



ATTACHMENT 5

Greater Taree Local Environmental Plan 2010

Bulky Goods Study

Strategic Planning Department

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1.0 Background

The Greater Taree Local Environmental Plan 2010 (LEP 2010) was developed in accordance with the standard instrument (Local Environmental Plans) Order 2006. The aim of the standard instrument is to ensure common zones/provisions are used, providing a consistent approach to planning in NSW.

One of the requirements of the Department of Planning and Infrastructure (DoPI) in the development of LEP 2010, was that bulky goods premises be a prohibited use in the Light (IN2) and General (IN1) Industrial zones. This was enforced by DoPI as there was concern that bulky goods premises were:

- utilising cheap industrial land for what is basically a shop use and reducing the availability of industrial land, and
- not co-locating in one area, but spreading over a number of suburbs. This can create increased traffic movements with people moving from one part of the town to another to undertake comparative shopping.

DoPI encouraged Council to use the Business Development zone as it was considered the appropriate zone for this use. This stance has been eroded over time with DoPI allowing some councils to have bulky goods premises as a permitted use with consent in the industrial zones as well as the use being permitted with other business zones. As a result, there is not a consistent economic position across NSW with regard to this issue.

Prior to LEP 2010, bulky goods premises were permitted with consent anywhere in the industrial zones.

As part of the consultation of the draft LEP 2010 a submission was received from businesses located in Mill Close, where bulky goods premises had co-located, such as Harvey Norman and Tile Power. These 12 lots were included in the Business Development (B5) zone to recognise the co-location of bulky goods premises at this location. The Business Development zone was also established at Manning River Drive which has the potential to provide 31 lots and on the Bunnings site as shown in Figure 1 below.

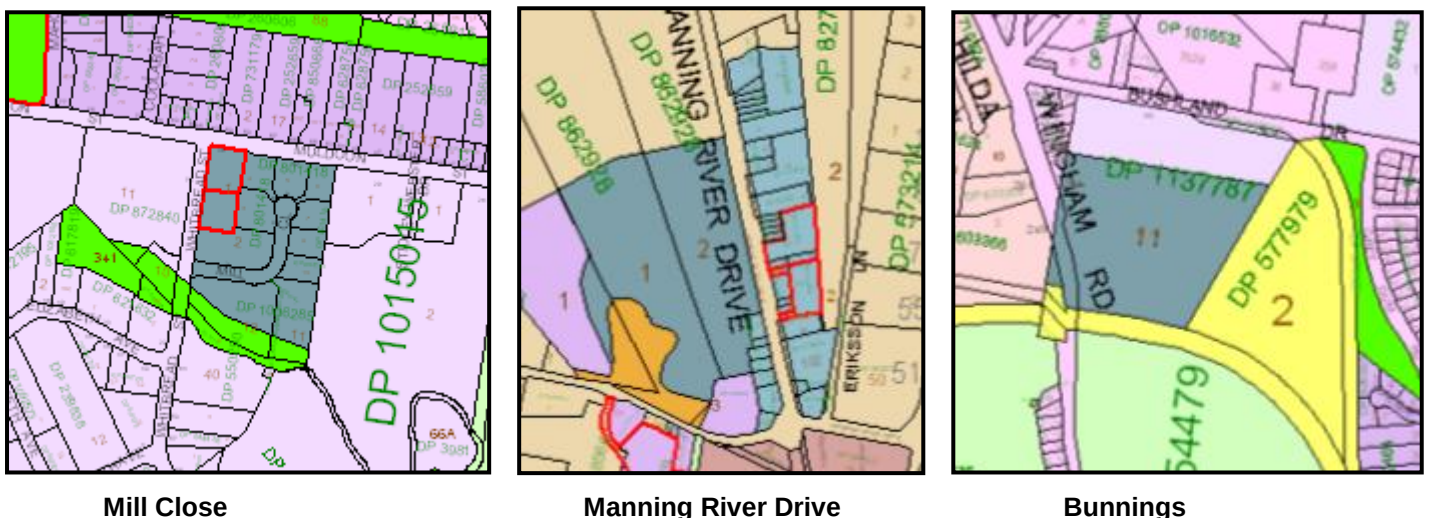


Figure 1: Land included in the Business Development (B5) zone

Other zones where bulky goods premises are permitted with consent include:

- Local Centre (B2)
- Commercial Core (B3)
- Mixed Use (B4)
- Enterprise Corridor (B6)
- Working Waterfront (IN4)

Since LEP 2010 was adopted, a real estate agent has made submissions to Council regarding the difficulty of leasing industrial buildings in the General and Light Industrial zone for bulky goods premises, which have prompted this review.

Investigations have also shown that the standard instrument has been amended to no longer require the General and Light Industrial zones to be closed zones. It now appears that Council could include bulky goods premises as permitted with consent in these zones. DoPI have however expressed concern that such a change would only be permitted where there is a “demonstrated need” for the opening up of the General and Industrial zones to enable this use.

The **purpose of this study** is to investigate the current usage and demand for bulky goods premises in Taree. The study focuses on the Taree area as it is the primary location for bulky goods premises.

2.0 Bulky goods premises – locational requirements

There are three locational factors to be considered for bulky goods premises:

- an **accessible location** – given they provide a shopping experience it is preferred to have them centrally located to enable easy access. This reduces transport movements within a town or suburb for both customers and delivery. It can also provide better access to public transport
- **co-location** of these uses to provide a “one stop shopping experience”. People prefer to visit a number of bulky goods premises in close proximity. This enables easy comparative shopping and reduces trip generation between premises
- **site characteristics** that enable the easy establishment of these uses. Generally lots need to be over 2,000m² to enable large buildings, easy parking and manoeuvring. They also require good road frontage to attract customers. Given they offer a shopping experience there is often a higher level of building finishes and landscaping expected than required for industrial uses.

3.0 Existing situation

The following examines what the current situation is with regard to bulky goods premises.

3.1 Non-conforming uses

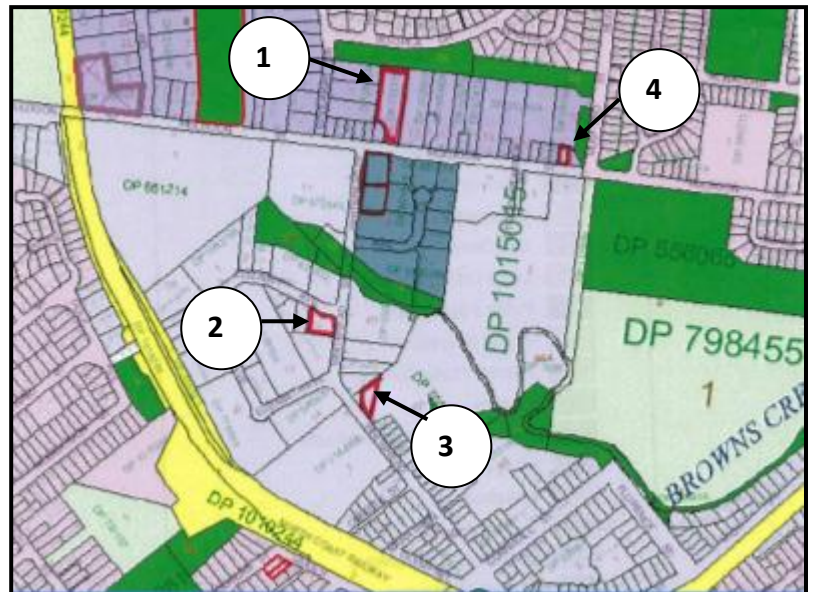
A land-use survey was undertaken in January 2012 to determine how many bulky goods are currently located in the Light or General Industrial zones in Taree– making them existing non-conforming uses. The survey was then analysed by both Development Services and

Strategic Planning Departments to ensure a common understanding of definitions was being applied.

It was found that there were four businesses that were considered non-conforming uses being:

1. Fantastic Furniture at 59 Muldoon Street
2. Taree Pet Barn at the corner of Elizabeth Avenue and Whitbread Street
3. Carpet Craft at 51A Whitbread Street
4. Tucknotts Carpets and Blinds at 33 Muldoon Street

Figure 2 (to the right) shows the location of these uses. As can be seen they are scattered in the industrial area. Each use is well established on the site and it would appear unlikely to extend in size. However, if extensions were proposed then they would be assessed on their merits, the greatest constraint often being the provision of adequate parking.



3.2 Supply

There is currently 38.4Ha of land included in the **Business Development zone** in Taree of which only 11.5Ha is occupied. This means around 70% is still available for establishing bulky goods premises.

In terms of lots there are 7 lots available or expected to come on-line over the next 12 months (3 lots in Mill Close – one with a vacant building; and 4 lots in Stage 1 of the Manning River Drive subdivision). The total available at Manning River Drive (in this zone) when all stages are complete will be 31 lots, though this site is separate to the main township.

As mentioned in section 1.0 there are a number of other zones that provide an opportunity to establish bulky goods premises. However it can be difficult to quantify how much land is available for bulky goods premises, given most of the land is occupied. However, the following identifies where some opportunities may exist.

Currently the total area of land included in the **Enterprise Corridor zone** is 46.8Ha. Land at the entry to Taree along Manning River Drive/Crescent Ave (to the north and south – shown in Figure 3) provide the greatest opportunity for establishing bulky goods premises. This was recently evidenced with Office Works consolidating under-utilised sites along Manning River Drive to establish their proposed business. The greatest opportunity is to the north where land is encompassed by Crescent Avenue and Beeton Parade (Figure 4). This area has both vacant and under-utilised land (low cost housing) that could be consolidated to provide adequate lots for bulky goods premises. Lots fronting Crescent Avenue could be consolidated through to Beeton Parade, providing sites with a highly visual frontage, and

adequate in size to cater for a building, parking and manoeuvring. It is acknowledged that flooding would have to be investigated for some of these sites. However, in this area alone approximately 1.5Ha (resulting in approximately 6 lots) could be developed for bulky goods premises (this excludes developed sites).

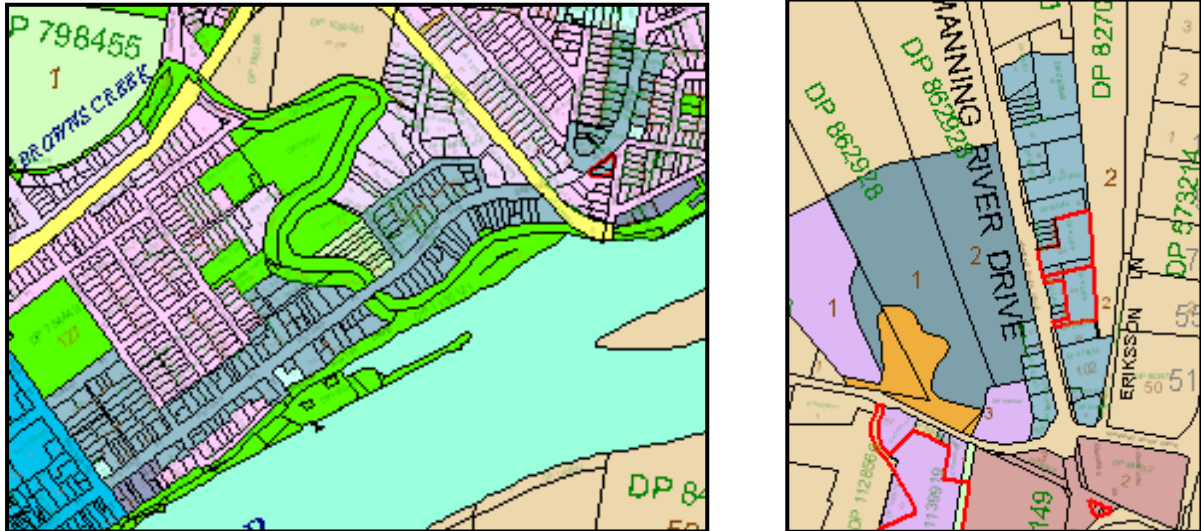


Figure 3: Enterprise Corridor zoned land (light grey) along Manning River Drive north and south of Taree



Figure 4: Enterprise Corridor zoned land in Beeton Pde and fronting Crescent Ave

In the north redevelopment of the car yard sites could also provide the opportunity for bulky goods premises, but an area has not been estimated.

Land included in the **Enterprise Corridor zone** to the south of Taree also provides redevelopment opportunities, particularly given the future development of Masters in Manning River Drive Business Park (expected over the next 12 months). It is likely that the Masters development will act as a catalyst for both new and refurbished development in this locality. Even if only 30% of the sites redeveloped as bulky goods premises in the future, this would equate to around 5Ha (approximately 3 lots).

The **Mixed Use** zone also provides an opportunity for bulky goods premises. There are 12.7Ha of land included in this zone (Figtrees on the Manning development and corner of Macquarie and Victoria Street) as shown in Figure 5. The majority of these lands are either vacant or under-utilised. It could be assumed that 2Ha (approximately 2 lots) has the potential to be developed for bulky goods premises. This area could be less, given the high land costs in these locations

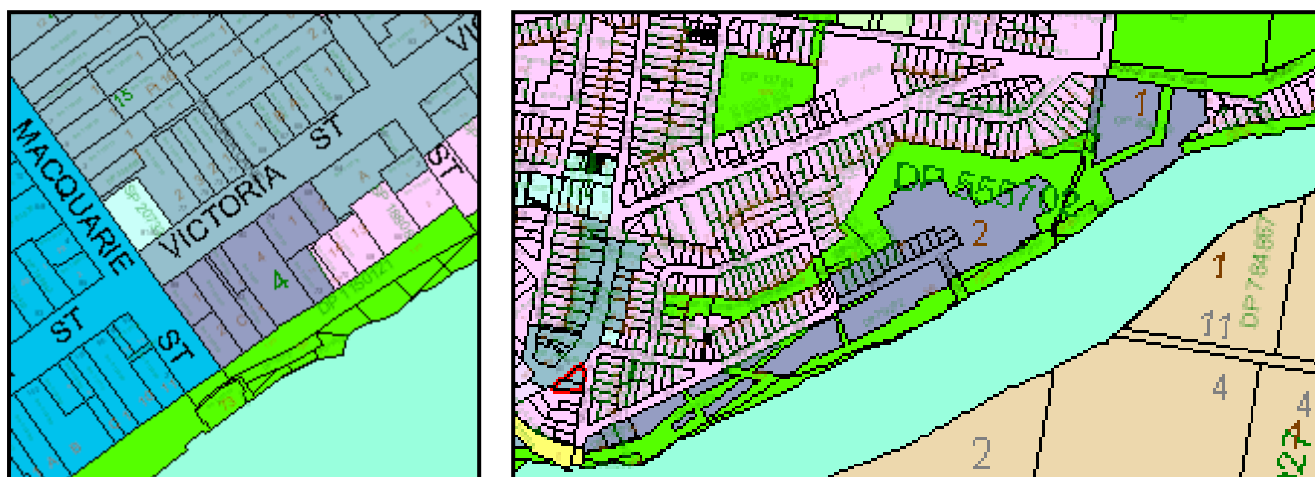


Figure 5: Mixed Use zoned land in Victoria Street and Figtrees on the Manning (Pitt Street)

With regard to the **Local Centre**, **Commercial Core** and **Working Waterfront** zones, the opportunity for establishing bulky goods premises is minimal and unlikely given the higher land costs of the Business zones in particular. However, it needs to be recognised that Bing Lee (a bulky goods premises) currently operate from the main street and acts as a key attractor for shoppers to the CBD.

In summary, the estimated supply of land available for bulky goods premises is as follows:

Zone	Potential land (Ha) available for bulky goods premises	Estimate number of lots
Business Development	26.9	34
Enterprise Corridor	6.5	9
Mixed Use	2	2
TOTAL	35.4	45

3.3 Demand

Currently the bulky goods premises in Taree service the local area with a population of around 50,000 people. The neighbouring towns of Port Macquarie and Forster/Tuncurry offer similar stores, thereby Taree does not act as an attractor of customers from outside the local area.

Port Macquarie (100km to the north) and Newcastle (200km to the south) provide greater choice of bulky goods premises and often attract customers from Taree given the larger choice available.

Demand is a difficult factor to estimate. It can be influenced by two factors, being:

- the **economic climate**. Currently the global financial crisis has caused a decline in demand for bulky goods premises
- **population growth**. Currently the population growth in the Council area is only 1% which limits the increase in market demand for bulky products.

Discussions with Council's Development Services section identified that over the last five years there have been approximately three bulky goods premises proposed, which is less than 1/year. Unfortunately, this is often counter balanced with the closure of a store. As such, the demand for bulky goods premises is low.

If it is assumed that:

- there is moderate economic growth resulting in the establishment of 1 bulky goods premises/year, this would translate to 45 years supply
- there is high economic growth resulting in the establishment of 3 bulky goods premises/year, this would translate to 15 years supply

This analysis based upon traditional techniques used to support 'green field' expansion concluded that there is an **over-supply** for land to be developed for bulky goods premises in the current LEP 2010 zones.

4.0 Analysis

4.1 Arguments for no change

In the current situation the zones that permit bulky goods premises provide opportunities to meet the locational requirements – being accessible, co-located and having appropriate site characteristics.

In addition to the over-supply of land suitable for bulky goods premises, any change to enable the use in the General and Light Industrial zones could:

- reduce land available for industrial uses. Development Services report that the most common enquiry they receive is for suitable industrial land. It would be inappropriate to impact on the supply of industrial land
- negatively impact on the orderly development of land in the Business Development zone. Developers have invested in these properties (at both Manning River Drive and the Bunnings site) to make them suitable for bulky goods premises and would be directly impacted by such a change
- potentially result in bulky goods being spread across all of Taree's industrial locations, from Kolodong Estate through to the outskirts of Taree along Manning River Drive (north and south). This would not achieve the co-location objective and would increase trip generation.

4.2 Arguments for change

The constraint of these sites is the availability of existing buildings to meet the needs of the smaller scale bulky goods premises, who want to move into existing premises rather than establish new premises. Property managers have reported that the costs associated with installing new infrastructure (eg. new buildings, roads, parking) are quite prohibitive to all but

the larger more profitable businesses. The smaller businesses that would like to utilise existing buildings within Greater Taree are finding these planning provisions prohibitive.

As a result, these provisions have led to some of the existing larger industrial buildings in industrial zones remaining vacant for longer periods, given the limited permitted uses. Due to the current economic climate it is considered important to utilise existing building stock as much as possible as a means to attract businesses, which may not be able to afford to purchase land and construct their own buildings.

4.0 Conclusion

At its Ordinary Meeting on 16 May 2012, Council resolved to proceed to amend the LEP 2010 to enable bulky goods premises in the General and Light Industrial zones. Due to the current economic climate it is considered important to utilise existing building stock as much as possible as a means to attract businesses, which may not be able to afford to purchase land and construct their own buildings. This change would be consistent with the approach permitted in other regional councils in NSW.