

ATTACHMENT “A”

**DON FOX PLANNING CONSULTANTS
STRATEGIC ECONOMIC IMPACT REVIEW**



planning consultants

Incorporating
Hirst Consulting Services

Strategic Economic Impact Review

Part 3A Concept Plan Application for a mixed use development at Kirrawee Brick Pit

Project No: 7058C
Date: January 2011

**Strategic Economic Impact Review
Kirrawee Brick Pit
Mixed Use Development**

Printed: 18 January 2011
File Name: P:\PROJECTS\7058C Kirrawee Brickpit\Reports\7058C.doc
Project Manager: Ellen Robertshaw
Client: Sutherland Council
Project Number: 7058C

Document history and status

| Version | Issued To | Qty | Date | Reviewed |
|---------|--|-----|------------|------------------|
| Draft | Project Manager | 1 | 18/01/2011 | Ellen Robertshaw |
| Draft | Client – Sutherland Council Michael Evesson | 1 | 13/01/2011 | |
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1 Introduction

Don Fox Planning Pty Ltd (DFP) incorporating Hirst Consulting Services, has been requested by Sutherland Shire Council (Council) to undertake a review of the supporting documentation lodged with the Concept Plan application for a mixed use development on the site of the former Kirrawee Brick Pit, focussing on economic impacts.

Approval is being sought for a mixed use development comprising residential, retail and commercial uses. This review focuses on the retail component of that development with consideration of its function and operation as part of the development as a whole also being assessed.

This review has considered:

- The Director General Environmental Assessment Requirements (DGRs) issued 24 August 2010 for Concept Plan for a mixed use development;
- Part A of a Centres Study for Sutherland Shire (Sutherland Shire in Context) dated June 2010 and Part B of that Study dated November 2010 which concentrates on the Brick Pit site. Both studies were undertaken on behalf of Henroth Investments by Hill PDA
- A letter from Hill PDA dated 5 October 2010;
- Environmental Assessment report (EA) for the Kirrawee Brick Pit mixed use development by City Plan Services dated December 2010;
- Urban Design Report for the Kirrawee Brick Pit prepared by GMU - Urban Design & Architecture Pty Ltd;
- Sutherland Council's draft Housing Strategy – Parts 1 and 2;
- Statements of Evidence prepared in relation to appeal to the NSW Land and Environment Court (File No. 10696 of 2008);
- Judgement of NSW Land and Environment Court in relation to the matter of Restifa Pty Ltd v Sutherland Shire Council and ors [2009] NSWLEC 1267; and
- Previous advice provided by DFP to Koundouris Group in relation to the provision of retail floorspace within the Kirrawee Brick Pit.

The purpose of this review is to consider the abovementioned documentation and in particular the Hill PDA Centres Study and provide Sutherland Shire Council (Council) with advice as to whether the methodology, assumptions and conclusions of that Study are such that this development could be supportable from a strategic economic perspective.

2 Background

2.1 Previous Proposals

There have been a number of proposals for mixed use development on the Kirrawee Brick Pit site.

The proposals with which DFP are familiar include:

- An April 2008 development application to Council for a mixed use development including:
 - Two full line supermarkets with a combined floorspace of 7,053m²;
 - A 513m² mini-major tenant;
 - Approximately 3,000m² of retail specialty store floorspace; and

- 430m² of non-retail specialty floorspace.

This development proposed a total of **10,566m²** of retail floorspace.

- This application was subsequently amended in early 2009 to reduce the amount of retail floorspace to:

- one supermarket of 4,500m², and
- Specialty retail shops of 3,500m²,

to provide a total of **8,000m²** of retail floorspace.

This proposal was refused by Council. The applicant subsequently appealed that decision to the NSW Land and Environment Court (L&E Court). The appeal was dismissed and the application was refused.

- According to the City Plan Services EA, the current Part 3A Concept Plan application proposes:

- 2 x supermarkets with a combined floorspace of 5,270m²
- Showrooms with a total floorspace of 2,930m²
- 2,810m² of specialty retail floorspace;
- 1,280m² of mini major retail floorspace; and
- 660m² of non-retail uses.

The total retail floorspace of the Part 3A proposal is **12,290m²**. Excluding the showrooms, the total retail floorspace proposed is 9,360m² which is 1,360m² more than the retail floorspace proposed as part of the application refused by the L&E Court.

Part B of the Hill PDA Centres Study is based on a development comprising:

- 5,270m² of supermarket floorspace;
- 9,070m² of other retail; and
- 840m² of commercial (non-retail) floorspace.

That study assumes the retail floorspace of the development will total 14,340m² or 9,530m² excluding the showrooms.

2.2 Summary of Previous Considerations

2.2.1 Review of Initial Environmental Impact Assessment

The April 2008 application was accompanied by an Economic Impact Assessment (EIA) prepared by Pitney Bowes MapInfo.

On behalf of Koundouris Group we undertook a review of that EIA to assess its assumptions, methodology and conclusions.

We concluded that many of the assumptions contained within the Pitney Bowes 2008 EIA lacked substance and were difficult to comprehend, particularly:

- The substantial size of the trade area;
- The inconsistencies in turnover of the proposed supermarkets and specialty stores;
- The disregard for the expenditure currently directed to food specialties and the potential impact of the redirection of that expenditure;

- The consideration of only one proposed supermarket development in Sutherland where two were being considered by Council;
- The level of trade likely to be attracted to the proposed Kirrawee supermarkets from areas outside the identified main trade area; and
- The potential elevation of the Kirrawee local centre within the retail hierarchy to the potential detriment of other centres in the Sutherland Shire.

Furthermore, the methodology applied in the Pitney Bowes report was, in our opinion, somewhat misdirected, and potentially flawed, to the detriment of the report's integrity.

The EIA concluded that without the "benefit" of the support of this proposed development, and assuming supermarkets continue to develop in Sutherland, the impacts on the Kirrawee retail strip will be significant. This conclusion is based on their apparent belief that the proposed Brick Pit development and the Kirrawee retail strip are in some way connected.

It is considered that this is a mistaken conclusion and there would be no reason (in the absence of the Brick Pit) why the Kirrawee retail strip would not continue to operate as a local centre providing for the convenience needs for the local population, even if additional supermarket floorspace was developed within the Sutherland town centre. Such floorspace would:

- reinforce the role of the Sutherland town centre as a major centre within the Sutherland Shire network,
- complement the local role of Gymea; and
- allow the Kirrawee local centre to continue to fulfil its niche as a local convenience centre.

In our assessment the excellent retail health currently displayed by the Kirrawee and Gymea local centres is a reflection that the retail hierarchy within the Sutherland Shire is functioning well. It is not, as suggested in the Pitney Bowes 2008 EIA, an indication of the lack of retail floorspace throughout this part of the Shire. More likely, it is an indication that the centre is operating in accordance with its status as a local centre and that a balance in retail hierarchy has been successfully achieved.

The Pitney Bowes 2008 EIA placed significant reliance on the supermarket floorspace provision in terms of square metres per thousand persons as justification for the proposal and concluded that the main trade area (as estimated in the EIA) had insufficient supermarket floorspace.

Whilst we do not endorse this approach to retail floorspace provision, even if there is a shortfall in supermarket floorspace, the most appropriate location for additional substantial supermarket and retail floorspace is within the Sutherland town centre given its status within the Sutherland Shire retail network, and also based on the Department of Planning's draft South Subregional Strategy.

We concluded that having regard to the retail network within the Sutherland Shire, it is appropriate that the role of Sutherland as a multi-function centre be reinforced and encouraged and the role of Kirrawee be retained as that of a local convenience centre.

Any threat to outlets in the existing Kirrawee strip could alter the function of the Kirrawee local centre to the extent that it would no longer be able to provide the range of services generally found within a comprehensive local centre such as Kirrawee. This could have adverse flow-on effects to other retailers within the strip, given that these food outlets are generally considered the major attractors in terms of retail spending within local centres.

The role and function of the Sutherland town centre needs to be strengthened by the inclusion of additional retail floorspace, including supermarket floorspace, particularly as

more mixed use developments are occurring within the centre. Such development will assist in strengthening its role as a major centre as part of the draft South Subregional Strategy and would not be at the expense of other smaller centres which could continue to fill their role as local convenience centres.

We also concluded that there was nothing in the Pitney Bowes EIA to indicate that the Kirrawee Brick Pit proposal supported the existing Kirrawee retail strip or complemented the Sutherland town centre, especially a Sutherland enhanced by new supermarket floorspace within its borders.

In our assessment, the assumptions, methodology and conclusions of the Pitney Bowes 2008 EIA were such that it would be unreasonable for Council to rely on the report as an effective analysis of the potential impact of the Brick Pit retail proposal.

2.2.2 Review of Amended Proposal

The 2008 application was subsequently amended to provide one supermarket of 4,500m², and other shops of 3,500m², with a total of 8,000m² of retail floorspace. Curiously the amended proposal was not supported by a revised EIA.

In the absence of any new or redrafted Pitney Bowes assessment, we could only reiterate our previous conclusion that we could see no effective analysis of potential economic impacts, and it would therefore still be unreasonable for a consent authority to rely on the earlier Pitney Bowes assessment.

In our opinion, the 25% reduction in floorspace (achieved, in part, by deleting one supermarket) did not result in a markedly different retail centre to that previously proposed in the Brick Pit. An 8,000 m² centre would still represent a very significant addition to the retail network in the Shire. It would comprise a supermarket-dominated-centre of a significant scale proposed for an inappropriate location.

We understand that this amended development proposal was refused by Council.

2.2.3 Independent Economic Advice by MacroPlan

In undertaking their assessment of the Brick Pit development proposal, Council commissioned MacroPlan to undertake a Retail Sustainability Assessment and an Economic Impact Assessment.

Notwithstanding that these assessments were based on a double supermarket development at the Brick Pit site, many of the issues were relevant to the amended proposal.

Specifically, there are a number of issues raised by MacroPlan with which we agree. For example:

"The size and scale of the retail and supermarket component of the proposed development is not supported from a sustainability perspective and is clearly inconsistent with the typology of centres and desired hierarchy of centres established in the Metropolitan Strategy and South Subregional Strategy."

In order to assess the retail sustainability of Kirrawee, having regard to Council's strategic intent for retail development in Kirrawee and the viability of other centres, MacroPlan concluded that:

"Kirrawee can support a new supermarket anchor of around 1,800m² by 2011."

2.3 Land and Environment Court Appeal

2.3.1 Introduction

The applicant appealed Council's refusal of the development application.

Expert evidence in relation to economic impact was provided by Tony Dimasi (of Pitney Bowes MapInfo) on behalf of the applicant (Restifa & Partners Pty Ltd) and by Brian Haratsis (of Macroplan) on behalf of Sutherland Council.

Both experts based their original statements on the two supermarket proposal. Ultimately these experts produced a joint economic report in relation to the single supermarket proposal.

2.3.2 Evidence of Mr Haratsis, December 2008

For the purposes of this review we have concentrated on the comments of Mr Haratsis contained in his Statement of Evidence dated December 2008 notwithstanding that he ultimately changed his opinion and agreed the development of 8,000m² of retail floorspace might be appropriate.

The role of Sutherland as the strategic major centre of the Subregion is acknowledged in paragraph 34 of Haratsis' December 2008 Statement of Evidence:

"In the South Subregion, Sutherland is nominated as a Town Centre, as is Caringbah and Miranda, with Kirrawee and Gympsea supporting the Town Centres as Village Centres. The Metropolitan Strategy also recognises the future potential of Sutherland Town Centre evolving into a strategic major centre for the Subregion."

Furthermore, in paragraph 37 of the Statement of Evidence Mr Haratsis concludes that:

"an economic assessment of retail development should consider the appropriate role and function of the particular centre rather than base an economic assessment on the size of the retail centre proposed."

Therefore, it is critical that any retail and commercial development proximate to Sutherland in particular, provide complementary uses to that town centre rather than uses which will compete, to ensure that activities are centralised.

As noted in paragraph 7 to Appendix B of the Haratsis' December 2008 Statement of Evidence:

"The strategic intentions for retail development in Kirrawee can be summarised as follows:

- Perform a role and function of a Village Centre under the Metropolitan Strategy definition and a Local Centre under the Sutherland Shire Structure Plan.*
- Meet the retail needs of residents within a 5-10 minute walkable catchment.*
- Provide complementary uses to Sutherland Town Centre and the Kirrawee Village.*
- Not impact on the sustainability and viability of other centres."*

In our opinion, the current retail development proposed for the Brick Pit site is such that it would serve a retail function which should be fulfilled by the Sutherland town centre, and would not meet the strategic intentions as identified above.

We can only agree with Haratsis' conclusions in his December 2008 Statement of Evidence that:

"From an economic development perspective the development of a major supermarket will be more important to the future of the Sutherland Town Centre than to Kirrawee."

and

"The opportunity for the Sutherland District Centre to establish a major supermarket anchor may be lost if the proposed development of the Kirrawee Brick Pit site is approved."

Mr Haratsis also goes on to say that:

"The diminished role of the Sutherland Town Centre without a major supermarket will limit its ability to transform and expand over time which will limit the ability of the town centre to attract new commercial tenant users whose performance and business location decisions rely on consistent and vibrant activity levels and high amenity."

2.3.3 Judgement of Land & Environment Court

Notwithstanding the evidence of Mr Dimasi and the change of opinion of Mr Haratsis, the Court ultimately agreed that the development proposal for the Brick Pit was indeed inappropriate development.

In the judgement, Commissioners Tuor and Taylor noted the following in paragraphs 136 and 137 of the Judgement:

In assessing the proposal against the relevant retail objectives (j), (k) and (l) of Zone 7, if Kirrawee Town Centre is considered to be both Zone 7 and Zone 9, we accept that the increase in population generated by the development is likely to facilitate the re-vitalisation of the Kirrawee Town Centre and the Kirrawee railway station precinct as a whole (Zone 7 and 9). However, we do not accept that it will result in a revitalising of the existing Kirrawee Town Centre, which is envisaged to remain the main retail precinct of Kirrawee, or the Railway Precinct. The size of the retail proposal on the Brick Pit site will impact on the existing Kirrawee Town Centre. The evidence indicates, although inconclusive, that there may be an impact on individual retailers but that the existing centre is likely to remain viable. However, the evidence does not indicate that the existing Kirrawee Town Centre or the Kirrawee Railway Precinct will be "revitalised" in the face of such strong competition and therefore, the proposal is inconsistent with objective (j).

We find that the proposal is also inconsistent with objective (k) in relation to the role and function of Kirrawee Town Centre. As discussed above, the role and function of retailing in Kirrawee Town Centre as stated in objective (b) of Zone 9 is to promote viable, small, local and specialty shops to support the needs of the local population. The role of retailing in Zone 7 is to support this role as stated in objective (l) of Zone 7. Due to size of the retail component of the development, particularly the undisputed evidence that the supermarket would be the largest in the area and would attract people from a wide catchment area, the proposal is likely to elevate the retail role of Kirrawee Town Centre above that of a local centre.

And in paragraph 138 the Commissioners note that:

At the very least, a supermarket of this size in close proximity to Sutherland will compete with this centre and may impact on its ability to attract a further supermarket, given the issues associated with developing within Sutherland Centre compared to land within Zone 7. As discussed above, retailing is identified as playing an important and integrated function with other uses in the sustainability of Sutherland Centre.

The Court acknowledges in paragraph 233 of the Judgement, that some retail development of the site may be appropriate:

The main issue relates to the retail component of the development, particularly the size of the supermarket. While a supermarket and retail use of the site is appropriate there is concern about the size of the 4,500 sqm supermarket, particularly the impact it may have on Sutherland and Kirrawee, both economically and on the strategic role of these centres.

In essence, the Court found that 8,000m² of retail floorspace was of a scale that could result in impacts on the Kirrawee and Sutherland centres.

On this basis alone, if 8,000m² of retail floorspace has been adjudged as being inappropriate, in terms of impacts, it is difficult to envisage how 9,530m² of convenience retail floorspace could ever be considered as appropriate.

3 Review of Centres Study

In order to justify the extent of retail floorspace to be provided on the Brick Pit site as part of the mixed use development, Hill PDA recently produced a two part study of centres in the Sutherland Shire.

Part A is a Centres Study for Sutherland Shire – Sutherland Shire in Context. Part B considers the Kirrawee Brick Pit site as part of the "solution".

Part A of the Study is based on the assumption that by 2036 the Sutherland LGA will need to accommodate an additional 92,500m² of retail floorspace, 56,000m² of office floorspace and more than 10,000 additional dwellings. These projections are based on estimates by Hill PDA.

Hill PDA also estimates that there is an undersupply of non-bulky goods retail floorspace (as of 2007) of 75,000m².

However previous studies undertaken on behalf of Council have estimated that there is a reasonable balance of non-bulky goods retail floorspace within the area based on a basic supply/demand model. And, that as demand increases, the quantum of retail floorspace increases in response.

It could be that the Study involves something of a self fulfilling prophecy. Because Part A identified a need for additional retail floorspace and an increased demand for residential accommodation, Part B is able to 'offer up' the Brick Pit site as a means of addressing those demands as an essential justification for the retail component of the proposal.

We also consider there are a number of deficiencies in the Centres Study which have resulted in some opportune conclusions being reached.

Firstly, this Study has been commissioned by the applicant, not Council. A number of studies of commercial centres within the Sutherland LGA have been undertaken in the past and the conclusions of those studies (which were based on briefs provided by the Council) indicate that the existing retail network appears to be functioning well.

Council's philosophy regarding the existing retail network has been endorsed to a large extent by the draft South Subregional Strategy which nominates Kirrawee as a village centre and Sutherland as a town centre. Furthermore, Council has consistently applied this philosophy to all development proposals which involve retail and commercial floorspace. That philosophy has been supported by the Land and Environment Court which considered the development of 8,000m² of retail floorspace inappropriate for this site.

The Study undertakes an assessment of 9 centres in terms of their capacity to accommodate future growth based on the criteria of desirability, availability and feasibility. The Study acknowledges that this is a subjective assessment.

Curiously, Sutherland which is identified in the draft South Subregional Strategy as a Town Centre with the potential to grow to a Major Centre, has been given a poor rating in terms of availability and feasibility seemingly due to the high number of strata titled developments and community oriented uses and the costs associated with providing car parking.

Kirrawee has been identified as being a centre suitable to accommodate growth. Such a finding is consistent with Council's draft Housing Strategy which identifies the Kirrawee Village Centre as having medium suitability to accommodate additional growth. The findings of the draft Housing Strategy are discussed in section 4 of this report.

There are several other noteworthy, and somewhat contradictory, findings in the Hill PDA Centres Study including:

- The Study identifies the need for an additional 91,000m² of commercial floorspace by 2036 to make the Sutherland Shire more 'self sufficient' in terms of job provision. Although this is a key finding of the Study, the Brick Pit is not considered suitable for such development (apart from a token 660m² according to the EA or 840m² (according to Hill PDA)).

In a letter dated 5 October 2010, Hill PDA suggests that although there is a demand for commercial space, occupiers would prefer traditional or 'known' office market locations or business parks (presumably instead of the subject site). However, it appears that the decision in terms of the mix of land uses on the site has been driven from a viability perspective more so than a strategic planning point of view.

- The Study estimates some \$150 million (when tourist expenditure is taken into account) may be escaping the Shire, i.e. – this suggests that \$150 million is being directed to retail facilities within other LGAs and beyond.

However according to the shopper survey "*there is modest expenditure that escapes the Shire*", with only 2 of the 412 respondents nominating destinations outside the LGA as their main destination for food and grocery shopping.

Given that the nature of retail facilities to be provided on the Brick Pit site would be mainly convenience retail outlets, with a significant proportion of the floorspace occupied by outlets selling food and grocery items, it is unlikely that this development will make a notable contribution to the retention of this escape expenditure. More likely, it will result in a redistribution of expenditure within the LGA.

- The Study suggests that the impacts of the Brick Pit development on the existing Kirrawee local centre will be insignificant.

We cannot agree with this conclusion. In our opinion there is no nexus between the Brick Pit site with its internally focussed retail development and the Oak Road retail strip. The likelihood of any commuters utilising retail outlets within the existing local centre in favour of those to be provided within the Brick Pit development is remote given the convenient location of the car parking in relation to the on site retail facilities. Furthermore, the design of the Brick Pit retail component is such that it 'turns its back' on the Kirrawee local centre and does not appear to encourage patrons to walk up the hill of Flora Street to Oak Road.

Part B of the Study suggests that the increase in trade in Kirrawee will be fivefold, however this increase is wholly due to additional retail floorspace on the Brick Pit. No increase in sales within the local centre is envisaged and in fact the Study anticipates a significant reduction in turnover for the Oak Road strip.

In our opinion the Brick Pit development may have significant and adverse impacts on the capacity of the existing Kirrawee local centre to continue to function appropriately to the extent that there is likely to be increased vacancies, leading to reduced investment.

- The Study argues that the proportion of retail floorspace proposed is required in order to ensure the project is viable.

Whilst the feasibility of a project is a reasonable consideration, it must be assessed having regard to the relevant planning controls. These controls have been developed having regard to the strategic direction adopted by Council which is guided by government policy. Disregard for such controls particularly to the extent proposed by this concept could alter that direction to the extent that other planned for developments which are appropriately sized and located could be put in jeopardy.

We agree that in accordance with the draft South Subregional Strategy and the Metropolitan Strategy Review – Sydney Towards 2036 that there is likely to be an increase in dwelling numbers in the Shire. Council has prepared a draft Housing Strategy having regard to the need to encourage population growth in the Shire.

There are inherent risks involved in over estimating population growth, particularly if services and facilities are provided for a population which never eventuates. This results in significant investment by both public and private sectors being wasted.

Notwithstanding, it is recognised that additional retail facilities will be required to service the increasing population. The draft Centres Policy includes 6 principles which can be used to guide future retail and commercial development. Relevantly, the draft Policy encourages Council's to promote **appropriate** retail development.

From a strategic perspective, the Brick Pit does not represent an appropriate location for retail development of the scale proposed. Not only could it stymie development and investment within the Sutherland town centre, the impacts on the existing Oak Road retail strip are likely to be significant and adverse.

4 Sutherland Council's draft Housing Strategy

As part of its Housing Strategy, Council has considered the future population to be accommodated. According to the draft Housing Strategy, *population growth delivers broad community benefits, in particular:*

- *Population growth supports the viability of local business and shops,*
- *Population growth adjacent to local centres can lead to revitalisation,*
- *Population growth fosters school enrolments which protects the future of local schools,*
- *Population growth can lessen the impact of an ageing population, and*
- *Population growth is essential if natural population growth and local household formation is to be catered for.*

Council has adopted an occupancy rate of 2.35 as a sound basis on which to measure a 2031 Housing Strategy. Based on this occupancy rate and utilizing the Subregional dwelling target of 10,100 dwellings, a population growth of only 0.35% would result. Such a low growth level would not deliver the positive flow on effects from growth nor would it be sufficient to offset the impacts of an ageing population.

A 5% population growth by 2031 would achieve local economic and community benefits from population growth and offset the impact of an ageing community, however, this would require provision being made for 14,080 new dwellings. There is capacity within existing zones for 10,100 new dwellings but 5% growth strategy would have to make provision for a further 3,980 dwellings.

Therefore Council has adopted a growth strategy of 1% at this stage in order to maintain the Shire as a vibrant and economically sound area.

The draft Housing Strategy considered each of the 21 centres of Sutherland Shire in terms of its comparative advantages and its suitability as a location for additional dwellings. The analysis was based on the strengths and weakness of each centre with each centre being rated on the basis of:

- Accessibility
- Development/redevelopment potential (including lot size)
- Potential for local economic benefits

- Potential contribution to community character and vitality
- Environmental risk and desirability of environment
- Residential amenity/quality
- Fit with existing centre characteristics
- Adequacy of infrastructure.

Based on these criteria the Kirrawee Village Centre was identified as having medium suitability.

Council is currently undertaking the next step in the process which is identifying appropriate sites within each of centres identified as having potential to accommodate growth however the findings of that part of the Housing Strategy have not yet been concluded. We understand that the sites which have been investigated have sufficient capacity to meet the housing targets of the revised Metropolitan Strategy.

5 Consideration of Director General's Requirements (DGRs)

The following DGRs are relevant to this review:

The EA shall address the economic impact of the proposal and include a detailed investigation into the impact of the proposed retail floor space upon the hierarchy of centres as outlined within the relevant subregional strategy.

Comment: In order to address this DGR, the concept plan is supported by a Centres Study which examines certain centres within the Sutherland LGA and assesses their ability to meet future demands in terms of population growth and providing services for that growing population.

In our opinion there are a number of shortcomings of that Study not the least of which is its apparent disregard for Council's adopted (and consistently applied) strategic approach to retail planning throughout the Shire.

The Study seeks to justify the quantum of retail floorspace proposed as part of this concept notwithstanding that the amount of retail floorspace proposed is significantly greater than previous proposals refused by both Council and NSW Land and Environment Court. Given that there has been no change in policy or planning direction, from either a strategic or development control perspective, it is difficult to appreciate how this concept proposal could be considered appropriate development.

In our opinion, and as discussed elsewhere in this review, approval of this concept proposal could result in the retail hierarchy envisaged in the draft South Subregional Strategy not being realised, particularly with respect to the anticipated role of Sutherland as a major centre.

The EA shall address how the proposal will relate to Kirrawee village centre and the adjacent employment land to the north.

Comment: In our opinion, the retail component of the concept proposal is internally focussed. No nexus between the Brick Pit and the Oak Road retail strip has been demonstrated. We appreciate that the retention of the Sydney Turpentine and Ironbark Forest on the north eastern corner of Oak Road and Flora Street and the significant change in grade from Oak Road down Flora Street contribute somewhat to a lack of continuity between the Brick Pit and existing Kirrawee local centre. It is considered that the development has been designed to function primarily as a car serviced facility, with some token pedestrian accesses to Flora Street.

6 Conclusion

Having considered this proposal in light of all the documentation referred to above we consider this concept proposal for a mixed use development on the Kirrawee Brick Pit site continues to represent inappropriate economic development in terms of the quantum of convenience retail floorspace proposed. This concept proposes 9,360m² of convenience retail floorspace which is 1,360m² more than the retail floorspace proposed as part of the application refused by the L&E Court.

The concept proposal is accompanied by a Shire-wide Centres Study which seeks to justify the development from a strategic and economic feasibility perspective. We consider the conclusions and findings of this Study to be self-serving and lacking in strategic integrity. Not only are there a number of inconsistencies within the Study, the Study has also taken previous decisions in relation to this site and its redevelopment out of context, in particular the judgement of the Land and Environment Court.

In our opinion, the current Brick Pit retail proposal is likely to have significant local impacts on the Kirrawee and Gymea centres in particular because it is still to be a supermarket dominated centre. The proposal remains much larger than a local centre (such as Kirrawee) and would therefore be out of character and scale in terms of the regional retail network and hierarchy.

We also think the Brick Pit proposal could impact on the Sutherland town centre in (at least) two ways – an actual threat to the continuation of supermarkets in Sutherland and a challenge to the established and planned-for hierarchy of centres in the area.

The effect is likely to be a significantly 'degraded' town centre at Sutherland, wherein supermarket services do not meet local expectations and where the 'retail health' of the whole centre is compromised. In this context, effective planning for optimum retail facilities in Sutherland (already suggested by Council and the Department of Planning) would be at risk and any expected public benefit unrealised.

We do consider the provision of showrooms along the Princes Highway frontage of the Brick Pit site to be an appropriate activation of that frontage in economic terms. Further, we concur with previous investigations that some form of limited convenience retailing in conjunction with a mixed use development on the Brick Pit could be warranted, however such must be of an appropriate scale. Nothing in the documentation provided with this concept proposal convinces us that retail floorspace of the scale proposed is appropriate from a strategic economic perspective.