

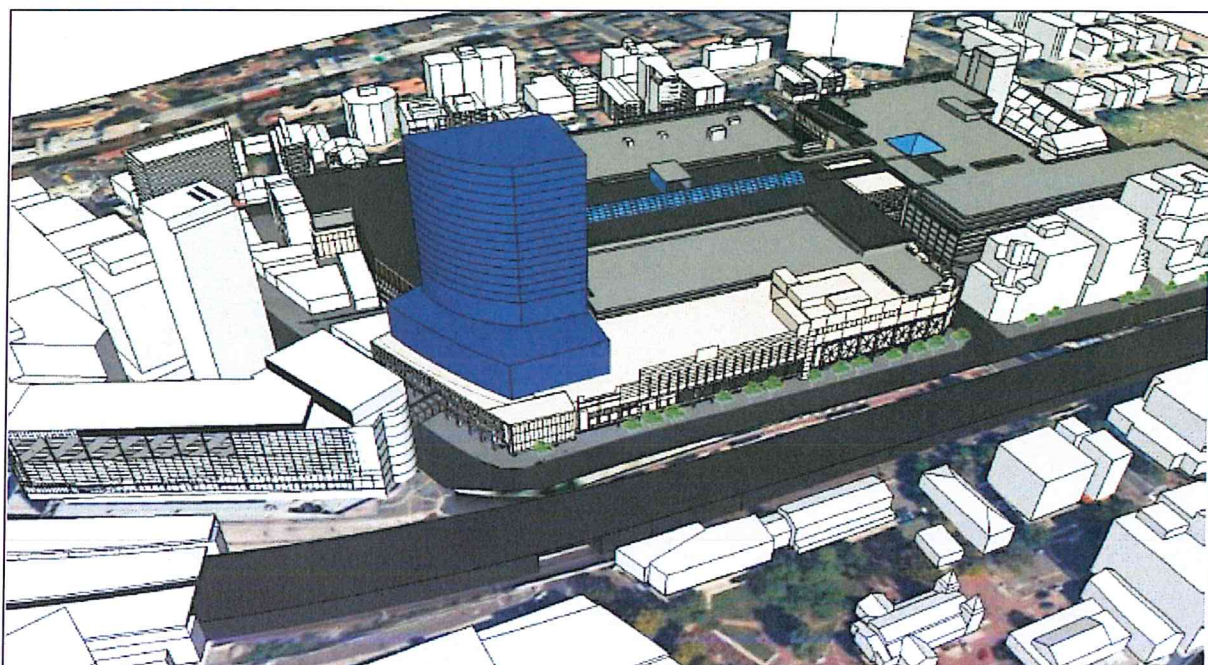


MAJOR PROJECT ASSESSMENT:

***Retail and Commercial additions to Westfield Shopping Centre Parramatta (Concept Plan)
Construction of Stage 1 retail additions (Project Application)***

Westfield Shopping Centre, Church Street and Argyle Street, Parramatta

MP10_0068



Director-General's
Environmental Assessment Report
Section 75I of the
Environmental Planning and Assessment Act 1979
January 2014

ABBREVIATIONS

CIV	Capital Investment Value
Department	Department of Planning & Infrastructure
DGRs	Director-General's Requirements
Director-General	Director-General of the Department of Planning & Infrastructure (or nominee)
EA	Environmental Assessment
EP&A Act	<i>Environmental Planning and Assessment Act 1979</i>
EP&A Regulation	Environmental Planning and Assessment Regulation 2000
EPI	Environmental Planning Instrument
GFA	Gross Floor Area
GFLA	Gross Leasable Floor Area
MD SEPP	State Environmental Planning Policy (Major Development) 2005
Minister	Minister for Planning
PAC	Planning Assessment Commission
Part 3A	Part 3A of the <i>Environmental Planning and Assessment Act 1979</i>
PEA	Preliminary Environmental Assessment
PFM	Planning Focus Meeting
PPR	Preferred Project Report
Proponent	Westfield Ltd
RtS	Response to Submissions

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EXECUTIVE SUMMARY

Westfield Ltd (the proponent) seeks approval for a Concept Plan and Stage 1 project application (both MP10_0068) for the extension of the Westfield Shopping Centre at Parramatta (Westfield Parramatta). Westfield Parramatta is spread over three sites and is bounded by Argyle, Campbell, Marsden, O'Connell, Fitzwilliam and Church Streets and straddles Aird Street. The site is located within the Parramatta Local Government Area.

The site currently accommodates a multi-storey shopping centre, with approximately 115,000m² of lettable retail floorspace together with a cinema complex, office accommodation and other services. On-site car parking for 4,428 parking spaces exists at various levels on the site.

The Concept Plan seeks approval for an extension to the existing shopping centre, comprising:

- Stage 1: a single-storey retail extension (31,495m² of GFA) and three additional above ground car parking levels providing for an additional 562 car parking spaces; and
- Stage 2: a 20-storey office tower extension providing up to 35,000m² of commercial floor space (GFA).

A Project Application has also been submitted for the construction of Stage 1 of the proposed development.

The overall development has a capital investment value of \$405,000,000 (\$200,000,000 for Stage 1 and \$205,000,000 for Stage 2) and will generate approximately 861 jobs during construction and 824 jobs post development at Stage 1 and 880 jobs during construction and 2,060 jobs post development at Stage 2.

The proposal is a transitional Part 3A Project under the EP&A Act as it is a development for the purpose of residential, commercial or retail project under the former provisions of clause 13 of Schedule 1 of *State Environmental Planning Policy (Major Development) 2005*. Therefore, the Minister for Planning and Infrastructure is the approval authority.

The Department publicly exhibited the application from 23 January 2013 until 1 March 2013. The Department received 18 submissions, including 8 from public authorities and 10 submissions from the general public. A further 4 submissions were received from public authorities in response to the PPR.

Parramatta Council objected to the proposal on the basis of its economic impacts, and raised a number of other issues. The RMS raised concerns in relation to the traffic impacts of the proposal, and the need to provide road network upgrades to mitigate potential impacts associated with the proposal. Another key issue raised in the submissions related to the built form of the proposal, particularly height and massing.

In June 2013, the proponent submitted a Response to Submissions and a Preferred Project Report (PPR). The PPR provided additional information in support of the application, but did not make any significant changes to the overall proposal.

The Department has considered the merits of the proposal in accordance with the objects of the *Environmental Planning and Assessment Act 1979* and Ecologically Sustainable Development. The Department has also taken into consideration the issues raised in all submissions.

To assist with its assessment, the Department engaged external consultants to provide independent expert advice with regards to the economic and retail impacts and the potential traffic impacts of the proposal.

The Department considers that modifications are required to mitigate the potential impacts associated with the proposal. In particular, modifications are recommended to alter the built form and siting of the proposed commercial tower and to improve street activation. The Department also recommends conditions requiring intersection and road upgrades to mitigate the traffic impacts of the proposal. With the inclusion of recommended modifications and conditions, the Department considers that the impacts would be appropriately managed.

Overall, the Department considers that the site provides an opportunity to make a significant contribution to the growth of the Parramatta CBD, to attract higher order services through the provision of high quality commercial floor space, and provide significant job opportunities in line with the objectives of the Draft Metropolitan Strategy for Sydney to 2031. The Department is therefore satisfied that the proposal is acceptable subject to the recommended modifications and conditions.

As Parramatta City Council objected to the development, and as a political donation disclosure statement has been made, the application is to be determined by the Planning Assessment Commission in accordance with the Minister's delegations.

1. BACKGROUND

1.1 Site Context

Westfield Parramatta is located within the Parramatta CBD, approximately 22km west of the Sydney CBD (refer to **Figure 1**). Westfield Shopping Centre Parramatta is spread over three sites and is bounded by Argyle, Campbell, Marsden, O'Connell, Fitzwilliam and Church Streets, and straddles Aird Street. The Parramatta railway station and transport interchange is located immediately east of the site to the opposite (northern) side of Argyle Street (refer to **Figure 2**).

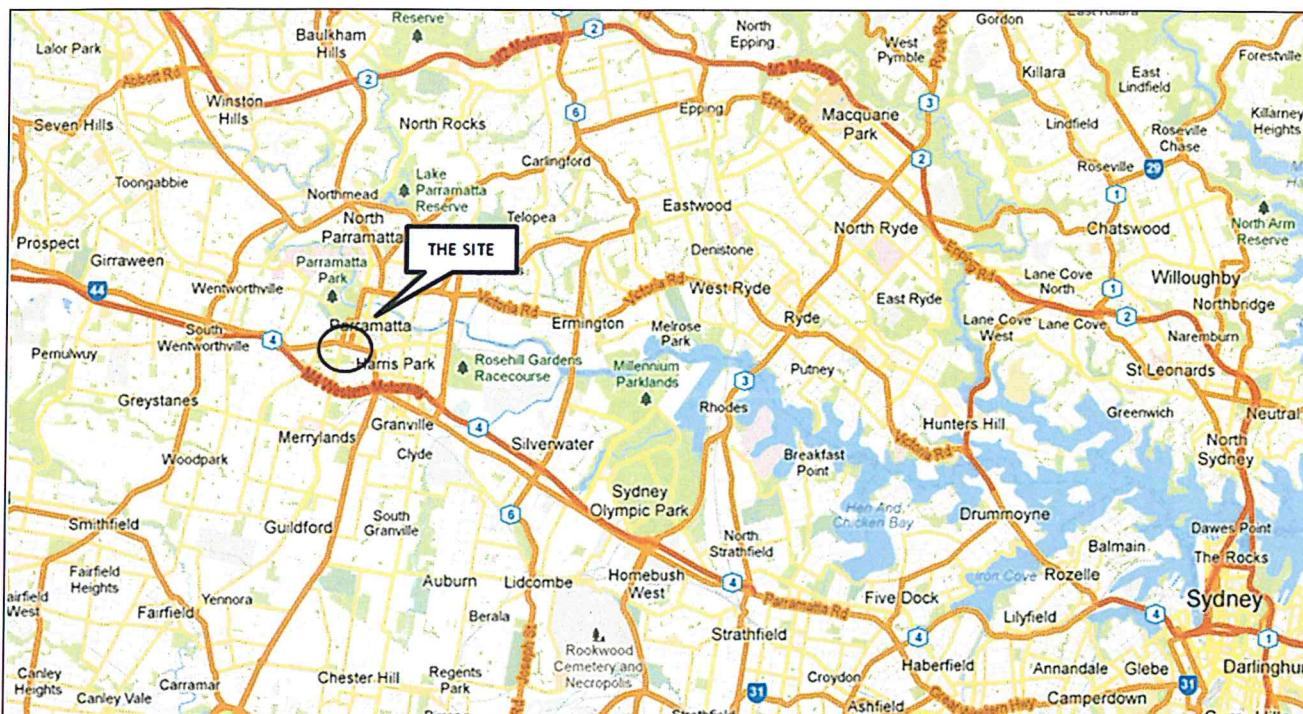


Figure 1: Site Location (Base Source: Google Maps 2012)

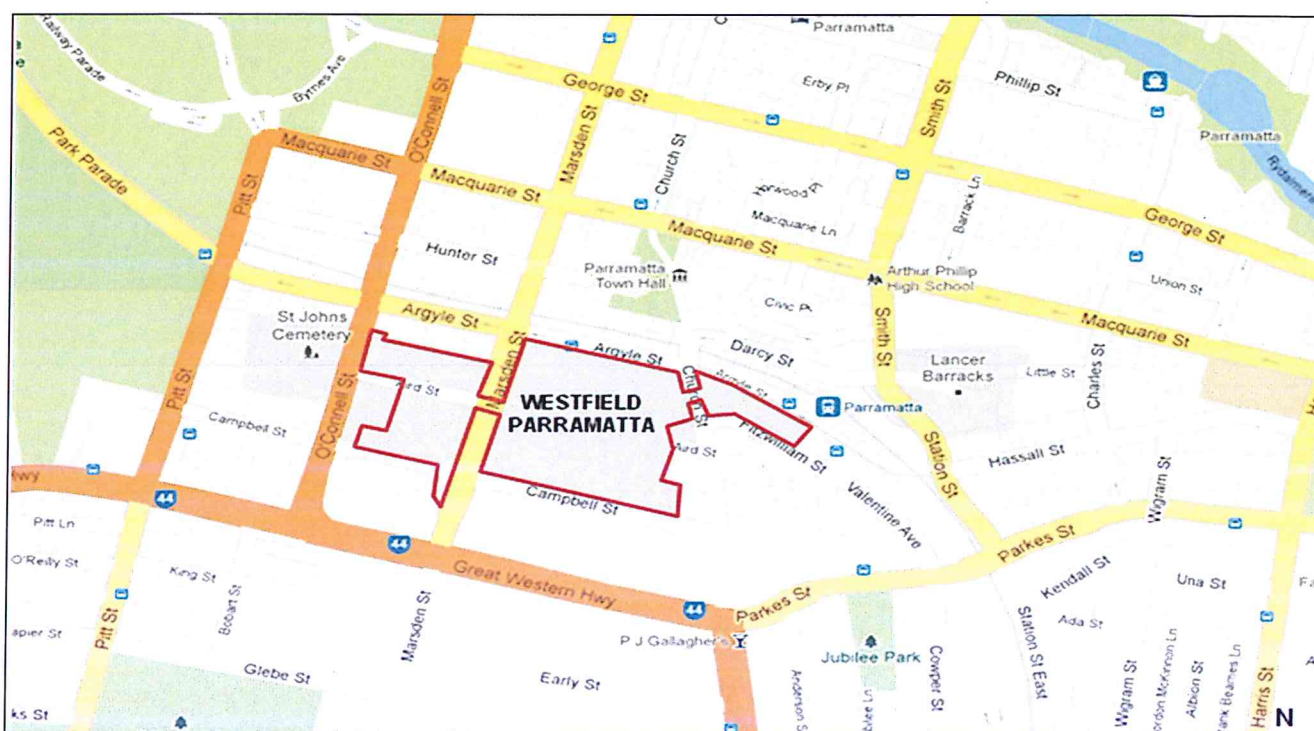


Figure 2: Site Location (Base Source: Google Maps 2012)

1.2 Site Description

Westfield Parramatta currently accommodates approximately 115,000m² of gross lettable floor area (GLFA), which comprises approximately 70% of the total retail floorspace of the Parramatta CBD (165,000m²). The centre is predominantly located between Argyle and Campbell Streets and extends from Parramatta railway station in the east to St John's Cemetery and O'Connell Street in the west. When viewed externally, the centre is divided into three building segments that are separated by two north/south roads namely, Church Street and Marsden Street. The two segments west of Church Street contain the majority of the centre's retail floor space, office space and all of its car parking spaces. The building segment east of Church Street contains some retail and a cinema complex. The three building segments are linked above Church and Marsden Streets by pedestrian bridges and also by vehicular ramps across Marsden Street that allow for car park access and vehicular circulation (see **Figures 3 and 4**).

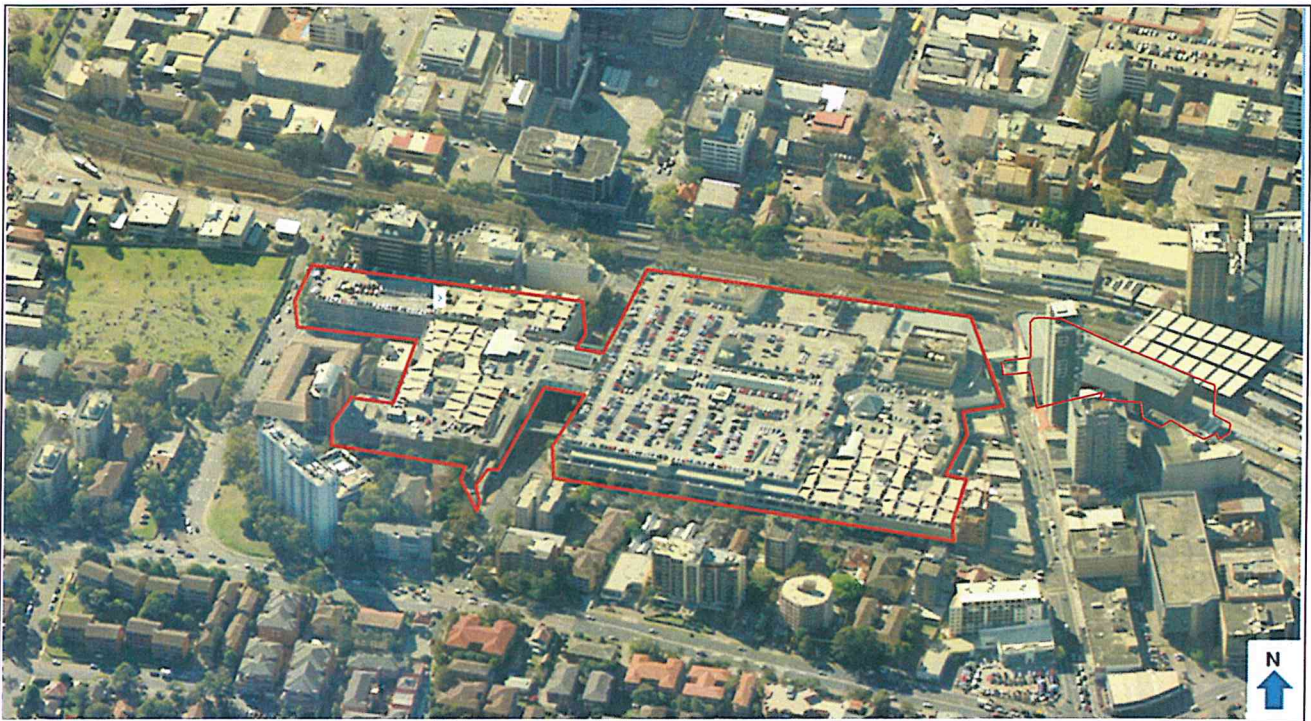


Figure 3: Aerial view of the Site (Base source: Bing Maps 2012)

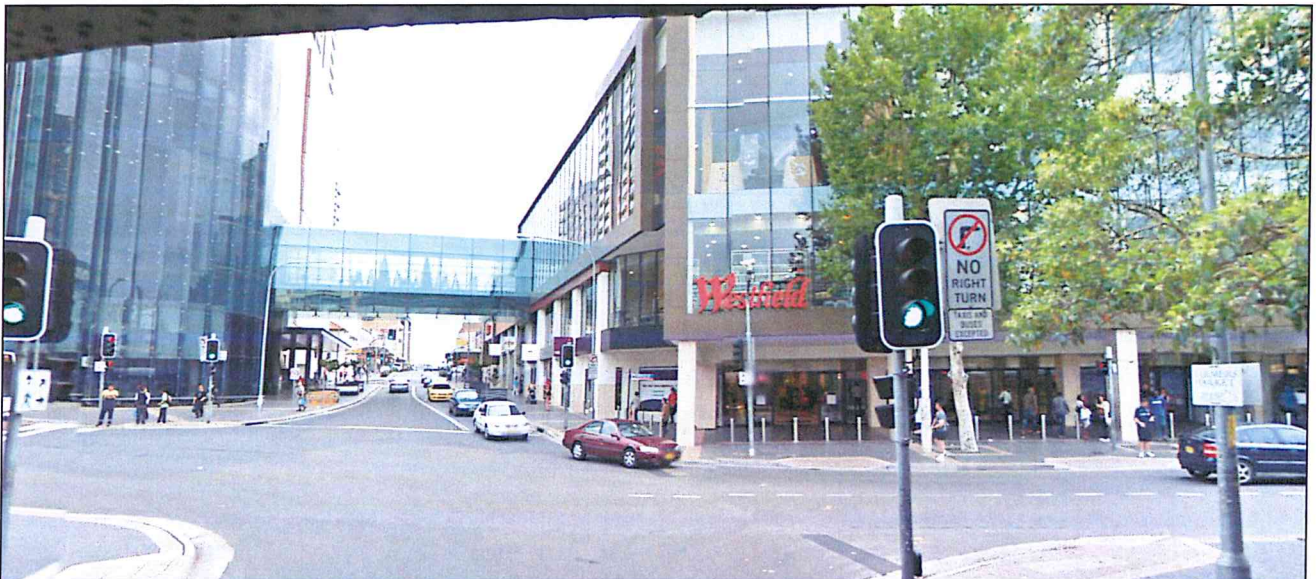


Figure 4: Main entry at corner of Church and Argyle Street with pedestrian bridge over Church Street to cinema complex (Base source: Google Maps 2012)



Figure 5: Pedestrian and Vehicle Access ways over Marsden Street (Base source: Google Maps 2012)

Westfield Parramatta contains a variety of major retail outlets (including Myer and David Jones, Target and Kmart), 8 screen cinema complex, multiple food courts, 2 supermarkets (Coles and Woolworths), banks and other services. A 3-storey office building, providing for 4,608m² of floorspace (GFA) is situated at the north-east corner of the centre, above the retail podium.

The portion of the site subject of this proposal is west of Church Street (refer to **Figure 6** below). The site is completely built upon and accommodates a total floor space area of 61,080m² of GFA. The land slopes noticeably from the south-west to north-east, falling approximately 12.8m. As a consequence, there is approximately a storey difference between the street level at Argyle and Campbell Streets. The site comprises two building segments (**Figure 6**). The East Centre accommodates five levels of retail with additional mezzanine car parking levels, whereas the West Centre accommodates four retail levels with additional mezzanine car parking levels together with a dedicated car park (five levels) at the junction of O'Connell and Aird Streets.

The heights of the street elevations of the development vary, primarily due to the fall of the land but also likely due to the staged expansion of the Centre over the years. **Table 1** notes the approximate existing building heights as measured from natural ground level to the parapet on each street frontage:

Table 1: Building heights of existing buildings

Facade Location	Height (metres)
Church Street, direct street frontage only (north to south)	17 to 13.5
Church Street, the office building behind facade (north to south)	28 - 31
Campbell Street (east to west)	15 – 12.5
O'Connell Street (north to south)	18 – 20.5
Argyle Street (west to east)	26.5 – 17
Marsden Street, east side (south to north)	15 – 26.5
Marsden Street, west side (south to north)	15 – 26.5

The centre is serviced by multiple on-site vehicular loading docks. Access to the loading docks are located at Aird (south side), Marsden (east site), and Campbell Streets and Aird Street (stub road off Church Street). Customer car parking is provided throughout the centre at numerous locations and at all levels. Entrance/exits to the car parking levels are located at Aird, Marsden and Campbell Streets. From street level there are three pedestrian entrance/exits, the main entrance is from the corner of Argyle and Church Street, secondary entrances are located at Church Street and Aird Street.

1.3 Surrounding Development

The site is located in the Parramatta CBD and is surrounded by a wide variety of land-uses, subdivision sizes, building heights, architectural styles and development densities and scales. The land north and east of the site is predominantly commercial in nature, while the land south and west is mostly residential. Neighbouring existing developments are noticeably inconsistent in terms of their building height, with established heights ranging from single and 2-storey houses to up to 25-storey towers.

The buildings to the south on Campbell Street, which face the centre, comprise residential properties of varying densities and ages. The buildings range in height from single-storey houses to 10-storey residential flat buildings. Most buildings are set back from the street and the street itself benefits from mature street tree planting along its whole length.

Church Street is the principle spine road that runs through the Parramatta City Centre. It runs along the eastern frontage of the centre and is comprised of a variety of buildings ranging in height from single-storey shop units to the recently completed 20-storey residential towers near the junction of Church and Fitzwilliam Streets. Argyle Street to the north lies between the centre and the elevated railway viaduct is the principle access to the Parramatta Transport Interchange to the east. Bus stops are provided at Argyle Street in a number of locations along this frontage.

Marsden Street dissects the centre at ground floor level between Campbell and Argyle Streets, but the centre presents an unbroken solid façade to the street save for three loading dock entrances. Aird Street forms a 'T' intersection midway along Marsden Street and is also straddled for the most part by the centre. St John's Cemetery is located to the west, fronting O'Connell Street. The only part of the centre that faces O'Connell Street is a 5-level car park, which is flanked by 3-storey residential buildings and a 10-storey office building.

The site is not located within a Conservation Area nor does it contain any items of heritage significance. However, there are several heritage listed items near the centre, notably Old Government House, St Johns Cemetery, Parramatta Station and David Lennox House which are all of State heritage significance. Refer to **Section 5.5** for a detailed discussion in relation to heritage items.

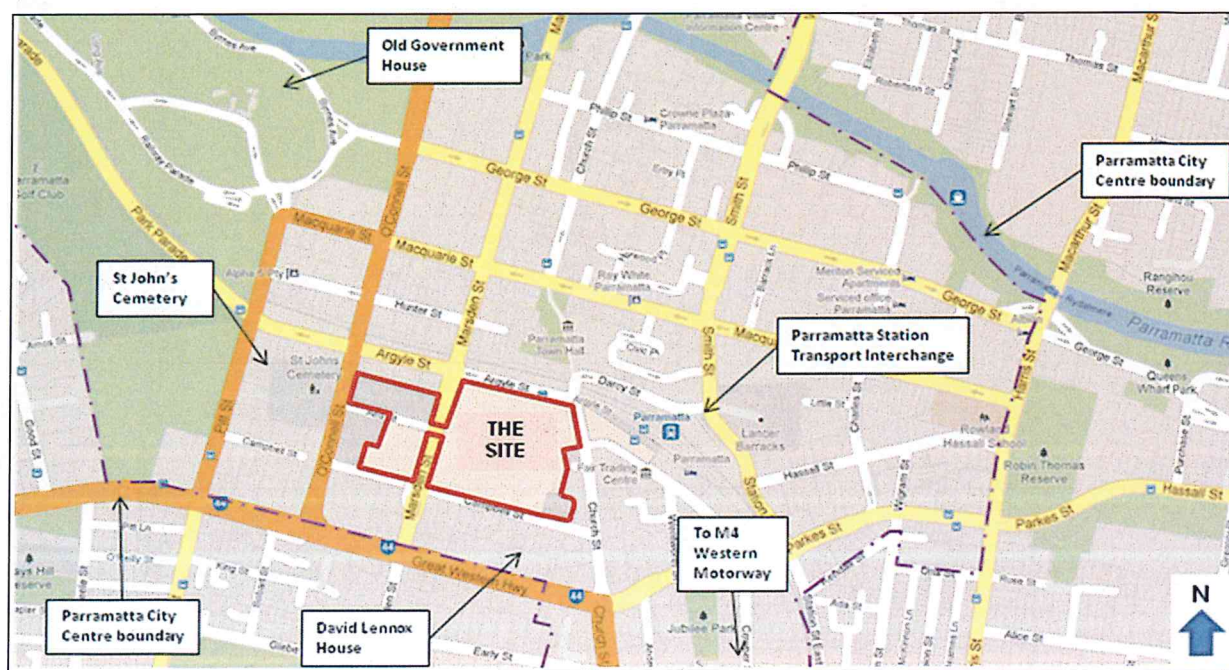


Figure 6: Location context plan (Base source: Google Maps 2012)

2. PROPOSED PROJECT

2.1. Project Description

2.1.1 Environmental Assessment (as exhibited)

The Environmental Assessment as exhibited sought Concept Plan (MP10_0068) approval for the following:

- an additional single level of retail uses over the existing shopping centre footprint (adding 31,495m² of GFA);
- a 20-storey commercial tower above the retail podium (GFA up to 35,000m²);
- additional above ground car parking spaces (net increase of 573 spaces); and
- street activation and public domain works on the corner of Church and Argyle Streets.

The Environmental Assessment as exhibited sought Project Approval (also MP10_0068) for Stage 1 as follows:

- an addition retail level providing for 31,495m² (GFA) floorspace;
- an additional 3 car parking levels providing for a total of 573 additional car parking spaces; and
- new and refurbished servicing/loading dock facilities and associated works.

2.1.2 Preferred Project Report

Following the public exhibition of the Environmental Assessment, the Department advised the proponent of a number of issues which required further consideration and requested the submission of a Preferred Project Report (PPR). The main issues raised were in relation to traffic and transportation, building envelope of the tower, public domain works and the pedestrian environment.

Minor changes were made by the proponent in response to the issues raised, including a minor reduction in car parking numbers (by 11 spaces). The proposal as refined by the PPR is detailed in **Table 2** and the project layout is shown in **Figures 7 and 8**.

Comprehensive

Table 2: Key Project Components

Aspect	Description
Concept Plan	Concept Plan for additions to the shopping centre including retail floor area and car parking and a new commercial tower building in 2 stages
<i>Stage 1: Retail Additions</i>	One additional retail level and 3 additional parking levels and associated changes (refer to 'Project Application' below).
<i>Stage 2: Commercial Tower</i>	Building envelope for a 20-storey office tower above the retail podium.
<i>Building Envelopes</i>	<ul style="list-style-type: none"> • Retail / Stage 1 additions as per project application: maximum height of 34.14m • Indicative building envelope for commercial tower: <ul style="list-style-type: none"> ○ maximum height of 100 metres above ground level (RL112.14 AHD or 20 storeys above podium); ○ Levels 1 to 5 - building envelope area of 3,000m² (2,500m² likely building floor plate); and ○ Levels 6 to 20 - building envelope area of 2,000m² (1,660m² likely building floor plate area).
<i>Gross Floor Area (GFA) and Floor Space Ratio (FSR)</i>	66,465m ² of total additional floor space comprising: <ul style="list-style-type: none"> • 31,495m² additional retail floor space; and • 35,000m² commercial floor space. Total site GFA to increase from 279,905m ² to 396,036m ² (4.58:1 to 6.48:1)

Aspect	Description
<i>Car parking</i>	Additional 562 car spaces (total of 4,990 spaces on the site)
<i>Public Domain & Art Works</i>	Public domain works are proposed as part of Stage 2 and include: <ul style="list-style-type: none"> Argyle Street frontage: retail display windows, a café and outdoor seating, pavement and landscape improvements, cladding of columns and soffits and additional lighting; Church Street frontage: pavement and landscape improvements, cladding of columns and soffits and additional lighting; and \$60,000 contribution to funding of public artworks.
<i>Road Infrastructure Works</i>	Road infrastructure works will be included as part of Stage 1
<i>Contributions</i>	In response to the Parramatta S94A Plan, which prescribes a contribution of 3% of project development cost, the proposal seeks a financial contribution of \$12.15 million. The payment of the contribution would be divided in two relating to the two Stages of construction: <ul style="list-style-type: none"> Stage 1: \$6 million; and Stage 2: \$6.15 million.
Project Application	Stage 1 Retail Additions
<i>Additional retail floor space</i>	An additional retail level providing for a Discount Department Store, a Supermarket, Mini Majors and specialty stores comprising 31,495m ² of retail GFA (24,504m ² GLA).
<i>Additional car parking</i>	Modification of the existing Level 5M2, 6 and 6M car parks and construction of 3 additional car parking levels (Levels 6M to 8) providing an increase of around 562 car spaces to a total of around 4,990 spaces.
<i>Associated changes throughout the building</i>	Various related changes throughout the building including: <ul style="list-style-type: none"> Relocation of supermarket from level 2 to level 6; Demolition of some retail floor area at level 4 in favour of a new loading dock and storage; Relocation of and additional passenger lifts and travelators; Changes to some vehicle entries, car park layouts and loading dock arrangements; New taxi pick up area on level 4; and New car bridge link at level 6.
<i>Infrastructure works</i>	Associated road infrastructure improvements

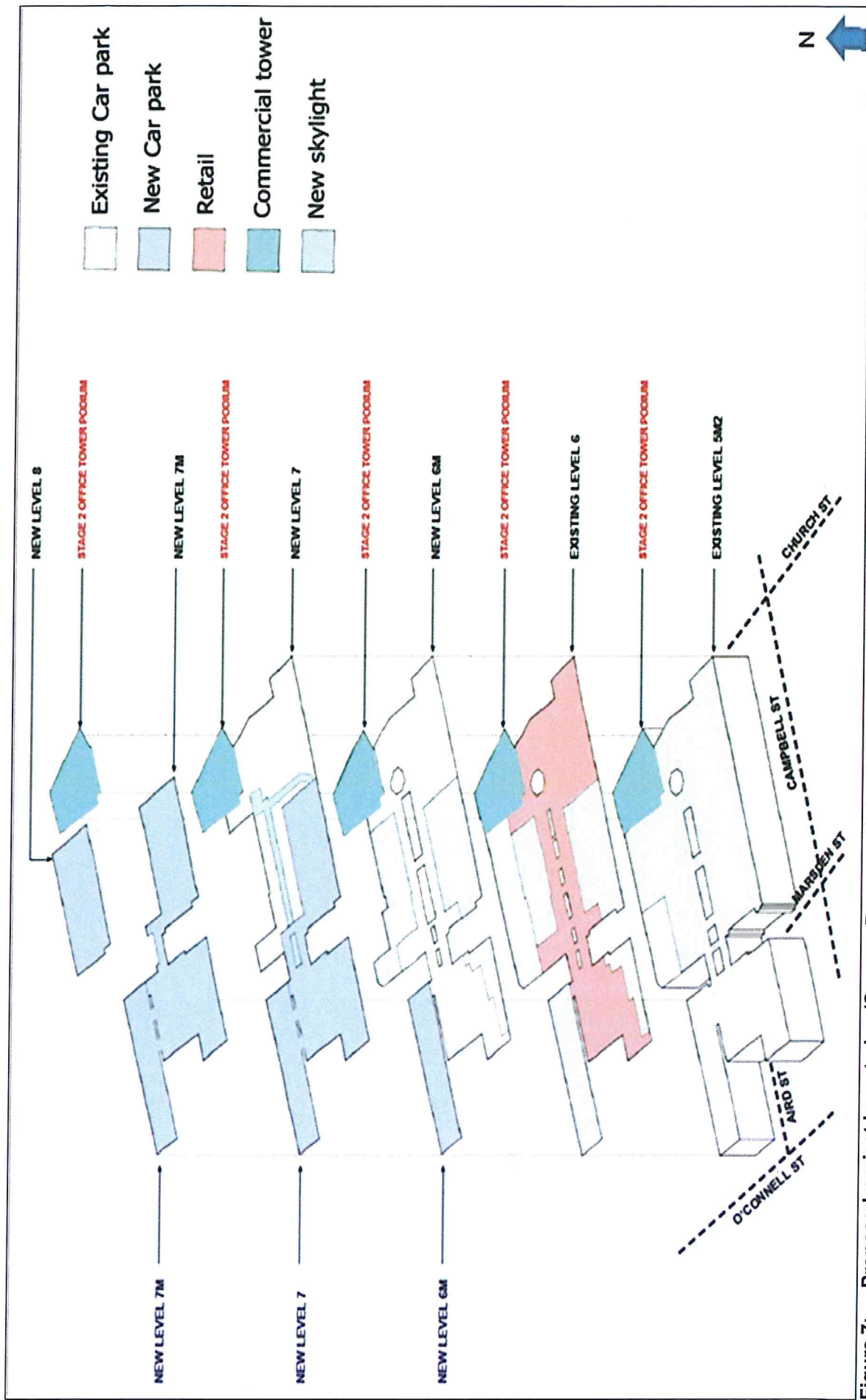


Figure 7: Proposed project layout plan (Source: Proponent's Environmental Assessment)

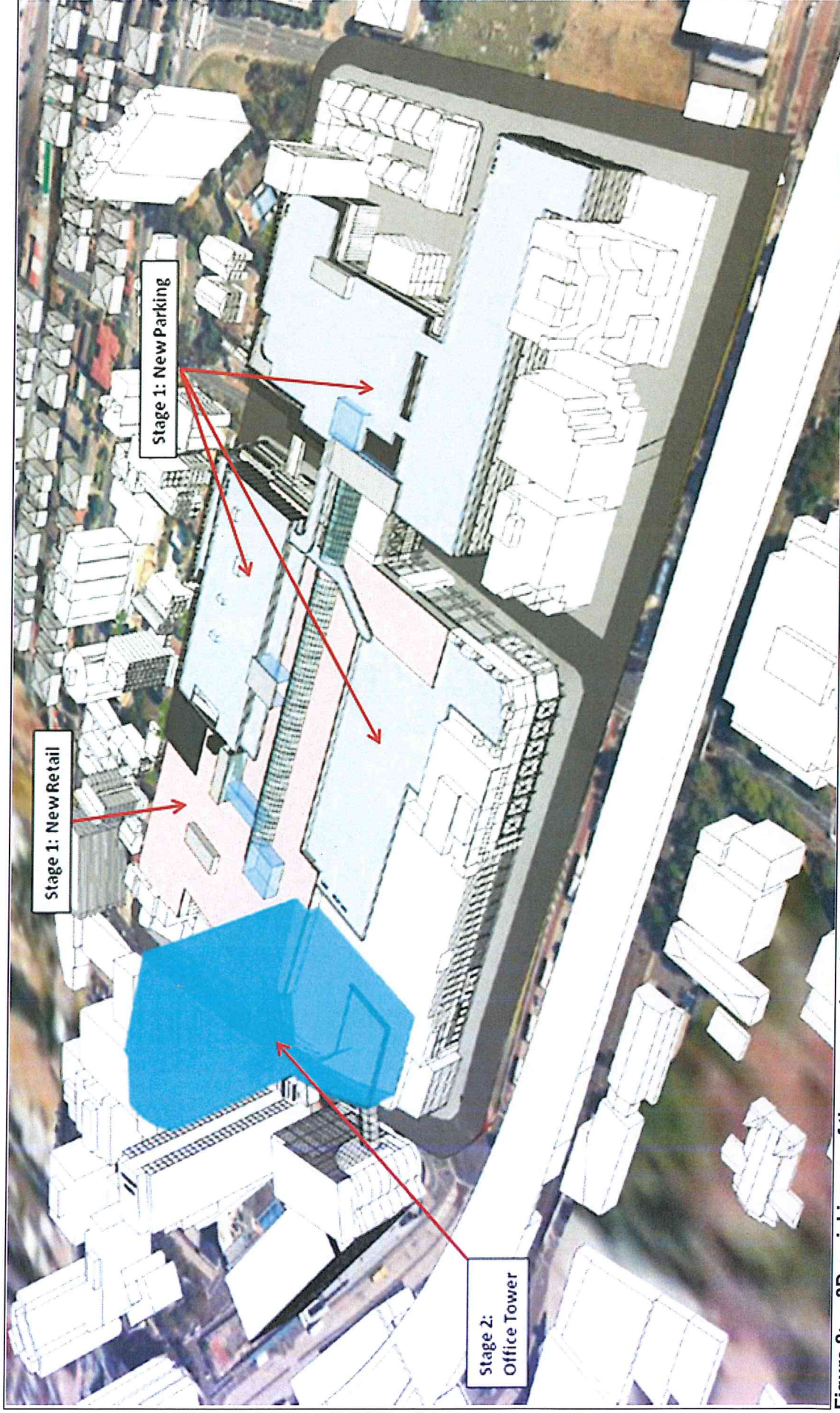


Figure 8: 3D aerial image of the proposed project layout (source: Proponent's Environmental Assessment)

2.2. Project Need and Justification

NSW 2021

NSW 2021 is the NSW Government's strategic business plan for setting priorities for action and guiding resource attention. NSW 2021 is a ten year plan to rebuild the economy, provide quality services, renovate infrastructure, restore government accountability and strengthen local environment and communities.

The proposal is consistent with the goals of NSW 2021 as it involves the expansion and improvement of an existing retail facility that is appropriately located within the Parramatta CBD, is in close proximity to a large residential population, and is well served by existing public transport services. The proposal represents a significant investment, which will contribute to increased employment opportunities during the construction and operational phases, improved retail services for the community and improved accessibility to the Centre. Also, the proposal will incorporate environmentally sensitive design measures that will improve the environmental performance of the centre.

Draft Metropolitan Strategy for Sydney to 2031

The Draft Metropolitan Plan was released in March 2013 and sets out the NSW Government's vision for Sydney to 2031. It aims to achieve balanced and sustainable growth for Sydney, including renewal in established suburbs and new greenfield development. Key goals include balanced growth, a liveable city, productivity and prosperity, a healthy environment, accessibility and connectivity.

The Draft Metropolitan Strategy forecasts a population increase for Sydney of 1.3 million people by 2031. As a result, Sydney will need 625,000 new jobs across the metropolitan area. Within the 'West Central and North-West' sub-region, which includes the Parramatta LGA, targets include an additional 142,000 jobs by 2031, and the strategy specifically aims to provide capacity for 21,000 more jobs within Parramatta CBD.

The employment generated by the project is estimated at:

- retail (Stage 1): 861 jobs during construction and 824 jobs post development (701 allowing for a 15% transfer from some existing retail uses); and
- office (Stage 2): 880 jobs during construction and 2,060 jobs post development.

The proposal will make a significant contribution to the job targets under the draft plan, contributing 13% of the total additional long terms jobs sought for the CBD.

The Draft Metropolitan Strategy also specifically encourages supporting *"highly diverse and competitive employment growth opportunities by renewing and growing Parramatta CBD (and its surrounds) and providing higher order services and job opportunities for greater Western Sydney's growing population"*. In this regard, the proposal is considered to make a significant contribution to the growth of the Parramatta CBD, has the ability to attract higher order services through the provision of high quality commercial floor space, and provides significant job opportunities as discussed above. The Department is also satisfied that the proposal will assist in strengthening Parramatta's role as Sydney's second CBD as outlined in the draft Metropolitan Strategy.

Draft West Central Subregional Strategy

The Westfield Shopping Centre Parramatta is located within the West Central Subregion of Sydney. The Draft West Central Subregional Strategy (DWCSS) identifies the site being within the Parramatta Regional City.

The DWCSS provides an employment target of 61,000 additional jobs for the West Central Subregion, an increase from 308,500 to 369,500 jobs between 2001 and 2031. The DWCSS identifies that the Parramatta LGA is anticipated to make a contribution of 27,000 jobs, which equates to approximately 44% of all additional jobs for the Subregion.

The proposal is considered to be consistent with the DWCSS and Draft Metropolitan Strategy for Sydney in terms of making a significant employment contribution of an additional 701 retail jobs under Stage 1 and providing office space capable of accommodating over 2,060 office/service sector jobs under Stage 2.

2.3. Concept Plan

The proponent has applied for approval of a Concept Plan under section 75M of the EP&A Act. Concept approval is sought for Stage 1 (retail/car parking alterations) and Stage 2 (building envelope forming the 20-storey office tower together with public domain works) as detailed under **Section 2.1**.

Project Approval under section 75E of the EP&A Act is also sought for all works comprising Stage 1. A future development application (DA) will be required to be submitted to Parramatta City Council for works associated with Stage 2.

3. STATUTORY CONTEXT

3.1. Continuing Operation of Part 3A

Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act), as in force immediately before its repeal on 1 October 2011, and as modified by Schedule 6A to the Act, continues to apply to transitional Part 3A projects. Director-General's environmental assessment requirements (DGRs) were issued in respect of this project on 25 October 2010, and the project is therefore a transitional Part 3A project.

3.2. Major Project

The proposal is a Major Project under Part 3A of the EP&A Act as it is a development for the purpose of a residential, commercial or retail project under the former provisions of clause 13 of Schedule 1 of *State Environmental Planning Policy (Major Development) 2005*. The Concept Plan proposal has a capital investment value (CIV) of \$405 million (\$200 million for the Stage 1 Project Application and \$205 million for Stage 2). The proposal therefore exceeds the CIV threshold for Major Projects (\$100 million) under former clause 13.

3.3. Delegations

The Minister (or his delegate) may approve or disapprove of the carrying out of the project under section 75O and 75J of the EP&A Act. The Minister has delegated his functions to determine Part 3A applications to the Planning Assessment Commission (PAC) where an application has been made by persons other than by or on behalf of a public authority:

- where the relevant local council objects to the proposal;
- a political disclosure statement has been made; and
- where there are more than 25 public submissions in the nature of objections.

In this instance, as the local council has objected to the proposal and a political disclosure statement has been made, the application may be determined by the PAC, under delegation from the Minister.

3.4. Permissibility

The site is located within the defined boundary of the Parramatta City Centre. Consequently, the *Parramatta City Centre Local Environmental Plan 2007* (PCCLEP 2007) is the relevant LEP for the site.

The PCCLEP 2007 zones the site as 'Mixed Use – Zone B4'. The proposal is considered to satisfy the objectives of the zone, which seek to provide a mixture of compatible uses, integrate uses in accessible locations, support the commercial core, and provide for the daily commercial needs of the locality and protect the qualities and character of the special areas within the city centre.

The proposed retail and commercial uses are permissible with consent within the B4 zone (refer to **Figure 9**). It is noted that the B4 Zone prohibits 'car parks (except those required by this Plan or public car parking provided by or on behalf of the Council)'. The Department considers that the existing/proposed on-site multi-levelled car parks are ancillary to the use of the Centre for retail purposes and therefore are not a primary use in their own right and are therefore a permissible use.

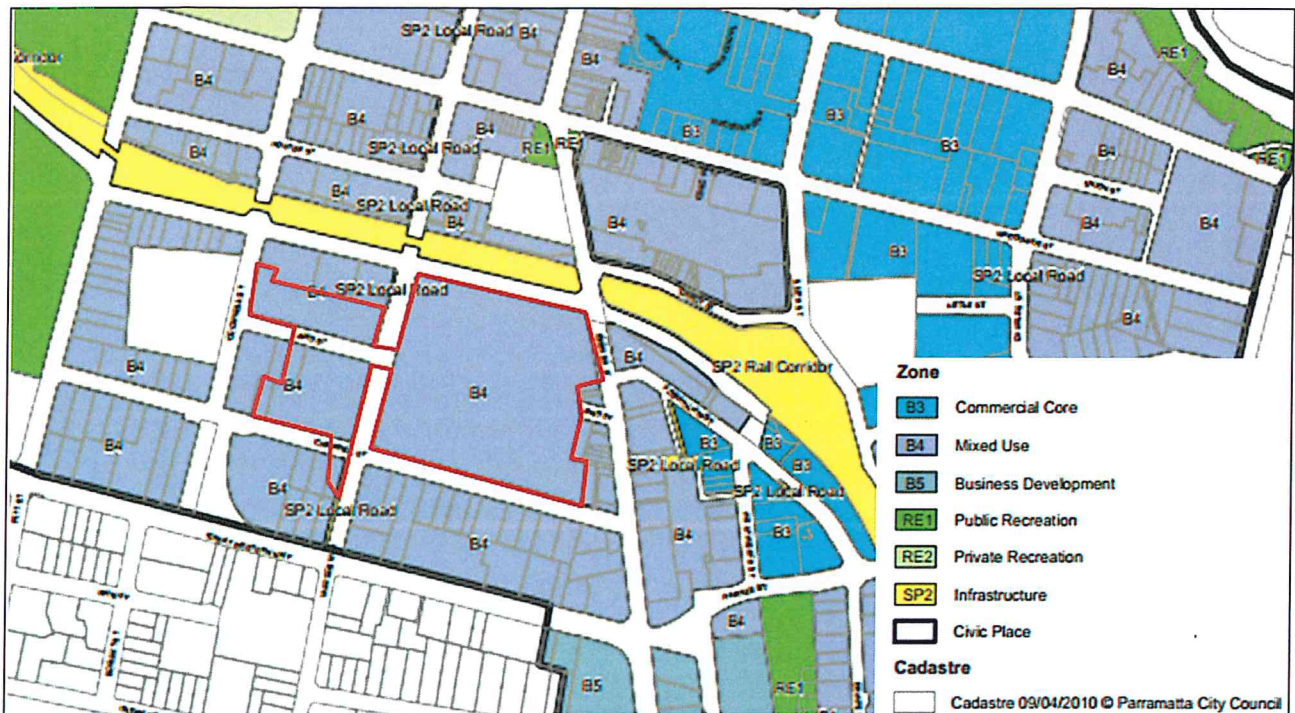


Figure 9: Land Zoning Map (Source: PPCLEP 2007)

3.5. Environmental Planning Instruments

Under sections 75I(2)(d) and 75I(2)(e) of the EP&A Act, the Director-General's report for a project is required to include a copy of, or reference to, the provisions of any State Environmental Planning Policy (SEPP) that substantially governs the carrying out of the project, and the provisions of any environmental planning instruments (EPI) that would (except for the application of Part 3A) substantially govern the carrying out of the project and that have been taken into consideration in the assessment of the project.

The Department's consideration of relevant SEPPs and EPIs is provided in **Appendix D**. The Department is satisfied that the proposal is consistent with the relevant requirements of the EPIs.

3.6. Objects of the EP&A Act

Decisions made under the EP&A Act must have regard to the objects of the Act, as set out in section 5 of the Act. The relevant objects are:

- (a) to encourage:
 - (i) the proper management, development and conservation of natural and artificial resources, including agricultural land, natural areas, forests, minerals, water, cities, towns and villages for the purpose of promoting the social and economic welfare of the community and a better environment,
 - (ii) the promotion and co-ordination of the orderly and economic use and development of land,
 - (iii) the protection, provision and co-ordination of communication and utility services,
 - (iv) the provision of land for public purposes,
 - (v) the provision and co-ordination of community services and facilities, and

- (vi) *the protection of the environment, including the protection and conservation of native animals and plants, including threatened species, populations and ecological communities, and their habitats, and*
- (vii) *ecologically sustainable development, and*
- (viii) *the provision and maintenance of affordable housing, and*
- (b) *to promote the sharing of the responsibility for environmental planning between the different levels of government in the State, and*
- (c) *to provide increased opportunity for public involvement and participation in environmental planning and assessment.*

It is considered that the proposal is consistent with the objects of the EP&A Act as it will provide:

- increased local employment opportunities throughout the construction and operational phases of the development;
- the upgrade of an existing retail centre together with increased and improved shopping facilities and floorspace;
- improvements to the energy efficiency of the centre in terms of its Green Star and NABERS Retail Energy & Water rating; and
- improved public domain works and street activation.

3.7. Ecologically Sustainable Development

The EP&A Act adopts the definition of Ecologically Sustainable Development (ESD) found in the *Protection of the Environment Administration Act 1991*. Section 6(2) of that Act states that ESD requires the effective integration of economic and environmental considerations in decision-making processes and that ESD can be achieved through the implementation of:

- (a) *the precautionary principle,*
- (b) *inter-generational equity,*
- (c) *conservation of biological diversity and ecological integrity,*
- (d) *improved valuation, pricing and incentive mechanisms.*

Key proposed ESD initiatives for the site include the use of energy and water efficient appliances and plant, low energy lighting, use of natural light where possible, rainwater capture for re-use in the office tower and construction waste recycling. Construction design for the retail level will achieve a 4 Green Star rating and 3.5 star NABERS Energy retail rating. The office tower would seek to achieve a 5 Green Star rating and a minimum 5 star NABERS Energy office rating.

Overall, the Department is satisfied that the proposal is consistent with ESD principles and the proposed ESD initiatives will improve the sustainability of the proposal.

The Department's consideration of relevant ESD principles is included at **Appendix D**.

3.8. Statement of Compliance

In accordance with section 75I of the EP&A Act, the Department is satisfied that the Director-General's environmental assessment requirements have been complied with.

4. CONSULTATION AND SUBMISSIONS

4.1. Exhibition

Under section 75H(3) of the EP&A Act, the Director-General is required to make the Environmental Assessment of an application publicly available for at least 30 days. After accepting the Environmental Assessment, the Department

- publicly exhibited the EA from 23 January 2013 until 1 March 2013 (37 days) on the Department's website and at the Department's Information Centre and Parramatta City Council Service Centre;
- advertised the public exhibition in the Sydney Morning Herald and Daily Telegraph on 23 January 2013; and
- notified landholders and relevant State and local government authorities in writing.

The Department received 18 submissions during the exhibition of the EA including 8 submissions from public authorities and 10 submissions from the general public. A further 4 submissions from public authorities were received in response to the PPR. A summary of the issues raised in submissions is provided below.

4.2. Public Authority Submissions

Eight submissions were received from public authorities in response to the exhibition of the applications. A further 4 submissions were received in response to the PPR. Submissions were received from Parramatta City Council, Holroyd Council, Transport for NSW, Roads and Maritime Services, Sydney Water, Office of Environment and Heritage, Railcorp, the Environment Protection Authority and Heritage Council. The submissions from public authorities are summaries in **Table 3** below:

Table 3: Summary of Issues Raised in Public Authority Submissions

Parramatta City Council	
EA	<ul style="list-style-type: none"> • objects to the proposal due to the adverse economic impact on the Parramatta CBD and the proposed Parramatta Square development; • the staging of provision of the commercial tower and retail floorspace should be reversed, with the tower being provided first; • the quantum of retail floorspace and associated car parking provision should be reduced; • active uses, such as shopfronts and centre entrances should be introduced at street level; • upgrade pedestrian holding areas for the bus pickup/drop off zone along Argyle Street; • the tower design should be more slender, have an entrance forecourt and remove the proposed podium level; • public domain works should be provided at Stage 1 and the quantum of works should be increased and improved; • provide an Arts Plan in connection with public domain / street activation works; • remove planter boxes at Bus Stand B on Argyle Street; • improved access to taxi services; • the application should be referred to the Heritage branch of OEH and the National Trust NSW; • further detail required of the impact of the signage strategy; • suggested conditions regarding: <ul style="list-style-type: none"> ○ a Traffic Management Plan and Transport Communication Plan; ○ service vehicles reversing; ○ landscaping; ○ engineering; ○ environmental health; ○ payment of S94A contributions (3% levy) and security bonds; • upgrades to Great Western Highway to be provided at no cost to Council; and • the Department should hold public consultation with CBD business owners.

PPR	<ul style="list-style-type: none"> continues to object to the proposal for reasons previously provided; the PPR has not addressed concerns previously raised; provides additional information to demonstrate that a taller slender tower will not impact on views from old Government House; and disagrees with the argument in the PPR that Parramatta lacks the retail street networks to justify facades upgrade similar to Westfield sites at Bondi Junction and the CBD.
Holroyd Council	
EA	<ul style="list-style-type: none"> concerns in relation to the Economic Impact Assessment and requests further information in relation to impacts to Stockland Merrylands, Merrylands Town Centre, and Wentworthville Town Centre; shortfall of on-site parking may exacerbate overflow parking on Holroyd Council streets; traffic impacts to the local road network within Holroyd LGA; recommends additional public transport services to support the development; and need to provide onsite parking for construction workers.
Roads and Maritime Services	
EA	<ul style="list-style-type: none"> support the reduced rate of car parking provision for the development; identified a number of deficiencies in the traffic modelling data; and works signage associated with the development at no cost to RMS.
PPR	<ul style="list-style-type: none"> improvement works, being the upgrade of 4 intersections, are required to mitigate the transport impact of the proposal; and upgrades need to be provided by the proponent at no cost to the RMS.
Transport for NSW	
EA	<ul style="list-style-type: none"> support the reduced rate of car parking provision for the development; expanded Transport Management and Accessibility Plan is required to allow an assessment of the impact on increased public transport demand, identify mitigation measures and develop and agree infrastructure options; and construction impacts on pedestrians, buses and operational impacts on Aird Street loading dock.
PPR	<ul style="list-style-type: none"> potential for increased traffic movements to impact on bus services; proposed bicycle parking obstructing vehicle sight lines; and need for a Construction Traffic Management Plan.
Heritage Council	
PPR	<ul style="list-style-type: none"> the risk of disturbing significant archaeology is low; recommends increased setbacks of retail extensions to reduce overshadowing and visual impacts on adjoining heritage items Lennox House and St Johns Cathedral; recommends reducing bulk and scale of commercial tower without increasing height to reduce its visual dominance and impact on the setting of other nearby heritage items; and recommends further details of elevations be provided to improve facade presentation.
Sydney Water	
EA	<ul style="list-style-type: none"> No objection, subject to the developer engaging a Water Servicing Coordinator to obtain a Section 73 Certificate.
Railcorp	
EA	<ul style="list-style-type: none"> No objection subject to the imposition of conditions requiring: <ul style="list-style-type: none"> an acoustic assessment; lights, signs and reflective material to have limited glare; a risk assessment/management plan and safe work methods statement; and a plan of all craneage and other aerial operations.
Office of Environment and Heritage	
EA	<ul style="list-style-type: none"> No objection.
Environment Protection Authority	
EA	<ul style="list-style-type: none"> No objection.

4.3. Public Submissions

Ten submissions were received from the public. Of the 10 public submissions, six objected to the project, two supported the project and two did not object but raised concerns. The key issues raised in public submissions are listed in **Table 4**.

Table 4: Summary of Issues Raised in Public Submissions

Issue	Proportion of submissions (%)
Traffic generation (including increased parking pressure, impacts on local and State roads, increase noise disturbance)	50
Economic impact on Parramatta CBD and existing nearby centres	40
Excessive height of tower	20
Proposal exceeds height and floor space ratio requirements and would be better located within the CBD core	10
Need for improve public transport	10
Additional lighting required to Marsden Street between Argyle and Campbell Streets	10
Footpath to the eastern side of Marsden Street between Great Western Highway and Campbell Street needs to be levelled and widened	10
Cycle paths are required in surrounding area	10
Adverse impact on privacy of apartments within 140 and 118 Church Street	10
Potential for solar panels to be installed	10
Risk of relocation (and loss of revenue) of mobile masts currently renting roofspace on 15 Campbell Street	10
Application is not a Part 3A transitional application and therefore invalid	10

The submissions received in support of the proposal considered that the development would be beneficial for commercial activity in Parramatta and would benefit the locality generally.

The Department has considered the issues raised in submissions in its assessment of the project.

4.4. Proponent's Preferred Project Report

The proponent provided a Preferred Project Report including a response to the key issues raised in submissions received during the exhibition of the Environmental Assessment.

The PPR did not propose any significant changes to the project. It included some minor changes such as provision of a taxi rank and deletion of 11 proposed car parking spaces and otherwise provided additional information in response to the submissions.

The proponent's full Preferred Project Report and Response to Submissions is included at **Appendix C**. The Department is satisfied that the issues raised in the submissions have been addressed or can be appropriately managed by modifications or by conditions of approval as required.

5. ASSESSMENT

The department considers the key environmental issues for the project to be:

- economic impact;
- traffic, parking and public transport issues;
- built form;
- overshadowing; and
- heritage.

5.1. Economic impact

Parramatta City and Holroyd Council as well as public submissions raised concerns about the economic impact of the proposal, particularly on:

- Other retail centres including Merrylands and Wentworthville; and
- Other retailers within the Parramatta CBD, including the Parramatta Square development.

The Westfield Parramatta Shopping Centre is a regional scale shopping centre that is located within the Parramatta CBD. It provides for approximately 157,000m² of GFA (approximately 115,000m² of GLA) of retail floorspace. Stage 1 proposes a total of 24,504m² (GLA) or 31,495m² (GFA) additional retail floorspace contained within a new retail level.

The proposed additional floor area would comprise:

- 2,285m² major tenants;
- 8,540m² mini-major tenants;
- 6,679m² speciality stores; and
- 6,691m² remaining space (eg circulation, storage, amenities).

5.1.1 The Proponent's justification

The application was accompanied by an *Economic Impact Assessment* (EIA) prepared by Urbis on behalf of the proponent.

Retail assessment

Urbis estimates that the trade area served by Westfield Parramatta primarily extends 7 to 8 kilometres in all directions and expands to 12 to 15 kilometres to the north-west and south-west. The trade area is divided into: a Primary Trade Area (PTA); four Secondary Trade Areas (STA); and three Tertiary Trade Areas (TTA). The trade area primarily encompasses the suburbs of: Parramatta, Granville, Westmead, Harris Park, Mays Hill, Holroyd, Merrylands, and extends to the Baulkham Hills/Blacktown area in the north, Fairfield in the south, Ermington in the east and Greystanes/Prospect area in the west. The trade area is shown at **Figure 10**.



Total available retail expenditure within the trade area is estimated at approximately \$6.9 billion (2012) and is projected to increase at a rate of 1.8% to 2.0% to approximately \$8.2 billion by 2021 and \$9 billion by 2026.

Urbis state that the existing Westfield Parramatta Shopping Centre achieved annual sales turnover of \$602 million or \$5,193/m² in 2012. The proposed expanded shopping centre is expected to achieve sales of \$760 million (2016), which equates to an increase of sales of \$158 million. Should the expansion not go ahead, an increase in sales (2016) is expected to be in the order of \$35 million (\$637 million in total).

The EIA identifies a number of key competitive centres to Westfield Parramatta located within the trade area which are listed within **Table 5**.

Table 5: Key competitive centres (within trade area) to Westfield Parramatta (Source: Urbis Economic Impact Assessment)

Centre	Centre Type	Retail GLA (m ²)	Distance from Centre (km)	Trade Area Sector
Castle Towers	Regional	99,000	11	TTA
Westpoint Blacktown	Regional	79,000	15	TTA
Parramatta CBD (excl. Westfield Parramatta)	Regional	50,000	0.5	PTA
Stockland Merrylands	Sub-Regional	30,400	3.5	STA
Winston Hills Shopping Village	Sub-Regional	20,500	11	TTA
Westfield North Rocks	Sub-Regional	19,500	8.0	STA
Neeta City	Sub-Regional	19,100	9.5	TTA
Auburn Central	Sub-Regional	16,500	5.5	STA
Fairfield Forum	Sub-Regional	13,200	9.0	TTA
Wentworth Plaza	Supermarket / Store	6,300	4.0	PTA
Wentworth Mall	Supermarket / Store	5,200	4.5	PTA
Rosehill Woolworths	Supermarket / Store	2,350	2.0	PTA
Entrada Centre	Supermarket / Store	2,000	2.0	PTA
Wentworth Aldi	Supermarket / Store	1,300	4.0	PTA
Rosehill Aldi	Supermarket / Store	1,300	2.5	PTA
Parramatta Aldi	Supermarket / Store	1,300	0.5	PTA

Urbis has examined the potential impacts of the expanded Westfield Parramatta in terms of the retail turnover against the existing shopping centres. It is expected that the expansion of the centre would capture 1.3% of trade area resident retail spending. Urbis also estimates that the existing centres below listed would experience the largest percentage loss of trade on account of the initial impact (2016) of the proposed additional retail accommodation:

- 5.2% loss of trade at Stockland Merrylands;
- 2.4% loss of trade at Auburn Central;
- 1.9% loss of trade at Winston Hills Shopping Centre;
- 1.6% loss of trade at Neeta City;
- 1.6% loss of trade at Rosehill Woolworths and Aldi;
- 1.6% loss of trade at Wentworthville;
- 1.5% loss of trade at Parramatta CBD; and
- 1.5% loss of trade at Westfield North Rocks.

Urbis considers that the impacts on existing retail centres are manageable and would not result in an adverse impact on any one centre. Urbis conclude that resident retail spending and market growth will offset the one-off impacts of the expansion of Westfield Parramatta and that the market can support new developments.

It is expected that the addition of 24,504m² of GLA retail floorspace will generate a total of 824 full-time and part-time workers. Allowing for 15% of workers to be redirected from other locations within the existing centre, the net additional employment is estimated at 701 full-time and part-time workers. The construction of the retail accommodation will also create 861 jobs equivalent for one year.

5.1.2 Parramatta City Council's independent economic assessment

Parramatta City Council commissioned Macroplan Dimasi to undertake a retail impact study relating to the proposal. Council agreed with the summary of that study and submitted that the expansion of Westfield Parramatta would be likely to result in the following adverse outcomes:

- further isolate Westfield Parramatta from Parramatta CBD;
- increase risk of vacancies in the Parramatta CBD;
- make it increasingly difficult for Parramatta CBD to retain, and capture mid-range to high end retailers;
- potentially reduce the ultimate scale of retail development at Parramatta Square (a Council development);
- potentially delay the timing of various stages of the Parramatta Square development;
- reduce the range and quality of tenants that could be attracted to Parramatta Square; and
- reduce the potential sales that could be achieved by prospective retailers at the precinct.

5.1.3 Independent economic assessment

The Department commissioned Hill PDA to undertake an independent review of economic impacts to inform its assessment. The report by Hill PDA is provided at **Appendix E**.

In its critique and review of the Urbis retail analysis, Hill PDA agreed with the Urbis analysis of the Primary Trading Area (PTA) boundaries as at the time of the survey (2010). However, Hill PDA noted that there have been a number of floorspace supply additions since Urbis' survey together with additional developments in the pipeline. In particular, the opening of the Stockland Merrylands in October 2012, which would reduce the PTA sector in the south to the M4 Western Motorway. Hill PDA asserts that Merrylands performs a different role to that of the Parramatta CBD, providing less retail floorspace and focuses on convenience. Parramatta CBD also has a higher order shopping role. Westfield Parramatta would still capture some trade from beyond the M4 for higher order goods shopping (e.g. apparel) and entertainment, but Stockland Merrylands would be the destination for convenience related shopping.

In terms of the trading impact of the proposed expansion, Hill PDA was mindful that it is the impact on a centre's performance as a whole which is the relevant consideration, and the impact on individual retailers is a matter for fair trading. To test the reasonableness of the impact assessment of the EIA, Hill PDA prepared a bespoke gravity model to determine the trading impacts and found that impact on large centres in the surrounding area are likely to be greater than those suggested by the EIA. For example, impacts on existing retailers in Parramatta (both those in Westfield Parramatta and strip retailers) will be much higher than the -\$1.5 million point in time impact on strip retailers quantified in the EIA, and is estimated by Hill PDA to be in the order of -\$26 million or a -2% immediate loss of trade in 2016. Impacts to Merrylands (including both Stockland Merrylands and strip retail) would have an immediate impact of -\$23 million or -67% loss of trade in 2016.

Notwithstanding this, Hill PDA found that all centres still experience growth in their trading level over 2012 to 2016. Therefore, the adverse impacts of the expanded centre would be offset by population growth, real expenditure growth and future additions to retail floorspace supply. In the case of Parramatta, Hill PDA estimates that while there will be a loss of trade to existing strip retailers of \$26 million, this will be off-set by an increased turnover of \$128 million to retailers within the new development, resulting in a net benefit overall to Parramatta.

Hill PDA concluded that the proposed expansion of retail accommodation at Westfield Parramatta would not threaten the role, function, vitality or viability of any existing or planned centres as a result of the redirection of trade.

Hill PDA also considered the issues raised by Macroplan Dimasi in its assessment on behalf of Parramatta City Council. In Hill PDA's assessment, most of the issues raised by Macroplan Dimasi (such as the risk of vacancies in Parramatta CBD, impacts to the viability and timing of the Parramatta

Square development, and reduction in potential sales for other retailers in the precinct) are matters of competition and fair trading only, and that overall for the Parramatta CBD, the proposal results in a net positive community impact by increasing overall retail floorspace in the CBD overall trading performance, and choice in the retail sector.

5.1.4 Department's Assessment

The Department has reviewed and carefully considered the assessment undertaken by Urbis on behalf of the Proponent, the submission by Parramatta City Council, Holroyd City Council and other public submissions relating to economic impact. The Department has also considered the Draft Centres Policy and the Draft Competition SEPP.

As noted above, the Department engaged Hill PDA to undertake an independent review of economic impacts to inform its assessment. The Department considers that Hill PDA has provided a detailed review and critique of the assessment prepared by Urbis on behalf of the proponent. Hill PDA has also provided a justified analysis of the likely impacts of the proposal on the Parramatta CBD and surrounding centres, as well as, providing a justified consideration of Council and public submissions in relation to this issue. The Department therefore supports the findings of Hill PDA.

Draft Centres Policy

The Draft Centres Policy aims to create vibrant centres that cater for the needs of business and provide the community with places to live work and shop. The policy is based on 6 key planning principles including; locating new development in centres and near transport and other infrastructure, allowing centres to grow and new centres to form, regulating location and scale of development to accommodate market demand, supplying adequate floor space to meet market demand, promoting competition, and ensuring high quality urban design.

The Department considers that the proposal is consistent with the key principles within the Draft Centres Policy given that:

- the proposal is located in an existing retail centre with excellent access to transport;
- the proposal involves the growth of an existing centre;
- the proposal would provide an increased variety of retail opportunities and increased competition; and
- the proposal has been assessed on its merits and location and scale is considered appropriate.

Draft Competition SEPP

The Draft Competition SEPP outlines that commercial viability of a proposal and the impact of a proposal on the commercial viability of another commercial development are not relevant planning considerations. However, consideration must be given to the overall impact on facilities available to the community.

Although it is not the role of the planning system to regulate competition, it is considered that the proposal is unlikely to have an unreasonable impact on other retail elements in the Parramatta CBD. A 2% loss in trade (2016) is considered to be minor and the Department notes that this will be recoverable in future years with population and expenditure growth.

Furthermore, it is considered that any negative impacts arising from the proposal in this regard are outweighed by the proposal's benefits in terms of increased and improved retail facilities and overall trading performance for the CBD as a whole. In addition, the Department is satisfied that the proposal will assist in strengthening Parramatta's role as Sydney's second CBD as outlined in the draft Metropolitan Strategy.

On the basis of the overall net positive benefits to the Parramatta CBD (in terms of a significant net increase to retail trade and choice within the centre, and associated improvements to employment opportunities), and the findings of Hill PDA that the proposed development would not threaten the