

Attachment A

**Planning Proposal – Retail Review and
Retail Parking – as amended**

Planning Proposal - Retail Review and Retail Parking



August 2023

February 2023

The City of Sydney acknowledges the Gadigal of the Eora Nation as the Traditional Custodians of our local area.

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Executive summary

The Green Square and Southern Areas (City south) include all land in the City of Sydney local government area (LGA) south of Cleveland Street and east of the rail line between Redfern and St Peters. The area includes the Green Square Urban Renewal Area and the City's southern enterprise areas, but also includes some land at the fringe of those areas, including parts of the Botany Road Precinct and the Waterloo Metro Quarter.

The urban renewal area is Australia's largest urban renewal area with the Green Square Town Centre (Town Centre) at its heart. The urban renewal area is forecast to grow to around 32,000 dwellings, housing a residential population of around 60,000 to 70,000 63,000 people by 2036. This growth is being supported with substantial investment in local infrastructure including new roads, parks, community facilities such as Gunyama Park and Aquatic Centre and Green Square library and utilities upgrades.

The Greater Sydney Commission's *Greater Sydney Region Plan* identifies Green Square – Mascot as a strategic centre and an important contributor to the eastern economic corridor. The associated *Eastern City District Plan* says that 1.8 million square metres of additional retail will need to be accommodated across the Eastern City District by 2036. As a major growth precinct, much of this demand is likely to stem from Green Square, which has implications for retail planning in the precinct.

Following a major review of retail in the City South area, in 2012, the City introduced a hierarchy of centres in its planning controls with the Green Square Town Centre being established as the primary commercial, retail and civic centre. The hierarchy is underpinned by planning controls in the Sydney Local Environmental Plan 2012 (LEP) that only allow larger retail premises in defined centres with smaller retail permitted throughout the City South area. This is to ensure that major retail, specifically supermarkets continue to locate in higher order centres which are the focus for activity and infrastructure investment.

Considerable growth and change have occurred in the City South area since the introduction of the retail planning framework and Covid-19. The City commissioned the Green Square and Southern Areas Retail Review (the Review) to understand the changes to demand and supply of retail floor space in the City South area since the retail planning requirements were first introduced in 2012, and to recommend any required changes to planning controls to ensure the retail needs of the community will be met in future.

The Review identified a net shortfall in retail floor space across the City south area, finding that to 2041 an additional 15,000 square metres of retail floor space is needed close to the Town Centre to address the undersupply and meet retail demand. It found the greatest undersupply is in hospitality and services, supermarkets, and other food retail.

Planning for full-line supermarkets will be a significant factor in meeting projected demand with over \$462 million out of \$1.4 billion expected to be supermarket spending by 2041. The Review found that there will be an undersupply of about 9,000 square metres of supermarket floor space with the largest supermarket under-supply emerging in the eastern parts of Waterloo, the Town Centre and North Alexandria areas.

The Review includes a capacity analysis to determine if there is sufficient capacity under existing planning controls to accommodate the identified shortfalls in retail supply. It found that while small format retail is widely accommodated under current planning controls, opportunity for larger retail tenancies is limited in the Town Centre. It also found more opportunity was needed to address the undersupply of large format retail, in particular supermarkets.

The Review recommended the City investigate options to create more opportunity for large format retail sites immediately adjacent to the Town Centre and remove areas from the City's restricted retail map. This would also be expected to create opportunities for smaller retail premises that

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prefer to co-locate with anchor retail such as supermarkets. 'Planning Proposal - Retail Review and Retail Parking' (this planning proposal) will amend Sydney LEP 2012 to remove the restriction on the size of retail tenancies from an 'expanded retail area'. The expanded retail area is immediately adjacent to the west and the north of the Town Centre. The proposed change will allow for supermarkets to locate in the area so that demand can be met to 2041. Importantly, where large format retail locates in this area it will:

- continue to support the primacy of the Town Centre, rather than compete with it as a stand-alone centre;
- create opportunities for other retail (small format), that prefers to co-locate with anchor retail such as supermarkets;
- be located close to public transport at Green Square Station and Waterloo Metro Station, as well as multiple bus routes and cycle routes, reducing the need for private vehicle trips; and
- be located close to key community infrastructure including public plazas, libraries, schools and child care facilities, community centres and public recreation facilities.

The planning proposal also introduces a maximum parking rate for large format retail in the entire City of Sydney local government area. The proposed change is to encourage active transport modes and to mitigate the impacts that large format retail may have on surrounding road networks.

The draft DCP includes supporting provisions that guide design, layout and placement of retail tenancies relative to the public domain in the expanded retail area.

1. Background

1.1. Introduction

The City has prepared Planning Proposal: Retail Review and Retail Parking (this planning proposal) to amend the Sydney Local Environmental Plan 2012 (Sydney LEP 2012). The purpose of this planning proposal is to provide opportunities in the planning controls to meet demand for retail floor space in the southern part of the City of Sydney local government area (LGA) and to manage traffic generation resulting from large format retail across the City of Sydney.

While the parking controls contained in this planning proposal apply to the entire City of Sydney LGA, other controls in this planning proposal apply to the Green Square and Southern Area (City south area). This includes all land in the LGA south of Cleveland Street and east of the rail line between Redfern and St Peters. The area mostly affected is the 'expanded retail area', immediately to the north and west of the Green Square Town Centre (Town Centre) where a relaxation of the current restriction on the size of retail premises is proposed.

The extent of the City south area and the expanded retail area is shown at Figure 1.

Planning Proposal - Retail Review and Retail Parking

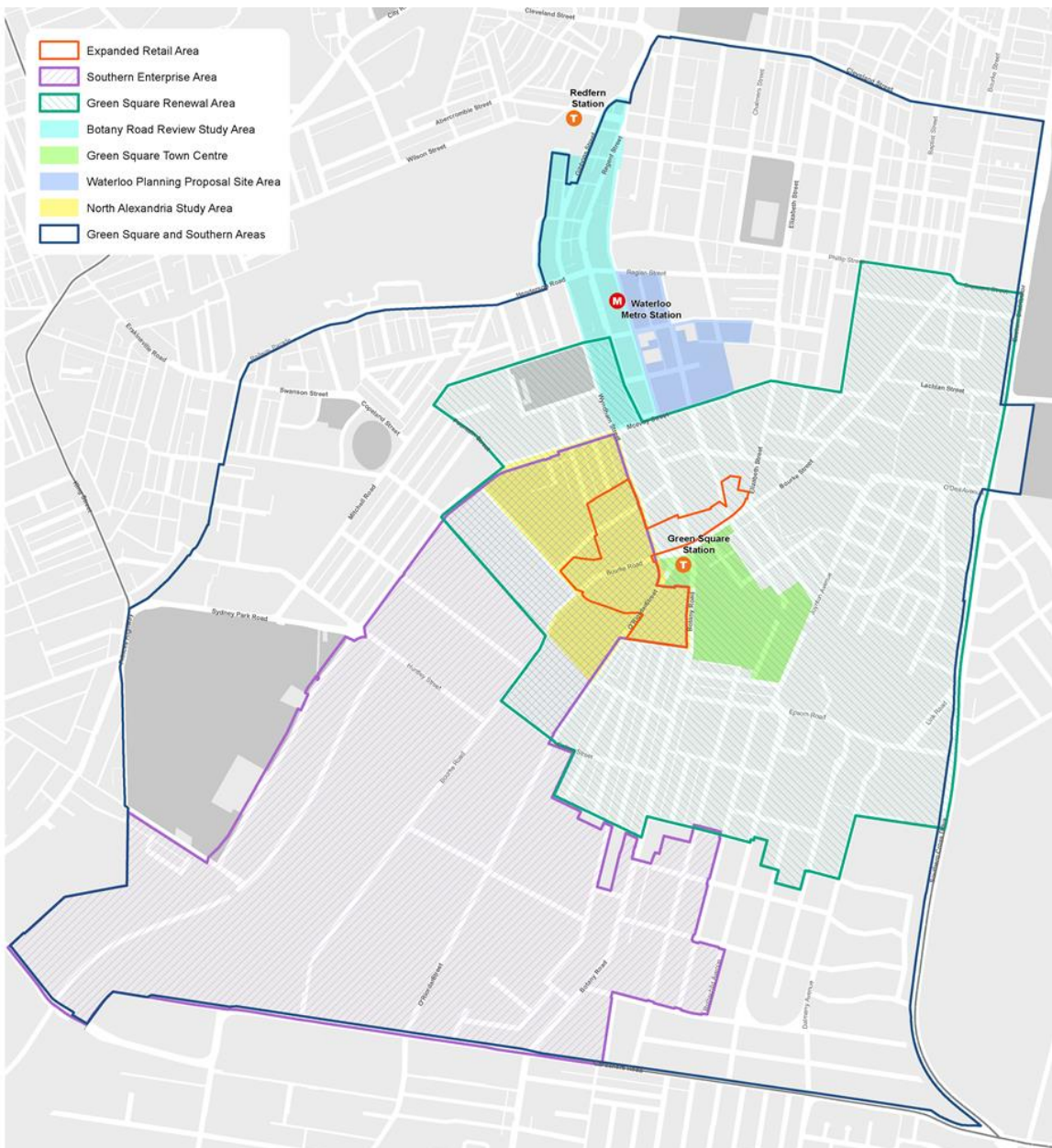


Figure 1 Green Square and Southern Areas (cCity south area)

This planning proposal will amend Sydney LEP 2012 to remove the restriction on the size of retail tenancies from an 'expanded retail area'. The proposed change will allow for supermarkets to locate in the area so that demand can be met to 2041. Importantly, where large format retail locates in this area it will:

- continue to support the primacy of the Town Centre, rather than compete with it as a stand-alone centre;
- create opportunities for other retail (small format), that prefers to co-locate with anchor retail such as supermarkets;
- be located close to public transport at Green Square Station and Waterloo Metro Station, as well as multiple bus routes and cycle routes, reducing the need for private vehicle trips; and
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The planning proposal also introduces a maximum parking rate for large format retail in the entire City of Sydney local government area. The proposed change is to encourage active transport modes and to mitigate the impacts that large format retail may have on surrounding road networks.

This planning proposal is supported by a draft amendment to the Sydney Development Control Plan 2012: Retail Review of Southern Sydney (draft DCP). The draft DCP will replace existing provisions in Section 3.4 of Sydney DCP 2012 with updated controls that support the outcome of this planning proposal.

The proposed planning controls are informed by the Green Square and Southern Area Retail Review, prepared by SGS Economics and Planning and appended to this planning proposal.

1.1.1. Strategic context

The **c**City **s**South area generally includes the Green Square **U**rbain **R**enewal **A**rea and the City's southern enterprise areas, but also includes some land at the fringe of those areas, including parts of the Botany Road Precinct and the Waterloo Metro Quarter.

The urban renewal area is Australia's largest urban renewal area with the Green Square Town Centre (Town Centre) at its heart. The urban renewal area is forecast to grow to around 32,000 dwellings, housing around 60,000 to 70,000 to around 63,000 people (depending on occupancy trends rates) at build out around 2036. This growth is being supported with substantial investment in local infrastructure including new roads, parks, community facilities such as Gunyama Park and Aquatic Centre and Green Square library and utilities upgrades.

The City's southern enterprise area which forms part of the expanded retail area and is located to the west and south of the expanded retail area includes some of the most valuable and well-located industrial and urban services land in Australia. It is the only remaining expanse of business and employment zoned land in the City of Sydney. They play a critical role in the City's economic future, being uniquely positioned near the Sydney Central Business District, fringe business areas, high density residential neighbourhoods and NSW's primary trade gateways at Sydney Airport and Port Botany gives it a strong competitive advantage. They host a range of industrial and urban services uses ranging from waste recycling, concrete batching plants and hardware supplies to productive freight and logistics uses.

The City has recently completed a review of its planning controls in the southern enterprise areas with new planning controls implemented in North Alexandria to improve the amenity and permeability of the precinct and to create more opportunity for employment generating development.

The City's review of the Botany Road Precinct has also recently concluded with changes to the Sydney LEP 2012 being made to facilitate significant additional employment floor space. The future Waterloo Metro station and Waterloo Metro Quarter development is located to the north of the expanded retail area.

The approved State Significant Development concept proposal for the Metro Quarter is for three mid-rise buildings between 4 and 10 storeys along Cope Street, and three towers of 23, 25 and 29 storeys above a 3 to 4 storey podium along Botany Road, above an underground station on the Sydney Metro line.

Waterloo Estate South is currently subject to a planning proposal. The proposal consisting of around 3,000 dwellings, two parks including a large park adjoining Waterloo Metro station of over two hectares, 18,000 square metres for non-residential uses including retail and commercial uses.

There are a number of planned centres in the **c**City south area that service most of the retail demand in the **c**City south area. Key centres include Green Square Town Centre, Victoria Park and Danks Street. These centres are important to not only service local retailing needs, but also are a focus of social activity where people meet.

The Greater Sydney Commission's *Greater Sydney Region Plan* identifies Green Square – Mascot as a strategic centre and an important contributor to the economic corridor. The subsequent *Eastern City District Plan* says that 1.8 million square metres of additional retail will need to be

accommodated across the Eastern City District by 2036. As a major growth precinct, much of this demand is likely to stem from the Green Square, which has implications for retail planning in the precinct.

Outside of the statutory framework, the ~~State~~-NSW Government has also released discussion papers over the past five years aimed at guiding retail and centres planning. They include the Retail Expert Advisory Committee Independent Recommendations Report 2017, NSW Government Discussion Paper 2018 and NSW Productivity Commission White Paper 2021. They have called for more flexible zoning and strategic plans to allow for the emergence of innovative retail types and to facilitate the clustering of retail uses to allow for enhanced amenity.

The City's *Local Strategic Planning Statement - City Plan 2036* maintains the strategic direction of the ~~state~~-NSW G~~o~~vernment and prioritises retail floor space in a defined centre hierarchy.

1.1.2. Approach to retail planning in the cCity south area

In 2008 the City prepared the *Green Square and Southern Areas Retail Study* (the 2008 study) which has shaped retail planning in the southern part of the LGA for the past 14 years. The purpose of the study was to establish future demand for retail in the ~~City~~-city south area and recommend strategies of how this future demand could be met through coordinated retail development that encouraged the emergence of the Green Square Town Centre (the Town Centre) as a major centre.

The study focused on the Green Square U~~r~~ban R~~e~~newal A~~r~~ea, southern enterprise area and Rosebery. A key finding from the study was the need for a hierarchy of retail centres. The study emphasised the Town Centre as being the major centre within the retail hierarchy, with surrounding villages, small villages and neighbourhood centres sitting below.

To achieve an appropriate retail hierarchy, the study recommended that the City of Sydney implement a strict control for development of retail floor space in the area surrounding the Town Centre. In addition, the study recognised the need for the Town Centre to achieve a critical mass of retail floor space with major anchor tenants, in order for the Town Centre to sit at the top of the centre hierarchy and support the needs of the community.

The 2008 study was supported by a research paper titled 'Minor Retail Development in Green Square and the Southern Areas' (the 2010 study), prepared by SGS Economics and Planning. The 2010 study recommended that retail premises greater than 1000sqm be limited to designated centres (such as the Town Centre) to support these retail centres and prevent retail demand being drawn away from these centres.

The above studies closely informed the City's approach to retail planning and the development of the current retail planning controls in the cCity south area. Specifically, Clause 7.23 of the Sydney LEP 2012 restricts the size of retail development within specific areas of the cCity south area to 1,000sqm of consolidated retail floor space.

The relevant planning controls implemented in response to the 2008 study has been successful in ensuring that a hierarchy of centres is maintained with the major centre at Green Square Town Centre respected as the retail focal point of the cCity south area, while other identified centres serve to provide greater amenity to residents, but not so much as to unreasonably impact on the Town Centre or to undermine the role of smaller retail tenancies located throughout the cCity south area. It sent clear signals to the market and potential investors where the supply of retail floor space is to be targeted.

1.1.3. Green Square and Southern Areas Retail Review

In late 2021, the City commissioned SGS Economics and Planning to undertake the Green Square and Southern Areas Retail Review (the Review) provided at Attachment A. The objective of the Review was to understand the changes to demand and supply of retail floor space in the cCity s~~s~~outh area since the retail planning controls were introduced in 2012 and post Covid-19, and to recommend any required changes to planning controls to ensure the retail needs of the community will be met to 2036 and beyond. The Review combines qualitative research with retail gravity

modelling to examine whether there is additional demand retail floor space in the cCity sSouth area.

The Review has directly informed the preparation of this planning proposal and associated draft DCP. Detailed discussion of the Review is provided at Section 5.2.

1.2. About the expanded retail area

This planning proposal mostly affects an 'expanded retail area', located approximately 3.5 kilometres south of Sydney Town Hall and immediately to the north and west of the Green Square Town Centre (Town Centre), as identified in Figure 2.

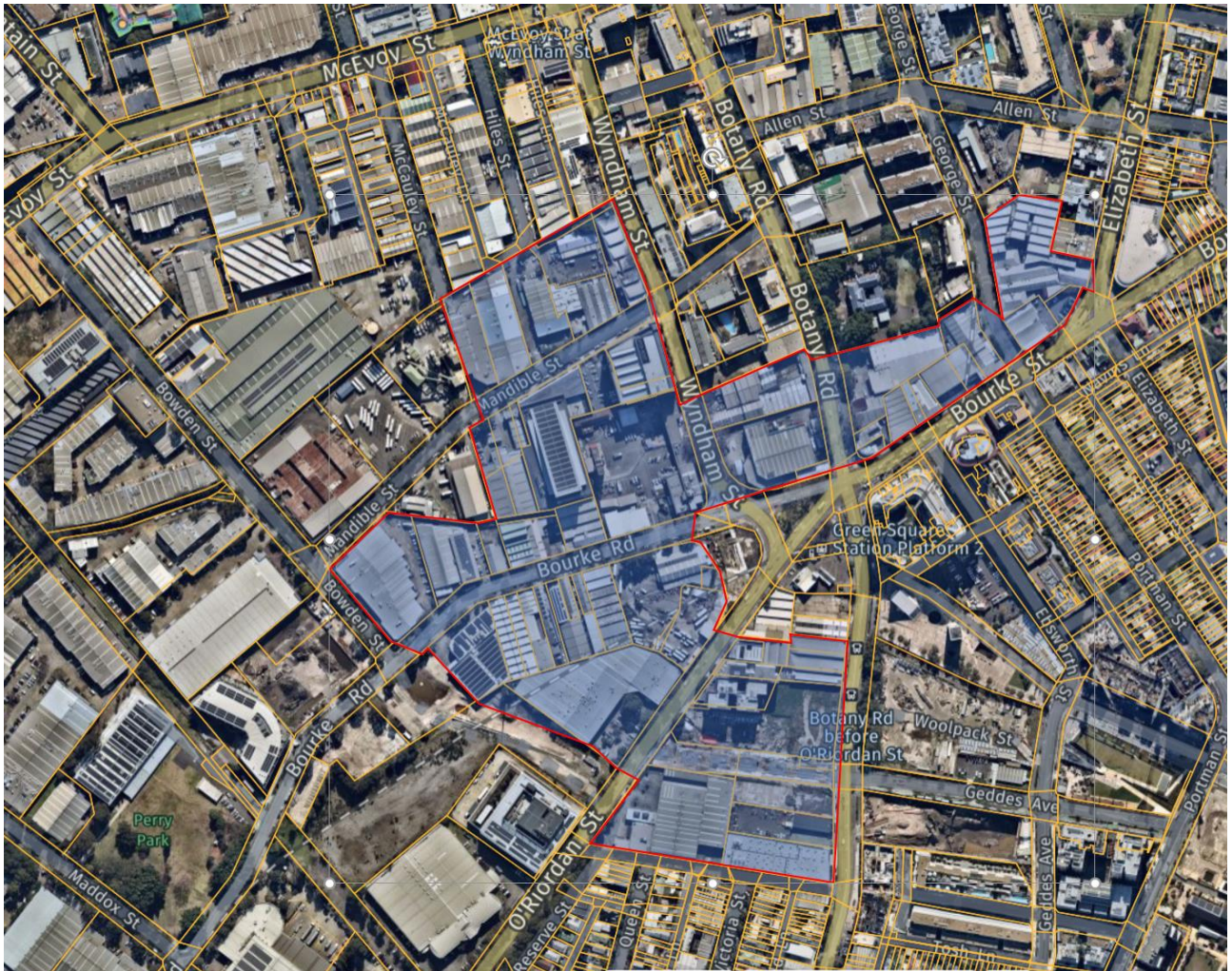


Figure 2: Expanded retail area (outlined in red)

The expanded retail area is generally bound by Bowden Street to the west, the east-west connector road and Johnston Street to the south, Botany Road and Bourke Street to the east and the northern branch of Sheas Creek to the north. Excluding internal roads, the area is approximately 140,000sqm in area, comprising 49 lots.

As above, part of the expanded retail area forms part of the North Alexandria Precinct, which was the subject of a recent planning proposal (now finalised). These areas are generally zoned for employment uses only. The new planning controls will improve the connectivity of the expanded retail area to transport and other infrastructure around the area.

Other parts of the expanded retail area fall outside of North Alexandria to the north and north-west of the Town Centre. These areas are generally zoned for a mix of uses, including residential uses.

It is anticipated that over time these sites, many of which still contain warehouses, will be redeveloped for high density residential uses above ground and first floor retail / commercial uses.

1.2.1. Accessibility

The expanded retail area has a high level of public transport accessibility and is at the focal point of a number of key roads.

It is served by arterial roads, a heavy rail station, a future Sydney Metro station, bus routes and regional cycle routes. These connections facilitate fast and efficient access to Central Sydney and to Sydney Airport, with a full suite of transport options with low travel times available to visitors and workers.

For those parts of the expanded retail area that are in North Alexandria, there are limitations impacting on the usability of public domain in some parts of the expanded retail area. Newly introduced planning controls will improve the amenity of the area, to encourage passive transport choices, and will improve connectivity to transport and other infrastructure around the area.

Notably, the introduction of the Green Square to Ashmore connector road will significantly improve permeability, creating a pleasant and direct pedestrian route from Erskineville to the Town Centre via the expanded retail area. Recently approved development, if built will significantly improve pedestrian amenity through the removal of vehicle crossings and general street activation.

For those areas to the north and north-west, it is already well connected with frontages to Bourke Street, a major road and immediate proximity to Green Square Station.

1.2.2. Land ownership

There are 49 lots within the expanded retail area, with most properties are in single ownership. Only two properties are strata subdivided under different owners and these are small subdivisions.

The City of Sydney owns 34-54 Bourke Road, operating as a Creative City Depot as well as 20 O'Riordan Street, which is currently being redeveloped for the east-west connector road.

Four properties are owned by state government agencies including the Rail Operations centre and Fire and Rescue depot.

1.2.3. Built form

For those parts of the expanded retail area in North Alexandria, the built form is dominated by warehouse buildings of 1-2 storeys and some depot sites. However the recent changes to the planning controls in North Alexandria facilitate renewal and redevelopment, and are generally expected to catalyse a change in the area towards multi-level office development and emerging higher-density mixed employment uses. A number of larger landholdings greater than 5,000 square metres exist in this area. The City's 2017 Floor space and Employment Survey indicated that North Alexandria contained 239,101 sqm of employment floor space and 2,281 jobs at the time, with retail and personal services the largest industry in the area (mostly back office and warehousing functions). Manufacturing, transport and logistics are the other key industries.

For those parts of the expanded retail area to the north and northeast of the Town Centre, they are currently zoned B4 - Mixed Use and the built form is also dominated by warehouse buildings of 1-2 storeys on irregular lots. This will evolve to mid-high-rise mixed-use development with sites increasingly consolidated. The westernmost site in this area is approved for a large mixed-use development with large-scale retail on the lower levels with residential towers above (refer to Section 1.2.13).

1.2.4. Recent and proposed development

Strong development activity in the expanded retail area reflects strong market interest in residential, office, retail, hospitality and entertainment venues. Recent and proposed development in the area will create new public domain, enhance permeability, increase the resident and worker populations and provide services for the new population.

Figure 3 identifies sites within the proposed expanded retail area that have recently been redeveloped, are under construction or have recent development approvals.

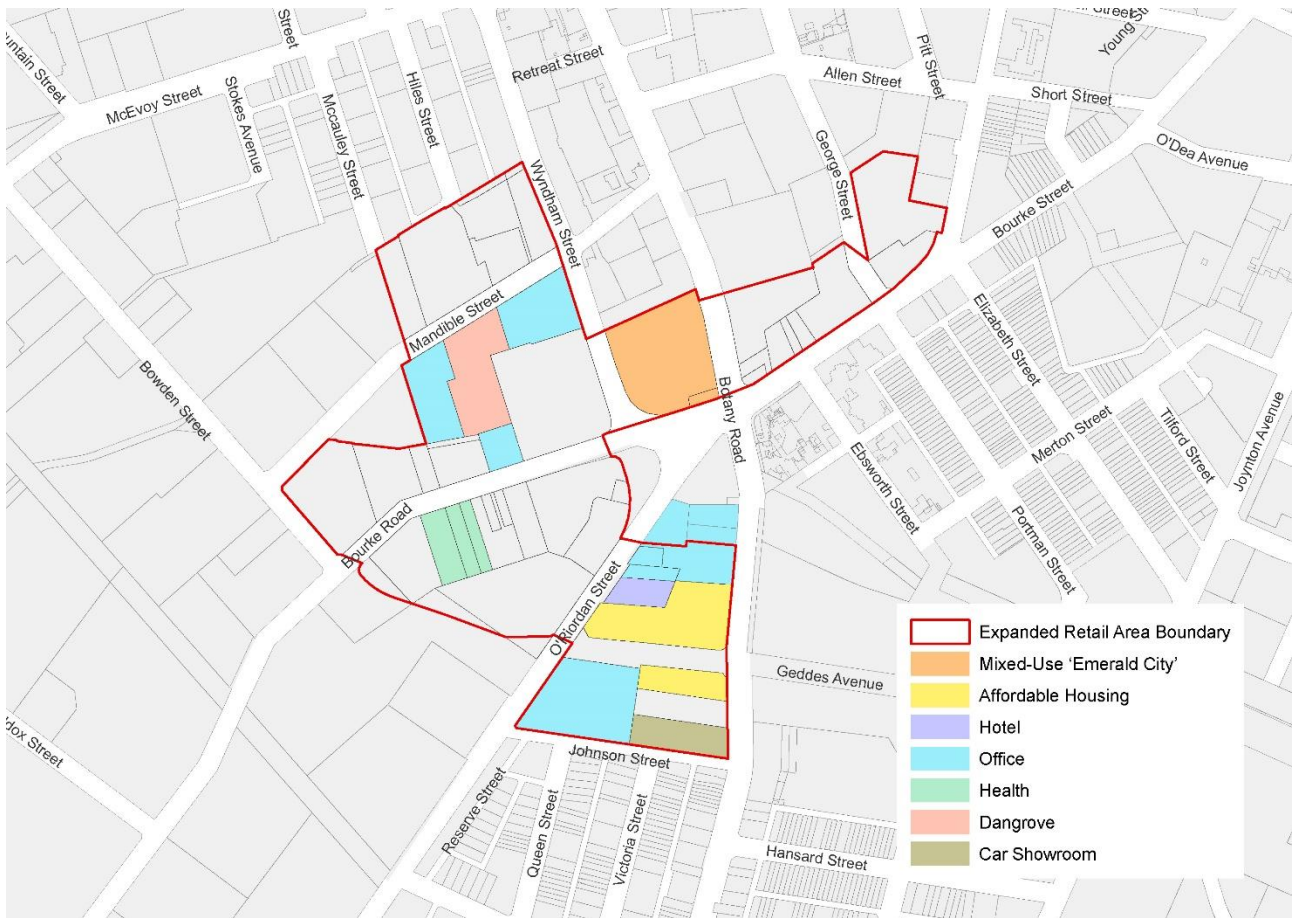


Figure 3 Recent, proposed and approved development

The development of greatest significance in the precinct is the “Emerald City” development at 284 Wyndham Street and 296-298 Botany Road Alexandria. The site is a total of 9,140 square metres and is positioned directly opposite Green Square Station and is currently zoned B4 - Mixed Use. This scheme (D/2021/319) was approved in May 2022, consisting of two 20 storey towers above a two-storey podium (approved under a previous development application D/2012/1021). While mostly residential, the approved scheme consists of a significant retail component including a 3,350sqm full line supermarket, mini-major and a number of smaller shops. 205 retail parking spaces are also proposed. In addition to retail, the podium will also consist of 4,656sqm commercial office floor space.

A proposed mixed-use commercial and medical centre building development at 28-32 Bourke Road, Alexandria is currently under consideration as a state significant development application. It will have a maximum gross floor area of 11,442 sqm and comprise a mental health hospital across three levels, with the remaining five levels dedicated to medical centre uses.

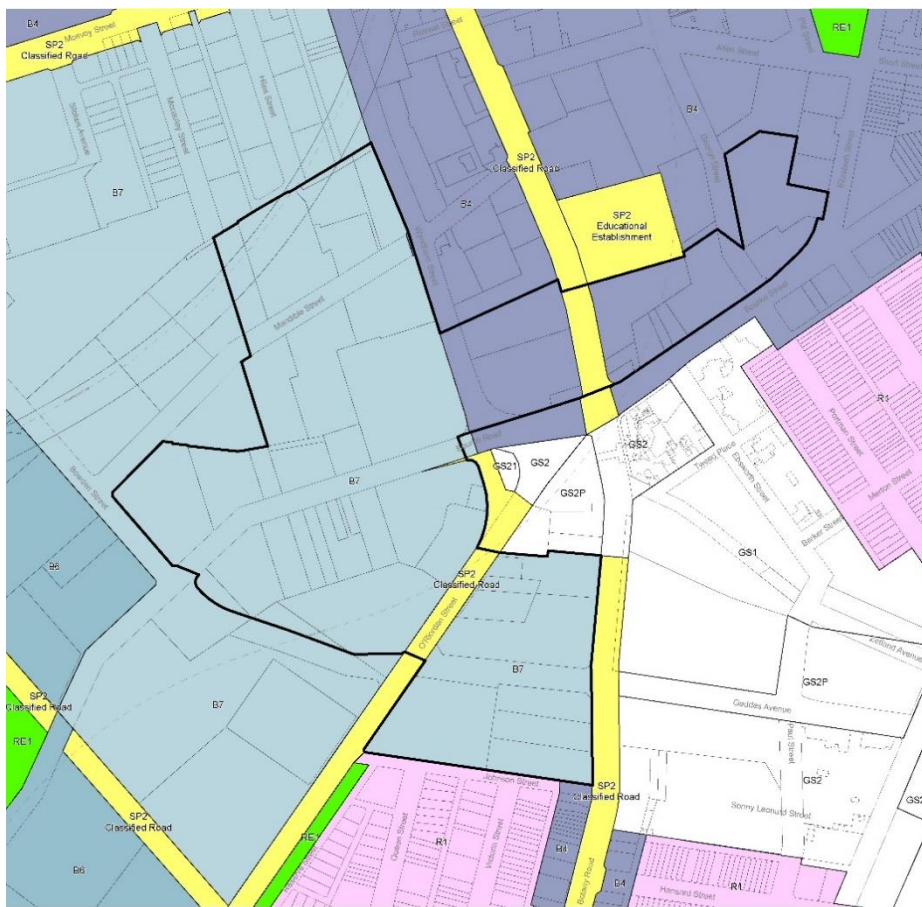
Sites that are surplus to the City’s need along the east-west connector road are being developed as affordable housing and will provide approximately 320 rental affordable housing dwellings.

2. Existing planning controls

The Sydney Local Environmental Plan 2012 (Sydney LEP 2012) and Sydney Development Control Plan 2012 (Sydney DCP 2012) contain the planning controls that apply to the City south area. These are discussed below with the expanded retail area shown outlined in black for context.

2.1. Zoning

Most of the land within the proposed expanded retail area is zoned B7 – Business Park and B4 - Mixed Use, as shown in Figure 4. The only exception is land zoned SP2 – Infrastructure that applies to potential future road widenings and classified roads.



Land Zoning

Study Area

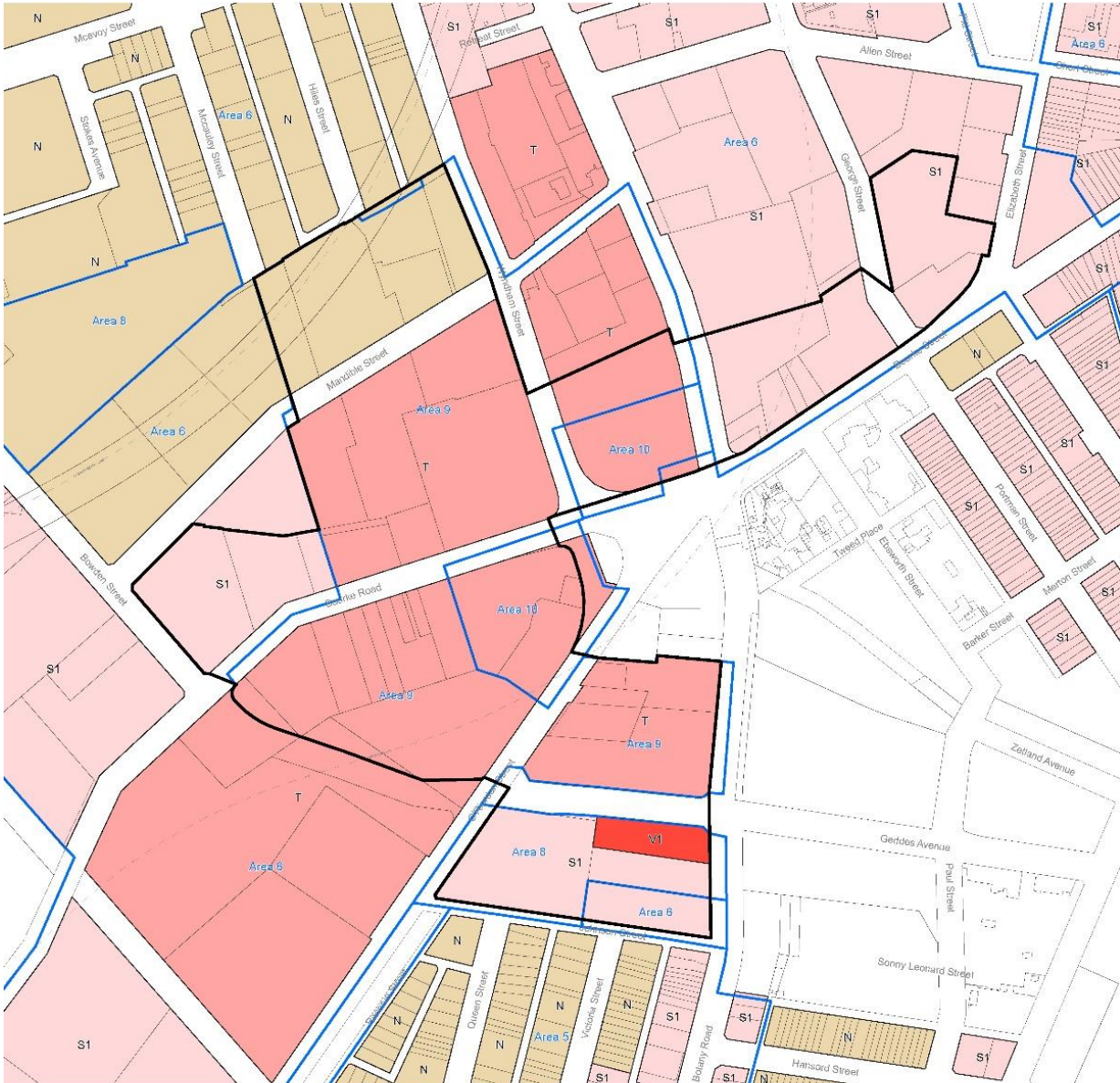
Zone

B1 Neighbourhood Centre	RE1 Public Recreation	GS2 Sydney LEP (Green Square Town Centre 2) 2013	MP SEPP (Precincts – Eastern Harbour City) 2021 – Moore Park
B2 Local Centre	SP1 Special Activities	GS21 Sydney LEP (Green Square Town Centre 2) 2013 & South Sydney LEP 114	SCRA Sydney Cove Redevelopment Authority Scheme
B3 Commercial Core	SP2 Infrastructure	GS2P Sydney LEP (Green Square Town Centre 2) 2013 & Planning Scheme Ordinance	SHC SEPP (Biodiversity and Conservation) 2021
B4 Mixed Use	CW SEPP (Precincts – Eastern Harbour City) 2021 – City West	HP Sydney LEP (Harold Park) 2011	SLEP Sydney LEP 2005
B5 Business Development	DH SEPP (Precincts – Eastern Harbour City) 2021 – Darling Harbour	MD SEPP (Precincts – Eastern Harbour City) 2021	SS South Sydney LEP 1998
B6 Enterprise Corridor	GAHP Sydney LEP (Glebe Affordable Housing Project) 2011		WB SEPP (Precincts – Eastern Harbour City) 2021 - Walsh Bay
B7 Business Park	GS1 Sydney LEP (Green Square Town Centre) 2013		
B8 Metropolitan Centre			
IN1 General Industrial			
R1 General Residential			
R2 Low Density Residential			

Figure 4 Current zoning under Sydney LEP 2012

2.2. Floor space ratio

The mapped floor space ratio (FSR) for land in the expanded retail area ranges from 1:1 to 3:1 (shown in Figure 5).



Floor Space Ratio

Study Area

Maximum Floor Space Ratio (n:1)

A	0.35	U2	2.75	AB2	7.5
F	0.6	V1	3	AC	8
H	0.7	V2	3.25	AD	9
J	0.8	W1	3.5	AE	10
L	0.9	W2	3.75	AF	11
N	1	X	4		Refer to clause 6.14
P	1.25	Y	4.5		Refer to clause 6.4
S1	1.5	Z	5		Refer to clause 6.15A
S2	1.75	AA1	6		Refer to clause 6.47
T	2	AA2	6.5		
U1	2.5	AB1	7		

Figure 5 Current floor space ratio controls under Sydney LEP 2012

In addition to the mapped floor space ratio, Clause 6.14 - Community infrastructure floor space at Green Square allows for additional floor space to be achieved on land where community infrastructure is also provided. The following additional floor space ratio is permitted on land where it is in:

- Area 6 – 0.5:1
- Area 7 – 0.75:1
- Area 8 – 1:1
- Area 9 – 1.5:1
- Area 10 – 2.2:1

2.3. Building height

Sydney LEP 2012 contains maximum height of buildings controls ranging from 12 metres to 98.5 metres RL. Height controls in Sydney LEP 2012 are shown in Figure 6.

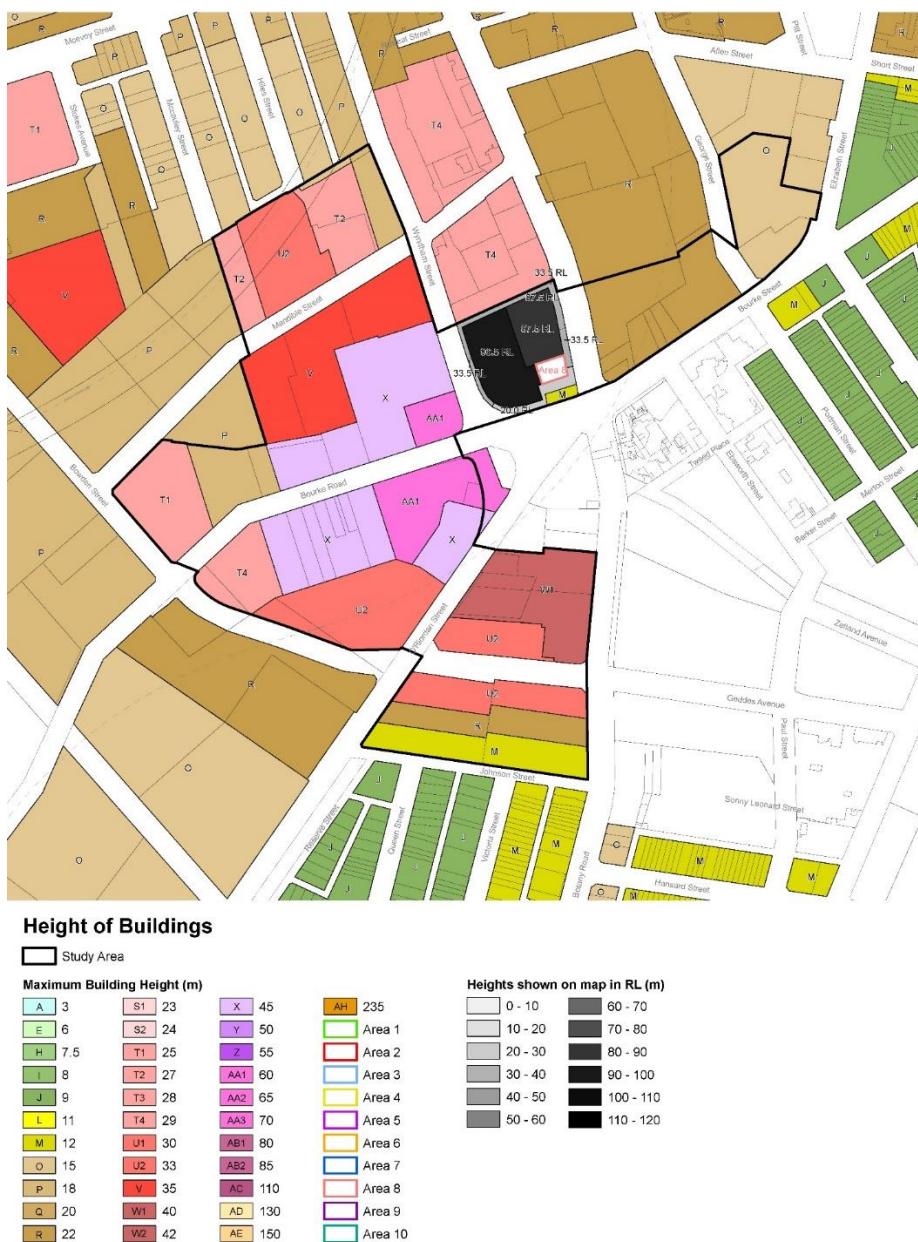


Figure 6 Current maximum height of building under Sydney LEP 2012

Telephones & Cables Pty Ltd at Alexandria. It currently contains the head office for General Pants Group.

- Item 2278 Part of former William Brooks factory including interiors (723 Elizabeth Street Waterloo). Local historical, associations, aesthetic, social, and representative value significance. The building represents a good example of an early twentieth factory designed in the Federation warehouse style. Currently vacant as at September 2022.

There are five local heritage items adjacent to the expanded retail area boundaries which are described below:

- Item 2071 Waterloo Public School group (237-271 Botany Road)
- Item 2279 Electricity Substation No.75 (378 George Street)
- Item 2083 Former Zetland Tram Terminus (874 Elizabeth Street)
- Item 2202 Former fire station (932-934 Bourke Street)
- Item 2203 Green Square Hotel Including Interior (936-938 Bourke Street)

The expanded retail area is close to the following heritage conservation areas:

- The 'North Alexandria Industrial' heritage conservation area (C74) covering the area between Stokes Avenue, McEvoy Street and Hiles Lane. It is immediately adjacent to the north.
- Hillview Estate heritage conservation area (C4), covering the area between Reserve Street, Johnston Street and Victoria Lane. It is a residential neighbourhood located to the south.
- The Zetland Estate (C73) covering an area from Short Street to the north-west and Joynton Avenue to the south-east, Portman Street to the west. It is predominantly a residential area with only the northern portion in close proximity to the expanded retail area.

2.5. Restricted retail development

Figure 8 shows where restricted retail development applies under the Retail Premises Map, in and around the expanded retail area.

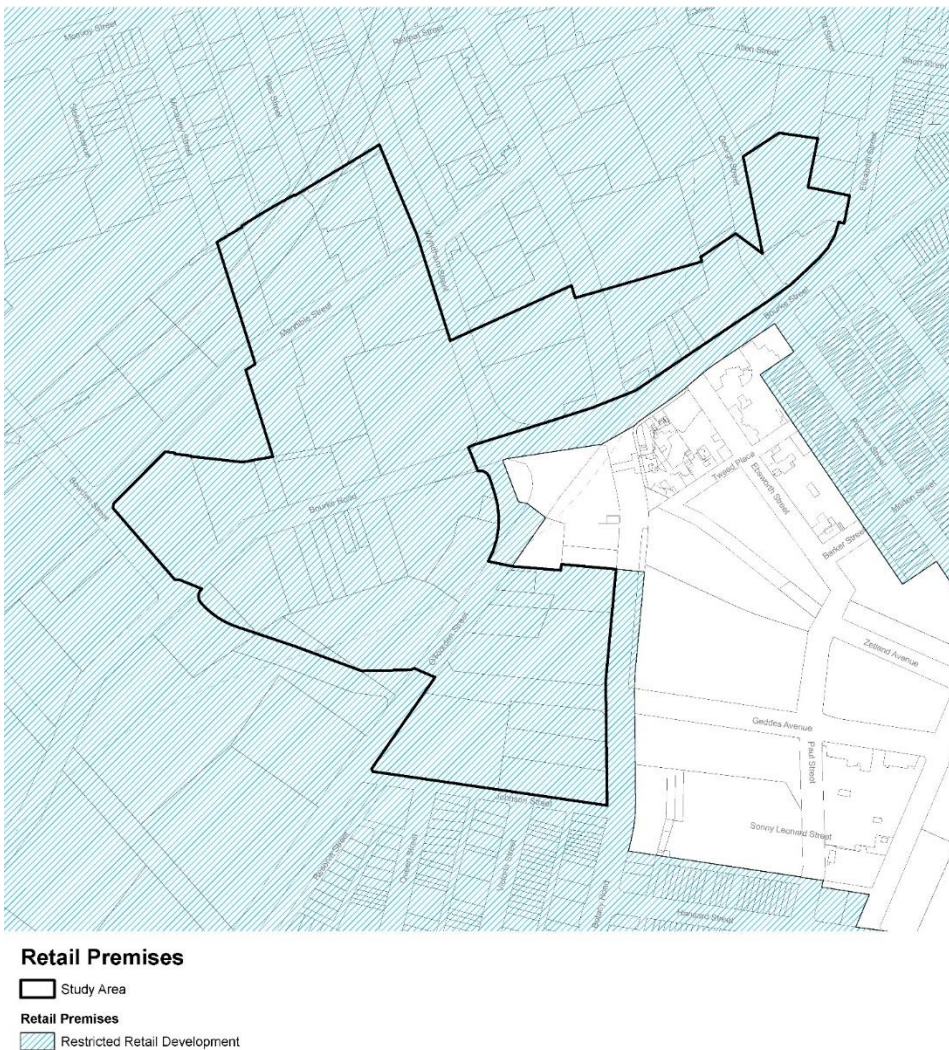


Figure 8 Restricted retail development under Sydney LEP 2012

Clause 7.23 of Sydney LEP 2012 (Large retail development outside of Green Square Town Centre and other planned centres) applies to land identified as 'restricted retail development' under the retail premises map.

The objectives of this clause are to promote the economic strength of the Town Centre and planned local centres by limiting large-scale retail development to those centres, and to support the provision of community facilities and infrastructure in Green Square.

Areas under this clause are subject to the following provision: "development consent must not be granted to development on land to which this clause applies for the purposes of shops or markets with a gross floor area greater than 1,000 square metres."

2.6. Public transport accessibility level

Figure 9 shows the public transport accessibility level in and around the expanded retail area as defined in the Public Transport Accessibility Level Map.

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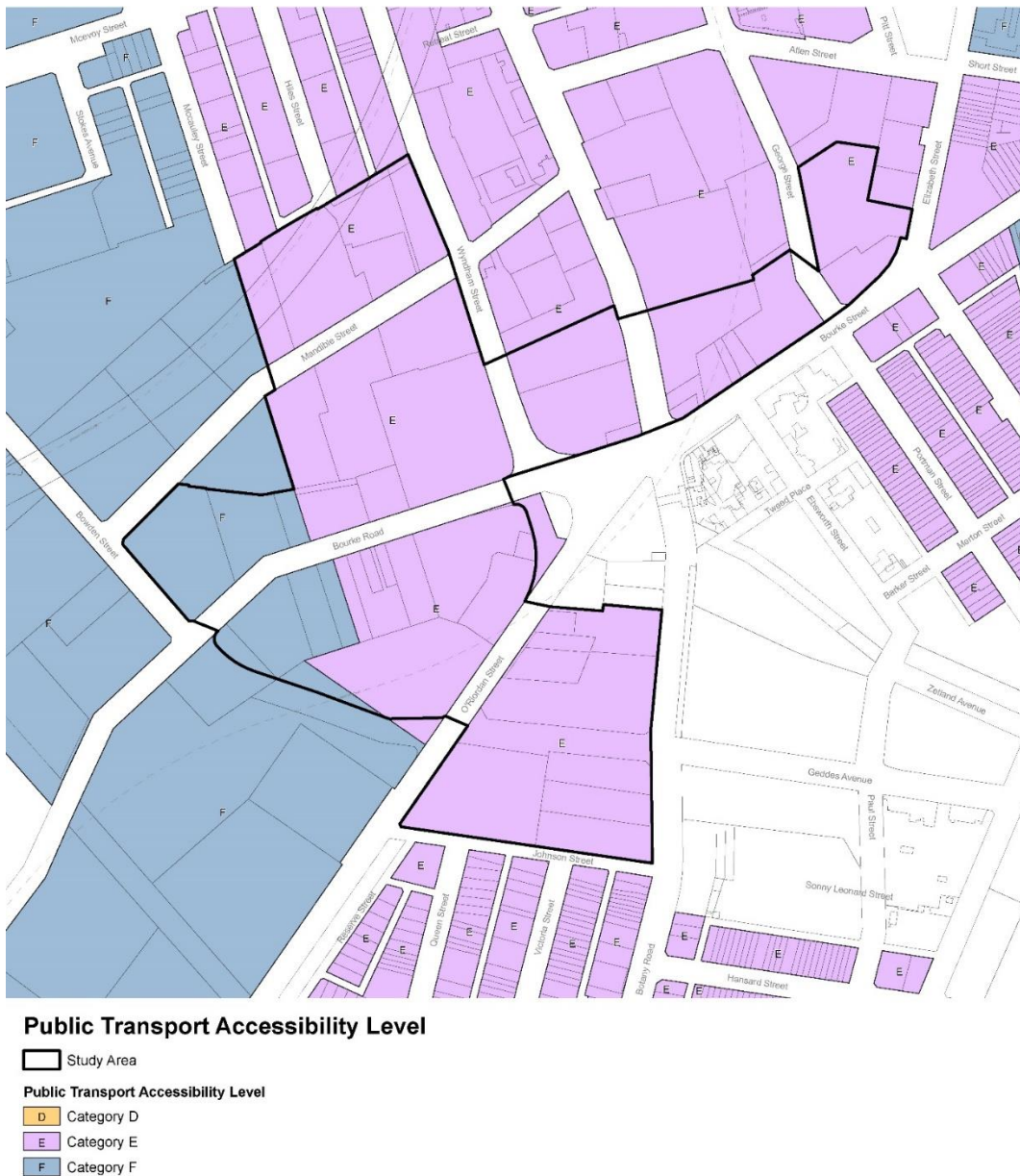


Figure 9 Public transport accessibility level under Sydney LEP 2012

Sydney LEP 2012 contains local provisions to identify the maximum number of car parking spaces that may be provided to service particular uses of land. The provisions apply across the local government area and are not limited to the southern areas. The intention of this is to minimise the amount of vehicular traffic generated because of proposed development.

Clause 7.7 contains provisions for maximum parking for buildings used as retail premises. At present, the rates do not apply for retail development over 2,000 square metres and instead, a traffic and transport study is required to accompany development applications to set an appropriate amount of parking. For all other retail development the maximum number of car parking spaces is as follows:

- category E—1 space for each 60 square metres of gross floor area
- category F—1 space for each 50 square metres of gross floor area
- category D with a floor space ratio of no more than 3.5:1—1 space for each 90 square metres of gross floor area of the building used for those purposes,
- category D with a floor space ratio greater than 3.5:1 the formula $M = (G \times A) / (50 \times T)$ applies where M is the maximum number of parking spaces, and G is the gross floor area of all retail premises in the building in square metres, and A is the site area in square metres, and T is the total gross floor area of all buildings on the site in square metres.

3. Objectives and intended outcomes

3.1. Objectives

The objectives of this planning proposal are to:

- facilitate capacity for large format retail floor space immediately adjacent to Green Square Town Centre (Town Centre) to meet projected demand to 2041;
- support the Town Centre as the primary retail, commercial and community centre in the cCity south area;
- manage traffic generation resulting from large format retail; and
- activate the public domain in the expanded retail area.

4. Explanation of provisions

4.1. Proposed amendment to Sydney LEP 2012

This planning proposal is to amend the planning controls that currently apply to the proposed expanded retail area and amend parking controls for retail development that currently apply across the entire City of Sydney LGA.

An explanation of the provisions that are to be included in the proposed LEP are provided below. The drafting instructions to amend the Sydney LEP 2012 which reflect the below explanation of provisions are provided as an addendum to this planning proposal. A more detailed justification for the proposed planning controls and further explanation of the intended outcome is provided at Part 5 – Justification of this planning proposal.

4.1.1. Amend the Retail Premises Map to remove the restriction on retail from key sites next to Green Square Town Centre

This planning proposal is to amend the Retail Premises Map to remove sites adjacent to Green Square Town Centre in response to the Review recommendations. For sites where this change is proposed, any future retail development for the purpose of shops or markets will no longer be subject to a floor space restriction of 1,000 square metres.

This change responds to the recommendation of the Review to ‘investigate options to remove the retail tenancy cap for sites immediately adjacent to the Green Square Town Centre.’

The planning proposal implements this recommendation. The selection of sites to remove the restriction on retail is based on planning and urban design considerations discussed further in Section 5 of this planning proposal.

4.1.2. Introduce a clause to limit shopping centres and malls in the expanded retail area

This planning proposal seeks to introduce a clause to Part 7 Division 4 Miscellaneous provisions to limit the development of private shopping centres and malls and ensure retail activates the public domain. This clause will apply to land identified as the ‘expanded retail area,’ to be identified on the Retail Premises Map. The boundaries of the expanded retail area are the same as the sites that are proposed to be removed from the retail premises map.

This clause is to respond to the findings and recommendations of the Review that areas where the retail tenancy cap is to be removed must contribute to the Green Square Town Centre, but not compete with it, or detract from its importance as the primary strategic centre in the southern areas. It also responds to the objectives of the recent review of the City’s southern enterprise areas, that sought greater activation of the public domain in this area. The final drafting of the LEP clause is to:

- include an objective to ensure that retail promotes the economic primacy of the Green Square Town Centre by limiting the development of private shopping centres and malls and ensuring retail activates the public domain;
- limiting retail premises from locating at first floor or above; and
- ensuring that all ground level retail has a frontage to a public place and is primarily accessed by the public directly from a public place.

It is proposed the above would not apply to food and drink premises as these tenancies are typically relatively small, are unlikely to act as an anchor tenancy for larger surrounding retail, and

are in many cases are intended to primarily serve the occupants / workers in a development of a building (as opposed to the public).

The above provisions will support the intended retail outcomes sought in the expanded retail area.

4.1.3. Providing flexibility in the clause to limit shopping centres and malls

Notwithstanding the clause proposed at 4.1.2, this planning proposal seeks to provide some flexibility in the application of that clause for rare instances where a development application may not technically align with it but does satisfy its objective. Examples of where a development application may not satisfy the technical requirements of the clause, but do satisfy the objective of the clause that retail activates the public domain, include:

- the entry to a retail premises being located on a bevelled corner of a building, that may technically exit onto a privately owned space (in part or in full); and
- where a shop might, instead of fronting a public footpath, fronts a pedestrian pathway that, while private, is perceived and used by the public as if it is in the public domain.

This planning proposal provides flexibility in the proposed clause to ensure that the intended role of the expanded retail area is achieved.

4.1.4. Refer to 'public place' in clause to limit shopping centres

The planning proposal refers to 'public place' in the proposed new clause for Part 7 Division 4 Miscellaneous Provisions to minimise the generation of privatised publicly accessible space.

The use of the term 'public place,' in this draft clause is to deter 'inward' facing retail, such as shopping centres or malls, that could potentially compete with the Town Centre and other planned centres, would not activate the public domain, and may result in significant traffic generation.

Currently clause 4.5 of SLEP2012 references 'public place' as it is defined under the local government act, '(11) Definition In this clause, public place has the same meaning as it has in the Local Government Act 1993.' The Standard Instrument LEP does not define public place. Under the local government act, public place includes a public road (a road which the public are entitled to use), public land (land including a public reserve vested in or under the control of the council) and Crown land.

The reason 'public place' is referenced is to prevent a stand-alone development fronting its retail within its own internal network of laneways and plazas. A layout like this would not align with the intent of the proposed clause and will go against the outcome sought in the Review. As public place is a clearly defined term in the local government act, the risk of misinterpretation of the clause can be minimised.

4.1.5. Apply maximum car parking rates for large scale retail across the City of Sydney LGA by removing the clause which exempts them from this requirement

Clause 7.7(1) of Sydney LEP exempts retail premises over 2,000 square metres in gross floor area from maximum parking rates. Schedule 7.5.1 of Sydney DCP requires a Parking and Access Report to determine the appropriate provision of car parking spaces where there is no rate of provision in Sydney LEP.

The planning proposal seeks to remove clause 7.7(1) from Sydney LEP, that requires retail premises greater than 2,000 square metres to undertake a site-specific study to determine the parking rate for the development, so that all retail premises are subject to the current maximum rates of car parking provision in clause 7.7(2).

Justification for this change is provided in Section 5 of this planning proposal

4.2. Draft development control plan

The City has prepared a draft amendment to the Sydney Development Control Plan 2012 (draft DCP) to amend Section 3.4. The draft DCP provides further guidance to the proposed amendments to Sydney LEP 2012.

The draft DCP is to be publicly exhibited with this planning proposal so the totality of what is being proposed may be holistically understood by the community.

5. Justification

This section includes:

- an overview of the evidence base that informs this planning proposal and the draft DCP;
- a description of development outcomes facilitated by this planning proposal and the draft DCP;
- justification for the proposed amendments to the Sydney LEP 2012; and
- a response to questions set out in the document titled *Local Environmental Plan Making Guideline*, published by the Department of Planning, Industry and Environment in December 2021.

5.1. Overview of proposed planning controls

This planning proposal removes from the Sydney LEP 2012 a current 1,000 square metres restriction on the amount of consolidated floor space for ‘shops’ and ‘markets’ from approximately 140,000 sqm of land adjacent to the Green Square Town Centre (Town Centre). The affected area is called the expanded retail area and is shown at *Figure 2*.

The removal of the retail restriction will create additional capacity for an additional 15,000 square metres of retail floor space (including supermarket floor space) required near to the Town Centre to 2041 to address an overall anticipated retail shortfall across the cCity south area.

The creation of this new retail floor space is expected to generate approximately 497 full time equivalent jobs, based on the application of the standard rate of 30.2 square metres of floor space per worker for retail premises.

This planning proposal includes a requirement that new retail floor space in the expanded retail area is to front and be accessed by a public place. This is to deter ‘inward’ facing retail, such as shopping centres or malls, that could potentially compete with the Town Centre and other planned centres, would not activate the public domain, and may result in significant traffic generation.

This planning proposal will remove Clause 7.7(1) from Sydney LEP 2012. The effect of this change is that the rate that currently applies to other retail (less than 1,000 square metres) will apply to all retail in the LGA going forward. This is to encourage active transport use and to manage potential traffic impacts. Amended parking requirements in the LEP provides clarity around parking expectations for all retail development across the City of Sydney.

This planning proposal makes no change to zoning, floor space ratio or height controls in the Sydney LEP 2012.

5.2. Green Square and Southern Areas Retail Review

This planning proposal is informed by the recommendations of the Green Square and Southern Areas Retail Review (the Review) prepared by SGS Economics and Planning in August 2022 and appended to this planning proposal.

The objective of the Review was to understand the changes to demand and supply of retail floor space in the cCity south area, and to recommend any required changes to planning controls to ensure the retail needs of the community will be met to 2041 and beyond.

5.2.1. Methodology

The Review includes the following analysis:

Planning Proposal - Retail Review and Retail Parking

- (a) a thorough literature review and analysis of the existing policy context;
- (b) discussion of economic trends influencing planning for retail and other land uses, including
 - (i) growth of tertiary industries;
 - (ii) low growth in retail expenditure;
 - (iii) increased popularity of online retail;
 - (iv) growth in 'service-based' retail options which remain differentiated from online retail;
 - (v) changing business trading hours and increasing emphasis on the night-time economy; and
 - (vi) importance of local centres due to shift to working from home;
- (c) summary of the local insights obtained as part of the stakeholder engagement;
- (d) analysis of retail market data, including sales data, rents and vacancies;
- (e) identification of supermarket walking catchments within the local high-density context;
- (f) identification of the local implications of the changing retail climate;
- (g) analysis of current supply of retail floorspace and forecast demand to 2041; and
- (h) a comparative advantage analysis, retail cluster profiling and capacity analysis.

5.2.2. Analysis of findings

Demand and supply

The Review identified a net shortfall in retail floor space across the cCity south area to 2041 where an additional 15,000 square metres of retail floor space is needed close to the Town Centre to address an undersupply and meet retail demand. It found the greatest undersupply in hospitality and services, supermarkets, and other food retail.

The Review identified the greatest retail expenditure, an indicator of demand, emerges from the Town Centre, central areas of the suburb of Waterloo (around Danks Street), the Ashmore Estate and the future Waterloo Estate redevelopment site. This is largely driven by the strong population growth in these areas.

Planning for full-line supermarkets will be a significant factor in meeting projected demand with over \$462 million out of \$1.4 billion expected to be supermarket spending by 2041. The Review found that there will be an undersupply of about 9,000 square metres of supermarket floor space. The largest supermarket under-supply will emerge in the eastern parts of Waterloo, the Town Centre and North Alexandria areas.

The 9,000 square metre shortfall assumes the delivery of an approved Coles supermarket at Emerald City and an additional 2,000 square metres of supermarket floor space anticipated within the Town Centre. However, it does not assume a proposed supermarket at the corner of Bourke and McEvoy Streets, that is currently under consideration in Planning Proposal: 923 Bourke Road, Waterloo.

The Review includes a capacity analysis to determine if there is sufficient capacity under existing planning controls to accommodate the identified shortfalls in retail supply. It found that while small format retail is widely accommodated under current planning controls, opportunity is limited in the

Town Centre. It also found more opportunity was needed to address the undersupply of large format retail, in particular supermarkets.

The Review recommended that the City investigate options to remove sites immediately adjacent to the Town Centre from the City's restricted retail map to create more opportunity for large format retail. This would also be expected to create opportunities for smaller retail premises that prefer to co-locate with anchor retail such as supermarkets.

Implications of trends and influences on flexible floor space

The Review addressed the importance of having appropriate employment floor space in the cCity south area.

It flagged a risk of an oversupply of retail floorspace that is under-equipped to adapt to retail trends and potential shocks. Examples include spaces with low ceiling heights, inadequate/irregular dimensions that lack features to accommodate different retail and other employment uses. This is particularly important given the existing competition that traditional bricks and mortar retailers face from online and out of centre retailing.

It recommended that flexible building formats are required which can adapt to different types of non-residential uses including retail, which futureproof retail centres against uncertainty about the future of traditional retailing.

It noted the cCity south area has a large stock of aged, large format spaces that are affordable and physically flexible for new types of businesses to locate and develop and that they are a key contributor to the area's economic resilience and capability to accommodate new retail formats. As these sites redevelop, it is important that these spaces are replaced with new flexible spaces.

5.3. Retail capacity

This planning proposal creates capacity for large format retail in the right locations

The planning proposal amends the Special Character Areas Map - Retail Premises Map to remove from the expanded retail area the current 1,000 square metres restriction on the amount of consolidated floor space for 'shops' and 'markets'. This allows for single retail tenancies of greater than 1,000 square metres to be developed within the expanded retail area.

The expanded retail area has been identified as the most appropriate location to remove the restriction on retail because:

- it is close to the Town Centre, the major economic and social centre of the cCity sSouth area, with any retail locating in the expanded retail supporting the primacy of the Town Centre, rather than compete with it as a stand-alone centre;
- the Town Centre is reaching development capacity and built and planned retail will not meet demand. Removing the restriction on retail will specifically create opportunities for supermarkets, and this in turn will create opportunities for other retail (small format), that prefers to co-locate with anchor retail such as supermarkets;
- it is located close to public transport at Green Square Station and Waterloo Metro Station, as well as multiple bus routes, reducing the need for private vehicle trips;
- the area is close to key community infrastructure including public plazas, libraries, schools and child care facilities, community centres and public recreation facilities;
- the form of retail development generally aligns with the expected built form in the area;
- the area is close to significant areas of residential density, including major developments at the Town Centre, Waterloo Estate South, Waterloo Metro Quarter;

- for those parts of the expanded retail area that are within the City's enterprise land, recent changes to the planning controls, as part of the City's Planning Proposal: Enterprise Area Review (now finalised) are expected to:
 - catalyse development, creating opportunities for retail floor space in new developments; and
 - result in more investment into the public domain and better pedestrians and cycling connections to the rail and other public transport in the near to medium term; and
 - for those parts of the expanded retail area that are outside of the City's enterprise land, these sites are generally expected to develop over the medium term, creating opportunities for retail development.
- Other parts of the City South area will continue to provide opportunities for other retail development to provide greater amenity to residents, but not so much as to unreasonably impact on the Town Centre.

5.4. Supporting the Town Centre and public domain

This planning proposal maintains the primacy of the Town Centre and supports the vision for the development of North Alexandria.

This planning proposal includes a requirement that new retail floor space in the expanded retail area is to front and be accessed by a public place. This is to deter 'inward' facing retail, such as shopping centres or malls, that could potentially compete with the Town Centre and other planned centres, would not activate the public domain, and may result in significant traffic generation.

The purpose of this provision is to:

- support the vision for the Town Centre; and
- support the vision for North Alexandria.

Green Square Town Centre

The Town Centre is located within the geographic heart of the southern part of the City of Sydney Local Government Area (LGA) and is positioned to be its primary commercial, retail and civic centre. It is one of Australia's largest and most densely populated urban renewal precincts and is identified as a strategic centre in the Greater Cities Commission region plan. This has implications for retail planning in the precinct, especially as the resident and worker population in the precinct is expected to increase substantially.

The Review recommends that additional retail capacity continue to support the primacy of the Town Centre, and not compete as a centre of retail activity. The proposed planning controls, while creating opportunity for supermarkets, will ensure that privately controlled shopping centres and malls, that may contain significant retail floorspace, cannot be developed in the expanded retail area and potentially compete with the Town Centre.

North Alexandria

North Alexandria has been the recent subject of a planning proposal that has now been finalised. This planning proposal and accompanying development control plan envisages a permeable, activated and economically successful precinct through the dedication of land for setbacks and connections.

Most of the expanded retail area is located within the mid-block and south-block of North Alexandria as defined by Figure 10 below. It does not include the fine-grain north-block to the north and the transition areas to the south and west. Mid-block and south-block have the highest density-built form controls (especially around Green Square station) and closest proximity to public transport and high-density residential communities.

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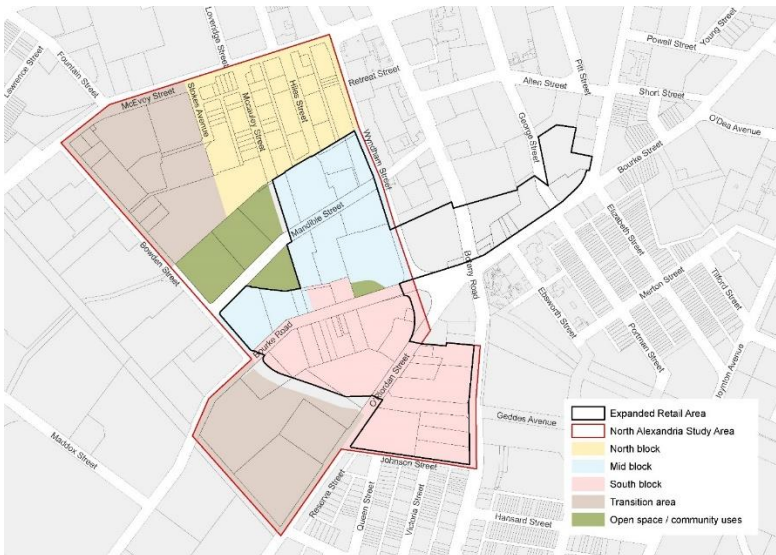


Figure 10 North Alexandria sub-areas

The mid-block (shaded in blue) will evolve into an adaptable mid-rise precinct with generous, flexible layouts to support a diverse enterprise ecosystem of creative and knowledge intensive industries. Dedication of land through redevelopment of larger sites could provide a cleaner transition in built form, scale and legibility with the rest of North Alexandria. Mid-rise buildings will be similar to the typologies of Chippendale and Surry Hills, with a focus on lower rise buildings, large floor plates and ceiling heights and flexible commercial buildings. This will be connected to the north block through new connections facilitated through recently adopted controls in the DCP.

The south block (shaded in red) will evolve into a higher density western gateway to the Town Centre with a smoother height transition to the north. The south-block is for commercial and innovative uses. The recently adopted planning controls also aim to maintain flexibility of use, with more guidance with street wall, setbacks, and articulation (in particular on O'Riordan St and Botany Rd).

This planning proposal seeks to introduce a retail presence in the south and mid blocks, which will integrate with the recently adopted Enterprise Area Review Planning Proposal and DCP controls. The large floorplates, ground floor activation and flexible built form controls recently introduced are well suited to accommodating an expanded retail presence.

Notwithstanding the above, this planning proposal seeks to limit retail to the ground floor in the south and mid blocks of the enterprise area, and the wider expanded retail area, primarily because it extensively limits the risk a shopping centre could be approved as a result of this planning proposal. A shopping centre is not desirable in the expanded retail area because it would:

- compete with retail in the Green Square Town Centre, and the economic primacy of the centre; and
- detract from, rather than contribute to the activation of the public domain;
- generate traffic that would place significant stress on the road network.

While the possibility of including provision in the Sydney DCP (rather than the Sydney LEP) to limit retail on the first floor was considered, without the provision of a clause in the LEP to limit shopping centres and malls in the expanded retail area, there is a significantly greater risk of retail development that is inconsistent with the objectives of this planning proposal and the recommendations of the Review.

New retail floor space immediately adjacent to Green Square Town Centre must be oriented in a way that supports the Town Centre as the primary retail, commercial and community centre in the City south area rather than competing with it.

Having these provisions in the DCP instead of the LEP would be inappropriate as they are not built form controls, nor are they design controls. They instead relate to utilisation of public spaces and supporting the growth of the strategic centre of Green Square Town Centre.

5.5. Parking

This planning proposal introduces maximum parking rates for large format retail applying to the entire local area to encourage public transport use, walking and cycling and to manage traffic impacts associated with large supermarkets.

This planning proposal includes provisions that amend Sydney LEP 2012 to remove the car parking provisions that currently apply to all retail in the local government area over 2,000 square metres, that allows the rate of parking to be established by a site-specific parking study. This will ensure that all retail development in the LGA will have a maximum parking rate that is consistent with those that apply to all other retail development that is less than 2,000 square metres.

The Public Transport Accessibility Map in the Sydney LEP 2012 maps all land within the LGA and categorises depending on its relative access to public transport and services. Car parking rates are more restricted where access is considered high, and less restrictive where access is lower. This recognises that public transport access is not distributed equally across the city, and that parking is necessary to ensure access for employees, customers and visitors to businesses in areas less well served by public transport.

The effect of the proposed change to the car parking rates impacts all retail in the LGA where going forward the following rates are proposed to apply to all retail development:

- category E--1 space for each 60 square metres of gross floor area
- category F--1 space for each 50 square metres of gross floor area
- category D with a floor space ratio of no more than 3.5:1—1 space for each 90 square metres of gross floor area of the building used for those purposes,
- category D with a floor space ratio greater than 3.5:1 the formula $M = (G \times A) / (50 \times T)$ applies where M is the maximum number of parking spaces, and G is the gross floor area of all retail premises in the building in square metres, and A is the site area in square metres, and T is the total gross floor area of all buildings on the site in square metres.

The proposed change is to address a perverse outcome of the current car-parking controls for retail greater than 2,000 square metres. Initially the intention of allowing for a site-specific study to determine the parking rate, under the existing controls, was to encourage the provision of parking rates lower than what was nominated for smaller retail, however that has not been the result in practice.

Continuing to enable relatively high parking rates contradicts the strategic aim of the City in encouraging a broad modal shift from car use to active transport.

Impact of proposed change

Most retail floor space in the LGA is located within the CBD or local centres where retail forms part of fine grain high streets and/or ground floor retail forming part of mixed-use development. This retail floor space generally is less than 2,000 square metres, and therefore would be unaffected by the proposed change to the parking provisions. The only recent example of retail development that exceeds 2,000 square metres in the Surry Hills shopping centre (now built) that has 1 space per 44 square metres of retail space.

The areas more likely to be impacted by the proposed changes to the parking controls are the expanded retail area, identified centres in and around Green Square, and in the City's enterprise areas. These areas have greater potential for development applications for retail over 2,000 square

metres because there are sufficiently large sites with development capacity. Moreover, retail demand is growing in the area as the population grows.

Many of the exiting larger supermarkets in these areas were approved subject to more relaxed parking requirements that were in effect prior to the current parking provisions being introduced in the Sydney LEP 2012. Generally, these rates range between 1 space per 20 square metres to 1 space per 40 square metres of retail space. This rate decreases for specialised retail (bulky goods), that is mostly in the 1 per 50 square metres and 1 per 60 square metres range.

In lieu of any post-2012 development applications for retail over 2,000 square metres that provide a benchmark for recent approvals of large format retail in the area, the City undertook a review of a recent planning proposal that has been lodged with the City by Woolworths for a large supermarket at the 923 Bourke Street, Waterloo. The intent of the review was to better understand the utility of site-specific studies, and whether they remain an appropriate tool to establish parking rates for large format retail.

An initial planning proposal request in January 2022 for the proposed Woolworths Waterloo contained approximately 1 space per 26 square metres of proposed retail floor space. This is significantly higher than 1 space per 50 square metres of retail floor space that would otherwise apply to retail development that is less than 2,000 square metres at this location. This was justified by Woolworths in a site-specific traffic and parking impact assessment.

The City, together with Transport for NSW, undertook a preliminary assessment of Woolworths' justification report and concluded the methodology to determine the rates was inappropriate because it relied on parking benchmarks for supermarkets in more suburban settings. It also did not consider the lower car ownership levels in the inner-city or the high level of accessibility generally available and the likely impacts on the more constrained inner-city road networks. Moreover, there was concern the high rate of parking was intended to extend the 'catchment' or trade area for the supermarket by providing an abundant supply of convenience parking on the site to encourage shoppers to travel to the site by car from a greater distance away.

A revised planning proposal request, including a revised traffic and parking assessment, was subsequently submitted by Woolworths, in response to the concerns raised by council and Transport for NSW about the amount of parking in the initial proposal and the potential impact on the surrounding road network. The revised planning proposal reduced the retail parking provision to 1 space for each 50 square metre of retail floor space. The revised concept scheme from Woolworths proposed 97 retail parking spaces for a total of 4,870 square metres of supermarket and specialty retail, consistent with the parking rate as currently applied for retail development less than 2,000 square metres at this location.

The proposed changes to the retail parking rates seek to remove the need for site-specific studies that can be used to justify parking rates beyond those maximums set out in the Sydney LEP 2012. These elevated rates risk unreasonable impacts on the City's constrained road network and traffic movements, and work against the City's strategic objectives to encourage modal shift towards more public and active transport uses.

5.6. Proximity to Infrastructure

This planning proposal creates opportunity for new large-scale retail close to infrastructure and dense residential populations and employment clusters.

The expanded retail is centrally located in between existing and planned high-density residential areas including Waterloo (particularly around Danks Street), Rosebery (around Epsom Road), the Waterloo Metro Quarter and Waterloo Estate South areas and the Green Square Town Centre itself. It is these areas of growing population where the future demand for retail floor space will come from.

This population growth is accompanied by significant infrastructure investment. The City of Sydney is currently building a road from the Ashmore precinct in Erskineville to the Town Centre that runs through the expanded retail area. The road will break down a currently hostile road environment and establish an important new east-west connection through to Green Square.

A large area of public open space is also proposed along Mandible Street. This investment will unlock hundreds of metres of new building frontage interfacing the public domain. This is a catalyst for redevelopment of properties throughout North Alexandria and will be a community destination. The Green Square public plaza and this future recreation space along mandible street will bookend the expanded retail area.

New infrastructure means sites will become more appealing for retail as well as uses such as office, creative industries and other innovative enterprises with flexible and evolving space requirements as urban services such as concrete batching and bus depots relocate from the area.

This planning proposal does not make any provision or requirement regarding the design and maintenance of public space. However, the recently adopted Enterprise Area Review DCP includes requirements for setbacks and dedication of land for public domain. The draft DCP establishes a consistent and high-quality design approach for public space and a street layout oriented to maximise solar access, sustainable travel behaviours, safety and all abilities access.

The expanded retail area is also shared with the parts of north Alexandria envisioned as high-density employment areas. Additional retail floor space will make North Alexandria even more attractive for businesses.

5.7. Other planning controls

The draft DCP will ensure that the expanded retail area provides flexible and adaptable space

Section 3.4 of the Sydney DCP 2012, which generally applies to the cCity south area, currently includes a hierarchy of planned centres that establishes a framework for the delivery of appropriate retail in appropriate locations.

The Sydney DCP 2012 provisions promote the Green Square Town Centre as the primary retail, community and entertainment centre in the cCity South area, while ensuring the wider network of supporting centres can be easily accessed by residents and workers, provides the day-to-day retail needs of the community and reduces the need for private vehicle use.

The draft DCP largely maintains the current intent and provisions in the Sydney DCP 2012, with some minor changes to update them in line with the outcomes of the Review and the planning proposal.

The draft DCP also introduces additional provisions to guide appropriate retail development in the expanded retail area. These provisions primarily relate to built form dimensions for retail development and are to ensure retail spaces are fit for purpose, but also flexible and able to be used for other employment generating uses over time. This responds to the recommendation of the Review that flexible building formats are required which can adapt to different types of non-residential uses, which futureproof retail centres against uncertainty about the future of traditional retailing.

The draft DCP also includes provisions about retail floor space with a consolidated area of 2,000 square metres. These include:

- additional requirements for the consideration of traffic impacts; and
- where a supermarket is proposed, provisions that promote the management of waste and promote schemes to encourage public recycling.

5.8. Matters for consideration

This section provides a response to the 'matters for consideration' described in Table 3 of the Local Environmental Plan Making Guideline, published by the Department of Planning, Industry and Environment in December 2021, that are to be taken into account when describing, evaluating and justifying a planning proposal.

5.8.1. Section A - Need for the planning proposal

Q1. Is the planning proposal a result of an endorsed LSPS, strategic study or report?

Yes, this planning proposal is the result of a strategic study known as the Green Square and Southern Areas Retail Review, dated August 2022, provided at Attachment A and discussed in detail in Section 5.1 of this planning proposal.

Q2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

A planning proposal is the only way by which planning controls on the site can be changed to allow for accommodate increased retail floor space in the defined area. A planning proposal is also necessary to amend the car parking rates as they apply to large retail premises in the LGA.

5.8.2. Section B - Relationship to 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)?

A Metropolis of Three Cities – the Greater Sydney Region Plan

A Metropolis of Three Cities – the Greater Sydney Region Plan is the NSW Government's overarching strategic document for growth and change in Sydney. The 20 year plan with a 40 year vision seeks to transform Sydney into a metropolis of three cities being the Western Parkland City, the Central River City and the Eastern Harbour City. The City of Sydney LGA is positioned within the Eastern Harbour City.

The plan identifies key challenges facing Sydney including a population increase to eight million by 2056, 817,000 new jobs by 2036 and a requirement for 725,000 new homes.

The plan aspires to deliver the following outcomes:

- liveability – enhancing cultural and housing diversity and designing places for people;
- productivity – developing a more accessible and walkable city and creating conditions for a stronger economy;
- sustainability – valuing green spaces and landscape, improving efficiency of resources and creating a resilient City; and
- infrastructure – ensuring infrastructure supports new developments and governments, community and businesses collaborate to realise the benefits of growth.

To achieve the vision, the plan proposes 10 directions, 40 objectives and associated strategies. This planning proposal is consistent with the following objectives of the Greater Sydney Region Plan:

- Objective 7: Communities are healthy, resilient and socially connected - this planning proposal focusses new retail floor space within and adjacent to centres, providing walkable places at a human scale with active street life while promoting local access to healthy fresh food.
- Objective 12: great places that bring people together - this planning proposal ensures parking availability for retail greater than 2,000 square metres takes into account the level of access by public transport.

- Objective 14: Integrated land use and transport creates walkable and 30-minute cities - this planning proposal supports this objective by enabling additional retail floor space adjacent to Green Square Station and supporting the role of the Green Square Town Centre.
- Objective 15: The Eastern, Greater Parramatta and Olympic Peninsula and Western Economic Corridors are better connected and more competitive – this planning proposal strengthens the economic competitiveness of Green Square by supporting increased concentration of retail floor space on the western edge of the centre.
- Objective 22: Investment and business activity in centres – the proposal facilitates investment in retail floor space in strategic centres, essential to attracting jobs to the area.
- Objective 23: Industrial and urban services land is planned, retained and managed – the proposal provides capacity for large scale retail floor space reducing demand pressure on nearby industrial lands.

Eastern City District Plan

The Greater Sydney Commission released the District Plans for the Greater Sydney Metropolitan Region in March 2018. The District Plans set out how A Metropolis of Three Cities – the Greater Sydney Region Plan applies to local areas. The City of Sydney is in the Eastern City District.

The district plan has set a 20-year strategic target for housing and employment growth within the district, including a 2036 target of 157,500 dwellings and a short-term (5 years) housing target of 46,550 new dwellings. In the City of Sydney LGA, 18,300 dwellings are to be delivered.

This planning proposal is consistent with the following planning priorities of the Eastern City District Plan

- Planning Priority E6: Creating and renewing great places and local centres and respecting the district's heritage - sets out actions and principles for place making and local centres. It addresses amenity, accessibility, and connectivity. Principles for local centres include the ability to adapt to meet community needs such as housing, services, goods, and recreation. This planning proposal uses place-based planning to support the role of centres as a focus for connected neighbourhoods. Retail restrictions are proposed to be removed from sites that allow for retail floor space to flow seamlessly into the Green Square Town Centre while also being close to Green Square Station. This planning proposal ensures that parking provision takes account of access to public transport, walking and cycling connections.
- Planning priority E11: Growing investment, business opportunities and jobs in strategic centres. This planning proposal will grow retail floor space in the Green Square-Mascot strategic centre, making it a more appealing location for businesses to locate. Making this strategic centre more appealing to business will help the centre reach the target set by the Eastern City District Plan for between 75,000 and 80,000 jobs in this precinct by 2036, up from a baseline of 59,500 in 2016.
- Planning priority E12: Retaining and managing industrial and urban services land. This priority specifies that all industrial land should be retained and safeguarded from competing pressures, especially residential and mixed-use zones. The value of industrial land is discussed, extending beyond simply the number of jobs the land provides. This planning proposal proposes to remove retail restrictions on land close to Green Square station. This will reduce retail demand pressure on other parts of the southern enterprise area.

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?

Sustainable Sydney 2030-2050 “Continuing the Vision”

Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This planning proposal is aligned with the following relevant strategic directions and objectives:

Direction 4 – Design excellence and sustainable development, including:

- Objective 4.1 The city's liveability will be enhanced through well planned and designed development.
- Objective 4.2 Productivity will be supported by planning for jobs, innovation and enterprise activities.

Direction 5 – A city for walking, cycling and public transport, including:

- Objective 5.2 Most people use the high-capacity, rapid and frequent public transport network that connects the city and the metropolitan area
- Objective 5.3 More people walk more, because walking is the most attractive and convenient choice for short trips in the local area
- Objective 5.4 More people ride more, because it is an attractive, convenient and safe option for everyday transport

City Plan 2036 - Local Strategic Planning Statement

The City of Sydney Local Strategic Planning Statement (planning statement), adopted by Council in February 2020, sets out the land use planning context, 20-year vision and planning priorities to positively guide change towards the City's vision for a green, global and connected city. The planning statement explains how the planning system will manage that change to achieve the desired outcomes and guides future changes to controls.

In giving effect to the planning statement, this planning proposal delivers on the following priorities and actions:

- Priority L1 - Movement for walkable neighbourhoods and a connected City
 - Action L1.9 - continue to implement, review and update the car parking policies and controls to support the transition to a net-zero carbon and energy-efficient transport system by 2030, continue promoting more efficient modes of transport including walking, cycling and public transport and manage congestion, including planning controls for car parking and servicing, including accessibility mapping, parking rates and market mechanisms to manage parking supply.
- Priority L2 - Creating Great Places
 - Action L2.1 - plan for local communities to be able to access daily needs and essential services including fresh food and health and personal services, within walking distances by providing an appropriate mix of uses, including local retail, services, infrastructure and recreation in local and neighbourhood centres and mixed-use zones supported by adequate floor space on the ground floor (and adjacent floors where appropriate)
- Priority P3 - Protecting industrial and urban services in the Southern Enterprise Area and evolving businesses in the Green Square-Mascot Strategic Centre
 - Action P3.1 - enable economic and specialised sector growth which supports Central Sydney, the Eastern Economic Corridor and the international trade gateways, and contributes towards the jobs targets for the Green Square-Mascot Strategic Centre by retaining and managing the southern enterprise area for industrial and urban services uses while enabling new business opportunities which reinforce the economic role of the Strategic Centre;

Notably, Figure 49 of the LSPS refers to 'local centres,' 'neighbourhood centres' and 'planned centres' with the only planned centres identified being the Waterloo Metro Quarter and Danks Street. This reinforces the findings of the Review to focus new large scale retail floor space in the Green Square Town Centre.

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

Not applicable

Q6. Is the planning proposal consistent with the applicable State Environmental Planning Policies?

This planning proposal is consistent with all applicable State Environmental Planning Policies (SEPPs) and Regional Environmental Plans (REPs), as summarised in Table 1.

State Environmental Planning Policy	Comment
State Environmental Planning Policy (Biodiversity and Conservation) 2021	This planning proposal is consistent
State Environmental Planning Policy (Building Sustainability Index: BASIX) 2004	This planning proposal is consistent
State Environmental Planning Policy (Exempt and Complying Development Codes) 2008	This planning proposal is consistent
State Environmental Planning Policy (Housing) 2021	This planning proposal is consistent
State Environmental Planning Policy (Industry and Employment) 2021	This planning proposal is consistent
State Environmental Planning Policy No 65—Design Quality of Residential Apartment Development	Not applicable to this proposal
State Environmental Planning Policy (Planning Systems) 2021	This planning proposal is consistent
State Environmental Planning Policy (Precincts—Central River City) 2021	Not applicable to this proposal
State Environmental Planning Policy (Precincts—Eastern Harbour City) 2021	This planning proposal is consistent
State Environmental Planning Policy (Precincts—Regional) 2021	Not applicable to this proposal
State Environmental Planning Policy (Precincts—Western Parkland City) 2021	Not applicable to this proposal
State Environmental Planning Policy (Primary Production) 2021	Not applicable to this proposal
State Environmental Planning Policy (Resilience and Hazards) 2021	This planning proposal is consistent
State Environmental Planning Policy (Resources and Energy) 2021	This planning proposal is consistent
State Environmental Planning Policy (Sustainable Buildings) 2022	This planning proposal is consistent
State Environmental Planning Policy (Transport and Infrastructure) 2021	This planning proposal is consistent

Table 1 Consistency with State Environmental Planning Policies and Regional Environmental Plans (REPs)

Q7. *Is the planning proposal consistent with applicable Section 9.1 Ministerial Directions?*

This planning proposal is consistent with all Ministerial Directions issued under section 9.1 of the Environmental Planning and Assessment Act 1979, as summarised in Table 2.

Ministerial Direction	Comment
Focus area 1: Planning Systems	
1.1 Implementation of Regional Plans	Consistent. This planning proposal supports the Region Plan, as discussed in detail under question 3 (above) of this planning proposal.
1.2 Development of Aboriginal Land Council land	Not applicable
1.3 Approval and Referral Requirements	Consistent. This planning proposal does not include concurrence, consultation or referral provisions or identify any developments as designated development.
1.4 Site Specific Provisions	Not applicable as the planning proposal does not apply to a particular development to be carried out.
Focus area 1: Planning Systems – Place-based	
1.5 Parramatta Road Corridor Urban Transformation Strategy	Not applicable
1.6 Implementation of North West Priority Growth Area Land Use and Infrastructure Implementation Plan	Not applicable
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 the Western Sydney Aerotropolis Plan	Not applicable

Ministerial Direction	Comment
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
Focus area 2: Design and Place	No directions in place
Focus area 3: Biodiversity and Conservation	
3.1 Conservation Zones	This planning proposal is consistent
3.2 Heritage Conservation	<p>The objective of this direction is to conserve items, areas, objects and places of environmental heritage significance and indigenous heritage significance.</p> <p>This planning proposal is consistent with this direction because it does not change existing provisions that facilitate conservation.</p>
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
Focus area 4: Resilience and Hazards	
4.1 Flooding	<p>Consistent.</p> <p>This planning proposal contains provisions that apply to flood planning areas but it does not propose to increase the development density of the land.</p>

Ministerial Direction	Comment
	<p>Notwithstanding, this planning proposal is in accordance with the Alexandra Canal Floodplain Risk Management Study and Plan, adopted by the City in accordance with the principles and guidelines of the Floodplain Development Manual 2005.</p> <p>The Plan identifies North Alexandria as being part of the Sheas Creek Sub-Catchment. Some flood modification measures identified in the Plan have already been acted upon by the City as part of infrastructure improvements through the Town Centre development.</p> <p>Non-structural floodplain risk management measures recommended for implementation by the Plan include delivery of the liveable green network, opportunities related to large scale future development and updates to the LEP and DCP.</p> <p>The recently implemented enterprise area review planning proposal applying to most of this precinct facilitates the delivery of these outcomes through redevelopment, public domain improvements and review and regular updates to the LEP and DCP. The recent changes to height and floor space ratio encourages the redevelopment of key sites, enabling delivery of these infrastructure improvements.</p> <p>There have been development applications that have occurred in the land subject to this planning proposal in recent years. They have each supplied detailed reports addressing flood affectation and prepared adequate mitigation measures where required. This includes recent development applications at 5-7 Bourke Road, 15 O’Riordan Street and 22 Mandible Streets.</p>
4.2 Coastal Management	Not applicable
4.3 Planning for Bushfire Protection	Not applicable
4.4 Remediation of Contaminated Land	<p>Consistent – As this planning proposal relates to former industrial land this direction is relevant. However, this planning proposal retains the existing zoning of the subject land and does not introduce more sensitive land uses. The proposal is not considered likely to increase the risk to health or the environment from contamination as the uses remain of a commercial nature.</p>

Ministerial Direction	Comment
4.5 Acid Sulfate Soils	<p>Consistent.</p> <p>This Planning Proposal does not result in an intensification of land uses on land identified as having a probability of containing acid sulfate soils. Parts of this planning proposal area are mapped as Class 3 Acid Sulfate Soils in the City of Sydney sheet map, which means acid sulfate soils are likely to be found 1 metre below the natural ground surface.</p> <p>The objective of this direction is to avoid significant adverse environmental impacts from the use of land that has a probability of containing acid sulfate soils.</p> <p>Notwithstanding, there are development applications that have occurred in the land subject to this planning proposal in recent years. They have each supplied detailed reports addressing the presence of acid sulfate soils and prepared adequate mitigation measures. This includes recent development applications at 5-7 Bourke Road, 15 O’Riordan Street and 22 Mandible Streets.</p>
4.6 Mine Subsidence and Unstable Land	Not applicable
Focus area 5: Transport and Infrastructure	
5.1 Integrating Land Use and Transport	<p>Consistent.</p> <p>The objectives this direction is to improve accessibility, increase transport options, reduce travel demand and dependence on cars, support public transport, and provide for efficient movement of freight.</p> <p>This planning proposal supports this direction by limiting parking for retail development over 2,000 square metres across the City of Sydney LGA. This will reduce dependence on cars and trip generation by car. It also supports the efficient and viable operation of public transport services.</p>
5.2 Reserving Land for Public Purposes	Not applicable
5.3 Development Near Regulated Airports and Defence Airfields	<p>Consistent</p> <p>This direction applies to this planning proposal because planning proposal it “will create, alter or remove a zone or a provision relating to land in the vicinity of a licensed aerodrome.”</p>

Ministerial Direction	Comment
	<p>The land subject to this planning proposal is affected by the Obstacle Limitation Surface (OLS).</p> <p>This planning proposal seeks to remove the restricted retail development provision on certain sites as outlined in this planning proposal. There is no proposed increase in height.</p> <p>The following requirements of this direction are relevant to this planning proposal:</p> <p>In the preparation of a planning proposal that sets controls for the development of land in the vicinity of a licensed aerodrome, the relevant planning authority must:</p> <ul style="list-style-type: none"> (a) consult with the Department of the Commonwealth responsible for aerodromes and the lessee of the aerodrome, (b) take into consideration the Obstacle Limitation Surface (OLS) as defined by that Department of the Commonwealth ,for land affected by the OLS: (c) prepare appropriate development standards, such as height, and (d) allow as permissible with consent development types that are compatible with the operation of an aerodrome <p>This planning proposal is consistent with the above and any further consultation with relevant authorities will be undertaken later in the planning proposal process.</p>
5.4 Shooting Ranges	Not applicable
Focus area 6: Housing	
6.1 Residential Zones	Not applicable
6.2 Caravan Parks and Manufactured Home Estates	Not applicable.
Focus area 7: Industry and Employment	
7.1 Business and Industrial Zones	<p>This planning proposal is consistent.</p> <p>It does not make changes to zoning or reduce the total potential floor space area for employment uses and related public services.</p> <p>It also gives effect to the objectives of this direction by supporting the viability of the Town</p>

Ministerial Direction	Comment
	Centre and protects the broader southern enterprise area for non-retail uses.
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
Focus area 8: Resources and Energy	
8.1 Mining, Petroleum Production and Extractive Industries	Not applicable
Focus area 9: Primary Production	
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

Table 2 Consistency with Ministerial Directions

5.8.3. 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 because of the proposal?

No. it is unlikely that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of this planning proposal.

Q9. Are there any other likely environmental effects of the planning proposal and how are they proposed to be managed?

No.

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

Yes. The social and economic impacts of this planning proposal are discussed in Section 5.1.

5.8.4. Section D - Infrastructure (Local, State and Commonwealth)

Q11. Is there adequate public infrastructure for the planning proposal?

The planning proposal does not increase the density of development in the area. Local infrastructure will be delivered in accordance with the City of Sydney Development Contributions Plan 2015, community infrastructure provisions of the LEP and Council's long term capital works program.

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

To be determined in further consultation with public authorities following Gateway determination.

6. Mapping

This planning proposal is to amend Sydney LEP 2012 Special Character Areas Map - Retail Premises Map Sheets 11, 17 and 18 as shown at *Figure 11* below.

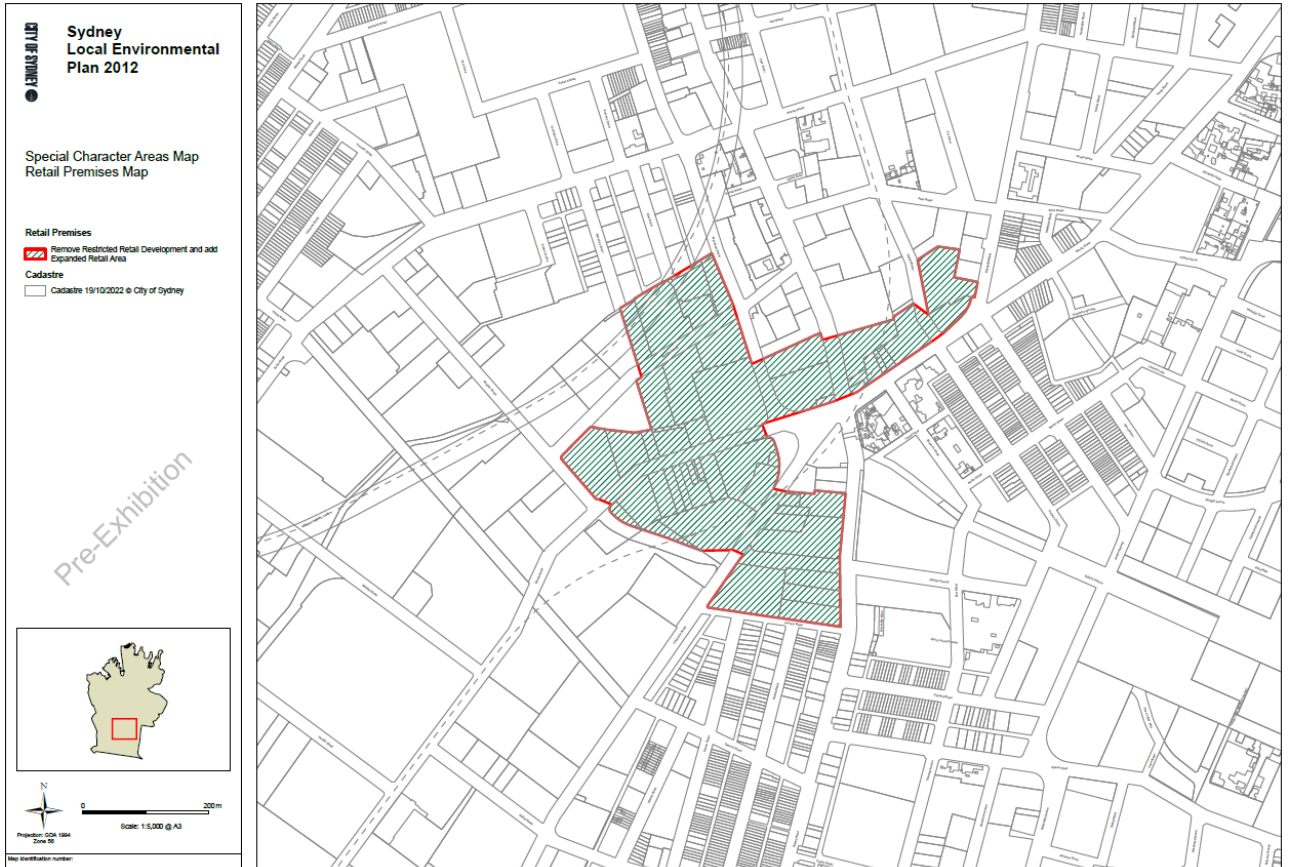


Figure 11 Proposed Special Character Areas Map - Retail Premises Map

7. Community Consultation

~~This planning proposal shall be exhibited in accordance with the requirements of the gateway determination once issued by the Department of Planning and Environment.~~

~~It is anticipated that public exhibition will be for a period of at least 20 working days, which is consistent with the Environmental Planning and Assessment Act 1979 and the recommendation for 'standard' planning proposals under the Department's Local Environmental Plan Making Guideline (September 2022).~~

~~The surrounding community shall be notified of the public exhibition by mail, email, social media and through public exhibition on the City of Sydney website, in accordance with the City's Community Participation Plan.~~

~~Consultation with the necessary NSW agencies, authorities and other relevant organisations will be undertaken as required by the conditions contained within the gateway determination.~~

Community consultation was undertaken in accordance with the requirements of the Gateway determination.

Notification of the public exhibition of this planning proposal was made on the City of Sydney website and in writing to the owners and occupiers of adjoining and nearby properties, up to 75 metres from the site.

The planning proposal was publicly exhibited from 12 April to 24 May 2023, exceeding the minimum requirements for Standard planning proposals under Department of Planning and Environment 's Local Environmental Plan Making Guideline.

The exhibition material was made available on the City of Sydney website.

Consultation with NSW agencies and authorities was undertaken in accordance with the Gateway determination.

The public authorities consulted included:

- Transport for NSW
- Transport Asset Holding Entity of New South Wales
- NSW Environment and Heritage (EHG)
- Fire and Rescue NSW
- Airservices Australia
- Sydney Airport
- Civil Aviation Safety Authority.

8. Project timeline

This planning proposal is categorised as a Standard planning proposal as per the Local Environmental Plan Making Guidelines dated December 2021, the anticipated timeframe for the completion of this planning proposal is as follows:

Stage	Timeframe
Pre-exhibition Council / CSPC report	November 2022
Gateway determination	February 2023
Government agency consultation	March April - May 2023
Public exhibition	March April - May 2023
Review of issues raised in submissions	April June - July 2023
Post-exhibition Council / CSPC report	July August 2023
LEP drafting	August September 2023 to September October 2023
LEP made	October November 2023

Appendix: Drafting Instructions

To achieve the intended outcomes, this planning proposal is to amend Sydney LEP 2012 as follows:

- amend Special Character Areas Map - Retail Premises Map Sheets 11, 17 and 18, as shown at Part 6 of this planning proposal, to remove the restriction on retail from identified sites and to identify the 'expanded retail area';
- add a clause to Part 7 Division 4 Miscellaneous provisions that:
 1. applies to land identified as the 'expanded retail area' on the Retail Premises Map, being the expanded retail area;
 2. identifies the objective of the clause to "ensure retail promotes the economic strength of Green Square Town Centre by limiting the development of private shopping centres and malls and ensuring retail activates the public domain";
 3. ensures development consent must not be granted to development for the purpose of retail premises that are located at first floor or above;
 4. ensures development consent must not be granted to development for the purpose of retail premises that are located at ground level, unless the consent authority is satisfied that all retail premises:
 - (a) have a frontage to a public place; and
 - (b) is primarily accessed by the public directly from a public place.
 5. (4) (above) does not apply to 'food and drink premises';
 6. notwithstanding (4) above, the consent authority may grant development consent for the purpose of retail premises that are located at ground level where it is satisfied the development contributes to the activation of a public place and does not constitute or contribute to a private shopping centre or arcade or malls;
 7. specifies that in this clause, 'public place' is to be defined as it is in the Local Government Act 1993.
- delete Clause 7.7(1) so that going forward all retail premises are subject to the current car parking provisions in clause 7.7(2) for retail premises.

