

**Appendix 1**  
**'Turner Road Precinct Bulky Goods Analysis'**  
**by Deep End Services,**  
**October 2011**



# Turner Road Precinct Bulky goods analysis

Prepared for:  
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**14 October 2011**

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Project Code DD1203  
Date 14 October 2011

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# 1. Introduction

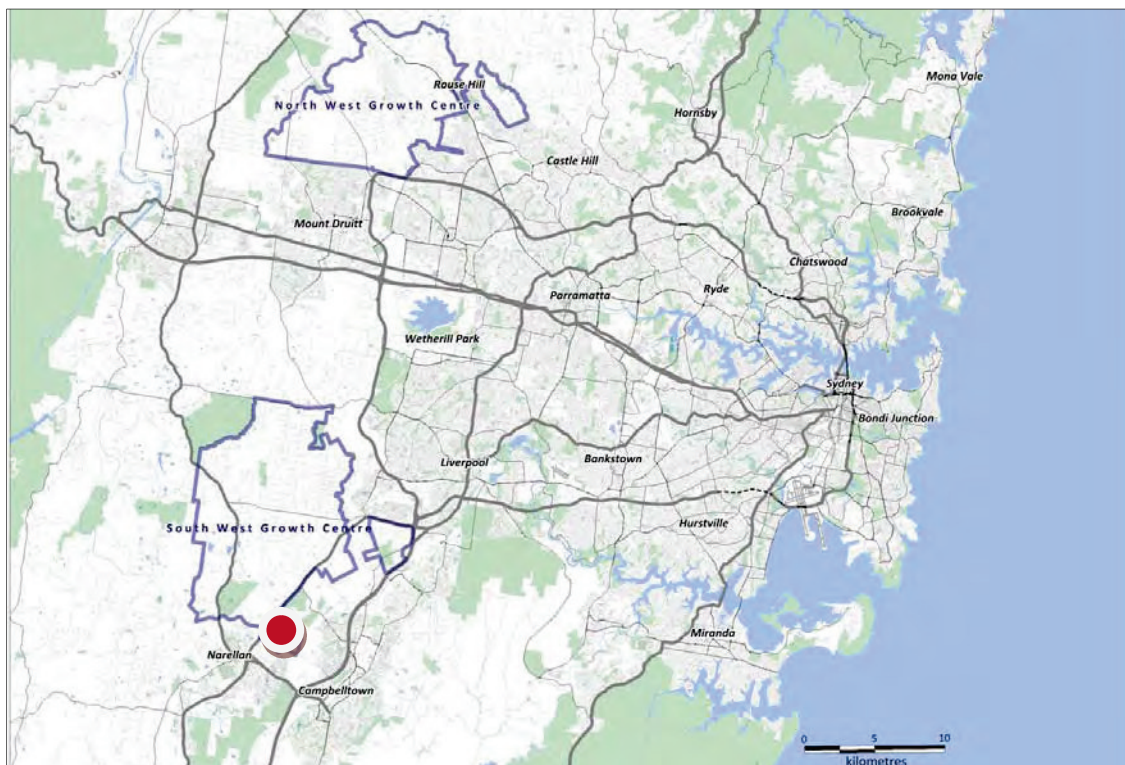
This report has been prepared by Deep End Services on the instructions of Dart West Developments Pty Ltd. Dart West owns 45 hectares of employment land within the Turner Road Precinct of the South West Growth Centre (SWGCC) as shown in Figure 1. Dart West’s holdings form part of a larger employment land area of approximately 100 hectares, of which 50 hectares (ha) is zoned B5 Business Development and 50 ha is zoned IN1 General Industrial.

Clause 3.1(5) of the Turner Road Development Control Plan (DCP) 2007, which is integrated with SEPP (Sydney Region Growth Centres) 2006 (Amendment No.1), stipulates a maximum of 40,000 sqm of bulky goods floorspace in the B5 zone to be equally shared between Dart West and another landholding (Sekisui House).

Dart West is seeking the removal of the bulky goods floorspace cap via amendments to clause 19D of the SEPP (Sydney Region Growth Centres) 2006 (Amendment No. 1) and clause 3.1 (5) of Part B3 of the Turner Road DCP 2007.

Deep End Services has been engaged to assess and recommend the potential of the Turner Road Precinct Employment Land to accommodate bulky goods floorspace and the implications, if any, on the planning framework.

Figure 1 Regional location



The Turner Road Precinct is located within the Camden Local Government Area (LGA). The Camden LGA forms part of the Macarthur region of Sydney which contains around 240,000 residents within Camden Council, City of Campbelltown and the Wollondilly Shire. This precinct is also situated at the southern end of Sydney’s SWGC where the NSW Government has identified the potential for 110,000 new homes over the next 30 – 40 years. The SWGC

covers 17,000 hectares and consists of 18 precincts defined for planning and urban release purposes. There is rapid urban development now occurring in the southern precincts of the SWGC, within the Turner Road precinct and immediately to the west at Oran Park. The established urban areas of Campbelltown and Narellan lie to the south east and south west respectively.

This report has been prepared to accompany a 'gateway' submission to the NSW Department of Planning and Infrastructure (Department). The report will be reviewed by Camden Council (Council) and the Department in its consideration of the gateway submission and its willingness to permit the commencement of the necessary amendments.

Dart West Developments has consulted with and gained input from Council and the Department on the study brief.

A planning proposal is the first step in making a local environmental plan (LEP). It is a document that explains the intended effect of a proposal and sets out the justification for making that plan. This report considers the strategic planning and policy framework and need and demand aspects from an analysis of existing and projected bulky goods floorspace and the emerging pattern of urban development and population growth in the region.

This report includes the following sections:

- Section 2: Details the Turner Road precinct and local planning context;
- Section 3: Reviews a number of planning and policy documents relevant to bulky goods, retailing in general and, specifically, the Turner Road Precinct.
- Section 4: Defines the catchment for the Turner Road Precinct and provides an overview of population growth expectations and the patterns of growth which reinforce the prospects for bulky goods development;
- Section 5: Reviews the distribution of existing bulky goods floorspace in South west Sydney and assesses opportunities for future bulky goods developments within this region;
- Section 6: Calculates the current level of escape expenditure from the catchment and assesses the implications and benefits of reducing these levels;
- Section 7: Examines the current and future demand and supply of bulky goods floorspace to establish the prospects of accommodating additional floorspace at the Turner Road Precinct.
- Section 8: Draws together the major conclusions from the analysis.

## 2. Turner Road Precinct

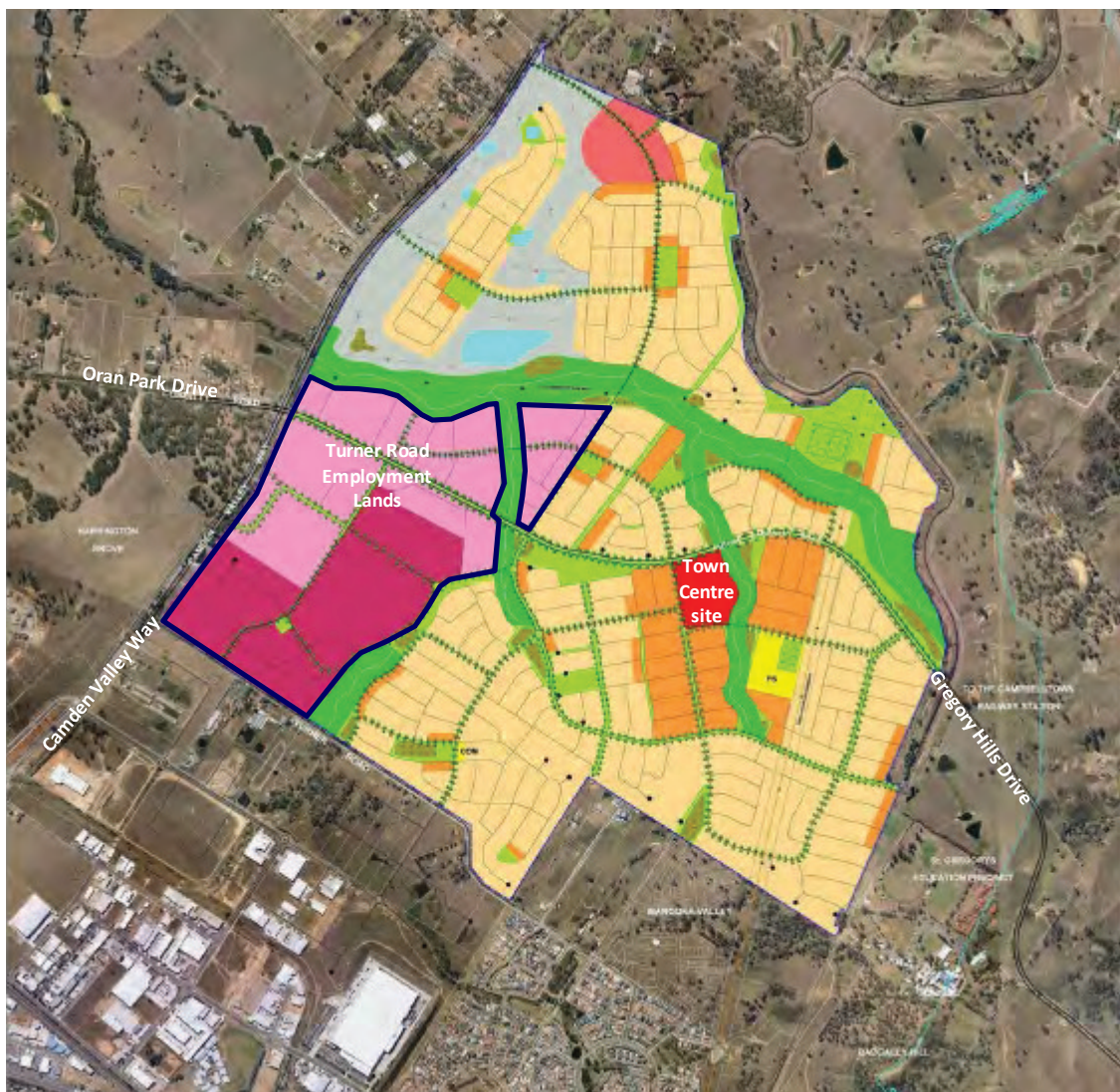
### 2.1 Local context

The Turner Road Employment Lands form part of the Turner Road Precinct (refer Figure 2) which is located within the SWGC.

The Department of Planning summarises the 536 hectare Turner Road Precinct as having the capacity for “...4,020 new homes for around 11,000 new residents, capacity for 5,000 jobs, nearly 100 hectares (96 hectares) of employment land and a 15,000 square metre neighbourhood centre.”

Figure 2 shows the Turner Road Precinct, including 100 ha of employment land (outlined in blue) which straddles Gregory Hills Drive. The B5 zoned land is highlighted in light pink whilst land zoned IN1 (industrial) is highlighted in dark pink.

Figure 2 Turner Road Precinct



Source: Department of Planning (NSW Govt); Nearmap



The employment lands contain approximately 50 ha of B5 land and 50 ha of IN1 land. Within this, Dart West’s holding of 45 ha comprises 25 ha of B5 land and 20 ha of IN1 land. Sekisui House currently owns the balance of B5 land (refer Table 1).

**Table 1 Turner Road Employment Lands**

Zone	Ownership	Land area (ha)	Floorspace cap (sqm) <sup>(1)</sup>	Proposals
Business 5	Dart West	25	20,000	Part of Central Hills Business Park Masters Home Improvement (13,500 sqm) under construction
	Sekisui	25	20,000	No current proposals
	Total	50	40,000	-
Industrial 1	Dart West	20	n.a.	Part of Central Hills Business Park
	Other	30	n.a.	-
	Total	50	n.a.	-

<sup>(1)</sup>Floorspace cap excludes the Masters Home Improvement store under construction  
Source: Deep End Services; Dart West Developments; Department of Planning (NSW Govt)

Dart West’s employment land holdings, which are being marketed and developed as Central Hills Business Park (CHBP), have major frontages to Camden Valley Way and Gregory Hills Drive, as shown in the Gregory Hills Masterplan (Figure 3). Sekisui House owns the balance of the employment land to the north of Gregory Hills Drive. The major entry to the precinct from the recently upgraded Camden Valley Way is via Gregory Hills Drive which is the central thoroughfare within the precinct.

**Figure 3 Gregory Hills Masterplan**



Source: Dart West Developments

Construction of CHBP has commenced and a number of lots have been sold within the B5 and IN1 zoned land (refer Figure 4). Construction of a new 13,500 sqm Masters Home Improvement store is underway and will be the first store of its type to open in NSW, either in late 2011 or early 2012.

Figure 4 Central Hills Business Park – current status



Source: Dart West Developments

Dart West’s other landholdings in the Gregory Hills Masterplan comprise residential areas for approximately 2,400 lots and the designated Town Centre site (refer Figure 3). Construction of the first residential stage is well advanced and the first residents moved into the estate in July 2011. Development is anticipated to progress at around 200 lots per annum, although 270 lots were sold in the first year. Sekisui is also now active and development on its land will add to the population growth forecast at Gregory Hills.

The town centre will contain up to 15,000 sqm of retail floorspace with the first stage anticipated within three to four years. Coinciding with the development of the town centre will be an extension of Gregory Hills Drive east towards Campbelltown. The new road connection will link to established residential areas such as Campbelltown, Eagle Vale and Claymore. It will also provide a convenient link to the F5 via Raby Road and to the rail line at Campbelltown.

Camden Valley Way will also be upgraded to the north as other SWGC precincts develop and become the major divided four-lane thoroughfare between Camden-Narellan and other northern precincts of the SWGC.

Development and timing of Sekisui House's employment and residential landholdings is currently unknown and we understand that their B5 land is currently for sale on an englobo basis.

## 2.2 Proposal and local planning context

The Turner Road precinct is governed by the provisions of the Turner Road DCP 2007 and the SEPP (Sydney Region Growth Centres) (Amendment No.1). Whilst the B5 zoning permits a wide range of bulky goods uses, Clause 3.1(5) of the DCP states that *“a total maximum of 40,000 sqm GFA of bulky goods premises is to be provided in the Business Development Lands fronting Badgally Road. Of this maximum, no more than 20,000 sqm is to be provided along either the northern or southern frontages of Badgally Road. The total maximum GFA does not include Landscape and Garden Supplies and Timber and Building Supplies.”*

The Masters Home Improvement store, which is currently under construction within the B5 zoned land, is largely exempt from the floorspace cap, with just the whitegoods component of the store (1,157 sqm) not excluded.

Dart West is requesting the removal of the floorspace cap on bulky goods on the following basis:

- Strong population growth to the north within the SWGC and south in other land release areas;
- Minimal impact on surrounding traditional retail elements;
- Existing under-supply of bulky goods floorspace within the region;
- Supported by a range of planning policies.

### 3. Strategic planning & policy context

#### 3.1 Bulky goods industry overview

Bulky goods and homemaker retailers have been the fastest growing sector of the retail industry in the last 20 years. They have evolved in many ways becoming larger, more specialised and more competitive. This trend has emerged from new product development and technologies, the arrival or adoption of overseas retailing models and rapid growth in consumer spending and demand for a wider choice in appliances, furniture, electronics, hardware and home improvement products.

Accordingly, many retailers have outgrown their traditional formats that are either obsolete or too expensive in locations within or adjoining conventional shopping centres. Developers and retailers have realised the opportunities and benefits of clustering large format retailers in planned centres or precincts where choice for the consumer is maximised and important access and centralised parking areas can be efficiently planned. Bulky goods centres have also gained greater recognition as a legitimate asset class by fund managers and investors.

The industry is now well represented by the Bulky Goods Retailers Association (BGRA) who undertakes research, prepares publications and advocates for the interests of its members.

Bulky goods and homemaker retailers represent between 25%-30% of all retail floorspace in Australia or between 9 and 10 million square metres. The BGRA through its publication, *The Australian Bulky Goods Directory* measures floorspace at over 200 existing and proposed Bulky Goods Centres and precincts covering about 50% of the total industry. This database provides valuable information and insights into the pattern and size of the bulky goods industry.

Bulky goods retailers tend to locate in clusters, either within homemaker centres or in out-of-centre developments to encourage destination and comparison shopping by customers.

In New South Wales, the average bulky goods floorspace per homemaker centre is 18,533 sqm, compared to a national average of 16,990 sqm.

Whilst there is no formal hierarchy of centres within the bulky goods industry, there has been a recent trend towards the development of larger centres. The largest centre in Australia, Gepps Cross Home HQ, at almost 62,000 sqm in total floorspace, opened in 2009, whilst the second largest centre, Kotara Homemaker Centre, was substantially expanded to almost 58,000 sqm in 2010.

Centres at Springvale in Victoria (71,460 sqm) and Marsden Park in NSW (82,000 sqm) are scheduled to open in the next 2 years and will be the two largest homemaker centres in Australia on completion.

In Sydney, and other cities, major bulky goods precincts have historically emerged in an ad-hoc fashion through gradual development along main roads, within industrial areas and occasionally in properly master-planned and designated areas. The seven largest existing and proposed bulky goods precincts in Sydney are listed in [Table 2](#). These range from 57,000 sqm to 137,000 sqm and average just under 100,000 sqm each.

Auburn, Penrith, Campbelltown and Alexandria and other smaller precincts at Taren Point have evolved along major arterials resulting in linear forms of development, fragmented land use and poor connectivity.

Bulky goods retailing at Castle Hill and Crossroads has been contained within a discrete and compact street network while Crossroads is a more recent free-standing satellite location.

**Table 2 Bulky goods precincts – Sydney**

Centre / Precinct	Size (sqm)	No. tenancies	Location comments
Auburn	137,470	95	Out-of-centre retailing along Parramatta Rd
Castle Hill / Bella Vista	130,859	130	Out-of-centre precinct - 3.5 km from Castle Hill
Penrith	108,941	90	Out-of-centre retailing along Mulgoa Rd
Alexandria / Moore Park	90,975	73	Out-of-centre.
Marsden Park (p)	82,000	-	Adjoins proposed Marsden Park Major Centre
Campbelltown	64,937	59	Adjoins Campbelltown Major Centre
Crossroads	57,634	17	Out-of-centre. Further expansion potential
<b>Average</b>	<b>96,117</b>	<b>77</b>	

Source: Deep End Services, Bulky Goods Directory (2010/11)

(p)=proposed

All of the listed large bulky goods precincts in Sydney and many others of a smaller scale are removed from major strategic or large activity centres for many good reasons including:

- Site and land requirements are prohibitive;
- Residential and mixed office / retail uses are the highest and best use of land in or adjoining major centres in Sydney;
- Not only are rents prohibitive but bulky goods uses are a generally unattractive use in mixed use developments and have restrictive building, loading and parking requirements; and
- There is a generally weak relationship or low synergy between shopping for food, fashion, services and entertainment which are predominant in major centres and less frequently purchased large household items, hardware and other bulky goods.

The six existing major precincts listed above are, on average, 3.9 km away from the nearest strategic or major centre. The bulky goods precinct nearest to a major centre is Blaxland Road Campbelltown which is still separated from the Campbelltown Major Centre (1.5 km) by significant road and rail infrastructure.

Other smaller (but still significant) bulky goods precincts in Sydney such as Caringbah-Taren Point, Belrose, Bankstown, Blacktown (Homebase & MegaCentre) have very weak physical or land use connections with strategic centres. Two bulky goods clusters at Orange Grove and Warwick Farm (Sappho Road) are 2-3 km from the Liverpool Centre and are referred to as complementary and non-competing in the policy frameworks.

The agglomeration and co-location of bulky goods floorspace and centres in Sydney with conventional major centres has been rarely achieved. At best, the major clusters have a weak association with nearby Major Centres. Some major centres such as Marsden Park and Rouse Hill have made provision for bulky goods uses near or adjoining the main centre with the benefit of greenfield planning.

## 3.2 Approach to Bulky Goods planning

### 3.2.1 Metropolitan policy

Metropolitan Policy has consistently asserted the benefits of agglomerating activities in centres which are realised from:

- Improved access to facilities;
- Collaboration and improved competition between businesses by clustering like activities;
- Better use of existing infrastructure; and
- Promoting public transport as an alternative means to access goods and services.

Under the 2005 Metropolitan Strategy, Strategic Centres were to be supported by the growth and development of new businesses in Enterprise Corridors and Business Development zones. These corridors and zones were identified for, amongst other uses, potential bulky goods locations.

In December 2010, the *Metropolitan Plan for Sydney 2036* was released as the new metropolitan strategy for Greater Sydney, updating the earlier 2005 Strategy.

While neither the 2005 nor the updated (2010) Metropolitan Strategies identify any Enterprise Corridors or Business Development Zones in the South West, there is a stated need to identify locations for start-up businesses, showrooms, building supplies, small retail outlets and bulky goods clusters that do not always 'fit' in Strategic Centres.

The difficulty in concentrating large bulky goods uses in and around existing centres is further underlined in the Metropolitan Plan where it states that *"Retailing which requires large floor areas, such as bulky goods premises, cannot always be readily accommodated in existing centres. Subregional planning and local planning will need to identify locations for subregional clusters for this kind of retail development which support the economic development of centres in those subregions"* (p.62). The policy direction therefore gives flexibility to designate and plan large bulky goods precincts where they can demonstrate that the overall network of centres is supported. The identification of these areas is clearly left to the Subregional Strategies, precinct planning in the South West Growth Centre and Council based LEPs.

Other relevant Strategic Directions from the Metropolitan Plan relate to the importance of employment generation and the setting of aspirational long term capacity targets for Sydney's subregions. The target for South West Sydney – 141,000 new jobs between 2006 and 2036 – will be achieved in part by accommodating retail and commercial jobs not only in the Strategic Centres but in a wider range of other centres and other specialised employment lands which serve the needs of the growth areas and particularly the SWGC.

### 3.2.2 Draft Centres Policy (2009)

A draft *Centres Policy – Planning for Retail and Commercial Development* was released by the Department of Planning in April 2009. The aims of the Policy include “to create a network of vital and vibrant centres that cater for the needs of businesses,... individuals and families” (pii) and “...to proactively and positively plan for the retail and commercial sector, ensuring the supply of floorspace accommodates market demand.” (p29)

The policy is based on six principles which can be summarised as follows:

- Retail and commercial activity should be located in centres for efficient use of transport, for access to labour markets and to improve liveability;
- The planning system should be flexible to enable centres to grow and new centres to form;
- The market is best placed to determine the need for retail development. The role of the planning system is to regulate location and scale to meet demand;
- The planning system should ensure the supply of floorspace always accommodates market demand;
- The planning system should support a range of premises in all centres and encourage a competitive retail and commercial market; and
- Retail and commercial development should be well designed.

The policy advocates that retail and commercial activity should be located in centres but also recognises the important role of corridors around busy road and transport routes that can also offer opportunities for development. In such circumstances a range of zones, including the B5 (Business Development) Zone, can be used to accommodate development in edge-of-centre or out-of-centre locations. The Policy states that the B5 zone should be “used for clusters of large floor plate bulky goods premises that cannot be accommodated in, or are not suited to, centres because of large floor space requirements or the need for direct vehicle access to load or unload goods”. (p16)

The draft Policy acknowledges the legitimate role and unique character of bulky goods uses including the large areas required for handling and displaying stock, direct vehicular access by customers and their location preferences for sites with low costs off-setting lower turnover levels per floor area.

### 3.2.3 Draft South West Subregional Strategy

#### 3.2.3.1 Regional targets

The South West Subregional Strategy (SWSRS), covering the municipalities of Liverpool, Campbelltown, Camden and Wollondilly and all of the SWGC, was prepared in 2007 and is still in draft form (refer



Figure 5). To some extent, the SWSRS has been superseded by the updated Metropolitan Strategy however the document explores the strategic framework for development and growth in south western Sydney in various ways.

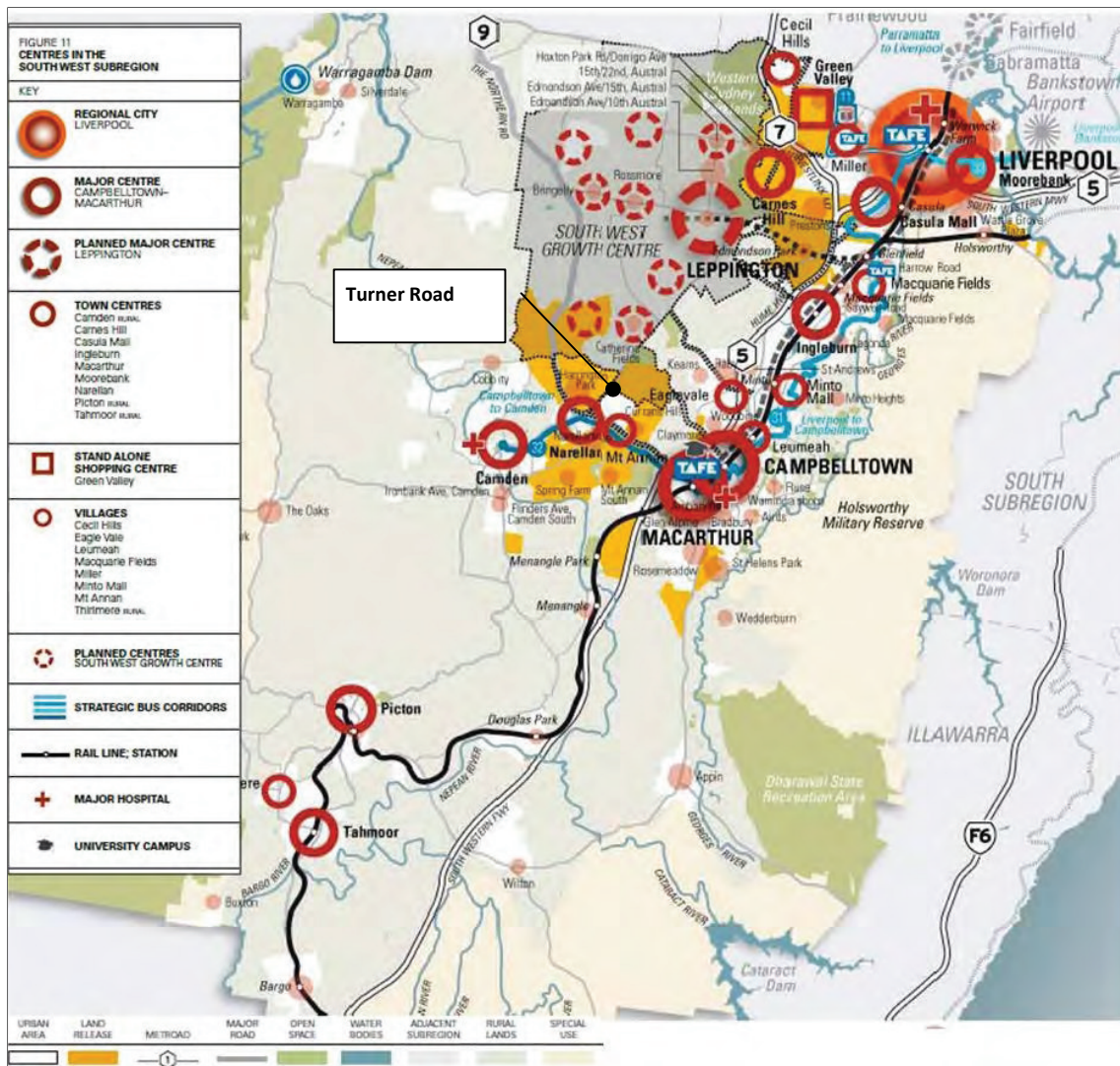
The SWGC is one of the few relatively unconstrained areas for Greenfield development in the south-west of Sydney and is expected to house over 300,000 people in the next 30 years. Accordingly, there is a very clear onus and expectation that the South West will deliver much of Sydney’s economic growth agenda for the next three decades, including creating and supporting a high proportion of new employment opportunities.

The SWSRS set the following directions and targets:

- The subregion will accommodate 89,000 jobs or more than 15% of all new jobs in Sydney over the next 25 years (to 2031). Of this, the City of Camden has an employment target of 26,000 jobs
- ;
- The subregion will accommodate 25% of new dwellings in Sydney. The new dwelling target of 155,000 by 2031 – or around 5,500 new dwellings per annum – includes 100,000 dwellings in the SWGC;
- The Strategy recognises the two existing Strategic Centres (Liverpool and Campbelltown) and one new proposed Strategic Centre (Leppington);
- Intensifying areas around retail centres and public transport corridors;
- Strengthening centres with public transport; and
- Extending transport networks into the SWGC including the South West Rail Link with new stations at Leppington and Edmondson Park. Bus corridors will extend through the SWGC connecting to a transport interchange at Leppington.

Accordingly, there is a very strong onus and expectation that the South West will deliver much of Sydney’s economic growth agenda for the next three decades including one in every 5 new jobs between 2006 and 2031.

Figure 5 Centres in the South West Subregion draft Subregional Strategy



### 3.2.3.2 Employment lands & bulky goods

The Subregional Strategy contains two sections relevant to retail centres policy in general and bulky goods in particular:

- *Chapter A: Economy and Employment* aims to ensure adequate supplies of Strategic Employment Lands within the Subregion to support various economic activities; and
- *Chapter B: Centres and Corridors* sets objectives and actions in relation to Strategic Centres.

There are three categories of Employment Land in the Subregional Strategy. Category 1 'Land To Be Retained for Industrial Purposes' identifies 20 areas in Liverpool, Campbelltown, Camden and Wollondilly to be retained and to accommodate future economic services and employment opportunities. These sites are listed according to their main purposes with descriptions of their future intended role from a planning perspective. Several are listed as having an existing bulky goods profile although we note the following in relation to future guidance and relevance to supply in the Camden-Narellan area:

- Crossroads is recognised as a strategic site at the M5 and M7 interchange where one-third of the 46 hectares has been developed for bulky goods. The Strategy favours the location for freight and logistics uses and notes the expansion of bulky goods uses has been resisted in the past.
- Campbelltown (Blaxland Road) has an area of 140 hectares of which 30 hectares west of the railway line is vacant. With Campbelltown and Blaxland Road frontages now entrenched with bulky goods uses, the draft Strategy identifies the opportunity on the vacant land for a Business Park or uses that complement the commercial activities of the Town Centre. It states that no further retail / bulky uses should be allowed to extend into this area. Under 'Employment lands in the South West' the underutilised land west of the railway line is seen to be important in supporting Campbelltown's emergence as a Regional City and "*bulky goods retailing and other low value per hectare industries should not be allowed to compromise the long term potential of this area*".

With the Blaxland Road area almost fully developed and the policy directions for the vacant land at Campbelltown and Crossroads, the two most concentrated areas for bulky goods uses in the wider region are potentially restricted for further expansion.

Elsewhere in the region (and well beyond the catchment of Turner Road), we note the Orange Grove Road bulky goods area, 2 km north of Liverpool Regional (Strategic) Centre could be considered for expansion as it has ... "*activities that support rather than compete with Liverpool Regional City uses*". The Sappho Road precinct with primarily homemaker and bulky goods uses, 3km from the Liverpool Centre, is also Category 1 Employment Land.

The recommendations and observations on Campbelltown and Liverpool in the draft Strategy are important in the context of the current Turner Road proposal. While Retail Policy could be seen in its narrowest interpretation to encourage all retail uses within or adjoining centres, there are situations where bulky goods is not an appropriate land use within close proximity to a major centre, especially where higher order and more employment intensive uses should be encouraged. Secondly, bulky goods uses in a properly planned precinct are seen as non-competing and complementary, around 2-3 km from a major centre.

Both observations are directly relevant to the Narellan Town Centre and Turner Road. The Landturn site in Narellan, zoned for Business Development and potentially capable of supporting bulky goods uses, is now the subject of a higher and better use proposal that will bring more employment and activity to the centre. The Turner Road area, where bulky goods has been supported through the rezoning of land to B5 and a DCP, is approximately 2.5 km from Narellan and could be seen, in the same light as Liverpool and Orange Grove Road / Sappho Road, as complementary and non-competing to the higher order retail uses and other residential and commercial proposals in the vicinity of the Narellan Town Centre.

The only other Category 1 Employment Lands precinct in the draft Strategy that has a bulky goods purpose is a small 2 hectare land allocation at Bargo.

In relation to Employment Lands in the South West Growth Centre, Turner Road and Oran Park are two of eight precincts with major allocations although other areas could be identified in the detailed precinct planning. The draft Strategy notes the location benefits of the Turner Road Employment Lands *“maximises access to two major regional public transport routes and takes advantage of the proposed extension of the future Badgally Road linking the precinct to Campbelltown. This substantial employment precinct will be supported by some convenience retail and other ancillary services and facilities such as child care services and gyms”*.

The draft Strategy notes the Oran Park Employment Land is around 16 hectares and the Oran Park DCP notes the Town Centre as comprising 24.6 hectares. The future Town Centre will be an important employment focus for the developing area however the 50,000 sqm of retail premises floorspace under the Oran Park DCP is unlikely to include any significant areas dedicated to bulky goods floorspace.

### **3.2.3.3 Business Development Zones & Enterprise Corridors**

The draft Strategy discusses Business Development Zones and Enterprise Corridors where bulky goods retail and small start-up businesses are encouraged to locate in order to support centres rather than compete with them.

There are no Enterprise Corridors identified in the draft Strategy although it is recommended several areas in the City of Liverpool should be considered. None of these are close to, or within, the catchment of the Turner Road bulky goods site.

Business Development zones under the Standard LEP Template were established to encourage a mix of office, retail and warehouse uses in locations which are close to, and support, the viability of centres. The zone is considered appropriate where there are regional clusters of bulky goods that can be shown to support nearby centres and provide a range of employment activities. Within the outer south-west area the recommended areas for the Business Development zone were:

- Leumeah / Blaxland Road, Campbelltown, an area already well developed with bulky goods uses;
- Land at Narellan between the Bypass, Camden Valley Way and The Northern Road. Part of this land is the Landturn site, now the subject of a proposal to expand the retail elements of the Narellan Town Centre.

Since the completion of the draft Strategy, the Business Development zone has been applied to 50 hectares of land in the Turner Road precinct with a 40,000 sqm floorspace control on bulky goods uses

### 3.3 South West Growth Centre

The Sydney Growth Centres program was established to provide residential and employment lands for around 500,000 people over the next 30+ years in the North West and South West Growth Centres (refer [Figure 6](#)). The Program began in 2004 and is now delivering residential blocks to market in both Growth Centres.

The South West Growth Centre (SWGC) comprises 18 precincts (refer [Figure 7](#)) across 17,000 hectares with an estimated capacity of 110,000 dwellings or 330,000 people. The Growth Centres SEPP was gazetted in July 2006 and the first two precincts in the SWGC, Oran Park and Turner Road, were rezoned for urban development in December 2007. These precincts will accommodate around 11,500 new dwellings or almost 35,000 people. Infrastructure and urban development has progressed in both precincts with the first residents moving into Oran Park in February 2011 and in Turner Road in July 2011. In the north of the SWGC, development is also progressing at Edmondson Park.

The development of all precincts in the SWGC will be generally in accordance with the SWGC Structure Plan (refer [Figure 8](#)) which guides, amongst other things, the location of town centres and neighbourhood centres.

Opportunities for mixed use employment corridors have been identified in four areas in the SWGC namely:

- Bringelly Road near the Leppington Town Centre.
- Camden Valley Way near Catherine Fields and Badgally Road. Both sections pass through or along the Turner Road employment precinct.
- The Northern Road near Lowes Creek.
- Fifteenth Avenue near Austral.

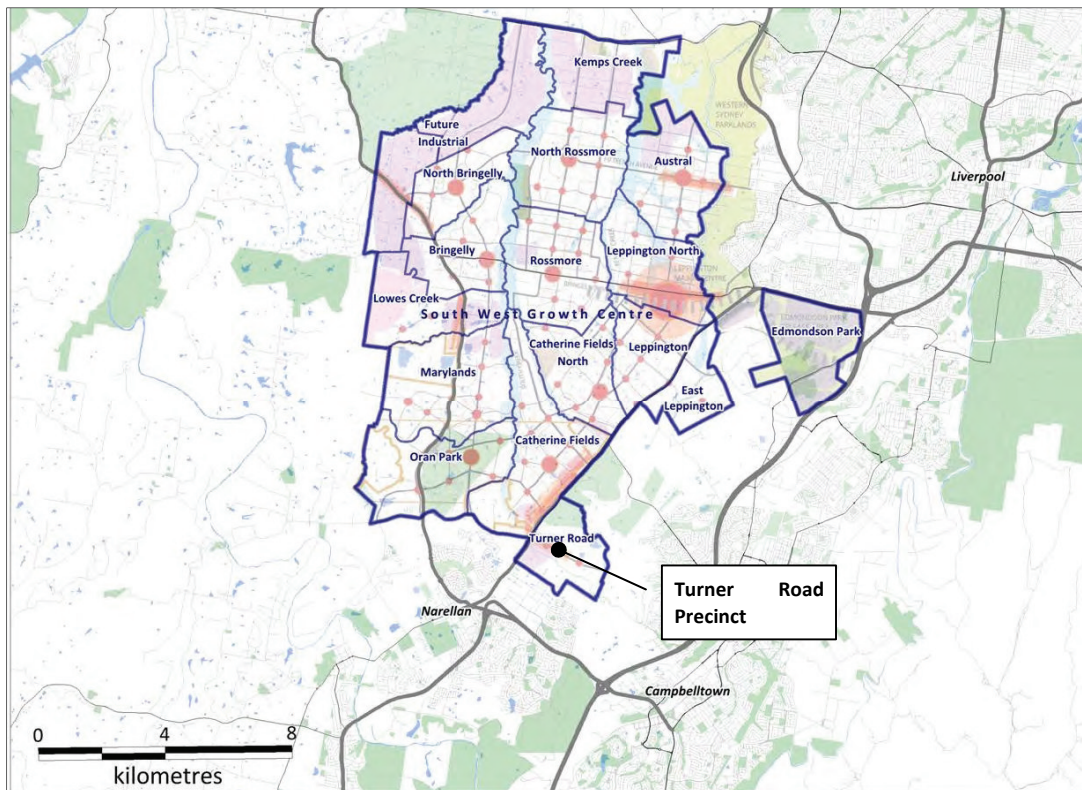
Subject to detailed precinct planning, these areas may contain Business Development or other zoned land suitable for bulky goods uses. Oran Park and Turner Road are the only precincts yet to be planned at any level of detail. The Leppington Major Centre is currently in the precinct planning phase and the timeframe for commencement of residential development in the precinct is not yet known. Any significant retail development in the centre would also then occur some time later as it would require significant supporting residential development to occur in the catchment. Lowes Creek and Austral, as potential bulky goods locations, are on the fringe and many years from developing viable retail / commercial precincts.

Figure 6 Location of North West and South West Growth Centres



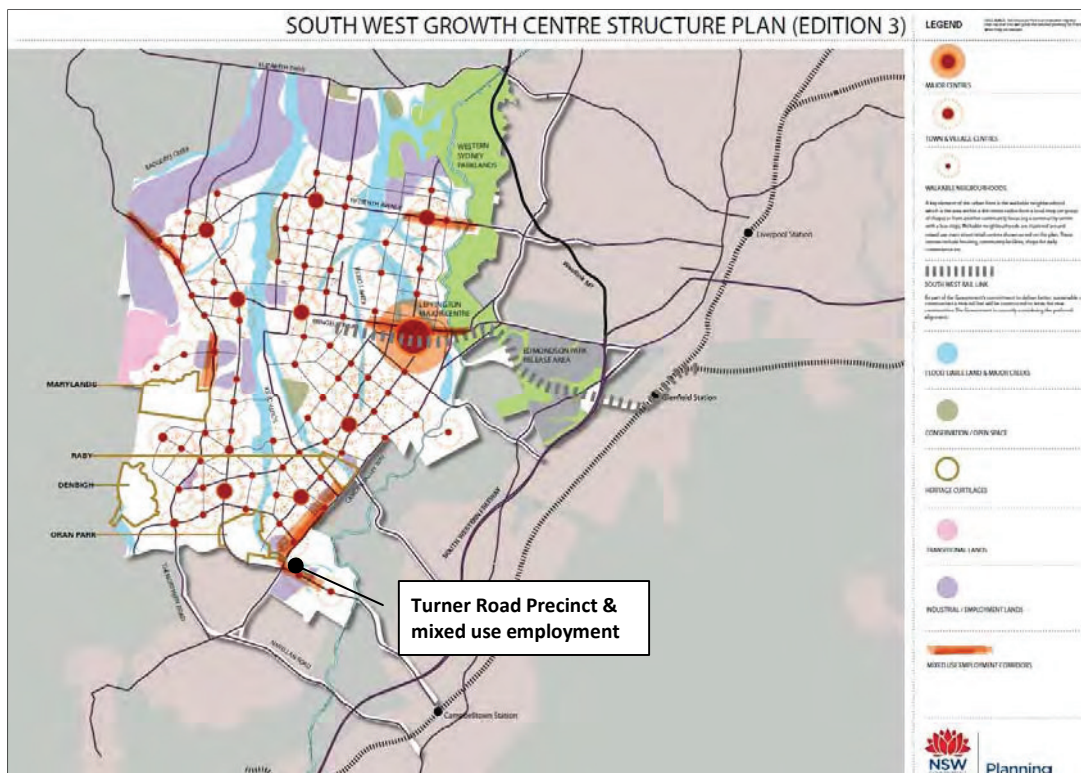
Source: Draft Sydney Growth Centres Strategic Assessment Draft Report (May 2010)

Figure 7 South West Growth Centre Precincts



Source: Deep End Services; Department of Planning (NSW Government)

Figure 8 South West Growth Centre Structure Plan



Source: Department of Planning (NSW Government)

### 3.4 Turner Road DCP (2007)

The Turner Road DCP outlines the planning, design and environmental objectives and controls against which Camden Council will assess future development applications in the Precinct.

Amongst the objectives listed under 'Hierarchy of Centres and Employment Areas' are:

- To ensure an appropriate supply, distribution and mix of retail, commercial and employment floorspace across the precinct.
- To ensure that the retail floor space within the Turner Road Precinct does not undermine the potential of existing and proposed centres within the region.
- To encourage the early investment and delivery of employment generating development and retail uses to serve the population.

The principal development control in relation to bulky goods is the 40,000 sqm limitation (excluding landscape and garden supplies and timber and building supplies) in the 50 hectare Turner Road Business Development Area (BDA).

In relation to the first objective, the strategic location of the Turner Road BDA, specifically its key road linkages and centrality to current and future urban areas will ensure that its bulky goods uses will serve a broad regional area, not merely those within the precinct. Secondly, the limitation of 40,000 sqm of bulky goods floorspace appears overly restrictive in the context of future supportable demands from the regional area (see Section 7) and would take up less

than 20% of the 50 hectares of Business Development zoned land. Although a range of other uses may also be accommodated and suitable within the zone, a number of these are also permissible in the adjoining 50 hectares of IN1 General Industrial zone. The 40,000 sqm control therefore seems to be an under-development of B5 land.

The removal of the floorspace limitation within the B5 zoned land will not undermine the potential of existing and proposed centres in the area because:

- Population growth in the SWGC will support the additional bulky goods floorspace;
- The development of bulky goods floorspace will have little or no impact on the conventional retail floorspace elements in Narellan or Campbelltown;
- There is currently very little bulky goods floorspace in the Narellan-Camden area. Of the existing 20,000 sqm, about two-thirds is taken up by a Bunnings store in Narellan. Other existing bulky goods clusters outside the area (e.g. Campbelltown) are long established and have limited capacity for growth. These areas would not be reliant, now or in the future, on the development of future population areas to the west which the Turner Road precinct will service.
- The staged development of Turner Road bulky goods floorspace will not delay or undermine similar uses proposed at Leppington, where another large cluster could develop (subject to detailed planning). Leppington will have its own catchment in the north of the SWGC and will be viable in the medium term when population levels warrant its development.

Further strengthening the merits of this precinct, the DCP's vision for the employment area is to be *"...a major provider of employment and business services for the local community, in particular the future residents of the Turner Road Precinct and the initial release Precincts of the South West Growth Centre."*

### **3.5 Competition SEPP (2010)**

The draft Competition SEPP responded to reports by the Department and Better Regulation Office into the effects of certain provisions in the NSW planning system which promote or detract from opportunities to increase competition and economic growth. It also follows industry reviews and recommendations from the ACCC, Productivity Commission and Council of Australian Governments (COAG). In summary, the draft SEPP reinforces some long-standing planning principles and mandates other changes to planning provisions and instruments including:

- Competition between individual businesses and particularly the loss of trade is not a relevant planning consideration.
- The commercial viability of a development or any effects on the viability of other developments are not matters to be considered by a planning authority.
- Restrictions in planning instruments which restrict the number of a particular type of retail store are invalid.
- Impacts, including loss of trade, may be taken into consideration if they have the effect of adversely impacting on the extent and adequacy of services available to a community.



### 3.6 Conclusions

This concluding section of the chapter summarises the key policy directions of relevance to the proposal and demonstrates how the proposal is consistent with the policy framework.

The planning framework for bulky goods retail development has evolved in recent years as the market sector has come to prominence. There is a general objective to locate such uses within B5 zoned land adjacent to existing centres, but there is also a recognition that, in some cases, this is not always possible given existing land use and subdivision patterns and land economics in some locations.

While the focus remains on having these uses support the ongoing development of existing centres, the policy framework also recognises that, in some cases, bulky goods development in out-of-centre locations may be appropriate. In such situations, the planning framework seeks to ensure that this development is clustered rather than distributed in a fragmented and uncoordinated manner. It also seeks to ensure that such development occurs in areas with good transport access, preferable on key regional roads, and also ideally with reasonable public transport access. High quality design outcomes are also sought in such circumstances.

The draft Subregional Strategy recognises some of these inherent conflicts by explicitly recommending against the spread of bulky goods and show room uses from Blaxland Road on to land that might compromise a more compact and diverse centre at Campbelltown. Similarly, there is clearly tolerance, if not acceptance and outward support for bulky goods uses (and their expansion) within 3 km of the Liverpool Strategic Centre. Indeed, this relationship is regarded as complementary and non-competing.

The evolution and growth of centres towards a highest and best land use mix in response to market growth and trends and the displacement of bulky goods as a prospective in-centre use is best illustrated at Narellan. A 7.3 ha site known as the Landturn site currently benefits from a B5 Business Development zoning which permits (among other uses) bulky goods. There is also a retail floorspace cap of 11,300 sqm applicable to the site. The owners of this land are now seeking to rezone this site to B2 to permit a larger retail development, reflecting a market preference for a more intensive use of this well located site adjacent to the existing town centre at Narellan.

The recognition that bulky goods should not necessarily sit in or adjacent to a centre and can serve a better function by being properly planned in a broader employment precinct (than a centre precinct) is underlined by the authorities' zoning of 100 hectares of Business Development and Industrial land at Turner Road. Here, the precinct will be equidistant (less than 3km) from the developing Narellan Town Centre and the Oran Park Town Centre. The new road connections will create strong links and associations with these centres and will contribute to a sense of retail choice and options for consumers within a contained area.

The Turner Road precinct is also well placed on Camden Valley Way and Gregory Hills Drive to serve the existing and emerging growth areas to the south and east, while access to the F5 and rail line at Campbelltown is convenient.

The rezoning of 7.3 hectares of Business Development land at Narellan (the Landturn site), as currently proposed, could yield the equivalent of about 34,000 sqm of bulky goods floorspace if the land was developed for that purpose under a scheme considered by the land's owner.

The relocation of this floorspace opportunity to Turner Road, which can serve the same catchment as the Narellan Town Centre, is a better outcome for the future planning and development of the Narellan Town Centre and consolidates bulky goods floorspace to a regionally significant location at Turner Road.

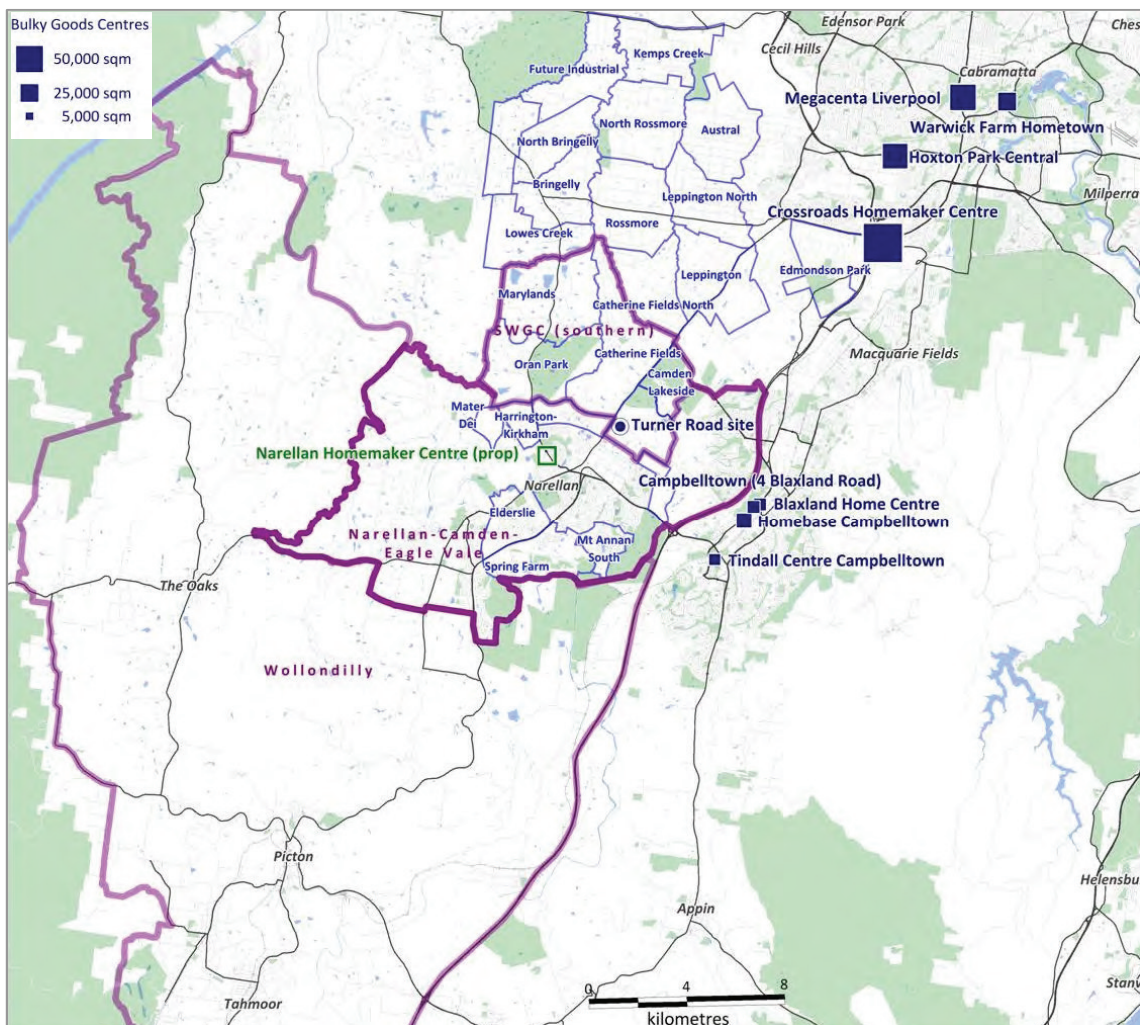
The upgrading of bulky goods floorspace allowance at Turner Road would:

- Result in significant job opportunities to assist in metro objectives for jobs growth in SWS;
- Provide an opportunity for a cluster of well located and well designed bulky goods developments with good road access and excellent access to the key market of growing residential areas in the southern part of the growth centre; and
- Provide a complementary location to both Oran Park and Narellan town centres for larger floor plate bulky goods developments.

## 4. Catchment area population

For the purposes of population analysis and bulky goods floorspace demand-supply assessments, this section examines the projected population levels of areas which collectively make up the current and future catchment of the B5 zoned land. The catchment acknowledges the prominent location and strong road connections to the established, but still growing, population base to the south as well as the southern precincts of the SWGC (refer Figure 9). The population forecasts are also used later in the regional floorspace demand – supply assessment (refer Section 7).

Figure 9 Turner Road catchment areas



### 4.1 Catchment area definition

Having regard to the pattern of urban development, road networks and competing centres, three functional areas have been defined comprising as the main catchment of future bulky goods uses at Turner Road Precinct (refer Figure 9). The three sub-areas are:

- **Narellan/Camden/Eagle Vale** including the suburbs of Camden, Narellan, Mt Annan, Elderslie, Spring Farm, Eagle Vale, Raby and rural areas west of Camden.

- **South West Growth Centre southern precincts** of Turner Road, Oran Park, Marylands and Catherine Fields which have direct connections to Turner Road.
- **Wollondilly towns and rural areas** extending up to 35 km south and 15 km west of Camden which include the townships of Picton, Tahmoor, Thirlmere, Bargo, The Oaks and rural areas between the national parks and Hume Highway. The population of the area comprises 80% of the Wollondilly Shire and excludes areas within the national parks and east of Hume Highway. The area is seen as a secondary catchment for the Turner Road bulky goods uses.

Whilst the three sub-areas, collectively, have been defined as forming the Turner Road catchment, it is also important to recognise that other bulky goods facilities within and beyond these areas derive varying portions of their sales from these areas. Such overlapping of catchment areas is typically observed in any dynamic retail environment and the degree of overlapping will evolve over time as population grows and bulky goods floorspace provision varies.

## 4.2 Sub area population estimates

The **Narellan/Camden/Eagle Vale** area has a mix of older, well established residential areas, new suburbs approaching full development (Mt Annan and Harrington Park) and urban release areas in various stages of planning and development (Spring Farm and Elderslie). The urban area and nearby rural areas to the west have an estimated resident population of 71,134 in 2011 with the capacity to grow by a further 30% to **more than 92,500 people** (refer Table 3).

The major infill and urban release areas within the Narellan/Camden/Eagle Vale area are as follows:

- Elderslie, situated between Camden and Narellan has an estimated 1,578 lots left.
- Spring Farm, has a total potential of between 3,700–4,000 lots across a series of urban villages. An estimated 3,000 lots are still to be developed.
- Harrington Park has an estimated 600 lots (Harrington Grove) east of The Northern Road. Over the next 4-6 years development will progress west of The Northern Road into Harrington Grove West with a capacity of 500 lots.
- The final stages of Mount Annan South.

The 18 precincts of the **SWGC** will ultimately house about 330,000 people. As outlined earlier, four southern precincts, Oran Park, Marylands, Catherine Fields and Turner Road, fall within the Turner Road catchment. Other precincts to the north are, in our view, more closely aligned to the future major centre at Leppington which is likely to accommodate a bulky goods component in conjunction with traditional retail.

The four southern precincts will contain about 27% of the SWGC's total population, or some **90,000 people**. The population of the balance of the SWGC, incorporating the Leppington Major Centre, is projected to be approximately **241,000 people**. Compared to the northern areas of the SWGC, development of the southern precincts is accelerating and in lot production terms, Oran Park and Turner Road are bringing land to market well ahead of expectations and alleviating a shortage of residential land in the region. In particular:

- The Oran Park precinct has a capacity of 7,500 lots (or over 20,000 people), all of which are zoned with an approved DCP in place. Development is now progressing at 400 lots per annum, well ahead of the Metropolitan Development Plan predictions of 150 lots per annum. A town centre is being planned with a first stage potentially within the next 3-5 years and major community infrastructure is committed including the construction of Oran Park Anglican College, a major public K-12 school, retirement village, district leisure centre and a major civic component to the town centre.
- Turner Road with a capacity of about 4,250 lots (13,000 people) is progressing with nearly 300 lots sold in Gregory Hills in the first year. The overall capacity includes 1,050 lots within Turner Road on the Sekisui land (and 265 further lots for which approval is being sought). A further 1,670 potential dwellings are identified in other land controlled by Sekisui and others immediately north of the Turner Road precinct.
- Precinct planning has commenced for the Catherine Field Precinct Acceleration Protocol Area although this is only a portion of the overall Catherine Field precinct.

Only one precinct in the north, Edmondson Park, is currently producing lots and is some distance from the site of the Leppington Town Centre. Two other precincts, Austral and Leppington North, are progressing with Precinct Planning but lot production is still some time off. Like other areas in the north, lot production will be hampered by existing subdivision patterns and land ownership. As Oran Park and Turner Road precincts rapidly develop, attention will turn to the Marylands precinct north of Oran Park. Although no decision has yet been made about the future sequence of releases, the opportunity exists to continue relatively high production levels by releasing Marylands and Lowes Creek precincts in the medium term due to the relatively large landholdings in these areas.

The **Shire of Wollondilly** has experienced strong residential and population growth in the last decade – increasing from 38,400 people in 2001 to an estimated 44,000 in 2011. Most recent growth rates for 2009/10 by the ABS suggest an annual growth rate of 1.9% per annum. The area of Wollondilly defined within the secondary catchment of the Turner Road Precinct is estimated at **33,764 people** in 2011. Based on projections by id consulting for the Shire, it is estimated the towns and rural areas within the defined Turner Road catchment will be just over **43,000 people** by 2036.

Combined, the three areas comprising the Turner Road catchment have a current day population of **107,097 people**. At full capacity (or by 2036 in the case of Wollondilly) the projected population will be approximately **226,264 people** (refer [Table 3](#)) comprising:

- 91,849 people in Narellan/Camden/Eagle Vale;
- 91,389 people in the SWGC (southern precincts); and
- 43,027 people in Wollondilly (part).

About 60% of the ultimate population reside in existing urban areas (Camden, east of Turner Road and Narellan) and 40% in the southern precincts of the SWGC. This underlines the strategic location of the Turner Road site and its potential to serve much of the established urban areas and more than 100,000 people moving into them.

Table 3 Turner Road region and SWGC population estimates

	Population 2011	Major urban release area precincts (additional growth)	No. of lots	Planning status	Lot release timing (commencement)	Population capacity <sup>(1)</sup>
<b>Narellan-Camden-Eagle Vale</b>		<ul style="list-style-type: none"> <li>• Spring Farm</li> <li>• Elderslie</li> <li>• Harrington Grove</li> <li>• Harrington-Kirkham</li> <li>• Mater Dei</li> <li>• Manooka Valley</li> <li>• Mount Annan South</li> <li>• Infill</li> </ul>	3,017 1,578 600 500 210 330 170 500	Camden DCP Feb 2011 Camden DCP Feb 2011 Camden DCP Feb 2011 Camden DCP Feb 2011 Camden DCP Feb 2011 Camden DCP Feb 2011 Camden DCP Feb 2011 -	Underway Underway Underway 2017/18 2015/16 2015/16 Underway -	
	71,134	Sub-total	6,905			91,849
<b>Wollondilly (part)</b>	33,764	-	-	-	-	43,027
<b>SWGC Southern Precincts</b>		<ul style="list-style-type: none"> <li>• Oran Park</li> <li>• Marylands</li> <li>• Catherine Fields</li> <li>• Turner Road</li> <li>• Camden Lakeside<sup>(2)</sup></li> </ul>	7,540 9,000 8,000 4,250 1,673	Oran Park DCP Status not determined Precinct Planning Turner Road DCP Turner Road DCP	Underway 2018/19 2015/16 Underway 2012/13	
	2,200	Sub-total	30,463			91,389
<b>Total Turner Road catchment</b>	<b>107,097</b>		<b>37,368</b>			<b>226,264</b>
<b>SWGC Northern Precincts</b>	-	<ul style="list-style-type: none"> <li>• Edmondson Park</li> <li>• Austral</li> <li>• Leppington North</li> <li>• Other precincts (incl Leppington)</li> </ul>	7,500 8,000 12,000 53,000	Edmondson Park DCP Precinct Planning Precinct Planning Status not determined	Underway 2016/17 2015/16 Post 2017/18	
<b>Total</b>	<b>14,800</b>		<b>80,500</b>			<b>241,500</b>

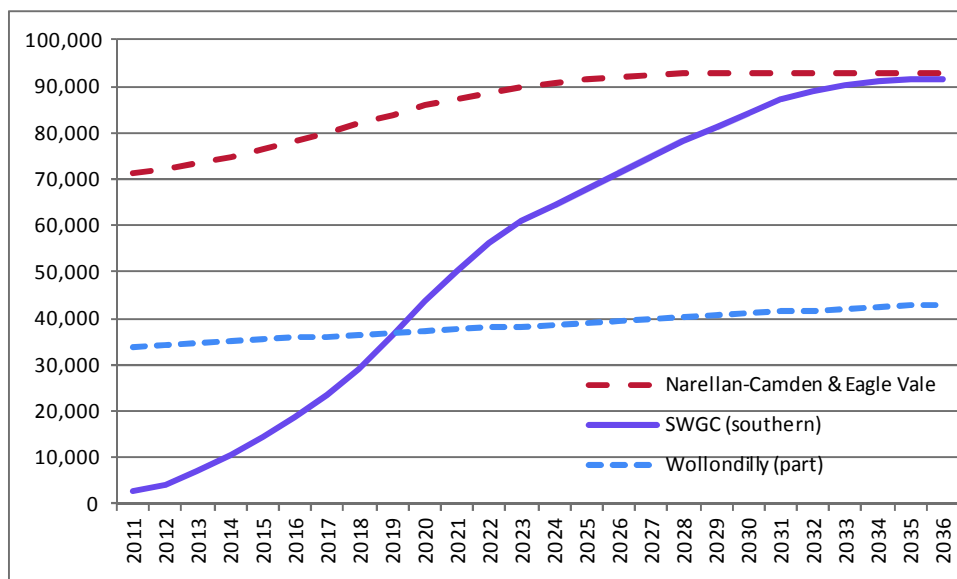
<sup>(1)</sup> New release areas based on rate of 3.0 persons per household

<sup>(2)</sup> Includes El Caballo Blanco and Gledswood

Source: Deep End Services; Dart West Developments; NSW Government Department of Planning; forecast i.d.

Adopting population projections prepared by id consulting for Camden Council and Wollondilly Shire and reasonable land development rates for the SWGC southern precincts, the relative rates of population growth can be illustrated for the three areas comprising the Turner Road catchment (refer Figure 10). The chart highlights the significant contribution that the existing areas of Narellan/Camden/Eagle Vale and Wollondilly make to the future growth of the Turner Road catchment, as well as the SWGC precincts.

Figure 10 Population forecasts



Source: Deep End Services, id Consulting

### 4.3 Household characteristics

Demographic profiles of Sydney's outer south-west reveal varying characteristics across the region (refer Table 4). Although the data, drawn from the 2006 Census, is five years old, it is nonetheless a useful guide to the likely profile of the SWGC near the Turner Road Precinct.

The area comprising Narellan/Camden/Eagle Vale and nearby Campbelltown have a similar average household size (3.2 and 3.1 respectively) and as expected, both are well above the Sydney average (2.9). Harrington Park, a smaller and new area developed in the last 10 years lying between Narellan and the SWGC had an average household size of 3.5 in 2006.

Household income levels in the Narellan/Camden/Eagle Vale area are 3.3% above the Sydney average compared to -13.5% below in Campbelltown and 26.3% higher in Harrington Park.

Similarly, couples with children make up 48% of all households in the Narellan/Camden/Eagle Vale area, 40% in Campbelltown and 62% in Harrington Park - compared to 36% across Sydney.

Although many other variables are useful in comparing areas and drawing inferences as to the profile of future communities, the data and our inspection of the standard of subdivision and housing in the areas of Oran Park and Turner Road would suggest that average household income levels in the SWGC will be above the Sydney average – though probably not as high as Harrington Park.

The assumed average household size of 3.0 persons within the SWGC and other new release precincts is an appropriate (but probably conservative) long-term average compared to other nearby areas.

**Table 4 Household characteristics - 2006 Census**

Demographic characteristic	Narellan/Camden/ Eagle Vale		Campbelltown <sup>(1)</sup>		Wollondilly (part)		Harrington Park		Sydney
	No	%	No	%	No	%	No	%	No/%
<u>Usually resident persons per dwelling</u>	3.2	-	3.1	-	3.1	-	3.5	-	2.9
<u>Average household income</u>	\$75,821	-	\$63,502	-	\$69,667	-	\$92,743	-	\$73,417
Variation from average	-	3.3%	-	-13.5%	-	-5.1%	-	26.3%	-
<b><u>Household composition</u></b>									
Couples with children	10,093	48%	3,962	43%	3,962	43%	1,085	62%	36%
Couples without children	4,701	22%	2,510	28%	2,510	28%	381	22%	24%
One parent family	3,009	14%	957	10%	957	10%	159	9%	11%
Other family	157	1%	61	1%	61	1%	3	0%	1%
Lone person	2,852	13%	1,505	17%	1,505	17%	106	6%	23%
Group	353	2%	124	1%	124	1%	15	1%	4%
Total	21,165	100%	9,119	100%	9,119	100%	1,749	100%	100%

<sup>(1)</sup>City of Campbelltown east of Hume Highway

Source: Deep End Services; Australian Bureau of Statistics

## 5. Competitive structure

### 5.1 South west Sydney

Existing bulky goods outlets in the south west have been reviewed in three areas – the Turner Road catchment, Campbelltown and Liverpool-Fairfield, as summarised in Table 5 and shown in Figure 11. These areas comprise a mix of homemaker centres and freestanding outlets in street based locations.

Bulky goods outlets within the **Turner Road catchment** are focussed around **Narellan** with total floorspace of 19,770 sqm. A group of 11 outlets comprising 5,437 sqm are situated along Narellan Road and scattered throughout the adjoining industrial estate. Approximately 2km from the Narellan Road outlets and 1 km north of the Narellan Town Centre is a freestanding Bunnings Warehouse (14,333 sqm) situated on The Northern Road. Existing bulky goods outlets in Narellan are therefore dispersed, relatively small in number and with most of the floorspace concentrated in one hardware store.

Outside Narellan and still within the catchment of Turner Road, less than 3,000 sqm of bulky goods uses have been identified in Camden and areas of Wollondilly.

Table 5 South West Sydney - bulky goods regions

Region	Precinct/Centre	Floorspace (sqm)
Turner Road catchment	Narellan Road	5,437
	The Northern Road	14,333
	Other	2,400
	Total	22,170
Campbelltown	Homebase Campbelltown (Blaxland Rd)	10,735
	Blaxland Home Centre	7,394
	4 Blaxland Road, Campbelltown	7,111
	Tindall Centre	6,618
	Campbelltown remainder	50,648
Total	82,506	
Liverpool-Fairfield	Crossroads Homemaker Centre, Casula	57,634
	Greenway Supa Centre, Wetherill Park	29,038
	Megacentra Liverpool	29,008
	Hoxton Park Central	27,256
	Warwick Farm Hometown	14,742
	Liverpool-Fairfield remainder	28,919
Total	186,597	

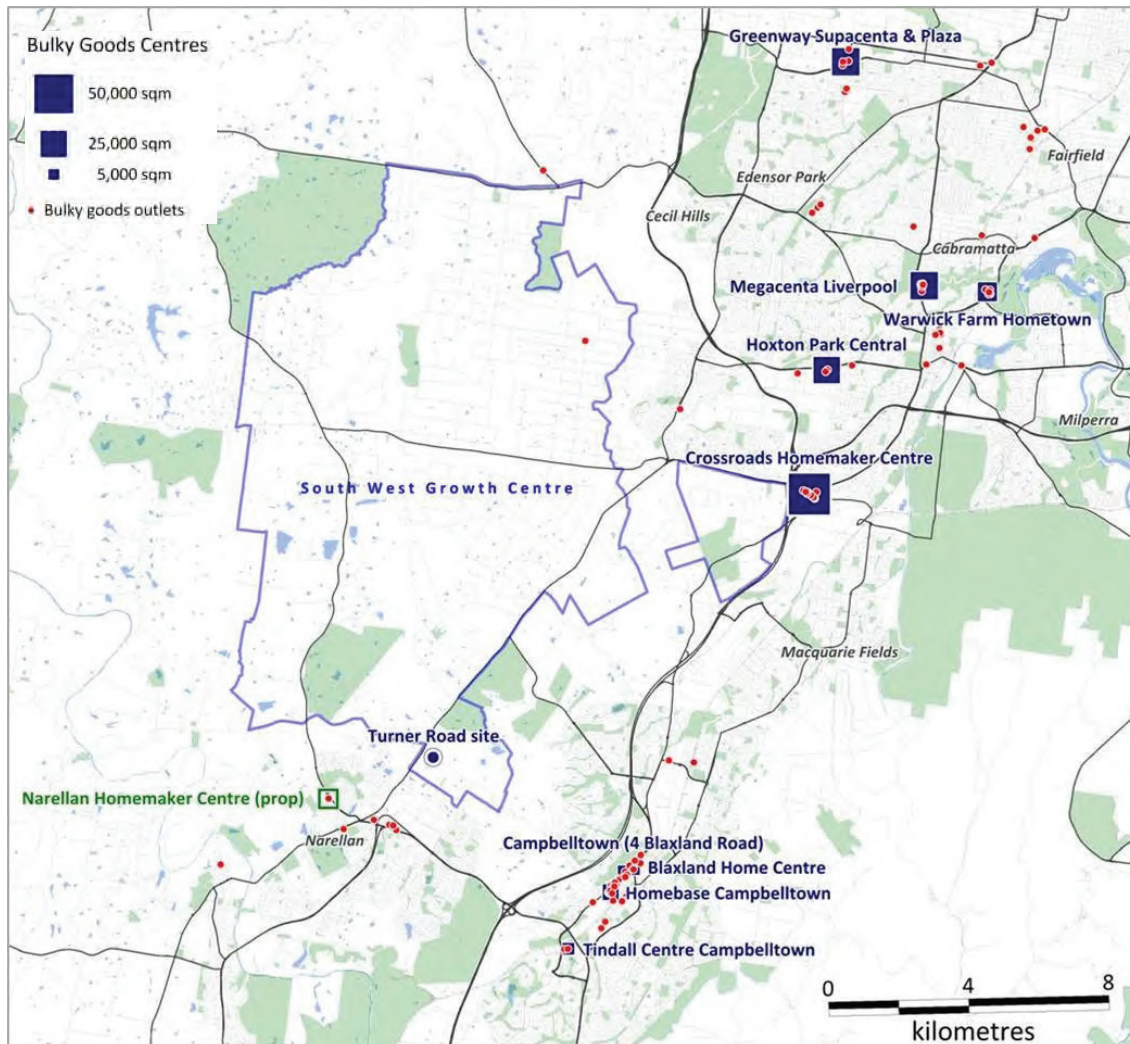
Source: Deep End Services; Bulky Goods Directory, 2011/12

The distribution of bulky goods in the **Campbelltown region** is primarily concentrated in a 1.5 km strip along Blaxland Road, north of the Campbelltown CBD. This area comprises four bulky goods centres with the balance, or more than 50,000 sqm, street based. The Blaxland Road strip accounts for approximately 80% of the total bulky goods floorspace of 82,506 sqm within Campbelltown. The Blaxland Road strip is well established and caters to residents in the Campbelltown-Macarthur corridor, extending into the suburbs located further south as well as rural areas of the Wollondilly Shire. Given the very low level of floorspace provision in the Turner Road catchment, a high proportion of residents' expenditure would presently flow to Campbelltown.



The **Liverpool-Fairfield region** contains approximately 185,000 sqm of bulky goods floorspace in a mix of integrated homemaker centres and clusters along main roads. These centres serve a substantial population base which is geographically separated from the Turner Road catchment, extending from Casula in the south to Wetherill Park and Fairfield in the north. The largest bulky goods centre in Liverpool is at Crossroads, 20 km to the north of Turner Road, with 57,634 sqm of bulky goods and homemaker uses.

Figure 11 Outer south-west Sydney bulky goods centres and outlet distribution



## 5.2 Bulky goods floorspace provision

Floorspace provisioning rates are a useful guide to assess the suitability of existing retail floorspace supply levels in a given area and are often used to plan the future needs of large areas, particularly those with high population growth rates.

It is generally accepted that the current rate of retail floorspace provision across Australia adopted for retail and commercial centre planning purposes, is approximately 2.2 sqm per capita comprising:

- 1.7 sqm per capita located in traditional retail centres and formats such as CBDs, enclosed shopping centres and shopping strips, comprising general retailing and some bulky goods floorspace; and
- 0.5 sqm per capita in other formats, primarily bulky goods and homemaker centres and free-standing locations.

This analysis focuses only on bulky goods floorspace outside traditional retail centres and therefore the current day benchmark adopted is 0.5 sqm per capita across large metropolitan areas.

Total bulky goods floorspace provision in South West Sydney is currently **0.49** sqm per capita, a rate comparable to the national benchmark (refer Table 6).

The Turner Road catchment, previously defined as the three areas of Narellan-Camden-Eagle Vale, Wollondilly (part) and the southern precincts of the SWGC (refer Figure 12) has a population of 107,097 people in 2011 and an existing bulky goods floorspace supply of 20,670 sqm. This yields an existing rate of provision of only **0.21 sqm** per capita.

The rate is well below the benchmark average of 0.50 sqm per capita and significantly lower than rates in the Liverpool-Fairfield (0.49) and Campbelltown (0.81) regions, which are defined on the basis of functioning catchment areas rather than on the basis of municipal boundaries.

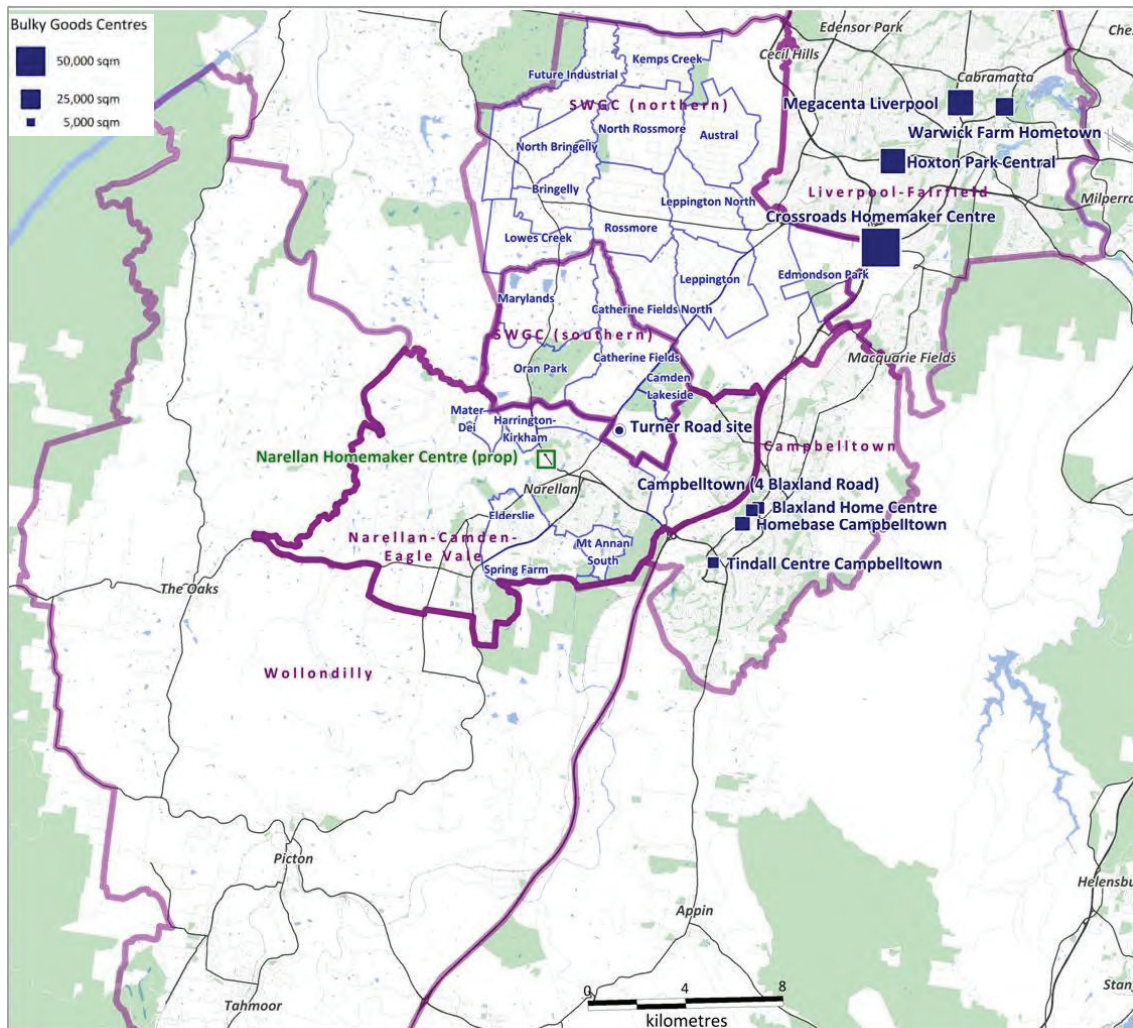
**Table 6 Bulky goods floorspace provision**

Region	Population (2011 ERP) (No.)	Bulky goods floorspace <sup>(1)</sup> (sqm)	Floorspace provision (sqm per capita)
• Liverpool-Fairfield	381,037	186,597	0.49
• Campbelltown	101,641	82,506	0.81
• Turner Road catchment	107,097	22,170	0.21
<b>Sydney South West</b>	<b>589,775</b>	<b>291,273</b>	<b>0.49</b>

<sup>(1)</sup> Floorspace includes bulky goods centres & precincts but excludes bulky goods retailers within traditional regional, sub-regional and neighbourhood retail centres

Source: Deep End Services; BGRA Directory; Google Earth; Near map

Figure 12 South West sub-regions



### 5.3 Future bulky goods supply – South West Sydney

The Crossroads Homemaker Centre has the potential to expand on to adjoining land however at this stage there are no confirmed proposals and there has been some resistance to further development of the precinct for these purposes by Liverpool Council. To our knowledge there are no other large bulky goods proposals in the Liverpool-Fairfield area.

With the classification of Leppington as a major centre of up to 85,000 sqm, it is assumed that sites or areas will ultimately be identified for bulky goods uses, or the like, in or around the proposed centre or in the proposed mixed use employment corridor along Bringelly Road. The Structure Plan for the SWGC provides no commentary on the future provision of bulky goods, outlining only a broad network of traditional retail centres and several mixed use employment corridors that could be developed for a variety of commercial and industrial uses to take advantage of high levels of passing trade.

Closer to the Turner Road Precinct, the Oran Park Town Centre has a 50,000 sqm control on retail floorspace under the Oran Park DCP. Conventional bulky goods floorspace is unlikely to feature in the Town Centre design.

Further south, the vacant site adjacent to the Bunnings Warehouse on The Northern Road at Narellan has development approval for a small homemaker centre, of 7,150 sqm. The only other site in the region, apart from the Turner Road Precinct, which is zoned B5 and vacant is the 7.3 ha Landturn site, opposite Narellan Town Centre. This site is the subject of a separate Planning Proposal seeking a rezoning to facilitate the expansion of core retail uses in the Narellan Town Centre across Camden Valley Way. For the purposes of this report, this site has been removed from future bulky goods supply assumptions.

There are currently no bulky goods developments of significance planned within the Wollondilly Shire.

Accordingly, current and potential supply of bulky goods floorspace in the Turner Road catchment is estimated at 82,820 sqm, comprising the following (refer [Table 7](#)):

- Existing bulky goods floorspace of 22,170 sqm within the defined Turner Road catchment;
- Current development of a 13,500 sqm Masters Home Improvement store within the Turner Road Precinct;
- Development approval for 7,150 sqm of bulky goods floorspace adjacent to the existing Bunnings Warehouse on The Northern Road at Narellan; and
- Existing entitlement to 40,000 sqm of bulky goods floorspace within the Turner Road Precinct.

**Table 7 Turner Road catchment – future bulky goods supply**

Area	Future bulky goods supply (sqm)
• Turner Road Precinct approved	40,000
• Turner Road Precinct under construction (Masters)	13,500
• Remainder of catchment existing	22,170
• Remainder of catchment approved	7,150
<b>Total</b>	<b>82,820</b>

It should be noted that the only 1,157 sqm of the floorspace of the Masters store under construction in the Turner Road precinct is to be subtracted from the 40,000 sqm of bulky goods floorspace permitted within the precinct.

## 6. Escape expenditure

The concept of escape expenditure is a measure of the value or proportion of household expenditure generated in a defined area which is directed to bulky goods centres or freestanding establishments outside of that area. High levels of escape spending tend to be associated with rapidly growing areas whose network and scale of centres has lagged population growth or where the size and quality of centres is otherwise deficient and not meeting the needs of an area.

The implications for areas with high levels of escape spending are lost opportunities in terms of capital investment and job opportunities and sustainability and environmental cost issues associated with longer and more costly trips by car or public transport to destinations outside the area. The development of bulky goods retailing in line with consumer needs and demands is vital for a strong local economy and to facilitate other service and employment opportunities.

The Turner Road catchment (as previously defined) incorporates only a limited supply of bulky goods outlets on Narellan Road and The Northern Road.

Table 8 provides a summary of the current estimated escape expenditure from the Turner Road region. The main steps in the analysis are as follows:

- Bulky goods sales are estimated from a variety of sources, including industry averages. Overall, total bulky goods sales in the Turner Road region are estimated at **\$47.0 million** (June 2011), excluding sales to the trades.
- The catchment has a current population of 107,097, however sales are drawn from a broader area, including passing traffic. It is estimated that approximately 10% of current bulky goods sales are drawn from residents living outside the defined area. Deducting 10% from \$47.0 million indicates about **\$42.3 million** in retail turnover in the area is attributed to catchment residents.
- Based on modelling from Market Data Systems (MDS), a proprietary database generated from ABS Household Expenditure data, the total level of bulky goods spending generated by residents (spent at all bulky goods outlets in and outside the area) is estimated at **\$338.4 million** (June 2011).
- In our experience with both our bulky goods retailer clients and with the Australian Bulky Goods Retailers Association, approximately 30% of bulky goods spending is normally directed to retailers located within traditional retail centres. Therefore, bulky goods expenditure directed to bulky goods centres and freestanding locations (at 71%) is **\$241.7 million**.
- The final step deducts the turnover generated within the Turner Road catchment by residents (\$42.3 million) from their total spending capacity (\$241.7 million). The difference (\$199.4 million) is the level of escape spending leaving the area, equivalent to **82.5%** of total resident spending at June 2011.

Table 8 Turner Road catchment – estimated escape expenditure, 2011

Item	Unit	Value
Estimated bulky goods turnover <sup>(1)</sup>	\$M	47.0
Less turnover from residents outside Turner Road catchment @10%	\$M	4.7
Turnover generated by Turner Road catchment residents	\$M	42.3
Population	(No.)	107,097
Spend per capita	\$ per capita	3,159
Turner Road bulky goods expenditure	\$M	338.4
Less bulky goods expenditure in retail centres	\$M	96.7
Turner Road bulky goods expenditure outside retail centres (@71%)	\$M	241.7
Escape expenditure	\$M	199.4
<b>Escape expenditure</b>	<b>(%)</b>	<b>82.5%</b>

<sup>(1)</sup> Excludes trade and business sales

Source: Deep End Services; ABS; Marketinfo

The high rate of escape expenditure would remain at similar proportional levels or potentially increase in the future due to:

- Substantial population growth in the catchment.
- A limited number of existing bulky goods retailers and limited prospects of major increases in supply in the near future.

On this basis, escape expenditure on bulky goods would increase from \$199.4 million in 2011 to almost \$760 million by 2036 (in constant \$2011).

Escape spending is already significant and will grow substantially in the future – this will not be addressed by small incremental developments. The high levels of escape spending will only be alleviated by the development of a significant cluster of bulky goods uses providing a broader product offering.

## 7. Floorspace demand – supply assessment

### 7.1 Approach

The purpose of this section is to examine the current and future rates of bulky goods floorspace supply in the Turner Road catchment against projected demand levels to assess the level of any additional demand that could be supported at Turner Road, over and above the current 40,000 sqm floorspace control.

Bulky goods floorspace demand-supply assessments usually employ one of two common methods, being either:

- **A retail expenditure model** projects the value of household or individual spending into the future and calculates the supportable floorspace based on an average or acceptable rate of turnover (\$ per sqm) for retailers operating across all centres and formats in the industry.
- **A floorspace per capita (or provision)** approach which applies average rates of floorspace provision to future population levels and compares the theoretical demand to known or projected supply levels.

For large regions and long term forecasting, the floorspace per capita method is recommended. It is more transparent, deals with two simple variables (population and floorspace) and averts the need to project spending and turnover variables well into the future.

The objectives of the analysis are to establish the following:

- Examine the supply and demand of bulky goods floorspace in the Turner Road catchment;
- On the basis of any identified deficiency in floorspace supply, assess the amount of bulky goods floorspace that could be reasonably accommodated in the Turner Road Precinct.

### 7.2 Turner Road Precinct share of floorspace demand

Two demand scenarios are presented in [Table 9](#) for the Turner Road catchment. In the first scenario, the current day benchmark rate of 0.50 sqm per capita is adopted. At this rate, the future population of the region (226,264) would theoretically support 113,132 sqm of bulky goods floorspace.

The projected supply of 82,820 sqm which includes the existing Turner Road DCP entitlement (40,000 sqm) and other known additions (refer [Table 7](#)) is then deducted from the projected floorspace demand indicating a nominal floorspace deficiency of 30,312 sqm.

The second demand scenario takes into account recent growth in bulky goods floorspace provision rates across Australia. For example, the Department of Planning in South Australia produces an extensive retail database for metropolitan Adelaide, the two most recent being in 1999 and in 2007. This is regarded as the most comprehensive recent data of its type in Australia. Between 1999 and 2007, it was found that per capita bulky goods floorspace rates

in Adelaide grew at an average rate of 6.7% per annum. This trend has been evident in many other major metropolitan areas of Australia during this period when bulky goods retailers were both increasing their store numbers and store sizes rapidly.

It is anticipated that bulky goods retailing will continue to grow with the onset of new formats such as the Masters Home Improvement stores and development of large homemaker centres (e.g. Marsden Park). However, it is important to acknowledge other factors such as the continuing growth of internet retailing and the less aggressive store opening programs apparent in the past few years. Hence, the following growth rates have been assumed in per capita bulky goods floorspace:

- 2011-2021 1.5%pa
- 2021-2036 1.0%pa

The average over the 25 year forecast period is growth of 1.4% per annum in the per capita bulky goods floorspace requirement and resulting in the figure growing from 0.50 sqm per capita to 0.674 sqm per capita.

After applying the same steps as the first scenario, the nominal deficiency in bulky goods floorspace increases to 69,609 sqm by deducting the projected supply of 82,820 sqm from projected floorspace demand of 152,429 sqm. This shortfall represents approximately 45% of total bulky goods floorspace demand within the catchment.

**Table 9 Turner Road catchment demand – supply analysis**

	Bulky goods floorspace demand scenarios	
	@0.500 sqm per capita	@0.674 sqm per capita
1. Population capacity of Turner Road catchment	226,264	226,264
2. Projected floorspace demand	113,132	152,429
<u>3. Projected Supply</u>		
• Turner Road Precinct approved	40,000	40,000
• Turner Road Precinct under construction (Masters)	13,500	13,500
• Remainder of catchment existing	22,170	22,170
• Remainder of catchment approved	7,150	7,150
Total	82,820	82,820
Floorspace deficiency (item 3-2)	-30,312	-69,609

The 7.3 ha Landturn site, located opposite Narellan Town Centre, is the only large B5 Business Development zoned site in the Turner Road catchment (other than Turner Road) that could accommodate a large bulky goods development. Its land area and a potential development scheme indicates the potential for about 34,000 sqm of bulky goods uses, if developed for that purpose, on the site.

The Landturn site already has a planning entitlement for 11,300 sqm of retail premises through an LEP provision and is now the subject of a Planning Proposal by the same owners of the Turner Road land to rezone the land for an extension of the Narellan Town Centre’s (NTC) core retail uses. Bulky goods floorspace will not form part of the scheme.



Whilst the development of bulky goods uses on the Landturn site would be consistent with its zoning and existing retail policy, the development of core retailing and more intensive land uses and employment generating activities associated with a retail expansion represents better planning, urban design and economic outcomes for what is a strategic site. Assuming this occurs, there is an urgent need to identify alternative locations to accommodate the 34,000 sqm of bulky goods floorspace associated with the Landturn site and to meet the additional significant identified floorspace deficiency demand levels in the region.

The Turner Road Precinct, with its existing bulky goods entitlement, is ideally placed to take up almost all of the additional floorspace demands in the region. The precinct's principal location attributes which support the development of more bulky goods floorspace are:

- A central location between existing urban and future release areas making the site highly accessible to over 220,000 people.
- High exposure to two key arterials – firstly, Camden Valley Way a major arterial road bordering the SWGC and a key link between the Narellan–Camden area and the northern precincts of the SWGC and southern areas of the City of Liverpool and secondly, the future Badgally Road extension which provides a direct link from the Hume Highway through the Turner Road Precinct with connections to Oran Park and northern SWGC precincts.
- Its close proximity to the Narellan Town Centre which is expected to expand its core retail functions. The distance between the Narellan Town Centre and what would become a major regional homemaker and bulky goods centre at Turner Road is 2.7 km by direct road link. This distance is consistent with the relationship between many other major bulky goods centres in Sydney and nearest major retail centres.
- Its similarly close proximity to the future Oran Park Town Centre.
- Close proximity to existing industrial areas where businesses and the trades can access products used in the building, construction and manufacturing sectors.

On this basis, the existing Turner Road floorspace limitation of 40,000 sqm would appear to be a substantial under-utilisation of the 50 hectares of B5 zoned land at the Turner Road Precinct.

On the assumption that Turner Road should accommodate 90% of the total bulky goods floorspace deficiency in the second demand scenario (i.e. 90% of 69,909 sqm), then an **additional 63,000 sqm** should be allocated to the Turner Road precinct, i.e. over and above the existing floorspace cap of 40,000 sqm.

The total amount of bulky goods floorspace supportable at the Turner Road precinct is therefore 103,000 sqm.

## 8. Conclusions

### Proposal

Dart West owns 45 hectares of employment land within the Turner Road Precinct of the SWGC. Dart West's holdings form part of a larger employment land area of approximately 100 hectares, of which 50 ha is zoned B5 Business Development.

Dart West is requesting the removal of the bulky goods floorspace cap of 40,000 sqm on the B5 zoned land via amendments to the Turner Road DCP, on the following basis:

- Strong population growth to the north within the SWGC and south in other land release areas;
- Minimal impact on the current or planned network of centres;
- A current and projected under-supply of bulky goods floorspace within the region and few other suitable sites or locations within the catchment to accommodate an integrated bulky goods centre;
- Support by a range of planning policies including the draft (Competition) SEPP which proposes a softening of barriers to the development of retail premises. In this case the current floorspace control of 40,000 sqm at Turner Road would appear to be unnecessarily restrictive and an under development of the 50 ha of land within the Business development zone.

The Turner Road Precinct is positioned close to a large developing industrial estate to the south, providing the opportunity to expand and strengthen the local employment base. Its location is enhanced through its main road exposure and strong regional road connections.

### Catchment and population

The Turner Road catchment has a current population of 107,097 people, increasing to 226,264 following full development of the four southern precincts, growth in other release areas south of the SWGC in Camden Council and projected growth in Wollondilly Shire over the next 20 years.

Notwithstanding its prominent location at the base of the SWGC, at full development more than 135,000 people or 60% of the Turner Road catchment will reside in existing established urban areas and their various release areas.

The location of the Turner Road B5 zoned land between the established population base and future growth areas reinforces the merits of current planning strategies to date and underlines its suitability for an aggregated bulky goods development, accessible to a broad region.

The northern precincts of the SWGC, located beyond the Turner Road catchment, have an estimated capacity of 241,500 people and could support almost 162,000 sqm of bulky goods floorspace in their own right (applying the rate of 0.67 sqm per capita). There is significant capacity for major clusters of bulky goods floorspace to develop in the northern precincts at Leppington, Edmondson Park or elsewhere without encroaching on the Turner Road demand analysis. Similarly, Turner Road is not reliant on the northern areas to substantiate the 103,000 sqm of bulky goods floorspace which is supportable at the precinct.

## **Infrastructure**

Camden Valley Way will be upgraded to a divided four lane highway, creating opportunities for residents further afield. The Department of Transport estimates future traffic volumes of 45,000 - 50,000 vehicles per day along Camden Valley Way.

The planned extension of Gregory Hills Drive to the Hume Highway will provide an important east-west linkage to established residential areas at Campbelltown, Eagle Vale and Claymore and will connect with Oran Park Drive, affording easy access from the SWGC.

## **Competition**

An expanded bulky goods presence at Turner Road will not compromise or undermine the proposed Major Centre at Leppington which will progressively develop a traditional retail focus and cater to a separate catchment of more than 240,000 people. The development of bulky goods uses in the north, like the conventional retail elements, will be supported once population levels around the centre reach critical thresholds. The planning strategies which support the early development of Leppington with public transport infrastructure will not be impacted by long term growth in the Turner Road precinct.

## **Escape spending**

In 2011, the level of escape spending from the Turner Road catchment to other parts of the region and Sydney is more than 80% or \$199 million. This underlines the very low provisioning levels for bulky goods in the catchment at the present time. To achieve high levels of self containment and retain escape spending (and employment) in the catchment, the area must develop and support a significant bulky goods floorspace offering at a central location.

The alternative is that such escape spending will increase to almost \$760 million by 2036, with a corresponding significant leakage of employment opportunities.

## **Bulky goods demand and supply**

The provision of 40,000 sqm of bulky goods floorspace at Turner Road under the current DCP entitlement will only partially alleviate the substantial and growing under-supply of floorspace within the Turner Road catchment. Most of the long term bulky goods floorspace deficiency in the catchment should be catered for by the Turner Road precinct, meaning that that the Precinct will comfortably accommodate approximately 103,000 sqm of such floorspace in time.

On our review, the rising floorspace deficiency will not be resolved by other locations in the Turner Road catchment. The only other appropriate site with sufficient land for aggregated bulky goods floorspace, the Landturn site at Narellan, is now subject to a Planning Proposal that could see a more intensive and more appropriate development of the land for retail use and higher employment generating activities. If this proposal proceeds, then land that would otherwise have accommodated up to 34,000 sqm needs to be identified in the immediate area. On our review, Turner Road with its existing status and spare capacity is the obvious choice.

A large aggregated bulky goods development at the Turner Road Precinct could be compared to the current proposal in the North West Growth Centre (NWGC) for more than 80,000 sqm of bulky goods at Marsden Park. This precinct is located at the base of the NWGC which has

capacity for more than 60,000 dwellings (compared to 110,000 dwellings in the SWGC). The location of the proposed Marsden Park Homemaker Centre has close parallels with the Turner Road Precinct, with excellent access to major thoroughfares and a large existing residential base to its south.

Our analysis concludes that a substantial increase in bulky goods floorspace can, and should be, supported at Turner Road on the basis of current policy, existing planning strategies which recognise the location, a projected shortfall in bulky goods floorspace, few (if any) other options and the strong location attributes of the site.

Recent developments in competition policy at both Federal and State level would indicate that the concept of floorspace caps, particularly where significant need can be demonstrated, are no longer valid. We would argue that this is the case at the Turner Road precinct when considering bulky goods.

The current subregional planning strategies will not be affected by the lifting of the floorspace control, indeed the progressive development of the Turner Road precinct will enhance the economic growth prospects for the area, help deliver the subregional employment targets and cater to the rising consumer needs of the catchment.

**We are therefore of the opinion that the bulky goods floorspace cap at the Turner Road precinct should be removed and that the precinct be allowed to develop in line with market demands.**