

# **SHELLHARBOUR RETAIL & COMMERCIAL CENTRES STUDY**

Prepared for  
Shellharbour City Council

March 2008

SYDNEY MELBOURNE CANBERRA

## QUALITY ASSURANCE

This document is for discussion purposes only unless signed and dated by a Principal of Hill PDA.

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## ABBREVIATIONS

The following abbreviations may be found in this report:

<b>ABS</b>	Australian Bureau of Statistics
<b>ANZIC</b>	Australia and New Zealand Industry Code
<b>BOC</b>	Brand Outlet Centre
<b>CBD</b>	Central Business District
<b>DDS</b>	Discount Department Store
<b>GLA</b>	Gross Lettable Area
<b>GST</b>	Goods & Services Tax
<b>HES</b>	Household Expenditure Survey
<b>ILUT</b>	Integration of Land Use & Transport
<b>LEP</b>	Local Environmental Plan
<b>LGA</b>	Local Government Area
<b>PTA</b>	Primary Trade Area
<b>SD</b>	Statistical Division
<b>STA</b>	Secondary Trade Area

## GLOSSARY OF TERMS

<b>Brand Outlet Centre</b>	A brand outlet centre comprises brand name stores selling predominately apparel but also can include homewares, travel goods and the like
<b>Category Killers</b>	Defined as a large store which sells a broad range of products to meet a market segment which cannot be defined by the ANZIC code i.e. Baby Co, Toy R Us.
<b>Commercial Services</b>	Refers to commercial users which characteristically tend to be banks, financial institutions, travel agents, real estate agents and the like.
<b>Lettable Area</b>	Refers to the area of a shop or commercial premise that is let to the tenant (whether it is let or not). In indoor centres it usually excludes common area, loading docks, toilets, etc but includes each store's back-of-house area.
<b>Mini Majors</b>	Defined as large retailers/retail stores between 400-3,000sqm. Examples include Freedom Furniture, Bay Swiss Homewares, Dick Smith Electronics and Boarders Books.
<b>Non-Shop Front Commercial Space</b>	Refers to commercial users that are not found in shop front premises and includes above shop space (that are often occupied by accountants, tax agents, medical practices, professional photographers, etc). It may also refer to commercial businesses in existing cottages or in purpose designed commercial buildings on the fringe of a commercial centre (e.g. Council administration building).
<b>Out of Centre/ Peripheral Retailing</b>	Peripheral and 'out-of-centre' retailing is generally 'bulky goods' or 'home-maker' in character. These clusters of retail are usually located out of a retail centre or core (e.g. along a major arterial road, adjacent to an industrial area).
<b>Pad Sites</b>	Refers to stand alone retailers that are part of a larger retail development, but are in a separate building i.e. petrol stations, restaurants such as Mac Donalds and KFC.
<b>Retail Floorspace</b>	For the purpose of this report is defined under ANZIC and refers to shop front premises that are used predominantly to sell goods. It includes restaurants and other selected personal services (tailor, hair and beauty, photo processing, dry cleaning and optical dispensing. It does not include commercial services such as banks and real estate agents.
<b>Shop Front Commercial Space</b>	Is defined as premises that have been designed and constructed for retail purposes and are non-retail commercial purposes. Typically these uses tend to be banks and other financial institutions, travel agents, real estate agents and the like.
<b>Shop Front Premises</b>	Defined as anything which is designed and constructed for retail purposes and fronts the street. Some proportion of shop front purposes are occupied by non retail commercial uses such as banks, real estate agencies, travel agents and the like. However, this type of accommodation means that if that commercial use vacated any type of retail use could occupy the space.
<b>Specialty Shops</b>	Defined as shop front premises where the individual tenant occupies no more than 100sqm and sells a particular type of good. Specialty shops exclude major tenants such as department stores who offer a range of goods and services.
<b>Stores within a Store</b>	Defined as a department store which licenses out sections of their floorspace to specialty retailers or brands (e.g. Sony electronics room, Mac Cosmetics, etc).



# 1. EXECUTIVE SUMMARY

## Introduction

Hill PDA has been commissioned by Shellharbour City Council (Council) to prepare a Retail and Commercial Centres Study for the Shellharbour Local Government Area (LGA). It is understood that Shellharbour City Council requires the study to provide a basis for a 25 year strategy which aims to accommodate, through land use policy, the retail and commercial facility needs of the LGA's residents, visitors, workers and business community now and in the future.

It is recognised that the Retail and Commercial Centres Study will inform the comprehensive review of the Shellharbour Local Environmental Plan (LEP). This Review will need to consider the initiatives and proposals that are part of the planning reforms of the Department of Planning (DoP). Such initiatives include the production of an LEP Planning Template that aims to standardise land use zones across NSW, including commercial zones.

The Shellharbour Local Environmental Plan (2000) provides the statutory planning framework for the LGA. The plan identifies 2 zones that focus on business land use (retail and commercial land use) across the LGA, namely the 3(a) Mixed Use Commercial Zone and 3(d) Neighbourhood Business Zone. The Plan also provided a retail hierarchy for centres within the LGA, which is addressed in Chapter 19 of this report.

## Retail Trends

Some of the key drivers of change in the nature and form of retailing and commercial activity within Shellharbour LGA include:

- Population and household growth;
- Declining average household size;
- An aging population;
- Increasing part time employment;
- Longer working hours;
- Increasing workforce participation rate;
- Household income; and
- Employment levels.

The retail and commercial property industry has been responding to the changes in the following ways:

- Deregulation of shopping hours including 7 day and late night trading and even 24 hour trading for some convenience stores and supermarkets;
- Expansion of supermarkets, expansion in the number of lines, increased convenience and the introduction of discount supermarkets such as ALDI and Bi-Lo;
- Expansion of major regional centres and diversification of their offer including entertainment (e.g. cinemas, bowling alleys, children's gymnasiums), lifestyle retailers, medical and community uses;
- Decline of the traditional corner store and introduction of convenience centres – stand alone supermarkets, convenience stores, petrol outlets, fast-foods and other retailing on major roads for "just-in-time" shopping;
- Growth in economic gateways around major transport nodes such as ports and airports; and

- Out-of-centre retailing including “category killers”, bulky goods, factory outlets, fast-foods and other retail forms.

These trends are polarising the retail hierarchy with the larger centres – such as Shellharbour City Centre – positioning themselves for a more dominant role in the provision of entertainment and customer services matched with increased retail floorspace. The more successful smaller centres – such as Shellharbour Village – have moved towards the concept of convenience centres with greater emphasis on restaurants, just-in-time shopping, fast foods, and local services. Other local centres such as Oak Flats and Albion Park are suffering from declining trade, poor positioning and management.

### **Floorspace Survey Results**

It is understood the Illawarra and South Coast Region is served by an extensive network of commercial and retail centres comprising some 750,000sqm of retail floorspace, distributed across approximately 70 retail centres of varying sizes<sup>1</sup>.

Hill PDA undertook a floorspace survey to assess existing retail and commercial space within retail centres in the Shellharbour LGA. The survey indicated the LGA has 24 (including 12 neighbourhood) centres totalling 195,650sqm of floorspace of which around 141,690sqm is used for retailing (including “out-of-centre” bulky goods retailing), 30,920sqm is used for commercial purposes and 12,817sqm was vacant at the time of survey.

Shellharbour LGA has 584 shopfront premises of which 417 are used for the retailing of goods, 122 are used for commercial services and 33 vacant. Of shop top (first floor) accommodation, commercial services account for 22 suites within the LGA, of which 51% located in Warilla.

It is also recognised that new retail space is proposed at Tullimbar Village (west of Albion Park), Shell Cove and Albion Park Rail (ING proposal).

### **Household Growth**

Household growth (dwelling growth) impacts on retail floorspace demand in the future. The Department of Planning’s (DoP) Illawarra Regional Strategy (2006-31) is forecasting that 38,000 new dwellings will be required to provide for growth and declining occupancy rates to 2031 in the Illawarra Region.

The Regional Strategy recognises that Shellharbour has taken the key responsibility for regional Greenfield land releases over the last 30 years at Albion Park, Blackbutt, Flinders and Shell Cove.

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<sup>1</sup> Illawarra and South Coast Employment Lands Study, 2006 (Hill PDA)

The Regional Strategy estimates the current capacity for housing in the Illawarra Region as follows:

**Table 1 - Capacity for Housing in Illawarra Region (2006-31)**

Current Capacity for housing in the Region	Detached	Medium Density	High Density	Total
Current New Release Areas	5,300	1,250		6,550
West Dapto Release Area*	8,250	2,750		11,000
Infill on Vacant land	4,600	300		4,900
Redevelopment	3,550	3,750	3,900	11,200
<b>Total</b>	<b>21,700</b>	<b>8,050</b>	<b>3,900</b>	<b>33,650</b>

\* The West Dapto Release Area will continue to provide housing beyond the life of the strategy to total some 19,000 dwellings once developed to the maximum. Source: DoP, Illawarra Regional Strategy (2006-31), and SGS Economics & Planning, Household Type & Formation Study – Illawarra Region, May 2006.

### Forecast Demand for Retail Space

SGS Economics & Planning undertook a study (May 2006), into housing and household formation in the Illawarra Region<sup>2</sup>. However since the SGS study, Council has refined the SGS housing estimates to reflect the following residential dwelling forecasts over time:

**Table 2 - Forecast Increase in Dwellings for Shellharbour LGA 2006-31**

5 Year End	Blackbutt/ Shellharb City	Barrack Heights/ Barrack Point	Tullimbar *3	Albion Park	Albion Park Rail	Flinders	Shell-harbour	Shell Cove *3	Oak Flats	Mount Warrigal	Lake Illawarra	Warilla	Shellharbour LGA
2011 *2	315	39	380	287	90	292	51	1,026	157	7	11	114	2,769
2016 *2	170	21	700	155	49	158	28	800	85	4	6	62	2,238
2021 *2	136	17	700	124	39	126	22	250	68	3	5	49	1,539
2026 *2	119	15	220	109	34	111	19	0	59	3	4	43	736
2031 *2	111	13	0	101	32	103	18	0	55	2	4	40	479
<b>TOTAL *1</b>	<b>851</b>	<b>105</b>	<b>2,000</b>	<b>776</b>	<b>244</b>	<b>790</b>	<b>138</b>	<b>2,076</b>	<b>424</b>	<b>19</b>	<b>30</b>	<b>308</b>	<b>7,761</b>

1. Total supply growth is from SGS Illawarra Household Type and Formation Study 2006 and developer estimates.

2. Except for Tullimbar and Shell Cove, supply growth increments are derived from forecast housing demand increments in the SGS Illawarra Household Type and Formation Study 2006. These have been scaled back to recognise the unlikelihood of 43% of the 06-31 demand eventuating between 06-11, based on demand/supply rate.

3. Supply growth increments for Shell Cove and Tullimbar are based on developer estimates.

Source: Council projections, SGS Economics & Planning, Housing & Formation Study – Illawarra Region, May 2006, and Hill PDA assumptions

It's worth noting the three suburbs which will experience high growth over the next 25 years are Shell Cove, Tullimbar and Albion Park. Shell Cove is expected to increase by 2,076 dwellings, Albion Park has been forecast to grow by 776 dwellings and Tullimbar by 2,000.

For the purpose of our expenditure model HillPDA has grouped suburbs in Shellharbour LGA into the following trade areas as follows:

- Shell Cove which includes Flinders, Shellharbour and Shell Cove;
- Warilla which captures Barrack Heights, Lake Illawarra and Warilla;
- Shellharbour City Centre which includes Blackbutt, Oak Flats and Mount Warrigal; and
- Albion Park which comprises of Albion Park Rail, Albion Park and Tullimbar.

<sup>2</sup> SGS Economics & Planning, Household Type & Formation Study – Illawarra Region, May 2006

The table below shows the total estimated household expenditure generated by the trade areas in 2006, and with increases in households and household expenditure through to 2031.

**Table 3 - Forecast Household Expenditure by Suburb by Year (2006 \$m)**

Suburb	2006	2011	2016	2021	2026	2031
Blackbutt / Shellharbour City	38.0	50.7	59.4	67.5	75.6	84.1
Barrack Heights	70.5	75.3	79.8	84.4	89.2	94.3
Tullimbar	0.3	14.5	42.9	74.2	87.5	92.0
Albion Park	148.7	166.9	181.5	195.8	210.5	225.8
Albion Park Rail	73.0	79.6	85.3	91.0	96.8	103.0
Flinders	49.1	61.3	69.9	78.1	86.3	94.8
Shellharbour	43.1	47.1	50.5	53.9	57.4	61.0
Shell Cove	46.7	91.0	130.1	148.0	155.2	163.5
Oak Flats	71.3	79.9	86.7	93.5	100.4	107.7
Mount Warrigal	57.5	60.6	63.9	67.2	70.8	74.5
Lake Illawarra	31.1	32.9	34.8	36.7	38.7	40.8
Warilla	54.7	60.4	65.1	69.8	74.6	79.7
Balance of LGA	5.7	6.0	6.3	6.6	6.9	7.3
<b>TOTAL LGA</b>	<b>689.7</b>	<b>826.2</b>	<b>956.1</b>	<b>1,066.7</b>	<b>1,150.1</b>	<b>1,228.5</b>

Source: Hill PDA estimate from Expenditure Modelling using data from ABS Household Expenditure Survey 2003-04, Marketinfo 2006 and ABS Census 2001 and Council's household projections.

The above table shows how growth in the number of households in the trade areas is having an expected impact on the level of retail expenditure generated by each trade area. It follows that demand for retail floorspace within the locality has also increased significantly.

The table indicates the trade areas of Shellharbour LGA account for a total of \$690m of expenditure to be spent on household goods and services in 2006. As such, the Albion Park trade area accounts for a largest proportion of this expenditure, accounting for 22% of total expenditure in the LGA in 2006.

Demand for retail floorspace is estimated by dividing expenditure by benchmark turnover rates. The results are shown in the table below.

**Table 4 - Forecast Demand for Retail Floorspace by Suburb by Year (sqm)**

Suburb	2006	2011	2016	2021	2026	2031
Blackbutt / Shellharbour City	6,954	9,267	10,850	12,337	13,825	15,372
Barrack Heights	12,832	13,701	14,521	15,365	16,244	17,160
Tullimbar	45	2,639	7,791	13,461	15,889	16,700
Albion Park	27,223	30,561	33,226	35,851	38,539	41,341
Albion Park Rail	13,306	14,499	15,533	16,571	17,642	18,765
Flinders	8,982	11,201	12,774	14,265	15,770	17,333
ShellHarbour	7,882	8,601	9,223	9,844	10,484	11,155
Shell Cove	8,552	16,686	23,845	27,133	28,439	29,972
Oak Flats	12,985	14,547	15,800	17,037	18,298	19,616
Mount Warrigal	10,490	11,067	11,657	12,272	12,919	13,592
Lake Illawarra	5,642	5,979	6,312	6,658	7,019	7,398
Warilla	9,921	10,950	11,807	12,657	13,532	14,446
Balance of LGA	1,043	1,097	1,153	1,211	1,270	1,338
<b>TOTAL</b>	<b>125,858</b>	<b>150,794</b>	<b>174,491</b>	<b>194,663</b>	<b>209,870</b>	<b>224,188</b>

Source: Hill PDA Estimate

Subtracting demand from supply provides a measure of oversupply which is shown in the table below.

**Table 5 - Forecast Over/Under Supply of Retail Floorspace by Suburb by Year (sqm)**

Suburb	2006	2011	2016	2021	2026	2031
Blackbutt/Shellhrb City	57,914	55,601	54,018	52,531	51,043	49,496
Barrack Heights	-11,214	-12,083	-12,903	-13,747	-14,626	-15,542
Tullimbar	-45	-2,639	-7,791	-13,461	-15,889	-16,700
Albion Park	-17,665	-21,003	-23,668	-26,293	-28,981	-31,783
Albion Park Rail	6,125	4,932	3,899	2,860	1,789	666
Flinders	-8,762	-10,981	-12,554	-14,045	-15,550	-17,113
ShellHarbour	-854	-1,573	-2,195	-2,816	-3,456	-4,127
Shell Cove	-8,552	-16,686	-23,845	-27,133	-28,439	-29,972
Oak Flats	-6,752	-8,314	-9,567	-10,804	-12,065	-13,383
Mount Warrigal	-9,257	-9,834	-10,424	-11,039	-11,685	-12,359
Lake Illawarra	-3,892	-4,229	-4,562	-4,908	-5,269	-5,648
Warilla	8,230	7,201	6,344	5,494	4,619	3,706
Balance of LGA	-1,043	-1,097	-1,153	-1,211	-1,270	-1,338
<b>TOTAL</b>	<b>4,233</b>	<b>-20,703</b>	<b>-44,400</b>	<b>-64,572</b>	<b>-79,779</b>	<b>-94,097</b>

Source: Hill PDA Estimate

A positive number indicates oversupply of floor space whilst a negative number indicates undersupply.

Care should be taken in interpretation of supply and demand forecasts as they relate to the measurement of supply and demand on a suburb by suburb basis, ignoring the retail hierarchy and estimated catchments for centres. This is why suburbs like Blackbutt/Shellharbour City show a large level of oversupply.

In addition to the above there is demand for shop front space for non-retail commercial users such as banks, real estate agents, travel agents and the like. Specialties comprise around 40% of total floorspace and around 15% of specialties are likely to be occupied by non-retail services depending upon location<sup>3</sup>. A further 3% to 4% of specialties should be vacant at any one time to reflect a healthy supply for new tenants. Hence the above negative numbers should be multiplied by 110% to reflect an additional 10% demand for total shop front space.

### **Suggested Increase in Supply**

In the short-term it is anticipated that the only expansion in retail space will be at Shell Cove. Suggested development is a 3,000sqm supermarket and 3,500sqm of specialty retail.

Note that there is still vacant space to be occupied in City Plaza and the Cygnet Centre is currently under construction. This will accommodate short term growth in demand.

In the medium term it is suggested that the primary centre, Shellharbour City, undergo a significant expansion including 12,000sqm of bulky goods stores. The bulky goods could locate at either Shellharbour City or Albion Park Rail.

The expansion of Shellharbour City is being driven by Stockland. Stockland's proposal includes a new 12,000sqm national department store (such as Myer), 2,900sqm of mini-majors, 4,150sqm of supermarket space, 13,600sqm of specialties and a slight loss in discount department store space. The inclusion of a national department store and mini-majors will capture a considerable proportion of escape expenditure as much as draw trade away from existing retailers. For this reason it should be supported. However the supermarket and associated specialties relating to "core shopping" will almost entirely result in redirection of expenditure away from other Shellharbour retailers. To lessen the impacts and manage oversupply it is

<sup>3</sup> Typically this proportion is as little as 5% to 7% in the indoor centres but may be as high as 30% to 40% in traditional strip retail centres.

recommended that the supermarket and half the specialties be delayed until a subsequent stage around Year 2016. In the long term there will need to be some further expansion at Shell Cove and Albion Park with additional supermarkets and specialty stores. Between 2016 and 2021 Stockland can undergo a second stage of expansion with a 4,000sqm supermarket and 6,500sqm of specialties.

The other major proposal is the proposed ING development at Albion Park Rail. The bulky goods component of the development is supported by growth in Shellharbour and some of its turnover will be the recapture of expenditure that currently escapes the LGA to Wollongong – particularly Kemblawarra and Wollongong CBD. The proposal also includes a brand outlet centre (BOC) of 10,000sqm for Stage 1 and a further 4,000sqm in a future stage. The majority of its turnover (possibly more than 75%) is likely to come from households beyond the LGA. As a result its impacts on existing Shellharbour centres will be manageable.

Also in the medium term there should be an expansion of Albion Park or alternatively another retail centre in the trade area such as Tullimbar Village. This should comprise a 3,000sqm supermarket and 3,500sqm of specialty stores.

Suggested growth is summarised in the following table.

**Table 6 - Targeted Increase in Supply of Retail Space (sqm)<sup>1</sup>**

	2011	2016	2021	2026	2031	TOTAL
<b>Shellharbour City</b>						
Dept Store		11,000				11,000
Supermarkets			4,000			4,000
Specialties <sup>2</sup>		11,000	9,500	4,000		24,500
<b>TOTAL Shellharbour City</b>	<b>0</b>	<b>22,000</b>	<b>13,500</b>	<b>4,000</b>	<b>0</b>	<b>39,500</b>
<b>Albion Park</b>						
Dept Store					6,000	6,000
Supermarkets		3,000			3,000	6,000
Specialties		3,500		2,500	4,000	10,000
<b>TOTAL Albion Park</b>	<b>0</b>	<b>6,500</b>	<b>0</b>	<b>2,500</b>	<b>13,000</b>	<b>22,000</b>
<b>Shell Cove</b>						
Supermarkets	3,000			2,500		5,500
Specialties	3,500			3,000		6,500
<b>TOTAL Shell Cove</b>	<b>6,500</b>	<b>0</b>	<b>0</b>	<b>5,500</b>	<b>0</b>	<b>12,000</b>
<b>Oak Flats</b>						
Supermarket	1,500					1,500
<b>TOTAL Oak Flats</b>	<b>1,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,500</b>
Bulky Goods <sup>3</sup>		7,000	5,000	8,000		20,000
ING BOC		10,000	4,000			14,000
<b>TOTAL LGA</b>	<b>8,000</b>	<b>45,500</b>	<b>22,500</b>	<b>20,000</b>	<b>13,000</b>	<b>109,000</b>

<sup>1</sup> By end of Financial Year

<sup>2</sup> Includes Stockland and general Shellharbour City Centre expansion

<sup>3</sup> Includes Shellharbour Supacentra and Albion Park Rail

In total, around 108,000 to 110,000sqm of additional retail space is proposed in Shellharbour LGA over the next 25 years. This is an increase of around 80% over and above the existing supply. Around 37% of this growth in floorspace is proposed for Shellharbour City, 32% is bulky goods throughout the LGA and the ING BOC proposal, with the remaining 31% in Shell Cove and Albion Park.

## **Recommended Retail Hierarchy**

Based on findings in this study, the following retail hierarchy is recommended.

**Table 7 - Shellharbour LGA Retail & Commercial Centres Hierarchy 2007**

<b>Centre Typology</b>	<b>Retail Centre</b>
Major Regional Centre	Shellharbour City Centre
Major Town	Warilla Grove, Albion Park
Village	Albion Park Rail, Oak Flats, Shellharbour Village, Warilla, Barrack Heights, Lake Illawarra, Albion Park South, Tullimbar Village (as proposed), Shell Cove (as proposed)
Neighbourhood Centre	Karoo Street, Albion Park Rail Pine Street & Ash Avenue, Albion Park Rail Sophia Street, Albion Park Cnr Tongarra/Calderwood Roads, Albion Park Darley Street, Shellharbour Village Baragoot Road, Flinders Reddall Parade, Lake Illawarra Lagoon Street, Barrack Heights McKenzie Avenue, Mt Warrigal Jones Avenue, Mt Warrigal Queen Street, Warilla Ulster Avenue, Warilla
Major Peripheral Retail >22,000sqm	Shellharbour City Centre Out-of-Centre
Minor Peripheral Retail < 22,000sqm	Albion Park Rail Out-of-Centre (north and south)

By adopting this hierarchy Council can be guided in the assessment of future proposals for new centres and expansion of existing centres. The purpose of the hierarchy is to ensure that the roles of these centres are clearly defined and that expansion of one centre will not threaten the role of another centre further up or down the hierarchy.

The study has identified a need to increase floor area to meet growth in demand. The options for increasing floor area are based on the need to maintain a functional hierarchy of centres and to balance the retail offer, competitiveness and accessibility for consumers.

## **Standard LEP Template Zones**

The selection of zones should reflect the retail hierarchy, as follows:

**Table 8 - Shellharbour LGA Retail & Commercial Centre Zones**

<b>Zone</b>	<b>Centres</b>
B3 – Commercial Core	Shellharbour City Centre (including Shellharbour City Out of Centre)
B2 - Local Centre	Warilla Grove, Warilla, Oak Flats, Albion Park, Albion Park Rail, Shell Cove (as proposed), Shellharbour Village, Tullimbar Village (as proposed), Lake Illawarra, Albion Park South, Barrack Heights
B1 – Neighbourhood Centre	Neighbourhood Centres as identified in the hierarchy
B6 – Enterprise Corridor	Albion Park Rail – Princes Highway as identified in Section 22.7 of this report.
B7 – Business Park	Parts of Illawarra Regional Airport locality (as appropriate)
SP3 – Tourist	Parts of boat harbour at Shell Cove and Shellharbour Village (as appropriate)

These zones have been applied from the Standard LEP Template; however the permissible and mandatory uses are not extensive. As such, Council may wish to add other uses as permissible.

### **Shellharbour City Centre**

Shellharbour City Centre should be promoted as the major centre for the LGA. Being in the geographical heart of the LGA, and within vicinity of all other town centres, the City Centre also needs support including higher density housing within walking distance to the centre, and mixed-use/commercial within the retail centre.

Modelling within this report suggests around 22,000sqm of additional retail space in the mid-term (2011 to 2016) is appropriate for Shellharbour City Centre. This includes the area around Memorial Drive.

The expansion of Shellharbour City is being driven by Stockland. It is understood that Stockland Shellharbour is proposing to expand by an additional 30,000sqm. Whilst this is higher than suggested through the demand modelling within this report, there are several reasons for this.

Firstly, whilst Stockland Shellharbour competes somewhat with smaller centres like Warilla Grove, it competes more with larger centres such as Warrawong. It also competes with Dapto and will compete even stronger with Dapto when Dapto expands into a major centre. The desire for Stockland Shellharbour to expand is expected so as not to have its competitors expanding and capturing an increasing share of its household expenditure.

Hence whilst 30,000sqm may suggest an oversupply of floorspace in the medium term, it will result in increasing capture of expenditure that would have escaped to Warrawong, Dapto and Wollongong. Hence the level of oversupply is not as significant as suggested.

After consideration of the above two factors any additional oversupply is unlikely to be significant enough to warrant strong concern. Oversupply will be more minor and will not be a long-term problem.

### **Albion Park**

The Albion Park retail precinct is in need of a revitalisation strategy. The precinct also underutilises some sites (non contained, dead spaces, lack of pedestrian convenience, and amenity). A more efficient design of the precinct would better facilitate parking, vehicles and pedestrian activity. A Masterplan of the retail centre should be undertaken in order to examine these issues. The Masterplan for Albion Park should also identify how to cater for future floorspace growth with good urban design outcomes.

Due to strong residential growth both in the recent past and as forecast, Albion Park has demand for expansion of the retail/commercial centre. This may occur in the medium to long term, with demand for an additional 6,500sqm of retail floorspace (including another supermarket) in 2016, and another 2,500sqm for 2026. This may take the form of expansion of the existing centre (mainly through infill development), or via the development of a new retail centre (like Tullimbar Village).

Redevelopment should be encouraged along the southern side of Tongarra Road for appropriate infill development. A Masterplan will allow expansion options to be explored, and will examine the feasibility of the existing centre coping with any expansion of retail/commercial floorspace.



### **Warilla Grove**

Warilla Grove is trading fairly well even with its tired appearance and proximity to Stockland Shellharbour and retail offer at Warrawong.

Expenditure modelling indicates there may in fact be some oversupply of floorspace in Warilla as a suburb, due to the area being predominately built out already, and without significant dwelling growth in the future.

Given the development of Shell Cove, the considerable pull of expenditure by Warrawong, and no significant residential growth mooted for Warilla, demand does not warrant any significant expansion of the Warilla Grove retail precinct.

### **Albion Park Rail**

It is understood that Council is investigating the possibility of rezoning some of the industrial and business zoned land in Albion Park Rail to an enterprise corridor zone, identified as Zone B6 (Enterprise Corridor) in the LEP Template. The particular area under consideration is along Princes Highway as identified within this report as Albion Park Rail Out of Centre precincts.

It is recommended that Council engage in discussions with the DoP concerning the B6 Zone to consider making the Enterprise Corridor 'flexible', so it can be used to cater for the needs of specific areas (i.e.: whereby permitted uses in this zone will vary to suit the particular area – 'place based controls').

Based on our analysis of Albion Park Rail and its existing uses, we recommend the proposed Enterprise Corridor specifically relate to that land identified as out of centre or peripheral retailing in Albion Park Rail as well as existing industrial zoned land between the railway line and Princes Highway, from Miall Way (north) to Oaks Flat railway station (south). It should be noted that this Enterprise Corridor should not permit residential development.

An alternative approach may be for Council to consider is the application of a 'placed based' DCP where an Enterprise Corridor zone permits land uses appropriate to the particular area, although noting that a DCP cant prohibit uses.

It is recognised, through expenditure and demand modelling, that in the medium term an additional 12,000sqm of bulky goods retail floorspace will be demanded (2016-2021) and this could be accommodated in Shellharbour City Centre or Albion Park Rail.

As has been noted within this report, ING are also proposing a 10,000sqm brand outlet centre (BOC) as part of Stage 1 of their development in Albion Park Rail. Based on the above, it is considered that the ING proposal be allowed within the Enterprise Zone, adding to the peripheral retailing role of Albion Park Rail.

### **Oak Flats**

Even though Oak Flats appears to be slightly underperforming as a retail centre, its trading levels are sustainable. Given the layout of the centre along a main street, Oak Flats should consider a revitalisation strategy, with some beautification measures implemented which encourage more outdoor seating, therefore attracting more eating places etc.

Oak Flats does not have an anchor tenant or medium supermarket, and this should be encouraged in the short term, with expenditure modelling indicating a full line supermarket in the range of 1,000 to 1,500sqm (e.g. IGA Supa) would be viable.

To be consistent with the other centres the retail centre should be rezoned to Zone B2 (Local Centre) and the car park areas included in the same zoning.

### **Shellharbour Village**

It is understood that Council is already undertaking enhancements to Shellharbour Village to manage the foreshore and harbour areas, as well as address streetscape improvements and traffic issues.

It is apparent that Shellharbour Village is already in the midst of change, with new retail, commercial and residential development along Addison Street mainly due to increased tourism in the area. Shellharbour Village appears to have undergone growth in popularity as an 'eat street', with strong growth in 'café culture' over the last ten years. A vibrant street life aids in the success of a retail centre, both in Shellharbour Village and the LGA as a whole.

Expenditure modelling indicates there is no immediate demand for expansion of the retail precinct in Shellharbour Village. Most residents and visitors are likely to depend on higher order centres in the LGA for food and grocery shopping, whilst Shellharbour Village provides the 'eat street' feel not felt in other centres like Shellharbour City Centre, Warilla, or Albion Park.

However, there is some possibility for infill development along Addison Street and the retail core of Shellharbour Village, with numerous residential cottages scattered along the main street.

### **Warilla**

Warilla is an older strip retail precinct, which is currently performing a stronger role in commercial services than it is in retail. Considering it's the strong local workforce present in Warilla, providing space for lunch time users should be encouraged.

The trade area of the centre has contracted significantly over time, firstly with the opening of Warilla Grove, and then later with Stockland Shellharbour. Many new retail occupants will choose to locate within the new expansion areas of Shellharbour City Centre, or within a well performing enclosed shopping centre like Warilla Grove or Stockland Shellharbour.

In addition, with Warilla being an established suburb, strong residential growth is unlikely in the future, with expenditure modelling therefore indicating that Warilla is not really in a position where it has demand to expand.

### **Albion Park South & Lake Illawarra**

Those small retail clusters located in Albion Park South (Cnr of Terry Street and Simpson Parade) and Lake Illawarra (Addison Avenue) are providing convenience retail to the surrounding residential community. As such, they should be left to remain providing this function. These centres may be redeveloped in the future pending market forces.

## **Neighbourhood Centres**

Those neighbourhood centres with poor accessibility, high vacancies, are clearly underperforming, or are vacant sites should be rezoned to that which is the same as the surrounding land uses. However if this is a residential use, Council may encourage the incorporation of shop front space on the ground floor (if higher density residential; is encouraged). Centres that should be considered for rezoning include:

- Queen Street, Warilla – vacant service station, vacant shop, convenience store, hair dresser, and computer shop. Shops are very run down, with graffiti and vandalism, the line of shops have been for sale for some time;
- Pine Street, Albion Park – two vacant stores and low patronage;
- Robyn Road, Albion Park Rail – residential;
- Daphne Street, Barrack Heights – vacant site (has development approval for 7 town houses, 3 flats and 3 commercial units, D2004/801, 22-6-05); and
- Lagoon Street, Barrack Heights – whilst the shops are well located to service the holiday cabins along Little Lake, only one shop is occupied (takeaway food shop), the remaining 3 are vacant. There is also a vacant site associated with this neighbourhood centre. However, shop top housing is provided above the remaining occupied store, and one of the vacant shops.

Due to the poor location and accessibility to these centres, they will always under perform with little demand for that type of retail in that location. However, those which are trading successfully due to their clustering and location on sub-arterial roads should be maintained for their local convenience role.

Most of the above successful corner store sites are well located within the close vicinity of major roads. They provide essential shopping whilst recognising that most people want to do their major shop at a bigger centre where they are likely to find cheaper items.

The remaining centres should be left to market demand to determine their future.

## 2. INTRODUCTION

### 2.1 Background

Shellharbour Local Government Area (LGA) is situated on the South Coast and together with the LGAs of Wollongong and Kiama, defines the Illawarra region. Located approximately 100kms from the centre of Sydney, Shellharbour LGA covers an area around 154sqkm.

The Illawarra adjoins Sydney, the South Coast and southern Highlands, which has consequences for connecting employment, transport and settlement opportunities between the surrounding regions. The north of the Illawarra region is defined by smaller communities, located on the escarpment, looking out over the Pacific Ocean. Kiama and areas of Shellharbour LGA to the south are characterised by cultural landscapes together with agricultural lands, which offer a long term resource for sustainable food production.

Shellharbour LGA contains a number of urban and rural localities. Urban areas within the LGA where retail and commercial facilities are found include Shellharbour City Centre, Shellharbour Village, Barrack Heights, Shell Cove (proposed), Barrack Point, Warilla, Lake Illawarra, Mt Warrigal, Oak Flats, Albion Park Rail and Albion Park. Rural localities include Dunmore, Croom, Yellow Rock, Tullimbar (proposed), Calderwood, Tongarra and North Macquarie.

In the 1970's Shellharbour was defined as an area for residential growth and since this time has experienced significant increases in its population, with more growth forecast in the next decade. Supporting and overseeing this growth has been an important focal point of Council. Making sure there is key infrastructure such as employment lands to provide employment for residents is also a fundamental aim<sup>4</sup>.

Hill PDA's 2006 study<sup>5</sup> on Illawarra and South Coast employment lands which formed part of the Illawarra & South Coast Employment Lands Strategy, noted that the Region is served by an extensive network of commercial/retail centres that comprises some 750,000sqm of retail floorspace, distributed across 70 retail centres of varying sizes.

The study noted that despite the fact Shellharbour City is one of the state's youngest cities (having being gazetted in January 1996); it ranks as one of the most progressive non-metropolitan communities in NSW. Historically, Shellharbour has been a dormitory LGA, relying on Wollongong LGA for jobs, with much of the traditional economic activity of the LGA revolved around mining, dairy farming and some manufacturing. Today, Shellharbour LGA is a vibrant centre for residential and commercial development. New residential developments are not only increasing the area's population, but also having a dramatic impact on its economy. In particular, the fast pace of development requires a large building and construction industry.

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<sup>4</sup> Illawarra and South Coast Employment Lands Audit, July 2004 (SGS Economics & Planning)

<sup>5</sup> Illawarra and South Coast Employment Lands Study, 2006 (Hill PDA)

The newly opened Shellharbour City Centre forms a significant part of the area's planning initiatives. The City Centre provides a social and economic heart for the City, complementing the retail and commercial precincts that exist in other areas of the LGA.

Furthermore, the \$1.5billion Shell Cove residential and marina development will create over 11,000 jobs locally and nationally in the construction phase and direct more than \$303 million into the local economy each year when operational. Shell Cove is one of the largest tourist-residential developments ever instigated by a local government authority in Australia<sup>6</sup>.

With Shellharbour LGA having experienced strong residential dwelling growth over the last 2 decades, retail and commercial centres needs are changing. Council needs to implement a strategy to plan for forecast population and household growth into the future.

In order to address these challenges it has been recognised by Shellharbour City Council that there is a need to conduct an examination of the City's existing and emerging retail and commercial centres. This enables Council to have an informed understanding of the emerging trends within the retail and commercial sectors, and to ensure complete management of retail and commercial development across the LGA into the future.

## 2.2 Scope and Purpose

Hill PDA has been commissioned by Shellharbour City Council (Council) to prepare a Retail & Commercial Centres Study for the Shellharbour LGA.

Council requires the study to provide a basis for a 25 year strategy which aims to accommodate, through land use policy, the retail and commercial facility needs of the LGA's residents, visitors, workers and business community now and in the future.

It is recognised that the Retail/Commercial Centres Study will inform the comprehensive review of the Shellharbour Local Environmental Plan (LEP). This Review will need to consider the initiatives and proposals that are part of the planning reforms of the Department of Planning (DoP). Such initiatives include the LEP Planning Template that aims to standardise land use zones across NSW, including commercial zones.

## 2.3 Background Documentation

Hill PDA examined the following documents as background to this study:

- Shellharbour City Economic Opportunity Study, Melissa Nobes, 2000;
- Illawarra & South Coast Employment Lands Strategy, Stages 1-3, SGS Economics & Planners, Diana Gibbs & Associates, Hill PDA, DoP, 2004-2006;
- Household Type & Formation Study – Illawarra Region, SGS Economics & Planning, May 2006;
- Illawarra Regional Strategy (2006-31), DoP;

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<sup>6</sup> Illawarra and South Coast Employment Lands Study, 2006 (Hill PDA)

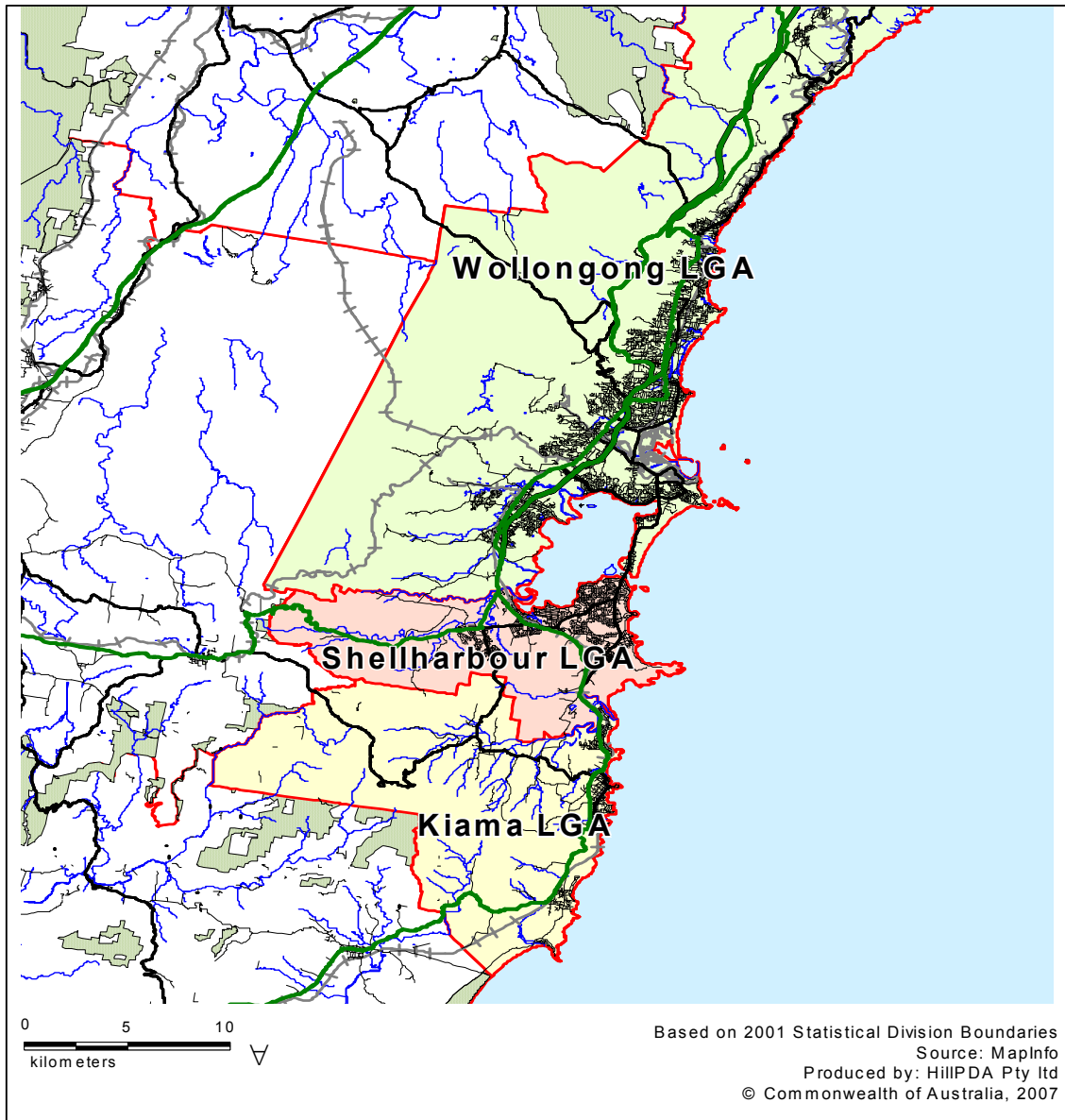
- Shell Cove Structure Plan Review Report, Leyshon Consulting, 1999;
- Shellharbour Town Centre – Land-use Demand Analysis, Leyshon Consulting, 1998;
- Illawarra & South Coast Retail Centres Study, Hill PDA, DoP 2004; and
- Review of Office Based Activities Locating Out of Centre, Hill PDA, DoP, 2005.

Various other reports from outside the LGA (e.g. Wollongong) were examined and are referenced as appropriate throughout the report.

## 2.4 Study Area

The spatial focus of the study is the Shellharbour LGA as depicted in the map below in context to the surrounding LGAs of Kiama and Wollongong.

**Figure 1 - Map: Shellharbour LGA Location**



## 3. PLANNING & POLICY REVIEW

This section provides an overview of the planning context in which centre activity in the Shellharbour LGA is managed. It includes the following provisions as applicable to commercial/retail centre land use and development:

- Local statutory provisions (including Local Environmental Plans and Development Control Plans for both Shellharbour and Wollongong LGA's);
- State statutory provisions (including State Environmental Policies, Ministerial Directions and Illawarra Regional Strategy); and
- State planning reforms (including the State's LEP Template).

### 3.1 Local Statutory Provisions - LEP

This section examines the existing Local Environmental Plan that applies to the urban areas of Shellharbour LGA, being Shellharbour Local Environmental Plan 2000 (LEP). Specifically business land zones were analysed, whereby key objectives together with permitted employment based uses within each of the zones were identified.

The Shellharbour Local Environmental Plan 2000 provides the statutory planning framework for the LGA. The plan identifies 2 zones that relate to business land use (retail and commercial land use) across the LGA, namely the 3(a) Mixed Use Commercial Zone and 3(d) Neighbourhood Business Zone.

#### **3(a) Mixed Use Commercial Zone**

The objectives of this zone are:

- (a) to provide for mixed use retail/commercial centres in locations that have developed historically or which are centrally located;
- (b) to allow for mixed use development incorporating residential and commercial or retail activities; and
- (c) to encourage the development of commercial/retail centres that provide for daily convenience and higher order needs of the surrounding residential areas.

Permitted uses include (but are not limited to): shops; commercial premises; bulky goods stores; dwellings; dwelling houses; medium density housing; warehouse; motor showrooms; hotels; motels; clubs; child care centres; general agriculture.

#### **3(d) Neighbourhood Business Zone**

The objectives of this zone are:

- (a) to allow for retail and commercial businesses of a scale that is unlikely to prejudice the viability of a higher order commercial centre;

- (b) to provide for retail and commercial services that may cater for the daily convenience needs of the local community; and
- (c) to allow for mixed use development incorporating residential and commercial or retail activities.

Permitted uses include (but are not limited to): Shops; commercial premises; dwellings; dwelling houses; medium density housing; child care centres.

### **Review of Zones**

- The review of the 2 business zones within the Shellharbour LGA, revealed the following differences in regard to the type of key uses:
  - i. Bulky goods retailing is permitted in both the 3(a) Mixed Use Commercial Zone and 3(d) Neighbourhood Business Zone;
  - ii. Motor showrooms and warehouses are permitted only in the 3(a) Mixed Use Commercial Zone;
  - iii. Motels; clubs, hotels and taverns are permitted in the 3(a) Mixed Use Commercial Zone but prohibited in the 3(d) Neighbourhood Business Zone; and
  - iv. Commercial Premises and Shops are permitted in both business zones.
- Council places importance on protecting and promoting the LGA's retail hierarchy. Clause 29 of Part 4 Commercial Zones Provisions in the LEP notes that despite any other provision of this plan, Council may consent to commercial or retail development (or mixed commercial and retail development) on land within Zone 3 (a) or 3 (d) only if, in the opinion of the Council, it will promote the commercial hierarchy for the Shellharbour City Local Government Area.
- It should be noted that commercial and retail development is permitted in the following two residential zones:
  - Zone 2 (e) – Mixed Use Residential E Zone; and
  - Zone 2 (f) – Mixed Use Residential F Zone.
- Clause 25 of Part 3 Residential Zones Provisions in the LEP specifies that despite any other provision of this plan, Council may consent to commercial or retail development (or mixed commercial and retail development) on land within Zone 2 (e) or 2 (f) only if, in the opinion of the Council, it will promote the commercial hierarchy for the Shellharbour City Local Government Area.

### **Retail Hierarchy**

Schedule 4 of Shellharbour LEP (2000), outlines the commercial hierarchy for Shellharbour LGA. The LEP hierarchy applies to all commercial/retail development within the LGA, with the exception of development for the purpose of bulky goods retailing or light industrial retail outlets. This hierarchy is defined as follows:



**Table 9 - Shellharbour LEP (2000) Commercial Centres Hierarchy**

Category of Development	Anticipated Size	Location
Sub-Regional Centre	Unlimited	Land contained in <b>Shellharbour City Centre</b> , whether or not these lands are subsequently subdivided.
District Centre	Up to 10,000sqm	Land contained within the General Business Zone in the vicinity of Tongarra Road, Terry Street and Russell Street, <b>Albion Park</b> . Land contained within the general Business Zone in Shellharbour Road, Veronica Street, Woolworths Avenue, George Street, Shellharbour Road and Bevery Avenue, <b>Warilla</b> . Combined land contained within the General Business Zone in the vicinity of Addison Street, Mary Street and Wentworth Street, Shellharbour and the Mixed Used Residential F Zone, <b>Shell Cove</b> .
Local Centre	Up to 4,000sqm	Land contained within the General Business Zone in the vicinity of Princes Highway, Creamery Road and Kaylaur Crescent, <b>Albion Park Rail</b> . Land contained within the General Business Zone in the vicinity of Central Avenue, <b>Oak Flats</b> .
Neighbourhood Centre	Up to 1,500sqm	May be located to serve the local convenience needs of a surrounding residential area where a higher order centre is not within a reasonably accessible distance. A service radius in the order of 500m is considered reasonable as the catchment area for a neighbourhood centre.
Local Shop/Local General Store	A single shop of approx. 50sqm-200sqm	May be supported where Council is satisfied that there is a demand for the facility and that it is not likely to interfere with the functioning of the commercial hierarchy as outlined above.

Source: Shellharbour LEP (2000), Schedule 4 – Commercial Hierarchy for Shellharbour City LGA

## 3.2 Local Statutory Provisions – DCP & Masterplan

The section identifies the existing Development Control Plans (DCPs) and Masterplan within the Shellharbour LGA that apply to commercial lands, specifically identifying their key objectives. These controls are detailed in the following sections and should be considered whilst determining a Retail Strategy for the LGA.

### Commercial Development Control Plan (1992)

The Commercial Development Control Plan defines the planning controls for all land within the Shellharbour LGA which is zoned to permit commercial or shop development. Specifically the plan applies to the development or redevelopment of any land zoned 3(a) Mixed Use Commercial Zone and 3(d) Neighbourhood Business Zone and other lands where commercial development may be permitted.

### Alfresco Dining Development Control Plan (2005)

This plan has the following objectives:

- To encourage the provision of alfresco dining opportunities in the City of Shellharbour;
- To provide guidelines for those people wishing to establish an alfresco dining area;
- To ensure there are no adverse impacts on adjoining and nearby properties;
- To ensure that alfresco dining areas make a positive contribution to the streetscape of the area;
- To ensure that pedestrian and traffic flows are not disrupted; and

- To ensure areas are safe and accessible for all people, including those with disabilities.

The plan also provides clear procedures on how to apply for alfresco dining approval and comply with the appropriate standards.

The Alfresco Dining DCP applies to all seating areas on public roads where any food and alcoholic or non-alcoholic refreshments are served to patrons.

The Alfresco Dining DCP covers the city in three zones being:

- Zone 1: Shellharbour City Centre
- Zone 2: Shellharbour Village
- Zone 3: All other areas where alfresco dining is permissible under relevant Council plans and policies

#### **Motor Showroom Development Control Plan (1997)**

This development control plan applies to all land on which motor showrooms are permitted. The objectives of the Motor Showroom DCP are to balance the practical requirements of the motor sales industry with the Council objectives in relation to design, visual appearance etc. Additionally, the DCP aims to ensure that motor showroom developments do not unduly impact on the streetscape, and to ensure that the design of showrooms considers the car parking and car delivery functions are appropriate and do not impact adversely on traffic flows along Princes Highway.

#### **Albion Park Commercial Development Control Plan (1997)**

The Albion Park Commercial Development Control Plan provides a framework to guide developments in Albion Park Commercial Centre bounded by Tongarra Street to the north, Terry Street to the east, Russell Street to the south and west. The key objectives of the DCP are to ensure that development in the centre is in a coordinated way; access is maximised; urban design is harmonious and aesthetically appealing; and the provision of 'shop top' style residential development is promoted. This DCP applies to part of Albion Park retail centre only.

#### **Warilla Professional Suites Development Control Plan (2001)**

The Warilla Professional Suites Development Control Plan applies to land located at Lots 27-24, DP 23988, 97-103 Shellharbour Road and Lots 32-28, DP 23454, 105-113 Shellharbour Road, Warilla. The plan aims to guide development in this area to promote a consistent approach; identifying key design elements and principles which will improve the visual amenity and cohesiveness of the area; and provide a way through which the area can attain a distinctive identity as a professional medical services area. This DCP applies to residential zoned land outside of Warilla retail centre.

#### **Shellharbour Township Commercial Centre Development Control Plan (1990)**

This DCP focuses on commercial development in Shellharbour Village, and specifically aims for commercial development to be concentrated on Addison Street rather than side streets. The objective of the DCP is to establish architectural guidelines for the 'erection, alteration or renovation of commercial developments which provide a distinctive quality and character for the Shellharbour Township Commercial Centre'.

### **Former School Site, Shellharbour Road, Shellharbour (Tawarra Site) Development Control Plan No.1/92 (1992)**

This plan aims to control development on the former school site on Shellharbour Road near the intersection of Beach Road in Shellharbour, site having regard to the inherent opportunities and constraints of the site. The objectives of the plan are to enable greater flexibility in the potential use of the land, ensuring that development of the land is compatible with surrounding land uses and local planning strategies.

The DCP notes that preferred land use types for the site include low scale tourism related developments, short-stay accommodation, low-scale commercial/office uses (exclusive of high traffic generating businesses), child-minding facilities, and technology centres. The DCP notes that Council will not support multi-unit housing forms, significant permanent residential occupation, subdivision for residential development, nor significant traffic generating developments; as these are considered to be inappropriate land use activities in regards to the overall objectives of the plan.

### **Lake Entrance Road, Blackbutt Development Control Plan No.3/91 (1992)**

This DCP applies to lots 1-3, DP 786327 at the corner of Government Road and New Lake Entrance Road, Blackbutt. The plan aims to encourage commercial and bulky goods development and to minimise any possible adverse impacts of such development upon existing development and traffic movements within the locality by identifying performance standards and controls.

### **Shellharbour City Centre Masterplan (2002)**

The Shellharbour City Centre Masterplan is aimed at providing guidance and direction for the future development of Shellharbour City Centre. It is understood that this Masterplan supersedes the original Shellharbour City Centre Masterplan adopted by Council in December 1998.

Prior to the introduction of this Masterplan, the centre was faced with uncoordinated growth. Specifically, the Masterplan is aimed at creating a defined City Centre – a place with the level of public domain, 24 hour access, amenities and facilities expected of a City Centre. Future features of the City Centre Masterplan include the City's new Central Library, an expansive 5-hectare City Park and recreational areas, continued growth of the "main street" retail and entertainment precinct, and a mix of commercial and residential developments.

### **Shellharbour City Centre Development Control Plan (2001)**

The Shellharbour City Centre Development Control Plan, was adopted to provide the guidelines and controls for development in the City Centre based on the principles defined in the Shellharbour Master Plan.

### **Shellharbour City Centre – Precinct Development Strategies**

The Precinct Development Strategies acts as an advisory document prepared as specified under the Shellharbour City Centre Development Control Plan to support developers, builders, investors etc. in the interpretation of the Masterplan and DCP.

### 3.3 Wollongong LGA Planning Context

This section reviews existing and draft planning strategies for Wollongong LGA covering plan making and rezoning, as well as future development within Wollongong LGA which may impact future retail and commercial development within Shellharbour LGA.

#### **Wollongong Economic Development Strategy (2006)**

The Economic Development Strategy highlighted the following:

- Development within Wollongong LGA over the next 20 years has the potential to increase Wollongong LGAs population by up to 50,000;
- West Dapto will be a planned community, resulting in 20,000 dwellings and 178 hectares of employment land; and
- Development will be staged over 20 years from 2007.

#### **West Dapto Economic & Employment Study Draft (2004)**

The Economic & Employment Study for West Dapto concluded the following:

- Potential new activities at West Dapto will include:
  - Agriculture, hunting and trapping – horticulture and fruit cropping;
  - Manufacturing – Metals, clothing and footwear, non-metallic mineral products, basic metals and products, transport equipment, other machinery and equipment, miscellaneous manufacturing;
  - Distribution and storage – road freight transport, services to transport;
  - Wholesale trade – basic material wholesale; farm produce wholesale; metal product wholesaling; building and construction wholesaling; personal and household good wholesaling; storage;
  - Construction and fabrication – General construction trade services; installation trade services; site preparation services; building structure services; building completion services; and
  - Services – neighbourhood centre retailing; medical and dental provision; aged care health provision; leisure centre; housing types with scope for home based business; primary and secondary schools; childcare; community centres; café/restaurant provision; property and business service local provision; finance (banks/post office) provision; personal service provision (e.g. beauticians, hairdressers etc).

## Wollongong Economic Development Strategy (2006)

The study identified those sectors which offer long term sustainable opportunities for Wollongong and highlighted the following:

### Settlement and land use patterns:

- The report notes that for Shellharbour LGA – population growth and associated residential development has lead to some development in retail and services, plus limited growth in light industrial activity. Recommencement of commercial flights at Illawarra Regional Airport in Albion Park is seeing some aviation related industry agglomerate at the site.

### Economic, Technological, Social and Demographic change:

- Significant population growth is expected over the next two decades as a result of new housing development in West Dapto and Shellharbour LGA.
- Industry and employment trends include:
  - Growth of the service sector;
  - Significant growth of employment in the city centre.
  - Increase in number of commuters to the Sydney metropolitan area;
  - Increase in higher skill level jobs and a contraction in lower skill entry level jobs;
  - Increase in participation of women in the workforce; and
  - Growth in part time and casual work.
- Employment in Wollongong LGA is focussed in the city centre (30%); Port Kembla; Warrawong; Berkeley; North Wollongong; and Dapto.
- Wollongong's population in 2001 was 181,612 representing 70% of the total population of the Illawarra Region.
- Between 1996-2001 employment growth was negative, with Sydney constantly being an employment escape valve.
- Major industries include manufacturing, retail, health and community services, business services and education.

### Regional Development & Prospects:

- The major economic challenge for Wollongong's future is job growth. The LGA needs to ensure job growth in order to cope with the increased labour force generated from a growing regional population (including West Dapto).
- Wollongong needs to enforce its position as a regional services centre.
- Major threat to job growth is infrastructure and lack of funding for infrastructure.
- Wollongong needs to continue as the regional centre for the Illawarra and parts of the South Coast and to have a business base that is linked with domestic and international markets.

- Wollongong needs to focus on major projects, business growth and action on constraints. Major projects include:
  - Revitalisation of the city centre and strengthening of its regional service role;
  - Successful diversification of the Port and development of supporting industries;
  - Success in attracting companies to the Innovation Campus and achieving a staged development of the precinct;
  - City wide LEP modernisation of the city.
- Recommended that in the planning of West Dapto, Council continues to focus on employment lands and developing local jobs in the area, including unlocking employment lands at Kembla Grange
- Recommended that Council initiate a targeted program of promotion of Wollongong as a business location, with this promotion being based on a marketing plan linked to a business/investment attraction strategy to secure new jobs and investment.
- Wollongong faced with constraints on development including a shortage in employment lands, aging infrastructure and a need to revitalise areas of the city centre.
- Wollongong LGA 2030 + 20,000 jobs of which 2,000 plus will be in retail and services

#### West Dapto:

- Major development for Wollongong;
- Development over the next 20 years has the potential to increase Wollongong LGAs population by up to 50,000.
- West Dapto will be a planned community, resulting in 20,000 dwellings and 178 hectares of employment land.
- Development will be staged over 20 years from 2007.

Other town centres are being redeveloped apart from West Dapto, these include Port Kembla, Berkeley and Thirroul. Other signature projects include the Foreshore Masterplan.

#### **Wollongong City Centre Plan (2006)**

The Wollongong City Centre Plan recognises the connection between economic development and the quality of place through redevelopment and improvement of Wollongong City Centre. As such, the Plan is the first step in delivering a city centre which is centred on a strong employment base and promotes Wollongong as the regional centre of the Illawarra Region.

The Plan forecasts that the population of Wollongong LGA is expected to increase by over 52,000 people over the next 25 years, resulting in increased demand for 32,400 new dwellings. The new release area of West Dapto will supply over half of this housing demand, whilst 6,500 dwellings will be required in higher density housing forms in existing established areas.

## 3.4 NSW State Statutory Provisions

For the present study, a brief outline is presented below of the key state planning policies which are relevant to the planning and development of retail and commercial activity in the Shellharbour LGA.

### **State Environmental Planning Policy No.11 – Traffic Generating Development (1985 as amended)**

SEPP 11 provides for consultation with the RTA during the development assessment stage in relation to traffic-generating developments. The trigger for the requirement is based on the type and scale of development proposed. The RTA is provided with the opportunity to make representations regarding a development application before a council decision is made on the proposal.

### **State Environmental Planning Policy No.22 – Shops and Commercial Premises (1987 as amended)**

The Shops and Commercial Premises State Environmental Planning Policy provides controls to permit changes of use from one kind of shop to another or to a commercial premise or one kind of commercial premise to another or to a shop within a business zone. This change of use is still considered to be permissible if the proposed use is prohibited under an environmental planning instrument. Although this can occur, it is still necessary to obtain development consent after the consent authority is satisfied that the change of use will have no, or only minor, environmental effect.

### **Draft State Environmental Planning Policy No. 66 – Integration of Land Use and Transport Policy (2001)**

Draft SEPP 66 identifies a number of planning objectives that are essential to ensuring that appropriate urban structure, building forms, land use locations, development designs, subdivision and street layouts will be achieved. Objectives include improving accessibility to housing, employment and services by walking, cycling and public transport; improving transport choices and reducing car dependence; moderating growth in demand for travel and the distances travelled, especially by car; and supporting the efficient and viable operation of public transport services.

It should be recognised that at present the ILUT package remains Government policy, however as defined in the objectives and actions of the Sydney Metropolitan Strategy (B4.1), Draft SEPP 66 will cease to operate as a draft statutory instrument upon the issuing of new section 117 Ministerial Directions to councils. These will provide advice and guidance regarding where zones for all types of retail and commercial activity are appropriate. It is understood that the issuing of new section 117 Ministerial Directions will not occur in the immediate future, as the preparation of sub-regional studies and the review of existing LEPs is required to be completed first. As such Draft SEPP 66 is still a policy which should be considered in the recommendations and formulation of this employment lands study.

### **Ministerial Direction No. 3 – Business Zones**

This direction should be taken into consideration by each LGA when preparing their new LEPs. This direction applies to all councils and applies when a council prepares a draft LEP that creates, removes or alters a Business Zone boundary or a Business Zone provision.

### **Ministerial Direction No.12 – Development near Licensed Aerodromes**

The objective of this direction is to ensure the effective and safe operation of aerodromes. This includes ensuring development for residential purposes or human occupation within proximity of an aerodrome incorporates mitigation measure so the development is not adversely affected by aircraft noise.

### **Ministerial Direction No. 17 – Integrated Land Use Transport**

This direction should be taken into consideration by each LGA when preparing their new LEPs. This direction applies to all councils and applies when a council prepares a draft LEP that creates, removes or alters a zone or a provision relating to urban land, such as residential, business or industrial purposes.

### **Sydney Metropolitan Strategy (2006)**

The Greater Metropolitan Region contains Sydney, the Central Coast, the Lower Hunter and Illawarra. Direction 2 of DoPs Metropolitan Strategy identifies that the Illawarra and Lower Hunter are independent regions. It specifies that Regional Strategies for the Lower Hunter, Central Coast and Illawarra regions, as well as the Sydney to Canberra corridor should be locally developed. These will set directions for managing growth and change in the regions and will complement the directions for Sydney.

### **Illawarra Regional Environmental Plan No. 1 (1986)**

This plan was gazetted on 11 April 1986 and applies to the following LGA's: Wollongong, Shellharbour, Kiama, Shoalhaven (apart from the area covered by the Jervis Bay REP 1996) and Wingecarribee. It provides a planning and decision making framework to guide the optimum use of land resources, improve quality of life together with defending regional interests and investment.

REP 1 is outdated and will be replaced in the near future as a consequence of the Illawarra Regional Strategy, the draft of which has recently been exhibited. However, until it is replaced, Council must consider the REP's provisions.

### **Illawarra Regional Strategy (2006)**

The original Regional Environmental Plan (REP) that applies to the Shellharbour LGA is the Illawarra Regional Environmental Plan No.1. It is acknowledged that REP 1 is outdated and will be replaced in the near future as a consequence of the Illawarra Regional Strategy, which has recently been finalised.

The Illawarra Regional Strategy (2006-31) as prepared by DoP, should be considered whilst determining a Retail Strategy for the LGA, especially in the identification of specific strategies and guiding principles for commercial/business lands in the area.

The Strategy provides a 25 year land use blue-print across the 3 LGAs of the Illawarra. The Strategy also provides a commercial centre hierarchy for the region. Councils are required to implement mechanisms and controls to protect and support the hierarchy of commercial centres and implement the land use planning principles for employment land. This Retail and Commercial Centres Study by Hill PDA will direct Council in



their implementation of tools to protect, promote and confirm the commercial hierarchy defined in the Regional Strategy for the Illawarra.

The Regional Strategy also identifies that Shellharbour LGA has a shortfall of vacant employment land, which needs to be addressed to encourage small business growth and diversification. The Strategy also requires that Councils implement the Employment Lands Principles (developed through the Employment Lands Strategy process) which have been reviewed in the undertaking of this Retail and Commercial Centres Study.

Direction No. 30 of Section 117 Ministerial Directions refers to the implementation of regional strategies indicating Draft LEPs should be consistent with regional strategies as released by the Minister of Planning. As such, a draft LEP may be inconsistent with the strategy only if Council can satisfy the Department of Planning that the extent of the inconsistency with the regional strategy:

- a) is of minor significance; and
- b) the draft LEP achieves the overall intent of the regional strategy and does not undermine the achievement of its vision, land use strategy, policies, outcomes or actions.

#### **Illawarra and South Coast Employment Lands Strategy (2004-06)**

The NSW Department of Planning together with the Department of State and Regional Development (DSRD), Premiers Department and the Southern Group of Councils, commissioned several expert consultants to assist in the preparation of an employment lands strategy for the Illawarra and South Coast Region. The main purpose of this strategy is to make certain that there will be sufficient employment opportunities for future populations within the region. The region comprises the LGAs of Wollongong, Shellharbour, Kiama, Shoalhaven, Eurobodalla, Bega Valley and Wingecarribee. The Employment Lands Strategy comprises 3 stages as follows:

##### Stage 1 - Illawarra and South Coast Employment Lands Audit, July 2004 (SGS Economics & Planning)

This stage involved the performance of an audit of employment lands in the Illawarra and South Coast Region. The report identifies a profile of the existing employment land supply, including details of developed and vacant land area plus details of land use by industry type.

##### Stage 2 – Illawarra and South Coast Employment Lands Strategy – Economic and Employment Opportunities Study, May 2005 (Diana Gibbs and Partners)

The Stage 2 report by Dianna Gibbs & Partners (DGP) provides an overview of the Study area's current economic and employment situation. The DGP report also developed an employment lands demand assessment model based (ELDAM) on the existing employment profile and anticipated population growth for the Region.

##### Stage 3 – Illawarra and South Coast Employment Lands Study, 2006 (Hill PDA)

This document reports on this final stage of the Illawarra and South Coast Employment Lands Strategy focussing on regional planning issues by:

- Reviewing the existing environmental planning instruments and policies regarding employment lands.

- Developing land use planning and policy options to accommodate future economic activity and optimise the region's ability to facilitate employment generating land uses through the land use planning process.
- Identifying implications for land use planning and regional policy development.

### 3.5 NSW Planning Reform Standard Local Environmental Plan Template

The NSW Planning Reform includes a Standard LEP Template (LEP Template), for each council to adopt when preparing their new Local Environmental Plans (LEPs). The planning template seeks to standardise land use terminology, definitions for uses, provide a standard for permitted uses by zone and a standard nomenclature for town centres including out of centre specialised centres and enterprise corridors. The DoP's aim in developing this LEP Template is to simplify the State's planning system and to modernise local planning controls and make the planning system simpler to understand and use. The recommendations in this report have considered the concepts of the LEP Template and nomenclature of the employment/ industrial lands.

In the development of a retail strategy for the Shellharbour LGA, consideration must be given to the LEP Template - Standard Instrument (Local Environmental Plans) Order 2006, prepared by the DoP.

This section examines the LEP Template, identifying the business land use zones adopted together with the uses permitted within these zones, and compares them to those defined in the Shellharbour LEP (2000).

#### Land Use Zones

The land use zones identified under this LEP Template are as follows:

**Table 10 - Land Use Zones and Zoning Categories – Standard Instrument (Local Environmental Plans) Order 2006 (LEP Template)**

Residential Zones	Rural Zones	Business Zones	Industrial Zones	Special Purpose Zones	Recreation Zones	Environ. Protection Zones	Waterway Zones
R1: General Residential	RU1: Primary Production	B1: Neighbourhood Centre	IN1: General Industrial	SP1: Special Activities	RE1: Public Recreation	E1: National Parks and Nature Reserves	W1: Natural Waterways
R2: Low Density Residential	RU2: Rural Landscape	B2: Local Centre	IN2: Light Industrial	SP2: Infrastructure	RE2: Private Recreation	E2: Environmental Conservation	W2: Recreational Waterways
R3: Medium Density Residential	RU3: Forestry	B3: Commercial Core	IN3: Heavy Industrial	SP3: Tourist		E3: Environmental Management	W3: Working Waterways
R4: High Density Residential	RU4: Rural Small Holdings	B4: Mixed Use	IN4: Working Waterfront			E4: Environmental Living	
R5: Large Lot Residential	RU5: Village	B5: Business Development					
	RU6: Transition	B6: Enterprise Corridor					
		B7: Business Park					

Source: Standard Instrument (Local Environmental Plans) Order 2006

Some key general differences were identified between the existing LGA collection of zoning categories under the Business Zone and those in the LEP Planning Template. The LEP Template differs from the Shellharbour LEP as the Template identifies a Mixed Use zone, Local Centre zone, Commercial Core zone and Enterprise Corridor as zoning categories under the Business Zone.

The LEP Template and Shellharbour LEP are similar in that they both have a Mixed Use and Neighbourhood Business Zone.

It is recommended that for each of the LGA's zoning categories and provisions be revised to take into consideration those identified in the LEP Template, as the application of a common LEP template, common local planning provisions, common definitions and common zones will provide a strong structure to give effect to metropolitan and regional strategies (including the employment lands strategy for the area).

This is not to say that all zonings and provisions defined in the LEP Template should be adopted. The application of appropriate zones as defined in the LEP Template, to the existing business zones of the LGA are identified in Chapter 22.4 of this report.

Assessment of the business based land uses identified as mandatory uses in the LEP Planning Template, revealed the following key observations:

**Table 11 - Permissible Uses under the LEP Template**

	Office Premises	Business Premises	Neighbourhood Shops	Mixed Use Development	Retail Premises	Bulky Goods Premises	Warehouse/ Distribution Centre	Freight Transport Facility
B1 Neighbourhood Centre	NO	YES	YES	NO	NO	NO	NO	NO
B2 Local Centre	YES	YES	NO	NO	YES	NO	NO	NO
B3 Commercial Core	YES	YES	NO	NO	YES	NO	NO	NO
B4 Mixed Use	YES	YES	NO	NO	YES	NO	NO	NO
B5 Business Development	NO	NO	NO	NO	NO	NO	YES	NO
B6 Enterprise Corridor	NO	YES	NO	NO	NO	NO	YES	NO
B7 Business Park	YES	NO	YES	NO	NO	NO	YES	NO
SP3 Tourist	NO	NO	NO	NO	NO	NO	NO	NO
	Take Away Food/ Drink Premises	Food/ Drink Premises	Kiosk	Market	Home Business	Home Occupation	Home Industry	Vehicle Show Room
B1 Neighbourhood Centre	NO	NO	NO	NO	NO	NO	NO	NO
B2 Local Centre	NO	NO	NO	NO	NO	NO	NO	NO
B3 Commercial Core	NO	NO	NO	NO	NO	NO	NO	NO
B4 Mixed Use	NO	NO	NO	NO	NO	NO	NO	NO
B5 Business Development	NO	NO	NO	NO	NO	NO	NO	NO
B6 Enterprise Corridor	NO	NO	NO	NO	NO	NO	NO	NO
B7 Business Park	NO	NO	NO	NO	NO	NO	NO	NO
SP3 Tourist	NO	YES	NO	NO	NO	NO	NO	NO

## 4. RETAIL TRENDS IN SHELLHARBOUR LGA

The pace and dimensions of change in retailing over the past three decades has been dramatic. Fuelled by significant advances in technology, and changes in consumer needs and behaviour, the retail industry has had to innovate and adopt new concepts, strategies and formats. It is evolving into a global high tech business. Entertaining and educational experiences are being integrated. It is generating the emergence of new and increasingly diverse focuses of activity. New forms are being developed - designer warehouses, bulky goods outlets, category specialists, home improvement or “power” centres. The implications for planning and property are becoming increasingly complex.

In this dynamic environment, a comprehensive understanding of retail planning, development and investment is critical. It must embrace an understanding of strategic and local urban planning policy, of environmental sensitivities, movement systems, market dynamics and other factors driving the character of the retail environment.

A complete reliance on the market as a means of ensuring an adequate balance between demand and supply of retail infrastructure may not accord with planning and social objectives. Physical infrastructure may not be effectively utilised, social inequities and other problems may arise. Whilst we can rely on the land use planning system, this must be founded on a sound understanding of economic needs and of the fundamental dynamics of economic change.

In the 1980s, Australian retail floorspace totalled approximately 1.8sqm per person (excluding commercial space and automotive retailing), which was roughly divided equally amongst regional, district and neighbourhood/local centres. Today it is in the order of around 2.0-2.2sqm per person. The dynamic nature of the retail industry is driven largely by the need to anticipate and effectively respond to consumer behaviour, needs and desires. Changing demographics and lifestyles demand that retailers and shopping centres constantly monitor the often subtle shifts and respond accordingly by repositioning their retail offer, presentation and mode of operation.

Some of the key drivers of change in the nature and form of retailing activity include:

- Population and household growth;
- Declining average household size;
- An aging population;
- Increasing part time employment;
- Longer working hours;
- Increasing workforce participation rate;
- Household income; and
- Employment levels.

The combined impacts of continued population growth and demographic change are now being reflected in a rapid increase in the quantum of retail floorspace, and the introduction of new technologies, product designs and more creative retail concepts, strategies, formats and experiences.

The key trends and issues relevant to the present exercise are diverse and complex and include:

- The need for a competition and mix of uses in centres;
- The trends relating to office development in retail centres;

- Deregulation of shopping hours;
- Supermarket size trends;
- The emergence of 'out-of-centre' retailing;
- Increased diversification in retail experiences;
- Development of 'convenience shopping';
- Retention or otherwise of traditional corner stores;
- Emergence of \$2 stores;
- Electronic retailing;
- Residential in commercial areas;
- Need for bulky goods retailing within the LGA.

These are discussed in further detail below.

## 4.1 Need for Competition and a Mix of Uses in Centres

'Mixed use' is a term used to describe a development where there is a combination of residential and commercial uses occurring on the same site. Examples of mixed use development include:

- Mixed use development in the local business zone provides low-rise development consisting of shops on the ground floor with dwelling units above.
- Mixed use development in or around the major commercial area provides high-rise development with commercial uses on the ground floor and dwelling units above.

Mixed use development can be vertical (where the mix of uses occurs on different levels in a building) or horizontal (where the mix of uses occurs within one site) as evidenced in **Shellharbour LGA**. The idea and term 'mixed-use development' is applied to urban development at a variety of different levels. At a large area or sub-regional level it means something very different to that at a local level.

In some areas, shopping centres, business parks and schools need to be developed alongside housing. At a local level, 'mixed use' begins to mean very different things such as small local shops, meeting places, churches, nurseries, doctors' surgeries and small-scale employment centres. All of these things contribute to the quality of life in neighbourhoods.

Mixed use is seen as essential for a number of reasons:

- Different uses create a sense of place, community, life and vibrancy.
- Local people can make the most of the infrastructure by using it in different ways at different times of the day;
- Local people do not need to drive to their nearest facilities, providing health and environmental benefits to local residents through walking and fewer exhaust emissions;

- Residents are not left out of opportunities that may need long-distance travel or that may not be in their local area; and
- Local employment opportunities are available.

The type of non-housing uses that need to be provided as part of a successful housing development will vary with the size of the development, the possible populations, how accessible public transport is, and whether current or planned services and facilities are available.

However, if a mixed use development is not well designed, it can result in land use conflicts and can undermine redevelopment in the long term. For example, if a residential flat building is built over an enclosed shopping centre, it limits the redevelopment, expansion and remodelling potential of the shopping centre in the future.

Different communities choose mixed use development options for different reasons. Some see it as an excellent way to incorporate a mix of housing types on a small scale while enhancing traditional town character. Others see it primarily as a vehicle for revitalizing struggling areas and spurring economic development. Still others use it to create or enhance village centres. Suburban communities in metro areas have identified many benefits of mixed use development. Citizens find that mixed use:

- Spurs revitalisation;
- Encourages high quality design by providing both greater flexibility and more control;
- Preserves and enhances traditional village centres;
- Promotes a village-style mix of retail, restaurants, offices, civic uses, and multi-family housing;
- Provides more housing opportunities and choices;
- May increase affordable housing opportunities;
- Enhances an area's unique identity and development potential (e.g., village centres, locations near bike paths, or "gateway" areas that announce a community's strengths);
- Promotes pedestrian & bicycle travel;
- Reduces auto dependency, roadway congestion, and air pollution by co-locating multiple destinations;
- Promotes a sense of community or sense of place;
- Encourages economic investment;
- Promotes efficient use of land and infrastructure; and
- Embodies "Smart Growth".

Mixed use development is a potential option for those retail centres with higher density residential housing surrounding or within the retail/commercial core. It is recognised that the DoPs Illawarra Regional Strategy encourages higher density residential living around some regional centres, and this may be appropriate for some centres within Shellharbour LGA like the **Shellharbour City Centre, Warilla, Albion Park, Oak Flats** and **Shellharbour Village**. A mixed use approach would benefit these centres in establishing a sense of place or sense of community.

## 4.2 Office Development in Retail Centres

Some shopfront space is occupied by non-retail commercial users and some is vacant. 4% is usually considered to be a healthy vacancy rate. Within the Sydney Metropolitan Area the vacancy rate was around 6.5% in 2004 and non-retail uses occupied a further 16% of shop front space<sup>7</sup>. Hence some allowance for these uses must be made in any forecast of demand for retail space.

In terms of shop front commercial space the easiest method of forecasting demand is to pro-rata growth with retail space. In high trading indoor centres commercial space occupies around 5% to 7% of specialties. In older strip shopping centres the proportion may be as high as 40%, although 20% is more common.

Overall there is a low proportion of commercial space relative to population in **Shellharbour LGA** because there is no substantial commercial precinct. As a result there is a significant migration of workers and retail expenditure out of the local area.

The table below shows the proportion of occupied commercial floorspace within Shellharbour LGA, including that floorspace associated to medical uses, finance services, property services, travel and general commercial services.

**Table 12 - Commercial Office Floorspace in Shellharbour LGA 2007 (sqm/GLA)**

	Shellharbour City	Shellharbour City Out of Centre	Shellharbour Village	Lake Illawarra	Oak Flats	Warilla	Warilla Grove	Barrack Heights	Albion Park	Albion Park South	Albion Park Rail	Albion Park Rail Out of Centre	Neighbourhood Centre	Total LGA
<b>Groundfloor (shop front):</b>														
Retail	43,190	21,678	6,205	540	6,233	5,054	12,812	1,428	7,398	1,960	3,090	15,842	4,571	129,809
Commercial	6,877	-	1,250	-	3,216	6,256	310	3,168	1,873	-	460	630	343	24,383
Entertainment	3,901	-	800	-	-	-	-	-	-	-	-	-	-	4,701
Recreation/Fitness	243	-	360	-	-	-	-	-	117	-	400	-	130	1,440
Vacant	1,871	370	280	1,800	757	303	155	-	110	-	128	4,392	1,255	11,420
<b>Total Groundfloor Space</b>	<b>56,082</b>	<b>22,048</b>	<b>8,895</b>	<b>2,340</b>	<b>10,206</b>	<b>11,613</b>	<b>13,277</b>	<b>4,596</b>	<b>9,498</b>	<b>1,960</b>	<b>4,078</b>	<b>20,864</b>	<b>6,299</b>	<b>171,753</b>
<b>Firstfloor (shop top):</b>														
Commercial	1,500	-	-	-	-	223	-	-	-	-	-	-	-	1,723
Commercial Finance	231	-	-	-	-	453	-	-	77	-	-	-	-	761
Commercial Medical	599	-	112	-	333	297	-	-	-	140	-	-	-	1,481
Commercial Real Estate	-	-	-	-	-	53	-	-	-	-	-	-	-	53
Commercial Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Legal	294	-	-	-	-	104	-	-	-	-	-	-	-	398
Vacant	1,671	-	-	-	-	369	-	-	77	-	-	-	-	2,117
Cafes & Restaurants	-	-	463	-	-	-	-	-	-	-	-	-	-	463
Recreation/Fitness	250	-	-	-	-	415	-	-	154	-	-	-	-	819
<b>Total Firstfloor Space</b>	<b>4,545</b>	<b>-</b>	<b>575</b>	<b>-</b>	<b>333</b>	<b>1,914</b>	<b>-</b>	<b>-</b>	<b>308</b>	<b>140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,815</b>
<b>TOTAL FLOORSPACE</b>	<b>62,665</b>	<b>24,048</b>	<b>11,242</b>	<b>2,340</b>	<b>11,185</b>	<b>15,808</b>	<b>13,837</b>	<b>4,596</b>	<b>11,107</b>	<b>2,100</b>	<b>4,202</b>	<b>25,470</b>	<b>7,049</b>	<b>195,646</b>
Total Commercial	11,172	-	1,362	-	3,549	7,755	310	3,168	2,027	140	460	630	343	30,916
Proportion of total floorspace	17.8%	0.0%	12.1%	0.0%	31.7%	49.1%	2.2%	68.9%	18.2%	6.7%	10.9%	2.5%	4.9%	15.8%

\* Does not include Council's premises. Note the above is based on occupied commercial floorspace. It is recognised that a proportion of vacant space within the LGA may be appropriate for commercial users. Sources: Australian Property Council Shopping Directory and Hill PDA Floorspace Surveys 2007.

From the above table and inspections of the retail centres, the following observations can be made:

- Commercial office accommodation within the LGA largely services the local residents and businesses;

<sup>7</sup> IBECON Data (2004)

- Apart from Council's accommodation and community and government offices in Shellharbour City Centre (e.g. Dept. of Community Services, Dept. of Housing), there appears to be no major landmark or standalone commercial office buildings within the LGA;
- No 'A' grade commercial office space is located within Shellharbour LGA, being high quality modern space with good view/outlooks, quality lobby finishes, and quality access to/from an attractive street environment;
- The above table indicates that in the larger retail centres, commercial floorspace accounts for some 20-50% of total floorspace, which is higher than Sydney Metropolitan Regional Area averages;
- Shop front commercial space is predominantly occupied by real estate agents, banks, travel agents and some medical practitioners and health care providers;
- Shop top commercial space is generally located above a retail tenancy accessed from the street front or from the rear. These premises are predominantly occupied by medical practices, financial services, general office activity and legal services;
- Shop top commercial only makes up 14.3% of all commercial space, with **Warilla** and **Shellharbour City Centre** the predominant locations of such space;
- The majority of office accommodation within the LGA occupies older strip retail tenancies, which would be classified as 'C' or 'D' grade, indicating older styles office space, some of which may be air-conditioned, and some of which is of poor quality. Most are largely in need or refurbishment especially in **Warilla** and **Oak Flats**. This excludes new office suites in Shellharbour City Centre;
- It is noted that all commercial tenancies in **Warilla Grove** are located within the enclosed shopping centre. Some commercial space in **Shellharbour City Centre** and **Albion Park** are also located within enclosed shopping centres; and
- It can be expected that once the Cygnet Avenue development is completed in **Shellharbour City Centre**, as well as the City Plaza development being fully occupied, new quality commercial suites will increase commercial floorspace in the City Centre. Therefore it will be most likely that any new commercial services wishing to relocate or establish in the LGA will chose Shellharbour City Centre over other areas like **Warilla**, **Oak Flats** or **Barrack Heights**.

There has also been an increase in the number of commercial properties arising in new industrial precincts in Shellharbour and surrounding LGAs like Wollongong, with several industrial lots having a 50/50 commercial/industrial component. Although the majority of land is being utilised for industrial purposes the bulk of industrial units have some form of commercial office suites attached.

However, these commercial components play an ancillary office role and as such remain related to the attached industry. This trend reflects the changing nature of industry, whereby industrial accommodation requires higher ancillary office components to previously.

### 4.3 Deregulation of Shopping Hours

While most forms of retail activity located in centres now operate with extended hours, the most significant impact of deregulated shopping hours has been on the trading patterns of supermarkets. Late-night trading seven days a week and in some cases twenty four hour trading in supermarkets, has largely been a response



to the growth in food expenditure captured by convenience stores operating on a twenty four hour basis (Seven Eleven etc.). The table below shows trading hours for main anchor tenants in the Stockland Shellharbour:

**Table 13 - Trading Hours of Stockland Shellharbour\***

Store	Weekday	Thursday	Saturday	Sunday
Stockland Centre	9.00 - 5.30	9.00 - 9.00	9.00 - 4.00	10.00 - 4.00
Bi Lo	7.00 - 9.00	7.00 - 9.00	7.00 - 7.00	8.00 - 7.00
Coles	6.00 - 10.00	6.00 - 10.00	6.00 - 10.00	8.00 - 10.00
Target	9.00 - 5.30	9.00 - 9.00	9.00 - 5.00	9.00 - 5.00
Kmart	9.00 - 5.30	8.00 - 9.00	8.30 - 5.30	10.00 - 4.00

\* As at Jan. 2007. Source: Stockland Shellharbour.

The above table indicates that the trend of weeknight late trading is evidenced in **Shellharbour City Centre**, even though the particular shopping centre in which anchor tenants are located does not trade past normal business hours (except for Thursdays). This trend is further evidenced in the operating times of other comparable centres:

**Table 14 - Comparable Supermarket Daily Closing Times\***

Centre	Woolworths	Coles	Franklins	ALDI	IGA
Shellharbour City Centre	7.30am - 10pm			9am - 7pm	
Barrack Heights					7am - 7pm
Warilla	7.30am - 9pm				
Albion Park	7.30am - 10pm				
Wollongong	7.30am - 10pm			9am - 7pm	
Dapto		6am - midnight		9am - 7pm	
Corrimal		6am - midnight			
Kiama	7.30am - 10pm				
Warrawong		6am - midnight			
Woonona			7am - 9pm		

\* As at Jan. 2007. Sources: Hill PDA Floorspace Surveys 2006 and various supermarket websites.

The above table indicates that both larger and smaller supermarkets have extended their daily trading hours, resulting in a blurring of the hierarchical distinction in function between centres, as supermarkets in Shellharbour City Centre for example, which trade with extended hours, compete more directly with more traditional local convenience stores in other parts of the LGA, like specialty food stores along Princes Highway in **Albion Park Rail**, and the Welcome Mart Supermarket in **Oak Flats**.

The physical location of centres is therefore critical in ensuring that the higher order centres do not monopolise the market and a role is maintained for easily accessible small local centres or convenience stores. The broader spread of shopping hours also appears to be significantly flattening the peaks in trading patterns.

## 4.4 Trends in Supermarket Sizes

Paralleling the deregulation of trading hours has been a trend towards the development of larger supermarkets. The table below shows the floorspace of comparable supermarkets within or surrounding Shellharbour LGA:

**Table 15 - Floorspace of Supermarkets in proximity to Shellharbour LGA 2006 (sqm/GLA)**

	Woolworths	Coles	Franklins	ALDI	BiLo	IGA
Shellharbour City Centre	4,370	3,846		1,400	2,752	
Barrack Heights						333
Warilla Grove	4,379				2,399	
Albion Park	3,200					

	Woolworths	Coles	Franklins	ALDI	BiLo	IGA
Kiama	3,118					
Dapto	4,158	5,525		1,500		
Unanderra	6,724					
Woonona			2,100			
Warrawong	2,179	4,395				
Tullimbar						800-1,000

Sources: Australian Property Council Shopping Directory and Hill PDA Floorspace Surveys 2007

In most cases the impacts can be seen in lower prices and increased product ranges for households within Shellharbour LGA. However, this trend has placed considerable pressure on the ability of strip retail centres like **Oak Flats** and **Albion Park Rail** to compete, leading to consequential impacts often being reflected in a decline in their long term sustainability.

Planning policies therefore need to be framed to ensure that supermarkets remain competitive in neighbourhood centres as well as district centres to maintain an acceptable level of access for regular food shopping.

A spin-off of the trend towards larger main line supermarkets is an increase in the number of smaller supermarket operators. It is these supermarkets which form the core or anchor for modern neighbourhood centres, further reinforcing the need for planning policies to balance district and neighbourhood level food shopping.

It's understood that **Stockland Shellharbour** is considering an expansion to their premises. Many of these expanding and new centres, generally adopt the newer fully enclosed retail "big box" model, and are all consolidating their already significant market presence; generating significant pressure on smaller supermarkets located in the traditional street based centres to initiate plans to expand also in order to maintain market share.

Apart from large supermarkets there has been a recent trend with the introduction of discount supermarkets, such as ALDI and Bi-Lo. These supermarkets have largely been established for more price conscious rather than convenience conscious consumers. These supermarkets have established themselves in all levels of the hierarchy from regional to neighbourhood centres, and even outside town centres (usually on major roads to attract passing trade as well as local trade). This is being witnessed in Shellharbour LGA through the Aldi supermarket in **Shellharbour City Centre** located in between Stockland Shellharbour, and the Shellharbour Super Centre which contains a Woolworths Supermarket.

## 4.5 Increased Diversification in Retail Experience

Traditionally retailing has followed a hierarchy from regional through district to small neighbourhood centres. With the introduction of the discount department store in the mid 1960s, however a wave of new centre development and expansion was spawned. Since then, ever larger indoor shopping centres have and continue to be developed. Today, centres covering in excess of 70,000sqm of floorspace are commonplace.

The table below shows total floorspace attributable to shopping centres in or surrounding Shellharbour LGA.

**Table 16 - Shopping Centre Floorspace (GLA) in or Surrounding Shellharbour LGA (sqm)\***

Centre	Retail Anchors	Specialties	Commercial	Other	Total GLA
Stockland Shellharbour	22,885	13,232	4,140	-	40,257
City Plaza Shellharbour	7,643	3,057	4,930	-	15,630
Albion Park Village	3,200	1,537	-	833	5,570
Warilla Grove	6,778	5,061	-	-	11,839
Shellharbour Super Centre	12,132	9,150	-	-	21,282
Wollongong Central	19,462	12,708	811	2,570	35,551
Dapto Mall	4,158	1,837	-	-	5,995
Kiama Fair Shopping Centre	3,118	2,008	-	-	5,126

\* As at 2006. Sources: Australian Property Council Shopping Directory and Hill PDA Floorspace Surveys 2007

**Crown Street Mall** in Wollongong and **Wollongong Central**, as well as **City Plaza Shellharbour** all provide entertainment facilities mainly in the form of cinemas. They also provide such services as car washes and kids' entertainment zones. These centres are emerging as significant destinations for large populations of people. They are encroaching into the trade areas of smaller centres and in turn reducing their sustainability.

Increasingly these centres are diversifying the retail experience with the incorporation of multiple food courts, in-centre cinemas, family entertainment centres, larger supermarkets, department stores (David Jones, Myer), and other major tenants. Some are incorporating community facilities such as libraries, child care centres, "market squares" or piazzas, and community meeting rooms. Mini-majors and category killers are playing an increasing anchor role, as well as lifestyle areas being introduced, with examples being Toys R Us, Freedom, Borders, JB Hi-Fi, Dick Smith Powerhouse, House & Garden, Home Storage, etc.

Supermarkets venturing into petrol are one of the more recent trends seen in the Australian supermarket and grocery industry. While Woolworths had been offering shoppers cheap fuel since 1996 without any opposition, the fuel discount market changed dramatically when Coles Myer made a deal with Shell. Suddenly, cheap petrol was the norm, and if a supermarket was not offering it, then it was at the retailer's peril. This petrol war has continued, with Woolworths and Caltex arranging an exclusive deal to combat the Coles Myer-Shell alliance<sup>8</sup>.

## 4.6 Development of Convenience Shopping

A recently emerging trend in retailing has been the development of convenience shopping facilities. These are centred on the concept of quick, convenient shopping, meeting the needs of workers travelling home by car and consumers who prefer to spend less time shopping for food and grocery shopping and other weekly needs.

One dimension of this trend is a focus on 'convenience community centres', which are usually dominated by a supermarket to meet daily and weekly shopping needs, and supported by a range of specialty shops such as butcher, fruit shop, liquor shop, take-away food, video rental and petrol station. These centres are distinguished by a dependence on commuters making their way home and hence located to enable convenient access and parking (e.g. any Woolworths Marketplace<sup>9</sup>).

<sup>8</sup> Australian Centre for Retail Studies, The Australian Supermarket & Grocery Industry ACRS Secondary Research Report –2004

<sup>9</sup> Woolworths Marketplaces have developed in recent times. These are enclosed buildings anchored by a supermarket with around 5-10 specialty stores with at grade car parking in front of the building.

Another dimension has been the emergence of ‘convenience service centres’, often centred on petrol stations adjacent to main highways (e.g. those retail outlets located along Princes Highway, **Albion Park Rail**). These offer a range of groceries and fast foods which typically occupy a floor area of around 100-300sqm and rather than being a primary destination for food and grocery shopping; they seek to meet the needs of ‘just-in-time’, impulse shoppers. Often they collocate with operators such as McDonalds Family Restaurant, KFC, Quix, BP Shop, etc.

In some cases these outlets take the form of “front of centre/car park” including drive through retailing. The concept is for the car parking to have strong visual exposure to the main road enabling shoppers to clearly see available parking before entering.

## 4.7 Retention of the Traditional Corner Stores

Corner shops and convenience stores have a number of things in common. They sell similar goods, are generally the same size, and are both convenient to residential areas. Notwithstanding these similarities, there are various differences as well. Differences include<sup>10</sup>:

- Style and volume of the building – corner stores are typically the same as adjacent residential structures, whilst convenience stores are generally not compatible in scale or design with surrounding housing.
- Store relation to the street – corner stores front the street and are typically at the intersection of two streets. Convenience stores tend to be oriented towards cars rather than pedestrians.
- Ownership – corner shops tend to be owned and operated locally with the owner typically being the operator of the shop. Convenience stores are usually part of a franchise operation (e.g. 7 Eleven) and the owner is rarely the operator of the store.
- Neighbourhood acceptability – corner shops are often seen as a welcome addition to a neighbourhood, a social centre. Convenience stores, in contrast, can be sometimes viewed less favourably by residential communities, the reason why convenience stores aren’t readily seen in suburban neighbourhoods.

It is apparent that many of those premises identified as Neighbourhood Centres in **Shellharbour LGA** and are typically less than 1,500sqm, served this purpose in the past. These corner store sites have mostly been surrounded by a few specialty food or non-food stores, with a small component of street parking provided for local customers.

In time however, location constraints, as well as competition from larger centres or expanding established centres, have resulted in these corner store sites losing significant trade and proving no longer viable to service the surrounding residential population. In most cases, within Shellharbour LGA most of these sites are poorly located and with no passing trade. Whilst they are surrounded by residential communities, they lack convenience to capture a trade area sufficient to make them viable.

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<sup>10</sup> Woolworths Marketplaces have developed in recent times. These are enclosed buildings anchored by a supermarket with around 5-10 specialty stores with at grade car parking in front of the building.

Studies indicate there is a general acceptance that corner shops are important features of a neighbourhood, limiting unnecessary driving to get convenience goods. Resurgence in interest in corner stores can be attributed to New Urbanism<sup>11</sup>.

Trends in New Urbanism have resulted in developers instigating corner stores in new developments as they limit auto use, provide residents with daily grocery items, and encourage social bonds in the community. Therefore some corner stores are treated by developers as a club house or entrance feature (e.g. **Shell Cove** and **Newington Estate** in Sydney's Greater Metropolitan Area).

## 4.8 Out of Centre Retailing

A prominent trend to emerge over the past two decades has been the development of out of town centres. These are most often characterised by activities which have a primary orientation to bulky goods retailing, activities which require larger floor areas and lower rent structures than those found in traditional centres. Although furnishings, lighting and other home related merchandise have and continue to remain the primary focus of retailing, the range of activities has become more diversified.

Increasingly they are embracing several category specialists, or 'category killers', which provide an extensive range and depth of competitively priced merchandise within a single market segment (e.g. IKEA, Officeworks, Bunnings, Toys R Us, BabyCo, etc). Also factory outlets and clearance centres, which integrate warehousing with retail space, are also recent occupants of space in these out of town centres. Increasingly they are becoming destination shopping venues, offering a substantial range of merchandise at more competitive prices than can be offered by traditional department, discount department and specialty stores, with resulting impacts on the overall sustainability of traditional centres.

More recently there has been other retail store types attracted to "out of centre" locations including discount variety stores such as The Warehouse Group, fast foods and convenience stores.

Out of centre retailing has and continues to have significant impacts on the structure and dynamics of urban systems, especially within **Shellharbour LGA** along Princes Highway in **Albion Park Rail**, and as witnessed when Shellharbour Super Centre was developed in **Shellharbour City Centre**. In particular, these impacts are being felt in traditional nodes of retail activity, which are now experiencing a loss in trade. The impacts are also being seen in the way in which transport infrastructure is used with out of town centres most often being removed from public transport infrastructure and dependent efficient car access.

## 4.9 Need for Bulky Goods Retailing in the LGA

Bulky goods retailing is often described as low cost / high bulk retail goods and ancillary products. Retailers of these goods and products have identified financial benefits in lower occupancy costs and economies of scale outside of established high-rent and high-cost retail centres.

Bulky goods retailing first appeared as showrooms attached to distribution and warehousing industries. Over time bulky goods strip retailing and centres have attracted a number of furniture, appliance retailers and hardware stores such as Harvey Norman, Domayne, Bing Lee, BabyCo, Bunnings, bedding shops, lighting shops, etc.

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<sup>11</sup> Stipe & Oldham, 'The Role of Corner Stores in Neighbourhood Liveability', Diversity: Planning Congress, Adelaide 2003

Bulky goods can take the form of strip retailing along a major highway (e.g. Parramatta Road Auburn, Mulgoa Road Penrith, King Street Warrawang and The Entrance Road Erina). Alternatively it can be in a stand alone building or “power centre” such as Tuggerah Supacentra, Moore Park Supacentra and Auburn Mega Mall.

More recently there have been non-bulky goods retailers attracted to these peripheral locations including for example The Warehouse Group which is a discount variety store, video rental stores, large liquor stores, and factory outlets. Fast foods (such as McDonalds, Pizza Hut and KFC) and highway based convenience stores have also located in bulky goods precincts.

There are various clusters of bulky good retailers within Shellharbour LGA being the **Shellharbour Super Centre** (10,962sqm) in Shellharbour City Centre and **Central Business Park** (11,148sqm) in Albion Park Rail. Any other bulky goods retailing occurs along strip retail locations such as **Lake Entrance Road** in Shellharbour City Centre (1,916sqm), adjacent to Warilla Grove Shopping Centre on **Shellharbour Road** (486sqm), along Princes Highway in **Albion Park Rail** (810sqm), and along **Central Avenue** in Oak Flats (638sqm).

## 4.10 Electronic Retailing

Electronic retailing (also called e-tailing and internet retailing) is a retail format in which the retailer and customer communicate with each other through an interactive electronic network. This industry is an extension of the traditional Retail Trade division in Australia. Operators in this industry conduct their business exclusively via electronic shopping sites, mail-order houses and online auction sites. Operators retail an extensive range of products including books, software/hardware, music goods, groceries, holidays, entertainment/leisure goods, clothing, etc<sup>12</sup>.

These products are purchased from domestic manufacturers and wholesalers. Operators then retail these goods, through their Internet sites (i.e. online), via mail-order houses (i.e. catalogue) or via online auction sites to consumers. These goods are purchased by consumers for private or business use. This industry excludes those enterprises which operate primarily as traditional retailers (i.e. via stores with a physical shopfront and staff to serve consumers).

In March 2006, the Sydney Morning Herald stated that online spending by Australians grew by over 30% in December 2005 quarter in the wake of businesses using the internet as a cost-effective selling tool. When compared with the fact that, even in 2004, 20% of Australian families were going online for more than 50% of their banking, it is clear that the online presence of the majority of Australian people is increasing. The increase is evidenced by the fact that internet sales are no longer just made up of large ticket items such as travel and accommodation, but is being used more and more for everyday purchases.

Electronic retailing is thus generally considered to have substantial growth potential. But this will be dependent on whether or not it can and is perceived to provide superior benefits over existing retail formats. The critical benefit that electronic retailers can offer is the opportunity for consumers to search across a broad range of alternatives, develop a smaller set of alternatives based on their needs, and get specific information about alternatives they want.

The type of merchandise sold by electronic retailers depends on delivery costs, the consumers need for immediacy; and the degree to which electronic retailers can provide purchase information that helps customers

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<sup>12</sup> IBIS Market Research, Electronic Shopping and Mail-Order Houses in Australia, Jan 2007.

determine whether they will be satisfied with the purchase. It is in this respect that the influence of electronic retailing on the nature and form of retailing should be considered.

Significantly it is giving rise to increased pressure on “bricks and mortar” retailing activity to seek and adopt new concepts, strategies, formats and experiences. It is also increasing pressure to develop new supply chain networks which enable rapid and efficient movement of goods. This is now evident in the development of large new warehouse distribution centres adjacent to major transport infrastructure.

## 4.11 Home Based Business

Employment generation is no longer simply a matter of attracting large companies, but rather attracting mobile workers who run their own businesses or subcontract their labour from home.

A 2004 study undertaken for the Department of Planning<sup>13</sup> indicated that in 2001, the share of total Sydney employment which was home-based had increased from 3.95% in 1996 to 4.1% in 2001. In 2001, the study indicated 3% of the workforce in Wollongong LGA worked at a home-based business.

Furthermore, there is evidence that the proportion of home based employment is continuing to increase under the combined influences of existing firms encouraging employees to increase the proportion of time they spend working at home, and the ‘out sourcing’ of services by many larger firms. Both are creating opportunities for home based businesses.

The capacity to increase the proportion of home based businesses relates to the capacity to implement various strategic initiatives. We have identified the following principles relevant to the promotion of home based businesses:

### 1. Target the groups known to choose home business

Only a minority of people choose their housing with a view to its suitability for home based employment. Indeed, few people take up home employment (especially if they do so as a result of the loss of a job) at the same time as they move house. It will therefore be important to make the development attractive to those groups that are most likely to choose to take up home based employment. It is also important to recognise that for many of these people, working from home may be a future option rather than as an immediate choice. Many will initially wish to treat their home based work as a hobby or part time activity. Flexibility is therefore important.

Available evidence suggests that a choice to work from home is most often made by people setting up their own businesses (rather than by outworkers). This is the section of the population that should be targeted by the Shellharbour LGA development. We anticipate that the key fields for home based business include:

- Creative industry – painting, glass blowing, glass staining, dress making, pottery, fashion design, writing, architecture, etc;
- Professionals – including accountants, IT consultants, web designers, etc;
- Retail – including crafts, assembled computers, etc;
- Professional suites – including general practitioner, dentist, acupuncturist, etc; and

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<sup>13</sup> SGS Economics & Planning, Sydney's Economic Geography: Trends & Drivers, 2004

- Teleworking – or virtual offices as part of a larger corporation.

There may be particular promise in appealing to:

- Entrepreneurial young adults, who may appreciate proximity to a university and to transport, and the availability of rental housing; and
- People with existing home business (which may be in unsuitable premises in surrounding areas).

## **2. Provide premises suitable as home or home/business**

It is important that any accommodation designed to appeal to home based workers should be equally suitable as residential accommodation, for the following reasons:

- People will move to the area primarily because it offers well located, suitable residential accommodation rather than simply because it offers particular scope for home employment; and
- Many people will move to accommodation which offers the option of home based employment in future, utilising space which can be readily put to residential use in the meantime.

## **3. Minimise obstacles**

The most significant obstacles to home based employment quoted by Business Support Centres and by research are regulatory barriers, particularly those imposed by Councils.



## 5. EXISTING SUPPLY OF FLOORSPACE

An important objective of any retail strategy is to achieve the right level of shop front retail and commercial floorspace. An undersupply of floorspace creates the following problems:

- It undermines the objective of residents having the widest possible range of shopping opportunities and commercial services;
- It undermines the objective of providing quantity, quality and convenience for consumers;
- It results in considerable expenditure escaping the LGA to other areas;
- It results in longer travel times for shopping and increased car use; and
- It results in increased congestion, parking difficulties and loss of convenience.

An oversupply of shop front retail and commercial floorspace results in:

- High vacancies, low rents and neglect of retail centres;
- Inefficient use of land and other resources; and
- An uninviting appearance and ambience with lack of users.

In many cases an oversupply of shop front space occurs as a result of intense competition in the retail industry with competitors trying to be first. In high growth areas oversupply is only a short term problem. However in areas of stagnant population growth, oversupply is an issue that is more difficult to address.

Hill PDA undertook a floorspace survey in order to assess existing retail and commercial shop front space within retail centres in the LGA. In discussion with Council, this was to include all sites within existing and established retail centres and neighbourhood centres, as well as any out of centre retailing zones, corner store sites, sites with existing use rights, or retailing from industrial areas.

Supply of retail floorspace is measured by analysing the number of stores and the amount of floorspace (square metres).

Floorspace is measured by lettable area (the area leased or potentially leased to a store operator and includes back of house storage and office) and excludes common areas, plant rooms and loading docks.

In the case of indoor centres such as Stockland Shellharbour, it includes the area leased to the shop owners but excludes common areas, car parking, toilets, plant rooms, fire egress, etc.

## 5.1 Existing Retail & Commercial Floorspace

The floorspace survey revealed an estimate total floor area as follows:

**Table 17 - Total Floorspace in Shellharbour LGA by Retail Store Type 2007 (sqm)**

	Shellharbour City	Shellharbour City Out of Centre	Shellharbour Village	Lake Illawarra	Oak Flats	Warilla	Warilla Grove	Barrack Heights	Albion Park	Albion Park South	Albion Park Rail	Albion Park Rail Out of Centre	Neighbourhood Centre	Total LGA
Supermarket	7,998	4,370	-	-	360	-	6,778	333	3,200	-	-	-	523	23,562
Convenience Store	-	-	90	-	133	100	-	-	-	140	-	-	587	1,050
Serv. Station Conven.	-	200	-	-	100	-	235	-	300	-	100	400	-	1,335
Discount Depart. Store	15,259	-	-	-	-	-	-	-	-	-	-	-	-	15,259
Specialty Food	1,393	1,150	507	-	556	325	1,887	1,045	1,292	-	1,039	220	540	9,954
Specialty Non Food	4,986	2,300	1,125	-	803	1,267	2,109	-	703	1,120	128	725	230	15,496
Clothing	5,355	-	903	-	572	125	620	-	230	140	120	204	-	8,269
Cafes & Restaurants	2,508	700	2,138	-	423	690	-	50	365	-	165	1,250	230	8,519
Take Away Food	2,058	-	202	180	520	799	-	-	418	420	357	150	1,188	6,292
Personal Services	1,795	80	1,703	180	1,319	1,419	374	-	596	140	182	80	1,190	9,058
Second Hand Goods	219	-	-	-	809	329	323	-	154	-	189	-	-	2,023
Bulky Goods	1,619	12,878	-	180	638	-	486	-	140	-	810	12,813	83	29,647
Vacant Retail	1,871	370	280	1,800	757	303	155	-	110	-	128	4,392	1,255	11,421
<b>Total Retail</b>	<b>45,061</b>	<b>22,048</b>	<b>6,948</b>	<b>2,340</b>	<b>6,990</b>	<b>5,357</b>	<b>12,967</b>	<b>1,428</b>	<b>7,508</b>	<b>1,960</b>	<b>3,218</b>	<b>20,234</b>	<b>5,826</b>	<b>141,885</b>
Commercial - General	5,167	-	180	-	912	986	-	50	154	-	-	630	343	8,422
Commercial - Finance	1,642	-	517	-	511	1,110	155	-	398	-	150	-	-	4,483
Commercial - Medical	1,870	-	386	-	1,436	3,703	-	3,098	1,030	140	120	-	-	11,783
Commercial - Real Estate	-	-	279	-	399	893	-	-	110	-	190	-	-	1,871
Commercial - Travel	259	-	-	-	68	-	155	20	118	-	-	-	-	620
Commercial - Legal	563	-	-	-	223	694	-	-	140	-	-	-	-	1,620
Commercial - Vacant	1,671	-	-	-	-	369	-	-	77	-	-	-	-	2,117
<b>Total Commercial</b>	<b>11,172</b>	<b>-</b>	<b>1,362</b>	<b>-</b>	<b>3,549</b>	<b>7,755</b>	<b>310</b>	<b>3,168</b>	<b>2,027</b>	<b>140</b>	<b>460</b>	<b>630</b>	<b>343</b>	<b>30,916</b>
Entertainment	3,901	-	800	-	-	-	-	-	-	-	-	-	-	4,701
Recreation/Fitness	493	-	360	-	-	415	-	-	271	-	400	-	130	2,069
Hotel	-	-	1,280	-	-	-	560	-	972	-	-	-	-	2,812
Automotive	1,815	1,500	147	-	-	851	-	-	99	-	62	500	-	4,974
Wholesale/Homemaker	223	500	-	-	-	-	-	-	230	-	62	4,106	-	5,121
Utility	-	-	-	-	-	1,326	-	-	-	-	-	-	-	1,326
Community	-	-	345	-	646	104	-	-	-	-	-	-	300	1,395
Other	-	-	-	-	-	-	-	-	-	-	-	-	450	450
<b>Total Other</b>	<b>6,432</b>	<b>2,000</b>	<b>2,932</b>	<b>-</b>	<b>646</b>	<b>2,696</b>	<b>560</b>	<b>-</b>	<b>1,572</b>	<b>-</b>	<b>524</b>	<b>4,606</b>	<b>880</b>	<b>22,848</b>
<b>TOTAL FLOORSPACE</b>	<b>62,665</b>	<b>24,048</b>	<b>11,242</b>	<b>2,340</b>	<b>11,185</b>	<b>15,808</b>	<b>13,837</b>	<b>4,596</b>	<b>11,107</b>	<b>2,100</b>	<b>4,202</b>	<b>25,470</b>	<b>7,049</b>	<b>195,649</b>

Notes: Personal services include hair and beauty salons, photo processing, dry cleaners, tailors, key cutters, opticians and video rentals. Commercial refers to shop front commercial users such as real estate agents and banks. It excludes stand alone commercial buildings and business estates. Sources: Australian Property Council Shopping Directory and Hill PDA Floorspace Surveys 2007.

The above table indicates total letable floorspace in Shellharbour LGA centres and out-of-centre retail outlets amount to 195,650sqm, of which 141,690sqm is occupied by retailers. Total commercial floorspace is approximately 30,920sqm or 16% of total floorspace.

Note personal services include hair and beauty salons, photo processing, dry cleaners, tailors, key cutters, opticians and video rentals. Commercial refers to shop front commercial users such as real estate agents and banks. It excludes stand alone commercial buildings and business estates.

The table below shows floorspace attributed to ground floor shopfronts as separated from first floor floorspace.

**Table 18 - Shop Front vs. First Floor Floorspace in Shellharbour LGA 2007 (sqm)**

	Shellharbour City	Shellharbour City Out of Centre	Shellharbour Village	Lake Illawarra	Oak Flats	Warilla	Warilla Grove	Barrack Heights	Albion Park	Albion Park South	Albion Park Rail	Albion Park Rail Out of Centre	Neighbourhood Centre	Total LGA
<b>Groundfloor (shop front):</b>														
Retail	43,190	21,678	6,205	540	6,233	5,054	12,812	1,428	7,398	1,960	3,090	15,842	4,571	129,809
Commercial	6,877	-	1,250	-	3,216	6,256	310	3,168	1,873	-	460	630	343	24,383
Entertainment	3,901	-	800	-	-	-	-	-	-	-	-	-	-	4,701
Recreation/Fitness	243	-	360	-	-	-	-	-	117	-	400	-	130	1,440
Vacant	1,871	370	280	1,800	757	303	155	-	110	-	128	4,392	1,255	11,420
<b>Total Groundfloor Space</b>	<b>56,082</b>	<b>22,048</b>	<b>8,895</b>	<b>2,340</b>	<b>10,206</b>	<b>11,613</b>	<b>13,277</b>	<b>4,596</b>	<b>9,498</b>	<b>1,960</b>	<b>4,078</b>	<b>20,864</b>	<b>6,299</b>	<b>171,753</b>
<b>Firstfloor (shop top):</b>														
Commercial	1,500	-	-	-	-	223	-	-	-	-	-	-	-	1,723
Commercial Finance	231	-	-	-	-	453	-	-	77	-	-	-	-	761
Commercial Medical	599	-	112	-	333	297	-	-	-	140	-	-	-	1,481
Commercial Real Estate	-	-	-	-	-	53	-	-	-	-	-	-	-	53
Commercial Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Legal	294	-	-	-	-	104	-	-	-	-	-	-	-	398
Vacant	1,671	-	-	-	-	369	-	-	77	-	-	-	-	2,117
Cafes & Restaurants	-	-	463	-	-	-	-	-	-	-	-	-	-	463
Recreation/Fitness	250	-	-	-	-	415	-	-	154	-	-	-	-	819
<b>Total Firstfloor Space</b>	<b>4,545</b>	<b>-</b>	<b>575</b>	<b>-</b>	<b>333</b>	<b>1,914</b>	<b>-</b>	<b>-</b>	<b>308</b>	<b>140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,815</b>
<b>Other Space:</b>														
Hotel	-	-	1,280	-	-	-	560	-	972	-	-	-	-	2,812
Automotive	1,815	1,500	147	-	-	851	-	-	99	-	62	500	-	4,974
Wholesale/Homemaker Industries	223	500	-	-	-	-	-	-	230	-	62	4,106	-	5,121
Utility	-	-	-	-	-	1,326	-	-	-	-	-	-	-	1,326
Community	-	-	345	-	646	104	-	-	-	-	-	-	300	1,845
Other	2,038	2,000	1,772	-	646	2,281	560	-	1,301	-	124	4,606	450	16,078
<b>TOTAL FLOORSPACE</b>	<b>62,665</b>	<b>24,048</b>	<b>11,242</b>	<b>2,340</b>	<b>11,185</b>	<b>15,808</b>	<b>13,837</b>	<b>4,596</b>	<b>11,107</b>	<b>2,100</b>	<b>4,202</b>	<b>25,470</b>	<b>7,049</b>	<b>195,646</b>
Total Commercial	11,172	-	1,362	-	3,549	7,755	310	3,168	2,027	140	460	630	343	30,916
Proportion of total floorspace	17.8%	0.0%	12.1%	0.0%	31.7%	49.1%	2.2%	68.9%	18.2%	6.7%	10.9%	2.5%	4.9%	15.8%

Notes: Personal services include hair and beauty salons, photo processing, dry cleaners, tailors, key cutters, opticians and video rentals. Commercial refers to shop front commercial users such as real estate agents and banks. It excludes stand alone commercial buildings and business estates. Sources: Australian Property Council Shopping Directory and Hill PDA Floorspace Surveys 2007.

The table above indicates that shopfront floorspace accounts for some 171,750sqm of floorspace within the LGA, of which 76% (129,810sqm) is attributed to retail stores, and 14% (24,380sqm) to commercial floorspace. Of the 7,815sqm of shop top floorspace, only 57 % (4,416sqm) is attributed to commercial floorspace.

## 5.2 Existing Businesses

The survey also indicated the number of business in the LGA as follows.

**Table 19 - Number of Establishments in Shellharbour Retail Centres by Retail Store Type 2007**

	Shellharbour City	Shellharbour City Out of Centre	Shellharbour Village	Lake Illawarra	Oak Flats	Warilla	Warilla Grove	Barrack Heights	Albion Park	Albion Park Rail	Albion Park South	Albion Park Rail Out of Centre	Neighbourhood Centre	Total LGA
Supermarket	3	1	-	-	1	-	2	-	1	-	-	-	2	10
Convenience Store	-	-	1	-	1	1	-	-	-	-	1	-	4	8
Service Station Conven. Store	-	2	-	-	1	-	3	-	3	1	-	4	-	14
Discount Department Store	2	-	-	-	-	-	-	-	-	-	-	-	-	2
Specialty Food	12	2	5	-	4	2	10	1	8	5	-	2	3	54
Specialty Non Food	38	2	10	-	8	10	10	-	5	1	2	2	2	90
Clothing	28	-	8	-	3	1	4	-	2	1	1	1	-	49
Cafes & Restaurants	9	2	13	-	4	4	-	1	2	1	-	3	1	40
Take Away Food	19	-	2	1	5	5	-	-	4	2	3	1	8	50
Personal Services	16	1	11	1	11	11	3	-	4	2	1	1	8	70
Second Hand Goods	2	-	-	-	2	2	1	-	1	1	-	-	-	9
Bulky Goods	3	7	-	1	3	-	1	-	1	3	-	2	1	22
Vacant Retail Stores	10	1	3	6	3	3	1	-	1	1	-	5	-	34
<b>Total Retail Stores</b>	<b>142</b>	<b>18</b>	<b>53</b>	<b>9</b>	<b>46</b>	<b>39</b>	<b>35</b>	<b>2</b>	<b>32</b>	<b>18</b>	<b>8</b>	<b>21</b>	<b>29</b>	<b>452</b>
Commercial - General	11	-	1	-	6	9	-	1	1	-	-	4	2	35
Commercial - Finance	12	-	3	-	3	10	1	-	3	1	-	-	-	33
Commercial - Medical	10	-	3	-	11	11	-	2	6	1	1	-	-	45
Commercial - Real Estate	-	-	3	-	2	6	-	-	1	2	-	-	-	14
Commercial - Travel	2	-	-	-	1	-	1	1	1	-	-	-	-	6
Commercial - Legal	2	-	-	-	2	6	-	-	1	-	-	-	-	11
Commercial - Vacant	3	-	-	-	-	2	-	-	1	-	-	-	-	6
<b>Total Commercial Suites</b>	<b>40</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>25</b>	<b>44</b>	<b>2</b>	<b>4</b>	<b>14</b>	<b>4</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>150</b>
Entertainment	1	-	1	-	-	-	-	-	-	-	-	1	-	3
Recreation/Fitness	2	-	1	-	-	1	-	-	4	1	-	1	2	12
Hotel	-	1	1	-	-	-	1	-	1	-	-	1	-	5
Automotive	2	2	1	-	-	1	3	-	1	1	-	8	-	19
Wholesale/Homemaker Industries	1	1	-	-	-	-	4	-	2	1	-	10	-	19
Utility	-	-	-	-	-	1	-	-	-	-	-	-	-	1
Community	-	-	2	-	4	1	-	-	3	-	-	1	1	12
<b>Total Other</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>8</b>	<b>-</b>	<b>11</b>	<b>3</b>	<b>-</b>	<b>22</b>	<b>3</b>	<b>71</b>
<b>TOTAL NO. BUSINESSES</b>	<b>188</b>	<b>22</b>	<b>69</b>	<b>9</b>	<b>75</b>	<b>87</b>	<b>45</b>	<b>6</b>	<b>57</b>	<b>25</b>	<b>9</b>	<b>47</b>	<b>34</b>	<b>673</b>

Notes: Personal services include hair and beauty salons, photo processing, dry cleaners, tailors, key cutters, opticians and video rentals. Commercial refers to shop front commercial users such as real estate agents and banks. It excludes stand alone commercial buildings and business estates. Sources: Australian Property Council Shopping Directory and Hill PDA Floorspace Surveys 2007.

The above table indicates a total number of 673 businesses operating in retail or commercial accommodation within Shellharbour LGA. The results show Shellharbour City Centre as the most popular business hub, followed by Warilla, Oak Flats and Shellharbour Village.

Further analysis of retail and commercial floorspace, as well as the types of businesses located in each centre are provided in the following sections of this report.

## 5.3 Accessibility of Centres

Shellharbour LGA is serviced by trains as a part of the NSW City Rail network, and a bus system serviced by regional bus company Premier Illawarra.

Currently the bus system is a far more effective method of transport around the LGA as there are only two train stations which service the area, being in Albion Park Rail and Oak Flats.

The road network serviced by Premier Illawarra covers the entire Shellharbour LGA with routes travelling directly through some of the retail and commercial centres like Central Avenue Oak Flats, Tongarra Road Albion Park, and Addison Street Shellharbour Village.

Shortcomings of the bus network are that currently the buses largely only service main roads, with many neighbourhood centres and residential pockets not being adequately serviced.

The south-coast railway line passes through Oak Flats and Albion Park Rail. The line is more significant for Wollongong and suburbs north of Wollongong which are now populated by a considerable number of commuters to Sydney. Currently there are 37 services each way between Sydney Central and Kiama each weekday.

It is understood that a new railway station is proposed at Flinders to replace Dunmore railway station (though not Dunmore crossing loop). The new station is closer to residential areas. By comparison, Dunmore has and continues to have very little residential development surrounding the station.

Adequacy of car parking at each retail centre is examined within each individual centres analysis.

## 6. SHELLHARBOUR CITY CENTRE

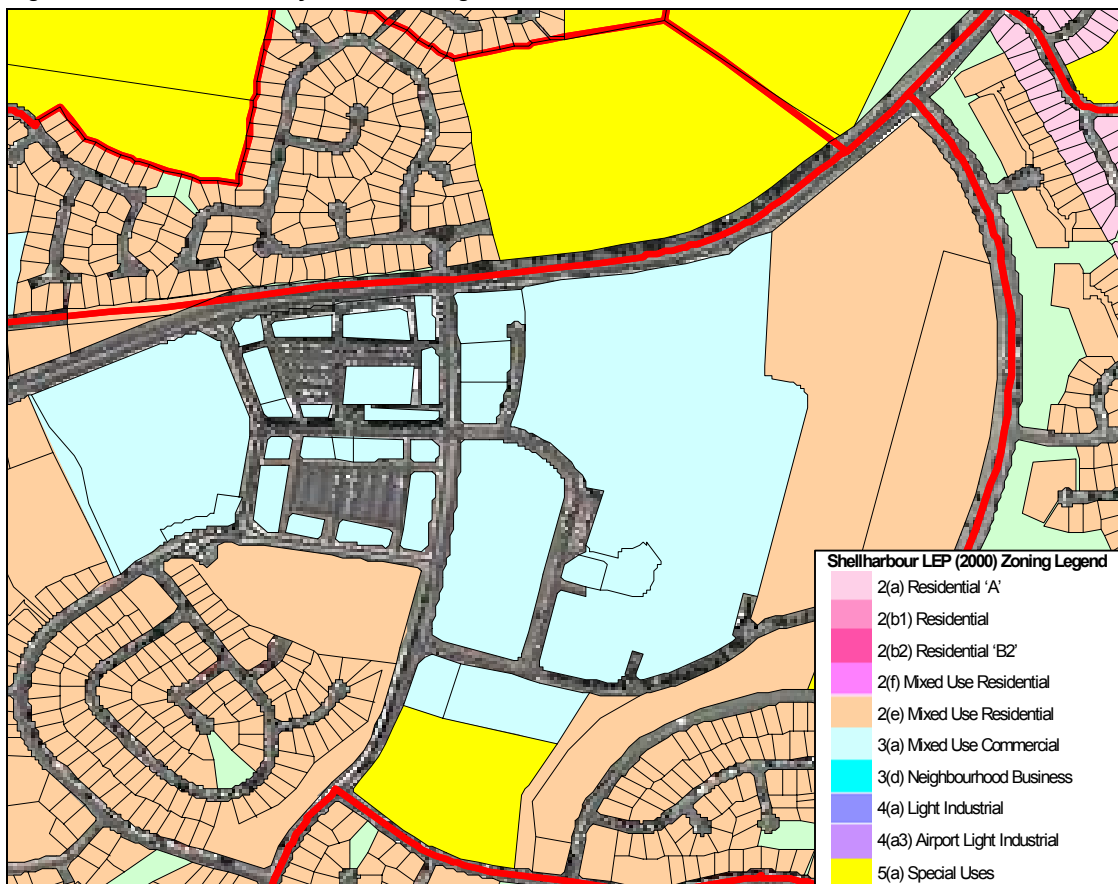
### 6.1 Location

Shellharbour City Centre, the newest urban area in the LGA, came out of the need for a central retail, commercial and civic centre. The city centre is located in the geographic heart of the urban area just south-west of Warilla, adjacent to Barrack Heights, and east of Albion Park Rail and Albion Park. South of the City Centre is Flinders and south-east is Shell Cove and Shellharbour Village. The retail precinct of Shellharbour City Centre is focussed around Stockland Shellharbour, Lamerton Crescent, Main Street, City Plaza, and Cygnet Avenue.

### 6.2 Identification of Existing Zoning

The map below shows the current zoning of Shellharbour City Centre as identified in Shellharbour LEP (2000).

**Figure 2 - Shellharbour City Centre Zoning**

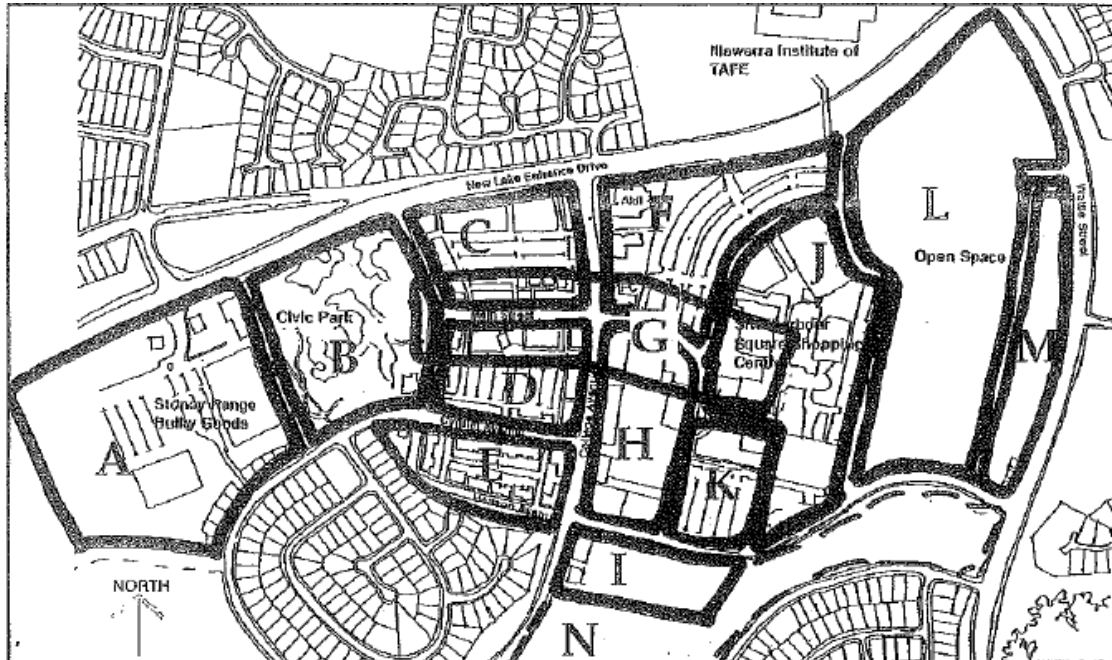


Source: Shellharbour LEP 2000 Zoning Extract and Mapinfo

## 6.3 Identification of Retail Core

The Shellharbour City Centre Masterplan<sup>14</sup> (2002) identified 14 precincts that make up Shellharbour City Centre as identified below.

**Figure 3 - Shellharbour City Centre Masterplan Precincts**



Source: Shellharbour City Centre Masterplan (2002)

Refer to Shellharbour City Centre Masterplan and Development Control Plan for provisions.

<sup>14</sup> Shellharbour City Centre Masterplan (Amendment 1), Annand Alcock Urban Design, July 2002



**Figure 4 - Shellharbour City Centre Retail Core**

Source: Shellharbour City Centre Masterplan (2002)

## 6.4 Key Socio-Demographic Characteristics

The table below outlines the key socio-demographic characteristics for the catchment area of Shellharbour City Centre based on the 2001 ABS Census.

**Table 20 - Shellharbour City Centre Socio-Demographic Characteristics 2001**

Population and Dwellings	
Total Population	3,045
Total Dwellings	1,094
Occupied Private Dwellings	1,024
Occupied Private Dwellings (%)	93.6%
Average Household Size	3.0

Source: ABS Census, 2001

The demographics for Shellharbour City Centre are taken from the derived suburb of Blackbutt. It is important to note that there are only a small number of dwellings in Blackbutt and Shellharbour City Centre, reflective of the positioning of the City Centre as a commercial and retail hub. The population and dwelling size has no significant impact on Shellharbour City Centre given its position in the retail hierarchy as the major commercial and retail centre for the LGA.

## 6.5 Role & Function

Shellharbour City Centre is the business and commercial centre of Shellharbour City, with Council's administration building having located to the area from Warilla in 1991.



The City Centre is defined as a Major Regional Centre under the DoPs Illawarra Regional Strategy (2006-31) and is the largest retail centre in the LGA. Due to Shellharbour City Centre being relatively young, Council is endeavouring to ensure new retail and commercial development will enforce the identification of the centre as the focus of retail, commercial and civic activity in the LGA. The Regional Strategy recognises the City Centre should have a concentration of mid to high density living, professional services, specialised shops and associated warehousing, transport and logistics. It will be the focal point for the subregional road and transport networks by servicing numerous districts.

That retail and commercial offer in the City Centre has the ability to pull trade from across the LGA; however its immediate catchment area for everyday shopping includes Oak Flats, Barrack Heights and parts of Mt Warrigal, Albion Park Rail, and Flinders.

## 6.6 Retail & Commercial Mix

Total lettable floorspace in the precinct is equivalent to some 62,665sqm. The City Centre includes an older enclosed shopping centre (Stockland Shellharbour), as well as the recently developed City Plaza which sees the centre return to traditional main street urban design principles. The table below indicates the retail floorspace and types of retail businesses associated with Shellharbour City Centre.

**Table 21 - Shellharbour City Centre Floorspace**

Shop Use	GLA (sqm)	No. Businesses
Supermarket	7,998	3
Convenience Store	-	-
Discount Depart. Store	15,259	2
Specialty Food	1,393	12
Specialty Non Food	4,986	38
Clothing	5,355	28
Cafes & Restaurants	2,508	9
Take Away Food	2,058	19
Personal Services	1,795	16
Second Hand Goods	219	2
Bulky Goods	1,619	3
Vacant Retail	1,871	10
<b>Total Retail</b>	<b>45,061</b>	<b>142</b>
Commercial - General	5,167	11
Commercial - Finance	1,642	12
Commercial - Medical	1,870	10
Commercial - Travel	259	2
Commercial - Legal	563	2
Commercial - Vacant	1,671	3
<b>Total Commercial</b>	<b>11,172</b>	<b>40</b>
Entertainment	3,901	1
Recreation/Fitness	493	2
Automotive	1,815	2
Wholesale/Homemaker	223	1
<b>TOTAL FLOORSPACE</b>	<b>62,665</b>	<b>188</b>

The main attraction to the centre is the 40,257sqm Stockland Shellharbour indoor shopping centre on Lake Entrance Road. The shopping centre is located adjacent to Council's administration building and within close proximity to the 15,630sqm City Plaza development on Main St and College Avenue. Between City Plaza and

Stockland are a few strip retail tenancies (along Holm Place and Lamerton Crescent), including a 1,400sqm Aldi Supermarket.

Commercial users in Shellharbour City Centre account a total of 11,172sqm of floorspace, of which 1,671sqm was vacant at the time of survey. The majority of the vacant commercial space was located within the relatively new City Plaza development. Apart from the usual local services such as finance (1,642sqm), medical (1,870sqm) and legal (563sqm), there is 5,167sqm of floorspace associated to community services. This includes the offices of the Department of Community Services, Centrelink, Department of Housing, and various employment services. The Roads & Traffic Authority is also located in the City Centre, as is NRMA.

Stockland Shellharbour, built in 1982, was bought by Stocklands from previous owners in 2003. The centre is a fully enclosed shopping mall on a 13.50ha site, and last went under major refurbishment in 1999. Accounting for a total of 40,257sqm, the shopping centre is anchored by five major retailers including: Kmart (8,088sqm), Target (7,171sqm), Coles (3,846sqm), BiLo (2,752sqm), and Best & Less (1,028sqm). The centre also includes 117 specialty shops (13,323sqm), and various commercial tenancies. The centre provides 2,048 open car bays and 300 enclosed car spaces.

For the 12 months to September 2005, Stockland Shellharbour reported a maximum annual turnover (MAT) of \$201.5million<sup>15</sup> equating to \$6,053/sqm. By comparison Stockland Nowra trades at a MAT of \$7,529/sqm and Warilla Grove is approximately trading at \$7,197/sqm.

Given the strong residential dwelling growth in the region (further expanded in Section 20 of this report) clearly Stockland Shellharbour can expand and operate viably. The desire to expand may come from threats of expansion of other retail centres – particularly by other developments in the City Centre and retail development in Wollongong and Kiama.

Should expansion go ahead, on a whole it will be beneficial for the City Centre as it will draw dollars away from neighbouring local government areas. In particular it will capture some expenditure that currently escapes Shellharbour LGA, primarily to Wollongong.

A study by Leyshon Consulting in 1998 investigated land use demand for the Shellharbour Town Centre. The study concluded that total floorspace demand which could be attracted to the Shellharbour City Centre across the period 1998 to 2016 is estimated to be some 22,911sqm (1,877sqm food for home; 1,823sqm other food; 4,119sqm clothing related; 14,523sqm household and recreation; and 569sqm personal services). Total retail floorspace in Shellharbour City Centre today (45,060sqm) exceeds that predicted in the Leyshon study for 2016. Further analysis of demand through expenditure modelling (see Section 21 of this report), will identify the level of demand for existing floorspace and any under or over supply of floorspace in the City Centre.

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<sup>15</sup> SCN, Little Guns 2005, Vol. 23, No. 5, 2005

## 6.7 Public Car Parking

The table below indicates restricted public car spaces (hourly limits) available for retail shoppers within the Shellharbour City Centre.

**Table 22 - Shellharbour City Centre Car Parking**

Location	Enclosed	Open
Stockland Shellharbour*	300	2,048
Cygnnet Avenue*		280
City Plaza (incl. Main Street)**		358
South of Council Building*		357
Holm Place (incl. Aldi)*		100
<b>TOTAL</b>	<b>300</b>	<b>3,143</b>

\* Off street parking.

\*\* Off street and on street parking.

## 6.8 Proposed Development

The Cygnnet Centre, a commercial office and retail development (around 3,000sqm GLA), is to be located on a currently vacant site opposite City Plaza between Main Street and Cygnnet Avenue. Sale and lease pre-commitments are currently being sought. The development has views across Lake Illawarra and the northern Illawarra. The Centre will allow for a variety of small and medium businesses to be accommodated by a variety of retail and commercial tenants. Floor plates are flexible (90-1,000sqm), with the following development mix:

**Table 23 - Cygnnet Centre, Lot 4 Cygnnet Ave, Shellharbour City Centre**

Unit	GLA (sqm)	Detail
Unit C4, first floor	1,040	Commercial - whole building includes 25-30 commercial/retail car spaces
Unit C3, first floor	93	Retail/commercial - for sale/lease
Unit C2, first floor	96	Retail/commercial - for sale/lease
Unit C1, first floor	145	Retail/commercial - for sale/lease
Unit C5, first floor	135	Retail/commercial - for sale/lease
Unit B1, basement	125	Retail/commercial - for sale/lease
Unit R4, ground floor	320	Retail/commercial - for sale/lease
Unit R3, ground floor	230	Retail/commercial - for sale/lease
Unit R2, ground floor	170	Retail/commercial - for sale/lease
Unit R1, ground floor	125	Retail/commercial - for sale/lease
Unit R5, ground floor	400	Retail/commercial - for sale/lease
Unit R6, ground floor	135	Retail/commercial - for sale/lease

Source: Martin, Morris & Jones, Jan. 2007

Retail rents quoted for the Cygnnet Centre are \$285-\$325/sqm net, with retail spaces ranging from 125-400sqm. Outgoings for these spaces are roughly quoted at \$50/sqm on top of these rates. Commercial rents for this development range from \$200-\$240/sqm.

## 6.9 Performance

Shellharbour City Centre is still relatively young but has become the LGA's major retail and commercial centre. The Shellharbour City Centre dominates retail and commercial activity to the south of Lake Illawarra. At a regional level the main competitor is Westfield Warrarong. At a more local level, the main competitor is Warilla Grove.

It is understood that Stockland Shellharbour is proposing to expand by an additional 30,000sqm. Stockland Shellharbour competes somewhat with smaller centres like Warilla Grove, and more with larger centres such as Warrawong. It also competes with Dapto and will compete even stronger with Dapto when Dapto expands into a major centre. The desire for Stockland Shellharbour to expand is expected so as not to have its competitors expanding and capturing an increasing share of its household expenditure.

Discussions with local agents indicated that the current market is relatively buoyant, with a good level of enquiry. Many small business owners are currently looking to purchase within the Cygnet Centre, with demand for this centre largely driven by owner occupiers. There have been numerous off the plan sales for the development which is a strong sign that people are confident with the local area.

Tenants attracted to the area are mainly looking for retail shops more so than commercial suites, which is a trend also reflected in Wollongong. However, there has been some enquiry into the first floor commercial suites in the Cygnet Centre. The types of tenants/business owners looking at this space include travel agents, restaurants, cafes and hairdressers.

The Shellharbour City Economic Opportunity Study<sup>16</sup> (2000) was a consequence of the local community identifying the need for more local jobs and investment in the City Centre. Given this, Council identified that additional research should be undertaken to determine how this could be most appropriately achieved. The study conducted face to face interviews with managers of all businesses in the City Centre.

The study made the following observations with regard to doing business in the City Centre:

- Traffic congestion and access difficulties, along with safety concerns, and the exit of big business from the area, were considered the main factors restricting businesses in the City Centre.
- Other factors identified included too much direct competition in the area, lack of qualified local labour and lack of public transport.
- The retail industry is well defined in Shellharbour LGA and with the development of the City Centre across the next few years, it will potentially generate a short term oversupply of retail businesses.
- As the City Centre develops, businesses will be required to service a broader population base and demand and supply will level out. Also with the increase in population, businesses from other sectors (i.e. professional services) will be attracted to the City to service the broader residential base, and will reduce the percentage of retail businesses to total businesses.

As such, Shellharbour City Centre should be planned in a way which will further foster a commercial, retail, and civic heart for the LGA into the future.

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<sup>16</sup> Shellharbour City Economic Opportunity Study, Melissa Nobes, October 2000

# 7. WARILLA GROVE

## 7.1 Location

Whilst the Illawarra Regional Strategy, as well as Shellharbour LEP (2000), identifies Warilla Grove as being part of the Warilla retail centre, it is recognised that the suburb of Warilla has two separate retail/commercial clusters. One of which is the enclosed Warilla Grove Shopping Centre in the north of the suburb (corner of Shellharbour Road and Veronica Street), and the other being that strip retail located on George Street with surrounding shops located on Shellharbour Road and Lake Entrance Road.

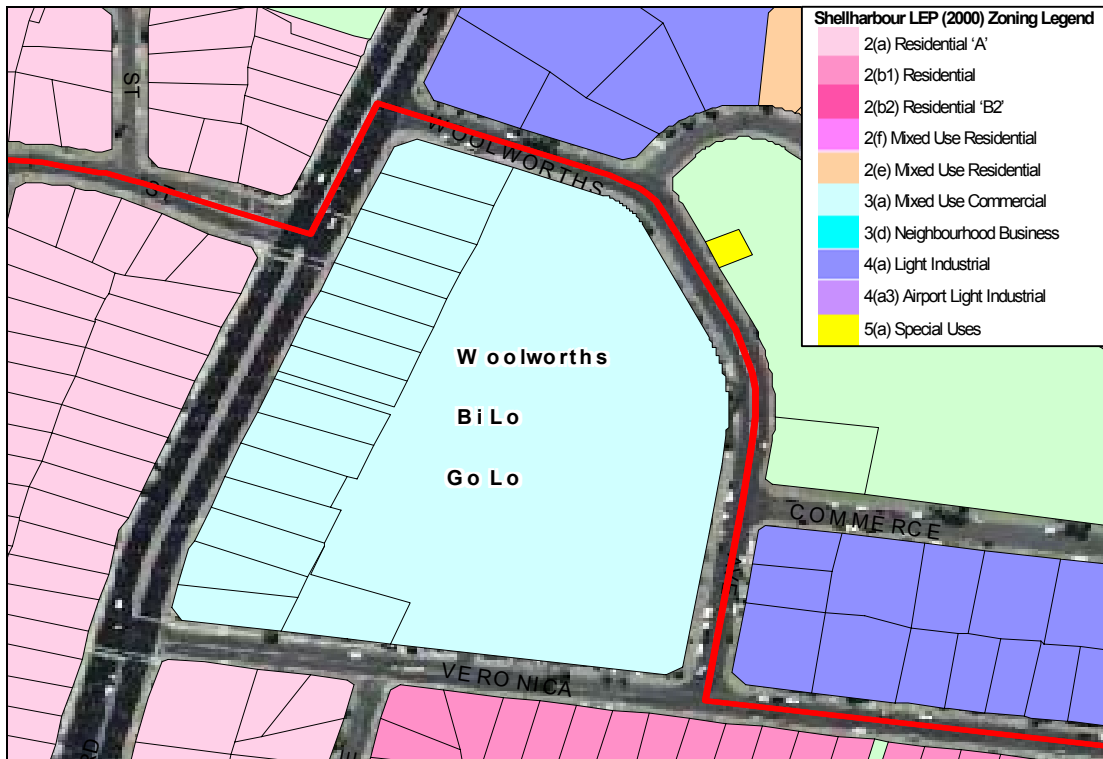
For the purpose of this study, Warilla Grove Shopping Centre has been separated from the traditional strip retailing along George Street. Due to the considerable distance between these two retail clusters, and given the differing retail and commercial services they offer, these two centres have different trade areas. As a result, Warilla Grove is analysed in this chapter whilst Warilla strip retail is further examined in Section 12 of this report.

Warilla Grove Shopping Centre is located within the suburb of Warilla. The Warilla Grove retail precinct is located on the corner of Shellharbour Road and Veronica Street.

## 7.2 Identification of Existing Zoning

The map below shows the current zoning of Warilla Grove as identified in the Shellharbour LEP (2000).

**Figure 5 - Warilla Grove Zoning**



Source: Shellharbour LEP 2000 Zoning Extract and Mapinfo

## 7.3 Identification of Retail Core

The aerial photo below identifies the retail core of the Warilla Grove retail precinct.

**Figure 6 - Warilla Grove Retail Core**



## 7.4 Role & Function

Warilla Grove's trade area covers Lake Illawarra, Warilla, parts of Barrack Heights and Barrack Point. With no large supermarket in the south-east of the LGA, it is possible that Warilla is capturing some expenditure from Shellharbour Village due to easy access along Shellharbour Road. There is possibly some capture of expenditure from outside the LGA, via Windang (in Wollongong LGA); although it's expected that most expenditure from Windang would go to Warrawong.

## 7.5 Retail & Commercial Mix

Total letable floorspace in the Warilla Grove retail precinct is equivalent to some 13,840sqm of floorspace (excluding the hotel). The table below indicates the retail floorspace and types of retail businesses associated with Warilla Grove and the immediate surrounding area.

**Table 24 - Warilla Floorspace**

Shop Use	GLA (sqm)	No. Businesses
Supermarket	6,778	2
Convenience Store	-	-
Service Station Conven. Store	235	3
Discount Depart. Store	-	-
Specialty Food	1,887	10
Specialty Non Food	2,109	10
Clothing	620	4
Cafes & Restaurants	-	-
Take Away Food	-	-
Personal Services	374	3
Second Hand Goods	323	1
Bulky Goods	486	1
Vacant Retail	155	1
<b>Total Retail</b>	<b>12,967</b>	<b>35</b>
Commercial - Finance	155	1
Commercial - Travel	155	1
<b>Total Commercial</b>	<b>310</b>	<b>2</b>
Hotel	560	1
Automotive	-	3
Wholesale/Homemaker	-	4
<b>TOTAL FLOORSPACE</b>	<b>13,837</b>	<b>45</b>

Warilla Grove Shopping Centre is an enclosed shopping mall of some 11,840sqm, with 31 specialty shops and two anchor tenants being Woolworths (4,379sqm) and BiLo (2,399sqm) supermarkets. The single level centre was built in 1969, is currently owned by a private investor, and was last refurbished in 2000.

Some retail and hotel facilities are located along Shellharbour Road and Woolworths Avenue surrounding the shopping centre, being the 720sqm Warilla Hotel (with bottle shop and TAB), 486sqm Bing Lee, 241sqm Aussie Rooster Chicken Takeaway Restaurant, and 323sqm Mission Australia second hand store.

Some light industrial land exists opposite Warilla Grove Shopping Centre along Woolworths Avenue and Commerce Drive, however no retailing/wholesaling or commercial uses appear to operate from these locations.

## 7.6 Public Car Parking

556 car spaces are located at Warilla Grove Shopping Centre, of which 134 are enclosed. An additional 40 spaces are provided in surrounding retail premises.

It appears that these car spaces are sufficient to accommodate retail customers to the centre, given surrounding pad sites and retail tenancies do not rely on parking at Warilla Grove Shopping Centre for their patrons.

## 7.7 Performance

Whilst Warilla Grove would have been the first enclosed shopping centre in the LGA, it would have experienced much tougher competition after Stockland Shellharbour was originally opened as Shellharbour Square in 1982.

In 2000, Warilla Grove expanded to accommodate a second 2,250sqm Franklins supermarket (now BiLo). The reason for the expansion was that the centre had experienced some loss of trade since the expansion of Stockland Shellharbour in 1998/9. As such, the owner was seeking to make Warilla more competitive in line with this increased competition.

The reported moving annual turnover of Warilla Grove Shopping Centre for the year to 31 July 2006 was \$85.2million<sup>17</sup>, therefore trading at \$7,197/sqm, up from \$6,583/sqm in 2004. The average trade for this type of shopping centre is generally less than \$6,000/sqm.

Considering the age of Warilla Grove Shopping Centre, and its tired appearance, the centre is trading considerably well given increasing competition from Stockland Shellharbour and expansion of the Shellharbour City Centre.

However, the trade area of Warilla Grove is not growing, and may in fact contract once retail/commercial accommodation is developed in Shell Cove and expanded in Shellharbour City Centre. Even though Warilla Grove is fairly convenient for commuters, the area is fairly built out, both in terms of residential and commercial development, without many options for expansion. As such, demand for expansion is not there in the short to medium term, due to its location between Shellharbour City Centre, and Warrawong. At 58,284sqm, the Westfield's Shopping Centre at Warrawong has a larger proportion of retail/commercial floorspace than Shellharbour City Centre, even before strip retail tenancies and floorspace associated with Warrawong's large bulky goods precinct are added.

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<sup>17</sup> Shopping Centre News, Mini Guns 2006, Vol. 24, No. 4, 2006



# 8. ALBION PARK

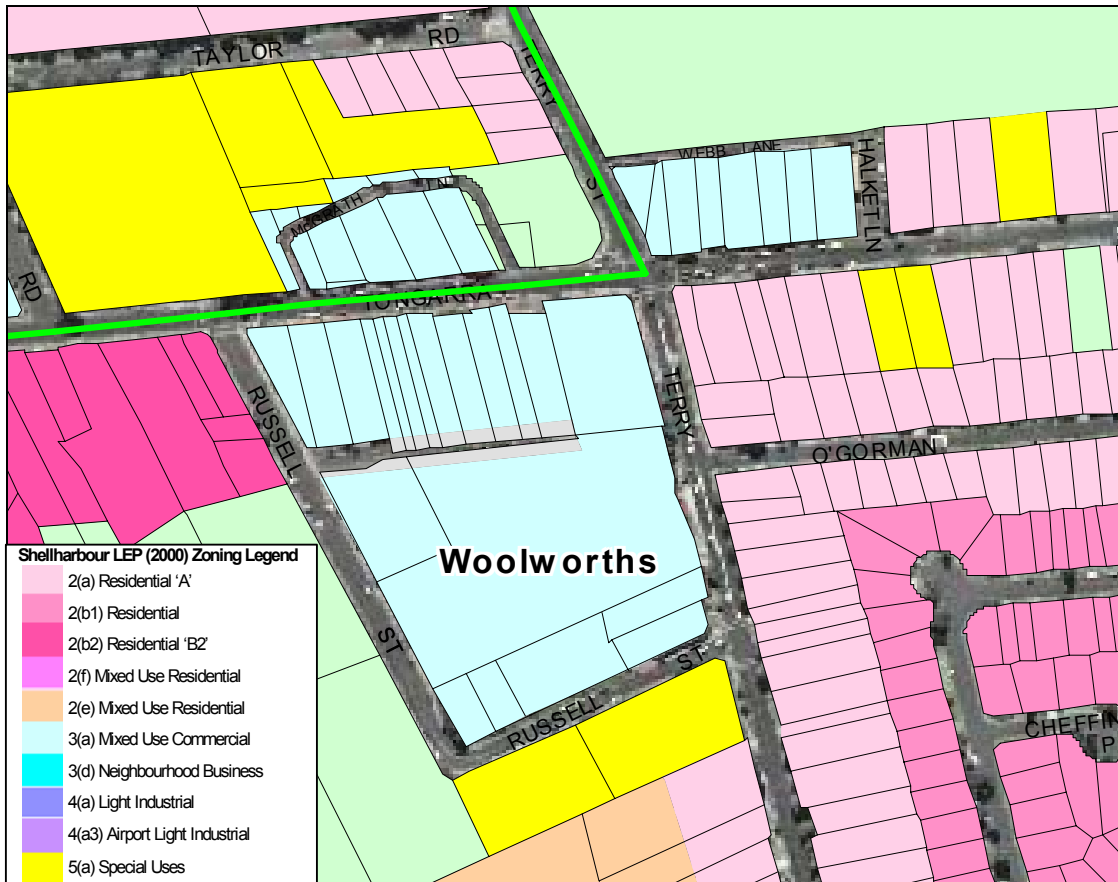
## 8.1 Location

Albion Park is a suburb of Shellharbour LGA located to the west of Albion Park Rail, Shellharbour City Centre and Oak Flats. The Albion Park retail precinct is focussed along Tongarra Road and Terry Street.

## 8.2 Identification of Existing Zoning

The map below shows the current zoning of Albion Park as identified in the Shellharbour LEP (2000).

**Figure 7 - Albion Park Zoning**



Source: Shellharbour LEP 2000 Zoning Extract and Mapinfo

## 8.3 Identification of Retail Core

The aerial photo below identifies the retail core of the Albion Park retail precinct.

**Figure 8 - Albion Park Retail Core**



## 8.4 Key Socio-Demographic Characteristics

The table below outlines the key socio-demographic characteristics for the catchment area of Albion Park based on the 2001 ABS Census.

**Table 25 - Albion Park Socio-Demographic Characteristics 2001**

Population and Dwellings	
Total Population	10,473
Total Dwellings	3,430
Occupied Private Dwellings	3,305
Occupied Private Dwellings (%)	96.4%
Average Household Size	3.2

Source: ABS Census, 2001

## 8.5 Role & Function

Albion Park is defined as a Major Town under DoPs Illawarra Regional Strategy (2006-31). The Regional Strategy recognises that Albion Park has undergone change in recent years and is now of a substantial size.

However, further growth and expansion of the centre, including ongoing revitalisation along the established shopping precinct may be required to cater for future growth.

## 8.6 Retail & Commercial Mix

Total letable floorspace in the Albion Park retail precinct equals some 8,806sqm (excluding the hotel, automotive retailers and wholesalers). The retail precinct stretches some 1.8km along Tongarra Road from the Old Courthouse (at the intersection of Stapleton Avenue), to Albion Park Primary School and the RSL (at the intersection of Hamilton Road).

The NSW Rural Fire Service has a station in Albion Park, as does the Illawarra Health Service, both of which are located on Tongarra Road, along with the historical Centenary Hall. Public sport and recreation facilities, which include a public pool and associated swim school, are located on Russell Street.

The table below indicates the retail floorspace and types of retail businesses associated with Albion Park.

**Table 26 - Albion Park Floorspace**

Shop Use	GLA (sqm)	No. Businesses
Supermarket	3,200	1
Convenience Store	-	-
Service Station Conven. Store	300	3
Discount Depart. Store	-	-
Specialty Food	1,292	8
Specialty Non Food	703	5
Clothing	230	2
Cafes & Restaurants	365	2
Take Away Food	418	4
Personal Services	596	4
Second Hand Goods	154	1
Bulky Goods	140	1
Vacant Retail	110	1
<b>Total Retail</b>	<b>7,508</b>	<b>32</b>
Commercial - General	154	1
Commercial - Finance	398	3
Commercial - Medical	1,030	6
Commercial - Real Estate	110	1
Commercial - Travel	118	1
Commercial - Legal	140	1
Commercial - Vacant	77	1
<b>Total Commercial</b>	<b>2,027</b>	<b>14</b>
Recreation/Fitness	271	4
Hotel	972	1
Automotive	99	1
Wholesale/Homemaker	230	2
Community	-	3
<b>TOTAL FLOORSPACE</b>	<b>11,107</b>	<b>57</b>

The main attraction to the Albion Park retail precinct is the 5,570sqm Albion Park Village Shopping Centre, accessed from Terry Street. Other anchor tenants to the precinct include the 972sqm Albion Park Hotel on the corner of Terry Street and Tongarra Road.

Retail users in Albion Park account for some 7,508sqm of floorspace. Additionally commercial services are accommodating approximately 2,030sqm of letable floorspace. Most commercial users are located in strip retail

locations, with medical practitioners/specialists being the highest users of commercial space (1,030sqm), followed by financial services (510sqm). The majority of retail and commercial space (85.5%) are located in shopfront premises, with only a small proportion (2.4%) located above shopfront or on first floor accommodation. The centre does not feature shop top housing, although various commercial premises located along Terry Street are accommodated in residential cottages.

The single level Albion Park Village Shopping Centre was built in 1998 and was bought by Centro Properties in 2003. Located adjacent to the Albion Park Hotel the centre is anchored by a 3,200sqm Woolworths and includes 12 specialty shops accounting for an additional 1,537sqm of shopfront space. The centre provides a total of 203 open car bays. A Woolworths Petrol Station is also on the site which includes a 100sqm convenience store.

Site inspections indicated an existing vacant site on the corner of Tongarra Road and Terry Street. The site would be ripe for retail or commercial development with a site area of approximately 2,370sqm.

## 8.7 Public Car Parking

The table below indicates restricted public car spaces (hourly limits) available for retail shoppers within the Albion Park retail precinct.

**Table 27 - Albion Park Car Parking**

Location	Open
Albion Park Village	203
Tongarra Road	180
Russell Street	100
<b>TOTAL</b>	<b>483</b>

Note – all of the above represent off street public car parking.

## 8.8 Performance

Albion Park is one of the older retail centres in the LGA, and is starting to show its age. The retail centre does not appear to have been managed well. As apart from Albion Park Village Shopping Centre, the strip retail along Tongarra Road is tired. Some parts of Tongarra Road are devoid of any shade with large setbacks to shop frontages (due to possible road widening) and little attractive amenity to the street.

On the positive, Albion Park Chamber of Commerce is currently developing strategies to enhance the performance of businesses within Albion Park. To achieve this, they established a program known as the Albion Park Crossroads Project, of which the main aim is to strengthen communication between government bodies such as the Shellharbour Local Council, the RTA and NSW Government. The Crossroads Project hopes to create a better living and working environment for the people of Albion Park.

The Project is funded by the NSW Department of State & Regional Development. By funding the project, the State government has enabled the community to develop a strategic and economic plan, so that together, the community can create an economic and social environment that best suits their needs.

Due to the significance of the Crossroads Project, the Chamber of Commerce has devised strategies to enhance the streetscape of Albion Park in consultation with business owners. The recommendations made

include using a long term surface such as sawn granite when repaving the area and also to plant trees adjacent to the kerb. It is the aim of the Crossroads Project to create a main street urban area which is pedestrian friendly and to create an atmosphere that invites the community to “shop and stop”.

Albion Park has previously been viewed as a ‘drive through suburb’, where visitors and other residents of the LGA do not necessarily stop to visit. The Chamber of Commerce wish to change this attitude through beautification and marketing of the retail centre and businesses located there.

There are various items in Albion Park listed under Schedule 3 of Shellharbour LEP (2000) as heritage items. These include numerous buildings along the Tongarra Road retail precinct including: Albion Park School and former school residence, Albion Park Courthouse, former bank building at 148 Tongarra Road, and various church buildings.

There is fragmentation of the retail precinct, with breaks in continuity along Tongarra Road, due to vacant sites, sites dedicated to car parking, or rear lane access points. Many strip shops located on the south side of Tongarra Road between Terry Street and Russell Street turn their back on Albion Park Village Shopping Centre.

The reported moving annual turnover Albion Park Village Shopping Centre for 2004, was \$34.5million<sup>18</sup> therefore trading at \$6,194/sqm, approximately 10% above average for this type of shopping centre. This is a result of the lack of any large supermarket, or shopping centre in the western parts of the LGA, combined with residential growth in the local area.

New residential communities have recently been developed within close proximity to the Albion Park retail precinct. The Miltonbrook Group are responsible for the development of Tullimbar Village (2,000 dwellings west of Albion Park), Stockyard Creek (multiple dwellings south of Albion Park), and Centenary (3 lots south-west of Albion Park). Stockyard Creek and Centenary have already been completed; whilst a new retail centre is proposed for Tullimbar Village (see Section 18 of this report for further details).

Based on the above analysis, it is considered that the retail trade area of Albion Park includes the surrounding residential suburb of Albion Park, as well as parts of Albion Park Rail. Additionally, it is likely that Albion Park pulls trade from outlying rural areas such as Tongarra, Tullimbar and Yellow Rock until such time as the proposed retail centre at Tullimbar Village is developed.

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<sup>18</sup> PCA, NSW Shopping Centres Directory, 2005

## 9. ALBION PARK RAIL

### 9.1 Location

Albion Park Rail is located on the South Coast railway line east of Albion Park and west of Oak Flats. The Albion Park Rail retail precinct is located along Princess Highway near the corner of Creamery Road.

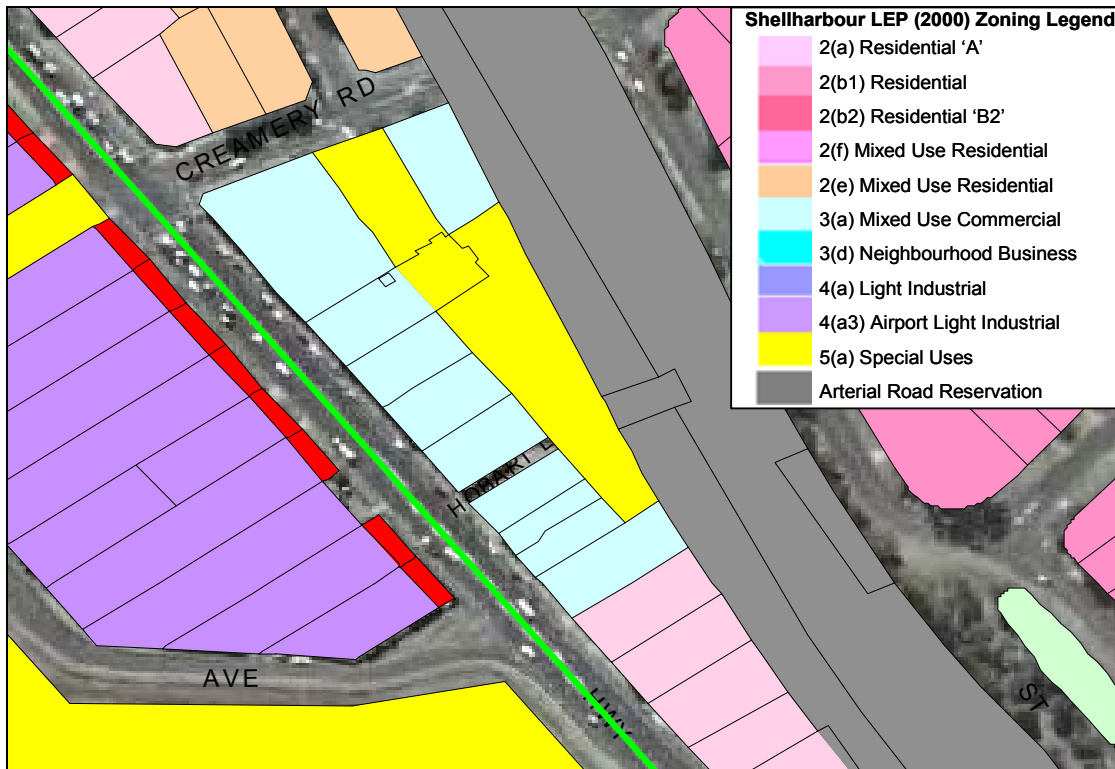
Like Warilla, it is recognised that the suburb of Albion Park Rail has various different clusters of retail/commercial activity stretched along Princes Highway, from the Central Business Park in the south to retailing from light industrial areas in the north-west near the intersection with Creole Road and Mallee Street.

However, from site inspections it has been deduced that the main retail/commercial centre for Albion Park Rail is concentrated on those strip shops located along Princes Highway near the intersection of Creamery Road and the railway station. As such all other retail/commercial uses within the suburb have been categorised as out-of-centre retailing and is further examined separately in Section 15 of this report.

### 9.2 Identification of Existing Zoning

The map below shows the current zoning of Albion Park Rail as identified in the Shellharbour LEP (2000).

Figure 9 - Albion Park Rail Zoning



Source: Shellharbour LEP 2000 Zoning Extract and Mapinfo

### 9.3 Identification of Retail Core

The aerial photo below identifies the retail core of the Albion Park Rail retail precinct.

**Figure 10 - Albion Park Rail Retail Core**



### 9.4 Key Socio-Demographic Characteristics

The table below outlines the key socio-demographic characteristics for the catchment area of Albion Park Rail based on the 2001 ABS Census.

**Table 28 - Albion Park Rail Socio-Demographic Characteristics 2001**

Population and Dwellings	
Total Population	7,254
Total Dwellings	2,586
Occupied Private Dwellings	2,479
Occupied Private Dwellings (%)	95.9%
Average Household Size	2.9

Source: ABS Census, 2001



## 9.5 Role & Function

Albion Park Rail is not directly mentioned under the Centre's hierarchy in DoPs Illawarra Regional Strategy (2006-31). However Albion Park Rail is noted as a Local Centre under Shellharbour LEP (2000) Commercial Centres Hierarchy.

Based on the analysis of the retail precinct, we recommend Albion Park Rail be recognised as a Village centre in the retail hierarchy of Shellharbour LGA. As a Village, Albion Park Rail serves the daily shopping needs of the local residents.

## 9.6 Retail & Commercial Mix

The retail/commercial centre of Albion Park Rail contains some 4,200sqm of lettable floorspace, of which 3,220sqm is attributed to specialty retail stores, and 460sqm to commercial services. The centre is relatively small by comparison to other centres in the LGA, partly due to retailing activity being fragmented along Princes Highway for a relatively long travel distance. As such numerous out-of-centre retail clusters exist where driving would facilitate accessing each cluster of retail activity, rather than one main town centre having been formed.

The table below indicates the retail floorspace and types of retail businesses associated with Albion Park Rail.

**Table 29 - Albion Park Rail Floorspace**

Shop Use	GLA (sqm)	No. Businesses
Supermarket	-	-
Convenience Store	-	-
Service Station Conven. Store	100	1
Discount Depart. Store	-	-
Specialty Food	1,039	5
Specialty Non Food	128	1
Clothing	120	1
Cafes & Restaurants	165	1
Take Away Food	357	2
Personal Services	182	2
Second Hand Goods	189	1
Bulky Goods	810	3
Vacant Retail	128	1
<b>Total Retail</b>	<b>3,218</b>	<b>18</b>
Commercial -Finance	150	1
Commercial -Medical	120	1
Commercial -Real Estate	190	2
<b>Total Commercial</b>	<b>460</b>	<b>4</b>
Recreation/Fitness	400	1
Automotive	62	1
Wholesale/Homemaker	62	1
<b>TOTAL FLOORSPACE</b>	<b>4,202</b>	<b>25</b>

Of the 25 shops associated with the centre, all are shopfront premises fronting Princes Highway, with no shop top commercial or retail accommodation. Albion Park Rail lacks any supermarket or grocery store, with takeaway and specialty food stores providing the only food provisions in the centre. As such, it's expected that residents in the suburb would most likely visit Shellharbour City Centre or Woolworths at Albion Park for food and grocery shopping, as even the retail centre in the adjacent suburb of Oak Flats lacks any supermarket or anchor grocery store.



As well as the CityRail service, Albion Park Rail is home to the Illawarra Regional Airport (see Section 18 for further information).

## 9.7 Public Car Parking

There are approximately 70 off street car spaces available to customers at Albion Park Rail. They are located behind the strip shops along Princes Highway, accessed via Creamery Road.

## 9.8 Performance

When the South Coast railway line was first opened and the train station built at Albion Park Rail, the nearest town was Albion Park, several kilometres away. Over time, houses were built around the railway station, and Albion Park Rail developed into a town in its own right.

There are some items in Albion Park Rail listed under Schedule 3 of Shellharbour LEP (2000), as heritage items. These include the former Albion Park Dairy Co-Op building on Creamery Road, and the Albion Park Railway precinct, including the station, forecourts, Station residence and surroundings fronting Station Road.

The retail precinct of Albion Park Rail appears to be providing convenience retail to the small surrounding residential community, as well as to workers along the industrial areas of Princes Highway therefore forming its trade area. To a certain extent Albion Park Rail also provides top-up shopping needs to passing traffic flowing south down Princes Highway.

Presently there is fragmentation of the retail core in Albion Park Rail due to the various out-of-centre retail clusters further south and north along Princes Highway. Although it is recognised that these out-of-centre clusters do offer different retail functions, focussing on bulky goods, and pad sites with takeaway restaurants, petrol stations etc.

With only one shop vacant, the specialty shops at Albion Park Rail appear to be trading at sustainable levels. Certainly due to access and location constraints most residents in southern Albion Park Rail may go to Shellharbour City Centre or Albion Park for larger shopping visits.

# 10. OAK FLATS

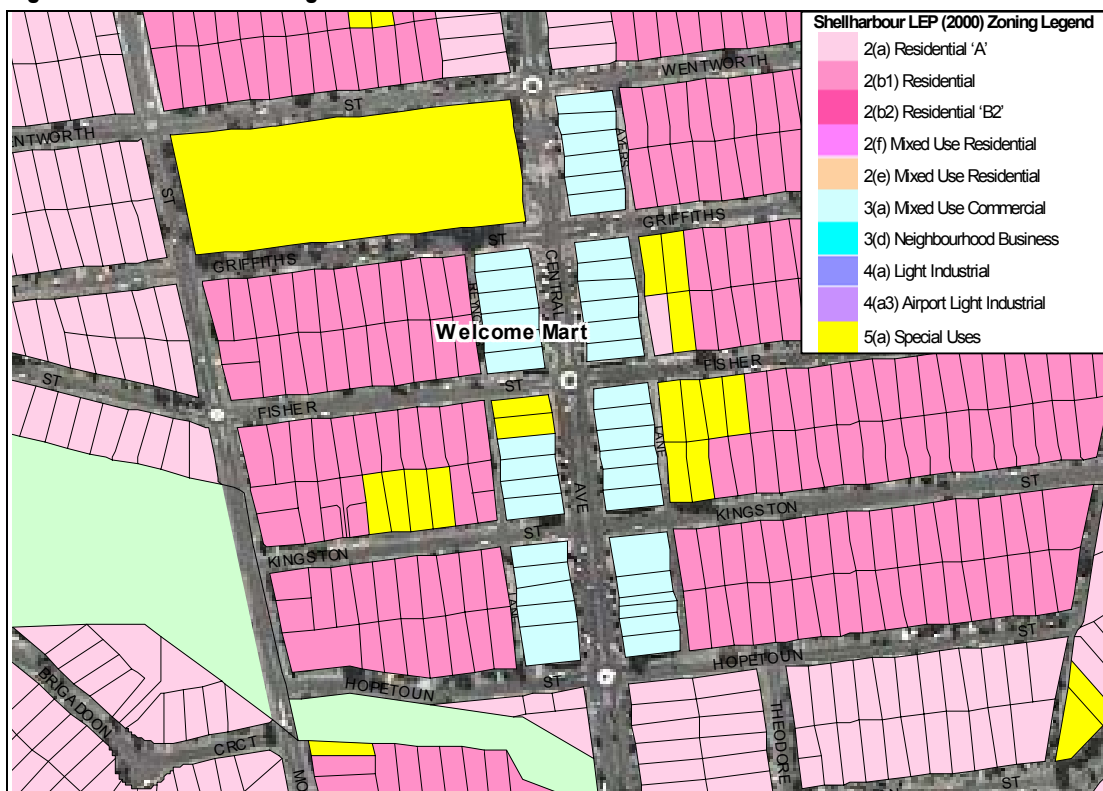
## 10.1 Location

Oak Flats is situated on the south-western shores of Lake Illawarra and surrounded by the suburbs of Shellharbour City Centre to the south-east and Albion Park Rail to the west. The Oak Flats retail precinct is that strip retail located along Central Avenue.

## 10.2 Identification of Existing Zoning

The map below shows the current zoning of Oak Flats as identified in the Shellharbour LEP (2000).

**Figure 11 - Oak Flats Zoning**

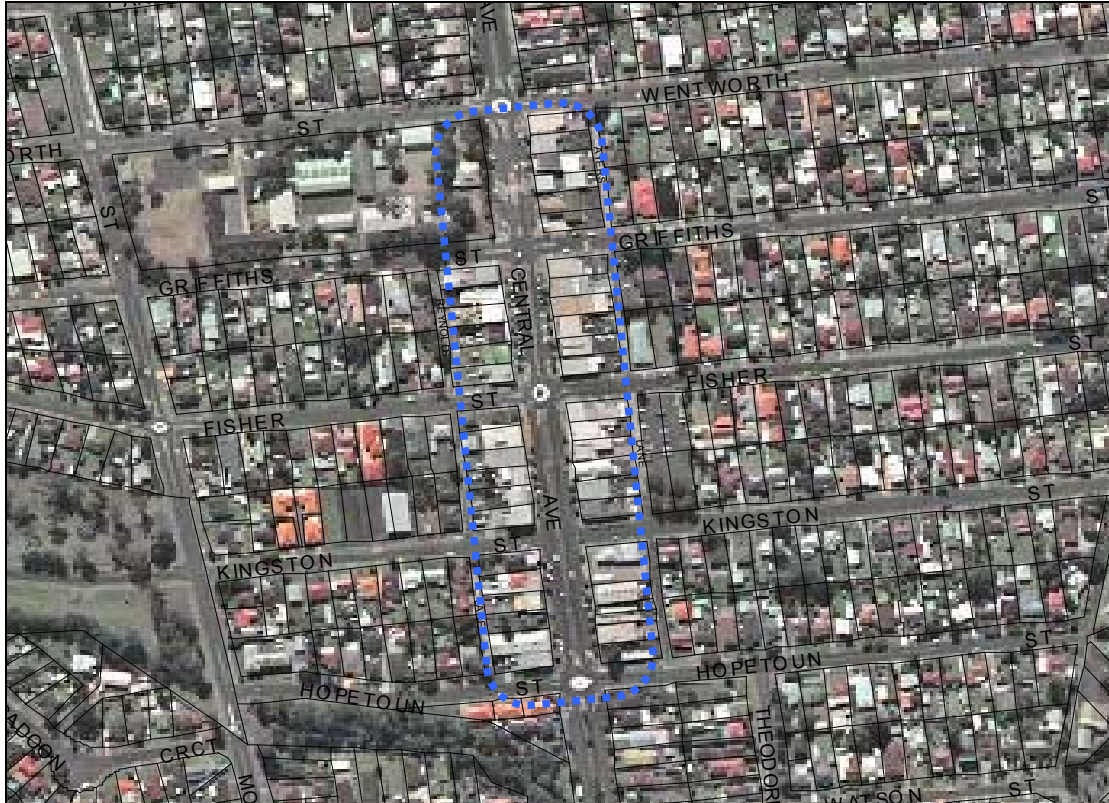


Source: Shellharbour LEP 2000 Zoning Extract and Mapinfo

## 10.3 Identification of Retail Core

The aerial photo below identifies the retail core of the Oak Flats retail precinct.

Figure 12 - Oak Flats Retail Core



## 10.4 Key Socio-Demographic Characteristics

The table below outlines the key socio-demographic characteristics for the catchment area of Oak Flats based on the 2001 ABS Census.

Table 30 - Oak Flats Socio-Demographic Characteristics 2001

Population and Dwellings	
Total Population	6,664
Total Dwellings	2,451
Occupied Private Dwellings	2,353
Occupied Private Dwellings (%)	96.0%
Average Household Size	2.8

Source: ABS Census, 2001

## 10.5 Role & Function

Oak Flats is recognised as a Town under DoPs Illawarra Regional Strategy (2006-31).

Oak Flats provides regular shopping and services to the local area of Oak Flats and hence its trade area includes only those immediately surrounding residents located within the suburb. Whilst the centre only has a relatively small supermarket/grocery store, it does include a strip of shops for daily shopping. Oak Flats is reliant on higher order centres for broader shopping experiences and employment opportunities.

## 10.6 Retail & Commercial Mix

Total lettable floorspace in the Oak Flats retail precinct is around 10,540sqm (excluding community uses), of which 6,990sqm is being used for the retail of goods. Vacant space accounted for 757sqm of floorspace at the time of survey. The table below indicates the retail floorspace and types of retail businesses associated with Oak Flats.

**Table 31 - Oak Flats Floorspace**

Shop Use	GLA (sqm)	No. Businesses
Supermarket	360	1
Convenience Store	133	1
Service Station Conven. Store	100	1
Discount Depart. Store	-	-
Specialty Food	556	4
Specialty Non Food	803	8
Clothing	572	3
Cafes & Restaurants	423	4
Take Away Food	520	5
Personal Services	1,319	11
Second Hand Goods	809	2
Bulky Goods	638	3
Vacant Retail	757	3
<b>Total Retail</b>	<b>6,990</b>	<b>46</b>
Commercial - General	912	6
Commercial - Finance	511	3
Commercial - Medical	1,436	11
Commercial - Real Estate	399	2
Commercial - Travel	68	1
Commercial - Legal	223	2
Commercial - Vacant	-	-
<b>Total Commercial</b>	<b>3,549</b>	<b>25</b>
Community	646	4
<b>TOTAL FLOORSPACE</b>	<b>11,185</b>	<b>75</b>

Oaks Flats has around 46 individual shops of which 3 were vacant at the time of survey. There are no indoor retail centres or enclosed shopping centres. There are 75 shop front premises along the strip retail areas of Oak Flats, of which 33% are used for commercial services, mainly by medical practitioners. There is little shop top commercial/retail space, with only one medical suite of 333sqm occupying such accommodation in the centre.

There is no main anchor tenant in the centre, with a 360sqm Welcome Mart on Central Avenue being the only grocery store within the retail precinct. Personal services such as hairdressers also occupy a large component

of shop front floorspace in the centre accounting for some 1,320sqm, followed by second hand good stores (809sqm), and specialty non food stores (803sqm).

## 10.7 Public Car Parking

The table below indicates restricted public car spaces (hourly limits) available for retail shoppers within the Oak Flats retail precinct. Note Griffith Street also includes parent pick up/drop off parking for the local school.

**Table 32 - Oak Flats Car Parking**

Location	Open
Central Avenue	89
Griffiths Street	9
Wentworth Street	2
Fisher Street	10
Fisher Street - Council Carpark	77
Kingston Street	7
Ayers Lane	12
<b>TOTAL</b>	<b>206</b>

Note – all of the above represent off street public car parking.

## 10.8 Performance

Oak Flats overall performance is on the low side, however it is sustainable. It has a small trade area due to its proximity to Shellharbour City Centre and Stocklands Shellharbour. The possible expansion of these centres in close proximity to Oak Flats also constrains its potential expansion. Due to the urban design and layout of the centre with its 'main street' theme, Oak Flats has the potential to be quite an attractive centre. Although it does lack an anchor tenant, with no major supermarket being located in the centre.

# 11. SHELLHARBOUR VILLAGE

## 11.1 Location

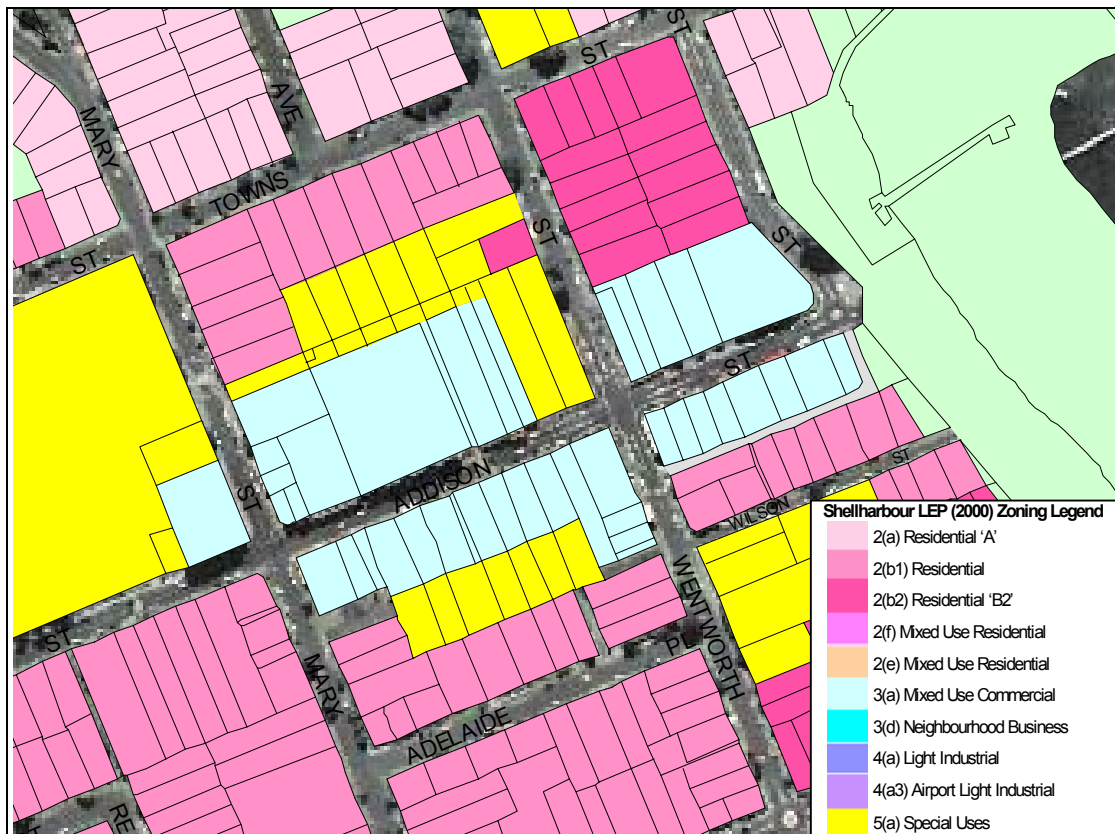
Shellharbour Village is the small historic area of Shellharbour City located between Barrack Point and Bass Point. The village has two main beaches, Shellharbour North Beach, which runs to Barrack Point, and Shellharbour South Beach, which runs toward Bass Point. An established boat harbour is located between the two beaches.

The Shellharbour Village retail precinct is primarily focussed along Addison Street from the intersection of Mary Street, to the boat harbour at the intersection of Wollongong Street.

## 11.2 Identification of Existing Zoning

The map below shows the current zoning of Shellharbour Village as identified in the Shellharbour LEP (2000).

**Figure 13 - Shellharbour Village Zoning**

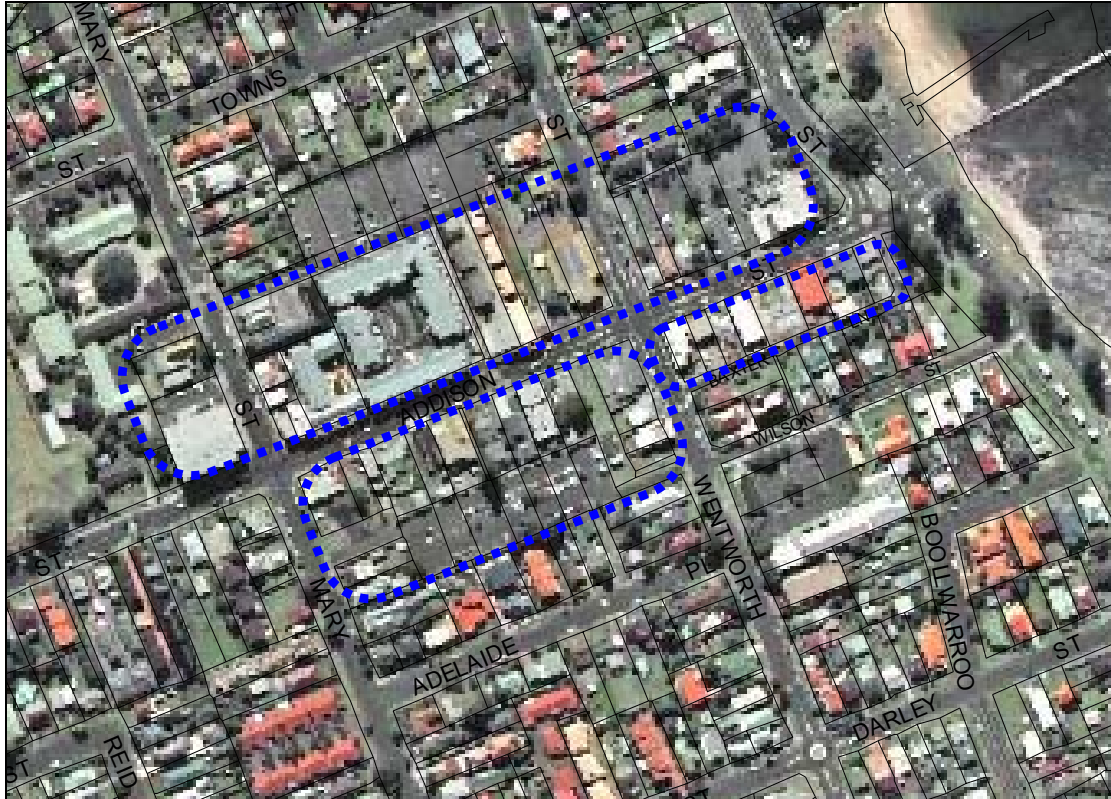


Source: Shellharbour LEP 2000 Zoning Extract and Mapinfo

## 11.3 Identification of Retail Core

The aerial photo below identifies the retail core of the Shellharbour Village retail precinct.

**Figure 14 - Shellharbour Village Retail Core**



## 11.4 Key Socio-Demographic Characteristics

The table below outlines the key socio-demographic characteristics for the catchment area of Shellharbour Village based on the 2001 ABS Census.

**Table 33 - Shellharbour Village Socio-Demographic Characteristics 2001**

Population and Dwellings	
Total Population	3,045
Total Dwellings	1,094
Occupied Private Dwellings	1,024
Occupied Private Dwellings (%)	93.6%
Average Household Size	3.0

Source: ABS Census, 2001

## 11.5 Role & Function

Shellharbour Village is defined as a Village under DoPs Illawarra Regional Strategy (2006-31). The Regional Strategy recognises that Shellharbour Village caters for some residential uses, whilst focussing on local retail and specialty tourism retail uses.



The trade area for Shellharbour Village includes the immediate surrounding residential population and tourism visitors. Shellharbour Village may capture some expenditure from Shell Cove and the south-eastern portion of Flinders.

However, without any major anchor supermarket it's likely that the majority of grocery shopping from established residential areas in Shellharbour Village, Shell Cove and Flinders currently goes to Shellharbour City Centre.

In the longer term, with further commercial/retail development at Shell Cove, it's likely that Shellharbour Village might experience further competition.

## 11.6 Retail & Commercial Mix

Shellharbour Village is a busy retail centre, with predominantly strip retail accommodation. There is no indoor shopping centre.

Total lettable floorspace in Shellharbour Village is around 11,240sqm (excluding community uses and the hotel), of which approximately 6,950sqm is being used for the retail of goods and 1,360sqm for commercial services (mainly finance, medical, and real estate services), and 2,440 for hotel, entertainment and gym facilities.

The table below indicates the retail floorspace and types of retail businesses associated with Shellharbour Village.

**Table 34 - Shellharbour Village Floorspace**

Shop Use	GLA (sqm)	No. Businesses
Supermarket	-	-
Convenience Store	90	1
Service Station Conven. Store	-	-
Discount Depart. Store	-	-
Specialty Food	507	5
Specialty Non Food	1,125	10
Clothing	903	8
Cafes & Restaurants	2,138	13
Take Away Food	202	2
Personal Services	1,703	11
Second Hand Goods	-	-
Bulky Goods	-	-
Vacant Retail	280	3
<b>Total Retail</b>	<b>6,948</b>	<b>53</b>
Commercial - General	180	1
Commercial - Finance	517	3
Commercial - Medical	386	3
Commercial - Real Estate	279	3
<b>Total Commercial</b>	<b>1,362</b>	<b>10</b>
Entertainment	800	1
Recreation/Fitness	360	1
Hotel	1,280	1
Automotive	147	1
Community	345	2
<b>TOTAL FLOORSPACE</b>	<b>11,242</b>	<b>69</b>



Shellharbour Village has around 53 individual shops of which 3 (280sqm) were vacant at the time of survey.

The main street of Shellharbour Village is Addison Street, with many sidewalk cafés and shops, running through the town and ending with the Ocean Beach Hotel opposite the harbour. Adjacent to the Harbour is the Beverley Whitfield saltwater swimming pool and across from the Shellharbour North Beach facilities is the Beverley Whitfield Park and cricket oval.

Entertainment, recreation and cultural facilities are also provided in Shellharbour Village. The boat harbour includes some kiosk facilities for the use of visitors, however these are not extensive. Ground floor shop front space accounts for 80% of all floorspace in the centre. However, various buildings fronting Addison Street include shop top housing with two or more residential units. A reception centre, old Council chambers, and a theatre also line Addison Street.

## 11.7 Public Car Parking

The table below indicates restricted public car spaces (hourly limits) available for retail shoppers within Shellharbour Village.

**Table 35 - Shellharbour Village Car Parking**

Location	Open
Car park - between Addison & Adelaide Street*	132
Car park - between Town Street & Addison Street*	79
Car park – along foreshore, harbour & Bassett Park*	116
Addison Street**	84
Wentworth Street*	24
Hotel – Addison Street*	22
Gym - Mary Street*	44
Mary Street**	20
Adelaide Street**	58
<b>TOTAL</b>	<b>579</b>

\* Off street parking.

\*\* On street parking.

## 11.8 Performance

It is understood from Tourism Shellharbour, that Council is undertaking an enhancement of Shellharbour Village which incorporates a comprehensive Plan of Management for the foreshore and harbour. A detailed streetscape plan encompasses improvements along Addison Street and the foreshore and a major traffic management program to control speed through the Village will enhance pedestrian safety.

Enhancements along the foreshore and boat harbour have included an improved car park area for tourists and recreational fishermen. The centre is performing well as a tourist oriented retail precinct due to the Beachside Tourist Park, Boat Harbour and jetty facilities pulling visitors to the centre.

The centre has good amenity to the street, with obvious Council work going into beautification of the area. Much of what has been done by Council with regard to traffic management, beautification, and streetscape enhancements, can be applied to other centres in the LGA to aid in revitalization (e.g. Oak Flats and Albion Park).

Interestingly, the centre lacks any major anchor tenant, supermarket or grocery store although there is a small general store/convenience store (90sqm). Given the size of the centre, the abundance of residential units developed over recent years, and its function as a tourist service centre, it would be expected that even a medium sized supermarket be provided to serve both the local community and tourist visitors.

However, it is apparent that Shellharbour Village has undergone recent development mainly due to increased tourism in the area, and new residential development in surrounding areas such as Shell Cove. Shellharbour Village also appears to have undergone growth in popularity as an 'eat street', with strong growth in 'café culture' over the last ten years.

New cafés, restaurant and specialty shops have been developed, including the recent upgrade to the old fitness centre on the corner of Addison and Mary Streets to include various specialty stores on the ground floor. Total café/restaurant space accounts for some 31% (2,140sqm) of total retail floorspace, with personal services accounting for 24.5% (1,703sqm), and specialty non-food stores accounting for 16.2% (1,125sqm).

There are some items in Shellharbour Village listed under Schedule 3 of Shellharbour LEP (2000) as heritage items which are located in the retail precinct along Addison Street. These include: the Ocean Beach Hotel (former Shellharbour Hotel), former corner store at 10 Addison Street, former Shellharbour Council Chambers, and the former Allen's store.

There is some possibility for infill development along Addison Street and the retail core of Shellharbour Village, with numerous residential cottages scattered along the main street.

# 12. WARILLA

## 12.1 Location

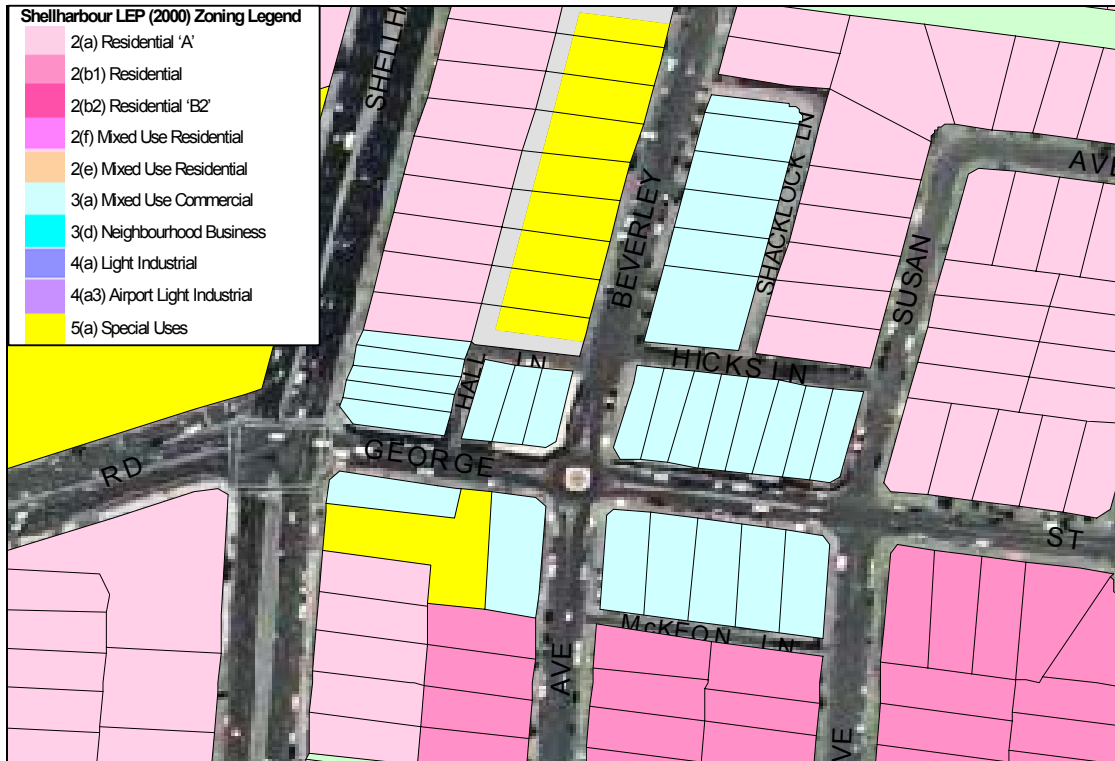
Warilla is one of the more established areas of Shellharbour LGA, located between the suburbs of Mount Warrigal, Barrack Heights and Lake Illawarra.

As mentioned previously, for the purpose of this study, Warilla Grove Shopping Centre has been separated from the traditional strip retailing along George Street. Due to the considerable distance between these two retail clusters, and given the differing retail and commercial services they offer, these two centres cover different trade areas and provide different roles.

## 12.2 Identification of Existing Zoning

The map below shows the current zoning of Warilla as identified in the Shellharbour LEP (2000).

**Figure 15 - Warilla Zoning**

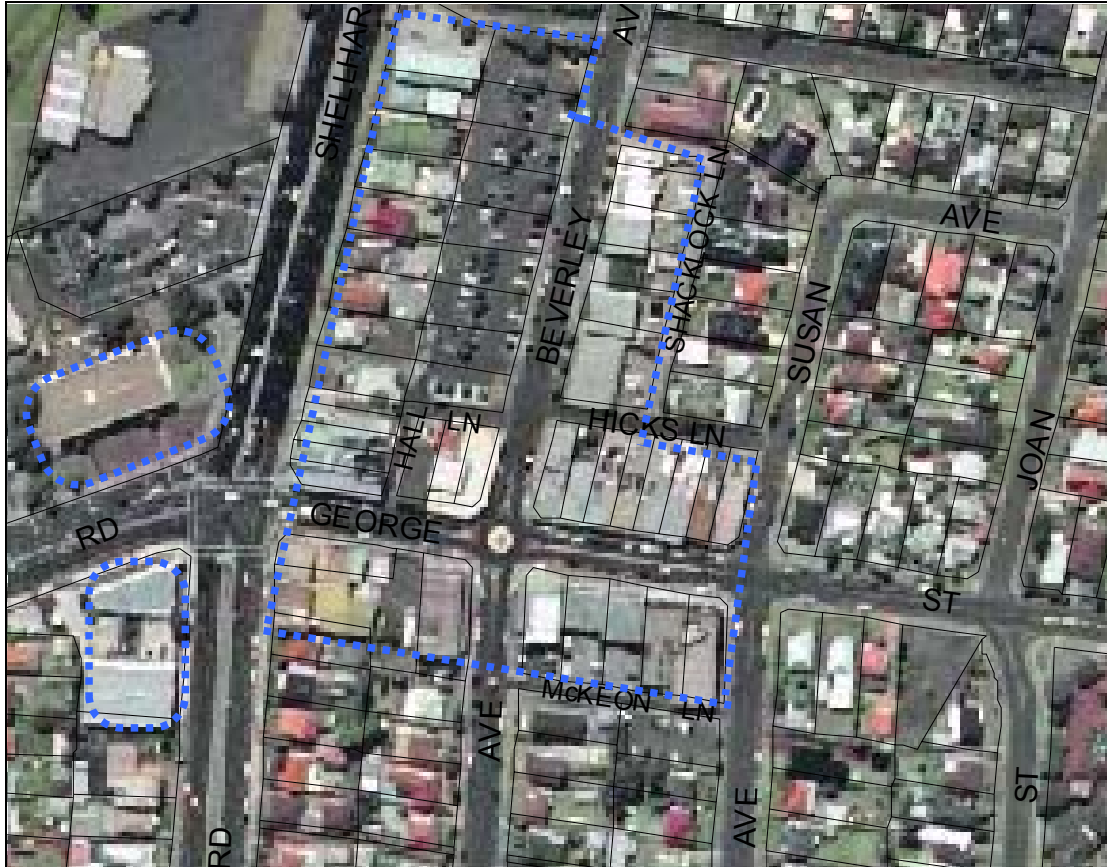


Source: Shellharbour LEP 2000 Zoning Extract and Mapinfo

## 12.3 Identification of Retail Core

The aerial photo below identifies the retail core of Warilla.

**Figure 16 - Warilla Retail Core**



## 12.4 Key Socio-Demographic Characteristics

The table below outlines the key socio-demographic characteristics for the catchment area of Warilla based on the 2001 ABS Census.

**Table 36 - Shellharbour Village Socio-Demographic Characteristics 2001**

Population and Dwellings	
Total Population	5,801
Total Dwellings	2,339
Occupied Private Dwellings	2,228
Occupied Private Dwellings (%)	95.3%
Average Household Size	2.6

Source: ABS Census, 2001

## 12.5 Role & Function

Warilla is defined as a Major Town under DoPs Illawarra Regional Strategy (2006-31). The Regional Strategy recognises that Warilla is already a well established centre with a considerable amount of retail and commercial floorspace. As such, the focus for Warilla should be to continue to manage and improve the existing centre. However, the Regional Strategy combines the trade area of Warilla and Warilla Grove.

Warilla is an older strip retail centre, and prior to the development of Warilla Grove Shopping Centre, Warilla would have been the main retail and commercial centre in the LGA. Hence its trade area would have covered most of Shellharbour LGA.

However, Warilla appears to have been a centre which has experienced a loss of trade over time given its proximity to Warilla Grove Shopping Centre (600m) and Stockland Shellharbour (2.5km).

Whilst Shellharbour City Centre tends to accommodate for larger government departments and community services, it appears Warilla is the main centre for local commercial services with the most number of commercial business in the LGA being located there.

It is possible that the trade area of Warilla for commercial services still covers much of the LGA. However, without any major anchor supermarket it is unlikely that Warilla has a trade area for food and grocery shopping, all of which escapes to Warilla Grove and Shellharbour City Centre.

## 12.6 Retail & Commercial Mix

Warilla contains some 15,050sqm of lettable floorspace (excluding community and utility uses). Of this, 49% (7,755sqm) is dedicated to commercial floorspace, whilst only a third (5,357sqm) is attributed to retail uses. The remainder is representative of automotive, recreational/cultural, or utility associated floorspace. At the time of survey there was approximately 670sqm of vacant retail space being 3 ground floor shops and 2 first floor commercial suites.

The table below indicates the floorspace and types of businesses associated with Warilla.

**Table 37 - Warilla Floorspace**

Shop Use	GLA (sqm)	No. Businesses
Supermarket	-	-
Convenience Store	100	1
Service Station Conven. Store	-	-
Discount Depart. Store	-	-
Specialty Food	325	2
Specialty Non Food	1,267	10
Clothing	125	1
Cafes & Restaurants	690	4
Take Away Food	799	5
Personal Services	1,419	11
Second Hand Goods	329	2
Bulky Goods	-	-
Vacant Retail	303	3
<b>Total Retail</b>	<b>5,357</b>	<b>39</b>

Shop Use	GLA (sqm)	No. Businesses
Commercial - General	986	9
Commercial - Finance	1,110	10
Commercial - Medical	3,703	11
Commercial - Real Estate	893	6
Commercial - Legal	694	6
Commercial - Vacant	369	2
<b>Total Commercial</b>	<b>7,755</b>	<b>44</b>
Entertainment	-	-
Recreation/Fitness	415	1
Hotel	-	-
Automotive	851	1
Wholesale/Homemaker	-	-
Utility	1,326	1
Community	104	1
<b>TOTAL FLOORSPACE</b>	<b>15,808</b>	<b>87</b>

Aside from Shellharbour City Centre, Warilla has the second highest proportion of commercial floorspace in the LGA, with medical uses (3,700sqm) being most common, followed by finance (1,110sqm), and real estate services (893sqm).

Warilla does provide additional commercial services underrepresented in Shellharbour City Centre, especially with regards to real estate agents, property services, and legal services. Over 80% of commercial floorspace is accommodated in ground floor shop fronts, with a minor proportion being either shop top (15%) or in alternative accommodation (e.g. within a residential cottage).

There is some shop top housing, however this is not extensive.

## 12.7 Public Car Parking

The table below indicates restricted public car spaces (hourly limits) available for retail shoppers within the Warilla.

**Table 38 - Warilla Car Parking**

Location	Open
Council Chambers and associated buildings*	98
Beverley Avenue Car park*	137
Queen Lane*	15
George Street**	60
Shellharbour Road**	40
Brian Ave**	36
McKeon Lane*	42
<b>TOTAL</b>	<b>428</b>

\* Off street parking.

\*\* On street parking.

## 12.8 Performance

Warilla developed quickly during the manufacturing industry boom of the 1950's. With Port Kembla steelworks being relatively close, Warilla and the north-eastern parts of the LGA absorbed much of this new migrant population. Council moved from Albion Park to Warilla in 1969, and remained there until 1991, when the administration components moved to Shellharbour City Centre. The Council Chambers remain at Warilla today.

The high proportion of shop front commercial floorspace in Warilla tends to indicate the centre is failing to attract good quality retail occupants, with many landlords having to settle for the lower rents provided by commercial tenants.

Warilla is not really in a position where it has demand to expand. The trade area of the centre has contracted significantly over time, and the centre has lost dominance in the retail hierarchy firstly with the opening of Warilla Grove, then later with Stockland Shellharbour. As such Warilla has been downgraded. Many new retail occupants to the LGA will choose to locate within the new expansion areas of Shellharbour City Centre, or within a well performing enclosed shopping centre like Warilla Grove or Stockland Shellharbour.

Notwithstanding this, the centre is performing well supporting local businesses with few vacancies and an established local workforce.

# 13. BARRACK HEIGHTS

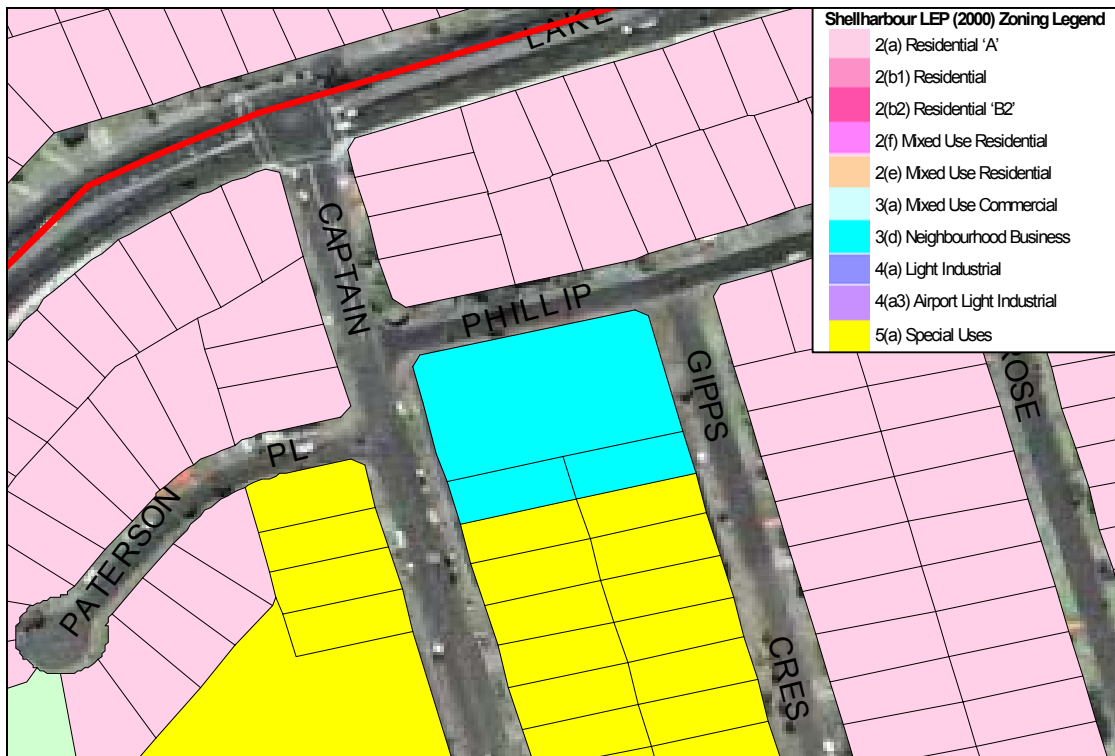
## 13.1 Location

Barrack Heights is a suburb located adjacent to Shellharbour City Centre, south of Mt Warrigal and Warilla. The Barrack Heights retail precinct is focussed on that site bound by Gipps Crescent, Phillip Crescent, and Captain Cook Drive.

## 13.2 Identification of Existing Zoning

The map below shows the current zoning of Barrack Heights as identified in the Shellharbour LEP (2000).

Figure 17 - Barrack Heights Zoning



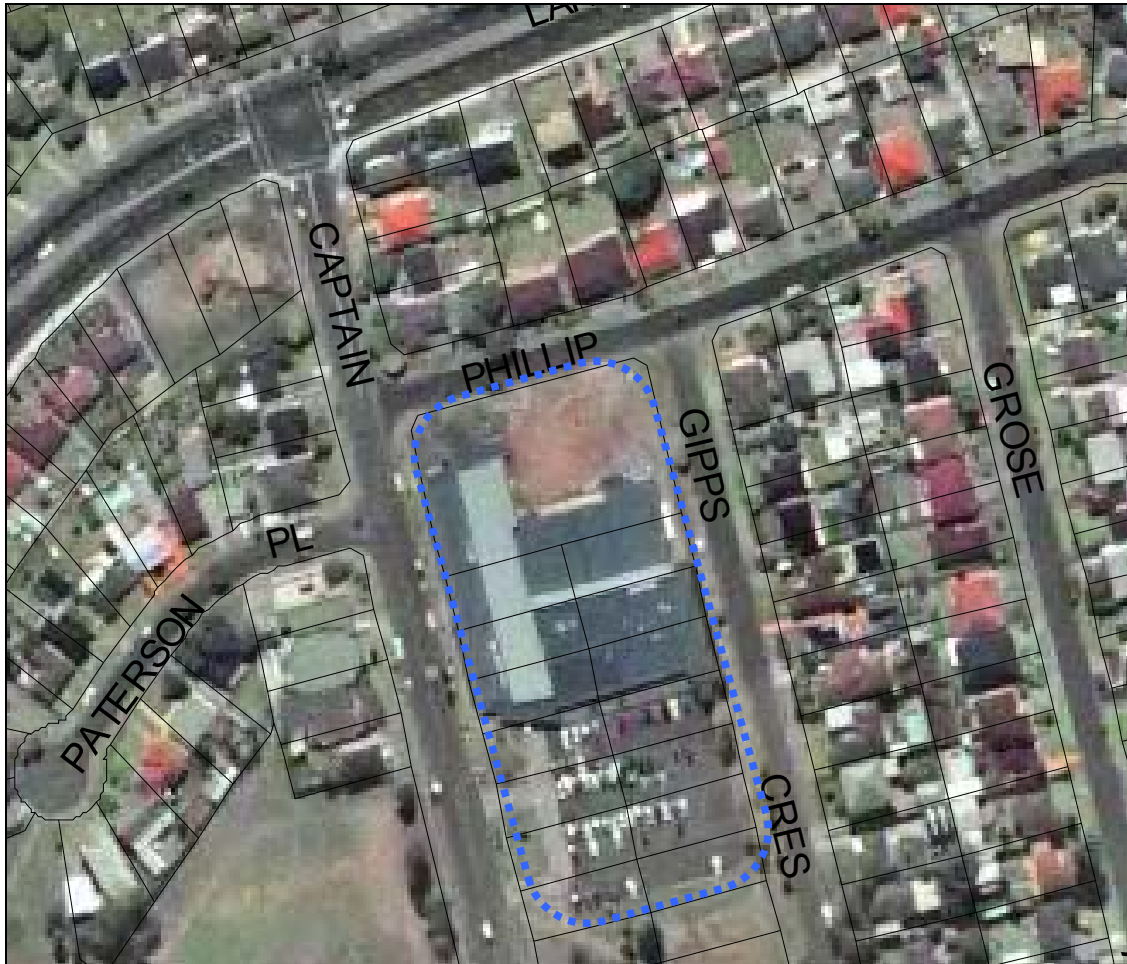
Source: Shellharbour LEP 2000 Zoning Extract and Mapinfo

## 13.3 Identification of Retail Core

The aerial photo below identifies the retail core of the Barrack Heights retail precinct.



**Figure 18 - Barrack Heights Retail Core**



## 13.4 Key Socio-Demographic Characteristics

The table below outlines the key socio-demographic characteristics for the catchment area of Barrack Heights based on the 2001 ABS Census.

**Table 39 - Barrack Heights Socio-Demographic Characteristics 2001**

Population and Dwellings	
Total Population	6,394
Total Dwellings	2,422
Occupied Private Dwellings	2,286
Occupied Private Dwellings (%)	94.4%
Average Household Size	2.8

Source: ABS Census, 2001

## 13.5 Role & Function

Barrack Heights is not directly mentioned under the Centre's hierarchy in DoPs Illawarra Regional Strategy (2006-31). However, Barrack Heights should be categorised in accordance with the hierarchy in the Strategy.

It is recognised that whilst Barrack Heights provides day-to-day shopping needs for the immediate surrounding residential population, as well as passing traffic attracted by the health facilities located adjacent to the shopping centre.

For everyday shopping and top up, the trade area for the Barrack Heights retail centre appears to be those residents located in the suburbs of Barrack Heights and Barrack Point. However, it is still likely that most residents in these suburbs would travel to either Shellharbour City Centre (in the case of Barrack Heights) or Warilla Grove (in the case of Barrack Point) for comparative goods and weekly shopping.

Based on this analysis, we recommend that Barrack Heights be recognised as a Village Centre under the Shellharbour Retail Centres Hierarchy.

## 13.6 Retail & Commercial Mix

The Barrack Heights retail centre is an enclosed two story building with a total lettable floorspace of 4,596sqm, anchored by the 3,100sqm Centre Health Complex. The centre also adjoins Shellharbour Private Hospital.

The complex accommodates various health and medical practitioners including a general medical centre, dentist, optometrist, a sleep clinic, pathology services, physiotherapy centre, cosmetic healthcare, and x-ray services. Within the same building are a 333sqm IGA Supermarket, 1,045sqm BWS Liquor Store, a small Australia Post outlet, a small café, and a travel agent.

The table below indicates the floorspace and types of businesses associated with the Barrack Heights retail precinct.

**Table 40 - Barrack Heights Floorspace**

Shop Use	GLA (sqm)	No. Businesses
Supermarket	333	-
Convenience Store	-	-
Service Station Conven. Store	-	-
Discount Depart. Store	-	-
Specialty Food	1,045	1
Specialty Non Food	-	-
Clothing	-	-
Cafes & Restaurants	50	1
Take Away Food	-	-
Personal Services	-	-
Second Hand Goods	-	-
Bulky Goods	-	-
Vacant Retail	-	-
<b>Total Retail</b>	<b>1,428</b>	<b>2</b>
Commercial - General	50	1
Commercial - Medical	3,098	2
Commercial - Travel	20	1
<b>Total Commercial</b>	<b>3,168</b>	<b>4</b>
<b>TOTAL FLOORSPACE</b>	<b>4,596</b>	<b>6</b>

## 13.7 Public Car Parking

Barrack Heights shopping centre provides 100 off street open car parks for customers.

## 13.8 Performance

Barrack Heights is a centre which is small to medium in size, with a small concentration of retail, and a higher proportion of medical/commercial services servicing the local community. However, it is apparent the medical facilities provided at the centre cater for residents across the LGA.

Barrack Heights retail centre appears to be trading quite successfully catering for the surrounding Barrack Heights residential community. The centre provides convenience shopping. The large medical centre, which includes numerous specialist services, is advantageous to the other retail specialties located in the centre by attracting potential customers from across the LGA, which the retail stores wouldn't otherwise have access to.

# 14. SHELLHARBOUR OUT OF CENTRE RETAIL

## 14.1 Location

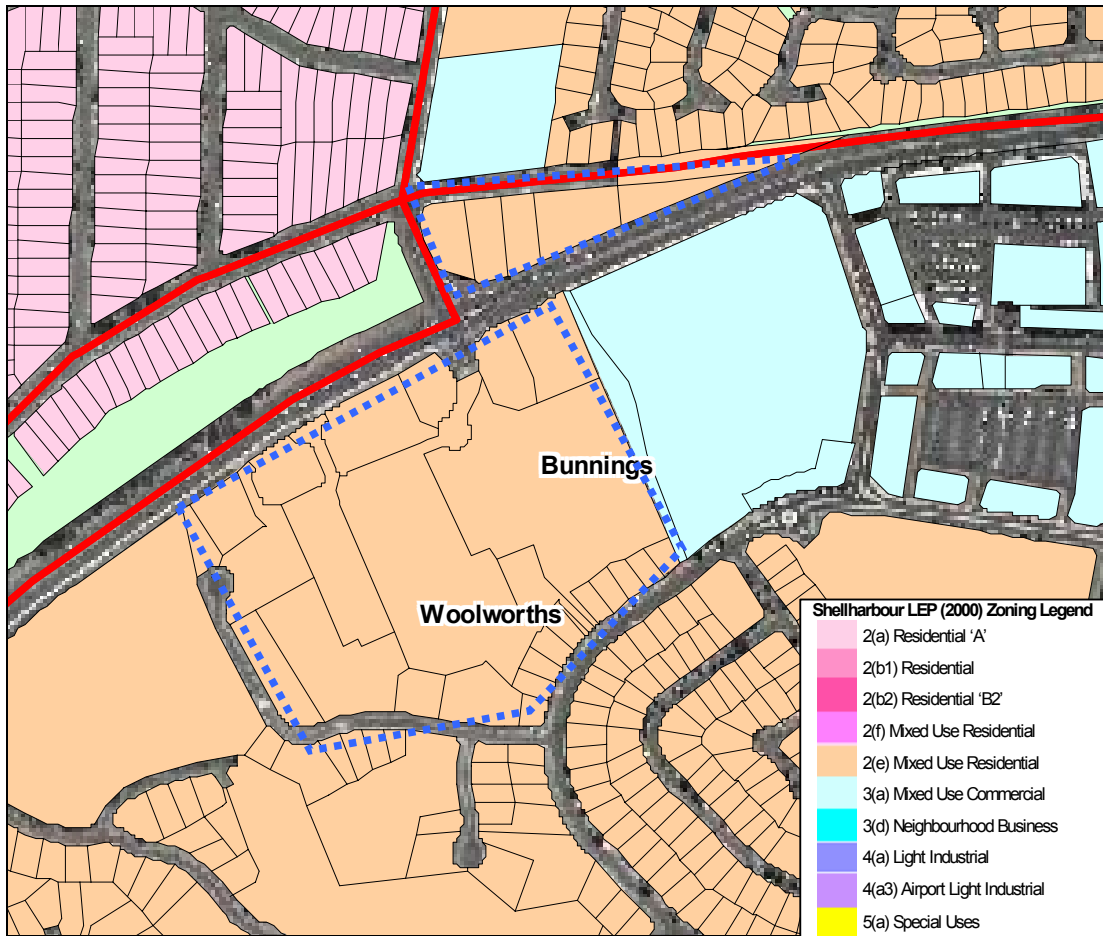
Due to the Super Centre being physically separated from other retail and commercial accommodation in Shellharbour City Centre, as well as it providing mainly bulky goods product, it has been defined as an 'out-of-centre' location.

The Super Centre is located to the north-west of Shellharbour City Centre, with its main frontage and entry being to New Lake Entrance Road. This out-of-centre retail precinct also includes that bulky goods premises located on the north of New Lake Entrance Road opposite the Super Centre.

## 14.2 Identification of Existing Zoning

The map below shows the current zoning of the retail precinct as identified in the Shellharbour LEP (2000).

**Figure 19 - Shellharbour Out of Centre Retail Zoning**



Source: Shellharbour LEP 2000 Zoning Extract and Mapinfo

## 14.3 Identification of Retail Core

The aerial photo below identifies the retail core of the retail precinct.

**Figure 20 - Shellharbour Out of Centre Retail Core**



## 14.4 Role & Function

As this precinct lies within the Shellharbour City Centre, it is categorised under DoPs Regional Strategy as being part of the Major Regional Centre of Shellharbour LGA. As such the Regional Strategy recognises that whilst the City Centre provides high density living, professional services, and specialised shops it will also cater for associated warehousing, transport and logistics.

However, it is considered that this retail centre performs an 'out-of-centre' function to Shellharbour City Centre, therefore performing a peripheral retailing role.

## 14.5 Retail & Commercial Mix

The retail precinct has a total lettable floorspace of 24,048sqm, of which 21,432sqm is associated with the Super Centre, and 2,616sqm to the other side of New Lake Entrance Road.

The table below indicates the retail floorspace and types of businesses associated with peripheral retailing in Shellharbour City Centre.

**Table 41 - Shellharbour Out of Centre Floorspace**

Shop Use	Super Centre (sqm)	New Lake Entrance Road (sqm)	Total GLA (sqm)	No. Businesses
Supermarket	4,370	-	4,370	1
Convenience Store	-	-	-	-
Service Station Conven. Store	100	100	200	2
Discount Depart. Store	-	-	-	-
Specialty Food	1,000	150	1,150	2
Specialty Non Food	2,300	-	2,300	2
Clothing	-	-	-	-
Cafes & Restaurants	700	-	700	2
Take Away Food	-	-	-	-
Personal Services	-	80	80	1
Second Hand Goods	-	-	-	-
Bulky Goods	10,962	1,916	12,878	7
Vacant Retail	-	370	370	1
<b>Total Retail</b>	<b>19,432</b>	<b>2,616</b>	<b>22,048</b>	<b>18</b>
Commercial	-	-	-	-
<b>Total Commercial</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Hotel	-	-	-	1
Automotive	1,500	-	1,500	2
Wholesale/Homemaker	500	-	500	1
<b>TOTAL FLOORSPACE</b>	<b>21,432</b>	<b>2,616</b>	<b>24,048</b>	<b>22</b>

The Super Centre is made up of 11 separate buildings on a 7.47ha site with car parking provided on site. The main anchor tenants include a 4,370sqm Woolworths supermarket, 1,000sqm Dan Murphy's Liquor Store, and 7,762sqm Bunnings Warehouse.

Other tenancies include Bob Jane T Mart, Clark Rubber, Repco, Dulux Trade Depot, Pacific Pine Furniture, Godfreys, Chemist Warehouse, and Allmart Allsports. Three pad sites front New Lake Entrance Road and include Red Rooster, Hungry Jacks, and a Caltex petrol station (with convenience store). The Super Centre was built in 2003 and is managed by Stockland.

Located along New Entrance Road opposite the Super Centre are a large furniture/gift shop (982sqm), lighting store (934sqm), petrol station, and a vacant bulky goods outlet (370sqm). Lakeview Hotel/Motel is also located within the vicinity of this precinct on the corner of Lake Entrance Road and Government Road.

## 14.6 Public Car Parking

There are a total of 884 car spaces within this retail precinct. 834 open car bays are associated with the Super Centre, all of which are located off street. In addition there are 50 car spaces associated to those retail premises along New Lake Entrance Road.

## 14.7 Performance

It is expected that the Super Centre is trading well. However, it should be noted that the Centre is not strictly a bulky goods cluster, as various other tenants like the Woolworths supermarket, and Dan Murphy's liquor store are also located on site.

Shellharbour LGA is still losing some bulky goods expenditure to existing clusters located outside the LGA, especially to Warrawong. Warrawong has a strong bulky goods presence in the Illawarra Region, and the relatively short travel time between Warrawong and Shellharbour LGA leads to this type of expenditure escaping. As such, it's expected that the trade area of the Super Centre is limited to that of Shellharbour LGA.

The trade area of the Woolworths Supermarket and Dan Murphy's store is difficult to measure and is different to that of the bulky goods outlets in the Super Centre. The retail offer competes directly with that retail in Shellharbour City Centre and to a certain extent the trade area of both would appear to be similar. The supermarket and liquor store in the Super Centre most likely pulls trade from Oak Flats, Albion Park Rail and Blackbutt. Additionally, it is expected that if no parking is available at Stockland Shellharbour, shoppers will turn to the retail offer at the Super Centre as an alternative for grocery and everyday shopping needs.

Various long term vacancies in bulky goods accommodation on the northern side of New Lake Entrance Road (identified as Lots 1-3, DP 786327 at the corner of Government Road and New Lake Entrance Road) has resulted from the development of the Super Centre. Under the Lake Entrance Road, Blackbutt DCP No. 3/91 (1992), commercial, warehousing or bulky goods and related activities are preferred land uses on these northern lots.

The recent underperformance of lots in this location has been due not only to the success of the Super Centre as a bulky goods cluster, but due to the lack of pedestrian friendly access across New Lake Entrance Road from the Super Centre. Its likely patrons will only cross over from the Super Centre to visit a specific retailer, not necessarily to browse compared to this location.

As such, the Super Centre proves a more successful bulky goods cluster for browsing due to design, parking and connectivity between retailers throughout the site.



# 15. ALBION PARK RAIL OUT OF CENTRE RETAIL

## 15.1 Location

Albion Park Rail has two main out of centre retail locations, being at the corner of Princes Highway and Tongarra Road, and Central Business Park further south along Princes Highway.

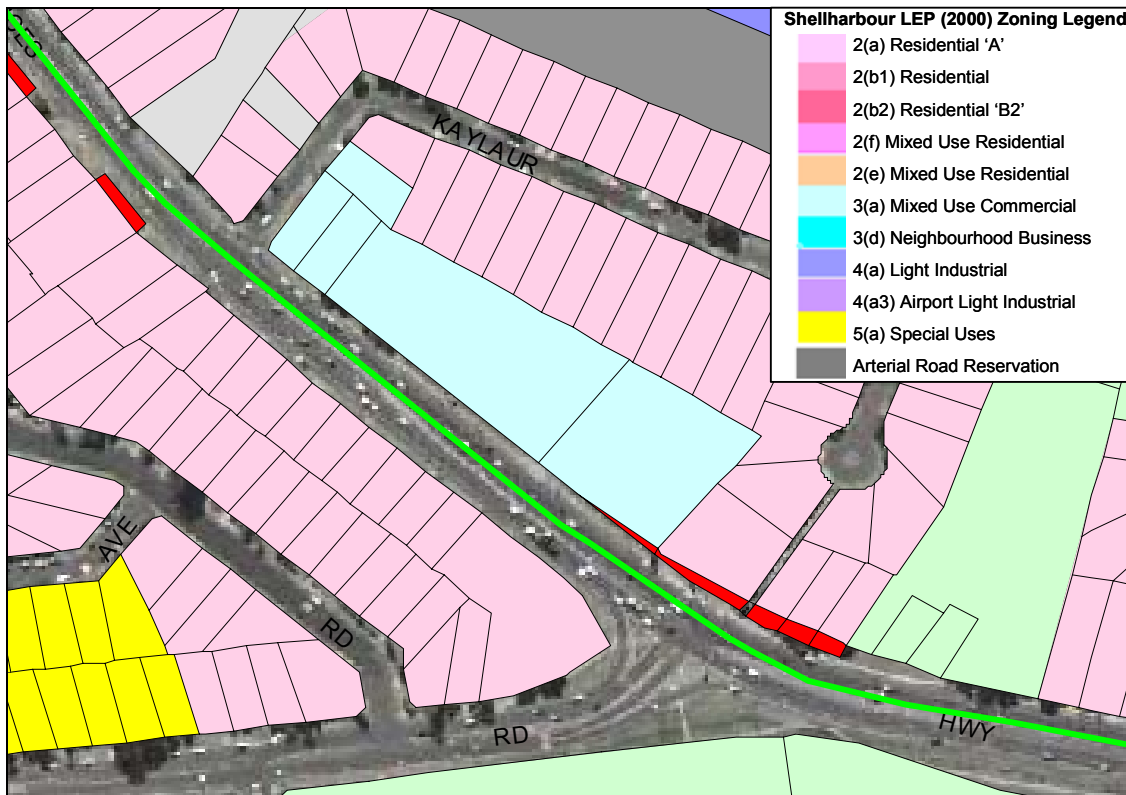
The remainder of Princes Highway, spread further north of the intersection with Tongarra Road consists of light industrial activity such as car showrooms, service stations, light manufacturing and storage facilities. Clusters of retailing activity have been reduced to services stations and some wholesaling on the eastern side of Princes Highway. As such, this area has been identified as Princes Highway North.

## 15.2 Cnr Princes Hwy & Tongarra Road

### Identification of Existing Zoning

The map below shows the current zoning of the corner of Princes Highway and Tongarra Road as identified in the Shellharbour LEP (2000).

Figure 21 - Cnr Princes Highway and Tongarra Road Zoning



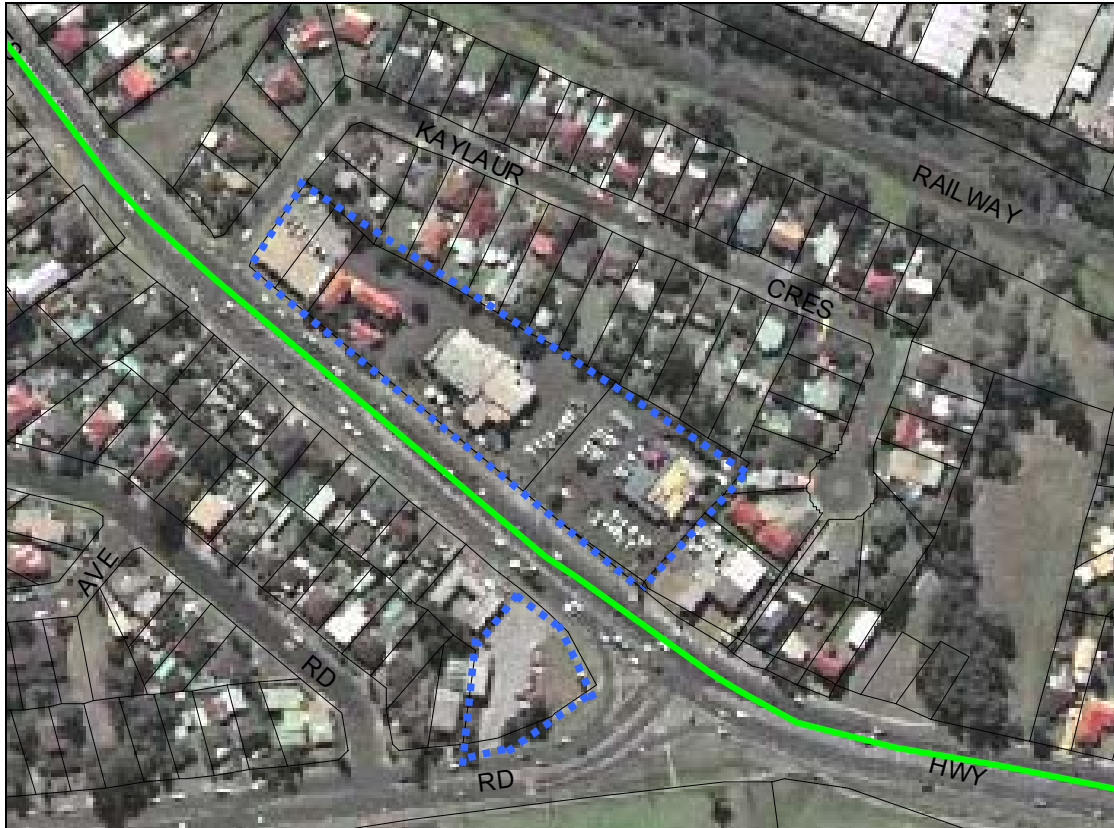
Source: Shellharbour LEP 2000 Zoning Extract and Mapinfo



### Identification of Retail Core

The aerial photo below identifies the retail core of the corner of Princes Highway and Tongarra Road retail precinct. Around 150 open and off street car spaces are provided for shoppers to this precinct.

**Figure 22 - Cnr Princes Hwy & Tongarra Road Retail Core**

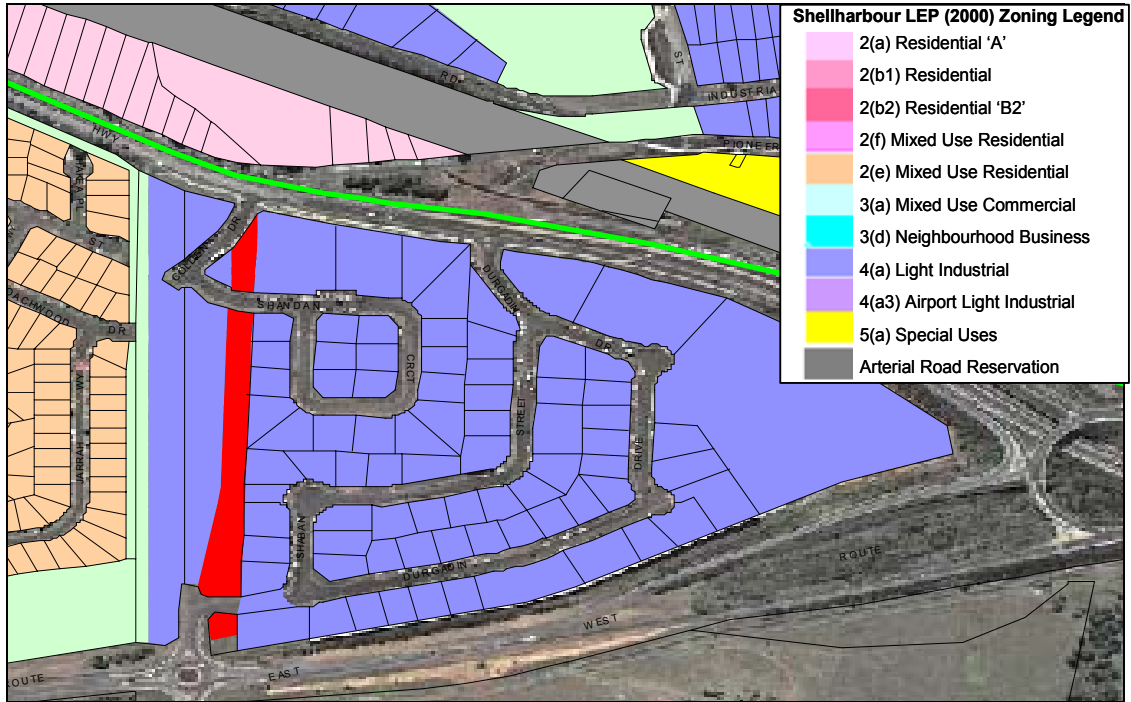


## 15.3 Central Business Park, Princes Hwy

### Identification of Existing Zoning

The map below shows the current zoning of the corner of Central Business Park, Princes Highway as identified in the Shellharbour LEP (2000).

**Figure 23 - Central Business Park, Princes Highway Zoning**

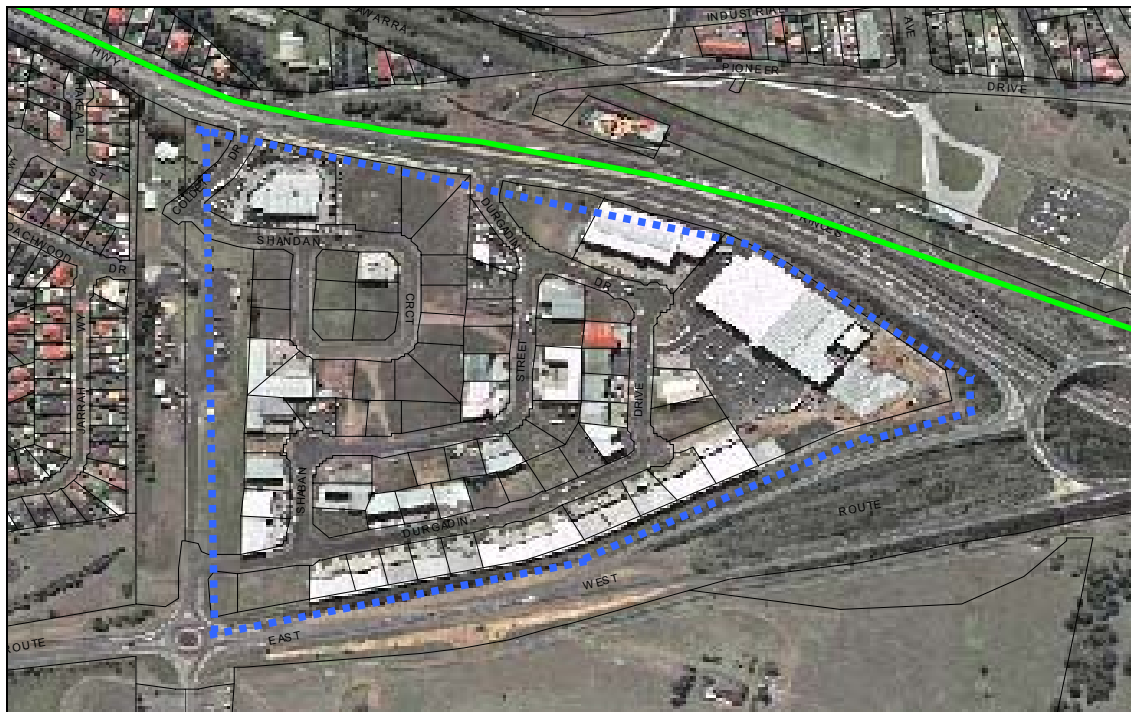


Source: Shellharbour LEP 2000 Zoning Extract and Mapinfo

**Identification of Retail Core**

The aerial photo below identifies the retail core of Central Business Park. Around 337 open car spaces are currently provided off street for this precinct.

**Figure 24 - Central Business Park, Princes Highway Retail Core**

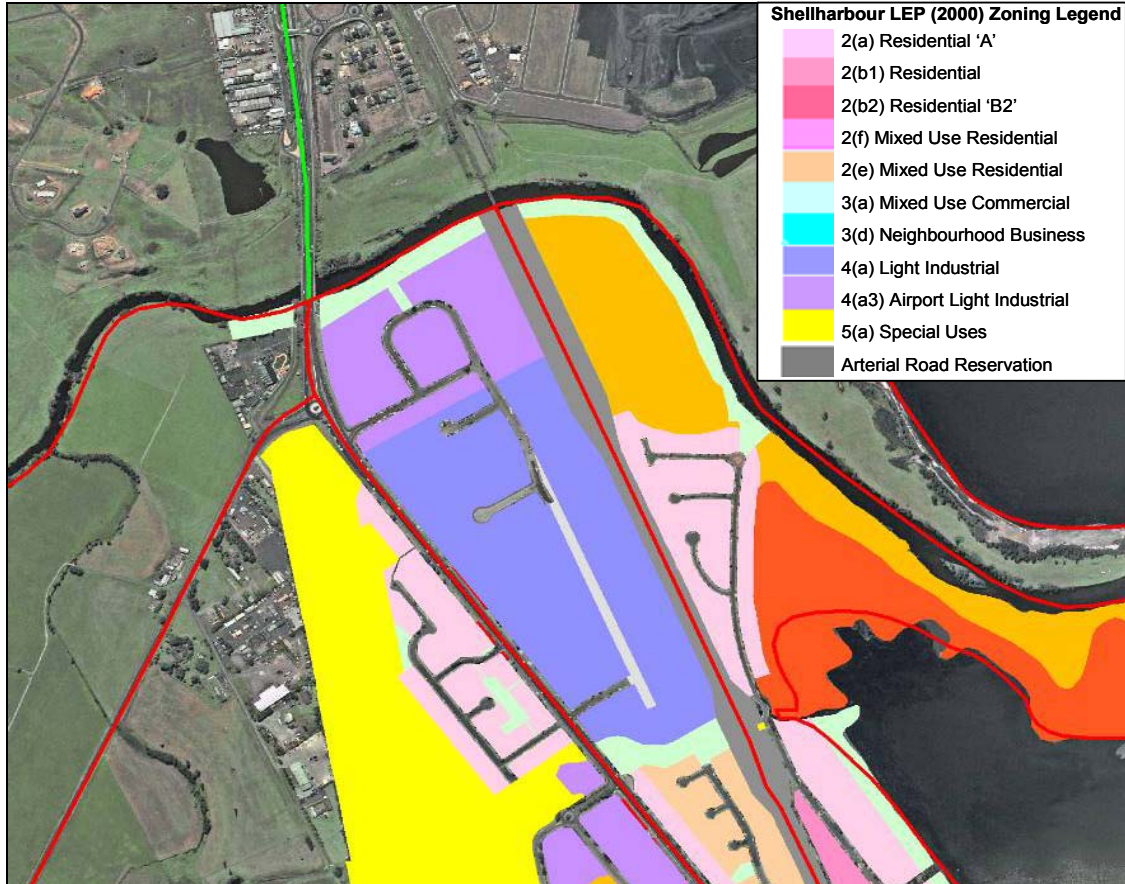


## 15.4 Princes Highway North

### Identification of Existing Zoning

The map below shows the current zoning of Princes Highway North as identified in the Shellharbour LEP (2000).

**Figure 25 - Princes Highway North Zoning**



Source: Shellharbour LEP 2000 Zoning Extract and Mapinfo

### Identification of Retail Core

As mentioned previously, Princes Highway, north of the intersection with Tongarra Road, consists of light industrial activity such as car showrooms, service stations, light manufacturing, and storage facilities with limited clusters of retailing activity. By way of retail land use types, this area includes service station convenience stores, and some wholesaling businesses on the eastern side of Princes Highway within the industrial zone.

As such, this area has been identified as Princes Highway North, however due to retailing being spread rather than clustered it has no real retail core.



The aerial photo below identifies this stretch of land. Off street customer car parking is provided by each wholesaler or light industrial manufacturer.

**Figure 26 - Albion Park North Aerial**



## 15.5 Retail & Commercial Mix

The table below indicates the retail floorspace and types of retail businesses associated with out of centre retailing in Albion Park Rail.

**Table 42 - Albion Park Rail Out of Centre Floorspace**

Shop Use	Cnr Tongarra Rd & Princess Hwy (sqm)	Central Business Park (sqm)	Princes Hwy North (sqm)	Total GLA (sqm)	No. Businesses
Supermarket	-	-	-	-	-
Convenience Store	-	-	-	-	-
Service Station Conven. Store	200	-	200	400	4
Discount Depart. Store	-	-	-	-	-
Specialty Food	220	-	-	220	2
Specialty Non Food	100	-	625 *	725	2
Clothing	-	204	-	204	1
Cafes & Restaurants	1,250	-	-	1,250	3
Take Away Food	-	-	150	150	1
Personal Services	80	-	-	80	1

Shop Use	Cnr Tongarra Rd & Princess Hwy (sqm)	Central Business Park (sqm)	Princes Hwy North (sqm)	Total GLA (sqm)	No. Businesses
Second Hand Goods	-	-	-	-	-
Bulky Goods	-	11,148	1,665	12,813	2
Vacant Retail	-	4,392	-	4,392	5
<b>Total Retail</b>	<b>1,850</b>	<b>15,744</b>	<b>2,640</b>	<b>20,234</b>	<b>21</b>
Commercial - General	480	-	150	630	4
<b>Total Commercial</b>	<b>480</b>	<b>-</b>	<b>150</b>	<b>630</b>	<b>4</b>
Entertainment	-	-	-	-	1
Recreation/Fitness	-	-	-	-	1
Hotel	-	-	-	-	1
Automotive	300	-	200	500	8
Wholesale/Homemaker	-	414	3,692	4,106	10
Community	-	-	-	-	1
<b>TOTAL FLOORSPACE</b>	<b>2,630</b>	<b>16,158</b>	<b>6,682</b>	<b>25,470</b>	<b>47</b>

Note: The 625sqm specialty non-food store along Princes Highway North relates to a pet food and pet accessory store.

## 15.6 Role & Function

These out of centre retail areas in Albion Park Rail are not directly mentioned under the Centre's hierarchy in DoPs Illawarra Regional Strategy (2006-31).

Most tenancies located in these locations are light industrial or trade related, rather than consisting of traditional retailing activity. Even given the bulky goods retailers located in these locations, the area is proliferated with trade affiliated occupants.

The highway location does attract car service and car sales showrooms. However, the lack of amenity in these locations given the highway presence does prevent any pedestrian friendly strip retailing. The remaining retail types attracted to these locations are associated with highway services such as fast food take-away stores and service stations.

Notwithstanding this, it is felt that these areas perform peripheral retailing function to the existing retail precinct at Albion Park Rail.

## 15.7 Performance

The retailing types found in these locations are dependent on either passing traffic or specific purpose visitors. The latter meaning that due to the light industrial nature of business located in this area, most customers visit for either a specific need or a preferred retailer/trader.

Clearly passing traffic and highway patronage is aiding the success of highway services like pad sites, take-away food chains, and service stations, resulting in these services trading sustainably.

## 16. SMALL VILLAGES

### 16.1 Location

There are two clusters of retail activity in the LGA which are too large to be identified as neighbourhood centres, although they are also not large enough to be categorised as a retail centre. These are located at:

- Cnr Terry Street and Simpson Parade, Albion Park South; and
- Addison Avenue, Lake Illawarra.

### 16.2 Role & Function

These smaller centres are not directly mentioned under the Centre's hierarchy in DoPs Illawarra Regional Strategy (2006-31).

Both of these smaller centres are between 2,000-2,500sqm and include a strip of shops for daily shopping with around 10 retail tenancies. The centres provide top-up shopping to the surrounding residential communities.

It is likely that Lake Illawarra had a stronger role in the retail hierarchy prior to expansion of larger centres like Stockland Shellharbour, Shellharbour City Centre, and Warilla Grove.

Albion Park South is the closest retail offering to the residential areas south and south-east of Albion Park. As such, it still provides a significant role for convenience shopping, with a wide range of specialty shops and medical services.

Based on this analysis, we recommend that these smaller centres be recognised as Small Villages under the proposed Shellharbour Retail Hierarchy.

### 16.3 Retail & Commercial Mix

The table below indicates the retail floorspace and types of retail businesses associated with these two centres.

**Table 43 - Shellharbour Village Floorspace (sqm)**

Shop Use	Albion Park South	Lake Illawarra
Supermarket	-	-
Convenience Store	140	-
Discount Depart. Store	-	-
Specialty Food	-	-
Specialty Non Food	1,120	-
Clothing	140	-
Cafes & Restaurants	-	-
Take Away Food	420	180
Personal Services	140	180
Second Hand Goods	-	-
Bulky Goods	-	180
Vacant Retail	-	1,800
<b>Total Retail</b>	<b>1,960</b>	<b>2,340</b>

Shop Use	Albion Park South	Lake Illawarra
Commercial -Medical	140	-
<b>Total Commercial</b>	<b>140</b>	<b>-</b>
<b>TOTAL FLOORSPACE</b>	<b>2,100</b>	<b>2,340</b>

Albion Park South equates to some 2,100sqm of floorspace, of which 1,960sqm is associated to retail uses, and the remainder to the local doctor's surgery. The retail precinct accommodates 10 tenancies, including 3 takeaway food stores, general clothing store, a sports clothing/school uniform store, hairdresser and appliance repair store. There were no vacancies at the time of the survey.

Lake Illawarra totals some 2,340sqm of floorspace, of which all is associated to retail uses. However, half the retail stores (1,080sqm) were vacant at the time of survey. The remaining specialties included a furniture store, hairdresser, takeaway food store, and a vacant grocery store (720sqm). There are 25 car spaces associated to this centre.

## 16.4 Public Car Parking

Unrestricted car parking is provided at Addison Avenue, Lake Illawarra. 25 off street open car spaces are provided for customers to the small retail village at Albion Park South.

## 17. NEIGHBOURHOOD CENTRES

### 17.1 Retail & Commercial Mix

Hill PDA investigated 17 existing neighbourhood centres in Shellharbour LGA identified by their current business zoning. These centres range in size from 60sqm-880sqm and each contain between 1 and 6 shops.

**Table 44 - Neighbourhood Centre Floorspace**

Shop Use	Warilla		Albion Park Rail			Albion Park		Lake Illawarra		Barrack Heights		Mt Warrigal		Darley Street, Shellharbour Village	Deakin Avenue, Oak Flats	Baragoot Road, Flinders	Total GLA (sqm)	No. Businesses	
	Queen Street	Ulister Avenue	Ash Avenue/ Pine Street	Karoo Street	Burdekin Drive	Robyn Road	Sophia Street	Cnr Calderwood/ Tongarra Road	View Street	Reddall Parade	Lagoon Street	Daphne Street	McKenzie Avenue						Jones Avenue
Supermarket	143	-	380	-	-	-	-	-	-	-	-	-	-	-	-	-	523	2	
Convenience Store	-	120	-	-	-	-	100	-	-	-	-	147	-	-	-	220	587	4	
Specialty Food	-	-	190	-	-	-	100	-	-	-	-	-	250	-	-	-	540	3	
Specialty Non Food	-	-	-	-	-	-	83	-	-	-	-	147	-	-	-	-	230	2	
Clothing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cafes & Restaurants	-	-	190	-	-	-	-	-	40	-	-	-	-	-	-	-	230	1	
Take Away Food	-	-	190	-	-	-	-	-	150	70	-	293	125	360	-	-	1,188	8	
Personal Services	143	-	320	-	-	-	335	-	120	-	-	147	125	-	-	-	1,190	8	
Second Hand Goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bulky Goods	-	-	-	-	-	-	83	-	-	-	-	-	-	-	-	-	83	1	
Vacant Retail	223	-	260	-	-	-	165	-	-	210	-	147	250	-	-	-	1,255	-	
<b>Total Retail</b>	<b>509</b>	<b>120</b>	<b>1,530</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>666</b>	<b>200</b>	<b>120</b>	<b>190</b>	<b>280</b>	<b>-</b>	<b>881</b>	<b>750</b>	<b>360</b>	<b>-</b>	<b>220</b>	<b>5,826</b>	<b>29</b>
Commercial - General	143	-	-	200	-	-	-	-	-	-	-	-	-	-	-	-	11,129	2	
<b>Total Commercial</b>	<b>143</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,671</b>	<b>2</b>	
Recreation/Fitness	-	-	130	-	-	-	-	-	-	-	-	-	-	-	-	-	130	2	
Community	-	-	-	-	300	-	-	-	-	-	-	-	-	-	-	-	300	1	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450	-	450	-	
<b>Total Floorspace</b>	<b>652</b>	<b>120</b>	<b>1,660</b>	<b>200</b>	<b>300</b>	<b>-</b>	<b>666</b>	<b>200</b>	<b>120</b>	<b>190</b>	<b>280</b>	<b>-</b>	<b>881</b>	<b>750</b>	<b>360</b>	<b>450</b>	<b>220</b>	<b>7,049</b>	<b>34</b>

34 businesses are located in neighbourhood centres in Shellharbour LGA, of which 2 are commercial. Neighbourhood centres account for around 2.7% of Shellharbour LGA's total shop front and commercial space.

Take-away food (23% of retail shop front space) and personal services (20%) are the main occupants of neighbourhood centres. However, there is currently also a high proportion of vacant retail space within neighbourhood centres (23%).



## 17.2 Public Car Parking

The table below indicates restricted public car spaces (hourly limits) available for retail shoppers within Neighbourhood Centres.

**Table 45 - Neighbourhood Centre Car Parking**

Suburb	Location	Car Spaces
Albion Park Rail	Karoo Street*	-
	Robyn Road*	-
	Ash Avenue /Pine Street	68
	Burdekin Drive	8
Albion Park	Sophia Street	35
	Cnr Calderwood/ Tongarra Road	15
Oak Flats	Deakin Street*	-
Shellharbour Village	Darley Street	10
Lake Illawarra	View Street	3
	Reddall Parade	45
Barrack Heights	Daphne Street*	-
	Lagoon Street*	-
Mt Warrigal	McKenzie Avenue	13
	Jones Avenue	21
Flinders	Baragoot Road	6
Warilla	Queen Street	10
	Ulster Avenue*	-
<b>TOTAL</b>		<b>166</b>

Note all car spaces are open car bays. \* On street parking only.

## 17.3 Performance

Location constraints, as well as competition from larger centres or expanding established centres, have resulted in some corner store sites losing significant trade and proving no longer viable to service the surrounding residential population.

Those neighbourhood centres and corner store sites which are currently underperforming include:

- Queen Street, Warilla – vacant service station, vacant shop, convenience store, hair dresser, and computer shop. Shops are very run down, with graffiti and vandalism, the line of shops have been for sale for some time.
- Lagoon Street, Barrack Heights – whilst the shops are well located to service the holiday cabins along Little Lake, only one shop is occupied (takeaway food shop), the remaining 3 are vacant. There is also a vacant site associated with this neighbourhood centre. However, shop top housing is provided above the remaining occupied store, and one of the vacant shops.

In most cases, within Shellharbour LGA most of these sites are poorly located and with no passing trade. Whilst they are surrounded by residential communities, they lack convenience to capture a trade area sufficient to make them viable.

Some corner store sites within Shellharbour LGA do provide a successful role for top-up shopping (like McKenzie Avenue, Mt Warrigal).

Most successful corner store sites are well located within close vicinity of major roads. They provide essential shopping whilst recognising that most people want to do their major shop at a bigger centre where they are likely to find cheaper items.

Some corner store sites within Shellharbour LGA have residential premises above and these include:

- Regal Heights Shopping Centre, Sophia Street, Albion Park;
- McKenzie Avenue, Mt Warrigal;
- Jones Avenue, Mt Warrigal;
- Darley Street, Shellharbour Village;
- Baragoot Road, Flinders;
- Reddall Parade, Lake Illawarra;
- Ulster Avenue, Warilla; and
- Lagoon Street, Barrack Heights.

Having residential above corner stores not only adds to the viability of the site, but improves security, as lone shops or lone petrol stations can be easy targets for crime.

It's been noted that whilst some of these sites still perform satisfactorily, others are either redeveloped entirely, or are re-established with new uses not reliant on passing trade or the surrounding residential population (e.g. tile shop, physio, pad site for fast food chain). Some of the traditional corner store sites have become other uses:

- Karoo Street, Albion Park Rail – occupied by South Coast Camp Quality;
- Burdekin Drive, Albion Park Rail – child care centre; and
- Deakin Street, Oak Flats – dwelling house.

Due to the distance between retail precincts in the LGA the primary role of these centres is to provide local convenience retail for the immediate residential area. Whilst most neighbourhood centres are in need of a refurbishment, they seem to provide a unique convenience function to neighbouring residential suburbs.

However, it has also been noted that some corner store and neighbourhood centres are currently vacant sites:

- Robyn Road, Albion Park Rail; and
- Daphne Street, Barrack Heights.

It's understood Daphne Street has 2004 development approval for 7 townhouses, 3 flats and 3 commercial units (D2004/801, 22-6-05).

## 18. PROPOSED CENTRES

### 18.1 Illawarra Regional Airport

Illawarra Regional Airport is located at the intersection of the Princes Highway and Illawarra Highway at Albion Park Rail. The Airport is a licensed aerodrome owned and managed by Shellharbour City Council and operated under the Civil Aviation Safety Authority (CASA).

The Illawarra Regional Airport provides QantasLink flights directly from the Illawarra to Melbourne. These flights depart six times a week. The Airport also caters for pilot training, general aviation, charter, and aerial work. Apart from the runway and associated terminal buildings, the Airport is also home to:

- Light Aeronautics Industry Cluster;
- Automatic Weather Station;
- The Aviator Lounge Cafe/Restaurant;
- Historical Aircraft Restoration Society;
- Australian Historical Flying Museum;
- AVGAS/AVTUR Fuel Facilities;
- Public amenities; and
- Public and security car parking.

The Light Aeronautics Industry Cluster is a new industry for the Illawarra Regional Airport, launched in October 2005, which brings substantial economic benefits and employment opportunities to the region.

The Australian Government provided a grant of \$330,000 under its Regional Partnerships Program following a funding submission in which Council pledged over \$900,000 to construct new hangars at the Airport. The aim of the project was to develop the Airport as employment lands to maximise its potential for business and jobs growth. It is understood that some aviation related industries have already relocated from other regional airports (Camden, Queanbeyan, and Bankstown).

DoPs Illawarra Regional Strategy (2006-31) recognises the Airport as being a significant facility for the greater Illawarra Region, having identified the site as a location for employment generating activity. The Regional Strategy highlights airport related activities, general transport and light industrial uses, commercial activities related to light industrial, and support services being appropriate for the site.

There is currently an application lodged with DoP, by Delmo Albion Park Pty Ltd, for an 80ha site adjacent to the Airport with frontages to Tongarra Road and the Illawarra Highway. The site is currently used for cattle grazing, rural residential purposes, and a dairy. It is understood the application is for a light industrial and warehouse development, with commercial subdivision of the site (developable area of up to 40ha). If the application is approved it will have a significant impact on supply and demand for Airport related uses.

Clause 84, of the Shellharbour LEP (2000), relates to development applications lodged with Council for development within the vicinity of Illawarra Regional Airport. Clause 84(a) notes that development consent

cannot be granted unless height, noise exposure, lighting and bird hazard management is acceptable. Additionally, if the proposal does not comply with the LEP, Clause 84(b) indicates that the Civil Aviation Safety Authority is given notice of the proposal and is provided with comments by the consent authority.

## 18.2 Shell Cove

Shell Cove, was adopted by Council as a project in the 1990's, aiming to be the major focus for meeting the LGA's economic development objectives.

It is expected that Shell Cove will house some 10,000 residents on 3,000 residential lots, with 1,150 lots already developed. Approximately 2,000 are conventional lots (500sqm sites), and around 1,000 are high density lots to be constructed around the harbour. Detached residential lots are selling at around \$300,000/lot. However, the sale rate has fallen over the last few years with average sales of 60-70 lots per annum compared to previously when take up was approximately 140 lots per annum.

With a tourism and employment focus, the project when completed will include a 300/350-berth marina constructed within an in-shore boat harbour, and an 18-hole championship-standard golf course. Community facilities include a public school (opened 2005), community centre (interim – opened 2005), sporting facilities and a small shopping/commercial centre.

The approximate location of the proposed Shell Cove retail centre is shown below:

**Table 46 - Map: Location of proposed Shell Cove Retail/Commercial Centre**



Source: Hill PDA, Council and Mapinfo

Financed and managed by Australand, Shell Cove is located just south of Shellharbour Village. It is envisaged that the first boats will be in the harbour by the end of 2011. Residential sales are expected to continue until approximately 2020.

There will be one retail hub within Shell Cove which will be developed around the marina. 6,000-7,000sqm of retail floorspace is proposed, of which 2,500sqm will be attributed to a new full line supermarket. There appears to already be strong interest in the operation of the supermarket by prospective operators. It is hoped the retail component of the project will be operating by 2012.

The existing quarry buffer zone around Shell Cove has provided an opportunity for a possible high-tech business park. These lands are currently zoned 2(f) Residential, but as the quarry is still operating, residential is not allowed. The site is roughly 9ha, however due to the lack of access to the site it is questionable as to whether a business park is the highest and best use for this land.

A review of retail floorspace needs for Shell Cove is currently being undertaken, with a draft of the study being reviewed by Council. This study, by Leyshon Consulting, will review a previous study prepared by them in 1998 into floorspace demand brought about by new development in Shell Cove. It is understood that the study further establishes that a retail centre with an overall scale of 7,000sqm would be viable.

However, as the review is yet to be made public, Hill PDA undertook a preliminary market analysis of the viability of business park development in the Shell Cove quarry buffer zone which included a series of discussions with local agents. Research indicated whilst there is demand for office space in Shellharbour LGA, there are no comparable business park developments in the area. As such, it's difficult to assess the viability of a business park in this location.

The most recent comparable commercial development in Shellharbour LGA is the Cygnet Centre located in Shellharbour City Centre, which is currently under construction. Local agents associate with the development indicated demand was initially quite strong; however, some potential buyers have withdrawn their offers due to construction delays. Many local agents suggested that before taking on a similar development it would be essential to secure a number of large precommitments to attract other firms to the location.

From a geographical perspective, local agents agreed that Shell Cove was probably the most suitable location for a business park, with support from the new marina development and access via two main roads. Farming land in Dunmore located opposite the council tip and train station was suggested as an alternate site for a business park. This was due not only to its location just off the freeway bypass, but due to the land being cheaper to develop. Shell Cove was viewed as a more prestigious location to Dunmore, with premium grade office space being more readily received than if developed at the site in Dunmore.

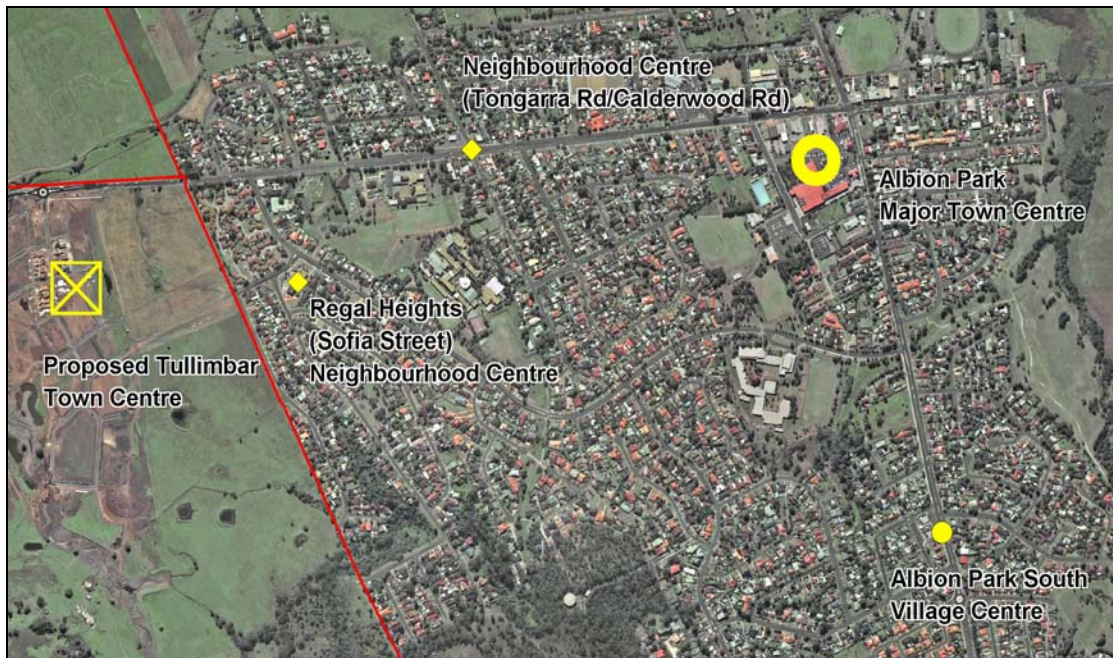
Alternative suggestions for land uses within the quarry buffer zone at Shell Cove included subdividing the land into half acre residential lots and selling the whole site to a developer for luxury villas and residential resorts. These suggestions having stemmed from constant demand for residential lots within close proximity to the water, particularly for the development of over 55s and seniors living accommodation. However, as the quarry has an expected life of at least 40 years these uses will not be possible.



## 18.3 Tullimbar Village Centre

The proposed Tullimbar Village Centre forms the retail/commercial precinct associated with Tullimbar Village, a new residential subdivision on the Western Valley of Albion Park. Developed by The Miltonbrook Group, the Village Centre will include residential, commercial, retail, civic and mixed use development. The approximate site location of Tullimbar Village is provided in the map below.

**Figure 27 - Map: Location of Tullimbar Village Centre**



Source: Hill PDA, Miltonbrook Group and Mapinfo

The design of the centre is based on 'traditional village life' with a focus on the town centre, with a mix of shops, café's, taverns, a supermarket, town hall, sports oval, pavilion, and church.

Miltonbrook have been given consent for 800 residential lots, with the first 20 residential homes having been completed in September 2006. Miltonbrook expects a total of 2,000 lots to have been released over the next decade.

According to the Tullimbar Village Centre Building Design Guidelines, as adopted in July 2006, there is 8,036sqm of retail/commercial floorspace demanded. Retail space will come in the form of strip retail along the street front equivalent to some 3,266sqm of floorspace. According to Miltonbrook 800-1,000sqm of that floorspace will be set aside for a mini supermarket in the precinct.

The remaining 4,770sqm will be commercial floorspace and split between shopfront and shop top accommodation. Whilst this represents the maximum development, Miltonbrook acknowledges that development of the Village Centre will largely be driven by demand for particular accommodation types.

## 18.4 Albion Park Rail Harbour Town Concept

Harbour Town is a concept proposed by ING on a 7.6 hectare site on the Princes Highway in Albion Park Rail. The proposal is for a single storey retail outlet with approximately 28,000sqm of lettable retail space. Around

half of the space is proposed to be bulky goods / homemaker stores and the other half is proposed to be a brand outlet centre (BOC).

The BOC would comprise of brand name stores selling predominately apparel but also including homewares, travel goods and the like. Other ING examples are Adelaide and the Gold Coast. The DFO at Homebush is a close example and the Tuggerah Supacentra is the closest example of a combined bulky goods / factory outlets centre.

ING has developed a concept plan which includes:

- 14,000sqm of BOC;
- 4,000sqm of existing bulky goods stores;
- 9,700sqm of new bulky goods / homemaker stores;
- Tourist bus lounge and bus parking; and
- 980 on grade parking spaces.

The centre may also have entertainment uses such as cinemas and/or ten-pin bowling. The BOC component would be a single storey building with tenancies fronting an open pedestrian street.

## 19. SOCIO DEMOGRAPHIC TRENDS

### 19.1 General Socio-Demographic Characteristics

The table below outlines the main socio-demographic indicators for Shellharbour, Kiama and Wollongong LGAs, compared to Sydney SD, as taken from ABS Census data (2001). This analysis is done to gain an appreciation of the context and labour related demand for land in Shellharbour LGA.

**Table 47 - Socio-Demographic Context Shellharbour, Kiama, Wollongong, & Sydney SD (2001)**

Characteristics	Shellharbour LGA	Kiama LGA	Wollongong LGA	Sydney SD
<b>Population and Dwellings</b>				
Total Population	56,967	18,773	180,358	3,948,015
Total Dwellings	20,994	8,264	73,465	1,546,691
Occupied Private Dwellings	19,933	6,949	68,804	1,438,394
Occupied Private Dwellings (%)	94.9%	84.09%	93.66%	93.00%
Average Household Size	2.9	2.7	2.6	2.7
<b>Age Distribution</b>				
0-14	24.2%	21.9%	20.24%	20.20%
15-29	20.2%	16.1%	21.31%	21.90%
30-44	23.2%	20.4%	21.78%	23.80%
45-59	17.7%	19.6%	17.93%	18.40%
60-74	10.7%	13.5%	12.40%	10.10%
75+	4.0%	8.5%	6.34%	5.60%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.00%</b>	<b>100.00%</b>
Median Age	33.8	39.9	36.02	34.9
<b>Place of Birth</b>				
Australia & Oceania	75.64%	83.84%	72.81%	65.30%
Europe	17.02%	9.55%	16.78%	11.80%
North Africa and Middle East	0.44%	0.22%	0.91%	3.10%
Asia	0.92%	0.83%	2.73%	10.60%
Americas	0.74%	0.48%	0.93%	1.50%
Sub-Saharan Africa	0.13%	0.39%	0.34%	1.00%
Other/Not Stated	5.12%	4.68%	5.49%	6.70%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>DWELLING AND HOUSEHOLD TYPES:</b>				
<b>Home Ownership</b>				
Owned or Being Purchased	69.57%	74.40%	65.10%	62.70%
Rented	25.05%	18.00%	28.10%	29.00%
Other/Not Stated	5.37%	7.60%	6.90%	8.40%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Household Structure</b>				
Family Households	80.43%	77.18%	71.90%	73.30%
Lone Person Households	17.64%	21.38%	24.47%	22.40%
Group Households	1.93%	1.45%	3.63%	4.30%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>



Characteristics	Shellharbour LGA	Kiama LGA	Wollongong LGA	Sydney SD
<b>Family Type</b>				
Couple with children	51.01%	48.43%	47.13%	50.50%
Couple without children	31.81%	38.66%	35.53%	32.40%
One parent family	16.18%	11.95%	15.81%	15.00%
Other family	1.00%	0.96%	1.53%	2.10%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Dwelling Type</b>				
Separate house	83.08%	83.58%	72.16%	63.10%
Townhouse	8.78%	6.62%	8.07%	11.30%
Flat-Unit-Apartment	6.22%	7.01%	17.33%	23.90%
Other dwelling	1.26%	2.23%	1.76%	0.80%
Not stated	0.65%	0.56%	0.68%	0.90%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>EMPLOYMENT AND INCOME:</b>				
<b>Labour Force</b>				
Managers and Administrators	3.87%	7.99%	5.16%	8.40%
Professionals	9.94%	22.23%	17.66%	19.90%
Associate Professionals	9.34%	12.27%	10.21%	11.10%
Tradespersons & Related Wrkrs	15.03%	12.93%	12.83%	10.40%
Clerical, Sales & Service Wrkrs	29.44%	25.07%	27.34%	29.00%
Production & Transport Wrkrs	11.97%	5.61%	8.42%	6.90%
Labourers & Related Wrkrs	9.07%	5.98%	7.41%	6.20%
Inadequately described or N.S.	1.90%	1.93%	1.86%	1.90%
Unemployed	9.43%	5.99%	9.12%	6.10%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Weekly Household Income</b>				
\$0-\$299	11.48%	11.23%	14.73%	10.20%
\$300-\$599	23.27%	21.40%	22.51%	16.80%
\$600-\$999	20.17%	19.30%	17.95%	17.60%
\$1,000-\$1,499	18.86%	17.10%	16.22%	16.70%
\$1,500-\$1,999	9.54%	10.29%	10.05%	13.30%
\$2,000+	5.58%	9.33%	7.42%	13.80%
Partial income stated	7.44%	8.14%	7.22%	8.40%
All incomes not stated	3.65%	3.21%	3.90%	3.30%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<i>Median Weekly Household Income</i>				
	\$778	\$824	\$738	\$989

Source: ABS 2001 Census

The main trends based on the above analysis are as follows:

- Shellharbour as at 2001, had a similar age distribution compared to Sydney SD, with Kiama and Wollongong having a slightly older population.
- In Shellharbour 24.3% of the population were born outside Australia and Oceania, with ethnic diversity considerably lower than Sydney SD. This is a reflection of the trend of overseas migrants generally settling in the capital cities.
- Detached housing predominates in Shellharbour. In 2001, Shellharbour had a similar percentage of flat, unit and apartment accommodation (6.2%) as Kiama (7.0%), which is considerably lower than Wollongong LGA (17.3%) and Sydney SD (23.9%).

- Kiama has a lower proportion of rented accommodation than Shellharbour, Wollongong and Sydney SD.
- Household structure in Shellharbour is similar to Sydney SD. The majority of households within Shellharbour are family houses, followed by lone person houses and group households.
- Household structure has changed over time with Shellharbour, Kiama and Wollongong and Sydney SD, all showing a decline in traditional or nuclear families as a proportion of total households.
- Household income levels in Shellharbour are slightly below Sydney SD. Shellharbour had a median household weekly income of \$778 in 2001. This is lower than Kiama \$824 and Sydney SD \$989.

The table below provides the number of jobs in Shellharbour LGA and shows the trends in employment between 1991 and 2001 based on journey to work data. The data is derived from census night and includes employed persons aged 15 years and over, who were employed during the week before census night. Note that this refers to jobs provided in the local area and not the number of employed residents.

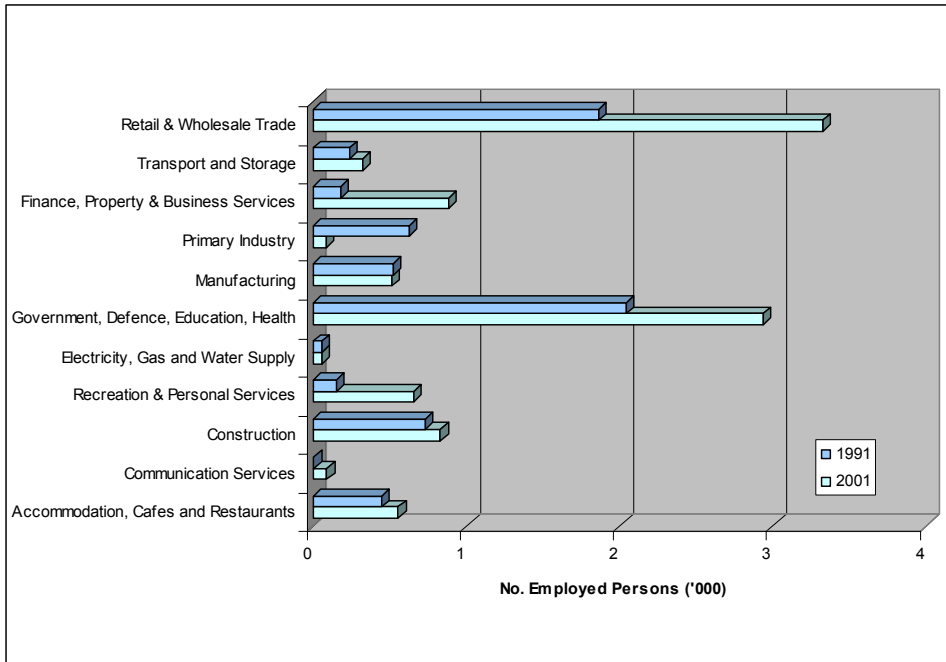
**Table 48 - Jobs in Shellharbour LGA by Industry Type in 1991 and 2001**

Industry Type	1991	2001	Growth
Accommodation, Cafes and Restaurants	446	558	25.1%
Communication Services	6	91	1,416.7%
Construction	734	832	13.4%
Recreational & Personal Services	151	656	334.4%
Electricity, Gas and Water Supply	55	55	0.0%
Government, Defence, Education and Health	2,041	2,935	43.8%
Manufacturing	523	513	-1.9%
Primary Industries	628	88	-86.0%
Finance, Property & Business services	179	883	393.3%
Transport and Storage	239	324	35.6%
Retail and Wholesale Trade	1,865	3,324	78.2%
<b>TOTAL</b>	<b>6,867</b>	<b>10,259</b>	

Source: Journey to Work, NSW Department of Transport 1991-2001

From the above table strong employment growth occurred in service industries (finance, business, retail and personal services) as well as government and health. Jobs in primary and manufacturing industries have declined since 1991. However, this does not translate to reduced demand for industrial floorspace. Much of the decline in these jobs is attributable to increased automation in manufacturing and other blue collar industries. Figure 29 below shows the different employment trends from 1991 to 2001.

**Figure 28 - Jobs in Shellharbour LGA by Industry Type in 1991 & 2001**



Source: Journey to Work, NSW Department of Transport 1991-2001

Over time, the influence of particular industries in the Illawarra may change, heralding movements in job trends.

Whilst Port Botany in Sydney is continuing to expand as a result of pressure from increased volumes being handled at the port, the NSW Government released its Ports Growth Plan, indicating the relocation of containerised and general cargo, as well as car stevedoring from Port Jackson to Port Kembla. Additional coal and mineral developments are also likely to see an increase in volumes through Port Kembla.

Further studies by the Illawarra Regional Information Service in early 2005, supported the possible expansion of Port Kembla due to export business expansion in Western Sydney, the Illawarra, South Coast and Southern Highlands<sup>19</sup>. In April 2005, a \$30m expansion project was approved by the Government for Port Kembla. This cargo facility development will also act as a new alternative to East Darling Harbour which will be redeveloped into commercial suites and residential apartments. Port Kembla was further expanded in October 2005, when the State Government announced a \$140m plan which would also include an additional two berths and the ability to handle over 250,000 vehicles per annum. The agreement ensures at least 40 years of certainty in the vehicle import industry for Port Kembla.

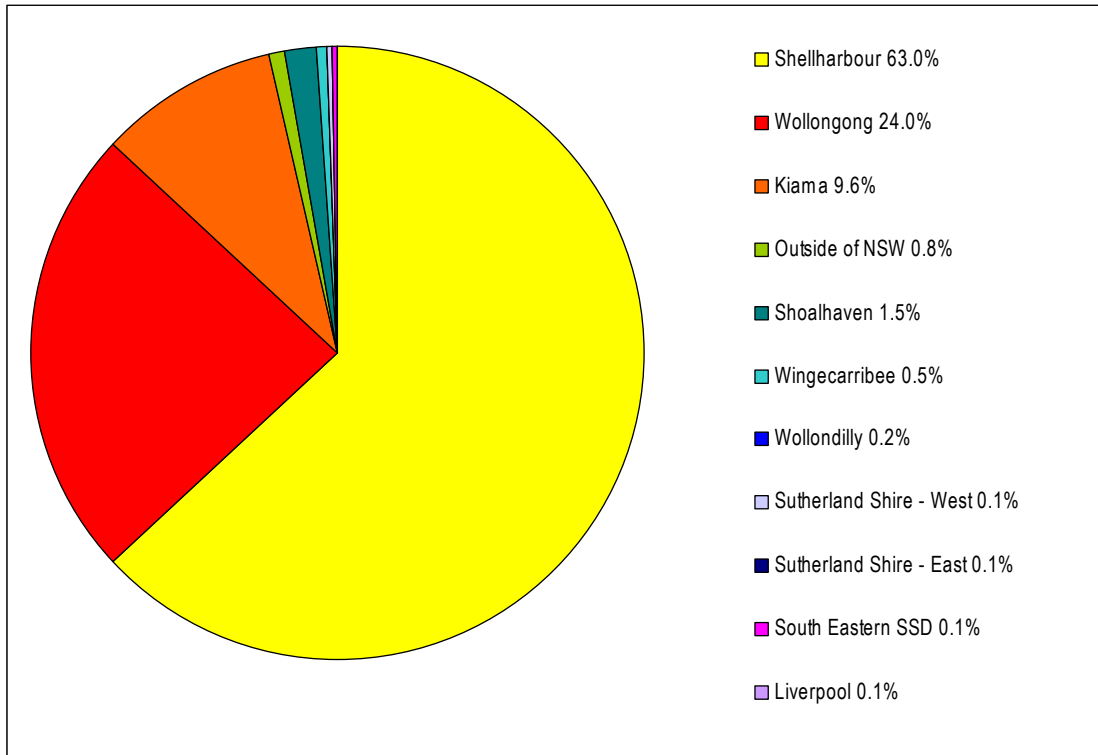
Port Kembla, located just south of Wollongong, and north of Warilla, is within relatively close proximity to Shellharbour LGA. The possible expansion of the Port both physically and strategically into new markets, could result in opportunities for Shellharbour not just in new industrial markets, but with an increase in employment at the Port opportunities for new residential populations to relocate to the Illawarra Region for work may arise. The flow on effect influencing retail and commercial activity in Shellharbour LGA.

Journey to work data also allows us to see where employees who work in Shellharbour LGA reside. Figure 30 shows which LGA these employees live as at 2001. Apart from those who live and work within Shellharbour

<sup>19</sup> Port Kembla News, Jan 2005

LGA, it is apparent most people who work in employment positions within the LGA boundaries come from Wollongong, Kiama and Shellharbour.

**Figure 29 - Where Shellharbour Employees Live As At 2001**



Source: Journey to Work, NSW Department of Transport 1991-2001

## 19.2 Dwelling Growth

DoPs Illawarra Regional Strategy (2006-31) is forecasting that 38,000 new dwellings will be required to provide for growth and declining occupancy rates over the next 25 years.

The Regional Strategy identifies major urban expansion opportunities in the centre of the region where the coastal plain broadens. The West Dapto release area, in Wollongong LGA, is one such place. The West Dapto release area extends from Kembla Grange to Yallah/Marshall Mount, and to the west of the existing urban areas of Dapto, totalling some 4,700 hectares. The project area includes Horsley and the Dapto Town Centre because of the important relationships these areas have with the future urban areas.

19,000 residential dwellings are anticipated for the West Dapto release area, accounting for an additional population of 45,000 persons over a 40 year timeframe. The study area has many constraints (in particular flood risk and significant vegetation communities) which means a large proportion of the study area is not capable of supporting urban development. The Regional Strategy recognises that given the future residential development planned for West Dapto, Dapto town centre has the capacity for growth, revitalisation, and employment opportunities.

West Dapto is the priority new release area for the Illawarra Region. The exhibition period for the Draft West Dapto Local Environmental Plan, Draft Structure Plan and Draft Master Plan has been delayed due to necessary flood mitigation studies.

Each council within the Illawarra Region has different characteristics and will therefore play contrasting roles in regional housing supply.

The Regional Strategy recognises that Shellharbour has taken the key responsibility for regional Greenfield land releases over the last 30 years at Albion Park, Blackbutt, Flinders and Shell Cove. As the present estates reach completion, the focus for Shellharbour will move towards urban renewal opportunities around towns and centres like Oak Flats. Kiama is likely to have a more limited role in regional housing supply.

The Regional Strategy notes that urban opportunity is being investigated by Shellharbour Council on lands in Dunmore located on the fringe of existing urban lands in the south of Shellharbour. Council is also investigating other lands at Albion Park to ascertain suitable land uses and zonings taking into consideration its urban, biodiversity and natural resource values.

Calderwood, to the south of West Dapto, and within Shellharbour LGA, was identified under the Illawarra Urban Development Program as a potential development area. The site has potential for up to 8,000 dwellings. Although not included in the Regional Strategy's dwelling forecasts, Calderwood provides an opportunity for an additional new release area if demand for additional housing supply arises due to population growth in the area surpassing what can be provided by areas such as West Dapto. However, it's anticipated that the need for Calderwood will not be required within the life of this current Regional Strategy.

It is understood that Delfin Lend Lease lodged a rezoning application to Council regarding 542ha of land at Calderwood. An independent review of the strategy commissioned by DoP<sup>20</sup>, agreed it was premature to release Calderwood noting that its rezoning should only proceed once West Dapto has established a sustainable market presence and only if the development of Calderwood is independently assessed as unlikely to undermine the development of West Dapto.

As such, the Regional Strategy estimates the current capacity for housing in the Illawarra Region as follows:

**Table 49 - Capacity for Housing in Illawarra Region (2006-31)**

Current Capacity for housing in the Region	Detached	Medium Density	High Density	Total
Current New Release Areas	5,300	1,250		6,550
West Dapto Release Area*	8,250	2,750		11,000
Infill on Vacant land	4,600	300		4,900
Redevelopment	3,550	3,750	3,900	11,200
<b>TOTAL</b>	<b>21,700</b>	<b>8,050</b>	<b>3,900</b>	<b>33,650</b>

\* The West Dapto Release Area will continue to provide housing beyond the life of the strategy to total some 19,000 dwellings once developed to the maximum. Source: DoP, Illawarra Regional Strategy (2006-31), and SGS Economics & Planning, Housing & Formation Study – Illawarra Region, May 2006.

SGS Economics & Planning undertook a study in May 2006, into housing and housing formation in the Illawarra Region<sup>21</sup>. However, since the SGS study, Council has refined the SGS housing estimates to reflect the following residential dwelling forecasts over time:

<sup>20</sup> Cite Urban Strategies, Peer Review – Key Population & Greenfield Development Projections Illawarra Regional Strategy, 2006

<sup>21</sup> SGS Economics & Planning, Housing & Formation Study – Illawarra Region, May 2006

**Table 50 - Forecast Increase in Dwellings for Shellharbour LGA 2006-31**

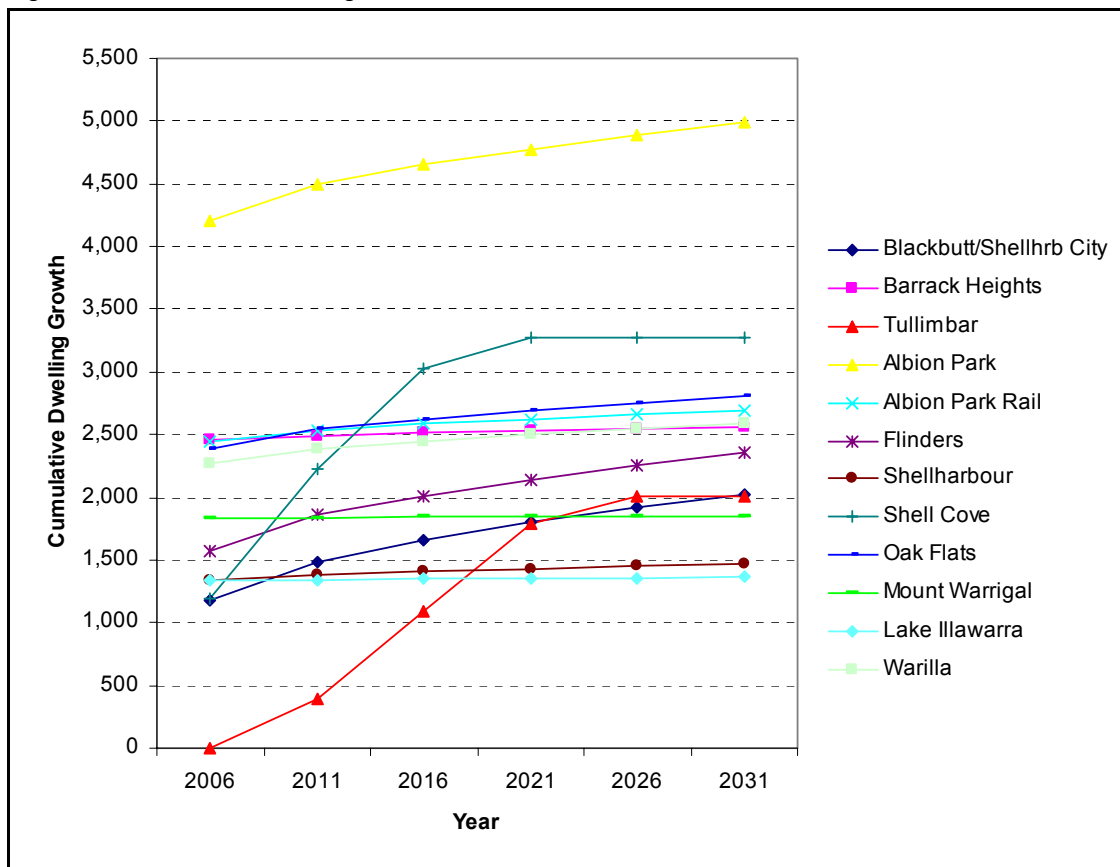
5 Year End	Blackbutt/Shellhrb City	Barrack Heights/ Barrack Point	Tullimbar *3	Albion Park	Albion Park Rail	Flinders	Shell-harbour	Shell Cove *3	Oak Flats	Mount Warrigal	Lake Illawarra	Warilla	Shellharbour LGA
2011 *2	315	39	380	287	90	292	51	1,026	157	7	11	114	2,769
2016 *2	170	21	700	155	49	158	28	800	85	4	6	62	2,238
2021 *2	136	17	700	124	39	126	22	250	68	3	5	49	1,539
2026 *2	119	15	220	109	34	111	19	0	59	3	4	43	736
2031 *2	111	13	0	101	32	103	18	0	55	2	4	40	479
<b>TOTAL *1</b>	<b>851</b>	<b>105</b>	<b>2,000</b>	<b>776</b>	<b>244</b>	<b>790</b>	<b>138</b>	<b>2,076</b>	<b>424</b>	<b>19</b>	<b>30</b>	<b>308</b>	<b>7,761</b>

1. Total supply growth is from SGS Illawarra Household Type and Formation Study 2006 and developer estimates.  
 2. Except for Tullimbar and Shell Cove, supply growth increments are derived from forecast housing demand increments in the SGS Illawarra Household Type and Formation Study 2006. These have been scaled back to recognise the unlikelihood of 43% of the 06-31 demand eventuating between 06-11, based on demand/supply rate.  
 3. Supply growth increments for Shell Cove and Tullimbar are based on developer estimates.

It's worth noting the two suburbs which will experience high growth over the next 25 years are Shell Cove and Albion Park. Shell Cove is expected to increase by 2,076 dwellings and Albion Park has been forecast to rise by 2,215 dwellings.

The graph below shows the cumulative dwelling increase for the derived suburbs of Shellharbour LGA.

**Figure 30 - Cumulative Dwelling Increase, Suburbs of Shellharbour LGA 2006 - 2031**



Source: Council projections, SGS Economics & Planning, Housing & Formation Study – Illawarra Region, May 2006, and Hill PDA assumptions

The table below shows the cumulative increase of dwellings from 2006 to 2031 for the derived suburbs within the Shellharbour LGA.

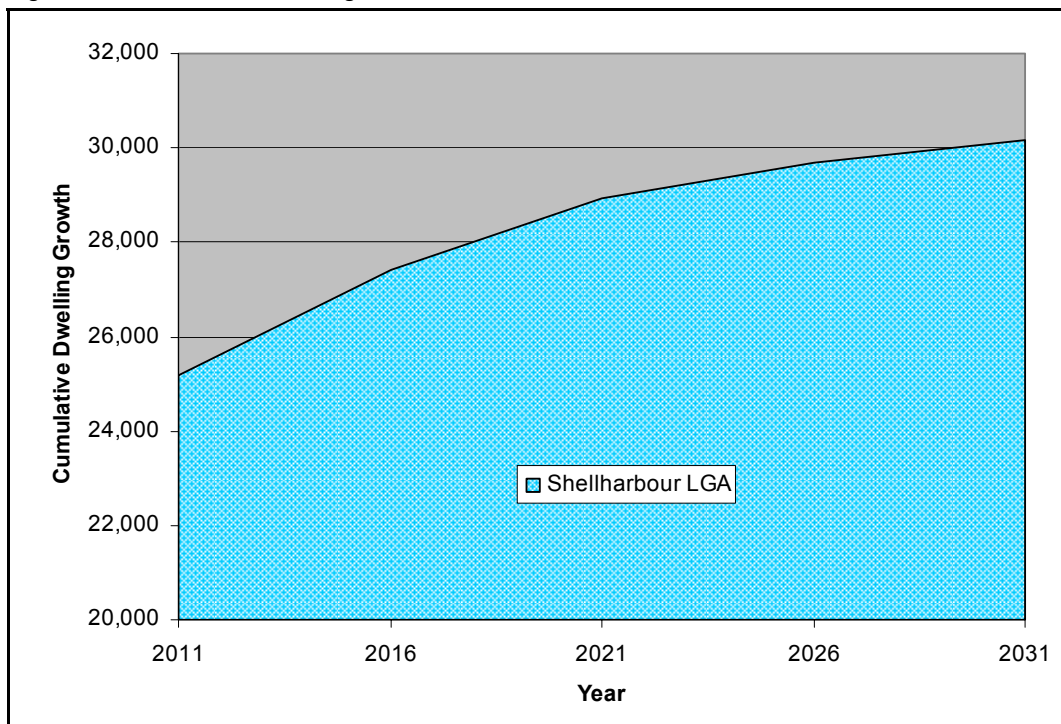
**Table 51 - Cumulative Dwellings - Shellharbour LGA 2006-2031**

Year	Blackbutt/ Shellrb City	Barrack Heights/ Barrack Point	Tullimbar *3	Albion Park	Albion Park Rail	Flinders	Shell-harbour	Shell Cove *3	Oak Flats	Mount Warrigal	Lake Illawarra	Warilla	Rural Areas	Shellharbour LGA
2006*	1,176	2,455	7	4,212	2,448	1,565	1,332	1,198	2,383	1,832	1,332	2,275	183	22,398
2011	1,491	2,494	387	4,499	2,538	1,857	1,383	2,224	2,540	1,839	1,343	2,389	183	25,167
2016	1,661	2,515	1,087	4,654	2,587	2,015	1,411	3,024	2,625	1,843	1,349	2,451	183	27,405
2021	1,797	2,532	1,787	4,778	2,626	2,141	1,433	3,274	2,693	1,846	1,354	2,500	183	28,944
2026	1,916	2,547	2,007	4,887	2,660	2,252	1,452	3,274	2,752	1,849	1,358	2,543	183	29,680
2031	2,027	2,560	2,007	4,988	2,692	2,355	1,470	3,274	2,807	1,851	1,362	2,583	183	30,159

Source: For Shellharbour LGA suburbs, base figures are from Shellharbour Council rates data.

The graph below shows cumulative dwelling growth for Shellharbour LGA forecast to 2031.

**Figure 31 - Cumulative Dwellings, Shellharbour LGA 2006-2031**



Source: Council projections, SGS Economics & Planning, Housing & Formation Study – Illawarra Region, May 2006, and Hill PDA assumptions

## 20. DEMAND FOR RETAIL SPACE

In this section Hill PDA examine the need for additional retail and commercial floorspace in Shellharbour LGA. This is measured by comparing demand for floorspace (from household expenditure) to the supply of floorspace.

### 20.1 Catchment and Trade Areas

In order to measure need and undersupply of retail and commercial floorspace, a trade or catchment area needs to be defined. The trade area served by any retail centre is determined by a number of factors including:

- The strength and attraction of the centre in question, determined by factors such as the composition, layout, ambience/atmosphere and car parking in the centre;
- Competitive retail centres, particularly their proximity to the subject centre and respective sizes, retail offer and attraction;
- The location and accessibility of the centre, including the available road and public transport network and travel times; and
- The presence or absence of physical barriers, such as rivers, railways, national parks and freeways.

Having regard to each of the factors detailed above, our experience with a large number of similar studies and our experience with studies in regional areas, we have defined a catchment area for each retail centre as documented in each centres individual analysis.

However, as observed during this analysis, the trade area catchment of retail centres in Shellharbour LGA overlap. Residents switch between different centres easily and often. This is based on preference, time of day, a convenience shop (e.g. milk and bread) versus a bigger grocery shop, or where they are travelling from (e.g. home to work).

The trade area indicates the geographical extent to which a retail centre could capture expenditure. If household demand was calculated based on these individual catchment areas, many households would be double counted as they fall into more than one trade area. It could lead to the LGA showing inflated demand for floorspace which is not truly representative of the current situation.

To prevent double counting of households brought about by this overlapping of trade areas, demand has been modelled on four distinct trade areas based around the major supermarket based centres of the LGA, being Shellharbour City Centre, Albion Park, Warilla, and the emerging Shell Cove. For the purpose of our expenditure model HillPDA has grouped suburbs in Shellharbour LGA into the following trade areas:

- Shell Cove which takes into account Flinders, Shellharbour and Shell Cove;
- Warilla which captures Barrack Heights, Lake Illawarra, and Warilla;
- Shellharbour City Centre which includes Blackbutt, Oak Flat and Mount Warrigal; and
- Albion Park which comprises of Albion Park Rail and Albion Park.



The modelling within this report will indicate over or undersupply of retail/commercial floorspace within the LGA as a whole and within the trade areas as defined. If an undersupply results, then target increases in floorspace can be assigned to centres based on dwelling growth, proposed developments in the pipeline, and other considerations as identified in the individual centre analysis.

## 20.2 Existing Household Expenditure

Demand for retail space within a trade area is dependent upon household expenditure. Household expenditure is dependent upon population, the number of households and the socio-demographic characteristics of those households. Most notably there is a strong correlation between expenditure and household type and income levels.

Having identified the characteristics of the population within the primary and secondary trade areas, this information together with household forecast growth rates, was utilised in Hill PDA's Retail Expenditure Model to quantify the amount of expenditure likely to be generated in the locality. This expenditure is then translated into demand for retail floorspace.

Household expenditure was sourced from:

- ABS Household Expenditure Survey 2003-04 which provides household expenditure by broad commodity type by household income quintile; and
- Marketinfo 2006 database which is generated by combining and updating data from the Population Census and the ABS Household Expenditure Survey (HES) using "microsimulation modelling techniques".

Marketinfo combines the data from the Census, HES and other sources to derive total household expenditure by commodity type. This data, which was validated using taxation and national accounts figures, quantifies around 14% more expenditure than the ABS HES Survey.

It is important to note that it is not only household growth that affects demand for retail services, but also household expenditure. As the residential release area surrounding the subject site develops further, higher income households move in as only those households can generally afford the associated costs of new housing in this area.

## 20.3 Growth in Expenditure

The table below shows the total estimated household expenditure generated by the trade areas in 2006, and with increases in households and household expenditure through to 2031.

**Table 52 - Forecast Household Expenditure by Suburb by Year (2006 \$m)\***

Suburb	2006	2011	2016	2021	2026	2031
Blackbutt/Shellharbour City	38.0	50.7	59.4	67.5	75.6	84.1
Barrack Heights	70.5	75.3	79.8	84.4	89.2	94.3
Tullimbar	0.3	14.5	42.9	74.2	87.5	92.0
Albion Park	148.7	166.9	181.5	195.8	210.5	225.8
Albion Park Rail	73.0	79.6	85.3	91.0	96.8	103.0
Flinders	49.1	61.3	69.9	78.1	86.3	94.8
Shellharbour	43.1	47.1	50.5	53.9	57.4	61.0
Shell Cove	46.7	91.0	130.1	148.0	155.2	163.5
Oak Flats	71.3	79.9	86.7	93.5	100.4	107.7
Mount Warrigal	57.5	60.6	63.9	67.2	70.8	74.5
Lake Illawarra	31.1	32.9	34.8	36.7	38.7	40.8
Warilla	54.7	60.4	65.1	69.8	74.6	79.7
Balance of LGA	5.7	6.0	6.3	6.6	6.9	7.3
<b>TOTAL LGA</b>	<b>689.7</b>	<b>826.2</b>	<b>956.1</b>	<b>1,066.7</b>	<b>1,150.1</b>	<b>1,228.5</b>

Figures include an assumed 1% per annum growth in retail spend per household. Note that from 1991 to 2006 growth in retail spend has been around 1.7% per capita per annum and around 1.2% per household (based on ABS Retail Turnover figures).

Source: Hill PDA estimate from Expenditure Modelling using data from ABS Household Expenditure Survey 2003-04, Marketinfo 2006 and ABS Census 2001.

The expenditure estimate in any future year is calculated from the expenditure number in the 5th previous year, multiplied by growth in households, multiplied by growth in real spend per household. The formula is:

$$S_Y = S_{(Y-5)} * [(1+H\%) * (1+R\%)]^5$$

Where:  $S_Y$  = Spend in Year Y;

$H$  = Average per annum growth in number of households from Year Y-5 to Year 5; and

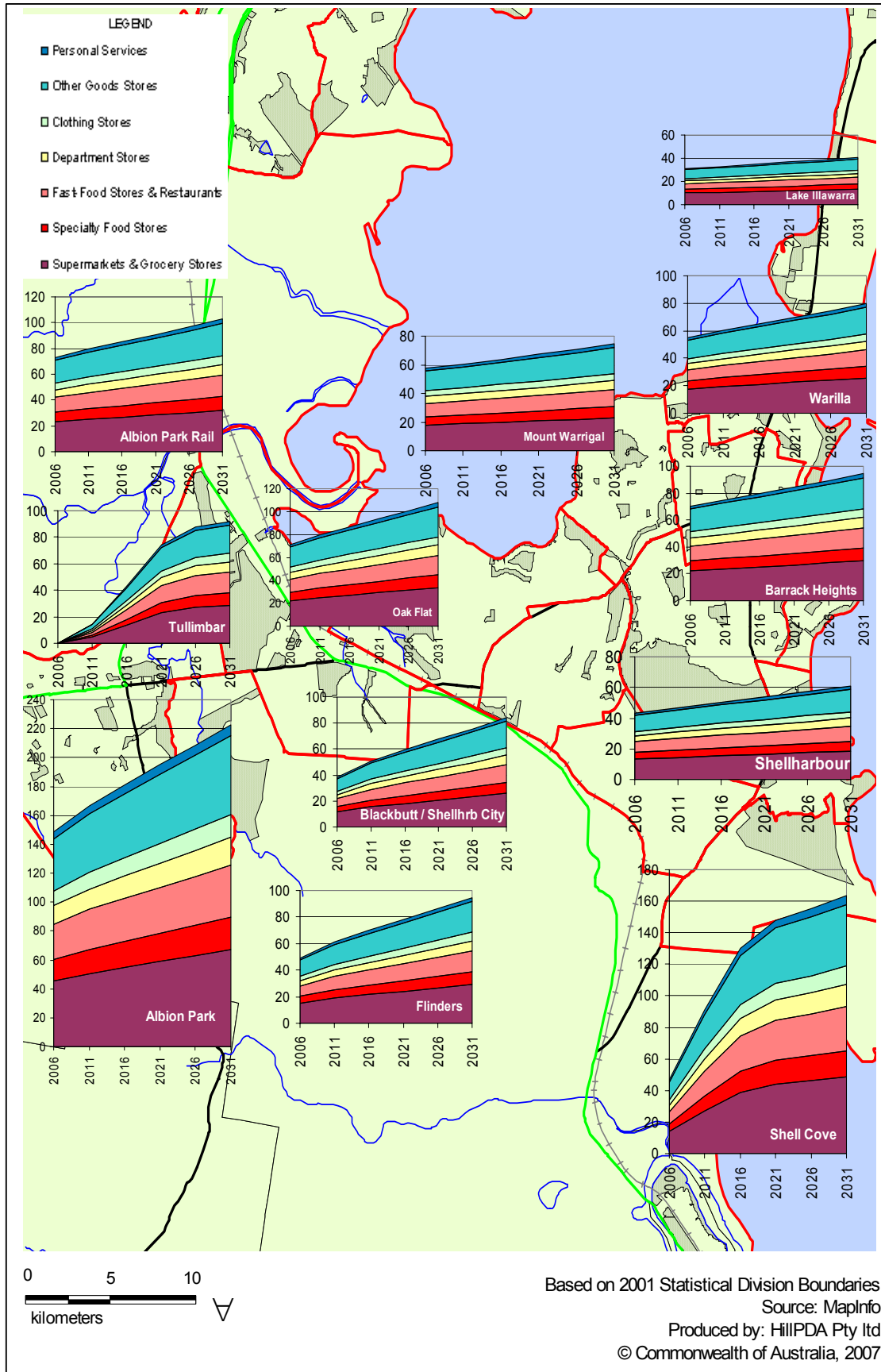
$R$  = Forecast growth in real spend per household

The table shows how growth in the number of households in the trade areas is having an expected impact on the level of retail expenditure generated by each trade area. It follows that demand for retail floorspace within the locality has also increased significantly.

The trade areas of Shellharbour LGA account for a total of \$690m of expenditure to be spent on household goods and services in 2006. As such, the Albion Park trade area accounts for a largest proportion of this expenditure, accounting for 20% of total expenditure in the LGA in 2006.

Owing to the growth in households and household expenditure discussed above total retail expenditure at various store types (e.g. supermarket, clothing store etc) will grow over time in each trade area as illustrated in the map below.

**Figure 32 - Map: Forecast Expenditure by Suburb by Retail Store Type (2006-2031)**



As shown there is a significant level of growth in demand for retail stores, particularly over the next 5 to 10 years. Most of this growth will be in the south-east (Shell Cove and Flinders) and in the west (Albion Park).

## 20.4 Retail Benchmark Turnover Levels

Average turnover levels can be compared to industry benchmark turnovers to determine levels of performance, under/over supply, and forecast demand for floorspace. The benchmark or target turnover levels adopted for this study are as follows:

**Table 53 - Industry Turnover Rates (\$/sqm)**

Retail Store Type	Annual Benchmark Turnover Rate (\$/sqm)
Supermarkets & Grocery Stores	9,000
Specialty Food Stores	7,000
Fast-Food Stores & Restaurants	6,000
Department Stores	3,500
Clothing Stores	5,000
Bulky Goods Stores	3,500
Other Personal & Household Goods Stores	5,000
Personal Services	4,000

Source: Various including ABS Retail Survey 1998-99, Urbis/JHD Retail Averages, IBECON "Sydney by Suburbs 2004" and various consultant reports.

## 20.5 Forecast Demand for Retail Floorspace

Demand for retail floorspace is estimated from dividing expenditure by the above benchmark turnover rates. The results are shown in the table below.

**Table 54 - Forecast Demand for Retail Floorspace by Suburb by Year (sqm)**

Suburb	2006	2011	2016	2021	2026	2031
Blackbutt/Shellharbour City	6,954	9,267	10,850	12,337	13,825	15,372
Barrack Heights	12,832	13,701	14,521	15,365	16,244	17,160
Tullimbar	45	2,639	7,791	13,461	15,889	16,700
Albion Park	27,223	30,561	33,226	35,851	38,539	41,341
Albion Park Rail	13,306	14,499	15,533	16,571	17,642	18,765
Flinders	8,982	11,201	12,774	14,265	15,770	17,333
Shellharbour	7,882	8,601	9,223	9,844	10,484	11,155
Shell Cove	8,552	16,686	23,845	27,133	28,439	29,972
Oak Flats	12,985	14,547	15,800	17,037	18,298	19,616
Mount Warrigal	10,490	11,067	11,657	12,272	12,919	13,592
Lake Illawarra	5,642	5,979	6,312	6,658	7,019	7,398
Warilla	9,921	10,950	11,807	12,657	13,532	14,446
Balance of LGA	1,043	1,097	1,153	1,211	1,270	1,338
<b>TOTAL</b>	<b>125,858</b>	<b>150,794</b>	<b>174,491</b>	<b>194,663</b>	<b>209,870</b>	<b>224,188</b>

Source: Hill PDA Estimate

Subtracting demand from supply provides a measure of oversupply which is shown in the table below.

**Table 55 - Forecast Over/Under Supply of Retail Floorspace by Suburb by Year (sqm)**

Suburb	2006	2011	2016	2021	2026	2031
Blackbutt/ Shellharbour City	57,914	55,601	54,018	52,531	51,043	49,496
Barrack Heights	-11,214	-12,083	-12,903	-13,747	-14,626	-15,542
Tullimbar	-45	-2,639	-7,791	-13,461	-15,889	-16,700
Albion Park	-17,665	-21,003	-23,668	-26,293	-28,981	-31,783
Albion Park Rail	6,125	4,932	3,899	2,860	1,789	666
Flinders	-8,762	-10,981	-12,554	-14,045	-15,550	-17,113
Shellharbour	-854	-1,573	-2,195	-2,816	-3,456	-4,127
Shell Cove	-8,552	-16,686	-23,845	-27,133	-28,439	-29,972
Oak Flats	-6,752	-8,314	-9,567	-10,804	-12,065	-13,383
Mount Warrigal	-9,257	-9,834	-10,424	-11,039	-11,685	-12,359
Lake Illawarra	-3,892	-4,229	-4,562	-4,908	-5,269	-5,648
Warilla	8,230	7,201	6,344	5,494	4,619	3,706
Balance of LGA	-1,043	-1,097	-1,153	-1,211	-1,270	-1,338
<b>TOTAL</b>	<b>4,233</b>	<b>-20,703</b>	<b>-44,400</b>	<b>-64,572</b>	<b>-79,779</b>	<b>-94,097</b>

Source: Hill PDA Estimate

A positive number indicates oversupply of floorspace whilst a negative number indicates undersupply.

Care should be taken in interpretation of the above figures and other over and under supply figures, since they relate to measuring supply and demand on a suburb by suburb basis, ignoring the retail hierarchy and estimated trade areas of centres. This is why suburbs like Blackbutt/Shellharbour City show a large level of oversupply.

In addition to the above there is demand for shop front space for non-retail commercial users such as banks, real estate agents, travel agents and the like. Specialties comprise around 40% of total floorspace and around 15% of specialties are likely to be occupied by non-retail services depending upon location<sup>22</sup>. A further 4-5% of specialties should be vacant at any one time to reflect a healthy supply for new tenants. Hence the above negative numbers should be escalated by a further 10% to reflect demand for total shop front space.

## 20.6 Demand for Supermarkets

For the purpose of estimating demand for supermarket floorspace, the LGA was divided into four districts being the northeast (generally served by Warilla), the southeast (to be served by the new Shell Cove centre, Shellharbour City and Albion Park). The table below shows the forecast oversupply of supermarket floorspace by these broad districts.

**Table 56 - Forecast Oversupply of Supermarket Floorspace (sqm)**

Location	2006	2011	2016	2021	2026	2031
Flinders, Shellharbour and Shell Cove	-4,382	-6,401	-8,104	-9,093	-9,729	-10,423
Barrack Heights, Lake Illawarra and Warilla	2,884	2,447	2,054	1,655	1,241	809
Blackbutt, Oak Flats, Mt Warrigal and Shellharbour City	7,414	6,577	5,932	5,304	4,665	3,999
Albion Park, Albion Park Rail and Tullimbar	-3,325	-4,659	-6,324	-8,081	-9,241	-10,126
<b>TOTAL</b>	<b>2,591</b>	<b>-2,036</b>	<b>-6,442</b>	<b>-10,214</b>	<b>-13,063</b>	<b>-15,740</b>

Source: Hill PDA Estimate

<sup>22</sup> Typically this proportion is as little as 5% to 7% in the indoor centres but may be as high as 30% to 40% in traditional strip retail centres.

Note that there is considerable expenditure that crosses trade area boundaries and hence numbers that suggest large oversupply or undersupply in any one area are not necessarily alarming. Total supermarket floorspace for the LGA suggests a near equilibrium level in 2006.

Note that the two growth areas being the southeast and western districts are considerably undersupplied with supermarket floorspace and this is likely to exacerbate if there is no additions to supply. The proposed centre in Shell Cove will go a long way to addressing this need.

## 20.7 Demand for Specialty Stores

Demand for specialty stores was measured by amalgamating the above categories of retail store type that relate to specialty stores including personal services. Clothing stores however were excluded since we adopted a different methodology to estimate demand (covered in the next section). The level of oversupply of specialty stores by broad district is given in the table below.

**Table 57 - Forecast Oversupply of Specialties (sqm)**

Location	2006	2011	2016	2021	2026	2031
Flinders, Shellharbour and Shell Cove	-3,679	-7,934	-11,531	-13,603	-14,922	-16,363
Barrack Heights, Lake Illawarra and Warilla	1,001	162	-594	-1,361	-2,156	-2,987
Blackbutt, Oak Flats, Mt Warrigal and Shellharbour City	11,195	9,615	8,313	7,045	5,755	4,410
Albion Park, Albion Park Rail and Tullimbar	-5,205	-7,922	-11,304	-14,871	-17,232	-19,034
<b>TOTAL</b>	<b>3,312</b>	<b>-6,080</b>	<b>-15,116</b>	<b>-22,790</b>	<b>-28,555</b>	<b>-33,973</b>

Source: Census 2001 ABS

Again there is considerable expenditure that crosses trade area boundaries. In particular many “higher order” specialty stores are only found in large regional centres as they have large but thin trade areas. Hence the apparent oversupply in Shellharbour City results from its ability to capture a large proportion of total LGA expenditure in specialty stores.

Again the above figures exclude non-retail shop front uses (such as banks, real estate agents, travel agents, medical services and the like) and vacancies. Any forecasting to meet expected growth in demand should allow a further 15% to 20% of floorspace to accommodate these uses.

## 20.8 Demand for Other Floorspace Types

Other floorspace includes bulky goods, department stores, and clothing or fashion stores. These stores will generally locate in the regional centres (although some clothing stores will locate in lower order centres and in the case of bulky goods stores in out-of-centre or peripheral clusters as well as in regional centres). Shopping in these stores will involve longer less frequent trips, and often across local government boundaries.

For the purpose of estimating demand we have assumed that these retailers can capture 80% of Shellharbour LGA's expenditure (with the balance escaping mainly to Wollongong LGA) and 50% of Kiama's expenditure.

Based on this the estimated oversupply is forecast as follows:

**Table 58 - Forecast Oversupply of Other Store Types**

	2006	2011	2016	2021	2026	2031
Department Stores	-676	-3,915	-6,849	-9,388	-11,381	-13,350
Bulky Goods Stores	1,826	-3,750	-8,779	-13,140	-16,587	-20,007
Apparel	-751	-2,605	-4,292	-5,750	-6,886	-8,004

## 20.9 Short-term Growth (2007-11)

### Shell Cove

In the short-term it is anticipated that the only expansion in retail space will be at Shell Cove. Development will be a 3,000sqm supermarket and 3,500sqm of specialty retail. Note that there is still vacant space to be occupied in City Plaza and the Cygnet Centre is currently under construction. This will accommodate demand in the short term.

### Oak Flats

Oak Flats does not have an anchor tenant, or medium supermarket, and this should be encouraged in the short term, with expenditure modelling indicating a full line supermarket in the range of 1,000 to 1,500sqm (e.g. IGA Supa) would be viable.

## 20.10 Medium-term Growth (2011-16)

There are two proposals that will result in a significant increase in supply of floorspace in the medium term – Stockland's proposed expansion and the ING Harbour Town proposal.

### Shellharbour City

Stockland's proposal includes a new 12,000sqm national department store such as Myer or David Jones, 2,900sqm of mini-majors, 4,150sqm of supermarket space, 13,600sqm of specialties and a slight loss in discount department store space.

Whilst this may suggest some oversupply it won't be so obvious because much of the expansion of Stockland Shellharbour is to maintain market share against the other regional centres like Wollongong, Dapto and Warrawong. Hence a considerable proportion of the marginal turnover at Stockland will be redirected from the larger centres outside the LGA. The inclusion of a national department store is also likely to draw some more trade from Kiama LGA.

Secondly a number of these large indoor regional centres have recently been incorporating lifestyle areas into their expanded spaces. These lifestyle areas typically include mini-majors such as Freedom Furniture, Bayswiss, JB-HiFi, Dick Smith Powerhouse, Borders, Howard's Storage World, Homeart, Lincraft, Barbeques Galore, Toys R Us, etc. Other mini-majors and "category killers" include House & Garden, Mansours, etc. These stores operate on larger floor plans with reduced turnover levels. Many of these stores compete with the



out-of-centre bulky goods retailers. Hence expansion of Stockland by as much as 30,000sqm can be accommodated due to reduced demand for out-of-centre bulky goods retailers, some redirection of escape expenditure to Wollongong LGA and growth in demand in the major centre due to growth in expenditure in the region. Demand for space in the city centre will grow at around 7,000sqm to 8,000sqm every year.

Nevertheless there will be some impacts on the surrounding centres within the LGA – particularly from the additional supermarket and specialty stores that relate to daily shopping rather than comparative goods shopping. To reduce these impacts we recommend that the proposed 30,000sqm expansion of Stockland be staged with the supermarket component and half the specialties being delayed to the longer term (around year 2016-17).

In addition there is likely to be around 2,500sqm of additional specialties in Shellharbour City outside Stockland.

### **Albion Park**

In the medium term there should be an expansion of Albion Park or alternatively another retail centre in the trade area such as Tullimbar Village. This should comprise a 3,000sqm supermarket and 3,500sqm of specialty stores.

### **Bulky Goods**

A significant level of expansion of bulky goods is supported in the medium term which could locate at either Shellharbour City or Albion Park Rail. ING proposes around 5,000sqm as part of their Stage 1, but 7,000 to 8,000sqm increase is supportable based on the expenditure modelling.

### **ING Brand Outlet Centre**

ING are also proposing a 10,000sqm brand outlet centre (BOC) as part of Stage 1 of their development.

Note that this is a significant level of increase in supply. A first stage of the Stockland proposal, plus Shell Cove, Albion Park and ING would produce around 45,000sqm of additional retail space around 2011 / 2012. Without any adjustments to assumptions about capture rates and escape expenditure it would result in an oversupply of as much as 15,000sqm of space. By the end of 2015-16 there would be at least 10,000sqm of oversupply of retail floorspace.

However, the brand outlet component of the ING proposal will have a trade area larger than the LGA. Its primary trade area is likely to be the Illawarra region (Wollongong, Shellharbour and Kiama LGAs). Hence a considerable level of its turnover will be directed from Wollongong, Kiama and some amount from beyond its primary trade area.

The Tuggerah Supacentra for example draws a considerable level of expenditure from Gosford LGA and even some from Newcastle, Hornsby and Ku-ring-gai LGAs. Shellharbour's population is only 23% of the Illawarra region.

Furthermore these stores are larger format, lower turnover stores – typically around \$3,500 to \$4,000/sqm compared to \$6,000 to \$7,000/sqm in the shopping malls. It's likely that only 20% to 25% of its \$35-40m turnover will come from Shellharbour households.

In other words of the \$56m of expenditure in apparel generated by Shellharbour households in 2011, only 14-16% of it (around \$8-9m) will be captured by the ING BOC. The majority of the revenue captured by the ING BOC (around \$25-33m) will be expenditure coming into Shellharbour from outside the LGA.

\$8-9m turnover at BOC will be captured by Shellharbour residents, but in the do nothing option some of that expenditure will escape to the higher order centres outside Shellharbour LGA. Some of the expenditure captured by Kiama residents would have gone to Shellharbour City. It's likely that between \$6m and \$9m turnover will be redirected from other retailers in Shellharbour – most of this from Stockland, but this translates to an immediate impact on greater Shellharbour City of less than 3% loss in turnover.

## 20.11 Long-Term Growth (Post 2016)

Around 2016-2017 Stockland can undergo a second stage of expansion for a 4,000sqm supermarket and 6,500sqm of specialties. ING can complete its proposed Stage 2 works. During this period a further 2,000sqm of specialties could be accommodated in the balance of the CBD area. Also a further 10,000sqm of bulky goods retail space will be required.

Between 2016 and 2021 Shell Cove can support a second supermarket and additional specialties. The Albion Park area, which includes Tullimbar, could support a third supermarket, a discount department store and additional specialties.

## 20.12 Future Expansion Summary

The table below summarises the suggested expansion.

**Table 59 - Targeted Increase in Supply of Retail Space (sqm)<sup>1</sup>**

	2011	2016	2021	2026	2031	TOTAL
<b>Shellharbour City</b>						
Dept Store		11,000				11,000
Supermarkets			4,000			4,000
Specialties <sup>2</sup>		11,000	9,500	4,000		24,500
<b>TOTAL Shellharbour City</b>	<b>0</b>	<b>22,000</b>	<b>13,500</b>	<b>4,000</b>	<b>0</b>	<b>39,500</b>
<b>Albion Park</b>						
Dept Store					6,000	6,000
Supermarkets		3,000			3,000	6,000
Specialties		3,500		2,500	4,000	10,000
<b>TOTAL Albion Park</b>	<b>0</b>	<b>6,500</b>	<b>0</b>	<b>2,500</b>	<b>13,000</b>	<b>22,000</b>
<b>Shell Cove</b>						
Supermarkets	3,000			2,500		5,500
Specialties	3,500			3,000		6,500
<b>TOTAL Shell Cove</b>	<b>6,500</b>	<b>0</b>	<b>0</b>	<b>5,500</b>	<b>0</b>	<b>12,000</b>
<b>Oak Flats</b>						
Supermarket	1,500					1,500
<b>TOTAL Oak Flats</b>	<b>1,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,500</b>
Bulky Goods <sup>3</sup>		7,000	5,000	8,000		20,000
ING BOC		10,000	4,000			14,000
<b>TOTAL LGA</b>	<b>8,000</b>	<b>45,500</b>	<b>22,500</b>	<b>20,000</b>	<b>13,000</b>	<b>109,000</b>

<sup>1</sup> By end of Financial Year

<sup>2</sup> Includes Stockland and general Shellharbour City Centre expansion

<sup>3</sup> Includes Shellharbour Supacentra and Albion Park Rail

In total, around 108,000 to 110,000sqm of additional retail space is proposed in Shellharbour LGA over the next 25 years. This is an increase of around 80% over and above the existing supply. Around 37% of this growth in floor space is proposed for Shellharbour City, 32% in the industrial areas and the balance 31% in Shell Cove and Albion Park.

## 20.13 Demand for Commercial Floorspace

Shellharbour LGA has around 28,800sqm of occupied commercial office space which equates to around 17% of total retail and commercial GLA. It is anticipated that Shellharbour City Centre will demand 0.7-0.8sqm of commercial floorspace to every 1sqm of retail floorspace demand. For the remaining centres, it is anticipated that 0.3-0.4sqm of commercial floorspace will be demanded for every 1sqm of retail floorspace demand.

As such, forecast demand for commercial floorspace to 2031 is as follows:

**Table 60 - Forecast Commercial Floorspace in Retail Centres 2011-2031**

	2011	2016	2021	2026	2031	TOTAL
Shellharbour City	-	16,500	10,125	3,000	-	29,625
Albion Park	-	2,275	-	875	4,550	7,700
Shell Cove	2,275	-	-	1,925	-	4,200
<b>TOTAL</b>	<b>2,275</b>	<b>18,775</b>	<b>10,125</b>	<b>5,800</b>	<b>4,550</b>	<b>41,525</b>

The additional commercial floorspace demanded every year to 2031 will be in the form of shop front and shop top space. Likely commercial users that require this additional floorspace will be banks, real estate agents, accountants, travel agents and the like.

However, this does not prevent an owner occupier from developing a sole commercial building for their occupation. Growth in commercial floorspace demand will not be gradual and usually occurs in quantum leaps. As such, a single development can satisfy several years of pent up demand in any one retail centre.

## 20.14 Influence of Tourism

Tourism and recreation has not previously been a major industry in Shellharbour LGA, with tourism focussed on other parts of the Illawarra Region like Wollongong and Kiama. Most tourism expenditure currently is captured by these other LGAs.

However, according to the Illawarra Regional Information Service<sup>23</sup>, tourism and recreation are seen as future growth industries for the Shellharbour area, given the natural advantages of the Illawarra escarpment, Lake Illawarra, new boat harbour proposed for Shell Cove and beautification and infrastructure improvements in Shellharbour Village. It is understood from the Albion Park Chamber of Commerce, that Albion Park is implementing tourism initiatives to increase inland recreation especially taking advantage of Albion Park's heritage and proximity to the escarpment.

In the short term tourism expenditure will only come from the proposed Shell Cove boat harbour and to a lesser extent from Shellharbour Village. As such, until appropriate infrastructure is completed, tourism in the LGA is in its infancy, with the area losing as many dollars outside the LGA, as they would gain in tourism expenditure.

<sup>23</sup> Illawarra Regional Information Service, [www.iris.org.au](http://www.iris.org.au)

## 21. RETAIL/COMMERCIAL CENTRES HIERARCHY

### 21.1 Establishing a Hierarchy for Shellharbour

The Illawarra and South Coast Region is served by an extensive network of commercial/retail centres that comprises some 750,000sqm in retail floorspace, distributed into approximately 70 retail centres of varying sizes<sup>24</sup>.

Shellharbour LGA has approximately 8 retail centres totalling 195,650sqm of floorspace of which around 141,690sqm is used for retailing (including “out-of-centre” bulky goods retailing), 30,920sqm is used for commercial purposes. Of this around 12,820sqm was vacant at the time of survey. Shellharbour LGA has 674 businesses in retail or commercial accommodation of which 418 are used for the retailing of goods, 144 are used for commercial services and 40 were vacant at the time of survey.

There are several limitations with defining a retail hierarchy – most notably that retail centres can perform different roles. In some cases a retail centre can have more than one role and have different trade areas for each role or function. In other cases a retail centre may not have a clearly defined trade area.

Schedule 4 of Shellharbour LEP (2000), outlines the commercial hierarchy for Shellharbour LGA. The LEP hierarchy applies to all commercial/retail development within the LGA, with the exception of development for the purpose of bulky goods retailing or light industrial retail outlets. This hierarchy is defined as follows:

**Table 61 - Shellharbour LEP (2000) Commercial Centres Hierarchy**

Category of Development	Anticipated Size	Location
Sub-Regional Centre	Unlimited	Land contained in <b>Shellharbour City Centre</b> , whether or not these lands are subsequently subdivided.
District Centre	Up to 10,000sqm	Land contained within the General Business Zone in the vicinity of Tongarra Road, Terry Street and Russell Street, <b>Albion Park</b> . Land contained within the general Business Zone in Shellharbour Road, Veronica Street, Woolworths Avenue, George Street, Shellharbour Road and Bevery Avenue, <b>Warilla</b> . Combined land contained within the General Business Zone in the vicinity of Addison Street, Mary Street and Wentworth Street, Shellharbour and the Mixed Used Residential F Zone, <b>Shell Cove</b> .
Local Centre	Up to 4,000sqm	Land contained within the General Business Zone in the vicinity of Princes Highway, Creamery Road and Kaylaur Crescent, <b>Albion Park Rail</b> . Land contained within the General Business Zone in the vicinity of Central Avenue, <b>Oak Flats</b> .
Neighbourhood Centre	Up to 1,500sqm	May be located to serve the local convenience needs of a surrounding residential area where a higher order centre is not within a reasonably accessible distance. A service radius in the order of 500m is considered reasonable as the catchment area for a neighbourhood centre.
Local Shop/Local General Store	A single shop of approx. 50sqm-200sqm	May be supported where Council is satisfied that there is a demand for the facility and that it is not likely to interfere with the functioning of the commercial hierarchy as outlined above.

Source: Shellharbour LEP (2000), Schedule 4 – Commercial Hierarchy for Shellharbour City LGA

<sup>24</sup> Illawarra and South Coast Employment Lands Study, 2006 (Hill PDA)

Since the hierarchy in the LEP was established, DoP's Illawarra Regional Strategy has been released which provides regional planning for the Illawarra Region to 2031. The Regional Strategy applies to Kiama, Shellharbour and Wollongong LGAs and provides a long term land use blue-print for across the Illawarra. The Strategy also provides a commercial centres hierarchy for the region.

Councils are required to implement mechanisms and controls to protect and support the Regional Strategy's hierarchy of commercial centres and implement the land use planning principles for employment land. This Retail and Commercial Centres Study by Hill PDA will direct Council in their implementation of tools to protect and promote the commercial hierarchy defined for the Illawarra. The Regional Strategy identifies the following centres hierarchy for the Illawarra Region:

**Table 62 - Illawarra Regional Strategy (2006-31) Commercial Centres Hierarchy**

Hierarchy	Centre	Key Functions
Regional City	Wollongong	<ul style="list-style-type: none"> <li>▪ Provides the region with higher order administration, education, health services, cultural and recreational facilities, higher density commercial and residential.</li> <li>▪ Commercial centre focus with large retail and commercial floor area, including department stores.</li> <li>▪ Focal point for roads and major public transport (rail and bus) with access by walking and cycling.</li> </ul>
Major Regional Centre	Warrawong, Dapto (emerging), Shellharbour City Centre	<ul style="list-style-type: none"> <li>▪ A concentration of mid-to-higher density living, business, employment, professional services and specialised shops, including discount department stores and associated warehouses, transport logistics and bulky goods operations.</li> <li>▪ Focal point for subregional road and transport networks, and servicing a number of districts.</li> </ul>
Major Town	Corrimal, Fairy Meadow (emerging), Figtree, Unanderra (emerging), Warilla, Albion Park, Kiama	<ul style="list-style-type: none"> <li>▪ Shopping and business centre for the district including warehouses, transport logistics and bulky goods operations, health and professional services mixed with higher density residential.</li> </ul>
Town	Examples include: Helensburgh, Thirroul, Woonona, Shell Cove, and Gerringong, (to be determined by Council in consultation with DoP).	<ul style="list-style-type: none"> <li>▪ Small centres which vary in size.</li> <li>▪ Small to medium concentrations of retail, including supermarkets, health and other services with some residential uses.</li> <li>▪ Reliant on higher order centres for shopping and employment.</li> </ul>
Village	Examples include: Coledale, Bulli, Mt Kembla, Shellharbour Village, and Jamberoo, (to be determined by Council in consultation with DoP).	<ul style="list-style-type: none"> <li>▪ Smaller centres with some residential uses, local retail and specialty tourism retail.</li> <li>▪ Villages service the daily needs of local residents and tourists. Whilst renewal may occur in villages over the next 25 years, this will occur at an appropriate scale to protect and enhance the character of these centres.</li> </ul>

Source: Illawarra Regional Strategy (2006-31), DoP

The above hierarchy recognises:

- Warrawong had a significant role as the major bulky goods centre for the Region;
- Given the future residential populations planned for West Dapto, Dapto town centre has the capacity for growth, revitalisation and employment opportunities. Dapto's role will be as the major retail and commercial area on the western side of Lake Illawarra and the centre will expand to ensure this role is fulfilled;

- Shellharbour City Centre is identified as a major regional centre with a concentration of mid to high density living, professional services, specialised shops and associated warehousing and transport and logistics. It will be a focal point for the subregional road and transport networks, servicing numerous districts;
- Warilla and Albion Park are defined as major towns. Albion Park is also identified as an existing centre in which revitalisation will be encouraged to improve the mix of employment opportunities and support business vitality; and
- A range of smaller centres such as Shell Cove are identified as comprising a small to medium concentration of retail , health and other services with lower density residential.

Note that the Illawarra Regional Strategy Centre's Hierarchy defines centres to the level of major towns. Smaller centres like towns, villages and so on, are required to be determined by Council in consultation with the Department of Planning.

As such, the typology of centres identified within the Regional Strategy forms the basis for developing a new retail and commercial hierarchy for Shellharbour LGA. Based on our investigation of the retail and commercial centres in the Shellharbour LGA, as well as examination of the hierarchies provided both in Shellharbour LEP (2000) and the Regional Strategy, the following is proposed by Hill PDA:

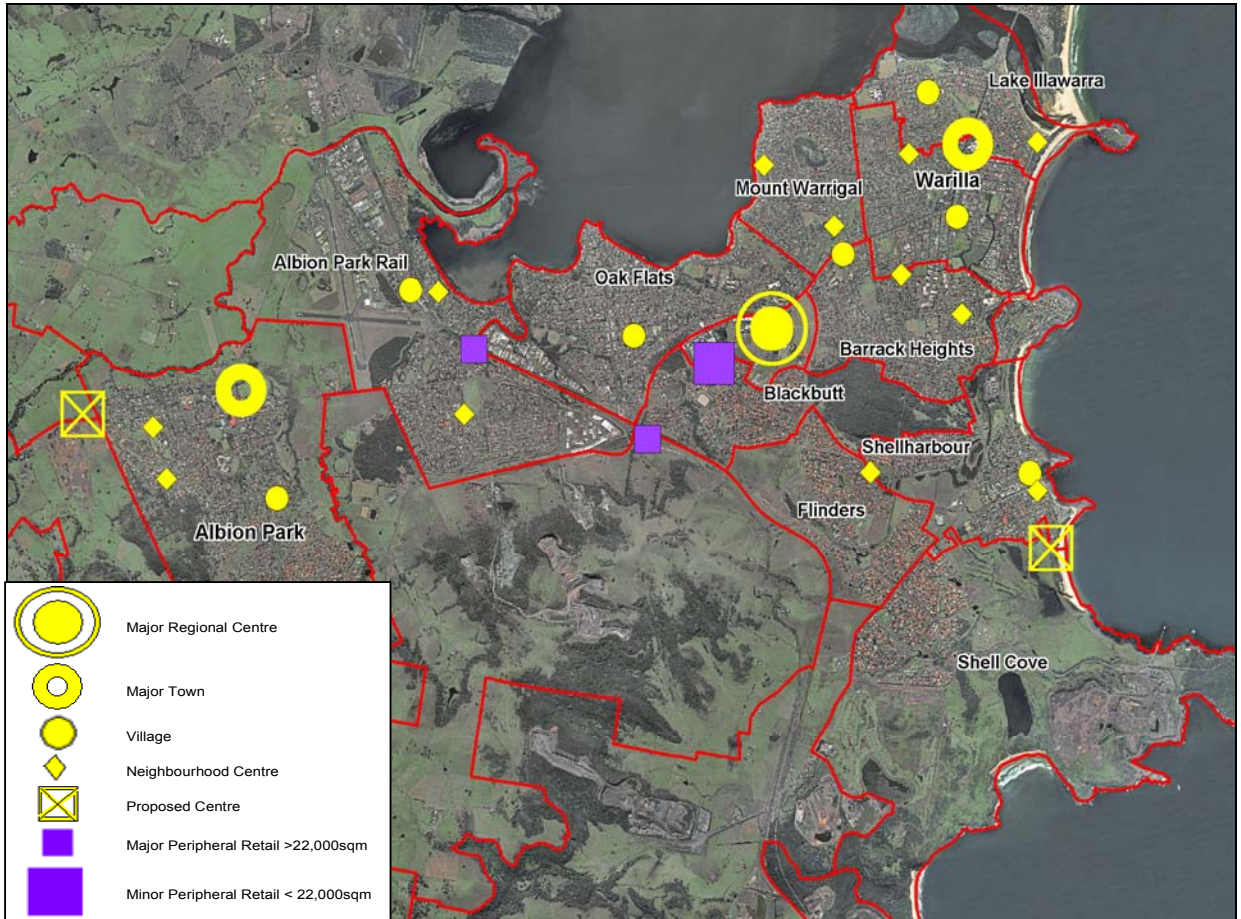
**Table 63 - Shellharbour LGA Retail & Commercial Centres Recommended Hierarchy 2007**

Centre Typology	Retail Centre
Major Regional Centre	Shellharbour City Centre
Major Town	Warilla Grove, Albion Park
Village	Albion Park Rail, Oak Flats, Shellharbour Village, Warilla, Barrack Heights, Lake Illawarra, Albion Park South, Tullimbar Village (as proposed), Shell Cove (as proposed)
Neighbourhood Centre	Karoo Street, Albion Park Rail Pine Street/Ash Avenue, Albion Park Rail Sophia Street, Albion Park Cnr Tongarra/Calderwood Roads, Albion Park Darley Street, Shellharbour Village Baragoot Road, Flinders Reddall Parade, Lake Illawarra Lagoon Street, Barrack Heights McKenzie Avenue, Mt Warrigal Jones Avenue, Mt Warrigal Queen Street, Warilla Ulster Avenue, Warilla
Major Peripheral Retail >22,000sqm	Shellharbour City Centre Out-of-Centre
Minor Peripheral Retail < 22,000sqm	Albion Park Rail Out-of-Centre (north and south)

The map below visually demonstrates this abovementioned hierarchy:



**Figure 33 - Map: Shellharbour LGA Retail & Commercial Hierarchy 2007**



## 21.2 Regional City

A regional city serves a large trade area of more than 150,000 people. It comprises usually more than 250 stores including at least one national department store (Myer or David Jones), at least one discount department store and 2 or more full-line supermarkets. Regional cities provide a full range of business including Government, retail, business, finance, cultural, entertainment and recreational activities.

A regional city has an emphasis on providing higher-order comparison shopping (including clothing and household goods, etc.), and has a high representation of national brands. Regular food and grocery shopping is more of a secondary role.

A regional city also has a high emphasis on entertainment and may include a cinema complex, ice rink, ten-pin bowling and/or other such uses.

**Wollongong** is a regional city with examples in Greater Sydney including Parramatta, Penrith and Liverpool.



## 21.3 Major Regional Centre

A major regional centre is a major shopping and business centre for the surrounding area with a full scale shopping mall, council offices, central community facilities and a minimum of 8,000 jobs. Development controls in the city's major centres are focused on zoning for retail and commercial uses.

In the last 20 years, consistent with State Government policies, residential uses have also been encouraged in some centres. As residential locations, centres provide good amenities with restaurants, shops, entertainment and cultural facilities and jobs.

For many young people, dwellings in centres provide opportunities for a first home purchase. For older residents or 'empty nesters', centres provide a quality and affordable living environment. Increasing residential densities improve the vibrancy and viability of a number of centres by improved safety, increasing al fresco dining and retail demand and a better use of public transport.

The growth of residential opportunities in centres reinforces the need to improve mobility and amenities in the centres. This includes investing in pedestrian and cycling infrastructure, and improving safety and urban design to promote social capital. Centres are also important destinations for employment. A number of centres are creating both higher density and attractive living environments, whilst pursuing innovative employment opportunities. There is significant potential to increase employment and residential densities in centres whilst improving public transport use and the quality of urban environments.

Major regional centres include **Shellharbour City Centre** and **Warrawong**.

## 21.4 Major Town

Major towns also have a range of specialty shops and non-retail services such as banks and community services. There is sometimes a small shopping mall. There is a strong emphasis on comparative shopping but there is also a strong emphasis on providing convenience shopping (for weekly food and groceries).

A major town has a trade area of more than 60,000 people, 4,500-9,500 dwellings, and an approximate radius of 800sqm.

Examples of sub-regional centres include **Warilla Grove** and **Albion Park** in Shellharbour LGA.

## 21.5 Villages

Villages have an emphasis on providing regular food and grocery shopping and services for the local area. These centres are generally anchored by one supermarket and include a strip of shops for daily shopping. Some of the services that may exist include health/medical, bank, library and post office. Also more than 10 retail specialty shops. A centre this size usually caters to 800-2,700 dwellings.

There are five villages in Shellharbour LGA being **Albion Park Rail**, **Oak Flats**, **Shellharbour Village**, **Barrack Heights**, and **Warilla**. Villages could be further subdivided into Villages and Small Villages (as explained further below).

## 21.6 Small Villages

Small village centres usually include a strip of shops for daily shopping with 5-30 retail shops. Included in this category are **Albion Park South** and **Lake Illawarra**.

## 21.7 Neighbourhood Centres

Neighbourhood centres are small centres generally less than 2,000sqm with either a mini-supermarket/ convenience store as an anchor tenant or no anchor tenant at all. These centres provide convenient “top-up” shopping (sometimes referred to as “mum-forgot” shop).

Neighbourhood centres service a typical dwelling range of 150-900 dwellings, and include a small group of 4-5 shops supplying daily needs. A public transport point is sometimes included along with other compatible uses e.g. nearby school.

Included in this category are:

- Karoo Street, Albion Park Rail
- Pine Street /Ash Avenue, Albion Park Rail
- Sophia Street, Albion Park
- Cnr Tongarra/Calderwood Roads, Albion Park
- Darley Street, Shellharbour Village
- Baragoot Road, Flinders
- Reddall Parade, Lake Illawarra
- Lagoon Street, Barrack Heights
- McKenzie Avenue, Mt Warrigal
- Jones Avenue, Mt Warrigal
- Queen Street, Warilla
- Ulster Avenue, Warilla

The remaining neighbourhood centres analysed within this study currently are not performing satisfactorily, or within their role or function as a neighbourhood centre. The future of these remaining centres has been discussed within Section 22.5 of this report.

## 21.8 Peripheral Retailing

Peripheral retailing refers to “out-of-centre” retailing which is usually “bulky goods” or “home-maker” in character. Currently there are existing clusters along Princes Highway in **Albion Park Rail**, and the Super Centre in **Shellharbour City Centre**. The only other concentration of bulky goods retailers within close proximity to Shellharbour LGA, are outside the LGA boundary in **Warrawong**.

## 22. STRATEGY RECOMMENDATIONS

### 22.1 Objectives of the Retail Centres Strategy

In order to develop and evaluate a range of options for the planning and management of retailing in Shellharbour LGA, it is necessary to have a clear set of objectives. Objectives can include the following:

- Ensure residents have the widest possible range of shopping opportunities and commercial services;
- Provide quantity, quality and convenience for consumers;
- Provide for further growth in retail space to meet growth in demand generated by population growth;
- Protect the integrity and viability of existing centres to the extent that they continue to perform a useful community function;
- Protect current employment levels in retailing and hospitality industries for the residents of the LGA and expand opportunities for further employment;
- Provide opportunities for local employment and start-up businesses for local residents; and
- Balance social, economic and environmental considerations and focus on local ESD principles including reduction in transport demand.

### 22.2 Guiding Development Principles

Consistent with the above objectives are general development principles that will guide the planning, development and management of retail and commercial centres. Such principles are defined within this section as follows:

- Adopt a retail and commercial hierarchy which is a useful planning tool, as each level in the hierarchy relates to centres with different roles and functions from other levels in the hierarchy;
- Maximise access to existing retail services, having regard to current plans for urban growth;
- Ensure planning instruments are flexible enough to accommodate innovation and new forms of retailing and experiences, but not at the expense of the objectives and principles of the Illawarra Regional Strategy protocols;
- Protect the integrity and viability of existing centres from threats generated by new centres, expansion of existing centres, changes in the retail hierarchy, “out-of-centre” and other forms of retailing;
- Protect and improve the integrity and viability of existing centres through programs that improve their convenience level, retail offer, accessibility, beautification, ambience, and the like;
- Contain retailing (as opposed to dispersing or spreading it) to minimise travel times, improve convenience and improve competition within retail centres;
- Encourage diversity of uses to maintain economic activity and extend hours of use. The Regional Strategy identifies that successful centres provide a diversity of cultural, community and educational services together with business and retail activities;

- Maximise public transport and convenience. Plan for transport infrastructure and management that prioritises pedestrian movement and public transport access;
- Encourage the development of convenient and price competitive supermarkets in neighbourhood centres that lack such offer;
- Define bulky goods retailing to ensure the protection of existing centres and prohibit retailing in the industrial areas (other than ancillary retail and services);
- Allow bulky goods retailing only in areas designated for it;
- Provide the planning framework for properly assessing applications in relation to retail and services in terms of economic and social impact;
- Support the retail hierarchy through careful assessment of the economic impact of each development application with respect to its economic impact on the hierarchy and with due consideration of other LGAs in the Illawarra Region; and
- The primary function for a centre's core should be for retail and commercial uses particularly at street level. This does not preclude residential uses or parking areas however their location and design should not be detrimental to this primary objective.

## 22.3 Retail/Commercial Centres Hierarchy

The following retail and commercial centres hierarchy is recommended for Shellharbour LGA:

**Table 64 - Shellharbour LGA Retail & Commercial Centres Recommended Hierarchy 2007**

Centre Typology	Retail Centre
Major Regional Centre	Shellharbour City Centre
Major Town	Warilla Grove, Albion Park
Village	Albion Park Rail, Oak Flats, Shellharbour Village, Warilla, Barrack Heights, Lake Illawarra, Albion Park South, Tullimbar Village (as proposed), Shell Cove (as proposed)
Neighbourhood Centre	Karoo Street, Albion Park Rail Pine Street /Ash Avenue, Albion Park Rail Sophia Street, Albion Park Cnr Tongarra/Calderwood Roads, Albion Park Darley Street, Shellharbour Village Baragoot Road, Flinders Reddall Parade, Lake Illawarra Lagoon Street, Barrack Heights McKenzie Avenue, Mt Warrigal Jones Avenue, Mt Warrigal Queen Street, Warilla Ulster Avenue, Warilla
Major Peripheral Retail >22,000sqm	Shellharbour City Centre Out-of-Centre
Minor Peripheral Retail < 22,000sqm	Albion Park Rail Out-of-Centre (north and south)

By adopting this hierarchy Council can be guided in the assessment of future proposals for new centres and expansion of existing centres. The purpose of the hierarchy is to ensure that the roles of these centres are

clearly defined and that expansion of one centre will not threaten the role of another centre further up or down the hierarchy.

The study has identified a need to increase floor area to meet growth in demand. The options for increasing floor area are based on the need to maintain a functional hierarchy of centres and to balance the retail offer, competitiveness and accessibility for consumers.

## 22.4 Standard LEP Template Zones

To simplify the NSW State's planning system, DoP has prepared a standard Local Environmental Plan (LEP Template). The intent is to modernise local planning controls and make the planning system simpler to understand and use.

All councils will use the standard LEP template to prepare a new local plan for their area. Councils will be expected to adopt a single LEP within the next three years after tailoring the standard document to their local needs.

The land use zones identified under this LEP Template are as follows:

**Table 65 - Land Use Zones and Zoning Categories – Standard Instrument (Local Environmental Plans) Order 2006 (Draft LEP Template)**

Residential Zones	Rural Zones	Business Zones	Industrial Zones	Special Purpose Zones	Recreation Zones	Environ. Protection Zones	Waterway Zones
R1: General Residential	RU1: Primary Production	B1: Neighbourhood Centre	IN1: General Industrial	SP1: Special Activities	RE1: Public Recreation	E1: National Parks and Nature Reserves	W1: Natural Waterways
R2: Low Density Residential	RU2: Rural Landscape	B2: Local Centre	IN2: Light Industrial	SP2: Infrastructure	RE2: Private Recreation	E2: Environmental Conservation	W2: Recreational Waterways
R3: Medium Density Residential	RU3: Forestry	B3: Commercial Core	IN3: Heavy Industrial	SP3: Tourist		E3: Environmental Management	W3: Working Waterways
R4: High Density Residential	RU4: Rural Small Holdings	B4: Mixed Use	IN4: Working Waterfront			E4: Environmental Living	
R5: Large Lot Residential	RU5: Village	B5: Business Development					
	RU6: Transition	B6: Enterprise Corridor					
		B7: Business Park					

Source: Standard Instrument (Local Environmental Plans) Order 2006 (LEP Template)

Retail and Commercial employment lands within Shellharbour LGA should be categorised appropriately using the following zoning categories:

**Table 66 - Permissible Uses under the LEP Template**

	Office Premises	Business Premises	Neighbourhood Shops	Mixed Use Development	Retail Premises	Bulky Goods Premises	Warehouse/ Distribution Centre	Freight Transport Facility
B1 Neighbourhood Centre	NO	YES	YES	NO	NO	NO	NO	NO
B2 Local Centre	YES	YES	NO	NO	YES	NO	NO	NO
B3 Commercial Core	YES	YES	NO	NO	YES	NO	NO	NO
B4 Mixed Use	YES	YES	NO	NO	YES	NO	NO	NO
B5 Business Development	NO	NO	NO	NO	NO	NO	YES	NO
B6 Enterprise Corridor	NO	YES	NO	NO	NO	NO	YES	NO
B7 Business Park	YES	NO	YES	NO	NO	NO	YES	NO
SP3 Tourist	NO	NO	NO	NO	NO	NO	NO	NO
	Take Away Food/ Drink Premises	Food/ Drink Premises	Kiosk	Market	Home Business	Home Occupation	Home Industry	Vehicle Show Room
B1 Neighbourhood Centre	NO	NO	NO	NO	NO	NO	NO	NO
B2 Local Centre	NO	NO	NO	NO	NO	NO	NO	NO
B3 Commercial Core	NO	NO	NO	NO	NO	NO	NO	NO
B4 Mixed Use	NO	NO	NO	NO	NO	NO	NO	NO
B5 Business Development	NO	NO	NO	NO	NO	NO	NO	NO
B6 Enterprise Corridor	NO	NO	NO	NO	NO	NO	NO	NO
B7 Business Park	NO	NO	NO	NO	NO	NO	NO	NO
SP3 Tourist	NO	YES	NO	NO	NO	NO	NO	NO

The selection of zones should reflect the retail hierarchy, as follows:

**Table 67 - Shellharbour LGA Retail & Commercial Centre Zones**

Zone	Centres
B3 – Commercial Core	Shellharbour City Centre (including Shellharbour City Out of Centre)
B2 - Local Centre	Warilla Grove, Warilla, Oak Flats, Albion Park, Albion Park Rail, Shell Cove (as proposed), Shellharbour Village, Tullimbar Village (as proposed), Lake Illawarra, Albion Park South, Barrack Heights
B1 – Neighbourhood Centre	Neighbourhood Centres as identified in the hierarchy
B6 – Enterprise Corridor	Albion Park Rail – Princes Highway as identified in Section 22.5 of this report.
B7 – Business Park	Parts of Illawarra Regional Airport locality (as appropriate)
SP3 – Tourist	Parts of boat harbour at Shell Cove and Shellharbour Village (as appropriate)

Whilst these zones have been applied from the Standard LEP Template; the permissible and mandatory uses are not extensive. As such, Council may wish to add other uses as permissible.

Council should consider defining a retail core of each centre with active retail and commercial uses on the ground floor as a requirement for any new development proposal and under which the abovementioned zones would apply. It should be noted that this does not preclude an applicant wanting to place a sole commercial building in any particular area, however should a residential building be developed, ground floor retail/commercial uses would be mandatory as a way of street activation.

In accordance with general planning principles and the Illawarra Regional Strategy, areas within walking distance of select centres should accommodate medium to higher density housing.

The above principles should be applied to all retail centres, however the details of the location of each of those zones is subject to individual Masterplans of each retail centre.

A further issue is the size of the zones and potential problems that may occur. Zones should be sufficient in scale to accommodate growth under this strategy. However they should not be too disperse such that it discourages containment of the retail core or excess supply of commercial land. At worst case a dispersed zone allows further fragmentation of the retail core and poor market performance.

This is an issue that has occurred in other LGAs – for example in Taren Point (see Terrace Tower Holdings Pty Ltd v Sutherland Shire Council, 2002 NSWLEC 150). In these and other examples the proponents had proposed retail facilities that were permissible in the zones but inappropriately located in terms of planning because of fragmentation of the retail centre, lack of integration with public transport, and various other reasons.

Containment of retail centres is a desirable policy for several reasons:

- It reduces distances between shops and other commercial uses which encourages walking and reduces car trips;
- It improves the efficiency of the retail centre (as measured by the floor area of the centre divided by time taken to visit every retail and commercial premise);
- It improves convenience (as measured by time taken to travel to the centre, park the car, shop and return to the car);
- It improves convenience for those shoppers that don't or can't travel by car and hence improves equity of accessibility; and
- It improves price competition since improved convenience and efficiency enables shoppers to easily compare price and quality between retailers.

## 22.5 Individual Centre Recommendations

### **Shellharbour City Centre**

Shellharbour City Centre should be promoted as the major centre for the LGA. Being in the geographical heart of the LGA, and within vicinity of all other town centres, the City Centre also needs support from higher density housing within walking distance to the centre, and mixed-use/commercial within the retail centre.



As per the general recommendations above, a vision for Shellharbour should be prepared with key stakeholders to promote the city as a place to live, work and play through more intense building forms. It is understood that this action has already commenced with the preparation of a Masterplan, development control plan and precinct development strategy. The guiding principles for a vision strategy would seek the following objectives:

- Promote diversity of use;
- Ensure a balance of activities;
- Encourage compactness to promote pedestrian activity;
- Encourage higher density residential development to improve commercial viability; and
- Strive to obtain one or more key anchor tenants or mini majors.

As per the recommendation in Section 22.4, the Shellharbour City Centre retail/commercial precinct should be rezoned to Zone B3 (Commercial Core) with the car parks and roads included in the zoning. This zone will provide opportunity for expansion of the centre with the following objectives:

- To provide a wide range of retail, business, office, entertainment, community and other suitable land uses, which serve the needs of the local and wider community;
- To permit residential housing and aged care facilities;
- To encourage appropriate employment opportunities in accessible locations; and
- To maximise public transport patronage and encourage walking or cycling.

It is recognised that the City Centre is not located on a railway line. As such, Council should endeavour to achieve and encourage public transport by way of efficient bus transport and dedicated cycling ways.

It is recognised, through expenditure and demand modelling, that in the medium term an additional 12,000sqm of bulky goods retail floorspace will be demanded (2011) and this could be accommodated in Shellharbour City Centre or Albion Park Rail.

The expansion of Shellharbour City is being driven by Stockland. Stockland's proposal for expansion of their existing indoor shopping centre includes a new 12,000sqm national department store such as Myer or David Jones, 2,900sqm of mini-majors, 4,150sqm of supermarket space, 13,600sqm of specialties and a slight loss in discount department store space.

Modelling within this report suggests around 22,000sqm of additional retail space in the mid-term (2011 to 2016) is appropriate for Shellharbour City Centre. This includes the area around Memorial Drive.

It is understood that Stockland Shellharbour is proposing to expand by an additional 30,000sqm. Whilst this is higher than suggested through the demand modelling within this report, there are several reasons for this.

Firstly, whilst Stockland Shellharbour competes somewhat with smaller centres like Warilla Grove, it competes more with larger centres such as Warrawong. It also competes with Dapto and will compete even stronger with Dapto when Dapto expands into a major centre. The desire for Stockland Shellharbour to expand is expected so as not to have its competitors expanding and capturing an increasing share of its household expenditure.

Hence whilst 30,000sqm may suggest an oversupply of floorspace in the medium term, it will result in increasing capture of expenditure that would have escaped to Warrawong, Dapto and Wollongong. Hence the level of oversupply is not as significant as suggested.

Secondly, quantifying the level of oversupply of floorspace is difficult without knowing the exact mix of retail and services proposed. A number of these large indoor regional centres have recently been incorporating lifestyle areas into their expanded spaces. The expanded top floor of Macquarie Centre in Sydney, for example includes Freedom Furniture, Bayswiss, JB-HiFi, Dick Smith Powerhouse, Borders, Howard's Storage World and Homeart. The recent lifestyle area of Erina Fair includes Lincraft, Barbeques Galore and Toys R Us. Other mini-majors and "category killers" include House & Garden, Mansours, etc. Many of these stores compete with the out-of-centre bulky goods retailers. The modelling within this study report shows 15,000sqm of additional bulky goods space will be demanded in the medium term. Some of this can, and may, be taken up in the expansion of Stockland Shellharbour.

After consideration of the above two factors any additional oversupply is unlikely to be significant enough to warrant strong concern. Oversupply will be more minor and will not be a long-term problem.

### **Albion Park**

The Albion Park retail precinct is in need of a revitalisation strategy. The precinct also underutilises some sites (non contained, dead spaces, lack of pedestrian convenience, and amenity). A more efficient design of the precinct would better facilitate parking, vehicles and pedestrian activity. A Masterplan of the retail centre should be undertaken in order to examine these issues.

The positive future of Albion Park lies in this strong residential growth forecast for the surrounding areas. The Masterplan for Albion Park should also identify how to cater for future floorspace growth with good urban design outcomes. However, the downside to the retail centre is its lower socio-demographic characteristics as compared to other parts of the LGA, which will affect opportunities within the retail centre.

Due to strong residential growth both in the recent past and as forecast, Albion Park has demand for expansion of the retail/commercial centre. This may occur in the medium to long term, with demand for an additional 6,500sqm of retail floorspace (including another supermarket) in 2016, and another 2,500sqm for 2026. This may take the form of expansion of the existing centre (mainly through infill development), or via the development of a new retail centre (like Tullimbar Village).

Redevelopment should be encouraged along the southern side of Tongarra Road for appropriate infill development. A Masterplan will allow expansion options to be explored, and will examine the feasibility of the existing centre coping with any expansion of retail/commercial floorspace.

As per the recommendation in Section 22.4, the Albion Park retail precinct should be rezoned to Zone B2 (Local Centre) with the car parks and roads included in the zoning. This zone will provide opportunity for expansion of the centre with the following objectives:

- To provide a range of retail, business, entertainment, and community uses, which serve the needs of people who live in, work in, and visit the local area;
- To encourage employment opportunities in accessible locations; and
- To maximise public transport patronage and encourage walking and cycling.

### **Warilla Grove**

Warilla Grove is trading fairly well even with its tired appearance and proximity to Stockland Shellharbour and retail offer at Warrawong.

Expenditure modelling indicates there may in fact be some oversupply of floorspace in Warilla as a suburb, due to the area being predominately built out already, and without significant dwelling growth in the future.

Given the development of Shell Cove, the considerable pull of expenditure by Warrawong, and no significant residential growth mooted for Warilla, demand does not warrant any significant expansion of the Warilla Grove retail precinct.

As per the recommendation in Section 22.4, the Warilla Grove retail precinct should be rezoned to Zone B2 (Local Centre) with the car parks and roads included in the zoning.

### **Albion Park Rail**

As per the recommendation in Section 22.4, that Albion Park retail precinct should be rezoned to Zone B2 (Local Centre) with the car parks and roads included in the zoning.

It is understood that Council is investigating the possibility of rezoning some of the industrial and business zoned land in Albion Park Rail to an enterprise corridor zone, identified as Zone B6 (Enterprise Corridor) in the LEP Template. The particular area under consideration is along Princes Highway as identified within this report as Albion Park Rail Out of Centre precincts.

It is recommended that Council engage in discussions with the DoP concerning the B6 Zone to consider making the Enterprise Corridor 'flexible', so it can be used to cater for the needs of specific areas (i.e.: whereby permitted uses in this zone will vary to suit the particular area – 'place based controls').

Based on our analysis of Albion Park Rail and its existing uses, we recommend the proposed Enterprise Corridor specifically relate to that land identified as out of centre or peripheral retailing in Albion Park Rail as well as existing industrial zoned land between the railway line and Princes Highway, from Miall Way (north) to Oaks Flat railway station (south). It should be noted that this Enterprise Corridor should not permit residential development. The proposed Enterprise Corridor is represented by those areas outlined in red below.

**Figure 34 - Map: Proposed Enterprise Corridor, Albion Park Rail**

As such the Enterprise Corridor includes Central Business Park, and that industrial land identified previously as Princes Highway North. Furthermore that peripheral retailing at the corner of Princes Highway and Tongarra Road should be included in the enterprise corridor (see map below).



**Figure 35 - Map: Proposed Enterprise Corridor, Cnr Princes Highway & Tongarra Road**



An alternative approach may be for Council to consider is the application of a 'placed based' DCP where an Enterprise Corridor zone permits land uses appropriate to the particular area, although noting that a DCP cant prohibit uses.

It is recognised, through expenditure and demand modelling, that in the medium term an additional 12,000sqm of bulky goods retail floorspace will be demanded (2016-2021) and this could be accommodated in Shellharbour City Centre or Albion Park Rail.

As has been noted within this report, ING are also proposing a 10,000sqm brand outlet centre (BOC) as part of Stage 1 of their development in Albion Park Rail. Based on the above, it is considered that the ING proposal be allowed within the Enterprise Zone, adding to the peripheral retailing role of Albion Park Rail.

### **Oak Flats**

Even though Oak Flats appears to be slightly underperforming as a retail centre, its trading levels are sustainable. Given the layout of the centre along a main street, Oak Flats should consider a revitalisation strategy, with some beautification measures implemented which encourage more outdoor seating, attracting more eating places etc.

Oak Flats does not have an anchor tenant, or medium supermarket, and this should be encouraged in the short term, with expenditure modelling indicating a full line supermarket in the range of 1,000 to 1,500sqm (e.g. IGA Supa) would be viable.

To be consistent with the other centres the retail centre should be rezoned to Zone B2 (Local Centre) and the car park areas included in the same zoning.

## **Shellharbour Village**

It is understood that Council is already undertaking enhancements to Shellharbour Village to manage the foreshore and harbour areas, as well as address streetscape improvements and traffic issues.

It is apparent that Shellharbour Village is already in the midst of change, with new retail, commercial and residential development along Addison Street mainly due to increased tourism in the area. Shellharbour Village appears to have undergone growth in popularity as an 'eat street', with strong growth in 'café culture' over the last ten years. A vibrant street life aids in the success of a retail centre, both in Shellharbour Village and the LGA as a whole.

Being committed to enhancing urban life, Council should promote the continuing development of café's and eat streets through an integrated approach to design in existing retail centres. Café's make an important contribution to the quality of public places, as can already be seen in Shellharbour Village, by providing an active street front. They provide a space for social interaction, with the presence of people increasing the sense of safety and security in streets. Kerbside café culture also allows restaurant and café owners opportunities to extend their business, and promote patronage with a more visible presence.

It is recommended that Council maintain the objectives of their existing Alfresco Dining DCP aiming to provide a framework for design whilst having the flexibility to consider streetscape, quality of design, and amenity to the street.

The plan should dictate application requirements, assessment process and criteria that must be satisfied including specifications regarding design, layout, safety, management and security, pedestrian access, advertising and appropriate furniture. By providing this framework the code also ensures a high standard of café or restaurant whilst strengthening a direction in promoting street activities.

Expenditure modelling indicates there is no immediate demand for expansion of the retail precinct in Shellharbour Village. Most residents and visitors are likely to depend on higher order centres in the LGA for food and grocery shopping, whilst Shellharbour Village provides the 'eat street' feel not felt in other centres like Shellharbour City Centre, Warilla, or Albion Park.

However, there is some possibility for infill development along Addison Street and the retail core of Shellharbour Village, with numerous residential cottages scattered along the main street.

As per the recommendation in Section 22.4, the Shellharbour Village retail precinct should be rezoned to Zone B2 (Local Centre) with the car parks and roads included in the zoning. It may also be appropriate to zone some areas of the foreshore and boat harbour Zone SP3 (Tourist) or Zone W2 (Recreational Waterways).

Zone SP3 (Tourist) provides for a variety of tourist-oriented development and related uses, with permitted uses including food and drink premises, and tourist and visitor accommodation.

The objectives of Zone W2 (Recreational Waterways) are to protect ecological, scenic and recreational values of recreational waterways, and to allow for water based recreation and related uses. Permitted uses with consent include kiosks, marinas and outdoor recreation facilities.

## **Warilla**

Warilla is an older strip retail precinct, which is currently performing a stronger role in commercial services rather than it is in retail. Considering the strong local workforce present in Warilla, providing space for lunch time users should be encouraged.

The trade area of the centre has contracted significantly over time, firstly with the opening of Warilla Grove, and then later with Stockland Shellharbour. Many new retail occupants will choose to locate within the new expansion areas of Shellharbour City Centre, or within a well performing enclosed shopping centre like Warilla Grove or Stockland Shellharbour.

In addition, being an already established suburb, strong residential growth is unlikely in the future, with expenditure modelling therefore indicating that Warilla is not really in a position where it has demand to expand.

Warilla should be rezoned to Zone B2 (Local Centre) as per the recommendation in Section 22.4, with the car parks and roads included in the zoning.

It is acknowledged that the Warilla Professional Suites Development Control Plan (2001) identifies key design principles to improve visual amenity and cohesiveness of the area. These principles should form the basis for a revitalisation strategy for the entire centre.

## **Barrack Heights**

Barrack Heights is performing successfully as a local centre, and therefore the retail precinct should be rezoned to Zone B2 (Local Centre) under the DoP Draft LEP instrument. Car parks and roads should be included in this zoning.

## **Albion Park South & Lake Illawarra**

Those small retail clusters located in Albion Park South (Cnr of Terry Street and Simpson Parade) and Lake Illawarra (Addison Avenue) are providing convenience retail to the surrounding residential community. As such, they should be left to remain providing this function. These centres may be redeveloped in the future pending market forces.

These retail precincts should be rezoned to Zone B2 (Local Centre) under the DoP Draft LEP instrument. Car parks and roads should be included in this zoning.

## **Neighbourhood Centres**

Those neighbourhood centres with poor accessibility, high vacancies, are clearly underperforming, or are vacant sites should be rezoned to that which is the same as surrounding uses. However if this is a residential use, Council may encourage the incorporation of shop front space on the ground floor. Centres that should be considered for rezoning include:

- Queen Street, Warilla – vacant service station, vacant shop, convenience store, hair dresser, and computer shop. Shops are very run down, with graffiti and vandalism, the line of shops have been for sale for some time;



- Pine Street and Ash Avenue, Albion Park Rail - two vacant stores and low patronage;
- Robyn Road, Albion Park Rail – residential;
- Daphne Street, Barrack Heights – vacant site (has development approval for 7 town houses, 3 flats and 3 commercial units, D2004/801, 22-6-05);
- Deakin Street, Oaks Flats – residential; and
- Lagoon Street, Barrack Heights – whilst the shops are well located to service the holiday cabins along Little Lake, only one shop is occupied (takeaway food shop), the remaining 3 are vacant. There is also a vacant site associated with this neighbourhood centre. However, shop top housing is provided above the remaining occupied store, and one of the vacant shops.

Due to the poor location and accessibility to these centres, they will always under perform with little demand for that type of retail in that location.

However, those which are trading successfully due to their clustering and location on sub-arterial roads should be maintained for their local convenience role. Successful corner store sites are well located within the close vicinity of major roads. They provide essential shopping whilst recognising that most people want to do their major shop at a bigger centre where they are likely to find cheaper items.

The remaining centres should be left to market demand to determine their future.

As per the recommendation in Section 22.4, retail precincts associated to neighbourhood centres should be rezoned to Zone B1 (Neighbourhood Centre) with the car parks and roads included in the zoning. This zone will provide for a range of small scale retail, businesses and community uses which serve the needs of people who live and work in the surrounding community.

### **Proposed Centres**

The proposed retail/commercial centres at Shell Cove and Tullimbar Village should develop under Zone B2 (Local Centre) under the DoP Draft LEP instrument. Car parks and roads should be included in this zoning.

It may be appropriate to zone some areas of the foreshore and boat harbour in Shell Cove as Zone SP3 (Tourist) or Zone W2 (Recreational Waterways), similar to that of Shellharbour Village.

Zone SP3 (Tourist) provides for a variety of tourist-oriented development and related uses, with permitted uses including food and drink premises, and tourist and visitor accommodation.

The objectives of Zone W2 (Recreational Waterways) are to protect ecological, scenic and recreational values of recreational waterways, and to allow for water based recreation and related uses. Permitted uses with consent include kiosks, marinas and outdoor recreation facilities.

In order to permit the ING Harbour Town Concept the Enterprise Corridor in Albion Park needs to be permit restricted types of retail uses including “bulky goods” and “factory outlets”. General retailing should not be permitted. Bulky goods is defined in the Standard LEP Template. It is understood that around half of the space is proposed to be bulky goods/homemaker stores and the other half is proposed to be a brand outlet centre (BOC). The BOC would comprise of brand name stores selling predominately apparel but also including homewares, travel goods and the like.

## 22.6 Peripheral Retailing

It is suggested that bulky goods type retailing, supermarkets, discount department stores (DDS) and factory outlets also be recognised as an important precursor to town centre development and consequentially be planned in the revitalisation and/or establishment of a centre. The location of certain bulky good stores may be removed from the main street location because of their low level of intensity of use and their requirement for large car park access, but their location should not be too far separated so as to discourage clustering of development and shopper activity.

Bulky goods are not identified in DoP's LEP Planning Template Land Use Matrix due to controversy and argument surrounding the most appropriate location for this employment land use. Consequently, it is left up to individual councils to determine where bulky goods retailing should be allowed.

The review of the 2 business zones within Shellharbour LGA revealed a degree of disparity in regards to the type of key uses permitted/prohibited. The following key observations were made:

- Bulky goods retailing is permitted in both the 3(a) Mixed Use Commercial Zone and 3(d) Neighbourhood Business Zone;
- Motor showrooms and warehouses are permitted only in the 3(a) Mixed Use Commercial Zone;
- Motels; clubs, hotels and taverns are permitted in the 3(a) Mixed Use Commercial Zone but prohibited in the 3(d) Neighbourhood Business Zone; and
- Commercial Premises and Shops are permitted in both business zones.

With bulky goods now making up more than 21% of all retail floorspace in the LGA, it is essential to recognise its position in the retail hierarchy and its impact on traditional retail centres. It is recommended that all future planning of bulky goods outlets are considered as part of the established retail hierarchy and that any new location only be considered on the basis that it will support rather than detract from that hierarchy.

The guiding principals for bulky goods retail should include:

- Bulky goods development approvals should be considered in accordance with the Illawarra Regional Strategy and its objectives and relevant sections of this study;
- Bulky goods retailing should not be allowed in industrial zones;
- Bulky goods development should primarily be located within existing commercial centres, which helps ensure centre vitality, viability and a sustainable form of development that will not 'crowd out' industrial users from industrial land;
- Bulky goods retailing might be located along the road corridors of Princes Highway at Albion Park Rail to promote urban renewal; and
- There may be special circumstances where the location of bulky goods may be considered outside town centres such as an existing large bulky goods cluster with good highway/main road frontage. Such development areas would be restricted within a newly defined enterprise area and any expansion of floorspace must be supported by the performance of an Economic Impact Assessment that looks at the impact on a regional basis with the centre hierarchy to be protected.

Analysis of retail expenditure indicates demand of 12,000sqm of bulky goods floorspace in the medium term (2016-2021) increasing to additional demand for 8,000sqm in the longer term by 2026. In the medium term this may be best located in either Shellharbour City or Albion Park Rail.

Bulky goods should not be considered as an exception to traditional retailing requiring separate concessions or provisions, but rather be included as general retail, making an important and essential contribution to a vital and viable retail community.

Bulky goods retailing should primarily be located within existing commercial centres, which helps ensure centre vitality, viability and a sustainable form of development. There may be special circumstances where the location of bulky goods may be considered outside commercial centres such as an existing large bulky goods cluster with good highway/main road frontage.

Such development areas would be restricted within a newly defined enterprise area.

These clusters should be identified in a zone, whereby their boundary is restricted so as not to encroach further into the surrounding light industrial area/uses. Expansion of bulky goods retailing should only be permitted within this new designated boundary.

Requirements for successful bulky goods centres include:

- Having a large and extensive trade area of 100,000 or more people;
- being in a central position in the trade area or near the main entry point of a large trade area (this is why Kotara for example has been far more successful than Newcastle or Newcastle West-end);
- Cheap and plentiful land (often zoned industrial) to enable plentiful parking and loading and unloading facilities; and
- Being located on a major road with high visibility and accessibility.

Desirable requirements include:

- Having a trade area that is expanding as new homes generate higher demand for bulky goods than established homes; and
- Having a wealthy trade area with high disposable incomes. Higher income households spend considerably more on bulky goods than lower income households.

In the case where existing bulky good precincts are removed from an established commercial centre, consideration should be given to either restricting its growth or, if demand clearly warrants further development, restricting the type of retail uses and/or merchandise sold to ensure that these areas do not attract “non-bulky goods” retailers. The new definition of bulky goods in DoP’s Standard LEP Template can be applied for Shellharbour LGA.

The above controls would protect other retail centres from being undermined by a bulky goods facility.

However, it should be noted that the revised Employment Lands Principles being prepared as part of the Employment Lands Principles for the Illawarra Region recommend that bulky goods retailing be considered a retail function and be encouraged to locate either in or adjoining commercial centres or within specialised enterprise corridor precincts.

## 22.7 Retailing from Industrial Zones

It is recommended that bulky goods retailing not be permitted in the General Industrial ('IN1') and Light Industrial ('IN2') Zones. Retailing in industrial areas should only be allowed where it is ancillary to industrial uses. In some cases the location of bulky goods may be considered outside commercial centres such as an existing large bulky goods cluster with good highway/main road frontage. However, it is important that bulky goods do not displace genuine industrial activities.

It is important that when identifying which uses are appropriate for specific industrial areas, that consideration be given to restricting the commercial/retail development that is permitted. That is: permit non-food and non-clothing retail only (i.e.: bulky goods, a convenience store, a café to service the industrial parks) and permit commercial premises that have a maximum office space component of 40%. Any greater than this proportion of office space and the business should be accommodated in the commercial centre.

## 22.8 Commercial Office

Guiding development principles for commercial office space in Shellharbour LGA include:

- Guard against leakage of office space to industrial lands and emerging business parks through the restriction of permitted office space uses (40% of GFA in light industrial and 60% in business parks) as an objective of the Regional Vision and corresponding LEP policies;
- Office space primarily should be located in commercial/retail centres. The new Standard LEP Template limits retail and office activity to core commercial and mixed use zones, business development zones and in some circumstances enterprise corridors;
- Identify a commercial core which should be protected and which may be surrounded by mixed use areas where commercial and retail uses can grow on lower floors below residential;
- Recognise that the economics of the suburban office market are quite fragile and incentives like reduced parking or bonus FSR may be required to stimulate development. Competition with residential can also limit its development potential. Office only precincts may need consideration;
- Minimise development levies taking into account competition from other areas (e.g. Wollongong); and
- Ensure that local planning controls provide for future commercial development in smaller centres.

## 22.9 Retail Supermarkets

Guiding development principles for supermarkets in Shellharbour LGA include:

- Supermarkets should be located within an existing retail centre. If no suitable sites are available then it should be located immediately adjacent to the retail centre. This ensures the continuity of the existing retail centre;
- In relation to the retail hierarchy supermarkets should primarily be accommodated at the major regional centre, major town, and village level;

- New supermarkets in the LGA should primarily be included in retail centres that currently lack a supermarket or those comprising an undersized one – supermarkets can act to revitalise a struggling centre;
- At the DA stage, any proposal for a new supermarket will need to be assessed in terms of consistency with this strategy; and
- Ensure adequate parking and good accessibility.

## 22.10 Business Parks/Hi-Technology Parks

Council has indicated interest in instigating a business park in the quarry buffer zone at Shell Cove; however no occupants have yet been committed. In such a case the following are key requirements for business parks that Council should consider:

- Require new business parks to be located in areas that will support the existing network of commercial centres and can be accessed;
- Business parks should only permit businesses that require large floor plates (more than 1,000sqm), and are linked with research and technology or require storage/warehousing component. Those businesses that are purely office related (i.e. accountants, solicitors, etc) should not be permitted within business parks but encouraged in commercial/retail centres to help support their viability;
- A maximum office space component of 60% should be required for each development/business, and development standards should be set for FSRs and car parking provisions;
- An Economic Impact Assessment should be undertaken at the rezoning stage, which needs to justify their location. It also should include an impact statement with regards to the established centre hierarchy, and its use of existing and proposed infrastructure; and
- Future business parks must demonstrate a contribution to subregional economic and job growth and provide for e.g. recreational, cultural and/or learning facilities.

However, the proposed zoning of this land is to be determined upon further assessment of land uses in this area.

## 22.11 The “Aerotropolis”

An ‘aerotropolis’ is an airport city or economic hub that extends out from an airport. This may be considered an appropriate concept to apply to parts of Illawarra Regional Airport, especially given the adjacent proposed Enterprise Corridor along Princes Highway in Albion Park Rail.

This concept has arisen largely from the transformation of business from ground transport to air transport. What is more, airports are becoming a central ingredient in economies that are increasingly based on speed, agility and long term distance connectivity. Airports have become ‘vital centres of growth and development’ and as such in many cases, they have become as important to a region as a city’s central business district.

Through the advent of affordable air travel, high value to weight products, and the need for time based competition the dependence on air travel and freight is steadily increasing. Accordingly the Sydney Airport

Corporation estimates that Sydney Airport will continue to grow so that it has over 68.3million passengers and 412,000 aircraft movements by 2023/24.

The ‘aerotropolis’ concept is not limited to terminal buildings or airline services. It extends to any number of uses that may be related in some way to the airline industry, air freight, the need for travel or people who work in and/or use airports. The range of industries potentially located within or in close proximity to airports is therefore extensive and may include:

- Business parks or aeroparks – for companies that make intensive use of airports such as information and communications technology and distribution or financial and consulting companies that support the function of airport related uses and businesses;
- Hotels and conference facilities;
- Industrial uses - for corporations that rely on time sensitive manufacturing;
- Transport industries i.e. bus, train, car rental, freight;
- Retail and entertainment – including shopping, dining, cultural attractions i.e. museums, art galleries; and increasingly
- Leisure and fitness.

Guiding principals for Illawarra Regional Airport in Albion Park Rail include:

- Plan for the growing prominence of the Illawarra Regional Airport as an “Aerotropolis” and the opportunities arising from aviation-oriented and related commercial development;
- Identify employment lands suitable for trade and business parks which permit collocation of office and warehousing in a master planned environment;
- Do not fragment redundant parcels of industrial zoned land (e.g. manufacturing plant or a main roads depot) unless it has poor utility for industrial use;
- Where sites are located in areas suitable for business parks consider site bonuses to encourage the amalgamation of smaller industrial lands. Bonuses might be in the form of higher FSRs for sites above a minimum size (e.g. 3,000 sqm); and
- The “Aerotropolis” concept is not limited to business parks. Other uses include demand for transport and storage as well as office space, retail and entertainment to be located in commercial centres.

It would be appropriate to rezone any land at Illawarra Regional Airport for the uses described within the “Aerotropolis” concept similar to that of business parks, being Zone B7 (Business Park). Mandatory uses under this zone include - light industries, neighbourhood shops; office premises; passenger transport facilities; warehouse or distribution centres.

## 22.12 Home Based Business

Home businesses should be permitted in residential zones however it should be ensure that:

- The use is located within a defined area of the property;
- The use does not create disruptive levels of noise, smells or fumes to surrounding uses;

- There are a defined number of employees that work on the premises (i.e. no more than 3);
- The use does not result in a significant level of traffic or pedestrian movement that may disrupt the function of surrounding uses; and
- There are adequate servicing and parking facilities.

## 22.13 Criteria for Assessing New Development

In assessing new development a number of key criteria should be established in the planning frameworks.

### **Economic Impact & Location Suitability**

A key component for all development applications and rezoning proposals for commercial, residential, retail and leisure uses should be their economic impact to the maintenance and growth of the centre hierarchy with the primary objective to foster vital and viable centres. This applies equally to development proposals both located in and outside existing centres. Council can be guided by this report, but may request a report assessing the economic impact to be submitted for development and/or rezoning applications.

Where extensions of town centres are proposed, these should be carefully integrated with the existing centre in terms of design, land use, transport networks, public/civic amenities, and pedestrian access and circulation.

### **Public Design Enhancements**

In addition to Section 94 and development standards set by the DCPs for public works and upgrading, consideration should be given to developer agreements to contribute further to the public infrastructure in centres. Such agreements might relate to: increased on-site water retention to improve local area drainage; inclusion of public car parking on site or contribution to a nearby public car park to use that park for their employees; and dedication and embellishment of public open space on site or adjoining. Enabling provisions within the Environmental Planning and Assessment Act 1979 for allowing developer agreements have now been enacted, and LEP provisions would also be required.

## 22.14 Initiatives to Revitalising Existing Town Centres

Initiatives identified to revitalise retail centres and encourage new job opportunities include:

- Market the retail centre and its attributes for commercial/retail development as one would for a stand alone shopping centre. Initiatives might include:
  - a. providing subsidised child care;
  - b. Improvement to recreational activities including membership;
  - c. Shuttle bus to educational and sporting establishments;
  - d. National advertising and brochures; and
  - e. Survey of available site for sale or lease.
- Identify sites suitable for large scale development, by accommodating more efficient use of land and building within or surrounding existing centres;



- Encourage more intense development within the centres including shop top housing to help foster the “living cities” or “urban village” concept. Additional residents generate demand for local retail services as well as demand for regional services. Within the neighbourhood centres every new dwelling requires an additional 2 to 2.5sqm of retail floorspace;
- Adopt a vision led approach for master planning of town and village centres which fosters confidence in the business community to invest and support the success of implementing the plan. This vision acts both as a marketing tool to stimulate demand and secondly as a guide for businesses to frame their plan;
- Revitalisation strategies from time to time will require amendment to the centre boundaries to permit large scale development including supermarket and bulky goods retailing and redevelopment for mixed use residential development. This should be viewed in the overall strategy as to its economic and social benefit; and
- Prepare Masterplans to assist high residential growth centres (e.g. Albion Park) in identifying options to cater for future development, and to set guiding principles for statutory plans.
- Prioritise future town centre plans based on redevelopment pressure and residential development pressure as follows:
  1. Shellharbour City Centre;
  2. Shell Cove; and
  3. Albion Park.

## 22.15 Existing Use Rights

In March 2006, the NSW Government gazetted the Environmental Planning and Assessment Amendment (Existing Uses) Regulation 2006, which changes existing use rights regarding the ongoing development and use of land.

An existing use (defined in section 106 of the Environmental Planning and Assessment Act 1979) (EP&A Act) is a use that is lawfully commenced but subsequently becomes a prohibited use under a new LEP or other environmental planning instrument. The EP&A Act and the EP&A Regulation 2000 make provisions for the continuance of existing uses.

The existing use provisions aim to balance the potential hardship and dislocation that could result if landowners or occupiers were required to discontinue uses no longer permitted under current planning controls, against the need to transition to the new and preferred planning regime for the area. Existing use rights provide for the continuation of previous rights to operate the same use on the parcel of land.

From the onsite survey of existing retail zoned sites, and retail centres within Shellharbour LGA there may be various sites that are currently being used as a commercial/retail premises under existing use rights. Most sites are zoned for residential under the existing Shellharbour LEP, or through amendment of the LEP have been allowed a permitted commercial use. These include sites mainly in Albion Park and Albion Park Rail.

With councils now being required to review their LEPs consistent with the Standard Instrument for LEPs, it is expected that throughout NSW the number of developments with existing use rights will grow as the overall

number of zones are reduced and zoning provisions are updated. This could potentially undermine the benefits from the planning system reforms if the EP&A Regulation continued to permit existing uses to be changed to other prohibited uses.

The EP&A Amendment (Existing Uses) Regulation 2006 amends the EP&A Regulation so that:

- An existing use can no longer be changed to another prohibited use (unless the zoning is also changed to permit that use); and
- An existing use can be changed to a use that is permissible.

These amendments were made to the existing use provisions in the EP&A Regulation in March 2006 so that it was no longer possible to change from one prohibited use to another prohibited use without a rezoning. Transitional provisions provided for development applications (DAs) lodged prior to the end of March 2006 to continue to be processed.

In February 2007 it was recognised that minor changes are now required to clarify and provide greater flexibility to the existing use rights provisions in the EP&A Regulation as a result of two issues.

Where a subdivision or development was approved prior to 29 March 2006 under the existing use rules at that date, it was not intended to prevent the proponent from completing that development. As a result transitional provisions have been introduced to apply in these types of situations, to allow for a subsequent DA to be lodged even if this DA is for a prohibited use, where it is clear that the subsequent DA is required to implement a consent issued prior to 29 March 2006. For example, where a subsequent DA is required for:

- The use of land and construction of buildings associated with a subdivision approved before 29 March 2006; or
- Fit-outs or other works to implement a development approval issued before 29 March 2006 (whether required or not in the initial DA).

Another issue has arisen for property owners of commercial premises with existing use rights but where office, business or retail uses are now a prohibited use. Property owners reported that DAs were not being considered for fit-outs where there was a change of tenants and the proposed new use was not identical to the previous use.

Such changes were considered to be a change in use (prohibited under clause 41(d) of the EP&A Regulation) rather than an alteration to an existing prohibited use (permitted under Clause 41(b) of the EP&A Regulation). This happened even if the change to the fit-out was minimal and there was little or no environmental impacts.

As a result an amendment has been made to clause 41 of the EP&A Regulation to allow owners of certain existing non-conforming uses to change uses to another non-conforming use but only where:

- The change of use involves only minor alterations and additions and does not increase the existing floorspace by more than 10% or involve the enlargement, expansion or rebuilding of the premises; and
- It is a:
  - Commercial use being changed to another commercial use (including a commercial use that would otherwise be prohibited under the EP&A Act); or

- Light industrial use being changed to another light industrial use or a commercial use (including a light industrial use or commercial use that would otherwise be prohibited under the EP&A Act).

For the purposes of the EP&A Regulation 'commercial use' means the use of a building, work or land for the purpose of office premises, business premises or retail premises (as those terms are defined in the Standard Instrument (Local Environmental Plans) Order 2006).

Where feasible, councils will be encouraged to identify development that would have existing use rights and include 'permitted additional uses' on that land in their LEP, so that the land use is no longer prohibited (in effect, remove existing use rights).

## 22.16 Maximising Employment

The encouragement and creation of appropriate employment lands is a complex issue, with a complex interrelationship between the various factors at play. For example, economic development will not necessarily be stimulated by making an ever increasing supply of employment land available to the market. This strategy alone will not lead to desired employment growth.

Appropriately zoned lands in Shellharbour LGA are competing to attract employment generating development. The policies which have led to the current levels of supply have, in part, promoted an inefficient consumption of scarce public resources - in the form of land and capital. Developable land, in high population growth areas, has been allocated to accommodate low employment density industries, and capital is being absorbed to fund the supporting infrastructure.

For these reasons Council not only wishes to provide appropriate proportions of employment lands, but also wishes to encourage appropriate employment types in order to maximise employment opportunities.

Consequently, key strategies have been identified which, interlinked, form an integrated policy framework for sustainable economic development. Details of these strategies are provided in the following sections.

### **Strategy One – Target Appropriate Industry Sectors**

By matching the target employment types and opportunities with the likely characteristics of the resident workforce we can:

- Achieve greater integration between the resident community and workforce;
- Reduce commuting in and out of the new community; and subsequently
- Achieve ecologically sustainable principles through time and travel savings and reduced dependence on private motor vehicle usage.

This strategy recognises the importance of creating a diverse and sustainable economic and employment base. The residential and working community in Shellharbour LGA is an evolving one in terms of demographic characteristic, workforce skills, employment and social aspirations. In order to insulate itself, as far as possible from fluctuating employment markets, and in recognition of the changing nature of work, evolving workforce skill and education levels, the employment base must be broad.

A broad economic base and a diverse mix of employment are essential in order to provide continuing employment opportunities for residents and to allow multiple entry points and career opportunities in the local employment market.

In order to identify a number of key target industries that may be potentially attracted, a broad analysis of the key drivers of location selection for major industry groups has been included.

The locational factors considered include:

- Availability of workforce skill;
- Accessibility to workforce, markets, suppliers and services;
- Managerial preferences;
- Cost of land and facilities;
- Infrastructure availability and quality (e.g. water, telecommunications etc);
- Access to markets and customers proximity of competitors;
- Image & environment; and
- Linkages with similar organisations, academic institutions etc.

A number of conclusions can be drawn from this analysis:

- Traditional industrial occupiers such as manufacturers, food processors, transport and storage, and agricultural firms require a relatively low skilled workforce, good accessibility, and are relatively price sensitive.
- High tech industries such as IT/Communications, Medical/ Pharmaceuticals, Agri-science/bio tech, environmental sciences etc are able to trade off price against other factors such as the need for a highly skilled workforce, image and environment, managerial preferences, and linkages with key organisations.
- It is anticipated, that the socio demographic profile of the residents of Shellharbour LGA now and into the future will enjoy relatively higher levels of education, skills and income in comparison to the surrounding locality. This mix of profiles suggests a combination of both traditional industrial occupiers and emerging industries.

### **Strategy Two – Encourage Diversity in Enterprise Size**

In order to achieve a diverse economic and employment base, it is important to recognise the substantial differences in the growth rates of various types of enterprises and to cater for their particular needs.

The most common type of enterprise in Australia is the so-called small business. Small businesses are defined as any business employing less than 20 persons in general, and less than 100 persons in the manufacturing sector. In New South Wales it is estimated that some 96% of enterprises fall into the small business category.

ABS figures indicate that in 1997-98, 50% of all job creation in Australia came from the small business sector and 33% came from large sized businesses. During 1996-97, 57% came from the small business sector and 32% from the large business sector. By contrast, large businesses during 1995-96 recorded a negative net employment change with the vast majority of generation (74%) coming from small business.

The contribution to total job generation in Australia in 1997-98 by small businesses was 492,000 persons (49%). From this, 268,000 came from continuing businesses which increased their employment during the year and 224,000 from new businesses starting up.

Small businesses are most common in the services sector but there are nonetheless significant numbers of small businesses in manufacturing.

Since the mid- 1980's small businesses in Australia have experienced significantly higher growth rates than have large businesses. Rationalisation of the labour force of large companies and the increasing tendency to out-source various components of large businesses, as well as the "spin-off" of non-core functions into smaller autonomous business units, have all contributed to the recent growth of small business in Australia.

Generally, we believe Shellharbour LGA is suitably located for the promotion of small to medium enterprises, by offering a range of business support services and an innovative and flexible land use zoning. These initiatives are specifically targeted to encourage the establishment of small businesses at Shellharbour LGA. Small to medium enterprises (including home based businesses) are of significant importance because of their positive growth across virtually all industry sectors.

As discussed earlier, employment generation is no longer simply a matter of attracting large companies, but rather attracting mobile workers who run their own businesses or subcontract their labour from home.

The trend towards home based business is certainly documented on a larger scale. More specifically Elton states that in 1996 5% of all Australian households were being used to carry out a business, with this figure increasing to 7.7% in June 2000, equivalent to 692,600 people.

A 2004 study undertaken for the Department of Planning indicated that in 2001, the share of total Sydney employment which was home-based had increased from 3.95% in 1996 to 4.1% in 2001. However in 2001, the study indicated the Kiama/Shellharbour area had a very small proportion of home based business (less than 1,000 businesses) when compared to other regions of NSW.

There is evidence that the proportion of home based employment is continuing to increase under the combined influences of existing firms encouraging employees to increase the proportion of time they spend working at home, and the 'out sourcing' of services by many larger firms. Both are creating opportunities for home based businesses.

The capacity to increase the proportion of home based businesses relates to the capacity to implement various strategic initiatives. We have identified the following principles relevant to the promotion of home based businesses:

- Target the groups known to choose home business - Only a minority of people chose their housing with a view to its suitability for home based employment. Indeed, few people take up home employment (especially if they do so as a result of the loss of a job) at the same time as they move house. It will therefore be important to make the development attractive to those groups that are most likely to choose to take up home based employment. It is also important to recognise that for many of these people, working from home may be a future option rather than as an immediate choice. Many will initially wish to treat their home based work as a hobby or part time activity. Flexibility is therefore important.

- Provide premises suitable as home or home/business - It is important that any accommodation designed to appeal to home based workers should be equally suitable as residential accommodation.
- Minimise obstacles - the most significant obstacles to home based employment quoted by Business Support Centres and by research are regulatory barriers, particularly those imposed by Councils.

### **Strategy Three – Provision of Business Support**

This strategy aims to attract businesses to the subject site by identifying the specific needs of business and required ancillary services.

Previous attempts at stimulating economic development have focused specifically on locational factors such as: proximity of raw materials, proximity of clients/customers, transport links, labour supply, and land cost and availability.

A number of these elements, particularly in relation to the availability of serviced land, have seen some improvement. Despite this, employment growth has fallen behind labour force growth. This outcome suggests that a more sophisticated and comprehensive approach needs to be considered in relation to addressing the broad range of factors that ultimately influence businesses in their locational decision making.

SMEs and home-based businesses have a range of specific needs, many of which have not in the past been addressed by either private or public sector developers of employment land in Sydney and other regional areas. For SMEs and home-based businesses, concerns such as access to capital, access to business advisory services and networking are important and cannot be addressed through the creation of physical infrastructure only.

In recognition of the importance of these needs, the creation of business support infrastructure has been incorporated as a suggested strategy for employment generation, thereby offering a more coordinated and comprehensive approach to employment and economic development. Furthermore, it is possible that Shellharbour LGA can differentiate itself to some extent from other employment areas within the Illawarra Region, and thus achieve higher rates of employment growth by providing a range of business support services.

- Cabling and Telecommunications - Information technology is at the core of many businesses, and is an absolute pre-requisite for some activities. However, many existing areas do not meet current expectations about access to telecommunications infrastructure, let alone future needs. Flexibility is important, given the unknown nature of future technologies. For the foreseeable future, this will mean ensuring that future cabling needs can be met, preferably allowing consumers a choice of supplier.
- Business Support Centre - It is likely that the take up of employment opportunities, will be dependant upon the active promotion of the services available through a Business Support Centre. Such a centre will assist small businesses (and other businesses) to grow by providing various business opportunities and advice. The aim of the Business Support Centre is to provide a range of functions and services, which could include:
  - To establish and make available an advisory database of government programs relating to industry;
  - To provide an on-line directory service using Aus Industry's Biz Help system;

- To act as a facilitator by linking businesses with support and advisory services within Aus Industry, National Industry Extension Service (NIES) and the Export Finance Investment Corporation (EFIC);
- To liaise with finance providers and insurance companies to smooth the path for arranging finance and insurance cover for small business;
- To provide a database of "out-sourcing" requirements of major companies located in Shellharbour LGA;
- To liaise with established Business Support Centres in elsewhere to potentially extend training programs to businesses establishing in Shellharbour LGA.

In essence, the objectives of the Business Support Centre would be to provide a range of unique services, in order to both encourage businesses to locate in Shellharbour LGA, and to meet their ongoing training and growth needs.

## 22.17 Promotion of Retail for Tourism

This section identifies tourism issues and recommendations for Shellharbour LGA to promote retail for tourism.

### **Branding**

Shellharbour LGA is failing to brand its image to attract tourist overnight stays and associated spending. There is need for cooperation with the tourism industry to capitalise on the LGA's strengths, provide opportunities for information sharing, and promote coordination of suppliers and service industries. This will provide smaller operators in particular with the opportunity for asset sharing schemes, joint purchasing agreements and LGA wide promotion. Therefore using a consistent brand and image to promote Shellharbour LGA should be considered as part of the area's signage.

Branding is increasingly important in assisting regions in marketing their products, capture valuable tourism expenditure, and build supply chains to access international markets. The concept of geographic branding is not new. Areas of Shellharbour LGA which should be further promoted in this regard include but are not limited to:

- Historical industries in the area e.g. dairy, manufacturing etc;
- Local produce;
- Walking tracks and trails;
- The proximity to other coastal areas, Canberra, Sydney and Melbourne; and
- Tourism zones in Shellharbour Village and Shell Cove.

The brand is about the LGA, what uniqueness it has, what specialties it has, as well as the natural beauty of the region. Regional branding is dependant on the consumer attaching a value to a sense of place, heritage and community.

A regional brand should be developed that will position Shellharbour LGA as a great place to live, work and invest. This brand will be used in all promotion of the LGA for business investment, staff attraction and tourism.



### **Tourism Opportunities**

Shellharbour LGA has not as yet taken full advantage of the tourism opportunities created from the areas own natural beauty and ecological diversity, as well as its proximity to the regions natural attractions.

Shellharbour should focus on fostering new or emerging industries such as tourism. Proposed tourism zones along the coast (like in Shellharbour Village, and more so in Shell Cove) allow for opportunities to provide alternative accommodation options to those currently provided in the LGA, whilst still being located within vicinity to local townships and attractions.

Acknowledgement of the need to provide for a range of tourism accommodation ensures that the range of tourism experiences compliment the nature not only of the locality, but are appropriate to different characteristics of the location.

Changing demographics, higher levels of education and an active aging population can expand and provide new opportunities for tourism. Increased tourism diversifies and strengthens the LGAs economic base and long term stability, improves local employment opportunities; and mitigates population decline, especially when there is a tendency for young people to leave the area.

### **Additional Comments for Consideration**

- The South Coast has seen significant growth in the number of retirement villages in recent years, and with the aging population of Sydney it may be appropriate to consider the development of an aged care facility within the tourism zone;
- Support creative/cultural centres by enhancing the public domains surrounding these cultural uses and permit a mix of commercial/retail uses to benefit from their patronage; and
- It should be recognised that there is often tension between tourists and local residents who consider high and seasonal visitor populations as a threat to community cohesion and the amenity values of the locality. New tourism strategies need to be examined to ensure that tourism activities produce real economic returns for communities.

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