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## ORDINARY COUNCIL

ORD06

**SUBJECT: PROPOSED AMENDMENT TO REMOVE GREGORY HILLS BULKY GOODS FLOORSPEACE CAP**

**FROM:** Director Governance

**BINDER:** Amendment No 12 Gregory Hills Bulky Goods Cap

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### PURPOSE OF REPORT

The purpose of this report is for Council to consider supporting the removal of a cap limiting bulky goods development to 40,000sqm on land zoned B5 – Business Development within the Turner Road precinct. If Council supports the removal of the cap, then a planning proposal will be sent to the Department of Planning and Infrastructure (DPI) to seek amendment to Appendix 1 of State Environmental Planning Policy (Sydney Region Growth Centres) 2006 (Growth Centres SEPP).

### BACKGROUND

In 2008, the NSW Government zoned land in the Oran Park and Turner Road precincts for urban purposes under the provisions of the Growth Centres SEPP.

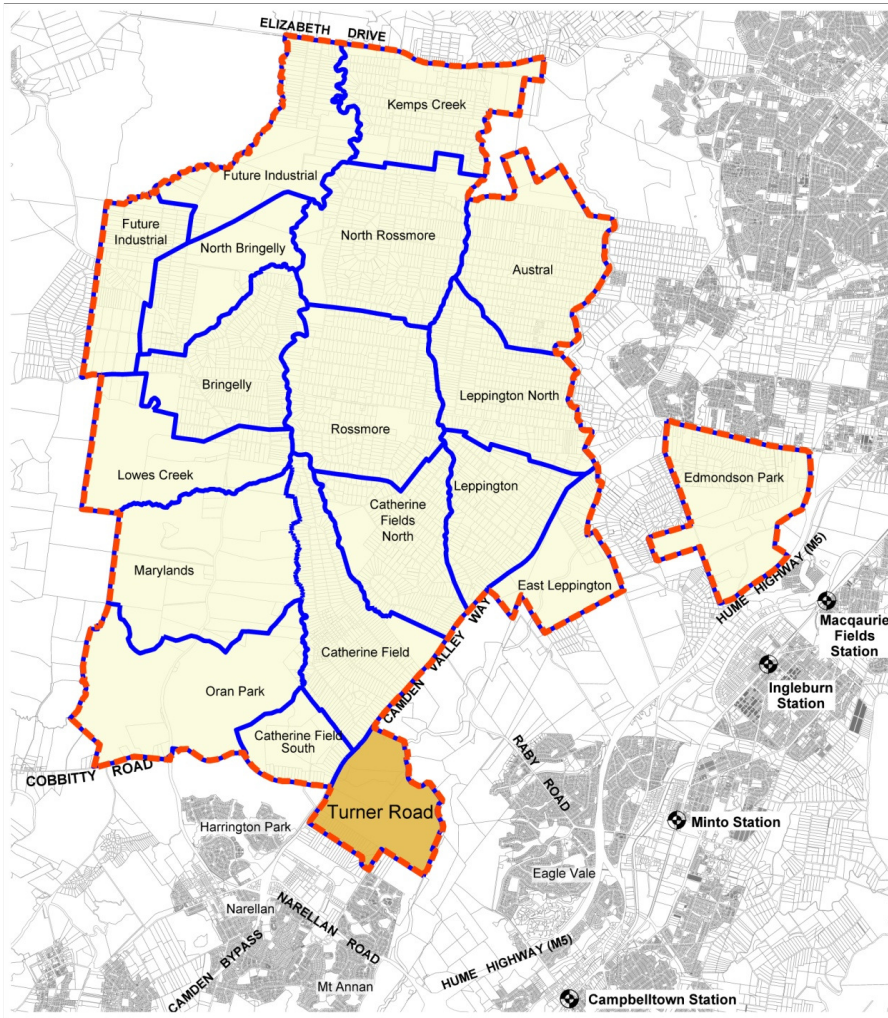
The Turner Road business lands are located within the Turner Road precinct of the South West Growth Centre. The land is zoned under Growth Centres SEPP and as a result, Council does not have control over the planning controls that apply to the site. However, the DPI has advised that the process for amending the planning controls is for the Council to submit a Planning Proposal to the DPI for a Gateway Determination. As a result, the purpose of this report is for Council to consider the request to remove the bulky goods cap that applies to the B5 lands in the Turner Road precinct. A Planning Proposal is provided in **Attachment 1 to this report** and will be forwarded to the Department for its consideration should Council resolve to proceed with the proposed amendment.

The location of the Turner Road Precinct is shown in **Figure 1** below.

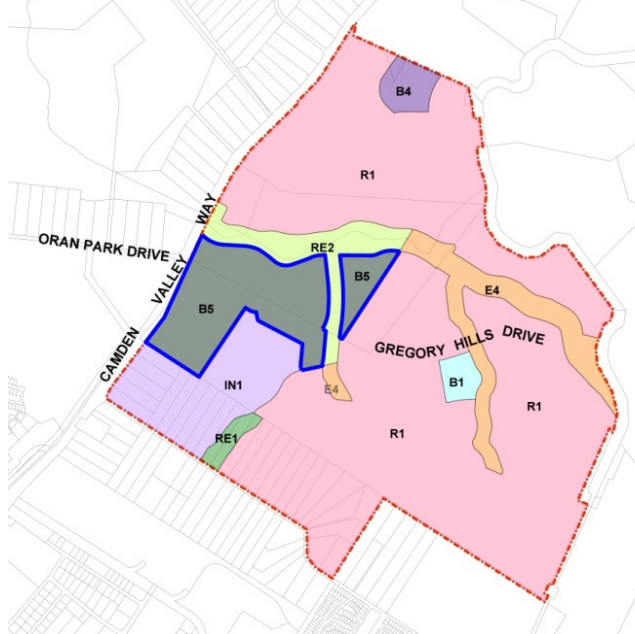
The Turner Road employment lands precinct includes approximately 50ha in area and is zoned B5 Business Development, which provides a range of business, large-format retail, warehousing and light industrial activities within the Turner Road Employment Lands area, which is in two consolidated landholdings of approximately 25ha each.

The land zoned B5 – Business Development is shown coloured grey in the zoning map provided in **Figure 2** below.

**Figure 1 – Turner Road Precinct location map**



**Figure 2 – Turner Road Precinct – Zoning Plan**



Dart West Developments Pty Ltd is the owner of approximately half of the land zoned B5 – Business Development and has submitted a request to remove the limit on the floorspace of bulky good premises. The current 40,000sqm limit applies to bulky goods retail use.

## **MAIN REPORT**

The subject land is approximately 50ha in area and is zoned B5 Business Development to provide a range of business, large-format retail, warehousing and light industrial activities and is in two consolidated landholdings of approximately 25ha each.

The planning controls for the site currently limit bulky goods retail to 40,000sqm, which is shared equally between the two land holdings. The limit means that only 8% of the 50ha of B5 zoned land could be used for bulky goods retail.

### **Planning Proposal**

A Planning Proposal is provided as **Attachment 1 to this report** and seeks to amend the Growth Centres SEPP by deleting Clause 4.1D of Appendix 1, which restricts bulky goods floorspace to 40,000sqm.

The Planning Proposal also highlights the need for an amendment to the Turner Road Development Control Plan (DCP) by:

- Amending Table 1 in Section 2.5 – Hierarchy of Centres and Employment Areas by deleting the text relating to the Turner Road Business Area which states *“The maximum aggregate of bulky good premises (not including landscape and garden supplies and timber and building supplies) is 40,000m<sup>2</sup> GFA”*; and
- Deleting Clause 5 under ‘Controls’ in Section 3.1 – Land Uses of Part B of the DCP. This clause states *“A total maximum of 40,000m<sup>2</sup> of GFA of bulky goods premises is to be provided in the Business Development Lands fronting Badgally Road [now known as Gregory Hills Drive]. Of this maximum, 20,000m<sup>2</sup> is to be provided along either the northern or the southern frontages of Badgally Road”*.

### **Economic Justification**

The applicants have prepared an economic assessment prepared by Deep End Services to support the proponents request to remove the floorspace cap. A copy of this assessment is provided in Appendix 1 to the Planning Proposal provided in **Attachment 1 to this report**.

The economic assessment report has been peer reviewed by Hill PDA on behalf of Council, at the cost of the applicant. Hill PDA has been involved in retail demand studies on behalf of the NSW Government for the growth centre areas, including part of the Austral/Leppington North precincts. The Hill PDA peer review report is provided in Appendix 2 to the Planning Proposal provided in **Attachment 1 to this report**.

The main findings of the economic assessment and peer review are summarised below:

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- There is sufficient population growth within the retail catchment to support almost 160,000sqm of bulky goods retailing;
  - 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.
  - Approximately 77% of the retail catchment household expenditure on bulky goods “escapes” to other centres. This equates to around \$160 million per year. This underlines the very low provision of bulky goods within the catchment at the present time. To achieve high levels of self containment, which will reduce travel to other centres and create more local jobs, the area must develop and support a significant bulky goods floorspace offering at a central location.
  - The economic impact of a removal of the bulky goods floorspace cap is unlikely to lead to significant impacts upon existing centres or bulky goods clusters provided non-bulky goods floorspace is restricted through appropriate planning controls.

It should be noted that non-bulky goods (i.e. retail) floorspace is currently restricted to 2,500sqm. This is an appropriately small allowance of retail floorspace and this control is to be retained.

It should be noted that removal of the bulky goods cap will not necessarily result in all of the B5 – Business Development land being developed for bulky goods. The zone encourages a mix of business and warehouse uses to provide a wide range of employment generating development including function centres, medical centres, showrooms and car dealers. Some of the businesses already committed to locating at the Central Hills Business area include a hardware store, petrol station, fast food restaurant, and Wisdom Homes corporate head office and showroom.

The removal of the floorspace cap on bulky goods development will:

- allow development to respond to market demand;
- address identified existing and future shortfalls of land suitable for bulky goods development; and
- generate local employment opportunities.

#### Consistency with State and Local Strategies

The proposal is consistent with:

- the Metropolitan Plan for Sydney 2036;
- the draft South West Sydney Subregional Strategy;
- the planning for the South West Growth Centre; and
- Camden 2040.

Recent developments in competition policy at both the Federal and State level would indicate that the concept of floorspace caps, particularly where significant need can be demonstrated, are no longer valid.

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## Relocation of Narellan Bulky Goods

While not necessary to this proposal to remove the bulky goods floorspace cap, which can be supported in its own right, Council should note that it has received a proposal to rezone land at Narellan (known as the 'triangle' site) to allow an expansion of the Narellan Town Shopping Centre. If Council supports this rezoning proposal, then the site will no longer be used for bulky goods retailing. This will add to the under supply of bulky good retail floorspace.

### **CONCLUSION**

The proposal to remove the bulky goods floorspace cap on the Turner Road B5 zoned lands is justified from an economic perspective. There will be little or no impact on the environment as a result of removing the cap, as the site is already zoned to allow this type of use.

Removal of the cap will create local jobs and allow the market to respond to demand from residents within the local area.

Of the uses that are permissible in the B5 – Business Development zone, bulky goods retail generally provides relatively high employment generation rates. Therefore, the proposal to allow a greater amount of bulky goods retail floorspace will result in more local employment opportunities.

While Council is not responsible for the planning controls applying to the Turner Road precinct, it appears that there is sufficient justification for the proposed change and will deliver benefits for the residents of Camden LGA.

### **RECOMMENDED**

**That Council:**

- i. support the removal of the bulky goods floorspace cap of 40,000sqm on the 'B5 – Business Development' land within the Turner Road precinct;**
- ii. forward the Planning Proposal to the Department of Planning and Infrastructure for the purposes of a Gateway Determination; and**
- iii. publicly exhibit the Planning Proposal and Development Control Plan amendments in accordance with the Gateway Determination and any arrangements agreed with the Department of Planning and Infrastructure.**

### **ATTACHMENTS**

1. Planning Proposal