



LandDynamics
AUSTRALIA

Economic Impact Assessment

Proposed Rezoning

Le Clos Sancrox

Sancrox Road, Sancrox

On behalf of
LCS Estates Pty Ltd

December 2019

Prepared for:
LCS Estates Pty Ltd

Prepared By:
Land Dynamics Australia

77 Lord Street Port Macquarie NSW 2444 – PO Box 2459 Port Macquarie NSW 2444

T: 02 6583 2677 E: pm@ldynamics.com.au

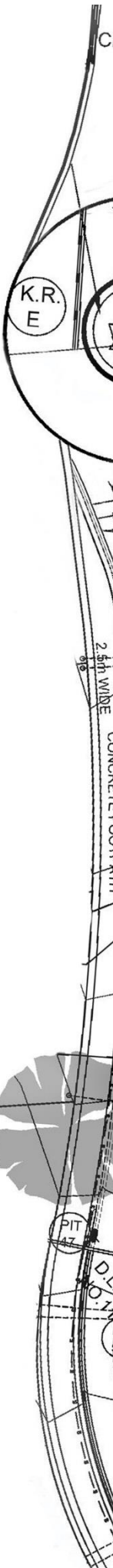
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	Name	Date
Prepared By	Donna Clarke	10/12/19
Checked By	Graham Burns	10/12/19

Disclaimer

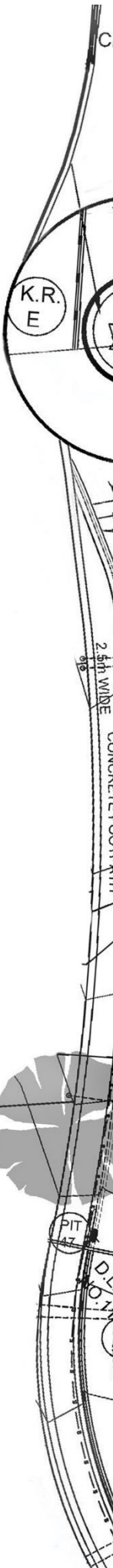
This report was prepared in accordance with the scope of works set out in correspondence between the client and Land Dynamics Australia. To the best of Land Dynamics Australia's knowledge, the report presented herein accurately reflects the Client's intentions when the report was printed. However, it is recognised that conditions of approval at time of consent, post development application modification of the proposals design, and the influence of unanticipated future events may modify the outcomes described in this report.

Land Dynamics Australia used information and documentation provided by external persons, companies and authority. Whilst checks were completed by Land Dynamics Australia to ensure that this information and/or documentation was accurate, it has been taken on good faith and has not been independently verified. It is therefore advised that all information and conclusions presented in this report apply to the subject land at the time of assessment, and the subject proposal only.



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1. EXECUTIVE SUMMARY

1.1 Background

Land Dynamics was engaged by LCS Estate Pty Ltd to prepare an Economic Impact Assessment to support and inform a Planning Proposal for land known as Le Clos, in the locality of Sancrox in the Port Macquarie Hastings Local Government Area (LGA). This report considers the impact of the proposed B2 Local Centre (or alternate business zoning as deemed acceptable by Council) land at Sancrox. The information contained within and findings of the Economic Impact Assessment will be used and updated to accompany the Development Application which will be lodged concurrently or shortly after rezoning.

Any reference to proposed B2 Local Centre could be substituted with an alternate business zoning as deemed acceptable by Council for the purposes of this report.

1.2 Purpose

The primary purpose of this report is to ensure that the proposed B2 Local centre zoning does not impact upon the existing retail / commercial hierarchy of the Port Macquarie area and to demonstrate that there is a need for the business zoned land in Sancrox.

The following report is an Economic Impact Assessment relating to the addition of 1ha of B2 Local Centre land within Sancrox. The assessment:

- The identification of the existing retail / commercial hierarchy.
- Examination of any expected impact from the proposed B2 zoning.
- Examination of the future residential demand to support the B2 zoning.
- The need for the proposed B2 zoning and appropriateness of its location.
- Community benefits.

The preparation of this Economic Impact Assessment was undertaken in consultation with officers from Port Macquarie - Hastings Council.

This report should be read in conjunction with the Planning Proposal and accompanying Appendices, including the draft subdivision concept layout.

1.3 The Proposal

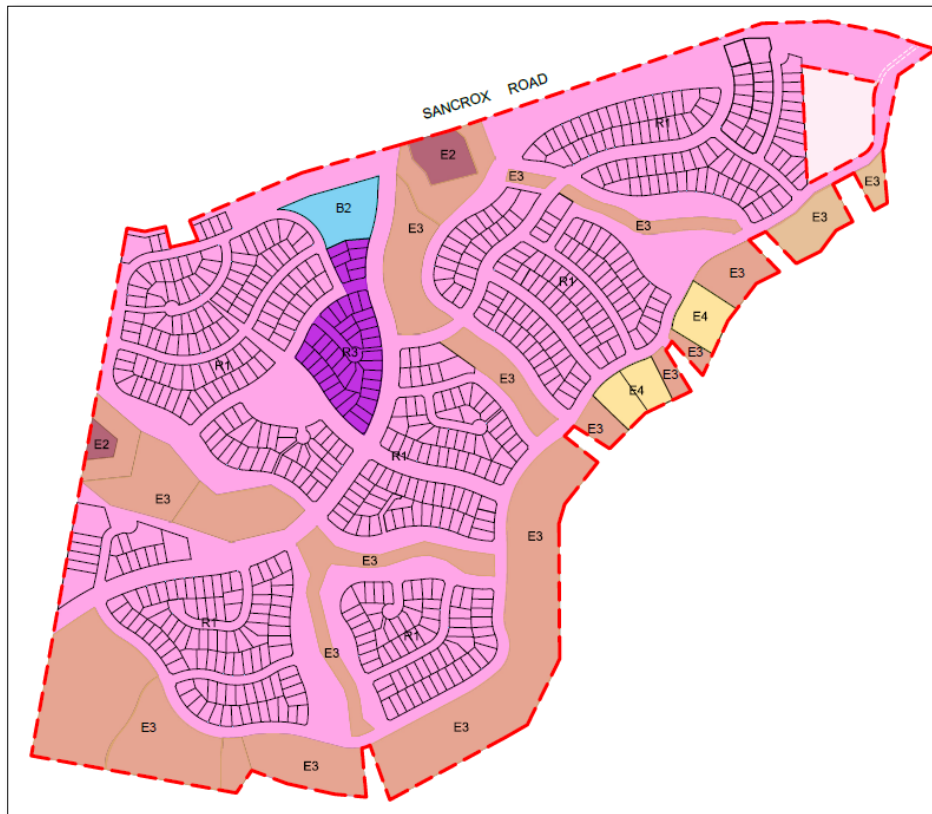
The Planning Proposal seeks to amend the Port Macquarie Hastings Local Environmental Plan 2011 to rezone the subject land to enable development for residential purposes; development for local business purposes; and to conserve areas of environmental significance. The Planning Proposal includes rezoning of from RU1 Primary Production to:

- R1 General Residential,
- R3 Medium Density,
- B2 Local Centre,
- E2 Environmental Conservation,
- E3 Environmental Management, and
- E4 Environmental Living.

The Development Application, which will be lodged concurrently or shortly after rezoning, is expected to include:

- Residential – approx. 638 lots in R1 zoned land (73.2 ha), 42 lots in R3 zoned land (2.3 ha) and 3 lots in E4 land (existing dwellings on 1.5ha); and
- Business - approx. 1 ha of commercially zoned land.

Indicative layouts have been included in this report but are subject to change prior to lodgement of the Development Application. The proposed B2 land is proposed to be located on Sancrox Road, as shown below.



E1	National Parks and Nature Reserves
E2	Environmental Conservation
E3	Environmental Management
E4	Environmental Living
R1	General Residential
R3	Medium Density Residential
B2	Local Centre

Figure 1 – Proposed Zoning



Figure 2 - Subdivision Concept Layout

Vehicle access to the site will be via two new intersections off Sancrox Road, as shown above.

The proposed western vehicle entrance will be a Collector Road standard and will provide connection to the western boundary, which allows for future expansion at the time of development of the adjoining land. The Collector Road will also make provision for bus stops and the round-about at the western boundary will allow for bus turn around until such time as the road is extended.

A network of pedestrian and cycle pathways will be constructed along the roads and a Traffic Assessment is an Appendix to the Planning Proposal, which details road and intersections, as well as bus stops, pathways and cycleways.

Essential infrastructure currently available to the subject site is water, electricity and telecommunications. A number of the services may need to be upgraded to ensure capacity is met and preliminary investigations and discussions with Council and other service providers have indicated extension of services is possible and the site is unconstrained in relation to servicing.

Vegetation retention and landscape design has been considered in the layout, as well as the Landscape and Design Guidelines which have been prepared for the development and are an appendix to the Planning Proposal.

1.4 Approach & Reports Reviewed

In preparing this report the following approach has been undertaken:

- Review of the Urban Growth Management Report 2017-2036
- Review of the Greater Sancrox Structure Plan 2014 – 2034 (dated 2015 but not adopted)
- Consideration of recent population growth in Sancrox and Greater Port Macquarie and the future outlook for population growth
- Translation of population growth to dwelling demand

- Review of the current status of land supply at Sancrox
- Consideration of additional matters relevant to the efficient and orderly management of residential land supply and the maintenance of a competitive housing market.

In preparing this report the following documents, reports and materials have been considered and taken into account:

- Port Macquarie Hastings LEP 2011
- Port Macquarie Hastings Development Control Plan 2013
- Greater Sancrox Structure Plan 2014 – 2034 (2015), PMHC
- Towards 2030 Community Strategic Plan, PMHC
- North Coast Regional Plan 2036, PMHC
- Urban Growth Management Strategy, PMHC
- Economic Development Strategy, PMHC
- Mid North Coast Housing & Land Monitor (2016), Department of Planning and Environment
- Mid North Coast Residential Submarket Analysis (2014), Department of Planning and Environment
- Australian Bureau of Statistics, 2011 & 2016 Census Data
- Port Macquarie Hastings Retail Strategy Review, Hill PDA, 2015

This study has been undertaken using the following methodology.

- Review of the proposed subdivision concept plan
- Site visit and photos
- Documentation review of the local, regional and state planning policy and strategy
- Demographic analysis including review of draft social impact assessment and draft supply and demand assessment
- Impact assessment
- Conclusion

2. REGIONAL, LOCALITY & SITE CONTEXT

2.1 Port Macquarie Hastings: Regional Context

The Port Macquarie-Hastings region covers an area of 3,686 square kilometres and is located midway between Sydney and Brisbane; 420 kilometres north of Sydney and 510 kilometres south of Brisbane. The area is bisected north to south by the North Coast Rail Line and the Pacific Highway which connects Sydney and Brisbane.

2.2 Sancrox: Locality Context

Sancrox is located on the Mid North Coast within the Port Macquarie-Hastings local government area, and the Greater Sancrox Area (GSA). The GSA is located approximately 6.4km north east of the Wauchope town centre and 13km west of the Port Macquarie town centre and contains a land area of approximately 1,400 hectares (ha). The region is bound by the Oxley Highway to the south, the Pacific Highway to east and rural lands to the west and the Hastings River to the north. The predominate land use is rural, including agriculture and rural-residential. In general, lot sizes range between 1 to 10ha, with only four lots greater than 50 ha. The majority of small land parcels are located in the areas off Rawdon Island Road and Sancrox Road.

2.3 Le Clos Sancrox: Site Context

The subject site is located on the Mid North Coast within the Port Macquarie-Hastings local government area, and forms part of the Greater Sancrox Area, as identified by Council. The subject land comprises a number of landholdings and is collectively known as Le Clos Sancrox. The plan below in Figure 3 details the extent of the boundaries of the properties included and Figure 6 provides the context of Le Clos Sancrox with respect to the greater Sancrox Area, Wauchope and Port Macquarie.

Le Clos Sancrox is part of the previous wider Cassegrain vineyards. To the north of the site is Verdun Estate which was also part of the previous vineyard land and has recently been rezoned by Council to large lot residential. To the north is a range of rural-residential dwellings and an animal boarding and breeding establishment. To the north-east of the site is Sancrox Quarry and further along Sancrox Road is Expressway Spares, which is part of a future industrial land investigations area. The site is generally surrounded by rural land, noting that extensive clearing has occurred on the land to the east recently.

The site is located on the southern side of Sancrox Road, approximately 1.3km from the Pacific Highway to the east, which links with Brisbane to the north and Sydney to the south. Sancrox Road also links to Port Macquarie to the east and Wauchope to the west. The site is relatively cleared, with vegetation in fingers through the site and around the edges. A number of drainage lines dissect the site falling towards Sancrox Rd.

The Greater Sancrox Area is located approximately 6.4km north east of the Wauchope town centre and 13km west of the Port Macquarie town centre and contains a land area of approximately 1,400 hectares. The region is bound by the Oxley Highway to the south, the Pacific Highway to east and rural lands to the west and the Hastings River to the north. The predominate land use is rural, including agriculture and rural-residential. In general, lot sizes range between 1 to 10ha, with only four lots greater than 50 ha. The majority of small land parcels are located in the areas off Rawdon Island Road and Sancrox Road.

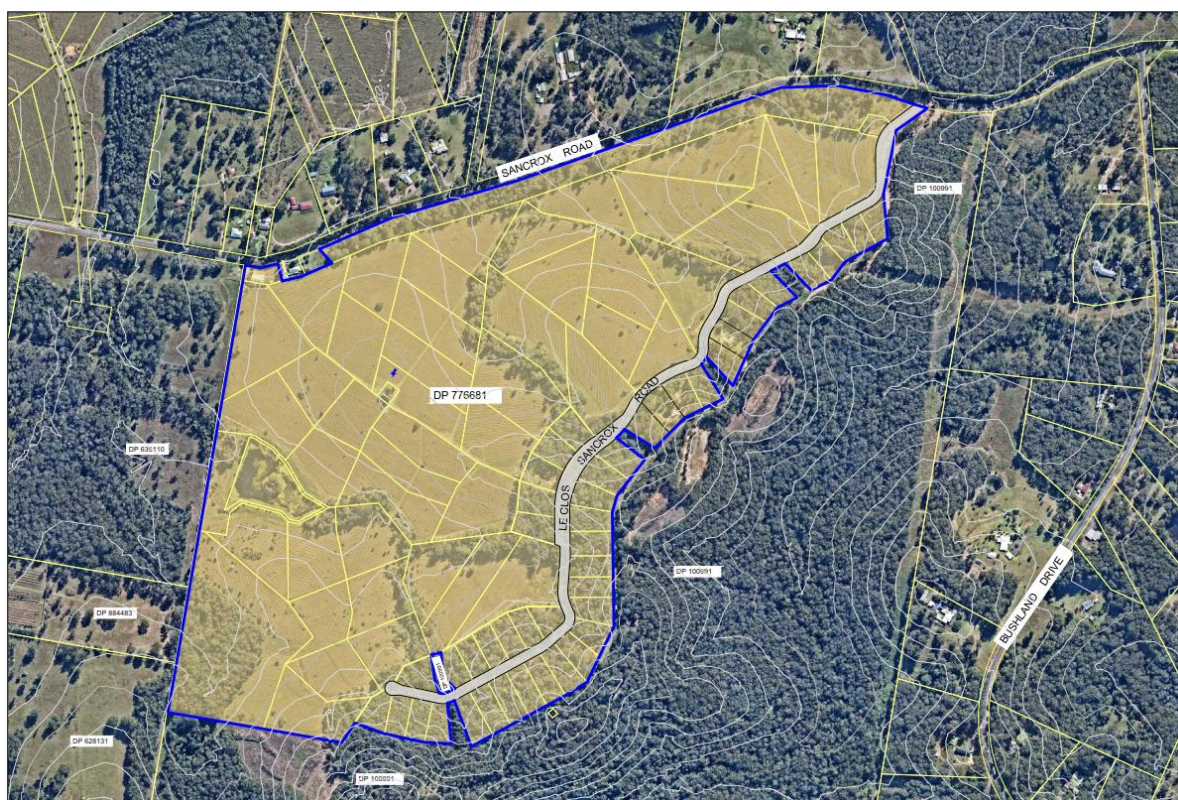


Figure 3 – Location of Extent of Le Clos Sancrox Highlighted Yellow (source: www.sixmaps.nsw.gov.au)

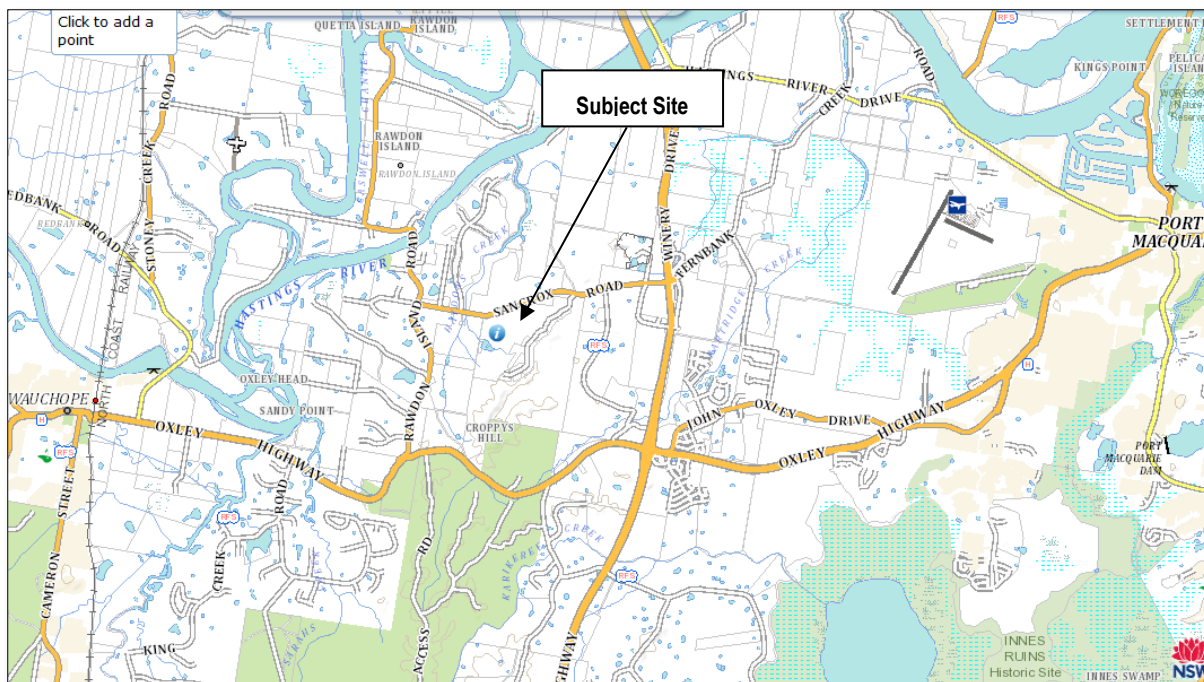


Figure 4 - Contextual Location of the subject land (source: www.sixmaps.nsw.gov.au)



Figure 5 - Close Up Aerial Map of the subject land (source: www.nearmap.com)

The subject site is subject of a Moratorium of development on the site, which will be resolved by way of this Planning Proposal. Council has resolved to proceed with a site specific Planning Proposal for the subject site in parallel with the wider Outline Planning for the Fernbank Creek – Sancrox area. The planning undertaken as part of this Planning proposal will inform the greater area planning, whilst allowing the development of the site to occur earlier to resolve the Moratorium issue.

The site and surrounding area has been subject of extensive Structure Planning in 2015, which was delayed pending Council's Urban Growth Management Strategy and the change in strategy from rural-residential to residential zoning of the area.

The site has been identified as areas subject to Outline Planning in Council's Urban Growth Management Strategy. Rezoning the land is considered the most suitable and transparent way of achieving the objectives of this proposal.

The area of Sancrox is the logical next area for development, with Area 13 planning ceasing at the highway. This area of Thrumster is developing at a steady rate, with a good take up of land by purchasers.

The site is well located with easy access to the existing universities, schools, hospitals, shopping and other services and facilities within Port Macquarie and Wauchope.

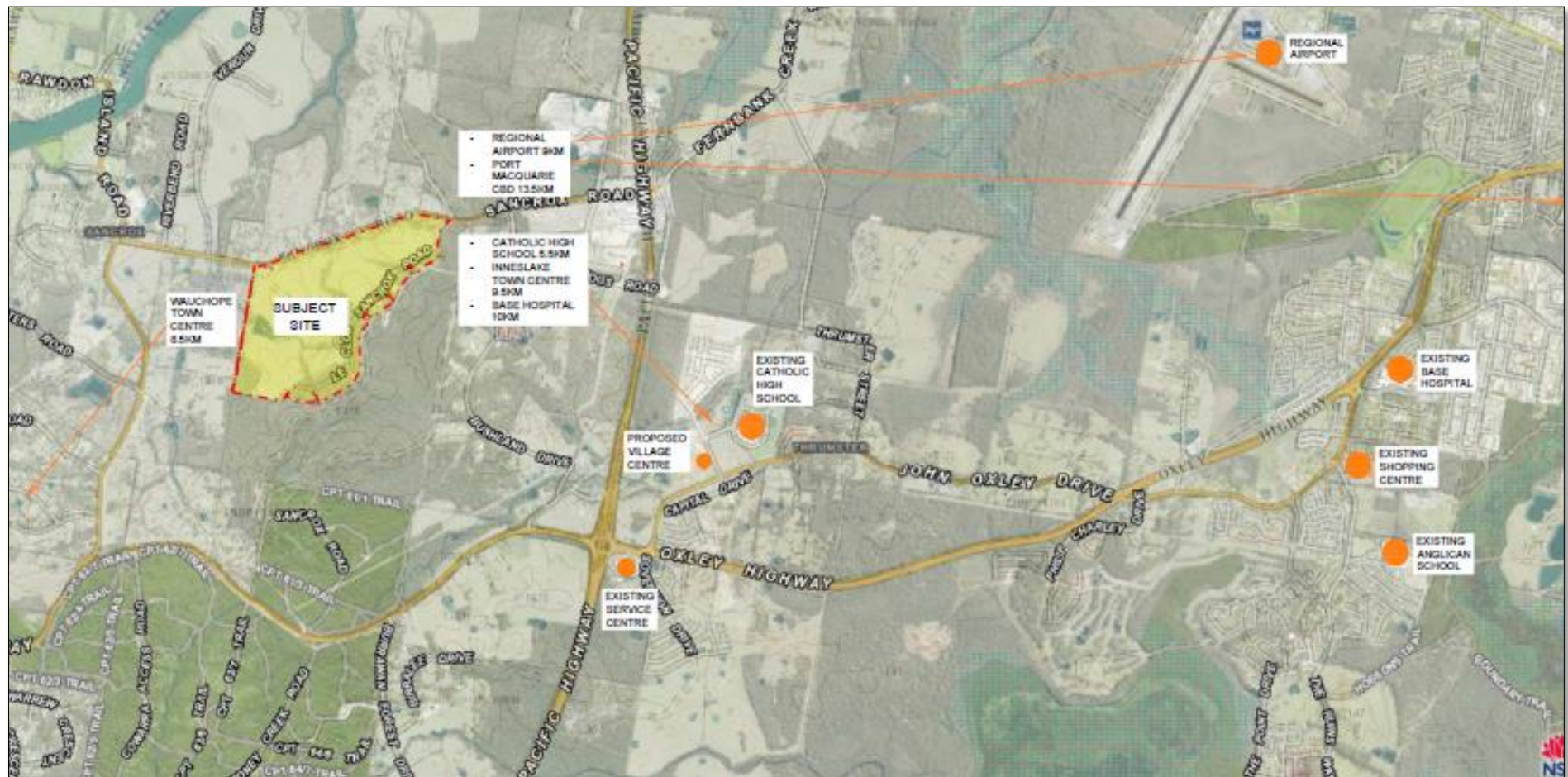


Figure 6 - Broadscale Analysis Extract

3. EXISTING RETAIL HIERARCHY & PLANNING

The Regional Plan indicates that new commercial precincts, outside of centres, should be appropriately sized and of scale relative to the area they will be servicing, and demonstrate how they will deliver positive social and economic benefits for the wider community and maintain the strength of the regional economy.

Council's Urban Growth Management Strategy 2017-2036 states:

"Port Macquarie is expected to accommodate about 63% of all new population growth in the local government area to 2036. In total, Port Macquarie's population is expected to grow from 48,870 in 2016 to 66,000 in 2036. Generally, this means between 700 and 800 new residents each year."

Figures 5 and 6 below are extracts from Council's Urban Growth Management Strategy and indicates the existing retail and business hierarchy, noting that Port Macquarie CBD is the main centre.

The subject site is located in the vicinity of the star indicated on the figure.

It is important to note the following with respect to the site distance from these identified existing centres:

- **Main Centre / Regional** - Horton St in Port Macquarie's CBD is 13.5km / 20 minutes' drive by car from the site.
- **Town Centre** – Wauchope is 8.5km / 11 minutes' drive by car from the site, Sovereign Place at Thrumster is 7.5km / 8 minutes' drive by car from the site, and Laurieton is 37km / 29 minutes' drive by car from the site.
- **Neighbourhood Centre** – Lighthouse is 21km / 21 minutes' drive by car from the site, and Lake Innes is 13km / 12 minutes' drive by car from the site.
- **Local Convenience Centre** – Waniora is 19km / 19 minutes' drive by car from the site, Shelly Beach is 19km / 20 minutes' drive by car from the site, and Watonga is 21km / 22 minutes' drive by car from the site.

Looking at Figure 7 below, it is clear that there is un-serviced area with respect to neighbourhood centres in this area, in the area between Wauchope and Thrumster / Lake Innes / Port Macquarie.

The Social Impact Assessment outlines details of the services and facilities are available within the Sancrox area (and/or close proximity), which also highlights the absence of local or neighbourhood centres in the area.

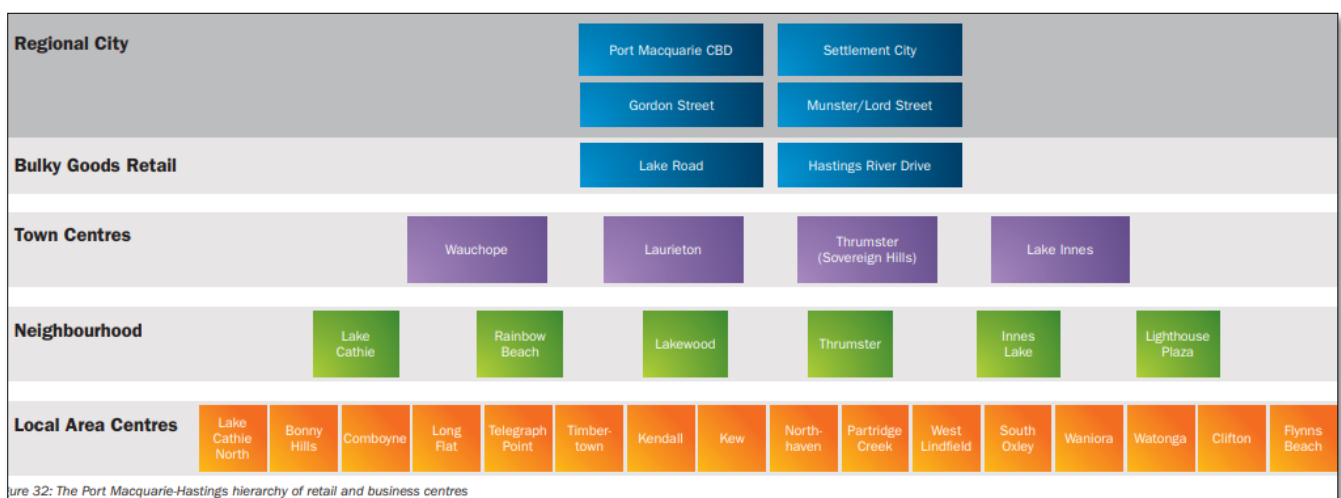


Figure 7 - Extract UGMS Retail Hierarchy and Business Centres Figure 32 (source: www.pmhc.nsw.gov.au)

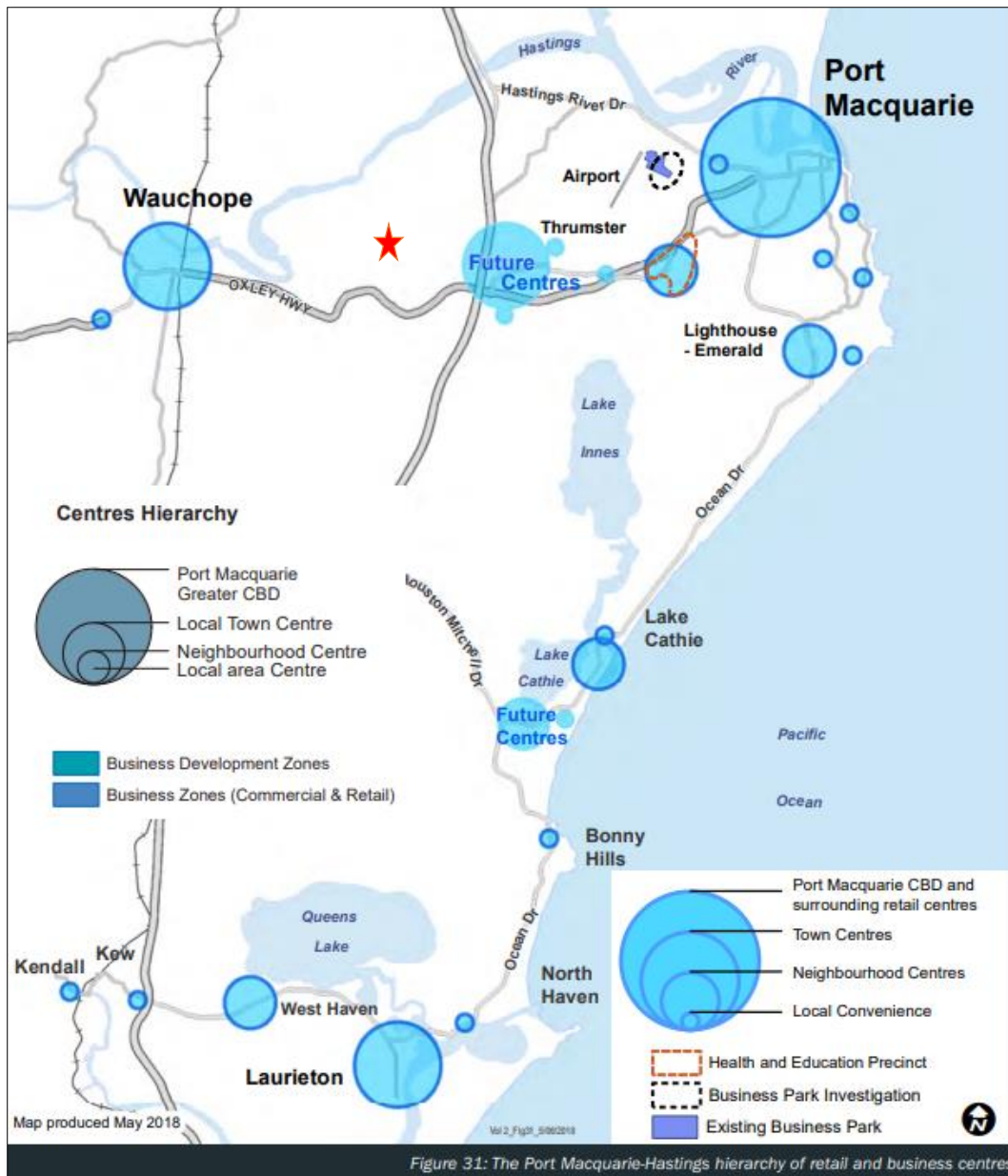


Figure 8 – Extract UGMS Retail Hierarchy and Business Centres Figure 31 (source: www.pmhc.nsw.gov.au)

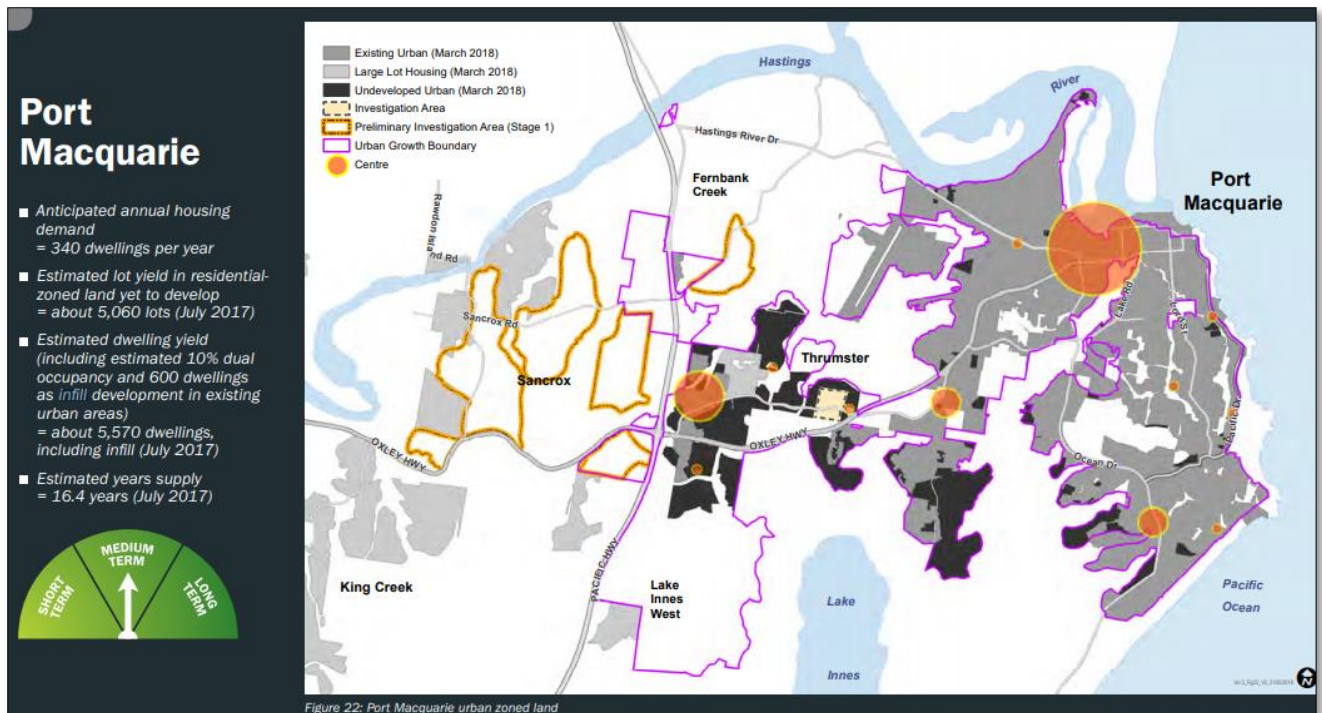


Figure 9 - Extract UGMS Housing Demand Figure 22 (source: www.pmhc.nsw.gov.au)

Figure 9 above identified future development urban areas by way of the yellow circles, with the subject site centrally located in this area.

The LEP map 13B which includes the subject site and surrounding area does not identify and business zones. Therefore, any other businesses operating in this southern area of Port Macquarie in accordance with the limited uses under the residential zoning or existing use rights. The current zoning maps does not allow for any increase in business zoned land, despite the expected level of growth in population in this area projected into the future.

It is key to note that the proposed B2 zoning varies from the main centre of Port Macquarie and due to the size, location and likely nature, is not in competition.

Council has been progressing planning of large scale business precincts including the Airport and Health & Education, however these are not directly comparable with this proposal and those proposals have the ability to significantly alter the business hierarchy and economic characteristics and trends for the wider area. This subject rezoning is proposed to fill a gap identified in the existing hierarchy at local / neighbourhood level, to service residential estates which have emerged and grown in recent years.

Having regard to the absence of existing local and neighbourhood centres in the immediate vicinity reiterates that a new centre in Sancrox is needed.

Within the previous UGMS 2010-2031, the re-subdivision of the Le Clos farms at Sancrox was mentioned heavily, with immediate timing for investigations which was indicated as commencing in 2010/11.

The recently adopted UGMS 2017-2036, as exhibited did not support investigations at Sancrox, however as a result of public interest, with a large number of submissions to the exhibited documents from landowners of Le Clos Sancrox, the UGMS was amended prior to adoption and Le Clos Sancrox included in the Structure Plan for Sancrox in the adopted UGMS 2017-2036.

The report to Council on 20 June 2018 was detailed with respect to Le Clos Sancrox, as touched on above and indicated that Council could support investigation areas outside of the urban growth boundary in the Regional Plan,

such as Le Clos Sancrox, and that Outline plans are to be prepared and submitted to the Department prior to rezoning. The adopted UGMS includes Le Clos Sancrox as part of Outline Plan areas, which Le Clos Sancrox is located within.

The resolutions of Council, with the latest being 20 February 2019, required immediate commencement of Stage 1 planning to prepare an Outline Plan for Sancrox-Fernbank Creek as detailed in the UGMS, and to invite the Le Clos Sancrox landowners to submit a planning proposal in parallel with Stage 1 planning in order to assist in informing the planning process.

North Coast Regional Plan 2036 has been prepared to guide land use planning priorities and decisions to 2036 and has identified *"The regional cities of Tweed Heads, Lismore, Coffs Harbour and Port Macquarie are the primary growth anchors, delivering new jobs, and more diverse housing as well as high quality essential services"*.

In response to the need for additional housing stock identified in the Regional Strategy, this site is a prime opportunity to accommodate additional housing without adverse environmental impacts or loss of agricultural land given this site has not been utilized as a vineyard for approximately 30 years. The use of cleared land adopts the sustainable land use principles, rather than utilizing land which is currently used for agricultural purposes or contains ecological features.

4. LIKELY USERS & NEED

Figure 5 above and the distances indicates above indicates a lack of business, commercial or retail centres for the current and future residents of Sancrox and surrounding areas. There is a strong market demand for local centre in this area.

These residents have no neighbour centre within walking distance, or close by, with the closure of the local shop in 2013. The closest facilities are Wauchope Town centre or Lake Innes Coles and specialty shops, which are both larger centres. Wauchope is 8.5km / 11 minutes' drive by car from the site and Lake Innes is 13km / 12 minutes' drive by car from the site.

There is a strong demand from the existing and future residents for this low scale neighbourhood centre. It is expected that employees within the business / enterprise estate to the east may also utilise the village centre for their day to day needs.

There is opportunity for commercial use of this site to appeal to a range of the sector including primarily:

- Residents of Sancrox and nearby estates, which may include standard residential, medium density, seniors living.
- Future residents following wider investigations.
- Users of the nearby Sancrox Reserve.
- Employees within the business / enterprise estate to the east (Expressway Spares etc)
- Small businesses who do not need space in the CBD, in a variety of forms including retail, office space, medical centre, take away food or café etc.
- School community (if the school discussions progress for location within the site).
- Users of services such as child care centre which are commonly located in residential areas.

The site is accessed via existing road infrastructure via private vehicle, bus services and bicycles, or a combination. Sancrox Road is expected to be upgraded as part of the development of the area and as shown on the indicative layout plan, a new intersection is proposed off Sancrox Road, adjacent to the B2 zoned land. The subdivision

concept also provides for excellent pedestrian and cycling network throughout the proposed estate. The connectivity of the site cannot be ignored when considering the likely users of this land.

Given the forecasted growth for the region and the increase in population continuing to arrive in Sancrox, there is a clear need to provide additional local commercial or retail services for their day to day needs, as well as providing employment opportunities. The proposed neighbourhood centre is small in scale, appropriate for the proposed residential estate of Sancrox.

The village centre will have synergy with other uses which could be contained within residential areas such as school or child care centre and would also provide facilities and services for other forms of residential accommodation including seniors living.

5. IMPACTS ON BUSINESS HIERARCHY

Given the small scale of the proposed B2 Centre zone with a total land area of 1 ha a direct conflict with user of the Port Macquarie CBD would not be expected, nor with the established local and neighbourhood centres given their distance from the site and also the size of those facilities being larger and in the instance of the developing Thrumster town centre, housing a supermarket. This planned 25,000m² town centre with retail, commercial and leisure offer, schooling and childcare, recreational facilities, and parklands, has just opened Stage 1 called "Sovereign Place" on 22 November 2019. Stage 1 is, 5,200m² in size and includes IGA, speciality shops, food, service and homewares retailers.

The opportunities for the development of this site would be expected to respond to the needs of the users identified above and as such it would be expected that small scale retail uses, café, office space, medical centre and the like would be accommodated in a future development. The day to day needs of the residents could be met such as milk and bread, a cup of coffee or as discussed above, storage areas.

6. POPULATION GROWTH & ECONOMIC DEVELOPMENT

6.1 North Coast Regional Plan 2036

North Coast Regional Plan 2036 has been prepared to guide land use planning priorities and decisions to 2036 and has identified "*The regional cities of Tweed Heads, Lismore, Coffs Harbour and Port Macquarie are the primary growth anchors, delivering new jobs, and more diverse housing as well as high quality essential services*".

In response to the need for additional housing stock identified in the Regional Strategy, this site is a prime opportunity to accommodate additional housing without adverse environmental impacts or loss of agricultural land given this site has not been utilized as a vineyard for approximately 30 years. The use of cleared land adopts the sustainable land use principles, rather than utilizing land which is currently used for agricultural purposes or contains ecological features.

Port Macquarie-Hastings current population of 79,905 at 2016 is projected to increase by 11,595 people to 91,500 by 2031 under the 2016 NSW State and Local Government Area Population and Household Projections (Main Series) produced by the NSW Planning and Environment. This will add a further 6,100 households and an estimated 9,295 additional vehicles by 2031.

6.2 Urban Growth Management Strategy 2017-2036

Population growth is identified in Figure 21 of the UGMS which indicates that this area of Sancrox and surrounds is expected to accommodate 385 additional dwellings by 2036, yet no additional local or neighbourhood

commercial centres were identified in this area. Hence, there is a demand for the local business zoned land in the Sancrox area.

Having regard to the identified challenges in the UGMS to accommodate the desired population growth, which includes targeted infill development, the subject site is prime for infill development given its lack of constraints with respect to ecology, heritage or servicing and is located within an existing residential area.

Part 4 of the UGMS states:

"The goal for Economic Development in this Strategy is:

A prosperous and diversified economy

Our population is forecast to continue to grow at an average rate of around 1,200 additional residents every year to 2036. This will inevitably create opportunities for new jobs to service a growing population."

The UGMS also identified growth in the business sector to respond to the population increase, with growth at all levels of the hierarchy.

The proposed local centre would address a gap in the lower end of the hierarchy being local and neighbourhood centres with respect to the existing location of centres, whilst meeting the principles and servicing the current and expected continued population increase. The closest centre is the recently opened Sovereign Place at Thrumster, which is considerably larger than proposed by this rezoning, being 25,000m² in size (at completion), compared to 10,000m². The previous Sancrox corner shop closed down a few years ago and left this gap for the existing residents.

Employment opportunities both on-going and during construction would be an additional benefit, which is important in the Port Macquarie area where employment is often difficult.

The UGMS contains the following planning principles for economic development and employment, which are aimed at generating the right conditions to provide opportunities for economic growth in the Port Macquarie-Hastings area:

"PRINCIPLE 1

Business Centres

Plan for retail growth within the established hierarchy of business centres in the Port Macquarie-Hastings to ensure that the scale of development in each centre is appropriate for the catchment population that it is intended to serve.

PRINCIPLE 2

Port Macquarie CBD

Maintain and enhance the role of the Port Macquarie CBD as a primary multifunctional business centre in the North Coast region and the primary business centre in the Port Macquarie-Hastings.

PRINCIPLE 3

Bulky goods retail

Retain opportunities for bulky goods retail in retail centres and in Business Development zones based on projected demand.

PRINCIPLE 4

Health services and education precincts

Establish well-planned, multi-functional health services and education precincts, including opportunities for complementary uses, to drive future growth and innovation in the health and education sectors and to expand the diversity of the local economy.

PRINCIPLE 5

Connectivity

Promote connectivity between employment centres, accessibility for the users of business and employment areas and take advantage of freight and transport networks.

PRINCIPLE 6

Industry

Provide a generous supply of industrial land to cater for a range of industry types to meet the forecast needs of the Port Macquarie-Hastings community to 2036.

PRINCIPLE 7

Tourism

Promote opportunities for large-scale tourism in prime tourism development areas in Port Macquarie and for a range of small to medium scale sustainable tourism in other areas."

Principle 1 in particular is relevant and it has been demonstrated that the expected population growth from Le Clos Sancrox, as well as the remainder of Sancrox in the future planning, is sufficient to service the proposed B2 Local Centre. Further, this population growth in Sancrox was not anticipated at the time of Thrumster retail planning and as such, there is unlikely to be a reduction in users to the developing Thrumster Town Centre. This centre is of a considerably larger scale and is more of a destination rather than a convenience, as the proposed zone would be envisaged to function.

The impact upon the larger retail centres of Port Macquarie and Wauchope and the emerging Thrumster town centre, is not expected as they will provide a different function to a small neighbourhood / local centre.

Having regard to the future planning identified in the UGMS as shown in Figure 9 above, this B2 zone would be centrally located and easily accessible via Sancrox Road and the future Collector Road being made provision for within the draft layout, to provide further connection to the east and onto the north.

The UGMS states:

"One of the main aims in this Strategy is to ensure that we have a range of high quality centres, providing convenient shopping and business opportunities for residents and for visitors to the Port Macquarie Hastings. We want to create vibrant places for local communities, that are enjoyable and memorable to visit, well connected (e.g. by public transport) and with room for growth to cater for our growing population."

The proposed local centre responds to this aim and will compliment the existing retail and business centres and provide for the existing population and anticipated populations, in a location which is well connected by existing and proposed infrastructure, which includes provision for future bus networks, as well as the proposed road, cycle and pedestrian network throughout the Le Clos Sancrox development. Sancrox Road a Collector Road and provision has been made within the draft layout for Collector Roads through the site, with bus stops. The indicative Corridor Layout Plans accompanying the Planning Proposal clearly indicate the provision of bus stops, cycleways and pedestrian paths along Sancrox Road and within the development to ensure the site integrates into the wider planning of the area and allows for the future residents within and external to Le Clos to easily access the business land. Previous discussions with Busways indicates that bus routes will be planned once the development is underway and the customers are in the area to utilise the service.

Local centres will always be popular with residents in particular for day to day conveniences who do not wish to go into the larger centres for just one or two items such as milk and bread and do not require the main street shops and facilities. The proposed centre will have a point of difference from other retail centres.

The UGMS discussed retail and commercial growth and states:

“With an additional 23,000 people predicted to reside in the Port Macquarie Hastings by 2036 and growth in retail spend per capita conservatively estimated at 1%, resident spend is forecast to grow significantly during the 20 year period of this Strategy. Demand for retail floorspace is forecast to increase for all categories of retail including food and groceries, take away food, apparel, homewares and manchester, bulky goods and meals in pubs, clubs and restaurants. The predicted demand for retail floor space in the Port Macquarie-Hastings is forecast to grow from approximately 197,000m² Gross Floor Area (GFA) in 2016 to a projected 274,000m² GFA in 2036, including demand for specialised retail premises (bulky goods) stores.”

The UGMS identifies industrial economic growth along the western side of the Pacific Highway, but not retail land and in particular not related to local or neighbourhood centres. The figure below clearly identifies Thrumster town centre as the closest retail centre, which is greater in hierarchy than the proposed local centre.

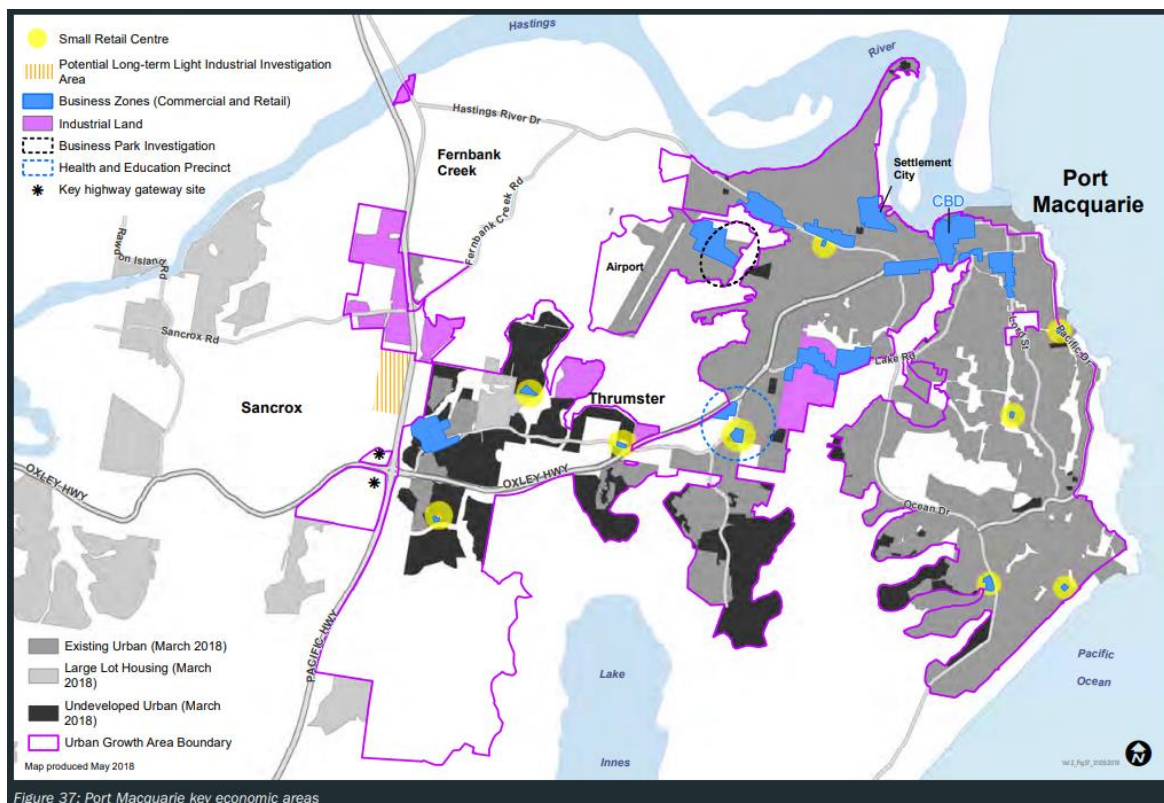


Figure 37: Port Macquarie key economic areas

Figure 10 - Extract UGMS Port Macquarie Key Economic Areas Figure 37 (source: www.pmhc.nsw.gov.au)

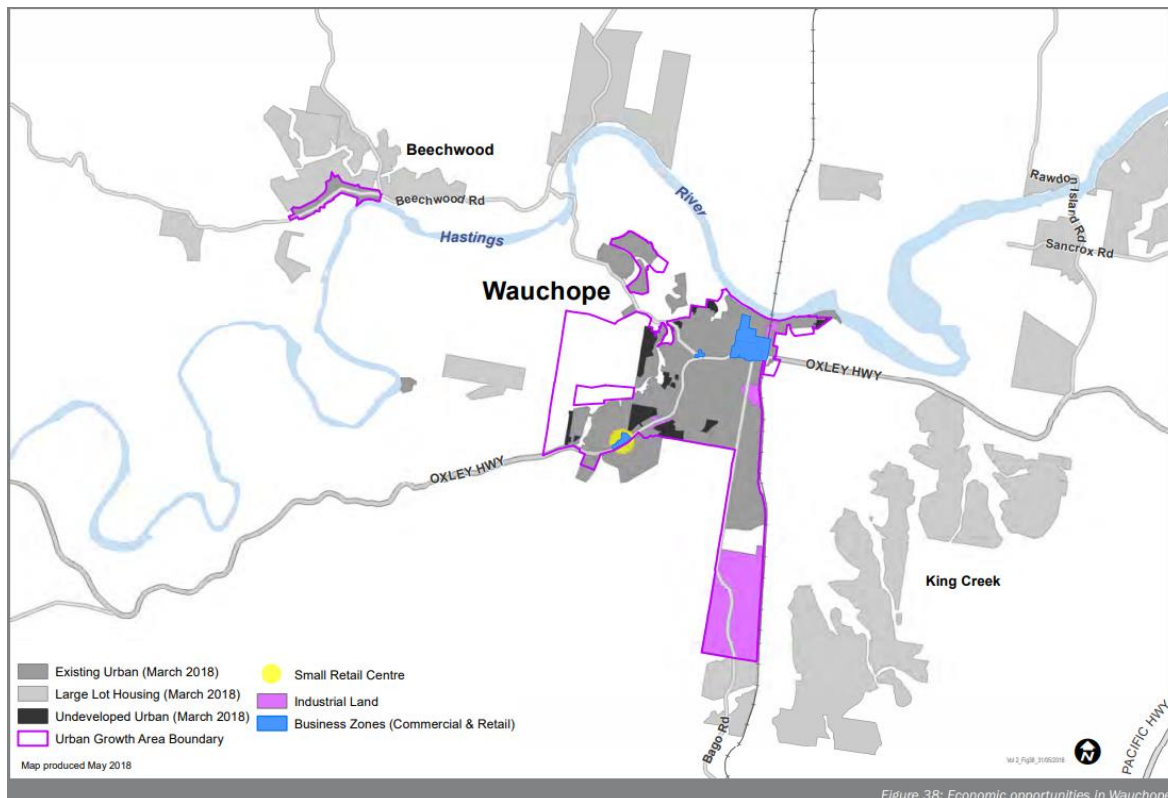


Figure 38: Economic opportunities in Wauchope

Figure 11 - Extract UGMS Wauchope Key Economic Areas Figure 38 (source: www.pmhc.nsw.gov.au)

The UGMS indicates that Council will continue to consider site specific requests to amend zones and other planning controls, which can be considered independently, without any significant impact on Council's overall planning for urban growth.

6.3 Greater Sancrox Structure Plan 2015

In reviewing the Greater Sancrox Structure Plan Issues Paper dated October 2011, it is stated that "a review of the Le Clos Sancrox subdivision has been identified by Council as a key element in planning for the Sancrox area" and Le Clos Sancrox is identified on the maps within the document as "possible future development precincts, coinciding with areas of lower ecological constraint".

The Structure Planning work did occur to satisfy a key objective of the UGMS in force at that time and was reported to Council for adoption in 2015 and delayed pending the revised UGMS.

Rezoning of the land was invited over 13 years ago, Structure Planning had commenced and finalised in 2015 and the latest UGMS 2017-2036 indicated outline planning could occur on this site.

It is acknowledged that a substantial amount of work has been undertaken by Council in the Greater Sancrox Structure Plan, which would assist in progressing the Outline Planning for Le Clos Sancrox.

The study area is shown below and Le Clos Sancrox is identified as the majority of Sector 5. An extract from the Structure Plan regrading Sector 5 is included which identifies Le Clos Sancrox as a priority.

The Structure Plan provided limited commentary regarding business conveniences in the area and it acknowledges that there are no neighbourhood or local conveniences for residences, with the general store closing in 2013.

With exception of the King Creek convenience store located at the Oxley Highway/King Creek Road intersection to the west, the nearest shopping facilities are at Wauchope. A general store on Rawdon Island Road, which once serviced the Sancrox area, closed in early 2013. A nursery/café on Sancrox Road, which has been operating for almost two years, has become a popular meeting place for locals and visitors alike.

Figure 12 - Extract from Structure Plan – Business Conveniences (source: www.pmhc.nsw.gov.au)

The Structure Plan also identifies the need for buffers from employment land to existing and future residents in order to avoid future land use conflict. There is ample room available within the B2 zone to incorporate landscape buffers and fencing to the nearby future residential lots to ensure a suitable relationship between the two land uses. Discussions are also advancing regarding the location of a school adjacent to the village centre which would also be complimentary land use.

The Structure Plan did identify future business uses at the intersection of the Pacific Highway and Oxley Highway, on the western side and identified as gateway sites, which are now being advanced by way of a separate Planning Proposal for a service centre. These business uses will be utilised primarily by travellers, rather than the locals who need day to day conveniences. The Structure Plan stated:

- **Employment/industrial**

Council has investigated and rezoned land for industrial development in the Sancrox and Fernbank Park Employment Precincts to the north and north-east of the GSA. These two estates have a collective area of almost 85 to 90 ha in addition to existing industrial areas in the LGA. As a result, there is an estimated supply of vacant industrial land of more than 20 years and the investigation and rezoning of the future employment land in the GSA has not been proposed in the UGMS, being consideration of the area in a Structure Plan.

The future employment land within the GSA was identified in the UGMS (p68) due to the site's location adjacent to the Pacific Highway and existing industrial development. It was proposed to investigate the future of the area and the gateway sites in the GSA to provide a framework for compatible land use in the long-term. Development opportunities at the intersection of the Pacific Highway and Oxley Highway may include a highway service centre and tourism uses. The relationship with adjoining uses will be a key consideration.

Council will monitor the take up of industrial land and will review the status of the future employment area in review of the UGMS.

Figure 13 - Extract from Structure Plan – Employment /Industrial (source: www.pmhc.nsw.gov.au)

The proposed village centre and corresponding B2 zone is centrally located in the wider Sancrox precinct and whilst it will be developed as part of the Le Clos Sancrox development, is intended for the existing and future residents of the wider Sancrox area and is easily accessible from Sancrox Road and is adjacent to a new intersection.

7. ECONOMIC PROFILE

7.1 Port Macquarie Hastings Economy Profile

Port Macquarie Hastings LGA is a long established community with regional centre status, with a population over 83,000, over 29,000 jobs and a gross regional product worth \$5.028 billion. The regional status comes from its broad-based public and private business sectors, coupled with a dynamic retail and commercial district. Port Macquarie and surrounding areas has also been a thriving centre of tourism for many years.

Greater Port Macquarie has a \$6 billion local economy and is a net exporter. “We sell more products and services to customers outside of the LGA (approx. \$2.09 billion) than we import (\$1.67 billion). This is considered to be an outstanding performance for a regional economy.” Source: PMHC Economy profile

The Port Macquarie-Hastings Council area has an increased by 2,030 between 2011 and 2016 for number of employed people.

The largest changes in the jobs held by the resident population between 2011 and 2016 in Port Macquarie-Hastings Council area were for those employed in:

- Health Care and Social Assistance (+778 persons)
- Construction (+624 persons)
- Education and Training (+473 persons)

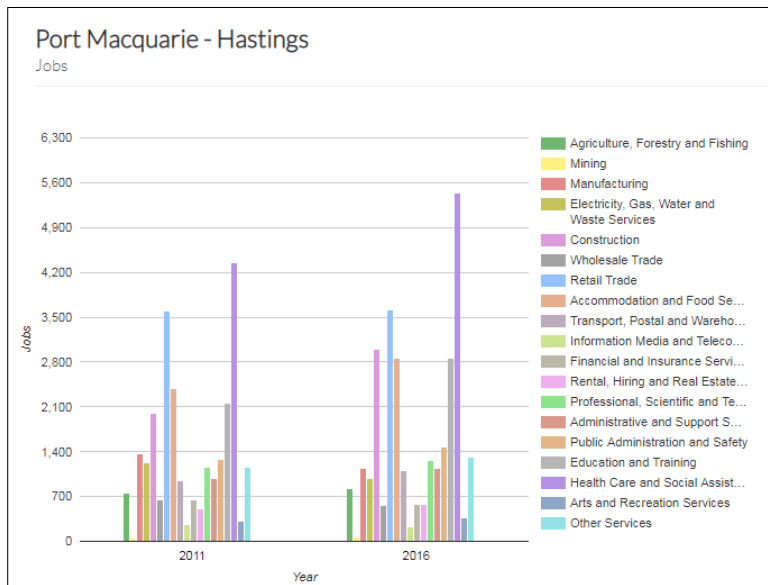


Figure 14 - Industry Employment Sector data for Port Macquarie Hastings. Source: ABS 2016, compiled in *economyprofile.com*

The employment data presented above represents the number of people employed by businesses/organisations in each of the industry sectors in the Port Macquarie Hastings region. The employment data presented is destination of work data; no inference is made as to where people in a defined region reside.

An analysis of industry sector for employment held by the population in Port Macquarie-Hastings LGA in 2016 shows the three most popular industry sectors were, Health Care and Social Assistance (5,192 people or 17.5%), Retail Trade (3,424 people or 11.5%) and Construction (3,153 people or 10.6%). These three industries employed 39.7% of the total employed resident population. In comparison, Regional NSW employed 14.4% in Health Care and Social Assistance; 10.3% in Retail Trade; and 8.7% in Construction.

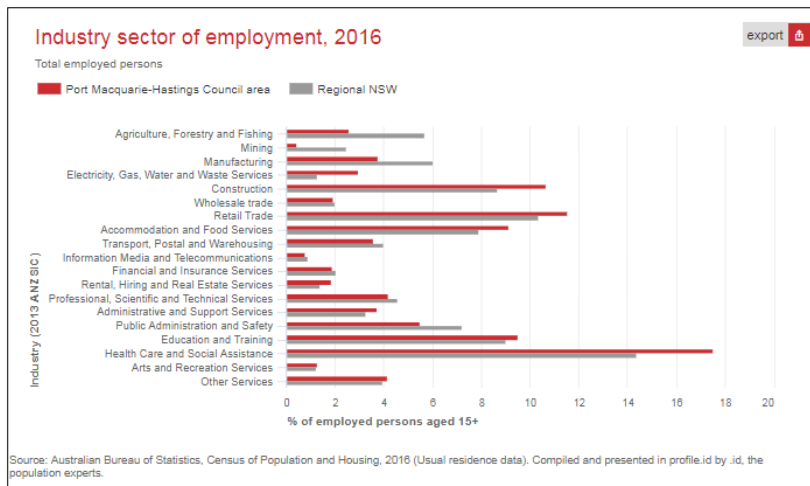


Figure 15 - Industry sector of employ 2016 (comparison with Regional NSW). Source: ABS, compiled in profile.id

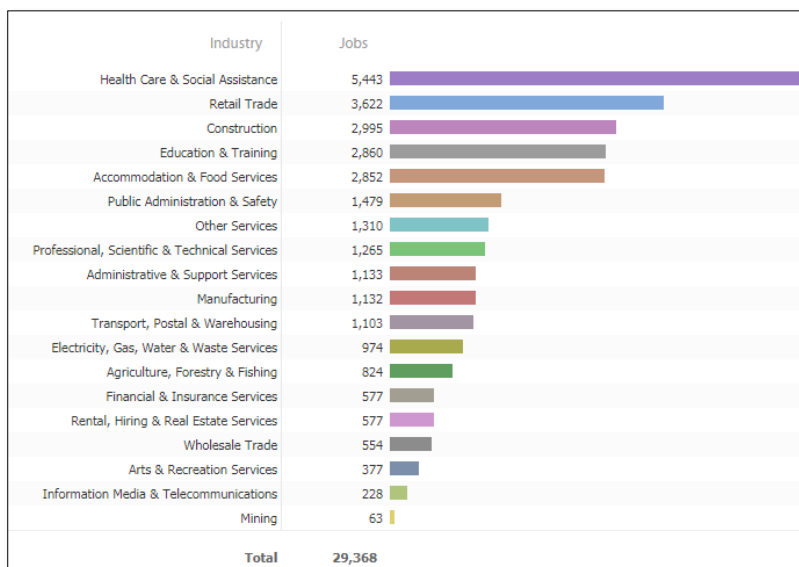


Figure 16 - Latest REMPLAN data incorporating Australian Bureau of Statistics (ABS) 2016 Census Place of Work Employment Data, 2015 / 2016 National Input Output Tables and June 2018 Gross State Product.

The data presented above represents the number of people employed by industry sectors in the Port Macquarie region in 2016. It is estimated that 29,368 people work in Port Macquarie – Hastings and of this 2,995 or 10.20% work in the Construction industry.

8. ECONOMIC ANALYSIS

8.1 Overall Assessment of Demand

Both past (building approvals) and future (population projection) trends indicate an annual demand of around 526 dwellings per year. The overall assessment of demand, as mentioned in the UGMS, is for 10,000 dwellings by 2036. The recent growth in Port Macquarie is expected to continue given the good facilities provided, the lifestyle and education, as well as the recent expansion of the tertiary education sector. The UGMS looks to expand and

grow the health and education precinct and the airport precincts, which will ensure the continued growth of the Port Macquarie area and the need for housing and corresponding local and neighbourhood centres.

8.2 Justification for Demand

There is a clearly identifiable demand for the additional business floorspace (approx. 10,000m² in ground area) within a B2 zone or alternate indicated by Council. The existing centres in proximity to the site, primarily being Thrumster (Sovereign Place) and Wauchope, are of considerably larger sizes and are destination based centres. The future residents of the Le Clos Sancrox subdivision does not have a neighbourhood centre in close proximity to buy the daily conveniences such as bread, milk or newspaper and do not other small scale facilities within walking distance, such as a café or take away. These features, in particular being within walking distance, are major attractors for people to move into the area as it reduces the reliability on cars and allows for the residents to interact to a higher extent, which is beneficial from a social and economic perspective.

Sancrox previously boosted a corner store and since its closure in recent years has left the residents of the wider Sancrox area without a convenience. Further, Sancrox Reserve is an attractor in its own right and users of the reserve would benefit significantly with having a nearby small centre to visit.

A review of Council's retail hierarchy does not reveal any smaller sized centres in the vicinity of this site, whether existing or proposed. As such, there is no existing available floor space within the area, and this rezoning would create the demand for additional floor space (due to both existing residents and proposed development) to justify the need for the location of and the size of the proposed B2 zone. Given its central location and that Le Clos Sancrox is progressing first, it is ideal to provide a local or neighbourhood centre to service not just the site and existing residents, but also other potential urban investigation areas within the Sancrox and Fernbank Creek area as detailed within the UGMS (subject to investigation).

A review of the larger facilities within proximity of the site being Wauchope Town centre and Sovereign Place, revealed the following vacancy for retail / commercial premises as at 10/12/19:

- Wauchope – 10 premises
- Sovereign Hills – Stage 1 – minimal vacancies and expressions of interest being sought for next stage.

These figures indicate that there is not a lot of vacancy being experienced in the nearby town centres. Notwithstanding this, the type of commercial users likely to be attracted to the proposal centre will vary given it is of a smaller scale and will service the residents rather than the wider area as a town centre does.

8.3 Years of Housing Supply & Population Growth

With an increase of 1200 people into the region every year there is clearly a need for future residential growth areas.

Based on the UGMS, Port Macquarie, Lake Cathie/Bonny Hills and near Kew in the Camden Haven collectively have the capacity to provide an 18 year housing supply based on current take up and projected demand. The UGMS states, in 2017 the estimated residential supply ready for development to provide a range of housing choice was:

- 16.4 years in Port Macquarie
- 19.7 years in Lake Cathie/Bonny Hills
- Over 30 years in the Camden Haven, and
- 10 years in Wauchope (increasing to around 30 years once planning for the Yippin Creek area has been completed).

The UGMS acknowledges to accommodate future project growth areas of potential long term growth around Port Macquarie could be exhausted by 2070, as demonstrated in the figure below.

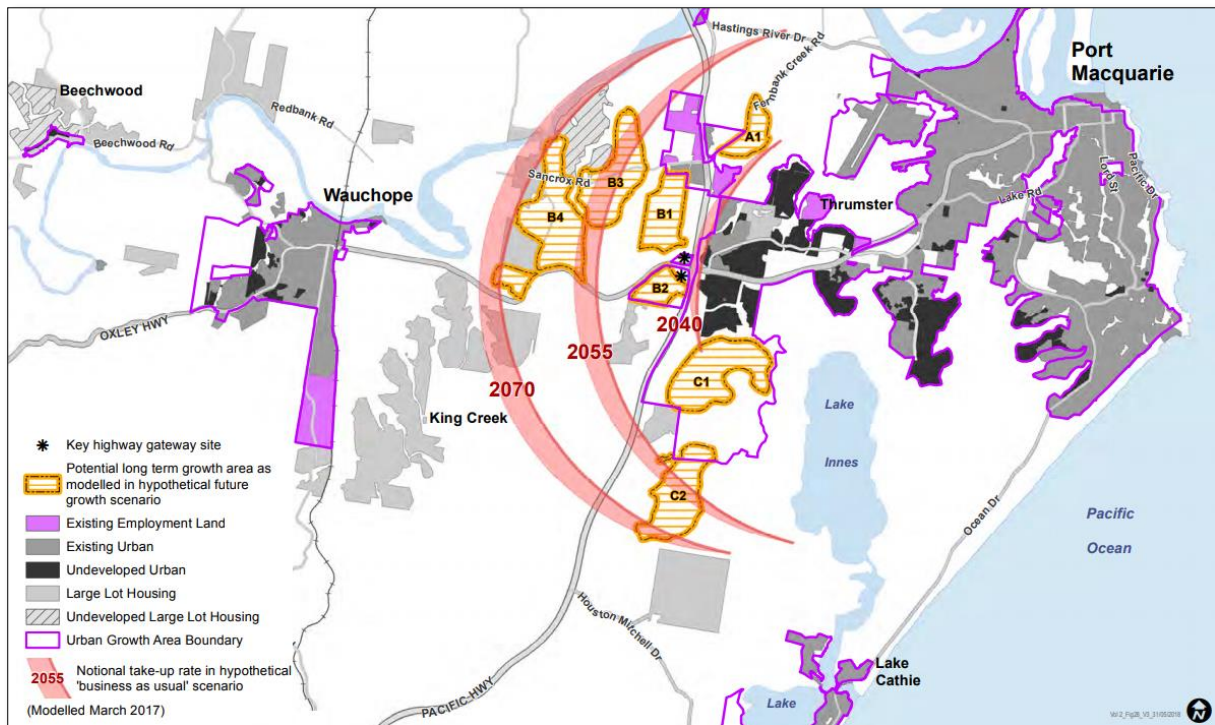


Figure 17 - Hypothetical limits to long term growth Port Macquarie Hastings. Source: UGMS pg. 15

There is a long standing issue in the Port Macquarie local government area whereby current residentially zoned land is so highly constrained from an ecological viewpoint, that it may never be developed. As such, the figures are incorrect and the land supply is in fact considerably less than the figures indicated above. This expected to worsen given the Biodiversity Conservation Act 2016, which requires avoid, minimise and offset principles to be implemented when developing land with ecological value, resulting in reduced developable areas. This can clearly be seen in areas of Innes Lake, which has been zoned R1 for many years but is heavily vegetated and unlikely to be feasible for development under the new legalisation or economically when considering the cost of credits.

A further trend noticed in the wider Port Macquarie area relates to land being rezoned and held by the landowner for a number of years to increase value, rather than being developed at the time of rezoning. This was clearly seen in Lake Cathie where a large residentially zoned parcel within Area 14 owned by a single entity enjoyed a residential zoning prior to 2001 however to date no development of this land has taken place until recently. This land could inadvertently 'regulate the supply' through the lack of competition in the market. If the aforementioned parcel had been omitted from the residentially zoned land then the future land supply horizon was identified as being relatively short (~5 to 8 years), rather than 22 years as indicated by Council.

This skewing of the availability for residential land and the population statistics incorrectly provides an indication that development at Sancrox will not be needed in the short term and that the corresponding local centre should also be delayed. However, the reality is entirely different and the demand for housing supply to meet the demand targets in both the UGMS and Regional Plan, requires the necessary planning to occur now.

Given this anticipated residential growth, with some 680 lots in Le Clos Sancrox alone, there is a strong need for a local centre to be provided.

9. ALTERNATE SITES

Consideration has been given to locating the B2 Local Centre zone elsewhere within the Sancrox area, however the wider planning is occurring behind this site specific Planning Proposal. As such, the timing for provision of the facility would be unknown and could be delayed. It is a far superior outcome to incorporate the B2 zone into the overall development of Le Clos Sancrox so that it is in close proximity for the incoming residents and the school (if progresses). The location on Sancrox Road and adjacent to the proposed intersection allows for the existing residents in Sancrox to also utilise the facilities.

The proposed centre's location and commercial performance should not impact upon the viability and function of nearby town and regional centres, but rather will meet an identified need for the existing and expanding residents.

10. COMMUNITY BENEFITS

10.1 Positive Impact

The following positive impacts have been identified in terms of economic impacts:

- The retail hierarchy of Port Macquarie and surrounds will be complimented, with the addition of a smaller local or neighbourhood centre not currently accommodated within the area between Thrumster Town Centre and Wauchope Town Centre.
- The location provides for easy vehicular access from proposed western vehicle entrance.
- The Collector Road proposed and upgrade of Sancrox Rd will also make provision for bus stops and a network of pedestrian and cycle pathways will be constructed along the roads and throughout the development and will provide pedestrian and cycle connections outside of the site.
- The subject site is centrally located in the identified future development urban areas by way of the yellow circles within the UGMS.
- The proposed business zone allows for an increase in business zoned land, which is necessary given the expected level of growth in population in this area projected into the future.
- The gap for the existing residents from the closure of the previous Sancrox corner shop will be rectified for daily conveniences.
- Business land being provided within the first development in the wider area allows for this facility to be in place before the full development potential is achieved, providing instant services for the residents as they move into the area.

10.2 Negative Impact

The following negative impacts have been identified in terms of economic impacts:

- Potential impacts upon existing retail centres in the wider locality.
- Loss of land for housing.
- The population for the wider area being longer than expected and the business land may be slow to develop.
- Amenity impacts from the business use adjoining residential uses.



10.3 Managing Impacts

In order to manage the positive and negative impacts identified above, the following measures could be considered for incorporation into the future development application, with many already incorporated into the draft plans:

- Locate the business zoned land near Sancrox Road.
- Provide the business development before the final stage of Le Clos Sancrox.
- Provide good pedestrian and cycle connections to the business land.
- Provide bus stops near the business land.
- Locate medium density adjacent to the business land.
- Provide screening and landscaping in the design of the business development to reduce amenity impacts to the residents.
- Promote the centre to the existing residents within the wider Sancrox area as well as residents of Le Clos Sancrox.

11. COMMUNITY BENEFITS

The net benefit to the community in providing a local or neighbourhood centre within Le Clos Sancrox residential development is the key contribution to provision of a liveable community. The overall development, and wider Sancrox area, makes provision for walkability, public transport, public open space and employment, whilst respecting the environment. The business component, even on the small scale proposed, is a key factor for creating a complete liveable, sustainable and healthy community. This benefit will be experienced beyond Le Clos Sancrox and is expected to inform the wider planning and provide for connections via roads, pathways and cycleways, as indicated on our plans and specialist reports provided for the Planning Proposal.

The economic injection will be experienced by the businesses who operate from the proposed business land and the location and connections ensure easy access.

12. KEY FINDINGS

Below is a summary of the key findings of this Economic Impact Assessment:

- There is unlikely to be an adverse impact upon the retail hierarchy of Port Macquarie given the small scale proposed.
- There is a strong need for a neighbourhood or local centre between Thrumster and Wauchope and the proposed zoning addresses a shortfall of the lower end of the hierarchy since the closure of Sancrox corner store.
- The local or neighbourhood centre will service existing residents, as well as the new population from Le Clos Sancrox and the remainder of the Sancrox area once developed.
- The potential economic impact will not threaten the viability or level of service presently enjoyed by residents and visitors, but will enhance the overall level of service by providing a facility not presently available in the region. Any potential impacts are likely to be in the short term and would be made good through the provision of a new local centre.

- Will reduce car dependency due to its planned integration into the development of the new Le Clos Sancrox estate with good connectivity for walking and cycling and public transport.
- The net benefit to the community in providing a local or neighbourhood centre within Le Clos Sancrox residential development is the key contribution to provision of a liveable community.
- There will be an economic injection will be experienced by the businesses who operate from the proposed business land and the location and connections ensure easy access.

13. CONCLUSION

In most instances, business zoned land is determined at the time of the overall zoning of a growth area and the population would follow. However, in this instance, there is already a demand established from the recent residential growth of Sancrox and neighbouring estates. The development of a new state in Sancrox contributes significantly to the need for business in this area to provide for the day to day conveniences of the existing and proposed residents and visitors and nearby workers.

In keeping with the strategies, development of Le Clos Sancrox and the wider Sancrox area, along with the identified continued population growth, further strengthens the need for business land and a local or neighbourhood centre.

The business growth within Wauchope and Thrumster has considerable need and the subject site is identified as a prime location to accommodate the ever increasing demand and given that Le Clos Sancrox is emerging as the first development within the area.