

Preferred Project Report & Response to Submissions

17-21 Parramatta Road, Auburn

Proposed 'Costco' Wholesale and Retail Warehouse &
Costco Regional Headquarters

Submitted to
Department of Planning
On Behalf of Costco Wholesale Australia

February 2010 ■ 09012

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A	Architectural Drawings <i>Mulvanney G2 and Group GSA</i>
B	Engineering Report and Site Works Plans <i>Hughes Trueman Pty Ltd</i>
C	Capital Investment Values Assessment and Registered Quantity Surveyor’s Detailed Cost Report <i>Northcroft (Australia) Pty Ltd</i>
D	Landscape Plans <i>McGregor Coxall</i>
E	Additional Analysis of Net Community Benefits <i>Essential Economics Pty Ltd</i>
F	Transport Assessment <i>Halcrow MWT</i>
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1.0 Introduction

An Environmental Assessment Report (EAR) for the construction of a Costco Wholesale and Retail Warehouse and Costco Regional Headquarters was publicly exhibited between 21 October 2009 and 20 November 2009.

The Department of Planning provided Costco with copies of the submissions that were received in response to the public exhibition of the application. In a letter dated 27 November 2009, the Department of Planning requested that Costco address a number of key issues arising from the submissions and the Department's assessment.

The proponent, Costco Wholesale Australia and its specialist consultant team have reviewed and considered the Department of Planning's comments and considered all the submissions. In accordance with clause 75H(6) of the *Environmental Planning and Assessment Act 1979*, this Preferred Project Report (PPR) sets out Costco's response to the issues raised and outlines a number of revisions to the Concept Plan Application and concurrent Project Application for which development approval is sought.

This PPR is structured as follows:

Section 1: Introduction

Section 2: Description of the revisions to the Concept Plan and Project Application

Section 3: Response to issues raised by the Department of Planning

Section 4: Response to key issues raised in the public submissions

Section 5: Revised Statement of Commitments

The appendices to this report include updated Architectural Drawings and Engineering Plans and a number of technical documents to provide further justification or assessment for the project.

2.0 Revisions to the Concept Plan and Project Application

In response to the public submissions, design development and further consultation with the Roads and Traffic Authority (RTA), a number of modifications have been made to the Concept Plan and Project Application as described below. Amended plans illustrating the amended development and proposed road layout are included at **Appendix A** and **B** respectively.

Overview of Project

The Concept Plan and Project Application seek approval for:

- demolition of the existing distribution warehouse;
- construction of a new Costco Wholesale and Retail Warehouse building totalling 16,447m² GFA, including:
 - 13,727m² GFA retail floorspace;
 - 1,999m² GFA commercial office floorspace for the new Costco Australian Regional Headquarters.
- loading dock and car parking for 745 spaces;
- construction of landscaping and associated physical infrastructure (both on and off site) including roadworks, stormwater measures and utilities.

Capital Investment Value

The estimated capital investment value¹ is \$ 57,897,000 as detailed in the Capital Investment Values Assessment prepared by Northcroft (Australia) Pty Ltd (**Appendix C**).

Numeric Overview

Table 1 – Numeric overview of the proposed development (as amended)

Component	Proposal
Site area	25,220m ²
Total GFA	16,447m ²
Retail GFA	13,727m ²
Commercial Office GFA	1,999m ²
Maximum Height	18.5m (from proposed ground level to top of building)
Site coverage of development	22,351m ²
Soft landscape area	3,395m ² (13.5%)
Car Parking spaces	745

¹ Capital Investment Value has been calculated in accordance with Clause 3(2)(a) of SEPP (Major Development) 2005 which states “the capital investment value of development includes all costs necessary to establish and operate the development, including the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment (but excluding GST, as defined by *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth, and land costs)”.

Setbacks

Table 2 – Proposed building setbacks (as amended)

Boundary	Ground Level setback (minimum)
Southern – Parramatta Road	5.6m (stairs – 3.6m)
Northern – M4 Motorway	18.93m
Western – Haslam's Creek	16.31m
Eastern – allotment boundary of Lot 1 in DP 522225	9.57m

Internal Layout

Table 3 – Summary of the proposed uses by level (as amended)

Level	Use	Gross Floor Area
Basement Level 1	<ul style="list-style-type: none"> Car parking 	<ul style="list-style-type: none"> Nil
Ground Level/Sub Basement	<ul style="list-style-type: none"> Car parking Tyre Centre Bicycle enclosure Regional Office reception, lobby and mailroom 	<ul style="list-style-type: none"> Nil 484 m² 110m² 127m²
Level 1	<ul style="list-style-type: none"> Costco Wholesale and Retail Premises - including <ul style="list-style-type: none"> Food Court Optometrist & Photo Processing Centre 	<ul style="list-style-type: none"> 13,727m² - 605m² - 167m²
Level 2 (mezzanine)	<ul style="list-style-type: none"> Costco Commercial Premises 	<ul style="list-style-type: none"> 1,999m²

Vehicle Access

Following consultation and advice from the RTA, changes have been made to the proposed vehicular access arrangements. The final access arrangements are:

- the primary access is to be via a new signalised intersection located to the west of the site and incorporating the existing priority intersection of Parramatta Road and Nyrang Street;
- a secondary left-in (with associated deceleration lane) is proposed midway along the site;
- a tertiary (exit-only) access to the east of the site is also proposed in line with the existing driveway access;
- a right-turn lane of 110m in length is to be provided on the Parramatta Road east approach to the primary Costco access. In order to provide this, the right-turn lane on the Parramatta Road west approach to the John Street intersection is to be reduced to 80m in length;
- increase in the length of the right-turn lane on the Parramatta Road west approach to the primary Costco access intersection to 80m;
- parking restrictions along the western side of Nyrang Street adjacent to the existing brewery for a distance of 140m to provide two lanes on the approach to the Parramatta Road intersection; and

- implement parking restrictions along the western side of John Street adjacent to the Lidcombe Power Centre for a distance of 140m to provide two lanes on the approach to the Parramatta Road intersection.

Car Parking

A total of 745 car parking spaces including 15 accessible spaces will be provided on the site. The spaces are to be located in the following locations:

- 344 spaces within the basement parking level of the building;
- 317 spaces on the ground floor of the building; and
- 84 external spaces to the rear of the building.

Bicycle Parking

Two separate bicycle parking areas are to be provided for public and staff use. Twelve stands (24 bicycle spaces) are to be provided within the entrance courtyard for public use and an additional twelve stands (24 bicycle spaces) will be provided in an enclosure adjacent to the staff showers on the ground floor of the building.

Landscape Design

As a result of the changes to the proposed development, the landscape plan has been revised to include additional areas of planting. The revised design however maintains the key aspects as highlighted in the EAR. **Appendix D** contains the revised landscape plans.

Stormwater Drainage

A revised Engineering Report and Stormwater and Engineering Plans, prepared by Hughes Trueman are included at **Appendix B**.

The plans and report illustrate minor changes to the stormwater management system resulting from design development and comments from Sydney Water and the revised access arrangements as agreed with the RTA.

3.0 Issues Raised by the Department of Planning

The following section provides a response to the issues raised by the Department of Planning in its letter dated 27 November 2009. For ease of interpretation, the same headings have been used as are found within the Department of Planning's letter.

3.1 Strategic Context

Issue

"Further analysis of the Metropolitan Strategy/Draft West Central Subregional Strategy is to be provided, having particular regard to the key actions of the Strategies."

Response

The NSW Metropolitan Strategy seeks to provide a broad framework to secure Sydney's place in the global economy by promoting and managing growth. One of the mechanisms put in place to do this is the identification of 'corridors' which are to be the focus for diverse and liveable communities and provide locations for important local employment and services.

The site falls within the Parramatta Road corridor (between Parramatta and Sydney CBD), which has been identified as an enterprise and renewal corridor where Council's are encouraged to make the best use of this land to capitalise on opportunities for growth and economic development.

Tables 4 and 5 demonstrate the compliance of the proposed development with the key actions within the 'Economy and Employment' and 'Centres and Corridors' Chapters of the Metropolitan Strategy and the Draft West Central Subregional Strategy (DWCSRS). Whilst many of the actions are directed to government policy making, this analysis shows that the proposed development is not inconsistent with the key actions of the Metropolitan Strategy and the DWCSRS.

Table 4 – Relevant Actions within the Metropolitan Strategy

Action	Response	Compliance
A1.1	<p><i>Provide a framework for accommodating jobs across Sydney</i></p> <p>NSW Government initiative to allocate subregional and LGA employment capacity targets to be accommodated within principal LEPs.</p> <p>The proposed development does not impact on the ability for the Auburn LGA to accommodate its employment capacity target.</p>	N/A
A1.2	<p><i>Plan for sufficient zoned land and infrastructure to achieve employment capacity targets in employment lands</i></p> <p>Auburn LGA employment capacity target is 12,000 additional jobs – all to be accommodated within the Sydney Olympic Park specialised centre. Therefore the remainder of the LGA needs to maintain existing employment numbers.</p> <p>The site is currently vacant, while the Costco redevelopment will provide approximately 260 equivalent full time jobs. The site will, therefore contribute to sustaining the existing number of jobs in Auburn LGA.</p> <p>The Auburn Employment Lands Study (AELS) has found that there will be a 20% reduction in demand for industrial floorspace and a 15% decline in the number of industrial jobs in Auburn LGA by 2031 (p9).</p>	Y

Action		Response	Compliance
		The proposed development represents a reconfiguration of employment-generating land in the LGA that will positively contribute to the achievement of the employment capacity targets for Auburn and the West Central Subregion.	
A1.3	<i>Engage with industry regarding employment lands stocks</i>	NSW Government to work with industry to inform decisions regarding employment lands.	N/A
A1.4	<i>Contain the rezoning of employment lands to residential zonings across Sydney</i>	The proposed development does not involve rezoning or redeveloping the site for residential purposes. Furthermore, as noted above, the Auburn ELS, shows that there is an excess of employment land for the amount of demand within the LGA.	Y
A1.5	<i>Protect and enhance employment lands of State significance</i>	Employment lands of State significance are identified around Sydney Airport and Port Botany, M7 Motorway Corridor and M5 Motorway Corridor. The site is not within an area identified as employment lands of State significance.	N/A
A1.6	<i>Improve planning and delivery of employment lands</i>	NSW Government to provide infrastructure to, and development control framework to plan for, employment lands.	N/A
A1.7	<i>Monitor demand and supply of employment lands</i>	NSW Government established the Employment Lands Development Program to monitor supply and update of employment lands in Sydney. The proposed development responds to an identified difference between supply and demand for industrial land in Auburn LGA (refer to AELS, p9).	N/A
A1.8	<i>Establish a framework for the development of business parks</i>	NSW Government to develop guidelines for business park development and determine locations suitable for future business parks. The site is not located within an existing or proposed business park.	N/A
A1.9	<i>Facilitate the use of old industrial areas</i>	The site is currently a vacant storage warehouse and distribution depot. The majority of the surrounding development, along Parramatta Road, is used for large scale bulky goods retailing. The proposed development will achieve this key action by reconfiguring surplus industrial land in Auburn LGA (refer to AELS, p9) to an alternative employment-generating use. In addition, the proposed development will contribute to the redevelopment of the Parramatta Road corridor for large floorplate retailing in an area which has a predominant use of bulky goods retailing. This is consistent with the objectives of the B6 Enterprise Corridor zone under the Draft Auburn LEP 2009 and Draft Auburn LEP 2000 Amendment No. 22.	Y
A2.1	<i>Establish a framework to support innovation across Sydney</i>	NSW Government to support innovation in industries. This action is not related to specific developments across Sydney.	N/A
A2.2	<i>Strengthen industry clusters</i>	The DWCSRS identifies two industry clusters within the West Central Subregion, Westmead and Bankstown Airport. Although the proposed use falls within the definition of a 'shop', the large floor plate and nature of the development is in keeping with the existing cluster of bulky goods retailing along Parramatta Road.	Y

Action		Response	Compliance
A2.3	<i>Support magnet infrastructure</i>	The site is not located within a location suitable to integrate into the magnet infrastructure identified within the DWCSRS – Westmead Precinct, Bankstown Airport, Olympic Park, Western Sydney Employment Hub, and Western Sydney Regional Park Transport Interchange at Parramatta.	N/A
A2.4	<i>Utilise local assets to encourage learning and innovation</i>	NSW Government and local councils to review usage and development of their community assets.	N/A
A2.5	<i>Promote learning city initiatives in selected centres</i>	The site is not located within a location suitable to integrate into the existing or potential learning centres identified within the DWCSRS - Westmead, Olympic Park and Bankstown Airport.	N/A
A3.1	<i>Embed skills development in major redevelopment projects</i>	NSW Government to prepare local skills development guidelines to facilitate local skills development opportunities in new developments, examples within DWCSRS focus on new residential development.	N/A
A3.2	<i>Increase integration of employment and housing markets</i>	Residential development is not an existing or proposed permissible use on the site. The proposed development will maintain employment opportunities in a location accessible by neighbouring low density residential areas. Furthermore, the AELS identified the retail industry as the second most significant employer of residents of Auburn LGA. Accordingly, the proposed development achieves this key action by increasing retail employment opportunities in close proximity to an area where a high proportion of people work in retail.	Y
A3.3	<i>Encourage emerging businesses</i>	NSW Government and local councils to support small businesses.	N/A
B1.1	<i>Establish a typology of centres</i>	DWCSRS established a centres typology.	N/A
B1.2	<i>Establish employment capacity targets for strategic centres</i>	An employment capacity target is identified for Olympic Park, within the Auburn LGA, as 12,000 additional jobs. The site is not within the Olympic Park specialised centre.	N/A
B2.1	<i>Plan for housing in centres consistent with their employment role</i>	The site is not located in a centre indicated in the DWCSRS and does not involve residential development.	N/A
B3.1	<i>Establish a stronger centre initiative</i>	The Department exhibited the draft Centres Policy in April-May 2009. The draft Centres Policy set out factors for consideration in approving 'out of centre' proposals. The proposed development meets the principles of the draft Centres Policy as: <ul style="list-style-type: none"> ■ it is consistent with the role of an enterprise corridor, and the draft Centres Policy recognises that there are exceptions which may allow particular kinds of retail in enterprise corridors; ■ the proposal contributes to a competitive retail market while having a negligible impact on existing centres; and ■ the proposal satisfies the Net Community Benefit Test contained in the draft Centres Policy (refer to Appendix E). 	Y
B3.2	<i>Strengthen centres management</i>	The site is not located in a centre indicated in the DWCSRS and the proposed development will have no impact on the ability to manage and improve existing centres.	N/A

Action		Response	Compliance
B3.3	<i>Use government assets and investment to support centres</i>	The site is not located in a centre indicated in the DWCSRS and the proposed development will have no impact on the ability to manage government assets and the expansion of specialised centres.	N/A
B3.4	<i>Ensure sufficient commercial office sites in strategic centres</i>	The site is not located within a strategic centre. The proposed development will not impact on the ability to provide sufficient commercial office sites in strategic centres.	N/A
B4.1	<i>Concentrate retail activity in centres, business development zones and enterprise corridors</i>	The proposed development involves retail development in an area that is, for all practical purposes, already serving the function of an enterprise corridor and is proposed to be zoned B6 Enterprise Corridor under the Draft Auburn LEP 2009.	Y
B4.2	<i>Support centres with transport infrastructure and services</i>	The proposed retail development supports the role of the Parramatta to City corridor. The proposed development does not impact on the ability for transport infrastructure and services to be improved along Parramatta Road.	N/A
B5.1	<i>Establish a stronger corridors planning and development initiative</i>	NSW Government is currently preparing guidelines with specific controls for enterprise corridors.	N/A
B5.2	<i>Strengthen the economic role of the orbital motorway network</i>	The site is not located within the vicinity of the M7 Motorway.	N/A
B6.1	<i>Implement the Parramatta to City Corridor Plan</i>	The Parramatta Road Taskforce has not produced structure plans for any of the sectors along Parramatta Road. The proposed development is consistent with the surrounding land uses and built form (i.e. large scale retail development), and the proposed controls within the Draft Auburn LEP 2009 and Draft Auburn LEP 2000 Amendment 22, which indicates the future desired outcome for this sector of Parramatta Road.	Y
B6.2	<i>Identify future renewal corridors</i>	Parramatta Road is not identified as a future renewal corridor within the DWCSRS.	N/A
B7.1	<i>Create a zone recognising the role of enterprise corridors</i>	NSW Government has adopted the B6 Enterprise Corridor zone within the Standard LEP. The Draft Auburn LEP 2009 proposes to zone the site B6 Enterprise Corridor.	N/A
B7.2	<i>Provide guidance on development in enterprise corridors</i>	The DWCSRS identifies Parramatta Road as a potential enterprise corridor, and the Draft Auburn LEP 2009 proposes to zone the site B6 Enterprise Corridor. The DWCSRS suggests a range of retail formats as suitable uses along enterprise corridors. No formal guidance has been released regarding development along enterprise corridors	Y

Table 5 – Relevant Actions within the Draft West Central Subregional Strategy

Draft SRS Key Actions		Response	Compliance
WC A1.1.2	<i>The Department of Planning to provide councils with employment capacity targets for each local government area and the projected floor space requirements for the subregion by combined job sectors.</i>	The Department of Planning allocated an employment capacity target of 12,000 additional jobs within the Auburn LGA by 2031. All of the additional jobs are to be located within the Sydney Olympic Park lands.	N/A
WC A1.5.1	<i>The Department of Planning to investigate measures to protect and enhance strategic Employment Lands.</i>	The site is not located within an area identified by the Department of Planning as 'strategic Employment Lands'.	N/A
WC A1.9.2	<i>Department of Planning to work with councils in identifying and implementing measures to manage interface issues between industrial and residential land uses.</i>	The site is not adjacent to residential land uses.	N/A
WC B4.1.1	<i>Local councils to support centres by concentrating retail activity within Centres, Business Development Zones and Enterprise Corridors.</i>	The site is within a proposed Enterprise Corridor under the provisions of the Draft Auburn LEP 2009 and already contains a number of bulky goods retailers along Parramatta Road	Y
WC B4.1.4	<i>Local councils to investigate appropriate locations for retail uses in centres, business development zones (supporting identified Strategic Centres) and Enterprise Corridors.</i>	The site has been identified by Council as suitable for bulky goods retailing, and therefore proposed to be zoned B6 Enterprise Corridor under the Draft Auburn LEP 2009. Although the proposed use is not defined as bulky goods retailing, the large floor plate and car parking requirements and nature of the development are common characteristics of typical bulky goods retailing. Furthermore, the office and wholesale supplies operation of Costco is permissible under the Draft Auburn LEP 2009.	Y
WC B4.1.6	<i>Department of Planning and local councils to investigate appropriate locations for bulky goods, including potential new business development zones.</i>	The site has been identified by Council as suitable for bulky goods retailing, and therefore proposed to be zoned B6 Enterprise Corridor under the Draft Auburn LEP 2009. Although the proposed use is not defined as bulky goods retailing, the large floor plate and car parking requirements of the proposal are common characteristics of typical bulky goods retailing.	Y
WC B5.1.1	<i>The Department of Planning to develop and publish guidelines on Enterprise Corridors to assist local councils in implementing the Enterprise Corridors in their Standard Instrument LEPs.</i>	The Department has not released such guidelines. However, Auburn Council has determined the site an appropriate location for the B6 Enterprise Corridor which is consistent with the Metro Strategy which identified Parramatta Road as an Enterprise Corridor.	Y

Draft SRS Key Actions		Response	Compliance
WC B7.2.1	<i>Department of Planning and councils to consider application of Enterprise Corridor zoning for sections of arterial roads within the subregion.</i>	The Draft Auburn LEP 2009 was on exhibition between November 2009 and January 2010 and proposed to rezone the site (and the surrounding sites along Parramatta Road) as B6 Enterprise Corridor.	Y
WC B7.2.3	<i>Department of Planning and councils to explore employment capacity along identified Enterprise Corridors and work with owners to reposition or assemble sites that will enhance their viability for mixed use development.</i>	The proposed development will continue to contribute to employment generation along Parramatta Road, with 160 full time equivalent (EFT) jobs plus 70 positions in the head office when the store opens, increasing to 260 EFT jobs in store and 125 EFT office positions by 2021. The site is currently vacant, and therefore the development will directly contribute an additional 385 equivalent full time jobs along the Parramatta Road Enterprise Corridor by 2021. With the approval of this development, the site would not require mixed use development to ensure viability.	Y

3.2 Cost Benefit Analysis

Issue

“The PPR is to provide a cost benefit analysis of the proposal in terms of the type of jobs generated the local or regional economy effects and any infrastructure and likely travel cost implications”.

Response

Essential Economics have prepared an Additional Analysis of Net Community Benefits, in line with the scope of works submitted to the Department of Planning on 11 December 2009, which is included at **Appendix E**. This report includes a sequential site selection analysis, an assessment of benefits and costs and a summary of net community benefits. Overall, the analysis demonstrates that the Costco development is likely to generate a net benefit for the community. This includes both a net quantifiable benefit of between \$13.3m and \$46.3m in 2021 and a range of unquantifiable benefits. The analysis also demonstrates that the proposed development will generate more benefit for the community than the alternative development scenario's tested.

3.3 Riparian Zone/ Landscaping

Issue

“The NSW Office of Water does not support car parking within the riparian zone. Further consideration should be given to maximise landscaping within the riparian zone and across the site.”

Response

As shown on the revised Architectural Plans at **Appendix A**, the proposed car parking alongside the western boundary of the site adjacent to Haslam's Creek has been removed. In place of the parking, landscaping is provided as shown on the revised Landscaping Plans (**Appendix D**) within the 10m setback from the mean high watermark of the creek, as required under the Auburn LEP 2000 and Auburn Industrial Areas DCP. Furthermore, the soft landscaped area on the site has been increased from 2,896m² (11.4%) to 3,349m², which now equates to approximately 13.3% of the site area.

3.4 Tyre Service Centre

Issue

"Concern is raised regarding the location of the proposed tyre service centre and its potential traffic impacts on the main entry/exit to the site."

Response

The Architectural drawings (**Appendix A**) and the Traffic Assessment (**Appendix F**) confirm that the access road has been modified and is now sited to be further away from the building, with the kerbed footpath area to the north of the tyre centre increasing in width accordingly. In addition, the manoeuvring area outside the tyre centre has also increased to a minimum width of 8.5m between the access road and the northern most tyre bay. Halcrow MWT confirms that this is sufficient for safe manoeuvring clear of the access road.

3.5 Roads and Traffic Authority

Issue

"All architectural plans are to be amended to illustrate compliance with the resolution of the Sydney Regional Development Advisory Committee correspondence is to be provided."

Detailed consideration of the comments received within the Sydney Regional Development Advisory Committee correspondence is to be provided."

Response

A full set of revised Architectural and Engineering plans are included at **Appendix A** and **B** respectively. These illustrate the proposed amended site ingress and egress arrangements, as required by the Sydney Regional Development Advisory Committee. Detailed consideration of the comments received from the Sydney Regional Development Advisory Committee is set out at Section 4.5 below and in **Appendix F**.

3.6 Draft Auburn Local Environmental Plan

Issue

"Draft Auburn Local Environmental Plan 2009 is on exhibition between 4 November 2009 and 8 January 2010. An assessment is to be provided within the PPR/ response to submissions against the draft LEP."

Response

Auburn Council resolved to prepare a new principal LEP at its Ordinary Meeting on 15 August 2007. The Draft Auburn LEP was placed on exhibition between 4 November 2009 to 8 January 2010 and submissions are currently being considered by Council

Having regard to:

- the identification of the Parramatta Road Corridor within the Metropolitan Strategy;
- the AELS recommendations that the precinct should be rezoned and additional uses be permitted; and

- the fact that there are a number of existing bulky goods developments within the precinct, it is appropriate that the Draft Auburn LEP proposes to rezone the site and its immediate precinct to a 'B6 – Enterprise Corridor' zone in recognition of the changed and changing nature of this precinct.

An assessment of the provisions and controls against the proposed Costco development is included at **Table 6** below.

Table 6 – Summary of Key Planning Controls

Clause	Draft Development Standard	Compliance
Permitted Uses – Zone B6 Enterprise Corridor	Permitted uses include (but not limited to): Business premises, Bulky Goods Premises, Community Facilities, Food and Drink Premises, Hotel or Motel Accommodation; Industrial Retail Outlets, Kiosks, Landscape and Garden Supplies, Light Industries; Markets; Neighbourhood Shops; Office Premises, Passenger Transport Facilities; Roads; Timber and Building Supplies; Wholesale supplies, Warehouse or Distribution Centres	The proposed development would fall under the definition of 'retail premises' under the Draft LEP and retail premises are not a permissible use within the proposed B6 Enterprise Corridor zone. The development includes the Costco Regional Headquarters Offices, and also a wholesale supplies operation for trade customers, which would both be permissible under the Draft LEP.
B6 – Enterprise zone objectives	<ul style="list-style-type: none"> ▪ To promote businesses along main roads and to encourage a mix of compatible uses. ▪ To provide a range of employment uses (including business, office, retail and light industrial uses). ▪ To maintain the economic strength of centres by limiting retailing activity. ▪ To improve the public domain. 	<p>The proposed development is not inconsistent with the objectives of the zone in that:</p> <ul style="list-style-type: none"> ▪ The Costco Wholesale and Retail Warehouse will be compatible with the existing uses along Parramatta Road and utilises a currently vacant site. ▪ The development will provide a range of employment uses (both retail and office). ▪ The Costco development will not significantly impact on the economic strength of the nearby town centres (this is discussed in Section 6.5 of the EAR). ▪ As shown on the Landscape Plans at Appendix D of this report, the public domain along Parramatta Road will be improved.
Height of Buildings (clause 4.3 & Building Height Plan)	The height of a building on any land is not to exceed the maximum height shown on the Building Height Plan. In addition, the maximum building height of office premises and hotel/ motel accommodation on the site is 27m. Other uses on the site do not have height restrictions.	The maximum height of the proposed building is approximately 18.5 metres above ground level. It therefore complies with the maximum height controls.

Clause	Draft Development Standard	Compliance
FSR (clause 4.4 & FSR Plan)	Maximum FSR of 1-1.09:1. However the specific uses have the following maximum FSR provisions: <ul style="list-style-type: none"> ▪ 1.5:1 – for bulky goods premises, entertainment facilities, function centres and registered clubs; and ▪ 3:1 for office premises and hotel/ motel accommodation. 	The FSR of the development will be approximately 0.69:1.
Acid Sulphate Soils (clause 6.1(2) & ASS Map)	The site is classified as having Class 2 ASS. Development consent is required for works below the natural ground surface and works where the watertable is likely to be lowered.	An Acid Sulphate Soils assessment has been undertaken by URS and submitted with the EAR. As included within the Revised Statement of Commitments at Section 5 of this PPR, Costco commit to undertake further investigations prior to commencement of excavation works to quantify the volume of potential acid sulphate soils to be managed during construction, and to develop an Acid Sulphate Soils management plan prior to the commencement of excavation works.
Flood Risk (clause 6.2 & Flood Planning Map)	The site is identified as having a 'low flood risk'.	Flood risk was assessed at Section 6.12 of the EAR. As included within the Revised Statement of Commitments at Section 5 of this PPR, a Flood Management Plan will be prepared which will include procedures for a 1 in 100 year event and Peak Maximum Flood event. The same commitment was included in the original Statement of Commitments.

3.7 Draft Auburn DCP

Issue

"An amendment to the Auburn Industrial Areas Development Control Plan is proposed as part of Draft LEP 2000 (Amendment No 22). Details are to be provided within the PPR/response to the submissions providing an assessment against the draft DCP."

Response

Auburn Council resolved to prepared the Draft Auburn Development Control Plan 2009 (DADCP 2009) at its Ordinary Meeting on 3 October 2007. The DADCP 2009 was placed on exhibition between 4 November 2009 and 8 January 2010.

Table 7 below provides an assessment of the proposed development against the development controls within the Draft Auburn Development Control Plan 2009 – Industrial Areas. As demonstrated, the proposed Costco development complies with the key development controls of the Draft DCP.

Table 7 – Key development controls of the Draft Auburn Development Control Plan 2009 – Industrial Areas

Issue	Draft Development Standard	Compliance
Built Form	Buildings shall be designed to: <ul style="list-style-type: none"> ■ introduce variations in unit design within building groups ■ introduce solid surfaces, preferably masonry, incorporate horizontal and vertical modulation including windows in appropriate proportions and configurations ■ include an appropriate variety of materials and façade treatments so as to create visual interest on a high quality design outcome 	The proposed building is designed to ensure the form, scale and design maintains and enhances the streetscape and is in keeping with the surrounding buildings. Refer to Section 6.4 of the EAR.
Streetscape and urban character	Facades of proposed infill development located in established industrial areas shall reflect the style and architecture of adjoining buildings.	The proposed development is similar to the bulk and scale of the existing warehouse building on the site and is also consistent with the bulk and scale of neighbouring buildings along Parramatta Road.
	Architectural features shall be included in the design of new buildings to provide for more visually interesting industrial areas.	The proposed development presents a contemporary modulated building that provides an interesting and articulated main frontage along the western facade to acknowledge its importance as the main site entry to the store and Regional Offices.
Front setbacks	New buildings within industrial areas shall have a minimum front setback of 4.5 from other roads.	The building is generally 5.6m from the site's boundary along Parramatta Road, however the fire stairwells are located 3.6m from the site's southern boundary.
Side and rear setbacks	Buildings may be built on a nil side or rear setback except where a setback is required to screen buildings from (inter alia) the M4 Motorway where a 4.5m set is required.	As explained in the EAR the proposed development provides a 1.85m landscaped setback from land adjoining the M4 Motorway, however as there is a significant stand of Ficus and Melaleuca trees situated between the northern site boundary and the M4 Motorway (approximately 20m wide) the provision of a 1.85m landscaped setback is considered acceptable.
Landscaping	All unbuilt-upon areas of a site are to be landscaped to soften the impact of buildings and car parking areas.	As shown on the Landscape Plans at Appendix D , all unbuilt-upon areas of the site are to be landscaped.

Issue	Draft Development Standard	Compliance
Landscaping	Storage areas and other potentially unsightly areas shall be effectively screened from adjacent properties.	Any storage or potential unsightly areas will be screened from adjacent properties.
	Landscaping within setback areas shall be of a similar scale to buildings. All landscaped areas shall be separated from vehicular areas by means of a kerb or other effective physical barriers.	All landscaped areas will be separated from the vehicular areas and will include elements which will become a similar height to the buildings.
	Car parking areas, particularly large areas shall be landscaped so as to break up large expanses of paving. Landscaping shall be required around the perimeter and within large car parks.	Landscaping is included around the perimeter of the site and interspersed within the outdoor parking areas.
	In open parking areas, 1 shade tree per 10 spaces shall be planted within the parking area.	As shown on the Landscape Plans at Appendix D , a sufficient number of trees will be planted within the open car park area to provide shade for customers.
	A minimum of 15% of the site shall be provided and maintained as soft landscaping with lawns, trees, shrubs, for aesthetic purposes and the enjoyment of workers of the site.	The proposed development provides 3,395m ² (13.5% of site area) of soft landscaping, which is 1,775m ² more than the amount of landscaping currently existing on the site.
	Fencing shall be integrated as part of the landscaping theme so as to minimise visual impacts and to provide associated site security.	Fencing will be integrated as part of the landscaping works to provide appropriate site security.
	Allow sufficient line of sight for pedestrians, cyclists and vehicles	Landscaping will allow a sufficient line of sight for pedestrians, cyclists and vehicles.
Energy efficiency and water conservation	Where possible buildings shall be oriented towards the north so that they make best use of solar access to lower heating and cooling costs.	The building has been orientated towards the south western corner of the site as this is the main approach to the site from Parramatta Road. With the exception of the offices and main entrances of the building, the building does not generally include glazing on it's elevations, however the building will be installed with a solar hot water system on the roof and mechanical systems that require the minimum energy input for heating cooling and ventilation.

Issue	Draft Development Standard	Compliance
Energy efficiency and water conservation	Building elevation treatments of development shall control solar access into the building by the use of appropriate shading devices and methods.	The building will maximise the use of natural day light through skylights in the roof and also use glare control devices such as blinds or louvers for the office space. The elevations of the buildings are generally not glazed, with the exception of the offices and main entrance and therefore will not enable solar access into the building.
	The amount of exposed glazing to the eastern and western facades of buildings shall be minimised.	The use of glazing is limited to the main entry and office space, as shown on the Architectural Drawings at Appendix A .
	Building design shall minimise reliance on existing energy supplies through the use of renewable energy sources including incorporation of photovoltaic cells, wind turbines, battery storage, and solar hot water wherever possible.	The proposed building incorporates a number of initiatives to reduce energy and water consumption as explained at Section 6.8 of the EAR.
	Lighter reflective colours shall be used on external walls of the building to reduce heat gain in summer especially for buildings facades facing east, west and north.	The building uses light coloured roofing and cladding materials.
	High thermal mass materials shall be used wherever possible.	Fabric and services insulation and glazing that achieves at least 20% better than BCA Section J DTS requirements will be used.
	Roofs and walls shall be well insulated in office components of buildings to reduce winter heat loss and summer heat gain.	
	Low energy lighting shall be used.	Energy efficient appliances, fittings and fixtures will be incorporated in the building as explained in Section 6.8 of the EAR.
	Energy efficient appliances, fittings and fixtures shall be used.	
Ventilation	The practicability of all external lighting and common areas (e.g. undercover parking) being lit utilising renewable energy resources generated on site must investigate the viability of utilising renewable energy resources for all lighting on site.	The proposed building incorporates a number of initiatives to reduce energy consumption as explained at Section 6.8 of the EAR.
	Where applicable, cross ventilation shall be maximised by use of high-level ventilators. Where practical or appropriate sky lights and or wind powered ventilators shall be installed.	As shown on the Architectural Plans at Appendix A , skylights are to be installed within the roof of the building. Furthermore the building will include mechanical systems for ventilation that require a minimum energy input.
Water conservation	New buildings shall provide for the use of water efficient fixtures to reduce the demand for (mains) water and wastewater discharge.	The proposed building incorporates a number of initiatives to reduce water consumption. Refer to Section 6.8 of the EAR.

3.8 Additional Information Required

The Department of Planning also sought clarification over a number of other issues. **Table 3** below specifies the additional information requested by the Department of Planning and Costco's response.

Table 8 – Costco's response to the additional information required by Council

No.	Information Requested	Response
1.	Auburn Car Parking and Loading Development Control Plan states that for car tyre retail outlets 3 spaces per 100 m ² of GFA or 3 spaces per work bay, whichever is greater. This component was not included within the calculations, further clarification is to be provided.	The revised car parking calculations, including the tyre centre component are set out within the revised Traffic Assessment at Appendix F .
2.	The Level 1 plans do not illustrate the proposed bicycle parking area as mentioned within the EA.	The revised architectural plans at Appendix A , illustrate 12 bicycles stands for public use and a separate bicycle parking enclosure (adjacent to the staff showers) comprising an additional 12 stands for staff use on the Ground Floor Plan (Parking 1).
3.	The Ground Floor plans do not illustrate the retention of the advertising pole within the north eastern corner of the site adjoining the Hertz Rental Premises. Confirmation is required in relation to the status of the advertising pole.	The advertising pole within the north eastern corner of the site is to be removed as part of the demolition works. No replacement advertising poles are proposed within this application.
4.	The recommendation of the Geotechnical Report refers to further studies to be undertaken prior to work commencing. It is recommended that these matters be considered at this stage of the proposal to enable full assessment of the impacts of the proposal.	Within their statement at Appendix G , URS confirm that based upon the investigative work undertaken to date, it is not necessary to undertake further physical investigation prior to the determination of the application as the general geological, geotechnical and groundwater conditions are considered to be sufficiently well established to enable appropriate geotechnical design and construction implications to be made for the project.
5.	Additional information is to be provided in the report/conclusions that the site once remediated will be suitable for the intended use.	URS have provided a statement (Appendix H) which clarifies that the preliminary laboratory results indicate that the concentrations of chemicals of potential concern in soils are below adopted investigation levels and therefore it did not indicate a requirement to undertake remediation of soils for an ongoing commercial/ industrial use.

No.	Information Requested	Response
5.		Costco will also engage a DECCW NSW Accredited Auditor to review the environmental site investigations and in consultation with the Auditor, will decide if a Remediation Action Plan is warranted. URS consider however, that the site could be redeveloped utilising management plans and controls normally employed for construction in similar areas. The revised Statement of Commitments includes Costco's commitment to prepare and implement management plans as recommended by URS in their original report and supplementary statement.
6.	A revised CIV to confirm that the calculation is in accordance with clause 3(2)(a) of the SEPP (Major Development) 2005.	Northcroft (Australia) Pty Ltd have prepared a revised CIV assessment in accordance with clause 3(2)(a) of SEPP (Major Development) 2005 – this is included at Appendix C .
7.	Calculation of the section 94 contributions having regard to the submitted development cost report.	As set out in the EAR, Costco will provide a development contribution levy of 1% of the proposed construction cost of the development ² . This equates to \$600,490.
8.	Details to be submitted on the progress of discussion between the adjoining owners along the western bank to develop a shared cycle way/pedestrian path to connect the existing shared cycle/pedestrian path.	Costco has not committed to developing a shared cycle way/ pedestrian path along the western bank of Haslam's Creek and no discussions with the owners have taken place. In the event that the owners of the western bank of Haslam's Creek decide to pursue the shared cycleway, as set out in the Statement of Commitments Costco commits to co-operating with the owners at this time.

² The proposed construction cost of the development has recalculated given the proposed changes to the development by Northcroft (Australia) Pty Ltd in accordance with the definition contained within the Auburn Development Contributions Plan 2007, Part F – Employment Generating Development. It now equates to \$60,049,000 as set out within the Detailed Cost Report set out within **Appendix B** of this report.

4.0 Key Issues Raised in Public Submissions

4.1 Westfield

Westfield Limited and their planning consultants Ingham Planning submitted two separate submissions. These submissions contained similar issues, therefore the key issues from both submissions are addressed below.

Issue

"The proposed land use is for a 'shop' or 'retail premises' and not bulky goods retailing. It is therefore a prohibited use under the current planning legislation and associated policies."

Response

The proposed Costco retail development falls within the definition of a 'shop' under Auburn LEP 2000 and is therefore prohibited within the 4(c) Industrial Enterprise zone. We note however that as demonstrated at Section 2.10 of the EAR the site is surrounded by existing clusters of bulky goods retailing and under the Draft Auburn LEP 2009, the proposed B6 Enterprise Corridor zone permits the office and wholesale retail components of Costco's operation.

Notwithstanding this, the Minister by the provisions of Part 3A of the EP&A Act is able to determine a development that would otherwise be prohibited.

The Costco business model, as explained in the EAR is that of a 'retail warehouse' which is not recognised as an individual form of development under the Standard Instrument definitions. Whilst Costco cannot be properly characterised as 'Bulky Goods Retailing' the Costco wholesale and retail warehouse shares many structural and operational characteristics with bulky goods retailing but equally can not be considered to solely be a traditional retail centre development.

Table 9 below is a replication of a publication entitled 'Retail Format Comparison' prepared by the Bulky Goods Retailers Association. We have reproduced it below and have added a further comparison with Costco's business model.

Table 9 – Retail format comparison

	Bulky Goods Showroom	Core Retailing	Costco
Location	<ul style="list-style-type: none"> Close proximity to activity centres generally on edge or outside of activity centres due to permissibility of bulky goods showrooms in lower priority land zonings Generally located on major arterial roads due to exposure to passing traffic, accessibility for customers by car and public transport 	<ul style="list-style-type: none"> Centrally within principal activity centres due to restrictions on retail uses outside of highest priority land zonings 	<ul style="list-style-type: none"> Located on edge or outside of town/ city retail centres. Located with major arterial road access, due to exposure, passing traffic and accessibility for customers.

	Bulky Goods Showroom	Core Retailing	Costco
Merchandise	<ul style="list-style-type: none"> Generally large items in terms of size, shape and weight 	<ul style="list-style-type: none"> Generally small items in terms of size, shape and weight 	<ul style="list-style-type: none"> Mix of large and small items Small items are generally sold in bulk
Products	<ul style="list-style-type: none"> Generally 'homemaker' products including furniture, electrical, furnishings, bedding, building materials, household fixtures and fittings 	<ul style="list-style-type: none"> Generally 'everyday needs' products principally including food and clothing, general retail products and services 	<ul style="list-style-type: none"> 'Homemaker' products such furniture, appliances, televisions and media products, hardware and tools, automotive supplies, bedding and office equipment Staple 'everyday needs' goods such as food and drink (generally bulk packaged) and health and beauty aids Additional product lines such as camera's jewellery, books, sports goods.
Display Requirements	<ul style="list-style-type: none"> Large floor plates required for the storage, handling and display of bulky items Typical tenancy area of 1,000 - 3,500 m² for major tenants and 300 – 500 m² for minor tenants Typical ceiling height of 4.5 – 6.0 m for storage and display of products in industrial racking 	<ul style="list-style-type: none"> Small floor plates for majority of tenants Typical tenancy area of 80 – 120m² for the majority of tenants Typical tenancy area of 3,500 – 5,000m² for major anchor tenants within shopping centres (include super markets and department stores) Typical ceiling height of 3.0 – 3.6m for display of products in standard shop fittings 	<ul style="list-style-type: none"> Large floor plate required Typical retail GFA of between 13,500m² and 14,900m² in a 1 storey freestanding warehouse building Typical ceiling height of 7m in main sales floor Display of products in tall steel racking and on pallets
Customer Visitation	<ul style="list-style-type: none"> Infrequent/ destination trip Considered capital investment Low volume of average customers per day Generally short period of stay for sole purpose of acquiring goods 	<ul style="list-style-type: none"> Frequent/ impulse trip Everyday needs High volume of average customers per day on average 3 – 4 times the population density of bulky goods showrooms Generally longer period of stay associated with lifestyle shopping, leisure, dining and entertainment facilities provided within shopping centres 	<ul style="list-style-type: none"> Business members will shop frequently Individual members will generally shop once or twice per month for grocery items Infrequent/ destination trips for larger 'homeware' items As a membership retailer, impulse buying is less typical

	Bulky Goods Showroom	Core Retailing	Costco
Trading Patterns	<ul style="list-style-type: none"> Generally higher ticket value per average sale than core retailing Low average turnover per m² of floor area 	<ul style="list-style-type: none"> Generally lower ticket value per average sale than bulky goods showroom High average turnover per m² of floor area 	<ul style="list-style-type: none"> Higher ticket value per average sale
Built Form	<ul style="list-style-type: none"> Large floor plates Non-active frontages due to large floor plates and course-grain subdivision pattern Primarily outdoor environment for public circulation 	<ul style="list-style-type: none"> Small floor plates Active frontages due to small floor plates and fine grain subdivision pattern Primarily indoor environment for public circulation with the exception of traditional 'street' or 'strip' based retailing 	<ul style="list-style-type: none"> Large floor plates Non-active frontages
Loading & Goods Handling Requirements	<ul style="list-style-type: none"> Deliveries to majority of tenants by semi-trailers and large trucks Direct access to rear of tenancy for unloading of bulky goods and storage within tenancy Direct access for collection of bulky goods after purchase by customers for loading into their vehicles 	<ul style="list-style-type: none"> Deliveries to major tenants only by semi-trailers and large trucks Delivery to the majority of small tenants by small trucks and vans Direct access for loading to major tenants only. Majority of small tenants transfer goods via service corridors or public mall Primarily cash and carry 	<ul style="list-style-type: none"> Deliveries by semi-trailers and large trucks Direct access for unloading
Car Parking	<ul style="list-style-type: none"> 2.5 - 3.0 car spaces per 100 m² of floor area 	<ul style="list-style-type: none"> 5.0 – 8.0 car spaces per 100 m² of floor area 	5.4 car spaces per 100m ² retail GFA
Rent	<ul style="list-style-type: none"> Low- Medium rent per annum 	<ul style="list-style-type: none"> High rent per annum 	Low - Medium rent per annum
Outgoings	<ul style="list-style-type: none"> Low outgoings 	<ul style="list-style-type: none"> High outgoings 	Low outgoings

Source: Retail Format Comparison, Bulky Goods Retailers & Association www.bulkygoodsretailers.com.au (amended by JBA)

Furthermore, as demonstrated in the EAR and Essential Economics Economic Impact Assessment (at Appendix K of the EAR), the approval of the Costco development would have very little impact and would not cause decline to the viability and range of services in nearby retail centres. Whilst we acknowledge that the proposed use is prohibited, the Parramatta Road corridor is changing in nature to become more of a large format retail destination. This is discussed below.

Issue

"The proposal is for a major out-of-centre retail outlet and is contrary to the NSW Retail Centres Policy and Sydney Metropolitan Strategy"

Response

Refer to Section 3.1 of this PPR for a detailed description of how the proposal complies with the applicable key actions of the Sydney Metropolitan Strategy (West Central Subregion).

The Westfield submission places great weight on importance of Draft SEPP 66 in dictating a centres policy against which the Part 3A application should be assessed against.

The Integrated Land Use Transport (ILUT) policy package was released by the former Department of Urban Affairs and Planning (DUAP) in 2001 and includes the following elements:

- Integrating Land Use and Transport: An Overview (DUAP 2001) – an overview of the whole ILUT policy package.
- The Right Place for Business and Services (DUAP 2001) - planning policy on the management of travel demand by encouraging the location of appropriate trip-generating development in centres.
- Improving Transport Choice (DUAP 2001) - practice guidelines to implement the policy
- Draft SEPP 66 - draft statutory instrument.
- Employment and Journey to Work Patterns in the Greater Metropolitan Region (DUAP 2001) - a working paper with key statistics.

While it is noted that the Metropolitan Strategy advises that the ILUT package remains Government Policy, Planning Circular 08-013, issued in November 2008, directs that from 1 March 2009 the previously exhibited Draft SEPP 66 is no longer a consideration in relation to development applications in terms of s. 79C of the EP&A Act.

The Direction applies when a Council prepares a draft LEP that creates, alters or removes a zone or a provision relating to urban land, including land zoned for business and industrial purposes. Councils are required to consider the following ILUT policy documents in preparing such an LEP:

- The Right Place for Business and Services
- Improving Transport Choice

The ILUT package (apart from Draft SEPP 66) remains a policy consideration for councils when preparing draft LEPs.

The recently released Draft Centres Policy (April 2009) provides some indication of current thinking within the Department of Planning insofar as a centres policy is concerned. We make the following points to emphasise that the development of a Costco on the site does not endanger a general notion of a Centres Policy which seeks to support centres as the primary place for retail development:

- As is demonstrated at pages 29-31 of this PPR and within the EAR, it is neither practical nor feasible to locate a Costco within a nearby established centre.
- Due to the large catchment of a Costco store and the extensive range of items that are sold by Costco, the predicted loss of trade within identified centres is small and well within the range that is generally considered to be acceptable. Such a small impact upon these other centres (such as Auburn) is unlikely to threaten their viability or upset general hierarchy of centre as identified by documents such as the Metropolitan Strategy and Draft Regional Strategy.
- Costco is not a supermarket, DDS or core retailing and will not replace supermarkets or speciality stores. Costco is a membership retailer, where customers are required to be memberships to access the store and buy goods, which sets this form of retailing apart from other retail formats which are directed towards town centres under the Centres Policy.

The Westfield submission makes particular reference to the fact that the Costco development (if approved) will serve as precedence for “significantly sized traditional retail premises in out-of-centre locations”. It is sometimes contended that a proposed development which in itself is acceptable on its merits, should not be allowed because it is likely to lead to others of a similar character and the totality would prove unacceptable. This of course depends upon the existence of sufficient probability that there will be a number of undistinguishable developments of the same class. Applications must be considered on their own merits and it would appear to be unduly onerous to refuse an application, acceptable on its own merits, on the mere chance that there may be latter applications which if approved in totality may result in unacceptable planning outcomes. There are several key reasons as to why approval of the proposed Costco will not establish a precedent for the ongoing approvals of significantly sized traditional retail premises in out of centre locations:

- The proposed Costco store is unique in its characteristics in that it is a membership based wholesale and retail store. It is not a supermarket, it is not a multi tenanted shopping centre and it is not a department store or discount department store. The proposed Costco represents the development of a large format of retailing that is neither practical nor feasible to locate within a nearby existing centre.
- The site on Parramatta Road is not a “greenfield” or isolated industrial site. It forms part of an identified enterprise corridor that currently has one of the largest concentrations of bulky goods retailing in Australia. The site has been selected having regard to the existing predominance of bulky goods retailing in the area, some of common characteristics of a Costco store to Bulky Goods retailing and in recognition of the characteristics of the location.
- The proposal is being assessed under Part 3A of the EP&A Act. The making of a Concept Plan for the proposed Costco store has been authorised by the Minister for Planning. The Minister is permitted to approve the Costco development on the Auburn site, notwithstanding that the development would otherwise be prohibited. The Part 3A application does not seek a rezoning of the boarder area for retail premises.

Issue

“The proposed Draft Auburn LEP 2000 (Amendment No. 22) is flawed in the plan making process and should not be approved by the Department.”

Response

The application lodged by Costco seeks approval of the Costco proposal on the site under Part 3A of the EP&A Act and does not seek rezoning of the broader area for retail purposes through approval of Draft LEP22.

As required by the Director General’s Requirements, dated 14 July 2009, the EAR addressed the proposed development’s compliance with the Auburn LEP and Draft LEP 22.

Since the EA was publicly exhibited, Draft Auburn LEP 2009 has been publicly exhibited. Draft Auburn LEP 2009 seeks to rezone the site B6 Enterprise Corridor and is inconsistent with Draft LEP 22. Draft LEP 22 seeks to amend LEP 2000 to permit certain kinds of retail premises on the site within the surrounding precinct.

The Minister for Planning is able to determine the Part 3A application for the Costco proposal, notwithstanding the provisions or status of Draft LEP 22.

Issue

“The proposed use is inappropriate for Category 1 Industrial Land and is not justified by Auburn Council’s own Employment Lands Study.”

Response

The DWCSRS categorises all industrially zoned land within the West Central Subregion as:

- Category 1 – Land to be retained for industrial purposes;
- Category 2 – Land with potential to allow for a wider range of employment uses; or
- Category 3 – Land that could be investigated for alternative uses.

The site is categorised as Category 1 under the draft subregional strategy. Therefore, as the proposed development does not involve the retention of industrial uses on the site, it is acknowledged that it is, on its face, inconsistent with the DWCSRS.

However, the so called ‘Category 1’ lands in the draft sub regional strategies are land identified as being suitable for retention for industrial purposes. These draft sub regional strategies and other documents comprising the ‘regional strategic framework’ serve a very particular purpose. Namely they are to guide councils when undertaking their own local strategic planning – that is, the preparation of their Local Environmental Plan (LEP). The sub-regional strategy recommends, in this context, that Council retain the industrial zoned land identified in the ‘Category 1’ schedule. These documents are not statutory.

Since DWCSRS was released in December 2007, three separate strategic documents have been released by Auburn Council that recognise that the site and surrounding precinct is suitable for uses other than industrial purposes. These planning documents are:

- Auburn Employment Lands Study
- Draft Auburn LEP 22; and
- Draft Auburn LEP2009.

Auburn Employment Lands Study

Following the release of the West Central Draft Subregional Strategy, Auburn Council has undertaken and adopted (on 16 July 2008) the Auburn Employment Lands Study (AELS) to focus on Council’s industrial lands. The Parramatta Road Employment Precinct (Precinct 3) was found to have pockets of highway convenience restaurants and large bulky goods stores which were generally trading well, however it also had pockets of vacant sites and buildings representing redundant industries and opportunities for redevelopment.

The AELS acknowledges the Precinct’s existing zoning – 4 (c) Industrial Enterprise and classification as Category 1 industrial land, however it recommends that it be zoned ‘B5 Business Development’ and that additional uses ‘permitted with consent’ be introduced into this zone within the Draft Auburn LEP 2008. The additional uses recommended are bulky goods retailing.

The ELS concludes that based on forecast trends and demand, no additional land will be required to meet industrial demand in the future. In fact, its analysis shows that there will be a 20% reduction in demand for industrial land in Auburn LGA in the next two decades (from 1,355,900m² of industrial floorspace in 2006 to 1,081,000m² in 2031).

The AELS notes that in light of these forecasted changes, some employments site/precincts with the Auburn LGA (particularly those less suited to industrial uses) may benefit from a review of their zoning or a modification of their use to consider their appropriateness for alternative, higher yield employment generating uses.

Draft Auburn Local Environmental Plan No 22

On 18 November 2009 and following public exhibition, Auburn Council:

- adopted Draft Local Environmental Plan 2000 (Amendment No 22); and
- resolved to send the section 68(4) report on the draft LEP to the Department of Planning

Draft Amendment No 22 seeks to permit the development of 'retail premises' and 'office premises' within the precinct, subject to certain development standards.

Draft Auburn Local Environmental Plan 2009

Draft Auburn Local Environmental Plan 2009 was placed on public exhibition between 4 November 2009 and 8 January 2010. The draft comprehensive LEP proposes to rezone the site and its immediate precinct from its current industrial zoning to a 'B6 Enterprise Corridor' zone in recognition of the changed and changing nature of this precinct.

Figure1 below identifies the proposed new zoning for the site and the Parramatta Road corridor



Figure 1 – Proposed zoning Site and surrounding sites as B6 – Enterprise Corridor

The objectives of the B6 Enterprise Zone are:

- To promote businesses along main roads and to encourage a mix of compatible uses.
- To provide a range of employment uses (including business, office, retail and light industrial uses).
- To maintain the economic strength of centres by limiting retailing activity.
- To improve the public domain.

Conclusion

The combination of these strategic documents, demonstrate that the site and its surrounding precinct is no longer recognised in draft statutory or strategic documents as an industrial area. Furthermore, as demonstrated at Section 3.1 of this PPR, the development is consistent with the strategic planning for the site and precinct.

Overall, we consider that the proposed use is appropriate for the site as:

- The proposed zoning of the site (and the surrounding sites) within the Draft Auburn LEP 2009 is B6 Enterprise Corridor, which permits a range of employment uses, including business premises, office premises and bulky goods retailing. Therefore, once the Draft Auburn LEP 2009 is made, the categorisation of the land is no longer as relevant as it will no longer be considered as industrially zoned.
- The proposed controls within the Draft Auburn LEP 2000 (Amendment No. 22) (Draft LEP 22) permit a wider range of non-industrial employment uses, such as retail premises and office premises. Should the Draft LEP 22 be made, the land will no longer be considered core industrial land and therefore the categorisation is not relevant.
- Numerous surrounding sites, along the Parramatta Road corridor, already reflect the proposed zoning under the Draft Auburn LEP 2009 and the Draft Auburn LEP 2000 (Amendment No. 22) and are currently developed for bulky goods retailing. As we noted in the EAR Report, although the proposed development would be defined as a 'shop' under the definitions within the Standard Instrument, the large floor plate and car parking requirements make the Costco format very similar to bulky goods retail stores. The proposed development would therefore, be consistent with the surrounding development, in terms of scale and traffic impacts.
- The Parramatta Road strip at Auburn contains one of the largest concentrations of bulky goods retail floorspace in Australia. The strip commences at the intersection of Parramatta and Silverwater Roads and runs westward to Duck Creek at Auburn. In total this area contains some 105,000 m² of bulky goods floorspace. Major freestanding stores in the Auburn strip include those operated by Domayne, Bunnings, Nick Scali, Harvey Norman, Officeworks and Clive Peters. The Auburn Home Mega Mall located toward the western end of this strip contains 31,602 m² and includes tenants such as Retravisio, Oz Design, Fantastic Furniture, Freedom Furniture, The Good Guys and Brescia Furniture. Until recently the strip also contained a Myer Mega Mart, however, this store has now closed.
- The 'Parramatta Road Corridor' does not currently nor is likely to include in the future, core industrial land uses and the Costco proposal does not represent a departure from strategic planning for the site and precinct.

Issue

"The proposed major retail destination will create significant traffic congestion in this already chronically congested industrial corridor location."

Response

Halcrow MWT has prepared a revised and more detailed Transport Analysis to assess the traffic impacts of the development (including the amended access arrangements on to Parramatta Road). This is included at **Appendix F**.

Overall, the updated transport analysis confirms all intersections in the study network would operate satisfactorily except for those at Hill Road/ Bombay Street and Silverwater Road/ St. Hilliers Road, which require improvement irrespective of the Costco development.

Furthermore the likely traffic costs attributable to the proposed development have been quantified within the Additional Analysis of Net Community Benefits, prepared by Essential Economics (**Appendix E**). Whilst it has been calculated that there will be a small cost due to traffic congestion, this is greatly outweighed by the quantified significant community benefits.

Issue

“The Net Community Benefit assessment is completely deficient and provides no quantifiable assessment of the true cost or benefits of the Costco proposal.”

Response

Essential Economics have prepared an Additional Analysis of Net Community Benefits, which is included at **Appendix E**. This report includes a sequential site selection analysis, an assessment of benefits and costs and a summary of net community benefits. The analysis demonstrates that the Costco development is likely to generate a net quantifiable benefit of between \$17m and \$50 by 2021 for the community, as well as arrange of unquantifiable benefits. It also demonstrates that the proposed development is likely to generate a greater community benefit than the alternative development scenarios tested.

Issue

“The geographic location of the selected site is inappropriate for this ‘new and innovative form of retailing.’”

Response

In determining the optimum location for a Costco Wholesale Retail Premises and Regional Headquarters, Costco undertook a search of potential sites based upon their specific requirements. These requirements included:

- the size and configuration of the site;
- the ability to develop a preferred warehouse design;
- the exposure of the site to the regional catchment and the potential access arrangements that can be achieved; and
- planning constraints of the site.

Costco consider that the site is suitable for the proposed development in that:

- the site can satisfactorily accommodate the Costco Wholesale and Retail Premises, the Australian regional office, sufficient parking and traffic;
- the site has excellent strategic road access from Parramatta Road, the M4 Motorway, Silverwater Road and Homebush Bay Road;
- the site is situated away from sensitive receptors such as dwellings, hospitals and schools;
- the road network can accommodate the traffic that will be generated from the proposal;
- the site is located within an area with a large concentration of bulky goods warehouses and retail uses; and
- the site is conducive to large scale retail and business operations; and
- the site has very few planning constraints.

Furthermore, having regard to Costco's requirements (as listed above and in Essential Economics' Additional Analysis of Net Community Benefits (**Appendix E**), a sequential site analysis has been undertaken in line with the Draft Centres Policy (April 2009) to assess whether any alternative sequentially preferable sites, which could cater to the proposed trade area. In considering potential sites for out of centre proposals, the Draft Centres Policy requires:

- “- it must first be demonstrated that there are no suitably zoned sites within the existing centre. Where the zoning is flexible – such as a mixed use zone – there will be more options available to proponents. It is recognised that acquiring appropriately zoned sites within existing centres may not always be practical or feasible particularly if large format sites are required.*
- if there are no suitably zoned sites in the existing centre, it must then be demonstrated that there are no suitable sites in an edge of- centre location. Where available, edge of-centre sites will generally be supported particularly if good connections can be established with the existing centre.*
- out-of-centre stand-alone sites will generally not be supported unless it has been demonstrated that there are no suitable within-centre or edge of-centre sites and there is a demonstrated net community benefit.”*

The Sequential Site Assessment is set out in detail within Essential Economics' Additional Analysis of Net Community Benefits Report at **Appendix E**. As explained within the report, the availability and suitability for a Costco Wholesale Retail Warehouse within following centres were assessed within:

- Parramatta CBD;
- Auburn shopping centre;
- Lidcombe shopping centre;
- Rhodes; and
- Sydney Olympic Park Precinct at Homebush.

Category 2 and 3 employment sites of 2.5ha or more within the Local Government Areas of Auburn, Bankstown and Parramatta were also assessed given that their Category 2 and 3 status makes them more preferential than a Category 1 site.

Centre Locations

Table 10 below summarises the key findings of the assessment of each of the centres.

Table 10 – Key finding of the Sequential Site Analysis

Centre	Findings
Parramatta	<ul style="list-style-type: none"> ■ The B5 zone to the south of the commercial core along Church Street would generally be a good location for a Costco development, however none of the sites are currently available and the larger sites are occupied by car showrooms. In this location it would also be difficult to identify a site with the necessary depth to accommodate the Costco warehouse. ■ A number of development sites exist in the central core of the CBD, however these have already been planned for new developments. ■ The Cumberland newspaper site on the eastern edge of the CBD represents a potential location due to its sufficient size, the site however is not available and does not have good access to major roads.

Centre	Findings
Parramatta	<ul style="list-style-type: none"> Overall, it is considered that no suitably zoned sites within Parramatta CBD can be identified.
Auburn	<ul style="list-style-type: none"> Town Centres are identified as generally serving residential catchments rather than being significant employment destinations in themselves. Costco could not implement its business model in a town centre location in Auburn, particularly given its difficult access to the highway network. There are no sites of a suitable size within Auburn town centre (where retail is permissible) to accommodate a Costco store. A Costco store development, of the scale intended under this application would overwhelm the community role that the centre currently plays. Figure 2 demonstrates the scale of the development against Auburn town centre.
Lidcombe	<ul style="list-style-type: none"> Lidcombe serves a localised community catchment. Few sites are available for redevelopment within the town centre. There are no sites of a sufficient size to accommodate the Costco development. Should a site become available, this would cause a significant over-development for Lidcombe and Costco would not be able to serve its regional trade area within the town centre. Lidcombe has poor access to the regional highway network and a Costco in this location would be unlikely to attract the required trade from the identified regional catchment.
Rhodes	<ul style="list-style-type: none"> Rhodes is currently underpinned by the Rhodes Shopping Centre. Few additional sites are available that would be large enough to accommodate a Costco store. The Costco business model is not compatible with the stated vision for future development at Rhodes. A Costco store which was altered to be compatible with the intended vision for Rhodes would not be viable and would not be compatible with the Rhodes Masterplan 2009 in its current format.
Sydney Olympic Park	<ul style="list-style-type: none"> The Sydney Olympic Park Masterplan 2030, shows that only a limited amount of retail activity is envisaged for the precinct as a whole, comprising a mix of visitor-related retailing and leisure-orientated development, and some convenience and grocery retailing to serve the local resident and workforce market. The Costco proposal is not compatible with the Masterplan vision. A Costco store is not considered to be an appropriate development for Sydney Olympic Park.

Figures 2 to 5 demonstrates the impractical and unfeasible nature of locating a development such as Costco within nearby existing centres. We have overlayed the proposed Auburn Costco development on a scaled aerial photo of Auburn, Lidcombe, Rhodes and Newington.

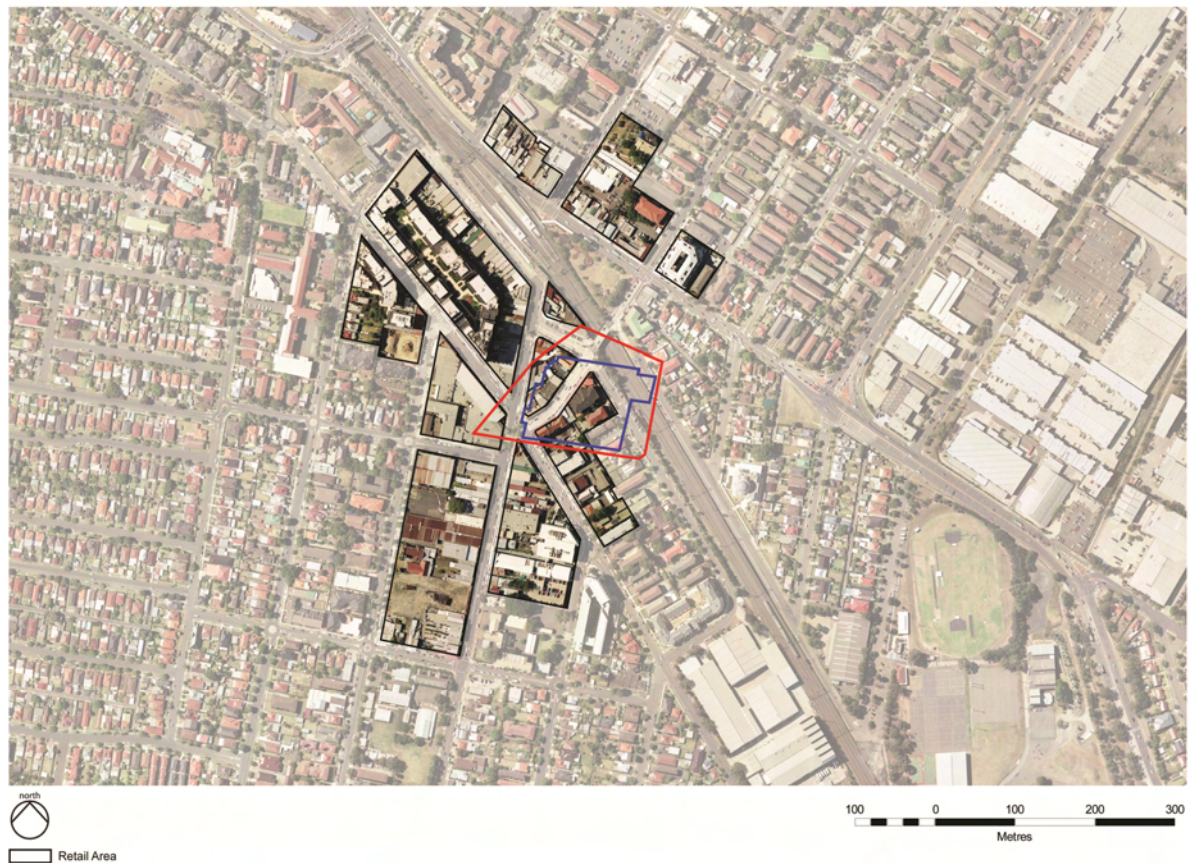


Figure 2 – Proposed Costco development overlaid on to Auburn town centre



Figure 3 – Proposed Costco development overlaid on to Lidcombe town centre



Figure 4 – Proposed Costco development overlaid on to Rhodes retail centre



Figure 5 – Proposed Costco development overlaid on to Newington retail centre

Out of Centre Locations

Category 2 and 3 employment lands could potentially be considered more appropriate for a change of use than Category 1 sites given that they are classified as 'lands with potential to allow for a wider range of employment uses' and 'lands that could be investigated for alternative uses'. In order to provide a robust sequential site assessment, we have undertaken an analysis of the standalone Category 2 and 3 lands over 2.5ha in area within the LGAs of Auburn, Bankstown and Parramatta.

The Category 2 and 3 sites assessed were:

- Marion Street, Auburn
- East Street, Lidcome
- 229 Roberts Road, Greenacre
- 105-111 Wattle Street, Punchbowl
- 457 Waterloo Road, Chullora
- 2 Morton Street, Parramatta
- Victoria Road/ Macarthur Street, Parramatta
- Oxford Street and Woodville Road, Guildford
- Parramatta Road, Granville

The detailed assessment is contained within the Additional Analysis of Net Community Benefit Report and shows that the Category 2 and 3 lands were generally unsuitable for the proposed development for one or more of the following reasons:

- the sites are currently used by existing businesses;
- limited access to major roads/ highways and do not have good exposure to regional catchment;
- require land consolidation;
- adjacent to sensitive uses such as residential uses; and
- the current zoning would not permit the proposed use.

Overall the sequential site assessment concludes that no sequentially preferable sites exist that meet Costco's business model requirements in the surrounding areas.

Issue

"The land is flood affected and is inappropriate for the style of retailing proposed."

Response

Hughes Trueman prepared an Engineering Report for the EAR which provided an assessment of the potential flooding of the proposed building and the site's internal access and servicing roads. Within the EAR it was confirmed that the proposed floor levels of the development are suitable and not expected to be impacted by a 1 in 100 year flood event. Furthermore, only a small proportion of the south western corner of the site and the section of Parramatta Road by Haslam's Creek Bridge is expected to be vulnerable to flooding in a 1 in 100 year flood event.

As shown on the Architectural Plans (**Appendix A**), the Basement Level and Ground Floor Car Park levels of the proposed building have been raised to RL 3.34m and RL 6.64m respectively. Hughes Trueman's updated Engineering Report (**Appendix B**) re-confirms that the proposed floor levels are well above the expected 1 in 100 year flood levels. Furthermore, whilst a small section of the access road within the south western part of the site, will still be vulnerable to flooding in the 1 in 100 year flood event, the design of the main vehicular egress from the site enables vehicles to exit in an easterly direction without being affected by a 1 in 100 year flood event.

Whilst we acknowledge that under a Peak Maximum Flood condition, water will cover the entire site and parking areas, including Parramatta Road and the M4 Motorway, it will not reach the main trading floor of the building.

As stated in the EAR, the Statement of Commitments include a commitment to prepare a Flood Management Plan to mitigate any potential impacts upon the building or site access, and outline procedures which will be put in place in the event of a 1 in 100 year event and Peak Maximum Flood Event. This commitment has been replicated in the Revised Statement of Commitments at Section 5 of this PPR.

Overall, given that the Draft Auburn LEP 2009 considers the site to be of low flood risk, and the building floor levels are well above recommended flood levels for a 1 in 100 year event, the fact that the site is potentially flood affected does not preclude the proposed development from proceeding and the above measures are considered suitable for flood management on the site.

Issue

"The proposed development does not attract any Section 94 contributions providing a competitive advantage over established centres land."

Response

As confirmed by Auburn Council in its correspondence of 27 November 2009 the existing Auburn Development Contributions Plan 2007 through Part F – Employment Generating Development applies to the proposed Costco development. The plan authorises the Council or the relevant planning authority to grant consent to development subject to a condition requiring the applicant to pay a levy of 1% of the proposed construction costs where the costs exceed \$200,000.

The proposed development has a construction cost of \$60,049,000 (for the purposes of S94 calculations) and a development contribution of approximately \$600,490 will be paid by Costco to Auburn Council. This was identified in the EAR at Section 3.2.5 and a commitment was made by Costco in the EAR as part of the Statement of Commitments. This commitment is replicated in the Revised Statement of Commitments at Section 5 of this PPR.

Auburn Council has advised that Draft Auburn Development Contribution Plan 2007 (Amendment No 1) is currently being prepared. The draft plan will retain the current 1% levy and will adopt a revised works program that will target traffic infrastructure works that are likely to be identified by the forthcoming Transport Action Management Plan that is prepared by Council as part of Draft Amendment No 22 to the Auburn LEP 2000.

4.2 Shopping Centre Council of Australia

The Shopping Centre Council of Australia (SCCA) included a number of similar issues to that raised by Westfield as discussed in Section 4.1 of this PPR. **Table 11** contains a summary of the key issues within SCCA's submission and also Costco's response.

Table 11 – Summary of the key issues within the Shopping Centre Council of Australia's submission

Submission	Response
The proposed location of Costco at the 15-21 Parramatta Road site is inconsistent with the draft Activity Centres Policy	
The draft policy states that 'big box' formats are classified as 'shops' and should be accommodated in Local Centres, Commercial Core or Mixed Use Zones;	As demonstrated above at Section 4.1 and in the Additional Analysis of Net Community benefits Report, prepared by Essential Economics (Appendix E), there are no suitably zoned sites in or on the edge of existing centres to accommodate the proposed development and it would be impractical and unfeasible to locate a Costco development nearby an existing centre.
The subject site is not recognised either as a strategic centre or a local centre at a planning policy level.	Whilst it is acknowledged that the site is not recognised as a strategic or a local centre, the site is identified within the Parramatta Road corridor, within the Metropolitan Strategy, where Council's are encouraged to make best use of this land to capitalise opportunities for growth and economic development. As demonstrated on pages 23-26 the Parramatta Road Corridor is changing in nature to provide for a greater number of employment, office and retail uses.
Whilst the draft Activity Centres policy notes that corridors, as well as centres, can offer opportunities for development, - the planning system should balance the need to increase the opportunities for retail development with the impact of traffic flows.	A cost benefit analysis (Appendix E) has been undertaken which demonstrates that the Costco development is likely to have a greater net community benefit than any alternate development scenarios. Whilst the likely traffic costs have been calculated to be approximately \$3.7m the quantifiable and qualitative benefits significantly out weight the cost.
The proposed development fails to demonstrate a clear need for big box retailing within the trade areas, rather it merely identifies a market opportunity.	As set out in the Additional Analysis of Net Community Benefits Report, prepared by Essential Economics (Appendix E) the retail expenditure in the trade area will generate a need for approximately an additional 770,000m ² of new retail development by 2021 and the Costco development only represents 1.8% of total identifiable demand over the period to from 2009-2021.

Submission	Response
Costco would be developed as a stand alone shop at Auburn serving a large car-based catchment with poor access to public transport in a major road corridor where key intersections are already at capacity.	As noted by Essential Economics, (Appendix E), by bringing this form of retailing to Australia, the level of competition in the retail market has substantially increased, providing lower prices to customers without directly impacting on the trading of individual centres or only minimal impacts on the road network.
The building design fails to achieve any of the place making or urban design techniques that would help to create a new and sustainable emerging activity centre. The proposed design offers no real opportunity for integration with an existing centre.	The building design provides an appropriate urban design outcome in that it provides a modern and contemporary retail warehouse building which is similar in bulk and scale to surrounding buildings and incorporates materials to ensure that the building will maintain a fresh appearance and landscaping to soften the appearance of the building. Furthermore improvements will also be made to the public domain in the form of the provision of a new footpath along Parramatta Road.
The extent and quality of the information contained within the Environmental Assessment (EA) is insufficient to enable a thorough assessment of the potential impacts of the proposed development.	
The draft Activity Centres policy recommends that a development of this size should have a detailed Cost Benefit Assessment (CBA) and the Net Community Benefit test provided in the EA is not comprehensive and should include a CBA to model a range of scenarios pertaining to the economic impact of Costco on surrounding activity centres.	A Cost Benefit Analysis is provided at Appendix E . This includes both an analysis of the proposed development and a range of alternatives.
The costs of potential traffic congestion and the environmental impacts of developing such a car dependent retail premises should also be factored into the CBA.	Noted. The Cost Benefit Analysis factors in the costs of potential congestion and environmental impacts within its analysis.
The proposed development would result in the loss of Category 1 Employment Lands.	This issue was raised by Westfield. Costco's response to this submission is within Section 4.1 above.
The Costco EA understates the significance of the loss of Category 1 Employment Lands.	
The EA should provide further justification to support the loss Category 1 employment lands.	

Submission	Response
The EA offers no solution to addressing traffic congestion on Silverwater Road junction, despite drawing car based custom from a broad catchment.	The issue of traffic congestion on Silverwater Road is addresses in the Traffic Assessments within the EAR and as included at Appendix F.
The precedent posed by allowing such a development to occur in an out-of-centre location raises the potential to significantly undermine long-standing retail policy and lead to a series of unintended consequences.	
If Costco is allowed to locate in out-of-centre Category 1 employment lands, there is no logical reason why other combined supermarket/ DDS formats could not similarly be allowed to do so – especially if marketed as an ‘emerging retail format’.	For the reasons set out in Section 4.1 of this PPR, it is considered that the use is appropriate on the land and that the Parramatta Road Corridor is changing in nature and includes more retail warehousing and bulky goods retailing. This change is specific to the Parramatta Road Corridor and would not ‘open the door’ for other supermarket/ DDS formats to be able to be located on other Category 1 sites.
The Costco ‘precedent’ opens the door for major ‘non-bulky goods’ retailing in out-of-centre locations with significant implications for the centres hierarchy in the Metropolitan and Sub Regional Strategies and the draft Activity Centres Policy.	It is not considered that the development of a Costco store on the site would open the door for major ‘non-bulky goods’ retailing in out-of-centre locations. The Costco Concept Plan and Project Application is justified in that it has been demonstrated that the impact on nearby centres would not be significant, there are no alternative suitably zoned sites within or on the edge of existing centres, and the development would provide significant benefits for the community.
The provision of public transport is critical to the success of any network of centres. If new centres are to be created in areas of population growth they will need to be provided with adequate public transport services. There is no evidence provided with the Auburn proposal to indicate that this precinct will be provided with adequate public transport services.	Bicycle parking facilities are provided for the public and staff and a Green Travel plan is to be development to encourage travel by non-car means. Uses such as Costco are likely to increase demand for better public transport provisions as identified within the Urban Transport Statement (November 2006) and Metropolitan Strategy.
The risk in permitting big box retailing in out of centre locations, combined with liberalisation of bulky goods retailing controls, could run counter to the NSW Government’s stated objective of encouraging ‘activity centres’ and would lead to the dispersal of key retail activities that should be located in such centres, which has major adverse implications for the centres hierarchy.	As demonstrated above, the site is suitable for a Costco development and no sequentially preferable sites can be identified within the surrounding area. Refer to the operation characteristics of Costco which are similar in many respects to bulky goods retailing. This is discussed in depth at Section 4.1.

Submission	Response
<p>There should not be a single 'Costco' retail planning policy. A competitive retail sector requires a 'level playing field' in terms of planning policy. A policy outcome resulting in favourable locational opportunities for a specific retailer would be anti-competitive.</p>	
<p>Changing the rules of the game to allow a new entrant into the market is not the same as ensuring a competitive retail market. There should be a level playing field in planning policy for new and current operators otherwise competition becomes distorted by planning policy that favours big box retailing in locations that would otherwise preclude retailing.</p>	<p>The analysis which has been undertaken by Costco in support of this application is no different than would be undertaken by any other identity proposing a similar form of retail development. It is a fact that the proposed retail development (being a membership retail and wholesale warehouse) is a novel form of retailing not otherwise developed on this scale within NSW.</p>

4.3 AMP

Issue

"Consideration of the broader role of the Costco site within the Parramatta Road enterprise corridor precinct, and the need to maintain consistent planning controls within the precinct"

Response

As noted above, whilst it is demonstrated that the proposed Costco development would be consistent with Draft LEP 22, the proposed development has assessed its potential environmental impacts and demonstrated in the EAR that it would not generate unacceptable or adverse environmental impacts. Furthermore the development is generally consistent with the proposed B6 Enterprise Corridor zone objectives in the Draft Auburn LEP 2009, the Metropolitan Strategy actions and the AELS findings and recommendations.

Issue

"The accessibility of the site and potential traffic impacts within the precinct resulting from the development."

Response

Halcrow MWT has prepared a revised and more detailed Transport Analysis to assess the traffic impacts of the development (including the amended access arrangements on to Parramatta Road). This is included at **Appendix F**. Overall, the updated transport analysis confirms that the intersections of Parramatta Road with Alban Street and Day Street would continue to operate at a good level of service during peak hours, the Parramatta Road/ Hill Road/ Bombay Road intersection would improve its level of service and operate satisfactorily within capacity, and the proposed Costco access/ Nyrang Street and John Street intersections would also operate satisfactorily.

As noted in the EAR, even with the proposed improvements the Parramatta Road-Silverwater Road intersection will continue to experience capacity issues under the predicted 2021 Design year flows. However overtime, Halcrow MWT note that the incentive to avoid tolls will diminish and traffic volumes will stabilise as a busy but workable level.

Issue

"A full cost-benefit analysis of the proposed development to consider amongst other things economic impacts and loss of Category 1 employment lands"

Response

Essential Economics has prepared a cost benefit analysis report inline with the scope of works and reverse brief submitted to the Department of Planning on 11 December 2009 and confirmed by the Department. The cost benefit analysis is included within their Additional Analysis of Net Community Benefit Report at **Appendix E**.

Furthermore, Section 4.2 above addresses the issue of losing of a Category 1 employment site and includes an assessment of the proposal against the Category 1 status of the site, which concludes that the Category 1 status is not appropriate for the site.

4.4 NSW Office of Water

Issue

"A Licence under Part V of the Water Act 1912 is required in relation to the development if it is likely to intercept or use groundwater."

Response

As noted below, the proposed development is not likely to not intercept or use groundwater. A licence will be sought, if the construction works are likely to intercept or use the groundwater.

Issue

"The NOW will not allow any proposal that requires permanent or semi-permanent pumping/ extraction of the groundwater to protect the buildings. Therefore the proposal must ensure it will not require this style of facility or activity."

Response

Hughes Trueman have confirmed within their Engineering Report (**Appendix D**), that the as a result of the rise in the car parking floor levels, (they are now higher than the groundwater levels indicated by the URS geotechnical investigation) the groundwater will not now be intercepted. The groundwater will also not be used for any purpose.

The proposed development will therefore not require permanent pumping/ extraction of groundwater. However as set out within URS's Geotechnical and Groundwater management Statement at **Appendix G**, there will need to be some dewatering during construction. Any dewatering will be undertaken in accordance with the principles set out within URS's statement.

Issue

"The construction of any structure that may be impacted by groundwater will require a water proof retention system with an adequate provision for future fluctuations of the water table."

Response

The car parking levels will not now be impacted by groundwater. Any fluctuations in the water table will be accommodated by utilising a tanked basement structure.

Issue

"The car parking spaces within the 10m riparian setback should be located outside the riparian zone as the riparian land should be for the protection and rehabilitation of riparian vegetation."

Response

As noted above, the car parking spaces within the 10m riparian setback have been removed.

4.5 Sydney Regional Development Advisory Committee

Halcrow MWT note in their revised Transport Assessment report (Appendix F), that prior and subsequent to the submission of the EAR extensive consultation has occurred with the Roads and Traffic Authority (RTA) in relation to the vehicle access arrangements for the site and traffic generation.

Within their submission, the Sydney Regional Development Advisory Committee (SRDAC) set out a number of issues in relation to the proposed access arrangements and traffic generation which have since been resolved by the revised access arrangements, as set out on the Architectural Plans and Site Work plans within Appendix A and D respectively and further detailed analysis (included within the updated Transport Assessment at **Appendix F**). The modifications proposed have been agreed with the RTA.

Response to SRDAC's other issues are set out below.

Issue

"RTA requests an 'Opening period Traffic and parking Management Plan' be prepared for the subject site to address any potential traffic issues that may arise when the Costco store opens for trade to the public".

Response

As set out in the Statement of Commitments at Section 5, Costco commit to preparing and submitting for approval a Traffic Management Plan in line with that requested by SRDAC, prior to the issue of the Construction Certificate.

Issue

"Consideration should be given to ensuring pedestrian safety. Pedestrian facilities should be considered on Parramatta Road. The development should investigate the possibility of entering into a joint venture with the owners of the bulky goods outlets on the opposite side of Parramatta Road to construct a pedestrian bridge over the road."

Response

A new footpath is to be provided along the frontage of the site, as at present there is no existing footpath. Furthermore, the proposed new site access intersection includes pedestrian crossings on Nyrang Street, the Costco access road and the East approach of Parramatta Road. It is considered that adequate pedestrian facilities are provided to ensure their safety.

The SRDAC submission also includes a number of requirements which are sought to be included as conditions of consent. Costco consider that they would be happy to accept the majority of these conditions, however they consider that it is unnecessary to require the construction of the intersection prior to the building works as set out in proposed condition 15 of the submission.

4.6 Auburn Council

Issue

"The Phase 1 and Preliminary Phase 2 Environmental Site Assessment, is considered to be inconclusive. Further testing of the site should occur and a Remedial Action Plan should be prepared which can conclude without limitations that the site is suitable for the intended use in accordance with SEPP 55 – Remediation of Land."

Response

URS have provided a statement (**Appendix H**) which clarifies that the preliminary laboratory results indicate that the concentrations of chemicals of potential concern in soils are below adopted investigation levels and therefore it did not indicate a requirement to undertake remediation of soils for an ongoing commercial/ industrial use. Costco will also engage a DECCW NSW Accredited Auditor to review the environmental site investigations and in consultation with the Auditor, will decide if a Remediation Action Plan is warranted. URS consider however, that the site could be redeveloped utilising management plans and controls normally employed for construction in similar areas. The revised Statement of Commitments includes Costco's commitment to prepare and implement management plans as recommended by URS in their original report and supplementary statement.

Issue

"The location of the parking spaces within the 10m setback is not supported by Council."

Response

The car parking spaces alongside Haslam's Creek have been removed, as illustrated on the Architectural Plans at **Appendix A**.

Issue

"Council requires the verge to Parramatta Road to have a width of 3600mm."

Response

As shown on the site works plans and confirmed within the Engineering Report (**Appendix D**), a 3.6m wide verge will be provided adjacent to the new slip lane, which will be dedicated as road reserve.

Issue

"The proposed changes to the intersection on the corner of Parramatta Road & Nyrang Street results in an encroachment on private property (92 Parramatta Road). If this is to occur, a legal agreement of the property owners stating their willingness to dedicate the land as public road at no cost to Council is required to be prepared to Council's satisfaction."

Response

A verge (minimum width of 3.6m) will be provided along the intersection frontage to 92 Parramatta Road and no extra land dedication will be required.

4.7 Sydney Water

Issue

"Pump out systems from covered and underground car park areas not open to direct rainfall as well as roof water overflows and runoff from the proposed loading dock area should preferably be directed to on of the site bio retention facilities prior to discharge into Haslam's Creek."

Response

As confirmed in Hughes Trueman's Engineering report (**Appendix D**) stormwater from the loading dock area and the covered basement car park (pumped from the lowest level) is to be collected and directed to the north-western corner of the site through a gross pollutant trap and oil and silt arrestor before discharging into Haslam's Creek.

Issue

"Some Water Sensitive Urban Design elements have been incorporated into the stormwater management system, however the applicant has not attempted to quantify the expected performance standard of the proposed stormwater management system. As a minimum, the 1997 NSW Environment Protection Authority guidelines should apply and the applicant should undertaken appropriate MUSIC modelling to verify the performance standard of the proposed system".

Response

Hughes Trueman has undertaken MUSIC modelling as required by Sydney Water. The results of the modelling are included within their Engineering Report at Appendix D. The results of the modelling confirmed that the water quality treatment measures meet targets set by Sydney Water for 'Total Suspended Solids', 'Total Phosphorus' and 'Total Nitrogen'. In addition, capture rates of 90%-95% of material finer than 100um will be achieved for 'Coarse Sediment' and 'Oils and Grease' and hydrocarbon removal rates greater than 89% will be achieved for inlet concentrations of > 10ppm.

5.0 Revised Statement of Commitments

Following the above comments, Costco has revised the commitments relating to the project as outlined in **Table 4**.

5.1 Development Contributions

Costco commit to providing a development contribution levy of 1 % of the proposed construction cost of the development, in accordance with requirements of Part F: Employment Generating Development, of the Auburn Development Contributions Plan 2007.

5.2 Landscaping

Subject to approval of Sydney Water, Costco will provide native planting within the thin strip of Sydney Water land adjoining the site immediately to west between the top of the culvert and the boundary of the site.

5.3 Traffic Management

Costco commit to the following:

- provision of a new signalised intersection at the junction of Nyrang Street, Parramatta Road and the new site entrance;
- providing a footpath along the northern side of Parramatta Road, between each of the site access points;
- providing bicycle parking spaces and showers/ changing facilities for staff within the building;
- preparation of a Green Travel Plan to encourage travel by non-car means;
- co-operation with the owners of the land along the western bank of Haslam's Creek to develop a shared cycle/ pedestrian path which will connect the existing shared cycle/ pedestrian path to Parramatta Road;
- preparation and submission for approval, of a Traffic Management Plan in line with that requested by SRDAC (within their submission dated 11 November 2009), prior to the issue of the Construction Certificate.

5.4 Ecologically Sustainable Development

Costco commit to implementing the ESD initiatives as set out within SBE's ESD Statement, dated 16 September 2009.

5.5 Contamination

Costco commit to the following:

- the development of an asbestos management plan prior to the redevelopment of the site;
- further investigations undertaken prior to commencement of excavation works, in areas to be excavated to quantify volume of potential acid sulphate soils to be managed during construction;
- development of an Acid Sulphate Soils management plan prior to the commencement of excavation works; and
- further investigations undertaken to confirm the preliminary findings of the soil sampling, once unrestricted access to the building is allowed.

5.6 Geotechnical Implications

Costco will adhere to the relevant recommendations of the Geotechnical Report, prepared by URS Australia Pty Ltd, dated 30 September 2009 and the draft conditions set out within their Geotechnical and Groundwater Management Statement, dated 20 December 2009.

5.7 Flood Management

Costco commit to the preparation and implementation of a Flood Management Plan which will include procedures to be put in place in the event of a 1 in 100 year event and Peak Maximum Flood event.

5.8 Waste Management

Costco commit to implementing the procedures and recommendations outlined within the Waste Management Plan, dated 26 June 2009 prepared by Wastech

5.9 BCA

BCA

Costco commit to providing a development which is compliant with the BCA 2009 and developing alternate solutions where practicable.

Accessibility

Costco commits to providing a development which has an equitable and accessible environment for all and complies with the Building Code of Australia (BCA), statutory obligations imposed by the *Disability Discrimination Act 1992* (DDA) and relevant Australian Standards.

Fire Safety

Costco commit to developing alternative solutions which comply with the relevant performance requirements of the BCA.

5.10 Construction Management

Costco commits to implementing the following plans during the construction phase:

- Complaints handling plan
- Sedimentation control plan
- Dust control plan
- Noise control plan
- Vibration control plan
- Concrete pump, truck and traffic control plan
- Contamination control plan
- Site amenities control plan
- Water management control plan
- Waste control plan