RETAIL CENTRES STRATEGY REVIEW

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WYONG SHIRE

Prepared For:

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This Report has been prepared for Wyong Shire Council (Council) by Leyshon Consulting Pty Ltd. The Report presents the findings of a review of the existing Retail Strategy which applies to Wyong Local Government Area (LGA).

The last formal review of Council's Retail Strategy was undertaken in the mid-1990s. Following this, Council prepared Development Control Plan No 81 – Retail Centres (DCP81) to give statutory force to the 1996 review's recommendations.

Context Section 2

DCP81 is the principal statutory planning instrument governing retail development in Wyong. DCP81 performs three key functions namely:

- it defines a retail hierarchy (both existing and proposed)
- it establishes notional floorspace limits for various types of centres in the hierarchy
- it sets out "variation criteria" or tests which must be satisfied by applicants who wish to undertake retail development in nominated centres in Wyong.

Since 2002 there have been changes to major centres identified in DCP81. These have included:

- **Westfield Tuggerah**–the expansion of the centre to 81,416 sq.m.
- **Bateau Bay District Centre**–approved expansion of the centre to 30,046 sq.m.
- **Homemakers Supa Centa Tuggerah**–approved addition of 10,000 sq.m. of factory outlet space
- **Lake Haven District Centre**–approved additional bulky goods development of 21,000 sq.m..

Council also has agreed not to proceed with a planned neighbourhood centre at Doyalson and to develop a new neighbourhood centre at San Remo.

Mooted/Proposed Development

There are a number of proposed or mooted retail developments in Wyong including:

- **Warnervale**–Council is working closely with Landcom and other stakeholders on the master plan for the Warnervale District Centre

EXECUTIVE SUMMARY

Context Cont'd

- **San Remo**–Council is assessing a development application for a centre of some 5,800 sq.m. anchored by a supermarket of 3,200 sq.m.
- **Wadalba**–Council has approved a new Bi-Lo supermarket of 1,500 sq.m.
- **Gwandalan**–a new centre at Gwandalan is proposed and would be anchored by a supermarket of 2,110 sq.m. together with 800 sq.m. of specialty retailing
- **Budgewoi**–Coles Myer have initiated discussions with Council to develop a new supermarket of 2,475 sq.m. and a new liquor shop of 150 sq.m..

Non-Retail Floorspace Survey

A survey of non-retail floorspace in centres in Wyong revealed Westfield Tuggerah, Bateau Bay and Lake Haven contain a relatively limited range of non-retail services ranging from between 890 sq.m. at Bateau Bay to 5,488 sq.m. at Westfield Tuggerah.

By contrast, the district centres of Wyong, The Entrance and Toukley contain relatively large components of non-retail floorspace ranging between 6,440 sq.m. at The Entrance and 10,110 sq.m. at Wyong.

Regional Issues

Since the mid-1990s some significant changes in regional-level retailing have occurred with consequent flow-on effects for centres in Wyong. The most significant of these has been the recent expansion and upgrading of Erina Fair. Erina Fair now contains some 106,971 sq.m. and dominates retailing in Gosford LGA.

To the north of Wyong, a major centre opened at Glendale in 1996. Stockland Glendale today contains some 38,464 sq.m. but is currently undergoing further expansion.

Retailing and Centre Trends

Since the mid-1990s a number of trends in relation to business centres in general and retail centres in particular have emerged which are of relevance to the future planning of such centres in Wyong. Key trends include:

- the so-called New Urbanist Movement has become a major force within town planning circles
- regional-scale shopping centres have grown considerably larger throughout Australia. Whereas these centres previously contained 60,000 to 80,000 sq.m. of retail floorspace today there are a significant number of centres exceeding 100,000 sq.m.

EXECUTIVE SUMMARY

Context Cont'd

- the incidence of "double DDS" centres is growing. Examples of these centres include Park Beach Plaza Coffs Harbour, Stockland Shellharbour and Stockland Wetherill Park. These types of centres can contain up to 40,000 sq.m. of floorspace and achieve annual sales of up to $200 million

- department store retailing around the world has generally stalled in terms of sales growth. The decline in department stores is widely attributed to the rise of so-called "category killers" such as Harvey Norman, Rebel Sport, Sleeping Giant and the like

- strong growth in the number of supermarkets and the sophistication of their "offer". Supermarkets' positioning in the retail system also has been strengthened through the linking of supermarket spending to petrol discounts

- the impact on traditional retail channels of purchasing goods on-line has been much less than originally predicted.

Resident Survey

In April 2005 a survey of 619 residents of Wyong Shire was undertaken by consultants Hill PDA. The key findings of that survey were:

- food and grocery shopping is essentially localised–that is, residents patronise the nearest centre containing a major supermarket

- unsurprisingly, Tuggerah dominates clothes shopping in Wyong although significant "escape spending" in this sector flows to Erina particularly from Wyong's southern suburbs. In Northern Wyong the Lake Haven District Centre is the dominant destination for clothes shopping

- Tuggerah and Erina are the two dominant centres for furniture and electrical goods shopping.

Demand Assessment Section 3

Assessment of the future demand for retail floorspace has been made based on population projections for Wyong LGA prepared for Council in late 2005 by id Consulting Pty Ltd. These projections indicate Wyong's population will grow from 135,498 persons in 2001 to 220,141 by 2031–an increase of +84,643 persons.

EXECUTIVE SUMMARY

Demand Assessment Cont'd

The majority of the projected growth will occur in:

- Warnervale/Wadalba ... 39,573 persons
- The Entrance ... 14,405
- Wyong ... 9,925.

The id Consulting projections indicate a decline in the proportion of Wyong's population aged 0-49 years and significant growth in the proportion of the population aged 50+ years up to 2031.

Total available annual retail spending by residents is estimated at $1.13 billion in 2006 and forecast to increase to $2.14 billion by 2031–growth of approximately +$1.0 billion ($2005). Annual available spending growth during the forecast time-frame will be greatest in:

- Warnervale/Wadalba ... +$359.6 million
- The Entrance ... +$174.3
- Wyong ... +$115.8
- San Remo ... +$83.0.

Between 2006-31 theoretical demand for an additional 183,453 sq.m. of retail floorspace is forecast for Wyong LGA as a whole. Actual demand will be significantly less than this and probably in the range of 146,700 to 156,000 sq.m. due to "escape spending" of various forms.

Centre Options Section 4

The current distribution of retail spending by Wyong residents across the retail hierarchy is broadly estimated to be:

- regional centre ... 25.2%
- bulky goods ... 9.6%
- district centres ... 37.1%
- village/neighbourhood centres ... 6.5%
- escape spending ... 21.6%.

Wyong LGA essentially has a "top heavy" retail hierarchy–that is, fully 71.9% of total spending by Wyong residents is estimated to be captured by the Tuggerah Regional Centre and the five district centres.

EXECUTIVE SUMMARY

Centre Options Cont'd

The notional demand for additional retail floorspace by centre type between 2006-31 is as follows:

- regional centre ... +46,230 sq.m.
- bulky goods ... +24,216 sq.m.
- district centres ... +62,558 sq.m.
- village/neighbourhood ... +14,574 sq.m.
- **Total ... +147,578 sq.m..**

Northern Wyong

The theoretical demand for additional retail floorspace in Northern Wyong between 2006-31 is estimated at 89,784 sq.m. distributed broadly as follows:

- regional centre ... 28,152 sq.m.
- bulky goods ... 14,719 sq.m.
- district centres ... 38,082 sq.m.
- village/neighbourhood ... 8,831 sq.m.
- **Total ... 89,784 sq.m..**

Southern Wyong

The theoretical demand for additional retail floorspace in Southern Wyong between 2006-31 is estimated at 57,640 sq.m. distributed broadly as follows:

- regional centre ... 18,072 sq.m.
- bulky goods ... 9,450 sq.m.
- district centres ... 24,448 sq.m.
- village/neighbourhood ... 5,670 sq.m.
- **Total ... 57,640 sq.m..**

Supermarket Demand

While the supply of and demand for supermarkets is roughly in balance across Wyong LGA as a whole three social planning districts (SPDs) have localised shortfalls of supermarket floorspace namely:

- San Remo ... -1.5 supermarkets
- Northern Lakes ... -1.1
- Warnervale/Wadalba ... -1.0.

Apart from the additional supermarket being contemplated for The Entrance, there is no pressing need for another supermarket in Southern Wyong during the period 2006-31. In Northern Wyong, by contrast, demand already exists for a supermarket in Northern Lakes SPD. This will be addressed in part by the proposed supermarket at San Remo. A second supermarket will be required in Lake Munmorah and up to two further supermarkets in the Warnervale/Wadalba area by 2031.

EXECUTIVE SUMMARY

Centre Options Cont'd

Northern Wyong will support a second DDS after 2016. The preferred strategy is for a second DDS in Northern Wyong to be located at Warnervale. Assuming the addition of a DDS in Warnervale, by 2031, Wyong would have five DDSs serving 220,000 persons or a ratio of about one store for every 44,000 persons. This appears to be a sustainable level of provision of DDSs.

Recommended Strategy

An appropriate retail centre strategy for Northern Wyong for the period 2006-31 can be summarised as follows:

- expansion of the Warnervale centre from 15,000 sq.m. to 25,000 sq.m. via a second stage of 10,000 sq.m. between 2016 and 2021
- development of a new Village centre of 5,000 sq.m. at Lake Munmorah by 2011.
- expansion of Lake Haven by some 5,000 sq.m. but not before 2016
- development of a bulky goods precinct at Warnervale of up to 8,000 sq.m. by 2031
- a second supermarket developed in Toukley after 2021
- expansion of the Lake Munmorah centre to some 10,000 sq.m. by about 2026
- an additional Village centre developed in Wadalba East by 2031.

The major changes proposed for Southern Wyong are as follows:

- expansion of The Entrance by 8,000 sq.m. by 2011
- addition of 5,000 sq.m. of bulky goods at Bateau Bay by 2011
- expansion of Long Jetty by 5,000 sq.m. by 2021
- new centre of 5,000 sq.m. at Ourimbah by 2026.

Regional Centre Demand

The further expansion of Westfield Tuggerah by some 32,000 sq.m. (retail) could be contemplated by 2031. This would mean Westfield Tuggerah comprises some 113,416 sq.m. of retail floorspace and, (depending on the future addition of non-retail floorspace functions), some 125-130,000 sq.m. of space in total.

EXECUTIVE SUMMARY

Centre Options Cont'd

It is also recommended that some 10,000 sq.m. of additional bulky goods retail space be added to the Tuggerah Regional Centre between 2011-26.

Non-Retail Floorspace Demand

A theoretical requirement is estimated to exist for an additional 227,565 sq.m. of office space in Wyong during the period 2001-31.

Other Issues Section 5

Centre Design

Council should seek improvements in the design quality of centres by introducing a design-based DCP to guide future retail development in Wyong LGA.

Evaluation of Development Applications

DCP81 lacks some precision with respect to its optimum floorspace controls. For example, it is not clear whether controls relate to total floorspace or just to retail floorspace.

Council should recast the current variation criteria or establish new evaluation "tests" which take into account:

- Fabcot principles
- net community benefit principles.

Fabcot principles require applicants to demonstrate that either there will be no loss of facilities currently enjoyed by the public as a result of a new development or that any such "losses" are made good by the proposed development.

Net community benefit is a new concept as far as economic evaluation is concerned. Its most significant requirements are that applicants demonstrate:

- a proposal meets an identified community need for a certain type of retailing
- a project will not lead to unacceptably high negative external effects
- a project is both economically and environmentally sustainable
- the range of facilities available to the public will be improved.

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Recommendations Section 6

The recommended timing and quantum of changes to Wyong's existing retail hierarchy are as follows:

- addition of a Village centre at San Remo
- addition of a Village centre at Lake Munmorah
- addition of a Village centre at Wadalba East
- upgrading of Long Jetty to Village centre status
- upgrading of Ourimbah to Village centre status.

The recommended retail floorspace additions to centres are as follows:

2006-11

- Warnervale Stage 1 ... 15,000 sq.m.
- San Remo ... 5,500 sq.m.
- Budgewoi expansion ... 2,500 sq.m.
- Lake Munmorah ... 5,000 sq.m.
- Wadalba Neighbourhood ... 1,600 sq.m.
- Lake Haven Bulky Goods ... 20,000 sq.m.
- The Entrance expansion ... 8,000 sq.m.
- Bay Village bulky goods ... 5,000 sq.m.

2011-16

- Wadalba East expansion ... 5,000 sq.m.
- Westfield Tuggerah expansion ... 15,000 sq.m.
- Tuggerah bulky goods ... 5,000 sq.m.

2016-21

- Lake Haven expansion ... 5,000 sq.m.
- Warnervale Stage 2 ... 10,000 sq.m.
- Warnervale bulky goods ... 8,000 sq.m.
- Long Jetty expansion ... 5,000 sq.m.

2021-26

- Toukley expansion ... 5,000 sq.m.
- Lake Munmorah expansion ... 5,000 sq.m.
- Westfield Tuggerah expansion ... 17,000 sq.m.
- Tuggerah bulky goods ... 5,000 sq.m.
- Wyong expansion ... 5,000 sq.m.
- Ourimbah centre ... 5,000 sq.m..

EXECUTIVE SUMMARY

Recommendations Cont'd

It is recommended DCP81 should contain a minimum provision for non-retail floorspace in new centres to ensure that:

- such floorspace is provided
- such floorspace is not converted to retail uses over time.

It is recommended DCP81 be amended to contain a provision requiring that 10% of the total floorspace of new centres developed in Wyong between 2006-31 be occupied by non-retail uses.

It is recommended DCP81 be amended to introduce specific evaluation criteria requiring applicants to demonstrate to Council's satisfaction that:

- development proposals will either not lead to the loss of existing services in nearby centres; or
- proposals will make good the loss of such services; and
- there is a positive net community benefit associated with a proposal.

It is recommended DCP81 be amended to include provisions specifying desirable design elements for new retail centres developed in Wyong LGA.

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1 INTRODUCTION

1.1 Background

This Report has been prepared for Wyong Shire Council (Council) by Leyshon Consulting Pty Ltd. The Report presents the findings of a review of the existing Retail Strategy which applies to Wyong Local Government Area (LGA).

The last formal review of Council's Retail Strategy was undertaken in the mid-1990s. Following this, Council prepared Development Control Plan No 81 – Retail Centres (DCP81) to give statutory force to the 1996 review's recommendations. DCP81 is now incorporated as Chapter 81 in Wyong Development Control Plan 2005. For ease of reference, the term DCP81 is used in this Report hereafter.

Since 1996 retail development in Wyong Shire has proceeded generally in accordance with the provisions of DCP81. As might be expected in a newly developing area, however, there are pressures in various parts of the Shire for additional retail development–some of which is not specifically addressed by DCP81.

In addition, ongoing change in the retail sector and customer demands have led to changes within the retail sector, not all of which were foreseen in the 1996 study that preceded DCP81.

The 1996 study (and DCP81) concentrate primarily on retail floorspace. In reality, however, centres are more than just aggregations of retail floorspace: they include commercial uses as well as a range of community facilities. As part of this study, Council has required centres to be examined in a more holistic manner and recommendations provided not only about what non-retail facilities could be included in centres but also advice on appropriate principles for the design of new centres and the redevelopment of existing centres to achieve more attractive and useable centres.

1.2 Study Objectives

The following objectives were established for the study:

- to build on the economic modelling and assessment work that has been undertaken for Council in recent times

- to review current and possible future trends in retailing, commercial development and centre support development and how they will impact on Wyong Shire into the future

- to identify the current and future demand for retail, commercial and centre support floorspace and its spatial distribution within Wyong Shire

- to review the 1996 Wyong Shire Retail Strategy, DCP81 – Retail Centres and the associated hierarchy of centres in Wyong

- to identify a point of difference for each centre and nominate the sort of facilities that could be provided in the future in response to the specific demographics of centres' trade areas

- to identify appropriate floorspace limits for each centre within the hierarchy based on its nominated position in the hierarchy and projected growth within its trade area and the nominated site area

- to identify guidelines and principles for "good retail development"

- to prepare a new planning framework to facilitate growth and which identifies the current and future roles of centres

- to assist Council staff in communicating the new framework to the elected representatives and the general public.

1.3 Study Tasks

To meet the objectives outlined above Leyshon Consulting has undertaken a significant number of study tasks. These tasks have been grouped under the following useful headings:

- **Collection of Baseline Data** – this has involved generating retail spending projections based on population forecasts provided by Council; reviewing existing studies and reports; reviewing past decisions made by Council and the Land and Environment Court affecting business centres in Wyong.

- **Regional Context** – this has involved reviewing the regional context of Wyong as far as business centres are concerned.

- **Review of Existing Shopping Patterns** – data obtained from a survey undertaken on Council's behalf by Hill PDA has been interrogated and its implications for the future development of centres in Wyong considered.

- **Review of Retail Hierarchy Performance** – this has included a survey of vacancy levels and major tenancy types in sub-regional, district and neighbourhood centres in Wyong

Shire. The survey has included estimates of both "centre support" retail space and commercial floorspace in each of these centre types.

- **Analysis of Specific Retail Development Issues** – development trends and pressures associated with bulky goods retailing, highway convenience retailing, standalone supermarkets, trends in the development of major centres, trends in the operational characteristics of major retailers and changes in household expenditure patterns have all been reviewed.

- **New Employment Centres** – this has included taking account of pressures to create new employment centres, such as business parks in Northern Wyong, as well as proposals for new retail centres in Northern Wyong.

- **Review of Centre Design** – this has involved a literature review of good retail design principles and formulating guidelines for Council on centre design issues which could be incorporated into a new DCP.

- **Analysis of Future Requirements** – the likely demand for retail and commercial floorspace by planning district (and centre) to 2031 has been assessed.

- **Recommended Actions** – providing recommendations to Council regarding the long-term floorspace requirements of specific centres, draft retail policy amendments which may be required and a redrafting of DCP81 designed to ensure Council has an appropriate level of control over the development of centres and sufficient incentives in place to encourage appropriate redevelopment of existing centres.

This study has required Leyshon Consulting to undertake a significant component of regional field research. Reliance also has been placed on certain data collected by others. In this regard, data obtained from a survey conducted on Council's behalf by Hill PDA in 2005 has been utilised. The survey was conducted by telephone throughout Wyong Shire and obtained information on residents' existing shopping patterns.

Separate to this study, Council commissioned the preparation of detailed population forecasts by Social Planning District (SPD) for the period 2006-31. These forecasts (prepared by id Consulting Pty Ltd) have been adopted as a basis for the projection of future retail demand in Wyong LGA presented in this Report.

1.4 Centres Terminology

As a consequence of a decision by Council to partially adopt the hierarchy of centres described in the Draft Central Coast Strategy, Leyshon Consulting was instructed by Council officers to adopt the term "village centre" to refer to what are currently known as "neighbourhood centres" and the term "neighbourhood centre" to refer to what are currently known as "local centres".

It should be noted that this approach may lead to confusion as the term "village centre" is not recognised in traditional retail planning methodology in Australia. Further, the term "neighbourhood centre" is currently used in existing planning instruments in Wyong to identify centres that are to be henceforth known as "village centres".

The changes in terminology we have been instructed to apply affect this Report from Section 3 onwards.

2

CONTEXT

2.1 Introduction

DCP81 was gazetted in 2002 and was the culmination of research undertaken for Council by JLW Advisory Services Pty Ltd in 1994 which examined the retail system in Wyong Shire and made various recommendations as to the future provision of retail centres.

Following the JLW study, Council prepared a Retail Development Policy and Strategy Plan for Wyong in 1996 which considered the implications of the JLW report and made certain modifications to the retail strategy recommended by JLW.

DCP81 is the principal statutory planning instrument governing retail development in Wyong. DCP81 performs three key functions namely:

- it defines a retail hierarchy (both existing and proposed)
- it establishes notional floorspace limits for various types of centres in the hierarchy; and
- it sets out "variation criteria" or tests which must be satisfied by applicants who wish to undertake retail development in the nominated centres in Wyong.

TABLE 2.1 has been extracted from DCP81 and summarises the existing retail hierarchy identified in DCP81. TABLE 2.1 also details the floorspace which existed in centres in 2002 (when DCP81 was gazetted) and the relevant floorspace caps which applied to the regional centre at Tuggerah and to the district centres of Wyong, The Entrance, Toukley, Lake Haven, Bateau Bay and in relation to the proposed district centre at Warnervale.

TABLE 2.1
APPROVED RETAIL HIERARCHY – WYONG SHIRE

Centre Type ...	Centre Name	Floorspace 2002 (Sq.M.)	Floorspace Cap (Sq.M.)	Approved Expansion Since 2002 (Sq.M.)
Regional	Tuggerah	45,000	70-80,000	81,416
District	Wyong	14,400	35,000	-
	The Entrance	21,930	35,000	-
	Toukley	21,400	35,000	-
	Lake Haven	32,500	35,000	-
	Bateau Bay	22,000	35,000	30,046
	Warnervale (P)	-	35,000	-
Neighbourhood	Killarney Vale	2,000	n.s.	-
	Chittaway	4,650	n.s.	-
	Budgewoi	3,500	n.s.	-
	Doyalson (P)	-	n.s.	-

Note: (P) = proposed.
Source: Wyong DCP81, Wyong Council.

DCP81 also identified three existing and one proposed neighbourhood centre. The existing centres are at Killarney Vale, Chittaway and Budgewoi while a new neighbourhood centre was identified for Doyalson. As indicated in TABLE 2.1 no floorspace caps exist in relation to neighbourhood centres.

2.2 Decisions Since 2002

Since 2002 there have been changes to major centres identified in DCP81. Firstly, in relation to Westfield Tuggerah, a combination of development consents issued by the Land and Environment Court of

New South Wales and Council have resulted in the expansion of Westfield Tuggerah to some 81,416 sq.m.. This has involved an expansion of the Target discount department store (DDS), the addition of an Aldi supermarket, the expansion of cinemas, the addition of a new restaurant precinct and the addition of other mini-majors and specialty retail floorspace to the centre. Westfield Tuggerah now slightly exceeds the floorspace cap identified in DCP81. Indeed, DCP81 forecast that Westfield Tuggerah would not expand to 70,000 or 80,000 sq.m. before 2011.

The other major change is in relation to the Bateau Bay district centre. Council has approved an expansion of the centre which will take it to some 30,046 sq.m.. The expansion will involve the addition of an Aldi supermarket, enlargement of the existing DDS and the addition of further specialty floorspace. We understand that Council is also supportive of a proposal to develop about 5,000 sq.m. of bulky goods floorspace on land at the southern end of the centre.

Council has also approved the redevelopment of Wyong Plaza which will reopen in late 2006.

While not specifically referred to in DCP81, Council also has approved the addition of some 10,000 sq.m. of factory outlet space to the Homemakers Supa Centa which is located within the Tuggerah Regional Centre. This primarily involves the retailing of clothing, footwear and related products in addition to the bulky goods retailing already established at the centre.

At Lake Haven, Council also has approved additional bulky goods development of some 21,000 sq.m.. This development has yet to commence construction and is to occur on a site located immediately to the north-east of the existing Lake Haven shopping centre.

Council also has agreed to vary the proposed neighbourhood centres identified in DCP81 to move the neighbourhood centre planned for Doyalson to San Remo.

2.3 Mooted/Proposed Developments

At the time of preparing this Report, there were a number of proposed or mooted retail developments relevant to centres identified in DCP81. In brief terms these are as follows:

- **Warnervale** – it is understood that Railcorp intend to open a new station at Warnervale in 2007. Council is working closely with Landcom and other stakeholders on the master plan for the Warnervale district centre.

- **The Entrance** – a proposal to redevelop Lakeside Plaza to contain a new full-line supermarket of 3,600 sq.m. together with 685 sq.m. of specialty shops was refused by Council in 2005.

- **The Entrance** – Council has had preliminary discussions concerning the proposed development of a managed resort facility at 39-47 The Entrance Road West. As well as a substantial number of residential buildings and convention facilities, it is proposed the site would contain an entertainment piazza and commercial retail tenancies of 3,710 sq.m..

- **San Remo** – Council is assessing a development application for a centre of some 5,800 sq.m. anchored by a supermarket of

3,200 sq.m., 1,285 sq.m. of specialty shops, an expanded liquor shop (850 sq.m.), a new hotel and medical centre.

We are aware of other proposals involving centres not identified in DCP81. These include the following:

- **Wadalba** – Council has approved a new Bi-Lo supermarket of 1,500 sq.m. which was the subject of an appeal to the Land and Environment Court of New South Wales.

- **Catherine Hill Bay** – Council has received a development application for some 900 dwellings at Catherine Hill Bay. The development is proposed to include a small component of retail floorspace (182 sq.m.) as well as 1,300 sq.m. of commercial floorspace.

- **Gwandalan** – Council has received an enquiry concerning the possibility of building a new centre at Gwandalan to be anchored by a supermarket of 2,110 sq.m. together with 800 sq.m. of specialty retailing, a medical centre, childcare facility and a swimming centre.

- **Budgewoi** – Coles Myer have initiated discussions with Council to develop a new Bi-Lo supermarket of 2,475 sq.m. and a new liquor shop of 150 sq.m..

2.4 Centre Characteristics

We conducted a review of existing centres identified in DCP81 in October 2005 to determine the extent of retail and non-retail floorspace they contain. We have also identified the extent and number of vacant premises and centres' non-retail services classified according to:

- Medical – doctors, optometrists, physiotherapists et cetera

- Professional – lawyers, accountants

- Finance – banks, building societies, credit unions, accounting and tax advisory services

- Other – other commercial services.

The summary of the findings of this survey are shown in TABLE 2.2.

TABLE 2.2
CHARACTERISTICS of CENTRES in WYONG RETAIL HIERARCHY, 2005

Category ...	Total Retail Floorspace (Sq.M.)	Estimated Non-Retail Floorspace (Sq.M.)[1]	Vacant Floorspace (Sq.M.)[1]	Number of Vacancies [1]	Number of Services: Medical [1]	Number of Services: Professional [1]	Number of Services: Finance [1]	Number of Services: Other [1]
Westfield Tuggerah	81,416	5,488	-	-	3	-	7	6
Bateau Bay	[2] 21,995	890	-	-	-	-	6	1
Lake Haven	[2] 32,196	2,420	120	3	-	1	12	10
Wyong	[3] 11,899	10,110	2,845	29	15	9	14	61
The Entrance	[3] 19,800	6,440	1,190	13	14	7	13	30
Toukley	[3] 15,902	8,810	1,750	19	21	6	13	36
Budgewoi	[3] 5,000	1,750	790	6	5	3	2	7
Chittaway Bay	[3] 4,650	320	-	-	2	-	-	1
Killarney Vale	[3] 2,000	1,700	590	3	7	1	3	9
Homemaker Supa Centre - Tuggerah	[2] 25,000	-	-	-	-	-	-	-

Sources:
1 Leyshon Consulting Survey, October 2005.
2. Property Council of Australia, 2004.
3. Hill PDA 2005.

As indicated in TABLE 2.2, the largest concentrations of retail floorspace predictably are found in Westfield Tuggerah, Bateau Bay and Lake Haven. Compared with other centres in the retail hierarchy, however, Westfield Tuggerah, Bateau Bay and Lake Haven contain a relatively limited range of non-retail services ranging from between 890 sq.m. at Bateau Bay to 5,488 sq.m. at Westfield Tuggerah. The three major centres also have very low vacancy rates. No vacancies were found at Westfield Tuggerah or Bateau Bay while Lake Haven had only three vacancies comprising just 120 sq.m..

By contrast to the three centres noted above, the district centres of Wyong, The Entrance and Toukley contain relatively large components of non-retail floorspace ranging between 6,440 sq.m. at The Entrance and 10,110 sq.m. at Wyong. In particular, the three centres have a relatively high level of medical, professional, finance and other commercial services. These three centres also had much higher vacancies ranging from 1,190 sq.m. at The Entrance to 2,845 sq.m. at Wyong. The number of vacant premises in these three centres ranged between 13 (1,190 sq.m.) at The Entrance and 29 (2,845 sq.m.) at Wyong.

A survey of the three nominated neighbourhood centres in DCP81, Budgewoi, Chittaway Bay and Killarney Vale, found they contained between 320 sq.m. and 1,750 sq.m. of non-retail floorspace. Although Chittaway Bay had no vacancies at the time of our survey, Killarney Vale and Budgewoi had 590 sq.m. and 790 sq.m. respectively of vacant floorspace. As indicated in TABLE 2.2, the extent of non-retail services in these centres was significantly less than is the case for the district centres of Wyong, The Entrance and Toukley but not too dissimilar from the level of non-retail services found in the major centres of Westfield Tuggerah, Bateau Bay and Lake Haven.

2.5 Regional Issues

Since completion of the 1994 JLW study there have been some changes of significance in regional-level retailing on the Central Coast with consequent flow-on effects for centres in Wyong. The most significant of these has been the recent expansion and upgrading of Erina Fair. Erina Fair now contains a total floor area of some 106,971 sq.m. and dominates retailing in Gosford LGA. Research previously conducted by Leyshon Consulting for Lend Lease found that Erina Fair draws a substantial proportion of its custom from residents of Wyong Shire particularly from those living in an arc extending from Mardi in the west to The Entrance in the east.

To the north of Wyong, a major centre opened at Glendale in 1996. Stockland Glendale today contains some 38,464 sq.m. but is currently undergoing further expansion. Stockland Glendale is known to attract retail sales from resident of the very northern part of Wyong LGA.

In recent years, two regional studies have been conducted under the auspices of the (former) Department of Infrastructure, Planning and Natural Resources (DIPNR) in relation to retail centres and employment areas on the New South Wales' Central Coast.

The most recent of these was prepared in May 2005 by Parsons Brinckerhoff and Hill PDA – *Central Coast Retail and Commercial Centre Study*. That study reviewed future retail and related floorspace requirements for Gosford and Wyong during the period 2001-26.

In relation to retail requirements in Wyong, the major conclusions of the report can be summarised as follows:

- the need for the development of a master plan to manage the future growth of Westfield Tuggerah

- the existence of demand to justify the immediate inclusion of a DDS at the proposed Warnervale district centre

- the need for a third DDS either at Warnervale or at Lake Haven (timing not specified)

- provision of additional bulky goods floorspace in the Lake Haven/Warnervale area and at The Entrance/Bateau Bay

- the immediate need for neighbourhood shopping facilities to be provided at Wadalba and Doyalson/San Remo; and

- the need to consolidate existing supermarket floorspace in the Budgewoi and Toukley town centres.

The second report referred to above was also undertaken by Parsons Brinckerhoff and Hill PDA – *Central Coast Employment Land Study Background and Issues Report*. This study was intended to provide the foundations upon which an employment and residential settlement strategy could be developed for the Central Coast.

The study concluded that available zoned industrial land on the Central Coast would be fully utilised over the next 10 to 15 years–that is, by 2018-19. To enable the Central Coast to remain competitive with both the Sydney and Hunter Regions, the study recommended that new employment land should be made available in the short-to-medium term. In relation to Wyong, the creation of more significant regional employment nodes was also recommended.

Since 1994 there has also been an important change to New South Wales' planning policy as it affects centres. The introduction of Draft State Environmental Planning Policy 66 (SEPP66)–Integrating Land Use and Transport has significant and direct relevance to centres in Wyong LGA.

Draft SEPP66 through an associated policy document (*The Right Place for Business and Services*), established guidelines for the development of centres in general and retail centres in particular. The overall aims of Draft SEPP66 are to encourage a network of vibrant mixed-use centres which are closely aligned with and accessible by public transport, walking and cycling.

Draft SEPP66 applies to retail development including markets, bulky goods warehouses, so-called "big box" super stores and factory outlet centres. It also applies to leisure and entertainment facilities and offices other than those offices which are ancillary to industrial or non-retail commercial land uses. Importantly, Draft SEPP66 supersedes the State Government's Draft Retail Policy of 1996 and Circular C11 which facilitated development of bulky goods retailing in industrial areas.

Draft SEPP66 promotes the following key planning outcomes:

- the location of trip-generating development in an adjoining accessible mixed-use centre; and

- the use of net community benefit assessment criteria to determine whether the objectives of the Policy are being met.

The Policy also identifies the preferred location for major urban centres in the Sydney, Newcastle and Wollongong regions. The two preferred centres on the Central Coast are Gosford/Erina and Wyong/Tuggerah. These centres are identified as the preferred locations for large-scale suburban office development, higher order retail, entertainment, commercial and public facilities.

While Draft SEPP66 has not been formalised by the New South Wales state government, it has been given considerable statutory force by virtue of revised Section 117 Directions under the Environmental Planning and Assessment Act 1979. Direction No 17 (issued pursuant to Section 117) requires that any draft Local Environmental Plan (LEP) prepared by a council which involves the creation of new zones or the alteration of existing zoning be consistent with the aims, objectives and principles of the policy document referred to above, namely *The Right Place for Business and Services*. A copy of this document is provided as APPENDIX A to this Report.

2.6 Trends in Retailing and Centres

Since the mid-1990s there have been a number of developments in relation to business centres in general and retail centres in particular which are of relevance to the future planning of such centres in Wyong. These trends are summarised below.

2.6.1 New Urbanism

During the past decade the so-called New Urbanist Movement has become a major force within town planning circles. In simple terms the essential tenets of New Urbanism are:

- return to grid street patterns

- location of facilities within comfortable walking distance of most residents (400 metres)

- the development of shopfront retailing instead of enclosed centres.

While there have been a number of new retail centres developed along New Urbanist lines in the United States, there are limited examples of this type of development in Australia. The existing DCP for the Wadalba Village Centre is an example of an early attempt at New Urbanist planning. As discussed later in this Report, New Urbanism as it applies to the development of new centres gives rise to a number of practical issues which must be overcome in relation to ownership, management and the like.

2.6.2 Growth of Regional Centres

Since the mid-1990s regional-scale shopping centres have grown considerably larger throughout Australia. Whereas regional centres previously contained 60,000 to 80,000 sq.m. of retail floorspace today there are a significant number of these centres exceeding 100,000 sq.m.. This growth has been achieved by incorporating multiples of major tenants: for example, two department stores, two or three DDSs, three supermarkets and an increasing number and range of so-called mini-majors. The latter best can be described as large format stores (up to 3,000 sq.m.) as represented by tenants such as Rebel Sport, Best & Less, The Reject Shop, Dan Murphys Liquor, Borders Books, Lincraft and the like.

Examples of very large-scale regional centres include Castle Towers, Erina Fair, The Macquarie Centre at North Ryde, Warringah Mall, Westfield Miranda, Westfield Parramatta, Westfield Bondi Junction and Westfield Hornsby.

2.6.3 Double Discount Department Stores

In the 1980s and 1990s the typical model for DDS-based sub-regional centres was one DDS (Big W, Kmart or Target) and two supermarkets. Today there are a number of "double DDS" centres in selected locations. Examples of these centres include Park Beach Plaza Coffs Harbour, Stockland Shellharbour and Stockland Wetherill Park. These types of centres can contain up to 40,000 sq.m. of floorspace and achieve annual sales of up to $200 million.

Such centres appear to be viable where they are located at some distance from a regional centre. As a consequence, a centre of this type is unlikely to emerge in the central or southern part of Wyong LGA.

2.6.4 Decline of Department Stores

Since the mid-1990s department store retailing around the world has stalled in terms of sales growth. It is generally agreed that the decline in department stores has been caused by the rise of so-called "category killers" which have usurped certain segments of department store retailing. The clearest example of this in Australia is the development of large-scale specialist homewares and electrical goods, sporting goods and, to a lesser extent, clothing retailers. Branded DDSs (Kmart, Target and Big W) have also outperformed department stores. Coles Myer has recently announced the sale of its Myer chain of department stores which is indicative of the pressures which this market segment has been under in recent years.

2.6.5 Supermarket Growth

Since the 1990s there has been strong growth in the number and sophistication of supermarkets in Australia. In particular supermarkets have substantially expanded their fresh food offer. Their positioning in the retail system also has been strengthened through the linking of supermarket spending to discounted petrol. This has particularly benefited Coles and Woolworths supermarkets to the detriment of the smaller chains such as IGA, Franklins, Payless and the like.

In addition, both major chains have, since the mid 1990s, pursued a strategy of developing stores (as small as 2,000 sq.m.) in suburban areas and rural communities once considered too small. Examples of this can be seen in Wyong LGA with the interest of Coles Myer (and Woolworths) in establishing stores at Wadalba and Gwandalan.

2.6.6 E-Commerce

Despite dire predictions in the early to mid-1990s that traditional retail channels would be seriously affected by the purchase of goods on line, the reality has been much less dramatic. Most experts in the field now estimate that although there has been growth in electronic retailing it still constitutes less than 5% of the total retail market in Australia. In particular it appears that home computer-based shopping is of significant appeal only to higher socio-economic groups and works best for a limited range of products including books, office consumables, travel, veterinary and animal care products and the like.

Many analysts in the retail sector, together with retailers, point to the fact that the internet is used by people to examine and compare goods produced by rival manufacturers and to check prices within specific stores but that the majority of purchases are still made face-to-face by consumers armed with the knowledge they have obtained from internet searches.

In summary, there is no evidence that electronic retailing has or will substantially reduce the demand for physical building space for retailing activities.

2.7 Resident Survey

In April 2005 a survey of some 619 residents of Wyong Shire was undertaken by Hill PDA. The survey was conducted by telephone and obtained data on certain types of shopping–namely that for food and groceries, clothing, furniture and electrical appliances. Data from the survey is provided at APPENDIX B to this Report.

No data was collected by Hill PDA on the frequency with which residents of various suburbs of Wyong visit existing centres. Rather, the survey simply identifies those centres where the majority of respondents reported purchasing various types of goods.

The key findings of the survey are discussed below.

2.7.1 Food and Grocery Shopping

Data on food and grocery shopping patterns are provided in Tables 1 to 4, APPENDIX B. Table 1 indicates the main centres shopped for food and groceries by suburb of residence. As would be expected, the data indicates that food and grocery shopping is essentially localised–that is, residents patronise the nearest centre containing a major supermarket.

This observation is confirmed by data contained in Table 2 which identifies the reasons why respondents shop at particular centres for food and grocery items. In summary, the major reasons reported were:

- proximity to home ... 65.9% of responses
- variety/range of goods ... 13.4%
- familiarity with centre ... 5.4%
- availability/quality of parking ... 4.5%
- acceptable prices ... 4.5%.

It is interesting to note that despite the somewhat lower socio-economic status of Wyong, "acceptable prices" is an insignificant reason for choosing to shop for food and groceries at a particular centre. This may mean that either proximity to home is such a strong issue that it outweighs all others or that the supermarket sector is already price competitive in Wyong and hence little advantage is seen in shopping around to obtain a low price for groceries and the like. Or, more likely, some combination of both factors.

Table 3 identifies the reasons why particular centres were not shopped for food and groceries. The key reasons given were as follows:

- poor range of goods ... 41.2% of responses
- not close to home ... 24.2%
- expensive prices ... 8.0%
- parking difficult ... 7.5%.

The centres which scored particularly poorly with respect to having a poor range of goods were Budgewoi, San Remo, Summerland Point, Chittaway Bay and Wyong.

Table 4 provides data on the pattern of so-called "top-up" food and grocery shopping. Not unsurprisingly, the data indicate the smaller neighbourhood centres such as Budgewoi, Charmhaven, Chittaway Bay and the like are more likely to be patronised for "top-up" shopping than the larger centres. Lake Haven is the one exception to this pattern. Lake

Haven captures both a high proportion of main food and grocery shopping as well as "top-up" shopping trips.

2.7.2 Clothes Shopping

Data on the pattern of clothing shopping for Wyong residents is provided in Table 5, APPENDIX B. As might be expected, Tuggerah dominates clothing shopping in Wyong although there is significant escape spending in this sector flowing to Erina–particularly from more southern suburbs such as Bateau Bay, Lisarow and Niagara Park notwithstanding that the latter two suburbs are actually located in Gosford LGA rather than Wyong.

Lake Haven is also a very significant centre for clothing shopping particularly for residents in the northern part Wyong.

2.7.3 Furniture and Electrical Goods Shopping

Table 6, APPENDIX B provides data on shopping for furniture and electrical appliances by households living in various suburbs in Wyong. The two dominant centres for such shopping are Tuggerah and Erina. It is noteworthy that Erina has widespread appeal throughout Wyong LGA as a destination for furniture and electrical goods shopping. For instance, Erina is as attractive for furniture and electrical appliances shopping to residents of Wadalba as it is to residents of Bateau Bay despite the fact Bateau Bay is far more proximate to Erina than is with Wadalba.

2.7.4 Trade Area Maps

Based on the data on shopping patterns found by the Hill PDA survey, we have identified and subsequently mapped the trade areas for major centres in Wyong. These are shown in FIGURES 2.1 to 2.9.

Tuggerah Regional Centre

FIGURE 2.1 indicates the primary and secondary trade areas for the Tuggerah Regional Centre. As might be expected, the Tuggerah Region Centre has an extensive primary trade area (PTA) stretching to the east of Killarney Vale and to Wyongah in the north. Tuggerah's secondary trade area (STA) essentially covers the entire balance of Wyong LGA. It should be noted that in their marketing literature Westfield also cites a wider Tertiary Trade Area (TTA) for their centre which includes parts of Lake Macquarie and Gosford LGAs.

Bateau Bay

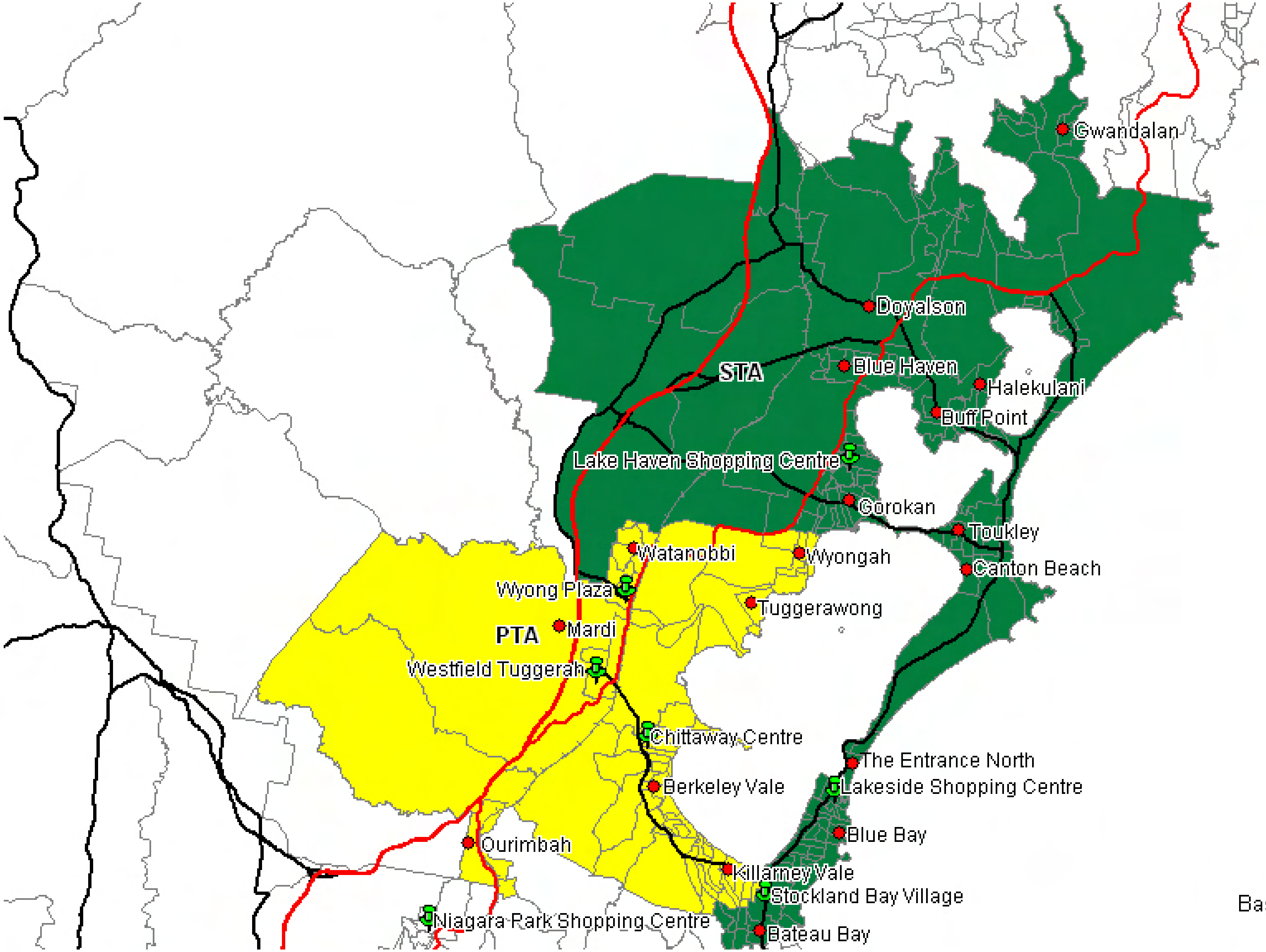
The Bateau Bay trade area is shown in FIGURE 2.2. Bateau Bay has a PTA encompassing Long Jetty and extending west to Berkeley Vale and south into some of the northern suburbs of Gosford LGA. Suburbs around The Entrance comprise the centre's STA. Bateau Bay also could be considered to have a TTA extending to the north up to Noraville and in the west as far as Chittaway Bay.

Lake Haven

The trade area for Lake Haven is shown in FIGURE 2.3. By virtue of a lack of significant competition in Northern Wyong, Lake Haven has a very extensive trade area in the northern part of Wyong LGA extending as far as Gwandalan in the north and to North Wyong in the south. The centre has an STA which includes Toukley and Budgewoi while it attracts a smattering of trade from a TTA which includes Wyong and Norah Head. It is reasonable to expect that the extent of the current

FIG 2.1: Tuggerah Regional Centre Trade Area

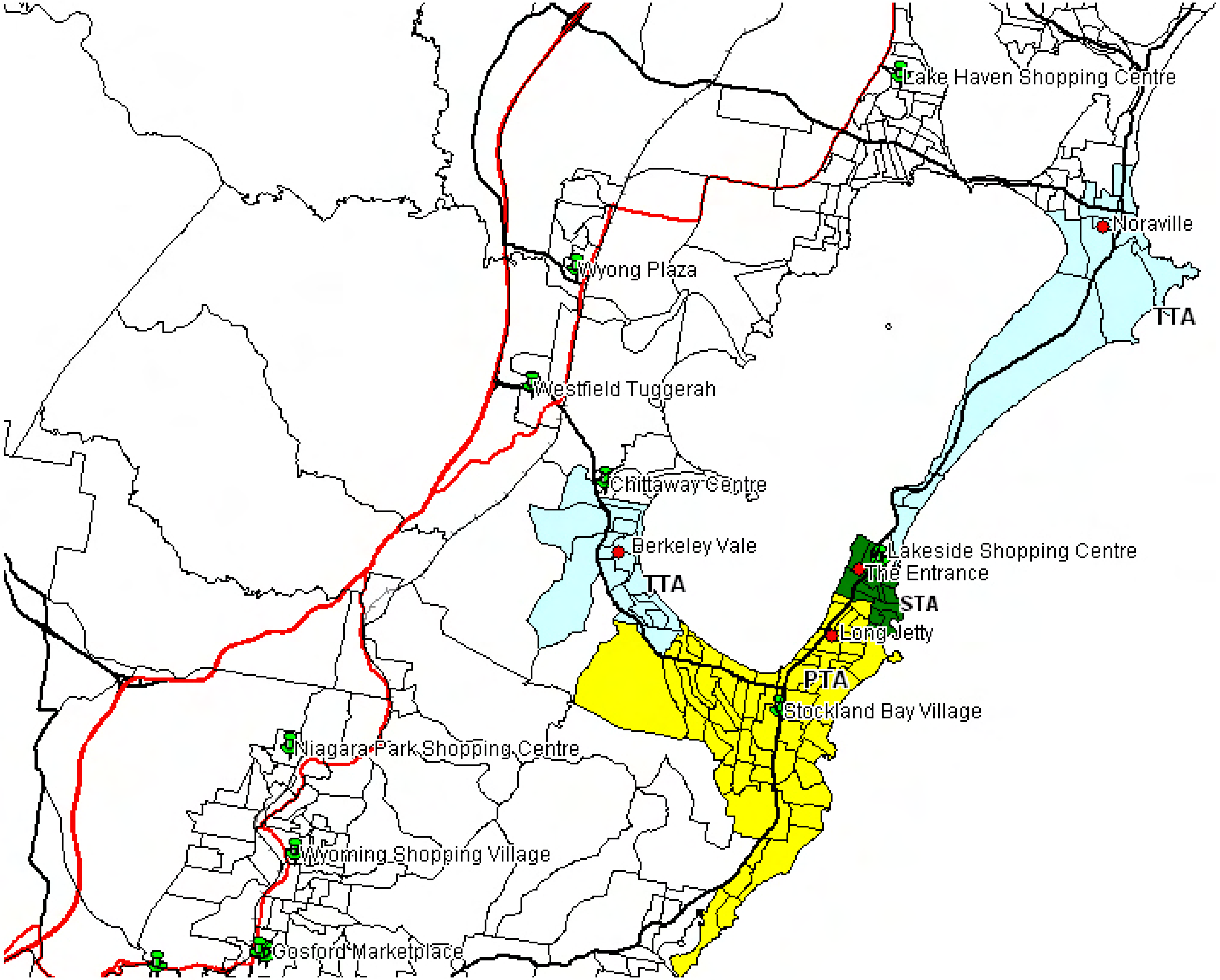
and surrounding areas



Based on 2001 Collection District Boundaries
Source: 2001 Census
Produced by: Leyshon Consulting

FIG 2.2: Bateau Bay Trade Area

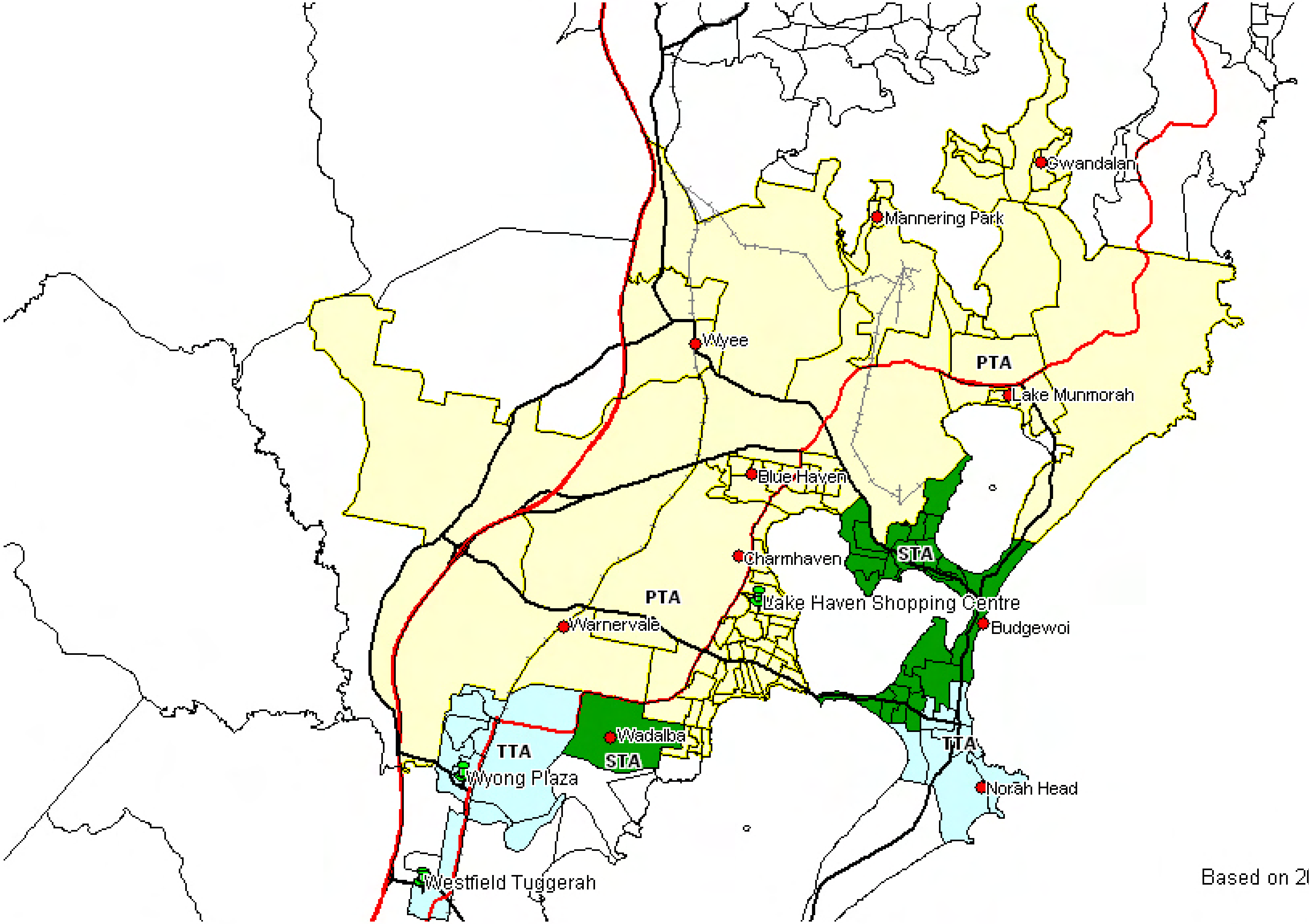
and surrounding areas



Based on 2001 Collection District Boundaries
Source: 2001 Census
Produced by: Leyshon Consulting

FIG 2.3: Lake Haven Trade Area

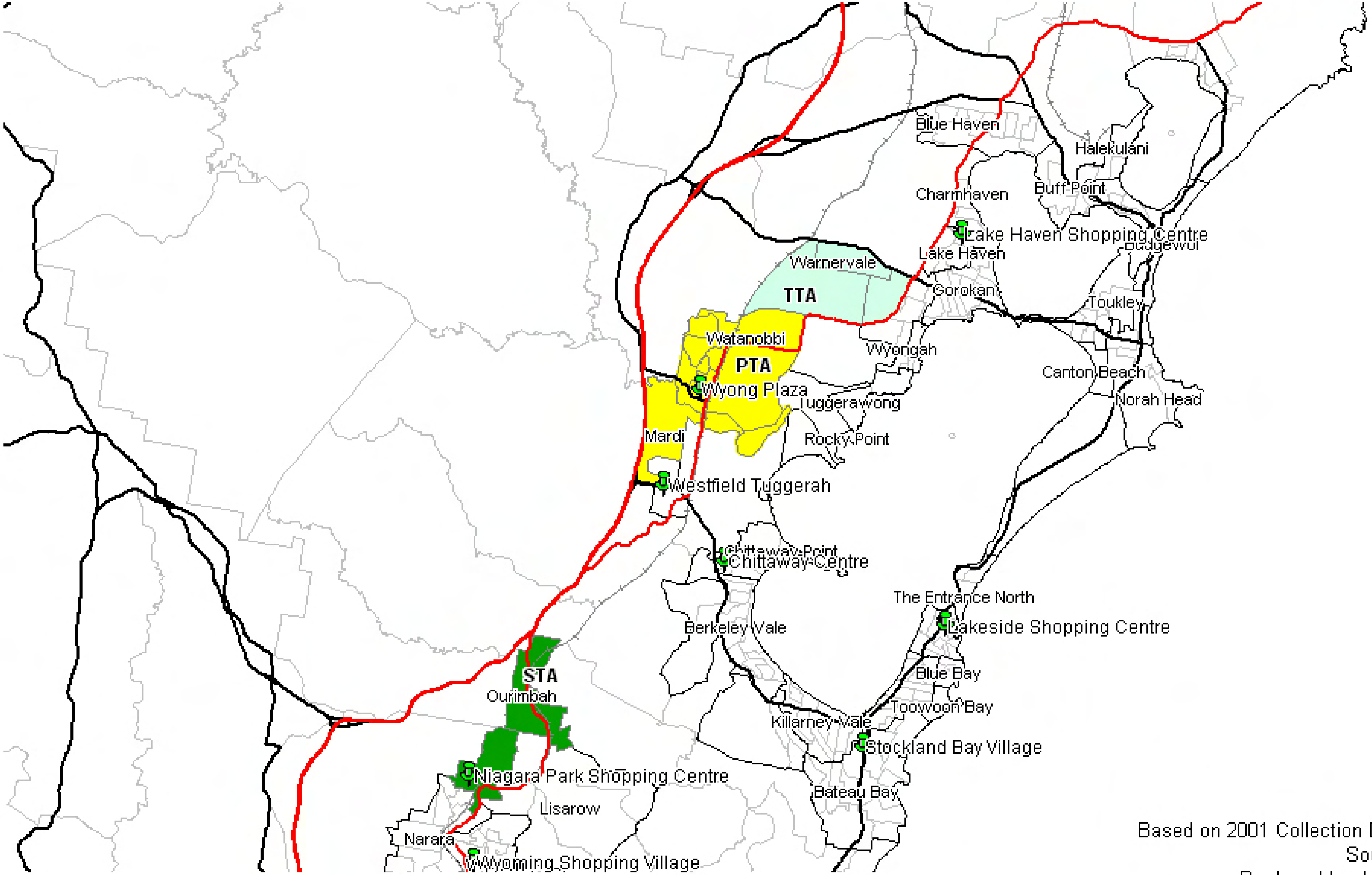
and surrounding areas



Based on 2001 Collection District Boundaries
Source: 2001 Census
Produced by: Leyshon Consulting

FIG 2.4: Wyong Trade Area

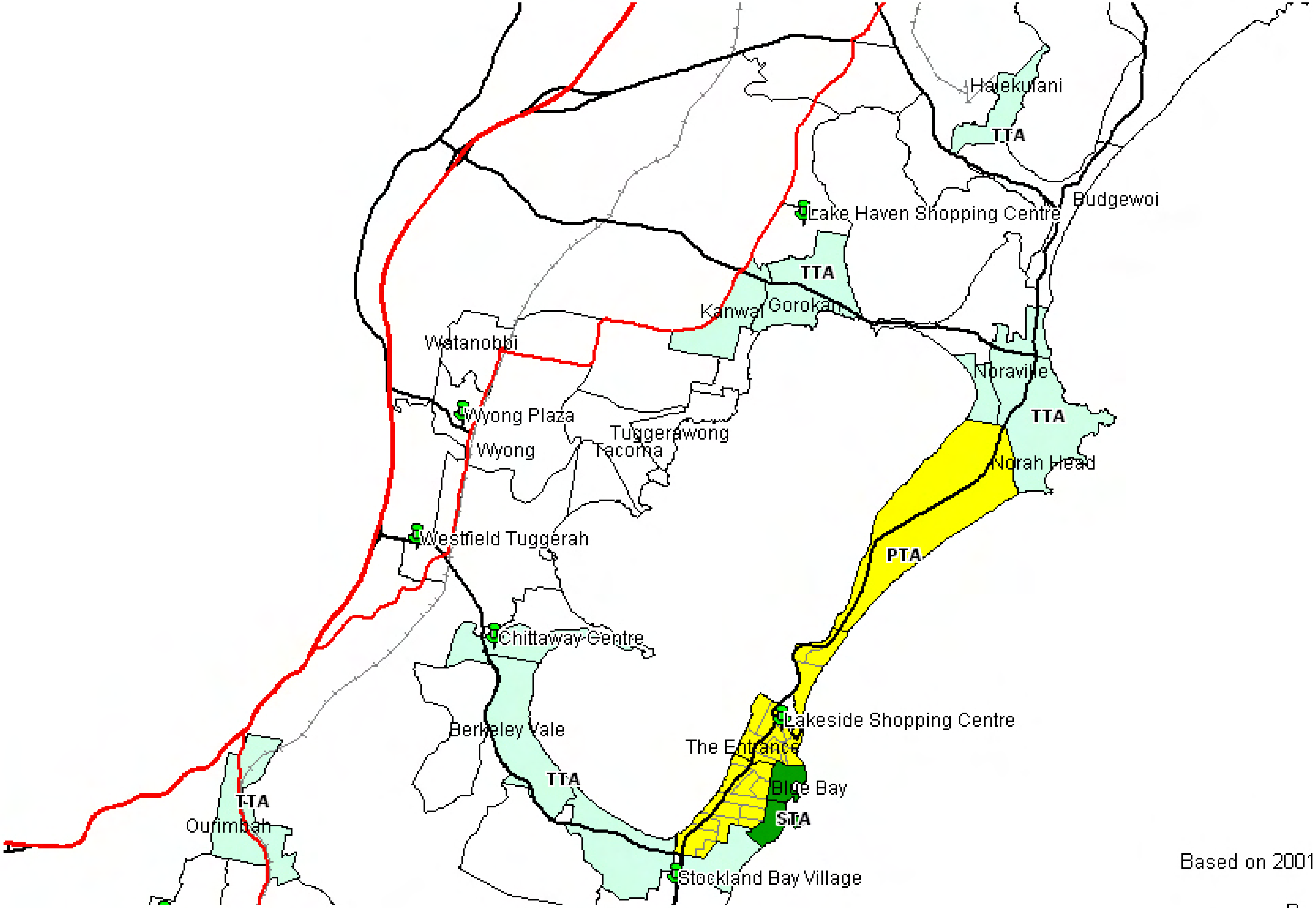
and surrounding areas



Based on 2001 Collection District Boundaries
Source: 2001 Census
Produced by: Leyshon Consulting

FIG 2.5: The Entrance Trade Area

and surrounding areas



Based on 2001 Collection District Boundaries
Source: 2001 Census
Produced by: Leyshon Consulting