



Planning proposal to allow a supermarket within IN2 Light Industrial zone at 17-19 Smith Street, Chatswood

Proposal Title :	Planning proposal to allow a supermarket within IN2 Light Industrial zone at 17-19 Smith Street, Chatswood		
Proposal Summary :	The planning proposal seeks to amend Schedule 1 of Willoughby Local Environmental Plan 2012 (WLEP 2012), to allow the additional use of a supermarket and liquor store to be permissible within the IN2 Light Industrial zone at 17-19 Smith Street, Chatswood.		
PP Number :	PP_2014_WILLO_001_00	Dop File No :	14/03245

Proposal Details

Date Planning Proposal Received :	14-Feb-2014	LGA covered :	Willoughby
Region :	Sydney Region East	RPA :	Willoughby City Council
State Electorate :	WILLOUGHBY	Section of the Act :	55 - Planning Proposal
LEP Type :	Spot Rezoning		

Location Details

Street :	17-19 Smith Street		
Suburb :	Chatswood	City :	Sydney
Land Parcel :	Lot 101 DP 714477	Postcode :	2067

DoP Planning Officer Contact Details

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DoP Project Manager Contact Details

Contact Name :	Sandy Shewell
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Land Release Data

Growth Centre :	N/A	Release Area Name :	N/A
Regional / Sub Regional Strategy :	Metro Inner North subregion	Consistent with Strategy :	No

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MDP Number :		Date of Release :	
Area of Release (Ha) :		Type of Release (eg Residential / Employment land) :	N/A
No. of Lots :	0	No. of Dwellings (where relevant) :	0
Gross Floor Area :	0	No of Jobs Created :	176

The NSW Government Lobbyists Code of Conduct has been complied with : **Yes**

If No, comment :

Have there been meetings or communications with registered lobbyists? : **No**

If Yes, comment :

Supporting notes

Internal Supporting Notes :

PRE-GATEWAY REVIEW APPLICATION

On 20 November 2013, the Sydney East Joint Regional Planning Panel (JRPP) met to review the application to allow a supermarket and liquor store as a permissible use within the IN2 Light Industrial zone at 17-19 Smith Street, Chatswood. The pre-Gateway review was requested because Willoughby City Council (Council) did not support the planning proposal.

The JRPP did not reach a unanimous decision. However, with the Chair's casting vote, the majority view concluded that the proposal not should proceed to exhibition for strategic reasons.

On 17 December 2013, the Deputy Director General, as the Minister's delegate, resolved that the proposal may have merit and should proceed to public exhibition. Council was provided the opportunity to be the relevant planning authority (RPA) for the planning proposal. Council accepted delegation as the RPA and submitted a planning proposal under section 56 of the Environmental Planning and Assessment Act 1979 (EP&A Act).

PLANNING PROPOSAL

The planning proposal seeks to allow a supermarket and liquor store at 17-19 Smith Street, Chatswood. The proposed supermarket will contain additional features in order to cater for the growth in online retailing. The proposed supermarket will offer additional online functions, including:

- a "click and collect" function that allows customers to order online and collect groceries at a designated collection point which is not within the trading floor; and
- an "online fulfilment" function which enables a customer to place an order online but choose home delivery which is managed by staff on-site who pick and package the order.

The planning proposal states the site is also able to cater for a future "dark box," which involves a warehouse and distribution centre to enable foodstuffs to be processed to meet online orders. It should be noted that Woolworths are in the initial phases of implementing this approach and consider the "dark box" as stage 2 of its online retailing strategy. The "dark box" alternative does not form part of this application.

The agency supports the planning proposal because:

- it will provide additional employment in Willoughby local government area (LGA);
- it responds to demand for supermarket floorspace in the locality;

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External Supporting Notes :

- the location of the site, being the edge of an industrial area, will minimise amenity impacts for residents; and
- there has been support from the local community for the proposed supermarket.

Council's report, dated 3 February 2014, indicates the subject planning proposal does not alter Council's reasons for refusing the original planning proposal lodged in 2012.

Council has lodged the subject planning proposal because the Deputy Director General, as the Minister's delegate, considered the pre-gateway review proposal may have merit to proceed and that the community should be able to comment on the proposal.

Adequacy Assessment

Statement of the objectives - s55(2)(a)

Is a statement of the objectives provided? **Yes**

Comment : The objective of the planning proposal is to allow a supermarket and liquor store to be developed in the IN2 Light Industrial zone at 17-19 Smith Street, Chatswood (Lot 101 DP 414477).

Explanation of provisions provided - s55(2)(b)

Is an explanation of provisions provided? **Yes**

Comment : The planning proposal will amend Schedule 1 of Willoughby LEP 2012 to allow a supermarket and liquor store as an additional permissible use in the IN2 Light Industrial zone at 17-19 Smith Street, Chatswood.

Justification - s55 (2)(c)

a) Has Council's strategy been agreed to by the Director General? **No**

b) S.117 directions identified by RPA : **1.1 Business and Industrial Zones
3.4 Integrating Land Use and Transport
6.3 Site Specific Provisions**

* May need the Director General's agreement

Is the Director General's agreement required? **Yes**

c) Consistent with Standard Instrument (LEPs) Order 2006 :

d) Which SEPPs have the RPA identified? **SEPP No 55—Remediation of Land
SEPP (Infrastructure) 2007**

e) List any other matters that need to be considered :

Council requests the following documents prior to public exhibition of the planning proposal:

- a concept plan detailing the proposed retail space and warehouse facility including proposed floor space for each component;
- an updated land use and vacancy study for East Chatswood Industrial Area, which was provided to the JRPP in November 2013;
- a State Environmental Planning Policy No. 55 - Remediation of Land (SEPP 55) report for the site; and
- an updated traffic report addressing the proposed peak usage times for all uses operating concurrently on the site.

Council also requests the gateway consider that a community consultation program be adopted as outlined in Council's report dated 3 February 2014. The agency supports Council's proposed community consultation program.

The agency considers concept plans of the proposed warehouse facility or "dark box" are not relevant to the planning proposal. Warehouses or distribution centres are permitted with consent in the IN2 Light Industrial zone and therefore will be subject to a future development application (DA). The agency considers the concept plan of the proposed supermarket submitted with the planning proposal sufficient.

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The agency considers an updated traffic study is not necessary as the planning proposal does propose to operate the retail and warehouse component concurrently on site. Traffic impacts for the future warehouse component will be assessed at a DA stage.

The agency supports Council's requests for an updated land use and vacancy study to reflect the current conditions in East Chatswood industrial area. A SEPP 55 report is required to confirm the site's suitability for retail development.

Have inconsistencies with items a), b) and d) being adequately justified? No

If No, explain :

1. Section 117 direction - 1.1 Business and Industrial Zones

This direction requires employment growth in suitable locations and the protection of employment land in business and industrial zones. This direction applies because the planning proposal will affect land within an existing industrial zone. The planning proposal is not fully consistent with this direction because it would result in a loss of land available for industrial uses. This inconsistency requires the Director General's approval.

It is recommended that the Director General or delegate approve this inconsistency because a land use study, prepared by Jones Lang LaSalle, dated July 2011, concludes demand for industrial tenancies is relatively weak in Chatswood and there is demand for full-line supermarket space in the LGA. In addition, the planning proposal would generate 176 jobs, which has potential to revitalise East Chatswood by making the area more attractive to businesses.

2. Section 117 direction - 3.4 Integrating Land Use and Transport

This direction requires building form and land use locations to have good access to public transport, housing, jobs, reduce travel demand and provide for the efficient movement of freight. The planning proposal is not fully consistent with this direction because it is largely 'car-based' development.

It is recommended that the Director General or delegate approve this inconsistency because the site has access to the arterial road network which enables the freight and logistics functions to operate efficiently. The site is located near low density housing which creates the potential to reduce the length of car trips for local residents or encourage walking. The planning proposal is also walking distance from local businesses in the East Chatswood industrial area.

3. Section 117 direction - 6.3 Site Specific Provisions

The planning proposal is inconsistent with this direction as it does not permit supermarkets for the entire IN2 Light Industrial zone and it does not rezone the site to an existing zone that allows supermarkets. The retention of the industrial zone is important because there is a limited supply of employment lands in the subregion (194 ha) that allow manufacturing, traditional industrial or high-tech businesses. Allowing a supermarket in all industrial zones is not considered appropriate as that would have the potential to compromise the function of all industrial land.

It is recommended that the Director General or delegate approve the inconsistency because the economic impact assessment, prepared by Duane Location IQ, dated 16 February 2011, indicates a significant shift in East Chatswood from traditional industrial uses to a variety of uses, including offices, showrooms and bulky goods operators as well as retail facilities. The assessment states the proposed supermarket is appropriate in this location because it would represent an optimal use of the land by generating greater employment.

Adding the site, to allow the land use 'supermarket and liquor store,' into Schedule 1 is considered the most appropriate way forward and the inconsistency is considered to be justified in this instance.

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The proposal is considered to be consistent with all other section 117 directions.

4. State Environmental Planning Policy 55 - Remediation of Land (SEPP 55)

The planning proposal is inconsistent with this SEPP as the subject land has previously been used for industrial purposes and requires a contamination study confirming the site is suitable for commercial use. This inconsistency can be addressed through a preliminary investigation report for the site prior to public exhibition. It is recommended that the gateway determination contain a condition to this effect.

The proposal is considered to be consistent with all other SEPPs.

Mapping Provided - s55(2)(d)

Is mapping provided? **No**

Comment : There are no amendments to maps associated with Willoughby LEP 2012.

Community consultation - s55(2)(e)

Has community consultation been proposed? **Yes**

Comment : It is recommended that the planning proposal is publicly exhibited for period of 28 days. Council has proposed to hold a public meeting to answer any questions during the exhibition period.

Project Time Line

Council has provided a project time line that shows the planning proposal will be submitted to the agency for plan making in 6 months (September 2014).

It is recommended the gateway determination allow 9 months for the planning proposal to be completed (December 2014).

Additional Director General's requirements

Are there any additional Director General's requirements? **No**

If Yes, reasons :

Overall adequacy of the proposal

Does the proposal meet the adequacy criteria? **Yes**

If No, comment : The planning proposal provides adequate information for the following:
1. Objectives and intended outcomes.
2. Explanation of the provisions.
3. Justification for the proposal.
4. Community consultation.
5. Project time line.

Proposal Assessment

Principal LEP:

Due Date : **January 2013**

Comments in relation to Principal LEP : **The Willoughby LEP 2012 was notified on 31 January 2013.**

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Assessment Criteria

Need for planning proposal :

The planning proposal arises from a pre-gateway review request, in which the Deputy Director General, as delegate for the Minister for Planning and Infrastructure, considered the proposal may have merit and that the local community should have the opportunity to review and comment on the proposal via public exhibition.

The planning proposal is supported as it will:

- assist in addressing the unmet demand for new supermarket floor space in Willoughby LGA and region;
- increase employment capacity of the site; and
- provide more retail choice and convenience for local residents and workers.

Woolworths undertook a community survey in May 2011, which indicated of the 400 residents who were surveyed, 80% stated they would like to see the proposal for a new supermarket put forward for consideration and discussion within the local community.

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Consistency with strategic planning framework :

STRATEGIC MERIT

1. Metropolitan Plan for Sydney 2036 (Metro Strategy)

The Metro Strategy has a key objective of retaining existing zoned employment land of strategic importance, noting its importance to Sydney's economy in areas such as freight, logistics, warehousing, manufacturing and high technology industries. The planning proposal is inconsistent with the Metro Strategy because residents and small businesses rely on existing local employment lands for a range of services including car repairs, storage facilities and building supplies.

The agency considers the inconsistency with the Metro Strategy is justified because it will provide additional employment, which will have greater economic benefits for the local community and subregion.

2. Draft Inner North Subregional Strategy (draft Subregional Strategy)

The draft Subregional Strategy identifies East Chatswood industrial area (26 ha) as being of strategic importance and should be retained for industrial uses. The planning proposal is inconsistent with the draft Subregional Strategy because it would remove 0.44 ha from the East Chatswood industrial land stock.

The agency considers the inconsistency with the draft Subregional Strategy is justified in that it does not rezone the site to another land use, rather it provides an additional use to be provided on the site. This provides an opportunity for the land to be used for industrial purposes in the future and protects the industrial zoning of the site.

3. Draft Metropolitan Strategy for Sydney to 2031 (draft Metro Strategy)

The draft Metro Strategy requires centres to be the primary location of retail development. In addition, retailing in industrial zones should only occur where it is ancillary to the main industrial use, goods are produced on site or where retailing has industrial-scale impacts. The planning proposal is inconsistent with the draft Metro Strategy because the site is not located in a centre and the proposed supermarket will not produce goods on site.

The draft Metro Strategy sets out criteria when a planning proposal affects industrial land. The two criteria which are most relevant to the planning proposal are addressed below:

Criteria 3: How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?

The impact of the removal of 0.44 ha of 26 ha of the East Chatswood industrial area from the total subregional industrial land stock of 194 ha would be relatively insignificant in itself. The land use study indicates less demand for industrial tenancies in Chatswood, with over 150 listings of industrial premises for lease in January 2011.

Criteria 5: Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?

The current IN2 zoning of the site allows for a broad range of permissible uses such as storage, vehicle sales or hire, warehousing and distribution and garden centres. In addition, Willoughby LEP 2012 enables a degree of flexibility in East Chatswood by allowing certain land uses (under Schedule 1, item 34), such as bulky goods premises. The planning proposal has not presented a compelling argument that the site cannot be used for industrial purpose now or in the foreseeable future.

However, the planning proposal states that of the 410 premises in the East Chatswood industrial area, 48% are offices and warehouses and only 3 premises (0.7%) are of an

industrial nature. The industrial floorspace study by Location IQ, dated 25 July 2011, concludes there is an increasing shift away from the traditional industrial uses in East Chatswood and that the proposed supermarket would help rejuvenate the area.

The planning proposal may be considered consistent in strategic terms for the following reasons:

- the proposed supermarket and liquor store has the potential to generate an additional 176 jobs in the LGA, which will contribute to Willoughby's job target of an additional 16,000 jobs by 2031;
- the proposed supermarket and liquor store responds to unmet demand for new supermarket floor space in the LGA and Inner North subregion, as supported by the land use study (2011) and economic assessment (16 February 2011);
- the planning proposal responds to the changing nature of East Chatswood industrial area; and
- the planning proposal helps reduce the length of car trips for local residents.

SITE-SPECIFIC MERIT

Although the planning proposal has limited strategic merit, the proposal has site-specific merit for the following reasons:

- the site is located on the edge of an industrial area and has good access to the regional road system. This location would enable trucks servicing the proposed supermarket to access the site through the industrial area and avoid residential areas;
- the site is suitable for a stand-alone supermarket, being a larger, unconstrained site in single ownership on the edge of an industrial area;
- the location of the site is near Eastern Valley Way, which provides access for residents, workers and passing motorists; and
- the proposed supermarket would increase the employment capacity on the site by generating approximately 176 jobs.

Furthermore, the planning proposal indicates there is limited supply of suitable, larger size blocks within the LGA that could potentially accommodate a supermarket with additional online retailing functions. This site is also suitable to cater for a future warehouse and distribution centre (dark box), to process foodstuffs, which needs to be positioned in a more accessible location.

Environmental social economic impacts :

1. Traffic

A traffic review by Colston Budd Hunt & Kafes, dated 23 January 2014, states the traffic effects of the proposal would be similar or less than the proposal assessed in the 2012 traffic report. The traffic report (2012) concludes the surrounding road network (with identified upgrades) will be able to cater for the additional traffic generated by the proposed supermarket.

The review states the "online fulfilment" function, which also operates at other stores in Australia, generates between 20 and 30 truck movements per day (two way). The majority of the truck movements would be small trucks associated with home deliveries. The review indicates such a minor increase would not change the traffic effects compared to the previous assessment, dated January 2012.

2. Social and Economic

The planning proposal states the benefits to the community include the provision of approximately 176 jobs. The economic assessment concludes the proposed supermarket would provide additional jobs to the local community as compared with an industrial development on the site. It will also provide retail choice and service to the local community.

The community survey suggests 67% of nearby residents are in favour of the supermarket being built, mostly because the supermarket would be easily accessible and also because it would provide an alternative to more congested shopping areas.

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Assessment Process

Proposal type : **Routine** Community Consultation Period : **28 Days**

Timeframe to make LEP : **9 months** Delegation : **DG**

Public Authority Consultation - 56(2) (d) : **Energy Australia
Transport for NSW - Roads and Maritime Services
Sydney Water**

Is Public Hearing by the PAC required? **No**

(2)(a) Should the matter proceed ? **Yes**

If no, provide reasons :

Resubmission - s56(2)(b) : **No**

If Yes, reasons :

Identify any additional studies, if required. :

Other - provide details below

If Other, provide reasons :

1. Preliminary SEPP 55 report

An assessment is required to determine the site's suitability for development and, if necessary, address any contamination issues in accordance to SEPP 55.

Identify any internal consultations, if required :

No internal consultation required

Is the provision and funding of state infrastructure relevant to this plan? **No**

If Yes, reasons :

Documents

Document File Name	DocumentType Name	Is Public
01. Cover Letter.pdf	Proposal Covering Letter	Yes
1. Report to Council 3 Feb 2014.docx	Proposal	Yes
2. Report to Council 3 Feb. 14, Attachment 1.pdf	Proposal	Yes
3. Report to Council 3 Feb. 14, Attachment 2.pdf	Proposal	Yes
4. Report to Council 3 Feb. 14, Attachment 3.pdf	Proposal	Yes
5. Council Resolution 3 Feb. 2014.docx	Proposal	Yes
7. WCC Submission to JRPP re Woolworths Planning Proposal 17-19 Smith St East Chatswood.pdf	Proposal	Yes
8. Appendix 1 Council Officer's Report to Cultural and Environmental Committee 21 05 2012.pdf	Proposal	Yes
9. Appendix 2 SGS response to Economic Peer review dated February 2013.pdf	Proposal	Yes
Appendix 3 Review of Planning Proposal prepared by SGS Economics and Planning April 2012.pdf	Proposal	Yes
Briefing notes for JRPP, 20 Nov.2013.docx	Proposal	Yes
Planning proposal part 1.pdf	Proposal	Yes
Planning proposal part 2.pdf	Proposal	Yes
Planning proposal part 3.pdf	Proposal	Yes

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Planning proposal part 4.pdf	Proposal	Yes
Planning proposal part 5.pdf	Proposal	Yes
Planning proposal part 6.pdf	Proposal	Yes
Planning proposal part 7.pdf	Proposal	Yes
Planning proposal part 8.pdf	Proposal	Yes
Planning proposal part 9.pdf	Proposal	Yes
Planning proposal part 10.pdf	Proposal	Yes
Planning proposal part 11.pdf	Proposal	Yes
Planning proposal part 12.pdf	Proposal	Yes
Planning proposal part 13.pdf	Proposal	Yes
Appendix C Traffic Report (January 2012).pdf	Proposal	Yes

Planning Team Recommendation

Preparation of the planning proposal supported at this stage : **Recommended with Conditions**

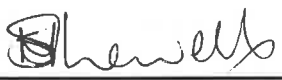
S.117 directions: **1.1 Business and Industrial Zones**
3.4 Integrating Land Use and Transport
6.3 Site Specific Provisions

Additional Information : **It is recommended that the planning proposal proceed subject to the following conditions:**

1. The planning proposal be exhibited for 28 days;
2. A community consultation program be adopted, as outlined in Council's report, dated 3 February 2014.
3. The planning proposal be completed within 9 months of the gateway determination;
4. Prior to undertaking public exhibition, the proponent is to provide a preliminary investigation report in accordance to State Environmental Planning Policy No. 55 - Remediation of Land for the subject site, and this report is to be publicly exhibited with the planning proposal;
5. Prior to undertaking public exhibition, the proponent to provide an updated land use study and vacancy study for East Chatswood industrial area, and this information is to be publicly exhibited with the planning proposal;
6. Consultation is required with Government Agencies, as follows:
 - Energy Australia;
 - Sydney Water; and
 - Transport for NSW – Roads and Maritime Services.

Supporting Reasons : **The agency supports the planning proposal because:**
- it would assist in addressing the unmet demand for new supermarket floor space in Willoughby LGA and region;
- it would increase employment capacity of the site; and
- it would provide more retail choice and convenience for local residents and workers.

It is considered appropriate that the planning proposal proceed, to allow public consultation of the planning proposal.

Signature: 

Printed Name: Sandy Shewell Date: 28.2.14