

# Attachment A1

**Woolworths Waterloo Planning Proposal  
Justification Report**

# Planning Proposal

Amendments to Sydney Local Environmental Plan 2012 and Sydney Development Control Plan 2012

923-935 Bourke Street, Waterloo  
On behalf of Fabcot Pty Ltd





**'Gura Bulga'**

Liz Belanjee Cameron

'Gura Bulga' – translates to Warm Green Country. Representing New South Wales.

By using the green and blue colours to represent NSW, this painting unites the contrasting landscapes. The use of green symbolises tranquillity and health. The colour cyan, a greenish-blue, sparks feelings of calmness and reminds us of the importance of nature, while various shades of blue hues denote emotions of new beginnings and growth. The use of emerald green in this image speaks of place as a fluid moving topography of rhythmical connection, echoed by densely layered patterning and symbolic shapes which project the hypnotic vibrations of the earth, waterways and skies.

Ethos Urban acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and culture.

We acknowledge the Gadigal people, of the Eora Nation, the Traditional Custodians of the land where this document was prepared, and all peoples and nations from lands affected.

We pay our respects to their Elders past, present and emerging.

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Matthew Thrum





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# Contents

## Part A – Defining the Need

Executive Summary.....	8
<b>1.0 Introduction.....</b>	<b>10</b>
1.1 Overview.....	10
1.2 Proponent and Vision.....	12
1.3 Project Team.....	13
1.4 Council Assessment and Scheme Refinements.....	14
<b>2.0 Background.....</b>	<b>16</b>
2.1 South Sydney Urban Renewal and Population Growth.....	16
2.2 Strategic Planning and Retail Relationship.....	20
2.3 Changing Dynamics in the Retail Ecosystem.....	22
2.4 Supermarket Capacity Assessment.....	25
2.5 Retail Needs and Forecasting.....	29
2.6 Trends and Opportunities.....	37
2.7 Other Benefits.....	39
2.8 Strategic Context.....	41
<b>3.0 The Site.....</b>	<b>49</b>
3.1 Site Location and Context.....	49
3.2 Site Description.....	50
3.3 Surrounding Development.....	50
3.4 Current Planning Controls.....	52

## Part B – Delivering a Response

<b>4.0 Objectives and intended outcomes.....</b>	<b>56</b>
4.1 Key objectives and outcomes.....	56
4.2 Indicative development concept.....	57
<b>5.0 Explanation of provisions.....</b>	<b>69</b>
5.1 Overview of Proposed Amendments.....	69
5.2 Objectives and Intended Outcomes.....	69
5.3 Explanation of Provisions.....	70
5.4 Proposed DCP Framework.....	72
5.5 Design Excellence.....	72
<b>6.0 Justification of strategic and site-specific merit.....</b>	<b>73</b>
<b>7.0 Community consultation.....</b>	<b>94</b>

7.1	Objectives .....	94
7.2	Purpose and Key Activities .....	94
7.3	Key Findings.....	95
7.4	Continued Future Engagement .....	96
<b>8.0</b>	<b>Public Benefits .....</b>	<b>97</b>
8.1	Affordable Housing.....	97
8.2	Electric Vehicle charging facilities.....	97
8.3	Sustainability targets and measures.....	98
8.4	Section 7.11 Contributions.....	98
8.5	Delivery Mechanisms .....	98
<b>9.0</b>	<b>Technical Assessment.....</b>	<b>99</b>
9.1	Urban Design and Built Form .....	99
9.2	Economics .....	102
9.3	Transport and Traffic.....	104
9.4	Social Strategy and Infrastructure.....	108
9.5	Residential Amenity.....	110
9.6	Flooding .....	111
9.7	Soil, Geotechnical and Environmental.....	112
9.8	Arboricultural.....	112
9.9	Services and Utilities.....	114
9.10	Ecologically Sustainable Development.....	115
9.11	Acoustics.....	116
9.12	Public Art.....	116
<b>10.0</b>	<b>Project timeline.....</b>	<b>117</b>
<b>11.0</b>	<b>Conclusion.....</b>	<b>118</b>

## Appendices

- A** Retail Demand and Economic Impact Assessment  
*Ethos Urban*
- B** Urban Design Study and Indicative Reference Scheme  
*Bates Smart*
- C** Traffic and Transport Study  
*JMT Consulting*
- D** Social Assessment and Strategy  
*Ethos Urban*
- E** Landscape Concept Plan  
*Turf Design*
- F** Indicative Public Benefit Offer  
*Fabcot Pty Ltd*
- G** Design Excellence Strategy  
*Ethos Urban*
- H** Flooding and Civil Assessment  
*Michael Frost and Associates & Capital Consulting Engineers*
- I** Geotechnical and Acid Sulfate Soils Assessment  
*Douglas Partners*
- J** Stakeholder Engagement Program  
*JOC Consulting*
- K** Detailed Survey Plan  
*LTS Lockley*
- L** Arboricultural Impact Assessment  
*Birds Tree Consultancy*
- M** Services and Utilities Report  
*NewmanMEP*
- N** Sustainability Report  
*Floth*
- O** Public Art Statement  
*Amanda Sharrad Consulting*
- P** Noise Impact Assessment  
*Acoustic Logic*
- Q** Draft Site-Specific Development Control Plan  
*Ethos Urban*

## Table of Figures

Figure 1	Early concept generation sketch of the indicative development .....	10
Figure 2	Green Square Urban Renewal Area and Regional Context .....	16
Figure 3	Population Change in City of Sydney, 2008 to 2018 .....	17
Figure 4	Count of Completed Residential Dwellings - City of Sydney (2013-2019) .....	18
Figure 5	Site context, including the Green Square Town Centre and surrounding villages .....	19
Figure 6	Comparison of Actual and Forecast Trade Area Population Growth against 2008 Study .....	21
Figure 7	Clause 7.23 Restricted Retail Development Map .....	22
Figure 8	Main Trade Area Map .....	26
Figure 9	Existing Supermarket Competition .....	27
Figure 10	Spending Leakage from Waterloo to other postcodes .....	32
Figure 11	Current and Expected Full-line Supermarkets .....	34
Figure 12	Total Spending on FLG and Trade Area Population, 2019 - 2036 .....	36
Figure 13	Best in Class Supermarket - Brickworks .....	39
Figure 14	Eastern City District – Structure Plan .....	46
Figure 15	Extract of LSPS determined supermarkets with walkability radius .....	47
Figure 16	Centres and activity streets .....	48
Figure 17	Regional context of the subject site .....	49
Figure 18	Aerial photograph of the site and surrounds .....	50
Figure 19	View to the south-east to developments on the corner of Archibald Ave and Bourke Street .....	51
Figure 20	Looking South along Bourke Street within the frontage of the site .....	51
Figure 21	View to the west along McEvoy Street within the frontage of the site .....	51
Figure 22	View to the west along McEvoy Street within the frontage of the site, Dank Street South to the left .....	51
Figure 23	Looking South along Young Street within the frontage of the site .....	51
Figure 24	Looking North along Young Street within the frontage of the site .....	51
Figure 25	Land Use Zoning Map extract from Sydney LEP 2012 .....	53
Figure 26	Maximum Building Height Map extract from Sydney LEP 2012 .....	53
Figure 27	Maximum Floor Space Ratio Map extract from Sydney LEP 2012 .....	54
Figure 28	Extract of the Green Square DCP Structure Plan .....	55
Figure 29	Initial visioning concept sketch .....	56
Figure 30	Extract of the illustrative activity zone intent of the redevelopment .....	57
Figure 31	Indicative residential building interfacing with Young Street .....	59
Figure 32	Active Ground Plane diagram .....	60
Figure 33	Photomontage of indicative public through-site link and neighbourhood centre plaza .....	61
Figure 34	Landscaping concepts for the reference scheme .....	62
Figure 35	Appropriately-scaled building massing to maximise residential amenity .....	63
Figure 36	Proposed vehicle access .....	64
Figure 37	Conceptual options analysis and refinement undertaken .....	66
Figure 38	Post-lodgement revisions in line with the Proponent’s tree retention strategy .....	66
Figure 39	Proposed development section with maximum height provisions indicated in blue .....	67
Figure 40	Proposed Young Street elevation with maximum height provisions indicated in blue .....	67
Figure 41	Proposed Bourke Street elevation with maximum height provisions indicated in blue .....	68
Figure 42	Proposed amendments to the Sydney LEP 2012 Height of Building mapping .....	71
Figure 43	Eastern City District Plan – structure plan extract .....	79
Figure 44	Proposed urban design key moves – setbacks, access and linkages .....	100
Figure 45	Proposed surrounding urban context .....	100
Figure 46	Proposed massing viewed from the Young Street and McEvoy Street intersection .....	101
Figure 47	Proposed massing viewed from the Bourke Street and McEvoy Street intersection .....	101
Figure 48	Proposed massing viewed from Archibald Avenue .....	102
Figure 49	Existing road network .....	104
Figure 50	Young Street Access Swept Paths .....	105
Figure 51	Extract of daylight access modelling of envelope heights on adjacent 840 Bourke St dwellings .....	111
Figure 52	Plan showing 1% AEP event and flow path over concept development .....	111
Figure 53	Plan view building envelope and existing tree overlay in Lidar .....	113
Figure 54	Axonometric building envelope and existing tree overlay in Lidar .....	113
Figure 55	Tree management plan for the reference scheme .....	114
Figure 56	Expected development timeline post rezoning .....	<b>Error! Bookmark not defined.</b>

## Table of Tables

Table 1	Different Supermarket Types.....	23
Table 2	Supermarket Spend Leakage from Surrounding Postcodes.....	32
Table 3	MTA Indicative Retail Floorspace Demand Growth, 2021 to 2036.....	33
Table 4	Current Sydney LEP 2012 provisions .....	52
Table 5	Current key Sydney DCP 2012 controls .....	54
Table 6	Numerical Summary .....	58
Table 7	Consistency with the Greater Sydney Region Plan directions and objectives.....	76
Table 8	Consistency with the Eastern City District Plan directions and objectives.....	79
Table 9	Consistency with City of Sydney Local Planning Statement .....	81
Table 10	Consistency with Sustainable Sydney 2030.....	83
Table 11	Consistency with City of Sydney Housing Strategy.....	85
Table 12	Consistency with the Objectives of GANSW's Better Placed.....	87
Table 13	Consistency with applicable SEPPs.....	87
Table 14	Assessment of Section 9.1 Directions.....	88
Table 15	Proposed Engagement Methods.....	95
Table 16	Indicative project timeline .....	117



# Executive Summary

This amended Planning Proposal requests amendments to the *Sydney Local Environmental Plan 2012* relating to 923-935 Bourke Street, Waterloo. Ethos Urban has prepared this Planning Proposal on behalf of Fabcot Pty Ltd (Woolworths Property Group).

The broad intent of the Planning Proposal is to achieve a mixed-use development outcome including a supermarket, supporting retail, commercial and residential land uses, which facilitates a suitable urban form to support local strategic planning intent for the establishment of a new 'neighbourhood centre' within the site. Accompanying amendments to the *Sydney Development Control Plan 2012* (Sydney DCP 2012) will be required to support this outcome.

This Planning Proposal seeks Council's support for a site-specific amendment to the LEP for the following:

- A site specific exemption for the site from the 1,000m<sup>2</sup> cap under clause 7.23 'large retail development outside of Green Square Town Centre and other planned centres', subject to the achievement of defined criteria of site and strategic attributes (by way of inserting a new clause in Division 5);
- A site-specific increase in the site's FSR of up to an additional 0.5:1, but only where that additional FSR is used for below ground retail development (reflecting the addition of the full-line supermarket floorspace). The exemption would bring the site's total maximum FSR to 2.7:1, inclusive of base FSR, community infrastructure and design excellence bonuses (by way of inserting a new clause in Division 5); and
- In relation to building height, provide new mapping to reflect an increase from 15m to between 22m and 27m within the site (between 5 to 7 storeys overall) to redistribute massing to achieve the indicative mixed-use development (under clause 4.3).

The indicative reference scheme totals some 17,575m<sup>2</sup> of Gross Floor Area (GFA), comprising a 3,200m<sup>2</sup> of supermarket GFA below ground, 1,670m<sup>2</sup> of retail GFA, 2,025m<sup>2</sup> of commercial GFA and 10,680m<sup>2</sup> of residential floorspace, including some 121 dwellings. Basement parking is accommodated for a total of 216 cars, together with ground level through-site links and podium and rooftop communal residential facilities. The Proponent intends to deliver, as part of this Planning Proposal, affordable housing contributions, electric vehicle charging facilities, site specific sustainability measures and local infrastructure by way of a Voluntary Planning Agreement (VPA) to be entered into with Council.

From a strategic context, the site sits within the Green Square and City South Village which has a potential dwelling capacity of 20,000 and will continue to provide the majority of the City of Sydney future residential growth. The village is to account for over 40% of new dwellings in the City going forward, and a provision that is almost triple the next largest village growth area. Based on actual population outcomes, the City's 2008 Retail Study substantially underestimated population growth in the precinct, in the order of 7,700 residents as of 2012. This under-estimate increased to 27,330 residents in 2018, and is on track to represent an under-estimate of 47,600 residents by 2021.

The Green Square Retail Needs Assessment undertaken by Ethos Urban in April 2020 indicated that the demand for additional retail floorspace in the broader Green Square trade area would be in the order of +168,400m<sup>2</sup> or 9,900 m<sup>2</sup> each year over the period to 2036, even excluding any under-provision. This would support a range of existing and future retail developments, indicating ample demand for retail facilities within the precinct in the future. This level of demand also underscores the importance of adequately planning for future growth and development.

This Planning Proposal responds to the above and is justified for the following reasons:

- The proposal is by and large consistent with the strategic planning framework and identifies and underpins the appropriate emergence of a new neighbourhood centre, anchored by the site's proposed full-line supermarket provision in supporting the immediate urban renewal catchment;
- The future built form and land uses will cater to the local daily needs of the community at a walkable distance to accommodate future demand. The proposed development will include a population serving full-line supermarket that will not undermine the importance of the Green Square Town Centre as a higher order strategic centre. The proposed development will respond to the needs of the growing population and reduce existing retail pressures that surrounding supermarkets are experiencing;
- The site is well positioned with access to well-connected cycling and pedestrian infrastructure, major roads, bus services, Green Square Train station (approximately 900m) and the future Waterloo Metro Station (approximately 1.1km) being delivered under Future Transport 2056 and South East Sydney Transport Strategy;

- The site is strategically positioned to accommodate expanded residential uses. Provision of a sufficient residential offering above the retail, community and public domain will create a level of activation which will support the success of the emerging neighbourhood centre. The indicative scheme provides a range of apartment sizes and typologies, including walk-up terrace apartments. The indicative public benefit offer includes a contribution to affordable housing (equivalent to 12 apartments) consistent with Council's policies.
- The future built form will exhibit design excellence and demonstrate high quality urban design to enhance the enjoyment of homes and public places through increased connectivity and generous planted terraces and rooftops. This will contribute enhancing people's health and wellbeing.
- The proposal is designed to accommodate a variety of sustainability features and deliver beyond its required targets for sustainability, energy efficiency and water and waste management. In addition, the proposal has been refined in conjunction with Council feedback to prioritise a high degree of mature canopy tree retention;
- The future built form will deliver a neighbourhood meeting place enriched by local activity and opportunities for social gathering. The site will also provide enhanced local connections through the publicly accessible through-site links and public plaza, intended to be vegetated and arranged to provide good access to sunlight;
- The proposal is consistent with the objects of the Environmental Planning and Assessment Act 1979, in that it promotes the orderly and economic use and development of land;
- The proposal is consistent with the applicable SEPPs and Ministerial Directions;
- Traffic modelling undertaken indicates that the proposal is not anticipated to result in unacceptable traffic impacts on the surrounding road network. The proposal would provide benefits to the broader road network by providing for a full line supermarket in a rapidly growing area currently underserved by retail – removing the need for residents of Waterloo and surrounding suburbs to have to drive to other nearby regional shopping centres to undertake their weekly shopping trips;
- The proposal will deliver significant economic benefits to the locality, including:
  - An estimated 764 FTE jobs (direct and indirect) are likely to be generated during the construction stage of the project.
  - Generate an estimated 273 FTE ongoing jobs on an ongoing basis once the development is complete and fully occupied. These additional ongoing jobs would stimulate additional economic activity, estimated at \$29.1 million in Value Added benefit each year.
  - The mixed use development could also accommodate approximately 240 new residents who would generate around \$4.0 million in retail expenditure each year, to the benefit of retailers in the local and regional community.

To this end, Woolworths' concept for the site is focused on a new-generation mixed-use exemplar development, to drive a positive outcome within South Sydney. The development will provide convenient shopping for customers while enhancing the liveability of the surrounding local communities.

Accordingly, considering the proposal and the overall strategic nature of the site and justification provided in addressing planning issues, the Planning Proposal is considered to have sufficient strategic merit to support a full line supermarket in an emerging neighbourhood centre context. This Planning Proposal also demonstrates that the proposed land uses and density sought can be appropriately accommodated on the site in an attractive urban form, maximises activity, improves social and economic outcomes and enhances vibrancy, whilst minimising amenity impacts of surrounding residential receivers. This supports the site-specific merit of the Planning Proposal.

For these reasons, we have no hesitation in recommending this Planning Proposal for Gateway Determination.

# Part A – Defining the Need

## 1.0 Introduction

### 1.1 Overview

This amended Planning Proposal justification report is submitted to the Council of the City of Sydney (Council) to request amendments to the *Sydney Local Environmental Plan 2012* (Sydney LEP 2012) relating to 923-935 Bourke Street, Waterloo (the site). Ethos Urban has prepared this Planning Proposal on behalf of Fabcot Pty Ltd (the Proponent).

The purpose of this Planning Proposal is to primarily introduce a site-specific exemption to the retail floor area cap outside of Green Square Town Centre and other planned centres. In conjunction, amendments are sought to the height of buildings and floor space ratio (FSR) development standards for the site under Sydney LEP 2012.

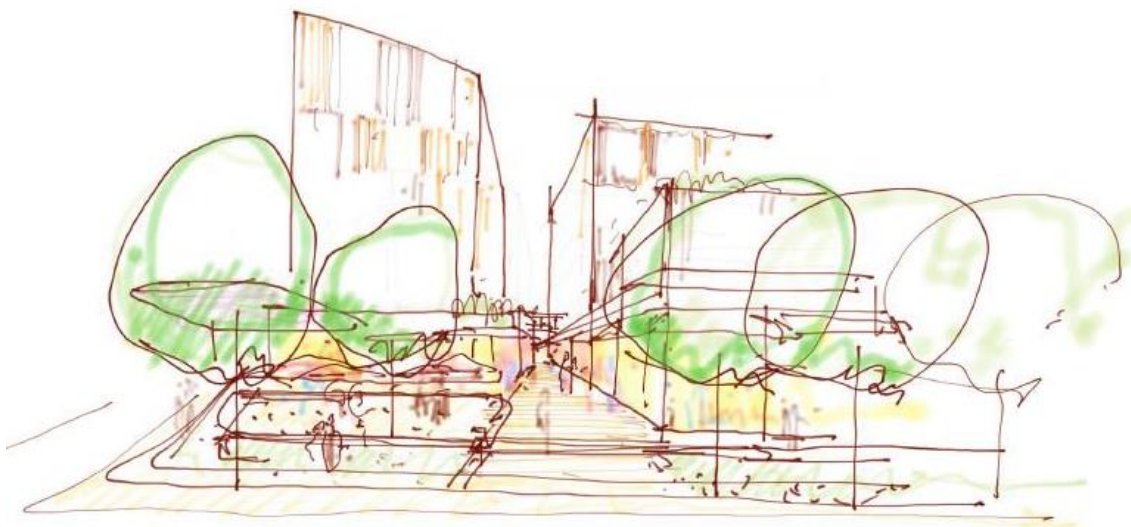
The broad intent of the Planning Proposal is to achieve a mixed-use development outcome including a supermarket, supporting retail, commercial and residential land uses, which facilitates a suitable urban form to support local strategic planning intent for the establishment of a new 'neighbourhood centre' within the site. Accompanying amendments to the *Sydney Development Control Plan 2012* (Sydney DCP 2012) will be required to support this outcome.

The Planning Proposal will facilitate the rejuvenation of the site with an indicative reference scheme accommodating a mixed-use development, including a 3,200m<sup>2</sup> full-line Woolworths supermarket (around 20,000 stock items and a 2,800m<sup>2</sup> main trading area) in a subterranean level, together with a speciality retail podium and servicing, commercial floorspace and residential apartments.

The indicative reference scheme totals some 17,575m<sup>2</sup> of Gross Floor Area (GFA), comprising 3,200m<sup>2</sup> of supermarket GFA below ground, 1,670m<sup>2</sup> of retail GFA, 2,025m<sup>2</sup> of commercial GFA and 10,680m<sup>2</sup> of residential floorspace, including some 121 dwellings. Basement parking is accommodated for a total of 216 cars, together with a ground level through-site links and podium and rooftop communal residential facilities.

The Proponent intends to deliver, as part of this Planning Proposal, affordable housing contributions, electric vehicle charging facilities, site specific sustainability measures and local infrastructure by way of a Voluntary Planning Agreement (VPA) to be entered into with Council.

An early concept generation sketch of the indicative built form character which could be delivered by the proposed controls is provided in **Figure 1**.



**Figure 1** Early concept generation sketch of the indicative development

Source: Bates Smart

To achieve the strategic vision and indicative redevelopment concept presented, this Planning Proposal seeks the following amendments to the Sydney LEP 2012:

- Insert a new clause in Division 5 that provides:
  - A site specific exemption for the site from the 1,000m<sup>2</sup> cap under clause 7.23 'large retail development outside of Green Square Town Centre and other planned centres', subject to the achievement of defined criteria of site and strategic attributes (refer **Section 8.2**);
  - A site-specific exemption from the maximum FSR provisions to allow for a further increase in the site's FSR of 0.5:1, but only where that additional FSR is used for the purposes of a below ground retail development (reflecting the addition of the full-line supermarket floorspace). The exemption would bring the site's total maximum FSR to 2.7:1 (inclusive of base FSR, community infrastructure and design excellence bonuses); and
- In relation to building height, provide new mapping to reflect an increase from 15m to between 22m and 27m within the site (between 5 to 7 storeys) to redistribute massing to achieve the indicative mixed-use development.

Accompanying amendments to the Sydney Development Control Plan 2012 (Sydney DCP 2012) will be required to support this outcome. These amendments will address key design and development outcomes, including site-specific provisions related to the future built form, the provision of the publicly accessible through site link, active frontages, access, vegetation, design excellence, local infrastructure and sustainability.

This Planning Proposal has been prepared in accordance with the 'Local Environmental Plan Making Guideline' published by the Department of Planning and Environment (DPE). In particular, this Planning Proposal addresses the following specific matters in the guideline and the requirements of Section 3.33(2) of the *Environmental Planning & Assessment Act 1979* (EP&A Act):

- A statement of the objectives or intended outcomes of the proposed instrument;
- An explanation of the provisions that are to be included in the proposed instrument;
- The justification for those objectives, outcomes and provisions and the process for their implementation (including whether the proposed instrument will comply with relevant directions under Section 9.1 of the EP&A Act);
- Provision of amended instrument mapping; and
- Details of community consultation.

This Planning Proposal describes the underlying need, the site and surrounds, the proposed amendments to the Sydney LEP 2012 and provides a strategic planning and environmental assessment of the proposed amendments to the site's planning provisions in relation to the retail floorspace cap, floor space ratio and maximum building height controls.

**To best explain the rationale behind the Planning Proposal and the intended outcome, this report has been split into two key segments being – Part A: Defining the Need and Part B: Delivering a Response.**

The Proponent requesting the Planning Proposal and project vision is presented at **Section 1.2**.

The report should be read in conjunction with the Urban Design Report and Reference Scheme, together with specialist consultant reports appended to this Report. The full Project Team is presented at **Section 1.3**.

## 1.2 Proponent and Vision

The proponent, Fabcot Pty Ltd, is the operating entity of Woolworths's property development division and is the owner of the subject site.

In October 2019, Fabcot provided a submission in response to Council's Local Strategic Planning Statement. A primary focus of the submission was to highlight Woolworth's desire for Council to plan for retail provision on a demand rather than a supply basis – and in doing so to specifically identify retail targets. Further, Woolworths called upon Council to identify and plan for specific retail uses that are more constrained in terms of land availability, such as supermarkets and large-format retail. The submissions noted the importance these retail uses have on the role and hierarchy of centres and in terms of supporting the community and facilitating walkability and placemaking.

A growth in Sydney's urban populations and changing consumer trends and preferences is driving an evolution in the retail ecosystem. The current supermarket environment in South Sydney consists of only a limited number of established and congested full-line supermarkets serving a large and rapidly growing resident population, along with a range of smaller supermarkets focused on serving the population's top-up shopping and immediate needs.

If populations are not appropriately serviced with retail and in particular larger format typologies of supermarket shopping opportunities for less frequent or weekly shopping needs, research has found that people will travel away from the local neighbourhoods to larger centres to seek out these facilities and retail experiences. This increases travel times and results in increased congestion on existing centres and the local road network – which culminate to impact negatively upon urban amenity, resilience and comfort.

The retail sector is continually evolving in order to respond to the needs of a growing population, and to changing customer and market requirements. The COVID-19 pandemic has accelerated the pace of change, and the required shift in the retail sector, with supermarkets in particular exposed as a critical component of the environment. The future of the retail sector, and supermarkets is about flexibility, being able to adapt and respond to modern customer requirements, changing tastes and preferences. The need for flexibility is critical in order to ensure a strong retail ecosystem now and into the future.



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“Our vision for Woolworths Waterloo, is to deliver an integrated Supermarket and Online retail offering that provides a leading customer experience, embracing the latest in technology and innovation, strong sustainability principles whilst delivering design excellence and sees us partner with the community to better service local needs.” – Woolworths

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Woolworths' concept for the site is focused on a new-generation mixed-use exemplar development, to drive a positive outcome within South Sydney. The development will provide convenient, local shopping for customers while enhancing the liveability of the surrounding local communities.

Woolworths has developed a vision for the retail ecosystem in South Sydney, which is based on a new concept that:

- Evolves Woolworths' offering to deliver a world leading customer experience;
- Integrates the latest in technology and innovation;
- Embraces sustainability in design and operations;
- Delivers great placemaking outcomes through design excellence;
- Allows flexibility in layout to finalise future growth, evolution and activation; and
- Combines generic full-line and mixed-use with emerging concepts such as Direct to Boot and E-commerce.

Woolworths contends there is a growing need to develop a strategy to support the role and growth of retail, as demand increases. Woolworths is keen to invest in the City of Sydney and sees potential opportunities to deliver innovative, sustainable and best-in-class retail formats in the LGA, including within the wider South Sydney urban renewal precincts.

### 1.3 Project Team

This Planning Proposal is a collaboration which has been informed by the following specialist firms:

**BATESSMART™**

Urban Design and Architecture

**Ethos  
Urban**

Town Planning  
Retail Demand and Economics  
Social Assessment and Strategy

**JMT  
Consulting**

Traffic and Transport

**floth**

Sustainability

**turf**

Landscape Architecture



Geotechnical and Acid Sulfate Soils



Flooding and Civil



Acoustics



Services and Utilities

**JOC**

Community Engagement

**Birds Tree Consultancy**  
Consulting Arborist AQFS • Expert Witness • Environmental Arboriculture • Resistograph Testing

Arboricultural Assessment

**AMANDA SHARAD  
PUBLIC ART**

Public Art

**BN**

Specialist Retail Architects

## 1.4 Council Assessment and Scheme Refinements

This Planning Proposal justification report represents a revised version, which incorporates post-lodgement amendments following the original submission in November 2021 and Council's assessment. Key to this process was the appointment of SGS Economics and Planning by the City, to perform a review of the retail strategy for Green Square and Southern Areas.

In correspondence dated the 18 May 2022, the City of Sydney indicated that the proposal may be considered subject to amendments which are summarised as follows:

### Retail floorspace

- The City's maintains a preference for smaller supermarkets to be distributed widely across Green Square and the southern areas. Notwithstanding, preliminary findings from the SGS review indicate an existing and future supply gap in supermarket floorspace within the larger study area.
- The City recognised that some diversity in supermarket size brings community benefit, particularly in the expansion of consumer choice, including more affordable options, and the fact there are limited sites in existing centres that may physically accommodate a larger supermarket.

### Building height and floorspace ratio

- An increase to the building height controls for the site may be supported (inclusive of plant, access and use) but not higher than what is currently proposed, which was up to 27m.
- Some additional FSR may also be considered on the site up to the amount that accounts for the size of the new supermarket below ground (in consideration of potential public benefits by way of a revised letter of offer).
- The amended proposal is to include updated built form reference drawings and urban design analysis which show a revised built form that demonstrates how the residential components of mixed-use proposal will achieve a high level of compliance with the Apartment Design Guide (SEPP 65), including addressing issues such as tree retention, acoustic mitigation to surrounding street noise and noise from the functioning and servicing of the site, natural ventilation, privacy, view loss and solar access.

### Traffic, transport and car parking

- The lodged transport study was required to be revised to consider additional SIDRA intersection analysis scope and revised trip generation assumptions reflective of travel behaviour in the surrounding high density mixed-use area.
- Further consultation is recommended involving Transport for NSW to confirm the traffic modelling methodology and inputs required.
- Car parking rates should be limited to what may be achieved under current planning controls, applying the intent of clause 7.7(2) of the Sydney LEP 2012 to the site which allows a maximum of one car space per 50 square metres of all retail, including any supermarket floorspace, on the site.
- The proposal should also include an upgradable substation and a public EV charging system.

### Site layout and access

- Customer vehicle access (entry and exit), including for the 'click and collect' is recommended to be addressed from Young Street only. Access for customer cars is not supported on Bourke Street.
- To reduce the impacts on Bourke Street, access for service and loading, including by heavy rigid vehicles, should be considered from Young Street. However, should Bourke Street remain the preferred option to support the service and loading requirements for the development, the revised plans should include swept paths for the movement of medium and heavy ridged vehicles on Bourke Street.

### Through-site link

- The location of the through-site link on the southern edge of the site, currently required in the Sydney Development Control Plan 2012 (Sydney DCP 2012), is to be maintained and other opportunities should be explored to activate spaces for ground floor uses at the north of the site.

### **Tree canopy coverage and deep soil**

- The amended proposal is required by the City to retain all the 'important' trees on the site, identified as 'AA' and 'A' in the Arboricultural Impact Appraisal and include adequate provision of deep soil to achieve the requirements of Sydney DCP 2012.
- In achieving the above, the footprint of the development was required to be reduced to provide adequate setbacks for the retention of the trees identified above including during construction and to provide opportunities for more deep soil
- The amended proposal is to include provision for at least 20% canopy cover of the private site area (excluding street trees).

### **Site-specific DCP**

- The City requires the submission of a draft site-specific DCP amending the Sydney DCP 2012 by inserting site-specific provisions to guide the future development of the site.

In response to the above comments, the Proponent and project team devised the revised indicative development scheme incorporating the above additional evaluations and design considerations.

The following sections of the report present and assess the revised scheme and accompanying planning control amendments to facilitate the strategic objective to achieve a mixed-use development in a suitable urban form to support local strategic planning intent for the establishment of a new 'neighbourhood centre' within the site.



## 2.0 Background

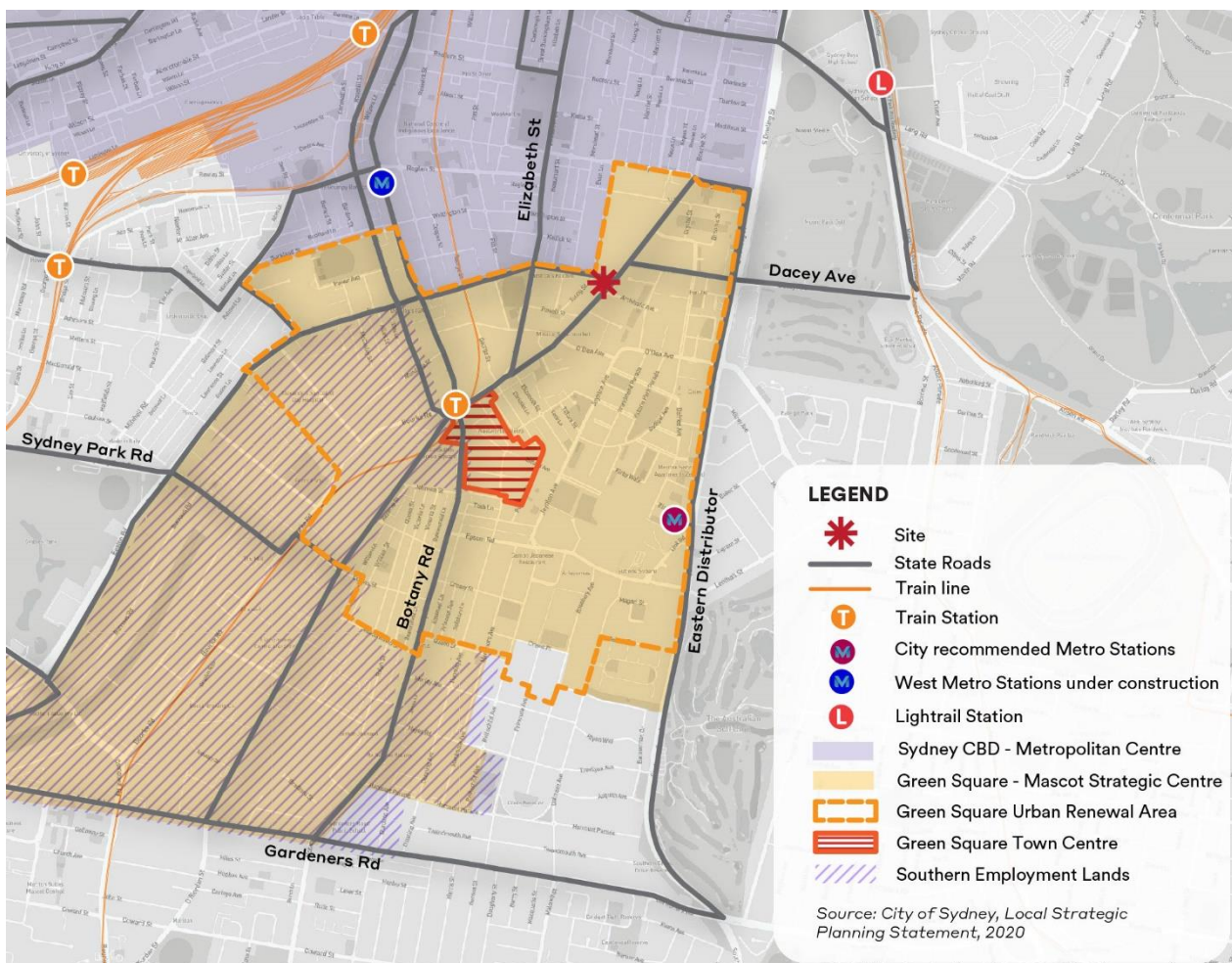
### 2.1 South Sydney Urban Renewal and Population Growth

#### 2.1.1 Context

South Sydney contains one of Australia's fastest growing locations, being the Green Square Urban Renewal Area. The Green Square Urban Renewal Area totals some 278 hectares and takes in the suburbs of Zetland and Beaconsfield, and parts of the suburbs of Alexandria, Rosebery and Waterloo. This area is defined at **Figure 2**.

The defined area contains a rich history and is diverse in terms of social, cultural, economic aspects. Over several decades the primarily industrial past is undergoing progressive redevelopment to a desired future character which is centred around a residential and mixed-use use nature.

The Green Square Urban Renewal Area is projected to house at least 61,000 residents and up to 22,000 people are expected to work there by 2030. Much of the future growth in housing within the entire City of Sydney local government area (LGA) is expected to occur in the Green Square Urban Renewal Area, which is completed with existing and planned major infrastructure and in close proximity to the Sydney CBD.



**Figure 2** Green Square Urban Renewal Area and Regional Context

Source: City of Sydney and Ethos Urban

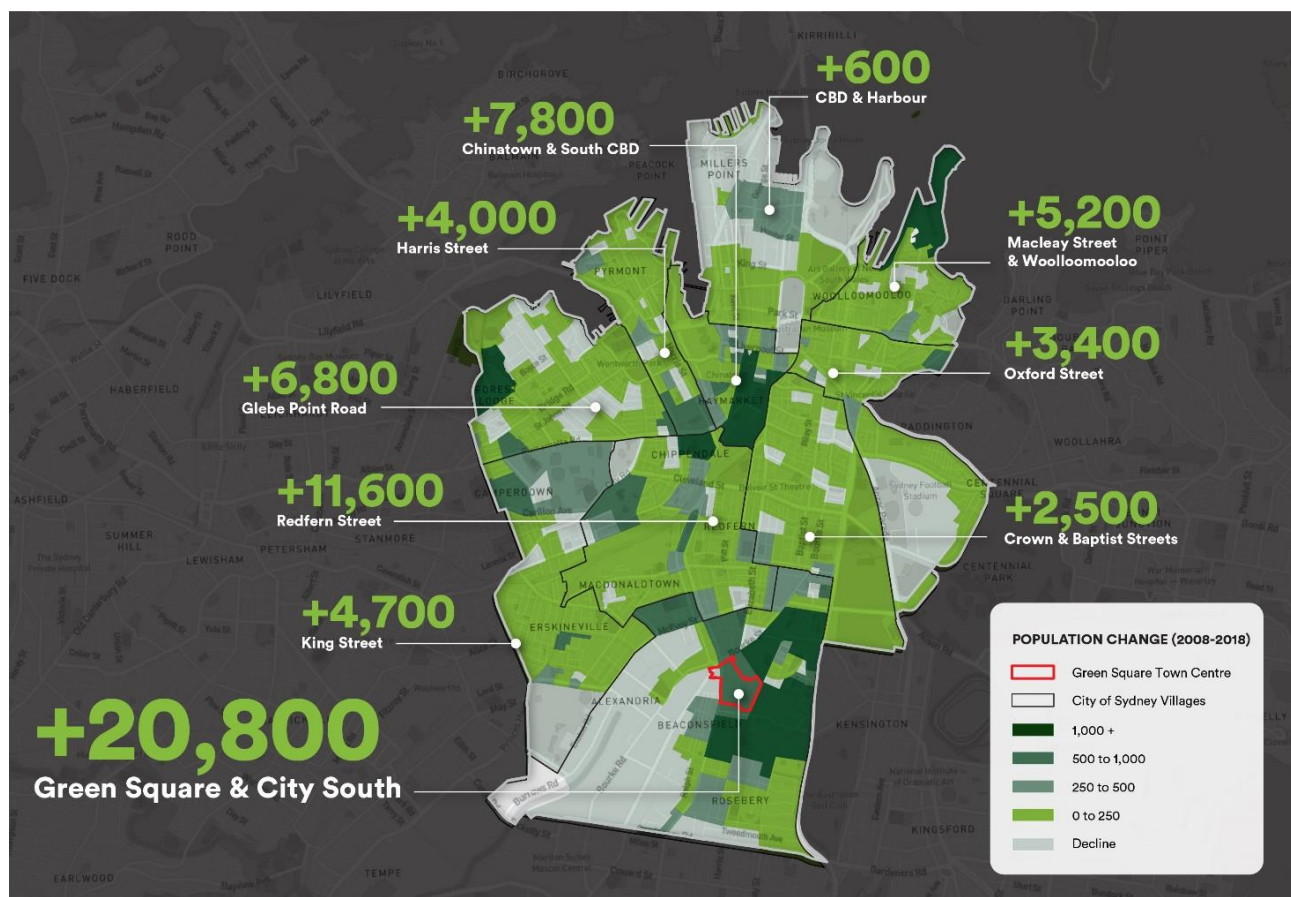
## 2.1.2 Growth and Development

Within the City's *Local Strategic Planning Statement*, a total of 10 'urban villages' are defined, which are separated by varying characteristics that combine to form the Local Government Area (LGA), shown at **Figure 3**. The site is located within the Green Square and City South Village, which broadly encompasses the Green Square Urban Renewal Area and the area known as the Southern Employment lands, which is described by the City as:

*"...the City's largest village, and encompasses the bustling, high density urban renewal area of Green Square, the quiet residential streets of Rosebery, and industrial and urban services precincts in Alexandria and Rosebery. Green Square has seen rapid population growth, and is becoming the strategic centre of South Sydney centred on the train station, public square, library and future commercial and retail precinct. Urban services uses in the industrial areas are changing as well, with new data centres, online retail distribution centres and creative manufacturing."*

The Green Square and City South Village has accommodated a significant share of residential development in the City of Sydney in recent years, with an additional +20,800 residents between 2008-2018 as shown in **Figure 3**. It is likely that this trend will continue, with Green Square and City South Village expected to accommodate a further +20,000 dwellings (City of Sydney Development Capacity Study 2019).

**With a potential dwelling capacity of 20,000, the Green Square and City South Village will continue to provide the majority of the City of Sydney future residential growth, with the village to account for over 40% of new dwellings in the City going forward, and a provision that is almost triple the next largest growth area (Redfern Street Village with 6,881 dwellings).** The resident population of Green Square and City South Village is expected to continue to experience significant levels of growth with approximately +40,000 new residents expected by 2036.

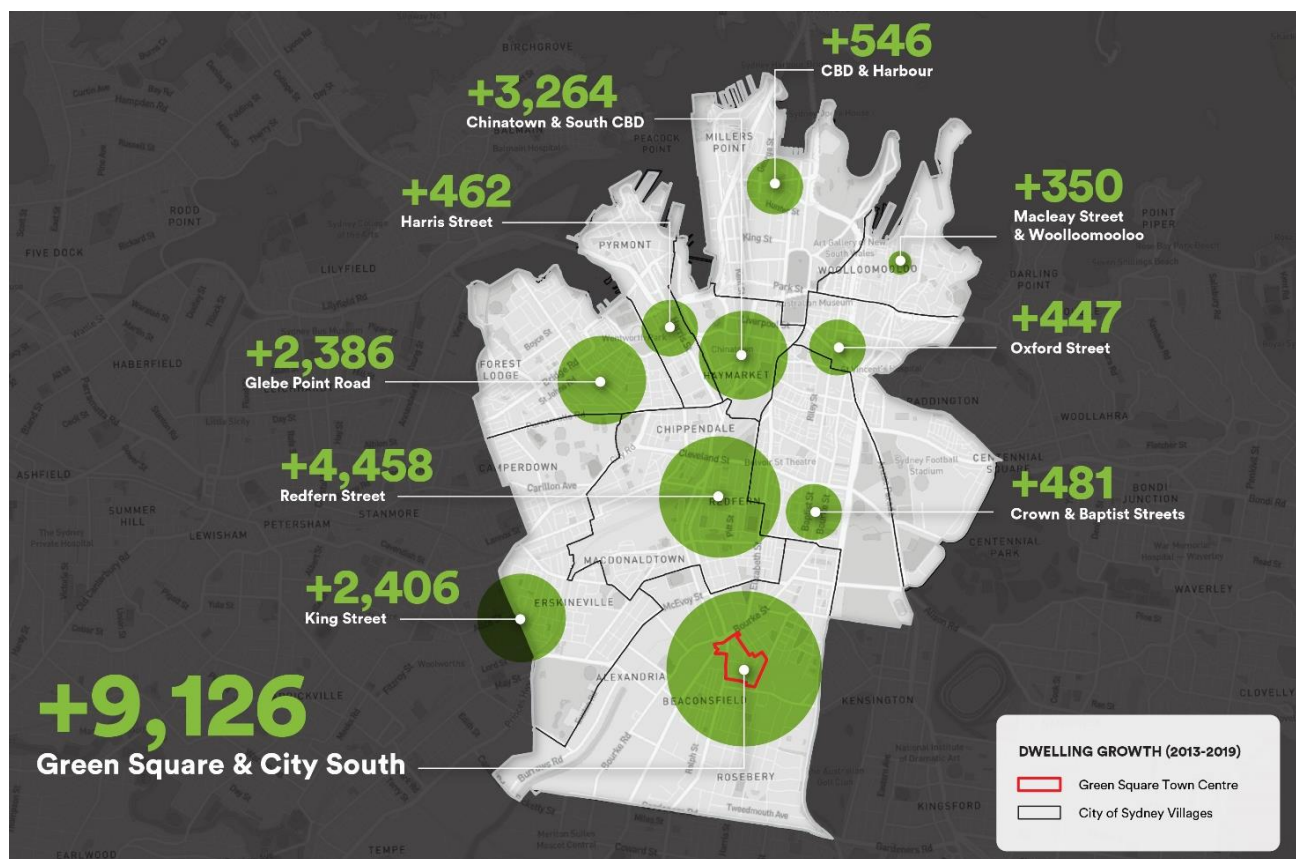


**Figure 3** Population Change in City of Sydney, 2008 to 2018

Source: MapInfo; ABS Estimated Resident Population by SAI; Ethos Urban

Population growth in the Green Square and City South Village is forecast to remain high over the next 15 years, with the strongest growth forecast between 2026 and 2031 with approximately 20,800 additional residents in a total population of 55,400 in 2036<sup>1</sup>.

The Green Square Urban Renewal Area is planned to grow to around 32,000 dwellings, housing around 60,000 to 70,000 people (depending on occupancy trends) when the area is expected to be fully built out by 2036. Council has acknowledged within the previous 5 years that redevelopment within the Urban Renewal Area is developing more quickly than anticipated.<sup>2</sup> Refer to a visual representation of dwelling completions at **Figure 4**.



**Figure 4** Count of Completed Residential Dwellings - City of Sydney (2013-2019)

Source: Esri; City of Sydney; Ethos Urban

Within the broader City South and Green Square Village, is the area known as the Green Square Town Centre (GSTC) which is the planned heart of the Village and the broader Urban Renewal Area. The area forms the most dense part of the surrounding area and is centred to the immediate east of the Green Square Railway Station, extending along and adjacent to extensive open space and community infrastructure and planned concentration of employment, retail and recreational floorspace. The GSTC is referred to as one of the most significant urban renewal projects in the country, jointly planned by Landcom and City of Sydney until the recent acquisition by Mirvac.

On full development the Town Centre is expected to accommodate:

- 6,800 new residents supported by 4,000 additional dwellings;
- 6,000 new jobs;
- 14,000m<sup>2</sup> of retail space including a supermarket and specialty shops; and
- 44,000m<sup>2</sup> of office space.

<sup>1</sup> Australian Bureau of Statistics (ABS) 2016 Census of Population and Housing

<sup>2</sup> Inquiry into the role of transport connectivity on stimulating development and economic activity

- Reflecting the central location in Green Square Village, the GSTC will form the primary destination for retail facilities within this part of Sydney. It also forms the hub of the broader Green Square – Mascot Strategic Centre (further defined at **Section 2.2**).
- Construction of the GSTC commenced in 2014 and development is planned to occur in stages over the next 10-15 years (estimated), although several stages have already been completed. This includes residential development to the north and south of the Town Centre site, as well as community facilities and a Woolworths Metro supermarket.
- Reflecting the staged nature of development, large tracts of the Town Centre are yet to be developed including stages expected to accommodate significant commercial office and non-residential components, including entertainment, recreational and social community infrastructure, thus generating a wide catchment.



**Figure 5** Site context, including the Green Square Town Centre and surrounding villages

Source: City of Sydney, Ethos Urban

## 2.2 Strategic Planning and Retail Relationship

This section presents the key strategic investigations which have resulted in the establishment of the retail floorspace cap. The primary study is the 2008 'Green Square and Southern Areas Retail Study' commissioned by the City (**Section 2.2.1**) which resulted in the culmination of the planning controls under the Sydney LEP 2012 (**Section 2.2.2**).

In terms of the broader strategic planning hierarchy, such as the establishment of centres and planning for future growth and change within specific areas, this is considered within **Section 6.0** where a full presentation of the applicable provisions of the *Greater Sydney Region Plan, Eastern City District Plan* and *Local Strategic Planning Statement* is provided.

### 2.2.1 Green Square and Southern Areas Retail Study

In August 2007, Hassell and Jones Lang LaSalle (JLL) were commissioned to undertake the Green Square and Southern Retail Areas Study (2008 Study) which was completed in February 2008. The purpose of the study was “...to provide a framework that ensures the GSTC develops a strong, vibrant retail focus that contributes to the vision for GSTC as a proposed major centre...”

This 2008 Study replaced the previous Green Square Retail Development Potential Study prepared in December 2000, and subsequently, informed and underpinned the Council's decision to make amendments to LEP and DCP controls. Key forecasts and conclusions of the 2008 Study include:

- Virtually all sectors of the market are currently under-supplied within the study area;
- The study identified that over 51,000m<sup>2</sup> of additional retail floorspace would be supportable in the main trade area by 2021; and
- In 2006 the level of supportable supermarket floorspace was 8,673m<sup>2</sup> and was projected to increase to 23,089m<sup>2</sup> by 2021.

As a result, the 2008 Study suggested that Council and Landcom aim to:

- Bring forward the development of the retail core of Green Square as soon as possible; and
- Contain the development of other retail centres within the study area to ensure the level of supportable retailing at GSTC is not diminished.

The 2008 Study concluded that the retail components of the GSTC are critical to success as a major multi-use centre. As such, some controls on retail development outside the GSTC were required as the then planning controls for Green Square were insufficient in providing a clear retail hierarchy. This was highlighted in the forecast substantial increase of the number of residents within the trade area (as defined within the 2008 report), from 74,900 persons in 2006 to 101,900 persons by 2021. The then Green Square DCP provided for a total of 16,500m<sup>2</sup> of planned retail floorspace compared to a predicted demand of 24,000m<sup>2</sup> of retail floorspace outlined by the 2008 Study.

A Retail Study prepared by Ethos Urban in 2020 outlined that the Trade Area aligned with the 2008 Study experienced substantial population growth over the last decade, far exceeding the average annual growth rate of Greater Sydney, and as such, the area represents one of the fastest growing residential development areas in Australia.

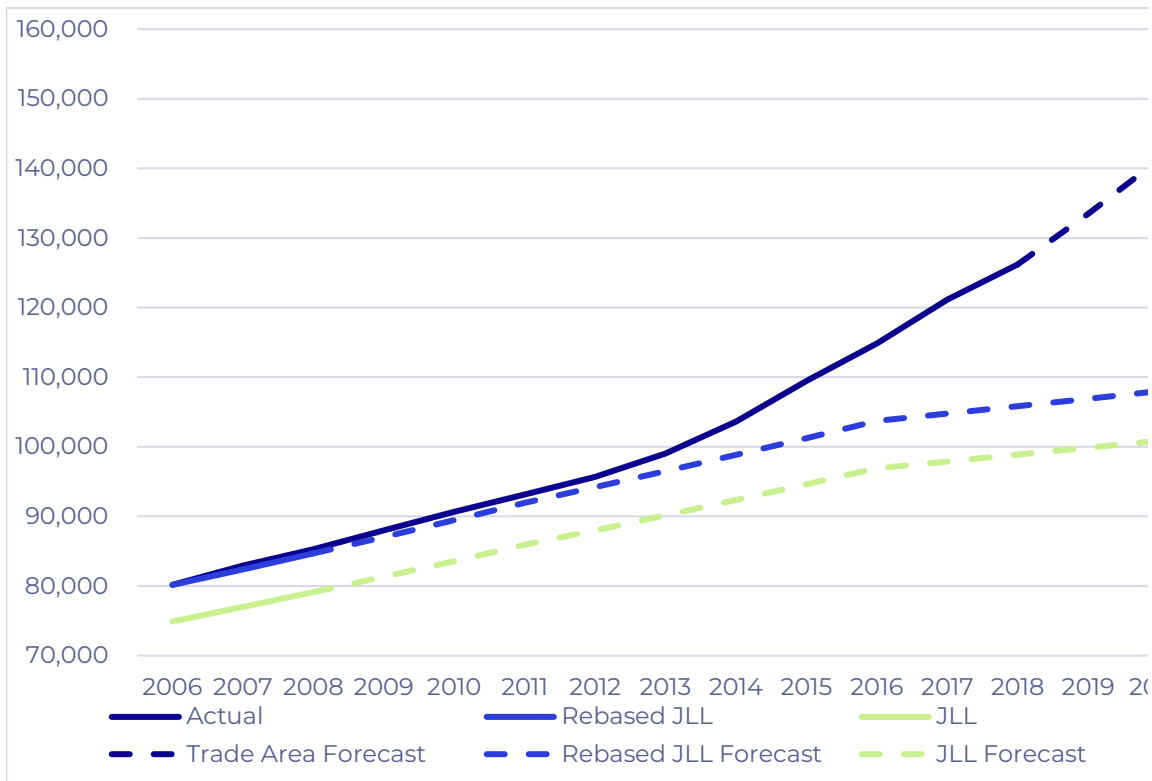
*A comparison with the population forecasts outlined in the 2008 Study against the actual population outcome reveals that the original 2008 forecasts have grossly underestimated population growth within the 2008 Study Trade Area up to 2021. For the period 2011 to 2016, the actual population in the 2008 Study Trade Area grew at 4.3% per annum, compared to 2.4% per annum projected in the JLL forecasts. Furthermore, for the period 2016 to 2021, JLL projected that the Trade Area population would grow at 1.0% per annum, however the actual growth rate was much higher and is currently on track to reach its highest level of 5.8% per annum over the 2016 to 2021 period.*

Results from the Retail Needs Assessment undertaken in April 2020 indicated that:

**“Based on actual population outcomes, the 2008 Study substantially underestimated population growth in the precinct, in the order of 7,700 residents as of 2012. This under-estimate increased to 27,330 residents in 2018, and is on track to represent an under-estimate of 47,600 residents by 2021.”**

As a result, the required provision of retail and supermarket floorspace outlined in the 2008 Study was underestimated. This suggests an even higher level of undersupply exists in the precinct today to that identified in 2008.

The comparison of actual and forecast population growth in the 2008 Study Trade Area is shown below in **Figure 6**.



**Figure 6 Comparison of Actual and Forecast Trade Area Population Growth against 2008 Study**

Source: ABS (2018); JLL (2008); Forecast.id; TfNSW; Ethos Urban

### 2.2.2 Retail limits in the Sydney Local Environmental Plan 2012

Council publicly exhibited the 2008 Study and it was considered by Council at a meeting of 30 October 2008. In the report to be considered at the meeting Council confirmed that the primary objective of the 2008 Study was to determine support for supermarket-based centres, which differs to the total retail demand analysis within the study area. Council also noted that given the areas proximity to other major centres such as Central Sydney, Broadway, Bondi Junction and Eastgardens, any further increase to retail floorspace would be unsupportable due to the disruptive impact this may have on these established retail areas within the region.

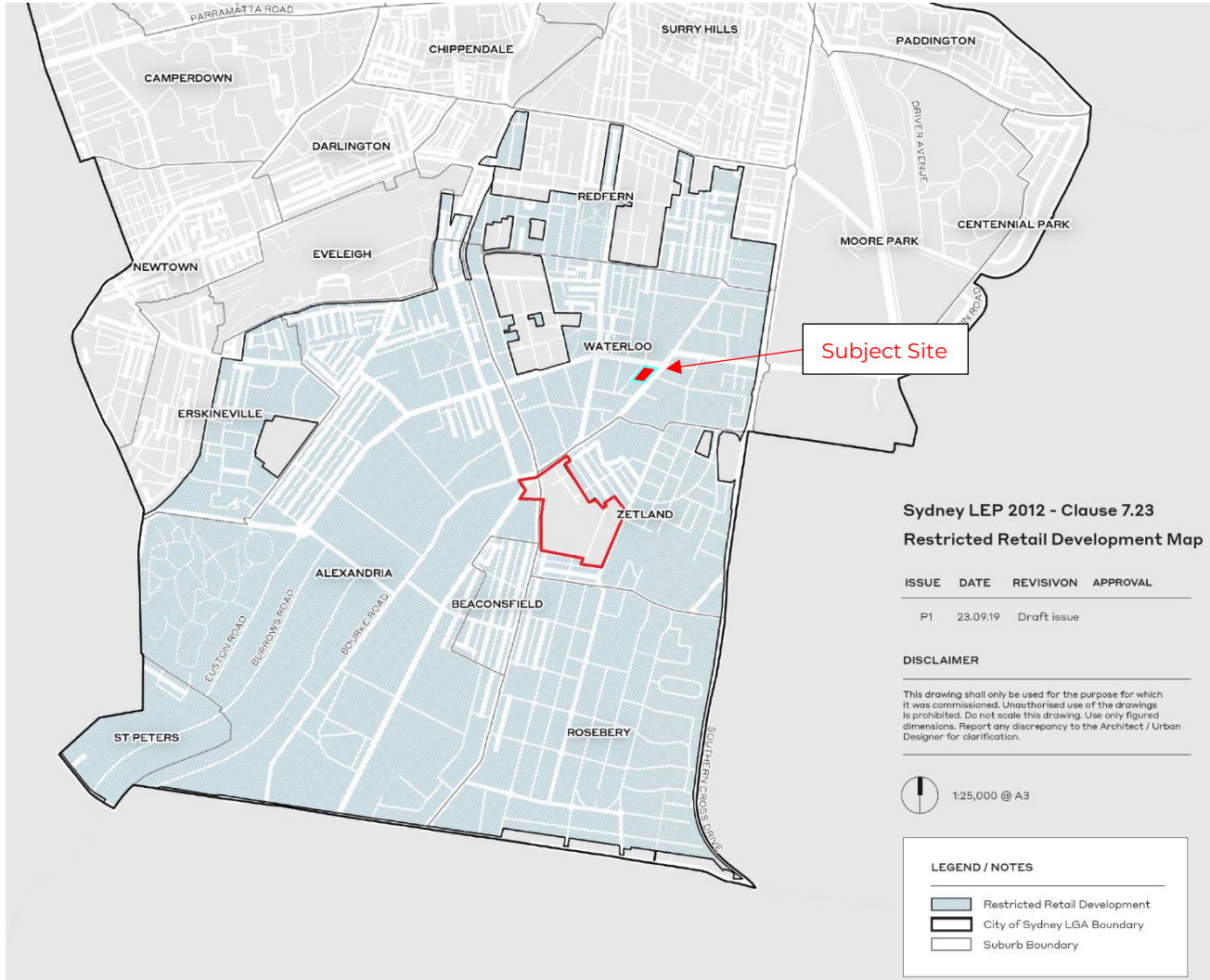
Importantly, to implement the 2008 Study, the Council initially proposed a DCP control to limit the floorspace of any retail development in the B4 Mixed Use zone. This initial strategy was subsequently revised by Council in order to apply statutory weight to the provision in the consideration of development applications. As a result, the Sydney LEP 2011 was drafted to introduce new Clause 7.23, which limits the size of individual retail shops in defined locations to 1,000m<sup>2</sup> GFA.

In March 2012, Council resolved to adopt Clause 7.23 in the Sydney LEP 2012 and it was subsequently gazetted. The restricted retail development zone excludes prominent government-led urban renewal precincts such as the GSTC, Waterloo Estate and the Ashmore precinct.

The objectives of this clause are:

- (a) to promote the economic strength of Green Square Town Centre and planned local centres by limiting large-scale retail development to those centres, and
- (b) to support the provision of community facilities and infrastructure in Green Square.

**Figure 7** below outlines the extent of where the retail cap applies within the LGA.



**Figure 7** Clause 7.23 Restricted Retail Development Map

Source: City of Sydney LEP 2012 and Ethos Urban

## 2.3 Changing Dynamics in the Retail Ecosystem

### 2.3.1 Types of Supermarkets

Supermarkets are typically defined as food and grocery stores of 500m<sup>2</sup> or larger. A full-line supermarket is generally considered to be 2,500m<sup>2</sup> or larger, with a major full-line supermarket classified as stores greater than 3,200m<sup>2</sup>. These full-line stores are typically operated by Woolworths or Coles, although some independent operators also operate full-line supermarkets.

Supermarkets between 500m<sup>2</sup> to 2,500m<sup>2</sup> are considered 'limited range' and are small to mid-size stores. These smaller supermarket formats lack the range and scale of products offered by full-line, and in particular major full-line stores, and are best suited to top-up and convenience shopping visits. The Woolworths 'Metro' store model is an example of this smaller limited range supermarket model

Small food and grocery stores of less than 500m<sup>2</sup> lack the range and scale of facilities to accommodate a comprehensive grocery shopping trip, although can support a basic shopping trip to meet immediate needs. Grocery stores of this scale are often referred to as convenience stores or foodstores.

Supermarkets can act as an anchor for specialty retail and local retail businesses, generating investment and business activity as well as providing jobs close to local residents.

Supermarkets typically account for approximately 75% of all food and grocery spending (with the balance to other fresh food and specialist operators such as butchers and bakers etc). The significant share of retail expenditure is due to the ability of supermarkets to cater to the community's increasingly complex food and grocery needs.

Reflecting the need to respond to evolving consumer tastes and expectations, Woolworths now offer major supermarket stores (typically although not always full-line), as well as the more compact 'Metro' model. Woolworths have recently categorised key attributes of full-line supermarkets and Woolworths Metro stores as outlined in **Table 1** below.

- **Compact Metro** – Convenience format stores primarily located in CBDs and commuter hubs servicing high density areas or small local neighbourhoods.
- **Full-line** – Large format stores offering a full range of products, focused on servicing a large or weekly shop.
- **Major Full-line** – Larger store topology which has the scale to meet all contemporary customer expectations in terms of store presentation, product display, shopper circulation.
- 

**Table 1** Different Supermarket Types

Supermarket Metric	Full-line	Compact Metro
Average size	More than 2,700m <sup>2</sup> of main trading area	Around 1,000m <sup>2</sup> of main trade area, but varies depending on local need
Typical average basket spend	More than \$35	Less than \$20
Typical average basket size	10 products	5 products
Typical average product range (SKUs)	More than 20,000 products	Less than 15,000 products
Employees	100 to 120 employees including casuals	35 to 100 employees including casuals
Customer need	Broadly weekly shop	Top up shopping, convenience shopping, immediate need shopping
Pricing strategies	State-based pricing	State-based pricing with markup on some products to reflect higher costs (e.g. higher rents and logistics)
Catchment Area	Customers from a broader catchment area, with a focus on lower frequency shops which include long life and household essential products.	Customers who live and/or work in the local area, with a focus on walk-up convenience and fresh food purchases.

Source: Woolworths

### 2.3.2 The Importance of Full-line Supermarkets

Full-line supermarkets are critical for providing households with a wider range of products and services. These type of stores provide the largest range of convenience-based food and grocery items, with over 20,000 stock units typically available. Fresh food is a key offer of full-line supermarkets, including a full range of baked goods, seafood, meat, deli sections and cheeses in a single location. The range of products allow for greater consumer choice in terms of quality, type and price. These facts make full-line supermarkets a critical component of the retail hierarchy and environment.

By contrast, compact metro stores are effective at serving a community's basic immediate needs. They do not substitute the need for a full-line supermarket given their limited stock. While metro supermarkets provide a mix of products including canned goods, perishables, fruit and vegetables, and ready-to-go meals, they have a much narrower selection of products and far less flexibility for price point variation. As a result, metro store customers often also



regularly seek out a full-line supermarket in order to access a greater selection of brands, price-points, private labels and specialty products.

The emergence of online supermarket shopping, including delivery and direct to boot services, has also increased in recent years. Over time the proportion of online sales is likely to increase as a share of retail expenditure in line with current retail trends; online retail sales are estimated to account for around \$50.7 billion, or around 13.9% of total retail trade and has increased almost 30% in the last 12 month (NAB Online Retail Sales Index, August 2021.)

However, physical supermarkets will remain important. A review of combined supermarket sales from Coles and Woolworths indicates:

- Online supermarket sales have increase from \$2.5 billion to \$5.5 billion over the last two years, representing an increase in combined online sales as a proportion of all supermarket sales from 3.6% to 7.0%.
- Physical store sales over the same period increased from \$68.1 billion to \$72.8 billion, showing that while online has grown, physical stores remain a key, and growing component of the retail network.
- The results show that despite the rapid growth in online supermarket sales over the last two years, physical supermarket sales recorded growth that was 56% higher than online sales growth over the same period (at +\$4.7 billion compared to +\$3.0 billion between FY19 and FY21)<sup>3</sup>.

Online supermarket shopping has expanded the range of services and options available to customers, and now represents an additional component and method of shopping for contemporary consumers. However, online will continue to form only one part of the supermarket shopping experience for a wide range of the population.

Based on the above, while online is growing, it remains one part of a holistic retail network that exists alongside physical stores. Smaller limited-range stores serve local role in the retail hierarchy, however full-line supermarkets are also required in order to cater for a larger household shop. As such, a mixture of physical stores, including both Metro and full-line stores, are required in order to provide a complete retail network, with a provision of Metro stores only, unable to cater to the full supermarket shopping needs of local residents.

Customers will visit full-line supermarkets for their larger weekly or fortnightly shop in order to purchase products not available at smaller metro stores (i.e. customers would frequent both store types). Full-line supermarkets are also utilised by all age groups and demographics. In considering the concept of community need for supermarkets, it is relevant to note:

- Approximately 75% of fresh food and groceries purchased Australia-wide are from supermarkets
- No other retail format is visited more often by a higher share of the population than supermarkets
- Supermarkets are fundamental to supporting basic household and lifestyle needs for the overwhelming majority of the Australian population.

As a result, the relative accessibility of the community to major supermarket shopping facilities is a fundamental consideration for economic and community need.

Any under-provision of supermarkets in an area is detrimental to households in that region given the lack of convenience. It forces escape expenditure from a Trade Area as residents have to travel greater distances to their nearest full-line store, placing a strain on local traffic networks and adding to work/life balance pressures. In addition, in areas with limited supermarket competition, households can potentially be impacted due to the lack of range and price competition.

### 2.3.3 Changing Consumer Trends

Today's fast paced lifestyle and flexible work and life arrangements means that modern consumers have more diverse preferences when it comes to supermarket shopping. Consumers increasingly prefer supermarkets that enable or promote:

- **24/7 shopping** - Consumers want the ability to be able to shop at times that are suitable and convenient for them. Working conditions and lifestyles have changed - consumers want to be able to shop early morning, during the day and late at night.

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<sup>3</sup> Coles and Woolworths Annual Reports FY19-FY21

- **Walkability and accessibility** - Consumers, particularly those living in dense urban environments, prefer to shop locally, at facilities that are easily accessible walking or by private car or public transport.
- **Range of products** - Consumers seek a broad range of products, at various levels of price and quality from a range of sources that can cater to a variety of tastes, cultural and ethnic preferences.
- **Shopping as an experience** - Supermarkets are increasingly responding to consumer demand for a greater retail experience through an increased range of products, foreign brands and high-quality foods including ready-made meals. Supermarkets are also looking to differentiate themselves by providing better experiences and offers that can attract consumers in highly competitive retail markets.
- **Shopping - online delivery** - Consumers have continued to embrace online shopping for both supermarket and retail goods, with delivery of grocery items direct to peoples' homes growing in popularity. While still a relatively small share of supermarket sales, online shopping continues to increase.
- **Shopping - contactless pick-up** – Contactless online services have also increased. This is seen in trends such as 'direct to boot' drive through, where a consumer can order online and pick up at the store or expect delivery of goods within a short time after the order has been placed.

To meet these customer trends, 'best in class' supermarkets demonstrate features such as "direct to boot" - instore pick up shopping; express delivery; technology driven product sales and storage; and are innovative and forward looking. 'Best in class' supermarkets promote sustainable design and encourage sustainable practices - new supermarkets have higher levels of energy efficiency, and lower levels of wastage including reduced packaging and plastics.

Supermarkets can encourage walkability and active modes of transport by providing optimal convenience, limiting the need for shoppers to take multiple trips to satisfy their shopping needs. This is particularly important in areas of high residential density and assists in reducing carbon footprint by enabling residents to shop within their local area and reduce distance travelled to other major stores beyond the MTA.

## 2.4 Supermarket Capacity Assessment

### 2.4.1 Trade Area Definition

A retail trade area is an analytical tool that represents the spatial influence of a centre, or retail destination, and the region from which it is expected to draw consistent and significant levels of patronage. The extent of the trade area is defined by a number of factors which include the location of existing and proposed retail competition, the surrounding arterial road and freeway network, and physical barriers to movement (such as water courses, railway lines, etc).

For the purposes of the proposed Woolworths Waterloo development, a trade area catchment has been defined with consideration to the accessibility to the Subject Site and proximity to other existing and proposed supermarkets and retail centres (including the GSTC).

Walkability is also a key consideration in this part of Sydney, as outlined in the government vision and objectives for South Sydney. A 500m distance, or around a five (5) minute walk, generally corresponds to an easy walking distance, with a 1km distance corresponding to around a 10 minute walk. As such, this walkable distance has been considered an appropriate guide for supermarkets in this part of Sydney, reflecting the high population density.

A trade area has been defined to identify the likely trading influence of a full-line Woolworths supermarket at the Subject Site and is shown in **Figure 8** below. The trade area generally reflects the area that captures residents who would have high levels of accessibility to the proposed supermarket, including those within an easy walking distance.

The defined Trade Area includes the following components:

- **Primary:** The population within the primary sector would have direct access to the proposed Woolworths Waterloo store and would likely be regular customers.
- **Secondary:** defined to include three secondary sectors and represents the local area that would have good access to the proposed Woolworths Waterloo store, and would utilise the facilities on at least a semi-regular basis, in conjunction with other retail destinations.

**In combination the primary and secondary sectors form the Main Trade Area (MTA).**



**Figure 8 Main Trade Area Map**

Source: Ethos Urban

### 2.4.2 Existing Supermarkets

A review of the competitive supermarket environment of the MTA shows that there is a limited number of full line stores. A full line supermarket is generally considered a store of at least, 2,500m<sup>2</sup> trading area and stock a full range of grocery products sold in the supermarket-retail format.

A ‘major’ full-line supermarket is a full-line store of 3,200m<sup>2</sup> or larger and has the scale to meet all customer expectations in terms of store presentation, product display, shopper circulation etc. The major full-line supermarket store format is generally the preferred model for consumers as reflected in the level of sales and customer visitation for stores of this type. The proposed Woolworths Waterloo is a major full-line supermarket.

A review of existing supermarkets shows that there are currently four supermarkets within the MTA, including:

- Aldi supermarket of 1,500m<sup>2</sup> at Danks and Bourke centre in Waterloo;
- Coles supermarket in the Meriton Retail Precinct, part of Danks Street Plaza in Waterloo
- Coles supermarket at East Village of 4,020m<sup>2</sup>,
- IGA supermarket of approximately 900m<sup>2</sup> is provided as part of the broader Botany Road retail strip in Waterloo, located around 1.4km north-west of the Subject Site.

In total, an estimated 9,020m<sup>2</sup> of supermarket floorspace is provided in the MTA, with each store located 500m or more from the Subject Site. Only one major full-line supermarket, namely Coles at East Village is provided in the MTA approximately 0.9km from the Subject Site. Only one major full-line supermarket is currently proposed within the MTA as part of Waterloo Estate.

In addition to the above, a number of supermarkets are also provided beyond the MTA boundary, and within 2km of the Subject Site. These include a range of other small and mid-scale supermarkets including smaller Woolworths and IGA

metro supermarkets at GSTC, Alexandria, South Eveleigh, Redfern and Rosebery. Each of these stores is between 600 to 2,200m<sup>2</sup> and as such do not provide a full-line supermarket offer.

While limited range supermarkets serve a key role in the retail hierarchy by serving the top-up and immediate needs of the surrounding population, it is only the full-line supermarkets that provide the complete supermarket offer and convenient experience, including comprehensive range of choice and price competition for customers. As such, full-line supermarkets, and in particular major full-line supermarkets of larger than 3,200m<sup>2</sup>, represent a critical component within a holistic retail network.

*Reflecting the large amount of population growth that has occurred in this area in recent years and the strong demand for major full-line supermarkets in the precinct, the Coles at East Village shows clear signs of congestion and overcrowding during peak periods.*

This is evident by the volumes of sales being achieved which is understood to be among the highest in the country. Sales at Coles East Village is understood to be in the order of \$100 million per annum. At this level the store would be considered among the best performing supermarkets in Australia and represent a sales level that is triple the typical average for a full-line supermarket in Australia (of around \$35 million). This emphasises both the appeal of major full-line supermarkets in the market, but also highlights the underprovision of full-line supermarkets within the region currently.



**Figure 9 Existing Supermarket Competition**

Source: MapInfo, Ethos Urban, Cordell Connect

### 2.4.3 Proposed Full-line Supermarkets

There are a number of supermarket stores currently planned or being developed within the MTA which are outlined above in **Figure 9**. The proposed stores that are planned within the MTA include:

- A Woolworths Metro supermarket in the Primary sector of around 680m<sup>2</sup> to be provided along Gadigal and Archibald Avenue within the Lachlan Precinct.

- A small Metro supermarket is also likely to be provided as part of Waterloo Metro OSD within the Secondary West sector. While this store is in the early planning stages, it is understood that the store may be around 1,250m<sup>2</sup>.
- In addition to the above, a large supermarket has also been discussed as part of the future retail precinct within Waterloo Estate, in the Secondary West sector. There are no indicative plans for this store as of yet, and any supermarket to be delivered at Waterloo Estate would be in the longer term.

Beyond the MTA there are a number of proposals including:

- A major full-line at Emerald City, some 0.8km south-west of the Subject Site. It is likely that a Coles supermarket of 3,880m<sup>2</sup> will anchor the Emerald City project opposite GSTC.
- A major-full line Coles at Surry Hills Shopping Village located some 1.2km north of the Subject Site. The project involves a redevelopment of the existing centre, including the Coles supermarket that will see the store size increase to 4,200m<sup>2</sup> from the previous store size of 3,100m<sup>2</sup>.
- A major-full line Coles supermarket of 4,000m<sup>2</sup> at Park Sydney Village some 1.9km west of the Subject Site.

In addition to the above, future retail floorspace is planned as part of the continued development of GSTC. While plans are yet to be finalised, it is understood that additional retail floorspace would be in the order of 9,000m<sup>2</sup>, resulting in total retail floorspace at the GSTC of around 13,500m<sup>2</sup>.

A review of the above proposals indicates that there is only one (1) proposal in the Primary sector, being Woolworths Metro at Lachlan Precinct. Notwithstanding a number of currently proposed major full-line supermarkets, each is more than 500m, and in most cases more than 1km from the Subject Site.

Reflecting the very high population density in this part of Sydney, a large population would not have access to a major full-line supermarket in close proximity to their homes without the delivery of the Woolworths Waterloo development.

#### 2.4.4 Limited Availability of Sites

The ability to accommodate supermarkets in a built up and dense urban environment is always a challenge given the large floorspace requirements of supermarkets and limited land supply. In the Green Square precinct, this challenge is further exacerbated by the 1,000m<sup>2</sup> retail cap that limits where supermarkets can establish, in part, explaining why so few proposed supermarkets are planned in the Primary sector.

Reflecting the central location and easily accessible nature of the Green Square and South Sydney region, competition for land across the various uses is significant. The former industrial precinct has continued to evolve recently with a large focus on residential uses. As discussed, while residential uses have grown in the region, the provision of supporting retail floorspace has been restricted, with only a handful of centres and locations exempt from the 1,000m<sup>2</sup> retail cap. The cap was implemented to protect the future development of retail facilities within the Green Square Town Centre, however, after more than a decade significant retail development has not yet occurred on the site.

The Green Square Town Centre has been identified as the strategic centre within this part of South Sydney and as such, will form the primary retail destination in the longer term. However, additional retail and supermarket floorspace is only likely to be viable in the Green Square Town Centre if developed as part of a broader mixed use project.

Based on existing controls, many of the remaining vacant development sites within the Green Square Town Centre are identified as future mixed use zones, with ground floor retail and community uses and a strong commercial office component planned on the upper levels. Taking the above into account, any proponent would typically be required to pre-lease a significant proportion of the commercial office floorspace in order to reduce development risk and help to support development and financial viability.

It is not viable for a proponent to construct a free-standing supermarket or retail centre on the existing sites only to have to knock them down and rebuild when the commercial office component is viable. As such, the development of many of the remaining sites within the GSTC will be dependent on first securing major commercial office tenant pre-commitments.

While there is a need and market demand for future full-line supermarkets now, delivery of the Green Square Town Centre specifically is also contingent on market demand for major commercial leases as pre-commitments for future office development. Consequently, it is worthwhile exploring the market appetite for office development in the South Sydney and Green Square Village precinct. Other factors will also impact on mixed-use development will include securing residential pre-sales and complying with rigid precinct, statutory, design and planning controls.

## 2.5 Retail Needs and Forecasting

### 2.5.1 Population estimates

A summary of the existing and projected population within the MTA is provided below and as detailed in the Retail Demand and Economic Impact Assessment, prepared by Ethos Urban and provided at **Appendix A**.

Key findings of population forecasts and trends include:

- Historical population growth within the MTA has been strong, increasing from 28,400 persons in 2016 to 34,800 persons in 2021. This represents an increase of +6,400 persons or an average of +1,270 persons or 4.1% per annum. Within the Primary sector the rate of population growth has been even higher at 5.3% per annum in the same period.
- The historical rate of population growth within the MTA has been around 3-4 times higher than the comparable Australian and Sydney average over the 2016 to 2021 period.
- The MTA population is forecast to increase by +20,600 residents to a total population of 55,400 persons in 2036. This growth reflects an average annual increase of +1,370 residents or 3.1% per annum, equivalent to an increase of almost 60% over the 15-year period. These projections are highly achievable based on historical population growth and the significant urban development planned for South Sydney.
- Population growth within the MTA is forecast to be highest between 2026 and 2031, immediately after delivery of Woolworths Waterloo. This timing correlates with new housing supply associated with major developments including Waterloo Metro Quarter and Waterloo Estate South Precinct.
- The Primary sector population is forecast to increase by +6,900 persons between 2021 and 2036, at an average of 3.0% per annum. This represents 33.5% of the total forecast MTA population growth in the period.
- Primary sector population growth is projected to be highest between 2021 and 2026 at an average annual increase of +740 residents. This corresponds to the ongoing development of Lachlan Precinct and the expected completion of initial stages at the Danks Street South Precinct.

### 2.5.2 Demographic characteristics of the Trade Area

The demographic characteristics of an area are an important factor to consider within the retail landscape, with implications for shopping behaviour patterns as well as the retail needs and expectations of the population. Some key socio-demographic factors of the MTA population are summarised below and outlined in **Appendix A**.

#### Younger age structure

- Residents within the Primary Trade Area tend to be younger than the Greater Sydney average, with a median age of 31.0 years compared to 36.0 years across Greater Sydney.
- 33.3% of residents were aged between 25-34 years, and 19.3% aged 35-49 years.
- Young residents aged between 18-24 years represented 18.8% of the resident population.

#### Household Composition

- Approximately 46.3% of all households in the MTA are family households, which is well below the Greater Sydney benchmark of 73.7%.
- A very low proportion of households are couples with children at just 9.6%. By comparison 37.7% of households within Greater Sydney are couple families with children.
- The share of lone person households (36.2%) and group households (16.8%) is also quite high compared to households across Greater Sydney.

#### Dwelling Structure

- Flats, units or apartments are the primary household type within the MTA representing 90.4% of total housing stock. This highlights the high density-built form that exists within the MTA.
- Since 2011, the share of high flats, units and apartments has increased by +5.1%, highlighting the ongoing development and urban intensification that has occurred in recent years.

#### Tenure and income

- Approximately 70.5% of dwellings within the MTA are rented, which compares significantly higher than Greater Sydney at 35.1%. Tenure has remained relatively unchanged since the 2011 Census.

- The median annual household income of MTA residents at \$82,440 is -10.6% lower than the Greater Sydney median at \$92,200.
- Household incomes vary through the MTA, with Primary sector residents earning a median household income of \$112,940, meanwhile Secondary West residents earn a median of just \$25,490, highlighting the large provision of social housing in this sector.

### Car ownership and Travel to Work

- A higher share of MTA households do not own a car (36.4%), compared to the Greater Sydney benchmark of 11.4%. Almost half (48.7%) of MTA households have one car, while only 14.9% own two or more cars, representing a lower rate of car ownership compared to Greater Sydney where 50.1% of households own two or more vehicles.
- Residents within the Primary sector rely on public transport, walking and ride sharing as a means of travelling to and from work. As such, convenience and close access to supermarkets is important for the liveability and amenity of many residents.

Overall, the MTA resident profile is consistent with that of an inner-city area, including a high proportion of young professionals and students. However, the social and economic characteristics of MTA residents vary, with Primary sector residents typically being more affluent, well-educated and working in skilled jobs.

Residents in the Primary sector will be quick to adopt new technologies and respond positively to an industry leading supermarket experience. The preference of residents for time-of-day shopping is going to vary, so they will want the flexibility to shop both within and outside normal trading hours.

### 2.5.3 Retail Spending

Estimates of retail spending by Trade Area residents have been prepared with reference to the MarketInfo retail spending model. MarketInfo is a micro-simulation model that uses a variety of data sources including ABS Household Expenditure Survey, ABS Census of Population and Housing data, ABS Australian National Accounts, and other relevant sources. Estimates of retail spending by Trade Area residents are defined within the following broad product categories:

- **Food, Liquor and Groceries (FLG)** – includes spending on fresh food, groceries and take-home liquor. This is the main category of relevance to supermarket-based shopping.
- **Food catering** – includes cafes, restaurants and take-away food.
- **Non-Food** – includes apparel, homewares, bulky merchandise, general merchandise.
- **Retail services** – includes hairdressers, beauty salons, dry cleaners etc.

Estimates of the trade area resident total retail expenditure by category is presented in **Appendix A**. These are based on the application of the average per capita spending levels to the current and forecast MTA population. In addition, an allowance for real growth in average per capita retail spending has been applied that reflects long-term trends as measured by the ABS Australian National Accounts. Key findings of retail spending estimates by MTA residents includes:

- Current total retail expenditure by residents of the MTA is estimated at \$581.3 million and is forecast to increase to \$1.08 billion in 2036, representing an increase of almost \$500 million over the forecast period. That is, retail spending by MTA residents is projected to almost double over the next 15 years.
- Spending on food, liquor and grocery (FLG) categories by MTA residents is projected to increase from \$208.9 million to \$254.9 million by 2026, and growing further to \$364.5 million by 2036. That is, MTA food, liquor and grocery expenditure (FLG) will increase by +\$155.6 million over the next 15 years.
- FLG spending is projected to increase by +\$44.2 million within the Primary sector alone.

The substantial levels of growth in FLG spending highlight the rapid increase in demand that will occur and emphasises the need for new and expanded supermarket facilities, as proposed for Woolworths Waterloo, within the MTA.

Clearly the MTA is experiencing rapid rates of spending growth, and this is expected to continue in the future. In particular, spending on FLG items sold by major supermarkets is projected to experience strong demand growth. A reasonable expectation of residents is that these needs will be provided in accessible and convenient locations close to their homes, rather than require travel of greater distances in a densely populated urban environment.

## 2.5.4 Transaction Data Analysis

Evidence of changing consumer preferences can be outlined using transaction data from Quantum. Quantum is a data analytics firm with access to a range of transactional data that can be used to identify customer trends and spending patterns. Woolworths engaged Quantum to investigate spending patterns in the South Sydney region. Data was analysed at a postcode level and considered where people within each postcode shopped (at supermarkets), as well as what time and day of the week shopping trips were undertaken.

A review of the supermarket shopping habits of consumers within the postcode of Waterloo (postcode 2017) using Quantum data reveals a higher proportion of after-hours and weekend supermarket spend as compared to the benchmark area of Eastlakes/Rosebery (postcode 2018). The postcode of Waterloo (postcode 2017) contains a significant share of the residential population within the MTA and has experienced substantial levels of high-density residential development.

The Quantum data analysed within **Appendix A** indicates that Waterloo (postcode 2017) customers tend to shop more after work, late into the evenings, and on the weekends, as compared to the benchmark postcode of Eastlakes/Rosebery (postcode 2018). This indicates a preference to shop after work and therefore, longer working hours would also necessitate longer trading hours for supermarkets. Later hours of shopping could also be explained by consumers preferring to shop at times when crowds are lower and there is less congestion. The higher levels of supermarket shopping on weekends could be attributed to the preference to undertake larger food and grocery shopping trips, typically at full-line supermarkets. This may also be due to the need for Waterloo residents to travel some distance to full-line stores which are not as conveniently located for more time constrained visits during the working week.

In contrast, in the postcode of Eastlakes/Rosebery (postcode 2018), customer shopping patterns suggest a more evenly distributed spending pattern across weekdays and weekends. This could be attributed to a more accessible store network, road access and lower levels of congestion for supermarkets serving this postcode. The high number of weekend shopping trips by Waterloo residents is generally consistent with observations of very high levels of trading at East Village.

## 2.5.5 Supermarket Expenditure Analysis

Planned housing targets and associated high levels of population growth within the defined Trade Area will generate significant demand for additional retail floorspace in the future, including full-line supermarkets.

*The Green Square region is one of the major designated growth areas in the City of Sydney expected to account for more than a third of all future dwellings in the LGA. As such, the adequate provision of retail facilities including full-line supermarkets should be carefully considered in order to effectively serve this future population.*

A review of Quantum data shows that in 2019, 45.3% of supermarket expenditure within the postcode of 2017 (Waterloo) was being directed to supermarkets located outside of the 2017 postcode. A significant share given the built-up nature of the area. A map depicting the top 10 postcodes where supermarket expenditure is being directed (or escaping to) is outlined in **Figure 10**.

This share of escape expenditure has been increasing over time from Waterloo (postcode 2017). In 2015, leakage accounted for 42% of all supermarket spend in Waterloo (postcode 2017), and increased to 45% by 2019.

A comparison of leakage from surrounding postcodes is shown in **Table 2**. This analysis indicates that the high leakage from the Waterloo postcode of 2017 is not unique, with substantial escape supermarket spending common throughout South Sydney. In general terms, this indicates a wider under-provision of supermarket facilities in the South Sydney region.

*Essentially, the spending pattern highlights and supports the value residents place on full-line supermarkets, traveling some distance outside of their immediate area in order to shop at full-line supermarket in locations such as Bondi Junction.*

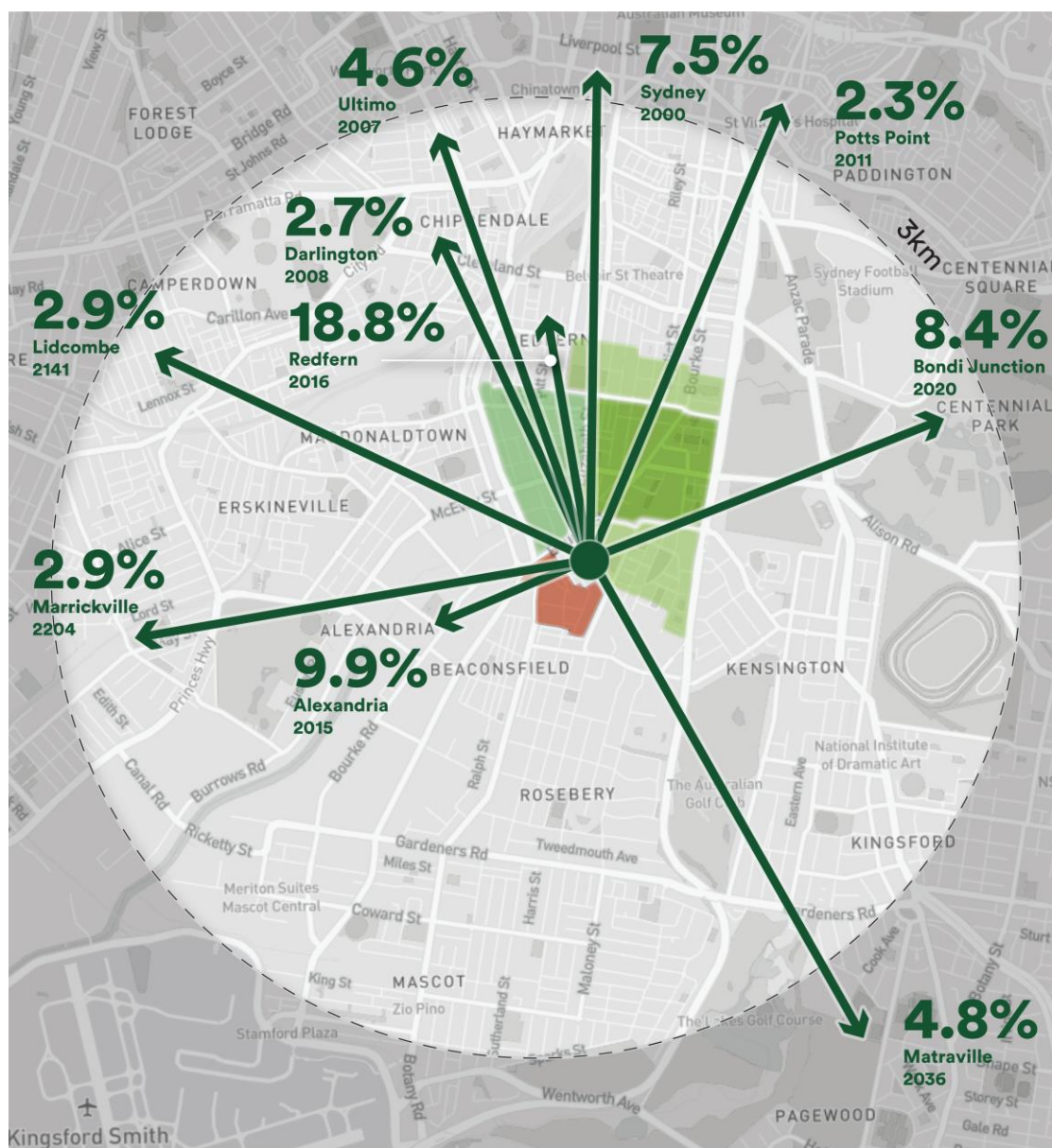
An analysis of supermarket expenditure is provided in **Appendix A**.



**Table 2 Supermarket Spend Leakage from Surrounding Postcodes**

Postcode	Leakage (share)
Waterloo (2017)	45.3%
Alexandria (2015)	61.9%
Redfern (2016)	68.6%
Rosebery (2018)	81.7%

Source: Quantum, Ethos Urban



**Figure 10 Spending Leakage from Waterloo to other postcodes**

Source: Mapinfo, Quantum

In order to understand the overall potential for retail floorspace demand growth over coming years, a high-level assessment of retail floorspace which may be supported by the MTA population over time has been undertaken. This analysis is indicative in nature and identifies the overall level of expected retail demand generated by MTA residents.

Applying an indicative Retail Turnover Density (RTD), a measure of turnover per square metre, for each key retail spending category, allows for an estimate of total supportable floorspace to be calculated. Beyond 2021, an assumed increase in the RTD threshold of 0.5% per annum has been applied to reflect overall real growth in retail industry sales levels, thus ensuring the forecast retail demand is easily achievable based on current and expected spending growth.

Between 2021 and 2036 the total amount of additional retail floorspace likely to be supported by spending and population growth in the MTA is forecast to be +53,800m<sup>2</sup>, comprising +19,600m<sup>2</sup> of Food floorspace (including FLG and Food Catering) and +34,200m<sup>2</sup> of Non-Food floorspace, as summarised in **Table 3**.

**Table 3 MTA Indicative Retail Floorspace Demand Growth, 2021 to 2036**

	Food	Non-Food	Total Retail
<b>2021 Sales Density</b>	<b>\$9,000/m<sup>2</sup></b>	<b>\$6,000/m<sup>2</sup></b>	<b>\$7,400/m<sup>2</sup> (derived)</b>
2021	36,100m <sup>2</sup>	42,700m <sup>2</sup>	78,800m <sup>2</sup>
2026	42,000m <sup>2</sup>	52,700m <sup>2</sup>	94,700m <sup>2</sup>
2031	49,300m <sup>2</sup>	64,900m <sup>2</sup>	114,200m <sup>2</sup>
2036	55,700m <sup>2</sup>	76,900m <sup>2</sup>	132,600m <sup>2</sup>
<b>Total Growth 2021-2036</b>	<b>+19,600m<sup>2</sup></b>	<b>+34,200m<sup>2</sup></b>	<b>+53,800m<sup>2</sup></b>

Source: Ethos Urban

Note: Increases by 0.5% per annum i.e. 3,587m<sup>2</sup> per year over 15 years

At present, spending by MTA residents is estimated to support approximately 78,800m<sup>2</sup> of retail floorspace. A high-level review of the facilities identified within the MTA indicates that at present the total provision of existing retail floorspace is considerably less (with key centres predominately supermarket based centres such as East Village and Danks Street Plaza etc). This reflects the significant level of escape retail expenditure by MTA residents.

*Even excluding any existing under-provision, a further 53,800m<sup>2</sup> of additional retail floorspace is likely to be supported by MTA residents over the period to 2036. This represents demand for an additional 3,587m<sup>2</sup> by MTA residents each year for the next 15 years.*

This would support a range of existing and future retail developments, indicating ample demand for retail facilities within the precinct in the future. This level of demand also underscores the importance of adequately planning for future growth and development.

*The Green Square Retail Needs Assessment undertaken by Ethos Urban in April 2020 indicated that the comparable figure across the broader Green Square trade area would be in the order of +168,400m<sup>2</sup> or 9,900m<sup>2</sup> each year over the period to 2036.*

## 2.5.6 Supermarket Capacity Assessment

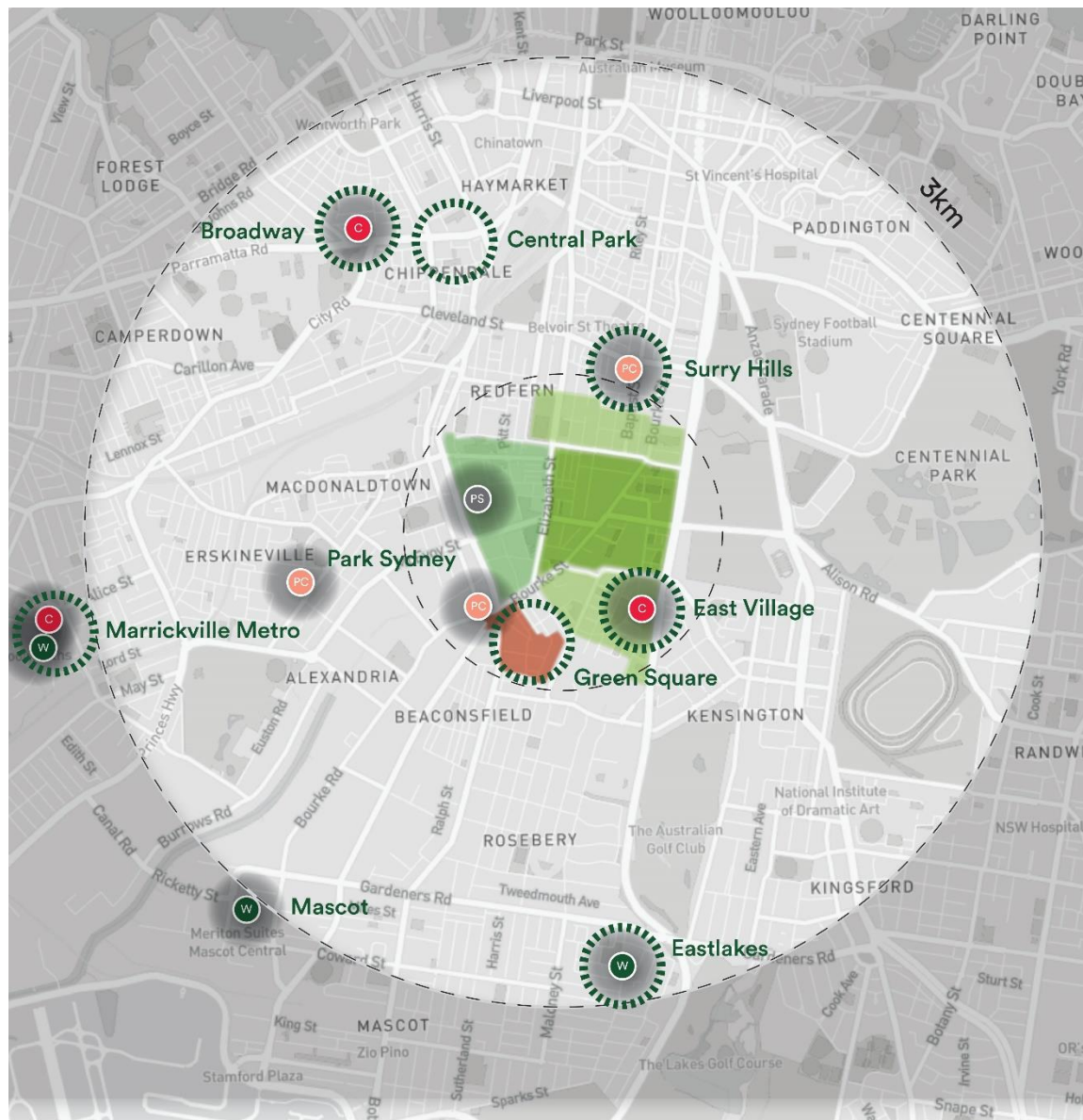
As outlined previously, strong and viable supermarkets are an essential component of a successful retail network, but they can also 'anchor' centres and precincts, attracting customers that, in turn, support adjoining speciality retailers as well as other business and community uses.

Supermarkets account for approximately 75% of all food and grocery spending (compared to other fresh food and specialist operators such as butchers and bakers etc.). Their significant share of retail expenditure is due to supermarkets' ability to cater to the community's food and grocery needs.

Major full-line supermarkets of 3,200 m<sup>2</sup> and larger provide the most comprehensive range of convenience-based food and grocery items, with over 20,000 stock units typically provided in a full-line store. As such, they are a critical component in the retail hierarchy and network.

In inner city areas, the proportion of spending directed to supermarkets can be lower than 75% due to a number of factors including the demographic breakdown of the population and the availability of supermarkets compared to other fresh food and speciality food stores. Typically, major supermarket operators would view favourably a supermarket achieving turnover in the order of \$30+ million a year, with strong trading stores typically achieving sales of \$40 million plus.

As summarised in **Section 2.4.2**, four supermarkets are currently provided within the MTA. However, only one major full-line supermarket is operating, along with a smaller full-line supermarket and two limited-range convenience supermarkets. The nearest existing major full-line supermarket to the Waterloo site is Coles at East Village, some 0.9km south-east of the subject site (refer **Figure 11**).



**LEGEND**

- |   |                           |   |                                      |
|---|---------------------------|---|--------------------------------------|
|  | Green Square Town Centre  |  | Major full-line Coles                |
|  | Primary                   |  | Major full-line Woolworths           |
|  | Secondary (North & South) |  | Proposed major full-line Coles       |
|  | Secondary (West)          |  | Possible major full-line Supermarket |

**Figure 11** Current and Expected Full-line Supermarkets

Source: Ethos Urban; Google Maps

Market intelligence, along with observation during field visits, confirms that full-line supermarkets surrounding the Subject Site are trading very strongly.

The full-line Coles supermarket at East Village is understood to trade at over \$100 million, or more than \$30,000 per square metre, triple the Australian average of around \$10,000 per square metre. This makes the store one of the best performing Coles supermarkets in the country. Such high trading levels has an impact on the convenience of such a facility, and underpins the significant under-provision of full-line supermarket floorspace in the locality, along with emphasising the need for additional full-line stores.

Further indications of an undersupply of supermarket floorspace include:

- Analysis by Quantum at a postcode level highlights the inefficiencies in the market demonstrated by the fact that a large proportion of residents' supermarket expenditure is being directed to stores outside the immediate area (estimated at around 45% escape spending as at 2019 based on the Waterloo postcode of 2017 and surrounds).
- The Quantum analysis of Time of Day, Day of Week (TODDOW) data suggests that MTA residents (particularly those in postcodes such as 2017 - Waterloo) are undertaking fewer and larger supermarket shopping trips on the weekends rather than more frequent, after hours and weekend visits that is typical in inner city areas where access to supermarkets is more prevalent (as outlined when compared to Eastlakes/Rosebery – postcode 2018).
- A review of mobile location data from Near shows the large distances customers are travelling in order to access a major full-line supermarkets such as Coles at East Village. This is supported by the large main trade area defined for East Village which impacts on amenity and increases congestion during peak periods.
- Walkability is a key objective for this part of Sydney and as such, major full-line supermarkets should be provided within 500 metres of a significant share of the population to retain spending within the immediate area, without requiring residents to travel further than necessary to meet their supermarket needs. This is particularly true considering the high population density of this part of Sydney.

A supermarket capacity analysis taking into account the existing and potential population growth and future provision of supermarket floorspace is outlined in **Table 3**. The analysis is based on existing supermarket benchmarks and considers the following:

- The overall Food, Liquor and Grocery (FLG) market in the MTA is estimated at \$208.9 million in 2021, and is projected to increase to \$348.2 million by 2036.
- 65% of food and grocery expenditure is directed to supermarkets (as compared to other fresh food providers and specialty foods such as deli, butcher, baker etc.).
- In a more balanced retail environment 75% of supermarket expenditure could be retained within the MTA, or phrased another way, 75% of all supermarket expenditure by residents within the MTA should be directed to supermarkets within the MTA in a balanced retail market (compared to the current c55% as outlined by Quantum).
- 20% of supermarket sales are likely to be derived from beyond the defined MTA to reflect additional business derived from workers and visitors etc.
- 6% of supermarket sales are derived from non-food general merchandise sales (or non-food expenditure).
- A typical full-line supermarket achieves sales in the order of \$10,000 per square metre and above.
- Existing supermarkets within the MTA are estimated to total some 9,020m<sup>2</sup>, with this provision projected to increase to 10,950m<sup>2</sup> by 2036 taking into account existing known supermarket developments.

Based on existing supermarket averages and benchmarks, the analysis presented in **Appendix A** suggests a current underprovision of supermarket floorspace in the order of -4,522m<sup>2</sup>. This represents the equivalent of more than one (1) major full-line supermarket (assuming 3,200m<sup>2</sup> per major full-line supermarket).

Even allowing for the development of all proposed future supermarkets in the MTA the undersupply of supermarket floorspace is projected to increase to -11,621m<sup>2</sup> by 2036.

*This suggests that at least three (3) additional major full-line supermarkets would be required by 2036 in order to adequately service the existing and planned future growth within the MTA (including at least two new major full-line stores to service anticipated demand based on population growth between 2021 – 2036 alone). This is over and above the future smaller supermarkets already proposed at Waterloo.*

Typically, a major full-line supermarket is supportable for every 10,000 persons in urban Sydney. As such, the MTA population would support at least three (3) full-line supermarkets currently, increasing to over five (5) full-line stores by 2036. This represents an existing shortfall of up to two (2) full-line supermarkets as at today, with this number increasing to an under supply of up to four (4) full-line supermarkets by 2036.

The substantial under-provision of full-line supermarket floorspace in the MTA highlights the need and requirement for additional facilities in order to effectively serve the existing and growing population. There would be strong demand for the proposed Woolworths Waterloo development, as well as potential for a range of future full-line supermarkets in the longer term, including any future store at Waterloo Estate.

In April 2020 this office completed a Retail Needs Assessment for the broader Green Square precinct which also outlined the substantial undersupply of supermarket floorspace within this broader part of Sydney. It was identified in the 2020 Retail Needs Assessment that more than eight (8) additional full-line supermarkets would be required in the overall Green Square precinct in order to adequately service the existing and planned population.

This is over and above proposed supermarkets planned at Emerald City and Park Sydney as well as numerous metro supermarkets and redeveloped stores. It is clear that the strong population growth that has occurred in this part of Sydney, combined with planning restrictions on larger retail tenants such as supermarkets, has resulted in an inefficient market outcome that is now in need of review in order to ensure South Sydney remains a desirable and appealing destination in the future.

The undersupply of supermarket floorspace would result in impacts to the community including increased local traffic congestion, lack of convenience as well as negative impacts on choice and price competition - as residents travel further distances outside of their local communities.

While residents will account for the majority of demand, existing and future workers, students and visitors to the precinct will further add to demand for retail facilities, including supermarkets, with this provision to grow overtime as the area becomes more established.

The analysis highlights the substantial need for additional supermarket floorspace in the region, particularly full-line stores. Based on the above it can also be demonstrated that a substantial under-provision of supermarket floorspace exists within the MTA, and that this undersupply will increase further over time.

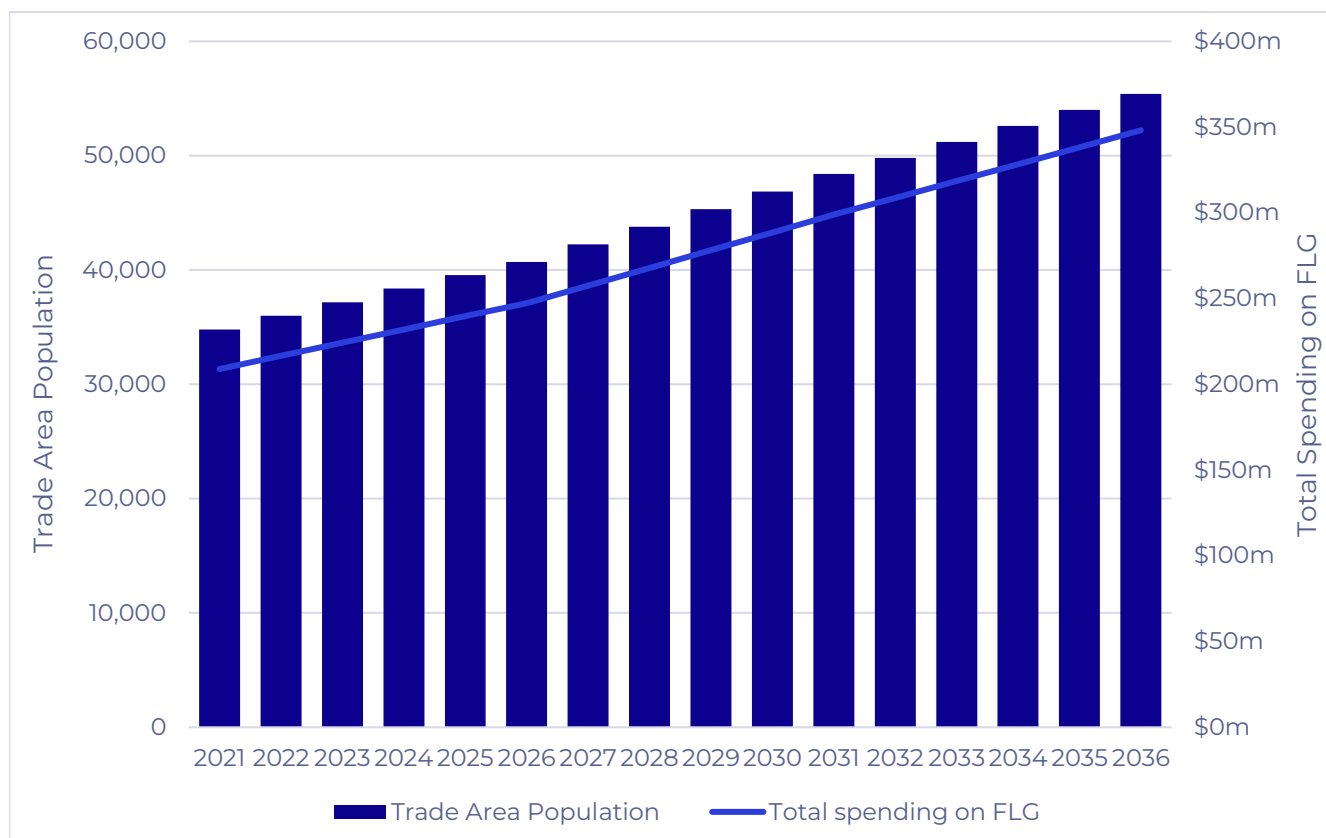


Figure 12 Total Spending on FLG and Trade Area Population, 2019 - 2036

## 2.5.7 Need to Evaluate Demand to Inform Retail Planning

The existing floorspace cap, coupled with substantial and higher levels of population growth, has resulted in a significant undersupply of supermarket floorspace in the MTA. Given the clear existing and forecast undersupply of retail and supermarket floorspace within the MTA and significant forecast population growth, the existing retail floorspace cap should be revisited in order to satisfy existing and future demand. There is significant demand and capacity for up to four full-line supermarkets to be developed the MTA and support the growth profile and future development of the broader community.

By revisiting the retail floorspace cap and allowing the development of a new and modern major full-line supermarket in the MTA, the existing underprovision of supermarket floorspace can be alleviated and help to serve the needs of existing and future residents in a fast growing part of Sydney. Without addressing the need for future full-line supermarkets there is the risk that impacts to the community will continue to increase; with reduced amenity, and greater travel times to full-line supermarkets beyond the MTA. Furthermore, these costs could also impact on the long-term appeal of the precinct both from a residential and commercial perspective.

## 2.6 Trends and Opportunities

The analysis above highlights that the MTA has a significant under-provision of supermarket floorspace. This section rationalises that the MTA also presents an opportunity to push the boundaries of the supermarket experience, including introducing and showcasing best in class supermarkets through sustainability, innovation, technology and customer experience. A genuine opportunity exists to create something world class, that will define the future direction of supermarkets in Australia.

As previously noted, the MTA is a fast-growing region, with residents primarily being young professionals and students that are highly skilled and culturally diverse. As a result, residents would be highly attuned to new consumer trends, easily adaptive and very willing to embrace new technologies, and the MTA represents a great opportunity where a best in class supermarket should establish, bringing new design and technologies and emulating premium operators. The opportunity existing to bring the Australian supermarket space in line with what is occurring overseas in countries such as China, Europe and America.

### 2.6.1 Trends in Full-line Supermarkets

Retail formats are continually evolving to respond to the needs of a growing population and to satisfy market demand. The rise in e-commerce and convenience retailing is changing the way people shop with an increase in 'direct to boot' pick-up services as well as increased 'on-demand' and 'just-in-time' delivery. The ability for the community to shop in different ways at different times and locations helps to provide choice and flexibility.

Growth in online retailing is driving innovation to respond to changing customer needs. Digital and physical spaces are increasingly merging, with more and more customers choosing both physical and online shopping. This trend gives rise to the real potential for hybrid retail and distribution models to cater to a new retail economy. Key to the success of this 'hybrid' model, which will undoubtedly require more warehousing, delivery and 'back of house' facilities, are supportive and more flexible land use regimes that support, encourage and enable this innovation in retail trading to occur.

Changes in retail demand, as well as innovation in transport methods, have also fundamentally changed the traffic and transport impacts of retail development. For example, electric trucks (which are currently being trialled by Woolworths) may be capable of servicing stores outside of traditional loading hours, with minimal acoustic impacts. Similarly, online retailing lends itself to deliveries scheduled outside of peak hours to better distribute traffic movements throughout the day. These factors have given rise to 'new generation' supermarket formats both domestically and abroad that incorporate technological advancements and new, innovative ways of doing business.

One of the key driving trends in the retail environment is the shift to online shopping. This trend has been further emphasised during the COVID-19 pandemic and is expected to remain. In particular, demand for online services in the supermarket sector has increased significantly, also driven by a number of factors unrelated to COVID-19 including:

- Increased working hours, which has reduced the amount of time available to consumers to spend shopping for groceries during normal hours of operation.

- Technology connectivity, with an increasing number of devices and services providing new ways to shop anywhere and anytime.

Green Square and South Sydney residents are generally employed in highly skilled white-collar jobs that would typically require a commitment to longer working hours. Many of these workers would be considered 'time poor' and would benefit from online shopping or direct to boot services near their homes. Further, the affluent population would also associate strongly with technology and new methods of shopping.

The prevalence of online retailing as part of a holistic retail network, complementing the physical retail store network, has resulted in changes to contemporary full-line supermarkets; this includes the ability for some stores to provide 'direct to boot' and other food and grocery services for local residents.

### Mixed-use and hybrid development types

Continued population growth and limited land availability is putting increased pressure on land uses in key precincts. Advances in technology is enabling a blend of uses and sectors in a single location. Furthermore, mixed use development will be increasingly common around major activity centres (promoted by transport nodes, education or health hubs and community centres) continuing to require more flexible approaches planning controls.

Integrated developments including retail, industrial, health, education and residential uses are increasingly common. From a retail perspective, there is an increased focus on blending online and physical retailing through additional hours of operations and delivery/collection services. This requires a more integrated supply chain and distribution network including some larger, more automated distribution centres as well as a potential network of smaller warehouses in metropolitan locations providing hybrid services. An example is the development of Woolworths Customer Fulfillment Centres and E-stores. These range in size but are technology enabled fulfillment centres that typically locate in built-up areas or co-locate with traditional supermarkets and offer last-mile and logistics solutions to a large population in close proximity to the site. For E-stores (or mini fulfillment centres) these facilities help replenish existing stores and deliver online orders to customers.

These types of developments can help to reduce traffic congestion (by taking larger trucks off the road and facilitating less truck and distribution movements) as well as cater to changing consumer needs such as same day and scheduled home delivery.

### 2.6.2 Features of 'Best in Class' Supermarkets

An example of a best class supermarket is the Brickworks Burwood, Victoria (**Figure 13**). One of the newest Australian Woolworths supermarkets is their store in Burwood Brickworks, Victoria. The store has a trading area of approximately 3,500m<sup>2</sup> and showcases many of the latest in Australian supermarket technology, in particular sustainability initiatives and 'back of house' operations to facilitate a forecast strong 'direct to boot' business.



**Figure 13 Best in Class Supermarket - Brickworks**

In addition to the above, 'best in class' full-line supermarkets demonstrate the following features:

- **'Direct to boot' and Click and collect instore pick up** - The full-line supermarket should offer the ability for instore pick up via dedicated drive-up bays and drive-thru facilities.
- **Express delivery** - Consumers should be able to order online and expect delivery within two hours. Delivery vehicles that have minimal impact on the local road network and residents such as electric vehicles and bicycle delivery will see strong growth.
- **Technology driven** - Use of automation and apps in order to facilitate a seamless and positive customer experience from fulfilment through to in-store experience and delivery.
- **Greater range of products** - Ability to cater to a diverse and variety of tastes and customer needs. Only larger format or full-line supermarkets can provide for this.
- **Encourages walkability and active modes of transport** - The larger format supermarkets promote walkability and short trips by providing optimal convenience, limiting the need for shoppers to take multiple trips to satisfy their shopping needs. This is particularly important in areas of high residential density.
- **Sustainable design and encourage sustainable practices** - Where possible, the building should be built with recycled materials and sustainable products. New supermarkets have higher levels of energy efficiency, and lower levels of wastage including reduced packaging and plastics. Many new supermarkets also include a number of sustainability and recycling initiatives aimed at assisting households.
- **Innovative and forward looking** - Best in class supermarkets need to be able to respond to consumer trends and needs through a flexible built form and layout as well as integrate with the latest technologies in order to adapt and create a first-class experience.
- **Electric car charging bays on site** - Best in class supermarkets cater towards developments in clean technologies.

## 2.7 Other Benefits

Introducing a 'best in class' supermarkets within the Trade Area will provide a number of benefits for residents and consumers including:

- **Better customer experience** - 'Best in class' supermarkets improve the customer experience.
- **Greater diversity of jobs** - 'Best in class' supermarkets have the potential for a greater diversity of job opportunities. For instance, technological driven solutions require a different range of workers than a typical store. This caters well to the diverse MTA population, providing a range of jobs for a range of local workers.

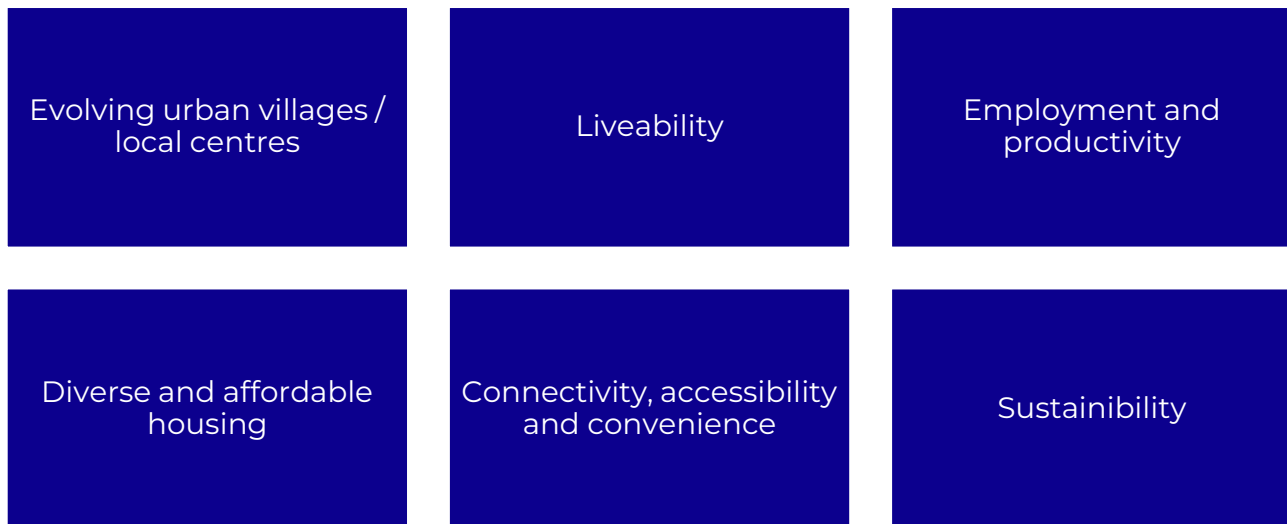


- **Improved walkability** - The provision of more conveniently located facilities in close proximity to residents' homes.
- **Reduced burden on the local road network** - Continued population growth will add competing pressures to the local road network. 'Best in class' supermarkets will help reduce demands on the road network, through more efficient logistic movements and efficient delivery.
- **Promoting local neighbourhood retail renewal** - Several areas within the MTA reflect the industrial history of the area, with many sites and streets in need of investment and renewal. Introducing quality supermarkets will promote gentrification, urban renewal and promote improved residential amenity within the MTA.
- **Catalyst for further innovation** - A 'best in class' supermarket in the MTA is likely to encourage other innovative firms and businesses to locate within the area, promoting opportunities for the area to become a hub for these types of operations. This could help to drive demand for office space through the creation of an innovation precinct. This would allow the MTA to develop its own point of difference, leveraging off existing innovation clusters around the periphery of Sydney CBD.
- **Catering to the customer profile** - Residents within the MTA are primarily young professionals and students. They are well educated, highly skilled and come from a diverse range of backgrounds. Their preference for time of day shopping varies, they require flexibility. They also seek a greater range of products. They are tech savvy and will be well equipped to adopt new retail trends that they have experienced and seen in other countries. These trends have also been noted in the recent growth of cafes, and boutique retail facilities that have been emerging in the area.
- **Green Square Urban Renewal Area as the national leader in sustainability** – A 'best in class' supermarket would help City of Sydney achieve its objective of Green Square Urban Renewal Area as a national leader in sustainability, adding to other awards already achieved by the precinct including numerous sustainability awards won for GSTC.

## 2.8 Strategic Context

### 2.8.1 Strategic Planning Themes

This chapter demonstrates how the vision and intended outcomes for the site, enabled by the Planning Proposal, are consistent with a range of strategic planning objectives established by both the City of Sydney and the NSW State Government. Specifically, the Planning Proposal supports key strategic planning moves relating to the following themes:



#### Evolving urban villages and local centres

The City of Sydney is made up of multiple villages, each comprising smaller, local neighbourhoods and centres, which are diverse in character (Sustainable Sydney 2030; Sydney LSPS 2020). The Green Square and City South Village, encompassing the Green Square Urban Renewal Area, is the largest and fastest growing village (Sydney LSPS 2020). Vital aspects of these villages are their convenience and vibrancy, achieved from the co-location of housing, goods, services and amenities, served by a network of 'active streets' (Sydney LSPS 2020) and supported by extensive new open space, streets, laneways, cycleways and mapped active frontages (Sydney DCP 2012). Not only does each village contribute to the local economy, but they are also integral to the culture, community and liveability of the city, enhancing the wellbeing of residents, workers and visitors (Economic Development Strategy 2013).

This sentiment is echoed in the objectives and priorities of the Region Plan (Objective 6, 7, 8 and 12) and the Eastern City District Plan (Priority E3, E4 and E6) under the themes of 'a city for people' and 'a city of great places'. Great places are characterised by a mix of land uses and activities, that exhibit urban design excellence, enhance social connection, a sense of community and overall wellbeing (Region Plan 2018; District Plan 2018). There is a strong correlation between health benefits and walkability to fresh food (supermarkets and grocers), public open space, local living destinations, as well as fine-grain street networks, public transport, and dwelling density (Australian National Liveability Study, University of Melbourne 2016). The COVID-19 pandemic has made delivery of great places with a focus on local needs, even more important.

In response to this, the Planning Proposal seeks to deliver an active mixed-use local village hub, that introduces elements of the surrounding village neighbourhoods and centres described above. **The Sydney LSPS (2020, p.27) notes that in addition to established and identifiable centres, new centres "may evolve through demand from the nearby residential neighbourhood, or through the availability of appropriate land use zoning which enables shops that provide retail or public services to move into an area".** As demonstrated within this report, the Planning Proposal primarily seeks to address the demand for additional retail facilities within the Green Square Urban Renewal Area and to also provide a range of housing typologies, including affordable housing to anchor an emerging village.

In line with the relevant strategic plans, the Planning Proposal presents the opportunity to:

- a) Deliver a high-quality mixed use development with an appropriate balance of uses in line with the role and function of a local village, which will complement and support the Green Square Town Centre as the designated higher order strategic centre and the wider Green Square and City South Village;

- b) Deliver great placemaking outcomes and assist in creating a better connected and inclusive local community, through the co-location of housing, goods and services, around the proposed Young Street Plaza and community rooftop garden;
- c) Deliver an adequate supply of commercial and community floorspace, and in doing so create jobs and contribute to the local economy and non-for-profit support sector, which continues to adapt and diversify post COVID-19;
- d) Deliver new housing, including a significant cluster of on-site affordable housing in a single development, in a desirable and accessible location, with improved walkability; and
- e) Embrace sustainability in the design and operation of future development in a forward thinking and visionary manner.

## Liveability

The concept of liveability is well established in contemporary planning dialogue, and is used to refer to the aspects of a place that leads to a high quality of life and wellbeing. As defined in the Region Plan 2018; Eastern City District Plan 2018 and Sydney LSPS 2020, these aspects, comprising both physical and social dimensions, include:

- A diversity of uses and users;
- The co-location of goods and services, to service the communities daily needs;
- The provision of diverse and affordable housing;
- Inclusive and accessible public spaces; and
- Walkable neighbourhoods with links for walking and cycling.

The Region Plan 2018 recognises that liveability not only contributes to productivity and sustainability but is also an important influence on individual wellbeing and community cohesion. Improving liveability is about creating and renewing great places, neighbourhoods and centres with improved access to local goods and services (Region Plan 2018; Eastern City District Plan 2018).

The Planning Proposal presents the opportunity to deliver a vibrant mixed-use local village, underpinned by liveability attributes at its core. In line with the strategic outcomes identified in the Region Plan (Objectives 6, 7, 8 & 10), the Eastern City District Plan (Priorities E3, E4, E5 & E6), Sustainable Sydney 2030 (Directions 4, 6, & 9) and the Sydney LSPS 2020 (Priorities L1, L2 & L3), the Planning Proposal will:

- a) Facilitate the provision of day to day goods and services, including fresh food and personal items, through the provision of retail and commercial floor space;
- b) Generate local employment opportunities;
- c) Deliver a diverse range of housing, including affordable housing, in an accessible and well-serviced location. Notably, the Region Plan acknowledges increasing residential development within walking distance of centres with a supermarket is a desirable liveability outcome;
- d) Provide high-quality publicly accessible spaces and shared communal areas to foster community connection;
- e) Improve the accessibility and connectivity of the public domain, to promote walking and cycling; and
- f) Incorporate sustainable design and building initiatives.

## Employment and productivity

The Region Plan (Objective 14) and the Eastern City District Plan (Priority E10) support the concept of a 30-minute city, where residents have greater access to jobs, shops and services, within 30-minutes of their homes. Development of the site presents the opportunity to deliver a mixed-use local village, that supports a 30-minute city. Specifically, the Planning Proposal will:

- a) Facilitate the delivery of additional housing in an area identified for growth, where future residents benefit from access to job opportunities in the nearby Green Square-Mascot strategic centres, including the Southern Employment Lands and Green Square Town Centre as well as the Harbour CBD, all conveniently accessible by public transport (Green Square train station, Waterloo Metro station and multiple bus routes) and active transport (cycling network) routes; and

- b) Revitalise aging light industrial / retail uses at the site and retain employment-generating floor space within an area identified for jobs growth, consistent with the outcomes of the Region Plan (Objectives 22 and 23) and the Eastern City District Plan (Priority E11 and E12).

The City of Sydney has set a target of 200,000 additional jobs for the LGA by 2036 (Sydney LSPS, 2020). This target exceeds the baseline target set by the Eastern City District Plan (Priority E7), under which some 75,000 additional jobs are identified for the Green Square-Mascot strategic centres. New development is required to deliver diverse floor space to achieve the set targets and to contribute to vibrant and productive village economies (Sydney LSPS, 2020). In response, the Planning Proposal seeks to provide an adequate supply of retail and commercial floor space, consistent with the role and function of a local village.

With housing growth anticipated to continue in line with the Region Plan, Eastern City District Plan and the Sydney LSPS forecasts, there exists strong demand for additional retail facilities in the area. Despite this, the LSPS takes a high-level approach to supermarket locations and catchments, which does not take into account local characteristics and store size. This aspect has been addressed in considerable detail throughout **Section 2.0** of this report.

The City of Sydney Retail Action Plan (2013) and other initiatives recognise the diversity of retail in the city and the need to create new jobs and businesses that respond to changing customer needs (Sydney LSPS, 2020). Notably, the retail sector is continually evolving in order to respond to the needs of a growing population, and to changing customer and market requirements. The rise in e-commerce and convenience retailing is changing the way people shop with an increase in 'click and collect' pick up services as well as 'on demand' and 'just-in-time' delivery options part of the growing retail landscape. The COVID-19 pandemic has accelerated the pace of change, and the required shift in the retail sector, with supermarkets in particular exposed as a critical component. In response, the concept proposal integrates the latest technology and innovation to combine a generic full-line supermarket, with emerging concepts such as 'pick up', within a mixed use environment.

Development of the site presents the opportunity to deliver retail and commercial tenancies, in a strategic location, that cater to a range of businesses. Therefore, supporting the objectives and actions of the Sydney LSPS 2020, Sustainable Sydney 2030 (Objective 7.3), Tech Startups Action Plan 2016 and Economic Development Strategy 2013.

### **Diverse and affordable housing**

In the last decade, Sydney's liveability and productivity have been increasingly challenged by the decreasing diversity and affordability of its housing (Sydney LSPS, 2020; Sydney LHS, 2020). The Region Plan (Objectives 10 and 11) and the Eastern City District Plan (Priority E5) recognise the importance of growing housing supply in a sustainable way, including the delivery of diverse and affordable housing in accessible and desirable locations.

As Sydney's population grows, the City of Sydney LGA will continue to attract higher density housing growth, with over one third of this growth predicted to occur in the Green Square Urban Renewal Area (LSPS, 2020). The proposal presents the opportunity to deliver a diverse range of housing, including housing of different types, tenures, sizes and price points within new residential development (LSPS, 2020; Sydney LHS, 2020; Region Plan 2018). The Sydney LSPS 2020 notes that new housing will be prioritised within walking distance of employment, goods, services and amenities – of which the site is located optimally to deliver.

Affordable rental housing and social housing is critical social infrastructure necessary in a well-functioning city (LSPS, 2020; Sydney LHS, 2020). Based on the City of Sydney's housing targets, an increase of almost 11,000 affordable rental housing dwellings and almost 2,000 social housing dwellings are required to 2036 (LSPS, 2020; Sydney LHS, 2020). The District Plan (Priority E5) includes a target of 5 to 10 per cent of all new floor space in the District is to be provided as affordable rental housing. The proposal is committed to achieving this with affordable dwellings included within an indicative public benefit offer, made viable through the inclusion of a supermarket on the site. The Planning Proposal will facilitate the delivery of additional housing, which will include much needed diverse and affordable housing options on site including adaptable dwellings designed to Liveable Housing Design Guidelines.

In doing so, the Planning Proposal and redevelopment of the site for housing, will support the strategic outcomes under the Region Plan (Objectives 10 and 11), District Plan (Priority E5), Sustainable Sydney 2030 (Direction 8), Sydney LSPS (Priority L3), Sydney LHS (Priorities H1, H2, H3, H4 and H7) and other State government plans and policies.

## Connectivity and accessibility

The objective of a 'well-connected city', as outlined within the Region Plan (Objective 14) and the Eastern City District Plan (Priority E10), is underpinned by the concept of the 30-minute city, where housing and employment are located with convenient access to efficient transport connections and safe and convenient walking and cycling routes (Sustainable Sydney 2030). The Sydney LSPS 2020 (Priority I1) focuses on walkable neighbourhoods, where people have access to their daily needs within a 5-10 minute walk, which the proposal supports.

The Region Plan 2018 and the Eastern City District Plan 2018 note that walkable neighbourhoods are designed, built and managed to encourage people of all ages and abilities to walk or cycle. Walkable neighbourhoods support the vitality of local village centres and active street life, which enhances community connections, safety, and the success of local businesses, and improves social and economic participation (Region Plan 2018). Enhancing walkability is important for:

- Promoting active healthy lifestyles, supporting social interaction and community life, reducing the need for long commutes and providing convenient access to daily goods and services
- Reducing the time people spend travelling and increasing people's access to jobs and services
- Increasing the proportion of trips by public transport, walking or cycling to reduce emissions (Eastern City District Plan 2018; Sydney LSPS 2020).

The City of Sydney supports the delivery of walkable neighbourhoods by implementing the City's walking, cycling and liveable green network plans (Sydney LSPS 2020). The City's Liveable Green Network is a system of key walking routes, aligned to connect attractors and transport anchors within and between neighbourhoods (Sydney LSPS 2020). The Liveable Green Network connects to the site along Bourke Street.

The Planning Proposal seeks to deliver an active mixed-use local village that is well-connected and accessible. Specifically, the Planning Proposal will:

- Facilitate the delivery of additional floorspace with convenient access to public transport (Green Square train station, Waterloo Metro station and multiple bus routes) as well active transport (cycling network);
- Fulfil the role of a local village by locating daily goods and services within walking distance of existing and future residents, workers and visitors;
- Enhance permeability of the site by providing dual an east-west links through the site, a primary link mid block and a secondary retail link extending to Archibald Avenue, including new adjacent publicly accessible plaza space;
- Establish various streetscapes that will give the precinct character and allow orientation throughout, including along Bourke Street, an existing activity street;
- Contribute to the vitality of the area through the activation of the ground plane, with retail and commercial uses, sleeving the plaza and deep soil zones together with McEvoy and Bourke Street frontages; and
- Enhance the connectivity and amenity of walking and cycling paths within and around the site.

In doing so, the Planning Proposal supports the strategic outcomes of the Region Plan 2018, Eastern City District Plan 2018, Sustainable Sydney 2030, the Sydney LSPS 2020 and other State and local strategic plans and policies.

## Sustainability

The concept of sustainability is composed of three pillars: social, economic and environmental. Social and economic sustainability are strongly linked to the concepts of liveability and productivity discussed above. Environmental sustainability, 'aims to reduce the impacts of development on the environment and people's wellbeing' (Sydney LSPS 2020, p.175).

The City of Sydney has a target of net zero emissions from the LGA by 2050, zero increase in potable water use by 2030 (from a 2006 baseline across the local area) and a goal of zero waste, defined as greater than 90 per cent of waste diverted from landfill (Sydney LSPS 2020; Environmental Action Plan 2016-2021). These targets support and strengthen the strategic outcomes under the Region Plan (Objectives 30, 33 & 34), the Eastern City District Plan (Priorities E17, E18, E19 & E20) and the NSW Government's Premier's Priorities for a Better Environment (Greener Public Spaces and Greening our City).

In support of the targets and outcomes established under the strategic plans, redevelopment of the site presents the opportunity to:

- a) Incorporate environmentally sustainable design principles in the design of the built form and public domain, including promoting natural ventilation, and using light-coloured, reflective or 'cool' materials;
- b) Incorporate onsite and off-site renewable energy generation where feasible, noting that any future development scheme will be subject to BASIX Energy scores and NABERS Energy ratings;
- c) Implement sustainable urban water management approaches where feasible, including a recycled wastewater system and water-sensitive urban design (WSUD) (subject to detailed design);
- d) Promote re-use and recycling during construction and operation;
- e) Incorporate healthy built environment principles, including protection from air and noise pollution;
- f) Increase the tree canopy in the public domain as part of the Sydney Green Grid, and to reduce urban heat island effect;
- g) Promote sustainable transport choices, including public transport, walking or cycling; and
- h) Manage ongoing operations in line with the goals established in the Woolworths Sustainability Plan 2025.

## 2.8.2 Metropolitan, District and Local Planning Strategies

### Greater Sydney Region Plan 2018

To manage growth and change across Sydney, the Greater Sydney Commission released the *Greater Sydney Regional Plan* (the Region Plan) and the *Eastern City District Plan* (the District Plan) in 2018.

The Region Plan guides integrated land use planning and infrastructure delivery over the next 20 years, with longer term vision extending 40 years. The Plan seeks to reposition Sydney as a metropolis of three cities and encourage land use planning and infrastructure integration to deliver a 30-minute city. Objectives in the Regional Plan include creating diverse jobs, and developing infrastructure and services that align with forecast growth.

### Eastern City District Plan

The District Plan contains the planning priorities and actions for implementing the Regional Plan at a district level. The Regional Plan sets the 20-year vision for the District through 22 'Planning Priorities' that are linked to the Region Plan. The purpose of the District Plan is to support councils in planning for growth and to align the *Local Strategic Planning Statements* (LSPS) with place-based outcomes. The strategic intent of the District Plan is to provide for services, shops, cultural infrastructure, education and transport within close reach of residents. The District Plan acknowledges that the area is growing and changing and that infrastructure and services need to adapt to meet people's changing needs.

The District Plan also highlights an objective to foster healthy, creative, culturally rich and socially connected communities which are provided with housing supply, choice and affordability in close access to jobs, services and public transport. Creating and renewing great places and local centres for these communities are also a key driver of change within the District Plan. We note that South Sydney is at present largely car dependent, and that walkability and access to local services and infrastructure is a pressing challenge in the face of rapid population growth in the area. Furthermore, the District Plan concludes that the Eastern City will require 1.8million square metres of additional retail floorspace over the next 20 years. Specifically, the District Plan recognises the importance of the growth of supermarket based strategic centres in the context of new trends with emerging technologies in the retail sector.

The District Plan Structure Plan indicates the site is within the Eastern City Economic Corridor, linking the Green Square – Mascot Strategic Centre with the Sydney Airport Trade Gateway and the Harbour City (Sydney) Metropolitan Centre. In proximity to the site is the Mass Transit / Train (10-20 years) Investigation, linking Maroubra, Kingsford, Green Square through to the Sydney CBD. Refer to the Structure Plan extract at **Figure 14**.

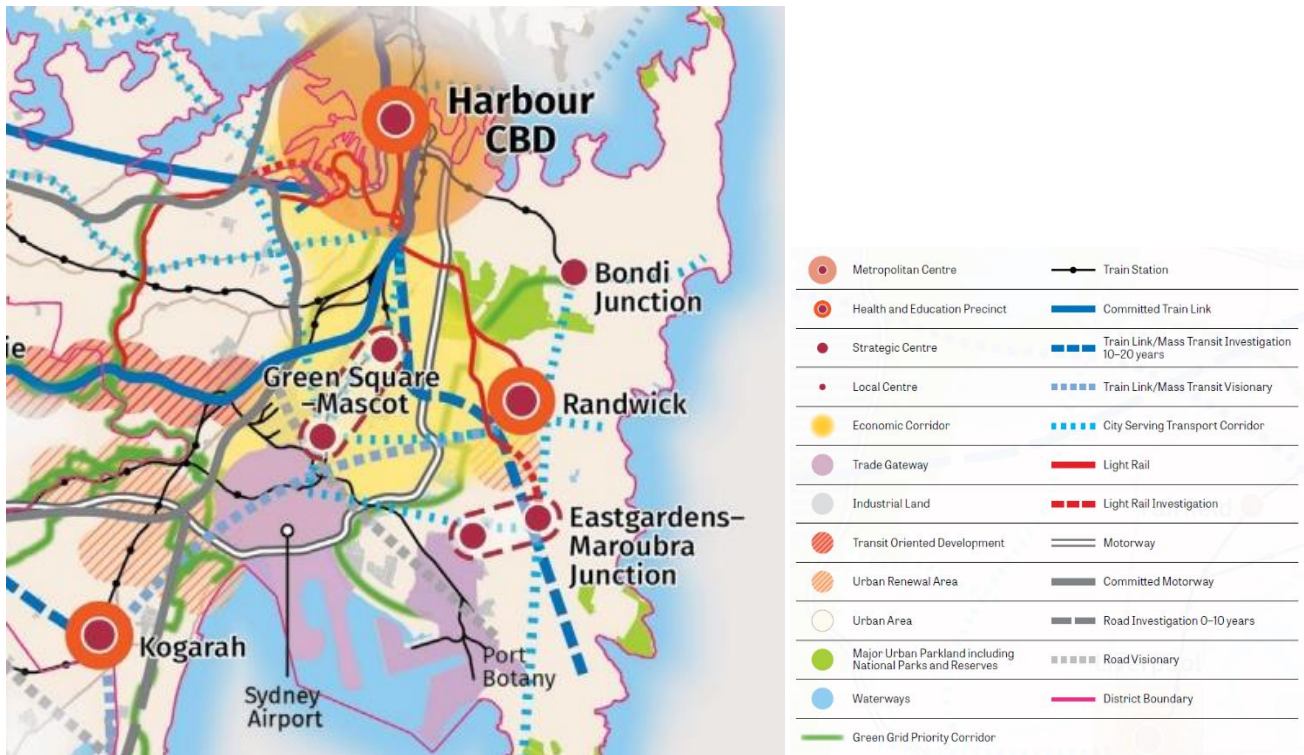


Figure 14 Eastern City District – Structure Plan

Source: Greater Sydney Commission 2018

### Sydney Local Strategic Planning Statement

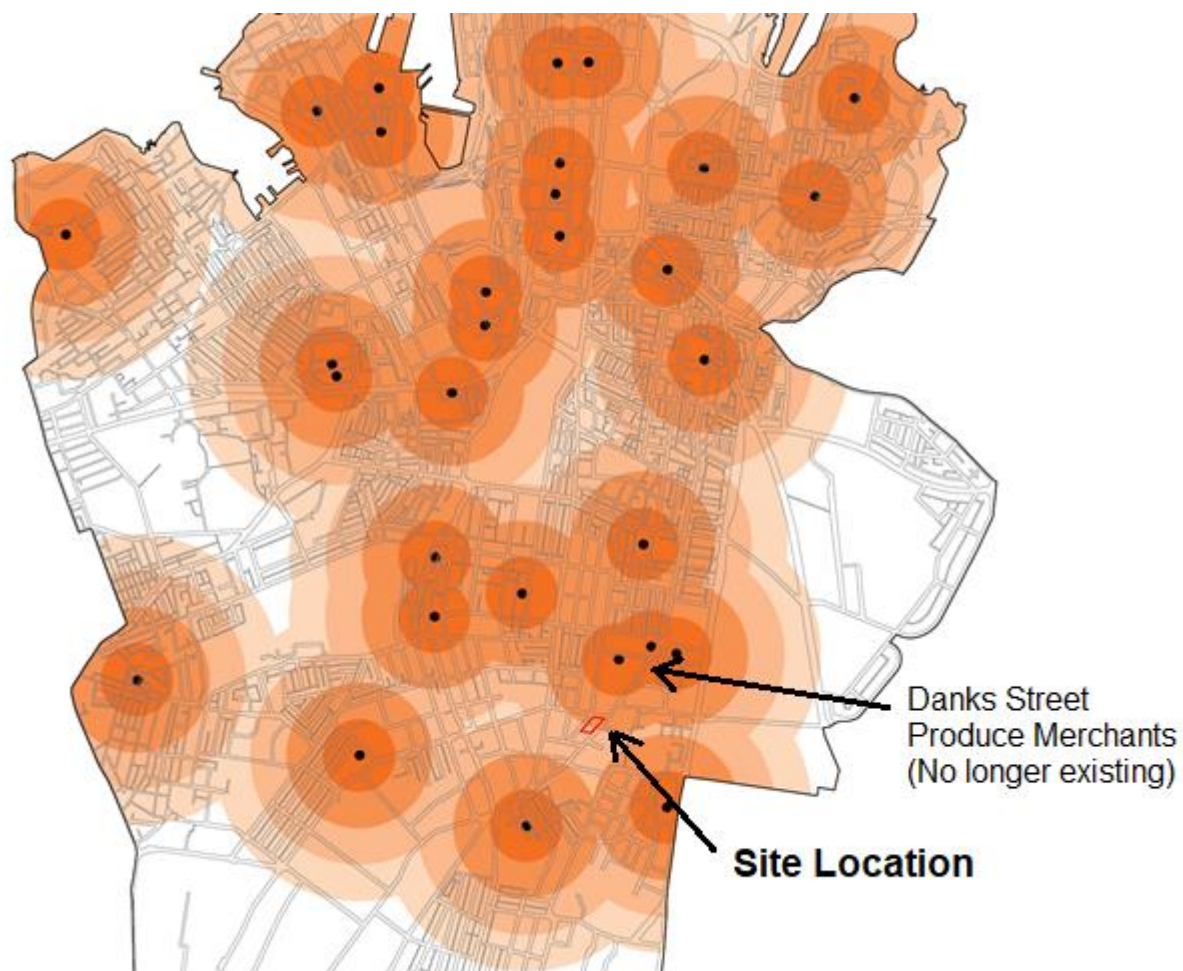
Under changes made to the EP&A Act, all Councils were required to prepare a Local Strategic Planning Statement (LSPS) to give effect to the Region and District Plan. The draft Sydney LSPS sets out a 20-year vision and planning priorities for the City of Sydney LGA that intend to manage future land uses across the area and implement the community's values and visions. The LSPS will inform changes to Councils' LEP, and other planning policies.

Within the LSPS it is recognised that the City of Sydney is challenged by growth in services and infrastructure in alignment with population growth. Notably, the LSPS outlines that the City of Sydney is forecast to reach a resident population of over 350,000 by 2036, supported by around 56,000 new dwellings over this period, with more than one third of these new dwellings projected to occur in the Green Square and City South village.

While the City of Sydney LSPS and its supporting studies are comprehensive, there is limited reference to retail facilities, which Woolworths contends should be addressed given the importance of retail in the City now and into the future. The value and appeal of retail facilities in the City is attributed to the strong growth projected to occur over the period to 2036, as well as the intrinsic value of retail as a key activity driver, employment generator, and community destination - appealing to a broad range of customer segments.

The demand for retail facilities will continue to increase significantly in the future based on projected growth anticipated in the City and particularly with the focus for growth in the Green Square and City South village. The LSPS maps walkability to identified supermarkets, of which an extract is provided at **Figure 15**. Whilst this covers a concept in terms of retail availability, detailed and nuanced retail trade areas highlighted in **Section 2.0** and in further detail within the Retail Demands and Economic Impact Assessment, prepared by Ethos Urban (**Appendix A**), include retail floor area sizes and other local factors contributing to determine catchment size and importantly, retail demand.

It is also noted that the nearest defined 'supermarket' in the LSPS to the north of the site, Danks Street Produce Merchants, has not existed since January 2018 and was not a traditional retail / grocery supermarket – highlighting the importance of a fine grain and up to date retail supply and demand analysis, as part of the strategic planning decision making process.



**Figure 15** Extract of LSPS determined supermarkets with walkability radius

Source: City of Sydney LSPS, Page 111

Ongoing strategic consideration for local centres, activity nodes and streets are considered in the LSPS as an essential aspect for the future prosperity of the City of Sydney. These components are especially important to ensure residents and workers have diversity and easy access to services and amenities – culminating in urban liveability, productivity and sustainability. These elements all contribute to the economic success of the LGA. The City directly relates these notions to the availability of commercial and other supporting floorspace, as noted in the below extract from the City’s LSPS page 114:

*“The vibrancy of the City’s local centres and activity streets is linked to the amount of space available for businesses, social and cultural uses. Increasing the amount of space allows a greater diversity of businesses to locate in centres and creates agglomeration benefits which drive more economic activity. This in turn provides more diverse services for the wider community”*

The retail need and demand for a full-line supermarket is established in **Section 2.0** and in further detail within the Retail Demands and Economic Impact Assessment (**Appendix A**), it is confirmed that the general premise for increased retail floorspace in line with a growing population within the LGA is accepted. However, the challenge to integrate larger format retail such as supermarkets, into the urban context is significant when considering existing surrounding land uses, residential amenity, urban character and other factors such as heritage transport, topographic, environmental and property limitations such as subdivision. The resultant outcome is a limitation in the type and location of sites which may be able to accommodate a supermarket to complete the retail ecosystem within a rapidly growing area.

Mapping for existing and growing local centres in the City’s LSPS is presented simplistically – as existing centres, planned centres and neighbourhood centres. Relevant extract provided at **Figure 16**.





**Figure 16** Centres and activity streets

Source: City of Sydney, LSPS, 2020 page 114.

It is important to note that close review of these mapped centres and activity streets reveals that many of the locations identified as centres are not representative of actual 'on the ground' retail and business activity, particularly in the Green Square Urban Renewal Area. This growth area has extensive active frontage and ground floor commercial/retail requirements in the Sydney DCP 2012 which transform the urban character in places like Victoria Park, Lachlan Precinct and Dank Street/Crown Gardens. The culmination of a large number of high-density mixed-use redevelopments in these locations have provided a proliferation of smaller fine grain retail tenancies, which have significant limitations in size and throughput to serve the needs of the population. As a result, this has promoted urban activity within areas outside of existing and planned centres in Waterloo, at a far greater rate when compared, for instance, to the southern sections of Rosebery, despite the notation of neighbourhood centres being depicted in these locations and not within Waterloo.

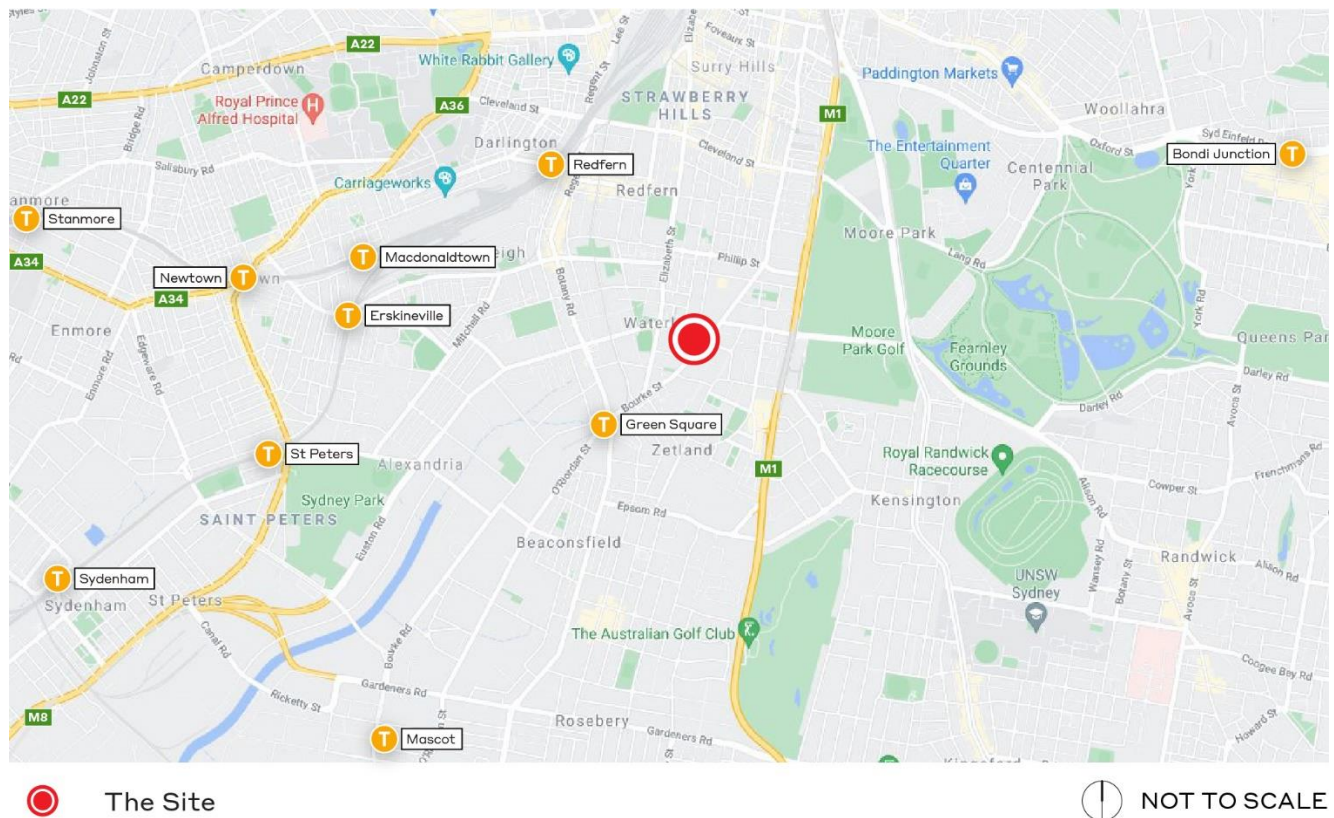
Understanding the complex relationship between changing demographics, evolving retail ecosystem dynamics, the strategic planning policy context and a detailed consideration of the nature of the site and the surrounding urban landscape has culminated in site and strategic merit for the Planning Proposal, which will be demonstrated in later sections of this report. These key considerations have influenced the composition of the Planning Proposal components and in particular the accompanying indicative reference scheme, which is presented at **Section 4.2**.

# 3.0 The Site

## 3.1 Site Location and Context

The site is located at 923-935 Bourke Street, Waterloo within the City of Sydney LGA, approximately 4km south-east of the Sydney CBD. Prominently positioned at the corner of McEvoy and Bourke Streets, the site is located in an area presently experiencing significant change through urban renewal projects that are delivering a number of new high-density residential and mixed-use developments.

The site's locational context is illustrated in **Figure 17**.



**Figure 17** Regional context of the subject site

Source: Google Maps and Ethos Urban

The site benefits from its close proximity to the Green Square Train Station (900m south-west) and the new Waterloo Metro Station (1.2km north-west) which is scheduled to be completed in 2024 as part of the Sydney Metro Project. The site is also well serviced by several of key frequent local and express bus routes.

Bourke Street provides north-south connectivity between Surry Hills in the north to Zetland and Mascot to the south. McEvoy Street provides key connectivity between the WestConnex M6/M8 interchange at St Peters to the west and the M1/Eastern Distributor to the east.

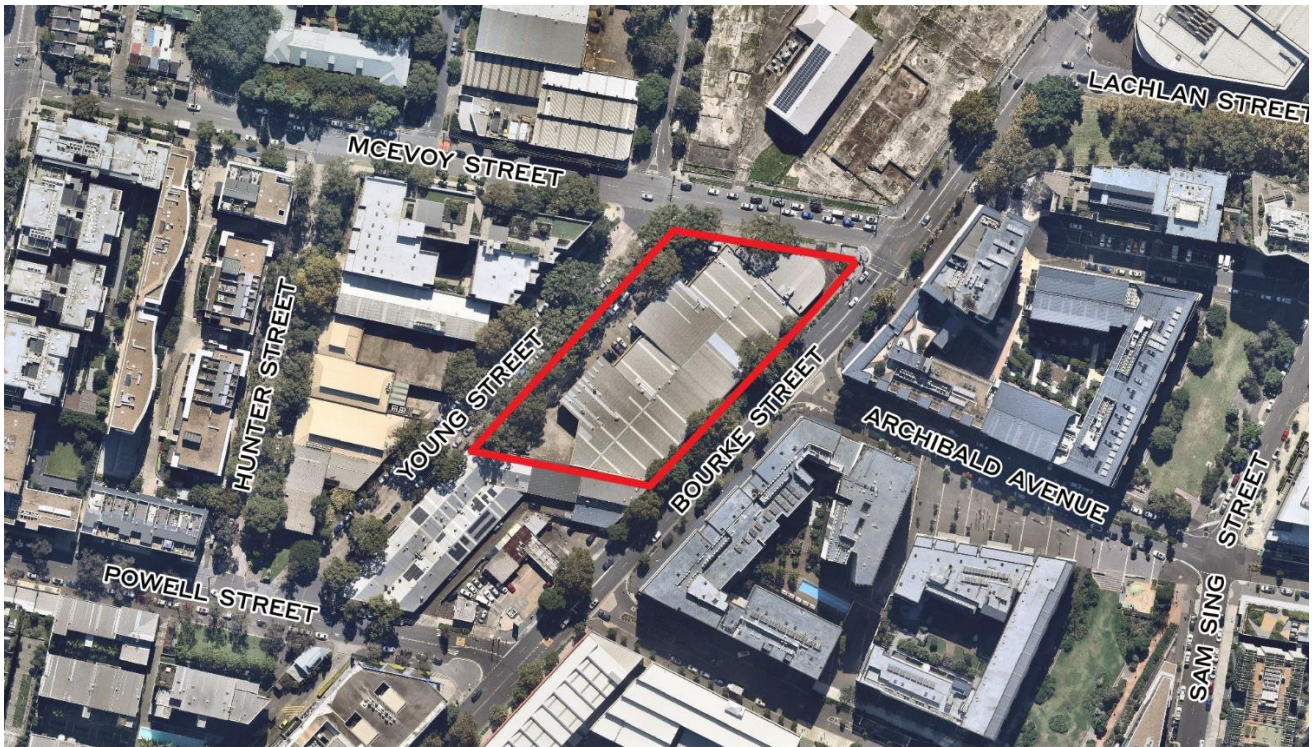
The site is located approximately 800m to the north-east of the Green Square Town Centre, an identified Strategic Centre within the established centres hierarchy, present in the Greater Sydney Region Plan and Eastern City District Plan. The site itself sits within the broader Green Square Urban Renewal Area, which is considered a major growth centre in within the South Sydney region (refer **Section 2.3** for the site's surrounding strategic and urban renewal context).

Located to the north-west of the site is the Redfern town centre and South Eveleigh commercial precinct, within approximately 1.2km. To the south-west within approximately 3km is the Mascot town centre. The East Village neighbourhood hub and shopping centre is located approximately 700m walking distance to the south-east.

### 3.2 Site Description

The site is irregular in shape and has a total area of approximately 6,534m<sup>2</sup> and a perpendicular depth of 58m. The site is bounded by McEvoy Street to the north, Bourke Street to the east, Young Street to the west and the rear of properties with a frontage to Powell Street to the south. The site has street frontage dimensions of 67.3m along McEvoy Street, 113.2m along Bourke Street and 109.78m along Young Street, and has a topography that generally falls in an east to west direction of between 1-2m approximately across the width of the site. A Survey Plan is provided at **Appendix K**, prepared by LTS Lockley and a site aerial photograph is provided at **Figure 18**.

The site is legally described as Lot SP 22332, which contains three separate strata allotments. The existing site contains strata industrial units which comprise warehouse floorspace and mezzanine offices. Current tenants include a car showroom, light industrial and commercial wholesalers.



 The Site

 NOT TO SCALE

**Figure 18** Aerial photograph of the site and surrounds

Source: Nearmap and Ethos Urban

### 3.3 Surrounding Development

The site is located in the Waterloo Park locality (as defined by the DCP, refer **Section 3.4**) and is characterised by primarily low to medium scale mixed use development with higher buildings located along the Bourke Street spine.

To the east of the site is the 'Sydneygate' former industrial lands which has been redeveloped into to mixed-use precinct over the last decade. The development comprises varying 6-12 storey buildings with central internalised communal open space, set on either side of Archibald Avenue, connecting east-west to Bourke Street (**Figure 18**).

To the north of the site is the Danks Street South mixed-use urban renewal precinct set within the former Sydney Water site and surrounding former light industrial precinct to the north and north-west. Varying podium built form of between 4-7 storeys with 12-23 storey towers are intended within Dank Street South, bounded by Bourke Street, Morehead Street and Danks Street (**Figure 22**) with development in the planning phase.

To the site's south and south-west are 1-2 storey light industrial and retail showroom premises along Young and Powell Street, within older brick and masonry built form. Directly to the west of the site on Young Street is a contemporary 4 storey residential flat building, fronting Hunter Street (**Figures 24**).



**Figure 19** View to the south-east to developments on the corner of Archibald Ave and Bourke Street



**Figure 20** Looking South along Bourke Street within the frontage of the site



**Figure 21** View to the west along McEvoy Street within the frontage of the site



**Figure 22** View to the west along McEvoy Street within the frontage of the site, Dank Street South to the left



**Figure 23** Looking South along Young Street within the frontage of the site



**Figure 24** Looking North along Young Street within the frontage of the site

## 3.4 Current Planning Controls

### 3.4.1 Sydney Local Environmental Plan 2012

The Sydney LEP 2012 is the principal environmental planning instrument applying to the site. The existing key planning controls that apply under the LEP are outlined below in **Table 4**.

**Table 4** Current Sydney LEP 2012 provisions

LEP Clause	Provision
Land use zones (Clause 2.1)	B4 Mixed Use zone: <u>Permitted with consent:</u> <i>Boarding houses; Centre-based child care facilities; Commercial premises; Community facilities; Educational establishments; Entertainment facilities; Function centres; Hotel or motel accommodation; Information and education facilities; Medical centres; Oyster aquaculture; Passenger transport facilities; Recreation facilities (indoor); Registered clubs; Respite day care centres; Restricted premises; Roads; Seniors housing; Shop top housing; Tank-based aquaculture; Any other development not specified in exempt or prohibited provisions.</i> <u>Prohibited:</u> <i>Extractive industries; Heavy industrial storage establishments; Heavy industries; Pond-based aquaculture</i>
Building height (Clause 4.3)	The maximum height of buildings within the site is 15m
Floor Space Ratio (Clause 4.4)	The maximum base floor space ratio that applies to the site is 1.5:1.
Flood planning (Clause 5.21)	Various detailed flood planning provisions which require the consent authority to be satisfied prior to granting development consent.
Community infrastructure floor space at Green Square (Clause 6.14)	Development that results in additional floor space, may be consented to if the development includes certain Green Square community infrastructure provisions, to the satisfaction of consent authority. Mapped Area 6—0.5:1.
Design Excellence (Clause 6.21)	Development consent must not be granted to development unless the consent authority considers that the development exhibits design excellence. This provision applies to developments with a height greater than 25m, has an investment value of greater than \$100m, or requires the preparation of a site specific DCP (Clause 7.20). Development demonstrating design excellence may have up to 10% additional floorspace (including FSR mapped and community infrastructure floorspace)
Car parking - Residential flat buildings and multi dwelling housing (Clause 7.5)	The site is identified as land in Category B (Land Use Integration Map). The maximum number of car parking spaces for residential flat buildings is studio (0.2 spaces), 1 bedroom (0.4 spaces), 2 bedroom (0.8 spaces), 3 or more bedroom (1.1 spaces). For visitor parking up to 30 dwellings (0.167 spaces), more than 30 and up to 70 (0.1 spaces) and more than 70 dwellings (0.05).
Car parking - Office and business premises (Clause 7.6)	Proposal will exceed 1.5:1 FSR and accordingly is determined to have a maximum number spaces based on the formula, to be presented and addressed in <b>Section 9.3</b> .
Car parking – Retail (Clause 7.7)	As the proposed retail GFA exceeds 2,000m <sup>2</sup> , parking rates are to be determined by a study, which is to be presented and addressed in <b>Section 9.3</b> .
Contribution to affordable housing (Clause 7.13)	The proposed development must contribute 3% of the total floor area intended for residential purposes for affordable housing and 1% of the total floor area not intended for residential purposes for affordable housing.
Acid Sulfate soils (Clause 7.14)	Class 5
Large retail development outside of GSTC (Clause 7.23)	The site is identified as land with restricted retail development with a maximum gross floor area of 1,000m <sup>2</sup> .

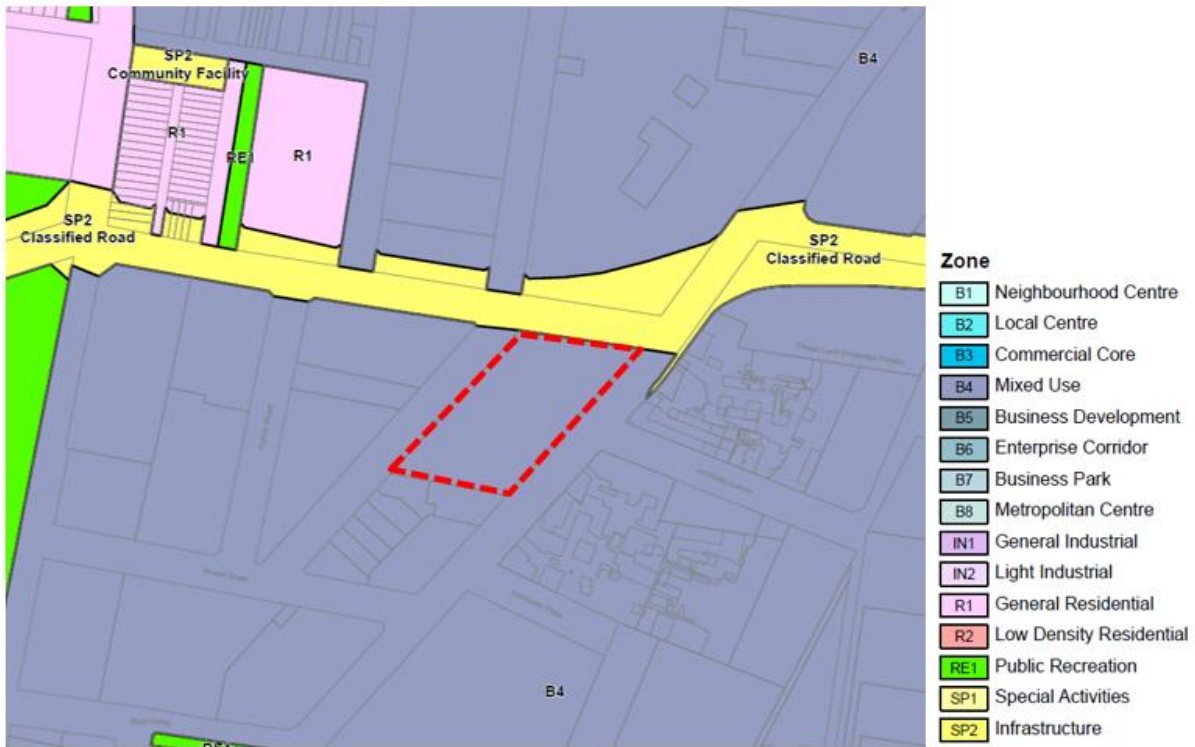


Figure 25 Land Use Zoning Map extract from Sydney LEP 2012



Figure 26 Maximum Building Height Map extract from Sydney LEP 2012



Figure 27 Maximum Floor Space Ratio Map extract from Sydney LEP 2012

Sources: Legislation NSW

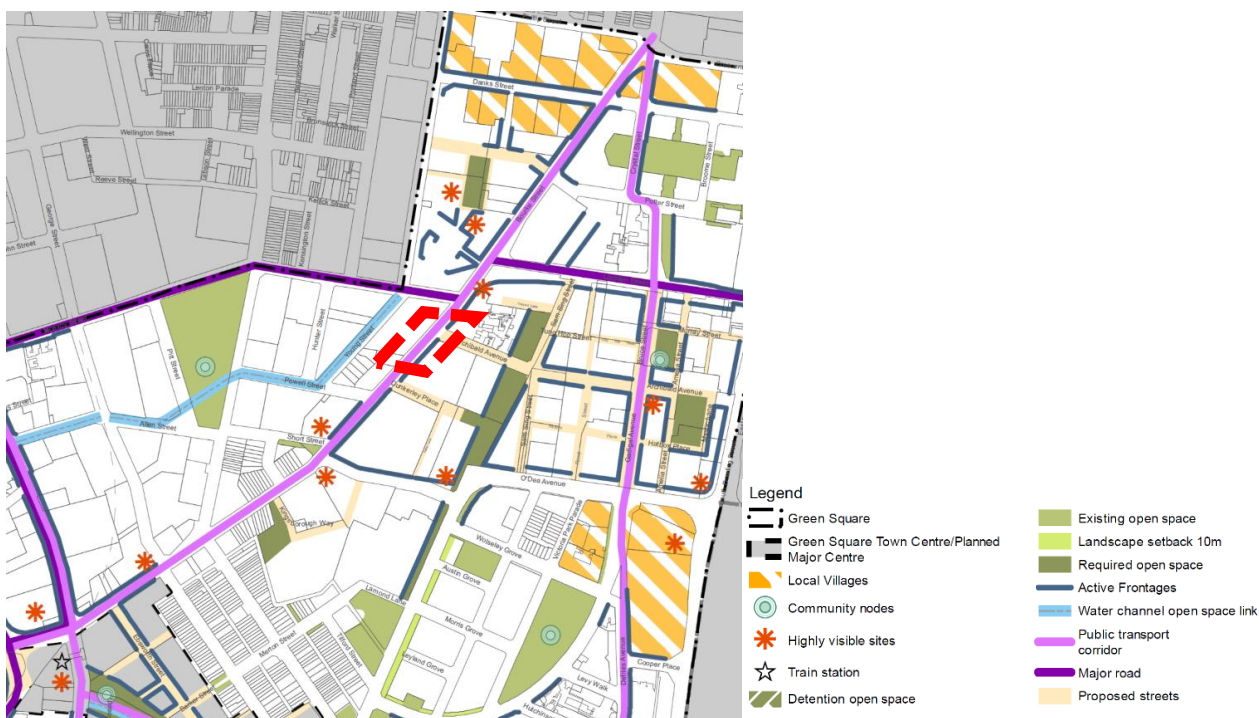
### 3.4.2 Sydney Development Control Plan 2012

The Sydney DCP 2012 provides additional detailed design guidance which builds upon the provisions of the Sydney LEP 2012. The site is located within Green Square as identified in the Sydney DCP, meaning it is subject to built form controls relating to street frontage heights, setbacks, building bulk, facades and sun access planes. Relevant key considerations are identified in **Table 5** below.

Table 5 Current key Sydney DCP 2012 controls

Provision	Planning Control
<b>Section 5.2 Green Square</b>	
5.2.3 Community infrastructure	Maximum GFA under Clause 6.14 of Sydney LEP 2012 to be achieved where a development provides specific infrastructure including roads, public domain, drainage and stormwater infrastructure works, to the satisfaction of the consent authority.
5.2.5.2 Through-site links	Through-site links are to be provided in locations identified – with a mapped link aligned adjacent to the site’s southern boundary. Encourages active edges and creates opportunities for natural surveillance to through-site links.
5.2.7.1 Water channels and setbacks	A 3 metre landscaped setback, measured from the existing site boundary shall be provided on the eastern side of Young Street, free of structures and encroachments.
5.2.7.3 Flood risk management	Development applications for land within the flood liable portions of the Green Square development area require the submission of a flood study.
5.2.9 Building design	Align buildings to the street to define the public and private domain with direct access to private open space as appropriate. Multiple entries are to be provided along the street frontage and along through-site links. Vehicular entries must be separated from common lobby entries.

Provision	Planning Control
5.2.10 Setbacks	Land dedication is required for mapped community infrastructure, including setbacks. Landscape setbacks are required except to nominated active frontages. Mapped setbacks include McEvoy Street (2.4m footpath widening), Young Street (3m landscape) and Bourke Street 3m (footpath widening).
<b>Locality Statements</b>	
Waterloo Park locality	The character of Waterloo Park is to be primarily low to medium scale mixed use development with higher buildings at appropriate locations on Bourke Street. Non-residential development and active frontages at ground level encouraged along McEvoy Street and Bourke Street to increase pedestrian activity, create a better public domain and to act as a buffer against traffic impact for residential uses above.
<b>General Provisions</b>	
3.1.5 Public Art	Conceptual public art strategy considerations to guide the future design excellence provisions and detailed design of the site. Refer <b>Appendix O</b> .
3.11 Transport and Parking	Car parking, accessible parking, bicycle parking and motor cycle parking is provided in accordance with relevant provisions under the SLEP 2012 and SDCP 2012. Refer to <b>Section 9.3</b> of this report for further consideration.
3.6 Ecologically Sustainable Development	Ecologically Sustainable Development (ESD) provisions as relevant to new developments. Conceptual ESD considerations presented at <b>Section 9.10</b> of this report.
<b>Mixed Use Development Provisions</b>	
4.2.1 Building height	Maximum number of storeys is mapped as 4 storeys for the site.
Various	Specific provision in relation to internal and neighbour amenity, solar access, landscaping, dwelling mix, ventilation, architectural diversity and waste are drawn from <b>Appendix A</b> with assessment undertaken at <b>Section 9.5</b> at conceptual level, in support of the indicative development which accompanies the Planning Proposal.



**Figure 28** Extract of the Green Square DCP Structure Plan

Source: City of Sydney



# Part B – Delivering a Response

## 4.0 Objectives and intended outcomes

### 4.1 Key objectives and outcomes

The concept vision for the site and its future redevelopment is centred on creating a new-generation and exemplar mixed-use development. This includes the thoughtful integration of a contemporary supermarket.

Woolworths' aim is to fulfill identified local demand for a large format supermarket providing convenient shopping for the surrounding population, whilst enhancing the liveability of the local community through the provision of fine grain retail, enhanced pedestrian permeability and linkages, activated commercial floorspace and integrated on-site basement parking. With appropriate urban design consideration and integration into the surrounding locality, this will result in the achievement of a new 'neighbourhood centre' focused on the intersection of Bourke St and Archibald Avenue, with movement flows prioritised to draw new connections through to Young Street through primary mid-block and secondary retail-focused through site linkages.

The above is demonstrated as capable of being able to be achieved with subterranean supermarket arrangement. Woolworths also intend to introduce new pick up concepts such as convenient 'direct to boot' within the site and to offer innovative new local 'last mile' delivery concepts, which are made possible through a large format retail store. Importantly, the vision to establish the heart of a new 'neighbourhood centre' within the site is strengthened through the provision of ground floor specialty retail and commercial spaces which are provided with enhanced local connectivity and internal plaza space set amongst deep soil zones.

The Proponent and project team have worked collaboratively with Council in refining this Planning Proposal and the accompanying indicative development concept. The amended scheme remains consistent with the above key objectives, whilst better responding to place and local ecology through greater retention and protection of existing mature canopy trees within the site and along surrounding street frontages.

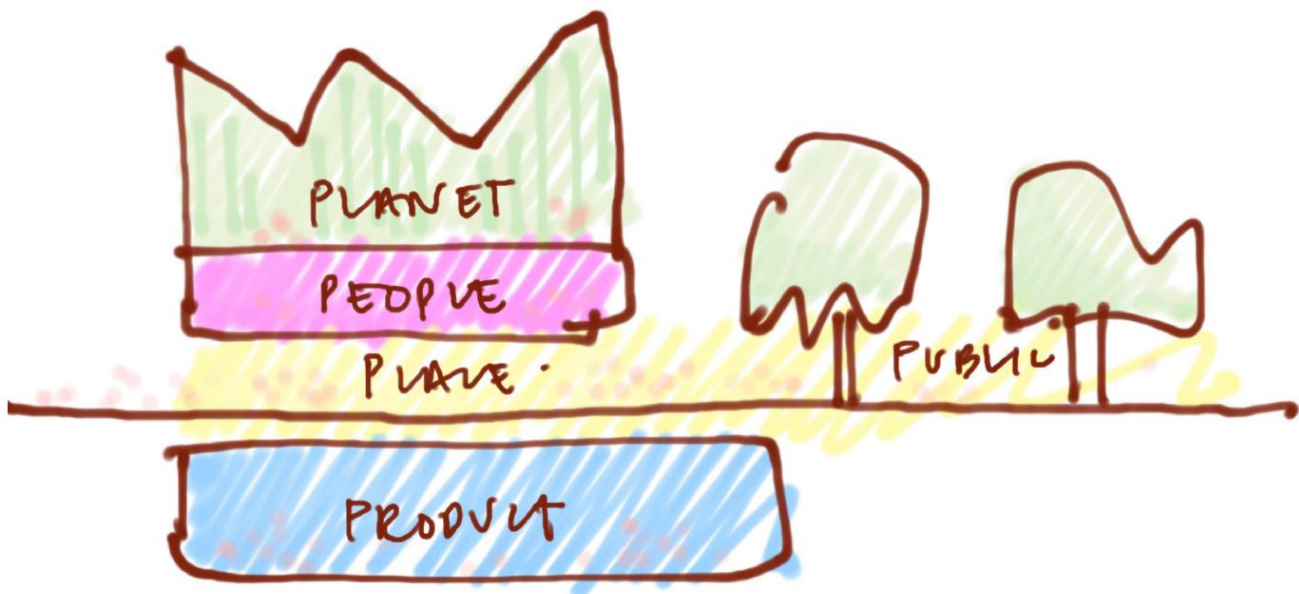


Figure 29 Initial visioning concept sketch

Source: Bates Smart

## 4.2 Indicative development concept

In response to assessment feedback from Council, a revised indicative reference scheme has been prepared. This scheme provides a conceptual development which validates the proposed amendments to the retail cap and considers the necessary technical requirements and site considerations to support a viable future redevelopment of the site as a 'neighbourhood centre'.

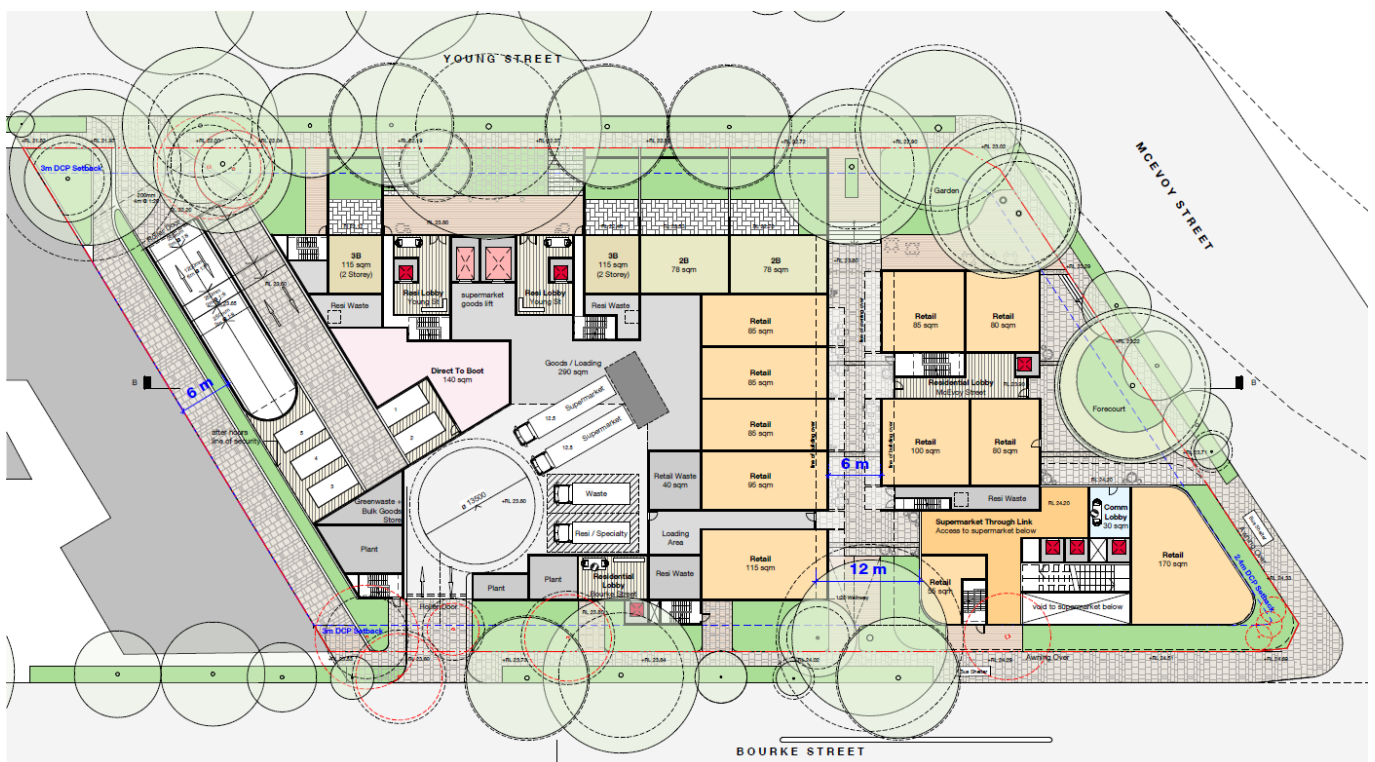
In preparing the indicative reference scheme, this has necessitated proposed amendments to the maximum height of buildings and FSR planning controls within the Sydney LEP 2012. Accordingly, overall building envelopes have been derived which will be translated into planning controls that are sought as part of the Planning Proposal request (refer **Section 5.0**).

Project architect, Bates Smart have considered built form massing carefully within the site and have taken into account a thoughtful analysis of the surrounding locality and the desired future character of the area. This analysis has considered the provision of increased street setbacks, deep soil landscaped zones and through-site connectivity to define a highly activated and desirable ground plane. Refer to **Figure 30** below.

The conceptual development provides for a building at the corner of McEvoy and Bourke Streets (McEvoy Street Building). The building serves to visually anchor the site on its primary frontage and is intended to comprise a retail podium and supermarket lobby, with the upper floors containing a split between residential and commercial floorspace, with a communal rooftop garden for residents.

Aligned to the south of the McEvoy Street building is a retail through site link which will be activated outdoor dining opportunities, connected to a public plaza and garden at the corner of McEvoy and Young Streets. To the south of the through-site link at ground level are speciality retail tenancies and residential lobbies aligned to Young and Bourke Streets, sleeving retail 'direct to boot', vehicle entrances, servicing and loading. A primary mid-block through site link is aligned with the southern side boundary.

Provided above the podium are two residential building forms flanking the longer sides of the site, with a generous landscaped communal courtyard accommodated at the Level 1 podium. Suitable building footprint depths ensure apartment configurations that optimise solar access, natural cross ventilation and visual amenity. The built form envelopes are also articulated to break down the linear scale.



**Figure 30** Extract of the illustrative activity zone intent of the redevelopment

Source: Bates Smart

## 4.2.1 Numerical Summary

**Table 6** provides a summary of the indicative concept scheme's key numerical components.

**Table 6 Numerical Summary**

Component	Indicative Development Concept
Site Area	<ul style="list-style-type: none"> <li>6,534m<sup>2</sup></li> </ul>
Footpath widening, landscaped frontages, publicly accessible links and plaza	<ul style="list-style-type: none"> <li>Through site links (primary and secondary) 738m<sup>2</sup></li> <li>Footpath widening / landscaping / deep soil zones (DCP) 1,113m<sup>2</sup></li> <li>Additional public realm / plaza deep soil zones 263m<sup>2</sup></li> </ul>
Gross Floor Area	<ul style="list-style-type: none"> <li>14,375m<sup>2</sup> (above ground)</li> <li>17,575m<sup>2</sup> (including below ground supermarket)</li> </ul>
Floor Space Ratio	<ul style="list-style-type: none"> <li>2.2:1 (above ground)</li> <li>2.7:1 (including below ground supermarket)</li> </ul>
Floor Space Breakdown	<ul style="list-style-type: none"> <li>Retail <ul style="list-style-type: none"> <li>Retail (below ground supermarket) 3,200m<sup>2</sup></li> <li>Retail (ground floor specialty, lobby, circulation and pick up / delivery / 'direct to boot' facilities) 1,670m<sup>2</sup></li> </ul> </li> <li>Commercial <ul style="list-style-type: none"> <li>Levels 1-5 (Young Street building) 2,025m<sup>2</sup></li> </ul> </li> <li>Residential <ul style="list-style-type: none"> <li>Young Street building) 6,900m<sup>2</sup></li> <li>Bourke Street building) 2,145m<sup>2</sup></li> <li>McEvoy Street building) 1,635m<sup>2</sup></li> <li>Total: 17,575m<sup>2</sup></li> </ul> </li> </ul>
Maximum Height	<ul style="list-style-type: none"> <li>McEvoy Street Building <ul style="list-style-type: none"> <li>6 storeys (Retail Ground Podium, Commercial and Residential Levels 1-4)</li> <li>Residential communal rooftop (Level 5)</li> <li>RL 46.7m (rooftop amenities)</li> </ul> </li> <li>Young Street Building <ul style="list-style-type: none"> <li>7 storeys (inc Retail Ground Podium)</li> <li>RL 48.4m (roof plant), RL 47.0 (Level 6)</li> </ul> </li> <li>Bourke Street Building <ul style="list-style-type: none"> <li>5 storeys (inc Retail Ground Podium)</li> <li>RL 43.1m (roof plant), RL 41.7 (Level 5)</li> </ul> </li> </ul>
Residential	<ul style="list-style-type: none"> <li>Total 121 apartments <ul style="list-style-type: none"> <li>Studio – 1 apartment (1%)</li> <li>1 bedroom – 32 apartments (26%)</li> <li>2 bedroom – 62 apartments (51%)</li> <li>3+ bedroom – 26 apartments (21%)</li> </ul> </li> <li>Communal open space podium – 1,628m<sup>2</sup> (25%)</li> </ul>
Car Parking	<ul style="list-style-type: none"> <li>Retail (supermarket and speciality retail visitors) 97 spaces</li> <li>Retail (supermarket pick up, ground) 6 spaces</li> <li>Commercial 27 spaces</li> <li>Residential 91 spaces</li> </ul>
Loading / servicing	<ul style="list-style-type: none"> <li>Supermarket – 2 HRV</li> <li>Retail specialty and residential – 2 MRV</li> </ul>

Source: Bates Smart, Indicative Reference Design, August 2022

## 4.2.2 Ground Plane

The intent for the site is to establish a highly permeable and connected ground floor plane which places pedestrians needs and accessibility first. This approach maintains the established fine grain character of the immediately surrounding locality. The indicative concept design consists of generous internal public spaces connected via new through-site links and upgraded footpaths with generous landscaped and deep soil setbacks (**Figure 32**).

The vision is for an active ground plane with a highly visible urban plaza with large trees on corner of Young and McEvoy Streets that will attract people to the site which incorporates generous retained vegetation. A new and additional through-site link is to be located to visually extend Archibald Avenue and provide a strong connection with McEvoy Street, with a north facing deep soil zone for outdoor recreation.

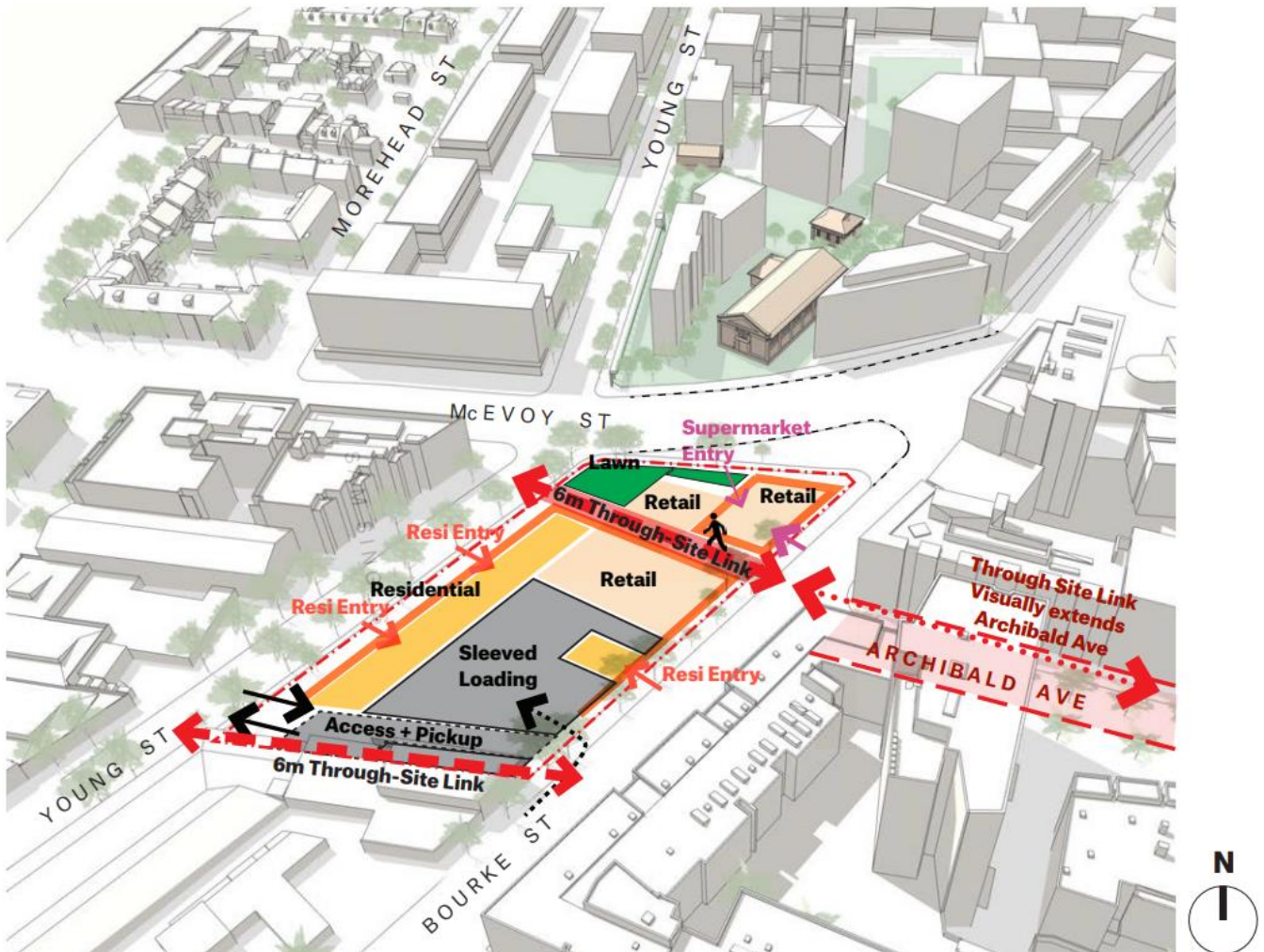


**Figure 31** *Indicative residential building interfacing with Young Street*

The secondary through site link will be activated as a retail laneway on both sides in addition to façade activation along Bourke Street with small scale retail and a residential lobby. The retail laneway also contains fine-grain retail and outdoor furniture settings to create a vibrant local retail experience. The primary midblock through site link as mapped in the DCP adjoins the site's southern boundary.

Built form setbacks to Young Street are proposed to be increased from 3m to 7m and up to 10m in order to appropriately retain a high degree of the existing canopy tree within the street frontage and provide an enhanced landscaped zone to the frontage of the residential apartments. Setbacks to Bourke Street are also proposed to be increased for tree retention from 3m to 6m in the revised indicative scheme.

A commercial lobby is accessible from the corner of Bourke and McEvoy Streets forecourt with an additional passageway connecting McEvoy Street to the retail lane, further enhancing permeability. The ground floor levels have been elevated to meet the minimum habitable floor levels as recommended by the technical flood assessment.



**Figure 32 Active Ground Plane diagram**

Source: Bates Smart

Collectively, approximately 1,851m<sup>2</sup> of the site is dedicated to primary and secondary through site linkages, publicly accessible plazas and embellishments withing footpath widening and expanded site setbacks / deep soil zones.

Passenger vehicles access the site via Young Street that links to basement parking levels below. This access point serves ground level spaces which provide short term pickup for groceries known as the 'Direct-to-Boot' service. A loading entry/exit is proposed from Bourke Street for heavy vehicles to service the development independently of private cars. This loading dock will allow for supermarket, retail and commercial deliveries as well as provide access for waste removal trucks for the residential component.

Importantly, the site access points in the indicative concept scheme have been located to minimise impacts on street trees and existing mature vegetation which contributes to the site's character.



**Figure 33** Photomontage of indicative public through-site link and neighbourhood centre plaza

Source: Bates Smart

### 4.2.3 Supermarket and Specialty Retail

A key component of the Planning Proposal and the indicative reference scheme is the inclusion of a full line Woolworths supermarket. In order to present a fine grain, permeable and engaging, people-focused development, the main trading floor and back-of-house for the supermarket, is located in a subterranean arrangement at the Lower Ground Floor. The supermarket is intended to accommodate a maximum of 3,200m<sup>2</sup> of GFA.

Located in the Lower Ground Floor lobby is a specialty retail tenancy of 80m<sup>2</sup>, together with sets of escalators to the Ground Floor and travelators to the Basement parking floors. Provided within northern section of the Lower Ground floor are public lifts, amenities and end-of-trip-facilities. It is intended that goods lifts connecting directly with the supermarket loading dock at ground level, will be located within the back-of-house areas aligned along the western boundary of the site.

### 4.2.4 Landscaping Concept

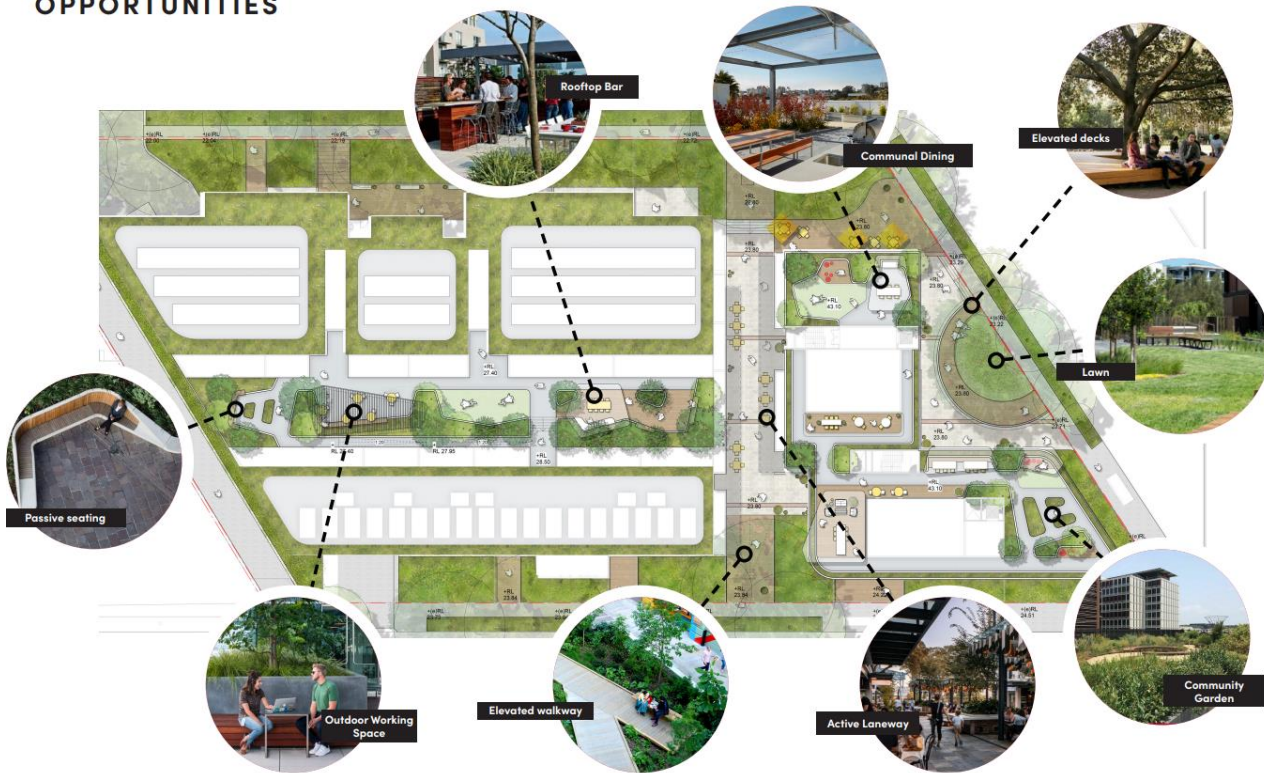
A Landscaping Concept Scheme has been prepared by Turf Design Studio and is provided at **Appendix E**. Key place principles for the scheme have been established to guide the design of the landscaping to integrate with the following urban design moves:

- Community at heart;

- A place that welcomes all;
- Embrace sustainability;
- Embracing the site's history; and
- Inside / outside connections.

The public components of the development will include an active laneway as a secondary through site link, defined entry and activity nodes and public seating within a new plaza. The residential communal open space will be provided with open air lawns, seating, dining and outdoor working zones, including covered areas and BBQs. Refer to the landscape opportunities for the site defined at **Figure 34**.

## LANDSCAPE OPPORTUNITIES



**Figure 34** Landscaping concepts for the reference scheme

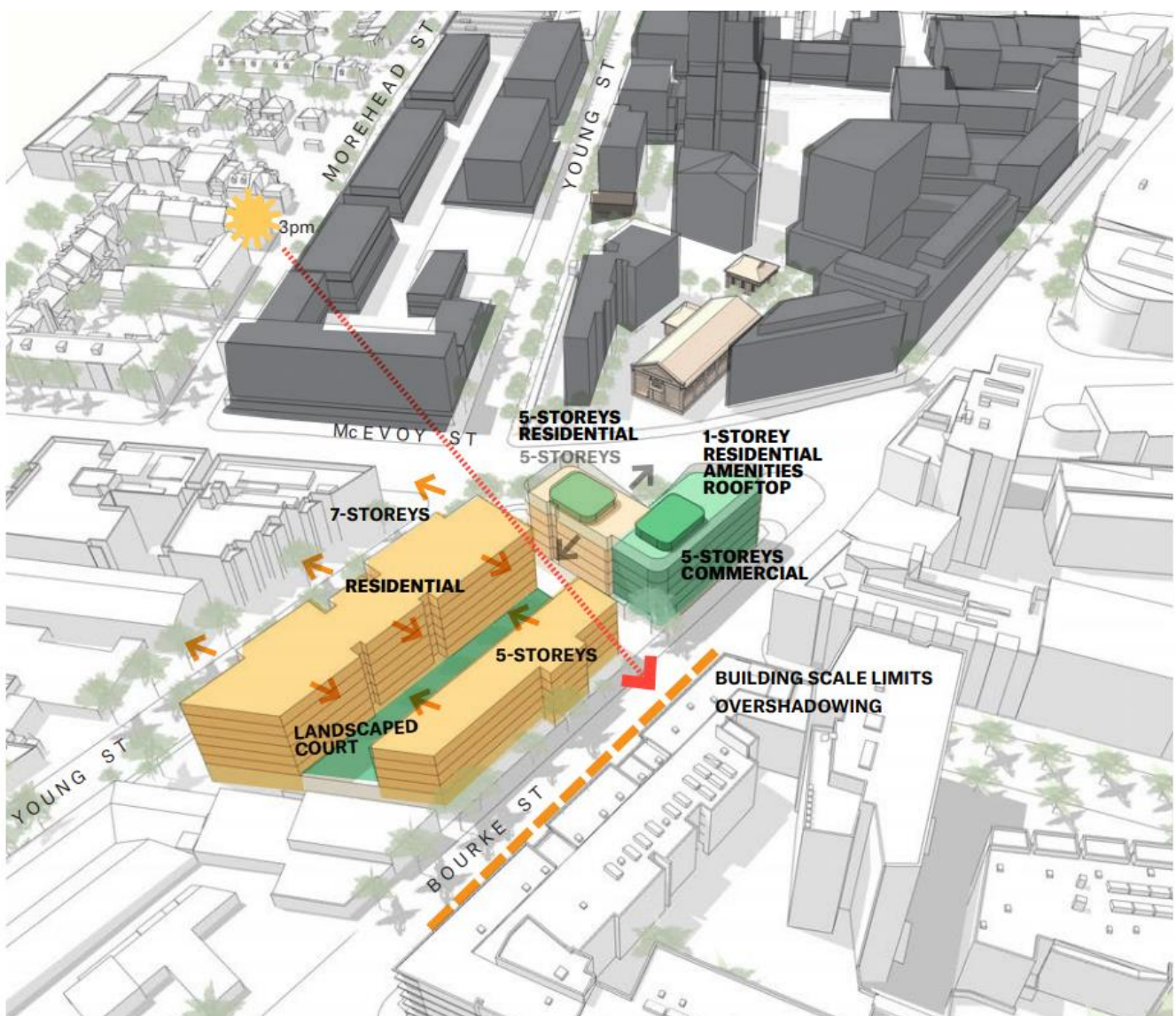
Source: Turf Design

## 4.2.5 Residential Apartments

The indicative reference scheme contains a total of 121 apartments within three buildings, above a retail and servicing podium. These buildings are aligned parallel to Bourke Street, Young Street and in an L shape to McEvoy Street. The Bourke Street and Young Street buildings are separated by a landscaped internal communal open space courtyard with a width of 14m achieved, over and above the minimum 12m required in the ADG. The McEvoy Street building is separated from the other two buildings by the east-west secondary / retail through site link. The buildings have been designed to optimise articulation and amenity, with the number of apartments facing the courtyard maximised.

The built form aligned with Bourke Street will contain a 5 storey street wall and is proposed as a single-sided floorplate to orient apartments away from traffic noise and improve amenity by overlooking the courtyard and towards the sun. A ventilation plenum arrangement will be incorporated for natural ventilation in light of the surrounding road noise. Access is via a lift and corridor that also absorbs the traffic noise.

The Young Street building features a 7 storey street wall and double-loaded floorplate arrangements which take advantage of the tree-lined residential streetscape and courtyard frontages. Only three single frontage apartments per typical level will face the courtyard. The apartments are serviced by two lift cores with six or seven apartments per core. Common corridors will have access to lifts and ventilation.



**Figure 35** Appropriately-scaled building massing to maximise residential amenity

Source: Bates Smart



Two residential apartments fronting Young Street are configured as two-storey terraces with front street-facing private open space / gardens and direct access from the footpath. The residential lobbies are articulated to be highly legible from the street.

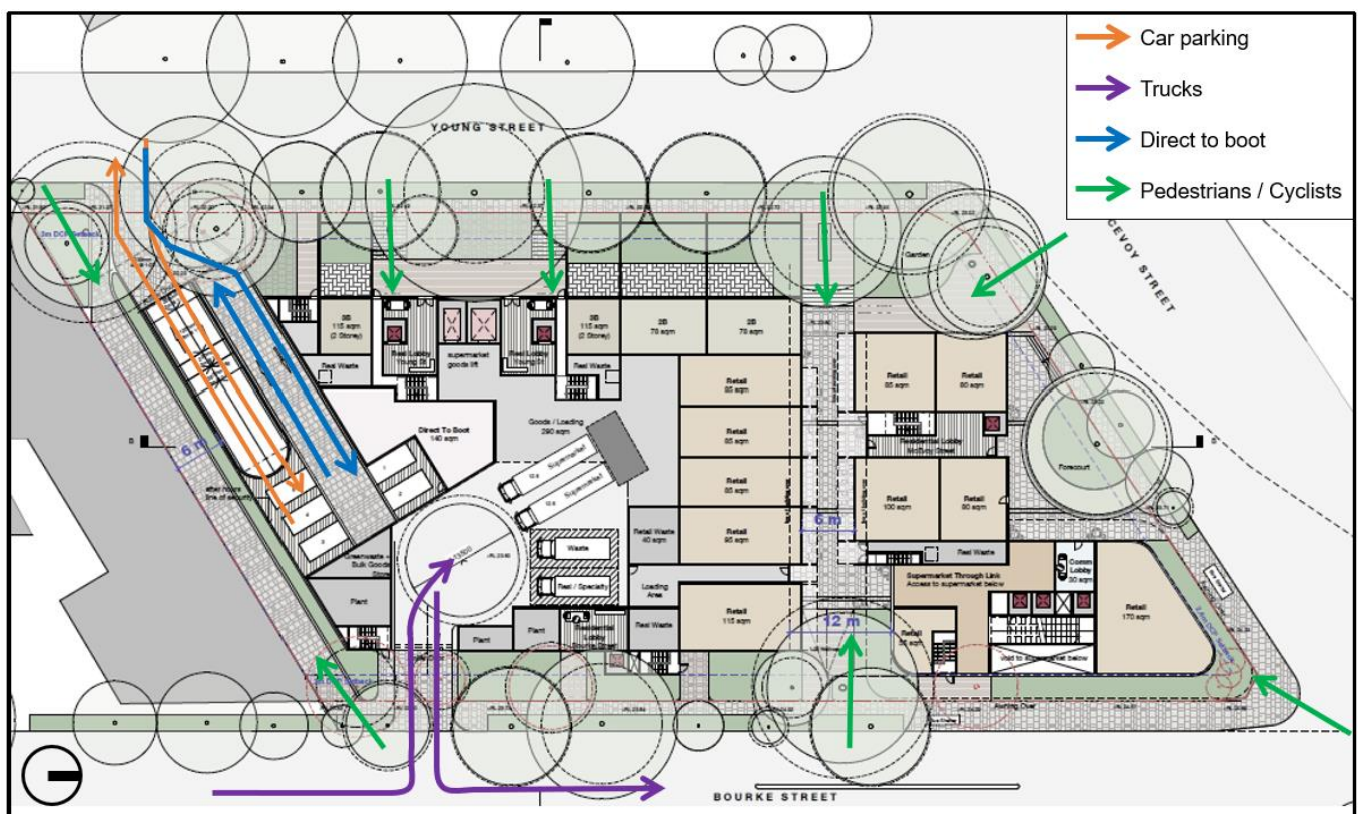
The McEvoy Street building also features a double-loaded residential floorplate. The building will be serviced by one lift, segregated from commercial uses. Both the residential and commercial components of the structure will be 5 storeys. The McEvoy Street building features a sixth storey for residential communal spaces and rooftop gardens.

The Level 1 communal open space podium provides a green terraced arrangement which will also serve to provide appropriate internal building separation and a green outlook. All apartments have been configured to take into account high-level Apartment Design Guide amenity considerations such as internal and external size, solar access, cross ventilation and other amenity consideration as further assessed and detailed at **Section 9.5**.

#### 4.2.6 Servicing and Vehicular Access

The concept design has been formulated on the basis of vehicle movement principles which have been established from the outset of planning for this site with a retail focus. Key movements are indicated in **Figure 36**. Primarily, all passenger vehicle access is via Young Street which provides a linkage to the basement for upper level retail car parking and lower level residential car parking. The Young Street access also incorporates dedicated access for short term grocery pick-up known as 'Direct-to-Boot'.

A loading entry/exit (left in and left out arrangement) is proposed for heavy vehicle access from Bourke Street to service the development. This loading dock will allow for supermarket, retail and commercial deliveries as well as provide access for waste removal trucks for the residential. This access point will cater for trucks up to 12.5m articulated delivery vehicles.



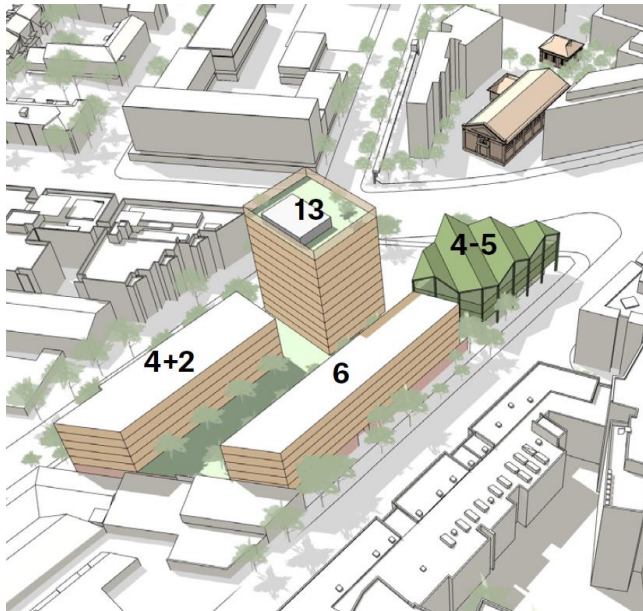
**Figure 36** Proposed vehicle access

Source: Bates Smart / JMT Consulting

### 4.2.7 Design Evolution and Options Analysis

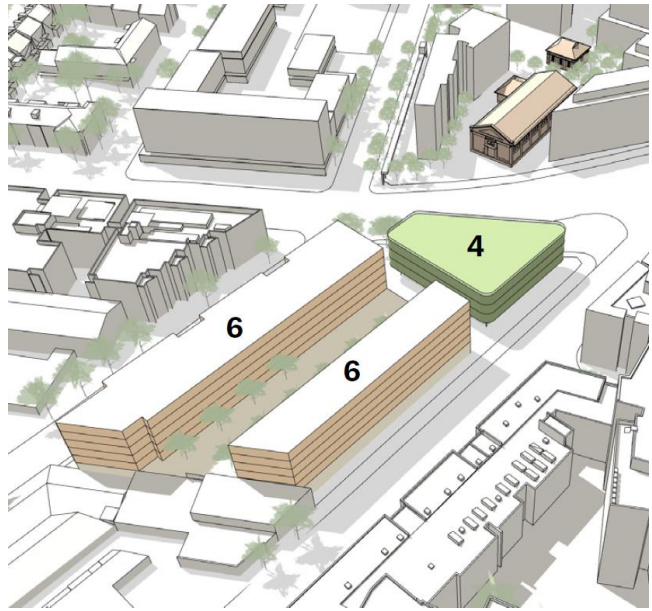
In formulating and refining this Planning Proposal and indicative reference scheme, a number of options were considered and dismissed. This resulted in the evolution of the design to optimise the proposal to the site's strengths and opportunities, whilst importantly minimising any impacts to surrounding residential neighbours as far as practical.

The refinement process also enabled the project team to further strengthen the site's capability as performing the anchoring role in the establishment of a new local neighbourhood centre. Evolution of the reference scheme massing Options 1 to 6 extracts are shown at **Figure 37**.



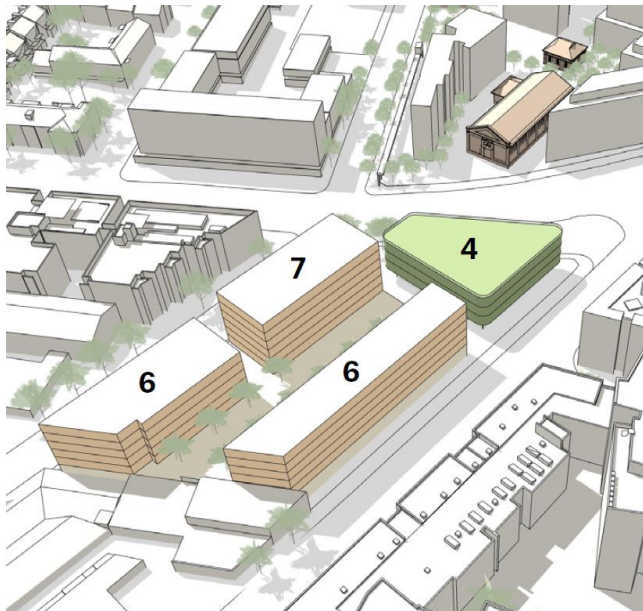
**Option 1 – Starting tower concept**

- Initial concept presented to Council
- Height of tower raised as key concern



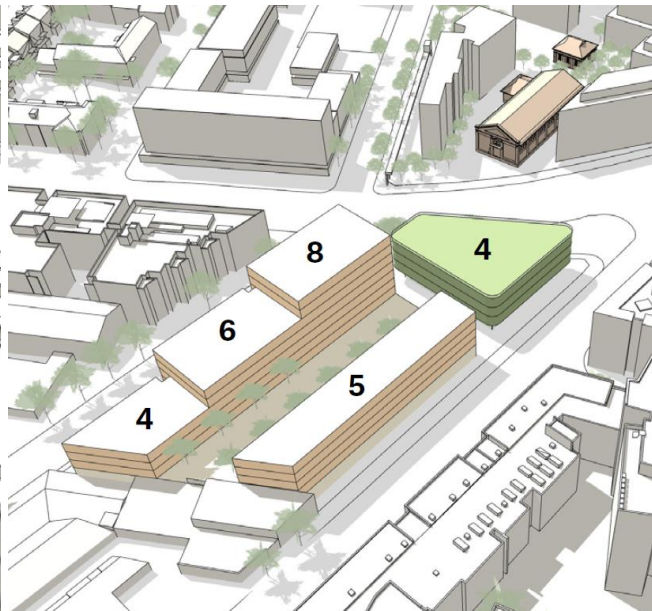
**Option 2 – Maximum 6 storeys**

- Balanced tower form
- Larger 'Local Hub' building floorplate
- Presented to Council in second round discussions



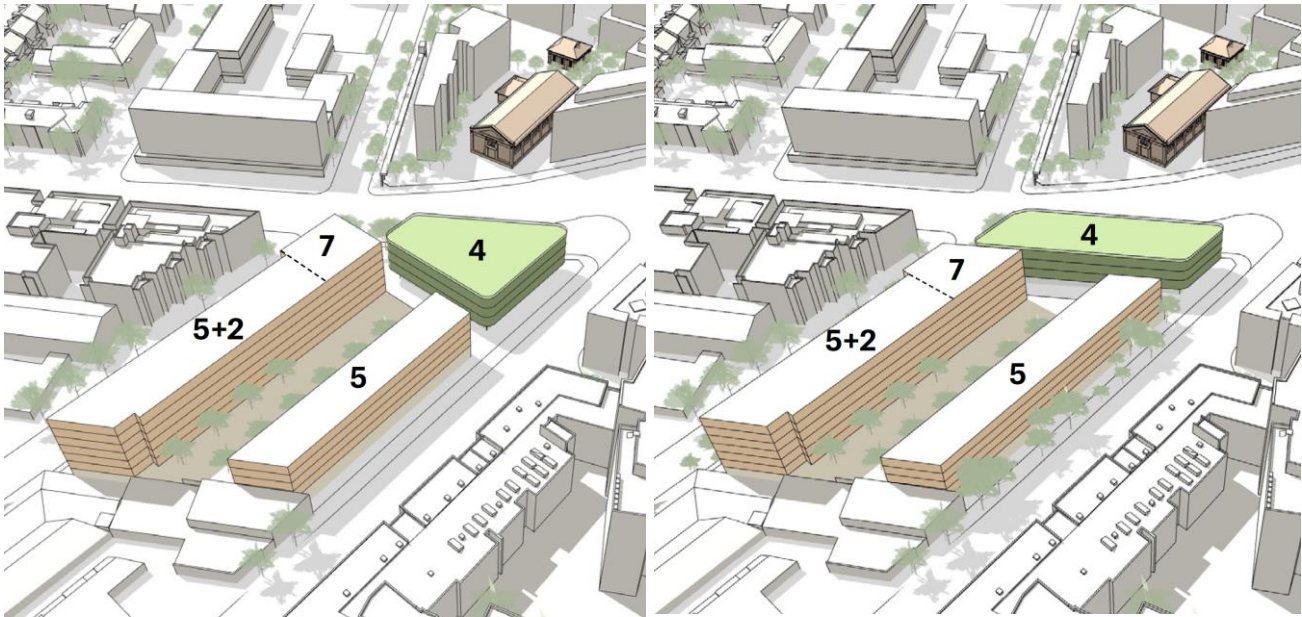
**Option 3 – Introduce building break**

- Building break and increased height to Young Street
- Presented to Council in second round discussions



**Option 4 – Stepped Young Street massing**

- Reduced height to Bourke Street
- Stepped height to Young Street
- Presented to Council in second round discussions



**Option 5 – Reduced bulk to Bourke Street (Preferred)**

- Introduction of ground floor terrace street-fronting apartments to Young Street
- Reduced height to Bourke Street
- Council requested further scheme in third presentation

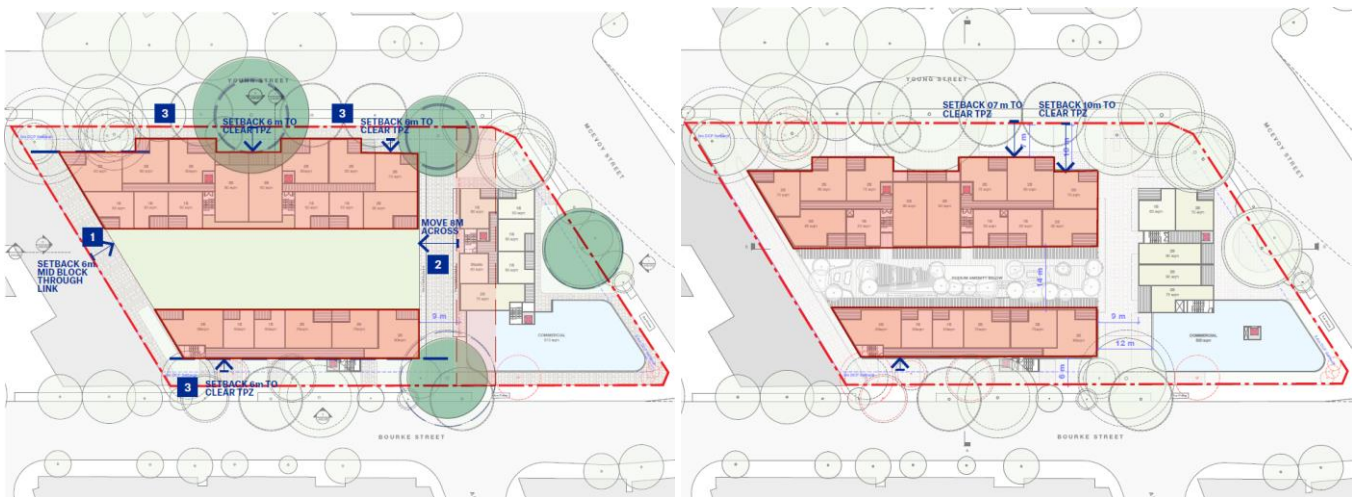
**Option 5 – Elongated McEvoy mass (Council request)**

- Introduction of ground floor terrace street-fronting apartments to Young Street
- Request to elongate the 'Local Hub' building to remove public plaza and to shield road noise from McEvoy Street.
- Council requested further scheme in third presentation

**Figure 37 Conceptual options analysis and refinement undertaken**

Source: Bates Smart

Following lodgement of the original Planning Proposal and in response to feedback received, the project team undertook considerable investigations to better protect the existing site and street trees with mature canopies. This process resulted in increased setbacks from a typical 3-6m to between 7-10m to Young Street in particular, as indicated in **Figure 38** below, as an extract from the revised Urban Design Report.



**Figure 38 Post-lodgement revisions in line with the Proponent's tree retention strategy**

Source: Bates Smart

### 4.2.8 Proposed Building Envelope

Based on the revised post-lodgement refinement process outlined above, a revised building envelope has been derived to accommodate the preferred massing arrangement for the site. In essence, the building envelop approach will translate to proposed maximum height of building controls which are detailed within **Section 5.0** of this report.

The building envelopes have been established to provide flexibility for minor additional height allowances to cater for site and technical constraints which may arise at the detailed design phase and to facilitate appropriate parameters for the design excellence process to be undertaken on the site. The heights have been simplified to a maximum of 27m for the Young Street fronting built form, 24m for the McEvoy Street built form and 22m for the Bourke Street built form, as indicated within **Figures 39-41** below.

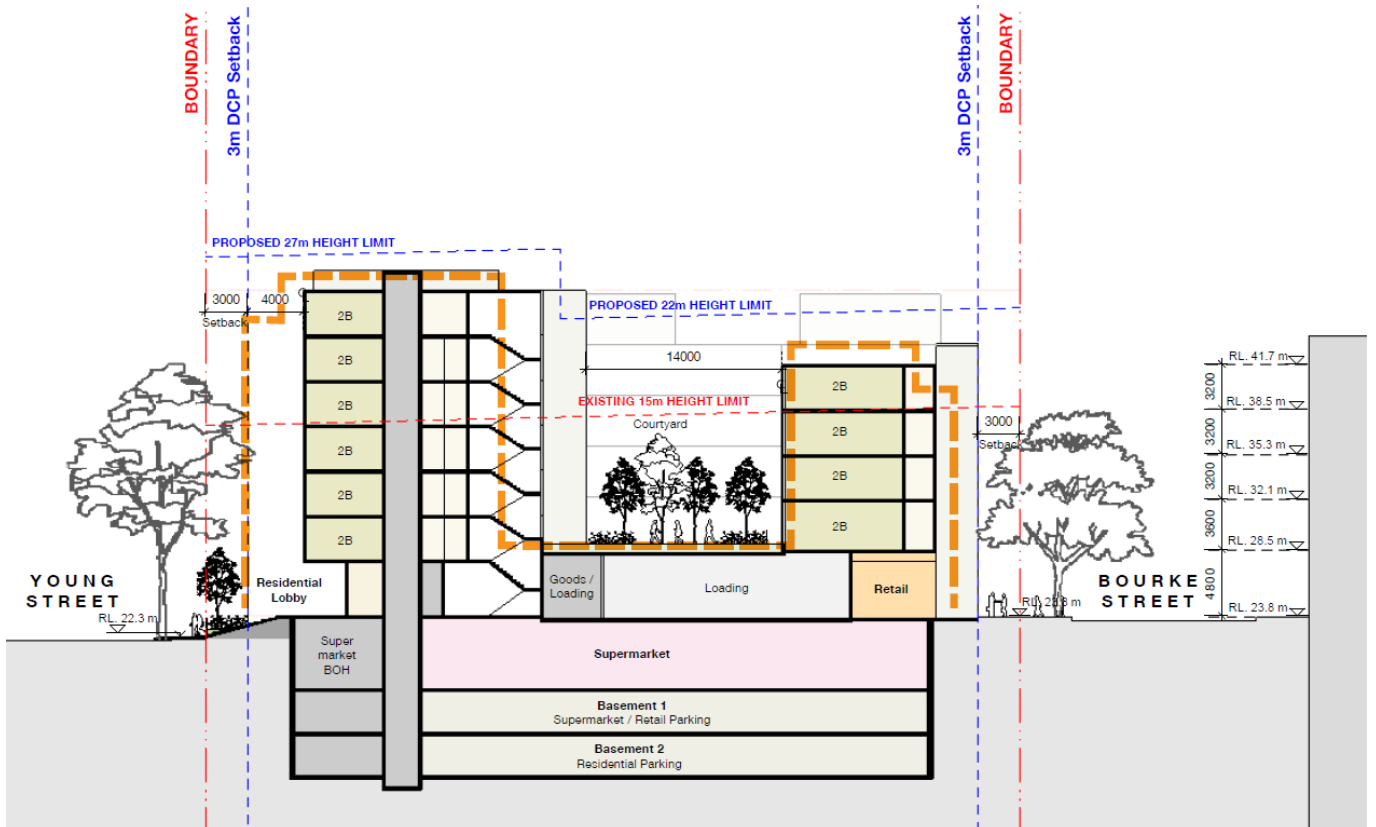


Figure 39 Proposed development section with maximum height provisions indicated in blue

Source: Bates Smart

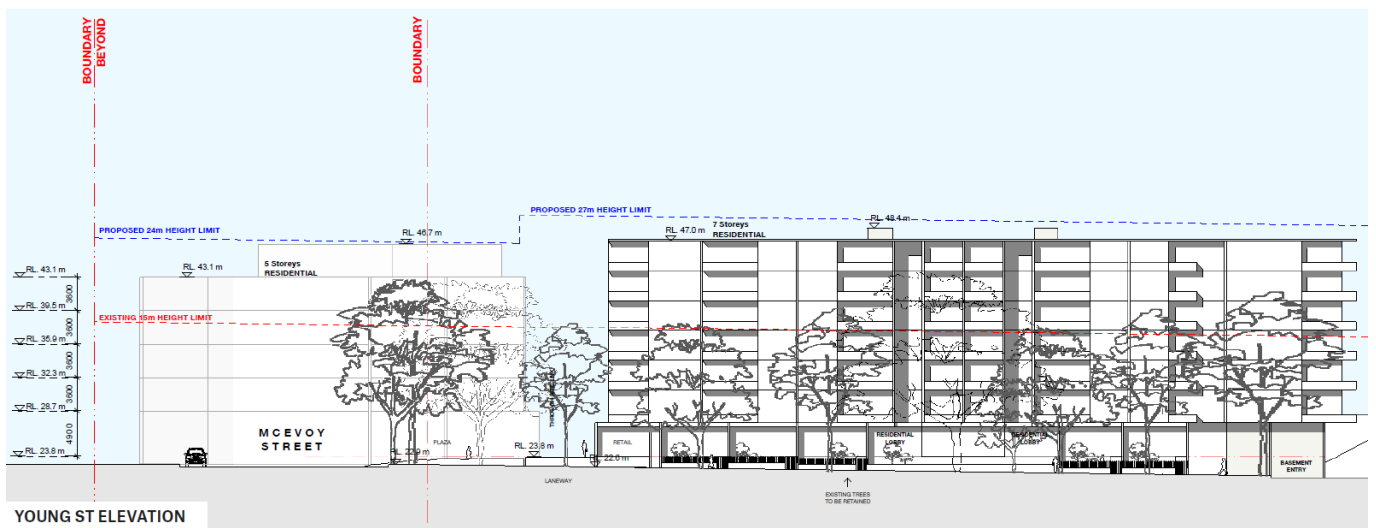


Figure 40 Proposed Young Street elevation with maximum height provisions indicated in blue

Source: Bates Smart

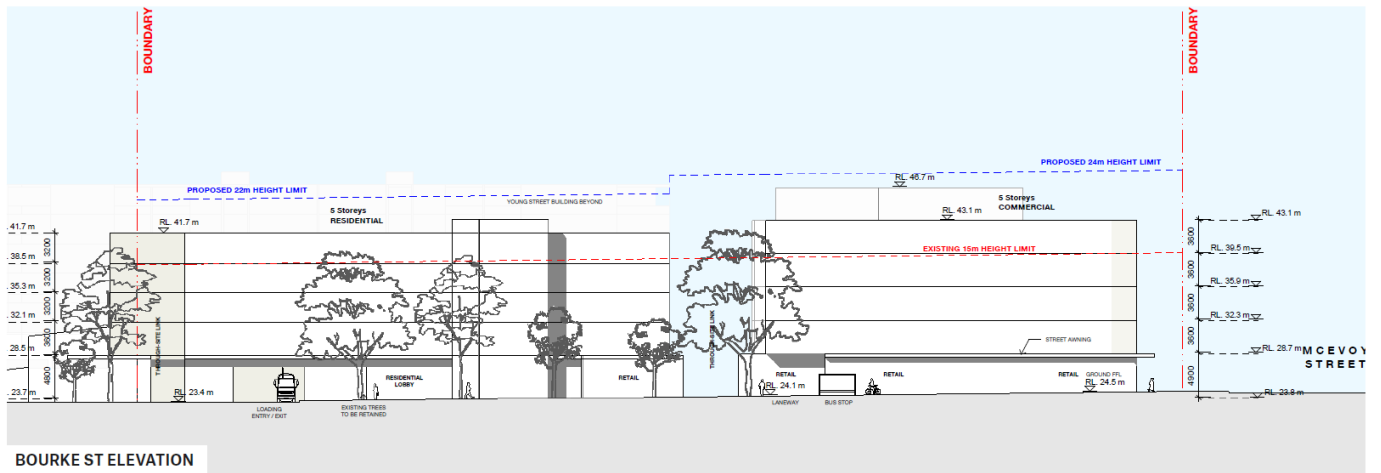


Figure 41 Proposed Bourke Street elevation with maximum height provisions indicated in blue

Source: Bates Smart

## 5.0 Explanation of provisions

### 5.1 Overview of Proposed Amendments

To achieve the strategic vision and indicative redevelopment reference scheme presented at **Section 4.2**, this Planning Proposal seeks the following amendments to the Sydney LEP 2012:

- Insert a new clause in Division 5 that provides:
  - A site specific exemption for the site from the 1,000m<sup>2</sup> cap under clause 7.23 'large retail development outside of Green Square Town Centre and other planned centres', subject to the achievement of defined criteria of site and strategic attributes (refer **Section 5.3.1**);
- A site-specific exemption from the maximum FSR provisions to allow for a further increase in the site's FSR of 0.5:1, but only where that additional FSR is used for the purposes of a below ground retail development (reflecting the addition of the supermarket floorspace). The exemption would bring the site's total maximum FSR to 2.7:1 (including below ground supermarket) (inclusive of base FSR and design excellence bonuses); and
- In relation to building height, provide new mapping to reflect an increase from 15m to between 22m and 27m within the site (between 5 to 7 storeys) to redistribute massing to achieve the indicative mixed-use development.

Accompanying amendments to the Sydney Development Control Plan 2012 (Sydney DCP 2012) will be required to support this outcome. These amendments will address key design and development outcomes, including site-specific provisions related to the future built form, the provision of the publicly accessible through site links, active frontages, access, vegetation, design excellence, local infrastructure and sustainability.

### 5.2 Objectives and Intended Outcomes

The primary objective of the Planning Proposal is to establish appropriate planning provisions to address demonstrated retail demand and economic assessments to support the need for a full line supermarket within the surrounding area. The intent is to facilitate the future renewal and revitalisation of the site to create a vibrant mixed-use neighbourhood centre that meets the growing and changing needs of the local population.

As discussed in the earlier sections of this report the level and rate of population growth in South Sydney is expected to increase over the next 10-15 years, which will place further pressure on local retail facilities to service the catchment. If left unaddressed this will inevitably place significant strain on the local road network and other infrastructure as South Sydney residents resort to driving out of the primary catchment area to service their shopping needs. Indeed an underperforming and ill-equipped retail network in such an extensive high density area will inevitably result in significant amenity and lifestyle impacts on local residents, and is directly counter to the Council and State Government's aspiration of achieving walkable, liveable and sustainable communities.

To minimise these impacts changes are necessary to the current planning framework to enable the City of Sydney Council to more effectively plan for and deliver a well-balanced retail eco-system and fine grain hierarchy of local and neighbourhood centres. One that responds to the needs of the local community and which continues to support and facilitate the Green Square Town Centre as the higher order Strategic Centre and the vibrant heart of South Sydney.

With the above in mind, there are a number of key objectives that need to underpin any revised approach to planning for retail development in South Sydney, specifically any revised approach should seek to:

- a) Promote the economic strength of the Green Square Town Centre as the key Strategic Centre and the vibrant heart of South Sydney;
- b) Allow for a local planning framework which facilitates the establishment of a select number of site-based neighbourhood centres to occur within identified locations which do not directly compete with the primacy and function of the Green Square Town Centre;
- c) Ensure that new retail development within identified locations outside of the Green Square Town Centre are of an appropriate size and composition that reinforces their purpose of providing shopping facilities to service the needs of their immediate local catchment only;
- d) Ensure that the cumulative quantum of retail floorspace in South Sydney, but outside of Green Square Town Centre, does not undermine its future delivery and ongoing vitality and viability; and
- e) Ensure that any new local and neighbourhood centres are located on sites that are appropriate for accommodating such a use.

Drawing on the vision for the site, the Planning Proposal aims to support the delivery of local population serving retail services, housing, jobs, community rooftop garden and a community plaza. In doing so, the Planning Proposal seeks to provide an appropriate balance of uses that define the role and function of a local neighbourhood village, whilst supporting the key directions and actions of the Greater Sydney Region Plan and the Eastern City District Plan.

The objectives and intended outcomes of this Planning Proposal include:

- **Local neighbourhood development:** Deliver a local urban hub that meets the day to day goods and services needs of the growing and changing local population of Waterloo, particularly demand from the adjacent Lachlan Precinct and Dank Street South Precinct.
- **Community:** Foster a sense of community and increase social capital through places of gathering at the Young Street Plaza and podium.
- **Activation:** Fulfil the role of a local village by facilitating the activation of the precinct by providing essential services and retail amenities at ground level, contributing to the vitality of Young Street Plaza.
- **Pedestrianisation:** Deliver east-west through site links that provide mid-block connections between Bourke and Young Street and the visual extension of Archibald Avenue, creating the opportunity for activated uses.
- **Job Creation:** Achieve an adequate supply of employment floorspace consistent with the role and function of a local village, providing access to day to day goods and services.
- **Ecology:** Ensure that existing mature canopy vegetation within the site and street frontage are prioritised for retention in any redevelopment.
- **Sustainability:** Deliver a sustainable built form that aligns with the goals established in the Woolworths Sustainability Plan 2025 and the City of Sydney NetZero Energy 2026 policy.
- **Streetscape:** Establish various streetscapes that will give the precinct character and allow orientation throughout.
- **Built form:** Deliver high quality architectural built form across three buildings that is well aligned with the character and density and surrounding built form, including up to 7 levels for the Young Street building and up to 6 levels for the Bourke Street building and 5 levels for the McEvoy Street building.

## 5.3 Explanation of Provisions

### 5.3.1 Site Specific Retail Provisions

To facilitate an exemption from the Sydney LEP 2012 Clause 7.23 'large retail development outside of Green Square Town Centre and other planned centres' retail floorspace cap of 1,000m<sup>2</sup>, a new site-specific provision within Division 5 is proposed to be introduced.

In essence, this new provision facilitates the additional 0.7:1 FSR within the site, however only for the purposes of a subterranean supermarket (retail shop) subject to the achievement of defined criteria of site and strategic attributes. The provisions would bring the site's total maximum FSR to 2.7:1 (inclusive of base FSR, community infrastructure and design excellence bonuses) and would not allow the awarding of additional height subject to the achievement of design excellence. The proposed site specific provision for the retail and floorspace provisions is detailed below.

#### Division 5 Site specific provisions

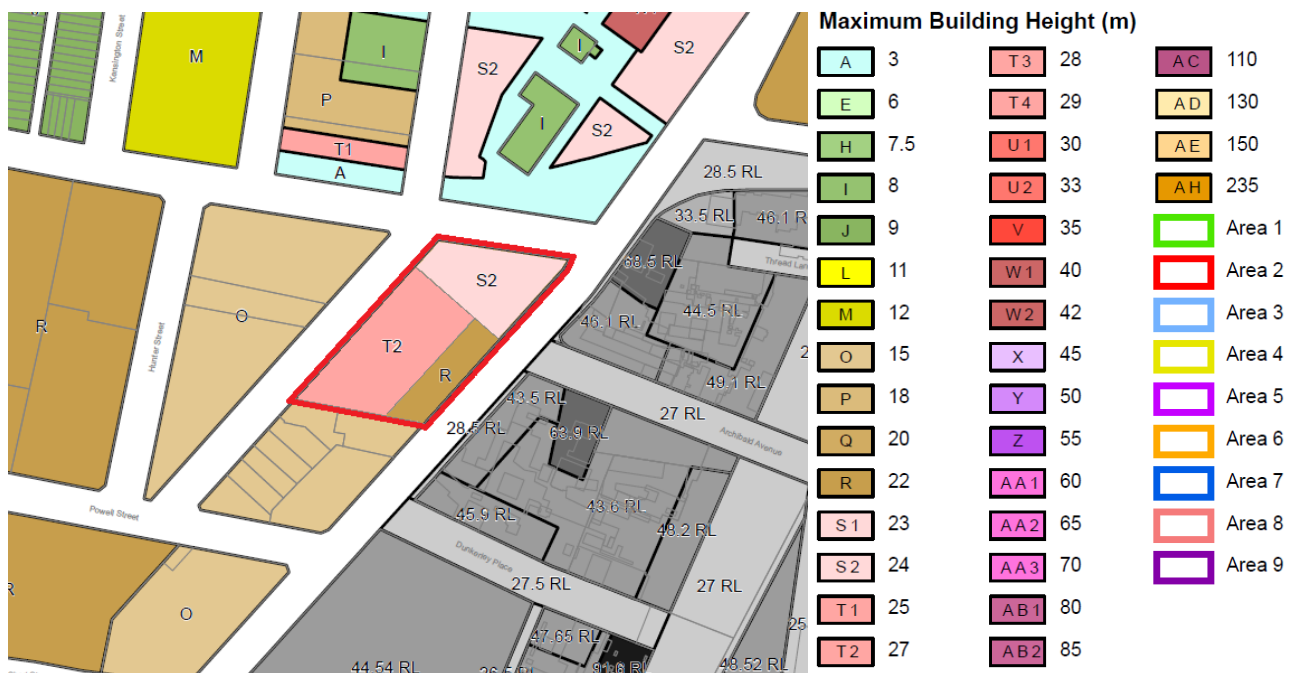
##### 6.59 923-935 Bourke Street, Waterloo

- 1) *This clause applies to Lot SP 22332, 923-935 Bourke Street, Waterloo (the site).*
- 2) *The maximum floor space ratio for a building on the subject land at or above ground level (existing) is the floor space ratio determined by the sum of all of the following—*
  - a. the floor space ratio shown for the land on the Floor Space Ratio Map,*
  - b. any Green Square community infrastructure additional floor space for which the building is eligible under clause 6.14,*
  - c. if the building is a building demonstrating design excellence—any amount of floor space, to be determined by the consent authority, of up to 10% of the floor space ratio determined by the sum of paragraphs (a)–(c).*

- 3) Despite subclause (2), the maximum floor space ratio for a building on the site is 2.7:1, but only where:
  - a. The maximum floor space ratio for buildings at, or above ground level (existing) must do not exceed 2.2:1 inclusive of all available bonuses,
  - b. The maximum floor space ratio for a building on the site below ground level (existing) is 0.5:1, but only if the building below ground level (existing) is used for the purposes of a supermarket (shop) consistent with the provisions of subclause (5).
  
- 4) Development consent must not be granted under this clause unless—
  - a. the consent authority is satisfied that the development demonstrates—
    - i. support rather for the economic and social viability and vibrancy of the Green Square Town Centre,
    - ii. the enablement and/or support of an emerging neighbourhood or local centre,
    - iii. a response to identified local community needs, demands and expectations.
    - iv. design excellence
  
- 5) Clause 6.21(7) does not apply to a building on the subject land.
  
- 6) In this clause—building demonstrating design excellence” has the same meaning as in clause 6.21.”

### 5.3.2 Maximum Building Height

In relation to building height, provide new mapping to reflect a stepped increase from 15m to between 22m and 27m within the site (between 5 to 7 storeys) to redistribute massing to achieve the indicative mixed-use development. Accordingly, this Planning Proposal seeks to amend the Height of Buildings Map under the Sydney LEP 2012, as identified in **Figure 42** which is an indicative representation of the amended Height of Buildings Map (Sheet 17 extract).



**Figure 42** Proposed amendments to the Sydney LEP 2012 Height of Building mapping

Source: NSW Legislation and Ethos Urban



## 5.4 Proposed DCP Framework

To provide greater certainty of the built form and design outcomes presented in the indicative reference scheme, a draft site specific DCP has been prepared to accompany this Planning Proposal. The site specific DCP will satisfy Clause 7.20 of the Sydney LEP 2012, which requires a site specific DCP to be prepared for development for the purpose of a new building. The draft DCP contains site-specific provisions relating to key principles listed below, which have been embellished in conjunction with input from Council during the initial assessment of the Planning Proposal.

- **Land uses** – to enable the site’s redevelopment for a mix of uses comprising retail, commercial and residential.
- **Public domain** – to ensure a high level of amenity, accessibility and safety within public domain areas.
- **Landscaping and environment** – to maximise retention of existing vegetation and ensure landscaping is of a high quality.
- **Built form and building envelopes** – to ensure development is of an appropriate bulk and scale and appropriately responds to surrounding context.
- **Active frontages and awnings** – to ensure new development incorporates ground floor frontages that are pedestrian oriented and of a high-quality design that contributes to the vitality of the surrounding streets.
- **Parking, access and circulation** – to ensure vehicle access and basement layouts maximise pedestrian safety and create high quality ground level relationships between the building and the public domain.
- **Design excellence strategy** – to ensure high quality-built form and design that is the result of a competitive design process.

## 5.5 Design Excellence

Included at **Appendix G** is a Design Excellence Strategy that details the process and approach the Proponent propose to adopt in achieving the objectives and requirements of Clause 6.21 of Sydney LEP 2012. Overall, the Strategy seeks to:

- Establish a methodology for the proponent to implement a competitive design process for the redevelopment of the subject site, in accordance with the Policy;
- Ensure that the competitive design process works within the framework of this approved Design Excellence Strategy;
- Confirm the number of architectural practices to participate in the competitive process and how these will be selected;
- Establish the process for the selection of a competition jury;
- Set out the approach for establishing a competition brief.
- Ensure the project vision, including the provision of a subterranean supermarket with a minimum 3,200m<sup>2</sup> of floorspace, specialty retail, provision of community infrastructure and other VPA commitments, embedded in the competitive design process and to be defined and detailed as part of the competition brief;
- Ensure sustainability initiatives and ecologically sustainable development targets are defined and developed through the Competition, detailed design and construction phases through to completion of the project; and
- Ensure that design excellence integrity is continued in the subsequent detailed development proposal through construction phase to completion of the project.

The proponent has elected to conduct a single invited competitive design alternatives process for the project, which has been confirmed with Council as a commitment by the Proponent in the Public Benefits Letter of Offer (**Appendix F**). The process is to be undertaken prior to the lodgement of a detailed DA on the site and endorsement of the Competition Brief will be required by the City of Sydney prior to commencement of the Design Competition.

The design competition will be pursuing up to 10% additional floor space under the site-specific clause resulting from the Planning Proposal and the Policy. For clarity, this floorspace bonus subject to design excellence being achieved, will be on the basis of the applicable current floorspace controls of 2.0:1, for a total above ground floorspace ratio of 2.2:1 inclusive of design excellence bonus. The design excellence bonus will not be applicable to the subterranean supermarket floorspace which will be applied to the site subject to a separate site specific LEP clause. This has been explored within the indicative reference scheme. The proposed site-specific DCP establishes a maximum building envelope for the competitive process and the future built form on the site. The detailed proposal must be contained within this envelope.

# 6.0 Justification of strategic and site-specific merit

## Section A – Need for the Planning Proposal

### 6.1.1 Key Strategic Planning Considerations

The primary intent and purpose of the Planning Proposal is to achieve a mixed-use development outcome which includes a supermarket, supporting retail/commercial and residential land uses and a suitable urban form to support local strategic planning intent for the establishment of an emerging 'neighbourhood centre'.

Due to their size and influence on urban outcomes, supermarkets require careful and thorough consideration from a strategic planning and justification sense for their appropriate integration into a local area. These considerations are considered under the following headings as contributory discussion in determining the strategic and site-specific merit of this Planning Proposal.

#### **Key Consideration 1 – Deciding the quantum of full line supermarkets**

In order to appropriately consider the planning for a full line supermarket, it is necessary to undertake a full review and analysis of the present retail ecosystem to inform strategy in planning for the future. The first consideration in updating the approach to retail planning for South Sydney will be to establish what is considered to be the appropriate quantum of retail floorspace outside of Green Square Town Centre that is needed to service local community needs. As noted earlier in this report, the share of escape expenditure (leakage) has been increasing from 42% in 2015 to 45% by 2019 of all supermarket spend in Waterloo (postcode 2017). What this translates to is that a significant proportion of residents in the suburbs that make up South Sydney travel outside of their local catchment to do their supermarket shopping, highlighting the substantial under provision of full-line supermarkets in the area. This is only expected to increase as the population grows.

Based on population forecasts and typical benchmarks, in an inner urban area a major full-line supermarket is supportable for every 10,000 persons and as such, the identified population would support at least three (3) full-line supermarkets currently, increasing to over five (5) full-line stores by 2036 (over and above the proposed stores at Emerald City and Park Sydney). Given the geographic size of South Sydney there are a limited number of areas and sites that are capable of supporting new supermarkets and their ability to function as an anchor to perform the role of a neighbourhood centre. This unlikely to change into the future unless strategic consideration is given to resolve a framework for a well-planned and sustainable retail eco-system.

#### **Key Consideration 2 – Identifying, mapping, and defining a strategic retail network for South Sydney**

Having established the desired quantum of floorspace and/or supermarkets, the second consideration would be to identify, map and define an overarching desired retail network for the South Sydney area from a retail economics perspective. The purpose of defining the retail network would be to enable the Council to guide, direct and control the location and spatial arrangement of new retail facilities. This would ensure they are strategically positioned in existing or emerging neighbourhood or local centres locate in areas to service current and future identified demand. It is important these locations support the GSTC as the primary strategic centre and do not detract from its role as providing for major retail, recreational, cultural land uses together with extensive public domain, educational and large scale commercial office provisions.

Council's LSPS provides strategic consideration for access to services and amenities in order to offer a sense of liveability, convenience, diversity and vibrancy for residents, workers and visitors alike. In planning for a retail ecosystem context, concepts of local activity nodes, centres and streets are addressed and it is acknowledged that increases to commercial floorspace and co-location with social and cultural facilities, will drive positive economic and city-shaping outcomes. To this end, the proposal has investigated social research and consideration of needs of community organisations in the local area, which are able to be catered for within the local area which are not required to be located within the bounds of the GSTC.

It is important to note that the Council has taken the strategic approach of a broad and 'flexible' approach to urban renewal with the B4 Mixed Use zone applied across a wide geographical area. Together with a cap on retail floorspace, this has inadvertently resulted in a significant retail leakage and an increase in congestion as residents seek alternative locations for their full-line supermarket shopping.

Mapping for existing and growing local centres in the City's LSPS is presented simplistically – as existing centres, planned centres and neighbourhood centres. It is important to note that close review of these mapped centres and activity streets, reveals that many of the locations identified as centres, are not representative of actual 'on the ground' retail and business activity, particularly in the Green Square Urban Renewal Area. This growth area has extensive active frontage and ground floor commercial/retail requirements in the Sydney DCP 2012 which transform the urban character in places like Victoria Park, Lachlan Precinct and Dank Street/Crown Gardens. The culmination of a large number of high-density mixed-use redevelopments in these locations have provided a proliferation of smaller fine grain retail tenancies, which have significant limitations in size and throughput to serve the needs of the population. As a result, this has promoted urban activity within areas outside of existing and planned centres in Waterloo, at a far greater rate when compared, for instance, to the southern sections of Rosebery, despite the notation of neighbourhood centres being depicted in these locations and not within Waterloo.

Council's LSPS has mapped walkability to presently identified supermarkets, in terms of a broad concept. However, a shortcoming of this approach is that it is not based upon retail availability, nuanced retail trade areas (including retail floor area sizes) and other local factors contributing to determine catchment size and importantly, retail demand. The 'existing' overlay of supermarkets is compromised as it reflects the present day provision – not the future needs or even if the present provision is sufficient.

The City's strategic planning approach to limit large scale retail and not plan for the emergence of neighbourhood centres in a detailed and fine grain manner has inadvertently compromised the ability for redevelopment of certain sites to serve identified local needs such as for the provision full-line supermarkets. This Planning Proposal seeks to address this issue within the Waterloo localised area.

### **Key Consideration 3 – Determining appropriate sites and specific locations for new full line supermarkets**

The challenge to integrate larger format retail such as supermarkets, into the urban context is significant when considering existing surrounding land uses, residential amenity, urban character and other factors such as heritage transport, topographic, environmental and property limitations such as subdivision. It is therefore necessary for this Planning Proposal to establish a set of parameters that could be implemented for the selected site and then applied consistently by Council as a means of defining and determining subsequent sites which are considered capable and appropriate for supporting future full-line supermarkets.

It is also important to facilitate the ability for sites which are situated amongst existing ground floor specialty retail surroundings to be identified as an 'emerging' neighbourhood centre, when considered collectively against a proposal to add a full-line supermarket plus other supporting commercial and community floorspace offerings. This ability is not defined within the LSPS and represents a rigid approach to planning which has resulted in the current full-line supermarket shortfall in the surrounding location.

Collectively, a response catering for the above would allow the Council to set threshold parameters that must be met in order to progress with a proposal for a new supermarket, reflecting both character and technical requirements for suitable sites. Recommended parameters include but not be limited to:

- Supports rather than undermines the Green Square Town Centre as a strategic centre;
- Is located within an identified local or neighbourhood centre or is capable of providing sufficient retail, commercial, community floorspace together with public realm enhancements in order for the site to perform the function of establishing an emerging neighbourhood centre;
- Does not involve rezoning industrial land;
- Has regards to the existing retail network by way of a specialist study;
- Has sufficient road frontage to support safe and appropriate vehicular access;
- Has a sufficient site area to support a full line supermarket;
- Is within an easy walking distance to high density areas and public transport; and
- Responds to local community needs, demands and expectations.

The above considerations reflect the attributes of the site and this Planning Proposal as evidenced throughout this justification report and if used as a basis for strategic retail planning policy, would effectively act as a future filter and safeguard should Council be required to consider of any future sites or proposals for a full line supermarket. Implementation of the above would result in the creation of a sustainable, vibrant and well balanced retail eco-system

in which supermarket facilities are able to serve local catchments whilst not unreasonably impacting one another. It enables Council to:

- Strategically consider and determine the quantum and location of new retail floorspace, that will deliver a sustainable and well balanced retail network to service the growing retail needs of South Sydney;
- Allow certain larger scale retail development to occur in defined existing neighbourhood or local centres or in locations which have sufficient attributes to be considered as 'emerging' neighbourhood centres, whilst generally maintaining the existing 1,000m<sup>2</sup> retail cap under Clause 7.23 of SLEP 2012 for the remainder of South Sydney; and
- Formulate the basis for Council to be able to undertake the future revision of retail demand economic analysis underpinning the current 1,000m<sup>2</sup> retail cap, which dates from 2008, a period in time which did not envision the resulting population growth in the Green Square urban renewal area which has occurred in the last decade.

The approach outlined above is similar in structure and process to that previously taken by the City of Sydney Council with regards the provision of affordable housing in South Sydney under the City of Sydney Employment Lands Strategy, and is also similar to the approach taken with regards to increasing heights and FSR in Central Sydney in response to the CSPS, particularly with regards to the super tower clusters.

#### **Q1. Is the Planning Proposal a result of an endorsed local strategic planning statement, strategic study or report?**

Yes. This Planning Proposal has resulted from specialist research and economic investigations and is intended to address the priorities and actions highlighted within several strategic studies and reports (refer **Section 6.0**).

#### **Q2. Is the Planning Proposal the best means of achieving the objectives or intended outcomes, or is there a better way?**

Yes. This Planning Proposal is the best means of achieving the objectives and intended outcomes identified for the local area. To achieve the realisation of a neighbourhood centre which is optimised to serve demonstrated needs of the surrounding locality in terms of expended retail offerings, new community floorspace, public domain enhancements and connectivity improvements – the development standards under the Sydney Local Environmental Plan 2012 must be amended to facilitate the comprehensive urban renewal of the site in a manner that will achieve the objectives and intended outcomes of key strategic planning policy documents.

In preparing this Planning Proposal, three options were considered to facilitate the intended outcomes. These are listed and discussed below:

- Option 1: Submit a Planning Proposal to amend the SLEP 2012;
- Option 2: Do nothing; and
- Option 3: Redevelop the site under the existing planning controls.

#### **Option 1 – Submit a Planning Proposal to amend the SLEP 2012**

Option 1 comprises submitting a Planning Proposal to facilitate redevelopment of the site in accordance with the provisions presented in this report and the accompanying indicative concept. This is the preferred option as it represents the best combined outcome for the applicant, the Council and the existing and future residents of the area in terms of meeting identified social and economic needs and reshaping strategic planning within the immediate locality to support a superior outcome.

#### **Option 2 – Do nothing**

The site will remain as an existing light industrial premises, which is ageing and is no longer fit for purpose. Over time the site will be at odds within the surrounding character which is evolving into a mixed-use precinct which include a number of immediately surrounding building with a fine grain retail and commercial ground floor with apartments above. Doing nothing is not considered an appropriate outcome for the site.

#### **Option 3 – Redevelop the site under the existing planning controls**

Redeveloping the site under existing planning controls will provide additional housing, but will not serve to meet the specific need identified within the local area, which is a provision of full-line supermarket floorspace to counter an undersupply. The current controls also do not provide a sufficient amount of floorspace necessary for the site to achieve its potential which is to form the anchor site in an emerging neighbourhood centre. Redevelopment of the site under current controls will be a missed opportunity to better serve local needs through appropriate retail and community floorspace provisions delivered under Option 1.

## Section B – Relationship with the Strategic Planning Framework

### Q3. Will the Planning Proposal give effect to the objectives and actions of the applicable regional, or district plan or strategy (including any exhibited draft plans or strategies)?

The Planning Proposal is generally consistent with the following documents:

- Greater Sydney Region Plan – A Metropolis of Three Cities (2018); and
- Eastern City District Plan (2018).

#### 6.1.2 Greater Sydney Regional Plan

The Greater Sydney Region Plan (2018) was released in March 2018 by the GSC. This Plan supersedes the former Sydney Metropolitan Plan, A Plan for Growing Sydney, to provide the overarching strategy for growing and shaping the Greater Sydney region. The Plan takes a longer term view of changes in policy, trends, directions, and actions that will inform development until 2056.

The Plan seeks to reposition Sydney as a metropolis of three cities and encourage land use planning and infrastructure integration to deliver a 30-minute city, enhancing liveability, productivity and sustainability. This will also be supported through greater infrastructure provision and collaboration throughout the region. The proposal's consistency with the relevant strategic directions and objectives of the Region Plan is outlined in **Table 7**.

**Table 7** Consistency with the Greater Sydney Region Plan directions and objectives

<i>Directions and Objectives</i>	<i>Comment</i>
<b>Direction 1 – A city supported by infrastructure</b>	
Objective 2: Infrastructure aligns with forecast growth	The site is well positioned with access to well-connected cycling and pedestrian infrastructure that connects Waterloo and the broader CBD. The site is also within close proximity to a number of local bus routes and is walking distance to Green Square Train station (approx 900m). Further, the site aligns with future infrastructure by delivering future land uses for growth in close proximity to the future Waterloo Metro Station (approx 1.1km) being delivered under Future Transport 2056 and South East Sydney Transport Strategy.
Objective 3: Infrastructure adapts to meet future needs	Examples of future proofing the site infrastructure provision include the commitment of:
Objective 4: Infrastructure use is optimised.	<ul style="list-style-type: none"> <li>• New pedestrian through-site links and a public plaza to respond to and adapt to growing desires for attractive active transport paths;</li> <li>• Commitment by Woolworths to install electric charging within the retail parking area and create 'EV ready' commercial and residential spaces;</li> <li>• Provision of new 'Direct to Boot' and digital order delivery systems;</li> <li>• Flexible basement arrangements to be able to accommodate the requirements of autonomous vehicles in the future; and</li> <li>• Ability for smart parking technology and demand management.</li> </ul>
<b>Direction 2 – A collaborative city</b>	
Objective 5: Benefits of growth realised by collaboration of governments, community and business	Opportunities to involve the public, community groups and businesses exist further in the detailed design process of public-oriented components of the site.
<b>Direction 3 – A city for people</b>	
Objective 6: Services and infrastructure meet communities' changing needs	The future built form will deliver local population serving retail to meet the everyday needs of the community. The proposed development will form a neighbourhood centre that will accommodate the needs of the local area, including opportunities for fine grain retail and commercial uses.

<b>Directions and Objectives</b>	<b>Comment</b>
Objective 7: Communities are healthy, resilient and socially connected	The site has good access to a number of nearby open space and recreation facilities including Moore Park, Moore Park Tennis Courts, Moore Park Golf, Waterloo Oval, Tote Park, Joynton Park and Mary O'Brien Reserve, Zetland Basketball courts enhancing community wellbeing and striving to achieve healthy communities. The opportunity to deliver through site links and a public plaza will contribute to enhanced social opportunities.
<b>Direction 4 – Housing the city</b>	
Objective 10: Greater housing supply	The site is strategically positioned to accommodate expanded residential uses within an existing urban renewal area, increasing supply within close proximity to public transport infrastructure. Provision of a sufficient residential offering above the retail, community and public domain will create a level of activation which will support the success of the neighbourhood centre. Further, redevelopment of the site to increase housing supply presents the opportunity to improve housing diversity, with the indicative scheme providing a range of apartment sizes and typologies, including walk-up terrace apartments. The indicative public benefit offer includes affordable housing contribution as part of a detailed redevelopment of the site, consistent with Council's Policy.
Objective 11: Housing is more diverse and affordable	
<b>Direction 5 – A city of great places</b>	
Objective 12: Great places that bring people together	By increasing residential uses and providing supporting retail and commercial of a sufficient density, this will enable the site to perform the role as the anchor as a neighbourhood centre. The provision of the through site links and adjacent public plaza serves to support the site as a location for people to pass through and to gather, contributing to transforming the site into a great place. The opportunity to deliver a mixed-use local village including a supermarket at the heart, together with local retail/commercial uses, will provide opportunities for social interaction connections.
<b>Direction 6 – Productivity</b>	
Objective 14: A Metropolis of Three Cities – integrated land use and transport creates walkable and 30-minute	The site's location within a dense urban renewal context is an ideal location to establish the site as a neighbourhood centre, providing a focal point with a fine grain character for the immediately surrounding area. The provision of a supermarket at the heart of the site will improve local amenity and convenience, together with the through site links and public plaza improving walkability. The location of a supermarket to serve the needs of the local area will provide an option for locals which does not require travel to centres outside of the immediate catchment, ultimately contributing to reduce private car trip duration/distance.
Objective 15: The Eastern, GOP and Western Economic Corridors are better connected and more competitive	The establishment of retail, commercial and community uses on the site will serve to support improved economic outputs of the Eastern Economic Corridor.
<b>Direction 7 – Jobs and skills for the city</b>	
Objective 22: Investment and business activity in centres	The site provides the opportunity to deliver a local serving local village that will accommodate the everyday needs of the community. The future built form will comprise an anchor supermarket with supporting retail shops to provide goods and services close to where people live, increasing the level of residential development within walking distance thus providing desirable liveability outcomes. Further, the site is located in close proximity to the Green Square strategic centre that serves a larger regional scale purpose with supporting a variety of uses including employment / commercial spaces and residential.
Objective 24: Economic sectors are targeted for success	

<i>Directions and Objectives</i>	<i>Comment</i>
<b>Direction 9 – An efficient city</b>	
Objective 33: A low-carbon city contributes to net-zero emissions by 2050 and mitigates climate change	The future built form presents the opportunity to incorporate sustainable design initiatives and work towards mitigating climate change by 2050. The indicative reference scheme provides a range of Green Star targets of the commercial/community building and the fit-out of the supermarket.
Objective 34: Energy and water flows are captured, used and re-used	In addition, BASIX water and energy targets consistent with the provisions of the City's <i>Net Zero 2026</i> Policy. Woolworths intend to provide a range of measures aimed at ESD consistent with the provisions of the City's <i>Net Zero 2026</i> Policy, which are to be further resolved as part of the formal VPA process and subsequent DA.
Objective 35: More waste is re-used and recycled to support the development of a circular economy	
<b>Direction 10 – A resilient city</b>	
Objective 36: People and places adapt to climate change and future shocks and stresses	<p>The COVID-19 pandemic has seen a significant focus placed on the location of supermarkets and the ability for them to sufficiently and effectively serve a defined catchment. Supermarkets, particularly in a larger format, have demonstrated ability to serve the needs of people and are an essential part of the retail ecosystem. The accommodation of a full line supermarket within the site, resolved an identified needs and serves to create a more resilient city with access to essential groceries.</p> <p>Further, in accordance with consultation with Council engineers, the Planning Proposal and indicative reference design has also been designed to accommodate suitable flood planning levels.</p>

### 6.1.3 Eastern City District Plan

The Eastern City District Plan 2018 (ECPD) is a statutory consideration under the Strategic Planning provisions of Part 3 Division 3.1 of the EP&A Act. Section 3.8 of the EP&A Act requires that a planning proposal authority give effect to the relevant district strategic plan for the local government area (in this case the Eastern City District Plan). The Eastern City District Plan underpins the Greater Sydney Region Plan and sets the 20-year vision for the District through 22 'Planning Priorities' that are linked to the Region Plan. An ECPD Structure Plan extract is at **Figure 43**. Under this Plan, the site is strategically located within Green Square strategic centre. Key priorities of the District Plan which this Planning Proposal give effect to are elaborated at **Table 8**.

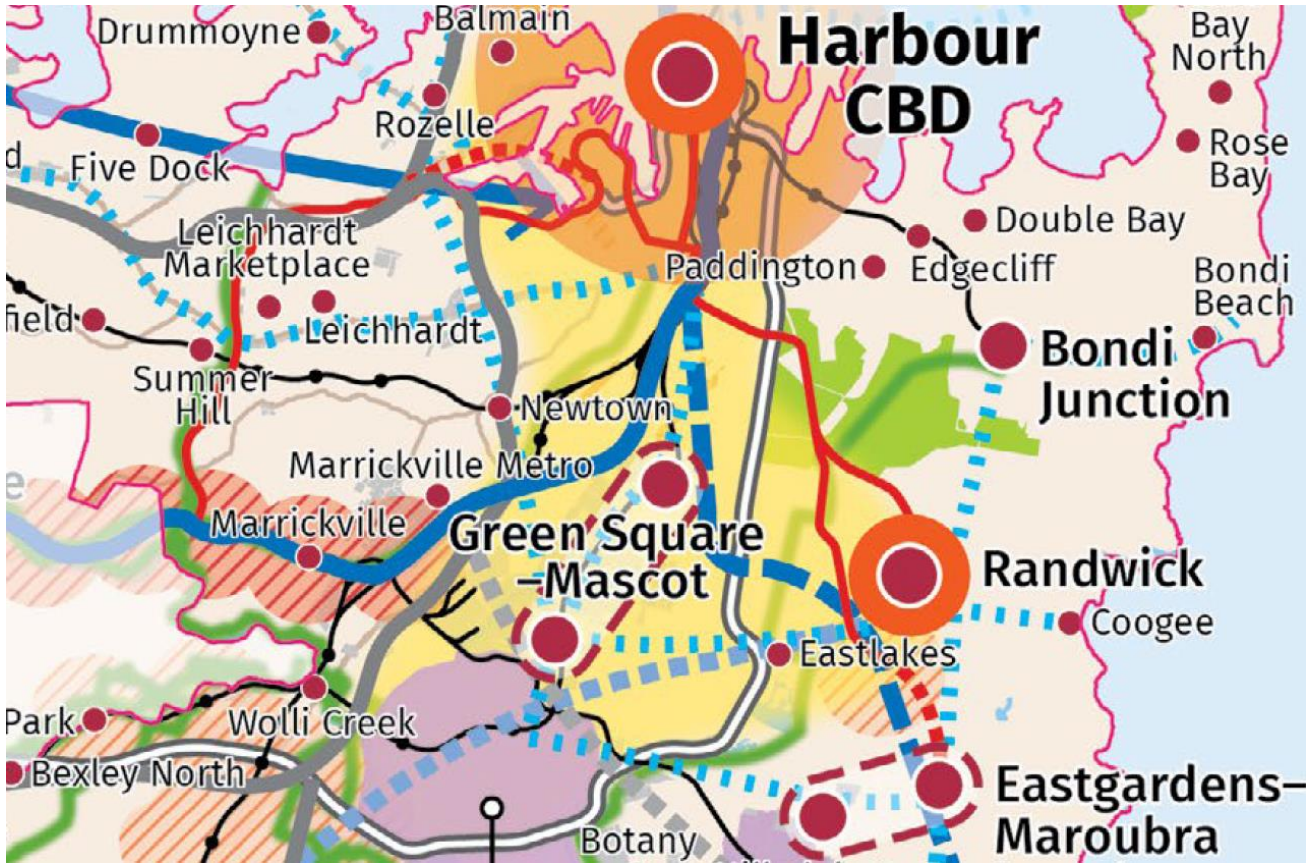


Figure 43 Eastern City District Plan – structure plan extract

Source: Greater Sydney Commission

Table 8 Consistency with the Eastern City District Plan directions and objectives

Directions and Objectives	Comment
<b>Direction 1 – A city supported by infrastructure</b>	
Priority E1 – Planning for a city supported by infrastructure	<p>The future built form will deliver local population serving retail to meet the everyday needs of the community. The proposed development will form a neighbourhood centre that will accommodate the needs of the local area, including opportunities for fine grain retail and commercial uses.</p> <p>The site has good access to a number of nearby open space and recreation facilities enhancing community wellbeing and striving to achieve healthy communities. The opportunity to deliver a through site link and public plaza will contribute to enhanced social opportunities. The site contributes to the alignment of infrastructure with growth by providing future land uses amongst strong pedestrian and cycle networks connecting Waterloo and the broader CBD.</p>
<b>Direction 2 – A collaborative city</b>	
Priority E2 – Working through collaboration	<p>Opportunities to involve the public, community groups and businesses exist further in the detailed design process of public-oriented components of the site.</p>



<i>Directions and Objectives</i>	<i>Comment</i>
<b>Direction 3 – A city for people</b>	
Priority E3 – Providing services and social infrastructure to meet people’s changing needs	The future built form will provide a full line supermarket that will cater to the local daily needs of the community at a walkable distance to accommodate future demand. The proposed development will include a population serving full line supermarket that will not undermine the importance of Green Square strategic centre. The proposed development will respond to the identified needs of the growing population and reduce existing retail pressures that surrounding supermarkets are experiencing.
Priority E4 – Fostering healthy, creative, culturally rich and socially connected communities	The future built form will deliver a neighbourhood village enriched by local activity and opportunities for social gathering. The site will also provide enhanced local connections through the through-site links to be provided. Further, the site benefits from reasonable proximity to the Green Square Strategic Centre which provides major recreational and higher order community facilities for the benefit of a regional catchment within the broader urban renewal area.
<b>Direction 4 – Housing the city</b>	
Priority E5 – Providing housing supply, choice and affordability with access to jobs, services and public transport	The site is strategically positioned to accommodate residential uses, increasing supply within proximity to a local centre and public transport infrastructure. Redevelopment of the site to increase housing supply presents the opportunity to improve housing diversity and affordability in the locality in the form of various apartment sizes. There is a need to ensure greater diversity in housing products to meet the growing needs of single person households, older persons and down-sizers. The site presents the opportunity to address affordability through the indicative public benefit offer which proposes affordable housing provisions in line with Council’s policies.
<b>Direction 5 – A city of great places</b>	
Priority E6 – Creating and renewing great places and local centres, and respecting the District’s heritage.	The City of Sydney LGA is made up of culturally diverse communities, in particular a rich international student demographic. There is an opportunity for the future use of the site to promote social cohesion and celebrate local culture.
<b>Direction 6 – A well connected city</b>	
Priority E10 – Delivering integrated land use and transport planning and a 30 minute city	The future built form will deliver a local population serving neighbourhood village that will accommodate the daily and week to week needs of the community, without the need for car-based trips to other centres. Further, the site is strategically positioned in close proximity to the Green Square strategic centre which comprises well-established health and education, local services and a concentration of jobs. This includes the Green Square train station located 900m south of the site.
<b>Direction 7 – Jobs and skills for the city</b>	
Priority E11 – Growing investment, business opportunities and jobs in strategic centres	The proposal facilitates Woolworths to invest in the site for the benefit of the wider community in terms of employment and multiplier effects, which are presented as part of the site’s Economic Impact Assessment. A projected total of 273 ongoing retail jobs will be created within the site, together with further commercial and community job provisions which are yet to be defined.
<b>Direction 9 – An efficient city</b>	
Priority E19 – Reducing carbon emissions and managing energy, water and waste efficiency	The future built form presents an opportunity to deliver an innovative sustainable building with high water, energy and waste efficiencies that will reduce emissions over time and work towards mitigating climate change. The future development will also support transport demand initiatives with improving walkability and cycling opportunity to achieve the NSW Government’s goal of net zero emissions by 2050.

**Q4. Is the planning proposal consistent with a council LSPS that has been endorsed by the Planning Secretary or GSC, or another endorsed local strategy or strategic plan?**

The Planning Proposal is generally consistent with the following documents:

- City Plan – Local Strategic Planning Statement (2020);
- Green Square And Southern Areas Retail Study (2008);
- City of Sydney Economic Development Strategy (2013);
- Sustainable Sydney 2030 – Community Strategic Plan (2013); and
- Housing for all – City of Sydney Local Housing Strategy (2020).

**6.1.4 City Plan 2036 – City of Sydney Local Strategic Planning Statement**

The Planning Proposal aims to give effect to several planning priorities and actions within the City of Sydney Local Strategic Planning Statement (LSPS). Council's LSPS (known as City Plan 2036) was endorsed by Council on 17 February 2020 and represents Council's 20-year vision and strategy for the LGA's future direction on infrastructure, liveability, productivity and sustainability.

**Table 9 Consistency with City of Sydney Local Planning Statement**

Planning Priority	Consistency/Comment
<b>Infrastructure</b>	
I1 – Movement for walkable neighbourhoods and a connected city	The site will contribute to creating the heart of a walkable neighbourhood centre where residents, workers and visitors can easily access local retailing services to meet their needs. This includes access to a full-line supermarket with an identified need in the area surrounding the site. The proposal will respond to the needs of the growing population and reduce existing retail pressures that surrounding supermarkets are experiencing, including an infrastructure basis for evolving technologies and retail trends, including enhanced local delivery services and in the collection of goods. The future built form will include optimised dual through site link that will improve connectivity and prioritise pedestrian movements to and through the site. This will contribute to encouraging more active and healthy lifestyles. Cycling is enhanced through provision of end-of-trip facilities to enhancement the viability and attractiveness of this mode to access the site.
I2 – Align development and growth with supporting infrastructure	The proposal includes an indicative public benefit offer to deliver a variety of public and community infrastructure items within the site, including an enhanced public realm. This is in addition to DCP required footpath widening and landscaped setbacks, many of which exceed minimum standards.
I3 – Supporting community wellbeing and infrastructure	
<b>Liveability</b>	
L1 – A creative and socially connected city	It is recognised that the City of Sydney is home to many diverse communities. Future uses of the site will respond to the social make-up and create a diverse, accessible, safe and appealing place for people of all ages, backgrounds and abilities to encourage a vibrant, healthy lifestyle. The site will deliver a lively, vibrant and inclusive place that enables people to walk or undertake a far shorter drive, to their daily and essential needs with a greater choice for shopping in terms of fresh food and socialising within people's local community. The site will create a place that represents the culture of the community, contributing to the role of Green Square urban renewal precinct through enhancing urban activation and improving walkability, with a superior urban form to establish an emerging neighbourhood centre.
L2 – Creating great places	
L3 – New homes for a diverse community	As the site is within the Green Square renewal precinct, increased housing density is an appropriate land use given proximity to Green Square train station, Waterloo metro station and bus stops, as well as jobs and local

## Planning Priority

## Consistency/Comment

services. Given the size of the site, there is an opportunity to provide housing that will respond to the changing housing needs of the community. This will include providing a mix of studio, one, two and three or more bedrooms to support diverse communities that require diverse apartment sizes to accommodate ageing in place, intergenerational housing and families with children living in apartments.

## Sustainability

S2 – Creating better buildings and places to reduce emissions and waste and use water efficiency

The future built form presents an opportunity to deliver innovative sustainable product that reduces carbon emissions, manages energy, water and waste, working towards the goal of carbon neutral 2050. This is exemplified by Fabcot's commitment to the CoS design excellence process which is intended to create exemplar buildings. Fabcot are also committed to achieving high sustainability targets for the future redevelopment, with provisions consistent with the City's *Net Zero 2026* Policy.

Waste minimisation and reduction strategies are to be further developed at the DA stage, however it is intended for the development to stand out as a model development with the productive community roof garden and food waste and re-use programs within the community use floorspace.

### 6.1.5 Green Square and Southern Areas Retail Study 2008

In August 2007, Hassell and Jones Lang LaSalle (JLL) were commissioned to undertake the Green Square and Southern Retail Areas Study (2008 Study) which was completed in February 2008. The purpose of the study was *"...to provide a framework that ensures the GSTC develops a strong, vibrant retail focus that contributes to the vision for GSTC as a proposed major centre..."*

The 2008 Study concluded that the retail components of the GSTC are critical to success as a major multi-use centre. As such, some controls on retail development outside the GSTC were required as the then planning controls for Green Square were insufficient in providing a clear retail hierarchy.

The Study by Hassell and JLL highlighted significant population growth in the number of residents between 2006 and 2021 and demand for up to 24,000m<sup>2</sup> based on population projections. However, when considering actual population outcomes, the 2008 Study significantly under-estimated population growth, and therefore the required provision of retail and supermarket floorspace was also under-estimated. The extent of this is described earlier in this report in **Section 2.2.1**.

### 6.1.6 Economic Development Strategy 2013

The City of Sydney's economic development strategy is focusing on strengthening the city's economy and supporting businesses for the next 10 years. At the time of the strategy, the LGA supported an estimated 437,000 jobs, of which 21,850 (or 5%) of jobs were within the retail and personal services industry. The strategy identifies the role of green square in transforming former lands into a vibrant and sustainable urban centre housing 40,000 residents and 22,000 workers by 2030. This planning proposal seeks to deliver contribute to providing a local neighbourhood centre in Waterloo with delivering 121 dwellings, 273 jobs and contribute to a thriving local economy.

The strategy highlights the continuing need to monitor and review planning policies to ensure the provision of adequate floor space capacity for businesses. This is particularly important, in providing continual business growth opportunities, ensuring residential amenity, and creating jobs. The planning proposal seeks to deliver a new supermarket within a part of Sydney that has a clear undersupply of retail supermarket floorspace, largely due to the retail floorspace cap prescribed in Clause 7.23 of the Sydney LEP 2012.

## 6.1.7 Sustainable Sydney 2030 – Community Strategic Plan

Sustainable Sydney 2030 is Council's vision for the sustainable development of the City to 2030 and beyond. The plan builds on three key themes of Green, Global and Connected and includes ten specific targets to achieve a sustainable Sydney, as well as 10 strategic directions to guide the future of the City. The achievement of a number of strategic directions are supported by this Planning Proposal as follows:

**Table 10 Consistency with Sustainable Sydney 2030**

Strategic direction	Consistency/ comment
<b>A leading environmental performer</b>	
Objective 2.1 – Greenhouse gas emissions are reduced across the city	Fabcot is committed to development that will reduce greenhouse gas emissions through improved energy efficiency and low carbon energy production for net zero emissions. The future built form will encourage walking and active transportation to prevent unnecessary or lengthy private car trips for access to supermarket offerings.
Objective 2.3 – Across the city water use is reduced through efficiency and recycling and gross pollutant loads to waterways are reduced	The future built form will utilise efficient stormwater management systems designed to Council's requirements at a future stage.
Objective 2.4 – City residents, businesses, building owners, workers and visitors improve environmental performance	The future built form will be designed to operate with high environmental performance and be highly water and energy efficient. Fabcot is committed to delivering upon Green Star targets for the commercial, community and supermarket fit-out components and in achieving BASIX performance above standards. The operation of the supermarket will involve Woolworths sustainable corporate commitments for carbon neutral operation.
Objective 2.7 – The city's buildings, infrastructure, emergency services and social systems are resilient to the likely impacts of climate change	The proposal is designed to be resilient and has sought to minimise exposure to natural hazards. Fabcot is committed to reducing climate change impacts through exemplar sustainability initiatives.
<b>Integrated transport for a connected city</b>	
Objective 3.2 - Transport infrastructure is aligned with city growth	The site is well supported by cycling and pedestrian infrastructure to encourage active transportation. The site also benefits from close proximity to the Green Square train station and future metro station. The proposed through site links will contribute to improving connectivity.
Objective 3.3 – the amenity of the city centre and villages is enhanced through the careful management and integration of transport	The proposed local village will provide a well-designed public domain, including through site links and adjacent public plaza to support cycling, walking and commuters to and from the site.
Objective 3.4 – Public transport, walking and cycling are the first choice transport modes	The future built form is designed to accommodate walking and cycling through the site links. The public domain will facilitate improved pedestrian movements and connectivity.
<b>A city for walking and cycling</b>	
Objective 4.1 - The city and neighbouring areas have a network of accessible, safe, connected pedestrian and cycling paths integrated with green spaces	The site is serviced by existing and well-established cycling and pedestrian infrastructure, as well as a number of open spaces. The site promotes walkability and cycling.
Objective 4.2 – The number of people who choose to walk and cycle continues to increase	The future built form is designed to promote walking and cycling for everyday needs of the community. The site provides high transport amenity and active transport facilities (i.e bike racks/EOT facilities) to promote active lifestyles.

Strategic direction	Consistency/ comment
<b>Resilient and inclusive local communities</b>	
Objective 6.1 - Our city comprises many unique places – a ‘city of villages’ – for communities to live, meet, shop, study, create, play, discover, learn and work	The future local village will promote a sense of belonging and community with opportunities for social gathering and activities. The site will accommodate people to work, shop and conduct businesses close to where they live and provide a place for the community to socialise and take part in cultural life.
Objective 6.2 - Our city is a place where people are welcomed, included and connected.	The future local village will be population serving and will be a place where people can connect face to face and feel supported. Future residents will feel welcomed and part of a neighbourhood community.
Objective 6.3 - Local economies are resilient, meet the needs of their community, and provide opportunities for people to realise their potential	The future local village will contribute to the local growing community and provide a range of job opportunities in terms of retail and commercial employment.
Objective 6.5 - The community has the capacity, confidence and resilience to adapt to changing circumstances	The site will transform into a place of social cohesion and support diverse communities. The future built form will accommodate all abilities and promote an inclusive environment.
<b>A cultural and creative community</b>	
Objective 7.3 - Sydney’s cultural sector and creative industries are supported and enhanced leading to greater sector sustainability, productivity gains, and innovation	The future built form is intended to contain opportunities for co-working collaborative facilities and multi-purpose commercial floorspace to facilitate local business innovation.
<b>Housing for a diverse community</b>	
Objective 8.1 - The supply of market housing in the city meets the needs of a diverse and growing population	The proposal will provide a variety of high density residential living options. Various apartment sizes that are accommodating to all abilities will be delivered to support the diverse needs of future apartment dwellers. This will support varying household structures including people ageing in place.
Objective 8.2 – The supply of affordable housing supports a diverse and sustainable community and economy	The future built form will provide affordable housing as part of the indicative public benefit offer to contribute to housing choice for low to moderate income earners / This will support the growth and sustainability of the affordable housing sector and enable low to moderate income owners to rent or own close to their jobs.
<b>Sustainable development, renewal and design</b>	
Objective 9.1 – The City of Sydney leads by example to facilitate great places	The site will provide a great place that the community and people will be drawn to for its convenience and social contribution.
Objective 9.2 – The city is beautiful, sustainable and functions well	The future built form will demonstrate design excellence and is designed to provide architectural interest. The site will provide a comfortable, safe and inclusive environment.
Objective 9.5 – The urban environment promotes health and wellbeing	The future built form is innovative and accommodating of growing trends in the retail sector and in plugging a growing gap in the retail ecosystem which is the need for full line supermarkets. The proposed development is resilient and will respond to the changing needs of the community and responds to a growing interest accessibility to a more diverse range of fresh food.

## 6.1.8 Housing for all – City of Sydney Local Housing Strategy

The City of Sydney local housing strategy was published in June 2020 and provides a framework of housing related priorities to meet District targets. The strategy sets series of objectives and actions to guide future housing delivery for the LGA and identifies a target of 56,000 additional dwellings by 2036. Green Square is identified as a precinct to accommodate majority of this growth through the supply of private dwellings. Further, Green square's affordable rental housing framework requires 3% of residential floor area and 1% of commercial floor area to be provided as affordable rental housing which is determined at the DA stage.

The Planning Proposal is accompanied by an indicative scheme which will facilitate a future mixed use development, including 121 new dwellings, which is generally envisioned by the current controls. Notwithstanding, the proposal includes an indicative offer of 12 affordable homes to be constructed on-site and dedicated under the terms of a future planning agreement to be resolved post-Gateway determination. This encompasses a 11% affordable housing provision within the uplift floorspace provided as part of this proposal, which is in response to the City's Affordable Housing Program which came into effect on 1 July 2021. Refer to **Section 8.1** for further details.

**Table 11** outlines consistency of the planning proposal with the relevant priorities of the City of Sydney's Housing Strategy.

**Table 11** Consistency with City of Sydney Housing Strategy

Priority	Comment
Priority H1 – Facilitating more homes in the right locations	<p>The importance of actively supporting and investing in established and emerging centres is recognised by Council and is supported by the proposal. The site will contribute to delivering housing within the Green Square urban renewal area. The site's general residential floorspace and dwelling provision is in line with the current planning controls envisioned for the site for above ground massing and GFA.</p> <p>The proposal seeks additional floorspace within the site for the provision of a suitable subterranean full line supermarket, to serve the local catchment. However, as a result of this Planning Proposal, the site will offer 12 affordable housing dwellings (as an equivalent contribution) which is in excess of the six (6) affordable dwellings which would otherwise be provided within a future redevelopment.</p>
Priority H2 – Coordinating housing growth with the delivery of infrastructure	<p>The site benefits from being located within a reasonable walking catchment to the Green Square train station and the proposed future Waterloo Metro station. Frequent bus services also stop within the frontage of the site. Connection to transport, including active transport is enhanced through the widening of footpaths and the provision of a through-site link which is to be embellished above the minimum standards set within the Sydney DCP 2012. The proposed development will support the success of the Green Square Town Centre by providing residential populations to utilise major recreational and entertainment facilities planned, together with significant new employment floorspace planned.</p>
Priority H3 – Increasing diversity and choice in housing	<p>The strategy identifies 91% of residents living in high density apartments in Green Square were born overseas and therefore may indicate a different housing preferences, including a greater cultural acceptance of apartment living. The future built form will accommodate a variety of apartment sizes to accommodate the dominant demographic in the area, as well as ensure housing choice. The indicative reference scheme includes studio, 1, 2 and 3 bedroom apartments, including two storey apartments with ground level access and other apartments with direct access to the podium level communal open space. This will support and foster social cohesion where residents will have a sense of belonging, high amenity and convenience.</p>

Priority	Comment
Priority H4 – Increasing the diversity and number of homes available for lower-income households	The indicative public benefit offer includes a provision of 12 affordable housing dwellings out of 121 apartments, which exceeds 11% of the housing provision dedicated for families and key workers who would be otherwise be challenged to be able to live in the local area. The proposal therefore responds to the communities' housing needs and ability accommodate all ages and abilities to ensure housing choice and resilience for everyone.
Priority H7 – Increasing liveability, sustainability and accessibility through high-quality residential design	The future built form will exhibit design excellence and demonstrate high quality urban design to enhance the enjoyment of homes and public places. This will include increased connectivity through the proposed through site link to increase walking and cycling opportunities. The indicative reference scheme also includes generous planted terraces and greened rooftops. This will contribute enhancing people's health and wellbeing. The proposal is designed to accommodate a variety of sustainability features and deliver beyond its required targets for sustainability, energy efficiency and water and waste management.

#### Q5. Is the planning proposal consistent with any other applicable State and regional studies or strategies?

The Planning Proposal is generally consistent with the following documents:

- Housing 2041 – NSW Housing Strategy (2021); and
- Better Placed – Government Architect of NSW (2019).

#### 6.1.9 Housing 2041 – NSW Housing Strategy

The NSW Housing strategy was released in March 2021 and sets a 20-year vision: *NSW will have housing that supports security, comfort, independence and choice for all people at all stages of their lives.* The strategy focuses on housing in the right locations, housing that suits diverse needs and housing that feels like home. The strategy is guided by the four pillars of supply, diversity, affordability and resilience. The Planning Proposal will contribute to achieving this vision through the provision of new housing in a range of typologies and sizes that are diverse in their intent. The indicative reference scheme incorporates a mix of studio, 1, 2 and 3 bed apartments, includes 12 affordable housing apartments, and will provide walk-up terrace style apartment with front a gardens and rear access to the podium level communal open space. The mix of residential product that will be provided as part of any future development will ensure that it is inclusionary and that it meets a wide variety of occupants needs.

These measures are capable of being detailed within a future DA, which will be subject to the design excellence process to ensure an optimal housing offer. The indicative public benefit offer includes a provision of 12 affordable housing dwellings out of 124 apartments, which exceeds 11% of the housing provision dedicated for families and key workers who would be otherwise be challenged to be able to live in the local area. The proposal therefore responds to the communities' housing needs and ability accommodate all ages and abilities to ensure housing choice and resilience for everyone.

#### 6.1.10 Better Placed

The Government of NSW has established seven distinct objectives have to define the key design considerations. Achievement of these objectives from this early stage of the project, through to the detailed design and construction stage will ensure the development will be healthy, responsive, integrated, equitable, and resilient. **Table 12** demonstrates how the proposal is consistent with the objectives of the policy.

**Table 12 Consistency with the Objectives of GANSW's Better Placed**

Objective	Response
Objective 1: Better fit	Of its Place: The commitment to design excellence has devised the optimal urban design arrangement which will form the basis for a competitive architectural design competition.
	Local / Contextual: The proposed through site links and public plaza has been designed for local use and will strengthen the site as an anchor for an emerging neighbourhood centre, together with the provision of a full-line supermarket.
Objective 2: Better performance	Sustainable: The proposal's holistic sustainability strategy addresses proposed targets for the supermarket fitout (5 Green Star), commercial building (5 Green Star) and residential (BASIX 5 points above standard).
	Durable and adaptable: The technical investigations to form a flooding strategy have been designed to appropriately respond to major rainfall events.
Objective 3: Better for community	Safe: Pedestrians, cyclists and vehicle entries have all been accommodated within the public realm with safety and amenity in mind.
Objective 4: Better for people	Comfortable: The public plaza and through site links encourage people to stay and enjoy each other's company which is provided with northern sunlight and screened by McEvoy Street with edge planting.
	Liveable: The urban design principles for the site place enhanced public spaces and social connectivity of residents, workers and visitors – with a strong focus on active and public transport
Objective 5: Better working	Functional: Access points are well defined and convenient.
	Efficient / Functional: The development is efficient in its arrangement and seeks a high energy efficient and environmental performance to be resolved through the detailed DA process.
Objective 6: Better value	Creating Value: The provision of a new full line supermarket is located in a growing urban renewal area to serve the needs of local residents.
	Adding Value: Ensures well-located infill development providing access to jobs, infrastructure and transport.
Objective 7: Better look and feel	Engaging and Inviting: The through site links provide a local walkable retail environment which is anchored by proposed public plaza. Together with the commitment to integrate public art, these spaces will generate activity and create a unique sense of place.

**Q6. Is the Planning Proposal consistent with applicable State Environment Planning Policies?**

The State Environmental Planning Policies directly applicable to the Planning Proposal are identified in **Table 13** below.

**Table 13 Consistency with applicable SEPPs**

Policy	Comment
State Environmental Planning Policy (Building Sustainability Index: BASIX) 2004	The indicative reference scheme provides intends for high BASIX water and energy targets have been implemented, which exceed minimum standards. A range of measures aimed at ESD, are to be further resolved as part of the formal VPA process and future DA.
State Environmental Planning Policy (Industry and Employment) 2021	Future DAs will be assessed under Chapter 3 of the SEPP, where any signage is proposed.
State Environmental Planning Policy No 65—	The proposal's residential component has been designed to meet the requirements of SEPP65 and the accompanying Apartment Design Guide. High level consideration of key principles have been undertaken such as apartment



Policy	Comment
Design Quality of Residential Apartment Development	size, layout, typology, solar access, natural cross ventilation, communal open space and the like, which is suitable for this stage of the planning process. Future DAs will be assessed under SEPP 65, which will include full details of required remediation works to enable the redevelopment of the site.
State Environmental Planning Policy (Resilience and Hazards) 2021	Not relevant to proposed LEP amendment. May apply to future development on the site.
State Environmental Planning Policy (Transport and Infrastructure) 2021	Under Section 2.122 of the SEPP, the future DA under the proposed planning controls will be considered traffic generating development requiring referral to TfNSW. Under pre and post-Gateway consultation however, TfNSW will be consulted with respect to the proposal and the intended access, traffic and parking measures to ensure an appropriate outcome.
State Environmental Planning Policy (Exempt and Complying Development Codes) 2008	The Codes SEPP does not apply to the Planning Proposal, however may apply to the future development of the site.

#### Q7. Is the Planning Proposal consistent with the applicable Section 9.1 Directions?

Ministerial Directions under Section 9.1 of the EP&A Act require Councils to address a range of matters when seeking to rezone land. A summary assessment of the Planning Proposal against the Directions issued by the Minister under Section 9.1 of the EP&A Act is provided below.

**Table 14** Assessment of Section 9.1 Directions

Ministerial Direction	Consistent			Comment
	Yes	No	N/A	
<b>Focus area 1: Planning Systems</b>				
1.1 Implementation of Regional Plans	✓			The Planning Proposal is consistent with the Greater Sydney Region Plan as discussed at <b>Section 6.1.2</b> .
1.2 Development of Aboriginal Land Council land			-	Not applicable
1.3 Approval and Referral Requirements	✓			This direction aims to ensure that LEP provisions encourage the efficient and appropriate assessment of development. The relevant requirements of this direction have been considered in the preparation of this Planning Proposal.
1.4 Site Specific Provisions	✓			A particular development scenario is envisaged for the site. The proposed provisions will allow for the envisaged development to be carried out on the site. The Planning Proposal will not contain or refer to drawings that show details of the development proposals.
<b>Focus area 1: Planning Systems – Place-based</b>				
1.5 Parramatta Road Corridor Urban Transformation Strategy			-	Not applicable
1.6 Implementation of North West Priority Growth Area Land Use and			-	Not applicable

Ministerial Direction	Consistent	Comment
Infrastructure Implementation Plan		
1.7 Implementation of Greater Parramatta Priority Growth Area Interim Land Use and Infrastructure Implementation Plan	-	Not applicable
1.8 Implementation of Wilton Priority Growth Area Interim Land Use and Infrastructure Implementation Plan	-	Not applicable
1.9 Implementation of Glenfield to Macarthur Urban Renewal Corridor	-	Not applicable
1.10 Implementation of Western Sydney Aerotropolis Plan	-	Not applicable
1.11 Implementation of Bayside West Precincts 2036 Plan	-	Not applicable
1.12 Implementation of Planning Principles for the Cooks Cove Precinct	-	Not applicable
1.13 Implementation of St Leonards and Crows Nest 2036 Plan	-	Not applicable
1.14 Implementation of Greater Macarthur 2040	-	Not applicable
1.15 Implementation of the Pyrmont Peninsula Place Strategy	-	Not applicable
1.16 North West Rail Link Corridor Strategy	-	Not applicable
1.17 Implementation of the Bays West Place Strategy	-	Not applicable
<b>Focus area 2: Design and Place</b>		
<b>Focus area 3: Biodiversity and Conservation</b>		
3.1 Conservation Zones	-	Not applicable
3.2 Heritage Conservation	-	Not applicable
3.3 Sydney Drinking Water Catchments	-	Not applicable
3.4 Application of C2 and C3 Zones and Environmental Overlays in Far North Coast LEPs	-	Not applicable
3.5 Recreation Vehicle Areas	-	Not applicable
3.6 Strategic Conservation Planning	-	Not applicable
<b>Focus area 4: Biodiversity and Conservation</b>		
4.1 Flooding		The Planning Proposal has been undertaken in accordance with a Flood Assessment which has determined suitable minimum floor levels

Ministerial Direction	Consistent	Comment
		based upon the catchment flood study. Refer <b>Section 9.6.</b>
4.2 Coastal Management	-	Not applicable
4.3 Planning for Bushfire Protection	-	Not applicable
4.4 Remediation of Contaminated Land	-	No change to permissible land use. Remediation to be resolved as part of a future DA.
4.5 Acid Sulfate Soils	✓	Laboratory testing indicates that actual and potential acid sulfate soils are not present at the site. Refer <b>Section 9.7.</b>
4.6 Mine Subsidence and Unstable Land	-	Not applicable
<b>Focus area 5: Transport and Infrastructure</b>		
5.1 Integrating Land Use and Transport	✓	The Planning Proposal is consistent with the guidelines identified within this Direction in that it will: <ul style="list-style-type: none"> <li>- Create additional employment, housing and services opportunities to anchor the site as an emerging neighbourhood centre in close proximity to existing public transport.</li> <li>- Provide sufficient supermarket floorspace to reduce the need for residents to travel outside of the local area for shopping needs.</li> <li>- Enhance active connections through a new through-site link and public plaza, enhancing local pedestrian and cycle networks;</li> <li>- Implement high quality urban design through considered planning and design.</li> </ul>
5.2 Reserving Land for Public Purposes	-	Not applicable
5.3 Development Near Regulated Airports and Defence Airfields	-	Not applicable
5.4 Shooting Ranges	-	Not applicable
<b>Focus area 6: Housing</b>		
6.1 Residential Zones	-	Not applicable
6.2 Caravan Parks and Manufactured Home Estates	-	Not applicable
<b>Focus area 7: Industry and Employment</b>		
7.1 Business and Industrial Zones	✓	Proposal is consistent within current B4 Mixed Use zoning which is to be retained and translate to new MUI Mixed Use zone as part of the Employment zones reform.
7.2 Reduction in non-hosted short-term rental accommodation period	-	Not applicable
7.3 Commercial and Retail Development along the Pacific Highway, North Coast	-	Not applicable

Ministerial Direction	Consistent	Comment
<b>Focus area 8: Resources and Energy</b>		
8.1 Mining, Petroleum Production and Extractive Industries	-	Not applicable
<b>Focus area 9: Primary Production</b>		
9.1 Rural Zones	-	Not applicable
9.2 Rural Lands	-	Not applicable
9.3 Oyster Aquaculture	-	Not applicable
9.4 Farmland of State and Regional Significance on the NSW Far North Coast	-	Not applicable

## Section C – Environmental, Social and Economic Impact

### Q8. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

No. The Planning Proposal's accompanying specialist studies have not identified any impact on critical habitat or threatened species, populations or ecological communities or their habitats, given the site's urban location. Mature vegetation within the site is not listed as critical habitat or threatened.

### Q9. Are there any other likely environmental effects as a result of the Planning Proposal and how are they proposed to be managed?

A detailed assessment of the environmental effects as a result of the Planning Proposal is identified in **Section 9.0** of this Planning Proposal justification report. Relevant management and mitigation measures are identified where appropriate and, on this basis, no unacceptable impacts are likely to result from the Planning Proposal or future development on the site, subject to detailed consideration at the appropriate step in the planning process.

### Q10. Has the planning proposal adequately addressed any social and economic effects?

Yes. The economic and social impacts arising from the Planning Proposal have been fully identified and addressed by specialised reports which are assessed at **Sections 9.2** and **9.4**, respectively. The Planning Proposal will contribute to a number of positive social and economic effects, including:

- The proposed Woolworths Waterloo development will result in an overall community benefit, providing a contemporary full-line supermarket and retail facility that provides additional choice, range and price competition for this significant and growing population within the immediate area. This includes ensuring the community has access to a full range of products, a modern offer and capabilities including online integration, pick-up and delivery services.
- Even with the proposed Woolworths Waterloo project, total retail sales at GSTC are projected to increase substantially from around \$35 million in 2021 to over \$83 million by 2026, underscoring that the proposed development will not impact on the GSTC as it continues to develop.
- Without the Woolworths Waterloo project, projected levels of escaped retail expenditure by residents to full line supermarkets beyond the trade area is projected to increase by a further \$22.1 million, reducing resident amenity, and adding to congestion at surrounding facilities and the local road and transport network.
- A range of other economic benefits that align with the strategic vision for the South Sydney and the Waterloo community include walkability and delivering an integrated, contemporary live/work/play environment. The project would introduce a 'best in class' supermarket that aligns strongly with the needs of the existing and growing population and supported the future vision for South Sydney with a focus on innovative design, technology and sustainability initiatives.

- An estimated 764 FTE jobs (direct and indirect) are likely to be generated during the construction stage of the project, and a further 273 FTE jobs on an ongoing basis once the store is complete and fully occupied. These additional ongoing jobs would stimulate additional economic activity, estimated at \$29.1 million each year.
- Positive way of life benefits associated with delivery of housing co-located with a local neighbourhood centre, close to public transport, employment opportunities, educational facilities, and adjacent proposed Water Square amenity (Danks Street South Precinct). Specifically, the proposed development would result in delivery of a total of 120 new apartments.
- It is proposed to provide an affordable housing contribution the equivalent to 12 affordable rental housing dwellings (10% of the dwelling provision on site).
- Investigation of any potential for European or Aboriginal cultural heritage within the site will be appropriately addressed at the DA stage.

## Section D – Infrastructure (Local, State and Commonwealth)

### Q11. Is there adequate public infrastructure for the Planning Proposal?

#### Utility Services Infrastructure

It is understood that there is sufficient capacity in existing and planned utility services to support additional development in the precinct. Further investigation of utilities infrastructure capacity will be undertaken as part of the detailed site investigations to inform future development activity, which will include location of an existing sewer main within the site and provision of an electrical substation to serve the requirements of the site. Refer to **Section 9.9**.

#### Transport Infrastructure

Sufficient road capacity is facilitated through intended upgrades to McEvoy Street, enhancements to Green Square railway station capacity through the 'More Trains More Services' program and through the delivery of the new Waterloo station by Sydney Metro. Refer **Section 9.3**.

#### Social Infrastructure and Contributions

A full social assessment is undertaken at **Section 9.4** which details accessibility and availability of public open space, recreation and social infrastructure to support the development, including uplift affordable housing contributions by way of a VPA. Further, it is expected that any further development of the site will provide both Section 7.11 contributions and baseline affordable housing contributions in accordance with Council's current policies.

## Section E – State and Commonwealth Interests

### Q12. What are the views of state and federal public authorities and government agencies consulted in order to inform the Gateway determination?

Fabcot Pty Ltd and the project team have consulted extensively with the City of Sydney Council primarily in formulating and refining this Planning Proposal. List of key dates involving meetings, presentations and correspondence with Council:

- December 2019 – Initial approach to Council which confirmed that Fabcot were commencing an investigation into the retail network in South Sydney following lodgement of a submission in response to Council's LSPS.
- 9 April 2020 – Presentation of sides including initial research on baseline population growth, forecast future growth and retail demand metrics. Visual collateral of modern store concepts and their vision for new store planning in South Sydney was also presented.
- 3 September 2020 – Results from the further developed retail study and site selection criteria presented. Council advised they were interested in the work undertaken and requested the study for their review.
- 7 October 2020 – Retail floor space research and demand analysis was packaged into a summary technical paper and provided to Council via email. No detailed response by Council was provided.
- 17 March 2021 – Fabcot presents the acquisition of the 923-935 Bourke Street site to Council, on the basis of the retail demand study and the unique large formal site specific retail selection criteria which we established and had communicated to Council previously. The preference to proceed with a Planning Proposal in the coming months was indicated to Council. Initial concepts and the community engagement strategy for the Planning Proposal were

provided to Council in response in late April and early May, respectively. Council also communicated at this time that a review into their retail strategy was being commenced.

- 19 May 2021 – Council provided a written response, advising the advising the Planning Proposal will need to strongly demonstrate strategic merit in terms of the impact on the South Sydney retail planning needs and on the Green Square Town Centre / Strategic Centre. Site specific merit commentary was provided in relation to further resolving building heights, massing and car parking elements of the proposal.
- 5 August 2021 – Woolworths provided a further developed urban design and massing package (including additional detailed solar access analysis the subject of Councils' request) with the intent for this to be provided to the internal Design Advisory Panel for further direction.
- 12 August 2021 – Woolworths provided an indicative public benefit offer to Council, based on social research and community needs investigations.
- 18 May 2022 – Formal letter advising of Council assessment progress of the Planning Proposal and indicative reference concept scheme , providing Councils' recommendations for amendment in order for the proposal to progress.
- 20 July 022 – Presentation of revised scheme to Council incorporating responses in relation to design progression and technical feedback.
- 17 August 2022 – Further presentation to Council in relation to tree surveying and retention.

In addition, the Proponent and project team representatives met with staff from DPE's Eastern District on 29 October 2020. The purpose of this meeting was to present initial research findings in terms of the retail ecosystem in South Sydney and the general concept being pursued by Fabcot. DPE expressed their desire to kept informed as the project progresses.

Further consultation with State and Commonwealth public authorities is expected to continue. The Gateway Determination will identify the public authorities to be consulted as part of the Planning Proposal process and any views expressed will be included in this Planning Proposal following consultation.

## 7.0 Community consultation

JOC Consulting have been engaged by the proponent to undertake community and key stakeholder engagement for the project. The pre-lodgement engagement activities are in addition to the statutory public exhibition of the Planning Proposal post Gateway Determination. Full details of the proposed engagement activities are addressed in the Stakeholder Engagement Program, prepared by JOC Consulting and provided at **Appendix J**.

The key principles underpinning the community and key stakeholder engagement are as follows:

- **Inform** – To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.
- **Consult** – To obtain public feedback on analysis, alternatives and/or decisions.
- **Involve** – To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.
- **Collaborate** – To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.
- **Empower** – To place final decision making in the hands of the public

### 7.1 Objectives

In accordance with the International Association for Public Participation (IAP2) and City of Sydney's Community Engagement Strategy and Community Participation Plan, the proposed engagement program will seek to 'inform' and 'consult' with the local community – *"Consulting takes place when a project requires some input, feedback or advice before part of the project or decision is progressed."*

Further, community engagement will comprise of 'grassroots' activities including pop-ups (where possible with COVID-19 related restrictions) and interviews with community champions. These activities will compliment formal legislative period of consultation and stakeholder engagement delivered by Woolworths. Key objectives of the engagement program are:

- Informing the community about the project and providing transparent information at the right project phase (i.e. educational component about planning system, length of time involved with approvals and future detailed design);
- Collecting feedback on the draft concept – focusing on matters such as the bulk, scale, character of the proposal etc - and listening to community concerns (i.e. traffic, noise, amenity etc);
- Collecting place making and community development ideas with and for the community (i.e. partnerships, public art, public space, landscaping etc); and
- Providing regular project updates and notifying the community when a project milestone is reached.

### 7.2 Purpose and Key Activities

The engagement activities are intended to be divided into two key components, with tailored question structures to gather more specific feedback.

- **Current state – Feedback on the work so far**
  - What features of the Concept Designs do you like the most? Why?
- **Future state – New ideas and suggestions**
  - What does the design team need to consider?
  - What is needed in the Waterloo area? What do you think would benefit the community?

Proposed engagement components and activities with the general public and selected key local community organisations, pre-lodgement of the Planning Proposal, are detailed at **Table 15**.

**Table 15 Proposed Engagement Methods**

Method	Why?	Who?	How?	When?
Community stakeholder interviews	Discussing concerns and identifying public benefits	Targeted stakeholders with community interest	Face to face or phone/online via zoom meetings	Pre lodgement of Planning Proposal
Doorknocking and letterbox drop	Mitigating concerns and keeping adjacent community informed	Surrounding residents and businesses	Face to face	
Pop-ups at public spaces nearby	Focus on community space and sharing of the project Feedback on the concept designs	General community	Face to face	
Online survey	Managing community concerns Available 24/7	General community	Online via web form or SurveyMonkey (can also be made available through QR codes)	
Phone/email contact channels	Managing community concerns Presenting facts and outlining process	General community	Hotline is available during business hours (with follow up calls)	
Community Information Session	Presentation of facts prior to public exhibition of the Planning Proposal.	General community and registered contacts (from earlier engagement)	Face to face (preferred) drop-in session or zoom webinar	

Source: JOC Consulting

The following stakeholders have been identified because of their connections and networks within the local Waterloo community and proximity to the site:

- Weave Youth Community Services
- Wyanga Elders
- Metropolitan Local Land Council
- REDWatch
- Waterloo Public Housing Action Group
- Counterpoint Community Services
- Redfern Community Centre
- Green Square Growers
- Inner Sydney Voice
- 107 Projects
- YARN Australia
- Bread and Butter Project
- OzHarvest
- Yerrabingin
- Redfern & Waterloo Affordable housing
- Jawun
- Kinchela boys home aboriginal corporation
- National Centre of Indigenous Excellence

### 7.3 Key Findings

JOC Consulting found that the majority of survey participants recognise the opportunity in this project and want to stay informed as the project progresses and concepts are refined. Around two third of participants (65%) agreed that this kind of Woolworths would benefit the current and future community (with 17% disagreeing and 14% unsure). Those who disagreed did so because they felt there were enough supermarkets in the area within a walkable distance. Those who were unsure were because they believed a supermarket is needed, but expressed a concern regarding potential impacts on existing traffic and that the residential apartments were not needed.

Creating a community focused space was a priority for more participants, over the provision of affordable housing or dedicated community use floorspace. The three most important community benefits were a premium food and retail destination for shopping close to home, a high-quality plaza for community gatherings and targeting a 5 Star Green Star sustainability rating. Overall, there is a strong desire for a "one-stop shop" destination with support for a Woolworths supermarket at this site.



## 7.4 Continued Future Engagement

The findings from this initial community consultation have been considered by Fabcot in refining the concept into the scheme presented in this Planning Proposal, which is balanced based on feedback received. Subject to Council's endorsement of the Planning Proposal and a Gateway determination, a public exhibition period of 30 days will be undertaken in accordance with the provisions of the EP&A Act.

The community will have further opportunities to provide feedback on the project throughout this period, with further engagement activities to be determined by JOC Consulting and the proponent and to be advised to Council in due course.

The community will be made aware and invited to attend future consultation sessions and Woolworths/Fabcot is committed to involving the local community and key stakeholders throughout the Planning Proposal process and beyond into the Development Application process.

## 8.0 Public Benefits

An revised indicative public benefit letter is provided with the Planning Proposal. The offer has been prepared by Fabcot Pty Ltd with the intent to enter into a Voluntary Planning Agreement (VPA) with the City of Sydney at a future milestone to be determined. The revised indicative letter of offer is provided at **Appendix F**.

The total public benefit offer is provided through a number of means including increased affordable housing contributions, publicly accessible electric vehicle charging facilities, site specific sustainability targets and payment timing of Section 7.11 contributions

The indicative offer is premised on and has been calculated on the realisation of the land use and density, presented in the indicative reference scheme as provided within the Urban Design Report accompanying this Planning Proposal. At a high level, key components comprise a supermarket of 3,200m<sup>2</sup> GFA, speciality retail of circa 1,670m<sup>2</sup> GFA, together with a total of circa 12,705m<sup>2</sup> of residential and commercial GFA and parking for 216 cars within a basement arrangement.

### 8.1 Affordable Housing

In accordance with the City of Sydney Affordable Housing Program, additional contributions to affordable housing are required where Planning Proposals seek an uplift in development standards. The site is located within an area designated as requiring a 12% contribution rate for GFA sought. Based on the revised Indicative Reference Scheme prepared by Bates Smart, the calculation for the affordable housing contribution is as follows:

- The Indicative Reference Scheme has a total Floor Space Ratio (FSR) of 2.7:1, representing 0.5:1 FSR as 'uplift' over the current maximum of 2.2:1 FSR (inclusive of base controls, community infrastructure bonus and design excellence) under the Sydney Local Environmental Plan 2012 (Sydney LEP 2012).
- 12% of the 'uplift' GFA (0.5:1) is 384m<sup>2</sup>, which according to the Affordable Housing Program is to be provided as 'bonus' affordable housing. The 3,200m<sup>2</sup> relates to the proposed provision of a subterranean supermarket which is the premise of the Planning Proposal sought.

In accordance with the current planning controls applicable to the site, being a maximum FSR of 2.2:1, this equates to a total of 14,375m<sup>2</sup> of GFA. Using the reference scheme residential component of 10,698m<sup>2</sup> GFA, the balance of 3,677m<sup>2</sup> of theoretical floor area has been designated as non-residential (retail and commercial GFA) for the purposes of indicative calculations. Using an average 65m<sup>2</sup> GFA per apartment this equates to approximately six (6) apartments within the development. It is noted that this provision is required as part of the future Development Application on site as a baseline and as is not strictly linked with the Planning Proposal.

In addition, under Clause 7.13 of the Sydney LEP 2012 'Contribution for purpose of affordable housing' requires new development within the Green Square area to provide onsite affordable housing provision at the rate of 3% for residential purposes and 1% for non-residential purposes. This baseline affordable housing contribution is required at the Development Application stage.

However, the total future affordable housing contribution by Fabcot is approximately 742m<sup>2</sup> in GFA when viewed in totality, subject to the provisions of the Affordable Housing Program. This arises from the current indicative reference scheme, which equates to an approximate total of 12 apartments (base provision and 'uplift' contribution).

This represents a significant public benefit which will be provided as a contribution under a future VPA and will be subject to Total Floor Area (TFA) diagrams. Fabcot intends to be fully consistent with the terms of the City's Affordable Housing Program.

### 8.2 Electric Vehicle charging facilities

Consistent with the City's draft Electric Vehicles Policy, Fabcot intends to deliver a benchmark provision of publicly accessible electric vehicle charging facilities. This includes that:

- All residential car spaces in the development to be EV ready;
- 50% of worker car spaces are to be EV ready; and

- 25% of retail customer car spaces are to be fitted from the outset with a three phase Level 2 EV charger at 22 kilowatts or higher with the addition of two (2) Level 3 or 4 fast chargers accessible within the retail parking provisions.

### 8.3 Sustainability targets and measures

Sustainability is key component of Fabcot's indicative public benefit offer. All energy efficiency and renewable energy targets for office and retail uses within the future development are proposed to be consistent with the City's *NetZero Energy* provisions. The following specific measures are proposed:

- Supermarket & Retail – consistent with the City's NetZero Energy 2026 provisions.
- Commercial – consistent with the City's NetZero Energy 2026 provisions.
- Residential – BASIX compliance plus 5 points in both Energy (40) and Water (45).
- Incorporation of onsite rainwater capture and re-use for non-potable purposes within the development.
- Development of best practice site-wide resource recovery for operational waste / recycling systems.
- Commitment to electric vehicle charging facilities in residential, retail and commercial car-parking areas as presented above.

### 8.4 Section 7.11 Contributions

Fabcot commit to the staged payment of relevant Section 7.11 contributions associated with the future Stage 2 / Detailed Development Application. It is intended for these payments to be tied to the progressive satisfaction of conditions for Construction Certificates as building works progress on site. The specific detail of this aspect is to be resolved prior to the exhibition of the formal VPA offer.

### 8.5 Delivery Mechanisms

As set out in the Indicative Public Benefit Offer at **Appendix F**, it is the intent of the proponent to form a VPA for the purposes of Section 7.7(3) of the EP&A Act. Draft VPA will be further defined and prepared post Gateway determination and will be available for public exhibition together with the Planning Proposal. The VPA will be executed prior to the issuance of an Occupation Certificate in relation to the detailed development consent for the project in due course.

## 9.0 Technical Assessment

This chapter provides an overview of the key planning and technical assessment issues relating to the Planning Proposal. This assessment collectively addresses matters which form the basis for the adequacy of in order to confirm the site specific merit of the proposal.

### 9.1 Urban Design and Built Form

Bates Smart have prepared a revised Urban Design Report, including an amended indicative reference scheme, provided at **Appendix A**. This has been prepared with a detailed understanding of the site's surrounding planning context, together with physical, technical and topographical parameters and feedback stemming from Council's assessment process.

#### 9.1.1 Building massing

From the outset, the proposal has been designed to integrate the supermarket floorspace within a subterranean arrangement. This has been essential in resolving the site to provide an urban outcome which is generally in line with the expectations for bulk and scale and appearance when viewed from the streetscape. All GFA above ground level has been designed to meet the maximum current FSR for the site being 2.2:1, with the additional 0.5:1 related to the supermarket, configured to be below ground level and not a contributor to building massing.

Despite the increase from a maximum building height of 15m within the site to proposed transitioning heights of 22m, 24m and a section 27m, these building heights are still less than other sites in the locality such as up to 40m within Danks Street South and RL 68.5m within the western section of the Lachlan Precinct. The revised heights proposed provide a general transition to existing residential apartments and mixed-use developments located opposite the site along Young and Bourke Streets.

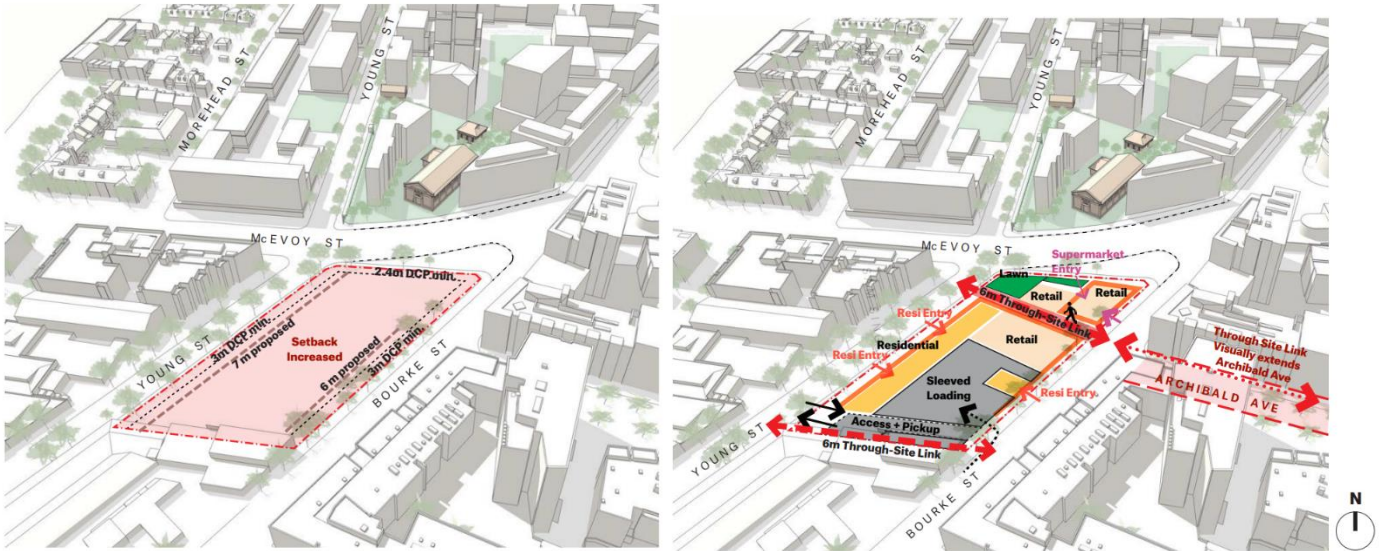
The additional height sought provides the ability to locate a marginally increased building form to offer flexibility to locate mass in locations which minimise impacts these surrounding residential land uses. It also provides the ability for a future redevelopment within the site to give back to the public realm, through additional footpath widening and landscaped deep soil setbacks, tree retention and more generous internal communal spaces and public plaza, as provided in the indicative redevelopment reference scheme.

#### 9.1.2 Through site link and public domain

A key urban design move in the proposal is the duplication of the DCP identified through-site link (6m wide). In addition to the through site link adjacent to the southern boundary, a new activated through site link on the northern third of the site. The additional through-site link (6m wide) lined with retail and commercial uses provides a catalyst for urban activation. Further the alignment with Archibald Avenue provides a visual desire line and connector drawing in the public from the Lachlan Precinct. Likewise, the embellishment of the western end as a public plaza serves to provide an amenity buffer from the busy nature of McEvoy Street and provides a visual connection and marker for the northern end of Young Street when viewed to the south.

However, as the supermarket is a key attractor to the site, increased permeability site's secondary / retail through site link is better activated and is able to support the addition of a public plaza. These elements combine to establish the site as the hub for an emerging neighbourhood centre within the site and the immediate surrounds, but still maintaining a village feel with sufficient non-residential floorspace to generate interest and vibrancy.

Increased setbacks provide further breathing space to locate future development within the existing constraints of mature vegetation, Young Street in particular, and to best fit the development along the McEvoy Street frontage, refer to **Figure 44** below.

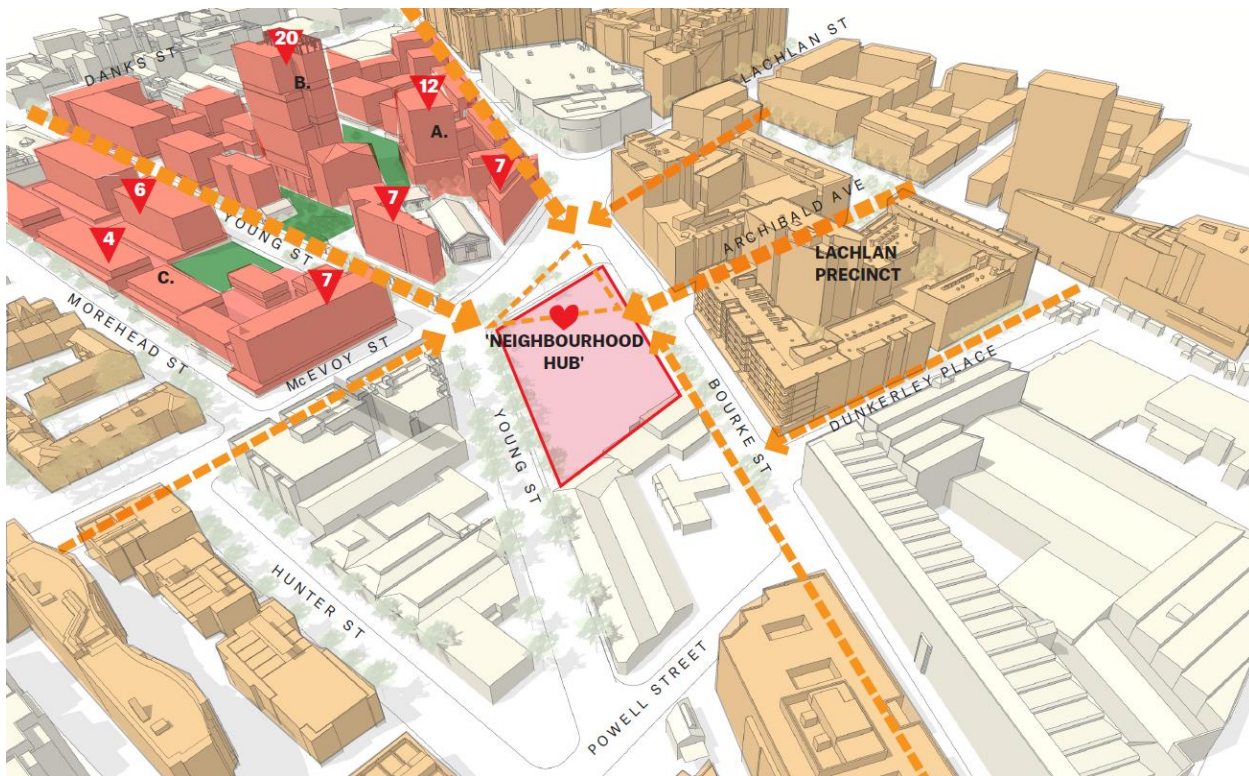


**Figure 44** Proposed urban design key moves – setbacks, access and linkages

Source: Bates Smart

Building massing is proposed which responds positively to contextual relationships and consideration of impacts on adjacent property. This consideration has limited overall building height to 5-7 storeys fronting Young Street and 5 storeys fronting McEvoy and Bourke Streets.

There are a number of key urban renewal sites adjacent to the proposal that demonstrate a continued redevelopment strategy for Waterloo. These predominantly residential apartment developments will continue the population growth and necessity for retail and other services. The proposal's site is strategically located, central to both the Lachlan Precinct and Danks Street South Precinct to draw-from this increased catchment in residents and create a new neighbourhood-centric public space, which is only connected in its most optimal form by the reference scheme and supported by generous plaza space anchored by retail and commercial uses (**Figure 45**).

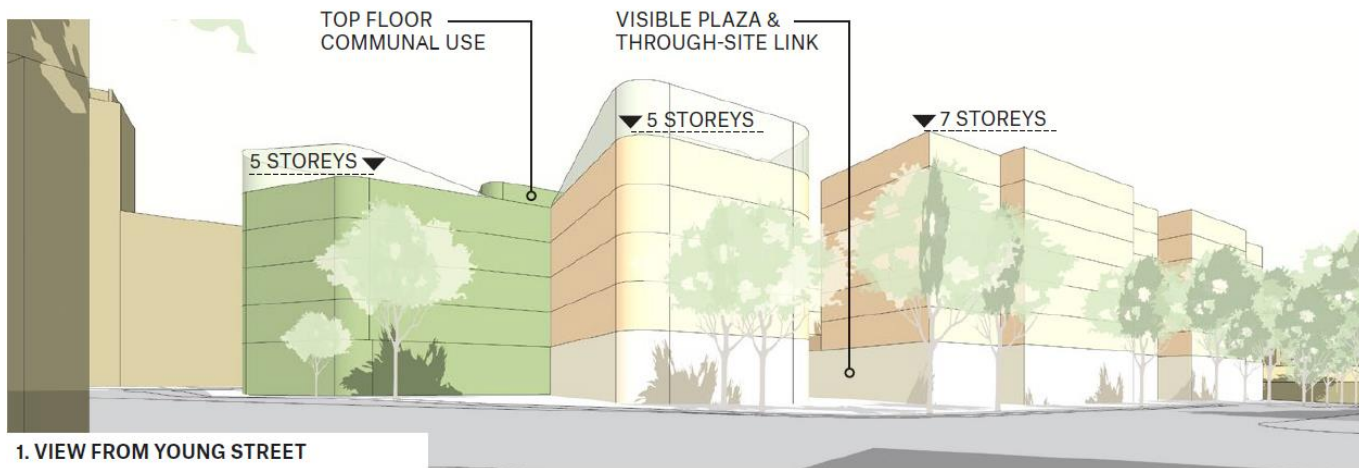


**Figure 45** Proposed surrounding urban context

Source: Bates Smart

The following images describe the proposed massing as viewed from prominent vantage points in the precinct, which convey the key visual outcomes associated with the proposal and the reference scheme. ‘

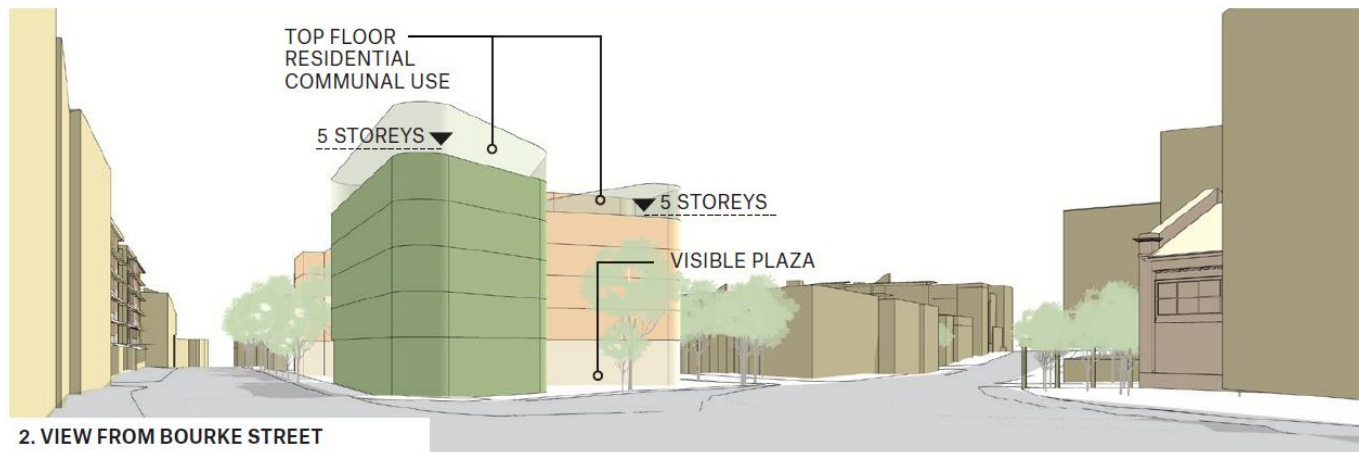
**View from Young Street** – This describes the development massing and height at the site entry as viewed along Young Street from the north. The significant trees on the corner together with the open space with landscaped deep soil tree retention zone denote the important north facing aspect of the site. **(Figure 46).**



**Figure 46** Proposed massing viewed from the Young Street and McEvoy Street intersection

Source: Bates Smart

**View from Bourke Street** – This describes the proposal as viewed along Bourke Street looking to the south. The proposal presents a consistent streetwall height along Bourke Street with taller building of Young Street beyond. The prominent corner building denotes a marker building or urban gateway to the site. The landscape plaza area is visible drawing pedestrians towards the retail and outdoor space. **(Figure 47).**



**Figure 47** Proposed massing viewed from the Bourke Street and McEvoy Street intersection

Source: Bates Smart

**View from Archibald Street** – This describes the relationship and visual alignment between Archibald Street and the proposed secondary / retail through-site link. The proposed massing allows for a rooftop setback or expression to the residential and commercial building. (Figure 48).



**Figure 48** Proposed massing viewed from Archibald Avenue

Source: Bates Smart

Residential amenity stemming from the intended residential component of the development is further addressed having regard to the provisions of the Apartment Design Guide at **Section 9.5** of this report.

## 9.2 Economics

The Retail Needs and Economic Impact Assessment, prepared by Ethos Urban (**Appendix C**), underpins the genesis of this Planning Proposal. This report builds on previous analysis and research commenced in late 2019, with the findings of that assessment shared and discussed with City of Sydney throughout 2020 and 2021.

The background analysis undertaken within **Section 2.0** provides a comprehensive Retail Needs Assessment to address a substantial undersupply of full-line supermarket floorspace within the local area and to support the day-to-day lifestyle and grocery needs of the growing population within Waterloo. **As distinct from the retail demand, this section of the report presents an assessment of the economic impacts that are likely to result from the proposal.** A range of factors are considered including flow-on benefits to the local community and the precinct overall, including employment generation.

### 9.2.1 Economic Impact Assessment

An assessment of retail impacts has been undertaken with consideration to the construction and operational phases of the proposed Woolworths Waterloo development. The assessment has been undertaken through an analysis of the local market demand, competitive environment and market trends, as discussed in the following sub-sections.

Retail trading impacts are considered at the centre-wide level, with the emphasis on identifying if the level of impact may lead to a diminution in the role of competing centres or the loss of critical anchor tenants. Direct competitive impacts (i.e. on an individual basis for specific businesses) are not a legitimate consideration on which new retail developments are assessed.

The retail impact assessment finds that general combined impacts indicates that with the proposed development, projected sales for other retailers would still be 14.1% higher (or \$56.4 million) than current 2021 levels. This highlights the large amount of growth in retail demand forecast within this part of Sydney. Without the project, escaped retail expenditure to facilities beyond the MTA is projected to increase by a further \$22.1 million.

A centre-based impact assessment indicates the largest trading impact will fall on East Village shopping centre, with impacts projected to be in the order of -9.0% of total centre sales. The majority of this impact is likely to fall on the existing major full-line Coles supermarket. The Coles at East Village is the only existing major full-line supermarket within the MTA, and is currently achieving very strong trading levels understood to be around \$100 million. As one of the best performing supermarkets in Australia, the Coles at East Village is well-positioned to absorb any short-term

trading impact. Further, the East Village shopping centre overall records sales of over \$160 million and is ranked Number 1 nationally on a sales per square metre basis<sup>4</sup> and has held this position for five (5) years, highlighting the lack of competition and pressure on East Village within the growing catchment

Other supermarket centres within the MTA are projected to be impacted as a result of the proposed development include Danks Street Plaza (Meriton Retail Precinct) (-8%), Green Square Town Centre and the proposed Emerald City (-6%) as well as Woolworths at Redfern (-5%). Each of these centres are well positioned to absorb any short-term impact with existing and proposed supermarkets understood to trade (or projected to trade) strongly with sales greater than \$10,000 per m<sup>2</sup>. Even with the proposal, total retail sales at GSTC are projected to increase substantially from around \$35 million in 2021 to over \$83 million by 2026.

With projected annual retail sales growth rate across the MTA estimated at 4.1% per annum, any trading impact will be short term only. The result from the individual centre and supermarket sales impact assessment indicates that all potential impacts as a result of the proposed Woolworths Waterloo development are likely to be well within the normal competitive range at less than 10%. The impact across the total local retail network as a result of the proposed development is estimated at 4.0%.

Importantly, a review of impacts shows that even with the assumed Woolworths Waterloo development, all existing centres in the local area will achieve sales that are higher than existing 2021 trading level. This reinforces that short-term trading impacts only as a result of the proposed store, with all facilities to benefit from continued growth in retail expenditure. The Planning Proposal will not impact on the ongoing viability or continued operation of any existing or proposed retail centres in the area.

## 9.2.2 Economic Benefits

The proposed Woolworths Waterloo development will activate an underutilised site within a growing precinct and help to support the continued growth and development of the wider Waterloo precinct. Key economic benefits of the proposal include:

- An estimated 764 FTE jobs (direct and indirect) are likely to be generated during the construction stage of the project.
- Generate an estimated 273 FTE ongoing jobs on an ongoing basis once the development is complete and fully occupied. These additional ongoing jobs would stimulate additional economic activity, estimated at \$29.1 million in Value Added each year.
- The mixed use development could also accommodate some 240 new residents who would generate around \$4 million in retail expenditure each year, to the benefit of retailers in the local and regional community.

Other retail centres will continue to trade at viable levels, benefiting from sales growth over time. The subject development will not impact on the hierarchy of centres or the role of other centres within the immediate area. The proposed Woolworths Waterloo development will result in an overall community benefit, supporting growth within South Sydney and providing a contemporary major full-line supermarket. This will cater to the large surrounding community, including providing additional choice, range and price competition for this significant and growing population. For a growing community such as that in Waterloo, this is important as residents require convenient access to a supermarket with a full range of products, a modern offer and capabilities including online integration, pick-up and delivery services.

Based on the high population density across Waterloo and South Sydney, an opportunity exists to support a well-balanced retail eco-system, including a new full-line supermarket that will help to serve the immediate growing population within Waterloo. The proposed development would represent a logical extension of the network, and provide a new major full-line supermarket that complements the GSTC and ensures a holistic retail network that will effectively serve the growing local community. The proposed development will result in a range of other economic benefits that align with the strategic vision for the South Sydney and the Waterloo community including improving convenience, supporting growth and aligning with objectives such as walkability by delivering an integrated, contemporary live/work/play environment. The project would introduce a 'best in class' full-line supermarket within the MTA that would align strongly with the needs of the existing and growing population and support the future vision for South Sydney with a focus on innovative design, technology and sustainability initiatives.

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<sup>4</sup> In accordance with the 'SCN Little Guns' industry publication



### 9.3 Transport and Traffic

A Traffic and Transport Study has been prepared by JMT Consulting and is included at **Appendix C**. The study provides an analysis of existing transport conditions, including the surrounding road network, site access and parking and public transport provisions. The study also provides an assessment of the proposed access, parking and servicing/loading arrangements, proposed parking rates, additional traffic movements resulting from the Planning Proposal and impacts to the adjacent roads, together with public transport, walking and cycling measures.

#### 9.3.1 Existing Transport Conditions

The site's existing light industrial uses contain approximately 50 on-site car parking spaces with access provided from two driveways located along Young Street. The site is primarily serviced by the State Roads including McEvoy Street, Bourke Street and Lachlan Street, as well as Regional Roads such as Bourke Street and Elizabeth Street. The site is also serviced by local roads managed by Council including direct frontage to Young Street (indicated at **Figure 49**). It is noted Regional and Local Roads are managed and financed by the City of Sydney.



**Figure 49** Existing road network

Source: JMT Consulting

Green Square railway station located approximately 800m from the site providing direct and frequent access to the Sydney CBD, Sydney Airport and south-western suburbs. A number of frequent bus services stop adjacent to the site on Bourke Street and serve the Sydney CBD, Chatswood, Bondi Junction Mascot, Marrickville and Kingsford. The Sydney Metro Waterloo station is located approximately 1km west of the subject site which is within viable walking distance for residents and staff within the site.

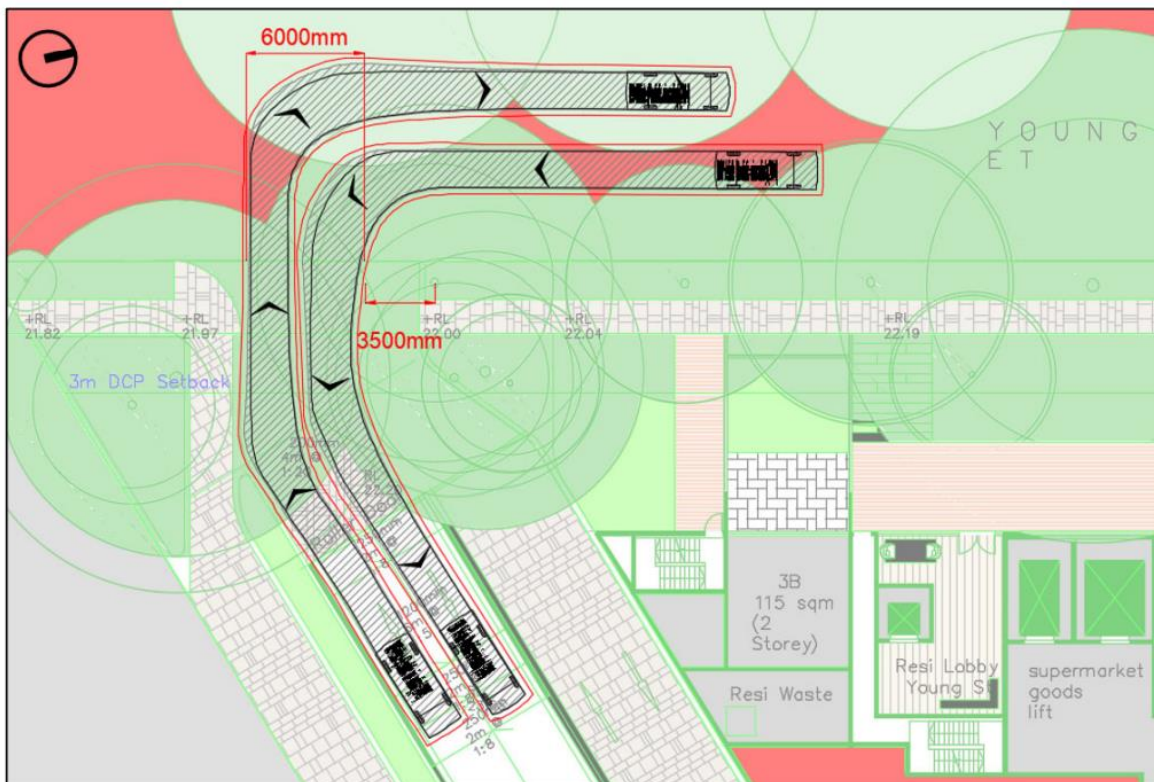
The pedestrian environment in the vicinity of the site is strong, with pedestrian footpaths being provided on both sides of all surrounding streets. Controlled pedestrian crossings are also generally present. An extensive cycleway network is available in the immediate vicinity of the site, with an off-road shared path is provided along Bourke Street along the site frontage.

## 9.3.2 Vehicle Access and Parking

### Access points

Vehicles would access the on-site car parking area through a series of ramps on the southern boundary of the site, with basement and 'Direct to Boot' driveways, as indicated at **Figure 50**. Service vehicles accessing the loading dock would be separated from the general vehicles and enter the site via Bourke Street with a left in, left out arrangement. This has been determined and recommended to ensure safe egress and separation from the quieter residential streets.

The site access driveway width on Young Street to facilitate entry and exit to the site would be significantly reduced compared to existing, with a 6m crossover allowing for simultaneous entry and exit of a B99 vehicle as indicated in Figure 9 below. The reference design has carefully considered the position of existing trees along Young Street, with the driveway crossover positioned 3.5m from Tree 3 on Young Street so that it can be retained. The current driveway width is approximately 9m and therefore the development of the site provides an opportunity to improve the environment for pedestrians along Young Street. Vehicle swept paths are shown at **Figure 50**.



**Figure 50** Young Street Access Swept Paths

Source: JMT Consulting

### Retail car parking

Under Clause 7.7(1) of the Sydney LEP 2012, maximum car parking rates for retail premises for buildings with more than 2,000m<sup>2</sup> of retail GFA are not applicable and the typical practice is to determine an appropriate parking provision by way of a study. The RMS's *Guide to Traffic Generating Developments* is based on surveys of other retail developments, includes the following parking demand for supermarkets and speciality retail as follows:

- Supermarkets - 4.2 spaces per 100m<sup>2</sup> GLA; and
- Speciality retail – 4.5 spaces per 100m<sup>2</sup> GLA.

Based on this method, adjusted for site specific factors, initial parking requirements were calculated at 231 retail car spaces, equivalent to 4 spaces per 100m<sup>2</sup> GLA. Although other retail centres in the City of Sydney LGA containing supermarkets provide for a higher rate of car parking, following discussions with Council officers a parking rate of 1 space per 50m<sup>2</sup> has been adopted for the retail uses on the site. This results in 97 retail car parking spaces provided for the retail component (supermarket plus specialities).

It is proposed the on-site basement parking will also support the specialty retail, commercial and community uses, ensure the on-going viability of the surrounds, as the site anchors the establishment of a neighbourhood centre. Furthermore, the catchment of the supermarket typically extends for a 3-5 km radius which is well outside walking distance. Many residents living in the Waterloo area, within viable walking distance of the retail centre, will also require car parking when undertaking a 'family shop' at the full line supermarket given the impracticalities of carrying multiple shopping bags back to their residences. While it is reasonable to assume that reduced parking rates may lead to lower levels of car usage for places of work, supermarkets are different in that customers undertaking large weekly shops have no alternative but to drive and customers have a range of options to choose from when selecting where they travel to.

Given people undertaking weekly shopping trips are reliant on car as a mode of access, people will either park on surrounding streets or drive to nearby supermarkets where parking is more easily accessible. Therefore, there is benefit to provide adequate parking to sustain a full line supermarket so that residents of the local area will not have to drive to other nearby regional shopping centres (e.g. East Village, Broadway) to undertake their weekly shopping trips. A full line supermarket at Waterloo, with appropriate levels of car parking, would contain more trips within the local area and result in a reduction in vehicle kilometres travelling further distances- overall benefiting the broader road network through relaxation of traffic congestion in the City of Sydney LGA.

There are further benefits to providing on-site basement parking for visitors for the following reasons:

1. By providing the option of on-site car spaces and hence loading their shopping into their car, it would reduce the litter of trolleys in the public realm.
2. Basement parking for customers reduces demand for parking on surrounding streets and encourages customers to park in the basement.
3. Basement parking would also enable supporting future and emerging trends, such as the ability to reconfigure the number of EV charging bays and potential spaces for expansion for E-stores and Customer Fulfilment Centres.

### Residential car parking

For an indicative total of 121 residential apartments (with a unit mix as detailed within **Appendix C**), the Sydney LEP provides a maximum parking control for 91 spaces. Residential visitors are also provided with a maximum parking control of 12 spaces, equating to a total of 103 spaces maximum. Analysis undertaken by JMT Consulting demonstrates that the proposed parking provision of 91 spaces under the indicative reference scheme is lower than the maximum permissible parking provision allowable under the Sydney LEP 2012. Therefore, the proposed residential parking provision is satisfactory.

### Commercial car parking

With the commercial component having a floor space ratio of no more than 1.5:1, the Sydney LEP specifies a maximum car parking rate of 1 space per 75m<sup>2</sup>. Based on the 2,025m<sup>2</sup> of commercial GFA, up to 27 car parking spaces could be delivered on the site. The reference scheme includes 27 parking spaces for the commercial uses, complying with the requirements of the Sydney LEP 2012.

### Loading dock

The reference scheme includes an on-site loading dock (including adjacent turntable) which can accommodate up to four vehicles at any one time, including one Heavy Rigid Vehicle (HRV), 12.5m in length, two Medium Rigid Vehicle (MRV), 8.8m in length, and one courier van or Ute. The loading dock has been designed in accordance with the requirements outlined in the relevant Australian Standard (AS2890.2, 2018) and is considered suitable to accommodate the needs of the site based on the development yields associated with the reference scheme.

## 9.3.3 Traffic Impact Assessment

### Traffic generation

Existing traffic movements generated by the site are estimated at 32 vehicles per hour during both the AM and PM peak periods, based on 0.5 vehicle trips per 100m<sup>2</sup>. Trip generation rates for future traffic has been derived from comparable surrounding and regional developments as follows:

- **Residential** – Per unit: AM peak hour: 0.09 vehicle trips, PM peak hour: 0.11 vehicle trips and Saturday peak hour: 0.10 vehicle trips;

- **Commercial** – Per space: 0.40 vehicle trips AM peak hour and 0.25 vehicle AM peak hour; and
- **Retail** – Per space: 0.39 vehicle trips AM peak hour, 1.03 vehicle trips PM peak hour and 1.04 vehicle trips Saturday peak hour.

The traffic assessment for the proposal has considered 25% passing trade as per *Guide to Traffic Generating Developments*. The forecast arrival and departure directions for visitors to the supermarket, based on the trade catchment for the centre, have been determined to spread the traffic load and minimising the impact on the surrounding road network.

### Modelling of intersection performance

In support of the Planning Proposal and indicative reference scheme, JMT Consulting has considered the following two scenarios for traffic modelling:

- **'Base Case'** - Traffic flows following the completion of the adjacent Danks Street South precinct
- **'Base Case + Development'** - Traffic flows following the completion of the adjacent Danks Street South precinct as well as the development of the subject site as envisaged in this Planning Proposal

The modelling undertaken indicates that the proposal is not anticipated to result in unacceptable traffic impacts on the surrounding road network. Intersection level of service remains unchanged for all sites when compared to the 'future base' scenario (i.e. no development) with most intersections operating at Level of Service D or below. The exception to this is the Bourke Street / Lachlan Street in the AM peak hour and Saturday peak hour, where due to the adopted traffic growth rates the intersection is forecast to operate at 'Level of Service F'. This performance issue is a direct result of background traffic growth on the surrounding road network, with the modelling demonstrating that the Planning Proposal would not materially change the operation of this intersection. Therefore, the proposal is not expected to unduly impact the operation of the surrounding road network.

It is also worthwhile noting that a significant level of traffic already travelling along key roads in the vicinity of the site such as McEvoy Street and Bourke Street do so for the purpose of accessing nearby shopping centres such as East Village.

While not specifically considered in the traffic analysis, all traffic associated with the proposal would not be 'new' – instead trips (particularly from those in the local area not currently served by a larger supermarket) would be diverted to Waterloo that would otherwise have been travelling to these existing centres. Therefore, in this context the net traffic generation and associated road network performance as documented is considered to provide a conservative forecast of potential impacts.

### 9.3.4 Summary

Key findings of the transport assessment are as follows:

- Vehicle access to the site for general vehicles would be provided at the rear via a driveway on Young Street
- Service vehicle access to an on-site loading dock is to be provided via Bourke Street to segregate cars and trucks – providing a strong safety outcome
- Car parking and bicycle parking on the site for all uses will be delivered in accordance with the parking rates outlined in the Sydney DCP 2012, with the final number of spaces to be determined at the Development Application stage of the project.
- Traffic modelling undertaken indicates that the proposal is not anticipated to result in unacceptable traffic impacts on the surrounding road network – with all intersections retaining their level of service compared to a 'future base' scenario.
- The proposal would provide benefits to the broader road network by providing for a full line supermarket in a rapidly growing area currently underserved by retail – removing the need for residents of Waterloo and surrounding suburbs to have to drive to other nearby shopping centres (e.g. East Village, Eastgardens, Surry Hills shopping centre) to undertake their shopping trips.
- Travel demand management measures have been suggested to improve the mode share of public transport and active transport. These items should be considered further at subsequent stages of the project.

In the above context, the traffic and transport impacts arising from the Planning Proposal are considered acceptable.

## 9.4 Social Strategy and Infrastructure

A Social Assessment and Strategy has been prepared by Ethos Urban and is included at **Appendix C**. The assessment provides a social policy context, a review of existing social infrastructure and an assessment of social issues and trends relevant to the proposal. Community priorities and opportunities for the site and the project are also identified along with an assessment of the Planning Proposal and the establishment of social strategy directions for the future redevelopment.

### 9.4.1 Local social infrastructure context

A review of existing social infrastructure within walking distance of the site has been undertaken to inform this social assessment, through establishing a baseline of infrastructure networks. Social infrastructure has been identified and mapped which includes the categories of open space, recreational facilities, community facilities, educational facilities, childcare facilities, places of worship. Of note, a broad range of district scale social infrastructure has been delivered in Green Square Town Centre and immediate surrounds, which is intended to serve a wider catchment of South Sydney.

### 9.4.2 Social issues, trends, priorities and opportunities for the project

Research and community consultation have underpinned an analysis of social issues and trends of relevance to the Planning Proposal which are provided as follows:

- Urban renewal driving population change;
- Importance of 'third places' in community building;
- Benefits of walkable, mixed-use neighbourhoods;
- Declining housing affordability and its impacts;
- Cultural infrastructure to support Sydney's social life and creative economy;
- Addressing rising rates of food insecurity; and
- Changing consumer preferences for supermarkets.

Opportunities for the project gathered from consultation include:

- Demand for a new mixed-use neighbourhood centre in Waterloo;
- Identification of priorities and opportunities for the proposed development; and
- Public benefit options for community infrastructure delivery.

### 9.4.3 Social assessment across key factors

This section will provide an assessment of the social context relevant to the Planning Proposal and accompanying indicative reference scheme, including matters such as increased availability of retail, employment, housing diversity, access to social infrastructure and civic domain improvements.

- Way of life: how people live, get around, work, play and interact with one another each day
  - Increased convenience for shoppers, residents and visitors and improvement to the way of life through the delivery of a local neighbourhood centre including a 'best in class' supermarket, cafes, retail, and high quality public plaza.
  - A concentration of shopping, public space and other services in an area encourages people to be more socially active, enhancing the liveability and viability of place.
  - Positive way of life benefits associated with delivery of housing co-located with a local neighbourhood centre, close to public transport, employment opportunities and educational facilities contributing towards delivery of a "30-minute city".
  - Potential positive benefits associated with increased employment opportunities within a contemporary high-quality 'best in class' retail working environment due to the delivery of a new supermarket and retail street at this location. The proposal would support around 273 ongoing FTE local retail jobs.
- Access to and use of infrastructure, services and facilities
  - Positive social benefits are associated with a Woolworths supermarket store, within walking distance to public transport and other retail opportunities as well as a high-quality plaza for community gatherings.

- The location of the site will enable local residents to access fresh produce, within a short walking distance from their homes.
- There are also likely benefits associated with delivery of housing in a location well-connected to retail, training and employment opportunities, schools, public transport and open space. The accessibility of these facilities for residents of this site will support residents' wellbeing and quality of life.
- Delivery of a supermarket closer to homes may in fact reduce the need for car travel to existing supermarkets further away. It is noted that the intention of the development is to firsthand serve a local catchment, catering for the resident community and visitors who would be able to access the premises on foot.
- Community: composition, cohesion, character, how it functions, resilience, people's sense of place
  - Population growth is associated with the delivery of the proposed development, with impacts to community composition. The proposed development would result in the delivery of 121 dwellings and also support around 273 FTE local retail jobs within the supermarket component alone.
  - Potential improvements to sense of place are likely to be associated with provision of this high-quality and architecturally designed development at this site as it will deliver on the community aspiration for 'quality liveable environment'.
  - Many positive benefits are associated with delivering the retail offering at the site. As identified in the strategic policy and social research review, shopping streets can double as social meeting sand well-designed spaces can attract a higher volume of visitors and support community cohesion.
- Culture: shared beliefs, customs, values and stories, and connections to land, places, buildings
  - Positive impacts to connection to place may occur associated with the built form and design of the proposed buildings and delivery of publicly accessible open space and productive rooftop garden on site. The spaces will provide places to engage both actively and passively and provides opportunities for people to connect.
  - Positive impacts to community connections associated with retail, commercial and residential uses and publicly accessible plaza at this site, including communal spaces for the residents to interact. The proposed development seeks to enhance the local neighbourhood character through its unique high-quality design, built to star Green Star sustainability standards, provision of a public plaza and landscaping, and would as such enhance the amenity of the area.
- Health and wellbeing – including physical, mental, social and spiritual, and especially for vulnerable people; access to open space and effects on public health
  - Potentially improved wellbeing for the new residents at a highly walkable site supported by infrastructure, close to the Green Square centre and various recreational areas, which may encourage physical activity. The proposal includes a high quality public plaza, activated ground plain and street frontages, and a through-site link to improve amenity in order to encourage walkability of the site.
  - The proposal supports those aspirations and associated health benefits and wellbeing benefits by improving access to fresh food in a neighbourhood where there are currently limited available options.
  - Wellbeing benefits are also associated with improved activation and enhanced amenity of the site, which may increase perceptions of safety and opportunities to connect with other members of the community.
- Surroundings: access to and use of natural and built environment, including ecosystem services, public safety and security, as well as aesthetic value and amenity
  - The proposed development will respond to that and enhance the local neighbourhood with the proposed attractive, high-quality architecturally designed mixed-use buildings and public spaces at the site, improving amenity and opportunities for enjoyment of this site. Landscaping throughout the site and active frontages will enliven and improve the streetscape along Bourke, Young and McEvoy Streets and surrounds.
  - The redevelopment of the site is also likely to improve perceptions of safety associated with amenity and streetscape. The presence of workers, residents and visitors will also contribute towards improved perceptions of safety.
- Livelihoods: people's capacity to sustain themselves, whether they experience personal breach or disadvantage, and the distributive equity of impacts and benefits
  - Potential positive impacts associated with increased employment opportunities close to public transport infrastructure and in walking distance from the Study Area homes associated with the operation of the Woolworths store and other commercial uses proposed to be delivered on this site. The new Woolworths supermarket and specialty retail will create around 273 local jobs.
  - The project can further amplify benefits associated with job creation by applying social procurement and employment practices through its construction and operational phases.

#### 9.4.4 Social strategy directions

Accordingly, the report sets out the following section sets out recommended directions for considering and optimising social sustainability outcomes through the proposed development:

- Creating a vibrant new neighbourhood centre for Waterloo
- Provision of affordable housing
- Supporting local socio-economic development

These directions draw upon the evidence base and social assessment undertaken by Ethos Urban. Importantly, these social directions focus on the community benefits and social value of delivering improved access to retail, community and creative uses on this site, which is of contribution in assuring the Planning Proposal has strategic and site specific merit.

### 9.5 Residential Amenity

#### 9.5.1 Future Internal Amenity

Under SEPP 65, a statutory framework is established which provides reference to the Apartment Design Guide (ADG) which ensures residential apartments are designed to be capable of achieving an appropriate standard of design quality and amenity. These considerations are detailed at the DA phase, however conceptual consideration of key provisions such as communal landscape areas, building separation, building widths, solar access and natural cross ventilation has been undertaken, refer to **Appendix A**. Future development will be undertaken in accordance with SEPP 65 and the accompanying ADG.

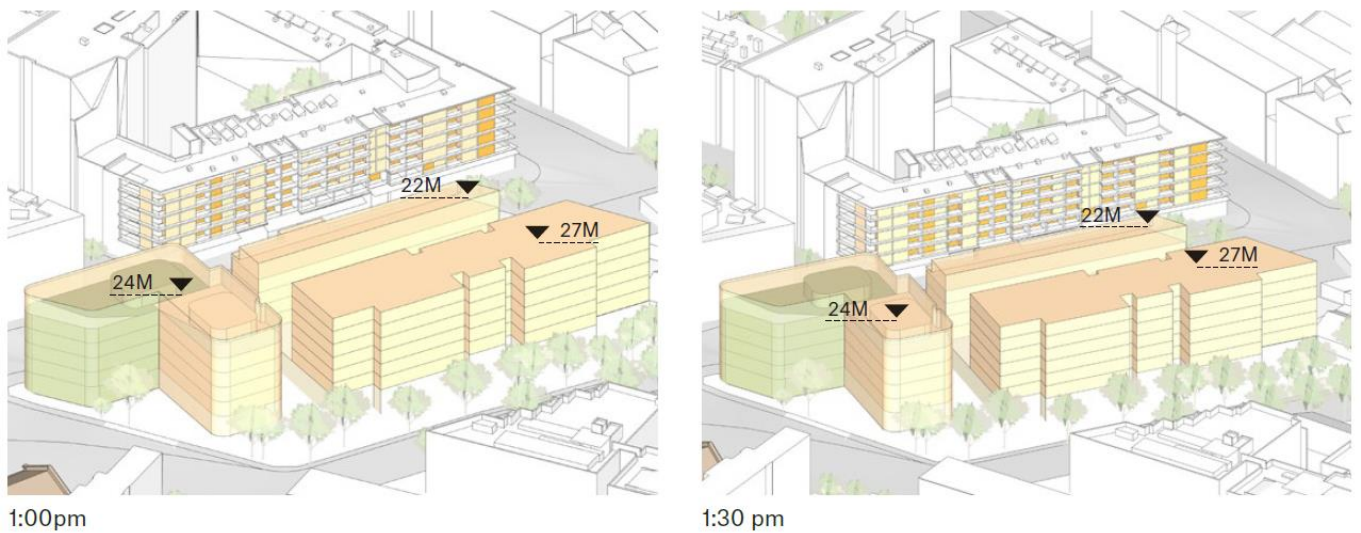
Solar access has been carefully considered within the indicative concept. When assessing the entire site, the project complies with the objectives of the ADG. From the total 121 apartments, 85 or 70% achieve 2 hours or more of solar access on the winter solstice. A maximum of 15% of apartments in a building receive no direct sunlight between 9am and 3pm at mid-winter.

Likewise, cross ventilation has been carefully considered when laying out the floorplan for both residential buildings. When assessing the entire site, the project complies with the objectives of the ADG. From the total 121 apartments, 63 or 65% are cross ventilated.

#### 9.5.2 Surrounding Residential Amenity

With respect to preserving daylight access to existing neighbouring apartments, a key consideration for the project team has been 840 Bourke Street known as the 'Sydneygate' development. This development is located opposite the site and to the south-east, with a ground floor of retail and 5 storeys of apartment above. Amendments to the reference scheme have been optimised to minimise overshadowing impacts as far as practical, such as limiting the Bourke Street interface to 5 storeys in the indicative concept. Notwithstanding, a theoretical maximum envelope up to 22m facilitating a potential sixth storey (consistent with 840 Bourke Street) was assessed as capable of being achieved if required at the competitive design stage. This additional level would be setback from Bourke Street by a further 3m, providing a total of 6m separation from the existing property boundary.

The following diagram extracts at **Figure 51** are representations of views from the sun at mid-winter (21 June). Any neighbouring facade in view will receive daylight. Council's Draft *Minimising overshadowing of neighbouring apartments guide* requires that new developments maintain a minimum 2 hours solar access between 9am - 3pm on the 21 June. This is exceeded at 840 Bourke Street from 11.00am to 1.30pm at a minimum. Accordingly, the reference scheme provides an acceptable level of solar access for surrounding apartments, considering the dense urban surrounds, with further detailed analysis to be undertaken at the DA stage.



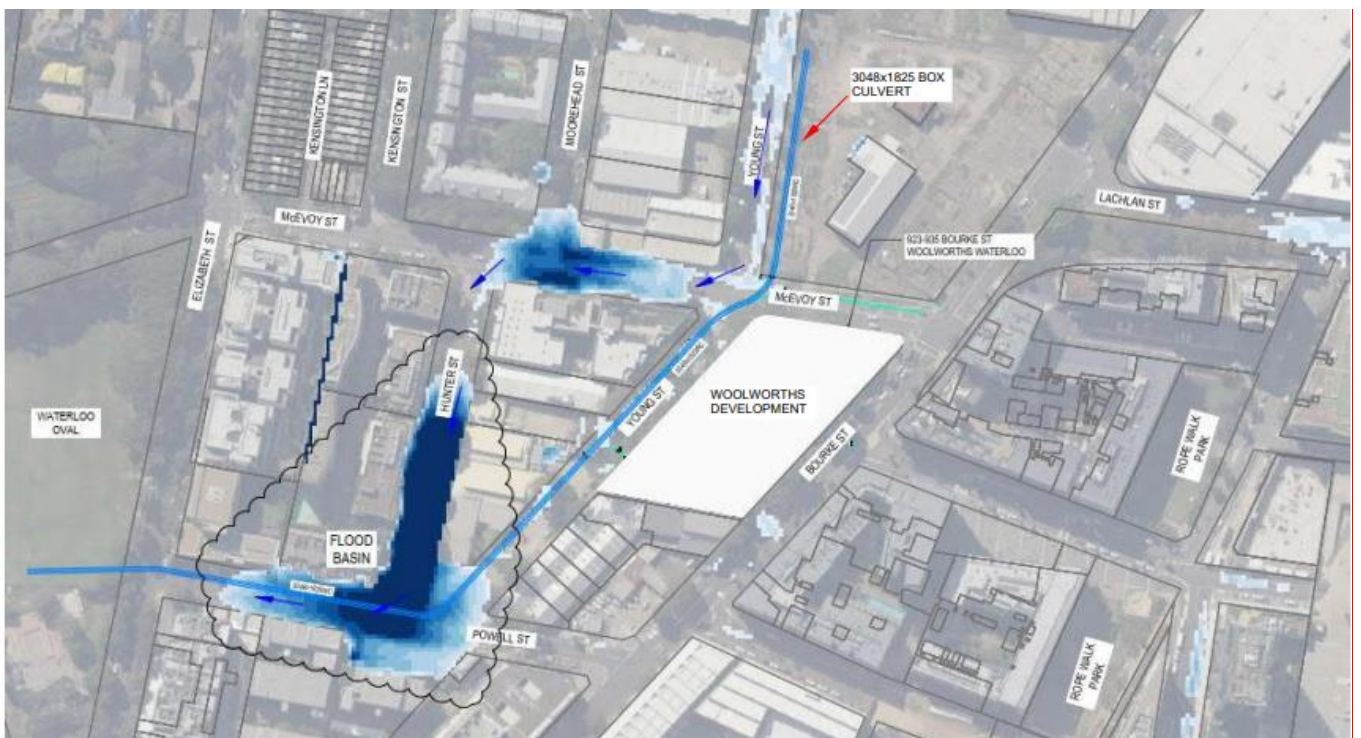
**Figure 51** Extract of daylight access modelling of envelope heights on adjacent 840 Bourke St dwellings

Source: Bates Smart

## 9.6 Flooding

A Flood Assessment has been prepared by Michael Frost & Associates and Capital Consulting Engineers (**Appendix H**) with the principal aim to determine the minimum finished floor level to comply with the Council's Interim Floodplain Management Policy (IFMP). In doing so, assessment has incorporated the flood model results of Alexandra Canal Catchment Report, carried out by WMAwater in February 2020 together with survey, cadastral, stormwater network and the development's conceptual model.

The flood model indicates that there is a major stormwater box culvert (3048x1825mm) extending along Young Street to the south-west toward Powel Street. Surface runoff from the northern end of Young Street travels along McEvoy Street and down Hunter St further to the west, where waters pools in major events such as a probable maximum flood (PMF) (Refer **Figure 52**).



**Figure 52** Plan showing 1% AEP event and flow path over concept development

Source: CCE and MFA



The Flood Assessment has determined the minimum permissible floor (or entry) level based upon the 1% AEP + 0.5m and the PMF flood levels in the locality. Particular attention has been paid to any void to the basement (stair, escalator, lift, vehicle ramp) so that is higher than the PMF level whilst retail areas and lobbies etc are located above the 1% AEP level.

Accordingly, the minimum (finished floor level) FFL of the development areas along Bourke Street is 23.60m AHD, increasing to 24.20m AHD for the building housing the escalator/lift/stair access to the basement at the north-eastern corner of the site. The external footpath, kerb or retaining wall around this corner must be set at 150mm higher than the roadway pedestrian footpath to keep flow away from the building.

The minimum FFL of the Young Street side of the development boundary is 22.70m AHD, which is the level of the 1% AEP flood event at the upstream side of that street, however the portal threshold to the lower carpark must be at 23.65m AHD to prevent flow into the basement carpark of the lower levels.

## 9.7 Soil, Geotechnical and Environmental

JK Geotechnics have undertaken a preliminary Geotechnical Investigation and Acid Sulphate Soil Assessment (**Appendix I**) to guide the concept development phase of the future planning for the site. The following likely subsurface conditions and recommendations have been noted:

- Based on the Sydney Geological Map, the site is underlain by quaternary sediments comprising fine to medium grained sands and likely Hawkesbury Sandstone and / or Ashfield shale, which is mapped north (1.3 km) and the west (2 km) of the site.
- Groundwater is shallow, and dewatering will be required for the construction of basement(s);
- Shoring walls will need to be designed to reduce inflow and control 'drawdown' of water levels on adjacent sites as this has the potential to cause settlement and damage to nearby structures;
- Excavation adjacent to McEvoy Street, which is an RMS asset;
- The shoring will need to be socketed into competent rock which can be problematic for some shoring systems and can result in 'decompression' and loosening of the surrounding soils;
- If cut-off walls into rock are successfully constructed to reduce inflow and drawdown of water levels, then it is technically feasible to construct a drained basement. This however will be subject to review and approval by both the Council and by Water NSW;
- The results of laboratory testing indicate that actual and potential acid sulphate soils are not present at the site.

Below is a summary of the recommended additional works that should be carried out at the detailed design and construction phases of the development:

- Dilapidation surveys;
- Waste classification of all material to be excavated and transported off site;
- Groundwater modelling to assess drawdown and pumping rates;
- Preparation of a dewatering management plan;
- Numerical analysis of shoring wall adjacent to McEvoy Street (RMS asset) to satisfy RMS requirement;
- Preparation of a geotechnical monitoring plan (GMP) to satisfy RMS requirements;
- Inclinator installation and monitoring during construction to satisfy RMS requirements; and
- Footing inspections during construction.

Further, a Phase 2 Environmental Site Assessment report for the site was prepared by Arcadis Pty Ltd in May 2018 which provides preliminary recommendations which have informed the proponent to be able to proceed with the conceptual redevelopment. Remediation activities will be further investigated and detailed at the DA stage.

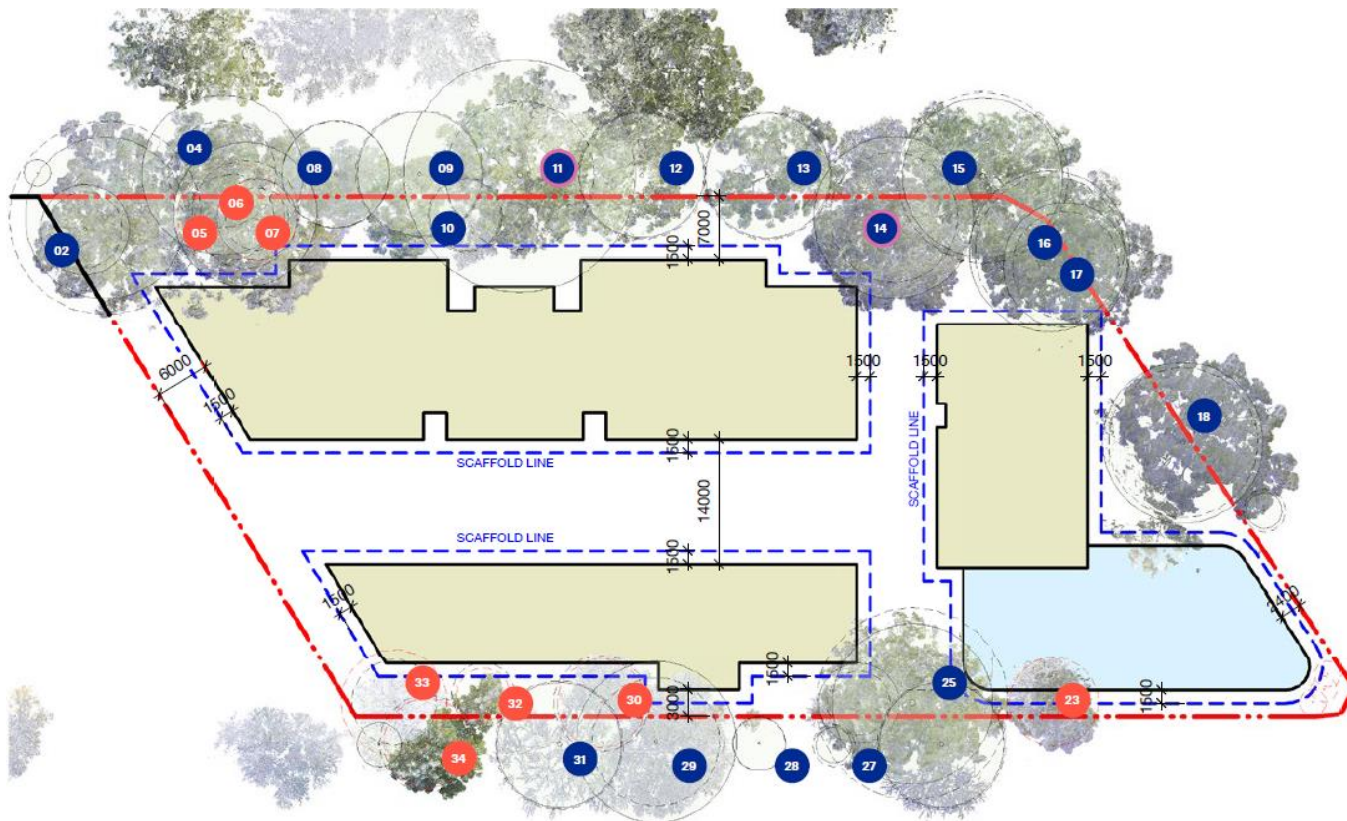
## 9.8 Arboricultural

In conjunction with Council feedback during assessment of the Planning Proposal and refinement of the indicative development concept for the site, a revised Arboricultural Impact Assessment Report was undertaken by Birds Tree Consultancy (**Appendix L**) for existing trees within and surrounding the site.

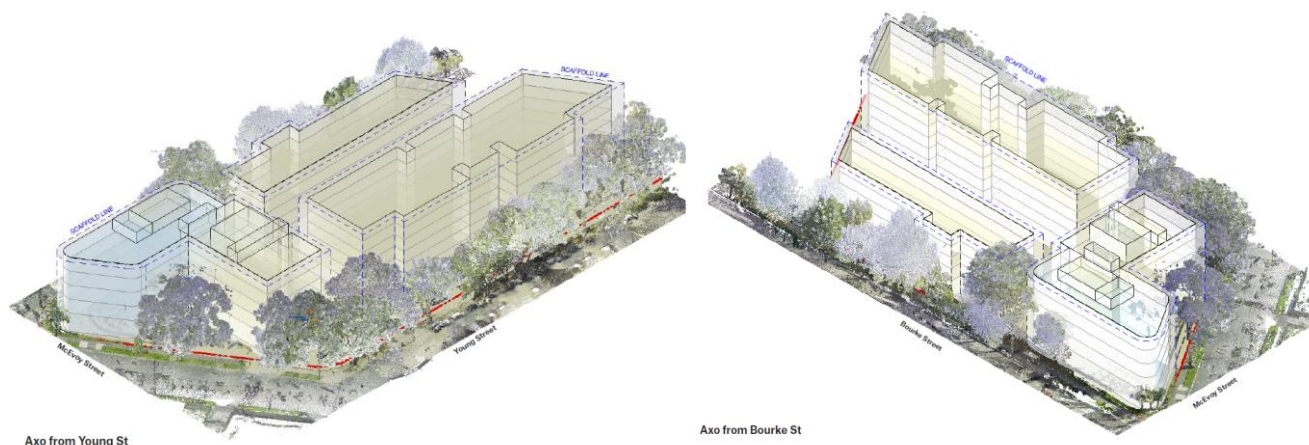
Lidar surveying has been carried out to determine the intersection of the existing tree crowns and the proposed scaffolding of the proposed building envelopes. The scope of the arboricultural report assesses the impact of the proposed building envelopes (above ground) and the two vehicle access driveways (Young and Bourke Street) on the

Tree Protection Zones (TPZ) including the crowns of the existing trees. It is noted that all other ground level features and basement levels are excluded from the scope of the report, as the detailed ground level and below ground elements will be finalised as part of the design competition and subsequent detailed DA. The report does provide design requirements for future ground surface treatments.

A total of 39 trees were assessed as part of the report. The indicative reference scheme will necessitate the removal of 15 trees, three of which are exempt from the Sydney DCP 2012. 10 trees are totally encroached by the proposed scaffolding/building envelope and will not be viable to be retained. Trees unable to be retained due to the impact of the built form, proposed driveways are indicated as numbers 05, 06, 07, 23, 30, 32, 33 and 34 at **Figures 53** and **54** below which provides the building envelope, scaffold line over a Lidar extract of the existing vegetation.



**Figure 53** Plan view building envelope and existing tree overlay in Lidar



**Figure 54** Axonometric building envelope and existing tree overlay in Lidar

Sources: Birds Tree Consultancy

Various trees will be impacted by pruning, with crown reduction pruning removing greater than 50% of the crowns of five trees, rendering them unviable to be retained. The remaining trees subject to acceptable pruning are able to be retained.

Six trees are in close proximity to the existing building and structural roots may have grown adaptively around existing footings and foundations which will be considered when formulating the demolition methodology. It is sought to provide compensation planting of new street tree specimens along McEvoy Street and new plantings internally within the landscape concept. Tree protection measures including soil aeration systems are recommended to be implemented for retained trees. Specific tree impacts and planting measures are to be resolved in detail at future stages of development. An extract of the Tree management plan for the reference scheme is provided at **Figure 55**.



**Figure 55** Tree management plan for the reference scheme

Source: Birds Tree Consultancy

## 9.9 Services and Utilities

The proponent is targeting to redevelop the site in accordance with the following sustainability ambitions identified in the Services and Infrastructure Report prepared by Newman MEP and provided at **Appendix M**.

The report notes that the proposed mixed-use development contains the following building classes: 2, 6 and 7a. The items reviewed, suggested and allowed for in this document are “Deemed to Satisfy” NCC 2019 alternate solutions are to be considered during the DA phase, following design competition. The following assessments are made of key infrastructure provisions:

- **Hydraulic Services** - The site is located within a mature district of Sydney and water, sewer, stormwater & gas services which are located adjacent to service road corridors, nominally, Bourke St and Young St. The services infrastructure capacities are expected to satisfactorily cater for loads associated with the size and type of the proposed development. Infrastructure connection points are available depending on load volumes. Stormwater flows are required to be controlled to restrict volumes entering the stormwater infrastructure.

There are two (2) constraints which directly encumber the site. These are, a 450mm sewer main and a 1350mm water main both traversing the site. The two services may affect the siting of building structures or impose conditions of access and clearances or require diversion and it is anticipated that detailed discussions on scope and complexity will be undertaken during detailed design.

- **Fire** - The proposed development is required to provide onsite fire services. Fire hose reel, Fire hydrant and Automatic fire sprinkler protection systems are to be installed throughout. It is likely storage tanks and pumps will be required for the fire hydrant and automatic sprinkler systems.
- **Electrical Services** – Electrical Maximum Demand calculations indicate a requirement for an onsite chamber substation of approximately 3060 kVA capacity. This would require a 3-hour fire rated room of either approximately 60m<sup>2</sup> or 130m<sup>2</sup> depending on selection of transformer size. The location of the substation will be derived from the proposed development design outcomes in the architectural competition phase.
- **Electric Vehicle Charging Facilities** – The project is intended to deliver a benchmark provision of publicly accessible electric vehicle charging facilities. 50% of worker car spaces are to be EV ready and 25% of retail customer car spaces are to be fitted from the outset with a three phase Level 2 EV charger at 22 kilowatts or higher) with the addition of two (2) Level 3 or 4 fast chargers accessible within the retail parking provisions. The project will provide the above which is understood to be consistent with the City's draft Electric Vehicles Policy.
- **Data Services** - The site is served by NBN and Telstra. The proposed development is expected to provide fibre to the premises for the Residential, Commercial, and Retail uses.

## 9.10 Ecologically Sustainable Development

A Sustainability Strategy has been prepared by Floth and is made available at **Appendix N**. A primary aim of the new development will be to create a mixed development with leading yet practical sustainable design and construction for a temperate climate. Significant work has been undertaken to date to firmly establish leading practice sustainable design into the proposed development. Excellent sustainability performance is proposed to be achieved by the holistic integration of ESD elements throughout the building and site design.

Wherever possible the ESD elements will be integrated into the building function to achieve the desired level of sustainable performance. It is also envisaged that the supermarket will achieve a Green Star Interiors rating for the supermarket fitout, an achievement reached by only two other supermarket developments at the time of writing (Supermarket in Surry Hills and Woolworths West End Village) and this development will be a further addition to setting the example for exemplar retail development in City of Sydney.

All energy efficiency and renewable energy targets for office and retail uses within the future development are proposed to be consistent with the City's NetZero Energy 2026 provisions. The following specific measures are proposed:

- Supermarket & Retail – consistent with the City's NetZero Energy 2026 provisions.
- Commercial –consistent with the City's NetZero Energy 2026 provisions.
- Residential –BASIX compliance plus 5 points in both Energy (40) and Water (45).
- Incorporation of onsite rainwater capture and re-use for non-potable purposes within the development.
- Development of best practice site-wide resource recovery for operational waste / recycling systems.
- Commitment to electric vehicle charging facilities in residential, retail and commercial car-parking areas as presented above.
- Incorporation of onsite rainwater capture and re-use for non-potable water purposes.
- Development of best practice site-wide resource recovery for operational waste / recycling system.
- Provision and implementation of EV charging infrastructure consistent with City of Sydney's draft Electric Vehicle Policy.
- Energy efficiency and renewable energy for the development to enable Net Zero carbon Energy provisions.

The ESD strategies and detailed sustainability initiatives presented in this report are proposed to be further developed and validated through the design and delivery of the new development.

## 9.11 Acoustics

A Noise Impact Assessment has been prepared by Acoustic Logic and is made available at **Appendix P**. The assessment report identifies relevant noise emissions criteria applicable to the development and nearby sensitive noise receivers, predicts noise emissions and suggests management controls necessary to ensure compliance with noise emission goals.

Noise impacts from the proposed use of the development have been assessed with reference to the requirements of the NSW EPA Noise Policy for Industry (2017), City of Sydney DCP 2012 and NSW Road Noise Policy (2011). The following components were assessed and found to meet noise emission objectives:

- Loading Dock
- Carpark (peak usage)
- Waste collection
- Supermarket
- Ground floor retail/café uses

Detailed plant selection has not been determined and a detailed acoustic review should be undertaken at the Construction Certificate stage to determine acoustic treatments to control noise emissions to satisfactory levels. Satisfactory levels will be achievable through appropriate plant selection, location and standard acoustic treatments.

## 9.12 Public Art

Initial considerations for public art provisions have been undertaken by Amanda Sharrad Consulting as provided with the Public Art Statement (**Appendix O**). The purpose of this statement is to identify initial opportunities and constraints for public art provisions and to guide a future detailed public art strategy at later stages of the development. The strategy is consistent with the City of Sydney's *Interim Guidelines for Public Art in Private Development* and sets out to achieve exemplary art in the public realm in accordance with the Sydney DCP 2012 and City of Sydney Public Art Policy.

The public art sought for the precinct will be of the highest quality. It will be relevant to the site and local community, as well as global contemporary art discourse, achieving excellence through artworks that are exceptional, unique, meaningful and engaging in order to enhance the experience of place and bring considerable value to the site. Particular emphasis will be given to local Aboriginal culture and histories of the area, to engaging First Nations artists for public art projects and to engaging the local cultural and creative communities. Mandatory requirements for any permanent artworks integrated into the built environment will be the use of durable, low maintenance materials that are structurally stable, utilising the most up to date technologies and not a risk to public safety or accessibility.

Opportunity sites for art will be identified in the Public Art Strategy and Artist Brief, and the objectives for each of these locations will be clarified, as to how the art may respond to the vision of the development and feedback from the developer, the design teams and City of Sydney. Initial thoughts for these locations will be in and around the public domain, paving and garden area, as well as in the publicly accessible commercial lobby and void along McEvoy Street that will be visible from the street through large glass walls.

## 10.0 Project timeline

Provided below is an indicative timeline for the Planning Proposal through the assessment and public exhibition phases through to gazettal of the amended planning controls for the site.

**Table 16** *Indicative project timeline*

Milestone	Timing
Submission of amended Planning Proposal	September 2022
Council reporting of Planning Proposal to Central SPC, elected Council	October 2022
Referral to DPIE and Gateway Determination	November-December 2022
Consideration of Gateway and preparation for public exhibition	January-February 2023
Public exhibition period	February-March 2023
Timeframe for consideration of submissions	March-April 2023
Reporting of exhibition of planning proposal to CSPC	May-June 2023
Date of submission to DPIE to finalise the LEP	June 2023
Anticipated date RPA will make the plan (if delegated)	August 2023
Anticipated date RPA will forward to the DPIE for notification	September 2023
Design excellence process and DA assessment	Late 2023 and throughout 2024

## 11.0 Conclusion

This amended Planning Proposal requests amendments to the *Sydney Local Environmental Plan 2012* relating to 923-935 Bourke Street, Waterloo. Ethos Urban has prepared this Planning Proposal on behalf of Fabcot Pty Ltd (Woolworths Property Group).

The broad intent of the Planning Proposal is to achieve a mixed-use development outcome including a supermarket, supporting retail, commercial and residential land uses, which facilitates a suitable urban form to support local strategic planning intent for the establishment of a new 'neighbourhood centre' within the site. Accompanying amendments to the *Sydney Development Control Plan 2012* (Sydney DCP 2012) will be required to support this outcome.

This Planning Proposal seeks Council's support for a site-specific amendment to the LEP for the following:

- A site specific exemption for the site from the 1,000m<sup>2</sup> cap under clause 7.23 'large retail development outside of Green Square Town Centre and other planned centres', subject to the achievement of defined criteria of site and strategic attributes (by way of inserting a new clause in Division 5);
- A site-specific increase in the site's FSR of up to an additional 0.5:1, but only where that additional FSR is used for below ground retail development (reflecting the addition of the full-line supermarket floorspace). The exemption would bring the site's total maximum FSR to 2.7:1, inclusive of base FSR, community infrastructure and design excellence bonuses (by way of inserting a new clause in Division 5); and
- In relation to building height, provide new mapping to reflect an increase from 15m to between 22m and 27m within the site (between 5 to 7 storeys overall) to redistribute massing to achieve the indicative mixed-use development (under clause 4.3).

The indicative reference scheme totals some 17,575m<sup>2</sup> of Gross Floor Area (GFA), comprising a 3,200m<sup>2</sup> of supermarket GFA below ground, 1,670m<sup>2</sup> of retail GFA, 2,025m<sup>2</sup> of commercial GFA and 10,680m<sup>2</sup> of residential floorspace, including some 121 dwellings. Basement parking is accommodated for a total of 216 cars, together with ground level through-site links and podium and rooftop communal residential facilities. The Proponent intends to deliver, as part of this Planning Proposal, affordable housing contributions, electric vehicle charging facilities, site specific sustainability measures and local infrastructure by way of a Voluntary Planning Agreement (VPA) to be entered into with Council.

From a strategic context, the site sits within the Green Square and City South Village which has a potential dwelling capacity of 20,000 and will continue to provide the majority of the City of Sydney future residential growth. The village is to account for over 40% of new dwellings in the City going forward, and a provision that is almost triple the next largest village growth area. Based on actual population outcomes, the City's 2008 Retail Study substantially underestimated population growth in the precinct, in the order of 7,700 residents as of 2012. This under-estimate increased to 27,330 residents in 2018, and is on track to represent an under-estimate of 47,600 residents by 2021.

The Green Square Retail Needs Assessment undertaken by Ethos Urban in April 2020 indicated that the demand for additional retail floorspace in the broader Green Square trade area would be in the order of +168,400m<sup>2</sup> or 9,900 m<sup>2</sup> each year over the period to 2036, even excluding any under-provision. This would support a range of existing and future retail developments, indicating ample demand for retail facilities within the precinct in the future. This level of demand also underscores the importance of adequately planning for future growth and development.

This Planning Proposal responds to the above and is justified for the following reasons:

- The proposal is by and large consistent with the strategic planning framework and identifies and underpins the appropriate emergence of a new neighbourhood centre, anchored by the site's proposed full-line supermarket provision in supporting the immediate urban renewal catchment;
- The future built form and land uses will cater to the local daily needs of the community at a walkable distance to accommodate future demand. The proposed development will include a population serving full-line supermarket that will not undermine the importance of the Green Square Town Centre as a higher order strategic centre. The proposed development will respond to the needs of the growing population and reduce existing retail pressures that surrounding supermarkets are experiencing;
- The site is well positioned with access to well-connected cycling and pedestrian infrastructure, major roads, bus services, Green Square Train station (approximately 900m) and the future Waterloo Metro Station (approximately 1.1km) being delivered under Future Transport 2056 and South East Sydney Transport Strategy;

- The site is strategically positioned to accommodate expanded residential uses. Provision of a sufficient residential offering above the retail, community and public domain will create a level of activation which will support the success of the emerging neighbourhood centre. The indicative scheme provides a range of apartment sizes and typologies, including walk-up terrace apartments. The indicative public benefit offer includes a contribution to affordable housing (equivalent to 12 apartments) consistent with Council's policies.
- The future built form will exhibit design excellence and demonstrate high quality urban design to enhance the enjoyment of homes and public places through increased connectivity and generous planted terraces and rooftops. This will contribute enhancing people's health and wellbeing.
- The proposal is designed to accommodate a variety of sustainability features and deliver beyond its required targets for sustainability, energy efficiency and water and waste management. In addition, the proposal has been refined in conjunction with Council feedback to prioritise a high degree of mature canopy tree retention;
- The future built form will deliver a neighbourhood meeting place enriched by local activity and opportunities for social gathering. The site will also provide enhanced local connections through the publicly accessible through-site links and public plaza, intended to be vegetated and arranged to provide good access to sunlight;
- The proposal is consistent with the objects of the Environmental Planning and Assessment Act 1979, in that it promotes the orderly and economic use and development of land;
- The proposal is consistent with the applicable SEPPs and Ministerial Directions;
- Traffic modelling undertaken indicates that the proposal is not anticipated to result in unacceptable traffic impacts on the surrounding road network. The proposal would provide benefits to the broader road network by providing for a full line supermarket in a rapidly growing area currently underserved by retail – removing the need for residents of Waterloo and surrounding suburbs to have to drive to other nearby regional shopping centres to undertake their weekly shopping trips;
- The proposal will deliver significant economic benefits to the locality, including:
  - An estimated 764 FTE jobs (direct and indirect) are likely to be generated during the construction stage of the project.
  - Generate an estimated 273 FTE ongoing jobs on an ongoing basis once the development is complete and fully occupied. These additional ongoing jobs would stimulate additional economic activity, estimated at \$29.1 million in Value Added benefit each year.
  - The mixed use development could also accommodate approximately 240 new residents who would generate around \$4.0 million in retail expenditure each year, to the benefit of retailers in the local and regional community.

To this end, Woolworths' concept for the site is focused on a new-generation mixed-use exemplar development, to drive a positive outcome within South Sydney. The development will provide convenient shopping for customers while enhancing the liveability of the surrounding local communities.

Accordingly, considering the proposal and the overall strategic nature of the site and justification provided in addressing planning issues, the Planning Proposal is considered to have sufficient strategic merit to support a full line supermarket in an emerging neighbourhood centre context. This Planning Proposal also demonstrates that the proposed land uses and density sought can be appropriately accommodated on the site in an attractive urban form, maximises activity, improves social and economic outcomes and enhances vibrancy, whilst minimising amenity impacts of surrounding residential receivers. This supports the site-specific merit of the Planning Proposal.

For these reasons, we have no hesitation in recommending this Planning Proposal for Gateway Determination.