

SOCIO-ECONOMIC IMPACT ASSESSMENT

PROPOSED CABARITA RETAIL CENTRE

Client:

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February 2009
07022 Rev 1

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Disclaimer

The sole purpose of this report is to provide W.A. Stockwell Pty Ltd (the Client) with information in accordance with Foresight Partners Pty Ltd's scope of services set out in its proposal to the Client.

Foresight Partners has relied upon information relevant to this report provided by government agencies, the Client and others. Except as otherwise stated in the report, Foresight Partners has not attempted to verify the accuracy or completeness of such information.

The assumptions underlying the findings, observations, forecasts and conclusions presented in this report are subject to significant uncertainties and contingencies. Therefore, actual results may differ significantly from forecast results. Foresight Partners do not make or imply any warranty or guarantee with respect to the data reported or to the findings, observations, forecasts and conclusions expressed in this report. Foresight Partners cannot confirm or guarantee achievement of any forecast growth or performance, as future events, by nature, are not amenable to independent confirmation or substantiation.

Summary

W.A. Stockwell is proposing a convenience-oriented shopping centre of 3,260m² in Cabarita, Tweed Shire. The site of the proposed centre at Tweed Coast Way is within the Business Precinct under the Tweed Shire Council's Locality Plan for the Bogangar/Cabarita Beach Community. The development is to include a 2,110 m² supermarket and 1,150 m² of associated specialty shops. Residential units are also proposed as part of the development.

The nearest major supermarket (Woolworths) is located in Kingscliff, ten kilometres to the north and is the area's only full-line supermarket. The nearest significant higher order retail facilities are located approximately 20 kilometres to the north in the Tweed Heads area.

The trade area to be served by the proposed centre is influenced by the locations of other retail centres. It is defined by Census Collector District boundaries and includes the residential communities extending from Salt in Kingscliff to Wooyung to the south.

The trade area's population of 12,685 people in 4,875 occupied dwellings at June 2008 is forecast to increase to 16,185 people in 6,210 occupied dwellings by June 2011, the assumed first full year of trading for the proposed centre. The trade area population is forecast to reach 20,520 people in 7,895 occupied dwellings by June 2015, and 25,165 people in 9,730 occupied dwellings by June 2021.

Total annual trade retail expenditure potential is estimated at \$117.0 million at June 2008 and is forecast to increase to \$156.0 million by June 2011 and \$208.5 million by June 2015. Over the seven year forecast period, growth in trade area households will generate an additional \$91.5 million in available retail spending by 2015.

Forecast market shares achievable by the proposed centre (12.4% of total trade area retail expenditure) produce a centre turnover of \$21.9 million, of which \$2.6 million would originate from external sources (e.g. visitors to the area) at June 2011. Our assessment of the existing retail market and future growth prospects concludes that the Cabarita area will need additional supermarkets and specialty retailing with the proposed development meeting part of this demand.

Forecast impacts upon competitive centres will not jeopardize their vitality or viability, or threaten their functional roles and levels of service they currently provide to the community. The increase in available spending should enable affected centres to recoup most of their impacts within a year or two. The exception is likely to be the proposed centre at Casuarina Beach. The ability of the proposed centre at Casuarina Beach to regain some of its sales sooner will depend in part upon its competitive response. In practice, the introduction of both supermarkets may be staggered, which would help ameliorate impacts.

The proposed centre should also generate positive beneficial impacts, such as:

- providing trade area residents with greater choice and variety of shops and servicing offering a greater range and depth of convenience goods;
- promoting competition in price and service both within the larger suburban centre and among other competitive centres;
- catering to a visitor market. The supermarket will cater to the convenience needs of overnight visitors and day visitors to the area;
- savings in travel time and costs. Having a better choice of convenience shops and services in a convenient and strategic location to its trade area will help shorten trips and reduce time spent travelling to centres further afield to make these types of purchases;
- ability to walk to the centre. Residential development surrounds the site, enabling residents and visitors to walk to the centre;
- creating local employment opportunities, particularly for younger workers. The proposed centre would be expected to generate the equivalent of approximately 120 employment opportunities for full-time, part-time and casual workers, based upon an average of one worker per 26 m² of neighbourhood shopping centre space (source: *Queensland Shopping Centre Industry*, Property Council of Australia, January 1999). Net employment gains, however, would be somewhat less as some jobs would be transferred from existing businesses and centres;
- short-term employment during the construction phase. Construction employment can be highly dispersed in terms of employee residential origins and therefore of benefit to the broader northern New South Wales economy, rather than specific to the trade area.

It is concluded that there is a need for the development and impacts would be outweighed by the proposal's benefits to the community.

1 Introduction

W.A. Stockwell Pty Ltd are planning the development of a shopping centre at 39-45 Tweed Coast Road in Cabarita, Tweed Shire. The site is within the Business Precinct under the Tweed Shire Council's Locality Plan for the Bogangar/Cabarita Beach Community. The site is currently used by a mix of businesses including a service station, post office and a motel.

The proposal for the site includes the development of a 2,110 m² supermarket, 1,150 m² of speciality stores and 40 residential units above the development. Parking for 199 cars and 40 bicycles will be provided on-site. Figure 1.1 (at the end of this section) shows the general configuration of the proposed centre.

1.1 PURPOSE OF REPORT AND METHODOLOGY

Foresight Partners Pty Ltd was commissioned by W.A. Stockwell to assess the market feasibility, community need and economic impact implications of the proposed retail development. The key objectives of this socio-economic impact assessment are to:

- establish that the proposed development has reasonable market prospects; and
- to evaluate community need for the proposed development and the potential impacts upon the existing and likely future retail network serving the surrounding area.

Investigations were carried out in four main areas—the competitive environment, market fundamentals, centre performance and network impacts.

Market fundamentals included:

- a determination of the centre's likely trade area based upon the location and function of competitive centres, the coastal road network and other patterns of residential development;
- a review of population growth and household formation trends within this trade area. Forecasts of future population and households were produced based on Tweed Shire Council's Urban Land Release Strategy (February 2008) and a reconnaissance of housing development in the area;
- socio-economic characteristics of the trade area's population were compiled from the 2006 Census and interpreted in terms of retail demand and propensity to spend on various goods and services.
- estimation of the pool of retail expenditure potential available from the trade area households at June 2008 (the base year for this analysis) and forecasts of how this pool will increase (in constant June 2007 dollars) over a thirteen year period to June 2021.

An assessment of the competitive environment in the surrounding area included a reconnaissance of retail and other uses in the Cabarita and surrounding areas.

The centre's likely performance prospects (centre turnover) were estimated through a market share analysis, with turnover forecasts prepared for its first, third and fifth years of operation with the proposed extensions.

Implications of the proposed development's impacts upon existing centres are discussed, together with the prospects for the amelioration of these impacts over time. Community need and demand for the centre are then discussed.

2 Retail network

2.1 TWEED SHIRE PLANNING

The Tweed Shire has a Retail Strategy (September 2005) which aims to sustain and reinforce the nature of towns and villages in the Shire and to cater for growing retail needs of its communities. The extract below summarises the acceptable retail mix of the communities in the Tweed Shire area.

Table 4.1
Retail Strategy Matrix

	Tweed Heads	Tweed Heads South	Tweed Heads West	Ellambill/Dumbul Heights	Area E	Banora Point	Fingall	Chinderah	Kingscliff	Salt / Casuarina	Cabarita	Hastings Point	Pottsville	Murwillumbah	Emerging Communities (includes potential new centres in Tweed Shire)
Chore Retail (major supermarket)	ER		ER	ER	ER	ER	*	ER		ER	*	*	ER		ER
Impulse Retail								ER							
Personal Retail								ER							
Homewares Retail/Bulky Goods	ER		*	*	*	*	*		ER	*	*	*	*	ER	*
Retail Services								ER							
Professional Services								ER							
General Commercial Office			*	*	*	*	*	ER		*	*	*	*		*
Industry			*	*	*	*	*	ER	ER	*	*	*	*		*
Recreation			*	*	*	*	*	ER		*	*	*	*		*
Entertainment/Leisure			*	*	*	*	*	ER		*	*	*	*		*
Intended Catchment	Tweed Heads & south Gold Coast	Urban North & south Gold Coast	Local and nearby towns	Local	Local	Local and nearby suburbs	Local	Coastal and Rural west (part)	North Tweed Coast and tourists	Local	Local	Local	Local	Rural West	Local

Key	
	Acceptable
*	Unacceptable
ER	Economic Review Required

For the Tweed Coast area from Kingscliff south to Pottsville, the Retail Strategy:

- identifies Kingscliff as the major 'Chore Retail' centre, which is to cater to the type of shopping associated with the regular weekly or fortnightly trip to a major supermarket ('major supermarket' is not defined in the retail strategy);
- indicates that Kingscliff could have the capacity to support another supermarket and would be an acceptable development;
- indicates that should the economic conditions and population change sufficiently around the communities of Pottsville and Salt-Casuarina, other 'Chore Retail' centres may be required;

- designates Cabarita as ‘unacceptable’ for Chore Retail development but ‘acceptable’ for ‘Impulse Retail’, which is intended to serve ‘...*the short-term, immediate needs of the household and often is provided in local shopping groups. This can include small supermarkets, food services retailers, bakers, newsagencies and video shops*’ (page 3).

The Retail Strategy does not define either ‘major’ or ‘small’ supermarkets. The proposed 2,110 m² supermarket is smaller than a *full-line* supermarket (generally 3,000 m² +) and would not meet all the chore shopping needs of all residents.

The proposed supermarket and associated tenancies would cater to the immediate food shopping needs, including top-up and some of the chore, weekly/fortnightly food shopping. It would retain *some*, but not all, such shopping locally, as well as service other areas lacking in similar (or larger) supermarket facilities.

Limiting the proposed development purely to local functions would only sustain a very small convenience store, which typically charge significantly high prices for everyday food and grocery items. Consequently, people would need to leave the area to do their top up and chore food shopping. At present, the nearest full-line supermarket is located ten kilometres to the north in Kingscliff.

2.1.1 Tweed Local Environment Plan

The Tweed Local Environment Plan (LEP) gives the desired outcomes of the Tweed Shire 2000 Strategic Plan. The subject site of the proposed development is zoned ‘3(b) General Business’. The objectives of the zoning from Section B19 of the Bogangar/Cabarita Beach Locality Plan are outlined below:

Development of this area is intended to reinforce the existing village business/commercial land use and promote mixed use development with commercial/retail uses accommodated on the ground floor with residential tourist uses being provided on storey’s above ground level. This precinct will exhibit outstanding urban design contributing to a vibrant commercial streetscape.

The development which proposes a mix of retail and commercial uses on ground level and residential apartments on the upper level is consistent with the objectives outlined in the Tweed Shire 2000 Strategic Plan. The site’s current zoning and its surrounding land uses indicate that the proposed development is most appropriate for the site and would complement the existing businesses located within the ‘General Business’ area of the Bogangar/Cabarita Beach Locality Plan.

2.2 FUNCTIONS OF THE DEVELOPMENT

The proposal is intended to provide for the short-term immediate retail needs of residents in Cabarita by:

- providing a larger supermarket to residents who are presently serviced by a 7-2-7 Convenience Store. This will contribute to greater choice and variety of shops and services offering a greater range and depth of convenience goods, thereby benefiting the community. It will also contribute strongly to the retailing and activity levels within the Cabarita centre area;
- catering to a population which is underserved with respect to supermarket provision; and
- contributing to a reduction in retail expenditure leakage from Cabarita as households will be able to undertake more of their top-up and some of their chore weekly/fortnightly food shopping at the proposed centre.

The need for a larger supermarket is triggered by the growing catchment population as well as the increased tourist patronage to Cabarita. Therefore, the proposed development will benefit both the local community and visitors to Cabarita. The site is well-positioned, enabling local residents and visitors staying in the area to walk to the centre.

2.3 EXISTING RETAIL FACILITIES

2.3.1 Supermarkets

The Tweed Shire area is currently serviced by supermarkets in Kingscliff, Tweed Heads and Murwillumbah. Kingscliff offers the nearest major supermarket (Woolworths) to the Cabarita area, and is approximately ten kilometres travel distance north of Cabarita.

Kingscliff Shopping Village (approximately 7,200 m²) offers about 30 specialty shops and professional services ranging from a party shop to a pool supplies store. Commercial offices and a services station also form part of this centre area. Only one vacant shop was noted. Additional retail shops and services are located along Marine Parade.

The next nearest major supermarket to the west or south is at Murwillumbah, about 20 kilometres by road from Cabarita. Sunnyside Shopping Centre (7,493 m²) is anchored by a Coles supermarket and features 27 specialty shops.

The Tweed Heads area is located approximately 20 kilometres north of the Cabarita area and incorporates Tweed Heads, Tweed Heads South, Tweed Heads West and Banora Point. It has approximately 170,000 m² of retail space in this area making it the largest retail node in the North Coast Region. Retail facilities include a regional and sub-regional centre comprising seven full-line supermarkets.

2.3.2 Convenience Stores

A number of convenience stores are located within the coastal communities south of Kingscliff.

The developing community of Salt is the first community south of Kingscliff and has a small IGA Express for convenience shopping. The retail strip (approximately 2,500 m²) comprises a bottle shop, numerous restaurants and cafes – the largest being the Salt bar, a gift shop and surf shop. Its retail mix is strongly positioned to serve the visitor market, as well as cater to some local demand.

Cabarita Beach/Bogangar is located along the Tweed Coast Way ten kilometres south of Kingscliff. The centre has around 30 tenants (about 3,000 m²) and provides a 7-2-7 convenience store and a range of other services including a butcher, green grocer, newsagent/Post Office as well as a number of restaurants and bakeries. Cabarita Centre provides a range of medical services including a medical centre, physiotherapist, and podiatrist. The newest retail development is located on the eastern side of Tweed Coast Way and is part of The Beach Resort.

Hastings Point, about five kilometres south of Cabarita Beach along the Tweed Coast Way, is primarily serviced by the Hastings Point General Store (around 250 m²). The General Store offers a bottle shop, newsagency, bait and tackle and fast food all-in-one.

The last village along the Tweed Coast Way is Pottsville. It is approximately 2.5 kilometres south of Hastings Point and offers a more extensive range of services and stores than presently offered in Cabarita Beach/Bogangar. Pottsville Central is the newest retail complex within the area, which opened in January 2008. The 750 m² centre is anchored by an IGA supermarket and includes four specialty tenants comprising a post office, real estate agency, a Laundromat and a nursery bedding store (Lollipop Lane). Opposite this centre is another relatively new retail development that features a real estate agency and surf shop. There were two vacancies noted in this development upon inspection.

There are a number of other retail tenants located along the main retail strip in Pottsville. The Plaza (about 600 m²) features eight tenants including a florist, bakery and pharmacy. Rundles Corner is another small retail development (about 600 m²) that contains a café, newsagency, solicitors and real estate agency. There are also a few other retail shops interspersed among these retail developments including a True Value Hardware, fashion shop and take away.

There is one other convenience centre located in Pottsville Waters. Pottsville Waters Shopping Centre (about 1,000 m²) is anchored by a Foodworks and has four specialty stores, including a pharmacy, video shop, bakery and pool shop. A tavern and bottle shop are co-located behind the retail development.

2.4 PROPOSED AND APPROVED DEVELOPMENTS

2.4.1 Retail developments

A number of potential retail developments are proposed within the Tweed Coast area.

A preliminary concept plan for a mixed-use subdivision has been lodged for the Casuarina Town Centre at Casuarina Beach. It is intended to develop a supermarket-led convenience shopping centre, which is to be staged and will ultimately comprise a gross floor area not exceeding 5,660 m². Stage 1 of the development proposes a 2,500 m² Coles supermarket, up to 1,160 m² of associated specialty retail and up to 2,000 m² of retail to be hosted along a main street. The 2,000 m² of specialty space will include chore retail, impulse retail, personal retail and food/beverage services. Possible additions to the development may include a supermarket extension of 1,000 m² and additional specialty shops. This will be the subject of a future application.

An application for a mixed-use development comprising a 3,250 m² supermarket, 1,550 m² specialty shops, child care centre and service station within the Seabreeze development in Pottsville has been refused by The Land and Environment Court. However, in the future, there may be an application for a small convenience-type centre.

The large Kings Forest development behind Casuarina Beach and Dunloe Park is also expected to eventually seek to include a local centre.

Further to the south, an application has been lodged to expand the Ocean Village Shopping Centre. The application proposes to increase the centre by about 2,400 m². The existing supermarket is to be extended, accounting for 300 m² of this increase. The remainder of the floorspace is to be allocated to specialty shops and services.

2.4.2 Residential Developments

Several major residential developments are underway, approved or proposed along the Tweed Coast. The two major areas of development are south of Kingscliff (to the Cudgen National Park) and around Pottsville.

South of Kingscliff

The Salt residential development is progressing rapidly, as have the resort developments of Peppers and Mantra. Over three-quarters of the 500 residential lots appear to be developed.

Seaside City is located between Salt and Casuarina Beach. The development is currently in the process of subdivision. It is believed that the development will consist of approximately 1,000 units with around one-fifth providing tourist accommodation.

Casuarina Beach is the next residential development along the coast. All of the residential portions of the development appear to be underway with the retail and commercial component to be last stage of the development.

Kings Forest is a very large residential development (approximately 4,500 lots) by Leda Properties and is located behind Casuarina Beach and Cudgen Creek. This development has no set starting date but has been included in the Shire's Urban Land Release Strategy as residential zoned land yet to be subdivided.

The final stage of residential development on the northern edge of Cudgen (Cudgen Heights) is expected to deliver the remainder of the residential zoned land to the market in the south Kingscliff area over the next two years. The development is expected to cater for approximately 125 dwellings on the eight hectare site.

Tanglewood has about 78 hectares of residential land that remains vacant and is yet to be subdivided. Ultimately, it has the potential to provide a maximum total of 650 dwellings.

Pottsville

Koala Beach is north of Pottsville behind Cudgera Creek just after the Hastings Point Community. This development is estimated to consist of 500 lots and appears to be almost complete. Council will shortly build a link road between Koala Beach and Seabreeze. This link road will allow for access to the Pacific Highway for the development via Cudgera Creek to the south rather than going through Pottsville to the south or passing through Cabarita to Clothiers Creek in the north.

Seabreeze is a development that is occurring to the west of Pottsville. This development is estimated to be of 800 lots, and will include a number of townhouses. The development appears to be over one-third developed.

Black Rocks is a development that is occurring south of Pottsville Waters and off the Coast Road along Overall Drive. This project marks the southern limit of development in the area. The final stage of the development will deliver 90 lots.

There are a number of Greenfield sites that, subject to further investigation, may be suitable for rezoning to accommodate future urban growth. These areas include Dunloe Park – a large area in a rural location west of Black Rocks estate and near Pottsville.

North of the Seabreeze estate is an area of about 27 hectares. Ultimately this area could provide a link between Seabreeze and the Koala Beach estate. There is also a smaller area adjoining the western edge of the existing residential zoned Seabreeze estate near Pottsville that may be subject to further investigation.

Figure 3.1 in the next section shows the locations of existing and proposed retail centres and residential developments in the area south of Kingscliff.

3 Market fundamentals

Population growth and increases in available retail spending potential will drive the need for additional retail shops and services in Cabarita and surrounding areas. This section sets out the expected trade area of the proposed centre, its population characteristics, growth potential and available retail expenditure.

3.1 POPULATION AND HOUSEHOLD CHARACTERISTICS

The information presented below is based on the 2006 Census and information gathered by Foresight Partners on the status of residential estates planned and proposed within the trade area over the next thirteen years, as well as Tweed Shire Council's Urban Release Strategy (February 2008).

3.1.1 Trade area defined

The trade area for the proposed Cabarita centre will draw the majority of its customers from a large, but linear, geographic area. Figure 3.1 shows this trade area, from which the centre is likely to draw the majority of its customers. It is defined by Census Collector District boundaries and includes:

- a primary area comprising the Cabarita/Bogangar Community. This area is relatively compact because of surrounding national park areas;
- a secondary north area includes areas north and west of Cabarita/Bogangar, including the developments of Salt and Casuarina Beach and the proposed developments of Seaside City, Kings Forest and Cudgen (Heights) and Tanglewood; and
- a secondary south area includes the areas south and west of Cabarita/Bogangar. The area includes Wooyung in the south and Mooball in the southwest. Most of the population, however, is located in the Pottsville and Hasting Point areas, and the developing areas of Koala Beach, Seabreeze and Black Rocks.

The secondary areas are geographically extensive because of the very large rural and national park areas encompassed by the Census Collector Districts. However, the majority of their populations are concentrated along the coastal strip.

3.1.2 Population and households

As at the 2006 Census, the trade area had a population of 10,637 people in 4,095 dwellings. The trade area's population is forecast to increase from an estimated 12,685 people in 4,875 dwellings at June 2008 to:

- 16,185 persons in 6,210 households by June 2011 (assumed first full year of trading);

- 18,505 persons in 7,110 households by June 2013 (third year of trading);
- 20,520 persons in 7,895 dwellings by June 2015 (fifth year of trading); and
- 25,165 persons in 9,730 dwellings by June 2021.

Over the thirteen year forecast period, the trade area is expected to gain around 14,500 new residents in over 5,600 additional households. About 70% of the forecast increase will occur in the secondary north area.

The primary area is artificially constrained by the geography of Census Collector Districts, as shown in Figure 3.1. It contains more households than reflected in Table 3.1. For example, the Tanglewood residential development would fall within the primary area given that the subject development is the nearest accessible centre to households within this development. However, for the purposes of demographic analysis, it has been included in the secondary north area.

These forecasts are dependent upon the actual rates of development in a number of the larger new residential estates planned for the area, such as Cudgen (Heights) (125 lots), Kings Forest (4,500 lots), Tanglewood (650 lots) and Casuarina Beach (1,200 lots), to the north of Cabarita. Consequently, there is some uncertainty as to how quickly the secondary areas will actually grow over the next five years or so. The forecasts in Table 3.1 incorporate the following assumptions regarding the level of housing completed in these major residential projects by 2016.

Secondary north area

- Salt—500 houses and units completed (100%);
- Seaside City—650 of 800 houses and units completed (75%);
- Casuarina Beach —1,200 houses and units completed (100%);
- Kings Forest—475 of 4,500 houses completed (12%);
- Cudgen (Heights)—125 houses completed (100%);
- Tanglewood—125 of 650 homes completed (19%).

Secondary south area

- Koala Beach—500 houses completed (100%);
- Seabreeze—800 houses complete (100%);
- Black Rocks—Final stage incorporating 90 houses complete (100%).

Figure 3.1: Cabarita Trade Area and Retail Residential Developments

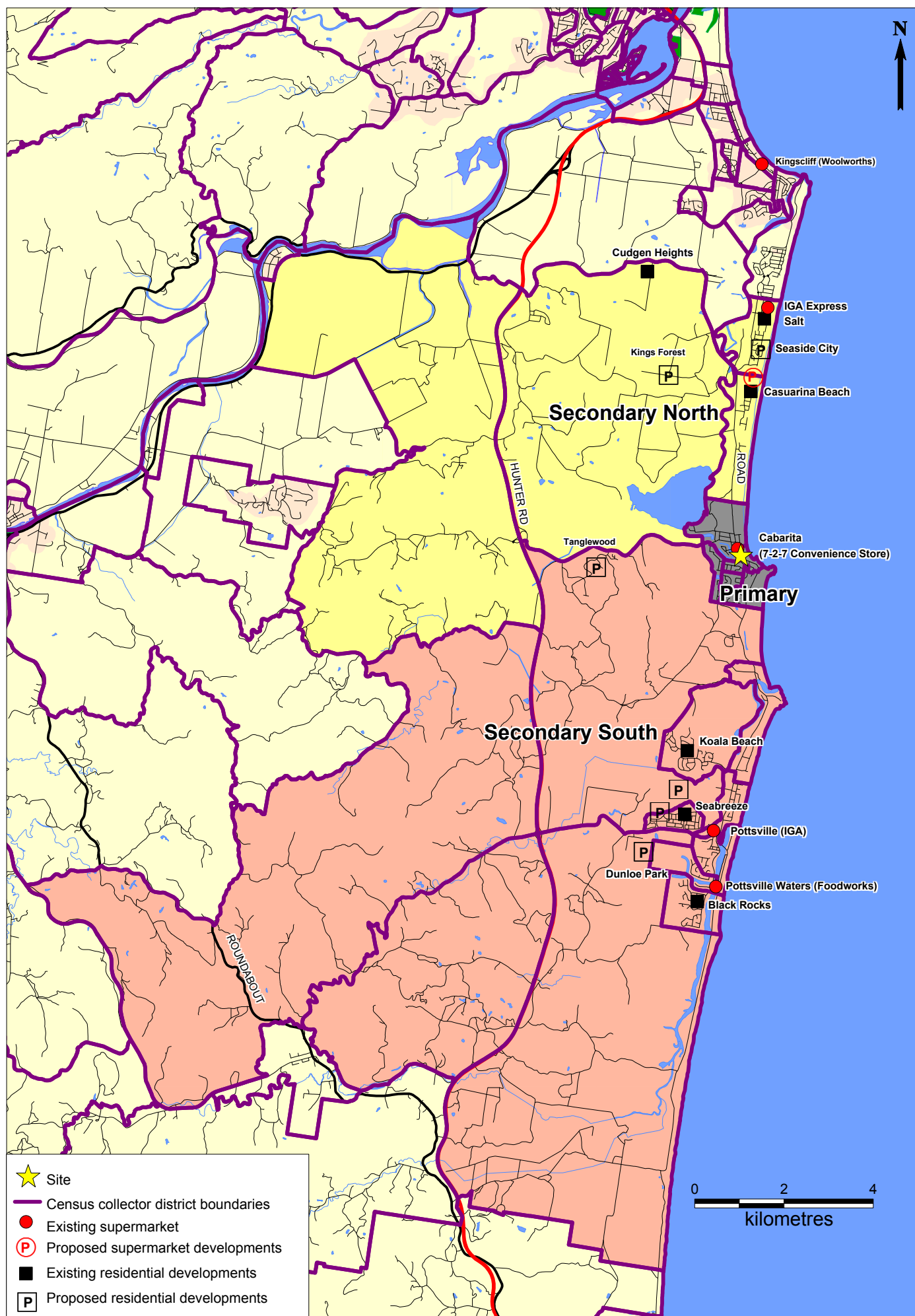


Table 3.1: Estimated population and households, Cabarita trade area, June 2006 to June 2021

<i>Trade areas</i>	<i>2006</i>	<i>Incr. p.a.</i>	<i>2008</i>	<i>Incr. p.a.</i>	<i>2011</i>	<i>Incr. p.a.</i>	<i>2012</i>	<i>Incr. p.a.</i>	<i>2013</i>	<i>Incr. p.a.</i>	<i>2014</i>	<i>Incr. p.a.</i>	<i>2015</i>	<i>Incr. p.a</i>	<i>2016</i>	<i>Incr. p.a.</i>	<i>2021</i>
Primary area																	
Population	3,042	29	3,100	42	3,225	40	3,265	25	3,290	10	3,300	50	3,350	60	3,410	62	3,720
Occupied dwellings	1,180	15	1,210	20	1,270	20	1,290	15	1,305	10	1,315	25	1,340	30	1,370	26	1,500
Avg h'hold size	2.58		2.56		2.54		2.53		2.52		2.51		2.50		2.49		2.48
Secondary North																	
Population	1,809	568	2,945	763	5,235	900	6,135	820	6,955	815	7,770	740	8,510	665	9,175	585	12,100
Occupied dwellings	628	201	1,030	273	1,850	325	2,175	300	2,475	300	2,775	275	3,050	250	3,300	220	4,400
Avg h'hold size	2.88		2.86		2.83		2.82		2.81		2.80		2.79		2.78		2.75
Secondary South																	
Population	5,786	427	6,640	362	7,725	315	8,040	220	8,260	250	8,510	150	8,660	180	8,840	101	9,345
Occupied dwellings	2,287	174	2,635	152	3,090	140	3,230	100	3,330	100	3,430	75	3,505	75	3,580	50	3,830
Avg h'hold size	2.53		2.52		2.50		2.49		2.48		2.48		2.47		2.47		2.44
Total trade area																	
Population	10,637	1,024	12,685	1167	16,185	1,255	17,440	1,065	18,505	1,075	19,580	940	20,520	905	21,425	748	25,165
Occupied dwellings	4,095	390	4,875	445	6,210	485	6,695	415	7,110	410	7,520	375	7,895	355	8,250	296	9,730
Avg h'hold size	2.60		2.60		2.61		2.60		2.60		2.60		2.60		2.60		2.59
Ave annual growth rates	2006-08		2008-11		2011-12		2012-13		2013-14		2014-15		2015-16		2016-21		
Population (%)	9.2%		8.5%		7.8%		6.1%		5.8%		4.8%		4.4%		3.3%		
Households (%)	9.1%		8.4%		7.8%		6.2%		5.8%		5.0%		4.5%		3.4%		

Source: Australian Bureau of Statistics 2006 Census; Tweed Shire Council – Tweed Shire Urban Release Strategy (February 2008), Foresight Partners estimates.

3.2 TRADE AREA SOCIO-ECONOMIC CHARACTERISTICS

Selected socio-economic characteristics of the trade area population as at the 2006 Census are shown in Table 3.2. Benchmark data has been included for the Richmond-Tweed Statistical Division and for New South Wales. Key points are:

- The trade area's age profile is notable in that it has a higher proportion of persons aged 14 and under, this being particularly pronounced in the secondary north area. This area also has the lowest proportion of persons aged 65+ (7.7% compared to 13.8% for the total trade area). The age profile of the secondary north area reflects the influx of new families into this area.
- The trade area has a higher proportion of families comprised of couples without children and one parent households relative to the whole of NSW. The secondary north area is the exception, with over 41% of its households consisting of couples with children compared to 33% for NSW and 30% for the total trade area. This further suggests the attraction of the secondary north area for young families.
- Unemployment (as at the 2006 Census) was 6.8%, which is above that of NSW (5.9%) but below that of the Richmond-Tweed SD (8.0%). More recent Small Area Labour Market data (March quarter 2008) has the unemployment for the Tweed Shire at 5.2% and NSW at 4.6%.
- Average annual household income in the trade area is \$54,381, which is about 18% below the NSW average of \$66,494, but about 11% above that of the Richmond-Tweed SD (\$49,118). The secondary north area's average household income of \$81,420 is well above average, reflecting its higher employed persons per household. The average annual household income for the primary (\$49,907) and secondary south (\$49,735) trade areas are slightly higher than those for the Richmond-Tweed SD (\$49,118).
- Over 88% of the housing stock consists of detached/semi-detached housing compared to 86% and 81% respectively for the Richmond-Tweed SD and NSW. Almost all secondary north housing consisted of this type of dwelling at the 2006 Census, although unit development has occurred since then. The secondary south area is notable for the high proportion (10.6%) of its permanently occupied housing consisting of caravans/other.
- The trade area has a very high level of mobility with over half of all households owning two or more motor vehicles, mainly due to the influence of the secondary north area, where 72% of all households have two or more vehicles.
- Less than 6% of trade area households (7.5% in the primary area) are without a vehicle compared to 9% and 12% for the Richmond-Tweed SD and NSW, respectively.

Table 3.2: Summary of selected socio-economic characteristics, 2006, Cabarita trade area

	<i>Primary area</i>	<i>Secondary North</i>	<i>Secondary South</i>	<i>Total trade area</i>	<i>Richmond-Tweed Stat. Div</i>	<i>NSW</i>
AGE (= 100%)						
0-14	23.3	24.3	22.1	22.8	19.5	19.8
15-24	11.8	10.9	9.9	10.6	11.7	13.3
25-44	26.7	29.2	24.4	25.9	22.8	28.2
45-64	25.1	27.9	27.5	26.9	27.9	24.8
65 +	13.1	7.7	16.1	13.8	18.1	13.8
FAMILY TYPE						
Couples with children	28.6	41.4	28.4	30.3	26.1	33.3
Couples without children	25.0	32.5	32.8	30.5	28.9	26.0
One parent household	18.3	8.2	13.4	14.1	13.2	11.6
Lone person household	23.7	13.4	23.0	21.8	26.9	24.2
Group / other household	4.4	4.5	2.5	3.3	4.9	5.0
EMPLOYMENT (%)*						
In labour force	60.7	71.3	54.7	59.1	56.6	63.2
Unemployed	7.1	4.3	7.5	6.8	8.0	5.9
White collar occupations	59.9	71.4	61.2	62.9	65.0	69.8
Employed per household	1.1	1.5	1.0	1.1	1.0	1.2
HOUSEHOLD INCOME (%)						
\$0-\$26,000	27.7	12.3	29.5	26.5	30.1	22.6
\$26,001-\$52,000	33.7	21.3	31.9	30.9	32.9	25.4
\$52,001-\$104,000	31.3	38.1	30.1	31.6	28.8	31.7
\$104,000 +	7.3	28.3	8.5	11.0	8.2	20.4
Average income (2007 \$ values)	\$49,907	\$81,420	\$49,735	\$54,381	\$49,118	\$66,494
DWELLINGS (%)						
Detached/semi-detached	88.5	98.8	85.2	88.1	86.1	81.2
Flats/units	9.5	0.0	4.2	5.1	9.8	17.7
Caravan/other	2.0	1.2	10.6	6.7	4.1	1.1
Owned/purchasing	59.8	71.0	68.4	66.3	70.1	68.7
MOBILITY (=100%)						
No car	7.5	2.2	5.6	5.6	9.1	12.1
1 car	44.9	26.0	46.5	43.0	43.4	39.9
2 or more cars	47.6	71.8	48.0	51.3	47.5	48.0

* Population aged 15+

Source: Australian Bureau of Statistics 2006 Census

3.2.1 Summary and implications

With respect to the propensity to use retail facilities, trade area socio-economic characteristics indicate:

- the secondary north area has a relatively young population dominated by couples with young children. Its households have well above average incomes, with a concomitant means to purchase retail goods and services at above the average than for the rest of the trade area, the Richmond-Tweed Statistical Division and New South Wales, with spending on food, apparel and homewares likely to be high and sustained.
- The primary and secondary south areas have an older age profile and lower household incomes. This indicates that spending on household goods will be lower than the NSW average, with a greater propensity to spend proportionately more on take home food and less on meals out-take away and apparel. This is likely to change over time as new residential areas attract new families to the area.

3.3 RETAIL EXPENDITURE POTENTIAL

Average household retail expenditure levels for trade area households were derived using household income data from the 2006 Census, the 2003-04 Household Expenditure Survey, and National and State Accounts data on final household consumption published by the Australian Bureau of Statistics (ABS). Dollar values from these sources were inflated to common June 2007 values using Sydney Consumer Price Index and other data.

Average household retail expenditures consist of four broad categories:

- take home food – which includes food expenditure at supermarkets, grocery stores, greengrocers, butchers, bakers, tobacconists, delis and bottle shops;
- meals out-take away food – including restaurants, takeaways, cafes and coffee shops;
- apparel – clothing and footwear, including hire services; and
- homewares/services – includes chemists, newsagents, hardware, homewares, durable goods and non-food goods and personal services (e.g. hairdresser, video hire, dry-cleaning). This also includes non-food merchandise sold in supermarkets and other food stores, such as paper and plastic products, pet food/supplies and health and beauty merchandise.

Table 3.3 sets out estimates of the average household retail expenditure for the centre trade area, together with estimates for the Richmond–Tweed SD and New South Wales.

Table 3.3: Average household retail expenditure by commodity group, Cabarita centre (June 2007 \$ values)

Area	Take home food (\$)	Meals out take away (\$)	Apparel (\$)	Homewares/ services (\$)	Total (\$)
Primary	9,270	3,040	2,080	7,830	22,220
Secondary north	12,680	4,030	3,770	10,290	30,770
Secondary south	9,250	3,030	2,080	7,820	22,180
Total trade area	9,740	3,190	2,190	8,230	23,350
Richmond–Tweed Stat. Division	9,190	3,010	2,060	7,760	22,020
New South Wales	11,010	3,600	2,470	9,300	26,380

Source: Foresight Partners calculations.

Multiplying these average household expenditures by the number of trade area households at the June 2007 base year produces an estimate of total retail expenditure potential. Similar calculations were used to produce estimates of the pool of expenditure potential by commodity group for the forecast years between 2011 and 2021, as shown in Table 3.4. Figure 3.2 shows this increase by food and non-food groups over this period.

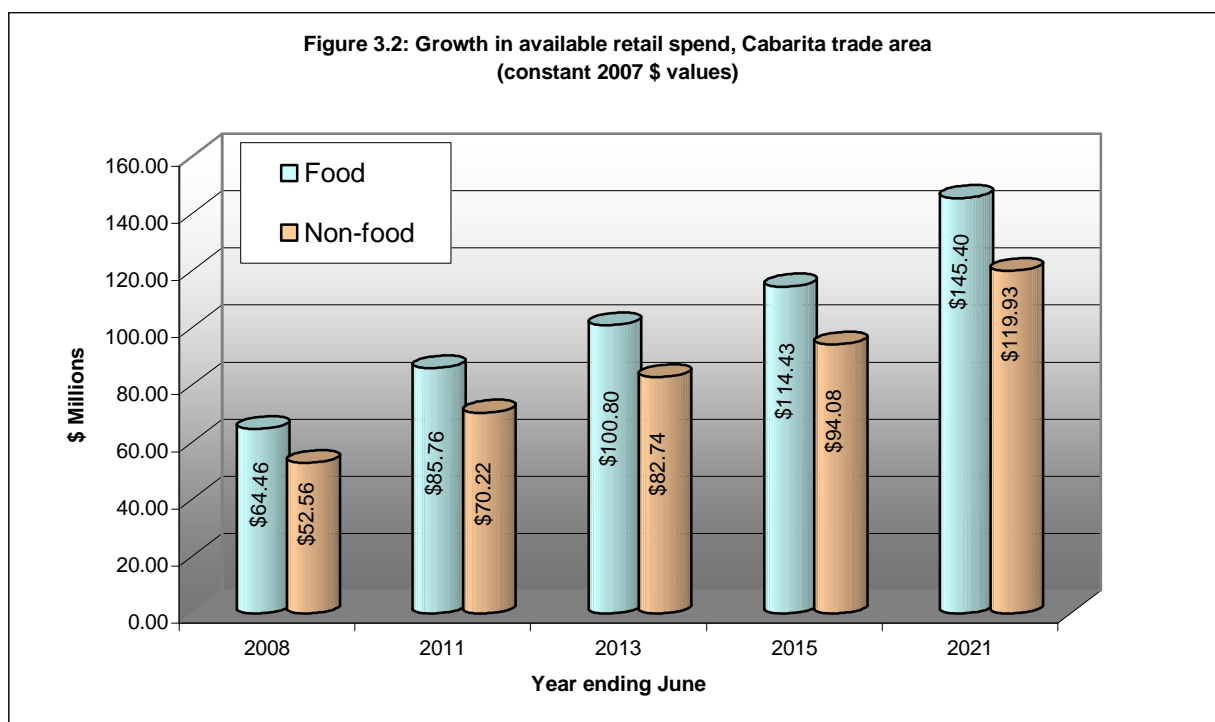


Table 3.4: Retail expenditure potential generated by Cabarita centre trade area households, 2008-2021 (June 2007 \$ values)

<i>Trade area and year ending June</i>	<i>Take home food (\$m)</i>	<i>Meals out take away (\$m)</i>	<i>Apparel (\$m)</i>	<i>Homewares/ services (\$m)</i>	<i>Total (\$m)</i>
2008					
Primary	11.22	3.68	2.52	9.47	26.89
Secondary north	13.06	4.15	3.88	10.60	31.69
Secondary south	24.37	7.98	5.48	20.61	58.44
Total trade area	48.65	15.81	11.88	40.68	117.02
2011					
Primary	11.95	3.92	2.68	10.09	28.64
Secondary north	23.81	7.57	7.08	19.32	57.78
Secondary south	29.01	9.50	6.52	24.53	69.56
Total trade area	64.77	20.99	16.28	53.94	155.98
2013					
Primary	12.40	4.07	2.78	10.48	29.73
Secondary north	32.18	10.23	9.57	26.11	78.09
Secondary south	31.58	10.34	7.10	26.70	75.72
Total trade area	76.16	24.64	19.45	63.29	183.54
2015					
Primary	12.86	4.22	2.89	10.86	30.83
Secondary north	40.05	12.73	11.90	32.50	97.18
Secondary south	33.57	11.00	7.55	28.38	80.50
Total trade area	86.48	27.95	22.34	71.74	208.51
2021					
Primary	14.54	4.77	3.27	12.29	34.87
Secondary north	58.35	18.55	17.35	47.35	141.60
Secondary south	37.05	12.14	8.34	31.33	88.86
Total trade area	109.94	35.46	28.96	90.97	265.33
Increase 2008–2011	16.12	5.18	4.40	13.26	38.96
Increase 2011–2015	21.71	6.96	6.06	17.80	52.53
Increase 2015–2021	23.46	7.51	6.62	19.23	56.82
Total	61.29	19.65	17.08	50.29	148.31

Source: Tables 3.1 and 3.3; Foresight Partners calculations

Retail expenditure potential generated by trade area households at June 2008 is estimated at \$117.0 million, which should increase to:

- \$156.0 million by 2011 (first full year of trading);
- \$183.5 million by 2013;
- \$208.5 million by 2015; and
- \$265.3 million by 2021.

Over the thirteen year forecast period to 2021, retail expenditure potential available from trade area households should increase by \$148.3 million in constant 2007 dollar values. Of this increase, some \$61.3 million will be for take home food.

No allowance has been made for inflation in forecasting future retail expenditure, as inflation does not create demand for retail floor space.

However, a 0.5% per annum increase in real spending potential has been factored into post-2008 expenditure estimates.

3.4 VISITOR MARKET

Visitors and visitor spending are a key part of Tweed's regional economy. The burgeoning supply of quality accommodation in the area, between Kingscliff and Cabarita, has made the Tweed Coast a major leisure hub and premier tourist destination. Tourism Research Australia data estimate that domestic overnight visitors spent over 1.7 million visitor nights in the Tweed Shire region (average annual for three years to June 2007). International visitors spent almost 200,000 visitor nights and approximately 830,000 day trips were made to the Tweed Shire region for the same period¹.

Tourism Research Australia data estimates total expenditure by international, domestic overnight and day visitors. At June 2007, expenditure by these visitors was as follows (June 2007 dollar values):

- \$21.5 million for international visitors (\$111 per night);
- \$160.1 million for domestic overnight visitors (\$94 per night); and
- \$65.6 million for day visitors (\$79 per night).

The top activities in the Tweed Shire region for international visitors were eating out, going shopping and going to the beach. In comparison, top activities for domestic overnight visitors included going to the beach, eating out and visiting friends and relatives.

The Tweed Coast is the epicentre of the region's growth. The maturation of the Salt Village development and Casuarina has effectively created a new coastal holiday centre. Within the Salt development alone, there are three resorts comprising Mantra on Salt (318 rooms), Peppers Resort and Spa (205 rooms) and Peppers Bale (41 apartments). In the neighbouring Casuarina development, tourist accommodation includes the Mainwaring Apartments (60 rooms) and Drift Villas (24 villas). Other recent developments include The Beach at Cabarita (57 apartments), The Beach Shacks at Casuarina (37 holiday homes), Drift Apartments in Casuarina (90 apartments) and Santai adjoining the Casuarina Town Centre (114 apartments).

¹ Tourism Australia: Tourism Profile for Local Government Areas in Regional Australia, New South Wales – Tweed Shire.

4 Centre performance, need and impact

This section sets out the likely performance and feasibility of the proposed retail centre and discusses its implications with respect to community need for the centre and its potential impacts upon the existing and future retail network.

4.1 CENTRE PERFORMANCE PROSPECTS

The proposed centre's future performance will depend, in part, upon its mix of retail and other uses, available pool of retail spending and future growth in spending potential.

4.1.1 Tenancy mix

The centre is likely to be anchored by a major chain supermarket (Coles or Woolworths), which will have some influence on the specialty shop tenancy mix and retail function of the proposed centre. The centre's mix of tenants expected will complement existing retailers in Cabarita, as well as expand the range of convenience shopping in the one location.

Table 4.1 sets out an indicative tenancy mix that would expand the choice and variety of supermarkets and specialty shops available as part of the centre area.

Table 4.1: Indicative tenancy mix, proposed Cabarita centre

<i>Shop type</i>	<i>Take home food (m²)</i>	<i>Meals out/ takeaway (m²)</i>	<i>Apparel (m²)</i>	<i>Homewares & services (m²)</i>	<i>Total (m²)</i>
Convenience Retail					
Supermarket	1,900			210	2,110
Butcher	100				100
Bakery	90				90
Takeaway/café/restaurants		420			420
Video				190	190
Homewares/gifts/florist				210	210
Hairdressers/beauty				70	70
Total convenience retail	2,090	420	-	680	3,190
Professional services					70
Total centre					3,260

Source: Foresight Partners.

The total centre's tenancy mix is strongly weighted to the take home food market at about 66% of its lettable area. Convenience-type homewares/services represent a further 21% of the total lettable area.

4.2 CENTRE MARKET SHARES AND TURNOVER FORECASTS

The centre's market shares have been formulated under the following assumptions:

- The primary area is compact with most households residing within a 1.5 kilometre radius from the subject site. We would therefore expect a very high market penetration from this area.
- It is assumed that a major supermarket will not appear in the Pottsville area with Cabarita presenting the nearest supermarket to secondary south area households, being closer than the existing supermarket in Kingscliff and the proposed supermarket in Casuarina Beach.
- The proposed supermarket in Casuarina Beach will be trading by 2011, limiting the market penetration of the secondary north area. As such, the proposed Cabarita development will draw only a small component of its sales from this area.

Table 4.2 below sets out our estimates of market shares and sales likely to be achievable by the proposed centre at 2011. It assumes that the 2,110 m² supermarket is accompanied by a number of take home food, café/restaurant and homewares/services specialty shops. (Note that approximately 210 m² of the supermarket space is allocated to the homewares/services commodity group in Table 4.1 to reflect its non-food merchandise). Overall, the centre is forecast to achieve sales of \$21.9 million (\$6,853/m²) at June 2011.

Figure 4.1 shows the origin of the centre's turnover at 2011 by trade area.

The centre is expected to draw just under half the take home food spending generated by primary area households and 25.4% of its retail market overall. It is also expected to draw a quarter (25.0%) of the secondary south's take home food spending and about 14.6% overall, which is not presently served by a major supermarket, nor is it likely to be in the future.

Only a small share of the secondary north's take home food spending (5.0%) is expected to be drawn to the Cabarita centre (3.3% overall market share) as a supermarket based centre is assumed to be trading in Casuarina Beach by 2011.

About 11.7% of the centre's sales (10% of take home food and homewares, 25% of meals out-take away) is expected to come from visitors to the area and others residing outside the defined trade area. The proposed supermarket anchored centre in Cabarita will have a large pool of visitor expenditure to draw upon.

As the secondary areas are geographically extensive due to the large Census Collector Districts, the market penetration across these areas is not likely to be uniform. It is expected to be highest in those parts of the secondary areas closest to Cabarita.

It should be noted that trade areas of existing and proposed supermarkets and centre are not mutually exclusive and they typically overlap. To highlight, the proposed Cabarita supermarket will draw some of its trade from Casuarina.

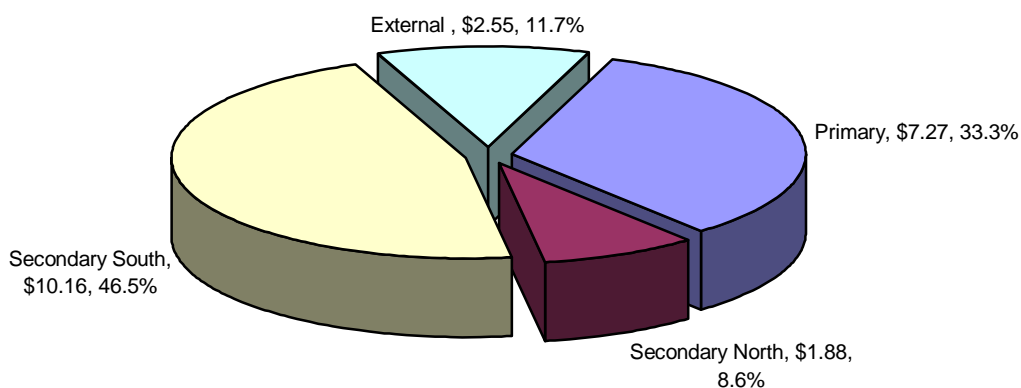
Similarly, the proposed Casuarina centre will also draw a part of its trade from Cabarita.

Table 4.2: Proposed Cabarita centre forecast market shares and retail turnover, June 2011 (June 2007 \$ values)

<i>Trade area</i>	<i>Take home food</i>	<i>Meals out/ takeaway</i>	<i>Apparel</i>	<i>Homewares & services</i>	<i>Total</i>
Retail floor space	2,090 m ²	420 m ²	–	680 m ²	3,190 m ²
Market shares	(%)	(%)	(%)	(%)	(%)
Primary	45.0	15.0	–	12.9	25.4
Secondary north	5.0	3.5	–	2.2	3.3
Secondary south	25.0	10.0	–	8.0	14.6
Total trade area	21.3	8.6	–	6.8	12.4
Resulting turnover	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)
Primary	5.38	0.59	–	1.30	7.27
Secondary north	1.19	0.26	–	0.43	1.88
Secondary south	7.25	0.95	–	1.96	10.16
Total trade area	13.82	1.80	–	3.69	19.31
External/rogue sales*	1.54	0.60	–	0.41	2.55
Total centre turnover	15.36	2.40	–	4.10	21.86
Productivity	7,349	5,714	–	6,029	6,853

*Assumes 10% of take home food and homewares/services, and 25% meals out-take away sales originate outside the defined trade area. Source: Tables 3.4; Foresight Partners estimates.

Figure 4.1: Origin of centre sales, 2011 (\$M)



Assuming the assigned market shares remain constant, i.e. no other major retail additions occur over the forecast period, the centre's sales would increase to:

- \$24.0 million (\$7,508/m²) by 2013;
- \$25.8 million (\$8,078/m²) by 2015; and
- \$30.0 million (\$9,389/m²) by 2021.

Table 4.3 sets out the detailed origin of sales for these years.

Table 4.3: Proposed Cabarita centre forecast retail turnover at June 2013 to 2021 (constant June 2007 \$ values)

<i>Trade area</i>	<i>Take home food (\$m)</i>	<i>Meals out/ takeaway (\$m)</i>	<i>Apparel (\$m)</i>	<i>Homewares & services (\$m)</i>	<i>Total (\$m)</i>
2013					
Primary	5.58	0.61	–	1.35	7.54
Secondary north	1.61	0.36	–	0.57	2.54
Secondary south	7.90	1.03	–	2.14	11.07
Total trade area	15.09	2.00	–	4.06	21.15
External/rogue sales	1.68	0.67	–	0.45	2.80
Total centre turnover	16.77	2.67	–	4.51	23.95
Productivity	8,024	6,357	–	6,632	7,508
2015					
Primary	5.79	0.63	–	1.40	7.82
Secondary north	2.00	0.45	–	0.72	3.17
Secondary south	8.39	1.10	–	2.27	11.76
Total trade area	16.18	2.18	–	4.39	22.75
External/rogue sales	1.80	0.73	–	0.49	3.02
Total centre turnover	17.98	2.91	–	4.88	25.77
Productivity	8,603	6,929	–	7,176	8,078
2021					
Primary	6.54	0.72	–	1.59	8.85
Secondary north	2.92	0.65	–	1.04	4.61
Secondary south	9.26	1.21	–	2.51	12.98
Total trade area	18.72	2.58	–	5.14	26.44
External/rogue sales	2.08	0.86	–	0.57	3.51
Total centre turnover	20.80	3.44	–	5.71	29.95
Productivity	9,952	8,190	–	8,397	9,389

Source: Table 4.2; Foresight Partners estimates.

The centre appears strongly reliant on sales generated by secondary south households, with 47% of the centre's sales originating from this area at 2011. Only about 33% of sales originate from the primary area. However, part of this is due to the Census Collector District boundaries, as residents in the western part of the secondary area (e.g. along Clothiers Creek Road to the Pacific Highway) are, effectively, part of the primary area.

4.3 IMPACT ANALYSIS

4.3.1 Economic impact defined

Economic impact stems from the probable reduction in retail turnover at existing shopping centres and retail areas attributable to the introduction of competitive development in the form of a new centre, or the expansion of an existing centre. The expected turnover generated by the new centre, or the additional turnover generated by centre extensions, represents the dollar impact on an area's retail network in the first full trading year in which it is introduced.

That is, once the new centre or centre extensions have been trading long enough to 'settle in' (usually a year), subsequent improvements in that centre's turnover performance cannot be considered as a further impact, as it is an established part of the retail network. It then becomes subject to the impacts of competitive strategies of other centres and/or the impacts of further new competition.

Dollar impacts are usually distributed among competitive centres and retail areas taking into account:

- the new or extended centre's size and function;
- the location of competitive centres or retail areas of comparable size and/or function;
- shopper access relative to competitive centres/retail areas;
- physical attributes of competitive centres and retail areas, such as age, design, situation (free-standing centre or part of a central business area), etc.

No universally accepted standards of impact exist (or are possible) as each retail market and retail development is different. A frequently used 'rule of thumb' is that an impact of 15% or more of turnover should be cause for concern. This concern is not about the impacts upon the profitability of affected centres and retailers, or about affording existing centres and retailers' protection from healthy competition or from changing market conditions.

The primary concern is to ensure that the premature or inappropriate introduction of a new centre or centre extension does not jeopardise the current or future delivery of a range of retail goods and services available in a variety of centre types and formats to the community.

This rule of thumb must be applied with considerable caution as each centre and trade area is different. For example, in stable or declining markets in many rural communities, impacts of 15% or more upon an existing centre or retail area would be cause for concern. There may be insufficient prospects for growth to ameliorate these impacts within a reasonable time period (usually about three years). Even then, the potential loss (or change of use) of existing retail facilities, which might consist of old or outdated floor space, must be

weighed against the replacement and improvement of retail facilities that a new development might bring.

Areas with high growth potential can absorb impacts on centre turnovers well above the 15% rule of thumb, usually with little difficulty. Growth in the pool of retail expenditure available to support all retail centres usually will quickly restore turnover initially lost to new competitive centres in such areas.

4.3.2 Amount and distribution of impacts

The proposed centre is forecast to achieve a total turnover of \$21.9 million at June 2011 and this amount represents the level of impact it will have upon the Tweed Shire retail network.

Estimates of the likely distribution or transfer of this \$21.9 million in impacts upon the network are shown in Table 4.4.

The \$21.9 million in sales transfers at 2011 are expected to come from the nearest centres offering supermarkets currently meeting the chore food shopping needs of trade area households.

Table 4.4: Transfer of sales, proposed Cabarita centre, June 2011 (June 2007 \$ values)

<i>Major supermarkets and centre</i>	<i>Sales transfers</i>	
	<i>(\$ million)</i>	<i>(%)</i>
Kingscliff Village (Woolworths)	5.47	25.0
Casuarina Beach (proposed supermarket)	6.56	30.0
Tweed Heads area (2 x Coles, 2x Woolworths, Action, Aldi, Bi-Lo)	4.37	20.0
Other convenience centres in trade area (7-2-7, IGA, Foodworks)	3.28	15.0
Other centres outside trade area	2.19	10.0
Total distribution	\$21.86	100.0

Source: Foresight Partners estimates.

The proposed Casuarina Beach shopping centre, which is to be anchored by a full-line supermarket, is expected to bear the single largest impact or transfers of sales at \$6.6 million. This centre will be the only other centre offering a full-line supermarket within the trade area.

Approximately 25% or \$5.5 million is likely to be drawn from Kingscliff Village, which is where most trade area residents would currently fulfil their chore food shopping.

Around \$4.4 million or 20% of the forecast turnover is expected to be transferred from the Tweed Heads area, which serves as the regional shopping centre and provides the highest order retail services to Tweed Shire residents.

Remaining impacts upon smaller convenience centres would be fairly dispersed over a number of centres and retail areas, with no single centre experiencing more than minor levels of impact.

It should be noted that the percentages shown in Table 4.4 represent the transfer of sales, not impacts. For example, the \$5.5 million in sales transfer

from Kingscliff Village to the proposed Cabarita shopping centre represents 25% of the total amount transferred from all competitive centres (\$21.9 million). The actual impact on Kingscliff Village of this \$5.5 million transfer would only represent a small percentage of that centre's total sales at 2011. It is estimated that Kingscliff Village should be achieving around \$60 million. The proposed \$5.5 million in sales transfers at 2011 would represent an impact of 9.5%, below the 15% benchmark noted earlier in section 4.3.1 and is of little concern given the growth prospects of the Kingscliff – Casuarina Beach – Pottsville area.

Should both supermarkets (Casuarina Beach and Cabarita) be trading by 2011, the Casuarina Beach shopping centre is expected to achieve sales of \$26 million. The proposed \$6.6 million in sales transfers would represent an impact of about 25%.

Remaining impacts on all other centres would be fairly dispersed over a number of centres and retail areas, with no single centre experiencing more than minor levels of impact. Therefore, the levels of impact should not affect the vitality, viability or functional role of the network of centres serving Tweed Shire.

4.3.3 Amelioration of impacts

Between 2008 and 2011, before the proposed centre completes its first year of trading, household retail expenditure available to all retailers should increase by about \$39.0 million to \$156.0 million (constant June 2007 dollar values). This increase allows existing retailers to improve their market positions in advance of the centre opening.

Between the proposed centre's first and fifth years of trading (2011–2015), available retail spending should increase by another \$52.5 million to \$208.5 million. This further increase in available spending should enable affected centres to recoup most of the impacts attributable to the Cabarita shopping centre within a year or two.

The likely exception is the proposed shopping centre at Casuarina Beach. About half of the \$6.6 million in sales transfers would originate from the trade area of the proposed Cabarita shopping centre. Impacts upon the Casuarina Beach centre would be ameliorated over time as the centre will benefit from growth occurring both within the Cabarita shopping centre's trade area as well as north of this area including Kingscliff, which would form part of the proposed Casuarina Beach centre's trade.

The ability of the proposed centre at Casuarina Beach to regain some of its sales sooner will depend in part upon its competitive response. However, population growth in the area indicates that there will be need for an additional two supermarkets. In practice, the introduction of both supermarkets may be staggered, which would help to ameliorate impacts.

In our opinion, levels of impact forecast are not sufficient to precipitate the failure of existing or future centres or retail areas in and near the defined trade

area, or threaten their functional roles and levels of service they currently provide to the community.

4.4 NEED AND DEMAND

4.4.1 Market size and growth

Our investigations and market assessment indicate that there will be sufficient market demand and growth potential within the defined trade area, which will generate the need for an additional two supermarkets over the forecast period.

With a major supermarket being the anchor tenant, the centre is expected to perform well, but not at the expense of jeopardising or degrading the functional roles of existing (and likely future) centres. The growth within the defined trade area will require additional retail facilities, and in particular, additional major chain supermarkets to service the needs of a growing area indicated by the following:

- The trade area is expected to experience significant growth increasing from an estimated 12,685 people in 2008 to 16,185 people by 2011. By 2021, the trade area population is expected to have more than doubled to 25,165 people.
- Forecast trade area retail expenditure in 2011 (the assumed first full year of operation) is \$156.0 million and is forecast to increase to \$208.5 million by 2015 and \$265.3 million by 2021, an increase of \$148.3 million over the forecast period.
- Trade area population and retail expenditure potential is sufficient to support at least two major supermarkets within the trade area over the forecast period.
- Our analysis indicates that in the Cabarita area, there is sufficient demand to warrant a 2,110 m² supermarket to serve the top-up and some of the chore food shopping needs of residents in Cabarita and the surrounding area.

4.4.2 Location

- The site is within the Business Precinct under the Tweed Shire Council's Locality Plan for the Bogangar/Cabarita Beach Community. It's current zoning and surrounding land uses indicate the proposed development is most appropriate for the site and would complement existing businesses within the 'General Business' area.
- The location of the site is on Tweed Coast Road, which is a main connection route between Kingscliff and Pottsville and has high exposure to passing traffic.

- The site is located close to the residential communities within the trade area making it a suitable and convenient location for the proposed development.

4.4.3 Function and impacts

- The lettable area of the proposed centre is about half the size of that of Kingscliff Village, and equivalent to only about 2% of the retail floorspace in the Tweed Heads area designated as the principal retail node. Its limited size gives the proposed Cabarita shopping centre a strong convenience orientation which will complement the much more comprehensive retail offering in the Tweed Heads area.
- Continuing population growth in the trade area will help ameliorate any impacts on centres currently servicing Tweed Shire residents with no levels of impact threatening the functional roles and levels of service the existing retail network currently provides to the community.
- The exception is the Casuarina Beach shopping centre, which should recoup lost sales within a few years of operation. Its ability to shorten the length of impacts would depend upon its competitive response.

4.4.4 Benefits

The proposed centre should also generate positive beneficial impacts, such as:

- providing trade area residents with greater choice and variety of shops and servicing offering a greater range and depth of convenience goods;
- promoting competition in price and service both within a larger Cabarita town centre and among other competitive centres;
- catering to a visitor market. The supermarket will cater to the convenience needs of overnight visitors and day visitors to the area;
- savings in travel time and costs. Having a better choice of convenience shops and services in a convenient and strategic location to its trade area will help shorten trips and reduce time spent travelling to centres further afield to make these types of purchases;
- ability to walk to the centre. Residential development surrounds the site, enabling residents and visitors to walk to the centre;
- creating local employment opportunities, particularly for younger workers. The proposed centre would be expected to generate the equivalent of approximately 120 employment opportunities for full-time, part-time and casual workers, based upon an average of one worker per 26 m² of neighbourhood shopping centre space (source: *Queensland Shopping Centre Industry*, Property Council of Australia, January 1999). Net employment gains, however, would be somewhat less as some jobs would be transferred from existing businesses and centres;

- short-term employment during the construction phase. Construction employment can be highly dispersed in terms of employee residential origins and therefore of benefit to the broader northern New South Wales economy, rather than specific to the trade area.

It is concluded that there is a need for the development and the impacts are evidently outweighed by the proposal's benefits to the community.