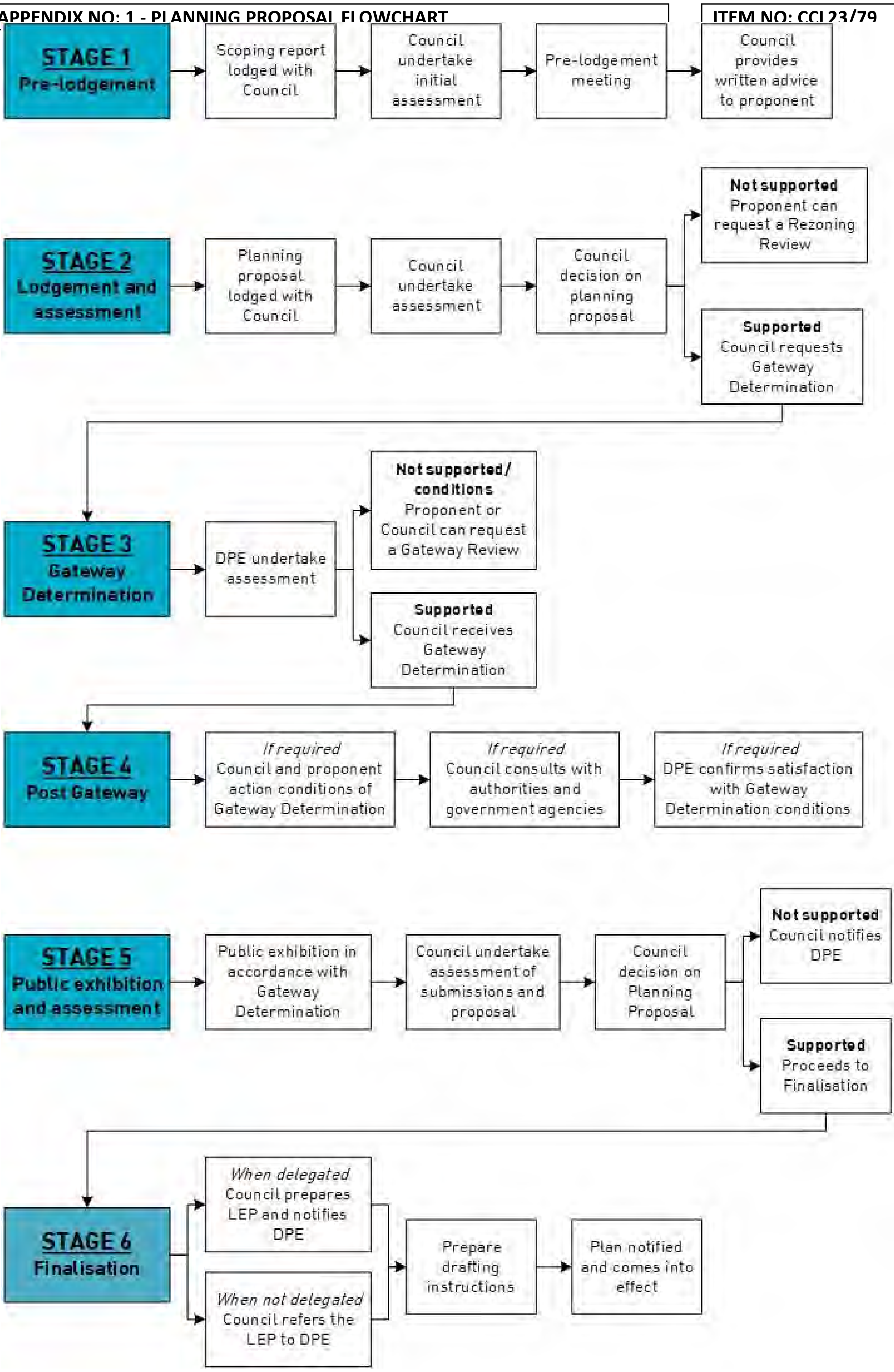
CCL23/79 Planning Proposal R22-006 - 13L Narromine Road Dubbo - Proposed Amendments to Land Use Zones


STAGE 1
Pre-lodgement
Scoping report lodged with Council
Council undertake initial assessment
Pre-lodgement meeting
Council provides written advice to proponent
STAGE 2
Lodgement and assessment
Planning proposal lodged with Council
Council undertake assessment
Council decision on planning proposal
Not supported
Proponent can request a Rezoning Review
Supported
Council requests Gateway Determination
STAGE 3
Gateway Determination
DPE undertake assessment
Not supported/ conditions
Proponent or Council can request a Gateway Review
Supported
Council receives Gateway Determination
STAGE 4
Post Gateway
If required
Council and proponent action conditions of Gateway Determination
If required
Council consults with authorities and government agencies
If required
DPE confirms satisfaction with Gateway Determination conditions
STAGE 5
Public exhibition and assessment
Public exhibition in accordance with Gateway Determination
Council undertake assessment of submissions and proposal
Council decision on Planning Proposal
Not supported
Council notifies DPE
Supported
Proceeds to Finalisation
STAGE 6
Finalisation
When delegated
Council prepares LEP and notifies DPE
When not delegated
Council refers the LEP to DPE
Prepare drafting instructions
Plan notified and comes into effect

planning
consulting
strategy

PLANNING PROPOSAL

Amendments to Dubbo Regional LEP 2022 – Employment Lands Precinct at 13L Narromine Road Dubbo

ABN 39 585 269 237
A Level 10, 70 Pitt Street, Sydney NSW 2000 P GPO Box 5013, Sydney NSW 2001
T (02) 9249 4100 F (02) 9249 4111 E info@glnplanning.com.au
glnplanning.com.au

Planning Proposal

Amendments to Dubbo Regional LEP 2022 – Employment Lands Precinct at 13L Narromine Road Dubbo

Prepared for

The Bathla Group

By

ABN 39 585 262 237
A Level 10, 70 Pitt Street, Sydney 2000 P GPO Box 5013, Sydney NSW 2001
T (02) 9249 4100 F (02) 2949 4111 E info@glnplanning.com.au

ABN 39 585 262 237
A Level 10, 70 Pitt Street, Sydney 2000 P GPO Box 5013, Sydney NSW 2001
T (02) 9249 4100 F (02) 2949 4111 E info@glnplanning.com.au

Acknowledgement of Country

GLN Planning Pty Ltd. respectfully acknowledges the Traditional Custodians of Country throughout Australia and recognises and respects their continuing cultural heritage, beliefs and connection to land, sea and community. We pay our respects to their Elders past, present and emerging. This land always was and always will be traditional Aboriginal Land.

PIA Registered Planner — Planning Institute Australia

Date of final issue:	6 September 2022
File Path:	C:\Users\PipHyde\GLN Planning Dropbox\Pip Hyde\Public\Projects\Active\11666 13L Narromine Road Dubbo\Planning Proposals\Planning Proposal IN1 to B5 and B2\PP-Industrial to E1 Local shops and E3 Productivity Support (Draft PH).docx
Project Manager:	Peter Lawrence
Client:	The Bathla Group
Project Number:	11666

Document History and Status

Version	Issue To	Qty	Date	Prepared by	Reviewed by
V1 Draft	The Bathla Group	1-e	28/7/22	Z.Wilson	P.Lawrence
V2 Final	Council	1-e	6/9/22		P.Lawrence

Table of Contents

Tables

Figures

Appendices

Executive Summary

This Planning Proposal seeks to amend Dubbo Regional Local Environmental Plan 2022 (LEP) to change the existing zoning of Proposed Lot 221 in the subdivision of Lot 22 DP 1038924 at the northern end of 13L Narromine Road, Dubbo from IN2 Light Industrial to part B2 Local Centre and part B5 Business Development. It is noted that these zone names are expected to change to E1 Local Centre and E3 Productivity Support, respectively, as part of the Employment Zone Reforms recently exhibited by the Department of Planning and Environment (DPE).

The existing industrial land within Proposed Lot 221 has an area of approximately 66ha. It adjoins the TAFE site to the east and future sports field site to the south both zoned RU2 Rural Landscapes. Land immediately west is zoned IN2 Light Industrial.

The rezoning will give effect to Council's *Employment Lands Strategy* and *Local Strategic Planning Statement* to rezone the land for Business Development and additionally incorporates a proposal for a Local Centre to service the local area including the adjoining residential release.

Aside from addressing the strategic framework to support the Planning Proposal, this report has also been informed by a number of technical studies that address the physical and urban capability of the land as well as demand for the facility in its proposed location as follows:

- Urban Design and Master Plan prepared by Sitios
- Traffic Impact Assessment prepared by Amber Traffic and Transport
- Ecological Assessment prepared by Lodge Enviro
- Bushfire Assessment prepared by Building Code and Bushfire Hazard Solutions
- Water Cycle management, subdivision design and service es prepared by Makers Engineering
- Geotechnical and Contamination prepared by Geotesta
- Aboriginal Archaeology Investigation prepared by Apex Archaeology
- Preliminary Market Potential for retail and supporting non retail floorspace prepared by Location IQ

Introduction

Background

This Planning Proposal seeks to amend Dubbo Regional Local Environmental Plan 2022 (**LEP**) to apply a B2 Local Centre Zone and B5 Business Development Zone within Proposed Lot 221 in the subdivision of Lot 22 DP 1038924 at the northern part of 13L Narromine Road, Dubbo. The land is currently zoned IN2 Light Industrial and has an area of approximately 66ha. This Planning Proposal has been prepared by GLN Planning for the Bathla Group (**Bathla**) as a proponent initiated Planning Proposal for submission to Dubbo Regional Council.

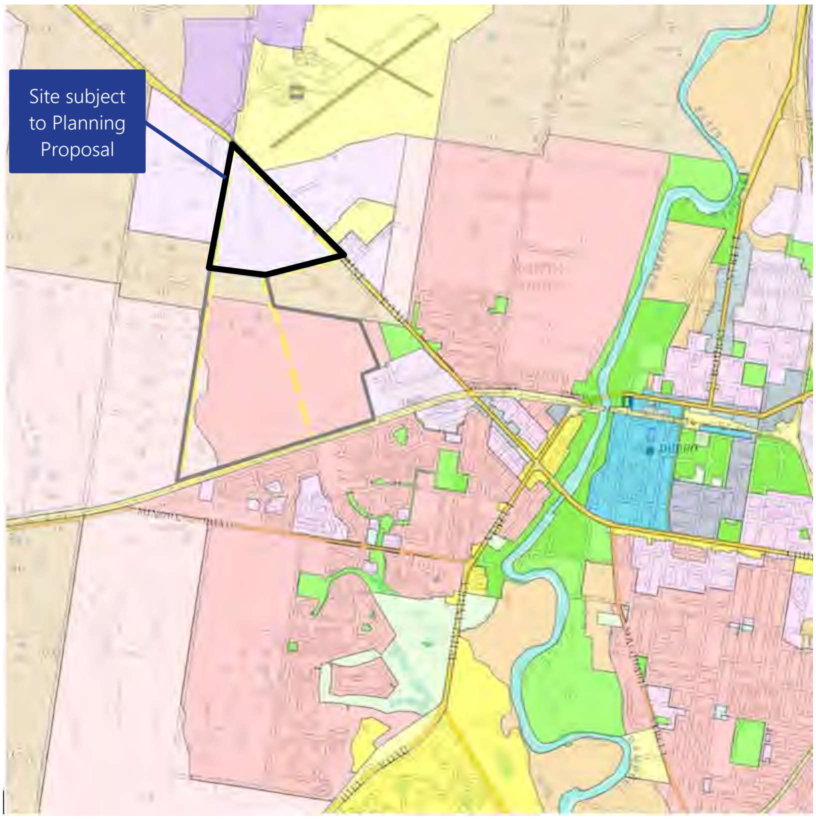
The rezoning will give effect to Council's Employment Lands Strategy to rezone the land for Business Development and to incorporate a proposal for a Local Centre to service the local area including the adjoining residential release being developed by Bathla. While this Planning Proposal references the existing B2 Local Centre and B5 Business Development zones, it is noted that these zone names are expected to change to E1 Local Centre and E3 Productivity Support, respectively, as part of the Employment Zone Reforms recently exhibited by the Department of Planning and Environment (DPE).

Bathla has secured an interest in approximately 272ha of land off Narromine and Jannali Roads in Dubbo. The parcel includes land currently zoned IN2 Light Industrial, RU2 Rural Landscape, R5 Large Lot Residential and R2 Low Density Residential under the LEP. The ultimate delivery of the various parts of the land will be subject to a Structure Plan which anticipates Planning Proposals and Development Applications which give effect to Council's Planning Strategies as well as support best practice planning for the future residential release. The Planning Proposals and applications to be lodged with Dubbo Regional Council for this land include:

- This Planning Proposal to rezone Proposed Lot 22 from IN2 Light Industrial to B2 Local Centre and B5 Business Development Zones (As outlined in this Planning Proposal)
- A Planning Proposal to rezone an area of R2 Low Density Residential to permit smaller and more diverse housing in a small precinct well located to the district park, shops, TAFE and potential future school site
- A Planning Proposal for minor adjustment between the R2 Low Density Residential and R5 Large Lot Residential Zone to align with the future arterial road boundary
- A Development Application for subdivision of the land zoned IN2 Light Industrial (ie Proposed Lot 22) into superlots that could also serve a future Business Development and Local Centre Zoning including provision of roads and drainage
- A Development Application for the Stage 1 residential subdivision of the R2 Low Density Residential Zone including parts of the arterial and sub arterial works and local park
- Development Applications for subsequent stages including sports fields, local parks and extensions of roads as required.

Site Description and Context

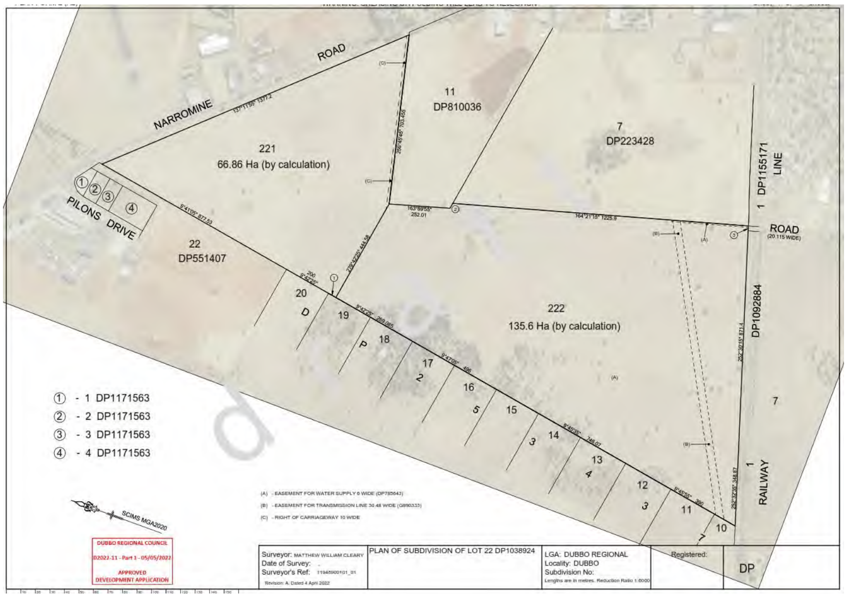
The site comprises all the land in Proposed Lot 221 in the subdivision of Lot 22 DP 1038924 at the northern part of 13L Narromine Road, Dubbo. The land is located approximately 3 kilometres from the centre of Dubbo and is part of a larger area zoned IN2 Light Industry along Narromine Road. It adjoins the TAFE site to the east and future sports field site to the south, both of which are zoned RU2 Rural Landscapes. Dubbo Airport is located to the northwest. See **Figure 1**.



Source – ePlanning Spatial Viewer

Figure 1 Site Location and Zoning (PP site shown black and rest of Bathla land grey)

Proposed Lot 221 was approved as part of Development Consent D2022-11 granted on 5 May 2022 to separate the triangular shaped existing industrial land of some 66ha from the remainder of 13L Narromine Road and adjoining Bathla parcel. The bulk of this 180ha release will be progressively delivered as part of the adjoining Stage 4 South West District forming part of the West Dubbo Urban Release Area. See **Figure 2** for the approved subdivision.



Source – ePlanning Spatial Viewer

Figure 2 **Approved Subdivision Plan showing the triangular Proposed Lot 221**

Topographically the land is relatively flat with drainage from the southeast corner being conveyed toward the north west corner at Narromine Road. The site comprises grassland and there are no existing trees on site.

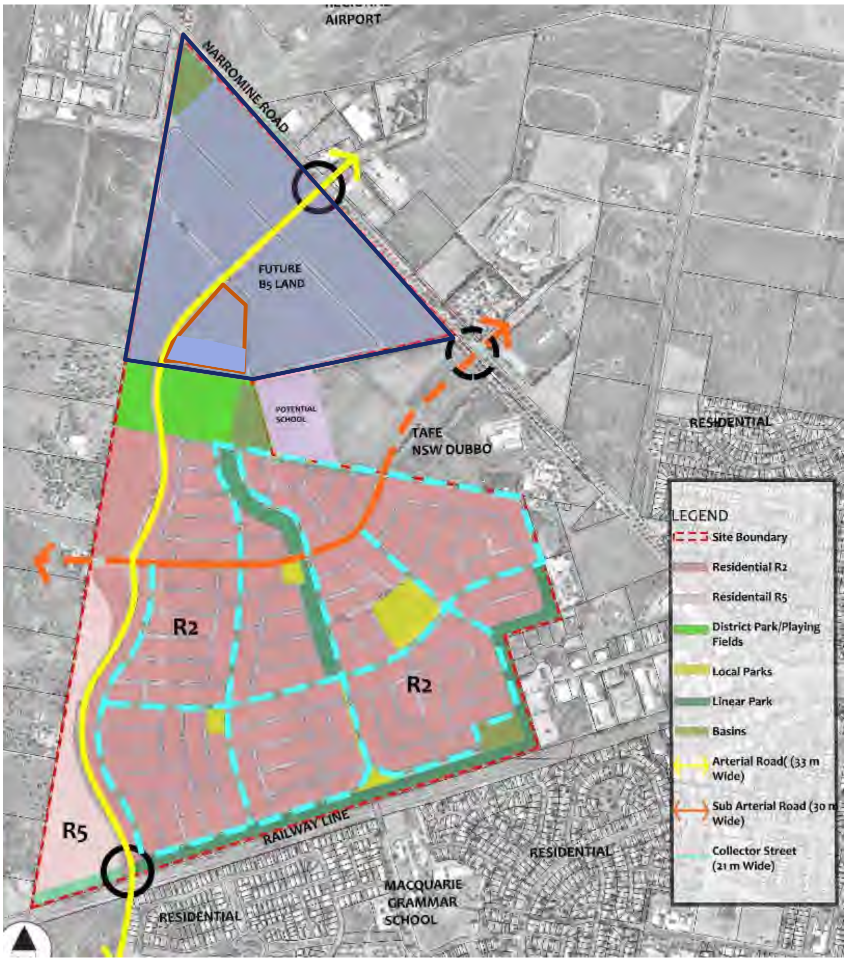
The biodiversity values of the grassland are discussed later in **Part 3** of this report.

Background to the Planning Proposal Submission

Bathla has secured a significant parcel which will create a new urban area including both residential development and employment land uses. Council's Transport Strategy has earmarked future strategic roads that will traverse from a new crossing at the rali line through the site as a means to have traffic to bypass the Dubbo Centre. The extension of this road through the industrial land to Narromine Road is likely to be the predominant route to Narromine Road. These strategic roads require connections through a large number of other parcels in Dubbo meaning the full completion of these roads may be some decades away.

Council's Employment Lands Strategy and Local Strategic Planning Statement look at the opportunity for land that now comprises Proposed Lot 221 be considered for a Business Development Zone to provide land for bulky goods and other complementary uses. The Planning Proposal will progress this initiative.

The Structure Plan at **Figure 3** also provides for the urban release of land to the south of the existing IN2 Light Industrial Zone including a new district sports field adjacent to the TAFE site (which also has potential for a future school site) and precinct for smaller lots housing. Good planning for a more connected and resilient release would typically also seek to provide local shops and group these with other key infrastructure and densities to support the use.



Source – Sitios

Figure 3 Structure Plan (Proposed Lot 221 shown black with Local Centre Site brown)

The Location IQ identifies the land adjacent to the sports fields and adjacent to the arterial road as a suitable site for the retail shops, particularly given the timeframe for the completion of other roads connection that will provide alternative points of access from the release.

The Planning Proposal intends to secure these outcomes.

Planning Proposal Requirements and Process

The DPE's *Local Environmental Plan Making Guideline* (2021) outlines the steps in progressing a Planning Proposal through to finalisation as summarised in **Table 1.**

Table 1 Steps in progressing a Planning Proposal

No	Step	Explanation
1	Pre-lodgement	Early analysis of the development potential of the relevant land including key environmental or site constraints, review of the strategic planning framework, obtaining advice and consultation with authorities and government agencies and identification of study requirements to underpin a planning proposal.
2	Planning Proposal	Where the planning proposal has been initiated by a proponent, council is to review and assess the planning proposal and decide whether to support and submit it to the Department for a Gateway determination.
3	Gateway Determination	Department assesses the strategic and site-specific merit of a planning proposal and issues a Gateway determination specifying if the planning proposal should proceed and whether consultation with authorities and government agencies is required
4	Post Gateway	Actioning Gateway determination conditions PPA reviews the Gateway determination and actions any required conditions prior to public exhibition.
5	Public Exhibition and Assessment	Consultation with the community, key authorities and government agencies (as required). Review of the planning proposal to address conditions of Gateway determination and submissions.
6	Finalisation	Final assessment of the planning proposal and if supported, preparation of the draft LEP, review and finalisation. Once finalised, the LEP may be made, notified and come into effect.

A formal Pre- Lodgement Meeting on 11 August 2022 identified additional work to be addressed as part of the economic analysis by Location IQ and combining the reports for the B2 and B5 assessments into the one report. This work has been carried out and supports this planning Proposal.

This Planning Proposal has been prepared having regard in key planning strategies and documents.

A planning proposal must include the following components (Section 3.33(2) of the Environmental Planning and Assessment Act):

- Part 1 – Objectives and intended outcomes – a statement of the objectives of the proposed LEP
- Part 2 – Explanation of provisions – an explanation of the provisions that are to be included in the proposed LEP
- Part 3 – Justification of strategic and site-specific merit – justification of strategic and potential site-specific merit, outcomes, and the process for implementation
- Part 4 – Maps – maps, where relevant, to identify the effect of the planning proposal and the area to which it applies

- Part 5 – Community consultation – details of the community consultation that is to be undertaken on the planning proposal
- Part 6 – Project timeline – project timeline to detail the anticipated timeframe for the LEP making process in accordance with the benchmarks in this guideline

The following sections address this structure.

Part 1 – Objectives of the Planning Proposal

This section provides a clear and concise description of the planning proposal written in plain English as follows:

Objective

The objective of this Planning Proposal is to amend Dubbo Regional Local Environmental Plan 2022 for land comprising Proposed Lot 221 in the subdivision of Lot 22 DP 1038924 at the northern part of 13L Narromine Road, Dubbo. The Planning Proposal will rezone the land from IN2 Light Industry to part B5 Business Support (approximately 64ha) and part B2 Local Centre (approximately 2ha).

Note; The Department of Planning and Environment has recently exhibited foreshadowed changes to the references for the existing B2 Local Centre and B5 Business Development zones to E1 Local Centre and E3 Productivity Support, respectively, as part of the Employment Zone Reforms

Intended outcomes

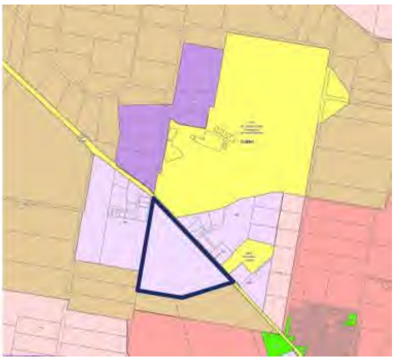
- To zone land to B5 to meet the long term demand for a mix of business, warehouse and specialised retail premises that require a large floor area to meet the projected undersupply of this floorspace to service Dubbo's future residential development in the west.
- To zone land to B2 to enable convenience local shops located close to the adjacent to sports field and potential new school site that will service the future residential release areas and surrounding industrial areas.

Part 2 – Explanation of Provisions

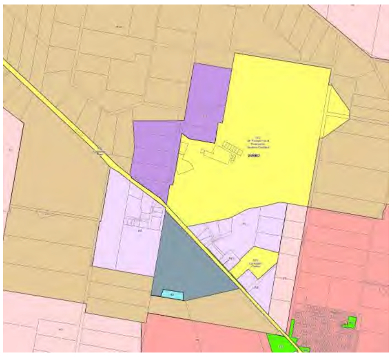
This section provides a detailed statement of how the objectives or intended outcomes will be achieved by amending an existing LEP.

Intended Provisions

The objectives can be achieved by amending the Land Zoning Map (Tile LZN_001A) for Dubbo Regional LEP 2022 to show the land part B5 Business Development and part B2 Local Centre as shown in the map extracts below (**Figure 4**).

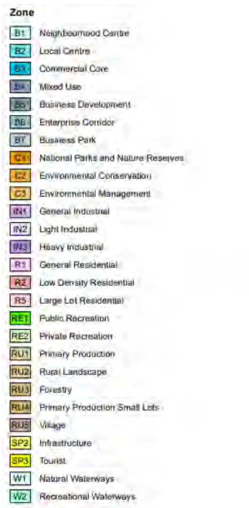


Existing IN2 Light Industrial Zoning



Proposed B5 and B2 Zones

Figure 4 Existing and proposed land use zoning



No other provisions of the LEP require amendment.

Part 3 – Justification

This section provides a detailed assessment of the proposal's strategic and site-specific merit to determine whether the planning proposal should be supported.

The following sections discuss the considerations in the Department's Local Environmental Plan Making Guidelines for determining strategic merit.

Section A – need for the planning proposal

Is the planning proposal a result of an endorsed LSPS, strategic study or report?

Yes, the Planning Proposal is consistent with the Dubbo Regional Council Employment Lands Strategy and LSPS.

The Dubbo Regional Council Employment Lands Strategy 2018 identifies the site of the Planning Proposal within the "Airport Precinct". In respect to this area and in particular the Planning Proposal Site the Study provides the flowing recommendation (extracted from page 60):

> *Dubbo's employment lands have largely focused towards Dubbo's east being where the majority of residential development has occurred over the last 20 years. However, with a projected undersupply of commercial floorspace and the future of Dubbo's residential development moving to the west, a commercial land supply should be considered in West Dubbo to meet demand over the long term.*
>
> *The B5 zone allows a variety of permissible uses which would support and service the West Dubbo population catchment, nearby industrial zones and Dubbo City Regional Airport. The B5 Business Development zone is flexible in allowing a mixture of large format commercial uses including bulky goods, warehouse and distribution centres as well as a range of light industrial uses including industrial training facilities, freight transport and passenger, transport and truck depots. This provides a good mixture of uses given its location to a major highway and the airport which is the subject of major government related emergency services facilities.*
>
> *Analysis in Part 2 of this report has shown that to meet the required industrial land supply demand in 2031, 53 to 80 hectares of industrial zoned land should be available for development. As there is currently 724 hectares of vacant/undeveloped industrial zoned land within the former Dubbo City Council area, there is an ample supply of industrial zoned land available to cater for future demand.*
>
> *It is desirable for bulky goods uses to be consolidated and clustered together into defined areas. The land as shown below, is therefore considered suitable as it provides one large parcel rather than creating several smaller pieces of land. This rezoning would also have minimal impact on the supply of industrial zoned land or jobs, particularly noting that the current Dubbo Local Environmental Plan 2011 permits several light industrial uses within the B5 Business Development zone.*
>
> *Prior to the rezoning of this land, an Economic Impact Assessment should be undertaken to ensure its impact on the employment land hierarchy is not significantly impacted.*

Existing IN2 Light Industrial
Recommended B5 Business Development

An Economic Assessment has been prepared by Location IQ and is discussed later in this Section.

The Dubbo Local Strategic Planning Statement (LSPS) was adopted by Council on 22 June 2020, providing a 20-year vision for land use planning for Dubbo and Wellington. The LSPS adopts the findings by the Employment Lands Strategy in Planning Priority 8 – *Ensure supply of employment generating land*, where Action 8.1 seeks to *Implement and progress the recommendations as contained within the Employment Lands Strategy 2019*.

While that part of the Planning Proposal that seeks to implement a B5 Business Development Zone is supported by the Employment Lands Strategy and LSPS, the proposal is to incorporate a B2 Local Centre Zone that was not specifically referenced in these documents. This is despite this part of the release being remote from other local centres and that the Development Control Plan required for urban release areas are to address measures to accommodate and control appropriate neighbourhood commercial and retail uses, and encourage higher density living around transport, open space and service nodes,

The land to the south of the Planning Proposal site is a substantial urban release and is primarily zoned as R2 Low Residential. It is noted from Precinct Map 3: Neighbourhood Centres on page 39 of the Employment Lands Strategy that the land is not well located to other local shop offerings, even after the planned future road connections to the south and east are delivered. The release is of a size that can support a local shopping centre. An important part of release area planning is to ensure the future community is well connected with access to a range of infrastructure including open space, community facilities and retail offering. Urban releases that actively plan for these outcomes are more resilient and less car dependent.

The location of the local shops within this employment lands precinct benefits from close access to the section of arterial road through the site and entry to the residential areas, while overlooking the future open space. The allocations of land for a local centre within the employment precinct and its adjacency to the Open Space at the northern end of the adjoining residential release, integrates compatible uses and minimises land use conflicts. Additionally, it does not undermine the employment function associated with the Employment Precinct and appropriately acknowledges the role this section of road will play as the sole entry to the residential subdivision in the short to medium term until completion of the connecting road infrastructure.

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

The changes included in this Planning Proposal are the most appropriate and best means of achieving the objectives and intended outcomes. The proposed amendments require changes to the Land Zoning Map to provide the necessary permissible uses that will enable a successful local centre and new commercial floor space under the business development zoning.

Section B – relationship to the strategic planning process

Will the planning proposal give effect to the objectives and actions of the applicable regional or district plan or strategy (including any exhibited draft plans or strategies)?

Yes, the Planning Proposal is consistent with the Draft Central West and Orana Regional Plan 2041.

Objective 12 the Draft Central West and Orana Regional Plan 2041 addresses Prosperity, productivity and innovation; Leverage existing industries and employment areas and support new and innovative economic enterprises

The objectives encourage councils to review their employment lands to identify opportunities, rationalise existing zones and develop appropriate planning controls as part of ongoing strategic and statutory work.

As noted in Council's Employment Lands Strategy:

> *to meet the required industrial land supply demand in 2031, 53 to 80 hectares of industrial zoned land should be available for development. As there is currently 724 hectares of vacant/undeveloped industrial zoned land within the former Dubbo City Council area, there is an ample supply of industrial zoned land available to cater for future demand* (p60).

The oversupply of industrial land in this existing employment precinct prompted Council to review this site based on:

> *with a projected undersupply of commercial floorspace and the future of Dubbo's residential development moving to the west, a commercial land supply should be considered in West Dubbo to meet demand over the long term.*

Council selected the Planning Proposal site in its Employment Strategy noting that:

> *This rezoning would also have minimal impact on the supply of industrial zoned land or jobs, particularly noting that the current Dubbo Local Environmental Plan 2011 permits several light industrial uses within the B5 Business Development zone.* p60)

Strategy 12.1 of the Draft Central West and Orana Regional Plan 2041 encourages Council's to use strategic planning and local plans to identify local and subregional specialisations and respond to future changes in industry to allow a transition to new opportunities. The Location IQ report submitted with this Planning Proposal provides an economic assessment support the land use changes as proposed.

The incorporation of the B2 Local Centre Zoning into this area is consistent with collocating physical and social infrastructure that will support future residential releases and community resilience.

Is the planning proposal consistent with a council LSPS that has been endorsed by the Planning Secretary or GSC, or another endorsed local strategy or strategic plan?

Yes, see discussion in Section 5.1.1.

Is the planning proposal consistent with any other applicable State and regional studies or strategies?

The Planning Proposal is broadly consistent with Future Transport Strategy 2056 which seeks greater consideration of providing social and physical infrastructure required by future residents in releases without relying on cars. The co-location of this infrastructure as proposed in the Structure Plan enable good active transport links and location for public transport.

Is the planning proposal consistent with applicable SEPPs?

The Planning Proposal has been reviewed against the provisions of relevant State Environmental Planning Policies (SEPPs) to confirm the outcomes would be consistent and not compromise future applications once rezoned.

Table 2 Assessment against relevant SEPPs

SEPP Title	Comment
State Environmental Planning Policy (Biodiversity and Conservation) 2021	The Planning Proposal does not include any provisions which impede operation of this SEPP over the subject land.
Ch 2 Vegetation in non-rural areas	This chapter is applicable to the existing Industrial Land and future B5 Business Development and B2 Local Centre Zones. Part of the land contains an endangered ecological community which may exceed the biodiversity offsets scheme threshold. This is a small part of the land which would apply whether or not the Planning Proposal proceeds. It is proposed to prepare a BDAR required at the Development Application Stage to enable biodiversity offsets if required.
Ch 6 Bushland in urban areas	Not Applicable as there are no identified areas
State Environmental Planning Policy (Resilience and Hazards) 2021	The Planning Proposal does not include any provisions which impede operation of this SEPP over the subject land.
Ch 4 Remediation of land	Preliminary Investigations identify minor potential for contaminants associated with the former agricultural use of the land, but nothing that would prevent the proposed land use.
State Environmental Planning Policy (Transport and Infrastructure) 2021	The Planning Proposal does not include any provisions which impede operation of this SEPP over the subject land.
Ch 2 Infrastructure	The Mitchell Highway (Narromine Road) is a classified road Any development with frontage to a classified road must consider safe access to and operation of the classified road. Development listed in Schedule 2 to be assessed as Traffic Generating Development.

SEPP Title	Comment
	These provisions would apply to the future development of the land whether under the existing or proposed zoning.
State Environmental Planning Policy (Exempt and Complying Development Codes) 2008	Exempt and complying development under this SEPP will continue to apply to the land.
State Environmental Planning Policy (Transport and Infrastructure) 2021 State Environmental Planning Policy (Planning Systems) 2021	Under the EP&A Regulations, any development application located within 200km of the Siding Spring Observatory where the application is state significant, designated development or development specified within State Environmental Planning Policy (Planning Systems) 2021, Schedule 6 (i.e. regionally significant), is required to consider the Dark Sky Planning Guideline prepared by DPE. Further, State Environmental Planning Policy (Transport and Infrastructure) 2021 requires consultation for development that may increase the amount of artificial light in the night sky and that is on land within the dark sky region as identified on the dark sky region. While not necessary as part of this rezoning, any future DA will consider these requirements for dark sky planning, as necessary.

Is the planning proposal consistent with applicable Ministerial Directions (section 9.1 Directions)

The Minister for Planning and Environment issues Local Planning Directions that Councils must follow when preparing a Planning Proposal. This Planning Proposal is considered to be consistent with all applicable Section 9.1 Directions, as demonstrated within **Table 3**.

Table 3 Assessment against Section 9.1 Directions

Direction	Consistent
Focus Area 1: Planning Systems	
1.1 Implementation of Region Plans	The Planning Proposal is consistent with the Draft Central West and Orana Regional Plan 2041 as discussed in Section 5.2.1.
1.3 Approval and Referral Requirements	No new unnecessary referral or concurrence conditions are proposed as part of the Planning Proposal.
1.4 Site Specific Provisions	The Planning Proposal utilises appropriate zones to achieve the intended land use outcomes which do not require or impose any additional provisions or development standards and hence is consistent with this direction.
Focus Area 1: Planning Systems – Place-based	Not applicable

Direction	Consistent
Focus Area 3: Biodiversity and Conservation	
3.1 Conservation Zones	The Planning Proposal changes the IN2 Light Industrial Zone to B5 Business Development and B2 Local Centre. There is no proposal to amend or change Conservation Zones.
3.2 Heritage Conservation	The Planning Proposal does not propose changes to the LEP clause or Maps relating to Heritage. All future Development Applications submitted will be required to comply with the relevant provisions within the LEP, National Parks and Wildlife Act and Heritage Act. The Planning Proposal is consistent with this Direction.
Focus Area 4: Resilience and Hazards	
4.1 Flooding	Not applicable. The site is not identified as flood prone land.
4.3 Planning for Bushfire Protection	The land is not mapped as bushfire prone land.
4.4 Remediation of Contaminated Land	Preliminary Site Investigations found low risk of contamination with further gap analysis at demolition of existing structures. There are no structures on this part of the land.
Focus Area 5: Transport and Infrastructure	
5.1 Integrating Land Use and Transport	Land uses have been located to ensure access to key transport nodes/networks will be provided via appropriate road, cycle and pedestrian linkages. The Planning Proposal l is considered consistent with this Ministerial Direction.
5.2 Reserving Land for Public Purposes	Not applicable.
5.3 Development Near Regulated Airports and Defence Airfields	The site is not within Dubbo Regional Airport's ANEF contours. The site is currently zoned for industrial development and the Planning Proposal anticipates similar built form. There are no changes to development standards. Consultation with the airport will occur as required as part of exhibition of the Planning Proposal.
Focus Area 6: Housing	Not Applicable
Focus Area 7: Industry and Employment	
7.1 Business and Industrial Zones	The Planning Proposal will vary the existing IN2 Light Industry boundaries. However, consistency with this direction is justified based on the Council's Employment Lands Strategy and LSPS that notes the oversupply of the existing IN2 zone and demand for commercial floorspace for the growing residential population in the

Direction	Consistent
	west. The economic analysis justifying both the B5 Business Development Zone and B2 Local Centre Zone has been prepared by Location IQ and is discussed in the next section.
Focus Area 8: Resources and Energy	Not applicable
Focus Area 9: Primary Production	Not Applicable

Section C – environmental, social and economic impact

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

Preliminary ecological assessment of the existing industrial land has identified the potential for the following species on site that could be impacted:

> *PCT 511 – Queensland Bluegrass - Redleg Grass - Rats Tail Grass - spear grass - panic grass derived grassland of the Nandewar Bioregion and Brigalow Belt South Bioregion (approximately 9ha)*
>
> *PCT 458 – White Cypress Pine - Buloke - White Box shrubby open forest on hills in the Liverpool Plains – Dubbo region, Brigalow Belt South Bioregion (approximately 1,400m^2)*

These areas are located adjacent to the southern boundary of the existing IN2 Light Industrial land holding and the future development of this land would need to consider this constraint at the development application stage regardless of the Planning Proposal. Investigations to determine whether a Biodiversity Development Assessment Report is required are underway for the Development Application stage.

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

No, preliminary site investigations concluded that there is low risk of contamination and Geotechnical and Contamination. (See **Appendix A**).

An Aboriginal Heritage Assessment by Apex Archaeology found there was no sub surface archaeological potential and recommended that no further Aboriginal archaeological assessment is required prior to the commencement of development works as described in this report. (see **Appendix B**).

A Traffic Impact Assessment by Amber Traffic and Transport has informed the intersection design for the entry to the employment precinct with Narromine Road (See **Appendix C**).

The site will convey water from the adjoining residential subdivision and development on this land toward Narromine Road. Importantly the Water Cycle Management process designed by Maker Engineering will utilise dry basins to deter birds inhabiting or gathering in close proximity to the airport (See **Appendix D**)

Has the planning proposal adequately addressed any social and economic effects?

The economic analysis supporting both the B2 Local Centre and B5 Business Development Zone has been prepared by Location IQ and looks at the demand and impact of the Planning Proposal. The Location IQ Report is at **Appendix E.**

As noted previously the Planning Proposal site adjoins a large residential release which is relatively isolated with physical barriers including railway line and Mitchell Highway. Road proposals which will better link the release to other community facilities and retail services will not be provided in the short term. Good release area planning focusses on the connections to and co-location of social infrastructure, in this case district open space, TAFE site, site for potential school and a retail site which provides the northern border to the district park.

Section D – Infrastructure (Local, State and Commonwealth)

Is there adequate public infrastructure for the planning proposal?

Public utilities services can be extended to the site as outlined in the Utilities Services Report prepared by Maker Engineers at **Appendix F.**

A new intersection will be required to access Narromine Road to access the site which will be part of the broader planning for the arterial roads in Council's Planning and Transport Strategy.

Section E – State and Commonwealth Interests

What are the views of state and federal public authorities and government agencies consulted in order to inform the Gateway determination

Preliminary consultation has been undertaken with Transport for NSW and DPE concerning State Government interests in relation to this and the adjoining residential urban release area.

Part 4 Mapping

The following map tiles are proposed to be amended as part of the Planning Proposal.

Map	Tile Number
Land Zoning	Sheet LZN_001A

The existing and proposed LZN_001A map tiles referenced by the existing and proposed zoning in Dubbo Regional LEP 2022 are provided at **Appendix G**.

Part 5 Community Consultation Approach

Schedule 1, clause 4 of the EP&A Act requires the relevant planning authority to consult with the community for PPs to amend an LEP in accordance with the Gateway determination.

The Dubbo Regional Council Community Participation Plan identifies that PPs are required to be notified for a minimum period of 28 days (unless this timeframe is modified as part of the Gateway Determination process). Community consultation is required to be undertaken by written notice and on the website. However, this will be a process for Council and DPE to undertake.

The key steps in relation to the PP are outlined below showing when community consultation occurs in the process.

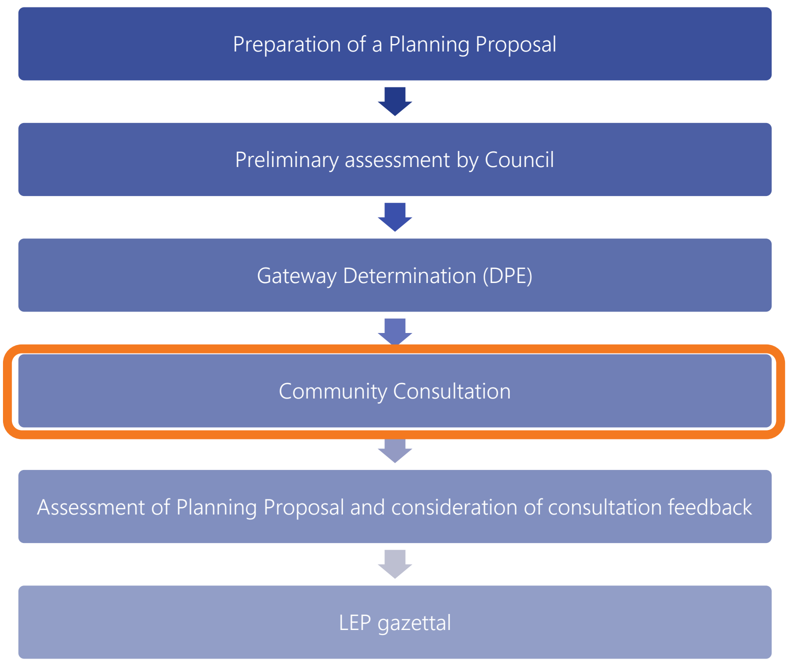


Figure 5 Key steps in Planning Proposal process

Part 6 Project timeframe

The project timeline provides a mechanism to monitor and resource the various steps required to progress planning proposal through the plan making process. The following table provides estimated timeframes for the various steps.

Table 4 Project timeframe

Step	Anticipated Date
Consideration by Council	4th October 2022
Council Decision	21st October 2022
Gateway Determination	8th November
Pre-Exhibition	15th November
Public exhibition period	22nd November – 20th December 2022
Consideration of submissions	21st January 2023
Post-exhibition review and additional studies	24th March 2023
Submission to the Department for finalisation (where applicable)	3rd April 2023
Gazettal of the LEP amendment	28th April 2023

Conclusion

This Planning Proposal seeks to amend Dubbo Regional Local Environmental Plan 2022 to apply a B2 Local Centre Zone and B5 Business Development Zone within Proposed Lot 221 in the subdivision of Lot 22 DP 1038924 at the northern part of 13L Narromine Road, Dubbo. The land is currently zoned IN2 Light Industrial and has an area of approximately 66ha.

The rezoning will give effect to Council's Employment Lands Strategy to rezone the land for Business Development and to incorporate a proposal for a Local Centre to service the local area including the adjoining residential release being developed by Bathla. A Structure Plan has been prepared that seeks to collocate community infrastructure and uses such as shops, potential future school and TAFE adjacent to new sports fields. It is intended the adjacent residential area will also include smaller lots to maximum the benefit of this strategic grouping of facilities.

The Planning Proposal is consistent with Local and State Strategies in relation to employment lands whilst incorporating local convenience shops that will deliver a more socially integrated and equitable release including place making and community building outcomes.

Glossary

Abbreviation	
CBD	Central Business District
Council	Dubbo Regional Council
DPE	Department of Planning and Environment
LEP	Local Environmental Plan
SEPP	State Environmental Planning Policy

APPENDIX A: GEOTECHNICAL AND CONTAMINATION REPORTS

PP-Industrial to E1 Local shops and E3 Productivity Support.docx
September 2022

APPENDIX B: ABORIGINAL HERITAGE ASSESSMENT

PP-Industrial to E1 Local shops and E3 Productivity Support.docx
September 2022

B.1:

APPENDIX C: TRAFFIC AND TRANSPORT ASSESSMENT

PP-Industrial to E1 Local shops and E3 Productivity Support.docx
September 2022

C.1:

APPENDIX D: WATER CYCLE MANAGEMENT REPORT

PP-Industrial to E1 Local shops and E3 Productivity Support.docx
September 2022

APPENDIX E: ECONOMIC ANALYSIS

PP-Industrial to E1 Local shops and E3 Productivity Support.docx
September 2022

gln.

APPENDIX F: UTILITIES SERVICES REPORT

PP-Industrial to E1 Local shops and E3 Productivity Support.docx
September 2022

APPENDIX G: MAPS

GLN Planning Pty Ltd Trading as GLN Planning
ABN 39 585 269 237

A Level 10, 70 Pitt Street Sydney NSW 2000
P GPO Box 5013, Sydney NSW 2001
E info@glnplanning.com.au
T (02) 9249 4109 F (02) 9249 4111

glnplanning.com.au

gln.
planning
consulting
strategy

URBAN RELEASE OFF NARROMINE ROAD, DUBBO

Preliminary Market Potential

Prepared for Bathla Group
November 2022

LOCATION IQ

CONTENTS

INTRODUCTION

This report presents a preliminary market assessment of the potential for retail and supporting non-retail floorspace to be provided at the Narromine Urban Release Area (NURA) as part of a new residential estate. The site is situated on the fringe of the Dubbo urban area, adjacent to the Dubbo regional airport.

This report has been prepared in accordance with instructions received from Bathla Group and is structured and presented in **six (6)** sections as follows:

- **Section 1** provides an overview of the regional and local context of the NURA subject site. A summary of the NURA masterplan is also included.
- **Section 2** details the trade area that is likely to be served by the retail and complementary non-retail uses at the NURA site, including current and projected population and retail spending levels over the period to 2041. A review of the likely socio-economic profile of the future trade area population is also provided.
- **Section 3** considers the competitive environment which a supermarket facility at the NURA subject site would operate.
- **Section 4** details comparable sample supermarket based developments and their corresponding tenant mix.
- **Section 5** discusses the retail and complementary non-retail facilities that could be incorporated as part of the NURA subject site.
- **Section 6** assesses the potential for a portion of the Light Industrial IN2 land at NURA to be rezoned to Business Development B5.

EXECUTIVE SUMMARY

The key points to note from this report regarding the market potential for retail and other uses at the future NURA subject site include the following:

i. Bathla has secured an interest in 270 hectares of land for a mix of residential and industrial zoned land in Dubbo. It is anticipated that around 5,000 – 5,500 residents will ultimately be accommodated across the masterplan. The northern portion of the masterplan that fronts onto Narromine Road is zoned as industrial land. The residential component is situated on the southern portion of the site. At capacity, the subject site is planned to provide between 1,650 and 1,750 dwellings over a 20 year time frame.

ii. The defined trade area likely to be served by the NURA subject site and generally extends 3 – 10 km around the subject site.

iii. The NURA site main trade area population is projected to ultimately comprise some 19,290 persons by 2041. This represents projected growth of 2.5% per annum over the forecast period. The combined primary sectors, of most relevance to NURA subject site will ultimately comprise 18,500 persons including 10,160 persons by 2026.

iv. The total retail expenditure level of the main trade area population is currently $167.9 million and projected to increase to $322.3 million by 2041.

v. Total supportable development would be in the order of 6,000 sq.m by 2036-41 (refer Table 1.1). A range of other uses such as a service station, and drive-thru facility are likely to be supportable, but some tenants would only be supportable with exposure main road exposure.

vi. The ultimate composition of the NURA site is summarised under two stages, as follows (refer Table 1):

Medium term (2031)

- **Supermarket (1,500 sq.m):** a small supermarket would be supportable, with final size to be dictated by operator demand and requirements.

- **Retail Specialty Floorspace (800 – 1,000 sq.m):** a modest and convenience-focused provision of tenants.

- **Non-retail Floorspace**: approximately around 700 sq.m of non-retail floorspace (GLA) is considered supportable.

Medium-long term (2036 - 2041)

- **Supermarket (3,000 sq.m):** a larger supermarket is likely to be supportable at the subject site over the longer term, from around 2036. The ability to expand the store at this time would require prior planning for the future expansion requirements.
- **Retail Specialty Floorspace (1,000 – 1,400 sq.m):** a moderate and still convenience-focused provision of tenants.
- **Non-retail Floorspace**: approximately around 1,600 sq.m of non-retail floorspace (GLA) is considered supportable.

vii. The first stage of the NURA centre would most likely be supportable from when at least 1,000 homes have been constructed (and are occupied) within the subject estate. This would equate to some 3,000 additional persons. This is anticipated to occur around 2031.

viii. The ultimate development would be around 6,000 sq.m, anchored by a full line supermarket and speciality shops totalling 1,000 to 1,400 sq.m if the centre was developed prior to a centre in the North-West Urban Release Area. Childcare, gym and medical would also be supportable at that time. Stage two is likely to be supportable when around 7,000 residents are in the combined primary sectors.

ix. Any centre that is developed first at NURA, will play an important role in servicing the North-West Urban Release growth area, particularly until a time when that growth area can support its own centre. Consequently, one centre will likely be larger than the other, with the ability to include a full-line supermarket of over 2,500 sq.m.

x. At less than 6,000 sq.m, the subject centre would be a Local Centre serving the convenience needs of combined primary sector residents. At least one of NURA or North-West Urban Release Area centres will have the capacity to accommodate a supermarket of up to 3,000 sq.m. A centre of this size would be much smaller than the Dubbo CBD and Orana Mall which will continue to serve the non-food requirements of trade area residents.

xi. A neighbourhood centre in the North-West Urban Release Area will be developed once a sufficient population exists in that release area. With over 10,000 future residents, it will be able support a centre over time of at least 3,000 sq.m., serving the convenience needs of its immediate population.

xii. There is economic potential to convert some Light Industrial IN2 land to Business Development B5 land without any implications for the efficient supply of IN2 land.

TABLE 1.1. TENANT RECOMMENDATIONS

Category	Short-medium Term 2031		Long Term 2036 - 2041	
	Tenants (no.)	Total GLA	Tenants (no.)	Total GLA
Supermarket	1	1,500	1	3,000
Food Retail	3	300	4	400
Food Catering	3	300	3	400
Apparel	-	-	-	-
Household Goods	-	-	-	-
General Retail	1	200	2	200
Leisure	1	100	1	100
Retail Services	1	100	2	200
Total Retail	**10**	**2,500**	**13**	**4,300**
• Supermarket	1	1,500	1	3,000
• Retail Specialty Space	9	1,000	12	1,300
Childcare Centre	-	-	1	250
Fast Food Driv Thru*	-	-	1	200
Service Station*	1	250	1	250
Medical	1	250	2	500
Health & Wellness	-	-	1	200
Other Non-retail	1	200	1	200
Total Non-retail	**3**	**700**	**7**	**1,600**
Total Precinct	**13**	**3,200**	**20**	**5,900**

** Should be provided with main road exposure*

1 LOCATION AND PLANNED DEVELOPMENT

This section provides an overview of the regional and local context of the NURA site.

1.1. Local Context and Proposed Development

i. Bathla Group are proposing the development of a new residential suburb at NURA located 3.4 km east of Dubbo Central Business Area (CBA). Dubbo is a major regional service centre and is a commercial, industrial, and administrative hub for the NSW Central West. Dubbo is some 305 km north-west of the Sydney Central Business District (CBD) - refer to map 1.1.

ii. The population of Dubbo is currently estimated at 54,843 persons as at 2021 and is projected to increase to 66,341 persons by 2041. NURA is one of the planned urban growth areas within Dubbo, with a current focus for residential development at Dubbo East.

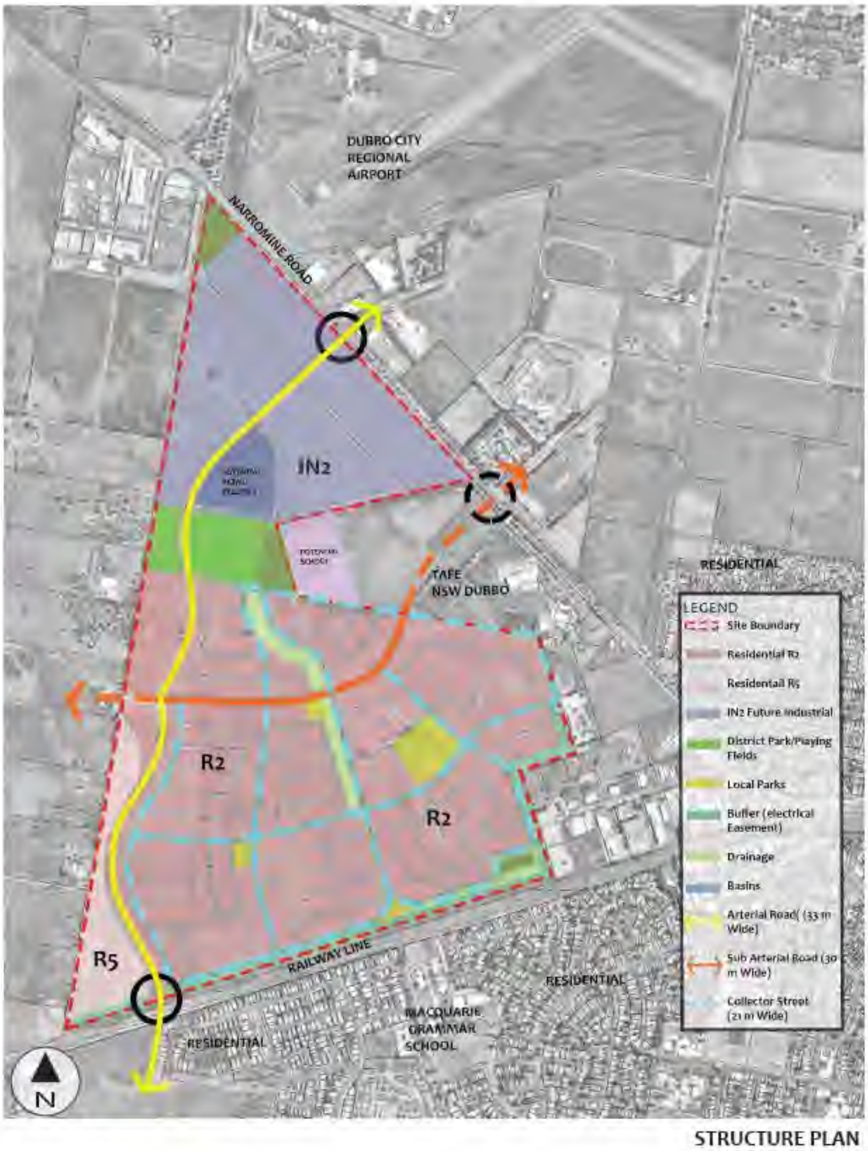
iii. The NURA is located south west of the Michell Highway (also known as Narromine Road). The southern part of the Mitchell Highway forms part of the National Highway A32 corridor, which stretches from Sydney to Adelaide via Dubbo and Broken Hill. Dubbo City is located at the intersection of Newell, Mitchell, and Golden Highways.

iv. The suburb of NURA is currently planned for development south west of Narromine Road and is the focus of this report (refer figure 1.1). It is anticipated that between 1,650 – 1,750 dwellings (5,000 to 5,500 residents) will ultimately be accommodated within the proposed masterplan across the 270 hectares of residential and industrial zoned land.

v. The remainder of this report assesses the ultimate potential for retail and non-retail facilities as part of a local centre within the suburb, including the preferred location for such facility.

MAP 1.1. NURA REGIONAL CONTEXT

FIGURE 1.1. NURA STRUCTURE PLAN



2 TRADE AREA ANALYSIS

This section of the report provides a review of the trade area likely to be served by a retail centre at the NURA site, including current and projected population and retail spending levels over the period to 2041. A review of the socio-economic profile is also provided.

2.1. Trade Area Definition

i. The trade area for the NURA subject site area has been defined taking into consideration the following key factors:

- The provision of competitive retail facilities throughout the surrounding area.
- Regional and local accessibility.
- The pattern of urban development throughout the region.
- Significant physical barriers including future barriers.

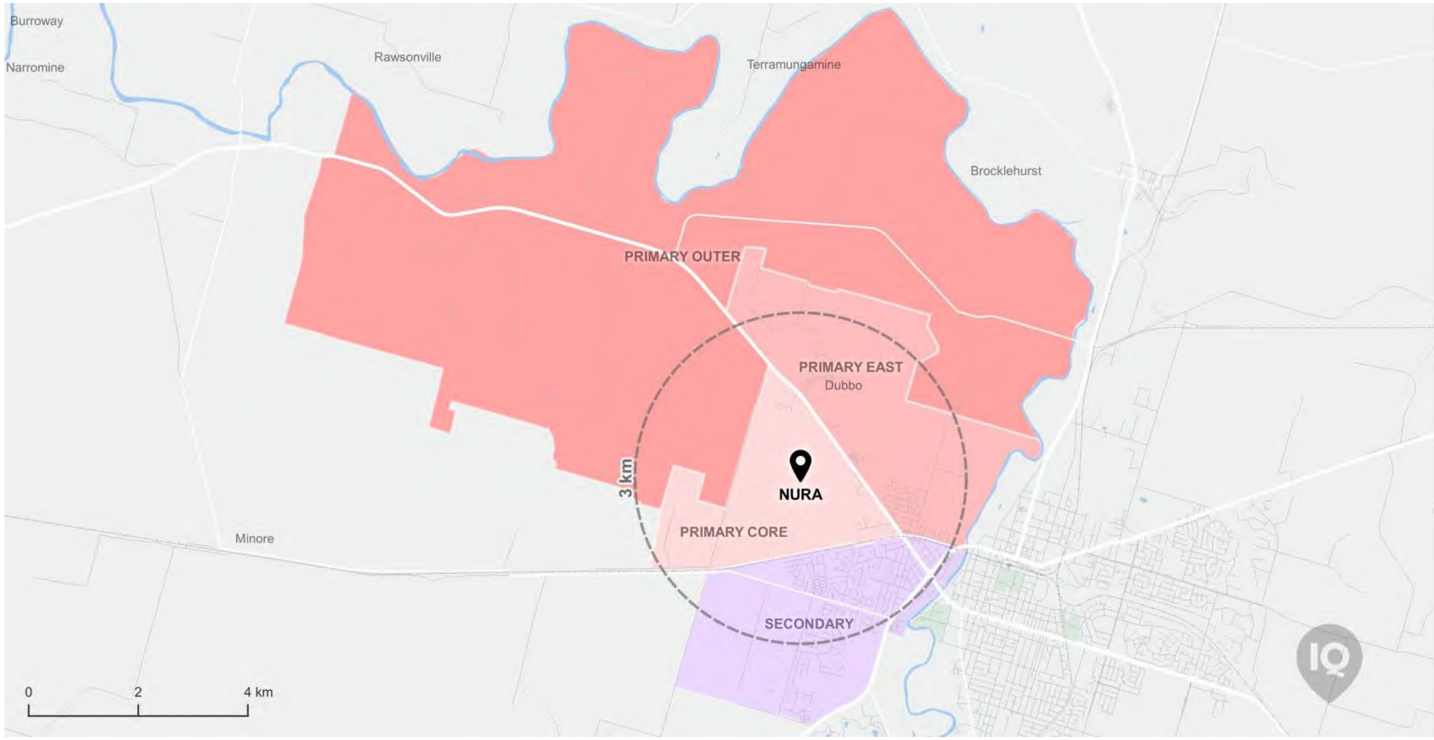
ii. Map 2.1 illustrates the defined trade area likely to be served by the NURA subject site broken into four sectors including three primary sectors and one secondary sector:

- A **primary core** sector comprising the proposed NURA development.
- A **primary east** sector encompassing the North-West Urban Release Area which is currently on exhibition.
- **A primary outer** sector, including the rural areas to the north and north-west of the site, who would pass the subject site before accessing facilities in the Dubbo CBA.
- A **secondary** sector incorporating West Dubbo, Delroy Park, and Grangewood, bounded to the north by the railway line and east by the Macquarie River and Peak Hill Road. The sector is also limited by the extent of the urban area to the south and west.

iii. Currently, the railway line separates the primary and secondary sectors and there is no access across the railway line. In the future it is assumed that there will be some road connection between the two sectors although this connection is still to be finalised.

iv. The main trade area generally extends 3 – 10 km around the subject site. The combination of the primary and secondary sectors is defined as the NURA main trade area and will be referred to as for the remainder of the report.

MAP 2.1. NURA MAIN TRADE AREA AND SUBURBS



2.2. Trade Area Population

i. Table 2.1 details the main trade area current and projected population levels by sector. This information is sourced from information provided by the Bathla Group on the expected development yield of the masterplan.

ii. The NURA main trade area population is estimated at 10,430 (2021), with 2,570 persons in the primary sector. Over the period to 2041, the main trade area population is projected to increase to 19,290 including 10,160 persons in the combined primary sectors. The main trade area is projected to grow at an average of 2.5%-3.0%, per year over the forecast period.

iii. An ultimate population is also detailed based on planned development – 27,750 persons, including 5,500 persons in the primary core sector and 12,000 persons in the primary east sector.

iv. Residential development within the main trade area will be driven primarily by the subject proposal in the primary core sector, which is assumed to yield between 1,650 – 1,750 dwellings over the periods 2026 - 2041.

v. It is also relevant to note that the primary east sector includes the designated North-West Urban Release Area, on the eastern side of Narromine Road and also illustrated on Map 2.1. This area is indicated to house over 10,000 persons over the next 30 years or more. For the purpose of this report, it is assumed that the NURA is developed before the North-West Urban Release Area, with the North-West Urban Release Area to start development around 2030.

vi. The primary sector population, therefore, is projected to ultimately comprise some 10,160 persons by 2041. This represents projected growth of around 400 persons per annum over the forecast period (2021 - 2041).

vii. It is important to note that timing around the recommendations provided within this report assume population growth occurs as outlined in Table 2.1. If residential development occurs at a slower rate than is indicated, population growth, and consequently projected timing for the recommended retail and commercial uses, would be impacted.

TABLE 2.1. MAIN TRADE AREA POPULATION, 2011 – 2041

	Actual			Forecast				*Ultimate*
Population	**2011**	**2016**	**2021**	**2026**	**2031**	**2036**	**2041**	***Capacity***
Primary Sectors								
• Core	23	3	0	900	2,475	3,975	5,225	*5,500*
• East	1,342	1,716	2,009	2,259	2,634	3,234	4,084	*12,000*
• Outer	580	609	648	698	748	798	848	*1,000*
Total Primary	1,945	2,328	2,657	3,857	5,857	8,007	10,157	*18,500*
Secondary sector	6,104	7,087	8,182	8,682	8,932	9,032	9,132	*9,250*
Main Trade Area	**8,049**	**9,415**	**10,839**	**12,539**	**14,789**	**17,039**	**19,289**	***27,750***

	Actual		Forecast			
Average Annual Change (No.)	**2011-16**	**2016-21**	**2021-26**	**2026-31**	**2031-36**	**2036-41**
Primary Sectors						
• Core	-4	-1	180	315	300	250
• East	75	59	50	75	120	170
• Outer	6	8	10	10	10	10
Total Primary	77	66	240	400	430	430
Secondary Sectors						
Secondary sector	197	219	100	50	20	20
Main Trade Area	**273**	**285**	**340**	**450**	**450**	**450**

	Actual		Forecast			
Average Annual Change (%)	**2011-16**	**2016-21**	**2021-26**	**2026-31**	**2031-36**	**2036-41**
Primary Sectors						
• Core	-33.5%	-100.0%	49.5%	22.4%	9.9%	5.6%
• East	5.0%	3.2%	2.3%	3.1%	4.2%	4.8%
• Outer	1.0%	1.2%	1.5%	1.4%	1.3%	1.2%
Total Primary	3.7%	2.7%	7.4%	8.7%	6.5%	4.9%
Secondary sector	3.0%	2.9%	1.2%	0.6%	0.2%	0.2%
Main Trade Area	**3.2%**	**2.9%**	**2.9%**	**3.4%**	**2.9%**	**2.5%**
Rest of NSW	*0.7%*	*0.9%*	*0.7%*	*0.7%*	*0.4%*	*0.3%*
Australian Average	*1.6%*	*1.2%*	*1.3%*	*1.3%*	*1.2%*	*1.1%*

All figures as at June and based on 2021 SA1 boundary definition.
Sources : ABS; NSW DPIE

2.3. Socio-economic Profile

i. Table 2.2 summarises the socio-economic profile of the NURA main trade area (MTA) population by sector, compared with the non-metropolitan NSW and Australian benchmarks. This information is based on the 2021 Census of Population and Housing.

ii. Key characteristics of the socio-economic profile of the NURA main trade area include:

- Average household income levels across the main trade area are significantly higher than the non-metropolitan NSW benchmark, attributed to the secondary sector.
- The average age of main trade area residents at 37.3 years is younger than the Non-metropolitan NSW (42.2 years) and Australian (39.8 years) benchmarks.
- The average household size at 2.6 persons is higher than both benchmarks. New residential estates in outer suburban areas are likely to have larger household sizes as estates cater towards a family market.
- The proportion of Australian born residents across the main trade area, at 90.2% higher than the non-metropolitan NSW average (88.5%).
- The household structure of the main trade area predominately comprises of couples with children characterised by a younger family market.

iii. In summary, residents of the main trade area are generally characterised as being affluent, predominately Australian-born families who would likely associate strongly with convenience-based facilities.

iv. Future residents of the primary core and primary east sectors are likely to exhibit a socioeconomic profile similar to the secondary sector catchment, comprising young affluent families.

v. Table 2.3 summarises the changes in the socio-economic profile of the main trade area population over the 2011 – 2021 Census period. As shown, both average per capita and household income levels within the main trade area increased faster than the non-metropolitan NSW average.

TABLE 2.2. NURA MTA SOCIO-ECONOMIC PROFILE, 2021 CENSUS

Characteristic	Primary Sector	Secondary Sector	Main TA	Rest of NSW Average	Australia Average
People					
Age Distribution (% of Pop'n)					
Aged 0-14	25.8%	21.8%	22.8%	17.6%	18.0%
Aged 15-19	5.9%	5.8%	5.8%	5.7%	5.7%
Aged 20-29	14.6%	13.7%	14.0%	11.2%	13.3%
Aged 30-39	15.0%	14.0%	14.3%	11.8%	14.6%
Aged 40-49	10.7%	11.3%	11.1%	11.7%	13.0%
Aged 50-59	10.2%	10.1%	10.1%	12.9%	12.5%
Aged 60+	17.7%	23.3%	22.0%	29.1%	23.0%
Average Age	34.4	38.2	37.3	42.2	39.5
Birthplace (% of Pop'n)					
Australian	93.4%	89.2%	90.2%	88.5%	72.0%
Overseas	6.6%	10.8%	9.8%	11.5%	28.0%
• Asia	3.3%	5.9%	5.2%	2.8%	12.1%
• Europe	1.5%	2.0%	1.9%	4.8%	7.2%
• Other	1.8%	2.9%	2.7%	3.9%	8.7%
Family					
Average Household Size	2.8	2.5	2.6	2.4	2.5
Family Type (% of Pop'n)					
Couple with dep't children	46.3%	41.8%	43.0%	38.4%	44.2%
Couple with non-dep't child.	6.0%	5.5%	5.6%	7.4%	7.7%
Couple without children	19.0%	23.9%	22.6%	27.1%	23.8%
Single with dep't child.	14.9%	12.5%	13.1%	9.6%	8.6%
Single with non-dep't child.	4.7%	4.2%	4.3%	4.3%	4.0%
Other family	1.2%	1.1%	1.1%	0.9%	1.0%
Lone person	7.9%	10.9%	10.2%	12.3%	10.8%
Employment					
Income Levels					
Average Per Capita Income	$50,313	$54,151	$53,264	$49,683	$55,301
Per Capita Income Variation	1.3%	9.0%	7.2%	n.a.	n.a.
Average Household Income	$99,361	$104,301	$103,158	$95,175	$109,594
Household Income Variation	4.4%	9.6%	8.4%	n.a.	n.a.
Housing					
Tenure Type (% of Dwellings)					
Owned	74.2%	63.6%	66.0%	70.9%	67.4%
Rented	24.8%	31.8%	30.2%	26.9%	30.8%
Other Tenure Type	1.0%	4.7%	3.8%	2.2%	1.8%
Dwelling Type (% of Dwellings)					
House	98.3%	83.3%	86.7%	82.8%	72.6%
Semi-detached	0.9%	10.3%	8.1%	9.9%	12.6%
Apartment	0.0%	6.1%	4.7%	6.3%	14.2%
Other Dwelling Type	0.9%	0.3%	0.4%	1.0%	0.5%
Dwelling Occupancy (% of Dwellings)					
Occupied Dwellings	94.2%	93.8%	93.9%	88.8%	89.9%
Unoccupied Dwellings	5.8%	6.2%	6.1%	11.2%	10.1%

Sources: ABS Census of Population and Housing 2021

TABLE 2.3. NURA MTA SOCIO-ECONOMIC PROFILE CHANGES, 2011-2021

	Dubbo North Main Trade Area			Change (%)			Rest of NSW			Change (%)		
Characteristic	*2011*	*2016*	*2021*	*2011-16*	*2016-21*	*2011-21*	*2011*	*2016*	*2021*	*2011-16*	*2016-21*	*2011-21*
People												
Average Age	35.1	36.4	37.3	0.7%	0.5%	0.6%	40.1	41.6	42.2	0.7%	0.3%	0.5%
Birthplace (% of Pop'n)												
Australian	94.7%	92.7%	90.2%	-2.0%	-2.5%	-4.5%	88.6%	89.3%	88.5%	0.8%	-0.8%	-0.1%
Overseas	5.3%	7.3%	9.8%	2.0%	2.5%	4.5%	11.4%	10.7%	11.5%	-0.8%	0.8%	0.1%
• Asia	0.8%	3.2%	5.2%	2.4%	2.0%	4.4%	1.6%	2.1%	2.8%	0.5%	0.7%	1.2%
• Europe	1.5%	1.5%	1.9%	0.0%	0.3%	0.3%	6.1%	5.2%	4.8%	-0.9%	-0.4%	-1.3%
• Other	2.9%	2.6%	2.7%	-0.3%	0.1%	-0.2%	3.8%	3.4%	3.9%	-0.4%	0.5%	0.1%
Family												
Average Household Size	2.7	2.6	2.6	-0.8%	0.3%	-0.2%	2.4	2.4	2.4	-0.5%	0.1%	-0.2%
Family Type (% of Pop'n)												
Couple with dep't children	42.9%	42.9%	43.0%	0.1%	0.0%	0.1%	40.7%	39.4%	38.4%	-1.3%	-1.0%	-2.3%
Couple with non-dep't child.	5.7%	5.7%	5.6%	0.0%	0.0%	0.0%	7.0%	7.4%	7.4%	0.4%	0.0%	0.5%
Couple without children	23.0%	23.4%	22.6%	0.4%	-0.7%	-0.4%	25.7%	26.1%	27.1%	0.3%	1.1%	1.4%
Single with dep't child.	15.4%	13.8%	13.1%	-1.6%	-0.6%	-2.2%	10.6%	10.2%	9.6%	-0.4%	-0.5%	-1.0%
Single with non-dep't child.	3.4%	3.6%	4.3%	0.2%	0.7%	0.9%	3.5%	4.0%	4.3%	0.5%	0.2%	0.8%
Other family	0.8%	1.0%	1.1%	0.2%	0.1%	0.3%	0.9%	0.9%	0.9%	0.0%	0.0%	0.0%
Lone person	8.8%	9.6%	10.2%	0.8%	0.6%	1.4%	11.7%	12.1%	12.3%	0.4%	0.2%	0.6%
Employment												
Income Levels												
Average Per Capita Income	$36,351	$43,900	$53,264	3.8%	3.9%	3.9%	$35,013	$41,203	$49,683	3.3%	3.8%	3.6%
Per Capita Income Variation	3.8%	6.5%	7.2%	2.7%	0.7%	3.4%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average Household Income	$69,245	$83,267	$103,158	3.8%	4.4%	4.1%	$66,798	$78,375	$95,175	3.2%	4.0%	3.6%
Household Income Variation	3.7%	6.2%	8.4%	2.6%	2.1%	4.7%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: ABS Census of Population and Housing 2011, 2016 & 2021

2.4. Trade Area Retail Expenditure Capacity

i. The estimated retail expenditure capacity of the total trade area population is based on information sourced from MDS Market Data Systems. MDS utilises a detailed micro-simulation model of household expenditure behaviour for all residents of Australia.

ii. Table 2.3 outlines the retail expenditure levels generated by the main trade area population while Table 2.4 provides a breakdown of this information by key commodity category. The total retail expenditure level of the main trade area population is currently $167.9 million and projected to increase to $322.3 million by 2041. All figures presented in this report are in constant dollars and include GST.

iii. The main trade area retail spending projected growth rate takes into account the following:

- Real growth in retail spending per capita of 0.0% is assumed over the period to 2023, reflecting the impact of the COVID-19 pandemic on the economy. From 2024 real growth per capita is assumed at 0.5% annually for food retail and 1.0% for non-food retail over the period to 2036.
- Main trade area population which is projected to be 19,290 by 2041 representing an average annual growth of 2.5%-3.0%.

TABLE 2.4. TRADE AREA RETAIL EXPENDITURE, 2022 – 2041

Y/E June	Core	Primary Sectors East	Outer	Total	Secondary Sector	Main TA
2022	0.0	27.5	11.1	38.6	129.3	167.9
2023	3.0	28.2	11.3	42.4	130.9	173.3
2024	4.5	29.0	11.5	45.1	133.4	178.5
2025	6.8	29.9	11.8	48.5	136.0	184.5
2026	10.2	30.9	12.1	53.1	138.7	191.8
2027	13.9	32.0	12.3	58.2	141.0	199.2
2028	17.2	33.3	12.6	63.1	142.9	206.0
2029	21.2	34.7	12.9	68.8	144.8	213.6
2030	26.2	36.1	13.2	75.5	146.8	222.2
2031	32.4	37.5	13.5	83.4	148.7	232.2
2032	37.9	39.2	13.8	90.9	150.5	241.4
2033	41.9	41.2	14.1	97.2	152.0	249.2
2034	46.4	43.2	14.4	104.0	153.5	257.5
2035	51.4	45.4	14.7	111.4	155.0	266.4
2036	56.9	47.6	15.0	119.4	156.6	276.0
2037	61.7	50.1	15.3	127.1	158.1	285.2
2038	65.7	52.9	15.6	134.1	159.7	293.8
2039	69.9	55.8	15.9	141.6	161.3	302.9
2040	74.3	58.9	16.2	149.5	162.9	312.4
2041	79.1	62.2	16.6	157.8	164.5	322.3
Expenditure Growth						
2022-26	10.2	3.4	1.0	14.5	9.4	23.9
2026-31	22.2	6.7	1.4	30.3	10.0	40.3
2031-36	24.5	10.0	1.5	36.0	7.8	43.9
2036-41	22.2	14.6	1.6	38.4	8.0	46.3
2022-41	79.1	34.7	5.4	119.2	35.2	154.4
Average Annual Growth Rate						
2022-26	0.0%	2.9%	2.1%	8.3%	1.8%	3.4%
2026-31	26.1%	4.0%	2.2%	9.4%	1.4%	3.9%
2031-36	11.9%	4.9%	2.1%	7.4%	1.0%	3.5%
2036-41	6.8%	5.5%	2.0%	5.7%	1.0%	3.2%
2022-41	0.0%	4.4%	2.1%	7.7%	1.3%	3.5%

**Constant 2021/22 dollars & including GST*
Source : MarketInfo

TABLE 2.5. MTA RETAIL EXPENDITURE BY KEY COMMODITY GROUP, 2022 – 2041

Y/E June	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services
2022	78.8	19.7	15.4	29.9	6.7	12.8	4.6
2023	81.4	20.3	15.9	30.9	6.9	13.2	4.7
2024	83.7	20.9	16.4	31.9	7.1	13.6	4.9
2025	86.4	21.7	17.0	33.0	7.4	14.1	5.0
2026	89.6	22.6	17.6	34.4	7.7	14.7	5.2
2027	92.9	23.5	18.3	35.8	8.0	15.2	5.4
2028	95.9	24.4	18.9	37.1	8.3	15.8	5.6
2029	99.3	25.3	19.6	38.5	8.6	16.4	5.8
2030	103.2	26.4	20.4	40.2	8.9	17.1	6.1
2031	107.7	27.6	21.2	42.0	9.3	17.9	6.3
2032	111.8	28.8	22.1	43.8	9.7	18.6	6.6
2033	115.3	29.7	22.8	45.3	10.0	19.2	6.8
2034	118.9	30.8	23.5	46.9	10.4	19.9	7.1
2035	122.8	31.9	24.4	48.6	10.7	20.7	7.3
2036	127.1	33.1	25.2	50.5	11.1	21.4	7.6
2037	131.1	34.3	26.1	52.3	11.5	22.2	7.8
2038	134.8	35.4	26.9	53.9	11.9	22.9	8.1
2039	138.7	36.6	27.7	55.7	12.2	23.6	8.3
2040	142.8	37.8	28.6	57.6	12.6	24.4	8.6
2041	147.0	39.1	29.5	59.5	13.1	25.3	8.9
Expenditure Growth							
2022-26	10.8	2.9	2.2	4.5	1.0	1.9	0.7
2026-31	18.1	5.0	3.6	7.6	1.6	3.2	1.1
2031-36	19.4	5.5	4.0	8.4	1.8	3.6	1.2
2036-41	20.0	6.0	4.3	9.1	1.9	3.8	1.3
2022-41	68.3	19.4	14.0	29.6	6.3	12.5	4.3
Average Annual Growth Rate							
2022-26	3.3%	3.5%	3.3%	3.5%	3.4%	3.5%	3.4%
2026-31	3.7%	4.1%	3.8%	4.1%	3.9%	4.1%	3.9%
2031-36	3.4%	3.7%	3.5%	3.7%	3.6%	3.7%	3.6%
2036-41	3.0%	3.4%	3.2%	3.4%	3.2%	3.3%	3.2%
2022-41	3.3%	3.7%	3.5%	3.7%	3.6%	3.7%	3.5%

**Constant 2021/22 dollars & including GST*
Source : MarketInfo

3 COMPETITIVE ENVIRONMENT

This section of the report provides a summary of the existing and proposed competitive developments within the area surrounding the NURA main trade area (refer Table 3.1 and Map 3.1).

3.1. Existing Retail Hierarchy

i. The Employment Lands Strategy for Dubbo Regional Council is dated 2 July 2019. Section 4 of that report outlines a commercial centre's hierarchy as follows:

- A **Principal Centre** being the Central Business District (CBD) which comprises of over 35,000 square metres of retail floor space, as well as a wide range of commercial, visitor, social, civic, cultural, tourist and entertainment facilities. The total provision of floor space would be well in excess of 60,000 square metres.

  The largest component is Dubbo Square, a sub-regional shopping centre provided along Macquarie Street in the CBD. The centre spans 12,700 sq.m anchored by a Coles supermarket of 3,700 sq.m and a Kmart (5,500 sq.m) discount department store.

- A **Major Centre, subregional** being Orana Mall. This is the second order centre for Dubbo and is the largest enclosed shopping centre in Dubbo. The sub-regional centre provides an aggregate retail floorspace of 23,700 sq.m, anchored by a Big W (8,000 sq.m), and Woolworths (4,100 sq.m). Notable tenants also include three mini-majors traders JB Hi-Fi Home, The Reject Shop, and Cotton On, along with 72 specialty retailers. According to Big Guns 2021 (Shopping Centre News), the shopping centre achieves sales in the order of $208 million.

- **Local centres/neighbourhoods** are the third order centres. They are small-scale centres that provide a variety of retail uses and are more convenient alternatives for day-to-day shopping convenience. The most relevant local centre is Delroy as discussed in the following subsection. In relation to the subject site, some of the smaller local centres include Victoria Street, West Dubbo where there is a small IGA food store of around 600 square metres.

- **Specialised Activity Centres** such as the airport, health, wellbeing and education precincts which include clusters of similar industries which benefit from each other through shared synergies and infrastructure.

- **Commercial employment clusters** which accommodate a range of industries including bulky goods retailing and business activities which are either directly along or easily accessible from major transport routes. In terms of commercial clusters there are two commercial clusters in and around West Dubbo including Cobbora Street and Victoria Street.

- **Rural centres**.

ii. The proposal at the subject site would effectively comprise a local centre/neighbourhood as exists in other parts of Dubbo, to service the new growth area.

3.2. Supermarket Based Centres

i. Supermarkets are typically defined in planning documents and courts as "grocery and dry goods stores of at least 500 sq.m, with smaller stores classified as foodstore."

ii. Further, a full-line supermarket is at least 2,500 sq.m in size and a major full-line supermarket that serves the weekly food and grocery needs of local residents is around 3,200 – 4,000 sq.m in size. These large format stores are generally operated by major chains such as Woolworths or Coles.

iii. The nearest existing supermarket from the subject site is provided along Victoria Street 2.4 km to the south-east located within the secondary sector. The free-standing IGA at West Dubbo is approximately 600 sq.m in size, providing 22 at-grade car spaces.

iv. The nearest major convenience centre to the subject site is Riverdale Shopping Centre 3.5 km to the south-east provided along Macquarie Street in the CBD. The centre offers 6,100 sq.m of retail floorspace anchored by a Woolworths supermarket of 2,700 sq.m in the Dubbo CBD.

v. Delroy Park Shopping Centre provides 4,900 sq.m of total retail floorspace which is based on a full-line Woolworths supermarket of 2,900 sq.m. The neighbourhood shopping centre is situated 3.7 km north of NURA site, in the secondary sector, on the corner of Minore Road and Baird Drive.

3.3. Future Competition

i. There are no relevant competitive developments within the main trade area.

ii. The Dubbo Employment Lands Strategy at Section 14.3.9 identifies that the North-West Urban Release Area recognises that the area will see approximately 2,600 dwellings developed over the next 30 years with an estimated population catchment of 7,500 people. Given the trend of smaller supermarkets to be located on residential fringe areas to provide convenient shopping, the anticipated population catchment would likely warrant a neighbourhood centre to be provided in the North-West Urban Release Area. A 3 hectare site, centrally within the North-West Urban Release Area has been identified in the precinct plan of the exhibition documents for a potential neighbourhood shopping centre. Any neighbourhood shopping centre would only be of a scale which would service residential development in the precinct and limited servicing of adjacent development in the immediate locality

iii. Given the overall growth within Dubbo, it is very likely that both urban release areas of NURA and the North-West Urban Release Area will proceed in the next 20 years, although additional growth will still occur post that time. Each will be able to support its own retail centre once sufficient population has occurred in the immediate release areas themselves. As indicated previously in Table 2.1, the ultimate population in the combined primary sectors will be in excess of 18,500 persons, supportive of two centres in each of the growth areas.

iv. The centre that is developed first, will play an important role in servicing the other growth area, particularly until a time when the other growth area can support its own centre. Consequently, one centre will likely be larger than the other, with the ability to include a full-line supermarket of over 2,500 sq.m.

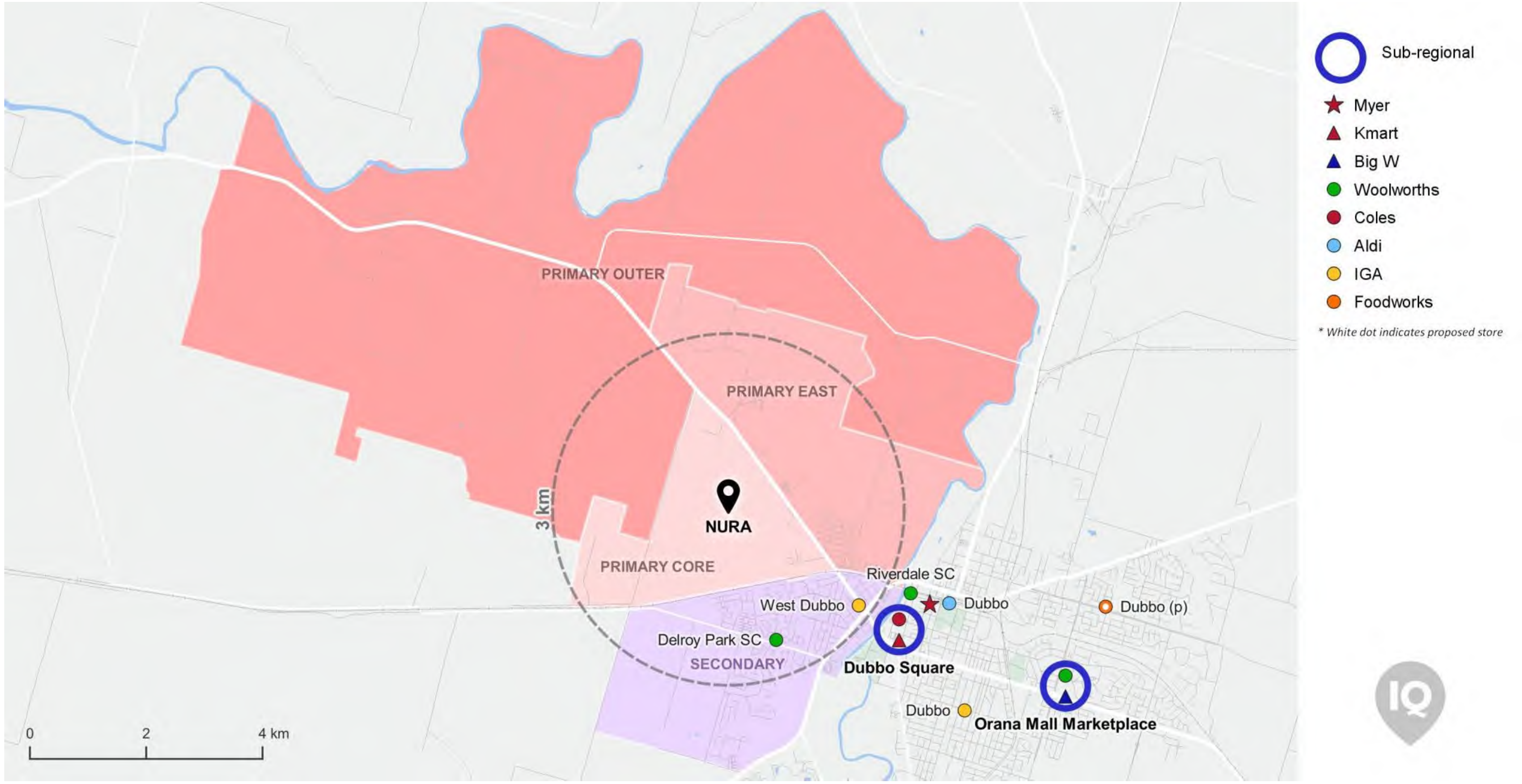
v. Beyond the main trade area, at 102-108 Macquarie Street a commercial development has been approved with ground level retail. For the purposes of this report a supermarket is not assumed to be incorporated within the development.

TABLE 3.1. COMPETITION

Centre	Shopfront GLA (sq.m)	Anchor Tenants	Dist. From Site (km)
Within The Main Trade Area			
Secondary Sector			
Delroy Park Square	4,900	Woolworths (2,900)	3.7
Other	600	IGA (600)	2.4
Beyond The Main Trade Area			
Dubbo CBA	33,700		3.2
• Dubbo Square	12,700	Kmart (5,500), Coles (3,700)	
• Riverdale SC	6,100	Woolworths (2,700)	
• Other	14,900	Myer (7,000), Aldi (1,900), IGA (950)	
Orana Mall Marketplace	23,700	Big W (8,000), Woolworths (4,100)	6.5

Source: Australian Shopping Centre Council Database

MAP 3.1. NURA MAIN TRADE AREA AND COMPETITION



4 COMPARABLE EXAMPLES

This section provides a summary of uses provided at other similar sized towns in New South Wales with recently developed supermarkets.

4.1. Sample Locations

i. To review the typical uses at comparable towns in New South Wales, the following locations have been selected based on recent supermarket developments on the outskirts of major towns.

- North Orange, Orange
- Calala, Tamworth
- Delroy Park, Dubbo
- Kooringal, Wagga Wagga
- Glenfield Park, Wagga Wagga
- Lighthouse Plaza, Port Macquarie
- Lakes Innes, Port Macquarie

ii. Table 4.1 shows the relevant study area population for each site within a 3 km radius as well as the key socio-economic characteristics.

4.2. Summary Findings

i. Key findings conclude the following:

- The overall size of the centre is typically around 5,000 to 6,000 square metres.
- In total, the average number of speciality shops is 10 with the majority in the food and liquor and food catering floorspace.
- The larger the population within a 3 km radius the larger the supermarket size. Full-line supermarkets (more than 3,000 sq.m) serve a population in excess of 14,000 persons.
- The level of retail and non-retail floorspace is positively correlated with the overall size of the centre and major tenant.
- Medical facilities were provided at a number of the centres as well as gyms.

- While there are no childcare centres provided as part of the centre across the sample, numerous centres sit adjacent to a childcare centre.
- Mini-majors are not commonly provided in non-metropolitan neighbourhood centres.

TABLE 4.1. COMPARABLE TOWNS

	North Orange	Calala	Delroy Park	Glenfield Park	Port Macquarie	Port Macquarie	Sample Average
3 Km Radius Population (2016)	16,889	10,057	12,225	24,388	18,291	14,039	15,982
Traditional Retail							
Shopping Centre	North Orange SC		Delroy Park SC	Southcity SC	Lighthouse Plaza	Lake Innes Village	**n.a.**
Supermarket Brand	WOW	IGA	WOW	Coles	Coles	Coles	**n.a.**
Supermarket GLA (sq.m)	**3,500**	**1,600**	**2,900**	**3,800**	**3,000**	**3,400**	**2,033**
Mini-major				1			**1**
Food & Liquor	3	2	3	4	1	4	**3**
Food Catering	9	2	3	5	2	7	**5**
Apparel					1		**1**
Leisure							**n.a.**
General Retail	1	1	2	2	2	2	**2**
Retail Services	1	1		1	2		**1**
Non-retail shops			4	1	1	3	**2**
Other Uses							
Childcare							
Medical			•			•	
Gym			•				
Post Office			•				

Source: Location IQ Database (based on desktop survey)

4.3. Key Findings

i. Based on a review of the comparable sites, key conclusions would be as follows:

Traditional Retail

- Critical success factors for traditional retail floorspace within master planned precincts and communities include:
  - **Location**: excellent local and regional accessibility based on location along or near a major entry to suburb.
  - **Quantum and Composition:** larger precincts typically include in-excess of 4,000 sq.m of retail floorspace within the main retail component/shopping centre. This generally comprises a full-line supermarket and specialty shops.
  - **Convenience:** retail precincts should be designed with convenience in mind with at-grade parking, particularly in light of supermarkets being a highly frequented facility for catchment area residents.
  - **Lack of Competition:** generally, spatial separation of major full-line supermarkets is recommended for Local Town Centre sites.

Other Non-retail

- Successful neighbourhood shopping centres within master planned communities generally include, or are located in close proximity to the following non-retail uses:
  - **Gyms**, with 24-hour gyms generally preferred.
  - **Childcare facilities**. Proximity to schools and retail precincts is often preferred.
  - **Medium density housing** is provided in the area surrounding the majority of successful neighbourhood shopping centres.
  - At least one **Primary School** should be included nearby.
  - **PAD sites** typically enjoy frontage to the major arterial routes. These include fast food and petrol stations.

5 FLOORSPACE PROVISION RECOMMENDATIONS

This section of the report assesses the potential for retail and non-retail floorspace to be provided at NURA Site.

5.1. Supermarket Floorspace Potential

i. A supermarket would be the largest retail tenant to be provided within the NURA subject site.

ii. There is currently one full-line supermarket provided within the main trade area namely the Woolworths at Delroy Park. One smaller IGA supermarket of 600 sq.m is also provided within the secondary sector.

iii. Typically, a full line supermarket of over 3,000 square metres is typically provided for every 8,000 to 9,000 persons in Australia. The primary sector population would be close to this level post 2036. Table 5.1 presents an analysis of supportable supermarket floorspace within the trade area over the period 2021 to 2041 and at ultimate capacity, on the following basis:

- Applying the average provision in non-metropolitan NSW (410 sq.m per 1,000 persons)
- Allows for 75% of the supportable floorspace to be retained in the trade area. The remaining 25% would be directed to facilities at Orana and Dubbo Central Business Area.

iv. Over time, there is potential for a supermarket of over 2,500 to 3,000 square metres in the trade area by 2036, however, timing for such facility will only occur once there is around 7,000 persons in the combined primary sectors. A second supermarket of up to 2,500 sq.m. will also be supportable at ultimate capacity with over 18,500 persons in the combined primary sector (over 6,690 sq.m of supermarket floorspace in total).

v. As noted previously, the two designated centres in the NURA and North-West Urban Release Area will be supportable. The centre that is developed first will play an important role in serving the other release area, until that release area population can support its own facilities. The first centre developed will, therefore, likely be larger than the second centre, with a larger supermarket

vi. Consequently, in the short-term, a smaller supermarket of 1,500 square metres will be supportable, by around 2031. A larger supermarket is possible, depending on growth and timing of NURA as compared with the North-West Urban Release Area.

TABLE 5.1. SUPERMARKET FLOORSPACE PROVISION

Metric	Benchmark	Existing 2021	Projected 2021	2026	2031	2036	2041	Ult. Capacity
Population								
Primary Sector		2,657	2,657	3,857	5,857	8,007	10,157	18,500
Supportable Smkt* Floorspace	*Non-metro NSW*	*Existing*						
Primary Sector	410 sq.m per 1,000 persons	0	1,089	1,581	2,401	3,283	4,164	7,585
-supportable floorspace	(@ 75% of total)	0	817	1,186	1,801	2,462	3,123	5,689

**Supermarkets > 500 sq.m*

5.2. Retail Specialty Potential

i. It is observed throughout the Australian retail environment that those shopping centres with a larger provision of major and mini-major tenant floorspace typically support a larger provision of retail specialty floorspace as the major tenants act as key customer attractors with the specialty shops feeding off the customer flows generated by the larger tenants.

ii. For the subject site, the indicative recommended retail specialty floorspace would be in the order of 800 – 1000 sq.m across some eight to ten shops. The recommended retail floorspace provision could indicatively include:

- Food Retail: one food retail tenants could be provided, such as a bakery/butcher/deli. Liquor is often incorporated as part of the supermarket.
- Food Catering: around 300 - 400 sq.m food catering floorspace, including cafes, takeaway food stores and possible a small restaurant that also does takeaway.
- Apparel and Household Goods: No/limited apparel and household goods floorspace should be provided.
- Leisure and General Retail: Around 300 sq.m of leisure and general floorspace could be provided, including tenants such as a pharmacy, newsagent, small discount variety store, and/or florist.
- Retail Services: Limited retail services should be considered such examples include a beautician, dry cleaners, key cutters/shoe repairs or possibly an optometrist.

5.3. Medical Centre Potential

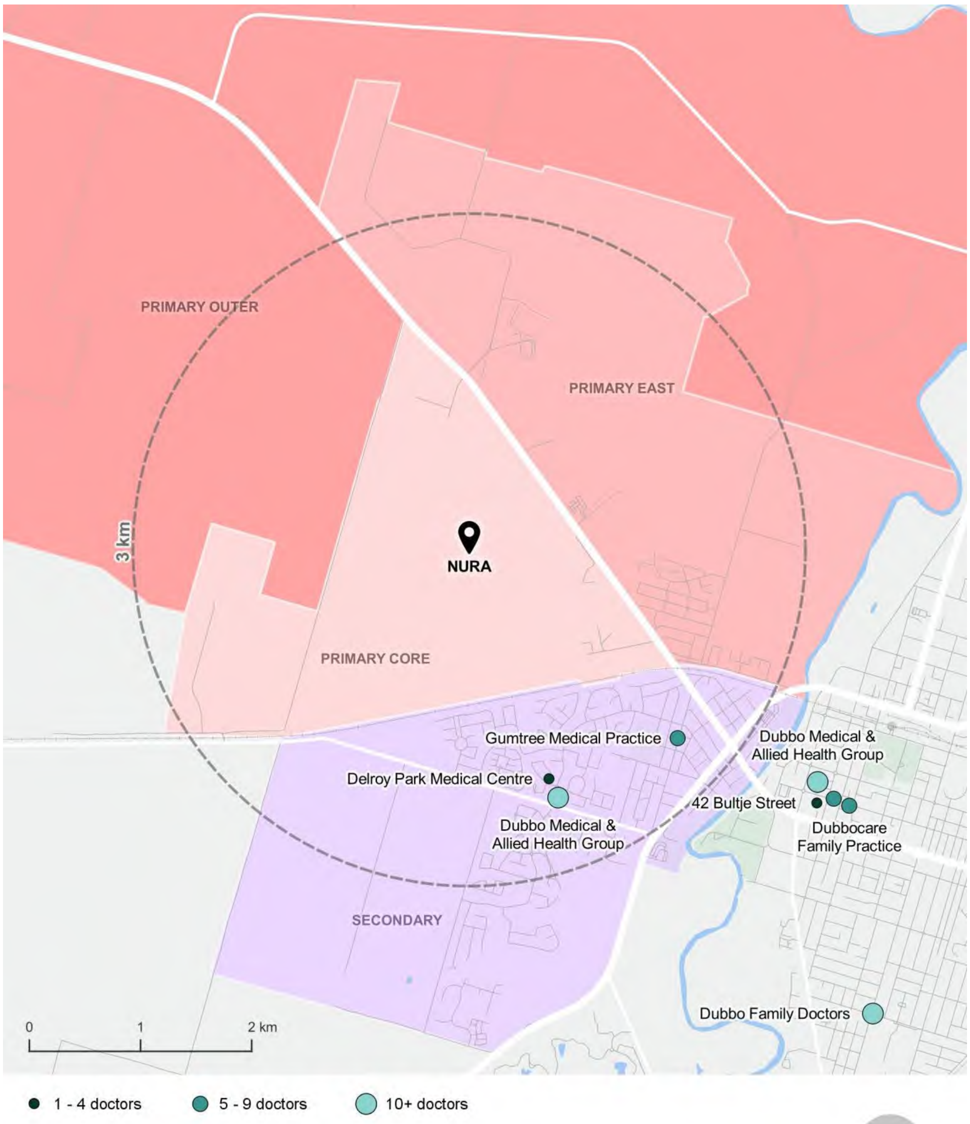
i. ‘Medical centre’ is a term used for a collection of medical services provided at the same site, typically including General Practitioners (GPs) and other services such as a pharmacist, pathology specialists, and the like.

ii. At present, there are no medical centres located in the primary sector. There are three medical centres in the secondary sector the largest medical centre is provided by Dubbo Medical & Allied Health Group at Delroy Park Shopping Centre, in combination 19 GPs are provided across the main trade area.

iii. Typically, 12.8 GPs are provided for every 10,000 residents in Australia. By 2026, some 15.5 GPs will be demanded within the main trade area by 2026, including some five GPs in the primary sector. By 2041, the primary sector will support 12-13 doctors. Consequently, medical centres should be planned for as part of the main commercial/retail precinct.

iv. Successful medical centres and facilities are typically situated within high profile locations, either along main roads or within proximity to a retail and/or commercial centre. This location enables facilities to receive maximum exposure to passing traffic, but more importantly, are easily recognisable and accessible for the surrounding population.

MAP 5.1. NURA MAIN TRADE AREA AND MEDICAL CENTRE



5.4. Gym/Fitness Centre Potential

i. There are many different sizes and forms of gyms provided throughout Australia as follows:

- National brands such as Virgin Active and Fitness First operate large-sized gyms of around 1,000 sq.m and serve a catchment of approximately 50,000 – 70,000 persons.
- Smaller format gyms are typically around 200 sq.m in size serve a catchment of around 10,000 persons.

ii. Map 5.2 illustrates the existing provision of gyms and fitness facilities throughout the surrounding region. There are currently two fitness facilities provided within the main trade area.

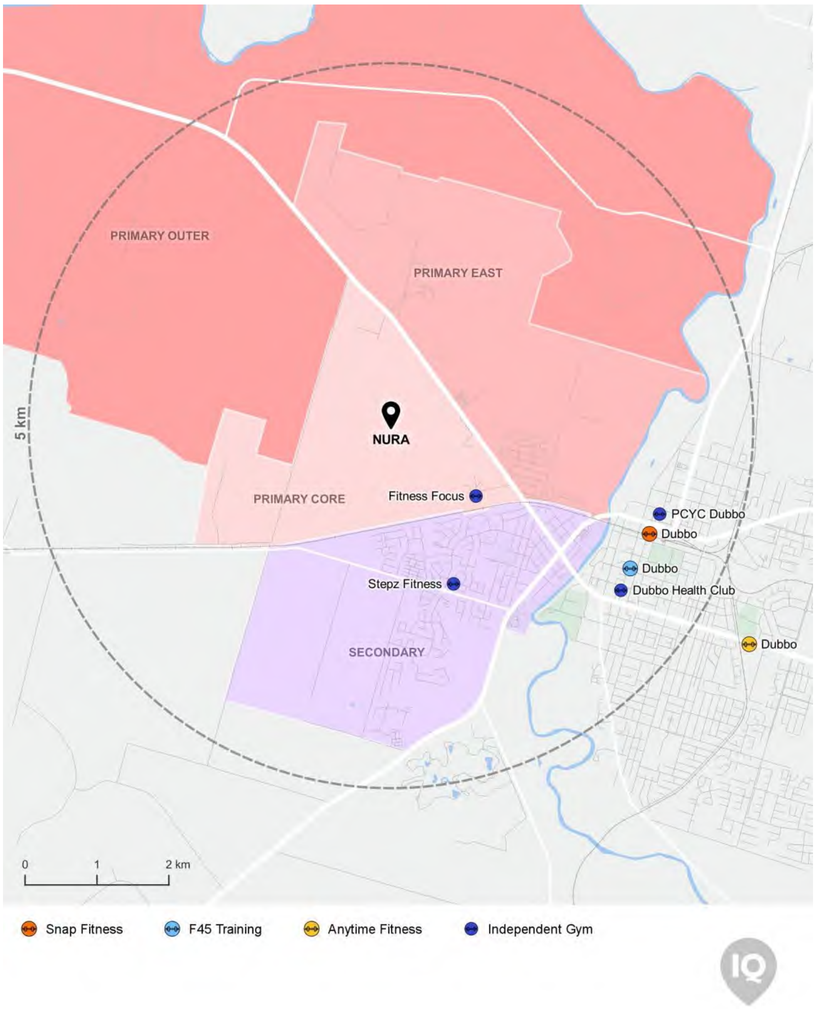
iii. The nearest gym Fitness Focus is provided directly adjacent to the subject site along Jannali Road. The gym operates limited hours over the week.

iv. Stepz Fitness located within the secondary sector at Delroy Park Shopping Centre operates 24 hours.

v. Given the ultimate population within main trade area of 27,750, 3-4 gyms will be supportable, including 2-3 over the period to 2041.

vi. A gym may have limited potential at the subject site and should be considered if tenant demand is experienced.

MAP 5.2. NURA MAIN TRADE AREA AND GYMS



5.5. Childcare Centre Potential

i. There are a range of early childhood education and care services available to Australian children, including childcare centres (long day care), family day care, outside school hours care and occasional care. Childcare centres are the largest component of the childhood education & care services market, making up 58%.

ii. Childcare centres provide care for children under school age (up to 6 years of age) within facilities built (or adapted) for early childhood education and care services. Childcare centres can offer all-day or part-time care and can be operated by private operators, community, and non-profit organisations.

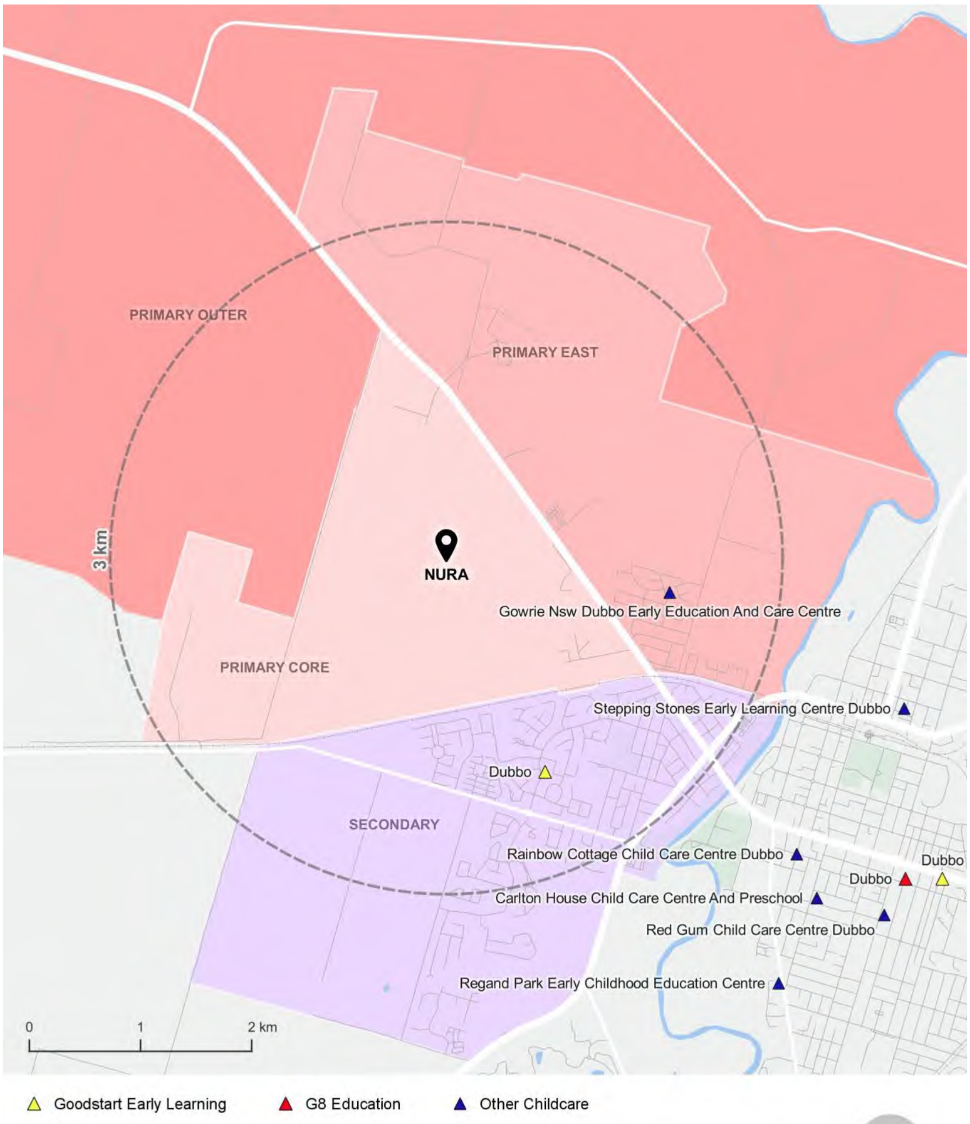
iii. Map 5.3 illustrates the location of childcare centres currently provided in the surrounding area, with two childcare centres currently provided within NURA main trade area.

iv. Assuming the average capacity of childcare centres in the regional NSW (83 places per centre), typically, one childcare centre is provided for every 2,700 people. The primary sector population would be in excess of 5,800 persons by 2031, which is likely the earliest an additional childcare centre would be supportable. A third childcare centre would be supportable by 2041, with further facilities ultimately supportable with further population growth post-2041.

v. Childcare centres can vary in size with a range from 250 sq.m up to in-excess of 1,000 sq.m, (not including play areas and car parking).

vi. A childcare facility is likely to increase visitation to the retail centre, with parents picking up their daily or weekly shopping items when collecting their children from childcare. A childcare facility therefore should form part of the overall development with the potential second one close to any educational facilities.

MAP 5.3. NURA MTA AND CHILDCARE CENTRES



5.6. Total Centre Potential

i. The supportable level of floorspace at the subject site is outlined in Table 5.2, with development likely over two stages. The stage one development would be supportable by around 2031 and be in the order of 3,000 sq.m anchored by a supermarket of 1,500 sq.m.

ii. The first stage of the NURA centre would most likely be supportable from when at least 1,000 homes have been constructed (and are occupied) within the subject estate. This would equate to some 3,000 additional persons. This is anticipated to occur around 2031. The key components are outlined in Table 5.1 and include:

- A small format supermarket which is assumed to be 1,500 sq.m
- Approximately 800 – 1,000 sq.m of retail specialty space
- A small medical centre

iii. The ultimate development would be around 6,000 sq.m, anchored by a full line supermarket and speciality shops totalling 1,000 to 1,400 sq.m if the centre was developed prior to a centre in the North-West Urban Release Area. Childcare, gym and medical would also be supportable at that time. Stage two is likely to be supportable when around 7,000 residents are in the combined primary sectors.

iv. The above recommendations are subject to tenant demand. Development should only be pursed if tenant pre-commitments can be secured.

TABLE 5.2. INDICATIVE NURA SITE FLOORSPACE RECOMMENDATIONS

Use	Floorspace (Sq.m) Stage 1 (2031)	Stage 2 (2036-41)
Within Centre		
Supermarket	1,500	3,000
Retail Specialty Shops	800 - 1000	1,000 -1,400
Non-retail (Bank, Real Estate Agent etc)	200	200
Medical Centre	250	500
Childcare Centre*	n.a.	250
Gym	n.a.	200
Freestanding - should be provided with main road exposure		
Fast Food Drive Thru	n.a.	200
Service Station	250	250
Total	**3,000 - 3,200**	**5,600 - 6,000**

** Denotes Indoor Area Only*

5.7. Centre Location

i. For a retail centre to be developed early in the estate, it would require exposure to all traffic entering and exiting the estate.

ii. The structure plan is conveniently located along Narromine Road north west of Dubbo City, adjacent to TAFE NSW Dubbo and Dubbo City Regional Airport.

iii. Longer term, a more centralised location may be more appropriate for a retail centre, however, this would mean that a centre would be developed at a later stage. A centrally located development would still require most residential traffic to bypass the site, and also be co-located with facilities such as primary school, parks, childcare centre and other community facilities to create a destination for local residents.

iv. The proposed structure plan indicated a retail precinct through the industrial area to the north and near parks/school. This is proposed to be the only entry into the estate from Narromine Road and should provide exposure and accessibility for the proposed retail facilities.

v. Ultimately, the key for any retail centre is that effectively, residents should be able to access the centre or bypass the centre before they are able to access other centres outside the trade area or in the secondary sector.

vi. In terms of land size, typically a ratio of floorspace to land space is 30%, such that a 6,000 sq.m centre would typically require around 20,000 sq.m or two hectares of land.

5.8. Implications for the Centres Hierarchy

i. The recommended centre as part of NURA will not have any implications for the Centres Hierarchy due to the following:

- A first stage of up to 3,000 sq.m., which would service the NURA itself. This sized centre has no implications for the hierarchy of centres
- At less than 6,000 sq.m, the subject centre would be a Local Centre serving the convenience needs of combined primary sector residents. At least one of NURA or North-West Urban Release Area centres will have the capacity to accommodate a supermarket of up to 3,000 sq.m. A centre of this size would be much small than the Dubbo CBD and Orana Mall which will continue to serve the non-food requirements of trade area residents.
- A neighbourhood centre in the North-West Urban Release Area will be developed once a sufficient population exists in that release area. With over 10,000 future residents, it will be able support a

centre over time of at least 3,000 sq.m., serving the convenience needs of its immediate population.

6 INDUSTRIAL LAND

This section presents an analysis of the supply and demand of Business Development (B5) and Light Industrial (IN2) zoned land within the Dubbo Local Government Area (LGA). It is specifically aimed at assessing the implications of rezoning some of the IN2 land along Narromine Road in NURA to B5.

6.1. Employment Lands Strategy

i. Figure 6.2 outlines the Employment Lands in Dubbo LGA, including industrial land.

ii. The subject site is located in close proximity to the Airport Precinct. Section 14.8 of the Dubbo Employment Lands Strategy outlines the rationale for the future development of the Airport Precinct. Figure 6.2 illustrates the airport precinct's lands including light industrial, heavy industrial and infrastructure being the airport itself.

iii. Relevantly, there is a recommendation for B5 business land to be allowable in the southern portion of the existing IN2 light industrial on the western side of the Mitchell Highway. The analysis in this section of this report supports the change.

iv. Further, the employment lands strategy on page 79 indicates the following:

> *The B5 Business Development zone allows a variety of permissible uses which would support and service the West Dubbo population catchment, nearby industrial zones and Dubbo City Regional Airport. The B5 Business Development zone is flexible in allowing a mixture of large format commercial uses including bulky goods, warehouse and distribution centres as well as a range of light industrial uses including industrial training facilities, freight transport, passenger, transport and truck depots. This provides a good mixture of uses given its location adjacent to the Mitchell Highway.*
>
> *Analysis in Part 2 of this report has shown that to meet the required industrial land supply demand in 2031, 53 to 80 hectares of industrial zoned land should be available for development. As there is currently 724 hectares of vacant/ undeveloped industrial zoned land within the former Dubbo City Council area, there is an ample supply of industrial zoned land available to cater for future demands.*

It is desirable for bulky goods uses to be consolidated and clustered together into defined areas. The land as shown below, is considered suitable as it provides one large parcel rather than creating several smaller pieces of land. This rezoning would also have minimal impact on the supply of industrial zoned land or jobs, particularly noting that the current Dubbo Local Environmental Plan 2011 permits several light industrial uses within the B5 Business Development zone.

v. Clearly there is a substantial amount of industrial land throughout Dubbo which will not be utilised over an extended period. The potential rezoning of land to B5 in this airport precinct including on the Bathla Group land would be an economic sensible outcome as discussed in the following subsections.

vi. The remainder of section assesses the provision of light industrial land supply and demand, and not just total industrial land.

FIGURE 6.1. DUBBO INDUSTRIAL LANDS

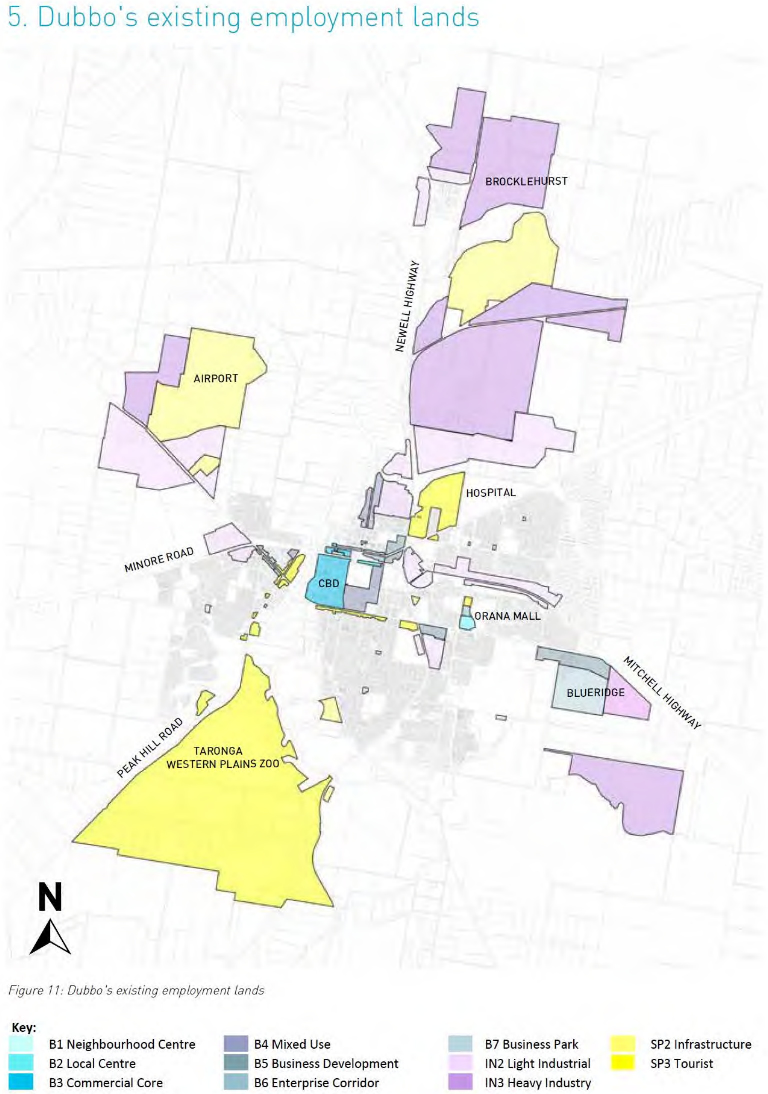
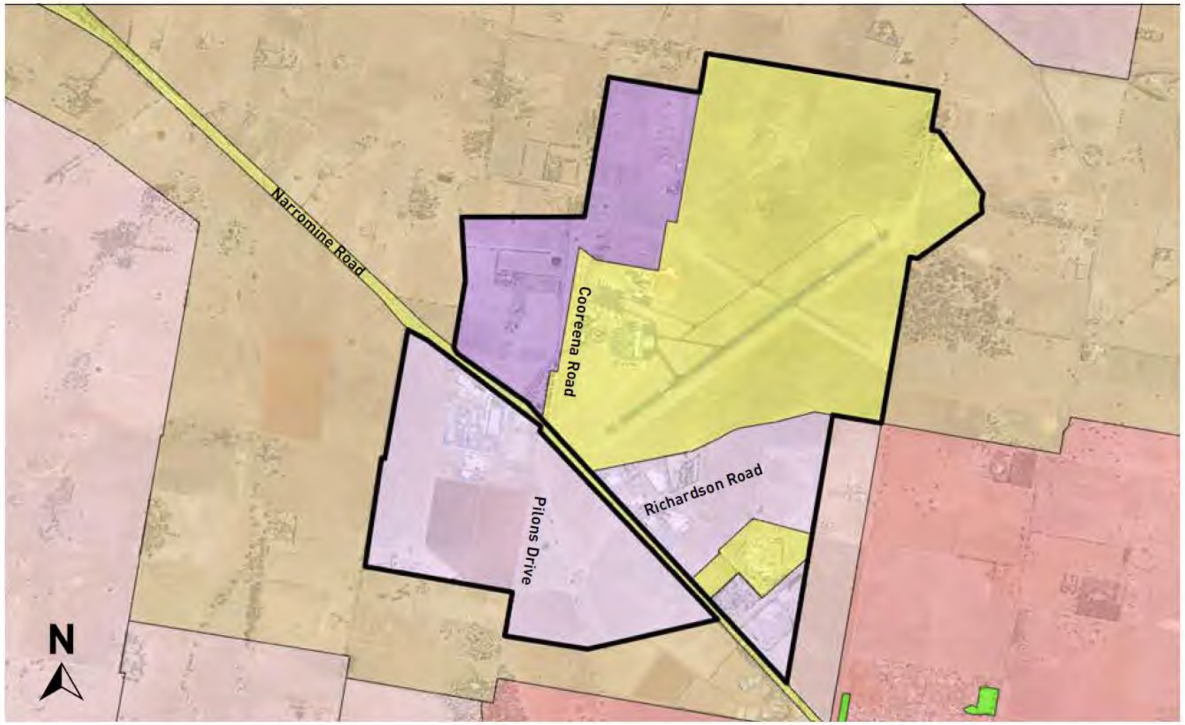


FIGURE 6.2. AIRPORT PRECINCT



Precinct Map 17: Airport Precinct

Key:
Outline of Precinct
RU1 Primary Production
R2 Low Density Residential
R5 Large Lot Residential
IN2 Light Industry
IN3 Heavy Industry
SP2 Infrastructure
RE1 Public Recreation

6.2. Allowable Uses

i. Table 6.1 summarises the allowable uses within the IN2 and B5 zones, with key differences including:

- The B5 zone allows for business premises, centre-based childcare facilities, food and drink premises, health services facilities, home industries, office premises, research station, respite day care centres, restaurants or cafés, specialised retail premises.
- On the other hand, IN2 land includes crematoriums, mortuaries and waste or resource transfer stations.

ii. B5 zoned land, therefore, includes a range of uses which is aimed at and would be more compatible with a residential population in and around the B5 land. As will be outlined in the following analysis, there is no B5 land around Dubbo North, however, at the same time there is no immediate resident population currently.

iii. With the development of the Bathla Group land for up to 1,750 homes and 5,000-5,500 residents and other nearby release areas, there would be a substantial population within and around the existing IN2 land at Dubbo North in the future. It would be appropriate to include a provision of B5 land to this location.

TABLE 6.1. B5 & IN2 USES

Use	Zone	
	IN2	B5
Agricultural produce industries	✓	✓
Boat building and repair facility	✓	✓
Business premises	✗	✓
Centre-based child care facilities;	✗	✓
Community facilities	✓	✓
Crematorium	✓	✗
Data centre	✓	✓
Depots;	✓	✓
Early education and care facility	✓	✓
Educational Establishment	✓	✓
Food and drink premises	✗	✓
Freight transport facility	✓	✓
Funeral homes	✓	✓
Garden centres	✓	✓
Hardware and building supplies	✓	✓
Health consulting rooms	✓	✓
Highway service facility	✓	✓
Health Services Facilities	✗	✓
Hospitals	✓	✓
Home industries	✗	✓
Industrial Retail Outlet	✓	✓
Industrial training facilities	✓	✓
Information and education facility	✓	✓
Kiosk	✓	✓
Landscaping material supplies	✓	✓
Light industries;	✓	✓
Liquid fuel depots;	✓	✓
Local distribution premises	✓	✓
Medical centres	✓	✓
Mortuaries	✓	✗
Neighbourhood shops	✓	✓
Office premises	✗	✓
Oyster aquaculture;	✓	✓
Passenger transport facilities	✓	✓
Places of public worship;	✓	✓
Plant nurseries;	✓	✓
Research station	✗	✓
Respite day care centres	✗	✓
Restaurants or cafes;	✗	✓
Rural supplies	✓	✓
Specialised retail premises	✗	✓
Service Station	✓	✓
Signage	✓	✓
Storage premises	✓	✓
Take away food and drink premises	✓	✓
Tank-based aquaculture	✓	✓
Timber yards	✓	✓
Transport Depot	✓	✓
Truck depot	✓	✓
Vehicle body repair workshop	✓	✓
Vehicle repair station	✓	✓
Vehicle sales or hire premises	✓	✓
Vetinary Hospital	✓	✓
Warehouse or distribution centres	✓	✓
Waste or resource transfer stations	✓	✗
Water reticulation systems	✓	✓
Wholesale supplies	✓	✓

6.3. Zoned Land

i. Map 6.1 illustrates the location of B5 and IN2 land throughout Dubbo. Table 6.2 summarises the total provision of B5 and IN2 land including as to whether it is vacant or occupied. Maps 6.2 to 6.5 detail vacant land by sub-area.

ii. Overall, the provision of IN2 land is substantially higher than B5 land at 7.2 million square metres as compared with 0.6 million square metres.

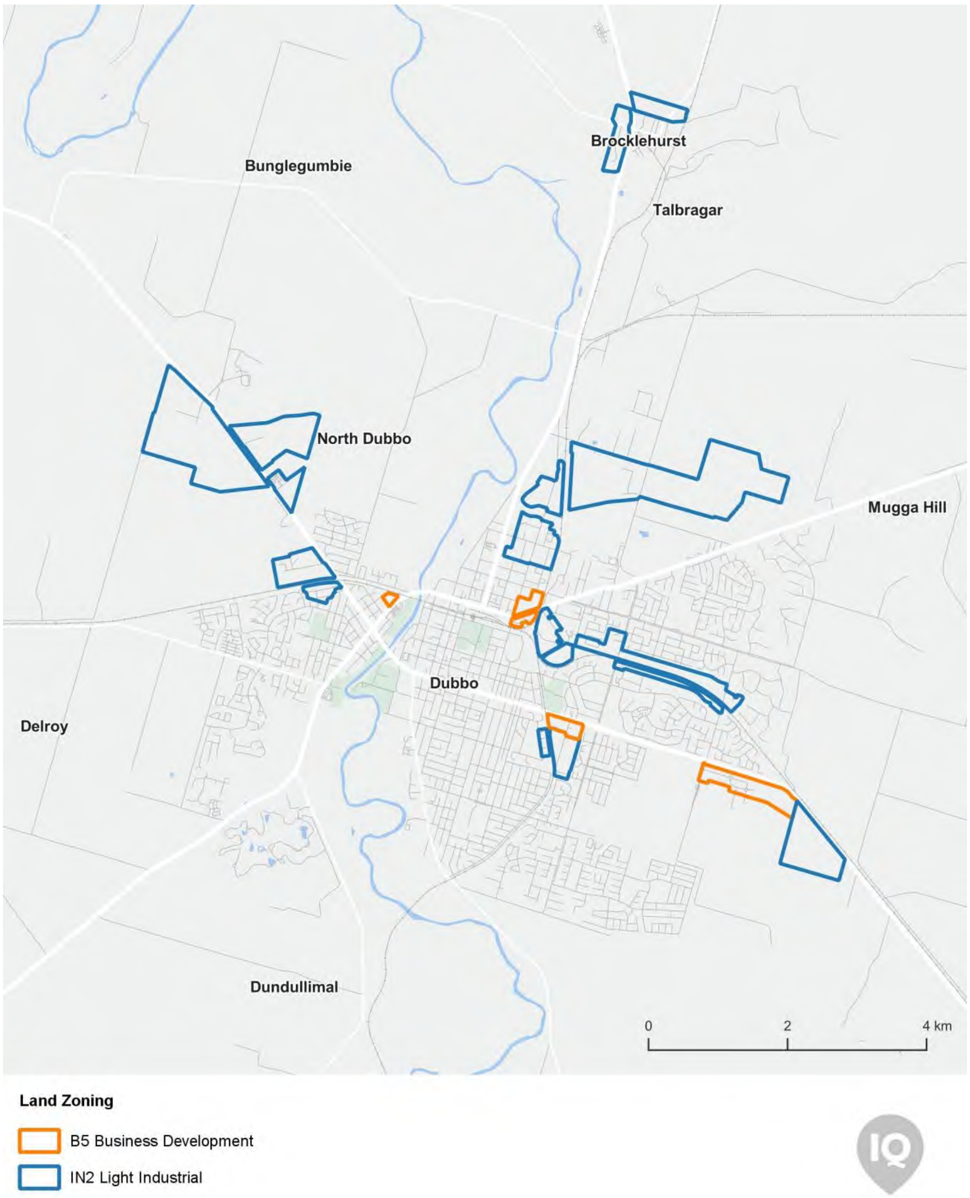
iii. In terms of vacancy levels, around 39% of B5 land is vacant and 53% of a much larger pool of IN2 land is vacant. Consequently, the conversion of a small amount of IN2 land to B5 has minimal, if any, consequence on the overall availability of IN2 land throughout Dubbo LGA.

iv. Relevantly, given the extensive supply of vacant IN2 land, at more than existing occupied IN2 land throughout Dubbo LGA, there would appear to be many, many years of industrial zone land available. A review of aerial imagery over the past 10 years indicates that around 1.5 hectares (15,000 sq.m) of IN2 land is occupied each year in Dubbo LGA. Based on existing vacant land, there is over 200 years supply.

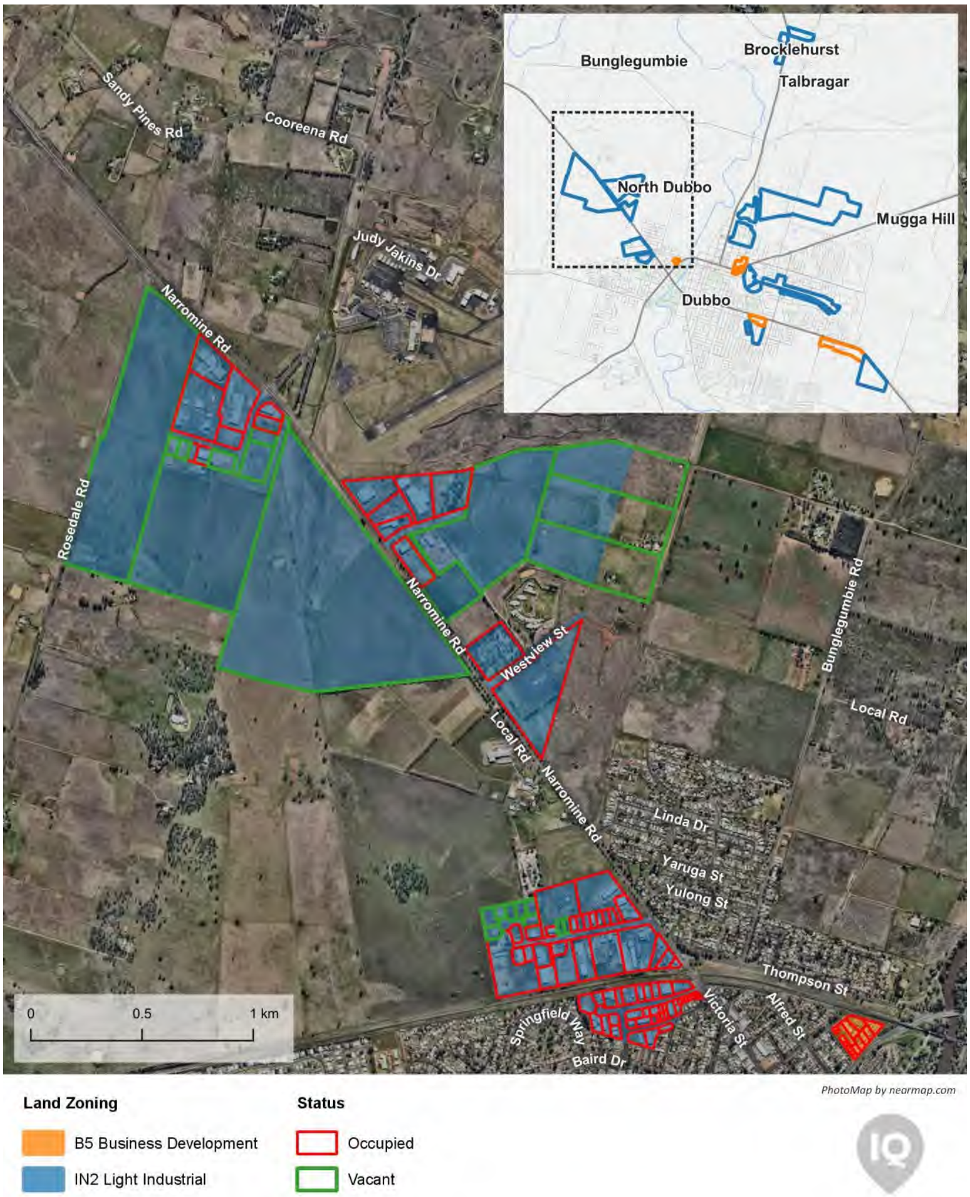
TABLE 6.2. B5 & IN2 LAND DUBBO LGA

	Land (000 Sq.m)		
Status	**IN2**	**B5**	**Total**
Occupied	3,368	344	3,712
Vacant	3,818	216	4,035
Total	**7,186**	**560**	**7,746**
% Vacant	*53%*	*39%*	*52%*

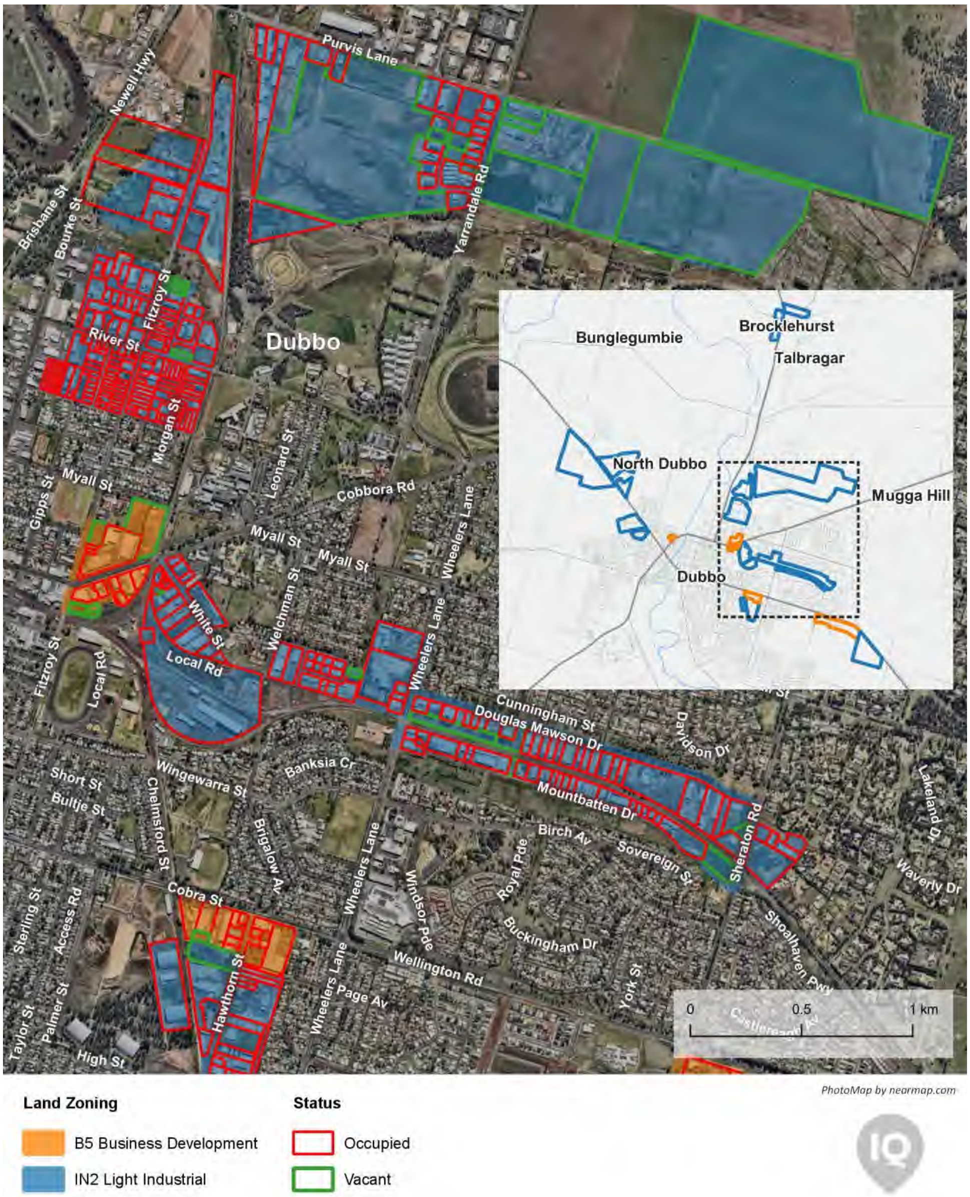
MAP 6.1. DUBBO B5 & IN2 LAND



MAP 6.2. DUBBO B5 & IN2 LAND VACANT LAND ANALYSIS

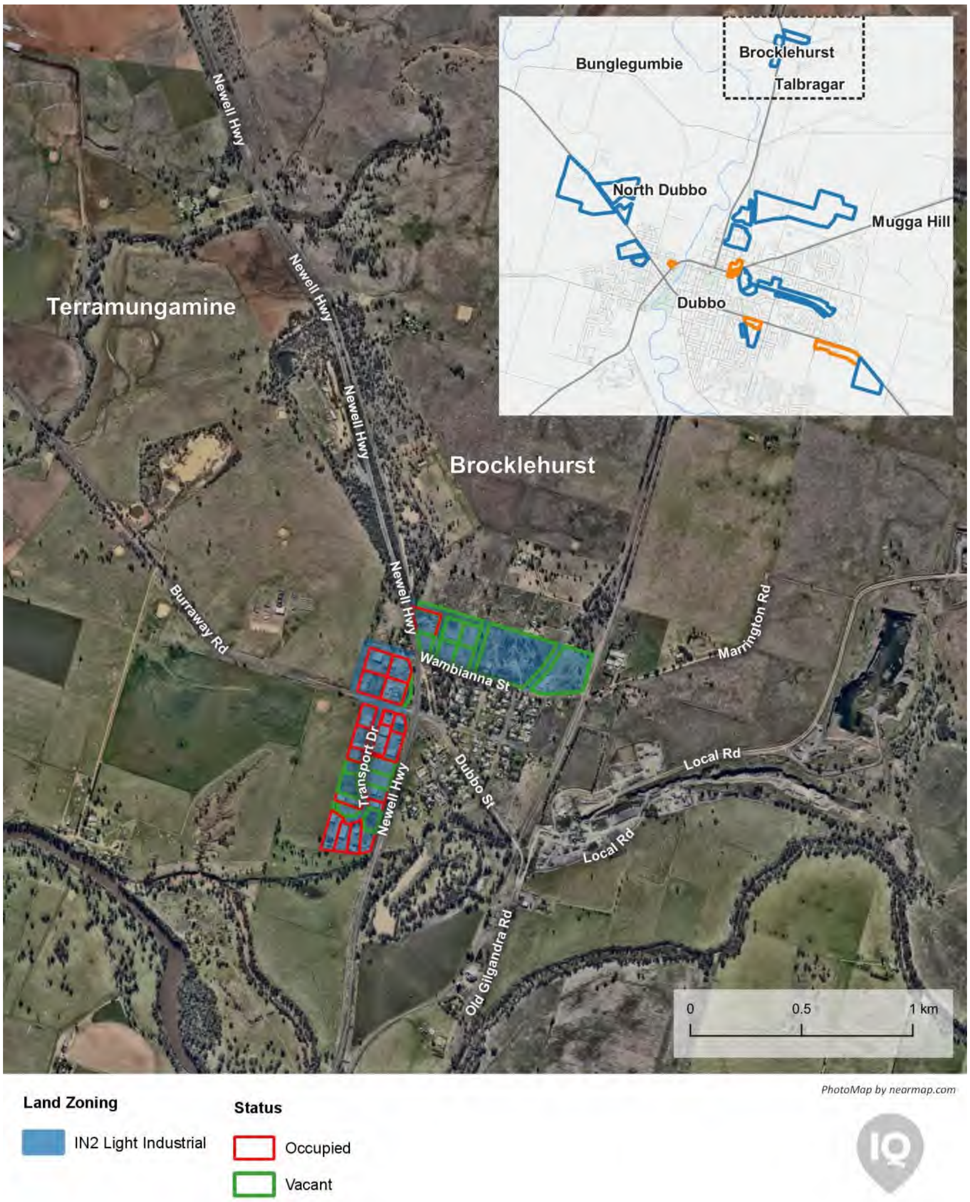


MAP 6.3. DUBBO B5 & IN2 LAND VACANT LAND ANALYSIS (CONT.)



MAP 6.4. DUBBO B5 & IN2 LAND VACANT LAND ANALYSIS (CONT.)

MAP 6.5. DUBBO B5 & IN2 LAND VACANT LAND ANALYSIS (CONT.)



6.4. Mix of Zoned Land

i. The B5 and IN2 land is generally located on the outskirts of Dubbo to the north, north-west and south-east of the City Centre. Relevantly, given the range of similar uses generally allowable on the land, B5 land is often located in close proximity to or adjoining IN2 land. Relevantly, none of the land to the north-west in the existing Dubbo North area is zoned B5.

ii. Again, with future residential now planned at Dubbo North on the Bathla Group land, it is logical and economically sensible to zone some of this land B5.

6.5. Conclusions

i. Overall, there is a substantial amount of vacant IN2 land throughout the Dubbo LGA. B5 land is more closely associated with uses that would serve a residential population. The approval of the Bathla Group development will result in an increased population in and around the existing IN2 land. The conversion of a portion of this land to B5, to allow a range of uses which are effectively the same as IN2 land but including a range of additional uses would serve future residents of this and nearby release areas. The rezoning would have no impact on the ongoing efficient provision of IN2 land more broadly throughout Dubbo LGA.

ii. More relevantly, the range of additional uses allowed on B5 as compared to IN2 land will be required by the population. These uses would either locate in the B5 land or elsewhere within the proposed Dubbo North residential development area (future centre zone). The location of the proposed B5 land is not such that it would be attractive to uses which would serve a Dubbo-wide area but more focused at serving a localised area (Dubbo North).

02 8248 0100
Suite 5, Level 27,
25 Martin Place
Sydney NSW 2000
Locationiq.com.au

HillPDA

Level 3, 234 George St
Sydney NSW 2000
02 9252 8777
sydney@hillpda.com
hillpda.com

ABN 52 003 963 755

Tim Howlet
Dubbo City Council
PO Box 81
Dubbo, NSW 2830

14 October 2022

Dear Tim Howlet

Subject: 13L Narromine Road, Dubbo Peer Review

Dubbo Regional Council (Council) is in the process of reviewing a Planning Proposal submitted by The Bathla Group (the Proponent) for the Proposed Lot 221 in the subdivision of Lot 22 DP 1038924 at the northern part of 13L Narromine Road, Dubbo (Subject Site). The Planning Proposal seeks to rezone the existing IN2 Light Industrial zones to B2 Local Centre and B5 Business Development Zones.

The Planning Proposal was prepared by GLN Planning and was supported by a report prepared by LocationIQ in 2022 titled 'Urban Release Off Narromine Road Dubbo: Preliminary Market Potential' (referred to as the Market Assessment hereafter). The LocationIQ report provided an economic assessment to support the land use proposed and, more specifically, assessed the potential for retail and non-retail employment floorspace proposed in the Narromine Urban Release Area (NURA) as part of a new residential estate. Council has since engaged HillPDA to peer review the Market Assessment and consider how the Planning Proposal aligns with Council's Employment Land Strategy (ELS) and commercial hierarchy and its potential impacts on the B1 and B4 land currently being planned for in the North West Urban Release Area (NWURA).

1.1 Study Aims and Objectives

The purpose of this Study is to assess the accuracy, consistency and transparency of the Market Assessment undertaken by LocationIQ and provide an independent opinion on:

- the validity of the assumptions and methodology used
- the Planning Proposal's alignment to the ELS
- the potential impacts of the Planning Proposal on the B1 and B4 land currently being planned for in the NWURA.

1.2 Study Structure

To meet the requirements of the brief, we have structured this Study as follows:

- **Section 1.3 Proposal Context:** This section provides a brief over of the local context of the Subject Site and Planning Proposal particulars.
- **Section 1.4: Peer review of the Market Assessment**: This section assesses the Market Assessment's key findings, including the trade area definition, projected population, retail expenditure capacity, competitive environment, floorspace provision recommendations. An independent retail and demand analysis is undertaken to inform the recommended retail centre size for the Subject Site.
- **Section 1.5: Recommended Centre Size**: This section outlines the recommended centre size.

- **Section 1.5: Implications on the NWURA B1 and B4 zones:** This section considers the impacts that a centre at the Subject Site could potentially have on the NWURA.
- **Section 1.6: Alignment to ELS:** This section considers the Planning proposal's alignment to the ELS.

1.3 Planning Proposal Context

1.3.1 Local context and the Subject Site

The Subject Site is located at the northern end of 13L Narromine Road, Dubbo, and will form part of a new master-planned urban release area comprising both residential and employment land uses (referred to as NURA). The planned urban area will be delivered by the Proponent and upon completion is anticipated to accommodate 1,650-1,750 dwellings (5,000 to 6,500 residents) across the wider 270Ha of residential and employment zoned land. The Subject Site (shown in Figure 1) is adjacent to the existing TAFE facility and arterial road and immediately north of the planned sports field site, currently zoned RU2 Rural Landscape. The Subject Site received Development Consent in May 2022 to be separated from remaining land at Lot 22 DP 1038924. It is understood that the remaining land and adjoining Bathla parcel will be progressively delivered as part of the adjoining Stage 4 South West District forming part of the West Dubbo Urban Release Area.

Figure 1: Subject Site

Source: GLN Planning (2022), Planning Proposal – 13L Narromine Road, Dubbo

1.3.2 Planning Proposal Particulars

The Planning Proposal seeks to rezone the IN2 Light Industrial zones at the Proposed Lot 221 in the subdivision of Lot 22 DP 1038924 to B2 Local Centre and B5 Business Development Zones. The Planning Proposal states that the intended outcomes of the Planning Proposal are to:

- *zone land to B5 to meet the long term demand for a mix of business, warehouse and specialised retail premises that require a large floor area to meet the projected undersupply of this floorspace to service Dubbo's future residential development in the west.*
- *zone land to B2 to enable convenience local shops located close to the adjacent to sports field and potential new school site that will service the future residential release areas and surrounding industrial areas.*

1.4 Peer review of the Market Assessment

The methodology LocationIQ used in Market Assessment was to:

1. Define the trade area likely to be served by a retail centre at the Subject Site.
2. Review the current and projected population and retail spending levels over the period to 2041.
3. Consider existing and proposed competitive developments within the area surrounding the subject site and trade area.
4. Consider comparable towns retail mixes.
5. Apply the average non-metropolitan provision benchmark rates and capture rates to estimate the potential for supermarket floorspace as well as retail specialty, medical centre and gym floorspace.
6. Analysis of supply and demand of B5 Business Development and IN2 Light Industrial Land.

Overall, we were satisfied with their methodology, but we do have a few concerns with some of the assumptions and outputs which is discussed below.

1.4.1 Trade Area

LocationIQ have defined the main trade area for a retail centre at the subject site to include two sectors as follows:

- *A primary sector bounded to the south by a railway line and extends north and east limited by the Macquarie River. The sector is constrained by the extent of the urban area to the west.*
- *A secondary sector which includes West Dubbo, Delroy Park, and Grangewood, bounded to the north by the railway line and east by the Macquarie River and Peak Hill Road. The sector is also limited by the extent of the urban area to the south and west.*

LocationIQ makes the following assumptions in defining their trade area:

- The North-West Urban Release Area will accommodate 2,600 dwellings (7,500 residents) and a potential neighbourhood centre in the next 20 years. The subject urban release area (referred to as NURA in the Market Assessment) and the NWURA will be able to support its own retail centre once sufficient population has occurred in the immediate release areas themselves.
- An improved road connection will be delivered in the future that will provide access across the railway and connect residents within the secondary sector to the primary sector and in turn the proposed retail centre at the subject site. They note that this connection is still yet to be finalised.

HillPDA believe that the trade area defined by LocationIQ is greater than we would expect for the following reasons.

Reason 1: The Draft North-West Precinct Plan updated on 16th September 2020 proposes that the NWURA will accommodate 5,000-6,000 dwellings (12,500 – 15,000 residents) upon completion and has the capacity to support a new Neighbourhood or Precinct Centre to service the future population in the Precinct. The Draft Plan also stipulates that the precinct area will "*have the ability to support various mixed use commercial and residential developments.*" Moreover, this area *"will enable a range of small-scale commercial development, including convenience retail premises, business premises, medical centres and community uses within easy walking distance. Shop top housing is encouraged in the zone*". The proposed land use zoning map indicates that the B1 Neighbourhood Centre zoned land will occupy 3.0Ha, with a further 26.7Ha of B4 Mix Use land surrounding the Neighbourhood Centre. Based on these areas and population catchment it can be assumed that Neighbourhood Centre will provide 6,000+sqm of GLAR, with a significant provision of shopfront retail and commercial uses also likely to occupy the ground floor areas in the B4 zone. For this reason we **do not** believe the primary sector of the proposed centre on the subject site should extend further east of Narromine Road.

Reason 2: Notwithstanding that there is no confirmation that a road connection between primary sector and secondary will be delivered in the future (thereby improving access to the Subject Site from the south) these residents will still likely continue to undertake the majority of their food and grocery shopping at the Delroy Park Square (which includes a Woolworths of 2,900sqm and supporting specialty) and higher order shopping at Dubbo CBA and Orana Mall Marketplace. Moreover, the Planning Proposal prepared by GLN also acknowledges the poor connection between the two sectors even after the planned future road connections. Given the poor connection and competition to the south, we do not believe the secondary sector should form part of the main trade area for the proposed retail centre at the Subject Site.

Based on the above, we consider the trade area should largely be contained to NURA and the rural properties within 5km to the north of NURA.

The smaller trade area (referred to as the revised trade area hereafter) and corresponding population catchment will have substantial implications on the provision of supermarket floorspace which can be supported on the Subject Site. For this reason, the next section (Section 1.4.2) considers the potential for retail floorspace based on this revised trade area.

1.4.2 Retail demand modelling

This section provides a forecast of the demand for retail floor space in the revised trade area based on population growth and expenditure levels. This method differs from the approach adopted by LocationIQ (i.e. applying the average non-metropolitan supermarket provision benchmark rates and capture rates to estimate the potential for supermarket floorspace).

1.4.2.1 Revised Trade Area population growth

As at 2021 the revised trade area had a population of 470 residents based on ABS Census 2021 data. The population is forecast to reach 5,500 to 6,000 by 2041 as shown in the table below, which equates to a growth rate of around 13% per annum. The forecasts are based on expected development yield of the masterplan provided by Bathla Group and assume 1,650-1,750 dwellings are fully occupied over the periods 2026-2041(which is consistent with the Market Assessment) and less than 1% growth rate for the rural areas to the north of NURA. Note, if the residential development uptake occurs at a slower rate than projected, the timing for the retail and commercial uses may need to be delayed accordingly.

Table 1: Revised Trade Area population growth rates

Year	2021	2026	2031	2036	2041
Low growth Scenario	470	780	2,300	3,800	5,500
High Growth Scenario	470	780	2,780	4,780	6,000

Source: ABS Census 2021

1.4.2.2 Resident expenditure

Total forecast sales from the revised trade area residents is shown in the table immediately below.

Table 2: Forecast expenditure from trade area residents (2020 dollars) ($m)

Year	2021	2026	2031	2036	2041
Low Growth Scenario					
Population	470	780	2,300	3,800	5,500
Supermarkets and grocery stores	2.3	4.0	12.4	21.6	32.9
Specialised food stores	0.6	1.0	3.0	5.0	7.4
Bulky goods stores	1.1	1.9	5.9	9.9	14.7
Department stores	0.4	0.6	1.8	3.0	4.3
Apparel stores	0.7	1.1	3.4	5.7	8.5
Other non-food stores	0.9	1.6	4.8	8.1	12.0
Restaurants and fast-food services	0.7	1.2	3.8	6.6	10.1
Personal services	0.2	0.4	1.3	2.1	3.1
TOTAL	**6.9**	**11.9**	**36.2**	**62.0**	**93.0**
High Growth Scenario					
Population	470	780	2,780	4,780	6,000
Supermarkets and grocery stores	2.3	4.0	15.0	27.2	35.8
Specialised food stores	0.6	1.0	3.6	6.3	8.1
Bulky goods stores	1.1	1.9	7.1	12.5	16.0
Department stores	0.4	0.6	2.2	3.8	4.7
Apparel stores	0.7	1.1	4.1	7.2	9.3
Other non-food stores	0.9	1.6	5.8	10.2	13.1
Restaurants and fast-food services	0.7	1.2	4.5	8.3	11.0
Personal services	0.2	0.4	1.5	2.7	3.4
TOTAL	**6.9**	**11.9**	**43.8**	**78.0**	**101.5**

Assumes real growth in retail spend per person per annum at the rates of 1% in food and groceries, 1.2% in food services, 0.5% for non-food retail and -0.25% for department stores generally in line with historic trends over the past 3 decades. Weighted average is around 0.75% per annum.
Sources: ABS Census 2021, ABS Retail Turnover, ABS Household Expenditure Survey and HillPDA

Estimating potential retail sales of a retail centre in the revised trade area is done by applying capture rates to household expenditure. A high proportion of food, groceries and regular shopping goods and services is usually done close to home as shoppers generally have a preference to minimise travel time and cost when undertaking 'chore shopping'. This is manifested in the retail hierarchy where smaller centres are generally anchored by supermarkets and comprise a range of specialty stores in food, groceries, personal services (hair/beauty, pharmaceuticals, etc) and other regular service categories. The fewer and larger regional centres such as Dubbo CBD and Orana Mall are generally anchored by larger stores, department stores and have a more specialist retailers in fashion, homewares, and other comparative goods as well as a range of entertainment and commercial services. Usually trips to these centres are less frequent and shoppers are prepared to travel further. Note we have applied a lower capture rate of 50% for the supermarket compared to Market Assessment's, 75% to account for the stronger retail offer which is likely to provided in the North-West urban release Area.

The table immediately below shows total potential retail sales in the revised trade area:

Table 3: Total forecast potential retail sales in the trade area (2021 dollars) ($m)

Year	Capture	2021	2026	2031	2036	2041
Low Growth Scenario						
Supermarkets and grocery stores	50.0%	1.2	2.1	6.5	11.3	17.2
Specialised food stores	50.0%	0.3	0.5	1.5	2.6	3.9
Bulky goods stores	-	0.0	0.0	0.0	0.0	0.0
Department stores	-	0.0	0.0	0.0	0.0	0.0
Apparel stores	-	0.0	0.0	0.0	0.0	0.0
Other non-food stores	10.0%	0.1	0.2	0.5	0.8	1.3
Restaurants and fast-food services	15.0%	0.1	0.2	0.6	1.0	1.6
Personal services	15.0%	0.0	0.1	0.2	0.3	0.5
TOTAL	**24.2%**	**1.8**	**3.0**	**9.4**	**16.2**	**24.5**
High Growth Scenario						
Supermarkets and grocery stores	50.0%	1.2	2.1	7.9	14.3	18.8
Specialised food stores	50.0%	0.3	0.5	1.9	3.3	4.2
Bulky goods stores	-	0.0	0.0	0.0	0.0	0.0
Department stores	-	0.0	0.0	0.0	0.0	0.0
Apparel stores	-	0.0	0.0	0.0	0.0	0.0
Other non-food stores	10.0%	0.1	0.2	0.6	1.1	1.4
Restaurants and fast-food services	15.0%	0.1	0.2	0.7	1.3	1.7
Personal services	15.0%	0.0	0.1	0.2	0.4	0.5
TOTAL	**24.2%**	**1.8**	**3.0**	**11.3**	**20.4**	**26.7**

Please note also that the above figures make an allowance for 5% of turnover to be derived from sources outside the trade area. This includes residents that live further to the south and east, visitors from the proposed bulky goods component at NURA and day trippers.

1.4.2.3 Demand for retail space

Demand for retail space is estimated by dividing potential retail sales by industry standard retail turnover density (RTD) levels. The results are shown in the table immediately below.

Table 4: Retail Floorspace Demand (sqm)

Store Type	Target RTD*	2021	2026	2031	2036	2041
Low Growth Scenario						
Supermarkets and grocery stores	10,500	115	201	622	1,080	1,643
Specialised food stores	7,500	40	68	207	350	519
Other non-food stores	6,000	16	28	84	141	210
Restaurants and fast food services	6,000	18	31	98	173	265
Personal services	6,000	6	11	33	56	83
TOTAL	**8,953**	**196**	**339**	**1,043**	**1,800**	**2,720**
High Growth Scenario						
Supermarkets and grocery stores	10,500	115	201	752	1,358	1,792
Specialised food stores	7,500	40	68	250	440	566
Other non-food stores	6,000	16	28	101	178	229
Restaurants and fast food services	6,000	18	31	119	217	289
Personal services	6,000	6	11	40	70	90
TOTAL	**8,953**	**196**	**339**	**1,261**	**2,264**	**2,967**

* Sources: Various including ABS Retail Surveys, Shopping Centre News, Urbis Retail Averages, Property Council of Australia, various consultancy studies and HillPDA research

With no other retail facilities provided or planned within the revised trade area, the above retail demand analysis suggests that the revised trade area could support Market Assessment's Stage 1 proposal by 2041. That is a supermarket of up to 1,500sqm and 800-1,000sqm of retail specialty shops. This will allow for a small provision of other food services and the like to be provided with the bulky goods retailing proposed as part of NURA and elsewhere in the trade area.

Note, that if the proposed centre at the Subject Site was developed prior to the Neighbourhood Centre at the NWURA, it would have a trade area that extends into the NWURA. mean that the proposed retail centre at NURA could also service the NWURA residential population in the interim and could be delivered as early as 2031 to 2036. Once the Neighbourhood Centre opens, the proposed retail centre will likely lose trade from residents in the NWURA.

The revised trade area population would not be able to support the Stage 2 proposal (i.e. 3,000sqm supermarket and 1,000-1,400sqm of retail specialty shops). For this reason we advise against proceeding with Stage 2 development at this stage. Stage 2 would only be viable for a trade area of at least 8,000 people. In the long term there may be an argument to support Stage 2, if for example, the centre at NWURA was overtrading and additional competition was deemed to be a healthy measure of correction. However that is speculation in relation to a possible long term scenario.

1.4.2.4 Demand for retail space using average supermarket provision method

The above analysis has been cross-checked against LocationIQ's method of applying the average provision in non-metropolitan supermarket floorspace for NSW (410sqm per 1,000 persons) and 75% capture rate (which as discussed previously, we consider to be bullish given the likely stronger retail offer likely to be provided at NWURA) to the revised trade area. The second method suggests there is demand for 700 to 850 sqm of supermarket floorspace by 2031, increasing to 1,700 to 1,850sqm in 2041, with the calculations shown in the table below. Again, this supports the above findings that Subject Site could support the Stage 1 proposal by 2041. As previously discussed, the retail centre may be developed as early as 2031-36 if the retail centre were developed prior to the Neighbourhood Centre for reasons outlined above.

Table 5: Supermarket floorspace provision for Subject Site using Method 2

Category	2021	2026	2031	2036	2041
Low growth scenario					
Population (persons)	470	780	2,300	3,800	5,500
Supportable Supermarket Floorspace Non-metro NSW	193	320	943	1,558	2,255
Supportable floorspace (@75% of total)	145	240	707	1,169	1,691
High growth scenario					
Population	470	780	2,780	4,780	6,000
Supportable Supermarket Floorspace Non-metro NSW	193	320	1,140	1,960	2,460
Supportable floorspace (@75% of total)	145	240	855	1,470	1,845

* Sources: Market Assessment, ABS Census 2021 and HillPDA research

1.4.3 Medical centre, gym and childcare potential

The Market Assessment indicates that 12.8 GPs are provided for every 10,000 residents in Australia. A source for these assumed rates was not provided. The Australian Institute of Health and Welfare (AIHW) indicate the rate for medical practitioners is much higher at 420 full-time equivalent (FTE) per 100,000 persons which equates to 4.2 per 1,000 persons. Based on the revised trade area this would suggest the trade area could support up to 25 medical practitioners by 2041 based on the AIHW provisional rate and up to 7 based on the Market Assessment rate. This suggests the revised trade area could support a small scale medical centre on the Subject Site.

Similarly, the Market Assessment indicates that national gym brands typically serve a catchment of 50,000-70,000sqm, whilst smaller format gyms typically serve a catchment of 10,000 persons. Again a source for the data is not provided. A desktop[1] review reveals that gym operators typically target a catchment of 20,000 to 60,000 persons pending on the scale of the gym, with smaller scale gym facilities (i.e. 200sqm) lower at around 10,000 persons. As such, the Market Assessment assumptions appear reasonable. With a trade area population of around 5,500 to 6,000 persons, this would suggest that there a gym facility would not be supportable, with the NWURA a more appropriate location to accommodate a second gym. As such, we agree with Market Assessments conclusion that *"a gym may have limited potential at the Subject Site and should only be considered if tenant demand is experienced*".

In terms of the childcare centres, based on a review of growth centre planning codes,[2] proposed provisional rates provided in the Market Assessment, the revised trade area could potentially support a childcare centre over the forecast period.

1.4.4 Other concerns

Other issues identified in the Market Assessment:

- The population forecasts presented in Table 2.1 are not consistent with the text presented in the Executive Summary and Section 2.2 (i.e. in the Executive Summary and Section 2.2 it states there is 17,080 persons in the Main Trade Area and 8,270 persons in the Primary Sector, whilst Table 2.1 shows there is 17,489 persons in the Main Trade Area and 8,357 persons in the Primary Sector) or the population forecasts presented in Table 5.1. The discrepancies are relatively minor and would not have impacted the Market Assessment's overall analysis or conclusions.
- The population forecasts assumed for the NWURA (i.e. at 7,500 persons) were under represented, with the Draft North-West Precinct Plan forecasting 12,500 – 15,000 residents. Moreover, the Market Assessment concludes that the immediate catchment could support a Neighbourhood Centre at the NWURA which is similar in size to that proposed centre at the Subject Site (which we assume to mean

[1] The Gym group Full year Results, 2020; Strategies for success in the fitness arena: jets and various other consultancy reports
[2] NSW Growth Centre Development Code 2006, SEQ Growth Centres 2007, Growth Vic, 2008

a 5,6000-6,000sqm centre). Given the larger population catchment at NWURA, we would anticipate that the immediate catchment population could support a Neighbourhood Centre of up to 6,000sqm, including a full-line supermarket and potentially a smaller scale second supermarket at the centre over time if population grows at a higher rate (i.e. the high growth scenario). Based on the primary sector population (and allowing for a further 4,500-7,500 residents in the North-West Release Area) this would suggest that there is limited potential to provide a full line supermarket at both the NWURA and the Subject Site. Rather a smaller scale supermarket (i.e. up to 1,500sqm) at the Subject Site to service the immediate population catchment would be more appropriate. The recommended size for the centre at the Subject Site has been addressed and accounted for in the revised Trade Area and Section 1.4.2 analysis and discussed in Section 1.5.

- The Executive Summary suggests Stage 1 could be delivered as early as 2026, whilst the analysis and conclusions in the body of the Market Assessment indicates 2031. As discussed above, we believe 2031-2036 is a more appropriate timeframe and this assumes that the residential development uptake surrounding the subject site and the NWURA Area occurs at the projected rates and the Neighbourhood Centre is delivered after the centre at the Subject Site. If it occurs at a slower rate than projected and/or the Neighbourhood Centre is delivered prior or at the same time the centre at the Subject Site , the delivery of the centre at the Subject Site should be delayed until a sustainable immediate population catchment is reached.

1.5 Recommended Centre Size

As established in the retail demand analysis the revised trade area could support up to 2,500sqm of retail floorspace, including a supermarket of 1,500sqm on the Subject Site once there is sufficient population. Allowing for another 20% of non-retail specialty (banks, real estate agents, medical services) which is typical for centres of this scale would suggest the Subject Site could support a centre of around 3,000sqm. This is consistent with Market Assessment's Stage 1 indicative floorspace recommendations. They also propose a further freestanding Service Station of around 250sqm which we consider reasonable if it is provided with main road exposure. This brings the total centre size to around 3,000-3,200sqm. In terms of timing, the retail centre may be developed as early as 2031-36 if the retail centre were developed prior to the Neighbourhood Centre for the reasons outlined above.

1.6 Implications on the NWURA B1 and B4 zones

We anticipate that a centre of 3,000-,3,200sqm would not have any significant impacts for the B1 to B4 zoned proposed at the NWURA. It would be a relatively small-scale centre serving the convenience needs of the new residents in the immediate catchment. Moreover, the projected population at the NWURA has the capacity to support a Neighbourhood Centre, without having to rely on trade from residents at NWURA. As such it is unlikely that the retail centre at the Subject Site will re-direct sales from the Neighbourhood Centre (or other existing centres in the locality).

If, however, Market Assessment's Stage 2 is delivered on site (i.e. a centre of 5,600-6,000sqm) we anticipate that this may have some implications on the Neighbourhood Centre at the NWURA, potentially delaying it's delivery or undermining it's performance. The more likely scenario, however, is that the trade area of the Subject Site would contract to Narromine Road and it would lose a significant level of market share.

1.7 Alignment to ELS

HillPDA agree with both GLN Plannings and LocationIQ's findings that the Planning Proposal's implementation of the B5 Business Development Zone is supported by the ELS. We also agree with GLN's assertion that, although a local centre at the Subject Site was not referenced in the ELS, the future residents of the NURA would benefit from a local scale centre, particularly given they are not well connected to other local retail offers. Moreover, a local centre of 3,000-3,200sqm would not undermine the employment function associated with the Employment Precinct. On the contrary it would improve amenity, providing important services that would contribute to the success of the employment zone.

Yours sincerely,

Draft

…………………………………………………….

Adrian Hack

Principal, Urban and Retail Economics

M. Land Econ. B.Town Planning (Hons). MPIA

Adrian.Hack@hillpda.com