PLANNING PROPOSAL - GREAT LAKES COUNCIL

TUNCURRY SUPERMARKET SITE REZONING

Adopted 27July 2010 for submission to Minister for Planning under s56 of the Act

Great Lakes
COUNCIL

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CONTENTS

INTRODUCTION

This is a Planning Proposal for land known as the Tuncurry Supermarket Site, which adjoins the existing Tuncurry CBD in the Great Lakes Local Government Area (see the locality plan at Figure 1). The existing zoning of this land and the land surrounding the site is illustrated in Figure 2. The subject site is approximately 4,000m2 in size.

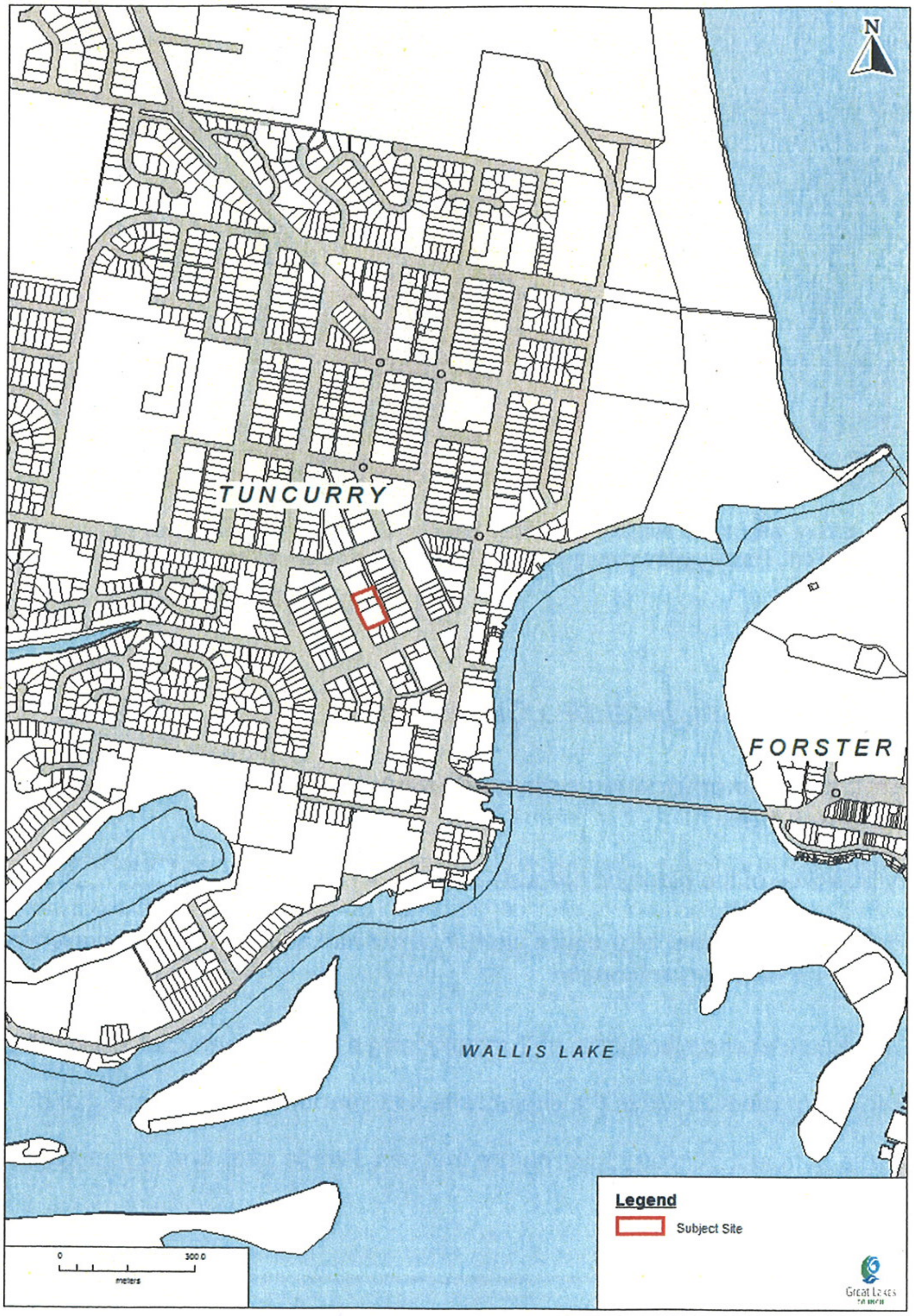

Figure 1 Locality Map (Tuncurry, NSW)

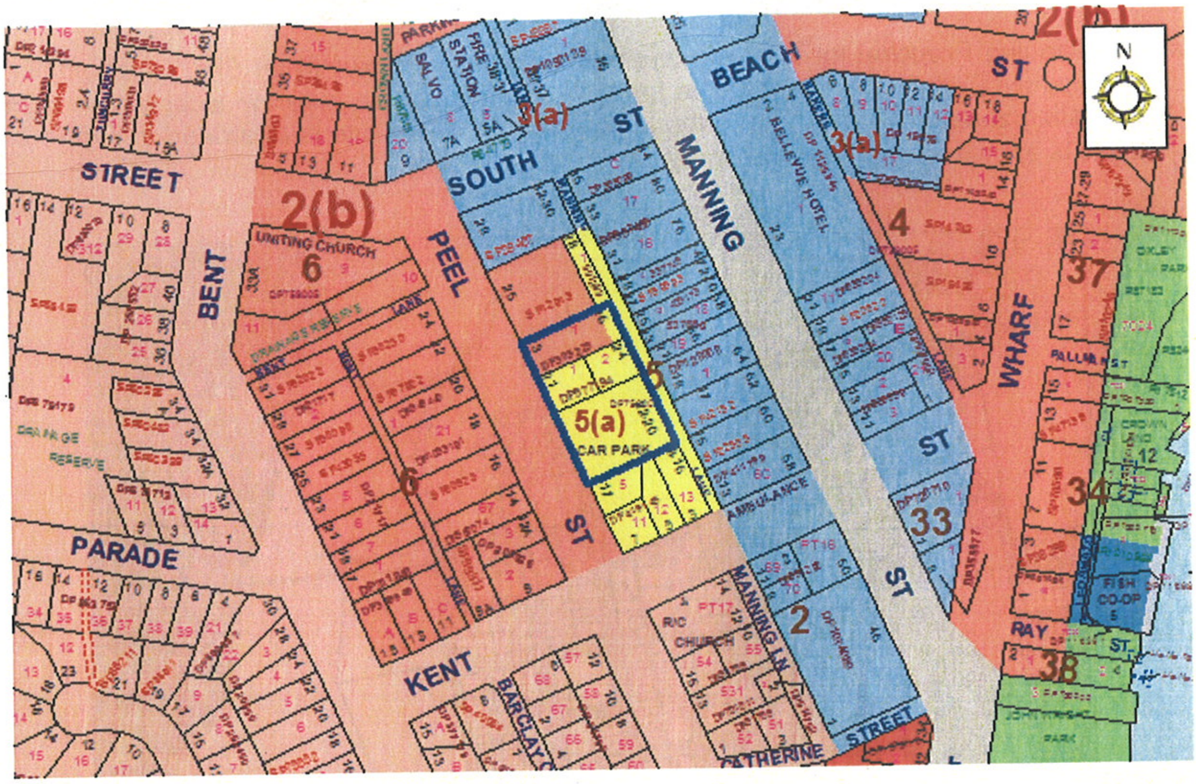

Figure 2 Current zoning of subject site (5(a) Special Uses and 2(b) Medium Density Residential); the adjacent Tuncurry town centre (3(a) General Business) and surrounding areas.

PART 1 - OBJECTIVES OR INTENDED OUTCOMES

- **A statement of the objectives or intended outcomes of the proposed local environmental plan**

The primary objective of the planning proposal is:

To facilitate the establishment of a major anchor supermarket within the Tuncurry town centre in order to achieve the following outcomes:

* reinforce future economic viability of Tuncurry from a retail/commercial standpoint;
* promote urban renewal within the subject site and surrounding businesses; and
* maintain a compact Tuncurry town centre that has diverse retail and commercial focus.

PART 2 - EXPLANATION OF PROVISIONS

- **An explanation of the provisions that are to be included in the proposed local environmental plan**

Amendment of the Great Lakes Council LEP 1996 in accordance with the proposed zoning map shown at Annexure '1'.

This outcome will be achieved by:

- Expanding the existing *3(a) General Business Zone* to include adjoining land that is relatively unconstrained and well-positioned for a major supermarket development;
- Lodging a corresponding development application to proceed concurrently with the rezoning process.

Combining the planning proposal with a concurrent development application offers the best means of achieving the intended outcomes for the subject land in a timely manner.

PART 3 - JUSTIFICATION

Section A - Need for the planning proposal.

1 Is the planning proposal a result of any strategic study or report?

The future role of the Tuncurry CBD has been examined in two key strategic documents, namely:

i) Forster Tuncurry Employment Land Implementation Strategy (2009)
ii) Urban Design & Density Review - Forster/Tuncurry & Tea Gardens/Hawks Nest (2008)

Copies of these documents are submitted with the planning proposal (Refer Annexure C & D). Further discussion of these documents is provided below.

Forster Tuncurry Employment Land Implementation Strategy (2009)

The above Strategy was adopted by Council in November 2009 and makes the following recommendations in relation to the Tuncurry CBD:

'In order to support the economic performance of Tuncurry and its ability to meet the needs of local residents we believe that the Manning Street Tuncurry centre should be the main focus for employment growth.' (This recommendation is supported by a number of factors detailed in the Strategy.)

'We believe the centre should have a diverse retail and commercial focus providing opportunities for professional businesses, services, IT, tourist and government agencies to operate. ..... The commercial focus of the Manning Street Tuncurry Centre should be supported by its growth as a retail centre providing a range of grocery goods and services required by not only local residents but also a component for tourists. '

The Strategy further states:

'Of particular importance to the strength of the centre will be its ability to attract a second anchor store (such as a major supermarket tenant or discount department store) to the centre or the extension of the existing anchor tenant.'

The strategy indicates that the potential for large scale development (say for a supermarket or anchor store) is significantly restricted in the centre owing to the high level of site fragmentation. It suggests Council examine the viability for development on the existing Council owned lots designated as 5(a) Special Uses at the junction of Kent Street and Peel Streets. This site is the subject of this planning proposal.

Urban Design & Density Review (UDDR) - Forster/Tuncurry & Tea Gardens/Hawks Nest (2008)

The above study, which was adopted by Council in July 2008, identifies the following strategies as part of the future vision for Tuncurry CBD:

'Tuncurry CBD

Manning Street is to be reconfigured with public domain improvements including footpath widening at intersections, avenue tree planting and consolidation of its built form. It will remain the primary traffic link from the north. Land uses include commercial at lower levels and residential and commercial at upper levels. Street level businesses will tend to be those who benefit from a high level of exposure to passing traffic and are not compromised by traffic noise.

Building heights in the area will permit upper level water views south and west to Wallis Lake and east to Cape Hawke Harbour and the Pacific Ocean. ***It is hoped the CBD will include one or two "anchor" retailers such as a supermarket.***

The requirements for side setbacks for residential units will mean that few buildings will reach the full permitted height & buildings will vary in height according to the site size; however the unifying element of the three-storey podium will establish a height datum along Manning Street that will visually calm the environment. This unifying height will give the street a formal and regular character although individual buildings will differ in width, material and expression.

Careful consideration will be given to the design of the rear lane address of buildings in the centre. The lanes have an important service function, providing for car park access, deliveries and garbage collection. The vision for Tuncurry as a living centre requires that the lanes remain comfortable and interesting places to walk. Building setbacks and greening will help to improve this environment and establishing some commercial activity on the lane will make these interesting spaces in the town.

There is no strong architectural precedent currently in the town for mixed use and town centre buildings of the form that will develop. The appropriate architecture of the centre will be contemporary coastal buildings. The selection of materials and construction detail will be of high quality and robust. Care will be taken to use high quality and well-detailed materials and construction, especially in the parts of the buildings that are the closest to the public domain.

The type of buildings and their architecture will reflect the rising status of Tuncurry as a prosperous and growing coastal town.'

At the time of preparation of the UDDR, draft LEP provisions were also developed which identified the following initiatives for Tuncurry's CBD:

* Note: Zones from Standard Instrument Principal Local Environmental Plan (NSW Department of Planning)

The provisions for the nominated SP2 Infrastructure zone were drafted as follows (Standard Principle Instrument LEP zone table provisions in black text, proposed additional provisions in blue text):

Zone SP2 Infrastructure

1 Objectives of zone

- *To provide for infrastructure and related uses.*
- *To prevent development that is not compatible with or may detract from the provision of the infrastructure.*
- *To provide for a complementary range of land uses that do not affect the purpose for which it is zoned.*

2 Permitted without consent

Nil

3 Permitted with consent

The purpose shown on the Land Zoning Map, including any development that is ordinarily incidental or ancillary to development for that purpose; Roads

4 Prohibited

Any other development not specified in item 2 or 3.

The intention for this zone was to permit the construction of a commercial or mixed use development in association with any car park constructed on the site.

The provisions for the surrounding business and mixed use zones were drafted as follows (Standard Principle Instrument LEP zone table provisions in black text, proposed additional provisions in blue text):

Zone B2 Local Centre

1 Objectives of zone

- *To provide a range of retail, business, entertainment and community uses which 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.*
- *To enable residential or other similar development which is within the same building as, or on the same allotment of land as, shops, business premises of any other non-residential use which:*
  - *do not adversely impact on traffic movements in the locality; and*
  - *could reasonably be expected to service existing or identified future trade area populations; and*
  - *are of a scale and type compatible with the amenity of any surrounding residential area.*
- *To encourage higher intensity residential uses that promote the vitality of the centre and make best use of existing infrastructure which is unlikely to significantly prejudice the supply of retail or commercial floorspace.*
- *To encourage opportunities to create a vibrant and pleasant public domain.*

2 Permitted without consent

Home occupation

3 Permitted with consent

Child care centres; Community facilities; Educational establishments; Entertainment facilities; Function centres; Information and education facilities; Office premises; Passenger transport facilities; Recreation facilities (indoor); Registered clubs; Retail premises; Roads; Service stations; Shop top housing; Tourist and visitor accommodation

Advertisements; Advertising structures; Amusement centres; Business premises; Car parks; Food and drink premises; Home businesses; Home occupation (sex services); Hospitals; Kiosks; Markets; Medical centres; Mixed use developments; Places of public worship; Pubs; Public administration buildings;

Restaurants; Restricted premises; Serviced apartments; Sex services premises; Signage; Take away food and drink premises; Telecommunications facilities; Utility installations

4 Prohibited

Any other development not specified in item 2 or 3.

Zone B4 Mixed Use

1 Objectives of zone

- *To provide a mixture of compatible land uses.*
- *To integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling.*
- *To enable the development of a diverse and compatible range of non-residential uses which:*
  - *do not adversely impact on traffic movements in the locality; and*
  - *could reasonably be expected to service existing or identified future trade area populations; and*
  - *o support the viability of the established commercial centre; and*
  - *are of a scale and type compatible with the amenity of any surrounding residential area.*
- *To encourage increased population levels in locations which will support the viability of the local centres, where any new development:*
  - *has regard to the existing environmental and the desired future urban character of the each locality; and*
  - *does not significantly detract from the amenity of the locality.*
- *To enable residential or other similar development which is unlikely to significantly prejudice the supply of retail or commercial floorspace.*

2 Permitted without consent

Home occupation

3 Permitted with consent

Boarding houses; Child care centres; Community facilities; Educational establishments; Entertainment facilities; Function centres; Hotel accommodation; Information and education facilities; Multi dwelling housing; Office premises; Passenger transport facilities; Recreation facilities (indoor); Registered clubs; Residential flat buildings; Retail premises; Roads; Seniors housing
Advertisements; Advertising structures; Backpacker's accommodation; Business premises; Car parks; Funeral homes; Health consulting rooms; Home business; Home occupation (sex services); Kiosks; Markets; Medical centres; Place of public worship; Pubs; Public administration buildings; Restaurants; Restricted premises; Serviced apartments; Sex service premises; Shop top housing; Signage; Take away food premises; Telecommunications facilities; Utility installations

4 Prohibited

Any other development not specified in item 2 or 3.

In summary, the planning proposal to rezone the nominated land to 3(a) General Business is consistent with: the existing provisions of the Lakes Local Environmental Plan 1996; the existing 3(a) zone over the Tuncurry CBD; and the overall intent of the adopted draft LEP provisions above.

The provisions of the 3(a) General Business zone in Great Lakes Local Environment Plan 1996 are as follows:

Zone No 3 (a) (General Business Zone)

1 What are the objectives of the zone?

The objectives of the zone are:

(a) Objective (a) to enable the development of a range of retail and commercial uses which:
(i) do not adversely impact on traffic movements in the locality, and
(ii) could reasonably be expected to service existing or identified future trade area populations, and
(iii) are of a scale and type compatible with the amenity of any surrounding residential area, and

(b) Objective (b) to enable residential or other similar development which:

(i) is within the same building as, or on the same allotment of land as, shops, commercial premises or any other non-residential use, or
(ii) is unlikely to significantly prejudice the supply of retail and commercial floorspace within contiguous land zoned 3 (a) or other nearby areas zoned 3 (a).

2 What is permitted without development consent?
Nil.

3 What is permitted only with development consent?
Any development not included in Item 4.

4 What is prohibited?
Development for the purpose of:
camping grounds or caravan parks; dwelling-houses; industries (other than light industries); institutions; material recycling yards; vehicle body repair workshops; warehouses.

2 Is the planning proposal the best means of achieving the objectives or intended outcomes or is there a better way?

The planning proposal as submitted is the most effective and efficient way of achieving the project aims, in particular the revitalisation of the Tuncurry CBD, through the provision of a major anchor supermarket. The proposal nominates the concurrent rezoning of the subject land and lodgement of a development application in order to achieve a timely development outcome for the community and business centre.

Council is not nominated on the Department of Planning's list of priority Council's for the development of a comprehensive LEP and as such, the planning proposal will effectively progress as a single issue LEP amendment.

The current zoning of the subject land does not facilitate the establishment of an anchor supermarket on the site, and previous economic investigations have firmly established that land ownership/fragmentation within the CBD would preclude any alternative means of progressing such a project within the desired timeframes.

3 Is there a net community benefit?

A Net Community Benefit Test for the Tuncurry Supermarket Site has been conducted and is attached to the planning proposal (refer Annexure D).

In summary, the analysis concludes the following:

'The Planning Proposal and any associated development of the Subject Site will necessitate the relocation of existing residential tenants, the acquisition of one residential property and the relocation of the Homebase Youth Services. This is a potential cost of the proposal as it has the potential to disturb the amenity and convenience of existing residents, employees and youth who access the services. These impacts could be managed however, should Council commit to proactively engage with existing users of the Subject Site. Furthermore the impacts could be mitigated through Council's commitment to work to relocate affected parties to equally suitable premises in an efficient manner that reduces disturbances to service provision and lifestyle.

The draft Centres Policy clarifies that "a net community benefit arises where the sum of all benefits of a development or rezoning outweigh the sum of all costs"[1]. Bearing this definition in mind, in comparison to the base case and in light of the potential costs, the Planning Proposal is likely to:

- *Enhance retail choice and competition to the benefit of consumer pricing and health;*
- *Enhance investment within Tuncurry Town Centre with flow on economic benefits for existing and prospective complementary businesses within the centre;*
- *Enhance the appeal of the centre to shoppers and encourage urban renewal;*
- *Generate between 61 and 73 job years in construction and between 53 and 68 full time equivalent jobs upon operation;*
- *Have wider economic multiplier benefits including the generation of between $29m and $34m of wider activity and between 230 and 276 construction related job years;*
- *Reduce the need to travel by unsustainable means such as private car and enhance opportunities for local residents to walk to a broader range of retail options;*
- *Make efficient use of existing centre infrastructure and assist in reducing the need for road and bridge related infrastructure across the Forster – Tuncurry locality; and*
- *Support the objectives of the Forester – Tuncurry Employment Land Implementation Strategy 2009 and the Mid North Coast Regional Strategy.*

On balance the Planning Proposal is considered likely to have a strong benefit for the wider Tuncurry community and is therefore considered favourably within the public interest.'

Section B - Relationship to strategic planning framework

4 Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy (including exhibited draft strategies)?

The proposed rezoning is consistent with the relevant aims and planning principles of the Mid North Coast Regional Strategy as:

'The Regional Strategy will guide sustainable development of the Mid North Coast Region over the next 25 years. It aims to:

- *Ensure an adequate supply of land exists to support economic growth and the capacity for an additional 48 500 jobs in the Region by* ***protecting existing commercial and employment areas and securing sufficient land to support new employment opportunities.***
- *Encourage the growth and redevelopment of the Region's four major regional centres and six major towns as a means of protecting sensitive coastal and natural environments and* ***strengthening the economic and administrative functions of these centres*** *as well as meeting increased housing density targets. '*

'When preparing local growth management strategies councils will be required to identify the growth areas for their centres, towns and villages using the following settlement planning principles:

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[1] Page 24, Draft Centres Policy, NSW Department of Planning

- ***The four major regional centres will be promoted as the focus of settlement, employment and regional services.***
- ***Major towns will provide major local services, as well as outreach centres for the provision of regional services.***
- ***Potential opportunities for the growth in retail and commercial capacity of these centres are to be identified.'***

'Neighbourhood planning principles

- *A range of land uses to provide the right mix of houses, jobs, open space, recreational space and green space.*
- ***Easy access (including public transport where viable) to major centres with a full range of shops, recreational facilities and services along with smaller village centres and neighbourhood shops.***
- ***Jobs available locally and regionally, reducing travel times and the demand for transport services.'***

In summary, the proposed rezoning will achieve the aims and planning principles of the Mid North Coast Regional Strategy by:

- reinforcing future economic viability of Tuncurry from a retail/commercial standpoint;
- promoting urban renewal within the subject site and surrounding businesses; and
- maintaining a compact Tuncurry town centre that has diverse retail and commercial focus.

5 Is the planning proposal consistent with the local council's Community Strategic Plan, or other local strategic plan?

The planning proposal is consistent with the adopted strategies outlined above, and Council's draft Great Lakes 2030 (Community Strategic Plan), which specifically states:

Community Vision Statement
Creating a legacy for our future by sustaining our unique environment through clever development, quality lifestyle and appropriate infrastructure and services.

Key Direction: Planning for balance
The Great Lakes community recognises that its population will increase over the next 20 years. In fact, the community acknowledges that increased population – both permanent residents and tourists – is vital to achieving the critical mass needed for the development and maintenance of key services such as education, health and diversity of employment.

However, increases in population, additional development and a greater influx of tourists need to be balanced with the provision of appropriate services and infrastructure, community facilities and opportunity for residents to continue to enjoy their existing lifestyle.

The challenges we face

- *Diversifying the business mix across the Great Lakes and attracting new business to the area*
- *Attracting business to locate within the Great Lakes to increase the supply of job opportunities*

Long term strategies

- *We will build on our economic development strategies to identify the type of businesses needed in Great Lakes and consider incentives for encouraging the right type of businesses to relocate*

6 Is the planning proposal consistent with applicable environmental planning policies?

Dependant upon the final form and composition of development on the nominated land, the SEPPs that are potentially relevant to the proposed rezoning include:

- SEPP (Infrastructure) 2007
- SEPP (Major Development) 2005
- SEPP No.1 - Development Standards
- SEPP No.22 - Shops and Commercial Premises
- SEPP No.32 - Urban Consolidation (Redevelopment of Urban Land)
- SEPP No.6 - Number of Storeys in a Building
- SEPP No.64 - Advertising and Signage
- SEPP No.71 - Coastal Protection.

The planning proposal to rezone the land is consistent with all relevant SEPPs.

7 Is the planning proposal consistent with applicable Ministerial Directions (s.117 directions)?

The planning proposal is consistent with the following section 117 Directions (as currently applicable):

- ***Direction No. 1.1 Business and Industrial Zones*** – proposed rezoning is consistent with the objectives and relevant requirements of this direction;

- ***Direction No. 2.2 Coastal Protection*** – consistent with the strategic directions contained in the NSW Coastal Policy and with the following Coastal Design Guidelines' objectives in 2.1 Defining the Footprint and Boundary, namely;
  - maximise the use of existing services and infrastructure; and
  - revitalise existing urban centres by concentrating new development to support them.

- ***Direction No. 3.4 Integrating Land Use and Transport*** – the proposed rezoning is consistent with the relevant planning objectives and principles of this for trip-generating development direction; and

- ***Direction No. 5.1 - Implementation of Regional Strategies*** – the proposed rezoning complies with this Direction as it assists in implementing the Mid North Coast Regional Strategy (refer to discussion in Section B(4) above). Importantly, the proposal is consistent with the following principles:
  - It will avoid **fragmentation and out-of-town centre retailing** in order to maintain a compact and viable commercial/retail centre in Tuncurry.
  - Opportunities for commercial centres are to be **identified in a local strategy and study**, local environmental plans and development control plans (p27).

- The large supermarket development facilitated by the proposed rezoning will be located **within the boundaries of the Tuncurry town centre**, thus reinforcing the commercial/retail role that the centre will play in Tuncurry's future growth.

The planning proposal is inconsistent with the following section 117 Direction (as applicable during most recent exhibition):

- ***Direction 4.3 Flood Prone Land -*** the planning proposal is inconsistent with the direction in that it proposes the rezoning of flood prone land from Special Use Zone to a Business Zone. Council shall seek approval of the Director-General for this justifiable inconsistency on the grounds that:
  - the provisions of the planning proposal that are inconsistent are of minor significance (refer to discussion in Section C(9) below).

Section C - Environmental, social and economic impact.

8 Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

The proposed rezoning will not cause a significant impact upon threatened species, populations and endangered ecological communities.

9 Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

Traffic Impacts and Vehicular and Pedestrian Access

The proposed rezoning is located within an existing CBD and as such will make extensive use of linked trips. This will reduce the amount of traffic generated into the subject area.

Vehicle access to the site will be via Manning Street (State Road network) and South Street (collector road) and onto Peel Street (local road). The existing traffic signals at Manning Street / South Street intersection have sufficient capacity to cater for the additional traffic growth and provide a safe and appropriate access point onto the State road network. Impacts on other locations in the area have been identified as part of Council's S94 plan and any development would be required to make a contribution to works identified as part of the plan.

The site is serviced by local and regional public transport. An existing bus stop for local bus services is located on the street frontage of the subject site and it is expected that a significant proportion of people visiting the zone will come via public transport.

Pedestrian connections to the other parts of the CBD are catered for by the existing signalised (pelican) pedestrian crossing on Manning Street and by the traffic signals at Manning Street / South Street intersection.

The local cycleway network provides access to streets adjoining the subject site (Manning Street and South Street), and any development will be conditioned to provide a link into the existing cycleway network. Cycle parking as per Council's DCP would also be required for any development.

The proposed rezoning can be supported from a traffic impact perspective and will not adversely impact on the existing and future road network subject to appropriate conditioning of any development on the site.

Flooding

The subject site is affected by flooding however only to a minor extent. The land may require some minor landform modification to ensure the development is undertaken in accordance with the S117 Directions i.e. *Flood Plain Development Manual* (2005) including the *'Guideline on Development Condition Controls on Low Flood Risk Areas'*. The effects of any landform modification are not expected to extend beyond the boundaries of the nominated site. The site is bound by Council roads and land nominated for car parking and the one adjoining residential property is not expected to be affected. More detailed studies shall be undertaken during the preparation of the development application to establish the extent of filling that may be required.

10 How has the planning proposal adequately addressed any social and economic effects?

These effects are addressed in section 3 above ('net community benefit'). The Net Community Benefits analysis states that '... *in comparison to the base case and in light of the potential costs, the Planning Proposal is likely to:*

- *Enhance retail choice and competition to the benefit of consumer pricing and health;*
- *Enhance investment within Tuncurry Town Centre with flow on economic benefits for existing and prospective complementary businesses within the centre;*
- *Enhance the appeal of the centre to shoppers and encourage urban renewal;*
- *Generate between 61 and 73 job years in construction and between 53 and 68 full time equivalent jobs upon operation;*
- *Have wider economic multiplier benefits including the generation of between $29m and $34m of wider activity and between 230 and 276 construction related job years;*
- *Reduce the need to travel by unsustainable means such as private car and enhance opportunities for local residents to walk to a broader range of retail options;*
- *Make efficient use of existing centre infrastructure and assist in reducing the need for road and bridge related infrastructure across the Forster – Tuncurry locality; and*
- *Support the objectives of the Forester – Tuncurry Employment Land Implementation Strategy 2009 and the Mid North Coast Regional Strategy.*

On balance the Planning Proposal is considered likely to have a strong benefit for the wider Tuncurry community and is therefore considered favourably within the public interest.'

Section D - State and Commonwealth interests.

11 Is there adequate public infrastructure for the planning proposal?

Road Network

Access to the site is via an existing signalised intersection at Manning Street / South Street, which has sufficient capacity to cater for the increased in traffic volumes. Other impacts on the local road network will be funded via the collection of S94 contributions payable as part of any development on site. As such, the surrounding road network is adequate for this rezoning.

Bus Network

There is an existing bus network in the Tuncurry area with a bus route passing the subject site. There is an existing bus stop on Peel Street fronting the site. The site is located within 200 metres of a regional / local bus stop. As such, the existing bus network is adequate for this rezoning.

Waste, Water & Sewerage

Sufficient services are available to the subject land and are provided as part of the existing infrastructure to the existing Tuncurry CBD.

12 What are the views of State and Commonwealth public authorities consulted in accordance with the gateway determination?

All relevant public authorities shall be consulted as part of the gateway process. These agencies will be consulted following the gateway determination process and any issues not previously dealt with in this planning proposal will be summarized and addressed.

PART 4 - COMMUNITY CONSULTATION

Details of the community consultation that is to be undertaken on the planning proposal.

The following community consultation is proposed in accordance with the provisions of the Environmental Planning and Assessment Act 1979 and Regulations 2000:

- The Planning Proposal and supporting information shall be placed on public exhibition for a minimum of 28 days;
- Affected land owners, business operators, the Chamber of Commerce and any other relevant local groups and organisations shall be notified of the public exhibition and invited to comment;
- All relevant public authorities shall be notified and invited to comment;
- Should Council consider it appropriate a public meeting and public information sessions would also be scheduled during the public exhibition period;
- Following public exhibition those individuals, groups and public authorities that have made a written submission shall be invited to make oral presentations to Council at the time that their submissions are considered;

- Should the Minister for Planning make the proposed LEP, those individuals, groups and public authorities that have made a written submission shall be notified.

CONCLUSION

This Planning Proposal seeks to facilitate the establishment of a major anchor supermarket within the Tuncurry town centre in order to achieve the following outcomes:

- reinforce future economic viability of Tuncurry from a retail/commercial standpoint;
- promote urban renewal within the subject site and surrounding businesses; and
- maintain a compact Tuncurry town centre that has diverse retail and commercial focus.

These outcomes will be achieved by:

- Expanding the existing 3(a) General Business Zone to include adjoining land that is relatively unconstrained and well-positioned for a major supermarket development;
- Lodging a corresponding development application to proceed concurrently with the rezoning process.

The proposal is consistent with the relevant Regional and Local strategic plans for the site and surrounding areas, namely the

- *Mid-North Coast Regional Strategy (2009);*
- *Forster / Tuncurry Employment Land Implementation Strategy (2009);* and
- *Urban Design and Density for Forster/Tuncurry and Tea Gardens/Hawks Nest (2008).*

More detailed studies and investigations will be undertaken as part of the development application to be lodged concurrently with the "Gateway LEP" process. This is the most efficient course of action because it will enable the public to comment on a comprehensive planning proposal and development package for the subject site.

ANNEXURES

Annex A

Map indicating proposed rezoning

SOUTH
BEACH
ST
MANNING
PEEL
ST
KENT
ST
CATHERINE
STREET
AMBULANCE
BELLEVUE HOTEL
CAR PARK
DP305223
DP577194
DP759005
R/C
CHURCH
T.A.F.E.SCHOOL
FIRE
STATION
SALVO
Legend
Proposed 3(a) General Business
meters

Annex B

Forster Tuncurry Employment Land Implementation Strategy (2009)

(Note: This document has been provided on the attached CD as a paper conservation measure.)

Annex C

Urban Design & Density Review - Forster/Tuncurry & Tea Gardens/Hawks Nest (2008)

(Note: This document has been provided on the attached CD as a paper conservation measure.)

Annex D

Net Community Benefit Test for Tuncurry Supermarket Site

(Prepared by HillPDA Consultants on behalf of Great Lakes Council, July 2010)

NET COMMUNITY BENEFIT TEST FOR TUNCURRY SUPERMARKET SITE

The following report provides a Net Community Benefit Test (NCBT) of the Planning Proposal prepared by Great Lakes Council (the Council) to rezone land collectively referred to as the Tuncurry Supermarket Site (hereafter referred to as the Subject Site). The draft Centres Policy, prepared by the NSW Department of Planning (DoP), identifies the need for a NCBT to be undertaken and to accompany a planning proposal to rezone land for retail purposes.

In order to assess whether the proposal has a net community benefit, or otherwise, we have had regard to the costs and benefits that have a net impact on community welfare (i.e. welfare effects). We have not had regard to impacts that transfer benefits and costs between individuals and businesses in the community as they do not have a net community effect. Accordingly we have considered the potential economic and social implications of the Planning Proposal as follows:

1. The social and economic implications of relocating existing uses occupying the Subject Site;
2. The social and economic merits for consumers of enhancing retail choice and competition;
3. The economic and social implications of stimulating investment and urban renewal within Tuncurry Town Centre;
4. The generation of jobs through the construction and operation of the supermarket;
5. The flow on economic multiplier effects of construction and investment;
6. The social and environmental impacts of improving retail choice in Tuncurry thereby enhancing accessibility and reducing the need to travel by private vehicle; and
7. Any likely costs or savings to infrastructure provision and upgrades.

Base Case

By way of background, Hill PDA prepared the Forster Tuncurry Employment Lands Implementation Strategy (the Strategy) which was adopted by Council in November 2009. The Strategy was informed by a detailed survey of existing retail floorspace within the Forster-Tuncurry locality and estimated existing and forecast retail demand to determine floorspace supply compared to demand. The Strategy identified that owing to anticipated population growth within Forster - Tuncurry by 2031 an additional 22,500sqm of retail floorspace would be required to meet the needs of the community.

Tuncurry Town Centre is located along Manning Street (predominantly between Lake Street to the north and Catherine Street to the south). The centre is presently underperforming with a high level of vacancy (17% of shopfront space as of 2008) and only one anchor tenant (a 1,780sqm Bi-Lo Supermarket).

In light of its current state, the Strategy prioritised the provision of retail floorspace, and particularly a second retail anchor (such as a supermarket) in Tuncurry Centre to *"provide a greater range of goods to residents in Tuncurry"* and to *"enhance its economic viability and support its growth into a Town Centre"*. The reinforcement and growth of Tuncurry as a centre was identified as particularly important in light of its proximity to the Tuncurry Crown Lands and the potential development of over 300ha of residential land, a business park and aged care facilities[2].

The potential for a large scale development (say for a supermarket or anchor store) is significantly restricted however in Tuncurry Town Centre owing to the high level of site fragmentation. Fragmented site ownership substantially extends the prospective timescale of a development, increases costs and risks often rendering investment unattractive and / or unviable. For these reasons we have assumed that a full line supermarket would not be developed within the existing area zoned for business purposes in the centre.

Accordingly the base case for this assessment has been identified as the do nothing option or the retention of the existing zone on the Subject Site and its uses.

The Subject Site

The Subject Site is located on the corner of Kent Street and Peel Street, Tuncurry. The Subject Site is zoned 5(a) Special Uses and 2(b) Medium Density Residential.

The Planning Proposal

The Planning Proposal seeks an amendment to the Great Lakes Local Environmental Plan (LEP) 1996 to facilitate the expansion of the 3(a) General Business Zone to include the northern portion of the Subject Site. It is intended that a development application will be lodged concurrently with the rezoning process.

The rezoning is proposed to enable the construction of a full line supermarket of between 2,500 and 3,200sqm. Associated with the supermarket will be the reprovision of existing car parking and enhanced pedestrian access to Manning Street.

Existing uses and Infrastructure

The Subject Site presently comprises of five buildings in addition to a public car park providing 58 spaces. Four of the five buildings are presently owned by Great Lakes Council of which three are privately rented.

One of Council's four buildings is tenanted by 'Homebase Youth Services'. The organisation forms part of the Great Lakes Community Resource (GLCR) and in part uses the building as a commercial office employing five part and full time staff. The building also acts as a drop in centre for youth and provides a range of youth services dependant on funding. (This building is located on land that would be required for car parking and does not require rezoning).

This Service plays an important role in supporting the youth of the local community. Should the Planning Proposal and Development Application be successful, it will be of social importance to ensure the relocation of the existing services to an alternative, yet suitable location within Tuncurry. It is recommended that Council works with the Service to agree an appropriate new location. An alternative location should be accessible to the local youth and any closure of the

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[2] Great Lakes Employment Land Study 2006

Service's office or reduction to the services offered during relocation should be minimised in order to reduce any potential adverse impacts to local youth.

The fifth property located on the Subject Site is a private dwelling house. We understand that Council is presently negotiating with the property owner to purchase the property. Should the Planning Proposal be approved we also understand that Council will use all reasonable endeavours to acquire the property through negotiated purchase. Should this not be successful, it may be necessary to acquire the property through compulsory purchase. Should this be required, the acquisition will be undertaken in accordance with the terms of the Land Acquisition (Just Terms Compensation) Act 1991. This property is also located on the portion of the Subject Site that would be used for car parking and does not require rezoning.

Price Competition and Retail Choice

Tuncurry Town Centre presently provides one 1,780sqm supermarket and approximately 300sqm of grocery store space. As a result, to conduct weekly or fortnightly grocery shopping for the full range of grocery and household related goods, residents of Tuncurry must either travel to the Breese Parade Centre or outside of the Great Lakes LGA to Taree.

Whilst the Breese Parade Centre is only located approximately 5km by road from Tuncurry, travel to the centre can be undesirable and timely owing to traffic congestion on and around the Wallis Lake Bridge, particularly in summer periods. Alternatively residents are required to travel a 34km distance to main line supermarkets in Taree (a 68km roundtrip).

We contend that the current level and nature of retail provision in Tuncurry Town Centre reduces opportunities for retail choice, price comparison and competition for the residents of Tuncurry.

Research shows that the price of grocery goods in recent years has increased at a significantly greater rate (an estimated 6%[3]) than the headline Australian inflation rate. Furthermore the growth of grocery prices shows no present signs of abatement. This is a particular matter of social concern as Australian consumers are particularly sensitive to the cost of grocery items with between 12% and 14% of their after tax household incomes[4] being spent per annum on basic grocery items.

Some research on the topic suggests that inflated grocery prices are a result of the anti competitive retail and urban planning environment in Australia. It has been argued that as a result of restrictive planning laws, consumers are paying up to 18% more for basic food items and up to 28% more for household products[5].

One of the key barriers to the provision of additional retail facilities, and therefore enhanced competition, is the availability of sites of a suitable scale and zone within existing centres. To address this issue, the DoP prepared and released for consultation the draft Centres Policy in April 2009. Principle 4 of the draft Centres Policy is particularly relevant to this NCBT as it states that:

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[3] Urbis Retail Perspectives, June 2009

[4] Based on Household Expenditure Survey (ABS cat.no. 6530.0) and Census of Population and Housing (ABS cat. No. 2003.0) data

[5] Professor Allan Fels, Dr Stephen Beare and Stephanie Szakiel, Choice Free Zone, Urban taskforce and Concept Economics

"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" (Page ii).

At a local level the draft policy also states that *"in their comprehensive local environmental plans, councils should identify large areas of land in existing centres, and zone these areas to permit a range of uses."*[6] The same policy identifies the important role the planning system should play in proactively working with businesses and local communities to regulate the location and scale of sites required to accommodate market demand in a way that balances economic, social and environmental objectives.

In light of these principles, Great Lakes Council is proactively seeking to rezone additional land within Tuncurry Town Centre (the Subject Site) to facilitate the provision of a second supermarket. The proposed development would also provide the only full line supermarket within Tuncurry Town Centre which would inturn enhance the range and product choice of goods locally. A full line supermarket would not only provide additional product types but also provide a greater range of fresh food goods such as fruit and vegetables, bakery, deli and seafood items. A wider range and choice of goods will also have positive health benefits.

Furthermore the central location of the Subject Site within Tuncurry Centre would allow for shoppers to compare products, prices and services conveniently. This effect is in keeping with the principles of the draft Centres Policy that recognises that:

"competition between businesses is the most effective means of delivering efficient, customer – focused goods and services. Greater competition, with more operators in the market, creates incentives for businesses to seek the most efficient methods of production and produce goods and services that customers want. This should result in greater choice and higher quality and cheaper goods and services for consumers."

In light of the above, we believe that the Planning Proposal would provide a suitable site for enhanced retail provision in the Town Centre. The provision of a large site would help to eliminate challenges associated with inflated land prices and site fragmentation reducing the market power of existing landlords and tenants in the Forster – Tuncurry area. This would in turn enhance price competition and retail choice thus having a net community benefit.

<u>Urban Renewal and Stimulus for Centre Growth</u>

Whilst Tuncurry Town Centre is conveniently located at the entrance or gateway to the Forster – Tuncurry locality by road, the centre suffers from a high level of shopfront vacancy and lacks the appeal of alternative centres in the locality. This effect is largely a result of the draw of trade to other centres (such as Breese Parade) owing to the strength of retail offer including a Woolworths (4,200sqm), Coles Supermarket (4,000sqm), a Kmart (5,800sqm), Target Country (1,500sqm), Aldi (1,500sqm) and a Bunnings Warehouse (8,000sqm).

The provision of a full line supermarket within Tuncurry Town Centre will not only enhance retail choice and competition for local consumers, but retain household, tourist and employee related expenditure within Tuncurry. The retention of expenditure would be to the benefit of the local economy and the viability of the centre.

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[6] Page ii Draft Centres Policy, NSW Department of Planning

The development and operation of a full line supermarket within Tuncurry Town Centre would also have flow on benefits to complementary retail such as newsagents, clothing stores and cafes as shoppers combine their supermarket shopping with shopping for additional goods and services. In this way many existing and prospective businesses within the centre would enjoy spin off economic benefits from the Planning Proposal.

It is important to note that not all businesses will directly benefit from the Planning Proposal and the provision of a new full line supermarket. Some competing businesses (such as the existing Bi-Lo) would have their turnover affected. As outlined in the draft Centres Policy however, unless there is a clear public policy case for doing so, *"The merit assessment process should not take into consideration the likely competition impact of a new entrant on any existing retail and commercial premises"*[7]. Furthermore the draft Policy asserts that any NCBT should only evaluate the external costs and benefits of a proposal and not the private benefits or costs[8].

The development of a full line supermarket within Tuncurry Town Centre would also be viewed as a strong positive commitment to the local area. It is frequently found that major investments of this nature in turn stimulate and attract further investment to the immediate area and wider regions.

In economic terms the value of this stimulus is often difficult to directly quantify and the effects are often not realised for many years after facilities and infrastructure have been built and are operational. Nevertheless investment in a Town Centre of this scale and quality will help to raise the profile of Tuncurry Town Centre as a place to not only shop in but invest in.

As a minimum the development and operation of a new supermarket within Tuncurry Town Centre is likely to reduce the existing level of shopfront vacancy thereby enhancing the visual appeal of the centre and objectives for urban renewal. It is also likely to increase the number of people visiting the centre hence levels of activity and vitality. These factors will inturn increase the appeal of the centre to a broader market and the potential success of urban renewal objectives.

Job Generation

Investment and development that generates employment in Forster Tuncurry not only supports local and regional policy objectives[9] but enhances opportunities and the well being of local residents.

By way of background, unemployment levels in Forster – Tuncurry have been traditionally high in comparison to the NSW average at 10.3% as of 2006 (compared to 5.9% for NSW in the same year)[10]. Employment opportunities are also heavily dependant on the tourist season and many jobs generated are either part time or casual or for the summer months only. This reduces household incomes and employment certainty thereby enhancing social stress to the detriment of health and well being.

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[7] Page 28 Draft Centres Policy – NSW DoP

[8] Page 25 Draft Centres Policy – NSW DoP

[9] Mid North Coast Regional Strategy

[10] ABS Census 2006

The proposed rezoning and redevelopment of the Subject Site would generate employment opportunities in two ways – through construction works and through the operation of the supermarket.

Starting with the construction works, it is estimated that one full time construction position for 12 months is created for every $165,247 of construction work undertaken. It is understood that the development of a supermarket and associated car parking on the site would have a construction cost of between $10m and $12m. Based on these estimated costs, approximately 61 to 73 job construction years (or 61jobs for 1 year each) will be directly generated.

The operation of a supermarket also generates a range of retail related employment opportunities. The ABS Retail Survey estimates that one Full Time Equivalent job is generated for every 47sqm of retail floorspace. This yield is likely to be higher for supermarket stores however taking this conservative approach we estimate that between 53 and 68 Full Time Equivalent jobs will be generated by the supermarket.

The generation of a range of construction and ongoing retail related jobs by the Planning Proposal is considered a net community benefit.

Economic Multipliers

The construction industry is a significant component of the economy accounting for 6.6% of Gross Domestic Product (GDP) and employing almost 14.6% of the workforce at March 2003. The industry has strong linkages with other sectors, so its impacts on the economy go further than the direct contribution of construction. Multipliers refer to the level of additional economic activity generated by a source industry.

There are two types of multipliers:

- production induced: which is made up of:
  - first round effect: which is all outputs and employment required to produce the inputs for construction; and
  - an industrial support effect: which is the induced extra output and employment from all industries to support the production of the first round effect; and
- consumption induced: which relates to the demand for additional goods and services due to increased spending by the wage and salary earners across all industries arising from employment

We source our multipliers from the ABS and Australian National Accounts: Input-Output Tables 1996-97 (ABS Catalogue 5209.0). These tables identify first round effects, industrial support effects and consumption induced multiplier effects at rates of $0.466, $0.438 and $0.962 respectively to every dollar of construction.

Therefore as shown in the table below, the estimated $10-12m cost in construction translates into a further $9m -11m activity in production induced effects and $10m -12m in consumption induced effects. Total economic activity generated by the construction of the proposed development is therefore approximately $29-34m.

Table 1 - Construction Costs Multipliers

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Output multipliers	1	0.466	0.438	0.962	2.866
Output ($million)	$10 - 12	$5 - $6	$4 - $5	$10 - 12	$29 - 34

The 1996-97 ANA Input-Output Tables identified employment multipliers for first round, industrial support and consumption induced effects of 0.33, 0.45 and 2.33 respectively for every job year in direct construction. We adjusted these multipliers to March 2003 using the building price index. The adjusted multipliers are provided in the following table.

Table 2 - Construction Employment Multipliers

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Multipliers	1	0.33	0.45	2.33	4.11
Employment No. per $million	5.59	1.84	2.52	13.02	22.97
Total job years created	56 - 67	18 -22	25 - 30	130-156	230-276

Data Sources: Australian National Accounts: Input-Output Tables 1996-97 (5209.0), Price Index of the Output of the Building Industry - Producer Price Indexes (6427.0), CPI All Groups - RBA Bulletin (Table G2)

As shown above, for every $1 million in construction cost, a total of 22.97 job years could be generated in the economy. The proposed development as a whole could generate between 230 and 276 job years.

Note that the multiplier effects are national, and not necessarily local. At this stage it is not possible to clarify where the materials are being sourced or the labour in order to better define the geographic region in which the multipliers will apply. The ABS notes that *"Care is needed in interpreting multiplier effects; their theoretical basis produces estimates which somewhat overstate the actual impacts in terms of output and employment. Nevertheless, the estimates illustrate the high flow-on effects of construction activity to the rest of the economy. Clearly, through its multipliers, construction activity has a high impact on the economy."*

<u>Enhancing Access and Reducing Car Usage</u>

Owing to the limited retail offer presently provided in Tuncurry Town Centre, as described above, as a minimum Tuncurry residents are required to travel across the Wallis Lake Bridge to the Breese Parade Centre to undertake their main grocery and household shopping. With respect to accessibility and sustainability, this predicament has adverse social and economic implications as:

1. It adds to congestion along the Wallis Lake Bridge which already suffers from delays (particularly during peak tourism periods) and enhances risk of accidents;
2. It adds to the generation of greenhouse gas emissions by increasing the necessary distance of travel (particularly to Taree LGA);
3. It is inequitable as it increases the cost of undertaking shopping owing to petrol prices; and
4. It reduces the accessibility of retail to the community and increases dependency on public transport, particularly for residents who do not have a car, or are unable to drive. This is a particular consideration for communities such as Tuncurry that have an ageing and less affluent population comparative to other areas in NSW.

The Planning Proposal would facilitate the provision of a supermarket within Tuncurry Town Centre thereby reducing the need to travel by car and enhancing opportunities to access a range of supermarket related goods by walking. Subject to design, the Planning Proposal may also enhance opportunities for accessibility across the centre through improved pedestrian linkages and site lines, particularly to parking opportunities.

Infrastructure Costs

The Subject Site is located within an existing town centre and therefore would make efficient use of an existing brownfield site and established public infrastructure. This is in keeping with State Government objectives.

Owing to the location of the Subject Site, it would also reduce the need to travel from Tuncurry to Forster for retail goods and may therefore ease the burden on existing infrastructure such as roads. Whilst some travel may be attracted from Forster to the new supermarket, given the highly competitive retail offer already operating in Forster, it is likely that this trade draw will be modest.

In turn the proposal could also reduce the need for, or cost of, upgrades to infrastructure such as the Wallis Lake Bridge as well as the need for public transport or community bus services to centres such as Breese Parade.

As the Subject Site presently provides a public car park, there will be some temporary adverse impacts to the availability of parking spaces in Tuncurry Town Centre. These impacts will only however be for the duration of construction. Upon completion of works, new parking facilities would be provided on the Subject Site so that there would be no net loss of parking within the Town Centre.

We understand that at this preliminary stage, no additional infrastructure costs or impacts have been identified.

Conclusion

The Planning Proposal and any associated development of the Subject Site will necessitate the relocation of existing residential tenants, the acquisition of one residential property and the relocation of the Homebase Youth Services. This is a potential cost of the proposal as it has the potential to disturb the amenity and convenience of existing residents, employees and youth who access the services. These impacts could be managed however should Council commit to proactively engage with existing users of the Subject Site. Furthermore the impacts could be mitigated through Council's commitment to work to relocate affected parties to equally suitable premises in an efficient manner that reduces disturbances to service provision and lifestyle.

The draft Centres Policy clarifies that *"a net community benefit arises where the sum of all benefits of a development or rezoning outweigh the sum of all costs"*[11]. Bearing this definition in mind, in comparison to the base case and in light of the potential costs, the Planning Proposal is likely to:

- Enhance retail choice and competition to the benefit of consumer pricing and health;
- Enhance investment within Tuncurry Town Centre with flow on economic benefits for existing and prospective complementary businesses within the centre;
- Enhance the appeal of the centre to shoppers and encourage urban renewal;
- Generate between 61 and 73 job years in construction and between 53 and 68 full time equivalent jobs upon operation;
- Have wider economic multiplier benefits including the generation of between $29m and $34m of wider activity and between 230 and 276 construction related job years;
- Reduce the need to travel by unsustainable means such as private car and enhance opportunities for local residents to walk to a broader range of retail options;
- Make efficient use of existing centre infrastructure and assist in reducing the need for road and bridge related infrastructure across the Forster - Tuncurry locality; and
- Support the objectives of the Forester - Tuncurry Employment Land Implementation Strategy 2009 and the Mid North Coast Regional Strategy.

On balance the Planning Proposal is considered likely to have a strong benefit for the wider Tuncurry community and is therefore considered favourably within the public interest.

[11] Page 24, Draft Centres Policy, NSW Department of Planning