

## APPENDIX A

Proponent Response to submissions prepared by Ingham  
Planning Pty Ltd dated May 2013 (updated June 2013)

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**MAJOR PROJECT APPLICATION MP10\_0068  
ENVIRONMENTAL ASSESSMENT  
UNDER PART 3A OF THE EPA ACT 1979**

**WESTFIELD PARRAMATTA DEVELOPMENT**

CONCEPT PLAN APPLICATION FOR AN ADDITIONAL RETAIL LEVEL, ADDITIONAL ABOVE GROUND CAR PARKING, COMMERCIAL TOWER BUILDING & STREET ACTIVATION/PUBLIC DOMAIN WORKS. PROJECT APPLICATION FOR AN ADDITIONAL RETAIL LEVEL AND ADDITIONAL ABOVE GROUND PARKING.

**RESPONSE TO SUBMISSIONS  
PUBLIC EXHIBITION OF MAJOR PROJECT 10\_0068  
WESTFIELD PARRAMATTA DEVELOPMENT**

**Prepared for  
Westfield Limited**

**By  
INGHAM PLANNING PTY LTD**

**May 2013 (Updated June 2013)  
Job No. 09150**

## WESTFIELD PARRAMATTA MAJOR PROJECT MP10\_0068 RESPONSE TO SUBMISSIONS

SUBMISSION FROM	SUMMARY OF SUBMISSION (KEY ISSUES RAISED)	RESPONSE TO ISSUES RAISED
David Shaw Lamonerie St Toongabbie	Objects to office tower height as it would be higher than 15 Campbell St and therefore potential loss of revenue to 15 Campbell St. if mobile phone antennas relocate to proposed Westfield office tower.	Objection is not a justifiable concern. The potential for competition for antenna sites is not reasonable grounds to preclude a building of the height proposed. The proponent does not seek approval to include mobile phone antennas of the type referred to on the proposed office tower.
Dennis Roll Mevek P/L	Supports the proposal as contributing positively to the development of Parramatta.	No objections raised. Responds positively to the proposal. The proposal will contribute positively to the development of Parramatta.
Amy Yongsiri Grosvenor Cr Summer Hill	Opposed to proposal – adverse impacts on nearby businesses and businesses in the CBD, ample opportunities elsewhere in the CBD for proposed facilities, office tower will disrupt amenity of the street level, not supportive of Parramatta’s cultural plan, diversity and sense of community	<p>Objections relating to economic impacts are addressed in the EIA and in the Proponent’s EIA consultant’s response to economic impact issues raised in submissions. A copy of this response by Urbis is attached at <b>Appendix C</b>.</p> <p>The proposal has a relatively minor impact on Parramatta CBD businesses and is likely to contribute to an overall increase in retail expenditure in the CBD by attracting more shoppers to Westfield Parramatta, many of whom would also spend money at shops, restaurants and businesses located elsewhere in the CBD.</p> <p>Streetscape improvements and new public art will contribute positively to the locality and support Council’s cultural plan.</p>
Holroyd Council	<p>Holroyd Council seeks clarification on retail GLA and GFA. Seeks further info on impacts on Stockland Merrylands, particularly relating to estimated increased retail turnover.</p> <p>Concerned about shortfall in parking and potential for traffic increases Holroyd Streets. Council wants additional and</p>	<p>Clarification of retail GFA and GLA has been provided to DoPI. The Urbis EIA Report quotes the correct GLA of 24,504m2. The Environmental Assessment Report will be corrected to accord with the EIA Report.</p> <p>Concerns relating to economic impacts on Stockland Merrylands are addressed in the Proponent’s EIA consultant’s response to economic impact issues raised in submissions. A copy of this response by Urbis is attached at <b>Appendix C</b>.</p> <p>Reduced car parking required at request of Dept Transport, RMS, DoPI and Council. Parking is not required for construction workers.</p>

	<p>improved public transport services as outlined.</p> <p>Wants car parking for construction workers provided in the Parramatta LGA</p> <p>Wants opportunity for further comment when traffic modelling is completed.</p>	<p>The Proponent's traffic consultant CBHK has provided a response to the traffic and parking issues raised by Holroyd Council. A copy of this response is attached at <b>Appendix B</b></p> <p>The issue of improving public transport services is an issue for the State Government. By limiting the extent of additional car parking, the proposal will encourage greater use of public transport. The Proponent welcomes any State Government initiatives to improve public transport access and capacity to the Parramatta CBD.</p>
Stockland (Merrylands)	<p>Question validity of application &amp; consider DG's requirements have expired.</p> <p>Proposal exhibits excessive FSR and Building Height and inadequate parking.</p> <p>Economic Impact Assessment should not be relied upon – considered to be based on unsound methodology and unsubstantiated assumptions.</p>	<p>DoPI have accepted the Major Project Application as valid.</p> <p>Stage 1 (Retail/car parking component) complies with height controls. Council considers FSR is complying and building height acceptable &amp; have suggested office tower height could be increased if the office tower is narrowed. Reduced car parking provided is at request of Dept Transport, RMS, DoPI and Council and reflects a higher than average use of public transport to access retail and other services provided at Westfield Parramatta.</p> <p>Criticisms of the EIA relate to matters such as trade area, impact of other development proposals, turnover estimates, underestimation of impacts on Stockland Merrylands. These are suitably addressed in the economic impact response provided by Urbis and attached at <b>Appendix C</b></p>
Environment Protection Authority (EPA)	<p>The EPA advises it has no objections to the proposal and on the info provided has no regulatory responsibilities in relation to the proposal and has no comment to provide.</p>	<p>No issues or objections raised.</p>
Office of Environment & Heritage (OEH)	<p>The OEH advise they have no comment to make and no further interest in the project.</p>	<p>No issues or objections raised.</p>
Rail Corp	<p>RailCorp raise no issues or objections and seek consent conditions as follows to address their interests: -</p> <p>Submission of an acoustic assessment in relation to the Interim Guidelines for development near rail corridors and busy roads and suitable</p>	<p>Matters raised are standard type requirements relating to acoustic, vibration and visual impact issues where development is proposed close to a rail line. These are matters that would be addressed by imposition of suitable consent conditions, as requested by RailCorp.</p>



	<p>measures included in construction plans.</p> <p>Suitable design of lighting and signs to limit glare and reflectivity to the rail line.</p> <p>Provision at CC of a risk assessment/management plan relating to potential impacts on rail corridor.</p> <p>Submission of a plan at CC showing all craneage and other aerial operations according with RailCorp requirements.</p>	
Sydney Water	<p>Sydney Water provide a standard response and indicate existing water, waste water and trade waste arrangements.</p>	<p>Matters raised by Sydney Water require no further action or response – they would be addressed at the Section 73 Application stage.</p>
Transport NSW (TfNSW)	<p>TfNSW request the following 4 matters be addressed:</p> <p><i>A Traffic Management Accessibility Plan</i> for the non-car modes.</p> <p>Assessment of potential construction impacts on bus services (as per Tab A to their letter dated 21/3/13).</p> <p>Assessment of potential construction impacts on pedestrian accessibility/flow around the site and to Argyle Street bus stops.</p> <p>Potential operational impacts of the proposed expanded Aird St (east) loading dock on bus services on Church Street.</p> <p>TfNSW want an acoustic assessment in relation to the Interim Guidelines for development near rail corridors and busy roads and suitable measures included in construction plans.</p> <p>Suitable design of lighting and signs to limit glare and reflectivity to the rail line.</p> <p>Provision at CC of a risk assessment/management plan relating to potential impacts on</p>	<p>An addendum has been prepared providing a Traffic Management and Accessibility Plan and is attached to the Proponent's Traffic Report prepared by CBHK.</p> <p>Public transport services to and from the Parramatta CBD are heavily utilised during the Monday to Friday peak hour, particularly with respect to train services. A substantial portion of shoppers would however travel outside these peak hours. By the time the office tower is constructed in Stage 2 some increased capacity in public transport services may be expected to be in place.</p> <p>The Proponent's traffic consultant CBHK has provided a response to the issue raised in relation to the Aird Street (east) loading dock. A copy of this response is attached at <b>Appendix B</b>.</p> <p>Matters raised by TfNSW in relation to acoustic impacts, design of lighting, reflectivity and risk management can be addressed by imposition of suitably worded consent conditions, with such details to be provided prior to issue of the Construction Certificate.</p>

	<p>rail corridor.</p> <p>Submission of a plan at CC showing all craneage and other aerial operations according with RailCorp requirements.</p>	
Parramatta City Council	<p>Parramatta Council objects to the proposal. They consider that the proposal will have adverse outcomes on the Parramatta CBD including: - Further isolation of Westfield from the CBD, increased risk of vacancies in the CBD, make it difficult for the CBD to retain and capture mid-range to high end retailers, potentially reduce the ultimate scale of retail development supportable in P'matta Square and delay timing of the various stages of the P'matta Square development, reduce the quality and timing of various stages of the P'matta Square development and potential sales that could be attracted to that precinct.</p>	<p>Concerns in relation to isolation from CBD can be addressed by improving connectivity to the CBD. Opportunities for improving connectivity can be negotiated with Council and the DoPI.</p> <p>It should be noted that Westfield Parramatta is already well connected to the transport interchange and is within easy walking distance of Church Street North and Parramatta Square.</p> <p>Concerns in relation to retail impacts on the CBD and Parramatta Square are matters relating to EIA. It should be noted that Council has acknowledged that in terms of the planned development of Parramatta Square, the Council is a competing developer.</p> <p>The proposal will have minimal economic impact on Parramatta Square. An assessment of such impacts and a response to the issues raised by MacroPlan Dimasi on behalf of Council are included in the economic impact response provided by Urbis and attached at <b>Appendix C</b></p>
	<p>Council wants the urban design issues (public domain, CPTED, building presentation and active street frontages) they have raised resolved before any additional retail floor space is considered.</p> <p>Council considers that inadequate public domain works and public benefits have been proposed and are not commensurate with the level of development proposed. Improvements should be incorporated into a Voluntary Planning Agreement.</p>	<p>The proposal envisages implementing public domain improvements as part of Stage 2 and included some design concepts for such improvements. Improvements can include upgrading the pedestrian environment fronting the site, such as new paving, landscaping, street furniture and lighting. Council has not as yet indicated its specific requirements as to which areas need upgrading and what improvements are necessary.</p> <p>The Proponent is agreeable to undertaking reasonable improvements to the pedestrian environment (paving, landscaping, street furniture, lighting etc) of the public footpath frontages of the site.</p> <p>The Proponent is agreeable to preparing a plan of</p>

<p>Parramatta City Council cont.</p>	<p>Some of the changes that Council wants to see include more pedestrian entries and pedestrian through site links, external walls should be renovated and present views into shops and the complex, additional retail floor presence at ground floor level, lack of active street frontages, improved public domain and pedestrian environment, blank windowless facades without casual surveillance, more active retail particularly to Argyle and Church streets, inadequate design detail on external appearance, more fenestrations/glazing to upper levels, provision of an entrance forecourt (at corner of Argyle and Church), provide community spaces, no parking should be visible from the street or surrounding buildings, supermarket is preferred at ground floor level.</p> <p>Council seeks a minimum footpath width of 7.5m in Argyle Street (with 3.5m in width sheltered). Existing planter boxes should be removed where they encroach into Argyle Street footpath, beyond the boundaries of the site.</p> <p>Council wants public domain improvements as part of Stage 1 and in addition to the S94A contributions payable for the development.</p> <p>Council wants a public domain improvements plan prepared and a public art plan prepared for the development.</p>	<p>upgrading of the pedestrian environment fronting the site in consultation with Council following issue of consent and undertake such reasonable upgrading works over the 2 stages of the proposed development.</p> <p>The Proponent is required to pay a Section 94A development levy of more than \$12 million, with some \$6 million payable for Stage 1. This developer contribution can in part be used to fund public domain improvements external to the site and its road frontages, such as enhanced connections to Parramatta Square and the Council's car park to the east and other public domain improvements the Council proposes for the locality.</p> <p>The Proponent does not wish to enter into a Voluntary Planning Agreement (VPA) given that more than \$12 million is payable to Council as a Section 94A Levy. The Proponent does not see the merits of a VPA in addition to making such a substantial payment to Council. The S94A levy provides a source of funding for off-site public domain improvements.</p> <p>The Proponent is agreeable to a consent condition being imposed requiring preparation of a public domain improvements plan and a public art plan in consultation with Council and payment of reasonable costs associated with implementing these plans.</p>
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<p>Parramatta City Council cont.</p>	<p>Council prefers that no additional car parking be provided, but if permitted should be accompanied by extensive local traffic improvements to reduce congestion.</p> <p>Council seeks confirmation that the additional boom gate on the Marsden Street speed entry ramp and the Parking Management Information System are definitely part of the proposed development.</p> <p>Council wants all vehicles to enter and leave in a forward direction in Marsden Street.</p>	<p>Issues raised by Council with respect to traffic, driveways, loading docks etc are addressed in the response to submissions relating to traffic matters, prepared by the Proponent's traffic consultant CBHK (copy attached at <b>Appendix B</b>).</p> <p>Some additional parking is required to avoid excessive queuing and congestion within the car park as drivers search out car spaces. Such an outcome would eventually discourage many shoppers from visiting the shopping centre. Proposed car parking is significantly less than is usually provided for an equivalent amount of retail floor space.</p> <p>It is confirmed the additional boom gate on the Marsden Street speed entry ramp and the Parknig Management Information System for the Airds Street car park are part of the Application and the plans will be annotated to clearly indicate this.</p>
	<p>Council seeks details on proposed landscaping – soil depths, species etc.</p>	<p>Additional landscaping details will be included in the Stage 1 plans. Typically landscaping details would be required as a consent condition.</p>
	<p>Council is concerned that there is no certainty that the commercial tower will be built and prefer that it is built before the retails additions proceed. Making the commercial tower subject to a design excellence competition is strongly supported by Council. Council recommends that the Tower should be slimmer in form (maximum floor plate of 1,400m<sup>2</sup>) and placed directly on the existing retail podium, with perhaps some additional height up to 120m to compensate.</p>	<p>Amending the office tower form to a taller slimmer building as suggested by Council results in minimal change to the overall perceived bulk and scale of the proposed Tower form. This is illustrated in the 3D comparative views attached at <b>Appendix A</b>.</p> <p>In <b>Appendix A</b> at the left of each page is a diagram of the proposal as submitted, with a floor plate of approximately 1,660m<sup>2</sup> and associated larger building envelope. At the right of each page is the alternative reduced floor plate size of 1,400m<sup>2</sup> and envelope area of 1,800m<sup>2</sup>. Diagram 1 shows a view looking southwest to the site. Diagram 2 shows a view looking northeast to the site.</p> <p>The tower building envelope as submitted occupies an area of approximately 2,000m<sup>2</sup>, which is sufficient to accommodate an office floor plate of some 1,660m<sup>2</sup>. Parramatta Council has requested that the envelope be reduced in size to 1,800m<sup>2</sup> and floor plate reduced to a maximum of 1,400m<sup>2</sup>. Council has indicated that it would support an increase in building height to a maximum of 120m above ground level, as compensation for reduced floor plate size.</p>

<p>Parramatta City Council cont.</p>		<p>The 3D illustrations indicate that the perceived difference in bulk and scale between the two floor plate sizes is modest at most. If anything, the slimmer, but taller option is more noticeable, due to the building encroaching further into the skyline compared to nearby residential towers in Church Street. The upper levels of the slimmer tower version will also be visible from Old Government House, whereas the tower form at the height proposed has no visual impact on the outlook from Old Government House.</p> <p>Part 2.3 of Council's City Centre DCP 2006 states a <i>"preferred maximum floorplate area of a building is 2,500 square metres"</i> and <i>"the horizontal dimensions of any building shall not exceed 60 metres."</i> The proposed floor plate size is almost 30% less than the permitted maximum floor plate and the maximum horizontal dimension is well under 60m.</p> <p>The DCP controls go on to state that on land outside the Commercial Core, as is the case with the subject land, <i>"the preferred maximum floor plate area of non-residential buildings is 1,200 square metres and maximum depth is 20m."</i> Compliance with such a restrictive control would render the office tower unviable in terms of meeting target market requirements for premium office space that is suitable for major tenants.</p> <p>The DCP allows larger floor plates for commercial buildings where they are <i>"expressed as separate building elements of not more than 1,200m<sup>2</sup>."</i> It is not feasible to split the proposed office tower into "separate building elements." Providing two connected building elements with floor plates of approximately 800m<sup>2</sup> each, or one of 1,200m<sup>2</sup> and one of 400m<sup>2</sup> is not practical in terms of meeting major tenant floor space configuration requirements.</p> <p>While tower buildings constructed in Parramatta over recent years have floor plates typically ranging in area from 1,100m<sup>2</sup> to 1,300m<sup>2</sup>, there have been some exceptions. The Sydney Water HQ constructed in 2006 has an average floor plate size of 1,659m<sup>2</sup>, almost exactly the same as proposed for the Parramatta Westfield site.</p> <p>The lack of large floor plate office towers in the</p>
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<p>Parramatta City Council cont.</p>		<p>Parramatta CBD place Parramatta at a disadvantage for attracting major corporations and government departments as anchor tenants, compared to alternative locations such as Macquarie Park, Norwest Business Park, Rhodes and Sydney Olympic Park. These competing centres provide average floor plates generally in excess of 1,800m<sup>2</sup>, with many buildings providing floor plates of more than 2,000m<sup>2</sup>.</p> <p>The proposed floor plate dimensions result from Westfield's investigations of the market for office space, where it is evident that there is a trend for larger organisations to occupy larger floor plate formats in A Grade office developments. Imposition of a consent condition that requires a reduction in floor plate size to anything more than a minor extent will undermine viability of the office tower component of the project.</p>
	<p>Council's submission includes a range of standard conditions in relation to engineering, drainage, traffic management, environmental management, bonds and S94A contributions.</p>	<p>The proposal is for staged development and it is not proposed to alter the staging of the development to provide the office tower as Stage 1. Vacancies need to be created in the existing retail podium where construction works are proposed in Stage 2 for the office tower. This necessitates construction of the retail additions first and as such any approval needs to reflect the appropriate staging.</p>
<p>Roads and Maritime Services</p>	<p>RMS supports reduced parking provision as proposed. RMS requests that all works signage associated with the proposed development are to be at no cost to RMS.</p> <p>The RMS identify a number of deficiencies in the traffic modelling (see Attachment A to their submission). Most of these deficiencies are points of "minor non-conformance". Major non-conformance relate to: -</p> <p>Time step detail and mean driver reaction time have been modified outside RMS standards for urban congested networks.</p>	<p>Issue relating to traffic signage and the like can be addressed by a consent condition.</p> <p>No specific "advertising" or "business identification" signs are proposed at this stage. Such signage will be the subject of a separate future development application.</p> <p>The Traffic Model is being revised to address both minor and major "non-conformances" identified by RMS.</p>

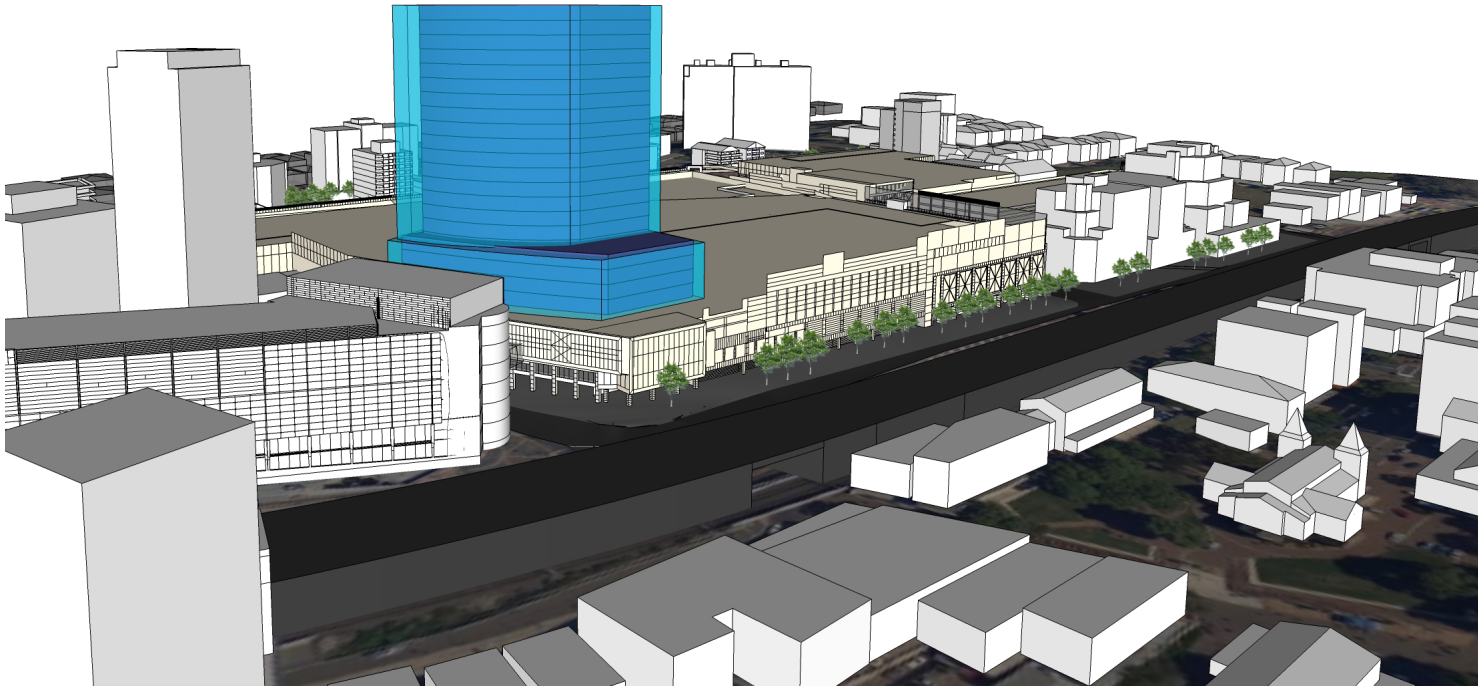
	<p>Incorrect coding of signal phasing (Church St and Parkes St highway intersections), with incorrect coding of gap-out phases.</p> <p>Traffic generation figures in the Traffic Impact Study are not internally consistent and do not provide sufficient detail regarding source and method.</p> <p>Traffic modelling has not taken into account cumulative impacts of proposal in combination of other development planned for the CBD.</p> <p>Traffic modelling of the future development scenarios does not clearly demonstrate the impact of the proposed development or the benefit of identified improvements works, particularly in critical evening peak. Further testing required.</p>	
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## **APPENDIX A**

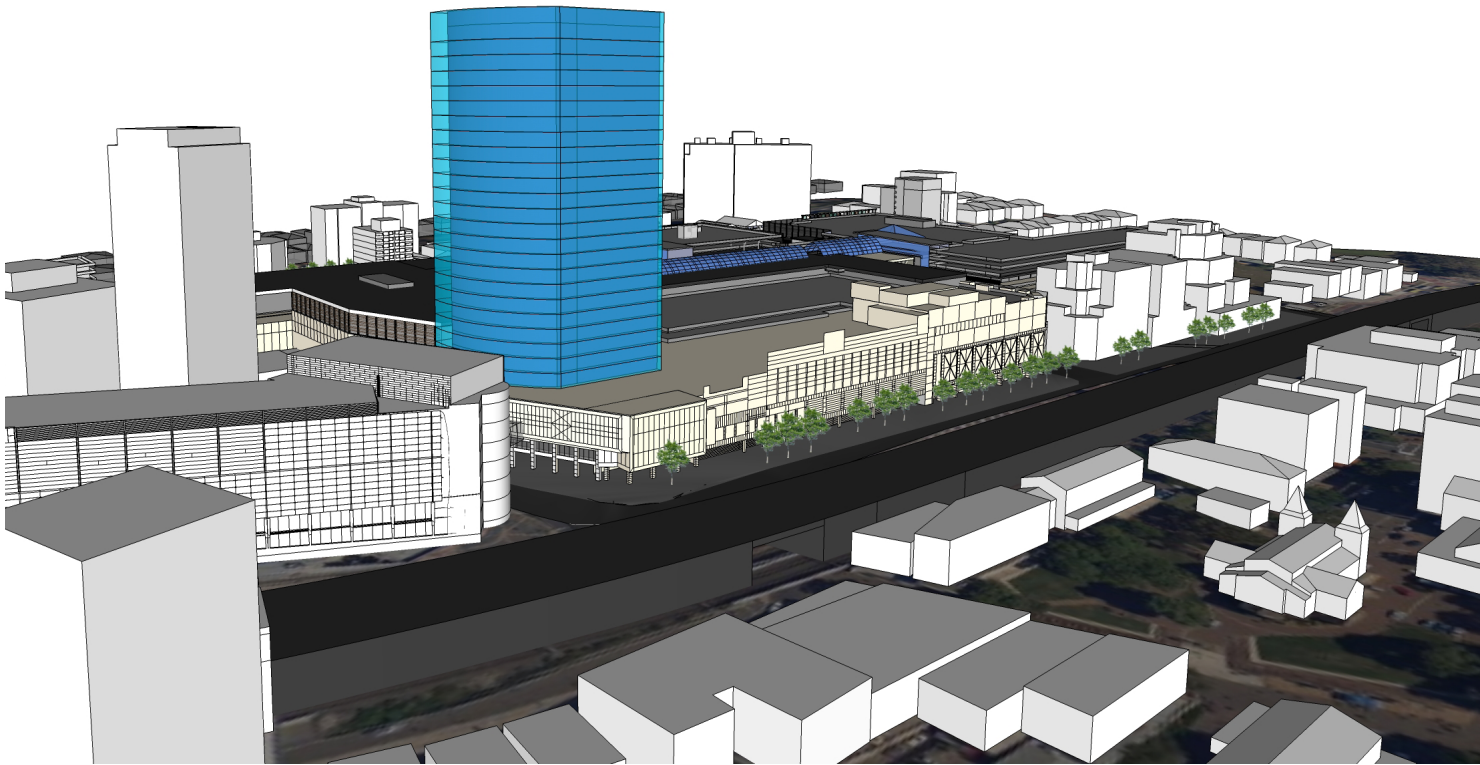
Comparative 3D Views  
Proposed Office Tower Envelope &  
Indicative Tower Form



View from North:

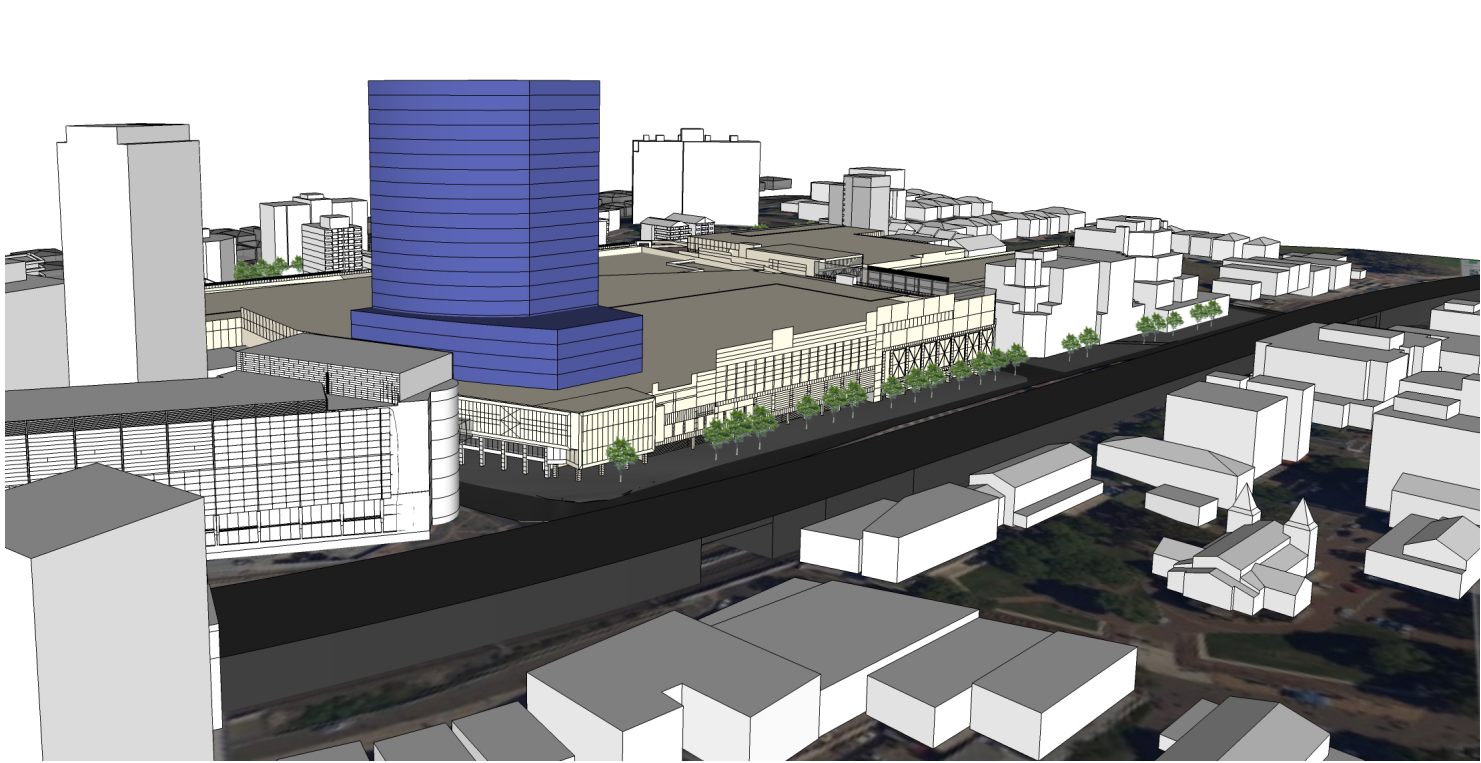


Proposed tower building envelope and indicative building form overlay

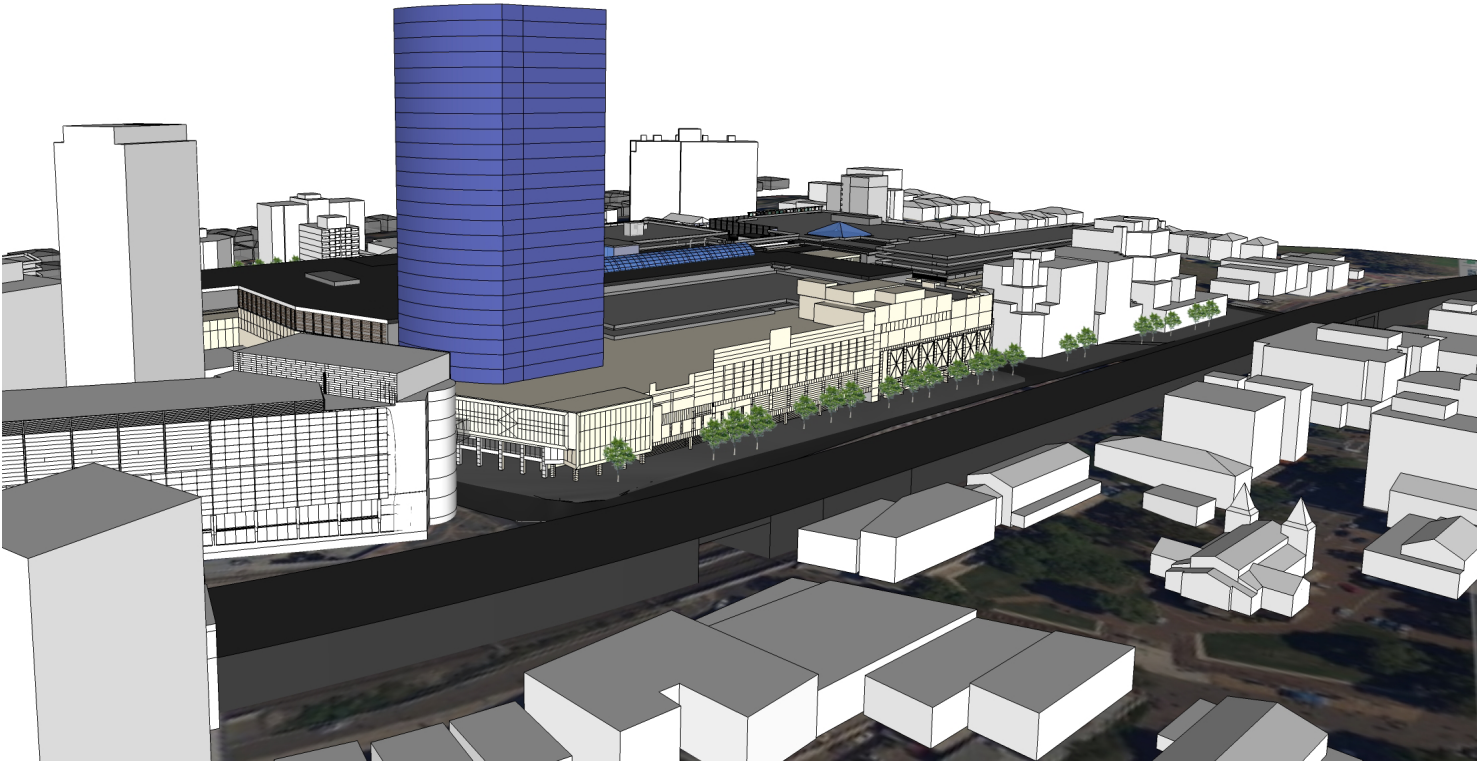


Council recommended tower building envelope and indicative building form overlay

View from North:



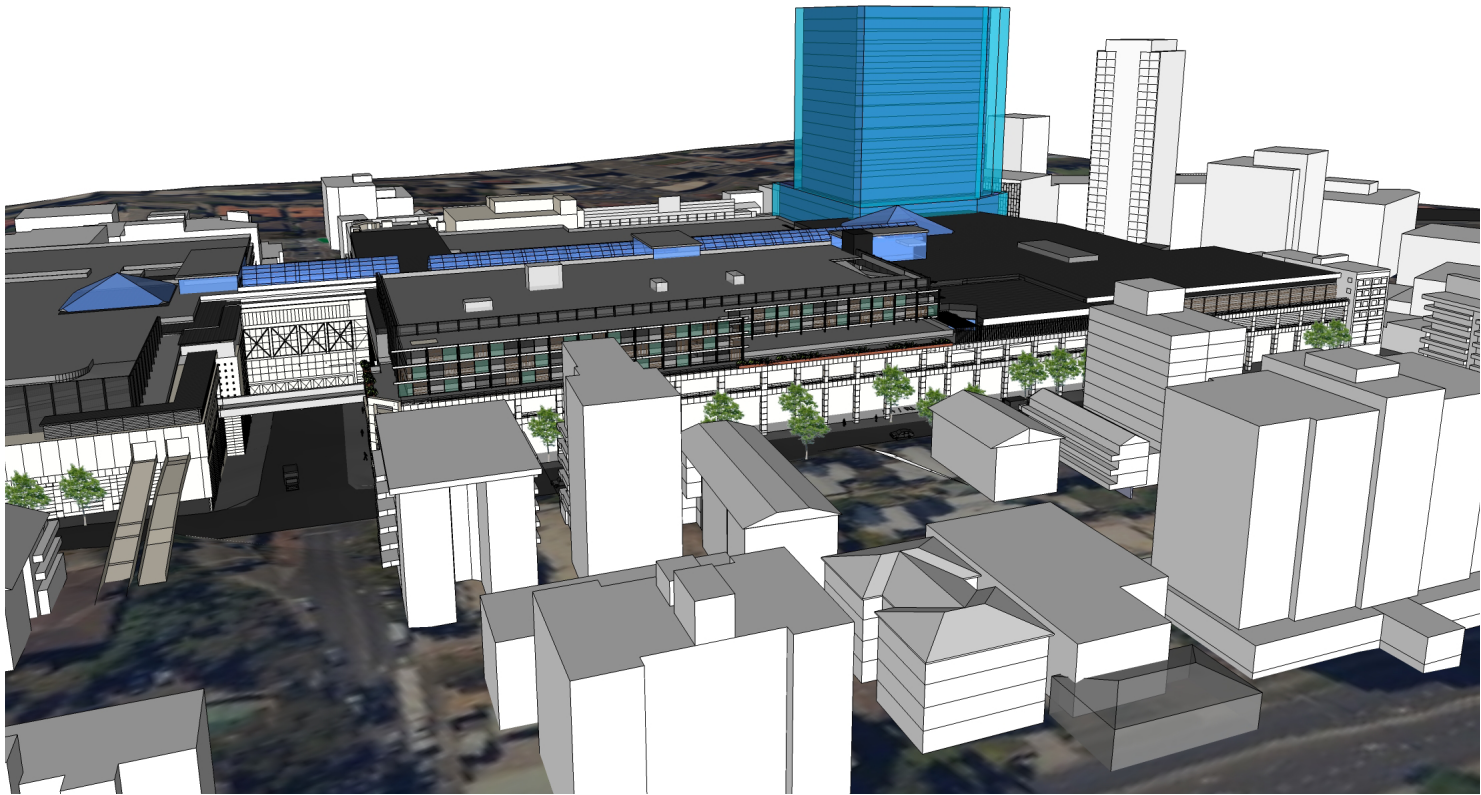
Proposed indicative tower building form



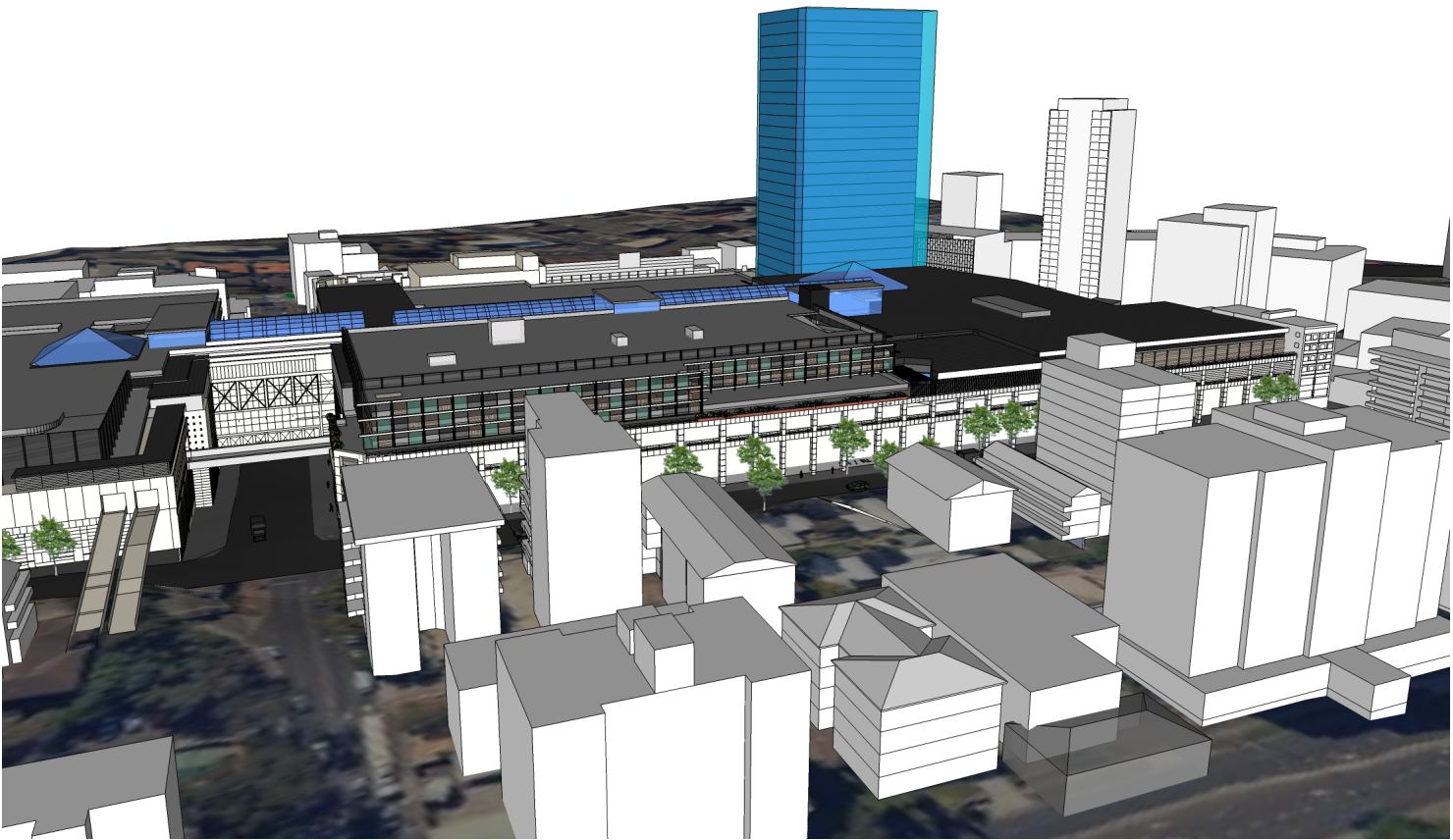
Council recommended indicative tower building form



View from South:

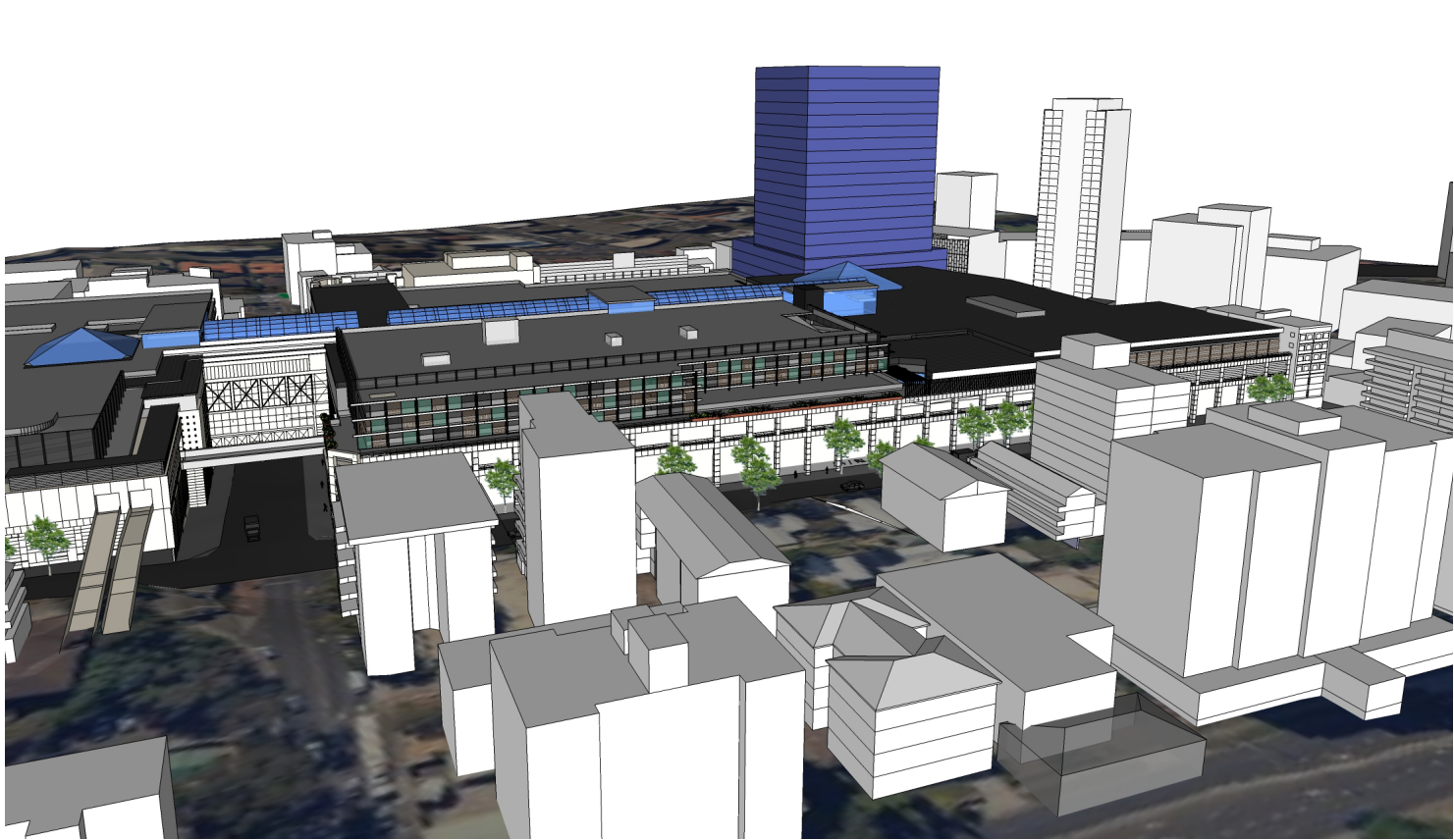


Proposed tower building envelope and indicative building form overlay

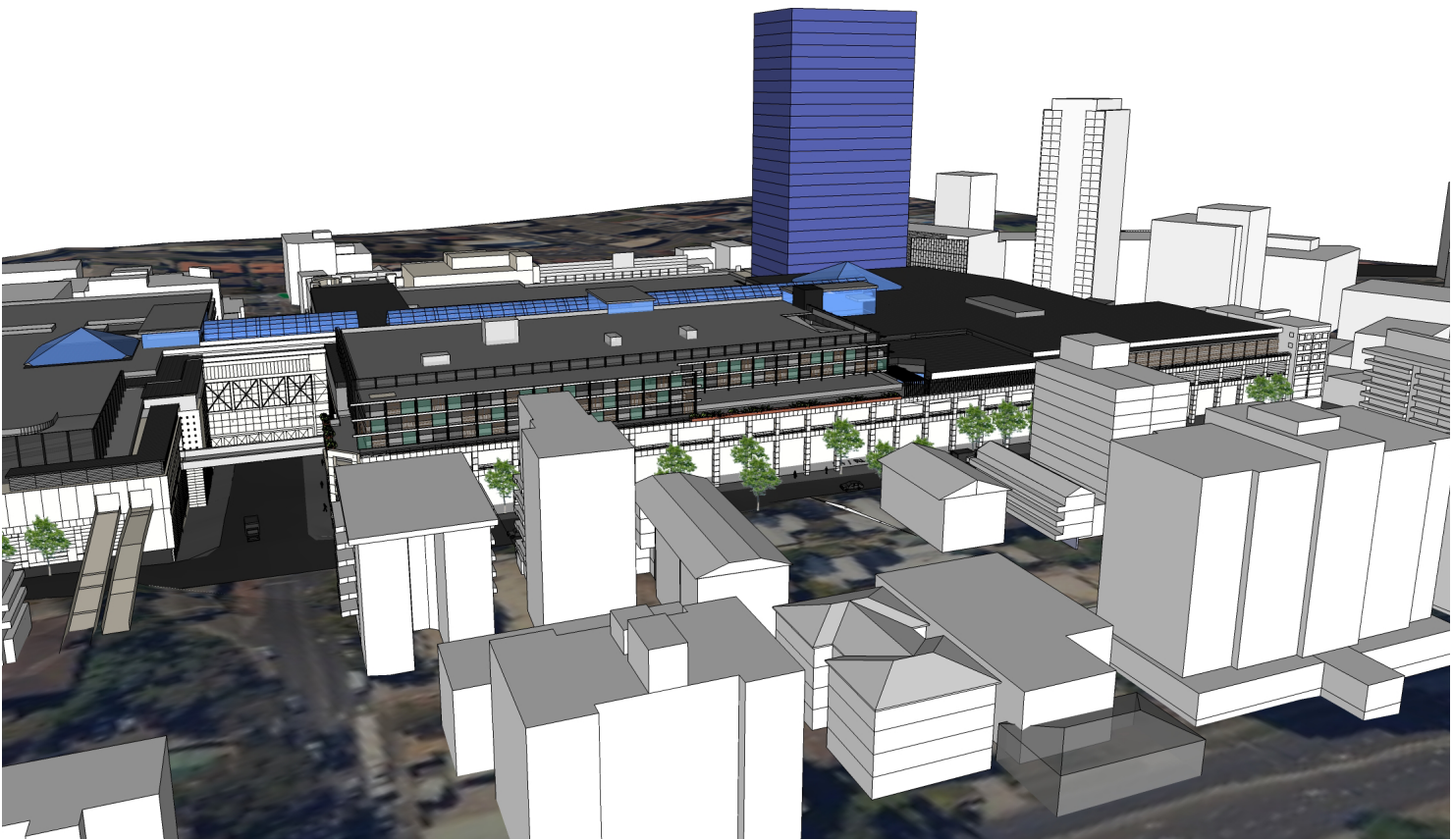


Council recommended tower building envelope and indicative building form overlay

View from South:



Proposed indicative tower building form



Council recommended indicative tower building form

## **APPENDIX B**

Response to Traffic Transport & Parking Issues  
Prepared by Colston Budd Hunt & Kafes Pty Ltd  
(dated May 2013)

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# Colston Budd Hunt & Kafes Pty Ltd

as Trustee for C & B Unit Trust  
ABN 27 623 918 759

Our Ref: TR/8659/jj

9 May 2013

Transport Planning  
Town Planning  
Retail Studies

Westfield  
c/- Ingham Planning  
19/303 Pacific Highway  
LINDFIELD NSW 2070

**Attention: Nick Juraowitch**  
**Email: Nick@inghamplanning.com.au**

Dear Sir,

**RE: PART 3A APPLICATION FOR PROPOSED ADDITIONS TO  
PARRAMATTA SHOPPING CENTRE**

1. As requested, we have reviewed the submissions to the above development. We prepared the TMAP that accompanied the Part 3A application (Traffic Impact Study and Traffic Management and Accessibility Plan following ROA for Part 3A Application for proposed extensions to Westfield Parramatta Shopping Centre, October 2012). Set out below is our response to the traffic and parking matters raised in these submissions.

Holroyd City Council Submission

2. Holroyd City Council (HCC) has raised traffic and parking matters as summarized below:
  - whether the proposed parking provision is appropriate;
  - impact of increased traffic within Holroyd (located south of the Great Western Highway);
  - impact on public transport services from the proposed development.
3. With regard to traffic impacts on streets within HCC, we note that the proposed development will result in the centre generating a total of some 200 to 480 vehicles per hour (two way) in the weekday morning and afternoon peak periods respectively. This is a relatively minor increase of some 13% in for the existing traffic generation of the centre. When assigned to the surrounding road

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P.O. Box 5186 West Chatswood NSW 1515 Tel: (02) 9411 2411 Fax: (02) 9411 2422  
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network, the increase in traffic on roads within the HCC (such as Pitt Street and Marsden Street, south of Great Western Highway) would be minor at some 10 to 45 vehicles per hour (two way). This represents increases of between 1% and 4% on existing peak hour traffic flows. Such minor increases would have no material impact of the operation of the road network within HCC. We note that the PARAMICS modelling found that with the additional traffic from the proposed development in place and the identified road improvements, traffic conditions in the AM and PM peaks would be similar or better than the existing situation.

4. With regard to parking provision this is addressed in Sections 3.17 to 3.25 of our report. The proposed development will provide an additional 573 car parking spaces (473 retail and 100 commercial) plus 254 bicycle spaces (90 retail and 164 commercial). The proposed car parking provision is less than the maximum permissible under Parramatta Council's planning controls and is consistent with Council's objectives of reducing traffic within Parramatta CBD. The reduced car parking provision also reflects the sites excellent access to public transport (located adjacent to the bus and rail interchange) and the ability for people to travel to the site by means other than private car.
5. With regard to public transport, a more detailed assessment of the impacts of the proposed development on public transport services within Parramatta CBD is being prepared to address matters raised by TfNSW.

#### Roads and Maritime Services Submission

6. Roads and Maritime Services (RMS) has provided a response to the traffic assessment and PARAMICS modelling as set out in its letter 16 April 2013. RMS has identified 12 points relating to the traffic modelling (provided in Attachment A to its letter) and requested that revised modelling be undertaken covering the following three scenarios:
  - 2012 existing traffic conditions without the proposed development;
  - With the proposed development and no network improvements (the year should be the expected year for completion of the development, not 2012; and
  - With the proposed development and with network improvement required to mitigate the impacts of the development.
7. The first nine points set out in Attachment A relate to the PARAMICS modelling and have been addressed by the response by Parsons Brinkerhoff (attached to this letter).

8. Point 10 relates to a request for clarification on how the additional traffic generated by the proposed development was calculated. As set out in Section 3.44 of our report, traffic generation for the commercial component was based on a rate 0.3 trips per parking space. With 100 spaces the commercial component would generate 30 vehicles per hour (two way) in the morning and afternoon peak hours.
9. As set out on Sections 3.40 to 3.43 of our report for the retail component, a traffic generation of 170 and 450 vehicles per hour (two way) for the weekday morning and afternoon peak hours was used for the traffic assessment. This was based on applying the surveyed traffic generation rates of the existing shopping to the additional floor area and applying a 5% reduction in trip generation to the expanded centre (to take account that as shopping centres get larger the generation rate per 100m<sup>2</sup> gets lower).
10. In the afternoon peak hour the existing centre generates some 3,705 vehicles per hour (two way), a generation rate of 1 trip per 36.4m<sup>2</sup>. Applying this rate to the expanded centre, and allowing for a 5% reduction, results in a generation of some 4,135 vehicles per hour (two way). This is an increase of 430 vehicles per hour (two way). 450 vehicles per hour (two way) was used in the traffic assessment.
11. Points 11 and 12 relate to the request for the additional modelling to include the matters raised in Points 1 to 10 and the three modelling scenarios identified in the RMS letter. Parsons Brinkerhoff is rerunning the PARAMICS model to address the matters raised in Points 1 to 10 and the three scenarios identified by the RMS. We have met with RMS and held discussions with Parramatta Council. It has been agreed that 2016 is the future year to assess the impacts of the proposed development (date that shopping centre extensions will open). The other major developments within Parramatta CBD that will be completed by 2016 that are to be taken into account as part of the cumulative assessment are Crown mixed use development located on the western corner of Hunter Street, Marsden Street and Macquarie Street; an additional 200 parking spaces with Council's Hunter Street car park; closures of Darcy Street. Also agreed a 1% growth per year in through traffic on Pitt Street, O'Connell Street and Great Western Highway to account for background traffic growth and traffic from other minor developments that may be completed by 2016.
12. The revised modelling and updated report is anticipated to be completed by June 3 2013.



Transport for NSW Submission

13. Transport for NSW (TfNSW), in its letter dated 21 March 2013, has requested a more detailed assessment of the impacts of the proposed development on public transport services within Parramatta CBD. This includes:
  - an estimate of travel demand for the non-car mode;
  - estimate of distribution of generated trips between origins and destinations;
  - estimate of likely modal split for non-car modes;
  - assessment of additional loads on existing public transport infrastructure in the AM and PM peak periods;
  - set out planned improvements to public transport services within Parramatta CBD;
  - identify whether these loads can be accommodated by future public transport services within Parramatta CBD.
14. In addition to the above, in a further letter dated 27 March 2013, TfNSW has requested that additional information be provided on the construction impacts of the proposed development on bus services/pedestrian movements in the vicinity of the site and impacts of the expansion of the Aird Street (east) loading dock on bus services on Church Street.
15. We met with representatives of TfNSW and agreed an approach to address the matters raised in its letters. This involves surveys/observations of existing bus and train patronage within Parramatta CBD, estimate of non-car mode of travel from the additional development, identification of future improvements to public transport services and an assessment of the impact of the proposed development on non-car modes of travel. A supplementary report is being prepared and is anticipated to be completed by 3 June 2013.
16. With regard to the matters raised in the TfNSW letter dated 27 March we offer the following comments:
  - construction impacts on bus services/pedestrians have been addressed in the draft construction management plan prepared by Westfield. This addresses construction of the additional retail area (Stage 1). The construction of the additional retail area would have minimal impact on bus movements along Church Street and Argyle Street with most construction activity located on Campbell Street. In the event that there was a requirement for construction access from Argyle Street, consultation would be undertaken between RMS, Council and the bus operators to minimise impacts to traffic, pedestrians and bus operations; and

- The expansion of the Aird Street (east) loading dock in relatively minor (one additional dock and no increase in truck size) and would have no impact on bus services on Church Street.

Parramatta City Council Submission

17. Parramatta City Council (PCC) has raised traffic related issues as set out below:
- clarification that an additional boom gate will be provided at the entry from the Marsden Street speed ramp and that parking management information system display will be provided on the Aird Street entry points;
  - the proposed traffic upgrades on Great Western Highway to be provided at no cost to Council prior to the completion of Stage 1;
  - a request to view the PARAMICS model;
  - preparation of traffic management plan for peak periods;
  - advice on Westfield Parramatta's website for groups coming to the centre by coach or mini bus. The advice should include information on where to park, height restrictions and pick up/set down areas;
  - provision of a taxi pick up/set down area within the car park with associated directional signage and provision of free phone to call taxis and web cam showing taxi waiting area that taxi operators can access;
  - concerns that trucks are reversing into the Marsden Street dock creating a safety hazard.
10. With respect to point 1 we confirm that an additional boom gate will be provided at the entry from the Marsden Street speed ramp and that parking management information system display will be provided at the Aird Street entry points.
11. With respect to Point 2, the road upgrades identified along the Great Western Highway are required to accommodate existing plus development traffic. Hence Westfield is committed to making an appropriate contribution to these upgrades, consistent with the increase in traffic from the proposed development.
12. With respect to Point 3 Council has viewed the PARAMICS model (along with RMS). Video files of the PARAMICS model have been provided to Council.
13. With respect to Point 4, we understand that the centre currently has a management plan for peak periods. This involves the existing Park Assist management system to direct traffic to available parking, closing off sections of

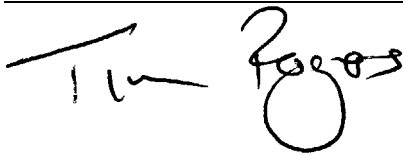
## Colston Budd Hunt & Kafes Pty Ltd

the car park when fully occupied and opening of the boom gates at entry and exit when congestion occurs within the car park. These procedures will continue for the expanded centre.

14. With respect to Point 5, Westfield do not encourage groups to travel to the centre by coach or mini bus as parking for these vehicles cannot be accommodated on site.
15. With respect to Point 6 Council has suggested provision of a taxi pick up/set down area on level 6 (east end near 5M speed ramp). The plans have been amended to provide this set down/pick up area.
16. With respect to Point 7 no changes are proposed to the existing Marsden Street loading dock as part of the Part 3 Application
17. We trust the above provides the information you require. Finally, if you should have any queries, please do not hesitate to contact us.

Yours faithfully,

COLSTON BUDD HUNT & KAFES

A handwritten signature in black ink, appearing to read 'T. Rogers', with a large circular flourish at the end.

T. Rogers  
Director

## Memo

**Date** 24 April 2013  
**To** Tim Rogers  
**From** Graeme Inglis  
**Ref** TPT-DMS-MEM-001 RevA  
**Subject** Responce to RMS

### 1. Response to RMS comments

Further to the RMS letter we have responded to the issues raised by RMS.

1. While the RMS guidelines recommend a time step parameter of 2, the same guidelines also state that there are some benefits of increasing the number of time steps, particularly on larger models.  
*"Generally a time step parameter of 2 should be used as the default. However, there may be some benefits in increasing the time step value in larger models"*, (Page 58, Section B.3). Therefore the time step parameter does not fall under the *"Should NOT be changed"* category but the *"May be altered to suit each model"* (Also See Page 99).

A time step value of 5 has been adopted and speed memory and mean reaction times have been adjusted to reflect the adjusted time step (as recommended in the RMS Guidelines, Page 58). These were adjusted as part of the model calibration process to reflect the observed traffic conditions. The RMS guidelines also show that the mean reaction time *"May be altered to suit each model"* (Page 99).

In addition the Quadstone Paramics Manual, states that the mean driver's reaction time must be adjusted to ensure driver reaction time is inside the time span stored by the leading vehicle. The mean driver reaction has been also adjusted in order to control any shockwave phenomenon associated with traffic flow and ensure drivers late reaction is not causing over reaction.

Additionally, according to the Paramics Knowledge Base *"The default value of 1 second has been validated in studies throughout the initial Paramics development, however it is recognized that there are very different traffic flow conditions worldwide and it is recommended that the default value be used as an initial value and then altered as part of the calibration process if required"*

A time step value of 5 has been used in all modelling scenarios in order to provide a like for like comparison between models.

2. Due to high levels of congestion within the model, vehicle speeds are generally under 40km/hr at this location during the AM Peak, so no material difference is expected within the model. However the speed limits can be adjusted at this location for any subsequent runs of the models.
3. All next lane rules have been carefully adjusted to reflect observed conditions.
4. Clarification required. The traffic signals timings in the models are based on IDM data. All the models are fixed time models; therefore the signal operations within these models are not able to fully replicate the SCATS operations.
5. No bus patronage surveys were undertaken as part of the survey programme so estimated figures were adopted (patronage surveys are generally not undertaken for this type of modelling unless specifically modelling detailed bus operations). Increasing passenger demand is unlikely to materially change the model calibration of traffic impact results. Also, because the buses have been modelled the same in all scenarios the traffic impacts resulting from the development will not be affected by the bus operations.
6. Local reaction time adjustments are applied to reflect observed environment conditions.
7. While this analysis has been provided in the appendices we are able to bring into the main body of the report and provide further commentary.
8. Can be addressed in reporting
9. Can be addressed in reporting
10. To be discussed with CBHK
11. To be discussed with CBHK
12. Further explanation required. The report has presented information that the proposed upgrades mitigate the impacts of the development.

We would be happy to discuss any of the points raised in the memo further.

Yours sincerely

**Graeme Inglis**  
Technical Executive  
Parsons Brinckerhoff

## **APPENDIX C**

Response to Economic Impact Issues  
Prepared by Urbis (dated May 2013)

13 May 2013

Director General  
Department of Planning & Infrastructure  
23-33 Bridge Street  
**SYDNEY NSW 2000**

Dear Sir/Madam,

### **Response to Major Projects Application No. MP10\_0068 Westfield Parramatta Shopping Centre**

As per instructions from Westfield's planners (Ingham Planning), this letter responds to issues raised by the Parramatta City Council, Holroyd City Council and Stockland in regard to the Economic Impact Assessment (EIA) report prepared by Urbis for the proposed expansion of Westfield Parramatta.

This letter addresses the economic analysis related issues raised by each of the submissions and where appropriate these matters have been addressed in the revised and updated EIA attached with this letter. The updated EIA provides the following additional information:

- Additional clarification and information for the retail demand assessment
- Revised and updated Parramatta CBD floorspace and turnover estimates, based on a new audit of the Parramatta CBD floorspace.
- Additional impact assessments for the following centres:
  - Parramatta Square
  - Wentworthville Town Centre
  - Merrylands Town Centre
- The turnover estimates of the Stockland Merrylands centre and other centres.

It is noted that only these elements of the EIA report (dated November 2012) have been updated and estimates of the size of the trade area market, office assessment and economic benefits have not been reassessed or updated.

#### **1 Proposed Additional Retail Gross Leasable Floorspace**

A key issue across the submissions to the Department of Planning and Infrastructure was the amount of additional retail floorspace proposed at Westfield Parramatta. To clarify this, Westfield have undertaken an audit of the proposed floorspace confirming the expansion will add 24,504 sq.m of retail Gross Leasable Area (GLA).

This figure was the basis of the Urbis EIA in July 2012. The figure of 31,495 sq.m (and 36,000 sq.m taken from earlier plans) quoted in the submissions by Stockland and Holroyd City Council are Gross Floor Area figures. Gross Floor Area refers to the total floor area of a building, measured from the outside of external walls of the centre, or common walls of a tenant and includes all roofed areas.

The Gross Leasable Area is the area that is able to be leased. It excludes public or common areas such as malls, stairs/escalators, verandas/balconies/terraces & awnings, rest room and excludes areas such as: stair voids, loading bays, accessways, car parking, air con, heating power supply, machinery etc.

As such, the impacts calculated in the EIA were based on the correct figures pertaining to the additional floorspace proposed at the centre. As a result, the assessed impacts were not understated.

This letter will now address the individual issues raised by the Stockland, Holroyd City Council and Parramatta City Council submissions.

## 2 Stockland Submission

**Issue:** *“..the EIA may be based on skewed survey results and assumes that a greater proportion of trade from parts of the PTA and STA South than might actually visit the centre.” (page 3).*

**Response:** The Stockland submission raised concerns that the exit survey results were skewed given the Stockland Merrylands Centre was undergoing a redevelopment when the survey was undertaken, April 2010.

The exit survey does not compromise the conclusions of the report for the following reasons:

- Any skew in the data would overestimate the market share Westfield Parramatta was achieving from the primary and secondary south sectors and under represent the market share Stockland Merrylands achieved from these sectors. In this case, the result in the impact modelling would be, if anything, to overestimate the impacts on Stockland Merrylands.
- The EIA model takes into account changes in shopping behaviour due to the Stockland Merrylands redevelopment. In the base case (excluding the effects of the proposed expansion of Westfield Parramatta, it is assumed in the impact modelling that a greater proportion of residents' expenditure will be directed to Stockland Merrylands as a result of the expansion in 2010.
- In effect, the 2010 exit survey results are adjusted to reflect these changes in shopping patterns (e.g. Westfield Parramatta's market share is reduced in the primary and secondary south sectors) prior to assessing the impact of the Westfield Parramatta expansion. The modelling is therefore accurate and appropriately estimates the potential impact on Stockland Merrylands.

**Issue:** *“The EIA suggests that almost 1/5 of the surveyed shoppers work locally and approximately half of these reside beyond the boundaries of the trade area, however no evidence (e.g. – journey to work data) has been provided to verify this assumption.” (page 3).*

**Response:** As indicated in the EIA, the estimate of shoppers coming to the centre from work is based on results of an exit survey undertaken at Westfield Parramatta by Taverner Research in 2010. The results of the survey were that 16% of shoppers worked locally to the centre.

To provide further evidence of this figure a review of other Westfield regional centres indicates that other centres located in CBD type environments, such as Bondi Junction, have a similar proportion of shoppers working locally.



Furthermore, Journey to Work data from the 2011 Census indicates the following:

- Parramatta CBD has a workforce population of around 35,000 people.
- Of this workforce, around 13,500 workers or 40% live within the Westfield Parramatta trade area.
- The remaining 60% of workers travel to work from beyond the Westfield Parramatta trade area.

It is therefore reasonable to assume that half of the shoppers that work locally reside outside the trade area.

**Issue:** *“Given the reliance of the centre on capturing expenditure from workers (the EIA estimated that up to 26% of sales originate from ‘beyond the trade area’), it is essential to verify Urbis’s estimate that half of the workers who patronise the centre do not also live in the trade area (otherwise there is an element of ‘double dipping’).” (page 3).*

**Response:** The estimates of centre turnover distribution by trade area and beyond are based on the origin of all shoppers spending at Westfield, regardless of whether they originated from work or home. The worker market was not included as a separate additional market in the calculations and there is therefore no element of ‘double dipping’.

**Issue:** *“The assessment does not appear to have taken into account development proposals within and immediately adjacent to the Parramatta Westfield trade area for the purpose of assessing retail floor space demand.” (page 3).*

**Response:** The assessment of floorspace demand in the Urbis EIA report is provided to highlight the increasing demand for retail floorspace in the context of demand generated by trade area residents. The demand assessment indicates that trade area residents will generate demand for an additional 73,200 sq.m of retail floorspace between 2012 and 2016. The proposed expansion of Westfield Parramatta (+24,504 sq.m) will represent only a share of this, about 25% of the forecast growth in demand for retail floorspace.

The Stockland submission raises concerns that the expected growth in demand and capacity of the market to support new floorspace does not adequately account for other new developments such as expansion of Castle Towers, Stockland Wetherill Park and Stockland Merrylands. These developments are estimated to add 64,800 sq.m, and according to Stockland meeting 90% of the forecast demand.

This conclusion is based on a misinterpretation of the data and does not consider the extent to which markets beyond the trade area would provide support for the expansion of Castle Towers and the two Stockland centres. Stockland Wetherill Park and Castle Towers in particular serve trade areas extending well beyond Parramatta’s trade area and will be largely supported by the growth in demand for retail facilities, and underserved existing demand, by residents living outside the trade area. To assist in clarifying this, the updated Urbis EIA report provides an estimate of the proportion of future demand that could provide support for these developments. The key conclusions from this analysis are as follows:

- The three developments (Stockland Wetherill, Stockland Merrylands and Westfield Parramatta) would account for a 48% share of growth in retail floorspace demand by trade area residents. Growth in trade area resident demand could support another 39,000 sq.m of retail floorspace to 2016.
- Factoring in the proposed expansion of Castle Towers in 2018 indicates that growth in demand would still easily support this development.

- While the growth in the market alone could support the expansion, as evidenced by an under supply of DDSs, there is also a need for a broader supply of floorspace to serve existing demand.

The concerns raised by the Stockland submission do not take into account the capacity of the market to support more floorspace irrespective of the growth in the market. There may also be latent demand that could support these developments.

**Issues:** *“..The section in which the ‘capacity’ for the proposed DDS is discussed ignores centres with DDSs which are immediately outside the trade area, e.g. – Bass Hill, Carlingford Court and Stockland Wetherill Park. If these centres are included (and, in our opinion, they should be as their trade areas would overlap with the Parramatta Westfield trade area as identified by Urbis) it would demonstrate that there is no shortfall in DDS floorspace available to service the trade area population.” (page 4).*

**Response:** Similarly to the previous commentary, the analysis of supportable supply needs to be undertaken in the context of the market which mainly serves the retail facilities. If the DDSs at Wetherill Park, Bass Hill Plaza and Carlingford Court are included in the analysis then the markets supporting these DDSs also needs to be included in the analysis. Carlingford Court, Bass Hill Plaza and Stockland Wetherill Park are all located on the periphery of the Parramatta trade area and would draw around 50%-60% or more of their business from beyond the trade area.

The EIA report indicates that following the addition of a third DDS at Parramatta the supply within the trade area will increase to 46,100 people per DDS, from 51,000 people per DDS in 2012. This level of supply is still significantly below the capital city average of 41,600 people per DDS, thus highlighting that sufficient market demand exists to support a third DDS at Westfield Parramatta (which draws trade from throughout the broad trade area as well as a large share of business from beyond the trade area).

It should also be noted that the DDS capacity analysis includes a number of DDSs located in centres on the border of the trade area (such as North Rocks and Carlingford Court) which would be supported largely by markets outside of the trade area. These stores could in effect be overstating the level of supply relative to demand, and provide basis for the trade area market to support significantly more DDSs than suggested in the EIA report.

It is also relevant to note that three DDSs are supportable at Stockland Merrylands which serves a market substantially smaller than that of Westfield Parramatta’s trade area. Westfield Parramatta serves one of the largest trade areas of any centre in the country.

**Issue:** *“Table 6.6 assumes that the 2012 turnover of Stockland Merrylands was \$156.8 million (which equates to a \$ per m<sup>2</sup> turnover of \$5,517/m<sup>2</sup> based on retail GLA of 30,400 m<sup>2</sup>). The EIA estimates a turnover of \$247.6 million for Stockland Merrylands in 2016 even if the expansion of Parramatta Westfield does not proceed. This equates to \$5,126/ m<sup>2</sup> (based on a GLA of 48,300 m<sup>2</sup> - as per Urbis’s estimates in Table 4.1). This is lower in terms of \$ per m<sup>2</sup> rate of sales than the 2012 estimate. We would not expect the sales rate to reduce over this 4 year period. It should also be noted that Stockland’s independent sales forecast differ significantly from those stated in the EIA.” (page 4).*

**Response:** In response to these concerns we make the following points:

- The productivity level of \$156.8 million for 30,400 sq.m of floorspace is \$5,157 sq.m, not \$5,517 sq.m as stated in the Stockland submission.

- In the 2016, based on a turnover estimate of \$247 million for 48,300 sq.m, the resulting trading level of \$5,130 per sq.m is therefore only slightly lower, in real terms, relative to the current trading rate. This resulting trading rate is reasonable considering the expansion of the centre is increasing retail floorspace by over 50%.
- To address Stockland's concerns we have adjusted the model to assume a higher turnover forecast for the centre of \$260 (without the Westfield Parramatta expansion). As illustrated in the report, the higher turnover does not affect the conclusions regarding sustainability of the impacts on the Stockland Merrylands centre and the percentage impact remains at near 5%. The resulting turnover productivity of the centre is only slightly lower than the centre's current trading rate.

### 3 Parramatta City Council Submission

#### 3.1 DIMASI RETAIL IMPACT STUDY

The Parramatta City Council Report relied upon a report prepared by MacroPlan Dimasi (*Parramatta CBD Retail Impact Study*, dated March 2013). The key issues raised in the report are highlighted and responded to as follows:

**Issue:** The Urbis report underestimates the amount of retailing in the remainder of the Parramatta CBD.

**Response:** Urbis undertook a new audit of the CBD floorspace survey to verify the total retail floorspace in the Parramatta CBD in response to the MacroPlan Dimasi report concerns that the CBD floorspace was under-estimated. The MacroPlan Dimasi report suggests there is approximately 80,000 sq.m of occupied retail floorspace in the CBD as opposed to around 50,000 sq.m as indicated in the Urbis report.

The reasons for the difference in the figures may be due to the geographic area covered by the MacroPlan Dimasi survey and/or the types of uses included in the retail floorspace definition. The CBD area covered by the Urbis survey is provided in the updated EIA report.

The main findings from the latest audit of shopfront uses in the Parramatta CBD are as follows:

- Parramatta CBD includes around 56,000 sq.m of occupied retail floorspace.
- Major tenants include Coles and ALDI supermarkets.
- Mini majors include JB Hi Fi, a discount variety store, bike shops and restaurants.
- Around 40% of all retail specialty floorspace is represented by the food catering category, a mix of restaurants, cafés and take away food retailers.
- Around 12-15% of retail specialty floorspace is provided in each of the categories of food retail, general/leisure retailing and retail services. These tenants are of a convenience and service nature such as newsagents, key cutting, hairdressers and convenience stores.
- The apparel category accounts for almost 10% of all retail specialties and homewares just 3% (largely electrical stores). The apparel retailers include a number of bridal stores, jewellery and accessory stores and shoe stores. There is only a small range of clothing stores and only a handful of national tenants. The vast majority of fashion shops are serving the mid to low end of the market.

The latest audit for the most part confirmed the Urbis estimate which is now slightly higher at 56,000 sq.m. The 80,000 sq.m estimate provided by MacroPlan Dimasi was undertaken in 2009 therefore could be regarded as out-of-date. However the more plausible reason for the difference is that the MacroPlan Dimasi estimate includes uses not defined by Urbis or the ABS as retail. Parramatta Council should request MacroPlan Dimasi provide more information regarding their estimate to understand the reasons for the difference.

Regardless, Urbis stands by their estimate of retail floorspace and believe it provides the best indication of the amount of occupied retail floorspace located in the Parramatta CBD (excluding the Westfield centre).

To reflect the revision to the retail floorspace estimate of the Parramatta CBD, Urbis has updated the EIA report and included new estimates of retail turnover for the Parramatta CBD and impacts from the Westfield Parramatta expansion on the balance of the CBD.

**Issue:** The Parramatta Council report (and MacroPlan Dimasi report) suggest that the proposed expansion of Westfield Parramatta could have adverse impacts on retailing in the CBD, i.e. on Page 2 of the Council report “*increase vacancies in the CBD.*”

**Response:** Westfield Parramatta is an integral component of the Parramatta CBD retail offer and ultimately the expansion of Westfield Parramatta will result in improvements to the range and quality of retail facilities in the Parramatta CBD. The development will contribute to the CBD retail offer by providing a new discount department store and an increased range of retail specialties, including particularly a broader range of mid to high end retailers – especially fashion retailers. Without the Westfield Parramatta expansion many of these retailers are not expected to be attracted to Parramatta.

The updated Urbis EIA report estimates the Westfield Parramatta expansion will have an impact of 1.6% on the remainder of the Parramatta CBD. The Macroplan Dimasi report estimated a similar level of economic impact at 1.4%-1.6%. This level of impact is low and manageable, particularly given market growth would more than off-set this level of impact. As a result, there would be no expectation for an increase in vacancies due to the Westfield Parramatta expansion.

**Issue:** The Council Report also indicated that the Westfield Parramatta expansion would have an adverse impact on Parramatta Square including the following key objections:

- ***“Potentially reduce the ultimate scale of retail development supportable at Parramatta Square***
- ***Potentially delay the timing of the various stages of the Parramatta Square development.***
- ***Reduce the range and quality of tenants that could attracted to the Parramatta Square precinct.***
- ***Reduce the potential sales that could be achieved by prospective retailers at the precinct.”(page 2 of the Council report).***

**Response:** The response to these statements is as follows:

- The MacroPlan Dimasi report indicates that up to 6,600 sq.m of shop uses, including about 6,000 sq.m of retail floorspace, could be supported on the site over the next 10-15 years. This scale of development can be easily accommodated within market demand illustrated in the Urbis report, in conjunction with the Westfield Parramatta expansion.

- Furthermore, the MacroPlan Dimasi report indicates that the timing for development of the 6,000 sq.m of retail floorspace is over the next 10-15 years. This timeframe is well beyond 2016, the planned opening year for the expanded Westfield Parramatta centre. The proposed expansion of Westfield Parramatta therefore would not delay the timing of various stages of the Parramatta Square development.
- The MacroPlan Dimasi report indicated that the potential composition of the retail component of the Parramatta Square development would be as follows:
  - Food specialty - 500-600 sq.m
  - Food catering - 2,800-3,000 sq.m
  - General/leisure - 750 sq.m
  - Retail services - 500 sq.m
  - Non-retail - 250-500 sq.m
- The type of retail proposed for the Parramatta Square retail development would essentially not be competitive with the type of retail that would be added to Westfield Parramatta as part of its proposed expansion. The uses supportable at Parramatta Square will be strongly focused on serving local workers and visitors to the Parramatta CBD. On the other hand, the new uses within the Westfield Parramatta expansion will mainly cater to residents across the trade area and beyond. Given the unique roles of Parramatta Square and Westfield Parramatta the expansion of Westfield Parramatta would not reduce the range and quality of retailers that could be attracted to Parramatta Square.
- Any retail development will have an impact on a range of centres and result in a reduction in sales on those centres most affected by the development. The key issue is whether the level of impact will adversely impact the performance of the affected centre and increase vacancies. Urbis estimates the level of the one-off impact on Parramatta Square at 1.5%, which is a low impact level. This level of impact will not have an adverse impact on the trading potential of retailers at the Parramatta Square precinct. The viability and role of the planned centre therefore will not be undermined by the Westfield Parramatta expansion.
- It is also relevant to note that the Parramatta Square site has been earmarked for development for many years without any progress. Private developers have exited the development in recent years (e.g. Grocon), potentially due to concerns relating to the viability of the project/Council's vision for the site. A poor outcome would be to delay or prohibit the proposed expansion of Westfield Parramatta on the basis of a potential impact on Parramatta Square while the centre's future is uncertain or on the basis of its market positioning, which will not be competitive with the range of uses proposed to be added to Westfield Parramatta.

**Issue:** An issue raised in the Parramatta Council report is the concern that the expansion of Westfield Parramatta could further isolate the centre from the Parramatta CBD (Page 2). Furthermore, Council suggested on Page 4 of their report that the proposed expansion will decrease activity and adversely impact street based retailing in the city centre and that the city *“lacks the range of diversity that a City Centre like Parramatta warrants”* and *“make it increasingly difficult for the Parramatta CBD to retain, and capture mid-range to high end retailers.”*

**Response:** There are a number of clarifications and considerations with respect to the concern that Westfield Parramatta is adversely impacting retailing in the CBD, as follows:

- The role and performance of a CBD is not dependent solely on retailing and shopping but is also strongly tied to its multi-functional role in serving the needs of workers, residents and visitors.
- City centres across Sydney and Australia thrive on providing a mix of retail, personal and business services, entertainment, food and beverage/dining options, community and social services and commercial businesses. This is no different to the role and type of uses found in the Parramatta city centre.
- Based on estimates by Urbis and MacroPlan Dimasi (as outlined in their March 2013 report titled, *Parramatta CBD, Retail Impact Study*) the street based retailing environment of the Parramatta city centre accounts for between 35% and 40% (i.e. \$330 and \$400 million) of all retail turnover in the Parramatta CBD. This amount of turnover and relativity with the Westfield Parramatta centre indicates the street based retail areas of the Parramatta CBD continue to serve a significant and important retail role. Indeed retail turnover achieved by the Parramatta CBD, excluding the Westfield centre, is comparable with some sizeable shopping centres in Sydney (e.g. Westfield Burwood, Bankstown shopping centre, Westfield Mt Druitt and Westfield Hurstville).
- The performance of the retail facilities in the Parramatta CBD is supported by the substantial office workforce, residents and visitors to the area. The orientation of the street based retailers is well aligned to the needs of these markets and their performance will continue to improve with general market growth and new developments (e.g. including the Westfield office tower and other planned projects of this nature).
- The Westfield Parramatta centre serves a complementary role and one that satisfies the needs of retailers and shoppers looking to undertake comparison non-food shopping. Fashion shops and other retailers serving the discretionary sector of the market seek locations which provide them with the opportunity to co-locate with other similar retailers, exposure to large volumes of shoppers, high quality shopping environments and convenient and strong destinations. (An example of the types of locations preferred by Country Road, Witchery and international fashion retailers is provided below.) The Westfield Parramatta centre and the proposed expansion are providing the opportunity for the Parramatta CBD to attract more mid to high end retailers and broaden and strengthen the retail role of Parramatta, as a major shopping destination in Sydney. This is consistent with the intended role of Parramatta as the second CBD in Sydney.
- There is no realistic prospect of a major comparison based shopping centre being based in the city centre that could adequately satisfy the requirements of discretionary based retailers. It is therefore apparent that should the Westfield Parramatta not have the opportunity to expand the retail offer as proposed, there is a real likelihood that the retailing planned for the Westfield centre will not open elsewhere in Parramatta but will simply bypass Parramatta CBD and choose alternative locations for new stores. This would result in an outcome where activity will not be increased but rather decreased through heightened competitive impacts and diversion of shopper activity away from the Parramatta CBD.

- Finally, the type of retail proposed to be added to Westfield Parramatta would not be competitive with the type of retail facilities provided in the balance of the Parramatta CBD, which again is focussed on serving local workers and visitors and is mainly represented by convenience based retailers and services and food and beverage operators.

Retailers make a commercial decision about the best location for their store. Typically this includes locations with the following characteristics:

- High levels of pedestrian traffic
- Critical mass of retailers/Co-location
- Shopping environment and amenity
- Market gaps
- Space/size to align with preferred tenancy configurations
- Rents

The preferred location of retailers varies depending on the individual requirements. Typically mid to high end retailers, apparel in particular, prefer to locate in high profile locations which provide high levels of amenity and pedestrian traffic, a critical mass of retailers and co-location with similar retailers to enable comparison shopping. These retailers are generally willing to pay higher rents for these benefits.

For example, Country Road has 38 stores in the Sydney metropolitan area. The stores are located in the following locations:

- Regional Shopping Centres – 12 stores
- Department Store Concessions – 22 concessions, including 3 Sydney CBD locations
- Sydney Central Business District – 2 CBD stores (Queen Victoria Building and Pitt Street Mall)
- Strip Centres – 2 stores (Oxford Street, Paddington and Military Road, Mosman.)

Similarly Witchery has 44 stores in the Sydney metropolitan area. The stores are located in the following locations:

- Regional and Sub-regional Shopping Centres – 21 stores
- Department Store Concessions – 10 concessions, including one Sydney CBD location
- Sydney Central Business District – 4 CBD stores
- Strip Centres – 8 stores (Paddington, Mosman and Balmain, Avalon, Leura, Miranda, Rouse Hill and Terrigal).
- One store at Sydney Airport

Country Road is almost exclusively located in enclosed regional shopping centres and CBD locations, with two exceptions Paddington and Mosman, which also offer co-location with a critical of retailers with a high level of amenity. Witchery follows a similar pattern but with some smaller centre strip locations.



Similarly, new international brand tenants entering the market are choosing to locate in high profile locations, for example:

- Top Shop - Highpoint Shopping Centre, Sydney CBD and Chapel Street (Melbourne).
- Zara - Melbourne CBD, Westfield Sydney, Westfield Bondi Junction, Westfield Doncaster, Burnside Village in Glenside, Highpoint Shopping Centre and Chadstone Shopping Centre.
- Gap - Chadstone, Westfield Sydney and Melbourne CBD.

**Issue:** Council indicates on Page 4 of their report that “*a supermarket would be preferred to be accessible on the ground level to allow workers and city residents access to a high quality supermarket by foot if they desire.*”

**Response:** In CBD environments and major shopping centres, supermarkets are located in a range of locations and there are examples where they are located on upper levels and not on the ground level. The location of the supermarket doesn't have to be, or is necessarily preferable, on the ground level but more importantly in an accessible and convenient location in close proximity to carparking. The vast majority of supermarket shopping trips are undertaken by car given the size of the purchase and perishable nature of some of the goods purchased. Recognising the current layout of Westfield Parramatta (and location of carparking) and its position within a CBD environment, the supermarkets are best positioned on the upper levels.

It is important to also note that:

- Westfield Parramatta is accessible to city workers as evidenced by workers accounting for 16% of all customers. This representation of workers is comparable with other town centre based regional shopping centres.
- Whilst the existing Coles and Woolworths supermarkets are located on Level 5, these stores are accessible by means of good vertical access within the centre and Westfield Parramatta includes a grocery retailer tailored and accessible to serve workers and commuters. Within the rail link arcade there is a Fresh Grocers Express retailer.
- Parramatta city workers and residents have alternative options for supermarket shopping, including the Aldi and IGA supermarkets on George Street. The expansion of Westfield Parramatta is not adding another supermarket and the improvements to the centre would not preclude a new supermarket locating in the Parramatta CBD.

**Issue:** Council indicates on Page 7 of their report that “*the proposed commercial tower should occur first in the implementation schedule.*”

**Response:** The development timing of the retail component and commercial tower will be ultimately influenced by demand relevant to the respective markets of each use. It is in the best interests of Westfield and the Parramatta CBD that the office building is constructed at the earliest possible timeframe as this development will bring more workers (and expenditure) to the benefit of all retailers in Parramatta. However, for obvious commercial reasons the office building should only be constructed when market demand exists and Westfield has indicated plans to construct the office building by 2021 and complete the retail expansion by 2016.



Delaying the delivery of the retail expansion until such time that the office tower has sufficient market support would result in the market not having access to an improved range of retail facilities and increase the exposure of the Parramatta CBD to impacts from competing developments (e.g. Castle Towers and Macquarie). This would be a poor outcome for the Parramatta CBD and result in a dis-benefit for the community.

The expansion and improvement of the retail component of Westfield Parramatta should also increase the attractiveness of the Parramatta CBD as a place of work and therefore help drive demand for office space in the CBD.

**Issue: Council indicates on Page 7 of their report that “the extent of additional retail and associated carparking should be reduced.”**

**Response:** The commercial viability of a shopping centre requires a sufficient provision of carparking. In town centres such as the Parramatta CBD, shopping centres can be supported with a lower provision of carparking given the usually higher provision of people visiting the centre on foot or by public transport. The number of carparking spaces on a retail floorspace per square metre basis typically fall within the range of 3.6 to 4.6 spaces per 100 sq.m.

At present, Westfield Parramatta has a carparking provision of 3.8 spaces per 100 sq.m of retail floorspace. The expansion adding 24,504 sq.m of retail floorspace and 573 carparking spaces would result in the provision reducing to 3.6 spaces per 100 sq.m. This rate is still within the range for shopping centres in CBD environments but at the lower end of the range. To impose less carparking would adversely impact the trading potential of the centre and likely impact the overall viability of the project.

#### 4 Holroyd Submission

**Issue: “Council requests that the Department seek additional information from the applicant’s consultant to support the estimate for increased retail turnover for Stockland Merrylands (\$156.8M in 2012 to \$247.6M in 2016).” (page 1).**

**Response:** The increase of the retail turnover of the Stockland Merryland’s centre is due to allowance for the additional turnover that the proposed expansion of the centre would generate.

**Issue: “..it is recommended that the Department request the applicant to provide a revised EIA assessment the impact of the proposed development upon the whole Merrylands Town Centre.” (page 2).**

***“Council recommends the Department request the applicant to provide a revised EIA assessing impact of the proposed development upon the Wentworthville Town Centre.”(page 2).***

**Response:** A floorspace survey was undertaken for Merrylands Town Centre and Wentworthville Town Centres in response to this request by Holroyd Council. Additional impact calculations have been provided in the report for both Town Centres. The proposed Westfield Parramatta is forecast to have an impact of 2.6% on Merrylands Town Centre and 1.8% on Wentworthville Town Centre. These levels of impacts are manageable and would not adversely impact the performance and range of retailing provided in each town centre.

I trust this letter satisfactorily addresses the key issues and requests for information raised in the submissions by Holroyd Council, Parramatta Council and Stockland. If you have any questions regarding the contents of this letter or require further information please contact me at your convenience.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'JA', with a long horizontal stroke extending to the right.

Jeff Armstrong  
**Director, Property Economics**