



# Casuarina Beach Town Centre | Retail Sustainability & EIA Assessment

Draft Report

December 2008

Prepared for Kings Beach (No 2) Pty Ltd



## Contact Information

### PROJECT DIRECTOR

Brian Haratsis (CEO)  
MELBOURNE

Signed<sup>+</sup>

.....  
Dated

### SYDNEY

Level 10, 45 Clarence Street,  
Sydney, NSW. 2000  
t. 02 9299 8988 f. 02 9299 5664

### MELBOURNE

Level 4, 356 Collins Street  
Melbourne, VIC. 3000  
t. 03 9600 0500 f. 03 9600 1477

### BRISBANE

Level 7, 320 Adelaide Street,  
Brisbane, QLD. 4000  
t. 07 3010 9240 f. 07 3010 9640

### PERTH

Level 2, 28 Ord St,  
West Perth, WA. 6005  
t. 08 9321 8004 f. 08 9324 2006

e. [info@macroplan.com.au](mailto:info@macroplan.com.au)  
w. [www.macroplan.com.au](http://www.macroplan.com.au)

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# 1

## Executive Summary

### Background

1. MacroPlan Australia has been commissioned by Seaspray Living to assess and consider the economic need and potential impacts of a proposed retail centre in Casuarina.
2. The assessment considers Council's strategic intentions for the development of villages and local centres in the trade area of the proposed development and is cognisant of triple bottom line considerations including potential social and environmental impacts of the proposal.
3. The proposed development is located adjacent to a significant residential development front that includes a growing supply of short term accommodation. The supply of new housing and short term accommodation will require additional retail floorspace to allow for the containment of activity in the area.

### Objectives

4. This report has addressed three key objectives:
  - Suitability of the proposed supermarket and associated retailing at Casuarina from the strategic perspective of the NSW Department of Planning and Tweed Shire Council
  - The sustainability of the proposed supermarket development based upon the strategic intentions, population growth, expected trade catchments and possible future centres
  - The economic impacts that the proposed development including quantitative effects on other competing supermarket based centres, medium term impacts of a possible future full line supermarket at Pottsville and discussion of the net community benefits of the proposed supermarket based centre with consideration given to its location on the periphery of the Casuarina Town Centre.

### Strategic Planning Intentions

5. MacroPlan assessed the relevant local and state government documents (outlined in Section 3) to provide a strategic base to evaluate the sustainable expansion of retail development in Casuarina that is consistent with its intended role and function. This method of assessment ensures the economic viability and indented role and function of other centres in the retail hierarchy.
6. The strategic intentions for retail development in Casuarina can be summarised as follows:
  - Local Centre with around 1,500m<sup>2</sup> - 6,000m<sup>2</sup> of retail floorspace.
  - The actual size of the centre will depend on its localised catchment (e.g. population size, population densities, tourism potential, road access, etc).
  - Cater for supermarket based shopping (termed as majority of 'chore' type shopping needs) with the provision of a full line supermarket.
  - Supports the District function of Kingscliff and supports the high order retailing located in Tweed Heads.
  - Encourages sustainable travel behaviour while at the same time supporting sustainability at other centres.



- Retail development potential in Casuarina should not impact on the future role and function of other centres. In this case:
  - Pottsville should be allowed to perform a Village Centre function (as designated by the FNCR strategy and the Pottsville Village Strategy) by around 2016 when it achieves critical mass;
  - Kings Forest should be allowed to perform a Local Centre role (as designated by the Tweed Coast Strategy) based the timing and size of its own localised catchments.
  - Cabarita should be allowed to perform a Village Centre function (as designated by the FNCR strategy) based on its own catchment. With large areas of protected wetlands, Cabarita has only limited development, meaning that a retail centre is likely to be at the lower end of the Local Centre provision (i.e. 1,500m<sup>2</sup>) as set out by the Tweed Retail Strategy

## **Retail Sustainability Assessment**

### **TWEED COAST**

7. The first step in considering retail floorspace and supermarket floorspace need in Casuarina is an assessment of a supply gap across the Tweed Coast. This assessment confirms an emerging supply gap of supermarket floorspace in the Tweed Coast of approximately 3,400 m<sup>2</sup> as at 2008. This gap would be reduced to about 1,400m<sup>2</sup> in 2011 with the provision of a full line supermarket at Casuarina, while there would then still be sufficient opportunity for another full line supermarket in Pottsville around 2016 and beyond.
8. This analysis confirms that there is a requirement for a full-line supermarket on the Tweed Coast at this time. The consideration of the most appropriate location for this supermarket therefore requires an appropriate assessment of local catchments.

### **TRADE AREA - CASUARINA**

9. The total main trade area identified for this assessment is made up of a Primary Trade Area (PTA) and a Secondary Trade Area (STA) to form the Main Trade Area (MTA).
10. For the purposes of this assessment MacroPlan have defined a short term MTA (2008-2016) and medium term MTA (2016-2026). This dynamic catchment has been constructed to account for the expected changes in the retail environment across the Tweed Coast, specifically the development of a full line supermarket at Pottsville and possible smaller supermarkets at Kings Forest and elsewhere along the Tweed Coast as population develops in urban growth areas.
11. This dynamic trade area represents the supermarket needs of residents and visitors within the Casuarina catchment in the short term and then reflects the likelihood that the Casuarina supermarket will become self sustaining in the medium to long run.

### **DEVELOPMENT POTENTIAL**

12. To understand the total supermarket floorspace that could be supported at Casuarina within the trade area catchment, an assessment of the growth in retail expenditure, growth in the MTA population and estimates of spend from beyond the trade area were undertaken.
13. The three main sources of supermarket and retail expenditure can be expected to come from MTA residents, semi-permanent MTA residents and visitors/tourists from beyond the MTA.



14. In estimating the population of the MTA residents, MacroPlan utilised statistical data from the ABS and NSW Department of Planning; lot development data and urban growth population cap estimates from strategic documents such as the Tweed Shire Urban Land Release Strategy 2008. Furthermore, an estimate of the semi-permanent (2 to 3 days per week) population was undertaken and translated into full-time equivalent estimates.
15. Based upon the assumptions above, the overall MTA population including full-time equivalent residents is forecast to increase to from 10,795 people in 2008 to about 15,115 people by 2016. However, after accounting for the change in trade areas the total population within the catchment only reaches 13,114 by 2026. By this time Casuarina will have become a self sustaining retailing environment.
16. The method of assessing retail development potential in Casuarina is based upon MTA retail expenditure market growth and sustainable timing. That is, retail development is only economically viable and sustainable, once there is critical mass in the retail expenditure market to support it. The estimates of supportable floorspace at Casuarina have been determined based upon expected market shares that the supermarket based centre could be expected to draw from the relevant catchments. The steps from population estimation to development potential are discussed within section 5 of this report.
17. The table below highlights the sustainable retail floorspace (supermarket and other retail) that Casuarina local centre could support in the short term (2008 to 2016) and medium term (2016 to 2026) and the following key points summarise the findings of the sustainability assessment:
18. There is enough demand to support the proposed supermarket based Local Centre at Casuarina as at 2008.
19. Between 2011 and 2016, Casuarina could support the proposed supermarket (2,500m<sup>2</sup>) and specialty (1,160m<sup>2</sup>) retail centre. This would satisfy the short term need of the local residents and non-permanent visitors. There would be temporary borrowing from the Pottsville catchment as these residents would not have immediate access to a full line supermarket.
20. By 2017 and beyond, the Casuarina catchment would become self sustaining and could support its own retailing facilities even with a full-line supermarket to be delivered in Pottsville and longer term delivery of small convenience centres in Kings Forest.

**Table 1. Potential Retail Floorspace – Casuarina 2008-2026 (m<sup>2</sup>)**

Sustainable Retail Floorspace	Short Term Need			Medium Term Self Sust	
MTA	2008	2011	2016	2021	2026
<u>MTA</u>					
Supermarket	1,926	2,252	2,699	2,130	2,475
Other Retail	2,682	3,194	3,922	2,959	3,585
<u>Demand from Beyond Trade Area</u>					
Supermarket	482	563	675	532	619
Other Retail	671	799	981	740	896
<u>Casuarina Development Potential</u>					
<b>Supermarket</b>	<b>2,408</b>	<b>2,815</b>	<b>3,373</b>	<b>2,662</b>	<b>3,094</b>
<b>Other Retail</b>	<b>3,353</b>	<b>3,993</b>	<b>4,903</b>	<b>3,699</b>	<b>4,481</b>
<b>Total Development</b>	<b>5,761</b>	<b>6,808</b>	<b>8,276</b>	<b>6,361</b>	<b>7,575</b>

Source: MacroPlan Australia



## Impact Assessment

21. In order to estimate the impacts of the proposed Coles at Casuarina upon existing and future centres within the trade area, MacroPlan have used a methodology that differs from a standard retail economic impact methodology as it accounts for the effects of peak season trading within high tourism areas.
22. In reality, coastal / tourist area supermarkets experience a significant proportion of their trading over the holiday periods throughout the year. Industry sources suggest that in coastal / tourist areas the proportion of trade over the school holidays (assumed 12 weeks) comprises 30% of yearly turnover. This means that during the holidays these supermarkets trade 40% per week above normal, off-peak weeks.
23. MacroPlan have assumed that in these 'peak' periods, each of the centres within the Tweed region will be trading at capacity, and any trade that a new centre in Casuarina experience through the school holidays would not have been able to be captured by these centres due to these capacity constraints. MacroPlan have not assessed impacts upon Mullumbimby and Murwillumbah as they are of sufficient distance and inaccessibility from the Casuarina MTA.
24. Given its relative proximity, to Kingscliff Woolworths is expected to experience the most significant turnover impacts at approximately -15% of annual turnover.
25. Other centres expected to experience less significant impacts include the two supermarkets at Pottsville (6% and 4%), the three supermarkets within Tweed City (5%) and the Bi-Lo at Banora Point Shopping Village (4%).
26. The impacts at Kingscliff impacts could be expected to be dissipated within the short term period (2011 to 2016) as the Casuarina catchment becomes self sustaining over this period and given the strong population growth currently exhibited and expected across the Kingscliff and Casuarina catchments.
27. The \$3.6 million impact upon Kingscliff would be dissipated through a mixture of growth beyond the trade area and by capturing some of the \$15.0 million of supermarket expenditure growth expected in the Casuarina MTA over the period 2011 to 2016.
28. In the medium term (2017-2026), the impacts from the Casuarina centre will have disappeared. There will be significant demand across the Tweed Coast to support a second full line supermarket at Pottsville after 2016. The dynamic trade catchments created in the retail sustainability assessment demonstrate that the Casuarina supermarket will be able to support itself over this time period,
29. The contraction in the southern part of this secondary trade area equates to over \$18 million of supermarket expenditure in 2017, which would contribute significantly to the total turnover expected at the centre.

## TRIPLE BOTTOM LINE CONSIDERATIONS

30. Not only will the proposed development have insignificant turnover impacts upon other competing centres but it will also provide wider community benefits. The benefits of the proposed centre are based upon its strategic location along the Tweed Coast and its local level location at the end of the 'main street' of the Casuarina town centre, away from the beach. From a triple bottom line perspective some of the key benefits include:
  - Job generation / job self containment:
  - Residential and commercial take up rates:



- Reduced Household Costs:
- Improved Safety:
- Improved quality of place and benefits to the public realm:
- Integration with existing environment:
- Reduction in vehicle emissions:

## Conclusions

31. The proposed Casuarina supermarket and specialty retailing development should proceed in the location proposed.
32. A summary of the key points indicating that this is an orderly development which will have need community benefits are highlighted below:
  - The proposal is consistent with strategic documents in that it contributes to a distribution of village centres along the Tweed Coast.
  - Without considering impacts upon other centres, there is a market gap in the Tweed Coast SLA for a full-line supermarket immediately (2008/09) and by 2016 Pottsville could deliver its own full-line supermarket.
  - By 2011 and 2016, a full line supermarket of the size 2,500m would be supportable by the short term trade catchment. This catchment would satisfy the short term needs of the Casuarina (including Seaside/Salt/Cabarita) PTA, while also allowing the Pottsville catchment to be able to undertake weekly 'chore' shopping closer to their place of residence without having to travel to Kingscliff or further north.
  - By 2016, it is expected that the trade catchment around Casuarina would become self sustainable. This is reflected in the dynamic trade catchments, whereby the boundaries of both the PTA and STA have been contracted to account for a possible full line supermarket within Pottsville. These catchments also allow for one or two smaller convenience centres to be developed as the population develops around Kings Forest, Tanglewood and Bogangar.
  - The economic impact assessment showed that the trading impacts upon competing supermarket based centres are not significant, except for the expected impacts upon Kingscliff Woolworths (approximately -15% of annual turnover).
  - However, the impacts at Kingscliff impacts could be expected to be dissipated within the short term period (2011 to 2016) as the Casuarina catchment becomes self sustaining over this period and given the strong population growth currently exhibited and expected across the Kingscliff and Casuarina catchments.
  - The \$3.6 million impact upon Kingscliff would be dissipated through a mixture of growth beyond the trade area and by capturing some of the \$15.0 million of supermarket expenditure growth expected in the Casuarina MTA over the period 2011 to 2016.
  - Other benefits to be expected from the development include reduced vehicle trips, competitive pricing benefits for consumers, activation of the whole 300 metres of the Casuarina town centre due to the 'anchor' effect, stimulation of local economy and direct and indirect job creation.





## 2 Introduction

MacroPlan Australia Pty Ltd (MacroPlan) has been engaged by Seaspray Living to undertake a Retail Sustainability & Impact Assessment to determine the requirement for additional supermarket and other retail floor space at the proposed Casuarina Beach Town Centre as part of Council's ongoing strategic planning.

This report also provides an understanding of local population growth, retail expenditure growth and the resulting demand for new retail floor space in Casuarina. Careful consideration needs to be given to future retail centres in order to balance the needs of the growing residential community with growth in retail floor space.

This report also strategically considers wider triple bottom line impacts of the proposed development of the town centre and consistency of the development proposal with the intent of council policy and strategic plans.

### 2.1 Information sources

This report draws on a wide range of information sources. The more important information sources include:

- Census of Population and Housing, Australian Bureau of Statistics (2001 & 2006)
- Australian Bureau of Statistics – Building Approvals Data
- MarketInfo (2006/07) statistics on wealth and income
- Draft Tweed Shire Draft Retail Strategy, 2005 (Core Economics) and Council Resolution (November 2005)
- Tweed Shire Urban Land Release Strategy, February 2008 (Tweed Shire)
- Far North Coast Regional Strategy (FNCRS)
- Tweed Local Environmental Plan (LEP)
- Tweed Development Control Plan (DCP)
- Environmental Planning and Assessment Act, 1979
- Relevant experience throughout NSW and Australia, with particular reference to socio-economic profiles, area trends, and recent market performance

### 2.2 Abbreviations

The following abbreviations are used in this report

ABS	Australian Bureau of Statistics
DDCP	Draft Development Control Plan
LEP	Local Environmental Plan



LGA	Local Government Area
MTA	Main Trade Area
PTA	Primary Trade Area
SLA	Statistical Local Area
STA	Secondary Trade Area

## 2.3 Objectives

This Retail Sustainability Assessment (RSA) and accompanying Economic Impact Assessment (EIA) provide a wider triple bottom line consideration of the proposed development by considering Council's strategic intent for retail development in Casuarina.

By considering Council's strategic intent for retail development in Casuarina and the Tweed this assessment balances economic sustainability of the proposed future retail expansions with the viability of other centres.

This Strategic Intentions (Section 3) assessment reviews the relevant documents to provide a strategic base to evaluate the sustainable expansion of retail development that is consistent with its intended role and function. This method of assessment ensures the economic viability and intended role and function of other centres in the retail hierarchy.

The objectives of the Retail Sustainability (Section 4&5) and Economic Impact Assessment (Section 6) are to:

- Identify a sustainable level of retail floorspace that can assist in providing an appropriate supply of retail services to existing and future residents in Casuarina.
- Identify an appropriate level of retail floorspace that balances retail expansion with the intended role and function of Village Centres and ensures the economic viability of other centres in the retail hierarchy.
- Provide a strategic base to evaluate the impacts of retail expansions.

Based on these objectives, this report will:

- Review relevant documents to outline Council's strategic intent for retail development.
- Comments on the strategic intent from an economic perspective.
- Assesses the economic sustainability of retail development in Casuarina based on the strategic intentions.
- Estimate the retail floorspace requirements across the Tweed Coast, with specific analysis undertaken based upon Casuarina's likely trade catchments to determine an appropriate development potential.
- Undertake an assessment of economic impacts upon competing centres subject to trading levels and an assessment of wider triple bottom line (TBL) impacts upon the community.



## 2.4 Details of the proposal

Kings Beach (No 2) Pty Ltd proposes to develop a town centre at Casuarina Beach on the NSW north coast.

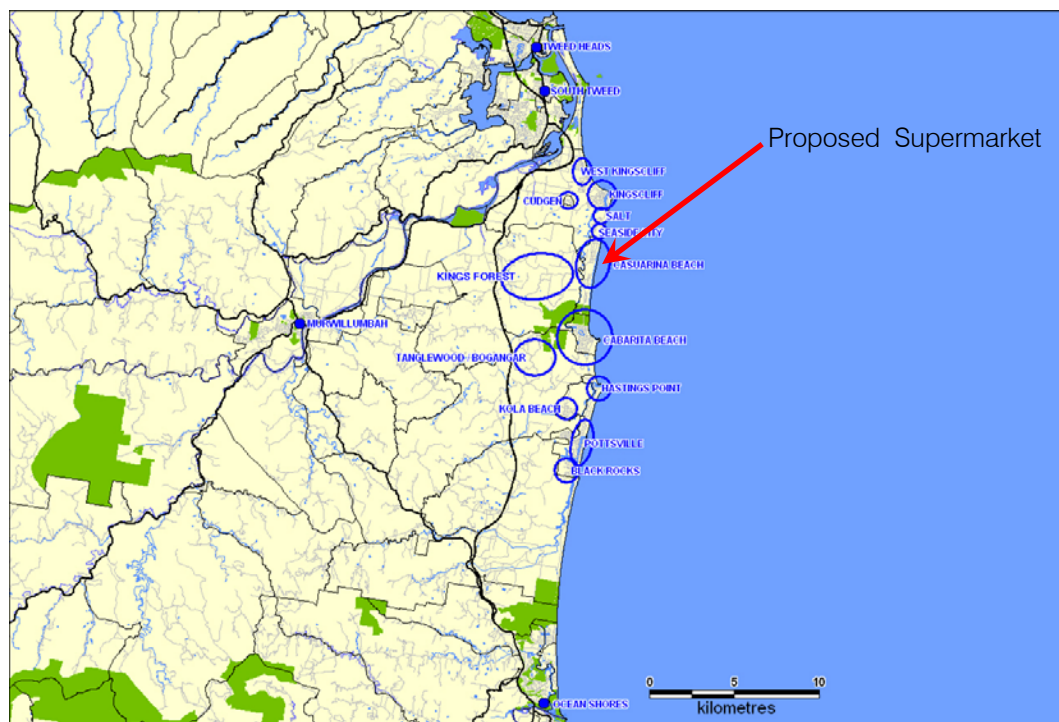
The centre has been designed to act as a 'Main Street' mixed use precinct that will activate a yet to be constructed 350 metre road extending from the Tweed Coast Road to a series of beach access points.

The mixed use concept consists of retail, commercial and residential components. The proposed retail GFA of 5,660m<sup>2</sup> will be distributed in the following manner:

- A 2,500m<sup>2</sup> supermarket and 1,386m<sup>2</sup> of specialty retail centre anchoring one end of the main street on the corner of Tweed Coast Road and Casuarina Way.
- Mixed uses sites available for residential and commercial development
- Food and beverage outlets
- Residential development

The location of the development is depicted below.

**Figure 1. Proposed Development Site**



Source: Google Earth (2008), MacroPlan Australia (2008).

The proposed development will perform a weekly shopping role anchored by one major supermarket. The development will be designed to meet an expenditure pool generated by:

- Permanent residents
- Semi-permanent residents



- Visitors and tourists.

The site location is appropriate for the early delivery of a full-line supermarket in the Tweed Coast as it will be co-located to a significant tourist and visitor catchment. It will also service the weekly and fortnightly shopping needs of local residents along the coastal area stretching from Salt in the north and including Seaside City, Casuarina Beach, Cabarita Beach, Bogangar, Hastings Point and surrounding areas.

The supermarket will also provide an alternative for residents in Pottsville until such time as a full-line supermarket is supportable there.



## 3 Strategic Intentions

### 3.1 Introduction

This Retail Sustainability Assessment considers Council's strategic intentions for retail development on the Tweed Coast, and in particular Casuarina, to balance retail expansions in the Tweed with the viability of other centres.

The strategic planning for retail development in Casuarina is embodied in the following documents:

- Environmental Planning and Assessment Act, 1979
- Far North Coast Regional Strategy (FNCRS)
- Tweed Urban Land Release Strategy (TSULRS)
- Tweed Local Environmental Plan (LEP)
- Tweed Development Control Plan (DCP)
- Tweed Retail Strategy/Council Resolutions – 16th November 2005 (TRS)

This section reviews these documents to provide a strategic base to evaluate the sustainable expansion of retail development in Casuarina that is consistent with its intended role and function. This method of assessment ensures the economic viability and intended role and function of other centres in the retail hierarchy.

#### 3.1.1 Environmental Planning and Assessment Act, 1979

The objectives of the Environmental Planning and Assessment Act, 1979 ("The Act"), as amended (Clause 5) include:

- The proper management and development of towns and villages for the purposes of promoting the social and economic welfare of the community and better environment; and
- The promotion and co-ordination of the orderly and economic use and development of land.

Clause 79C of the Act outlines the matters for consideration in determining a development application, including consideration of the likely impacts of the development on the natural and built environment, and social and economic impacts in the locality. Clause 5 of the Act, also provides that the Far North Coast Regional Strategy, Tweed LEP, Tweed DCP, all incorporate the strategic planning framework to achieve the objectives of the Act.



### 3.1.2 Far North Coast Regional Strategy (FNCRS)

The Far North Coast Regional Strategy (FNCRS) is the State Government's primary policy document guiding growth on the Far North Coast of NSW. The FNCRS envisages a "series of contained centres, a coastal area protected by inappropriate development and growing towns and villages across the region" (pp4). The FNCRS requires that the economic growth of the region "be balanced and preserve the character of villages and lifestyle for residents".

The objectives of the FNCRS can be summarised as follows:

- The Vision aims to create or maintain a series of self contained towns and villages;
- Urban settlement strategies indicate where development should occur, namely within the urban growth boundary;
- A hierarchy of centres is identified, including regional centre, major towns, town and village. Three villages have been identified within the Tweed Coast<sup>1</sup>; and
- Villages generally have a small vibrant mixed use commercial, retail and residential precinct at its centre surrounded by small-scale residential development.

From an economic point of view, the following conclusions have been made about the objectives identified in the Act and the FNCRS:

- A 'distributed' system of town centres is preferred;
- Supporting the growth of major and developing regional centres;
- Supporting major towns and towns to provide services and employment for the surrounding catchments (Tweed, Lismore, Ballina, Murwillumbah, Casino, Byron Bay & Kyogle);
- Supporting the need for villages to provide a lifestyle and a sense of community; and
- Each town / village should have a local business centre providing for social and community need.

The FNCRS requires Tweed Shire Council to prepare a local growth management strategy which outlines how Council will meet the State government targets for the region's housing needs. Since the release of the FNCR Strategy, a Tweed Urban Land Release Strategy (TULRS) has been prepared for the Tweed Shire Council to guide and manage future urban development within the Shire until at least 2031.

Importantly, the TULRS creates an urban centres hierarchy for the Tweed Shire that links centre type with its expected future population and dwelling densities. In light of this, the Strategy suggests that the FNCR Strategy may need to be reviewed to recognise this more recent work. Based on expected urban centre population levels and densities, the TULRS recommends the following centre hierarchy relevant to the Tweed Coast:

- District Town Centre - Kingscliff
- Village Centre - Bogangar, Casuarina and Pottsville.

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<sup>1</sup> Defined to be south of Kingscliff and north of Ocean Shores



- Small Village - Hastings Point, given its limited population growth potential.

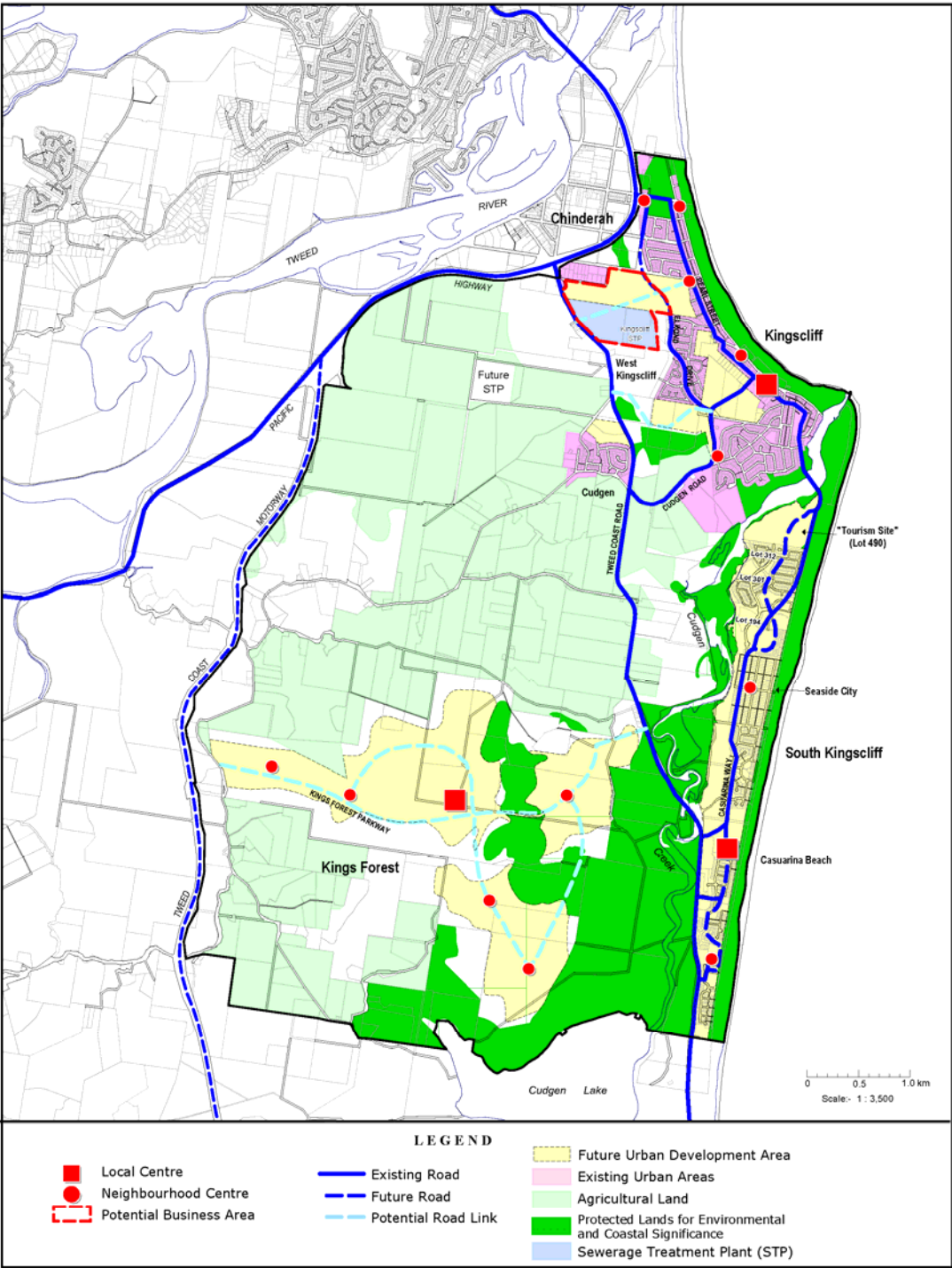
### **3.1.3 Tweed Coast Strategy 2003 (DCP No.51)**

The Tweed Coast Strategy applies to an area that includes Kingscliff and the coast south to Casuarina (excluding SeaSide City) and to the west including Kings Forest, Duranbah, Cudgen and part of Chinderah. This Tweed Coast Strategy area will become a critical growth area of the Tweed Coast, with around 25,000 people living there when fully developed.

The Tweed Coast Strategy outlines an urban centres hierarchy throughout the Strategy Area. The size of centres in the hierarchy is defined by retail floorspace caps and population catchments. Kingscliff is nominated as a District and Local Centre, with Casuarina Beach and Kings Forest as Local Centres. Neighbourhood centres will also be located in other areas as they develop.

The urban centres hierarchy it illustrated in the map below.

Figure 2. Centres Hierarchy, Tweed Coast Strategy Area



Section B9  
Tweed Coast Strategy  
**Structure Plan**

**MAP 2**

Source: Tweed Coast Strategy 2003 (DCP No.51)





The proposed hierarchy in the table below provides the basis for the policy statements contained in the Tweed Strategy.

**Table 2. Urban Centre Hierarchy**

Urban Centre	Retail Floorspace	Population
District Town Centre	10,000-20,000m <sup>2</sup>	40,000 persons
Local Centre	1,500-6,000m <sup>2</sup>	10,000 persons
Neighbourhood Centre	1,000m <sup>2</sup>	1,000 persons

Source: Tweed Coast Strategy 2003 (DCP No.51)

As illustrated in the map above, the Tweed Coast District has three distinct local areas - Kingscliff, Casuarina and Kings Forest. The Tweed Strategy outlines the objectives and characteristics of the Local Centres as:

- Should contain a local town centre
- Provide for the day to day commercial and service needs of the local area only
- Service a population catchment of up to 10,000 people
- Local centres should comprise of a supermarket, a community centre, a post office and a variety of other commercial/retail and community facilities

Based on the above, Local Centres generally have the following characteristics:

- Retail and commercial development and community facilities
- Medium and higher density residential development
- Have a 'main street' look, feel and functionality
- Build on social, community and public transport networks to generate activity
- Build on national comparative advantages (e.g. coastal location) to generate viable retail and professional business opportunities in the long term

The characteristics identified above are key aspects for implementation in Casuarina Village.

### **3.1.4 Tweed Coast Retail Strategy – Council Resolutions– 16th November 2005**

The Tweed Retail Strategy/Council Resolutions – 16th November 2005 provides a strategy for retail development in the Tweed Shire. In particular, the Strategy recommends:

- The character of existing towns and villages and the retail facilities they already have be protected.
- Where appropriate, Council will support the incremental expansion of existing retail centres in such a way as not to threaten or fracture those existing centres, rather than building new ones.
- Reinforce Tweed Heads south as the major district retail centre by encouraging expansion when Tweed's population demands that increased range and level of shopping.



- Maintain and wherever possible enhance the special appeal of the retail centre of Murwillumbah and those village centres of similar style.
- Limit the scale of new large scale retail centres in the coastal region to a level which caters for the majority of chore type shopping needs. This concept is to reflect the need to reduce fuel consumption and to support sustainability within each centre through discouraging vehicle use and encouraging walking and cycling.
- Council does not support the establishment of another district retail shopping centre.
- The retail concepts in the recommendations form the basis of locality plans in the Shire and any retail development applications which are submitted in the interim of these locality plans being prepared and approved by Council be assessed so that the above retail strategies are supported and not compromised.

This retail strategy is economically efficient for the Tweed and its town centres as it:

- Acknowledges the growth limits of the region;
- Acknowledges the existing character of Villages;
- Supports the need for supermarket based shopping (termed as majority of 'chore' type shopping needs) in Coastal locations. In the context of coastal locations along the Tweed Coast, MacroPlan considers that full line supermarkets are likely to deliver floor areas of around 2,000-2,500m<sup>2</sup>, but depending on local conditions (e.g. tourism, road access, population density) may provide up to 3,000m<sup>2</sup>.
- Addresses the need for critical mass to generate employment in Major and developing regional centres in order to generate service sector employment and to create high density live/work/play and tourism nodes; and
- Maximises the use and future provision of hard and soft infrastructure while minimising the cost.

## 3.2 Intended role and function of Casuarina

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

- Local Centre with around 1,500m<sup>2</sup> - 6,000m<sup>2</sup> of retail floorspace.
- The actual size of the centre will depend on its localised catchment (e.g. population size, population densities, tourism potential, road access, etc).
- Cater for supermarket based shopping (termed as majority of 'chore' type shopping needs) with the provision of a full line supermarket.
- Supports the District function of Kingscliff and supports the high order retailing located in Tweed Heads.
- Encourages sustainable travel behaviour while at the same time supporting sustainability at other centres.
- Retail development potential in Casuarina should not impact on the future role and function of other centres. In this case:



- Pottsville should be allowed to perform a Village Centre function (as designated by the FNCR strategy and the Pottsville Village Strategy) by around 2016 when it achieves critical mass;
- Kings Forest should be allowed to perform a Local Centre role (as designated by the Tweed Coast Strategy) based the timing and size of its own localised catchments.
- Cabarita should be allowed to perform a Village Centre function (as designated by the FNCR strategy) based on its own catchment. With large areas of protected wetlands, Cabarita has only limited development, meaning that a retail centre is likely to be at the lower end of the Local Centre provision (i.e. 1,500m<sup>2</sup>) as set out by the Tweed Retail Strategy

### 3.3 Conclusions

Based on this assessment above, it will be critical to develop an economic rationale that balances the objectives of consumer need with economic sustainability. In order to achieve the long term objectives for a 'distributed' system of town centres, while at the same time balancing short term need with sustainability, MacroPlan have developed an economic rational that maximises the net community benefit over the short, medium and long term. This economic rationale considers this from a 'triple bottom line perspective' by evaluating Economic, Social and Environmental outcomes.

The development of a full line supermarket is often difficult to achieve, particularly in growth areas and Coastal locations. MacroPlan has therefore outlined a strategy to identify the earliest timing for a new supermarket in the Tweed Coast that does not impact on the future role and function of centres and also ensures the economic viability of centres over the short, medium and long term.

From an economic point of view, Casuarina should establish itself as a Local Centre. This applies both over the short term (2011-2016) and long term (2017-2026). The following economic rationale support this conclusion:

#### LONG TERM

- At capacity, South Kingscliff (made up of Salt / Kings Beach, Casuarina Beach and Seaside City) will have a population over 6,000 people<sup>2</sup>.
- This local population on its own will support a full line supermarket above 2,000sq.m. The retail sustainability assessment will confirm the appropriate size and timing of this development.
- Demand from semi-permanent population; visitors (day trips and over-night trips); and road users will support additional floorspace for a supermarket development.
- In the long term, economic impacts from a full line supermarket at Casuarina are not expected to be high on other supermarkets in the region (e.g. Kingscliff, Pottsville and Kings Forest) as the Casuarina supermarket would trade from its natural catchment. Consequently, with limited or no overlapping of primary trade catchments on these competing centres, economic impacts on the trading levels as these centres develop are expected to be modest, particularly given expected population growth in other centres primary catchments.

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<sup>2</sup> Tweed Coast Strategy 2003 (DCP No.51)



## SHORT TERM

- There is a critical need for the early development of a new full line supermarket in the Tweed Coast in order to maximise triple bottom line outcomes (i.e. economic, social and environmental) for the Tweed Coast. This is consistent with the Retail Strategy that supports Coastal locations providing a majority of chore type shopping needs. However, it is vital that this need and sustainable trip behaviour is balanced with the economic sustainability of each centre.
- Demand exists today for a full line supermarket in the Tweed Coast. Around two full line supermarkets will be supportable by around 2016.
- There is insufficient demand today for a full line supermarket in Pottsville. MacroPlan's retail assessment for Pottsville revealed that a full line supermarket was achievable in Pottsville by around 2016.
- There is insufficient future population growth in Cabarita/Bogangar to support a future full line supermarket above 2,000sq.m without capturing trade from other Local Centres.
- Casuarina is located in a unique position allowing it to serve the future residents at Casuarina, Salt and Seaside City, while servicing Tweed Coast residents over the short term.
- Casuarina's long term potential, combined with its central location to growth areas at Kings Forest and Cudgen has the potential to deliver a full line supermarket in the short term. This means that the full line supermarket at Casuarina is supported in the short term by a southern catchment towards Pottsville.
- As Pottsville matures (i.e. reaches population of around 8,000 people) with the provision of a full line supermarket, rapid population growth expected south of Kingscliff (e.g. Casuarina and Kings Forest) will support the full line supermarket floorspace at Casuarina. At this stage, a full line supermarket at Casuarina does not need support from Pottsville.

Early delivery of a full line supermarket at Casuarina will therefore achieve:

- Short term objective of satisfying the critical need for a full line supermarket on the Tweed Coast
- Medium to long term objective of supporting a distributed system of town centres.

The critical aspect of this economic rationale will be to balance the short term need with economic sustainability of other centres in the hierarchy. MacroPlan have therefore employed the following methodology that strategically evaluates the sustainable expansion, in the short and long term, of retail development in Casuarina:

- Identify the long term retail floorspace potential for Casuarina based on its intended role and function. This will identify the level of retail floorspace that can be 'self-supported' by the Casuarina community. This analysis ensures that retail development in Casuarina will not impact on the future role and function of other centres.
- Identify the short term retail potential for Casuarina that is supported by Kings Forest and a southern catchment to Pottsville.
- Identify the economic impacts of this short term potential on existing centres such as Kingscliff.



- Identify the medium term and long term economic impacts of Casuarina on existing and future centres such as Pottsville and Kings Forest.



## 4 Retail Assessment

### 4.1 Overview

This retail sustainability assessment considers Council's strategic intent for retail development in Casuarina. It acknowledges the balance between economic sustainability of the proposed development and the viability of other centres.

Appropriate trade areas have been identified to reflect the likely role of the proposed centre and to allow identification of impacts on existing supermarkets in the subsequent section. The trade areas are defined based on the strategic intentions identified in Section 3 of this report.

The purpose of this assessment is to:

- Define trade areas based on the strategic intentions for retail development in Casuarina.
- Estimate the total retail floorspace for Casuarina between 2008 and 2026. This has been separated into short term estimates (2008 to 2016) and medium term estimates (2017 to 2026)
- Estimate the total sustainable supermarket floorspace over the same time periods.
- Consider the reality of the population catchment in peak and non-peak periods with consideration of permanent, semi-permanent and visitor generated expenditure pools
- Estimate impacts on existing and proposed supermarket developments across the Tweed Coast area
- Consider how impacts will vary between peak and non-peak periods.

These considerations have required the development of a unique assessment methodology that allows for the consideration and estimation of trading and wider triple bottom line impacts.

### 4.2 Trade Area and Retail Gap – Tweed Coast

The first step in considering retail floorspace and supermarket floorspace need in Casuarina is an assessment of a supply gap across the Tweed Coast.

This analysis allows for consideration of the net size in the market gap – if applicable – and what role Casuarina should play in meeting this gap with consideration of its role in the regional retail hierarchy.

MacroPlan has assessed the net retail floorspace requirement in line with the defined study area boundary of the Tweed Coast to assess the size of the retail expenditure pool and the net requirement for additional retail floorspace. This trade area is consistent with the Statistical Local Area boundary of the Tweed Coast.



The figure below shows the geographic boundary of the Tweed Shire and the relevant ABS Statistical Local Areas (SLA). These SLA's are used throughout this assessment. It is noted that the Tweed – Part B SLA was split into two SLA's in the 2006 Census to form the Tweed Coast SLA and the Tweed – Part B SLA.

**Figure 3. Tweed Coast - SLA**



Source: MacroPlan Australia

The additional retail requirement in the Tweed Coast is determined by calculating the gap between existing retail floorspace supply and retail development potential (including consideration of likely retail development supported by Council).

The assumptions on existing supply and future supply including timing are discussed below:

- Within the boundaries of the Tweed Coast SLA, Pottsville provides the only supermarkets with approximately 900m<sup>2</sup> of supermarket floorspace. There is also approximately 4,500m<sup>2</sup> of total retail floorspace at the two local centres in Pottsville
- The Salt IGA-Xpress does not fall within the Tweed Coast SLA
- The proposed Casuarina development is assumed to be built in 2011

Subject to the existing and future supply of retail floorspace, MacroPlan has calculated a supply gap based on:

- Expected population growth (3.5% p.a.)<sup>3</sup> and the retail expenditure pool across the Tweed Shire.
- The volume of retail expenditure that will continue to be captured in centres on the Tweed Coast

<sup>3</sup> ABS Regional Population Cat No. 3218.0 (five year historical growth rate)



- Existing and proposed centres consistent with Council's strategic intentions for development

Based on these parameters, the table below outlines the additional retail requirement for the Tweed Coast in the short term, ie. 2008 to 2016.

**Table 3. Tweed Coast Retail Development Potential (m2), 2008 to 2016**

Sustainable Retail Floorspace	Short Term Need		
MTA	2008	2011	2016
Population (persons)	9,942	11,023	13,092
Supermarket Potential (m2)	4,313	4,750	5,750
Supermarket Supply (m2)	900	3,400	3,400
Supermarket Market Gap (m2)	3,413	1,350	2,350

Source: MacroPlan Australia, ABS

This assessment confirms an emerging supply gap of supermarket floorspace in the Tweed Coast of approximately 3,400 m2 as at 2008. This gap would be reduced to about 1,400m2 in 2011 with the provision of a full line supermarket at Casuarina, while there would then still be sufficient opportunity for another full line supermarket in Pottsville around 2016 and beyond.

It therefore confirms that there is a requirement for a full-line supermarket on the Tweed Coast at this time. The consideration of the most appropriate location for this supermarket therefore requires an appropriate assessment of local catchments.

Section 5 of this report below considers the opportunity for a full-line supermarket in Casuarina.





## 5 Retail Sustainability Assessment

### 5.1 Local Trade Areas - Casuarina

As discussed in section 4, the defined trade areas take account of the intended role and function of the proposed shopping centre at Casuarina as defined by Council's strategic intentions for retail development. In defining the trade areas for this assessment, the following was considered:

- *Intended role and function.* In this case, retail development in Casuarina should be consistent with the role and function of a Local Centre under the Far North Coast Subregional Strategy.
- *Appropriate size of a Local Centre catchment.* In this case MacroPlan have considered an approximate 2-5km catchment for a primary trade area and variation in catchments for a secondary trade area based on competition and development timing.
- *Consideration of other development:* MacroPlan have balanced the retail needs of the catchment with the need to provide complementary uses in other centres on the Tweed Coast including likely future retailing at Pottsville (full-line) and Kings Forest (c.1,000m<sup>2</sup>).
- The boundaries selected also take into account barriers such as the roads, natural barriers and existing and proposed competition.

MacroPlan has considered it important to assess the overall size of the market for supermarket floor space and considered Casuarina's role in this market.

Careful consideration needs to be given to future retail centres in order to balance the needs of the growing residential community with the needs of existing services. The provision of retail services over time also needs to give consideration for the end population capacity for each of the residential areas.

To develop MacroPlan's understanding of retail demand at a more localised level, our analysis has identified two trade areas for the proposed development subject to the expected growth in local population capacities and evolutions in competing retail supply. This approach allows for a detailed understanding of the role that the proposed centre in Casuarina will play in the local market. The alternative trade areas for the development are based on the following two timelines:

- *Short Term Trade Area (2008 to 2016):* Representing the likely initial delivery of a supermarket based centre in Casuarina in 2011.
- *Medium Term Trade Area (2017 to 2026):* Representing the likely delivery of a full-line supermarket in Pottsville, as well as possible future smaller centres within Kings Forest as the population develops around this growth area.

The timing of the individual developments will depend on population and retail expenditure growth as well as competitive developments.

The sub-markets for each trade area have been defined according to the likely resident shopping patterns which are impacted by:

- local road networks,
- distance, access and



- population capacities.

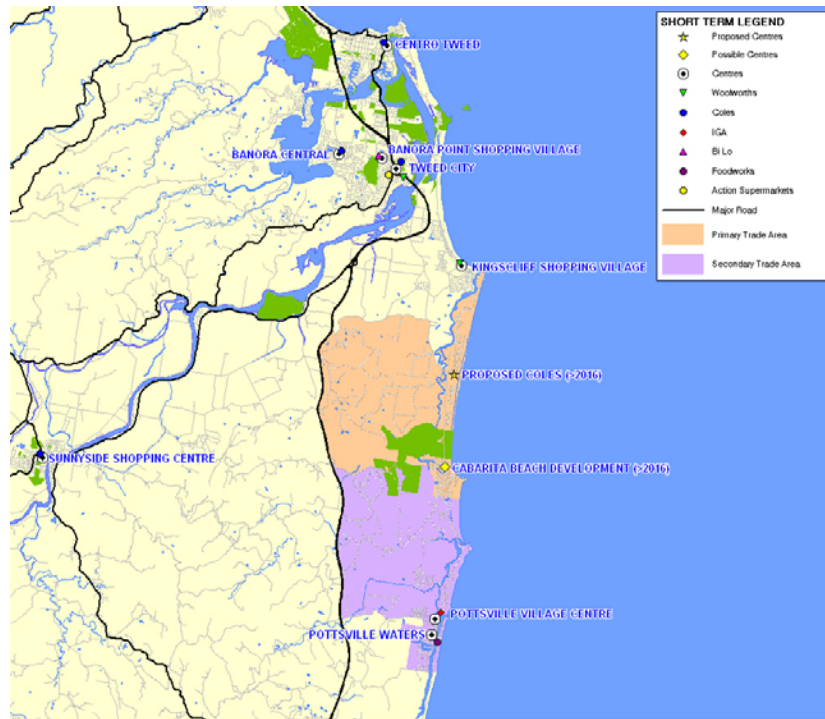
For example, the Pottsville sub-market is considered to be separate to the Bogangar / Cabarita sub-market due to the poor access between Pottsville and Cabarita. This single carriage way and associated travel times between these towns is unlikely to encourage supermarket shopping trips.

Given the localised nature of this assessment, both ABS Census Collection Districts (CCDs) and ABS Mesh Blocks are used to create the trade areas. This provides accurate population estimates for the trade area. The short term and medium term trade areas for the proposed development at Casuarina are represented in the figure overleaf.

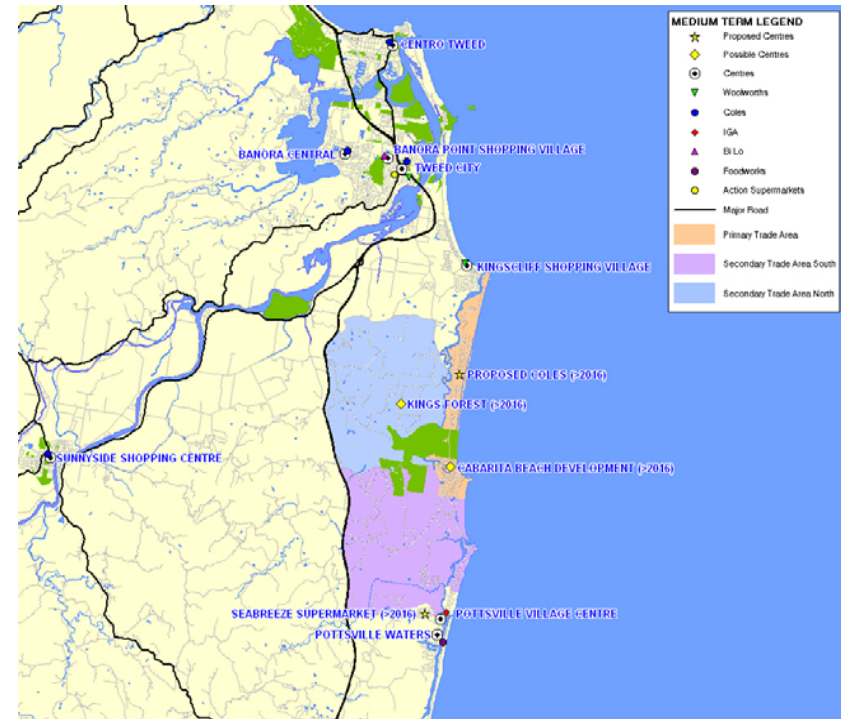
This trade area ensures the sustainable expansion of existing retail centres based on its intended role and function and therefore ensures the economic viability of other centres in the retail hierarchy. Thus, this assessment does consider the retail development and its impact on the role and function of other centres.

This trade area carefully considers the needs of the local residential community with growth in retail floor space as well as expected and suitable future retail development. Retail development potential in Casuarina is based on the requirements of this local community and non-resident visitors. In the short term, the proposed Casuarina centre will borrow some trade from the Pottsville region and as the market matures and residential growth areas develop, the medium term Casuarina catchment will become self sustaining in nature.

Figure 4. Casuarina Main Trade Area – Short Term (2008-2016) versus Medium Term (2017-2026)



Source: MacroPlan Australia



Source: MacroPlan Australia

#### SHORT TERM TRADE AREAS

PTA stretching west to Pacific Hwy, STA includes Pottsville as no full-line supermarket	PTA becomes self sustaining, STA North includes Kings Forest, STA South has lower market shares that STA North due to Pottsville full-line
PTA: 2008 – 5,374 persons, 2011 - 5,958 persons, 2016 - 7,076 persons	PTA: 2017 – 6,236 persons, 2021- 6,303 persons, 2026 – 6,595 persons
STA: 2008 – 5,421persons, 2011 – 6,711 persons, 2016 – 8,039 persons	STA: 2017 – 3,440 persons, 2021- 4,770 persons, 2026 – 6,519 persons



## 5.2 Population Forecasting - Casuarina

To assess the overall population and the likely expenditure pool generated in the trade area MacroPlan has provided consideration of the quantum of residents and non-residents. This analysis appears below.

### 5.2.1 Residents

In projecting the future resident population within the MTA, MacroPlan has considered the following:

- 2001 and 2006 ABS Census of Population and Housing
- Department of Planning, NSW Statistical Local Area Population Projections 2001-2031, 2005 release. The Department of Planning forecast growth for the Tweed Pt-B SLA was 1.5% per annum over the period 2006-2021.
- ABS Regional Population Growth (annual average growth was 3.5% per annum in the Tweed Coast, and 1% for Tweed – Pt B, 2001-2007).
- ABS Building Approvals data at CCD level for Tweed Coast (data reveals a mini boom in 2006/07, but only moderate activity in 2007/08).
- Major residential development projects (eg. developments at Salt, Seaside, Seabreeze).
- The Tweed Coast Strategy Structure Plan
- Tweed Shire Urban Land Release Strategy – 2008
  - Including residential zoned land with subdivision approval - assumed to be released over the short term (ie. 2008 to 2016)
  - Including residential zoned land not yet subdivided – assumed to be released in the medium to long term (2017 to 2026)

Based upon the assumptions above, the overall resident MTA population is forecast to increase to from 10,391 persons in 2008 to about 14,593 persons by 2016. However, after accounting for the change in trade areas the total population within the catchment only reaches 12,652 persons by 2026.

**Table 4. Main Trade Area Forecast Population, 2008–2026 (Residents)**

Population Total	Short Term			Medium Term	
	2008	2011	2016	2021	2026
PTA	5,176	5,738	6,815	6,007	6,245
STA	5,215	6,491	7,778	4,676	6,407
<b>MTA</b>	<b>10,391</b>	<b>12,229</b>	<b>14,593</b>	<b>10,683</b>	<b>12,652</b>
Growth p.a.		5.5%	3.6%	3.4%	3.4%

Source: MacroPlan Australia, ABS, Tweed Shire Council



## 5.2.2 Non Residents

Non-residents who influence the retail expenditure pool and the sustainable supply of retail floorspace are split into two categories:

- Part time residents: Who live within the trade area for two, three or four days per week (i.e. may have two places of residence and reside in the trade area for a proportion of the week)
- Visitors and tourists: Who do not regularly visit the trade area but still provide an important stream of retail expenditure.

### PART TIME RESIDENTS

Consideration of the volume of non-permanent residents that exist requires assessment of a number of data sets. As part of this assessment MacroPlan has considered:

- Variations between the estimated resident population and population capacity subject to consideration of the total dwelling supply
- Consideration of the proportion of dwellings un-occupied by residents that regularly accommodate part-time residents. (This involves consideration of occupancy rates recorded in the 2006 Census)
- An assumption that those un-occupied dwellings are visited by semi-permanent residents average two days a week over the year.
- Analysis of benchmark developments in the area and the residential occupancy rates of these dwellings.

Consideration of these factors has allowed MacroPlan to build an estimate of the full-time equivalent residents that the part time residents would equate to over the year. This estimate equates to approximately 3-4% of total population in the trade area.

Based upon the assumptions above, the overall MTA population including full-time equivalent residents is forecast to increase to from 10,795 people in 2008 to about 15,115 people by 2016. However, after accounting for the change in trade areas the total population within the catchment only reaches 13,114 by 2026. By this time Casuarina will have become a self sustaining retailing environment.

**Table 5. Main Trade Area Forecast Population, 2008–2026**

Resident v Semi Permanent	Short Term			Medium Term	
Population	2008	2011	2016	2021	2026
PTA - Residents	5,176	5,738	6,815	6,007	6,245
PTA - Semi - Permanent	198	220	261	296	351
STA - Residents	5,215	6,491	7,778	4,676	6,407
STA - Semi - Permanent	206	220	261	94	111
MTA - Residents	10,391	12,229	14,593	10,683	12,652
MTA - Semi - Permanent	404	440	522	390	462
<b>MTA - Total</b>	<b>10,795</b>	<b>12,669</b>	<b>15,115</b>	<b>11,073</b>	<b>13,114</b>

Source: MacroPlan Australia, ABS, Tweed Shire Council



## VISITORS AND TOURISTS

There is a significant amount of retail expenditure that would be generated by visitors and tourists from outside of 50km beyond the trade area and also from beyond the trade area but within 50km, and thus not recorded by official tourism statistics. The expenditure on grocery retailing within the Tweed Part B region has averaged about \$5.7 million per year over the last four years. Given that this only accounts for visitors from over 50km away, it could be assumed that this figure could be even higher.

When compared to the estimated \$40m of supermarket expenditure generated by Tweed Coast residents in 2008, and assuming that there is also significant spend generated by residents within 50km, then an assumption of beyond trade area spend of approximately 25%, as discussed in the following sections seems appropriate.

**Table 6. Tweed Part B (Tweed Coast and Rural West) Tourism Expenditure (2005-2008)**

Toursim Expenditure	2005	2006	2007	2008
Non-Grocery Expenditure	97	112	95	90
Grocery Expenditure	5.5	6.5	5.4	5.2
Total Expenditure	103	119	100	95

Source: MacroPlan Australia,

## 5.3 Retail Expenditure - Casuarina

The population estimates from the previous section are combined with levels of retail expenditure per capita to develop a forecasted expenditure pool for a range of retail items and categories.

The retail expenditure levels can be expected to increase in future years as a result of the following factors:

- Trade area growth (i.e. forecast changes in the identified demand segments driven by population); and
- Real growth in retail expenditure, which indicates increased propensity of retail consumption above inflation.

Having addressed the issue of population growth in the previous section, this section focuses on assessing regional spending characteristics (i.e. profiles) and macro level changes in retail expenditure growth. This section concludes with the identification of the total supermarket expenditure pool, which, from a demand perspective, translates to the overall supermarket market potential for retail space within the region.



### 5.3.1 Expenditure Profile

The expenditure profile of residents varies across Australia and is primarily determined by income. MacroPlan have identified regional spending profiles based on the aggregation of MarketInfo<sup>4</sup> small area retail estimates (i.e. built up from CCD level).

For the purpose of this assessment, MacroPlan have outlined the retail expenditure for supermarkets and total retail expenditure.

In 2008, average retail expenditure in the MTA is estimated at \$11,357 per capita, with supermarket expenditure accounting for \$4,410 per capita.

The expenditure profile for non-residents and visitors has been assumed to be similar to residents. It is in fact likely that non-residents – particularly part-time residents – will actually have a higher spending profile than residents. MacroPlan has however assumed their spending characteristics are similar to the average for the trade area to ensure demand is not overstated or exaggerated.

MacroPlan has also already accounted for the expected expenditure of part-time residents by translating the assumed number of these residents and their average length of stay into a full-time resident population figure.

The forecasted level of expenditure per capita for retail spending categories is summarised in the table below. These retail groups are used to estimate demand for retail floor space.

**Table 7. Retail Expenditure Per Capita Main Trade Area (2008 – 2026)**

Retail Expenditure Per Capita	Short Term			Medium Term	
	2008	2011	2016	2021	2026
Supermarket	4,410	4,562	4,819	5,078	5,381
Restaurant and Cafe	1,006	1,036	1,094	1,155	1,205
Bottle-shop	804	830	877	925	975
Non-food	4,758	5,012	5,475	5,945	6,476
Services	379	391	413	442	466
<b>Total Spend Per Person</b>	<b>11,357</b>	<b>11,831</b>	<b>12,678</b>	<b>13,546</b>	<b>14,503</b>

Source: MDS Market Data Systems - Marketinfo (2006/07).

### 5.3.2 Real Growth in Retail Expenditure

Retailing within the trade area can be expected to increase in future years as a result of the increase in resident population and real growth in retail expenditure. A historical estimate of real growth in retail expenditure is based on an analysis of the ABS Retail Trade publication. Real growth in retail expenditure has been estimated at 1.1% per annum. Real growth in retail expenditure is applied to the retail expenditure profile presented in table 6 in the previous section.

It is important to note that price inflation has been excluded from the analysis of available retail expenditure in order to present future market forecasts.

<sup>4</sup> MacroPlan consider MarketInfo to be the current best practice data source used in the calculation of retail expenditure. MarketInfo is a micro-simulation model developed by MDS Market Data Systems Pty Ltd. This model is based on information from the national ABS Household Expenditure Survey (HES), the Census of Population and Housing as well as other information sources (i.e. ABS National Accounts, Australian Tax Office Statistics, Medicare data etc), and uses micro-simulation techniques to combine propensity to spend on particular commodities with socio-economic characteristics of individuals.



### 5.3.3 Total Retail Expenditure Pool

Total retail expenditure levels within the MTA in 2008 and future years are assessed by combining the population forecasts presented in the previous section with average per capita expenditure levels allowing for real growth in retail sales.

A summary of forecast retail expenditure generated from within the MTA over the period 2008 to 2026 is provided below in table 6. Retail expenditure in the MTA is forecast to increase in the:

- Short Term (2008 to 2016) – from \$123 million in 2008 to \$192 million in 2016
- Medium Term (2017 to 2026) – from \$124 million in 2017 to \$190 million in 2026

As mentioned in section 5.1 MacroPlan have use dynamic trade areas to represent the expected changing nature of retailing within the Tweed Shire. While the MTA experiences growth per capita in retail expenditure the contraction of the MTA in the short to medium term, results in an implied population decrease from 2016 to 2017.

Thus in 2016, once the Casuarina catchment becomes self sustainable, the actual expenditure pool is back to a similar level as it was in about 2008. However, the market shares of this expenditure pool will be higher, thus the level of supportable floorspace will be as well.

The table below reveals the total retail expenditure pool for residents and non-residents across the trade area.

**Table 8. Total Retail Expenditure Pool (\$m), 2008 to 2026**

Retail Expenditure Pool	Short Term Need			Medium Term Self Sust	
	2008	2011	2016	2021	2026
Supermarket	47.6	57.8	72.8	56.2	70.6
Restaurant and Cafe	10.9	13.1	16.5	12.8	15.8
Bottle-shop	8.7	10.5	13.3	10.2	12.8
Non-food	51.4	63.5	82.8	65.8	84.9
Services	4.1	4.9	6.2	4.9	6.1
<b>Total Retail Expenditure</b>	<b>122.6</b>	<b>149.9</b>	<b>191.6</b>	<b>150.0</b>	<b>190.2</b>

Source: MacroPlan Australia (2008).

## 5.4 Retail Floorspace Demand - Casuarina

The amount of floor space that can be sustained by the forecast expenditure is dependent on average turnover per square metre of floor space for the different retail segments. This involves:

- Using retail turnover densities
- Estimating market shares for the proposed development
- Converting the retail expenditure into retail floor space. The total demand for floor space is then applied to the market shares to estimate the retail floor space potential at the proposed development.





### 5.4.1 Retail Turnover Densities

Demand for retail floor space is determined by converting the retail expenditure into retail floor space. Retail turnover densities (RTD)<sup>5</sup> can be applied to retail expenditure to determine the retail floor space demand.

The trading levels of the proposed development and competition are directly determined by average turnover per square metre of floor space from retailers<sup>6</sup>.

Estimates of retail turnover densities by retail store type have been based on ABS and other surveys on retail performance as well as MacroPlan's experience in retail sector.

With reference to these sources of retailing performance, MacroPlan has estimated the likely levels of retail turnover that are required to support various components of retailing. MacroPlan has used RTD's by retail store type to estimate the demand for:

- Supermarkets
- Total retail floorspace

The table below presents the RTD levels used to convert retail expenditure into demand for retail floorspace.

**Table 9. Average Trading Levels 2008 to 2026 (\$/m<sup>2</sup>)**

Retail Turnover Densities	Short Term			Medium Term	
	2008	2011	2016	2021	2026
Supermarket	8,619	8,880	9,333	9,809	10,310
Restaurant and Cafe	7,177	7,395	7,772	8,169	8,585
Bottle-shop	11,655	12,008	12,621	13,265	13,941
Non-food	4,091	4,214	4,429	4,655	4,893
Services	5,907	6,086	6,396	6,722	7,065
<b>Total Retailing</b>	<b>5,830</b>	<b>5,986</b>	<b>6,254</b>	<b>6,539</b>	<b>6,835</b>

Source: MacroPlan Australia

Real growth of around 1% in trading levels is assumed over the period 2008-2021. This assumption is consistent with the assumption of real growth in retail expenditure.

### 5.4.2 Demand for retail floorspace

The RTD's above are applied to the retail expenditure outlined in the table 7. The resulting floor space demand generated by the MTA is summarised below. Total retail demand from the MTA is expected to increase in the:

<sup>5</sup> average turnover per square metre of floor space by retail store type

<sup>6</sup> Turnover for a given location is difficult to estimate in retail analysis as there is limited information available in relation to retail performance. The most comprehensive survey on turnover by the ABS was undertaken in the 1991/92 Retail Census that surveyed all retailers. Given this data is now 14 years out of date, it is considered very unreliable in determining current day performance.

The ABS followed this retail census with a sample survey of a selection of tenants throughout Australia in 1998/99. This survey is more reliable in determining retail performance of current retail tenancies; however it is a national average and not necessarily representative of local circumstances. It is however the best available source of this information and is widely used as a benchmark for all retailers.



- Short Term (2008 to 2016): from 21,030m<sup>2</sup> in 2008 to 30,600m<sup>2</sup> in 2016
- Long Term (2017 to 2026): from 19,700m<sup>2</sup> in 2017 to 27,825m<sup>2</sup> by 2026.

The demand for supermarket floorspace from the MTA is expected to increase from 5,520m<sup>2</sup> in 2008, to 7,800m<sup>2</sup> in 2016 and only reaching 6,845m<sup>2</sup> by 2026 after the catchment becomes self sustaining in 2017.

**Table 10. Demand for retail floorspace, 2008-2026 (sq.m)**

Demand for Retail Floorspace	Short Term Need			Medium Term Self Sust	
	2008	2011	2016	2021	2026
Supermarket	5,523	6,508	7,804	5,733	6,845
Other Retail	15,508	18,531	22,837	17,207	20,980
<b>Demand for retail floorspace</b>	<b>21,031</b>	<b>25,039</b>	<b>30,640</b>	<b>22,940</b>	<b>27,825</b>

Source: MacroPlan Australia

## 5.5 Retail Supply Framework

In order to establish the potential for future retailing within the Casuarina area and provide the economic analysis to underpin and inform the DDCP, a review of retailing within the trade area has been undertaken. This has involved an assessment of the Draft Tweed Shire Retail Strategy, NSW/ACT Shopping Centre Directory 2008 and a separate on the ground site assessment.

There is around 215,000m<sup>2</sup> of retail floor space in the Tweed Shire. Most of this space is located within Tweed Heads, Tweed South, Kingscliff and Murwillumbah.

The Draft Tweed Retail Strategy (Core Economics) identifies the urban north (i.e. Tweed Heads and Tweed South) of the Shire as having a higher supply of retail floor space as opposed to Coastal and Rural Areas. The urban north is considered to be the focal point of higher order shopping (including retail showrooms) and supermarkets. This is supported by Council's strategic resolutions for retail development within the Tweed Shire.

MacroPlan has assessed existing and future supermarket based centres that will impact on the Casuarina and Coastal retail environments. These centres are detailed in the table below.

**Table 11. Supermarket Based Centres – Tweed Coast**

Centre Name	m <sup>2</sup>	Supermarkets	Distance
Salt Village	1,000	IGA (c. 500m <sup>2</sup> )	2.0km
Kingscliff Shopping Village	6,500	Woolworths (c. 2,500m <sup>2</sup> )	4.0km
Tweed City	38,379	Woolworths (4,527m <sup>2</sup> ), Coles (2,583m <sup>2</sup> ), Action (2,717m <sup>2</sup> )	9.0km
Banora Point Shopping Village	4,419	Bi Lo (1,993m <sup>2</sup> )	10.0km
Banora Central	3,200	Coles (c. 2,500m <sup>2</sup> )	10.5km
Pottsville Village Centre	3,274	IGA (500m <sup>2</sup> )	13.0km
Pottsville Waters	1,200	Foodworks (400m <sup>2</sup> )	13.5km
Centro Tweed	18,285	Coles (4,054m <sup>2</sup> )	14.0km
Ocean Village Shopping Centre	4,000	Bi Lo (c. 2,200m <sup>2</sup> )	26.0km
Mullumbimby	4,500	Existing: IGA (330m <sup>2</sup> ) and 5 star (320m <sup>2</sup> ) Approved: Woolworths replacing 5 star - 2 stages approved (2,500m <sup>2</sup> )	
Murwillumbah (Sunnyside SC)	7,493	Coles (4,240m <sup>2</sup> )	
Proposed Centres	m <sup>2</sup>	Supermarkets	Distance
Cabarita Development (>2016)	3,484	Supermarket (2,403m <sup>2</sup> )	
Seabreeze Pottsville (>2016)	4,930	Supermarket (3,200m <sup>2</sup> )	
Kings Forest (>2016)	n.a.	Supermarket (not full-line)	

Source: MacroPlan Australia, NSW/ACT Shopping Centre Directory (2007), Core Economics (2005), NSW DOP



### **5.5.1 Existing Centres**

#### **Kingscliff Shopping Village**

Retailing in Kingscliff consists of a supermarket anchored shopping centre (Kingscliff Shopping Village) and street based retail (Marine Parade Strip). Kingscliff Shopping Village has recently been redeveloped and occupies a site one street back from the Marine Parade precinct. This centre caters to the supermarket based-shopping trips and complements the Marine Parade Precinct.

#### **Tweed City Shopping Centre**

Tweed City Shopping Centre is the largest shopping centre in Tweed Shire. The Centre caters for supermarket and higher order retail demand that serves a wide regional catchment. It has around 38,379m<sup>2</sup> in retail floor space, with anchor tenants including Big W, Kmart, Coles, and Woolworths. There are also speciality retailing, a number of mini majors, and a Cinema.

#### **Banora Point**

Retailing in Banora Point consists of two main centres, Banora Shopping Village and Banora Central Shopping Centre.

#### **Pottsville**

There are two small centres located at Pottsville servicing the convenience requirements of the local residents. There was supposed to be a full-line supermarket delivered at the Seabreeze Estate development but this supermarket will not be delivered before 2016. As such, the residents around Pottsville will likely use the proposed full-line supermarket at Casuarina for their weekly shopping requirements.

#### **Salt**

The Salt Village Shopping centre on Bells Boulevard is a small convenience centre servicing the local residents and tourists. It comprises an IGA Express, café, tavern, apparel and gift shops.

#### **Ocean Shores**

Retailing in Ocean Shores consists of one supermarket anchored shopping centre. This centre caters to local supermarket based-shopping trips.

#### **Centro Tweed**

This centre caters mostly to the needs of local residents and has around 18,285m<sup>2</sup> of retail floor space. Target and Coles are the anchor tenants.

#### **Murwillumbah**

Murwillumbah's retail character is defined by its traditional main street. In total, there is around 48,282m<sup>2</sup> of retail floor space.

There is also a supermarket based shopping centre (Sunnyside Shopping Centre) that also offers a Country Target.

#### **Mullumbimby**

The retail offer in Mullumbimby will expand in the short term with the provision of a full line supermarket (Woolworths). The site has an existing approval for a 2,500m<sup>2</sup> supermarket (over two stages). An amendment to this approval has been made and is currently with the Department of Planning for approval.



### 5.5.2 Proposed Centres

There are two proposed supermarket based centres on the Tweed Coast, including the proposed development at Casuarina and another proposal for Cabarita. MacroPlan anticipates that there will be future need for only one full line supermarket at either Cabarita or Casuarina due to their proximity and the physical capacity constraints that will limit the retail catchment in the area.

The Cabarita proposed development comprises of a 2,403.0m<sup>2</sup> supermarket, 1,008.4m<sup>2</sup> retail shops and 71.7m<sup>2</sup> kiosk, totalling 3,484m<sup>2</sup> in retail floor space. The subject property is located within the centre of the Bogangar Business District which fronts Tweed Coast Road and Hastings Road. If approved, the centre is likely to cater for residents in Cabarita / Bogangar, as well as residents in Hasting Point and Casuarina.

The Casuarina Beach Town Centre proposed development allows for 3,685m<sup>2</sup> of retail floor space, including a 2,500m<sup>2</sup> supermarket. The preliminary assessment notes that the retail could ultimately comprise a floor area not exceeding 6,000m<sup>2</sup> Gross Floor Area.

A recent decision handed down by the NSW Land and Environment Court (November 2008) means that a proposed centre at Seabreeze Estate in Pottsville, cannot be delivered prior to 2016. MacroPlan assume that this will be delivered around 2017 and thus have adjusted their retail catchment for the proposed centre at Casuarina to account for this in terms of its boundaries and the share of trade it will draw.

As Kings Forest is developed, it is expected that it will be serviced by one or two small 1,000m<sup>2</sup> supermarkets (eg. IGA, Foodworks).

## 5.6 Development Potential – Casuarina

### 5.6.1 Market Shares

It is important to note that not all floor space demand generated within the trade area (i.e. sustainable floor space estimate) can be met or should be met by retail provisions within Casuarina itself. In this case, local retail expenditure is lost to Regional Cities (e.g. Southport/Gold Coast), Major Regional Centres (e.g. Tweed Heads), and other Local Centres (e.g. Kingscliff, Pottsville).

These locations in general provide a wider range of retail goods and services to Casuarina residents. For the purposes of this study, market shares have been based on the role and function of Village Centres (i.e. serving local demand rather than a wider catchment) and national benchmarks for comparable centres (in terms of role, size and location).

The table below outlines the market shares assumed for the MTA. The market shares assumed for non-food goods (e.g. clothing and accessories, newsagents and chemists, sports and hobbies, furniture and whitegoods, electrical, hardware, houseware and softgoods) is relatively lower than the other retail groups such as supermarkets. Other higher order centres will draw this expenditure away from retailers in the main trade area.

The market shares within the trade areas do not change significantly over time, given that the dynamic trade areas have already accounted for possible further retailing in the future. The following key points should be considered with regards to market shares:

- With regards to supermarket expenditure, the short term PTA (PTA\_ST) is expected to exhibit a 40% market share, increasing to 45% in the medium term as it contacts in size and Casuarina becomes self sustaining.



- With regards to supermarket expenditure, the Casuarina development can be expected to retain about 30% share of the STA as it temporarily assumes some of the expenditure from the Pottsville area.
- It is assumed that the Casuarina development retains about 25% of supermarket expenditure from the southern secondary trade area (STA\_South). This accounts for the delivery of a full-line supermarket at Pottsville after 2016 and also for the contraction of the trade area boundary.
- It is assumed that the Casuarina development retains about 30% of supermarket expenditure from the northern secondary trade area (STA\_North). This accounts for the delivery of one or two small convenience supermarkets in Kings Forest as population grows in these areas which will mean that this area will not draw the same level of trade as when it was considered in the PTA, however, it still remains quite high as these centres might be less than 1,000m2.

Table 12. Market Shares by Trade Area

Market Shares - By Trade Area	Short Term Need			Medium Term Self Sust	
	PTA_ST	PTA_MT	STA_ST	STA_South	STA_North
Supermarket	40.0%	45.0%	30.0%	25.0%	30.0%
Restaurant and Cafe	30.0%	30.0%	25.0%	25.0%	25.0%
Bottle-shop	35.0%	35.0%	30.0%	30.0%	30.0%
Non-food	15.0%	15.0%	15.0%	15.0%	15.0%
Services	20.0%	20.0%	20.0%	20.0%	20.0%

Source: MacroPlan Australia

- When the separate trade areas are combined to form the MTA, Casuarina is expected to retain approximately 22% of total retail expenditure and approximately 35-37% of supermarket expenditure from within the MTA between 2011 and 2026. MacroPlan considers these to be conservative assumptions.

Table 13. Market Shares Main Trade Area, 2008-2026

Market Shares - MTA	Short Term Need			Medium Term Self Sust	
	2008	2011	2016	2021	2026
Supermarket	34.9%	34.6%	34.6%	37.2%	36.2%
Restaurant and Cafe	27.6%	27.5%	27.5%	28.0%	27.7%
Bottle-shop	32.5%	32.4%	32.4%	32.9%	32.6%
Non-food	15.0%	15.0%	15.0%	15.0%	15.0%
Services	20.0%	20.0%	20.0%	20.0%	20.0%
<b>MTA retail potential</b>	<b>21.9%</b>	<b>21.8%</b>	<b>21.6%</b>	<b>22.2%</b>	<b>21.8%</b>

Source: MacroPlan Australia

## 5.6.2 Beyond Trade Area

As demonstrated in the tourism assessment earlier in Table 5 of section 5.2.2 and based upon knowledge of tourism / coastal based supermarkets, there is expected to be a beyond trade area draw of approximately 25% of expected turnover. This will be further reinforced by the recent opening of the Tugun Bypass which makes travelling to Northern NSW much quicker for South East Queensland residents.



### 5.6.3 Potential Retail Floorspace - Casuarina

The method of assessing retail development potential in Casuarina outlined above is based upon MTA retail expenditure market growth and sustainable timing. That is, retail development is only economically viable and sustainable, once there is critical mass in the retail expenditure market to support it.

In this case, the market potential has been balanced with the provision of retail critical mass and demand for goods and services generated by growth in resident and visitor populations and expenditure for a Local Centre. The table below outlines the retail floor space potential for Casuarina over the period 2008 to 2026.

**Table 14. Potential Retail Floorspace – Casuarina 2008-2026 (m2)**

Sustainable Retail Floorspace	Short Term Need			Medium Term Self Sust	
MTA	2008	2011	2016	2021	2026
<u>MTA</u>					
Supermarket	1,926	2,252	2,699	2,130	2,475
Other Retail	2,682	3,194	3,922	2,959	3,585
<u>Demand from Beyond Trade Area</u>					
Supermarket	482	563	675	532	619
Other Retail	671	799	981	740	896
<u>Casuarina Development Potential</u>					
<b>Supermarket</b>	<b>2,408</b>	<b>2,815</b>	<b>3,373</b>	<b>2,662</b>	<b>3,094</b>
<b>Other Retail</b>	<b>3,353</b>	<b>3,993</b>	<b>4,903</b>	<b>3,699</b>	<b>4,481</b>
<b>Total Development</b>	<b>5,761</b>	<b>6,808</b>	<b>8,276</b>	<b>6,361</b>	<b>7,575</b>

Source: MacroPlan Australia

The following key points summarise the findings of this sustainability assessment:

- There is enough demand to support the proposed supermarket based Local Centre at Casuarina as at 2008.
- Between 2011 and 2016, Casuarina could support the proposed supermarket (2,500m2) and specialty (1,160m2) retail centre. This would satisfy the short term need of the local residents and non-permanent visitors. There would be temporary borrowing from the Pottsville catchment as these residents would not have immediate access to a full line supermarket.
- By 2017 and beyond, the Casuarina catchment would become self sustaining and could support its own retailing facilities even with a full-line supermarket to be delivered in Pottsville and longer term delivery of small convenience centres in Kings Forest.
- The implications of the delivery of a full line supermarket at Pottsville are discussed further in section 6.2 of this report assessing turnover impacts.



## 6 Economic Impacts

In order to estimate the impacts of the proposed Coles at Casuarina upon existing and future centres within the trade area, MacroPlan have used a methodology that differs from a standard retail economic impact methodology as it accounts for the effects of peak season trading within high tourism areas.

In reality, coastal / tourist area supermarkets experience a significant proportion of their trading over the holiday periods throughout the year. Industry sources suggest that in coastal / tourist areas the proportion of trade over the school holidays (assumed 12 weeks) comprises 30% of yearly turnover. This means that during the holidays these supermarkets trade 40% per week above normal, off-peak weeks.

MacroPlan have assumed that in these 'peak' periods, each of the centres within the Tweed region will be trading at capacity, and any trade that a new centre in Casuarina experience through the school holidays would not have been able to be captured by these centres due to these capacity constraints. MacroPlan have not assessed impacts upon Mullumbimby and Murwillumbah as they are of sufficient distance and inaccessibility from the Casuarina MTA.

An overview of the methodology is shown below:

- Identify the trade areas for the proposed development. The trade area is based on a full line supermarket development being delivered at Casuarina in 2011 and takes into account its appropriate role and function within a village centre context (Retail Sustainability Assessment - Section 4.2).
- Estimate the MTA supermarket expenditure market based on population forecasts (Retail Sustainability Assessment - Section 5.1 and 5.2); and supermarket expenditure forecasts (Retail Sustainability Assessment - Section 5.3).
- Review the competitive framework and estimate supermarket turnover for each of the competing supermarkets.
- Estimate the market potential (turnover and market shares) for the proposed supermarket at Casuarina.
- Estimate the market shares of existing retailers to describe the existing trading environment around Casuarina and the Tweed Shire without the proposed Casuarina development.
- Estimate the total change in turnover during non-peak season for existing centres following the introduction of the proposed supermarket. This provides the overall impact on supermarket traders from the proposed development.
- Estimate the individual impact on centres based largely on the existing centre market shares (without development) but adjusted for other factors such as attractiveness of the centre in terms of level of supermarket provision (e.g. full line supermarket); quality, range and diversity of uses, proximity to the proposed development and ease of access. The magnitude of the impacts at the centre level will dependent on these factors.
- Discuss the implications of a new full-line supermarket being delivered at Pottsville around 2016 and beyond, a possible full-line supermarket at Cabarita Beach beyond 2016 and one or two small (<1,000m<sup>2</sup>) supermarkets being delivered as Kings Forest develops



## 6.1 Market Share Analysis

This section examines the level of supermarket sales and the resulting market shares in 2011 with and without the proposed development. Market shares are the proportion of the proposed supermarket sales attributable to residents in the MTA or drawn from outside the trade area.

The market shares are calculated based on the share of supermarket expenditure as opposed to total retail expenditure captured by each of the centres. Supermarket floorspace and turnover forms the main component of the proposed development and thus is the primary influence for the direction of trade within a retail hierarchy.

### 6.1.1 Proposed Development Market Potential

The sales potential for the proposed development takes into consideration the factors such as easy accessibility of the site, and the development of a major supermarket based centre. The estimated average trading level for a new centre in Casuarina is below average for a major supermarket based centre. This level however reflects the developing nature of the area.

**Table 15. Casuarina Centre – Estimated Turnover (First Year Trade)**

Supermarket Estimated Sales	Units	2011
Floorspace	m2	2,500
Turnover Density	\$/m2	8,880
<b>Est. Annual Sales</b>	<b>\$m</b>	<b>\$22.20</b>

Source: MacroPlan Australia

The new centre's sales would be drawn from a combination of projected growth in the expenditure pool and sales draw from existing retailers in the MTA, with the majority from the latter.

The following assumptions have been made about where the proposed new centre's sales would be drawn from:

- 45% of supermarket expenditure is from residents within the Primary Trade Area;
- 30% of supermarket expenditure is from residents within the Secondary Trade Area; and
- 25% of supermarket expenditure is drawn from Beyond the Trade Area (day, over-night visitor trips and residents within 50km).

Based on the analysis above, the table below outlines the estimated market potential of the proposed development and resulting market shares.

The main points to draw from this table are:

- The proposed new supermarket at Casuarina will draw \$16.7 million of sales from the MTA with a further \$5.6 million drawn from BTA.
- During the off-peak season \$15.5 million are expected to be generated at the proposed Casuarina supermarket, with \$11.7 million of this to be from within the MTA.
- The proposed new supermarket will require \$8.9 million to be drawn from the PTA. This accounts for a 33% market share of the PTA. This is considered to be a reasonable level for a supermarket based centre.





- The proposed new supermarket will draw 25% of the STA, thus when combined with the PTA, means that 29% of the MTA supermarket expenditure pool is expected to be captured by the proposed centre.

**Table 16. Casuarina Supermarket – Estimated Turnover and Market Shares**

Estimated Market Shares	Mkt Share	MAT (year)	MAT (off-peak)
PTA	33%	\$8.9	\$6.2
STA	25%	\$7.8	\$5.4
MTA	29%	\$16.7	\$11.7
BTA	25%	\$5.6	\$3.9
<b>Supermarket Total</b>		<b>\$22.2</b>	<b>\$15.5</b>

Source: MacroPlan Australia

### 6.1.2 Market Shares Without Proposed Centre

The table below shows the levels of supermarket sales drawn from the MTA in 2011 by existing competing supermarket centres without the proposed supermarket. The analysis reveals the assumed existing trading environment around surrounding areas of Casuarina and the Tweed Shire without the proposed Casuarina supermarket. The turnover impacts have been assessed upon the turnover at each centre that would be expected to be generated by MTA residents in the off-peak season, (ie. 70% of MTA turnover).

**Table 17. Market Shares Without Proposed Centre (2010/11)**

	MTA (%)	MTA (\$m)	BTA (\$m)	Turnover (\$m)	Off-Peak MTA (\$m)
<b>Main Trade Area</b>					
IGA Pottsville	5%	\$3.2	\$0.9	\$4.1	\$2.3
Foodworks Pottsville	5%	\$2.8	\$0.6	\$3.4	\$2.0
IGA Salt	4%	\$2.1	\$1.8	\$3.9	\$1.5
<b>Outside Trade Area</b>					
Kingscliff Shopping Village (Woolworths)	18%	\$10.3	\$13.8	\$24.1	\$7.2
Tweed City (Woolworths, Coles, Action)	30%	\$17.1	\$53.7	\$70.7	\$12.0
Banora Point Shopping Village (Bi-Lo)	7%	\$3.8	\$15.5	\$19.4	\$2.7
Banora Central Shopping Village (Coles)	6%	\$3.7	\$18.7	\$22.4	\$2.6
Centro Tweed (Coles)	9%	\$5.3	\$31.7	\$37.1	\$3.7
Ocean Village (Bi-Lo)	5%	\$2.8	\$17.6	\$20.4	\$1.9
Other Stores/Escape	n.a	\$6.6	n.a	n.a	\$4.6
<b>Total</b>	<b>89%</b>				

Source: MacroPlan Australia

The key points from the table above include:

- Centres with the largest market share of MTA supermarket spend include Tweed City (30%), Kingscliff Shopping Village (18%) and Centro Tweed (9%).
- Pottsville Village Centre and Pottsville Waters draw a significant proportion (>85%) of their supermarket trade from within the MTA given their convenience role and function and their location within the MTA.
- Tweed City's market share is consistent with its dominant position in the market as the sub-regional centre for the Tweed Coast.



### 6.1.3 Market Shares With Proposed Centre

The table below outlines the estimated market shares of the existing retail centres with the development of the supermarket at Casuarina in 2011 in accordance with the estimated turnover figure identified in previous sections.

**Table 18. Market Shares With Proposed Centre (2010/11)**

	MTA (%)	MTA (\$m)	BTA (\$m)	Turnover (\$m)	Off-Peak MTA (\$m)
Proposed Development	29%	\$16.7	\$5.6	\$22.2	\$11.7
<b>Main Trade Area</b>					
IGA Pottsville	5%	\$2.9	\$0.9	\$3.8	\$2.0
Foodworks Pottsville	4%	\$2.6	\$0.6	\$3.2	\$1.8
IGA Salt	3%	\$1.9	\$1.8	\$3.7	\$1.3
<b>Outside Trade Area</b>					
Kingscliff Shopping Village (Woolworths)	9%	\$5.2	\$13.8	\$19.0	\$3.7
Tweed City (Woolworths, Coles, Action)	20%	\$11.8	\$53.7	\$65.5	\$8.3
Banora Point Shopping Village (Bi-Lo)	5%	\$2.7	\$15.5	\$18.3	\$1.9
Banora Central Shopping Village (Coles)	6%	\$3.5	\$18.7	\$22.2	\$2.5
Centro Tweed (Coles)	9%	\$5.0	\$31.7	\$36.8	\$3.5
Ocean Village (Bi-Lo)	4%	\$2.6	\$17.6	\$20.2	\$1.8
Other Stores/Escape	n.a	\$2.9	n.a	n.a	\$2.0
<b>Total</b>	<b>95%</b>				

Source: MacroPlan Australia

The key points from the table above include:

- The supermarket in the proposed development is expected to have a turnover of \$22.2 million in the first full year of trading. The MTA is estimated to provide around \$16.7 million of sales for the proposed centre, equating to a significant 75% of MTA spend. Beyond trade area spend would account for 25% of the estimated turnover.
- The largest decreases in market share of MTA include the three supermarkets within Tweed City, which would distribute a \$3.7 million turnover loss amongst themselves, while Kingscliff exhibits a \$3.6 loss of turnover.
- Most other centres aren't expected to exhibit major changes in markets shares drawn from the Casuarina MTA. While escape expenditure is expected to decrease as the leakage away from these centres is expected to decrease from about 12% to about 5%.

The impacts on the existing supermarkets and shopping centres achieving these market shares are detailed in the following section.

## 6.2 Turnover impacts

This section provides an analysis of the potential economic turnover impacts that the proposed development will have on the existing and future operating performance of existing competing supermarkets. The analysis demonstrates economic impact in both dollar terms and the percentage of total sales at these centres.

Economic impacts are derived from the following assumptions:

- The proposed Casuarina development is assumed to start trading in 2010/11. The impact assessment therefore considers the impact on other centres in 2010/11.



- Impacts have been assessed upon turnover during the off-peak season, with turnover loss assessed in reference to full-year turnover.
- Only existing centres have been included in the economic impact assessment in 2011, while the impacts of the possible Pottsville and Kings Forest supermarkets after 2016 are discussed qualitatively
- The proposed development will draw \$11.7 million from MTA residents during the off-peak season of 2010/2011 that would have otherwise been directed to competing retail facilities over the year.

The magnitude of these impacts will vary from centre to centre. MacroPlan has estimated centre impacts largely on the existing market shares outlined in Table 16. However, adjustments have been made to the distribution of impacts based on a number of factors including the attractiveness of the centre in terms of level of supermarket provision (e.g. full line supermarket); quality, range and diversity of uses, proximity to the proposed development and ease of access. The magnitude of the impacts upon the supermarkets within each centre is outlined in the table below.

The economic impacts on existing centres, as detailed in the table below, are described in terms of both reduced turnovers at these centres and as a percentage of total sales from 2010/11. It is noted that the proposed development will have impacts on other retailers not defined in the table, including bulky good stores, strips and other precincts. It is assumed that this impact is spread far and wide across a number of retailers.

**Table 19. Economic Impacts, 2010/11**

Off-Peak Turnover from MTA	Without	With	Change in Turnover	
	2011	2011	(\$m)	%
<b>Main Trade Area</b>				
IGA Pottsville	\$2.3	\$2.0	-\$0.2	-6%
Foodworks Pottsville	\$2.0	\$1.8	-\$0.1	-4%
IGA Salt	\$1.5	\$1.3	-\$0.2	-5%
<b>Outside Trade Area</b>				
Kingscliff Shopping Village (Woolworths)	\$7.2	\$3.7	-\$3.6	-15%
Tweed City (Woolworths, Coles, Action)	\$12.0	\$8.3	-\$3.7	-5%
Banora Point Shopping Village (Bi-Lo)	\$2.7	\$1.9	-\$0.8	-4%
Banora Central Shopping Village (Coles)	\$2.6	\$2.5	-\$0.1	0%
Centro Tweed (Coles)	\$3.7	\$3.5	-\$0.2	-1%
Ocean Village (Bi-Lo)	\$1.9	\$1.8	-\$0.1	-1%
Other Stores/Escape	\$4.6	\$2.0	-\$2.6	n.a

Source: MacroPlan Australia

The table shows that the following key points:

- Given its relative proximity, to Kingscliff Woolworths is expected to experience the most significant turnover impacts at approximately -15% of annual turnover.
- Other centres expected to experience less significant impacts include the two supermarkets at Pottsville (-6% and -4%), the IGA at Salt (-5%), the three supermarkets within Tweed City (-5%) and the Bi-Lo at Banora Point Shopping Village (-4%).
- The impacts at Kingscliff impacts could be expected to be dissipated within the short term period (2011 to 2016) as the Casuarina catchment becomes self sustaining over this period and given the strong population growth currently exhibited and expected across the Kingscliff and Casuarina catchments.



- The \$3.6 million impact upon Kingscliff would be dissipated through a mixture of growth beyond the trade area and by capturing some of the \$15.0 million of supermarket expenditure growth expected in the Casuarina MTA over the period 2011 to 2016.
- In the medium term (2017-2026), the impacts from the Casuarina centre will have disappeared. There will be significant demand across the Tweed Coast to support a second full line supermarket at Pottsville after 2016. The dynamic trade catchments created in the retail sustainability assessment demonstrate that the Casuarina supermarket will be able to support itself over this time period,
- The contraction in the southern part of this secondary trade area equates to over \$18 million of supermarket expenditure in 2017, which would contribute significantly to the total turnover expected at the centre.

### 6.3 Wider economic impacts on the community

The proposed centre at Casuarina will have significant positive impacts upon the Tweed Coast residents. MacroPlan consider the broader location of Casuarina Beach to be the most appropriate location for a full line supermarket in the short run. Furthermore, the proposed location along Casuarina Way and Tweed Coast road is considered to be the best location given that it provides an attractive anchor at the other end of the town centre which will disperse activity. Both the physical and strategic location have been considered when assessing the wider benefits associated with the proposed supermarket based centre.

The key **economic benefits** associated with the proposal include:

- **Job generation / job self containment:** The proposed centre will support retail and service jobs and direct and indirect flow on jobs throughout the economy during the construction phase of the project. Furthermore, retail provision will stimulate further employment generating uses within the Casuarina town centre.
- **Residential and commercial take up rates:** The proposed supermarket will act as a catalyst form commercial and residential tenants to locate to the town centre. Retail is a known attractor in this regard and the early provision of retail in any development is important in the overall success.

The key **social benefits** associated with the proposal include:

- **Reduced Household Costs:** The proposed development will assist residents reduce their overall weekly and monthly costs due to the savings in private vehicle usage through shorter trips and multi-purpose trips. As well a full line supermarket will result in lower prices and choice for consumers.
- **Improved Safety:** The reduction in car trips and distance travelled means a reduced likelihood of car accidents for residents and visitors.
- **Improved quality of place and benefits to the public realm:** The location at one end of the 300m 'main street' with the beach and restaurants at the other end will encourage walkability along the main street. Without a major anchor at the other end, the incentives for persons to travel away from the beach to undertake shopping and other commercial activities would be diminished.



The key **environmental benefits** associated with the proposal include:

- **Integration with existing environment:** The proposed centre is not expected to impact upon the coastal environment in an adverse way and given the facilities and scale of development could not be considered to be over development of the area. The shopping centre with supermarket facilities will provide a complementary offering to commercial, entertainment, dining/café and residential uses that will formulate the town centre.
- **Reduction in vehicle emissions:** The proposed development will allow residents and visitors nearby to walk or take shorter car trips to undertake their 'chore' shopping requirements. Given the mix of uses proposed within the town centre, there will also be opportunities for more multi-purpose car trips which will result in fewer emissions.



## 7

## Conclusions

The proposed Casuarina supermarket and specialty retailing development should proceed in the location proposed.

A summary of the key points indicating that this is an orderly development which will have need community benefits are highlighted below:

- The proposal is consistent with strategic documents in that it contributes to a distribution of village centres along the Tweed Coast.
- Without considering impacts upon other centres, there is a market gap in the Tweed Coast SLA for a full-line supermarket immediately (2008/09) and by 2016 Pottsville could deliver its own full-line supermarket.
- The retail sustainability assessment indicated that even in 2008 a full-line supermarket and associated specialty retailing would be supportable within the localised Casuarina trade catchment.
- By 2011 and 2016, a full line supermarket of the size 2,500m would be supportable by the short term trade catchment. This catchment would satisfy the short term needs of the Casuarina (including Seaside/Salt/Cabarita) PTA, while also allowing the Pottsville catchment to be able to undertake weekly 'chore' shopping closer to their place of residence without having to travel to Kingscliff or further north.
- By 2016, it is expected that the trade catchment around Casuarina would become self sustainable. This is reflected in the dynamic trade catchments, whereby the boundaries of both the PTA and STA have been contracted to account for a possible full line supermarket within Pottsville. These catchments also allow for one or two smaller convenience centres to be developed as the population develops around Kings Forest, Tanglewood and Bogangar.
- It is not expected that a full line supermarket would be delivered at Cabarita if the proposed development at Casuarina were to be delivered.
- The economic impact assessment showed that the trading impacts upon competing supermarket based centres are not significant, except for the expected impacts upon Kingscliff Woolworths (approximately -15% of annual turnover).
- However, the impacts at Kingscliff impacts could be expected to be dissipated within the short term period (2011 to 2016) as the Casuarina catchment becomes self sustaining over this period and given the strong population growth currently exhibited and expected across the Kingscliff and Casuarina catchments.
- The \$3.6 million impact upon Kingscliff would be dissipated through a mixture of growth beyond the trade area and by capturing some of the \$15.0 million of supermarket expenditure growth expected in the Casuarina MTA over the period 2011 to 2016.
- Other benefits to be expected from the development include reduced vehicle trips, competitive pricing benefits for consumers, activation of the whole 300 metres of the Casuarina town centre due to the 'anchor' effect, stimulation of local economy and direct and indirect job creation.