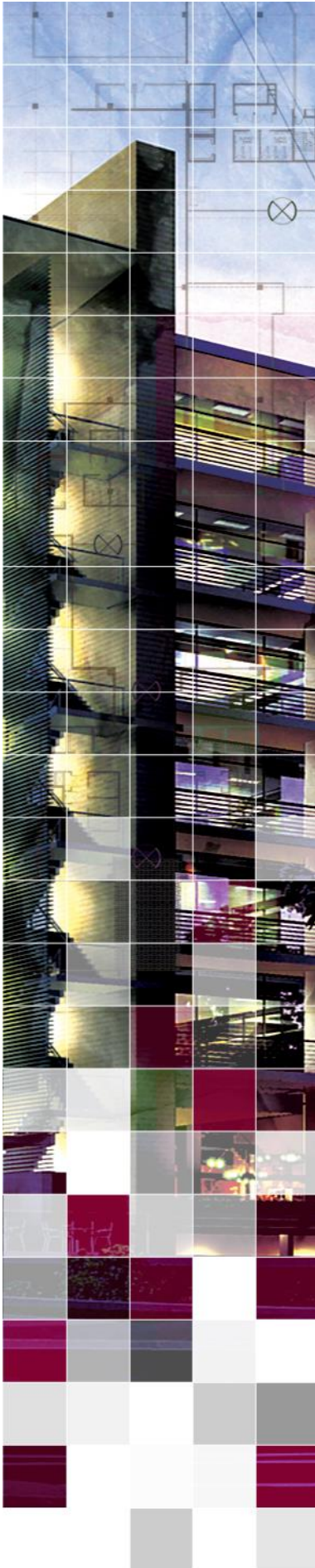




PLANNING STUDY

Analysis of retail supermarket floor space in the Sutherland Local Government Area

For:

Fabcot Pty Ltd

Submitted to:

Sutherland Shire Council

Date:

September 2016

2015.0037 Planning Study

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GLOSSARY OF ABBREVIATIONS

Australian Bureau of Statistics (ABS)

Development Control Plan (DCP)

Economic Impact Assessment (EIA)

Floor space Ratio (FSR)

Greater Metropolitan Area (GMA)

Greater Sydney Commission (GSC)

Gross Floor Area (GFA)

Gross Lettable Area (GLA)

Local Environmental Plan (LEP)

Local Government Area (LGA)

NSW Department of Planning and Environment (DP&E)

Social Impact Assessment (SIA)

Sydney Metropolitan Area (SMA)

1. INTRODUCTION

1.1 OVERVIEW

This Planning Study report (Planning Study) has been prepared to analyse retail supermarket floor space within the Sutherland Local Government Area (LGA) and identify potential locations where new retail supermarket floor space can be supported while at the same time facilitate multi-option retailing.

This Planning Study been prepared on behalf of Fabcot Pty Ltd (Fabcot). Fabcot is a wholly owned subsidiary of Woolworths Limited (Woolworths) within Woolworths Corporate Property.

Woolworths makes a significant contribution to economic development and employment across New South Wales (NSW). Woolworths as a whole employed in 2016 a National workforce of over 198,000 people across the country.

(Source: http://www.woolworthslimited.com.au/page/A_Great_Place_To_Work/Working_at_Woolworths/).

Woolworths is one of NSW's largest employers, with over 52,000 staff employed in stores including supermarkets, BIG Ws, petrol sites, Dan Murphy's, Thomas Dux, BWS liquor outlets and hotels. Woolworths continues to grow by over 7,000 employees a year.

Woolworths ability to invest in NSW, service the needs of a growing population and provide jobs, is heavily dependent on the capacity of planning, zoning and the development approval frameworks to facilitate new retail infrastructure investment. For many years, the NSW planning process has been identified by Woolworths as the most costly and onerous in the country.

Woolworths has been exploring and seeking opportunities to locate new supermarkets within the Sutherland Shire LGA (Sutherland LGA) for an extended period of time. Woolworths through their own internal commercial in confidence evaluations have identified an “undersupply” of supermarket floor space within the Sutherland LGA over a number of years.

This undersupply has been confirmed in the work by MacroPlan Dimasi in comparing the existing amount of retail supermarket floor space to the National and the Sydney averages as detailed in the report titled “Sutherland LGA – Supermarket and consumer trends review July 2016”. The work specifically involved:

- Undertaking an analysis of supermarket floor space provision per capita in the Sutherland LGA, including comparisons with metropolitan Sydney, NSW and Australia. This has involved examining the provision of supermarket floor space across the broader “South District” (i.e. one of the NSW DPE metro strategy sub-regions) and assesses the trading performance of local supermarkets within the Sutherland LGA;
- Undertaking a further analysis of retail employment trends within the Sutherland LGA; and

- Providing a summary of economic and community impacts associated with any identified under-supply of supermarket floor space for local residents.

The work by MacroPlan Dimasi is included at **Appendix B** and summarised in Section 4.4 of this Planning Study.

Woolworths has had discussions with Sutherland Shire Council (Council) and other owners of land with a view to source suitable locations for new and expanded Woolworths supermarkets, including exploration of co-location opportunities over a number of years within the Sutherland LGA.

For a number of reasons, no existing suitably zoned parcels of land are currently available or due to size and fragmented ownership, a number of sites within existing centres have been ruled out by Woolworths as being suitable to locate a new supermarket in the Sutherland LGA. This has been confirmed by MacroPlan Dimasi who has undertaken an evaluation of a number of parcels of land within Miranda and Caringbah as to their suitability for new supermarket retail floor space as part of a sequential test, refer to Section 4.5 of this report.

In addition, Woolworths Corporate Property team, have been tasked within finding new ways to innovate in support of a number of Woolworths' business objectives, in particular, finding ways to support Woolworths' "multi-option retailing" associated with Woolworths supermarkets:

Multi-option Retail

It's the beginning of an era for the new Woolworths' Multi-Option team. They operate in a fast paced, nimble environment with entrepreneurial-minded professionals who work collaboratively to be the leaders in the market. Our point of difference is that we are a part of Australia's largest retailer allowing us to provide unparalleled career opportunities. The group is positioned to drive innovation across the business and has a unique perspective where we see all aspects of how we provide excellent customer experiences.

Source: http://www.wowcareers.com.au/page/Our_team/Support_Office/

"Multi-option retailing" is in part, Woolworths' response to the growth in online retailing which is forcing traditional retailing to diversify. Customers are no longer solely relying on traditional "brick and mortar" locations to be the only source to undertake their shopping.

Woolworths has been forced to adapt, and is changing the nature of how it fulfils its customers' requirements and has moved to implement a hybrid retail model (which includes online retailing with brick-and-mortar retailing) in the right locations in Sydney including southern Sydney, which places greater emphasis on the way Woolworths distributes goods to its customers from a base facility.

To fulfil these online customer requirements, some new Woolworths supermarkets will need to facilitate more acutely a hybrid model, and take on the form of staging posts for warehousing, distribution and logistics centres which need to be positioned in more accessible locations and include purpose built forms within the Sydney metropolitan area.

This model includes a “click and collect” function where a customer places an order online and collects that order from a brick-and-mortar store at a designated collection point which may not be within the trading floor of a supermarket. In addition, the multi-retailing option also includes an “online fulfilment” function where a customer can place an order online but chooses the home delivery of that order which is managed by staff on-site within the supermarket, who pick and package that order. The distribution of these orders is managed by a fleet of small Woolworths trucks. This process also requires the ability for customers to undertake traditional face to face retailing, which is shopping within the trading floor of the supermarket facility.

Woolworths seeks to operate these functions 24 hours a day, seven days a week so as to meet customers’ expectations. This in effect has resulted in Woolworths diversifying its distribution network to provide customers with greater choice in either seeking access to viewing the product themselves prior to purchase, customers being provided with convenient access, or due to time poor lifestyles providing the delivery of goods at home. These types of functions are best suited to employment locations where: access is convenient; traffic movements demonstrate trips are already generated by destination or through movements; already generate jobs or are seeking renewed activities to generate jobs; and are in close proximity to the major arterial road network.

The evolution of some of Woolworths supermarket facilities requires “build in” capacity to support the existing “dark box” which Woolworths implemented in Mascot in 2014. The “dark box” is a warehouse and distribution centre to enable foodstuffs to be processed in significant volumes and in a timely manner to meet online orders – that is online only transactions, where Woolworths staff pick the customer order and facilitate its distribution. To support this distribution function Woolworths also requires the ability in the future to provide for “staging points” for the freight and logistics components of the existing “dark box” in strategic locations of which a location in southern metropolitan Sydney is sought.

We have noted that “evidenced based planning” actions commenced by the NSW Department of Planning and Environment, and subsequently by the Greater Sydney Commission now underpin strategic planning to support the actions and directions of “A Plan for Growing Sydney”.

It is understood the Greater Sydney Commission is currently undertaking a process of preparing a District Plan for all the Sydney regions, and a draft District Plan will be made available for exhibition in late 2016, for the South Region taking in all of the land contained within the Sutherland LGA.

1.2 STUDY AREA

This study relates to the whole of the Sutherland LGA as identified in **Figure 1** below.

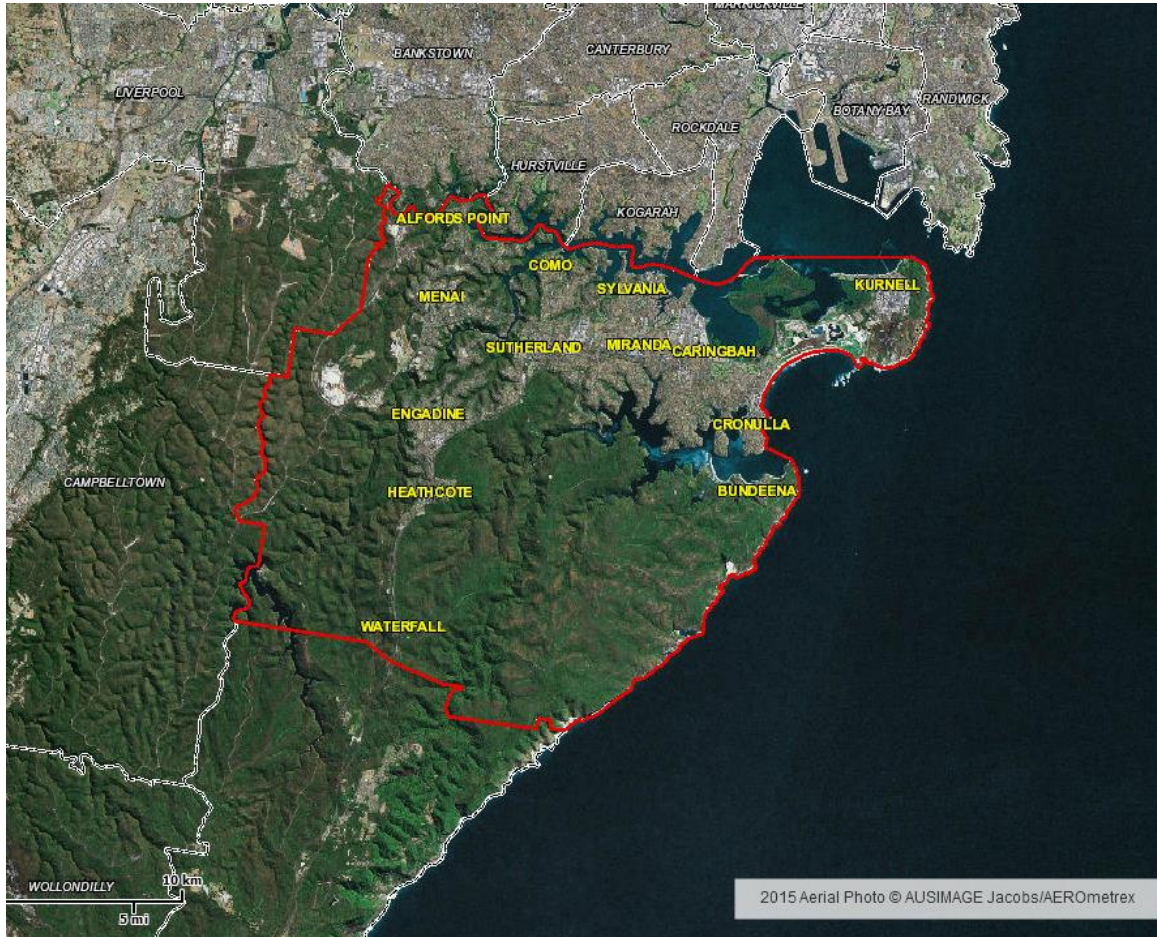


Figure 1: Sutherland LGA (outlined in red)

Source: Sutherland Shire Council website: <http://www.sutherlandshire.nsw.gov.au/Development/Shire-Maps>

1.3 STUDY OBJECTIVES

The objectives of this study are:

1. To determine if there continues to be an undersupply of retail supermarket floor space in the Sutherland LGA given the information and research prepared in 2010 by Hill PDA;
2. To identify any issue/s with accommodating additional retail supermarket floor space within existing centres in the Sutherland LGA; and
3. To consider suitable location / s for new retail supermarket floor space.

1.4 STUDY METHODOLOGY

This study is based on the following methodology:

1. Desktop Review of available source information, including:
 - a. Various websites;
 - b. Articles published in Journals and Newspapers;
2. Inspections of parcels of land and sites, throughout the LGA;
3. Research from existing reports;
4. Preparation of supporting studies;
5. Engagement with local residents; and
6. Consultation with Council.

This Planning Study is supported by surveys, research and analysis, including:

- Community Research Survey by Crosby Textor – **Appendix A**; and
- Sutherland LGA Supermarket and Consumer Trends review by MacroPlan Dimasi with Sutherland LGA supermarket analysis and Taren Point deep-dive by Quantum – **Appendix B**; and
- Land Use Surveys for Taren Point and Caringbah – **Appendix C**.

1.5 REPORT STRUCTURE OVERVIEW

This structure of this report can be summarized, as follows:

- Chapter 1 – includes an introduction to the study area, the study objectives and study methodology;
- Chapter 2 – provides an overview of the current strategic planning framework affecting retail outcomes in Sydney and the Sutherland Local Government Area (LGA), in particular a focus on how the framework contributes to retail economic outcomes and supports the digital economy;
- Chapter 3 – provides an overview and analysis of what customers want in their retail environments as a result of retail trends, the influence of the digital economy;

- Chapter 4 – includes information about the requirements of a Woolworths supermarket and its similarities to “warehousing and distribution” uses in industrial zones as a result of keeping pace with customer needs as a result of the growth of the digital economy and an analysis of supermarket retail floor space supply in the Sutherland LGA, in which it is concluded that the location of a site within the Taren Point Employment Area is more suitable;
- Chapter 5 – provides Woolworths respond to these changes demanded by customers and providing an increased supply of retail supermarket floor space in the Taren Point Employment Area; and
- Chapter 6 – provides conclusions.

2. STRATEGIC PLANNING FRAMEWORK AND DOCUMENTS

This section of the study summarises the existing strategic planning framework and documents strategic planning policy information affecting the supply of retail supermarket floor space within Sutherland LGA. In addition, this section of the study seeks to identify whether there are any specific actions or directions which promote the realisation of new retail supermarket floor space within the Sutherland LGA.

2.1 A PLAN FOR GROWING SYDNEY

In December 2014, NSW Government released A Plan for Growing Sydney (referred throughout this report as 'The Plan'). The Sydney metropolitan area is facing increased pressure (over the next twenty years) with a projected increase in population of 1.6 million people, requiring 664,000 more dwellings and 689,000 more jobs by 2031. These pressures require careful and integrated land use and infrastructure planning and mechanisms for delivery. The Plan is the NSW Government's response to these pressures. The Plan provides a strategy for accommodating Sydney's future population growth over the next 20 years and a framework for delivering investment and jobs growth.

2.1.1 A Vision for Sydney

The Government's Vision for Sydney is a *Strong Global City and A Great Place to Live*.

The Government's vision for Sydney is proposed to be achieved by:

THE PLAN

The Government's vision for Sydney is: a strong global city, a great place to live.

To achieve this vision, the Government has set down goals that Sydney will be:

- *a competitive **economy** with world- class services and transport;*
- *a city of **housing choice** with homes that meet our needs and lifestyles;*
- *a **great place to live** with communities that are strong, healthy and well connected; and*
- *a sustainable and resilient city that protects the **natural environment** and has a balanced approach to the use of land and resources.*

(Refer to pages 2 & 5)

The Plan aims to better connect people to strategic centres and in doing so, connecting them to jobs, education facilities, health centres and hospitals and sporting, cultural and entertainment facilities. The Plan identifies growth projections from a whole of Sydney perspective, and seeks to:

SYDNEY IS AN ICONIC GLOBAL CITY AND IT IS GROWING

...

Sydney needs a plan that outlines how to:

- *make it easier for Sydney's residents to move between their homes, their jobs, the centres where they shop and use local services, and their open spaces;*

- *make a wider variety of housing available to suit the changing make-up of the population - more than one million people will be over the age of 65 years and almost the same number under the age of 15 years by 2031;*
- *deliver new infrastructure which supports our community as it grows, and strategic infrastructure that also strengthens the economy; and*
- *recognise our highly prized environment - the harbour, the coast, our mountains, parks and open spaces – and how to safeguard these places.*

A Plan for Growing Sydney is the Government’s plan to achieve these things. It’s an action plan focused on bringing all stakeholders together with a common purpose – to develop a competitive economy with world-class services and transport; to deliver greater housing choice to meet our changing needs and lifestyles; to create communities that have a strong sense of wellbeing; and to safeguard our natural environment.

Planning where people will live and work across Sydney, and how these places are connected to each other, will influence Sydney’s long-term success and the standard of living our communities will enjoy. It is critical not to repeat the mistakes of the past – dispersed housing growth that resulted in a sprawling and poorly connected city, complicated by unique geographic constraints. Planning for Sydney’s inevitable population growth has never been more important.

Figure 2 as follows demonstrates the location of strategic centres throughout the Sydney Metropolitan Area (SMA).

With respect to Goal 1 it is noted that the Sutherland LGA does not contain any “strategic centres” as identified under The Plan. Strategic centres have been identified in The Plan as shown in the extract below of **Figure 2** “Strategic Plan for the future growth of Sydney”:

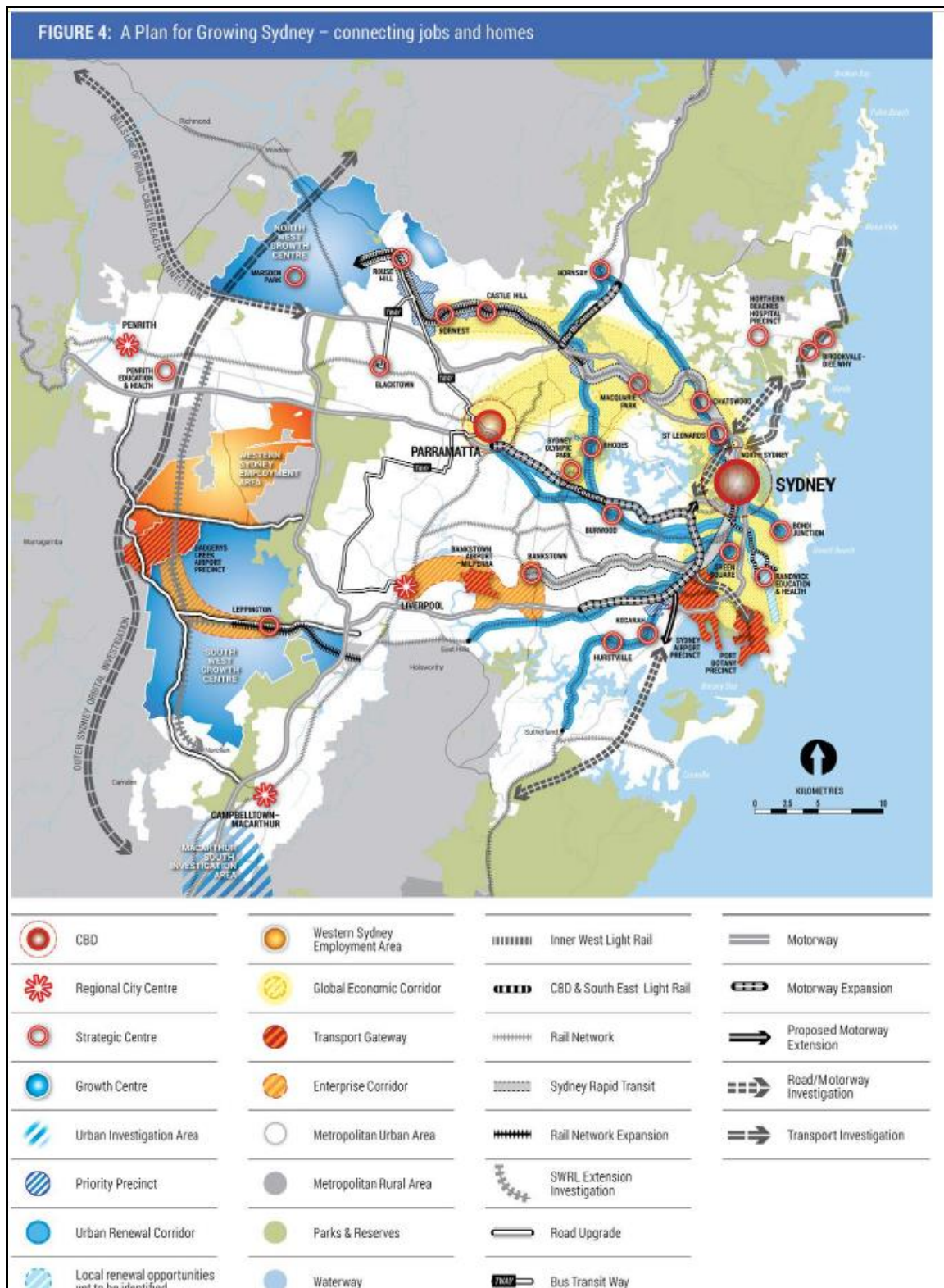


Figure 2: Extract of Figure 4: A Plan for Growing Sydney – connecting jobs and homes – with strategic centres identified by “orange circles”.

Source: A Plan for Growing Sydney

To achieve Goal 1 the Plan includes a number of directions and actions, and in particular the “Directions and Actions” associated with goal 1 states in part:

...

GOAL 1: A Competitive Economy with World-Class Services and Transport

The Plan will support Sydney being a premier location for global commerce, business and investment. Sydney CBD is the focal point for Australian finance and home to the Australian Stock Exchange - the eleventh largest in the world.⁶ By 2031, Sydney will be a more productive and prosperous city, with strong ties to its region and with world-class infrastructure that supports growing, efficient and innovative industries.

Expanding the Sydney CBD will allow the city to continue to compete on the world stage as the Australian hub for global trade and commerce. A well connected second CBD in Greater Parramatta will increase our national and metropolitan reach. The arc of intensive economic activity stretching across the Global Economic Corridor, from Port Botany and Sydney Airport to Macquarie Park, will be extended to Parramatta, Norwest and Sydney Olympic Park. This will continue to strengthen economic growth. There will be new opportunities for business to invest. Badgerys Creek Airport will emerge as a new hub of intense economic activity and improved new transport connections will enable centres such as Liverpool, Penrith and Campbelltown- Macarthur to continue to grow as regional city centres.

DIRECTIONS AND ACTIONS

...

Support Priority Economic Sectors

- *Support the growth of priority industries with appropriate planning controls.*
- *Support key industrial precincts with appropriate planning controls.*

While it is noted that no strategic centres have been nominated under A Plan for Growing Sydney in the Sutherland LGA, this does not preclude the concept of growing an existing centre or even the creation of centres within existing urbanised areas as not all growth may be possible in existing strategic centres or other centres. This is acknowledged within A Plan for Growing Sydney associated with priority economic sectors. More details about priority economic sectors are discussed in The Plan which will be discussed at Section 2.1.2 below.

Woolworths as part of the private sector seeks to make an active contribute as a stakeholder, which The Plan recognises at pages 18 and 19 as important in understanding and working together in the delivery of actions and directions. Woolworths has approached Sutherland Shire Council and would like to make a contribution to shaping strategic planning while it is being prepared rather than having to respond to a plan once created and placed on exhibition. Woolworths understand that the district plan is currently being prepared and it is hoped that the undersupply of retail supermarket floor space within the Sutherland LGA is recognised as an issue which planning controls should address. The role of stakeholders is indicated as the first step to delivering The Plan as outlined below:

...

DELIVERING THIS PLAN – A BOLD NEW DIRECTION

To deliver A Plan for Growing Sydney, all stakeholders have to work together – Government, local councils, the private sector and the community.

For A Plan for Growing Sydney to become a reality, the delivery framework must include local government, the private sector and the community. It must also be effective across State Government agencies. The Plan needs to be accepted, shared and incorporated into each stakeholder's future activity.

The Plan is a component of the Government's commitment to improve the planning system, making it simpler, better understood and more efficient. Work will continue to deliver a planning system that strikes the right balance between responsible, sustainable growth while giving communities a say in the future of their area.

...

Subregional planning is a partnership between State Government, local councils and the community. It will guide the delivery of A Plan for Growing Sydney across the city's six subregions. Each plan will address:

- a vision for housing and employment growth in the subregion, consistent with A Plan for Growing Sydney;
- the distribution of housing and employment at the Local Government Area level;
- the goals, directions and actions contained within A Plan for Growing Sydney; and
- the infrastructure required to support housing and employment growth within the subregion.

Local Environmental Plans are prepared by local councils and will be the principal legal tool or instrument to deliver the subregional plan. Local Environmental Plans establish the type of development that can occur in an area through zoning and development controls, and protect local heritage. The Greater Sydney Commission will monitor Local Environmental Plans and the delivery of housing and jobs.

...

2.1.2 Direction 1.9: Support Priority Economic Sectors

As mentioned above, "priority economic sectors" have been recognised as an important element of The Plan, and Direction 1.9 specifically states:

DIRECTION 1.9: SUPPORT PRIORITY ECONOMIC SECTORS

The growth of priority industries has to be supported by planning for their land use needs. Benefits can flow from the emergence of industry clusters in cost-effective locations.

The Government is progressively developing Industry Action Plans as part of NSW 2021 including for the following priority industries:

- visitor economy (tourism);
- creative industries;
- digital economy (such as information and communications technology);
- professional services;
- manufacturing;

- minerals;
- international education and research; and
- agriculture.

A Plan for Growing Sydney will create a setting for sufficient well-located and well-serviced land to be available to meet the needs of these industries.

As detailed in Section 3.2 of this Planning Study, online retailing is a significant component influencing Woolworths responses to customer requirements. The “digital economy” as listed above is a priority economic sector and one which Woolworths multi-option retailing model has embraced. Woolworths is encouraged that planning strategies such as The Plan seek to implement planning frameworks to support these activities.

In addition, The Plan does not preclude a wider role and function to assist with delivering outcomes for the digital economy associated with employment or industrial lands as highlighted by *Action 1.9.2: Support Key Industrial Precinct with Appropriate Planning Controls* below:

ACTION 1.9.2: SUPPORT KEY INDUSTRIAL PRECINCTS WITH APPROPRIATE PLANNING CONTROLS

The Industrial Lands Strategic Assessment Checklist will guide the assessment of proposed rezonings of industrial lands. It poses questions about whether the site is near or within direct access to key economic infrastructure, how it contributes to a significant industry cluster, and how the proposed rezoning would impact on industrial land stocks and employment objectives in each subregion. The Checklist allows for evidence-based decisions and aims to prevent encroachment on important industrial sites.

The Government will:

- *undertake an analysis of Sydney’s stock of industrial zoned land to identify key industrial precincts and use the findings to:*
 - *determine where improved planning controls are required to better protect industrial land from conversion to other uses;*
 - *identify where improved and innovative planning controls will allow for the ongoing evolution of industrial activities to more intensive commercial activities; and*
 - *update the Industrial Lands Strategic Assessment Checklist.*
- *assess new proposals to convert existing industrial zoned land to other uses under the Industrial Lands Strategic Assessment Checklist.*

The delivery of development outcomes in industrial areas or employment areas in Sydney to support the growth of Sydney is a goal of The Plan and includes a number of actions. Specifically, *Action 1.11.1: Preserve Future Transport and Road Corridors to Support Future Growth* and **Figure 3**, as detailed below, highlights that preservation of future transport and road infrastructure corridors are required to support growth including:

ACTION 1.11.1: PRESERVE FUTURE TRANSPORT AND ROAD CORRIDORS TO SUPPORT FUTURE GROWTH

Preserving future transport corridors allows Sydney’s transport networks to grow as the city’s population grows. They become a focus for future housing and jobs and link residents to other services and recreation.

Work has commenced on developing a Corridor Strategy for the Sydney Rapid Transit to preserve the corridor for the rail line and identify opportunities to maximise the delivery of jobs closer to homes and homes closer to jobs.

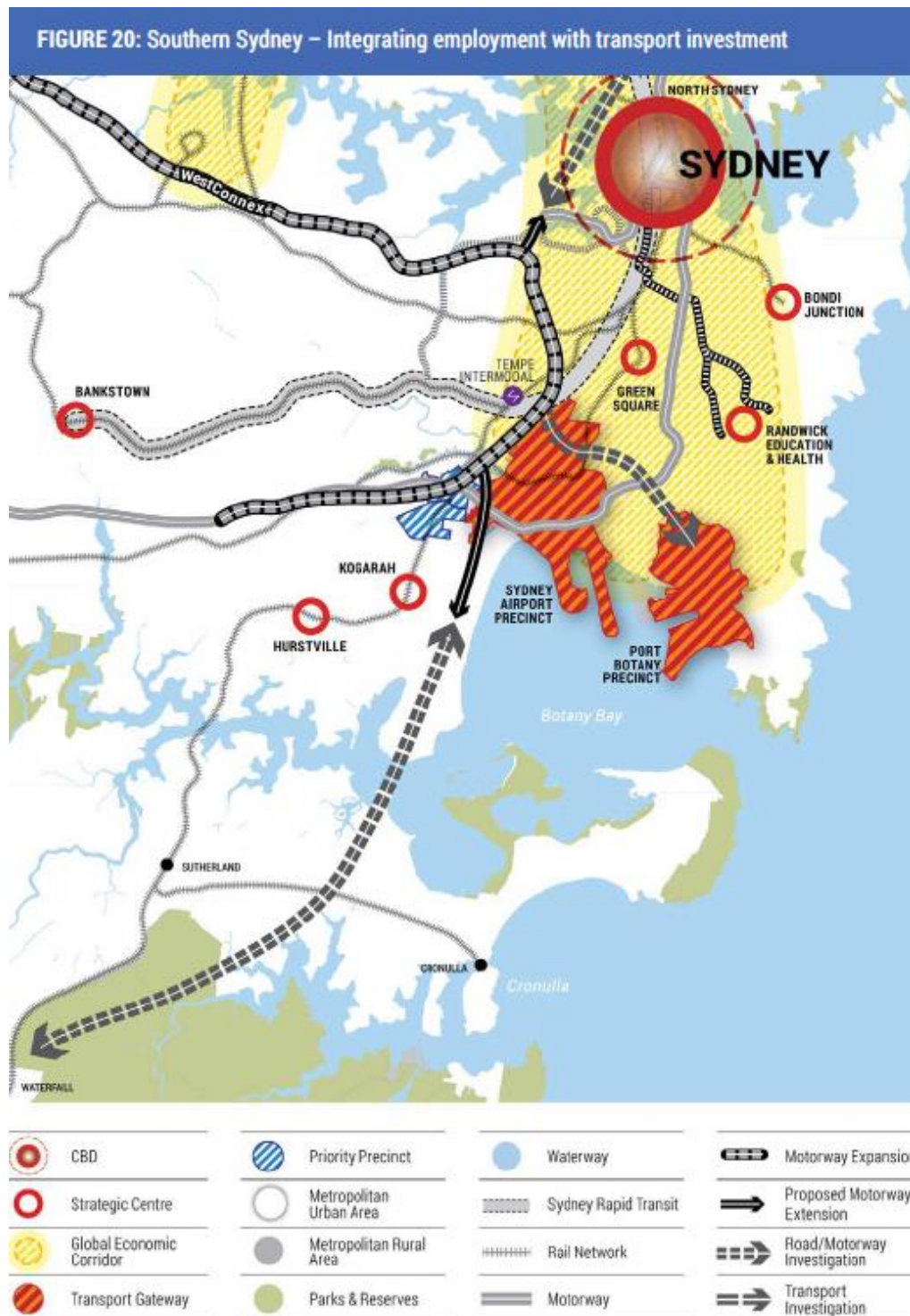


Figure 3: Extract of Figure 20: Southern Sydney
Source: A Plan for Growing Sydney

It is noted that The Plan includes in Figure 20 (as extracted above) the A6 Road / F6 Motorway corridor extension being preserved and subject to further investigation. This is also highlighted in Sections 2.2 and 2.4 of this Planning Study below.

2.2 DRAFT SUBREGIONAL STRATEGY

Subregional planning is to be undertaken as part of the new Sydney Metropolitan Plan – *A Plan for Growing Sydney*.

The draft subregional plans which were prepared in 2007 are still valid, however they have not been considered in this Planning Study as they are considered to be outdated and do not align with existing metropolitan planning documents. Subregional plans will build on the actions set out in *A Plan for Growing Sydney*. Priorities for each subregion in Sydney are set out in *A Plan for Growing Sydney*, along with further investigations that are needed to shape the subregional plans.

As part of *A Plan for Growing Sydney*, the NSW Government has established the independent Greater Sydney Commission (Commission), which will work in partnership with councils, the community and stakeholders to oversee the implementation of the plan.

The Commission brings together the local government areas into six subregions and focuses on strategy and what's needed in neighbourhoods, the region and the city. Sutherland LGA is part of the South subregion, which also includes the LGAs of Canterbury (now Canterbury-Bankstown), Hurstville and Kogarah (now Georges River Council), and Rockdale as illustrated in **Figure 4** as follows.



Figure 4: Extract of Figure 26 Sydney's Six Subregions (now known as Districts)
Source: *A Plan for Growing Sydney*

A Plan for Growing Sydney advises in relation to the subregional plans:

Subregional planning is a partnership between State Government, local councils and the community. It will guide the delivery of A Plan for Growing Sydney across the city's six subregions. Each plan will address:

- a vision for housing and employment growth in the subregion, consistent with A Plan for Growing Sydney;
- the distribution of housing and employment at the Local Government Area level;
- the goals, directions and actions contained within A Plan for Growing Sydney; and
- the infrastructure required to support housing and employment growth within the subregion.

The Plan at pages 132 to 134 specifically states in relation to the South subregion:

The South subregion offers diverse, vibrant urban areas and coastal settlements located around some of the city's most beautiful coastline, waterways and bushland. The Global Economic Corridor, Sydney Airport, Port Botany and the Illawarra region will be economic drivers for the subregion.

Opportunities for strong local employment growth exist in the Taren Point employment area, the Lucas Heights research and technology area, the Sutherland/Kirrawee/ Loftus education area, and the Sutherland Hospital/Caringbah medical area. The Metropolitan Rural Area encompassing national parks, Georges River, Port Hacking and Botany Bay will be protected from growth. The WestConnex Motorway and improvements to the Illawarra Line will reduce the impact of freight traffic in the subregion. The potential F6 motorway provides an opportunity to transform the western shores of Botany Bay into a waterfront cultural and residential precinct.

PRIORITIES FOR SOUTH SUBREGION

To implement the directions in A Plan for Growing Sydney, the following priorities will be considered and addressed in subregional planning for the South subregion.

A competitive economy

- Strengthen regional connections to the Illawarra by delivering WestConnex, improving capacity on the Illawarra Rail Line and investigating the potential F6 corridor.
- Support the significant visitor economy at locations such as Cronulla Beach, Kyeemagh to Dolls Point, and Kamay Botany Bay National Park (including Captain Cooks Landing).
- Support manufacturing and logistics employment areas, such as Taren Point.
- Protect infrastructure of metropolitan significance, including Sydney's drinking water catchment, and energy and water facilities on the Kurnell Peninsula.
- Facilitate good employment and transport connections and an efficient freight network to Sydney Airport and Port Botany.
- Investigate pinch-points associated with growth in the vicinity of Sydney Airport and Port Botany.
- Protect corridors for future long-term transport needs including the potential F6 corridor and cross-regional transit links from Hurstville to Bankstown and Parramatta, and from Hurstville to Macquarie Park via Burwood and Sydney Olympic Park.
- Identify and protect strategically important industrial-zoned land.

...

Limited information associated with the subregional planning for Sutherland is available in The Plan, as detailed above. It is understood future subregional planning will consider a range of priorities in relation to strategic centres. However, there are no strategic centres identified within Sutherland LGA under *A Plan for Growing Sydney*. **Figure 5** below is an extract of Figure 32 from The Plan, which includes information on the location of actions being undertaken in the South subregion:

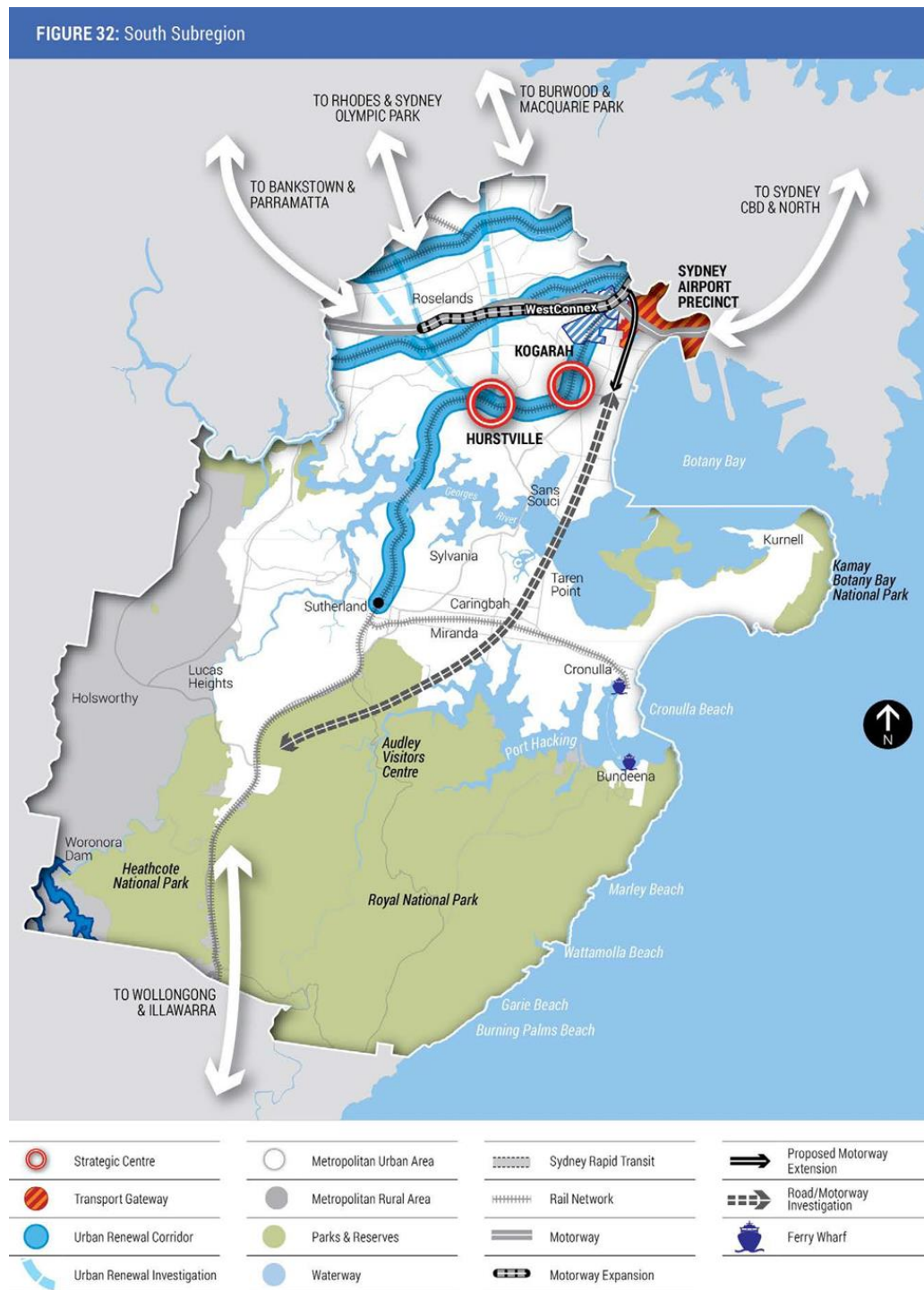


Figure 5: Extract of *Figure 32: South Subregion*
Source: *A Plan for Growing Sydney*

The priorities for the South subregion are not available at this time until the new subregional plans are exhibited.

2.3 GREATER SYDNEY COMMISSION BACKGROUND STUDIES

In early June 2016, the Greater Sydney Commission (GSC) released a suite of reports centred on “evidence based planning” and advised:

Evidence Based Research

The research that informs us.

The Greater Sydney Commission has released the first stage of evidence base studies that provide detailed context on how Sydney is working, what the latest trends are, and what we can expect for the future.

This suite of documents and reports was developed by the Department of Planning and Environment and external consultants to provide data and analysis to inform district planning. The reports draw on extensive data and trends, provide facts and figures about each of the districts, and analysis of the drivers and barriers to economic and employment growth.

The Stage 1 Evidence Base addresses:

Overview and Analysis

Housing

Economy and Employment

Liveability

Given the focus of this Planning Study is on the supply of retail supermarket floor space within the Sutherland LGA, the information associated with “Economy and Employment” made available by the Greater Sydney Commission is considered most relevant, and the GSC webpage also advises:

A Plan for Growing Sydney includes directions and actions to prioritise job growth and development of strategic locations across Sydney and to provide data and frameworks to support management of retail, commercial and industrial lands.

As part of the evidence base to inform district planning, the following economic and employment reports were commissioned.

Note: Any reference to a Sydney ‘subregion’ or ‘subregional planning’ should be read as a reference to a Sydney ‘district’ or ‘district planning’.

Macro-economic and Demographic Factors Shaping Jobs Growth – SGS Economics & Planning

This paper investigates macro-economic and demographic factors that influence employment growth. This includes trends and projections such as domestic employment policies, technological improvements and the demand for Australian resources that will impact industries and employment sectors including finance and business services, education, health and tourism. It provides context to help understand the factors that influence the potential for employment growth within Sydney’s strategic centres, industrial lands and employment sectors.

Employment Centres Analysis – SGS Economics & Planning

Using historic employment data as a basis, SGS modelled potential employment growth in strategic centres to 2036, adopting broad assumptions of micro and macro-economic trends and employment growth ranges. The low, mid and upper bounds of the employment growth forecasts reflect the range of outcomes that could be influenced when barriers to growth are addressed in strategic centres.

Sydney Office Market Research Report - Colliers International

This market analysis of the major commercial office precincts in Sydney includes the Sydney CBD, North Sydney, St Leonards, Chatswood, Macquarie Park, Parramatta, Sydney Olympic Park, Rhodes, Norwest and South Sydney. It outlines characteristics of the major office precincts in Sydney and identifies the main drivers of demand in these precincts. The report analyses the likely capacity of the Sydney CBD and identifies barriers to Sydney's ability to enhance its role as a globally competitive city. Challenges include limited long-term availability of sites, competition with residential uses and pedestrian and public transport accessibility.

Forecasting the Distribution of Stand-Alone Office Employment across Sydney to 2035 - BIS Shrapnel

BIS Shrapnel forecasted office employment growth across the Greater Sydney Region to 2035 and provided indicative forecasts of employment distribution across a network of commercial centres. The analysis included 35 centres and established the current and forecast stand-alone office space by centre in five yearly intervals to 2035. The study overviews the emerging trends and high level conclusions regarding the strength, timing and distribution of employment across Sydney.

Sydney Strategic Centres Barriers to Growth (Urbis) and Strategic Centres: Enabling Economic Growth and Productivity (Hill PDA)

These reports identify barriers to growth in strategic centres. Urbis and Hill PDA met with representatives from local government, development and real estate industries and identified regulatory, structural and economic barriers such as the financial viability of commercial office development; lot fragmentation and consolidation costs; constraints due to the structure of centres; accessibility considerations; provision of infrastructure and competition between centres.

Industrial Precinct Review – Hill PDA

To better understand and support key industrial precincts this report provides analysis of the economic role and function of 135 industrial precincts across the North, Central and South Districts where these lands are most contested. The review found that inner and middle ring industrial precincts are becoming denser and are evolving away from traditional industries. They accommodate a greater amount of professional and high technology businesses as emerging business models require a shift in planning and infrastructure responses to support economic activity.

Within the Sutherland LGA there is no one “centre” nominated for commercial and professional businesses under “A Plan for Growing Sydney”, however Sutherland has been the subject of further work undertaken by Urbis in the report above titled “Sydney Strategic Centres Barriers to Growth”.

No information is currently available by the GSC which specifies the available amount of retail supermarket floor space within the South subregion or the Sutherland LGA.

2.4 LONG TERM TRANSPORT MASTER PLAN AND REBUILDING NSW - STATE INFRASTRUCTURE STRATEGY 2014

The Long Term Transport Master Plan and Rebuilding NSW – State Infrastructure Strategy 2014 (Infrastructure Strategy) was prepared to support the strategic planning framework being prepared by the State Government and includes elements which supports *A Plan for Growing Sydney*, including some work associated with preserving and investigating new infrastructure targeted within the Sutherland LGA:

Rebuilding NSW**State Infrastructure Strategy 2014***NSW Government Response*

The NSW Government has reviewed the investment recommendations put forward by Infrastructure NSW, and accepts the recommendations, as summarised below. The design and delivery of all projects for which funding is reserved will be subject to thorough examination and scrutiny.

Urban Roads

Complete investigations for large-scale investment in the F6 and A6 corridors.

Gateway to the South

The Government is committed to enhancing a Gateway to the South. The Government has commissioned scoping studies for large scale investment options on the F6 and A6 corridors, which are yet to be finalised. In the interim, in addition to funding the southern extension of WestConnex, the Government will commit \$300 million to address pinch points across the A1, A3 and A6 corridors.

No announcement has been made by the State Government concerning the extension of the F6 and A6 Corridors, however the reservation for this potential road infrastructure is shown on the Sutherland Local Environmental Plan 2015 zoning maps.

2.5 SUTHERLAND LOCAL ENVIRONMENTAL PLAN 2015

The main Environmental Planning Instrument (EPI) which affects the site is the *Sutherland Local Environmental Plan 2015* (SLEP 2015).

This Planning Study does not proposed to retrace the history of the development and exhibitions of the draft Sutherland LEP 2013 to its gazettal as the SLEP 2015 on 23 June 2015, however a number of submission responses prepared and considered by Council at its meetings in 2014 and 2015 shed light of strategic planning considerations associated with the Taren Point Employment Area and the role and function of the Sutherland-Kirrawee centres, (for completeness the information quoted below has been extracted in-full from the Council report).

The following information provides an insight into the strategic planning and actions of Council in relation to Miranda, Caringbah, Sutherland-Kirrawee existing centres and the Taren Point employment area.

Caringbah and Miranda

Council commenced steps in late 2012 and early 2013 to reshape the role and function of its centres at Miranda, Caringbah and Sutherland-Kirrawee. Council at its meeting held on 12 November 2012 considered a report to nominate Miranda and Caringbah as “Urban activation precincts”. The report considered by Council advised:

Purpose

The purpose of this report is to inform council of the State Government's Urban Activation Precincts program. It puts forward a concept that fits the assessment criteria of the program should Council wish to submit a proposal for consideration.

Summary

...

In nominating an area as a potential Urban Activation Precinct, council would simply be a leader in moving with the new direction of planning in NSW. Having a local Urban Activation Precinct would open a funding source for improvements to local infrastructure in the precinct, which may allow council to improve the amenity of the precinct where it would not otherwise have the financial capacity to do so. Ultimately it is a decision for council as to whether it wishes to nominate a precinct for the program. Should council wish to nominate a precinct for inclusion in the program, it is suggested that Caringbah-Miranda meets many of the assessment criteria and a strong case could be made for its inclusion.

The report considered by Council further recognises that the retail function of Miranda outweighs that of Caringbah:

As part of the preparation of the SILEP council has also endorsed its Employment Strategy - 2031.

...

The retail functions of Caringbah cannot compete with Westfield Miranda and it needs to develop a new economic base.

...

The strategic direction for Caringbah centre builds on this idea and couples it with changes to development controls to facilitate redevelopment for quality units above new retail and commercial space.

...

The planned revitalisation of Caringbah and the integration of the hospitals into the centre as a catalyst for economic growth, fits the criteria for an Urban Activation Precinct. However, it is relatively small in scope and it is considered that Council would have more likelihood of success if a larger precinct was put forward.

If a longer term strategic view of Sutherland Shire is taken, it is likely that at some point in time the F6 reservation will be utilised. When this occurs it is likely that it will include some form of public transport, even if this is limited to a priority bus service. Even if this was not included, a freeway would free up capacity on Taren Point Road and The Kingsway allowing a priority bus services to be introduced. Although it is acknowledged that the F6 is not a government priority at present, there is a likelihood that increased road and commuting capacity will eventuate in the future which will be of particular benefit to both Caringbah and Miranda.

Miranda centre and the residential flat zone surrounding it have absorbed a significant volume of growth in the past 20 years, but there are very few opportunities for new development. Yet Miranda is a highly accessible centre and a sensible place to concentrate high density housing. It is also tangential to the F6 reservation. As a precinct it benefits from two railway stations and therefore offers comparatively good access to public transport options. Miranda station and Caringbah station are only 2 kilometres apart. Caringbah centre is 900 metres from Sutherland Hospital and the Miranda centre is 1 kilometre from the hospital. In addition the Taren Point industrial precinct is within 2 kilometres and Westfield Miranda currently one of the largest employers in the Shire. Westfield also has development consent to expand significantly. Much of this new floor space will focus on entertainment and lifestyle activities. As such the Caringbah-Miranda precinct offers ready access to jobs, public transport and life style amenities.

The ridge between Caringbah and Miranda contains a mix of fully developed residential flat zones and single dwelling neighbourhoods. The low density nature of most of the area is surprising given its accessibility. As such it would be relatively easy to make a case for the rejuvenation of the ridge between Caringbah and Miranda, centred on the hospital, as an urban activation precinct. The aim of the Urban Activation Precinct would be to deliver both jobs and housing to this accessible location. The area referred to is shown in Appendix 1.

Detailed studies and master planning would determine the vision for the precinct and help set the density and scale of development. This would be informed by financial viability and investor feasibility. Once the desired future urban form was arrived at, growth infrastructure plans would be prepared to identify necessary infrastructure upgrades required to address the pressures arising from population and workforce growth. It would also form the basis of funding to council to meet local infrastructure needs.

Council resolved to nominate to DP&E that Caringbah and Miranda should become urban activation precincts. Caringbah and Miranda were not accepted by the State Government and we are advised that Council has not undertaken any specific master planning or strategic planning since this report for Caringbah and Miranda was prepared. Council has supported a number of site specific planning proposals in the Caringbah and Miranda localities, however the Sutherland LEP 2015 was generally a like for like conversion of the former environmental planning instrument.

Sutherland-Kirrawee

Council at its meeting held on 11 March 2013 considered a report on nominating a combined Sutherland-Kirrawee-Loftus area also as an urban activation precinct. This report stated:

...

Purpose

The purpose of this report is to provide an update on council's two nominated areas for the State Government Urban Activation Precincts program, being the Caringbah- Miranda area and the Sutherland area.

Summary

Council considered a report on 12 November 2012 (DAP024-13 ) which outlined the State Government's new Urban Activation Precincts program. This report explored the potential of an area focused on the Caringbah and Miranda centres as an urban activation precinct under the NSW State Government Urban Activation Precinct program. On consideration of this report, council resolved to also nominate Caringbah, Miranda and Sutherland for the Urban Activation Precincts program. The report to council detailed the development concept and scope of the Miranda-Caringbah initiative and this has been conveyed to the Department of Planning and Infrastructure (DP & I). Further analysis was needed to form a development concept to support council's decision to also nominate Sutherland as an Urban Activation Precinct.

Sutherland Centre currently has relatively limited potential for growth. It is essentially ringed by Strata Title residential flat buildings and the core area is constrained by small lot sizes and viable existing businesses. The potential for growth has been fully explored in the Housing Strategy, but the extent falls short of that envisaged by the Urban Activation Program. However, if Sutherland is considered in a wider context, it takes on greater strategic potential.

This report discusses the potential of extending the Sutherland Urban Activation area to incorporate Loftus and Kirrawee. If Sutherland is considered in a wider context, it takes on greater strategic potential. With this approach Sutherland can begin to be seen as a place that benefits from three railway stations with existing magnet infrastructure and facilities, and one where there are underdeveloped precincts. This potential could be built upon to ultimately deliver a major centre to Sutherland Shire.

This matter is being reported to widen the nomination for Sutherland centre as an Urban Activation Precinct to include both Kirrawee and Loftus

...

The report described Sutherland centre as follows:

...

Sutherland Centre is the administrative centre of the Sutherland Shire, being the location of the Council Chambers, Sutherland District Courthouse, Sutherland police station and Centrelink offices. The centre also has Sutherland Library, the Entertainment Centre, Sutherland Leisure Centre and sporting fields, and several schools and churches. The centre provides a range of medical services, shops, restaurants and cafes, banks and hotels.

Sutherland Centre is zoned Urban Centre under SSLEP2006 and is characterised by mixed-use development, with shops or businesses on the ground floors and flats or offices above. Recent redevelopment consists of mixed use residential buildings to heights of 8 storeys with shops, restaurants and other businesses at street level.

The commercial core of Sutherland remains relatively underdeveloped as a centre despite an allowable height of eight storeys since the adoption of SSLEP2006. The slow rate of development can be attributed to the economic climate since 2008, combined with the expense and difficulty of amalgamating small commercial sites. The major supermarkets have not been able to find suitable sites within the centre. However, two recent developments have invigorated the southern edge of the commercial core and include a smaller supermarket and new shops and businesses.

...

With Kirrawee described as follows:

...

Kirrawee Centre is a small commercial centre which is adjacent to an employment area. The Kirrawee employment area is the second largest cluster of employment land in the Sutherland LGA and is over 47.5 ha in size. The cluster of related land uses includes car sales yards on the Princes Highway, car repairs, and a mixture of heavy industry, engineering and storage companies.

This report also discussed the existing “Strategic Context” of Sutherland and Kirrawee, as follows:

Strategic context

Under SSLEP2006, Sutherland is an Urban Centre, which is the highest order centre under the Sutherland Shire centres hierarchy. Kirrawee Centre is zoned Zone 9 Local Centre and Loftus is zoned Zone 10 Neighbourhood Centre. Sutherland Centre is identified as a Potential Major Centre in the 2005 Metropolitan Strategy and the Southern Sydney Regional Action Plan (2012). The Draft South Subregional Strategy (2007) notes that “Sutherland Centre is well situated and serviced by road and rail infrastructure and has the capability and potential for further growth”. The Strategy (Part B Centres and Corridors p67) also notes that “Sutherland may prove to be a focus for employment growth in the long term and should be considered in any subregional centres planning work in the future”.

Kirrawee Centre is a small centre which is undergoing dramatic change. The Planning Assessment Commission (PAC) recently approved a mixed use development at the Kirrawee brick pit site adjacent to the centre. This development is expected to provide more than 500 additional jobs through a supermarket focused shopping centre and provide around 430 additional dwellings. The project also includes a new park that is one hectare in size. Kirrawee Centre is also adjacent to an area of Zone 11 Employment, which is a strategically important source of local employment in manufacturing and car sales.

Council endorsed that the future role and function of the Sutherland-Kirrawee precinct should allow for change and growth:

Realising the Potential of Sutherland, Kirrawee and Loftus

If Sutherland is to realise its potential as a major centre, it must have a wider context than it does at present. The initiatives contained in Council's draft LEP already realise the potential of the centre in terms of achievable height and density. This will result in the centre being a strong residential neighbourhood with a vibrant range of shops and services meeting resident and workers needs. Recent development has shown that future development is likely to maximise residential units and provide attractive spaces for shops, cafes and restaurants at street level. Coupled with council's investment in public domain works and street planting, Sutherland is likely to have a vibrant atmosphere.

However, it does not have the potential to provide for large supermarket formats and will not have a retail function consistent with that of a major centre. However, the approval of the Kirrawee brick pit development will provide a supermarket focused shopping centre. This will be a major drawback for residents in a wide catchment. Residents of Sutherland will use the Kirrawee shops. Similarly the future concentration of residents at Kirrawee will use some of the schools, specialty shops, restaurants and business services within Sutherland centre. It is also likely that future residents of Kirrawee will walk to Sutherland to access higher frequency train services. This tends to suggest that with the development of the brick pit site the two centres will begin to become more functionally linked over time.

The successful nomination of the area as an Urban Activation Precinct would allow for this potential to be fully explored and developed. Now that the Kirrawee brick pit development is a reality, the scale and density of potential building forms in and around Kirrawee needs to be reconsidered. With clever planning it is possible to turn Flora Street into a new pedestrian spine that is the visual and functional link between the two nodes of activity. The existing low scale industrial premises on Flora Street to the south and east of the brick pit could take on a new role where the new shopping centre spills onto a new high street. Through the development of appropriate development standards for the remaining developable sites along Flora Street, coupled with strong street tree planting, paving and cycle access, residents and visitors would begin to see Flora Street in a new light. It would take on a character more in keeping with that of a prime route in a major centre.

The role of Kirrawee could also be strengthened by reconsidering the role and function of the land on the northern side of the Princes Highway. In response to strong market demand, council has used the new LEP to widen the permissibility of land opposite the brick pit site. This land is used for motor showrooms and council has added bulky goods to the permissibility, along with a pub. However, this initiative could be taken further by exploring the merits of the block to the north which currently contains Bunnings. If the precinct has a dense urban context perhaps this block should have a stronger commercial/bulky goods focus. If this were pursued, it also seems logical to explore the block to the north east which is currently a low density residential precinct. This block is in very close proximity to the two centres and could provide a precinct of higher density housing in a very accessible location. Given that the existing three storey residential flat zones around Sutherland centre are virtually fully developed, a long term growth strategy is required to ensure a supply of new residential flats into the future. Not all residents will want to live in mixed use development in the centre. This precinct adds to housing choice, providing units in a quieter landscaped context.

The report concluded:

The integration of the Sutherland administrative centre, the Kirrawee Employment zone, strong commercial and residential growth at Kirrawee, and the educational facilities of Loftus, fit the criteria for an Urban Activation Precinct. The centres of Sutherland, Kirrawee and Loftus together provide a wide range of services and employment opportunities that can be built upon. The centres are also close to a range of recreational facilities and areas of public open space which could serve an increased population. The precinct benefits from three railway stations, with Sutherland being a main transport interchange location at the junction of two lines. The residential flat zones adjacent to Sutherland and Kirrawee centres are largely developed. There are few opportunities for new development. Yet Sutherland is highly accessible and a sensible place to concentrate high density housing. There are some areas of low density residential development between Sutherland and Kirrawee, and between Sutherland and Loftus, which could be considered for a higher density development as part of an Urban Activation Precinct. The aim would be to deliver both jobs and housing to this well serviced and accessible location.

Kirrawee and Sutherland were not accepted by the State Government and we are advised that Council has not undertaken any specific master planning or strategic planning since this report for Kirrawee and Sutherland was prepared. Council has supported some and rejected some site specific planning proposals in the Kirrawee and Sutherland localities, however the Sutherland LEP 2015 was generally a like for like conversion of the former environmental planning instrument.

Council also considered a number of submissions to the Draft SLEP3, which included a stated positions in relation to the Kirrawee centre, and the Taren Point Employment Area. The Council responses to these submissions can be summarised in relation to Taren Point as follows:

Taren Point Employment Area

Council has acknowledged that the role and function of the Taren Point Employment Area has merit in its expanded retail functions for land to the west of Taren Point Road, however there is a flooding constraint. Council has acknowledged with further master planning would be required to consider solutions to this constraint (for completeness much of the Council report is extracted below):

...

During the first and second LEP exhibitions Council received a number of submissions from or on behalf of properties owners on the west side of Taren Point Road seeking to be rezoned from IN1 General Industrial to B5 Business Development to allow bulky goods premises on their sites.

It was considered that if these sites were developed together, there is the potential to solve the constraints to access and flooding, while improving the streetscape for Taren Point Road. However, if the sites are simply rezoned B5 Business Development without being amalgamated and redeveloped, it is highly likely that the existing building will become bulky goods retailing outlets. This would only exacerbate poor existing vehicle movement patterns and maintain the low standard of presentation into the long term.

Consequently it was considered that the best long term option for delivering a quality streetscape and landscaped context to this part of Taren Point Road remains as adopted in Mayoral Minute No.6/13-14 (July 2013):

"That the landowners of the subject properties on the west side of Taren Point Road be advised that the potential for bulky goods has merit, provided that all properties [94-98 Parraweena Road, and 173, 175, 177, 181-187, 189 and 191-193 Taren Point Road] can be

included in a single redevelopment which adequately addressed the flooding constraints, provides for the safe movement of vehicles and presents a quality streetscape and landscaped context to Taren Point Road. Should the landowners be able to achieve these outcomes, a planning proposal and master plan should be submitted to reconsider the zoning of the land”.

The Independent Review recommended that:

- 78. Council should also give consideration to its decision in relation to 94-98 Parraweena Road and 173, 175, 177, 181-187, 189 and 191-193 Taren Point Road to specify the essential outcomes required to prompt a rezoning rather than the means of achieving the outcomes, and*
- 79. Council should reverse its decision to allow bulky goods retail at 100-104 Parraweena Road, Taren Point.*

It is noted that Council resolved to permit bulky goods premises at 100-104 Parraweena Rd.

The Review supports the thrust of the officer’s previous conclusions in relation to making bulky goods permissible on 94-98 Parraweena Road and 173, 175, 177, 181-187, 189 and 191-193 Taren Point Road. However, it notes that there may be other ways to achieve the desired outcomes without the need for all sites to be included in a single development. It may be that a solution can be found which would allow the sites to be developed incrementally so that a single development is not required. For example a Voluntary Planning Agreement could come up with a solution for flooding and access that would facilitate the incremental development of the subject lots. The current standard of development along much of Taren Point Road creates a very poor entrance to Sutherland Shire. It is considered that the community benefits of a coordinated approach to this land are worth the wait. In the interim it is considered that the existing zoning should be retained.

108 Parraweena Road

With respect to the request for a B5 Business Development zoning for 108 Parraweena Rd, it is noted that development in the locality is mixed. The subject land is zoned Zone 11 - Employment. The area is proposed to be zoned IN1 General Industrial. Council records indicate that the subject site is affected by flooding. Council has recently approved on the subject site a three storey building containing a childcare centre, recreation facility (gym) and food shop. Flood risk in 108 Parraweena Road is characterised as 'medium' and the proposal adequately addressed flooding issues.

To the east of the site, No.106, Council has approved a new industrial building. To the west, No.110, Council has approved a Construction of a childcare centre for 80 children and Indoor play centre (DA12/0711). Adjacent to 110, at no. 120 is a timber and hardware supplies warehouse, and further west other industrial uses. To the rear is a Tynan car storage/facility.



Aerial Photo – 108 Parraweena Road outlined in red

An IGA supermarket is located directly opposite the site along Parraweena Road. East of IGA is a mix of uses, including BCF (Boating/Camping/Fishing – bulky goods approved under existing use rights), Taren Point Hotel, Beacon Lighting and a Shell service station. Westwards of IGA is a low density residential area.

It is noted that Council resolved to add a provision to the draft plan to enable bulky goods premises at 104 Parraweena Rd (Cronulla Furniture).

The B5 zone has largely been restricted to the eastern side of Taren Point Road. The B5 Business Development zone is a specialised zone which provides for a mix of business, warehouse uses and specialised retail uses principally bulky goods retailing. It is important that the B5 zone only allow activities that do not detract from existing centres, so as to maintain the retail hierarchy in the Shire.

It is clear that the area has a mixed character and is not purely an industrial zone. As discussed above applying the B5 zone to the western side of Taren Point Road is problematic given flooding and access considerations. Furthermore, the adjacent site has been approved as a new industrial building. Applying a B5 zone to one site without a review of the strategic context is not supported. It is considered that a B5 Business Development zoning may be appropriate for the area as a whole (including those properties fronting Taren Point Road), provided that flooding and access issues can be overcome. Until such time as there is a more strategic review to properly inform any decision, it is recommended that the zoning remain IN1 General Industrial.

Response to Issues

The submissions do not raise new issues that warrant a departure from the provisions contained in LEP3.

The Taren Point Employment Area generally west of Taren Point Road, was again considered by Council at its meeting held on 30 November 2015 with respect to “Remaining Minor Amendments – Sutherland Shire Local Environmental Plan 2015 - Amendment 4 Report Number EHR034-16” and “Expansion of the Bulky Goods Precinct, Taren Point” as follows:

...

Council officers advised the land owners that the best way to proceed with the development of individual sites is to resolve the design constraints in a masterplan which could be built into the DCP, allowing development to then progress on individual sites. In this way Council, would have certainty that redevelopment would result in good long term planning outcomes and hence support a B5 Business Development zoning. This advice was also forwarded to the land owners in writing the following day.

Following the meeting, one of the main land owners in the precinct (100-104 Parraweena Road, 189, and 181-178 Taren Point Road) advised in writing that they do not wish to be part of a proposed masterplan for the precinct. Without the cooperation of all land owners it will be difficult to resolve the access and flooding constraints that affect the precinct. This makes it difficult to support a rezoning of the whole precinct to B5 Business Development.

Correspondence has also been received on behalf of the owner of 173-175 Taren Point Road and 94-98 Parraweena Road. The correspondence seeks Council's support for a site specific rezoning of this land to Zone B5 Business Development. In support of the rezoning, the submission suggests that assumptions in the Gwawley Bay Catchment Flood Study may result in the study suggesting a greater flooding problem than could exist with better management of the stormwater system. The submission also asserts that the most appropriate stormwater management decisions can be made during the development assessment stage. The submission also highlights that it is proposed to rationalise crossovers to both Taren Point Road and Parraweena Roads and create a right-of-way to ensure that future co-ordination of access can be achieved.

The Flood Study has made assumptions based on historical flood data and these assumptions are consistent with technical standards endorsed by the Institution of Engineers. The assumptions are also consistent with the assumptions made by other councils. The rationalisation of vehicular access points, largely removes vehicular crossing which are currently redundant and the proposed right-of-way will not benefit the adjacent strata plan.

In considering a rezoning, Council must be satisfied that the rezoning would not have adverse environmental impacts and that the uses is appropriate for the level of risk. A rezoning must demonstrate that it is consistent with local and regional planning strategies and SEPPs. It must demonstrate strategic merit as well as have site specific merit, and be compatible with surrounding land uses. Council must be satisfied that the rezoning proposal will not have adverse environmental impacts, social or economic impacts. Individual spot rezonings generally demonstrate little strategic merit. A spot rezoning will not address the constraints facing the whole precinct. A sensible solution relies on all landowners working together to resolve these. However, should the owner of 173-175 Taren Point Road and 94-98 Parraweena Road wish to pursue the proposed rezoning, a planning proposal can be prepared and lodged. This will then be subject to a detailed assessment.

The land still has significant development potential. The land is presently zoned IN1 General Industrial and may be developed in accordance with the zone's permissible uses. Given the reluctance of all land owners to work together, it is recommended that a rezoning to facilitate bulky goods retailing (B5 Business Development zone) not be pursued at this time.

...

Once again Council has indicated the merit for change in the Taren Point Employment Area, however the flood constraint needs further strategic planning as part of a master plan.

It is unfortunate that none of the centres nominated by Council were supported by DP&E for inclusion in the urban activation precinct program and process (now known as Priority Precincts), and no new strategic planning work has been undertaken by Council in the Taren Point Employment Area, other than the work associated with the conversion of the Sutherland LEP 2006 into the Sutherland LEP 2015. A Plan for Growing Sydney seeks all new environmental planning instruments to implement its actions, however the current SLEP is generally a like for like translation from the previous environmental planning instrument which has not resulted in new suitably located zoned land for increasing the supply of supermarket floor space including provision of suitably zoned land to support the rapidly changing digital economy.

3. RETAIL TRENDS AND CHANGES IN TECHNOLOGY

The main planning framework to guide strategic planning in the Sydney Metropolitan Area has recognised the role of the digital economy. In this regard, it should not be forgotten that the growth of the digital economy reflects customer desires and behaviour. Retail trends and changes in technology have had significant impacts on the way retailing is demanded by customers to be delivered in Australia. The sector has as a result of consumer demand been required to be flexible and adapt swiftly to market changes. These trends, factors and changes are discussed in this chapter.

3.1 RETAIL TRENDS

Population growth, rising real disposable incomes, and innovation and change within the retail industry have underpinned changes which have required retailers in Australia to rapidly adapt.

Population growth and increasing levels of disposable income have provided the means to support new retail development, but it is the innovative nature of the industry itself that has generated major increases in more and sometimes larger centres. The industry's response to some of these changes has led to the growth and introduction of:

- Indoor shopping centres;
- Convenience shopping; and
- Bulky goods retailing.

Over at least the last 40 years, retailing within Sydney has evolved in response to a number of trends including:

- *the regional and 'super-regional' centre (such as Westfield) which incorporate a large diversity of shops complemented by leisure activities and other facilities with an extensive trade area;*
- *'convenience community centres' usually dominated by a supermarket to meet daily and weekly shopping needs;*
- *'stand-alone supermarkets' offering a just-in-time 'one stop shop' such as petrol, video, pharmacy, groceries, fast food, and so on;*
- *'convenience service centres' being petrol stations on main highways but offering a just-in-time shop with a range of groceries and fast foods including 7 Eleven, Coles Express, Caltex Woolworths, BP Shop, etc;*
- *Highway service centres;*

- *‘Category killers’ that provide an extensive range and depth of competitively priced merchandise within a single market segment such as Bunnings, Harvey Norman, Freedom, Toys R Us, JB Hi-Fi, etc.*
- *Bulky Goods that integrate warehousing with retailing;*
- *“Power Centres” that incorporate multiple category killers and bulky goods retailers in one large centre;*
- *Factory Outlets.*

(Source: Liverpool Retail Centres Hierarchy Review 2012 Hill PDA)

Some of the key retail trends influencing Sutherland LGA include:

- Expansion of one centre with a stronger element of leisure/entertainment activity. The trend towards both larger stores and larger centres in Australia has been evident for decades. This has resulted in the emergence of a “Super regional centre” over 100,000 square metres at Westfield Miranda.
- Continued suburbanisation of office space and the growth of business parks.
- Strong growth in the bulky goods retailing centres with the large format retailers looking to capture market share from the department stores and some specialty retailers in traditional retail centres.
- Growth in the size of supermarket, their trading hours and market share of the food and beverage household expenditure.
- Growth of mini-majors such as Harris Farm, and category killers such as Pet Barn and JB Hi Fi.
- Reduced share of expenditure captured by traditional department stores.
- Pressure from supermarket and large format retailers to develop outside commercial centres.
- Loss of many traditional speciality retailers but also new retailers entering the market such as ALDI and Costco.
- The emergence and rise in electronic or online retailing.

These trends are due to factors influencing customer behavior:

- *The increase in the proportion of working women;*

- *The increase in the proportion of part-time and casual employment and reduction in full-time employment;*
- *The reduction in the proportion of households that match the traditional family model and an increase in the number of single persons and single parent households;*
- *The increase disparity of household income, ranging from high double income households to households that rely on welfare;*
- *The ageing of the population; and*
- *Increasing working hours for those in full-time employment.*

(Source: Liverpool Retail Centres Hierarchy Review 2012 Hill PDA)

A number of these trends have influenced demand for, and location of, commercial office space and therefore also influenced where retailing is occurring across all of the existing employment locations in Sutherland LGA. These changes are placing greater pressure on many of the existing centres in the Sutherland LGA to either adapt, or lose market share, but limited growth of existing centres is due mostly to existing physical constraints. Some locations have adapted and given rise to new locations for shopping such as Cronulla Sharks and the Brick Pit at Kirrawee.

Due to time pressure related management of family activities, such as sporting functions on the weekend, shoppers are seeking access to more conveniently located facilities with longer trading hours or seeking to link outings for shopping as part of existing trip activities such as to and from work or sporting activities to accommodate shopping for traditional grocery and clothing offers. In part, the inconvenience of some existing “bricks and mortar” locations and time management pressures, has contributed to the rise of online shopping. Shoppers are increasingly spending more on entertainment, technology and leisure related goods and therefore, shoppers are also seeking a broader range of activities that provide both retail and entertainment options including eating out, wine bars, cinemas and video game parlours.

In addition, the growth of the new economy and ongoing de-industrialisation has strengthened demand for commercial floor space especially in key locations, close to tertiary education and transport links. This trend has seen the emergence of business parks and changes in business composition and technology, with the repurposing and shift in the location of office-based activities outside of traditional centres.

The increase in the number of working hours per household and a greater proportion of dual earning households has resulted in less time for family responsibilities. As a result, work places that enable workers to conveniently combine paid work, leisure and family responsibilities are becoming increasingly attractive (i.e. locations that offer improved access to high quality retail shops and services, a wide range of health, legal, child care, banking and government related outlets, as well as consumer outlets).

3.2 CHANGES IN TECHNOLOGY INFLUENCING RETAILING

3.2.1 Internet / Online Retailing

Internet shopping (also called e-tailing, and electronic retailing, and online retailing) is a retail format in which the retailer and customer communicate with each other through an interactive electronic network. A growing proportion of Australians have access to the internet at home and use mobile devices.

The rate of access has increased significantly in recent years, from 16% of households in 1998 to 79% in December 2014 (Australian Bureau of Statistics (ABS)), and increased by 2% between December 2014 to December 2015 (ABS).

However, Australia lags behind other western countries with regards to the penetration rate of internet retailing with a market share of 3.9% in 2009. Interestingly, since 2000 up to December 2015, three-quarters of all retail sales growth occurred through online channels, with online channels now accounting for about 8 percent of total retail sales. Three sectors have lagged behind in e-commerce: cars, petrol stations, and groceries. These categories are significant as they are responsible for nearly half of total retail sales and therefore the pool of revenue is close to 16 percent. This has not meant the decline or “death-nell” for bricks-and-mortar stores, rather the steady growth of online sales has generated new potential where existing “bricks-and-mortar” stores need to be able to adapt. (Source: PwC 2015 Retail Trends, Industry Perspectives www.strategyand.pwc.com/persepctives/2015-retail-trends). In 2015, online retail sales grew by 9% to reach \$16.6 billion according to the National Australia Bank’s (NAB) Online Retail Sales Index March 2015. Consumer research indicates that the most popular reasons for shopping online are:

- price,
- convenience, and
- greater range.

Conversely, the three main negative points about online shopping are considered to be the lack of immediacy, the lack of opportunity to touch or try on the items, and concerns over fraud. One of the benefits that electronic retailers offer is the opportunity for consumers to search across a broad range of alternatives, develop a smaller set of alternatives based on their needs, and get specific information about the alternatives they want.

Shopper spend on goods online varies across different categories of goods, with the most popular items purchased online being ‘computers, hardware and software’ with a 26% market share, ‘books’ (12% market share), ‘clothes’ (11%) and ‘food and groceries’ (10%).

The most popular .com.au listed websites for online retail sales in 2015 were (www.smartcompany.com.au “Australia’s top 20 online retailers: 2015” March 2015):

1. Tempe & Webster	11. Dick Smith (<i>prior to Kogan purchase</i>)
2. Kogan	12. Appliances Online
3. The Iconic	13. ShowPo
4. Catch of the Day	14. Style Runner
5. Booktopia	15. Pet Circle
6. JB Hi-Fi	16. Adore Beauty
7. Red Balloon	17. OzSale
8. Dan Murphy’s	18. Klika
9. Lorna Jane	19. Vinomofo
10. Shoes of Prey	20. HardToFind

3.2.2 Online Retail Sales Snapshot - April 2015 compared to April 2016

National Australia Bank (NAB) releases month to month information regarding online retailing via their Business Research and Insight Indexes.

The NAB Online Retail Sales Index is based on two million non-cash transactions per day, scaled up to replicate the broad economy, the NAB Online Retail Sales Index tracks online retail spending across sectors, demographics, locations and the breakdown of goods bought from domestic and international online retailers. The index is produced monthly and analysis is provided on a quarterly basis.

The data is collated through Quantum. Quantum is currently Australia’s leading data analytics and strategy firm. Quantum has worked with NAB for more than six years, assessing de-identified transaction data to derive insights, trends and shopping habits of different customer groups. The resulting analysis forms “Market Blueprint” and is used by NAB and other businesses to drive innovation and business performance through customer, distribution and marketing strategies.

Australia’s online retail spending increased to \$16.9 billion for the year to April 2015, or by 9.6% annually. At that time in 2015, it represented around 7.0% of traditional retail spending, excluding cafe’s, restaurants and takeaway food.

Comparable year growth in traditional bricks & mortar retail (was up 5.3% in March 2015) was still outpaced by the improvement in online retail (8.2%). That said, recent online growth has been more subdued than the 20-30% year-on-year growth rates recorded in earlier years. In April the seasonally adjusted month-on-month change was 1.5%. At 0.6%, the trend estimate for online retail sales is unchanged relative to March and February.

Domestic retailers controlled 75.5% of total online spending as of April 2015, relatively unchanged on the previous 3 months. Growth in both international and domestic online retail sales accelerated in April 2015, though domestic online continues to outpace international in year-on-year (yoy) terms.

The April 2016 NAB monthly research published the following summary:

Online sales increase 0.3% in April 2016

- *At 0.3% the latest seasonally adjusted NAB Online Retail Sales Index shows sales growth weakened in April, after rapid growth in March (1.7%) and February (1.0%). As a result the annual growth rate slowed from 13.0% to 10.8%. The trend estimate for online retail sales also slowed to 0.7% – continuing a weakening trend. Looking through the month to month volatility, it appears that online sales in April were relatively soft – albeit coming off a very strong few months.*
- *ABS data showed growth of traditional retailers grew in March (0.3% mom, s.a.), and 3.7% higher than a year ago. At 10.8% over the year, growth of online retail continues to significantly outpace traditional retail sales growth.*
- *In dollar terms, we estimate Australians spent \$19.6 billion on online retail in the 12 months to April 2016. This level is equivalent to 6.6% of spending at traditional bricks & mortar retailers as measured by the ABS in the 12 months to March 2016.*
- *A key driver of the overall result was the slowdown in Homewares and Appliances which contracted slightly (-0.2% year on year (yoy) vs 10.9% yoy in March).*
- *Sales were also slower in Fashion (8.5% yoy vs 14.0% yoy), Games and Toys (16.2% yoy vs 32.6% yoy), Daily Deals (-8.3% yoy vs -2.9% yoy) and slightly slower in Media (27.3% yoy vs 29.5% yoy).*
- *Sales improved in Personal and Recreational (7.6% yoy vs 0% yoy), Groceries and Liquor (8% yoy vs 3.4%), Food Catering (47.6% yoy vs 45.8% yoy) and Department and Variety Stores (2.5% yoy vs 1.8% yoy).*

While representing just over a third of all online sales, SME (18.1% yoy) outpaced corporates in March and improved on the March yoy growth (9.2%).

3.2.3 World's Best Practice in Supermarket Online Retailing

As has been demonstrated by Tesco, the world's 6th biggest grocer and leader in supermarket retailers, the need for modern retailers to keep pace with the most significant growth market, online retailing, is imperative. Tesco will celebrate 20 years since the launch of its online service in November 2016. Tesco has become the undisputed king of online grocery retailing with revenues of more than £2.5 billion, more than twice the sales of the closest competitor:

The biggest reasons for the great competitive advantage of Tesco can be found from the way it reacted to the rise of the internet. The patient and active approach enabled them to build a sound long-term vision of what the internet meant for the core business of the company and to what kinds of actions that would require from the company. As a result of the early launch Tesco had already been developing the online service for a couple of years, when the expectations towards the Internet based businesses started to grow.

To summarise: the proactive approach early on enabled Tesco to gain experience and perspective for the realistic development of the online channel. Coupled with the patient and committed involvement of the top management enabled Tesco to develop the world's biggest online grocery service with comparatively small investments, at least compared to the companies who invested in big warehouses which were eventually abandoned.

The clarity of the vision for the online channel and its influence on the traditional business gave Tesco the confidence to see above the noise of the dot com boom.

In today's marketplace the business models resemble the ones seen during the dot com boom, as the retailers have started to construct warehouses and dot com stores. Challenged by Ocado and its highly optimized warehouses, the Tesco model of using stores alongside the dot com stores (warehouses) remains a solid approach.

(Source: Retailinsider.com/2013/11/tescos-online-grocery-journey.html)

In this regard, Tesco developed a model now referred to as a “the dotcom store” in 2011. The “dot com store” is the location where freight and logistics bring convenience goods from the distribution centre to a warehouse variant of a supermarket, so as employees can pick and package internet orders which are subsequently distributed to or collected by customers.

Source: <http://www.retailcustomerexperience.com/article/208269/Tesco-digital-pilot-brings-online-experience-to-in-store-shopping>

3.2.4 Australian Retailers and online retailing

The influence of online retailing in Australia has been at times slow to be taken up in the retail industry. A well-known Australian example is that of Harvey Norman. For an extended period of time, Gerry Harvey indicated to the market that the growth of online retailing was adversely impacting the ability of his business to generate profits, arguing for the Federal Government to tax all goods purchased online. At that time, Harvey Norman did not have any online presence. In 2009, Harvey Norman changed their approach to match their competitors such as JB Hi-fi and The Good Guys by providing customers with the ability to purchase online.

Another example of a business which did not see the initial need to have a presence online was David Jones. This attitude changed at the time of the GFC and the department store retailer changed its strategy to include online retailing to complement its stores.

Source: <http://www.smh.com.au/business/david-jones-aims-for-10-of-sales-online-20120224-1ts1o.html>

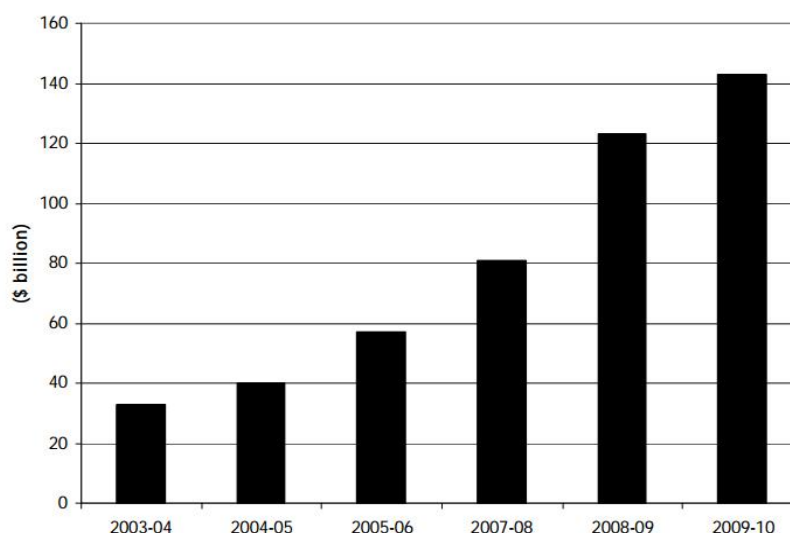
The Australian Productivity Commission released a report in 2011 titled “Economic Structure and Performance of the Australian Retail Industry”, in which it assisted in defining “internet retailing or online retailing” in “Chapter 4 – Trends and issues related to online retailing” as follows:

Terms such as e-commerce or internet commerce have been developed to describe the process in which electronic transactions facilitate the exchange of, and payment for, goods and services between businesses, consumers, government and other public and private organisations using the internet, computer networks and portable electronic devices. The OECD definition of e-commerce further specifies that it relates to the ordering of goods and services over the internet, but the payment and ultimate delivery of the good or service can be conducted on or offline (ACMA 2010a).

Online retailing is a subset of e-commerce and refers to the purchase and sale of goods between consumers and retailers using the internet — also referred to as the business to consumer (or B2C) market. Other terms are interchanged for online retailing including e-tailing. Online retailing establishments can take the form of ‘pure plays’ in which businesses provide online only services in particular retail categories or as part of multi-channel establishments where online activities are combined with bricks and mortar operations. (2011, p.4)

The report also demonstrated the significant increase in levels of internet commerce investment occurring in Australia since 2003 (Productivity Commission, 2011).

Figure 4.1 Value of internet commerce in Australia, 2003-04 to 2009-10^a



^a Refers to purchases of goods and services online regardless of how payment is made and includes both Business to Consumer transactions (B2C) and Business to Business transactions (B2B). Data were not provided by the ABS for 2006-07.

Source: ABS (Summary of IT Use and Innovation in Australian Business, 2009-10, Cat. no. 8166.0).

Figure 6: Value of internet commerce in Australia, 2003-04 to 2009-10

Source: Productivity Commission 2011

In addition, this report advised in Chapter 8 “Planning and zoning regulation”:

- *Land use regulation that centralises retail activity can be either competition-enhancing or competition-reducing, depending on how it is designed and implemented by the relevant planning authorities.*
- *To minimise the anti-competitive effects of zoning, policy makers need to ensure that areas where retailers locate are both sufficiently large (in terms of total retail floor space) and sufficiently broad (in terms of allowable uses, particularly those relating to business definitions and/or processes) to allow new and innovative firms to enter local markets and existing firms to expand.*

- *A number of overseas studies have examined the impact on the retail industry of some land use regulations that restrict the establishment of new large format stores. These studies suggest that restricting the development of larger stores lowers retail productivity, reduces retail employment and raises consumer prices.*
- *Overseas evidence also suggests that some land use restrictions raise property prices in residential and commercial markets by constraining the quantity (and location) of available space. These empirical results are useful directional proxies for the impact of planning and zoning controls on domestic retail property values.*
- *In its recent benchmarking study on planning, zoning and development assessment, the Commission identified a number of leading practices to support competition. While all these leading practices should be implemented to improve the competitiveness of the retail market, two are of particular importance:*
 - *Governments should broaden and simplify business zoning to remove the need for ad hoc changes to council plans to accommodate each variation in business model.*
 - *Governments should not consider the viability of existing businesses at any stage of planning, rezoning or development assessment. Impacts of possible future retail locations on existing activity centre viability (but not specific businesses) should only be considered during strategic plan preparation or major review. (2011, p. 215)*

On 4 June 2013, Roy Morgan Research released a study which advised:

The number of Australians who shop online has tipped over the 50 per cent mark for the first time. (2013).

The report titled, “State of the Nation” examined the social trends of 50,000 consumers over the past decade. The report has a special focus on “online retailing” and points to a 12 per cent growth in the sector over 2013. The report further found that in a three month period during 2013, some 50.3 per cent of Australians had shopped online.

The report also indicated that online shopping is becoming increasingly mainstream, and acknowledges the role for traditional retailers to exist alongside online shopping with a view that the retail sector will need to adjust to the market as “retailers who play in both spaces will probably do extremely well”.

“Smart phone” and mobile devices penetration is now running at about 50 per cent of Australians, and this means that people do not need to be home to order online; the emergence of smart phone price-checking and the use of smart phones to explore the availability of goods is now well-documented. The use of smart phones to make online purchases has grown 101 per cent in the past year (Roy Morgan Research, 2013).

In August 2013, NetSuite Inc. sponsored research conducted by Frost & Sullivan which had the support of the Australian Retailers Association, indicating the following:

- *Although online sales have grown strongly in recent years, penetration in Australia is still only around 7 per cent of sales, which is behind comparable markets such as the UK and USA where online sales account for around 10 per cent of total retail sales.*

- *Many bricks and mortar retailers are currently missing out on market opportunities. Utilising a multi-channelled approach can offer many opportunities, such as lower operating costs, the ability to reach new customer segments, greater variety and choice of goods with the ability to operate with fewer geographical limitations.*
- *Retailers are increasingly recognising the advantages of multi-channelling and that these experiences are being increasingly demanded by customers (2013).*

The ABS also completed a survey in December 2011 titled “8146.0 – Household Use of Information Technology, Australia” which indicated that 73% of households had access to “broadband” and 92% of all households had internet access. This survey also found the proportion of internet users that purchased or ordered goods or services over the internet was 68%, up from 64% in 2008-09.

3.2.5 Woolworths Online Retailing Experience

Woolworths as at September 2015 ranked 17th in the world’s top 20 global grocery retailers by annual sales (RetailWeek 30 September 2015: www.retail-week.com/sectors/grocery/analysis-top-20-global-retailers-by-annual-sales) and this has been maintained since 2013. Source: <http://www.smh.com.au/business/the-worlds-top-20-retailers-20130116-2cssw.html>

In 1998, Woolworths launched their “HomeShop” business which provides home delivery of groceries. In 2008, Woolworths expanded its online plans with an online ordering webpage and developed a strategy to facilitate delivery of goods in a more-timely manner for online orders delivered to home.

In February 2012 Woolworths launched a concept known as the “virtual store” at Flinders Street Station in Melbourne and Town Hall Station in Sydney.

In a bid to capitalise on consumers’ increasing need for convenient and time efficient solutions, Woolworths has combined public transport and grocery shopping by taking online ordering to a station near you well to stations in the Sydney and Melbourne CBDs anyway. The retailer has launched its first virtual store in Sydney last night, with Melbourne to follow today, claiming this to be a first for Australian supermarkets.

Currently stocking 120 different products, the first virtual store is located on the concourse level of Sydney’s Town Hall station, between the Park Street and George Street exits, with Melbourne’s store being showcased at Flinders Street Station. Potential customers are able to go ‘in store’ and browse a range of product photos, each marked with a barcode or QR code. Using the Woolworths’ Android or iPhone app to scan the codes of wanted product, orders are then placed and finalised via Woolworths’ online store, with the orders being filled by bricks and mortar shops close to the delivery address. The retailer’s usual \$30 online minimum order value and delivery charges still apply.

Source: <http://www.powerretail.com.au/news/woolworths-launches-first-virtual-australian-supermarket/>

In 2013, Woolworths online strategy expanded to include a similar model as that found overseas, with the implementation of a “dark store”:

It looks like a normal supermarket, complete with fruit and vegetables, meat and freshly baked bread, but there’s one thing missing from Woolworths’ newest store – the customers.

Woolworths has opened its first dedicated online store at Mascot, in the heart of the biggest online retail market in Australia.

Australia’s largest retailer currently picks products to fulfil online grocery orders from supermarkets closest to online shoppers’ homes.

But, as online grocery shopping becomes increasingly popular, Woolworths is considering opening dedicated online stores – also known as dark stores or “shadow warehouses” – in each of its major markets.

According to consulting firm AT Kearney, which has analysed dark stores operated by retailers such as Tesco, Asda, Sainsbury and Waitrose, dedicated online fulfilment stores can be almost three times more efficient than traditional supermarkets.

Retailers can fulfil online orders faster because dark stores are laid out for optimal picking and pickers or “personal shoppers” can whirl their trolleys around night and day, without having to navigate around slow-moving customers, promotions and checkout queues.

Source: <http://www.smh.com.au/business/retail/woolworths-opens-first-onlineonly-dark-store-20140810-102lh0.html>

By August 2014, Woolworths online grocery shopping was the fastest growing segment of the business, with sales up 50% on the previous year.

Source: <http://www.smh.com.au/business/online-grocery-boom-powering-woolworths-20140829-10a5cz.html>

In April 2015, Woolworths launched with eBay a pilot “click & collect” partnership involving a parcel drop off service. Woolworths Lane Cove, Neutral Bay Village, Northbridge, Double Bay and Balgowlah were selected to take part in the parcel drop-off pilot.

Source: <https://internetretailing.com.au/woolworths-and-ebay-expand-partnership/>

This “click & collect” service was expanded by Woolworths in February 2016 in partnering with Sydney Trains a 12 month trial, allowing customers to shop online with Woolworths and pick up their groceries from specially design lockers on their way home.

Source: <https://internetretailing.com.au/stop-and-shop-woolworths-trials-click-collect-for-commuters/>

Now, the “click & collect” service has now been expanded to a number of existing and new stores so as to keep pace with customers’ expectations.

It is Woolworths' position that in order for its model which is constantly evolving for online retailing of convenience grocery goods to be successful, several factors need to combine, with the selection of sites needing to provide the best opportunity to support the model and allow flexibility into the future.

In addition, Woolworths Corporate Property team have been tasked within finding new ways to innovate in support of a number of Woolworths' business objectives, in particular, finding ways to support Woolworths' "multi-option retailing":

Multi-option Retail

It's the beginning of an era for the new Woolworths' Multi-Option team. They operate in a fast paced, nimble environment with entrepreneurial-minded professionals who work collaboratively to be the leaders in the market. Our point of difference is that we are a part of Australia's largest retailer allowing us to provide unparalleled career opportunities. The group is positioned to drive innovation across the business and has a unique perspective where we see all aspects of how we provide excellent customer experiences.

Source: http://www.wowcareers.com.au/page/Our_team/Support_Office/

"Multi-option retailing" is in part, Woolworths response to the growth in online retailing which is forcing traditional retailing to diversify. Customers are no longer relying on just traditional "bricks-and-mortar" outlets to be the sole source to undertake their shopping.

Woolworths has been forced to adapt, and is changing the nature of how it fulfils its customers' requirements and has moved to implement a hybrid retail model in the right locations in the Sydney Metropolitan Area (SMA) including southern Sydney, which places greater emphasis on the way Woolworths distributes goods to its customers from a base facility.

To fulfil these online customer requirements, some new Woolworths facilities are taking on the form of what is commonly seen as staging posts for warehousing, distribution and logistics centres which need to be positioned in more accessible locations and have purpose built forms.

This model includes a "click and collect" function where a customer places an order online and collects that order from the site at a designated collection point which may not be within the trading floor of a supermarket. In addition, this multi-retailing option also includes an "online fulfilment" function where a customer can also place an order online but chooses the home delivery of that order which is managed by staff on-site who pick and package that order. The distribution of these orders is managed by a fleet of small Woolworths trucks. Woolworths seeks to operate these functions 24 hours a day, seven days a week. These functions are therefore best suited to the industrial zone and in close proximity to the major arterial road network. This process also required the ability for customers to undertake tradition face to face retailing, which is shopping within the trading floor of the supermarket facility.

The evolution of some of Woolworths supermarket facilities requires “build-in” capacity to support the existing “dark box” which Woolworths implemented in Mascot in 2014. The “dark box” is a warehouse and distribution centre to enable foodstuffs to be processed in significant volumes and in a timely manner to meet online orders – that is online only transactions, where Woolworths staff pick the customer order and facilitate its distribution. To support this distribution function Woolworths also requires the ability in the future to provide for “staging points” for the freight and logistics components of the existing “dark box” in strategic locations of which a location in southern metropolitan Sydney is sought.

Woolworths has identified that “multi-option retailing” is an important customer choice and as such a strategic southern metropolitan Sydney location for a “bricks-and-mortar” retail supermarket facility which supports “click & collect”, online retailing with home delivery and a staging post location of the dark box as part of Woolworths “multi-option retailing” being implementation in the Sutherland LGA is an important business objective.

3.3 CONCLUSIONS

Supermarkets as demanded by customers seeking a full-line of choices have become larger which also reflects some internalisation of what was previously considered specialty shop functions.

All the above demographic and employment trends point to the need for more flexible trading hours to provide convenience for what is termed the “time-poor” shopper.

In other words, we seek the flexibility of making a choice between the “once-a-week shop” along with a series of small shopping trips as and when we need to buy various goods. This has seen the increase in “just in time” shopping. The increasing percentage of working couples has demanded this change. Further, demand is also increasing as a result of the “asset rich, time poor consumer”.

The historic trend towards larger supermarkets is continuing but increasingly it is becoming more difficult and costly to expand in existing centres due to:

1. The land scarcity,
2. The fragmentation of land ownership, or
3. The planning controls have been written to make a usage permissible but inclusion zone objectives often are interpreted to create de-facto prohibition which stops new retail supermarket floor space growth despite identified undersupply.

Due to the rise in online shopping, retailing is no longer just about “bricks-and-mortar” locations but still requires a physical location as demanded by customers.

It is not clear how these retail trends and the need to provide for multi-option retailing has been supported in the Sutherland LGA. In particular, Woolworths seeks the implementation of Direction 1.9 “Support Priority Economic Sectors”, and its Action 1.9.2 “support key industrial precincts with appropriate planning controls” as contained in A Plan for Growing Sydney. It is not clear how this Direction was implemented as part of the Sutherland LEP 2015, this is because there is a current undersupply of supermarket floor space within the Sutherland LGA as identified by the work undertaken by MacroPlan Dimasi which is discussed in the next Chapter.

4. ANALYSIS OF SUPERMARKET FLOOR SPACE IN SUTHERLAND LGA

4.1 WOOLWORTHS LAND AREA REQUIREMENTS FOR RETAIL SUPERMARKETS AND LAND USE SURVEYS

4.1.1 Woolworths Land Area Requirements for Retail Supermarkets

The following is a list of requirements for identifying land suitable to support a full-line Woolworths supermarket:

- 1) Site to be between 10,000 square metres and 20,000 square metres in land area;
- 2) Main road frontage position;
- 3) Access into and out of the site from the primary main road frontage in both directions to be ideally via traffic signals to allow for customers to undertake all movements into and out of the site;
- 4) Access for large trucks to service and manoeuvre associated with a recessed loading dock;
- 5) Land zoned for permissible development or capable of being zoned for permissible development;
- 6) Convenient and two-way aisle movement in car parking layout;
- 7) Ability for the supermarket to trade between the hours of 6am and midnight every day;
- 8) Trade area catchment of some 9000 people;
- 9) Not already located within an existing trade area;
- 10) Land is capable of urban development; and
- 11) Land generally free of land use hazards, or if there are any, ensure these are hazards that can be overcome/rectified.

4.1.2 Land Use Surveys

This report outlines the methodology utilised to complete the land use surveys, lists the requirements for land to be suitable for a full-line Woolworths supermarket, and concludes with a list of existing locations which have been deemed suitable to support a full-line Woolworths supermarket.

Methodology

- a. Define the precinct/area to be studied based on zoned land boundaries, and obtain cadastre maps from Spatial Information Exchange Maps to create the base mapping
- b. Analyse restrictions by examining information from the following LEP maps:
 - Land Zoning
 - Height of Buildings
 - Floor Space Ratio
 - Heritage
 - Acid Sulfate Soils
 - Flood Planning
 - Terrestrial Biodiversity
- c. Undertake a desktop review of the precinct to establish land uses by using websites including:
 - NSW legislation (<http://www.legislation.nsw.gov.au/#/view/EPI/2015/319>),
 - NSW Department of Planning and Environment websites (<https://www.planningportal.nsw.gov.au/find-a-property>),
 - Council websites and documents within it (<http://www.sutherlandshire.nsw.gov.au/Development>),
 - Google Earth (<https://www.google.com.au/maps>),
 - Google Street View (<https://www.google.com.au/maps>),
 - Spatial Information Exchange (<https://maps.six.nsw.gov.au/>);
- d. Capture information from the precinct cadastre and convert into maps of a scale useable for physical field trip surveys;
- e. Use Google Earth and Google Street View to analyse to precinct site by site to see what types of uses exist on them, and if all the existing zoned land is being used or only a proportion;

- f. Perform an on-site visit to verify desktop analysis results, and take photos of each building;
- g. Using the desktop data, undertake field visits to “ground truth” the data;
- h. Evaluate which parcels of land are capable of large format retailing with at-grade parking.

A copy of these surveys can be found at **Appendix A**.

In order to identify suitable land based on the criteria above, land use surveys for the Taren Point employment area and the Caringbah centre. These surveys were completed in March and May 2016, to understand the existing site specific land use activities currently undertaken in each locality and to identify any site specific opportunities for new retail supermarket floor space. In addition, the work by MacroPlan Dimasi has included an evaluation of whether sites within Miranda, Caringbah, Sylvania and Taren Point exist which may be suitable to support new supermarket retail floor space. An extract is below:

...

The sequential test requires proponents to assess the potential for available in-centre or edge-of-centre sites and to demonstrate reasons as to why alternative site options cannot be pursued, if they exist, before consideration is given to an out-of-centre location. The steps involved are:

- *Step 1 - Firstly, it must be demonstrated that there are no suitable sites within an existing or planned new activity centre that can accommodate the demand by adjusting future intentions, which could include:*
 - *Increasing height and floor space controls,*
 - *Permitting a broader mix of uses, or*
 - *Actions to facilitate site availability or site consolidation.*
- *Step 2 - Secondly, it must then be demonstrated that there are no suitable sites in an edge-of-centre location that can satisfy the demand to be accommodated.*
- *Step 3 - Thirdly, an out-of-activity centre site that can satisfy the demand to be accommodated may be considered if it meets the Site Suitability Criteria and is consistent with relevant local or regional planning strategy.*

...

All except one of the existing full-line supermarkets in Sutherland Shire LGA are located in either B3 – Commercial Core or B2 – Local Centre zoned land, with the Taren Point Supa IGA located in the IN1 – General Industrial zone. We have examined the existing B3 – Commercial Core zoned precincts (as well as edge-of-precinct locations) at Miranda, Caringbah and Sylvania in the Sutherland Shire LGA which are considered to be within a reasonable distance of the subject site, in order to identify potential sites that could realistically accommodate the proposed development concept being considered by Woolworths Limited. We note there are no B2 – Local Centre or B4 – Mixed use precincts within a reasonable distance of the site. We have also reviewed the network of B5 – Business Development and B7 – Business Park zoned land within Taren Point and Caringbah.

We have only considered sites within an approximate 4km distance, by road, of the subject site. In our view, and as demonstrated earlier by the Quantum analysis, we consider that centres/sites further away than this would not be practical alternative sites to accommodate supermarket development to meet the needs of the population within the identified main trade area (i.e. residents of Taren Point, Sylvania Waters and northern Miranda and Caringbah). Indeed, we consider the investigation area we have assessed to be extensive given the supermarket trends and behaviours of Taren Point residents discussed earlier.

For the each selected centre/site in this section we have applied a consistent assessment matrix that examines various criteria in relation to site suitability, availability and viability. We have assessed site areas, lot configuration (i.e. ownership, depth, road networks and loading requirements), land use conflicts, existing and proposed uses. We have examined the potential edge-of-centre sites as well.

...

The proposed development concept consists of uses that would typically be accommodated in the B3 – Commercial Core and B2 – Local Centre, where particular regard has been given to those sites that are reasonably closely located to the Taren Point subject site. The ‘centres’ we have examined for potential opportunities, are listed below:

- 1. Miranda – B3 zone*
- 2. Caringbah – B3 zone*
- 3. Southgate Sylvania – B3 zone*

We have also assessed the surrounding B5 and B7 zoned land, even though full-scale supermarket facilities are not supported in this zone according to the Sutherland Shire LEP 2015, including:

- 4. Taren Point/Caringbah – B5 and B7 zone*

Miranda – B3 Zoned Land evaluation

The Miranda B3 – Commercial Core zoned land is generally located around the intersection of Kingsway and Kiora Road, covering an area of around 203,700 square metres (i.e. 20.37 ha). Miranda Westfield has grown to over 127,000 square metres of floor space with a trade area catchment which extends as far south as Wollongong. It also includes a range of recreation and entertainment facilities.

The evaluation by MacroPlan Dimasi indicates:

The centre currently accommodates a range of uses which are outlined in detail in Table 7.1, with very limited vacant land identified within the precinct. In order for a full-line supermarket of 3,800 sq.m to be developed on any site within the Miranda B3 zone, the entire site would need to be redeveloped, and in many cases multiple sites would need to be amalgamated, and existing uses at the site would need to be removed, including existing retail, commercial, medical, community and other uses. This outcome is not considered possible nor feasible, and would result in much lower net community benefit, compared to a scenario where the proposed supermarket development concept is developed at the Taren Point subject site.

In addition the Miranda B3 zone already provides an extensive range of retail facilities, including five supermarkets, with Woolworths already represented within the Westfield shopping centre with a large 4,700 sq.m store. Even if an additional supermarket could be physically provided within the Miranda B3 zone, this would not help meet the market gap in Taren Point, where the residents and workers of Taren Point would be required to drive over 2 km to access the supermarket offer in this location further adding to congestion within the town centre. Indeed it would provide virtually no additional net community benefit given the provision of five supermarkets already.

Table 7.1 Taren Point- Miranda Sequential Test Analysis (Site Specific)				
Site	Zoned	Area (sq m)	Site details	Vacant Area
Parkside Plaza	B3	11,500	The existing shopping centre building on-grade car park occupy the entire site.	None
Kiora mall	B3	7,500	The existing mixed-use residential building and shopping centre(including spotlight) with basement car park occupy the entire site	None
Aldi Miranda	B3	3,800	The existing ALDI supermarket with undercroft car park, as well as decked diggers club car park occupy entire site	None
Miranda RSL	B3	1,400	Site completely occupied by the existing Miranda RSL Diggers Club.	None
KFC	B3	1,200	Site completely occupied by the existing KFC and on-grade car park.	None
Westfield Miranda	B3	74,700	The Existing Westfield shopping centre and associated car park extends over three blocks with no vacant land for additional development.	None
Miranda Hotel	B3	2,600	Site completely occupied by the existing Miranda Hotel.	None
Telstra Phone Exchange	B3	1,800	Site completely occupied by the existing Telstra phone exchange	None
Miranda Police Station	B3	2,500	Site completely occupied by the existing Police Station	None
Kingsway North	B3	4,600	The existing Gynea-Miranda Uniting Church, South point Towers commercial and residential building, Shire Legal/Solari and Stock Lawyers Commercial Buildings and The Salvation Army Miranda extends over several blocks.	There appears to be a small parcel of vacant land (used as a car park) near The Salvation Army, site is not large enough for the proposed development.
Miranda Apartments (North)	B3	26,500	The existing medium-high density residential buildings with undercroft or basement car parks located along Willcock Avenue (north and south), The Wilshire residential building, as well as medium-high density residential buildings on Wandella Road and Central Road extend over several blocks with no vacant land for development. There is also a site along Central Road currently under construction.	None
Miranda Commercial/Retail Strip	B3	22,100	The existing retail, commercial and medical uses including Anytime Fitness, Specialist Medical centre, Specialist Sports medicine centre, Miranda Medical Centre, Kar Pro Tyre and Auto, Ray White and HYA Yoga, as well as other uses such as St Lukes Miranda Anglican Church, Metro Inn Miranda and Mixed use of developments including medium-high density residential Lavita and the corner of Wandella Road extend over several blocks with no vacant land for additional development.	None
Miranda Remainder (South Kingsway)	B3	43,500	The existing Miranda Library, retail, commercial and medical uses including Liquor Bank, Vet, Medical Imaging, Ophthalmologist, Urunga Medical Centre, Offices, medium density residential buildings and residential dwellings extent over several blocks with no vacant land for additional development.	None

The centre is surrounded by R3 – Medium density residential and R4 – High density residential zoned land, as well as RE1 – Public recreation zoned parkland and SP2 – Infrastructure zoned educational establishments.

Any reduction in the supply of residential land may lead to a decrease in the supply of residential dwellings, which by extension may impact housing affordability. A rezoning of residential lands to accommodate the proposed development would be impractical and most certainly constitutes a very significant adverse outcome for the local community. It would also be unviable to redevelop medium-high density residential blocks for a ground level retail development. Therefore we do not consider that any edge-of-centre locations with established or planned future residential development should be considered as a potential site for a full-line supermarket.

Details of recent JRPP approvals in Miranda B3 zoned land:

There have been no approvals granted by the JRPP to note.

Caringbah – B3 Zoned Land evaluation

The Caringbah B3 – Commercial Core zoned land incorporates around 115,000 square metres (i.e. 11.5 ha) of B3 zoned land, situated around the intersection of Kingsway, Port Hacking Road and President Avenue.

The evaluation by MacroPlan Dimasi indicates:

...

The centre currently accommodates a range of uses which are outlined in detail in Table 7.2, with an extensive range of retail facilities provided that comprises two full line supermarkets including Woolworths of 4,400 sq.m. There is minimal vacant land identified within the precinct. There are a number of on-grade car parks however these are either too small to accommodate the proposed development concept (e.g. 1,300 sq.m Port Hacking Road/Caringbah library car park; 2,600 sq.m Jacaranda Road/YMCA car park; and 3,300 sq.m Hay Lane car park), are likely to be redeveloped as part of future supermarket developments (i.e. Coles Caringbah) or would require existing car-parking to be moved and provided underground or above other uses. This may not even be physically possible, and could require redevelopment of surrounding sites, which may not even be feasible. Additional development would encroach on existing car parking and require additional car parking be provided, where redevelopment would need to be of considerable scale to offset costs for underground/rooftop parking. In this context no site is considered to be a viable, timely alternative.

Any other opportunity to develop within the Caringbah B3 zone would require an entire site to be redeveloped, and in many cases multiple sites would need to be amalgamated, with the existing uses at the site removed and resulting in much lower net community benefit. Further, the residents and workers of Taren Point would have to drive almost 3 km to access the supermarket offer in this location which would further add to congestion within the town centre.

The centre is surrounded by R3 – Medium density residential and R4 – High density residential zoned land, as well as RE1 – Public recreation zoned parkland and SP2 – Infrastructure zoned educational establishments.

For similar reasons explained earlier, we do not consider the loss of adjacent residential dwellings or recreation and infrastructure zoned land to be appropriate to accommodate a full-line supermarket. Thus no practical edge of centre locations exist in Caringbah to accommodate the proposed development concept.

Site	Zoned	Area (sq m)	Site details	Vacant Area
Caringbah Shopping Village (Woolworths)	B3	12,000	The existing shopping centre building and decked car park occupy the entire site.	None
Coles Caringbah	B3	3,200	The existing supermarket and undercroft car park occupy the entire site. Given the small size of the site, surrounding sites (including the Council car park) are likely to be included as part of any Coles supermarket anchored mixed use redevelopment which is assumed to occupy the entire site	None
Aldi Development(p)	B3	1,800	The existing Caringbah supermarket used to contain a Franklins supermarket and 23 specialties. The site has been purchased by Aldi who are planning to undertake a Aldi Supermarket anchored mixed used redevelopment assumed to occupy the entire site.	None
Caringbah Hotel Including Dan Murphy's	B3	6,100	The existing tavern, Dan Murphy's Liquor store and on-grade car park occupy the entire site.	None
Caringbah Remainder	B3	91,900	The existing retail, commercial and community uses including Liquorland, Soul Patterson chemist, Vinnies retail shop, Cheesecake shop, McDonalds, Chemist Warehouse, Whitworths Marine and Leisure, Curves Gym, Banks(NAB, Westpac, St George), Post office, TAB, Commercial offices buildings (including Denman Chambers and ANZ), Caringbah Veterinary Hospital, Tradies Caringbah RSL and on-grade car park., Vision Australia, Aussie Home Loans, Anytime fitness gym, Medicare/ Centrelink, Caringbah 24 hour medical centre, President Squash Centre, Caringbah Library and on-grade car park, Caringbah YMCA, Jacaranda pre-school, Jacaranda Road on-grade car park as well as mixed developments with medium-high density residential buildings (including those under construction at western end of President Avenue) extend over several blocks with no vacant land for additional development.	There are a number of on-grade car parks located through Caringbah, however sites are not large enough to accommodate a 3,800sq.m supermarket, are likely to be part of a future supermarket redevelopment (i.e. Coles) or would require existing car parking to be moved and provided underground or above other uses which may not be possible or feasible.

A comprehensive land use survey of the current uses of all properties was undertaken as at the end of May 2016. This survey can be found in at **Appendix A**.

This survey indicates the specific tenants within each of the existing buildings along Taren Point Road from the intersection of Holt Road to the intersection of Captain Cook Drive, and along Parraweena Road from Kareena Road to Erskine Road.

This survey has identified a number of supermarkets already exist within Caringbah, however limited opportunity exists for new locations.

Details of recent JRPP approvals in Caringbah B3 zoned land:

DA number	Address	Description	Lodgement Date	Determined Date
DA15/0016	46-48 President Avenue CARINGBAH NSW 2229	Demolition of Existing Structure, Remediation of Land and Construction of Mixed Use Development Consisting of Ground Floor Commercial/Retail Suites, 25 Residential Units and Basement Car Parking	15/01/15	20/08/15

Sylvania – B3 Zoned Land evaluation

The Sylvania – B3 Commercial Core zoned land is located around 4 km north-west of the Taren Point employment area, and includes around 49,700 square metres of (4.97 ha) of B3 zoned land at Southgate Sylvania. The evaluation by MacroPlan Dimasi indicates:

...

The range of uses accommodated within this centre is outlined in Table 7.3, where all lots within the precinct support functional and operational uses, with no vacant land identified within the precinct. The at-grade car parking area services the Southgate Sylvania shopping centre. Further the existing retail facilities at the centre include two supermarkets, with Woolworths already represented within the centre, and would require Taren Point residents and workers to drive almost 4 km to the centre contributing to increased congestion.

The centre is surrounded by R2 – Low Density Residential, R3 – Medium density residential and R4 – High density residential zoned land. For similar reasons explained earlier, we do not consider the loss of adjacent residential dwellings appropriate to accommodate a full-line supermarket. Thus no practical edge of centre locations exist to accommodate the proposed development concept.

Table 7.3 Taren Point- Sylvania Sequential Test Analysis (Site Specific)				
Site	Zoned	Area (sq m)	Site details	Vacant Area
Southgate Sylvania	B3	39,500	The existing shopping centre building and on-grade car parking occupy entire site.	None
Fitness First	B3	3,200	Site completely occupied by existing Fitness first building and undercroft car park.	None
The Crest Hotel	B3	3,700	The existing tavern, TAB and drive through liquor store occupy the entire site.	None
McDonald's	B3	2,100	Site completely occupied by existing McDonald's building, playground and on-grade car park.	None
Sylvania Remainder	B3	1,200	Site completely occupied by existing commercial office building.	None

There have been no approvals granted by the JRPP to note.

Taren Point Employment Area – B5, B7 and IN1 Zoned Land evaluation

Taren Point Employment Area incorporates approximately 205,000 square metres of (20.50 ha) of B5 zoned land and 419,400 square metres (41.94 ha) of B7 zoned land, situated between 0.4 km and 2.8 km east of the subject site between Taren Point Road and Captain Cook Drive.

It is noted that the land described along Taren Point Road and Parraweena Road has been rezoned to B5 Business Development under the SLEP 2015.

Not all of the premises and current uses within the Taren Point Employment Area were approved under the current main environmental planning instrument (EPI) applicable to land within the LGA being the SLEP 2015.

A number were approved under the former EPI being the Sutherland Local Environmental Plan 2006 (SLEP 2006) which was amended to identify on a map where “bulk goods premises” were permitted on land in Zone 11 – Employment. This map extended along Taren Point Road and Parraweena Road in the locations as previously described.

As can be seen in land use survey, while a number of these uses within existing buildings along Taren Point Road would in general be considered to be a type of “bulky good premises” as now defined under the SLEP 2015, not all of the uses sell goods that are of such size or weight that would be considered to be large in size but rather sell goods which in the majority could be described as small in size and being offered potentially as a bulk buying opportunity.

If fact a number of the goods offered for sale in some of the premises along Taren Point Road would readily be located on the shelf of a supermarket. The SLEP 2015 defines “bulky goods premises” as follows:

***bulky goods premises** means a building or place the principal purpose of which is the sale, hire or display of bulky goods, being goods that are of such size or weight as to require:*

(a) a large area for handling, display or storage, and

(b) direct vehicular access to the site of the building or place by members of the public for the purpose of loading or unloading such goods into or from their vehicles after purchase or hire,

and including goods such as floor and window supplies, furniture, household electrical goods, equestrian supplies and swimming pools, but does not include a building or place used for the sale of foodstuffs or clothing unless their sale is ancillary to the sale or hire or display of bulky goods.

This is the same definition as that which applied under the former EPI Sutherland Local Environmental Plan 2006, for which the land along

Zone 11—Employment

1 Objectives of zone

The objectives of this zone are as follows:

(a) to ensure development supports the role and functioning of employment areas,

(b) to promote appropriate development that will contribute to employment generation and the economic growth of Sutherland Shire,

(c) to provide for a range of related land uses to provide direct services to employees,

(d) to provide for development for the purposes of shops and businesses ancillary to other development carried out on the land concerned,

(e) to provide for bulky goods premises only on selected sites.

2 Development allowed without consent

Development for the purpose of:

bush fire hazard reduction work, drainage.

Exempt development.

3 Development allowed only with consent

Development (other than development included in item 2) for the purpose of:

advertisements, animal boarding or training establishments (not including a riding school), arts and crafts centres, awnings, brothels, bulky goods premises (but only on land identified on the map for such a purpose), bus depots, business identification signs, car parks, childcare centres, community facilities, convenience stores, dwelling houses ancillary to other permissible uses, food shops, generating works, high technology industries, industries, junk yards, liquid fuel depots, maritime activities, motor showrooms, nightclubs, passenger transport facilities, places of public worship, recreation areas, recreation facilities, registered clubs, repair centres, road transport terminals, roads, service stations, service support industries, sex shops, utility installations, vehicle and mechanical repair premises, vehicle rental centres, veterinary hospitals, warehouses, waste recycling and management centres.

Demolition not included in item 2.

4 Prohibited development

Any development not included in item 2 or 3.

A comprehensive land use survey of the current uses of all properties along Parraweena Road and Taren Point Road was undertaken as at the end of May 2016. This survey can be found in at **Appendix A**.

This precinct is generally found along the eastern side of Taren Point Road from 94 Taren Point Road to 244 Taren Point Road and includes buildings such as the Caringbah Homemaker Centre which is the section of Taren Point Road south of Parraweena Road. In addition, this precinct extends along 89-97 Parraweena Road and 40-40A Parraweena Road to the east of Taren Point Road intersection with Parraweena Road which is located approximately 330 metres to the east of the subject site. This survey indicates the specific tenants within each of the existing buildings along Taren Point Road and Parraweena Road.

Photographs 1 – 8 (Photos) below demonstrate some of the existing development and uses within the “Taren Point Employment Area”.



Photo 1: View of Caringbah Homemaker Centre fronting Taren Point Road with over 30 shops including Freedom



Photo 2: View of existing building and uses on corner of Taren Point Road and Koonya Circuit including Oporto, Subway and Petbarn.

Furniture, JB HiFi, Harvey Norman, and Fantastic Furniture, etc.



Photo 3: View of existing Bunnings development at 31-35 Willarong Road.



Photo 4: View of Taren Point McDonalds at corner of Taren Point Road and Koonya Circuit.



Photo 5: View of Officeworks on Taren Point Road.



Photo 6: View of Baby Bunting and Workout World on Taren Point Road.



Photo 7: View of Good Guys and SuperAmart on Taren Point Road.



Photo 8: View of bicycle store and Tackle World on Taren Point Road

In summary, it has been identified that a number of existing buildings in the locality are currently being used for retail activities, which seek to trade to the high movement of traffic along Taren Point Road and Parraweena Road.

The evaluation by MacroPlan Dimasi of the Taren Point employment area indicates:

...

The extensive range of uses accommodated in this precinct is outline in Table 7.4, with limited vacant land identified in the precinct. Most of the identified B5 and B7 zoned land parcels are occupied by functional, operating bulky goods, commercial and light industrial uses.

The vacant sites identified across the precinct include:

- *A vacant building on the corner of Box Road and Taren Point Road, previously occupied by Bob Jane T-mart before they relocated near the corner of Taren Point Road and Bay Road, however this site is not large enough to accommodate the proposed development, at around 1,000 sq.m.*
- *A vacant lot is located on the corner of Captain Cook Highway and Willarong Road, which was previously approved for bulky goods retail outlet with basement car park. This 4,600 sq.m site is not large enough to accommodate the proposed 3,800 sq.m supermarket (4,000 sq.m centre) with on-grade car parking and would result in a development much less convenient than the proposal. This site is also located closer to the proposed Bay Central shopping centre (likely to include Woolworths), and is relatively close to the existing Caringbah town centre, which is located around 1km south. Therefore this site is not deemed appropriate for the proposed development concept.*
- *A vacant lot is located adjacent to the existing ARV Woollooware Shores retirement village; however this site has been rezoned to accommodate future retirement living units and a purpose built dementia care unit. Purchase of this site was to be finalised and settled by 30th June 2016. The site is therefore not deemed appropriate for the proposed development concept.*
- *There are currently vacant sites located in a newly developed industrial estate known as Sutherland Shire Industrial Estate (developed by Leda); however the majority of sites are sold and are expected to be taken up by industrial uses in the near future.*

In addition, the existing Toyota Australia site in Caringbah is due to close in 2017. The entire 123,900 sq.m site is likely to be redeveloped in the future however this process will no doubt occur over the medium to long term. In addition, this site is located in close proximity to the proposed Bay Central shopping centre, where Woolworths are likely to already be represented, and Taren Point residents would still be required to travel almost 4 km to the site, adding to congestion throughout this precinct.

This area is surrounded by R2 – Low Density Residential, RE1 – Public recreation zoned parkland and SP2 – Infrastructure zoned educational establishments, as well as IN1 – General Industrial, IN2 – Light Industrial. For reasons outlined earlier, we do not consider the loss of adjacent residential dwellings or development of recreation and infrastructure zoned land to be appropriate to accommodate a full-line supermarket. This subject site is located within the IN1 – General Industrial precinct, and is considered the most appropriate site within the industrial zone to accommodate the proposed development concept given its colocation with the existing Supa IGA Taren Point, surrounding residential population and distance from surrounding centres where smaller impacts are spread across a range of retail facilities/ centres rather than impacting any one centre to a moderate-high degree.

In addition, the existing Toyota Australia site in Caringbah is due to close in 2017. The entire 123,900 sq.m site is likely to be redeveloped in the future however this process will no doubt occur over the

medium to long term. In addition, this site is located in close proximity to the proposed Bay Central shopping centre, where Woolworths are likely to already be represented, and Taren Point residents would still be required to travel almost 4 km to the site, adding to congestion throughout this precinct.

This area is surrounded by R2 – Low Density Residential, RE1 – Public recreation zoned parkland and SP2 – Infrastructure zoned educational establishments, as well as IN1 – General Industrial, IN2 – Light Industrial. For reasons outlined earlier, we do not consider the loss of adjacent residential dwellings or development of recreation and infrastructure zoned land to be appropriate to accommodate a full-line supermarket. This subject site is located within the IN1 – General Industrial precinct, and is considered the most appropriate site within the industrial zone to accommodate the proposed development concept given its colocation with the existing Supa IGA Taren Point, surrounding residential population and distance from surrounding centres where smaller impacts are spread across a range of retail facilities/ centres rather than impacting any one centre to a moderate-high degree.

Site	Zoned	Area (sq m)	Site details	Vacant area
Officeworks Complex	B5	4,900	The existing Officeworks, Bristol Paint & Decorator Centre, Hype café and Oak Valley Farm Fresh building and on-grade car park occupy the entire site.	None
Bunnings	B5	14,600	The existing Bunnings Warehouse building and on-grade car park occupy the entire site.	None
McDonald's	B5	3,500	Site completely occupied by the existing McDonald's and on-grade car park.	None
Domayne	B5	3,900	Site completely occupied by the existing Domayne building.	None
The Zone Caringbah	B5	4,800	Site completely occupied by the existing Subway, Oporto, Petbarn and Original Mattress Factory buildings and on-grade car park.	None
Caringbah Home	B5	22,100	The existing bulky goods shopping centre and basement / undercroft car park occupy the entire site.	None
Australia Post	B5	2,500	Site completely occupied by the existing Australia Post Business Hub.	None
Shire Centre	B5	19,400	The existing bulky goods retail / light industrial buildings and on-grade car park occupy the entire site.	None
Captain Cook Business Park	B5	5,800	The existing bulky goods retail / light industrial buildings and on-grade car park occupy the entire site.	None
The Good Guys & Super Amart	B5	12,100	The existing Good Guys and Super Amart buildings and on-grade car park occupy the entire site.	None
Taren Point Remainder	B5	111,600	The existing bulky goods retail, commercial and light industrial uses including Tribe Social Fitness, Dulux Trade Centre, Coles Express petrol station, Avis car rental and Caltex petrol station, Bulky goods and light industrial centre (including Baby Bunting, Home and gift warehouse, Ball Karma, Winnings Appliances, Casa Bella home living, Workout World, Drummond Golf, Miss Fit, Repco), Callaghan Collision Centre, Discount car and truck rental, Total Tool, Shire Bathware, Bridgestone Select, Visual Arts Digital Imaging, Amazing Clean, Ultra Tune, Bob Jane T-mart, Star car wash, RSEA Safety, Solartint, Scrap metal centre, Carpet Court, The Meat Store, Battery World, Aero Surf Skis, Tile Warehouse, Alco battery sales, Midas, Mattress sale, RB racing, Assassin dirt bikes, Smash repairs, Road Tech Marine, BBQ Factory, Manchester Importer Factory Outlet, Bella Bagno bathroom house, Shire Sweets and Gifts, Metglaze, Elite Autohaus, Amber Tiles, Tamping Ground cafe, John R Turk Electrical and Data Supplies, Designed Mouldings, Coates Hire, 2nds World Bargain Warehouse, Camec, Plus Fitness, Zone 3 laser tag, 123inkjets.com.au, Strata owners services, Sydney Slide, Taren Point Swim School, Besurepairs, Reece, Snooze, Frasers Cycles, Sports and Toys, R&D, Galmi, Management Services, Deb's Hidden Treasures, Tackle World, Pet Care Warehouse, Tiles Sydney, Climent Art, Roxy Cafe, PP Atkins & Co Accountant, Belgrave, Metrocorp Technologies and other bulky goods/light industrial complexes extend over several blocks with no vacant land for additional development.	Vacant building on the corner of Bay Street and Taren Point Road, however site is not large enough for the proposed development. Vacant lot on the corner of Captain Cook Highway and Willarong Road (site was previously approved for a bulky good centre), site is not large enough to provide a supermarket with on-grade car parking and would result in a development much less convenient than the proposal. This site is also located closer to the proposed Bay Central shopping centre (likely to include Woolworths), and is close to the existing Caringbah town centre (c. 1km away).
Toyota Australia (Caringbah)	B7	123,900	The existing Toyota Sales and Marketing, Eastern Regional Office, National Parts office and on grade are park occupy the vast majority of the site. Manufacturing is anticipated to continue to 2017. The site is being considered for future education facilities.	None (presently), entire site will be redeveloped over the medium-long term and is located in close proximity to the proposed Bay Central shopping centre (likely to have Woolworths and Aldi supermarkets).
Rezoned to allow Retirement Living ARV	B7	48,100	Land rezoned to allow for AVR's expansion of Woollooware Shores, purchase is due to be finalised and settled by 30th June 2016.	Vacant site is rezoned to accommodate future retirement living units and a purpose built dementia care unit.
Taren Point B7	B7	247,400	The existing industrial uses include Isuzu Ute, Harvey Norman Business Park (including clearance centre), Hino, Australian Plastic Profiles, Crunch Fitness and ANZ Business centre, as well as new Sutherland Shire Industrial Estate including Shimano and Reece Plumbing Centre with a number of sites under construction.	Vacant sites in new Sutherland Shire Industrial Estate, however majority of sites are sold and will be taken up by industrial uses.

4.2 SITES PREVIOUSLY PROPOSED BY WOOLWORTHS

Over the last ten year period, no new or expanded Woolworths supermarket facilities have been realised in the Sutherland LGA., other than a “Part 3A Concept Plan and Project Application approval” which will include a lease by Woolworths for a full-line supermarket at “Cronulla Sharks”.

The following section provides a summary of a number of recent actions by Woolworths through Fabcot, to provide new retail supermarket floor space within the LGA:

4.2.1 Development Application at Barden Ridge

In August 2011, Fabcot submitted a Development Application (DA) to Council at 152 Old Illawarra Road, Barden Ridge.

The DA was refused by the JRPP.

4.2.2 Planning Proposal at Barden Ridge

As a result of the refusal of this DA and based in part on the feedback in the determination meeting, in December 2012 Fabcot submitted a site specific planning proposal for the land at 152 Old Illawarra Road, Barden Ridge. This site specific planning proposal sought to change the zoning of the land from Zone 10 – Neighbourhood Centre to Zone 9 – Local Centre under the former main environmental planning instrument which affected the land, being the *Sutherland Local Environmental Plan 2006*.

The JRPP reached a decision on 29 May 2015 and resolved:

1. *The Panel notes that, while the planning proposal is to rezone the site to Zone 9 Local Centre, the Panel considers this as a proposal to rezone the site to Zone B2 Local Centre, which is the name of the equivalent zone in the imminent (though not yet gazetted) Sutherland LEP 2015. The Panel also notes that retail premises are not a prohibited use in the B1 zone, so a supermarket of any size is not actually prohibited in that zone. The Panel proceeded on the assumption, however, that a large supermarket would not be consistent with the objectives of the B1 zone.*
2. *The Panel, as the Relevant Planning Authority for the planning proposal, has listened to the views of the objectors, of the council officers, of the elected Council and of the Department of Planning and has reached the conclusion that, on balance, the planning proposal should not proceed to gazettal. In the Panel’s view, the site should remain a Neighbourhood Centre.*
3. *The principal and determinative reason for the above conclusion is that the proposal involves bringing external traffic into a quiet residential neighbourhood. While the Panel accepts that a future development application may be able to provide acceptable solutions for coping with additional traffic and large delivery vehicles on Old Illawarra Road, there is no doubt that this would reduce the amenity of residents, particularly those living near the site. These residents have a reasonable expectation that the Council’s retail hierarchy adopted in the 1993 LEP and adhered to since, will remain for the long term, unless there is an overriding reason for change. The Panel is not persuaded that there is such an overriding reason.*

4. *The Panel does not accept the suggestion of Transport for NSW and the Department of Planning that traffic issues should be resolved at the development application stage. On the contrary, the Panel believes that the purpose of zoning is to avoid future conflicts between external traffic and residential amenity.*
5. *The Panel is strengthened in its conclusion by the fact that the applicant's calculations indicate that at least half of the business expected by the proposed supermarket will come from outside the Barden Ridge neighbourhood. For centres serving a large trading area, access should not be through a small residential neighbourhood such as Barden Ridge.*

For the above reasons the Panel recommends unanimously that the planning proposal should not proceed to gazettal.

The DP&E wrote to the applicant via letter dated 12 December 2015 and advised:

The Department's post-exhibition assessment has concluded and as a result, as the Minister's delegate, I have decided not to make the Plan under section 59(2)(b) of the Environmental Planning and Assessment Act 1979. The matters considered are:

- *the planning proposal does not demonstrate a clear consistency with A Plan for Growing Sydney;*
- *it is inconsistent with Council's established retail hierarchy and local planning framework (Local Environment Plan and Development Control Plan);*
- *it received significant community opposition in response to a number of merit based criteria associated with the proposal including traffic, residential amenity and strong preference for a low scale neighbourhood centre; and*
- *the Panel, post exhibition, recommendation to the Minister that the planning proposal should not proceed to notification.*

As such, the PP was unsuccessful and a new full-line retail supermarket has not been able to be realised by Woolworths at Barden Ridge.

4.2.3 Development Application at Kirrawee

Woolworths lodged a DA in December 2013, at 28-38 Flora Street, Kirrawee for a proposed commercial building for a retail supermarket and associated facilities. The Council assessment report on this DA presented to the JRPP at its meeting on 3 April 2014 includes commentary around the work prepared by Hill PDA associated with the Part 3A Concept Plan for the Brick Pit as follows:

...

The applicant for the Brick Pit development commissioned Hill PDA to prepare a study of centres in the Shire to justify the extent of retail floor space within the Brick Pit development. That study was reviewed on behalf of Council by Don Fox Planning (DFP) who were of the opinion that the Hill PDA study created a form of 'self-fulfilling prophecy' in that Part A of the report predicted the need for additional retail floor space and Part B 'offered up' the solution to the shortfall by providing that space in the form of the Brick Pit development. DFP highlighted a number of problems with the Hill PDA report in that it was commissioned by the applicant, not Council and previous studies commissioned by Council had found that the existing retail network was functioning well. It was also Council's philosophy to consider Kirrawee as a village centre and nearby Sutherland as a higher-order Urban Centre.

The JRPP refused the DA as follows:

That Development Application No. 13/1192 for Construction, Fit-Out and Use of a Building as a Shop With Basement Parking on Lot A, Lot B, Lot C & Part Lot D DP 373329 and Part Lot B DP 373473 (Nos. 28-38) Flora Street, Kirrawee be refused for the following reasons:

- 1. The application is considered unacceptable pursuant to the provisions of Section 79C(1)(a)(i) of the Environmental Planning and Assessment Act 1979, in that the proposed development fails to satisfies objectives (j), (k), and (l) of Zone 7 – Mixed Use Kirrawee as the proposal is considered likely to have an adverse impact on the vitality of the Kirrawee Town Centre and the role of both the Kirrawee and Sutherland centres as a Village Centre and Town Centre respectively within the established Sutherland Shire retail network.*
- 2. The application is considered unacceptable pursuant to the provisions of Section 79C(1)(a)(i) of the Environmental Planning and Assessment Act 1979, in that the proposed development fails to satisfy objective (g) of Zone 7 – Mixed Use Kirrawee as the proposal does not appropriately address the street frontage in that the number of vehicular access points and the truck manoeuvring area within the front setback are considered impracticable and unsafe and accordingly are a poor urban design outcome.*
- 3. The application is considered unacceptable pursuant to the provisions of Section 79C(1)(a)(i) of the Environmental Planning and Assessment Act 1979, in that the proposed development fails to achieve the urban design outcomes required by Clause 48(a) and (b)(ii) of Sutherland Shire Local Environmental Plan 2006.*
- 4. The application is considered unacceptable pursuant to the provisions of Section 79C(a)(a)(i) of the Environmental Planning and Assessment Act 1979, in that the proposed development fails to satisfy the consent authority that the development will be carried out in a manner that minimises, manages or eliminates risk to human health and the environment as required by Clause 22 of Sutherland Shire Local Environmental Plan 2006.*
- 5. The application is considered unacceptable pursuant to the provisions of Section 79C(a)(a)(iii) of the Environmental Planning and Assessment Act 1979, in that the proposed development does not provide appropriately designed loading and unloading facilities as required by Clause 4.4.a.2 of Chapter 7 of Sutherland Shire Development Control Plan 2006.*
- 6. The application is considered unacceptable pursuant to the provisions of Section 79C(a)(a)(iii) of the Environmental Planning and Assessment Act 1979, in that the proposed removal of two street trees which contribute to the streetscape is considered contrary to objectives c, e, and g of Clause 4.4.h.1 of Chapter 4 of Sutherland Shire Development Control Plan 2006.*

4.3 COMMUNITY EXPECTATIONS SURVEY BY CROSBY TEXTOR

The work in this Planning Study and the MacroPlan Demasi analysis discussed below at Section 4.4 have been informed by consumer research prepared by Crosby Textor in March 2016. This work was commissioned by Woolworths to clearly understand important issues and considerations which impact local residents decisions and community expectations associated with retail supermarket shopping in the Sutherland LGA. Crosby Textor was engaged to undertake a resident survey. Refer to **Appendix B**.

Crosby Textor regularly undertake public opinion research for Commonwealth and State Departments, and this instance it was determined that the best way to gain feedback from residents of the Sutherland LGA would be via a telephone survey of 750 people.

The Crosby Textor consumer research provides insights into the preferences and issues of Sutherland LGA residents (i.e. Council's constituents), with information elicited through the telephone surveys. This survey was undertaken in February and March 2016.

The key findings included:

- 38% of residents across the Sutherland LGA cited Woolworths as their preferred supermarket brand, with Coles second at 28%.
- Easing local traffic congestion is the most important 'local issue' identified across the whole Sutherland LGA, with 90% citing this as important or very important.
- A need for more local job opportunities and tackling youth unemployment were also identified as very important local issues, with 80 - 85% citing this as important or very important.
- 70% of respondents favourably responded to the suggestion that there should be more retail jobs in the LGA.
- Most respondents indicated that they prefer to shop at the most convenient location available (87%). (Note: the Quantum data discussed in Section 4.3 below, indicates that people travel further than their closest supermarket, on average, to conduct their supermarket shopping trips, which means their preferences are not being met).
- And most importantly, 77% of respondents prefer shopping at larger supermarkets with a full range of products. Therefore, such supermarkets should ideally be located close to where people live – not just in centres.

4.4 SUTHERLAND LGA – SUPERMARKET AND CONSUMER TRENDS JULY 2016 BY MACROPLAN DIMASI

As indicated previously, the work undertaken by Hill PDA in 2010 with respect to the Brick Pit site in Kirrawee specifically considered the supply of retail supermarket floor space within the Sutherland LGA. This study demonstrated using empirical evidence that Sutherland LGA was experiencing a significant undersupply of supermarket floor space compared to the National average and other Sydney Metropolitan Area averages. This study was prepared because Council had not undertaken any strategic planning work to determine whether existing planning framework supported additional retail supermarket floor space being realised, and the Concept Plan for Kirrawee included additional supermarket floor space. In addition, this work presented empirical evidence to underpin the issue, and clearly demonstrated that additional supermarket floor space was needed and appropriately located at Kirrawee. Refer to **Appendix C**.

Interestingly, commentary around the Hill PDA study formed part of the assessment report prepared by Council regarding the Woolworths DA at Kirrawee in April 2015. This report specifically stated in relation to the Hill PDA work:

...

The applicant for the Brick Pit development commissioned Hill PDA to prepare a study of centres in the Shire to justify the extent of retail floor space within the Brick Pit development. That study was reviewed on behalf of Council by Don Fox Planning (DFP) who were of the opinion that the Hill PDA study created a form of 'self-fulfilling prophecy' in that Part A of the report predicted the need for additional retail floor space and Part B 'offered up' the solution to the shortfall by providing that space in the form of the Brick Pit development. DFP highlighted a number of problems with the Hill PDA report in that it was commissioned by the applicant, not Council and previous studies commissioned by Council had found that the existing retail network was functioning well. It was also Council's philosophy to consider Kirrawee as a village centre and nearby Sutherland as a higher-order Urban Centre.

...

This commentary is confusing given the report presented to Council in March 2013 associated with consideration of nominating an urban activation precinct for Sutherland, acknowledged the limitation of suitable sites for new retail supermarket floor space within the Sutherland Centre and there is an undersupply of retail supermarket floor space. Council specifically resolved to seek assistance from DP&E to undertake strategic planning via the urban activation precinct program for Sutherland-Kirrawee, Miranda and Caringbah, however to date these locations have not been actioned by the State Government.

Woolworths has approached Council on a number of occasions over a number of years to press the case that Council should commence its own strategic study to determine the issue of the supply of retail supermarket floor space and how to resolve the issue. Woolworths has also approached Council to consider partnering to achieve potential expansion of sites for new retail supermarket floor space, however Council has advised that they are not ready to consider this approach and would need to undertake a strategic planning process.

Council prepared a report titled "Employment Strategy – January 2013", to assist with the preparation of the draft Sutherland LEP 2013. This report includes information about bulky goods retailing at Section 4, which states in part:

...

*Despite strong regional demand for bulky goods, Sutherland Shire's supply of bulky goods retail floor space is below the average for the Sydney Metropolitan Area. Therefore, there is considerable consumer demand to expand the Shire's relatively small bulky goods precinct in Taren Point. **The underlying issue is that Sutherland Shire currently provides more retail jobs than there are local retail workers to fill them - in a sector characterised by low-wage and part-time or casual jobs.** While this employment type meets the needs of a segment of the working population, utilising scarce large lots for low demand, low employment-generating purposes comes with high opportunity costs. This means: the more that underutilised industrial sites are consumed by bulky goods retailing, the less opportunity there is to develop higher-skill, higher employment-generating businesses in the Shire to meet the employment needs of the majority of resident workforce. The DSILEP seeks to address this.*

...

As Council has not undertaken any study or investigations associated with verifying whether there continues to be an under-supply of retail supermarket floor space within the Sutherland LGA, and the perception that the LGA has sufficient jobs in the retail sector, Woolworths has engaged MacroPlan Dimasi to:

- Undertake an analysis of supermarket floor space provision per capita in the Sutherland LGA, including comparisons with metropolitan Sydney, NSW and Australia. This has involved examining the provision of supermarket floor space across the broader “South District” (i.e. one of the NSW DPE metro strategy sub-regions) and assesses the trading performance of local supermarkets within the Sutherland LGA;
- Undertake a further analysis of retail employment trends within the Sutherland LGA; and
- Provide a summary of economic and community impacts associated with any identified under-supply of supermarket floor space for local residents.

The analysis work prepared by MacroPlan Dimasi in 2016 builds on the work undertaken by Hill PDA in 2010.

MacroPlan Dimasi have found:

Adverse impacts of supermarket under-supply...

- *Congestion issues/deterrent effects – from supermarkets and car parks being too busy.*
- *Increased travel times/costs – due to congestion and shoppers bypassing smaller/inadequate supermarkets.*
- *Increased supermarket/retailer profitability – which can lead to a lack of reinvestment and a decline in customer service at a local level.*
- *Less job opportunities - limits the retail job opportunities for local residents and increases travel times for workers who need to leave LGA.*
- *Potential decline of non-centre employment precincts – due to lack of local amenities.*

Small time savings add up...

- *Quantum transactional data show that the average supermarket trip distance undertaken by Sutherland residents is around 120-200% greater than the average distance to their closest supermarket.*
- *This means that many residents are bypassing smaller, more proximate supermarkets because they do not provide a comprehensive range of grocery items.*
- *If just 10% of households were able to save 1 minute per trip for 10% of their annual supermarket trips as a result of better/more convenient access to supermarket facilities this would equate to time savings across the Shire of almost 60,000 minutes or more than 40 days.*

Under-supply of supermarket floor space

- *There is typically around 340 sq.m of supermarket floor space per 1,000 residents across Australia. There is around 313 sq.m per 1,000 residents across Australia’s capital cities, and around 338 sq.m per 1,000 residents, on average, if Sydney is excluded.*
- *There is around 286 sq.m of supermarket floor space per capita across the Sutherland Shire, which is around 16% below the capital cities average (ex-Sydney).*

- Around 33% of all supermarket floor space is located within the Miranda and Caringbah activity centres – which are located just 2km from each other in the eastern part of the shire. Clearly, there is an imbalance in the provision of supermarket space within the Shire.

- The current under-provision of supermarket floor space across Sutherland Shire equates to around 12,000 – 13,000 sq.m (which does not account for approved future developments).

Future demand for supermarket floor space

- The Shire's population is projected to grow from 225,610 in 2015 to 264,230 by 2031. This growth of 38,600 persons by 2031 would be equivalent to around 13,000 sq.m of additional supermarket floor space demand.

- This means a further 8 large supermarkets (above 3,000 sq.m) would be needed between now and 2031 in order for the Sutherland Shire to match the current average provision across Australian capital cities (ex-Sydney).

- There are only two large supermarkets approved for future development across the Shire (at Woollooware and Kirrawee), as well as two Aldi supermarkets which are much smaller – providing a limited range of items.

Lack of retail job opportunities

- As at the 2011 Census, there were around 110,500 resident workers in the Sutherland Shire yet only 57,200 local jobs were available in the Shire.

- 20% of these local jobs are filled by workers from beyond the Shire, which means around 60% of Sutherland Shire resident workers leave the LGA every day for work.

- The number of jobs in the Sutherland Shire grew by around 4.8% between 2006 and 2011, yet retail jobs in the Shire declined by 1%.

- Retail trade is a key driver of the local economy, constituting around 16% of all local jobs as at 2011, the largest employing industry in the Shire. However, there was a net under-provision of retail jobs in the Sutherland Shire in 2011, with less retail jobs available in the Shire than employed residents in the retail industry.

Taren Point Locality...

- Taren Point represents a highly suitable location for additional full-line supermarket facilities because of the significant escape expenditure from this locality at present; the large daily workforce (of around 11,000 workers); and the significant amount of latent demand existing already from drivers passing through the locality along Taren Point Road (in excess of 58,000 VPD).

- This would provide Shire residents the opportunity to link supermarket trips with a trip to work (or another trip beyond the Shire) and reduce specific/dedicated trips to supermarkets throughout the Shire.

The work by MacroPlan Dimasi demonstrates that there continues to be an undersupply of retail supermarket floor space throughout the Sutherland LGA and that there is an insufficient supply of retail sector jobs within the Sutherland LGA based on the 2011 ABS statistics. This undersupply of jobs results in residents leaving the boundaries of the LGA to seek work, unlike the information prepared in the "Employment Strategy – July 2013".

This Planning Study through the analysis work undertaken by MacroPlan Dimasi indicates that the existing undersupply of retail supermarket floor space is currently adversely affecting lifestyle choices of residents within the LGA. This is resulting in longer trips to gain access to a supermarket or diverting users to locations where convenience is compromised due to lack of available parking during peak periods because a customers have limited time windows in which to undertake a supermarket shop and no options exist other than that supermarket shop.

4.5 SUTHERLAND LGA SUPERMARKET ANALYSIS AND TAREN POINT DEEP-DIVE BY QUANTIUM

The work in this Planning Study and the MacroPlan Demasi analysis, discussed below at Section 4.5, have been informed by consumer research prepared by Quantum in April 2016.

Section 3.2.2 above “touched-on” the work by Quantum associated with online retailing trends. The basis of the Quantum Market Blueprint data is the full set of electronic transactions (credit card and debit card) for all National Australia Bank (NAB) customers across Australia. The information enables Quantum to plot both the origin (i.e. the home address) and the destination (i.e. the particular store) for each transaction.

The NAB coverage means that Quantum is able to analyse and plot the actual transactional behaviours of more than 2.5 million customers nationally, which forms the basis for a detailed estimation of expenditure flows for any identified area.

Quantum was engaged to examine the actual supermarket shopping patterns of Sutherland LGA residents. The analysis by Quantum represents a very accurate picture of the actual supermarket expenditure behaviours of residents in the Sutherland LGA.

As such, the Quantum data provides a detailed analysis of actual spending behaviours by residents of the Sutherland LGA. The data provided, for the year to April 2016, reflects actual transactions conducted by all of these residents, over the 12 month period, at all supermarkets within the trade area. The data show the reality of what is currently happening in in terms of supermarket expenditure across the LGA, at a very granular level.

Quantum is able to assess where residents conduct their supermarket shopping within the Sutherland LGA, and their suburb of origin, as well as how much expenditure escapes beyond the Sutherland LGA boundaries. The Quantum report at Appendix A of the MacroPlan Dimasi research report titled “Sutherland LGA – Supermarket and Consumer Trends July 2016” presents an analysis of supermarket shopping behaviours of Sutherland LGA residents based on actual electronic transactional data:

- This showed that around 12% of all supermarket expenditure generated by Sutherland LGA residents escapes the LGA, and the average distance travelled (from home) to undertake supermarket shopping trips for residents is between 2.5-3 times greater than the distance to their nearest supermarket.

- This also showed that 75% of main trade area expenditure is not directed to Taren Point.

4.6 DISCUSSIONS WITH COUNCIL'S STRATEGIC PLANNING STAFF

On 14 June 2016, Woolworths approached Council with a request to meet with Council's manager of strategic planning. This email specifically advised:

In late January 2016, I spoke with you briefly about Woolworths undertaking a LGA wide review of supermarket floor space. I asked if we could meet with you and your team to discuss our approach and preliminary findings of the retail supermarket floor space analysis.

You suggested that I place our request in writing via email so as you could consider a suitable time and date to meet as at that time you were finalising the DCP.

Since I spoke with you, we have gathered information from a number of areas and advanced the preliminary findings.

This is my email request seeking a meeting to discuss the above in more detail, and to start a conversation with Council.

Woolworths met with Council's acting strategic planning manager and planning staff on 14 July 2016, to discuss the initial findings of the work completed by MacroPlan Dimasi in July 2016 being the "Sutherland LGA Supermarket and consumer trends review" which is discussed in more detail in Section 4.4 above, and to start a conversation about what next steps Council will be implementing to accommodate existing unmet demand for retail jobs as a significant number of residents currently commute outside of the LGA for employment; discussing where Council is undertaking strategic planning to promote retail jobs growth in the Sutherland LGA; and whether strategic planning would include changes to the current LEP.

At the meeting Council indicated to Woolworths that Council has "heard it all before that there is an undersupply of supermarket floor space" and suggested localities which Woolworths should concentrate their search for suitable sites including land in the West Menai release area (but not the nearby Woolworths site at Barden Ridge) and netball courts south of Sylvania. Council's acting manager of strategic planning provided feedback about a specific suggested location in Cronulla and advised that Council are not undertaking any retail strategic analysis for the LGA at this time, however work is continuing on finalising the DCP and responding to other Council priorities.

A two page summary "Sutherland Shire Retail Trends" was provided by Woolworths to Council at the end of the meeting as prepared by MacroPlan Dimasi:

- *Sutherland Shire is significantly under-provided in regards to supermarket floorspace per capita, with around 286 sq.m of supermarket floorspace per 1,000 residents across the Sutherland Shire, which is around 16% below the capital cities average (ex-Sydney). The current under-provision of supermarket floorspace equates to around 12,000-13,000 sq.m, adopting a target rate of 340 sq.m per 1,000 residents. Allowing for future population growth is equivalent to a further 13,000 sq.m of additional floorspace, where the combined supermarket floorspace under provision means that a further eight large supermarkets (above 3,000 sq.m) would be needed between now and 2031.*
- *The existing supply is poorly distributed with around 33% of all supermarket floorspace located within the Miranda and Caringbah activity centres – which are located just 2 km from each other in the eastern part of the Sutherland Shire.*

- *Approximately 20% of the 57,200 local jobs were filled by workers from beyond the Sutherland Shire, meaning around 60% or 66,000 Sutherland Shire resident workers leave the LGA every day for work. Retail trade is a key driver of the local economy, yet there was a net under-provision of retail jobs in the Sutherland Shire.*
- *Quantum was engaged to examine the actual supermarket shopping patterns of Sutherland Shire residents. This showed that around 12% of all supermarket expenditure generated by Sutherland Shire residents escapes the Shire, and the average distance travelled (from home) to undertake supermarket shopping trips for residents is between 2.5-3 times greater than the distance to their nearest supermarket.*
- *Caringbah and Miranda are under significant pressure due to a lack of full-line supermarket facilities around Sutherland/Kirrawee and Caringbah/Cronulla. The provision of new facilities at Kirrawee and Woollooware will help to ameliorate this issue to some extent, however, further provision of supermarket facilities in 'non-centre' locations (i.e. near main roads where there is already latent demand), is considered to be critical in relieving acute capacity issues that currently exist in some centres and to help prevent the escalation of such issues.*
- *Crosby Textor is a market research company that conducted primary market research through telephone surveys which identified the following important 'local issues' in relation to supermarket behaviours and preferences – easing local traffic congestion across the whole Sutherland Shire, a need for more local job opportunities and tackling youth unemployment, more retail jobs in the Shire, a preference to shop at the most convenient location available which is not being met and a preference for larger supermarkets with a full range of products, where such supermarkets would be located close to where people live – not just in centres.*
- *The following adverse consequences have been identified, resultant from an undersupply, or inadequately distributed supply, of supermarket floorspace across the Sutherland Shire – congestion issues, deterrent effects, increased travel times/costs, reduced competition, potential lack of retailer investment and a decline in customer services at a local level, less job opportunities and a potential decline of non-centre employment precincts*
- *One of the most important benefits of providing a convenient and appropriately distributed network of full-line supermarkets is that it saves travel time for customers and reduces congestion. This is particularly so at peak times, where even small savings in time can add up to significant aggregate time savings across a network.*
- *If just 10% of the 75,000 households across Sutherland Shire were able to save 1 minute per trip for 10% of their annual supermarket trips as a result of better/more convenient access to supermarket facilities, this would equate to total time savings of 58,000 – 59,000 minutes, or more than 40 days across the Shire's population.*

A follow-up meeting with Council staff occurred on 6 October 2016. During this meeting Woolworths advised that a site specific planning proposal was being prepared for the land at 130-142 Parraweena Road, Miranda which is located within the Taren Point employment area. A number of the matters raised by Council during this meeting have been considered in detail in the Woolworths Planning Proposal.

5. WOOLWORTHS RESPONSE TO THE NEED FOR NEW SUPERMARKET FLOOR SPACE IN THE SUTHERLAND LGA AND THE GROWTH OF ONLINE RETAILING

Woolworths has investigated a number of precincts within the Sutherland LGA for suitable land capable of accommodating new and expanded retail supermarket floor space.

In addition, Woolworths has identified that “multi-option retailing” is an important customer choice and as such a strategic southern Sydney Metropolitan Area location for a “bricks and mortar” retail supermarket facility which also supports “click & collect”, online retailing with home delivery and a staging post location of the dark box as part of Woolworths “multi-option retailing” being implemented in the Sutherland LGA is an important business objective.

Woolworths have developed a strategy around its multi-option retailing to match its supply chain associated with the picking and packaging of its freight and logistics. This is to meet the growing demand of its online convenience retailing market in parallel with its traditional supermarket retailing function.

As such, given the characteristics of the Taren Point Employment Area which includes a number of existing retail activities. To this end, Woolworths seeks to implement a model to support its growing online retailing and the location at Parraweena Road, Taren Point forms part of this strategy.

The growth in online retailing has forced traditional retailing to diversify. Customers are no longer relying on traditional “brick and mortar” outlets to be the sole source to undertake their shopping.

Woolworths has been forced to adapt, and is changing the nature of how it fulfils its customers’ requirements and has moved to a hybrid retail model which places greater emphasis on the way Woolworths distributes goods to its customers from facilities which customers may never actually visit.

To fulfil these online customer requirements, some new Woolworths facilities are taking on the form of what is commonly seen as warehousing, distribution and logistics centres which need to be positioned in more accessible locations and have purpose built forms.

The proposed Woolworths in Taren Point seeks to take on these functions. This business model will be implemented here in a two stage approach.

The first stage of this approach for Taren Point involves a “click and collect” function where a customer places an order online and collects that order from the site at a designated collection point which is not within the trading floor. The first stage also includes an “online fulfilment” function where a customer also places an order online but chooses the home delivery of that order which is managed by staff on-site who pick and package that order. The distribution of these orders is managed by a fleet of small Woolworths trucks. Woolworths seeks to operate these functions 24 hours a day, seven days a week. These functions are therefore best suited to the industrial zone and in close proximity to the major arterial road network.

However, the first stage also seeks the ability for customers to undertake traditional face to face retailing, which is shopping within the trading floor of the facility.

The second stage of the evolution of the facility is to build in capacity at this site to support a future “dark box” which Woolworths implemented in Mascot in 2014. A “dark box” involves a warehouse and distribution centre to enable foodstuffs to be processed in significant volumes and in a timely manner to meet online orders – that is online only transactions, where Woolworths staff pick the customer order and facilitate its distribution. Taren Point would have the ability in the future to provide a “staging point” for the freight and logistics components of the selected location of the “dark box”.

Therefore, the functions at Taren Point will include a range of options for customers, due to the growth of online retailing which requires strong freight and logistics functions but also traditional face to face retailing.

The location at Taren Point is the most suitable location for a number of important reasons, including:

- The location of the site is on a local feeder road which allows accessibility for online click and collect users to collect an order on their return journey home from work;
- Running a 24 hour facility with multiple truck movements is inappropriate in a traditional high-street and town centre location. The proposal will have longer hours of operation as a support function to the online retailing and “click and collect” which are more suited to industrial zoned land such as Taren Point so as the amenity of adjoining properties can be maintained to a suitable level;
- To ensure truck distribution movements associated with the online retailing functions allow access to the arterial road network which filters movements to the local residential population in a timely manner;
- The staging point associated with the potential evolution of the site in Taren Point as detailed above; and
- The shift in Woolworths’ business model is akin to a freight and logistics business with traditional retailing in a customer service interface, constituting a hybrid between a warehouse, a logistics distribution centre and a traditional retail facility which is appropriate in the industrial zoning of the site at Taren Point;

Woolworths seeks the inclusion of an enabling clause in the SLEP 2015 associated with subject site, on a number of grounds:

1. The business model requires access to the arterial road network in Sydney to enable the freight and logistics functions to operate at the optimal level;

2. The location for the freight and logistics component of the business model requires access to “industrial” zoned land as it is a traditional use of industrial land;
3. The business model requires a hybrid approach to enable the freight and logistics components to function smoothly with traditional retailing;
4. Traditional planning regimes have not kept pace with new market demands associated with hi-tech businesses and A Plan for Growing Sydney seeks to redress this stagnation; and
5. The SLEP 2015 already includes a number of site specific enabling clauses such as that requested by this PP.

Essentially, Woolworths business is moving towards a form which is more warehousing and distribution lead driven by the surge in online retailing which necessitates a hybrid retail function. Therefore, the site at Taren Point requires an enabling clause to allow all of these functions to be permitted under the planning regime.

5.1 BACKGROUND

Within the Sydney metropolitan region, the southern region in which Sutherland LGA forms part, supports a population where a significant proportion of residents already have access to the internet/smart devices and often seek access to goods and services in conveniently positioned locations. Woolworths have undertaken research which conclude that shifts in lifestyle choices, longer working hours, lost time spent in increasing public and private transport congestion have resulted in many families becoming increasingly time poor. This research accords with wider research which has identified the same trend as discussed previously in this section.

Market feedback has demonstrated that an increasing number of households are utilising the internet to service their retailing needs, as weekend shopping is not always possible. The site’s location in Taren Point meets the demographic needs of the locality and is an accessible location, enabling the supply chain element of freight and logistics services to access the site via an easily accessible arterial road network. The site’s location will allow direct freight and logistics links to and from the Woolworths distribution centres to regions within the Sydney metropolitan region, supporting online retail orders for convenience goods.

The following points form the critical elements of the process:

- The growth of internet retailing, i.e., “online retailing” and how location can influence its growth;
- What Woolworths considers the best approach to support its online retailing strategy to ensure its success; and
- Access for the supply chain and its requirements.

Therefore, retail supermarket facilities not only need to cater for face to face retailing, but also where customers can access to collect an order and shop directly as well as packing and sending out for delivery of orders.

5.2 WOOLWORTHS STRATEGY

The nature of retailing, including foodstuff retailing, has rapidly changed due to the growth of online retailing. Businesses such as Woolworths recognise the need to deliver services to cater to all their customers' needs. The needs of customers over the last 5 years since the GFC have shifted significantly in all areas of retailing, including foodstuff retailing. Convenience and flexibility are the key criteria for customers, and those retailers who did not kept pace with these desires and market dynamic have declined as a result.

Retailers such as Harvey Norman who were once sceptical of online retailing have now recognised that making an online retailing component available to customers is pivotal for their survival in the marketplace. The realisation that retailers need flexibility and convenience for their customers has led to an optimised hybrid model, with a mix of online retailing and point of sale purchasing.

Woolworths have already been exploring regional locations in Sydney to implement "click and collect" online retailing along with online ordering via distribution centres so as to complement traditional retailing in stores. This proposal for Taren Point goes one step further by seeking to blend online ordering with traditional retailing as the market in Australia for online retailing of foodstuffs is not mature enough to support a standalone, online only retail facility. The trend is continuing to grow and therefore a retailer such as Woolworths seeks to be a market leader in this area.

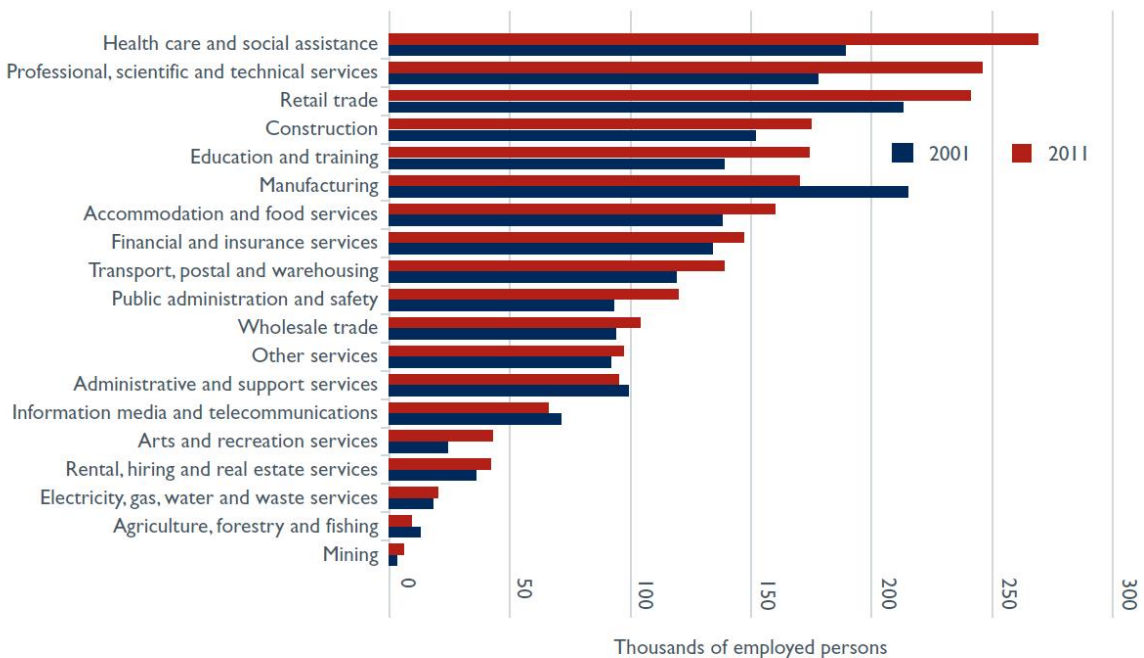
The site in Taren Point is ideally positioned to enable this hybrid model to function efficiently and deliver foodstuffs in all its options to southern Sydney, being a significant subregion of the wider Sydney metropolitan area. Woolworths strategy is grounded by the knowledge that the site can perform functions associated with the transit of goods to and from the Woolworths distribution centre, and allow good access for freight vehicles given the site's proximity to good road infrastructure and the arterial road network.

5.3 FREIGHT AND LOGISTICS

Freight and logistics form an integral part of the new Woolworths business model. The volume of freight movements associated with the proposed facility at Taren Point is to be higher than those generally experienced in traditional businesses zones, and in order to support these freight movements the facility will have longer hours of operation. As such, the industrial zoning of the site is considered a more suitable location for the nature of the proposal.

The trend in industrial areas to incorporate logistics and warehousing uses is a dominant one not only in Sydney, but across Australia in a response to market dynamics and the evolving needs of businesses in both the industrial and retail landscape.

Figure 7 below demonstrates the increases in the amount of employed persons in the Sydney metropolitan region across all sectors, and as can be seen, there has been strong growth in the transport, postal and warehousing sector, as well as the retail sector (BITRE 2012).



Note: Based on employed residents of Sydney Statistical Division (i.e. does not correspond to jobs located in the Sydney Statistical Division). Based on ANZSIC 2006 industry classification.

Source: ABS Cat. 6291.0.55.003 (August 2011 issue), based on August quarter of 2001 and 2011 data.

Figure 7: Employed persons by industry, Sydney, 2001 and 2011 (BITRE 2012, p. 167)

The location at Parraweena Road, Taren Point is zoned IN1 General Industrial under the Sutherland *Local Environmental Plan 2015* (SLEP 2015). The objectives of this zone are to:

Zone IN1 General Industrial

1 Objectives of zone

- To provide a wide range of industrial and warehouse land uses.
- To encourage employment opportunities.
- To minimise any adverse effect of industry on other land uses.
- To support and protect industrial land for industrial uses.
- To enhance the visual appearance of the employment area by ensuring new development achieves high architectural and landscape standards.
- To minimise the impact of development in the zone on areas of environmental significance.

The freight and logistics facets which support the supply chain are compatible with the objectives of the IN1 General Industrial zoning, and as such, the site at Parraweena Road, Taren Point is considered the most suitable location for the proposal.

6. CONCLUSION

Based on the information in this study, including:

- Woolworths requirements for a new supermarket,
- the identified undersupply of retail supermarket floor space,
- the evaluation of sites within existing centres which indicates a lack of suitable land to accommodate a new retail supermarket,

It is considered that the characteristics of the Taren Point employment area, are a suitable location for Woolworths to seek to locate a new supermarket, while at the same time providing a brick-and-mortar facility for its multi-option retailing model.

Taren Point represents a highly suitable location for additional full-line supermarket facilities because of:

- the significant escape expenditure from this locality at present;
- the large daily workforce; and
- the significant amount of latent demand existing from drivers passing through the locality along Taren Point Road.

As such, a site specific planning proposal for the land at 130-142 Parraweena Road, Miranda has been prepared, seeking an amending clause to be included in the *Sutherland Local Environmental Plan 2012* (SLEP 2015) so as the planning regime can facilitate the Woolworths business model and permit a new retail supermarket in the IN1 General Industrial zone.

APPENDIX A

Land Use Surveys

APPENDIX B

Sutherland LGA Development Research – Interim Report March 2016 by Crosby Textor

APPENDIX C

Sutherland LGA Supermarket and consumer trends review by MacroPlan Dimasi July 2016 including Sutherland LGA analysis and Taren Point deep-dive April 2016 by Quantum

