

19 July 2018

General Manager
Penrith City Council
PO Box 60
PENRITH NSW 2751

Dear Sir/Madam,

RE: DEVELOPMENT APPLICATION FOR PROPOSED CADDENS PRECINCT CENTRE – O’CONNELL STREET, CADDENS, WESTERN SYDNEY UNIVERSITY WERRINGTON SOUTH CAMPUS

REQUEST UNDER CLAUSE 4.6 OF THE *PENRITH LOCAL ENVIRONMENTAL PLAN 2010* TO VARY THE DEVELOPMENT STANDARD FOR HEIGHT OF BUILDINGS UNDER CLAUSE 4.3 OF THE *PENRITH LOCAL ENVIRONMENTAL PLAN 2010*

INTRODUCTION

1. This letter has been prepared on behalf of the applicant Western Sydney University (WSU) to further assist with the consideration of the proposed development for the proposed Caddens Precinct Centre development and the variation sought to Clause 4.3 of the *Penrith Local Environmental Plan 2010* (PLEP).
2. As detailed in the Addendum Statement of Environmental Effects (SEE) letter which accompanies this Amended Development Application (DA), the design of the proposed development has had consideration of the Height of Building (HOB) standard contained in Clause 4.3 of the PLEP, as the proposal will result in a minor variation to the HOB standards in Clause 4.3 of the PLEP Height of Building Mapping.
3. The permitted 5m and 15m HOB standards under Clause 4.3 of the PLEP applies as the land under the HOB Map, for the land at O’Connell Street, Caddens.
4. Therefore, this request is to vary the PLEP HOB standards under the provisions of Clause 4.6 of the PLEP.
5. This Clause 4.6 variation request has been prepared having regard to:
 - The NSW Department of Planning & Environment’s Guideline *Varying Development Standards: A Guide*, August 2011, and
 - has incorporated as relevant principles identified in the applicable Case law, (established tests) in the following judgements:
 - *Winten Property Group Limited v North Sydney Council* [2001] NSWLEC 46
 - *Wehbe v Pittwater Council* [2007] NSWLEC 827
 - *Four2Five Pty Ltd v Ashfield Council* [2015] NSWLEC 1009 (‘Four2Five No 1’)
 - *Four2Five Pty Ltd v Ashfield Council* [2015] NSWLEC 90
 - *Four2Five Pty Ltd v Ashfield Council* [2015] NSWCA 248 (‘Four2Five No 3’)
 - *Moskovich v Waverley Council* [2016] NSWLEC 1015
 - *Project Venture Developments v Pittwater Council* [2005] NSWLEC 191

▪ *Ex Gratia P/L v Dungog Council [2015] (NSWLEC 148)*

6. This letter has explained how flexibility is justified in this case in terms of the matters explicitly required to be considered and addressed under Clause 4.6 in a written request from the applicant. This letter also addresses, where relevant and helpful, additional matters that the consent authority is required to be satisfied of when exercising the discretion afforded by Clause 4.6 and the assumed concurrence of the Secretary.

WHAT IS THE ENVIRONMENTAL PLANNING INSTRUMENT (EPI) APPLICABLE?

7. The Environmental Planning Instrument (EPI) to which this variation relates is the Penrith Local Environmental Plan 2010 (PLEP).

WHAT IS THE ZONING OF THE LAND?

8. In accordance with Clause 2.2 of the PLEP the site is zoned B2 Local Centre.

WHAT ARE THE OBJECTIVES OF THE ZONE?

9. The land use table to Clause 2.2 of the PLEP provides the following objectives for the B2 Local Centre zoning:

1 Objectives of zone

- *To provide a range of retail, business, entertainment and community uses that serve the needs of people who live in, work in and visit the local area.*
- *To encourage employment opportunities in accessible locations.*
- *To maximise public transport patronage and encourage walking and cycling.*
- *To provide retail facilities for the local community commensurate with the centre's role in the local and regional retail hierarchy.*
- *To ensure that future housing does not detract from the economic and employment functions of a centre.*
- *To ensure that development reflects the desired future character and dwelling densities of the area.*

WHAT IS THE DEVELOPMENT STANDARD BEING VARIED?

10. The development standard being varied is the "Height of Building" (HOB) standard shown in the PLEP HOB Map.

UNDER WHAT CLAUSE IS THE DEVELOPMENT STANDARD LISTED IN THE EPI?

11. The development standard being varied is prescribed under Clause 4.3 of the PLEP. Clause 4.3 is detailed below. The PLEP HOB Map identifies the subject site with the designation 'C = 5m' and 'O = 15m', see Figure 1. The land is zoned B2 under the PLEP zoning map. Therefore, under Clause 4.3, the PLEP HOB Map and this clause apply.

4.3 Height of buildings

(1) *The objectives of this clause are as follows:*

- (a) *to ensure that buildings are compatible with the height, bulk and scale of the existing and desired future character of the locality,*
- (b) *to minimise visual impact, disruption of views, loss of privacy and loss of solar access to existing development and to public areas, including parks, streets and lanes,*
- (c) *to minimise the adverse impact of development on heritage items, heritage conservation areas and areas of scenic or visual importance,*

(d) to nominate heights that will provide a high quality urban form for all buildings and a transition in built form and land use intensity.

(2) The height of a building on any land is not to exceed the maximum height shown for the land on the Height of Buildings Map.

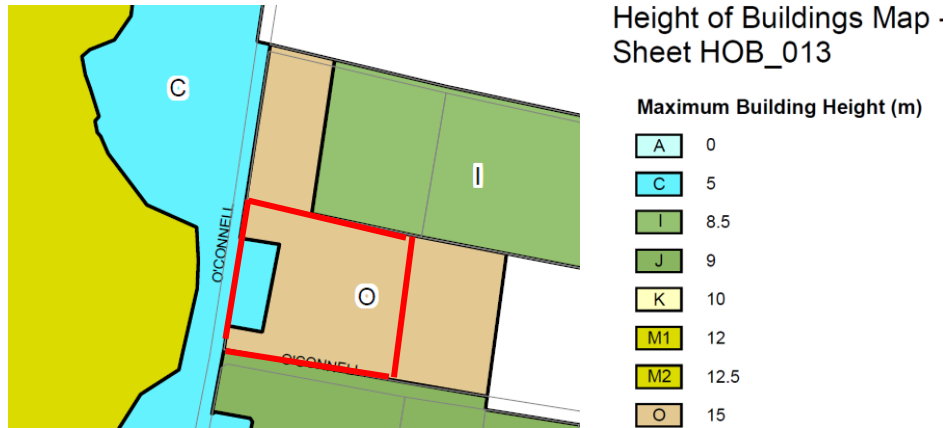


Figure 1: PLEP Height of Buildings Map extract (site outlined in red)

Source: NSW Legislation

WHAT ARE THE OBJECTIVES OF THE DEVELOPMENT STANDARD?

12. The objectives in Clause 4.3 of the PLEP, are as follows:

- (a) to ensure that buildings are compatible with the height, bulk and scale of the existing and desired future character of the locality,
- (b) to minimise visual impact, disruption of views, loss of privacy and loss of solar access to existing development and to public areas, including parks, streets and lanes,
- (c) to minimise the adverse impact of development on heritage items, heritage conservation areas and areas of scenic or visual importance,
- (d) to nominate heights that will provide a high quality urban form for all buildings and a transition in built form and land use intensity.

WHAT IS THE NUMERIC VALUE OF THE DEVELOPMENT STANDARD IN THE EPI?

13. An extract of the PLEP HOB map is shown in **Figure 1**. The map prescribes the site being within 'C = 5m' and 'O = 15m' for the subject site.

WHAT IS THE PROPOSED NUMERIC VALUE OF THE DEVELOPMENT STANDARD IN THE DA AND THE VARIATION PROPOSED?

- 14. The Precinct Centre has roof levels which have been calculated in relation to the existing natural ground levels as detailed in Appendix A;
- 15. The amended design now involves a shop top housing component in the south-west focal point which at its highest roof point at the transition between the 5m and 15m HOB controls, being RL61.1 to natural ground level RL45.498. The maximum height of the building overall is 15.602m. In addition, the shop top housing component has been designed with lift access to the private communal roof top terrace which due to the existing topography of the site has a maximum height of 16.712m.
- 16. There are a number of reasons for the non-compliance:

- a. The applicant is of the understanding when the original precinct concept for the WSU lands included the provision of a “detention basin” in the location of the 5m height control designation along the O’Connell Street (north-south) frontage. This accounts for the 5m HOB control. Since the PLEP amendment for the subject land was gazetted, Council has had a draft flood study completed which is titled “Draft College, Orth and Werrington Creeks Catchment Overland Flow Flood Study”;
- b. The applicant has been advised that a detention basin as originally proposed for this precinct, is in the location of the flood waters identified in the draft College, Orth and Werrington Creeks Catchment Overland Flow Flood Study. The provision of such an open detention basin in the location as originally envisaged which if flood affected, is incompatible with each other. Therefore, the applicant’s flood consultants at Wood & Grieve Engineers have proposed a solution;
- c. Rather than provision of an open detention basin (in the location envisaged by the original precinct planning and subsequently shown in the PLEP amendment for the land) which is no longer suitable as an outcome for this portion of the urban release area, in the alternate the proposal includes an interconnected enclosed onsite detention system with gross pollutant traps which are not located above ground within the flood zone so as not to cause conflict with flood waters during a storm event but also fulfil its role as part of the overall catchment requirements for the precinct;
- d. As a result, the open detention basin is no longer required or suitable in the original location due to the existing overland flow associated with the flood extent of Werrington Creek. Therefore, the design of the development is setback between 18m and 30m from O’Connell Street, however still involves a minor variation of the development standards;
- e. The topography of the site along its O’Connell Street (north-south) frontage has a “dip” in the location of the existing driveway access. The change of gradient between the existing driveway and the location of the shop top housing building in the south-west corner is some 2.32m. Despite this the design seeks the inclusion of accessible access which means creating a “level” ground floor plane across the O’Connell Street frontage at the ground floor level;
- f. Due to the requirements associated with Clause 7.2 Flood Planning including the required 500mm above the minimum flood planning level and the need to ensure that the existing flood storage capacity of the subject site is not diminished, the floor level of development on the site in particular along the O’Connell Street frontage is a RL48.7, which given the existing ground levels along the boundary between the 5m and 15m HOB control leaves little capacity for development in the 5m HOB portion of mapping;
- g. The proposal provides a focus to create a streetscape presentation to the new road with accessible pathways, while providing a streetscape presentation to O’Connell Street which is consistent and sympathetic with the surrounding streetscape and does not impact on adjoining properties;
- h. To achieve a driveway access from O’Connell Street into the new road, the RL 48.7 to the proposed building and the minimum gradients to the basement loading dock, the level would result in a breach of the 5m and the 15m HOB controls;
- i. To accommodate the required overland flow path along the eastern boundary and associated finished floor level which essentially for this portion of the site which includes the loading dock and building minimum freeboard;

- j. The provisions of the Apartment Design Guide (ADG) associated with *State Environmental Planning Policy No. 65 – Design Quality of Residential Flat Development*, the project seeks the inclusion of a “roof top terrace” as the exclusive private communal open space for all future occupants of the residential component of the development, so as to be distinct from the ground floor level communal open space to the west of the site. The ground floor level publicly accessible private open space has been designed to enable both residents and members of the public to access the deep soil plantings as an outlook from and into the commercial floor areas at the ground floor level to provide for natural surveillance towards O’Connell Street.
- k. The inclusion of the communal open space on the roof top must provide universal access to all users. Therefore, these factors have resulted in the finished level to be the same as the existing street edge to O’Connell Street (east-west), which means the ground level of the shop top building adjacent to the driveway into the basement loading dock area is higher than natural ground level by approximately 4.2m.
- l. In order to achieve equitable access to the private roof top terrace, the lift is required to finish at the roof top terrace level. As a result, the roof at the upper level and associated lift overrun extends through the permitted building height.

17. The existing Precinct Centre building have the following heights:

MATTERS TO BE CONSIDERED UNDER CLAUSE 4.6

18. Clause 4.6 of the PLEP states:

4.6 Exceptions to development standards

(1) *The objectives of this clause are as follows:*

- (a) *to provide an appropriate degree of flexibility in applying certain development standards to particular development,*
- (b) *to achieve better outcomes for and from development by allowing flexibility in particular circumstances.*

(2) *Development consent may, subject to this clause, be granted for development even though the development would contravene a development standard imposed by this or any other environmental planning instrument. However, this clause does not apply to a development standard that is expressly excluded from the operation of this clause.*

(3) *Development consent must not be granted for development that contravenes a development standard unless the consent authority has considered a written request from the applicant that seeks to justify the contravention of the development standard by demonstrating:*

- (a) *that compliance with the development standard is unreasonable or unnecessary in the circumstances of the case, and*
- (b) *that there are sufficient environmental planning grounds to justify contravening the development standard.*

(4) *Development consent must not be granted for development that contravenes a development standard unless:*

(a) *the consent authority is satisfied that:*

- (i) *the applicant’s written request has adequately addressed the matters required to be demonstrated by subclause (3), and*
- (ii) *the proposed development will be in the public interest because it is consistent with the objectives of the particular standard and the objectives for development within the zone in which the development is proposed to be carried out, and*

(b) *the concurrence of the Director-General has been obtained.*

(5) In deciding whether to grant concurrence, the Director-General must consider:

- (a) whether contravention of the development standard raises any matter of significance for State or regional environmental planning, and
- (b) the public benefit of maintaining the development standard, and
- (c) any other matters required to be taken into consideration by the Director-General before granting concurrence.

(6) Development consent must not be granted under this clause for a subdivision of land in Zone RU1 Primary Production, Zone RU2 Rural Landscape, Zone RU3 Forestry, Zone RU4 Primary Production Small Lots, Zone RU6 Transition, Zone R5 Large Lot Residential, Zone E2 Environmental Conservation, Zone E3 Environmental Management or Zone E4 Environmental Living if:

- (a) the subdivision will result in 2 or more lots of less than the minimum area specified for such lots by a development standard, or
- (b) the subdivision will result in at least one lot that is less than 90% of the minimum area specified for such a lot by a development standard.

Note. When this Plan was made it did not include all of these zones.

(7) After determining a development application made pursuant to this clause, the consent authority must keep a record of its assessment of the factors required to be addressed in the applicant's written request referred to in subclause (3).

(8) This clause does not allow development consent to be granted for development that would contravene any of the following:

- (a) a development standard for complying development,
- (b) a development standard that arises, under the regulations under the Act, in connection with a commitment set out in a BASIX certificate for a building to which State Environmental Planning Policy (Building Sustainability Index: BASIX) 2004 applies or for the land on which such a building is situated,
- (c) clause 5.4,
- (ca) clause 6.1, 6.2, 6.6, 6.7, 6.16, 7.7, 7.17, 7.21, 7.24 or Part 9.

19. **Table 1** below provides a summary of the key matters for consideration under Clause 4.6 of the PLEP and response to each consideration.

Table 1: Matters for Consideration under Clause 4.6

Clause 4.6 Consideration	Response
<p>(1) The objectives of this clause are as follows:</p> <p>(a) to provide an appropriate degree of flexibility in applying certain development standards to particular development,</p> <p>(b) to achieve better outcomes for and from development by allowing flexibility in particular circumstances.</p>	<p>The objectives of this clause expressly indicate a degree of flexibility should be applied "in particular circumstances". This is such a circumstance to enable a flexible approach to the outcome sought by this DA.</p>
<p>(2) Development consent may, subject to this clause, be granted for development even though the development would contravene a development standard imposed by this or any other environmental planning instrument. However, this clause does not apply to a development standard that is expressly excluded from the operation of this clause.</p>	<p>The Height of Building (HOB) standards are not excluded from operation of this clause.</p>
<p>(3) Development consent must not be granted for development that contravenes a development standard unless the consent authority has considered a written request from the applicant that seeks to justify the</p>	<p>The Addendum Statement of Environmental Effects submitted with the DA indicates a specific request is included with the application to seek a variation of the HOB development standard. This</p>

Clause 4.6 Consideration	Response
<p><i>contravention of the development standard by demonstrating:</i></p> <ul style="list-style-type: none"> a. <i>that compliance with the development standard is unreasonable or unnecessary in the circumstances of the case, and</i> b. <i>that there are sufficient environmental planning grounds to justify contravening the development standard.</i> 	<p>letter is the applicant's updated formal written request.</p> <p>Refer to table 2 below for an assessment under Clause 4.6(3)(a) and (b).</p>
<p>(4) <i>Development consent must not be granted for development that contravenes a development standard unless:</i></p> <ul style="list-style-type: none"> a. <i>the consent authority is satisfied that:</i> <ul style="list-style-type: none"> i. <i>the applicant's written request has adequately addressed the matters required to be demonstrated by subclause (3), and</i> ii. <i>the proposed development will be in the public interest because it is consistent with the objectives of the particular standard and the objectives for development within the zone in which the development is proposed to be carried out, and</i> b. <i>the concurrence of the Director-General has been obtained.</i> 	<p>This written request addresses all requirements of subclause (3).</p> <p>As set out in paragraph 20 and table 2 of this written request, the proposed development will be in the public interest because it is consistent with the objectives of the particular standard (refer to table 2) and the objectives for the zones (refer to table 3).</p> <p>Concurrence is assumed but is a matter to be determined by the Consent Authority.</p>
<p>(5) <i>In deciding whether to grant concurrence, the Director-General must consider:</i></p> <ul style="list-style-type: none"> a. <i>whether contravention of the development standard raises any matter of significance for State or regional environmental planning, and</i> b. <i>the public benefit of maintaining the development standard, and</i> c. <i>any other matters required to be taken into consideration by the Director-General before granting concurrence.</i> 	<p>Potential matters of significance for State or regional environmental planning is addressed in paragraphs 38 and 39, and table 4.</p> <p>The minor non-compliances with the development standard does not raise any matters of significance for State or regional planning as the development meets the stated objective of the development standard.</p> <p>Consideration of whether there is any public benefit in maintaining the development standard is considered in paragraphs 41, 42 and 43.</p> <p>As the development substantially complies with the stated objective of the development standards, there is little utility in requiring strict compliance with the development standard for an otherwise compliant development. There is no public benefit of maintaining the development standard in this circumstance.</p> <p>It is considered that all matters required to be taken into account by the Director-General before granting concurrence have been adequately addressed as part of this Clause 4.6 variation request.</p>
<p>(6) <i>Development consent must not be granted under this clause for a subdivision of land in Zone RU1 Primary Production, Zone RU2 Rural Landscape, Zone RU3 Forestry, Zone RU4 Primary Production Small Lots, Zone RU6 Transition, Zone R5 Large Lot Residential, Zone E2 Environmental</i></p>	<p>The provisions of Clause 4.6(6) do not apply to the subject site and proposed development in this DA.</p>

Clause 4.6 Consideration	Response
<p><i>Conservation, Zone E3 Environmental Management or Zone E4 Environmental Living if:</i></p> <p>(a) <i>the subdivision will result in 2 or more lots of less than the minimum area specified for such lots by a development standard, or</i></p> <p>(b) <i>the subdivision will result in at least one lot that is less than 90% of the minimum area specified for such a lot by a development standard.</i></p> <p><i>Note. When this Plan was made it did not include all of these zones.</i></p>	
<p>(7) <i>After determining a development application made pursuant to this clause, the consent authority must keep a record of its assessment of the factors required to be addressed in the applicant's written request referred to in subclause (3).</i></p>	<p>The Consent Authority must keep a record after determining this DA.</p>
<p>(8) <i>This clause does not allow development consent to be granted for development that would contravene any of the following:</i></p> <p>a. <i>a development standard for complying development,</i></p> <p>b. <i>a development standard that arises, under the regulations under the Act, in connection with a commitment set out in a BASIX certificate for a building to which State Environmental Planning Policy (Building Sustainability Index: BASIX) 2004 applies or for the land on which such a building is situated,</i></p> <p>c. <i>clause 5.4.</i></p>	<p>This subclause does not affect the subject site.</p>

20. Table 2 below provides an assessment against Clause 4.6(3):

Table 2: Clause 4.6(3) assessment

Objective	Comment
<p>(a) that compliance with the development standard is unreasonable or unnecessary in the circumstances of the case</p>	<p>Strict application of the development standard is considered to be unreasonable and unnecessary as the proposed development will be consistent with the stated aims of Clause 4.3 of the PLEP:</p> <p>(a) <i>to ensure that buildings are compatible with the height, bulk and scale of the existing and desired future character of the locality,</i></p> <p>(b) <i>to minimise visual impact, disruption of views, loss of privacy and loss of solar access to existing development and to public areas, including parks, streets and lanes,</i></p> <p>(c) <i>to minimise the adverse impact of development on heritage items, heritage conservation areas and areas of scenic or visual importance,</i></p> <p>(d) <i>to nominate heights that will provide a high quality urban form for all buildings and a transition in built form and land use intensity.</i></p> <ul style="list-style-type: none"> In light of the objectives, above which encourage a flexible approach to compliance with design principles where the design of the development responds to the site and its form, strict compliance with the standard under Clause 4.3 is unnecessary because: <ul style="list-style-type: none"> I. The 5m control was created to assist with an open detention basin which cannot be implemented as part of the project on the site – refer to the reasons listed in Paragraph 16 a, b, c, d, e, f, g, h, i, j, k and l; II. The design of the building results in a better outcome particularly as the building

Objective	Comment
	allows for disabled access throughout without resulting in unacceptable streetscape presentations, retaining existing perimeter landscaping and allowing for new landscaping;
	III. The design provides for an improved public domain which has involved setting back the proposal at the O'Connell Street frontage to enable a high quality landscaped setting to be created;
	IV. The proposed development does not result in an unacceptable significant adverse impact in terms of loss of solar access, loss of privacy or loss of views from adjoining properties;
	V. The proposal minimizes building bulk by designing to include basement parking and loading dock areas and as such is compatible with the height, bulk and scale of the existing and desired future character of the locality; and
	VI. The proposal will provide a high quality urban form with transitions to its edges and appropriate land use intensity as the proposal complies with the maximum gross floor area permitted for commercial and retail development.
	<ul style="list-style-type: none"> • Strict compliance with the development standard is unnecessary as the development will still achieve the environmental and planning objectives of Clause 4.3, as discussed above. • Strict compliance is unreasonable as no environmental or planning purpose would be served by enforcing the development standard and would not bring about a good planning outcome, on the following grounds: <ul style="list-style-type: none"> I. The height of the proposed development is consistent with the objectives of the control and overall the development is less than the maximum HOB control for the remainder of the Precinct Centre land of 15m – the building generally has a maximum height of 10.4m which is consistent with the character of the B2 zone; II. The proposed development is considered to be compatible with the streetscape along O'Connell Street (north-south); III. The proposed development will provide a number of direct public benefits in the provision of upgraded and widened O'Connell Street (north-south); new shared footways to encourage access to the site using means other than car via accessible pathways; new roundabout at the intersection of O'Connell Street with O'Connell Lane to improve access and circulation to not just future users of the Precinct Centre; new precinct centre facilities which are in demand as detailed in the EIA contained at Appendix X of the original Statement of Environmental Effects and provide between 630-640 jobs; IV. The proposed development will not create any unreasonable overshadowing, result in loss of privacy or create an adverse visual impact upon the streetscape or the environment given the area of non-compliance is in a portion of the site which does not dominate the streetscape; and V. The scale of the desired future surrounding development has been considered carefully and the proposed development is considered to be compatible. <p>For these reasons it is considered that strict application of the HOB control in Clause 4.3 is unreasonable and unnecessary in this circumstance, particularly given that the non-compliance is minor and there are no impacts flowing from the non-compliance.</p>
(b) that there are sufficient environmental planning	The exceedance of the development standard for the lift is a very minor part of the proposed built form change, as the design seeks the inclusion of lift access to allow for maintaining existing landscaped areas while providing accessibility throughout the existing building and land. The minor non-compliance with the development standard is far outweighed by the development

Objective	Comment
grounds to justify contravening the development standard	<p>achieving the aims in Clause 4.3 in promoting the principles outlined in the Greater Sydney Region Plan – A Metropolis of Three Cities. For example, the development promotes a new centre development with housing stock in a new low density residential urban area which supports:</p> <ul style="list-style-type: none"> • Existing urban housing; and • Improving access within existing residential housing stock and choice. <p>In this regard, the development is also consistent with the State and regional objectives.</p>

21. The requirement for consideration and justification of a Clause 4.6 variation necessitates an assessment of the criteria. It is recognised that it is not merely sufficient to demonstrate a minimisation of environmental harm to justify a Clause 4.6 variation, although in the circumstance of this case, the absence of any environmental impact, the request is of considerable merit.
22. The proposed variation from the development standard is assessed below against the accepted "5 Ways" for the assessment of a development standard variation established by the NSW Land and Environment Court in *Wehbe v Pittwater Council [2007] NSWLEC 827* and the principles outlined in *Winten Developments Pty Ltd v North Sydney Council [2001] NSWLEC 46*. Whilst the principle applied to SEPP 1, it has been generally applied in the consideration of a request under Clause 4.6 of the PLEP, as confirmed in *Four2Five*.

HOW IS STRICT COMPLIANCE WITH THE DEVELOPMENT STANDARD UNREASONABLE OR UNNECESSARY IN THIS PARTICULAR CASE?

23. The NSW Land and Environment Court in *Four2Five Pty Ltd v Ashfield Council [2015] NSWLEC 90*, considered how this question may be answered and referred to the earlier Court decision in *Wehbe v Pittwater Council [2007] NSW LEC 827*. Under *Wehbe*, the most common way of demonstrating that compliance is unreasonable or unnecessary, was whether the proposal met the objectives of the standard regardless of the variation. Under *Four2Five*, whilst this can still be considered under this heading, it is also necessary to consider it under Clause 4.6(3)(a) (see below).
24. The five ways described in *Wehbe* are therefore appropriately considered in this context, as follows:

1. The objectives of the standard are achieved notwithstanding non-compliance with the standard;

25. Clause 4.3 does have stated objectives, and it is considered that the variation still achieves the stated objectives of the development standard as detailed previously in Table 2 above:
 - (a) to ensure that buildings are compatible with the height, bulk and scale of the existing and desired future character of the locality,
 - (b) to minimise visual impact, disruption of views, loss of privacy and loss of solar access to existing development and to public areas, including parks, streets and lanes,
 - (c) to minimise the adverse impact of development on heritage items, heritage conservation areas and areas of scenic or visual importance,
 - (d) to nominate heights that will provide a high quality urban form for all buildings and a transition in built form and land use intensity.
26. The proposed development achieves the above stated objectives for the reasons stated in Table 2, notwithstanding the minor increase in the non-compliances with the HOB standard.
27. The breach of the HOB standard does not cause inconsistency with this objectives, and therefore the intent of clause 4.3 of the PLEP is also achieved.

2. The underlying objective or purpose of the standard is not relevant to the development and therefore compliance is unnecessary;

28. There are stated objectives of the standard in Clause 4.3 and as discussed above, the objectives of Clause 4.3 are relevant to the development and can be maintained by the proposed variation.

3. The underlying object of purpose would be defeated or thwarted if compliance was required and therefore compliance is unreasonable;

29. As the stated previously the objectives of the standard can still be maintained, and therefore the purpose will not be defeated or thwarted by the variation requested and strict compliance is unreasonable.

4. The development standard has been virtually abandoned or destroyed by the council's own actions in granting consents departing from the standard and hence compliance with the standard is unnecessary and unreasonable;

30. It is noted that Council has varied the HOB standard from time to time based on the merits of each case.

5. The compliance with development standard is unreasonable or inappropriate due to existing use of land and current environmental character of the particular parcel of land. That is, the particular parcel of land should not have been included in the zone.

31. Not applicable.

SUFFICIENT ENVIRONMENTAL PLANNING GROUNDS TO JUSTIFY THE CONTRAVENTION

32. The Statement of Environmental Effects prepared for this Development Application provides a comprehensive environmental planning assessment of the proposed development and concludes that subject to adopting a range of reasonable mitigation measures, there are sufficient environmental planning grounds to support the development.

33. There are robust justifications throughout the SEE and Addendum SEE and accompanying documentation to support the proposed alterations and additions to the existing dwelling given the overall bulk and scale of the development will be essentially the same as that of the existing dwelling house and contend that the outcome is appropriate on environmental planning grounds.

34. The particular circumstances of this case distinguish it from others as detailed in Table 2 above.

IS THE VARIATION IN THE PUBLIC INTEREST?

35. Clause 4.6(4)(a)(ii) states that development consent must not be granted for development that contravenes a development standard unless the proposed development will be in the public interest because it is consistent with the objectives of the particular standard and the objectives for development within the zone in which the development is proposed to be carried out.

36. The objectives of the standard have been addressed in **table 3** and are demonstrated to be satisfied. The proposal is consistent with the zone objectives and permissible in the zone. Each of the objectives of the zone are addressed in **Table 3** below.

Table 3: Assessment of the proposed development against the zone objectives – B2 Local Centre zone under the PLEP

B2 Local Centre zone - objectives	Comment
<ul style="list-style-type: none"> <i>To provide a range of retail, business, entertainment and community uses that serve the needs of people who live in, work in and visit the local area.</i> 	<p>The design of the proposed Precinct Centre building seeks to allow the widest possible flexibility to cater for the widest range of residential, retail, business, entertainment and community uses.</p>

B2 Local Centre zone - objectives	Comment
<ul style="list-style-type: none"> <i>To encourage employment opportunities in accessible locations.</i> 	<p>The proposed Precinct Centre has the potential when completed to have generated between 630-640 direct and indirect jobs as detailed in the Economic Impact Assessment (EIA) included with the original Statement of Environmental effects.</p>
<ul style="list-style-type: none"> <i>To maximise public transport patronage and encourage walking and cycling.</i> 	<p>WSU provides access to a mini-bus service for its students and staff at both its Werrington and Kingswood campuses which when the Precinct Centre becomes operational will also include access. Also, the proposed Precinct Centre seeks to improve and create new shared bicycle pathways to connect to existing bicycle pathway networks outside of the site to encourage walking and cycling to the site.</p>
<ul style="list-style-type: none"> <i>To provide retail facilities for the local community commensurate with the centre's role in the local and regional retail hierarchy.</i> 	<p>The proposed Precinct Centre includes uses for a Woolworths supermarket and BWS liquor store, and potential additional retail floor space, which have been assessed in the Economic Impact Assessment as retail facilities for the local community commensurate with the centre's role, without adversely impacting on existing and proposed centres.</p>
<ul style="list-style-type: none"> <i>To ensure that future housing does not detract from the economic and employment functions of a centre.</i> 	<p>The Precinct Centre design has been amended to include shop top housing in the south-west focal point.</p>
<ul style="list-style-type: none"> <i>To ensure that development reflects the desired future character and dwelling densities of the area.</i> 	<p>It is noted that the Penrith Development Control Plan 2014 Part E1 Caddens includes "Special Character Areas" in Figure E1.3 – Character Areas and nominates the subject site as a "Precinct Centre". The DCP states in part:</p> <p>Precinct Centre</p> <p><i>The Precinct Centre is intended to form the hub of the WELL Precinct. The Centre is intended to be local in scale, with a retail and commercial limit of 10,000m² and a maximum height of 15m (4 storeys plus roof element). The Precinct Centre will be characterised by a mix of retail, community, commercial and residential uses that serve the needs of, and integrate with, adjacent residential development and employment areas, as well as the campuses of TAFE and the University of Western Sydney (UWS). University and TAFE facilities could be located in the Precinct Centre.</i></p> <p><i>Development is to:</i></p> <p><i>1) Create an attractive, lively and inviting pedestrian friendly environment with seating, shading, active tree-</i></p>

B2 Local Centre zone - objectives	Comment
	<p><i>lined footpaths and pedestrian links that connect activities and spaces.</i></p> <p><i>2) Reduce conflict between pedestrian and vehicular activity.</i></p> <p><i>3) Create a rectilinear road pattern connecting nearby residential, employment, university and conservation land.</i></p> <p><i>4) Incorporate opportunities for passive security and surveillance at ground level and above.</i></p> <p><i>5) Incorporate shop top housing and other dwelling forms that facilitate home based employment.</i></p> <p><i>6) Ensure active uses at street level.</i></p> <p><i>7) Provide opportunities for the location of UWS and TAFE facilities.</i></p> <p><i>8) Be built to the front property boundary and incorporate full width awnings along street edges.</i></p> <p>Please refer to the Urban Design Review undertaken by Roberts Day.</p> <p>The amended DA design will create an attractive, lively and inviting pedestrian friendly environment with seating, shading, active tree-lined footpaths and pedestrian links that connect activities and spaces, as the layout seeks to introduce a food and beverage meeting place with outdoor dining in its north-western corner around the water feature as detailed in the amended landscape concept at Appendix E.</p> <p>The design eliminates conflicts between pedestrian and vehicles with grade separation and wayfinding entry points into the building.</p> <p>The design allows for a “rectilinear” movement of pedestrians, bicycles and vehicles from west to east, and north/south (both directions) is proposed with the Precinct Centre.</p> <p>The amended DA does incorporate “shop-top housing”.</p> <p>The design of the project incorporates active and passive CPTED measures as detailed in the CPTED Report included with the original Statement of Environmental effects.</p> <p>As detailed earlier, the design of the proposed building seeks flexibility to be capable and readily adaptable to accommodate all the uses listed as permissible within the B2 Local Centre zone.</p>

B2 Local Centre zone - objectives	Comment
	<p>The amended design is capable of including a community use subject to commercial terms agreed with Council where Council leases a space and operates the space, given the definition under the PLEP states:</p> <p>community facility means a building or place:</p> <p>(a) owned or controlled by a public authority or non-profit community organisation, and</p> <p>(b) used for the physical, social, cultural or intellectual development or welfare of the community,</p> <p>but does not include an educational establishment, hospital, retail premises, place of public worship or residential accommodation.</p> <p>The proposal provides opportunities for students and staff of WSU and the TAFE facilities.</p> <p>The existing vegetation and flooding constraints along O'Connell Street (north-south) has meant that the design of the Precinct Centre building cannot be located along what could be called today its "front property boundary" the constraints have meant the building is between 18m and 30m setback from O'Connell Street (north-south).</p>

37. The objectives of the zone, as demonstrated above, as well as the objectives for the standard have been adequately satisfied, where relevant. Therefore, the variation to the HOB standard is in the public interest.

MATTERS OF STATE OR REGIONAL SIGNIFICANCE (CL.4.6(5)(A))

38. Clause 4.6(5) of the PLEP states:

(5) In deciding whether to grant concurrence, the Director-General must consider:

- (a) whether contravention of the development standard raises any matter of significance for State or regional environmental planning, and
- (b) the public benefit of maintaining the development standard, and
- (c) any other matters required to be taken into consideration by the Director-General before granting concurrence.

39. The matters for consideration in Clause 4.6(5) have been addressed in **Table 4** below.

Table 4: Clause 4.6(5) assessment

Matter of Consideration	Comment
(a) whether contravention of the development standard raises any matter of significance for State or regional environmental planning	The minor non-compliance with the development standard does not raise any matters of significance for State or regional planning as the development meets the underlying objectives of the development standard.

Matter of Consideration	Comment
<i>(b) the public benefit of maintaining the development standard</i>	As the development substantially complies with the stated objectives of the development standards, there is little utility in requiring strict compliance with the development standard for an otherwise compliant development. There is no public benefit of maintaining the development standard in this circumstance.
<i>(c) any other matters required to be taken into consideration by the Director-General before granting concurrence</i>	It is considered that all matters required to be taken into account by the Director-General before granting concurrence have been adequately addressed as part of this Clause 4.6 variation request.

40. There is no prejudice to planning matters of State or Regional significance resulting from varying the development standard as proposed by this application.

THE PUBLIC BENEFIT OF MAINTAINING THE STANDARD (CL.4.6(5)(B))

41. Pursuant to *Ex Gratia P/L v Dungog Council (NSWLEC 148)*, the question that needs to be answered is “whether the public advantages of the proposed development outweigh the public disadvantages of the proposed development”.
42. There is no public benefit in maintaining strict compliance with the development standard given that there are no unreasonable impacts that will result from the variation to the maximum height of buildings standards, whilst better planning outcomes are achieved.
43. We therefore conclude that the benefits of the proposal outweigh any disadvantage and as such the proposal will be in the public interest.

IS THE VARIATION WELL FOUNDED?

44. This Clause 4.6 variation request is well founded as it demonstrates, as required by Clause 4.3 of the PLEP, that:
- Compliance with the development standard would be unreasonable and unnecessary in the circumstances of this development;
 - There are sufficient environmental planning grounds to justify the contravention, which results in a better planning outcome than a strictly compliant development in the circumstances of this case;
 - The development meets the objectives of the development standard and where relevant, the objectives of the B2 zone, notwithstanding the variation;
 - The proposed development is in the public interest and there is no public benefit in maintaining the standard;
 - The proposal results in a better planning outcome in that a compliant scheme would result in a loss of access throughout the existing site which does not impact adjoining properties or result in a loss of at surface landscaping;
 - The non-compliance with the HOB does not result in any unreasonable environmental impact or adverse impacts on adjoining occupiers. It is considered the proposed height is appropriate for the orderly and economic use of the land and is consistent with character of this location; and
 - The contravention does not raise any matter of State or Regional significance.

CONCLUSIONS

45. This Clause 4.6 variation request to Clause 4.3 of PLEP should be supported on the basis that the strict application of the development standard to the development is both unreasonable and unnecessary given that:

- The 5m control was created to assist with an open detention basin which cannot be implemented as part of the project on the site – refer to the reasons listed in Paragraph 16 a, b, c, d, e, f, g, h, i, j, k and l;
- The design of the building results in a better outcome particularly as the building allows for disabled access throughout without resulting in unacceptable streetscape presentations, retaining existing perimeter landscaping and allowing for new landscaping;
- The design provides for an improved public domain which has involved setting back the proposal at the O'Connell Street frontage to enable a high quality landscaped setting to be created;
- The proposed development does not result in an unacceptable significant adverse impact in terms of loss of solar access, loss of privacy or loss of views from adjoining properties;
- The proposal minimizes building bulk by designing to include basement parking and loading dock areas and as such is compatible with the height, bulk and scale of the existing and desired future character of the locality; and
- The proposal will provide a high quality urban form with transitions to its edges and appropriate land use intensity as the proposal complies with the maximum gross floor area permitted for commercial and retail development.
- The height of the proposed development is consistent with the objectives of the control and overall the development is less than the maximum HOB control for the remainder of the Precinct Centre land of 15m – the building generally has a maximum height of 10.4m which is consistent with the character of the B2 zone;
- The proposed development is considered to be compatible with the streetscape along O'Connell Street (north-south);
- The proposed development will provide a number of direct public benefits in the provision of upgraded and widened O'Connell Street (north-south); new shared footways to encourage access to the site using means other than car via accessible pathways; new roundabout at the intersection of O'Connell Street with O'Connell Lane to improve access and circulation to not just future users of the Precinct Centre; new precinct centre facilities which are in demand as detailed in the EIA contained at Appendix X of the original Statement of Environmental Effects and provide between 630-640 jobs;
- The proposed development will not create any unreasonable overshadowing, result in loss of privacy or create an adverse visual impact upon the streetscape or the environment given the area of non-compliance is in a portion of the site which does not dominate the streetscape; and
- The scale of the desired future surrounding development has been considered carefully and the proposed development is considered to be compatible.

46. For the reasons set out above, the development should be approved with the minor exception to the numerical HOB standard in Clause 4.3. Importantly, the development as proposed achieves the stated objectives of the standard and zone despite the minor numerical non-compliance with the development standard.

Should you have any queries or require clarification on any matters please do not hesitate to contact the undersigned on (02) 9929 4044.

Yours faithfully,



Marian Higgins
Planning Manager
Higgins Planning Pty Ltd

APPENDIX A – ROOF PLAN EXTRACT WITH GROUND LEVEL RLS ADDED



NOTE: Areas are approximate only and are TBC by a surveyor

NOTE: Areas are approximate only and are TBC by a surveyor

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31 August 2018

General Manager
Penrith City Council
PO Box 60
PENRITH NSW 2751

Dear Sir/Madam,

RE: FURTHER AMENDED DEVELOPMENT APPLICATION FOR PROPOSED CADDENS PRECINCT CENTRE – O’CONNELL STREET, CADDENS, WESTERN SYDNEY UNIVERSITY WERRINGTON SOUTH CAMPUS

REQUEST UNDER CLAUSE 4.6 OF THE *PENRITH LOCAL ENVIRONMENTAL PLAN 2010* TO VARY THE DEVELOPMENT STANDARD FOR MAXIMUM GROSS FLOOR AREA OF COMMERCIAL PREMISES UNDER CLAUSE 7.12 OF THE *PENRITH LOCAL ENVIRONMENTAL PLAN 2010*

INTRODUCTION

1. This letter has been prepared on behalf of the applicant Western Sydney University (WSU) to further assist with the consideration of the proposed development for the proposed Caddens Precinct Centre development and the variation sought to Clause 7.12 of the *Penrith Local Environmental Plan 2010* (PLEP).
2. As detailed in the Further Addendum Statement of Environmental Effects (SEE) letter which accompanies this Further Amended Development Application (DA), the design of the proposed development has had consideration of the “Maximum gross floor area of commercial premises” standard contained in Clause 7.12 of the PLEP, as the proposal will result in a minor variation.
3. The permitted 10,000 square metres of GFA (as per the Gross Floor Area exclusions of Clause 7.12(3)) of the PLEP which applies to the land at O’Connell Street, Caddens, the proposal has a Gross Floor Area of 10,127 square metres of “Commercial premises” as detailed in the attached further amended architectural drawings prepared by Nettleton Tribe at **Appendix A**.
4. Therefore, this request is to vary Clause 7.12 of the PLEP standard under the provisions of Clause 4.6 of the PLEP.
5. This Clause 4.6 variation request has been prepared having regard to:
 - The NSW Department of Planning & Environment’s Guideline *Varying Development Standards: A Guide*, August 2011, and
 - has incorporated as relevant principles identified in the applicable Case Law, (established tests) in the following judgements:
 - *Winten Property Group Limited v North Sydney Council* [2001] NSWLEC 46
 - *Wehbe v Pittwater Council* [2007] NSWLEC 827
 - *Four2Five Pty Ltd v Ashfield Council* [2015] NSWLEC 1009 (‘Four2Five No 1’)
 - *Four2Five Pty Ltd v Ashfield Council* [2015] NSWLEC 90
 - *Four2Five Pty Ltd v Ashfield Council* [2015] NSWCA 248 (‘Four2Five No 3’)

- *Moskovich v Waverley Council [2016] NSWLEC 1015*
- *Project Venture Developments v Pittwater Council [2005] NSWLEC 191*
- *Ex Gratia P/L v Dungog Council [2015] (NSWLEC 148)*

6. This letter has explained how flexibility is justified in this case in terms of the matters explicitly required to be considered and addressed under Clause 4.6 in a written request from the applicant. This letter also addresses, where relevant and helpful, additional matters that the consent authority is required to be satisfied of when exercising the discretion afforded by Clause 4.6 and the assumed concurrence of the Secretary.

WHAT IS THE ENVIRONMENTAL PLANNING INSTRUMENT (EPI) APPLICABLE?

7. The Environmental Planning Instrument (EPI) to which this variation relates is the Penrith Local Environmental Plan 2010 (PLEP).

WHAT IS THE ZONING OF THE LAND?

8. In accordance with Clause 2.2 of the PLEP the site is zoned B2 Local Centre.

WHAT ARE THE OBJECTIVES OF THE ZONE?

9. The land use table to Clause 2.2 of the PLEP provides the following objectives for the B2 Local Centre zoning:

1 Objectives of zone

- *To provide a range of retail, business, entertainment and community uses that serve the needs of people who live in, work in and visit the local area.*
- *To encourage employment opportunities in accessible locations.*
- *To maximise public transport patronage and encourage walking and cycling.*
- *To provide retail facilities for the local community commensurate with the centre's role in the local and regional retail hierarchy.*
- *To ensure that future housing does not detract from the economic and employment functions of a centre.*
- *To ensure that development reflects the desired future character and dwelling densities of the area.*

WHAT IS THE DEVELOPMENT STANDARD BEING VARIED?

10. The development standard being varied is the "Maximum gross floor area of commercial premises" standard in Clause 7.12(2) of the PLEP.

UNDER WHAT CLAUSE IS THE DEVELOPMENT STANDARD LISTED IN THE EPI?

11. The development standard being varied is prescribed under Clause 7.12(2) of the PLEP. Clause 7.12 is detailed below. Clause 7.12(2) of the PLEP identifies the subject site in "Column 1 Land" and under "Column 2 Maximum GFA" 10,000 square metres. Therefore, under Clause 7.12 of the PLEP the 10,000 square metre maximum GFA applies to the subject site. The provisions of Clause 7.12 are detailed below, with our emphasis added in bold to detail the subject site, that the provision of Clause 7.12 apply to "commercial premises" and the exclusions to the gross floor area under Clause 7.12(3):

7.12 Maximum gross floor area of commercial premises

(1) The objective of this clause is to retain the existing hierarchy of Penrith's local commercial centres by imposing size limitations on certain commercial premises.

(2) Development consent must not be granted to development for the purposes of commercial premises on any land specified in Column 1 of the table to this subclause unless the consent authority is satisfied that the total gross floor area of all buildings used for commercial premises will not exceed the gross floor area specified opposite that land in Column 2.

Column 1	Column 2
Land	Maximum GFA
31 Moore Street, St Clair, being Lot 41, DP 610847	650 square metres
37 Cook Parade, St Clair, being Lots 671 and 672, DP 739138	650 square metres
46–66 O'Connell Street, Caddens, being Lot 3, DP 1103503 and 14 Great Western Highway, Caddens, being Lot 14, DP 850402	10,000 square metres
182–186 Sunflower Drive, Claremont Meadows, being Lot 3202, DP 813518	650 square metres
180–190 Swallow Drive, Erskine Park, being Lot 100, DP 1134907	6,000 square metres
11 Caloola Avenue, Penrith, being Lot 1, DP 530855 and 35 and 41 Kareela Avenue, Penrith, being Lots 1–3, DP 530855	3,000 square metres
9 Birmingham Road, South Penrith, being Lot 12, DP 1120280	6,150 square metres
21 Lavin Crescent, Werrington County, being Lot 21, DP 1085064 and 201 Dunheved Road, Werrington County, being Lot 201, DP 627088	500 square metres

(3) In this clause, the gross floor area of a building excludes the following:

- (a) any space used by or for the purposes of centre management,**
- (b) any space used for common storage,**
- (c) terraces and balconies with outer walls less than 1.5 metres high,**
- (d) toilets.**

WHAT ARE THE OBJECTIVES OF THE DEVELOPMENT STANDARD?

12. The objectives in Clause 7.12 of the PLEP, are as follows:

(1) The objective of this clause is to retain the existing hierarchy of Penrith's local commercial centres by imposing size limitations on certain commercial premises.

WHAT IS THE NUMERIC VALUE OF THE DEVELOPMENT STANDARD IN THE EPI?

13. The numeric values applicable is 10,000 square metres Gross Floor Area of "commercial premises".

WHAT IS THE PROPOSED NUMERIC VALUE OF THE DEVELOPMENT STANDARD IN THE DA AND THE VARIATION PROPOSED?

14. The Further Amended Development Application has calculated the Gross Floor Area of the commercial premises with the exclusions under Clause 7.12(3) as being 10,127 square metres as detailed in **Appendix A**;

15. Council and the Urban Design Review Panel provided feedback which encouraged the provision of additional “commercial premises” in relation to the original DA design, which included: “Development with frontage to the main street must provide active retail uses at the ground level with upper residential/commercial floor space above to contribute to a village centre feel”, and “service and loading areas must be internalized or via rear laneway sleeved by other uses and not presented to the public domain”.
16. The applicant proposes a number of responses to this feedback based on the peer review undertaken by Roberts Day (see Appendix A of the Amended Development Application and Addendum to the Statement of Environmental Effects dated 19 July 2018), which specifically seeks the replacement of Figure E1.34 of the Penrith Development Control Plan and enabling the staging of the site development along with an assessment of the outcomes in the “Further Amended Development Application” to respond to the Urban Design Review Panel feedback.
17. In light of the Urban Design Review Panel feedback and the Roberts Day review which suggested the staging of site development, the Further Amended Development Application design (please see the further amended drawings prepared by Nettleton Tribe in Appendix A of the Further Amended Development Application package) which includes:
 - a. Stage 1 of the project;
 - b. A “shop top housing” component in the south-west focal point which includes ground floor and lower ground floor spaces capable of accommodating “commercial premises” orientated to the street edges;
 - c. The inclusion of the loading dock area below the development so as additional “shop” floor space could be “sleeved” into the design so as the loading dock is not visible from the public domain and inclusion of “commercial” and “community uses” floor space over the loading dock.
18. The original Development Application documentation included “Caddens Precinct Centre, Sydney – Assessment of retail potential” dated September 2017 prepared by MacroPlan Dimasi (an additional copy is enclosed at **Appendix B**) which advised in the Executive Summary, that some flexibility should be considered as around 15,000 – 20,000 square metres of retail and ancillary non-retail floor space is capable of being supported at the site which is greater than the 10,000 square metres (detailed in the PLEP) and 12,500 square metres (detailed in the PDGP), see extracted quotation below and context of the Economic Impact Assessment:
 - *Having regard to the existing supply of retail floorspace in the main trade area and the approved, small scale development at Barber Avenue, there is an existing market gap of ‘traditional retail floorspace’ (i.e. ex. Department store/DDS and bulky goods) of 30,000 sq.m at present, increasing to 52,000 sq.m by 2031, an increase of 22,000 sq.m.*
 - *In this context, clearly a significant amount of retail floorspace could be supported at the Caddens Precinct Centre. An amount of 10,000 sq.m could be sustained in the short-term (i.e. prior to 2021), from a market demand perspective and would be equivalent to around 20% traditional retail floorspace demand or around 12% of all retail floorspace demand.*
 - *Over the long term, 15,000 sq.m of retail floorspace would require a market share of around 15% of all retail floorspace demand and about 25% of traditional retail floorspace demand, meaning that more than 85% of demand generated by main trade area residents would be directed to other centres.*
 - *Indeed, this amount of floorspace is less than the total growth projected over the next 10 – 15 years. Additional non-retail space would also be supportable.*
 - *In this context, there appears to be scope for the Caddens Precinct Centre to support more retail than is currently permissible under the existing Penrith LEP and WELL Precinct DCP – noting that there will be future demand growth beyond 2031.*

- *The retail environment is expected to change markedly over the next 15 – 20 years, so we recommend some flexibility be considered in the Masterplanning of the site for the long term. We recommend an allowance for around 15,000 – 20,000 sq.m of retail and ancillary non-retail GLA be planned for at the site, which is greater than the current Penrith LEP DCP allows (i.e. 10,000 sq.m and 12,500 sq.m respectively).*
 - *Over the longer term, a development in the order of 15,000 – 20,000 sq.m at the Caddens Precinct Centre is likely to have no adverse impacts on the surrounding retail hierarchy given the massive future population growth expected across the main trade area. Furthermore, up to 630 - 640 jobs could be created on site.*
19. Given the assessment by MacoPlan Dimasi, the proposal involving 10,127 square metres of commercial premises GFA in Stage 1, the variation to Clause 7.12 of the PLEP can be supported on economic grounds.
 20. It should also be noted that the provisions of the Penrith Development Control Plan under “1.6 The Precinct Centre B. Controls” 8) states: “The total maximum gross floor area for retail and commercial development in the Precinct Centre is 12,500m²”. Therefore, while a minor variation of the PLEP 10,000 square metres development standard is proposed, the variation is within the maximum gross floor area envisaged for the Precinct Centre and still envisages additional retail and commercial development capable on other land in The Precinct Centre.
 21. This Further Amended Development Application seeks a variation of Clause 7.12 which is equivalent to less than a 1.3% variation of the development standard, which if supported will not result in an unacceptable adverse impact on other existing centres within the trade area as assessed by MacroPlan, is supported by demand for the floor space as assessment by MacroPlan Dimasi and still enables other land within the Precinct Centre to realise commercial floor space without adversely impacting other centres and is consistent with the Penrith Development Control Plan expected total gross floor area for retail shops and commercial premises.
 22. It is noted that the provisions of Clause 7.12 are not excluded from Clause 4.6 of the PLEP as detailed below.

MATTERS TO BE CONSIDERED UNDER CLAUSE 4.6

23. Clause 4.6 of the PLEP states:

4.6 Exceptions to development standards

- (1) *The objectives of this clause are as follows:*

- (a) *to provide an appropriate degree of flexibility in applying certain development standards to particular development,*
- (b) *to achieve better outcomes for and from development by allowing flexibility in particular circumstances.*

- (2) *Development consent may, subject to this clause, be granted for development even though the development would contravene a development standard imposed by this or any other environmental planning instrument. However, this clause does not apply to a development standard that is expressly excluded from the operation of this clause.*

- (3) *Development consent must not be granted for development that contravenes a development standard unless the consent authority has considered a written request from the applicant that seeks to justify the contravention of the development standard by demonstrating:*

- (a) *that compliance with the development standard is unreasonable or unnecessary in the circumstances of the case, and*
- (b) *that there are sufficient environmental planning grounds to justify contravening the development standard.*

- (4) *Development consent must not be granted for development that contravenes a development standard unless:*

- (a) *the consent authority is satisfied that:*

- (i) *the applicant’s written request has adequately addressed the matters required to be demonstrated by*

subclause (3), and

- (ii) *the proposed development will be in the public interest because it is consistent with the objectives of the particular standard and the objectives for development within the zone in which the development is proposed to be carried out, and*

(b) *the concurrence of the Director-General has been obtained.*

(5) *In deciding whether to grant concurrence, the Director-General must consider:*

- (a) *whether contravention of the development standard raises any matter of significance for State or regional environmental planning, and*
- (b) *the public benefit of maintaining the development standard, and*
- (c) *any other matters required to be taken into consideration by the Director-General before granting concurrence.*

(6) *Development consent must not be granted under this clause for a subdivision of land in Zone RU1 Primary Production, Zone RU2 Rural Landscape, Zone RU3 Forestry, Zone RU4 Primary Production Small Lots, Zone RU6 Transition, Zone R5 Large Lot Residential, Zone E2 Environmental Conservation, Zone E3 Environmental Management or Zone E4 Environmental Living if:*

- (a) *the subdivision will result in 2 or more lots of less than the minimum area specified for such lots by a development standard, or*
- (b) *the subdivision will result in at least one lot that is less than 90% of the minimum area specified for such a lot by a development standard.*

Note. *When this Plan was made it did not include all of these zones.*

(7) *After determining a development application made pursuant to this clause, the consent authority must keep a record of its assessment of the factors required to be addressed in the applicant's written request referred to in subclause (3).*

(8) *This clause does not allow development consent to be granted for development that would contravene any of the following:*

- (a) *a development standard for complying development,*
- (b) *a development standard that arises, under the regulations under the Act, in connection with a commitment set out in a BASIX certificate for a building to which State Environmental Planning Policy (Building Sustainability Index: BASIX) 2004 applies or for the land on which such a building is situated,*
- (c) *clause 5.4,*
- (ca) *clause 6.1, 6.2, 6.6, 6.7, 6.16, 7.7, 7.17, 7.21, 7.24 or Part 9.*

24. **Table 1** below provides a summary of the key matters for consideration under Clause 4.6 of the PLEP and response to each consideration.

Table 1: Matters for Consideration under Clause 4.6

Clause 4.6 Consideration	Response
<p>(1) <i>The objectives of this clause are as follows:</i></p> <ul style="list-style-type: none"> (a) <i>to provide an appropriate degree of flexibility in applying certain development standards to particular development,</i> (b) <i>to achieve better outcomes for and from development by allowing flexibility in particular circumstances.</i> 	<p>The objectives of this clause expressly indicate a degree of flexibility should be applied "in particular circumstances". This is such a circumstance to enable a flexible approach to the outcome sought by this DA.</p>
<p>(2) <i>Development consent may, subject to this clause, be granted for development even though the development would contravene a development standard imposed by this or any other environmental planning instrument. However, this clause does not apply to a development</i></p>	<p>The "Maximum Gross floor area of commercial premises" development standards at Clause 7.12 of the PLEP are not excluded from operation of this clause.</p>

Clause 4.6 Consideration	Response
<p><i>standard that is expressly excluded from the operation of this clause.</i></p>	
<p>(3) <i>Development consent must not be granted for development that contravenes a development standard unless the consent authority has considered a written request from the applicant that seeks to justify the contravention of the development standard by demonstrating:</i></p> <ul style="list-style-type: none"> a. <i>that compliance with the development standard is unreasonable or unnecessary in the circumstances of the case, and</i> b. <i>that there are sufficient environmental planning grounds to justify contravening the development standard.</i> 	<p>The Further Addendum Statement of Environmental Effects submitted indicates a specific request is included with the application to seek a variation of the development standard in Clause 7.12 of the PLEP. This letter is the applicant's formal written request. Refer to table 2 below for an assessment under Clause 4.6(3)(a) and (b).</p>
<p>(4) <i>Development consent must not be granted for development that contravenes a development standard unless:</i></p> <ul style="list-style-type: none"> a. <i>the consent authority is satisfied that:</i> <ul style="list-style-type: none"> i. <i>the applicant's written request has adequately addressed the matters required to be demonstrated by subclause (3), and</i> ii. <i>the proposed development will be in the public interest because it is consistent with the objectives of the particular standard and the objectives for development within the zone in which the development is proposed to be carried out, and</i> b. <i>the concurrence of the Director-General has been obtained.</i> 	<p>This written request addresses all requirements of subclause (3). As set out in paragraph 25 and table 2 of this written request, the proposed development will be in the public interest because it is consistent with the objectives of the particular standard (refer to table 2) and the objectives for the zones (refer to table 3). Concurrence is assumed but is a matter to be determined by the Consent Authority.</p>
<p>(5) <i>In deciding whether to grant concurrence, the Director-General must consider:</i></p> <ul style="list-style-type: none"> a. <i>whether contravention of the development standard raises any matter of significance for State or regional environmental planning, and</i> b. <i>the public benefit of maintaining the development standard, and</i> c. <i>any other matters required to be taken into consideration by the Director-General before granting concurrence.</i> 	<p>Potential matters of significance for State or regional environmental planning is addressed in paragraphs 43, 44 and 45, and table 4. The minor non-compliances with the development standard does not raise any matters of significance for State or regional planning as the development meets the stated objective of the development standard. Consideration of whether there is any public benefit in maintaining the development standard is considered in paragraphs 46, 47 and 48. As the development substantially complies with the stated objective of the development standards, there is little utility in requiring strict compliance with the development standard for an otherwise compliant development. There is no public benefit of maintaining the development standard in this circumstance. It is considered that all matters required to be taken into account by the Director-General before granting concurrence have been adequately addressed as part of this Clause 4.6 variation request.</p>

Clause 4.6 Consideration	Response
<p>(6) <i>Development consent must not be granted under this clause for a subdivision of land in Zone RU1 Primary Production, Zone RU2 Rural Landscape, Zone RU3 Forestry, Zone RU4 Primary Production Small Lots, Zone RU6 Transition, Zone R5 Large Lot Residential, Zone E2 Environmental Conservation, Zone E3 Environmental Management or Zone E4 Environmental Living if:</i></p> <p>(a) <i>the subdivision will result in 2 or more lots of less than the minimum area specified for such lots by a development standard, or</i></p> <p>(b) <i>the subdivision will result in at least one lot that is less than 90% of the minimum area specified for such a lot by a development standard.</i></p> <p><i>Note. When this Plan was made it did not include all of these zones.</i></p>	<p>The provisions of Clause 4.6(6) do not apply to the subject site and proposed development in this DA.</p>
<p>(7) <i>After determining a development application made pursuant to this clause, the consent authority must keep a record of its assessment of the factors required to be addressed in the applicant's written request referred to in subclause (3).</i></p>	<p>The Consent Authority must keep a record after determining this DA.</p>
<p>(8) <i>This clause does not allow development consent to be granted for development that would contravene any of the following:</i></p> <p>a. <i>a development standard for complying development,</i></p> <p>b. <i>a development standard that arises, under the regulations under the Act, in connection with a commitment set out in a BASIX certificate for a building to which State Environmental Planning Policy (Building Sustainability Index: BASIX) 2004 applies or for the land on which such a building is situated,</i></p> <p>c. <i>clause 5.4.</i></p>	<p>The provisions of this subclause are not affected and a BASIX Certificate was included in the Amended Development Application package submitted to Council on 23 July 2018 which is not impacted by this Clause 4.6 variation request or the Further Amended Development Application.</p>

25. Table 2 below provides an assessment against Clause 4.6(3):

Table 2: Clause 4.6(3) assessment

Objective	Comment
<p>(a) that compliance with the development standard is unreasonable or unnecessary in the circumstances of the case</p>	<p>Strict application of the development standard is considered to be unreasonable and unnecessary as the proposed development will be consistent with the stated objective of Clause 7.12 of the PLEP:</p> <p><i>(1) The objective of this clause is to retain the existing hierarchy of Penrith's local commercial centres by imposing size limitations on certain commercial premises.</i></p> <ul style="list-style-type: none"> In light of the objective above which encourage a flexible approach to compliance with design principles where the design of the development responds to the site and its form, strict compliance with the standard under Clause 7.12 is unnecessary because: <ul style="list-style-type: none"> I. The variation is minor being 127 square metres or equivalent to less than a 1.3% variation of the development standard; II. The Economic Impact Assessment (EIA) undertaken by MacoPlan Dimasi, indicates while the proposal involves 10,127 square metres of commercial premises GFA in Stage 1 and therefore a variation to Clause 7.12 of the PLEP, it will not result in an unacceptable adverse economic impact on other existing centres within the trade

Objective	Comment
	area and local government area and the variation proposed will not preclude other land within the Precinct Centre to realise commercial floor space where that other commercial gross floor area within the Cadden Precinct Centre will not adversely impact other centres within the trade area and local government area;
III.	The variation will not result in the total commercial GFA being greater than the Penrith Development Control Plan expected total gross floor area for retail shops and commercial premises in the Caddens Precinct Centre, being 12,500 square metres. It should also be noted that the provisions of the Penrith Development Control Plan under “1.6 The Precinct Centre B. Controls” 8) states: “The total maximum gross floor area for retail and commercial development in the Precinct Centre is 12,500m ² ”. Therefore, while a minor variation of the PLEP 10,000 square metres development standard is proposed, the variation is within the maximum gross floor area envisaged for the Precinct Centre and still envisages additional retail and commercial development capable on other land in The Precinct Centre;
IV.	The design of the building results in a better outcome it provides for an improved public domain which has involved setting back the proposal at the O’Connell Street frontage to enable a high-quality landscaped setting to be created;
V.	The proposed development does not result in an unacceptable significant adverse impact in terms of loss of solar access, loss of privacy or loss of views from adjoining properties;
VI.	The proposal minimizes building bulk by designing to include basement parking and loading dock areas and as such is compatible with the height, bulk and scale of the existing and desired future character of the locality; and
VII.	The proposal will provide a high-quality urban form with transitions to its edges and appropriate land use intensity as the proposal complies with the maximum gross floor area permitted for commercial and retail development.
	<ul style="list-style-type: none"> • Therefore, in light of the provisions in the Penrith DCP for the Caddens Precinct Centre and the EIA undertaken by MacroPlan Dimasi, the hierarchy of centres within the Penrith local government area will not be impacted by the proposed 1.3% variation of the development standard in Clause 7.12 and the proposal with its variation remains consistent with the provisions of Clause 7.12 of the PLEP and strict compliance with the development standard is unnecessary. • Strict compliance is unreasonable as no environmental or planning purpose would be served by enforcing the development standard and would not bring about a good planning outcome, on the following grounds: <ul style="list-style-type: none"> I. The proposed development is consistent with the objective of the control; II. The proposed development is considered to be compatible with the streetscape along O’Connell Street (north-south); III. The proposed development will provide a number of direct public benefits in the provision of upgraded and widened O’Connell Street (north-south); new shared footways to encourage access to the site using means other than car via accessible pathways; new roundabout at the intersection of O’Connell Street with O’Connell Lane to improve access and circulation to not just future users of the Precinct Centre; new precinct centre facilities which are in demand as detailed in the EIA contained at Appendix X of the original Statement of Environmental Effects and provide between 630-640 jobs; IV. The proposed development will not create any unreasonable overshadowing, result in loss of privacy or create an adverse visual impact upon the streetscape or the environment given the area of non-compliance is in a portion of the site

Objective	Comment
	<p>which does not dominate the streetscape; and</p> <p>V. The scale of the desired future surrounding development has been considered carefully and the proposed development is considered to be compatible.</p> <p>For these reasons it is considered that strict application of the development standard in Clause 7.12 is unreasonable and unnecessary in this circumstance, particularly given that the non-compliance is minor and there are no impacts flowing from the non-compliance.</p>
(b) that there are sufficient environmental planning grounds to justify contravening the development standard	<p>The exceedance of the development standard for the lift is a very minor part of the proposed built form change, as the design seeks the inclusion of lift access to allow for maintaining existing landscaped areas while providing accessibility throughout the existing building and land. The minor non-compliance with the development standard is far outweighed by the development achieving the objective in Clause 7.12 in promoting the principles outlined in the Greater Sydney Region Plan – A Metropolis of Three Cities. For example, the development promotes a new centre development with housing stock in a new low density residential urban area which supports:</p> <ul style="list-style-type: none"> Existing urban housing; and Improving access within existing residential housing stock and choice. <p>In this regard, the development is also consistent with the State and regional objectives.</p>

26. The requirement for consideration and justification of a Clause 4.6 variation necessitates an assessment of the criteria. It is recognised that it is not merely sufficient to demonstrate a minimisation of environmental harm to justify a Clause 4.6 variation, although in the circumstance of this case, the absence of any environmental impact, the request is of considerable merit.
27. The proposed variation from the development standard is assessed below against the accepted "5 Ways" for the assessment of a development standard variation established by the NSW Land and Environment Court in *Wehbe v Pittwater Council* [2007] NSWLEC 827 and the principles outlined in *Winten Developments Pty Ltd v North Sydney Council* [2001] NSWLEC 46. Whilst the principle applied to SEPP 1, it has been generally applied in the consideration of a request under Clause 4.6 of the PLEP, as confirmed in *Four2Five*.

HOW IS STRICT COMPLIANCE WITH THE DEVELOPMENT STANDARD UNREASONABLE OR UNNECESSARY IN THIS PARTICULAR CASE?

28. The NSW Land and Environment Court in *Four2Five Pty Ltd v Ashfield Council* [2015] NSWLEC 90, considered how this question may be answered and referred to the earlier Court decision in *Wehbe v Pittwater Council* [2007] NSW LEC 827. Under *Wehbe*, the most common way of demonstrating that compliance is unreasonable or unnecessary, was whether the proposal met the objectives of the standard regardless of the variation. Under *Four2Five*, whilst this can still be considered under this heading, it is also necessary to consider it under Clause 4.6(3)(a) (see below).
29. The five ways described in *Wehbe* are therefore appropriately considered in this context, as follows:

1. The objectives of the standard are achieved notwithstanding non-compliance with the standard;

30. Clause 7.12 does have a stated objective, and it is considered that the variation still achieves the stated objective of the development standard as detailed previously in Table 2 above:
- (1) *The objective of this clause is to retain the existing hierarchy of Penrith's local commercial centres by imposing size limitations on certain commercial premises.*

31. The proposed development achieves the above stated objective for the reasons stated in Table 2, notwithstanding the minor non-compliance with the standard.
32. The breach of the standard does not cause inconsistency with this objective, and therefore the intent of clause 7.12 of the PLEP is also achieved.

2. The underlying objective or purpose of the standard is not relevant to the development and therefore compliance is unnecessary;

33. There is a stated objective of the standard in Clause 7.12 and as discussed above, the objective of Clause 7.12 is relevant to the development and can be maintained by the proposed variation.

3. The underlying object of purpose would be defeated or thwarted if compliance was required and therefore compliance is unreasonable;

34. As the stated previously the objective of the standard can still be maintained, and therefore the purpose will not be defeated or thwarted by the variation requested and strict compliance is unreasonable.

4. The development standard has been virtually abandoned or destroyed by the council's own actions in granting consents departing from the standard and hence compliance with the standard is unnecessary and unreasonable;

35. The variation sought at 1.3% will not result in the development standard being abandoned or destroyed, and it was envisaged by Council as detailed in the Penrith Development Control Plan that the site would support more than 10,000 square metres of commercial premises gross floor area, therefore a departure from this standard is reasonable on the merits of the case.

5. The compliance with development standard is unreasonable or inappropriate due to existing use of land and current environmental character of the particular parcel of land. That is, the particular parcel of land should not have been included in the zone.

36. Not applicable.

SUFFICIENT ENVIRONMENTAL PLANNING GROUNDS TO JUSTIFY THE CONTRAVENTION

37. The original Statement of Environmental Effects (SEE), the Addendum Statement of Environmental Effects (Addendum SEE) dated 19 July 2018 and the Further Addendum Statement of Environmental Effects (Further Addendum SEE) dated 31 August 2018 prepared for this Development Application provides a comprehensive environmental planning assessment of the proposed development and concludes that subject to adopting a range of reasonable mitigation measures, there are sufficient environmental planning grounds to support the development.
38. There are robust justifications throughout the SEE, Addendum SEE and Further Addendum SEE accompanying documentation to support the proposal and contend that the outcome is appropriate on environmental planning grounds.
39. The particular circumstances of this case distinguish it from others as detailed in Table 2 above.

IS THE VARIATION IN THE PUBLIC INTEREST?

40. Clause 4.6(4)(a)(ii) states that development consent must not be granted for development that contravenes a development standard unless the proposed development will be in the public interest because it is consistent with the objectives of the particular standard and the objectives for development within the zone in which the development is proposed to be carried out.

41. The objectives of the standard have been addressed in **table 3** and are demonstrated to be satisfied. The proposal is consistent with the zone objectives and permissible in the zone. Each of the objectives of the zone are addressed in **Table 3** below.

Table 3: Assessment of the proposed development against the zone objectives – B2 Local Centre zone under the PLEP

B2 Local Centre zone - objectives	Comment
<ul style="list-style-type: none"> <i>To provide a range of retail, business, entertainment and community uses that serve the needs of people who live in, work in and visit the local area.</i> 	The design of the proposed Precinct Centre building seeks to allow the widest possible flexibility to cater for the widest range of residential, retail, business, entertainment and community uses.
<ul style="list-style-type: none"> <i>To encourage employment opportunities in accessible locations.</i> 	The proposed Precinct Centre has the potential when completed to have generated between 630-640 direct and indirect jobs as detailed in the Economic Impact Assessment (EIA) included with the original Statement of Environmental effects.
<ul style="list-style-type: none"> <i>To maximise public transport patronage and encourage walking and cycling.</i> 	WSU provides access to a mini-bus service for its students and staff at both its Werrington and Kingswood campuses which when the Precinct Centre becomes operational will also include access. Also, the proposed Precinct Centre seeks to improve and create new shared bicycle pathways to connect to existing bicycle pathway networks outside of the site to encourage walking and cycling to the site.
<ul style="list-style-type: none"> <i>To provide retail facilities for the local community commensurate with the centre's role in the local and regional retail hierarchy.</i> 	The proposed Precinct Centre includes uses for a Woolworths supermarket and BWS liquor store, and potential additional retail floor space, which have been assessed in the Economic Impact Assessment as retail facilities for the local community commensurate with the centre's role, without adversely impacting on existing and proposed centres.
<ul style="list-style-type: none"> <i>To ensure that future housing does not detract from the economic and employment functions of a centre.</i> 	The Precinct Centre design has been amended to include shop top housing in the south-west focal point.
<ul style="list-style-type: none"> <i>To ensure that development reflects the desired future character and dwelling densities of the area.</i> 	<p>It is noted that the Penrith Development Control Plan 2014 Part E1 Caddens includes "Special Character Areas" in Figure E1.3 – Character Areas and nominates the subject site as a "Precinct Centre". The DCP states in part:</p> <p>Precinct Centre</p> <p><i>The Precinct Centre is intended to form the hub of the WELL Precinct. The Centre is intended to be local in scale, with a retail and commercial limit of 10,000m² and a maximum height of 15m (4 storeys plus roof element). The</i></p>

B2 Local Centre zone - objectives	Comment
	<p><i>Precinct Centre will be characterised by a mix of retail, community, commercial and residential uses that serve the needs of, and integrate with, adjacent residential development and employment areas, as well as the campuses of TAFE and the University of Western Sydney (UWS). University and TAFE facilities could be located in the Precinct Centre.</i></p> <p><i>Development is to:</i></p> <ol style="list-style-type: none"> <i>1) Create an attractive, lively and inviting pedestrian friendly environment with seating, shading, active tree-lined footpaths and pedestrian links that connect activities and spaces.</i> <i>2) Reduce conflict between pedestrian and vehicular activity.</i> <i>3) Create a rectilinear road pattern connecting nearby residential, employment, university and conservation land.</i> <i>4) Incorporate opportunities for passive security and surveillance at ground level and above.</i> <i>5) Incorporate shop top housing and other dwelling forms that facilitate home based employment.</i> <i>6) Ensure active uses at street level.</i> <i>7) Provide opportunities for the location of UWS and TAFE facilities.</i> <i>8) Be built to the front property boundary and incorporate full width awnings along street edges.</i> <p><i>Please refer to the Urban Design Review undertaken by Roberts Day.</i></p> <p><i>The amended DA design will create an attractive, lively and inviting pedestrian friendly environment with seating, shading, active tree-lined footpaths and pedestrian links that connect activities and spaces, as the layout seeks to introduce a food and beverage meeting place with outdoor dining in its north-western corner around the water feature as detailed in the further amended landscape concept in the Further Addendum SEE.</i></p> <p><i>The design eliminates conflicts between pedestrian and vehicles with grade separation and wayfinding entry points into the building.</i></p> <p><i>The design allows for a “rectilinear” movement of pedestrians, bicycles and vehicles from west to east, and north/south (both directions) is proposed with the Precinct Centre.</i></p> <p><i>The amended DA does incorporate “shop-top housing”.</i></p>

B2 Local Centre zone - objectives	Comment
	<p>The design of the project incorporates active and passive CPTED measures as detailed in the CPTED Report included with the original Statement of Environmental effects.</p> <p>As detailed earlier, the design of the proposed building seeks flexibility to be capable and readily adaptable to accommodate all the uses listed as permissible within the B2 Local Centre zone.</p> <p>The amended design is capable of including a community use subject to commercial terms agreed with Council where Council leases a space and operates the space, given the definition under the PLEP states:</p> <p>community facility means a building or place:</p> <p>(a) owned or controlled by a public authority or non-profit community organisation, and</p> <p>(b) used for the physical, social, cultural or intellectual development or welfare of the community,</p> <p>but does not include an educational establishment, hospital, retail premises, place of public worship or residential accommodation.</p> <p>The proposal provides opportunities for students and staff of WSU and the TAFE facilities.</p> <p>The existing vegetation and flooding constraints along O'Connell Street (north-south) has meant that the design of the Precinct Centre building cannot be located along what could be called today its "front property boundary" the constraints have meant the building is between 18m and 30m setback from O'Connell Street (north-south).</p>

42. The objectives of the zone, as demonstrated above, as well as the objectives for the standard have been adequately satisfied, where relevant. Therefore, the variation to the HOB standard is in the public interest.

MATTERS OF STATE OR REGIONAL SIGNIFICANCE (CL.4.6(5)(A))

43. Clause 4.6(5) of the PLEP states:

(5) *In deciding whether to grant concurrence, the Director-General must consider:*

- (a) *whether contravention of the development standard raises any matter of significance for State or regional environmental planning, and*
- (b) *the public benefit of maintaining the development standard, and*
- (c) *any other matters required to be taken into consideration by the Director-General before granting concurrence.*

44. The matters for consideration in Clause 4.6(5) have been addressed in **Table 4** below.

Table 4: Clause 4.6(5) assessment

Matter of Consideration	Comment
(a) whether contravention of the development standard raises any matter of significance for State or regional environmental planning	The minor non-compliance with the development standard does not raise any matters of significance for State or regional planning as the development meets the underlying objectives of the development standard.
(b) the public benefit of maintaining the development standard	As the development substantially complies with the stated objectives of the development standards, there is little utility in requiring strict compliance with the development standard for an otherwise compliant development. There is no public benefit of maintaining the development standard in this circumstance.
(c) any other matters required to be taken into consideration by the Director-General before granting concurrence	It is considered that all matters required to be taken into account by the Director-General before granting concurrence have been adequately addressed as part of this Clause 4.6 variation request.

45. There is no prejudice to planning matters of State or Regional significance resulting from varying the development standard as proposed by this application.

THE PUBLIC BENEFIT OF MAINTAINING THE STANDARD (CL.4.6(5)(B))

46. Pursuant to *Ex Gratia P/L v Dungog Council (NSWLEC 148)*, the question that needs to be answered is “whether the public advantages of the proposed development outweigh the public disadvantages of the proposed development”.
47. There is no public benefit in maintaining strict compliance with the development standard given that there are no unreasonable impacts that will result from the variation to the maximum commercial premises GFA standard, whilst better planning outcomes are achieved.
48. We therefore conclude that the benefits of the proposal outweigh any disadvantage and as such the proposal will be in the public interest.

IS THE VARIATION WELL FOUNDED?

49. This Clause 4.6 variation request is well founded as it demonstrates, as required by Clause 7.12 of the PLEP, that:
- Compliance with the development standard would be unreasonable and unnecessary in the circumstances of this development;
 - There are sufficient environmental planning grounds to justify the contravention, which results in a better planning outcome than a strictly compliant development in the circumstances of this case;
 - The development meets the objectives of the development standard and where relevant, the objectives of the B2 zone, notwithstanding the variation;
 - The proposed development is in the public interest and there is no public benefit in maintaining the standard;
 - The proposal results in a better planning outcome in that a compliant scheme would result in a loss of access throughout the existing site which does not impact adjoining properties or result in a loss of at surface landscaping;
 - The non-compliance with the standard does not result in any unreasonable environmental impact or adverse impacts on adjoining occupiers. It is considered the proposed commercial

premises GFA is appropriate for the orderly and economic use of the land and is consistent with character envisaged by Council for this location as detailed in the Penrith DCP; and

g) The contravention does not raise any matter of State or Regional significance.

CONCLUSIONS

50. This Clause 4.6 variation request to Clause 7.12 of PLEP should be supported on the basis that the strict application of the development standard to the development is both unreasonable and unnecessary given that:

- The variation is minor being 127 square metres or equivalent to less than a 1.3% variation of the development standard;
- The Economic Impact Assessment (EIA) undertaken by MacoPlan Dimasi, indicates while the proposal involves 10,127 square metres of commercial premises GFA in Stage 1 and therefore a variation to Clause 7.12 of the PLEP, it will not result in an unacceptable adverse economic impact on other existing centres within the trade area and local government area and the variation proposed will not preclude other land within the Precinct Centre to realise commercial floor space where that other commercial gross floor area within the Cadden Precinct Centre will not adversely impact other centres within the trade area and local government area;
- The variation will not result in the total commercial GFA being greater than the Penrith Development Control Plan expected total gross floor area for retail shops and commercial premises in the Caddens Precinct Centre, being 12,500 square metres. It should also be noted that the provisions of the Penrith Development Control Plan under “1.6 The Precinct Centre B. Controls” 8) states: “The total maximum gross floor area for retail and commercial development in the Precinct Centre is 12,500m²”. Therefore, while a minor variation of the PLEP 10,000 square metres development standard is proposed, the variation is within the maximum gross floor area envisaged for the Precinct Centre and still envisages additional retail and commercial development capable on other land in The Precinct Centre;
- The design of the building results in a better outcome it provides for an improved public domain which has involved setting back the proposal at the O’Connell Street frontage to enable a high-quality landscaped setting to be created;
- The proposed development does not result in an unacceptable significant adverse impact in terms of loss of solar access, loss of privacy or loss of views from adjoining properties;
- The proposal minimizes building bulk by designing to include basement parking and loading dock areas and as such is compatible with the height, bulk and scale of the existing and desired future character of the locality; and
- The proposal will provide a high-quality urban form with transitions to its edges and appropriate land use intensity as the proposal complies with the maximum gross floor area permitted for commercial and retail development.
- The proposed development is consistent with the objective of the control;
- The proposed development is considered to be compatible with the streetscape along O’Connell Street (north-south and east-west);

- The proposed development will provide a number of direct public benefits in the provision of upgraded and widened O'Connell Street (north-south); new shared footways to encourage access to the site using means other than car via accessible pathways; new roundabout at the intersection of O'Connell Street with O'Connell Lane to improve access and circulation to not just future users of the Precinct Centre; new precinct centre facilities which are in demand as detailed in the EIA contained at Appendix X of the original Statement of Environmental Effects and provide between 630-640 jobs;
- The proposed development will not create any unreasonable overshadowing, result in loss of privacy or create an adverse visual impact upon the streetscape or the environment given the area of non-compliance is in a portion of the site which does not dominate the streetscape;
- The scale of the desired future surrounding development has been considered carefully and the proposed development is considered to be compatible; and
- Therefore, in light of the provisions in the Penrith DCP for the Caddens Precinct Centre and the EIA undertaken by MacroPlan Dimasi, the hierarchy of centres within the Penrith local government area will not be impacted by the proposed 1.3% variation of the development standard in Clause 7.12 and the proposal with its variation remains consistent with the provisions of Clause 7.12 of the PLEP and strict compliance with the development standard is unreasonable and unnecessary in the circumstances of this case.

51. For the reasons set out above, the development should be approved with the minor exception to the numerical standard in Clause 7.12. Importantly, the development as proposed achieves the stated objectives of the standard and zone despite the minor numerical non-compliance with the development standard.

Should you have any queries or require clarification on any matters please do not hesitate to contact the undersigned on (02) 9929 4044.

Yours faithfully,



Marian Higgins
Planning Manager
Higgins Planning Pty Ltd

**APPENDIX A – DRAWING SHOWING COMMERCIAL PREMISES GROSS FLOOR AREA
CALCULATION AS PER CLAUSE 7.12**

FSR: 0.26

Liquor Store
 Supermarket
 Tenancy
 Community
 Non Retail
 Residential

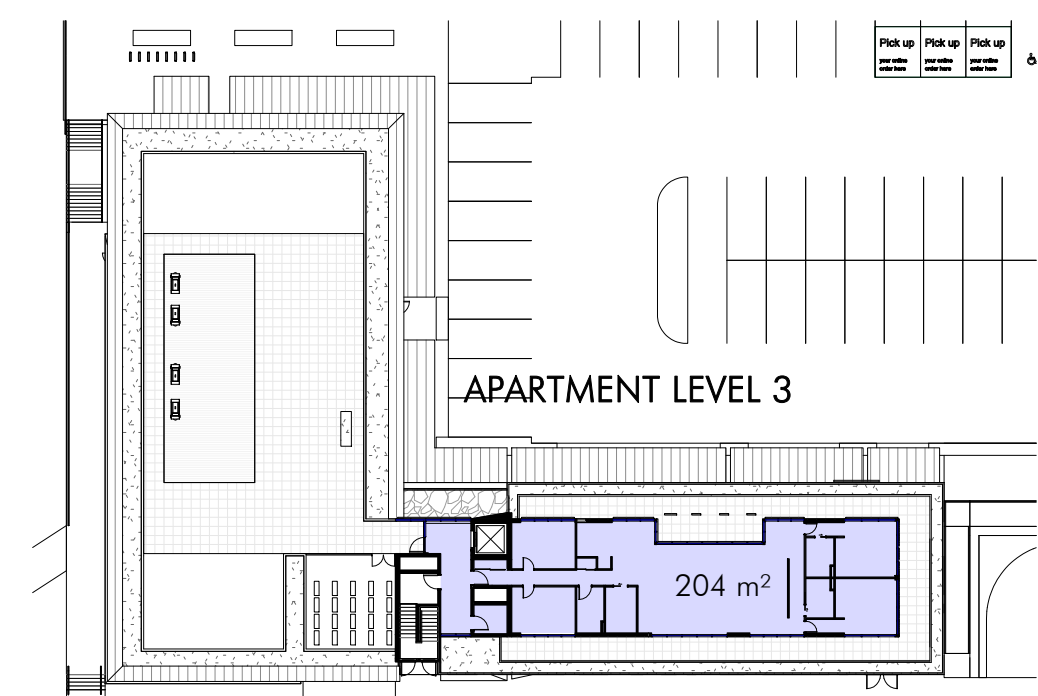
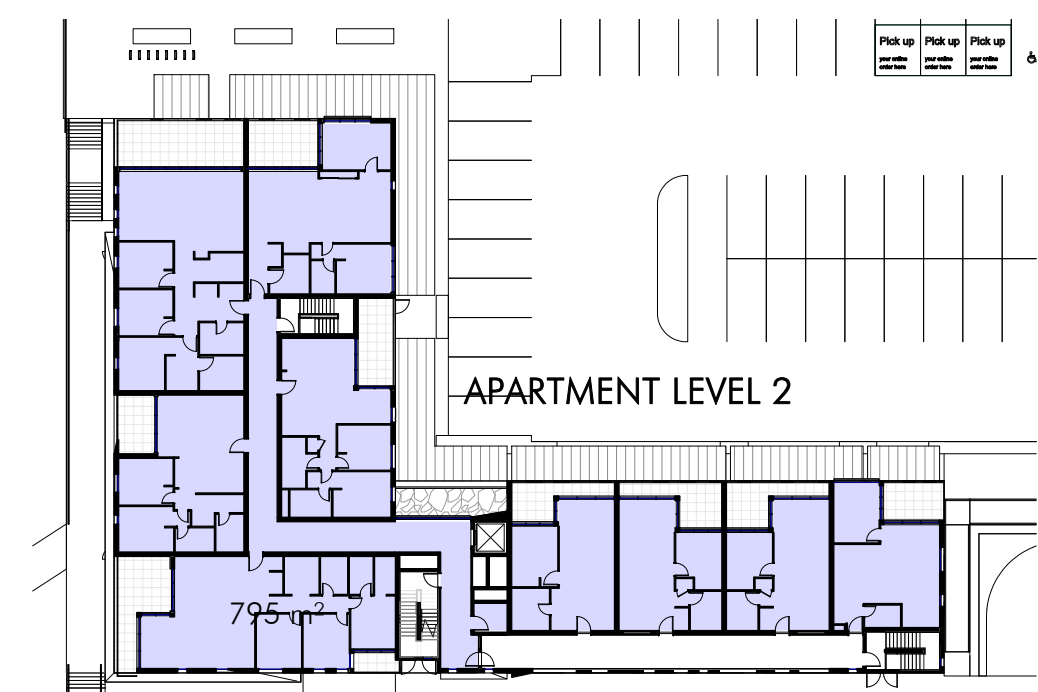
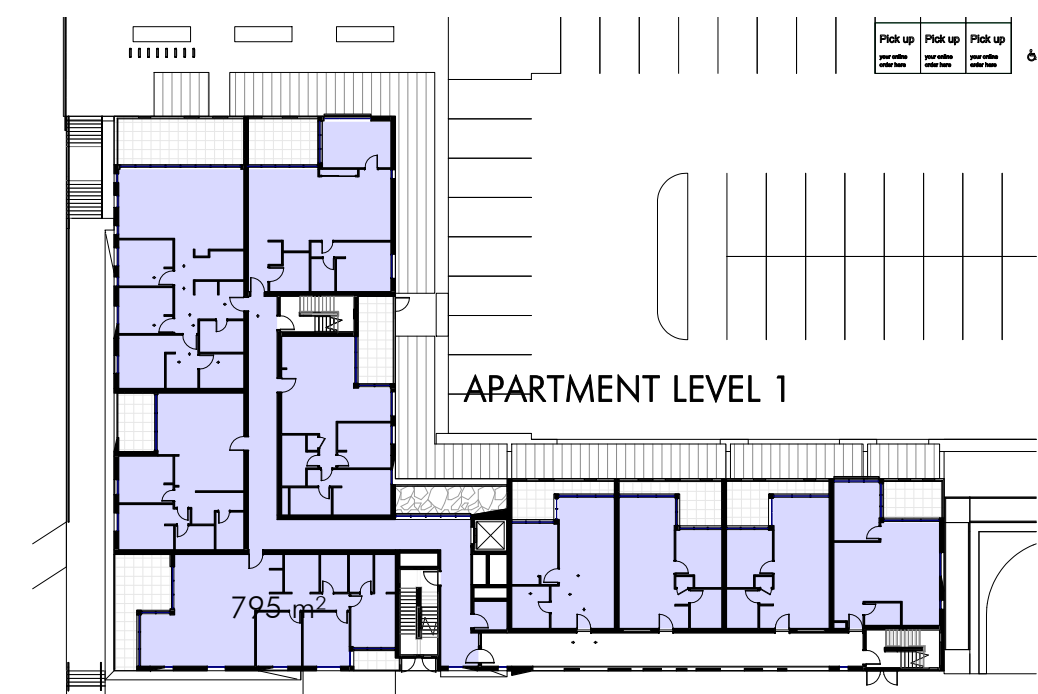
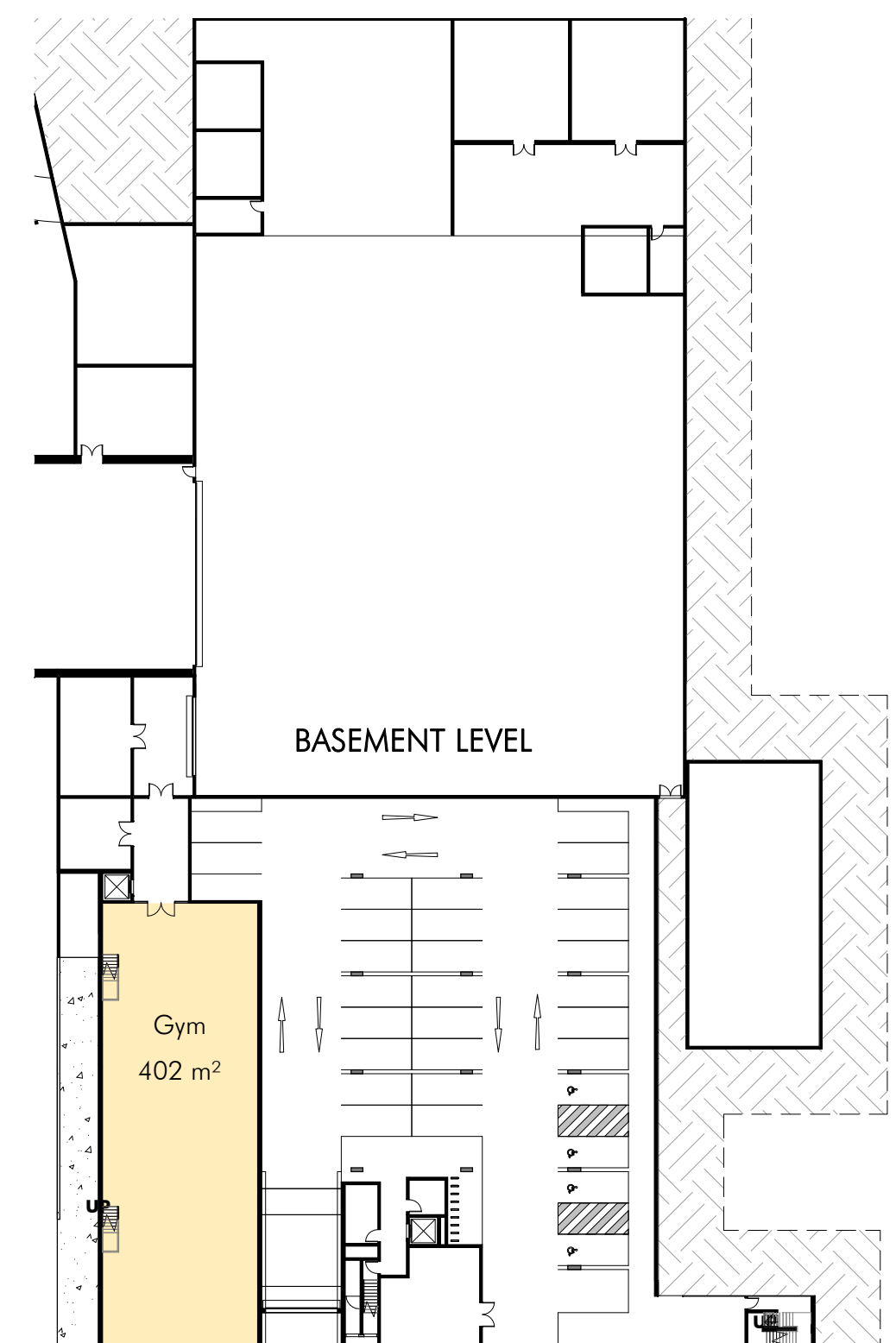
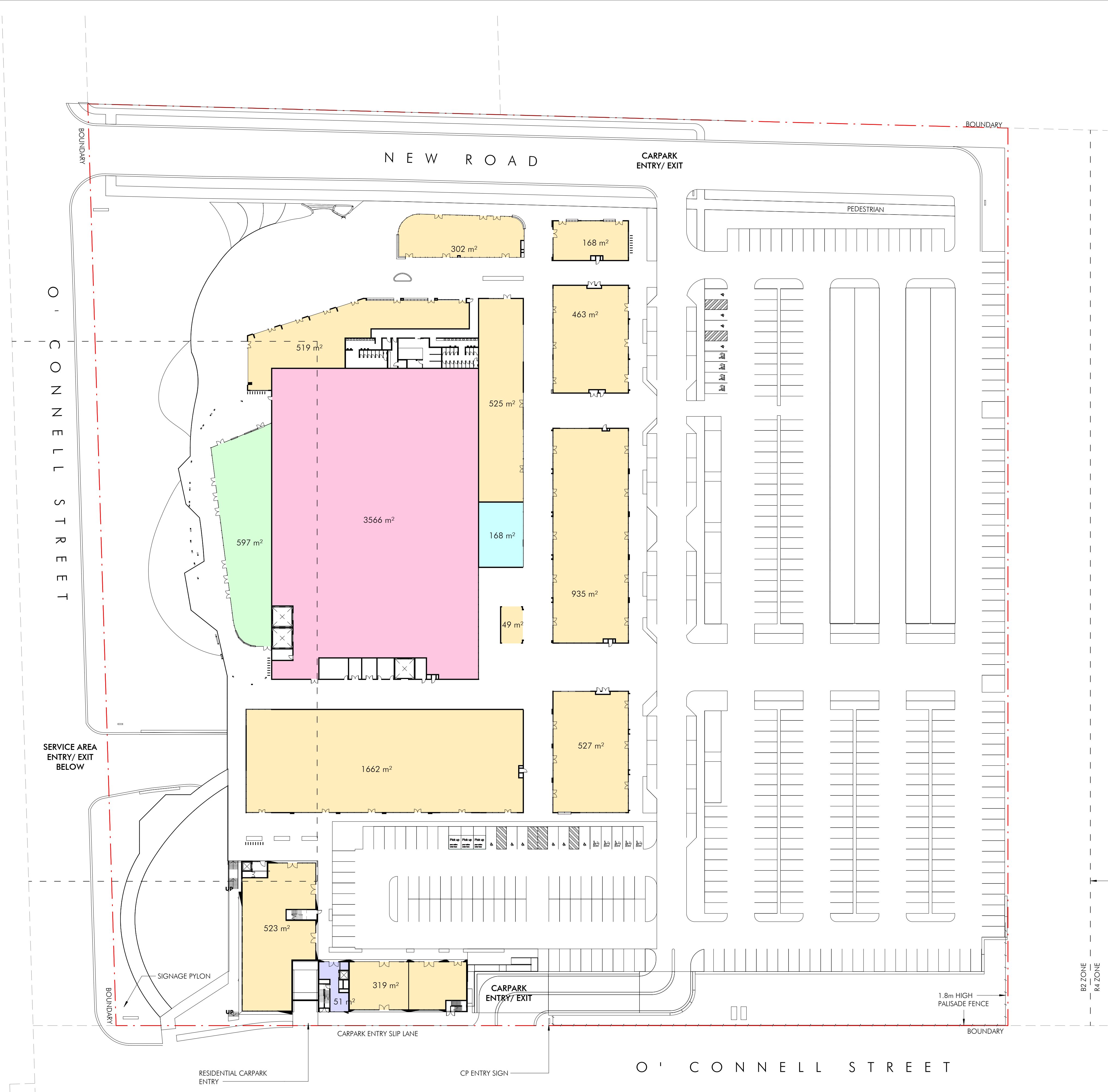
gross floor area means the sum of the floor area of each floor of a building measured from the internal face of external walls, or from the internal face of walls separating the building from any other building, measured at a height of 1.4 metres above the floor, and includes:

- (a) the area of a mezzanine, and
- (b) habitable rooms in a basement or an attic, and
- (c) any shop, auditorium, cinema, and the like, in a basement or attic, but excludes:
 - (d) any area for common vertical circulation, such as lifts and stairs, and
 - (e) any basement:
 - (i) storage, and
 - (ii) vehicular access, loading areas, garbage and services, and
 - (f) plant rooms, lift towers and other areas used exclusively for mechanical services or ducting, and
 - (g) car parking to meet any requirements of the consent authority (including access to that car parking), and
 - (h) any space used for the loading or unloading of goods (including access to it), and
 - (i) terraces and balconies with outer walls less than 1.4 metres high, and
 - (j) voids above a floor at the level of a storey or storey above.

(3) In this clause, the **gross floor area** of a building excludes the following:

- (a) any space used by or for the purposes of centre management,
- (b) any space used for common storage,
- (c) terraces and balconies with outer walls less than 1.5 metres high,
- (d) toilets.

NOTE: Areas are approximate only and are TBC by a surveyor



APPENDIX B – MACROPLAN DIMASI ASSESSMENT

Caddens Precinct Centre, Sydney

Assessment of retail potential

September 2017



MacroPlan Dimasi

MELBOURNE

Level 16

330 Collins Street

Melbourne VIC 3000

(03) 9600 0500

BRISBANE

Level 15

111 Eagle Street

Brisbane QLD 4000

(07) 3221 8166

ADELAIDE

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Adelaide SA 5000

(08) 8221 6332

SYDNEY

Level 52

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Sydney NSW 2000

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GOLD COAST

Level 2

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Executive summary

- This report presents an independent assessment of the market potential for a precinct centre at the Werrington Enterprise Living and Learning (WELL) Precinct in Western Sydney. The WELL Precinct is a strategic area of land located between Werrington and Kingswood Railway Stations, either side of the Great Western Highway. The precinct incorporates land owned by the Western Sydney University (WSU), TAFE NSW, as well as land controlled by private holders.
- At 2017, the main trade area population is estimated at 28,400 people, including 16,300 residents within the primary sector. The main trade area population is projected to grow strongly to 37,500 residents at 2031, reflecting average annual growth of 2.1%, with the primary sector projected to contain 25,000 residents at this time.
- Over the longer term, i.e. by 2036, the main trade area population could exceed 50,000 persons, including 38,000 persons in the primary sector (noting that the WSU Masterplan indicates potential for around 5,000 dwellings in total on WSU owned land).
- Total expenditure on retail items by the main trade area resident population is estimated at \$375 million at 2017, and is projected to increase to \$692 million by 2031, reflecting a strong average annual growth rate of 4.5% per annum.
- In addition to the residential market, the proposed Caddens Precinct Centre will serve the surrounding local worker and student markets. There are approximately 2,600 – 2,700 workers and 16,000 – 17,000 students within the WELL Precinct.
- There are only two competitive retail facilities within the defined trade area for the Caddens Precinct Centre including Claremont Meadows Shopping Village, anchored by a small IGA supermarket, and Southlands Shopping Centre, anchored by a full scale Woolworths supermarket.

- The average provision of supermarket floorspace within the trade area is low, estimated at 170 sq.m per 1,000 residents. This provision is significantly lower than the outer-metropolitan Sydney average of 310 sq.m per 1,000 persons and the Australian average of 340 sq.m per 1,000 persons. The current primary sector population, which is in excess of 15,000 persons, is more than sufficient to support a full-line supermarket at the site at present and a discount supermarket.
- The primary sector population could exceed 38,000 persons by 2036, which would be sufficient to support two large supermarkets and an Aldi. A second large supermarket would provide additional anchor tenant critical mass, and would help to reinforce the existing specialty at the centre provided in the short term, while possibly enabling additional specialty/mini-major floorspace to be supported at the site.
- As a large double or triple supermarket anchored centre, the Caddens Precinct Centre would be distinct from sub-regional/regional retail offers in St Marys and the CBD.
- Having regard to the existing supply of retail floorspace in the main trade area and the approved, small scale development at Barber Avenue, there is an existing market gap of 'traditional retail floorspace' (i.e. ex. Department store/DDS and bulky goods) of 30,000 sq.m at present, increasing to 52,000 sq.m by 2031, an increase of 22,000 sq.m.
- In this context, clearly a significant amount of retail floorspace could be supported at the Caddens Precinct Centre. An amount of 10,000 sq.m could be sustained in the short-term (i.e. prior to 2021), from a market demand perspective and would be equivalent to around 20% traditional retail floorspace demand or around 12% of all retail floorspace demand.
- Over the long term, 15,000 sq.m of retail floorspace would require a market share of around 15% of all retail floorspace demand and about 25% of traditional retail floorspace demand, meaning that more than 85% of demand generated by main trade area residents would be directed to other centres.
- Indeed, this amount of floorspace is less than the total growth projected over the next 10 – 15 years. Additional non-retail space would also be supportable.

- In this context, there appears to be scope for the Caddens Precinct Centre to support more retail than is currently permissible under the existing Penrith LEP and WELL Precinct DCP – noting that there will be future demand growth beyond 2031.
- The retail environment is expected to change markedly over the next 15 – 20 years, so we recommend some flexibility be considered in the Masterplanning of the site for the long term. We recommend the an allowance for around 15,000 – 20,000 sq.m of retail and ancillary non-retail GLA be planned for at the site, which is greater than the current Penrith LEP DCP allows (i.e. 10,000 sq.m and 12,500 sq.m respectively).
- Over the longer term, a development in the order of 15,000 – 20,000 sq.m at the Caddens Precinct Centre is likely to have no adverse impacts on the surrounding retail hierarchy given the massive future population growth expected across the main trade area. Furthermore, up to 630 - 640 jobs could be created on site.

Introduction

This report presents an independent assessment of the market potential for a precinct centre at the Werrington Enterprise Living and Learning (WELL) Precinct in Western Sydney. The WELL Precinct is a strategic area of land located between Werrington and Kingswood Railway Stations, either side of the Great Western Highway. The precinct incorporates land owned by the Western Sydney University (WSU), TAFE NSW, as well as land controlled by private holders.

The WELL Precinct is proposed to be a mixed use development, which will ultimately include a wide range of business, retail, community, education and residential facilities. The retail component, which is the subject of this report, is referred to as Caddens Precinct Centre.

This report has been prepared in accordance with instructions received from the Kaipara Property Group and Western Sydney University and includes the following sections:

- **Section 1** provides an overview of the regional and local context of the proposed Caddens Precinct Centre and summaries of the proposed development concept being considered.
- **Section 2** reviews the trade area that is likely to be served by the precinct centre, including population and spending projections, and assesses the local worker and student populations.
- **Section 3** reviews the competitive environment of relevance to the centre, taking into account any proposed changes to the competitive framework.
- **Section 4** outlines a number of case studies of large neighbourhood centres.
- **Section 5** provides a SWOT analysis of the subject site and proposed development.
- **Section 6** presents an analysis of the market gap for retail floorspace at the subject site, with a focus on the supermarket market gap.
- **Section 7** provides a high level commentary on the likely impacts of the proposed Caddens Precinct Centre on existing retail facilities within the surrounding region.

Section 1: Context and proposed development

This section of the report provides an overview of the regional and local context of the proposed Caddens Precinct Centre and summaries of the proposed development concept being considered.

1.1 Regional context

The Caddens Precinct Centre is located approximately 5 km by road west of the St Marys Town Centre and 5 km east of the Penrith City Centre, in outer-western Sydney (refer Map 1.1).

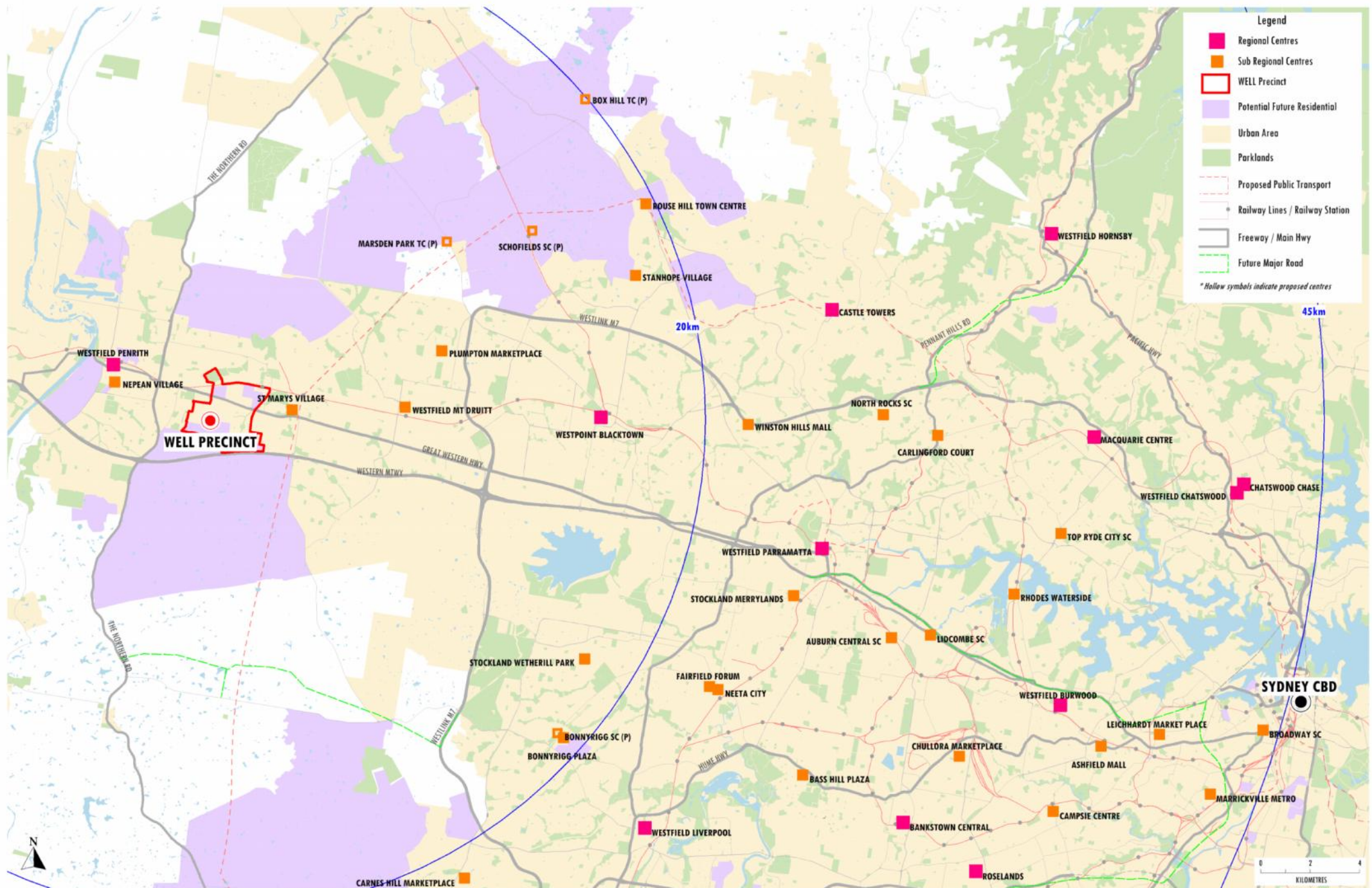
Penrith and St Marys are major centres in outer-western Sydney, and as such, are the main focus for retail, commercial and community facilities throughout the region. The Penrith City Centre is the primary focal point for higher order fashion and comparison shopping in outer-western Sydney. Consequently, it has a wide regional draw extending throughout Penrith, the Blue Mountains and St Marys.

The Penrith CBD includes a regional and a sub-regional shopping centre, as well as a prominent street-based retail strip, while St Marys includes a sub-regional shopping centre in conjunction with a significant strip retail offer. Accessibility to Penrith and St Marys is provided by the Western Motorway (M4) and the Great Western Highway. These roads are major arterial routes in the outer-western Sydney region and consequently provide relatively easy access to Penrith for the surrounding regional population. The Western Motorway links Penrith and St Marys to Parramatta in the east and the Blue Mountains in the west.

Some of the major projects and planned precincts across the surrounding region are summarised below:

- The **Western Sydney Airport**, to be located at Badgerys Creek has now been announced and significant investment planning is being directed towards Western Sydney. The airport is expected to generate around 9,000 direct jobs for the region around 2030 with up to 60,000 jobs by 2063.

- The NSW Government is investigating opportunities around the new airport in the region identified as the **Western Sydney Priority Growth Area**, which includes the municipalities of Penrith and Liverpool. The government is in the process of preparing a Land Use and Infrastructure Strategy for the region to guide new investment in infrastructure, housing and jobs to ensure the new airport is integrated into the surrounding region.
- The **Western Sydney Employment Area** was established by the NSW Government to provide businesses in the region with land for industry and employment, transport, logistics, warehousing and office space.
- Future **rail connections** are under consideration to link to new airport to the existing rail network at Leppington, with linkages to the Western Line near St Marys in the north and to the South Line near Macarthur to the south.
- The **Nepean Hospital** located to the east of the proposed precinct centre has received \$550 million to fund further redevelopment of the hospital to provide enhanced services, facilities and care to patients.
- The **Northern Road corridor upgrade** is a multi-stage \$1.6 billion upgrade along the 35 km transport corridor stretching from South Penrith in the north to Narellan in the south. The initial stage from Narellan to Peter Brock Way commenced in early 2016, with completion expected in 2018, whilst the second stage consists of the widening of the corridor from Oran Park to Bringelly past Pondicherry and is expected to be open to traffic by around 2020.



Map 1.1: Caddens Precinct Centre
Regional context

1.2 Local context

The WELL Precinct is located 5 km east of the Penrith CBD covering the suburbs of Kingswood, Caddens and Werrington. It is a key education precinct for western Sydney, oriented on both sides of the Great Western Highway. The WELL Precinct currently comprises:

- The Western Sydney University (WSU) and TAFE NSW Western Sydney Institute campus;
- Cobham Remand Centre;
- A number of residential release areas/land holdings owned by the NSW Government, Western Sydney University and private land owners.

The WELL Precinct itself is easily accessible for residents from both regional and local perspectives, being strategically located along two major carriageways throughout the region, namely the Great Western Highway and the Western Motorway (M4), refer Map 1.2. Around 55,000 vehicles per day pass the WELL Precinct on the M4, while around 39,300 vehicles per day pass the precinct on the Great Western Highway (according to data from Roads & Maritime Services (RMS) Traffic Volume Viewer 2017).

The Caddens Precinct Centre is centrally located within the WELL precinct to the north-east of the right angle corner of O'Connell Street, noting that a new road is planned to run along the northern part of the centre and this will be the primary access route to the centre. O'Connell Street is also proposed to be upgraded along with ongoing construction of the Werrington Arterial Road (the upgrade of Gipps Street and Kent Road which will link the M4 and the Great Western Highway). The Werrington Arterial Road is planned to be completed by early 2017, and is situated at the eastern edge of the WELL Precinct.



Map 1.2: Caddens Precinct Centre
Site location

1.3 Proposed development

The WELL Precinct Concept Plan, adopted by the Penrith City Council in 2006, was prepared to guide the planning of all lands in the WELL Precinct, which will include the following key components:

- A proposed Precinct Centre, which is planned to include a retail centre and potential community facilities (i.e. the subject site);
- Residential development areas at Claremont Meadows (Stage 2) and Caddens Release Area, as well as planned residential release areas at South Werrington Urban Village (SWUV) and Werrington Mixed Use Area; and
- Future employment lands, which are to provide in excess of 8,000 employment opportunities, including around 6,000 persons in the Werrington Enterprise Park.

The proposed Caddens Precinct Centre will be centrally located in relation to the WSU and TAFE Campuses, as well as to the existing and proposed residential neighbourhoods of Kingswood, Claremont Meadows, Caddens Road and South Werrington. The proposed centre would also be well positioned to attract a proportion of the retail spending of existing students and staff members, as well as future employees and residents in the precinct.

We understand that WSU is planning to develop the Caddens Precinct Centre soon, with an expectation of approval by March 2018, for construction to commence during 2018 and be complete by October 2019.

We understand that a mixed retail and non-retail development of 10,000 sq.m, including a full-line Woolworths supermarket and BWS liquor, plus supporting specialty retail and non-retail uses is being considered at the site as part of a development application. The mix of uses is likely to consist of supporting specialty retail, mini-majors and ancillary non-retail.

The Penrith LEP allows 10,000 sq.m of retail and commercial floorspace at the subject site, whereas the Penrith DCP 2014 – E1 Caddens allows up to 12,500 sq.m of retail and commercial floorspace within the Caddens Precinct Centre.

The proposed development application seeks approval for 10,000 sq.m of retail and commercial floorspace, however, it is possible that the centre could expand in the future, given the very significant current and future under-supply of retail floorspace.

This report examines the appropriate scale of retail and ancillary non-retail that could be supported at the subject site in the short term and over the longer term, in the context of the surrounding population and centres hierarchy.

Section 2: Trade area analysis

This section of the report reviews the trade area that is likely to be served by the precinct centre, including population and spending projections, and assesses the local worker and student populations.

2.1 Trade area definition

The extent of the trade area or catchment for any shopping centre or retail precinct is shaped by a number of key factors, as follows:

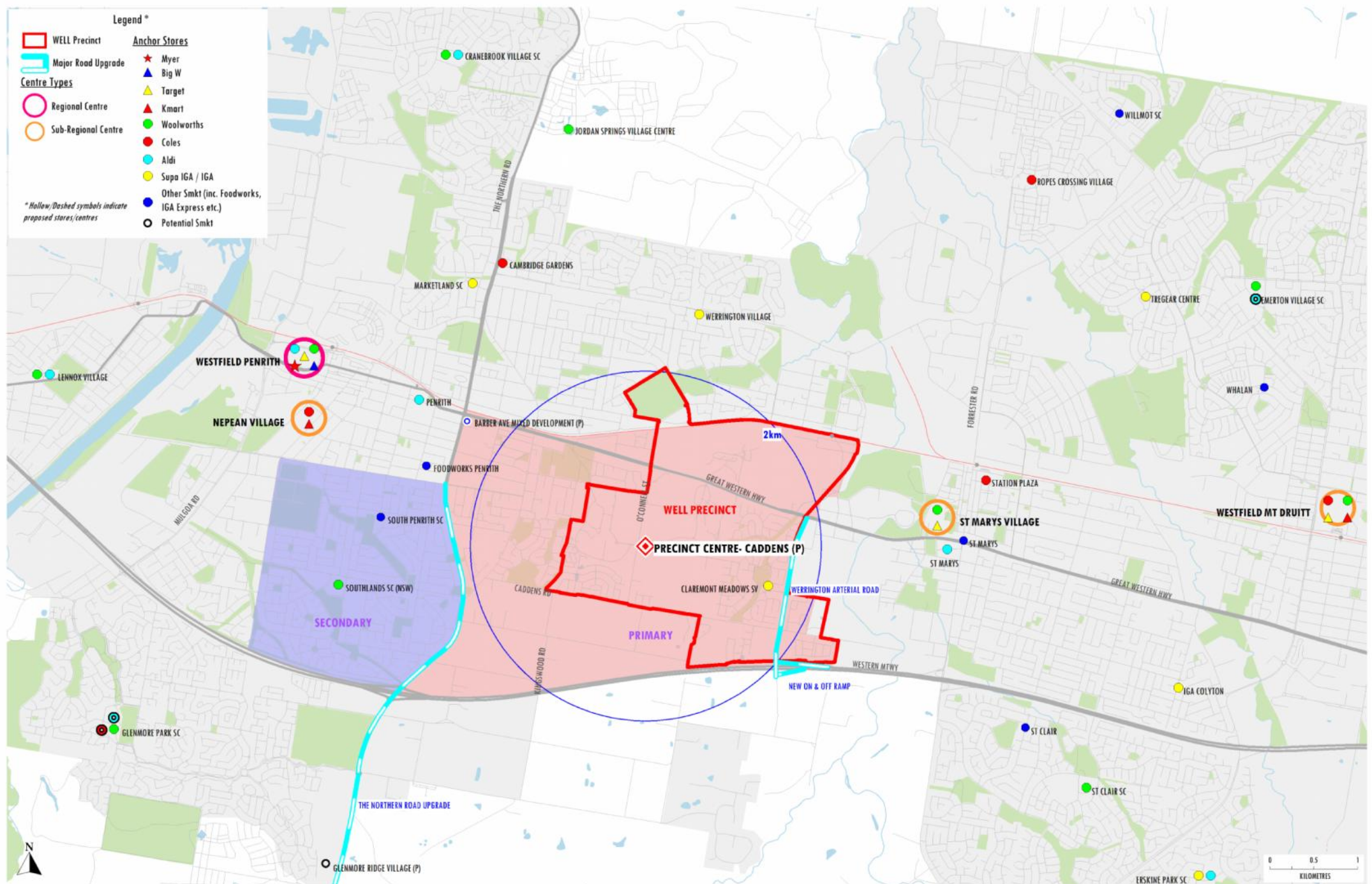
- The most important factor impacting on the trade area of any particular centre is the scale and composition of the centre, and particularly the major trader (or traders) that are included within it. The layout and ambience/atmosphere of the centre, as well as the amount and quality of car-parking, also determine the strength and attraction of a particular retail facility.
- The available road network and public transport system are also important factors impacting on the relative attractiveness of any retail facility, as they affect the ease of access to the centre.
- The proximity and attraction of competitive retail facilities also have an influence on a particular centre's trade area. The locations, compositions, quality and scale of competitive centres in the region therefore impact on the extent of the trade area which a shopping centre is effectively able to serve.
- Significant physical barriers (e.g. freeways, rivers and railways) which are difficult to negotiate or which take considerable time to cross can often act to delineate the boundaries of the trade areas that are able to be served by specific centres.

Taking the above into account, the trade area for the Caddens Precinct Centre is influenced in particular by the following:

- i. A strategic location around 700 metres south of the Great Western Highway, with excellent accessibility via O'Connell Street;
- ii. The scale and mix of the indicative development scheme;
- iii. A surrounding road network which provides easy and straightforward access to the site, providing residents within the immediate area (less than 2 km) with additional choice for their supermarket spending. A distance of 2 km or less is a fairly typical primary trade area for a supermarket based retail facility;
- iv. The limited provision of full-scale supermarkets within the region, with the closest full-scale supermarkets situated at St Marys to the east and South Penrith to the west. The existing supermarket at Claremont Meadows is not a full-scale store; and
- v. The surrounding competitive context and the network of proposed neighbourhood centre developments in the surrounding area.

Map 2.1 illustrates the trade area which has been defined to include a primary sector and a secondary sector as follows:

- The **primary sector** includes the suburb of Kingswood and the Claremont Meadows estate, as well as the Caddens Road Release Area, South Werrington Urban Village and Werrington Mixed Use Area. This sector is generally bounded by the railway line to the north, the Claremont Meadows residential development to the east, the Western Motorway to the south and Parker Road to the west.
- The **secondary sector** comprises the suburb of South Penrith, bounded by Jamison Road, Evans Street and the Western Motorway (M4).



Map 2.1: Caddens Precinct Centre
Trade area and competition

Map 2.1 also illustrates a 2 km radius around the proposed Caddens Precinct Centre, highlighting that the large majority of the primary sector is located within 2 km of the site.

Despite the location of a full-scale Woolworths supermarket at the redeveloped Southlands Shopping Centre in South Penrith, the secondary sector has been included in the trade area to reflect our view that a supermarket operator such as Aldi at the Caddens Precinct Centre would offer an alternative destination for food and grocery shopping for residents in this sector, and as such could be expected to draw some of its trade from this sector.

In summary, the extent of the trade area reflects the proposed scale of development being considered and is limited to the north by the railway line, to the south by the Western Motorway (M4) and to the east and west by competitive retail facilities at St Marys and Penrith, respectively.

2.2 Trade area population

Table 2.1 details the current and projected population levels within the Caddens Precinct Centre main trade area by sector. This information is sourced from the following:

- The 2011 and 2016 ABS Census of Population and Housing;
- ABS new dwelling approvals data for the period 2012 – 2016;
- Forecast id population projections prepared for Penrith City Council in October 2015; and
- Population projections prepared by the Transport Performance and Analytics NSW in 2016.

At 2017, the main trade area population is estimated at 28,380 people, including 16,290 residents within the primary sector.

Table 2.1 Caddens Precinct Centre trade area population, 2011-2031*						
Trade area sector	Estimated population			Forecast population		
	2011	2016	2017	2021	2026	2031
Primary	13,090	15,490	16,290	19,490	22,240	24,990
Secondary	<u>12,030</u>	<u>12,070</u>	<u>12,090</u>	<u>12,170</u>	<u>12,320</u>	<u>12,520</u>
Main trade area	25,120	27,560	28,380	31,660	34,560	37,510
Trade area sector	Average annual growth (no.)					2026-31
	2011-16	2016-17	2017-21	2021-26	2026-31	
Primary	480	800	800	550	550	
Secondary	<u>8</u>	<u>20</u>	<u>20</u>	<u>30</u>	<u>40</u>	
Main trade area	488	820	820	580	590	
Trade area sector	Average annual growth (%)					2026-31
	2011-16	2016-17	2017-21	2021-26	2026-31	
Primary	3.4%	5.2%	4.6%	2.7%	2.4%	
Secondary	<u>0.1%</u>	<u>0.2%</u>	<u>0.2%</u>	<u>0.2%</u>	<u>0.3%</u>	
Main trade area	1.9%	3.0%	2.8%	1.8%	1.7%	
*As at June						
Source: ABS Census 2016; NSW Bureau of Transport Statistics 2016; MacroPlan Dimasi						

Population growth within the region is projected to increase rapidly in the future with the release of several large residential areas, refer Map 2.2, including the following:

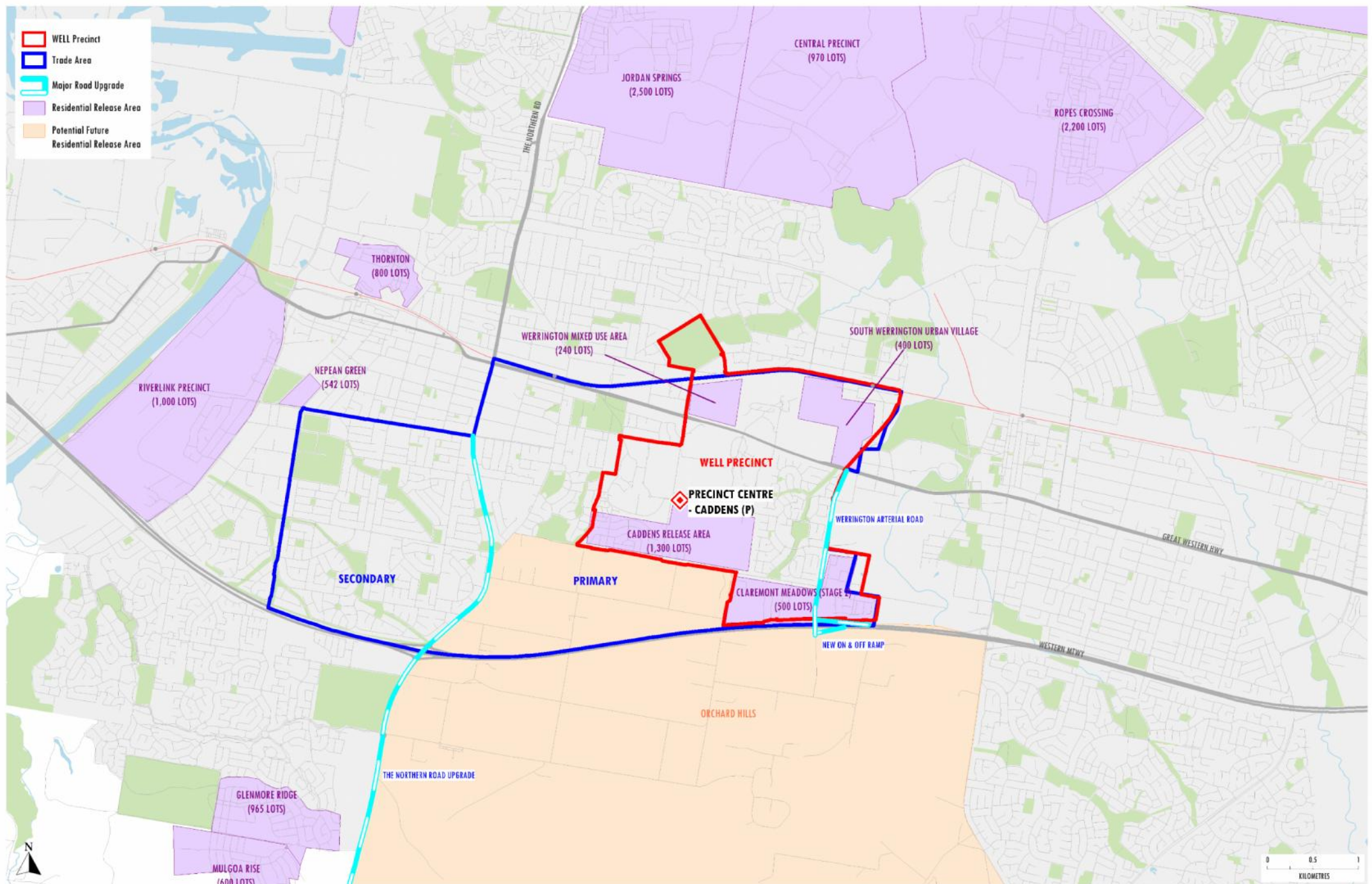
- Caddens Release Area, within the primary sector, south of WSU, is to add around 1,300 new dwellings. Development began in 2012 and is around 40% complete. This development forms part of the overall WELL Precinct.
- The Werrington mixed use area, within the primary sector, is also being developed in conjunction with the overall WELL Precinct development. This area is planned to contain some 240 dwellings. Construction commenced in late 2016, with a handful of dwellings already completed at the time of writing.
- The South Werrington Urban Village, in the primary sector, has capacity for around 400 new dwellings. This development will also be developed as part of the overall WELL Precinct.

- Claremont Meadows Stage 2, in the primary sector, is situated to the south of the existing Claremont Meadows residential area. This area is planned to include up to 500 new dwellings, with construction ongoing.
- A number of smaller residential developments are also planned within the precinct.
- In addition to the retail developments listed above, there is potential for long term residential development to be integrated into the Orchard Hills development, located to the south of the WELL precinct, with a component situated within the primary sector (refer Map 2.2). At this stage there is no publicly available information as to the potential development in this area, however, any future residential development on land north of the Western Motorway will benefit the Caddens Precinct Centre. It should also be noted that, if the Orchard Hills development does include a large-scale residential development, there could potentially be a retail centre over the long term to cater for the new residents.

Taking the above into account, strong population growth in the main trade area is projected to continue, particularly within the primary sector, where our population projections broadly assume dwelling take-up over the next five years of 250-300 dwellings per annum.

The main trade area population is projected to reach 37,500 at 2031, reflecting average annual growth of 2.1% over the forecast period. The primary sector is projected to contain 25,000 residents at that time, an increase of 8,700 residents over the period.

This population is expected to continue to grow strongly, even beyond 2031, if the planned residential densities in its Masterplan are able to be realised. We note that indicatively more than 5,000 new dwellings are being ear-marked by WSU, which represents an uplift on previous estimates for the area of around 3,000 dwellings. We expect much of this capacity will be taken up over the long term, i.e. continued growth beyond 2031, helping drive additional demand over the longer term.



Map 2.2: Caddens Precinct Centre
Residential estates

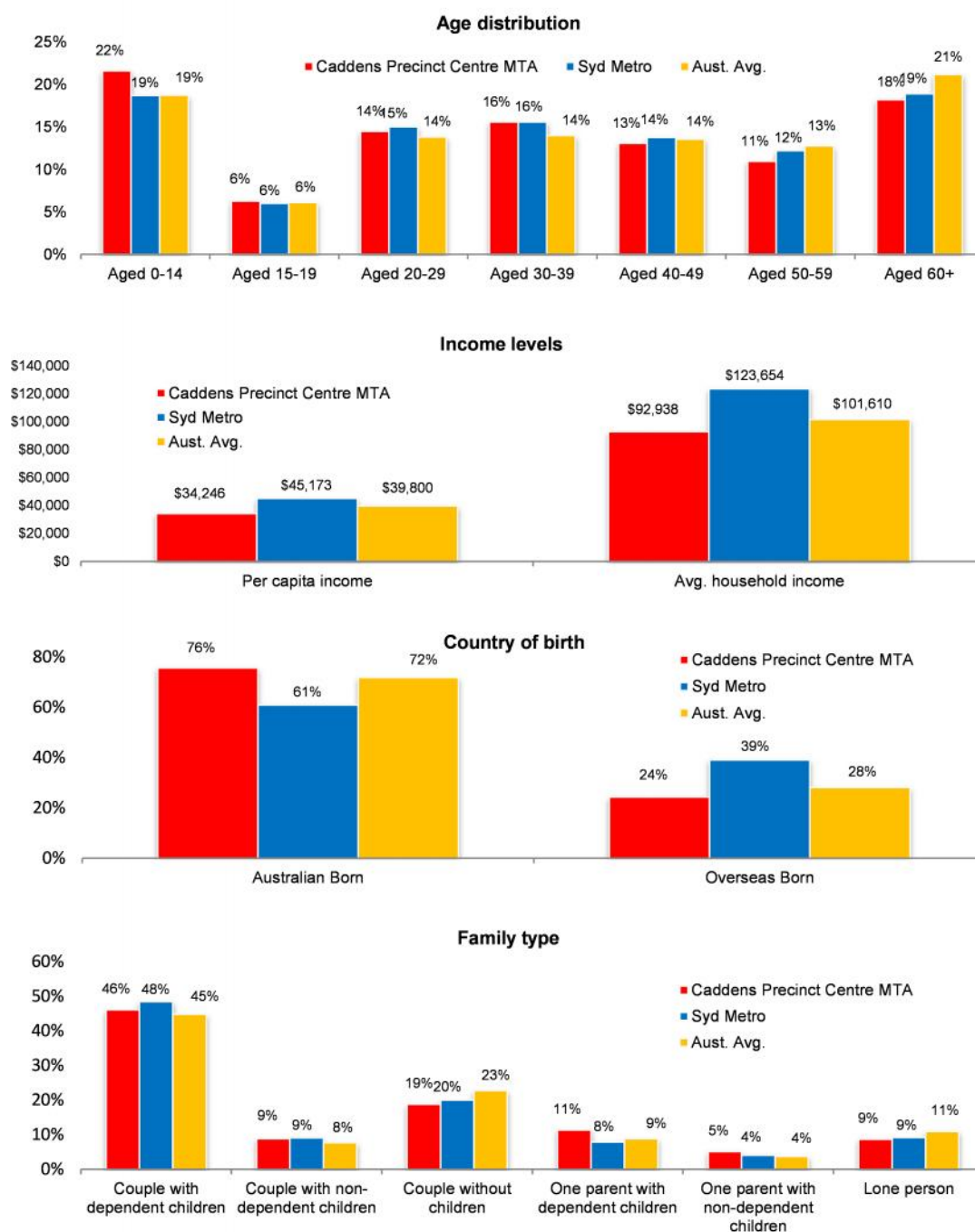
2.3 Socio-demographic profile

Chart 2.1 and Table 2.2 illustrate the socio-demographic profile of the Caddens Precinct Centre main trade area population, compared with the metropolitan Sydney and Australian averages. This information is sourced from the 2016 ABS Census of Population and Housing.

The key features of the trade area population are summarised below:

- Average income levels across the main trade area are lower than the metropolitan Sydney benchmark.
- The number of people per household in the main trade area, at 2.7, is comparable to the metropolitan Sydney benchmark.
- The average age of the trade area population is lower than the metropolitan Sydney benchmark, particularly in the primary sector. This is driven by an above average proportion of 0-14 year olds and below average proportion of persons aged 50 years and older.
- There is an above average proportion of home ownership throughout the secondary sector. The level of home ownership in the primary sector is below average, and to some extent reflects a prevalence of students across this sector.
- There is a higher than average proportion of Australian born residents in the main trade area, particularly in the secondary sector.
- A review of the household/family type of the main trade area population indicates an overall main trade area profile similar to the benchmark, with traditional families the dominant household type.

Chart 2.1
Caddens Precinct Centre main trade area - socio-demographic profile, 2016



Source: ABS Census of Population & Housing, 2016; MacroPlan Dimasi

Table 2.2
Caddens Precinct Centre main trade area - socio-demographic profile, 2016

Census item	Primary sector	Secondary sector	Main TA	Syd Metro avg.	Aust. avg.
Per capita income	\$33,025	\$35,813	\$34,246	\$45,173	\$39,800
<i>Var. from Syd Metro bmark</i>	-26.9%	-20.7%	-24.2%		
Avg. household income	\$88,634	\$98,601	\$92,938	\$123,654	\$101,610
<i>Var. from Syd Metro bmark</i>	-28.3%	-20.3%	-24.8%		
Avg. household size	2.7	2.8	2.7	2.7	2.6
<u>Age distribution (% of population)</u>					
Aged 0-14	21.7%	21.4%	21.6%	18.7%	18.7%
Aged 15-19	6.4%	6.0%	6.3%	6.0%	6.1%
Aged 20-29	16.3%	12.1%	14.5%	15.0%	13.8%
Aged 30-39	16.0%	15.0%	15.5%	15.5%	14.0%
Aged 40-49	13.3%	12.7%	13.0%	13.7%	13.5%
Aged 50-59	10.5%	11.5%	10.9%	12.2%	12.7%
Aged 60+	15.8%	21.3%	18.2%	18.9%	21.1%
Average age	34.8	37.3	35.9	37.5	38.6
<u>Housing status (% of households)</u>					
Owner (total)	57.8%	73.5%	64.6%	64.2%	67.4%
• Owner (outright)	19.6%	34.1%	25.9%	30.0%	31.9%
• Owner (with mortgage)	38.2%	39.5%	38.7%	34.2%	35.5%
Renter	41.4%	26.0%	34.7%	35.1%	31.8%
<u>Birthplace (% of population)</u>					
Australian born	71.1%	81.4%	75.7%	60.9%	71.9%
Overseas born	28.9%	18.6%	24.3%	39.1%	28.1%
• Asia	13.3%	4.4%	9.4%	19.1%	11.2%
• Europe	7.6%	9.5%	8.4%	9.6%	9.6%
• Other	8.0%	4.6%	6.5%	10.4%	7.4%
<u>Family type (% of households)</u>					
Couple with dep't child.	47.3%	44.6%	46.1%	48.5%	44.8%
Couple with non-dep't child.	8.0%	9.9%	8.9%	9.1%	7.7%
Couple without child.	17.1%	21.1%	18.8%	20.1%	22.8%
One parent with dep't child.	12.2%	10.3%	11.4%	7.9%	8.8%
One parent w non-dep't child.	4.7%	5.7%	5.2%	4.1%	3.7%
Lone person	9.6%	7.4%	8.7%	9.2%	11.0%

Source: ABS Census of Population & Housing, 2016; MacroPlan Dimasi

2.4 Trade area spending

The estimated retail expenditure capacity of the main trade area population is sourced from MarketInfo, which is developed by Market Data Systems (MDS) and utilises a detailed micro simulation model of household expenditure behaviour for all residents of Australia. The model takes into account information from a wide variety of sources including the regular ABS Household Expenditure Surveys, national accounts data, Census data and other information. The MarketInfo estimates for spending behaviour prepared independently by MDS are used by a majority of retail/property consultants.

Chart 2.2 illustrates the estimated per capita retail expenditure levels for the main trade area population, benchmarked against the respective metropolitan Sydney and Australian national averages. All spending figures in this report include GST.

Estimated retail expenditure levels per capita of main trade area residents are below the respective Sydney averages, reflecting the below average per capita income levels.

Total per capita retail expenditure for main trade area residents is estimated at \$13,407 for 2016/17, which is 7.9% below the metropolitan Sydney average.

However, estimated per capita expenditure on fresh food and other food & groceries categories, which account for the majority of supermarket spending, is on par with the metropolitan Sydney average, as spend on these categories is relatively inelastic to income.



Table 2.3 details the total retail expenditure generated by the main trade area population across food and non-food retail categories, for the period from 2017 to 2031. All spending forecasts in this report are expressed in inflated dollars, with retail inflation assumed to average 1.5% annually over the forecast period.

Total expenditure on retail items by the main trade area population is estimated at \$375 million at 2017, and is projected to increase to \$692 million by 2031, reflecting an average annual rate of 4.5% per annum.

The average annual growth rate estimate includes the following components:

- Population growth in the main trade area, which is estimated to average 2.1% per annum;
- Real growth in per capita retail expenditure, which is projected to average 0.9% – 1.0% per annum; and
- Assumed average retail inflation of 1.5% per annum.

Table 2.3 Caddens Precinct Centre main trade area - retail expenditure (\$M), 2017-2031*			
Year ending June	Primary sector	Secondary sector	Main TA
2017	205	170	375
2018	220	175	395
2019	235	179	415
2020	252	184	436
2021	270	189	459
2022	287	194	481
2023	302	199	501
2024	317	204	521
2025	334	210	543
2026	351	215	566
2027	369	221	590
2028	386	227	614
2029	405	234	639
2030	425	240	665
2031	445	247	692
<u>Average annual growth (\$M)</u>			
2017-2031	17.2	5.5	22.7
<u>Average annual growth (%)</u>			
2017-2031	5.7%	2.7%	4.5%
*Inflated dollars & including GST Source: MarketInfo; MacroPlan Dimasi			

Table 2.4 details the retail expenditure capacity of the main trade area population by retail category over the forecast period, as well as the category definitions. Food, liquor and grocery (FLG) spending, which is the main component of the retail market for supermarkets, is estimated to increase from \$171 million at 2017 to \$320 million at 2031, an increase of nearly \$150 million over the period.

Table 2.4 Caddens Precinct Centre main trade area - retail expenditure by category (\$M), 2017-2031*								
Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	Total retail
2017	171.4	49.0	37.6	62.5	15.9	28.7	9.8	374.9
2018	180.5	51.9	39.4	65.6	16.6	30.1	10.3	394.5
2019	189.9	54.9	41.3	68.8	17.4	31.5	10.8	414.7
2020	199.9	58.1	43.3	72.3	18.2	33.0	11.4	436.2
2021	210.5	61.4	45.4	75.9	19.1	34.6	12.0	458.9
2022	220.6	64.7	47.3	79.3	19.9	36.1	12.6	480.5
2023	230.0	67.8	49.1	82.5	20.7	37.4	13.1	500.5
2024	239.9	71.1	50.9	85.7	21.5	38.8	13.7	521.5
2025	250.1	74.5	52.9	89.2	22.3	40.3	14.2	543.4
2026	260.9	78.0	54.9	92.8	23.1	41.8	14.8	566.3
2027	271.9	81.8	56.9	96.4	24.0	43.3	15.5	589.8
2028	283.2	85.6	59.0	100.2	24.9	44.9	16.1	613.8
2029	295.0	89.6	61.1	104.1	25.8	46.5	16.8	638.8
2030	307.3	93.8	63.4	108.1	26.7	48.2	17.5	665.0
2031	320.2	98.2	65.7	112.3	27.7	50.0	18.2	692.2
<u>Average annual growth (\$M)</u>								
2017-2031	10.6	3.5	2.0	3.6	0.8	1.5	0.6	22.7
<u>Average annual growth (%)</u>								
2017-2031	4.6%	5.1%	4.1%	4.3%	4.1%	4.0%	4.5%	4.5%
*Inflated dollars & including GST Source: MarketInfo; MacroPlan Dimasi								

Retail expenditure category definitions:

- FLG: take-home food and groceries, as well as packaged liquor.
- Food catering: expenditure at cafes, take-away food outlets and restaurants.
- Apparel: clothing, footwear, fashion accessories and jewellery.
- Household goods: giftware, electrical, computers, furniture, homewares and hardware goods.
- Leisure: sporting goods, music, DVDs, computer games, books, newspapers & magazines, stationery and photography equipment.
- General retail: pharmaceutical goods, cosmetics, toys, florists, mobile phones and pets.
- Retail services: hair & beauty, optical goods, dry cleaning, key cutting and shoe repairs.

2.5 Additional customer segments

In addition to the residential market, the Caddens Precinct Centre would be expected to serve the surrounding local worker and student markets.

Worker market

As shown in Table 2.5, the NSW Transport Performance and Analytics estimates that there were 2,650 workers employed within the WELL Precinct at 2016, with staff members at the numerous educational facilities accounting for the majority of these workers. The number of workers in the precinct is projected to grow to 3,550 by 2031.

The WELL Precinct is planned to provide in excess of 8,000 employment opportunities in the long term according to the WELL Precinct Development Contributions Plan 2008, with a technology/business park on the WSU site expected to be feasible after 2030.

Table 2.6 following summarises the key characteristics of the local worker population profile, sourced from the 2011 ABS Census. 2016 ABS Census employment data are due for release in October 2017, however, the 2011 data would generally reflect the current worker profile, given there has been no major employment development over the past 5 years or so. The highlights of the table are as follows:

- Over 60% of workers in the precinct are female, which is 12% higher than the metropolitan Sydney benchmark;
- Almost half of the WELL Precinct workers (45.9%) are aged 30-49 years, and around 35% are aged 50-64 years old;
- Professionals (45.9%) are by far the most common occupation type, reflecting the numerous educational facilities located within the precinct;
- The average income earned by trade area workers is above average, at \$72,052, compared with \$67,257 for metropolitan Sydney overall;

- Car is by far the most popular mode of transport to work, used by almost four out of every five workers (78.5%), followed by train (3.8%); and
- The highest employing industry of employment in the precinct is education and training, accounting for 73% of all jobs.

Table 2.5 WELL Precinct worker trade area population, 2011-2031*						
Trade area	Estimated population		2018	Forecast population		
	2011	2016		2021	2026	2031
The WELL Precinct	2,550	2,650	2,730	2,850	3,050	3,550
Trade area	Average annual growth (no.)					
	2011-16	2016-18	2018-21	2021-26	2021-26	2021-26
The WELL Precinct		20	40	40	40	100
Trade area	Average annual growth (%)					
	2011-16	2016-18	2018-21	2021-26	2021-26	2021-26
The WELL Precinct		0.8%	1.5%	1.4%	1.4%	3.1%
*As at June Source: Transport Performance and Analytics NSW 2016; MacroPlan Dimasi						

Table 2.6
WELL Precinct worker trade area - Worker population profile, 2011

Characteristics	Worker TA	Syd Metro avg.
<u>Gender</u>		
Male	39.6%	52.0%
Female	60.4%	48.0%
<u>Age distribution</u>		
Aged 15-19	3.7%	4.2%
Aged 20-29	12.4%	21.3%
Aged 30-49	45.9%	47.5%
Aged 50-64	35.3%	24.0%
Aged 65+	2.7%	3.1%
Average age	44.3	41.0
<u>Occupation</u>		
Managers	10.7%	14.2%
Professionals	45.9%	27.3%
Clerical and service workers	28.7%	26.2%
Sales workers	2.6%	9.3%
Tradespersons and technicians	5.6%	11.0%
Labourers & transport workers	6.5%	12.0%
<u>Personal income</u>		
Less than \$20,799	10.2%	13.6%
\$20,800 - \$41,599	16.9%	24.3%
\$41,600 - \$64,999	24.8%	25.5%
\$65,000 - \$103,999	36.1%	22.3%
\$104,000 or more	12.0%	14.3%
Average income	72,052	67,257
<u>Mode of transport</u>		
Train	3.8%	14.2%
Tram (& light rail)	0.0%	0.1%
Bus	1.0%	6.0%
Car driver	73.9%	53.5%
Car passenger	4.6%	4.4%
Bicycle	0.6%	0.8%
Other	2.9%	8.0%
Non travel	13.2%	13.0%

Source: ABS Worker Population Profile 2011, MacroPlan Dimasi

The estimates of the spending by the worker population within the Caddens Precinct Centre main trade area are detailed in Table 2.7. For the purposes of this analysis, we have adopted the retail spending profile of residents living within a 10 km radius of the proposed site as a proxy for the spending behaviour of the workers at the WELL Precinct. Typically, the majority of workers within a given workforce location live within 10 km from their place of work.

Table 2.7				
The WELL Precinct worker trade area - retail expenditure by category (\$M), 2016*				
Category	Worker TA	Per Person (\$)		Total Spend (\$'000)
		Syd Metro	Var'n from avg.	
FLG	5,779	6,001	-3.7%	15,315
Food Catering	1,646	2,160	-23.8%	4,362
Apparel	1,265	1,605	-21.2%	3,353
Household Goods	2,078	2,510	-17.2%	5,506
Leisure	546	661	-17.4%	1,447
General Retail	956	1,044	-8.5%	2,533
Retail Services	<u>309</u>	<u>430</u>	<u>-28.0%</u>	<u>820</u>
Total Retail	12,580	14,410	-12.7%	33,337

Source: MarketInfo; MacroPlan Dimasi

Workers within the WELL Precinct are estimated to spend \$33.3 million on retail goods and services in 2015/16. However, the spending pattern of the worker market is substantially different to that of residents and some of the workforce would form part of the residential main trade area population.

Workers typically spend money on food, particularly food catering (cafes, restaurants and take-away food), reflecting the lunch-time spend that is usually associated with these types of consumers. Other favoured work-day purchases by workers include necessity items or day-to-day services, such as spend at newsagents and pharmacies. In our experience, workers in locations outside the CBD direct around 15 – 20% of total retail expenditure to places near their workplace. On this basis, it is estimated that the WELL Precinct worker spend market is around \$6.5 million in 2016.

MacroPlan Dimasi has previously also undertaken surveys of staff purchasing behaviours and preferences at a number of universities throughout Australia.

The tenant preferences of the typical university staff population are, understandably, generally positioned at a higher price point compared to that of the student market. Staff members tend to prefer higher quality operators and are prepared to pay for this, within reason. Generally, staff members prefer tenants which offer made-to-order products, which use high quality, fresh ingredients. Staff are more inclined to use sit down cafes/restaurants than students, and these types of facilities are often utilised for casual meetings. However, like students, staff members are also more likely, overall, to make purchases from take-away food outlets than sit-down cafes/restaurants.

Typically, staff are also much less inclined to use national brand fast food or quick service restaurant operators (e.g. McDonald's, KFC, Nando's) than students, preferring instead alternatives which they see as being healthier, more individual and also better quality.

Student market

Students are an important customer segment to the success of the retail offer at, or near, any university campus, and meeting students' needs effectively is clearly a paramount objective of such facilities. While students may not spend as much time as full-time staff on campus, they do typically spend the most time in common and public areas.

As detailed earlier, the WELL Precinct contains both the WSU campus and the TAFE Western Sydney Nepean College campus. The WELL Precinct contains an estimated student population of around 16,000 – 17,000, including some 8,600 at WSU and around 8,000 students at the TAFE Nepean College. Additionally, the WELL Precinct is expected to provide opportunities for an additional 5,000 students at both WSU and the TAFE.

It is difficult to precisely measure the level of additional retail spending generated by the student population. Assuming that retail expenditure per capita of students is 25-30% of that of the worker population, noting that many students are not on campus all day, total retail

expenditure generated by the estimated 16,000 – 17,000 students would be in the order of \$10 million in 2016. However, a proportion of this expenditure would already be accounted for within estimates for resident trade area spending, as some students would live within the main trade area.

Non-resident students from surrounding educational facilities are nevertheless likely to direct a proportion of their retail expenditure towards the proposed Caddens Precinct Centre, particularly food catering stores at lunchtime, as well as leisure/convenience oriented stores such as pharmacies and newsagencies. Take-away food outlets are usually favoured by students over sit down cafes and restaurants.

There is a wide variety of food catering tenants that are popular with students. The majority of these operators can be classified under one of the two following categories: cheap and popular/trendy. Tenants such as KFC, Subway and Oporto are relatively cheap food catering options and prove to be very popular with students. Other operators, such as Guzman Y Gomez, Mad Mex, Coco Cubano, Grill'd and Max Brenner, have higher price points, but are still popular with the student market given the quality of the offer and the perceived status as “cool” and “trendy”.

The range of non-food retail facilities provided at most university campuses throughout Australia generally includes tenants such as bookshops, pharmacies, convenience stores, hair salons, computer stores, optometrists and the like. These types of tenants are typically used less frequently by students when compared to their use of food catering stores, and as a result, the provision of such facilities is generally limited, however, the availability of these types of tenants is still critical to providing a complete university retail offer, and contributing to the quality and amenity of campus life.

MacroPlan Dimasi has previously conducted surveys of student behaviours and preferences at comparable universities. Some of the key findings from those surveys are detailed below:

- Students generally use the various food facilities available on campus to a far greater extent than the non-food facilities. We have previously found that take-away food outlets

are used once a week or more often by around two-thirds of all students, while the sit-down cafes are used once a week or more often by around half of all students.

- There is little doubt in our view that a range of national brand food outlets (such as Subway, Oporto, KFC, Nando's, Pizza Hut and even McDonald's) would be very popular and in all likelihood trade well at the Caddens Precinct Centre. However, this approach is not the only one which would deliver a successful outcome. Depending on the nature of space that will be created, and the aspirations for the development, tenants of this nature may not represent the ideal mix, in which case experienced smaller operators could be sought.
- Convenience stores (i.e. small supermarkets) are also generally widely used, with around 40% of students using them once a week or more often. National brand tenants, such as IGA, have proven to be successful operators on university campuses, most recently at UNSW Kensington.
- Non-food retail outlets, such as pharmacy, university bookshop, etc are typically used by only small proportions of students – around 15% or less tend to use these facilities once a week or more often.
- Usage of financial services (not including ATMs) is generally also low, typically with less than 15% of students using such facilities once a week or more often.
- ATMs on the other hand are used generally frequently, and typically once a week or more often by half of the student population.

The WSU campus contains only a small number of food and non-food retail outlets, namely Subway, a café, a bar/café, a juice bar, a coffee cart and a hairdresser. The TAFE campus contains only a coffee shop, canteen and restaurant.

Section 3: Competitive context

This section of the report reviews the competitive environment of relevance to the centre, taking into account any proposed changes to the competitive framework.

Table 3.1 provides a summary of these various existing facilities, while Map 2.1 illustrates their locations.

Table 3.1 Caddens Precinct Centre - schedule of competing retail facilities			
Centre	Retail GLA (sq.m)	Major traders	Dist. by road from Caddens Precinct Centre (km)
Within trade area			
Claremont Meadows SV	1,400	IGA	1.8
Southlands SC	6,300	Woolworths	4.1
Beyond trade area			
<u>St Marys</u>	<u>45,300</u>		4.5
• St Marys Village	15,900	Target, Woolworths	
• Station Plaza SC	6,900	Coles	
• Other	22,500	Aldi	
Marketland SC	2,100	IGA	4.8
<u>Penrith</u>	<u>145,000</u>		4.9
• Westfield Penrith	80,000	Myer, Big W, Target, Woolworths, Aldi	
• Nepean Village	20,000	Kmart, Coles	
• Other	45,000	Aldi	
Cambridge Gardens	5,000	Coles	5.1
Werrington Village	3,600	Supa IGA	6.9
<u>Glenmore Park TC</u>	<u>14,900</u>		8.8
• existing	6,700	Woolworths	
• under construction	8,200	Coles, Aldi	
Source: Property Council of Australia; MacroPlan Dimasi			

The centres surrounding the proposed Caddens Precinct Centre form a typical retail hierarchy as follows:

- The Penrith CBD – a multi-faceted regional shopping destination;
- The St Marys Town Centre – a sub-regional/convenience oriented shopping destination; and
- A number of supermarket based centres that serve local catchments.

3.1 Regional shopping centre

The Penrith City Centre is the primary higher order shopping destination in the region, anchored by Westfield Penrith - a regional shopping centre - and including the Nepean Village sub-regional centre. The Penrith City Centre contains around 140,000 – 150,000 sq.m of retail floorspace and includes the following key components:

- Westfield Penrith, which is anchored by Myer, Big W, Target, Woolworths, Aldi, and contains some 260 specialty shops. The centre contains approximately 80,000 sq.m of retail gross leasable area (GLA) plus non-retail uses including cinemas, banks, medical, etc and is the major non-food destination in outer-western Sydney;
- Nepean Village, which is located to the south of Westfield Penrith on Woodriff Street. The centre includes 20,000 sq.m of retail GLA anchored by Kmart and Coles; and
- Approximately 40,000 – 50,000 sq.m of street/strip retail GLA including a freestanding Aldi supermarket, Trade Secret, Chemist Warehouse, a range of food catering outlets servicing workers, as well as a lower quality retail strip.

Retail facilities in the Penrith City Centre, particularly Westfield Penrith, are the major focus for fashion and comparison shopping within outer-western Sydney. Consequently, retail stores within the city centre draw from a wide region extending throughout Penrith, the Blue Mountains and St Marys, as well as the defined Caddens Precinct Centre trade area.

3.2 Sub-regional shopping centres

Apart from Nepean Village, which forms part of the broader Penrith City Centre, the only other existing sub-regional centre within 10 km of the Caddens Precinct Centre is the St Marys Town Centre, located approximately 5 km to the east. The major components of the St Marys Town Centre include:

- St Marys Village, which is anchored by a Target DDS and a Woolworths supermarket comprises around 16,000 sq.m of retail floorspace;
- Station Plaza Shopping Centre, a tired and run down supermarket based centre comprising some 6,900 sq.m of retail floorspace, anchored by Coles. We understand that there are plans to redevelop the asset in the medium term; and
- The remainder of St Marys include the Queens Street retail strip and a freestanding Aldi supermarket, comprising an estimated 20,000 – 25,000sq.m of retail floorspace.

3.3 Supermarket based centres

There are currently two relevant competitive retail facilities within the main trade area of the Caddens Precinct Centre, these include:

- An 870 sq.m IGA supermarket at Claremont Meadows, situated approximately 2 km east of the Caddens Precinct Centre site. The centre also includes a bakery, a café, a take-away food store, a pharmacy, a beauty salon and a number of non-retail specialties, and it mainly serves the top-up shopping needs for surrounding residents. The centre would be unlikely to attract a significant amount of business from beyond its immediate catchment area due to the small size of the supermarket tenant; and
- Southlands Shopping Centre, which is located approximately 4 km south-west of the Caddens Precinct Centre site, in the secondary sector. The centre is anchored by a Woolworths supermarket of approximately 3,900 sq.m and is supported by nine food catering outlets, a pharmacy, a hairdresser, beauty salon, and a range of non-retail uses

including a medical centre, physiotherapist, dentist, massage parlour, and real estate agents. The centre is likely to be the primary grocery shopping destination for residents in the secondary sector.

Beyond the defined trade area, the nearest supermarket based shopping facilities include the following:

- Marketland Shopping Centre, which is located on Caloola Avenue in Kingswood. The centre is anchored by a small sized IGA store of 1,100 sq.m and is quite dated;
- Cambridge Gardens, is located on The Northern Road and includes a stand-alone Coles supermarket of 3,750 sq.m, amongst some surrounding fast food outlets;
- Werrington Village, which is anchored by a Supa IGA supermarket of around 1,500 sq.m; and
- Glenmore Park Town Centre is anchored by a Woolworths supermarket of approximately 4,200 sq.m. This centre also contains a small provision of specialty retail shops, with a number of fast food outlets attached. This centre is undergoing a major expansion at present.

A retail strip is also located in Kingswood (within the trade area) on the southern side of the Great Western Highway, accessible to westbound traffic. The poorly presented precinct comprises a number of local convenience retailers including three bakeries, Subway, a mini-mart, a liquor store, take-away food outlets, retail services, a pharmacy and a medical centre.

3.4 Future centres/expansions

There are a number of retail centres that are currently proposed or under construction within the surrounding region, including the following:

- A mixed use development is proposed on Barber Avenue within the Penrith Hospital Precinct, which is planned to include 2,865 sq.m of retail floorspace, with potential to include a small supermarket. The centre has development approval; however, it is currently deferred. We do not expect this development to have any impact on the potential scale/timing of the proposed Caddens Precinct Centre.
- Glenmore Park Town Centre is undergoing a major expansion, more than doubling in size to include an additional 8,653 sq.m of retail floorspace. The redevelopment will include Coles and Aldi supermarkets of 4,050 sq.m and 1,553 sq.m respectively, as well retail specialty and commercial floorspace. We understand construction is due to be completed by late 2017.
- An additional neighbourhood centre is proposed within the Glenmore Ridge residential estate, a short distance south-west of Glenmore Park Town Centre. We have assumed that a full-scale supermarket is developed at the site over the medium term.
- Emerton Village SC has an existing development approval for a 3,000 sq.m expansion, consisting of an extension of the Woolworths supermarket, a new Aldi and additional specialty retail floorspace. The project is currently deferred and as at 2017, Aldi had not publicly confirmed that it is opening a store in this location.
- A potential expansion of St Marys Village has been planned/investigated by Mirvac and Council for many years, subject to a land acquisition from Penrith Council. We expect that a major expansion might occur over the next 5-10 years, if the land can be acquired, expanding its role as a sub-regional/higher order centre.
- Longer term, if a large-scale residential development is accommodated at Orchard Hills, a local retail centre may be developed to serve future residents of the area.

Section 4: SWOT analysis

This section provides a SWOT analysis of the subject site and the indicative development concept for the proposed centre.

4.1 Strengths

- Strategic location – The subject site is located on O’Connell Street a short distance north of the Western Motorway and can be accessed directly from the Great Western Highway. The subject site is therefore easily accessible from both regional and local perspectives. The site is also situated within an employment/education precinct, and is well placed to capture a proportion of the retail expenditure from the student and workforce populations in the surrounding area.
- Land size and centre scale – The size of the site ensures that a large neighbourhood centre can be provided on the subject site, together with an ample provision of at-grade car-parking. There is the potential to create a vibrant neighbourhood centre on the site including at least one full scale supermarket anchor and potentially 1 – 2 mini-major tenants, together with a wide range of food and convenient retail operators, as well as a substantial provision of non-retail facilities.
- Anchor tenants – We understand that Woolworths is planned to anchor the centre, the largest supermarket operator in the country, which will help to underpin a solid provision of retail and non-retail uses at the centre.

4.2 Weaknesses

- Internal site – While easily accessible, the subject site is located on a relatively internal site on O’Connell Street. O’Connell Street is not a major traffic route in the area, and therefore exposure to passing traffic would be more limited compared with a site on a major thoroughfare.
- Major retail precincts – There are extensive provisions of retail facilities at both Penrith and St Marys, which provide a number of leading non-food and food anchors, as well as a broad range of specialty stores and services. These centres have been considered in our definition of the trade area.

4.3 Opportunities

- Resident population – The resident population of the trade area is estimated at nearly 28,000, with over 15,000 residing within the key primary sector. This is a substantial population to serve noting that there is generally one full scale supermarket for every 9,000 - 10,000 residents in Australia. A future full scale supermarket at the subject store would be the only major supermarket within the primary sector.
- Population growth – The trade area population is growing strongly, with a substantial amount of land located in the immediate area to be developed for residential housing including the Kingswood, Claremont Meadows, Caddens Road and South Werrington release areas. The primary sector population is projected to increase by an average of 600 - 650 residents per annum over the next 14 years, which is substantial growth. The population of the primary sector is projected to reach 25,000 by 2031, which is a 53% increase over the 2017 population. Longer term, some of the land in Orchard Hills may be developed for residential housing – possibly in the order of thousands of new dwellings.
- Low provision of supermarket floorspace – The trade area currently contains one small supermarket in the primary sector (IGA) and one full scale supermarket in the secondary sector (Woolworths). The provision of supermarket floorspace per person within the trade area, at 165 per 1,000 residents, is currently well below the average provision for

Australia (340 sq.m per 1,000 people). This rate of provision will fall further, if no supermarket is developed at the subject site, given the strong population growth projected.

- Supermarket trading performance – There is also an under-provision of supermarket floorspace throughout the broader surrounding region and based on publicly available industry data (i.e. Shopping Centre News) the surrounding supermarkets are estimated to be trading strongly, based on the reported total centre sales at these centres.
- Education precinct – As stated previously, the subject site is located within a major education precinct. Surrounding workers and students at the WSU and TAFE NSW campuses provide a strong opportunity for the proposed Caddens Precinct Centre and add to the demand for retail facilities in the area.

4.4 Threats

- Future competition – As the surrounding area continues to grow strongly, additional retail facilities may be added in the form of existing or future shopping centres. However, all known future retail developments/expansions are outlined in this report and are not expected to have any significant implication for the development of the Caddens Precinct Centre, as a solid supermarket anchored, convenience centre.
- Online/Amazon – We expect the impacts of online/Amazon to be very minor at an individual centre level and convenience/food retail are expected to be more insulated than other categories of the retail sector.

Section 5: Assessment of potential for retail facilities

This section of the report discusses the demand for supermarket floorspace within the main trade area and presents our views on the potential scale and mix of retail that could be supported at the Caddens Precinct Centre.

5.1 Supermarket floorspace provision

Table 5.1 summarises the current estimates of both population and supermarket floorspace provision within the main trade area. The average provision of supermarket floorspace within the trade area is estimated at 165 sq.m per 1,000 residents. This provision is significantly lower than the outer-metropolitan Sydney and Australian averages of 310 sq.m and 340 sq.m per 1,000 persons, respectively. This indicates that there is likely to be significant leakage of supermarket expenditure to facilities located beyond the trade area, in particular at Penrith and St Marys.

Table 5.1 Estimated supermarket floorspace provision within the main trade area, 2016				
Trade area sector	No. of Smkts	Smkt Floorspace (sq.m)	2016 Population	Smkt provision (sq.m per 1,000 persons)
Primary	1	870	15,490	56
Secondary	1	3,750	12,070	311
Main Trade Area	2	4,620	27,560	168
Metropolitan Sydney average				265
• Inner-metropolitan Sydney average				230
• Outer-metropolitan Sydney average				310
Australian average				340

Source: MacroPlan Dimasi

Caddens Precinct Centre is proposed to be anchored by a full-scale supermarket in the short term combined with a range of supporting specialty retail and non-retail stores. The centre is also likely to include a discount supermarket of 1,400 sq.m (such as Aldi), and over the long term, could potentially accommodate a second full-line supermarket.

Table 5.2 details the estimated supermarket floorspace within the main trade area over the forecast period. The proposed 3,800 sq.m supermarket at the Caddens Precinct Centre will increase the average supermarket provision in the main trade area to 266 sq.m per 1,000 residents at mid-2021, which is still below both the outer-metropolitan Sydney and Australian benchmarks. In addition to the resident population, the proposed supermarket would also serve significant worker and student populations at the nearby educational facilities, as previously discussed. This indicates that a full-scale supermarket is currently supportable at the subject site.

Typically in Australia, one major supermarket is provided for every 9,000-10,000 persons. Even without accounting for workers and students in the area, an estimated primary sector population of around 17,500 – 18,000 at 2019 is considered more than sufficient to sustain a full-scale supermarket at the subject site if not two.

Supermarkets at surrounding regional and sub-regional facilities, including Westfield Penrith, Nepean Village and St Marys Village, are understood to achieve sales levels which are well above the Australian average of \$9,500 - \$10,000 per sq.m the result of a relatively low provision of supermarket floorspace in the region.

Having regard to future growth across the main trade area, a third supermarket could potentially be supported over the long term – which would also service future demand from that point forward, including student and worker demand which is not included in Table 5.2.

Table 5.2 Potential supermarket floorspace provision within the main trade area, 2016-2031					
Factor	2016	2017	2021	2026	2031
Primary sector population	15,490	16,290	19,490	22,240	24,990
Main trade area population	25,120	28,380	31,660	34,560	37,510
<u>Existing and proposed supermarkets (sq.m)</u>					
Total supermarket floorspace	<u>4,620</u>	<u>4,620</u>	<u>8,420</u>	<u>9,820</u>	<u>13,620</u>
Existing floorspace	4,620				
Proposed supermarkets					
• Caddens Precinct Centre - Stg 1			3,800		
• Caddens Precinct Centre - Stg 2				1,400	
• Caddens Precinct Centre - Longer term					3,800
<u>Supermarket provision (sq.m per 1,000 residents)</u>					
Primary sector	56	53	240	273	395
Main trade area	184	163	266	284	363
<u>Average supermarket provision (sq.m per 1,000 residents)</u>					
Outer-metropolitan Sydney	310				
Australia	340				
Source: MacroPlan Dimasi					

5.2 Assessment of supportable retail floorspace

The amount of retail floorspace demand generated by the main trade area population has been calculated using a provision per capita method in Table 5.3. The estimated provision of retail floorspace per person across Australia at present is around 2.2 – 2.3 sq.m. There are no official figures measuring retail floorspace on a national basis, but there is broad consensus in the retail industry around this benchmark. Approximately 1.4 sq.m of this is attributable to traditional retail floorspace (i.e. excluding /bulky goods LFR demand and department stores and DDS demand).

Applying a rate of 1.4 sq.m to the population of the main trade area equates to an existing demand for 38,100 sq.m, increasing to 51,800 sq.m by 2031, an increase of 36%.

Having regard to the existing supply of retail floorspace in the main trade area and the approved, small scale development at Barber Avenue, there is an existing market gap of 'traditional retail floorspace' (i.e. ex. Department store/DDS and bulky goods) of 30,000 sq.m at present, increasing to 52,000 sq.m by 2031, an increase of 22,000 sq.m.

In this context, clearly a significant amount of retail floorspace could be supported at the Caddens Precinct Centre. An amount of 10,000 sq.m could be sustained in the short-term (i.e. prior to 2021), from a market demand perspective and would be equivalent to around 20% traditional retail floorspace demand or around 12% of all retail floorspace demand.

Over the long term, 15,000 sq.m of retail floorspace would require a market share of around 15% of all retail floorspace demand and about 25% of traditional retail floorspace demand, meaning that more than 85% of demand generated by main trade area residents would be directed to other centres.

In this context, there appears to be scope for the Caddens Precinct Centre to support more retail than is currently permissible under the existing Penrith LEP and WELL Precinct DCP – noting that there will be future demand growth beyond 2031.

A quantum of 15,000 sq.m (retail GLA) or so would mean that the significant majority of retail floorspace demand generated by the main trade population would still be directed to other centres across the surrounding retail hierarchy. Indeed, this amount of floorspace is less than the total growth projected over the next 10 – 15 years. Additional non-retail space would also be supportable.

Table 5.3				
Caddens Precinct Centre - MTA retail supply/demand analysis & potential supportable floorspace provision				
Item	Year			
	2016	2021	2026	2031
<u>Retail floorspace demand per capita</u>				
Total floorspace demand (sq.m)	2.2	2.2	2.2	2.2
Less dept./ disc. dept. stores f'space demand (sq.m)	0.2	0.2	0.2	0.2
Less bulky goods f'space demand (sq.m)	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>
Traditional retail f'space demand (sq.m)	1.4	1.4	1.4	1.4
<u>Estimated population (as at June)</u>				
• Primary	15,490	19,490	22,240	24,990
• Secondary	<u>12,070</u>	<u>12,170</u>	<u>12,320</u>	<u>12,520</u>
Total resident population	27,560	31,660	34,560	37,510
<u>Traditional retail floorspace demand (sq.m)</u>				
• Primary	21,400	26,900	30,700	34,500
• Secondary	<u>16,700</u>	<u>16,800</u>	<u>17,000</u>	<u>17,300</u>
Total traditional retail floorspace demand	38,100	43,700	47,700	51,800
<u>Existing and potential future retail floorspace in the MTA (sq.m)</u>				
• Claremont Meadows SV	1,400	1,400	1,400	1,400
• Southlands SC	6,300	6,300	6,300	6,300
• Barber Ave Mixed Use Development (p)	-	2,285	2,865	2,865
Total existing and potential future floorspace	7,700	9,985	10,565	10,565
<u>Over (+) / under (-) supply of traditional retail floorspace (sq.m)</u>				
Main trade area over (+) / under (-) supply retail f'space	-30,400	-33,715	-37,135	-41,235
Source: MacroPlan Dimasi				

5.3 Ultimate development potential

We have been asked to examine whether a larger amount of retail floorspace could be supported at the Caddens Precinct Centre subject site in the short term and over the longer term. We make the following comments in relation to the future development potential of the centre:

- There is a comprehensive retail offer provided in the Penrith CBD, which contains well in excess of 140,000 sq.m of retail floorspace including the Westfield Penrith regional centre and the highly successful 20,000 sq.m Nepean Village. All three DDS operators are represented in the Penrith CBD, and there is a significant provision of fashion and non-food leisure/comparison shopping retailers in the CBD and the dedicated bulky goods/homemaker precinct on Mulgoa Road.
- Westfield Penrith is located on a constrained site in the Penrith CBD, bounded by roads in all directions, with the rail line to the north and with car-parking already provided below ground and in multi-storey car-parks. It is possible that the centre could expand by acquiring sites south of High/Henry Street, although this is considered a low likelihood play and would require aerobridges etc. It is possible that the centre could undergo an internal refurbishment, or utilise car-parking space, which might see the addition of new international mini-major type tenants, a bit like the relatively recent internal refurbishment of Westfield Chatswood.
- Nepean Village is a very strongly performing convenience based sub-regional shopping centre anchored by highly successful Coles and Kmart stores that continues to grow its MAT with limited investment. This centre could physically be expanded, although at the expense of car-parking which would then need to be provided above or below the centre. In the context of the highly successful Westfield Penrith, and a lack of real density in the Penrith CBD we do not expect a major expansion of this centre in the foreseeable future.
- While neither of these centres are expected to expand significantly in future, we do expect some upgrades/refurbishments to these centres to meet the needs of their trade area populations. The significant scale and comprehensive offer within the Penrith CBD severely limits the potential for the Caddens Precinct Centre main trade area to extend

much further west of The Northern Road. Furthermore, additional retail facilities (possible convenience and F&B) are expected to be accommodated on the Panthers Penrith precinct as it evolves over the next 10 – 20 years.

- The railway line is a significant barrier to the north, limiting the potential for the trade area to realistically be extended to the north. We do not expect a new connection across the railway line in the next 10 - 20 years. We understand that any new train station that is provided as part of the extension to Badgerys Creek is expected to establish closer to the existing St Marys station. Werrington Road, which is much closer to St Marys Town Centre than the subject site, is the main access point to the north for those in the east, while to the west, residents essentially have to travel to the Northern Road to access the Great Western Highway.
- There are around 25,000 persons living north of the railway line in the suburbs of Werrington County, Cambridge Gardens, Cambridge Park and Jordon Springs, a population which could increase to 35,000 – 40,000 by 2036.
- To the east, the closest higher order shopping facilities are provided in the St Marys Town Centre, which contains more than 45,000 sq.m of retail floorspace including the St Marys Village shopping centre. St Marys Village is a solidly performing, but small single DDS sub-regional shopping centre owned by Mirvac. Mirvac has investigated the expansion potential of this centre for more than a decade, with a concept plan/planning proposal for a doubling of the centre previously in the public domain. Any major expansion, however, requires the acquisition of the adjacent land owned by Penrith City Council. We understand that Penrith City Council is drawing closer to selling this land and a major expansion of the existing shopping centre is expected to occur within the next 5 – 10 years. A major expansion, if one were to proceed, would likely entail an additional supermarket, a second DDS, new mini-major tenants, and a considerable amount of additional specialty floorspace.
- While sub-regional shopping centre trade areas can and do overlap with each other, if St Marys Village expands considerably it will become a much more attractive and higher performing centre, leading to a significant increase in the market shares it achieves from

its main trade area as well as increased competition for sales and prospective tenants for the Caddens Precinct Centre.

- The existing retail offer in St Marys already limits the extent of the trade area that can potentially be served by the Caddens Precinct Centre. Thus if St Marys Village more than doubles in size it will limit the potential for the trade area to extend much further the east.
- In the above context, the future/long term potential for the Caddens Precinct Centre relies on the potential current and future population within the defined main trade area and the potential future population that might establish south, in Orchard Hills.
- There are no centres in Orchard Hills at present and a limited population. The Orchard Hills suburb sits to the north of the defined Western Sydney Priority Growth Area (WSPGA) and to the west of the Western Sydney Employment Area (WSEA), and as yet has not been ear-marked (in an official capacity) for future residential growth. However, given the significant infrastructure investment planned in Western Sydney and the future growth in jobs and population, we expect that this area will eventually support residential development over the long term (i.e. 10 – 20 years). Based on the size of this area, it is possible that Orchard Hills could support in excess of 5,000 dwellings (i.e. 12,500 – 15,000 new residents) over the long term. A population of this scale could sustain neighbourhood centre type facilities over the long term, but not higher order facilities.
- Over the longer term the secondary sector is not expected to grow much given it is an established residential area. The population within this sector to remain at around 12,500 – 13,000 persons over the next 20 – 25 years.
- A southern secondary area (i.e. Orchard Hills) could potentially accommodate around 10,000 – 12,500 persons or so over the next 20 – 25 years (assuming an average take-up of around 200 dwellings per annum over 20 years).
- Table 2.1 earlier in this report showed that the primary sector population is expected to increase by around 53% over the next 14 years or so to reach around 25,000 by 2031 (i.e. MTA population = 37,500). Based on the latest potential residential yields from the WSU Masterplan (which indicate up to 5,000 dwellings could potentially be accommodated

within the WSU land holdings), within 20 years (i.e. by 2036) the primary sector population is expected to exceed 38,000 persons and the defined MTA population could exceed 50,000 persons.

- Even in combination with a possible extra 10,000 – 12,500 persons to the south, a population of 60,000 – 62,500 or so by 2036, represents a small trade area for a small sub-regional shopping centre, which typically serve main trade areas in the order of 100,000 – 120,000 persons. If the northern area was included, which could potentially add around 35,000 – 40,000 persons, the potential trade area population as at 2036 could be closer to 95,000 - 100,000 persons, with the secondary north area considered to be highly contestable between Penrith CBD and St Marys as well.
- A population of 60,000 or more, in and of itself, could potentially be sufficient to attract a DDS operator to the site, noting that a second operator (i.e. Big W or Kmart) may enter the market at St Marys over the next decade. There is typically one DDS provided per 40,000 persons across Australia, however, the Caddens Precinct Centre trade area forms part of the St Marys Village and Westfield Penrith trad areas (i.e. it is a sub-set of these areas).
- The surrounding worker population is pretty limited at present (i.e. 2,500 – 3,000 workers), and we do not expect much growth in this customer segment over the next decade. The WELL Precinct plan envisages in excess of 8,000 jobs could be supported across the WELL precinct at capacity. It is likely that over the long term, that this type of worker population realistically establishes within the WELL precinct.
- If a DDS operator did establish at the site, we expect only a small sub-regional type shopping centre could establish at best. Due to the somewhat constrained nature of the site, the surrounding competition (and future competition), and the overall size of the potential trade area population that it would realistically serve it might be difficult to establish/attract a critical mass of supporting specialty retail to the site.
- A typical single DDS based shopping centre contains around 18,000 sq.m of retail floorspace including 12,000 sq.m of majors floorspace; 1,500 sq.m or so of mini-major floorspace; and around 4,500 sq.m of specialty retail floorspace as well as around 2,000 – 2,500 sq.m of non-retail floorspace.

- A development of around 20,000 sq.m of retail GLA, would be twice the size being considered in the current plans, and would require roughly 1.5 times greater market shares from the defined trade area to be sustainable, noting that it would likely serve a bigger trade area.
- Considering all of the above, in our view the potential for the Caddens Precinct Centre to support sub-regional/higher order retail facilities would be a realistic proposition only if St Marys Village does not expand significantly in the future. Even if it does not, the potential trade area such a centre could serve, in our view, means that a sub-regional centre may still be a marginal proposition.
- In our view, a more realistic option could be for the site to support a third supermarket over the longer term, and focus on being a very comprehensive convenience based precinct centre. Examples of this type of configuration at present at Stockland Baulkham Hills (which also includes Harris Farm Markets).
- The primary sector population will exceed 38,000 persons by 2036, which would be sufficient to support two large supermarkets and an Aldi. A second large supermarket would provide additional anchor tenant critical mass, and would help to reinforce the existing specialty at the centre provided in the short term, while possibly enabling additional specialty/mini-major floorspace to be supported at the site.
- Stockland Baulkham Hills contains around 16,000 – 17,000 sq.m of retail GLA, including 8,300 sq.m of supermarket space (Coles, Woolworths, Aldi) and around 7,500 – 8,000 sq.m of retail specialty and mini-major floorspace, plus ancillary non-retail space, totalling around 18,000 sq.m overall.
- As a large double or triple supermarket anchored centre, the Caddens Precinct Centre would mean that residents would be served by a range of supermarket options and would enable a solid supporting specialty and mini-major offer to be provided, while still maintaining the role and function as a convenience oriented centre. Such a centre would thus be distinct from sub-regional/regional retail offers in St Marys and the CBD.
- Many new international retail tenants have entered the Australian marketplace over the past 5 – 10 years, and we expect this trend to continue. In particular, the likes of Kaufland

and Lidl (both owned by the same parent company) are both rumoured to be looking for locations in Australia, with Kaufland looking the most promising of these two in the near future. Amazon will enter the Australian marketplace imminently, and it also operates physical spaces (e.g. Amazon Fresh).

- In this context, the retail environment is expected to change markedly over the next 15 – 20 years, so we recommend some flexibility be considered in the Masterplanning of the site for the long term. We recommend some consideration be given for around 15,000 – 20,000 sq.m of GLA in total, including ancillary non-retail floorspace such as gyms, medical centres, child care etc.
- We note that the future expansion of the centre would be subject to other competitive developments, new roads, new infrastructure, and future dwelling growth across the region. Some of these elements cannot be foreseen accurately over a long term horizon.

5.4 Indicative floorspace and employment

Table 5.4 presents a summary of the indicative mix and supportable employment at the proposed Caddens Precinct Centre.

As shown, the proposed development could potentially result in 630 – 640 jobs on site over the longer term.

Table 5.4 Caddens Precinct Centre - Potential composition & employment					
Category	Short-term GLA (sq.m)	Longer term GLA (sq.m)	Total GLA (sq.m)	Est. employment	
				(sq.m/job)	(jobs)
<u>Supermarket (incl. liquor)</u>					
• Woolworths	3,800	-	3,800	35	109
• Aldi	1,400	-	1,400	40	35
• Coles	-	<u>3,800</u>	<u>3,800</u>	35	<u>109</u>
Total supermarkets	5,200	3,800	9,000		252
Mini-majors	800	1,000	1,800	30	60
<u>Retail specialties</u>					
Food	1,000	1,000	2,000	25	80
Non-food	<u>1,250</u>	<u>950</u>	<u>2,200</u>	25	88
Total spec. retail	2,250	1,950	4,200		168
Total retail	8,250	6,750	15,000		480
Non-retail	<u>1,500</u>	<u>3,500</u>	<u>5,000</u>	30	<u>167</u>
Total centre	9,750	10,250	20,000		647
Source: MacroPlan Dimasi					

5.5 Summary

There is clearly a need for additional supermarket floorspace within the local area given the low supply of supermarket floorspace currently and the significant population growth projected within the trade area. This centre would be excellently placed to serve existing and future residents in the area, as well as the worker and student populations within the WELL Precinct.

The likely impacts from the Caddens Precinct Centre will largely fall upon the full-scale supermarkets within the St Marys and Penrith City Centre's. These impacts are likely to be limited and are not considered to affect the viability of any supermarkets in the region. The existing department and DDS within these centres will not be impacted by a neighbourhood centre at the subject site.

Smaller retail precincts at Southland Shopping Centre, Kingswood and Claremont Meadows will continue to serve more localised retail roles. While these centres are likely to be impacted to some degree in the short term, they will benefit from the future population growth within the region and will remain viable.

Over the longer term, a development in the order of 15,000 – 20,000 sq.m at the Caddens Precinct Centre is likely to have no adverse impacts on the surrounding retail hierarchy given the massive future population growth expected across the main trade area.