

West Byron Bay Urban Release Area

Retail and Commercial Demand Study

PREPARED FOR

Byron Bay West
Landowners Association

July 2010

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ABBREVIATIONS

The following abbreviations may be found in this report:

ABS	Australian Bureau of Statistics
ANZIC	Australia and New Zealand Industry Code
CBD	Central Business District
DDS	Discount Department Store
GLA	Gross Lettable Area
GST	Goods & Services Tax
HES	Household Expenditure Survey
LEP	Local Environmental Plan
LGA	Local Government Area
PTA	Primary Trade Area
SD	Statistical Division
STA	Secondary Trade Area

GLOSSARY OF TERMS

Net Selling Area: Net Selling Area (NSA) is defined as that area involved in the selling process comprising all areas that customers can go to, plus display cases, display areas and spaces around checkout counters. It excludes the back of house area, which is generally “out of bounds” for customers. To the best of our knowledge IBECON (which has now ceased trading) was the only retail economics consultancy that used NSA in its assessments.

Gross Leasable Area: Gross Leasable Area or Gross Lettable Area (GLA) is the common measure used for lease and for other descriptive purposes in retail centres and shops. It is usually defined as the total area of the lease and includes back of house, storage, offices and mezzanine levels but usually excludes loading docks and common mall spaces. GLA is more commonly used in the industry because it defines the area of the lease. Shopping centre owners report rents and turnover figures on the leased area and benchmarking is usually made on the GLA. For the purpose of Hill PDA's demand modelling all floor areas expressed are in GLA.

Gross Floor Area: Gross Floor Area is Gross Leasable Area plus common mall spaces (including amenities), centre management area and plant rooms. In a typical indoor centre with at least one department store and supermarket the GLA makes up around 72% to 75% of the GFA.

Retail Space or Retail Floorspace: For the purpose of the demand modelling Hill PDA have defined retail space as GLA used primarily for the selling of goods and certain services. Therefore, Hill PDA classifies retail space into the following types:

- Supermarkets and grocery stores;
- Specialty food stores such as bakeries, confectionary stores, tobacconists, butchers, seafood, liquor (take-away), etc;
- Take-away food stores;
- Cafes and restaurants;
- Department stores;
- Bulky goods stores (includes “Fabric and Soft Goods Stores, Furniture and Floor Coverings Retailers, Domestic Hardware and Houseware Retailing and Electrical Appliances Stores” as defined under ANZIC);
- Specialty non-food stores; and
- Selected Personal Services (defined under ANZIC to include hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos)

Excluded uses (which are generally excluded under ANZIC) are hotels, clubs, entertainment uses (e.g. cinemas, ice rink), automotive retailers, wholesaling businesses and non-retail commercial uses such as banks, travel agents, medical suites and real estate agents.

Commercial Space: Commercial space generally refers to any non-residential space used by business in employing people and producing goods and/or services. For the purpose of the modelling Hill PDA have used the term to refer to non-retail office use including travel agents, real estate agents, medical suites, government administration, financial services, business services, personal services, etc whether or not the space is shop front or not. Commercial spaces in commercial centres that are not shop front space are either in stand alone office buildings or above shop front space (shop-top).

Specialties: In the industry specialties generally refer to shop front premises that are less than 400sqm in size. For the purpose of this report specialties refer to all shop front premises that are neither supermarkets, department stores nor bulky goods. This includes non-retail shop front space and vacant shops.

Vacant Shop: Vacant shop refers to shop front space that is vacant. That space has been designed and constructed to accommodate a retailer but could equally be let to a non-retail commercial user such as a bank or real estate agent.

Shop Front Space: Shop front space is GLA that is occupied by retailers plus non-retail users that occupy shop front spaces (such as banks, travel agents, medical services, real estate agents, etc) and vacant shop front space.

1. EXECUTIVE SUMMARY

Introduction

Hill PDA has been commissioned by the Byron Bay West Landowners Association to carry out an economic and retail study for the West Byron Bay Urban Release Area. Given that the 108ha Release Area is currently being considered as a State Significant Site, this Study investigates the potential of the site to cater for retail and commercial land uses within the context of existing and proposed commercial centres in Byron Bay and its surrounds.

As there is currently no certainty as to what the population, or the final development yield, of the subject site will be, Hill PDA tested demand for retail and commercial services based on a range of population and site densities. As a result, Hill PDA has assumed:

- Between 55ha and 75ha of developable land will be available for residential developed;
- A range of 13 to 18 dwellings per hectare will be achieved on site; and
- 2.4 persons per dwelling.

Based on these assumptions, the following range of dwellings and resident populations result.

Table 1 - Development Yield and Population Assumptions to 2020

Developable Hectares	Total Dwellings			Total Population		
	13 dw/ha	15 dw/ha	18 dw/ha	13 dw/ha	15 dw/ha	18 dw/ha
55ha	715	825	990	1,544	1,782	2,138
65ha	845	975	1,170	1,825	2,106	2,527
75ha	975	1,125	1,350	2,106	2,430	2,916

The above table indicates the site could potentially be home to up to 3,000 residents upon full development.

Identification of Trade Areas

The definition of the Trade Area served by any shopping centre is determined by a number of factors including:

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

As a result of the above, Hill PDA deduced a local Trade Area which surrounds the subject site, stretching as far west as Pacific Highway, as far south as Bangalow Road, and includes those residents and workers north of Ewingsdale Road. The purpose of examining this Trade Area is to assess the demand for everyday

shopping needs of local residents and workers that may influence supermarket and specialty store demand on the subject site.

Demand for Retail Floorspace in the Local Ewingsdale Trade Area

New residents that locate on the subject site as part of the proposed development will create additional household expenditure that will be spent in retail. Whilst the character, mix, dwelling size, and dwelling type is still to be determined for the subject site, in order to calculate the number of new residents on site and their associated expenditure, Hill PDA has assumed:

- There is at least 55ha of developable land available for residential developed;
- A ratio of at least 13 dwellings per hectare, resulting in at least 715 households on site upon full development;
- 90% of households on site are fully occupied at any one time¹;
- An assumed household rate of around 2.4 persons per household; and
- In 2016 around half of the residential dwellings will be occupied, with the remainder to be occupied in 2020.

Based on the above, around 1,544 new residents will occupy the subject site upon full development.

Combining expenditure from residents (existing and future), tourists and workers, the Ewingsdale Trade Area will generate around \$39.3m of retail expenditure in 2012, increasing to \$53.4m in 2016 when the first residents move onto the site, and \$66.5m upon full residential development.

Table 2 - Total Forecast Expenditure in the Ewingsdale Trade Area (\$m2009)

Retail Store Type	2007	2012	2016	2020
Supermarkets & Grocery Stores	10.1	10.9	14.5	18.5
Specialty Food Stores	3.7	4.0	5.6	7.0
Take-away Food Stores	3.7	4.2	5.2	6.1
Restaurants, Hotels and Clubs*	4.4	4.8	6.1	7.3
Department Stores	2.6	2.8	4.2	5.4
Clothing Stores	1.6	1.7	2.2	2.3
Bulky Goods	4.2	4.5	6.6	8.6
Other Personal & Household Goods	5.2	5.6	7.5	9.6
Selected Personal Services**	0.7	0.7	1.4	1.7
Total Retailing	36.3	39.3	53.4	66.5

* Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling).

** Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos. Source: HillPDA estimates using data sourced from ABS Household Expenditure Survey 2003-04 and Marketinfo 2007.

Of the \$53.4m of expenditure in 2016, \$14.5m will be attributed to supermarket and grocery stores, \$5.6m to specialty food stores, \$5.2m to takeaway food stores and so on.

¹ Based on ABS statistics which indicate a proportion (around 10%) of dwellings are vacant at any one time.

Demand for Retail Floorspace in the Trade Area

Demand for retail floorspace is estimated from the application of target turnover rates to forecast expenditure figures. The following table shows demand for retail floorspace by the Ewingsdale Trade Area to 2020.

Table 3 - Ewingsdale Trade Area Demand for Retail Floorspace to 2020 (sqm)

Retail Store Type	Target Rate*	2007	2012	2016	2020
Supermarkets & Grocery Stores	\$ 9,000	1,123	1,210	1,607	2,054
Specialty Food Stores	\$ 7,000	534	577	797	1,003
Take-away Food Stores	\$ 7,000	535	594	742	872
Restaurants, Hotels and Clubs	\$ 4,000	1,092	1,206	1,523	1,816
Department Stores	\$ 3,500	736	789	1,206	1,548
Clothing Stores	\$ 5,000	323	346	446	467
Bulky Goods Stores	\$ 3,300	1,277	1,369	2,012	2,602
Other Personal & Household Goods	\$ 5,000	1,044	1,122	1,503	1,914
Selected Personal Services	\$ 2,800	245	262	507	622
Total Retailing		6,909	7,476	10,343	12,896

* Various sources including Urbis Retail Averages, ABS Retail Survey 1998-99 escalated at CPI to \$2007, Shopping Centre News, Hill PDA and various consultancy studies.

The table above indicates the Trade Area demands around 7,476sqm of retail floorspace in 2012, escalating to around 10,343sqm in 2016, and 12,896sqm in 2020. Of this, the Trade Area demands around 1,607sqm of supermarket floorspace in 2016, which will increase to demand for 2,054sqm of supermarket floorspace in 2020.

Assuming the majority of department store, bulky good store and other personal and household goods retailing leaves the Trade Area to the likes of Ballina and Byron Bay Town Centre, the above results indicate demand for around 3,850sqm of retail floorspace in 2012, increasing to demand for 5,176sqm in 2016 and 6,365sqm in 2020.

As a result, the 2,800sqm Byron Bay West Shopping Fair in Sunrise Beach (anchored by a 1,600sqm Supa IGA) is meeting the immediate everyday food and grocery shopping needs of the existing and future residents of the Ewingsdale Trade Area.

Only upon full residential development of the site (between 2016 and 2020), will demand for supermarket floorspace exceed supply. However, this margin will not be significant and will still allow for some supermarket trade to leave to higher order centres and retail close to the place of work.

Sensitivity of Results

The above results are based on around 1,500 new residents on the subject site. As it has been assumed new residents will not move on site until around 2016 and 2020, regardless of densities, demand up to 2012 will remain the same (around 7,500sqm). However, demand in 2016 and 2020 will change significantly dependent on the density of new residential development.

The following table shows the sensitivity of demand for retail floorspace in 2016 based on different yields.

Table 4 - Sensitivity: Ewingsdale Trade Area Demand for Retail Floorspace in 2016 (sqm)

Developable Hectares	13 dw/ha	15 dw/ha	18 dw/ha
55ha	10,343	10,625	11,048
65ha	10,676	11,009	11,509
75ha	11,009	11,394	11,970

The results indicate that the Trade Area could demand between 10,300sqm and 12,000sqm of retail floorspace in 2016. If densities on the site are increased to almost 3,000 residents upon full occupation, the Ewingsdale Trade Area could demand up to 16,300sqm of retail floorspace in 2020.

Table 5 - Sensitivity: Ewingsdale Trade Area Demand for Retail Floorspace in 2020 (sqm)

Developable Hectares	13 dw/ha	15 dw/ha	18 dw/ha
55ha	12,896	13,500	14,404
65ha	13,609	14,322	15,391
75ha	14,322	15,145	16,378

Notwithstanding this increased demand for retail, demand for supermarket floorspace will still not exceed supply until around 2020. A breakdown of this demand by retail store type is provided in Appendix 3.

Land Use Options

There may be an opportunity for a small scale cluster of specialty shops to satisfy new residents on site. However, it's unlikely to include a supermarket over and above a general store and a few associated specialty shops (e.g. bakery, newsagent).

For neighbourhood centres to trade sustainably they need to be one of two types (or a hybrid of the two). The two types of neighbourhood centres are the “walkable” centres and the “car based” convenience centres.

For “walkable” neighbourhood centres to trade sustainably they generally need to be located in the middle of fairly high density residential area. It is also preferable for them to be located at a public transport node such as a train station or bus stop. Many inner city areas provide a good context for successful walkable neighbourhood centres.

The viability of neighbourhood centres is also dependent on tenant mix. Preferably there should be a reasonable anchor (such as a 400sqm to 800sqm general store) and a mix of specialties. The size and affluence of the Trade Area are other important variables.

As a result, the following development options may be viable.

Table 6 - Neighbourhood Centre Options by 2020 (sqm)

Retail Store Type	Small	Medium	Large
General Store	150	400	800
Specialty Stores	400	800	1,200
Total Centre Size	550	1,200	2,000

Dependent on the location of such development, the risk associated with this option is the potential lack of available expenditure and passing trade, over and above surrounding residents. Should employment lands

be provided on site within walking distance (e.g. light industrial), the viability of the specialty stores would improve.

Apart from residential, retail and commercial land uses, it's recognised that the site could potentially include a range of other land uses including tourism and light industry. The latter being a result of preliminary investigations indicating that the west of the site may not be appropriate for residential given a range of constraints including flooding, odour and noise from adjoining industrial development.

It is recognised that Council's Economic Development Policy (10/003) outlines objectives and principles to foster and facilitate sustainable economic growth within the Byron Shire. Council has nominated a range of industries and activities which 'foster the prosperity of the Shire through sustainable job creation while in keeping with Council's environmental and cultural ethos'. Light industrial land on the subject site may be suitable for some of the targeted industries nominated in the Policy, specifically creative industries and tourism.

In addition to conventional employment land uses, the site may also be appropriate for fostering home-based businesses. There is evidence that the proportion of home based employment is continuing to increase under the combined influences of existing firms encouraging employees to increase the proportion of time they spend working at home, and the 'out sourcing' of services by many larger firms. Both are creating opportunities for home based businesses.

Economic Impact of Proposed Retail Uses

Hill PDA has assumed that a neighbourhood centre on the subject site will trade at or above industry benchmark levels and above financially sustainable levels. Applying a target turnover rate of \$9,700/sqm for the general store and \$5,900/sqm for specialties, Hill PDA estimates a neighbourhood centre will turnover between \$3.8m and \$14.8m upon its first full year of trade (assumed to be by 2020) dependent on the quantum of floorspace developed.

Assuming development consent is granted, the increase in retail turnover will be captured from competing centres. Assuming a 550sqm neighbourhood centre is provided by the year 2020, the increase in retail turnover of \$3.8m will be captured from existing retailers both within and outside the local Ewingsdale Trade Area. For example \$2.0m will be drawn from existing retailers in Byron Bay Town Centre and \$1.1m from Byron West Shopping Fair and so on.

Similarly, the increase in retail turnover of \$14.8m from the provision of a 2,000sqm neighbourhood centre will again be captured from surrounding retail centres. For example \$5.5m will be drawn from existing retailers in Byron Bay Town Centre, \$7.9m from Byron West Shopping Fair and so on.

However, these negative impacts (redirection of turnover from other centres) are immediate and do not consider growth in expenditure over time as a result of demographic trends, household growth and increasing affluence. Therefore, the immediate negative impacts are lessened by real growth in turnover from 2007 to 2020. By 2020 each centre will experience an increase in turnover.

The results indicate that the impact of developing a neighbourhood centre on the subject site, to either existing retailers in the local Ewingsdale Trade Area or the larger Byron Bay Town Centre, are negligible.

Impact on Surrounding Centres

The closest supermarket based centre to the subject site is the 2,800sqm Byron Bay West Shopping Fair on Bayshore Drive in Sunrise Beach. The centre is around 600m north of the intersection of Bayshore Drive and Ewingsdale Road and includes a 1,600sqm Supa IGA. Whilst the centre fulfils the everyday and top-up shopping needs of the surrounding residents, given the close proximity of the centre to the subject site, its likely the everyday shopping needs of any future residents on the subject site will also be met by this centre.

Notwithstanding this, expenditure modelling within this report shows that whilst there is no immediate need for an additional supermarket based shopping centre within the Trade Area, there is enough demand to warrant a small neighbourhood centre on the subject site.

As outlined and discussed in Section 7 of this report, whilst there are 2 supermarkets located within Byron Town Centre being Woolworths and Green Garage, there is the perception that local residents will avoid travelling into Byron Bay unless necessary. This is a function of the tourism focus of its retail provision, limited ancillary parking provision, poor road accessibility, geographic constraints and their small scale. Hence a significant number of shoppers will travel to alternative locations to shop. As a result, its likely Sunrise Beach is already capturing some trade from outside the local Ewingsdale Trade Area. Therefore the proposed neighbourhood centre needs to be convenient which means sufficient parking spaces and rapid access times.

It's recognised that workers in the existing Byron Arts & Industry Estate north of Ewingsdale Road benefit from retail provision on in Sunrise Beach. Whilst the subject site is still in a preliminary concept design stage, should additional employment land (e.g. light industrial) be provided on the subject site additional worker expenditure will be available to retail provision within the local Ewingsdale Trade Area.

It should be recognised that some retail spend will still escape the Trade Area to higher order centres given the lack of any department or discount department store in the Byron Shire. With department store expenditure, will go a portion of supermarket and other expenditure as residents perform dual trips.

Notwithstanding the merits of the development, Hill PDA has identified that there will be a capture in trade of \$3.8m to \$14.8m initially from existing retailers within Sunrise Beach and Byron Town Centre. In terms of assessing economic impacts, previous court judgements such as "*Fabcot Pty Ltd v Hawkesbury City Council (97) LGERA*" and "*Cartier Holdings Pty Ltd v Newcastle City Council and Anor [2001] NSWLEC 170*" have provided some guidance on relevant issues. The Land & Environment Court has stated that Councils should not be concerned about competition between individual stores as this is a matter of fair trading. It should however concern itself with impact on established retail centres.

In applying this principle to the subject site the conclusion is that the overall impact will be net positive. Whilst the redirection of turnover from other surrounding retail centres to the subject site will cause an immediate negative impact, the combined impact of:

- real growth in spend per capita;
- residential population growth; and
- proposed retail development on the subject site

will result in all surrounding retail centres enjoying some growth in turnover over time. By 2020 every centre will experience an increase in turnover. A neighbourhood centre of 550sqm to 2,000sqm will meet only 14% to 33% of growth in demand between 2012 and 2020. The remainder of this growth will be captured by surrounding and existing retail centres.

Economic Benefits of the Proposal

Other benefits of the proposal relate to:

- Construction Related Employment - The proposed development will generate employment in two ways – through construction and through retail and commercial operations. It is estimated that one full time construction position for 12 months is created for every \$178,900 of construction work undertaken.
- Economic Multipliers during Construction - The construction industry is a significant component of the economy. The industry has strong linkages with other sectors, so its impacts on the economy go further than the direct contribution of construction. Multipliers refer to the level of additional economic activity generated by a source industry.
- Contribution to Employment - A neighbourhood centre of between 550sqm and 2,000sqm provide between 20 and 78 full time and part time jobs post completion in retail operations. Additional jobs could be provided through the provision of light industrial on site, or through the allowance of home based business within the residential zones.
- Contribution to Dwelling Targets - The site will contribute between 700 and 1,350 dwelling units, contributing to Byron Bay's overall dwelling targets of an additional 2,600 dwellings by 2031 as indicated in the Far North Coast Regional Strategy.
- A Mix of Housing Options - Compared to Byron Bay, the suburb of Ewingsdale and its surrounds has a low proportional supply of units and townhouses, which combined with the increasing price of apartments and homes along the coast, indicates the need for both a larger proportion of smaller dwellings and a need to enhance the mix of housing options.
- Improved Retail Offer and Increased Competition - The retail element of any new development on the subject site would be likely to attract new retailers to this part of Byron Shire, providing an improved range of goods and services for local residents.
- Investment Stimulus - Where a major property investment decision has been made it is generally viewed as a strong positive commitment for the local area. Such a major investment will in turn stimulate and attract further investment to the immediate area.

2. INTRODUCTION

2.1 West Byron Bay Urban Release Area

The West Byron Bay Urban Release Area is located within the Byron Shire, around 180km south of Brisbane and around 800km north of Sydney. The Shire is within the Northern Rivers Region which extends from Tweed Heads, south to Grafton and inland to the upper reaches of the Clarence River. The West Byron Bay Urban Release Area is located to the south of Ewingsdale Road around 3km west of the Byron Bay Town Centre and directly to the south of the Byron Arts & Industry Estate.

It's understood the site was declared a potential State Significant Site in September 2009. State Significant Site Study Requirements were subsequently issued to investigate around 108ha of land for rezoning to residential, commercial, tourism and environmental protection uses. With regard to retail and commercial land uses, the Key Assessment Requirements require:

Any proposed commercial land uses should be considered and justified in context of existing and proposed commercial centres in the surrounding areas.

The implementation of these new zones will occur after the urban design phase is completed. The approximate site location is shown on the following map.

Figure 1 - West Byron Bay Urban Release Area



Source: NSW Government Gazette No. 143

2.2 Study Brief and Methodology

Hill PDA was commissioned by Byron Bay West Landowners Association to carry out an economic and retail study for the West Byron Bay Urban Release Area. Given that the Release Area is currently being considered as a State Significant Site, this Study investigates the potential of the site to cater for retail and commercial land uses within the context of existing and proposed commercial centres in Byron Bay and its surrounds. More specifically, the objectives of the project are to:

- Identify current supply levels of commercial and retail services including retail character and mix for the Byron Bay area and its surrounds;
- Consider local and state government population growth policies to forecast demand for additional commercial and retail floorspace land use areas, so as to meet the needs of the existing and future residents of Byron Bay and its surrounds;
- Quantify the area and type of new retail floorspace that is supportable in the West Byron Bay Urban Release Area;
- Consider the impacts (if any) of retail and commercial in the West Byron Bay Urban Release Area on existing surrounding retail centres; and
- Identify any other economic considerations and merits such as direct and indirect employment generators.

New residents that locate on the subject site as part of the proposed development will create additional household expenditure that will be spent in retail. As there is currently no certainty as to what the population, or the final residential development yield, of the subject site will be, Hill PDA has tested demand for retail and commercial services based on a range of population and site densities.

As a result, Hill PDA has assumed:

- Between 55ha and 75ha of developable land will be available for residential developed.
- A range of 13 to 18 dwellings per hectare will be achieved on site.
- 2.4 persons per household.
- 90% of households on site are fully occupied at any one time².
- In 2016 around half of the residential dwellings will be occupied, with the remainder to be occupied in 2020.

Based on the above the following range of dwellings and subsequent populations will result on site.

Table 7 - Development Yield and Population Assumptions upon Full Development

Developable Hectares	Total Dwellings			Total Population		
	13 dw/ha	15 dw/ha	18 dw/ha	13 dw/ha	15 dw/ha	18 dw/ha
55ha	715	825	990	1,544	1,782	2,138
65ha	845	975	1170	1,825	2,106	2,527
75ha	975	1125	1350	2,106	2,430	2,916

² Based on ABS statistics which indicate a proportion (around 10%) of dwellings are vacant at any one time.

Apart from residential, retail and commercial land uses, it's recognised that the site could potentially include a range of other land uses include tourism and light industry. The latter being a result of preliminary investigations indicating that the west of the site may not be appropriate for residential given a range of constraints including flooding, odour and noise from adjoining industrial development. At this early stage, it's anticipated that the light industrial area will provide for local employment opportunities. As this type of land use is not yet confirmed the impact of such on retail and commercial on site has not yet been considered.

2.3 Limitations

This report is for the confidential use only of the party to whom it is addressed (the client) for the specific purposes to which it refers. We disclaim any responsibility to any third party acting upon or using the whole or part of its contents or reference thereto that may be published in any document, statement or circular or in any communication with third parties without prior written approval of the form and content in which it will appear.

This report and its attached appendices are based on estimates, assumptions and information sourced and referenced by Hill PDA. We present these estimates and assumptions as a basis for the reader's interpretation and analysis. With respect to forecasts we do not present them as results that will actually be achieved. We rely upon the interpretation of the reader to judge for themselves the likelihood of whether these projections can be achieved or not.

As is customary, in a report of this nature, while all possible care has been taken by the authors to prepare the expenditure and financial models from the best information available at the time of writing, no responsibility can be undertaken for errors or inaccuracies that may have occurred both with the programming or the financial projections and their assumptions.

3. PLANNING & POLICY CONSIDERATIONS

The purpose of this Chapter is to identify those policy directions which impact on retail and commercial land uses within the Byron Shire and particularly which could influence retail and commercial land uses on the subject site. Assumptions regarding rates of population or dwelling growth, centre size (floorspace), retail hierarchy, and anticipated worker populations are of particular significance.

3.1 Far North Coast Regional Strategy (2006-2031)

The Far North Coast Regional Strategy (2006-2031), as developed by the NSW Department of Planning, sets out the long term goals and strategies for the region over a 25 year planning period. The Strategy covers the local government areas of Ballina, Byron, Kyogle, Lismore, Richmond Valley and Tweed.

The Strategy recognises that the population in the Far North Coast is likely to increase by 60,400 persons from 2006 to 2031. Accordingly, to accommodate future housing growth the Strategy sets a target of an additional 51,000 dwellings to be distributed across the Region to 2031. These dwelling targets are outlined in the table below.

Table 8 - Far North Coast Local Government Area Dwelling Targets to 2031

LGA	Existing Dwellings (2006)	Total Dwellings (2031)	Additional New Dwellings to 2031	% Growth Per Annum
Ballina	16,720	25,120	8,400	1.64%
Byron	13,090	15,690	2,600	0.73%
Kyogle	4,110	7,110	3,000	2.22%
Lismore	17,640	25,640	8,000	1.51%
Richmond Valley	8,710	18,610	9,900	3.08%
Tweed	34,650	53,750	19,100	1.77%
Total	94,920	145,920	51,000	1.73%

Source: Far North Coast Regional Strategy 2006-2031

More specifically, Byron Shire will account for 2,600 new dwellings (5% of total dwellings) between 2006 and 2031, equivalent to around 0.73% growth per annum. Of the remainder, Tweed will provide 19,100 new dwellings (37%), Richmond Valley 9,900 dwellings (19%) and Ballina 8,400 dwellings (16%).

Furthermore, the Regional Strategy aims to achieve an appropriate mix of future housing that reflects the Region's needs. Of all new dwellings, 60% will be single detached dwellings and 40% multi-unit dwellings within the Town and Village Growth Boundaries.

An additional 32,500 jobs will also be required to support the projected population growth in the Region.

3.2 Draft Standard LEP and DCP

In 2006 the NSW State Government commenced a series of new planning reforms to improve the NSW Planning System. As a result, Byron Shire Council is required to prepare new land use and development requirements for all land within the Shire. The new Shire wide LEP and DCP will replace the existing Byron LEP (1988) and all other current DCPs (including DCP 2002).

Council's Draft LEP is supported by the 2008 Byron Shire Local Environmental Study (LES) completed by Parsons Brinckerhoff. Council adopted the LES and endorsed the Draft LEP in 2008. It is understood the Draft LEP is currently being amended based on comments from the NSW Department of Planning and an internal Council review of environmental mapping and LEP mapping. Following this, the Draft Plan will be sent to the Department for authorisation to exhibit. Whilst the timing for gazettal of the Draft LEP is unknown, it is understood that the Department would like the new LEP to be implemented in 2011.

The Shire-wide DCP will support the new LEP by providing more detailed standards for certain types of development, development in certain locations and development in areas affected by hazards or constraints. It is anticipated that the Draft DCP will be publicly exhibited for comment at the same time as the Draft LEP.

3.3 Byron Development Control Plan (2002)

Byron Shire Council has prepared a number of development control plans (DCP's) which provide specific detailed objectives and development controls relating to land uses within the Byron Shire. Byron DCP (2002) identifies detailed development controls for residential, rural residential, commercial and industrial uses, as well as bushfire areas, erosion-prone areas and flood-labile land.

Part D – Commercial Development of the DCP provide controls and guidelines for business and commercial development within Byron Shire. The objectives of which are to:

- a) *Encourage commercial development which will enhance the appearance and functions of commercial and retail areas within the Shire, and reinforce the natural sub-tropical tourist image of the centres;*
- b) *Provide a high standard of innovative architectural and landscape design that fits into the context of, and is sensitive to, the existing surrounding locality particularly any adjoining residential or open space areas, and that enhances Byron Shire's environmental integrity;*
- c) *Encourage the creation of effective and attractive malls, arcades, outdoor eating and other pedestrian areas;*
- d) *Encourage development that makes appropriate use of the Shire's favourable climatic conditions;*
- e) *Ensure optimum use of existing social, transport and other infrastructure by encouraging development close to existing infrastructure, lessening the need for motor vehicle trips, and encouraging pedestrian and bicycle mobility;*
- f) *Ensure that adequate provision is made for vehicular movement and car parking in and around commercial and retail areas;*
- g) *Encourage economic development and the creation of employment opportunities within the Shire;*
- h) *Promote an acceptance of people as individuals, and to facilitate their access to a fair and equal opportunity to participate fully in community life; and*
- i) *Provide for affordable residential development in the town centre without detracting from the viability of the commercial/retail sector.*

3.4 Byron Shire Local Environmental Study (2008)

It is understood Byron Shire Council engaged Parsons Brinckerhoff to prepare the Byron Shire Local Environmental Study (LES). The LES is an assessment of the environmental, social and economic issues relevant to the review of land use controls in the Byron Shire.

The Study examined the characteristics and constraints of all land in the Shire and formed the basis for land use zoning and provisions in the Draft LEP. The Study recognised the characteristics and restrictions of the demographics of the population, and provided an assessment of these issues against relevant land use controls.

When considering retail issues, the 2008 LES relied on a 2003 IBECON Retail Study (see Section 4.6 below). The LES provides a brief synopsis of the 2003 study, highlighting that there was an undersupply of both supermarket floorspace and non-food retailing in the Shire. The LES also noted that additional amounts of non-food retailing could be provided in a discount department store (with associated specialties); however, there were no suitable site within Byron Bay Town Centre to accommodate such a development.

The 2008 LES indicates that since the preparation of the 2003 Retail Study there has been an additional 1,800sqm of supermarket floorspace and around 2,000sqm of other retail floorspace provided in Byron Shire.

The major potential constraints of the site as identified by the LES included flooding, drainage, vegetation, habitats and bush fire. The LES notes that the site is the only land release area identified by Council and the Department of Planning to meet the housing needs of Byron Bay over the next 25 years. Overall, the economic implications are considered positive and there is a demand for affordable residential development in Byron Bay.

3.5 Byron Bay Retail Assessment (2003)

Whilst the 2003 IBECON Byron Bay Retail Assessment was not officially adopted by Council, the main findings of the report which informed the 2008 Byron Shire LES included:

- Retail sales per capita increased by around 2.9% in real terms (above the national average of 2-2.5%) in the 10 years to 2002/03. This can be partly attributed to a strong growth in tourism.
- 68% of the total retail spend available from Byron Shire is retained in the Shire. Net escape spending is the equivalent of 25% of total spending generated within the Shire. Most of this is spent in non-food categories.
- There is an undersupply of retail floorspace resulting in high trading levels.
- Just over 7% of the total retail spend within the Shire is generated from people shopping at or near their workplace. Most of this is within the three areas of Byron Bay, Suffolk Park and Mullumbimby.
- Retail in Byron Shire is substantially more dependent on tourists than residents when compared to the neighbouring LGA's of Ballina, Lismore, Tweed and the Gold Coast. 58.5% of total retail spend comes from Shire residents, 7% from workers and 34.5% from tourists.

- In 2003, there was an undersupply of supermarket floorspace in the Byron Bay Town Centre, Suffolk Park, Byron Bay Industrial West, Ewingsdale and Byron Bay South Trade Area. At that time, demand was sufficient to warrant another full-line supermarket in the Sub-Region, either in Suffolk Park or the southern end of the Byron Bay Town Centre.
- Combined, demand in Ewingsdale, Bangalow and Byron Bay indicated that there was scope for additional local and convenience retailing at either Bangalow or Ewingsdale.
- There would be scope in Byron Shire for the provision of additional non-food retail floorspace, such as a discount department store and associated specialty shops.
- By the year 2021, there would be sufficient demand in the Shire for a Sub-Regional Centre³.

3.6 Byron Bay, Suffolk Park and Ewingsdale Local Environmental Study (2004)

In 2003, Council resolved to prepare a new Byron Bay Area LEP for Byron Bay, Suffolk Park and Ewingsdale. As a result a Byron Bay, Suffolk Park and Ewingsdale LES was prepared by Council in 2004. It assessed the environmental, social and economic issues relevant to the review of land use controls in the aforementioned study area.

Following the exhibition of the Draft Byron Bay Area LEP, Council was instructed by the NSW Department of Planning to prepare a Shire-wide LES and LEP. As a result, Council formally abandoned the Draft Byron Bay Area LEP process in 2006.

3.7 Byron Shire Community Economic Development Policy (10/003)

The purpose of the recently adopted (June 2010) Community Economic Development Policy is to clearly demonstrate Council's commitment to a next-generation sustainable economy that:

- a) Encourages the use of locally-grown, manufactured or value added products;
- b) Values all the human and natural resources of the Shire;
- c) Transitions the Shire to become a resilient local economy in the Northern Rivers region;
- d) Encourages economic activity and decision-making to be carried out in a socially and environmentally responsible and accountable manner; and
- e) Pursues and achieves desired social, environmental and economic benefits.

Of relevance to the provision of retail, commercial, and employment lands on the subject site are the goals and objectives of the Policy to recognise and facilitate the provision of the underlying requirements for sustainable economic growth within the Byron Shire:

³ Property Council of Australia: a shopping centre with a gross lettable area (GLA) of 10,000sqm to 30,000sqm.

- Promote and support the diversity of creative endeavour within the Shire;
- Marshall and utilise existing resources and encourage skill enhancement;
- Nurture start-up micro, home based and small business; and
- Encourage businesses to operate in a socially and environmentally responsible manner.

The Policy indicates that Council supports appropriate economic activity, investment, work and employment opportunities, in harmony with its ecological and social goals. Furthermore, Council encourages a broader based economy building on the success of the Shire’s existing business activity and attracting prospective businesses in compatible economic markets/ or industries. As a result, Council has nominated a range of industries and activities which ‘*foster the prosperity of the Shire through sustainable job creation while in keeping with Council’s environmental and cultural ethos*’, including:

- | | |
|-----------------------------|--------------------------------|
| ▪ Agriculture and food | ▪ Green industry |
| ▪ Building and construction | ▪ Health and natural therapies |
| ▪ Creative industries | ▪ IT and Communications |
| ▪ Eco-forestry | ▪ Tourism |
| ▪ Education | |

3.8 NSW Draft Centres Policy – Competition and Choice

The provision of additional retail floorspace can generate significant economic and employment benefits in support of state and regional economic objectives. Additional retail provision can also have significant social benefits by providing the consumer with a wider range of better quality and better priced goods and services.

The sensitivity of Australian households to retail prices is particularly acute given that Australian’s spend a large proportion of their income on basic grocery items. Coupled with the pressures of the economy, Australian’s have been experiencing an increase in basic grocery prices over the past five years. In fact the rate of grocery price increases has been significantly greater (an estimated 6%⁴) than the headline Australian inflation rate and shows no present signs of abatement.

An ACCC Inquiry identified the ‘*very significant barriers to entry for large-format, one stop shop supermarkets*’ as a prominent issue. The identified barriers included:

- Access to retail units within shopping centres owing to restrictive provisions on centre leases;
- Tactics applied by major retailers to protect their interests against prospective retail developments; and
- Access to suitable development sites owing to land use zones.

To address the matter of access to sites for the retail industry, the inquiry recommended that governments across Australia looked at new ways to incorporate competition into planning decisions. It stated that

⁴ Urbis Retail Perspectives, June 2009

*“Particular regard should be had to whether the [development] proposal will facilitate the entry of a supermarket operator not currently trading in the area”.*⁵

In response to the planning recommendations provided by the ACCC Inquiry and the current economic climate, the NSW Department of Planning prepared and released the Draft Centres Policy for commercial and retail development in NSW.

The policy was released in April 2009 recognising that the market is best placed to determine the need for development and the supply of available floorspace to accommodate demand. The role of the planning system is to accommodate this need whilst regulating its location and scale.

In light of these fundamental principles, the Draft Centres Policy focuses around six key principles. The principles relate to:

1. The need to reinforce the importance of centres and clustering business activities;
2. The need to ensure the planning system is flexible, allows centres to grow and new centres to form;
3. The market is best placed to determine need. The planning system should accommodate this need whilst regulating its location and scale.
4. Councils should zone sufficient land to accommodate demand including larger retail formats;
5. Centres should have a mix of retail types that encourage competition; and
6. Centres should be well designed to encourage people to visit and stay longer.

The Draft policy has been publicly exhibited; the Department of Planning has reviewed public submissions and in April 2010 issued a review report indicating the direction the policy may take. The formal release of the revised document is imminent.

⁵ Report to the ACCC Inquiry into the Competitiveness of Retail Prices for Standard Groceries, July 2008, Australian Competition and Consumer Commission (Page xix)

4. ANALYSIS OF LAND USE TRENDS

Over the past three decades significant changes have occurred in the retail industry such as the introduction of new technologies, the ageing of the population, increased female participation in the workplace and changing consumer preferences. These changes have placed increased pressure on many existing retail centres to either adapt or lose market share.

In the 1980s, Australian retail floorspace totalled approximately 1.8sqm per person (excluding commercial space and automotive retailing), which was roughly divided into equal components of regional, district and neighbourhood/local centres. Today we have around 2.1sqm per capita due to increasing affluence and consumerism.

The retail industry's innovative nature is driven largely by the need to respond to, and anticipate, its customers' needs and desires. Changing demographics and lifestyles require individual retailers and shopping centres to constantly monitor these often subtle shifts and respond by repositioning their retail on offer, presentation and mode of operation. The factors that are driving the changing face of retailing in Australia are described as follows:

- The increase in the proportion of working women - in 2006 48.3% of the Byron Shire labour force were women, compared to 44.7% in 1996.
- The increase in the proportion of part-time and casual employment and the reduction in full-time employment – in 2006 47.8% of Byron Shire workers were employed in full-time positions, compared to 53.4% in 1996. Similarly, in 2006, 44.3% of workers were employed in part-time positions, compared to 39.2% in 1996.
- The reduction in the proportion of households that match the 'traditional family' model and an increase in the number of single persons and single parent households - in Byron Shire family households represented 59.4% of total households in 2006. By comparison, family households represented 65.1% of households in 1996.
- Increasing household incomes, mainly driven by double income households – the median weekly household incomes in Byron Shire have increased from \$450/week in 2006 to \$744/week in 2006. The proportion of households earning more than \$2,000/week has increased from 0.8% in 1996 to 5.8% in 2006.
- The ageing of the population - Byron Shire's median age has increased from 36 years of age in 1996 to 41 years of age in 2006. It is forecast to be 45 years of age by 2036.

In particular economic rationalism over the past three decades has resulted in increasing household income disparity. Today there are many families with high disposable incomes and many families that struggle in poverty. Families are typically cash-rich / time-poor or time-rich / cash-poor. Very few families are both time-rich and cash-rich, which provides interesting challenges for the retail industry.

Population growth, rising real disposable incomes and innovation and change within the retail industry have underpinned a rapid increase in the supply of retail floorspace throughout Australia. Population growth and increasing levels of disposable income have provided the means to support new retail development, but it is the innovative nature of the industry itself that has generated major increases in more and larger centres.

Without a doubt the 'Global Financial Crisis' has had an impact on the Australian retail property market in the past couple of years. The period from late 2007 to 2009 was characterised by weaker consumer sentiment and poor leasing and investment markets (i.e. weak income and capital returns). This trend was common to most commercial markets nationwide.

The Federal Government's stimulus package in 2009 was successful in reversing the downward trend in retail expenditure. There are now clear signs that consumer sentiment is improving on the back of a strengthening economy, with a slow and steady recovery now underway.

The long term trends of rising affluence, consumerism and technological change are likely to ensure that retail expenditure will continue to increase over the long term owing to real growth in retail spend per capita. The current economic climate is viewed as a short term condition rather than a long term one. In the future it is inevitable that there will be periods of economic growth and adjustment.

Recent retail trends and their implications are explained further below.

4.1 Greater Size and Diversification

Traditionally retailing has followed a hierarchy from regional through district to small neighbourhood centres. In the 1950s Australia's first planned suburban shopping centres replaced the traditional strip centres that had built up around railway stations. The ample, off-street parking and shopper amenity offered by these new enclosed malls appealed to customers, especially as motor vehicle usage increased and became more widely affordable. The first of these suburban centres to open was in Top Ryde in 1957.

The introduction of the discount department store in the mid 1960s spawned a wave of new centre development and expansion, which continued throughout the 1970s and early 1980s. In the late 1980s and early 1990s, retail innovations such as food courts, in-centre cinemas, family entertainment centres, library, medical and other services and larger supermarkets further fuelled increases in centre size and numbers.

Regional centres of more than 60,000sqm of floorspace began to evolve during this time. These centres generally incorporated a department store, large major tenants and supermarkets. Roselands was the first of these to be built in 1965. Today there are a significant number of indoor centres in NSW and Queensland with retail floor areas over 30,000sqm.

The closest regional shopping centre⁶ to Byron Bay is the Tweed City Shopping Centre (40,500sqm). There are also a number of sub-regional shopping centres⁷ within the vicinity of the subject site such as Ballina Fair (15,500sqm), Ballina Central (13,500sqm), Centro Tweed (18,500sqm), Lismore Shopping Square (22,000sqm), Grafton Shoppingworld (34,000sqm), and the Pines Shopping Centre (31,055sqm in Elenora, Queensland).

Somewhat later super-regional centres developed in metropolitan areas comprising both a David Jones and a Myer department store and having a total floor area of more than 100,000sqm. There are now 8 such centres in NSW being in Erina, Parramatta, Hornsby, Macquarie Park, Castle Hill, Miranda, Warringah and Bondi

⁶ Total gross lettable area retail ranges between 30,000sqm and 50,000sqm

⁷ Total gross lettable area retail ranges between 10,000sqm and 30,000sqm

Junction. In Queensland, there are 5 shopping centres with floor areas greater than 100,000sqm – Westfield Chermside (144,363sqm), Westfield Carindale (114,930sqm), Myer Centre Brisbane (111,783sqm), Pacific Fair (106,393sqm) and Westfield Garden City (101,046sqm). Pacific Fair at Broadbeach is the closest super-regional centre to Byron Bay. It is around 85km (80 minutes) north of the Byron township.

More recently these centres are housing a range of ‘category killers’ or ‘mini-major’ stores. Category killers are large stores, typically from 400sqm to 3,000sqm, that provide an extensive range and depth of competitively priced merchandise within a single market segment. Examples include Borders, JB-Hi-Fi, Dick Smith, Lindcraft and Rebel.

Due to competition between centres, there continues to be plans for expansion. For example, Macarthur Square and Westfield Penrith were recently expanded to more than 80,000sqm each. In Queensland, Westfield Chermside underwent a major redevelopment in 1999-2000 which nearly doubled its floorspace. The Centre underwent further expansions between 2005 and 2007, which included a new 2 level David Jones department store. Most recently, a small Harris Scarf department store and Apple Store has opened in the Centre. Westfield Chermside remains the largest shopping centre in Queensland.

4.2 New Urbanism

New urbanism has gained popularity in the United States. The recent example of it in NSW is the Rouse Hill Town Centre. Principally new urbanism refers to a return to a grid road pattern, more intense residential and employment related uses within walking distance to centres (walkable villages), and a return to a ‘main street’ theme rather than enclosed mall within the town centres.

Rouse Hill Town Centre core is divided into four quadrants. Within each quadrant there are malls, streets, and laneways, some of which are enclosed. The remainder of the future floorspace attributed to the town centre includes further commercial and residential floorspace around the perimeter of the core. Rouse Hill Town also incorporates the principles of ecologically sustainable design.

Any future development at West Byron must address the Coastal Design Guidelines and North Coast Urban Design Guidelines, which are generally in accordance with a new urbanist approach.

4.3 Convenience Shopping

The concept of retail convenience for the consumer has expanded considerably, particularly over the past two decades. Previously it meant physical proximity, usually to home. With two income families where partners might work in quite different locations, and where an increasing choice of time-consuming activities compete with shopping, the concept of retail convenience is becoming far less location-specific and more performance oriented. Consumers want one-stop shopping at hours convenient to them.

One response from the retail industry has been the development of ‘convenience community centres’. These are usually dominated by a supermarket to meet daily and weekly shopping needs but they also include a range of specialty shops such as butcher, fruit shop, liquor shop, take-away food, video rental and petrol station. Where they differ from traditional neighbourhood centres around railway stations is that a large proportion of their turnover comes from commuters in the PM peak on the way home and so they have

generally located themselves on the PM peak side of main roads. They also provide ample parking and convenient access in and out to the main road. Woolworths Marketplace is an example.

Another response has been the emergence of ‘convenience service centres’ which are petrol stations on main highways but also offering a ‘just-in-time’ shop with a range of groceries and fast foods (e.g. 7 Eleven, Quix, Ampol Shop Stop, BP Shop). Typically the size of the food, groceries and take-away foods component is around 150-500sqm.

Highway service centres have been gaining in popularity largely due to convenience and time-savings. Generally these stores are not the main destination for food and grocery shopping but they offer a range of products for ‘just-in-time’ shoppers. They can include several operators such as McDonalds Family Restaurant, Burger King, KFC, Quix)

4.4 Deregulation of Hours

One of the biggest changes the retail industry has made recently to meet the changing needs of consumers is the introduction of seven day trading. More people are juggling careers and family and increasingly must squeeze shopping in where they can rather than adhere to a standard schedule.

Busy shoppers today are also less inclined to spend as much time as they once did wandering through vast shopping complexes. While younger shoppers, and especially teenagers, do stay longer in shopping centres, the trend is towards a decline in average time spent shopping – particularly in relation to what is considered ‘chore’ shopping – shopping for food and groceries.

In addition, most forms of activity in centres now operate with extended shopping hours. This is evident in Coles and Woolworths Supermarkets which open until 10pm and midnight. K-Mart has commenced operating 24 hours a day/7 days per week in some locations whilst most other K-Mart stores open until midnight on most nights during the week.

4.5 Changes in Supermarkets

Beginning in the 1980s the suburban supermarket increased in size and diversity of retail offer. The objective was to provide for a large choice of food and groceries under one roof with one convenient check-out. Over time supermarkets began to expand the range to include fresh foods, meats, delicatessen, pharmaceuticals and even some non-food items such as toys, clothing, manchester and small appliances.

More recently there has been some return to smaller supermarkets and corner stores, particularly in inner city areas. This has resulted largely from the need to increase supply to meet an expanding, more affluent, inner city market. But with the logistical difficulties in acquiring large sites it has resulted in smaller supermarkets – sometimes in mixed use developments combined with a stronger reliance on patrons shopping by foot – particularly in high density areas.

Woolworths, and to a lesser extent Coles, have dominated the supermarket industry. Woolworths continue to out perform other supermarket operators. The linking of supermarket operations to discounted petrol has also benefited the two main operators. More recently Woolworths and Coles have been acquiring category killers

such as Dick Smith, Dan Murphys Liquor, Liquorland and the like. This along with ownership of the major discount department stores is continuing to strengthen the quasi-duopoly in the industry.

Notwithstanding we have seen ALDI opening up numerous food stores in NSW and Queensland over the past decade, providing some competition to Coles and Woolworths.

However ALDI has also provided some complementary role, as ALDI stores sell only a limited range of food, grocery and household items at discounted prices, they rarely provide a roll for major regular household shopping. Accordingly national supermarkets and the majority of specialty stores do not feel threatened by the added competition from ALDI. On the contrary they encourage ALDI as a complementary retailer. Shoppers typically cannot get the full range of goods they require at an ALDI and so will shop at other stores to complement and complete their total shopping trip. The closest ALDI supermarkets to Byron Shire are located in Ballina, Lismore and Tweed Heads.

4.6 Out of Centre & Bulky Goods Retailing

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

Bulky goods retailing first appeared as showrooms attached to distribution and warehousing industries. Over time, bulky goods strip retailing and centres have attracted a number of furniture, appliance retailers and hardware stores such as Harvey Norman, Domayne, Bing Lee, BabyCo, Bunnings, bedding shops, lighting shops, etc. In NSW, bulky goods retailing has been one of the fastest growing sectors, doubling in size over the last 6 years.

Whilst many bulky goods retailers locate in 'out of centre' locations, others can be found in regional shopping centres and are generally classified as 'mini-majors'. Borders and JB Hi-Fi are successful examples generally found in the large major-regional and super-regional centres.

Bulky goods can take the form of strip retailing along a major highway or it can be in a stand alone building or "power centre". Power centres, also known as 'big box' centres, consist of a collection of national bulky goods retailers and other specialist bulky goods retailers and are usually located in secondary areas such as light industrial zones. Fit out is minimal and rents per square metre are significantly lower than in traditional centres.

Some power centres have a theme, such as a homemaker centre (hardware, carpets, tiles, furniture, kitchen/bath, etc). Examples in Sydney include Moore Park SupaCenta and Norwest Homemaker Centre. The new Homeworld Ballina is a local example (once completed). Power centres however can also trade successfully with a wide mix of traders (auto accessories, toys, sports, clothing). These are destination shopping venues and people are prepared to travel further to access a larger range at more competitive prices than can be offered by traditional department, discount department and specialty stores.

Bulky goods retailing, factory outlets and clearance centres in traditional industrial areas integrating warehousing with retail space are also recent innovations. As with power centres, they rely on low rents. While purpose-built factory outlets are common in the United States, most of Australia's major factory outlet centres

were formerly occupied by traditional retailers, factories or other uses – e.g. Birkenhead Point and DFO Homebush.

4.7 Changing Shifts in Trade

The trends discussed in this Chapter are polarising the retail hierarchy with the larger regional centres positioning themselves for a more dominant role in the provision of entertainment and customer services matched with increased retail floorspace. The more successful smaller centres have moved towards the concept of convenience centres with greater emphasis on food retailing, just-in-time shopping, fast foods, local services and petrol. Examples include the Woolworths Market Place concept.

More and more we are witnessing shifts in trading patterns in a number of areas. In competing for consumer dollars some centres are winning and others are losing. The trends can be summarised as follows:

- Regional and super-regional centres are expanding and taking trade away from district centres and even some neighbourhood centres. These regional centres are capturing a larger proportion of trade by increasing their retail offer and providing a range of activities including entertainment, comparative goods shopping and convenience shopping with larger supermarkets;
- Convenience centres on major roads are taking trade away from the traditional neighbourhood centres that are based around public transport nodes. This is evident with some traditional retail centres that have experienced rising vacancies and the introduction of “low rental” tenants without fitout costs to fill the vacancies (eg liquidators, etc);
- Bulky goods retailers on the fringe of large shopping centres and in industrial areas are taking trade in bulky goods away from the traditional retail centres. In 1990-91 40% of department stores’ turnover was in bulky goods commodities (furniture, floor coverings, electrical appliances, hardware, homeware, sports and camping goods, soft furnishings). This figure fell to 25% by 1998-99 and is probably less than 20% today. The large national department stores are also continuing to lose trade to the rise of discount department stores;
- Older style centres typically located at train stations have lost market share. This is particularly the case with centres that shoppers experience difficulty in access and parking and where there is a poor retail mix and lack of major tenants by contemporary standards; and
- Some traditional centres have become successful through reinvention of their role / theming, marketing and improvement programs – in some cases developing into an ‘eat street’ theme or ethnic theme (eg Asian or Arabic).

4.8 Internet Shopping

Internet shopping (also called e-tailing and electronic retailing) is a retail format in which the retailer and customer communicate with each other through an interactive electronic network. A growing proportion of Australians have access to the internet at home. The rate of access has quadrupled in recent years, from 16% of households in 1998 to 64% in 2006-07.

In 2006-07, 61% of the 11.3 million people who used the internet at any site reported using it in the past 12 months to buy goods or services for private use. Among all age groups, people aged between 25-34 years were most likely to have used the internet for this purpose (71%).

Despite increasing household access to the internet, the growth in internet shopping has not been as dramatic as predicted by some futurists in the early 1990s. Currently internet shopping accounts for no more than about 5% of total retail sales. Most sales have been made by higher socio-economic households and only with commodities that are suited for that type of shopping including second hand items, music, computer hardware and software and office durables. In many cases internet shopping is used to acquire knowledge, rather than make purchases.

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

Whilst there may be some opportunity for internet shopping to capture an increasing proportion of total retail sales, the impact will not be as dramatic as initially forecast as shoppers still preferring to shop physically as the best method of comparing goods, brands, stores and prices and as a means of entertainment / leisure and socialising. Accordingly the impact to traditional bricks and mortar retailers is not likely to be as significant or detrimental as initially forecast.

4.9 Home Based Business

Employment generation is no longer simply a matter of attracting new businesses and large companies, but rather attracting mobile workers who run their own businesses or subcontract their labour from home. Home based businesses make up a significant proportion of the total small business population in Australia.

As at June 2004, it was estimated that 67.5% of all small business were home based, compared to 58.3% in February 1997. These businesses were operated by 1.04m people, representing 62.6% of all small business operators. This reflected annual increase in the proportions of home based businesses and operators 1.0% and 0.5% respectively between 1997 and 2004. It can be expected that this growth has accelerated between 2005 and 2010, mainly due to improved methods of communication, such as broadband internet⁸.

Byron Shire defines a home-based business as: a business that is run from a residential premises or a building in which the owner of the business lives⁹. Furthermore, the NSW Department of Planning's Standard LEP Template categorises home based businesses as follows:

- home business - a business carried on in a dwelling, or in a building ancillary to a dwelling, by one or more permanent residents of the dwelling that does not involve the employment of more than 2 persons other than those residents, or the sale of items (whether goods or materials).

⁸ Source: ABS Cat. 8127.0 Characteristics of Small Business Australia (2004)

⁹ Source: http://www.byron.nsw.gov.au/_files/publications/Fact_Sheet_-_Home_Based_Business_Requirements.pdf

- home industry - a light industry carried on in a dwelling, or in a building ancillary to a dwelling, by one or more permanent residents of the dwelling that does not involve the employment of more than 2 persons other than those residents, or the sale of items (whether goods or materials).
- home occupation - an occupation carried on in a dwelling, or in a building ancillary to a dwelling, by one or more permanent residents of the dwelling that does not involve the employment of persons other than those residents, or the sale of items (whether goods or materials).

The above definitions do not include bed and breakfast accommodation, a brothel or home occupation (sex services).

Employment generation is no longer simply a matter of attracting large companies, but rather attracting mobile workers who run their own businesses or subcontract their labour from home. Furthermore, there is evidence that the proportion of home based employment is continuing to increase under the combined influences of existing firms encouraging employees to increase the proportion of time they spend working at home, and the 'out sourcing' of services by many larger firms. Both are creating opportunities for home based businesses.

5. EXISTING RETAIL CENTRES

This Chapter details the size and characteristics of the existing retail centres of influence within the Byron Shire and surrounds. Supply of retail floorspace is measured by a combination of the number of stores and floorspace (square metres). Floorspace is measured by lettable area (the area leased or potentially leased to a store operator and includes back of house storage and office component) and excludes common areas, plant rooms and loading docks.

5.1 Byron Bay Town Centre

Byron Bay is classified as a Town Centre under the Far North Coast Regional Strategy (2006-2031). The retail precinct of Byron Bay is centred along Jonson Street which forms the 'High Street.' There is also considerable retailing located in the connecting streets off Jonson Street, such as Lawson, Byron, Fletcher and Marvell Streets. The precinct can be broadly defined as that area bound by Bay Street to the north, Jonson Street to the west, Middleton Street to the east and Kingsley Street to the south.

Hill PDA undertook a floorspace survey in March 2010 in order to understand existing retail and commercial shopfront supply within Byron Bay Town Centre. Supply of retail floorspace is measured by analysing the number of stores and the amount of floorspace (square metres). The table below shows the amount of shopfront floorspace (GLA) by retail store type across Byron Bay Town Centre.

Table 9 - Byron Bay Town Centre Floorspace Supply by Retail Store Type (GLA sqm)

Retail Store Type	Jonson	Bay	Fletcher	Lawson	Byron	Marvell	Browning	Total
Discount Department Store	-	-	-	-	-	-	-	-
Supermarkets & Grocery Stores	3,290	-	-	-	-	-	450	3,740
Convenience Store	90	-	-	180	-	135	-	405
Specialty Food	803	167	-	653	225	-	-	1,848
Specialty Non Food	2,768	54	806	1,143	995	383	-	6,149
Restaurants & Take-away	2,512	853	1,229	666	742	122	-	6,124
Clothing	3,285	593	180	2,408	1,017	126	-	7,609
Personal Services	751	126	513	792	288	230	-	2,700
Bulky Goods	461	-	-	-	-	-	-	461
Total Occupied Retail Shopfront	13,960	1,793	2,728	5,842	3,267	996	450	29,036
Commercial Shopfront	605	-	522	725	2,228	747	-	4,827
Vacant Shopfront	2,303	-	1,698	135	558	36	-	4,730
Total Shopfront	16,868	1,793	4,948	6,702	6,053	1,779	450	38,593

Source: Hill PDA Survey 2010

The survey revealed there was around 30,500sqm of occupied shopfront retail floorspace in the Byron Bay Town Centre as of March 2010. Furthermore, Byron Bay had around 4,800sqm of commercial shopfront floorspace and 3,230sqm of vacant shopfront floorspace at the time of the survey. Total floorspace in Byron Bay was equivalent to around 292 retail and commercial premises.

There were 16 vacant shop fronts at the time of survey. Since Hill PDA's survey the 1,500sqm Spar has closed its Byron Bay store after 7 months of trading due to difficult trading conditions. Total vacancies represented a vacancy rate of 12.3%.

Table 10 - No. of Shopfronts in Byron Bay Town Centre by Retail Store Type (2010)

Retail Store Type	Jonson	Bay	Fletcher	Lawson	Byron	Marvell	Browning	Total
Discount Department Store	-	-	-	-	-	-	-	-
Supermarkets & Grocery Stores	-	2	-	-	-	-	1	3
Convenience Store	-	1	-	1	-	1	-	3
Specialty Food	2	9	-	6	2	-	-	19
Specialty Non Food	7	26	8	8	6	5	-	66
Restaurants & Take-away	13	30	2	22	12	2	-	81
Clothing	1	31	7	10	11	6	-	66
Personal Services	-	2	-	-	-	-	-	2
Bulky Goods	3	10	5	8	3	4	-	33
Total Occupied Retail Shopfront	26	112	23	55	34	18	1	268
Commercial Shopfront	-	5	5	8	15	7	-	40
Vacant Shopfront	-	9	3	1	3	1	-	17
Total Shopfront	26	126	30	64	52	26	1	325

Source: Hill PDA Survey 2010

Byron Bay Town Centre is characterised by a mix of retail and commercial tenants. Major anchors include a 2,900sqm and a 1,500sqm Spar supermarket (now closed – see below). There are also a number of cafés, restaurants, clothing stores (including surf shops), and tourist businesses such as equipment hire, travel agents, and tour operators - representative of the tourist role of the Town Centre.

The 'Green Garage' is a fresh food and grocery store located on the corner of Tennyson and Browning Streets, just outside the Byron Bay Town Centre. The Green Garage is located on a 1,365sqm site and has a building area of around 500sqm.

5.2 Sunrise Beach

Byron West Shopping Fair is a single level shopping centre with a total area of 2,772sqm (GLA). The Centre is located on Bayshore Drive (off Ewingsdale Road), approximately 4km from Byron Bay Town Centre and is located opposite the subject site.

It is anchored by a Supa IGA supermarket of around 1,600sqm and has a further 9 speciality shops and 112 at grade open car parks. It primarily services the residential areas of Byron Bay West and Ewingsdale, as well as workers from the Byron Arts & Industry Estate.

Additionally, there is around 1,300sqm of retail floorspace located in the remainder of Sunrise Beach, some of which is in the Arts & Industry Estate.

5.3 Suffolk Park

Suffolk Park is located around 6km south of Byron Bay Town Centre. Suffolk Park contains a small group of shops located on Clifford Street that service the daily requirements of local residents and tourists. In total, there is around 1,000sqm of retail floorspace, including a 220sqm Spar supermarket, a bakery, pizza restaurant, video store, liquor store and post office.

5.4 Bangalow

Bangalow is located around 13km south-west of Byron Bay Town Centre. In total, there is around 5,396sqm of retail floorspace and 1,281sqm of commercial floorspace in Bangalow. This includes a 250sqm Foodworks supermarket, several restaurants and cafés, as well as a number of non-food specialties such as homewares, tourist and gift shops. No vacancies were recorded in Bangalow at the time of the 2010 Hill PDA survey.

5.5 Mullumbimby

Mullumbimby, located around 19km north-west of Byron Town Centre, is the civic centre of Byron Shire, being the home of the Byron Shire Council and administration centre.

Mullumbimby is anchored by 2 supermarkets being a 450sqm 5-Star supermarket and a 350sqm Dennetts IGA. A new Woolworths supermarket is also proposed for Station Street (see Section 6.9 of this report). Other notable anchor tenants include Mitre 10, Retravisio and Santos Organic Food.

In total, there are around 76 retail and commercial shopfronts (65 retail, 7 commercial and 4 vacant). The most represented store types in Mullumbimby include specialty non-food (such as gift shops, variety stores and homewares) and restaurants/takeaways and cafés. The town centre services the residents of Mullumbimby as well as capturing some trade from surrounding rural, rural residential areas and northern parts of the LGA.

5.6 Lennox Head

Lennox Head is situated around 20kms south of Byron Bay and 12km north of Ballina. Originally this centre developed as a traditional strip retail centre, however, more recently the area has become focused on tourist oriented activities such as alfresco dining. A broad range of shops, cafes, offices and professional consulting rooms are accommodated within the Centre, servicing the daily requirements of the community.

Lennox Head accommodates around 5,000sqm of retail floorspace. Retail and commercial activity is centred on Ballina Street. The majority of commercial activity is located on the fringe of the centre along Park Lane.

Lennox Boulevard, located on the western side of Ballina Street, is a small retail arcade which includes a 200sqm IGA supermarket plus several specialties, such as a newsagency, bakery, liquor, takeaway, café plus others. Located opposite Lennox Boulevard is the new Lennox Central that provides small retail specialties and commercial suites. Tenants include a real estate agency, hairdresser and florist. Several of the suites in Lennox Central are currently vacant.

5.7 Brunswick Heads

Brunswick Heads is located around 17km north of Byron Bay Town Centre and 8km east of Mullumbimby. Brunswick Heads consists of around 57 retail and commercial shopfronts (53 retail, 1 commercial and 3 vacant). A small 350sqm 5 Star supermarket plus a number of other convenience based shops such as a newsagency, pharmacy and cafés/takeaways service the daily requirements of local residents and tourists.

5.8 Ocean Shores

Ocean Shores is located directly north of Brunswick Heads, around 19km north of Byron Bay Town Centre. Located on Rajah Road, Ocean Village Shopping Centre provides around 4,000sqm of floorspace and is anchored by a 2,200sqm BiLo supermarket. Retail specialties include a café, bottle shop, deli, fruit shop, clothing, pharmacy plus others. The Centre provides convenience shopping for local residents.

5.9 Ballina

Ballina Town Centre

The Ballina Town Centre is a linear, main street and mixed use centre located along the Richmond River, accounts for around 25,000sqm of retail floorspace (including vacant space). Traditionally it is the civic heart within the Ballina Shire. The Centre includes a 1,600sqm Woolworths supermarket and a diverse range of speciality retail and services.

Kerr Street Precinct

Kerr Street is the second major retail facility in Ballina Shire and consists of the Ballina Fair Shopping Centre, Ballina Central and the Coles/Kmart development. In total, there is approximately 36,367sqm of retail floorspace.

Ballina Fair Shopping Centre is classified as a Sub-Regional shopping centre and is located on the western side of Kerr Street and has a total area of 15,421sqm, of which around 13,479sqm is retail. The Centre is anchored by Woolworths (3,600sqm), Target (2,979sqm) and Best & Less (1,150sqm). There are 61 specialty shops providing 5,750sqm of floorspace as well as an indoor pool/gym and cinema complex. The Centre has a reported turnover in 2009 of \$107.69m, equating to \$6,983/sqm¹⁰.

Ballina Central is a relatively new Sub-Regional shopping centre located the corner of Pacific Highway and Bangalow Road. The Centre has a total area of 13,340sqm, of which 12,888sqm is dedicated to retail. Anchor tenants include Big W (6,870sqm) and a Supa IGA (3,760sqm). There are 29 specialties providing 2,258sqm of floorspace. There is also two “pad sites” to cater for a stand-alone fast food outlet (Hungry Jacks) and service station (Woolworths) fronting Kerr Street. The Centre had a reported turnover of \$60.61m in 2009, equivalent to \$4,543/sqm¹¹.

The Coles and Kmart complex is located on the eastern side of Kerr Street opposite the Ballina Fair Shopping Centre. This complex consists of approximately 10,000sqm of retail floorspace – Coles supermarket comprising some 3,600sqm and Kmart covering a floorspace area of around 5,400sqm.

There is also a relatively new ALDI supermarket of around 1,500sqm located on the corner of the Pacific Highway and North Creek Road on the edge of the Ballina industrial area. It shares a site with Supercheap Auto and is located opposite Bunnings Warehouse. It is approximately 1km north-west of the Kerr Street retail centre.

¹⁰ Property Council of Australia NSW/ACT Shopping Centres Directory 2009

¹¹ Property Council of Australia NSW/ACT Shopping Centres Directory 2009

East Ballina

East Ballina is located on the other side of North Creek across Missingham Bridge. It is serviced by the East Ballina Shopping Centre on Links Road that offers retail facilities to service the daily requirements of the local community. The centre is anchored by a Foodworks supermarket and comprises around 1,500sqm of retail floorspace over 15 retail shops.

West Ballina

Small scale retail activities that service the local community are offered at the Key West Shopping Centre, adjoining the intersection of Quays Drive and the Pacific Highway. This shopping centre comprises a total retail floorspace of 1,128sqm, offering retail facilities of convenience such as bakery, butcher and tavern (a total of 9 retail shops). In addition to this shopping centre, West Ballina contains several 'strip' commercial facilities including commercial accommodation and car dealers. In addition to the floorspace within Key West Shopping Centre, West Ballina accommodates around 3,600sqm of retail space and 1,300sqm of commercial space.

5.10 Local Markets

A number of weekly and monthly community markets are held in Byron Shire. The markets are a significant drawcard for both locals and tourists. Farmers markets are held in Byron Bay every Thursday morning and in Bangalow every Saturday morning. These markets provide local produce such as fruit and vegetables, meat, fish, bread, condiments, flowers etc.

In addition, monthly markets include the Byron Bay Craft & Produce Market (held on the first Sunday of the month) and Bangalow Market (held on the last Sunday of the month). These markets offer handcrafted wares, clothing, locally-grown produce, artworks and live entertainment.

There are also monthly markets held in Brunswick Heads, Lennox Head and Mullumbimby.

5.11 Proposed Retail Developments

Woolworths Mullumbimby

Development application and construction certificates have been issued for the construction of a new single storey 2,500sqm Woolworths supermarket on Station Street in Mullumbimby. The supermarket is due to open in late 2010.

Bayshore Village Mixed Development

Development approval has been given for a mixed use development comprising 82 residential dwellings, 4 light industrial buildings, 1,600sqm commercial office space and 1,200sqm of retail floorspace which will include a health spa and some local convenience shops. The 4ha site is located on Bayshore Drive, directly north of the Byron Arts & Industry Estate (and Byron West Shopping Fair). It is understood that site works are now in progress. Development is expected to be complete in 2012.

Byron Bay Aldi

It is understood that sketch plans were prepared for a 1,100sqm Aldi store to be located on Byron Street in Byron Bay Town Centre. The project has since been abandoned.

Target Country, Ocean Village Shopping Centre

Approval has been given for a Target Country discount department store of around 1,900sqm to be located in the Ocean Village Shopping Centre. 85 new car parking spaces will also be provided with the development. It is understood that tenders for the design and construction of the project will be awarded shortly.

Homeworld Ballina

Development approval has been given for a bulky goods centre known as Homeworld Ballina. The development is located on an 8ha site that fronts the Pacific Highway, in West Ballina. Once completed, it will be northern NSW's largest showroom centre comprising 29,000sqm of floorspace over 5 buildings, with around 35 tenancies and 700 car parking spaces.

It is likely that site works will commence in mid-to-late 2010 with construction complete in mid-2012. Pre-leasing negotiations are currently underway with a range of leases available from 300sqm to 3,000sqm.

5.12 Other Proposed Developments of Influence

Ballina Bypass

Work is underway on the Ballina Bypass project which will upgrade 11.5km of dual carriageway road, extending from south of Ballina at the intersection of the Bruxner and Pacific Highways to north of Ballina at the intersection with Ross Lane at Tintenbar. It is understood that the Bypass will be connected to Ewingsdale by the 'Tintenbar to Ewingsdale' dual carriageway.

It is anticipated that the development could result in increased visitors from the Gold Coast into northern NSW. It is expected the entire project, worth more than \$640m, will be finished towards the end of 2012. There are plans to open the northern end of the new highway before the end of 2010.

North Beach Byron Resort, Bayshore Drive Byron

Becton Property Group acquired the 92ha site in December 2001 for \$12.8m from Club Med. It is understood that Stage 1 of the North Beach Byron Resort has development approval. It involves the redevelopment of the existing resort and includes 117 units, swimming pool, day spa and restaurant. The project has not progressed since late 2008 and has been deferred indefinitely. It is understood that Becton are no longer the land owners of this site.

Byron Shire Central Hospital

Rezoning has commenced for the construction of a hospital to be located on Ewingsdale Road. Once approved, it is likely to be completed by 2012. It is understood that there has been some funding issues associated with the development.

6. POPULATION & EMPLOYMENT PROFILE

The purpose of this Chapter is to identify those population and employment characteristics of residents and workers in Byron Shire and the corresponding impact or implication that may have for retail and commercial floorspace demand on the subject site. The results also indicate not only the quantum and potential growth of retail spend in the Shire, but also residents shopping patterns, which in turn influence the size and shape of the Trade Area for any retail on the subject site.

6.1 Population Growth

In 2008, the NSW Department of Planning produced population projections for NSW for the period 2006 to 2036. These projections take into account findings from the 2006 Census and the latest data on fertility, mortality and migration.

Updated local area projections were released in April 2010. These projections translate the 2008 State and regional projections to the local level, along with projecting demographic changes in areas covered by regional or subregional strategies. The forecast population growth for Byron Shire is summarised in the table below.

Table 11 - Byron Shire Population Growth 2006 to 2036

Age Cohort	2006	2011	2016	2021	2026	2031	2036	Growth 2006 to 2036
0-14	5,880	6,130	6,510	6,980	7,320	7,660	7,990	2,110
15-29	5,070	5,470	5,550	5,570	5,770	6,000	6,270	1,200
30-44	6,640	6,610	6,820	7,000	7,310	7,480	7,600	960
45-59	8,060	8,380	8,340	8,380	8,530	8,850	9,200	1,140
60-74	3,230	4,450	5,890	7,020	7,500	7,740	7,970	4,740
75+	1,810	1,870	2,020	2,460	3,320	4,330	5,300	3,490
Total Population	30,690	32,910	35,130	37,410	39,750	42,060	44,330	13,640
Population Growth		2,220	2,220	2,280	2,340	2,310	2,270	
Compound Growth p.a.		1.41%	1.31%	1.27%	1.22%	1.14%	1.06%	1.23%

Source: NSW Department of Planning – Population Projections, April 2010

The table above indicates that the population of the Byron Shire is forecast to increase from 30,690 to 44,330 persons by 2036. This equates to an annual compound growth rate of 1.23% per annum over the period.

Strong growth is forecast in the 60-74 years age bracket and the 75 years+ age bracket. As a result, the median age of Byron Shire is forecast to increase from 40 years to 45 years by 2036.

6.2 Resident Workforce by Occupation

The characteristics of the resident workforce are an important factor in defining a region's employment strengths and weaknesses. According to the 2006 ABS Census, a person's place of usual residence is the place where a person lived or intended to live for a total of six months or more in 2006. It is important to note that the resident workforce (or labour force) need not necessarily work within that area, but may travel outside the local government boundary to work.

The following table below shows the occupations of Byron Shire residents.

Table 12 - Byron Shire Resident Workforce by Occupation 1996 and 2006

Occupation	1996	2006
Managers	18%	15%
Professionals	17%	22%
Technicians and trades workers(b)	15%	14%
Community and personal service workers	9%	11%
Clerical and administrative workers	11%	10%
Sales workers	10%	10%
Machinery operators and drivers	6%	4%
Labourers	11%	12%
Inadequately described/Not stated	3%	2%
Total	100%	100%

Source: 2006 ABS Census Data

Analysing the occupation trends of residents from 1996 and 2006 Census data shows that there has been an increase in the proportion of residents working as professionals, community and personal service workers and labourers. There has been a decrease in the proportion of residents working as managers, technicians AN trade workers, clerical and administrative workers and machinery operators and drivers. As of 2006, the most common occupations were professionals (22%, managers (15%) and technicians and trade workers (15%).

6.3 Resident Workforce by Industry

The 2006 ABS Census also indicates which industries Byron Shire working residents are employed in..

Table 13 - Byron Shire Resident Workforce by Industry 1996 and 2006

Industry	1996	2006
Agriculture, forestry & fishing	8%	4%
Mining	1%	0%
Manufacturing	9%	6%
Electricity, gas, water & waste services	1%	1%
Construction	7%	9%
Wholesale trade	4%	4%
Retail trade	12%	12%
Accommodation & food services	12%	12%
Transport, postal & warehousing	3%	3%
Information media & telecommunications	2%	2%
Financial & insurance services	2%	2%
Rental, hiring & real estate services	2%	3%
Professional, scientific & technical services	4%	6%
Administrative & support services	3%	3%
Public administration & safety	4%	4%
Education & training	9%	9%
Health care & social assistance	10%	12%
Arts & recreation services	1%	2%
Other services	4%	4%
Inadequately described/Not stated	4%	3%
Total	100%	100%

Source: 2006 ABS Census Data

As of 2006, the industries that employed the most residents in Byron Shire were retail trade (12.3%), accommodation and food services (11.9%), health care and social assistance (11.9%) and construction (9.4%).

In 2006 the proportion of residents working in retail trade was the same as it was in 1996. The proportion of residents working in accommodation and food services slightly increased between 1996 and 2006. Since 1996, there has been an increase in the proportion of working residents employed in the industries of construction, professional, scientific and technical services and health care and social assistance. There has been a decrease in the agriculture, forestry and fishing and manufacturing industries.

6.4 Where do Residents Work?

Journey to work data, as compiled by the NSW Ministry of Transport's Transport Data Centre (TDC), from ABS Census data, uses employment counts for specific locations to analyse the likes of commercial centres, daytime population, profile of resident workforce, industry trends and method of travel to work. The following table indicates where Byron Shire working residents travel to for employment.

Table 14 - Where do Byron Bay Residents Work?

Place of Work (LGA)	No. of Resident Workers	Proportion (%)
Byron	8,280	72.1%
Ballina	572	5.0%
Lismore	717	6.2%
Richmond Valley	35	0.3%
Tweed	384	3.3%
Other Location	259	2.3%
No Fixed Address/Not Stated	1,236	10.8%
Total	11,483	100.0%

Source: Australian Bureau of Statistics, Journey to work, unpublished data, 2006.

Around 8,280 people or 72.1% of the total resident workforce live and work in Byron Shire. This is a high containment rate. A small proportion of workers travel outside the Shire to work, predominantly to Lismore (6.2%) and Ballina (5%).

6.5 Where do Workers Come From?

Journey to work data also indicates where employees working in Byron Shire travel from live (i.e. where do workers in Byron Bay reside?).

Table 15 - Where do Byron's Workers come from?

Usual Residence (LGA)	No. of Workers	Proportion (%)
Byron	8,280	76.6%
Ballina	1,243	11.5%
Tweed	517	4.8%
Lismore	458	4.2%
Richmond Valley	50	0.5%
Other Location	260	2.4%
No Fixed Address/Not Stated	23	0.2%
Total	10,808	100.0%

Source: Australian Bureau of Statistics, Journey to work, unpublished data, 2006.

From the table it can be seen that 10,808 jobs are located within Byron Shire. 76.6% of these jobs are filled by local residents. Around 11.5% come from Ballina, 4.8% come from Tweed and 4.2% come from Lismore.

Working Residents vs. Jobs

Given there are 11,483 working residents in Byron Shire and 10,808 jobs located within the Shire, there is a shortfall of some 675 jobs for local residents. This represents a worker containment rate of over 94%.

6.6 Implications for West Byron Bay Urban Release Area

The following key population and employment characteristics of Byron Shire will influence demand for retail and commercial land at the subject site:

- Byron Shire will experience moderate to strong population growth from 2006 to 2036 – there will be an additional 13,640 residents by 2036. More than half of these new residents will be over the age of 60.
- There is a relatively even spread across blue and white collar occupations of Byron Shire residents (i.e. Managers and Professionals versus Technicians and Trade Workers and Labourers).
- Since the 1996 ABS census, the proportion of Professionals has increased more than any other occupation in the Shire.
- As of 2006, Retail Trade and Accommodation/Food Services were the most common industries of employment for Byron Shire residents. However, the proportion of residents working in Retail Trade has not changed since 1996.
- The majority of working residents (8,280 working residents or 72%) live and work within Byron Shire.
- Around 15% travel to the neighbouring LGA's of Lismore, Ballina and Tweed for work. It can be assumed that the majority of these working residents in the Shire will undertake some form of shopping at or near their place of work.
- The majority of jobs located in the Shire are filled by Byron Shire residents however around 20% of workers travel from Lismore, Ballina and Tweed.

7. TRADE AREA ANALYSIS

7.1 Defining the Trade Area

The definition of the Trade Area served by any shopping centre is determined by a number of factors including:

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

Having regard to the above and based on the site inspections and floorspace analysis of Byron Bay and surrounding centres, Hill PDA makes the following comments:

- There are 3 supermarkets located within the Byron Bay Town Centre, being the 2,900sqm Woolworths, 1,500sqm Spar, and 450sqm Green Garage. The Byron Bay retail centre is located around 3km east of the subject site.
- The closest supermarket based centre to the subject site is the 2,800sqm Byron Bay West Shopping Fair on Bayshore Drive. The centre is around 600m north of the intersection of Bayshore Drive and Ewingsdale Road and includes a 1,600sqm Supa IGA. Whilst the centre fulfils the everyday and top-up shopping needs of the surrounding residents, given the close proximity of the centre to the subject site, its likely the retail needs of any future residents on the subject site will also be met by this centre.
- Workers in the existing Byron Arts & Industry Estate north of Ewingsdale Road will also fall into the Trade Area of the Byron Bay West Shopping Centre.
- Whilst there is a 300sqm Spar supermarket at Suffolk Park, given the short travel distance to Byron (around 5.5km or 10 minutes by car), residents in Suffolk Park would fall within the Byron Bay Town Centre Trade Area.

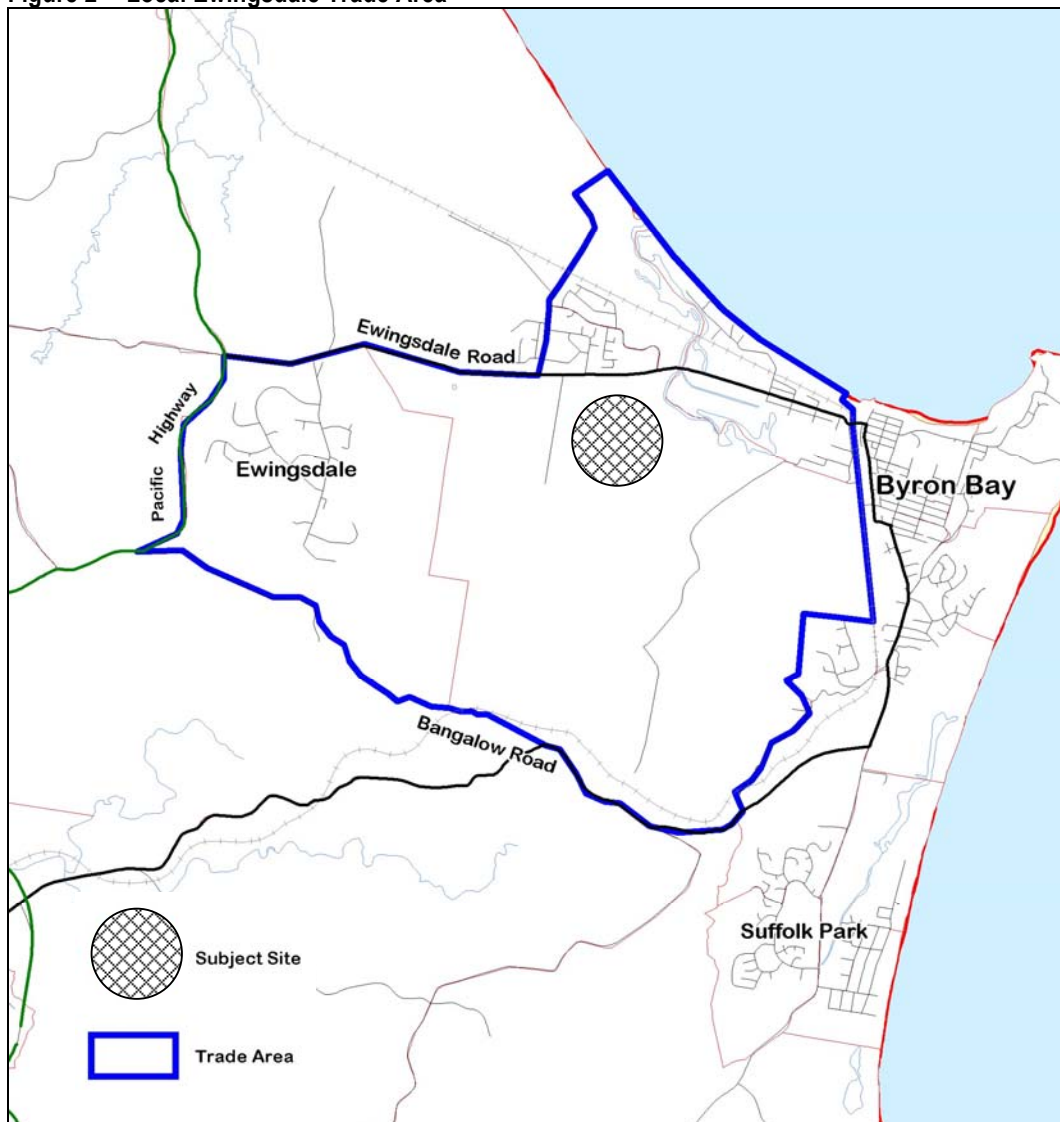
Other than those residents who pass through or work in Byron Bay, its unlikely residents in Mullumbimby, Brunswick Heads, Bangalow, Lennox Head, Lismore or Ballina will specifically travel into Byron Bay for their everyday shopping needs. This is because:

- All have, or will have, supermarket floorspace to meet their everyday shopping and top up grocery needs (a new 2,500sqm Woolworths supermarket is proposed for Mullumbimby).
- There are no department or discount department stores in Byron Shire. The closest national department stores are Kmart and Target to the south in Ballina, Kmart and Target to the west in Lismore, and Target in Murwillumbah (to the north of Mullumbimby). As a result, it is likely that a large proportion of residents in Byron Bay are undertaking comparative goods shopping (as opposed to convenience-based shopping) outside the Shire boundary. Notwithstanding this, a small proportion of comparative goods expenditure would still be captured by stores and specialty shops in Byron Shire.

- There is the perception that local residents will avoid travelling into Byron Bay unless necessary. This is a function of the tourism focus of its retail and commercial offer, a lack of car parking, and problematic traffic and access conditions.

As a result of the above, Hill PDA deduced a local Trade Area which surrounds the subject site, stretching as far west as Pacific Highway, as far south as Bangalow Road, and includes those residents and workers north of Ewingsdale Road. The purpose of examining this Trade Area is to assess the demand for everyday shopping needs of local residents and workers that may influence supermarket and specialty store demand on the subject site.

Figure 2 - Local Ewingsdale Trade Area



7.2 Demographic Characteristics of the Trade Area

Demand for retail floorspace is dependant not only upon the number of households in the Trade Area but also the socio-demographic characteristics of those households.

The tables below show the key demographic characteristics of population and households of the Ewingsdale Trade Area benchmarked against Byron Shire and Non-Metro NSW. This data is based on the 2006 ABS Census.

Table 16 - Population and Age Structure (2006)

Demographic Characteristic	Ewingsdale Trade Area	Byron Shire	Non-Metro NSW
Population and Dwellings			
Total Population	2,225	28,766	2,429,987
Total Dwellings	1,200	13,564	1,085,044
Occupied Private Dwellings	973	11,942	948,986
Occupied Private Dwellings (%)	81.1%	88.0%	87.5%
<i>Average Household Size</i>	2.3	2.4	2.6
Age Distribution			
0-14	16.5%	19.4%	19.7%
15-29	21.9%	15.9%	20.3%
30-44	20.8%	21.2%	22.3%
45-59	26.8%	26.4%	19.7%
60-74	8.3%	10.8%	11.4%
75+	5.6%	6.2%	6.5%
<i>Median Age</i>	38	41	36

Source: 2006 ABS Census Data

From the above population and age comparisons, the following can be determined:

- In 2006, the resident population of the Ewingsdale Trade Area was 2,225 persons.
- On Census night, 81% of dwellings were occupied in the Ewingsdale Trade Area. This can be compared to the greater Byron Shire and non-metro NSW¹² (both 88%).
- The average household size of the Trade Area was 2.3 persons per household. This is consistent with Byron Shire but less than non-metro NSW.
- The median age of residents within the Ewingsdale Trade Area was 38 years. This is younger than Byron Shire (41 years) and older than non-metro NSW (36 years).

¹² "Non-Metro NSW" is NSW excluding the Sydney Statistical Division.

Table 17 - Household Characteristics (2006)

Demographic Characteristic	Ewingsdale Trade Area	Byron Shire	Non-Metro NSW
Home Ownership			
Owned or Being Purchased	51.9%	64.0%	66.1%
Rented	40.0%	31.3%	30.2%
Other/Not Stated	8.2%	4.7%	3.7%
Household Structure			
Family Households	56.9%	66.3%	72.3%
Lone Person Households	30.4%	26.6%	23.7%
Group Households	12.7%	7.1%	3.9%
Family Type			
Couple family w. children	35.4%	39.1%	47.4%
Couple family w/o children	34.4%	36.0%	34.9%
One parent family	29.5%	23.7%	15.9%
Other family	0.7%	1.3%	1.8%
Dwelling Type			
Separate house	63.6%	81.3%	68.4%
Townhouse	20.1%	7.3%	10.5%
Flat-Unit-Apartment	4.4%	7.0%	20.1%
Other dwelling	11.9%	4.4%	0.9%
Not stated	0.0%	0.1%	0.1%

Source: 2006 ABS Census Data

From the above household and dwelling characteristics, the following can be determined:

- Home ownership levels is lower (and rental levels are higher) in the Trade Area when compared to Byron Shire and non-metro NSW.
- The majority of households in the Trade Area were family households. However the Trade Area had a lower proportion of family households when compared to Byron Shire and non-metro NSW.
- There was a higher proportion of lone person and group households in the Trade Area compared to Byron Shire and non-metro NSW.
- When compared to non-metro NSW, there were a higher proportion of families without children and one parent families than the Trade Area and the Byron Shire.
- In the Ewingsdale Trade Area around 64% of the households were separate houses, compared to 81% in Byron Shire, and 68% in non-metro NSW.
- Around 25% of the dwellings in the Trade Area were medium to high density properties (townhouses and units).

Demand for retail space is largely generated by household expenditure. Household expenditure is dependent upon the number of households and household income levels (i.e. higher incomes spend more on goods and services).

Table 18 - Income Characteristics (2006)

Demographic Characteristic	Ewingsdale Trade Area	Byron Shire	Non-Metro NSW
Weekly Household Income			
\$0-\$349	21.9%	19.6%	14.1%
\$400-\$799	23.1%	27.2%	19.9%
\$800-\$1,399	23.6%	23.5%	21.3%
\$1,400-\$2,499	10.1%	12.6%	19.9%
\$2,500+	6.2%	4.8%	13.6%
Partial income stated	10.8%	9.3%	8.4%
All incomes not stated	4.4%	3.0%	2.8%
<i>Median Weekly Household Income</i>	\$ 756	\$ 738	\$ 1,082

Source: 2006 ABS Census Data

The median weekly household income for the Ewingsdale Trade Area was \$756/week, which is higher than Byron Shire (\$738/week). By comparison, the median weekly household income for non-metro NSW was \$1,082/week.

8. DEMAND FOR RETAIL FLOORSPACE

There are three main sources of retail expenditure which influence demand for retail floorspace in the Trade Areas, being expenditure from tourists, resident households and workers.

8.1 Tourism Expenditure

The main source of data used to estimate tourism expenditure is the National Visitor Survey conducted by Tourism Research Australia (TRA). TRA provides information on visitor characteristics to Local Government Areas located outside capital city regions. The most recent data by TRA for Byron Shire is based on three or four year averages to June 2007, which indicated a breakdown of international, domestic overnight and domestic day visitors as shown in the following table.

Table 19 - Summary of International and Domestic Travel to Byron Shire*

	International	Domestic Overnight	Domestic Day Trippers
Visitors	169,000	484,000	599,000
Visitor nights	1,070,000	1,912,000	-
Tourist Spend	\$65m	\$297m	\$49m
Average stay	6.3 nights	3.9 nights	-
Average spend per trip	\$384	\$614	\$83
Average spend per night	\$61	\$156	-

* 3 or 4 year average to June 2007. Source: Tourism Research Australia 2007

The above results indicate the Byron Shire receives over 653,000 overnight visitors and almost 600,000 day visitors per annum. In total, around 1.25m to 1.75m¹³ people visit Byron Shire annually. Tourism spend from these visitors equates to around \$411m per annum.

The TRA further categorises domestic overnight tourism expenditure at the regional level, by expenditure type. In 2007 there was around \$730m of expenditure generated by overnight domestic tourism in the Northern Rivers Region of NSW, of which Byron Bay is part. This expenditure was categorised as follows:

Table 20 - Northern Rivers NSW Domestic Overnight Regional Expenditure (\$m)

Expenditure Type	Expenditure (\$m)	Proportion
Accommodation	205.0	28%
Food & Drink	228.0	31%
Airfares	45.0	6%
Transport Fares & Packages	20.0	3%
Fuel	88.0	12%
Shopping	76.0	10%
Entertainment	41.0	6%
Packages	2.0	0.3%
Other	17.0	2%
Total Expenditure	730.0	100%

Source: Tourism Research Australia May 2008

¹³ Source: Byron Shire Tourism Management – An Options Paper for Consideration (2002)

The above results indicate that of the \$730m of domestic overnight tourism expenditure in the region, around \$345m was spent on food and drink, shopping and entertainment. The following table applies similar trends in tourism spend to Byron Shire.

Table 21 - Byron Shire Tourism Expenditure (\$m)

Expenditure Type	International Visitors	Domestic Overnight Visitors	Day Trippers	Total
Accommodation	18.3	83.4	-	101.7
Food & Drink	20.3	92.8	23.8	136.8
Airfares	4.0	18.3	-	22.3
Transport Fares & Packages	1.8	8.1	2.1	12.0
Fuel	7.8	35.8	9.2	52.8
Shopping	6.8	30.9	7.9	45.6
Entertainment	3.7	16.7	4.3	24.6
Packages	0.2	0.8	-	1.0
Other	1.5	6.9	1.8	10.2
Total Expenditure	65.0	297.0	49.0	411.0

Source: Tourism Research Australia May 2008 and Hill PDA 2010.

The results indicate food and drink, shopping and entertainment generally make up around 50% (\$207m) of total tourism expenditure. Assuming the Byron Bay Town Centre captures around 80% of this expenditure¹⁴ then total tourism spend around \$165.6m per annum. Assuming 7% of food and drink expenditure is dedicated to on-license premises, expenditure available to retail land uses within the Byron Bay Town Centre is around \$138.3m per annum.

For the Ewingsdale Trade Area, Hill PDA apportioned tourism expenditure based on the number of listed hotels and motels by locality. The 2008 Byron Shire Tourism Management Plan Situational Analysis Report¹⁵ indicated there were 9 accommodation properties in the Ewingsdale and Byron Bay Arts & Industry Estate, equivalent to around 57 bed spaces. These were a mix of holiday houses, holiday units, guesthouses, bed and breakfasts, and resorts.

It is recognised a large proportion of this tourism expenditure would travel into the Byron Bay retail centre itself, especially for the likes of shopping and entertainment. However, given that 29% of beds are associated to self contained accommodation (holiday houses and units) a proportion of this expenditure could remain within the Trade Area given the existing Byron Bay West Shopping Fair. Based on expenditure patterns for domestic overnight visitors to Byron Shire and an 80% occupancy rate per annum, tourism spend available to the Ewingsdale Trade Area is around \$1.2m per annum.

¹⁴ Some expenditure is captured by motels, wineries and tourist facilities outside the commercial centres.

¹⁵ Byron Shire Tourism Management Plan Situational Analysis Report, Aust. Regional Tourism Research Centre, South Cross University (2008)

8.2 Retail Demand in the Trade Area

Expenditure from Existing Residents

Household expenditure was sourced from:

- ABS Household Expenditure Survey 2003-04 which provides household expenditure by broad commodity type by household income quintile; and
- The Marketinfo 2007 database which is generated by combining and updating data from the Population Census and the ABS Household Expenditure Survey (HES) using “microsimulation modelling techniques”.

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

The table below shows the amount of expenditure generated by the 2,225 existing residents in the Ewingsdale Trade Area (as at 2006 Census) to 2020.

Table 22 - Forecast Expenditure Generated by Existing Residents in the Ewingsdale Trade Area* (\$m2007)

Retail Store Type	2007	2012	2016	2020
Supermarkets & Grocery Stores	8.7	9.3	9.9	10.4
Specialty Food Stores	3.1	3.3	3.5	3.7
Take-away Food Stores	1.6	1.7	1.8	1.9
Restaurants, Hotels and Clubs**	2.2	2.4	2.5	2.6
Department Stores	2.6	2.8	2.9	3.1
Clothing Stores	1.6	1.7	1.8	1.9
Bulky Goods Stores	4.2	4.5	4.8	5.0
Other Personal & Household Goods	4.4	4.7	5.0	5.3
Selected Personal Services***	0.7	0.7	0.8	0.8
Total Retailing	29.1	31.2	32.9	34.8

* The expenditure pattern assumes no change in the percentage split between the various retail store types between 2007 and 2020. **Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling). *** Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos. Note: growth of 1.4% per capita per annum in real retail spend was assumed consistent with the historic trend since 1986 (sourced from ABS Retail Sales). Source: HillPDA estimates using data sourced from ABS Household Expenditure Survey 2003-04 and Marketinfo 2007.

The results above indicate for example, that residents in the Ewingsdale Trade Area will generate almost \$33m of retail expenditure in 2016 when the first new residents move onto the subject site. Of this, around \$9.9m is supermarket and grocery store spend, \$3.5m specialty food store spend and so on.

Expenditure from New Residents

New residents that locate on the subject site as part of the proposed development will create additional household expenditure that will be spent in retail. Whilst the character, mix, dwelling size, and dwelling type is still to be determined for the subject site, in order to calculate the number of new residents on site and their associated expenditure, Hill PDA has assumed:

- There is at least 55ha of developable land available for residential developed.

- A ratio of at least 13 dwellings per hectare, resulting in at least 715 households on site upon full development.
- 90% of households on site are fully occupied at any one time¹⁶.
- An assumed household rate of around 2.4 persons per household.
- In 2016 around half of the residential dwellings will be occupied, with the remainder to be occupied in 2020.

Based on the above, around 1,544 new residents will occupy the subject site upon full development. The sensitivity of retail demand for floorspace based on a range of density and population options is discussed further within the report.

Assuming a similar proportion of retail spend to existing residents in the Byron Shire, the following table indicates around \$9.4m of additional retail expenditure will be available to the Ewingsdale Trade Area in 2016. This will increase to around \$20.1m in 2020 upon full development.

Table 23 - Forecast Expenditure Generated by New Residents on the Subject Site (\$m2009)

Retail Store Type	2016	2020
Supermarkets & Grocery Stores	3.0	6.3
Specialty Food Stores	1.0	2.2
Take-away Food Stores	0.5	1.2
Restaurants, Hotels and Clubs*	0.7	1.6
Department Stores	0.9	1.9
Bulky Goods Stores	1.5	3.1
Other Personal & Household Goods Retailing	1.5	3.2
Selected Personal Services**	0.2	0.5
Total Retailing	9.4	20.1

* Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling).

** Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos. Note: growth of 1.4% per capita per annum in real retail spend was assumed consistent with the historic trend since 1986 (sourced from ABS Retail Sales). Source: HillPDA estimates using data sourced from ABS Household Expenditure Survey 2003-04 and Marketinfo 2007.

Expenditure from Workers

In addition to resident and tourism expenditure, expenditure from workers located in the Byron Arts & Industry Estate was also considered for the Ewingsdale Trade Area. This is because it relates to retail spend close to the place of work.

Hill PDA has assumed there are around 2,000 workers in the Arts & Industry Estate¹⁷. Each worker will spend around 10% to 15% of their household expenditure close to where they work. Given each household in Byron Shire accounts for around \$30,000 of retail expenditure per annum¹⁸, this is equivalent to around \$6.0m of additional expenditure from workers.

Given that the proportion of employment land on the subject site is unknown at this preliminary stage, Hill PDA has assumed that the number of workers in the Trade Area will grow at around 1.5% per annum. Furthermore, like resident and tourism expenditure, expenditure from workers will also grow at around 1.4% per annum.

¹⁶ Based on ABS statistics which indicate a proportion (around 10%) of dwellings are vacant at any one time.

¹⁷ Based on a site area of over 43ha, an efficiency of 35%, a FSR of 0.8:1 and around 60sqm of floorspace per worker.

¹⁸ Source: Marketinfo 2007

As a result, workers within the Ewingsdale Trade Area will generate up to \$7.4m of retail expenditure in 2016 and up to \$8.0m of retail expenditure upon full residential development of the subject site.

Table 24 - Forecast Expenditure Generated by Workers in the Ewingsdale Trade Area (\$m2009)

	2007	2012	2016	2020
No. of Workers	2,000	2,150	2,311	2,485
Supermarkets & Grocery Stores	1.0	1.2	1.2	1.3
Specialty Food Stores	0.5	0.6	0.6	0.7
Take-away Food Stores	2.0	2.3	2.5	2.7
Restaurants, Hotels and Clubs*	2.0	2.3	2.5	2.7
Other Goods and Personal Services	0.5	0.6	0.6	0.7
Total Retailing	6.0	6.9	7.4	8.0

* Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling).

** Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos. Note: growth of 1.4% per capita per annum in real retail spend was assumed consistent with the historic trend since 1986 (sourced from ABS Retail Sales). Source: HillPDA estimates using data sourced from ABS Household Expenditure Survey 2003-04 and Marketinfo 2007.

Total Expenditure Available to the Trade Area

Combining expenditure from residents (existing and future), tourists and workers, the Ewingsdale Trade Area will generate around \$39.3m of retail expenditure in 2012, increasing to \$53.4m in 2016 when the first residents move onto the site, and \$66.5m upon full residential development.

Table 25 - Total Forecast Expenditure in the Ewingsdale Trade Area (\$m2009)

Retail Store Type	2007	2012	2016	2020
Supermarkets & Grocery Stores	10.1	10.9	14.5	18.5
Specialty Food Stores	3.7	4.0	5.6	7.0
Take-away Food Stores	3.7	4.2	5.2	6.1
Restaurants, Hotels and Clubs*	4.4	4.8	6.1	7.3
Department Stores	2.6	2.8	4.2	5.4
Clothing Stores	1.6	1.7	2.2	2.3
Bulky Goods	4.2	4.5	6.6	8.6
Other Personal & Household Goods	5.2	5.6	7.5	9.6
Selected Personal Services**	0.7	0.7	1.4	1.7
Total Retailing	36.3	39.3	53.4	66.5

* Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling).

** Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos. Source: HillPDA estimates using data sourced from ABS Household Expenditure Survey 2003-04 and Marketinfo 2007.

Of the \$53.4m of expenditure in 2016, \$14.5m will be attributed to supermarket and grocery stores, \$5.6m to specialty food stores, \$5.2m to takeaway food stores and so on.

Demand for Retail Floorspace in the Trade Area

Demand for retail floorspace is estimated from the application of target turnover rates to forecast expenditure figures. The following table shows demand for retail floorspace by the Ewingsdale Trade Area to 2020.

Table 26 - Ewingsdale Trade Area Demand for Retail Floorspace to 2020 (sqm)

Retail Store Type	Target Rate*	2007	2012	2016	2020
Supermarkets & Grocery Stores	\$ 9,000	1,123	1,210	1,607	2,054
Specialty Food Stores	\$ 7,000	534	577	797	1,003
Take-away Food Stores	\$ 7,000	535	594	742	872
Restaurants, Hotels and Clubs	\$ 4,000	1,092	1,206	1,523	1,816
Department Stores	\$ 3,500	736	789	1,206	1,548
Clothing Stores	\$ 5,000	323	346	446	467
Bulky Goods Stores	\$ 3,300	1,277	1,369	2,012	2,602
Other Personal & Household Goods	\$ 5,000	1,044	1,122	1,503	1,914
Selected Personal Services	\$ 2,800	245	262	507	622
Total Retailing		6,909	7,476	10,343	12,896

* Various sources including Urbis Retail Averages, ABS Retail Survey 1998-99 escalated at CPI to \$2007, Shopping Centre News, Hill PDA and various consultancy studies.

The table above indicates the Trade Area demands around 7,476sqm of retail floorspace in 2012, escalating to around 10,343sqm in 2016, and 12,896sqm in 2020. Of this, the Trade Area demands around 1,607sqm of supermarket floorspace in 2016, which will increase to demand for 2,054sqm of supermarket floorspace in 2020.

Assuming the majority of department store, bulky good store and other personal and household goods retailing leaves the Trade Area to the likes of Ballina and Byron Bay Town Centre, the above results indicate demand for around 3,850sqm of retail floorspace in 2012, increasing to demand for 5,176sqm in 2016 and 6,365sqm in 2020.

As a result, the 2,800sqm Byron Bay West Shopping Fair in Sunrise Beach (anchored by a 1,600sqm Supa IGA) is meeting the immediate everyday food and grocery shopping needs of the existing and future residents of the Ewingsdale Trade Area.

Only upon full residential development of the site (between 2016 and 2020), will demand for supermarket floorspace exceed supply. However, this margin will not be significant and will still allow for some supermarket trade to leave to higher order centres and retail close to the place of work.

Sensitivity of Results

The above results are based on around 1,500 new residents on the subject site. As there is currently no certainty as to what the population, or the final development yield, of the subject site will be, Hill PDA has tested demand for retail and commercial services based on a range of population and site densities. As a result, Hill PDA has assumed:

- Between 55ha and 75ha of developable land will be available for residential developed.
- A range of 13 to 18 dwellings per hectare will be achieved on site.
- 2.4 persons per dwelling.

Based on these assumptions, the following range of dwellings and resident populations result.

Table 27 - Development Yield and Population Assumptions to 2020

Developable Hectares	Total Dwellings			Total Population		
	13 dw/ha	15 dw/ha	18 dw/ha	13 dw/ha	15 dw/ha	18 dw/ha
55ha	715	825	990	1,544	1,782	2,138
65ha	845	975	1,170	1,825	2,106	2,527
75ha	975	1,125	1,350	2,106	2,430	2,916

The above table indicates the site could potentially be home to up to 3,000 residents upon full development. As it has been assumed new residents will not move on site until around 2016 and 2020, regardless of densities, demand up to 2012 (around 7,500sqm) will remain the same. However, demand in 2016 and 2020 will change significantly dependent on the density of new residential development.

The table below shows the sensitivity of demand for retail floorspace in 2016 based on different yields.

Table 28 - Sensitivity: Ewingsdale Trade Area Demand for Retail Floorspace in 2016 (sqm)

Developable Hectares	13 dw/ha	15 dw/ha	18 dw/ha
55ha	10,343	10,625	11,048
65ha	10,676	11,009	11,509
75ha	11,009	11,394	11,970

The results indicate that the Trade Area could demand between 10,300sqm and 12,000sqm of retail floorspace in 2016. If densities on the site are increased to almost 3,000 residents upon full occupation, the Ewingsdale Trade Area could demand up to 16,300sqm of retail floorspace in 2020.

Table 29 - Sensitivity: Ewingsdale Trade Area Demand for Retail Floorspace in 2020 (sqm)

Developable Hectares	13 dw/ha	15 dw/ha	18 dw/ha
55ha	12,896	13,500	14,404
65ha	13,609	14,322	15,391
75ha	14,322	15,145	16,378

Notwithstanding this increased demand for retail, demand for supermarket floorspace will still not exceed supply until around 2020. A breakdown of this demand by retail store type is provided in Appendix 3.

9. RETAIL AND COMMERCIAL LAND USE OPTIONS

9.1 Local Centre

Located 600m north of the subject site, Byron Bay West Shopping Fair is meeting the immediate everyday shopping needs of local residents, workers and tourists in the Ewingsdale Trade Area. As a supermarket based shopping centre, Byron Bay West Shopping Fair will also meet the needs of future residents anticipated to move onto the subject site upon full development in 2020.

Two larger supermarket based shopping centres with associated specialty stores would not be sustainable within the Ewingsdale Trade Area.

9.2 Neighbourhood Centre

There may be an opportunity for a small scale cluster of specialty shops to satisfy new residents on site. However, it's unlikely to include a supermarket over and above a general store and a few associated specialty shops (e.g. bakery, newsagent).

For neighbourhood centres to trade sustainably they need to be one of two types (or a hybrid of the two). The two types of neighbourhood centres are the “walkable” centres and the “car based” convenience centres.

For walkable neighbourhood centres to trade sustainably they generally need to be located in the middle of fairly high density residential area. It is also preferable for them to be located at a public transport node such as a train station or bus stop. Many inner city areas provide a good context for successful walkable neighbourhood centres.

Whilst a walkable centre is preferred, it should be acknowledged that car accessed convenience centres should be located at the entry point of the Trade Area rather than in the middle of the Trade Area. Ideally they would be located on a main road to capture passing traffic – particularly afternoon/evening peak traffic, and particularly where shoppers find the experience more convenient than shopping in the larger centres. These neighbourhood centres need to be convenient with sufficient parking spaces and rapid access times. Whilst some convenience centres on major roads can take trade away from the traditional neighbourhood centres, this occurs mainly where the convenience centres are based around public transport nodes.

The viability of both car-based and walkable neighbourhood centres is also dependent on tenant mix. Preferably there should be a reasonable anchor (such as a 400sqm to 800sqm general store) and a mix of specialties. The size and affluence of the Trade Area are other important variables. As a result, the following development options may be viable.

Table 30 - Neighbourhood Centre Options by 2020 (sqm)

Retail Store Type	Small	Medium	Large
General Store	150	400	800
Specialty Stores	400	800	1,200
Total Centre Size	550	1,200	2,000

Dependent on the location of such development, the risk associated with this option is the potential lack of available expenditure and passing trade, over and above surrounding residents. Should employment lands be provided on site within walking distance (e.g. light industrial), the viability of the specialty stores would improve.

9.3 Home Based Business

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

1. Target the groups known to choose home business

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

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

- Creative industry – painting, glass blowing, glass staining, dress making, pottery, fashion design, writing, architecture, etc;
- Professionals – including accountants, IT consultants, web designers, etc;
- Retail – including crafts, assembled computers, etc;
- Professional suites – including general practitioner, dentist, acupuncturist, etc; and
- Teleworking – or virtual offices as part of a larger corporation.

There may be particular promise in appealing to:

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

2. Provide premises suitable as home or home/business

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

- People will move to the area primarily because it offers well located, suitable residential accommodation rather than simply because it offers particular scope for home employment; and

- Many people will move to accommodation which offers the option of home based employment in future, utilising space which can be readily put to residential use in the meantime.

3. Minimise obstacles

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

A recent development in the evolution of home based business that may be appropriate for Byron is that of the “Work and Live Village”, which has become one of the real estate solutions to economic and employment growth.

The concept for such an estate includes a central services facility or “town square” which can include such facilities as conference rooms, cafés, internet facilities, convenience shops, a gymnasium, tennis courts and similar amenities. A lifestyle estate is for people who generally work at home or adjacent to home. Whilst business parks are the solution for large corporations and multi-nationals, the Work and Live Village concept is the solution for small business enterprises, home-based businesses, creative industries, small scale professional firms, free-lance professionals, and the like.

Home businesses should be permitted in residential zones however it should be ensure that:

- The use is located within a defined area of the property;
- The use does not create disruptive levels of noise, smells or fumes to surrounding uses;
- There are a defined number of employees that work on the premises (i.e. no more than 3);
- The use does not result in a significant level of traffic or pedestrian movement that may disrupt the function of surrounding uses; and
- There are adequate servicing and parking facilities.

9.4 Other Land Uses

Apart from residential, retail and commercial land uses, it’s recognised that the site could potentially include a range of other land uses including tourism and light industry. The latter being a result of preliminary investigations indicating that the west of the site may not be appropriate for residential given a range of constraints including flooding, odour and noise from adjoining industrial development.

It is recognised that Council’s Economic Development Policy (10/003) outlines objectives and principles to foster and facilitate sustainable economic growth within the Byron Shire. Council has nominated a range of industries and activities which ‘foster the prosperity of the Shire through sustainable job creation while in keeping with Council’s environmental and cultural ethos’. Light industrial land on the subject site may be suitable for some of the targeted industries nominated in the Policy, specifically creative industries and tourism.

10. ECONOMIC IMPACT ASSESSMENT

This section assesses the impact of any proposed retail on existing retail centres in the locality. The EPA & Act (1979) is not clear on what is meant by locality, however for the purpose of this assessment we have assumed it to be the Trade Area or the geographical influence of the proposal.

10.1 Estimated Turnover of Retail Options

Hill PDA has assumed that the proposed development will trade at or above industry benchmark levels and above financially sustainable levels. Applying a target turnover rate of \$9,700/sqm for the general store and \$5,900/sqm for specialties, Hill PDA estimates a neighbourhood centre will turnover between \$3.8m and \$14.8m upon its first full year of trade (assumed to be by 2020) dependent on the quantum of floorspace developed.

Table 31 - Estimated Turnover of Neighbourhood Centre Options (\$m)

Retail Store Type	Small (550sqm)	Medium (1,200sqm)	Large (2,000sqm)
General Store	\$1.5	\$3.9	\$7.8
Specialty Stores	\$2.4	\$4.7	\$7.1
Estimated Turnover	\$3.8	\$8.6	\$14.8

Dependent on the density of development, demanding modelling within this report indicates the Ewingsdale Trade Area could generate between \$27.3m and \$45.1m of growth in retail spend between 2012 and 2020. If retail development on the subject site generates turnover of around \$3.8m to \$14.8m, a neighbourhood centre on the subject site will meet only 14% to 33% of growth in demand during that time. The remainder of this growth will be captured by surrounding and existing retail centres.

10.2 Redirection of Turnover from Existing Centres

Assuming development consent is granted, the increase in retail turnover of between \$3.8m and \$14.8m identified above will be captured from competing centres. In order to quantify the scope of this turnover capture from existing competing centres Hill PDA prepared a bespoke gravity model.

The gravity model was designed on the premise that the level of redirected expenditure from a centre is directly proportional to the turnover of that centre and indirectly proportional to the distance from the subject site. Comparing the small and large neighbourhood centre options, the impacts of the smaller centre are shown in the following table.

Table 32 - Redirection of Expenditure of Small Neighbourhood Centre

Retail Centre	Distance from Subject Site (km)	Approx. Retail Floor Space*	Turnover in 2007**	Turnover in 2020 without Proposal	Turnover in 2020 with Proposal	Immediate Shift in Turnover	% Shift in Turnover in 2020	Shift in turnover from 2007 to 2020	% Shift in turnover from 2007 to 2020
Proposed Centre		550			3.8	3.8			
Byron Bay Town Centre	3.0	29,050	200.0	279.2	277.2	-2.0	-0.7%	77.2	38.6%
Byron West Shopping Fair	0.6	2,800	22.6	31.6	30.3	-1.3	-4.1%	7.7	33.9%
Other Localities						-0.8			
Total Impacts		33,955	236.6	330.3	331.1	0.0	0.2%	94.5	39.9%

* Excludes bulky goods retailers (furniture, floor coverings, hardware and electrical appliances). **Source: Various incl. Shopping Centre News and Hill PDA estimates.

Assuming retail on site is provided by the year 2020, the increase in retail turnover of \$3.8m from the provision of a 550sqm neighbourhood centre will be captured from existing retailers both within and outside the local Ewingsdale Trade Area. For example \$2.0m will be drawn from existing retailers in Byron Bay Town Centre and \$1.3m from Byron West Shopping Fair and so on.

The negative impacts described above are immediate and do not consider growth in expenditure over time as a result of demographic trends, household growth and increasing affluence. Therefore, the immediate negative impacts are lessened by real growth in turnover from 2007 to 2020.

Taking into consideration the estimated turnover captured by the proposed development, by 2020 every centre will experience an increase in trade. For example Byron Bay Town Centre will benefit from a 38.6% increase in turnover and existing retailers in Byron West Shopping Fair a 33.9% increase in turnover from 2010 to 2020.

Regardless, the immediate negative impacts to the surrounding centres of a small neighbourhood centre on the subject site are less than 5% and can be considered insignificant.

The impact of a larger neighbourhood centre on surrounding centres is provided below.

Table 33 - Redirection of Expenditure of Large Neighbourhood Centre

Retail Centre	Distance from Subject Site (km)	Approx. Retail Floor Space*	Turnover in 2007**	Turnover in 2020 without Proposal	Turnover in 2020 with Proposal	Immediate Shift in Turnover	% Shift in Turnover in 2020	Shift in turnover from 2007 to 2020	% Shift in turnover from 2007 to 2020
Proposed Centre		2,000			14.8	14.8			
Byron Bay Town Centre	3.0	29,050	200.0	279.2	272.2	-7.0	-2.5%	72.2	36.1%
Byron West Shopping Fair	0.6	2,800	22.6	31.6	25.5	-6.0	-19.1%	2.9	12.9%
Other Localities						-3.0			
Total Impacts	-	35,400	236.6	330.3	333.3	0.0	0.9%	96.7	40.9%

* Excludes bulky goods retailers (furniture, floor coverings, hardware and electrical appliances). **Source: Various incl. Shopping Centre News and Hill PDA estimates

The increase in retail turnover of \$14.8m from the provision of a 2,000sqm neighbourhood centre will again be captured from surrounding retail centres. For example \$7m will be drawn from existing retailers in Byron Bay Town Centre, \$6m from Byron West Shopping Fair and so on.

As in the smaller neighbourhood centre option, the impacts are lessened as measured by real growth in turnover from 2007 to 2020 as shown in the last column of the above table. Taking into consideration the estimated turnover captured by the proposed development, by 2020 every centre will experience an increase in turnover. For example Byron Bay Town Centre will benefit from a 36.1% increase in turnover and existing retailers in Byron West Shopping Fair will benefit from a 12.9% increase in turnover over the same period.

The results indicate that the impact of developing a neighbourhood centre on the subject site, to either existing retailers in the local Ewingsdale Trade Area or the larger Byron Bay Town Centre, are negligible.

10.3 Impact on Surrounding Centres

The closest supermarket based centre to the subject site is the 2,800sqm Byron Bay West Shopping Fair on Bayshore Drive in Sunrise Beach. The centre is around 600m north of the intersection of Bayshore Drive and Ewingsdale Road and includes a 1,600sqm Supa IGA. Whilst the centre fulfils the everyday and top-up

shopping needs of the surrounding residents, given the close proximity of the centre to the subject site, its likely the everyday shopping needs of any future residents on the subject site will also be met by this centre.

Notwithstanding this, expenditure modelling within this report shows that whilst there is no immediate need for an additional supermarket based shopping centre within the Trade Area, there is enough demand to warrant a small neighbourhood centre on the subject site. The ideal location for this neighbourhood centre is at the entry point to the subject site so the centre can capture both passing trade and expenditure from within the site. This is particularly for afternoon/evening peak traffic, and particularly where shoppers find the experience more convenient than shopping in the larger centres.

As outlined and discussed in Section 7 of this report, whilst there are 2 supermarkets located within Byron Town Centre (Woolworths and Green Garage) there is the perception that local residents will avoid travelling into Byron Bay unless necessary. This is a function of the tourism focus of its retail provision, limited ancillary parking provision, poor road accessibility, geographic constraints and their small scale. Hence a significant number of shoppers will travel to alternative locations to shop. As a result, its likely Sunrise Beach is already capturing some trade from outside the local Ewingsdale Trade Area. Therefore the proposed neighbourhood centre needs to be convenient which means sufficient parking spaces and rapid access times.

It's recognised that workers in the existing Byron Arts & Industry Estate north of Ewingsdale Road benefit from retail provision in Sunrise Beach. Whilst the subject site is still in a preliminary concept design stage, should additional employment land (e.g. light industrial) be provided on the subject site additional worker expenditure will be available to retail provision within the local Ewingsdale Trade Area.

It should be recognised that some retail spend will still escape the Trade Area to higher order centres given the lack of any department or discount department store in the Byron Shire. With department store expenditure, will go a portion of supermarket and other expenditure as residents perform dual trips.

Notwithstanding the merits of the development, Hill PDA has identified that there will be a capture in trade of \$3.8m to \$14.8m initially from existing retailers within Sunrise Beach and Byron Town Centre. In terms of assessing economic impacts, previous court judgements such as "*Fabcot Pty Ltd v Hawkesbury City Council (97) LGERA*" and "*Cartier Holdings Pty Ltd v Newcastle City Council and Anor [2001] NSWLEC 170*" have provided some guidance on relevant issues. The Land & Environment Court has stated that Councils should not be concerned about competition between individual stores as this is a matter of fair trading. It should however concern itself with impact on established retail centres.

In applying this principle to the subject site the conclusion is that the overall impact will be net positive. Whilst the redirection of turnover from other surrounding retail centres to the subject site will cause an immediate negative impact, the combined impact of:

- real growth in spend per capita;
- residential population growth; and
- proposed retail development on the subject site

will result in all surrounding retail centres enjoying some growth in turnover over time. By 2020 every centre will experience an increase in turnover. A neighbourhood centre of 550sqm to 2,000sqm will meet only 14% to 33% of growth in demand between 2012 and 2020. The remainder of this growth will be captured by surrounding and existing retail centres.

10.4 Economic Benefits of the Proposal

Construction Related Employment

The proposed development will generate employment in two ways – through construction and through retail and commercial operations. It is estimated that one full time construction position for 12 months is created for every \$178,900 of construction work undertaken. However, until such time as more detailed concepts are devised, construction related employment can not be calculated.

Economic Multipliers during Construction

The construction industry is a significant component of the economy. The industry has strong linkages with other sectors, so its impacts on the economy go further than the direct contribution of construction. Multipliers refer to the level of additional economic activity generated by a source industry. There are two types of multipliers:

Production induced made up of:

- First round effect: which is all outputs and employment required to produce the inputs for construction; and
- An industrial support effect: which is the induced extra output and employment from all industries to support the production of the first round effect.

Consumption induced: which relates to the demand for additional goods and services due to increased spending by the wage and salary earners across all industries arising from employment.

It is important to note however when reviewing these estimates that multiplier effects have a national impact and not necessarily a local impact.

Contribution to Employment Targets

Once operational, any new retail or employment floorspace on the subject site will generate a combination of full and part time jobs. Whilst the exact quantity and type of retail and other employment land offer on site is at this preliminary stage is unknown, accepted employment ratios are provided in the following table.

Table 34 - Typical Employment Ratios¹⁹

Land Use	Employment Rate*
Supermarket	1:21.3sqm
Discount Department Store	1:45sqm
Specialty Store	1:30sqm
Bulky Goods/Homemaker Centre	1:40sqm
Mixed Use	1:50sqm
Commercial	1:20sqm
Childcare Centre	1:7 children
Community Health Centre	1:25sqm
Serviced Apartments	0.44 jobs to 1 room ²⁰
Industrial	1:80sqm

* Job per square metre of gross floor area.

19 Sources: ABS Retail Industry (1998-99 Cat. 8622.0) and based on surveys and experience of Hill PDA.

20 Source: ABS Cat: 8635155001DO001_200906 Tourist Accommodation, Small Area Data, NSW, Jun 2009. Note average of 0.44 employees to 1 room in a 4 star facility.

As a result a neighbourhood centre of between 550sqm and 2,000sqm provide between 20 and 78 full time and part time jobs post completion in retail operations.

Table 35 - Neighbourhood Centre Operations Generated Employment

Retail Store Type	Low	Medium	High
General Store	7	19	38
Specialty Stores	13	27	40
Total Jobs	20	45	78

In addition to conventional employment land uses, the site may be appropriate for fostering home-based businesses. There is evidence that the proportion of home based employment is continuing to increase under the combined influences of existing firms encouraging employees to increase the proportion of time they spend working at home, and the ‘out sourcing’ of services by many larger firms. Both are creating opportunities for home based businesses.

Improved Retail Offer and Increased Competition

The retail element of any new development on the subject site would be likely to attract new retailers to this part of Byron Shire, providing an improved range of goods and services for local residents. Not only would the range of shops and services improve, but increased competition between retailers is widely acknowledged beneficial for consumers.

Traffic and Transportation

The subject site benefits from access to Ewingsdale Road which connects directly with Pacific Highway. Notwithstanding this, Ewingsdale is located within proximity but still some distance from the more congested centre of Byron Bay.

Being less congested also provides an opportunity to maximise development potential without exacerbating existing levels of traffic that are already suffering from significant road congestion. That said, any development on the site, would result in an intensification of uses and place some pressure on the surrounding road network.

The proposed development is well suited to provide sustainable alternatives for shoppers and employees to private car use. The site is also located within an area which could accommodate higher density uses and is located opposite an existing employment precinct. Therefore, an improved range of shops and services should help to reduce the number of journeys made by local residents who shop in other centres due to the lack of a range of goods and services currently on offer in the local Trade Area.

Contribution to Dwelling Targets

The remaining residential areas of the site will contribute between 700 and 1,350 dwelling units, contributing to Byron Bay’s overall dwelling targets of an additional 2,600 dwellings by 2031 as indicated in the Far North Coast Regional Strategy. It is important to note that to achieve up to 1,350 dwellings on site, an allowance for some higher densities will be required.

A Mix of Housing Options

Compared to Byron Bay, the suburb of Ewingsdale and its surrounds has a low proportional supply of units and townhouses, which combined with the increasing price of apartments and homes along the coast, indicates the need for both a larger proportion of smaller dwellings and a need to enhance the mix of housing options.

Further evidence of demand for smaller dwellings can be drawn from Hill PDA's demographic analysis which found the proportion of couples without children and lone person households in 2006 were almost equivalent to the number of couples with children. This was a trend experienced in both the Ewingsdale Trade Area and across the wider LGA.

Although coastal and water view locations in Byron Shire are more expensive than inland locations, Ewingsdale is currently one of the more affordable suburbs. In light of the socioeconomic challenge regarding housing affordability and choice, the Regional Strategies promote the provision of a mix of housing types and recognise the need for a shift towards higher density forms of residential development to address the current dominance of detached dwellings.

In accordance with this, the redevelopment of the subject site for a mix of densities, including a proportion of medium density townhouses is expected to be desirable to the local market.

Investment Stimulus

Where a major property investment decision has been made it is generally viewed as a strong positive commitment for the local area. Such a major investment will in turn stimulate and attract further investment to the immediate area.

In economic terms the value of this stimulus is often difficult to directly quantify and the effects are often not realised for many years after facilities and infrastructure have been built and are operational. Nevertheless investment, like that of the proposed scale, will help raise the profile of the local area, as a place to live, shop, work and invest. This can only be viewed as positive.

10.5 Other Considerations

Principles of Staging

In order to develop and evaluate a range of staging options for the planning and management of retail growth in the West Byron Bay Urban Release Area, it is necessary to have a clear set of objectives. Objectives could include the following:

- Ensure residents have the widest possible range of shopping opportunities and commercial services;
- Provide quantity, quality and convenience for consumers;
- Provide for further growth in retail space to meet growth in demand generated by population growth;
- Protect the integrity and viability of existing centres to the extent that they continue to perform a useful community function;

- Provide opportunities for local employment and start-up businesses for local residents; and
- Balance social, economic and environmental considerations and focus on local ESD principles including reduction in transport demand.

However, at this preliminary stage it is difficult to comment on staging options for the subject site until residential and employment land densities have been established, and the quantum of associated retail floorspace agreed. Notwithstanding this, the above principles should be considered when planning for retail floorspace on the subject site.

DISCLAIMER

This report is for the confidential use only of the party to whom it is addressed (the client) for the specific purposes to which it refers. We disclaim any responsibility to any third party acting upon or using the whole or part of its contents or reference thereto that may be published in any document, statement or circular or in any communication with third parties without prior written approval of the form and content in which it will appear.

This report and its attached appendices are based on estimates, assumptions and information sourced and referenced by Hill PDA and its sub consultants. We present these estimates and assumptions as a basis for the reader's interpretation and analysis. With respect to forecasts we do not present them as results that will actually be achieved. We rely upon the interpretation of the reader to judge for themselves the likelihood of whether these projections can be achieved or not.

As is customary, in a report of this nature, while all possible care has been taken by the authors to prepare the attached financial models from the best information available at the time of writing, no responsibility can be undertaken for errors or inaccuracies that may have occurred both with the programming or the financial projections and their assumptions.

This report does not constitute a valuation of any property or interest in property. In preparing this report we have relied upon information concerning the subject property and/or proposed development provided by the client and we have not independently verified this information excepted where noted in this report.

Appendix 1 - RETAIL & COMMERCIAL FLOORSPACE SUPPLY BY RETAIL STORE TYPE (2010)

Retail Store Type	Suffolk Park	Bangalow	Ewingsdale	Byron Bay
Discount Department Store	-	-	-	-
Supermarkets & Grocery Stores	220	380	1,755	5,240
Convenience Store	-	90	198	405
Specialty Food	234	578	315	1,848
Restaurants & Take-aways	351	1,003	523	6,124
Clothing	-	194	-	7,609
Specialty Non Food	90	2,565	468	5,831
Bulky Goods	-	198	-	461
Personal Services	117	131	162	2,699
Other shop front	-	257	180	317
Total Retail Space	1,012	5,396	3,601	30,534
Commercial	-	1,281	270	4,827
Vacant Floorspace	-	-	248	3,230
Total Shopfront	1,012	6,677	4,119	38,591

Source: Hill PDA Survey 2010

Appendix 2 - BYRON BAY BUSINESS COUNT BY RETAIL STORE TYPE (2010)

Retail Store Type	Lennox Head	Suffolk Park	Bangalow	Mullumbimby	Brunswick Heads	Ewingsdale	Byron Bay
Discount Department Store	-	-	-	-	-	-	-
Supermarkets & Grocery Stores	2	1	2	2	2	2	5
Convenience Store	-	-	1	1	1	2	3
Specialty Food	4	2	3	9	4	2	19
Restaurants & Take-aways	14	3	10	13	21	4	57
Clothing	3	-	2	7	8	-	81
Specialty Non Food	6	1	20	30	17	5	66
Bulky Goods	-	-	1	3	-	-	2
Personal Services	-	-	-	-	-	-	-
Other shop front	-	-	3	-	-	1	3
Total Retail Space	29	7	42	65	53	16	236
Commercial	7	-	8	7	1	2	40
Vacant Floorspace	-	-	-	4	3	2	16
Total Shopfront	36	7	50	76	57	20	292

Source: Hill PDA Survey 2010

Appendix 3 - EWINGSDALE LOCAL TRADE AREA SENSITIVITY MATRIX (SQM)

IN YEAR 2016		IN YEAR 2016				IN YEAR 2016				
13dw/ha		15dw/ha				18dw/ha				
Retail Store Type	55ha	65ha	75ha	55ha	65ha	75ha	Retail Store Type	55ha	65ha	75ha
Supermarkets & Grocery Stores	1,607	1,667	1,726	1,657	1,726	1,795	Supermarkets & Grocery Stores	1,733	1,816	1,899
Specialty Food Stores	797	824	851	820	851	883	Specialty Food Stores	855	892	930
Take-away Food Stores	742	756	770	754	770	787	Take-away Food Stores	772	792	811
Restaurants, Hotels and Clubs*	1,523	1,557	1,591	1,552	1,591	1,629	Restaurants, Hotels and Clubs*	1,594	1,641	1,687
Department Stores	1,206	1,253	1,300	1,246	1,300	1,354	Department Stores	1,305	1,370	1,435
Clothing Stores	446	446	446	446	446	446	Clothing Stores	446	446	446
Bulky Goods	2,012	2,093	2,174	2,081	2,174	2,267	Bulky Goods	2,183	2,295	2,407
Other Goods and Services	1,503	1,558	1,613	1,549	1,613	1,676	Other Goods and Services	1,619	1,695	1,771
Selected Personal Services**	507	523	538	520	538	557	Selected Personal Services**	540	562	584
Total Retailing	10,343	10,676	11,009	10,625	11,009	11,394	Total Retailing	11,048	11,509	11,970

IN YEAR 2020		IN YEAR 2020				IN YEAR 2020				
13dw/ha		15dw/ha				18dw/ha				
Retail Store Type	55ha	65ha	75ha	55ha	65ha	75ha	Retail Store Type	55ha	65ha	75ha
Supermarkets & Grocery Stores	2,054	2,182	2,310	2,163	2,310	2,457	Supermarkets & Grocery Stores	2,325	2,502	2,679
Specialty Food Stores	1,003	1,061	1,120	1,052	1,120	1,187	Specialty Food Stores	1,126	1,207	1,288
Take-away Food Stores	872	902	932	897	932	967	Take-away Food Stores	935	977	1,019
Restaurants, Hotels and Clubs*	1,816	1,887	1,959	1,876	1,959	2,042	Restaurants, Hotels and Clubs*	1,967	2,067	2,166
Department Stores	1,548	1,648	1,749	1,633	1,749	1,864	Department Stores	1,760	1,899	2,038
Clothing Stores	467	467	467	467	467	467	Clothing Stores	467	467	467
Bulky Goods	2,602	2,775	2,948	2,748	2,948	3,147	Bulky Goods	2,968	3,207	3,447
Other Goods and Services	1,914	2,031	2,149	2,013	2,149	2,284	Other Goods and Services	2,162	2,325	2,487
Selected Personal Services**	622	656	690	651	690	729	Selected Personal Services**	694	741	788
Total Retailing	12,896	13,609	14,322	13,500	14,322	15,145	Total Retailing	14,404	15,391	16,378