



20 October 2014

Our ref: DB/13090B

Secretary
Department of Planning and Environment
23 Bridge Street
Sydney NSW 2000
Wyong Shire Council

Dear Sir,

re: DA 514/2013, 50 Wyong Road, Tuggerah: Alterations and Additions to Shopping Centre and associated car parking (, Westfield Tuggerah)

We write on behalf of Australian Prime Property Fund (APPF) and Erina Investment Trust (EIT), co-owners of Erina Fair Shopping Centre, in relation to the above application currently on public exhibition. We wish to raise concerns in relation to the proposal, on the grounds listed below.

The planning proposal would provide an additional 11 hectares (approximately) of land within zone B4 Mixed Use. Commercial premises are permitted with consent on land within this zone. This includes all forms of retail premises. Although the Tuggerah Town Centre Planning Report Draft prepared by the Department of Planning and Environment dated July 2014 (the planning report) states that the purpose of the planning proposal is to accommodate an additional 30,000 square metres of commercial floor space (including bulky goods), there is no proposal for any FSR or height control on the site and thus no effective means of containing or controlling the amount of floor space on the site.

1. Regional planning approach required

The introduction to the exhibition on the Department's website refers to the role of the Tuggerah-Wyong major centre in a regional context and to the fact that the region's population is expected to grow by around 80,000 by 2031.

However there is no analysis of the demand and supply of retail floor space at the regional level or any regional level justification for the additional floor space.

The only economic justification for the additional land is contained in Wyong Shire Council's *Retail Centres Strategy* prepared by dfp planning consultants and dated October 2013 (the Wyong Retail Centres Strategy). This report looks only at Wyong Shire and in a particularly myopic way – with no regard to regional demand or needs and a focus on reducing escape expenditure from Wyong Shire. It does not take a regional perspective.

The rezoning of such a significant area of land (an increase of over 50% size of the zoned commercial centre) should not take place in a vacuum and should be placed in a proper regional context with consideration given to other major centres in the region and their potential for accommodating growth.

This regional analysis should form part of the Regional Growth and Infrastructure Plan (RGIP) that is currently underway. The zoning of any additional land should be deferred until the regional plan is prepared.

In relation to the Tuggerah Town Centre expansion, the Wyong Retail Centres Strategy states that:

It is imperative that any expansion of the retail centre consider the Tuggerah major centre as whole. Piecemeal or ad hoc developments could have significant and adverse impacts on other precincts within the centre, particularly with respect to infrastructure provision. It is advocated that the Tuggerah centre be considered as a whole to ensure that all stakeholders within the centre are provided with an opportunity to consider how their position within the centre might best contribute to a centre capable of fulfilling its role as envisaged under the CCRS.

This has not happened. There is no current planning document that we are aware of that *consider the Tuggerah major centre as whole*. In view of the change to the objectives of the B3 zone to refer to the Tuggerah Wyong central business district, this planning proposal should be deferred as it is *imperative that any expansion of the retail centre consider the Tuggerah major centre as whole*.

2. Regional growth overstated in planning

The planning report notes that growth in the region is expected to be 80,000 persons. This is higher than the 64,250 additional persons (2011 to 2031) included in the DOPE population projections and in the RGIP Discussion Paper (September 2014). Any demand analysis based on this assumption is therefore exaggerated. Furthermore detailed consideration should be given to the age profile of future population.

3. Demand not justified

There is a lack of clarity as to the purpose of the planning proposal. The planning report states that the intention of the proposal is to accommodate an additional 30,000 square metres of commercial floor space (including bulky goods retailing) and identifies support for this proposal in the Wyong Retail Centres Strategy.

Location iQ have reviewed the retail Centres Strategy on which the planning proposal is based on behalf of the owners of Erina Fair and note the following:

- i. No specific report relating to the potential for additional retail and commercial floor space at the Tuggerah site has been prepared or referenced.
- ii. A significant undersupply of retail, including bulky goods, floor space is referred to in the planning report. This is based on the conclusions presented in the Wyong Retail Centres Strategy. Importantly, this strategy is only a review of the earlier Wyong Retail Centres Strategy 2007 with key findings relating to current and

future retail floor space supply not updated. On this basis, the only reference to current and future retail floor space demand to support the rezoning is based on information from almost 10 years ago. Further, a preliminary review indicates a number of deficiencies in the preparation of the assessment for future retail floor space demand, including specifically for Tuggerah Major Centre, namely:

- The trade area that is adopted for the Tuggerah Major Centre. The published Westfield Tuggerah trade area, which is the main component of the Tuggerah Major Centre, is far more expansive than presented and encompasses the entire Central Coast region (i.e. Wyong and Gosford Local Government Areas).
- The level of escape expenditure is overstated. The use of the Wyong Local Government Area for the escape expenditure analysis is flawed as Local Government boundaries are not actual boundaries and some residents (such as those at Bateau Bay) actually reside closer to Erina than Tuggerah and so would continue to shop at Erina. Limited evidence is provided to support the claim of significant escape spending including to Erina. Some \$251 - \$335.2 million of escape expenditure is identified to Erina (excluding bulky goods). Erina Fair, the largest retail centre in Erina, records sales of circa \$640 million, indicating that 40% - 50% of total Erina Fair sales are from the Wyong LGA population. The Erina Fair trade area does not extend to include the majority of the Wyong Local Government Area.
- The supply of retail floorspace has changed over the past decade.

iii. An Economic Impact Assessment should be prepared to support the Tuggerah site rezoning. The Economic Impact Assessment should provide an up to date analysis of the supply and demand of retail floorspace and the likely impacts on other centres (including those outside of the Wyong Local Government Area) should be undertaken to support the conclusion that there is a significant undersupply for retail floorspace. Generally, an Economic Impact Assessment provides the following:

- An overview of the regional and local context of the centre.
- A summary of the current and proposed floorspace.
- An overview of the defined trade area catchment, including current and projected population and retail spending levels.
- A review of the competitive environment.
- A review of the potential for the possible uses planned to be provided at other existing zoned sites.
- A summary of projected sales and likely impacts on surrounding facilities.
- A summary of the key economic and other benefits and impacts of the additional floorspace.

4. Need for additional land not justified

It is noted that the Wyong Retail Centres Strategy does not include any recommendation to rezone the Gateway site. As discussed above, this strategy it found that it is imperative that any expansion of the retail centre consider the Tuggerah major centre as whole.

There is no analysis to identify the potential for existing centres to expand further (including the additional undeveloped land included in the B3 zone as exhibited) or for expansion of other land in the *Wyong Tuggerah central business district*.

In relation to bulky goods, the Wyong Retail Centres Strategy states that there could be an expansion of bulky goods retailing at Lake Haven (some 15,000 square metres), a new centre to serve the eastern part of the shire for which a demand was identified and expansion of the Supa Centre and Tuggerah Straights areas. In relation to bulky goods the strategy finds that:

The concept plan for Tuggerah considers the development of bulky goods floorspace within this centre. It is considered appropriate that this major centre be the focus of additional floorspace provision given the presence of the Tuggerah Supa Centre development and the other retail activities occurring in this centre.

There is sufficient space available within the Tuggerah major centre to accommodate a significant amount of bulky goods floorspace. Again, the market will dictate, to a certain extent how much bulky goods floorspace might be provided within the Tuggerah major centre, however there must be a balance in terms of the location of such floorspace.

The capacity of the existing Supa Centre site and adjoining lands and the Tuggerah Straights area should be considered prior to the rezoning of any additional land.

The planning proposal is deficient in that it focusses only on the Gateway site without any context analysis of alternative sites nor any detailed or comprehensive analysis of demand on a regional basis.

5. No assessment of demand for mixed use land

It is noted that approximately 11 hectares of land is to be rezoned B4 Mixed Use. The only use contemplated in the planning proposal and Wyong Retail Centres Strategy is retail. There is no assessment of any other use.

There are no limits on the capacity of this land with no FSR or height control and no control over the density of intensity of use. Therefore the implications of the site being developed to its maximum potential should be assessed and not limited to an assessment of the states 30,000 square metres including bulky goods. If the site is developed to 1:1 (it is noted that other B4 zones in the Wyong Tuggerah central business district allows 1.5:1) would result in a gross floor area of 110,000 square metres.

The rezoning should not proceed until there is a comprehensive assessment of the demand for mix uses including retailing on a regional level.

6. Master planning required

The rezoning of this land should not take place without more detailed structure planning and investigation into the appropriate built form on the site. This has been a consistent request of Council and consistent requirement of development controls on the site. This proposed business zone is too large to leave this unresolved. This is particularly relevant as the zoning is for mixed uses.

7. Vegetation

It is noted that the proposed B3 zoning includes an area of Alluvial Tall Moist Forest (an EEC) and Coastal Foothills Spotted Gum-Ironbark Forest in the southwest of the existing centre. It is also noted that the Ecological Study proposes a system of offsets for the loss of vegetation. Any offsets should be formalised as part of any planning proposal.

Compared to the exhibited draft of Wyong LEP, the proposed zoning reflected in the planning proposal extends the B3 zoned land significantly to the south and reduced the land within zone E2 to a thin corridor along the southern boundary. This change has not been justified in the planning proposal. The additional land zoned B3 has the capacity to accommodate significant additional retail development reducing the need for the proposed rezoning.

8. Funding road infrastructure

It is noted that the traffic study referred to in the planning proposal prepared by Colston Budd Hunt and Kafes was not exhibited and consequently it has not been possible to comment on its findings.

It is important that regional transport needs are considered prior to this planning proposal progressing. This includes integrating public transport and regional road infrastructure. In relation to the regional road infrastructure, investigations need to be undertaken into the need for improvements to State and regional roads including Wyong Road, Pacific Highway and F3 access ramps. Any improvements required to this infrastructure to accommodate development potentially occurring on the site should be the subject of a VPA.

9. Contrary to the provisions of the DCP

Wyong DCP 2013 is based on the Wyong Retail Centres Strategy as is the planning proposal. In relation to bulky goods retailing the DCP states:

The two core specialist bulky goods precincts in Wyong Shire are located at Tuggerah (Supa Centre and Tuggerah Straight) and Lake Haven (Mega Centre). These two precincts service the northern and southern areas of the shire, however opportunities to provide smaller bulky goods precincts as part of other town centres such as Bateau Bay, Long Jetty and Warnervale will also provide additional floorspace to service the eastern and developing areas of the Shire.

This is inconsistent with the provisions of the planning proposal and indicates the location of land for bulky goods retailing.

In relation to the Gateway site the DCP states that the Council will require the preparation of a Master Plan to support rezoning, but will only consider a proposal, when it determines that the timing is appropriate. The planning proposal provides no information on timing.

10. Further action

Thank you for the opportunity to make this submission. It is requested that this submission be considered as preliminary as we may lodge a supplementary submission for consideration in the finalising the planning proposal.

Yours sincerely

BBC Consulting Planners

A handwritten signature in black ink, appearing to read 'Dan Brindle', with a small dot at the end of the signature.

Dan Brindle
Director