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NSW Department of Planning and Environment
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mailto:thomas.mithen@planning.nsw.gov.au

Dear Sir,

Eastern Creek Business Hub - SSD-5175 - Supplementary Submission

Introduction

I refer to our on-going discussions concerning this. As you know Westfield lodged an objection to this SSDA during the formal public exhibition process in late 2012. I understand that the applicant lodged a detailed Response to Submissions package to the Department in April 2014, which has been reviewed. I welcome the opportunity to make this supplementary submission as Westfield would like to raise a number of other matters that we consider to be of relevance to the Department's assessment.

Draft Metropolitan Strategy for Sydney to 2031

Since the original exhibition of the SSDA, the State Government released this document for comment over a year ago. Westfield made a submission to this document which reinforced its support for the centres based approach to land use planning advocated in the document. Under *Objective 15: Provide a Good Supply of Retail Space,* the Draft Strategy makes the following Policy Statements on p.52 (our emphasis added):

> **Policy**
>
> *a. Centres of all sizes will be the primary location of retail, at a scale reflecting the level of public transport accessibility.*
>
> *b. Bulky goods (and hybrid warehouse/ecommerce premises) will be located in existing and planned centres or in clusters close to public transport.*
>
> *c. Retailing in industrial zones can occur where it is ancillary to the main industrial use, goods are produced on site or where retailing has industrial-scale impacts, as per the standard instrument definition of 'industrial retail outlet'.*

The SSDA is at odds with this policy.

In the case of bulky goods premises the Draft Metropolitan Strategy also states:

> *Where bulky goods premises cannot be accommodated in or close to existing centres, subregional planning and local planning will need to identify alternative locations (p.52).*

As expressed in our earlier submission, this SSDA proposes a retail facility of a sub-regional scale that will draw on a wide catchment. This has been confirmed in the various additional economic assessments undertaken by the applicant as part of their Response to Submissions. However, it is our opinion that the consistent application of planning policy has potentially given way in this instance to one purely of economics. Given the strong statements contained in the Draft Metropolitan Strategy to align higher order retail centres with public transport provision, suggests that this proposal simply fails to satisfy this test, irrespective of the supposed benefits documented in the applicant's cost-benefit analysis.

We note that the cost benefit analysis submitted as part of the Response to Submissions has sought to address the potential for these uses to be accommodated elsewhere via a sequential test. This includes an assessment of the Mt Druitt Town Centre /Westfield car park. I note that conclusions have been drawn that suggest that there is no potential to support this option. Westfield would contend otherwise and this issue is addressed in further detail in the sections below.

Metropolitan Strategy and Westfield Mt Druitt

The Draft Metropolitan Planning Strategy released last year restates the strategic role of Mt Druitt as a Potential Major Centre. Unplanned centres in close proximity and of a scale such as that proposed in the SSD will fundamentally challenge the ability for this objective for Mt Druitt to be achieved. The Draft metropolitan Strategy contains a number of priorities for the West Central and North West Subregional, within which Mt Druitt is located as follows:

Mount Druitt Potential Major Centre

- *unlock the potential for renewal of public and private housing areas to reinvigorate this well positioned centre in Western Sydney*
- *build on the potential employment opportunities generated by the Western Sydney Employment Area, TAFE campus and Mount Druitt Hospital*
- *strengthen cross-regional transit connectivity through Mount Druitt between the western corridor and the Hills District.*

For these to occur, the major retail facilities such as Westfield Mt Druitt must also succeed.
"…retail uses are the main attractor and when complemented with other economic and social functions they create a hub for the subregion" (draft Metro strategy p.52).
The proposed SSDA does nothing to contribute these outcomes.
The Mt Druitt town centre currently sustains a degree of vacancy, most notably the remainder of the ex-Myer space, remaining from their exit from Westfield's centre some years ago. This space, together with significant areas of at grade space provides a significant opportunity to consider the possibility accommodating the uses on the site. By fragmenting the retail offer in close proximity to Mt Druitt and away from the planned cross regional transit corridors identified in the Draft Metropolitan Strategy, will only serve to dilute the ability for the existing retail offer in Mt Druitt to lend the necessary support for potential complementary uses currently proposed in the SSDA.

The draft Metropolitan Planning Strategy states that *"many larger and most new centres can accommodate bulky goods…premises"*. Based on the scale of uses proposed in the SSD, and having regard to the vacant former Myer space, Westfield has undertaken a high level design analysis to demonstrate the practical ability to accommodate these uses on its site within Mt Druitt. These drawings are attached to this letter. The illustration shows that there is a practical ability to accommodate a significant proportion of uses on the site. The drawings indicate the following:

- Relocation of existing K-Mart to within level 2 of the existing centre.
- Adaptation of existing K-Mart to support stand-alone large format retail with decked car park above.
- Expansion of level 2 floor to provide an upper level mall containing specialities connecting new bulky goods tenant occupying former Myer space and third supermarket.

In other words, the sequential test performed by the applicant has failed to reveal this opportunity to accommodate substantial components of the proposal within Mt Druitt Potential Major Centre. Having done this basic assessment, Westfield are of the view that this SSDA will only undermine metropolitan planning objectives and therefore create an undesirable precedent for new major centres to be established away from existing and planned public transport services.

<u>Consideration of Alternatives – Broader Considerations</u>

The DGRs originally issued by the Department require the EIS that forms part of the SSDA to address all matters in Schedule 2 of the EPA Regulation 2000 – Environmental Impact Statements. Clause 7(b) of Schedule 2 requires at statement of objectives for the development. Furthermore clause 7(c) requires an analysis of any feasible alternatives to the carrying out of the development, having regard to its objectives. These objectives were first listed in the original EIS as being:

> *The objectives for the project have been informed by the vision and details of the Parklands Plan of Management:*
>
> *1. Utilise low value land to contribute to the long term sustainable future of the Parklands and generate jobs for western Sydney.*
>
> *2. Provide for the conservation and rehabilitation of significant landscape elements, including remnant vegetation and threatened species.*
>
> *3. Establish an environmentally and commercially viable framework for the Business Hub*.

The Western Sydney Parklands Plan of Management (PoM) has itself been recently amended to provide further clarity as to the intended specific use for each business hub. In the case of Eastern Creek the Supplement to the WSP PoM identifies retail uses for Eastern Creek However, as the WSPT is <u>not</u> a planning authority, it is considered that this should only been seen as the preferred position of the applicant, not a pre-determined land use planning outcome. This is an important consideration when it comes to properly assessing feasible alternatives as required by Clause 7(c) of Schedule 2.

The unzoned nature of the entire WSP provides an opportunity for development consent to be sought for <u>any form</u> of commercial land use which could potentially capable of meeting the project objectives as listed above. The Response to Submissions provides an assessment of 11 possible sites for establishment of Business Hubs. This assessment is not contested. Rather it's the assumption that Eastern Creek Business Hub will be set aside for retail focused activities rather than being more properly assessed for its capacity to support any type of commercial activity capable of satisfying the stated Project Objectives in the first instance.
Given the recent sale of the former nearby Quarantine Station lands for employment/transport and logistics functions, it can only be assumed that demand for this type of land use on the Eastern Creek site could be reasonably expected in this instance. It is reiterated that the Project Objectives do not refer to any particular type of land use. The consideration of alternate uses is therefore is too narrowly focussed. The cost benefit assessment that has been prepared and submitted as part of the Response to Submission package therefore itself is limited and should be expanded to assess all potential income producing and job creating uses consistent with the Project Objectives.

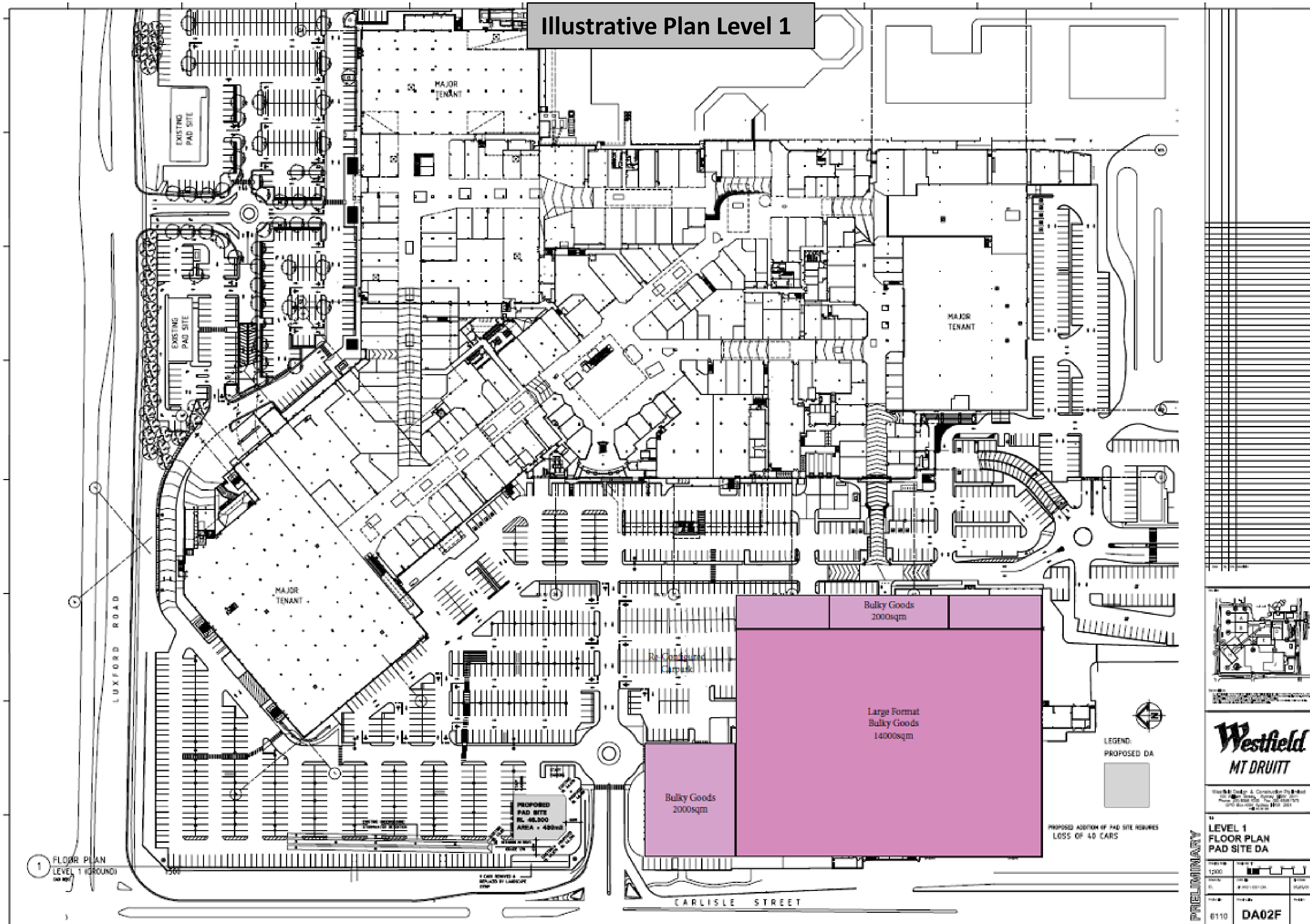
<u>Conclusion</u>

Westfield remains deeply concerned with this SSDA. This letter serves to reinforce our view that the proposal is poorly conceived in a land use planning sense and highlight the on-going uncertainty for retail landlords in existing centres in the absence of a defined and adopted retail centres policy.
In our opinion, the nature and scale of the proposed SSD is misaligned with local, subregional and state planning strategy. Our own appraisal of the sequential test confirms capacity to accommodate a significant quantum of proposed floor space on the Mt Druitt site. More fundamental is that the SSDA fails to properly consider all reasonable alternate income producing land uses that could be considered for the site having regard to stated Project Objectives.
Given that the proponent is a State Agency, Westfield considers that this is a matter that should be brought before the Planning Assessment Commission for determination or at the very least their independent review.

Yours sincerely

John Papagiannis
Development & Asset General Manager

Illustrative Plan Level 1



Illustrative Plan Level 2