



Our Ref: 13152

28th January 2014

Ms. Marian Pate
Sutherland LEP Review
NSW Department of Planning & Infrastructure
PO Box 39
SYDNEY NSW 2001

Dear Marian

RE: Submission to the Independent Review Relating to Sutherland Draft LEP 2013

This submission to the Independent Review of Draft Sutherland Local Environmental Plan 2013 (the Draft LEP) is lodged on behalf of our clients Westfield Retail Trust, Dexu Wholesale Property Fund and the Westfield Group who have joint interest in Westfield Miranda Shopping Centre. The submission specifically relates to one of the changes made to the exhibited Draft LEP by the Mayoral Minute No. 6/13-14 dated 29 July 2013, Item 36, with respect to the property 32-40 Cawarra Road, Caringbah, incorrectly identified as 24-30 Cawarra Road in the Mayoral Minute.

During the original exhibition of Draft LEP 2013 from 19th March 2013 to 1st May 2013, Council received a submission requesting an amendment to Schedule 1 of the Draft LEP to allow a 'Shop' as a permissible use on land known as 32-40 Cawarra Road, Caringbah. The subject land proposed for general retail use comprises an area of 25,935m² in the southern portion of the recently subdivided Sutherland Shire Industrial Estate, at 32-40 Cawarra Road, extending east along Meta Street.

Sutherland Draft LEP 2013, as originally exhibited, proposed to zone the subject land and adjoining industrial land B7-Business Park, a zone designed to encourage development of office/white collar employment activities, currently undersupplied in the Sutherland LGA. Retailing, other than neighbourhood shops is prohibited in the B7 Zone.

Council's planner assessed the submission seeking to allow a 'Shop' use on the site. In the planner's July 2013 report to Council in relation to submissions to the Draft LEP, the planner recommended that the proposal to allow a 'shop' as a permissible use on the subject land not be supported. Concern was raised that the proposal is contrary to Council's planning and employment strategies and in particular Council's planner noted that;

- The draft South Subregional Strategy identifies 342 hectares of 'Category 1' land in the Sutherland Shire, which includes the site, as strategic employment lands to be retained for future employment uses.. Council's strategy with respect to the B7 Zone is to protect these lands for office and light industrial uses.

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- Jobs created by the proposal are unlikely to help towards employment self-containment in the Shire. The proposed B7 Business Park zoning has been identified as a means of strengthening the local economy as well as increasing self-containment of employment within the Shire.
- Office style uses envisaged in the B7 Zone provide for more employees per hectare and would make a more significant contribution to local employment.
- Existing commercial capacity in centres offers limited opportunities for large floor plate office park development, a land use specifically facilitated by the proposed B7 Zone, which comprises larger allotments than typically available in centres.
- It is acknowledged that the proposed large floor plate retail use requires a large site. However this requirement is based on the type of 'warehouse retailing' business model proposed and not on the strategic objectives and research identified for this B7 site, as business park development.
- It is considered that there may be other locations in the Shire where this use (warehouse retailing) is more appropriate.
- Potential traffic implications associated with a use that requires a large number of car spaces (705 spaces).

Please find attached at **Appendix A**, a copy of the Council Planner's report, relating to 32-40 Cawarra Road, Caringbah (Item 72 to the Council Meeting of 29th July 2013), prepared in response to submissions received by Council to the original exhibition of Draft LEP 2013.

Mayoral Minute 6/13-14 to the Council Meeting of 29th July 2013, with respect to 32-40 Cawarra Road (incorrectly described as 24-30 Cawarra Road), provides no assessment or justification for amending the exhibited Draft LEP 2013 to allow a 'Shop' as an additional permitted land use on the subject land. The Mayor's proposal on page 23 of the Mayoral Minute is based solely on the Mayor's objective of facilitating *"the development of Costco in Sutherland Shire."* The professional assessment of the Council's planner is effectively ignored.

Ingham Planning Pty Ltd has submitted a comprehensive submission to the recently concluded re-exhibition of the amended Draft Sutherland LEP 2013, objecting to permitting a 'Shop' land use on the subject land. This land comprises an area of 25,935m² in the southern portion of 32-40 Cawarra Road, identified as Site 9 in the additional Permitted Uses Map to Schedule 1 of the amended Draft LEP. Our submission to the Draft LEP included a detailed economic impact assessment prepared by Urbis and a traffic impact assessment prepared by Colston Budd Hunt & Kafes Pty Ltd. A copy of our submission is enclosed for your information.

Inclusion of a significant zoning amendment by way of a Mayoral Minute, contrary to the Council planner's recommendation and without any town planning assessment or justification is an entirely inappropriate process for amending an exhibited draft LEP. Such action is also contrary to the objectives of the *Environmental Planning and Assessment Act 1979* and undermines public confidence in the plan making process.



Where a submission to an exhibited Draft LEP seeks a major change to the planning controls for a particular site, a more appropriate process is to invite the proponent to submit a Planning Proposal to Council for consideration. Such a process facilitates transparency, community input and proper town planning assessment.

We urge the Independent Review of the Sutherland Draft LEP 2013 to support our contention in response to the terms of reference of the Review, that Mayoral Minute 6/13-14 is not an appropriate process for amending an exhibited Draft LEP and that the changes proposed in this Mayoral Minute, particularly in relation to 32-40 Cawarra Road, Caringbah should be removed from the Draft LEP prior to its gazettal.

We appreciate the opportunity to make a submission to the Independent Review of Draft Sutherland LEP 2013 and trust that the Review will find merit in our submission. Should you require any further information, please contact the undersigned.

Yours faithfully

Nick Juradowitch

Director

INGHAM PLANNING PTY LTD

Attachment: Copy of Sutherland Council Planner's Report Item 72 32-40 Cawarra Road, Caringbah – Costco to the Sutherland Council Meeting 29th July 2013.

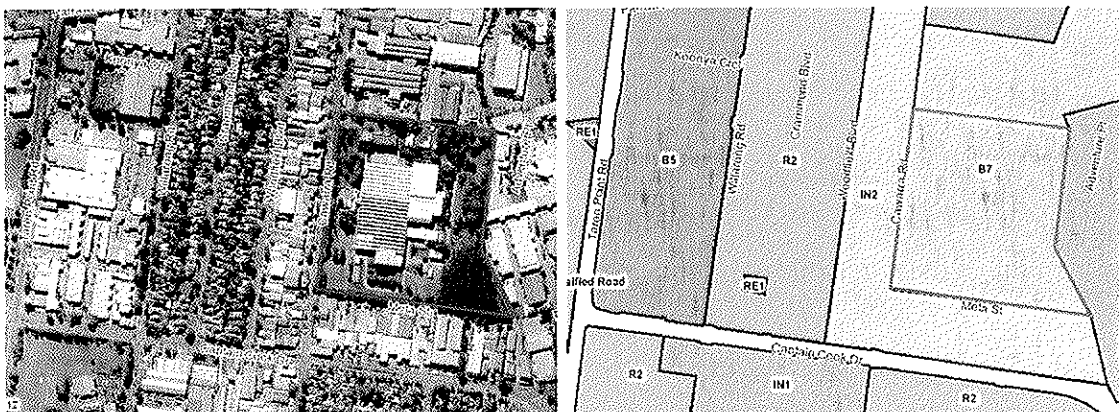
Enclosure: Copy of Submission to Sutherland Draft LEP 2013 – 32-40 Cawarra Road, Caringbah, dated 29th October 2013 prepared by Ingham Planning Pty Ltd.

72. 32-40 Cawarra Rd, Caringbah - Costco

1 submission requesting an amendment to Schedule 1 of Draft Sutherland Shire Local Environmental Plan 2013 to allow a 'Shop' to be a permissible use on the site known as 32-40 Cawarra Road, Caringbah.

Summary of issue

A submission was received requesting an amendment to Schedule 1 of Draft Sutherland Shire Local Environmental Plan 2013 to allow a 'Shop' to be a permissible use on the site known as 32-40 Cawarra Road, Caringbah. The amendment requested is on behalf of Costco Wholesale (Australia) Pty Ltd. The submission is supported with a concept plan for the site, a market analysis and a traffic impact analysis. The submission identifies that some aspects of the Costco warehouse will be permissible under the proposed B7 zoning; however the dominant use proposed for the site is that of a 'shop' and that this use is prohibited in accordance with the Draft LEP2013.



Aerial Photograph 2012

Draft SSLEP2013

The site is proposed to be zoned B7 – Business Park under the Draft LEP 2013. 'Shops' and 'Bulky Goods Premises' are prohibited within this zone. Costco operates from purpose built retail warehouse buildings that comprise large retail floor plates and the development requires 705 on site car parking spaces. Ancillary uses proposed also include a small café for consumption on premises, a tyre centre, an optometrist, photo processing services and hearing aid services and sales.

The site proposed is an area of approximately 25,935 sq. m within the site formerly occupied by a large pharmaceutical facility. The Costco proposal consists of an approximate gross floor area of 15,800sq.m. The site benefits from an existing approval (DA12/0419) for the Torrens Title Subdivision of Five (5) Lots into 42 Lots,

Demolition of all Structures except the Office Building & Associated Works. This approval would require an amendment to facilitate the proposed development.

The submission identifies the site as one of the few available sites in southern Sydney to accommodate the specific requirements of Costco. Should the request to include a site specific use for 'shop' not be accepted by Council, Costco have indicated the need to seek an alternative site elsewhere in southern Sydney.

A summary of supporting factors as included in the submission are as follows;

Market Demand: The subject site is one of the few sites available in southern Sydney to accommodate the site specific requirements of a Costco Warehouse.

Suitability of the Site: The site is suitable for a Costco warehouse due to its size, and location within an employment area and proximity to transport corridors.

Strategic Planning Framework: Costco's proposal is consistent with the applicable strategic planning framework in that it will promote increased business investment and support a substantial number of jobs.

Sutherland Employment Strategy: The Costco proposal is also consistent with the objectives of the Sutherland Employment Strategy (2013) in relation to employment generation in out of centre locations, provision of a range of roles from retail/sales to more skilled positions, and low impact on existing retail centres.

Zone B7 - Business Park objectives: Costco encourages employment opportunities, requires large floor area, can meet the day to day needs of workers in the area and would prevent fragmentation of the site, whilst enhancing the visual appearance of the site.

Strategic Vision: Council's report in relation to proposed DCP amendments for Cawarra Rd identified the changing nature of the area and the need to optimise the future employment-generation potential of the Shire's industrial areas. Costco's proposal is consistent with this vision.

Economic Impact: Total on-site employment for a Costco Caringbah is estimated at 330 jobs (225-250 EFT jobs). The employment density achieved by a Costco store is often higher than that typically achieved by Warehousing, light industrial and other employment uses, including homemaker and bulky goods retailing. Total sales derived from the main trade area resulting in a market share of just 1%, overall demonstrating an unlikely affect on existing retail hierarchies in the Sutherland Shire.

Roads, Traffic and Access: It is estimated that the proposed Costco warehouse could generate 350 and 670 vehicle movements (two-way) during the Thursday PM and Saturday midday peak hours respectively. There are likely to be between 2 and

4 additional vehicles turning right at Captain Cook Drive onto Taren Point Road per minute.

Analysis of issue

Sutherland Shire's employment capacity target is 8000 jobs for the period between 2001 and 2031, based on population and employment trends as set out in the Metropolitan Strategy and draft South Subregional Strategy (2007). There is an obligation for Council's to implement the vision, land use strategies, policies and actions as set out in these strategies. The planning framework must look beyond the existing centres to the employment lands and other out- of- centre locations to provide the majority of future jobs to meet the projected demand.

Protecting Industrial Land: The draft South Subregional Strategy identifies 342 hectares of 'Category 1' land in the Sutherland Shire which includes the subject site. A key intent of the new standard instrument LEP is for Council to retain 'Category 1' lands for future employment purposes and for no loss of these strategic employment lands. These lands support a wide range and size of industrial, manufacturing, logistical or warehouse operations. They also support non-industrial uses such as bulky goods retailers (within a prescribed precinct that is proposed to be expanded in the draft plan), places of public worship, food shops and businesses considered inappropriate in other zones.

The primary issue is that structural changes in the economy, high local land prices and supply chain efficiencies have led many traditional manufacturing, construction and warehouse employers to either close, re-locate to cheaper and better connected sites in Sydney's west or to move off shore. This has led to key industrial sites in Sutherland Shire's industrial areas lying vacant or underutilised (the subject site being included). The challenge is flexibility to protect these sites for future industrial purposes and to support the greater employment generating potential of these sites for non-industrial uses, such as office space.

The objectives for the proposed draft zone B7 – Business Park are as follows;

- To provide a range of office and light industrial uses.
- To encourage employment opportunities.
- To enable other land uses that provides facilities or services to meet the day today needs of workers in the area.
- To prevent the fragmentation of large sites and to realise their economic strategic advantage.
- To provide opportunities for the erection of buildings requiring large floor areas and to discourage small scale uses unless they are of an ancillary or service nature.
- To enhance the visual appearance of the employment area by ensuring new development achieves a high architectural and landscape standard.

- To minimise the impact of development within the zone on areas of environmental or heritage significance.

The underlying issue in allowing the expansion of retailing activities (shops) within this zone is that the Sutherland Shire currently provides more retail jobs than there are local retailing workers to fill them. The submission presents that a 'Costco' use on the site is likely to create an estimated 330 jobs (225-250 EFT jobs) and that the employment density achieved by a Costco store is often higher than that typically achieved by warehousing, light industrial and other employment uses, including homemaker and bulky goods retailing. Whilst these figures are noted, the jobs are unlikely to help towards employment self containment in the Shire. Furthermore an office use of 400 employees per hectare and a high tech industrial use of 160 employees per hectare, compared to Bulky Goods use of 40 persons per hectare (Source: Building Employment Opportunities in Sydney's South Jones Lang LaSalle 2009) or slightly higher as identified in the submission, highlight that alternative land uses may make a more significant contribution to local employment.

Given that the existing commercial capacity in centres has not been taken up by the market and there are limited opportunities for large floor plate offices within these centres, it is unlikely that the centres will capture significant commercial office growth. In comparison, large disused sites (including the subject site) in the previous industrial zones offer the greatest potential to create developments with large floor plates, with the potential to support four times as many employees as the same site developed for service trade premises, and ten times more jobs than if it were developed for bulky goods retailing.

It is acknowledged that the proposed use requires a large site, unlikely to be available in a commercial centre; however this requirement is based on the type of 'warehouse retailing' and Costco business model proposed and not on the strategic objectives and research identified for this B7 site.

The proposed B7 Business Park zoning has been identified as a means for strengthening the local economy as well as increasing employment self-containment and is recognised in the land use table for the draft zone where 'Office Premises' have now been added as a permissible use and where 'Shops' have been specifically prohibited. It is noted that the land has been approved for a 42 lot subdivisions and this will test the potential for business park development. However, it is considered that there may be other locations in the Shire where this use is more appropriate.

The submission outlines that the access provisions will be assessed in detail at a later stage as part of the Development Application. DA12/0419 for the Torrens Title Subdivision of Five (5) Lots into 42 Lots, approved a single access point (with an internal circulation road) well north of the proposed 'Costco' concept (Estate Road).

The proposed approach appears at odds with the approval issued and likely traffic conflicts given the number of car parking spaces required by this development (705 spaces).

Response to issues

The requested amendment to Schedule 1 of the draft LEP to make a 'Shop' permissible on the site known as land at 32-40 Cawarra Road, Caringbah is not supported. It is recommended that the plan proceed as exhibited.



Our Ref: 13152

29th October 2013

The Manager
Environmental Planning Unit
Sutherland Shire Council
Locked Bag 17
SUTHERLAND NSW 1499

Dear Sir

RE: Submission to Sutherland Draft LEP 2013 – 32-40 Cawarra Road Caringbah
Ref: LP/03/79340

This submission to Draft Sutherland Local Environmental Plan 2013 (the Draft LEP) relates to a proposal to include the land use “shop” as an additional permitted use on land described as part 32-40 Cawarra Road, Caringbah, as detailed in Schedule 1 of the Draft LEP. The submission is lodged on behalf of our clients Westfield Retail Trust, Dexu Wholesale Property Fund and the Westfield Group who have joint interest in Westfield Miranda Shopping Centre and are committed to developing and encouraging retailing, entertainment, dining and other services in existing and planned town centres that are well served by public transport and local infrastructure.

The subject land proposed for retail use comprises an area of 25,935m² in the southern portion of the Sutherland Shire Industrial Estate, 32-40 Cawarra Road, extending east along Meta Street. The land is identified as Site 9 in the additional Permitted Uses Map to Schedule 1 of the Draft LEP. Schedule 1 contains a list of sites where specified additional land uses are to be permitted.

The subject land is proposed to be zoned B7 Business Park in the Draft LEP and the Floor Space Ratio (FSR) Map to the Draft LEP permits the site to be developed to an FSR of up to 1.5:1. Should a “shop” become a permissible use on the subject land, it would enable a shopping centre to be developed on the site with a gross floor area (GFA) of some 38,900m², equating to a gross leasable retail area (GLA) of 35,000m². This is a substantial unplanned shopping centre, which is effectively being inserted into an industrial area that has specifically been identified for future business park development to provide local white collar employment for Shire residents. At present 70% of white collar workers must commute outside of the Shire to their workplace.

We have viewed the site and locality and examined planning reports, policies and strategies relevant to the proposal to include “shop” as an additional permitted use on the subject land. Such a proposal should not be supported by Sutherland Shire Council for the following reasons.

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- (a) The proposal to allow “shop” uses on the land is considered contrary to the aims and objectives of the Draft LEP and the proposed B7 Zone, particularly given the potential scale of retail development that would be permitted i.e. up to 35,000m² GLA.
- (b) The proposal is inconsistent with the Planning Minister’s S117 Directions with respect to Business and Industrial Zones and Integrating Land Use and Transport. The proposal is also at odds with the planning principles and strategies of the Sydney Metropolitan Planning Strategy and associated Draft South Sub-Regional Strategy, which seek to encourage retailing to be located in centres that are well served by public transport and maintain strategic industrial lands for industrial and related purposes.
- (c) The proposal constitutes an undesirable precedent for the establishment of retail land uses within the Caringbah/Taren Point B7 Business Park Zone, and encourages other retail developments to seek an amendment to the B7 Zone at Cawarra Road, to allow retailing on other nearby sites in this precinct.
- (d) Implementation of the White Paper – “A New Planning System for NSW” whereby the B7 Zone is proposed to be replaced with an Enterprise Zone, with retail uses permitted. This has the potential to result in significant future expansion of retail activity in the Cawarra Road precinct. Such retail expansion could be readily justified as an extension to existing retail activity developed in the southern sector of the precinct, with Council’s endorsement as currently proposed in Draft LEP 2013.
- (e) The development of a substantial area of retailing at 32-40 Cawarra Road will adversely impact on the retail hierarchy of the Sutherland Shire and the viability and economic performance of existing established town centres, particularly the nearby Caringbah Town Centre, located some 1.2kms south of the site.
- (f) The proposal will result in the loss of a significant area of B7 zoned land ideally suited to business park development, with a consequent reduction in much needed white collar office/business employment opportunities.
- (g) The limited availability of public transport to the locality, combined with the scale and likely form of retail development on the site, will result in a substantial increase in traffic, exacerbating existing levels of traffic congestion at main road intersections such as Taren Point Road/Captain Cook Drive, Taren Point Road/Box Road and Cawarra Road/Captain Cook Drive and in local streets, particularly at peak periods. The proposal should be forwarded to NSW Roads and Maritime Services for consideration.
- (h) Allowing a major retail development in an “out-of-centre” location will increase the level of car dependency in Sutherland Shire and nearby local government areas in the retail catchment, encourage multiple car trips, increase vehicle kilometres travelled and potentially reduce the patronage and viability of public transport in Sutherland Shire.
- (i) Introduction of a retail land use, which achieves a higher economic return per unit of land area, compared to industrial and business park uses, may be expected to exert an upward pressure on land prices in the industrial area, making future industrial and business park development less viable and encouraging other retail development to locate nearby in the industrial area.



- (j) Major retailing activities should be located in or adjoining existing town centres so that the viability of those centres is not undermined and convenience and amenity for the Sutherland Shire community is optimised.
- (k) Currently some 70% of Sutherland Shire residents employed in office/business activities must commute on a daily basis outside the Shire to obtain employment. The proposal will result in the loss of a significant area of B7 zoned land ideally suited to business park development, with a consequent reduction in much needed white collar office/business employment opportunities in Sutherland Shire.

It is requested that Sutherland Council not proceed with the proposal to allow retailing at 32-40 Cawarra Road, Caringbah, by deleting this land (Site 9) from the Map of Additional Permitted Uses and from Schedule 1 of the Draft LEP. Permitting retail development of Site 9 cannot be justified on town planning grounds.

Should Council decide to facilitate dispersal of retailing within Sutherland Shire by proceeding with the proposal to permit retailing on the Subject Land, then we urge Council to consider options for limiting the scale and nature of such retailing to a low density warehouse retail form. This is the retail form that was the catalyst for the proposal to allow retailing on the site.

Planning controls have been applied in similar “warehouse retail” proposals, e.g. Liverpool, where suitable provisions were included in the LEP to limit the floor area and scope of retailing on the nominated out-of-centre site at Casula. In the case of the Subject Land, a maximum retail floor space of 15,000m² and FSR of 0.6:1 should be applied and retail building form restricted to a single operator, in a large floor-plate retail warehouse building typology.

We trust that Council will support this submission and amend Sutherland Draft LEP 2013, as requested, by deleting 32-40 Cawarra Road, Caringbah from Schedule 1 of the Draft LEP. Please contact the undersigned should you require any further information.

Yours faithfully

Nick Juradowitch

Director

INGHAM PLANNING PTY LTD

Attachment: Planning Assessment Report dated 29th October 2013, prepared by Ingham Planning Pty Ltd (including as appendices, an Assessment of Economic Issues prepared by Urbis and a Transport Review prepared by Colston Budd Hunt & Kafes Pty Ltd).

PLANNING ASSESSMENT REPORT

**DRAFT SUTHERLAND LEP 2013
PROPOSAL TO PERMIT "SHOP" AS AN
ADDITIONAL PERMITTED LAND USE AT
32-40 CAWARRA ROAD CARINGBAH**

Prepared for: The Owners of Westfield Miranda

- Westfield Retail Trust
- Dexus Wholesale Property Trust
- Westfield Group

By:

INGHAM PLANNING PTY LTD

Suite 19, 303 Pacific Highway, Lindfield, 2070

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Job No. 13152

29th October 2013

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Appendices

Appendix A	Economic Issues Report (dated September 2013) prepared by Urbis
Appendix B	Transport Review (dated October 2013) prepared by Colston Budd Hunt & Kafes Pty Ltd

PLANNING REPORT

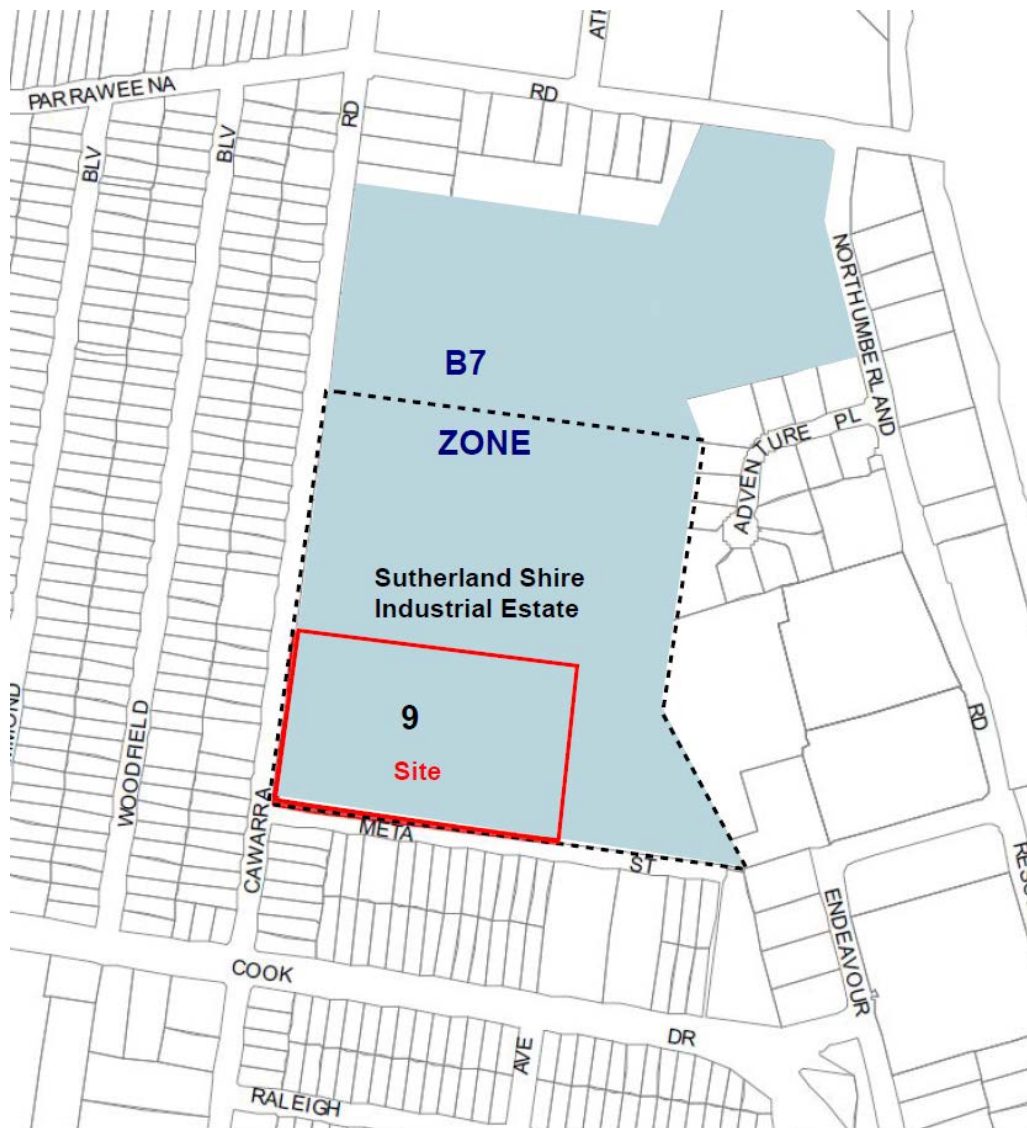
Sutherland Draft LEP 2013 - Proposal to Permit Development of "Shops" at 32-40 Cawarra Road Caringbah

This Planning Report relates to a proposal to include the land use "shop" as an additional permitted use on land described as part 32-40 Cawarra Road, Caringbah, as detailed in Schedule 1 of Draft Sutherland LEP 2013.

1. Introduction

The subject land proposed for retail use comprises an area of 25,935m² in the southern portion of the Sutherland Shire Industrial Estate, 32-40 Cawarra Road, extending east along Meta Street. and is identified as Site 9 in the additional Permitted Uses Map to Schedule 1 of the Draft LEP (as shown in the map extract below). Schedule 1 contains a list of sites where specified additional land uses are to be permitted.

Site 9 – Map to Schedule 1 "Shop" Area Within 32-40 Cawarra Road, Caringbah



The subject land is proposed to be zoned B7 Business Park in the Draft LEP and the Floor Space Ratio (FSR) Map to the Draft LEP permits the site to be developed to an FSR of up to 1.5:1. Should a “shop” become a permissible use on the subject land, it would enable a shopping centre to be developed on the site with a gross floor area (GFA) of some 38,900m², equating to a gross leasable retail area (GLA) of 35,000m². This is a substantial unplanned shopping centre, which is effectively being inserted into an industrial area that has specifically been identified for future business park development.

We have viewed the site and locality and examined planning reports, policies and strategies relevant to the proposal to include “shop” as an additional permitted use on the subject land. The proposal to allow “shop” uses on the land is considered contrary to the aims and objectives of the Draft LEP and the proposed B7 Zone. The proposal is inconsistent with the Planning Minister’s S117 Directions with respect to Business and Industrial Zones and Integrating Land Use and Transport. The proposal is also at odds with the planning principles and strategies of the Sydney Metropolitan Planning Strategy and associated Draft South Sub-Regional Strategy, which seek to encourage retailing to be located in centres that are well served by public transport and maintain strategic industrial lands for industrial and related purposes.

If the proposal proceeds, the development of a substantial area of retailing on the site will adversely impact on the retail hierarchy of the Sutherland Shire and the viability and economic performance of existing established town centres, particularly the nearby Caringbah Town Centre, located some 1.2kms south of the site. The proposal will result in the loss of a significant area of B7 zoned land ideally suited to business park development, with a consequent reduction in much needed white collar office/business employment opportunities.

The limited availability of public transport to the locality, combined with the scale and likely form of retail development on the site, will result in a substantial increase in traffic, exacerbating existing levels of traffic congestion at main road intersections and in local streets, particularly at peak periods. Introduction of a major retail land use, which achieves a higher economic return per unit of land area, compared to industrial and business park uses, may be expected to exert an upward pressure on land prices in the industrial area, making future industrial and business park development less viable and encouraging other retail development to locate nearby in the industrial area.

Our planning assessment set out below indicates that allowing retail development on the Subject Land is not supportable on town planning grounds. It is recommended that Council not proceed with this component of the Draft LEP and delete Site 9 from the Map of Additional Permitted Uses and from Schedule 1 of the Draft LEP.

2. Ministerial Section 117 Directions

The proposal is inconsistent with Ministerial Section 117 Direction No. 1.1 Business and Industrial Zones and Direction No. 3.4 Integrating Land Use and Transport.

S117 Direction 1.1 Business and Industrial Zones

The objectives of Direction 1.1 are to encourage employment growth in suitable locations, protect employment land in business and industrial zones and support the viability of identified strategic centres.

The fact that a proposal will generate employment is not sufficient to justify allowing a retail use, which is currently prohibited on the site, to become a permissible use. The Sutherland LEP, in a number of locations, provides retail and business zones that permit retailing, without the need to alienate land that has been specifically zoned for industrial and office park uses and employment.

Sutherland Shire is well served with retail employment, whereas white collar office employment is in short supply, with some 70% of Sutherland office workers forced to travel outside the Shire, predominantly to the Sydney CBD for office employment. An important reason for creating the B7 Business Park Zone at Caringbah-Taren Point is to significantly increase local white collar office/business employment. This issue is considered in more detail in Section 4 dealing with the Sutherland Employment Strategy.

We understand the catalyst for permitting a retail use on the subject land is a proposal to develop the site for a 15,800m² retail warehouse large floor plate format. This development form, at an FSR of approximately 0.6:1 is an underutilization of a site that is permitted to be developed to an FSR of 1.5:1 and generates a relatively low number of jobs for a site comprising more than 2.5 ha of land. A warehouse retail format generates at most 100 equivalent full time (EFT) jobs per hectare, whereas office park developments are capable of creating around 750 EFT jobs per hectare, if developed at an FSR of 1.5:1.

Industrial and business park zoned land is in short supply in Sutherland Shire. The B7 Business Park Zone occupies a total area of approximately 30 hectares, of which more than 50% is unlikely to be redeveloped in the short to medium term, due to the value of investment in existing buildings. The conversion of 2.6 hectares of vacant land within the B7 Zone represents a significant reduction of almost 20% in the short to medium term supply of land suitable for much needed business park development.

Introduction of a major retail land use, which achieves a higher economic return per unit of land area, compared to industrial and business park uses, may be expected to exert an upward pressure on land prices in the Caringbah-Taren Point industrial area, making future industrial and business park development less viable and encouraging other retail development to locate nearby in the industrial area.

This submission includes an economic assessment addressing the potential economic impacts on the retail hierarchy of Sutherland and the viability of existing shopping centres. This assessment prepared by Urbis (copy attached at **Appendix A**) concludes that retail development of the subject land will have a material impact on the trading performance of existing shopping centres in Sutherland, particularly at Caringbah, which is likely to suffer a 6% to 11% reduction in trading. This increases to a significant 20% reduction, after allowing for cumulative impact of new approved retail development coming on line, as well as the proposed retail floor space at 32-40 Cawarra Road.

Caringbah is an activity centre that has areas that are not trading particularly well. This activity centre is likely to be impacted significantly as a result of development of an unplanned nearby out-of-centre shopping centre at Cawarra Road.

It should be noted that in issuing its Gateway Determination, the NSW Department of Planning and Infrastructure requires that Council justify the inconsistencies with respect to S117 Direction 1.1 Business and Industrial Zones.

There is no justification to allow an inconsistency with S117 Direction 1.1 Business and Industrial Zones. The proposal is contrary to the objectives of this S117 Direction and in particular, does not provide for retail employment in a suitable location, does not protect land for business and industrial purposes and undermines the viability of Caringbah and other retail centres in Sutherland.

Section 117 Direction 3.4 Integrating Land Use and Transport

The objectives of Direction 3.4 with respect to the zoning of land are to ensure that urban structures, building forms and land use locations achieve the following planning objectives:

- (a) *Improving access to housing, jobs and services by walking, cycling and public transport, and*
- (b) *Increasing the choice of available transport and reducing dependency on cars, and*
- (c) *Reducing travel demand including the number of trips generated by development and the distance travelled, especially by car, and*
- (d) *Supporting the efficient and viable operation of public transport services, and*
- (e) *Providing for the efficient movement of freight.*

The proposal creates a major “out-of-centre” retail development that is poorly served by public transport and is heavily dependent on cars for access by both employees and retail customers. The relatively isolated location of the site in relation to existing retail and services will result in multiple trips and increased travel distances. There is limited opportunity to combine a range of shopping and service needs in one trip, compared to a location within or adjoining an established town centre.

Apart from Southgate, the larger shopping centres in Sutherland are located around railway stations and bus interchanges and hence readily accessible by public transport. This encourages use of public transport and thereby increases the patronage and viability public transport services. Locating major retail facilities distant from public transport nodes, redirects travel modes to cars and away from public transport.

There is no justification to allow an inconsistency with S117 Direction 3.4 Integrating Land Use and Transport. The proposal is contrary to the objectives of this S117 Direction and in particular does not improve access to services by public transport and does not reduce dependency on cars or reduce travel demand and trip generation by car. Locating a retail use remote from good quality high frequency public transport services does not support the efficient and viable operation of public transport.

3. Metropolitan and Sub-Regional Planning Strategies

Sydney Metropolitan Plan for Sydney 2031 and 2036

The Sydney Metropolitan Plan for Sydney 2036 (updated version of the 2031 Metro Plan) advocates a multi-centred city structure and places emphasis on integrating transport and land use planning, with “*emphasis on a connected and networked city.*”

The Sydney Metropolitan Plan 2036 (Metro Plan) strategies and planning principles that are relevant to the proposal to allow retailing on the subject land include the following:

- Providing more jobs closer to home.
- Integrate infrastructure, particularly transport, with land use as an integral part of managing growth, efficiency and sustainability.
- Reduce reliance on the private car and kilometres travelled by private vehicles and encourage public transport use.
- Concentrate a greater range of activities near one another in centres well served by public transport.
- Concentrating commercial activity and job destinations in centres to achieve agglomeration, productivity benefits and improve workforce access.

- Reduce pressure for development to occur in less accessible locations.
- Create vibrant places which operate as a focus for community activity and events, and which help to build social inclusion.

The Metro Strategy notes that the pressure for retailing to occur in industrial areas continues to exist. The proposal to allow retailing at 32-40 Cawarra Road is yet another example of such pressure, and is a trend that is not supported by the Metro Strategy. The Metro Strategy notes that where retailing is to occur within industrial areas it *“should continue to be limited to retailing that is ancillary to an industrial use, and the retailing of products such as building supplies – where the retailing generates impacts akin to industrial uses.”*

Permitting retail development within the proposed B7 Zone at 32-40 Cawarra Road, Caringbah is contrary to the strategies and planning principles of the Sydney Metro Plan.

Draft South Sub-Region Strategy

The Sydney Metro Strategy is supported by sub-regional planning strategies. In the case of the Sutherland LGA, the relevant sub-regional strategy is the Draft South Sub-region Strategy (Draft Strategy). This Draft Strategy identifies the Taren Point/Caringbah Precinct as a major industrial zone for the South Sub-region. Taren Point/Caringbah is identified as a high priority to be retained for industrial and related purposes.

The Draft Strategy notes that bulky goods retailing is increasingly competing for cheaper land in industrial areas. The Draft Strategy recommends that retailing in the Taren Point/Caringbah Precinct be confined to bulky goods only and limited to the area bounded by Captain Cook Drive, Taren Point Road, Parraweena Street and Willarong Road.

The Draft Strategy recommends intensification of existing employment zones, a strategy which is realized in Council’s proposed introduction of the B7 Zone, with an increased FSR of 1.5:1 to accommodate business park development capable of supporting a higher density of jobs, particularly in the office/business category where there is currently a shortfall of such employment in the Sutherland LGA.

A key feature of the Draft Strategy is its objective of concentrating activities near public transport and concentrate retail activity in centres. Action SO B4.1.1 specifically states that *“retail will be located primarily in commercial core and mixed use zones in centres.”*

The issue of retailing in the Caringbah/Taren Point industrial area has been considered by the Land and Environment Court in the matter of *Terrace Tower Holdings Pty Limited v Sutherland Shire Council (proceedings 10248 of 2001)*. This Appeal related to a development application for a proposed 29,386m² (GFA) bulky goods retail centre on a large 48,634m² at Lot 22 Bay Road, Taren Point. This site is located on the western side of the Harvey Norman Business Park and like the Subject Land, is also proposed to be Zoned B7 – Business Park.

While noting that Sutherland LEP 1993 allowed bulky goods retailing on the site in Bay Road, the Court rejected the proposed bulky goods retail development primarily on the grounds that the proposal did not maintain or support the existing retail hierarchy. The Court noted that the site is situated in an area which is principally occupied with industrial and warehouse development and does not adjoin any other retail activity, is not serviced with any public transport and will add to the use of cars.

The Court concluded that the proposal at Bay Road *“does not reinforce the existing public transport and may well reduce the effectiveness of the existing centres”* and will lead to *“increased car dependency.”* The Court determined that the proposal would *“conflict with the various state planning policies which overwhelmingly support the advancement of the existing retail hierarchy.”* Accordingly the proposal was rejected by the Land and Environment Court.

The circumstances relating to the Terrace Tower proposal for Bay Road are substantially the same as the Draft LEP proposal to allow retailing nearby on the Subject Land, at the northeast corner of Cawarra Road and Meta Street. Neither proposal can be justified on town planning grounds.

Permitting retail development within the proposed B7 Zone at 32-40 Cawarra Road, Caringbah is contrary to the strategies and planning principles of the Sydney Metro Plan and should not be supported.

4. NSW Centres Policy

For over 25 years, the State Government of NSW has had a land use planning policy in place to maintain recognised established centres (ie. NSW Centres Policy). The clear intent of previous soundly based Metropolitan Centres Policy has been to limit the extent of retailing outside of centres. Prosperous town centres are a major contributor to the welfare and economic growth of Sydney and the State of NSW.

Existing and planned centres are of such importance that proposals for substantial out of centre retailing that can potentially impinge on the orderly growth and development of centres needs considerable research, careful analysis and appropriate justification. Retailing forms the foundation of most centres and ensures their continued viability and vitality. In the absence of a carefully considered, researched and objective town planning rationale, out of centre retailing should not be supported.

We are aware of recent arguments that suggest that a more decentralised approach to planning commercial and business centres should be applied to land use planning throughout NSW. Such an approach results in a more dispersed outcome for the provision of new retail activity, primarily on the basis of lowering land cost inputs for such development or justified by the perception that new retailing is “locked out” of established town centres.

A more “laissez-faire” approach to town planning for retail centres has been supported by recent reports of ACCC (Inquiry Into The Competitiveness of Retail Prices For Standard Groceries, 2008) and Choice Free Zone by Professor Fels, July 2008 which seems to suggest that planning policies in relation to urban centres need to be relaxed to create more flexibility in the location of major retailing for competition reasons.

Both of these studies are based upon economic evaluation and make recommendations that do not adequately consider public transport issues, car trip generation, car dependency, environmental and social issues and social consequences of dispersing the integrated activity of centres, or indeed equity issues of allowing comparatively cheap land to be used for a higher order urban use.

Facilitating out-of-centre locations for major retail activities is likely to have the following undesirable consequences:

1. Central place activities will disperse, thus reducing the opportunities for combined trips. The consequence is greater trip lengths and greater road congestion – not less.

2. The dispersal of retail activity would bring about a loss of attraction of major centres which could be extremely damaging and produce centre blight, particularly in centres already experiencing trading difficulties, such as Caringbah. The potential would be for all central place activities to consider relocation, and to seek cheaper space and cheaper rents, thus overturning the concept of centres.
3. Centres are located where there is good access to public transport, thus reducing the reliance of private car use. The dispersal of activities would increase private car use and prevent people without a vehicle available from accessing the dispersed uses. It would thus be discriminatory and reduce the patronage and viability of public transport services and public investment in those services.
4. Successful metropolitan areas depend on strong vibrant centres, with a significant degree of pedestrian activity accompanied by restaurants, coffee shops, entertainment and attractive people friendly public spaces. To diminish this activity is to detract from the attractiveness of the centre. For many people going to centres is a social event.
5. Centres are associated with a complex range of activities, which may be accessed at the same time and on the same trip as food shopping. Access to banks, doctors, chemists, coffee shops, school drop off or pick up, gymnasiums, comparison shopping, accountants, newsagents etc. is normally done on a single trip. The model of dispersing activities would make the multi-purpose trips inconvenient, if not impossible.
6. The major car parking in centres is usually integrated to provide access to more than one activity, thus reducing the overall car parking need and increasing parking efficiency. The dispersed model would not provide this opportunity, thus inducing a waste of financial resources in providing car spaces and giving over more space to the motor vehicle.
7. The increase in the length of trips would also consume more time for consumers to undertake their shopping and associated activities, as well as increase travel distances and fuel costs associated with such travel.
8. Adverse environmental outcomes arising from increased use of private motor cars, including increased use of non-renewable fossil fuels and higher levels of greenhouse gas emissions and reduced air quality.
9. Use of land zoned business park or industrial for retailing purposes has potential to significantly impact on the supply of affordable land suitable for business park, industrial and warehouse purposes needed to service the needs of communities. Reducing the availability of such land, which is in short supply in the Sutherland LGA, by allowing its retail use, is contrary to good town planning practice and the orderly and efficient use of land.
10. Facilitating incursion of retailing into out-of-centre non-retail zones, such as the B7 Zone, invariably results in higher land prices for non-retail land users that are unable to achieve sufficient returns per unit of land area, to offset higher land prices of such land. In the case of the Sutherland LGA, this reduces the attraction of Sutherland to potential office park development, undermining the objective of creating more local "white collar" jobs.

11. The proposal represents a precedent for the incursion of major retail activity into an out-of-centre non-retail zone, discouraging major retailers from locating in town centres and effectively creating a new unplanned retail centre, which may be expected in the future to attract more retailers to the B7 Zone at Caringbah/Taren Point.
12. Centres have encouraged investment in them because the opportunity for locating retailing on lower cost out-of-centre land has been resisted. The cumulative economic impact upon existing defined town centres would be severe and these centres would be placed at a competitive disadvantage with low cost out-of-centre locations.

The proposal to permit retail uses on a large area of B7 zoned land at 32-40 Cawarra Road, Caringbah is contrary to NSW Centres Policy, the orderly and economic development of land and soundly based town planning practice.

5. The “White Paper” – A New Planning System for NSW

The NSW State Government’s White Paper – A New Planning System for NSW outlines a framework for a new planning system for NSW. The White Paper proposes a significant reduction in the number of zones that will be permitted in Local Environmental Plans and a broadening of permitted land uses in this more limited range of land use zones.

The number of business zones may in the future be reduced by merging several business zones. For example, Zone B5 – Business Development, Zone B6 - Enterprise Corridor and Zone B7 – Business Park Zone are to be merged into a single Enterprise Zone. Retailing is identified as a permissible use in the Enterprise Zone.

Should the above zoning changes occur in the future, the 3 areas of B7 Zone identified in Draft Sutherland LEP 2013, comprising some 30 hectares of land, would potentially be available for retail development.

Should Council support the proposal to allow retailing on a large parcel of B7 zoned land in the Cawarra Road Precinct, a precedent would be established for further future retail development in the balance B7 zoned land in the Cawarra Road Precinct, if the new planning legislation proceeds in the form currently proposed. In this scenario the B7 zoned land would become an Enterprise Zone, with retailing as a permissible use within this zone, as anticipated in the White Paper. It would be difficult, if not impossible for the Council to prevent an expansion of retail land uses over the balance of the Business Park/Enterprise Zone Precinct to the north.

Whilst for the time being it is anticipated that the new planning legislation will retain a B7 Zone that does not permit general retailing, if such uses are permitted to encroach into the B7 Zone, as envisaged in the Draft LEP, a precedent is created to allow general retail uses throughout the B7 Zone or at least in the B7 Zone of the Cawarra Road precinct. If the B7 Zone in this precinct becomes available for retail development at an FSR of 1.5:1, a retail development of more than 250,000m² of retail floor space at Cawarra Road would be possible, with catastrophic consequences for Sutherland Shire’s retail hierarchy and existing town centres within the Shire.

6. The Sutherland Employment Strategy and the B7 Business Park Zone

A key objective of Draft Sutherland LEP 2013 (SLEP 2013) is to provide economic and employment opportunities. The Sutherland Employment Strategy (2013) recognises that there is a mismatch between local skill sets and local employment opportunities.

The Council seeks *“to develop employment strategies that can build on the growth of the knowledge-based economy, key elements of local infrastructure and the concentration of professionals among Shire residents, as well as promote community well-being.”*

The key objectives of Council’s employment strategy are summarised as follows:

- (i) To plan for sufficient zoned land to achieve State employment targets.
- (ii) To protect strategic employment lands for the future.
- (iii) To improve employment self-containment.
- (iv) To address the growth in demand for bulky goods retailing.
- (v) To support existing magnet infrastructure.
- (vi) To investigate the formation of a combined higher learning precinct utilising the specialties of ANSTO (Lucas Heights).
- (vii) To resolve the competing roles of Sutherland Shire’s major centres.
- (viii) To support the growth of home based businesses.

Sutherland Shire’s employment capacity target set by the NSW State Government is an additional 8,000 jobs for the period 2001 and 2013. Council’s Employment Strategy identifies the Taren Point/Caringbah and the Kurnell Peninsula as having the best employment growth potential and that these precincts have large areas of underutilised land.

The Draft SLEP 2013 introduces a B7 Business Park zone to facilitate development of *“new large floor plate offices in attractive settings”* in order to attract *“major new white-collar employers to the Shire.”* The proposed B7 Business Park Zone is one of the primary planning initiatives designed to facilitate future development of white collar employment at increased job densities that can be achieved with an FSR of 1.5:1.

The B7 Zone seeks to provide a range of office and light industrial land uses, encourage employment opportunities and prevent the fragmentation of large sites to realise their economic strategic advantage. Office uses have been specifically added to the B7 land use table, while retail, including bulky goods premises, is specifically prohibited in the B7 Zone.

The B7 Business Park Zone is limited to 3 strategic areas in Caringbah and Taren Point. The extent of B7 Zone proposed in Draft SLEP 2013 for Caringbah/Taren Point is relatively limited, at approximately 30 hectares. The Subject Land represents approximately 20% of the total area of B7 zoned land proposed for the Cawarra Road Precinct and almost 10% of the total area of B7 zoned land proposed for Caringbah/Taren Point.

Retailing in town centres typically accommodates some 250 to 300 EFT jobs per hectare, whilst business park office developments, at an FSR of 1.5:1, are capable of accommodating around 750 EFT jobs per hectare. Warehouse style retailing has a relatively low job density of at most 100 EFT jobs per hectare

The proposed amendment to Schedule 1 of the Draft SLEP 2013 to permit a retail activity on the Subject Land, particularly if such retailing comprises retail warehouse style development, is directly at odds with Council’s Employment Strategy and the planning objectives of the B7 Zone, which applies to the Subject Land.

Urbis has undertaken an analysis of economic and employment issues associated with the proposal. A copy of Urbis’s report is attached at **Appendix A**.

7. Traffic Impacts

The proposal to allow development of the Subject Land for retail purposes will result in a significant increase in traffic in local streets and lead to increased congestion at key intersections along Captain Cook Drive and Taren Point Road.

Colston Budd Hunt & Kafes Pty Ltd (CBHK) has prepared a traffic and transport review of the proposal to permit retail development on the Subject Land. The applicable 1.5:1 floor space ratio (FSR) allows the Subject Land to be developed to a gross floor area (GFA) of up to 38,900m². This equates to a gross leasable floor area (GLA) of 35,000m² if the Subject Land is developed for retail purposes to the density permitted. A copy of CBHK's preliminary report is attached at **Appendix B**.

CBHK's report draws the following conclusions.

- The proposal to include retailing on the Subject Land up to an FSR of 1.5:1 would result in the potential for significant increase in traffic generation.
- The road network in the vicinity of the Subject Land has capacity constraints at a number of locations (at intersections along Captain Cook Drive and Taren Point Road).
- A preliminary traffic assessment has found that if development occurred as permitted by the proposed amendment to the Draft LEP, a number of intersections in the adjacent road network (such as Taren Point Road/Box Road, Taren Point Road/Captain Cook Drive and Cawarra Road/Captain Cook Drive during the Thursday afternoon peak and Taren Point Road/Captain Cook Drive and Cawarra Road/captain Cook Drive, during the Saturday midday peak) would reach capacity, operating at service levels (LOS) E or F.
- There have been a number of major developments approved in the vicinity of the Subject Land that will add additional traffic to the surrounding network, hence cumulative traffic impacts need to be considered.
- Micro simulation modelling such as PARAMICS should be undertaken to assess traffic effects of the proposed amendment to the LEP, including taking into account other approved developments and background traffic growth.
- Given the significant impact on the adjacent arterial road network, Roads and Maritime Services (RMS) should be consulted to ensure that it has no objections to the proposal to permit a significant are of retailing on the Subject Land.
- The Subject Land has limited access to public transport and this retail development would be car dependent. There is no rail service available and bus services are limited to the 477 service, connecting Miranda to Rockdale. This service is not a high frequency service and would require most employees and customers to utilise at least two separate services to access the site by public transport. Few people would take the time and effort to access the Subject Land by public transport.

- Retailing within town centres such as Miranda, Caringbah and Sutherland has a much greater accessibility to public transport (trains and buses) and has a much lower utilisation of cars for trips by staff and customers (50% to 70%) compared to retail development on sites poorly serviced by public transport where at least 95% of trips are expected to be by car.
- Because the Subject Land is not located within a town centre, such as Caringbah or Miranda, and the surrounding land use is light industrial, manufacturing and employment uses, there is minimal potential for linked trips with similar uses that would reduce traffic generation.
- Council acknowledges that a low density warehouse retail style development would generate some 350 to 670 vehicles per hour (two way) during the Thursday PM and Saturday midday peak hours respectively and some 2 to 4 additional vehicles per minute turning right from Captain Cook Drive onto Taren Point Road during the Thursday PM and Saturday midday peak hours respectively.
- The increase in right turning traffic (from Captain Cook Drive onto Taren Point Road) associated with a low density retail development would add some 120 to 240 vehicles per hour during the Thursday PM and Saturday midday peak hours respectively. This is an increase of some 15% to 30% on the existing right turn movement which already experiences delays in the peak periods.
- The proposal **does not restrict retailing to a low density warehouse retail typology**, therefore it is possible, at an FSR of 1.5:1 that the Subject Land could be developed as a shopping centre of up to 38,900m² GFA.
- Based on RMS guidelines, CBHK estimate a retail development of some 38,900m² GFA on the site would generate between 1,600 to 2,100 vehicles per hour during the Thursday PM and Saturday midday peak hours respectively, equating to between 2.5 and 6 times the traffic generation of a warehouse retail style development.

8. The Retail Hierarchy, Employment Impacts and the Viability of Existing Town Centres

Urbis has prepared an assessment of the economic impacts of the proposal, focusing on the existing retail hierarchy, viability of existing retail centres and the existing and desired employment base of Sutherland Shire. A copy Urbis's report is attached at **Appendix A**. Urbis's assessment reaches the following conclusions.

- Retail development of the site to the allowable GFA permitted at a 1.5:1 FSR provides potential for retail GLA of 35,000 and would be expected to divert between \$103 million and \$123 million in turnover away from the key centres in the Sutherland Shire and in the southern suburbs of Sydney.
- Given the proximity of the Caringbah activity centre, this shopping centre will likely bare one of the largest percentage impacts of any centre in the region, estimated at a significant 6% to 11% (\$12 million to \$21 million) reduction in retail turnover for Caringbah.

- The Caringbah Centre, with existing issues of a recently failed retail centre (Caringbah Marketplace), would be significantly challenged to sustain cumulative impacts (taking into account other approved new retail development) in the order of minus 20%, even after allowing for market growth. The proposal could therefore reduce likelihood of new investment and compromise efforts to strengthen the centre, notably the weaker eastern end.
- Other centres likely to experience significant reductions in turnover if retail development proceeds at 32-40 Cawarra Road, include the The Woollooware Bay Town Centre, the Southgate Centre and the Taren Point IGA.
- The impact on the Miranda activity centre is more modest in percentage terms (minus 7%), but nevertheless represents a significant loss of trade in the order of \$63 million.
- The site's characteristics are more suitable for land uses permissible under the B7 zoning than the majority of undeveloped land located within the Sutherland Shire.
- There is a limited supply of employment land that meets the need of office or light industrial users.
- There is a relatively small provision of proposed B7 Business park land within the Shire of approximately 30 hectares.
- Sutherland Shire has a relatively low "employment containment rate," with only 40% of employed local residents working within Sutherland Shire. While there is a relatively good supply of retail jobs within the Shire (60% containment rate, for B7 related land uses the containment rate is only 30%.
- The development of additional floor space within sectors that have a high containment rate (e.g. retail) will do little to address the imbalance in the overall containment rate where there is greatest need (business park related uses).
- Industrial and/or business park job creation, due to its lower existing containment rate, is more likely to result in employment creation that will draw on local Sutherland LGA workers and improve job containment within the LGA.
- Improving job containment rates will have the benefit of reducing the travel requirements for local workers and reduce the pressure on public transport into locations such as the Sydney CBD.
- Due to the lack of supply of undeveloped industrial land that meets the needs of B7 operators, the historic take-up rate does not necessarily reflect the underlying demand for employment land, and therefore is not an accurate reflection of the potential take-up if additional undeveloped employment land was released within Sutherland Shire.
- The employment yield of the site is maximized through development as a business park, with significantly higher employment density than other land use options.

The economic assessment of the proposal by Urbis clearly demonstrates that the proposal will have a significant adverse impact on the established retail hierarchy. The ongoing viability of some centres, such as Caringbah, is significantly under threat, if large scale retail development is permitted to proceed at 32-40 Cawarra Road.

Substantial retail development should be located within or immediately adjoining Town Centres, rather than in dispersed locations. Out-of-centre locations are merely a means of reducing land purchase and development costs for out-of-centre retailers, providing them with a cost advantage over centre based retailers.

Such out-of-centre retailing in industrial areas not only takes advantage of lower land costs but also avoids payment of town centre development levies to Council and minimises or avoids having to make improvements to the public domain.

Existing retailers, in Sutherland Shire, including Westfield, have made a substantial investment within the Shire's town centres. This contributes to the amenity of the Shire, optimises convenience for residents and contributes to attractive, viable and vital town centres.

Westfield has a proven track record of focusing retail development in town centres that are well-served by public transport. Westfield has also demonstrated its commitment to Sutherland Shire by undertaking a major expansion and improvement of Westfield Miranda valued at \$435 million. This investment, in addition to retailing, includes entertainment and dining facilities, upgrading the public domain, provision of plaza space and payment of a substantial developer levy to Council for improvements to the Miranda Town Centre.

Rather than facilitating out-of-centre retailing in industrial areas, Council's priority should be to encourage new retail development in Sutherland's town centres.

9. Out-of-Centre Retail Warehouse Development

We understand that Council's motivation for supporting the proposal to allow retailing at 32-40 Cawarra Road, Caringbah is to facilitate the establishment of a large format warehouse retail style enterprise within the Sutherland LGA. This retail model requires a substantial area of low cost land to accommodate a large single storey floor-plate, constructed above a ground level car park (or alternatively surrounded by ground level car parking).

By adopting a large floor-plate model, warehouse style retail model, developers of this form of retailing argue that town centres do not provide suitably sized sites at reasonable cost. Such developers maintain that they must located in out-of-centre locations such as industrial areas and that planning controls should be amended to enable them to develop in zones where retailing is generally not permitted. The adverse impacts of this form of development on existing town centres, is clearly evident in the USA where this form of large format dispersed retailing is popular.

The warehouse retail typology offers little in terms of the public domain and amenity, generally with no active interface to the street. The built form is industrial in appearance, dominated by a large building mass of high blank walls with car parking around or underneath the building. Landscaping rarely includes public space of any significance, or supporting amenities.

The planning system should not be manipulated to facilitate dispersal of retailing at the expense of the established retail hierarchy and viability of established town centres. It is not essential that Sutherland, or indeed any other local planning authority, accept out-of-centre large floor-plate retail models without question.

Councils should insist that the low density warehouse retail model be changed to meet the important objectives of enhancing town centres and improving public domain and amenity. Such retailing should be located in and adjoining town centres, thus contributing to the important service and community function of those centres.

The low density warehouse retail model can be modified to occupy a more modest development footprint by providing for 2 or 3 levels of retail, with basement car parking so that development form is more conducive to town centre locations.

10. Conclusions

Sutherland Council should not proceed with the proposal to allow retailing at 32-40 Cawarra Road, Caringbah. This land (Site 9) should be deleted from the Map of Additional Permitted Uses and from Schedule 1 of the Draft LEP.

The proposal to allow “shop” uses on the land is contrary to the aims and objectives of the Draft LEP and the proposed B7 Zone. The proposal is inconsistent with the Planning Minister’s S117 Directions with respect to Business and Industrial Zones and Integrating Land Use and Transport. There is no justification for allowing significant inconsistency with these important planning Directions.

The proposal is at odds with the planning principles and strategies of the Sydney Metropolitan Planning Strategy and associated Draft South Sub-Regional Strategy, which seek to encourage retailing to be located in centres that are well served by public transport and maintain strategic industrial lands for industrial and related purposes.

Allowing retail development of the Subject Land will create a precedent for further retail development of B7 zoned land to the north, particularly if zoning changes originally envisaged in the White Paper – A New Planning System for NSW are implemented at some time in the future, whereby the B7 Zone is replaced with an Enterprise Zone that permits retailing. In this scenario there is potential in the Cawarra Road precinct for a 17 hectare shopping centre of major regional scale (more than 250,000m² GFA).

The proposal to allow retailing in an “out-of-centre” location will exacerbate the level of car dependency in the Shire, encourage multiple car trips, increase vehicle kilometres travelled and potentially reduce the patronage and viability of public transport in Sutherland Shire.

The development of a substantial area of retailing on the site will adversely impact on the retail hierarchy of the Sutherland Shire and the viability and economic performance of existing established town centres, particularly the nearby Caringbah Town Centre, located some 1.3kms south of the site. Major retailing activities should be located in or adjoining existing town centres so that the viability of those centres is not undermined and convenience and amenity for the Sutherland Shire community is optimized.

Currently some 70% of Sutherland Shire residents employed in office/business activities must commute outside the Shire on a daily basis to obtain employment. The proposal will result in the loss of a significant area of B7 zoned land ideally suited to business park development, with a consequent reduction in much needed white collar office/business employment opportunities. A warehouse retail development on the Subject Land would accommodate, at most 250 EFT jobs, compared to at least 3 times this number if the site is developed as an office park (750 EFT).

Introduction of a major retail land use, which achieves a higher economic return per unit of land area, compared to industrial and business park uses, may be expected to exert an upward pressure on land prices in the industrial area, making future industrial and business park development less viable and encouraging other retail development to locate nearby in the industrial area.

The limited availability of public transport to the locality, combined with the scale and likely form of retail development on the site, will result in a substantial increase in traffic, exacerbating existing levels of traffic congestion at main road intersections and in local streets, particularly at peak periods.

Should Council decide to facilitate dispersal of retailing within Sutherland Shire by proceeding with the proposal to permit retailing on the Subject Land, then we urge Council to consider options for limiting the scale and nature of such retailing to a low density warehouse retail form. This is the retail form that was the catalyst for the proposal to allow retailing on the site.

Prescribing a specific form and floor area of retailing also reduces the potential for the Subject Land to be used as a precedent for allowing retail development on the balance of the B7 zoned land to the north, particularly if the Enterprise Zone recommendations of the White Paper – A New Planning System for NSW are implemented.

Planning controls have been applied in similar “warehouse retail” proposals, e.g. Liverpool, where suitable provisions were included in the LEP to limit the floor area and scope of retailing on the nominated out-of-centre site at Casula. In the case of the Subject Land a maximum retail floor space of 15,000m² and FSR of 0.6:1 should be applied and retail building form restricted to a single operator, in a large floor-plate retail warehouse building typology.

INGHAM PLANNING PTY LTD

Appendix A - Economic Issues Report (dated September 2013) prepared by Urbis

Appendix B - Transport Review (dated October 2013) prepared by Colston Budd & Kafes Pty Ltd

APPENDIX A

Economic Issues Report (dated September 2013)

Prepared by Urbis

32-40 Cawarra Road, Caringbah

Proposed Draft Sutherland LEP Amendment -
Assessment of Economic Issues

Sept 2013

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Executive Summary

The key findings and conclusions of the economic analysis undertaken in relation to the proposal to permit 'shop' uses on a parcel of land at 32-40 Cawarra Road, Caringbah are as follows:

BACKGROUND AND SUBJECT SITE ATTRIBUTES

- The subject site, which is part of a larger site formerly occupied by a pharmaceutical business, is located within the Caringbah/Taren Point industrial precinct.
- The proposed rezoning of the site to B7 – Business Park is strategically important as the subject land represents a unique opportunity to deliver the objectives of Sutherland Shire's Employment Strategy. In particular, there is a scarcity of land available to accommodate Business Park type uses in the Sutherland Shire and the site has the capacity to accommodate office development, including larger footprint buildings, that will be significantly more effective than 'shop' uses in meeting the employment needs of the community and increasing the Shire's level of employment self-containment.
- Furthermore, the site has limitations for retail development reflecting a range of factors including:
 - It is surrounded by mainly light industrial uses and does not have connectivity with other retail areas/precincts, including the bulky goods precinct located along Taren Point Road (500 metres to the west with intervening residential and light industrial uses).
 - It does not provide main road exposure.
 - There are significant potential traffic related issues, recognising the width of connecting roads and use of on-street carparking by local workers and visitors during the work week.
 - It is not well serviced by public transport, especially in comparison with existing activity centres in the region.

CENTRES HIERARCHY IMPACTS CONSIDERATIONS

- The potential impact of development of 'shop' uses on the subject site on the centres hierarchy has been assessed for two possible development scenarios as follows:
 - Scenario A: 35,000 sq.m sub-regional centre.
 - Scenario B: 35,000 sq.m centre including 25,000 sq.m of outlet retailing and 10,000 sq.m of supermarket/convenience based retailing.
- A sub-regional centre would be expected to serve a main trade area extending to the Sutherland activity centre in the west and Cronulla in the east and including the Sans Souci area in the north. This area would account for the vast majority of the centre's turnover, i.e. more than three quarters. An outlet centre would be expected to have a broader draw and serve a trade area including the main trade area defined for the sub-regional centre but extending to include the balance of the Sutherland Shire and the municipalities of Kogarah, Hurstville and Rockdale.
- The Sutherland Shire is an established area of Sydney and future population/market growth is forecast to remain modest, at an average of 0.4%/1.9% per annum over the next 10 years. Stronger market growth is forecast in the areas north of the Georges River.
- The Sutherland Shire has a well-established provision of activity centres, of which Miranda serves as the highest order centre (i.e. primary regional centre). Local based centres are well dispersed throughout the region, most of which are based around rail infrastructure and easily accessible by road. A major bulky goods precinct is also located along Taren Point Road, extending north from Captain Cook Drive. Overall, residents and visitors to the region have convenient access to a range of centres serving their variety of shopping needs.

- There are a range of new developments addressing existing gaps in the retail market and community need, including a major redevelopment and expansion of Westfield Miranda, new supermarket based developments at Woollooware Bay and Sans Souci and expansion to the Kareela shopping centre. These developments will address the need for more supermarket floorspace and improved discretionary retailing, especially fashion retailing. The Westfield Miranda development will also improve the overall amenity of the Miranda activity centre and provide better services for local businesses and workers, which would be expected to drive other commercial investment in the area.
- Either development scenario is expected to have a significant impact on the centres hierarchy in the Sutherland Shire, and expected to have sizeable impacts on nearby centres such as Caringbah and Miranda as well as the recently approved Woollooware Bay Town Centre.
 - The Caringbah activity centre would bear the largest impacts, estimated at -\$21 million or -11% with a sub-regional centre on the subject site and -\$12 million -6% with an outlet centre (and supermarket centre). The Caringbah centre, with existing issues of a recently failed retail centre (i.e. Caringbah Marketplace) would be challenged to sustain cumulative impacts in the order of -20%, when allowing for other developments already approved/underway (e.g. expansion of Westfield Miranda and new Woollooware Bay Town Centre).
 - Impacts on Westfield Miranda are expected to be sizeable under either development scenario, in the order of -\$60 million or -7%. It would be counterproductive to have such a large scale impact occur at a centre where substantial investment is being allocated to a key asset (i.e. Westfield centre) that will improve the overall amenity of the centre, enhance its capacity to service local residents and workers and provide greater support for existing rail infrastructure.
 - The recently approved Woollooware Bay Town Centre, which addresses a market gap of supermarket retailing in the eastern areas of the Sutherland Shire, would be impacted significantly by an estimated -\$11 million or -14% with a sub-regional type development on the subject site.
- In summary, the key findings of the centres hierarchy impacts assessment are as follows:
 - The magnitude of the impacts from both scenarios indicate outcomes where there will be significant diversion of activity away from existing centres and undesirable levels of impact on several centres, including Caringbah, Miranda and the planned Woollooware Bay Town Centre.
 - With such high levels of impact and given many centres are attracting significant investment and undergoing improvements to address market gaps and community needs, there is not a need for creation of a new activity centre within the already established centre hierarchy.
 - There would be greater economic benefits and advantages for the community with ongoing support and further strengthening of the centres hierarchy rather than an outcome where shopper activity is diverted to an industrial precinct that is not well serviced by public transport infrastructure and not conveniently accessible to residents of the area.
 - Furthermore, diverting activity from designated centres could result in reduced levels of future investment in these centres, thus further impacting the role and capacity of centres to adequately service the community.

EMPLOYMENT LANDS CONSIDERATIONS

- The Sutherland Draft LEP introduces a B7 – Business Park zone to facilitate development of “*new large floorplate offices in attractive setting*” in order to attract “*major new white-collar employers to the Shire*”. The overarching objectives of the proposed B7 zoning is to encourage business park type development on the subject site and create more locally based white collar jobs.
- Within the Sutherland Shire there is approximately 605 hectares of employment land, according to the Employment Land Development Program (ELDP) published by the DP&I in 2011. Of this area, some 23% or 140 hectares remains undeveloped and some 96% of the available land is located in the Kurnell industrial precinct, which is essentially only suited to ‘heavy’ industry. There is therefore a scarcity of employment land available for development to accommodate future employment growth, especially in terms of B7 type uses.
- The Draft LEP sets aside approximately 30 hectares of B7 – Business Park land in the Shire. The subject site represents a significant 9% of all B7 zoned land in the Sutherland Shire of B7 and could provide office type development generating employment for close to 2,000 workers. The site and its potential workforce would be a key contributor to providing employment opportunities for the future growth of the Sutherland Shire’s ‘white collar’ workforce, which is forecast to increase by 5,500 to 2036. The majority of these will have to join the already large numbers of workers who leave the Sutherland Shire to find employment if additional employment opportunities are not generated locally.
- According to 2011 Bureau of Transport (BTS) Journey to Work (JTW) data, a significant 60% of Sutherland Shire residents leave the municipality for their place of employment. Whilst the Sutherland Shire is well served with retail employment opportunities, office employment is in significantly shorter supply with 70% of the Sutherland Shire’s white collar workers travelling to places of work outside of the Shire. This exodus of white collar workers in particular places strain on the road and public transport system that could be somewhat alleviated if more of these jobs were retained locally.
- The development of ‘shop’ uses on the 32-40 Cawarra Road site will therefore have negligible effect in addressing the imbalance in the overall employment containment rate where there is the greatest need (e.g. in business that are most likely to locate within business park related land uses). Also it will take away the opportunity for development of business park uses that will be highly effective in increasing the employment containment rate in the Shire.
- Employment generation that achieves an increase in job containment will maximise the benefit to the Sutherland Shire, increasing the employment of the local workforce, reducing their journey to work and increasing the containment of income from job generation to the municipality, which will have flow-on benefits to the local economy.
- The employment yield of the site is maximised through development as a business park, with a significantly higher employment density than other land use options. Based on the potential employment yield against the potential floorspace, a business park use would generate by far the greatest level of employment, nearly 10 times that of a retail warehouse and around twice that of a standard sub-regional shopping centre.
- The Employment Strategy also notes that generally Sutherland Shire’s centres have not attracted the type of development that will deliver sufficient job growth to meet the 2001 to 2031 target of 8,000 additional jobs. It is therefore important the employment yield for strategic employment land, such as the subject site, be maximised and developed to provide white collar employment opportunities.
- The development of business parks can take some time to establish once initial development commences and a growing critical mass generates agglomeration benefits to businesses. This has certainly been the case with other business parks such as Macquarie Park and Norwest Business Park that took time to establish a critical mass of development. A short term retail focused opportunity would be detrimental to maintaining the B7 zoned land for long term employment generating development.

- In summary, the proposal to permit 'shop' uses on the subject site will result in the loss of a significant amount of B7 – Business Park zoned land that is suited to business park development, and in short supply in the Sutherland Shire in terms of undeveloped sites. The consequence is a reduction in white collar office/business employment opportunities which are being sought to improve alignment with the occupation profile of Sutherland Shire residents and in turn increase the level of employment containment in the Sutherland Shire. These outcomes are in conflict with the Sutherland Shire's Employment Strategy which is to "*plan for sufficient zoned land to achieve State employment targets*"; "*protect strategic employment lands*"; and "*improve employment self-containment*".

CONCLUSION

In conclusion, the 32-40 Cawarra Road site is best suited for B7 – Business Park uses and is integral to realisation of the core employment objectives outlined in Sutherland Shire's Employment Strategy. The allowance of 'shop' uses on the site would result in sub-optimal outcomes for the community and the local and broader regional economies.

Introduction

Urbis has been commissioned by Westfield to undertake an independent assessment of the potential economic impacts associated with the proposed draft Sutherland Local Environmental Plan (LEP) 2013 (herein referred to as Draft LEP), which refers to the property at 32-40 Cawarra Road, Caringbah.

The Draft LEP includes a number of substantial changes, including a provision to allow a 'shop' as an additional permitted use on the subject land (at 32-40 Cawarra Road, Caringbah), which is currently zoned B11 – Employment but proposed for a B7 – Business Park zoning. Shops and Bulky Goods Premises are prohibited uses in a B7 zone.

In approving exhibition of the Draft LEP, the Deputy Director General of the Department of Planning & Infrastructure (DoPI) noted:

“The draft LEP is inconsistent with section 117 Direction 1.1 business and Industrial Zones with regard to the additional uses proposed for land at 24-30 Cawarra Road (since corrected as 32-40 Cawarra Road), Taren Point and land at 31 Bay Road, Taren Point. Council is required to provide justification for these inconsistencies with Direction 1.1 when submitting the draft LEP for making.”

The subject land is located within the Caringbah/Taren Point light industrial precinct at the north-eastern corner of Cawarra Road and Meta Street. Key features of the subject site are as follows:

- It covers a rectangular shaped area of 25,935 sq.m (or approximately 2.6 hectares) within the southern area of a broader site previously occupied by a pharmaceutical facility.
- A subdivision of this larger parcel of land, including the subject site, was recently approved by Sutherland Shire Council to facilitate development of factory/warehouse units and business park uses. It is noted that several of the lots within the subject site have already been sold ahead of completion of the subdivision, which indicates an interest in the purchase of land that is proposed to be zoned B7 – Business Park.

Having regard to the permitted FSR of 1.5:1, the 2.6 hectare site could realise some 38,900 sq.m of gross floor area (GFA). Based on an assumed gross leasable area (GLA) to GFA ratio of 90%, approximately 35,000 sq.m of retail GLA could be developed as part of a multi-level development. This scale of retail development is used as the basis for the assessment of the economic impacts outlined in the Urbis report.

Specifically, the objectives of the report are to:

- Assess the impact of 'shop' uses on the subject land on the existing and planned centres hierarchy.
- Assess the impact of 'shop' uses on the subject land in terms of the site supporting the strategic objectives of the Caringbah/Taren Point industrial precinct and the proposed B7 – Business Park zoning and Sutherland Shire's Employment Strategy.

The analysis and findings of the report are outlined in the following sections:

- **Section 1** discusses the location attributes of the 32-40 Cawarra Road site.
- **Section 2** outlines the assessment of centre hierarchy impacts for two different retail development scenarios on the subject site, namely:
 - Scenario A: 35,000 sq.m sub-regional centre.
 - Scenario B: 35,000 sq.m centre including 25,000 sq.m of outlet retailing and 10,000 sq.m of supermarket/convenience based retailing.
- **Section 3** outlines the assessment of the impact of the proposal on employment lands and the Sutherland Shire's Employment Strategy.

1 Site and Location Attributes

As shown in Map 1.1, the 32-40 Cawarra Road site is located within the established Caringbah/Taren Point industrial precinct at the north-eastern intersection of Cawarra Road and Meta Street.

The Caringbah/Taren Point industrial precinct covers an area essentially extending from Captain Cook Drive in the south to Toorak Avenue in the north and for the most part is bounded by Taren Point Road in the west, although the precinct extends further west in the vicinity of Parraweena Road.

The business profile in this precinct is characterised by 'light industrial' factories and warehouses. Major employers include Pipe King, directly adjacent to the site, Hino Motor Sales and the NSW Regional Office of Toyota. The businesses in this area, including the range of bulky goods retailing located along Taren Point Road, provide employment for some 8,000 workers.

The subject land covers an area of 2.6 hectares, forming the southern portion of a larger land parcel that was previously occupied by a pharmaceutical facility. This land holding was approved for subdivision to accommodate small factories, warehousing and other light industrial uses. Several of the lots have already been sold ahead of completion of the subdivision, which indicates an interest in the purchase of land that is proposed to be zoned B7 – Business Park.

The subject land has 125 metre frontage to Cawarra Road and 200 metre frontage to Meta Street. Meta Street is not a through road and ceases about 100 metres east of the site. Cawarra Road is a key north-south oriented collector road through the estate, which links with Parraweena Road and Box Road in the north (which further connects with Taren Point Road in the west) and Captain Cook Drive in the south. The site is positioned 100 metres from Captain Cook Drive and 550 metres from Taren Point Road.

In the immediate vicinity of the site, there are mainly small one to two storey factories and warehouses, including the likes of; Istra Elements and Engineering, TLE Electrical & Data Suppliers and Sheet Metal Manufactures Pty Ltd.

The site represents a unique and strategic opportunity to deliver the objectives of Sutherland Shire's Employment Strategy (January 2013), recognising the relative size and capacity of the site to accommodate larger footprint offices and a broad range of businesses as well as the general scarcity of existing available land for B7 – Business Park uses in the Sutherland Shire.

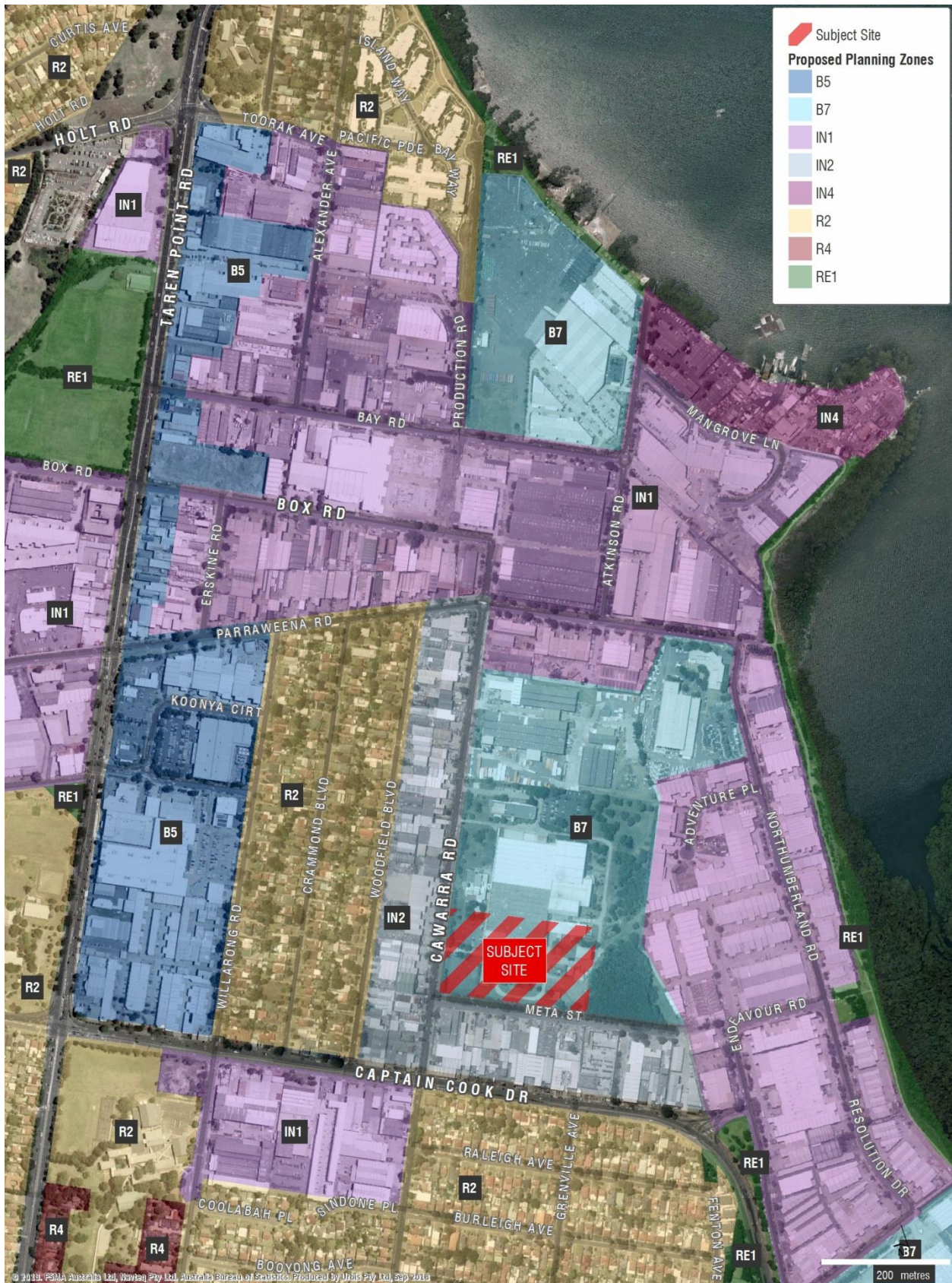
In addition, the Caringbah/Taren Point precinct and the existing businesses are an important feeder of employment for Shire residents with 64% of workers living in the Shire. Facilitating B7 – Business Park uses, which require a workforce well aligned to the occupation profile of Shire residents, will be integral in further ensuring Sutherland Shire residents have local employment choices and building the overall containment of employment.

The site has limitations for retail development, reflecting a range of factors including:

- It is surrounded by mainly light industrial uses and does not have connectivity with other retail areas/precincts, including the bulky goods precinct located along Taren Point Road (550 metres to the west with intervening residential and light industrial uses).
- It does not provide main road exposure.
- There are significant potential traffic related issues, recognising the width of connecting roads and use of on-street carparking by local workers and visitors during the work week.
- It is not well serviced by public transport, particularly in comparison with existing activity centres in the region.

There is a number of existing retail precincts in close proximity of the site, including:

- The Caringbah activity centre, located just over 1 km to the south.
- The Miranda activity centre, located 2 km to the south-west.



2 Activity Centres Impact Assessment

This section of the report outlines an assessment of the potential impacts that could arise as a result of the proposed amendment to allow 'shop' uses on the 32-40 Cawarra Road site.

2.1 TRADE AREA ANALYSIS

2.1.1 TRADE AREA DEFINITION

The trade area that could potentially be served by a 35,000 sq.m retail centre on the subject site has been defined taking into account the key principles that influence the draw of a centre, including road accessibility, the location and role of other activity centres, the geography of the region and any physical barriers.

The trade area defined for the purposes of the impact assessment is depicted in Map 2.1 and includes the Sutherland Shire and the Southern Suburbs of Sydney covering parts of the municipalities of Kogarah, Hurstville and Rockdale.

The main trade area, which is the area where the vast majority of the subject centre's draw would be expected to be captured from, extends to Sutherland activity centre in the west, Kogarah in the north and Cronulla in the east. Tertiary sectors have also been defined to enable the impact analysis to consider the effect of the subject development on centres such as Hurstville, Kogarah and Rockdale.

A sub-regional centre (Scenario A development) would have a reasonably contained draw and expected to capture more than three quarters of trade from Sutherland Shire residents, with a concentration of its draw from within 5 km of the centre. An alternative outlet centre use (Scenario B development) would be expected to have a broader draw with a lower 65% of trade drawn from Sutherland Shire residents.

The trade area is divided up into seven sectors; primary, secondary west and secondary north, which represent the main trade area, and tertiary west, tertiary north, tertiary north east and tertiary north west sectors. The primary, secondary west and tertiary west sectors cover Sutherland Shire.

2.1.2 POPULATION

Table 2.1 details the historic and forecast population for each sector of the trade area as defined by Urbis. Population growth is a key driver of retail expenditure growth and has been estimated for each trade area sector based on the following information:

- Population projections prepared in April 2010 and August 2013 by the NSW Department of Planning.
- Research into major residential developments currently underway or proposed within the trade area.
- Estimated Resident Population (ERP) in 2012 for Statistical Area 1 (SA1).
- ABS New Dwelling Approval (NDA) data up to July 2013.

As at July 2013, it is estimated that 448,000 people reside in the trade area, including 169,000 in the main trade area.

Urbis forecasts that by 2016 the main trade area resident population will grow to approximately 172,000 which is an average growth rate of 0.6% per annum. By 2021, the main trade area is expected to have 177,000 residents.

Overall, the main trade area is expected to grow slower than the Sydney forecast (1.3% per annum). This is largely due to the area being already well developed and future population growth having to come from infill development rather than broad hectare releases.



	Population			
	2007	2013	2016	2021
Primary	57,500	60,500	61,900	63,600
Secondary:				
North	28,300	30,400	31,100	32,900
West	<u>74,200</u>	<u>77,800</u>	<u>78,700</u>	<u>80,100</u>
Total Secondary	102,600	108,200	109,900	113,000
Main Trade Area	160,000	168,700	171,700	176,700
Tertiary Trade Area	<u>262,600</u>	<u>279,400</u>	<u>286,800</u>	<u>297,100</u>
Total Trade Area	422,600	448,100	458,500	473,800
	Annual Population Growth (no.)			
	2007-13	2013-16	2016-21	
Primary	500	470	340	
Secondary:				
North	350	230	360	
West	<u>600</u>	<u>300</u>	<u>280</u>	
Total Secondary	930	570	620	
Main Trade Area	1,450	1,000	1,000	
Tertiary Trade Area	<u>2,800</u>	<u>2,470</u>	<u>2,060</u>	
Total Trade Area	4,250	3,470	3,060	
	Annual Population Growth (%)			
	2007-13	2013-16	2016-21	
Primary	0.9%	0.8%	0.5%	
Secondary:				
North	1.2%	0.8%	1.1%	
West	<u>0.8%</u>	<u>0.4%</u>	<u>0.4%</u>	
Total Secondary	0.9%	0.5%	0.6%	
Main Trade Area	0.9%	0.6%	0.6%	
Tertiary Trade Area	<u>1.0%</u>	<u>0.9%</u>	<u>0.7%</u>	
Total Trade Area	1.0%	0.8%	0.7%	

Source : ABS; Regional and Population Growth 2011-12, Department of Planning 2013; Urbis

2.1.3 SOCIO-ECONOMIC PROFILE

The socio-economic profile of trade area residents is based on the 2011 Census of Population and Housing. The key characteristics of trade residents are outlined in Appendix A.

Of note, residents of the Sutherland Shire are reasonably affluent with an average household income of \$103,000 per annum. This contrasts with residents in the northern areas of the trade area where incomes are lower averaging \$89,000 per annum.

In terms of age profile the catchment area is not too dissimilar from Sydney as a whole. However, there are a slightly higher proportion of residents aged over 50 which pushed the average resident age to 38.5 years compared to Sydney's 37.1 years. This is consistent with the established nature of the region.

Residents of the Shire are very ethnically homogeneous with 81% of residents being born in Australia compared to 64% of Sydney residents generally. Residents of the northern portion of the catchment area are far more ethnically heterogeneous with 61% of residents being born overseas.

2.1.4 CATCHMENT RESIDENT RETAIL MARKET

The total size of the catchment area retail market is determined by the catchment area's resident population and per capita retail expenditure (which is influenced by the socio-economic profile of residents). These provide an estimate of the size of the retail market that the proposed development could draw trade from. The spending numbers detailed in this section are presented inclusive of GST and in constant 2013 dollars.

Per capita retail spending estimates have been derived using *MarketInfo 2010*, a widely used micro-simulation model by MDS Market Data Systems Pty Ltd. This model is based on information from the national ABS Household Expenditure Survey (HES), the Census of Population and Housing, as well as other information sources such as the ABS National Accounts. The model combines propensity to spend on particular goods and services with the socio-economic characteristics of individuals to derive spending estimates per capita on a small area basis.

Table 2.2 outlines the per-capita spending of residents across the trade area. Residents of the main trade area spend on average \$14,130 on retail goods and services every year. This includes \$5,750 on food retail, \$5,540 on non-food (excluding services) and \$2,800 on other retail (e.g. food catering and services).

Per Capita Retail Spending

CAWARRA ROAD, CARINGBAH TRADE AREA, 2013 (INCL. GST)

TABLE 2.2

	Food Retail	Non-Food ¹	Other Retail ²	Total Retail
Primary	5,808	5,704	3,000	14,511
Secondary:				
North	5,638	5,146	2,620	13,403
West	<u>5,754</u>	<u>5,572</u>	<u>2,786</u>	<u>14,112</u>
Total Secondary	5,721	5,453	2,739	13,914
Main Trade Area	5,752	5,543	2,833	14,128
Tertiary Trade Area	<u>5,446</u>	<u>5,092</u>	<u>2,535</u>	<u>13,073</u>
Total Trade Area	5,562	5,262	2,647	13,470

1. Excludes expenditure on services

2. Expenditure on food catering and services

Source: MDS, *MarketInfo 2010*; ABS, *Australian National Accounts: National Income, Expenditure and Product Accounts (5206.0)*; Urbis

In 2013, main trade area residents are estimated to spend \$2.4 billion on retail. This is forecast to grow by an average of 2% per annum, in real terms, resulting in a total retail market of \$2.8 billion (\$2013) in 2021. This is illustrated in Table 2.3.

Retail Spending

CAWARRA ROAD, CARINGBAH MAIN TRADE AREA (\$2013, INCL. GST)

TABLE 2.3

	Food Retail	Non-Food ¹	Other Retail ²	Total Retail	Annual Growth	= Pop Growth + Spend Growth
2013	968	932	477	2,377		
2016	1,003	1,027	511	2,541	1.9%	0.6% 1.3%
2021	1,048	1,203	570	2,820	2.1%	0.6% 1.5%

1. Excludes expenditure on services

2. Expenditure on food catering and services

Source: MDS, MarketInfo 2010; ABS, Australian National Accounts: National Income, Expenditure and Product Accounts (5206.0); Urbis

2.1.5 TAREN POINT WORKERS

Within the Caringbah/Taren Point industrial and bulky goods precinct there are approximately 8,000 workers according to the 2011 Census. Of these workers, around 64% live within Sutherland Shire and a further 12% live elsewhere in the trade area.

With the vast majority of these workers living within the trade area, the net additional benefit they provide to the size of the trade area market is limited.

2.2 ACTIVITY CENTRES HIERARCHY AND RETAIL SUPPLY

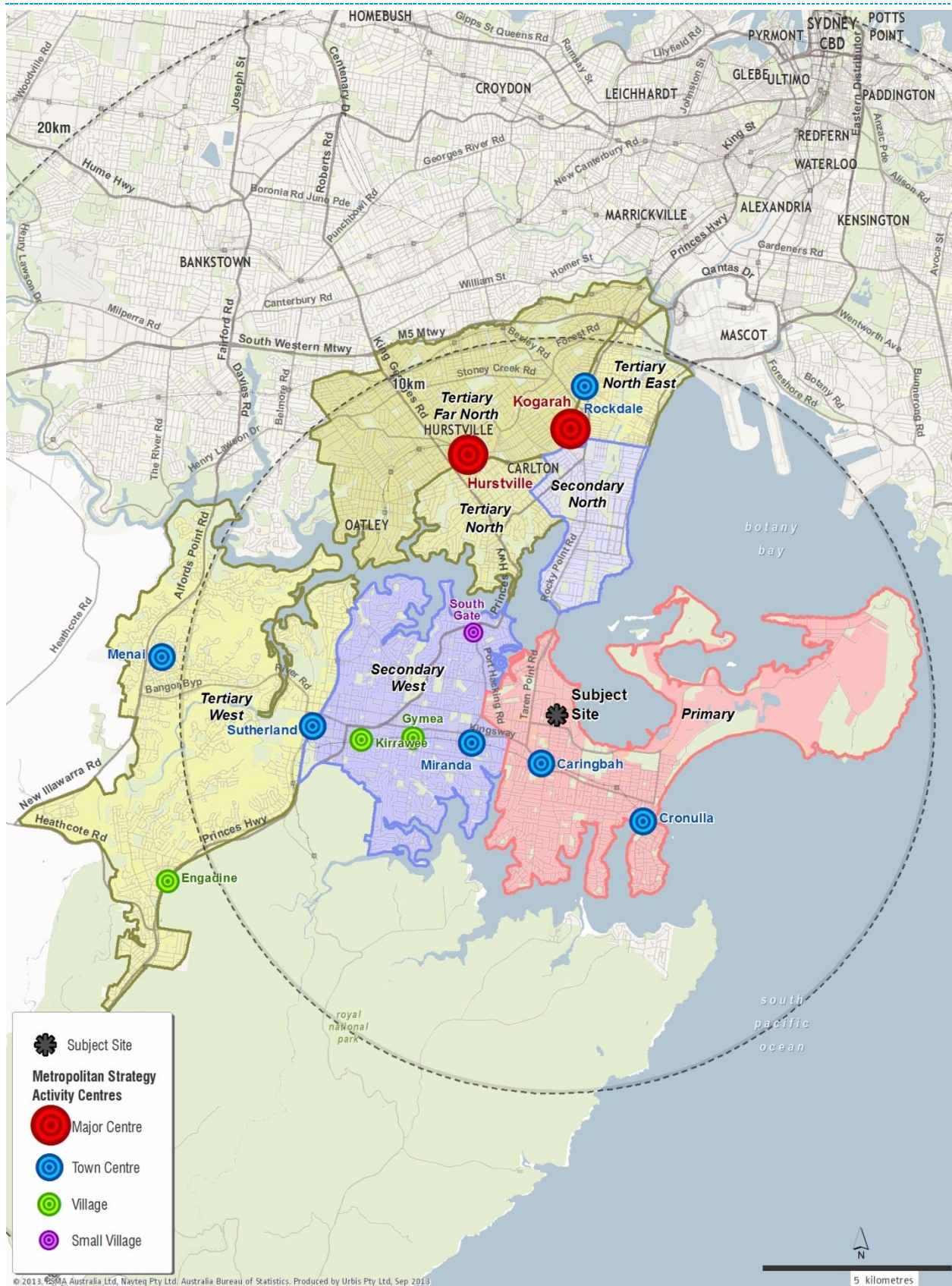
2.2.1 OVERVIEW

This sub-section of the report outlines a description of the existing and planned future centre hierarchy in the region of relevance to the 32-40 Cawarra site. The key activity centres in the region are shown in Map 2.2.

The Sutherland Shire has a well-established provision of activity centres, of which Miranda serves as the highest order centre (i.e. primary regional centre). Local based centres are well dispersed throughout the region, most of which are based around rail infrastructure and easily accessible by road. A major bulky goods precinct is also located along Taren Point Road, extending north from Captain Cook Drive. Overall, residents and visitors to the region have convenient access to a range of centres serving their variety of shopping needs.

Whilst there is currently lower than average supply of supermarket floorspace in the Sutherland Shire, a range of new developments are addressing this relative level of supply, including the improvements to the supermarkets at Westfield Miranda, new supermarket at Sans Souci, approved development at Woollooware Bay Town Centre and expansion to the Kareela centre. We understand there are mooted proposals at other activity centre in the region.

The improvements to existing centres and the retail offer generally address existing market gaps and will benefit the community by providing a convenient and accessible local offer that supports existing activity centres and transport infrastructure. This is a better outcome for the community as compared with retail development at 32-40 Cawarra Road, which would divert shopper activity away from designated activity centres and reduce support of major pieces of private and public infrastructure.



Below outlines some the key existing activity centres which will be affected by a significant retail presence at the subject site.

MIRANDA

Miranda is designated as a Town Centre in the Sydney Metro Strategy. Including the Westfield regional shopping centre, the Miranda activity centre is the main retail hub in the Sutherland Shire.

There is currently 93,000 sq.m of retail floorspace within Westfield Miranda. In addition to Westfield Miranda there is also an ALDI store and a small local shopping centre anchored by Coles. These along with additional strip shopping provide over 100,000 sq.m of retail floorspace across the whole of the Miranda activity centre.

Currently Westfield Miranda is undergoing a major redevelopment increasing leasable floorspace by 25,000 sq.m. The \$435 million investment will provide an enhanced entertainment offer, supported by a new dining precinct facing the Kingsway, and an upgraded retail offer including a new Woolworths supermarket and expanded range of fashion and other discretionary retailers. This development will provide residents of the Sutherland Shire and other southern suburbs of Sydney with a state-of-the-art retail centre delivering a high quality experience for customers.

The development will also improve amenities for the local workforce and enable better leverage of the Miranda rail station.

CARINGBAH

Caringbah is designated as a Town Centre under the Sydney Metro Strategy. There is approximately 13,000 sq.m of occupied retail space in this activity centre. The western portion of the activity centre is anchored by a Coles supermarket of 2,700 sq.m and Caringbah Village (which is anchored by an understood well performing Woolworths store of 4,400 sq.m).

The performance of the activity centre is significantly weaker in the eastern end, as evidenced by the now closed Caringbah Marketplace which is completely vacant and formerly anchored by a Franklins supermarket.

Generally, the Caringbah activity centre is focused on fulfilling the local community with food retail and convenience based shopping needs. The activity generated by this local retail in turn supports the wider functions of the centre including local businesses and community service providers.

SOUTHGATE (SYLVANIA) SHOPPING CENTRE

Southgate (Sylvania) Shopping Centre is designated as a Small Village under the Sydney Metro Strategy. The shopping centre has just under 20,000 sq.m of retail floorspace and is anchored by Kmart, Coles and Woolworths and includes an AMF bowling alley. As a centre Southgate functions very well in servicing the shopping needs of residents, and in turn is well supported by the local community.

CRONULLA

Cronulla is identified as a Town Centre under the Sydney Metro Strategy. Cronulla itself serves as a tourist hub with its proximity to beaches and areas of high environmental importance. In keeping with this theme, the retail offer of Cronulla has a strong focus on food, dining and leisure related retailing.

The retail strip in Cronulla includes two small format supermarkets, and IGA of 1,000 sq.m and a Woolworths (800 sq.m). Currently, the centre has a modest offer in terms of convenience based shopping needs to local residents. This is being address by the Woollooware Bay Town Centre development.

In addition to these centres the Taren Point IGA supermarket, located just west of Taren Point Road and on Parraweena Road, also has the potential to be significantly affected by development of 'shop' uses at the subject site.

2.2.2 FUTURE DEVELOPMENTS

In addition to the expansion of **Westfield Miranda**, as noted above there are three significant retail developments in the main trade area:

- **San Souci:** Supa Barn (2,600 sq.m supermarket) and convenience based retail of 450 sq.m at the base of Jameson apartment development in San Souci. We have assumed this is trading in 2015.
- **Kareela Shopping Centre:** Expansion and refurbishment of the Coles supermarket (addition of 160 sq.m) and additional retail specialty tenants of 600 sq.m, expected in 2015.
- **Woolooware Bay Town Centre:** This centre, to be built in conjunction with the Cronulla Sharks, is planned to include, along with entertainment facilities, a full line supermarket of 4,000 sq.m and approximately 6,000 sq.m of additional retail space. This development is expected in 2016.

2.3 IMPACTS ASSESSMENT

This sub-section assesses the potential trading and associated economic impacts of development of 'shop' uses on the subject land. The impact assessment is based on the development of 35,000 sq.m of retail floorspace (GLA), in different configurations, which would be attainable based on the permitted FSR for the site.

2.3.1 IMPACT METHODOLOGY

The impact assessment includes allowance for:

- Forecast market growth in the trade area of the subject site.
- The current role, composition, performance and geographic draw of existing activity centres in the region of relevance to the subject site. This analysis will examine the retail and broader non-retail role of relevant centres.
- Proposed or planned new retail development, including:
 - The major redevelopment of the Westfield Miranda centre, which involves a \$435 million investment in improvements to the centre.
 - The proposal, which was recently approved, for a new retail centre at Woolooware Bay Town Centre, anchored by a full-line supermarket, just west of Cronulla.
 - The development of a new supermarket anchored centre in Sans Souci, including a 2,635 sq.m Supabarn supermarket.
 - The expansion of the Kareela shopping centre.

Consideration of new retail developments is important as the development of retail uses on the subject land will not occur in isolation and other developments already committed or planned at existing activity centres will also have impacts in the centre hierarchy.

The method of analysis used to assess the impacts on the existing and planned centres hierarchy from proposed retail developments is based on a "competitive usage" model. This model is based on the principle that if shoppers choose to direct some of their retail expenditure to the subject development proposal then they will reduce their expenditure at other centres in direct proportion to their usage of each centre or location, as reflected by each centre's market share from the various trade area sectors.

The assessment of impacts on activity centres relies upon an understanding of the existing turnover and level of usage of these centres by trade area residents and other market segments (including beyond the trade area). These estimates result in market share calculations for each activity centre, and thereby form the basis of which the impact of retail development on the subject site is distributed to other activity centres by residents of the trade area for retail shopping.

There are two key steps in the impact analysis as follows:

- Estimate the impact on the activity centres from developments other than retail development at 32-40 Cawarra Road, Caringbah.
- Estimate the impact on the activity centres from development of 35,000 sq.m of 'shop' uses at 32-40 Cawarra Road, Caringbah. We have included two possible scenarios in this step:
 - **Scenario A:** 35,000 sq.m sub-regional shopping centre,
 - **Scenario B:** 35,000 sq.m outlet centre with a supermarket and associated shops.

2.3.2 ASSUMPTIONS

The key assumptions incorporated into the trading impact assessment are summarised below.

1. *Retail floorspace and turnover assumptions for a 35,000 sq.m retail centre at 32-40 Cawarra Road, Caringbah for retail development Scenario A and Scenario B*

Assumptions for Scenario A – Sub-Regional Centre

In order to estimate the potential impact of development of 'shop' uses on the subject site, the tenant mix and turnover productivity of a 35,000 sq.m centre is assumed to be similar to that of a sizeable sub-regional shopping centre under Scenario A.

In particular, the centre is assumed to be anchored by two discount department stores, two full-line supermarkets and supported by mini-major and specialty shop floorspace. This scale and composition of centre is similar to a double DDS based shopping centre which, on average, provides 37,000 sq.m of retail floorspace as reported in the *2011/12 Urbis Retail Averages*.

Other assumptions, highlighted in Table 2.4, are as follows:

- The tenant mix composition closely mirrors that of a double DDS based centre, i.e. around 13,000 sq.m of DDS floorspace, 7,000 sq.m of supermarket floorspace, 4,750 sq.m of mini-major floorspace and 10,250 sq.m of retail specialty shop floorspace.
- The average retail turnover productivity of a double DDS centre is \$6,430 per sq.m. It is assumed the centre trades similar to the average.
- The centre therefore has the potential to achieve a turnover of \$225 million (\$2013, including GST).

Indicative Retail Floorspace and Turnover

SUB-REGIONAL CENTRE (2016, \$2013 INCL. GST)

TABLE 2.4

TENANT TYPE	RETAIL GLA	TURNOVER	
		(\$M)	(\$ PER SQ.M)
DDSs	13,000 sq.m	\$43 M	\$3,310
Supermarkets	7,000 sq.m	\$73 M	\$10,460
Mini-Majors	4,750 sq.m	\$29 M	\$6,100
Retail Specialty Shops	10,250 sq.m	\$80 M	\$7,800
Total Centre (Retail)	35,000 sq.m	\$225 M	\$6,430

Source: Urbis

Assumptions for Scenario B – Outlet Centre and Supermarket Centre

Under Scenario B, the 35,000 sq.m of retail floorspace is assumed to be occupied by a 25,000 sq.m outlet centre and 10,000 sq.m supermarket anchored retail.

Other assumptions, as highlighted in Table 2.5, are as follows:

- In terms of the 25,000 sq.m outlet centre, the tenant mix is assumed to comprise 70% or 17,500 sq.m of apparel shops, around 500 sq.m of food catering shops and 7,000 sq.m of other retail uses.
- In terms of the remaining 10,000 sq.m of gross leasable area, this space is assumed to be occupied by a 4,000 sq.m supermarket and 6,000 sq.m of supporting mini-majors and specialty shops.
- Having regard to the typical performance of outlet centres and supermarket anchored centres, it is estimated that the average productivity of this centre would be \$5,940 per sq.m.
- The centre therefore has the potential to achieve a turnover of \$208 million (\$2013, including GST). This turnover is similar to the Scenario A development but with a significantly higher concentration of turnover in the non-food (apparel and homewares) categories.

Indicative Retail Floorspace and Turnover

OUTLET WITH SUPERMARKET CENTRE (2016, \$2013 INCL. GST)

TABLE 2.5

TENANT TYPE	RETAIL GLA	TURNOVER	
		(\$M)	(\$ PER SQ.M)
Supermarket	4,000 sq.m	\$45 M	\$11,260
Mini-Majors	5,000 sq.m	\$18 M	\$3,560
Outlet/Retail Specialty Shops	26,000 sq.m	\$145 M	\$5,580
Total Centre (Retail)	35,000 sq.m	\$208 M	\$5,940

2. Market share and geographic draw of a 35,000 sq.m retail centre at 32-40 Cawarra Road

For **Scenario A**, based on the usual patterns of trade for a two DDS anchored sub-regional centre, a 35,000 sq.m retail centre, achieving retail turnover of approximately \$225 million, would be expected to capture around \$188 million of main trade area resident retail spending. The other \$37 million would be sourced from markets further afield, including around Hurstville, Kogarah and Rockdale and workers in the Caringbah/Taren Point industrial precinct. The main trade area market share therefore would be around 7%, with approximately 17% of turnover sourced from outside this area. The centre is expected to have a reasonably contained draw and source around three quarters of turnover from residents of the Sutherland Shire.

While similar in floorspace and turnover, **Scenario B** will have a different distribution of trade. Of the \$208 million, approximately 10% is expected to be source from outside the trade area leaving \$188 million to impact retail spending by trade area residents, including \$141 million or around 68% of retail turnover from main trade area residents.

3. Other Activity Centre retail floorspace and turnover estimates

Based on publicly available sources, including the Shopping Centre Council's Shopping Centres Directory (2012), The Shopping Centre News annual Big Guns, Little Guns and Mini Guns publications and other information as well as field inspections by Urbis, an estimate of the retail turnover generated by retailers in each activity centre was estimated. These estimates are shown in the tables of **Appendix B**.

4. Allowance for other new retail developments

The impact analysis also allows for the potential trading impacts on activity centres from other proposed or planned retail developments. Other retail developments include the expansion of Westfield Miranda, expansion of the Kareela shopping centre as well as new retail centres in Sans Souci and Woollooware Bay Town Centre.

5. Assessment year is 2016

The impacts are assessed for the year ending June 2016. Spending and turnover estimates are expressed in constant \$2013 including GST.

2.3.3 TURNOVER IMPACT ASSESSMENT

Table 2.5 outlines the expected trading impacts on key activity centres in the Sutherland Shire and nearby areas as a result of both the Scenario A and Scenario B developments.

The key findings of the assessed trading impacts on individual centres are as follows:

- Development of some 35,000 sq.m of retail floorspace on the subject site would be expected to divert some \$123 million in turnover in **Scenario A** and \$103 million in turnover in **Scenario B** from the key centres in the Sutherland Shire and the southern suburbs of Sydney.
- Given the proximity of the **Caringbah activity centre**, this precinct will likely bear the largest percentage impact of any centre in the region, estimated at -11% or -\$21 million in 2016 under **Scenario A** and a lower \$12 million (-6%) under **Scenario B**. In either scenario this is a large impact that is at a level that could have adverse implications for some retailers and services, particularly when considering other developments such as the Westfield Miranda expansion and Woollooware Bay Town Centre would also impact the centre by a likely combined \$20 million or -\$10% under either scenario.
- The Caringbah centre, with existing issues of a recently failed retail centre (i.e. Caringbah Marketplace), would be significantly challenged to sustain cumulative impacts in the order of -20%. Even when allowing for market growth, turnover and in turn shopper activity at Caringbah is estimated to be between 12% and 16% lower in 2016 than today under Scenario B and Scenario A respectively. Development of 'shop' uses on the subject site could therefore compromise efforts to strengthen the centre, notably revitalise the weak eastern end.
- The impact on the **Miranda activity centre** is likely to be in the order of -\$62 million or -7% under Scenario A and -\$64 million or -7% under Scenario B. This impact would be distributed across the Westfield centre, the Coles anchored centre, ALDI and other retailers. This quantum of activity diverted away from the centre is significant and reflects the proximity and scale of the Miranda centre and direct competitiveness of the type of retail that could locate on the subject site.
- It would also be counterproductive to have such a large scale impact occur at a centre where substantial investment is being allocated to a key asset (i.e. Westfield centre) to improve the overall amenity of the activity centre and enhance its capacity to service local workers and residents of the wider Sutherland Shire. The development at the Westfield centre, which in addition to upgrading the retail offer is significantly enhancing the entertainment and dining facilities, could have a positive impact on the attraction of other investment, in the form of commercial development, and would be expected to drive greater utilisation of existing infrastructure (e.g. rail system). These benefits would be reduced with retail development at 32-40 Cawarra Road.
- As a result of being only a 3 minute drive from the subject site, the proposed **Woollooware Bay Town Centre** is expected to be impacted significantly by retail development at 32-40 Cawarra Road. Estimates indicate a trading impact in the order of -14% or -\$11 million in 2016 under **Scenario A**. The impacts are less (i.e. -\$6 million) under **Scenario B** due to the greater emphasis of the 'outlet' form of centre on discretionary retail.

- The Southgate centre and nearby Taren Point IGA would also be expected to be impacted significantly by retail development at 32-40 Cawarra Road, i.e. -6% and -13% respectively for **Scenario A** and -5% and -8% respectively for **Scenario B**.

2.3.4 CONCLUSION

The magnitude of the impacts from both scenarios indicate outcomes where there will be significant diversion of activity away from existing centres and undesirable levels of impact on several centres, including Caringbah, Miranda and the planned Woollooware Bay Town Centre.

With such high levels of impact and given many centres are attracting significant investment and undergoing improvements to address market gaps and community needs, there is not a need for creation of a new activity centre within the already established centre hierarchy.

There would be greater economic benefits and advantages for the community with ongoing support and further strengthening of the centres hierarchy rather than an outcome where shopper activity is diverted to an industrial precinct that is not well serviced by public transport infrastructure and not conveniently accessible to residents of the area.

Furthermore, diverting activity from designated centres could result in reduced levels of future investment in these centres, thus further impacting the role and capacity of centres to adequately service the community.

Activity Centre Impacts

CAWARRA ROAD, CARINGBAH RETAIL DEVELOPMENT (\$2013M INCL GST)

TABLE 2.4

	Est. Retail Turnover (\$M) ¹	Sub-Regional Centre Impact		Outlet Centre Impact	
Shopping Area	Existing 2013	Relative to: 2013	2016	Relative to: 2013	2016
Competing Centres					
Miranda AC	726.3	+13.1%	-7.1%	+12.8%	-7.3%
Hurstville AC	435.2	+4.7%	-1.3%	+4.0%	-2.0%
Menai Marketplace	145.0	+0.1%	-1.2%	-0.5%	-1.8%
Southgate (Sylvania) SC	180.6	-6.2%	-5.5%	-5.3%	-4.6%
Rockdale Plaza	109.3	+2.0%	-2.3%	+1.9%	-2.4%
Kogarah AC	104.7	+2.2%	-1.5%	+2.5%	-1.2%
Sutherland AC	57.9	-3.9%	-3.0%	-2.6%	-1.7%
Caringbah AC	206.0	-16.5%	-10.7%	-12.1%	-6.1%
Kareela Shopping Centre	56.2	-5.8%	-3.9%	-4.2%	-2.3%
Cronulla AC	153.1	-8.4%	-5.3%	-6.4%	-3.3%
Ramsgate AC	52.3	-7.5%	-4.4%	-5.9%	-2.8%
Janali AC	47.0	-3.4%	-2.8%	-2.5%	-1.8%
Bangor Shopping Centre	20.5	+0.1%	-0.9%	+0.0%	-1.0%
Taren Point IGA	35.0	-19.7%	-12.8%	-14.9%	-7.5%
Total Above Centres	2,329	+1.9%	-5.0%	+2.4%	-4.5%
New Additions					
Supa Barn San Souci			-5.9%		-3.6%
Karella SC Expansion			-4.0%		-2.7%
Woollooware Bay Town Centre			-13.9%		-7.9%
Total New Additions			-11.0%		-6.4%

¹ Year ending June

² Turnover CHANGE is a comparison to current 2013 turnover

Turnover IMPACT is a comparison to expected turnover would otherwise be in the forecast year if the subject development did not occur.

Source : Property Council 'Shopping Centre Directory', 2012; Shopping Centre News 'Big Guns, Little Guns and Mini Guns'; Urbis

3 Employment Lands Analysis

This section of the report outlines an assessment of the impacts of the proposed allowance of 'shop' uses on the subject site at 32-40 Cawarra Road, Caringbah on the achievement of key objectives of the Sutherland Shire's Employment Strategy and B7 Business Park zoning. Provision of sufficient unconstrained employment land that will attract development, new businesses and jobs into the Sutherland Shire is identified as a key issue in the Sutherland Shire Council Employment Strategy 2013. The objectives of this strategy, that will be reviewed further in this assessment, include:

- To plan for sufficient zoned land to achieve State employment targets.
- To protect strategic employment lands for the future.
- To improve employment self-containment.

This will be assessed through an analysis of the Sutherland Shire's existing employment lands, their characteristics and supply, and identified drivers of demand for employment, including Business Park/office based employment. The structure of this assessment is as follows:

- Section 3.1 assesses 32-40 Cawarra Road, Caringbah against identified drivers for industrial and office development
- Section 3.2 revise the quantity, attributes and distribution of employment land throughout the Sutherland Shire, and its potential to attract investment and development that will support future employment growth.
- Section 3.3 will assess drivers of employment growth for the Sutherland Shire, and the type of development that will maximise employment growth and containment for the Sutherland Shire.
- Section 3.4 will assess the employment yield of the subject site, based on different land use options including retention of the land as strategic employment land zoned as B7 Business Park.
- Section 3.5 forecasts the future employment growth by industry sector for Sutherland Shire, and the subsequent employment land demand until 2036.

3.1 DRIVERS OF BUSINESS PARK AND INDUSTRIAL DEMAND

The subject site is located within the Caringbah/Taren Point industrial precinct and is the second largest employment lands precinct in Sutherland Shire, comprising approximately 120 hectares (according to the ELDP 2011). It services the largest range of employment activities in the Sutherland Shire, including utilities, local industry and light and heavy manufacturing. Some key industries in the area include the Toyota site located between Endeavour Drive and Captain Cook Drive and Australian Plastic Profiles amongst others.

Typically businesses will only relocate to suburban business parks or suburban CBD locations if the type of business does not have a direct requirement for proximity to the principle Sydney CBD in order to conduct business or superior agglomeration with similar business types and access to infrastructure/services found in non-metropolitan/CBD locations. Drivers of development and therefore demand for suitable office accommodation are also linked to affordable land, access to a strong and growing labour force (with a considerable proportion of white collar workers) and good amenity and arterial road links.

White collar services sectors drive demand for floor space in business park and CBD locations. Office developments are permissible under the subject site's B7 'Business Park' zoning in the Sutherland Draft LEP. For this to be realised however there are a number of locational drivers that influence the development of new office floor space.

In addition to this, Urbis have identified a number of key drivers of employment land development. Employment lands in the Sutherland Shire need to be able to compete with other locations in order to attract this development. To achieve this competitive advantage the employment lands available for development need to have characteristics required by industrial operators.

A combination of these have been outlined in Table 3.1 to provide an indication of the key sites attributes sought after by light industrial and office base businesses that would comprise Business Park tenants.

Drivers of Business Park Demand

32-40 CAWARRA ROAD, CARINGBAH

TABLE 3.1

DRIVERS	SUBJECT SITE	OPERATOR	COMMENTS
Good road access	✓	Office and Industrial	Good access to local road network
Access to freight / major transport routes	-	Industrial	Good access to the local road network, but not directly connected to a major freight corridor
Potential to achieve main road frontage	-	Industrial	Frontage on Cawarra Road, which is not a main road
Buffer zones between residential developments	✓	Industrial	Site located within an industrial precinct, and designated B7 Business Park zoned precinct under the 2013 Draft LEP
Access to both blue and white collar workforce	✓	Office and Industrial	Centrally located within the Shire. A significant proportion of white and blue collar workers currently travel outside the LGA for work.
Accessible via public transport	✓	Office	1 km from Caringbah rail station, with bus services to the subject site
Suitable facilities and expansion potential	✓	Office and Industrial	Changes in the economy/business needs may result in changed demand for accommodation
Cost per sq.m for larger floor plates	✓	Office and Industrial	The economies of scale of larger lot sizes
Potential co-location with tenants' office headquarters	✓	Industrial	Located within the Caringbah / Taren's point industrial precinct
Consolidation of company workforces and operational efficiency	✓	Office	Larger floor plates help attract anchor tenants, to consolidate workforce on a single floor
Ability to provide a mix of large and small floor plates	✓	Office and Industrial	Subject site can provide a large floor plate or could be subdivided

Source: Urbis

This indicates that the subject site has many of the attributes that would potentially drive both office and industrial development. In order to identify the need to retain this land specifically for Business Park use need to be considered in the context of available supply of similar land throughout the Sutherland Shire, covered below.

3.2 EMPLOYMENT LAND SUPPLY

3.2.1 OVERVIEW OF MAJOR SUTHERLAND SHIRE INDUSTRIAL PRECINCTS

According to the Employment Lands Development Program (ELDP), the Sutherland Shire has an estimated 605.1 hectares of zoned employment lands as of 2011. Most of this land is developed, with 23% estimated to be undeveloped. Much of the employment land in the Sutherland Shire are highly fragmented, and service local industry such as car repairs, panel beaters and other start up local industrial businesses. The main industrial areas in Sutherland are detailed below:

Kurnell

In November 2010, a Voluntary Planning Agreement was signed between Sutherland Shire Council and joint land owners, Australand and Breen, which saw 124 hectares of land rezoned from industrial business to residential and open space. The remaining 236 hectares of industrial lands at Kurnell, service mainly heavy manufacturing and utilities / urban services businesses, including Caltex Refineries, Cronulla Sewage Treatment Plant, Waste Disposal and Recycling Centre, sand mining and Continental Carbon. In 2014, the Caltex oil refinery will be converted into a fuel import terminal, which will shift the primary industrial use of the precinct from refining to import / logistics operations.

Caringbah–Miranda and Taren Point

This is the second largest employment lands precinct in Sutherland, which according to the ELDP (2011) comprises approximately 143 hectares including the subject site. It services the largest range of employment activities in Sutherland Shire, including utilities, local industry and light and heavy manufacturing. Some key industries in the area include the Toyota site located between Endeavour Drive and Captain Cook Drive and Australian Plastic Profiles among others.

Kirrawee

Kirrawee is the third largest cluster of Employment Lands in Sutherland Shire comprising 60.2 hectares according to the ELDP (2011). The area has an interesting clustering of related land uses. Car sales yards, front the Princes Highway, part of Oak Road North and the eastern part of Waratah Street. Behind the car yards between Oak and Waratah Street, the dominant Employment Lands use is car repairs and related uses. Further north towards Boulevard Street and Bath Street there is a mixture of heavy industry, engineering companies and storage companies. Further north towards Garnet Street is the Sutherland Council depot.

Menai

The Menai Employment Lands area services mainly utilities / urban services and local industry. The area incorporates two fragments. The smaller portion is located on the north side of Menai Road and to the east of Alford's Point Road and is known as Menai Gateway. The area houses a Fire Station and telephone exchange as well as automotive repairs, recreational facilities and bathroom manufacturing. The second and larger area is located along Old Illawarra Road and Menai Road. The area contains the Menai Auto Centre, Menai Services Centre and provides a range of urban support services. The area acts as a transition from the retail area located on the northern side of Old Illawarra Road. Uses include retail, IT services, place of worship, recreation facilities and marine repairs among others. The employment area is well located to service the local community, has good access to Old Illawarra Road and contains modern building stock.

3.2.2 SUPPLY AND DISTRIBUTION OF EMPLOYMENT LAND

To better understand the necessity to protect strategic employment land within the Sutherland Shire, it is important to understand the supply of employment lands and its distribution throughout the municipality. Table 3.2 below outlines the total stock of employment land throughout Sutherland Shire, with the split between undeveloped and developed employment land by industrial precinct drawn from the Employment Land Development Program (ELDP) published by the DP&I in 2011.

It is noted that these figures do not include the 7 hectares of land made available for development when the former Johnson & Johnson facility, located on a site at Cawarra Road, was closed and demolished. The effect of this change on available B7 zoned land is discussed later in this sub-section.

Employment Land Precincts

SUTHERLAND SHIRE, HECTARES (HA), 2011

TABLE 3.2

PRECINCT	UNDEVELOPED	DEVELOPED	TOTAL	% UNDEVELOPED
Caringbah/Taren Point	1.3	142.6	143.9	1%
Engadine	0.0	0.6	0.6	0%
Heathcote	0.0	0.5	0.5	0%
Heathcote (Burns Road)	0.0	3.7	3.7	0%
Kirrawee	3.5	56.7	60.2	6%
Kurnell	135	236.2	371.2	36%
Menai	0.0	4.3	4.3	0%
Miranda	0.1	8.2	8.3	1%
Taren Point/Bulky Goods	0.0	12.3	12.3	0%
Total	139.9	465.1	605.1	23%

Source: ELDP 2011; Urbis

While 23% (139.9 hectares) of employment land in the Sutherland Shire was undeveloped in 2011, approximately 96% (135 hectares) of this was located in the Kurnell industrial precinct. As discussed earlier, Kurnell's principal development is the Caltex oil refinery (which will be converted into an oil import terminal in 2014), with the remaining uses focused primarily in heavy manufacturing, utilities/urban services including the Cronulla Sewage Treatment Plant, Waste Disposal and Recycling Centre. In addition to this, there are a number of constraints on the undeveloped employment land identified in Table 3.2 that would likely preclude sustaining the level and type of economic activity that could be achieved in the Caringbah/Taren Point precinct. These constraints include:

- The surrounding undeveloped land contains vegetation communities such as marshes, dunes, mangroves, swamps that are included in the Endangered Ecological Communities (EECs) and Endangered Population (EP)
- The undeveloped land may require soil remediation, bulky earthworks and filling, construction of additional roads or infrastructure services to make industrial development viable
- Does not align with the key drivers for Business Park development, notably lacking:
 - ✓ Accessibility to public transport
 - ✓ Infrastructure services such as bus stops and railway stations
 - ✓ Low proximity to surrounding commercial and retail centres
 - ✓ No access to main road frontages and exposure
 - ✓ Access to main freight / logistics corridors

By comparison the remaining undeveloped employment lands comprise only 0.8% (4.8 hectares) of total zoned employment land within Sutherland Shire. These are located on brownfield sites with access to the local road network and, in the case of the Caringbah/Taren Point precinct, public transport. This land is better placed to support more diverse employment land use, however it is in significantly shorter supply than the more constrained land located in Kurnell.

This indicates that the majority of the employment land identified in the 2011 ELDP is currently developed, or significantly constrained to preclude it from potentially supporting Business Park type developments.

In addition to this, none of the precincts outside of Kurnell have experienced significant take-up of undeveloped according to the ELDP in 2011. This reflects the lack of unconstrained employment land available to the market, and is reflected in the Sutherland Shire's take-up rate, outlined in Table 3.3 below:

Employment Land Take-Up

SUTHERLAND LGA 2008 TO 2011, HECTARES (HA)

TABLE 3.3

PRECINCT	2008-2009	2009-2010	2010-2011	TOTAL
Kurnell	1.8	22.4	0.2	24.4

Source: ELDP 2011; Urbis

Table 3.3 illustrates that Kurnell is the only precinct that has experienced any significant take-up of employment land. The lack of take-up across the balance of the Sutherland Shire reflects the lack of unconstrained undeveloped employment land, which may limit the Council's ability to attract the development and investment necessary to create employment opportunities for local workers within the Sutherland Shire.

According to the Draft LEP it is estimated that there is approximately 30 hectares of land zoned B7 Business Park, approximately 18 hectares of which is estimated to be developed. The remaining 12 hectares of undeveloped land are primarily located in the Caringbah/Taren Point Industrial estate (in which the 32-40 Cawarra Road site is located). The undeveloped land comprises the site formerly occupied by a pharmaceutical (Johnson & Johnson) facility and 4.7 hectares located at 31 Bay Road.

Given the constraints on the remaining undeveloped land within the Sutherland Shire discussed, it is important that B7 Business Park zoned brownfield sites, such as 32-40 Cawarra Road, be retained to support employment growth consistent with the Sutherland Shire's Employment Strategy.

3.2.3 SUMMARY

The key findings of the analysis of available employment land supply are as follows:

- The Employment Land Development Program (ELDP) indicates that the supply of undeveloped employment land in the Sutherland Shire is focused primarily in the industrial precinct of Kurnell, containing 135 hectares of undeveloped land, comprising 96% of Sutherland LGAs undeveloped employment land.
- Kurnell's principal development is the Caltex oil refinery, which will be converted into a fuel import terminal in 2014, however also services heavy manufacturing and utilities / urban services businesses, Cronulla Sewage Treatment Plant, Waste Disposal and Recycling Centre, sand mining and Continental Carbon.
- While the ELDP has identified a supply of undeveloped industrial land in Kurnell, it lacks strong public transport links, making it relatively difficult to access for workers and is not as well connected to key road infrastructure compared to other employment precincts such as Caringbah.
- Kurnell is also heavily constrained, with the surrounding undeveloped land containing vegetation communities such as marshes, dunes, mangroves, swamps that are included in the Endangered Ecological Communities (EECs) and Endangered Population (EP) areas.

- While this land may be viable for more heavy industrial development, and uses that are compatible with the future fuel import terminal, it is unlikely to support the business park uses or industrial tenants identified under B7 Business Park zoning, which typically require sites accessible to workers, serviced by public transport and connected to key road networks / infrastructure.
- The remaining undeveloped employment land comprises a small proportion of the total employment lands in the Sutherland Shire, indicating employment land within the Shire capable of servicing B7 Business Park type developments is in relatively short supply.
- Therefore the proposal for development of 'shop' uses on the subject site will reduce the already limited supply of land for Business Park/industrial developments, and potential to expand employment within these sectors.

3.3 EMPLOYMENT GROWTH AND DEMAND DRIVERS

This section will assess the population, demographic and employment drivers and outcomes of employment land development. It will seek to address some of the economic objectives of the Sutherland Shire Employment Strategy, such as:

- Retention of employment generating land
- Growing Sutherland Shire's employment base
- Improving employment containment within Sutherland Shire

3.3.1 POPULATION AND DEMOGRAPHICS

As shown in Table 3.4, population growth in Sutherland and the South Sub-Region slowed from 2001-2006, with Sutherland Shire reporting negative growth over this period. Subsequent growth from 2006 onwards however has been positive, with a growth rate of 0.7% from 2006 to 2011 in the Sutherland Shire.

The latest forecasts by the NSW Bureau of Transport Statistics project a steady growth rate from 2011 to 2036, with Sutherland having an average growth rate of 0.5% similar to the South sub-region which is forecast to grow by 0.5% per annum over this period.

Historic and Forecast Population

SUTHERLAND SHIRE HISTORIC AND FORECAST POPULATION 2001 TO 2036 TABLE 3.4

Estimated Resident Population (No.)								
LGA	2001	<u>Actual</u> 2006	2011	2016	2021	<u>Forecast</u> 2026	2031	2036
Sutherland	213,310	212,531	219,755	225,537	230,268	234,732	240,020	245,939
South sub-region	570,029	575,849	608,861	630,102	644,959	658,625	674,657	692,516
Sydney (GCCSA)	4,128,261	4,281,988	4,605,992	4,921,705	5,229,861	5,544,145	5,859,194	6,171,687

Annual Change in Resident Population (% CAGR)								
LGA	<u>Actual</u> 2001-2006	2006-2011	2011-2016	2016-2021	<u>Forecast</u> 2021-2026	2026-2031	2031-2036	2011-2036
Sutherland	-0.1%	0.7%	0.5%	0.4%	0.4%	0.4%	0.5%	0.5%
South sub-region	0.2%	1.1%	0.7%	0.5%	0.4%	0.5%	0.5%	0.5%
Sydney (GCCSA)	0.7%	1.5%	1.3%	1.2%	1.2%	1.1%	1.0%	1.2%

Average Annual Change in Resident Population (No.)								
LGA	<u>Actual</u> 2001-2006	2006-2011	2011-2016	2016-2021	<u>Forecast</u> 2021-2026	2026-2031	2031-2036	2011-2036
Sutherland	-156	1,426	1,144	938	886	1,048	1,172	1,047
South sub-region	1,159	6,456	4,190	2,944	2,710	3,176	3,535	3,346
Sydney (GCCSA)	30,297	62,924	61,479	60,143	61,398	61,625	61,206	62,628

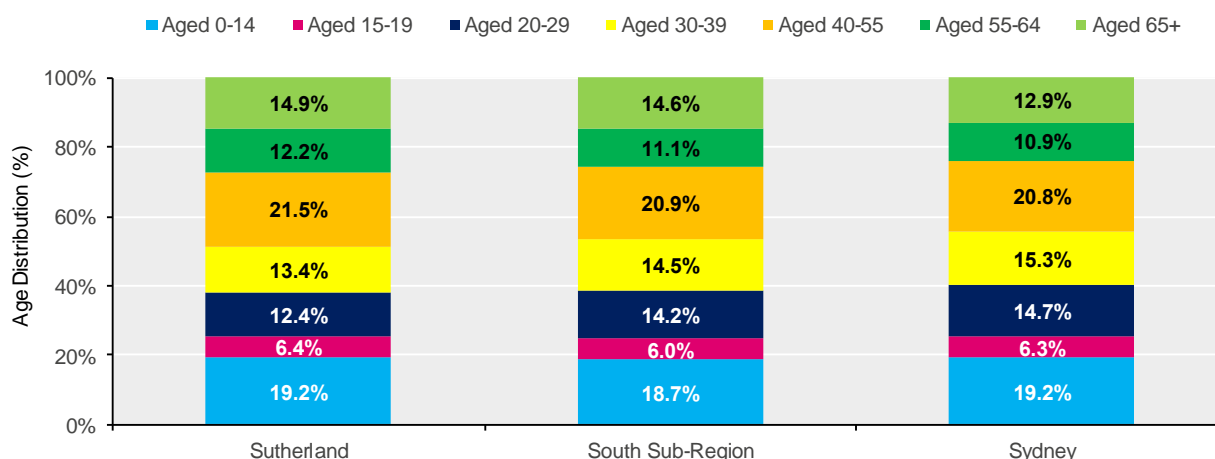
Source : ABS Census 2011, NSW Bureau of Statistics, Urbis

Chart 3.1 outlines the age distribution amongst Sutherland Shire residents compared to the Southern Sub-region and Sydney Metropolitan Area. Sutherland Shire has a higher proportion of people aged 40-54 and 55-64 years, suggesting a mature and experienced workforce, which account for a high percentage of workers in managerial and professional occupations as outlined Table 3.5 below, which aligns with the purposes of the business park, catering largely for office workers. Sutherland Shire also has a higher proportion of residents aged between 0–13 years, indicating slightly more families with dependent age children than the wider Southern Sub-region.

Age Distribution

SUTHERLAND, SOUTHERN SUBREGION AND GREATER SYDNEY, 2011

CHART 3.1



Source : ABS Census 2011, Urbis

Compared to the broader Southern Sub-Region, Sutherland Shire has a higher proportion of professional and managerial workers. This aligns with the high proportion of white collar workers residing in the Shire compared to the Southern Subregion, representing 76% and 73% of workers respectively. This indicates the proposed business park on the subject land would align with the occupational groups of the local workers in the Shire.

Workforce Profile

SUTHERLAND, SOUTHERN SUBREGION AND GREATER SYDNEY, 2011

TABLE 3.5

	Sutherland	South Sub-Region	Sydney
Labour Force and Unemployment			
Employed	110,558	273,688	2,063,186
Unemployed	3,984	15,646	125,667
Labour Force	114,542	289,334	2,188,853
% Unemployed	3.5%	5.4%	5.7%
Labour Force Participation	69.8%	64.8%	65.6%
Position of Employment			
Managers	14.4%	12.5%	13.5%
Professionals	23.4%	22.9%	26.0%
Technicians & trades workers	14.1%	13.7%	12.4%
Community & Personal Service Workers	10.0%	9.6%	9.0%
Clerical & Administrative Workers	18.7%	17.9%	16.5%
Sales Workers	10.1%	9.9%	9.2%
Machinery operators & Drivers	4.0%	5.8%	5.8%
Labourers	5.3%	7.8%	7.5%
Proportion of white collar and blue collar			
White Collar (%)	76.5%	72.8%	74.3%
Blue Collar (%)	23.5%	27.2%	25.7%

Source : ABS Census 2011, Urbis

Table 3.6 shows that the average household income varies across the three study areas with Sutherland Shire having the highest average income of \$102,431, which is higher than the Sydney average (\$94,428) and the Southern Sub-Region (\$89,041). Sutherland has 42% of workers earning in excess of \$104,000 per annum, which is higher compared to 33% for the South sub-region and 36% for the Sydney average.

This trend aligns with the percentage of managers and professionals in those regions, as well as the age distribution, suggesting that a large proportion of the local workforces are experienced white collar workers.

Household Income

SUTHERLAND, SOUTHERN SUBREGION AND GREATER SYDNEY, 2011

TABLE 3.6

	Sutherland	South Sub-Region	Sydney
\$Neg/Nil	0.9%	1.7%	1.7%
\$1-\$10,400	1.1%	1.7%	1.7%
\$10,400-\$15,600	2.0%	2.8%	2.8%
\$15,600-\$20,800	5.2%	6.1%	5.7%
\$20,800-\$31,200	7.4%	9.2%	8.5%
\$31,200-\$41,600	7.2%	8.7%	8.0%
\$41,600-\$52,000	7.4%	8.3%	7.6%
\$52,000-\$65,000	7.3%	8.4%	8.1%
\$65,000-\$78,000	7.1%	7.6%	7.6%
\$78,000-\$104,000	12.7%	12.7%	12.6%
\$104,000-\$130,000	10.9%	9.7%	9.4%
\$130,000-\$156,000	11.8%	9.2%	10.6%
\$156,000-\$182,000	8.4%	6.2%	6.4%
\$182,000-\$208,000	3.9%	3.0%	3.3%
\$208,000 plus	6.6%	4.9%	6.1%
Average Household Income	\$102,431	\$89,041	\$94,428

Source : ABS Census 2011, Urbis

3.3.2 ECONOMIC STRUCTURAL CHANGE

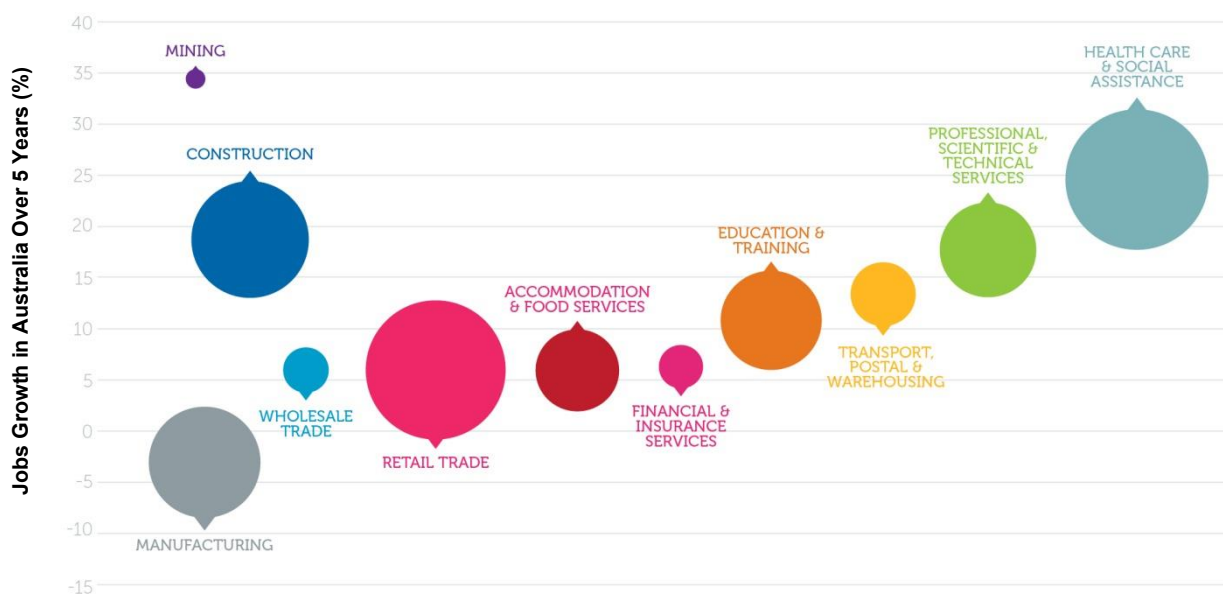
An important component of assessing the demand for employment lands is the ongoing structural changes occurring across different industry sectors within the economy. This has been identified as a challenge in the Sutherland Shire Employment Strategy, noting that traditional manufacturing, construction and warehouse employers have either closed relocated to cheaper better connected sites in Sydney's west or moved offshore. Chart 3.2 outlines this structural change at a national level over the last 5 years, illustrating:

- Contribution of the sector towards employment – indicated by the size of bubble
- Growth of jobs in each sector over the past 5 years – indicated by the position of each sector against the Y-Axis
- Employment growth trends – whether the employment in the sector is expanding or contracting. This is indicated by the direction of the nib on each bubble

Jobs Growth

2006 TO 2011, AUSTRALIA

CHART 3.2



Source: DEEWR (2011); Urbis

The fastest growing employment sector nationally over the last five years has been the mining sector, followed by the Health Care Sector. The size of the sectors however differ markedly, with Mining growing from a much smaller employment base (as indicated by the size of each industries respective circle), compared to the Health and Social Assistance Sector. Other sectors experiencing growth include Construction which follows Health Care and Social Assistance in its rate of growth, Accommodation and Food Services, Education and Training, and Professional Scientific & Technical Services.

The industries that contracted over this period consist mainly of industrial sectors such as Manufacturing, Wholesale Trade, Transport, Postal and Warehousing, however service based industries such as the Financial and Insurance Services and Retail Trade sectors have also contracted.

Traditionally Manufacturing has comprised a larger proportion of Australia's employment base. While Manufacturing still comprises a significant but falling proportion of Australia's employment base, this has changed markedly over the past 5 years.

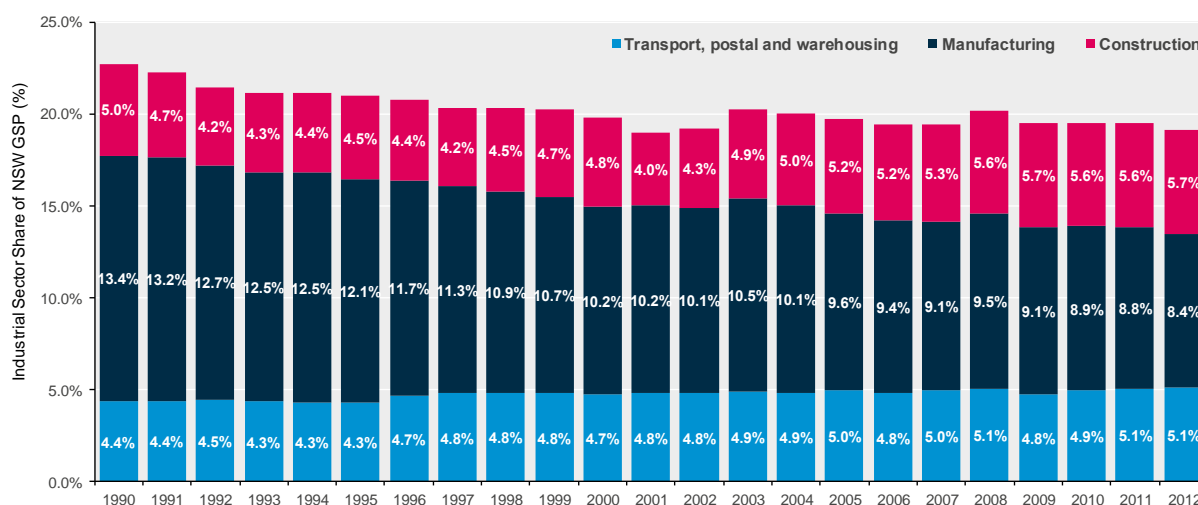
This contraction in manufacturing has also been occurring in NSW and, in addition to showing a fall in employment represents a declining share of NSW Gross State Product (GSP). Chart 3.3 overleaf shows that overall industrial sector GSP has fallen as a share of overall in NSW - this has been particularly evident within the Manufacturing Sector which fell from 13.4% in 1990 of the States GSP to 8.4% in 2012. Conversely there has been an increase in Transport, Postal and Warehousing and Construction sector share of overall GSP, increasing from 4.4%-5.1% and 5%-5.7% respectively.

This highlights the structural change amongst NSW's industrial sector economy, which has seen manufacturing being less of a centre of production than Construction and Transport, Postal and Warehousing sectors.

Share of Gross State Product (GSP)

INDUSTRIAL SECTORS, NSW

CHART 3.3



Source : Urbis; ABS, Australian National Accounts: State Accounts, 2011-12

3.3.3 SUTHERLAND SHIRE – EMPLOYMENT PROFILE

These NSW trends have been reflected in the employment profile of Sutherland Shire residents.

As shown in Table 3.7, between 2006 and 2011 manufacturing employment contracted by 1,152 jobs (11.3% of manufacturing jobs), while construction employment expanded by 778 (8.6% of construction jobs). There has also been a marginal reduction in the Transport, Postal and Warehousing industry sector potentially due to the fact that Sutherland is not located in Sydney's major freight and logistics corridors, bringing it more in line with the national trend for this sector to contract.

The key growth industry sectors that employed Sutherland workers were focused amongst services and professional service sectors, with:

- Professional, scientific and technical services growing by 923 jobs (10.5% employment growth)
- Public administration and safety growing by 564 jobs (7.8% employment growth)
- Administration and support services growing by 180 jobs (5.7% employment growth)
- Education and training growing by 1,105 jobs (12.5% employment growth)
- Health care and social assistance growing by 1,584 jobs (15.5% employment growth)

The availability of this labour force is a key determinant for businesses considering relocation into Sutherland Shire, and represents opportunities for new businesses to capitalise on a changing workforce profile.

Resident Employment Profile

SUTHERLAND SHIRE RESIDENT EMPLOYMENT BY INDUSTRY, 2006 AND 2011

TABLE 3.7

	2006	2011	Change 2006 - 2011
Agriculture, Forestry and Fishing	203	120	-83
Mining	100	207	107
Manufacturing	10,157	9,005	-1,152
Electricity, Gas, Water and Waste Services	1,211	1,208	-2
Construction	9,087	9,865	778
Wholesale Trade	5,634	5,319	-315
Retail Trade	11,777	11,500	-277
Accommodation and Food Services	6,060	5,820	-240
Transport, Postal and Warehousing	8,013	7,941	-72
Information Media and Telecommunications	2,126	2,170	44
Financial and Insurance Services	6,501	6,599	98
Rental, Hiring and Real Estate Services	2,383	2,201	-183
Professional, Scientific and Technical Services	8,751	9,674	923
Administrative and Support Services	3,162	3,342	180
Public Administration and Safety	7,221	7,785	564
Education and Training	8,840	9,946	1,105
Health Care and Social Assistance	10,252	11,836	1,584
Arts and Recreation Services	1,555	1,656	101
Other Services	4,458	4,365	-93
Inadequately described	-	-	-
Not stated	-	-	-
Total	107,491	110,558	3,067

Source : ABS Census 2011, Urbis

Table 3.8 overleaf outlines the jobs in Sutherland Shire in 2006 and 2011, showing an increase of 6,872 jobs over this period.

The key growth sectors reflect the structural changes identified in the Sutherland Shire Employment Strategy (2013), with jobs growth within the Sutherland Shire focused primarily within services sectors, specifically:

- Health Care and Social Assistance growing 1,624 jobs (25% employment growth)
- Professional, scientific and technical services growing by 1,104 jobs (26% employment growth)
- Construction growing 961 jobs (24% employment growth)
- Accommodation and Food Services growing 673 jobs (15% employment growth)
- Education and Training growing 651 jobs (13% employment growth)

Again, similar to shifts in the Sutherland Shire workforce outlined in Table 3.8, jobs growth is focused primarily in services and professional services sectors. Similarly to the broader economic trends, manufacturing jobs fell in Sutherland Shire, despite the majority of the other industrial sector jobs growing over this period.

Jobs in Sutherland Shire

SUTHERLAND SHIRE JOBS BY INDUSTRY, 2006 AND 2011

TABLE 3.8

	2006	2011	Change 2006 - 2011
Agriculture, Forestry and Fishing	99	63	-36
Mining	56	50	-6
Manufacturing	5,943	5,590	-353
Electricity, Gas, Water and Waste Services	283	402	119
Construction	4,035	4,996	961
Wholesale Trade	2,429	2,556	127
Retail Trade	9,435	9,882	447
Accommodation and Food Services	4,364	5,037	673
Transport, Postal and Warehousing	1,535	1,651	116
Information Media and Telecommunications	358	412	54
Financial and Insurance Services	1,581	1,471	-110
Rental, Hiring and Real Estate Services	1,133	1,096	-37
Professional, Scientific and Technical Services	4,181	5,285	1,104
Administrative and Support Services	1,229	1,460	231
Public Administration and Safety	2,257	2,538	281
Education and Training	4,883	5,534	651
Health Care and Social Assistance	6,577	8,201	1,624
Arts and Recreation Services	811	955	144
Other Services and not stated	2,799	3,559	760
Inadequately described	608	730	122
Total	54,596	61,468	6,872

Source : BTS 2006 and 2011JTW; Urbis

These structural changes have an impact on the type of employment located in the Sutherland Shire, which can have an impact on the match between the local Sutherland Shire workforce and jobs growth.

As at 2011, the number of Sutherland Shire residents that are employed exceeded the number of jobs by approximately 49,000 jobs outlined overleaf in Chart 3.4. The job gap exists across all industries, but was particularly prevalent in:

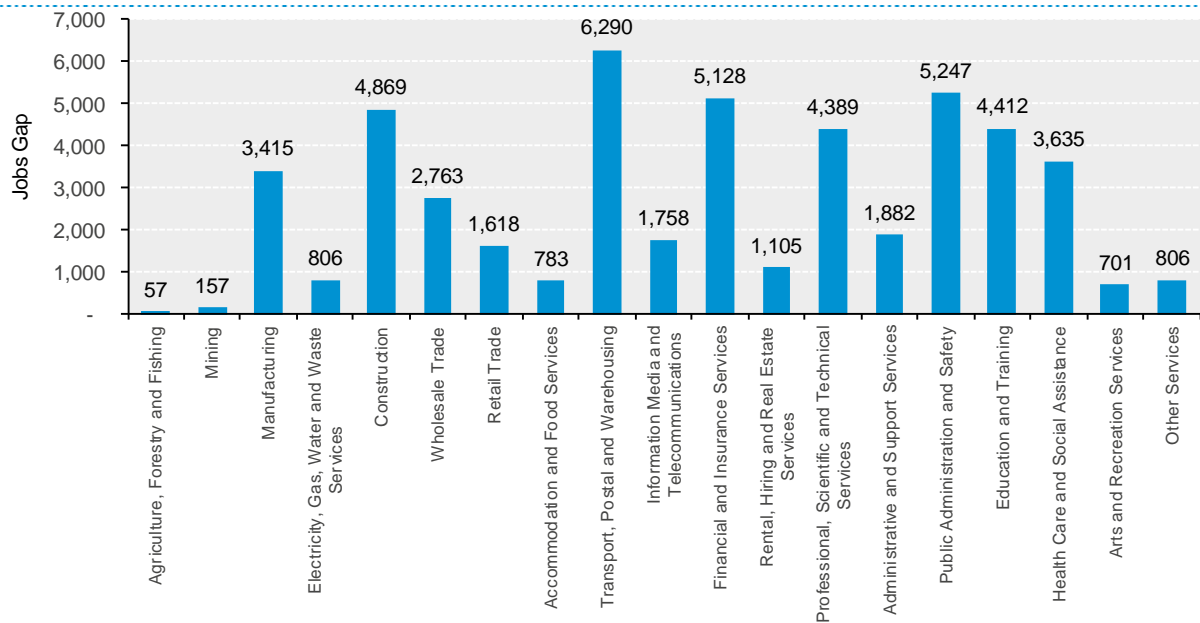
- Transport, Postal and Warehousing
- Financial and Insurance
- Public Administration and Safety
- Education and training
- Health Care and Social Services
- Construction
- Manufacturing
- Professional, Scientific and Technical Services

In each of these industries, the number of Sutherland Shire residents employed significantly exceeds the number of jobs located in Sutherland Shire. Jobs creation in these industries in the Sutherland Shire could be absorbed by Sutherland Shire residents who currently travel outside of the region to work. This would result in an overall higher level of employment containment within the region thus satisfying a key objective outlined in the Sutherland Shire Employment Strategy.

Jobs Gap

RESIDENT WORKFORCE AND JOBS IN SUTHERLAND SHIRE, 2011

CHART 3.4



Source : ABS Census 2011; Urbis

3.3.4 EMPLOYMENT CONTAINMENT

Employment containment is a core objective of the Sutherland Shire Employment Strategy, and reflects the proportion of Sutherland Shire workers who are employed locally within the Sutherland Shire. The Sutherland Shire currently has an employment containment rate of just 40%, which in other words means 60% of workers that live in Sutherland are employed outside the Shire. This is outlined more specifically in Table 3.9 overleaf.

Employment generation that achieves an increase in job containment will maximise the benefit to the Sutherland Shire, increasing the employment of the local workforce, reducing their journey to work and increasing the containment of income from job generation to the municipality.

Focusing employment growth in industry sectors that have a high proportion of local workers leaving the Shire for work is more likely to result in an improvement in the job containment rate. Conversely employment growth in sectors that already have high employment containment is more likely to result in workers from outside the Shire filling these jobs.

Table 3.9 overleaf illustrates that the retail sector currently has a containment rate of 65%, indicating that 35% of Sutherland Shire retail workers leave the municipality for work. Looking specifically at industry sectors that can be accommodated within B7 - Business Park zones, these have an aggregate employment containment rate of 30%, indicating the 70% of workers within these sectors need to leave the Sutherland Shire for work.

Employment Containment

SUTHERLAND SHIRE BY INDUSTRY, 2011

TABLE 3.9

	Resident Workers	Employed Residents	Employment Containment %
Agriculture, Forestry and Fishing	42	122	34.4%
Mining	33	169	19.5%
Manufacturing	3,536	8,775	40.3%
Electricity, Gas, Water and Waste Services	228	1,279	17.8%
Construction	3,639	9,594	37.9%
Wholesale Trade	1,723	5,251	32.8%
Retail Trade	7,219	11,062	65.3%
Accommodation and Food Services	3,867	5,773	67.0%
Transport, Postal and Warehousing	1,166	7,731	15.1%
Information Media and Telecommunications	322	2,083	15.5%
Financial and Insurance Services	1,208	6,339	19.1%
Rental, Hiring and Real Estate Services	932	2,181	42.7%
Professional, Scientific and Technical Services	3,791	9,386	40.4%
Administrative and Support Services	1,106	3,297	33.5%
Public Administration and Safety	1,642	7,485	21.9%
Education and Training	4,449	9,732	45.7%
Health Care and Social Assistance	5,634	11,394	49.4%
Arts and Recreation Services	802	1,738	46.1%
Other Services	2,246	4,219	53.2%
Inadequately described	546	1,331	41.0%
Not stated	345	936	36.9%
Total	44,476	109,877	40.5%

Source : BTS and 2011JTW; Urbis

In assessing the economic importance of the subject site as employment land it is important to consider its potential to retain employment within the Shire. An optimal employment containment outcome will not be achieved with the development of land uses that supports an industry sector that already has a high containment rate. This combined with the lack of available undeveloped land within the Sutherland Shire that can support Business Park type development illustrates the diminishing supply of employment land with the potential to support jobs in industries that will improve employment containment within the Sutherland Shire.

3.3.5 SUMMARY

The key findings of the analysis into the importance of the subject land in supporting greater containment of Shire workers are as follows:

- Structural changes have occurred across the NSW and Sutherland Shire economy, shifting both workforce capacity and local jobs away from manufacturing to services sectors. This has resulted in a reduction in manufacturing employment locally and a significant increase in 'white collar' workers living within the Sutherland Shire. Despite an increase in local jobs within the Sutherland Shire, the 'jobs gap' i.e. the number of workers who leave the Shire for work is 49,000 workers.
- The Sutherland Shire currently has an employment containment rate of just 40%, which in other words means 60% of workers that live in Sutherland are employed outside of the municipality. Focusing jobs growth in industries with significant jobs gap will create opportunities to retain more workers locally, capturing the benefits of increasing Sutherland Shire employment growth locally.
- This will maximise the benefit to the Sutherland Shire, increasing the employment of the local workforce, reducing their journey to work and increasing the containment of income from job generation to the municipality.

- Focusing employment growth in industry sectors that have a high proportion of local workers leaving the municipality for work is more likely to result in an improvement in the job containment rate. Conversely employment growth in sectors that already have high employment containment is more likely to result in workers from outside the municipality filling these jobs.
- The retail sector currently has a containment rate of 65%, with jobs growth in this sector more likely to draw on workers from outside the Shire than industry sectors that can be accommodated within B7 Business Park zones, which has a significantly lower employment containment rate of 30%.
- Supporting jobs in industries that can be accommodated within B7- Business Park zones is therefore expected to retain more local workers, and have a significant positive impact on the Sutherland Shire's employment containment rate.
- The development of strategic B7 Business Park zoned land for 'shop' uses would be counterproductive to the achievement of the key objectives of the Sutherland Shire Employment Strategy and would impact on the long term ability for a business park to develop.

3.4 POTENTIAL EMPLOYMENT YIELD AT 32-40 CAWARRA ROAD

In addition to employment containment, job creation itself is a key objective in the Council's Employment Strategy, which identifies 'out-of centre' employment lands as where the majority of future jobs are likely to occur.

The Strategy also notes that generally Sutherland Shire's centres have not attracted the type of development that will deliver sufficient job growth to meet the 2001 to 2031 target of 8,000 additional jobs. It is therefore important the employment yield for strategic employment land, such as the subject site, be maximised. This is driven by a number of factors, including the development scale and the potential employment yield of different land-use options.

Table 3.10 below outlines potential employment yield scenarios under different land use development options, namely comparison between a typical Business Park, a retail warehouse and standard retail development. Each use has differing development footprints, site requirements and likely floor space yield. Based on the potential employment yield against the potential floorspace, a business park use would generate by far the greatest level of employment, nearly 10 times that of a retail warehouse and around twice that of a standard sub-regional shopping centre.

The employment densities range of 1 employee for every 20 sq.m in a business park use to 1 employee for every 70 sq.m in a retail warehouse.

Potential Employment Yield

32 – 40 CAWARRA ROAD, CARINGBAH

TABLE 3.10

LAND USE	FSR	POTENTIAL FLOOR SPACE (SQ.M)	SQ.M / PER EMPLOYEE	POTENTIAL EMPLOYMENT YIELD
Business Park	1.5 ¹	38,900	20	1,945
Retail (Sub-Regional)	1.35 ²	35,000 ³	35	990
Warehouse Retail	0.54	14,000 ⁴	70	200

¹Sutherland Draft LEP

²FSR relative to GLA

³Standard double DDS anchored sub-regional centre floorspace

⁴Approximate floor space for retail warehouse development

It worth noting that Business Park employment density can vary significantly, however on a per hectare basis typically achieves a higher employment yield on both a per hectare and per sq.m of floorspace basis. A number of case studies that identify the per hectare employment yield of different business parks indicate that:

- Macquarie Park, due to the high number of office based employment sectors, results in relatively high employment density of 294 people per hectare.
- Norwest has more of a mixed industry profile, which results in a lower employment density than what was found at Macquarie Park, at 74 persons per hectare.
- The industrial precinct of Somerton in Melbourne provides comparison to an area that services mainly industrial sector businesses, resulting in a comparatively lower density of some 12 persons per hectare.

The higher yield of Business Park developments compared to other land uses illustrates the higher potential employment generated through successfully attracting office based industry sectors, demonstrating the value of retaining B7 Business Park zoned land with attributes that attract office development.

3.5 EMPLOYMENT LAND DEMAND FORECASTS

In considering the need to retain the site as strategic employment land, it is necessary to consider the future demand for business park land within the Sutherland Shire. The lack of unconstrained employment land that can support a business park use within the Sutherland Shire creates the risk to the Sutherland Shire that future employment growth (estimated from workforce growth) will not be retained within the LGA.

Future demand for employment land in the Sutherland Shire can be estimated by applying the NSW DoP's job forecasts for the Sutherland Shire, and applying land per employee ratios to these. This involves the following:

1. Analysis of job growth forecasts at the individual industry level
2. Converting jobs growth per industry into jobs growth by land use
3. Converting forecasted jobs growth into floor space requirements
4. Converting floor space requirements into demand for employment land

3.5.1 EMPLOYMENT LAND FORECAST

1. Sutherland Jobs Forecasts

Workforce growth has been used to provide a forecast employment growth rate from 2011 to 2036. The key variable involved in this process our outlined in Table 3.11, and include:

- A reduction in the working age population from 66% in 2011 to 63% in 2036, in line with NSW Bureau of Transport Statistics population forecasts.
- A growing labour force participation amongst the working age population.
- A stabilisation in the unemployment rate at 3% from 2016 to 2036.
- An increase in the proportion of jobs to the number residents in the workforce, increasing to 66% compared to 57% in 2011.

Employment and Workforce Forecast

SUTHERLAND SHIRE

TABLE 3.11

	2001	2006	2011	2016	2021	2026	2031	2036
Estimated Resident Population (No.)	213,310	212,531	219,755	225,537	230,268	234,732	240,019	245,939
Change in Resident Population (No.)		-779	7,224	5,782	4,731	4,464	5,287	5,920
0 - 14 years (%)	20%	19%	19%	19%	19%	19%	18%	18%
65 years and above (%)	12%	13%	15%	15%	17%	18%	18%	19%
15-64 years (%)	68%	68%	66%	66%	65%	64%	63%	63%
15 - 64 years (No.)	145,051	144,521	144,834	147,930	148,683	149,772	151,709	154,559
Labour Force Participation (%)	68%	70%	70%	71%	72%	73%	73%	73%
Labour Force Participation (No.)	98,925	101,729	101,166	105,031	107,052	108,585	110,748	112,828
Unemployment (%)	3.5%	2.9%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%
Unemployment (No.)	3,493	3,000	3,541	3,151	3,212	3,258	3,322	3,385
Resident Workforce (No.)	95,431	98,730	97,625	101,880	103,840	105,327	107,425	109,443
Jobs in the Study Area (No.)	53,391	54,500	57,100	59,772	63,000	66,091	69,523	71,963
Jobs Provision (%)	56%	55%	57%	59%	61%	63%	65%	66%

Source: Urbis

2. Sutherland Jobs Growth by Industry

Table 3.12 below presents BTS's forecast of the industry composition of jobs that are located in Sutherland Shire to 2036. The forecast actual number of jobs by industry is presented in Table 3.13 overleaf. As shown, the industries that are expected to experience the greatest total growth in number of jobs between 2011 and 2036 are professional, scientific and technical services; retail trade; accommodation and food services; education and training; and, healthcare and social assistance services, while manufacturing will continue to experience a downward decline in local jobs.

Industry Distribution Employment Forecasts

SUTHERLAND SHIRE BY INDUSTRY SECTOR (%)

TABLE 3.12

	Actual		Forecast					
	2001	2006	2011	2016	2021	2026	2031	2036
Agriculture, forestry & fishing	0.3%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Mining	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
Manufacturing	13.6%	10.9%	9.1%	7.3%	6.1%	5.4%	5.0%	4.8%
Elec., gas, water & waste services	0.2%	0.5%	0.7%	0.4%	0.3%	0.3%	0.3%	0.3%
Construction	7.2%	7.4%	8.1%	7.9%	7.8%	7.4%	7.2%	7.1%
Wholesale trade	4.7%	4.4%	4.2%	3.6%	3.6%	3.6%	3.6%	3.6%
Retail trade	22.5%	17.3%	16.1%	17.2%	17.0%	17.0%	17.0%	17.0%
Accommodation & food services	5.1%	8.0%	8.2%	8.9%	8.6%	8.5%	8.5%	8.5%
Transport, postal & warehousing	2.3%	2.8%	2.7%	2.3%	2.1%	1.9%	1.7%	1.7%
Information media & telecomm.	0.9%	0.7%	0.7%	0.4%	0.4%	0.4%	0.3%	0.3%
Financial & insurance services	2.4%	2.9%	2.4%	2.6%	2.7%	2.7%	2.7%	2.7%
Rental, hiring & real estate services	5.8%	2.1%	1.8%	1.9%	1.8%	1.6%	1.5%	1.5%
Prof., scientific & tech. services	5.8%	7.7%	8.6%	8.8%	9.7%	10.5%	11.0%	11.4%
Administrative & support services	1.3%	2.3%	2.4%	2.6%	2.5%	2.4%	2.3%	2.2%
Public administration & safety	1.3%	4.1%	4.1%	4.6%	4.7%	4.7%	4.8%	4.9%
Education & training	8.8%	8.9%	9.0%	8.2%	8.8%	9.2%	9.5%	9.7%
Health care & social assistance	11.1%	12.0%	13.3%	13.6%	14.4%	14.9%	15.2%	15.3%
Arts & recreation services	2.0%	1.5%	1.6%	2.1%	2.0%	2.1%	2.0%	2.0%
Other / unclassified	4.7%	6.2%	5.8%	7.5%	7.2%	7.1%	7.0%	6.9%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Source: 2001, 2006 and 2011 ABS Census; NSW BTS 2012, Urbis

Employment by Industry Forecasts (No.)

SUTHERLAND SHIRE BY INDUSTRY SECTOR

TABLE 3.13

	Actual		Forecast						Change 2011-2036	
	2001	2006	2011	2016	2021	2026	2031	2036	No.	%
Agriculture, forestry & fishing	137	99	59	74	68	67	68	69	18	31.2%
Mining	32	56	46	92	104	116	127	137	71	153.9%
Manufacturing	7,237	5,933	5,193	4,345	3,851	3,585	3,491	3,458	-2,441	-47.0%
Elec., gas, water & waste services	131	283	373	228	206	199	197	196	-86	-22.9%
Construction	3,822	4,028	4,641	4,698	4,944	4,903	5,020	5,124	992	21.4%
Wholesale trade	2,534	2,425	2,374	2,174	2,283	2,390	2,493	2,563	68	2.9%
Retail trade	12,021	9,418	9,180	10,282	10,704	11,236	11,804	12,248	2,386	26.0%
Accommodation & food services	2,712	4,356	4,679	5,304	5,408	5,609	5,879	6,107	1,523	32.5%
Transport, postal & warehousing	1,239	1,532	1,534	1,375	1,334	1,238	1,211	1,192	-321	-21.0%
Information media & telecomm.	487	357	383	269	255	248	239	229	-119	-31.0%
Financial & insurance services	1,305	1,578	1,366	1,525	1,684	1,786	1,880	1,924	301	22.1%
Rental, hiring & real estate services	3,084	1,131	1,018	1,137	1,116	1,080	1,064	1,044	-67	-6.6%
Prof., scientific & tech. services	3,085	4,174	4,909	5,236	6,116	6,945	7,676	8,179	3,503	71.3%
Administrative & support services	675	1,227	1,356	1,550	1,549	1,563	1,569	1,558	342	25.2%
Public administration & safety	675	2,253	2,358	2,745	2,940	3,132	3,343	3,512	1,090	46.3%
Education & training	4,703	4,874	5,141	4,911	5,551	6,100	6,600	6,946	1,726	33.6%
Health care & social assistance	5,914	6,565	7,618	8,113	9,046	9,849	10,575	11,039	4,010	52.6%
Arts & recreation services	1,064	810	887	1,249	1,280	1,355	1,425	1,470	616	69.4%
Other	2,534	3,401	3,306	4,464	4,560	4,693	4,861	4,967	1,460	44.2%
Total	53,391	54,500	57,100	59,772	63,000	66,091	69,523	71,963	15,023	26.3%

Source: 2001, 2006 and 2011 ABS Census; NSW BTS 2012, Urbis

3. Sutherland Jobs Business Park Land Use Assessment

As shown in Table 3.14, a total of 5,652 new jobs that can be accommodated within Business Park developments are forecast between 2011 and 2036. This is primarily driven by Office related employment; however this will also include a small expansion in the Shire's Light Industrial employment.

Business Park Employment Growth

SUTHERLAND SHIRE BUSINESS PARK JOBS GROWTH

TABLE 3.14

Estimated Business Park Jobs	2011	2016	2021	2026	2031	2036	Total Growth (No.)
Light Industrial	4,588	4,438	4,450	4,524	4,647	4,742	154
Manufacturing/Light Industrial	697	708	619	622	624	632	-65
Transport and Warehousing	1,074	963	934	867	848	835	-239
Wholesale Trade	2,817	2,767	2,897	3,035	3,175	3,275	458
Office	12,419	13,588	14,893	16,078	17,184	17,916	5,497
Total Business Park Jobs	17,007	18,026	19,342	20,602	21,831	22,659	5,652

Average Annual Change (%)	2011-2016	2016-2021	2021-2026	2026-2031	2031-2036	Compounding Annual Growth Rate (CAGR %)
Light Industrial	-0.7%	0.1%	0.3%	0.5%	0.4%	0.1%
Office	1.8%	1.9%	1.5%	1.3%	0.8%	1.5%
Total	1.2%	1.4%	1.3%	1.2%	0.7%	1.2%

Annual Change (No)	2011-2016	2016-2021	2021-2026	2026-2031	2031-2036	Average Annual Growth (No.)
Light Industrial	-30	2	15	24	19	6
Office	234	261	237	221	146	220
Total	204	263	252	246	166	226

Source: Urbis; ABS Census 2011; NSW BTS 2012

4. Business Park Land Demand

To determine the land requirement that will arise from the forecast additional jobs in Sutherland Shire, we have derived employment densities in land area terms from the typical employment yield per hectare for different types of business park land uses. While there is a net increase in employment within the Light Industrial industry sectors, the lower employment density amongst manufacturing and transport industries means a fall in jobs in these sectors will have a greater impact on demand for employment land than the increase in Wholesale Trade, which typically have a higher employment density. This is highlighted in Table 3.15.

Business Park Land Demand

SUTHERLAND BUSINESS PARK LAND DEMAND (HECTARES)

TABLE 3.15

Business Park Land Area	2011	2016	2021	2026	2031	2036	Total Growth (Ha) 2011-2036
Light Industrial	124	118	114	112	113	114	-9
Office	138	151	165	179	191	199	61
Total	262	269	279	291	304	313	52

Average Annual Change (%)	2011-2016	2016-2021	2021-2026	2026-2031	2031-2036	Compounding Annual Growth Rate (CAGR %)
Light Industrial	-0.9%	-0.7%	-0.3%	0.2%	0.2%	-0.3%
Office	1.8%	1.9%	1.5%	1.3%	0.8%	1.5%
Total	0.6%	0.7%	0.8%	0.9%	0.6%	0.7%

Average Annual Take-Up	2011-2016	2016-2021	2021-2026	2026-2031	2031-2036	Average Annual Take-Up (Ha)
Light Industrial	-1.1	-0.9	-0.3	0.2	0.2	-0.4
Office	2.6	2.9	2.6	2.5	1.6	2.4
Total	1.5	2.0	2.3	2.6	1.8	2.1

Source: Urbis; ABS Census 2011; NSW BTS 2012

3.5.2 SUMMARY

Under the Sutherland Draft LEP the subject site is located within the Caringbah industrial precinct which contains 7 hectares of undeveloped B7 Business Park zoned land (in which the subject site sits) and an additional 4.7 hectares of undeveloped Business Park land at 31 Bays Road. Based on the forecast take up rate of Business Park land in Table 3.15 Sutherland Shire will fall into deficit by 2018.

To support employment growth up to this point within industry sectors requiring Business Park zoned land it is important that the subject site's land use is maintained. If suitable land with the characteristics to support Business Park development is not available in the Sutherland Shire, there is a risk that this development and the subsequent employment will relocate to other municipalities with employment land able to accommodate this demand. This reflects the importance of maintaining the supply of employment lands within the Sutherland Shire, retaining the capacity to support this future growth in employment.

3.6 CONCLUSION

This study's key findings supporting the retention of the subject site as B7 Business Park employment land are as follows:

- The Draft LEP introduces a B7 – Business Park zone to facilitate development of “*new large floorplate offices in attractive setting*” in order to attract “*major new white-collar employers to the Shire*”. The overarching objectives of the proposed B7 zoning is to encourage business park type development on the subject site and create more locally based white collar jobs.
- Within the Sutherland Shire there is approximately 605 hectares of employment land, according to the Employment Land Development Program (ELDP) published by the DP&I in 2011. Of this area, some 23% or 140 hectares remains undeveloped and some 96% of the available land is located in the Kurnell industrial precinct, which is essentially only suited to ‘heavy’ industry. There is therefore a scarcity of employment land available for development to accommodate future employment growth, especially in terms of B7 type uses.
- The Draft LEP sets aside approximately 30 hectares of B7 – Business Park land in the Shire. The subject site represents a significant 9% of all B7 zoned land in the Shire of B7 and could provide office type development generating employment for close to 2,000 workers. The site and its potential workforce would be a key contributor to providing employment opportunities for the future growth of the Shire’s ‘white collar’ workforce, which is forecast to increase by 5,500 to 2036. . The majority of these will have to join the already large numbers of workers who leave the Sutherland Shire to find employment if additional employment opportunities are not generated locally.
- According to 2011 Bureau of Transport (BTS) Journey to Work (JTW) data, a significant 60% of Sutherland Shire residents leave the municipality for their place of employment. Whilst the Sutherland Shire is well served with retail employment opportunities, office employment is in significantly shorter supply with 70% of the Sutherland Shire’s white collar workers travelling to places of work outside of the Shire. . This exodus of white collar workers in particular places strain on the road and public transport system that could be somewhat alleviated if more of these jobs were retained locally.
- The development of ‘shop’ uses on the 32-40 Cawarra Road site will therefore have negligible effect in addressing the imbalance in the overall employment containment rate where there is the greatest need (e.g. in business that are most likely to locate within business park related land uses). Also it will take away the opportunity for development of business park uses that will be highly effective in increasing the employment containment rate in the Shire.
- Employment generation that achieves an increase in job containment will maximise the benefit to the Sutherland Shire, increasing the employment of the local workforce, reducing their journey to work and increasing the containment of income from job generation to the municipality, which will have flow-on benefits to the local economy.
- The employment yield of the site is maximised through development as a business park, with a significantly higher employment density than other land use options. Based on the potential employment yield against the potential floorspace, a business park use would generate by far the greatest level of employment, nearly 10 times that of a retail warehouse over and around twice that of a standard sub-regional shopping centre.
- The Employment Strategy also notes that generally Sutherland Shire’s centres have not attracted the type of development that will deliver sufficient job growth to meet the 2001 to 2031 target of 8,000 additional jobs. It is therefore important the employment yield for strategic employment land, such as the subject site, be maximised and developed to provide white collar employment opportunities.
- The development of business parks can take some time to establish once initial development commences and a growing critical mass generates agglomeration benefits to businesses. This has certainly been the case with other business parks such as Macquarie Park and Norwest Business Park that took time to establish a critical mass of development. A short term retail focused opportunity would be detrimental to maintaining the B7 zoned land for long term employment generating development.

- In summary, the proposal to permit 'shop' uses on the subject site will result in the loss of a significant amount of B7 – Business Park zoned land that is suited to business park development, and in short supply in the Sutherland Shire in terms of undeveloped sites. The consequence is a reduction in white collar office/business employment opportunities which are being sought to improve alignment with the occupation profile of Sutherland Shire residents and in turn increase the level of employment containment in the Sutherland Shire. These outcomes are in conflict with the Sutherland Shire's Employment Strategy which is to "*plan for sufficient zoned land to achieve State employment targets*"; "*protect strategic employment lands*"; and "*improve employment self-containment*".

Disclaimer

This report is dated Sept 2013 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (Urbis) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of Westfield (Instructing Party) for the purpose of Assessing the impacts of retail development at 32-40 Cawarra Road, Caringbah (Purpose) and not for any other purpose or use. Urbis expressly disclaims any liability to the Instructing Party who relies or purports to rely on this report for any purpose other than the Purpose and to any party other than the Instructing Party who relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

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Appendix A

Additional Tables

Socio-Economic Profile

CATCHMENT AREA 2011

TABLE A.1

	Primary	Secondary Trade Area			Main Trade Area	Tertiary Trade Area	Total Trade Area	Sydney
		North	West	Total		Total		
Household Income								
\$Nil	1%	2%	1%	1%	1%	2%	2%	2%
\$1-\$20,800	9%	12%	10%	10%	10%	9%	9%	10%
\$20,800-\$52,000	23%	27%	23%	24%	24%	24%	24%	24%
\$52,000-\$78,000	15%	16%	15%	15%	15%	16%	16%	16%
\$78,000 - \$130,000	23%	21%	23%	22%	22%	24%	23%	22%
\$130,000-\$208,000	22%	17%	23%	21%	22%	20%	20%	20%
\$208,000 plus	6%	4%	6%	5%	6%	5%	6%	6%
Average Household Income	\$98,451	\$85,137	\$97,864	\$94,226	\$95,778	\$93,381	\$94,349	\$94,428
Var'n from Sydney Avg.	+4%	-10%	+4%	-0%	+1%	-1%	-0%	0%
Average Household Size	2.4	2.5	2.6	2.5	2.5	2.8	2.7	2.7
Per Capita Income (Persons aged 15 - 64) (%)								
\$Neg/Nil	8%	11%	9%	9%	9%	13%	11%	12%
\$1 - \$20,800	17%	19%	19%	19%	18%	21%	20%	22%
\$20,800 - \$41,600	20%	22%	21%	21%	21%	22%	22%	21%
\$41,600 - \$78,000	31%	30%	29%	29%	30%	27%	28%	26%
\$78,000 +	24%	18%	23%	21%	22%	17%	19%	19%
Avg. Per Cap. Income (aged 15-64)	\$55,973	\$48,683	\$53,937	\$52,509	\$53,780	\$45,703	\$48,652	\$48,077
Var'n from Sydney Avg.	+16%	+1%	+12%	+9%	+12%	-5%	+1%	0%
Age Distribution								
Aged 0-14	17%	17%	19%	18%	18%	18%	18%	19%
Aged 15-19	6%	5%	6%	5%	5%	6%	6%	6%
Aged 20-34	21%	18%	19%	19%	19%	22%	21%	22%
Aged 35-49	21%	22%	22%	22%	22%	21%	21%	22%
Aged 50-64	19%	18%	18%	18%	18%	18%	18%	17%
Aged 65-79	11%	13%	12%	12%	12%	9%	10%	9%
Aged 80+	6%	6%	6%	6%	6%	4%	5%	4%
Average Age	39.9	41.4	39.5	40.0	40.0	37.7	38.5	37.1
Dependency Ratio ¹	34%	37%	36%	36%	36%	32%	33%	32%

1. Dependency ratio refers to the proportion of the population between 0-14 and over 65 years.

Source: ABS, Census of Population and Housing; Urbis

Socio-Economic Profile

CATCHMENT AREA 2011

TABLE A.2

	Primary	Secondary Trade Area			Main Trade Area	Tertiary Trade Area	Total Trade Area	Sydney
		North	West	Total		Total		
Household Composition (%)								
Couples with no children	27%	25%	27%	27%	27%	25%	26%	24%
Family with children <15	24%	25%	28%	27%	26%	30%	28%	29%
Family with children >15	17%	17%	18%	18%	17%	21%	20%	18%
Total Family (with children)	41%	42%	46%	45%	43%	51%	48%	47%
Group Household	4%	3%	2%	3%	3%	4%	3%	4%
Lone Person	28%	28%	23%	25%	26%	19%	22%	23%
Other	1%	1%	1%	1%	1%	1%	1%	1%
Housing Tenure¹								
Owner	38%	42%	37%	39%	38%	36%	37%	31%
Purchaser	34%	30%	38%	36%	35%	37%	36%	36%
Renter	28%	28%	24%	25%	26%	26%	26%	32%
Car Ownership								
% 0 Cars	8%	11%	8%	9%	9%	11%	10%	12%
% 1 Car	38%	44%	36%	39%	38%	39%	39%	40%
% 2 Cars +	54%	45%	55%	52%	53%	49%	51%	48%
Labour Force								
Labour Force Participation	69%	63%	68%	66%	67%	66%	67%	66%
% Unemployed	4%	5%	4%	4%	4%	5%	5%	6%
% Managers and Professionals	38%	36%	39%	38%	38%	36%	37%	40%
% Other White Collar	38%	38%	38%	38%	38%	38%	38%	35%
% Blue Collar Occupations	23%	26%	23%	24%	24%	26%	25%	26%
Birthplace								
Australian Born	83%	63%	79%	75%	78%	62%	68%	64%
Overseas Born	17%	37%	21%	25%	22%	38%	32%	36%
• Asia	3%	9%	5%	6%	5%	17%	12%	14%
• Europe	8%	13%	8%	10%	9%	9%	9%	9%
• Other	7%	15%	7%	10%	9%	13%	11%	14%

1. 'Other' Tenure Types have not been included.

Source: ABS, Census of Population and Housing 2011; Urbis

Appendix B

Scenario Impacts

Scenario A: Sub-Regional Centre

ACTIVITY CENTRE RETAIL IMPACTS (\$2013M INCL.GST)

TABLE A.3

Shopping Area	Turnover Incr./Decr. (\$M)						
	Est. Retail Turnover (\$M) ¹			Relative to:		IMPACT	
	Existing	Pre-Exp ¹	Post Exp.	Existing	Pre-Exp	Relative to:	
	2013	2016	2016	2013	2016	2013	2016
	(1)	(2)	(3)	(4)=(3)-(1)	(5)=(3)-(2)	(6)=(4)/(1)	(7)=(5)/(2)
Competing Centres							
Miranda AC	726.3	883.6	821.2	+94.9	-62.4	+13.1%	-7.1%
Hurstville AC	435.2	461.5	455.7	+20.5	-5.8	+4.7%	-1.3%
Menai Marketplace	145.0	147.0	145.2	+0.2	-1.8	+0.1%	-1.2%
Southgate (Sylvania) SC	180.6	179.2	169.3	-11.3	-9.9	-6.2%	-5.5%
Rockdale Plaza	109.3	114.2	111.6	+2.2	-2.6	+2.0%	-2.3%
Kogarah AC	104.7	108.7	107.0	+2.3	-1.7	+2.2%	-1.5%
Sutherland AC	57.9	57.3	55.6	-2.3	-1.7	-3.9%	-3.0%
Caringbah AC	206.0	192.7	172.1	-33.9	-20.6	-16.5%	-10.7%
Kareela Shopping Centre	56.2	55.0	52.9	-3.3	-2.1	-5.8%	-3.9%
Cronulla AC	153.1	148.1	140.3	-12.8	-7.8	-8.4%	-5.3%
Ramsgate AC	52.3	50.7	48.4	-3.9	-2.2	-7.5%	-4.4%
Janali AC	47.0	46.7	45.4	-1.6	-1.3	-3.4%	-2.8%
Bangor Shopping Centre	20.5	20.7	20.5	+0.0	-0.2	+0.1%	-0.9%
Taren Point IGA	35.0	32.2	28.1	-6.9	-4.1	-19.7%	-12.8%
Total Above Centres	2,329	2,498	2,373	44.2	-124.2	+1.9%	-5.0%
New Additions							
Supa Barn San Souci		29.2	27.5	n.a.	-1.7	n.a.	-5.9%
Karella SC Expansion		9.6	9.2	n.a.	-0.4	n.a.	-4.0%
Woollooware Bay Town Centre	-	76.0	65.4	n.a.	-10.6	n.a.	-13.9%
Total New Additions	0.0	114.8	102.1	n.a.	-12.7	n.a.	-11.0%
Total All Above Centres	2,329	2,612	2,475	146.3	-136.9	+6.3%	-5.2%
Other centres					-88.3		
Total Competing Centres					-225.2		

1. Year ending June

2. Turnover CHANGE is a comparison to current 2013 turnover

Turnover IMPACT is a comparison to expected turnover would otherwise be in the forecast year if the subject development did not occur.

Source : Property Council 'Shopping Centre Directory', 2012; Shopping Centre News 'Big Guns, Little Guns and Mini Guns'; Urbis

Scenario B: Outlet Centre with Supermarket Centre

ACTIVITY CENTRE RETAIL IMPACTS (\$2013M INCL.GST)

TABLE A.4

Shopping Area	Turnover Incr./Decr. (\$M)						
	Est. Retail Turnover (\$M) ¹			Relative to:		IMPACT	
	Existing	Pre-Exp ¹	Post Exp.	Existing	Pre-Exp	Relative to:	
	2013	2016	2016	2013	2016	2013	2016
	(1)	(2)	(3)	(4)=(3)-(1)	(5)=(3)-(2)	(6)=(4)/(1)	(7)=(5)/(2)
Competing Centres							
Miranda AC	726.3	883.6	819.5	+93.2	-64.1	+12.8%	-7.3%
Hurstville AC	435.2	461.5	452.5	+17.3	-9.0	+4.0%	-2.0%
Menai Marketplace	145.0	147.0	144.4	-0.7	-2.6	-0.5%	-1.8%
Southgate (Sylvania) SC	180.6	179.2	171.0	-9.6	-8.2	-5.3%	-4.6%
Rockdale Plaza	109.3	114.2	111.4	+2.1	-2.7	+1.9%	-2.4%
Kogarah AC	104.7	108.7	107.4	+2.6	-1.3	+2.5%	-1.2%
Sutherland AC	57.9	57.3	56.4	-1.5	-1.0	-2.6%	-1.7%
Caringbah AC	206.0	192.7	181.0	-25.0	-11.7	-12.1%	-6.1%
Kareela Shopping Centre	56.2	55.0	53.8	-2.4	-1.2	-4.2%	-2.3%
Cronulla AC	153.1	148.1	143.3	-9.8	-4.8	-6.4%	-3.3%
Ramsgate AC	52.3	50.7	49.3	-3.1	-1.4	-5.9%	-2.8%
Janali AC	47.0	46.7	45.9	-1.2	-0.9	-2.5%	-1.8%
Bangor Shopping Centre	20.5	20.7	20.5	+0.0	-0.2	+0.0%	-1.0%
Taren Point IGA	35.0	32.2	29.8	-5.2	-2.4	-14.9%	-7.5%
Total Above Centres	2,329	2,498	2,386	56.9	-111.6	+2.4%	-4.5%
New Additions							
Supa Barn San Souci		29.2	28.1	n.a.	-1.1	n.a.	-3.6%
Karella SC Expansion		9.6	9.3	n.a.	-0.3	n.a.	-2.7%
Woollooware Bay Town Centre	-	76.0	70.0	n.a.	-6.0	n.a.	-7.9%
Total New Additions	0.0	114.8	107.4	n.a.	-7.3	n.a.	-6.4%
Total All Above Centres	2,329	2,612	2,493	164.3	-118.9	+7.1%	-4.6%
Other centres					-89.1		
Total Competing Centres					-208.0		

¹ Year ending June

² Turnover CHANGE is a comparison to current 2013 turnover

Turnover IMPACT is a comparison to expected turnover would otherwise be in the forecast year if the subject development did not occur.

Source : Property Council 'Shopping Centre Directory', 2012; Shopping Centre News 'Big Guns, Little Guns and Mini Guns'; Urbis

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APPENDIX B

Transport Review (dated October 2013)
Prepared by Colston Budd Hunt & Kafes Pty Ltd

WESTFIELD DEVELOPMENT & ASSET
MANAGEMENT

TRANSPORT REVIEW OF PROPOSED
AMENDMENT TO THE SUTHERLAND
DRAFT LEP TO ALLOW RETAIL
DEVELOPMENT AT 32-40 CAWAARA
ROAD, CARRINGBAH

OCTOBER 2013

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I. INTRODUCTION

- I.1. Colston Budd Hunt & Kafes Pty Ltd has been retained by Westfield Development & Asset Management to review the traffic and transport implications of the proposed amendment to the Sutherland Draft LEP to allow an additional use “shop” at 32-40 Cawarra Road, Caringbah located on the north east corner of the intersection of Cawarra Road and Meta Street. We understand that that the proposed amendment to the Draft LEP is to allow a “shop” on the southern part of the site.
- I.2. Our review has identified a number of traffic and transport matters with respect to the proposed amendment to the Draft LEP, as set out in Chapter 2.

2. TRANSPORT REVIEW

2.1. The findings of our transport review are set out through the following sections.

- site location;
- proposed amendment to Draft LEP;
- other development;
- public transport;
- traffic effects; and
- summary.

Site Location

2.2. The site is located on the eastern side of Cawarra Road (corner of Cawarra Road and Meta Street) within the Taren Point/Carringbah employment zone, as shown in Figure 1. The site currently has approval for a 42 lot subdivision with access off Cawarra Road. Surrounding land use comprises light industrial, employment, showroom and bulky goods development within the Taren Point/Carringbah employment zone.

Proposed Amendment to Draft LEP

2.3. We understand that the proposed amendment would allow shops on the whole site (some 25,900m² with an FSR of 1.5:1). Thus if adopted, the proposed amendment to the Draft LEP would allow a shopping centre of some 39,000m² GFA (some 35,000m² GLA) would be permissible on the subject site. Thus the proposed amendment to the Draft LEP should consider the traffic and transport effects of full development potential of the subject site.

Other Development

- 2.4. There have been a number of major developments approved in the vicinity of the subject site (redevelopment of Bunnings at Taren Point, expansion of the Taren Point homemakers centre, the Sharks retail/residential development and residential development at North Cronulla). These developments will add traffic to the surrounding road network, which should be considered as part of the proposed amendment to the Draft LEP.

Public Transport

- 2.5. The site is not located within a town centre or within a cluster of similar developments. Surrounding land use is light industrial, manufacturing, and employment uses. Hence there is the minimal potential for linked trips with similar uses that would reduce traffic generation (the bulky goods uses located within the cluster along Taren Point Road are too remote for people to walk between the site and Taren Point Road). Also being located outside of a town centre the site has limited access to public transport services with a single bus service operating along Cawarra Road (past the site). This is the 477 service (a regular service operated by Sydney Buses) that connects Miranda to Rockdale. The service operates at 30 minute intervals on weekdays and 60 minute intervals on weekends.
- 2.6. By way of comparison, development within town centres such as Miranda, Caringbah or Sutherland have a greater accessibility to public transport (being located next to train stations and serviced by bus routes, including local and regional services). Thus if retail development was permitted on the subject site at 32-40 Cawarra Road, most trips by staff and customers would be by private car (up to 95%) whereas in the town centres the proportion of trips by car is lower (at between 50% and 70%).

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- 2.7. In 2002, the Land and Environment Court dismissed an appeal for a bulky goods development in Taren Point located several hundred metres to the north of the subject site (on the corner of Bay Road and Production Road). Amongst the reasons for refusal was that the site was not located within a town centre or a cluster of similar developments and its poor accessibility to public transport. The site that is the subject of the proposed amendment to the Draft LEP is located within the same precinct as this site and has similar characteristics (not located in a town centre, not located in a cluster of similar developments and has limited access to public transport). Thus the proposed amendment to the Draft LEP should demonstrate how these important matters are being addressed.

Traffic Effects

- 2.8. A review of the traffic effects of the proposed amendment to the Draft LEP has been undertaken. Review findings are set out below.

Road Network

- 2.9. The road network in the vicinity of the site comprises Taren Point Road, Captain Cook Drive, Cawarra Road, Parraweena Road and Box Road. Taren Point Road is a major north-south road which provides three traffic lanes in each direction with a central median and parking permitted outside weekday peak periods. Major intersections along Taren Point Road are traffic signal controlled.
- 2.10. Captain Cook Drive is a six lane divided road in the vicinity of the site. It connects Taren Point Road with Kurnell/Cronulla. The intersections of Captain Cook Drive with Taren Point Road and Cawarra Road are traffic signal controlled.
- 2.11. Cawarra Road travels in a north south direction and is located along the western boundary of the site. It provides one traffic lane in each direction with kerb side parking. It provides access to development with frontage along the road.
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- 2.12. Box Road and Parraweena Road are located north of the site and provide access from the Taren Point/Carringbah employment zone to Taren Point Road. The intersections of Taren Point Road with Box Road and Parraweena Road are traffic signal controlled. Both roads provide one traffic lane in each direction with kerb side parking. They provide access to development with frontage along the road. The intersection of Parraweena Road and Cawarra Road is controlled by a single lane roundabout.

Traffic Flows

- 2.13. In order to establish existing traffic conditions, traffic counts were undertaken during a Thursday afternoon and Saturday midday peak period at the following intersections:

- Taren Point Road/Box Road;
- Taren Point Road/Parraweena Road;
- Taren Point Road/Captain Cook Drive/The Boulevard;
- Captain Cook Drive//Cawarra Road; and
- Cawarra Road/Parraweena Road.

- 2.14. The traffic flows are set out on Figures 2 and 3.

Traffic Generation

- 2.15. The Council report considered a proposal for a retail warehouse style development (some 15,800m²) on the subject land. The report noted that this form of development on the site would generate some 350 and 670 vehicles per hour (two way) during the Thursday PM and Saturday midday peak hours respectively. The report also suggests that some 2 to 4 additional vehicles per minute would turn right from Captain Cook Drive onto Taren Point Road (presumably during the Thursday
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PM and Saturday midday peak hours respectively). With respect to these statements we offer the following comments:

- the level of traffic generation assumed for a retail warehouse of this size appears reasonable;
- the increase in right turning traffic (from Captain Cook Drive onto Taren Point Road) would be some 120 to 240 vehicles per hour during the Thursday PM and Saturday midday peak hours respectively. This is an increase of some 15% to 30% on the existing right turn movement which already experiences delays in the peak periods;
- these increases would reduce the existing intersection level of service D (satisfactory) to level of service E (unsatisfactory); and
- the proposed amendment to the Draft LEP is for whole site which would allow for a 39,000m² GFA (some 35,000m² GLA) shopping centre if the amendment was approved. Based on RMS guidelines, a shopping centre of this size would generate some 1,600 and 2,100 vehicles per hour during the Thursday PM and Saturday midday peak hours respectively.

2.16. The additional traffic from the proposed amendment to the Draft LEP (based on the RMS rates for a 35,000m² GLA shopping centre) has been assigned to the road network. Additional traffic flows are set out in Table 2.1.

2.17. Examination of Table 2.1 shows that the proposed amendment to the Draft LEP would significantly increase traffic on the surrounding road network. In particular traffic flows on Cawarra Road, Box Road and Captain Cook Drive would increase by over 400 vehicles per hour (two way) in peak periods.

Table 2.1 Existing plus Development two-way peak hour traffic flows

Road	Location	Thursday PM Peak Hour		Saturday Midday Peak Hour	
		Existing	Plus development	Existing	Plus development
Taren Point Road	North of Box Road	4798	+370	4114	+480
	North of Parraweena Road	4323	-30	4140	-40
	South of Parraweena Road	3860	-30	3656	-40
	North of Captain Cook Dr	4727	-30	3605	-40
	South of Captain Cook Dr	2691	+140	1598	+180
Box Road	East of Taren Point Road	470	+400	492	+520
	North of Parraweena Road	280	+400	241	+520
Parraweena Road	East of Taren Point Road	610	+160	494	+210
	West of Cawarra Road	703	+160	666	+210
	East of Cawarra Road	750	-	522	-
The Boulevard	West of Taren Point Road	2804	+340	2511	+450
Captain Cook Drive	East of Taren Point Road	3410	+480	2620	+630
	West of Cawarra Road	2824	+490	2360	+645
	East of Cawarra Road	2673	+330	2293	+435
Cawarra Road	South of Parraweena Road	574	+560	572	+730
	North of Captain Cook Dr	822	+1040	540	+1370
	South of Captain Cook Dr	813	+80	477	+110

Intersection Operation

- 2.18. The capacity of the road network is generally determined by the ability of its intersections to cater for peak period traffic flows. The surveyed intersections (including the site accesses) have been analysed using the SIDRA program. SIDRA

produces a number of measures of intersection operations. The most useful measure provided is average delay per vehicle expressed in seconds per vehicle.

2.19. Based on average delay per vehicle, SIDRA estimates the following levels of service (LOS):

- For traffic signals, the average delay per vehicle in seconds is calculated as delay/(all vehicles), for roundabouts the average delay per vehicle in seconds is selected for the movement with the highest average delay per vehicle, equivalent to the following LOS:-

0 to 14	=	"A"	Good
15 to 28	=	"B"	Good with minimal delays and spare capacity
29 to 42	=	"C"	Satisfactory with spare capacity
43 to 56	=	"D"	Satisfactory but operating near capacity
57 to 70	=	"E"	At capacity and incidents will cause excessive delays. Roundabouts require other control mode.
>70	=	"F"	Unsatisfactory and requires additional capacity

- For roundabouts, give way and stop signs, the average delay per vehicle in seconds is selected from the movement with the highest average delay per vehicle, equivalent to following LOS:-

0 to 14	=	"A"	Good
15 to 28	=	"B"	Acceptable delays and spare capacity
29 to 42	=	"C"	Satisfactory but accident study required
43 to 56	=	"D"	Near capacity and accident study required
57 to 70	=	"E"	At capacity and requires other control mode
>70	=	"F"	Unsatisfactory and requires other control mode

- 2.20. It should be noted that for roundabouts, give way and stop signs, in some circumstances, simply examining the highest individual average delay can be misleading. The size of the movement with the highest average delay per vehicle should also be taken into account. Thus, for example, an intersection where all movements are operating at a level of service A, except one which is at level of service E, may not necessarily define the intersection level of service as E if that movement is very small. That is, longer delays to a small number of vehicles may not justify upgrading an intersection unless a safety issue was also involved.
- 2.21. The results of the SIDRA analysis for existing and with development traffic flows are provided in Table 2.2.

Table 2.2 Summary Intersection Operation								
Intersection	Thursday PM Peak				Saturday MD Peak			
	Existing		+ Development		Existing		+ Development	
	Avg delay (seconds)	LOS	Avg delay (seconds)	LOS	Avg delay (seconds)	LOS	Avg delay (seconds)	LOS
Taren Point Road/Box Road	8	A	58	E	6	A	26	B
Taren Point Road/Parraweena Road	20	B	22	B	20	B	26	B
Taren Point Road/Captain Cook Drive	48	D	70	E	52	D	82	F
Cawarra Road/Parraweena Road	14	A	15	B	13	A	15	B
Cawarra Road/Captain Cook Road	36	C	291	F	22	B	205	F

- 2.22 Examinations of Table 2.2 reveals the following:
- The intersections currently operate at a satisfactory or better level of service in the Thursday afternoon and Saturday midday peak periods; and
 - With additional development traffic in place, three of intersections (Taren Point Road/Box Road, Taren Point Road/Captain Cook Drive and Cawarra Road/Captain Cook Drive) during the Thursday afternoon and two intersections (Taren Point Road/Captain Cook Drive and Cawarra Road/Captain Cook Drive) during the Saturday midday peak period would reach or exceed capacity (operating at LOS E/F).
- 2.23 Thus if development occurred as permitted by the proposed amendment to the Draft LEP a number of intersections in the adjacent road network would reach capacity during the Thursday afternoon and Saturday midday peak periods.
- 2.24 The above analysis does not take into account include traffic from other approved developments in area. Thus if the proposed amendment to the Draft LEP proceeded it would adversely impact on the other approved developments in area.
- 2.25 Detailed assessment of the traffic effects of the Bunnings redevelopment and homemaker centre expansion was required by Council (including PARAMICS micro simulation modelling). A similar level of assessment should be undertaken in support of the proposed amendment to the Draft LEP, including a cumulative assessment of the traffic impacts from the proposed amendment to the Draft LEP, approved developments and background traffic growth.
- 2.26 This would include (but not limited to) an assessment of intersections along Taren Point Road, Captain Cook Drive, Cawarra Road and Narraweena Road. Previous studies for the approved Bunnings redevelopment have identified capacity constraints
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along Taren Point Road (particularly at Narraweena Road) with mitigation measures identified (such as banning the right turn from Narraweena Road onto Taren Point Road (northbound)).

- 2.27 RMS has identified local road improvements along Taren Point Road to improve condition (such as lengthening of existing right turn bays at a number of intersections). These improvements need to be considered in the future traffic assessment.

Summary

- 2.28 In summary there are a number of traffic and transport matters that have not been addressed in the proposed amendment to the Draft LEP. These include:

- the proposed amendment to the Draft LEP for retail on the subject site at an FSR of 1.5:1 would result in the potential for a significant increase in traffic generation;
- the road network in the vicinity of the subject site has capacity constraints at a number of locations (at intersections along Captain Cook Drive and Taren Point Road);
- with a retail warehouse style development (of some 15,800m²) at the intersection of Captain Cook Drive and Taren Point Road, the existing level of service D (satisfactory) would reduce to level of service E (unsatisfactory);
- a preliminary traffic assessment has found that if development occurred as permitted by the proposed amendment to the Draft LEP, a number of intersections in the adjacent road network would reach or exceed capacity during the Thursday afternoon and Saturday midday peak periods;
- there have been a number of major developments approved in the vicinity of the subject site which should be considered as part of the proposed amendment to the Draft LEP;
- micro simulation modelling such as PARAMICS should be undertaken to assess the traffic effects of the proposed amendment to the LEP, including taking into account other approved developments and background traffic growth;

- given the significant impact on the adjacent arterial road network, RMS should be consulted to ensure that it has no objections to the proposed amendment;
- the site is not located within a town centre or within a cluster of similar developments; and
- the site has limited access to public transport and thus retail development on the site would be car dependent.

2.29 It is not unusual for a detailed traffic and transport assessment to be undertaken when a change in the permissible uses on a site would allow for a major increase in traffic generation, particularly on a road network that currently has capacity constraints. If these matters are not satisfactorily addressed, it is our view that the proposed amendment to the Draft LEP should not proceed.