

Economic Assessment of Proposed Rezoning

Bellbird

Applicant:
Johnson Property Group

Date:
October 2015

Document Control

Issue No.	Date	Author	
		Name	Reviewed
A	21.05.2015	Jenny Roberts	Craig Marler
B	29.05.2015	Jenny Roberts	Craig Marler
C	11.06.2015	Jenny Roberts	Craig Marler
D	14.10.2015	Jenny Roberts	Craig Marler

ADW Johnson Pty Limited
ABN 62 129 445 398

hunter region
7/335 hillsborough road
warners bay nsw 2282
ph. 02 4978 5100
fax. 02 4978 5199
email. hunter@adwjohnson.com.au

central coast
po box 3717
tuggerah nsw 2259
ph. 02 4305 4300
fax. 02 4305 4399
coast@adwjohnson.com.au

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Executive Summary

Cessnock LGA has been identified in the Regional Strategy as a key urban growth area over the next 2 to 3 decades. Both State and local government have identified areas within the LGA for infill, growth and new release. The Bellbird Release Area has been under investigation and planning since 2003 and was rezoned in 2011.

A long and iterative planning process combined with changes in ownership and the wider context has meant that the zoning of the release area requires some modification to deliver contemporary objectives and market demands. These changes are not fundamental but help to deliver a more relevant and sustainable outcome within the release area and more broadly. This document focuses on the commercial aspects of the rezoning and provides the information necessary to support the rezoning.

This report has found that the proposed rezoning of land to provide one consolidated and relevant commercial area is strongly supported and justified. The proposal will help deliver a sustainable commercial centre that has the potential to become a community hub for local residents, provide local employment, reduce escape expenditure from the LGA, provide increased amenity and service while not impacting negatively on the existing strip shopping in Bellbird or the trade for higher order goods in Cessnock town centre.

The proposal supports the commercial centres hierarchy fundamental tenants and the objectives of planning for accessible, relevant and sustainable communities.

1.0 Introduction

The planning proposal before council seeks to make some modest changes to the spatial planning within the Bellbird Release Area, so as to consolidate the residential areas and then similarly consolidate and expand the commercial areas within that release area, to achieve better planning, social economic and financial outcomes.

This economic assessment complements the wider rezoning report being submitted to Council which covers issues outside the scope of this document.

The proposal at its most fundamental means some increases in the land zoned for commercial use. As well as increasing the physical land area zoned for commercial use and consolidating the area zoned for commercial uses into one more sustainable site. The proposal also seeks to change the commercial zoning from neighbourhood B1 to a higher order zone B2 Local Centre zoning. The intent in this regard is to accommodate a moderate scale food/supermarket perhaps with support shops more typical and justified in a community of this size and character.

From a commercial perspective this report will show that the planning environment needs to provide for:

- One consolidated site;
- A larger footprint for that site;
- A better shaped site to accommodate development and parking; and
- A zoning that allows for local facilities.

In considering this proposal Council have identified that they require an assessment of the following:

- Alignment of the proposal to state planning policies and objectives;
- Projected demand for commercial floor space;
- Likely impacts on the existing commercial centres hierarchy;
- Accessibility impacts;
- Relationship to the adjacent commercial lands; and
- Assessment of alternative options.

2.0 Background

In 2003, the Cessnock City Wide Settlement Strategy (CWSS) was adopted by Council, later endorsed by the Department of Infrastructure Planning and Natural Resources (now Department of Planning and Environment) which provides a plan for the future urban settlement of the Cessnock LGA. North Bellbird in the CWSS was identified as the largest potential urban release area within the city. Following this strategy, in 2006 the North Bellbird Urban Release Area was identified in the Lower Hunter Regional Strategy (LHRS) as an area to accommodate future residential growth with the ability to accommodate up to 4,000 dwellings.

In response to the CWSS and in anticipation of the site's inclusion in the LHRS, baseline studies commenced in 2006 examining site constraints and opportunities in support of a rezoning application for the North Bellbird release area. The resulting rezoning submission was finalised by Insite Planning Services and submitted to Cessnock Council and the Department of Planning for assessment in July 2006.

Council resolved on 18 March 2009 under Amendment No 121 to the Cessnock Local Environmental Plan 1989 to amend the zoning of the release area to a mix of 2(a) Residential, 3(b) Neighbourhood Business and 6(a) Open Space under the Cessnock LEP 1989. On 28 January 2010, the NSW Minister of Planning published Amendment No 121 which rezoned the North Bellbird Release Area for urban development.

The release area was subsequently master planned (**Figure 1**) and an estimated 3,500 to 4,000 lots identified.

In the eight years since 2009 the demographics, housing market, retail hierarchy and regional context have all grown, changed and matured. The spatial planning completed at that time and adopted in the zoning document while still relevant in a general sense no longer specifically suits the demands, expectations and objectives of the emerging community. This is particularly the case in regard to the nature of commercial spaces provided in the master plan and zoning framework. It is not uncommon for plans across release areas of this scale to require modification and adjustment over time.

This rezoning proposal does not challenge the fundamentals of the master plan or significantly impact on the nature of the residential community planned for the area. Rather, it builds on the objectives of the original plan to create a liveable community, to accommodate relevant recreational and commercial uses and facilities, to optimise opportunities to provide services within easy reach of residents and to create opportunities for local employment.

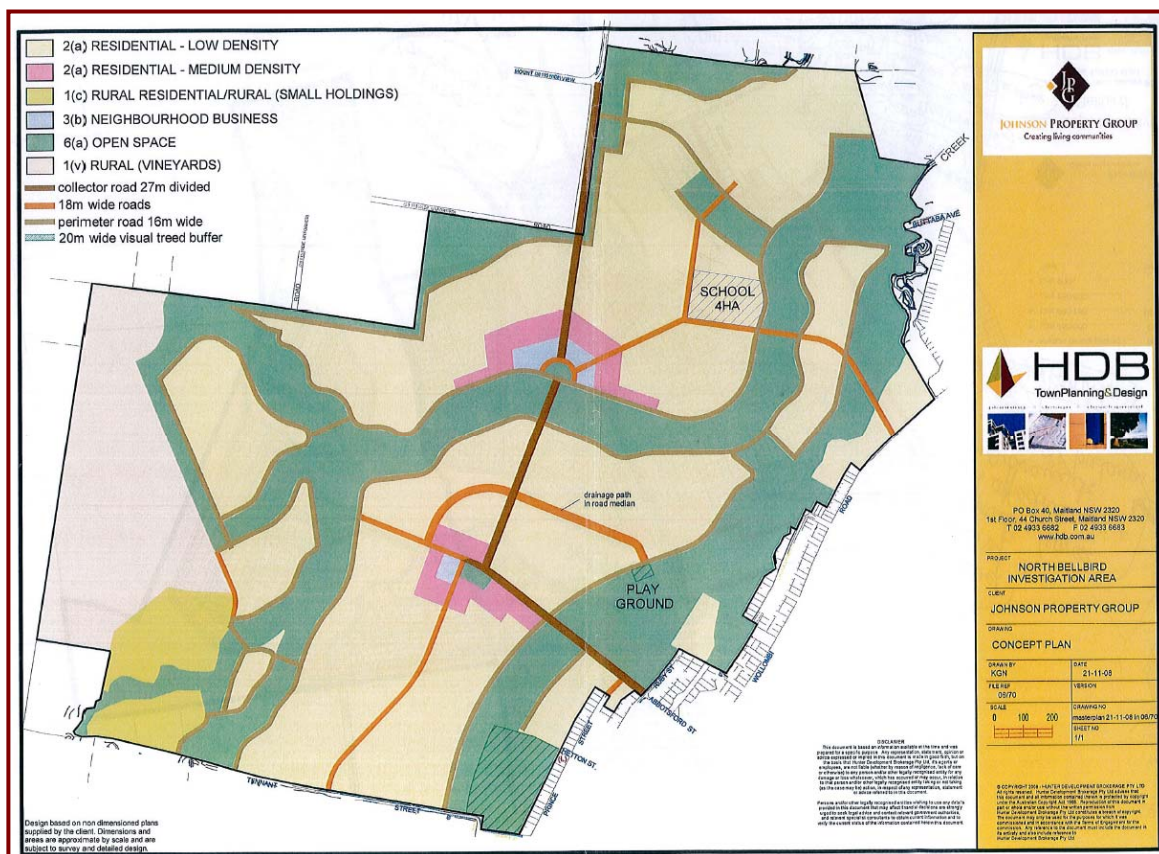


Figure 1: Original Release Area Concept Plan.

3.0 The Proposal

The rezoning proposal includes:

- Removal of 5,942 m² of B1 Neighbourhood Centre zoned land and rezoning to R2 Low Density Residential;
- Expansion in the north of currently zoned B1 Neighbourhood Centre zoned land from 1.47 ha by 1.64 ha to 3.11 ha and rezoning of this site to accommodate a local supermarket and a small number of support and ancillary shops from B1 to B2;
- Better configuration of the commercial site and therefore the floor space which can be provided; and
- The rezoning proposal leads to a nett increase in commercially zoned land in the release area of 10,458 m² (at 40% building coverage this represents just over 4,000 m² of additional floor space (a typical medium sized supermarket is 3,500 m² to 4,500 m²).

The aims are to:

- Cater for the emerging local demand for convenience and routine household shopping within the primacy catchment;
- Provide a site suitable for a small to medium sized super market and some low order retail and service support facilities (e.g. butcher, hair dresser, chemist);
- Stop escape expenditure and journeys where the retail range can viably be provided within easy access;
- Create a community focus and meeting place around the retail offer; and
- Capture the local market without challenging the higher order goods shopping offered in Cessnock.

For the purposes of this report the catchment will be defined as the planning areas of Bellbird and Bellbird North and the market will be based on the predicted growth of this area and its demand for goods and services at this local level.

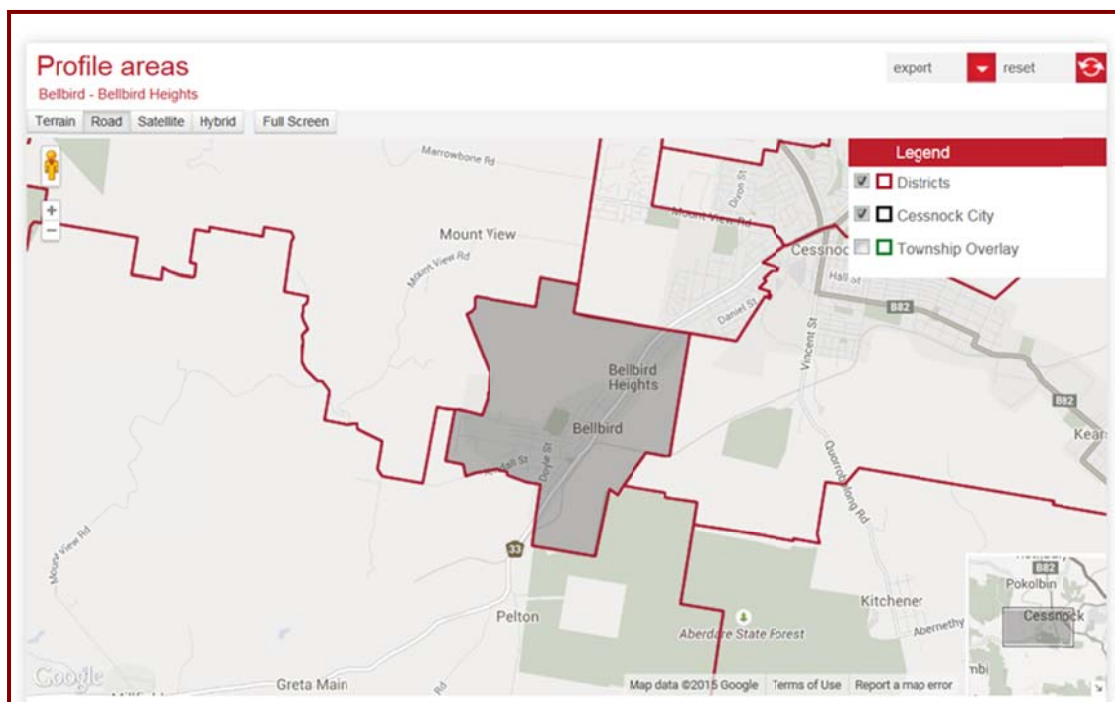


Figure 2: Bellbird and Bellbird North statistical area for commercial /retail demand assessment.

4.0 Project Context

4.1 RETAIL CONTEXT

The Cessnock City Wide Settlement Strategy 2010 provides the retail/commercial context for the project. While the document is dated it provides a contextual framework which still applies, including:

- The value of providing a clear deniable hierarchy of commercial centres;
- The need for centres to have a relevant critical mass;
- The need for accessibility and amenity; and
- The value in maintaining the dominant roles of Cessnock and Kurri Kurri town centres and the local service base of other commercial centres in the hierarchy.

Cessnock City Centre has some 430,000 m² of land zoned for commercial use. In 2010 it was estimated that there was 48,000 m² retail floor space within Cessnock City Centre. Existing retail development is fulfilling the majority of needs for the community but the report recognised that a significant amount of leakage is occurring to other centres in Maitland, Lake Macquarie and Newcastle.

Relatively high vacancy rates persist in both Cessnock and Kurri Kurri. To some extent these reflect a weakness in the local commercial market but they are more directly the result of the miss match between store style and format and their location and emerging demands and expectations of both customers and retailers. In many cases retrofitting stores is not a viable option and does not solve issues of floor plate size and shape, locations and parking.

The CWSS recognises that the Cessnock LGA needs to provide the opportunity to accommodate emerging retail formats. It is envisaged that where these are concerned with comparative goods, household durables, bulky goods and the like, they will be provided close to the CBD's and within the existing centres of Cessnock and Kurri. However, where they relate to convenience and regular household shopping these opportunities will need to be located within growing communities.

The proposal is consistent with the retail planning context in that it:

- Maintains the hierarchy of retail centres;
- Reflects the emerging trends and needs of growth areas;
- Does not challenge the role of Cessnock City Centre; and
- Enhances accessibility and convenience for the local community.

4.2 DEMOGRAPHIC CONTEXT

This section, where possible, will examine the local community but will also rely on LGA wide data when not available at a more refined level. For the purposes of developing a demographic profile for the trade areas, we have compared the 2006 and 2011 Census information for the trade area and compared that to the Cessnock LGA catchment. The information will form part of the building blocks for determining demand estimates to be discussed in a later section of the report.

Table 1: Population Breakdown and Change 2006 and 2011 - Bellbird and Bellbird Heights.

Area:	Benchmark area:	Data type:	Comparison year:	
Bellbird - Bellbird Heig	Cessnock City	Usual residence	2006	reset
Population				
Bellbird - Bellbird Heights	2011		2006	
	Number	%	Number	%
Population (excluding O/S visitors)	2,890	100.0	2,613	100.0
• Males	1,437	49.7	1,299	49.7
• Females	1,454	50.3	1,314	50.3
Australian citizens	2,581	89.3	2,386	91.3
Eligible voters (citizens aged 18+)	1,894	65.5	1,692	64.7
Overseas visitors	--	--	--	--
Source: Australian Bureau of Statistics, <u>Census of Population and Housing 2006 and 2011</u> . Compiled and presented in profile.id by <u>id.</u> the population experts.				

Table 2: Number and Type of Dwelling - Bellbird and Bellbird Heights.

Area:	Benchmark area:	Data type:	Comparison year:	
Bellbird - Bellbird Heig	Cessnock City	Enumerated	2006	reset
Dwelling structure				
Bellbird - Bellbird Heights	2011		2006	
	Number	%	Number	%
Separate house	1,012	93.4	938	95.0
a Medium density	71	6.6	43	4.4
a High density	0	0.0	0	0.0
Caravans, cabin, houseboat	0	0.0	5	0.5
Other	0	0.0	0	0.0
Not stated	0	0.0	0	0.0
Total Private Dwellings	1,083	100.0	987	100.0
Source: Australian Bureau of Statistics, <u>Census of Population and Housing 2006 and 2011</u> . Compiled and presented in profile.id by <u>id.</u> the population experts.				

The Census population of Bellbird - Bellbird Heights in 2011 was 2,890 (**Table 1**), living in 1,080 dwellings (**Table 2**) with an average household size of 2.76 persons. This was an increase of 266 people or 10.6% over the five year census period. This is consistent with the LGA growth as a whole for the same period. It is important to note that this is the period that includes the rezoning

and development approval. It reflects perhaps one year of release area residents taking ownership of their new homes. Predicted growth since 2011 is considered to be robust and sustained and in excess of historical annual growth. Growth is likely to continue in the detached dwelling market for first and second home buyers.

Given that the predicted lots yield of the release area is in the order of 4,000 lots, at completion the catchment is estimated to have some 5,100 dwellings and accommodate approximately 14,000 people.

Table 3 indicates that the age structure of the catchment strongly reflects that of the LGA as a whole. However it demonstrates a larger cohort in the 12 to 17 (secondary schoolers) 18 to 24 (tertiary education) and 25 to 34 (young workforce) categories which are strong indicators of both growth based on the second home buyer market and locational stability during family formation stages. The catchment has a relatively smaller percentage of the population over 50 years. This age profile reinforces the view that the area appeals to young families and those starting their employment careers. This market appeal is anecdotally based on access to employment (coal fields and Newcastle) and affordability.

Table 3: Age Structure - Service Age Groups - Bellbird and Bellbird Heights.

Area: Bellbird - Bellbird Heights Benchmark area: Cessnock City Data type: Usual residence Comparison year: 2006 Gender: Persons reset

Age structure - service age groups export reset

Bellbird - Bellbird Heights - Total persons (Usual residence)				2011			2006			Change
Service age group (years)	Number	%	Cessnock City %	Number	%	Cessnock City %	2006 to 2011			
a Babies and pre-schoolers (0 to 4)	203	7.0	7.5	165	7.1	6.6	+18			
a Primary schoolers (5 to 11)	271	9.4	9.6	300	11.5	10.5	-30			
a Secondary schoolers (12 to 17)	278	9.6	8.5	264	10.1	9.0	+15			
a Tertiary education and independence (18 to 24)	312	10.8	8.7	204	7.8	8.4	+108			
a Young workforce (25 to 34)	373	12.9	12.3	323	12.3	12.0	+51			
a Parents and homebuilders (35 to 49)	565	19.5	19.6	568	22.9	21.0	-33			
a Older workers and pre-retirees (50 to 59)	373	12.9	13.4	325	12.4	13.7	+47			
a Empty nesters and retirees (60 to 69)	285	9.9	11.1	212	8.1	9.1	+74			
a Seniors (70 to 84)	190	6.6	7.7	174	6.7	8.2	+16			
a Elderly aged (85 and over)	40	1.4	1.7	27	1.1	1.5	+13			
Total population	2,890	100.0	100.0	2,613	100.0	100.0	+277			

Source: Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011. Compiled and presented in profile id by id, the population experts.

Table 4: Weekly Household Incomes - Bellbird and Bellbird Heights.

Area:	Benchmark area:	Data type:	
Bellbird - Bellbird Heig	Cessnock City	Enumerated	reset
Weekly household income			
export reset			
Bellbird - Bellbird Heights	2011		
Weekly income	Number	%	Cessnock City %
Negative Income/Nil Income	0	0.0	1.1
\$1-\$199	13	1.3	1.4
\$200-\$299	13	1.3	3.1
\$300-\$399	82	8.4	8.6
\$400-\$599	95	9.7	11.4
\$600-\$799	82	8.4	9.9
\$800-\$999	79	8.1	7.8
\$1000-\$1249	62	6.3	7.8
\$1250-\$1499	72	7.3	6.9
\$1500-\$1999	118	12.1	10.6
\$2000-\$2499	71	7.2	6.9
\$2500-\$2999	77	7.9	7.0
\$3000-\$3499	64	6.5	3.8
\$3500-\$3999	18	1.8	1.3
\$4000-\$4999	18	1.8	1.0
\$5000 or more	6	0.6	0.7
Not stated	108	11.1	10.9
Total households	976	100.0	100.0
Source: Australian Bureau of Statistics, <u>Census of Population and Housing</u> 2011. Compiled and presented in profile.id by .id, the population experts.			

Table 4 indicates that in Bellbird - Bellbird Heights, 19% of households earned an income of \$2,500 or more per week in 2011 as compared to 14% across the wider LGA. Further, less than 21% were considered low income households (under \$600 per week) as compared to almost 26% for the LGA.

Table 5 shows the changing pattern of household type. Consistently with the LGA (and indeed regional) trends, at the time of the census the number of lone person households increased. Indications are that this reflects the forces of again, deferred marriage and the influx of mine workers renting during their shift days. From a retail demand perspective the strong domination of household by families with children is important as families with children tend to spend a higher percentage of their disposable income on retail goods, particularly food. Groupings in family formation years also underpin future population growth and robust spending habits. The strong representation of the couple without children when, matched to the age profile tends to indicate families in the pre child stage and again this bodes well for population growth over time.

Table 5: Household Type - Bellbird and Bellbird Heights.

Area:	Benchmark area:	Data type:	Comparison year:	
Bellbird - Bellbird Heig	Cessnock City	Enumerated	2006	reset
Household type				
export reset				
Bellbird - Bellbird Heights	2011		2006	
	Change			
Households by type	Number	%	Cessnock City %	2006 to 2011
a Couples with children	349	34.2	30.1	+9
a Couples without children	260	25.5	25.6	+15
a One parent families	126	12.3	14.1	+4
Other families	9	0.9	0.9	-4
a Group household	26	2.5	2.5	+7
a Lone person	191	18.7	22.9	+28
Other not classifiable household	59	5.8	3.1	+37
Visitor only households	0	0.0	1.0	-6
Total households	1,019	100.0	100.0	+91

Source: Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011. Compiled and presented in profile.id by id, the population experts.

Table 6 shows that only 3.9% of the resident population do not have a motor vehicle and that over 55% have two or more vehicles. This reflects a slightly higher private motor vehicle reliance than for the LGA. The vehicle ownership statistics highlight the population's ability to travel within and beyond the trade area to satisfy not only retail shopping needs but also travel to work and other social demands. Vehicular access and parking are of paramount importance when planning and assessing the need and location of retail facilities particularly "trolley based" shopping.

Table 7 reinforces the reliance on private vehicles indicating that 81% of journeys to work are by private vehicle (Cessnock as a whole 77%) and that this dependence has increased since 2006.

Table 6: Car Ownership - Bellbird and Bellbird Heights.

Area:	Benchmark area:	Data type:	Comparison year:	
Bellbird - Bellbird Heig	Cessnock City	Enumerated	2006	reset
Car ownership				
export reset				
Bellbird - Bellbird Heights	2011		2006	
	Change			
Number of cars	Number	%	Cessnock City %	2006 to 2011
a No motor vehicles	40	3.9	6.2	-19
1 motor vehicle	324	31.9	32.9	+16
a 2 motor vehicles	358	35.2	36.0	+13
3 or more motor vehicles	203	19.9	18.3	+53
Not stated	93	9.1	6.6	+29
Total households	1,018	100.0	100.0	+92

Source: Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011. Compiled and presented in profile.id by id, the population experts.

Table 7: Method of Travel to Work – Bellbird and Bellbird Heights.

Area: Bellbird - Bellbird Heig Benchmark area: Cessnock City Data type: Enumerated Comparison year: 2006 Gender: Persons reset							
Method of travel to work export reset							
Bellbird - Bellbird Heights - Total persons (Enumerated)		2011		2006		Change	
Main method of travel	Number	%	Cessnock City %	Number	%	Cessnock City %	2006 to 2011
Train	0	0.0	0.4	0	0.0	0.4	0
Bus	5	0.4	0.4	4	0.4	0.4	+1
Tram or Ferry	0	0.0	0.0	0	0.0	0.0	0
Taxi	8	0.7	0.2	0	0.0	0.1	+8
Car - as driver	859	70.2	68.3	721	67.7	64.4	+137
Car - as passenger	108	8.8	6.5	80	7.5	7.2	+28
Truck	25	2.0	1.7	18	1.7	2.1	+7
Motorbike	0	0.0	0.5	0	0.0	0.5	0
Bicycle	0	0.0	0.2	3	0.3	0.3	-3
Walked only	7	0.6	2.2	0	0.0	2.6	+7
Other	13	1.0	1.2	17	1.6	1.1	-4
Worked at home	11	0.9	3.4	33	3.1	4.1	-22
Did not go to work	179	14.6	13.1	161	15.1	14.5	+17
Not stated	8	0.7	2.0	28	2.6	2.3	-20
Total employed persons aged 15+	1,224	100.0	100.0	1,065	100.0	100.0	+159

Table 8: Industry Sector of Employment – Bellbird and Bellbird Heights.

Area: Bellbird - Bellbird Heights ▼ Benchmark area: Cessnock City ▼ Data type: Usual residence ▼ Gender: Persons ▼ reset ↺

Industry sector of employment export ▼ reset ↺

Bellbird - Bellbird Heights - Total persons (Usual residence)	2011			2006			Change
Industry sector	Number	%	Cessnock City %	Number	%	Cessnock City %	2006 to 2011
Agriculture, Forestry and Fishing	23	1.9	1.8	18	1.6	2.3	+5
Mining	164	13.2	10.2	101	9.2	7.7	+63
Manufacturing	138	11.0	12.4	127	11.6	14.1	+10
Electricity, Gas, Water and Waste Services	24	1.9	1.1	13	1.2	1.1	+11
Construction	62	5.0	7.6	76	7.0	7.2	-14
Retail Trade	161	12.9	11.5	125	11.4	13.0	+36
Wholesale trade	31	2.5	2.6	38	3.5	3.0	-7
Accommodation and Food Services	145	11.6	9.7	117	10.7	9.5	+28
Transport, Postal and Warehousing	30	2.4	3.9	43	3.9	3.9	-13
Information Media and Telecommunications	8	0.6	0.6	12	1.1	0.6	-4
Financial and Insurance Services	17	1.4	1.4	25	2.3	1.5	-8
Rental, Hiring and Real Estate Services	6	0.5	1.5	16	1.5	1.4	-10
Professional, Scientific and Technical Services	44	3.5	3.4	41	3.8	3.3	+3
Administrative and Support Services	39	3.1	3.4	29	2.6	2.8	+10
Public Administration and Safety	54	4.3	4.3	59	5.4	4.3	-5
Education and Training	61	4.9	4.9	49	4.4	4.9	+12
Health Care and Social Assistance	134	10.8	10.8	103	9.4	10.5	+31
Arts and Recreation Services	4	0.3	1.2	5	0.5	1.0	-1
Other Services	82	6.5	5.1	60	5.5	4.8	+22
Inadequately described or not stated	22	1.8	2.5	37	3.4	3.0	-15
Total employed persons aged 15+	1,248	100.0	100.0	1,094	100.0	100.0	+155

Source: Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011. Compiled and presented in profile.id by .id, the population experts.

Table 8 shows that while mining and manufacturing are the dominate sector of employment for this community there is a shift towards employment in retail, accommodation and food and the health service sectors. Table 9 while based on LGA wide data, indicates that almost 50% of the LGA residents leave the area for employment on a daily basis.

Table 9: Employment Location of Residents (by SLA).

Employment location of residents by SLA		export	reset
Cessnock City - Total area (All SLAs)		2011	
SLA	Number		
Cessnock (C)	9,198		
Singleton (A)	2,267		
Maitland (C)	2,115		
PCW State/Territory undefined (NSW)	1,480		
Newcastle (C) - Inner City	763		
Newcastle (C) - Outer West	698		
PCW No Fixed Address (NSW)	665		
Lake Macquarie (C) - North	586		
PCW not stated	524		
Port Stephens (A)	449		
Newcastle (C) - Throsby	435		
Muswellbrook (A)	360		
Lake Macquarie (C) - West	350		
Gosford (C) - West	105		
Lake Macquarie (C) - East	103		
Wyong (A) - South and West	98		
Wyong (A) - North-East	85		
Sydney (C) - Inner	53		
PCW Capital city undefined (Greater Sydney)	21		
Ryde (C)	18		
Show me more!			
Source: Australian Bureau of Statistics, <u>Census of Population and Housing</u> 2011. Compiled and presented in profile.id by <u>.id</u> , the population experts.			

Table 10 shows that in 2011, 1227 people living in Bellbird - Bellbird Heights were employed, of which 61% worked full-time and 35% part-time. This suggests that more than 30% of household have two people working.

Table 10: Employment and Labour Force Status.

Area:

Benchmark area:

Data type:

Comparison year:

Gender:

Bellbird - Bellbird Heights

Cessnock City

Usual residence

2006

Persons

reset

Employment status

export

reset

Bellbird - Bellbird Heights - Total persons (Usual residence)

2011

2006

Change

Employment status	Number	%	Cessnock City %	Number	%	Cessnock City %	2006 to 2011
Employed	1,227	93.2	93.5	1,090	92.9	91.4	+137
▪ Employed full-time	748	56.8	57.0	665	56.7	55.7	+83
▪ Employed part-time	434	33.0	33.7	374	31.9	32.6	+60
▪ Hours worked not stated	44	3.3	2.8	52	4.4	3.2	-8
a Unemployed (Unemployment rate)	90	6.8	6.5	83	7.1	8.6	+7
▪ Looking for full-time work	46	3.5	4.1	58	4.9	6.1	-12
▪ Looking for part-time work	44	3.3	2.4	24	2.0	2.5	+20
Total Labour Force	1,317	100.0	100.0	1,173	100.0	100.0	+143

Source: Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011. Compiled and presented in profile.id by .id, the population experts.

Labour force status

export

Bellbird - Bellbird Heights - Total persons (Usual residence)

2011

2006

Change

Labour force status	Number	%	Cessnock City %	Number	%	Cessnock City %	2006 to 2011
a Total labour force (Participation rate)	1,317	58.0	55.9	1,173	58.9	54.4	+143
Not in the labour force	753	33.2	39.0	700	35.1	40.8	+53
Labour force status not stated	201	8.9	5.1	120	6.0	4.8	+81
Total persons aged 15+	2,270	100.0	100.0	1,993	100.0	100.0	+278

Source: Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011. Compiled and presented in profile.id by .id, the population experts.

Table 11: Value of Building Approvals Cessnock LGA



Table 11 indicates that for the LGA as a whole growth in the residential building approvals sector is growing and has returned to and exceeds pre GFC days even though there has been a downturn in non-residential approval associated with the slowdown in the mining sector.

4.3 SUMMARY OF CONTEXTUAL FINDINGS

The retail catchment:

- Is growing strongly and building approvals are increasing;
- Has strong capacity for household growth based on zoned land and projected yields;
- Has a large number of households based on couples with children;
- A percentage of households earning over \$2,500 per week that is higher than the LGA;
- Has a smaller percentage of low income households compared to the LGA;
- Is highly mobile and private motor vehicle dependent;
- Attracts first and second home buyers in the family formation, early career stages;
- Is dominated by detached dwellings;
- Offers few local employment opportunities with many workers leaving the area and the LGA daily for employment;
- Has a workforce which over time is shifting away from employment in mining and manufacturing to services based jobs; and
- There is a relatively high percentage of two income families.

This demographic profile helps paint a picture of the retail market in the catchment. It could be described as having the following characteristics based on this profile:

- High food demand;
- High percentage of disposal income spend on food and regular household items;
- Time poor and convenience orientated;
- Price sensitive;
- Car dependant with access and parking a priority;
- Regular multi-week (two to four time per week) habitual shoppers;
- Emerging “young/child market”; and
- Shopping often included in a multi-purpose journey (work commute).

5.0 Alignment of the Proposal to State Planning Policies and Objectives

The state government has developed and published guides to the development of commercial centres in NSW. They are to some extent out of dates (2001), incomplete (referred to as drafts) and focused on metropolitan planning issues and contexts. However, they provide some insights in to what is regarded as good retail/commercial planning in NSW.

The first of these is *The Right Place for Business and Services*¹. This document argues that the “right place for business” means making sure the arrangement of land uses supports and optimises the structure of city centre and transport systems. The document relates more directly to the emerging trends in retailing around big box, bulky goods, factory outlet, and fast food type development and has a metropolitan focus. However some principles can be applied and used to assess the proposed rezoning. This assessment is summarised in **Table 12**.

Table 12: Assessment of the Proposal Against The Right Place for Business Criteria.

Criteria	Comments
A hierarchy of commercial centres needs to be established and maintained.	Agreed, the proposal is consistent with the hierarchy. See Section 7 .
Ensure centre is accessible by public transport.	Agreed the proposal will be accessible by bus, see Section 8 .
Recognise needs of young families to access centres.	This area will attract up to 5,000 new families with a predominance of young families, see Section 3 .
Ensure a critical mass.	The proposal is of a scale that achieves local critical mass and removes the smaller site which fails to do this, see Section 9 .
Provide community amenity and focus.	The proposal is centrally located and will be of a scale to attract informal community gathering.
Recognise the nature of the purchases to be undertaken.	Grocery shopping must be accessible by motor vehicle the location and scale of the site provide for this.
Consolidate employment.	The proposal does not provide for any significant non retail employment which might challenge the role of other centre but does provide some local employment opportunities see Section 6 .
Recognise the character of the trade catchment.	Section 6 .
Ensure access by pedestrians and cyclists.	See Section 8 .

¹ Department of Urban Affairs and Planning and Transport NSW, 2001

The NSW government has also produced the 2009 DRAFT CENTRES POLICY which is marked not government policy. It is this document that sets out the Net Community Benefit Test which Council indicates should be applied to the project. The Centre Policy builds on the Right Place for Business document and is not inconsistent with it. It does however, more strongly recognise the changes in the market place and changes in the community which are making some policies and centres less relevant. The planning objectives of the policy are to:

- Locate trip-generating development which provides important services in places that:
 - o Help reduce reliance on cars and moderate the demand for car travel;
 - o Encourage multi-purpose trips;
 - o Encourage people to travel on public transport, walk or cycle; and
 - o Provide people with equitable and efficient access.
- Minimise dispersed trip-generating development that can only be accessed by cars;
- Ensure that a network of viable, mixed use centres closely aligned with the public transport system accommodates and creates opportunities for business growth and service delivery;
- Protect and maximise community investment in centres, and in transport infrastructure and facilities;
- Encourage continuing private and public investment in centres, and ensure that they are well designed, managed and maintained; and
- Foster growth, competition, innovation and investment confidence in centres, especially in the retail and entertainment sectors, through consistent and responsive decision making.

The dominant message as with the Right Place for Business document is about accessibility and ensuring that centres as much as possible are accessible by public transport. However the six guiding principles go further than this and have applicability to this proposal as shown below:

Principle 1 – Retail and commercial activity should be located in centres to ensure the most efficient use of transport and other infrastructure, proximity to labour markets, and to improve the amenity and liveability of those centres.

The proposal seeks to establish a larger stronger commercial focus (rather than fragmented) in the release area which ensures a more efficient use of infrastructure and when bus routes are planned they can be implemented in a practical and viable manner.

Principle 2 – The planning system should be flexible enough to enable centres to grow, and new centres to form.

The proposal is based on the projected growth and demographic complexion of the areas and the emerging needs of the community to more efficiently access retail facilities which were not as dominant at the time of zoning in 2009.

The proposal reflects the fact that since the original rezoning and the development of the centres policy, many things have changed. There have been changes in the nature of retailing, and for example strip shopping, such as that in Bellbird, is being overlooked for purpose built, one-stop shop facilities. The style of shopping is as important as location, and unfashionable, outdated retail will be bypassed for new facilities. The growth in population and the changes from village to suburb demands a new type, and increased scale, of retail.

***Principle 3** – The market is best placed to determine the need for retail and commercial development. The role of the planning system is to regulate the location and scale of development to accommodate market demand.*

The community and the retail sector are driving this change in zoning so that they can access and provide what is in demand. It is not Council's role to protect outdated retail if the market demands that over time it is replaced and natural recycling occurs.

***Principle 4** – The planning system should ensure that the supply of available floorspace always accommodates the market demand, to help facilitate new entrants into the market and promote competition.*

This is the fundamental purpose of this proposal. This proposal not only argues for an increase in the absolute supply of retail floor space, but it understands and reflects the need to provide floor space that is of critical scale, the right dimension and shape, and that is not encumbered by existing outmoded structures or floor plates.

***Principle 5** – The planning system should support a wide range of retail and commercial premises in all centres and should contribute to ensuring a competitive retail and commercial market.*

The proposal is consistent with this principle. If the retail sites proposed are not provided, the community will not be provided with competitive retail offer in close proximity, and will be forced to travel to achieve competitive shopping.

***Principle 6** – Retail and commercial development should be well designed to ensure it contributes to the amenity, accessibility, urban context and sustainability of centres.*

The proposal will allow for a better designed centre that will act as a hub for the community. Its success will be measured based on its amenity and appeal. The fact that the existing zoned site is divided by what will become an important road means that development across the wider site will be difficult, not just for the developer, but also for future users. By increasing the scale of development that is able to be achieved on one side of the precinct (and not split by a road), this will deliver better amenity and urban design outcomes.

The Policy also defines role and evaluation criteria for a Net Community Benefit Test. It states that²:

- For rezoning proposals for retail and commercial developments, the following key criteria should be examined when assessing the merits of the proposal against the base case.

Table 13: Centres Policy Criteria.

Criteria	Comments
• Will the LEP be compatible with agreed State and regional strategic direction for development in the area (e.g. land release, strategic corridors, development within 800 metres of a transit node)?	Yes See Planning proposal
• Is the LEP located in a global/regional city, strategic centre or corridor nominated within the Metropolitan Strategy or other regional/subregional strategy?	No
• Is the LEP likely to create a precedent or create or change the expectations of the landowner or other landholders?	No
• Have the cumulative effects of other spot rezoning proposals in the locality been considered? What was the outcome of these considerations?	Yes see this report
• Will the LEP facilitate a permanent employment generating activity or result in a loss of employment lands?	Yes job creation see this report
• Will the LEP impact upon the supply of residential land and therefore housing supply and affordability?	Yes Indirectly by improving amenity and access, no significant loss of land
• Is the existing public infrastructure (roads, rail, utilities) capable of servicing the proposed site?	Yes
• Is there good pedestrian and cycling access? Is public transport currently available or is there infrastructure capacity to support future public transport?	Yes See planning report
• Will the proposal result in changes to the car distances travelled by customers, employees and suppliers? If so, what are the likely impacts in terms of greenhouse gas emissions, operating costs and road safety?	The location of the enhanced commercial centre will have the impact of reducing the journey length for regular household shops and opens up the potential for retail journeys to be conducted on foot or by bicycle.

² Draft Centres Policy 2009, p 25

• Are there significant Government investments in infrastructure or services in the area whose patronage will be affected by the proposal? If so, what is the expected impact?	No Not relevant
• Will the proposal impact on land that the Government has identified a need to protect (e.g. land with high biodiversity values) or have other environmental impacts? Is the land constrained by environmental factors such as flooding?	No
• Will the LEP be compatible/ complementary with surrounding land uses? What is the impact on amenity in the location and wider community? Will the public domain improve?	Yes compatible and complementary See this report and planning proposal.
• Will the proposal increase choice and competition by increasing the number of retail and commercial premises operating in the area?	Yes the proposal will enable regular household shopping can be done in close and easy proximity to the site and reduce escape expenditure associated with shopping as part of a work commute journey.
• If a stand-alone proposal and not a centre, does the proposal have the potential to develop into a centre in the future?	The viability of the proposal is based on a major or anchor tenant (supermarket) and support/ancillary shops. This is about centre appeal, community draw, amenity and viability. An appropriate scale can develop that would not compete with centre hierarchy.

Direction No.17 – Integrating Land Use and Transport

Objective

To ensure that urban structures, building forms, land use locations, development designs, subdivision and street layouts achieve the following planning objectives:

- Improving access to housing, jobs and services by walking, cycling and public transport;
- Increasing the choice of available transport and reducing dependence on cars;
- Reducing travel demand including the number of trips generated by development and the distances travelled, especially by car;
- Supporting the efficient and viable operation of public transport services; and
- Providing for the efficient movement of freight.

When this Direction Applies

This direction applies when a Council prepares a draft LEP that creates, removes or alters a zone or a provision relating to urban land, such as for residential, business or industrial purposes.

What a Council Must Do If This Direction Applies

(1) A draft LEP shall locate zones for urban purposes and include provisions that give effect to and are consistent with the aims, objectives and principles of:

- (a) Improving Transport Choice – guidelines for planning and development (DUAP 2001), and
- (b) The Right Place for Business and Services – Planning Policy (DUAP 2001).

(2) A draft LEP may be inconsistent with this direction only if council can satisfy the Director-General that any particular provision or area should be varied or excluded having regard to the provisions of section 5 of the Environmental Planning and Assessment Act, and

- (a) The land has been identified in a strategy prepared by the council and approved by the Director-General, or
- (b) The rezoning is justified by an environmental study, or
- (c) The rezoning is in accordance with the relevant Regional Strategy prepared by the Department, or
- (d) The rezoning is, in the opinion of the Director-General, of a minor significance.

(3) For the purposes of (2)(b), an environmental study has the same meaning as in s.57 of the Environmental Planning and Assessment Act.

6.0 Projected Demand for Commercial Floor Space

The additional new households will spend a considerable amount of their disposable income on retail and services in the local area. By escalating 2010 ABS average household spending data it is possible to estimate the value of this spending in the regional economy. **Table 14** shows estimate average weekly retail spending by categories in March 2015 dollars based on ABS CPI data.

Table 14: Average Weekly Expenditure, By Broad Expenditure Group, Goods and Services.

Average weekly expenditure Broad expenditure group Goods and services	2010 ABS Household expenditure average NSW	2015 (March) Based on ABS CPI calculator	Predicted project capture % of total	Predicted project capture \$ value
Food and non-alcoholic beverages	\$204.00	\$227.00	80%	\$182.00
Alcoholic beverages	\$32.00	\$36.00	50%	\$18.00
Tobacco products	\$13.00	\$14.00	70%	\$10.00
Clothing and foot ware	\$44.00	\$49.00	0%	\$0.00
Household furnishing and equipment	\$59.00	\$66.00	0%	\$0.00
Household services	\$68.00	\$76.00	30%	\$23.00
Personal care	\$24.00	\$27.00	50%	\$14.00
Miscellaneous goods and services	\$117.00	\$130.00	50%	\$65.00
Total goods and services expenditure	\$561.00	\$625.00	50%	\$312.00

Source: ADW Johnson based on ABS average weekly spending survey and CPI calculator

Table 15 uses this data and shows the estimated total annual retail spending generated by this project. The number of households in the area, once all lots have been developed will be in the order of 5,400. This estimate is based on the existing 1,080 households at the 2011 census, the release area estimate of lot yield of 4,000 and infill and minor rezoning in the adjacent and adjoining area of 300 (e.g. Bellbird Heights 300 in 2013).

Using the data on spending in **Table 14** it is estimated that the projected 5,400 dwellings would generate additional spending in the order of \$3.375 million per week or over \$175.5 million spending per annum.

Table 15: Estimation of Average Weekly Household Expenditure Generated By the Development in the Area and Converted To Equivalent Floor Space Demand.

Calculation of Retail Impact of Development in Bellbird Release area	
Average weekly spending per household	\$625.00
Total occupied households in project	5,400
Total average weekly spend total households 2015	\$3.375 m
Total average annual spend occupied households 2015	\$175.5 m
Floor space to spending ratio \$ to m ² per annum	\$5,000 to \$8,000
Floor space demand max	35,100 m²
Floor space demand min	21,938 m²

Source: ADW Johnson based on data from ATO, ABS

Table 15 indicates that the spending generated by the project could generate demand for an additional retail floor space of between 21,938 m² and 35,100 m². Not all this spending would be captured by the proposal. **Table 14** indicates the relative percentages of spending captured by the project and that which would occur in external higher order centres in the region. It is unlikely that the local centre of this nature would capture spending from the clothing and footwear category or from household furnishing and equipment sector. However, if the retail offer was provided by a competitive national trader, an estimated 80% capture of the food and non-alcoholic beverages category would be likely.

Table 14 uses the predicted % capture by the project to determine likely weekly spend at the proposed facility. This is estimated at \$312 per household per week, which is approximately 50% of the household total spending in these categories. This weekly spend has been converted to annual spend and estimated floor space demand in the proposed local centre. There appears to be a demand in the local centre for between 10,951 m² and 17,522 m². The other floor space demand would be provided in existing higher order centre such as Cessnock and regional centres such as Charlestown and Newcastle.

There is an estimated 1,690 m² of existing floor space in Bellbird. Much of this is underutilised or empty. The space is not well located, has accessibility issues and is not suited to supermarket style development. It is likely to provide space for convenience, hospitality, out of line and fledging businesses. It is not envisaged this space will compete strongly with the proposed centre outside its immediate markets. Including this area there will be a nett demand for some 9,000 m² to 16,000 m² of more convention local retail floor space focused around a supermarket.

Table 16: Estimation of the % of demand captured by the proposal within the catchment.

Calculation of Retail Impact to the Proposed Centre	
Average weekly spending per household at proposed development	\$312
Total occupied households in project	5,400
Total average weekly spend total households 2015	\$1.685 m
Total average annual spend occupied households 2015	\$87.610 m
Floor space to spending ratio \$ to m ² per annum	\$5,000 to \$8,000
Floor space demand max within the catchment	17,522 m²
Floor space demand min within the catchment	10,951 m²

Source: ADW Johnson based on data from ATO, ABS

Using the metric that wages and salaries represent on average 20%³ of turnover, and using an average annual salary (and on costs) of \$70,000 the projected increased spending could support employment of approximately 500 staff. Using the same metric on turnover for the proposed development at 20% of total, the facility could generate employment for 250 staff. These jobs would be a combination of full time and part time, skilled and minimal skills, be seasonal and across the regional network. They may not equate to new whole jobs but additional hours, days and places of work. Other metrics indicate approximately 20 jobs per 1,000 m² of retail floor space which would indicate a range of between 219 to 350 jobs.⁴ For the purposes of this report the lower estimate of 250 has been used. Using industry standards and project experience the gross floor space achieved, after space for landscaping, car parking and loading and delivery are considered is 40-50% of the site area. To achieve a gross floor space of between 11,000 m² and 17,500 m² a site area of between 2.2 ha and 4.4 ha.

³<http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/8622.01998-99?OpenDocument>

⁴http://www.ryde.nsw.gov.au/_Documents/PlansProceduresGuidelines/Planning+Proposal+108+Herring+Road+Appendix+F.pdf

Table 17: Estimation of Site Area.

Floor Space Required	40% Site Coverage	50% Site Coverage
17,522 m ²	43,805 m ²	35,044 m ²
10,951 m ²	27,378 m ²	21,902 m ²

Source: ADW Johnson and Hill PDA.

7.0 How this Centre Might Impact on Existing Commercial Centre Hierarchy

Table 18 which is an extract from the Cessnock City Wide Settlement Strategy 2010 shows the commercial centres hierarchy in Cessnock LGA. The aim of the hierarchy is to establish some confidence and framework for the location and delivery of retail and commercial facilities and services to the community. New, proposed and expanded commercial proposals should fit within and not challenge the fundamentals of this hierarchy. The proposal to expand the site area and upgrade the zoning of the site at Bellbird does not challenge this hierarchy. The hierarchy established in 2005 and restated in 2010 predates the rezoning of the Bellbird North Release Area. It therefore locates Bellbird (without the potential 4000+ new dwellings) as the bottom of the Hierarchy as a Village centre. With the rezoning of the release area and subsequent rezoning in the locality it is reasonable that land within the release area be zoned to allow for neighbourhood type development (as per this hierarchy). The rezoning has provided for some 5,400 dwellings (in the longer term. At an average density of 2.7 persons per dwelling (**Table 1** and **2**) this equates to a projected population of 14,580 persons. This indicates a commercial centre on this hierarchy of at least a Neighbourhood centre (5,000 to 10,000 people).

Table 18: Existing Commercial is an Extract for the Hierarchy.

Centres Hierarchy	Key Functions of Centre	Centre
Regional Centre	Generally seen to comprise over 75,000m ² of retail floor space	-
Sub-regional Centre	Retail floor space between 30,000 – 75,000m ² Services population between 50,000 – 100,000 people	Cessnock
District (Town) Centre	Retail floor space between 20,000 – 30,000m ² Services population between 10,000 – 50,000 people	-
Neighbourhood Centre	Retail floor space between 2,500 – 5,000m ² Services a population between 5,000 – 10,000 people	Kurri Kurri Branxton
Village Centre	Retail floor space between 100 – 500m ² OR generally no more than a cluster of 5 shops	Heddon Greta, Weston, Bellbird, Branxton and Greta

With the introduction of the 2011 Cessnock LEP the hierarchy although not fundamentally changed in objective has been recast to include the following “types” of centre:

- Neighbourhood;
- Local;
- Commercial core;
- Business park; and
- Mixed use.

This recasting recognises the changes in retailing and community expectations over the last 10 to 15 years.

Within this hierarchy the B2 Local centre zone appears to be the most appropriate zoning. The specifications of this zone are reproduced from the LEP below.

Zone B2 Local Centre

1. Objectives of zone

- *To provide a range of retail, business, entertainment and community uses that serve the needs of people who live in, work in and visit the local area.*
- *To encourage employment opportunities in accessible locations.*
- *To maximise public transport patronage and encourage walking and cycling.*

2 Permitted without consent

Home occupations

3 Permitted with consent

Boarding houses; Child care centres; Commercial premises; Community facilities; Educational establishments; Entertainment facilities; Function centres; Information and education facilities; Medical centres; Passenger transport facilities; Recreation facilities (indoor); Registered clubs; Respite day care centres; Restricted premises; Roads; Seniors housing; Service stations; Sewage reticulation systems; Shop top housing; Tourist and visitor accommodation; Any other development not specified in item 2 or 4

It is the objective of this zone that most clearly reflects the intent of this proposal. The intent of this rezoning is to provide a site that is suitable in area and dimension to be able to accommodate the development of a supermarket and a limited number of retail and general businesses (hairdresser, chemist, doctor). Such a centre would “*provide a range of retail, business, entertainment and community uses that serve the needs of people who live in, work in and visit the local area*”.

Such a facility cannot be provided on the current site. Whilst the area in total may be adequate, the site is split by a road and its effective yield is reduced by issues around access, setbacks and shape. This would mean the community would not be provided with the level of service it will in time require. A supermarket would not be located in the precinct. If the existing zoned areas were retained the outcomes would likely be no new development, and the provision of smaller, less competitive, unbranded, retail spaces across 3 or 4 sites on small floor plates, or in existing narrow and outdated buildings. This will not deliver the kind of service the community demands

The real value of the hierarchy is to ensure that there is no unwarranted competition with existing centres that would undermine their sustainability. The analysis in **Section 5** makes it clear that this is not the case based on the findings that:

- There will be adequate demand in the local area for additional grocery based retailing;

- It is unlikely that demand for higher order goods and services would be demanded or provided at the local level; and
- Demand for higher order non-grocery shopping will be taken up by existing centres such as Cessnock and regional centres.

The proposed centre fits comfortably into the hierarchy, satisfies local needs and convenience and supports the higher order centres.

8.0 Accessibility Impacts

The development is in its earliest days and bus routes throughout the area are not yet established. However these will reflect:

- Master plan;
- Road layout;
- Density and timing of development;
- Usage and demand forecasts; and
- Trip generating uses.

Figure 3 shows the original concept plan for the release area which informed the zoning plan. This shows the commercial site on the main collector road. This road would be the logical route for any public transport service. It also shows the site in a central location in terms of the wider community.

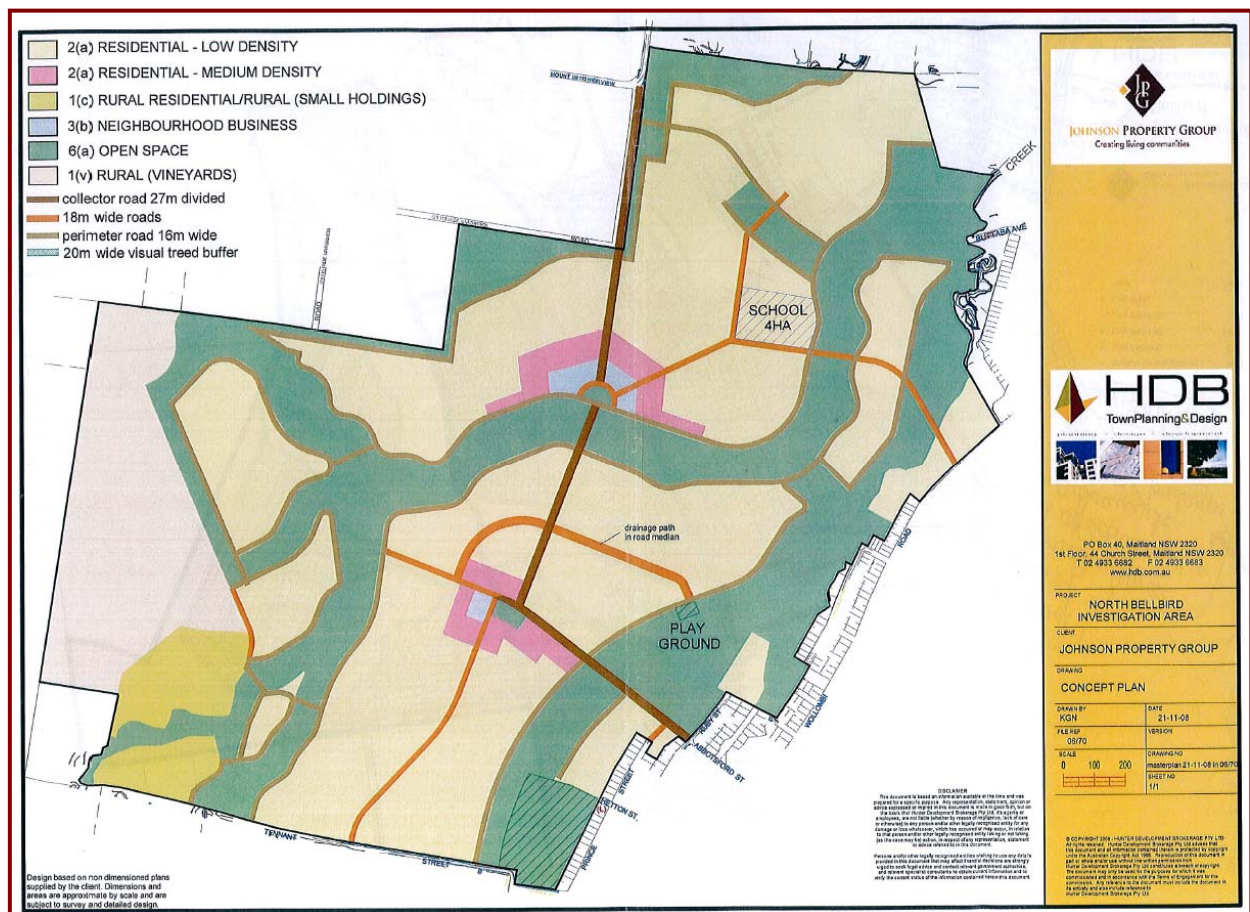


Figure 3: Original Release Area Concept Plan.

Figure 4 shows an initial concept subdivision layout. This again shows that the site will be accessed by a collector road. While detailed planning for cycleways and pedestrian paths has not yet been completed it is logical that the site would be accessible by bicycle and pathway based on the open space corridors and road layout proposed.

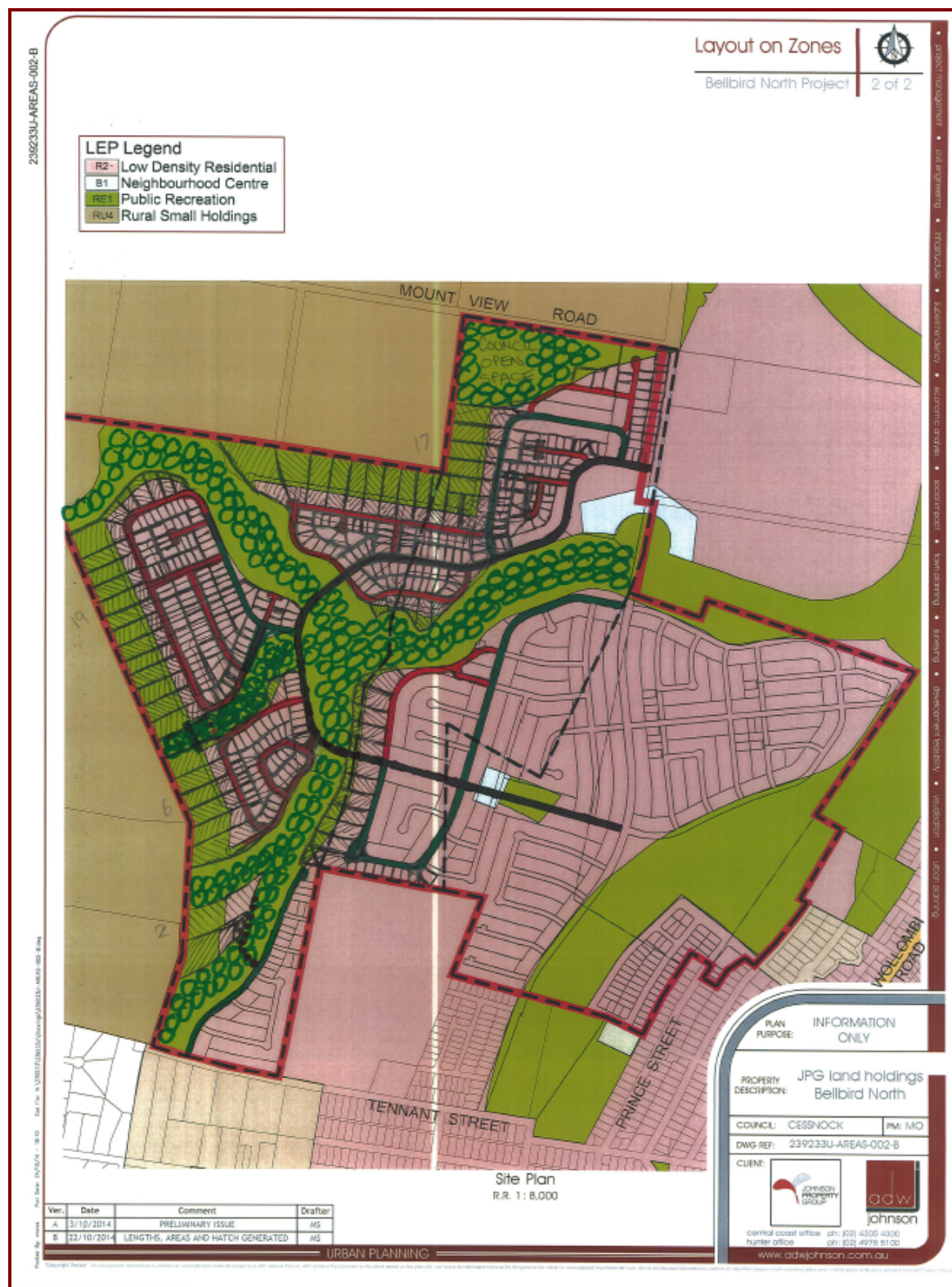


Figure 4: Concept Subdivision Layout.

Figure 5 and Figure 5A show that Rover Coaches presently offer a service to Bellbird from Cessnock. This route could be extended once development and patronage threshold are reached.

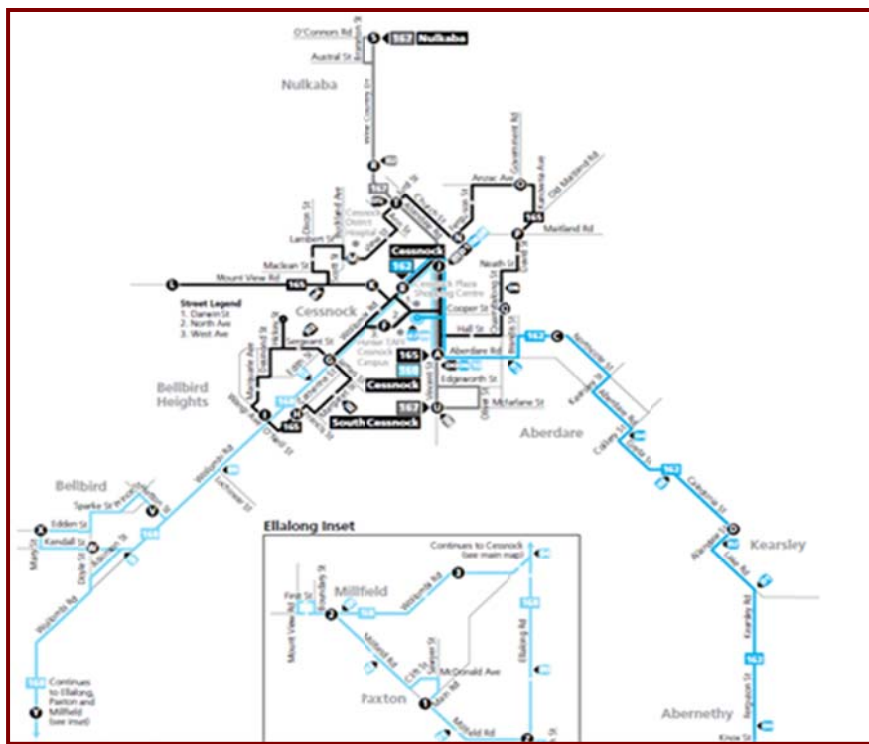


Figure 5: Rover Coaches Bus Service to the Area, Graphic.

Source: <http://www.rovercoaches.com.au/site/index.cfm?display=256862>

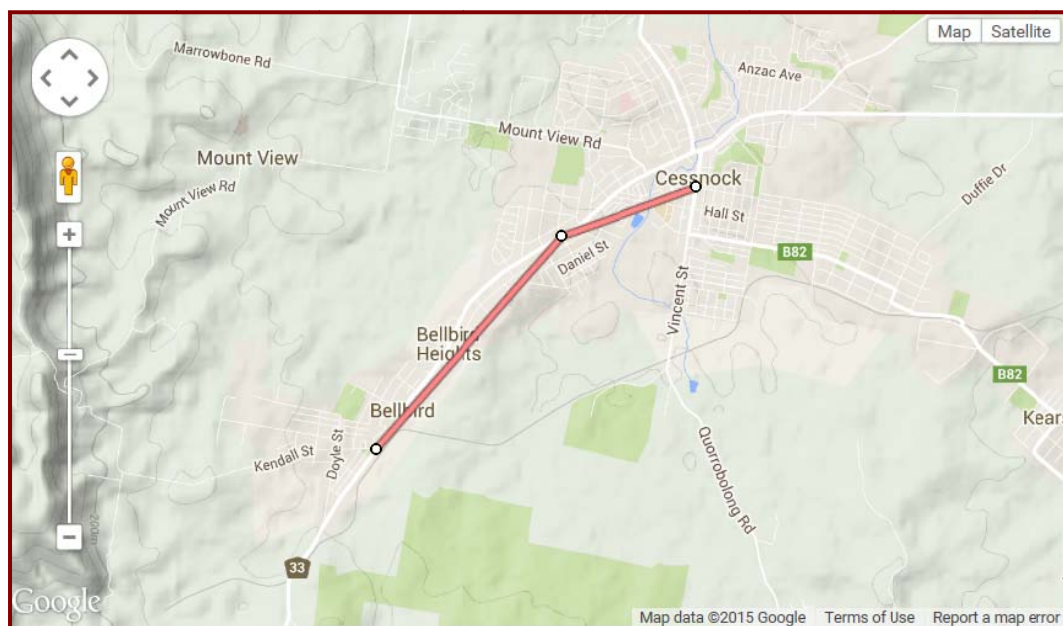


Figure 5A: Rover Coaches Bus Route to the Area, Map.

9.0 Relationship to other Commercial Lands in the Area

Small Proposed B1 Neighbourhood Centre to the South of the Subject Area

The intent of this proposal is to provide a more realistic, sustainable and usable retail/commercial offer in the local community.

The site is proposed to be converted from B1 Neighbourhood Centre to R2 low density housing. This site is considered inappropriate for contemporary retail patterns and structures. The site at less than 6,000 m² would yield 1,800 m² of floor space. This is not large enough for a sustainable and viable supermarket based centre and is located too close to the existing B1 Neighbourhood sites and facilities.

Splitting the commercial offer within the release area over two or three smaller sites reduces the opportunity to:

- Focus tips and visitation;
- Achieve critical mass important to sustainability;
- Attract one major retail trader at a national scale;
- Become a social hub and meeting place for the community;
- Offer a grocery traders of scale and status to attract regular weekly shoppers;
- Stop leakage outside the catchment; and
- Attract financial backers and tenants.
- It is our view that, in terms of the overall the planning for the area, the proposed reconfiguration of sites will help to achieve the delivery of commercial spaces and facilities that will be demanded by future communities. Further, to leave the zoning as is will result in minimal, if any, development. To rezone the existing B1 Neighbourhood Centre site to the south to residential will deliver stronger community and economic outcomes for the precinct.

Adjacent B1 Neighbourhood Commercial Land

Section 6 of this report demonstrates a demand for between 2.2 ha and 4.4 ha of site area zoned for B2 Local Centre uses. The proposal is to rezone the 1.46 ha from B1 Neighbourhood Centre to B2 Local Centre and expand this site by 1.64 ha. This provides 3.11 ha of B2 Local Centre site area which is adequate at the lower end of our projections. Higher end projection of floor space could be achieved if the adjacent site were to complement the proposal. This would enable a staged approach.

We have made it clear to Council that we do not own or control the adjoining B1 commercial site. The EP&A Act does not provide us the mechanism to initiate a rezoning on land in the ownership of others. Neither would we seek to do this. While it is not the intent of this document to provide the planning advice on the adjoining lands, the following comments are made for Council's consideration:

- If the adjoining land (residual site) were to remain zoned B1 it could provide a range of complementary services to the core commercial area without requiring rezoning. This may be acceptable to the owner, the community and to Council. It allows time to help determine the better outcome and mitigates the need for expensive processes and studies that a rezoning would require.
- This complementary role might appear naturally because of the road which divides the two areas and will create two separate functioning spaces. The development of related, but not connected, uses on the two sides of the precinct may deliver a safer, more robust outcome in the longer term. To try and bridge that "road gap" now would most likely result in further studies, costs and mitigation actions which may not be deemed necessary in time.
- Given the sites proximity to the proposed larger commercial area, it might be better if the site were in fact zoned and developed for medium density residential development. This would contribute to Council's aim of having higher densities closer to retail and service areas, and add to the overall density of the release area. This increased density could help underpin the economic sustainability of service provision such as public transport.
- Should the proposed project thrive and become a local hub develop the residual site may generate value for complementary uses such as child care or medical centre. It may also make it more valuable for other state and local community uses.

This residual site might be seen as providing the flexibility in medium term planning for the market and the developer to determine the best use at that time rather than pre-empt that decision at this time.

B1 Neighbourhood Strip Centre

The existing centre is far from centralised, and is typical of regional, main road strip centres that focus primarily on capturing business from exposure on major commuter routes. The strip includes:

- Ice Box Liquor;
- Bellbird Fine Foods (Take Away);
- Bellbird Butchery;
- Bellbird Hotel;
- Service Station;
- Newsagency;

- General Store;
- Bellbird Automotive Services;
- Williams Fruit and Produce; and
- Bellbird Workers Club.

These businesses are historically located or have taken up an opportunity from an abandoned commercial use. They are sustained on affordable rental or historic ownership cost structures and would be unlikely to locate in a new centre. The uses trade on location, exposure, customer loyalty, convenience and market niche. They are not in the main the types of business that would be found in a supermarket lead local centre.

New uses such as supermarkets will not seek to occupy these sites. They do not meet the site location or design criteria. They are, for many uses, negatively affected by the on road position. While this is good for some uses it is not for others. Modern day supermarkets are “cookie cutter products”. Their operators demand a specified formula which cannot affordably be met on these sites. Add to this the potentially significant costs associated with contamination remediation, setbacks, formalised access and traffic management, as well as the cost of demolition, and redevelopment for new product appears very unlikely.

Cessnock Commercial Core

The proposal is to satisfy regular, weekly food shopping and provide some minor ancillary facilities and services which are most often found in a local community. These might include a doctor, chemist, food take away and post office/newsagency.

These functions are more appropriately located within in a five minute drive, short walk or ride from the residential community. Given the family demographic they will be accessed often and regularly by a range of household members including teens and children. This means that they are best not located in a main hub or on a main road.

The data provided in Section 6 shows that the expenditure generated by the release area would be spent within the release area commercial facilities. Higher order goods and services would be purchased in centres such Cessnock. If, as is often the case, the development of the commercial centre within the release area provides the enhanced attraction to motivate sales and early take up of building lots and houses, this has the impact of deepening the spending pool within the wider catchment area. This means that the release area, while providing for some regular shopping needs, will generate increased sales in centres such as Cessnock. The deeper the spending pool in the wider catchment the more sustainable the commercial centres and the wider product and service offer available. This generates a virtuous circle of growth and development as the community and future residents perceive the local amenity and services standards improve.

10.0 Conclusions

This report provides the following conclusions:

- The site is well suited to provide a local supermarket based commercial offer to the emerging and projected community of over 14,000 residents;
- There will be demand for additional retail floor space beyond what can be provided on existing zoned land;
- Splitting retail offer across two small competing sites is not sustainable and will fail to provide the best retail/service offer to the community;
- The proposal is consistent with the retail hierarchy for the Cessnock LGA;
- The proposal supports the convenience and regular shopping needs of the community and does not compete with Cessnock and the higher order shopping options within the wider catchment;
- The proposal has the critical mass to attract national scale investors and traders;
- The proposal has the potential social impacts of creating a hub and social meeting place for the local community;
- The site is well located to be accessible to the community by public transport, pedestrian paths and cycleways; and
- Council and the proponent should use the potential and attraction capacity of this proposal to underpin ongoing planning and service provision.