.

In existing centres, expansion should primarily occur in those centres with the best alignment with social infrastructure and the surrounding public domain. Expansions of centres should also improve the integration with the public domain and with nearby social infrastructure and other services. These principles are encoded in the following recommended amendments to the retail hierarchy:

- Rename the regional city category to metropolitan cluster (aligned with the Greater Sydney Region Plan), with this category to remain the primary location for commercial development and higher-order services in the Liverpool LGA.
- Retain the town centre category, with town centres to provide the highest level of services and social infrastructure outside of metropolitan clusters.
- Combine the village and small village centre categories to create a new local centre category, composed of centres which are well-aligned with social infrastructure and walkable from a surrounding population catchment. These centres have the potential to have a strong place-based function and are appropriate locations for additional retail development and a continued diversification of uses.

- Expand the stand-alone centre category to include village and small village centres which are not deemed to have a strong place-based function. Stand-alone centres should expand only if there is limited capacity elsewhere, if they can act as a local or town centre in the future, and if there will not be a substantial impact on the viability of a local or town centre.
- Retain the neighbourhood centre category, containing smaller centres not anchored by a supermarket or large grocery store. These centres are vulnerable to declines in trading performance.
- Retain the out of centre bulky goods cluster designation, recognising that bulky goods centres provide a distinct and important retail offering but that they should not transition to become local centres.
- Add large out-of-centre retail developments and planned greenfield centres to the retail hierarchy, ensuring that Council has a vision for their future function which is aligned with planning for existing centres.

The recommended hierarchy is shown in more detail, along with the recommended classification of centres, at the end of this executive summary. More detail regarding the classification of individual centres and the justification for amendments to the retail hierarchy have is provided in Section 7.2 of this report.

Additional recommendations

Additional recommendations are listed below, with more detail and rationales provided in Chapter 8 of this report.

Retail roles and functions

- Require development proponents for major retail developments to demonstrate that there will be minimal impacts on the retail operation of the Liverpool CBD, town centres and local centres as part of any proposed centre expansion
- In all centres except neighbourhood centres, require the retention of the existing amount of retail and commercial floorspace as part of mixed use development
- Consider mixed use redevelopment with a reduced amount of retail for existing neighbourhood centres
- Provide flexibility in planning controls to allow the continued evolution of existing town and local centres in response to the changing retail market
- Require improved design integration with social infrastructure and the surrounding area as part of any proposed redevelopment or expansion of town centres and local centres

Out of centre retail development

- Limit the creation of new out of centre retail developments
- Remove shops as a permissible use in the B6 zone but add permissibility for neighbourhood shops (as defined in the standard instrument) and other kinds of retail premises
- Remove food and drink premises as a permissible use in the B6 zone but add permissibility for take-away food and drink premises.
- Increase the connectivity of stand alone centres along the Hume Highway and Camden Valley Way to the local pedestrian and cycling network
- Plan for additional supermarkets to be located in existing town and local centres, including potentially in Carnes Hill, at Orange Grove (as part of the proposed development) and in greenfield centres

Access to retail

- Review zoning framework in Middleton Grange to encourage development of a local centre with the amount of mixed-use density subject to other planning considerations

- Work with the landowner of the Holsworthy Centre site to encourage development of a local centre while managing potential impacts on the Wattle Grove centre
- Work with land owners in Austral to ensure the timely development of retail centres despite fragmented land ownership
- Review the land zoning of small local centres in Edmondson Park
- Plan for additional small supermarkets in mixed use developments in the Liverpool City Centre, particularly the southern part of the City Centre, and in Warwick Farm as part of any additional redevelopment

Western Sydney Airport related development

- Plan for small retail centres with a local retail role supporting the surrounding population as part of any new TOD centre on Fifteenth Avenue in the established parts of the Liverpool LGA
- Consider land banking some land in any proposed TOD to allow higher density development in the future when demand has increased

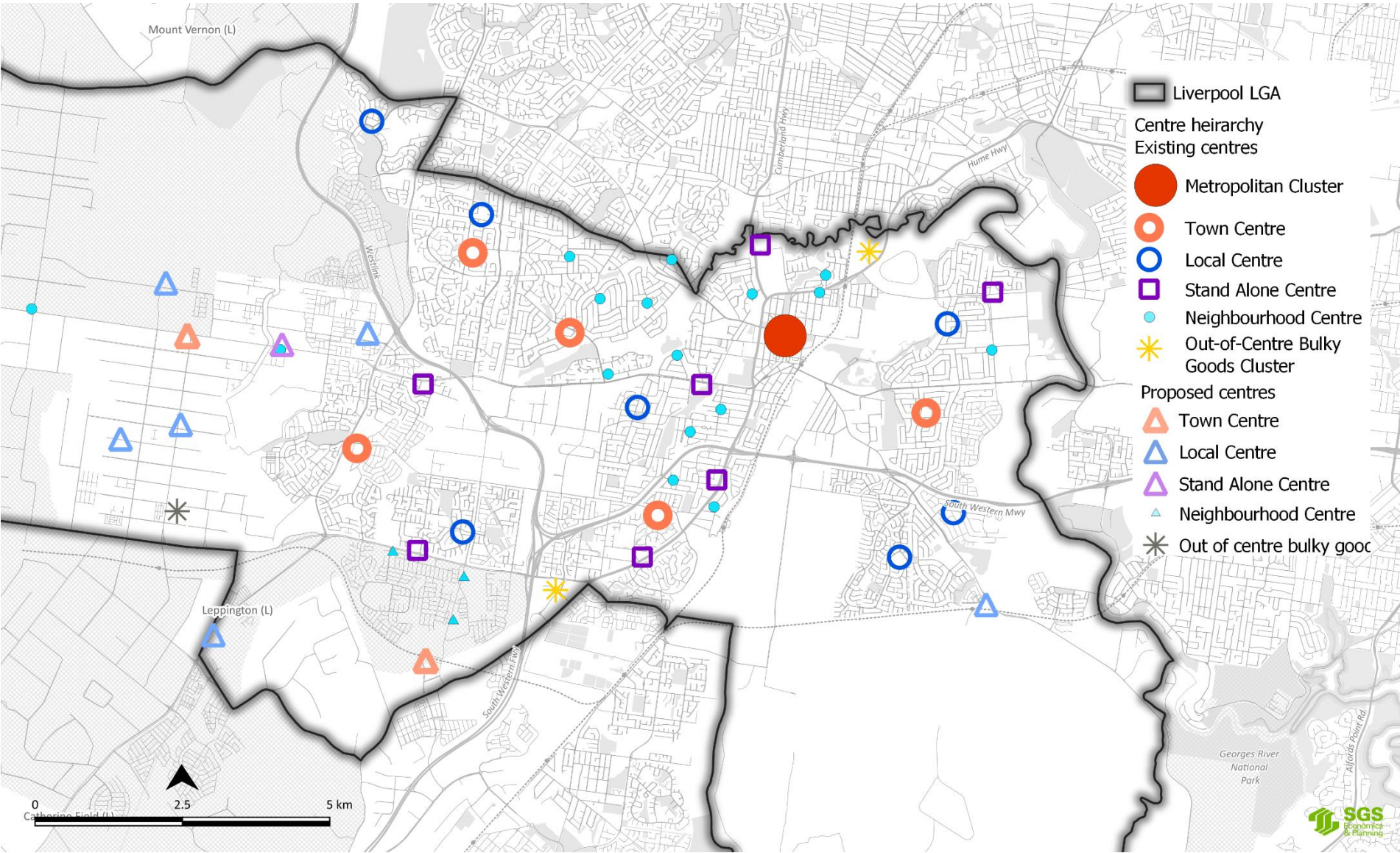
B5, B6 and B7 zones

- Revert the existing B5 and B6 zoned area but do not plan for additional specialised retail areas
- Allow additional retail uses to locate in centres in the B5 zone if proposed as part of a redevelopment, but only if it is demonstrated that they could not reasonably locate in another centre and they constitute a small proportion of the total retail floorspace
- Add a B7 zone to the Liverpool LEP if an innovation district is planned in Warwick Farm
- Retain the zoning of key sites identified in Liverpool Local Environmental Plan 2008 Schedule 1 Clause 9, with the intention of rezoning them to B6 if they have been developed for the purposes of service stations or food and drink premises, providing that this would not create other land use conflicts

RECOMMENDED RETAIL HEIRARCHY FOR THE LIVERPOOL LGA

Centre type	Role	Features	Future development
Metropolitan Cluster (Liverpool CBD)	Regional-scale mixed-use centre of retail, services and business	<ul style="list-style-type: none"> Commercial office development Multiple supermarkets and department stores Higher-order services 	Significant future development is likely
Town centre (B2 zone)	Large retail centres which act as community gathering places with a range of uses	<ul style="list-style-type: none"> One or more full line supermarkets A broad range of specialty retail A concentration of social infrastructure Some other services Good public transport and pedestrian accessibility 	<p>Should be the priority for retail and service development outside the Liverpool CBD.</p> <p>Design integration with social infrastructure should be improved as part of any expansion.</p>
Local centre (B2 zone)	Smaller retail centres which meet convenience retailing needs as well as acting as a community gathering place	<ul style="list-style-type: none"> A supermarket or large grocery store Some other retail facilities Co-location with social infrastructure Good pedestrian accessibility from surrounding residential development 	<p>Public domain improvements and some expansion of these centres may be appropriate.</p> <p>Design integration with social infrastructure should be improved as part of any expansion.</p>
Stand-alone centre (Retain current B1, B2 or B6 zones)	Provide for the convenience and specialised retail needs of the local community, but do not act as mixed-use centres of the local community	<ul style="list-style-type: none"> A supermarket or significant specialised retail facilities No or limited co-location with social infrastructure Good access from the arterial road network 	Should be expanded only if there is limited capacity elsewhere, if they can act as a local or town centre in the future, and if there will not be a substantial impact on the viability of a local or town centre.
Neighbourhood centre (B1 zone)	The smallest centres which make a small contribution to meeting the day to day retailing needs of the local community	<ul style="list-style-type: none"> A small amount of retail floorspace No supermarket, large grocery store or significant specialised retail role Multiple retail premises (not just a petrol station or one stand-alone store) 	Vulnerable to declines in the future and so a change in use including mixed use redevelopment with a reduced retail component may be required if they decline or experience long-term vacancies
Out of centre bulky goods cluster	Provide for consolidated bulky goods retailing and specialised retailing in a single location which facilitates comparison shopping	<ul style="list-style-type: none"> Large specialised retail facility with multiple premises Good access from the arterial roads network A small amount of unrelated floorspace or services 	<p>Changes in specialised and bulky goods retail tenant profiles are appropriate.</p> <p>Traditional retail and service development should occur only if proposed premises cannot reasonably locate in another centre and constitute a small proportion of total floorspace.</p>

CLASSIFICATION OF CENTRES UNDER THE RECOMMENDED RETAIL HEIRARCHY



1. INTRODUCTION

SGS Economics and Planning has been commissioned by Liverpool City Council to review the existing retail centre hierarchy in the local government area (LGA) and provide recommendations regarding future retail and business development. Along with a series of other studies, this will inform the development of Council's Local Strategic Planning Statement and the revision of the Liverpool Local Environmental Plan 2008.

A comprehensive study about the retail landscape in the Liverpool LGA was last conducted in 2012 by HillPDA, which resulted in a retail hierarchy dividing the LGA's centres into a regional city, town centres, village centres, small village centres, neighbourhood centres, a stand-alone centre and a stand alone bulky goods cluster. Since the completion of that study, the strategic context of the Liverpool LGA has evolved and several new retail centres have been proposed. This study updates the previous retail hierarchy to respond to these changes.

This study considers the future of both Liverpool's centres and retail corridors. Retail centres are spread throughout the LGA and provide for the day to day retail needs of the population. There are also several specialised bulky goods centres which are zoned B5 Business Development. Retail corridors are zoned B6 and run along the major roads in the LGA, providing highway retail and similar establishments. This study also considers the appropriateness of out-of-centre developments in those locations and of the overall amount of land zoned B6.

Report structure

This report is divided into the following sections:

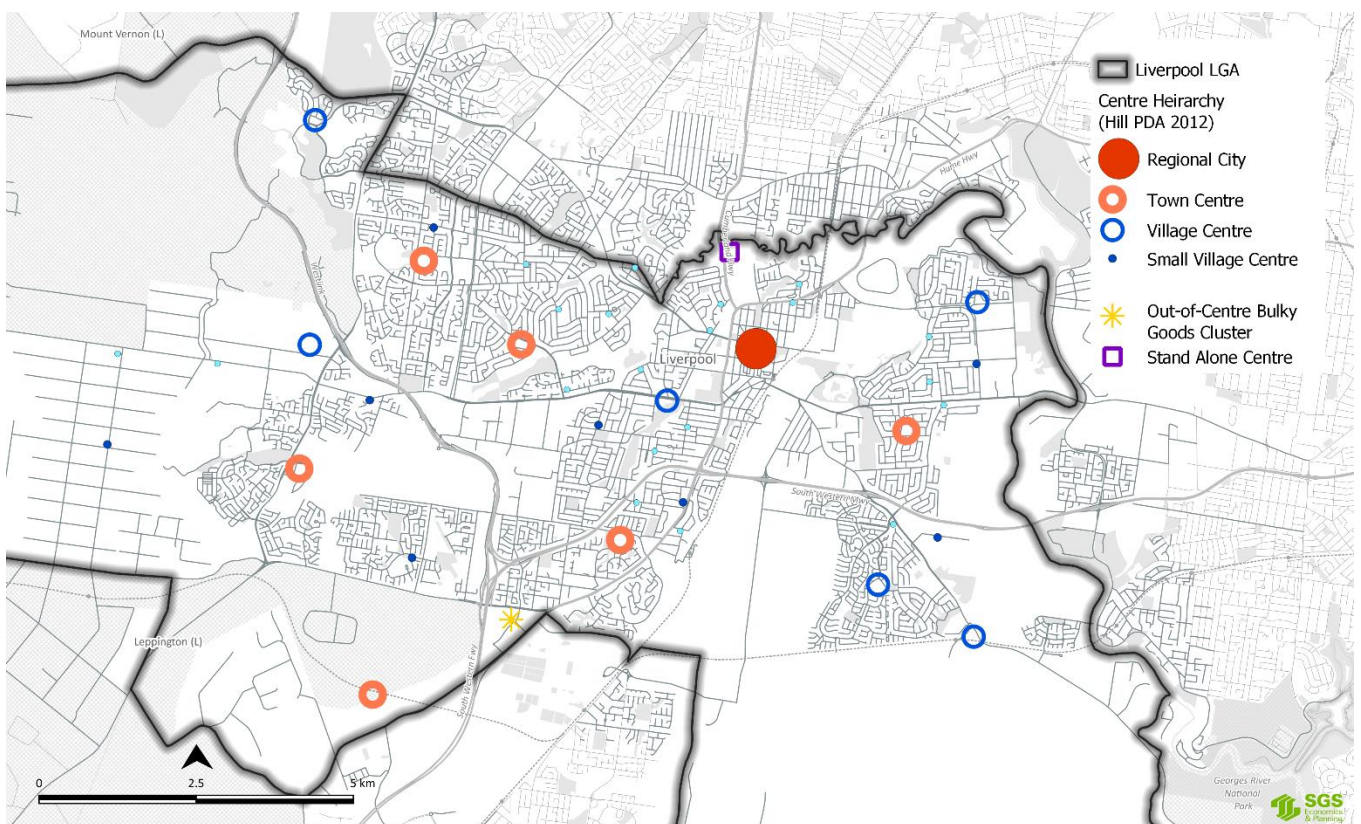
- **Chapter 2: Context** summarises the current retail environment of the Liverpool LGA, the current policies of the NSW Government and Liverpool City Council regarding retail development and the results of stakeholder consultation which SGS has conducted.
- **Chapter 3: Retail trends** discusses trends in consumer behaviour, retail spending, the retail property market and the format of retail centres. These will influence how Liverpool's centres may evolve in the future and the structural forces which Council must consider in their planning.
- **Chapter 4: Floorspace supply** analyses the current and potential future supply of retail floorspace in the Liverpool LGA. This includes an approximation of the amount of floorspace in each retail centre and the floorspace capacity under the current planning controls
- **Chapter 5: Floorspace demand** analyses the likely future demand for retail and commercial floorspace in each part of the Liverpool LGA. Retail modelling results show how the turnover is likely to change in each of Liverpool's centres and commercial office floorspace demand is derived from population and employment projections.
- **Chapter 6: Issues for future planning** discusses the implications of the findings of this study for future planning in Liverpool's centres. This includes the gap between retail supply and demand, the broader role played by local centres and the potential impacts of proposed developments.
- **Chapter 7: Recommendations** provides SGS's recommendations for an amended centre hierarchy and how the centre planning framework in the Liverpool LGA should change in the future.

2. CONTEXT

2.1 Current retail context

The Liverpool LGA contains a variety of centres of different sizes distributed throughout the urban eastern half of the LGA, as well as some small centres in the currently rural western half of the LGA. The retail hierarchy established in the most recent review, conducted by HillPDA in 2012, is shown in Figure 1. Major retail uses in the form of supermarkets, department stores and discount department stores in and around the Liverpool LGA are shown in Figure 2.

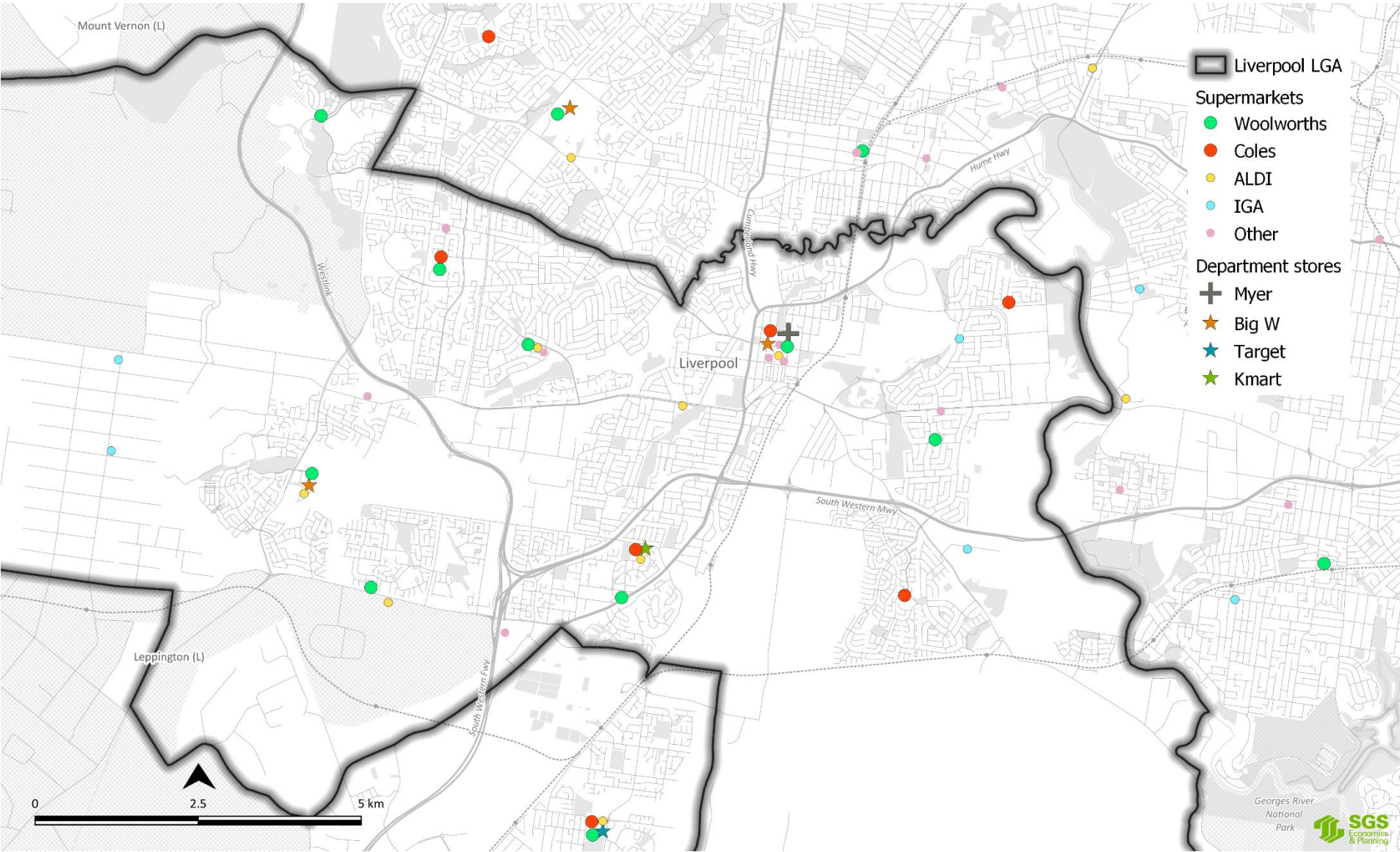
FIGURE 1: HILL PDA RETAIL HEIRARCHY



Source: SGS 2019, HillPDA 2012

The largest retail centre in the LGA is the Liverpool CBD, which is classified as a Regional City in the retail hierarchy. It contains two shopping centres: Westfield Liverpool, which has a gross lettable area of 83,365 sqm, and the Liverpool Plaza, a smaller shopping centre with an Aldi and some specialty retail space. Westfield Liverpool is anchored by key tenants, including Coles, Woolworths, Myer and Big W. There are also several streets with retail street frontages, including Macquarie Street and the Macquarie Street Mall. Several supermarkets serving local ethnic communities are located on these streets outside of the shopping centres.

FIGURE 2: SUPERMARKETS AND DISCOUNT DEPARTMENT STORES IN AND NEAR THE LIVERPOOL LGA



The Liverpool CBD is also the major civic and service centre of the surrounding region. It contains the Liverpool Hospital, TAFE NSW, two recently established and growing university campuses and the administration offices of Liverpool City Council. There is a large amount of office space and additional commercial development proposed. By comparison, there is very little office space located in the other centres in the LGA, which are mainly retail shopping areas.

Town centres

The next highest centre classification in the retail hierarchy is town centres, of which there are six in the Liverpool LGA. Casula Mall, an enclosed shopping centre, is the largest town centre in the LGA with a retail floor area of 20,057 sqm. It contains two supermarkets and a Kmart.

Other town centres include Carnes Hill, the Miller Town Centre, the Green Valley Plaza, and the Moorebank Town Centre. Each of these centres contains a major full-line supermarket (all except Moorebank contain another supermarket) as well as a significant amount of specialty retail space. Casula Mall and Carnes Hill contain discount department stores. Every town centre is also co-located with a library, and some contain open space and community facilities.

The Edmondson Park Town Centre was nominated as a town centre but was still in planning at the time. It is now under development, with between 35,000-40,000sqm of retail floorspace permitted. This retail is planned to be delivered in a shopping centre which is integrated with the local street network and which includes a fresh food market hall, services, community uses and significant residential development.

Village centres

There are six village centres in the LGA. Two of these centres, Middleton Grange and Holsworthy, have not been built but have land zoned for commercial development with a potential residential component. Cecil Hills, Chipping Norton and Wattle Grove are small supermarket-based shopping centres. The Flowerdale centre is smaller than these and contains a stand-alone ALDI and some smaller stores. Some of the village centres (Cecil Hills, Middleton Grange, Wattle Grove and Flowerdale) are co-located with a school or community facilities, but Chipping Norton and Holsworthy are not.

Small village centres and neighbourhood centres

HillPDA classified 9 centres as small village centres and 24 as neighbourhood centres. This classification covers all retail centres in the LGA, with the smallest neighbourhood centres containing only a few shops, some of which may be vacant. Small village centres are slightly larger than neighbourhood centres, and generally contain a small supermarket or large grocery store, as well as a broader retail offering.

Other local centres

The retail hierarchy includes separate categories for stand alone centres and bulky goods clusters. Orange Grove is classified as a stand alone centre, and currently contains a homemaker centre and a fashion-outlet shopping centre. Crossroads is classified as a bulky goods cluster, and currently contains a range of bulky goods retail premises.

Several shopping areas and supermarkets have been developed since the completion of the retail hierarchy review in 2012. These include:

- Two large stand-alone Woolworths supermarkets along Camden Valley Way and the Hume Highway which are outside any other centres,
- A Costco in Crossroads which was proposed at the time of the review but has since been completed,
- A small shopping area in Edmondson Park on Camden Valley Way containing an ALDI, First Choice Liquor and two fast food outlets

- A homewares and other retail outlet at 633 Hume Highway Casula known as Casula Central which contains a grocery store, restaurants and several premises catering for day to day retail and service needs.

Discussion

There have been several developments since the Retail Hierarchy Review in 2012 which were not anticipated at the time and which do not fit within the previous centres planning framework as set out in the Retail Hierarchy Review. This includes two full-line supermarkets on Camden Valley Way and the significant expansion of the size of the Edmondson Park Town Centre.

Large additional retail facilities are proposed through planning proposals in several parts of the LGA. This includes at the Grove Liverpool, at which a planning proposal has been approved and a new retail centre is proposed to be created, at Holsworthy and on the eastern side of the Georges River near Liverpool CBD where very substantial redevelopment is proposed. The size of the anticipated village centre is currently subject to assessment. A planning proposal has also sought to expand the size of the Middleton Grange Town Centre.

These issues are explored in more depth in Chapter 6.

1.1 NSW Government Policies

Greater Sydney Region Plan

The Greater Sydney Regional Plan (GSRP) is the NSW Government's planning strategy for Greater Sydney. It provides a 40-year vision to transform Greater Sydney into a Metropolis of Three Cities: The Western Parkland City, the Central River City and the Eastern Harbour City. Liverpool is within the Western Parkland City, which is intended to accommodate 29 per cent of Sydney's dwelling growth and 49 per cent of employment growth to 2036. The population across the Western Parkland City is expected to grow from 740,000 in 2016 to 1.1 million in 2036.

The vision in the GSRP is implemented by directions, objectives and actions grouped under the themes of infrastructure, collaboration, liveability, productivity and sustainability. The actions apply to other NSW Government agencies as well as to local councils, and the NSW Government's strategic transport plan *Future Transport 2056* is broadly consistent with the directions of the GSRP and aims to deliver the vision of a metropolis of three cities.

In the GSRP, Liverpool CBD is classified as part of the metropolitan city cluster of the Western Sydney Aerotropolis, Liverpool, Campbelltown-Macarthur and Greater Penrith. These are the major centres of the Western Parkland City and along with Parramatta and the Sydney CBD the major centres of Greater Sydney. Under the GSRP vision, everyone would be within 30 minutes by public transport of a metropolitan centre, including Liverpool and the future Western Sydney Aerotropolis.

The Western Sydney International Airport is described as a 'game-changer' for the economic development of Western Sydney and is expected to catalyse the development of the adjacent Aerotropolis as a higher-order centre with a variety of knowledge-intensive jobs.

Implications for centres and corridors

The significant amount of development intended to be catalysed by the Western Sydney International Airport and Western Sydney Aerotropolis will require the creation of new centres and is intended to lead to significant economic development in the Liverpool CBD. This development may bring many more professional workers to Liverpool, potentially changing its local retail role and increasing demand for services. Increases in accessibility to employment throughout the LGA would also be expected to lead to increased demand for housing, which could lead to more local retail demand and a greater need for services throughout the LGA.

As part of the Metropolitan Planning Cluster, Liverpool is designated by the GSRP as a health and education precinct and a collaboration area. This reflects expected development and the evolving planning context of the Liverpool CBD, which should be considered as part of any review of the local centres planning framework.

Several of the GSRP's directions and objectives relate directly to the planning of retail and local centres. As these objectives are elaborated in the Western City District Plan, they will be discussed in more detail under that plan below.

The GSRP specifies a hierarchy of centres in Sydney as well as the broad roles that these centres should fulfil. This hierarchy is shown in Figure 3. In the Liverpool LGA, Liverpool is a metropolitan centre. Leppington is a future strategic centre but is located just outside of the LGA boundaries. All other centres are local centres, and so should provide for day-to-day access to goods and services as well as for local employment.

FIGURE 3: HEIRARCHY OF CENTRES IN GREATER SYDNEY

	CENTRES			OTHER
	METROPOLITAN 	STRATEGIC 	LOCAL 	COMMERCIAL OFFICE PRECINCT
ROLE	Metropolitan centres are the economic focus of Greater Sydney, fundamental to growing its global competitiveness and where government actions and investment, including transport, will be focussed. The intent of these centres is to deliver very high levels of development and amenity. Metropolitan centres occur in two forms: single centres or a cluster of centres.	Strategic centres vary in size, location and mix of activities. They enable access to a wide range of goods, services and jobs. Strategic centres are expected to accommodate high levels of private sector investment, enabling them to grow and evolve. They will become increasingly important parts of the region's structure.	Local centres are important for day-to-day access to goods and services.	These precincts are components of metropolitan or strategic centres containing standalone office buildings. Generally commercial office precincts contain at least 100,000 square metres of office floor space.

Source: Greater Sydney Commission 2018, *Greater Sydney Region Plan*

Western City District Plan (2018)

The Western City District Plan (WCDP) is a 20-year plan which implements the Greater Sydney Region Plan for the Western City District, which includes the Liverpool LGA. Local strategic planning and amendments to local planning controls must be consistent with the WCDP. It is also intended to guide strategic land use and transport planning for the Western City District more broadly.

The District Plan addresses planning for housing, employment and greater sustainability with a district-level focus. Planning priorities are implemented through actions for Councils and NSW Government departments and agencies. The plan identifies a current job distribution within the Western City in which local centres make up 16% of the total job distribution, strategic centres make up 10% of the job distribution.

Implications for centres and corridors

Several planning priorities in the WCDP relate to the planning of centres. The most relevant priorities are summarised below.

Planning priority W5 Providing housing supply, choice and affordability, with access to jobs, services and public transport

This priority sets out a framework for planning for new housing. It establishes locational criteria for the location of urban renewal and infill development, including that Councils should consider housing intensification in walkable residential land around local centres.

Further housing development around local centres has the potential to increase the amount of activity and retail spending in those centres. This could revitalise struggling centres and encourage further development in and around them.

Planning Priority W6 Creating and renewing great places and local centres, and respecting the District's heritage

This priority emphasises the importance of local centres as great places and social connectors at the heart of local communities. The WCDP specifies that the management of local centres is to be predominately led by local councils, but specifies principles for their growth and change including that local centres should:

- Provide, increase or improve local infrastructure and open space, with co-located facilities and social infrastructure
- Protect or expand opportunities for retail and commercial floor space and employment opportunities
- Support the arts, the night-time economy, local festivals and interim uses where appropriate
- Improve walking, cycling and public transport connections
- Conserve local heritage values
- Increase residential development in local centres or within a walkable distance
- Provide parking which is adaptable to future uses and which takes account of access to public transport.

In this priority, the WCDP also recognises the importance of place-based planning of great places such as local centres. This is defined as “a design-led and collaborative way of examining the complexity of the city by viewing it as a mosaic of different places, each with unique sense of place”. This would require a detailed understanding of how local centres work to be incorporated into the development of a future vision and the management of change. The vision would be developed with people with local expertise, knowledge and responsibility, including with the local community. Any site-specific planning proposals are to be integrated with place-based planning and with precinct-wide place and public domain outcomes.

Planning Priority W9 Growing and strengthening the metropolitan cluster

This priority identifies future directions for the growth of the Liverpool CBD, including for the development of its health and education precinct. A job target for the Liverpool CBD of between 36,000-39,000 jobs in 2036 is identified, an increase from 29,000 in 2016.

The directions for the future planning of the Liverpool CBD include continued development of the centre, a vibrant mix of uses, smart jobs around the health and education precinct and an improved public domain. These directions would be consistent with an expanded role for retail, services, commercial development and the night-time economy in the Liverpool CBD.

Planning Priority W10 Maximising freight and logistics opportunities and planning and managing industrial and urban services land

This priority identifies the need to review the availability of industrial land in the Liverpool LGA and to protect it from conflict with other land uses. Before any industrial land is rezoned to facilitate other uses, such as mixed-use development or centre-style retail development, it must be confirmed that the industrial land is not needed.

The WCDP specifies that the conversion of industrial land to office use may be appropriate given the lack of stand-alone office precincts in the District, however this should not compromise the continued effectiveness of continued industrial use. Any such development would have implications for meeting the demand for office floorspace and services in local centres.

Planning Priority W11 Growing investment, business opportunities and jobs in strategic centres

This priority sets principles for the planning of greater Sydney's centres, including existing centres, potential new centres and clusters of large-format retail. It identifies that more than 1.54 million square metres of additional retail floor space will be needed over the next 20 years. New centres may be needed to meet this growth, but their planning should correspond with principles set out in the WCDP.

The WCDP notes the need for expansion of existing centres, as well as that in some cases adjacent industrial land may be appropriate for this purpose. However, this would be informed by local government industrial strategies. New centres in established areas may also be created through urban renewal and mixed-use developments.

In land release areas, the need is discussed for planning to identify a range of centre types and to provide scope for the role of centres to change in the future. New centres are to be located on mass transit corridors wherever possible. South Creek is to be planned as the central organising element of new development in the western part of Liverpool.

The WCDP specifies that clusters of large format retail should be treated as part of the retail network, with planning for new clusters conducted in the same way as planning for other new retail centres. These clusters are to have access to adequate public transport and to have quality public domains.

Western Sydney City Deal (2018)

The Western Sydney City Deal is an agreement between the Australian Government, the NSW Government and the eight councils of the Western City District, including Liverpool City Council. The City Deal reinforces the vision for transformative development in Western Sydney set by the *Greater Sydney Region Plan*. It contains commitments from each level of government which seek to facilitate the development of the Western Sydney Aerotropolis, as well as to improve connectivity, liveability, jobs, skills, education, the environment and governance in Western Sydney.

The Western Sydney City Deal aims to provide over 200,000 jobs in a range of industries, with development focused around the Western Sydney Aerotropolis. It commits to the establishment of a university focusing on STEM-based learning and skills of the future, the North South Rail Link and rapid bus links between Western Sydney International Airport, the Western Sydney Aerotropolis and Liverpool.

Implications for centres and corridors

Significant infrastructure investment and economic development around Liverpool will bring more residential development to the LGA and more people to its centres. There is likely to be a substantial increase in the number of people working in the Liverpool CBD, which will increase retail spending and create an opportunity for Liverpool CBD to become an entertainment and hospitality destination.

A rapid bus service from Liverpool to the Western Sydney International Airport would connect stops along the route to major centres at both Liverpool and the Western Sydney Aerotropolis. This would create opportunities for Transit Orientated Development including additional retail along this route.

Land Use and Infrastructure Implementation Plan for the Western Sydney Aerotropolis Growth Area (2018)

The Western Sydney Aerotropolis Land Use and Infrastructure Implementation Plan (LUIIP) provides the initial planning framework for the development of the Aerotropolis. It covers a large area identified as part of the Western Sydney Aerotropolis, which is shown in Figure 4.

The LUIIP aims to deliver much of the growth of 200,000 jobs expected in the Western Parkland City by 2036. Jobs growth in the Aerotropolis is to focus on the industries of defence

The Aerotropolis Core, southwest of the Airport site, is to be among the first parts of the Aerotropolis to be developed. It will eventually be connected to the Liverpool LGA by rapid transport links. It is intended to be a high amenity centre occupied predominately by employment generating uses.

Structure Plan
Western Sydney Aerotropolis

Legend:

- Precinct Boundary
- Western Sydney Airport
- Proposed Transport Corridors
- Agricultural
- Luddenham Village
- Flexible Employment
- Urban Land
- Non Urban Land
- Mixed Flexible Employment & Urban Land

The map displays the Western Sydney Aerotropolis structure plan. Key precincts include the Airport Freight and Logistics Precinct, Passenger Terminal Precinct, Airport Commercial Precinct, Aerotropolis Core, and Agriculture and Agribusiness. Major transport corridors shown are the M9, M12, and the proposed Sydney Gateway. Land use designations are color-coded: yellow for Agricultural, orange for Luddenham Village, blue for Flexible Employment, light blue for Urban Land, green for Non Urban Land, and dark blue for Mixed Flexible Employment & Urban Land. The map also shows the Western Sydney Airport and surrounding areas like North Luddenham and Northern Gateway.

Implications for centres and corridors

9

jobs by 2036 and additional residential development will significantly increase retail and service demand nearby.

South-West Growth Area and Western Sydney International Airport Growth Area

The Liverpool LGA and surrounds contains two large growth areas: the South-West Growth Area and Western Sydney International Airport Growth Area. There are no official estimates of the total capacity of these growth areas, although growth in both population and jobs is likely to be substantial.

In combination with the North-West Growth area, these growth areas constitute the major fronts for greenfield development in Greater Sydney. In addition, the Western Sydney International Airport Growth Area includes the Western Sydney International Airport site and the land intended to be developed as the Western Sydney Aerotropolis adjacent to the Airport. The Liverpool CBD will be the major centre nearest to much of this development.

Several new centres are currently planned in the parts of these growth areas which have been released. These include a new major centre at Leppington in the Camden LGA near to the boundary with the Liverpool LGA and several centres in Austral including one with 30,000sqm of retail floorspace and three smaller centres with up to 10,000sqm of retail floorspace.

1.2 Local Government Strategies

Liverpool Retail Centres Hierarchy Review (2012)

The *Liverpool Retail Centres Hierarchy Review* reviewed the existing retail hierarchy applying to the Liverpool LGA, which is a classification of the current and future role of each centre that provides the framework for local planning.

The Review found that the Liverpool retail landscape would change due to a growing local population, increasing affluence and as a result of the South West Growth Centre Areas and proposed development of the Leppington Major Centre. Population growth would increase retail demand in Liverpool, with expenditure available to retail land uses expected to increase by 44% from \$2bn in 2011 to \$3bn in 2031. This would result from an increased capture of spending in a catchment area that included the Liverpool LGA, Fairfield LGA and northern part of the Campbelltown LGA (Macquarie Links, Macquarie Fields, Glenfield).

The Review estimated that retail floorspace demand would increase from 397,500sqm in 2011 to 511,000 sqm by 2031. It forecast retail growth across different centres in the LGA, with the most growth expected in the Liverpool CBD and Crossroads and smaller amounts of growth in existing large centres (Moorebank and Miller or Green Valley) and new retail centres (Holsworthy and Middleton Grange).

The intended development of the Leppington Major Centre was noted as a potential long-term impact on trade in the Liverpool CBD. As a result of the uncertainty regarding this development, regular floorspace reviews every five years were recommended.

The Review identified a total of 377,000 square metres of shopfront retail and commercial floorspace across the LGA, with the City Centre accounting for over 161,000 square metres, or 43 per cent, of this space. Bulky goods clusters at Crossroads, Orange Grove and Warwick Farm accounted for 33 per cent of the floorspace (123,000 square metres).

The Liverpool CBD was identified as a 'Regional City' serving both the LGA and the broader South West and West Central subregions, with other centres in the LGA classified as town, village, neighbourhood and bulky goods clusters.

Liverpool Economic Development Strategy 2019-2029

Liverpool's Economic Development Strategy details the economic priorities, actions and targets to guide the development of the LGA's economy. Key features identified as underpinning Liverpool's growth include:

- Land use planning which balances economic opportunities with environmental requirements
- Improved freight and passenger transport with continued investment in infrastructure projects by the public and private sector, and
- A growing and trained workforce to support contemporary business needs.

The Strategy identifies a number of opportunities and challenges for the LGA in regard to industry development, infrastructure, land use/planning and skills and employment. One of the key opportunities for industry development is the continued expansion of the retail sector. One of the challenges identified is to accommodate a combined 30,000 jobs in the city centre and Georges River Precinct, which would offer a significant contribution to retail viability and vibrancy.

Liverpool Local Environmental Plan (2008)

The Liverpool Local Environmental Plan 2008 (LLEP) provides statutory planning controls which govern development in much of the LGA. This includes which kinds of development are permitted in each area and the allowable development density and height.

The LEP takes a centres-based approach to potential housing development, with medium and high density residential zones focused around local centres. While in many cases little development has occurred in these zones, redevelopment around existing centres would increase their viability and vitality, and underline the importance of planning for high-amenity and accessible local centres.

The zones in the LLEP and their predominant controls that relate to retail are listed below:

Land Use Zone	Objectives of Zone	Permitted with Consent
B1 Neighbourhood centre	<ul style="list-style-type: none"> ▪ Provide a range of small-scale retail, business and community uses that serve the needs of people who live or work in the surrounding neighbourhood. ▪ Provide the opportunity for small scale supermarkets that will provide goods for the day -today needs of people who live and work in the surrounding neighbourhood. ▪ Allow for residential and other accommodation while maintaining active retail, business or other non-residential uses at street level. 	Food and drink premises; Neighbourhood shops; Shop top housing; Shops
B2 Local Centre	<ul style="list-style-type: none"> ▪ Provide a range of retail, business, entertainment and community uses that serve the needs of people who live in, work in and visit the local area. ▪ Encourage employment opportunities in accessible locations. ▪ Maximise public transport patronage and encourage walking and cycling. ▪ Allow for residential and other accommodation while maintaining active retail, business or other non-residential uses at street level. ▪ Facilitate a high standard of urban design and a unique character that contributes to achieving a sense of place for the local community. 	Commercial premises; Shop top housing
B3 Commercial Core	<ul style="list-style-type: none"> ▪ Provide a wide range of retail, business, office, entertainment, community and 	Commercial premises

	<ul style="list-style-type: none"> other suitable land uses that serve the needs of the local and wider community. Encourage appropriate employment opportunities in accessible locations. Maximise public transport patronage and encourage walking and cycling. Strengthen the role of Liverpool CBD as the regional business, retail and cultural centre of south western Sydney. Ensure that, for key land in the Liverpool CBD, opportunities for retail, business and office uses exist in the longer term. Facilitate a high standard of urban design and exceptional public amenity. 	
B4 Mixed Use	<ul style="list-style-type: none"> Provide a mixture of compatible land uses. Integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling. Allow for residential and other accommodation in the Liverpool city centre, while maintaining active retail, business or other non-residential uses at street level. Facilitate a high standard of urban design, convenient urban living and exceptional public amenity. 	<p>Commercial premises;</p> <p>Function centres;</p> <p>Medical centres</p>
B5 Business Development	<ul style="list-style-type: none"> Enable a mix of business and warehouse uses, and specialised retail premises that require a large floor area, in locations that are close to, and that support the viability of, centres. Maintain the economic strength of centres by limiting the retailing of food and clothing. Provide for a larger regionally significant business development centre in a location that is highly accessible to the region. Ensure a reasonable concentration of business activity. 	<p>Office premises</p> <p>Restaurants or cafés</p> <p>Specialised retail premises</p>
B6 Enterprise Corridor	<ul style="list-style-type: none"> Promote businesses along main roads and to encourage a mix of compatible uses. Provide a range of employment uses (including business, office, retail and light industrial uses). Maintain the economic strength of centres by limiting the retailing activity. Provide primarily for businesses along key corridors entering Liverpool CBD, major local centres or retail centres. Ensure residential development is limited to land where it does not undermine the viability or operation of businesses. Provide for residential uses, but only as part of a mixed-use development. 	<p>Business premises, Commercial premises;</p> <p>Garden centres;</p> <p>Hardware and building supplies; Shop top housing</p>

Service stations and take away food and drink premises are also permitted on identified key sites with non-business zones along major road corridors through Clause 9 of Schedule 1 of the LLEP. The majority of these sites have been developed for the purpose of service stations and take-away food and drink premises, and so perform a similar function to sites in the B6 zone. However, while the B6 zone requires residential development to be at least 50m from a

major road, there is no such requirement for key sites with a residential zone which have been developed to serve an enterprise corridor function.

2.2 Directions for retail planning

The following themes emerge from the above discussion of retail centres policy which should guide how retail provision should be planned in the Liverpool LGA:

- Local centres should be viewed as high-quality places and as important social connectors at the heart of the local community. Retail functions should support this role.
- Concentration of retail provision in centres is necessary to bolster their local roles. Significant out-of-centre development risks limiting the retail spending and vibrancy in local centres.
- Where possible, higher-density residential development, community facilities, social infrastructure and open space should be co-located with local centres which have good public transport accessibility and other attributes required to support higher density development.
- New centres may be needed in the future to increase retail provision to the growing population in both greenfield and established areas, but the potential impacts of these developments on the economic viability of existing centres should be considered
- There are limited cases in which centres may expand into industrial areas, but this should not compromise the function of those industrial areas.
- Bulky goods clusters should be regarded as part of the centres framework, and planning for new clusters should be conducted in the same way as planning for other new centres.
- In the longer term, the development of the Western Sydney International Airport and Western Sydney Aerotropolis and the continued development of the Liverpool CBD could bring many more people to the Liverpool LGA and could change the way that some centres function.
- The proposed rapid transport connection between Liverpool and the Western Sydney International Airport could create opportunities for new transit-oriented developments including retail centres.

Planning Future Retail Centres – Department of Planning (2018)

Additional directions for the best-practice planning of local retail is provided by a discussion paper prepared by the Department of Planning in 2018. It was associated with changes to the Standard Instrument LEP template but had a broader scope regarding the future of retail planning in response to changes in the retail sector.

The discussion paper identifies the changing role of retail in response to structural changes in how consumers shop. Building on work from the Independent Retail Expert Advisory Committee, the paper finds that the current planning framework does not provide sufficient flexibility to accommodate a dynamic and evolving sector. It finds continued strong retail demand related to population and economic growth, despite increasing competitive pressures and some high-profile store closures. As a result, the paper calls for planning which supports the important place of retail in local economies while recognising its role in the liveability of well-designed and accessible centres.

The paper identifies five outcomes for future retail planning, of which four are relevant for the Liverpool LGA:

- **Clustering retail** to ensure that customers have convenient easy access, multipurpose and frequent shopping. This would provide immediacy, choice and convenience for consumers.
- Orderly development of **new retail formats**. This ensures that the changing needs of the retail sector are met and that retail provides destination shops focused on experiences which can compete with online retail. The most important implication of this trend is identified as retail precincts having a broad range of uses similar to traditional town centres.

- Strategic planning for **innovative retail formats**. Zoning flexibility is needed to ensure that there is scope for these formats. Examples given include large-format retail with a focus on tenant mix combining elements of main street, large-format and other complementary retail uses, ancillary retail supporting manufacturing, creative production techniques which combine retail and manufacturing, and pop-up retailing.
- Better planning for **last-mile distribution** and innovative supply chains. This requires planning for small distribution centres and logistics sites near to centres of population.

Building on these outcomes, the paper identifies three directions for retail planning and for reform:

- Better local strategic planning for retail, including updating retail strategies to reflect trends in the retail sector. Long-term place-based outcomes for retail should be established and aligned through a strategic hierarchy from strategic narratives expressed in local planning, and with statutory planning controls.
- A modern approach to retail development that reflects a range of retail formats *in centres*. This means that retail planning should be consistent with centres hierarchies such as the one in the GSRP. Councils should coordinate investment in infrastructure and amenity in centres to renew main streets and support the place-based functions of centres. Large-format retailers are tending to locate in precincts which should form part of centre hierarchies, offering a broad shopping experience with a greater range of retail types than in the past.
- Adaptability and certainty for retail, with flexible land use zoning to allow transitions in retail functions. This includes open zones and allowing undefined and innovative uses to be evaluated and potentially permitted.

For the Liverpool LGA, this sets a direction for the planning of retail which would concentrate retail activity in centres which have a defined long-term place-based function. New centres may emerge around recently established out-of-centre locations, but this should be consistent with local strategic planning.

B5 and B6 zones

The Liverpool LEP 2008 applies the B6 zone along highway retail corridors and the B5 zone in identified bulky goods precincts such as Crossroads and the Grove Liverpool (see Figure 5). As discussed in Section 1.2 above, there is a tension in the current B6 zoning regarding the outcome it seeks to create. It is a relatively permissive zone which allows shop-top housing development 50m or more from a main road as well as any type of retail or commercial premises.

One of the objectives of the B6 zone is to limit retail provision so that retail is concentrated in centres, and clause 7.23 of the LLEP2008 limits bulky goods retail provision to 2,500sqm and retail provision to 1,600sqm in any development. This encourages small-scale developments to spread along the Hume Highway and other highway corridors. While these locations are highly accessible by car, they provide a poor retail experience. Permitting small retail premises to spread along a main road corridor is contrary to the policy direction in the WCDP and to the best-practice retail planning guidance in the Department of Planning's discussion paper for the concentration of retail provision in centres that provide a high quality experience tied to place-based outcomes.

The potential for out-of-centre retail in the B6 zone is heightened by the site-specific nature of the limitations. Several developments each containing up to 1,600 sqm of retail floorspace could combine to create what is effectively a new local centre outside of the centre planning framework. The Casula Central development, a satellite image of which is shown in Figure 6, is an example of this. It contains a large grocery store, medical centre, local offices and a range of restaurants as well as some other premises. As such, it essentially acts as a local centre but is poorly integrated with the local walking pedestrian network. It has low vacancy rates and so is relatively successful as a retail centres but is located out-of-centre and so may draw activity out of existing retail centres.

FIGURE 5: B5 AND B6 ZONES IN THE LIVERPOOL LGA

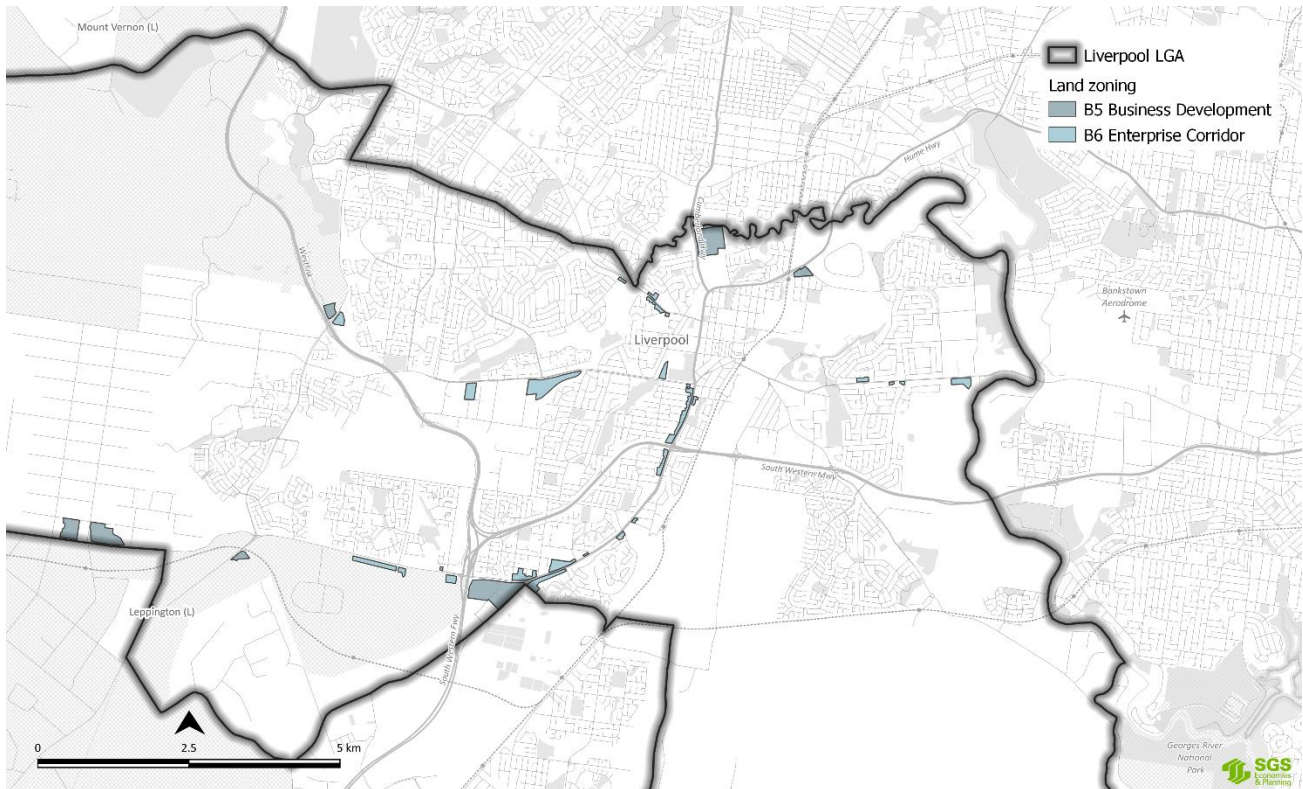


FIGURE 6: THE CASULA CENTRAL DEVELOPMENT



Source: Nearmap 2019

The use of the B5 zone in the Liverpool LGA is broadly consistent with the Department of Planning's retail planning directions, as it seeks to create clusters of large-format retail. However, its permissibility is relatively narrow, with many commercial and retail premises not permitted. While this ensures that retail provision is concentrated in centres, it may constrain the evolution of large-format retail clusters towards new formats with a broader offering. This

issue will be considered more fully in the report and in response to consultation with stakeholders.

Comparison with other LEPs

The permissibility of several key uses in the B6 zone under the Liverpool LEP 2008 and other LEPs in Greater Sydney is shown in Table 2. Liverpool has a particularly permissive LEP in this zone, which could facilitate the future evolution of land uses in this zone. Most LEPs in Greater Sydney do not permit shops, although most permit neighbourhood shops. Some LEPs do not permit food and drink premises. Liverpool permits all of these uses, as does Manly, Canada Bay and Ryde.

As noted above, there are additional clauses in the LEP which limit the retail floorspace of any one development to 1,600 sqm and the floorspace of specialised retail developments to 2,500 sqm. However, development of multiple small sites could still lead to a relatively large amount of retail floorspace along major road corridors.

The permissibility of several key uses in the B6 zone under the Liverpool LEP 2008 and other LEPs in Greater Sydney is shown in Table 2. Liverpool has a relatively restrictive B5 zone compared to other Councils in Greater Sydney. This partly relates to the closed nature of the zone under which uses which are not listed in the use table are prohibited. Some other councils permit business premises, retail premises, shops and medical centres in the B5 zone, while Liverpool does not.

The permissible uses in the B5 zone in Liverpool result from the use of the B5 zone, which is only applied to bulky goods retail centres. In some other councils the B5 zone is intended to apply in a broader range of places and to facilitate a range of service-based uses and in some cases urban services. If the B5 zone continues to be used only for bulky goods centres in the Liverpool LGA, it may be appropriate to retain a relatively narrow mix of permissible uses. However, this may constrain the evolution of bulky goods centres in response to changes in the retail market and in retail formats.

TABLE 1: PERMISSIBILITY OF DIFFERENT USES IN THE B6 ZONE IN LEPS WITHIN GREATER SYDNEY

Council LEP	Commercial Premises	Shops	Food and drink premises	Neighbourhood shops	Specialised retail premises
Ashfield					
Auburn					
Bankstown					
Burwood					
Canada Bay					
Canterbury					
Fairfield					
Hawkesbury					
Holroyd					
Hornsby					
Kogarah					
Liverpool					
Manly					
Marrickville					
Mosman					
Parramatta					
Penrith					
Pittwater					
Rockdale					
Ryde					
Strathfield					
Sutherland					
Sydney					
The Hills					



Prohibited



Permitted with consent

Note no colour (white or grey) is applied where LEPs do not refer to commercial premises.

Source: SGS 2019

TABLE 2: PERMISSIBILITY OF DIFFERENT USES IN THE B5 ZONE IN LEPS WITHIN GREATER SYDNEY

Council LEP	Business premises	Office premises	Retail premises	Food and drink premises	Shops	Neighbourhood shops	Entertainment facilities	Medical centres
Bankstown	Permitted with consent	Permitted with consent	Prohibited	Permitted with consent	Prohibited	Permitted with consent	Permitted with consent	Permitted with consent
Blacktown	Prohibited	Prohibited	Prohibited	Permitted with consent	Prohibited	Permitted with consent	Prohibited	Permitted with consent
Botany	Permitted with consent	Permitted with consent	Prohibited	Permitted with consent	Prohibited	Permitted with consent	Permitted with consent	Permitted with consent
Camden	Permitted with consent	Permitted with consent	Prohibited	Permitted with consent	Prohibited	Permitted with consent	Permitted with consent	Permitted with consent
Campbelltown	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited
Canterbury	Permitted with consent	Permitted with consent	Prohibited	Permitted with consent	Prohibited	Permitted with consent	Permitted with consent	Permitted with consent
Fairfield	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited
Hawkesbury	Prohibited	Prohibited	Permitted with consent	Permitted with consent	Prohibited	Permitted with consent	Permitted with consent	Permitted with consent
Holroyd	Prohibited	Prohibited	Prohibited	Permitted with consent	Prohibited	Permitted with consent	Prohibited	Permitted with consent
Hornsby	Permitted with consent	Permitted with consent	Prohibited	Permitted with consent	Prohibited	Permitted with consent	Permitted with consent	Permitted with consent
Ku-ring-gai	Permitted with consent	Permitted with consent	Prohibited	Permitted with consent	Prohibited	Permitted with consent	Permitted with consent	Permitted with consent
Liverpool	Prohibited	Permitted with consent	Prohibited	Permitted with consent	Prohibited	Prohibited	Prohibited	Prohibited
Marrickville	Permitted with consent	Permitted with consent	Prohibited	Permitted with consent	Prohibited	Permitted with consent	Permitted with consent	Permitted with consent
Parramatta	Permitted with consent	Permitted with consent	Prohibited	Permitted with consent	Prohibited	Permitted with consent	Permitted with consent	Permitted with consent
Penrith	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited
Ryde (2010)	Permitted with consent	Permitted with consent	Prohibited	Permitted with consent	Prohibited	Permitted with consent	Permitted with consent	Prohibited
Ryde (2014)	Permitted with consent	Permitted with consent	Prohibited	Permitted with consent	Prohibited	Permitted with consent	Prohibited	Permitted with consent
Sutherland	Prohibited	Permitted with consent	Permitted with consent	Permitted with consent	Prohibited	Permitted with consent	Prohibited	Prohibited
Sydney	Permitted with consent	Permitted with consent	Prohibited	Permitted with consent	Prohibited	Permitted with consent	Permitted with consent	Permitted with consent
The Hills	Prohibited	Prohibited	Prohibited	Permitted with consent	Prohibited	Permitted with consent	Prohibited	Prohibited
Willoughby	Permitted with consent	Permitted with consent	Prohibited	Prohibited	Prohibited	Permitted with consent	Prohibited	Permitted with consent
Wollondilly	Prohibited	Permitted with consent	Permitted with consent	Permitted with consent	Prohibited	Permitted with consent	Permitted with consent	Permitted with consent

Prohibited

Permitted with consent

Source: SGS 2019

2.3 Consultation

SGS consulted with representatives from the following organisations as part of the development of this study:

- Liverpool City Council Council Economic Development, Property, Strategic Planning and Development Assessment Departments
- Elders Real-Estate
- Schell Stevens
- University of Wollongong
- Scentre Group (owners of Westfield Liverpool)
- AMP Capital (owners of Casula Mall)
- AsheMorgan (owners of Crossroads)
- Gazcorp (owners of The Grove and Fashion Spree)

The aim of the consultation was to build an understanding of the performance of the local retail market and of how broad retail trends (discussed in Chapter 3) are impacting on retailers in the Liverpool LGA. Individual interviews were held with stakeholders, either by phone or in person. The following themes emerged from these discussions.

Liverpool CBD

Stakeholders broadly saw opportunities for the Liverpool CBD to continue to grow and expand in terms of both retail and commercial development. Increasing strength in the retail market and opportunities were seen to come from:

- High levels of population growth,
- Increasing development momentum,
- Proposed commercial development,
- The opening and expansion of the Western Sydney University and University of Wollongong campuses in the City Centre,
- Major proposed developments which could create new centres of activity within the City Centre
- The vision for the Western Sydney Aerotropolis, which could create a step change in local development and retail prospects,
- Increased tourist visitation as a result of the opening of the Western Sydney International Airport.

A particular opportunity was noted for Liverpool CBD to become a major dining destination, with no major destinations in South-West Sydney. Commercial offices and universities moving to the Liverpool CBD contribute to this opportunity, as people coming to the City Centre will want to be able to access a wider variety of food and drink options. This could build on the current unique retail experiences offered by Liverpool, which are based around its highly multi-cultural demographics.

Stakeholders also highlighted weaknesses and barriers to the growth of the Liverpool CBD. These included people shopping in Westfield but not in other parts of the City Centre, an unfriendly public domain, traffic congestion, a poor perception of the retail in the City Centre and fragmented land ownership.

Performance of local retail market

Stakeholders generally viewed the local retail market to be performing strongly, driven by high levels of population growth in the LGA. Larger retail centres in the Liverpool LGA generally have low levels of vacancies, indicating that businesses are performing well.

The larger centres in the LGA are anchored by supermarkets and have a predominately convenience-retailing role, as opposed to the regional role of Liverpool CBD. As day to day retail spending is less likely to be captured by online platforms, the rise of online retailing was not seen as a large threat to Liverpool's larger local centres.

Mixed opinions were offered about the performance and prospects of smaller centres in the LGA. Some smaller village and neighbourhood centres were viewed to be struggling in the face of competition from larger centres and retailers. For example, trading in the Prestons Local Centre has been reduced by the opening of a Woolworths nearby on Camden Valley Way. Other local centres were viewed to be performing well, with lower rents imposed by long-term owners and some owner-occupiers allowing retailers to remain viable even if the level of trading decreases.

While the retail market was generally seen to be strong, the market for large-format retail and furniture in particular was seen to be weak. This is in part related to the current poor performance of the local housing market.

The opening of new retail centres in the future was seen as a potential threat to the performance of local centres, compounding the impacts of recent developments including Costco and stand-alone supermarkets. The Edmondson Park Town Centre was cited as the largest development which is underway and will be completed in advance of surrounding housing development.

Roles of local centres

Stakeholders noted the broad role that local centres in the Liverpool LGA play beyond simply providing retail facilities. This includes functioning as centres of the local community and hosting community events. Stakeholders felt that opportunities such as benefitting from increased tourist visitation, increasing night-time trading and developing larger dining precincts were not confined to the Liverpool CBD, but rather extended to the larger local centres in the LGA.

The convenience of visiting local centres was highlighted as a key strength when compared with the Liverpool CBD. Congestion and parking issues in the Liverpool CBD were cited as reasons for people to visit local centres like the Casula Mall instead, even if they live or work closer to the Liverpool CBD.

Future of large-format retailing

As noted above, stakeholders felt that the retail market for large format retailers in and around the Liverpool LGA was performing poorly. While the viability of The Grove and Crossroads is unlikely to be threatened in the short term, stakeholders felt that there was unlikely to be demand for a third substantial large-format retail centre in the LGA, and that if such a centre were to open it would have a large impact on current trading performance.

Overall shifts in the format of large-format retail centres were noted. These include that large brands are consolidating their presence in physical stores into flagship stores and closing smaller premises. A reduction in the number of large format tenancies in the future was cited as a potential threat to the sector. As rents for industrial premises have increased in the Liverpool LGA recently, they are now competitive with rents for warehouse-style retail stores, and this was seen to have the potential to displace large-format retail from some centres in the future.

In order to combat threats to the large-format retail sector, stakeholders felt that there should be greater flexibility in the B5 zone to accommodate a broader range of complimentary land uses. This would allow service-based uses like banks, hair and nail salons to be built. It would also allow large shops which may sell clothes or food and so count as general retail but which may be unlikely due to their size or format to locate in more traditional centres. This would increase foot traffic in these centres outside of the weekend and would ensure they remain viable in the face of online retail and the changing nature of the retail market.

Evolving retail formats

Stakeholders highlighted the changing nature of the retail market and the resulting need for retail centres and retailers to be more flexible and agile. This could take multiple forms, including broadening the range of retail offerings, engaging more with the local community and in more diverse ways, understanding the local area better and engaging with stakeholders more frequently.

One of the results of the changing retail market which was raised was the evolution of retail formats. The tenant profile of shopping centres was seen to be changing across Australia, including in the Liverpool LGA. Uses different from traditional retail are seeking to move to these centres, such as child-care centres, medical centres, services and gyms. This would cement the broad role that local centres were felt to play in the local community.

3. RETAIL TRENDS

There are several broad trends and drivers influencing land use and the retail industry in commercial centres in Liverpool.

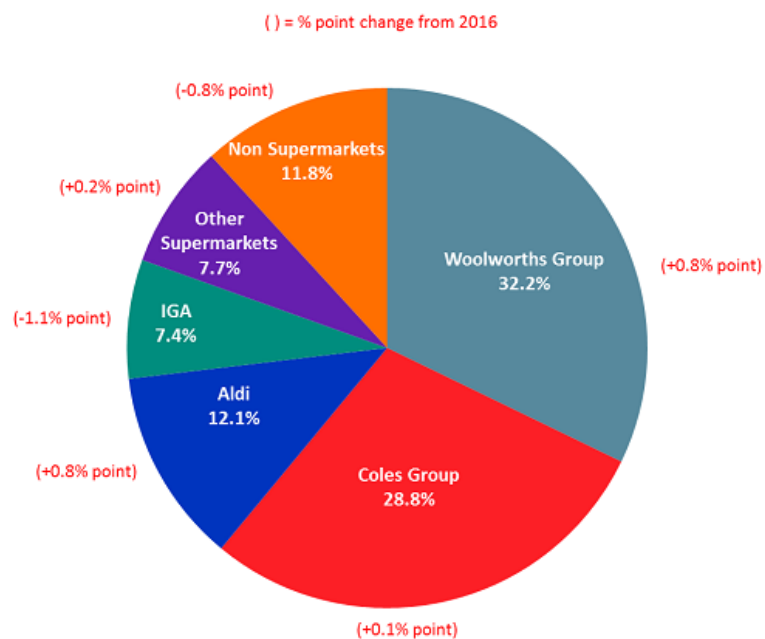
Economic, social and technological influences are changing the shopping behaviours of consumers worldwide. Retailers globally and locally have responded to these changes in shopping and consumption, with the spatial landscape for retailing in Australia rapidly evolving.

3.1 Evolution of retail formats

Supermarkets

New entrants in the supermarket sector are reshaping the traditional format of supermarket stores. Aldi and other discount supermarket retailers have been able to increase their share of the grocery market, though Coles and Woolworths remain the dominant players, accounting for over 60 per cent, as shown below in Figure 7. This relative duopoly makes the presence of a Coles or Woolworths an important anchor for a local centre, although IGAs anchor many small centres.

FIGURE 7: SHARE OF TOTAL GROCERY MARKET, 2017



Source: Roy Morgan Research, 2018.¹

Increased competition from smaller and discount supermarket retailers (and the increasing densification of Australia's cities has seen the dominant supermarket chains focus on shopfronts with smaller floorplates in inner city locations. The low densities and high rates of car ownership and use encourage people to drive to full-line supermarkets in the Liverpool

¹ Roy Morgan Research, 2018, 'Woolworths increases lead in \$100b+ grocery war,' 23 March 2018, [http://www.roymorgan.com/findings/7537-woolworths-increases-lead-in-\\$100b-plus-grocery-war-201803230113](http://www.roymorgan.com/findings/7537-woolworths-increases-lead-in-$100b-plus-grocery-war-201803230113)

LGA, and so this shift in focus has not occurred. Rather, two large Woolworths supermarkets have opened out of centres along Camden Valley Way and Hume Highway in response to population growth, rising retail demand and the delayed development of local centres in greenfield areas.

Large-format entrants to the supermarket sector such as Costco and Kaufland (a German supermarket considering opening in Australia) would require large floor areas and typically locate in bulky goods precincts rather than local centres. While Costco has a relatively small share of retail spending, large format supermarkets are well-suited to areas like the Liverpool LGA in which most trips are taken by car. There is currently a Costco in Casula and additional entrants to this sector are possible in the future.

Pop-up retail

Another evolving trend in retail formats is the emergence of pop-up retail stores and the utilisation of vacant storefronts for short-term uses. Pop-up retail has been embraced across the retail sector, including in shopping centres, through having small stores or kiosks in previously vacant areas. A key benefit is that this allows for a greater utilisation of existing floorspace.

The temporary utilisation of vacant storefronts has also been successful in many cities around the world, where creative (e.g. art galleries) and community uses are accommodated while building owners advertise for permanent tenants. In some cases, spaces have been used for temporary uses prior to buildings being demolished or redeveloped, in space that would otherwise have been left vacant for significant periods of time.² The use of pop-ups like this has the additional benefit of contributing to the revitalisation and activation. While there are currently few vacant stores in Liverpool's local centres, Council-driven pop-up retail programs may be appropriate in some centres if vacancies increase in the future.

There is a disincentive for pop-up uses in commercial and retail spaces which can result from the potential impact on property prices. The valuation of commercial properties is often based on the rent they receive and so allowing a pop-up tenant to move in at a reduced or peppercorn rent can reduce the value of properties. This can impact on loan to value ratios or on the ability of owners to borrow money against properties, with the result that it is often more valuable to leave a property vacant than to tenant it at a low rent.

Pop-up spaces have also been created in master-planned greenfield residential developments. These pop-ups provide community gathering places and service convenience retail needs until enough development occurs to create the demand for a larger retail centre. This kind of pop-up retail requires a large developer to market houses across a large catchment area to cover the cost of the pop-up.

Local retailing

Retailers outside shopping centres are adapting to suit market demand, shifting from convenience shopping to focusing on retail precincts as destinations and on the quality of the shopping experience and customer service. In part, this has been in response to increasing competition from online retail as the experience of shopping cannot be easily replicated by online retail formats. Creating an enjoyable experience requires thinking not only about the mix of stores in a centre, but the quality of the public realm and transport accessibility.

The amenity of the shopping experience is seen as particularly important in attracting leisure-based customers, who are typically recreational shoppers who like to browse and purchase discretionary items. These types of shoppers tend to spend more than mission-oriented

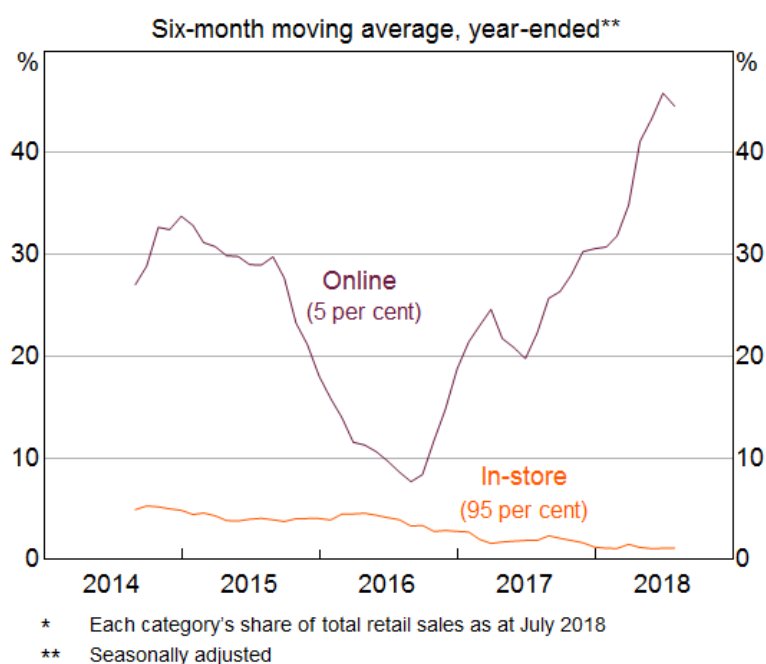
² Moore, 2016, 'From placeholder to pathfinder: innovative temporary site uses help up reimagine city spaces,' *The Conversation*, 20 September 2016, <https://theconversation.com/from-placeholder-to-pathfinder-innovative-temporary-site-uses-help-us-reimagine-city-spaces-63926>; Latham, 2018, 'The rise of the 'meanwhile space': how empty properties are finding second lives,' *The Guardian*, 28 November 2018, <https://www.theguardian.com/cities/2018/nov/28/the-rise-of-the-meanwhile-space-how-empty-properties-are-finding-second-lives>

shoppers, who visit centres for a particular purpose and are likely to be attracted to strong food offerings.³

3.2 Online retailing

The growth of online retailing is one of the major trends impacting on the retail sector in Australia. While online retailing currently makes up only a small proportion of retailing in Australia (estimated at 9% of retail trade), recent growth has been strong and has significantly outpaced growth in spending in physical stores (see Figure 8). There are several factors that can influence the prevalence of online retailing, although they are unlikely to reverse its recent growth. These includes broad macroeconomic factors such as fluctuations in the value of the Australian dollar.

FIGURE 8: GROWTH IN ONLINE AND IN-STORE RETAIL SALES



Source: Reserve Bank of Australia 2018, *Financial Stability Risks and Retailing Bulletin* September 2018

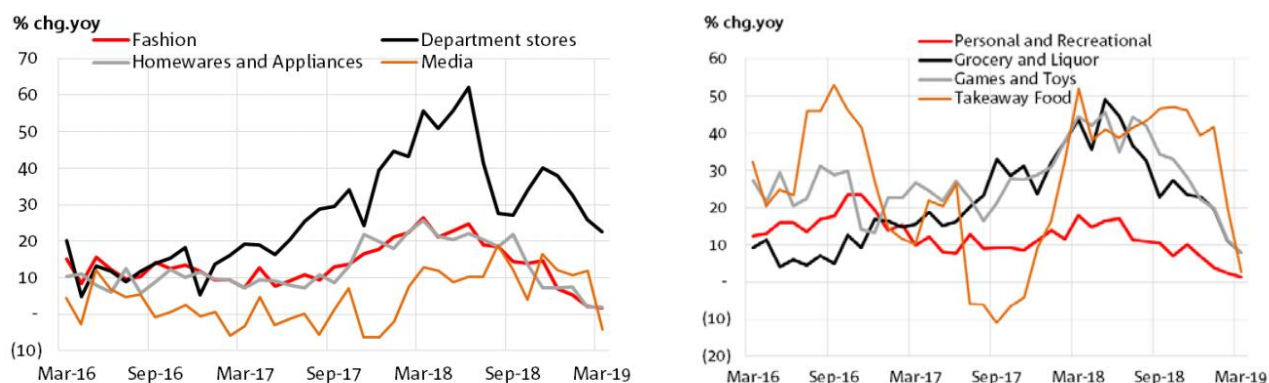
The growth of online retailing is more likely to impact some retail sectors than others. Key reasons that consumers choose to shop online include reducing the time taken to undertake purchases, the ability to find the cheapest price for products, and the flexibility of being to shop at any time.⁴ Retailing in which the experience of being in a physical store is important is resilient to the rise of online retailing.

The impacts of online retailing on retail sectors is illustrated by recent growth in online spending for each sector, shown in Figure 9. Retailers dealing in goods that are likely to be more vulnerable to the effects of online retailing include those selling non-perishable items, items with standard specifications, and items that can be transported without losing quality. Many of these factors combine to cause a high level of displacement of retail spending from department stores and some specialty retailers. Retailers dealing in perishable items (e.g. food), customised products, and items where quality is particularly important can be more insulated from the effects of online retail.

³ Bailey, 2013, 'Consumer Profiles and Behaviour in Australian Shopping Centres – New Benchmarks for Assessing Mall Shopping Patterns,' Retail Property Insights, Vol.20, No.1, 2013, <http://www.directional.com.au/wp-content/uploads/2017/08/ConsumerProfiles-Behaviors-AustralianShoppingCenters-v3.pdf>

⁴ CBRE, 2015, 'Asia Pacific Consumer Market: How we like to shop online,' <https://www.cbre.com/research-and-reports/apac-consumer-survey-how-we-like-to-shop-online>

FIGURE 9: GROWTH IN ONLINE RETAIL SALES BY INDUSTRY (YEAR ON YEAR GROWTH RATE)



Source: NAB, Online Retail Sales Index, March 2019

While online retailing is a significant threat to traditional in-store retailing, physical retailing is not likely to disappear any time soon. Retailers have begun to adapt to the presence of online retailing and to use ‘multi-channel’ approaches to reach their customers, retaining physical stores while expanding an online presence. The reverse process is also being observed internationally, where companies like Amazon that have traditionally been online retailers now opening physical experience-based stores.⁵ Multi-channel retailing can be important to particular types of retail, such as clothing, where the tactile experience of shopping and trying out products remains important.

Recent years have also seen the emergence of ‘click and collect’ models of retailing across different sectors, where consumers can buy online and pick up items in store later. As of 2017, around 42 per cent of Australian retailers were estimated to offer click and collect options, which increased from just 24 per cent in 2015.⁶ This is a new role for local centres, but does not create large amounts of local spending.

Retail as an experience

Traditional bricks and mortar shopping centre and high street retail have been forced to evolve in the face of online retail growth over the past decade. To counter competition from competitively priced online retail, bricks and mortar centres are placing increasing emphasis on service-oriented offerings and quality. This also differentiates retail centres from one another and attract custom⁷. The physical act of retailing is therefore becoming increasingly experiential as centres seek to leverage one of the competitive advantages they retain over online retail.

Leisure-based retailing relies in part on creating an appealing and enjoyable experience to attract and retain consumers⁸. Recent research by CBRE into the retail habits of 18 to 34-year-olds has found a growing preference for retail centres with foreign brands and a wide range of high-quality food and beverage options⁹. The presence of foreign retailers in centres, and an increasing range of food and beverage options are expected to continue over the next

⁵ Colliers International, 2018, ‘Retail First Half 2018,’ Research and Forecast Report, 6 June 2018, https://www.colliers.com.au/find_research/retail/retail_-_first_half_2018/

⁶ Mortimer and Grimmer, 2017, ‘Why retailers want you to ‘click and collect,’ *The Conversation*, 30 August 2017, <https://theconversation.com/why-retailers-want-you-to-click-and-collect-83094>

⁷ Jones Lang Lasalle, 2013, ‘The evolution of Brisbane Retailing’, July 2013, <http://www.jll.com.au/australia/en-au/Research/JLL-AU-Advance-The-Evolution-Of-Brisbane-Retailing-July2013.pdf>

⁸ Mathwick, C. et al (2002), ‘The effect of dynamic retail experiences on experiential perceptions of value: an Internet and catalogue comparison’, *Journal of retailing*, 78, 51-60.

⁹ CBRE, 2015a, ‘Implications for retailers as the demographic wave moves through’; CBRE, 2015b, ‘Asia Pacific Consumer Market: How we like to shop online’

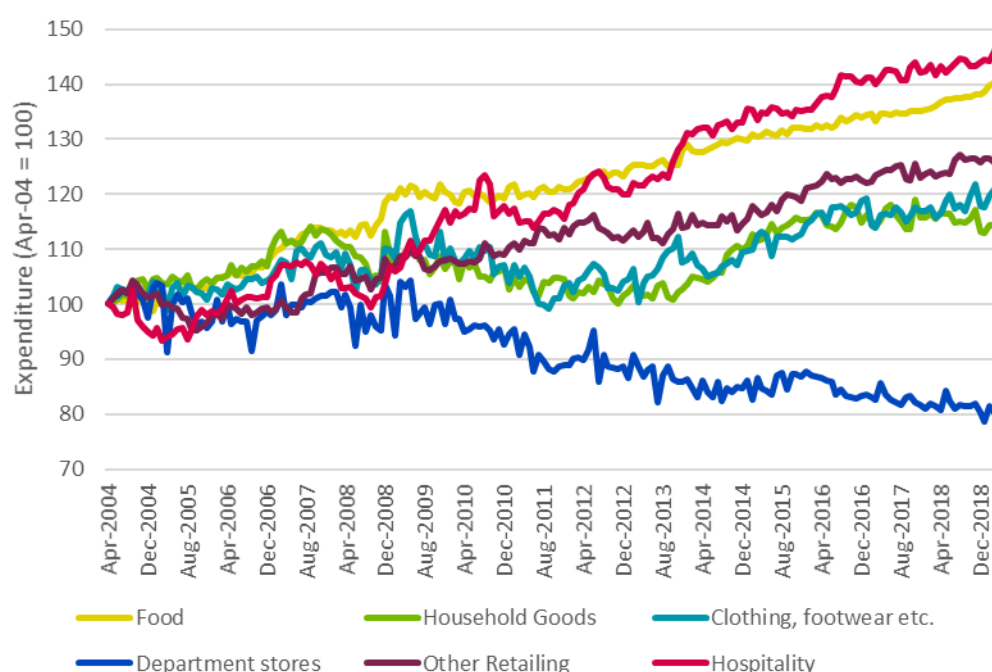
decade. The introduction of international retailers has been found to support high street shopping districts and shopping centres in the Sydney and Melbourne CBDs¹⁰. Food and beverage retailing offers a more desirable and attractive shopping experience as these retailers do not compete with online providers.

In order to remain competitive with online retail, local retail centres must ensure that they provide a pleasant retail experience and offer retail premises from a wide range of sectors. This is leading to the diversification of uses and activities in centres, for example through shopping centres offering entertainment spaces or medical centres. In the Liverpool LGA, the redevelopment of traditional big-box centres like Casula Mall could diversify uses, although Council would have a limited role in this process.

3.3 Supermarket and hospitality spending

Despite declines in some other retail sectors, recent years have seen increases in consumer spending in food and hospitality. Figure 10 shows the growth in supermarket spending compared to other sectors in recent years, with a noticeable levelling-off of spending in department stores by comparison, leading to a decline in expenditure in real terms. Spending in supermarkets and on food items have also seen the highest level of growth in the past year, growing by 4.6 per cent and 4.1 per cent respectively, as illustrated in Figure 11. The emergence and growth in the use of food delivery apps, such as Uber Eats and Menulog, is contributing to this increase in food spending.¹¹

FIGURE 10: GROWTH IN SPENDING IN EACH RETAIL SECTOR SINCE 2004

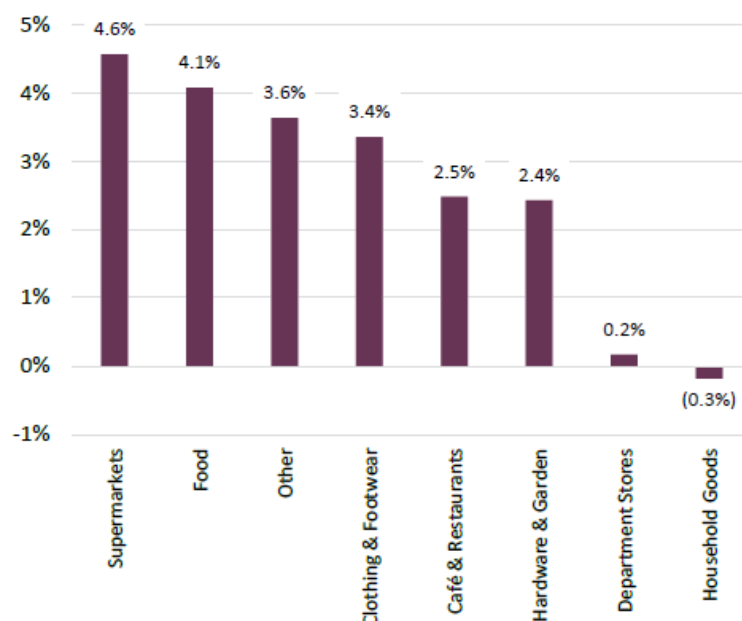


Source: ABS, 2019. Turnover data from *Retail Trade, Australia, April 2019* (Cat. No. 8510.0), Adjusted using CPI from *Consumer Price Index, Australia, March 2019* (Cat. No. 6401.0)

¹⁰ JLL (2015) Australian Shopping Centre Investment Review and Outlook 2015. <http://www.jll.com.au/australia/en-au/research/retail>

¹¹ Bankwest, 2018, 'Bankwest Future of Business: Focus on Hospitality 2018', <https://www.bankwest.com.au/content/dam/bankwest/documents/business/insights/focus-on-hospitality-2018.pdf>

FIGURE 11: RETAIL TRADE GROWTH BY SECTOR, YEAR TO JANUARY 2019



Source: Savills, 2019.

The shift in overall spending patterns towards the food and hospitality sectors is changing the character of existing centres and the way that retail precincts function. With the decline in spending in department stores, resulting in some cases in store closures, over time major department stores have become less important as anchors to retail precincts. An increasing proportion of the floorspace in major shopping centres is being devoted to food courts, dining precincts and fresh food sales. Supermarkets (particularly Coles and Woolworths) are replacing department stores as anchor tenants and ensuring high levels of foot traffic in shopping centres. This is seen as particularly important to maintaining occupancy levels in smaller neighbourhood centres.¹²

The shift in importance of different anchor tenants could impact some centres in Liverpool in the future. Large shopping centres like Westfield Liverpool and the Casula Mall may need to be reorganised to reflect this trend. Impacts are likely to be more modest in smaller supermarket-based centres like the Wattle Grove Shopping Village and the Green Valley Plaza.

3.4 Emergence of café culture eat streets and food centres

Recent years have seen the emergence of so-called 'café culture' and appreciation for coffee, and growth in the popularity of eat streets and alfresco dining across Australia. Sydney's climate is particularly conducive to this culture and outdoor dining, with popular eat streets in many established suburbs. The cafés and coffee shops sector in Australia is estimated to generate \$10 billion in revenue and is expected to continue to grow.¹³

Growth in demand for outdoor dining and restaurant-based retail strips has implications for the physical layouts of precincts, including a need for wider footpaths, and a focus on urban amenity including elements such as street trees, street furniture, and ensuring pedestrian safety. Eat streets across Sydney are increasingly focusing on the experience of pedestrians and diners in local retail strips.

¹² JLL, 2018, 'Retail Centre Manager's Survey,' April 2018, <https://www.jll.com.au/content/dam/jll-com/documents/pdf/research/apac/australia/retail-centre-managers-survey-april-2018.pdf>

¹³ IBISWorld, 2018, 'Cafés and Coffee Shops – Australia Market Research Report,' December 2018, <https://www.ibisworld.com.au/industry-trends/market-research-reports/accommodation-food-services/cafés-coffee-shops.html>

Similarly, other forms of retail precincts are adapting to demand trends. Shopping centres are increasingly moving away from the typical food court format to accommodating a range of cafés, restaurants, and fresh food outlets to appeal to consumer preferences. The food offer is also recognised as an important point of difference for shopping centres. Larger format retail centres have also begun to diversify their mix of tenancies and include cafés, supermarkets, gyms and sometimes childcare facilities to improve their overall retail offer and experience for customers.¹⁴

The 'contemporary food courts' are new spaces to congregate rather than just transact and are increasingly used as the driver of footfall by shopping centre operators. With the rise in online retailing and home food delivery, retail landlords are also using this evolution of shopping centre food courts to draw back customers. Recent examples include Top Ryde Shopping Centre's Piazza Dining Precinct with outdoor sections, Westfield Chatswood's Hawker Lane and Westfield Hurstville with its new rooftop dining and entertainment precinct¹⁵. Colliers notes three design principles often used in these such developments include:

- Outdoor/alfresco: rooftop, high street, open-air, indoor/outdoor combinations appear vital to producing a successful product and add to existing nightlife in close surrounds.
- Green: relevant to the outdoor dining environment, consumers are responsive to plants, trees and earthy tones, extending the duration of patronage.
- Access: night-time accessibility is fundamental, with clear pathways, street frontages and easy access to parking facilities¹⁶.

The relatively low socio-economic status of parts of Liverpool is likely to depress demand for cafés and restaurants. However, successful cafés have opened in locations such as the Carnes Hill Community Centre and Cecil Hills, and increased spending is likely to lead to the opening of many more food and beverage venues in the future.

The most likely location in the Liverpool LGA for a large-scale hospitality and entertainment precinct is the Liverpool CBD. The major existing civic and retail role of this centre, its central location on the local transport network and the large amount of development underway nearby positions it well to become more of a dining precinct.

Smaller local centres in Liverpool could also take advantage of increased food and beverage spending. Cafés and restaurants in local centres can become local gathering places. By bringing people to local centres they can also increase spending in other nearby retailers. An example of this occurring is given in the case study below. Council could encourage this to occur by ensuring that local centres have high levels of amenity and are easily accessed from the surrounding suburbs.

¹⁴ Colliers International, 2018, 'Retail First Half 2018.'

¹⁵ Colliers, 2016, Back to the Future: light rail to spur CBD retail growth, Research and Forecast Report: First Half 2016, p. 28

¹⁶ Colliers, 2016, Back to the Future: light rail to spur CBD retail growth, Research and Forecast Report: First Half 2016, p. 28-9.

Case Study – Ainslie Shops ACT

The Ainslie shopping centre is a local shopping strip in the inner north of Canberra. The shopping strip contains several popular cafés and restaurants which ensure the centre is active at a variety of times of day. People coming to the cafés and restaurants are also likely to spend money on day to day convenience goods, such as from the small IGA supermarket, bakery and bottle shop.

The attractiveness of these shops is increased by their fine-grained nature, diverse of shops and services and public domain features including trees, street furniture and open space.

This local centre is an example of the increasing success of local centres throughout Canberra despite the presence of easily accessed larger shopping centres. The number of cafés at these local centres has increased markedly recently, increasing spending at other local retailers.



Source: ABC, 2018

3.5 Longer trading hours

Retail trading hours have relaxed over the past twenty years where shops tend to open on weekdays and weekends, as well as for longer during the day and into the evening. In part, retailers are reassessing their trading hours as operating hours are seen as outdated - failing to keep up with societal shifts, such as flexible working hours and single parent households that demand alternate shopping times, but also comes in response to the rise of online shopping and an attempt to gain a competitive angle¹⁷.

Longer opening hours have also served to support 'after hours' retail services, such as cinemas and restaurants, which in turn help to sustain the night-time economy of centres. Longer trading hours can also lead to higher levels of retail employment.

Late night trading uses are most likely to occur in the Liverpool CBD where entertainment uses and the night-time economy would be the most viable. Many supermarkets and large discount department stores are also open after hours, such as the Casula Mall Kmart, which is open 24 hours.

Allowing late-night trading would activate local centres in Liverpool, particularly if hospitality uses are proposed. While in most cases there may be limited demand for this currently,

¹⁷ Inside Retail, 2014, 'Should retailers extend trading hours?', <https://www.insideretail.com.au/news/retailers-extend-trading-hours-201407>, date accessed: 09/04/2019

facilitating increased late-night trading in the future would require a flexible planning system and development approvals process.

3.6 Demand for Fine Grain Retailing

Along with an increasing demand for local retailing, consumers are increasingly demanding fine-grain retail experiences rather than only travelling to large big-box style shopping centre.

‘Fine grain’ is a term used to describe small-scale spaces that provide a variety of diverse and specialised activities in a place¹⁸. This term is often applied to shopping strips in which there are many small tenancies. The variety of businesses makes fine-grain spaces interesting to walk through and spend time. By encouraging people to walk, talk and linger more and by providing diverse lower-cost spaces, fine grain places offer opportunities for community building and for cultural and creative expression¹⁹.

In retail centres, fine grain involves shop fronts at a human scale, often in the form of a main street or high street. A fine grain high street shopping experience offers a ‘more’ unique retail experience to shopping centres with small local businesses and boutiques. Examples are often seen in older cities and suburbs in Greater Sydney. In the Liverpool LGA, Macquarie Street in the Liverpool CBD is the primary example of this.

As shopfronts are often owned and rented individually along a high street, there is limited control on where certain shops and businesses set up. This contrasts with shopping centres, where centre managers can direct the location of stores to create clusters, such as fashion floors and fresh food sections. The inability to control the clustering of business may impact the shopping experience as a ‘one-trip’ experience. Without requirements for store fitouts, premises may not be maintained to a high standard or may not fit in with the surrounding shops aesthetically. However, this lack of synergy may form part of the appeal of high street retailing with an eclectic mix of stores in proximity to each other.

High street retailing has faced significant challenges in recent years. This is attributed to the rise of regional shopping centres, changes in consumer habits and online retailing. However, in many cases fine grain retailing along high streets has adapted to combat these changes, changing from a convenience shopping role to a destination and an experience. This manifests with cafés and cultural uses, such as art galleries and performance spaces that are not easily replicated in shopping centres and are not part of online shopping. Given an appropriate retail mix, there is an increasing demand for these kinds of experiences from consumers, and successful fine-grain retailing precincts have become destinations.

The Liverpool LGA contains a mix of large enclosed shopping centres and smaller fine grain local centres. There are small shopping strips in the older parts of the LGA, such as in Chipping Norton, Hammondville and Lurnea. Other small local centres, such as the Prestons Village and the Green Valley Centre on Green Valley Road, do not follow the shopping strip format but could still be considered as fine-grain places. Streets in the Liverpool CBD, particularly Macquarie Street, also provide a mix of local retailers in smaller tenancies which draw people to them.

Some of Liverpool’s fine-grain spaces could evolve to providing more hospitality uses and community focused experiences and gathering places. This would be encouraged by local housing redevelopment, the proximity of parkland and multi-functional social infrastructure and a walkable local street network.

Recent innovations in shopping centre design in greenfield development areas have also sought to create a more fine-grained experience, recreating shopping streets and hosting a greater mix of uses. If these centres are integrated into nearby residential development, they

¹⁸ City of Sydney, 2015, George Street 2020 – A public domain activation strategy, part 3, https://www.cityofsydney.nsw.gov.au/_data/assets/pdf_file/0010/308827/George-Street-2020-A-Public-Domain-Activation-Strategy_Part3.pdf, date accessed: 09/04/2019

¹⁹ Greater Sydney Commission, 2017, Fine Grain People Places, https://issuu.com/roberts-day-global/docs/gsc_fin_-_fine_grain_people_places, date accessed: 10/04/2019, p. 4

could provide high-amenity local centres which encourage people to walk to them. These centres could offer a different shopping experience to traditional big-box shopping centres which is more competitive with online retail. Examples of this phenomenon are given by Rouse Hill, which is discussed in the case study below, and the proposed development at the Edmondson Park Town Centre.

Case Study - Rouse Hill

The Rouse Hill Town Centre provides an example of how a greenfield shopping centre can have greater permeability and activation than traditional big-box retail formats.

There are two roads which run through the middle of the shopping centre. These roads have active frontages housing shops, restaurants and cafés. At the middle of the development where the roads intersect is a community square. Corridors containing retail premises run between these roads, some of which are open air and some enclosed.

The shopping centre is intended to function as a mixed-use precinct. A Hills Shire library and community centre is located next to the central square and partially above retail uses. There is also apartment development above parts of the Shopping Centre.



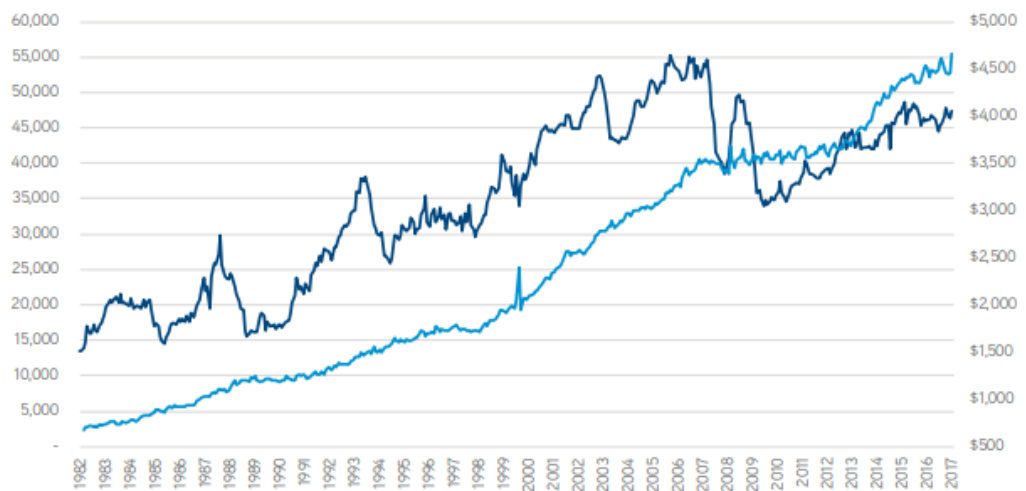
Source: Allen Jacker and Cottier Architect 2016; Google Maps, 2019

3.7 Bulky Goods and out of centre retailing

In recent years, the performance of bulky goods retailing has been strongly linked to housing construction and low interest rates. As a result, consistent increases in residential property prices and growth in new dwellings has underpinned strong performance in the bulky goods retail sector. Recent decreases in housing market activity and house prices may decrease bulky goods expenditure in the short-term.

Figure 12 shows that in the aftermath of the GFC, a significant decline in housing market transactions was linked to a significant flattening of household goods expenditure, with a similar impact likely as a result of the current downturn. However, continued population growth and housing development and around the Liverpool LGA, particularly for detached and attached dwellings, is likely to continue to fuel demand for bulky goods retail floorspace. In 2015, the Large Format Retail Association anticipated demand for an additional 2.32 million square metres of floorspace from 2014 to 2024 (Large Format Retail Association, 2015).

FIGURE 12. NATIONAL HOUSING MARKET TRANSACTIONS (NO., DARK BLUE) AND HOUSEHOLD GOODS SALES (\$M, LIGHT BLUE), 1982 TO 2017



Source: Colliers (2018)

There has been a recent trend for home-maker centres to co-locate with small out of centre retail shopping centres, as has been proposed at The Grove Centre in Warwick Farm. This diversifies the consumer base of centres and makes them more competitive as convenience is increased for consumers. These developments are generally located along major roads and attract retail business from passing motorists. In some cases, this may be inconsistent with planning policies which encourage the concentration of retail stores in local centres.

Fuel retailers have also played a role in the rise of out of centre retailing, diversifying their product offering to include convenience items and food retailing (e.g. snacks, bread, milk etc.). The alliance between fuel retailers and supermarkets in NSW has also contributed to this trend.

Recent sales revenue trends indicate that, at present, the greatest sales volume and growth in sales in service stations remains convenience items, including ready to drink beverage, on the go food (e.g. sandwiches, pastries, cakes etc.) and snack foods²⁰. Recent sales growth has impacted most significantly on convenience stores located in centres, which provide a similar range of products and target quick, convenient transactions. The recorded 0.7% decline in annual sales revenue in convenience stores has largely been attributed to fuel retailers²¹.

3.8 An Ageing Population

In 1991, there were approximately 700,000 people aged 65 years and over in NSW. The NSW Government estimates by 2031 about 20 percent of the NSW population, or 1.8 million people, will be aged over 65 years. As population growth rates for 15 to 64-year-olds slow due to decreased fertility rates, older people will constitute a much larger proportion of the population²².

The NSW Government notes older people can contribute to the economy and society as paid full-time or part-time workers, volunteers, and students in further education. They also provide support to family members and others as carers. They can influence the economy as

²⁰ IBISWorld (2017) *Fuel Retailing in Australia*, Australasian Association of Convenience Stores (2016) *State of the Industry Report 2015*.

²¹ IBISWorld (2016) *Convenience Stores in Australia*.

²² NSW Government, 2016, NSW Ageing Strategy 2016-2020: a whole of government strategy and a whole of community approach, p. 12; NSW Office of Local Government, <https://www.olg.nsw.gov.au/councils/integrated-planning-and-reporting/councils-planning-for-an-ageing-population/why-plan-ageing-population>, date accessed: 24/05/2019

consumers where their demands for services can create new markets and expand existing ones²³.

The *NSW Ageing Strategy 2016-2020* highlights the need for a whole-of-community response to the ageing population phenomenon, where change and preparation is required throughout government, the private sector, non-for-profit organisations, communities and individuals. In relation to local centres, actions to assist the needs of an ageing population are important to meet the changing needs of the community and to make local centres competitive with larger centres. These actions would include to

- Create employment opportunities that support financial independence later in life, and
- Ensure economic centres cater to the shopping, medical care, social services, recreation and activities needs of older people, and that the built environment, infrastructure and transport services support older people's mobility needs.

Like most areas across Australia, the Liverpool LGA is expected to experience an increase in persons aged over 65 years. Planning professionals have a responsibility to cater for an ageing population needs. Retail centres have a role in ensuring that these needs are met, and this could increase the viability of local centres in established parts of the Liverpool LGA like Hammondville as the population ages. The case study below illustrates best practices examples of planning for older people in retail centres.

3.9 Macroeconomic impacts on retail spending

While supermarket and food spending remain strong, reduced retail spending is evident in a number of sectors, with growth in retail sales overall in Australia declining from a peak in 2014. This has been influenced by factors including:

- Sustained low wages growth
- Pricing stagnation and deflation linked to entrance of offshore competitors
- Changing consumer habits, and
- Challenging economic conditions overall, particularly in some States and Territories.²⁴

These types of macroeconomic trends are likely to impact differently on different sectors, with low wages growth in particular likely to reduce demand and spending on discretionary items. Increased globalisation is also likely to continue to impact on domestic retailers. Shopping centre managers have reported declining interest from potential retailers in footwear, clothing, accessory and jewellery sectors, with many retailers also re-evaluating and consolidating their physical stores.²⁵ Recent years have also seen a number of fashion brands go into voluntary administration.²⁶

²³ NSW Government, 2016, *NSW Ageing Strategy 2016-2020: a whole of government strategy and a whole of community approach*, p. 14

²⁴ Colliers International, 2018, 'Capital Markets Retail Investment Review 2018,' 15 August 2018, https://www.colliers.com.au/find_research/retail/capital_markets_retail_investment_review_2018/

²⁵ JLL, 2018, 'Retail Centre Manager's Survey,' April 2018.

²⁶ Robertson, 2019, 'Australian retailers shut down by foreign competition,' 21 February 2019, <https://www.abc.net.au/news/2019-02-21/australian-retailers-shut-down-by-foreign-competition/10832062>

Case Study - Creating Age-Friendly Cities

City of Monash, VIC

In 2016, the City of Monash was declared an 'Age Friendly City' by the World Health Organisation after Council and older residents worked for two years to develop the long-term Age Friendly Monash Plan. Age Friendly Cities are where older people can live safely, maintain good health and be active in social activities.

Some of the economic activity actions from the Plan include:

- Improving and increasing the number of 'places to rest' in public places
- Review Council volunteer opportunities and work with key stakeholders to identify opportunities for volunteers to support community activities
- Promote government economic incentives for employing seniors to local employers
- Encourage businesses in Monash to embrace economic opportunities created by an ageing population through promotion of age friendly practices.

City of Melville, WA

The City of Melville worked with one of the biggest shopping centres in the LGA, Garden City, to become more age-friendly and accessible for older people in the future as the shopping centre doubled in size over the course of a five-year period.

Some of the aims of the project included:

- Encourage local businesses to implement age-friendly accessible initiatives
- Raise awareness among the business community to the requirements and benefits of becoming more age-friendly and accessible
- Support businesses to have access to free basic training and support around dementia.



Source: City of Monash, 2019

3.10 Key findings

- Additional small supermarkets and large-format supermarkets such as Kaufland may disrupt the role of supermarkets in the retail hierarchy in the future
- There is increasing demand for local retail experiences, which requires high levels of amenity in local centres for leisure-based customers
- Online retailing is rapidly growing and posing a threat to some retail sectors, particularly department stores and stores selling items with standard formats. In response, retailers are making shopping more of an experience. This may alter the role of certain retail sectors in Liverpool in the future but is unlikely to completely displace physical retail any time soon.

- Supermarket and hospitality spending are growing, while spending in department stores is shrinking in real terms. In response, supermarkets are becoming more important retail anchors, and this may require reorganisation of some larger shopping centres in Liverpool in the future.
- Cafés and restaurant precincts are emerging across Sydney in response to increased hospitality spending. In Liverpool, this creates the opportunities for Liverpool CBD to become more of a dining destination. Local centres in the LGA may be able to increase their viability through the opening of cafés which increase foot traffic and bolster other retailers.
- Shopping centres are moving more of their floorspace towards hospitality and food retailing in response to trends in spending. This is likely to manifest in Liverpool LGA in the future through redevelopments of the larger shopping centres, particularly Westfield Liverpool, to include a greater entertainment and hospitality presence.
- Trading hours are increasing, which could lead to a late-night economy in parts of the LGA with significant hospitality offerings (most likely the Liverpool CBD) if the planning framework is sufficiently flexible.
- There is an increasing demand for fine-grain retail experiences from consumers. This could lead to opportunities to revitalise some local centres with high levels of amenity. It could also allow the creation of high-amenity centres with active street frontages in greenfield areas (as seen in the Rouse Hill Town Centre case study), which contrast with traditional big-box centres.
- Bulky goods sale revenues are likely to decrease in the short term in response to the property market downturn, but in the long term are likely to continue to increase, particularly in areas with clusters of large-format retail which diversify to offer an attractive experience to shoppers.
- It is important to ensure that local centres are accessible and cater to older people as the local population ages. This may increase the competitiveness of local centres.

4. RETAIL FLOORSPACE SUPPLY

4.1 Current and planned floorspace

Methodology

This study does not involve an on-foot land audit. Rather existing commercial and retail floorspace has been estimated using a combination of Google analytics and building footprints provided by PSMA Australia through the Geoscape Dataset.

Data downloaded through the Google Maps API, supplemented by local business registry data, provides the location and types of businesses in the LGA as well as the general patterns of centres. These locations are matched against the Geoscape dataset, which is satellite-derived data showing the footprint and height of every building. After allocating businesses to buildings, the amount of floorspace per business within each building has been estimated. Floorspace estimates have been adjusted based on the number of levels in each building, the ratio of retail to commercial use and the expected sizes of different retail uses (for example, supermarkets occupy much more floorspace than clothing stores).

Much of the retail floorspace within the Liverpool LGA is located within stand-alone shopping centres. The sizes and kinds of premises within these centres have been determined based upon a manual review of available centre directories and the review of third-party shopping centre floorspace databases.

Floorspace estimates have been checked and refined using a number of other data sources, including:

- The *Liverpool Retail Centres Hierarchy Review (2012)*
- The Property Council of Australia (PCA) retail and floorspace database
- ABS Census data (deriving floorspace from employment estimates)
- Google Maps and Street View imagery
- The Cordell Connect database

Results

The results of the retail floorspace estimates are summarised for the Liverpool LGA in Table 3. As of 2016, the Liverpool LGA consisted of approximately 634,503 sqm of retail floorspace. This is expected to grow by around 49.98% to 951,617 sqm based upon the development pipeline and development anticipated in planning precincts. Household Goods are expected to contribute the highest amount to future floorspace at 44.1%, followed by Supermarket (15.7%) and Hospitality (9.9%).

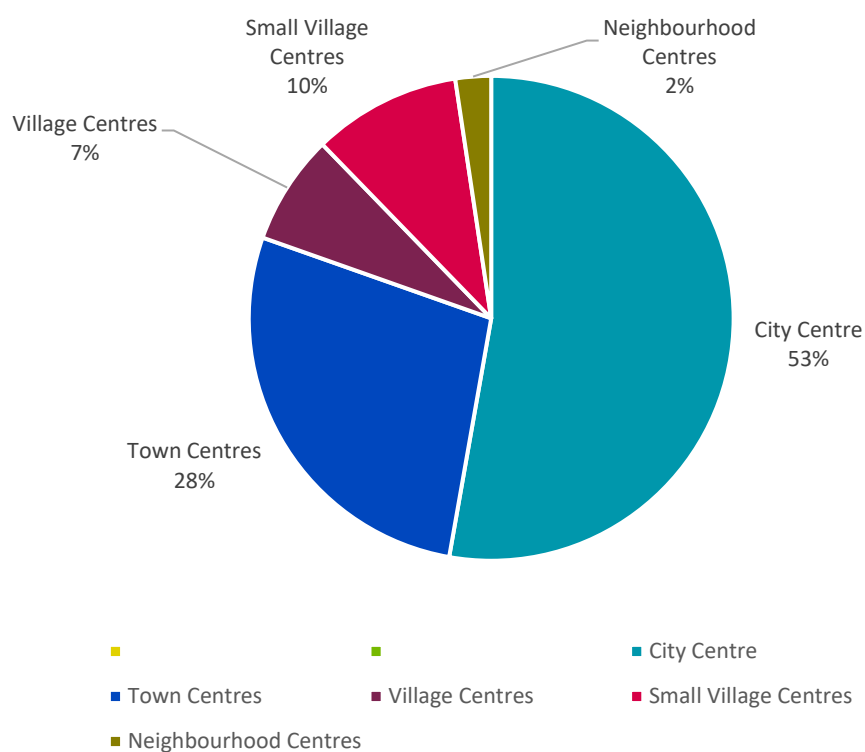
The Liverpool CBD currently contains approximately 33% of the total retail floorspace across the LGA at around 125,000 sqm. Bulky Goods precincts hold the next highest amount of floorspace at around 97,300 sqm, followed by Town Centres at approximately 65,500 sqm and Village at 22,400 sqm. The other centres (including neighbourhood centres and highway retail corridors) provide approximately 81,500 sqm of retail floorspace across the LGA.

TABLE 3: CURRENT AND FUTURE EXPECTED RETAIL SUPPLY IN THE LIVERPOOL LGA

Commodity Type	2016	2026	2036	Change	Average annual growth rate
Supermarket	81,894	102,968	128,468	46,574	2.3%
Other Food	33,796	40,742	49,546	15,750	1.9%
Hospitality	57,121	68,467	81,344	24,223	1.8%
Clothing and Soft Goods	42,681	54,131	67,669	24,988	2.3%
Household Goods	83,857	90,561	200,139	116,281	4.4%
Other Retail	37,875	46,548	54,351	16,476	1.8%
Department Stores	54,841	72,051	84,057	29,216	2.2%
Total	392,065	475,468	665,575	273,509	2.7%

Source: SGS 2019

FIGURE 13: DISTRIBUTION OF RETAIL FLOORSPACE IN THE LIVERPOOL LGA BY CENTRE TYPE



Source: SGS 2019

TABLE 4: CURRENT RETAIL FLOORSPACE BY COMMODITY TYPE IN CENTRES IN THE LIVERPOOL LGA

Commodity	Liverpool CBD	Town Centres	Bulky Goods Centres	Village	Other Centres	Total
Supermarket	13,536	27,103	10,884	11,853	18,518	81,894
Other Food	8,859	7,261	7,444	2,121	8,111	33,796
Hospitality	19,849	8,937	6,214	3,850	18,271	57,121
Clothing	24,808	2,826	12,367	1,070	1,610	42,681
Household Goods	12,683	537	49,344	285	21,010	83,857
Other Retail	16,024	5,363	935	2,821	12,732	37,875
Department Store	29,481	13,524	10,164	406	1,266	54,841
Total	125,241	65,550	97,351	22,406	81,517	392,065

Source: SGS 2019

Retail precincts by commodity group

Breaking down floorspace according to hierarchy and major centre provides further context to retail supply. The largest town centres include Casula Mall at 18,536sqm, followed by Carnes Hill at 18,524sqm. The largest bulky goods centres include the Orange Grove Homemaker Centre at 57,343 sqm, followed by Crossroads at 49,862 sqm. The largest village centres include Cecil Hills at 5,233sqm, followed by Wattle Grove at 4,981 sqm.

Analysing each centre's supply by commodity type shows that the Liverpool CBD holds the largest amount of floorspace for most commodity types, except for household goods. Much of the retail floorspace in the Liverpool CBD is contained within Westfield Liverpool. The dominant household goods centres are found at Crossroads (30,453sqm) and Orange Grove Homemaker (20,433 sqm), followed by Liverpool CBD at 15,950 sqm.

TABLE 5: LIVERPOOL CENTRES BY RETAIL COMMODITY GROUP

Centre Type	Centre	Supermarket	Other Food	Hospitality	Clothing	Household Goods	Other Retail	Department Stores	Total Retail
Regional City	Liverpool CBD	13,536	8,859	19,849	24,808	12,683	16,024	29,481	125,241
Town Centres	Casula	6,787	1,328	1,052	1,035	0	1,099	7,234	18,536
	Moorebank	2,780	1,482	3,995	330	146	1,040	0	9,774
	Miller	5,256	1,174	729	521	0	1,689	0	9,368
	Green Valley	6,639	1,260	1,339	551	390	640	0	10,819
	Carnes Hill	5,641	2,017	1,822	389	0	894	6,290	17,053
	Edmondson Park	-	-	-	-	-	-	-	-
	<i>Subtotal</i>	<i>27,103</i>	<i>7,261</i>	<i>8,937</i>	<i>2,826</i>	<i>537</i>	<i>5,363</i>	<i>13,524</i>	<i>65,550</i>
Village Centres	Chipping Norton	2,833	158	472	0	0	238	0	3,701
	Wattle Grove	3,447	143	713	0	0	285	0	4,587
	Middleton Grange	0	0	0	0	0	0	0	0
	Flowerdale Road	1,320	614	1,080	0	285	585	0	3,884
	Holsworthy	0	0	0	0	0	0	0	0
	Cecil Hills	2,865	545	722	0	0	1,102	0	5,233
	<i>Subtotal</i>	<i>10,465</i>	<i>1,459</i>	<i>2,987</i>	<i>0</i>	<i>285</i>	<i>2,210</i>	<i>0</i>	<i>17,406</i>
Small Village Centres		5,308	4,822	8,150	110	494	4,571	0	23,456
Neighbourhood Centres		0	1,116	1,790	0	1,822	917	0	5,644
Bulky Goods Centres		10,884	7,444	6,214	12,367	49,344	935	10,164	97,351
Out of centre	Woolworths Hume Hwy and Camden Valley Rd	7,276	0	532	0	0	106	0	7,915
Other	Other	7,322	2,835	8,662	2,570	18,694	7,748	1,672	49,501
Total		81,894	33,796	57,121	42,681	83,857	37,875	54,841	392,065

Source: SGS 2019

Development Pipeline

Proposed floorspace has been estimated across the system using a combination of the Cordell Connect database and strategic policy positions and plans from across Greater Sydney. The table overleaf provides a snapshot of proposed new centres and large centre expansions in the Liverpool LGA. There are several smaller proposed developments within existing centres. An average mix of retail floorspace types has been applied in greenfield centres, but the final retail mixes of any individual centre are likely to differ from these assumptions.

Table TABLE 6 identifies 7,000 sqm of retail floorspace for the proposed Middleton Grange centre. This differs from the 5,500sqm identified in the *Liverpool Retail Centres Hierarchy Review*. Under the Liverpool LEP 2008 there is 3.45ha of land zoned B2 with an FSR of 1.5:1 with a total capacity for business premises of 12,934 sqm (under clause 7.29 a maximum of 25% of the developed gross floor area may be for business premises). 7,000 sqm or 5,500 sqm of retail floorspace being developed would correspond to two different development splits between retail and non-retail premises, but the use of 7,000 sqm in this report does not imply that this is the appropriate amount.

The dataset identifies that there is approximately 256,447 sqm, of new retail floorspace anticipated to come online by 2036 in the Liverpool LGA. Other large projects anticipated between 2016-2036 outside of the LGA are:

- The Sydney Science Park in Luddenham, which is expected to introduce around 30,000 sqm of retail, most notably for supermarket and department store floorspace. This is not expected to come online until 2036.
- A bulky goods centre at Gregory Hills, estimated to be around 20,301 sqm and due in 2021.
- The Leppington Town Centre, which is expected to be completed in stages between 2026-2036 and to introduce a total of 99,327sqm of retail floorspace spread between each retail category.

None of the Leppington Town Centre has been developed despite being zoned for some time for various issues including lack of sewerage infrastructure, land fragmentation and lack of developer interest for a new major centre development. If its delivery continues to be hampered by these issues and it does not develop until later than anticipated, or its scale is reduced, this would have implications for the local retail hierarchy planned in Austral, which would need to be reconsidered.

The Aerotropolis Core has not been included in the development pipeline as the amount and nature of the retail floorspace it will include has not been determined, nor has the worker and resident population it may contain, which would increase local demand for retail premises. Developments which were unconfirmed or subject to planning proposals at the time of modelling were also not included as their impacts are assessed separately in Appendix B.

TABLE 6: PROPOSED CENTRE DEVELOPMENTS ACROSS THE LIVERPOOL LGA

Development	Completion Year	Supermarket	Other Food	Clothing	Hospitality	Household Goods	Other Retail	Department Store	Total
Fashion Spree Expansion	2016-2021	0	3	301	1,497	1,499	1,483	7	4,790
Edmondson Park Town Centre Stage 1	2016-2021	8,000	1,801	2,251	3,154	0	1,801	7,005	24,012
Edmondson Park Town Centre Stage 2	2021-2026	0	1,741	2,175	3,050	0	1,741	1	8,707
Liverpool CBD mixed use developments	2021-2026	1,645	671	2,615	838	871	1,135	2,191	9,966
Edmondson Park Neighbourhood Centres	2021-2026	800		800			400		2,000
Middleton Grange Town Centre	2021-2026	2,000	506	506	506	506	506	2,470	7,000
Austral major centre	2026-2031	5,000	2,001	3,001	3,004	5,004	1,000	6,005	25,015
Austral (2 Neighbourhood Centres)	2026-2031	7,000	1,801	2,250	3,154	0	1,801	0	16,006
Austral (Neighbourhood Centre)	2026-2031	3,500	901	1,125	1,577	0	900	0	8,003
Austral Bulky Goods	2026-2031	0	0	0	0	45,756	0	0	45,756
Austral Bulky Goods	2031-2036	0	0	0	0	58,824	0	0	58,824

4.2 Floorspace capacity

Using the current planning framework, SGS assessed the theoretical yield for retail and commercial development in each of the centres in the Liverpool LGA, including in the Liverpool CBD. This notional floorspace capacity identifies the total floorspace capacity that would be realised if all available sites were developed. This can be compared with future floorspace demand to identify any gaps in the current planning controls which could impede commercial and retail floorspace supply. This analysis will be conducted in the next stage of the retail studies.

Method

This analysis took place in the following stages:

1. **Available land** was first determined. Available land represents all land where development is possible and on which commercial development is permissible.
2. The **potential yield** calculation was conducted, in which the yield of all available sites if they were to be developed is calculated.
3. The **net yield** calculation was conducted, in which the existing commercial floorspace on each site is subtracted from the potential yield to generate the amount of additional floorspace, known as the 'net yield'.

1. Available Land Identification

Available land was determined by excluding any properties which cannot be developed or are unlikely to be developed from the full list of properties with the following zonings:

- B1 Neighbourhood Centre,
- B2 Local Centre,
- B3 Commercial Core,
- B4 Mixed Use,
- B5 Business Development, and
- B6 Enterprise Corridor.

Designation of a property as available land does not mean that development is feasible or that property owners are ready or willing to develop the sites that are identified as available. Typically, only a small portion of available lots are likely to be developed in any one year. The exclusions used to identify available land are shown in Table 7.

TABLE 7: LAND EXCLUSIONS USED TO IDENTIFY AVAILABLE LAND

Exclusion	Rationale	Data Source
Heritage items	Additional development on these sites is likely to be restricted.	Liverpool Local Environmental Plan 2008
Community uses and social infrastructure such as schools, community centres, public domain elements and places of worship	These sites serve a community function and so are less likely to be redeveloped	Spatial Services NSW 2019, <i>NSW Points of Interest</i>
Elements of the public domain	These are unlikely to be developed and generally serve an important community function	Manual audit of available land

Other possible exclusions which have not been used include:

- Sites with environmental constraints including flooding. A relatively minor part of the land in Liverpool's centres is affected by flooding and in most cases it is likely that a design

response to flood affectation, including an appropriate freeboard, would allow sites to be developed.

- Sites on which recent development has occurred. These sites are less likely to be developed in the short-medium term. However, it is difficult to classify buildings by age of development and so exclude all such sites.

2. Potential Yield Calculation

Development density in the Liverpool LGA is governed by floor space ratio controls in the *Liverpool Local Environmental Plan 2008*, which determine how much floorspace can be constructed on each development site, and by height of building controls. Additional design standards such as building setbacks, floor to floor heights and building envelopes are provided in the *Liverpool Development Control Plan 2008*.

Potential development yield has been assessed on a site by site basis under various development scenarios. Site-specific constraints in combination with design standards and building height controls may mean that the possible yield of some sites is less than the maximum permissible floor space, but in most cases appropriate design responses should ensure that this does not occur. Site amalgamation would be required to allow many of the narrow properties in Liverpool's older centres to be redeveloped.

Expected development yield will differ depending upon assumptions made including:

- The amount of redevelopment of existing premises which is expected to occur,
- How much commercial development is expected to be in mixed use zones, and
- How densely sites are expected to be developed.

To reflect the wide variety of results created by these variables, development yield has been assessed using the following scenarios.

Low scenario

Under this scenario, capacity outside the Liverpool CBD has only been calculated for sites outside of the Liverpool CBD which are vacant. Within the City Centre, developments have been assumed to deliver the minimum allowable amount of commercial development. This is a status-quo scenario in which extensive redevelopment of existing centres outside of the Liverpool CBD does not occur. And current development patterns are replicated in new developments.

The following assumptions have been used to calculate development yield:

- Sites zoned B1, B2, B5 or B6 will be developed at a notional FSR of 0.3:1, which is close to the average FSR in existing shopping areas across Liverpool zoned B1, B2, B5 and B6 (for example Moorebank, Carnes Hill, Green Valley, Cecil Hills and Crossways) which have large amounts of surface level car parking and low site coverage.
- Development of sites zoned B4 in the Liverpool CBD have been assumed to yield the minimum non-residential development amount under the LEP Amendment 52. All sites have been assumed to be developable through bonus FSR provisions.
- Development of sites zoned B3 in the Liverpool CBD have been assumed to yield the maximum FSR allowable under the LEP with bonus FSR provisions. All of the sites in the Liverpool CBD covered by FSR area 10 have been included, included the Liverpool Primary School, Liverpool City Council offices and Liverpool Library.

Medium scenario

Under this scenario, all available sites have been included for development and a higher notional floor space ratio has been used for development, reflecting some redevelopment occurring in existing centres throughout the LGA. It has been assumed that no redevelopment would decrease the amount of commercial floor space on any development site.

The following assumptions have been used to calculate development yield:

- Sites zoned B1, B2, B5 or B6 will be developed at a national FSR of 0.5:1, which is approximately the amount of commercial floorspace that would be delivered through ground floor retail and some first floor commercial uses in mixed use development, or through moderate intensification of existing centres with low site coverage in commercial-only developments. It has been assumed that the amount of commercial floorspace is not reduced if the current notional FSR is higher than 0.5:1.
- Development of sites zoned B4 in the Liverpool CBD have been assumed to yield the minimum non-residential development amount under the LEP Amendment 52. All sites have been assumed to be developable through the bonus FSR provisions. It has been assumed that the amount of commercial floorspace will not be reduced from current levels on any site.
- Development of sites zoned B3 in the Liverpool CBD have been assumed to yield the maximum FSR allowable under the LEP with bonus FSR provisions. All of the sites in the Liverpool CBD covered by FSR area 10 have been included, included the Liverpool Primary School, Liverpool City Council offices and Liverpool Library.

High scenario

In this scenario, all available sites have been included in the capacity calculation, and the maximum permissible floor space ratio for each site has been used to calculate commercial floorspace capacity. This calculation assumes that no residential or other non-commercial uses will be accommodated, and that development is as dense as possible, and so provides an upper limit to development capacity.

Greenfield centres

Floorspace capacities for new greenfield centres have been taken to be the anticipated floorspace amounts in development control plans or approved concept plans. These are:

- Edmondson Park Town Centre South: 45,000 sqm of retail floor space
- Edmondson Park Town Centre North: Approximately 5,200 sqm of retail floor space
- Austral: One 30,000sqm retail centre on Fifteenth Avenue and three 10,000sqm neighbourhood retail centres.
- East Leppington: One 2,500 sqm retail centre.

3. Net Yield Calculation

Net yield was calculated by subtracting the existing commercial floorspace on each site from the potential yield, where existing floorspace was derived from the existing floorspace estimations. This provides an indication of the maximum increase or decrease in commercial floorspace that would be possible if complete redevelopment occurred.

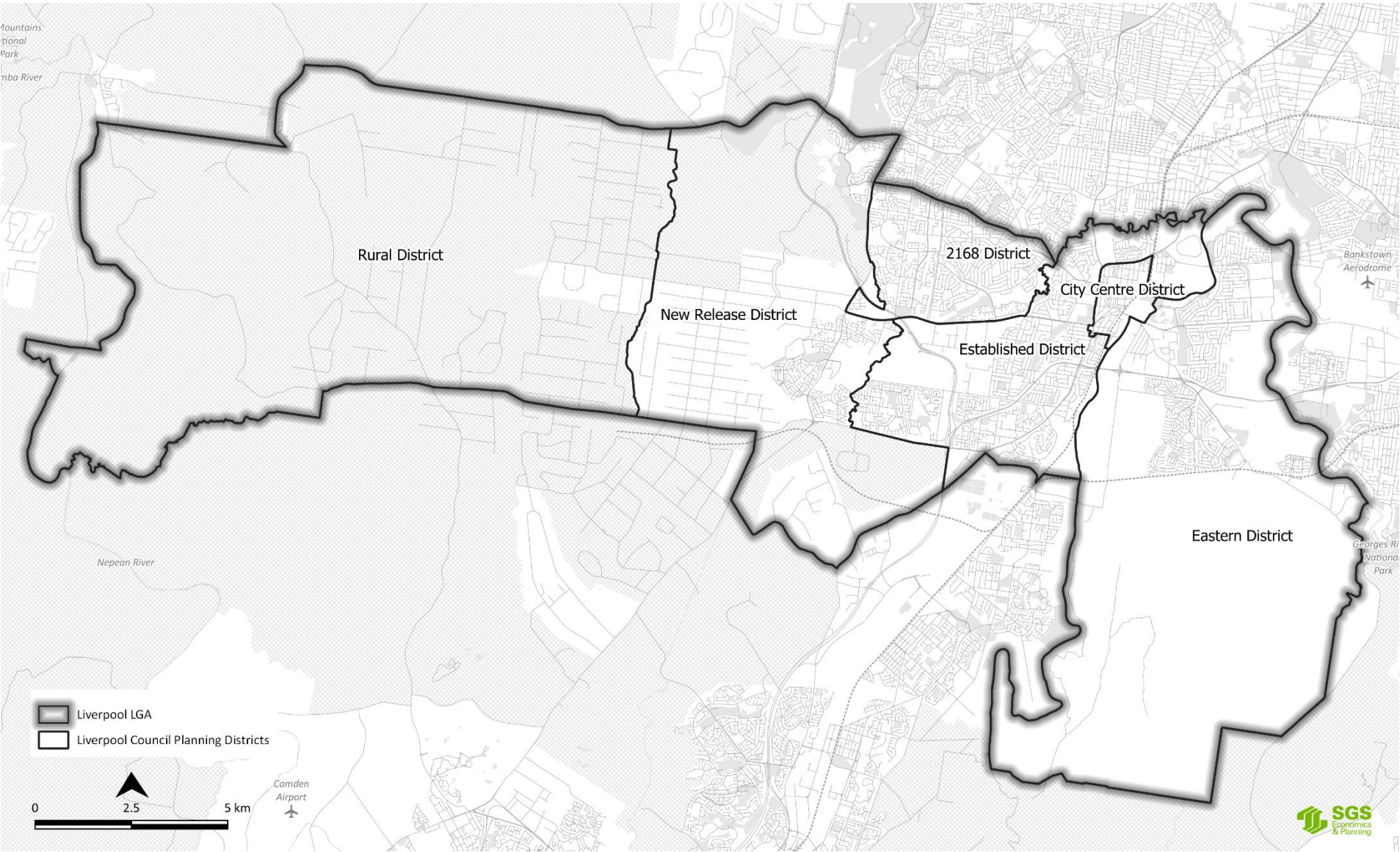
Results

The net yield results for the Liverpool are shown in Table 8, grouped by planning district. Planning districts are shown in Figure 14. Capacity has not been shown for the rural district as there are few commercial zones in this area and minimal growth is expected under the current planning framework.

TABLE 8: COMMERCIAL AND RETAIL FLOORSPACE CAPACITIES IN SQM FOR THE LIVERPOOL LGA

Scenario	Zone	2168 District	City Centre District	Eastern District	Established District	New Release District	Total
Low	B1	-	-	-	299	86	385
	B2	-	-	5,591	-	18,124	23,715
	B5 & B6	-	-	-	13,191	8,357	21,548
	B3 & B4	-	1,289,352	-	1,048	163,450	1,453,850
	<i>Subtotal</i>	-	1,289,352	5,591	14,538	190,017	1,499,498
Medium	B1	18,747	-	9,064	8,797	5,444	42,052
	B2	6,735	-	14,506	12,993	50,149	84,383
	B5 & B6	-	2,421	5,364	125,838	43,324	176,947
	B3 & B4	-	1,324,315	-	1,960	177,173	1,503,447
	<i>Subtotal</i>	25,482	1,326,735	28,935	149,587	276,089	1,806,829
High	B1	63,043	-	28,120	43,843	18,121	153,127
	B2	37,814	-	81,523	43,679	222,291	385,306
	B5 & B6	-	16,622	8,696	79,496	41,011	145,824
	B3 & B4	-	2,923,620	-	3,434	344,817	3,271,871
	<i>Subtotal</i>	100,857	2,940,242	118,339	170,451	626,240	3,956,129

FIGURE 14: PLANNING DISTRICTS IN THE LIVERPOOL LGA



B1 and B2 zones

Under the low scenario, there is very little capacity for additional development in local centres zoned either B1 or B2 in all districts except the New Release District. This reflects the status of these parts as Liverpool as developed areas with little vacant land. Under a status quo scenario in which land is not used more intensively in the future, almost no additional commercial development could be accommodated in Liverpool's established suburbs outside of the Liverpool CBD, with the exception of some vacant land intended to be developed for centres in Holsworthy, Middleton Grange and Carnes Hill.

Under the medium scenario, there is a large amount of development capacity in the B1 and B2 zones in Liverpool's established suburbs. This capacity is increased further in the High scenario. This reflects that large amounts of land in some of Liverpool's centres such as Green Valley, Moorebank and Wattle Grove is used for the purpose of surface-level car-parking and so redevelopment could be accommodated if an alternative car parking solution could be found. It may also be possible to develop new local centres in association with infrastructure investment (for example, a transit-oriented-development centre could be developed along Hoxton Park Road). This would require a large land-zoning uplift to encourage redevelopment above what is permitted under current planning controls.

Liverpool CBD

There is a very large amount of development capacity in the Liverpool CBD, much of which has been created by the Liverpool LEP 2008 Amendment 52. However, if development in the City Centre occurs on a fragmented basis there is a risk that it will not deliver the kinds of retail or commercial development which increase the vibrancy and economic activity of the Liverpool CBD. Site amalgamation may be required, and if developers are focused on the residential portion of their developments, they may neglect the retail and commercial components.

New Release District

After the Liverpool CBD, the most development potential of any district is in the New Release District. This reflects the presence of the large intended centres at Edmondson Park, Austral and Middleton Grange, the remaining vacant sites in Carnes Hill and the small local centre sites in Austral and Leppington East. If all of these centres are built as the LGA continues to develop, the retail landscape in the western part of the LGA will be significantly changed.

B5 and B6 zones

Most of the Crossroads, The Grove and Sappho Road sites have been developed, although there is still a vacant portion of land on the site of The Grove, some of which may be occupied by the proposed retail centre expansion. There is a large site zoned B5 in Warwick Farm adjacent to the Train Station which has a reasonable amount of development capacity, with current land zoning encouraging a highway-side big-box development.

Aside from the vacant Warwick Farm site, much of the identified capacity in the B5 and B6 zones is in B6 zoned land along major road corridors. These sites are generally small and have sensitive interfaces with adjoining residential development, and so could not accommodate the kinds of bulky-goods retail development which has occurred in Crossroads, or for large-scale commercial development. Few of these sites are vacant, and so any redevelopment would need to be feasible, considering the value of the current sites uses.

5. FLOORSPACE DEMAND

5.1 Retail modelling method

SGS has used a retail gravity model to project future retail spending and floorspace demand in the Liverpool LGA. The SGS Retail Model is built on previous research as well as the extensive experience SGS has gained conducting many retail studies. The SGS retail model takes the following approach:

$$\text{Propensity to shop at a centre} = \frac{\text{"Attractiveness" of centre} \times \text{Floorspace of shopping centre}}{\text{Travel time to the shopping centre}^2}$$

This formula recognises that an individual is more likely to go to more 'attractive' and larger centres and less likely to go to small, lower-quality centres that are further away.

The 'attractiveness' of a shopping centre refers to a range of visual and functional attributes. Unlike other gravity models, the SGS model does not explicitly measure the effects of design layout or product mix. Instead, it uses the shopping centre's current turnover and the distribution of current demand as a basis to establish a 'current attractiveness value' for the centre. This current attractiveness value is then used to forecast how the shopping centre will perform in the future given changes to floorspace (in either that centre or surrounding ones) and demand.

The rate at which travel times affect propensities is calibrated to ensure realistic catchments. This is to account for consumers going to alternative shopping centres that are based along major freeways or restricted to others based on natural barriers such as bays and rivers.

Why use a gravity model?

Other demand approaches (such as survey-based assessments) are expensive and data intensive and only consider current population and behaviour. Simplified 'shift-share' approaches typically focus on one/a few centres and heavily rely on judgement-based catchments with exaggerated market share thresholds.

Gravity models, on the other hand, present the following benefits:

- All spending across the retail system is accounted for once and only once;
- Catchments are generated through data analysis rather than through the judgement of consultants; and
- A gravity model captures the continuous and dynamic nature of catchments, based on changing demand, supply, and transport infrastructure.

Drivers of the increase in retail demand

This section identifies the drivers of the increase in retail demand, and the expected growth in demand for commodity types.

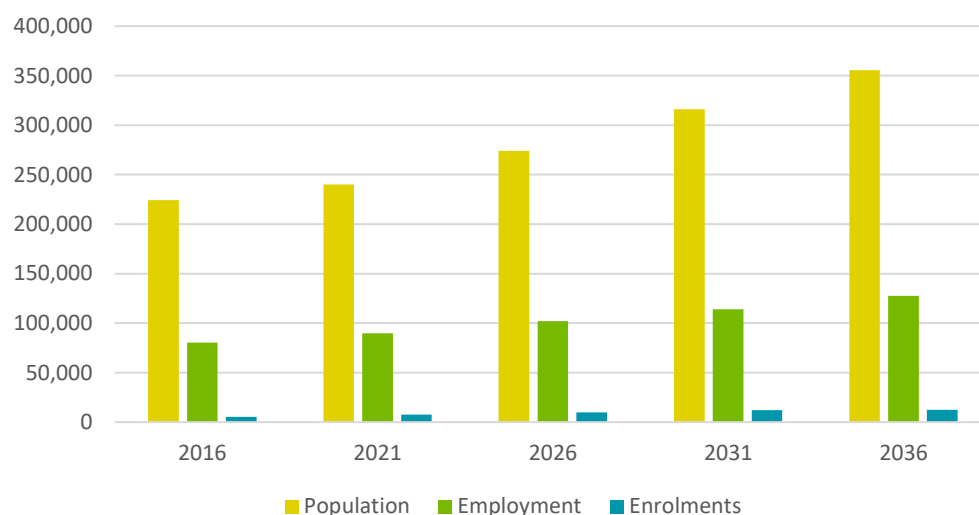
Population, employment and tertiary enrolments

Forecasts of the future resident population in the Liverpool LGA were estimated at a small-area level using Forecast.id projections. Projections from the Transport Performance and Analytics (TPA) division within TfNSW were used to estimate future population levels outside of the Liverpool LGA and future employment both inside and outside the LGA. Projections were calculated in five-year categories out to 2056 at the travel zone level.

Based on these forecasts, population within the Liverpool LGA is expected to grow significantly over the next 20 years. The resident population is expected to increase by 59% from approximately 224,400 in 2016 to 355,600 in 2036. Employment expected to grow at a similar rate as resident population, increasing by approximately 47,000 workers between 2016-2036.

Tertiary enrolments within the Liverpool CBD were estimated using the TZP, however, adjustments were made to capture the expansion of the Western Sydney University and Wollongong University campuses in the Liverpool CBD.

FIGURE 15 PROJECTED POPULATION, EMPLOYMENT & TERTIARY ENROLMENTS, LIVERPOOL CBD

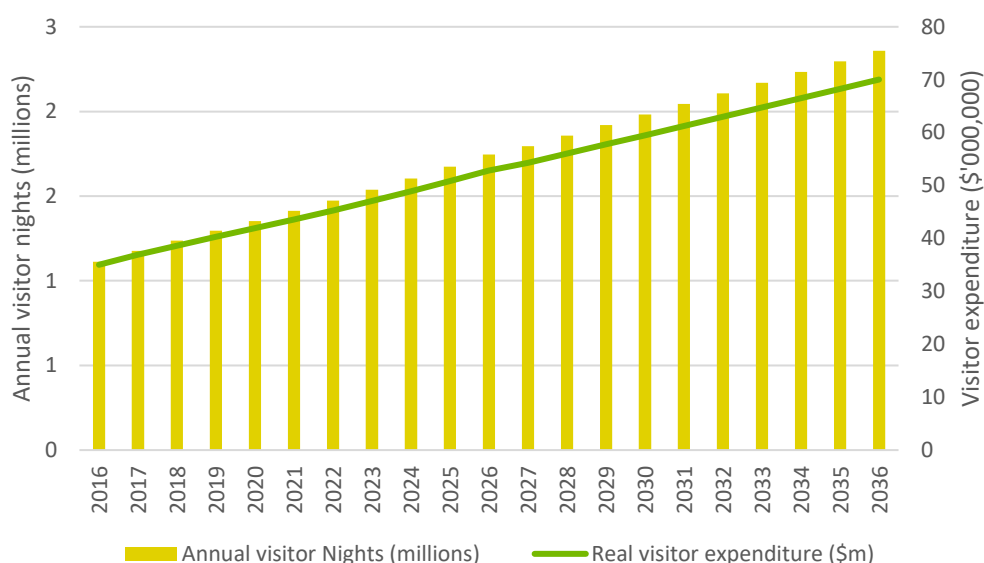


Source: SGS 2019; TfNSW 2019

Tourist retail expenditure

With the opening of the Western Sydney International Airport, future retail expenditure by tourists is expected to increase. Estimates of existing distributions of tourism visitation and expenditure from Tourism Research Australia (TRA) were combined with long term TRA projections to estimate total tourism visitation and expenditure for Liverpool CBD.

FIGURE 16 PROJECTED TOURISM VISITATION AND EXPENDITURE FOR THE LIVERPOOL LGA



Source: Tourism Research Australia 2019

5.2 Retail demand results

Retail expenditure forecasts

Total retail expenditure is forecast using estimates of the profile of household spending. The primary source of this is the MarketInfo estimates of expenditure per capita for different commodity types across all of Australia. This information is derived by MarketInfo from the ABS Household Expenditure Survey, which provides information on the market activities of households, and is based on demographic characteristics.

The retail spending profiles prepared by MarketInfo are provided in a per capita format, by a number of different commodity categories. MarketInfo is regarded as an industry standard. It is reported at the Statistical Area 1 (SA1) level to enable fine-grained estimates for retail expenditure forecasting.

These small area expenditure estimates are projected forward to 2036 using data from the ABS Retail Trade series for NSW. The Retail Trade series provides data on historical growth of real consumption by commodity category. These rates of growth are used to forecast change in real expenditure (i.e. excluding inflation).

These per capita forecasts are then used to calculate forecasts of total residential retail expenditure using small area population, employment, and enrolment forecasts.

The following issues are accounted for and steps are taken to derive a forecasted retail expenditure for the local retail system:

- An adjustment for online expenditure is applied by each commodity category to account for online retail purchases.
- Adjustments are made to account for workers within the retail trade area.
- Adjustments are made to account for tertiary students within the retail trade area.

The table below shows forecast retail expenditure generated by residents of the Liverpool LGA between 2016-2036. The projected growth in retail expenditure is driven by both population growth and increase per capita spending in real terms.

TABLE 9: RETAIL EXPENDITURE BY RESIDENTS OF THE LIVERPOOL LGA (\$ MILLION), 2019-2036

Commodity Type	2019	2026	2036	Change	Average annual growth rate
Supermarket	\$807	\$1,178	\$1,660	\$853	3.5%
Other Food	\$349	\$483	\$662	\$314	3.1%
Hospitality	\$391	\$485	\$665	\$275	2.6%
Clothing and Soft Goods	\$160	\$205	\$297	\$137	3.1%
Household Goods	\$290	\$397	\$570	\$280	3.4%
Other Retail	\$325	\$418	\$551	\$226	2.6%
Department Stores	\$222	\$298	\$395	\$173	2.9%
Total	\$2,542	\$3,465	\$4,800	\$2,257	3.1%

Source: SGS 2019

Retail turnover vs retail expenditure

In order to understand the impact of retail activity on Liverpool's centre network, it is necessary to understand the quantity of retail activity that is taking place *within* Liverpool's centres. Note that this figure will necessarily be different to the level of retail expenditure generated by the local population. In the case of Liverpool LGA, the level of retail expenditure estimated to be generated by the local population in 2036 is projected to be around \$4.8 billion – representing 82 per cent of the turnover generated by Liverpool LGA's centres. This makes the LGA a net importer of retail expenditure.

This situation can be explained by the relative attractiveness of Liverpool LGA's centres to those in neighbouring regions, and the relative proximity/ accessibility of Liverpool's major centres to residents of surrounding LGAs. For example, the Liverpool CBD is a regional scale centre and its primary trade area will extend into the nearby Fairfield LGA.

Change in overall retail turnover

In a retail gravity model, assessment of future turnover at existing centre is influenced by the amount of existing and new floorspace expected to be located in each area as well as the relative attractiveness of centres (calculated as a calibration factor in the retail model) and expenditure and population forecasts for each small area.

Future turnover and floorspace demand forecasts are one possible view of the future retail market if expected development occurs and the relative attractiveness of different centres stays the same. A different distribution of future development will generate a different pattern of future turnover, with different impacts on the expected turnover of existing centres. Increases in attractiveness of particular centres, for example through reduced traffic congestion, a broader retail mix or a more attractive environment, are not anticipated in the model and could also shift the propensities of consumers to spend their money in different centres.

Table 8 shows the expected retail turnover by District in the Liverpool LGA until 2036. As noted above, turnover within any one district will be influenced by the centres expected to be located in that district in any given year. Shifts in the amount of floorspace and the relative attractiveness of the centres within different districts would shift retail expenditure between the districts. Nonetheless, this table provides an indication of the amount of how retail turnover will change in each part of the Liverpool LGA.

By far the largest increase in retail turnover is expected in the New Release District, driven by rapid greenfield housing development in this area. Additional retail centres are planned to meet the associated demand. Rapid population growth is also expected to drive growth in

turnover in the City Centre District, while more modest turnover growth is expected in each of the other districts in the LGA.

TABLE 9: RETAIL TURNOVER BY DISTRICT 2019-2036 (\$ MILLION)

District	2019	2026	2036	Average annual growth rate
New Release District	\$596	\$1,301	\$2,458	7.3%
2168 District	\$228	\$232	\$280	1.0%
Established District	\$1,071	\$1,331	\$1,552	1.9%
Eastern District	\$231	\$233	\$267	0.7%
City Centre District	\$1,068	\$1,234	\$1,460	1.6%
Total	\$3,194	\$4,331	\$6,017	3.2%

Source: SGS 2019

Table 10 shows retail turnover forecasts for each of the kinds of centres in the Liverpool LGA by established in the previous centres review. The Sappho Road, Crossroads and The Grove precincts have been grouped under bulky goods precinct, while the other category in the below table includes all out of centre retail premises.

TABLE 10: RETAIL TURNOVER BY CENTRE TYPE 2019-2036 (\$ MILLION)

Centre Type	2019	2026	2036	Average Annual Growth Rate
City Centre	\$1,068	\$1,234	\$1,460	1.6%
Existing Town Centres	\$597	\$608	\$715	0.9%
Edmondson Park	\$0	\$297	\$356	
Existing Village Centres	\$185	\$188	\$213	0.7%
Middleton Grange	\$0	\$84	\$93	
Small Village Centres	\$217	\$220	\$249	0.7%
Neighbourhood Centres	\$39	\$39	\$44	0.6%
Release Areas	\$158	\$474	\$1,494	11.9%
Existing Bulky Goods Precincts	\$656	\$885	\$1,043	2.3%
Other	\$275	\$304	\$350	1.2%
Total	\$3,194	\$4,331	\$6,017	3.2%

Source: SGS 2019

These results show the largest growth in turnover in release areas, consistent with rapid turnover growth expected in the New Release District. Growth in turnover elsewhere is more modest, with relatively high levels in the City Centre (1.6% per year on average), Bulky Goods Precincts (where a new retail centre is expected at The Grove) and the new centres of Edmondson Park and Middleton Grange. Turnover is only expected to grow modestly in other existing centres.

Demand for bulky goods floorspace

Bulky goods floorspace is typically understood as that associated with the sales of goods in large, one-storey buildings surrounded by car parking. Given the nature of these uses, they

have different locational requirements to activity centres. Whereas functional activity centres tend to have a focus on amenity, fine-grain uses, accessibility across multiple transport types, and the 'human scale', bulky goods precincts are characterised by their large scale, and a focus on providing convenient access for people in private vehicles.

Bulky goods retailers tend therefore to avoid activity centres, though they may be situated adjacent to or nearby centres. With lower amenity requirements and a need for scale, they often locate in employment precincts, competing for land in these areas with 'traditional' employment land uses such as warehousing, distribution, manufacturing and materials recycling.

As well as having different spatial requirements to activity centre-based retailers, the retail mix within bulky goods precincts is less diverse than that typically found in activity centres, with a focus primarily on the sales of 'household goods'. In 2019, this category accounted for \$500 million (or 15.6 per cent) of the \$3,194 million in total retail turnover in the LGA. While the majority of 'household goods' turnover occurs within bulky goods precincts, a proportion of total turnover does (and will continue to) take place within activity centres.

As can be seen in Table 10, little growth in turnover is expected in established bulky goods precincts because an additional retail centre is expected to be built at The Grove. The part of this turnover associated with household goods is shown in Table 11, with a much lower growth rate than overall turnover.

TABLE 11: HOUSEHOLD GOODS TURNOVER IN BULKY GOODS CENTRES 2019-2036

	2019	2021	2036	Average annual growth rate
Turnover (\$'000,000)	\$275	\$302	\$357	1.3%

Source: SGS 2019

Retail floor space demand forecasts

Using benchmark retail turnover densities (RTDs) for each of the retail categories and centre sizes, it is possible to estimate the quantity of retail floorspace likely to be demanded within each centre as a result of changes in retail expenditure within their respective catchments. This provides a better estimate of how the performance of centres will change in the future than changes in turnover, as RTDs are adjusted over time to account for improvement in floorspace productivity (i.e. real increases in RTD).

Table 4 shows how demand for retail floorspace is expected to change as a result of changes in expenditure between 2019 and 2036. These results are calculated by centre but presented by District, as an expected increase retail floorspace demand in one centre could be met by an expansion of a nearby centre.

Table 4 shows that the bulk of new floorspace will be demanded in the New Release District, although this in part reflects where floorspace is expected to be developed in the future. As with retail turnover predictions, shifts in the relative attractiveness of centres or the quantum of floorspace expected to be developed would shift future floorspace demand between nearby centres or districts.

These results show that relatively slow growth is projected for the Liverpool CBD, with around 24,000sqm of additional floorspace demand between 2019-2036. This value could be significantly changed if the attractiveness of the Liverpool CBD for retail or hospitality increases in the future. In this case the Liverpool CBD would be expected to capture more of the additional floorspace demand in the LGA by 2036. If the Liverpool CBD becomes a regional-scale dining and entertainment destination, it could also capture floorspace demand from other LGAs.

The Eastern District has almost no demand for new floorspace between 2019-36, with a drop in demand between 2019-2026. This is a result of the Forecast.id population forecasts, which predict that the population of established suburbs like Chipping Norton and Wattle Grove will decline slightly over this time period as the population ages. Some housing development in Moorebank between 2026-2036 is expected to bolster demand.

As Holsworthy Centre is not included in this model but may be developed between 2019-2036, the performance of existing centres in the Eastern District may decline over that time period. This potential impact is explored in more detail in Section 7.

TABLE 12: RETAIL FLOORSPACE DEMAND BY DISTRICT, 2019-2036

District	2019	2026	2036	Increase
New Release District	70,978	144,481	293,222	222,244
2168 District	21,808	20,867	23,904	2,096
Established District	149,972	168,070	182,105	32,133
Eastern District	24,066	22,511	24,315	250
City Centre District	125,241	133,093	145,814	20,572
Total	392,065	489,022	669,360	277,294

Source: SGS 2019

Table 13 shows expected retail floorspace demand by centre type. Increases in demand are expected in release areas, the Liverpool CBD and the new centres of Edmondson Park and Middleton Grange. A decrease in demand for existing town centres and existing village centres is expected between 2019-26, with a small increase after that.

Demand is expected to increase by only a small amount in village centres and small village centres, and to decrease slightly in neighbourhood centres. This indicates that some neighbourhood centres and small village centres may decline in the future if shopping behaviour shifts towards larger retail centres or additional retail facilities are built beyond what is included in this retail model.

Demand is expected to grow in bulky goods precincts, driven by population growth and resulting increased demand for household goods. However, this sector is vulnerable to increased online trading and so the actual increase in demand may be less than anticipated. Some specialised retail premises in B6 zones are also contained in the other category, and are also expected to see small increases in demand.

TABLE 13: RETAIL FLOORSPACE DEMAND BY CENTRE TYPE, 2019-2036

Centre Type	2019	2026	2036	Increase
City Centre	125,241	133,093	145,814	20,572
Existing Town Centres	65,550	62,384	68,678	3,129
Edmondson Park	0	37,090	41,191	41,191
Existing Village Centres	17,406	16,612	17,703	297
Middleton Grange	0	11,068	11,306	11,306
Small Village Centre	23,456	22,244	23,661	205
Neighbourhood Centre	5,644	5,297	5,622	-23
Release Area	17,778	45,590	186,084	168,306
Bulky Goods Precinct	97,351	114,005	124,524	27,173
Other	39,639	41,638	44,776	5,138
Total	392,065	489,022	669,360	277,294

Source: SGS 2019

5.3 Commercial floorspace demand

Office floorspace can be broadly understood to be one of two types, each of which has distinctly different drivers.

- 'Population-serving' commercial activity is closely linked to demand from the local population. These commercial uses provide services for people within a relatively restricted local catchment. Typical activities include accounting, legal services, and medical services.
- 'Business-serving' commercial activities choose to locate in areas that suit the broader requirements of the business. For these uses, proximity to customers is important but sits alongside other broader locational factors. These are diverse and include:
 - access to skilled employees
 - proximity to trade gateways (i.e. ports and airports)
 - access to key business inputs, (e.g. administrative functions associated with a winery locating within a wine region)
 - the location of clusters of related businesses
 - proximity to collaborators.

The following section will assess employment within sectors likely to contribute to demand for commercial office floorspace, establishing demand for commercial office floorspace attributable to population serving and business serving uses.

Population serving commercial floorspace generally corresponds to the LEP definition of business premises, while business-serving commercial floorspace generally corresponds to the LEP definition of office premises. However, there are some exceptions to this relationship, including medical and other health centres which are population-serving commercial activities but fall into a separate LEP definition. There are also some population-serving activities which more closely resembles office premise rather than business premises (such as local solicitors offices), and some business-serving activities which also deal with members of the public on a semi-regular basis and so do not fit neatly within the definition of office premises.

Methodology

SGS has adopted the following approach to estimating office-based employment across Liverpool LGA:

1. TPA data has been used to estimate total employment within the Liverpool LGA at five-year intervals to 2036.
2. Current and future employment by industry category (ANZSIC) has been converted into demand for a set of broad land uses using standard coefficients, recognising that workers within industries work in a variety of different workplaces depending on their specific roles.
3. A per-capita number of population-serving commercial jobs determined for the Greater Sydney area has been used, along with population projections, to calculate the number of population-serving jobs expected in the LGA in each five year interval.
4. Population serving jobs have been distributed to each district in the Liverpool LGA based on the expected population growth in that district.
5. Any commercial employment not accounted for in as a population serving job has been determined to be a business-serving job and allocated to the Liverpool CBD
6. Standard floor-space per job ratios were used to determine the future commercial floorspace demand in each centre.

Future employment across the Liverpool LGA

Table 14 shows employment projections for the Liverpool LGA which are created by Transport for NSW and are used for a variety of strategic planning and transport planning applications in the NSW Government. Employment across the LGA is expected to grow from around 67,100 to around 107,000 between 2016-2036.

Much of the projected employment growth will not impact demand for commercial office floorspace, with many additional workers employed in retail outlets, on factory floors, on construction sites, or elsewhere. Furthermore, not all jobs will be located in activity centres, with many jobs based in employment precincts, in homes, or not fixed to particular addresses.

TABLE 14: EMPLOYMENT GROWTH IN THE LIVERPOOL LGA FROM 2016

Industry	to 2021	to 2026	to 2031	to 2036	Average annual growth rate
Agriculture, Forestry and Fishing	-156	-186	-205	-272	-1.6%
Mining	-4	-6	-6	-7	-0.5%
Manufacturing	-283	-680	-878	-843	-0.4%
Electricity, Gas, Water and Waste Services	231	296	425	503	2.5%
Construction	875	2,407	3,634	4,871	2.5%
Wholesale Trade	946	1,485	1,933	2,436	2.6%
Retail Trade	1257	2182	3357	4774	2.1%
Accommodation and Food Services	10	38	56	76	2.6%
Transport, Postal and Warehousing	1,567	2,986	4,594	5,870	3.5%
Information Media and Telecommunications	304	409	496	699	5.0%
Financial and Insurance Services	124	334	768	1,013	4.0%
Rental, Hiring and Real Estate Services	91	341	590	819	2.6%
Professional, Scientific and Technical Services	722	1,943	3,031	4,631	4.6%
Administrative and Support Services	-162	122	458	740	1.1%
Public Administration and Safety	424	874	1,392	2,064	1.5%
Education and Training	1,239	3,097	4,262	5,624	3.2%
Health Care and Social Assistance	1,358	4,094	6,637	9,548	2.8%
Arts and Recreation Services	2	104	205	459	2.2%
Other Services	538	799	1,113	1,727	2.5%
Total	7,825	18,458	28,507	39,958	2.3%

Source: SGS 2019 based on Transport for NSW 2019, TZP2016 v1.51 projections

Population-serving and strategic office employment

Using the Forecast.id forecast for the Liverpool LGA, SGS has calculated population-driven employment by region. As outlined in the methodology above, the relationship between employment by sector and population has been derived using regression analysis of population against employment in the Greater Sydney Area. This provides a number of jobs in each industry sector that would be expected per capita to serve the local needs of the population.

These population-serving jobs were distributed across Liverpool's districts on the assumptions that the location of demand for population-serving jobs will follow the broad location of population growth.

By subtracting this number from the 'total' office employment figures, which is calculated from standard SGS industry to land use conversion ratios, it is possible to approximate the number of business-serving jobs expected to be generated within the LGA to 2036. The approximate breakdown of population-serving and business-serving jobs across Liverpool to 2036 is set out in the Table 15 below.

This table shows a relatively modest increase in office employment in the Liverpool LGA. This reflects both that not all population serving jobs will be in offices, and that currently available employment projections do not consider the increase economic importance of the Liverpool CBD, recent commercial development trends or the economic results of the opening of the Western Sydney Aerotropolis. This reflects a status-quo development scenario in which economic development momentum in Liverpool does not increase from its level between 2011-2016. This does not reflect recent developments; however the results are likely to be more accurate outside of the Liverpool CBD where office demand will be driven by population growth.

TABLE 15. BREAKDOWN OF CHANGES IN OFFICE-BASED EMPLOYMENT – POPULATION-SERVING AND BUSINESS-SERVING, FROM 2016

	to 2021			to 2026			to 2031			to 2036		
	New office jobs (subtotal)	Population- serving jobs	Business- serving jobs	New office jobs (subtotal)	Population- serving jobs	Business- serving jobs	New office jobs (subtotal)	Population- serving jobs	Business- serving jobs	New office jobs (subtotal)	Population- serving jobs	Business- serving jobs
2168 District	-3	-3	-	5	5	-	19	19	-	25	25	-
Eastern District	1	1	-	10	10	-	23	23	-	29	29	-
Established District	11	11	-	23	23	-	42	42	-	51	51	-
City Centre District	288	13	276	464	23	441	467	33	435	521	38	483
New Release District	21	21	-	50	50	-	49	49	-	41	41	-
Rural District	1	1	-	6	6	-	21	21	-	64	64	-
TOTAL	320	44	276	580	140	441	693	258	435	852	369	483

Source: SGS 2019

Demand for floorspace

The expected increase in employment in each District in the Liverpool LGA has been converted into a floorspace demand using standard job to floorspace ratios.

For a range of reasons, the quantity of floorspace demand on average for workers varies from place to place. In general, higher land values in central metropolitan regions mean that each worker occupies less space on average. In contrast, outer-metropolitan office space tends to be less intensively used. Other factors that can impact the intensity with which commercial office floorspace is used include office fitouts (i.e. open plan or segregated), specific work practices (i.e. 'hot desking'), and the requirement across workplaces to accommodate shared (e.g. meeting) spaces. Employment densities in Liverpool may differ slightly in the Liverpool LGA than in other parts of Sydney, which would change forecast floorspace demand slightly.

TABLE 16. COMMERCIAL OFFICE FLOORSPACE REQUIREMENTS (SQM), 2016 TO 2036

	to 2021			to 2026			to 2031			to 2036		
	New office jobs (subtotal)	Population- serving jobs	Business- serving jobs	New office jobs (subtotal)	Population- serving jobs	Business- serving jobs	New office jobs (subtotal)	Population- serving jobs	Business- serving jobs	New office jobs (subtotal)	Population- serving jobs	Business- serving jobs
2168 District	-133	-133	-	262	262	0	929	929	0	1,256	1,256	0
Eastern District	51	51	-	520	520	0	1,136	1,136	0	1,440	1,440	0
Established District	561	561	-	1,169	1,169	0	2,118	2,118	0	2,564	2,564	0
City Centre District	14,412	631	13,781	23,198	1,159	22,039	23,374	1,642	21,732	26,066	1,921	24,145
New Release District	1,053	1,053	-	3,554	3,554	0	6,014	6,014	0	8,056	8,056	0
Rural District	35	35	-	312	312	0	1,061	1,061	0	3,225	3,225	0
TOTAL	2,197	2,197	13,781	6,976	6,976	22,039	34,632	12,901	21,732	42,607	18,462	24,145

Source: SGS 2019

The analysis shows that approximately 14,926 square metres of additional commercial office floorspace are expected to be required between 2016 and 2021 and 24,551 square meters between 2016-2036 across the LGA, noting the issues discussed above with currently available projections. Outside of the Liverpool CBD, 8,485 square metres of commercial floorspace are expected to be required, with the most demand in the established district initially. Demand in the Rural District is expected to increase rapidly after 2026 as the Forecast.id population forecast predicts population growth west of Austral in that time period.

As noted above, additional demand may be understated for the Liverpool CBD as employment projections do not reflect the recent increase in development momentum in the Liverpool CBD. There is development capacity in the CBD which could accommodate demand well in excess of the estimates here (see Section 4.2)

6. ISSUES FOR FUTURE PLANNING

6.1 Retail floorspace gap

Retail floorspace gap

Table 17 shows the retail floorspace gap in each district in the Liverpool LGA, which quantifies how the expected increase in retail demand compares to the expected increase in supply. This figure is calculated by subtracting expected demand (from Section 5.2) from supply (from Section 4.1), including any expected retail developments. If it is positive, this value indicates an over-supply in retail floorspace compared to the base year (2019) while if it is negative it indicates unmet demand compared to the base year.

The model results show an overall undersupply of retail floorspace in the LGA in 2026 and 2036. In 2026 this undersupply will mainly be related to the timing of new centres in greenfield development areas. In 2036 there is expected to be an overall undersupply in all districts except the New Release District, where a large amount of bulky goods retail floorspace is expected to be built between 2026-2036 and to result in the oversupply of floorspace.

An undersupply of retail floorspace is to be expected given the timeframe of the study. Future supply results from Section 4.1 include current retail floorspace, planned floorspace in greenfield centres and any developments currently in the development pipeline. As the timeframe for the study extends to 2036 and the development pipeline usually only includes developments that will be delivered within around five years, the development pipeline does not provide a good estimate of the likely total amount of retail floorspace in 2036 in established centres. Rather, the undersupply that the model results indicate shows that additional developments may need to occur before 2036 to meet retail demand. In a rapidly developing LGA like Liverpool this is to be expected.

TABLE 17: RETAIL FLOORSPACE GAP BY DISTRICT (EXPECTED FUTURE SUPPLY – MODELLED DEMAND)
NEGATIVE VALUES INDICATE UNMET DEMAND AND ARE COLOURED IN RED

District	To 2026	To 2036
New Release District	-25,457	15,920
2168 District	946	-2,090
Established District	7,196	-6,844
Eastern District	1,561	-244
City Centre District	2,200	-10,527
Total	-13,554	-3,785

Source: SGS 2019

Table 19 shows the floorspace gap for each district in 2036 by retail commodity type. As discussed in Section 6, the distribution of spending in a retail gravity model depends upon where floorspace is expected to be delivered and it has been assumed that the relative attractiveness of different centres will not change. If the distribution of floorspace of different types in different parts of the LGA changes in the future, some centres become more attractive relative to others or the community's shopping behaviour changes, the gaps within each district would also change. The total figure for the Liverpool LGA presents a more

reliable estimate of how expected retail demand and supply will compare, but is also influenced by expected development patterns.

The largest segment of unmet demand is for supermarket floorspace, with large gaps in the City Centre District and New Release District. Based on this result, additional supermarkets in the City Centre District and New Release District could be supported. Potential locations for this include:

- An additional supermarket could be delivered at Carnes Hill, or
- A greater proportion of the retail floorspace in local centres in the New Release District could be supermarkets.

The expected creation of a new retail centre at The Grove means that there is an expected surplus of supermarket floorspace in the Established District, and so the provision of additional supermarkets is not supported by this modelling. Floorspace gaps for supermarkets in the 2168 District and Eastern District are also not large enough to support the provision of additional large supermarkets.

The impact of any additional supermarkets on surrounding centres would need to be tested in every district to ensure that the viability of local centres is not compromised.

TABLE 18: RETAIL FLOORSPACE GAP BY DISTRICT AND COMMODITY TYPE IN 2036
(VALUES INDICATING UNMET DEMAND ARE COLOURED IN RED)

District	Supermarket	Household Goods	Other categories	Total
New Release District	-5,952	44,070	-22,198	15,920
2168 District	-1,477	21	-634	-2,090
Established District	2,147	-4,431	-4,560	-6,844
Eastern District	-891	-81	729	-244
City Centre District	-6,437	-2,344	-1,746	-10,527
Total	-12,610	37,234	-28,409	-3,785

Source: SGS 2019

There is a moderate gap in expected provision of household goods in the Established and City Centre Districts. As noted in Section 6, bulky goods retailers are susceptible to the impacts on online retail, and so the size of this gap may be overstated. Nonetheless, this gap supports the retention of land zoned B6 in which household goods retailing premises could be accommodated.

The large overprovision of household goods floorspace in the New Release District shows that the amount of land zoned B5 in Austral exceeds likely demand for specialised retailing, and so there is no need to rezone additional land for this use in the LGA between 2019-2036. However, this overprovision may be overestimated, as the retail gravity model may underestimate the very large trade areas of major bulky goods precincts. When considered with the large distances people travel to homemaker centres and bulky goods clusters, the expected oversupply of floorspace for household goods in the Liverpool LGA suggests that the performance of smaller bulky goods centres like Sappho Road may decline in the future.

The gap in provision of other categories in the New Release District, Established District and City Centre District could support a modest expansion of retail provision in those areas. However, an increased market share of online retail would reduce the size of or eliminate this gap.

Floorspace capacity gap

The expected future demand for retail and commercial floorspace in each District in the Liverpool LGA can be compared to the floorspace capacity calculated in Section 4.2 to identify if there is a need for changes to the amount of floorspace allowed under current planning

controls. The total floorspace capacity and demand between 2019-2036 for each district is shown in Table 19, while the floorspace capacity gap, calculated by subtracting demand from capacity, is shown in Table 20.

Expected floorspace demand is larger than capacity under the low scenario in the 2168 and Established districts. This means that expected demand cannot be accommodated by low-density development of only vacant land, and so some redevelopment of existing premises must occur to accommodate this demand.

In the New Release District, much of the retail floorspace demand is for bulky goods retailing and this would be accommodated in the B5 zone in Austral. Demand only outstrips capacity in this district if the B5 and B6 zones are excluded, so there is enough floorspace capacity under current planning controls to accommodate demand in the New Release District at relatively low development densities.

Floorspace capacity exceeds demand under the medium scenario in every district even if B5 and B6 zones are excluded. This shows that if some redevelopment were to occur of existing centres and development densities were slightly increased, there would be enough floorspace capacity across the LGA under current planning controls to meet expected demand.

The difference between floorspace capacity and demand is even higher in the high scenario, under which development would occur up to the maximum permissible level. As this is substantially higher than demand, and capacity under the medium scenario also exceeds demand, there is no need to revise planning controls across the LGA to permit a higher density of commercial development. However, it may be necessary on a site-specific basis to change the planning controls applying to specific centres to permit redevelopment which would improve the access of the community to retail facilities. These redevelopments would provide an opportunity to improve the design of existing centres in accordance with Council's planning policies.

TABLE 19: FLOORSPACE DEMAND BETWEEN 2019-2036 AND CAPACITY IN EACH DISTRICT

District	Demand			Capacity – low scenario			Capacity – medium scenario			Capacity – high scenario		
	Retail	Commercial	Total	Centres	B5 & B6	Total	Centres	B5 & B6	Total	Centres	B5 & B6	Total
2168 District	2,096	1,256	3,352	0	0	0	25,482	0	25,482	100,857	0	100,857
Eastern District	250	1,440	1,690	5,591	0	5,591	23,570	5,364	28,934	109,643	8,696	118,339
Established District	32,133	2,564	34,697	1,347	13,191	14,538	23,750	125,838	149,588	90,956	79,496	170,452
City Centre District	20,572	26,066	46,638	1,289,352	0	1,289,352	1,324,315	2,421	1,326,736	2,923,620	16,622	2,940,242
New Release District	222,244	8,056	230,300	199,125	73,640	272,765	232,766	152,129	384,895	585,229	149,816	735,045
Total	277,295	39,382	316,677	1,495,415	86,831	1,582,246	1,629,883	285,752	1,915,635	3,810,305	254,630	4,064,935

TABLE 20: FLOORSPACE CAPACITY GAP IN EACH DISTRICT

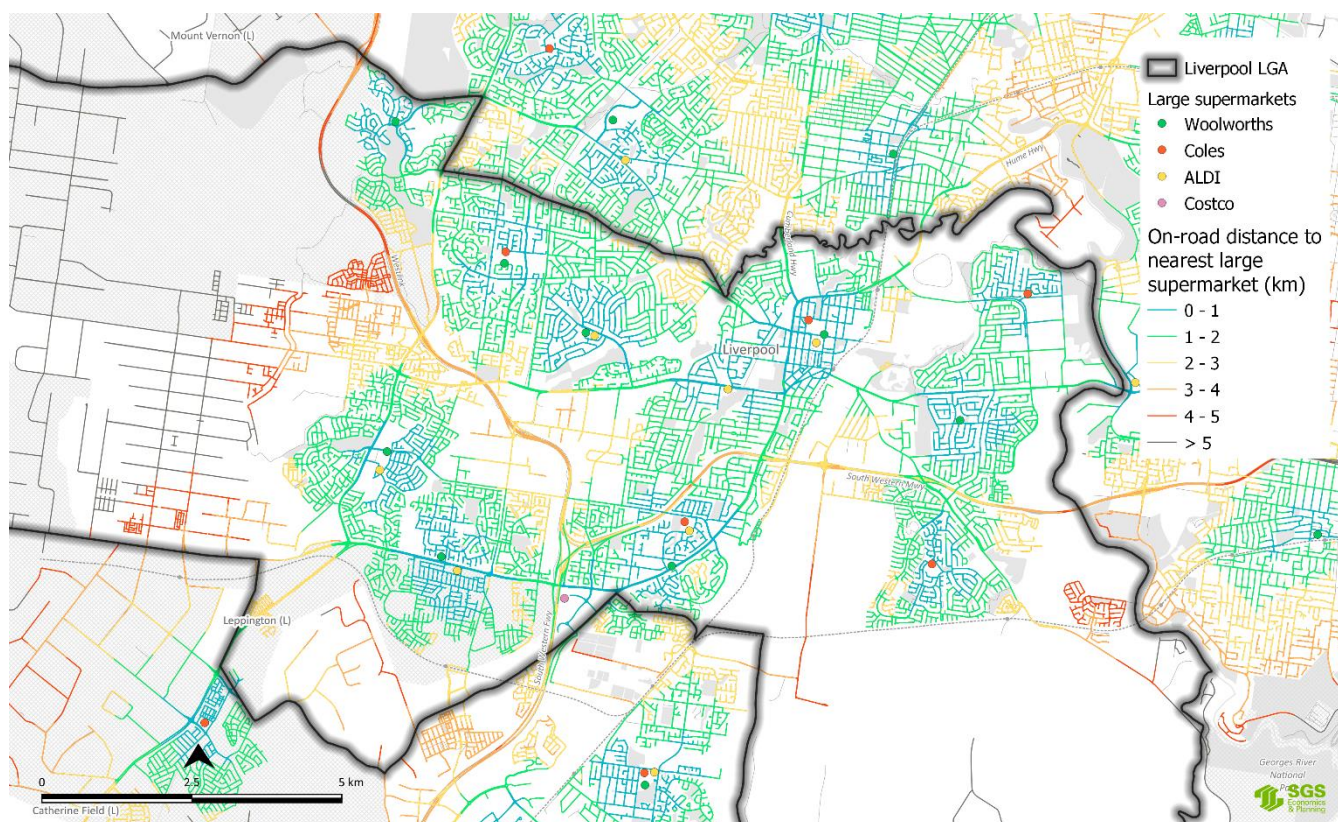
District	Low scenario		Medium scenario		High scenario	
	Centres	Centres & B5/B6	Centres	Centres & B5/B6	Centres	Centres & B5/B6
2168 District	-3,352	-3,352	22,130	22,130	97,505	97,505
Eastern District	3,901	3,901	21,880	27,244	107,953	116,649
Established District	-33,350	-20,159	-10,947	114,891	56,259	135,755
City Centre District	1,242,714	1,242,714	1,277,677	1,280,098	2,876,982	2,893,604
New Release District	-31,175	42,465	2,466	154,595	354,929	504,745
Total	1,178,738	1,265,569	1,313,206	1,598,958	3,493,628	3,748,258

6.2 Access to retail facilities

Figure 17 shows the on-road distance to major supermarkets from each part of the established areas in the Liverpool LGA. Most of the residential parts of the LGA are within 2km of a major supermarket, with some of those who are further away (for example in Hammondville) having access to a smaller local supermarket.

While it is likely that most people in the Liverpool LGA drive to the supermarket, 2km is a reasonable distance to walk or cycle for someone of moderate fitness. However, some of the roads which have been included in this analysis would be unpleasant to walk along or unsafe to cycle on and so the local environment is an important consideration in active transport accessibility to local centres and retail.

FIGURE 17: ACCESS TO MAJOR SUPERMARKETS FROM DIFFERENT PARTS OF THE LIVERPOOL LGA



Source: SGS 2019

The following parts of the Liverpool LGA have poor access to a major supermarket:

- Middleton Grange, which ranges from just over 2km to Carnes Hill near the intersection of Fifteenth Avenue and Cowpasture Road to around 4.5km in the parts of the suburb which are furthest to the north.
- Voyager Point, which is up to 4.8km by car from the Wattle Grove Coles,
- Pleasure point, which is generally more than 5km from the Wattle Grove Coles,
- Austral, which contains two IGAs but is mostly over 5km from Carnes Hill
- Denham Court, parts of which are up to 5km from Coles Willowdale.

Other residential parts of the LGA which are more than two kilometres from a major supermarket include parts of Prestons, Leppington, Casula, Moorebank, Elizabeth Hills and Holsworthy.

Centres are proposed and zoned for development in Middleton Grange, Holsworthy and Edmondson Park. Each of these would be expected to contain at least one major supermarket. If these were to be developed, access to major supermarkets would be improved for Middleton Grange and Voyager Point and Bardia (which is in the Campbelltown

LGA). The Middleton Grange and Holsworthy sites have been subject to planning proposals seeking to increase development density.

Several centres are proposed in Austral, with expansions of the existing small centres proposed in two cases. Distributed land ownership in these centres may constrain orderly development of the centres in Austral. If development of the centres occurs much later than housing development (which has already commenced), people moving to Austral will have very poor access to retail facilities, particularly if Middleton Grange is not developed in the short term.

Parts of the Fairfield LGA immediately north of the boundary with Liverpool including Mount Pritchard and Cabramatta West are relatively far from a major supermarket. There are relatively few major supermarkets in this area, although Cabramatta contains a notable cluster of Vietnamese grocery stores. As access to Liverpool CBD is relatively difficult sometimes due to traffic congestion, people in this catchment may have few everyday retail choices. The proposed general retail centre at the Grove seeks to remedy this issue.

Coles supermarkets in the Liverpool LGA are outnumbered by Woolworths supermarkets, as can be seen in Figure 17 and Figure 2. West of the Georges River in the Liverpool LGA, there are three Coles supermarkets compared to seven Woolworths supermarkets, in part due to the recent development of two stand alone Woolworths stores, one each on the Hume Highway and Camden Valley Way. As a result, Coles may in the future seek to increase its retail presence in the Established, New Release and 2168 districts. Where possible, this should occur in existing centres, for example in Carnes Hill where there is a large amount of remaining capacity and several vacant sites.

6.3 Commercial land uses

Section 5.3 estimated the demand for commercial floorspace in each District in the Liverpool LGA as a result of population-driven commercial jobs and strategic commercial jobs. It found that the expected increase in the population of the Liverpool LGA would lead to demand for an additional 16,541 sqm of floorspace for commercial offices outside of the Liverpool CBD. This can be accommodated in existing centres given modest redevelopment of some sites, as well as in new centres which are expected to be developed in Middleton Grange, Holsworthy, Edmondson Park and Austral.

Section 5.3 also estimated demand for strategic commercial floorspace in the Liverpool LGA based on employment projections. The jobs associated with this floorspace demand would be predominately business serving rather than associated with providing services to the local population. As such, they do not need to be distributed throughout the LGA towards where housing development is occurring. Instead, floorspace demand will be targeted towards the part of the Liverpool LGA which are most attractive to businesses.

Businesses will generally decide to locate in places that:

- Improve their productivity,
- Are near their supply chains and customers,
- Are affordable for them,
- Which offer high levels of amenity for their staff, and
- Which offer suitable levels of prestige, particularly for knowledge-intensive industries.

It is important for businesses to be able to access a suitable large labour pool, which in many cases necessitates a location near a train station or near a motorway if employees are expected to drive and parking is available. In the Liverpool LGA, the most attractive location for businesses in knowledge intensive industries based on these attributed is the Liverpool CBD. There are no major business parks in South-West Sydney which would compete with Liverpool, however Liverpool competes for business location with other parts of Greater Sydney.

Other centres in the Liverpool LGA besides the Liverpool CBD are unlikely to be competitive for office locations. In the long-term, Leppington is intended to become a major centre and the Western Sydney Aerotropolis Core next to the Western Sydney International Airport is intended to become part of the metropolitan city cluster of the Western Parkland City and therefore one of the primary centres of Greater Sydney.

Liverpool's role as a commercial centre should be encouraged by Council, particularly in light of the economic opportunities offered by the construction of Western Sydney International Airport. Large commercial developments have recently been proposed in the Liverpool CBD, creating a perception of a centre with development momentum and whose economy is evolving. In the short-medium term, promoting other parts of the Liverpool LGA as commercial office destinations would risk detracting from the economic momentum of the Liverpool CBD, which has a very large amount of development capacity.

6.4 Western Sydney Aerotropolis

The construction of the Western Sydney International Airport and the associated Western Sydney Aerotropolis is intended to act as a major catalyst for economic development in Western Sydney. The form and contents of the Aerotropolis are currently in planning and so it is not clear what its retail role will be. If the Aerotropolis contains a major regional-scale shopping centre which is accessible by motorway from Liverpool's residential suburbs, this could impact on the retail performance of Liverpool CBD as it would be competing with the new centre for expenditure from people living in the western part of the LGA's suburbs. Liverpool's other centres generally have a more localised retail role and would be unlikely to be significantly affected.

The Western Sydney International Airport will be a relatively small airport immediately after opening, with passenger projections for three million passenger movements per year in 2026. This is slightly less than Canberra Airport in 2018 and only 7% of Sydney Airport's number of passengers in 2018 (noting that passenger numbers through other airports is expected to increase between 2018-2026). In the longer term, it will provide an entry point for tourists coming to Western Sydney and to Sydney. This creates an opportunity for Liverpool to act as an entry point for these tourists. The majority of tourists who currently visit the Liverpool LGA are visiting friends and relatives²⁷. These people are likely to stay with others and the resulting retail expenditure would be spread throughout the LGA.

The greatest opportunity for the Liverpool LGA to attract a broader range of visitors in the future is for them to travel from the Western Sydney International Airport to the Liverpool CBD. This would increase retail expenditure in the Liverpool CBD and would bolster the opportunity for it to develop as a destination for hospitality.

New transit-oriented developments

Council are considering the creation of high-density transit-oriented development (TOD) centres on the route of the proposed rapid transit corridor from the Liverpool CBD along Hoxton Park Road and Fifteenth Avenue to the Western Sydney Aerotropolis and Western Sydney International Airport. Investigations around the rapid transit corridor are still underway and detailed planning has not occurred, and so the ultimate size and functions of the potential TODs has not been determined.

The role of retail centres within TODs should fit within the broader centre hierarchy. There is limited demand for a large new retail centre in the Liverpool LGA, as demonstrated in this report. In addition, while any new centres should be designed to be a vibrant and well-designed place, it is unlikely to be co-located with a large amount of social infrastructure. For this reason, it should not act as a new town centre.

²⁷ Liverpool City Council 2019, *Destination Management Plan Draft 2018/19-2022/23*

The most natural role for a new TOD centre within the retail hierarchy is as a local centre with a focus on serving the day to day needs of the local population, rather than on attracting a broader range of expenditure to the area. Such a centre would likely contain a small supermarket and some speciality retailing, restaurants and cafés. The amount of retail delivered should roughly correspond with the additional retail demand created by the other development proposed in the centre. This will minimise the impacts that the new centre will have on turnover in other nearby centres.

7. RETAIL HEIRARCHY

7.1 The role of Liverpool's centres

Planning for the future of retail and commercial centres in the Liverpool LGA should be based upon a vision for the future role and character of each centre. As well as how retail turnover changes in the future (discussed in Section 7.1), the retail hierarchy should reflect the much broader role that centres play than just as convenience-based retail facilities. As recognised in the GSRP and WCDP, local centres are focal points of neighbourhoods, provide local employment, and can be an important part of a 30-minute city where high quality public transport is available.

In recognition of the importance of local centres and their position within communities, the WCDP specifies that they should be planned through a place-based planning process. This is discussed in the box on the right and would aim to recognise what makes each centre unique and build on those qualities to create great places.

The GSRP discusses three elements that should be combined in a great place:

- A well-designed built environment,
- Social infrastructure and opportunity, and
- Fine grain urban form.

Mapping out whether Liverpool's centres meet these objectives provides a direction for their future planning, which the WCDP identifies is to meet principles including a focus on the public real and open space; development co-located with social infrastructure; and good walking, cycling and public transport connections. These principles should be combined with an understanding of the retail market in future planning.

Definition: A place-based approach to planning

The NSW Government defines a place-based planning approach is defined as “a design-led and collaborative way of examining the complexity of the city by viewing it as a mosaic of different places, each with unique sense of place.”

A place-based approach to planning in local centres requires a detailed understanding of how places work, based on input from many stakeholders including the local community. This knowledge is then incorporated into a vision and strategies about how to manage change or protect and enhance valued assets. The vision should be developed with people with local expertise, knowledge and responsibility, including with the local community.

Integration with social infrastructure

The social infrastructure available in each of Liverpool centres (except neighbourhood centres) is shown in Table 21, and mapped in Appendix A. Liverpool's Town Centres are generally co-located with the largest amount of social infrastructure and each contains a library. These centres are distributed through the LGA and there is at least one in each district.

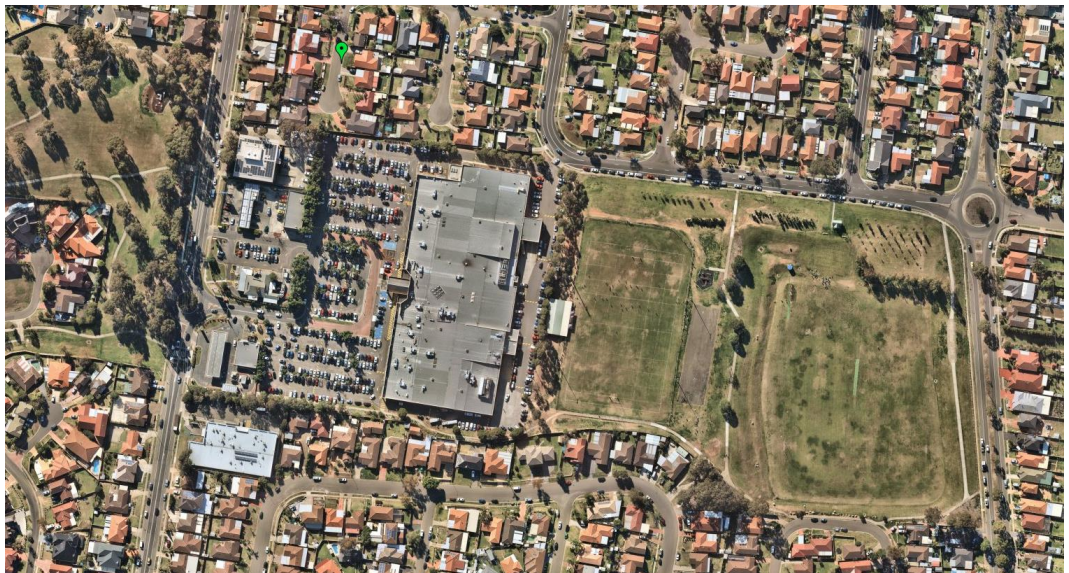
Co-location with social infrastructure is more mixed in Liverpool's smaller centres. Social infrastructure which is well-integrated with a centre will act as an anchor and bring people to the centre, increasing its competitiveness with other centres. It also has the potential to assist with its activation at a variety of times of the day, and to improve the amenity of the local environment. This will be important in centres seeking to transition towards providing an experience which can compete with online retail or providing a greater focus on hospitality.

While village centres generally have better co-location than small village centres, some have little or no social infrastructure. In these cases, the centre provides convenient access to retail facilities and some services to the local community but is unlikely to take on a broader role as the focal point of the community which provides a variety of functions.

While co-location with social infrastructure is important for a local centre to take have a strong place function, the integration of this social infrastructure with the design of the centre will determine whether it forms a cohesive part of the centre or operates separately. Other factors including the design of the centre, the retail facilities it provides and its accessibility by a variety of modes are also important factors. Liverpool's local centres are rated on these factors in Table 22.

While town centres in Liverpool have good co-location to social infrastructure, in almost all cases this infrastructure is poorly integrated with the design of the centre. Green Valley is an example of this and is shown in Figure 18 below. In this case the retail centre is car-based in design and does not encourage walking to the district centre and library next door or to the sports fields behind the centre or the open space across Wilson Road.

FIGURE 18: THERE IS POOR INTEGRATION BETWEEN THE RETAIL CENTRE AND SURROUNDING SOCIAL INFRASTRUCTURE AT GREEN VALLEY



Source: Nearmap 2019

Specialised retail centres in Liverpool's B5 zones and out-of-centre retail areas along major road corridors have a notable lack of co-location with social infrastructure. As they have been planned to provide a car-based role, they are not near any social infrastructure or other enabling infrastructure. This makes them inappropriate for a broader centre role unless substantial design interventions take place.

Accessibility

Liverpool's town centres are generally accessible by public transport, as shown in Table 21 (in this case frequent public transport is defined as a service roughly every 20 minutes). Other centres are generally less accessible.

Town centres, village centres and small village centres are generally walkable from the surrounding areas (see Table 22), with positions surrounded by residential development and direct roads leading to the centres. There are some exceptions, with centres located along major roads which may not have frequent crossings, and hostile walking environments.

Those centres in Liverpool which have the easiest access by road are located next to major highways like the Hume Highway, Newbridge Road or Camden Valley Way. These centres are

well suited to attracting people from a broad trade area who can easily drive to the centre. However, these centres also have poor walkability from the surrounding area and car-based designs do not provide high levels of amenity for a broad range of functions. By contrast, centres like Moorebank and Cecil Hills are located off main thoroughfares, so road access is less easy, but they are located at the centres of the surrounding suburbs.

Retail anchors

All town centres and village centres in the Liverpool LGA contain at least one existing or proposed major supermarket (see Table 22). These retail anchors will maintain patronage in the centre even if spending in other retail categories shift towards online retailing or larger centres. Carnes Hill and Casula also contain discounted department stores, giving them a stronger retail base.

Liverpool's small village centres generally contain only a small supermarket, which makes them vulnerable to shifts in consumer patronage towards larger centres. These threats are particularly acute where the amenity of the centre is low, or they have poor walkability from the surrounding area.

Centres without a retail anchor in the form of a supermarket or large grocery store should be regarded as neighbourhood centres and are not listed in Table 22. Some of these centres also perform a local place-based function, which will provide a continuing important role in the future. Others may need to transition in uses in the future.

Amendments to centre hierarchy

Following from the analysis in this section, it is clear that the Liverpool CBD and town centres in the LGA perform a higher-order retail and place-based function compared to smaller centres. This role should be encouraged in the future.

Smaller centres in the Liverpool LGA, apart from neighbourhood centres, should be considered based on whether they have a strong place-based role and are accessible by diverse transport modes, or whether they perform a car-based role which increases the ability of the community to meet their day to day retail needs in a convenient way. Based on this distinction, smaller centres in the LGA have been classified as either local centres or stand-alone centres.

TABLE 21: THE CO-LOCATION OF SOCIAL INFROASTRUCTURE WITH LIVERPOOL'S CENTRES – GREEN CELLS INDICATE CO-LOCATED SOCIAL INFRASTRUCTURE

Centre	Previous classification	Police station	Recreation Centre	Library	Open Space	Schools	Community facilities	Frequent public transport	Overall social infrastructure rating
Liverpool CBD	Regional City								Very good
Moorebank	Town Centre								Good
Carnes Hill									Very good
Casula									Very good
Green Valley									Very good
Edmondson Park									Very good
Miller									Very good
Chipping Norton	Village Centre								Poor
Cecil Hills									Good
Flowerdale									Moderate
Middleton Grange									Moderate
Holsworthy Plaza									Poor
Wattle Grove									Good
Hammondville	Small Village Centre								Poor
Hoxton Park									Moderate
Edmondson Avenue									Poor
Prestons									Moderate
Luddenham									Poor
Green Valley Road									Poor
Lurnea									Moderate
Gov Mac Shopping Centre									Poor
Casula Shopping Centre									Poor
Orange Grove	Stand alone centre								Poor
Crossroads	Out-of-centre bulky goods cluster								Poor

TABLE 22: THE CHARACTERISTICS OF LIVERPOOL'S CENTRES AND THEIR SUGGESTED CLASSIFICATION

Centre	Previous classification	Stand-alone function	Social infrastructure	Design integration with social infrastructure	Walkability	Road accessibility	Design integration with the street	Supermarkets	Department stores
Liverpool CBD	Regional City		Very good	Good	Good	Good	Good	Large x 3	Kmart, Big W, Myer
Moorebank	Town Centre		Good	Poor	Good	Poor	Car-based	Large	No
Carnes Hill			Very good	Poor	Moderate	Good	Car-based	Large x 2	Big W
Casula			Very good	Poor	Moderate	Moderate	Internal focus	Large x 2	Kmart
Green Valley			Very good	Poor	Moderate	Moderate	Car-based	Large x 2	No
Edmondson Park			Very good (Proposed)	Good (Proposed)	Good (Proposed)	Good	Good (Proposed)	Proposed	Proposed
Miller			Very good	Moderate	Good	Moderate	Moderate	Large x 2	No
Chipping Norton	Village Centre	Yes	Poor		Moderate	Moderate	Internal focus	Large	No
Cecil Hills			Good	Poor	Good	Poor	Car-based	Large	No
Flowerdale		Yes	Moderate	Poor	Very poor	Good	Car-based	Large	No
Middleton Grange			Moderate	Unknown	Good (Proposed)	Poor		Proposed	No
Holsworthy Plaza		Yes	Poor		Moderate (Proposed)	Good		Proposed	No
Wattle Grove			Good	Moderate	Good	Poor	Car-based	Large	No
Hammondville	Small Village Centre		Moderate	Good	Good	Poor	Good	Small	No
Hoxton Park		Yes	Moderate	Poor	Very poor	Good	Car-based	Small	No
Prestons			Poor		Moderate	Poor	Car-based	Small	No
Luddenham			Poor		Rural	Rural	Good	Small	No
Green Valley Road			Moderate	Moderate	Moderate	Moderate	Car-based	Small	No
Lurnea			Moderate	Moderate	Good	Poor	Good	Small	No
Gov Mac Shopping Centre		Yes	Poor		Moderate	Moderate	Good	No	No
Casula Shopping Centre		Yes	Poor		Moderate	Good	Car-based	No	No

Centre	Previous classification	Suggested classification	Social infrastructure	Design integration with social infrastructure	Walkability	Road accessibility	Integration with the street	Supermarkets	Department stores
Orange Grove	Stand alone centre	Yes	Poor		Very poor	Good	Internal focus	Proposed	Proposed
Crossroads	Out-of-centre bulky goods cluster	Yes	Poor		Very poor	Good	Car-based	No	No
Woolworths Casula		Yes	Poor		Moderate	Good	Car-based	Large	No
Woolworths Prestons		Yes	Poor		Moderate	Good	Car-based	Large x 2	No

Colours in this table provide an illustration of the labels through a qualitative ranking where red is generally poor, yellow is moderate and green is good

7.1 Economic prospects of centres

The future economic prospects of different centre classifications as defined under the *Liverpool Retail Centres Hierarchy Review* was discussed in Section 5.2 following from the results of retail modelling. Along with the district-based retail floorspace gap identified in Section 6.1 and the retail trends and drivers identified in Section 3, this provides an indication of whether changes are necessary to Liverpool's retail hierarchy in response to potential changes in centres' economic prospects.

Existing town centres

Section 5.2 showed that retail floorspace demand in existing Town Centre is likely to grow slightly (by approximately 4.8%) between 2019-2036. Along with the range of retail facilities and anchor tenants in these centres, this additional demand means that Town Centres are likely to perform well in the future. Some expansion of retail floorspace may be supportable, particularly of an additional supermarket and some additional specialty retail premises in the New Release District as identified in Section 6.1. However, any necessary expansion can be accommodated in existing centres and turnover is not forecast to increase enough to indicate the need for additional town centres beyond those contemplated in existing policy settings.

Existing village and small village centres

As noted in Section 5.2, retail floorspace demand in existing village and small village centres is predicted to be relatively static in the future. There is the potential for online retail to compete with traditional retail above the level predicted in SGS's modelling, or for consumers preferences to continue to shift. For this reason static modelled floorspace demand raises the threat that turnover in some village and small village centres may decline in real terms. This would be exacerbated by additional out of centre retail development. However, village and small village centres all contain at least a small supermarket, which in the context of the increasing role of food retailers in anchoring retail precincts, provides a basis for the continued relevance of these retail centres in meeting the day to day needs of nearby communities.

Retail floorspace demand is not predicted to increase enough to indicate the need for village centres to be reclassified as town centres.

A transition in use profile within some village and small village centres may occur in the future to take advantage of increased expenditure on food and hospitality, and this should be encouraged.

Existing neighbourhood centres

As shown in Section 5.2 retail floorspace in these centres is predicted to decline slightly. Unlike village and small village centres, neighbourhood centres are not anchored by supermarkets. Given the potential for increased competition from larger centres and online retail in the future, some neighbourhood centres may decline or become unviable.

Greenfield centres

Greenfield centres are likely to attract customers in proportion to their new floorspace and the modelling results in Section 5.2 suggest that the associated floorspace demand will grow after the development of each new centre as surrounding retail development occurs. As noted in the Town Centre section above, there is not predicted to be a sufficiently large retail floorspace gap in any district to support the elevation of any proposed greenfield centre to town centre status, beyond those which are already proposed and included in the model.

The lack of a large retail floorspace gap in the Eastern District in 2036 shows that there is unlikely to be capacity to expand the size of the proposed Holsworthy Town Centre beyond the size currently proposed without substantial impacts on other centres in this District. The potential impacts of the Holsworthy Town Centre are examined in more detail in Appendix B.

7.2 Recommended amendments to the retail hierarchy

Following from the above analysis, SGS recommends that the intended future role of individual centres in the Liverpool LGA be based on:

- The amount of retail floorspace that they contain,
- The presence of anchor tenants, which will influence future retail prospects,
- Likely future retail demand in the associated district,
- Their capacity to act as social connectors and hubs, and
- Their accessibility and design.

Expansions of existing centres should improve the integration with the public domain and with nearby social infrastructure and other services. Centres which are not co-located with social infrastructure and which have a more car-based role and design serve an important retail function but should not be encouraged to expand.

The following tables show recommended amendments to the Liverpool retail hierarchy, with the aim of concentrating retail expansion in centres with the best alignment with social infrastructure and the surrounding public domain. An exception to this is large format retail centres, which are vulnerable to online retail competition and broader economic trends and in which a limited diversification of uses may be appropriate.

Amendments to categories

Amendment	Rationale
Rename the regional city category to metropolitan cluster, with this category to remain the primary location for commercial development and higher-order functions	<p>The Western City District Plan and Greater Sydney Region Plan set the high-level strategic planning context for the Liverpool LGA and define Liverpool City Centre and the Aerotropolis Core as Metropolitan Clusters.</p> <p>As discussed in Section 6.3, the Liverpool City Centre is the most attractive location in the Liverpool LGA for businesses and is the most suitable for commercial intensification.</p> <p>In the long term the Western City District Plan and Greater Sydney Region Plan set a vision for the Aerotropolis Core to be an additional higher order centre providing a range of jobs and services.</p>
Retain the town centre category, with town centres to provide the highest level of services and social infrastructure outside of metropolitan clusters	<p>Town centres in the Liverpool LGA perform a higher-order retail and place-based function compared to smaller centres. Concentrating the highest level of retail provision, services and social infrastructure in a limited number of centres will ensure that they are vibrant places that are viable and provide for the needs of the population in their catchments, while ensuring that people do not need to travel long distances to access high-order retail and services.</p>
Combine the village and small village centre categories to create a new local centre category	<p>The <i>Western City District Plan</i> and <i>Greater Sydney Region Plan</i>, as well as <i>Planning Future Retail Centres</i> by the Department of Planning and Environment, emphasise the need to allow centres to grow and evolve over time.</p> <p>Village and small village centres both perform similar retail functions. They are smaller than town centres and provide for day to day retail needs, anchored by supermarkets or large grocery stores. While some village and small village centres are larger than others, combining these categories provides additional flexibility for the role and composition of these centres to change over time. Maintaining separate categories and embedding these categories in planning instruments and strategic planning expectations would risk constraining the evolution of small village centres, which face many of the same risks as neighbourhood centres and could face decline in turnover over time if they are unable to evolve.</p>

Amendment	Rationale
Retain the neighbourhood centre category	The Liverpool LGA contains multiple centres with only a limited amount of retail floorspace and without supermarkets or large grocery to anchor them and ensure continued foot traffic. The planning response to these centres should differ from the response to larger centres which have a supermarket anchor.
Expand the stand-alone centre category to include village and small village centres which are not deemed to have a strong place-based function.	As discussed in Section 7.1, the place-based function of a retail centre to act as a social connector and centre of the local community is influenced by its design, co-location with social infrastructure and accessibility by diverse transport modes.
Make town centres and local centres the primary locations for retail development, with stand-alone centres expanding only if there is limited capacity elsewhere, if they can act as a local or town centre in the future, and if there will not be a substantial impact on the viability of a local or town centre.	Focusing service, retail and social infrastructure development in town and local centres will ensure that they remain viable retail centres offering a broad range of retail premises and that their place-based function at the centre of local communities is consolidated and complemented by their retail function. Stand alone centres form an important part of Liverpool's retail landscape and retail accessibility, but do not have the same capacity as town and local centres to act as centres of the local community.

Classification of existing centres

Amendment	Rationale
Retain all existing and proposed town centres in the town centre category	<p>There is a clear distinction between the retail and service provision in town centres and that of other centres, as illustrated in Section 7.1. Town Centres have a larger amount of social infrastructure and generally provide a broader range of retail facilities. They also have relatively large population catchments separating them from other town centres.</p> <p>Moorebank is the town centre with the fewest retail anchors and the worst co-location with social infrastructure, but its status as the only town centre in the Eastern District means that its position in the hierarchy should be retained.</p> <p>The modelled retail floorspace demand by centre type and retail floorspace gap by district do not indicate that additional town centres need to be created in established parts of Liverpool, with the floorspace gap generally able to be accommodated within existing town centres and greenfield centres.</p>
Classify Cecil Hills, Wattle Grove, Hammondville, Prestons, Luddenham, Green Valley Road, Lurnea, Edmondson Avenue and Epsom Road as local centres	Each of these centres were previously classified as village or small village centres and perform relatively well is several of the place-based criteria of social infrastructure integration, walkability from the surrounding area and design integration with the street.
Classify Chipping Norton (Barry Road x Ernest Avenue), Flowerdale, Holsworthy Plaza, Hoxton Park, Casula Shopping Centre and Orange Grove as stand-alone centres	Each of these centres were previously classified as village or small village centres, but do not perform as well as the other village or small village centres in the place-based criteria of social infrastructure integration, walkability from the surrounding area and design integration with the street.
Classify Woolworths Casula and Woolworths Prestons as stand-alone centres	These centres consist of stand-alone supermarkets co-located with several other shops. They were built since the <i>Liverpool Retail Centres Hierarchy Review</i> was written. As they provide several retail premises as well as supermarkets they meet the criteria for local centres, but their design and locations mean they primarily facilitate car-based supermarket access rather than having the potential to fill a broader place-based role.

Classification of greenfield centres

Amendment	Rationale
Classify Middleton Grange as a local centre	<p>Middleton Grange was previously classified as a Village Centre and has not yet been built. The floorspace of the Middleton Grange centre anticipated in current planning controls is consistent with a local centre role. There is not a large enough retail floorspace gap in the New Release District or a large enough catchment around the Middleton Grange Centre to reclassify it as a town centre. In addition, road access to the Middleton Grange centre site is more constrained than road access to most town centres.</p> <p>The centre site is co-located with proposed parkland and with the local school. Planning controls intend to facilitate a mixed-use town centre. These attributes make Middleton Grange suitable to be developed as a local centre with strong design integration with the surrounding area.</p>
Classify Holsworthy as a local centre	<p>Holsworthy was previously classified as a village centre.</p> <p>The location of the proposed Holsworthy centre would be most closely aligned with a stand-alone centre designation. It is not co-located with social infrastructure or highly accessible on foot from a large surrounding population catchment, both of which would ordinarily be required for a local centre. While it is next to the Holsworthy Station, it is located on a major road, which lends itself to a car-focused function.</p> <p>A designation for Holsworthy as a local centre reflects the potential for a mixed-use centre development (which is permissible under current planning controls) to be designed to integrate with the surrounding area and so fulfill a place based role despite the lack of surrounding social infrastructure or a large walking catchment. If the centre were delivered with an inward focused car-based design and without a mix of uses, a designation as a stand-alone centre would be more appropriate.</p> <p>The amount of retail floorspace permitted at Holsworthy is consistent with a local centre role. Retail modelling shows that floorspace demand in the Eastern District is unlikely to grow substantially in the future, and so there is no need for an additional town centre in this area.</p>
Add proposed retail centres in Austral and East Leppington and the Western Sydney Parklands Business Hubs to the retail hierarchy	<p>Additional centres are proposed in Austral and the Western Sydney Parklands and should be considered as part of the same strategic framework governing other greenfield and established centres.</p> <p>The proposed size (up 30,000sqm retail or commercial GLA) and large natural population catchment (the northern half of Austral) of the proposed centre at the intersection of Edmondson Avenue and Fifteenth Avenue is consistent with a designation as a town centre.</p> <p>The centres at Gurner Avenue, Eighth Avenue and Tenth Avenue are proposed to have up to 10,000 sqm of retail or commercial GLA and to have an outward focused design which in most cases is co-located with open space or other social infrastructure. This is consistent with designations as local centres.</p> <p>The proposed large bulky goods retailing area in Austral has a natural classification as a stand-alone bulky goods cluster similar to Crossroads.</p> <p>Any retail premises developed in business hubs in the Western Sydney Parklands would be car-focused rather than intended to act</p>

Amendment	Rationale
	<p>as local centres at the centre of residential communities. As such, they should be designated as stand-alone centres.</p> <p>The inclusion of proposed centres in the retail hierarchy should not change development expectations for these centres, which are mostly set in growth area DCPs and the <i>State Environmental Planning Policy (Sydney Region Growth Centres) 2006</i>.</p>

7.3 Recommended retail hierarchy

TABLE 23: RECOMMENDED RETAIL HIERARCHY FOR THE LIVERPOOL LGA

Centre type	Role	Features	Future development
Metropolitan Cluster (Liverpool CBD)	Regional-scale mixed-use centre of retail, services and business	<ul style="list-style-type: none"> Commercial office development Multiple supermarkets and department stores Higher-order services 	Significant future development is likely
Town centre (B2 zone)	Large retail centres which act as community gathering places with a range of uses	<ul style="list-style-type: none"> One or more full line supermarkets A broad range of specialty retail A concentration of social infrastructure Some other services Good public transport and pedestrian accessibility 	<p>Should be the priority for retail and service development outside the Liverpool CBD.</p> <p>Design integration with social infrastructure should be improved as part of any expansion.</p>
Local centre (B2 zone)	Smaller retail centres which meet convenience retailing needs as well as acting as a community gathering place	<ul style="list-style-type: none"> A supermarket or large grocery store Some other retail facilities Co-location with social infrastructure Good pedestrian accessibility from surrounding residential development 	<p>Public domain improvements and some expansion of these centres may be appropriate.</p> <p>Design integration with social infrastructure should be improved as part of any expansion.</p>
Stand-alone centre (Retain current B1, B2 or B6 zones)	Provide for the convenience and specialised retail needs of the local community, but do not act as mixed-use centres of the local community	<ul style="list-style-type: none"> A supermarket or significant specialised retail facilities No or limited co-location with social infrastructure Good access from the arterial road network 	Should be expanded only if there is limited capacity elsewhere, if they can act as a local or town centre in the future, and if there will not be a substantial impact on the viability of a local or town centre.
Neighbourhood centre (B1 zone)	The smallest centres which make a small contribution to meeting the day to day retailing needs of the local community	<ul style="list-style-type: none"> A small amount of retail floorspace No supermarket, large grocery store or significant specialised retail role Multiple retail premises (not just a petrol station or one stand-alone store) 	Vulnerable to declines in the future and so a change in use including mixed use redevelopment with a reduced retail component may be required if they decline or experience long-term vacancies
Out of centre bulky goods cluster	Provide for consolidated bulky goods retailing and specialised retailing in a single location which facilitates comparison shopping	<ul style="list-style-type: none"> Large specialised retail facility with multiple premises Good access from the arterial roads network A small amount of unrelated floorspace or services 	<p>Changes in specialised and bulky goods retail tenant profiles are appropriate.</p> <p>Traditional retail and service development should occur only if proposed premises cannot reasonably locate in another centre and constitute a small proportion of total floorspace.</p>

Further potential directions and actions for the development of each kind of centre are provided below.

Metropolitan Cluster (Liverpool CBD)

- Continue to act as the primary destination for employment and services in the LGA.
- Plan for provision of a greater amount of hospitality and dining space.

Town centres

- Integration with social infrastructure and the surrounding streets is generally poor and should be improved as part of any centre expansions or infrastructure investment in the area.
- Advocate for the rationalisation of public transport services to make Town Centres nodes of the local public transport network.
- Encouraging surrounding medium or high density residential development to improve the vibrancy of centres providing that it meets other planning objectives including alignment with local infrastructure, desired future housing character and any environmental constraints.

Local centres

- Encourage these centres to diversify uses somewhat to allow these centres to take on a broader role within the community
- Encourage mixed use redevelopment where required, especially if smaller centres are threatened by continuing centralisation of retailing.
- Ensure that any expansion does not detract from the higher order role of town centres, which contain a greater amount of social infrastructure, a broader retail offering and have the potential to form nodes in the public transport and active transport network.

TABLE 24: PROPOSED SGS CENTRE HEIRARCHY

Centre type	Centre name	Previous centre classification
Metropolitan Cluster	Liverpool CBD	Regional City
	Aerotropolis Core (proposed)	Not included
Town centre	Moorebank	Town Centre
	Carnes Hill	
	Casula	
	Green Valley	
	Edmondson Park	
	Miller	
	Proposed Austral major centre (Fifteenth Avenue x Edmondson Avenue)	Not included
Local centre	Cecil Hills	Village Centre
	Wattle Grove	
	Middleton Grange (proposed)	
	Holsworthy (proposed)	
	Austral centres (besides Fifteenth Avenue x Edmondson Avenue)	Not included
	<i>East Leppington</i>	
	Hammondville	Small Village Centre
	Prestons	
	Luddenham	
	Green Valley Road	
	Lurnea	
	Edmondson Avenue	
	Epsom Road	
	Chipping Norton	Village Centre
	Flowerdale Road/Hoxton Park Road	
Stand-alone centre	Hoxton Park Road/Dorrigo Avenue	Small Village Centre
	Casula Shopping Centre (De Meyrick Ave/Hume Highway)	
	Orange Grove	Stand-alone centre
	Woolworths Casula	Not included
	Woolworths Prestons	
	Western Sydney Parklands Business Hubs	
Out of centre bulky goods cluster	Crossroads	Out-of-centre bulky goods cluster
	Sappho Road	Not included

Neighbourhood centres

The Liverpool LGA contains the following neighbourhood centres which are consistent with the definition set in Table 23:

- West Hoxton (Fifteenth Avenue/22nd Avenue)
- Heckenberg (Khancoban Street)
- Reservoir Road (Mount Pritchard)
- Ashcroft (Sinclair Road)
- Sadleir (Bobin Road)
- Cartwright (Wilan Drive)
- Maryvale Avenue (Liverpool)
- Boundary Road/Ives Avenue (Liverpool)
- Rose Street/Gill Avenue (Liverpool)
- Warwick Farm (Mannix Parade)
- Goulburn Street/Hume Highway (Liverpool)
- Grimson Crescent (Liverpool)
- 54 De Meyrick Avenue (Casula)
- Marsh Parade (Casula)
- Alfred Road/Governor Macquarie Drive Chipping Norton (Chipping Norton)
- Kemps Creek (Fifteenth Avenue)

There are other locations which are zoned B1 Neighbourhood Centre in the Liverpool LGA

- Elizabeth Drive/Park Road/Marsden Road (Liverpool)
This zone contains a single petrol station
- Longstaff Avenue (Chipping Norton)
This site contains a large day surgery but no retail premises
- Nuwarra Road/Newbridge Road (Moorebank)
This site contains a red rooster and petrol separated by two other properties and is more appropriately classified as highway retail premises
- Heathcote Road/Wattle Grove Drive (Wattle Grove)
This site contains a single petrol station, with much of the site undeveloped.
- Leacocks Lane/Alcock Avenue (Casula)
This B1 zone has been developed for the purpose of residential accommodation and is unlikely to be developed as a local centre. As such, it would be appropriate to rezone this site to the low density residential zone.
- 630-634 Hume Highway (Casula)
This zone contains a single op shop
- Kurrajong Road/Bernera Road (Prestons)
This site is undeveloped. As it is long, narrow and wedge shaped it would be difficult to develop as a local centre.

8. ADDITIONAL RECOMMENDATIONS

The recommendations in this section are in addition to recommended amendments to the centres hierarchy, which are discussed in Section 7.2.

Retail roles and functions

Action	Rationale
Require development proponents for major retail developments which are inconsistent with current planning controls to demonstrate that there will be minimal impacts on the retail operation of the Liverpool CBD, town centres and local centres .	Liverpool's local centres are important focal points for the local community. While some smaller centres may decline in the future, the Council should protect all larger local centres and ensure that they remain viable in order to retain convenient access to retail centres for the local community.
In all centres except neighbourhood centres, require the retention of the existing amount of retail and commercial floorspace as part of mixed use development.	SGS's modelling has demonstrated that overall floorspace demand for each kind of centre in the Liverpool LGA will remain stable or increase slightly. As such, retail planning should seek to retain retail premises distributed across the LGA to retain current levels of accessibility to retail facilities.
Consider mixed use redevelopment with a reduced amount of retail for existing neighbourhood centres.	Some neighbourhood centres may decline in the future if consumers in the LGA shift towards spending in larger centres beyond the levels anticipated in the retail model. In centres with a high level of vacancy which are not viable in the long term, vacant retail spaces will not be the highest and best use.
Provide the flexibility in planning controls to allow the continued evolution of existing town and local centres in response to the changing retail market.	The increasing prevalence of online retail is forcing retailers and retail centres to shift towards a more experiential retail offering and towards taking a greater food and beverage role rather than a traditional retail role. Larger centres in the Liverpool LGA with a strong place-based function should be allowed to evolve in response to this trend.
Require improved design integration with social infrastructure and the surrounding area as part of any proposed redevelopment or expansion of town centres and local centres.	Most of Liverpool's town centres and local centres currently have poor design integration with surrounding open space and social infrastructure. Better integration would provide additional anchors to these centres and improve their function as multi-purpose great places.

Out of centre retail development

Action	Rationale
Limit the creation of new out of centre retail developments.	There is limited demand for new centres in the Liverpool LGA, and large out-of-centre retail developments could impact on the turnover of existing centres. Out of centre developments cannot take a broader place-based role in addition to their retail functions.
Remove shops as a permissible use in the B6 zone but add permissibility for neighbourhood shops and other kinds of retail premises.	Developments along the Hume Highway are functioning as stand-alone local centres, with uses including grocery stores, restaurants and cafés. These developments have a car-based design and are not well integrated into the local pedestrian network. The current cap of 1,600sqm of retail remises in the B6 zone is not sufficient to prevent

Action	Rationale
	<p>out-of-centre development, particularly considering the potential for retail development to occur on multiple adjacent sites.</p> <p>Allowing neighbourhood shops instead of shops in the B6 zone is the most straightforward way to prevent out of centre development while continuing to allow highway corridors to house some convenience based retail premises.</p>
Remove food and drink premises as a permissible use in the B6 zone but add permissibility for take-away food and drink premises.	Concentration of food and drink premises in existing centres is important to increase their vibrancy and to allow them to evolve in the face of competition and online retailing. There is sufficient capacity to accommodate these uses in existing centres rather than in out-of-centre locations
Increase the connectivity of stand-alone centres along the Hume Highway and Camden Valley Way to the local pedestrian and cycling network.	Pedestrian access to these developments is currently poor. While additional out of centre development should be discouraged, Council should seek to improve multi-modal access to all existing retail centres, including stand-alone centres.
Plan for additional supermarkets to be located in existing town and local centres, including potentially in Carnes Hill and in greenfield centres.	Supermarkets are becoming increasingly important as retail anchors. As they underpin the success of local centres, they should only be located out of centre if they cannot be located in an existing centre. SGS's analysis shows that there may be additional unmet demand for supermarkets by 2036, but that there is capacity for additional supermarkets in the LGA, including in the locations identified in the recommendation.

Access to retail

Action	Rationale
Review zoning framework in Middleton Grange to encourage development of a local centre, with the amount of mixed-use density subject to other planning considerations	The lack of development on the town centre site in Middleton Grange means that the surrounding housing has poor access to retail facilities.
Work with the landowner of the Holsworthy Centre site to encourage development of a local centre, while managing potential impacts on the Wattle Grove centre	The lack of development on the town centre site in Holsworthy means that some of the surrounding housing has poor access to retail facilities. While the Holsworthy Centre development would impact on the performance of Wattle Grove, the development of a centre should be encouraged.
Work with landowners in Austral to ensure the timely development of retail centres despite fragmented land ownership	Land ownership is distributed on some of the development sites in Austral, which could impede orderly development of retail centres. As there are only small retail centres in Austral currently, people moving to this area as a result would need to travel very large distances to the nearest centre if housing development and retail development are out of step.
Review the land zoning of small local centres in Edmondson Park	Sites have been zoned for local centres in Edmondson Park with the R3 zone. These sites have not been developed so far, and the unusual zoning may hinder their development.
Plan for additional small supermarkets in mixed use developments in the City Centre, particularly the southern part of the City Centre, and in Warwick Farm as part of any additional redevelopment	Modelling indicates that there is likely to be increased demand for supermarkets in the Liverpool City Centre as a result of rapid population growth. Most of the current supermarkets are in Westfield and near it. As such, people in the southern part of the City Centre or near Warwick Farm Station are relatively far from supermarkets, which may discourage walking.

Western Sydney International Airport related development

Action	Rationale
Plan for a small retail centre with a local retail role supporting the surrounding population as part of any new TOD centre on Fifteenth Avenue in the established parts of the Liverpool LGA	There is insufficient demand for a large new centre in the established parts of the Liverpool LGA and a new centre would not be co-located with social infrastructure, so any new TOD centre should have a local retail role and have minimal impact on expected retail turnover in nearby centres.
Consider land-banking some land in any proposed TOD to allow higher density development in the future when demand has increased	Demand for higher-density commercial development near a new TOD centre is unlikely to be present in the short-medium term, so retaining the current land zoning could preserve land for future development when demand is higher.

B5, B6 and B7 zones zones

Action	Rationale
Retain the existing B5 and B6 zoned area but do not plan for additional specialised retail areas	SGS's modelling shows increasing demand for household goods retailing in the future, with more demand than expected supply in the established parts of the LGA. However, there is a very large amount of B5 zoned land in Austral, and complete development of this land would likely exceed demand for bulky goods retailing floorspace.
Allow additional retail uses to locate in centres in the B5 zone if proposed as part of a redevelopment, but only if it is demonstrated that they could not reasonably locate in another centre and they constitute a small proportion of the total retail floorspace	<p>DPIE's best practice retail planning guide encourages specialised retail centres to be seen as part of the retail hierarchy and to have flexible planning controls to encourage development of a broader retail experience. This would guard these centres against decreases in expenditure related to increased online trading. Some increase in the mix of uses may then be appropriate.</p> <p>However, as demonstrated in this report, centres in the B5 zone are poorly located with regard to social infrastructure and walkability. Their development should not come at the expense of other centres, and so any new uses allowed should be limited in size and should only be permitted if it is demonstrated that they could not locate within an existing centre.</p> <p>Appropriate additional uses in the B5 zone may overlap in categorisation with other uses which would be more appropriate in a local centre, and should be assessed on a site by site and proposal by proposal basis.</p>
Add a B7 zone to the Liverpool LEP if an innovation district is planned in Warwick Farm	An innovation district is planned in Warwick Farm as part of the Liverpool Collaboration Area. This would not fit well within the existing zoning framework, which allows only for centres, highway retail corridors and specialised retail centres. An innovation district would more closely resemble a business park, and so would require a new land use zone. The B7 zone in the standard instrument is intended to have this use.
Review the zoning of key sites identified in Liverpool Local Environmental Plan 2008 Schedule 1 Clause 9, with the intention of rezoning them to B6 if they have been developed for the purposes of service stations or food and drink premises, providing that this would not create other land use conflicts	These key sites have mostly been developed with services stations and take away food and drink premises, serving a function that would ordinarily fit under the B6 zone. Their current zoning gives Council less control over potential redevelopment of these sites to residential or other uses which may be incompatible with a highway-side location than the B6 zone would.

FIGURE 20: ALIGNMENT OF SOCIAL INFRASTRUCTURE AND LOCAL CENTRE LOCATION IN THE ESTABLISHED DISTRICT

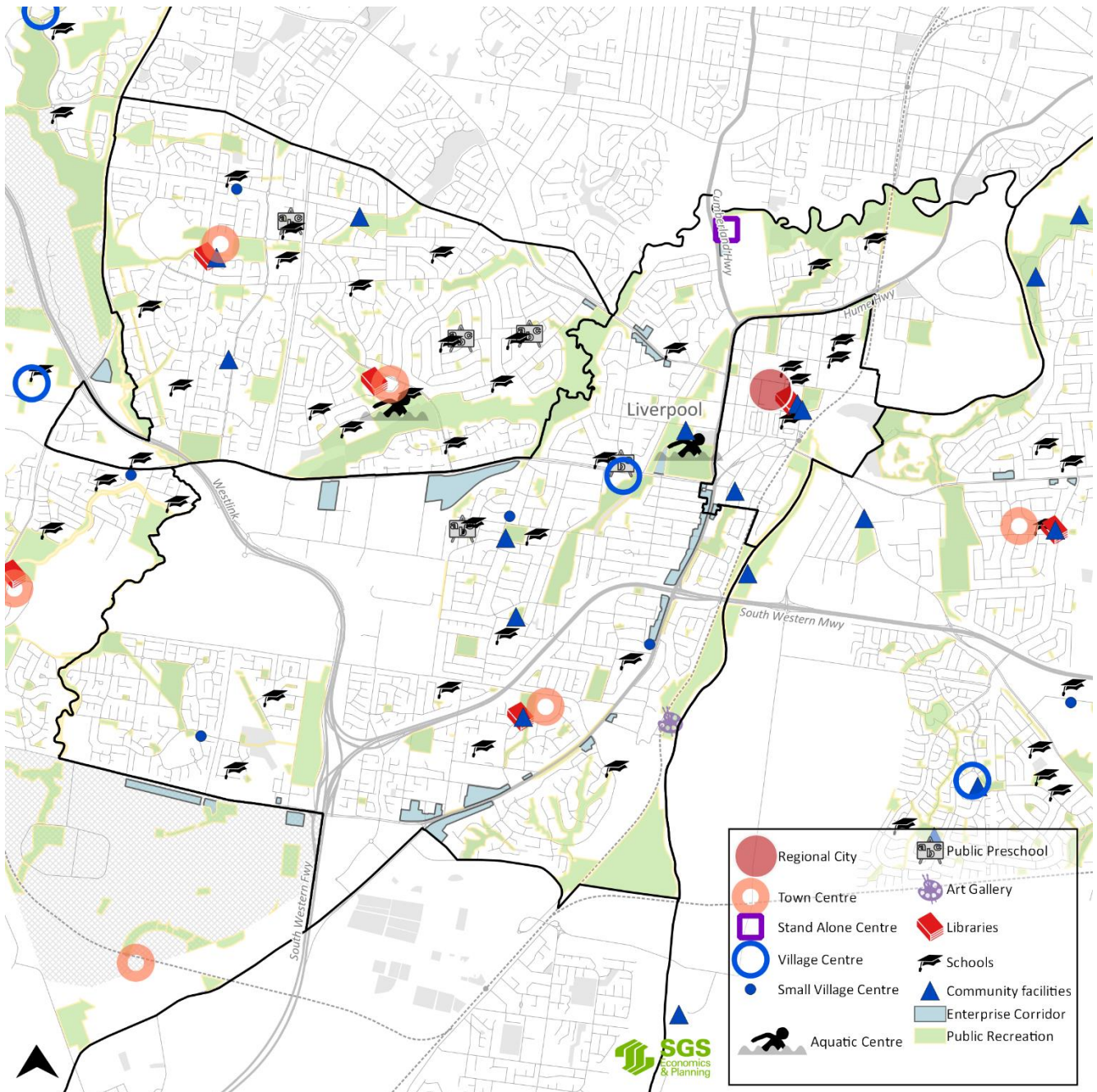


FIGURE 21: ALIGNMENT OF SOCIAL INFRASTRUCTURE AND LOCAL CENTRE LOCATION IN THE NEW RELEASE DISTRICT

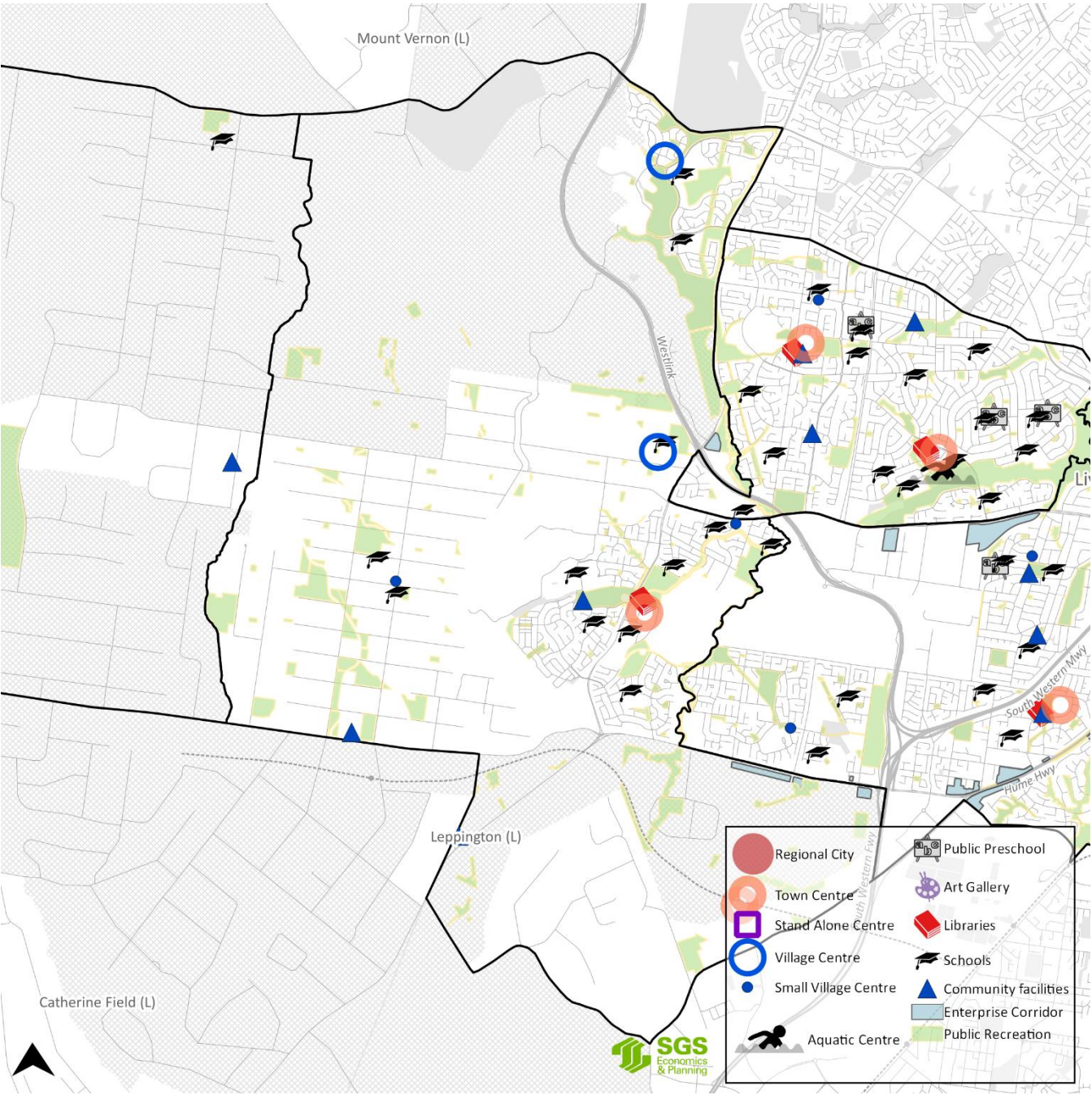
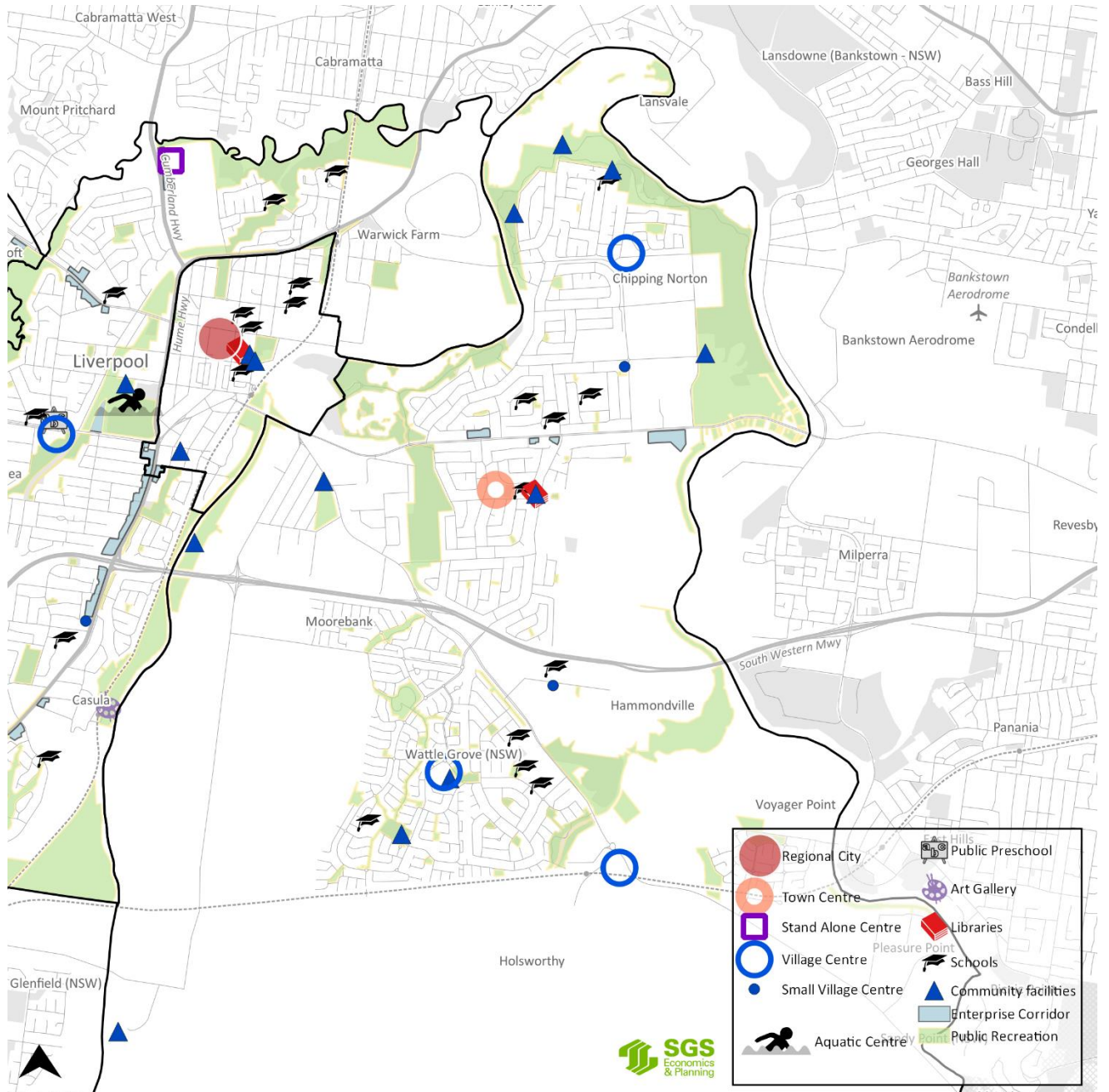


FIGURE 22: ALIGNMENT OF SOCIAL INFRASTRUCTURE AND LOCAL CENTRE LOCATION IN THE EASTERN DISTRICT



APPENDIX B: PROPOSED DEVELOPMENTS

There have been several planning proposals with a retail component since the last review of the retail hierarchy in Liverpool, conducted by Hill PDA in 2012. These proposals generally seek to create a new centre or expand retail floorspace beyond the levels anticipated in the retail hierarchy. This section summarises those proposals and provides an assessment of their impact or alignment with the retail hierarchy. This does not constitute a full assessment of these proposals.

RZ-4/2016 – 36-42 Orange Grove Road Warwick Farm

This proposal (which was revised subsequent to its submission to Liverpool Council) seeks to rezone the subject site from the IN1 General Industrial Zone to the B6 Enterprise Corridor Zone. A master-plan submitted with the proposal includes:

- Around 1,400 apartments,
- 25,000sqm of employment generating floor space including light industries and urban services
- A cap of 2,500 sqm of commercial office space, and
- A cap of 1,500sqm of retail floor space.

1,500sqm of retail is a relatively small amount, and would be likely to cause minimal impacts on surrounding retail centres.

This study recommends that Liverpool City Centre be retained as the primary location for commercial office space in the area. The subject site is relatively isolated and does not have good access to public transport and so is not an appropriate location for significant office or retail development. However, 2,500sqm of commercial office space is significantly smaller than the amount of space provided in the Liverpool City Centre and would be unlikely to create an alternative precinct which competes with the Liverpool City Centre.

The subject site is proposed to be rezoned in isolation of the surrounding sites, which are also zoned IN1 General Industrial. The proposed development is likely to create land use conflicts with the surrounding sites. These could include reverse amenity impacts on existing industrial premises and decreased demand on the subject site as a result of the reductions in amenity caused by surrounding industrial land uses. This would need to form a component of the assessment of the proposal, along with industrial land supply, the likelihood of the proposal to deliver a viable industrial product and the appropriateness of this site for residential development.

RZ-1/2017 – 1370 Camden Valley Way Leppington

This proposal seeks to increase the allowable size of the neighbourhood centre which is planned for the site. Under current provisions in the *State Environmental Planning Policy (Sydney Region Growth Centres) 2006*, a maximum gross floor area of 2,500 square metres of retail premises is permitted in the B1 zone on the subject site. This cap is proposed to be increased to 4,000 square metres.

The subject site is on the eastern side of Camden Valley Way on the border between the Liverpool LGA and the Camden LGA. It is a land-release development site within the East Leppington Precinct of the South West Growth Area. It is approximately 1.5km from the Leppington Train Station, the area surrounding which is proposed to be developed as a major

centre with a regional scale retail, services and commercial function. The only other planned retail centre in the East Leppington Precinct is the Willowdale Shopping centre, which is around 1.4km away and on the eastern side of Camden Valley Way.

The retail needs of the East Leppington Precinct were assessed by SGS in 2013 based on an increase in population of 13,557 from 2016-2031. Many developments have now occurred or been applied for at higher densities than originally anticipated. Based on population forecasts from Forecast.id for the Liverpool and Campbelltown LGAs, and on an estimate of increased residential yields in the Camden LGA, the population of the precinct in 2036 is estimated to be 17,135. This is a moderate increase from the originally anticipated population and would be associated with an increase in retail demand.

The East Leppington Precinct was originally planned to include a retail centre of 16,500sqm at Willowdale. This *State Environmental Planning Policy (Sydney Region Growth Centres) 2006* allows up to this gross floor area in the B2 zone at the Willowdale Centre. Despite this, around 66% of the total area set aside for the centre has been developed with only 5,000sqm of retail floorspace. The existing development occupies the middle of the site, which is likely to constrain the ability of the centre to be expanded to include significant additional retail space. As a result, it is unlikely that a 16,500sqm retail centre will be developed in the short-medium term.

Based on the centre hierarchy proposed in this report, the East Leppington centre would be a local centre. It is proposed to be co-located with open space centrally located within the Liverpool part of the East Leppington Precinct and the street network would facilitate walkable access to the centre. A small expansion of this centre would be consistent with the recommended retail planning framework. In addition, the provision of 4,000sqm of retail space would be within the expected range for a small local centre which is anchored by a supermarket.

Provision of a retail centre in the Liverpool part of the East Leppington Precinct would ensure that residents have appropriate access to retail. The Precinct is cut-off from the proposed Leppington Major Centre by Camden Valley Way which is likely to impede walkability to a retail centre. In addition, there is uncertainty regarding when the Leppington Major Centre will be built.

The retail gravity model in this report includes:

- The current provision of the 5,000sqm Willowdale Centre
- A 2,500sqm centre on the subject site (built between 2026-2031), and
- Retail floorspace at the Leppington Major Centre from 2031 onwards.

The retail floorspace gap (implied demand – expected supply) in the combined East Leppington and Willowdale centres is shown in

These results do not include drive-by trade, which is likely to occur given the location of these centres on Camden Valley Way, and which could increase retail demand.

. The positive gap indicates that centres are expecting to be trading at above average rates.

The model does not include the neighbourhood centre until after 2026 and as the size of the gap in 2026 is less than 4,000 sqm, the opening of the proposed centre before then could impact trading at Willowdale in the short term. By 2031 the gap is just less than 1,500sqm (the difference between the 2,500sqm neighbourhood centre included in the model and the proposed 4,000sqm centre), while the gap in 2036 is larger than 1,500sqm. As such, any short-term impacts of the opening of a 4,000sqm centre would likely be mitigated in the longer term by population growth.

TABLE 25: MODELLED RETAIL FLOORSFAC DEMAND GAP IN EAST LEPPINGTON, INCLUDING WILLOWDALE AND THE LIVERPOOL NEIGHBOURHOOD CENTRES

Year	2026	2031	2036
------	------	------	------

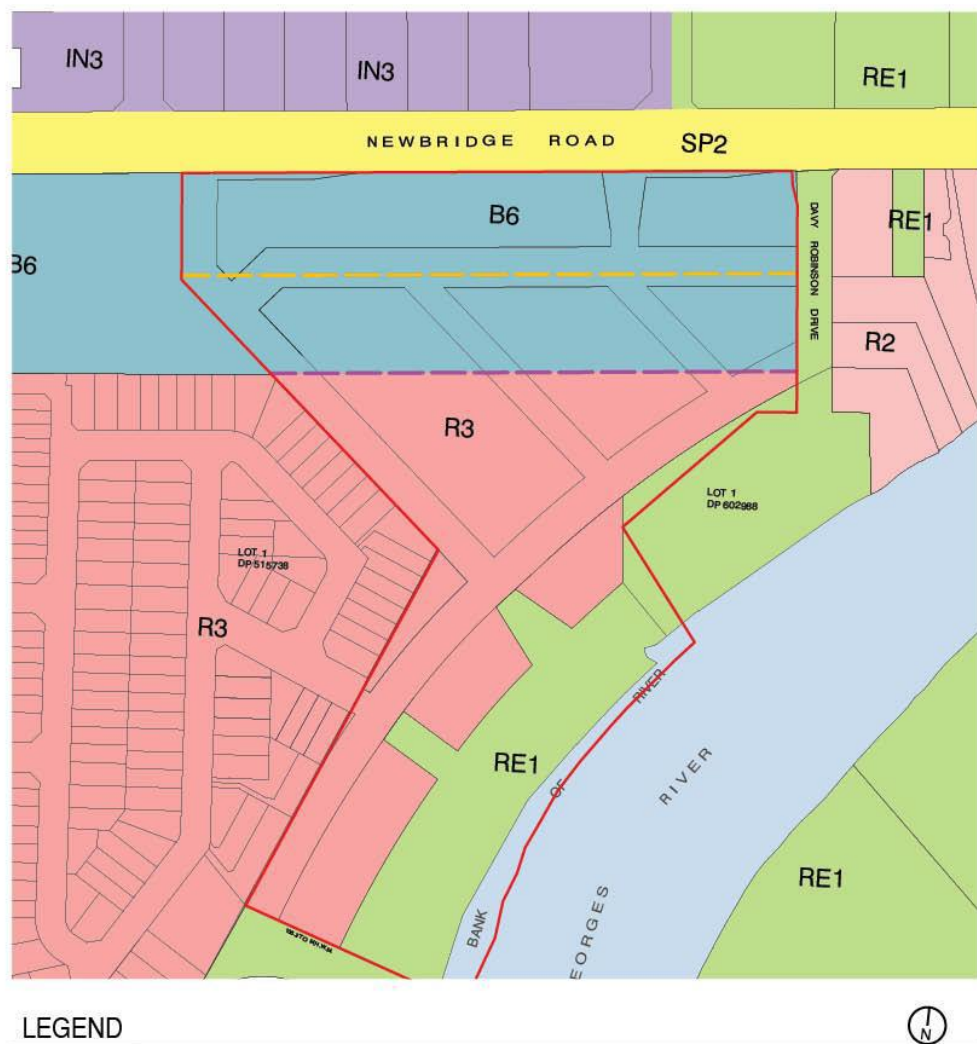
Retail demand (sqm)	2,757	1,386	2,292
---------------------	-------	-------	-------

These results do not include drive-by trade, which is likely to occur given the location of these centres on Camden Valley Way, and which could increase retail demand.

RZ-4/2017 – 124 Newbridge Road Moorebank

This proposal seeks to change the boundaries of the zones on the subject site, including a B6 zone, and to introduce an R3 zone (see Figure 23). This would permit more intensive development of the site, facilitated by proposed increases in the allowable floor space ratio across the site to 1.0:1 and in the allowable building height to permit 5-8 storey buildings.

FIGURE 23: PROPOSED LAND ZONING FOR RZ-4/2017



LEGEND

- Site Boundary
- 50m Commercial Buffer - No Residential within
- 50m Shop Top Housing Buffer - 100m Buffer from Boundary
- B6 Enterprise Corridor Zone
- RE2 Private Recreation Zone
- RE1 Public Recreation Zone
- R3 Medium Density Residential Zone
- IN3 Industrial 3 Zone

Source: RZ-4/2017 planning proposal

The site previously contained a Flower Power retail nursery although this has recently closed. The proposal includes 870sqm of retail for a café, restaurants and related uses along the Georges River. The remainder of the proposed B6 zone is intended to contain commercial office buildings and serviced apartments.

870sqm of retail is a relatively small amount, and would be likely to cause minimal impacts on surrounding retail centres. The proposed commercial development on the site is not located near any large retail centres.

The increased height and floor space ratio allowance on the subject site would likely inflate development expectations and the associated land prices for the portion of land zoned B6. This would render it unavailable to be developed for the purpose of traditional highway retailing, such as a nursery. If there was not sufficient demand for commercial uses to be developed on the site, increasing the allowable development density on the site could sterilise it from development in the short-medium term.

RZ-8/2017 – 2 Macarthur Drive Holsworthy

This proposal applies to the retail centre site in Holsworthy adjacent to the Holsworthy train station. The proposal seeks to allow increased development density on the site to facilitate a mixed-use development with retail provided in a podium. A maximum non-residential gross floor area of 9,000sqm would be imposed with 8,804 sqm of retail gross lettable area included in the associated masterplan. This would include a large and small supermarket and multiple smaller specialty retail tenancies.

The site of this proposal is currently zoned to be developed as a retail centre, and as discussed above this development would increase retail access to the surrounding area. As such, retail development should be supported. However, the form of the development and the total amount of retail floorspace delivered is still to be determined.

Development of this site has not been included in the base-case modelling discussed in Section 5.2. The impact of the development of 8,804 sqm of retail as proposed in the planning proposal has been tested on other centres in the LGA. The proposed development includes a large supermarket, a smaller supermarket and specialty retail premises.

The Liverpool LEP currently allows up to 7,500qsm of retail floorspace to be delivered on the site, and so the planning proposals seeks only a modest increase in the total amount of retail. As the amount of floorspace delivered would be similar with or without the planning proposal, only one scenario has been tested: the development as proposed in the planning proposal between 2021-2026.

Impacts of the planning proposal on turnover in other centres compared to the base case are shown in Table 26. The largest impacts would be on Wattle Grove, with a moderate impact of 10% on retail turnover in 2026. There would also be a moderate impact on the Hammondville Centre, and smaller impacts on other centres in the LGA.

TABLE 26: IMPACTS OF 1% OR GREATER OF THE PROPOSED HOLSWORTHY CENTRE DEVELOPMENT ON TURNOVER OF OTHER CENTRES IN THE LIVERPOOL LGA

Centre	2026	2031	2036
Wattle Grove	-10.0%	-9.5%	-9.2%
Hammondville	-6.8%	-7.2%	-7.0%
Moorebank	-1.6%	-1.6%	-1.5%
Chipping Norton	-1.1%	-1.0%	-1.0%

There would be a similarly large impact on turnover in Wattle Grove from a retail development under the current planning controls. Development approvals have been issued

for a retail development under the current controls, but this approved development contains a smaller proportion of other uses than the planning proposal.

Given the benefits of a retail development occurring at Holsworthy for retail access and the size of the potential impact on other local centres, Council could seek to reduce the size of the proposed retail centre while increasing the overall density of the development. Regardless of whether this occurs, it will be important to work with the development proponent to achieve an appropriate development outcome.

RZ-9/2017 – 146 Newbridge Road Moorebank

This proposal seeks the following amendments to the planning controls applying to the B6 Enterprise Corridor zone on the subject site:

- Increase the allowable development density on the subject site by increasing the floor space ratio from 0.75:1 to 2.0:1,
- Increase the maximum building height, and to
- Include child care centres, seniors housing and health care facilities as additional permitted uses in the B6 Enterprise Corridor Zone.

The proposal is accompanied by a masterplan which shows a new local centre being provided within the B6 zone fronting Newbridge road, including a supermarket and specialty retail totalling 3,584.6sqm or retail net lettable area, a gym, a medical centre, a child care centre, a seniors living facility (94 dwellings) and 2,570 sqm of office floorspace. Around 65 residential apartments and 6 serviced apartments are also shown.

Retail provision in the B6 zone is currently capped at 1,500sqm, and the planning proposal states that it does not seek to amend this. The amendments sought to the Liverpool LEP would rather permit the proposed child care centre, seniors housing and health care facilities to be delivered.

However, even with 1,500 sqm of retail floorspace instead of the 3,584.6 shown in the masterplan, this development would constitute a new local centre including a range of retail premises and other services (the proposed health care facilities, seniors housing and child care centre) in an out of centre location. Open space and a bus service along Newbridge Road are available next to the subject site, but it is not co-located with the wide range of social infrastructure that would be expected for a new local centre site.

The total quantum of retail floorspace would be unlikely to have a significant impact on the trading of other centres in percentage terms. However, the retail modelling in this report found that there is likely to be a contraction in retail demand in the Eastern District, even before the addition of a new retail centre in Holsworthy is considered. This finding would not support the creation of a new local centre.

RZ-2/2018 – 8 Hoxton Park Road, Liverpool

This proposal seeks to change the zoning of the subject site from the B6 Enterprise Corridor Zone to permit a mixed-use development. This development would contain 790 sqm of commercial gross floor area. The proposal does not specify what kind of floorspace would be built.

The site for this proposal is near the corner of Hoxton Park Road and the Hume Highway. The adjoining site has already been rezoned to permit a mixed-use development. This highlights some of the tensions regarding the current application of the B6 zone, which applies to land along major roads leading from the Liverpool CBD. The objectives of this zone are to provide a variety of employment types while limiting retailing activity. Residential development is permitted but only 50m or more from a major road. Residential redevelopment may be incompatible with some highway-side uses which would typically locate in this zone. While low-intensity uses such as service stations may appear to be an underdevelopment of these sites, they have low amenity for many other uses.

Delivery of only 790sqm of retail floorspace would not cause a substantial difference in the overall turnover of other centres. If this floorspace was for household goods, it could be accommodated within the gap for this kind of floorspace in the Established District identified in this section. Delivery of 790sqm of retail space on the site could be accommodated under the current planning controls. As such, this proposal would be likely to have a minimal impact on the surrounding retail landscape.

RZ-4/2018 - 337-349 Newbridge Road

This proposal seeks to change the zoning of a site in Moorebank from IN2 Light Industrial to B4 Mixed Use, with a maximum floor space ratio of 3.2:1. This would permit a mixed use development containing 5,593 sqm of commercial floorspace, a child care centre, 175sqm of café floorspace and approximately 536 apartments.

The site for the proposal is east of the Liverpool CBD in a currently industrial part of Moorebank. It occupies a portion of land between Newbridge Road and Lake Moore.

The construction of a single café would have little impact on the retail landscape of the Liverpool LGA, and the addition of 536 apartments would modestly increase the expenditure.

The creation of a large commercial development on this site would be out of step with surrounding development and with the proposed aim to concentrate high-end office development in the short-medium term in the Liverpool CBD.

RZ-3/2019 – 1400-1480 Elizabeth Drive Cecil Park

This proposal seeks to change the zoning of the subject site from RU4 Primary Production to IN2 Light Industrial. An additional clause would allow up to 30% of the total gross floor area of all development to be retail premises, with the gross floor area of each individual retail premise to not exceed 2,000 sqm. Based upon the proposed floor space ratio of 1:1 and the site area, this would permit up to 31,845.3 sqm of retail space.

The subject site is at the intersection of Elizabeth Drive with Mamre Road. The proposed M12 motorway route runs through the middle of the site. The intersection of Elizabeth Drive with the M7 motorway is approximately 3.2km to the east. The subject site is thus easily accessed from the arterial road and motorway network, which is an important part of suitability for specialised and large-format retail development, which would be the most natural retail use of this site.

SGS's analysis has determined that there is likely to be an oversupply of land for specialised retail development given the amount of land zoned for this purpose in Austral immediately north of Bringelly Road. Development of a further specialised retail centre would exacerbate this problem, and could impact on the operation of both the proposed Leppington Bulky Goods centre in Austral and of other nearby specialised retail centres.

SGS's analysis has shown that it is important to concentrate retail development in existing and planned centres in the Liverpool LGA, and SGS recommends against the creation of out of centre retail development. As there is no restriction proposed on what kinds of retail development would be allowed on the subject site and each retail premise could be up to 2,000 sqm in size, it could allow the creation of a new centre away from any local population catchment.

It is also unclear if the proposed development will be compatible with surrounding land uses once redevelopment occurs given the subject site's position in the Western Sydney Aerotropolis Growth Area, the more detailed plan for which is still being developed.

A masterplan was submitted with the proposal for this development which shows a service station, showroom and two large fast food premises. This may be an appropriate development of the land, but would contain substantially less gross floor area than that which could be developed under the proposed statutory provisions.

Georges River Planning Proposals

Liverpool City Council received multiple proposals for very high-density mixed-use redevelopment of currently industrial land on the eastern side of the Georges River. If this redevelopment occurred it would constitute a substantial addition to the amount of residential, commercial and retail floorspace in the area. Anticipated yields from the planning proposals are listed in Table 27.

TABLE 27: ANTICIPATED YIELDS OF PLANNING PROPOSALS ON THE EASTERN SIDE OF THE GEORGES RIVER

Proposal code	Commercial GFA (sqm)	Retail GFA (sqm)	Residential units (number of dwellings)
RZ-6/2015 6, 8, 18 Bridges Road Moorebank		4,798	1,650
RZ-2/2016 1 Moorebank Avenue & 3 Helles Avenue Moorebank	101,221	30,304	9,188
RZ-3/2016 5-9 Bridges Road Moorebank	20,860	19,199	2,115
RZ-2/2017 3-11 Bridges Road Moorebank	94,000*	14,000*	13,000*
RZ-6/2017 11 Bridges Road Moorebank		11,620	3,035

Source: Planning proposal documents available from eplanning.liverpool.nsw.gov.au

* - Note that the expected yields of RZ-2/2017 cover a broader area which includes the site for RZ-6/2017. No figures for only 3-11 Bridges Road are available, but 3-11 Bridges Road constitutes most of the broader site.

As these proposals overlap and the floorspace split may not be enforced by planning controls, it is also unclear how much retail floorspace would actually be delivered. If they were all to proceed in the form in which they were received by Council, they would constitute a substantial modification to both the demand for retail and the retail floorspace supply hierarchy around the Liverpool City Centre and in the Eastern District. The impacts on transport infrastructure could significantly change journey times, changing the propensity of people to cross the Georges River for shopping. The exact impact on existing centres would depend upon the staging of the residential and commercial development and which developments proceed.

Based upon the results of SGS's retail modelling, there is currently approximately 1.76sqm of retail floorspace in the LGA per resident. The planning proposals provide the following amount of retail floorspace per person (assuming that 2.3 people live in each apartment dwelling, which is the 2016 average for the Liverpool LGA):

- RZ-6/2015: 1.26 sqm per person
- RZ-2/2016: 1.43 sqm per person
- RZ-3/2016: 3.95 sqm per person
- RZ-2/2017: 0.47 sqm per person
- RZ-6/2017: Up to 1.66 sqm per person (depending on the split between retail and commercial floorspace)

Based on these figures, RZ-3/2016 provides substantially more retail floorspace than the demand which is likely to be generated by the proposal, while RZ-6/2015, RZ-2/2016 and RZ-6/2017 may provide more floorspace than generated demand depending on the amount of generated expenditure which will be captured by centres elsewhere. Most of the proposals would rival Liverpool's existing Town Centres in size, while in combination

they would provide a similar amount of retail floorspace to Westfield Liverpool. This would detract from the current role of the Moorebank Centre and of the Liverpool CBD. If this were to occur, Council would need to be confident that the proposals would create a more appropriate town centre than the Moorebank Centre for the Eastern District.

SGS has modelled the retail impact of the creation of 17,000 sqm of retail space in the area north of Newbridge Road between 2026-2031 to illustrate how the completion of a more modest set of proposals would fit within the retail landscape of the LGA. This amount of retail space is higher than proposed under RZ-2/2017, but less than would occur if all developments occurred as submitted in the planning proposals. The impacts on total turnover in other centres are shown in the table below.

TABLE 28: IMPACTS ON RETAIL TURNOVER OF 17,000SQM OF RETAIL FLOORSPEACE ON THE EASTERN SIDE OF THE GEORGES RIVER

Centre	2031	2036
Moorebank	-4.2%	-4.0%
Hammondville	-2.8%	-2.9%
Chipping Norton	-2.5%	-2.4%
Wattle Grove	-2.3%	-2.3%
Casula	-1.2%	-1.3%
Liverpool CBD	-1.2%	-1.2%

These impacts are within ranges usually regarded as acceptable, with the largest impacts as a proportion of turnover on centres in the Eastern District. This shows that a modest increase in retail provision in concert with significant residential redevelopment could be supported if it was in line with planning objectives. This modelling is high-level and does not constitute a recommendation regarding the amount of floorspace that could be supported in a development in the Georges River Precinct. Rather, it illustrates that *some* additional retail provision may be appropriate, with the appropriate amount subject to further study.

As noted above, Council would need to ensure that any new centres were well designed, co-located with social infrastructure and formed a focal point of the new neighbourhoods.



Contact us

CANBERRA

Level 2, 28-36 Ainslie Place
Canberra ACT 2601
+61 2 6257 4525
sgsact@sgsep.com.au

HOBART

PO Box 123
Franklin TAS 7113
+61 421 372 940
sgstas@sgsep.com.au

MELBOURNE

Level 14, 222 Exhibition St
Melbourne VIC 3000
+61 3 8616 0331
sgsvic@sgsep.com.au

SYDNEY

209/50 Holt St
Surry Hills NSW 2010
+61 2 8307 0121
sgsnsw@sgsep.com.au