

- Sydney needs to house another 1.7m people over the next 25 years - most of them in proximity to strong public transport infrastructure in the established suburbs or "transit orientated developments" (TODs).
- Sydney must provide more commercial and retail floor space to meet demands and needs associated with that growth - at least 4 million square metres more retail floor space over the next 25 years.
- Constraints are many and opportunities are limited right across Sydney to meet this demand. The Kirrawee brick pit provides one of a few unique opportunities to make a positive contribution to meeting the above needs.
- TODs are places where people live, work, play and shop – a high concentration of mixed urban uses supported by, and integrated with, high volume public transport such as a train station.

- The Proposal is "in-centre" and being 150m from a train station (on the recently duplicated Cronulla Rail Line, with direct trains every 15min during peak times into Sydney CBD) provides a rare opportunity to deliver a Transit Oriented Development (TOD).
- The objectors support residential uses but not the retail uses on the subject site. This would result in a dormant residential suburb where residents will have to continue to leave the area by car to do their weekly chore shopping, undermining transport and sustainability objectives and the fundamental principle of what makes a TOD.
- Supermarkets are the main anchors in most village centres because 28% to 30% of household expenditure is captured in supermarkets. In Kirrawee a full-line supermarket is necessary to make the retail centre work and the retail centre needs to work if Kirrawee is to implement TODs.
- In Kirrawee we have a trade area of 10,000 to 13,000 people living around a railway station with no reasonable size supermarket and one of the poorest retail offers in the LGA. The objectors do not want the situation to change which in effect will prevent Kirrawee from implementing TODs delivering an enhanced retail offer for the local residents.
- The proposed development will anchor the northern end of the Kirrawee centre and the station the southern end. Kirrawee will benefit from anchor retailers, additional shoppers and additional shopper parking spaces. The existing shops on Oak Road will benefit from these things as well as from an increase in passing foot traffic being pedestrians commuting between the station and the subject site.
- The Sutherland Shire requires additional retail floor space to meet demand including additional supermarkets. The large majority of retailers in the Shire - particularly supermarkets - are trading well above average. Hill PDA's assessments demonstrate there is ample supermarket expenditure to support the growth of Sutherland (including the newly opened Supabarn) as well as the proposed full-line supermarket and discount supermarket in Kirrawee.
- The impact assessment provided in the Part B study was based on a high forecast turnover by the Proposal and therefore represents a "near maximum impact" assessment. Even objectors (such as Urbis) believed that the forecast turnover is unlikely to be realised.

Even in this "maximum impact" scenario, the impacts on existing retail centres in Sutherland LGA will be spread amongst several centres with Miranda, Gymea, Kareela and Sutherland experiencing the most impacts:

- Miranda will continue to trade above industry benchmarks;
- There will be less than 10% adverse impact on almost all of the other Centres, with the exception of Kareela at 10.3%, which is not considered significant;
- Due to growth in expenditure generated in the LGA these centres will all trade at increased levels relative to 2007 trading levels immediately after the impact of this proposal (assumed in 2014) in real terms. Hence their viabilities are not threatened.

- Sutherland town centre is not the main retail centre in the LGA - Miranda is by a long way. However Sutherland is the commercial centre with a range of government, business and professional services, entertainment and cultural venues;
- In terms of retail trade Sutherland town centre has benefited considerably from the opening last year of the Supabarn. This is accounted for by the significant expected increase in trade from 2007 to 2014 in the impact modelling. Sutherland is now a dual supermarket based centre.

In all probability Sutherland will continue to grow due to the presence of large sites including the Flora Street carpark as identified in Part A of the Centres Study and the Mitre 10 site in Belmont Street, that are available for retail development in this centre. With the development of either or both of these sites, Sutherland will retain its position ahead of Kirrawee in the hierarchy;

- As stated above there is ample supermarket expenditure to support all four supermarkets / major food and grocery stores in Sutherland and Kirrawee as well as the additional retail development in Sutherland discussed above.
- Hill PDA has adopted a very conservative approach when estimating retail demand and expenditure, particularly in light of the most recent increase to the targets contained within the Metropolitan Strategy.

Attached are our more detailed responses to the various submissions.

Should you have any questions concerning our advice, please do not hesitate to contact us in our Sydney office on 02 9252 8777.

Yours sincerely,



Adrian Hack, *BTP(Hons), MLE, MPIA*
Principal, Hill PDA

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MILESTONE

Metropolitan Plan for Sydney and Draft Sub-regional Plan

Milestone argues that the proposal is inconsistent with the Metropolitan Plan and the Draft Sub-Regional Plan in relation to several factors – namely that it does not meet the definition of a village centre, it has impacts on shops in Kirrawee and that it is ignoring the “proper” planning process. We disagree with all such objections for the reasons set out below.

Village Centre

We dispute the contention that the proposal does not meet the definition of “Village Centre”. The objectors have ignored changing consumer needs and retail trends. These changes have been well documented in Chapter 6 of the Study Part A. In short social changes over the past three decades has resulted in increased professionalism of the workforce, an increase in participation of women in the workforce and longer working hours. Consumers are more time-poor and are therefore demanding improved levels of convenience when undertaking “chore” shopping. The role of the village centre is to meet this need. Kirrawee at the moment is failing to meet this need because of several factors – but mainly due to its lack of retail offer and its lack of an anchor tenant - namely a medium to large supermarket. Lack of car parking is another factor.

Following development as proposed, Kirrawee will still meet the definition of “village centre”. With around 12,500sqm it will remain smaller in total retail leasable area than many other village centres (as defined in the Sub-regional Strategy) including Engadine (35,000sqm), Marrickville Metro (23,000sqm) and Lakemba (around 30,000sqm). Note also that Southgate is defined as a “small village centre” but has 19,450sqm of retail floor space. The retail mix will comprise shops for “chore” shopping and not “leisure” shopping – being predominantly food and grocery related but also including restaurants and other shops for “regular” shopping such as chemist, newsagent, bank, etc.

Finally when considering whether or not we classify Kirrawee as a village, local or town centre it must be acknowledged that the Metropolitan Plan and Sub-Regional Strategy are guides only (as can be seen in the above examples of centres classified as villages yet with significant retail floor space), not prescriptive documents and centres can and do change/evolve. The classification in itself has no impact on the real issues that need to be addressed.

Impact on Existing Shops in Kirrawee

We dispute the contention that the proposal will undermine the viability of the Kirrawee shopping centre. The objectors want to do nothing for Kirrawee, which is one of the poorest performing centres in the LGA with a turnover of only \$15.5M pa. Doing nothing is not going to help the existing centre of Kirrawee. The centre lacks adequate parking spaces and lacks an anchor tenant. The subject proposal will add anchor tenants and ample parking which will enhance the role of the village centre, improve the retail offer, improve the level of convenience and bring far more shoppers into the village centre. The dumbbell effect with the station at the south end and the subject development at the north end together commuter parking will result in considerable increase in foot traffic past the existing shops on Oak Road. Levels of competition between existing retailers and new retailers will vary but this in

itself is competition between traders in the same centre. If an existing trader were to close it will be replaced by a trader that will benefit from the increased foot traffic.

The Planning Process

We completely reject the idea that this development is “ad hoc” with no consideration of the planning process and public interest.

This is a part 3A application because it is a development of regional or State significance. The Part A report is the outcome of a comprehensive process done in consultation with the Department of Planning. The study methodology was approved by the Department.

This is one of a limited number of opportunities to make a substantial contribution to meeting the targets of the Metropolitan and the Sub-regional Strategies and of meeting the growing retail needs of the residents and workforce of Sutherland Shire. This opportunity should not be missed because of concerns about added competition.

Previous Court Judgement

The previous court judgement is not relevant to the assessment of this Part 3A application. Nevertheless the main economic basis for refusal simply was that:

“No assessment of the economic impacts of a 4,500 supermarket has been undertaken. Given the scale of the development and its likely impacts we are not satisfied that we can rely on the previous economic analysis for the original two supermarket and a “judgement call” made by the experts. Particularly as there were significant doubts raised about the impact of the original scheme and its methodology in calculating the figure for retail trade data. Given the amendments to the proposal, we do not think it appropriate to further delay the proceedings for such an assessment to be undertaken nor was any request to this effect made by the parties.

In our opinion the size of the supermarket and retail component has the potential to impact on the sustainability of Kirrawee and Sutherland Centres. If not economically but in the strategic role that they play in the region, which needs to be thoroughly assessed.”

The study – both Parts A and B have addressed this issue.

Local Planning Instruments

Sutherland Shire LEP 2006

The subject proposal is not inconsistent with the objectives of the Mixed use zone – again for all the reasons mentioned above. It will not undermine the existing retail strip. The existing retail strip will benefit from a considerable increase in foot traffic.

The proposal is not creating an alternative town centre. It is a logical expansion of the existing centre which is required to protect the centre’s viability. Again the centre lacks an anchor tenant and parking is very limited. The

subject proposal provides the best, if not only, method of expansion of the existing centre to include these necessary components.

The existing retailers along Oak Road are in small fragmented ownerships and there is no real opportunity to expand. The subject site at the northern end of the strip and the railway at the southern end provide the best opportunities to anchor either end of Oak Road strip centre.

Sutherland Shire DCP 2006

The objection is largely reinstating the same issues as the LEP. Milestone correctly notes the requirement to provide a minimum of 10,470sqm of employment uses on the site. The Part A study clearly identified a market for retail uses and limited opportunities for alternative employment uses.

The DCP requires that the Brick Pit site does not create a second town centre and that it provides pedestrian connectivity to the Oak Road shops. As stated above the proposed development is an expansion of the existing centre and pedestrian connectivity is maintained, especially given the future intent as per the DCP, for the Oak Road strip shops to extend around the corner and to the east down Flora Street in the Zone 7- Mixed Use land. The existing Oak Road shops, the new park on the southwest corner of the site and the new shopping mall are all components of the village centre. As mentioned, in future the Council planning controls should stimulate urban renewal in the area encouraging a more diverse range of uses on the former industrial sites on the south side of Flora Street as a part of the Kirrawee Town Centre

We object strongly to the proposed development being labelled as “out of centre”. The Brick Pit is in fact one of the 4 precincts of the Kirrawee Centre as identified in the DCP(Chapter 2, page 1-6).The site is within 150m of the railway station and pedestrian connectivity is provided along the footpaths on both sides of Oak Road in front of the existing retailers. How can this development be regarded as “out of centre”? The mixed use zoning identifies the site and surrounding land with the same mixed use zoning, as being within the Kirrawee centre which is served with a high level of public transport – namely a train station with direct trains to the Sydney CBD every half hour and every quarter hour during peak times.

Standard Instrument LEP and Retail Floor Space Demand and Supply Assessments

Milestone claims that Council's Strategy and Direction Committee resolved to exclude Kirrawee from the list of 10 centres “as having potential for an increase in dwelling numbers”. This defies logic – firstly because Kirrawee has potential by virtue of having the brick pit site (which is a unique offer in any of the centres of Sutherland) and secondly because of the mixed use zoning on the site. The Council DCP (Chapter 3 control 9.b.2) requires that this site alone provides a minimum of 27,320 sqm of residential floor area, thereby in the order of at least 250 to 300 dwellings. The objector then claims that “retail should only be considered following Council's detailed assessment of the existing and future retail demands for the LGA”. This has been done in Part A of the study whose methodology was endorsed by NSW Department of Planning.

Economic Assessment and Impacts

Draft Centres Policy Planning for Retail and Commercial Development

Most of the arguments in this section by the objector again results from a failure of the objector to understand that the proposed development is within the village centre. This is not an out of centre location. Competition between retailers within the same centre is not a relevant matter for consideration.

There will be added competition for existing retailers on Oak Road but there will also be a considerable increase in the number of shoppers and an increase in foot traffic along Oak Road as a result of the proposed development. It is up to the existing retailers to respond to that. It is not up to any consent authority to second guess how individual traders will perform in competition between themselves in the same centre.

The objectors fail to offer Kirrawee a solution to its current below average performance. Doing nothing is not going to help the existing centre, as Kirrawee is one of the worst performing centres in the Shire. It needs to improve its retail mix, improve its levels of convenience, provide more parking spaces and generally be more attractive to shoppers. The proposed development will achieve these objectives.

URBIS

Trade Area Definition

Urbis is critical that a trade area has not been defined for the proposed centre. Note that there is no universally acceptable method for impact assessment and different consultants may use different methods. In analysing the retail economics the Hill PDA study comprised two components. The first component was an analysis of supply and demand in five sub-regional or district areas. The second component was the impact assessment which assessed the impacts on surrounding centres using a gravity model. This method did not require the definition of a trade area.

We have no real objection to Urbis's alternative method or to their definition of the likely trade areas – although in our view their defined Primary Trade Area extends a little too far west at Eton Street. Given the proximity to Sutherland the western boundary is more likely to be Acacia Road (Princes Highway), Auburn Street or Glencoe Street.

In 2011 Urbis estimates the primary trade area population to reach 13,500 people. A more contracted PTA would be more like 11,000 people. Either way this is significant level of population without a medium to large size supermarket. 9,000 people is the considered benchmark to support a full-line supermarket. To view in another way there is around 0.015sqm of supermarket floorspace per capita in the PTA compared to around 0.33sqm Australia wide – a deficiency of 95%.

Population Projections

Table 1 in Hill PDA's Study (part A Page 27) sets out the population projections provided by the NSW Bureau of Transport and Statistics and the most recent release from the NSW Department of Planning. For the purpose of calculating retail expenditure Hill PDA calculated the actual annual growth rate over the period 2006 to 2016. This equated to 0.45% for both sets of projections reflecting the difference between the two sets of data Urbis refer to are merely due to the rounding of numbers.

We note that the more recently published Metropolitan Strategy establishes higher targets for dwellings with a target for the south Sub Region of 58,000 additional dwellings between 2006 and 2036 and would reinforce that Hill PDA's findings are conservative.

Retail Spending

The only comment I make here is that Marketinfo 2009 data wasn't available at the time of reporting. Urbis does agree that expenditure estimates have not been overstated in the Hill PDA study.

Surrounding Retail Environment

Floor space figures in the Hill PDA study were documented from several sources including the Property Council of Australia (which is the same source that Urbis uses but Urbis includes only indoor shopping centres and excludes

older strip retailers) and Hill PDA land use surveys which involved two people surveying shop front premises over about 3 days including photographic surveys. This data was then cross checked against earlier surveys by Ibecon (2004) and Hirst Consulting Services for Sutherland Shire Council. Any possible discrepancies were clarified by further on-site surveys and in some cases measuring floor areas using "Red Square" satellite imaging.

Many of the indoor centres have reported turnover figures which were used in the study. We estimated the turnover of the strip retailers from several data sources including:

- the shopper surveys;
- expenditure analysis allowing for both "out" expenditure (journey to work data and the shopper surveys) and "in" expenditure (tourism data);
- on-site observations; and
- floor space data (centres with a high proportion of food retailing for example have higher turnover levels whilst centres with higher vacancies and non-retail uses generally indicate poorer performance).

Trading Levels for Proposed Centre and Surrounding Centres

Urbis believes that the estimated turnover of the new centre at \$87.9m is unlikely to be achieved because it requires assumptions on high capture rates. Our estimate is based on industry benchmark levels and the known turnover levels in the surrounding centres. If Urbis is correct then a lower turnover level at Kirrawee would translate to impacts lower than predicted on the surrounding centres. So we regard the impacts to be a "high-impact" case or "near worst case" scenario.

The Supabarn in Gymea was operating before as an IGA. We are not aware of there being any increase in floor area and have not assumed any increase in retail sales as a result. Any increase in sales is purely attributable to growth in expenditure in the locality.

Potential Trading Impacts

Table 4 in the submission shows impacts on a variety of indoor centres and supermarkets in the Sutherland Shire. There are a few deficiencies with the analysis. Firstly the total sum of retail sales or turnover in 2010 is \$1.5b. Yet we know from the expenditure modelling that all the retail centres in the Shire captured around \$2.5b in sales. So there is around \$1.0b unaccounted for. Underestimating turnover in the competing centres will result in overestimating the impacts.

Urbis's estimate of growth in retail sales is around 1.6% per annum. We believe that growth in expenditure generated by the Shire is more likely to be around 1.8% per annum. This is based on 0.5% population growth plus 1.3% per annum growth in real spend per capita. Real spend per capita has increased at the rate of 1.3% since 1986 using an exponential line of best fit (Hill PDA estimate based on data sourced from ABS including retail sales, population and CPI indexes).

In Table 4 Urbis measures shifts in turnover on supermarkets in the older centres rather than measuring the shifts in turnover on the centres as a whole. This is not helpful in impact assessment because, as stated several times in

various L.E.C. judgements, it's the impact on centres as a whole that's relevant – not the impact on individual traders. The impacts are therefore significantly overstated.

Furthermore, even if we accepted a significant impact of say 15% loss in trade on a particular supermarket this does not give reason for refusal. It is important to consider the current level of trading and the likely growth in retail turnover over time. It is also important to consider whether or not the community is better off or worse off as a result of the proposal. Will the proposal more than make good for the loss? In the subject case it will.

In this case a loss of 15% to 19% on any one supermarket is unlikely to result in social detriment because we know that these supermarkets were all trading well above benchmark levels in 2007. Almost all of them were trading 20% or more above national average and in some cases more than 50% above. Hence a loss of say 20% is unlikely to result in their closure.

It's important to recognise that centres are not just about retailing. Following development Kirrawee will be a village or convenience retail centre, Miranda will always be the largest retail centre and Sutherland will always be the major administrative, civic and commercial centre due to its high component and range of office spaces including local government administration, government offices, business and professional services. It's also a main cultural centre with the services club and entertainment centre and it has the added geographical advantage of being on the intersection of two railway lines.

DON FOX PLANNING

Reference to previous studies

DFP refers to previous Studies of commercial centres within Sutherland LGA. In this regard we would note that the Hill PDA study was undertaken based on the latest available data sources at that time comprising:

- MarketInfo 2007 expenditure data;
- The latest population projections provided by the NSW Bureau of Transport and Statistics and the most recent release from the NSW Department of Planning (DoP);
- Bespoke land use surveys; and
- A bespoke shopper survey.

On this basis, the data sources used represent the most up-to-date data and therefore are more reliable sources of information than previous reports to which DFP refer, which are based on out-dated data.

Whilst the Study was funded by the land owner, Hill PDA had on-going consultation with the DoP and the DoP concurred with the methodology. We also note that expert objections, including that of DFP, have been commissioned by competing interests.

Whilst, as DFP note, the report recognises that assessment of existing centres in the hierarchy is subjective, this is due to the method of assessing centres which involves qualitative judgements open to different interpretations.

Sutherland Town Centre

DFP contend that it is 'curious' that Sutherland has been given a poor rating in terms of availability and feasibility. The methodology and assumptions for assessing Sutherland and other centres is clearly stated and is based on the current situation on the ground. Currently there is a lack of suitable sites in Sutherland, with the exception of the Flora Street carpark as mentioned in the Centres Study and the Mitre 10 site, which makes securing additional feasible development schemes problematic. The existing retailers in Sutherland are in small fragmented ownerships and there is no real opportunity to expand. There is nothing 'curious' about the conclusions we have drawn in this regard.

Need for Retail floorspace

DFP appears to suggest that there is a contradiction in noting that commercial occupiers prefer traditional or 'known' markets and the provision of commercial floorspace as part of this site which is driven by viability perspective rather than from a strategic planning perspective. Given that the development would be built by a private company the scheme must be viable from a commercial viewpoint in order for them to undertake the development in the first place. It must also be acceptable in planning terms for DA approval to be granted. It therefore stands to reason that the primary driver of the scheme is commercial viability and not strategic planning objectives. Indeed, this is subsequently acknowledged by DFP by their recognition that 'feasibility of a project is a reasonable consideration'.

Strategic objectives have also been considered and the scheme developed accordingly. For example, the public open space represents an attractive location for development from a commercial viewpoint, more so than the existing proposed parkland, but the provision of green space responds to the strategic planning need for a development which is well connected to the surrounding area and to Kirrawee and responds to community needs and local planning controls.

Source of Expenditure

DFP argue that there will be a high proportion of expenditure drawn from existing retailers due to low levels of escape expenditure as recorded in the shopper survey. In the first instance, the scheme will draw a significant proportion of expenditure from residents of the proposed scheme, which includes some 450 dwellings. This expenditure will represent a new source not currently available in the trade area, and therefore it will not affect the trading performance of existing facilities.

Secondly, it is important to note that there will be significant growth in the quantum of expenditure available to existing residents in the LGA by the time the proposed scheme would be trading, as a result of real retail growth and population growth. By 2016, as shown in Table 14 of 'A Centres Study for Sutherland Shire' Part A, the total quantum of expenditure available will increase from \$2,770.4m (2007) to \$3,254.7m (2016), an increase of \$484.3m or 17%. In terms of Food Grocery and Liquor only, the anticipated expenditure generated by residents of the LGA will grow from \$899.5m (2007) to \$1,056.7m (2016), an increase of \$157.2m or 17%.

The combined increased spending available from new residents of the scheme and expenditure growth in the LGA will mean that there will be insignificant impacts on existing centres as a result of the scheme, as shown in Part B of the Study.

Impact on Existing Shops in Kirrawee

We dispute the contention that the proposal will undermine the viability of the Kirrawee shopping centre. The objectors want to do nothing for Kirrawee, which of the 12 centres studied by Hill PDA in the Shire is a distant last place in terms of estimated retail turnover (\$15.5M pa), and generates less than half the turnover of the next largest retail centre Taren Point (\$32M pa). Doing nothing is not going to help the existing centre of Kirrawee, as Kirrawee is one of the worst performing centres in the Shire. The centre lacks adequate parking spaces and lacks an anchor tenant. The subject proposal will add anchor tenants and ample parking which will enhance the role of the village centre, improve the retail offer, improve the level of convenience and bring far more shoppers into the village centre. The dumbbell effect with the station at the south end and the subject development at the north end together with commuter parking will result in considerable increase in foot traffic past the existing shops on Oak Road. Levels of competition between existing retailers and new retailers will vary but this in itself is competition between traders in the same centre. If an existing trader were to close it will be replaced by a trader that will benefit from the increased foot traffic.

Planning Policy

DFP highlight the risk of over estimating population growth and over providing for services as a result. We agree with this approach, which is why the most up-to-date data, as derived from the population projections provided by the NSW Bureau of Transport and Statistics and the most recent release from the NSW Department of Planning has been used. This is a robust approach.

DFP infer that the scheme is not appropriate when considered against the criteria in the draft Centres Policy. This is incorrect, as Part B shows the scheme is consistent with all 6 principles as it:

- Provides new retail facilities which will support an existing centre and which will be provided within an existing cluster of shops (Principle 1);
- Comprises a scheme which will allow Kirrawee to grow (Principle 2);
- Allows the market to determine demand, with the role of the planning system being to support the market's ability to meet this demand (Principle 3);
- Responds to the identified need for a significant quantum of additional retail floorspace in the LGA now and in the future, and will aid the Council in ensuring that it has sufficient land to meet this demand (Principle 4);
- Provide a mix of retail types and introduces greater competition and choice across the LGA for consumers (Principle 5); and
- Would predominantly be constructed underground and therefore the design of the centre is largely irrelevant, although as noted by Hill PDA a high quality design will attract more developers, business tenants and customers to Kirrawee, and therefore is an important component of a successful retail development (Principle 6).

On this basis, the proposal is entirely consistent with the draft Centres Policy.

In more general terms, this is one of a limited number of opportunities (the Flora Street carpark and Mitre 10 site in Sutherland being amongst the others) to make a substantial contribution to meeting the targets of the metropolitan and the sub-regional strategies and of meeting the growing retail needs of the residents and workforce of Sutherland Shire. This opportunity should not be missed.

Inappropriate scale

DFP argue that the proposal is of an inappropriate scale for the Brick Pit site and comprises an inappropriate location, and it will consequently stymie development and investment.

In response, we note that:

- There is a need to accommodate a significant quantum of additional retail development in the LGA, of some 136,529sqm by 2021 (Part A), approximately 15 times the retail floor space of this proposal. This site will assist the LGA in meeting this requirement on a site that lies within an existing centre and which

is less than 150m from a railway station and well connected to Kirrawee on foot. As such, the scale is acceptable and the site is entirely appropriate for the development proposed.

- Rather than restricting development and investment in Kirrawee, the scheme constitutes a significant financial investment in the centre and will increase the number of residents in the locality, which in turn will increase the amount of expenditure available to local businesses and increase local employment. The site provides a logical expansion of the existing centre which is required to enhance Kirrawee Centre's viability, as it is currently one of the worst performing centres in the Shire. The centre currently lacks an anchor tenant and parking is very limited. The subject proposal provides the best, if not only, method of expansion of the existing centre to include these necessary components. As such, it will encourage further investment and development within Kirrawee centre.

INGHAM PLANNING

Impact

Ingham Planning state that the proposed development, by way of its size, 'isolation and lack of integration with the existing centre, will become a stand alone centre'. This statement is false. The proposed development is well integrated with the existing Kirrawee centre and is located on a pedestrian friendly road which will allow easy access on foot from the site to the existing shops and station, and to future development in all of the zone 7 land in Kirrawee, especially that land along the southern side of Flora Street. The site is within 150m of the railway station, within one of the precincts of Kirrawee town centre as per the DCP and pedestrian connectivity is provided along the footpaths on both sides of Oak Road in front of the existing retailers.

With regard to the impact on Kirrawee, we refer to our previous comments in response to DFP as outlined above.

The expenditure modelling undertaken to assess the scheme indicated that the impact upon Kirrawee, Sutherland and all the other centres in the LGA, would be insignificant. As such the scheme will not, as Ingham Planning contends, jeopardise the future development of Sutherland or prejudice its role as a 'Potential Major Centre', especially given the presence of one of the only other large mixed use development sites (Flora Street carpark) in this end of the Shire being in Sutherland. In any case the aim of this designation is not to stifle market-led development in other centres in the LGA to the detriment of local residents, which refusal of the application on these grounds would constitute.

Contrary to the established Centres hierarchy

In terms of the retail hierarchy, a perceived inconsistency with which Ingham Planning focus upon as a reason for refusal, we note that following development as proposed Kirrawee will still meet the definition of "village centre". With around 12,500sqm it will remain smaller in total shop front leasable area than many other village centres (as defined in the sub-regional strategy) including Engadine (35,000sqm), Marrickville Metro (23,000sqm) and Lakemba (around 30,000sqm). Note also that Southgate is defined as a "small village centre" but has 19,450sqm of retail floor space. The retail mix will comprise shops for "chore" shopping and not "leisure" shopping – being predominantly food and grocery related but also including restaurants and other shops for "regular" shopping such as chemist, newsagent, bank, etc.

Finally whether or not we classify Kirrawee as a village, local or town centre it must be acknowledged that the Metropolitan Plan and Sub-Regional Strategy are a guides only (as can be seen in the above examples of centres classified as villages yet with significant retail floor space), not prescriptive documents and centres can and do change/evolve. The classification in itself, has no impact on the real issues that need to be addressed.

Floorspace assessment is not objective

In response to this assertion by Ingham Planning, we refer to the response above to DFP in relation to 'Reference to previous studies'. To reiterate: our work is based on the latest available data on expenditure, population projections and floorspace data and therefore reflects the current situation and thus provides a more up-to-date assessment of supply and demand at the current time than do previous reports compiled by the LGA and others, which represent the situation at an historic point of time. In any case the Part A report is the outcome of a comprehensive process done in consultation with the Department of Planning. The study methodology was approved by the Department.

Draft Centres Policy

The draft Centres Policy is a material consideration in the determination of planning applications, and holds the same weight as other draft planning documentation such as the draft South Subregional plan. The proposed development does not, as is stated by Ingham Planning, go outside of the strategic planning process- on the contrary it supports strategic planning aims and in particular those of the draft Centres policy as indicated above in the DFP response.

As recognised by Ingham Planning it is the role of the planning system to regulate the size and location of required retail floorspace, and for the market to determine need. This proposal is market driven, but is located on a site that is within an existing centre (as defined in the DCP) and is of a scale which reflects the significant quantum of retail floorspace required in the LGA in the future, with or without pipeline development. In any case, the pipeline development included in the Hill PDA survey includes schemes which are only mooted at this stage and those which have been deferred (such as Miranda Westfield), and on this basis there is no guarantee that these developments will come forward. Additionally, some developments which do materialise may not do so for a number of years and therefore will not meet the needs of residents for additional retail floorspace in the short to medium term, as this proposal would.

The proposal is well integrated with Kirrawee centre as previously indicated and it is grossly incorrect to assert, as Ingham Planning does, that the centre would function as a stand alone centre. There is no basis for this conclusion, and indeed Ingham Planning does not indicate the grounds on which this assumption was made.

The site is within 150m from the railway station and pedestrian connectivity is provided along the footpaths on both sides of Oak Road in front of the existing retailers. The mixed use zoning identifies the site as being within the centre which is served with a high level of public transport – namely a train station with direct trains to the Sydney CBD every half hour and every quarter hour during peak times.

The proposal is not creating a stand alone centre. It is a logical expansion of the existing centre which is required to enhance the centre's viability, as Kirrawee is one of the worst performing centres in the Shire. The centre lacks an anchor tenant and parking is very limited. The subject proposal provides the best, if not only, method of expansion of the existing centre to include these necessary components.

Draft State Environment Planning Policy (Competition)

The impacts of the proposed development on other centres has been considered and clearly stated in Part B, and therefore whether or not the assessment of impact is in the draft SEPP or not is entirely irrelevant.

The draft SEPP aims to ensure that planning policies do not restrict competition. On this basis it follows that, regardless of the wording of the draft SEPP, the restriction of a particular retail type within an existing centre, which would be uncompetitive, would not be supported. As such, the draft SEPP does run contrary to the DCP.

In any case, competition between identical traders is not a planning concern. There will be added competition for existing retailers on Oak Road as a result of the development but there will also be a considerable increase in the number of shoppers and an increase in foot traffic along Oak Road. It is up to the existing retailers to respond to that. It is not up to any consent authority to second guess how individual traders will perform in competition between themselves in the same centre.

Inconsistent with land zoning

The subject proposal is not inconsistent with the objectives of the mixed use zone for all the reasons mentioned above, the use of 'shops' is permissible in the zoning. It will not undermine the existing retail strip.

Inconsistent with Draft South Subregional Strategy

We note that, unlike the other draft policy documents assessed above, Ingham Planning does not state that this document should be viewed with limited weight by virtue of it being in draft form.

Ingham Planning states that the proposal is inconsistent with the 'potential Enterprise Corridor' nominated for Princes Highway in the South Subregional Strategy. The policy is in draft form at this stage and therefore should not be used in the determination of development applications but does constitute a material consideration. It is interesting to note that Ingham Planning does not recognise this despite their previous commentary arguing that little weight should be afforded to the Centres Policy and SEPP as they are in draft form and the guidance contained within it may not be contained in the final version. Regardless of this, the development application is for a mixed use development and will contribute a lot more to local employment opportunities and to any zoned enterprise corridor which may materialise than if the site were to remain vacant.

Notwithstanding this, we note that the mixed use proposal provides an ideal buffer between employment lands (major industrial land north of the Princes Highway) and the commercial core and residential lands of Kirrawee. In any case the use of the site was formerly for a brick pit which would not achieve this goal and the alternative to the proposed development is that the site remains vacant which would also not help to achieve the aims of the draft South Subregional Strategy in this regard. Furthermore was the site to remain vacant this would undermine the objectives of the EPA Act, namely to ensure the economic orderly use of land.

In more general terms, this is one of a limited number of opportunities to make a substantial contribution to meeting the targets of the metropolitan and the sub-regional strategies and of meeting the growing retail needs of the residents and workforce of Sutherland Shire.

Inconsistent with Metropolitan Plan for Sydney 2036

Ingham Planning comments in this regard relate to the hierarchy of centres, which has already been addressed in previously in our consideration of the DFP and Ingham Planning report.

Inconsistent with Sutherland LEP

These comments relate to FSR which is not the concern of this response which focuses upon retail issues.

Showroom Retailing

Ingham Planning argues that the showroom retailing could be converted to commercial use without requiring a development application and therefore the impact of any conversion should be tested. In response we note that given the nature of the floorspace proposed and its location fronting Princes Highway it is highly unlikely that this floorspace would go for office uses over retail showroom use. The market evidence indicates that there is more demand for showroom floorspace and the proponent intends to develop the scheme as shown in the concept plan.

Furthermore, if at some later date it was converted this would reduce retail turnover and hence reduce the impacts on other centres.

Increase in traffic

Given that neither Hill PDA nor Ingham Planning are transport consultants, we are not qualified to discuss any traffic implications which may result from the proposed scheme. However, we note that the supporting documentation includes a transport assessment that demonstrates the proposed development is acceptable.

Inconsistent with Sutherland DCP

The objection is largely restating the same issues as with regard to the LEP and other planning policy documents to which Ingham Planning refer. The main crux of the objections appears to concern hierarchy, design and zoning.

In response we note that the Part A study clearly identified a market for retail uses which this scheme will address therefore it does cater for local needs. The DCP requires that the Brick Pit site does not create a second town centre and that it provides pedestrian connectivity to the Oak Road shops. The DCP clearly defines the Brick Pit as a precinct of the Kirrawee town centre. As stated above the proposed development is an expansion of the existing centre and pedestrian connectivity is maintained. The existing Oak Road shops, the new park on the southwest

corner of the site and the new shopping mall are all components of the village centre. In future the former industrial uses on the south side of Flora Street may also redevelop with mixed uses and form part of the village centre.