

# AGENDA

## GOVERNANCE COMMITTEE MEETING

9 July 2024



You are hereby notified that a **Governance Committee Meeting** of Liverpool City Council will be held at **LIVERPOOL CIVIC PLACE, 11.08 BOARDROOM WIRRIGA (GOANNA) LEVEL 11, 50 SCOTT STREET, LIVERPOOL NSW 2170** on **Tuesday, 9 July 2024** commencing at 10.00am.

Please note this meeting is closed to the public. The minutes will be submitted to the next Council meeting.

If you have any enquiries, please contact Council and Executive Services on 8711 7441.

A handwritten signature in black ink, appearing to read "Jason Breton".

**Jason Breton**

ACTING CHIEF EXECUTIVE OFFICER



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**ITEM 01****Reform of Council's Contributions Planning Framework**

<b>Strategic Objective</b>	Visionary, Leading, Responsible Position Council as an industry leader that plans and delivers services for a growing city
<b>File Ref</b>	175188.2024
<b>Report By</b>	Claire Scott - Coordinator Contributions Planning
<b>Approved By</b>	Lina Kakish - Director Planning & Compliance

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**EXECUTIVE SUMMARY**

This Report is to inform Council on a proposed program to transform Council's Contributions Planning Framework that applies to lands within the Liverpool Local Government Area (LGA).

Under existing conditions, Council's Contributions Planning Framework comprises six (6) "in force" Contributions Plans that apply to development proposals across the LGA. Analysis has shown however that a portion of the existing Framework no longer aligns with Council's infrastructure priorities.

Furthermore, the development yields and/or trends that informed the Plans at the time of their preparation are either no longer applicable or have shifted to such an extent that the contributions being collected are not sufficient to deliver the identified Plan initiatives. In combination, this is placing financial and asset delivery risks onto Council, and reputational risk to our growing communities.

To address this issue, City Planning will commence work on a program to transform Council's Contributions Planning Framework to ensure consistency with industry best practice, effectively meets the infrastructure and services needs of our growing communities, and provides the financial stability required to fund the essential infrastructure and services.

**RECOMMENDATION**

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That the Governance Committee meeting

1. Receives and notes this Report.
2. Notes the phased approach to the transformation program of Council's Contributions Planning Framework, with the initial phase (Phase 1) focusing on the review and reform of the *Liverpool Contributions Plan 2009*, *Liverpool Contributions Plan 2018 – Established Areas*, and *Liverpool Contributions Plan 2018 – Liverpool City Centre*.
3. Receives quarterly updates on the progress of the program to transform Council's Contributions Planning Framework.

**REPORT**

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**Background**

Liverpool City Council has applied developer contributions since 1992, with the first Contributions Plans focused on individual catchment areas such as Green Valley / Hinchinbrook, Casula East, Casula West, Cecil Hills, and Wattle Grove.

Developer contributions are charged by Council when new development occurs. Once collected, contributions help fund essential infrastructure like parks, community facilities, local roads, footpaths, stormwater drainage and traffic management.

As growth accelerated across the LGA, former Plans were consolidated, and new Plans created to effectively manage the provision of infrastructure necessitated by new development proposals.

Under existing conditions, Council currently has six (6) "in force" Contributions Plans that apply to development proposals across the LGA. However, previous repealed Plans (shown in italics below) may still be in operation via Development Application Consent Conditions. Rates collected under repealed Plans are allocated against initiatives in the current Contribution Plans, as incomplete works were carried forward into these Plans.

- Liverpool Contributions Plan 2008 – Edmondson Park
- Liverpool Contributions Plan 2009
  - *Former Liverpool Contributions Plan 2001*
    - *Former multiple – 'Plan 1 – 12'*
    - *Rural areas*

- Liverpool Contributions Plan 2014 – East Leppington
  - Soon to be repealed and replaced by the IPART-reviewed *Liverpool Contributions Plan 2021 – East Leppington*
- Liverpool Contributions Plan 2018 – Liverpool City Centre
  - *Former Liverpool City Centre 2007*
  - *Former Liverpool City Centre 2001*
- Liverpool Contributions Plan 2018 – Established Areas
  - *Former Plan 10 – Established Areas*
  - *Former Plan 11 – City-wide Infrastructure*
- Liverpool Contributions Plan 2021 – Austral and Leppington North
  - *Liverpool Contributions Plan 2014 – Austral and Leppington North*

Council does however have an additional draft Contributions Plan (s7.12) for the Aerotropolis Precinct that is currently awaiting approval from the NSW Minister for Planning and Public Spaces. Being a Section 7.12 Plan, the Plan is considered an interim plan to allow preliminary development to occur within the Aerotropolis Precinct.

It is acknowledged by both Council and the Department of Planning, Housing and Infrastructure (DPHI) that upon Ministerial approval of the draft Aerotropolis (s7.12) Contributions Plan, work will need to commence on the preparation of a corresponding Section 7.11 Contributions Plan for the Aerotropolis Precinct.

### **Section 7.11 Contributions v Section 7.12 Contributions**

Local infrastructure contributions can be collected via two distinct funding pathways – Section 7.11 contributions and Section 7.12 contributions. Detail on the differences between these two funding pathways is provided in Table 1.

*Table 1 – Differences between Section 7.11 and Section 7.12 contributions*

Section 7.11 Contributions	Section 7.12 Contributions
<p>Charged where there is a clear nexus between the development proposal and the infrastructure to be funded.</p> <p>Councils prepare Section 7.11 Contributions Plans that clearly articulates what infrastructure will be provided and approximately how much it will cost. This is used to calculate a contribution rate, usually charged per dwelling or per square metre.</p> <p>Importantly, Councils that want to charge a contribution rate above the threshold set by the Minister for Planning and Public Spaces must submit their Plans to the Independent Pricing and Regulatory Tribunal (IPART) for an independent review.</p> <p>Upon completion of the independent review, the IPART subsequently forwards their recommendations to the Minister for Planning and Public Spaces for consideration and approval. Upon Ministerial approval, Council must amend the draft Section 7.11 Contributions Plan in line with the Ministerial approval and seek Council endorsement to make the changes operational.</p> <p>Once submitted to the IPART for review, IPART-reviewed Section 7.11 Contributions Plans typically take 18-24 months to enact.</p> <p>Section 7.11 was previously known as Section 94.</p>	<p>Charged as a percentage of the estimated cost of the development proposal. The maximum percentage that can be charged in most areas is 1%.</p> <p>To seek a higher rate above the 1% threshold, Councils must submit their Section 7.12 Contributions Plans to the Minister for Planning and Public Spaces for a review. If supported and approved by the Minister, Council must amend the draft Section 7.12 Contributions Plan in line with the Ministerial approval and seek Council endorsement to make the changes operational.</p> <p>Section 7.12 was previously known as section 94A.</p>

### **Case for Contributions Planning Framework Reform**

City Planning commissioned a desktop audit of Council's current Contributions Planning Framework to ascertain the suitability of Framework to effectively fund, and support delivery of, essential infrastructure and services associated with ongoing development growth across the LGA.

In essence, the audit identified that a significant portion of Council's current Contributions Planning Framework is considered outdated in so far that they no longer align to current strategies, policies and environmental plans.

Furthermore, development yields and/or trends that informed the Plans at the time of preparation are either no longer applicable or have shifted to such an extent that the contributions being collected are not sufficient to deliver the identified Plan initiatives.

Specifically, the audit highlighted that:

- Council's Growth Areas are currently facing a significant shortfall in financing the listed land and works program;
- Contributions Plans for the Liverpool City Centre and Established Areas include items that no longer align to the development of the area or vision of Council and the community; and
- Items under the Section 7.12 Contributions Plans are severely underestimated in their costs, making it difficult to achieve their delivery.

In combination, this is placing financial and asset delivery risks onto Council, and reputational risk to our growing communities.

To address this issue, City Planning will commence work on a program to transform Council's Contributions Planning Framework to ensure consistency with industry best practice, effectively meets the infrastructure and services needs of our growing communities, and provides the financial stability required to fund the essential infrastructure and services.

### **Next Steps**

It is proposed to adopt a phased approach for the transformation program, with the initial focus (Phase 1) being on the review and reform of the *Liverpool Contributions Plan 2009*, *Liverpool Contributions Plan 2018 – Established Areas*, and *Liverpool Contributions Plan 2018 – Liverpool City Centre*.

Subsequent phases of the program will focus on the:

- Consolidation of the soon-to-be endorsed *Liverpool Contributions Plan 2021 – East Leppington*, the *Liverpool Contributions Plan 2021 – Austral and Leppington North* and

the *Liverpool Contributions Plan 2008 – Edmondson Park* into a single Section 7.11 Contributions Plan; and

- Preparation of a corresponding Section 7.11 Contributions Plan for the Aerotropolis Precinct.

Phase 1 of the transformation program is anticipated to take up to two (2) years to complete. Timelines may be shortened however if corresponding reviews by the IPART and the Minister for Planning and Public Spaces are expedited.

Under this proposal, at the conclusion of the transformation program Council would potentially have six (6) or seven (7) Contributions Plans in operation across the LGA. As a 'Growth' Council with fragmented rural lands, this is a favorable outcome when compared with the our following neighbouring LGAs:

- Blacktown City Council – 16 Contributions Plans, as well as VPA's for urban release / growth areas;
- Penrith City Council – 13 Contributions Plans, 2 draft Section 7.11 Contributions Plans with IPART and 1 draft Section 7.12 Contributions Plan with the Minister for Planning and Public Spaces; and
- Camden Council – Five (5) Contributions Plans (one Plan covers three growth precincts (South West Growth SEPP) and noting that Camden has single precinct ownership (VPA's for urban release / growth areas).

## **FINANCIAL IMPLICATIONS**

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To ensure the success of the transformation program, Council must allocate the necessary resourcing as a priority. Apart from financial resourcing, Contributions Plans require extensive strategic planning input to support and justify the need and demand for infrastructure, especially if the Plans are to be subject to IPART and Ministerial reviews.

Internal resourcing of Phase 1 of the program is expected to be fully funded from existing contributions levies applied under existing Section 7.11 Contributions Plans in operation (i.e. administration levy).

The engagement of Consultants to support gaps in the strategic planning analysis underpinning the transformation program will be funded from City Planning 'Consultancies' funds in Council's 2024/25 OPEX budget.

Should additional funding be required, a further Report will be prepared and referred to Council for consideration at a future Ordinary Meeting of Council.

## **CONSIDERATIONS**

<b>Economic</b>	<p>Further develop a commercial centre that accommodates a variety of employment opportunities.</p> <p>Deliver and maintain a range of transport related infrastructure such as footpaths, bus shelters and bikeways.</p> <p>Provide efficient parking for the City Centre.</p>
<b>Environment</b>	<p>Manage the environmental health of waterways.</p> <p>Protect, enhance and maintain areas of endangered ecological communities and high-quality bushland as part of an attractive mix of land uses.</p> <p>Raise community awareness and support action in relation to environmental issues.</p> <p>Promote an integrated and user-friendly public transport service.</p> <p>Support the delivery of a range of transport options.</p>
<b>Social</b>	<p>Raise awareness in the community about the available services and facilities.</p> <p>Preserve and maintain heritage, both landscape and cultural as urban development takes place.</p> <p>Regulate for a mix of housing types that responds to different population groups such as young families and older people.</p>
<b>Civic Leadership</b>	<p>Provide information about Council's services, roles and decision-making processes.</p> <p>Deliver services that are customer focused.</p> <p>Operate a well-developed governance system that demonstrates accountability, transparency and ethical conduct.</p> <p>Actively advocate for federal and state government support, funding and services.</p>
<b>Legislative</b>	Environmental Planning and Assessment Act
<b>Risk</b>	<p>The risk is deemed to be High.</p> <p>Contribution Plan caused by underfunded asset delivery resulting in significant funding shortfall in project delivery. The risk is considered outside Council's risk appetite.</p>

## **ATTACHMENTS**

Nil



<b>ITEM 02</b>	<b>Principal Planning Proposal to establish a new Liverpool Local Environmental Plan - Report Back on Investigation Findings</b>
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<b>Strategic Objective</b>	Evolving, Prosperous, Innovative Implement planning controls and best practice urban design to create high-quality, inclusive urban environments
<b>File Ref</b>	180128.2024
<b>Report By</b>	Luke Oste - Coordinator Strategic Planning
<b>Approved By</b>	Lina Kakish - Director Planning & Compliance

## **EXECUTIVE SUMMARY**

At its Ordinary meeting of Council on 29 May 2024, Council resolved (PLAN 05) to endorse the Principal Planning Proposal to establish a new Liverpool Local Environmental Plan, subject to further amendments being made to the Planning Proposal package.

This report summarises the actions taken in response to the Council resolution, specifically points 7-13.

## **RECOMMENDATION**

That the Governance Committee receives and notes this report.

## **REPORT**

### **Background**

At its Ordinary meeting on 29 May 2024, Council resolved to endorse the Principal Planning Proposal to establish a new Liverpool Local Environmental Plan, and to forward it to the Department of Planning, Housing and Infrastructure (DPHI) for a Gateway determination.

Further to the staff recommendation, an additional seven points were added by Council. This report summarises the actions taken in response to each of these additional resolution points.

7. Makes the following changes / amendments to the proposed Principal Planning Proposal before issuing to the Department of Planning, Housing and Infrastructure;

- a) *Council extend northern boundary to Memorial Avenue and southern boundary to Charles Street of Amendment 52 boundaries and further investigates additional sites within the city centre that are capable of developing within the controls set out in Amendment 52 of the Liverpool LEP 2008, including but not limited to larger sites that do not require amalgamation;*

The locations referenced in the resolution are assumed to be the areas highlighted yellow in Figure 1. The Principal Planning Proposal will be updated to reflect this. However, it is worth noting that there are several risks associated with the extension of the bonus provisions under Clause 7.5A, as discussed below.



Figure 1: Additional Land Proposed for Inclusion in Area 8 (highlighted in yellow)

Amendment 52 to the *Liverpool Local Environmental Plan 2008* aimed to incentivise mixed-use development in the Liverpool City Centre. A key part of Amendment 52 was the introduction of Clause 7.5A. Clause 7.5A provides development bonuses in Floor Space Ratio (FSR) and Height of Building (HOB) to certain areas (Area 8, 9 or 10) of the City Centre if the development site has two frontages and a minimum lot size of 1,500m<sup>2</sup>. Other requirements under Clause 7.5A also apply to the proposed development itself to encourage mixed use developments.

As part of Amendment 52, characteristics such as ownership, subdivision, street patterns, and the role of the public domain were reviewed to establish character precincts. An urban form that responds to the character of each precinct was also developed, with different building typologies encouraged through a range of controls in Chapter 4 of the Liverpool Development Control Plan (DCP) 2008.

In late 2023, the Commercial Lands Investigations (**Attachment 1**) were undertaken by Mecone to inform the LEP Review. This work included an assessment of Amendment 52, and whether further boundary adjustments or changes to the clause were required. This involved a detailed assessment of lot sizes, development history and market factors.

The investigation found that in circumstances where a site is sufficiently sized and can be acquired at an economic price, Clause 7.5A incentives can make it more attractive to develop. Few sites in Area 8 (area adjacent to the Memorial Avenue & Charles Street block) however fell into this category, with numerous impediments to development identified for these locations (e.g. large portions of fine-grain subdivided land).

As a result, Mecone only recommended an additional section (between George Street and Goulburn Street) be included in Clause 7.5A (as part of Area 9), with no further inclusions recommended. These changes have been included in the Planning Proposal. Upon investigation, there are no further obvious locations to extend the Amendment 52 boundaries given distances to public transport, fragmented subdivision patterns, and the substantial quantity of land already covered by bonus provisions under Clause 7.5A.

- Memorial Avenue Extension – This area currently benefits from a HOB of 80m and FSR of 2.5:1. Clause 7.5A Area 8 provisions however will allow a development to exceed the specified HOB and implement a FSR of 10:1, representing a 300% increase in FSR. This will facilitate an abrupt transition down to development in the west along Castlereagh Street, which is characterised by a HOB of 35m and FSR of 2.15:1. This raises amenity concerns like overshadowing and privacy, as well as potential negative impacts on the heritage item located at 115 Castlereagh Street (Item No. 77).
- Charles Street Extension – Given the intent of Amendment 52, residential zoned land in the City Centre was excluded from the bonus provisions. The extension of Area 8 to Charles Street however will capture land zoned R4 High Density Residential (R4 zone) and does not align with the purpose of this amendment.

This is also reflected in Clause 7.5A(2) which requires 20% (proposed to be reduced to 15%) of a development to be used for a listed use in the clause (e.g. entertainment facilities, function centres, medical centres etc.). A number of these uses however are not permissible uses in the R4 zone and are inconsistent with the zone objectives.

In terms of uplift, the site is characterised by a 45m HOB and 2:1 FSR. The bonus will incentivise residential development of a scale that is out of character with existing / future development for the remainder of the R4 zoned land located to the west. Furthermore, a substantial increase in scale will have amenity implications given the current topography and resulting overshadowing impacts to the south-east.

These various issues will be assessed at the Gateway stage by DPHI and discussed further. There is a risk that these changes will either not be supported or require additional investigations to inform a robust justification.

***b) Council rejects the rezoning of 300-324 Hume Highway, Liverpool and keep it zoned infrastructure and strongly encourage TfNSW to continue with that upgrade;***

The Principal Planning Proposal will be updated to reflect this amendment. Since the Council meeting on 29 May, Transport for New South Wales (TfNSW) have written to Council (**Attachment 2**) requesting the amendment be reconsidered in light of the below concerns.

TfNSW have stated that the resolution is inconsistent with Section 9.1 of the *Environmental Planning and Assessment Act 1979*. Local Planning Direction 5.2 of the Ministerial Directions empower TfNSW to direct a Council to rezone land when it is not required for a public purpose. As TfNSW has formally submitted requests for this land to be rezoned, DPHI may still request for the rezoning of this sites to be progressed once a Gateway determination is issued.

Additionally, four of the identified properties are currently in private ownership. These include the following burdened sites:

- 310 Hume Highway (Lot 130 DP 597060)
- 312 Hume Highway (Lot 1 DP 1074663)
- 314 Hume Highway (Pt Lot 11 DP 2819)
- 316 Hume Highway (Pt Lot 10 DP 2819)

Some of the affected landowners have made requests to TfNSW for acquisition on the grounds of hardship. These have not been supported by TfNSW as the land is not required for infrastructure purposes and they have sought a Council rezoning from the current SP2 zone.

TfNSW have also noted the significant emphasis by State Government for the evaluation of surplus land portfolios held by public agencies to increase land available for housing. They have stated that the proposed parcels will help contribute to the delivery of housing.

***c) 27 and 29 Grove Street, Casula, notes TfNSW's communication that it is surplus land and keep the zone as is;***

The Principal Planning Proposal will be updated to reflect this. As noted above however from the TfNSW correspondence (**Attachment 2**), DPHI may be unsupportive of this amendment as it is inconsistent with the relevant Ministerial Direction.

***d) 39 Grove Street, Casula to be rezoned R2 as per the recommendation;***

Whilst no further action is required, the TfNSW correspondence (**Attachment 2**) has noted Council's address and ownership records are incorrect. Council records show the subject lot as No. 39 Grove Street and privately owned. TfNSW have advised the subject lot is known as No. 37 Grove Street and owned by TfNSW already.

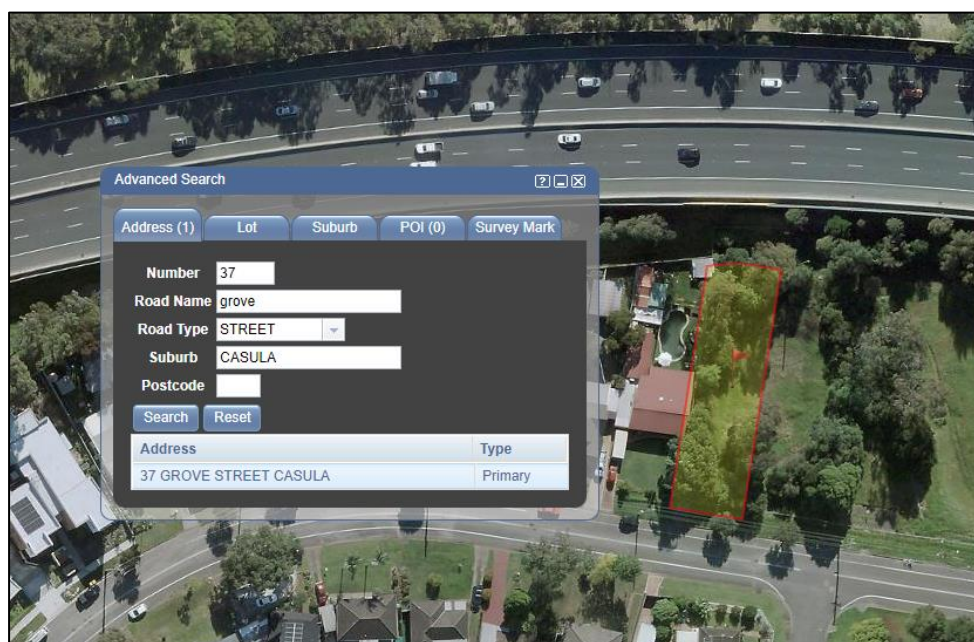


Figure 2: Address Details from SixMaps

**8. Investigates options to encourage basements in the R2 and R3 zone, including basement parking up to the footprint of the house be excluded from the calculation of Floor Space Ratio (FSR) as part of a comprehensive review of the Liverpool Development Control Plan 2008, and any necessary changes to the LEP;**

Controls to encourage the delivery of basements are best placed within the Liverpool Development Control Plan (DCP) 2008, where parking controls are located (similar to the approach taken by Sutherland Shire Council in their DCP). This investigation can therefore be managed through a future DCP review with no further changes required to the Principal Planning Proposal at this stage.



**9. Investigate possible gateway sites (entrances to the LGA) to encourage key site development to be welcoming (including appearance uplift, signage, gardens, entrance uplift and density controls), including but not limited to the following locations:**

- *Elizabeth Drive from Flowerdale Road to the Hume Highway,*
- *Hume Highway from Casula (Crossroads),*
- *The Hume Highway at Warwick Farm, and*
- *Newbridge Road Moorebank.*

As part of the Principal Planning Proposal, a Gateway Sites clause has already been proposed. The clause is intended to provide design requirements that facilitate high quality architecturally designed buildings at key entry / exit points to the LGA.

It is noted however that the clause is not intended to provide additional density to new developments. Most of the identified Gateway Sites are zoned for employment and located on main road corridors. An increase in density (particularly in the absence of supporting traffic and visual modelling) is likely to have unintended impacts.

A number of the Gateway Sites are located on flood prone land, where further density may be inappropriate. The widespread application of density bonuses to Gateway Sites will also undermine the overall Commercial, Industrial and Residential Land Principles which informed the Planning Proposal. These Principles were endorsed by Council to ensure a consistent approach be applied to rezoning land across the LGA, whereby uplift corresponds directly with infrastructure and service provision.

In any case, it is noted that some Gateway Sites benefit from density uplift arising from other changes proposed under the Principal Planning Proposal, or separate site-specific planning proposals (e.g. Holsworthy Town Centre Planning Proposal).

In response to the other matters raised (e.g. signage, appearance / entrance uplift, gardens) it is noted that the clause is already proposed to include the following design considerations for a development:

- Enhance and reinforce gateway sites;
- Contribute positively to the public domain;
- Show a high standard of architectural design;
- Demonstrate sustainable building design principles;
- Retain and enhance the natural environment;
- Minimise the visual impact of parking;

In relation to signage, signs relating to the identification of the Liverpool LGA are separate to signage (e.g. business identification signage) which would be proposed on these sites. As such, it is not a consideration in the proposed clause. Signage for the identification of the LGA can be further explored by Council Operations or City Design and Public Domain team. As part of the Principal Planning Proposal, a comprehensive review of all LGA entry points / visually prominent locations was undertaken, and a total of nine Gateway Sites were selected.

Three of the locations (Hume Hwy, Casula, Hume Hwy Warwick Farm & Newbridge Rd, Moorebank) identified in the resolution have already been captured as Gateway Sites in the Planning Proposal (see Figure 3 below)

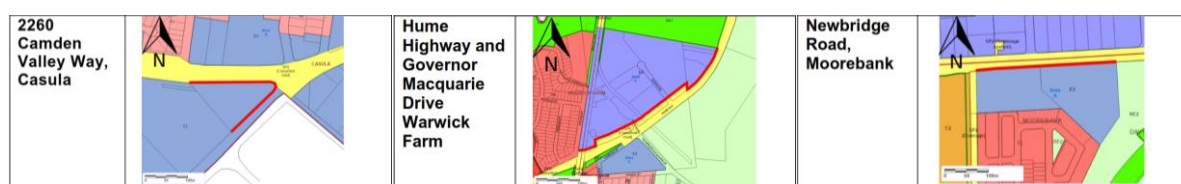


Figure 3: Snippet from Principal Planning Proposal Table of Gateway Sites

The remaining nominated location of 'Elizabeth Drive from Flowerdale Road to Hume Highway' is shown in Figure 5 below. Land zoned E3 Productivity Support (E3) near Flowerdale Road is primarily small sites with fragmented ownership and limited development potential. The E1 zoned lot at the corner of Park Road includes a service station and is proposed to be rezoned to E3 to reflect this established use. Both locations are of an insufficient size for significant redevelopment, have limited amenity and back onto land either zoned R3 Medium Density Residential or R2 Low Density Residential.



Figure 4: Land Use Zoning Map showing Elizabeth Drive

Moreover, due to Findley Park and the topography of Elizabeth Drive, the entry into the LGA from this road already benefits from an excellent vista of the Liverpool City Centre, which functions as a natural gateway. A gateway in the form of development envisioned under the Gateway Sites clause is therefore not considered warranted in this location.



*Figure 5: Elizabeth Drive adjacent to Findley Park at LGA boundary with Fairfield City Council*

**10. Requests the Department of Planning, Housing and Infrastructure finalises Landcom’s Mod 5 application to support the delivery of additional housing supply in the Liverpool LGA;**

A letter addressed to the Department has been prepared at the drafting of this report and will be issued shortly.

**11. Supports the NSW Government’s Diverse and Well-Located Housing reforms and writes to the Department to be applied to the area around Edmondson Park Train Station and as part of that letter also explores application to access the \$200mil fund into improving green spaces and sporting facilities;**

A letter to the Department has been prepared at the drafting of this report, which addresses this matter as well as point 16 and will be issued shortly. It is noted however that further details (i.e. criteria and application form) about the \$200 million dollars of financial incentives will not be able until the second half of 2024.

**12. Initiate community consultation to inform the community of the progress and proposed changes of the LEP so that they are briefed pre-gateway determination; and**

A webpage within the Liverpool City Council website has been established, which answers frequently asked questions in relation to the LEP and provides a status update of the project. A LEP mailing list can also be subscribed to through the website for more frequent updates and links to resources. Currently there are approximately 90 registered subscribers at this stage.



- 13. Urgently write to State Government informing Council's response to their housing targets and the increase dwelling capacity that this LEP will provide and encourage its timely approval through gateway as well as the other planning proposals in the system.**

A letter to the Department has been prepared at the drafting of this report, which addresses this matter as well as point 11 and will be issued shortly.

## **FINANCIAL IMPLICATIONS**

There are no financial implications relating to this recommendation.

## **CONSIDERATIONS**

<b>Economic</b>	Further develop a commercial centre that accommodates a variety of employment opportunities. Facilitate economic development.
<b>Environment</b>	There are no environmental considerations.
<b>Social</b>	Preserve and maintain heritage, both landscape and cultural as urban development takes place.
<b>Civic Leadership</b>	There are no civic leadership and governance considerations.
<b>Legislative</b>	Division 3.2 and 3.4 of the <i>Environmental Planning and Assessment Act 1979</i> .
<b>Risk</b>	The risk is deemed to be Low.  Council's rejection of TfNSW rezoning request presents an inconsistency with Local Planning Direction 5.2 of the Ministerial Directions for a planning proposal. There is a risk that this change will not be supported by DPHI at Gateway given this inconsistency.  The adjustment to Amendment 52 boundaries is not considered to be consistent with the intent and approach used for this Planning Proposal and lacks technical justification. There is a risk that these changes will either not be supported or require additional investigations to inform a robust justification.  The risk is considered within Council's risk appetite.

## **ATTACHMENTS**

1. Mecone Commercial Lands Investigation
2. Transport for NSW Correspondence Dated 14 June 2024

PREPARED FOR:

**LIVERPOOL  
CITY  
COUNCIL**

# Liverpool LEP Review

Stage 2

**Commercial Lands  
Investigations**

NOVEMBER 2023




**Mecone****STZ**  
SMITH & TZANNES**Atlas**  
ECONOMICS  
ANALYSIS. INSIGHTS. OUTCOMES.

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REVISION	REVISION DATE	STATUS	AUTHORISED: NAME & SIGNATURE	
1.0	20.11.2023	Issued	Mehra Jafari	
1.1	23.11.2023	Updated	Mehra Jafari	
1.2	30.11.2023	FINAL	Mehra Jafari	

\* This document is for discussion purposes only unless signed and dated by the persons identified. This document has been reviewed by the Project Director.

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## 1 Introduction

The Liverpool Local Government Area (LGA) is located in the Western Parkland City and is at the heart of the Aerotropolis Metropolitan Cluster. The LGA is experiencing substantial growth and there is a need to ensure centres can respond to this growth and emerging commercial and retail trends. Retail offerings have evolved over the last decade, with recent developments including two full-line supermarkets on Camden Valley Way and the Hume Highway and Ed. Square Shopping Centre at Edmondson Park. The retail sector is also undergoing change which has been accentuated by the impacts of COVID-19, with implications for the demand for retail floorspace and the type of retail offerings in centres. Simultaneously, the demand for commercial floorspace is changing in response to structural changes influencing how businesses use space and changing market expectations for the nature and quality of commercial stock.

Liverpool City Council is preparing a planning proposal for a new Liverpool Local Environmental Plan to replace Liverpool Local Environmental Plan 2008 (LLEP 2008). The new LEP will implement actions from strategic planning documents, studies and strategies which have been completed over the past few years. Particular studies of relevance to commercial lands include:

- Local Strategic Planning Statement 'Connected Liverpool 2040'
- Centres and Corridor Strategy.

A LEP Review Scoping Report was exhibited in late 2022 as part of early community and stakeholder engagement prior to the preparation of a planning proposal. This report, prepared as an addendum to the Centres and Corridor Strategy reflects additional technical investigations to inform and support the preparation of the planning proposal for the new LEP. It reflects the outcome of collective investigations undertaken by the project team led by Mecone (urban planning), Atlas Economics (economic feasibility) and Smith and Tzannes (urban design).

## 2 Background

A Centres and Corridors Study and a Centres and Corridors Strategy were prepared in 2020. These investigated the key trends influencing demand for retail and commercial floor space, the current and planned floorspace supply at the time and issues for future planning. These included the floorspace gap across the LGA, access to retail facilities and the competitiveness of centres for commercial floor space.

The key findings of the study were that:

- Town centres were likely to growth slightly by approximately 4.8% between 2019 and 2036. Some expansion of the retail floor space could be accommodated in existing town centres. No new centres are required.
- Retail floor space demand in the local centres was predicted to be relatively static into the future, with the possibility that some centres may decline. However, these centres provide an important role in providing convenience retail for the day to day needs of nearby communities. A transition in use to take advantage of trends toward food and hospitality should be encouraged.



- Neighbourhood centres may decline or become unviable as they are not anchored by supermarkets and may suffer increased competition from online retail and larger centres.
- The forecast demand for commercial floorspace as a result of population-driven growth was an additional 16,541 m<sup>2</sup> outside of the Liverpool City Centre. This could be accommodated in existing centres given the redevelopment potential of some centres and the expected development in the new centres in Middleton Grange, Holsworthy, Edmondson Park and Austral.
- Demand for strategic floorspace would be predominantly business serving and located towards locations most attractive to businesses – the Liverpool City Centre.

The strategy updated the LGA-wide retail hierarchy established in 2012 redefining the role of Liverpool's centres and corridors to provide direction for future planning. It also included as an action to 'Review land use planning controls to ensure quality built form outcomes and ensure consistency with the revised retail hierarchy.'

## 2.1 The centres hierarchy

Liverpool's 49 existing and planned centres can be grouped under six types of centres, including:

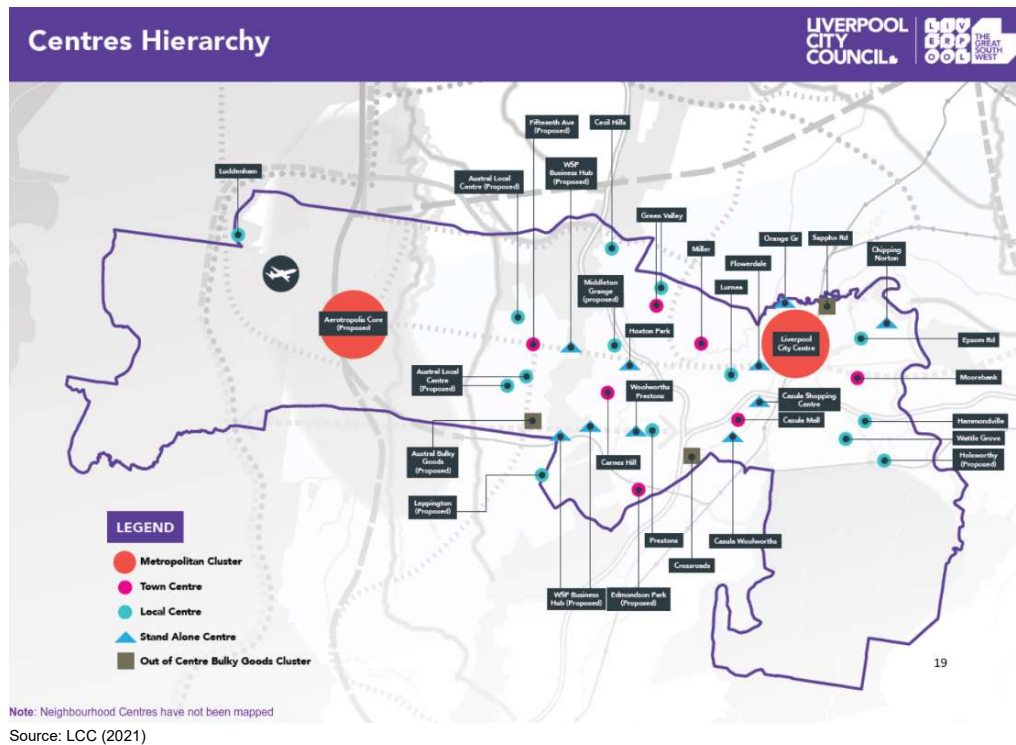
- **Metropolitan Clusters** which are regional-scale, high order centres providing a broad range of retail, commercial, civic and community services. The Liverpool City Centre is the LGA's primary commercial centre, featuring commercial office development, a high concentration of retail offerings and higher order services. Once complete, the Aerotropolis Core will be of a similar scale and hierarchy. The Aerotropolis Core is not part of this study as planning controls are contained in the SEPP (Precincts – Western Parkland City) 2021.
- **Town Centres** which are large retail-based centres providing some level of community and civic services. These include Moorebank, Casula, Carnes Hill, Green Valley, Edmondson Park, and Miller. These centres feature at least one full-line supermarket and a range of speciality retail stores. Social infrastructure and some other services are co-located in these centres. The centres are well served by public transport and are characterised by good pedestrian accessibility.
- **Local Centres** which are smaller retail centres and community hubs primarily play a convenience based role for their surrounding resident catchments. These centres are generally anchored by a supermarket and may include some smaller retail offerings and social infrastructure. There is good pedestrian accessibility from the surrounding residential development to these centres. Examples include Holsworthy, Hammondville, Lurnea, Prestons, Middleton Grange and Green Valley.
- **Stand-alone Centres** which are also smaller, convenience based centres but are not community hubs.
- **Out-of-centre Bulky Goods Clusters** which specialise in the provision of bulky goods retailing. These are car-based locations along major road corridors.
- **Neighbourhood Centres** are the smallest centres and play a minor, convenience based role.

There are also parcels of land with a commercial zone which are not included in the centres hierarchy. LLEP2008 applies to 39 of the centres across the Liverpool LGA.





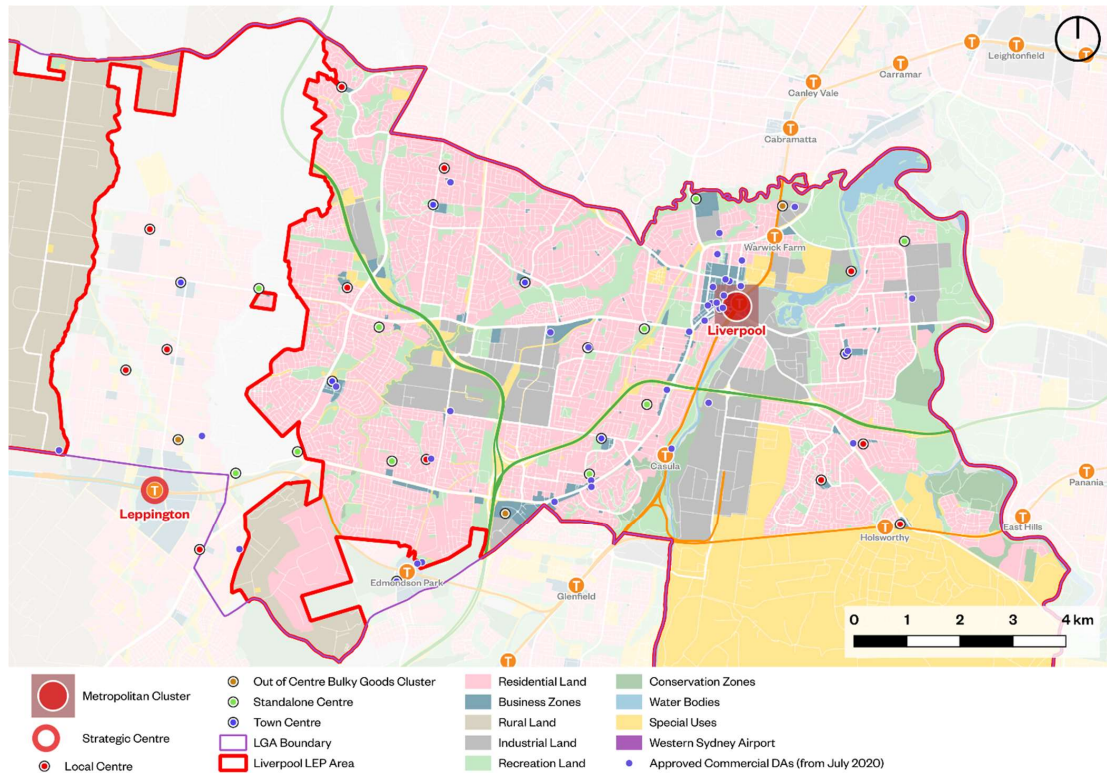
FIGURE 1: CENTRES HIERARCHY, LIVERPOOL LGA



## 2.2 Recent development on commercial land

SINCE JULY 2020, APPROVALS HAVE BEEN ISSUED FOR 43 NEW DEVELOPMENTS HAVE BEEN APPROVED ON COMMERCIAL LAND (NOTE: THIS EXCLUDES DEVELOPMENT LESS THAN \$50,000 AND HOME BUSINESSES). THE GREATEST PROPORTION ARE LOCATED IN THE LIVERPOOL CITY CENTRE, AND SEVEN APPROVALS ARE FOR MIXED USE DEVELOPMENT INCLUDING A RESIDENTIAL COMPONENT ON THE UPPER LEVELS. OTHER APPROVALS IN THE CENTRE ARE FOR HEALTH SERVICES FACILITIES, BUSINESS PREMISES, RETAIL PREMISES AND FOOD AND DRINK/RESTAURANT USES. THE OTHER APPROVED DEVELOPMENTS ARE MAINLY USES RELATED TO FOOD AND DRINK AND ARE DISTRIBUTED ACROSS A RANGE OF SMALL CENTRES AS INDICATED IN



**FIGURE 2: LOCATION OF RECENT DEVELOPMENT ON COMMERCIALLY ZONED LAND**

## 2.3 Overview of proposed changes

Liverpool City Council has adopted a series of “LEP Principles” to guide the management of land under the new LEP. The principles specific to commercial land are:

1. Provide for the retail needs of the Liverpool LGA into the future.
2. Enable redevelopment of centres which will provide both commercial and residential uses.
3. All centres, regardless of their hierarchy are to have a height of building development standard of 12m or less to limit the height of buildings across all centres within the LEP, with exclusions such as the Liverpool City Centre and centres subject to planning proposals.

**THE SCOPING REPORT AND APPENDIX B – COMMERCIAL EXHIBITED BY COUNCIL IN 2022 RESPONDS TO SPECIFIC ACTIONS IDENTIFIED IN THE LIVERPOOL CENTRES AND CORRIDORS STRATEGY, INCLUDING HOW THEY WOULD BE ACHIEVED WITHIN THE NEW LEP.**

Table 1 provides a summary of the current controls for each centre category and the proposed changes.



TABLE 1: DEVELOPMENT STANDARDS IN CENTRES – LLEP2008

CENTRE CATEGORY	CURRENT CONTROLS	PROPOSED CHANGE
<b>Liverpool City Centre</b>	Land zone – MU1 Mixed Use and E2 Commercial Core  Height of building – varies 18m to 100m  FSR – 2:1 to 10:1  Minimum lot size – 1,000m <sup>2</sup> Additional local provisions apply	Review controls introduced through Amendment 52 to LLEP2008. This amendment introduced Clause 7.5A which provides incentives for development within specific areas of Liverpool City Centre, provided specific requirements are met.
<b>Town Centres</b> <ul style="list-style-type: none"> <li>• Moorebank</li> <li>• Casula</li> <li>• Miller</li> <li>• Carnes Hill</li> <li>• Green Valley</li> </ul>	Land zone – E1 Local Centre  Height of building – 21m (a part of Moorebank is 18m to aid transition to residential land)  FSR – 1.7:1  Minimum lot size – 1,000m <sup>2</sup>	12m maximum height of buildings, and undertake further investigation on applicable development standards e.g. Floor Space Ratio.
<b>Local Centres</b> <ul style="list-style-type: none"> <li>• Cecil Hills</li> <li>• Wattle Grove</li> <li>• Hammondville</li> <li>• Lurnea</li> <li>• Prestons</li> <li>• Green Valley</li> <li>• Epsom Road, Chipping Norton</li> </ul>	Land zone – E1 Local Centre  Height of building/ FSR: <ul style="list-style-type: none"> <li>• 15m and 1.2:1 or</li> <li>• 18m and 1.5:1</li> </ul> Minimum lot size – 1,000m <sup>2</sup>	Apply a 10m maximum height of buildings, and undertake further investigation on applicable development standards e.g. Floor Space Ratio.  Note: No changes are proposed for Holsworthy and Middleton Grange as these are subject to separate planning proposals.
<b>Neighbourhood Centres</b> <ul style="list-style-type: none"> <li>• Sinclair Road, Ashcroft</li> <li>• Willan Drive, Cartwright</li> <li>• Rose St/Gill Ave, Liverpool</li> <li>• Grimson Lane, Liverpool</li> <li>• Alfred Road, Chipping Norton</li> <li>• Maryvale Ave, Liverpool</li> <li>• Bobbin Road, Sadlier</li> <li>• Reservoir Road, Mount Pritchard</li> </ul>	Land zone – E1 Local Centre  Height of building/ FSR <ul style="list-style-type: none"> <li>• 21m and 1.7:1 (Ashcroft and Cartwright)</li> <li>• 18m and 1.5:1 or</li> <li>• 15m and 1.2:1</li> </ul> Minimum lot size – 1,000m <sup>2</sup>	Apply development standards which align controls in adjoining R4 zone at: <ul style="list-style-type: none"> <li>• Ashcroft (Sinclair Road)</li> <li>• Cartwright (Willan Drive)</li> </ul> In other locations, apply a 10m maximum height of buildings, with further investigation on applicable development standards e.g. Floor Space Ratio.



CENTRE CATEGORY	CURRENT CONTROLS	PROPOSED CHANGE
<ul style="list-style-type: none"> <li>Khancoban Street, Heckenberg</li> <li>Marsh Parade, Casula</li> <li>15<sup>th</sup>/22<sup>nd</sup> Ave, West Hoston</li> <li>Boundary Road, Liverpool</li> <li>De Meyrick Ave, Casula</li> </ul>		Note: No changes are proposed for Goulburn St, Warwick Farm and Mannix Parade Warwick Farm as the current controls align with the adjoining R4 controls.
<b>Stand-Alone Centres</b>	Land zone – E1 Local Centre	Apply a 10m maximum height of buildings, and undertake further investigation on applicable development standards e.g. Floor Space Ratio.
<ul style="list-style-type: none"> <li>Casula Shopping Centre</li> <li>Hoxton Park/Dorrigo Road</li> <li>Chipping Norton</li> </ul>	Height of building/ FSR: <ul style="list-style-type: none"> <li>15m and 1.2:1 or</li> <li>18m and 1.5:1</li> </ul>	
	Minimum lot size – 1,000m <sup>2</sup>	Note: No changes are proposed for Casula Woolworths, Prestons Woolworths and Orange Grove as these were previously subject to separate planning proposals. No changes are proposed to Flowerdale as it is on Hoxton Park Road, a major road leading to the City Centre.
<b>Business Corridors</b>	Land zone – E3 Productivity Support	Apply a 10m maximum height of buildings, and undertake further investigation on applicable development standards e.g. Floor Space Ratio.
<ul style="list-style-type: none"> <li>Camden Valley Way, Edmondson Park and Chipping Norton</li> <li>Hoxton Park Road, Prestons</li> <li>Hume Highway, Casula</li> <li>Elizabeth Drive, Liverpool and Ashcroft</li> <li>Cowpasture Road, Len Waters Estate</li> </ul>	Height of building/ FSR: <ul style="list-style-type: none"> <li>Varies 8.5m to 18m</li> <li>Varies: 0.6:1 to 1:1</li> </ul>	
	Minimum lot size – 2,000m <sup>2</sup> / 1,000m <sup>2</sup>	Note: No changes are proposed for sites subject to separate planning proposals.
<b>Non-Hierarchy Areas</b>	Land zone – E1 Local Centre	Review the land use zone and development standards in relation to the existing and/or likely future use of the site.
This is land which generally contains a historical business zoning and may or may not been developed for commercial uses as intended. This land does not form part of the Liverpool Centre Hierarchy.	Height of building/ FSR: <ul style="list-style-type: none"> <li>Varies 12m to 21m</li> <li>Varies: 1:1 to 1.7:1</li> </ul>	
	Minimum lot size – 1,000m <sup>2</sup>	



### 3 Scope and Methodology

This report assesses the impact of changes to maximum building height for the centres proposed in the Scoping Report and investigates proposed development standards for commercially zoned land.

The scope of work undertaken includes:

- Analysis of the structural and market trends influencing the demand for commercial and retail floorspace in the centres to provide an understanding of demand and supply in a post-COVID-19 environment.
- Testing of financial feasibility and design outcomes of proposed planning controls (specifically heights) on development (up to 6 sites).
- High level review of Council's retail hierarchy and planning controls to reinforce the hierarchy.
- Analysis of the numerical controls applicable to the Liverpool City Centre to determine if changes are required.
- Recommended LEP controls for commercial land.

The investigations have not reviewed the zone or controls which apply to 'non-hierarchy areas' i.e. land which is commercially zoned, and does not form part of the centre hierarchy.

Although analysis of Liverpool City Centre has been undertaken, the provision of recommendations for changes to planning controls is out of the scope of this study.

In this report, 'commercial land' refers to land zoned E1 Local Centre, E2 Commercial Centre, E3 Productivity Support and MU1 Mixed Use under LLEP2008. 'Commercial development' refers to the range of land uses that operate on a commercial basis, and includes office premises, business premises and uses such as food and drink premises, tourist and visitor accommodation, child care premises etc.

#### 3.1 Design/ Yield Testing

Yield testing allows a better understanding of the actual capacity of real lots and the implications of the changes to planning controls. Although planning controls apply proportional limits to development based on lot area, many aspects of the actual yield are based on the relationship between these controls, the physical dimensions of the land, topography, orientation and floorspace layouts. When the block shape, width, depth and area change, so does the efficiency with respect to how well-designed development can be achieved.

The yield testing was accompanied by feasibility testing to determine the viability of the development and likelihood that the planning controls will result in completed development.

The lots tested were representative of the lots to which height changes are proposed. The sample included individual lots where possible, or those on the periphery of the centres that are currently not developed. Testing was not undertaken on the redevelopment of existing shopping centre developments as these often require greater development capacity than provided for by the current LEP controls for major redevelopment of the site.



## 3.2 Feasibility Testing

Whether a site is feasible for development requires consideration of its existing use and buildings. In existing urban areas (like Liverpool), existing uses can be valuable.

Generic feasibility testing has been undertaken on select sites with observations aggregated to consider the site-specific and/or location-specific factors that influence the feasibility of the tested development typologies.

The following steps inform an understanding the impact that proposed changes have on the feasibility of development of the selected sites:

- Desktop research and assessment of existing-use values (noting the absence of property or financial information regarding leases and rents).
- Generic feasibility testing of conceptual yields from design testing under existing planning controls and under proposed planning controls.

The feasibility testing of conceptual development yields identifies site values associated with yields under the existing and proposed planning controls. These 'site values' represent the price a developer could afford to pay for a site in order to develop to the tested yields. If the 'site values' are greater than the earlier assessed existing-use values, development is considered feasible. If the site values are lower than the existing-use values, there is no incentive for a landowner to sell the site to a developer and the site will remain 'as is'.

Generic feasibility testing is based on high-level revenue and cost assumptions and does not consider site-specific nuances typically considered in detailed feasibility analysis. Notwithstanding, the analysis is considered appropriate in examining the feasibility of the range of development typologies at a strategic and generic level.

## 4 Feasibility Considerations

The feasibility of development is largely subject to site-specific factors. The cost of land (i.e., cost to a developer) is arguably the key factor that influences the feasibility of development in existing urban areas. Depending on the cost of land, development may or may not be feasible. The cost of land will be determined by many factors including:

- The quality and size of existing buildings
- The existing uses (which could include leases with long remaining terms).
- The existing planning controls.

Two adjacent sites could have different values due to having different existing buildings on them. A single storey strip shop and two storey commercial building would have different values and accordingly different feasibility thresholds. This is despite the two adjacent sites having the same planning controls.

Generally, the feasibility of development can be assessed by the hypothetical development method. This is also referred to as the residual land value (RLV) approach.

The RLV approach involves assessing the value of a hypothetical development, considering total potential revenue and development costs, and making a further deduction for the profit and risk a developer would require. The RLV is the 'residual' i.e., the amount that remains. It represents the maximum price a developer



would be prepared to pay for a site for the opportunity to develop a particular development scheme and achieve target hurdle rates for profit and project return. This thought process is shown below in Figure 3.

**FIGURE 3: RESIDUAL LAND VALUE**

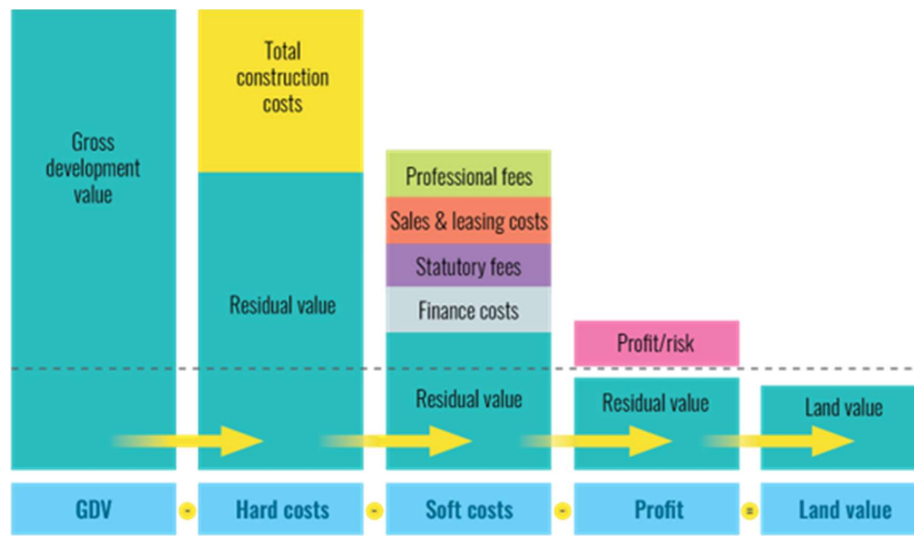


Table 2 provides greater detail of the various costs and revenue assumptions/ inputs that underpin an assessment of development feasibility.





TABLE 2: FEASIBILITY INPUTS/ ASSUMPTIONS

INPUT	DESCRIPTION
<b>COSTS</b>	
Cost of Land	Market value of the site which is influenced by: <ul style="list-style-type: none"> <li>Existing buildings and uses</li> <li>Leases and remaining expiry terms, any break clauses and tenant disruption payments</li> <li>Development potential under existing planning controls</li> </ul>
	Transaction costs including due diligence, stamp duty, legals
Total construction costs	Build cost (hard and soft)
	Professional fees
	Contingency
Government authority policy and planning obligations cost	DA and CC fees, long service levy
	s7.11 or s7.12 contributions
	Housing and Productivity contributions
	Sydney Water charges (proposed)
Selling costs	Sales commissions (1.5% to 3.5% of gross sale revenue)
	Marketing costs (1%-2% of gross sale revenue)
	Legal costs (\$1,500 per sale)
Holding costs	Land tax,
	Council and water rates (up until project completion/ sale of completed floorspace)
Finance costs	Interest expense
	Finance costs
<b>REVENUE</b>	
End Sale Values	Expected sale prices/ lease rates of completed product



Other inputs to a feasibility assessment include:

- Timing and staging
- Target hurdle rates (profit margin, project return)

Target hurdle rates are subject to perceived risk of a project (planning, market, financial and construction risk). The higher the project risk, the higher the hurdle rate. The following performance indicators are commonly relied upon:

- Development margin is profit divided by total development costs (including selling costs).
- Discount rate refers to the project internal rate of return (IRR) where net present values of an investment is zero.
- Residual Land Value is arrived at by assessing the maximum land value a developer is willing to pay based on both hurdles of development margin and discount rate being met.

The benchmark hurdle rates shown in Table 3 are commonly assumed.

**TABLE 3: BENCHMARK HURDLE RATES**

	FEASIBLE	MARGINAL	NOT FEASIBLE
Development Margin	>20%	18%-20%	<18%
Project IRR	>18%	16%-18%	<16%

*Source: Atlas*

A feasibility input sheet is provided in Appendix B.

## 5 Strategic Context

Development within the commercial areas is informed by and responds to strategic policy directions and market trends. The key strategic policy directions at regional and local level are outlined in this section. Relevant market trends are discussed in Section 5.

### 5.1 Greater Sydney Region Plan

The Greater Sydney Region Plan, *A Metropolis of Three Cities* (2018) sets a 40-year vision (to 2056) and establishes a 20-year plan to manage growth and change for Greater Sydney in the context of social, economic, and environmental matters. *A Metropolis of Three Cities* integrates land use, transport, and infrastructure planning between the three tiers of government and across State agencies. A key focus of the plan is to



rebalance the spatial distribution of housing and jobs to increase the number and diversity of jobs in Western Sydney.

The new Western Parkland City will be founded on the existing centres of Liverpool, Greater Penrith and Campbelltown-Macarthur and their commercial, health and education assets will support the growing communities. Health and education are identified to continue play an important role in Sydney's economic growth, with the Liverpool Health and Education Precinct being a key employer and contributor to prosperity in the Western Parkland City.

## 5.2 Western City District Plan

The Western City District Plan is a 20-year plan to manage growth in the context of economic, social, and environmental matters to achieve the 40-year vision for Greater Sydney. It is a guide for implementing the Greater Sydney Region Plan, *A Metropolis of Three Cities*, at a district level and is a bridge between regional and local planning.

The Liverpool City Centre is the predominant commercial precinct in the LGA, identified as a 'Metropolitan Cluster and Health & Education Precinct'. The potential to grow this location is focused on investment and activities of government in health and education. The District Plan sets a jobs target of 36,000 – 39,000 jobs in Liverpool City Centre by 2036.

The District Plan identifies the key role that centres play in providing local employment, access to goods and services, social and community infrastructure and transport interchanges. Planning for local centres should include protecting or expanding retail and/or commercial floor space and employment opportunities, supporting the night-time economy, augmenting or providing community facilities and services, increasing residential development within or within walkable distance of centres and providing parking that is adaptable to future uses and takes account of public and active transport connections.

## 5.3 Six Cities Discussion Paper

In late 2022, the Greater Cities Commission released the Six Cities Discussion Paper to stimulate conversation about future strategic planning for the Six Cities Region. Local jobs and economics and Inclusive places linked to infrastructure were identified as among the Region Shapers to guide the development of the next round of Region and City Plans.

The Discussion Paper noted that the new City Plans will set job targets for each of the size cities and across four categories of jobs (Knowledge intensive, health and education, population serving and industrial). It also notes that the Region Plan will recommend incentives, planning changes and encourage investment and skills creation needed to achieve the targets.

The new City Plan currently being prepared will provide further details relating to the job targets for Liverpool LGA. This is anticipated to be exhibited later this year.



## 5.4 Local Strategic Planning Statement

Liverpool's LSPS, *Connected Liverpool 2040* is Council's long-term plan to shape Liverpool's future and help guide the development of suburbs and balance the need for housing, jobs and services as well as parks, open spaces and the natural environment. It lists the planning priorities across four areas: Connectivity, Productivity, Liveability, and Sustainability.

The LGA has a number of centres differing in size and function, with the LSPS asserting that Liverpool is quickly becoming a business and commercial destination of choice. The Strategy notes that centres act as important focal points for the local community, especially when co-located and well-integrated with gathering places such as cafes, restaurants, and social infrastructure. The Liverpool City Centre is identified as having significant strategic assets, including the nearby health and education precinct, close access to a train line, a river providing significant amenity potential, availability of commercial land and a diverse population.

The LSPS recognises the significant role health and education plays in Liverpool, with two hospitals, multiple university campuses, TAFE, and associated research facilities in the local area. This health and education precinct contributes to the employment of over 15,000 local health and knowledge workers in the LGA, with this number set to increase to 30,000 by 2036. Student numbers are also fast growing, with the LSPS noting the potential for Liverpool to be home to more than 5000 university students and 8000 TAFE students by 2027.

The development of the Western Sydney International Airport is identified by the LSPS as a future catalyst for investment in a wide range of knowledge-intensive industries. The Western Sydney Aerotropolis is expected to generate significant employment and economic opportunities for Liverpool and the broader South West region. The LSPS sets a jobs target of 2,500 per year, to be realised through the Economic Development Strategy 2019-2029.

## 5.5 Centres and Corridors Strategy

The objective of the Strategy is to ensure that there are adequate, appropriate, and accessible retail services for Liverpool's residents into the future. This is to be achieved by maintaining and strengthening the viability of existing centres, ensuring that centres have a high level of amenity for workers, shoppers, residents, and visitors. The strategy also aims to guide future growth, ensuring that new centres are well planned and connected. It notes that the creation of additional new retail centres should be avoided due to limited demand and the potential impact on existing centres.

The Strategy defines the retail hierarchy for the Liverpool LGA, the role, features and development priorities for each of the centres. Together with a set of guiding criteria for planning proposals, this sets the following policy framework:

- Centres are important focal points for the local community and provide convenient access to retail for the local community.
- All larger centres are to be protected and their viability ensured.
- New centres may be needed in the future to meet the demands of the growing population but the impact on the economic viability of existing centres must be considered.
- All centres (except neighbourhood centres) must retain the existing amount of retail and commercial floorspace in future developments.



- Liverpool City Centre is the primary centre and significant future development of the centre is likely.
- Town centres are the priority locations for retail and service development outside the City Centre.
- Some expansion of local centres may be appropriate.
- Redevelopment or expansion of town centres and local centres must show improved design integration with local context.
- Neighbourhood centres are vulnerable to decline and may accommodate a reduced retail component if they are in decline or have experienced long term vacancies.
- Stand-alone centres should only be expanded if there is limited capacity elsewhere, if they can act as a town or local centre in the future and if there will not be a substantial viability impact on town or local centre.
- Out-of centre bulky good clusters should only accommodate traditional retail and service development if the proposed premises cannot reasonably locate elsewhere and only constitute a small proportion of the total floor space of the centre.

## 5.6 Liverpool Innovation Precinct

The Liverpool Innovation Precinct is located in Liverpool City Centre. The vision for the precinct is to transform the city through health, education and research innovation. Key to this vision is:

- investment in Liverpool Hospital to expand clinical and health services
- clustering of educational institutions including university campuses, research institutes, TAFE, schools and early childhood facilities and vocational and educational training.
- commercial development and emerging industries.
- improved transport linkages to Western Sydney Airport and infrastructure to support logistics and freight businesses.

## 6 Market trends

This section explores the market trends relating to retail and office uses, which will inform future demands for retail and commercial floorspace.

### 6.1 Retail Land Uses

The retail sector has been at the forefront of structural change over the past 24-36 months following the outbreak of COVID-19 in March 2020. Whilst the longer-term impacts of the COVID-19 pandemic on spending habits and



trends are yet to fully materialise and remain difficult to quantify, some of the more obvious longer-term impacts more likely to persist include:

- **Higher Online Retail Penetration Rates:** Whilst falling from its peak in mid-2021 during the height of COVID-19 lockdowns, online retail penetration rates across Australia have settled at higher levels than pre-pandemic (10.6% in September 2022, ABS). Looking forward, retail penetration levels are expected to grow further. CBRE, for example, project that total online spending will account for 24% of all Australian retail spending by 2030 (CBRE, 2020). This will provide greater competition for physical retailers, erode some demand for physical floorspace and change the format of that which does remain.
- **Changing Shopping Habits:** The pandemic has emphasised the importance of localised shopping facilities and the value of local stores. It has demonstrated the capability of physical retail to provide functions which online retail cannot – the ability to touch, feel and inspect product; the ability to connect with friends, clients and colleagues in person; instant product fulfilment and return and the experience of being in an active and engaging physical space. Consumers may come to value local, unique and independent retailers more and direct a greater proportion of spending towards such physical retail.

Physical retailers who provide convenience or experience are likely to be more resilient. Those without these characteristics are likely to see reductions in demand. The pandemic has also shown the vulnerabilities of discount non-food retailers, which often cannot be outcompeted on price online.

- **Changing customer location:** The pandemic has the potential to spatially alter where consumers live and work. This, in turn, would impact on the quantity, type and location of retail floorspace needed at the local level. It is likely that more “office-based” workers will work from home more often, lowering aggregate demand for physical space in office locations. More informal work attire may reduce demand for some types of apparel (e.g. workwear).

More households may value the lifestyle choice offered by non-metropolitan locations if they have lesser need to be in the office, leading to more city to regional migration. This would lower city-based retail demand but raise suburban/ regional retail demand and lead to more distributed demand.

The above trends will reduce retail floorspace demand for some retail store types and alter the format, location, role, and size of other types of retail floorspace, which may or may not reduce demand. The project team anticipate that *overall* demand for physical retail floorspace will fall moderately (circa 10%-15%) over the coming decades as a result of higher long-term online retail penetration across. The severity of impact varies across retail store types, operators and locations. It is highlighted that future retail demand remains highly uncertain due several unknown variables, including government online sales taxation/ legislation; new retail formats/ trends; the extent to which online retailers seek physical stores and new technology.

## 6.2 Commercial land uses

Demand for office and business floorspace is driven by structural trends at the macro level which influence how businesses use and require space. At the micro level, the characteristics of floorspace are driving demand for space in centres and individual sites.



### 6.2.1 Hybrid (Flexible) Working

The key structural change in relation to office and business floor space is hybrid (flexible) working. This refers to a working arrangement in which office-based workers split their working week between the office, their home and in some cases a third space such as a co-working facility, library or local coffee shop.

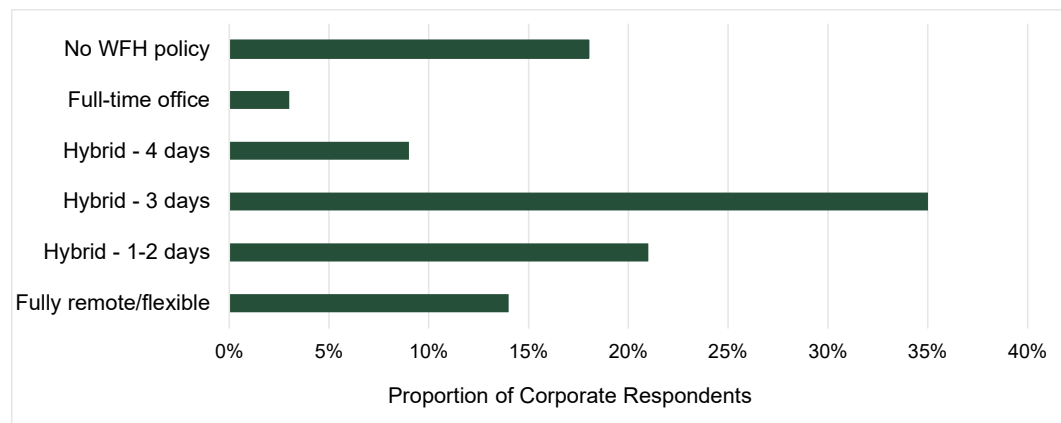
Government mandates during the COVID-19 pandemic to contain the spread of the virus obligated all workers who could work from home (WFH) to do so. Millions of formerly office-based employees instantly gave up their daily commutes and workplaces. Hybrid working was a trend already underway prior to the pandemic; however, the pandemic accelerated the realisation of this structural change from perhaps 5-10 years to 12-24 months.

Rather than leading to a collapse in output which had been feared, WFH led to the following outcomes:

- Organisations realised how some tasks could be performed at home with either neutral or positive productivity impacts.
- Employees valued the travel time and cost savings that WFH provided and its greater flexibility.
- Employers accepted the employee engagement benefits of hybrid working arrangements and the financial benefits achievable through reducing or consolidating their physical office footprint.

Hybrid working is now the default position for Australian corporates with office-based workers (**Error! Reference source not found.**). Two-thirds of corporate occupiers have a hybrid working policy and 14% are fully remote. Only 3% of office workers are in the office 5 days a week. The average Australian worker now spends over a quarter of their working week (27%) outside the office.

**FIGURE 4: AUSTRALIAN CORPORATE WORKING-FROM-HOME (WFH) POLICIES BREAKDOWN**



Source: Atlas Economics/The Aussie Corporate, March 2023

The entrenchment of hybrid working within office-based businesses has had major ramifications for aggregate demand in the commercial office sector. Overall, hybrid working has a negative impact on per person office demand as occupiers do not need to provide space for all full-time employees to have a permanent desk.



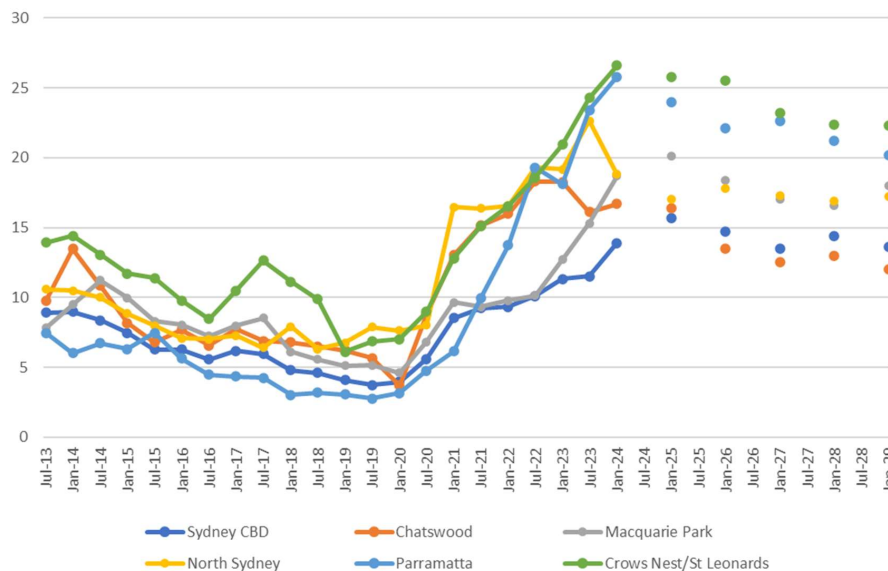
## 6.2.2 Shifting Market Expectations

In a post-COVID-19 market, occupier demand is focusing on high amenity, best quality contemporary office space at the expense of older-style buildings (secondary grade stock).

The shift in market expectations towards quality space with high amenity is directly observable in rent and vacancy data. Vacancy rates in all office markets have remained elevated since 2020. All office markets are 'working through' the floorspace that is currently vacant. Landlords are offering generous incentives and tenants have the ability to 'pick and choose' office premises that suit their requirements. Existing office buildings and new office developments are in competition to capture investment from a smaller pool of tenants. Secondary rents are under significant pressure amid a flight to quality.

Figure 5 shows historical vacancy rates in Sydney's metropolitan office markets to Q2 2023. These vacancy rates are forecast to continue towards the end of the decade in 2028.

**FIGURE 5: VACANCY RATES (HISTORICAL AND FORECAST), SYDNEY METROPOLITAN OFFICE MARKETS**



Source: PCA (2023)

## 6.3 Recent Market Activity

The trends observed in Greater Sydney's largest office markets are also playing out in the Liverpool City Centre. As at October 2023, the Liverpool City Centre recorded an overall office vacancy rate of 4.3% (Arealytics, 2023). Vacancy is, however, much higher in the secondary grade office market (i.e. B Grade and lower), with vacancy levels above 10% compared to just 1.6% in the A-grade market (Arealytics, 2023).





Whilst this points to sustained demand for quality office space in the City Centre, market investigations suggest soft demand is resulting in some proposed office developments being unable to secure sufficient precommitments need for construction financing. For instance, marketing for Stage 2 of the Liverpool Civic Place (20,000m<sup>2</sup>) commenced in 2020. The University of Wollongong had originally intended on occupying the building; however has reconsidered its floorspace options. A new anchor tenant has yet to be secured, with no other precommitments to the building agreed to date.

The reduction in aggregate demand for office floorspace and the shift in market expectations is relevant for minor office markets like those in the Liverpool LGA. Until vacancy rates return to 'normal' levels (5%-10%) across Greater Sydney's other major office markets, effective rents will remain depressed and negatively impact the feasibility of new office development in all markets. These present challenges to the viability of new office development across the Liverpool LGA, and indeed all office markets.

## 6.4 Future Commercial Demand

The demand projections for commercial floorspace carried out in the *Liverpool Centres and Corridors Study* (SGS, 2020) were based on the former TZP2016 v1.51 (TZP16) employment projections prepared by Transport for NSW (TfNSW). Under TZP16 projections:

- The Liverpool City Centre was expected to record employment growth of ~5,100 jobs over 2021-2036, reaching just under 27,000 jobs by 2036. Approximately 31% of these new jobs were anticipated in the 'Knowledge Intensive' sectors.
- The Liverpool LGA was projected to grow by some 38,000 jobs over the 2021-2036 period, with a total jobs base of ~128,000 by 2036.

Using these projections and having regard to expected population growth, the *Liverpool Centres and Corridors Study* estimated that the Liverpool City Centre could require around 26,000 m<sup>2</sup> and 20,500 m<sup>2</sup> of additional commercial and retail floorspace by 2036.

The most recent employment projections prepared by TfNSW are known as TZP22 and were released in November 2022 (TfNSW, 2022). Under TZP22:

- The Liverpool City Centre is expected to record employment growth of ~5,800 jobs over 2021-2036, reaching just under ~26,700 jobs by 2036. This is around 13% *higher* than that expected in TZP16.
- The Liverpool LGA is projected to reach a total jobs base of ~145,000 by 2036, following growth of ~57,000 jobs over 2021-2036. This is 49% *higher* than that anticipated in TZP16.

Notably, TZP22 expects around 83% of jobs growth in the Liverpool City Centre between 2021-2036 will be driven by the Health and Education sectors. Knowledge Intensive sectors, which are the predominant occupiers of commercial floorspace, are instead expected to *decline* over this period.

Table 4 summarises the employment projections for the Liverpool City Centre as per TZP22 compared to TZP16.



TABLE 4: EMPLOYMENT PROJECTIONS (2021-2036), TZP22 AND TZP16

BROAD INDUSTRY CLASSIFICATION	2021	2026	2031	2036	CHANGE (2021-2036)
<b>TZP2022</b>					
Health and Education	10,170	11,224	11,783	14,991	4,821
Industrial	496	514	548	576	80
Knowledge Intensive	5,821	6,399	6,475	5,808	-12
Population Serving	4,399	4,720	4,861	5,314	915
<b>Total</b>	<b>20,885</b>	<b>22,857</b>	<b>23,667</b>	<b>6,690</b>	<b>5,805</b>
<b>TZP2016</b>					
Health and Education	9,949	11,011	11,959	12,838	2,889
Industrial	760	739	746	756	-4
Knowledge Intensive	6,010	6,525	7,076	7,574	1,564
Population Serving	5,123	5,340	5,642	5,796	673
<b>Total</b>	<b>21,843</b>	<b>23,616</b>	<b>25,423</b>	<b>26,964</b>	<b>5,121</b>

Source: TfNSW (2022, 2016)

Much has changed since the adoption of the *Liverpool Centres and Corridors Study*.

COVID-19 induced behaviour changes have resulted in the softer aggregate demand for office floorspace playing out in recent market activity within the Liverpool City Centre, with proposed office buildings struggling to secure market interest.

Recently updated employment projections indicate *higher* levels of employment growth in both the Liverpool City Centre and Liverpool LGA than that envisaged in the *Liverpool Centres and Corridors Study*. However, as floor space demand could be lower than originally anticipated due the expected decline in employment growth in the Knowledge Intensive sector. This could be offset, particularly in the City Centre, by supporting the projected growth in Health and Education employment through a greater role for incentive floorspace provisions surrounding the Liverpool Hospital to encourage the clustering of these uses.



## 6.5 Future Retail Demand

Retail demand projections developed in the *Liverpool Centres and Corridors Study* (SGS, 2020) were modelled using a retail gravity model, which projects the distribution of retail demand and demand for retail floorspace based on a mix of quantitative and qualitative factors.

Based on the *Centres and Corridors Study*, there was estimated to be future demand for an additional ~277,000m<sup>2</sup> of retail floorspace across the Liverpool LGA over the 2019-2036 period. The vast majority of this future demand was expected to be focused in Liverpool's release areas (e.g. Edmondson Park, Austral, Middleton Grange, etc), accounting for around 80% of total future demand.

Table 5 summarises the retail floorspace projections by Centre Type as per the *Liverpool Centres and Corridors Study* (SGS, 2020).

**TABLE 5: RETAIL FLOORSPEC DEMAND BY CENTRE TYPE**

CENTRE TYPE	2019	2026	2036	INCREASE (2019 – 2036)
City Centre	125,241	133,093	145,814	20,572
Existing Town Centres	65,550	62,384	68,678	3,129
Edmondson Park	0	27,090	41,191	41,191
Existing Village Centres	17,406	16,612	17,703	297
Middleton Grange	0	11,068	11,306	11,306
Small Village Centre	23,456	22,244	23,661	205
Neighbourhood Centre	5,644	5,297	5,622	-23
Release Area	17,778	45,590	186,084	168,306
Bulky Goods Precinct	97,351	114,005	124,524	27,173
Other	39,639	41,638	44,776	5,138
<b>Total</b>	<b>392,065</b>	<b>489,022</b>	<b>669,360</b>	<b>277,294</b>

Source: SGS, 2020

One the key drivers of the forecasted retail demand was population growth. Population growth estimates were based on TfNSW's former Travel Zone 2019 (TZP19) projections. Under TZP19, the Liverpool LGA was projected to reach a resident population of ~380,000 by 2036. This was following expected growth of ~130,000 residents over 2021-2036.

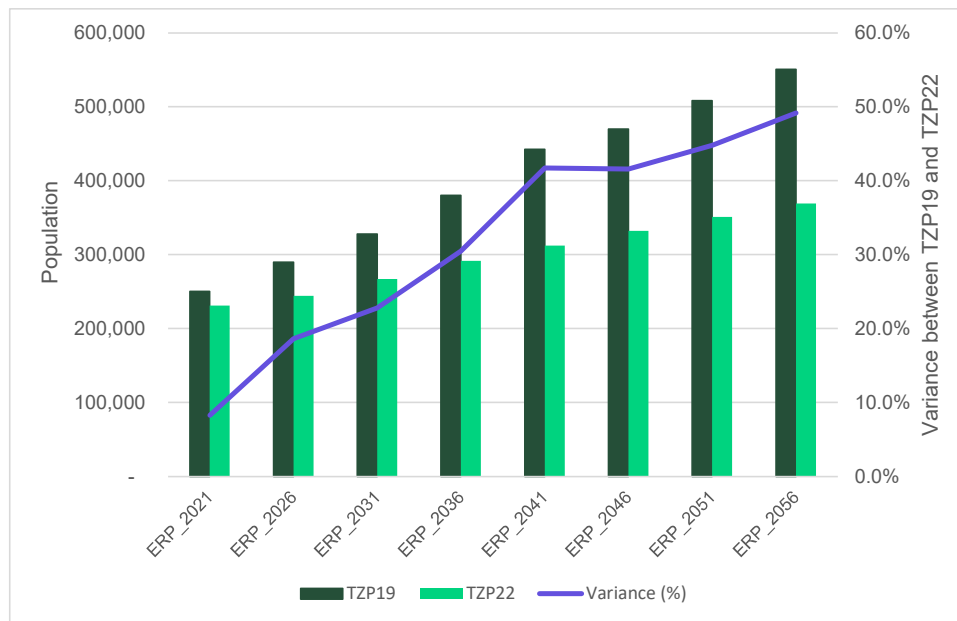
As previously identified, the most recent population and employment projections by TfNSW were released in 2022 (TZP22). Expected population growth in the Liverpool LGA under TZP22 is significantly lower than that expected under TZP19. Under TZP22, the Liverpool LGA is anticipated to reach a population of ~291,000 by 2036, some 23% *lower* than previously forecasted in TZP19.



This softer level of population growth has direct implications for the retail demand projections developed in the Liverpool Centres and Corridors Study. Whilst a more thorough examination would be required (ideally in a Retail Demand Assessment), it is conceivable the demand for retail floorspace is in the order of 15%-20% lower across the Liverpool LGA than that identified in the *Centres and Corridors Study*.

Figure 6 summarises the difference in population growth across the Liverpool LGA in TZP22 as compared to TZP19 (the latter being relied upon in the *Centres and Corridors Study*).

**FIGURE 6: LIVERPOOL POPULATION PROJECTIONS (2021-2056), TZP22 V TZP19**



Source: SGS (2020)

## 6.6 Previous Capacity Assessment

The Liverpool Centres and Corridors Study (SGS, 2020) carried out capacity modelling to understand the remaining theoretical capacity of commercial land under the Liverpool LEP. Three capacity scenarios were considered:

- Low Scenario:** The Low Scenario assumed that only vacant sites outside the Liverpool City Centre would be developed, whilst sites zoned B3/B4 within the City Centre would be developed and deliver the minimum allowable amount of non-residential floorspace. Sites zoned B4 Mixed Use were assumed to yield the non-residential floorspace to take advantage of the incentives in Clause 7.5A of LLEP2008.

Under the Low Scenario, there would be remaining theoretical capacity of 1.5 million square metres across the Liverpool LGA. The overwhelming majority (1.23 million square metres) is in the Liverpool City Centre.



The project team considers the capacity in the Low scenario to be most representative of reality and likely deliverability.

- **Medium Scenario:** The Medium Scenario assumed that all 'available' land outside the Liverpool City Centre would be developed, with non-residential floorspace limited to ground and lower floors. In the City Centre, sites zoned B3/B4 within the City Centre would be developed and deliver at a minimum the amount of existing employment floorspace on site. Sites zoned B4 Mixed Use were assumed to yield the non-residential floorspace required to take advantage of the incentives in Clause 7.5A of LLEP2008.

Under the Medium Scenario, there would be remaining theoretical capacity of 1.8 million square metres across the Liverpool LGA. Most of this (1.32 million square metres) is in the Liverpool City Centre.

- **High Scenario:** The High Scenario assumed that all 'available' lands outside the Liverpool City Centre would be developed, with the maximum FSR used to calculate employment floorspace. No residential or non-commercial uses would be delivered in new development. This was to illustrate the total maximum employment capacity across the Liverpool LGA. Whilst useful in this sense, the High Scenario is not considered reflective of market realities.

The High Scenario identified a maximum theoretical capacity of almost 4 million square metres of commercial and retail floorspace across the Liverpool LGA. Approximately 2.9 million square metres was identified in the Liverpool City Centre.

Based on this capacity analysis and demand projections, the Liverpool Centres and Corridors Study identified the 'gap' between future demand and existing theoretical capacity across the Liverpool LGA:

- In the Low Scenario, the Liverpool City Centre has excess capacity of over 1.24 million square metres of commercial and retail floorspace, though demand exceeds capacity in the Established Districts.
- In the Medium Scenario, excess capacity in the Liverpool City Centre rises further to 1.238 million square metres of commercial and retail floorspace, with the capacity deficit in the Established Districts reduced.

Table 6 is an extract from the Liverpool Centres and Corridors Study summarising the floorspace capacity gap across the Liverpool LGA.

**TABLE 6: FLOORSPACE CAPACITY GAP BY DISTRICT**

DISTRICT	LOW SCENARIO		MEDIUM SCENARIO		HIGH SCENARIO	
	CENTRES	CENTRES & B5/B6	CENTRES	CENTRES & B5/B6	CENTRES	CENTRES & B5/B6
2168 District	-3,352	-3,352	22,130	22,130	97,505	97,505
Eastern District	3,901	3,901	21,880	27,244	107,953	116,649
Established District	-33,350	-20,159	-10,947	114,891	56,259	135,755
City Centre District	1,242,714	1,242,714	1,277,677	1,280,098	2,876,982	2,893,604
New Release District	-31,175	42,465	2,466	154,595	354,929	504,745
<b>Total</b>	<b>1,178,738</b>	<b>1,265,569</b>	<b>1,313,206</b>	<b>1,598,958</b>	<b>3,493,628</b>	<b>3,748,258</b>

Source: SGS (2020)



The project team notes that the total theoretical planning capacity of commercial land may be greater than identified in the scenarios above, as these scenarios do not consider the maximum capacity under the planning controls.

## 6.7 Implications for the retail hierarchy

Observations from structural market trends in the commercial and retail sector, coupled with recently released population and employment projections (TZP22), suggest lower levels of demand for retail and commercial floorspace across the Liverpool LGA than originally anticipated in the Liverpool Centres and Corridors Study. Given the state of flux in both markets, it remains difficult to quantify the extent to which demand has fallen.

From a capacity perspective, there is significant capacity across the Liverpool LGA, particularly in the Liverpool City Centre to accommodate demand for commercial and retail floorspace.

Implications from this assessment of market trends include:

- **Centre hierarchy:** Notwithstanding a reduction in commercial and retail floorspace demand, the recommended centre and retail hierarchy outlined in the Liverpool Centres and Corridors Study remains appropriate. The distribution of demand for retail floorspace is expected to remain largely in line with patterns of population growth across Liverpool, with growth most acute significant in the New Release District as the SWGA continues to mature.
- **Smaller neighbourhood centres:** The project team concurs with the findings of the Study around the outlook for existing neighbourhood centres that “Given the potential for increased competition from larger centres and online retail in the future, some neighbourhood centres may decline or become unviable”. Given softer levels of population growth, smaller Neighbourhood Centres could be at risk if residential development in the immediate surrounds does not occur.

Where appropriate, there could be a potential for ground floor residential uses to be delivered in some of these neighbourhood centres to support residential development. This would need to be informed by urban design, planning and other technical considerations. Over time, some centres could require comprehensive redevelopment in a mixed of uses to remain sustainable.

- **Ongoing monitoring of floorspace utilisation:** Given the structural trends underway which are shaping the demand and usage of employment floorspace, the project team recommends Council monitor occupancy/ utilisation and development activity in the centres. This would allow Council to identify which centres are most ‘at risk’ and could benefit from more focused residential growth.

## 7 Development in the Liverpool City Centre

The Scoping Report proposes a review of the planning controls for Liverpool City Centre, particularly Clause 7.5A which was introduced into LLEP2009 through Amendment 52. This section provides analysis of recent development and the controls for the centre.

The planning controls for Liverpool city centre are set out in LLEP2008 through:

- Zoning – Land Use Tables



- Clause 4.3 Height of buildings
- Clause 4.4 Floor Space Ratio
- Part 7 Division 1 Liverpool city centre provisions (Clauses 7.1 to 7.5A).

The city centre is zoned MU1 Mixed Use and E2 Commercial Core, supporting development of the centre as a commercial and retail employment and economic activity centre.

A wide range of commercial, retail, business and other uses are permitted in the MU1 and E2 zones. Taken together, the zone objectives and permissible uses support the strategic directions for Liverpool City Centre to develop as a vibrant centre offering diverse economic activities and opportunities for communities to connect within a high quality urban environment.

FSR and height within the city centre steps down from the core of the city centre to the edge. LLEP2008 includes bonus provisions for development within the city centre. Clause 4.4 provides a bonus FSR on sites which are greater than 1,000m<sup>2</sup>. Clause 7.5A provides incentives that apply to lots which are greater than 1,500m<sup>2</sup>, located within specified areas, have two or more street frontages and at least 20% of the gross floor area for centre-based child care facilities, commercial premises, community facilities, educational establishments, entertainment facilities, functions centres, hotel or motel accommodation, information and education facilities, medical centres or public administration buildings. Effectively, this means that an FSR of 10:1 could be achieved in the core of the city centre and 7:1 could be achieved on the eastern frame of the city centre. Otherwise, the maximum FSR is 3:1 (Area 8), FSR 4:1, 5:1 (Area 10) and FSR 2.5 (Area 9).

The height and FSR standards are refined through Clause 7.2 Sun access in Liverpool city centre to protect specific areas of open space from excessive overshadowing by limiting the maximum height of buildings within a defined distance of the identified open space. All new buildings or external alterations to an existing building within the city centre is required by Clause 7.5 to demonstrate design excellence to ensure the highest standard of architectural and urban design in the city centre.

### 7.1.1 Major Developments

Despite the generous height and FSR provisions, there have been few new developments in the MU1, E2 or SP2 zone. Key projects under way include:

- 167 Northumberland Street: 32-storey mixed use development (retail/serviced apartments/child care facility). This application utilised the bonus provisions of Clauses 4.4 and 7.5 to achieve additional FSR and height. Construction commenced.
- 420 Macquarie Street: Three tower 29-storey residential development. The application relied on a Section 4.6 variation for additional height and FSR. Construction commenced.
- 52 Scott Street: 14 storey mixed use development including public administration building, child care, commercial floorspace and 6 storey information and education facility (public library) within the base FSR and building height controls.

A number of developments have been approved since 2017; however, construction has not yet commenced. The current trends in the retail and office sector create uncertainty about the likelihood and/or timing of these consents being acted upon. The identified developments are:





- 22- 26 Elizabeth Street: 34-storey mixed use development (commercial/hotel/residential), within the base FSR (no height control applicable). Partial demolition of existing buildings undertaken. Approval: January 2020.
- 28 George Street (Westfield): Retail floorspace and commercial tower within the base FSR. The application relied on a Section 4.6 variation for additional height. Approval: June 2020
- 146 Terminus Street: 8-storey mixed use development, including ground floor retail and a boarding house. DA-1092/2021. The application relied on the 20% FSR bonus under the *SEPP (Affordable Rental Housing) 2009*. Approval: August 2022
- 156 Terminus Street: 6-storey mixed use development, within the base FSR and height. Approval: April 2023
- 277 Bigge Street: 23-storey commercial building including hotel and ground floor retail. Approval: March 2019
- 402 Macquarie Street: 17-storey mixed use development including residential apartments and commercial floor space. Approval August 2019.
- 40-46 Scott Street: 22-storey commercial office building and 9-storey hotel building, within the base FSR and height. Approval: March 2022.
- 431 Macquarie Street: 26-storey mixed use building. This application utilised the bonus provisions of Clause 7.5A to achieve additional FSR. Approval: September 2021.
- 77 Bathurst Street: Mixed use development including a 14-storey and a 20-storey residential tower above a commercial and retail podium. Approval: December 2020.

The above review indicates a very low take-up of the incentive provisions of the LEP. Review of the Section 4.6 variations register between 2019 and 2023 identified two approvals in the City Centre relied on variations to development standards.

### 7.1.2 Application of the incentive controls

Clause 7.5A provides for incentives for development within the City Centre, on lots greater than 1,500m<sup>2</sup> in size and have two or more street frontage, located within Areas 8,9 and 10, and where least 20% of the gross floor area is used for targeted land uses.

Within Liverpool City Centre, there are 431 lots zoned MU1, E2 or SP2. Analysis of these lots summarised in Table 7 and



Figure 7 indicates that only 64 lots (14% of lots) are larger than 1,500 m<sup>2</sup> and therefore meet the first criteria.



**TABLE 7: ANALYSIS OF LOTS WITHIN LIVERPOOL CITY CENTRE**

LOTS WITHIN LIVERPOOL CITY CENTRE				
	MU1	E2	SP2	TOTAL
Lots smaller than 1,500m <sup>2</sup>	354	9	5	367
Lots larger than 1,500 m <sup>2</sup>	52	7	5	64

LOTS IN AREA 8, AREA 9 AND AREA 10				
	Area 8	Area 9	Area 10	Total
Lots smaller than 1,500m <sup>2</sup>	197	3	9	209
Lots larger than 1,500 m <sup>2</sup>	28	6	7	41
Lots larger than 1,500 m <sup>2</sup> and with 2 or more street frontages	28	4	6	38

Source: Mecone

The analysis indicates that of all the lots in the Liverpool City Centre area where incentives for development are available, 38 lots meet the area and street frontage requirements. This does not include where a landowner/developer has/is able to acquire multiple individual lots and amalgamate them to meet the area/street frontage requirement.

The impediment to take-up of the incentive in Area 8 and Area 10 is related to several factors:

- The location of some of the areas offering incentives are far from the focus of investment around Liverpool Hospital.
- Large portions of land are comprised of fine grain lot patterns (<1,500m<sup>2</sup> in area) which would necessitate site amalgamation. Sites that have come forward are generally those in single ownership.
- Existing uses which are commercial buildings are mostly functional and valuable. Many commercial buildings already accommodate medical-related businesses.
- Depending on the tenant interest (whether a medical centre, education facilities or child care facilities) that can be secured, 20% of a development's GFA may result in a floor space that is too small to offer the opportunity for different uses to co-locate within the development. The reverse may also be true - 20% of a development's GFA may not be sustainable (too large) if there is no tenant interest especially if a site is some distance away from the Liverpool Hospital and precinct. The floor plate of a building may not suit the operation of these target uses either.



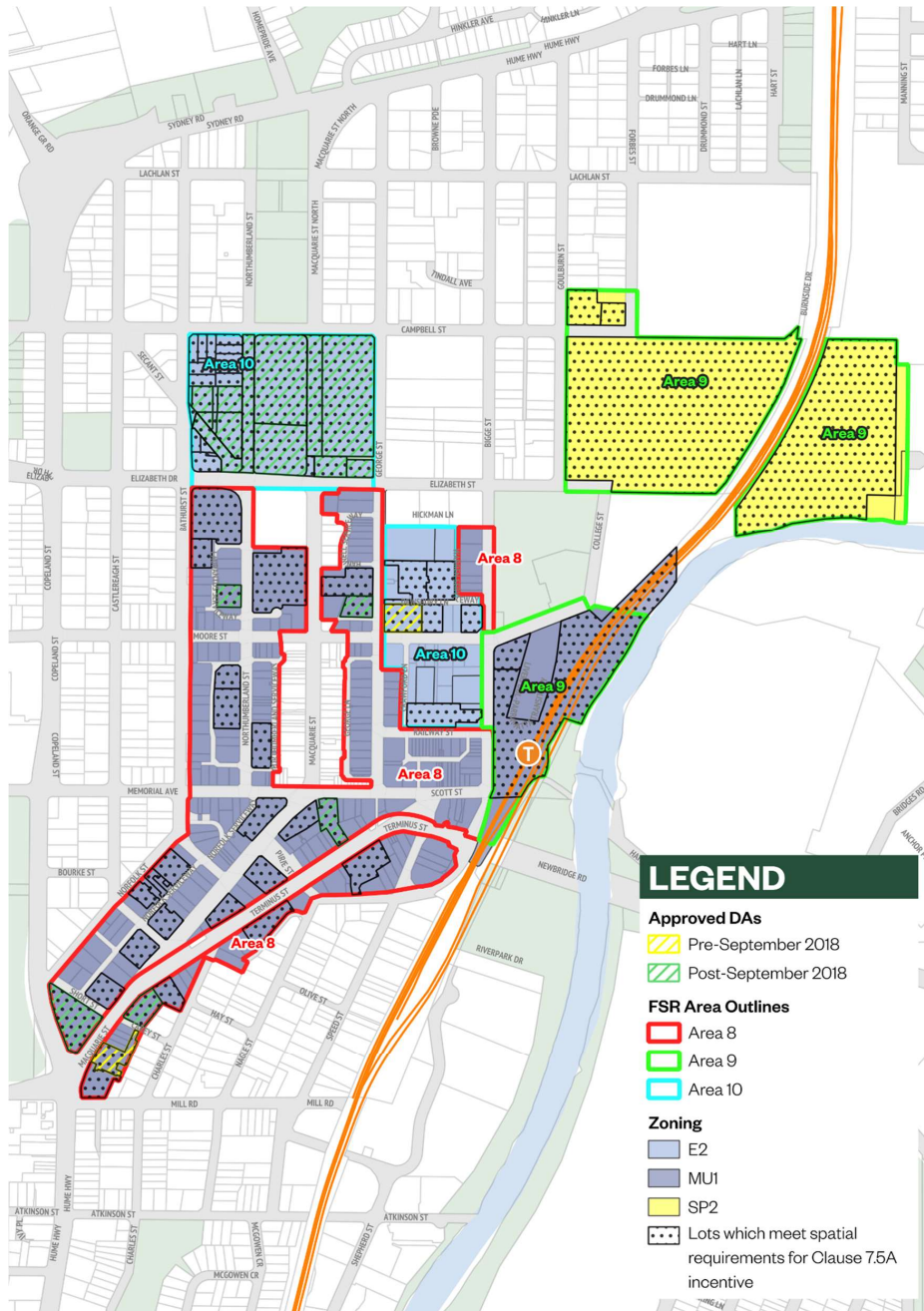
- Reduced demand for commercial office space as hybrid working has become the default for office-based workers.

In circumstances where a site is sufficiently sized and can be acquired at an economic price, Clause 7.5A incentives can make it more attractive to develop. Not many sites in Area 8 fall into this category. Area 8 and the areas within Area 9 which are not part of the Liverpool Hospital are located some distance (to the south and southwest) from Liverpool Hospital.

Land immediately west of Liverpool Hospital (between George Street and Goulburn Street) do not fall within an area covered by clause 7.5A. The project team is aware of a planning proposal (61-71 Goulburn Street) which seeks to co-locate medical, education and research uses in a vertical development of a greater density than permitted. Including this street block immediately west of the Liverpool Hospital as eligible for floorspace incentives could encourage development in this area.



FIGURE 7: LOT ANALYSIS LIVERPOOL CITY CENTRE



Floorspace incentives were used in Central Sydney to encourage hotel and short-term accommodation in targeted precincts to great success (prior to COVID-19). A key driver of this success was the depth of market demand, which was reflected in high occupancy rates and low room availability for visitors to Sydney CBD.

The issue for the uses targeted in clause 7.5A, i.e. "centre-based child care facilities, commercial premises, community facilities, educational establishments, entertainment facilities, function centres, hotel or motel accommodation, information and education facilities, medical centres or public administration buildings" is demand. Research suggests there is not a depth of demand for these targeted uses that would justify large-scale take-up of the incentives. Furthermore, operators of these facilities are likely to require floorspace that is larger than the floorspace that may be equivalent to 20% in a development (particularly given that many sites within Area 8 and Area 10 are small). The class of developer interested in development in the city centre is unlikely to offer more than the 20% requirement as this does not align with their portfolio interests.

The low take-up of the Clause 7.5A incentives is less about development feasibility and more about market demand and site/ floorspace suitability for the targeted uses.

Recent housing announcements encourage Build-to-Rent housing. Build to Rent is permissible in the MU1 zone as it is residential flat building typology, but with an ownership structure that provides for innovative financial arrangements. Some Build to Rent developments may operate as commercial entities and an argument could be made for these to be included in the uses targeted as commercial uses in Clause 7.5A. However, this is unlikely to be taken up, as Build-to-Rent developers have a different property portfolio focus to commercial or mixed use floorspace developers and the floorspace resulting from the minimum 20% requirement is unlikely to be sufficient to attract Build to Rent interest.

## 8 Testing of proposed changes to building height

### THE SCOPING REPORT PROPOSED THE REDUCTION OF MAXIMUM BUILDING HEIGHT FOR DIFFERENT CENTRE TYPES AND LOCATIONS AS SUMMARISED IN

Table 1. In general terms, the maximum height in town centres is proposed to be lowered to 12m and in the local centres, the height is proposed to be reduced to 10m. The design testing has set out to illustrate the impact of this change by quantifying the change to GFA. An alternative design-led option was also tested to inform controls for centre-based development which is generally compatible with a suburban context.

### 8.1 Current controls and proposed height change yield testing

Three scenarios were tested:

- **Existing Controls:** The existing controls were testing on the basis that shop-top housing is the highest and best use. The residential component was designed to comply with the requirements of the DCP and the design criteria in the Apartment Design Guide. Carparking has been provided in accordance with the rates in the DCP for both residential and commercial uses.



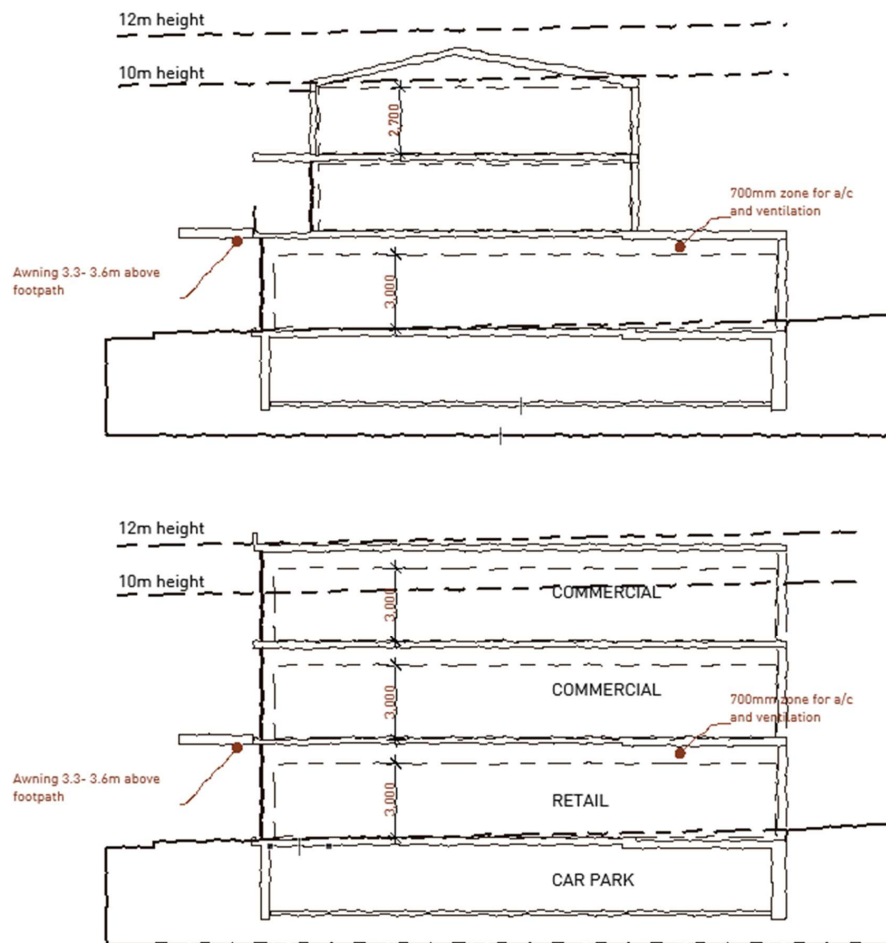
- **Reduced Height – Shop Top Housing:** The existing controls options were amended to reduce the overall height of building of a shop top housing development. The retail component at ground level remained the same (as retail is an essential component of shop top housing) and the reduction in height resulted in a reduction in the number of dwellings. The resulting floor space and apartment yield was calculated. This allows direct comparison to determine the impact of the proposed height reduction.
- **Reduced Height – Commercial:** A full commercial option at reduced height was also tested. This investigated a layout with retail uses on the ground level, and commercial office space above. Development was maximised to the full floor space permissible. Car parking was applied in accordance with the DCP rates for commercial and retail uses – noting that some commercial uses such as medical centres may have different rates. The rate of car parking for commercial rates resulted in significant basement car parking for these options.

In the testing, the height in buildings has been translated to the number of storeys as indicated in Figure 8 based on typical floor to floor heights for residential and commercial development.

#### FIGURE 8: CONVERSION OF BUILDING HEIGHT TO STOREYS IN SHOP TOP HOUSING DEVELOPMENT







The different testing outcomes are summarised in the separate sections of Table 8 and details are provided in Appendix A. The reduced building height results in a change in the built form from a five or six storey building under current controls to a 2,3 or 4 storey building. In all cases the result is a reduction in the FSR and total GFA. The FSR that could be achieved under the reduced height was between 1:1 and 1.2:1 for 10m building heights, 1.2:1 - 1.4:1 for 12m building heights and 1.3:1 – 1.6:1 for 15m building heights. The higher end of the FSR range for each height is associated with a commercial building. As the testing retained a ground floor commercial level in each scenario, the loss in GFA is in the residential or office component of the building. This can be quantified as between 42% and 48% of the residential GFA component in a shop-top housing development.

The most significant factor contributing to the loss of potential is the extraordinarily high car parking rates for the retail and commercial land uses. The DCP specifies the following car parking rates as commercial - 1 space per 20m<sup>2</sup> and retail - 1 space per 20m<sup>2</sup>. A typical car parking space and associated circulation / ramps requires about 34m<sup>2</sup> per car space. Based on these current DCP controls, more building area is dedicated to the car parking that services the retail and commercial uses than the area of the commercial and retail spaces



themselves. This extent of car parking cannot be accommodated at grade (unless the development is very small) and requires extensive basement car parking (up to 2 levels in some instances). Although the reduced GFA associated with the reduced height, reduced car parking requirements, this was not significant enough to change the basement level requirements.



TABLE 8: TESTING RESULTS

## EXISTING SCENARIO

SITE	Site Area (m2)	FSR	Retail Storeys			Retail			Carparking				Residential Component				
			Height	NLA	GFA	Retail	Commercial	Residential	Visitor	Total	Basements	Carpark area	GFA	NLA	1Bed	2Bed	
35-37 Stockton Ave, Moorebank	1337	1.2	18	3	710	760	35.5	14	2.5	52	1.5	1.5	1798	844	732	2	8
193 Wilson Road Green Valley	2406	1.7	21	6	983	1060	49.1	49	8.7	107	1.5	1.5	3635	3067	2660	7	28
1-5 Norman Ave Hammondville	1422	1.5	18	5	490	550	24.5	25	4.5	54	1.5	1.5	1836	1583	1092	4	14
64 Hill Road Lurnea	864	1.5	18	5	449	494	22.5	14	2.5	39	1.5	1.5	1324	802	726	2	8
14-16 Sinclair Road Ashcroft	1313	1.7	21	6	410	451	20.5	27.5	5	53	1.6	1.6	1802	1781	1465	5	15
221 Hoxton Park Road Cartwright	1567	1.7	21	6	800	880	40	28	5	73	2	2	2482	1784	1440	5	16

## Controls

Min 20m frontage required

1 storey and setback to residential

## REDUCED HEIGHT – SHOP TOP HOUSING

SITE	Site Area	FSR	Height	Storeys	Retail		Carparking					Residential					
					NLA	GFA	Retail	Commercial	Residential	Visitor	Total	Basements	Carpark area	GFA	NLA	1Bed	2Bed
35-37 Stockton Ave, Moorebank	1337	1.2	12	3	710	760	35.5		14	2.5	52	1.5	1768	944	732	2	8
193 Wilson Road Green Valley	2406	1.2	12	3	963	1060	49.1		28	5	82	1	2973	1740	1520	4	16
1-5 Norman Ave Hammondville	1422	0.88	10	2	735	829	24.5		6.5	1.25	32	1	1097	700	364	2	3
64 Hill Road Lurnea	864	0.98	10	2	449	495	22.5		6	1	29	1.5	1001	350	313	0	4
14-16 Sinclair Road Ashcroft	1313	1.06	12	3	410	451	20.5		16	3	40	1	1343	940	814	4	8
221 Hoxton Park Road Cartwright	1567	1.63	15	4	890	880	39.5		27	4.5	71	1.5	2414	1680	1476	0	18

## REDUCED HEIGHT – COMMERCIAL

SITE	Site Area	FSR	Height	Storeys	Carparking					Commercial upper levels			
					TOTAL BASEMENTS		Carpark area	GFA	NLA				
					Retail	Commercial							
35-37 Stockton Ave, Moorebank	1337	1.63	12	3	710	760	35.5	36	72	2	2447	1418	1276
193 Wilson Road Green Valley	2406	1.32	12	3	983	1060	48.1	54	103	3	3477	2104	1894
1-5 Norman Ave Hammondville	1422	1.19	10	2	735	829	36.8	22	59	1	2004	863	777
64 Hill Road Lurnea	864	1.17	10	2	449	495	22.5	13	36	1	1218	520	468
14-16 Sinclair Road Ashcroft	1313	1.25	12	3	410	451	20.5	31	51	2	1743	1196	1076
221 Hoxton Park Road Cartwright	1567	1.75	15	4	790	880	39.5	48	87	3	2296	1860	1674

## 8.2      Alternative development scenario yield testing

An alternative scenario based on a design led approach was tested to inform future controls. This sought to provide a three storey scale of development (11.5m – 12m) appropriate to adjacent residential areas. This form is found in many of the older high streets and neighbourhood centres of Sydney and generally considered compatible with a suburban context. It provides for ground floor retail with small residential apartments above retail. The retail extends to a depth of 10-20m depending on the lot depth, and car parking provided at grade located behind the retail space (or in a semi-basement arrangement) and preferably accessed from the side street. Residential apartments located above the shops could comprise single level apartments, or two storey loft style apartments, with stair access provided.

The above scenario is based on design considerations and feasibility analysis to provide cost effective construction solutions. These include:

- Reducing car parking. The retail and commercial car parking rates under the DCP (1 space / 20m<sup>2</sup> and 1 / 35m<sup>2</sup> respectively) are significantly higher than what is currently provided for the existing commercial and retail uses on the land. In some centres existing uses have almost no on-site parking. Most existing centres have good street parking and parking in the public domain sufficient to serve the needs of the shops. Retail and commercial parking provided should be for the use of employees. A reduction in residential rates also needs to be considered based on the context of this development. The centres have good access to public transport and services by their nature. Apartments in these sites are typically designed to meet a more affordable housing market, and car ownership is often lower.
- Reduced car parking rates can reduce the need for a basement car park, thereby providing considerable cost savings. Car parking should be located behind the retail use at ground level or in semi-basement. This screens the private car parking from view of the street.
- Accommodating development within a 3 storey building avoids triggers in the National Construction Code for fire isolated stairs, sprinklers, and hydrant booster assemblies. This scale of development simplifies building construction, reduces costs and requires less sophisticated builders.
- Simplifying construction and removing the need for a basement encourages smaller scale development which can often be carried out by the existing landowners, rather than requiring the land to be bought by developers. The current landowners can contribute their existing equity into development, so improving the development feasibility. It also encourages ownership to be retained, as a longer-term financial outcome is considered based on future rental income for the commercial and residential uses.
- Reducing car parking and the overall scale reduces the need for larger sites. Development controls will no longer need to require site amalgamation or consolidation, which is often difficult due to competing commercial interests.
- Minimising onsite servicing and loading areas. In many existing commercial centres this is provided on the street. On-site loading areas which include vehicle manoeuvring on site require large amounts of site area.

In this exercise, the number of apartments, area of retail and car parking was balanced so as not to require expensive basement car parking. The resulting car parking rates are:

- Residential - 0.5 spaces per dwelling
- Retail / commercial - 1 space per 80m<sup>2</sup>



Car parking rates have traditionally been determined based on a demand analysis, whereas the resulting rates above are determined through design and feasibility considerations to encourage redevelopment of the commercial centres. A comparison of more recent DCP parking rates elsewhere in Sydney is provided in Table 9. This provides examples of parking rates which aim to support redevelopment of centres characterised by a population living within walking distance of the centre or centres with good public transport.

**TABLE 9: COMPARATIVE CAR PARKING RATES**

	<b>COMMERCIAL (BUSINESS AND OFFICE)</b>	<b>RETAIL</b>
Liverpool DCP 2008	1 space per 35sqm of LFA (minimum)	1 space per 20sqm LFA (developments of LFA < 12,000sqm)
Parramatta DCP 2023	1 space per 50 m2 of GFA if not within 800 metres walking distance of a train station, or 400 metres walking distance of a light rail or transitway bus stop 1 space per 65m2 of GFA if within 800 metres walking distance of a train stations, or within 400 metres walking distance of a light rail or transitway bus stop	1 space per 30m2 of GFA
Leppington Town Centre DCP (Draft on exhibition)	1 space per 100m2 GFA – within 100m walking distance of Leppington Station  Elsewhere 1 space per 100m2 GFA (minimum rate) 1 space per 35m2 GFA (maximum rate)	1 space per 90m2 GFA – within 100m walking distance of Leppington Station  Elsewhere 1 space per 90m2 GFA (minimum rate) 1 space per 45m2 GFA (maximum rate)
Sydney LEP (Green Square Town Centre) 2013	1 space per 125 m2 GFA	1 space per 50 m2 of GFA - if the building has not more than 1,000 m2 of retail GFA Supermarket– survey based assessment

The results of the design testing are provided in Table 10 and details are provided in Appendix A. Compared with the shop-top housing form in the reduced height scenario, the alternative scenario provided some opportunities for increased residential floor space to be realised, especially in the neighbourhood centres sites. The resultant FSR from this design exercise was 1.2:1 for buildings of 12m and 1.4:1 for buildings up to 15m. The tested car parking rates reflected a reduced requirement for car parking and eliminated the need for basement parking.



FIGURE 9: TYPICAL SECTION OF A 3 STOREY SHOP TOP HOUSING

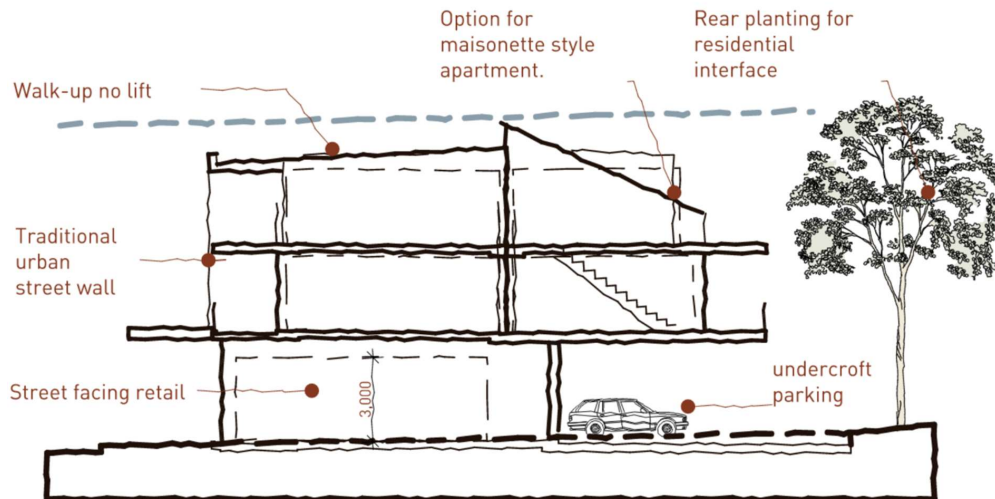


FIGURE 10: EXAMPLE OF 3 STOREY SHOP TOP HOUSING





### SHOP-TOP HOUSING MODEL

The following provides an illustration of a model low-rise shop-top housing model.

The design is calibrated to maximise efficiency for housing delivery and minimising factors that increase construction costs.

The model activates the street frontage with retail uses and provides opportunities for smaller affordable apartments located above in a variety of different configurations. Amenity to adjacent residential uses are protected with setbacks and landscaping.

**Interesting roof forms**

Provide enough space in height limit to enable interesting roof forms compatible with the residential context. Pitched roofs can also increase light and ventilation to top floor

**Low scale street wall**

2-3 storey street wall provides built form that is compatible with surrounding suburban context.

**Awning**

Provide awning to retail frontage to provide rain and sun protection for pedestrians.

**Residential entry**

Small residential entry facing street - maximising retail shop front

**3 storey form**  
3 storey building form enables simple construction methods.  
Fire isolated stairs, sprinklers and internal hydrants are not required.  
Upper level apartments could be single level or 2 storey loft style.  
Internal common circulation is reduced increasing floor area efficiency. Simple building form enables high amenity apartments with good cross ventilation and daylight.

**Landscaping to residential interface**  
3m deep soil landscaping to boundaries with residential interface improves amenity outcome at boundary for neighbouring properties.

**On-grade car parking**  
Where car parking is provided externally provide shade to driveway and car spaces with tree canopy or well designed canopy.  
On grade car parking reduces construction cost.

**Access to residential levels**  
3 storey form enables stair access and reduces need for lift.

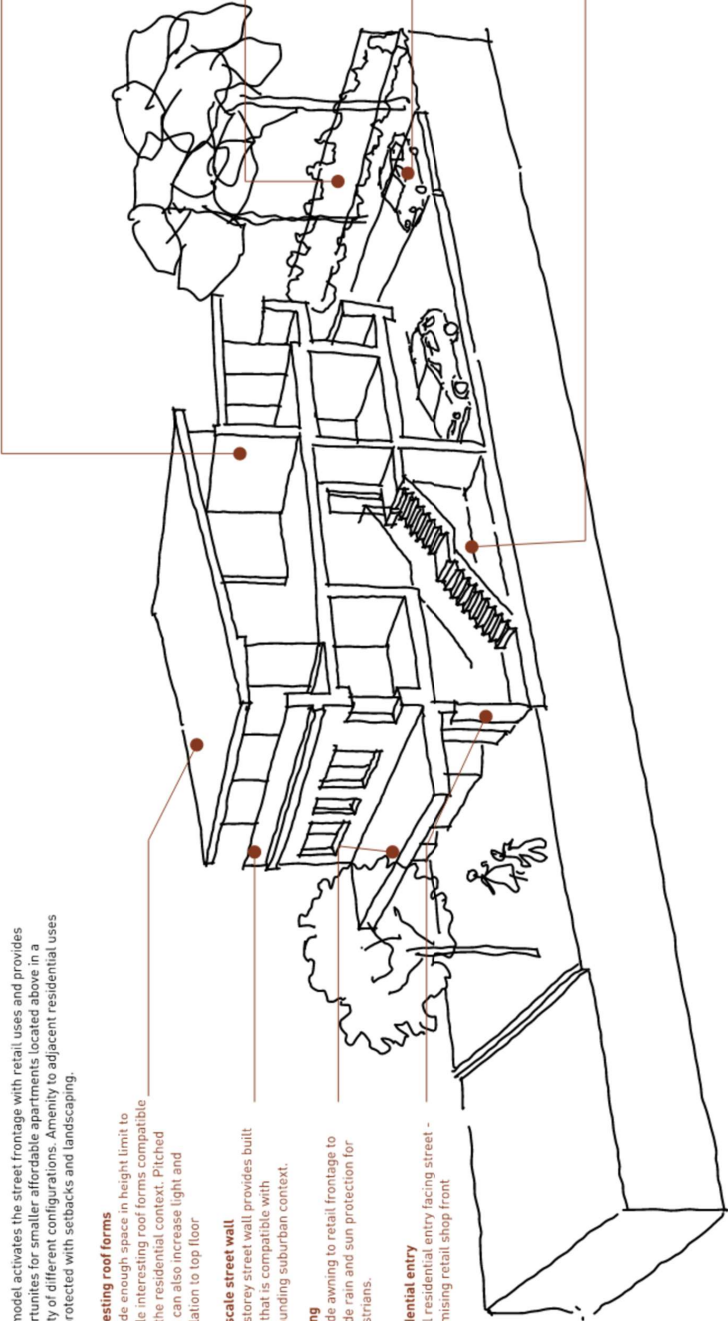


TABLE 10: ALTERNATIVE SCENARIO TESTING RESULTS

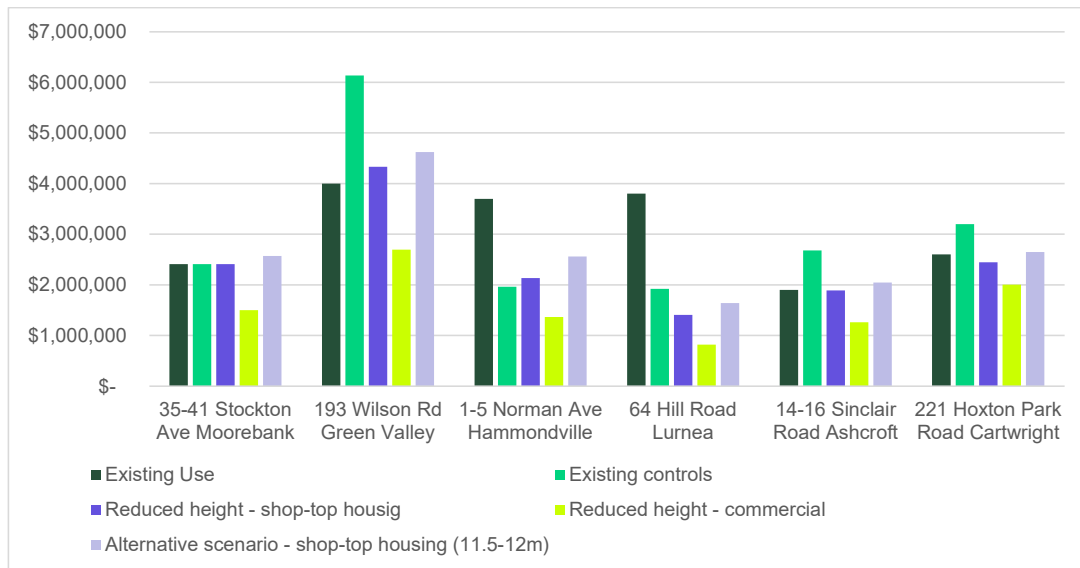
3 -4 storey - shop top housing  
Reduce car parking rate

SITE	Site Area	FSR	Height	Storeys	Retail		Carparking			Residential Option					
					NLA	GFA	Retail	Commercial	Residential Visitor	Total	Basements	GFA	NLA	1B	2B
35-37 Stockton Ave, Moorebank	1337	1.33	12	3	463	502	6		16	22	0	1280	1122	6	10
193 Wilson Road Green Valley	2406	1.28	12	3	807	875	10		22	38	0	2200	2008	8	20
1-5 Norman Ave Hammondville	1422	1.37	12	3	590	611	7		16	23	0	1340	1188	4	12
64 Hill Road Lurnea	864	1.24	12	3	354	368	4		8	12	0	700	644	0	8
14-16 Sindair Road Ashcroft	1313	1.28	12	3	433	470	5		14	19	0	1210	1076	2	12
221 Hoxton Park Road Cartwright	1567	1.55	12	3	650	785	8		20	28	0	1640	1444	4	16

## 8.3 Feasibility testing

In the main, the proposed height reductions have a negative impact on development feasibility. However, in the case of many of the sites tested, development even under current planning controls is not feasible due to functional and valuable existing uses and buildings. Figure 11 shows the relative values of retaining existing uses 'as is' compared to the development opportunity (under existing controls and the tested controls).

**FIGURE 11: VALUE COMPARISONS**



The generic feasibility testing shows:

- Existing-use values can be a key impediment to development in existing urban centres. Existing leases and business operations will be displaced if comprehensive redevelopment were to occur. Accordingly, unless there is substantial financial upside associated with redevelopment, the existing buildings are likely to remain. Incremental development (alterations and additions) may in fact occur where site and building configurations permit.
- In a redevelopment scenario, mixed use residential development is more financially attractive than standalone commercial development.
- The reduction in parking requirements does assist with development feasibility, marginally improving the feasibility of development despite the proposed reduction in height controls.
- As buildings reach the end of their economic useful life, depending on market demand, owners could either refurbish and reposition the existing buildings, or seek to comprehensively redevelop the site. The proposed reduction in height controls would have a significant impact to development feasibility which would hinder renewal of sites over time.



## 9 Conclusion and Recommendations

Liverpool's retail and commercial centres are important locations for employment and access to retail and services. They also provide opportunities for social connections. However, they are faced with various structural headwinds, resulting in decreasing demand for retail floor space and a change to the format of remaining retail and commercial offerings. This has limited the level of development in centres in recent years.

The recent population and employment projections suggest lower demand for retail and commercial floorspace across Liverpool than previously anticipated. However, the forecast distribution of the anticipated population growth means that the centre and retail hierarchy remains appropriate. Planning controls can support the hierarchy through controls that 'step down' in concert with the hierarchy.

Existing use values are a key impediment to redevelopment of land in the existing centres. Unless there is substantial financial upside associated with redevelopment, existing buildings likely to remain. Despite the generous FSR and height controls and incentives within the Liverpool City centre, redevelopment and take up of the incentives has been stifled by the fine grain lot pattern and the existing buildings are mostly functional and valuable. Development has generally occurred on larger lots where amalgamation does not add to the costs of development. Take-up existing consents is also influenced by the structural trends being experienced in the retail and office sectors.

The utilisation of the incentive in Clause 7.5A is limited by the exclusion of areas close to Liverpool Hospital from its application, and the ability of the developer to secure tenant interest for the targeted commercial uses (i.e. a medical centre, education facility or child care) for 20% of the development's GFA. Interest may be low due to the quantum of floorspace represented by 20% of the overall floorspace being too small for a meaningful tenancy in a small development or being too large for potential tenant interest in areas away from Liverpool Hospital.

The ability of centres to renew and grow is important to accommodate market demand and respond to growth opportunities. It is important for their long-term economic sustainability and the overall vibrancy. In smaller centres, ongoing economic viability will depend on infill residential growth within the centre itself or in their immediate catchments.

Reducing building height in centres reduces the reduces development yield, feasibility, and the likelihood of redevelopment due to the loss of potential for commercial and/or residential floorspace above ground floor retail floor space. This will significantly reduce opportunities for, and likelihood of, renewal of sites in centres and the provision of enhanced retail offering and employment for local communities. Testing has shown that reducing height reduces the feasibility of a mixed-use development or purely commercial development.

Under the current LLEP 2008 controls and the proposed changes in the Scoping Report, it is likely that most centres will remain unchanged, except where an existing building is at end of life or has an owner occupier as development is not feasible due to the functional and valuable existing uses and buildings. The ongoing viability of smaller centres will depend on infill residential growth within the centre itself or in their immediate catchments.

A significant barrier to redevelopment is the exceptionally high car parking rate, with the DCP requirements generally exceeding the car parking currently provided by the existing development. The current rates result in design for a structure constructed around the car parking requirements than for the proposed land use. Reduced car parking will enhance the viability of redevelopment through allowing greater floorspace to be achieved.

Testing has not been undertaken in the stand-alone centres and business corridors. However, the findings of the testing in the neighbourhood and local centres suggests that current FSR of between 0.75:1 and 1:1 is a



limiting factor for redevelopment of these centres, as the resultant floor space is too low for redevelopment to be feasible.

While not specifically tested within this study, it is conceivable that enclosed shopping centres assets within centres will seek to explore redevelopment (to varying degrees as permitted by lease obligations and expiries) to remain competitive. The larger shopping centre sites could sustain more substantial redevelopment based on a site-specific masterplan. This would most probably require a planning proposal to amend height and FSR controls.

The following recommendations are made:

1. There is no change to the retail and centres hierarchy.
2. Do not progress proposed changes to the building heights in centres, as this limits opportunities for sites to renew and provide local employment opportunities and enhanced retail opportunities.
3. If Council wishes to progress the proposed reduction in building height, then:
  - a. For centres where a 10m height is proposed, the height should be increased to 11.5 or 12m to better accommodate 3 storeys and a FSR of 1.3:1 adopted.
  - b. For centres where a 12m height is proposed, a FSR of 1.3:1 should be adopted.
  - c. For centres where a 15m height is proposed, a FSR of 1.4:1 should be adopted.
4. If Council wishes to progress the proposed reduction in building height then the following changes to the DCP should be considered:
  - a. Reduce commercial / retail car parking rates to 0.5 space/dwelling and 1space/80m<sup>2</sup> retail.
  - b. Tailor the requirements for loading and deliveries to the likely tenancy size in each centre.
  - c. Update Part 6 provisions on Shop Top Housing to reflect the scale of development proposed.



# Appendix A

Design Testing (under separate cover)

# Appendix B

## Feasibility Input Sheet



### FEASIBILITY INPUT SHEET

The feasibility input sheet can assist with a high level overview of the feasibility of a project. It is based on calculating an indicative development margin and assessing this against the hurdle rate. It is not intended to replace a financial or economic feasibility assessment. If a detailed or accurate feasibility assessment is required, expert advice is recommended.

Project feasibility is dependent on timing and staging. It is a reflection of feasibility at a point in time, and can change as various factors and the interplay between these changes. Different developer cohorts and financiers have different hurdle rates, and what may be feasible for one developer may not be feasible for another.

Costs and revenue can be calculated per square metre or based on total costs; the value to be entered into the final column is the total of each line item for the project.



**COSTS**

<b>1. Cost of Land</b>	\$
1.1 Market value of site	\$
1.2 Transaction costs e.g. due diligence, stamp duty, legals	\$
<b>2. Total construction costs</b>	\$
2.1 Build costs (calculate on per/m <sup>2</sup> rate or from total costs)	\$
2.2 Professional fees	\$
2.3 Contingency	\$
<b>3. Government authority policy and planning obligations cost</b>	\$
3.1 DA/ CDC fees, long service levy	\$
3.2 Contributions (s7.11, s7.12, Housing and Productivity)	\$
3.3 Sydney Water charges	\$
3.4 Other	\$
<b>4. Selling costs</b>	\$
4.1 Sales commissions (1.5% to 3.5% of gross sale revenue)	\$
4.2 Marketing costs (1%-2% of gross sale revenue)	\$
4.3 Legal costs (\$1,500 per sale)	\$
<b>5. Holding costs</b>	\$
5.1 Land tax	\$
5.2 Council and water rates (up until project completion/ sale of completed floorspace)	\$
<b>6. Finance costs</b>	\$
6.1 Interest (prevailing interest rate)	\$
6.2 Finance costs	\$
<b>TOTAL COSTS (1+2+3+4+5+6)</b>	<b>\$</b>



**REVENUE**

Expected sale prices/ lease rates of completed product – based on comparable sales	\$
<b>TOTAL REVENUE</b>	<b>\$</b>
<b>PROFIT (REVENUE-COSTS)</b>	<b>\$</b>
<b>DEVELOPMENT MARGIN (PROFIT/TOTAL COSTS)</b>	<b>%</b>

Commonly assumed development margin hurdle rates. These can vary by developer.

	<b>FEASIBLE</b>	<b>MARGINAL</b>	<b>NOT FEASIBLE</b>
Development Margin	>20%	18%-20%	<18%





# LOCAL CENTRE ZONES - YIELD TESTING

LIVERPOOL LEP REVIEW  
LIVERPOOL CITY COUNCIL

SMITH & TZANNES



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TITLE	YIELD TESTING
PROJECT	LIVERPOOL LEP REVIEW
PROJECT NO	23_047
CLIENT	LIVERPOOL CITY COUNCIL
REVISION & DATE	D 22-11-2023
STATUS	

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## INTRODUCTION

### BACKGROUND

Liverpool City Council is preparing a planning proposal for a new Liverpool Local Environmental Plan to replace Liverpool Local Environmental Plan 2008 (LLEP 2008). The new LEP will implement actions from strategic planning documents, studies and strategies which have been completed over the past few years.

A LEP Review Scoping Report was exhibited in late 2022 as part of early community and stakeholder engagement prior to the preparation of a planning proposal. This report, prepared as an addendum to the Centres and Corridor Strategy reflects additional technical investigations to inform and support the preparation of the planning proposal for the new LEP.

This report details additional testing to inform and provide evidence to justify the proposed changes, to support the preparation of the planning proposal for a new LEP for development in the Local Centre Zones

The report details the impact on the delivery of housing, and the change in development yield within the study areas.

The assessment includes

- Reduction to 10m height of buildings in certain locations;
- Reduction to 12m and 15m on other sites to match heights of adjacent residential zoned land.

There has been very limited development of land within the commercial zones. This report will review options improve the delivery of development on this land.



Shoptop housing in Lurnea under the current controls.





PART 1 METHODOLOGY

ANALYSIS OF IMPACTS - LEP REVIEW

OBJECTIVE

To review the impacts of building height and land use changes on development yield.

METHODOLOGY

We have selected a range of development sites that are typical of of lots within the areas of the proposed change.

Each development site is modelled to determine the maximum development yield based on the application of the LEP and DCP controls that apply to the land, and also a consideration of the context and other site related influences.

Each site is then modelled to determine the maximum development yeild based on the proposed changes either to the maximum building height or land use zone. Where there are changes to the zone, this typically results in different development type and the application of different controls. These have been applied, as if the contols currently applied to the land.

ASSUMPTIONS

Apartment Design Guide applies for residential flat buildings of 3 or more storeys and more than 4 dwellings. Part 4C of the guide provides design criteria for ceiling heights.

Compliance with DCP and LEP controls

Number of storeys:

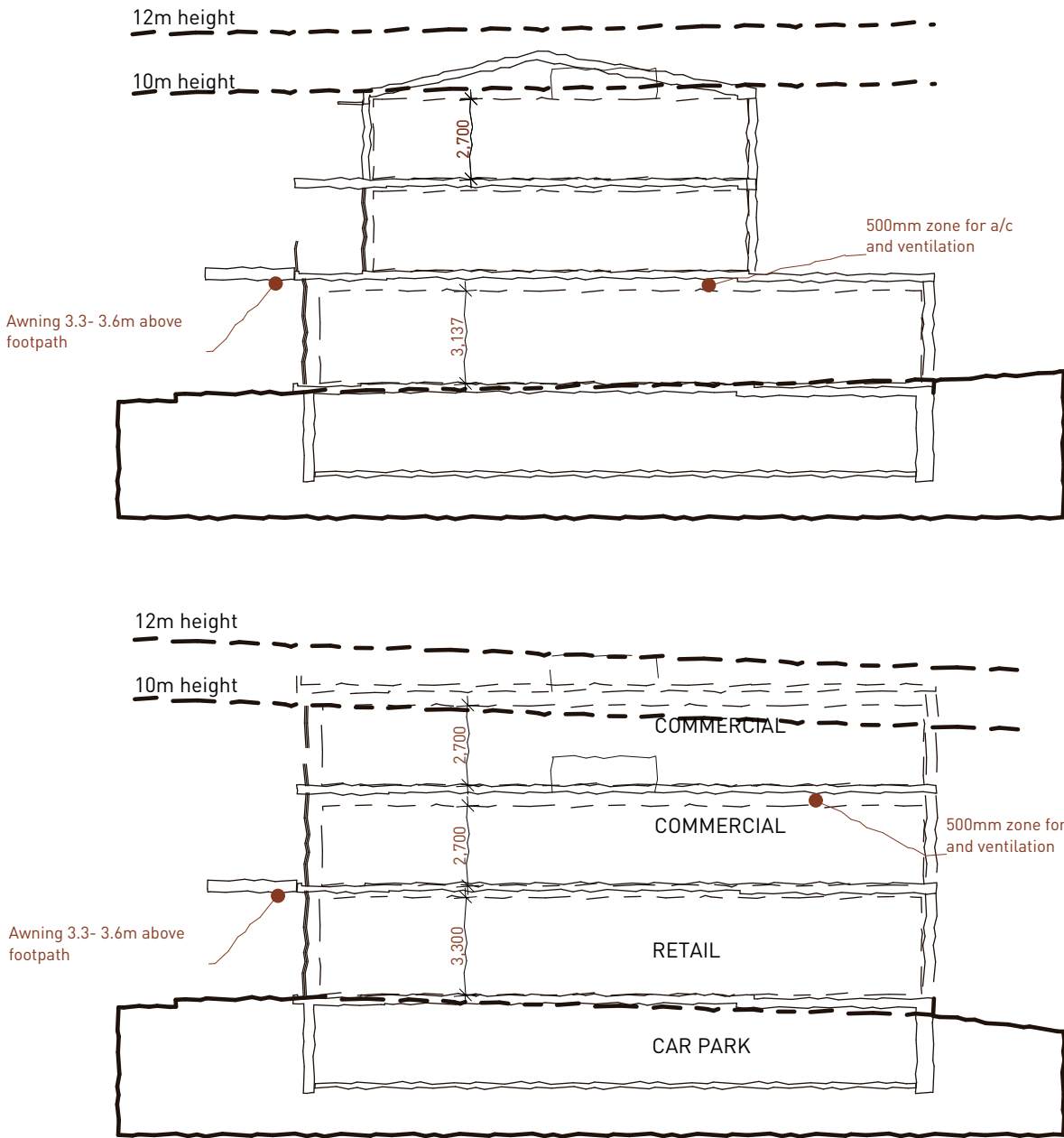
The following provides an outline of the translation of maximum height of building and number of storeys.

NUMBER OF STOREYS - SHOP TOP HOUSING

HOB Standard	Storeys	Calculated height
10m height	2 storeys	8.4m
12m height	3 storey	11.5m
15m height	4 storeys	14.6m
18m height	5 storeys	17.8m

Where a 10m height limit is proposed 2 storeys would be the typical development permissible. A 3 storey development would most likely require a cl 4.6 variation to the height standard resulting from parapets / roof elements and lift overruns.

This study assument compliance with the development standards.



DCP PARKING RATES:	
1 BEDROOM	1 SPACE
2 BEDROOM	1.5 SPACE
3+ BEDROOM	2 SPACE
VISITOR	1/4 DWELLINGS

RETAIL	1/20SQM LFA
COMMERCIAL	1/35SQM LFA

DESIGN CRITERIA	
Ceiling heights (residential)	2.7m
Ceiling height (ground retail)	3.3m

DESIGN ALLOWANCES	
Roof form / lift	1.2m
Added space under flat roof for drai and insulation	0.2m
Typical floor - floor (res)	3.1m
Ground floor - floor	3.7m
Typical floor to floor (com)	3.4m
Commercial ceiling space	0.5m
Topography allowance	0.8m
Slab thickness	0.2m
Setdown balconies	0.1m

4 storey working	
Roof form	1.20m
3 storeys (3.1+3.1+ 2.7)	5.8m
Ground floor retail	3.7m
Topography	0.8m
TOTAL	14.6m

3 storey working	
Roof form	1.20m
2 storeys (3.1+ 2.7)	5.8m
Ground floor retail	3.7m
Topography	0.8m
TOTAL	11.5m

2 storey working	
Roof form	1.2m
1 storey residential	2.7m
Ground Floor	3.7m
Topography	0.8m
TOTAL	8.4m

2 storey commercial working	
Roof form	1.2m
1 storey commercial	3.4m
Ground Floor	3.7m
Topography	0.8m
TOTAL	9.1m

HEIGHT REDUCTION - TEST LOT 1

ADDRESS	35-37 Stockton Ave, Moorebank
SITE AREA	1338 m <sup>2</sup>
LAND USE ZONE	E1 (Local Centre)

CURRENT PRIMARY CONTROLS

LEP	
HEIGHT	18m
FSR	1.2:1

DCP	
MIN LOT SIZE (DCP)	1000m <sup>2</sup>
FRONT SETBACK	'Determined by Urban Design Strategy'
SIDE SETBACK	N/A
REAR SETBACK	5 m non-residential - up to 10 m 8 m residential - up to 15
LANDSCAPED AREA	'Sufficient area provided'

PROPOSED CONTROL CHANGE

HEIGHT	12m Shop-top Housing
--------	----------------------

TESTING RESULTS

CURRENT CONTROLS

GROSS FLOOR AREA	1604 m <sup>2</sup>
FSR	1.2:1
RETAIL GFA	760 m <sup>2</sup>
RESIDENTIAL GFA	844 m <sup>2</sup>
1 BED	2
2 BED	8
PARKING	47

OPTION 1 CONTROLS - 12 m HEIGHT

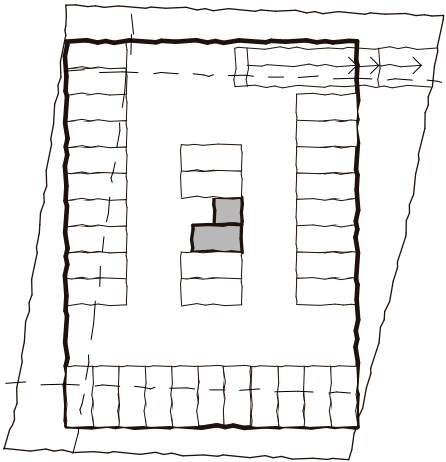
GROSS FLOOR AREA	1604 m <sup>2</sup>
FSR	1.2:1
RETAIL GFA	760 m <sup>2</sup>
RESIDENTIAL GFA	844 m <sup>2</sup>
1 BED	2
2 BED	8
PARKING	47

COMMENTS

Existing FSR does not enable full building height to be enabled. Reducing height has no impact on yield.

1.5 levels of basement car parking required

No reduction in yield

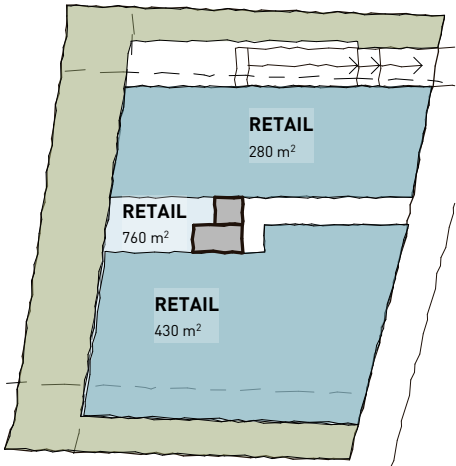


BASEMENT

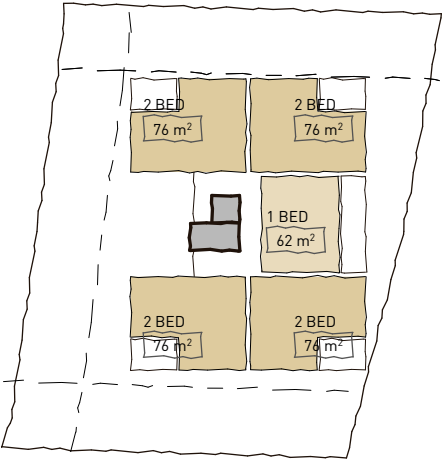
CURRENT CONTROLS

1:600

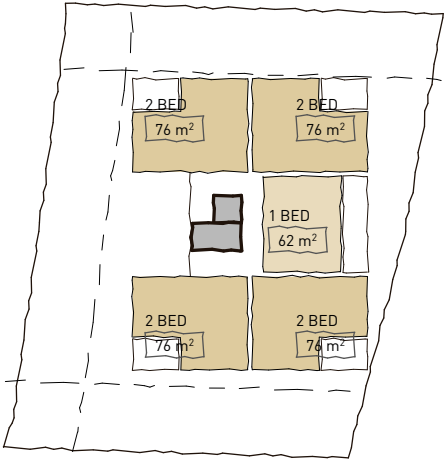
1.5 BASEMENT LEVELS  
53 SPACES REQUIRED



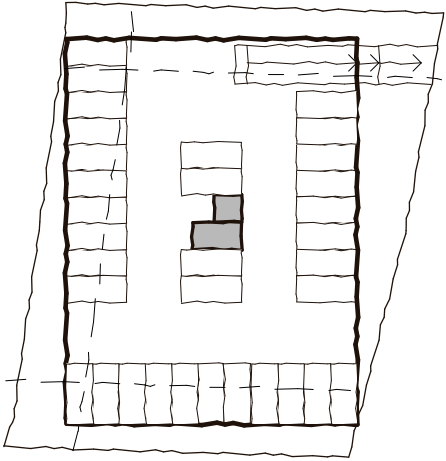
LEVEL 0



LEVEL 1



LEVEL 2

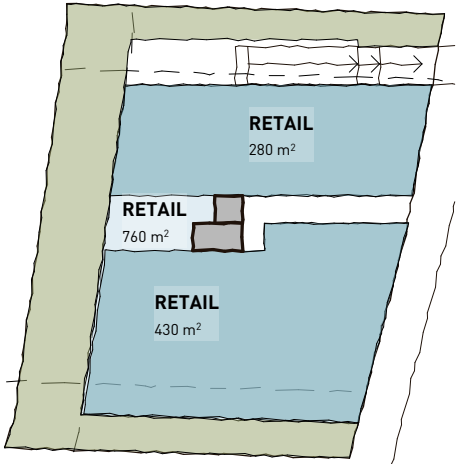


BASEMENT

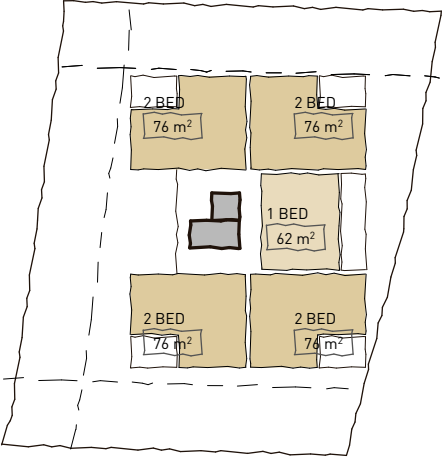
OPTION 1

1:600

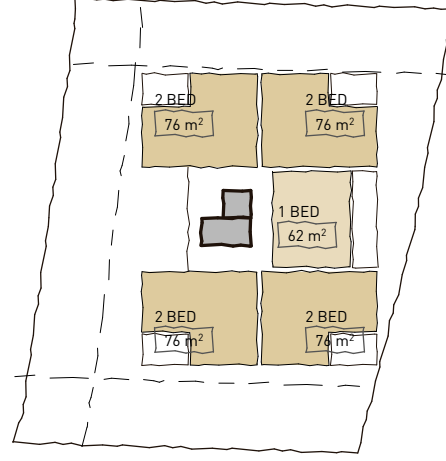
1.5 BASEMENT LEVELS  
53 SPACES REQUIRED



LEVEL 0



LEVEL 1



LEVEL 2





HEIGHT REDUCTION - TEST LOT 1

ADDRESS	35-37 Stockton Ave, Moorebank
SITE AREA	1338 m <sup>2</sup>
LAND USE ZONE	E1 (Local Centre)

CURRENT PRIMARY CONTROLS

LEP	
HEIGHT	18m
FSR	1.2:1

DCP	
MIN LOT SIZE (DCP)	1000m <sup>2</sup>
FRONT SETBACK	'Determined by Urban Design Strategy'
SIDE SETBACK	N/A
REAR SETBACK	5 m non-residential - up to 10 m 8 m residential - up to 15 m
LANDSCAPED AREA	'Sufficient area provided'

PROPOSED CONTROL CHANGE

HEIGHT	12m
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TESTING RESULTS

OPTION 2 CONTROLS - 12 m COMMERCIAL

GROSS FLOOR AREA	2178 m <sup>2</sup>
FSR	1.63:1
RETAIL GFA	760 m <sup>2</sup>
COMMERCIAL GFA	1418 m <sup>2</sup>
PARKING	72

OPTION 3 CONTROLS - ALTERNATE FORM / PARKING

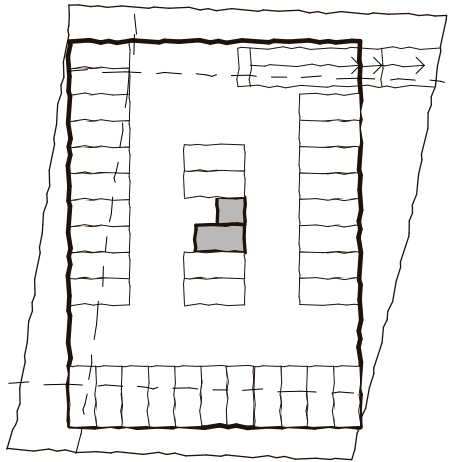
GROSS FLOOR AREA	1782 m <sup>2</sup>
FSR	1.33:1
RETAIL GFA	502 m <sup>2</sup>
RESIDENTIAL GFA	1280 m <sup>2</sup>
1 BED	6
2 BED	10
PARKING	22

COMMENTS

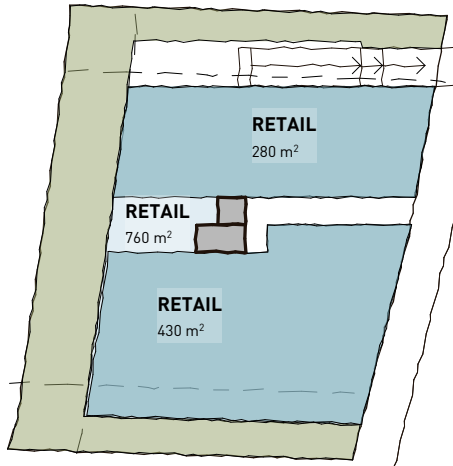
A cost effective 'walkup' apartment plan provides a simple built form with minimal common area. Reduced car parking requirements allows for carparking on grade at the rear of retail tennancies.

3m deep soil landscape provided to rear boundary and within car parking bays.

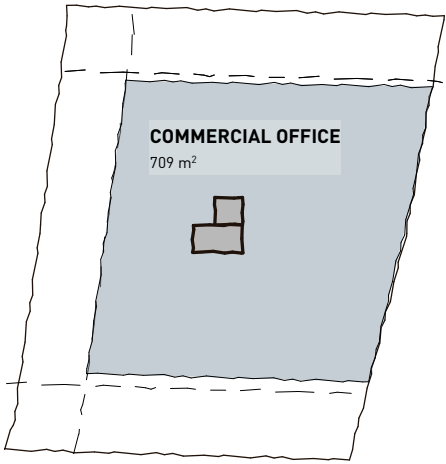
Increase in yield



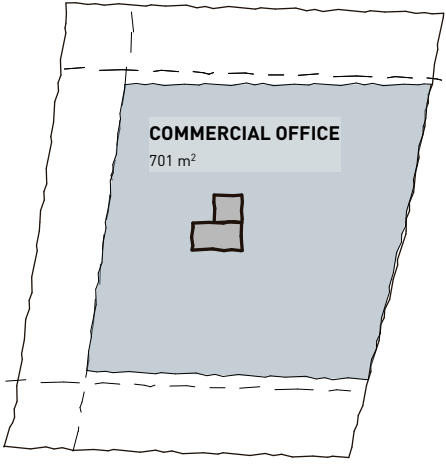
BASEMENT



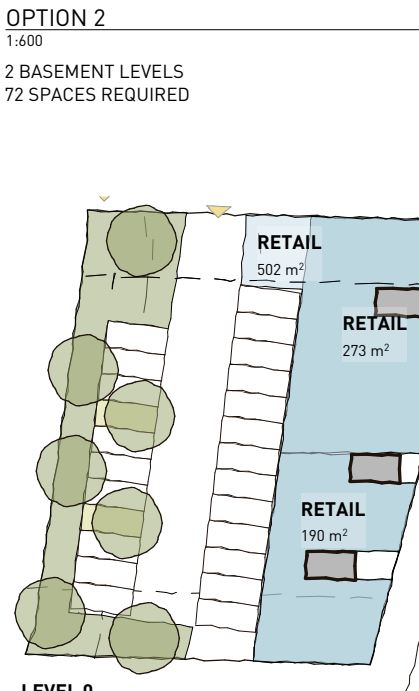
LEVEL 0



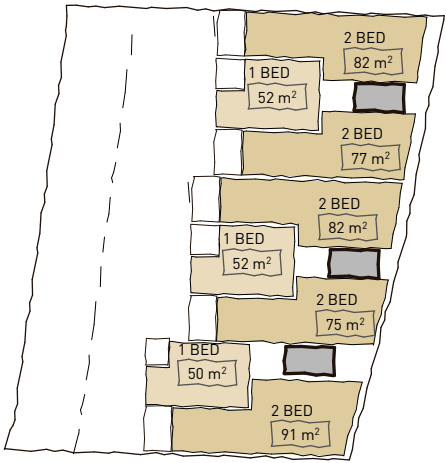
LEVEL 1



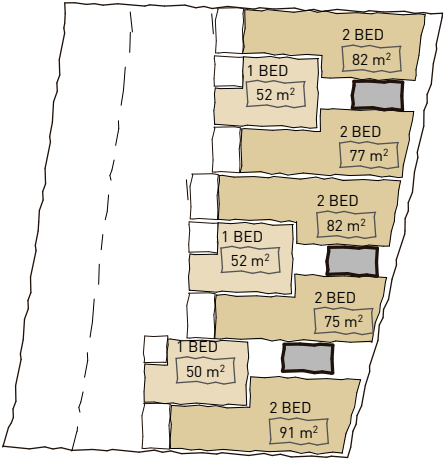
LEVEL 2



LEVEL 0



LEVEL 1



LEVEL 2

OPTION 3

1:600  
0 BASEMENT LEVELS  
22 SPACES PROVIDED



HEIGHT REDUCTION - TEST LOT 2

ADDRESS	193 Wilson Road, Green Valley
SITE AREA	2406m <sup>2</sup>
LAND USE ZONE	E1 (Local Centre)

CURRENT PRIMARY CONTROLS

LEP	
HEIGHT	21m
FSR	1.7:1

DCP	
MIN LOT SIZE (DCP)	1000m <sup>2</sup>
FRONT SETBACK	'Determined by Urban Design Strategy'
SIDE SETBACK	N/A
REAR SETBACK	5 m non-residential - up to 10 m 8 m residential - up to 15 m
LANDSCAPED AREA	'Sufficient area provided'

PROPOSED CONTROL CHANGE

HEIGHT	12m Shop-Top Housing
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TESTING RESULTS

CURRENT CONTROLS

GROSS FLOOR AREA	4090 m <sup>2</sup>
FSR	1.7:1
RETAIL GFA	1023 m <sup>2</sup>
RESIDENTIAL GFA	3067 m <sup>2</sup>
1 BED	7
2 BED	28
PARKING	104

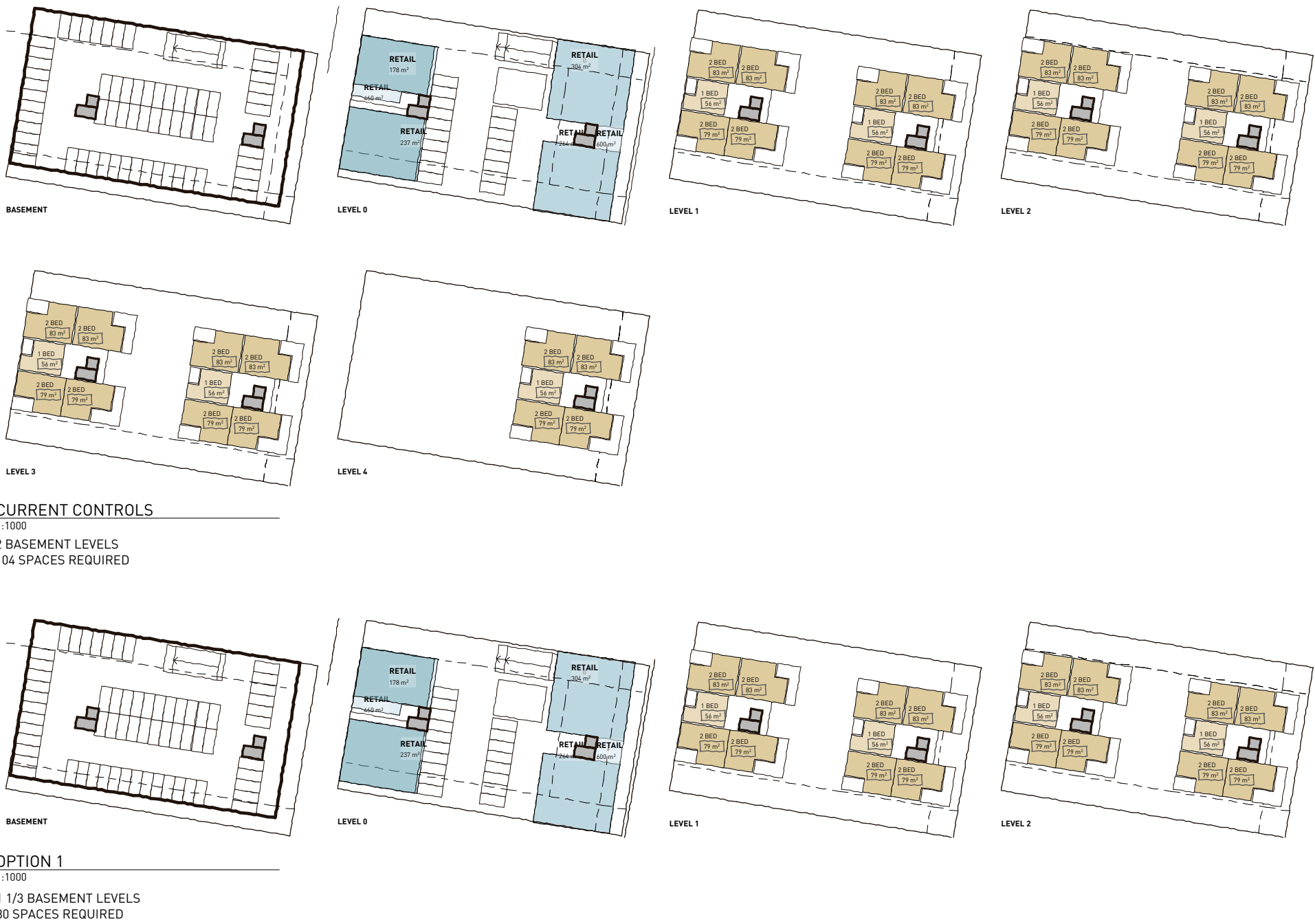
OPTION 1 CONTROLS - 12 m HEIGHT

GROSS FLOOR AREA	2800 m <sup>2</sup>
FSR	1.16 :1
RETAIL GFA	1023 m <sup>2</sup>
RESIDENTIAL GFA	1740 m <sup>2</sup>
1 BED	4
2 BED	16
PARKING	80

COMMENTS

Reducing overall height reduces residential development yield. Substantial car parking still required resulting from commercial land uses.

43% reduction in yield





HEIGHT REDUCTION - TEST LOT 2

ADDRESS	193 Wilson Road, Green Valley
SITE AREA	2406m²
LAND USE ZONE	E1 (Local Centre)

CURRENT PRIMARY CONTROLS

LEP	
HEIGHT	21m
FSR	1.7:1

DCP	
MIN LOT SIZE (DCP)	1000m²
FRONT SETBACK	'Determined by Urban Design Strategy'
SIDE SETBACK	N/A
REAR SETBACK	5 m non-residential - up to 10 m
	8 m residential - up to 15 m
LANDSCAPED AREA	'Sufficient area provided'

PROPOSED CONTROL CHANGE

HEIGHT	12m Commercial
HEIGHT	11.5 m Shop-top Housing

TESTING RESULTS

OPTION 2 CONTROLS - 12 m COMMERCIAL

GROSS FLOOR AREA	3195 m²
FSR	1.3:1
RETAIL GFA	1023 m²
COMMERCIAL GFA	2172 m²
PARKING	102

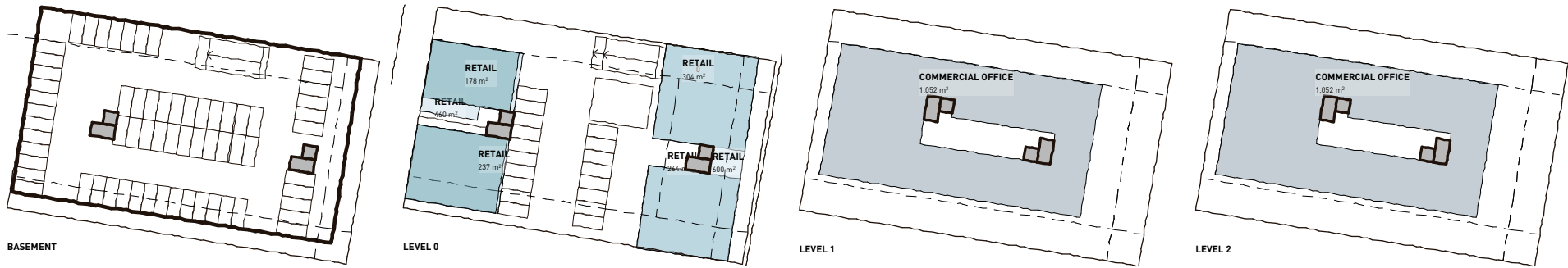
OPTION 3 CONTROLS - 11.5 m SHOP TOP

GROSS FLOOR AREA	3075 m²
FSR	1.28 :1
RETAIL GFA	875 m²
RESIDENTIAL GFA	2200 m²
1 BED	8
2 BED	20
PARKING	38

COMMENTS

Commercial development requires significant car parking area.

Alterate option with on grade car parking and walk up apartments provides for a simple layout, high levels of efficiency. reduced car parking rates remove need for basement.



OPTION 2  
1:1000  
1.5 BASEMENT LEVELS  
102 SPACES REQUIRED



OPTION 3  
1:1000  
0 BASEMENT LEVELS  
38 SPACES REQUIRED





HEIGHT REDUCTION - TEST LOT 3

ADDRESS	1-5 Norman Ave, Hammondville
SITE AREA	1422 m <sup>2</sup>
LAND USE ZONE	E1 (Local Centre)

CURRENT PRIMARY CONTROLS

LEP	
HEIGHT	18 m
FSR	1.5:1

DCP	
MIN LOT SIZE (DCP)	1000m <sup>2</sup>
FRONT SETBACK	'Determined by Urban Design Strategy'
SIDE SETBACK	N/A
REAR SETBACK	5 m non-residential - up to 10 m 8 m residential - up to 15 m
LANDSCAPED AREA	'Sufficient area provided'

PROPOSED CONTROL CHANGE

HEIGHT	10 m - Shop-top Housing
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TESTING RESULTS

CURRENT CONTROLS

GROSS FLOOR AREA	1692 m <sup>2</sup>
FSR	1.19 :1
RETAIL GFA	550 m <sup>2</sup>
RESIDENTIAL GFA	1583 m <sup>2</sup>
1 BED	4
2 BED	14
PARKING	55

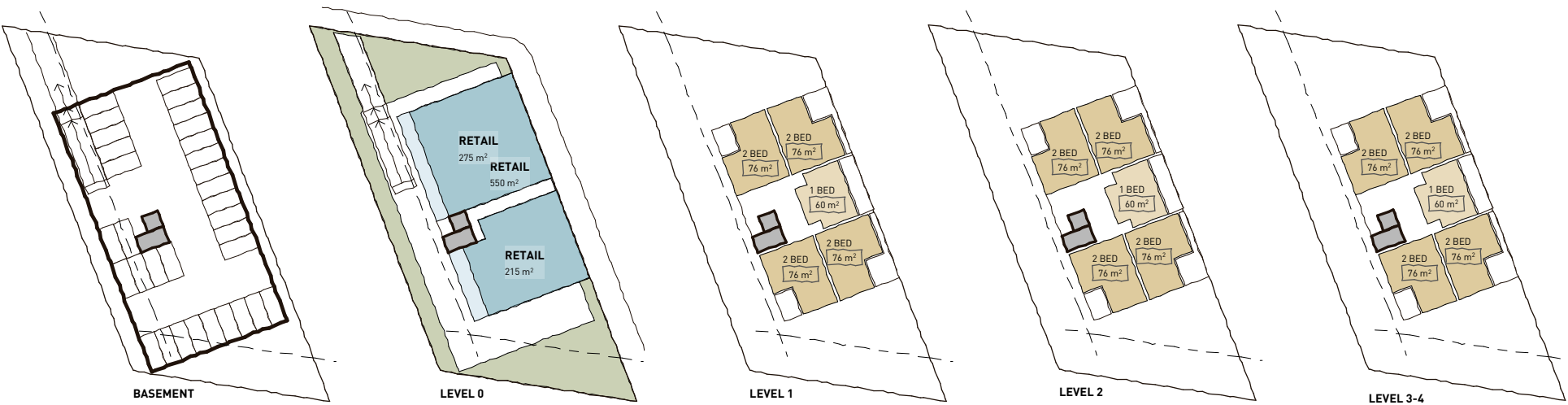
OPTION 1 CONTROLS - 10 m SHOP TOP

GROSS FLOOR AREA	1250
FSR	0.88 :1
RETAIL GFA	550 m <sup>2</sup>
RESIDENTIAL GFA	700 m <sup>2</sup>
1 BED	2
2 BED	3
PARKING	33

COMMENTS

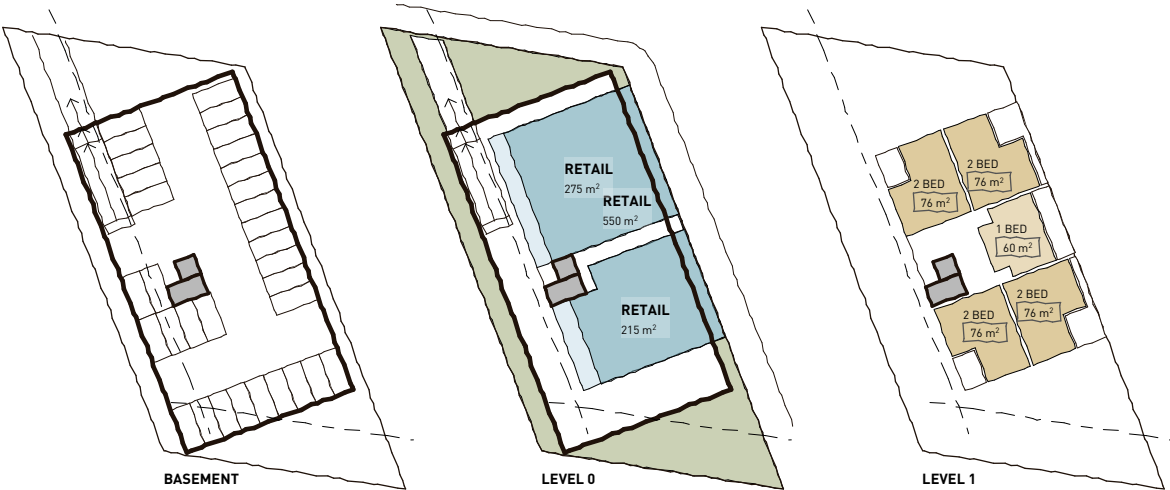
10m height limit results in 2 storeys development reducing residential yield substantially. High commercial car parking rates required basement car park.

74% reduction in yield



CURRENT CONTROLS

1:800  
1.5 BASEMENT LEVELS  
55 SPACES REQUIRED



OPTION 1

1:800  
1 BASEMENT LEVELS  
33 SPACES REQUIRED





HEIGHT REDUCTION - TEST LOT 3

ADDRESS	1-5 Norman Ave, Hammondville
SITE AREA	1422 m <sup>2</sup>
LAND USE ZONE	E1 (Local Centre)

CURRENT PRIMARY CONTROLS

LEP	
HEIGHT	18 m
FSR	1.5:1

DCP	
MIN LOT SIZE (DCP)	1000m <sup>2</sup>
FRONT SETBACK	'Determined by Urban Design Strategy'
SIDE SETBACK	N/A
REAR SETBACK	5 m non-residential - up to 10 m 8 m residential - up to 15 m
LANDSCAPED AREA	'Sufficient area provided'

PROPOSED CONTROL CHANGE

HEIGHT	10m Commercial
HEIGHT	11.5 m Shop-top Housing

TESTING RESULTS

OPTION 2 CONTROLS - 10 m COMMERCIAL

GROSS FLOOR AREA	1692 m <sup>2</sup>
FSR	1.19 :1
RETAIL GFA	829 m <sup>2</sup>
COMMERCIAL GFA	863 m <sup>2</sup>
PARKING	59

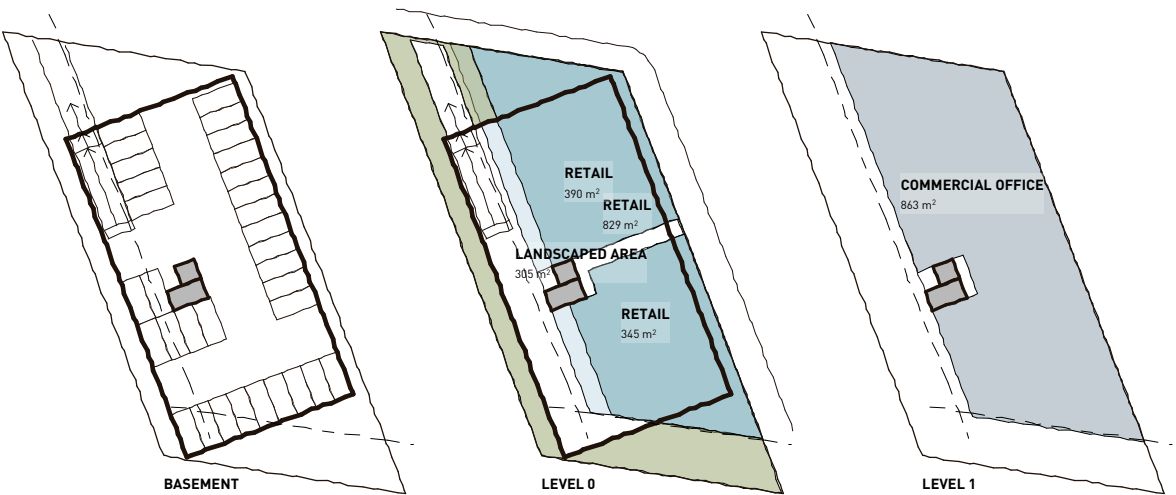
OPTION 3 CONTROLS - 11.5 m SHOP TOP

GROSS FLOOR AREA	1951
FSR	1 :37
RETAIL GFA	611 m <sup>2</sup>
RESIDENTIAL GFA	1340 m <sup>2</sup>
1 BED	4
2 BED	12
PARKING	23

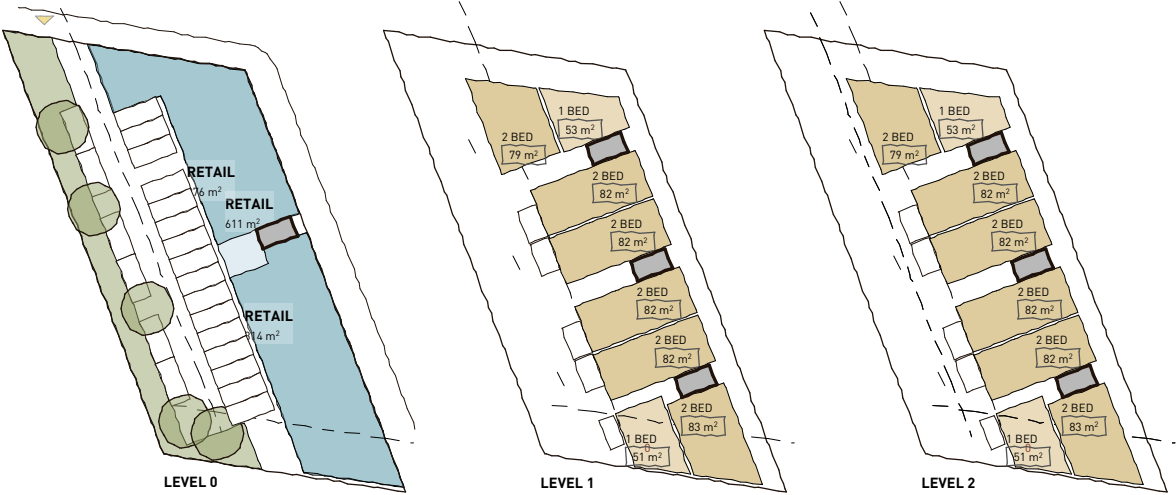
COMMENTS

Existing car parking controls limit opportunities for commercial development.

Reduced car parking rates enable a more simple street facing building form. Deep soil landscape provided along the rear boundary creates an appropriate interface with the adjacent residential uses. The 11.5m height still retains a built form compatible with the suburban character - similar to traditional high streets.



OPTION 2  
1:800  
2 BASEMENT LEVELS  
59 SPACES REQUIRED



OPTION 3  
1:800  
0 BASEMENT LEVELS  
23 SPACES REQUIRED



HEIGHT REDUCTION - TEST LOT 4

ADDRESS	64 Hill Road, Lurnea
SITE AREA	864m <sup>2</sup>
LAND USE ZONE	E1 (Local Centre)

CURRENT PRIMARY CONTROLS

LEP	
HEIGHT	18 m
FSR	1.5 :1

DCP	
MIN LOT SIZE (DCP)	1000m <sup>2</sup>
FRONT SETBACK	'Determined by Urban Design Strategy'
SIDE SETBACK	N/A
REAR SETBACK	5 m non-residential - up to 10 m 8 m residential - up to 15 m
LANDSCAPED AREA	'Sufficient area provided'

PROPOSED CONTROL CHANGE

HEIGHT	10 m - Shop-top Housing
--------	-------------------------

TESTING RESULTS

CURRENT CONTROLS

GROSS FLOOR AREA	1296 m <sup>2</sup>
FSR	1.5 :1
RETAIL GFA	495 m <sup>2</sup>
RESIDENTIAL GFA	801 m <sup>2</sup>
1 BED	2
2 BED	8
PARKING	39

OPTION 1 CONTROLS - 10 m SHOP TOP

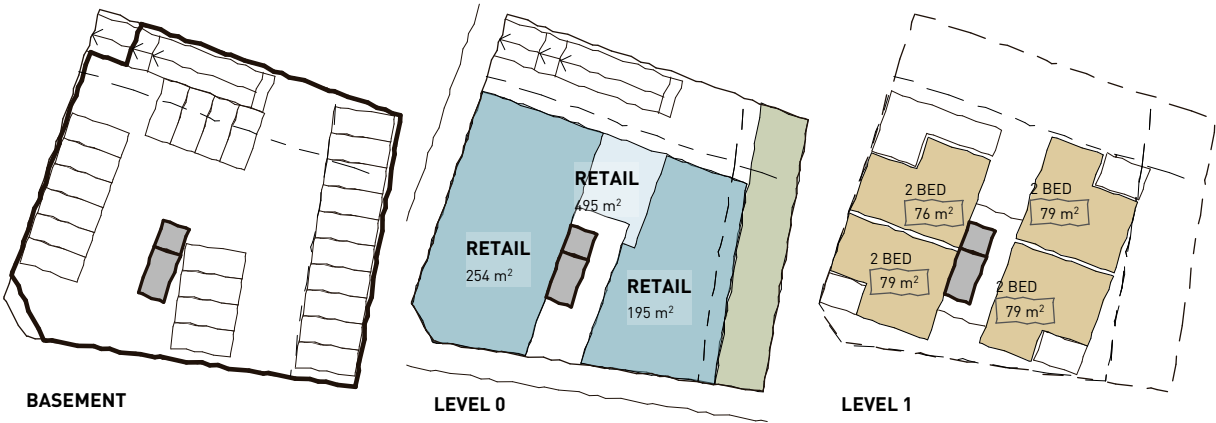
GROSS FLOOR AREA	845
FSR	0.98:1
RETAIL GFA	495 m <sup>2</sup>
RESIDENTIAL GFA	350 m <sup>2</sup>
1 BED	0
2 BED	4
PARKING	30

COMMENTS

The 10m height standard removes 2 floors from the current development potential. Despite this there is only a small reduction in the size of the car parking required as a result of the high car parking rates for commercial uses.



CURRENT CONTROLS  
1:600  
1.5 BASEMENT LEVELS  
39 SPACES REQUIRED



OPTION 1  
1:600  
1.5 BASEMENT LEVELS  
30 SPACES REQUIRED

60% reduction in yield







HEIGHT REDUCTION - TEST LOT 4

ADDRESS	64 Hill Road, Lurnea
SITE AREA	864m <sup>2</sup>
LAND USE ZONE	E1 (Local Centre)

CURRENT PRIMARY CONTROLS

LEP	
HEIGHT	18 m
FSR	1.5 :1

DCP	
MIN LOT SIZE (DCP)	1000m <sup>2</sup>
FRONT SETBACK	'Determined by Urban Design Strategy'
SIDE SETBACK	N/A
REAR SETBACK	5 m non-residential - up to 10 m 8 m residential - up to 15 m
LANDSCAPED AREA	'Sufficient area provided'

PROPOSED CONTROL CHANGE

HEIGHT	10 m
--------	------

TESTING RESULTS

OPTION 2 CONTROLS - 10 m COMMERCIAL

GROSS FLOOR AREA	1015 m <sup>2</sup>
FSR	1.17 :1
RETAIL GFA	495 m <sup>2</sup>
COMMERCIAL GFA	520 m <sup>2</sup>
PARKING	36

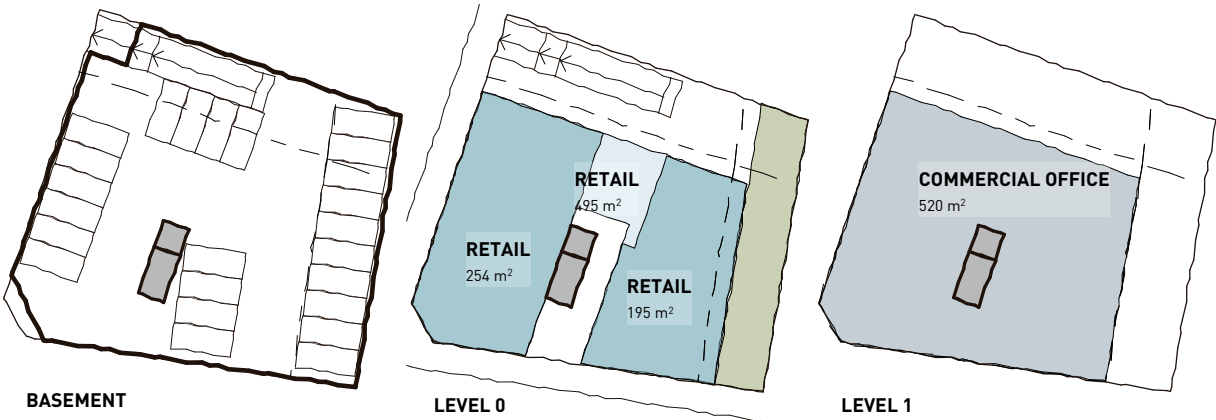
OPTION 3 CONTROLS - 11.5 m SHOP TOP & REDUCED CAR

GROSS FLOOR AREA	1068
FSR	1.24 :1
RETAIL GFA	368m <sup>2</sup>
RESIDENTIAL GFA	700 m <sup>2</sup>
1 BED	0
2 BED	8
PARKING	12

COMMENTS

Commercial uses limited by car parking requirements.

Alternate height and reduced car parking provides an appropriate fit for the context and removes requirement for basement - improving yield and creating a built form easy to build.



OPTION 2

1:600  
1.5 BASEMENT LEVELS  
36 SPACES REQUIRED



OPTION 3

1:600  
0 BASEMENT LEVELS  
12 SPACES REQUIRED



HEIGHT REDUCTION - TEST LOT 5

ADDRESS	14-16 Sinclair Rd, Ashcroft
SITE AREA	1313 m <sup>2</sup>
LAND USE ZONE	E1 (Local Centre)

CURRENT PRIMARY CONTROLS

LEP	
HEIGHT	21 m
FSR	1.7 :1

DCP	
MIN LOT SIZE (DCP)	1000m <sup>2</sup>
FRONT SETBACK	'Determined by Urban Design Strategy'
SIDE SETBACK	N/A
REAR SETBACK	5 m non-residential - up to 10 m 8 m residential - up to 15 m
LANDSCAPED AREA	'Sufficient area provided'

PROPOSED CONTROL CHANGE

HEIGHT	12 m - Shop-top Housing
--------	-------------------------

TESTING RESULTS

CURRENT CONTROLS

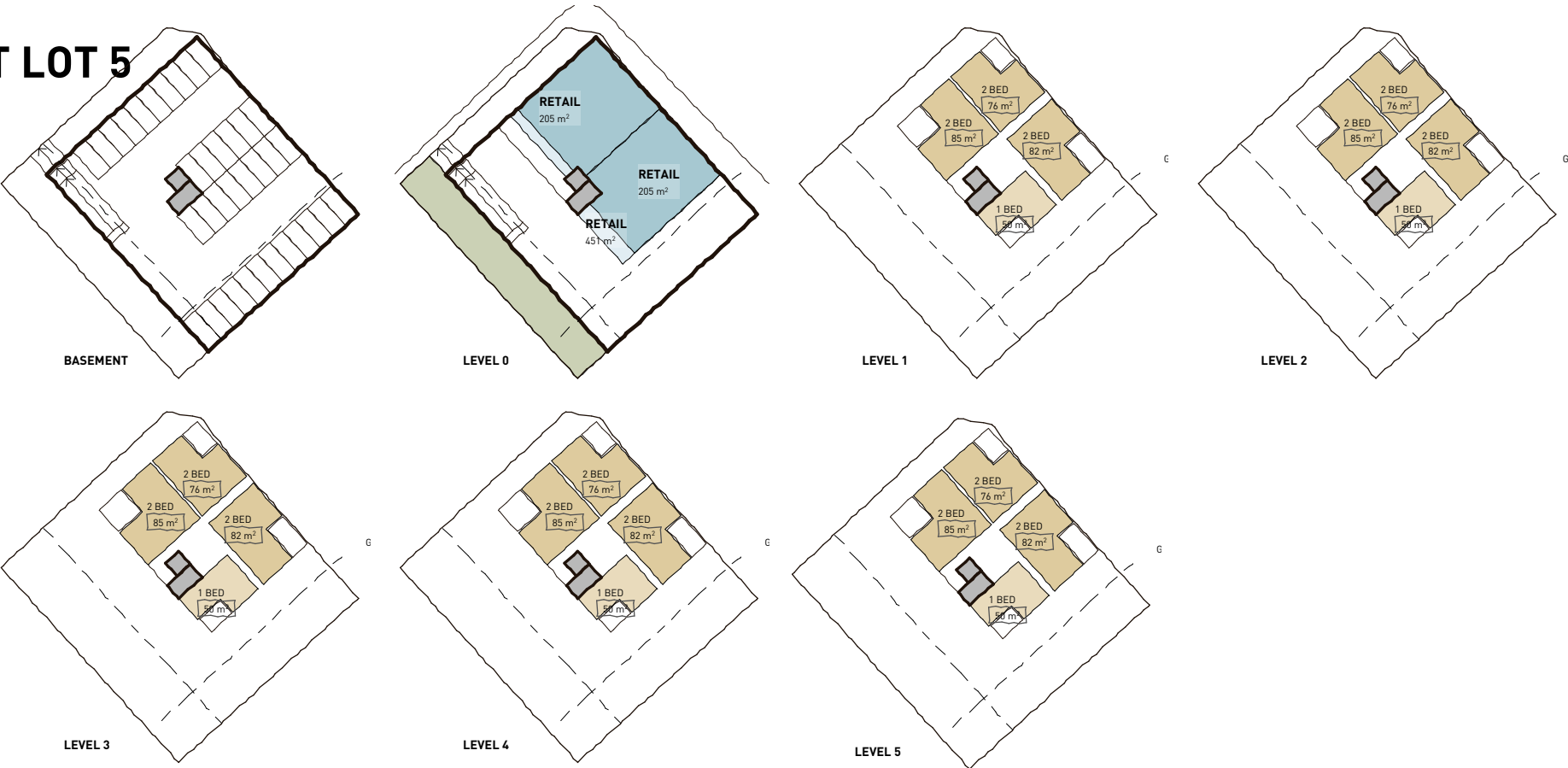
GROSS FLOOR AREA	2232 m <sup>2</sup>
FSR	1.7 :1
RETAIL GFA	451 m <sup>2</sup>
RESIDENTIAL GFA	1781 m <sup>2</sup>
1 BED	5
2 BED	15
PARKING	53

OPTION 1 CONTROLS - 12 m SHOP TOP

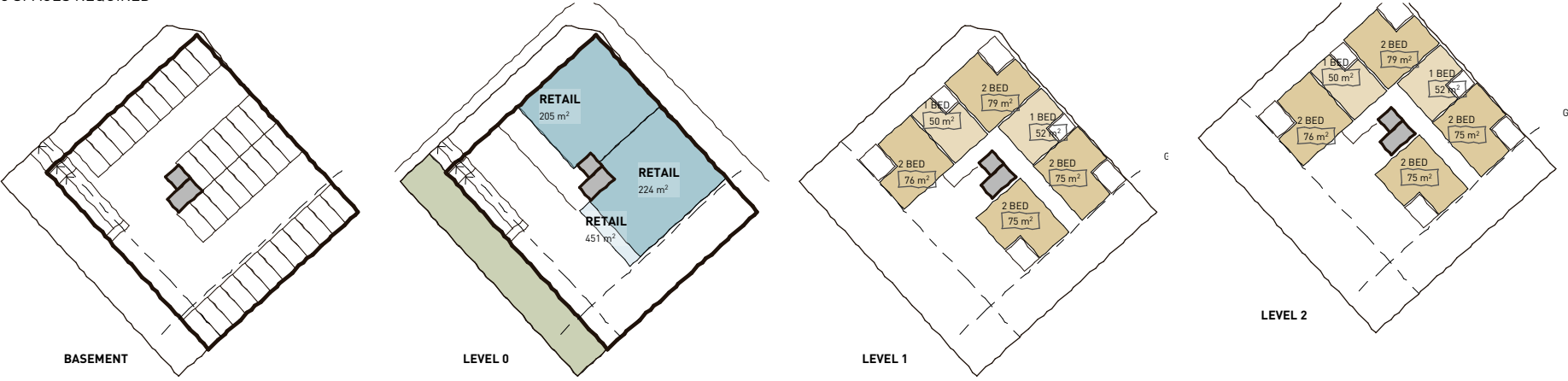
GROSS FLOOR AREA	1391 m <sup>2</sup>
FSR	1.06 :1
RETAIL GFA	451 m <sup>2</sup>
RESIDENTIAL GFA	940 m <sup>2</sup>
1 BED	4
2 BED	8
PARKING	36

COMMENTS

Reduction in height allows for different distribution of the floor plate - however overall yeild remains reduced.



CURRENT CONTROLS  
1:800  
1.5 BASEMENT LEVELS  
53 SPACES REQUIRED



OPTION 1  
1:800  
1 BASEMENT LEVELS  
36 SPACES REQUIRED

32% reduction in yield





HEIGHT REDUCTION - TEST LOT 5

ADDRESS	14-16 Sinclair Rd, Ashcroft
SITE AREA	1313 m <sup>2</sup>
LAND USE ZONE	E1 (Local Centre)

CURRENT PRIMARY CONTROLS

LEP	
HEIGHT	21 m
FSR	1.7 :1

DCP	
MIN LOT SIZE (DCP)	1000m <sup>2</sup>
FRONT SETBACK	'Determined by Urban Design Strategy'
SIDE SETBACK	N/A
REAR SETBACK	5 m non-residential - up to 10 m 8 m residential - up to 15 m
LANDSCAPED AREA	'Sufficient area provided'

PROPOSED CONTROL CHANGE

HEIGHT	12m Commercial
HEIGHT	11.5 m Shop-top Housing

TESTING RESULTS

OPTION 2 CONTROLS - 12 m COMMERCIAL

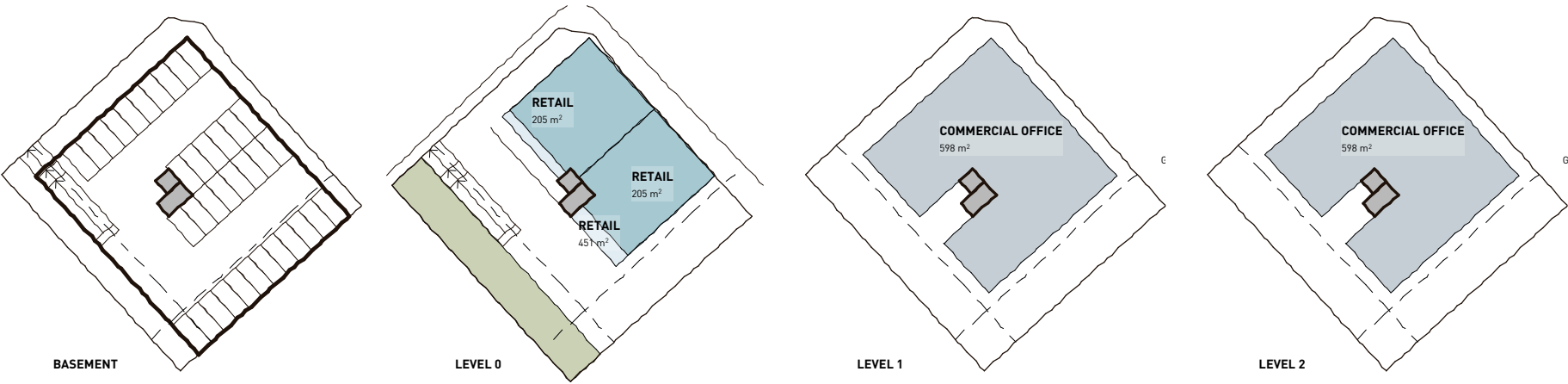
GROSS FLOOR AREA	1731 m <sup>2</sup>
FSR	1.25:1
RETAIL GFA	451 m <sup>2</sup>
COMMERCIAL GFA	1196 m <sup>2</sup>
PARKING	51

OPTION 3 CONTROLS - 11.5 m SHOP TOP

GROSS FLOOR AREA	1680 m <sup>2</sup>
FSR	1.28 :1
RETAIL GFA	470 m <sup>2</sup>
RESIDENTIAL GFA	1210 m <sup>2</sup>
1 BED	2
2 BED	12
PARKING	19

COMMENTS

- Commercial uses limited by basement car parking.
- Alternate car parking arrangement and walk up apartment style allows for simple apartment layout and improved yield, and removal of need for basement car park.
- Landscape provided to rear boundary



OPTION 2  
1:800  
1.5 BASEMENT LEVELS  
51 SPACES REQUIRED



OPTION 3  
1:800  
0 BASEMENT LEVELS  
19 SPACES REQUIRED



HEIGHT REDUCTION - TEST LOT 6

ADDRESS	221 Hoxton Park Rd, Cartwright
SITE AREA	1567 m <sup>2</sup>
LAND USE ZONE	E1 (Local Centre)

CURRENT PRIMARY CONTROLS

LEP	
HEIGHT	21 m
FSR	1.7:1

DCP	
MIN LOT SIZE (DCP)	1000m <sup>2</sup>
FRONT SETBACK	'Determined by Urban Design Strategy'
SIDE SETBACK	N/A
REAR SETBACK	5 m non-residential - up to 10 m 8 m residential - up to 15 m
LANDSCAPED AREA	'Sufficient area provided'

PROPOSED CONTROL CHANGE

HEIGHT	15 m - Shop-top Housing
--------	-------------------------

TESTING RESULTS

CURRENT CONTROLS

GROSS FLOOR AREA	2663 m <sup>2</sup>
FSR	1.7:1
RETAIL GFA	880 m <sup>2</sup>
RESIDENTIAL GFA	1784 m <sup>2</sup>
1 BED	4
2 BED	16
PARKING	73

OPTION 1 CONTROLS - 15 m SHOP TOP

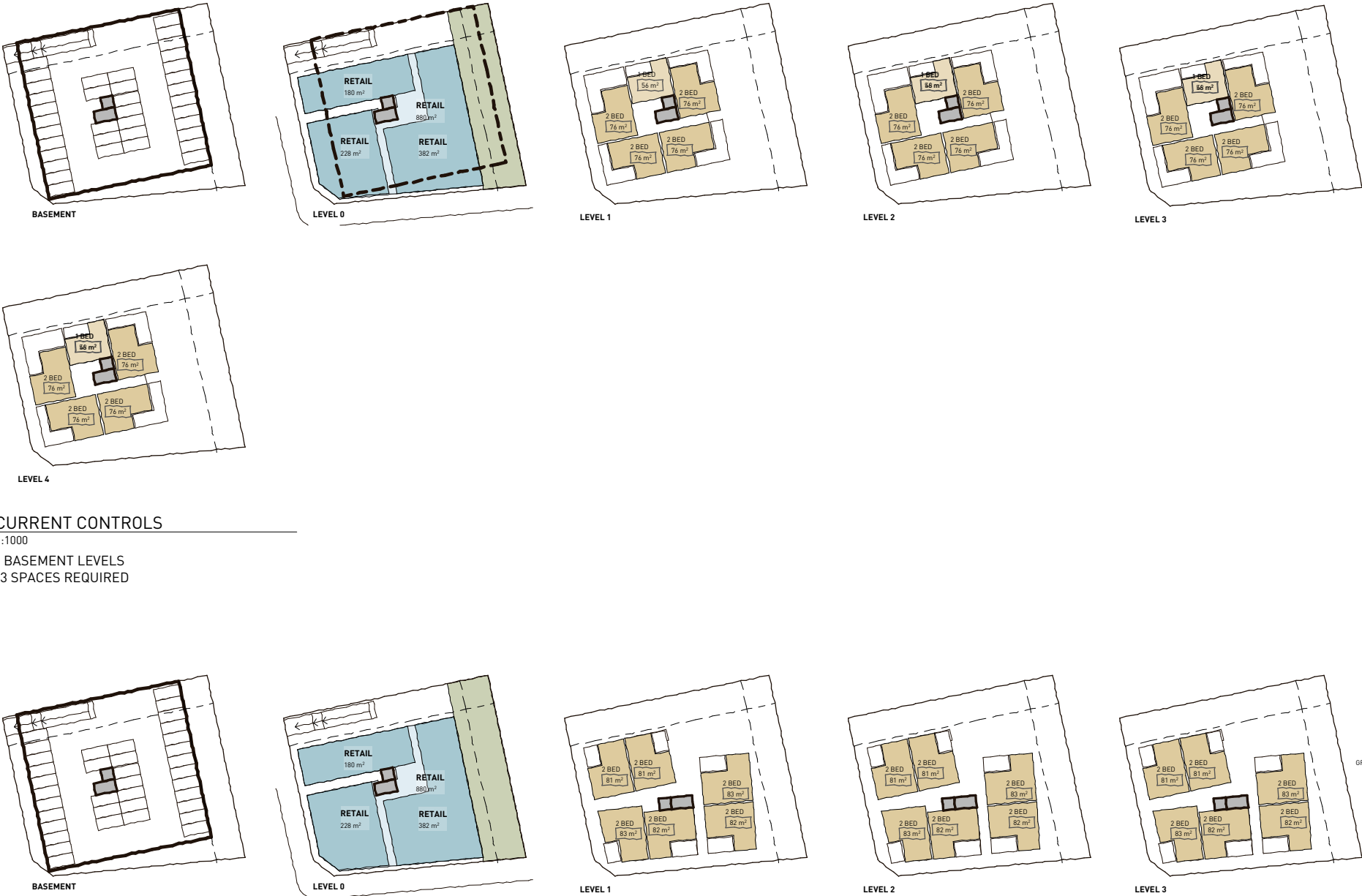
GROSS FLOOR AREA	2560 m <sup>2</sup>
FSR	1.63 :1
RETAIL GFA	880 m <sup>2</sup>
RESIDENTIAL GFA	1680 m <sup>2</sup>
1 BED	0
2 BED	18
PARKING	72

COMMENTS

Development under current controls does not need the 21m as FSR is too low. FSR utilied in 5 storeys.

Reduced height allows for reconfiguration of floor plate to maximise FSR limiting the reduction in yield.

10% reduction in yield



CURRENT CONTROLS

1:1000  
2 BASEMENT LEVELS  
73 SPACES REQUIRED

OPTION 1

1:1000  
1.5 BASEMENT LEVELS  
65 SPACES REQUIRED

GFA - 1





HEIGHT REDUCTION - TEST LOT 6

ADDRESS	221 Hoxton Park Rd, Cartwright
SITE AREA	1567 m <sup>2</sup>
LAND USE ZONE	E1 (Local Centre)

CURRENT PRIMARY CONTROLS

LEP	
HEIGHT	21 m
FSR	1.7:1

DCP	
MIN LOT SIZE (DCP)	1000m <sup>2</sup>
FRONT SETBACK	'Determined by Urban Design Strategy'
SIDE SETBACK	N/A
REAR SETBACK	5 m non-residential - up to 10 m 8 m residential - up to 15 m
LANDSCAPED AREA	'Sufficient area provided'

PROPOSED CONTROL CHANGE

HEIGHT	15 m Commercial
HEIGHT	11.5 m Shop-top Housing

TESTING RESULTS

OPTION 2 CONTROLS - 15 m COMMERCIAL

GROSS FLOOR AREA	2740 m <sup>2</sup>
FSR	1.75 :1
RETAIL GFA	880 m <sup>2</sup>
COMMERCIAL GFA	1860 m <sup>2</sup>
PARKING	87

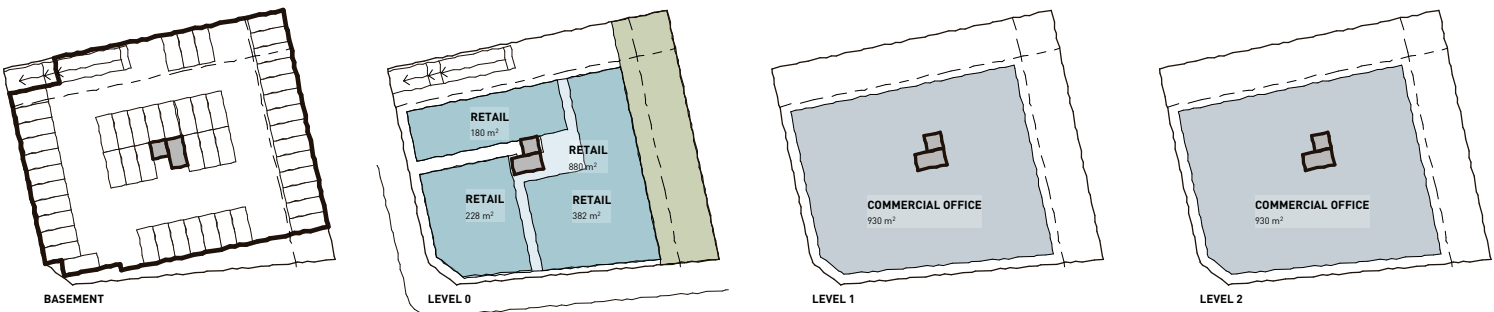
OPTION 3 CONTROLS - 11. 5 m SHOP TOP

GROSS FLOOR AREA	2425m <sup>2</sup>
FSR	1.55 :1
RETAIL GFA	785 m <sup>2</sup>
RESIDENTIAL GFA	1640 m <sup>2</sup>
1 BED	4
2 BED	16
PARKING	28

COMMENTS

A full commercial building would permit a GFA significantly larger than the current permissible GFA. The car parking rates required 3 basement levels.

Reduced car parking rates would allow for a 3 storey built form and allow on grade car parking. Providing a 3 storey form reduces construction costs and complexity. The walk up format provides for increased efficiency in the residential layout and yield - despite one less storey.



OPTION 2  
1:1000  
3 BASEMENT LEVELS  
87 SPACES REQUIRED



OPTION 3  
1:1000  
0 BASEMENT LEVELS  
28 SPACES REQUIRED





SUMMARY

Review of the current controls have revealed three constraints to development on the Local Centre zoned land:

- car parking required by the DCP
- construction requirements for buildings with 4 or more storeys

CAR PARKING & LOADING

The current DCP provisions require the following car parking rates:

1 BEDROOM	1 SPACE
2 BEDROOM	1.5 SPACE
3+ BEDROOM	2 SPACE
VISITOR	1/4 DWELLINGS

RETAIL	1/20SQM LFA
COMMERCIAL	1/35SQM LFA

A typical underground carpark - with associated circulation and ramps requires about 34m<sup>2</sup> per car space. For a retail use, more floor area is constructed for car parking that is provided for the retail use, and a similar floor area is constructed for commercial car parking as for the related commercial use. This adds substantial cost to the development where any retail or commercial uses are provided and acts as a disincentive to redevelopment. The actual car parking rates in the undeveloped existing centres is closer to 1 space per 80-100sqm.

Reducing car parking rates for retail and commercial uses to 1 space per 80sqm would significantly reduce construction costs and enable car parking to be located at ground level

Most retail uses in local centres can be adequately serviced by and SRV or on street loading zones due to the small tenancy sizes and nature of the uses. Requiring larger vehicles to service the site provides an inefficient use of land on the smaller local centre sites and is unnecessary for the nature of the potential uses.

CONSTRUCTION

There is a step change in the requirements of the NCC between buildings 3 & 4 storeys in height, which is further simplified where car parking is provided on grade.

Comparison

	3 storey	4 storey
Fire stairs	Non-fire isolated	Fire isolated
Car parking	-	Class 7
Internal hydrants	not required	required
Sprinklers	not required	required

A 3 storey built form has a substantially lower construction cost and reduced complexity for services.

RECOMMENDATION

The reduction in the height limit results in a substantial reduction in dwelling numbers feasibility and the likelihood of redevelopment due to the loss of residential and commercial floor space above the ground floor retail.

The significant barrier to redevelopment is the car parking rates required for both residential and commercial uses within local centre zone.

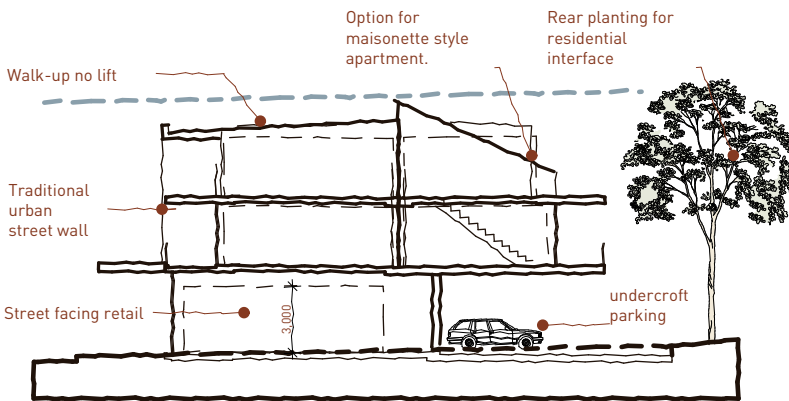
There is an opportunity to improve the likelihood of redevelopment in the local centres when buildings of 3 storeys are permitted. This will require a height limit of 11.5-12m.

- Buildings of 3 storeys in height allow for a more efficient layout and lower development costs resulting from:
- Reduced NCC requirements for servicing and fire rating
  - Apartments can be designed as 'walk-up' and lifts are not required.
  - Floor area accommodated within a 3 storey form can accommodate car parking at ground level

Reducing the car parking rates will enable car parking to be accommodated at ground level - reducing construction costs as a basement will not be required.

The 3 storey 'walk-up' style apartment is a common building form in Liverpool and Sydney and provides for a high amenity and affordable housing product.

They are relatively simple to construct compared to higher buildings with basement car parking.



RECOMMENDED PLANNING CONTROLS

LEP	
Building Height	11.5-12m
FSR	1.3:1*
Min Lot size for development	No required
* An FSR of 1.5:1 may be provided on larger selected corner sites	
DCP	
Side Setback	0m
Rear Setback	6m
Front setback	0m
Landscape	3m Deep soil along boundary to residential zoned land. (except for first 15m from front building line)
Parking	Residential - 0.8-1 space per dwelling Retail / Commercial - 1/80m <sup>2</sup>
Loading	On street / SRV for lots larger than 1000m <sup>2</sup>





# SHOP-TOP HOUSING MODEL

The following provides an illustration of a model low-rise shop-top housing model.

The design is calibrated to maximise efficiency for housing delivery and minimising factors that increase construction costs.

The model activates the street frontage with retail uses and provides opportunities for smaller affordable apartments located above in a variety of different configurations. Amenity to adjacent residential uses are protected with setbacks and landscaping.

**Interesting roof forms**

Provide enough space in height limit to enable interesting roof forms compatible with the residential context. Pitched roofs can also increase light and ventilation to top floor

**Low scale street wall**

2 - 3 storey street wall provides built form that is compatible with surrounding suburban context.

**Awning**

Provide awning to retail frontage to provide rain and sun protection for pedestrians.

**Residential entry**

Small residential entry facing street - maximising retail shop front

**3 storey form**

3 storey building form enables simple construction methods.  
Fire isolated stairs, sprinklers and internal hydrants are not required.

Upper level apartments could be single level or 2 storey loft style.

Internal common circulation is reduced increasing floor area efficiency. Simple building form enables high amenity apartments with good cross ventilation and daylight.

**Landscaping to residential interface**

3m deep soil landscaping to boundaries with residential interface improves amenity outcome at boundary for neighbouring properties.

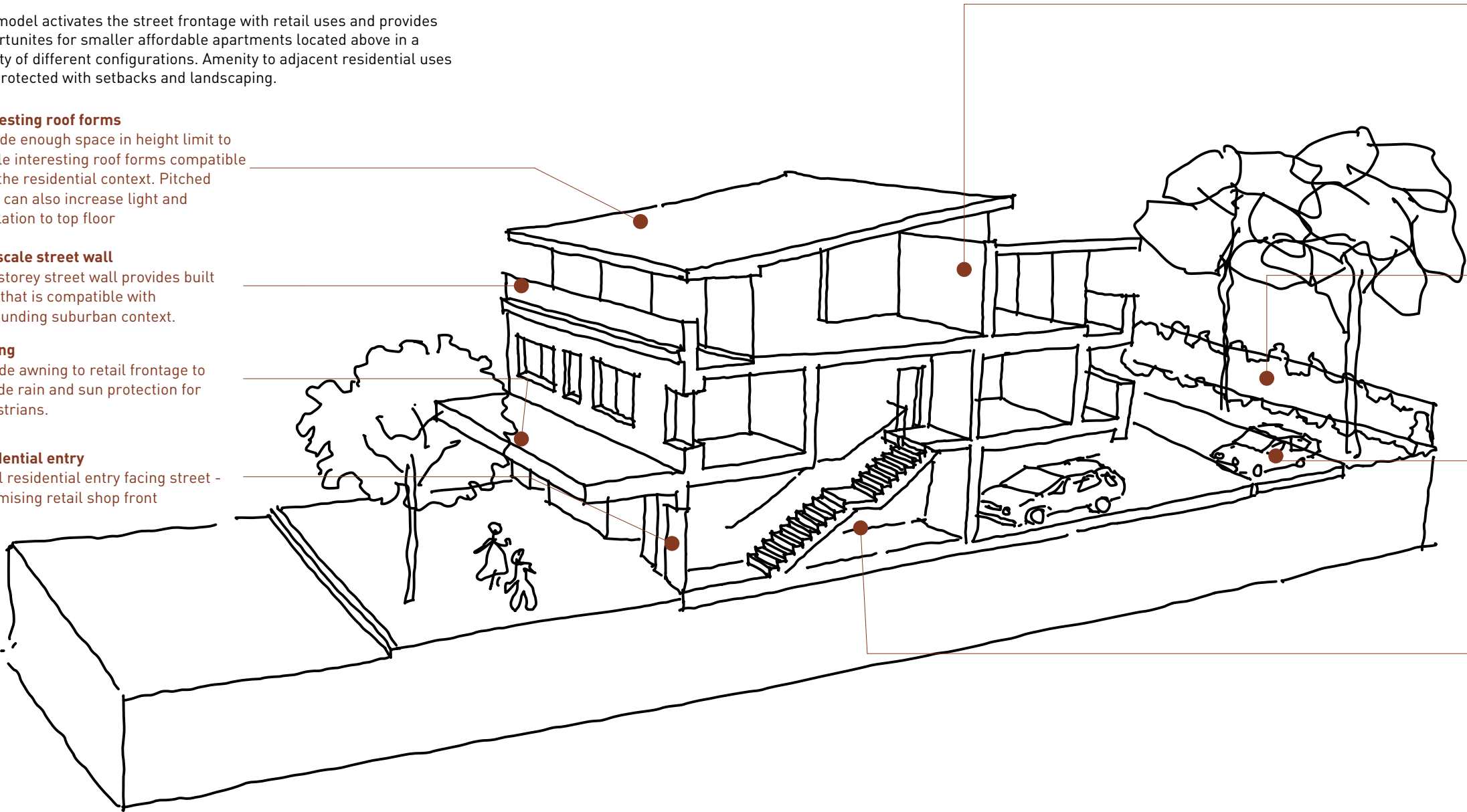
**On-grade car parking**

Where car parking is provided externally provide shade to driveway and car spaces with tree canopy or well designed canopy.

On grade car parking reduces construction cost.

**Access to residential levels**

3 storey form enables stair access and reduces need for lift.



## Transport for NSW



Mr. John Ajaka  
 Chief Executive Officer  
 Liverpool City Council  
 Locked Bag 7064  
 Liverpool BC NSW 1871

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**RE: Urgent Response to Council resolution on Item PLAN 05 dated 29 May 2024**

14 June 2024

Dear Mr Ajaka,

I am writing to bring to your attention a matter of significant concern regarding the recent decisions made by Liverpool Council on 29 May 2024 in its Ordinary Council Meeting in relation to Item PLAN 05 *Draft Principal Planning Proposal to establish a new Liverpool Local Environmental Plan* ("Draft Planning Proposal").

On 29th August and 6th September 2023, Transport for NSW (Transport) submitted requests to Liverpool Council to rezone specific parcels from SP2 Infrastructure Classified Road ("SP2") as they are no longer required for infrastructure purposes (see **Appendices A and B**).

These requests were made in accordance with Ministerial Direction 5.2 - *Reserving Land for Public Purposes*, issued by the Minister for Planning under Section 9.1 of the *Environmental Planning and Assessment Act 1979*. Once rezoned from SP2, Transport would also no longer be the acquiring authority for these parcels and the land would be available for other compatible land uses.

The parcels in question are:

- 27, 29, and 37 Grove Street Casula: these are all in Transport ownership and proposed to be rezoned from SP2 to R2 Low Density Residential;
- 300-304 and 318-324 Hume Highway Liverpool: these are all in Transport ownership and proposed to be rezoned from SP2 to MU1 Mixed Use; and
- 310-316 Hume Highway Liverpool: these are all in private ownership and proposed to be rezoned from SP2 to MU1 Mixed Use. Some of these parcels are subject to requests to Transport for hardship acquisition which are not supported by the agency as the land is not required for infrastructure purposes and it has sought Council rezoning from SP2.

These rezoning proposals were supported by Council planners and were included in the Draft Planning Proposal to establish a new Liverpool Local Environmental Plan.

However, during the Council meeting held on 29<sup>th</sup> May 2024 where this matter was considered, the Councillors resolved to reject the recommended rezoning of the subject parcels and remove these parcels from the Draft Planning Proposal before it is forwarded to the Department of Planning, Housing, and Infrastructure (DPHI) for a Gateway Determination (see **Appendix C**).

Transport wants to bring to your urgent attention that the Council resolution on Item PLAN 05 is inconsistent with Local Planning Direction 5.2 (4) issued by the Minister of Planning under s9.1 of the *Environmental Planning and Assessment Act 1979*, which empowers Transport to direct Councils to rezone land when not required for a public purpose:

*4) When a Minister or public authority requests a relevant planning authority to include provisions in a planning proposal to rezone and/or remove a reservation of any land that is reserved for public purposes because the land is no longer designated by that public authority*

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for acquisition, ***the relevant planning authority must rezone and/or remove the relevant reservation in accordance with the request***

Consistency

A planning proposal may be inconsistent with the terms of this direction only if the relevant planning authority can satisfy the Planning Secretary (or an officer of the Department nominated by the Secretary) that:

- (a) with respect to a request referred to in paragraph (4), further information is required before appropriate planning controls for the land can be determined, or
- (b) the provisions of the planning proposal that are inconsistent with the terms of this direction are of minor significance.

Additionally, it appears that Council's decision was based on incorrect information provided during the meeting, such as Councillors being advised that the Hume Highway land is all in private ownership whereas Transport also own several parcels.

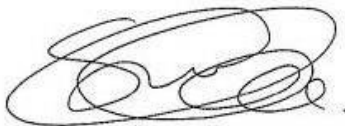
We note that the NSW Government is placing significant emphasis on the evaluation of surplus land portfolios held by public agencies to increase the availability of land for housing. The proposed rezoning of the subject parcels from SP2 will contribute to the delivery of housing, particularly along the Hume Highway, which is suitable for higher-density residential development.

We therefore urge the Council to reconsider its decision and include these parcels in the Draft Planning Proposal before it is submitted to the DPHI, for consistency with Local Planning Direction 5.2(4) and given the potential implications it may have on future housing and development in the area.

If you wish to discuss the matter or require additional information, please contact Kylie Clarke at [REDACTED] or on [REDACTED].

Thank you for your consideration of this matter.

Yours sincerely,



Mark Slater  
 Executive Director, Property Group  
 Infrastructure & Place  
 Transport for NSW

Encl:

Appendix A: Transport letter to Liverpool Council dated 29th August 2023  
 Appendix B: Transport letter to Liverpool Council dated 6th September 2023  
 Appendix C: Ordinary Council Meeting Minutes in relation to Item PLAN 05 dated 29th May 2024

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## Transport for NSW



Chief Executive Officer  
Liverpool City Council  
Locked Bag 7064  
Liverpool BC NSW 1871

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**RE: Rezoning and removal of land reserved for public purposes**  
**TfNSW REF: SF2020/161588**

29 August 2023

Dear Mr Ajaka,

This request is pursuant to Ministerial Direction 5.2 Reserving Land for Public Purposes issued by the Minister for Planning under Section 9.1 of the *Environmental Planning and Assessment Act 1979*.

Transport for NSW (Transport) requests that Council rezones certain Transport-owned surplus land from SP2 Infrastructure 'Classified Road' to their adjoining/underlying zoning under the *Liverpool Local Environmental Plan* (LLEP 2008) as identified in **Appendix A** (attached). The subject parcels were acquired by Transport for the South Western Freeway corridor. However, the parcels are no longer designated by TfNSW for acquisition or infrastructure purposes as these are located outside of the dedicated infrastructure boundary. Excerpts of the Deposited Plans are attached at **Appendix B** (attached).

Consequently, Transport also requests Council add a Minimum Lot Size (MLS) development standard for the subject parcels as identified in Table 1.

Transport would appreciate confirmation that this request will be considered as part of Council's next housekeeping LEP amendment along with an estimated timeline for its implementation.

Council is also requested to include this information in the Section 10.7 Certificates for the subject parcels.

Thank you for your consideration of this matter. If you wish to discuss the matter or require additional information, please contact Laura Lubrano at [REDACTED]

Yours sincerely,



A handwritten signature in black ink, appearing to read "Mark Slater".

Mark Slater  
Executive Director, Property Group  
Infrastructure & Place  
Transport for NSW



Encl:

Appendix A: TfNSW owned land requiring amendments under LLEP 2008  
Appendix B: Deposited Plans 833690, 880218, 218667

## Appendix A – TfNSW land requiring amendments under LLEP 2008

Table 1: TfNSW owned land requiring amendments under LLEP 2008				
Property details		Relevant provisions under LLEP 2008	Recommended amendments to LLEP 2008	Zoning map (LLEP 2008)
1	Lot 100 DP880218  Graham Avenue Casula 2170	SP2 Infrastructure (Classified Road)  No MLS standard for SP2 zone.	Rezone SP2 Infrastructure (Classified Road) to R2 Low Density Residential with a MLS of 300sqm, HOB of 8.5m and FSR of 0.5:1 consistent with LLEP 2008 for adjoining land along Grove Street.	
2	Lot 60 DP218667  37 Grove Street Casula 2170	SP2 Infrastructure (Classified Road)  No MLS standard for SP2 zone.	Rezone SP2 Infrastructure (Classified Road) to R2 Low Density Residential with a MLS of 300sqm, HOB of 8.5m and FSR of 0.5:1 consistent with LLEP 2008 for adjoining land along Grove Street.	

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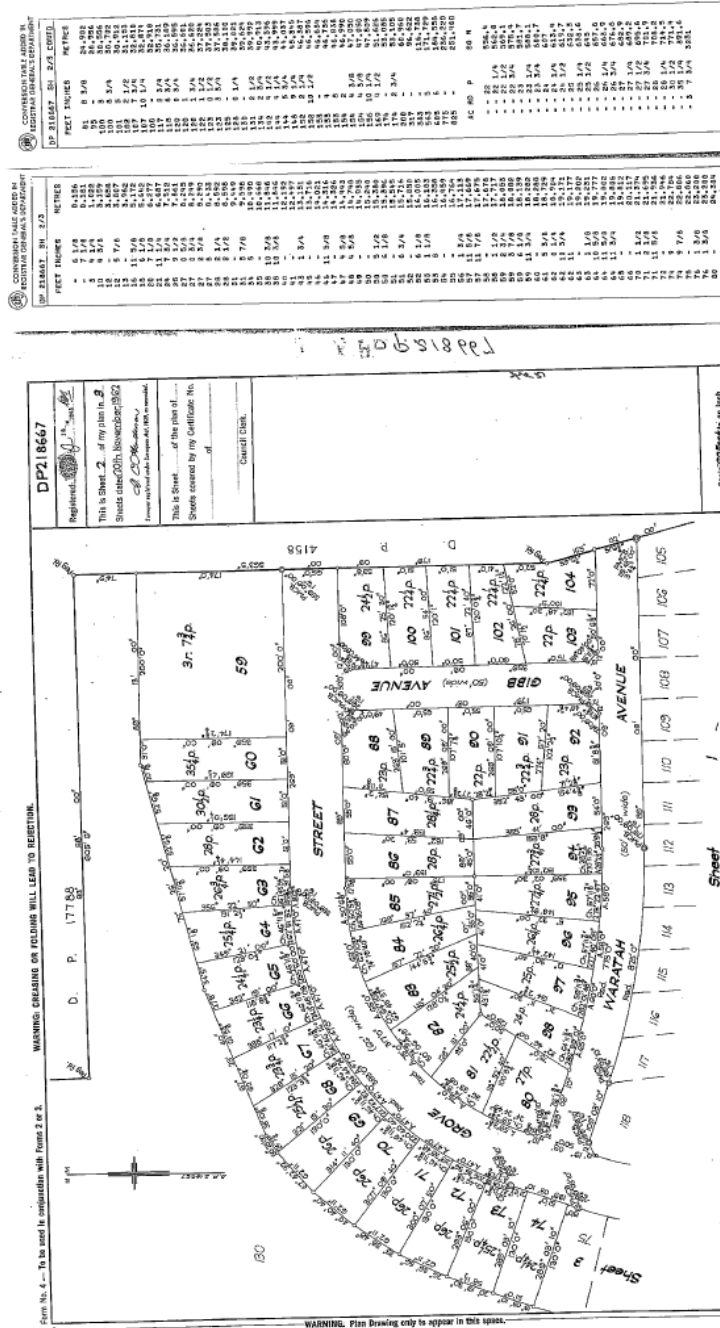
Table 1: TfNSW owned land requiring amendments under LLEP 2008				
Property details		Relevant provisions under LLEP 2008	Recommended amendments to LLEP 2008	Zoning map (LLEP 2008)
3	Lot 5 DP833690 29 Grove Street Casula 2170	SP2 Infrastructure (Classified Road)  No MLS standard for SP2 zone.	Rezone SP2 Infrastructure (Classified Road) to R2 Low Density Residential with a MLS of 300sqm, HOB of 8.5m and FSR of 0.5:1 consistent with LLEP 2008 for adjoining land along Grove Street.	
4	Lot 6 DP833690 27 Grove Street Casula 2170	SP2 Infrastructure (Classified Road)  No MLS standard for SP2 zone.	Rezone SP2 Infrastructure (Classified Road) R2 Low Density Residential with a MLS of 300sqm, HOB of 8.5m and FSR of 0.5:1 consistent with LLEP 2008 for adjoining land along Grove Street.	

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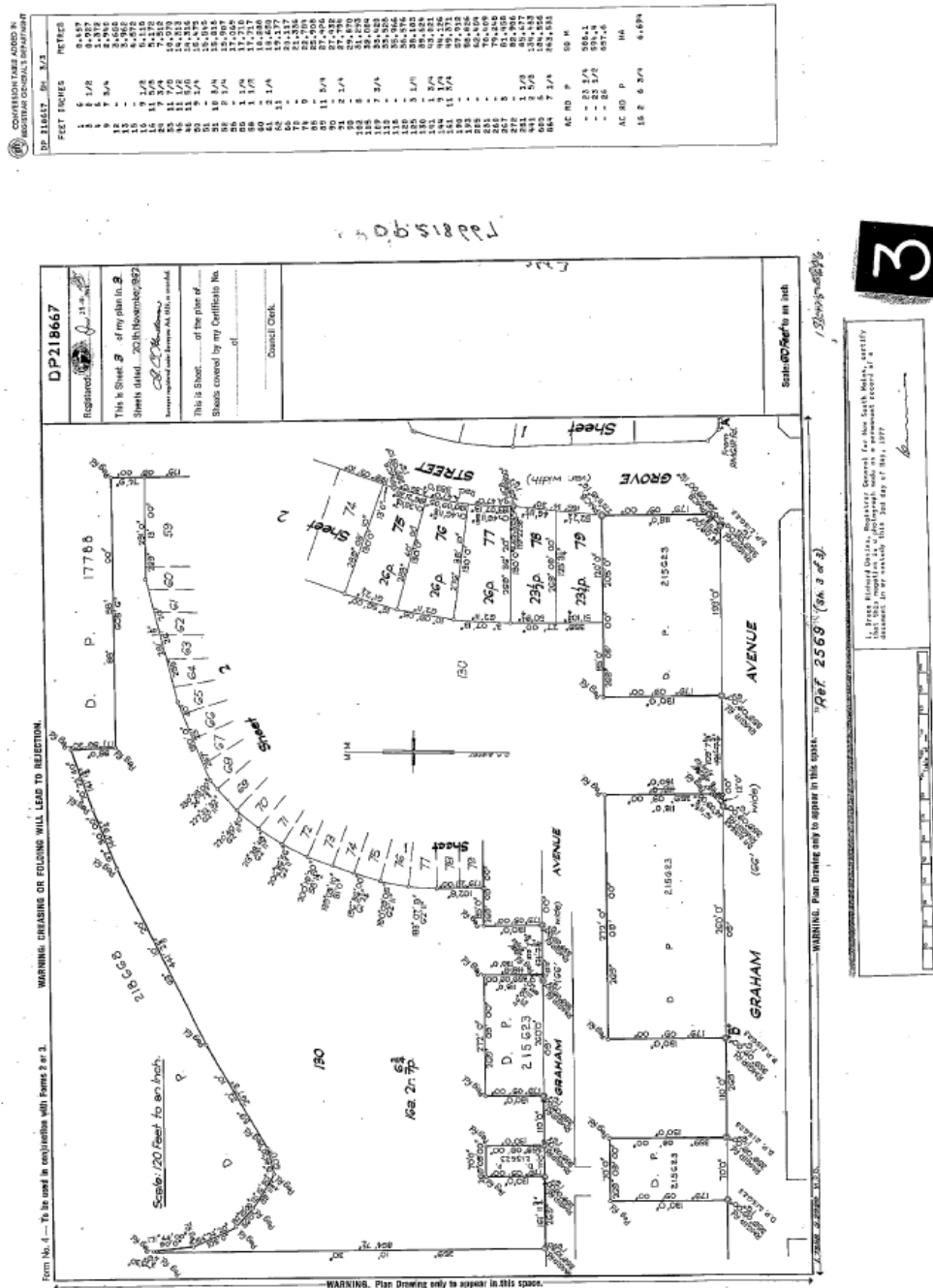
77 Harvest Street, Macquarie Park, NSW 2113  
<https://www.transport.nsw.gov.au/>











## Transport for NSW



Chief Executive Officer  
Liverpool City Council  
Locked Bag 7064  
Liverpool BC NSW 1871

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### RE: Rezoning and removal of land reserved for public purposes

6 September 2023

Dear Mr Ajaka,

This request is pursuant to Ministerial Direction 5.2 Reserving Land for Public Purposes issued by the Minister for Planning under Section 9.1 of the *Environmental Planning and Assessment Act 1979*.

Further to our letter dated 29 August 2023, Transport for NSW (Transport) requests that Council rezones certain Transport-owned land currently zoned SP2 Infrastructure 'Classified Road' under the *Liverpool Local Environmental Plan* (LLEP 2008) to a zoning compatible with the surrounding land uses as identified in **Appendix A** (attached). The subject parcels were acquired by Transport for the Hume Highway corridor. However, the parcels are no longer designated by TfNSW for acquisition or infrastructure purposes due to part of the Hume Highway between Atkinson Street and Mill Road being partially abandoned. An Approval Plan defining the proposed partial abandonment of road boundary is attached at **Appendix B** (attached).

Consequently, Transport also requests Council remove the subject parcels from the Land Reservation Acquisition (LRA) map and add Minimum Lot Size (MLS), Height of Building (HOB) and Floor Space Ratio (FSR) development standards for the subject parcels as identified in Table 1.

Council may also consider rezoning Lot 10 DP2819, Lot 11 DP2819, Lot 1 DP1074663 and Lot 130 DP597060 (privately owned lots) that are zoned SP2 Infrastructure 'Classified Road' and are located within the partially abandoned road corridor (refer Appendix B).

Transport would appreciate confirmation that this request will be considered as part of Council's next housekeeping LEP amendment along with an estimated timeline for its implementation.

Council is also requested to include this information in the Section 10.7 Certificates for the subject parcels.

Thank you for your consideration of this matter. If you wish to discuss the matter or require additional information, please contact Laura Lubrano at [REDACTED].

Yours sincerely,

A handwritten signature in black ink, appearing to read "Mark Slater".


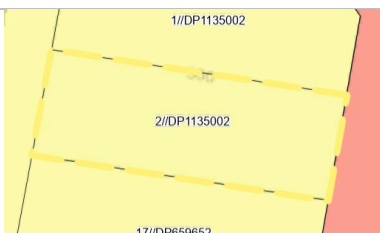
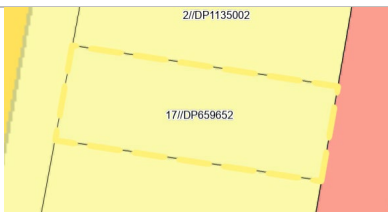
Mark Slater  
Executive Director, Property Group  
Infrastructure & Place  
Transport for NSW

Encl:


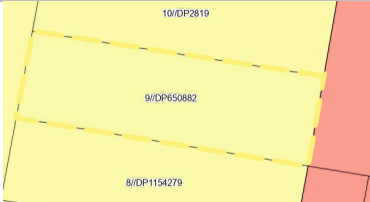

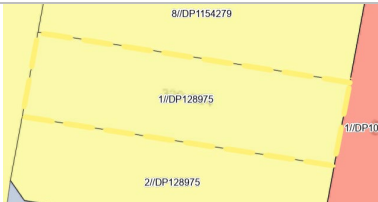
Appendix A: TfNSW owned land requiring amendments under LLEP 2008

Appendix B: Approval Plan defining the proposed partial abandonment of road boundary at the Hume Highway between Atkinson Street and Mill Road

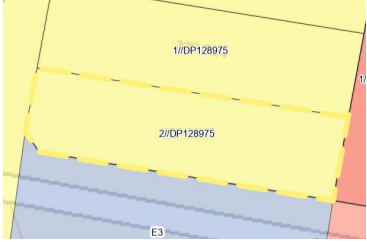
## Appendix A – TfNSW land requiring amendments under LLEP 2008

Table 1: TfNSW owned land requiring amendments under LLEP 2008				
Property details		Relevant provisions under LLEP 2008	Recommended amendments to LLEP 2008	Zoning map (LLEP 2008)
1	Lot 1 DP 1135002  300 Hume Highway Liverpool 2170	SP2 Infrastructure (Classified Road)  No MLS, HOB and FSR standards for SP2 zone.	Rezone SP2 Infrastructure (Classified Road) to MU1 Mixed Use with MLS, HOB and FSR standards consistent with the surrounding MU1 zoned land along Hume Highway.	
2	Lot 2 DP 1135002  300 Hume Highway Liverpool 2170	SP2 Infrastructure (Classified Road)  No MLS, HOB and FSR standards for SP2 zone.	Rezone SP2 Infrastructure (Classified Road) to MU1 Mixed Use with MLS, HOB and FSR standards consistent with the surrounding MU1 zoned land along Hume Highway	
3	Lot 17 DP659652  302 Hume Highway Liverpool 2170	SP2 Infrastructure (Classified Road)  No MLS, HOB and FSR standards for SP2 zone.	Rezone SP2 Infrastructure (Classified Road) to MU1 Mixed Use with MLS, HOB and FSR standards consistent with the surrounding MU1 zoned land along Hume Highway	

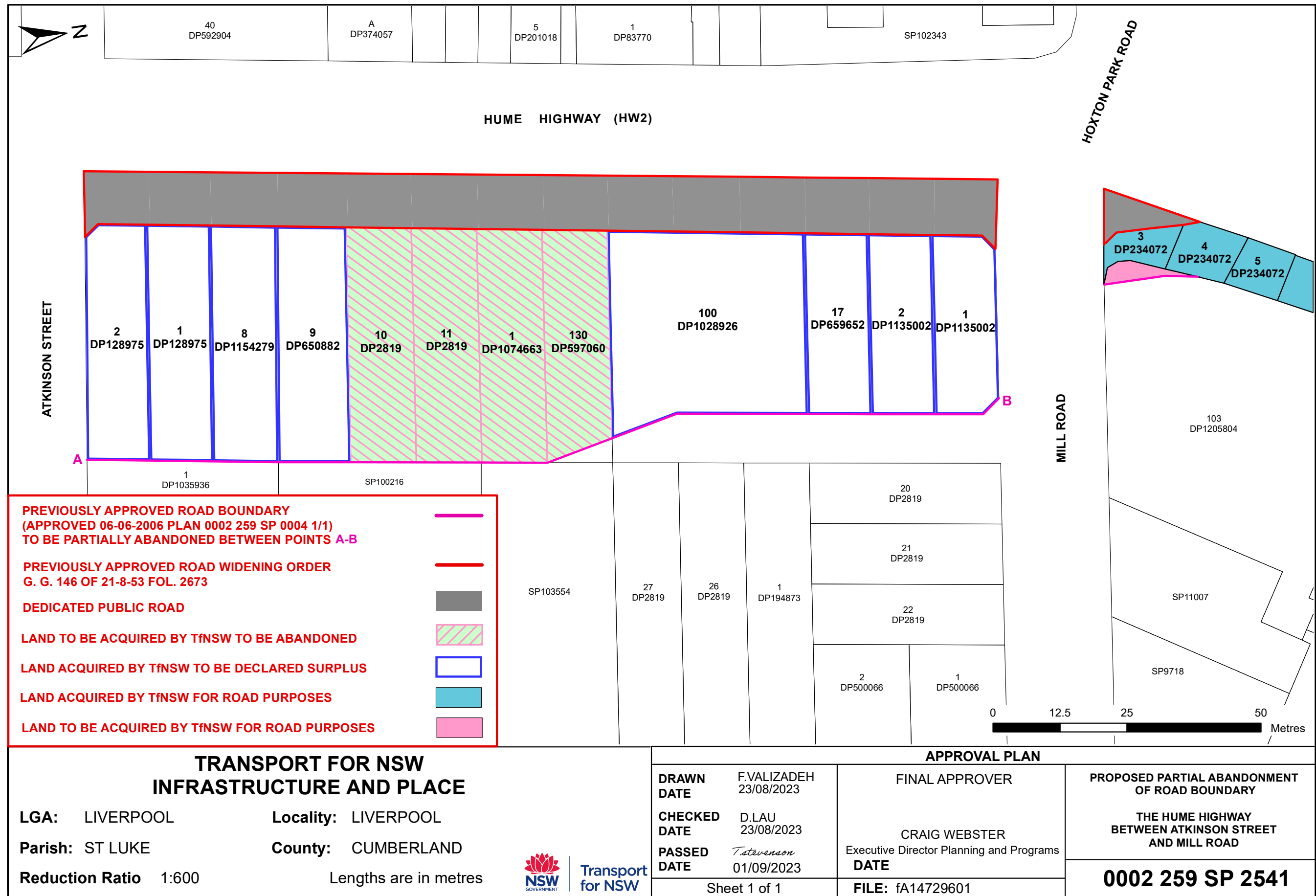
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Table 1: TfNSW owned land requiring amendments under LLEP 2008				
Property details		Relevant provisions under LLEP 2008	Recommended amendments to LLEP 2008	Zoning map (LLEP 2008)
4	Lot 100 DP1028926  304 Hume Highway Liverpool 2170	SP2 Infrastructure (Classified Road)  No MLS, HOB and FSR standards for SP2 zone.	Rezone SP2 Infrastructure (Classified Road) to MU1 Mixed Use with MLS, HOB and FSR standards consistent with the surrounding MU1 zoned land along Hume Highway	
5	Lot 9 DP650882  318 Hume Highway Liverpool 2170	SP2 Infrastructure (Classified Road)  No MLS, HOB and FSR standards for SP2 zone.	Rezone SP2 Infrastructure (Classified Road) to MU1 Mixed Use with MLS, HOB and FSR standards consistent with the surrounding MU1 zoned land along Hume Highway	
6	Lot 8 DP1154279  320-324 Hume Highway Liverpool 2170	SP2 Infrastructure (Classified Road)  No MLS, HOB and FSR standards for SP2 zone.	Rezone SP2 Infrastructure (Classified Road) to MU1 Mixed Use with MLS, HOB and FSR standards consistent with the surrounding MU1 zoned land along Hume Highway	
7	Lot 1 DP128975  320-324 Hume Highway Liverpool 2170	SP2 Infrastructure (Classified Road)  No MLS, HOB and FSR standards for SP2 zone.	Rezone SP2 Infrastructure (Classified Road) to MU1 Mixed Use with MLS, HOB and FSR standards consistent with the surrounding MU1 zoned land along Hume Highway	

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Table 1: TfNSW owned land requiring amendments under LLEP 2008				
Property details		Relevant provisions under LLEP 2008	Recommended amendments to LLEP 2008	Zoning map (LLEP 2008)
8	Lot 2 DP128975  320-324 Hume Highway Liverpool 2170	SP2 Infrastructure (Classified Road)  No MLS, HOB and FSR standards for SP2 zone.	Rezone SP2 Infrastructure (Classified Road) to MU1 Mixed Use with MLS, HOB and FSR standards consistent with the surrounding MU1 land along Hume Highway	

**Appendix B – Approval Plan defining the proposed partial abandonment of road boundary at the  
Hume Highway between Atkinson Street and Mill Road**





## MINUTES OF THE ORDINARY MEETING HELD ON 29 MAY 2024

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**PRESENT:**

Mayor Ned Mannoun  
 Councillor Ammoun  
 Councillor Goodman  
 Councillor Dr Green  
 Councillor Hadid OAM  
 Councillor Harle  
 Councillor Kaliyanda  
 Councillor Karnib (online)  
 Councillor Macnaught  
 Councillor Rhodes  
 Mr Jason Breton, Acting Chief Executive Officer  
 Mr Farooq Portelli, Director Corporate Support  
 Ms Tina Bono, Director Community & Lifestyle  
 Ms Lina Kakish, Director Planning & Compliance  
 Ms Michelle McIlvenny, Director Customer Experience & Business Performance  
 Mr Shayne Mallard, Director City Futures  
 Mr Peter Scicluna, Acting Director Operations  
 Mr David Galpin, General Counsel, Manager Governance, Legal and Procurement  
 Mr Luke Oste, Coordinator Strategic Planning  
 Mr John Lac, Manager Project Delivery  
 Mr Tim Pasley, Manager Resource Recovery  
 Ms M'Leigh Brunetta, Manager Civic and Executive Services  
 Ms Melissa Wray, Councillor Executive and Support Officer  
 Ms Susan Ranieri, Coordinator Council and Executive Services

The meeting commenced at 2.03pm.

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## COUNCIL DECISION

That Council:

1. Notes the advice of the Liverpool Local Planning Panel;
2. Endorses the Principal Planning Proposal to establish a new Liverpool Local Environmental Plan;
3. Forwards the Principal Planning Proposal to the Department of Planning, Housing and Infrastructure, pursuant to Section 3.34 of the *Environmental Planning and Assessment Act 1979*, seeking a Gateway Determination;
4. Subject to Gateway determination, undertakes public exhibition and community consultation in accordance with the conditions of the Gateway determination, the Liverpool Community Participation Plan 2022, *Local Government Act 1993* and the LEP Review Community Engagement Strategy;
5. Receives a further Report on the outcomes of public exhibition period;
6. Delegates to the CEO (or delegate) to amend the Principal Planning Proposal and attachments for any typographical and other minor errors / amendments if required;
7. Makes the following changes/amendments to the proposed Principal Planning Proposal before issuing to the Department of Planning, Housing and Infrastructure;
  - a. Council extend northern boundary to Memorial Avenue and southern boundary to Charles Street of Amendment 52 boundaries and further investigates additional sites within the city centre that are capable of developing within the controls set out in Amendment 52 of the Liverpool LEP 2008, including but not limited to larger sites that do not require amalgamation;

10

- b. Council reject the rezoning of 300-324 Hume Highway, Liverpool and keep it zoned infrastructure and strongly encourage TfNSW to continue with the upgrade;
- c. 27 and 29 Grove Street, Casula, notes TfNSW's communication that it is surplus land and keep the zone as is;
- d. 39 Grove Street, Casula to be rezoned R2 as per the recommendation;
- 8. Investigates options to encourage basements in the R2 and R3 zone, including basement parking up to the footprint of the house be excluded from the calculation of Floor Space Ratio (FSR) as part of a comprehensive review of the Liverpool Development Control Plan 2008, and any necessary changes to the LEP;
- 9. Investigate possible gateway sites (entrances to the LGA) to encourage key site development to be welcoming (including appearance uplift, signage, gardens, entrance uplift and density controls), including but not limited to the following locations:
  - o Elizabeth Drive from Flowerdale Road to the Hume Highway,
  - o Hume Highway from Casula (Crossroads),
  - o The Hume Highway at Warwick Farm, and
  - o Newbridge Road Moorebank.
- 10. Requests the Department of Planning Housing and Infrastructure finalises Landcom's Mod 5 application to support the delivery of additional housing supply in the Liverpool LGA;
- 11. Supports the NSW Government's Diverse and Well Located Housing reforms and writes to the Department to be applied to the area around Edmondson Park Train Station and as part of that letter also explores application to access the \$200mil fund into improving green spaces and sporting facilities;
- 12. Initiate community consultation to inform the community of the progress and proposed changes of the LEP so that they are briefed pre-gateway determination; and
- 13. Urgently write to the NSW State Government informing Council's response to their housing targets and the increase dwelling capacity that this LEP will provide and encourage its timely approval through gateway as well as the other planning proposals in the system.

## 11

**RECESS**

Mayor Mannoun called a recess of meeting at 3.22pm during discussion of PLAN 05 - Draft Principal Planning Proposal to establish a new Liverpool Local Environmental Plan.

**RESUMPTION OF MEETING**

The meeting resumed in Open Session at 3.44pm with all Councillors present and continued with PLAN 05 - Draft Principal Planning Proposal to establish a new Liverpool Local Environmental Plan.

On being put to the meeting the motion was declared CARRIED.

**Vote for:** Mayor Mannoun, Clr Ammoun, Clr Goodman, Clr Hadid, Clr Harle, Clr Macnaught and Clr Rhodes

**Vote against:** Clr Green, Clr Karnib and Clr Kaliyanda

**ITEM 03****Development Assessment**

<b>Strategic Objective</b>	Liveable, Sustainable, Resilient Deliver effective and efficient planning and high-quality design to provide best outcomes for a growing city
<b>File Ref</b>	211514.2024
<b>Report By</b>	William Attard - Manager Development Assessment
<b>Approved By</b>	Lina Kakish - Director Planning & Compliance

**EXECUTIVE SUMMARY**

This report is prepared to table a snapshot of key Development Assessment (DA) statistics.

**RECOMMENDATION**

That Governance Committee:

1. Receives and notes the Development Assessment report.
2. Delegates future Development Assessment reports to be tabled as a Councillor Update, noting the Governance Committee Meeting lead in times, and that the data for the report can only be run at the start of the new month.

**REPORT**

The following key Development Assessment (DA) statistics are provided:

**Development Applications and Class 1 Appeals**

<b>Period of Development Assessment Statistics (June 2024)</b>	
<b>Outstanding DAs and Appeals – 31 May 2024</b>	245 DAs / 38 Appeals
<b>Outstanding Referrals – 31 May 2024</b>	187 Referrals
<b>Planning Application Numbers (PANs) – June 2024</b>	
- PANs Received	155 PANs
- PANs Lodged / Returned	42 / 74 PANs
<b>Referrals Issued / Completed – June 2024</b>	276 / 258 Referrals
<b>Development Applications (DAs) – June 2024</b>	
- DAs Approved	59 DAs
- DAs Refused	17 DAs
- DAs Withdrawn	3 DAs

**INFRASTRUCTURE AND PLANNING COMMITTEE REPORT**

<b>Class 1 Appeals (Appeals) – June 2024</b>	
- Appeals Lodged - Deemed Refusal / Council Determination	2 / 0 Appeals
- Appeals Upheld - s34 Agreement / Hearing	1 / 0 Appeals
- Appeals Dismissed / Terminated	0 / 0 Appeals
- Appeals Withdrawn	0 Appeals
<b>Outstanding DAs and Appeals – 30 June 2024</b>	200 DAs / 35 Appeals
<b>Outstanding Referrals – 30 June 2024</b>	180 Referrals

<b>Development Application (DA) Determination Statistics (June 2024)</b>	
<b>DAs Approved</b>	59 DAs
- Total Capital Investment Value (CIV) (\$)	\$72M CIV
- New Lots Approved	154 Lots
- New Homes Approved	77 Homes
- Contribution Fees Raised (\$)	\$7.9M Contributions
<b>DA Fees Released from Trust (\$) – All Determinations</b>	\$368k Fees
<b>Average Determination Timeframe</b>	
- Current Financial Year – FY23/24	231 Days
- Month Including / Excluding Stop the Clock – June 2024	180 / 179 Days

**Development Assessment (DA) Team Vacancy (Technical Officers Only)**

<b>Position</b>	<b>Positions</b>	<b>Vacancy</b>
Principal Planner	1	0
Senior DA Planners	8	1 (Under Recruitment)
Senior Planning Advisory Officers	3	1 (Under Recruitment)
DA Planners	17	0
Student Planners	4	1 (To Start 8 July 2024)
Duty Officers	2	0

**FINANCIAL IMPLICATIONS**

There are no financial implications relating to this recommendation.

## **CONSIDERATIONS**

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<b>Economic</b>	There are no economic and financial considerations.
<b>Environment</b>	There are no environmental and sustainability considerations.
<b>Social</b>	There are no social and cultural considerations.
<b>Civic Leadership</b>	Undertake communication practices with the community and stakeholders across a range of media. Provide information about Council's services, roles and decision making processes.
<b>Legislative</b>	There are no legislative considerations relating to this report.
<b>Risk</b>	There is no risk associated with this report.

## **ATTACHMENTS**

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Nil

**ITEM 04**

**Grants Donations and Sponsorship Program  
Delivery 2023-2024 FY**

<b>Strategic Objective</b>	Healthy, Inclusive, Engaging Promote a harmonious community that celebrates its diversity
<b>File Ref</b>	193511.2024
<b>Report By</b>	Javeria Hoda - Community Development Worker Funding & Support
<b>Approved By</b>	Tina Bono - Director Community & Lifestyle

**EXECUTIVE SUMMARY**

Council is committed to building strong and resilient communities in the Liverpool Local Government Area (LGA) and maximising social wellbeing. Council's Grants Donations and Community Sponsorship program helps achieve these goals by providing financial support to local community groups and not for profit organisations to develop leadership skills, increase participation in community activities and address identified social issues. with financial contributions to deliver projects that benefit residents, build, or enhance the reputation of Liverpool City Council and support delivery of local priorities as outlined in Council's Community Strategic Plan.

This report provides a summary of the Grants Donations and Sponsorship Program in relation to the 2023-2024 allocated budget of \$477,000, along with programs highlighting effective partnerships with local organisations and community groups.

**RECOMMENDATION**

That the Governance Committee notes the successful delivery of the Grants Donations and Community Sponsorship Program and appropriate utilisation of the allocated budget (FY 2023 - 2024).



## **REPORT**

### **Background**

Each year, Council allocates a budget of \$477,000 towards the Grants Donations and Community Sponsorship program. Over the past 12 months, Council's Grants program has been fully exhausted (with the exclusion of the Sustainable Environment Grant).

The following table highlights the budget break-down in terms of funds allocated to each grant program:

<b>Grant Program</b>	<b>Budget Allocation per FY</b>
Sustainable Environment Grant	\$75,000
Community Grant (includes several sub-programs) <i>Kick Starter Grant</i> <i>Small Grants</i> <i>International Women's Day Grant</i> <i>International Day for People with Disability Grant</i> <i>NAIDOC Awards Grant</i> <i>Harmony Day Grant</i> <i>Liverpool Young Achiever Awards</i>	\$102,000
Community Sponsorship	\$100,000
Matching Grant	\$200,000
<b>Total</b>	<b>\$477,000</b>

The following table highlights a list of all programs and organisations funded through the Grants Donations and Community Sponsorship program in FY 2023 – 2024.

### **Sustainable Environment Grant**

<b>Organisation</b>	<b>Program Title</b>	<b>Amount Funded</b>
Kemps Creek Public School	Waste Warriors & Gardeners	\$5,000
Holy Spirit Catholic Primary School, Carnes Hill	Living in Harmony with Our Environment at Holy Spirit: Cultivating a Thriving Vegetable Garden	\$5,000
Sabian Mandaean Association of Australia	Sustainable Community Empowerment Initiative	\$5,000
Prestons Public school	School community garden	\$5,000
Thomas Hassall Anglican College	Waste Reduction	\$5,000
Newbridge Heights Public School Parents and Citizens Association	Newbridge Heights - Bush Tucker Garden	\$5,000

Wattle Grove Public School	Our Backyard	\$5,000
Good Samaritan Catholic College	Think Global Eat Local Program Extension	\$5,000
St Francis Catholic College	Sustainable Herb & Veg Garden	\$3,337
Scouts Australia NSW Branch	Girl Scouts Waste Management Project	\$5,000

### Community Grants

Organisation	Program Title	Amount Funded
STARTTS Service for the Treatment and Rehabilitation of Torture and Trauma Survivors	Arabic Women's Wellbeing Circle	\$4,896
Melkite Catholic Welfare Association	Stepping On Program for the Elderly	\$5,000
Womens Hope Community Association Inc	Women in the Path of Confidence and Passion	\$1,000
Organisation Of Hindu Malayalees Inc NSW	PA System	\$2,261
Grand Pacific Health headspace Liverpool	Speaking of Mental Health in Liverpool	\$5,000
Ladies Like to Lunch Limited	The Wellness Centre - Meditation Classes	\$5,000
The City of Liverpool & District Historical Society Inc	Heritage Collage Restoration	\$5,000
Liverpool Women's Health Centre	Women's Health Week - Bloom	\$1,000
Western Sydney Migrant Resource Centre	Liverpool Employment Expo	\$5,000
BaytulHuda House of Guidance	Establishment Costs	\$1,000
Global Women	Breast Cancer Awareness	\$4,000
Holsworthy Community Group	Donation for Holsworthy Army Barracks Officer families (fatal helicopter accident)	\$5,000
Miracle Babies Foundation	Miracle Babies Foundation National Conference	\$1,000
Core Youth Services	Youth Outreach BBQ	\$3,500
Non-Resident Nepali Association	Empowering Women's Health and Safety Awareness program	\$5,000
The City of Liverpool & Historical Society Inc	Collection Storage	\$5,744
Liverpool Women's Health Centre	Fijian Women's Group	\$3,000

Nurture Nation Animal Sanctuary	Maremma Dog Program	\$1,000
Liverpool Baptist Church	Sing & Grow	\$1,000
Indian Senior Citizens Society	ISCS Program 2024	\$5,000
Association for Community Development Inc	Ramadan Shopping Festival 2024	\$5,000
Iraqi Australian University Graduate Forum Incorporated	International Women's Day- Accelerating Gender Equality through Economic Empowerment	\$5,000
Himyana Social Services	Victory Handed Across Generations	\$1,000
Playgroup NSW	Willy Wagtails Playgroup - Celebrating Mums	\$250
Pacific Women Professional Business Network	Symposium Reflections Breakfast	\$1,000
Liverpool Neighbourhood Connections	All welcome IWD	\$1,000
Australian Arab Cultural Forum	International Women's Day- Heal & Paint	\$1,000
BaytulHuda The House of Guidance Inc	We Are Empowered!	\$1,000
Holsworthy Girl Guides	Holsworthy Girl Guides IWD Come and Try	\$1,000
The Shepherd Centre - for deaf children	IWD Kidscape: A celebration of mothers of children with hearing loss	\$963
Liverpool City Robins Football club	IWD Ladies Training Event	\$1,000
Liverpool Women's Health Centre	Coffee Cake & Connection IWD 2024	\$1,000
Edmondson Park Malayalee Club Inc	From Empowered to Empowering: Creating Legacy	\$1,000
Sydney Malayalee Association Inc	SydMal International Women's Day – Ladies connect	\$1,000
Liverpool Quota Inc	IWD Breakfast	\$1,000
Odyssey House	IWD program	\$1,000
Netball NSW	Harmony Day celebrations	\$1,000
Australian Sickle Cell	Sickle Cell Awareness and Family Fun Day 2024	\$5,000
Lifeline Macarthur	Lifeline Suicide Prevention Gala	\$5,000
The Business Concierge LTD	Survivor Life Skills	\$10,000
Meals on Wheels	Community Meal Compliance	\$4,480

**STRATEGIC PRIORITIES COMMITTEE REPORT**

Play Matters Australia	Sing&Grow Community Partnership - Austral	\$15,000
Kelli Hill (NOM)	ANZAC Day Mannequin Display 2024	\$1,000
Australian Arab Cultural Forum	Story Writing & Art Comp	\$5,000
A sound Life	Sound Mentoring Program	\$15,000
Walking Football NSW	Introduction and Development of Walking Football/Soccer for Seniors, People with Disabilities or Socially withdrawn or Isolated	\$1,000
Victor Chang Cardiac Research Institute	Victor Chang School Science Awards – Liverpool Recognition	\$1,000
Liverpool Genealogy Society Inc	Improved resource storage	\$10,000

**Community Sponsorship**

Organisation	Program Title	Amount Funded
International Sports Karate Association	ISKA World Cup	\$10,000
Southern Districts Soccer Football Association	2023 SDSFA Knockout Competition	\$7,029
Macarthur Region Nepalese Community	Teej Festival 2023	\$10,000
Australian Arab Cultural Forum	International Conference A dialogue between the Self and the Others	\$10,000
Art of Living Foundation	Move Breathe Rest - Triathlon for Holistic Wellbeing	\$10,000
Community Café	Community Kitchen Café Gala	\$5,000
Multicultural Association of Asia & Pacific Incorporated	Fiji Day Australia	\$4,072
Delta TV Incorporated	Musical Event	\$6,000
Rotary Club Liverpool	Liverpool Police Officer of the Year Award	\$1,000
Heroes with Ability	HWA schools' gala day and 2023 IDPWD Inclusion Day	\$10,000
Red Bull Australia	half-court basketball competition	\$10,000
Road Safety Education Ltd	RYDA Road Safety Education for Vulnerable, High Risk Young Liverpool Driver	\$5,000
Shree Sanatan Dharm Pratinidhi Sabha of Australia	Deepawali Mela / Diwali Festival	\$10,000

Multicultural Festivals Australia Incorporated	Ramadan Eid Bazaar Festival	\$10,000
Vedic Festival Incorporated	Festival of Chariots 2024	\$10,000
Western Sydney Community Forum	ZEST Awards 2024	\$10,000
Melkite Catholic Welfare Association	20th Celebration Community Day	\$10,000
St Vincent de Paul Society NSW	Liverpool Uniting Church Community Hub Partnership	\$10,000
Sydney School of Entrepreneurship Limited	Invest In Yourself - Exploring Money and Self-Employment Program	\$9,300

### Matching Grants

Organisation	Program Title	Amount Funded
Learning Links	Learning Links' Aboriginal Education Program	\$14,800
The City of Liverpool & Historical Society Inc	Compactus Storage Solution for heritage items	\$5,744
Search Dogs Sydney	External learning facility	\$15,000
Miracle Babies Foundation	Home & Beyond Booklet	\$4,174
Preston Hornets Cricket Club	Whitlam Park Cricket Pitch Upgrade	\$11,000
Play Matters Australia	Sing&Grow Community Partnership - Austral	\$15,000
A Sound Life	Sound Mentoring Program	\$15,000
Sumer International	Sound of Terra 2024	\$11,300

### 2023 – 2024 Community Grants Donations and Sponsorship Program Highlights

- Programs that were successfully funded through Councils Grant program are required to address local priorities and identify needs in the local community. Over the past 12 months, community groups and not-for-profit organisations have identified the following needs, and as a result, delivered programs to address these gaps that evident in the Liverpool LGA:
  - Youth wellness and wellbeing (physical and mental);
  - Capacity building and skill development opportunities for young people and those living with a disability;
  - Activities that reduce social isolation in seniors; and
  - Support services and information exchange sessions for migrant and refugee women/CALD women.

- Several capacity building and skill development programs have had a significant impact on residents in the Liverpool LGA, specifically marginalised communities that are often excluded from support services. Council is particularly proud of the following partnerships and looking forward to collaborative opportunities and strengthen the overall wellbeing of local communities.
  - **Play Matters Australia**; delivering evidence-based music therapy program *Sing&Grow* for young families in Austral. PMA have partnered with the Community Hub at Austral Public School to deliver the Sing&Grow program. The program is designed to aid transition to school for children entering kindergarten, as well as increase parent/carer knowledge of child development through a local partnership with Austral Community Hub;
  - **A Sound Life**; the *Sound Mentoring* Program provides free music mentoring sessions to at-risk young people aged 12-25 with the mission of empowering them to achieve their potential as artists and as people. ASL works closely with Street University in Liverpool, delivering a range of capacity building programs with local young people. The project aims to engage at-risk youth with opportunities to access employment and/or further education and training through a curated mentoring program with professional development; and
  - **Sydney School of Entrepreneurship**; SSE is working closely with Liverpool's Domestic Violence Liaison Committee (DVLC) to address the financial vulnerability and lack of economic empowerment of women and girls in Liverpool area, especially those impacted by domestic violence. The *Invest in Yourself* program aims to help local female participants gain confidence and knowledge of money budgeting and management, uncover personal skills and strengths, and explore how to develop skills into a successful business.
- Council also noted an increase in applications for funding for celebrations that acknowledge Liverpool's rich cultural diversity and encourage broader community participation. This includes cross cultural celebrations with vibrant displays of culture, culinary experiences, and entertainment such as Diwali festival, Ramadan celebrations and national day celebrations from a variety of CALD communities. Events delivered in the LGA are reflective of the diverse cultural thread of Liverpool, with grants distributed to the Fijian, South-East Asian, Arabic and Pacific and Islander communities. Through these events, Council has been able to achieve outcomes outlined in the Community Strategic Plan (CSP) around cultivating *inclusive and engaging communities*.

All recipients of Council grants in 2023 – 2024 will be invited to celebrate their achievement at the *Celebrating Community Success* event. To be held in August 2024, this event celebrates the success of Council's Grants Program and highlights key activities and initiatives funded through this program.

## **FINANCIAL IMPLICATIONS**

Costs associated with this recommendation have been included in Council's budget for the current year and long-term financial plan.

## **CONSIDERATIONS**

<b>Economic</b>	There are no economic and financial considerations.
<b>Environment</b>	There are no environmental and sustainability considerations.
<b>Social</b>	Promote community harmony and address discrimination.
<b>Civic Leadership</b>	Encourage the community to engage in Council initiatives and actions. Operate a well-developed governance system that demonstrates accountability, transparency, and ethical conduct.
<b>Legislative</b>	There are no legislative considerations relating to this report.
<b>Risk</b>	There is no risk associated with this report.

## **ATTACHMENTS**

Nil



**ITEM 05**

**Reconciliation Action Plan 2024 - 2025**

<b>Strategic Objective</b>	Healthy, Inclusive, Engaging Promote a harmonious community that celebrates its diversity
<b>File Ref</b>	195286.2024
<b>Report By</b>	Jacqueline Newsome - Coordinator Community Development
<b>Approved By</b>	Tina Bono - Director Community & Lifestyle

**EXECUTIVE SUMMARY**

The Reconciliation Action Plan (RAP) outlines Council's ongoing commitment to the advancement of First Nations people in Liverpool by sustainably and strategically taking meaningful action to advance reconciliation.

Based around the core pillars of relationships, respect and opportunities, RAPs provide tangible and substantive benefits for Aboriginal and Torres Strait Islander peoples, increasing economic equity and supporting First Nations self-determination.

As a first step in its formal reconciliation journey, Council developed a 'Reflect' RAP. Reflect RAPs are 12 months in duration and outline an organisation's commitment to scoping and developing relationships with First Nations stakeholders, determining a vision for reconciliation, and exploring and expanding an organisation's sphere of influence.

At a high level, the RAP delivers a range of actions covering immediate and long-term strategic directions for Council when working with First Nations communities. This includes a focus on ensuring First Nations perspectives and cultural sensitivities are observed in all areas of Council's work.

The RAP supports Council to undertake a broader analysis of its current practices within the First Nations space and identify areas for growth. The goals incorporated in the RAP will be explored through the delivery of business and feasibility studies which will then form part of

wider community engagement and reports back to the Council. This will enable a more detailed examination of the goals, providing Council with more information on costs associated with delivery, funding strategies and opportunities.

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**RECOMMENDATION**

That the Governance Committee endorse the Reconciliation Action Plan (RAP) August 2024 – August 2025.

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**REPORT****Background**

The Reconciliation Action Plan (RAP) outlines Council's ongoing commitment to the advancement of First Nations people in Liverpool by sustainably and strategically taking meaningful action to advance reconciliation.

Based around the core pillars of relationships, respect and opportunities, RAPs provide tangible and substantive benefits for Aboriginal and Torres Strait Islander peoples, increasing economic equity and supporting First Nations self-determination.

This RAP represents the first time Council has officially sought endorsement of a RAP from Reconciliation Australia (RA). Previous plans and strategies focussing on supporting First Nations communities have not undergone this process and have therefore not been considered formal RAPs.

**Strategic context**

The RAP outlines a range of actions covering immediate and long-term strategic goals for Council when working with First Nations communities. This includes a focus on ensuring First Nations perspectives and cultural sensitivities are observed in all areas of Council's work. In the same way the Disability Inclusion Action Plan (DIAP) outlines actions and strategies specifically designed to support people with disability, their families, and carers to engage more effectively with Council, the RAP provides high level actions and goals for First Nations communities. The RAP, alongside the DIAP, Community Development Strategy (currently in development) and other specific community plans and strategies form part of Council's broader strategy for engagement with the community, including Culturally and Linguistically Diverse (CALD) communities, young people, seniors, and people with disability.

Council has already undertaken significant work in building its relationships with First Nations communities and organisations. In June 2023, Council signed an historic and innovative agreement with Gandangara Local Aboriginal Land Council (GLALC), the first of its kind between a local government agency and a LALC. This agreement formalised the partnership between the two organisations and was created to better manage and monitor collaboration. The agreement ensures that both organisations are treated and valued equally and work together to support and encourage the advancement of First Nations people in Liverpool. The goals outlined in the RAP build on this agreement and solidify Council's commitment in this space.

Additionally, Council is currently reviewing the membership structure and delivery method of its Aboriginal Consultative Committee (ACC), to ensure it best reflects the communities' goals and priorities in supporting First Nations people in Liverpool. This includes formalising the membership process and ensuring broader organisational representation amongst committee members from First Nations agencies in Liverpool, including all relevant LALCs. It is anticipated that this structure will enable Council to collaborate more effectively with First Nations agencies in Liverpool and deliver programs and initiatives which address the strategic goals outlined in the RAP.

### **Development and consultation**

Liverpool's draft RAP has been developed by Ngurra Advisory, a wholly First Nations-owned and operated consultancy group, in collaboration with Council's Community Development team. Ngurra Advisory has extensive experience in developing RAPs and other First Nations strategies, working with various local and state government entities and private organisations on the creation of their own RAPs and other relevant strategies.

To inform the creation of this RAP, Council undertook extensive community consultation with relevant internal and external stakeholders, and the broader community. This included:

- RAP Discovery Workshop – a workshop with Council staff to scope and reflect on how Council can contribute to reconciliation;
- Staff and community consultations – feedback sought from local First Nations community members, organisations and staff to better understand Council's reconciliation aspirations;

- Community art workshop – a collaborative workshop to engage and promote awareness of the RAP with the broader community;
- Cultural awareness training – a workshop building cultural capability amongst Council staff;
- Cultural immersion training – an art workshop with artists Dalmarri to create a collaborative artwork which has been digitised and used in the final design of the RAP document;
- Presentation to Council at the Strategic Projects Panel in November 2022;
- Reflect RAP staff and community validation – draft Reflect RAP documents reviewed by the Council, staff, key community stakeholders including members of the Aboriginal Consultative Committee (ACC) and the Gandangara and Tharawal Local Aboriginal Land Councils;
- Submission to Reconciliation Australia (RA) for review and endorsement in April 2023;
- Broader public exhibition inviting feedback from the local community in May 2023;
- Submission to Council for endorsement at the August 2023 Council meeting – at which point the RAP was deferred pending a presentation to the Governance Committee; and
- Presentation to Council at the Governance Committee meeting in October 2023.

At the request of Council at the October 2023 Governance Committee meeting, a further workshop was scheduled with representatives from Ngurra Advisory and relevant Council staff in February 2024. This workshop was designed to provide Councillors with a more in-depth understanding of the RAP process and the goals outlined within the plan. No Councillors attended this workshop. Two Councillors did offer apologies citing an inability to attend the scheduled time, one of whom provided feedback on the RAP via email.

**Endorsement by Reconciliation Australia**

Reconciliation Australia (RA) are an independent not-for profit organisation and the peak body for reconciliation in Australia. RA promotes and facilitates reconciliation by building relationships, respect and trust between the wider Australian community and Aboriginal and Torres Strait Islander people. RA oversees and manages the RAP program, supporting organisations to sustainably and strategically take meaningful action to advance reconciliation.

Based on recommendations from both Ngurra Advisory and RA; and noting that this is Council's first formal RAP; Council developed a 'Reflect' RAP. Reflect RAPs are 12 months in duration and outline an organisation's commitment to scoping and developing relationships with First Nations stakeholders, determining a vision for reconciliation, and exploring and expanding an organisation's sphere of influence.

The draft RAP was presented to RA for conditional endorsement in May 2023 as part of the public exhibition process. Positive feedback was received from RA in June 2023 and formal endorsement of Council's Reflect RAP was granted in August 2023. As significant time has passed since this was received, following Council's endorsement, the RAP will again be submitted to RA for review and endorsement of the updated plan.

Following this, a launch will be held which promotes broader community awareness of the RAP and celebrates this important step in Council's reconciliation journey.

**Conclusion**

Council have developed a Reflect RAP which outlines realistic and achievable goals for reconciliation and promotes its broader commitment to supporting the advancement of First Nations people in Liverpool. This Reflect RAP represents Council's first steps on its formal RAP journey. It is envisaged that at the conclusion of this RAP in August 2025, Council staff will undertake a review of the achievements and actions included to determine next steps and support future reconciliation activities.

**FINANCIAL IMPLICATIONS**

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Costs associated with the actions contained in the RAP will need to be considered through the delivery of business and feasibility studies. This will enable a more detailed examination of the goals, providing Council with more information on costs associated with delivery, funding strategies and opportunities.

## **CONSIDERATIONS**

<b>Economic</b>	Facilitate economic development.
<b>Environment</b>	<p>Protect, enhance and maintain areas of endangered ecological communities and high quality bushland as part of an attractive mix of land uses.</p> <p>Raise community awareness and support action in relation to environmental issues.</p>
<b>Social</b>	<p>Provide cultural centres and activities for the enjoyment of the arts.</p> <p>Preserve and maintain heritage, both landscape and cultural as urban development takes place.</p> <p>Support community organisations, groups and volunteers to deliver coordinated services to the community.</p> <p>Promote community harmony and address discrimination.</p>
<b>Civic Leadership</b>	<p>Undertake communication practices with the community and stakeholders across a range of media.</p> <p>Foster neighbourhood pride and a sense of responsibility.</p> <p>Facilitate the development of community leaders.</p> <p>Encourage the community to engage in Council initiatives and actions.</p> <p>Provide information about Council's services, roles and decision making processes.</p> <p>Operate a well-developed governance system that demonstrates accountability, transparency and ethical conduct.</p>
<b>Legislative</b>	There are no legislative considerations relating to this report.
<b>Risk</b>	<p>The risk is deemed to be Low.</p> <p>If Council were to not endorse the RAP, there is a risk of significant reputational damage for Council within the community. The risk is considered within Council's risk appetite.</p>

## **ATTACHMENTS**

Nil

**ITEM 06****Draft Complaints and Compliments Management Policy**

<b>Strategic Objective</b>	Visionary, Leading, Responsible Demonstrate a high standard of transparency and accountability through a comprehensive governance framework
<b>File Ref</b>	196857.2024
<b>Report By</b>	David Day - Head of Governance
<b>Approved By</b>	Farooq Portelli - Director Corporate Support

**EXECUTIVE SUMMARY**

It is proposed to replace Council's existing Customer Service and Communication Policy with a Customer Experience Policy and a Complaints and Compliments Management Policy. This report presents the Draft Complaints and Compliments Policy which sets out Council's approach to dealing with customer complaints and compliments. The Committee is requested to recommend the Draft Policy to Council for public exhibition.

**RECOMMENDATION**

That the Governance Committee:

1. Considers and comments on the Draft Complaints and Compliments Management Policy
2. Agrees the Draft Complaints and Compliments Management should go forward to Council with a recommendation that:
  - (a) Council agrees the Draft Complaints and Compliments Management Policy be placed on public exhibition for a period of not less than 28 days.
  - (b) Council authorises the CEO to adopt the Draft Complaints and Compliments Management Policy if no representations are received during the period of public exhibition.
  - (c) Council agrees a further report be provided to Council if representations are received during the period of public exhibition.
  - (d) Council authorises the CEO or delegate to make minor changes to the Complaints and Compliments Management Policy.



## **REPORT**

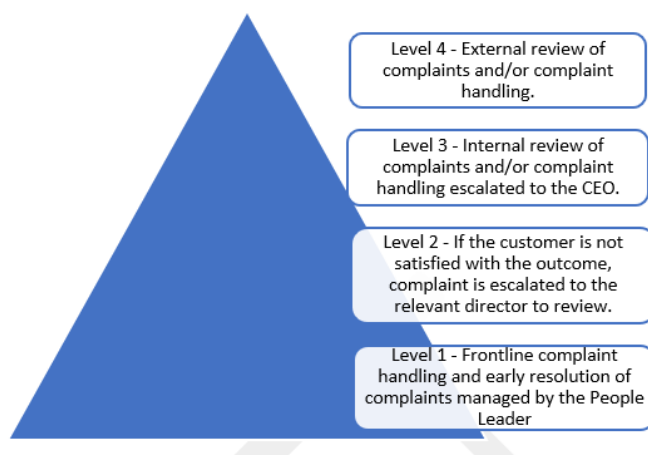
It is proposed that Council's existing Customer Service and Communication Policy be amended so that focuses on Customer Experience, and that a dedicated Complaints and Compliments Management Policy is created.

Council's Director Customer and Business Performance has prepared an amended Customer Service and Communication Policy under separate cover.

The Draft Complaints and Compliments Management Policy sets out how Council will respond to complaints and compliments from the community. It emphasises:

- a commitment to handling complaints and compliments well and using feedback to strengthen delivery of Council functions;
- treating people with courtesy and respect;
- making it easy for people to bring forward complaints; and
- responding reasonably.

The draft policy contains relevant definitions and sets out a clear, high-level process for managing complaints. The policy provides four complaint stages (three internal stages) with the emphasis on frontline resolution followed by escalation to the Director and then the CEO.



The Policy also sets out a risk-based approach to dealing with unreasonable complainant behaviour. It gives guidance on different types of unreasonable behaviour and identifies ways in which this may be responded to. This may include imposing restrictions on how customers communicate with Council and considers the health and safety of our people.

Council's Governance team will continue to support the complaints process. This includes investigating level 3 complaints for the CEO and preparing reports and analysis on complaints and compliments.

## **FINANCIAL IMPLICATIONS**

Complaints are dealt with by directorates within existing budgets and this is provided for in the long-term financial plan. Across all complaints, the Governance team is projected to spend \$50,000 on external investigators in 2024/25 with an internal staff allocation of approximately \$75,000.

## **CONSIDERATIONS**

<b>Economic</b>	There are no economic and financial considerations.
<b>Environment</b>	There are no environmental and sustainability considerations.
<b>Social</b>	There are no social and cultural considerations.
<b>Civic Leadership</b>	Provide information about Council's services, roles and decision making processes.  Operate a well-developed governance system that demonstrates accountability, transparency and ethical conduct.
<b>Legislative</b>	Local Government Act 1993  Pursuant to section 23 of the Local Government Act 1993, Council may do all such things as are supplemental or incidental to, or consequential on, the exercise of its functions.
<b>Risk</b>	There is no risk associated with this report.

## **ATTACHMENTS**

1. Draft Complaints and Compliments Management Policy



## Complaints and Compliments Management Policy

Adopted: \*\*\*\*\*

TRIM: 122926.2023




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## COMPLAINTS MANAGEMENT AND COMPLIMENTS POLICY

**DIRECTORATE: CORPORATE SUPPORT**

**BUSINESS UNIT: GOVERNANCE**

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### 1. PURPOSE

- 1.1 This policy expresses Council's commitment to good complaint handling. It is intended to:
  - (a) reassure those who interact with the Council that we are committed to properly addressing and resolving any problems;
  - (b) maintain and improve relationships; and
  - (c) improve transparency and accountability.
- 1.2 The policy sets out a structure for managing complaints, focused around the principles of prevention, management and accountability. It sets expectations for the fair and respectful handling of complaints and helps to promote consistent outcomes.
- 1.3 The policy explains how Council will deal with all aspects of complaint handling. It covers receiving and responding to complaints, but also analysing complaints and reporting information about complaints.
- 1.4 Compliments and complaints provide valuable information on levels of satisfaction and give Council an opportunity to improve upon all aspects of its functions. Council values and encourages feedback about the delivery of its functions whether in the form of compliments or complaints.

### 2. SCOPE

- 2.1 This policy applies to all staff receiving or managing complaints and compliments from the public made to or about Council, regarding services, staff or complaint handling.
- 2.2 In addition to this policy, there are specific types of complaints that may be covered by the policies listed below.
  - (a) Public Interest Disclosures are managed through Council's Public Interest Disclosure Policy and applicable Legislation.
  - (b) Staff grievances are managed following processes outlined in the Local Government (State) Award.

- (c) Code of Conduct Complaints are managed by the Complaints Coordinator in line with Council's Code of Conduct Procedures.
- (d) Privacy complaints are managed in line with the Privacy Policy.
- (e) Complaints from other Government Agencies are managed by the Complaints Coordinator.

### 3. POLICY STATEMENT

- 3.1 Council is committed to handling compliments and complaints well so that we learn from feedback. We want our responses to build better relationships and strengthen delivery of Council functions, including the lawful provision of goods, services and facilities, and carrying out of activities, appropriate to the current and future needs within Liverpool and of the wider public.
- 3.2 We recognise the inherent dignity of all involved in complaint handling. Our process will be fair and we will treat people with courtesy and respect.
- 3.3 We aim to prevent complaints from arising by delivering our functions well. Where issues arise, we will make it easy for people to bring forward complaints. We will respond reasonably to complaints and properly address and resolve any problems. We will seek to learn from complaints to improve our future delivery. We will report information about complaints in support of greater transparency and accountability.

### 4. DEFINITIONS

#### **Complaint**

means an expression of dissatisfaction with the level or quality of service provided by Liverpool City Council. This includes dissatisfaction with:

- the outcome of a decision;
- any delay in a Council's decision/action;
- the level or quality of service;
- the failure to adhere to a policy or procedure; and
- the behaviour of an employee, Committee member, or agent of Council.

A complaint is not a routine service request for action or an enquiry about the progress of a matter.

#### **Complaints Coordinator**

means Council's Head of Governance

#### **Compliment**

means an expression of praise or regard for service received or performance delivered by Council or its staff.

#### **Council**

means Liverpool City Council.

#### **Customer**

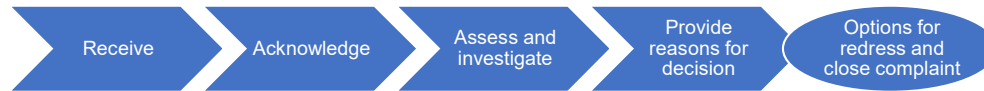
means persons engaged in the delivery of Council functions, including members of the public such as residents, ratepayers, and visitors to the Liverpool Council Local Government Area, and to internal customers such as Council staff, the Mayor and Councillors.

<b>Frivolous complaint</b>	means a complaint deemed to be trivial or unreasonable in nature, typically made with intent of causing a nuisance.
<b>Service request</b>	Includes: <ul style="list-style-type: none"> <li>• Initial requests for approval and/or action;</li> <li>• Routine inquiries about the organisation's business;</li> <li>• A matter where the issue is the responsibility of another authority or service provider; and</li> <li>• Requests for the explanation of policies, procedures and decisions.</li> </ul> <p>A routine service request is not considered to be a complaint under this policy.</p>
<b>Unreasonable complainant conduct</b>	means any behaviour by a current or former complainant which, because of its nature or frequency, raises substantial health, safety, resource or equity issues for the parties to a complaint.
<b>Unreasonable Conduct</b>	has the same meaning as in guidelines issued by the NSW Ombudsman.
<b>Vexatious complaint</b>	means a complaint received without sufficient grounds, aiming to cause annoyance or harm to the subject of the complaint.

## 5. MAKING AND RECORDING COMPLIMENTS AND COMPLAINTS

- 5.1 Council welcomes feedback and provides multiple avenues for people to contact us. You can make a compliment or complaint orally or in writing in the following ways:
- (a) calling us on 1300 36 2170 from Monday to Friday between 8.30am and 5.00pm;
  - (b) emailing [lcc@liverpool.nsw.gov.au](mailto:lcc@liverpool.nsw.gov.au);
  - (c) going to our website at <https://www.liverpool.nsw.gov.au/> and submitting an online enquiry form;
  - (d) visiting our Customer Service Centre at Yellamundie, 50 Scott Street, Liverpool NSW 2170 Monday to Friday between 8.30am and 4.30pm and speaking to a member of staff;
  - (e) writing to us by post addressed to Locked Bag 7064, Liverpool BC, NSW 1871
- 5.2 We will record all compliments and complaints in Council's Customer Request Management System (CRMS)

## 6. COMPLAINT MANAGEMENT PROCESS



### 6.1 Receipt

- 6.1.1 Council will record complaints received and its supporting information. Council will also assign a unique identifier to the complaint file.
- 6.1.2 The record of the complaint will document:
- (a) the contact information of the person providing the complaint;
  - (b) issues raised by the person providing the complaint and the outcome/s they want;
  - (c) any other relevant information; and/or
  - (d) any additional support the person providing the complaint requires.

### 6.2 Acknowledgement

- 6.2.1 Council will endeavour to acknowledge receipt of feedback within five working days of receiving it.
- 6.2.2 Consideration will be given to the most appropriate medium (e.g. email, letter) for communicating with the person providing feedback.

### 6.3 Initial assessment and response

- 6.3.1 After acknowledging receipt of a complaint, Council will consider whether the issue/s raised in the complaint are within Council's control. If a complaint deals with matters outside of Council's control, Council will advise the complainant that it cannot take the matter further and will provide assistance, if it can, to direct the complainant to an appropriate agency.
- 6.3.2 When determining how the complaint will be managed, Council will consider:
- (a) how serious, complicated or urgent the complaint is;
  - (b) whether the complaint raises concerns about people's health and safety;
  - (c) how the person making the complaint is being affected;
  - (d) the risks involved if resolution of the complaint is delayed; and
  - (e) whether a resolution requires the involvement of other organisations.
- 6.3.3 Council will also consider the outcome/s sought by the person making the complaint and, where there is more than one issue raised, determine whether each issue needs to be separately addressed.

### 6.4 Addressing complaints

- 6.4.1 After assessing a complaint, Council will consider how to manage it. To manage a complaint, Council may:



- (a) give the person making a complaint information or an explanation;
- (b) gather information about the product, person or area that the complaint is about; or
- (c) investigate the claims made in the complaint.

6.4.2 Council will keep the complainant up to date on the progress, particularly if there are any delays. Council will also communicate the outcome of the complaint using the most appropriate medium. The actions Council decide to take will be tailored to each case and consider any statutory requirements.

## **6.5 Providing reasons for decisions**

6.5.1 Following consideration of the complaint and any investigation into the issues raised, Council will contact the person making the complaint and advise them:

- (a) the outcome of the complaint and any action Council took;
- (b) the reason/s for the decision;
- (c) the remedy or resolution/s that Council have proposed or put in place; and
- (d) any options for review that may be available to the complainant, such as an internal review, external review or appeal.

6.5.2 If, in the course of investigation, Council makes any adverse findings about a particular individual, Council will consider any applicable privacy obligations under the *Privacy and Personal Information Protection Act 1998* and any applicable exemptions in or made pursuant to that Act, before sharing the findings with the complainant.

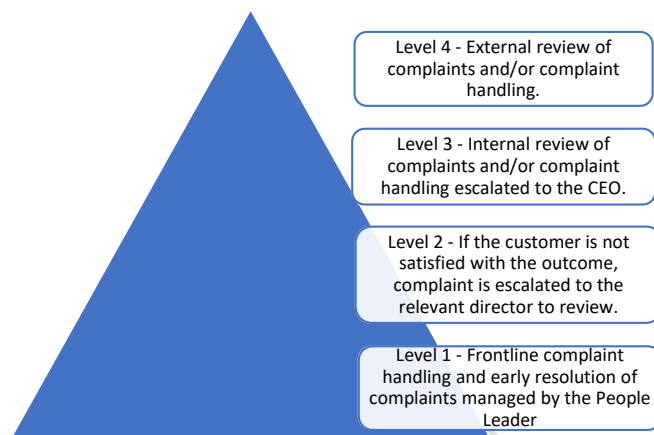
## **6.6 Closure, record keeping, redress and review**

6.6.1 Council will keep comprehensive records about:

- (a) how Council managed the complaint;
- (b) the outcome/s of the complaint (including whether it or any aspect of it was substantiated, any recommendations made to address problems identified and any decisions made on those recommendations); and
- (c) any outstanding actions that need to be followed up.

6.6.2 Council will ensure that outcomes are implemented, monitored and where appropriate reported to senior management.

## 6.7 The four levels of complaint handling



- 6.7.1 Council aims to resolve complaints at the first level, the frontline. Wherever possible, authorised staff will respond and resolve the complaint/s.
- 6.7.2 In some situations, the Complaints Coordinator may decide to escalate the complaint to a more senior officer within Council, if appropriate. This second level of complaint handling will provide for the following internal mechanisms:
- (a) assessment and review of complaint and decision/s already made; and/or
  - (b) if appropriate, the matter may be referred to the Director for review of complaint handling to date and provide an update to the complainant.
- 6.7.3 Where a complainant is dissatisfied with the outcome of Council's review of their complaint, they may seek an internal review by the CEO or external review of the decision by the following external agencies:
- (a) NSW Ombudsman for most complaints about conduct of Councillors and Council employees or administrative conduct of Council;
  - (b) The Independent Commission Against Corruption (ICAC) for complaints about alleged corrupt conduct of Councillors or Council staff; and
  - (c) Office of Local Government (OLG) for complaints about the general administrative conduct of Councils, Councillors and Council staff.

## 7. ACTING REASONABLY AND RESPECTFULLY

- 7.1 We recognise the inherent dignity of all involved in complaint handling. Our process will be fair and we will treat people with courtesy and respect. We will provide training and guidance to staff in how to deal with customers, which will include supporting them to:
- (a) treat complainants respectfully, pleasantly and professionally;
  - (b) use good listening skills;
  - (c) arrange for assistance if required, such as an interpreter or advocate;
  - (d) show empathy and ask what the person wants to happen.

- 7.2 We expect our people to avoid any action that makes a person feel unworthy or without value. This includes avoiding bullying, humiliation, demeaning criticisms, negative judgments, exclusion, being judged or treated as inferior, unfair treatment or dismissing or misunderstanding a customer's views.
- 7.3 To reduce disappointment, anger or frustration, we will aim to be clear from the outset what may be expected from the complaints process. We will honestly inform the complainant of:
- (a) Council's functions, as they relate to the complaint;
  - (b) how the complaint will be dealt with, including the processes and procedures we will follow;
  - (c) the likely timeframes for responding to the complaint;
  - (d) the role and responsibility of the complaint handler.
- 7.4 We understand that people making complaints may be frustrated and upset. We will act sensitively and respectfully when dealing with complaints but will seek to address Unreasonable Conduct. Behaviours that may need to be addressed include:
- (a) **unacceptable behaviour**, such as aggressive, abusive, violent or threatening behaviour towards Council, staff or Councillors;
  - (b) **unreasonable persistence**, such as persisting with issues that have been dealt with to finality, refusing to accept decisions, and sending excessive amounts of correspondence;
  - (c) **unreasonable demands**, for example insisting on outcomes that are unattainable, or making inappropriate or excessive demands;
  - (d) **unreasonable lack of cooperation**, such as withholding information, providing misleading information or excessive extraneous information, being dishonest, or refusing to identify or define issues;
  - (e) **unreasonable arguments**, such as putting forward conspiracy theories, irrationally interpreting facts or laws, or refusing to consider other valid viewpoints.
- 7.5 We will take a risk-based approach to dealing with unreasonable behaviour, which considers the health and safety of our people. We will also consider our responsibility to efficiently and effectively use Council resources and the need to avoid devoting excessive resource to one individual or complaint. The measures we may take in response to unreasonable behaviour include:
- (a) declining to further respond to matters that have already been addressed or for which there is no evidence;
  - (b) setting conditions for further action, such as requiring a complainant to better define issues or provide supporting evidence;
  - (c) assigning different staff to deal with a person or matter;
  - (d) setting limits and conditions on individuals, such as how they may make contact with Council or which premises they may attend; or
  - (e) excluding people from contacting the Council or attending its premises.

- 7.6 Council will respond proportionately to unreasonable behaviour, recognising that we generally want the Liverpool community and wider public to use Council's goods, services and facilities and participate in our activities. If we do impose limitations, we will advise the affected person in writing and explain our reasons for imposing them.

## **8. USING COMPLIMENTS AND COMPLAINTS TO IMPROVE DELIVERY**

- 8.1 Council collects customer information in Pathway, its Customer Relationship Management system. This includes information about compliments and complaints.
- 8.2 We believe that compliments and complaints can be a valuable source of feedback on our performance. We will analyse information recorded in Pathway to identify trends and examine whether complaints are being effectively responded to and resolved.
- 8.3 We will report information about complaints on a six-monthly basis to Council's Audit, Risk and Improvement Committee. This will provide a forum in which to identify opportunities to improve both the complaint process and our goods, services, facilities and activities.

## **9. COMPLIMENTS MANAGEMENT**

- 9.1 All compliments will be referred to the relevant people leader and director for appropriate action, ensuring all relevant staff are notified.
- 9.2 Council has an employee recognition program whereby people leaders can nominate high performing staff to acknowledge their contribution to Council.

**RELATED POLICIES & PROCEDURE REFERENCES**

- NSW Ombudsman model template for complaints handling
- NSW Ombudsman Managing unreasonable conduct by complainant's model policy

**AUTHORISED BY**

Council Resolution

**EFFECTIVE FROM***This date is the date the policy is adopted by Council resolution.***REVIEW DATE***The policy must be reviewed every two years or more frequently depending on its category or if legislative or policy changes occur.***VERSIONS***The current and previous version of the policy should be set out in the following table.*

Version	Amended by	Changes made	Date	TRIM Number
1	New Policy			

**THIS POLICY HAS BEEN DEVELOPED IN CONSULTATION WITH**

Legal Services  
 Governance  
 Customer Service  
 People and Culture  
 Executive Leadership Team