

Centres Justification Supporting Information



461 Captain Cook Drive, Woollooware

Cronulla Sharks Redevelopment

Submitted to NSW Department of Planning and Infrastructure
On Behalf of Bluestone Capital Ventures No.1

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1.0 Analysis of Proposed Centre

1.1 Overview of the Concept Plan

The Preferred Project for the Cronulla Sharks Concept Plan seeks to establish a new town centre which complements the planned centres hierarchy within Sutherland Shire by locating essential housing, retail, community, medical and recreation uses within an integrated new precinct linked to existing public transport networks through a new public bus services.

The Preferred Project provides for:

- A new residential master planned community consisting of up to 600 new one, two and three bedroom apartments;
- A new modern retail centre consisting of a full-line supermarket, mini-majors, specialty retail and dining;
- a new medical centre;
- new public bus service with interim shuttle service;
- Touched By Olivia inclusive public children's playground;
- rehabilitation and protection of the Woollooware Bay foreshore;
- extension of existing shared foreshore cycle and pedestrian paths;
- upgrades to the Cronulla Sutherland Leagues Club;
- upgrades to Toyota Stadium; and
- new club facilities and training field for Cronulla Caringbah Junior Rugby League Club.

The Concept Plan provides for the above uses to be located within a compact and integrated precinct which will result in a vibrant and sustainable new centre which provides significant benefits to the community. The site is eminently suitable, being large (10ha) and in the one ownership, within 1 kilometre of Woollooware Station and will, at commencement of development, be connected to the station by way of a convenient shuttle bus service which will ultimately be upgraded to a public bus route.

This report has been prepared as a supporting document to the Preferred Project Report submitted in March 2012. The report reinforces the compelling need for a new town centre in this part of the Sutherland Shire. The report highlights the chronic undersupply of residential and retail development to meet both the current and future needs of Shire residents, and the poor performance of local strategic planning to address this issue and meet the requirements of metropolitan and regional planning policy. It demonstrates that the proposed Sharks redevelopment meets the applicable criteria set down in the Metropolitan Plan, centres policies and local planning strategies for the development of a new town centre. It also critiques current local planning which lacks comprehensive analysis and will fail to deliver required residential and retail development.

1.2 Key Benefits of the Concept Plan

Retail

At present there is a chronic undersupply of supermarket retail floorspace within Sutherland Shire and particularly within the Shire's eastern half. Residents of the identified Main Trade Area for the proposed Cronulla Sharks development currently have access to retail floorspace equivalent to less than 15% of the Australian average and less than 25% of the Sutherland Shire average. Such significant shortages force consumers to travel long distances to access services and reduce competition,

increasing costs for residents. The Concept Plan will address this shortfall by providing a much-needed new full-line supermarket in a convenient and accessible location within an integrated new centre.

Table 1 – Supermarket Floor Space (Source: Pitney Bowes Business Insight, EAR Appendix Y and Z)

Supermarket Floor Space Provision (m² per 1,000 residents)	
Australia	320
Sutherland Shire	201
Main Trade Area (present)	47
Main Trade Area (post-development)	171

During the public exhibition of the Concept Plan in late-2011, which attracted nearly 5,000 public submissions, no complaint or objection was received from local business owners in Sutherland Shire regarding the potential economic impacts of the retail component of the Concept Plan. In fact, a number of business owners stated that they would consider expanding their existing operations to the new tenancies within the proposed retail centre.

Housing Supply

Dwelling approvals and completions have been falling in Sutherland Shire for more than a decade, and are currently significantly below the housing targets provided for in the *Metropolitan Plan for Sydney 2036*. The Concept Plan provides for up to 600 new dwellings which benefit from high amenity due to their location within a new centre with good access to public transport and recreation. The proposed dwellings will contribute to increased housing diversity within the local area better suited to the needs of the local community, and will go some way to addressing the existing shortfall in dwellings within the area. The proposal is consistent with the State planning objectives of providing 80% of new dwellings within centres with good access to public transport.

Economic Benefits

The Concept Plan will make a significant contribution to employment self-containment within Sutherland Shire through the creation of 540 ongoing full time equivalent (FTE) jobs within the new retail and club facilities, and will provide flow-on economic benefits to the local community including an additional \$17.2 million in salary and wages for the local region and the indirect creation of a further 510 jobs in the broader community.

Timing and Delivery

The Cronulla Sharks site is one of the largest privately held sites within Sutherland Shire, presenting a unique opportunity to deliver an integrated and masterplanned development outcome which achieves State and Subregional planning objectives. This large, consolidated land holding reduces the costs and delays associated with the amalgamation of fragmented sites and will ensure housing is delivered to the market more quickly and cheaper. The proponent is committed to delivering the Concept Plan scheme in a timely manner, guaranteeing the delivery of the numerous benefits associated with the project including housing supply, retail facilities, foreshore rehabilitation and open space.

1.3 Why Create a New Centre?

1.3.1 NSW Draft Centres Policy

The NSW Draft Centres Policy makes clear that in order to ensure that the demand for essential retail and employment uses is met:

Councils should adopt a positive approach to rezoning proposals, particularly where there is an undersupply of floorspace within their local area.

As noted there is a substantial shortage of retail floorspace within the locality. The *Draft Centres Policy* outlines a series of tests which should be used to assess new retail development outside of existing centres, which have been satisfied in the EAR and PPR and discussed at **Section 3.0**. Given that the Concept Plan is in effect a rezoning proposal for the subject site, the Planning Assessment Commission should consider the Draft Centres Policy and support the Concept Plan for its provision of new retail facilities in a manner which ensures that the new supply is located within a functional new town centre rather than an out-of-centre retail facility.

1.3.2 Metropolitan Plan for Sydney 2036

Establishing New Centres

Strategic Direction D – Housing Sydney’s Population of the Metropolitan Plan outlines the approach for the location of new housing under the Plan’s hierarchy of centres and provides clear scope for the establishment of new centres to cater for population and employment growth in certain circumstances, specifically:

If new high density residential development is proposed outside the walking catchment of an existing centre, a new centre may be created with a matching level of services, amenities and public transport servicing. (p.107)

Planning for Town Centres

The *Metropolitan Plan for Sydney 2036* defines a hierarchy of centre types and features within the metropolitan context. The Concept Plan seeks to establish a new centre which is most appropriately classified as a Town Centre under the Metropolitan Plan typology, which is defined as follows:

A Town Centre is a large group of shops and services, with a mix of uses and good links with the surrounding neighbourhood. It provides the focus for a large residential population.

A series of criteria for Town Centres is established in Appendix 4 of the Metropolitan Plan, which are addressed in **Table 2** below.

Table 2 – Criteria for Town Centres under the *Metropolitan Plan for Sydney 2036*

Metro Plan Criteria	Proposed Concept Plan	Achieved?
Comprise more than 50 retail premises and services generally with:	The Concept Plan scheme includes over 50 retail tenancies with a range of uses and sizes.	Yes
■ Supermarkets	The Concept Plan proposes a full-line supermarket supported by mini-major and specialty retail to address in-part a significant identified shortage within the main trade area.	Yes
■ Shopping mall	The centre incorporates traditional shopping mall elements in a connected and vibrant centre which includes dining, leisure, social and entertainment uses.	Yes
■ Variety of specialist shops	The Concept Plan scheme includes 50 specialty retail shops.	Yes
■ Restaurants	The retail centre includes a number of restaurant tenancies within the centre which take advantage of the site’s natural water views and city views.	Yes
■ Schools	Woollooware High School is located immediately to the east of the Concept Plan site, and Cronulla High School is approximately 1.2 kilometres to the east. Woollooware Public School is approx. 1.2 kilometres walking distance from the site and Caringbah North Public School is approximately 1.5 kilometres.	Yes

<ul style="list-style-type: none"> Community facilities 	<p>The Foreshore Park includes an play area designed as a 'Livi's Place Inclusive Playground' in accordance with the standards set out by the Touched By Olivia Foundation for children with a range of abilities to promote social inclusion and increased participation.</p> <p>In addition, the Leagues Club will continue to serve as a valuable community asset for socialising and recreation, and will remain operational throughout the course of the development.</p>	Yes
<ul style="list-style-type: none"> Medical Centre 	<p>Provision is made for a Medical Centre within the eastern site which will significantly improve the availability of community health services for new residents and the existing community.</p>	Yes
<p>Tend to be a residential origin location, rather than an employment destination.</p>	<p>Whilst it is projected that the retail centre will provide approximately 540 new ongoing retail jobs, it is expected that residents of the new centre and its surrounds will be likely to be employed in surrounding employment areas.</p>	Yes
<p>Contain medium and high density housing, typically containing 4,500 – 9,000 dwellings within the 800 metre walking catchment of the centre.</p>	<p>The Concept Plan proposes approximately 600 apartment dwellings within the new centre. Approximately 400– 500 existing low density dwellings are presently located within the walking catchment of the site. Whilst historical land uses limit the walking catchment of the centre, the inability to provide adequate local supermarket and local retail facilities within Cronulla means that the proposed new centre will serve a larger number of residents (including 8,100 existing residents and the future residents of up to 400 dwellings at the Australand/Breen site at Greenhills Beach) within the identified primary sector of the centre's main trade area who have no existing suitable facilities.</p>	Partial
<p>Are serviced by heavy rail and/or strategic bus and local bus networks, and some have ferry services.</p>	<p>The quantum of development proposed under the Concept Plan will act as the catalyst for the provision of a new public bus service connecting the centre, surrounding residential areas and existing local centres. This service will be fully integrated with the existing metropolitan transport network including heavy rail and cross-regional bus corridors and will be supported by a strong combination of trip origins and destinations. The proponent has committed to fund an interim shuttle service between the site and Woollooware Station to ensure there is no service gap between the occupation of the new centre and the commencement of the public bus service.</p>	Yes
<p>Ideal elements are a town square, main street, sporting facilities and reasonable access to parkland.</p>	<p>Toyota Stadium, the Leagues Club and new retail facilities will provide a strong, vibrant and diverse focal point for the new Town Centre and the local community. The centre will have excellent access to parkland, with the proposed Foreshore Park creating a new public open space with linkages to the Woollooware Bay foreshore cycle path, Solander Fields and Toyota Stadium.</p>	Yes

In light of the above it is clear that the new centre proposed by the Cronulla Sharks Concept Plan is capable of acting as a high quality and viable new town centre within the Sutherland Shire which services the needs of excising and future residents.

Sutherland Shire Council's preliminary submission states that *"the proposed centre is more like a stand-alone shopping centre like Roselands, as identified in the South Subregion Draft Subregional Strategy, than a local centre that is integrated with a surrounding area"*. The Centro Roselands Shopping Centre (the only 'stand-alone

shopping centre' identified in the *Draft South Subregional Strategy*) site is nearly double the size of the proposed Sharks retail site and the shopping centre provides approximately 5-6 times more car parking spaces and 7-8 times more specialty retail tenancies than proposed under the Concept Plan scheme for Sharks. Centro Roselands is surrounded by at-grade car parking servicing the site, beyond which is low-density housing, a registered club and an aquatic centre. Moreover, the Subregional Strategy describes stand-alone shopping centres as:

*Internalised, privately owned centres located away from other commercial areas, containing many of the attributes of a Town Centre **but without housing or public open space (our emphasis)** – may have potential to become a traditional town centre in the long-term.*

This definition makes clear that there is absolutely no similarity between the proposed Concept Plan scheme and either Centro Roselands or the 'stand-alone shopping centre' definition under the Subregional Strategy. The Concept Plan scheme places a strong focus on building an integrated and lively centre which connects housing, retail services, community uses and public open space, and is defined as a 'Town Centre' under the Metropolitan Plan typology.

2.0 Justification for Residential Component

2.1 Metropolitan Planning and Dwelling Targets

The Draft South Subregional Strategy was exhibited in July 2007. It is a key part of the implementation of the Metropolitan Strategy and, when adopted, is intended to guide land use planning in the Sutherland Shire LGA to 2031.

This Strategy identifies the following targets for the Sutherland Shire LGA:

- 10,100 additional dwellings by 2031; and
- additional employment capacity of 8,000 jobs by 2031.

As a result of the increased population forecast for Sydney in the Sydney Metropolitan Plan 2036, the overall dwelling targets for the South Subregion have changed from those contained in the 2005 Sydney Metropolitan Strategy as follows:

- dwelling growth target increased from 35,000 by 2031 to 58,000 by 2036 (a 65% increase); and
- employment growth target increased from 29,000 by 2031 to 52,000 by 2036 (a 79% increase)

Assuming that the increases to subregional dwelling growth targets under the Metropolitan Plan are applied equally across all local government areas in the subregion, an additional 6,600 dwellings, which have not yet been planned for, will be required to be provided within Sutherland Shire in addition to the 10,100 dwelling required under the *Draft South Subregional Strategy*.

Assuming that the increases to subregional dwelling growth targets under the Metropolitan Plan are applied equally across all local government areas, Sutherland Shire's targets would be expected to be as follows:

- 16,665 additional dwellings by 2036; and
- additional employment capacity of 14,320 jobs by 2036.

Based on the above it is clear that an additional 6,600 dwellings which have not yet been planned will be required to be provided within Sutherland Shire in addition to the 10,100 dwelling required under the *Draft South Subregional Strategy*. Uncertainty regarding the relationship between the *Draft South Subregional Strategy* and the *Metropolitan Plan for Sydney 2036* is expected to be addressed by the finalisation of the Subregional Strategies as part of the current update of the Metropolitan Plan.

The Cronulla Sutherland Leagues Club previously made a submission during the public exhibition of the *Draft South Subregional Strategy* which made the case for the inclusion of the Sharks site as a future centre under the finalised strategy. The Environmental Assessment Report and Preferred Project Report for the Cronulla Sharks Concept Plan include strategic justification for the new centre, detailed economic modelling and assessment of environmental, ecological, traffic, ESD and visual benefits and impacts of the proposed centre, which demonstrate that the proposed new centre is suitable.

2.2 Housing Supply Trends in Sutherland Shire

Taken over the next 24 years, the adjusted targets require the delivery of approximately 700 dwellings per annum within Sutherland Shire. As shown in **Figure 1**, Sutherland Shire Council has not approved more than 700 dwelling since the 2005/06 financial year, whilst actual dwelling completions within the Shire have not exceeded 700 since the 2002/03 financial year (NSW Department of Planning and Infrastructure, Metropolitan Development Program). During this period multi-unit housing has typically represented 80-90% of total new dwellings, and has been primarily located in

Sutherland Shire's existing town centres and subsequently reduced capacity for further densification of these areas. Both new dwelling approvals and completion rates have plummeted over the past decade, and most notably since the 2006/07 financial year (which corresponds with the introduction of the current *Sutherland Local Environmental Plan 2006*).

Housing supply and affordability was a major community concern articulated during the public exhibition of the Cronulla Sharks Concept Plan, with more than 1,500 community submissions identifying a need to provide a greater diversity and number of dwellings within the local area to cater to the changing needs of Sutherland Shire residents. A number of submissions received voiced personal concerns regarding individual's future options for attaining suitable housing in the area, whilst a number of submissions from outside the area were written by former residents of the area forced to move away from the local area due to the lack of suitable housing.

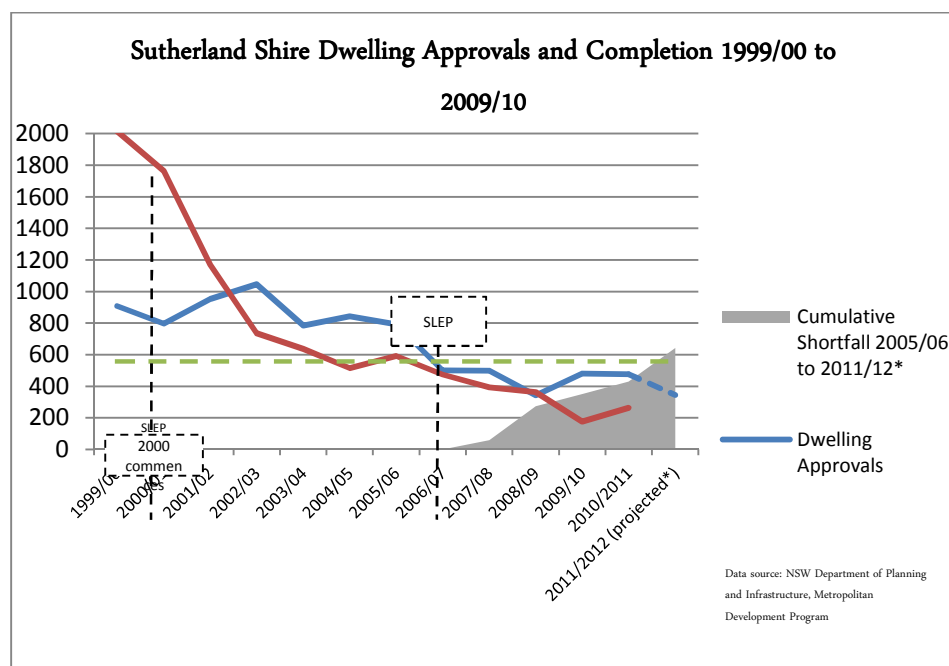


Figure 1 – Dwelling Approvals and Completions in Sutherland Shire for 1999/00 to 2011/12

2.3 Sutherland Shire Council Strategic Planning

2.3.1 Sutherland Shire Housing Policy

Notwithstanding the existing shortfall in dwelling production, Sutherland Shire Council has previously dismissed the dwelling growth targets contained in the *Draft South Subregional Strategy* as too small to support the ageing population within the region and maintain the existing standard of living. Sutherland Shire's *2008 Draft Housing Strategy* states:

...this increase in dwelling numbers will only deliver a population growth rate of 0.35% by 2031. This rate will be insufficient to offset the impact of the ageing of the population and a resultant drop in demand for goods and services, nor will it be sufficient to protect local schools from falling enrolments and possible closure.

There are positive benefits of population growth which are detailed in this report. Population growth would also allow the impact of an ageing population to be better absorbed. This report considers a range of potential growth targets. It is considered that a 5% growth target would maintain a better demographic balance and ensure continued support for the local economy and service sector.

A 5% population growth target to 2031 would require provision being made for 14,080 new dwellings within the new LEP. Given that there is capacity within existing zones to provide for 10,100 new dwellings, a 5% growth strategy would require provision to be made for further 3,980 dwellings.

It is noted that this 5% target has been omitted from the updated 2012 *Strategic Directions: Housing Employment, Environment* which was endorsed by Council in February 2012 to inform updated planning controls for Cronulla, Caringbah and Sutherland, instead adopting the smaller growth targets outlined in the *Draft South Subregional Strategy*. By Council's own measure these dwelling targets are not adequate to address the social and economic challenges posed by changing demographics within Sutherland Shire, however the DCSILEP intends to lock in planning controls based on these inadequate dwelling targets for three of the LGA's four largest centres.

The continued shortfall in dwelling production within Sutherland Shire and the failure to plan for sufficient future population growth threatens to result in:

- increased housing unaffordability;
- inappropriate housing types to suit the actual needs of the population;
- falling enrolments and possible closures in local schools;
- reduced demand for local goods and services;
- loss of local employment opportunities;
- increased pressure on local medical and community facilities; and
- reduced Council revenues to maintain existing services and planned upgrades to centres.

2.3.2 Sutherland Shire Draft Centres Standard Instrument LEP

Dwelling Targets

It is noted that Sutherland Shire Council has recently considered the *Draft Centres Standard Instrument Local Environmental Plan* (DCSILEP) for submission to the NSW Department of Planning and Infrastructure for gateway determination. This planning proposal is to apply to three of Sutherland Shire's four centres which are classified as 'Town Centres' under the *Draft South Subregional Strategy 2007*, being Cronulla, Caringbah and Sutherland (Miranda being excluded). The DCSILEP as considered by Council makes provision for up to 900 of the 2,700 dwellings which are required to be provided within centres under the 2007 *Draft South Subregional Strategy*, and is informed by Sutherland Shire's *Draft Housing Strategy* and Draft Centres Strategies for Cronulla, Caringbah and Sutherland.

The DCSILEP does not take into account the additional dwellings which are required to be provided within the subregion under the *Metropolitan Plan for Sydney 2036* as noted in **Section 2.1**, despite Ministerial Direction No. 7.1 under Section 117 of the *Environmental Planning and Assessment Act 1979* requiring Councils to consider the updated provisions of the *Metropolitan Plan for Sydney 2036*. In light of the above it is considered that the DCSILEP fails to adequately provide for the housing supply required within the subregion by current State Government strategic planning policy, and additional opportunities to provide housing within centres such as the Cronulla Sharks Concept Plan should be considered.

Planning Assessment, Modelling and Testing

The Draft Centres Strategies do not provide any detailed discussion of land ownership patterns or the intentions of existing owners to amalgamate and redevelop sites within the controls outlined in the strategy. All three of the Draft Centres Strategies note the

constraints posed by fragmented land ownership in these centres, with statements such as that for Cronulla:

“the fragmented ownership of many relatively small lots in Caringbah limits its development potential and makes amalgamation of sites for development more costly”

Despite the acknowledging this constraint in each existing centre to which DCSILEP applies, Council fails to identify whether the proposed development controls will provide for feasible amalgamation and redevelopment of sites to achieve the required development outcomes in a timely manner. The impact of inadequate incentives for site amalgamation in existing centres is already acknowledged in Section 2 of Council's *Draft Strategic Directions: Housing, Employment, Environment*, which notes that the potential for Sutherland to achieve its role within the subregional centres hierarchy may be compromised by the absence of suitably sized redevelopment sites.

Given the barriers posed to the efficient revitalisation and development of sites within the existing town centres, Council should be providing detailed analysis to support its contention that the proposed uplifts in development controls will be sufficient to achieve the new development outcomes envisaged under the DCSILEP.

Council should welcome the opportunity to be involved in the masterplanning of a large consolidated site and the opportunities to achieve Council's objectives in a timely manner, particularly where it is acknowledged, as above, that fragmentation constraints in existing centres are already hindering Council's ability to achieve its housing, retail and commercial objectives.

Whilst the Draft Centres Strategies have considered the traffic impact of forecast dwelling increases on the subregional and regional road network, no discussion or traffic engineering or modelling has been provided which addresses the likely local-scale impacts which will directly affect the operation of local intersections within centres as a result of the proposed rezonings and density uplifts. In some instances these constraints are likely to significantly constrain or prohibit the realisation of the planned outcomes, such as the proposal for a new supermarket within Cronulla (refer **Section 3.2.1**).

In contrast to the above, the Cronulla Sharks Concept Plan has been subject to detailed environmental analysis which has addressed issues including built form, visual impact, residential amenity, economic impact, ecology and biodiversity, ESD, stormwater management, traffic, public transport and open space and recreation.

Timing and Delivery

The DCSILEP has not yet been forwarded to the NSW Department of Planning and Infrastructure for Gateway Determination as Council has deferred the matter for an eight-week public consultation process, after which the matter will again be considered by Council prior to any further progression. In light of this timeframe it is not anticipated that the DCSILEP will be implemented for at least a further 12 months.

Once the DCSILEP is implemented, responsibility for the implementation of the development outcomes envisaged in the planning instrument lies with the individual land holders. The site amalgamations anticipated under the draft built form controls are likely to take several years, if they do occur, and depend entirely on the economic feasibility of the development yields permitted under the DCSILEP. As Council has not provided details of any discussions to gauge the intentions of key land owners (such as Cronulla RSL), or details of any feasibility testing, there is no certainty that these controls will be taken up in the near future to meet the dwelling and employment targets for the Council area.

The cost and time involved in site amalgamation directly affects the cost of development and is reflected in higher prices and reduced affordability. By failing to consider the Cronulla Sharks site and continuing to object to the proposed Concept Plan, Sutherland Shire Council has passed up an opportunity to quickly deliver housing

and retail development to meet an identified shortfall on a suitable site. The size of the Cronulla Sharks site allows a masterplanned and integrated design outcome rather than the piecemeal development encouraged by the broad-based upzoning of existing centres.

One area where Sutherland Shire Council does have direct power to stimulate development is on Council owned sites. On this front however the failure by Council to deliver redevelopment on key sites identified for redevelopment in the 2006 LEP and DCP controls, such as the Hay Avenue carpark at Caringbah, raises doubt as to Council's ability to achieve further redevelopment within these centres. In contrast, the proponent of the Cronulla Sharks Concept Plan has a demonstrated commitment to deliver the new centre and its associated benefits to market in a timely manner.

2.3.3 Loss of Open Space

It is noted that despite Council's objections to the redevelopment of Private Open Space located within the Cronulla Sharks site and owned by the Cronulla Sutherland Leagues Club, the DCSILEP proposes to:

- Rezone land from Zone 13 Public Open Space and Zone 15 Private Recreation (the same zone as the Sharks training fields) to B3 Commercial Core to allow the redevelopment of the Cronulla RSL and Bowling Club for retail and commercial development (despite the site constraints noted at **Section 3.2.1** below);
- Rezone the Caringbah Bowling Club site from Zone 13 Private Recreation to R4 High Density Residential along with the unutilised portion of the Caringbah High School site (Zone 12 Special Uses), despite the Bowling Club site not being included in the Department of Education's proposal; and
- Permit development on the existing croquet greens, private open space and PCYC facility (which includes basketball courts and indoor recreation space) north of Waratah Park at Sutherland (currently Zone 15 Private Open Space) for Seniors Housing or Educational Establishments with a maximum building height of 22 metres.

It is unclear how Council's proposals to enable the redevelopment of private open space currently used for lawn bowls and croquet is consistent with Council's recreation policies and objectives for Sutherland Shire's ageing population. It is also noted that there is no discussion in the DCSILEP or supporting documents regarding the loss of these facilities. No consultation with the relevant land owners of these three private recreation sites has been detailed, and it is questionable whether these facilities would be able or willing to relocate to facilitate the proposed redevelopment. The estimated dwelling yield for the DCSILEP relies on the redevelopment of these sites.

It is inconsistent that Sutherland Shire Council has consistently objected to the Concept Plan proposal to change of use of private land from private recreation to provide much-needed housing on the Cronulla Sharks site (which has the support of the Cronulla Caringbah Junior Rugby League Club), whilst at the same time proposing key rezonings under the DCSILEP to do exactly the same *without detailing any consultation with the affected land owners and users of these private open space facilities or the provision of any replacement facilities or offset proposals.*

3.0 Justification for Retail Component

3.1 Existing Retail Trends in Sutherland Shire

Changing demographics and housing patterns have clearly outpaced the ability of Council's strategic plans and planning instruments to accommodate sufficient retail floor space to meet demand in Sutherland Shire generally, and within Kurnell, Woollooware, North Cronulla and North Caringbah in particular. This is likely to be exacerbated further by the recent residential development approvals on the Greenhills site and within Cronulla. In light of the high local demand for additional retail services and the high supermarket retail returns within the Shire, the failure by the market to take up existing suitably zoned sites demonstrates that alternative sites must be considered.

One of the key issues identified during the public exhibition period for the Cronulla Sharks Concept Plan was the adequacy of existing retail and medical services within the eastern areas of Sutherland Shire. Over 1,700 public submissions supported the provision of new retail services and the associated benefits for employment and the local economy.

The Pitney Bowes report establishes that there is a significant shortfall in supermarket retail floorspace particularly within the Cronulla/Woollooware/Kurnell/Greenhills locality which is currently without a full-line supermarket and which is identified as being the Main Trade Area of the proposed new centre. This area has an estimated population of 32,100 people who are currently serviced by 47m² of supermarket retail floor space per 1,000 residents, which is less than a quarter of the Sutherland Shire average (which itself is less than two-thirds of the Australian average). The current and expected supermarket retail provision is summarised in **Table 3**.

Table 3 – Supermarket retail floorspace provision

Supermarket Floor Space Provision (m ² per 1,000 residents)	
Australia	320
Sutherland Shire	201
Main Trade Area (present)	47
Main Trade Area (post-development)	171

3.2 Sequential Test for New Centres

In order to determine whether it is appropriate to change the use of a site to enable retail or commercial development, the *Draft Centres Policy* establishes a 'sequential test' for the consideration of edge-of-centre or out-of-centre development.

- The first step in this approach is to determine that there are no suitably zoned sites within existing centres where the proposed uses could be feasibly and practically accommodated.
- The second step, where it is determined that there are no suitably zoned sites in the centre, is to determine whether there are no suitable sites in an edge-of-centre location.

Application of the Sequential Test has required the proponent to examine in detail whether the required level of facilities could be readily be provided within existing centres. Existing town centres within the local context (refer **Figure 2**) where a full line supermarket could potentially be sustained (on either an edge-of-centre or within-centre site) and meet the needs of local residents within the Main Trade Area are Cronulla and Caringbah.



Figure 2 – Subregional Centres and Retail Context

3.2.1 Cronulla

Cronulla currently contains retail facilities with a total floor space of approximately 15,000m², including a Woolworths supermarket of approximately 650m² and a Franklins supermarket of approximately 850m². The retail precinct is generally characterised by food catering tenants, convenience based retail (newsagents and chemist etc.) and a number of surf shops. Development surrounding the centre is generally comprised of medium and high density housing which attracts high price premiums as a result of close beach access and ocean views. This places a significant site amalgamation and feasibility constraint on developing edge-of-centre sites to grow the centre and provide additional retail floor space.

The *Draft Cronulla Centre Review* was endorsed for public exhibition by Council in February 2012 to inform the Draft Sutherland Standard Instrument LEP (SI LEP), which will define the provision of new retail and commercial space in Sutherland's key town centres over the next decade. The review notes that the lack of a full-line supermarket is a major constraint on the Shire's eastern-most suburbs and identifies the Cronulla RSL/ Bowling Club site as a potential supermarket site within the centre as part of a mixed use redevelopment. The review recommends that this site be rezoned from Zone 15 Private Recreation to Urban Centre under the Draft Sutherland Standard Instrument LEP, allowing the Bowling Club to determine whether a redevelopment of the existing bowling greens should proceed on the site and in what form. A range of uses including residential flat buildings, hotels, business premises, restaurants and shops are permissible under the current SLEP 2006 Urban Centre zone, and the Bowling Club or any future landowner would need to determine that a supermarket use was the highest and best use for the ground level of a redevelopment of the site for this option to proceed.

The *Draft Cronulla Centre Strategy* claims that the redevelopment of this site for retail and commercial development will address the shortage of supermarket retail in the area, yet does not detail any consultation with Club Cronulla, consider the social impacts of the loss of this facility or provide any feasibility testing for the redevelopment of this site.

Traffic congestion within the Cronulla Town Centre is a major constraint on development within the centre, and particularly on the provision of a full-line

supermarket which is a major traffic generating use. At present traffic flows both to and through the centre cause significant congestion and delays, especially during summer periods when the high volumes of cars and pedestrians can cause gridlock in the area.

McLaren Traffic Engineering has reviewed the potential traffic effects of redeveloping the Bowling Club site for a full-line supermarket, and has identified the following potential issues:

- Servicing of the site with articulated vehicles would prove difficult due to:
 - insufficient space to accommodate 19-metre articulated truck swept paths at the intersection of Wilbar Avenue and The Kingsway;
 - Need to remove on-street parking on Wilbar Avenue to safely accommodate site egress for 19-metre articulate trucks; and
 - Potential accident risk and traffic congestion impacts due to the large gap acceptance requirements, particularly during peak hours at The Kingsway and at Wilbar Avenue.
- The site is located approximately 400 metres away from the nearest public transport stop, which is likely to result in a higher proportion of car-based trips than a town centre location directly serviced by public transport.
- Introduction of a supermarket, which has an hourly traffic generations three times greater than generic specialty retail uses, in this location would adversely affect peak hour and weekend traffic conditions by increasing the amount of traffic congestion in the town centre and surrounding area, which already suffers existing traffic congestion problems due to high residential densities.

In light of these comments it is clear that a new full-line supermarket cannot be provided within or at the edge of the Cronulla Town Centre in the medium-term to satisfy consumer demand without significant adverse impacts on the locality. The failure to undertake a basic local traffic analysis of the options proposed by Council in preparing the *Draft Cronulla Centre Review* and the DCSILEP reveals a major weakness in the proposals for future growth in Cronulla which would significantly hinder the realisation of the theoretical uplifts to development controls for this centre.

3.2.2 Caringbah

Caringbah contains a similar amount of overall retail floorspace to Cronulla, with a greater provision of supermarket retail including a full-line Woolworths (4,400m²) and smaller Coles (3,000m²) and Franklins (1,200m²). The high proportion of supermarket retail within Caringbah is due in part to the need for this centre to service the demand for bi-weekly and weekly supermarket services that are unable to be provided in Cronulla due to growth constraints. Caringbah as a centre is constrained by physical barriers associated with its location at the junction of The Kingsway and the Cronulla Rail Line which prevent the establishment of a well-connected main street or centre, and the need to provide sufficient parking to support retail uses. The centre is predominately surrounded by medium density housing, prohibiting short-term expansion of the centre through the acquisition of sufficiently sized edge-of-centre sites for full-line supermarket retail.

A Council-owned car park at Hay Avenue within the centre has been identified in Chapter 2 of the Sutherland Shire Development Control Plan 2006 as a potential redevelopment site, with one option for the site providing for a sufficient floor plate to accommodate a new full-line supermarket. This redevelopment option is predicated on the ability to retain all public parking spaces currently occupying the site and provide of additional car parking to support the supermarket and any other new uses proposed. In order to progress this option the proponent would also need to overcome traffic issues associated with providing safe and efficient access to The Kingsway. This development option would need to prevail over the alternate residential, commercial and shops scheme outlined in the DCP and other permissible uses within the centre.

It is noted that although the potential for development of the Hay Avenue site has existed since the adoption of DCP 2006, yet over the following six years no development outcome has been achieved for this site despite a clear demand for further supermarket retail floorspace and residential development within Sutherland Shire. The *Draft Caringbah Centre Review* includes no further feasibility testing or traffic modelling for this site which supports this option as a viable development of the site.

Notwithstanding the constraints associated with retail growth within or at the edge of the Caringbah Town Centre in the short and medium-term, the provision of additional retail facilities within this centre would provide little additional utility to residents within the Main Trade Area of the Concept Plan, who would still be required to commute long distances for bi-weekly and weekly shopping needs and would not address the significant growth constraints affecting the centre.

3.3 Net Community Benefit Test

In light of the above information it is evident that there are no suitable sites, whether zoned or unzoned, for retail development (and particularly for a much-needed full line supermarket) either within or at the edge of existing local centres which could adequately meet the needs of local residents for retail services.

For proposals to create a new centre, the Draft Centres Policy requires an additional third step as part of the Sequential Test called the Net Community Benefit Test. The Concept Plan seeks approval for the creation of a new Town Centre within the framework identified in the *2036 Sydney Metropolitan Plan*. The Net Community Benefit Test carried out for the Concept Plan proposal (**Attachment D**) concluded that there will be a net community benefit as a result of the proposal. The NSW Draft Centres Policy makes clear that in order to ensure that the demand for essential retail and employment uses is met:

Councils should adopt a positive approach to rezoning proposals, particularly where there is an undersupply of floorspace within their local area.

The development will address in part a significant shortage of supermarket retail floorspace within the locality, increasing the average provision of supermarket retail floor space from 47m² per 1,000 residents to around 171m² per 1,000 residents within the main trade area, which whilst still below the Sutherland and Australian averages represents a significant improvement for local residents in terms of provision and access to supermarket retail. The Concept Plan proposes an amount of supermarket retail floor space (4,000m²) which is half of that provided in Caringbah (8,600m²) and will provide a new local alternative for eastern residents who are unable to fulfil their bi-weekly and weekly shopping needs in Cronulla, without impacting upon the viability of these centres. The proposed supermarket will anchor other food-oriented retail and specialty stores as just one component of a vibrant and sustainable new centre with a diverse a range of uses including dining, leisure, recreation and family entertainment supported by a strong local residential population and good access to public transport.

4.0 Community Benefits

4.1 Sutherland Shire Council's Strategic Directions for Centres

Sutherland Shire Council recently prepared *Draft Strategic Directions: Housing, Employment and Environment* to inform the preparation of Draft Centres Strategies for Cronulla, Caringbah and Sutherland for the DCSILEP. These strategies derive from what the *Draft Strategic Directions* document identifies as the “core elements of Council's planning responsibility”. **Table 4** demonstrates that the proposed Concept Plan is consistent with Council's strategic directions, and in many cases will deliver a better outcome than the proposed density uplifts and rezonings in existing centres.

Table 4 – Consistency with Sutherland Shire Council's *Strategic Directions: Housing, Employment, Environment*

Strategic Direction Objective	Comment
Housing	
Meet the current and future needs of an ageing population	The Concept Plan provides up to 600 one, two and three bedroom apartments located within a new centre which includes retail, medical, leisure and social and recreational uses with good access to public transport. New apartments will comply with the relevant adaptable unit requirements and the entire development will comply with the relevant accessibility standards.
Deliver Council's Ageing Strategy	See above.
Meet the current and future needs of smaller sized households	In providing a range of one, two and three bedroom apartments the Concept Plan caters towards smaller sized households. At present households do not have sufficient access to supermarket retail in the local area, which is considered an essential household need. The Concept Plan provides for a new full-line supermarket, mini-majors, specialty retail and dining to meet household needs
Meet the community need for increased housing choice	The Concept Plan provides for greater housing choice by providing smaller dwellings in a denser urban environment which facilitates good public transport and a vibrant new centre with retail, leisure and entertainment uses.
Encourage redevelopment to promote the revitalisation of centres	As demonstrated in the economic impact assessment contained within the Concept Plan, the proposal will not compromise the economic viability of existing centres.
Facilitate the use of public transport and the efficient utilisation of existing and future infrastructure	The Concept Plan will act as the catalyst for a new public transport linkage which benefits both current and future residents of the area and connects to the existing rail network.
Meet the requirements of the <i>Draft South Subregional Strategy – Planning to 2031</i>	The subregional dwelling targets have increased by 65% under the current <i>Metropolitan Plan for Sydney 2036</i> . Basing new planning controls on outdated targets threatens to compromise the ability to provide adequate housing supply for Sydney into the future.
Employment	
Plan for sufficient zoned land to achieve State employment targets	The proposed development provides for new retail facilities which will support the creation of 491 full time equivalent positions and prevent the loss of 159 jobs currently provided by the club.
Improve employment self-containment	See above. It is expected that the economic input provided by the creation of jobs within the new centre will result in an additional 442 new full time equivalent positions in the broader region. 85% of the 159 staff employed by the

	currently reside within Sutherland Shire.
Support existing magnet infrastructure	<p>The Concept Plan builds on the tourism economy of the eastern sector of Sutherland Shire and seeks to strengthen the existing entertainment precinct through the upgrade of the existing Club and Stadium and the provision of new dining and retail opportunities. By providing for the efficient utilisation of the assets of the Cronulla Sutherland Leagues Club and providing for ongoing revenue streams to the Club the Concept Plan safeguards the ongoing role of the Club and the Cronulla Sharks NRL team in the local area as significant contributors to the tourism economy in the area.</p> <p>In addition the Concept Plan provides for new housing in close proximity to the Taren Point employment area, providing for a greater range of housing to support the workforce of businesses operating within this precinct.</p>
Resolve the competing roles of Sutherland Shire's major centres	As described in the Concept Plan, the proposed new centre will operate as a Town Centre within the existing centres framework and provide essential retail, medical and leisure services which are currently not being met by existing centres.
Environment	
Protect and enhance local biodiversity	The Concept Plan proposes to rehabilitate and protect the Woollooware Bay foreshore, including land owned by Sutherland Shire Council, which is currently unmaintained and weed-infested. The Concept Plan has taken into account
Protect and enhance the water quality of creeks, rivers, bays and beaches	<p>The Concept Plan provides for a new foreshore buffer and onsite stormwater treatment devices which will substantially improve the quality of flows into the bay. It is noted that water from the Woollooware Golf Course (owned by Sutherland Shire Council) currently flows untreated into the Bay and has been identified as a major source of contaminants.</p> <p>The site is currently a potential source of contaminated leachate into Woollooware Bay emanating from fill brought onto the site as a result of its former use by Sutherland Shire Council as a tip. The Concept Plan minimises excavation across the site and future applications will include detailed measures to ensure that the ongoing environmental impacts of this fill are appropriately managed.</p>
Facilitate the use of public transport and the utilisation of existing and future infrastructure	<p>The Concept Plan will serve to catalyse new public transport connections which shall benefit both current and future residents of the area and connect to the existing suburban rail network.</p> <p>The Concept Plan also provides for a significant shift in the way transport for major events occurs at Toyota Stadium to promote the use of public transport.</p>
Encourage energy and water efficiency	In planning for development of the site at a precinct level, the development of the Concept Plan scheme will allow the implementation of ecologically sustainable development in a more efficient and comprehensive manner than the piecemeal development of urban areas.

4.2 Employment Opportunities

The proposal will provide for an estimated 491 full time equivalent (FTE) retail jobs, creating new employment opportunities on a site which is currently under-utilised. Based on the projected impact on trading at other centres as a result of the proposed development, it is expected that approximately 25 jobs may be lost at other centres within the region. The report prepared by Pitney Bowes titled *Cronulla Sutherland Leagues Club Economic Impact Assessment July 2011* finds that the creation of new

permanent employment on the subject site will result in flow-on effects on local employment to the effect of an additional 442 FTE jobs being created within the broader community. This equates to over 900 new, permanent FTE jobs being created as a direct result of the proposed retail neighbourhood, which would account for 11.25% of employment capacity target for Sutherland Shire to 2031 under the Draft South Subregional Strategy and 1.7% of the overall employment target for the South Subregion for 2036 under the Sydney Metropolitan Strategy.

In addition to employment generated by the new retail development, increased activity within the precinct will further enhance the viability of the Cronulla Sutherland Leagues Club and serve to promote additional employment opportunities within the refurbished leagues club. The club currently employs 159 staff of which 85% (139) reside in the Sutherland Shire. The redevelopment of the Club premises has the potential to increase membership through providing a more attractive environment and potential for greater leisure and entertainment promoting greater use of the Club by members throughout the day. This in turn will create opportunities for the club to increase its workforce.

In addition to the increase in permanent employment, the development of the new neighbourhood retail centre will directly create 235 FTE construction jobs and further 376 FTE jobs created within the broader community indirectly.

4.3 Economic Input to the Local Economy

As stated above, the Sharks Club is a key employer in the local economy with 159 staff. The annual wages bill for the club is approximately \$3 million dollars, the majority of which is spent back in the local area. In addition to wages, the Club has 243 local suppliers and contractors providing a range of goods and services including food and alcohol, maintenance and cleaning and office supplies and services. These local businesses represent over 70% of the clubs creditors. Redevelopment of the Club will make the Club financially secure and enable the relationship with these local businesses to continue and grow in the future.

The redevelopment of the Club premises will create areas within the club that will be available for functions and corporate events that will provide local businesses and business organisations to network and hold corporate events or seminars. The Club is well located with regard to local retail, commercial and industrial premises within the Taren Point employment district. The revamped club premises will also provide an enhanced social outlet for employees of these companies to have staff functions, after work drinks or lunch time eating options.

5.0 Conclusion

The Cronulla Sutherland Concept Plan has been subject to in-depth analysis of the proposal's consistency with key NSW planning policy including the *Metropolitan Plan for Sydney 2036* and the *Draft Centres Policy*, detailed environmental assessment of local traffic conditions, visual impact, urban design, economic feasibility and effects, ecological considerations, environmentally sustainable development outcomes, contamination and geotechnical constraints and social impact. Extensive community consultation for the project has occurred, over a period of more than 12 months and the project has been modified to address community concerns. The project's proponent is committed to delivering the proposal to market and hence realising the planned contribution to housing and retail supply and the numerous environmental, social and economic benefits associated with the proposal.

In contrast, housing and retail supply in Sutherland Shire has been in steady decline over the past decade, resulting in increased unaffordability and cost-of-living pressures which disproportionately affect the younger and older segments of the existing population. Existing local planning instruments introduced in 2006 have consistently failed to achieve the dwelling growth required under State Government planning policies to address changing demographics within Sutherland Shire and to meet the needs of Sydney's growing population. Sutherland Shire Council's proposed planning controls for the Cronulla and Caringbah town centres fails to address the existing local shortfalls in dwelling production and retail supply, let alone address the current higher targets for the South Subregion. No detailed environmental analysis has been conducted of the local impacts associated with the proposed rezonings and density uplifts in these centres, significantly diminishing the likelihood of the planned outcomes and targets being realised.

In light of the above there is a clear rationale to approve the proposed Concept Plan in order to progress the delivery of housing, retail services, community facilities, open space facilities and public transport in a timely manner in a region where these have not been delivered by existing local planning instruments and are not likely to be delivered by draft local planning controls in a timely fashion.