
Item: 12.10

Subject: TRANSFERRING THRUMSTER TOWN CENTRE INTO THE 2011 LEP

Presented by: Development & Environment, Matt Rogers

Alignment with Delivery Program

5.4.2 Review planning instruments and strategies to ensure currency and facilitate sustainable development outcomes whilst acknowledging the impact on community affordability.

RECOMMENDATION

That Council:

- 1. Prepare a draft planning proposal pursuant to Section 55 of the Environmental Planning & Assessment Act 1979 (as amended), to repeal Port Macquarie-Hastings (Area 13 Thrumster) LEP 2008, and introduce new LEP provisions covering the Thrumster Town Centre as an amendment to Port Macquarie-Hastings LEP 2011, as described in this report.**
- 2. Forward the draft planning proposal to the Department of Planning and Infrastructure for a Gateway Determination, and exhibit the proposal in accordance with that determination, pursuant to sections 56 - 58 of the Act.**
- 3. Request that the Director General of the Department of Planning & Infrastructure issue a Written Authorisation to Council to Exercise Delegation of the plan making functions under section 59 of the Act in respect of the planning proposal.**

Executive Summary

The Thrumster Town Centre area was deferred from inclusion in the *Port Macquarie-Hastings Local Environmental Plan 2011* (LEP 2011) due to an inconsistency between the Standard Instrument template and retail floorspace provisions. The area remains under the control of the *Port Macquarie-Hastings (Area 13 Thrumster) Local Environmental Plan 2008* (LEP 2008).

The purpose of this report is to consider potential alternate LEP provisions to address the retail floorspace issue, in order that the Thrumster Town Centre can be included in LEP 2011.

In preparing the planning proposal, the Strategic Planning team has considered a number of relevant matters including:

- The adopted strategic framework and endorsed development control provisions for the Thrumster Town Centre.
- Changing landowner aspirations.
- A planning proposal lodged by Lewis Land Group.
- Review of the Thrumster Implementation Report.

- Recent economic advice to Council.

Three key matters arise from the above:

- The amount of retail floor space considered appropriate in the Town Centre Core.
- How to control retail development outside the Thrumster Town Centre Core.
- The suitability of the Thrumster Town Centre as a centre for large scale bulky goods premises.

On the matter of appropriate size of the centre, a size of not greater than 4.2 hectares is proposed for the Zone B2 Local Centre with the balance of the town centre controlled by new zoning and additional development controls to limit the size of retail premises.

Limited capacity for bulky goods retail is proposed consistent with the current retail strategy for the Port Macquarie-Hastings. The establishment of a larger bulky goods centre at Thrumster is inconsistent with the established strategic intent for the area as expressed in the Thrumster DCP.

Discussion

The following report provides a chronological summary of planning for the Thrumster Town Centre and concludes with an analysis of a planning proposal to replace existing retail caps in LEP 2008, with alternate planning provisions in order that the Thrumster Town Centre can be covered by LEP 2011.

Current Planning for the Thrumster Town Centre

Background

The location of the Town Centre is shown at Figure 1 below.

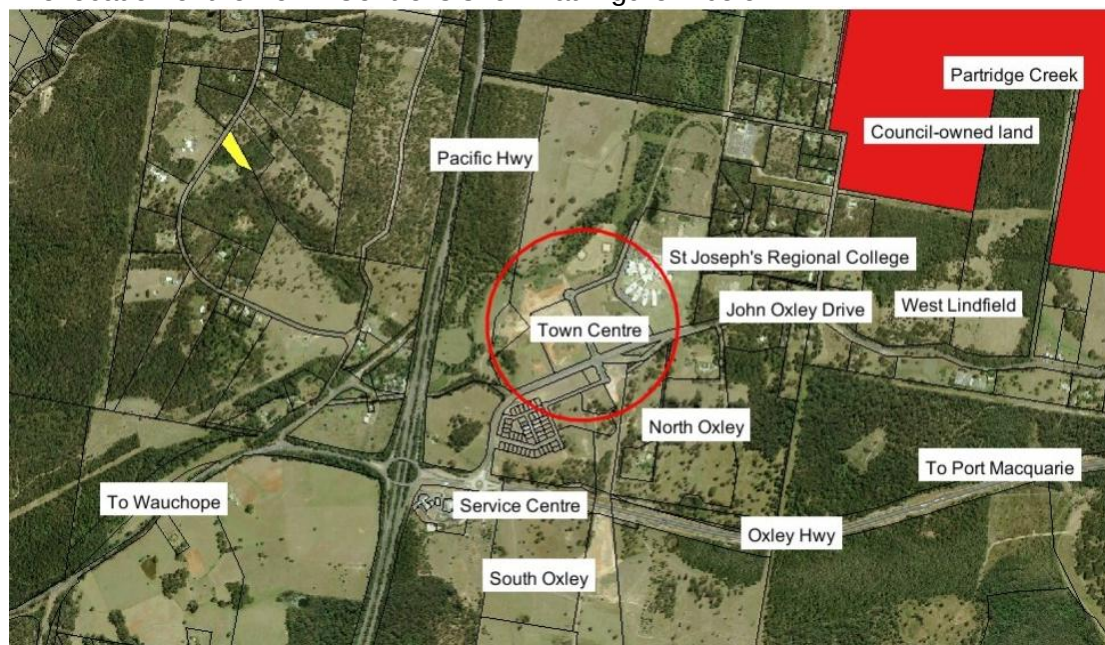


Figure 1: Thrumster Town Centre Location

The Thrumster Town Centre consists of about 30 hectares of land off John Oxley Drive. The site and its general layout were first selected during the early planning investigations carried out for the Urban Release Area of Thrumster between 2001 and 2006, culminating in the *Thrumster Structure Plan 2006* (Structure Plan) and a

supporting document, the *Thrumster Structure Plan Implementation Report 2006* (Implementation Report).

The Structure Plan vision for the Town Centre was that the core area would become the primary centre for the local shopping needs of the anticipated ultimate population of 10,000 people while the immediate surrounds become a significant employment centre for the local government area with up to 2,000 jobs envisaged both in the centre and as home occupation in the surrounding residential and mixed use areas, taking advantage of the optic fibre network running through the area.

Detailed planning provisions for Thrumster and the Town Centre, building on the guidance in the Thrumster Structure Plan, were introduced to the *Port Macquarie-Hastings Development Control Plan* (DCP) in 2009.

The Town Centre area provisions in particular, contain detailed objectives and development criteria of intended land use and urban form, including the identification of five distinct character precincts (Figure 2), each with a distinct desired character and urban function.



Figure 2: Thrumster Town Centre Precincts

- **Town Centre Core** - The centre of retail, leisure, community and civic activity for the emerging community containing a wide mix of land uses that could include, but are not necessarily limited to: market place, supermarket and speciality retail, business space, apartment living, restaurants and cafes on Main Street and Sovereign Green, hotel accommodation, aged care apartments, recreation and leisure uses and community facilities
- **Oxley Highway** - Provides the gateway to the Town Centre and should accommodate a mix of land uses appropriate to a major highway frontage which may include, but are not limited to: business, showrooms, retail and health/medical centres. Such uses would generally not rely on passing foot traffic for business but would be 'destination' uses in their own right.
- **Mid Town** - It should provide a mix of uses which promote a range of live-work, studio/workshop, light industrial and commercial activities contributing to the vitality and diversity of the town. Generally the mix of appropriate future land uses

are: business, education, workshop/showrooms, studios, light industry, live-work, and cafes/restaurants.

- **Northern Edge** - Its 'edge of town' location is ideal for the provision of a range of land uses, comprising business (potential Business Technology Park), medium density residential and recreational uses (potential Health and Country Club).
- **West End** - The amenity offered by the gently sloping land lends itself to medium density residential development interspersed with ancillary mixed uses designed to integrate with the landscape setting and provide an edge to the Town Centre with the potential for the expansion of any Business Technology Park at the north.

The Lewis Land Group developed the *Concept Plan for Sovereign Hills Town Centre* (2006) based on the adopted Structure Plan for the Thrumster Urban Release Area. The concept has formed the basis for the development control provisions for the Thrumster Town Centre neighbourhood (also prepared by Lewis Land Group), adopted by Council in 2009. In addition, the retail cap solution was introduced by Council to ensure retail floorspace conformed to the adopted Retail Strategy.

In 2008, in conjunction with the preparation of development control plan provisions, Council finalised a local environmental plan, which zoned land within the Thrumster Urban Release Area for urban uses. The zones adopted for the town centre are shown below.

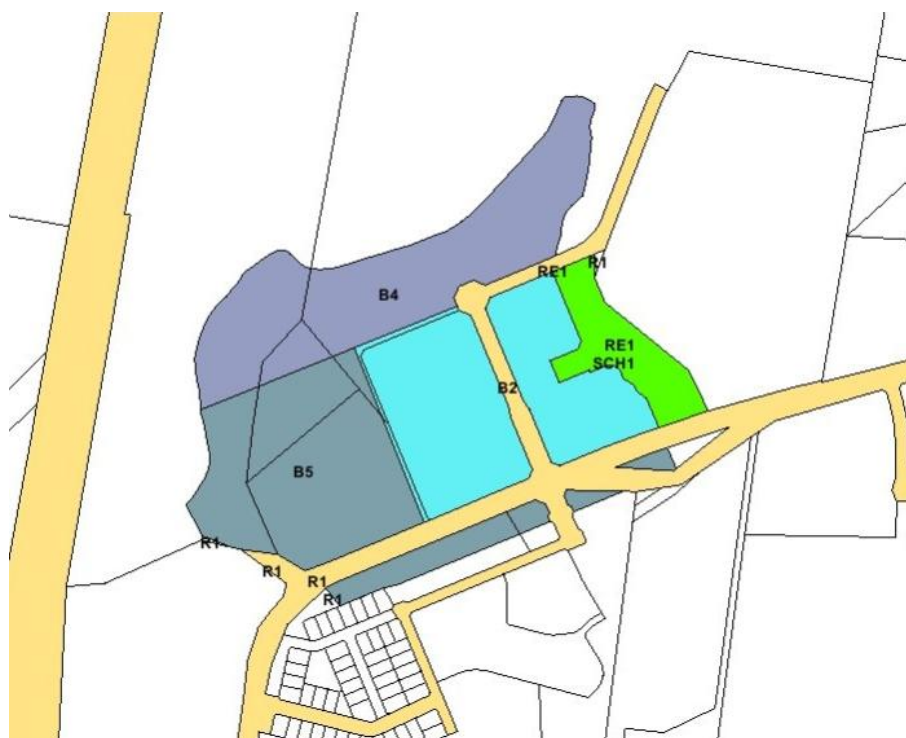


Figure 3: Thrumster Town Centre Zones

The zone areas were intentionally large to allow flexibility for the proponent while broadly facilitating the precinct objectives. The area of each zone is as follows:

- 9.5 hectares of B2 Local Centre
- 8.7 hectares of B4 Mixed Use, and
- 11 hectares of B5 Business Development.

At the time of preparation of the Thrumster LEP 2008, Council sought expert advice regarding the scale of retail development that should be accommodated at Thrumster, having regard to the projected population of approximately 11,000 people and the need to maintain the hierarchy of retail centres in the Port Macquarie-Hastings.

Hill PDA was engaged by Council to review an economic assessment by Dimasi Pty Ltd prepared on behalf of the Lewis Land Group. In conclusion, Hill PDA recommended that: *"The most suitable size centre for Area 13 we estimate to be 7,500sqm of shop front space (retailers, restaurants and commercial users that typically occupy shop front space such as real estate agents, banks and travel agents). This would take the form of a supermarket or two smaller supermarkets occupying around 3,500sqm and around 30-40 specialty stores. This excludes any area designated for bulky goods retailing and excludes any commercial premises that does not occupy shop front space (such as medical centres, solicitors and the like). A centre of this size fulfils around one third of required retail space generated by Area 13 and around 40% of the expenditure generated and would supplement the role of the Greater CBD rather than threaten it."*

On the basis of the advice from Hill PDA, Council introduced a total retail cap for shops and bulky goods premises in LEP 2008, as shown below:

6.5 Thrumster Town Centre

- (1) *This clause applies to the land shown on the Urban Release Areas Map as "Thrumster Town Centre".*
- (2) *The objectives of this clause are:*
 - (a) *to limit the scale of certain types of retail development in the Thrumster Town Centre, and*
 - (b) *to ensure that development does not conflict with the hierarchy of retail centres in the Port Macquarie-Hastings area, and*
 - (c) *to maintain primacy of the Port Macquarie Town Centre.*
- (3) *The Council must not consent to an application for the development of land to which this clause applies:*
 - (a) *for the purposes of shops, neighbourhood shops or take away food and drink premises (but not including kiosks), if the approval would result in the gross floor area of all such uses on land in the Thrumster Town Centre exceeding an area of 7,500 square metres, or*
 - (b) *for the purposes of bulky goods premises if:*
 - (i) *the approval would result in the gross floor area of all bulky goods premises in the Thrumster Town Centre exceeding 5,000 square metres, or*
 - (ii) *the gross floor area of the particular bulky goods premises has a floor area of less than 250 square metres.*

Thrumster Town Centre deferred from 2011 LEP

On 23 February 2011, the *Port Macquarie-Hastings Local Environmental Plan 2011* (the 2011 LEP) came into effect repealing several other Local Environmental Plans including the *Port Macquarie-Hastings (Area 13 Thrumster) Local Environmental Plan 2008* (the Thrumster LEP). However, the Minister deferred the Thrumster Town Centre area due to an inconsistency between a key planning provision in the

Thrumster LEP and the Standard Instrument format required by the Department of Planning and Infrastructure for the 2011 LEP.

The caps introduce a requirement that floorspace must be cumulatively calculated for each development application; leading to a potential situation where no further applications for the specified uses could be approved once the retail cap is reached.

The Department's view was that the cap on retail floorspace acts as a prohibition in a zone where the identified land uses were otherwise allowed therefore leaving Council open to legal challenge. While the Department supported the aim and intent of the clause, it indicated a preference for its achievement through other LEP mechanisms.

Council staff have also identified a further problem with the provision in that it will be difficult for potential purchasers to be made aware of the restriction after land is subdivided and land ownership changes over time. From a practical perspective, staff consider that the cap on retail floor space will be difficult to implement and administer.

The Thrumster LEP continues in force until repealed by an amending LEP.

Existing Retail Approvals - Thrumster

Several developments have been approved by Council since the Thrumster Town Centre was rezoned in 2008. This includes a 4,000m² Woolworths supermarket, about 1,600m² of specialty shops and about 4,000m² of bulky goods and light industry buildings. None of these developments have been constructed. However, all are able to be constructed within the current retail caps for the Thrumster town centre.

The development approval for the supermarket, a key anchor for the centre, will lapse on 1 April 2014 unless construction has commenced.

The floorspace of several development approvals for supermarket and bulky goods described above have nearly reached the retail cap, meaning there is limited opportunity for further retail development at Thrumster should the cap remain in place. Note that business premises such as banks, hairdressers, travel agents and the like are not affected by the retail cap.

To date, limited residential development has occurred at Thrumster with consequential delay to the commencement of the above commercial development. The residential delay is in part due to work on the trunk sewer experiencing environmental issues from underbore operations to connect the area with the Thrumster Sewerage Treatment Plant to the north and due to the effect of the Global Financial Crisis on project financing and the construction industry.

LLG Review of existing Retail Cap Provisions

Since finalisation of LEP 2011, Council planners have investigated alternate LEP provisions to replace the existing retail floorspace cap in LEP 2008, in consultation with representatives of the Department of Planning & Infrastructure and the Lewis Land Group.

The Lewis Land Group (Sovereign Hills Project Pty Ltd) has advised that their aspirations for the town Centre have changed since 2006, when the concept for the

Thrumster town centre was prepared as the basis for LEP and DCP provisions for the Thrumster town centre.

Based on submissions from the Lewis Land Group, their current aspirations for the town centre can be summarised as follows:

- Remove the retail cap or allow up to at least 15,000m² of gross lettable area (GLA) for retail floorspace.
- The desired precinct character statements in the Town Centre Neighbourhood DCP provisions should be considered as only one possible outcome rather than a clear guide to development of each precinct.
- There should be no restrictions on the amount of bulky goods in order to increase the flexibility of development controls, particularly to facilitate the potential for a bulky goods centre between the Thrumster Town Centre Core and the Pacific Highway.

This position is based in part on a Retail Opportunity Study by Norling Consulting Pty Ltd Business & Property Economics, which was commissioned by Sovereign Hills Project Pty Ltd. In summary, the Study concludes that:

- *Port Macquarie is expected to return to strong population growth...*
- *"The existing Port Macquarie retail network is considered to be performing strongly overall. There is evidence of Settlement City overtrading and strong performances by other elements of the Greater Port Macquarie CBD and many other bulky goods stores. However this position is slightly weakened by several underperforming supermarket based centres in areas with small catchment populations."*
- *"Sovereign Hills Town Centre is located at a Gateway location at the junction of the Pacific and Oxley Highways, is centrally located to service the largest residential growth corridor (Thrumster), has 25ha of land zoned for commercial activities and has a catchment area that will generate 60% of Port Macquarie-Hastings retail expenditure growth over the next 19 years to 2031."*
- *"The retail floorspace limit (for the Thrumster town centre) is not supportable"*
- *"district level retail floorspace of 15,000m² and bulky goods floorspace of 23,000m² is supportable on the commercially zoned land at Sovereign Hills by 2031."*
- *"Sovereign Hills Town Centre would service a primary catchment area in excess of 11,000 residents at capacity. This population, together with its secondary catchment populations, is sufficient to warrant the development of a district centre"*.

On 28 May 2013, the Lewis Land Group wrote to the Director Development & Environment (D&E) regarding their intention to submit a draft planning proposal in relation to the Thrumster Town Centre. On the same date, the Director D&E responded by email informing the group of the work Council was doing on a Town Centre planning proposal and requesting them not to lodge their draft planning proposal as it would only duplicate the existing process.

On 14 June 2013, the Lewis Land Group formally lodged an application for a planning proposal regarding the Town Centre (the LLG proposal, Attachment 1) with Council, including payment by cheque of the appropriate fee of \$16,000. At a meeting of 17 June 2013, Council offered to refund the fees, given the status of Council's investigations.

In summary, the LLG proposal proposes to:

- delete the floorspace cap on retail and bulky goods.

- introduce floor space ratio (FSR) and building height controls to regulate building bulk and scale.
- reduce the area of land zoned for business purposes from 29 hectares to 26 hectares, about an 11% reduction.

Following subsequent meetings however, Lewis Land Group have proposed (Attachments 2 and 3):

- to reinstate the retail cap at 15,000m².
- to further reduce the amount of business zoned land by a further 4 hectares, about a 25% reduction. However, this was later amended by Lewis Land Group to replace part of the proposed medium density residential area with mixed use, resulting in about a 17% reduction.

The Economic advice from Norling Consulting in support of the LLG proposal, including the *Retail Opportunity Study: Sovereign Hills Town Centre* and a *Port Macquarie Retail Comparison Study*, are included as attachments to the LLG Proposal at Attachment 1. Revised maps and correspondence are included at Attachments 2 and 3.

If Council does not indicate its support or otherwise for the LLG proposal within 90 days of lodgement, namely Friday 13 September 2013, Lewis Land Group may ask the Department of Planning and Infrastructure for a pre-Gateway review. Note that this is not a legislative requirement but an option set out in the Department's - *A guide to preparing local environmental plans* (2013). Should the Department conduct a pre-Gateway review, they will notify Council of the proponent's request if it is confirmed to be eligible and complete. Council will then have 21 days to provide a response in relation to why the original request was not progressed.

The legislative obligation for Council in this regard is under section 10A of the *Environmental Planning and Assessment Regulation 2000* which states:

When a council does not support a written request made to the council by a person for the preparation of a planning proposal under Part 3 of the Act, the council is required to notify the person as soon as practicable in writing that the proposal is not supported.

Both Lewis Land Group and Council will be eligible to request a post-Gateway review within 40 days of being notified of the Department's Gateway decision in relation to a planning proposal that the Council puts forward.

Note: The Lewis Land Group has also lodged a submission in relation to the John Oxley Drive Precinct Planning Proposal (Attachment 4), which provides for potential bulky goods retail on the corner of John Oxley Drive and the Oxley Highway, adjoining the Wrights Road roundabout. This proposal has been placed on public exhibition and is subject to investigations in relation to road infrastructure.

Relevant points made in the LLG submission that illustrate their aspirations include:

- The role of the Thrumster Town Centre has been misinterpreted by:
 - *"Ignoring its strategic and central location at the junction of the Pacific Highway and Oxley Highway. It is also centrally located in terms of the major growth areas within Port Macquarie."*
 - *"Incorrectly limiting the catchment of Thrumster to the local area (10,000 – 11,000 people) rather than its ability to cater to the needs of a larger population from areas such as Wauchope, King Creek, Sancroix and Lake*

Innes noting Thrumster's strategic location along the Pacific Highway", and

- *"...the subject site is being recommended for rezoning which would absorb the identified future bulky goods retailing floor space for the next 20 years. This proposal would effectively sterilise any future development within Thrumster town centre (Area 13) and impact upon the viability of this existing town centre."*

Council's consideration of bulky goods retail at John Oxley Drive is based on the Retail Policy in the *Port Macquarie Hastings Urban Growth Management Strategy 2011-2031* (UGMS), which estimates total projected demand for bulky goods retail in the Port Macquarie Hastings, based on population growth. The UGMS assumes a maximum of 5,000sqm bulky goods retail at Thrumster. Any decision by Council to expand bulky goods retail at Thrumster would impact on the justification for additional bulky goods retail at John Oxley Drive and vice versa.

Council Analysis and Review

The remainder of this report provides an assessment of alternate LEP provisions to supersede those for the Thrumster Town Centre in LEP 2008, including review of:

- The planning proposal prepared for the Lewis Land Group (Sovereign Hills Project Pty Ltd),
- Council strategy,
- Landowner submissions,
- The Thrumster Implementation Report, and
- Economic impact assessments.

Economic consultancy Hill PDA has provided advice to Council on several occasions regarding Council's retail policy, centres hierarchy and an appropriate size for the Thrumster Town Centre, including:

- **December 2010** - *Port Macquarie-Hastings Retail Strategy Review 2010* (Attachment 5) - This report formed the basis for the current Retail Policy. It recommended the Thrumster Town Centre be contained to a size of 7,500m² GLA and that it be allowed to develop ahead of the population numbers to ensure delivery of services in advance.
- **June 2012** - *Review of draft LEP provisions for Thrumster Town Centre* (Attachment 6) - in response to a preliminary review of zones in the Thrumster town centre prepared by Council planners following discussion with Lewis Land Group representatives.
- **May 2013** - *Review of Retail Opportunity Study for Sovereign Hills* prepared by Norling Consulting (Attachment 7)

Key Issues

From the background information provided above, there are three key issues to be addressed.

1. ***The appropriate amount of retail floorspace in the Thrumster Town Centre Core.***
2. ***The retail capacity of the B2 Local Centre zone in the town centre.***
3. ***Controlling retail development outside the B2 Local Centre zone***
4. ***The suitability of the Thrumster Town Centre as a site for large scale bulky goods premises.***

These issues are discussed below:

1. The appropriate amount of retail floorspace in the Thrumster Town Centre Core

The Thrumster Town Centre is identified in the Retail Hierarchy described in the UGMS as a future 'large village' in the same grouping as Lakewood, Lake Innes and Lighthouse Plaza, and subordinate to the Greater Port Macquarie CBD and the Town Centres of Wauchope and Laurieton. It is intended to provide local retail services for the immediate catchment population of approximately 11,000 people in the Thrumster URA.

In terms of the role of the centre, the UGMS includes the following principles:

- To provide a wide range of quality shopping opportunities and commercial experiences for consumers in a hierarchy of viable centres consistent in scale with existing towns and villages and centrally located within each community.
- To provide for further growth in retail and commercial space to meet growth in demand generated by population and household growth.

In terms of total retail supply, the UGMS includes the following:

- In 2010, in the Port Macquarie-Hastings, *"there are a number of proposals for expansion of retail floor space - the main ones being Hayward Street (4,000m²), Thrumster (7,500m²), expansion of Settlement City (10,000m²), expansion of Laurieton (3,000m²), Wauchope (3,600m²), St Josephs school site (20,000m²) and Lake Cathie/Bonny Hills (5,000m²). Assuming all proposals are complete by 2016 then there will be almost 10% oversupply of retail floorspace in the LGA. BY 2021 however, growth in demand will eradicate the condition of oversupply. By 2031, the LGA will require a further 40,000m² over and above what exists and currently proposed for. (Hill PDA, 2010; p.6)"*.

As noted earlier in this report, the basis for the 7,500m² retail cap was that a centre of this size will fulfil *"around one third of required retail space generated by Area 13 and around 40% of the expenditure generated and would supplement the role of the Greater CBD rather than threaten it."* (Hill PDA; 2007)

The economic advice from Hill PDA dated June 2012 and May 2013 (Attachments 6 & 7) includes a review of the optimal retail floorspace at Thrumster, in the context of current planning for the Thrumster Town Centre. In summary, Hill PDA advise that:

- *"Area 13 .. is an extension of the Port Macquarie township/urban area to the west. It was always envisaged that it would have a centre to serve the local 'chore' shopping needs of Area 13. 'Higher order' leisure and comparative goods shopping would continue to be done in the Greater CBD. Furthermore it was never envisaged that Area 13 would capture any significant expenditure from surrounding areas."*
- *"Given the size of the trade area (forecast of 11,000 people), Area 13 is only large enough to accommodate a village centre. Floor area required may be calculated using the following formula:
11,000 people X 2.15m² GLA per capita X 30% being directed to the village centre = 7,100m² (NLA) Net leasable area"*
- *"This refers to occupied lettable retail space and includes cafes and restaurants"... "It excludes non retail shop front uses and vacancies."*
- *"Typically in a village centre anchored by a large supermarket, the supermarket would comprise half of the floor area and around 15% to 20% of the specialty shops would be occupied by non-retail users"...Hence the above figure of 7,100m² could be escalated by say 12% to around 8,000m² to reflect demand for total shop front space."*

- *“with a centre of around 8,000m² of shop front space, we would expect around half of household expenditure generated by Area 13 residents to be captured by the new village centre, 25% to 30% to be captured by Port Macquarie CBD and the remainder to be captured by other centres, ‘out of centre’ retailers and ‘tourism out’ expenditure.”*
- *However, “A larger centre of say 12,000sqm shop front space is achievable without disrupting the retail hierarchy. There will still be some level of expenditure (around 30%) generated by trade area residents being directed to Port Macquarie CBD.”*

In response to the Norling Consulting Retail Opportunity Study for the Lewis land Group, Hill PDA (May 2013) provide the following advice:

- *“The Norling study suggests that Sovereign Hills should have 15,000sqm of conventional retail floorspace which would include three supermarkets totalling 8,800sqm. This is an unusually high proportion of supermarkets and supermarket floorspace. A rule of thumb used by some economists is 0.30 to .33sqm of supermarket floorspace per capita which means Area 13 would require around 4,000sqm of supermarket space.”*

In summary, Hill PDA conclude that the optimal size for Area 13 when fully developed is 8,000m² of GLA with up to 12,000m² GLA tolerable without undermining the retail hierarchy. At 15,000m² GLA or more (as suggested in the Norling Report and in the Planning Proposal by Lewis Land Group), the town centre would be capable of including a Discount Department Store, which would be contrary to the advice from Hill PDA and contrary to Council’s current Retail Policy.

2. The retail capacity of the B2 zone in the town centre.

The aim in this report is to consider alternate LEP provisions, which do not involve the retention of a retail cap, but which retain the right level of flexibility and certainty in relation to future commercial land use.

The zone framework is the fundamental planning tool in that it establishes whether uses are permitted with or without consent and the area over which those uses may be considered. The zone framework at Thrumster must provide for the long term growth and development of a local town centre.

The size and location of the B2 Local Centre zone is critical, as it covers the core of the Thrumster town centre, including the site of the existing supermarket approval. The use of height and floor space ratio restrictions are also critical as these determine the scale of development within the zone.

Council staff have investigated alternate zone boundaries in consultation with representatives of the Lewis Land Group and with advice from Hill PDA (June 2012) regarding the likely capacity for retail development. Central to these investigations has been a reduction of the B2 zone area. It appears that the minimum area for a B2 Local Centre zone is as shown in the land zone map at Attachment 8 (i.e. 4.2ha) as this limits coverage to the main street block only, exclusive of roads.

In order to determine the retail development capacity of this 4.2ha, there are a number of assumptions:

1. As a rule of thumb that approximately 60% of the 4.2 hectares is developable, (i.e. excluding roads and open space / landscaping), therefore the B2 zone is assumed to have a developable site area of approximately 2.5 hectares.

2. Assuming as a starting point, a floor space ratio of say 1:1, GFA is approximately 25,000m².
3. Leasable floorspace (GLA) is usually estimated at 85% of the site's GFA, meaning that the 2.5ha development area is reduced to 2.125ha. Hill PDA illustrates this by noting that *"A single storey development with 8,000sqm of lettable shop front space would require a building of approximately 10,000 - 10,500sqm. This is to include a loading dock (say 600sqm), say 1,000-1,400sqm of internal area, toilets and managers office, 100sqm of plant rooms and say 400sqm for storage."*
4. Approximately 20% of this remaining area is assumed to be non-retail (e.g. banks, travel agencies and hairdressers), reducing the total area further to 1.7 hectares or 17,000m².
5. Of this 17,000m², a substantial area is likely to be taken up by car parking associated with the supermarket. Hill PDA assume that 4.5 spaces will be required per 100m² of lettable floor area (e.g. A single storey development with 8,000m² of lettable shop front space would require approximately 355 car spaces). Car parking will need to be provided on-site as it is proposed to amend LEP 2011 to remove "car park" as a permissible use with consent from the SP3 tourist and B4 Mixed Use zones, as part of the proposed LEP changes.
6. Hill PDA also advise that there is a low probability that this parking would be provided below the retail level or on the roof top, as this adds significantly to construction cost. *"The vast majority of shopping centres outside the Sydney metropolitan area are single storey."* *"Height restrictions are one method to ensure the centre is single storey"*.

Based on the assumptions above, retail floorspace within the 4.2 hectare B2 Local Centre zone is estimated to be between 6,000m² and 8,000m² for single storey development. A maximum floor space ratio of 1:1 is therefore proposed for the B2 Local Centre zone.

This conclusion is consistent with the existing approval for supermarket at Thrumster and with the type of retail development being approved and constructed in new residential areas in the Hastings (e.g. Major Innes Shopping Centre).

It is proposed to introduce a height limit of 11.5 metres over the Town Centre area, including the B2 Local Centre zone, which will provide for a single story of retail development, in the form of either a typical shopping centre with supermarket anchor, such as that already approved, or 2-3 storeys of typical commercial and residential mixed use.

In conclusion, the estimated 6-8,000m² of retail GLA in the B2 Local Centre zone will form the core of future retail development in the Thrumster Town Centre. In addition, there is some capacity for retail development in the adjoining zones, as discussed under point 3 below. This is consistent with Council's Retail Strategy and Centres Hierarchy, and the reduction in B2 zone area is key to removing the problematic retail cap and achieving consistency with the Standard Instrument LEP.

3. Controlling retail development outside the Thrumster Town Centre Core

The Thrumster town centre *"is proposed to play a significant role in the provision of local job opportunities. Options as part of the town centre being considered include technology and/or education oriented development utilising the available high-speed communications network."* (UGMS)

The area surrounding the Town Centre Core precinct, (i.e. Northern Edge, West End and Mid Town) is therefore intended to provide a vertical and horizontal mix of uses, including medium density residential, employment-generating business and industrial premises, home office or home industry opportunities, and small scale retail premises.

Having regard to these objectives and the need to limit total retail development potential in the Thrumster town centre, it is proposed to remove the current B2 Local Centre and part of the B5 Business Development zones which surround the B2 Local Centre core area discussed in point 2 above. It is proposed to replace these zones with a mix of SP3 Tourist, R3 Medium Density and B4 Mixed Use zones, as shown in the draft land zone map at Attachment 8.

The SP3 Tourist zone is proposed for an area adjoining the future lake edge and town green of the Thrumster Town Centre. It does not permit retail premises.

The proposed R3 Medium Density has been introduced to land currently zoned B4 Mixed Use, following consultation with the Lewis Land Group, to facilitate increased residential dwellings close to the Thrumster Town Centre and to further reduce the amount of land available for retail uses in the Town Centre. This change in zone is consistent with the future intent of that land as expressed in the Town Centre Neighbourhood DCP provisions.

The B4 Mixed Use zone is proposed for the bulk of the Thrumster town centre and would permit a wide range of uses with consent, including retail premises and bulky goods premises. It is therefore important that the scale of these premises is limited to ensure that a de facto centre, or an unwanted expansion of the identified Town Centre Core precinct, does not take place.

A restriction on the scale of some forms of retail premises is proposed in the B4 zone (i.e. shops, bulky goods premises and hardware and building supplies), limiting the size of these uses to a maximum of 250m² within the B4 zone, either stand alone or as a component of other business premises.

The intent of the 250m² limit is to prevent buildings that are incompatible with adjoining residential buildings and preclude establishment of retail premises likely to draw significant trade from the CBD or Wauchope Town Centre. It is proposed that the limit would apply to all B4 zoned land in the local government area meaning that the limit would also apply to the B4 zones on the northern edge of the Wauchope town centre and on Munster Street in Port Macquarie.

Note that the proposed control is considered consistent with the Standard Instrument objectives for Zone B4 Mixed Use, in particular (emphasis added):

- To provide a mixture of **compatible land uses**.
- To **integrate suitable business, office, residential, retail and other development** in accessible locations so as to maximise public transport patronage and encourage walking and cycling.

In summary, it is proposed to reduce the overall area of business-zoned land outside the Town Centre Core and further control the size of certain retail premises considered undesirable in the Zone B4 Mixed Use across the LGA.

The limited additional retail capacity within the SP3, R3 and B4 zones are not expected to impact on the established hierarchy of retail centres, as described in point 2 above.

4. Suitability of Thrumster as a site for a large scale bulky goods centre

The UGMS contains a summary of bulky goods retail in the Port Macquarie-Hastings LGA in 2011, including a review by Hill PDA. In summary, around 24,000sqm of additional bulky goods retail floor space is required between 2009 and 2031. The UGMS includes location criteria, to determine where best to locate additional bulky goods retail development and concludes that a suitable location may exist on land between the existing and former Oxley Hwy alignments at Lake Innes, on land that is affected by highway noise.

Council is currently investigating a potential rezoning on land at John Oxley Dv in accordance with the above strategy. This proposal includes a concept for bulky goods retail with a total floorspace of approximately 19,000sqm.

As described earlier, Lewis Land Group claim the Thrumster Town Centre is suitable for a large scale bulky goods retail centre such as proposed at John Oxley Drive and that should the latter proceed, it would “effectively sterilise” the Thrumster Town Centre, implying no other development type is viable.

The Thrumster Implementation Report Review (Attachment 9) also recommends that Council consider an expansion of bulky goods retail at Thrumster. Urban Systems states that “Bulky goods retailing will support town centre viability and multi-use. Alternative new locations for bulky goods in industrial areas or more isolated locations such as the John Oxley Drive precinct will inevitably draw trade potential from both the Port Macquarie CBD and the Thrumster Town Centre.”

On review of the Town Centre neighbourhood precinct provisions (summarised in the Background section above), it is clear that a bulky goods centre was not envisaged in the original concepts and DCP provisions for the Thrumster Town Centre, as prepared by Lewis Land Group between 2006 and 2009.

The implementation of a large scale bulky goods centre is also inconsistent with Council’s current strategic framework, as expressed in the UGMS and area-based guidance provided by the Thrumster DCP. The Strategy makes provision for up to 5,000m² of bulky goods retail but identifies land at John Oxley Drive for investigation for bulky goods development.

Any decision by Council to expand bulky goods retail at Thrumster would impact on the justification for additional bulky goods retail at John Oxley Drive and vice versa. Accordingly, based on Council’s existing strategic framework, the provision of large scale bulky goods retail beyond approximately 5,000m², is not proposed for the Thrumster Town Centre.

The proposed B5 Business Development zone shown at Attachment 8 has capacity for approximately 5,000sqm bulky goods retail floorspace and covers the site of an existing bulky goods approval, adjacent to the B2 Local Centre zone.

Conclusion

In conclusion, it is recommended that Council endorse the attached planning proposal, including the removal of the retail cap, in order to effect a transition of

planning controls for the Thrumster Town Centre from the 2008 LEP to the 2011 LEP.

Options

There are four options available for Council's consideration.

Option 1 - Endorse the attached planning proposal with or without changes

This option would see the repeal of the Thrumster LEP in favour of more conventional planning controls in a single LEP document, and deliver similar outcomes with regard to maintaining Council's hierarchy of centres

Option 2 - Defer the planning proposal for further investigation

This option would see the current planning proposal project extended in order to further investigate any identified matters, with consequential impacts on other strategic projects in order to accommodate.

Option 3 - Endorse the LLG planning proposal with or without changes

This option would see the replacement of the Thrumster LEP with the attached proposal by LLG and generally increased opportunity for greater retail floorspace.

Option 4 - Do nothing

This option maintains the existing legislative controls for the Thrumster Town Centre including the retail cap.

Option 1 is the recommended option.

Community Engagement & Internal Consultation

Community engagement will be carried out in accordance with the Community Participation Policy, having regard to the type of planning policy and its likely level of impact.

The level of public impact in this case is considered to be low to moderate. A level of participation of 'involve' is considered appropriate and has been demonstrated to date with several meetings being held with Lewis Land Group and the use of some of the solutions provided by them in the planning proposal's preparation.

Consultation will also comply with the provisions of the *Environmental Planning and Assessment Act 1979* and associated regulation. The draft planning proposal will be notified in locally circulating print media and landowners will be notified.

The draft planning proposal may be regarded by as 'low impact' in the Department's Gateway assessment given the much of the proposed controls translate existing intent into a format consistent with the Standard Instrument LEP and require a public exhibition of only 14 days. Regardless of any recommendation to the contrary, public exhibition of the draft planning proposal will occur for a minimum period of 28 days to allow for further landowner consultation. If necessary, additional days will be added for public holidays.

Planning & Policy Implications

The draft planning proposal will improve the current situation by consolidating the planning controls for Thrumster into the 2011 LEP, reducing the risk of confusion and making the controls easier to use.

The controls within the draft planning proposal are consistent with council's strategic planning framework, notably the UGMS, including the retail policy, and the Thrumster DCP.

The provisions, if adopted post exhibition, will be incorporated into the 2011 LEP and will enable Council to continue to determine development applications consistent with established policy.

Financial & Economic Implications

The preparation of the draft planning proposal is identified in Council's Strategic Planning Program for 2013-2013. Completion of an amendment to the 2011 LEP in the manner outlined in the report is able to be undertaken within Council's Strategic Planning Section in consultation with other divisions of Council. The work is funded as a scheduled project within Council's Strategic Planning Program.

The proposals in this report have been developed considering expert economic advice. The advice suggests that should retail floor space be controlled as proposed, the future development of the Thrumster Town Centre will not have a significant adverse economic impact.

Attachments

1. LLG Planning Proposal
2. LLG email - revised proposal 1 July 2013
3. LLG email - revised proposal 5 August 2013
4. LLG submission John Oxley Drive Precinct
5. Hill PDA Retail Strategy Review 2010
6. Hill PDA advice June 2012
7. Hill PDA advice May 2013
8. Draft LEP land zone map Thrumster Town Centre
9. Thrumster Implementation Report Review

12.10 TRANSFERRING THRUMSTER TOWN CENTRE INTO THE 2011 LEP

Councillor Levido declared a Non-Pecuniary, Insignificant Interest in this matter and remained in the room during the Council's consideration.

Mr Michael Mowle of Hopkins Consultants addressed Council in opposition of the recommendation and answered questions from Councillors.

Mr Hadyn Oriti, representing the Port Macquarie Chamber of Commerce, addressed Council in support of the recommendation.

Mr Tony Thorne of King and Campbell Pty Ltd and representing landowners in John Oxley Drive precinct and the Settlement City precinct addressed Council in support of the recommendation and answered questions from Councillors.

RESOLVED: Intemann/Levido

That Council:

1. Prepare a draft planning proposal pursuant to Section 55 of the Environmental Planning & Assessment Act 1979 (as amended), to repeal Port Macquarie-Hastings (Area 13 Thrumster) LEP 2008, and introduce new LEP provisions covering the Thrumster Town Centre as an amendment to Port Macquarie-Hastings LEP 2011, as described in this report.
2. Forward the draft planning proposal to the Department of Planning and Infrastructure for a Gateway Determination, and exhibit the proposal in accordance with that determination, pursuant to sections 56 - 58 of the Act.
3. Request that the Director General of the Department of Planning & Infrastructure issue a Written Authorisation to Council to Exercise Delegation of the plan making functions under section 59 of the Act in respect of the planning proposal.

CARRIED: 9/0

FOR: Besseling, Cusato, Griffiths, Hawkins, Intemann, Levido, Roberts, Sargeant and Turner

AGAINST: Nil

08.02 STATUS OF OUTSTANDING REPORTS TO COUNCIL - AUGUST 2013

RESOLVED: Roberts/Griffiths

That the information in the August 2013 Status of Outstanding Reports to Council be noted.

CARRIED: 9/0

FOR: Besseling, Cusato, Griffiths, Hawkins, Intemann, Levido, Roberts, Sargeant and Turner

AGAINST: Nil