



19 February 2014

Our ref: 10116B

Director General
NSW Department of Planning and Infrastructure
23-33 Bridge Street
SYDNEY NSW 2000

Attention: Mr Brent Devine

Dear Brent,

**re: Casuarina Town Centre
Concept Approval and Project Application Approval 06_0258
Section 75W Modification No. 7 Environmental Assessment Addendum**

We write with reference to your email of 10 February 2014 requesting additional information in relation to the above Modification 7 and in particular to provide information which:

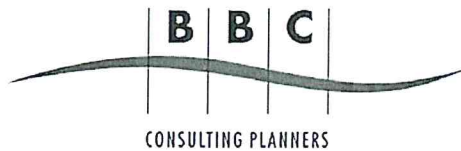
- outlines the request to obtain a concession on S94;
- outlines why the proponent considers the concession is warranted;
- make reference to the applicable documentation (including Council's S94 Plan No. 19 - Casuarina Beach/Kings Forest); and
- provide copies of any formal correspondence and/or negotiations with Council on the matter.

The following information is provided as an addendum to our report entitled *Section 75W Modification No. 7 Project Approval MP06_0258 Casuarina Town Centre* dated December 2013 in response to your request.

1. Modification No 7

Section 2.2.4 of the above report states that *Condition E21 is sought to be modified to reflect the change in floorspace and the reduction in the amount of contribution sought from Council*. This is because at the time of preparing the modification application, Consolidated Properties Group had written to Council seeking a relaxation of the charges to be levied pursuant to Tweed Road Contribution Plan (TRCP) to bring Casuarina into line with other areas within the Tweed in respect of job creating opportunities as raised in discussions held with Lindsay McGavin of Council on 14 November 2013.

It was envisaged that such a request would be processed by Council and notified to the Department as part of any Council comments on Modification No.7.



2. The Request to Obtain a Concession on S94

Tweed Road Contribution Plan (CP No 4) (TRCP) applies to the site and is the basis for condition E21 in the approval based on advice provided to the Department by Council at the time the major project application and subsequent modification applications were referred to Council for comment. Tweed Road Contribution Plan (CP No 4) allows concessions on the amount of the contribution for certain commercial job creating development. This concession states:

A) Concessions:

A concession is offered to all commercial job creating developments (not including detached housing and unit developments), across the Shire except in the following areas:

- i) coastal development between Kingscliff and Bogangar (Sector 7): Casuarina, Kings Forest, Salt, and the 'Tourist Property' (Lot 490 DP 47021); and*
- ii) developments in Bilambil Heights and Cobaki.*

The concession is not available for developments exploiting 'existing use rights' as defined in Clause 3.6.1, and nor can Local Area Contributions be discounted by the concession.

The offer by Council stands at forty percent (40%) and Council may review the concession on an annual basis at 1st July each year.

A general concession exists for employment generating development across most of the Shire excluding the South Kingscliff / Casuarina area. Continuation of this exclusion after such a long period of time is not in the interests of obtaining employment creation development and should be reviewed.

Discretion should be used to relax the charges to be levied pursuant to the TRCP to bring Casuarina into line with other areas within the Tweed in respect of job creating opportunities.

3. Why the proponent considers the concession is warranted

The concession is considered warranted for the following reasons:

- 1) Since the creation of the LEP in 2000 and its supporting contributions plans the Casuarina, Salt and Seaside developments have matured into attractive communities with a strong residential permanent population as well as catering for short term accommodation. The permanent population is estimated to be 7,000 people;
- 2) Since 1998 there has always been promised a town centre together with a full line supermarket and the local residents within the catchment are keen for the supermarket based centre to be developed;
- 3) The Coast Road now draws traffic from a much wider base than the developments themselves and in particular the traffic from Casuarina is now only a small part of the traffic using the road;
- 4) It is unreasonable to require Casuarina lands and development to pay an extra 40% in contributions above other areas when in fact it is providing job creation opportunities. For example a new supermarket at Cabarita benefitted from the



concession whilst the Casuarina development does not. This is inequitable and does not provide a level playing field in terms of investment and competition particularly when they are located on the same road and only a small distance separates them;

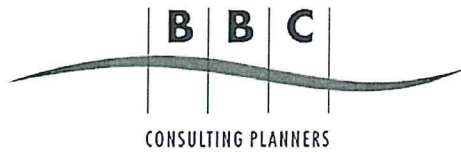
- 5) The contribution for Casuarina is approximately 70% higher than an equivalent supermarket elsewhere in the Shire which is inexplicable;
- 6) Casuarina is being held back in terms of job creation because of the unfair nature of the implementation of the TRCP;
- 7) The development of the supermarket based centre as promised will deliver:
 - a. Construction jobs; and,
 - b. Full time jobs which will also inject more spending dollars into the Shire;
- 8) The total charges are extremely prohibitive to the point where the project becomes un-feasible; in fact they are near the equivalent value of the land component of the project.

Furthermore Cardno Eppell Olsen note the following points (refer to Attachment 1):

- 1) *At the time of initial development approval stages for Casuarina, the development constructed the Tweed Coast Road and dedicated the required land corridor (for a four lane roadway)*
- 2) *At that time, it was considered by Council that the Tweed Coast Road was part of the Casuarina transport infrastructure (i.e. it was needed predominantly for Casuarina traffic and not for other regional/state based traffic). Given the latter, it was considered by Council that no concessions needed to be applied for development in Casuarina*
- 3) *More recently, it has become apparent that Tweed Coast Road predominantly serves a regional/state transport role as an arterial route between Chinderah/Kingscliff and Wooyung/Pottsville, providing for a much wider transport public than just Casuarina (e.g. it provides the strategic transport route for areas such as Kingscliff, Cudgen, Salt, Seaside, Kings Forest, Cabarita, Bogangar, Hastings Point, Pottsville and Wooyung)*
- 4) *Given the initial contribution by the Casuarina development to the regional/state transport network (by construction and dedication of Tweed Coast Road) it is appropriate that the subject development receive some credit or concession in that respect*
- 5) *Given the approximate quantum of the charges outlined herein, the 40% concession applicable to job creation would represent an appropriate means of credit for the construction cost associated with Tweed Coast Road.*

In accordance with your request for a copy of the information submitted to Council on this matter, this submission is contained in Attachment No 1.

This request relates only to the concessions available under the current plan and not to other elements of the plan. This request is both fair and reasonable against a contribution determined in accordance with the TRCP this is unreasonable and unjustified and not in accordance with the principles contained in S94 of the Environmental Planning and



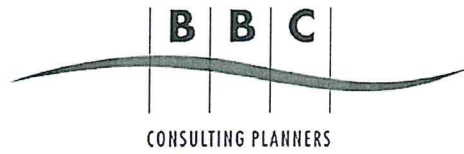
Assessment Act. It is requested that the Minister give effect to the concession in determining the reasonable contribution payable to this request to modify the approval.

Should any further clarification be required, please do not hesitate to contact this office.

Yours faithfully
BBC Consulting Planners

A handwritten signature in black ink, appearing to read 'Dan Brindle', followed by a period.

Dan Brindle
Director



ATTACHMENT 1 – Cardno Eppell Olsen Advice



26 November 2013

Mr Lindsay Mc Gavin
Director Development Services
Tweed Shire Council

Dear Lindsay,

RE: Casuarina Shopping Centre – Infrastructure Charges Concessions

I write in regards to the Tweed Road Contribution Plan (TRCP) and specifically the impact it has on the proposed development of the Town Centre at Casuarina.

As outlined at our recent meeting in the Tweed Shire Council's Murwillumbah offices on the 14 November attended by yourself, Peter Macgregor and myself we have identified what we believe to be a significant inconsistency within the plan which unfairly penalises the Town Centre development to the extent that it renders it unfeasible and unable to proceed.

We request that Council utilises its discretion to relax the charges to be levied pursuant to the TRCP or to amend its contributions plan to bring Casuarina into line with other areas within the Tweed in respect of job creating opportunities. Upon considering the following key points we ask that the Tweed Shire Council move to apply the 40% concession as identified in the TRCP to "commercial job creating developments" within Casuarina:

- 1) Since the creation of the LEP in 2000 and its supporting contributions plans the Casuarina, Salt and Seaside developments have matured into attractive communities with a strong residential permanent population as well as catering for short term accommodation. The permanent population is estimated to be 7,000 people;
- 2) Since 1998 there has always been promised a town centre together with a full line supermarket and the local residents within the catchment are keen for the supermarket based centre to be developed;
- 3) Because Casuarina and the surrounding developments provide an attractive safe coastal environment with good quality facilities visitor growth is continuing to grow;
- 4) The Coast Road now draws traffic from a much wider base than the developments themselves and in particular the traffic from Casuarina is now only a small part of the traffic using the road;
- 5) It is now out of balance to require Casuarina lands and development to pay an extra 40% in contributions above Salt, Seaside or Cabarita given the makeup of the traffic using the road;

- 6) Casuarina is being held back in terms of job creation because of the unfair nature of the implementation of the TRCP;
- 7) The development of the supermarket based centre as promised will deliver:
 - a. Construction jobs; and,
 - b. Full time jobs which will also inject more spending dollars into the Shire;
- 8) The approximate comparison charges for a circa 5,000m2 GLAR development on the proposed site versus neighbouring Cabarita or anywhere else in the state of QLD are as follows:

1. QLD (capped retail rate)	\$950,000;
2. Cabarita (40% concession applied)	\$1,700,000; and,
3. Casuarina (as per TRCP)	\$2,850,000.

I.e. Casuarina is approximately 75% - 215% greater compared to the immediate neighbouring precincts.

- 9) The total charges are extremely prohibitive to the point where the project becomes un-feasible; in fact they are near the equivalent value of the land component of the project.

We are about to lodge a S75W application with the State to amend the original approval in accordance with the plans which are attached. The development though cannot progress as designed with the level of infrastructure charges as proposed; it is essentially unfeasible and un-fundable.

If TSC were not to apply the 40 % concession to this site we would be left with no option but to either compromise the design or not progress the development at all which would be an unfortunate consequence not only for the residents but for the Tweed Shire in terms of the built form environment and job creation.

Not to develop the proposed Coles supermarket would lead to:

- 1) Reduced trade competition for the catchment (WW domination);
- 2) Reduced economic development within the Tweed Shire; and,
- 3) Loss of future jobs.

We appreciate your willingness to meet and discuss this issue to date and look forward to reaching agreement on a mutually beneficial outcome in the near future.



Please do not hesitate to contact me should you require any further information and/ or to discuss some of the points above in more detail.

Kind regards

A handwritten signature in black ink, appearing to read "W. I. Bennett".

Bill Bennett
Commercial and Retail Development Manager
Consolidated Properties Group
M 0439 624 857
E bill@conspropgroup.com.au

Enclosed:

- Cardno Technical Report – Casuarina Shopping Centre Traffic and Transport Infrastructure Charges Review (dated 25 November 2013)
- Current plans which will support the S75W application

Technical Memorandum

Title	Casuarina Shopping Centre Traffic and Transport Infrastructure Charges Review		
Client	Consolidated Properties Group	Project No	CE008491
Date	26 November 2013	Status	Final
Author	Nathan Edwards	Discipline	Traffic and Transport
Reviewer	Brett McClurg	Office	Brisbane

Introduction

This Technical Memorandum has been prepared to document our assessment and consideration of the transport related infrastructure charges applicable to the proposed retail development at Tweed Coast Road, Casuarina. In particular, the assessment considers the following:

- > Contributions as calculated using the Section 94 Plan CP04 No.4 – Tweed Road Contribution Plan version 6.1.2 dated June 2013. That document is referred to herein as TRCP
- > Comparisons of other transport related infrastructure charges
- > Appropriate contributions based on relaxations (concessions) applicable due to the creation of employment opportunities at this development
- > Justification or such relaxation being applied.

It is understood that representatives from Consolidated Properties have met and discussed this matter with representatives of Tweed Shire Council, and that the basis of such discussions supports the principles of the relaxation. The documentation herein produces some quantification and justification of this.

TRCP Contribution Calculation

The most recent version of the TRCP is the Section 94 Plan CP04 No.4 – Tweed Road Contribution Plan version 6.1.2 dated June 2013. The formula within the TRCP for calculation of the infrastructure charge is as follows, as applied to the 5,160sqm GFA centre (comprising 4,812sqm of retail + 148sqm of restaurant + 200sqm of offices):

$$\text{\$ConTRCP} = (\text{Admin} \times \text{Trip End}_{(\text{development})}) \times \text{\$Total Trip End}_{\text{Cost}} - \text{\$Existing}$$

Admin

From 3.5.6 – Administration – 5%

Trip End_(development)

From Table 3.6.1A – Trip Generation Rates by Land Use (where A = GFA in sqm)

Shopping Centre 100sq.m < SC < 6,000sq.m = 200 + 0.8(A)

Trip End_(development) = 200 + (0.8 x 4,812) = 4,050 trips (Table 3.6.1A)

Restaurant = 0.6(A)

Trip End_(development) = (0.6 x 148) = 89 trips (Table 3.6.1A)

$$\text{Offices} = 0.16(A)$$

$$\text{Trip End}_{(\text{development})} = (0.16 \times 200) = 32 \text{ trips (Table 3.6.1A)}$$

$$\text{TOTAL Trip End}_{(\text{development})} = 4,050 + 89 + 32 = 4,170 \text{ trips}$$

\$Total Trip End_{Cost}

$$\text{\$Total Trip End}_{\text{Cost}} = \text{Modification} \times \text{Trip End}_{(\text{development})} \times (\text{\$Standard Trip End}_{\text{cost}} + \text{\$Local Trip End}_{\text{cost}})$$

From Table 3.6.1B – Modification Factors for Specific Land Uses

Local Shops - 100sq.m < Shop < 6,000sq.m 0.15 to 0.55 at 6,000sq.m

Modification = 0.50 (Table 3.6.1B) for shops

\$Standard Trip End_{cost} = \$1,090 (Sector 7)

\$Local Trip End_{cost} = \$160 (Local Area No. 4)

$$\text{\$Total Trip End}_{\text{Cost}} = ((0.50 \times 4,050) + 89 + 32) \times (\$1,090 + \$160) = \$2,682,000$$

\$ConTRCP

$$\text{\$ConTRCP} = (\text{Admin} \times \text{Trip End}_{(\text{development})} \times \text{\$Total Trip End}_{\text{Cost}}) - \text{\$Existing}$$

$$= (1.05 \times \$2,682,000) - \$0$$

$$= \$2,816,100$$

Comparison with Other Infrastructure Charges

To put the TRCP figure into some context, a comparison is made with other similar infrastructure charges as could be applied to a retail centre of 5,160sqm. GFA. The comparisons are as follows (information is supplied by Consolidated Properties) and represents the combination of transport, water and sewerage related infrastructure charges:

- > In Queensland, a capped maximum contribution rate of \$190 per sqm would apply, resulting in \$980,400 for the subject site
- > A recent approval for a Woolworths development in Cabarita used a contribution rate of approximately \$340 per sqm which would result in \$1,754,400 for the subject site (i.e. 40% concession was applied)
- > By comparison the Tweed Shire Council application to the subject site amounts to \$3,066,411 which represents \$594 per sqm.

From the above comparisons it is apparent that the Tweed Shire Council charges are approximately 75% - 213% greater than the other reported rates.

Concession due to Job Creation

The Section 94 Plan offers a 40% reduction (concession) in the overall TRCP charge to "all commercial job creating developments (not including detached housing and unit developments), across the Shire" except in certain areas. One of those certain areas is the Casuarina development area.

If the 40% concession were to be applied to the subject development, then the TRCP transport infrastructure contribution amount would reduce from \$2,816,100 to \$1,689,660 (from \$546 per sqm to \$327 per sqm). This concession represents \$1,126,440.

Note that the above reduction would bring the contribution amount into a range similar to that identified in other schemes reported above (ie. close to the previous Woolworths approval at Cabarita).

Justification of Concession

Consideration has been given to why application of the above concession is justifiable in this instance. From a review of the TRCP and the history of the Casuarina development approvals, the following explanation for justification has been prepared:

- > At the time of initial development approval stages for Casuarina, the development constructed the Tweed Coast Road and dedicated the required land corridor (for a four lane roadway)
- > At that time, it was considered by Council that the Tweed Coast Road was part of the Casuarina transport infrastructure (i.e. it was needed predominantly for Casuarina traffic and not for other regional/state based traffic). Given the latter, it was considered by Council that no concessions needed to be applied for development in Casuarina
- > More recently, it has become apparent that Tweed Coast Road predominantly serves a regional/state transport role as an arterial route between Chinderah/Kingscliff and Wooyung/Pottsville, providing for a much wider transport public than just Casuarina (e.g. it provides the strategic transport route for areas such as Kingscliff, Cudgen, Salt, Seaside, Kings Forest, Cabarita, Bogangar, Hastings Point, Pottsville and Wooyung)
- > Given the initial contribution by the Casuarina development to the regional/state transport network (by construction and dedication of Tweed Coast Road) it is appropriate that the subject development receive some credit or concession in that respect
- > Given the approximate quantum of the charges outlined herein, the 40% concession applicable to job creation would represent an appropriate means of credit for the construction cost associated with Tweed Coast Road.

Recommendations

In summary, from the assessment and consideration herein, it is apparent that the transport infrastructure charge being sought by strict application of the TRCP (i.e. \$2,816,100) is considerably more than that applied to other similar development sizes elsewhere. The Casuarina development has made a substantial contribution to the Tweed Shire road network by dedication and construction of parts of Tweed Coast Road. Tweed Coast Road serves an arterial road function for substantial populations between Kingscliff and Pottsville, hence it is part of a road network that should be contributed by many others within the shire.

On that basis, some concession in the contribution amount is considered reasonable. Given the 40% concession available to similar uses in other parts of the Shire it would not be unreasonable to apply a similar concession to the subject site. The latter would result in a transport infrastructure charge under the TRCP of \$1,689,660. This reduced figure is generally consistent with that applied to the previous Woolworths approval at Cabarita.