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SUBMISSION TO PROPOSED AMENDMENTS TO AMEND STATE ENVIRONMENTAL PLANNING POLICY (SYDNEY GROWTH CENTRES) 2006 – AMENDMENT TO INCLUDE THE INGLESIDE PRECINCT AS A PRIORITY GROWTH AREA

Dear Madam/Sir

1. Introduction

This Submission is made on behalf of Vicinity Centres in relation to a proposed amendment to *State Environmental Planning Policy (Sydney Region Growth Centres) 2006* (Growth Centres SEPP) to include the Ingleside Precinct as a Priority Growth Area.

The specific points of contention in relation to the proposed amendments to the Growth Centres SEPP are outlined in **Section 3** to **Section 5** below. It is considered that these matters should be addressed before the planning package for the Ingleside Precinct is released for comment later in 2017.

2. The Proposed Growth Centres SEPP Amendment

The Department of Planning and Environment (DP&E) proposes to amend Growth Centres SEPP by:

- Identifying a new growth area at the Ingleside Precinct; and
- Making consequential amendments to the operative provisions of the Growth Centres SEPP, to reflect the inclusion of the proposed growth centre.

DP&E has also prepared a draft *Land Use and Infrastructure Strategy* (draft Strategy) for the Ingleside Precinct identifying future land uses for the Precinct. Growth Centres SEPP would be amended to refer to this Strategy once it is finalised. New maps would also be added to the Growth Centres SEPP, indicating the location of the Ingleside Precinct.

The *Ingleside Draft Land Use and Infrastructure Strategy* (DP&E, 2016) identifies that not all areas of the Precinct are suitable for urban development due to ecological constraints, bushfire risk and infrastructure servicing, and that around 40% of the total Precinct area is proposed for development.

While the proposed amendments to Growth Centres SEPP would not involve any rezoning at this stage, it is anticipated that the Precinct would be rezoned in the future to accommodate the master plan.

The Strategy, as well as the Draft Structure Plan and an Explanation of Intended Effect of amendments to the Growth Centres SEPP are currently available to view on DP&E's website for public comment. Several technical studies are also available, made in support of the proposed amendment to Growth Centres SEPP. These include:

- Draft Infrastructure Delivery Plan;
- Draft Transport and Traffic Assessment;
- Draft Noise and Vibration Impact Assessment;
- Draft Demographic and Social Infrastructure Assessment;
- Draft Water Cycle Management and Flooding Assessment;
- Draft Onsite Effluent Subdivision Assessment;
- Draft Biodiversity Assessment;
- Draft Riparian Corridors Assessment;
- Draft Bushfire Protection Assessment;
- Draft Heritage Interpretation Strategy;
- Draft Non-Indigenous Heritage Assessment;
- Draft Aboriginal Heritage Assessment;
- Draft Employment and Retail Assessment; and
- Draft Preliminary Land Capability, Salinity and Contamination Assessment.

It is understood that feedback gathered during this public consultation period will be used to finalise a planning package, which will be released for formal exhibition later in 2017.

3. Draft Employment and Retail Assessment

The *Ingleside – Draft Employment and Retail Assessment* was prepared by SGS Economics & Planning in 2016 (Draft Employment and Retail Assessment). The Draft Employment and Retail Assessment considered the surrounding retail centres and industrial/business parks precincts to determine their function within the hierarchy and capacity to absorb future development. It identified the most suitable locations for retail and employment floorspace generated by incoming Ingleside residents, and also suggested that all of the employment floorspace demand should be accommodated within existing employment areas outside the Precinct.

The Employment and Retail Assessment made the following additional recommendations which are relevant to this Submission:

- 1) The neighbourhood centre with a maximum retail floorspace of 2,000m² should be located around Chiltern Road, just north of Mona Vale Road. Ideally, to provide some amenity for this small centre, it was recommended that it be on a 'side street' and separated from the Mona Vale Road intersection. This neighbourhood centre may include a small supermarket (e.g. IGA) and convenience-type retail stores, but should not include a full-line supermarket which would draw trade from nearby existing centres. Restricting the provision to neighbourhood retail would ensure that Ingleside does not compete and impact on the viability of existing retail floorspace within Elanora Heights, Terrey Hills and Mona Vale;
- 2) There is also an opportunity for this neighbourhood centre site to provide some Shop top housing, as seen in other centres in the former Pittwater Local Government Area;
- 3) Conflict between different centres in the retail hierarchy should be actively managed;

- 4) In the *Warriewood Valley Strategic Review Economic Feasibility Study* (Hill PDA, 2011) noted that there was existing retail undersupply in the Pittwater LGA, as well as significantly growing demand for retail and commercial uses in Warriewood Valley and Pittwater Local Government Area;
- 5) Warriewood Square Shopping Centre and Pittwater Place in Mona Vale are likely to be the two major centres which would cater for the retail needs of incoming residents at Ingleside. Warriewood would likely cater for local industrial needs and Belrose and Frenchs Forest would cater for local office/business park employment; and
- 6) There could be a small retail offering (e.g. cafes) co-located with community/recreational uses within the potential community node in South Ingleside.

With respect to the first item above, if this recommendation from the Draft Employment and Retail Assessment is to be implemented, this Neighbourhood Centre in North Ingleside should be zoned to permit an appropriate scale of Neighbourhood shops or other Shops of a similar scale, and to prohibit larger scale Commercial and Retail premises.

Furthermore, the Draft Employment and Retail Assessment seems to have focused on supermarket offerings, but has not considered the range of stores currently on offer at nearby retail centres. For example, in addition to supermarket tenants Coles, Woolworths and Aldi, the Warriewood Square Shopping Centre currently provides tenancy for a range of retail premises, including:

- Food court and takeaway stores;
- Cafes;
- Fresh food stores;
- Homemaker stores;
- Bags and luggage;
- Clothing and accessories;
- Communications, electronics and games;
- Entertainment and leisure;
- Gifts and flowers;
- Jewellery;
- Liquor and tobacco;
- Newsagents and stationary;
- Pet supplies;
- Sport and fitness;
- Toys; and
- Variety store.

In addition, the following premises are currently operating at Warriewood Square Shopping Centre:

- Banks;
- Post office;
- Medicare;
- Service NSW;
- Shoe and clothes cleaning and repairs/key cutting;
- Car wash;
- Hair, beauty and massage;
- Health services; and
- Travel agencies and money exchange.

By not considering the implications of other types of Retail and Commercial offerings at North Ingleside beyond supermarkets, the Draft Employment and Retail Assessment has failed to consider:

- The impacts of potential new Retail and Commercial offerings other than supermarkets on the existing retail tenants at Warriewood Square Shopping Centre and other retail centres; and
- The economic viability of establishing new Retail and Commercial offerings at North Ingleside by failing to establish relevant demand for these premises.

The *Ingleside Precinct: Transport and Traffic Assessment* (AECOM, 2016) (Draft Traffic Assessment) considered the following:

The proposed development is predominantly low and medium density residential dwellings, with both a neighbourhood centre (North Ingleside) and a community node with small retail offerings (South Ingleside) to serve local residents.

It is not clear whether the Draft Traffic Assessment did in fact consider the impacts of any Neighbourhood shop, Shop, Retail or other Commercial activities in North Ingleside, as this report only refers to retail activities occurring in South Ingleside. Therefore, it is not clear whether the AECOM assessment has fully considered the potential impacts of the proposed Ingleside Precinct, particularly its proposed location in a side street and the implications this would have for local traffic flows and parking.

The Draft Traffic Assessment also identified that:

The proposed residential land uses within the precinct are not expected to generate a significant amount of heavy goods vehicles. However as the arterial road network within the precinct also caters for significant volumes of through traffic, a heavy vehicle weight limit may be required to redirect heavy vehicles from residential areas and onto Mona Vale Road. Delivery vehicles to retail premises are expected to use Mona Vale Road, Powderworks Road, Manor Road and the deviated Lane Cove Road route.

The Draft Traffic Assessment has therefore assumed that the Ingleside Precinct would not require significant amounts of heavy goods to be transported through it on a regular basis. This also supports the notion that any sort of commercial land use in the Ingleside Precinct should not permit Bulky goods premises and the like. **Section 5** outlines how the Ingleside Precinct should be appropriately zoned to permit retail offerings of an appropriate scale only. It is Vicinity Centre's submission that the relevant land use tables should be drafted to prohibit, amongst other things, Bulky goods premises.

With respect to the second item above, if the Neighbourhood Centre is intended to allow for Shop top housing, then its zoning should reflect this: i.e. by allowing Neighbourhood shops and other Shops which are compatible with Shop top housing, but by prohibiting larger scale Retail and Commercial developments which would be incompatible with Shop top housing.

With respect to the third item above, there must be a strategy in place to manage conflict between the different centres in the retail hierarchy. The Draft Employment and Retail Assessment has already recommended that North Ingleside include a small supermarket (e.g. IGA) and convenience-type retail stores, but should not include a full-line supermarket which would draw trade from nearby existing centres. Furthermore, the *Ingleside Precinct – Demographic and Social Infrastructure Assessment: Final Report* (Elton Consulting, 2016) identified that, between the time of the Ingleside South and Ingleside North Precincts being developed, residents from Ingleside South are likely to use existing retail centres. This is a natural result of the fact that the Ingleside Precinct is proposed to be developed in stages. However, this could impact on the feasibility of providing new retail premises at Ingleside North in the future. There is also no consideration given to the possibility of a future retail expansion within the North Ingleside Precinct.

With respect to the fourth item above, the *Warriewood Valley Strategic Review Economic Feasibility Study* (Hill PDA, 2011) (Economic Feasibility Study) was prepared prior to the most recent expansion of Warriewood Square Shopping Centre in 2013 to accommodate a new discount department store, speciality shops and a new three level car park (N0195/13, approved by the former Pittwater Council). Indeed, this Economic Feasibility Study is now six years old. The assertion made in this

Economic Feasibility Study that there is an existing retail undersupply in the Pittwater LGA is therefore out of date and cannot be supported without further economic assessment.

With respect to the fifth item above, as already outlined in the third item above, it is noted that the Ingleside Precinct is proposed to be developed in stages with the South Ingleside Precinct developed prior to the North Ingleside Precinct. Therefore, the proposed Neighbourhood Centre would not be developed until many residents are already residing in the newly established Ingleside Precinct. By this point, established residents are likely to have already established shopping patterns at nearby retail centres, including at the Warriewood Square Shopping Centre. As such, it is difficult to predict, at this stage, whether the new Ingleside Neighbourhood Centre would still be economically feasible at this future point in time.

With respect to the sixth item above, there seems to be a lack of consistency in the technical reports prepared to support these amendments to the Growth Centres SEPP when it comes to the South Ingleside Neighbourhood shop area. The following proposed uses have been scattered across the various strategy documents and technical reports prepared to support the SEPP amendment: Neighbourhood shops; small Retail offering; Cafes; community node with small retail offerings; community centre; multi-purpose community centre; and neighbourhood retail centre adjacent to primary school. This makes it difficult to make a full and complete submission with regards to the potential retail impacts of the Ingleside Precinct.

4. Site Zoning

The Explanation of Intended Effect of amendments to the Growth Centres SEPP notes that the proposed SEPP amendment does not rezone land and local planning instruments would continue to apply after the proposed amendments are published (if approved) until land is rezoned.

As such, no zoning has been specified yet for the neighbourhood centre and/or neighbourhood shops proposed to be part of the Ingleside Precinct. However, the repeated reference to shopping areas in the Ingleside Precinct as being for a Neighbourhood Centre and/or for Neighbourhood shop suggests a zoning such as B1 Neighbourhood Centre is the most likely land use zone which would be applied.

While Vicinity Centres does not oppose in principal the establishment of small-scale, Neighbourhood shops within the Ingleside Precinct, it is concerned about the potential impacts of larger Retail and other Commercial developments on established Retail developments within the surrounding retail catchment, including the continued operation of its Warriewood Square Shopping Centre. As outlined in **Section 3**, Vicinity Centres considers that the technical studies prepared to support the proposed amendment to Growth Centres SEPP have not adequately identified these impacts. It is also unclear how the Ingleside Precinct would be zoned to achieve an appropriate scale of Retail land uses while preventing Retail and Commercial land uses on an inappropriate scale.

There is a general understanding that Environmental Planning Policies need to balance the competing interests of ensuring land zonings are not unduly restrictive for future land users, whilst also being specific enough so that they do effectively direct future land uses.

However the lack of proposed zoning makes it difficult to conclude whether the retail and employment impacts of the proposed neighbourhood centre at Ingleside would be in line with what is projected in the Employment and Retail Assessment.

(i) B1 Neighbourhood Centre Zoning

Under the *Standard Instrument (Principal Local Environmental Plan) 2006* (Standard Instrument), the B1 Neighbourhood Centre is a type of Business Zone. Under the Standard Instrument, a B1 Neighbourhood Centre should have the following objectives attached to it:

of To provide a range of small-scale retail, business and community uses that serve the needs of people who live or work in the surrounding neighbourhood.

The Standard Instrument directs that the following land uses be permitted with consent in the B1 Neighbourhood Centre zone:

Boarding houses; Business premises; Child care centres; Community facilities; Medical centres; Neighbourhood shops; Respite day care centres; and Shop top housing.

Any additional permissible or prohibited land uses at the Neighbourhood Centre in Ingleside would be finalised when the Ingleside Precinct is rezoned. Therefore, it is not possible, at this stage, to know for certain which types of land uses would be permissible in the new Neighbourhood Centre and/or Neighbourhood shop area were they to be zoned as B1 Neighbourhood Centre.

(ii) Possible Rezoning under the Pittwater Local Environmental Plan

It is possible that Ingleside Precinct would be re-zoned under the *Pittwater Local Environmental Plan 2014* (PLEP2014). Under PLEP2014, the objectives of the B1 Neighbourhood Centre zone are:

- *To provide a range of small-scale retail, business and community uses that serve the needs of people who live or work in the surrounding neighbourhood; and*
- *To provide healthy, attractive, vibrant and safe neighbourhood centres.*

Within this zone, home businesses and home occupations are the only land uses permitted without consent. In addition, the following land uses are permitted with consent:

*Boarding houses; **Business premises**; Child care centres; Community facilities; Environmental protection works; **Health consulting rooms**; Home-based child care; Home industries; Information and education facilities; Jetties; Kiosks; **Markets**; Medical centres; **Neighbourhood shops**; Recreation areas; Recreation facilities (indoor); Respite day care centres; **Restaurants or cafes**; Roads; Shop top housing; **Shops**; Signage; **Take away food and drink premises**; Veterinary hospitals.*

Within this zone, any development not specified in item 2 or 3 is prohibited.

(iii) Possible Rezoning under Growth Centres SEPP

It is also possible that the Ingleside Precinct would be rezoned under the Growth Centres SEPP.

A quick review of Growth Centres SEPP showed that, within the Oran Park and Turner Road Precinct Plan (which is appended to Growth Centres SEPP), the following are prohibited development in the B1 Neighbourhood Centre zone:

*Agriculture; Airports; Airstrips; Biosolid waste applications; **Bulky goods premises**; Caravan parks; Cemeteries; Correctional centres; Crematoria; Dairies (pasture-based); Depots; Extractive industries; Farm buildings; Freight transport facilities; Hazardous storage establishments; Helipads; Heliports; Home occupations (sex services); **Industrial retail outlets**; Industries; Liquid fuel depots; Materials recycling or recovery centres; Mines; Offensive storage establishments; Passenger transport facilities; Recreation facilities (major); **Residential flat buildings (other than as shop top housing)**; Restricted premises; Restriction facilities; **Roadside stalls**; Rural industries; Rural workers' dwellings; Sawmill or log processing works; Seniors housing (other than as shop top housing); Sewage treatment works; Sex services premises; Stock and sale yards; Storage premises; Timber and building supplies; Transport depots; Truck depots; Vehicle body repair workshops; Vehicle sales or hire premises; Warehouse or distribution centres; Waste disposal land fill operations; Waste management facilities; and **Wholesale supplies**.*

Within the B1 Neighbourhood Centre zone at Oran Park and Turner Road, no forms of development are permitted without consent. Furthermore, any development not specified in item 2 or item 4 is

permitted with consent. The North Kellyville Precinct, Alex Avenue and Riverstone Precinct Plans appended to Growth Centres SEPP have similarly broad permissibility provisions for land within the B1 Neighbourhood Centre zone.

It is therefore possible for a B1 Neighbourhood Centre zoning to make various types of Commercial and Retail development permissible with consent in these Precincts.

Conversely, within the Camden and Liverpool Precincts appended to Growth Centres SEPP, this wider range of Commercial and Retail developments would be prohibited. Within these Precincts, both Neighbourhood shops and Shops are permissible with consent. This sort of land use table seems to be more aligned with the strategic planning of the Ingleside Precinct.

(iv) Discussion

Under the *Standard Instrument (Local Environmental Plans) Order 2006*, Commercial premises means any of the following:

- Business premises;
- Office premises; and
- Retail premises.

Furthermore, Retail premises under the Standard Instrument may also include:

- Cellar door premises;
- Food and drink premises;
- Garden centres;
- Hardware and building supplies;
- Kiosks;
- Landscaping material supplies;
- Markets;
- Plant nurseries;
- Roadside stalls;
- Rural supplies;
- Shops;
- Timber yards; and
- Vehicle sales or hire premises.

A Shop means:

premises that sell merchandise such as groceries, personal care products, clothing, music, homewares, stationery, electrical goods or the like or that hire any such merchandise, and includes a neighbourhood shop, but does not include food and drink premises or restricted premises.

and Neighbourhood shops are:

premises used for the purposes of selling general merchandise such as foodstuffs, personal care products, newspapers and the like to provide for the day-to-day needs of people who live or work in the local area, and may include ancillary services such as a post office, bank or dry cleaning, but does not include restricted premises.

From the above, as well as the review in **Subsection (ii)** and **Subsection (iii)**, it is clear that a wide range of Commercial, Retail and Shop-style premises are permissible in some of the Precincts containing a B1 Neighbourhood Centre zone under the Growth Centres SEPP.

However, this is more restricted under PLEP2014 and some of the Precincts under Growth Centres SEPP where land uses more appropriate to the scale of the proposed Ingleside Precinct are

permissible (e.g. Business premises, Health consulting rooms, Markets, Neighbourhood shops, Restaurants or cafes, Shops, and Take away food and drink premises).

If the intention of the proposed amendments to Growth Centres SEPP is to enable small-scale Shops such as Neighbourhood shops, it is Vicinity Centre's submission that this be reflected in the relevant land use table at the time of rezoning the Ingleside Precinct. Clearly inappropriate land uses such as Commercial, Retail or Bulky goods premises should be prohibited.

5. Possible Future Retail Expansion at Ingleside

While it is not possible to know, at this point in time, whether the Neighbourhood Centre in North Ingleside could be subject to a future retail expansion, it is submitted that this be prevented where it is not intended to occur by applying relevant land use zones to the Neighbourhood Centre and its surrounding buffer lands. The intention of such zoning would be to prohibit Commercial or Retail development of an inappropriate scale taking place at a later stage.

6. Conclusion

It is considered that the matters outlined above be addressed before the planning package for the Ingleside Precinct is released for comment later in 2017.

Most importantly, Vicinity Centres submits that the future land use zonings of the proposed shops to be located within the Ingleside Precinct should be accurately reflected in the relevant land use zoning table: i.e. this should permit Neighbourhood shops and the like, but not general Commercial or Retail development.

Yours faithfully,



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