

Our Ref: M190233

23 June 2020

General Manager
City of Parramatta
PO Box 32
PARRAMATTA NSW 2124

Attention: Lord Mayor and Councillors

**PLANNING PROPOSAL, 1 WINDSOR ROAD, NORTH ROCKS
SUBMISSION TO COUNCIL MEETING**

1. INTRODUCTION

We act on behalf of Fabcot Pty Ltd, a wholly owned subsidiary of Woolworths, who have lodged a Planning Proposal seeking to amend *The Hills Local Environmental Plan 2012* to allow for a supermarket development at 1 Windsor Road, North Rocks.

The site is located on the corner of Windsor Road and James Ruse Drive, within a B6 Enterprise Corridor zone, and contains a vacant building that was previously occupied by Bunnings.

The Planning Proposal seeks to allow use of the existing building for a full-line supermarket and BWS liquor shop, which fall within the category of “shops” and are prohibited in the B6 zone. The remainder of the existing building will potentially be developed as a warehouse and distribution centre (non-retail), for Woolworths delivery, which is a land use currently permitted in the B6 zone.

The Planning Proposal seeks an “additional permitted use” for the purposes of a supermarket and liquor shop, specific to the site, rather than seeking a change to the zoning.

2. LOCAL PLANNING PANEL CONSIDERATION

The Local Planning Panel (LPP) considered the Planning Proposal on 16 June 2020 and stated that it should not proceed as it “*should not be permitted at an isolated site but should be located in or attached to existing town or village centres, in line with sound strategic land use planning.*”

We wish to address the LPP’s view and to demonstrate that the development of a supermarket on the site is entirely appropriate and consistent with the strategic planning framework. Further, that there are no planning principles, legislated or otherwise, that the proposal offends.

It is noted that Council’s assessment report prepared for the LPP supported the Planning Proposal proceeding to a Gateway determination, given:

- it will contribute to the significant amount of additional retail floorspace required within the District in the next 20 years (as identified in the Central City District Plan);
- it addresses the existing undersupply of supermarket floorspace in the broader region; and
- the potential job creation which will result from the proposal.





3. BENEFITS OF THE PLANNING PROPOSAL

The Planning Proposal provides the following benefits:

- It addresses some of the significant undersupply of supermarket floor space within the area;
- It provides community benefit with the provision of a wider range of food and grocery shopping facilities which would increase convenience and price competition for residents;
- The distribution centre will provide for improved delivery services in the surrounding area; and
- It will result in additional employment with a total of 1,196 jobs likely to be created both directly and indirectly because of the proposal, including a number of youth employment opportunities.

The existing supermarket floor space in the main trade area is 103m² per 1,000 persons (with only 59m² per 1,000 persons in the primary sector), compared to the Sydney metropolitan benchmark of 263m² per 1,000 persons. As such, there is a current indicative undersupply of 7,114m² of supermarket floor space across the main trade area.

It is important to note that this undersupply of supermarket floor space will increase in the future if no additional supermarkets are provided. Even with the proposed development, which would provide 3,800m² in 2022/23, there would still be an under provision of supermarket floorspace across the main trade area of 3,666 m² that would increase over time.

There are limited food and grocery tenants and specifically supermarkets to serve residents of the local and surrounding region. The main trade population (44,420 persons) could easily support five full-line supermarkets, with one currently provided, namely Entrada Coles at 20 Victoria Road in North Parramatta, at the southern fringe of the main trade area. The existing Northmead IGA, which is the only supermarket in the primary sector and one of only two supermarkets in the main trade area, is small at around 1,040m² in size. Modern full-line supermarkets which serve the weekly shopping needs of local residents are typically 3,200m² in size and larger. .

The proposal will help to address the significant undersupply of supermarket floor space and provide residents of the region with a wider range of food and grocery items within proximity to their homes, and provide the ability for the population to shop locally.

4. LOCATION OF THE DEVELOPMENT WITHIN A CENTRE

The LPPs resolution was that the proposed development should be in or attached to a town or village centre, noting that this is *"in line with sound strategic land use planning"*.

It is noted that, under the existing permitted uses of the B6 zone, the site could be developed today for other commercial and non-residential uses such as office premises, business premises, hotel or motel accommodation, hardware and building supplies, warehouse or distribution centres and light industries. The proposal only seeks to introduce an additional permitted use to allow for a supermarket and liquor shop.

The proposed supermarket on the site is entirely appropriate given it:

- will fulfil a demonstrated need to serve the existing and future residential population of the surrounding area, which is particularly important given the undersupply of supermarket floorspace;
- will not adversely impact on existing centres or supermarkets in the area;
- will not adversely impact on B6 zoned land; and
- cannot be delivered elsewhere (and in fact need not be located elsewhere given the benefits of providing on the subject site).

These are elaborated on in further detail below.



Need for supermarket in the location

The Central City District Plan identifies the need for more than 1.76 million square metres of additional retail floor space over the next 20 years. Given the quantum of required retail floor space, there will be a need to provide floor space outside of existing centres. Existing centres will simply not be capable of delivering this amount of floorspace and importantly, given the growth of population in areas away from those centres, new retail uses need to “follow” this growth. The proposal will contribute to this identified need for retail floor space.

The proposal will also support the “liveability” objectives of the District Plan which seek to provide services that meet peoples needs, by providing for the day-to-day needs of the large population in the district (existing and future) where there currently exists an undersupply of supermarket floor space.

The LSPS identifies an expected population growth from 235,000 in 2016 to 433,000 in 2036. With this level of growth, the existing undersupply of supermarket floor space will become even more significant and the need for development such as the proposed supermarket will be of prime importance.

A number of large developments in the immediate area of the proposed development will result in future population growth, including the recently completed Darling Mills residential development, the Parramatta North Urban Renewal Area and a number of other private and public developments under construction, recently completed or planned.

Given the anticipated substantial increase in the future population of the District, and the particular residential growth in the area surrounding the site, it is important to provide supermarket floor space in a convenient location to the population that it serves. There are limited existing food and grocery tenants and specifically supermarkets to serve existing and future residents of the local and surrounding region. The proposed supermarket would provide the ability for the population to shop locally.

No adverse impact on nearby centres or supermarkets

The economic impact assessment submitted with the Planning Proposal demonstrates that the proposal will not impact on the viability of any nearby centres or supermarkets, with impacts within the competitive range of 10% or less.

On the basis that the proposal does not adversely impact on existing centres, it is entirely appropriate that the supermarket is located near to the population which need the services it provides.

No adverse impact on B6 zoned land

The economic impact assessment submitted with the Planning Proposal identifies that the site comprises less than 4% of the total B6 zoned land in the City of Parramatta LGA, and there would be in excess of 509,000m² of B6 zoned land remaining. Therefore, the proposal has no material impact on B6 zoned land.

Proposal cannot be delivered elsewhere

Further economic assessment has been undertaken by Location IQ (attached to this submission) which identifies that the proposed development cannot be delivered elsewhere, noting the following:

- There are no vacant tenancies in the Northmead Shopping Centre.
- Land zoned B4 Mixed Use, in which a supermarket is permissible, has an average size of 3,511m² which is not large enough for the proposed development.

- There are 13 sites zoned B4 Mixed Use which are of sufficient size (at least 6,815m²) for the proposal – 12 located in the Parramatta North Urban Renewal (PNUR) Area, and one (1) occupied by St Patrick Cathedral and Parramatta Marist High. The following is noted regarding the PNUR Area:
 - Only a small village centre of 4,000m² is currently proposed under the plans. The proposed supermarket (3,800 m²) alone would occupy most of this site.
 - The small village centre would only support the catchment immediately surrounding the site and typically within the Urban Renewal Area. In comparison, the subject development serves a substantial population to the north of the site.
 - The existing undersupply of supermarket floorspace suggests that up to five supermarkets would be supportable over the longer term. Consequently, land outside the Parramatta North Urban Renewal area would still need to be identified to support the growing demand.

5. CONCLUSION

This submission demonstrates that the proposal to allow for a supermarket use on the subject site is entirely appropriate and consistent with the strategic planning framework. In particular, it would help to address a significant undersupply of supermarket floor space, provide convenient shopping for a substantial existing and growing residential population in the local area and provide employment opportunities. Furthermore, the proposal will not impact on the viability of any nearby centres or supermarkets.

It has also been demonstrated that the proposal cannot be delivered elsewhere, and in fact need not be located elsewhere given the above benefits of providing on the subject site.

We would appreciate the opportunity to present this submission directly to Council. In the interim, should you require any further clarification, please do not hesitate to contact the undersigned.

Yours faithfully,
Planning Ingenuity Pty Ltd



Jeff Mead
MANAGING DIRECTOR

23 June 2020

Mr Angus White
Regional Development Manager
Woolworths Group
1 Woolworths Way
Bella Vista
NSW 2153

North Rocks Woolworths

Woolworths are proposing to develop a Woolworths supermarket (including BWS) and a potential large format retail distribution warehouse (non-retail) at the former Bunnings Warehouse site at 1 Windsor Road (Church Street) between North Rocks Road and Cumberland Highway in North Rocks. Location IQ prepared an Economic Impact Assessment (EIA) for the subject development for Woolworths Group in August 2019. The key findings of the EIA include:

- i. Woolworths Group propose a development across one level which would replace the former Bunnings Warehouse at 1 Windsor Road in North Rocks. The proposed development scheme is described as follows:
 - The total development will encompass 6,815 sq.m of floorspace;
 - A full-line Woolworths supermarket of 3,800 sq.m (including BWS). Woolworths would be a modern supermarket offer catering to the weekly food and grocery shopping needs of the surrounding population;
 - A potential large format retail distribution warehouse of 3,015 sq.m (non-retail), permitted under the current zoning;
 - A total of 260 car spaces would be provided with ingress and egress from North Rocks Road.
- ii. The defined main trade area largely falls within a 2 - 3 km radius of the site, which is consistent with most full-line supermarkets across Australia in established residential areas, acknowledging that overlapping catchments are typical in any retail hierarchy, particularly in metropolitan areas (refer Map 1).

- iii. The proposed North Rocks Woolworths main trade area population is currently estimated at 44,420 (2019), including 17,510 persons within the primary sector. The main trade area population is projected to increase to 49,960 by 2031, including 21,210 persons in the primary sector.
- iv. In Australia, one major full-line supermarket is typically supportable for every 8,000 – 10,000 persons. On this basis, the main trade population (44,420 persons) could easily support five full-line supermarkets, with one currently provided, namely Entrada Coles. In the primary sector, the current population of some 17,510 persons is only served by a small IGA supermarket of 1,040 sq.m at Northmead.
- v. The existing Northmead IGA, which is the only supermarket in the primary sector and one of only two supermarkets in the main trade area, is small by modern standards at 1,040 sq.m. Most modern full-line supermarkets which serve the weekly shopping needs of local residents are typically 3,200 sq.m in size and larger.
- vi. There are limited food and grocery tenants, and specifically supermarkets in the main trade area to serve residents of the local and surrounding region. Assuming the Sydney metropolitan benchmark of 263 sq.m of supermarket floorspace per 1,000 persons, there is a current indicative undersupply of some 7,114 sq.m of supermarket floorspace across the main trade area. Not all of this supermarket floorspace demand will be retained in the main trade area, however, there is considered to be significant demand for supermarket floorspace in this part of Sydney. Following the opening of the proposed North Rocks Woolworths of 3,800 sq.m in 2022/23, there would still be an under provision of supermarket floorspace across the main trade area of some 3,666 sq.m that would increase over time.
- vii. The proposed North Rocks Woolworths supermarket is projected to achieve sales of \$37.9 million in 2022/23, at an average of \$9,984 per sq.m, compared to the Australian average of \$9,000 - \$10,000 per sq.m. This indicates strong demand for the proposed supermarket.
- viii. Based on an impact assessment, the proposed North Rocks Woolworths development would not impact on the viability or continued operation of any existing or proposed centres within the main trade area or the surrounding region, with all impacts within the normal competitive range of around 10% or less.
- ix. The proposed North Rocks Woolworths site of 20,655 sq.m, with the supermarket occupying less than half of this area, would account for less than 4% of the total B6 Enterprise Corridor zoned land in the City of Parramatta LGA and less than 10% of B6 Enterprise Corridor zoned land in the precinct. On this basis, if the proposed North Rocks Woolworths development was to proceed, there would still be in-excess of 509,000 sq.m of B6 Enterprise Corridor zoned land in the City of Parramatta LGA and in-

excess of 218,000 sq.m of B6 Enterprise Corridor zoned land in the North Rocks/North Parramatta precinct.

- x. A substantial net community benefit would result from the development of the proposed North Rocks Woolworths. Offsetting the trading impacts on some existing retailers, there are very substantial positive impacts including the following:
- Significant improvement in the range of retail facilities that would be available to residents, particularly in terms of convenient supermarket retailing;
 - The proposed North Rocks Woolworths would improve choice of location and allow for price competition. The inclusion of a full-line supermarket would address some of the significant undersupply of supermarket floorspace within the main trade area;
 - The creation of additional employment which would result from the project, both during the construction period, and more importantly, on an ongoing basis once the development is complete and operational. In total, some 652 jobs are likely to be created both directly and indirectly because of the proposed North Rocks Woolworths development. This includes a number of youth employment opportunities.

In addition, this letter provides additional information in relation to the potential for the proposed development to be accommodated at an appropriately zoned site in the main trade area. The subject site sits on the boundary of where the Hills LEP 2012 applies, and other areas to the south fall under the Parramatta LEP 2011. Below are the zones in both LEPs where a full-line supermarket is a permitted use:

Hills LEP 2012

- B2 Local Centre
- B4 Mixed Use

Parramatta LEP 2011

- B2 Local Centre
- B3 Commercial Core
- B4 Mixed Use

It is noted that the permitted land uses in the B1 Neighbourhood Centre zone in both LEPs technically allows for a full-line supermarket, however, the objectives of the zone requires “small-scale” retail which generally rules out a full supermarket. On this basis, B1 Neighbourhood Centre zone lands have been excluded from the analysis.

The proposed North Rocks Woolworths site totals 20,655 sq.m including the building, car parking and access roads. The size of the building is only 6,815 sq.m (33% of the total). This is the minimum size of a site required to accommodate the subjected development.

Map 2 shows the appropriate zoned sites that could accommodate a full-line supermarket in the main trade area with Maps 3 – 5 showing each area in greater detail including the land uses, cadastre boundaries and cadastre size. As shown, key points include:

- There is no B3 Commercial Core zoned land in the main trade area.
- The B2 Local Centre zoned land is the current site of Northmead Shopping Centre. This site consists of two cadastres that are not vacant.
- B4 Mixed Use zoned land across the main trade area totals 519,587 sq.m with an average cadastre size of 3,511 sq.m. These locations are too small as proposed development requires at least 6,815 sq.m of vacant land.
- Only 13 B4 Mixed Use zoned cadastres are 6,815 sq.m in size or larger with all of these except for one forming part of the Parramatta North Urban Renewal area (refer Map 6). The site outside of the Parramatta North Urban Renewal area is occupied by St Patrick Cathedral and Parramatta Marist High. Key considerations regarding the Parramatta North Urban Renewal area include:
 - Only a small village centre of 4,000 sq.m is currently proposed under the plans. The proposed supermarket (3,800 sq.m) alone would occupy most of this site.
 - The small village centre would only support the catchment immediately surrounding the site and typically within the Urban Renewal Area. In comparison, the subject development serves a substantial population to the north of the site.
 - The existing undersupply of supermarket floorspace suggests that up to five supermarkets would be supportable over the longer term. Consequently, land outside the Parramatta North Urban Renewal area would still need to be identified to support the growing demand.

I hope this letter provides you with the additional information in relation to the availability of appropriately zoned sites which are limited in this built up area. If you have any questions, please feel free to contact me directly.

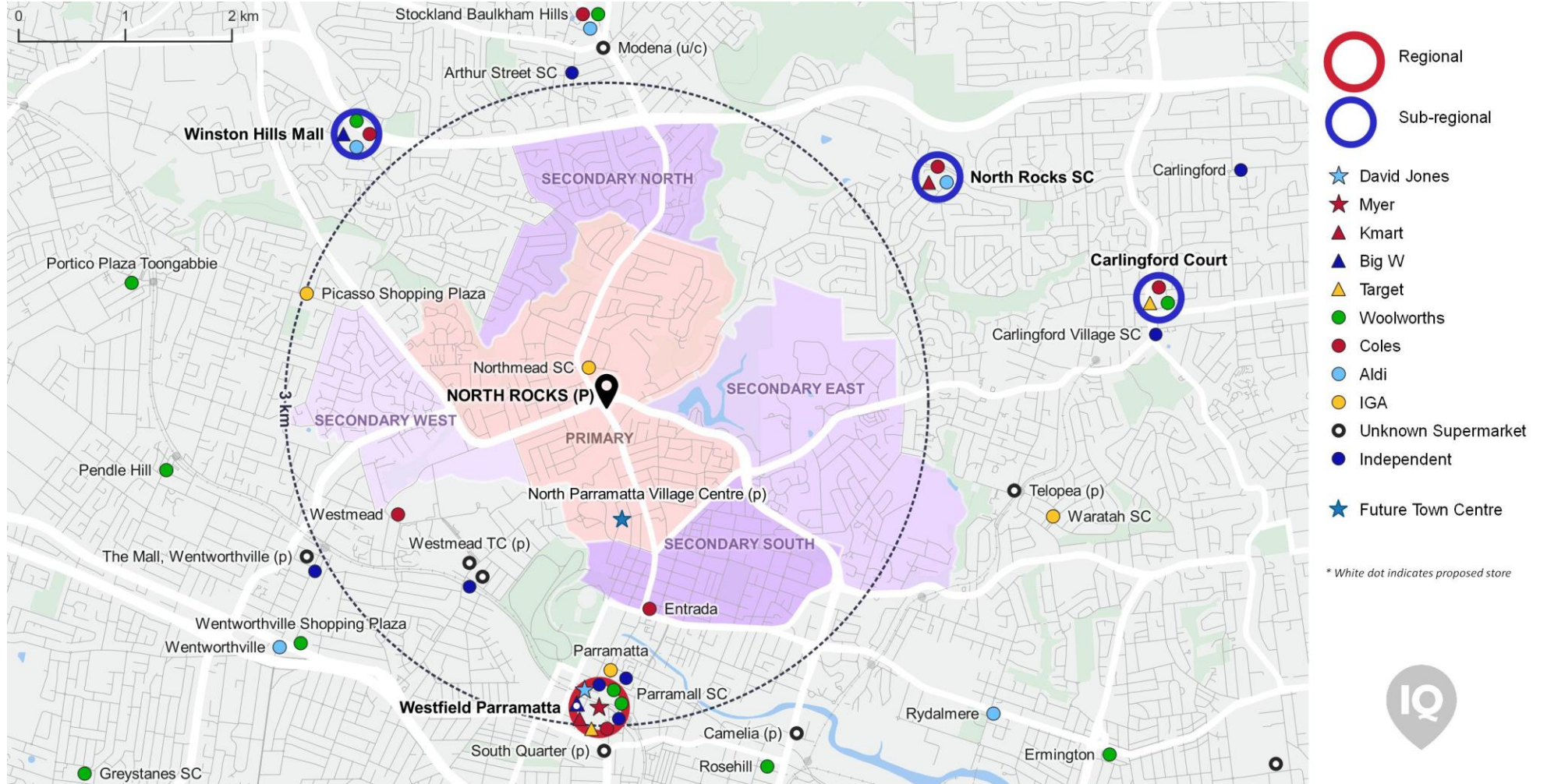
Yours sincerely,

A handwritten signature in black ink, appearing to read 'Greg Malempre', with a long horizontal flourish extending to the right.

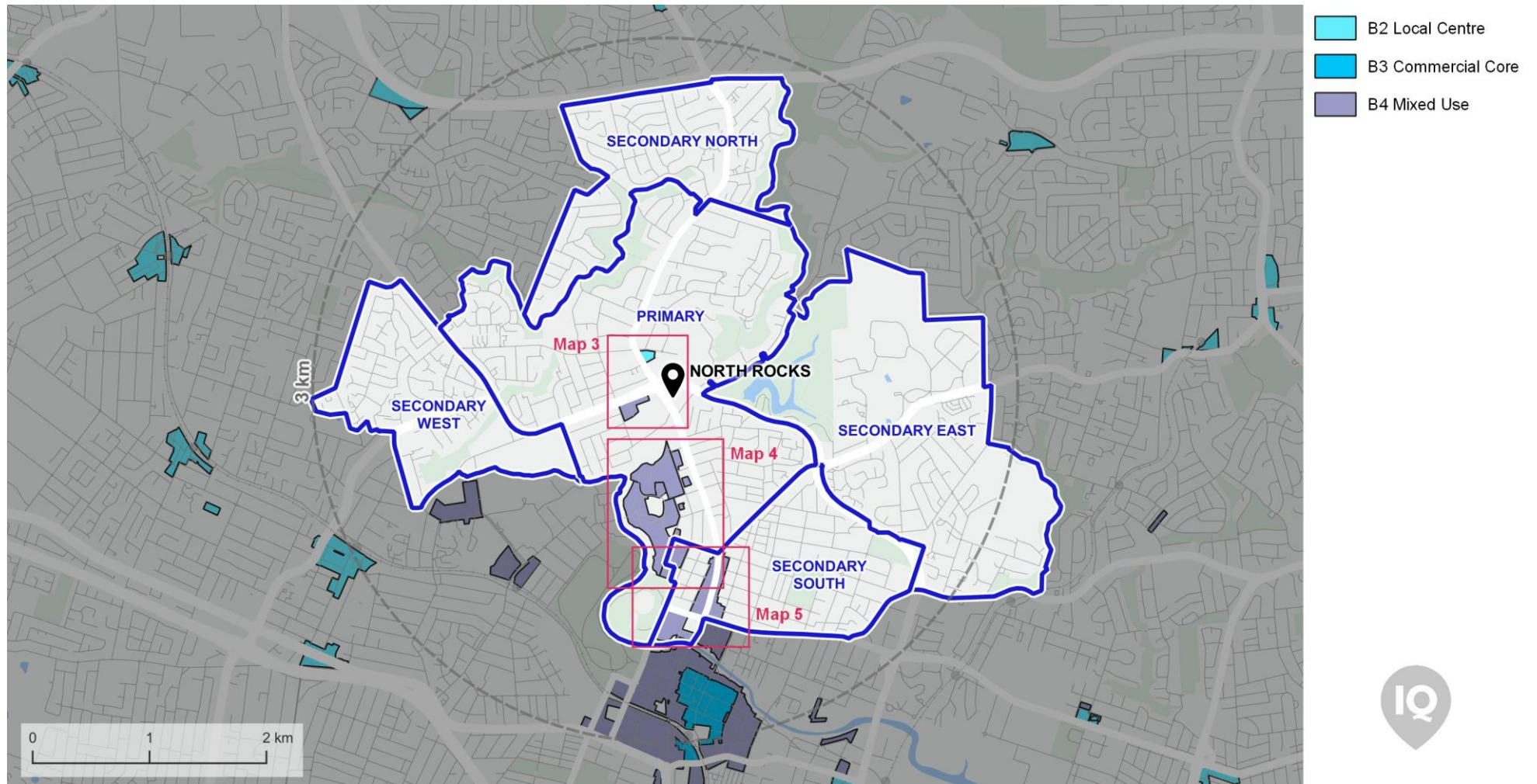
Greg Malempre

Director

MAP 1. MAIN TRADE AREA AND COMPETITION



MAP 2. MAIN TRADE AREA APPROPRIATELY ZONED LAND



MAP 3. MAIN TRADE AREA AND COMPETITION



B2 Local Centre

B4 Mixed Use

* Numbers indicate cadastral size (sq.m)



MAP 4. MAIN TRADE AREA AND COMPETITION

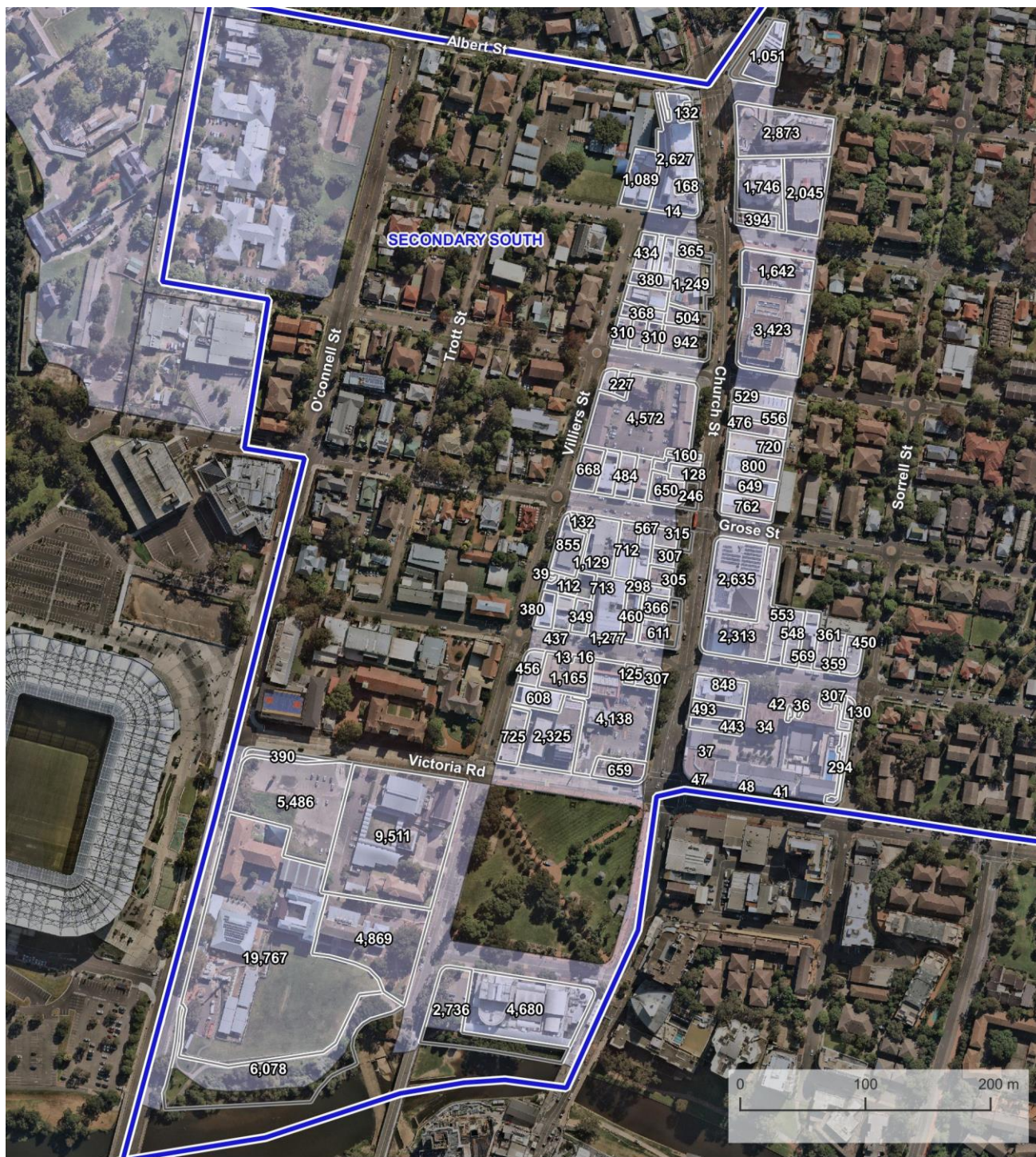


 B4 Mixed Use

* Numbers indicate cadastre size (sq.m)



MAP 5. MAIN TRADE AREA AND COMPETITION

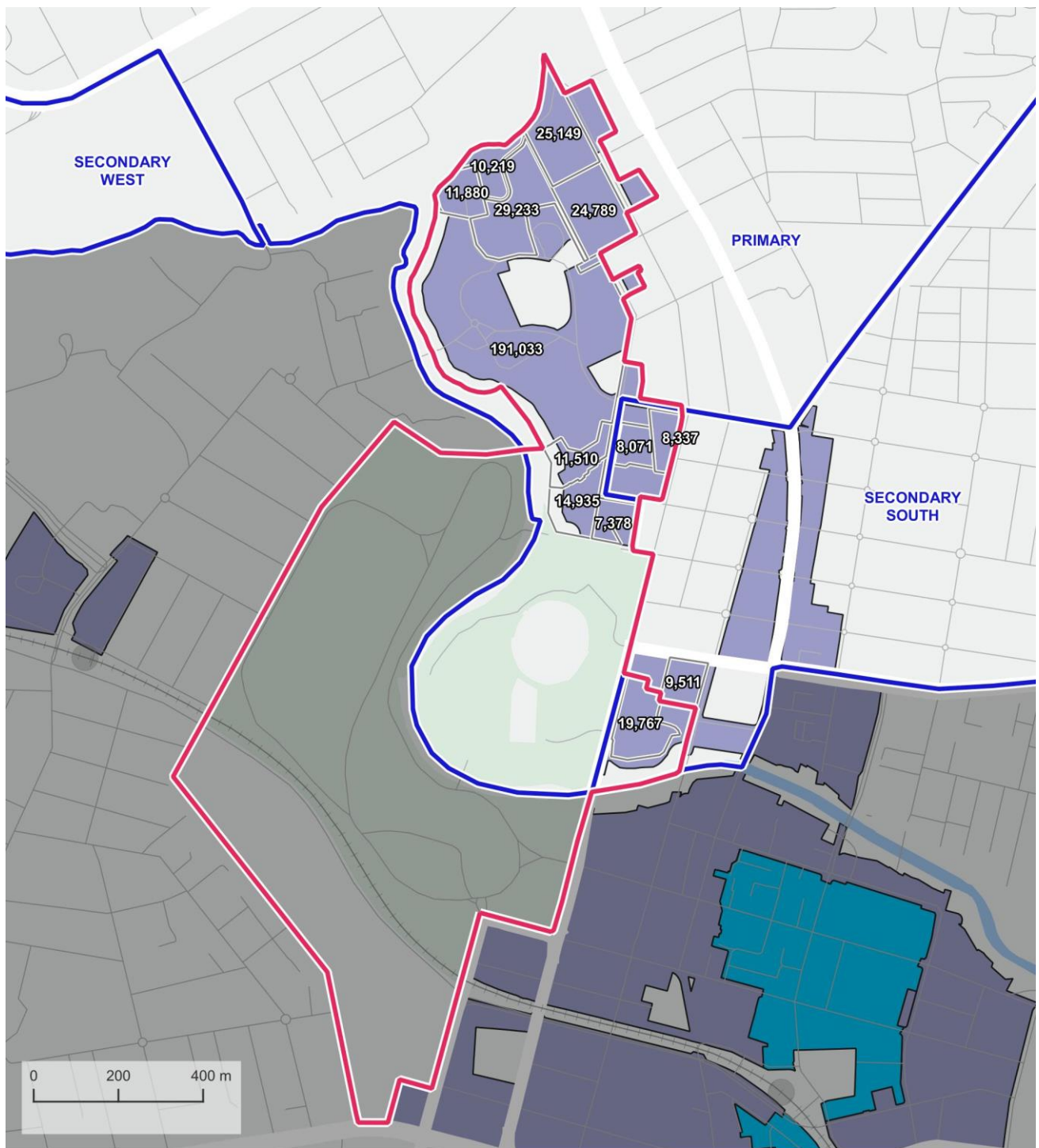


■ B4 Mixed Use

* Numbers indicate cadastral size (sq.m)



MAP 6. APPROPRIATELY ZONED SITES THAT ARE LARGER THAN 6,815 SQ.M



- PNUR
 - B3 Commercial Core
 - B4 Mixed Use
- * Numbers indicate cadastre size (sq.m)*





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