

North Buderim Marketplace Economic Impact Assessment Submission

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ECONOMIC ASSOCIATES



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1 INTRODUCTION

Economic Associates was commissioned by Murray and Associates on behalf of North Buderim Market Pty Ltd (owner of the existing North Buderim Shopping Centre) to review the Economic Impact Assessment (EIA) and subsequent Response to Council Request for Information (dated 13 May 2016) prepared by MacroPlan Dimasi for the proposed North Buderim Supermarket Centre at 141 Jones Road, North Buderim. This includes the preparation of a preliminary Economic Impact Assessment of the proposed North Buderim Supermarket Centre as part of a submission to the Sunshine Coast Regional Council with respect to that proposal.

1.1 Report Structure

This report has the following structure:

- Chapter 1: Introduction: this Chapter outlines the intent of this Report;
- Chapter 2: Proposed North Buderim Supermarket Centre: this Chapter outlines the proposed uses as part of the North Buderim Supermarket Centre together with an overview of the subject site and its surroundings;
- Chapter 3: Review of MacroPlan Dimasi Economic Impact Assessment: this Chapter provides a detailed critique of each element of the MacroPlan Dimasi Economic Impact Assessment, including trade area definition, socioeconomic profile, population projections, centres network, demand assessment, supportable supermarket floor space, market share and centre performance, impact assessment and need assessment. This includes a separate analysis by Economic Associates of the proposed North Buderim Supermarket Centre at 141 Jones Road, North Buderim;
- Chapter 4: Review of MacroPlan Dimasi Response to Information Request: this Chapter provides a critique of the supplement information provided by MacroPlan Dimasi (dated 13 May 2016) in response to Council's information request (dated 14 October 2015); and
- Chapter 4: Concluding Comments: this Chapter summarises Economic Associates' analysis of the proposed North Buderim Supermarket Centre.



2 PROPOSED NORTH BUDERIM SUPERMARKET CENTRE

2.1 Subject Site and its Surroundings

The proposed North Buderim Supermarket Centre is to be located at 141 Jones Road (on the corner of Jones Road and Maroochydore Road), North Buderim. The subject site is located directly opposite the existing North Buderim Shopping Centre, which is anchored by a Supa IGA and a number of retail specialty stores including a liquor store, bakery, butcher, pharmacy, takeaway store and florist. Other surrounding uses including a McDonalds and Kuluin Village. All three centre facilities are designated local centre under the Sunshine Coast Planning Scheme 2014.

Figure 2.1 illustrates the location of the proposed subject site and its proximity to the existing North Buderim Shopping Centre.

Figure 2.1: Subject Site and its Surrounding, Proposed North Buderim Supermarket Centre



Source: Google Earth



2.2 Proposed Configuration

Original plans for the proposed North Buderim Supermarket Centre have been subsequently amended since the Development Application was lodged. The original proposal comprised a total 5,035m² (GFA), anchored by a 3,906m² (GFA) supermarket. The amended plans of the proposed North Buderim Supermarket Centre indicate a centre of 4,937m² (GFA), anchored by a slightly smaller supermarket of 3,688m² (GFA). The amended plans result in a reduction of 218m² of supermarket floor space and an increase of 120m² of shop floor space equating to a total reduction in centres size of 98m². It is noted that in Council's Information Request (dated 15 October 2015) Council advised the Applicant to reduce the supermarket component of the proposed centre to more consistent with that anticipated by a lower order centre. In our opinion, the floor space reduction of the supermarket component by 200m² and a total centre reduction of 98m² provides no material difference to the role and function of the centre and subsequent impact concerns of the proposal on the centres hierarchy. The proposed centre in its amended form is not conducive to the intended role and function of the local centre in this location within the centres hierarchy.

Table 2.1 below summarises the floor space of the intended uses of the proposed North Buderim Supermarket Centre. This EIA submissions assesses the proposal based on the amended plans.

Table 2.1: Proposed Uses, North Buderim Supermarket Centre

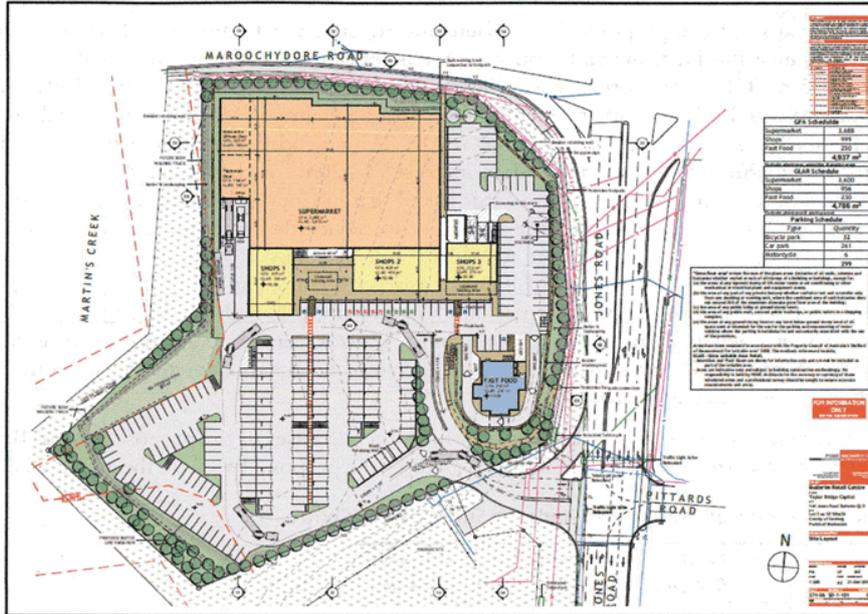
Use	Original Plans GFA (m ²)	Amended Plans GFA (m ²)	Difference GFA (m ²)
Supermarket	3,906	3,688	-218
Shops	879	999	120
Fast Food	250	250	0
Total	5,035	4,937	-98

Source: North Buderim Supermarket Centre - EIA, MacroPlan Dimasi, September 2015, Amended Plans Powe Architects

Entry/exit to the subject site is proposed from Jones Road. Figure 2.2 illustrates the proposed North Buderim Supermarket Centre layout.



Figure 2.2: Proposed North Buderim Supermarket Centre Layout



Source: North Buderim Supermarket Centre - Amended Plans, Powe Architects, April 2016



3 REVIEW OF MACROPLAN DIMASI ECONOMIC IMPACT ASSESSMENT

Economic Associates has reviewed the Economic Impact Assessment (EIA) prepared by MacroPlan Dimasi for the proposed North Buderim Supermarket Centre dated September 2015. It is noted that the EIA was based on the original plans of a 5,035m² (GFA) centre, anchored by a 3,906m² (GFA) supermarket. The following provides a critique of the MacroPlan Dimasi EIA and Economic Associates analysis of the proposed North Buderim Supermarket Centre.

3.1 Trade Area Analysis

3.1.1 MacroPlan Dimasi Defined Trade Area

The EIA prepared by MacroPlan Dimasi defines a primary and secondary trade area for the proposed North Buderim Supermarket Centre at 141 Jones Road, North Buderim. The primary trade area incorporates the suburbs of Kuluin and Kunda Park, as well as parts of Buderim, Maroochydore and Forest Glen. The primary trade area is generally bound by Eudlo Creek to the north and the Sunshine Motorway to the east¹. The secondary trade area is generally bounded by Paynter Creek to the north, Eudlo Creek to the east, Maroochydore Road to the south and the Bruce Highway to the West. The secondary trade area includes the suburbs of Kiels Mountain, Diddillibah and part of Forest Glen².

Economic Associates questions the inclusion of the secondary trade area, with the majority of this population located within the northern and western extent of the secondary trade area. The secondary trade area is characterised by an established rural community in which residents are likely to be accustomed to travelling further distances to access goods and services as a result of their lifestyle choice in this corridor. The existing road network of the secondary trade area provides good connectivity to Nambour to access various services and facilities. Economic Associates contends that trade generated by the 'secondary trade area' would be more appropriately dealt with as a non-trade area resident expenditure. The secondary trade area is entirely rural residential development and residents of this area can access both higher order and low level facilities by way of a reasonable commute.

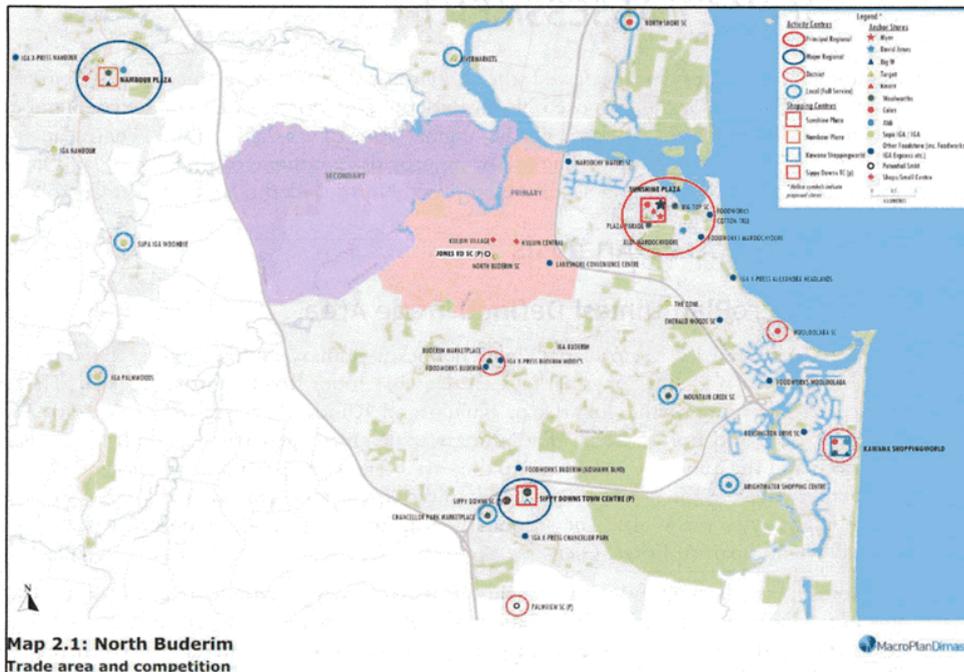
Figure 3.1 illustrates the defined trade area derived by MacroPlan Dimasi.

¹North Buderim Supermarket Centre, Economic Impact Assessment, MacroPlan Dimasi (September 2015)

² Ibid



Figure 3.1: Defined Trade Area, Proposed North Buderim Supermarket Centre, MacroPlan Dimasi



Source: Map 2.1, North Buderim Supermarket Centre, Economic Impact Assessment, September 2015, MacroPlan Dimasi

3.1.2 Economic Associates Defined Trade Area

Definition of a trade area generally considers a number of locational factors including:

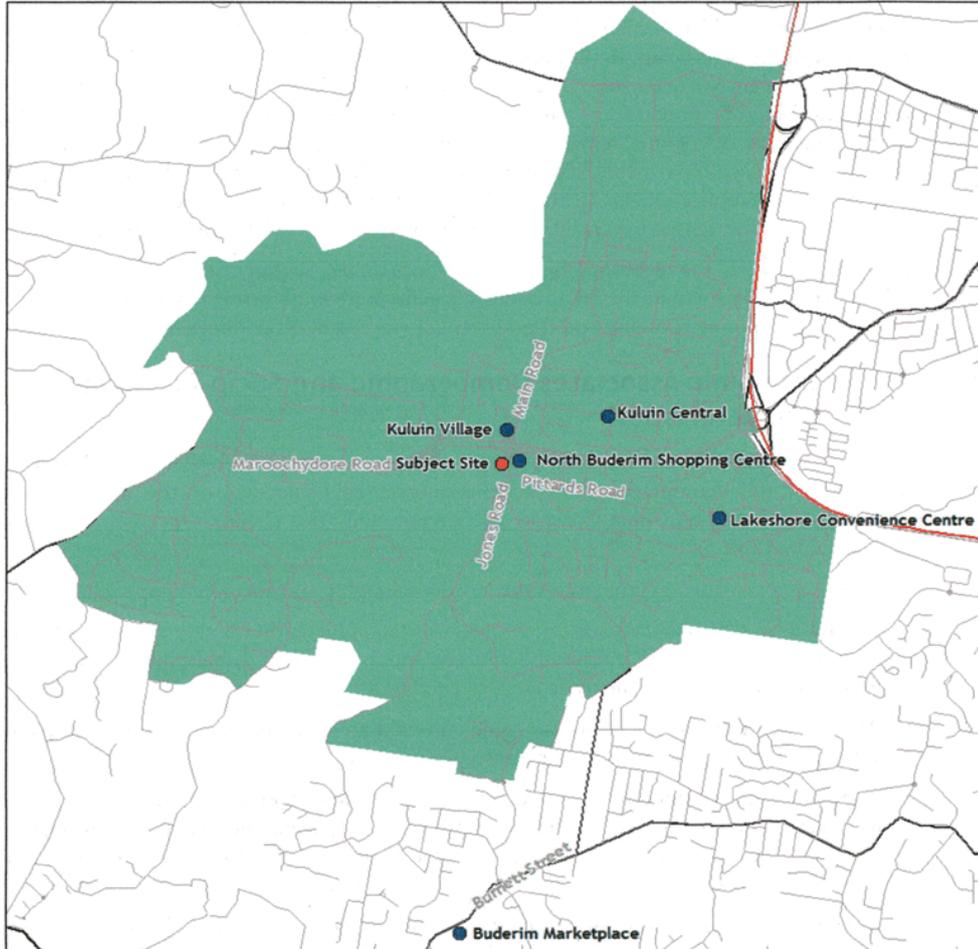
- The local road network in terms of access to the subject site;
- Natural and man-made barriers, which may hinder perceptions of convenience and accessibility;
- The location, role and function of existing centres within North Buderim and the surrounding area namely the North Buderim Shopping Centre located opposite the subject site and anchored by a Supa IGA supermarket, the Buderim Marketplace (anchored by a Woolworths supermarket) and Sunshine Plaza;
- Psychological barriers, which may hinder perceptions of convenience and accessibility;
- Other barriers such as railways and water courses; and
- Australian Statistical Geographic Standards (ASGS) Boundaries of Statistical Areas – Level 1 (SA1). The smallest statistical area for which census data is available.

For the reasons discussed above, Economic Associates considers that the primary trade area of the EIA prepared by MacroPlan Dimasi is the relevant trade area for the proposed North Buderim Supermarket Centre.



Figure 3.1 illustrates the extent of the trade area adopted by Economic Associates, which equates to the primary trade area defined by MacroPlan Dimasi.

Figure 3.2: Defined Trade Area, Proposed North Buderim Supermarket Centre, Economic Associates



3.2 Socioeconomic Profile

3.2.1 MacroPlan Dimasi Demographic and Socio-Economic Characteristics

The MacroPlan Dimasi EIA indicates that the main trade area (i.e. the combined primary and secondary trade area) is characterised by high home ownership levels and a mix of families and retirees. Based on the EIA socio-demographic profile the personal income is lower in both the



primary and secondary trade area compared to the non-metro Queensland and Australian average.

The EIA notes the main trade area has high home ownership levels, however, it is noted this is characterised by a higher proportion of households with a mortgage (39.6% of main trade area households). Within the primary trade area 39.9% of households are characterised as mortgagee households with 35.1% identified as owning their homes. The incidence of mortgagee households has significant implications for the availability of money to spend on retail in comparison to owner occupiers. A discussion with regards to housing costs within the defined trade area should be undertaken. Household retail expenditure levels are significantly influenced by the quantum of income remaining once major expenditure commitments such as housing costs (i.e. mortgage repayments, rental payments etc.) have been deducted. Neglecting to factor in housing cost implications in an area with higher than average rents/and or higher incidence of persons paying mortgages may result in an overstatement of available retail expenditure.

It is unclear how the demographic analysis undertaken within the EIA contributes to any subsequent analysis within the EIA, because clearly there is no effort made to align the findings of the socioeconomic profiling and third party sourced retail expenditure data.

3.2.2 Economic Associates Demographic and Socio-Economic Characteristics

The results of the ABS 2011 Census of Population and Housing, have been utilised to provide an overview of the demographic and socio-economic characteristics of the defined trade area benchmarked to the Sunshine Coast Local Government Area (LGA), Queensland and Australia as detailed in Table 3.1.

The following provides a summary of the key demographic and socio-economic characteristics:

- The trade area is characterised by an older demographic with a higher proportion of persons aged 65 years and older than the Queensland benchmark (albeit this is lower than the Sunshine Coast LGA). The trade area also exhibited
- At the time of the 2011 Census, the trade area exhibited a higher proportion of couple families with children in comparison to the Sunshine Coast LGA;
- The trade area exhibited higher incidence of households either owning their homes or under a mortgage compared to the Sunshine Coast LGA and Queensland benchmark averages. As of 2011, mortgage repayments were higher in the trade area (\$1,916) compared to the Sunshine Coast LGA (\$1,895) and Queensland (\$1,892) averages;
- Average housing costs (i.e. as a percentage of household income) were higher in the trade area (17.9%) than the Sunshine Coast LGA (17.8%), Queensland (15.8%) and Australia (15.1%) benchmark;
- The average household income for the trade area as at the time of the 2011 Census was \$1,347, which was higher than the Sunshine Coast LGA (\$1,286) but lower than Queensland (\$1,495) and Australia (\$1,519);
- As of 2011, the trade area exhibited a higher proportion of person with a non-school qualification compared to the benchmark averages (46.8% c.f. 45.6% Sunshine Coast LGA and 45.6% Queensland) with 33.4% of trade area residents attaining a certificate or diploma; and



- The main industries of employment of trade area residents were health care and social assistance (14.1%), retail trade (13.0%) and construction (10.7%), which are all higher than the Queensland average.



Table 3.1: Socio Economic Profile, Trade Area, Sunshine Coast LGA, Queensland, Australia - 2011 Census

	Trade Area	Sunshine Coast LGA	Queensland	Australia
Population (2011 Census Counted at Home)	7,513	306,907	4,332,737	21,507,719
Age Distribution				
0-14 years	19.8%	18.9%	20.2%	19.3%
15-24 years	11.4%	11.2%	13.6%	13.3%
25-34 years	11.0%	9.9%	13.6%	13.8%
35-44 years	14.4%	13.7%	14.3%	14.2%
45-54 years	14.5%	14.6%	13.6%	13.7%
55-64 years	13.2%	13.5%	11.6%	11.6%
65+ years	15.7%	18.2%	13.1%	14.0%
Average age (years)	39.1	40.7	37.1	37.8
Household Type (% of families)				
Couple families with children	42.2%	38.4%	42.8%	44.6%
Couple families without children	41.3%	45.0%	39.5%	37.8%
Single parent family	15.3%	15.5%	16.1%	15.9%
Other families	1.2%	1.1%	1.7%	1.7%
Average household size	2.5	2.5	2.6	2.6
Household Finances				
% of households fully owning home	35.0%	33.5%	28.4%	31.0%
% of households purchasing home	37.6%	31.2%	32.6%	33.3%
% of households renting	23.2%	28.7%	32.0%	28.7%
Average monthly housing loan repayment	\$1,916	\$1,895	\$1,892	\$1,894
Average weekly rent payment	\$321	\$320	\$296	\$294
Average housing costs (as a % of income)	17.9%	17.8%	15.8%	15.1%
Average weekly household income	\$1,347	\$1,286	\$1,495	\$1,519
Adjusted average weekly household income	\$1,106	\$1,057	\$1,259	\$1,290
Labour Market				
Full-time employment (% labour force)	54.8%	52.4%	60.0%	59.7%
Part-time employment (% labour force)	33.3%	34.9%	28.2%	28.7%
Total employment (% labour force)	93.3%	92.9%	93.9%	94.4%
Unemployment rate (% labour force)	6.7%	7.1%	6.1%	5.6%
Participation rate (% of population > 15 years)	63.7%	58.4%	62.8%	61.4%
Qualifications				
% of persons with a non-school qualification	46.8%	45.6%	43.3%	44.9%
% of persons with Bachelor or higher	13.4%	14.2%	15.9%	18.8%
% of persons with Diploma	8.7%	9.1%	7.5%	8.0%
% of persons with Certificate	24.7%	22.3%	19.9%	18.1%
Occupation				
Upper White Collar				
Managers	11.2%	12.2%	12.0%	12.9%
Professionals	17.5%	18.1%	18.9%	21.3%
Subtotal	28.8%	30.3%	31.0%	34.2%
Lower White Collar				
Clerical and Admin Workers	14.5%	13.6%	14.7%	14.7%
Community & Personal Service Workers	10.6%	10.9%	10.0%	9.7%
Sales Workers	11.9%	11.7%	9.8%	9.4%
Subtotal	37.0%	36.2%	34.4%	33.8%
Upper Blue Collar				
Technicians & Trades Workers	17.4%	16.1%	14.9%	14.2%
Subtotal	17.4%	16.1%	14.9%	14.2%
Lower Blue Collar				
Machinery Operators & Drivers	4.9%	5.3%	7.3%	6.6%
Labourers	10.4%	10.6%	10.6%	9.4%
Subtotal	15.3%	15.9%	17.9%	16.0%



	Trade Area	Sunshine Coast LGA	Queensland	Australia
Employment by Industry (% of employees)				
Agriculture, forestry & fishing	0.6%	1.7%	2.7%	2.5%
Mining	0.9%	1.3%	2.6%	1.8%
Manufacturing	7.6%	6.5%	8.4%	9.0%
Electricity, gas, water & waste services	0.8%	1.0%	1.2%	1.1%
Construction	10.7%	11.6%	9.0%	8.2%
Wholesale trade	3.6%	3.2%	3.6%	4.0%
Retail trade	13.0%	12.7%	10.7%	10.5%
Accommodation & food services	8.2%	9.1%	7.0%	6.5%
Transport, postal & warehousing	3.9%	3.7%	5.3%	4.8%
Information media & telecommunications	1.5%	1.2%	1.2%	1.8%
Financial & insurance services	3.0%	2.7%	2.7%	3.8%
Rental, hiring & real estate services	2.4%	2.4%	1.8%	1.6%
Professional, scientific & technical services	6.0%	5.9%	6.5%	7.3%
Administrative & support services	4.7%	3.4%	3.2%	3.2%
Public administration & safety	4.1%	4.4%	6.7%	6.9%
Education & training	7.1%	8.1%	7.9%	8.0%
Health care & social assistance	14.1%	13.3%	11.9%	11.6%
Arts & recreation services	1.3%	1.5%	1.4%	1.5%
Other services	4.6%	3.9%	3.9%	3.8%

Source: ABS 2011 Census of Population and Housing

On average, the trade area population incurs higher weekly rents and monthly mortgage repayments compared to the Sunshine Coast LGA, Queensland and Australia. With a higher proportion of housing costs (i.e. as a % of household income) in comparison to the benchmark averages, the trade area population is likely to have lower levels of discretionary income.

3.3 Population Projections

Trade Area population projections prepared by MacroPlan Dimasi and Economic Associates are detailed below with respect of each of the trade areas defined.

3.3.1 MacroPlan Dimasi Population Estimates

MacroPlan Dimasi have provided population estimates and projections for each of the trade areas between 2006 and 2026. It is noted that the 2006 and 2011 estimates are derived from the estimated resident population at the SA1 level provided by the Queensland Government Statistician's Office via an ABS consultancy.

Table 3.2 details the population projections presented within the EIA prepared by MacroPlan Dimasi for each trade area between 2006 and 2026. It is noted that no calculation of households were presented within the MacroPlan Dimasi EIA.



Table 3.2: Population Projections, MacroPlan Dimasi, 2006 - 2026

Trade Area Sector	Estimated Population			Forecast Population		
	2006	2011	2015	2018	2021	2026
Primary	7,220	7,800	8,360	8,870	9,380	10,130
Secondary	2,010	2,110	2,270	2,390	2,510	2,710
Main trade area	9,230	9,910	10,630	11,260	11,890	12,840
		Average annual growth (no.)				
Trade Area Sector		2006-11	2011-15	2015-18	2018-21	2021-26
Primary		116	140	170	170	150
Secondary		20	40	40	40	40
Main trade area		136	180	210	210	190
		Average annual growth (%)				
Trade Area Sector		2006-11	2011-15	2015-18	2018-21	2021-26
Primary		1.6%	1.7%	2.0%	1.9%	1.6%
Secondary		1.0%	1.8%	1.7%	1.6%	1.5%
Main trade area		1.4%	1.8%	1.9%	1.8%	1.5%

Source: Derived from Table 2.1 North Buderim Trade Area Population 2006-2026, North Buderim Supermarket Centre, Economic Impact Assessment, MacroPlan Dimasi, September 2015

Based on the MacroPlan Dimasi EIA, the main trade area (i.e. the combined primary and secondary trade area) has an estimated resident population of 10,630 persons as at 2015 with the primary trade area accounting for 8,360 persons and the secondary trade area accounting for 2,270 persons of the main trade area. By 2026, the main trade area is projected to increase to 12,840 persons with the primary trade area accounting for 10,130 persons and the secondary trade area accounting for 2,710 persons of the main trade area. Between 2015 and 2026, the main trade area is projected to achieve an average growth rate of 1.7% per annum.

The primary trade area is projected to increase from 8,360 persons in 2015 to 10,130 persons by 2026, equating to an average growth rate of 1.8% per annum (or 161 persons per annum). This growth rate is higher than the 2006 to 2015 period of 1.6% (or 127 persons).

The secondary trade area is projected to increase from 2,270 persons in 2015 to 2,710 persons by 2026, equating to an average growth rate of 1.6% per annum (or 40 persons). This growth rate is higher than the historic growth rate of 1.4% per annum between 2006 and 2015 (or 29 persons). The secondary trade area is generally rural in nature with lower residential densities and limited opportunity for significant residential development.

Conversion of the population estimates to number of households (assuming the average household size for each trade area derived from the 2011 census results) suggests there were 3,754 households within the main trade area in 2011. By 2015, there is an estimated 4,026 households within the main trade area, representing an increase of 272 households (or 68 households per annum) between 2011 and 2015. However, based on building approval data at the SA1 level (as detailed in section 3.4.2) between 2011/12 and 2013/14 the main trade area recorded a total of 70 dwelling approvals (or 23 dwelling approvals per annum) suggesting the population projections are overstated. By 2026, the number of households within the main trade area (assuming the average household size for each trade area derived from the 2011 census results) is anticipated to increase to 4,864 households. This represents an increase of 838 households (or 77 households per annum) between 2015 and 2026.



As at 2011, the primary trade area comprised an estimated 3,000 households increasing to 3,215 households by 2015 (a total increase of 215 households or 54 households per annum). A review of dwelling approvals at the SA1 level (as detailed in section 3.4.2) between 2011/12 and 2013/14 indicates the primary trade area recorded a total of 58 dwellings approvals (or 19 dwellings per annum) suggesting the population projections are overstated. By 2026, the primary trade area is anticipated to comprise 3,896 households (a total increase of 681 households since 2015 or 62 households per annum).

The secondary trade area comprised an estimated 754 households as at 2011 increasing to 811 households by 2015 (a total increase of 57 households or 14 households per annum). By 2026, the secondary trade area is anticipated to comprise 968 households (a total increase of 157 households since 2015 or 14 households per annum). However, based on building approvals at the SA1 level between 2011/12 and 2013/14, the secondary trade area recorded a total of 12 dwelling approvals (or an average four dwelling approvals per annum) as detailed in section 3.4.2.

Table 3.3 summarises the population and household projections for the trade area defined by MacroPlan Dimasi.

Table 3.3: Population and Household Projections, MacroPlan Dimasi, 2006 - 2026

	2006	2011	2015	2018	2021	2026
Population						
Primary	7,220	7,800	8,360	8,870	9,380	10,130
Secondary	2,010	2,110	2,270	2,390	2,510	2,710
Main trade area	9,230	9,910	10,630	11,260	11,890	12,840
Households						
Primary	2,777	3,000	3,215	3,412	3,608	3,896
Secondary	718	754	811	854	896	968
Main trade area	3,495	3,754	4,026	4,265	4,504	4,864
Ave. Household Size						
Primary (2011 Census)	2.6	2.6	2.6	2.6	2.6	2.6
Secondary (2011 Census)	2.8	2.8	2.8	2.8	2.8	2.8
Main Trade Area	2.6	2.6	2.6	2.6	2.6	2.6
			Average annual growth (no.)			
Households		2006-11	2011-15	2015-18	2018-21	2021-26
Primary		45	54	65	65	58
Secondary		7	14	14	14	14
Main Trade Area		52	68	80	80	72

Source: Derived from Table 2.1 North Buderim Trade Area Population 2006-2026, Table 2.2 North Buderim Trade Area socio-demographic profile 2011, North Buderim Supermarket Centre, Economic Impact Assessment, MacroPlan Dimasi, September 2015

The MacroPlan Dimasi EIA notes the proposed Maroochy Palms Estate as the only major residential development proposed within the main trade area, totalling 196 dwellings. The estate is to be developed at the site of the existing Maroochy Palms Big 4 Caravan Park on Bradman Avenue. The MacroPlan Dimasi EIA notes that beyond the Maroochy Palms Estate that "... the trade area consists of generally established areas, where most population growth comes from natural growth (i.e. children being born to residents in the trade area)". (p.8, North Buderim Supermarket Centre, MacroPlan Dimasi). A review of the socio-demographic profile prepared by MacroPlan Dimasi indicates the trade areas have a lower proportion of children aged 0 to 14 years, a lower proportion of persons aged 20 to 39 years and a higher proportion of retirees suggesting a lower levels of natural growth within this corridor.



The population projections derived by MacroPlan Dimasi are overstated resulting in the subsequent calculations of retail spending etc. are also overstated.

3.3.2 Building Approvals

Despite reference made to utilising building approval data, the EIA does not provide any details of building approval data for the defined trade areas.

A review of building approvals at the SA1 level indicates limited dwelling activity recorded between 2011/12 and 2013/14 within the defined Primary Trade Area and Secondary Trade Area. The primary trade area averaged a total of 19 dwelling approvals per annum between 2011/12 and 2013/14, reflective of the limited opportunities for future residential development in this established corridor. Between 2011/12 and 2013/14, the secondary trade area averaged four dwelling approvals per annum, reflective of the low residential density of this rural residential corridor.

The primary trade area forms part of the Buderim – North SA2, whilst the secondary trade area forms part of the Maroochy – Kuluin SA2.

An examination of building approvals of Buderim – North and Maroochy – Kuluin SA2s between the 2011/12 and 2013/14 period, indicates on average the primary trade area accounted for 31% of Buderim – North SA2 building approvals and the secondary trade area accounted for only 4% of Maroochy – Kuluin building approvals as detailed in Table 3.4. Based on building approvals at the SA2 level, the majority of building approvals have occurred beyond the defined primary and secondary trade areas identified by the MacroPlan Dimasi EIA.

Table 3.4 summarises the total number of dwelling approvals recorded within each of the defined trade areas as well as the Buderim – North and Maroochy – Kuluin SA2s between 2011/12 and 2013/14. It also calculates the proportion of trade area building approvals as a proportion of the relevant SA2 building approvals.

Table 3.4: Building Approvals by Trade Area, 2011/12 to 2013/14

Financial Year	PTA	STA	Total	Buderim - North SA2	Maroochy- Kuluin SA2	% of SA2	
						PTA	STA
2011/12	24	6	30	52	74	46%	8%
2012/13	16	3	19	65	146	25%	2%
2013/14	18	3	21	72	91	25%	3%
Total	58	12	70	189	311	31%	4%
Average	19	4	23	63	104	32%	4%

Source: ABS Building Approvals

3.3.3 Economic Associates Population Estimates

The Maroochy Palms Estate represents the single largest potential residential development within the primary trade area, albeit construction has yet to commence. With the exception of the approved Maroochy Palms Estate the primary trade area is an established community, with limited capacity for new residential development. Residential development within the primary trade area is likely to be modest due to:

- the established nature of the primary trade area;
- limited availability of residential zoned land remaining within the primary trade area; and



- the new Sunshine Coast Planning Scheme 2014 which restricts Dual Occupancy development within the 'Protected Housing Area' of Buderim's Low Density Residential Zone and the Limited Development (Landscape Residential) Zone which prevents further subdivision from occurring. The above zoning designations affect the majority of Buderim's urban area.

The trade area population is anticipated to experience modest population growth (average of 0.6% per annum) between 2015 and 2026. The trade area is estimated to have a population of 8,344 persons in 2015, increasing to 8,900 persons by 2026. The projected population and household estimates have assumed the development of the Maroochy Palms estates commences in 2018.

Table 3.5 summarises the anticipated population and household growth within the primary trade area between 2015 and 2026 as derived by Economic Associates.

Table 3.5: Population Estimates, 2015 to 2026, Economic Associates

	2015	2018	2021	2026	Ave. Annual Growth 2015 - 2026
Trade Area Population	8,344	8,423	8,540	8,900	0.6%
Households	3,338	3,383	3,458	3,633	0.8%
Ave. Household Size	2.50	2.49	2.47	2.45	

Source: ABS Regional Population Growth, ABS Building Approvals, Economic Associates Estimates

Comparison of trade area population estimates, namely for the primary trade area suggests the population projections undertaken by MacroPlan Dimasi are overstated by 447 persons in 2018, 840 persons in 2021 and 1,230 persons in 2026.

Table 3.6 summarises the differences in population projections between MacroPlan Dimasi and Economic Associates for the primary trade area.

Table 3.6: Difference in Population Estimates

	2015	2018	2021	2026
MacroPlan Dimasi	8,360	8,870	9,380	10,130
Economic Associates	8,344	8,423	8,540	8,900
Difference	16	447	840	1,230

Source: Economic Associates Analysis, Proposed North Buderim Supermarket Centre EIA, MacroPlan Dimasi

The population projections derived by MacroPlan Dimasi are significantly overstated and should not be relied upon.

3.4 Existing Centres Network

The MacroPlan Dimasi EIA has identified a number of existing centres network within the defined trade area as well as those in the surrounding region including North Buderim, Kuluin, Maroochydoore and Bli Bli.

3.4.1 Centres Located within the Trade Area

There are a total of four centres identified within the trade area this includes the North Buderim Shopping Centre, Kuluin Village, Kuluin Central and the Lakeshore Convenience Centre.



The **North Buderim Shopping Centre** is the closest centre to the proposed North Buderim Supermarket Centre, located at the intersection of Pittards and Jones Road, directly opposite the subject site. The North Buderim Shopping Centre is anchored by an IGA supermarket and supported by a small number of specialty stores. The centre has recently undergone redevelopment to increase the size of the IGA supermarket to an approximate lease area of 1,330m². The centre comprises approximately 2,200m².

Kuluin Village is located on the corner of Indiana Place and Mains Road proximate to the subject site. It comprises a small group of shops including a bakery, video store and convenience shop. The centre comprises approximately 300m² with a McDonalds fast food store located to the rear of the centre.

Kuluin Central is located at the corner of Tallow Wood Drive and Melaleuca Street, Kuluin. The centre comprises small number of shops including a local dance school and associated dancewear outlet, café, small gymnasium and solicitor's office. The EIA notes the centre includes three vacancies. The EIA notes that *"this facility appears to have failed as a retail centre of any significance"*³.

The **Lakeshore Convenience Centre** is located on the corner of Pittards Road and Lakeshore Avenue, North Buderim. The centre comprises approximately 400m² and includes a small IGA, takeaway store, a hairdresser and computer repair store.

3.4.2 Centres Located Beyond the Trade Area

Higher order centres are located at Maroochydore and Buderim, including the Maroochydore Central Business Area and Buderim District Centre.

The **Maroochydore Central Business Area** comprises approximately 76,570m² and includes Sunshine Plaza (54,270m²) and Big Top Market Fresh (10,000m²) together with additional strip retail. Maroochydore is identified as a Principal Regional Centre for the Sunshine Coast local government area, which is the highest order centre.

The **Buderim District Centre** is located approximately four kilometres south of the subject site on Burnett Street. The Buderim District Centre comprises approximately 7,870m² including the Buderim Marketplace (3,870m²) and strip retailing along Burnett Street (4,000m²). The Buderim Marketplace includes a Woolworths supermarket (2,456m²).

Smaller retail centres are also located beyond the trade area to the north and east including IGA Buderim (1,500m²), Maroochy Waters (1,200m²) and Rivermarkets at Bli Bli (3,500m²).

Additional centres are also located west of the trade area at Nambour (including Nambour Plaza and IGA Nambour), Woombye (including Supa IGA Woombye) and Palmwoods (including IGA Palmwoods).

3.5 Demand Assessment

3.5.1 MacroPlan Retail Spending Estimates

The EIA relies upon information derived from Market Data Systems (MDS), which purports to use a detailed microsimulation model of all of Australia. The product supplied by MDS is a data

³ p.20 North Buderim Supermarket Centre, Economic Impact Assessment, MacroPlan Dimasi (September 2015)



program known as Marketinfo. Marketinfo is utilised by a range of organisations that do not have the in-house retail expenditure modelling capacity. Marketinfo does attract some criticism generally pertaining to the seemingly inflated estimates of retail expenditure at a small area level in some instances.

Main trade area retail expenditure is calculated by multiplication of retail spending per person by the estimated resident population. The EIA has made allowance for an average real growth in spending per capita (i.e. growth over and above inflation) of 1.0% per annum. Total retail expenditure is projected to increase at an average annual rate of 2.8% per annum between 2015 and 2026 allowing for real growth in per capita expenditure (average of 1.0% per annum) and population growth (average of 1.7% per annum). However, based on a review of population estimates it appears that the estimates of retail expenditure growth are inflated by overly optimistic population projections for the main trade area.

3.5.2 Economic Associates Retail Expenditure Analysis

Expenditure analysis seeks to identify retail expenditure patterns for households in identified trade areas, which can then be extrapolated by projected household formation over time to generate a total future available retail expenditure estimate for identified trade area/s. Based on anticipated trade area market shares it is possible to infer the potential demand for a proposed retail development.

A number of retail categories are identified, these being⁴:

- Groceries & specialty food;
- Dining & takeaway food, including on-premise liquor;
- Clothing, footwear & apparel;
- Personal & other goods⁵;
- Core bulky goods⁶;
- Ancillary bulky goods⁷;
- Hardware; and
- Takeaway liquor.

Retail expenditure data for regional Queensland is taken from the ABS Household Expenditure Survey 2009-10 (Cat No. 6535.0.55.001) and assigned to the above retail expenditure categories and then adjusted for sub-regional variations based on income quintiles. All estimates are expressed in 2015 dollars.

⁴ Note that these estimates excluded fuel retailing, it is unclear whether or not MacroPlan Dimasi included fuel.

⁵ Personal and other goods includes household furnishings.

⁶ Core bulky goods include furniture and floor coverings, household appliances and audio-visual equipment and parts.

⁷ Ancillary bulky goods include home computer equipment, camping equipment and motor vehicle parts and accessories purchased separately



3.5.3 Economic Associates Available Weekly Household Expenditure

The weekly household expenditure for the trade area in 2015 is estimated at \$520.40 increasing to \$528.25 in 2018. By 2026, the estimated weekly household expenditure for the trade area is projected increase to \$549.75

Table 5.1 summarises the estimated weekly household expenditure for the trade area between 2015 and 2026 based on the above retail categories.

Table 3.7: Weekly Retail Household Expenditure, Trade Area, 2015 to 2026 (2015 dollars)

Trade Area	2015	2018	2021	2026
Groceries & take home food	\$182.77	\$185.52	\$188.32	\$193.08
Dining (incl. on-premise liquor)	\$29.04	\$29.48	\$29.92	\$30.68
Fast food & take-away food	\$28.26	\$28.69	\$29.12	\$29.86
Clothing, footwear & apparel	\$41.71	\$42.34	\$42.98	\$44.06
Personal & other goods	\$70.13	\$71.19	\$72.26	\$74.09
Core bulky goods	\$59.63	\$60.53	\$61.44	\$62.99
Ancillary bulky goods	\$52.81	\$53.60	\$54.41	\$55.79
Hardware	\$32.88	\$33.37	\$33.88	\$34.73
Takeaway liquor	\$23.17	\$23.52	\$23.88	\$24.48
Total Grocery & Specialty	\$375.09	\$380.74	\$386.48	\$396.24
Total Bulky Goods	\$145.31	\$147.50	\$149.73	\$153.51
Total	\$520.40	\$528.25	\$536.21	\$549.75

Source: Economic Associates Analysis

3.5.4 Economic Associates Available Annual Household Retail Expenditure

The total available annual household retail expenditure for the trade area is projected to increase from \$90.32 million in 2015 to \$92.92 million in 2018. By 2026, the annual available retail expenditure is projected to increase to \$103.84 million, equating to an increase of \$13.53 million between 2015 and 2026 (or 15.0%).

Table 5.2 summarises the available annual household retail expenditure by retail category between 2015 and 2026.



Table 3.8: Annual Available Household Retail Expenditure, Trade Area, 2015 to 2026 (\$m, 2015 dollars)

Trade Area	2015	2018	2021	2026
Groceries & take home food	\$31.72	\$32.63	\$33.86	\$36.47
Dining (incl. on-premise liquor)	\$5.04	\$5.19	\$5.38	\$5.80
Fast food & take-away food	\$4.90	\$5.05	\$5.24	\$5.64
Clothing, footwear & apparel	\$7.24	\$7.45	\$7.73	\$8.32
Personal & other goods	\$12.17	\$12.52	\$12.99	\$13.99
Core bulky goods	\$10.35	\$10.65	\$11.05	\$11.90
Ancillary bulky goods	\$9.16	\$9.43	\$9.78	\$10.54
Hardware	\$5.71	\$5.87	\$6.09	\$6.56
Takeaway liquor	\$4.02	\$4.14	\$4.29	\$4.62
Total Grocery & Specialty	\$65.10	\$66.97	\$69.49	\$74.85
Total Bulky Goods	\$25.22	\$25.95	\$26.92	\$29.00
Total	\$90.32	\$92.92	\$96.41	\$103.84

Source: Economic Associates Analysis

3.6 Supermarket Floor space Market Gap

The MacroPlan Dimasi EIA has undertaken an examination of supportable floor space within the defined main trade area (i.e. the combined primary and secondary trade area).

3.6.1 MacroPlan Dimasi Analysis

The MacroPlan Dimasi EIA estimates the total available supermarket expenditure within the defined trade area is \$44.2 million in 2015, increasing to \$48.3 million in 2018 and \$60.4 million in 2026. Assuming a retail turnover density of \$9,000/m², the MacroPlan Dimasi estimates that the trade area could currently (2015) support 4,912m² of supermarket floor space, increasing to 5,282m² in 2018 and 6,348m² in 2026.

Consequently, the MacroPlan Dimasi EIA estimates there is a shortfall of 3,812m² as at 2015 (allowing for the existing IGA supermarket at North Buderim Shopping Centre). Assuming, the development of the proposed Woolworths (as part of the proposed North Buderim Supermarket Centre) in 2018, the EIA estimates the shortfall would decrease to 276m² in 2018 following the development of the proposed Woolworths.

However, the shortfall in supermarket provision is overstated due to:

- MacroPlan Dimasi assuming all of the supermarket expenditure is retained within the trade area, with no allowance made for some of this expenditure to be directed towards other supermarket centres such as Woolworths at Buderim Marketplace, Maroochydore CBA and Nambour;
- The inclusion of the secondary trade area population as part of the supermarket floor space calculations;
- The overstatement of the population projections derived for the defined main trade area;

Table 3.9 summarises the supermarket floor space market gap as derived by the MacroPlan Dimasi EIA.



Table 3.9: North Buderim Main Trade Area Population - Supermarket Floor space Market Gap

	2015	2018	2021	2026
Main Trade Area Population	10,630	11,260	11,890	12,840
F&G Spending per capita	5,213	5,371	5,550	5,891
Total F&G Spending	\$55.4	\$60.5	\$66.0	\$75.6
F&G Expenditure (supermarkets)	\$41.6	\$45.4	\$49.5	\$56.7
6% of smkt sales from GM (\$m)	\$2.7	\$2.9	\$3.2	\$3.6
Total available supermarket (\$m)	\$44.3	\$48.3	\$52.7	\$60.3
RTD @ \$9,000 increasing at 0.5% p.a	9,000	9,136	9,273	9,508
Supportable floor space (m ²)	4,918	5,282	5,682	6,345
Supermarket supply (m ²)	1,100	1,100	1,100	1,100
141 Jones Road		3,906	3,906	3,906
Total Supermarket Gap	-3,818	276	676	1,339

Source: North Buderim Supermarket Centre, Economic Impact Assessment, MacroPlan Dimasi September 2015

The EIA states that "...offsetting the fact that some of the local supermarket expenditure would be expected to be directed to the full scale supermarkets located at both Buderim and Maroochydore, is the fact that a Woolworths supermarket at the subject site would attract some business from beyond the trade area ..." p.25, North Buderim Supermarket Centre, Economic Impact Assessment, MacroPlan Dimasi).

Whilst it is acknowledged the subject site may draw trade from beyond the trade area the EIA fails to acknowledge that the subject site is located within the catchment of the existing Woolworths supermarket at Buderim Marketplace. Buderim Marketplace is located approximately four kilometres south of the subject site, which is not considered an unreasonable distance to access such facilities. Not to mention a proportion of supermarket expenditure will be captured by non-trade area centres, for example the Maroochydore PRAC.

3.6.2 Economic Associates Analysis

Assuming 75% of food and grocery expenditure is directed towards supermarkets with 6% derived from general merchandise, total expenditure available to supermarket is estimated at \$25.31 million, increasing to \$26.04 million in 2018. By 2021, total available supermarket expenditure is estimated at \$27.02 million, increasing to \$29.10 million by 2026.

Adopting a constant retail density of \$9,000/m² for supermarkets, it is estimated the trade area population could support 2,812m² of supermarket floor space as at 2015 increasing to 2,893m² by 2018. By 2021, the quantum of supportable supermarket floor space is estimated at 3,002m² increasing to 3,233m² by 2026.

Based on this analysis, there is an estimated shortfall of 1,482m² of supermarket floor space in 2015 increasing to 1,563m² by 2018. By 2021, there is an estimated shortfall of supermarket floor space 1,672m² increasing to 1,903m² by 2026.

However, it is noted that not all of this supportable supermarket floor space would be retained within the trade area with supermarkets located at higher order centres beyond the trade area also likely to attract a proportion of this demand. The shortfall of supermarket floor space could also be accommodate in the form of smaller good and grocery stores such as Foodworks that cater for the local needs of trade area residents and reflect the intended local centre role and function of this corridor.

The existing centre facilities provided within North Buderim are intended to be small in scale to reflect the intended role and function of a local centre as intended under the Sunshine Coast Planning Scheme 2014.



Table 3.10 summarises Economic Associates estimates of supportable supermarket floor space between 2015 and 2026. Based on the analysis presented in Table 3.10, the trade area retains approximately 47% of projected supportable supermarket floor space demand, which is consistent with the role and function of centre activities at North Buderim.

Table 3.10: Trade Area Supportable Supermarket Floor space, Economic Associates Estimates 2015 to 2026

		2015	2018	2021	2026
Total food/grocery expenditure (\$M)		\$31.72	\$32.63	\$33.86	\$36.47
Trade Area Available Exp. To supermarkets (\$M)	75%	\$23.79	\$24.47	\$25.39	\$27.35
Plus expenditure on general merch. (% of super. turnover)	6%	\$1.52	\$1.56	\$1.62	\$1.75
Total Expenditure Available to Supermarkets		\$25.31	\$26.04	\$27.02	\$29.10
Supportable Supermarket Floor space (\$/m ²)	\$9,000	2,812	2,893	3,002	3,233
Existing Supply (no change)		1,330	1,330	1,330	1,330
Shortfall/Surplus (+/-)		-1,482	-1,563	-1,672	-1,903

Source: Economic Associates Analysis

3.7 Market Share and Centre Performance

Typically, a market share analysis seeks to estimate the amount of retail expenditure a retail centre could capture. The proportion of market share captured by a centre is likely to be influenced by a range of factors including location, scale, role, function, tenancy mix, convenience, accessibility and the competitive centre network.

3.7.1 MacroPlan Dimasi Market Share and Centre Performance Analysis

The market shares and centre performance levels calculated by the MacroPlan Dimasi EIA is based on the original plans for a 5,035m² centre, anchored by a 3,905m² supermarket. The amended plans result in reduction in total centre size of 98m² including a 218m² reduction in supermarket floor space and an increase of 120m² of shop floor space. In our opinion, the reduction in centre floor space would result in only a marginal decline in turnover levels.

MacroPlan Dimasi assumes the proposed North Buderim Supermarket Centre would be completed prior to July 2017. Centre performance levels are calculated separately for the supermarket and supporting retail uses. The EIA assumes that the trade area supermarkets (i.e. the existing IGA at North Buderim Shopping Centre and the subject proposal) would retain 80% of both the primary and secondary trade areas available supermarket expenditure. Of this, the EIA assumes 75% of expenditure would be retained by the proposed North Buderim Supermarket Centre for both the primary and secondary trade area. The proportion of supermarket expenditure retained by the proposed North Buderim Supermarket Centre is significantly overstated due to:

- The EIA assuming that trade area supermarkets would account for 80% of available trade area supermarket expenditure from both the primary and secondary trade areas despite the proximity of the existing supermarket based centres beyond the trade area and existing shopping habits of this community;
- The EIA failing to differentiate supermarket expenditure derived from the primary and secondary trade areas, with a much smaller expenditure generally being captured from secondary trade areas. The EIA assumes 75% of available supermarket expenditure from



both the primary and secondary trade areas. The primary and secondary trade area population have access to a number of supermarket centres located beyond the defined trade area;

- The EIA failing to allow for supermarket expenditure directed towards supermarkets located beyond the trade area (such as the Buderim Marketplace), the role and function of the existing centres hierarchy and the likely shopping habits of this community; and
- The lower order role and function of the proposed North Buderim Local Centre in relation to other existing supermarket based centres, namely the Buderim Marketplace.

The EIA estimates the proposed Woolworths supermarket would achieved a turnover of \$33.7 million (equating to \$8,636/m²). Overall, the EIA estimates the proposed North Buderim Supermarket Centre would achieve a centre turnover of \$40.3 million in 2017/18, equating to a turnover level of \$8,008/m².

Table 3.11 summarises the centre sales derived by MacroPlan Dimasi for the proposed North Buderim Supermarket Centre.

Table 3.11: Proposed North Buderim Supermarket Centre, Centre Sales 2017/18

Category	GLA	Est. Sales	
	m2	(\$'000)	(\$/m2)
Supermarket	3,906	\$33,734	\$8,636
Specialities			
Fast food	250	\$1,750	\$7,000
Other shopfront space	879	\$4,835	\$5,501
Total Specialities	1,129	\$6,585	\$5,833
Total centre - retail	5,035	\$40,319	\$8,008

Source: Derived from Table 4.3, North Buderim Supermarket Centre - EIA, MacroPlan Dimasi, September 2015

Overall, the EIA anticipates the proposed North Buderim Supermarket Centre would achieve an overall market share of 22.8% derived from the primary trade area, 22.0% from the secondary trade area and 22.6% from the main trade area (i.e. the combined primary and secondary trade area). The market shares calculated are significantly overstated with as a result of:

- The EIA adopting similar market shares for both the primary and secondary trade areas for both food and non-food. Secondary trade areas generally attract a much smaller market share due to the secondary nature of these trade areas and should be appropriately reflected. Consequently, the EIA fails to differentiate between the defined primary and secondary trade areas for the proposed North Buderim Supermarket Centre.

Table 3.12 summarises the market shares calculated by the EIA for the proposed North Buderim Shopping Centre.

Table 3.12: Proposed North Buderim Supermarket Centre, Estimated Market Shares 2017/18

Trade Area	Retail Spend (\$m)			Centres sales (\$m)			Market Share		
	Food	Non-Food	Total	Food	Non-Food	Total	Food	Non-Food	Total
Primary	\$66.6	\$51.5	\$118.1	\$23.8	\$3.1	\$26.9	35.7%	6.0%	22.8%
Secondary	\$18.5	\$15.0	\$33.5	\$6.5	\$0.9	\$7.4	35.2%	5.7%	22.0%
Main TA	\$85.1	\$66.5	\$151.6	\$30.3	\$4.0	\$34.3	35.6%	6.0%	22.6%
Sales from beyond TA				\$5.3	\$0.7	\$6.0			
Total centre sales				\$35.6	\$4.7	\$40.3			

Source: Derived from Table 4.4, North Buderim Supermarket Centre - EIA, MacroPlan Dimasi, September 2015



3.7.2 Economic Associates Market Share and Centre Performance Analysis

Market shares and centre performance levels are derived on the basis of the amended plans for the proposed centre comprising 4,918m² (GFA) anchored by 3,688m² (GFA) supermarket, 999m² (GFA) shops and 250m² (GFA) fast food. In calculating the centre performance levels, gross lettable areas (GLA) of the proposed centre have been utilised. The GLA of the proposed centre based on the amended plans includes 3,600m² supermarket floor space, 956m² shop floor space and 230m² fast food floor space.

In undertaking the market share analysis, Economic Associates has assumed the following:

- 75% of food and grocery expenditure is directed to supermarkets;
- General merchandise sales account for 6% of supermarket turnover;
- 80% of supermarket expenditure is retained within the trade area⁸;
- 75% of supermarket expenditure is directed towards the subject site; and
- 15% of turnover is derived from non-resident trade (i.e. persons living beyond the trade area).

Based on the above assumptions, it is estimated the proposed Woolworths component would achieve a turnover of \$22.33 million in 2018, increasing to \$25.68 million in 2026.

Table 3.13 details the market share analysis undertaken by Economic Associates for the Woolworths component of the proposed North Buderim Supermarket Centre.

Table 3.13: Proposed North Buderim Supermarket Centre, Estimated Market Shares, Supermarket 2017/18

	Market Share	2015	2018	2021	2026
Total food/grocery expenditure (\$M)		\$31.72	\$32.63	\$33.86	\$36.47
Trade Area Available Exp. to supermarkets (\$M)	75%	\$23.79	\$24.47	\$25.39	\$27.35
Plus expenditure on general merch. (% of super. turnover)	6%	\$1.52	\$1.56	\$1.62	\$1.75
Total Expenditure Available to Supermarkets		\$25.31	\$26.04	\$27.02	\$29.10
Expenditure Retained	80%	\$20.25	\$20.83	\$21.61	\$23.28
Market Share (Subject Site)	75%	\$18.98	\$19.53	\$20.26	\$21.82
Non-Resident Trade	15%	\$3.35	\$3.45	\$3.58	\$3.85
Total		\$22.33	\$22.97	\$23.84	\$25.68
Turnover (\$/m ²)		\$6,381.57	\$6,621.40	\$7,132.19	

Source: Economic Associates

Table 3.14 summarises the estimated turnover levels and assumed market shares for the specialty component of the proposed North Buderim Supermarket Centre.

⁸ However, it is noted that even if the proposed supermarket could attract this market share it would be performing well below benchmark performance levels, even for a recently established centre.



Table 3.14: Proposed North Buderim Supermarket Centre, Estimated Market Shares, Specialties 2017/18

	Market Share	2015	2018	2021	2026
Specialty Expenditure (\$m)		\$33.38	\$34.34	\$35.63	\$38.38
Specialty Expenditure Retained	40%	\$13.35	\$13.74	\$14.25	\$15.35
Total Specialty Expenditure (\$m)		\$13.35	\$13.74	\$14.25	\$15.35
Market Share (Subject Site)	20%	\$2.67	\$10.30	\$10.69	\$11.51
Non-Resident Trade	15%	\$0.47	\$1.82	\$1.89	\$2.03
Total Specialty Turnover (\$m)		\$3.14	\$12.12	\$12.57	\$13.54
Turnover (\$/m ²)			\$12,677.06	\$13,153.49	\$14,168.18

Source: Economic Associates

The proposed North Buderim Supermarket Centre is projected to achieve a total centre turnover level of \$35.09 million in 2018 increasing to \$39.22 million in 2026.

Table 3.15 summarises the centre turnover levels for the proposed North Buderim Supermarket Centre.

Table 3.15: Proposed North Buderim Supermarket Centre, Centre Turnover 2017/18

	2015	2018	2021	2026
Supermarket Turnover	\$22.33	\$22.97	\$23.84	\$25.68
Specialty Turnover	\$3.14	\$12.12	\$12.57	\$13.54
Total Centre Turnover	\$25.47	\$35.09	\$36.41	\$39.22
Turnover (\$/m ²)	\$5,322.36	\$7,332.41	\$7,607.98	\$8,194.87

Source: Economic Associates

3.8 Impact Assessment

3.8.1 Assessing Impact

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

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

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

- The new or extended centre's size and function;



- The location of competitive centres or retail areas of comparable size and/or function;
- Shopper access relative to competitive centres/retail areas; and
- Physical attributes of competitive centres and retail areas, such as age, design, situation (free-standing centre or part of a central business area), etc.

3.8.2 MacroPlan Dimasi Impact Analysis

The MacroPlan Dimasi EIA provides an assessment of impacts of the proposed supermarket centre on the surrounding centres network (including both centres located within and beyond the defined main trade area). It is noted that the impacts calculated are derived on the original plans for the proposed centre. Whilst the amended plans reduce the overall centre size (by 98m², including a reduction of 200m² supermarket floor space and an increase of 120m² of shop floor space) this is unlikely to result in any significant reductions in the level of impacts on the centres hierarchy.

The MacroPlan Dimasi EIA anticipates the largest dollar impact on turnover levels will be derived from Maroochydore CBA (-\$20.2 million), followed by Buderim District Centre (-\$10.1 million). Both of these centres are higher order centres that would service a much broader population than the proposed North Buderim Supermarket Centre. The existing North Buderim Shopping Centre is anticipated to record a decline in turnover levels at 2017/18 of -\$2.0 million assuming the development of the proposed centre directly opposite the existing North Buderim Shopping Centre.

The largest percenter impact on turnover derived by MacroPlan Dimasi attributed to the existing Buderim District Centre (-13.6%) and North Buderim Shopping Centre (-11.6%). The Kuluin and Lakeshore centres are anticipated to record a percentage impact of -6.7% and -7.4%, respectively on turnover levels.

Consequently, the MacroPlan Dimasi EIA states that *"...the projected impacts on the various centres within and surrounding the identified North Buderim trade area are generally minor to moderated, being in excess of 10% only for the Buderim District Centre and existing North Buderim Centre"* (p.34, North Buderim Supermarket Centre, Economic Impact Assessment, MacroPlan Dimasi).

A review of the distribution of turnover derived from the existing centres network, only 6.0% of turnover directed towards the proposed North Buderim Supermarket Centre is derived from centres located within the trade area, namely North Buderim, Kuluin and Lakeshore. The remainder of turnover is derived from centres located beyond the trade area (in particular Maroochydore CBA and Buderim District Centre), accounting for 79.4%, with 14.6% derived from other centres (as detailed in Table 6.1).

The projected impacts on turnover levels of existing centres, particularly the existing North Buderim Shopping Centre and Kuluin Centre are significantly understated due to the MacroPlan Dimasi EIA:

- attributing only 5.0% of turnover being derived from the existing North Buderim Shopping Centre, despite its location directly opposite the proposed North Buderim Supermarket Centre; and
- overstating the proportion of turnover derived from the Maroochydore CBA (50.1%) and Buderim District Centre (25.1%).



Table 3.16 replicates the estimated impacts of the proposed North Buderim Supermarket Centre on the existing centres network in 2017/18 (the assumed first full year of trading) derived by MacroPlan Dimasi.

Table 3.16: Proposed North Buderim Estimated Impacts on Specific Centre, 2017/18 (\$M)

Centre	Est. Sales (\$m) 2014/15	Projected 2017/18		Impact, 2018	
		No Dev't	With Dev't	\$M	%
Within Trade Area					
North Buderim	16.0	17.4	15.4	-2.0	-3.9%
Kuluin	2.8	3.0	2.8	-0.2	1.4%
Lakeshore	2.5	2.7	2.5	-0.2	0.6%
Beyond Trade Area					
Buderim District Centre	68.2	74.2	64.1	-10.1	-6.1%
Mill Road Local Centre	9.0	9.7	9.3	-0.4	4.2%
Maroochy Waters	3.0	3.3	3	-0.2	2.0%
Maroochyore CBA	660.0	721.2	701	-20.2	6.2%
Rivermarkets (Bli Bli)	24.0	26.1	25.1	-1.0	4.5%
Total identified centres	785.5	857.6	823.2	-34.3	4.8%
Other				-6.0	
Total				-40.3	

Source: Derived from Table 5.2, North Buderim Supermarket Centre, Economic Impact Assessment

It is noted there are a number of arithmetical errors presented in the impacts table prepared by MacroPlan Dimasi (as replicated in Table 3.16), which are have been corrected and highlighted (shaded in grey) in Table 3.17 below.

Table 3.17: Proposed North Buderim Estimated Impacts on Specific Centre, 2017/18 (\$M), Discrepancies in Calculation

Centre	Est. Sales (\$m) 2014/15	Projected 2017/18		Impact, 2018	
		No Dev't	With Dev't	\$M	%
Within Trade Area					
North Buderim	16.0	17.4	15.4	-2.0	-11.5%
Kuluin	2.8	3.0	2.8	-0.2	-6.7%
Lakeshore	2.5	2.7	2.5	-0.2	-7.4%
Beyond Trade Area					
Buderim District Centre	68.2	74.2	64.1	-10.1	-13.6%
Mill Road Local Centre	9.0	9.7	9.3	-0.4	-4.1%
Maroochy Waters	3.0	3.3	3.0	-0.3	-9.1%
Maroochyore CBA	660.0	721.2	701.0	-20.2	-2.8%
Rivermarkets (Bli Bli)	24.0	26.1	25.1	-1.0	-3.8%
Total identified centres	785.5	857.6	823.2	-34.4	-4.0%
Other				-6.0	
Total				-40.4	

Source: Derived from Table 5.2, North Buderim Supermarket Centre, Economic Impact Assessment, Economic Associates Analysis

With the exception of the Maroochy Palms estate, the defined trade area has minimal prospects for future growth and development. The lack of future growth prospects within the defined trade areas is unlikely to ameliorate the impacts of the proposed North Buderim Supermarket



Centre within a reasonable time period (generally about three years) particularly on the existing North Buderim Shopping Centre.

3.8.3 Economic Associates Impact Analysis

Economic Associates has undertaken a separate impact analysis based on the turnover estimates of the identified centres network reported in the MacroPlan Dimasi EIA. This assumes a calculated centre turnover for the proposed North Buderim Supermarket Centre of \$35.09 million (based on upon the amended plans submitted in Council in response to Council's Information Request) in 2018 as derived by Economic Associates outlined in Table 3.15. The largest proportion of turnover for the proposed North Buderim Supermarket Centre is anticipated to be derived from the existing North Buderim Shopping Centre (25.0%) located directly opposite the subject site and anchored by an IGA supermarket (approximately 1,330m²). The proposed North Buderim Supermarket Centre is anticipated to derive 15% of turnover from the Buderim District Centre (including the Buderim Marketplace anchored by a Woolworths supermarket).

The proposed Woolworths supermarket (3,688m²) component of the North Buderim Supermarket Centre is 1,232m² larger in size than the existing Woolworths located within the Buderim District Centre

The existing North Buderim Shopping Centre is anticipated to experience the largest percentage impact on turnover levels (-50.4%), followed by the Kuluin and Lakeshore Centres (-23.4% and -13.0%, respectively) as a result of the proposed North Buderim Supermarket Centre. These centres are anticipated to be adversely impacted upon as a result of the proposed North Buderim Supermarket Centre due to:

- The proximity of the proposed North Buderim Supermarket Centre, particularly given its location directly opposite the existing North Buderim Shopping Centre;
- The size and scale of the proposed North Buderim Supermarket Centre being more than double the size of the existing North Buderim Shopping Centre in its entirety;
- The size and scale of the proposed Woolworths supermarket (3,688m²) as part of the North Buderim Supermarket Centre being more than treble the size of the existing IGA (1,330m²) supermarket at the North Buderim Shopping Centre;
- The nature of the uses intended as part of the proposed North Buderim Supermarket Centre including a Woolworths supermarket, fast food and retail specialities; and
- The limited population growth anticipated within the trade area to ameliorate the turnover impacts on the existing centres network (particularly the existing North Buderim Shopping Centre) within a reasonable timeframe (generally three years).

Table 3.18 summarises estimated impacts on the centres network derived by Economic Associates assuming a centre turnover level of \$35.09 million in 2018 as outlined in Table 3.15.

Table 3.18: Proposed North Buderim Estimated Impacts on Specific Centres, 2017/18, Economic Associates

Floor space	Est. Sales	Est. Sales 2017/18	Impact	Distributio
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Centre	(m ²)	2015 (\$m)	Without Dev't	With Dev't	Turnover (\$m)	Turnover (%)	n of Turnover (%)
Within Trade Area							
North Buderim	2,116	\$16.00	\$17.40	\$8.63	-\$8.77	-50.4%	25.0%
Kuluin	500	\$2.80	\$3.00	\$2.30	-\$0.70	-23.4%	2.0%
Lakeshore	400	\$2.50	\$2.70	\$2.35	-\$0.35	-13.0%	1.0%
Total Within in Trade Area	3,016	\$21.30	\$23.10	\$13.27	-\$9.83	-42.5%	28.0%
Beyond Trade Area							
Buderim District Centre	7,870	\$68.20	\$74.20	\$68.94	-\$5.26	-7.1%	15.0%
Mill Road Local Centre	1,500	\$9.00	\$9.70	\$7.95	-\$1.75	-18.1%	5.0%
Maroochy Waters	500	\$3.00	\$3.30	\$1.55	-\$1.75	-53.2%	5.0%
Maroochydhore CBA	76,570	\$660.00	\$721.20	\$717.69	-\$3.51	-0.5%	10.0%
Rivermarkets (Bli Bli)	3,500	\$24.00	\$26.10	\$24.35	-\$1.75	-6.7%	5.0%
Total Beyond Trade Area	89,940	\$764.20	\$834.50	\$820.46	-\$14.04	-1.7%	40.0%
Total Centres	92,956	\$785.50	\$857.60	\$833.74	-\$23.86	-2.8%	68.0%
Other					\$11.23		32.0%
Total					\$35.09		100.0%

Source: Economic Associates Analysis

3.9 Needs Assessment

3.9.1 MacroPlan Dimasi Needs Assessment

The EIA does not provide a separate analysis of the need for the proposed North Buderim Supermarket Centre in its entirety, with only an assessment of need for the proposed Woolworths supermarket being undertaken. The need assessment relies upon the analysis of supportable supermarket floor space within the trade area and concludes there is a substantial market gap in the provision of supermarket floor space to service the main trade area population.

No analysis is provided to assess the demand and level of need for the additional retail uses intended as part of the proposed North Buderim Supermarket Centre. A total of 1,129m² of additional retail uses are proposed, including fast food and specialities. The EIA has failed to demonstrate the need for the additional retail uses proposed.

The EIA does not provide a separate analysis of the need for the proposed North Buderim Supermarket Centre in its entirety. The only assessment of need is derived through the analysis of supportable supermarket floor space within the trade area.

The EIA has failed to provide an appropriate assessment of the need for the proposed North Buderim Supermarket Centre due to:

- No detailed assessment undertaken to justify the need for the additional retail uses intended for the proposed North Buderim Supermarket Centre;
- The EIA overstating the anticipated population growth for both the defined primary and secondary trade area, which overestimates the subsequent calculations of demand and need for the proposal;
- The EIA failing to demonstrate that the existing centres network is inadequate to service the needs of the defined trade area;



- The EIA failing to demonstrate that the proposed North Buderim Supermarket Centre would not undermine or threaten the viability of the existing centres network, particularly the existing North Buderim Shopping Centre located directly opposite the subject site;
- The EIA has failed to demonstrate that there is a latent unsatisfied demand for the proposed North Buderim Supermarket Centre, with the closest full-line supermarket provided at Buderim Marketplace; and
- The trade area population already having access to an existing Woolworths supermarket at Buderim Marketplace located approximately four kilometres south of the subject site. This is considered a reasonable distance for residents to travel to access such services and facilities.

3.9.2 Economic Associates Needs Assessment

The proposed North Buderim Supermarket Centre would elevate the role and function of the existing local centre in this corridor. Approval of the proposed North Buderim Supermarket Centre would result in a total retail floor space comparable to that of the existing Buderim District Centre. The existing local centre is intended to operate at a small scale local level to service the localised retail needs of the community and compliment the surrounding centres network including the Maroochydore CBA and Buderim District Centre.

The trade area community is already well serviced by the existing centres network and access to both lower and higher order centres within a reasonable distance.

There is only a minor need for the proposed North Buderim Supermarket Centre to be located at 141 Jones Road, North Buderim due to:

- The defined trade area is sufficiently serviced by the existing centres network including the North Buderim Shopping Centre located directly opposite the subject site, the Buderim District Centre and the Maroochydore CBA;
- There being insufficient population within the primary trade area to support the proposed scale and size of the proposed North Buderim Supermarket Centre in particular the proposed Woolworths supermarket (3688m²); and
- The trade area anticipated to experience only modest population growth within the next decade to ameliorate the impacts of the proposed North Buderim Supermarket Centre on the existing centres hierarchy.

Approval of the proposed North Buderim Supermarket Centre together with the existing local centre facilities provided (i.e. North Buderim Shopping Centre, Kuluin Village and Kuluin Central) would result in a total of 7,953m² of retail facilities in this locality. In comparison, the higher order Buderim District Centre has an estimated total retail floor space of 7,870m². Consequently, approval of the proposed North Buderim Supermarket Centre would significantly increase the quantum of retail facilities in this locality to a similar size to the existing Buderim District Centre. The proposed North Buderim Supermarket Centre would undermine and threaten the viability of the existing centres network due to the proposed North Buderim Shopping Centre competing rather than complementing the existing network through the elevation of the intended local centre role and function of centre activity in this location.



4 REVIEW OF MACROPLAN DIMASI REPOSE TO INFORMATION REQUEST

Economic Associates has also reviewed the Response to Council Request for Information (dated 13 May 2016) prepared by MacroPlan Dimasi in responding to a number of issues raised by Council's Information Request dated 14 October 2015. The following outlines those issues raised by Council that are relevant to need and provides a critique of the response to information requested prepared by MacroPlan Dimasi.

4.1 Issues Raised by Council

Council raised a number of issues regarding the proposed North Buderim Supermarket Centre relevant in assessing need and impact. In relation to the Economic Impact Assessment, Council requested the following additional information:

- Demonstrate how residents of the Primary sector would be disadvantage in the absence of the proposed shopping complex; and
- Demonstrate that there is a market gap for a major supermarket (or any supermarket) at this location after allowing for the overprovision of supermarket facilities in the adjoining suburb of Maroochydore (three major supermarkets), in that the supermarkets in that suburb rely upon the populations of the primary sector.

It is noted that Council also made reference to the previous Queensland Planning and Environment Court Appeal related to the site (*Garyf Pty v Maroochy Shire Council & Ors* [2008], QPEC).

Council also raises a number of issues pertaining to planning, which have also been addressed in the response provided by MacroPlan Dimasi including:

- Demonstrate how the proposal for a 3,906m² full line supermarket does not duplicate existing or planner services and infrastructure in centres to meet the reasonable needs of the community;
- Demonstrate that the proposed 3,906m² full line supermarket complies with the Strategic Plan's Retail and Commercial Centres Hierarchy by:
 - Demonstrating that there is an 'unsatisfied demand' for a full line supermarket, which could not be met by existing retail development within the precinct (including the 1,000m² IGA) or existing surrounding supermarkets; and
 - Demonstrating that the type and scale of the proposal is inconsistent with that anticipated by the commercial retail hierarchy.
- Demonstrate how the proposed for a shopping complex with a full line 3,906m² supermarket would not become a primary shopping area or destination; and
- Identify sufficient grounds to support a shopping complex with a 3,906m² full line supermarket despite conflict with the planning scheme.

Council advised the Applicant on numerous occasions throughout its Information Request to amend the plans of the proposed centre to reduce the size of the supermarket component. The Applicant has provided amended plans resulting in a reduction in supermarket floor space of



218m², which has been offset by an increase of 100m² of shop floor space resulting in a reduction in total centre floor space of 98m² (or 2% of the original planned centre).

4.2 MacroPlan Dimasi Response

We note that the amended plans (a total reduction of centre floor space of 98m²) provides no material difference to the role and function of the proposed centre and the subsequent impact concerns of the proposal on the centres hierarchy.

It is noted that MacroPlan provides no additional quantitative data (e.g. centre turnover levels, impact on centres etc.) to reflect the amended proposal and reduced size of the centre, including the supermarket component.

The following provides a summary of the responses provided by MacroPlan Dimasi to the questions raised above.

- Demonstrate how the proposal for a 3,906m² full line supermarket does not duplicate existing or planned services and infrastructure in centres to meet the reasonable needs of the community;

MacroPlan Dimasi states that there is a “...very substantial gap in the provision of supermarket floor space to serve the local population of Buderim North/Kulwin⁹”, noting that the proposal would not duplicate any existing services in North Buderim as there are no large supermarket facilities in this centre. MacroPlan Dimasi notes that the existing IGA supermarket is only 1,100m² and does not provide the range and depth of a larger supermarket. MacroPlan Dimasi reiterates that there is an existing supermarket gap of 3,812m² at 2015 as derived in the MacroPlan Dimasi EIA (September 2015). However, it is noted that this calculation is derived for the total trade area (primary sector plus secondary sector) with no calculations provided in relation to the calculated supermarket gap within the primary sector itself. Based on our analysis undertaken in section 3.6.2 of this Report, it is estimated that there is an estimated shortfall of 1,482m² of supermarket floor space in the PTA in 2015. It is noted that the shortfall in supermarket floor space could also be accommodated in the form of smaller grocery stores (such as Foodworks) to cater for the local needs of the trade area residents. Such provisions would reflect the intended local centre role and function of this corridor. Furthermore, centres beyond the PTA (such as the Buderim District Centre located approximately 4 kilometres of the subject site) are also likely to attract a proportion of this demand for supermarket floor space. It is likely that the PTA of the proposed centre would fall within the trade area of the Buderim District Centre.

Whilst MacroPlan Dimasi notes that it is arguable not all of the available supermarket business generated by the trade area population would be retained locally, it states that “...it is reasonable that the bulk of that business should be spent at a convenience, local supermarket centre, particularly given the distances involved to access the nearest full range national chain supermarkets at present¹⁰” MacroPlan Dimasi further contends that a trip to the Woolworths supermarket at Buderim Marketplace involves a round trip in the order of 6km to 8km, which allegedly is not really convenient. However, it is noted that the subject site would be within the catchment of the existing Woolworths supermarket at Buderim Marketplace, approximately four kilometres south of the subject site. MacroPlan Dimasi fails to highlight the extent of distance required to be travelled by residents of their defined secondary sector would need to travel to access the subject site (particularly those

⁹ p.1 North Buderim – Response to Council Request for Information, MacroPlan Dimasi, 13 May 2016

¹⁰p.2 North Buderim – Response to Council Request for Information, MacroPlan Dimasi, 13 May 2016



residing in the north western corner of the defined secondary sector along Upper Rosemount and Petrie Creek Roads). These residents are located approximately 10km (on way) from the subject site compared to approximately 4km (one way) to retail facilities at Nambour Plaza. Adopting MacroPlan Dimasi's approach would suggest that the proposed centre on the subject site is inconvenient for residents of the secondary sector further raising the question as to the inclusion of the secondary sector as part of the EIA's analysis (refer to 3.1.2 of this Report).

MacroPlan Dimasi also makes reference to the Garyf Pty Ltd v Maroochy Shire Council and Ors case (2008), highlighting congestion issues acknowledged in the appeal regarding the Buderim District Centre. The response suggests that since 2008, the population around Buderim/Mountain Creek has grown significantly (2.6% per annum) implying congestion around the Buderim District Centre would have only worsened. With no additional full line supermarkets developed in this locale since 2008, the MacroPlan Dimasi indicate that the Buderim District Centre would not be a convenient supermarket destination. No quantitative analysis of this alleged worsening of congestion at the Buderim District Centre is provided to support this claim.

- Demonstrate that the proposed 3,906m² full line supermarket complies with the Strategic Plan's Retail and Commercial Centres Hierarchy;

In response to the above issue, MacroPlan Dimasi reiterates that there is a market gap or 'unsatisfied demand' for supermarket market facilities on the subject site, without highlighting the likelihood of the primary trade area also forming part of the trade area of the Buderim Marketplace. MacroPlan implies that supermarket demand "...must be escaping to other centres by necessity, but not necessarily because these centres are convenient to access¹¹." Given the intended role and function of the North Buderim Local Centre in the broader context of the centres hierarchy, it is not unwarranted for residents of this community to access higher order centres such as the Buderim District Centre (approximately 4km south of the subject site) to access higher retail services and facilities such as a full-line supermarket.

MacroPlan Dimasi states that there is a "...very significant spatial gap in the commercial retail hierarchy¹²", however, in our opinion there is insufficient information provided to support his claim. The local community is serviced by a mix of centres varying in role and function. There are a number of centres within a four kilometre radius of the subject site including the Maroochydore Principal Regional Centre, Buderim District Centre and various local centres including the North Buderim Local Centre that cater for the various retail and commercial needs of the trade area population as intended by Council's centres hierarchy.

- Demonstrate how the proposal for a shopping complex with a full line 3,906m² supermarket would not become a primary shopping area or destination; and

MacroPlan Dimasi notes that the proposed development would likely be a popular and frequently used destination for grocery shopping for surrounding residents. The response notes that in the context of higher order centres (Maroochydore, Buddina, Caloundra and Nambour) the proposal would not be a primary shopping destination. Whilst we agree in the broader context of the centres hierarchy the proposed centre would not be a primary (or higher order) shopping destination, the underlying implications raised by MacroPlan Dimasi (as reinforced by the EIAs defined trade area and retail expenditure calculations) suggests that the proposed

¹¹p.3 North Buderim – Response to Council Request for Information, MacroPlan Dimasi, 13 May 2016

¹²p.3 North Buderim – Response to Council Request for Information, MacroPlan Dimasi, 13 May 2016



development is intended to be the primary grocery shopping destination for residents in this corridor.

- Identify sufficient grounds to support a shopping complex with a 3,906m² full line supermarket despite conflict with the planning scheme.

MacroPlan Dimasi raises a number of points in support of their view that justifies the proposed development such as significant supermarket market gap, clear spatial gap, inconvenience of the Buderim District Centre, minor to moderate impacts of the proposal on the existing centres network, and the proposed centre not impacting the viability of any existing centres. The response also provides an analysis of the average size of supermarkets (namely Woolworths and Coles) over time as a means of highlighting the increasing trend of larger supermarkets. It is our opinion that the analysis of the average size of supermarkets reflects the company strategies of major supermarket operators such as Woolworths and Coles as opposed to an indicator of demand for supermarket floor space. The analysis of average supermarket size does little to demonstrate that there are sufficient grounds (in particular with regard to need) to approve the proposed centre due to a reflection of a major supermarket operators business strategy as opposed to ensuring an adequate network of centres to service the needs of the community as intended by Council's defined centres hierarchy.

Based on the information presented in the EIA and the response to the information request, it is our opinion that the points raised by MacroPlan Dimasi fail to identify sufficient grounds to support the proposal in terms of need. MacroPlan Dimasi has failed to demonstrate there is a latent unsatisfied demand for the proposal that cannot be adequately met by the existing centres network in particular the existing North Buderim Local Centre and Buderim District Centre.

- Demonstrate how residents of the Primary sector would be disadvantaged in the absence of the proposed shopping complex;

In response to the above issues, MacroPlan Dimasi notes Council's reference to the 2008 Garyf Pty Ltd v Maroochy Shire Council & Ors appeal stating that "Council, by referring to that case, contends that the findings from that case still apply and that 'there is no unreasonable deficiency in the way that the existing facilities cater for the demand for supermarket based shopping'¹³." MacroPlan Dimasi proceeds to highlight a number of changes that have occurred since 2008. In particular, MacroPlan Dimasi draws comparison between the proposed centre and the previously 2008 proposed centre (the subject to the 2008 Garyf Pty Ltd v Maroochy Shire Council & Ors) noting the 2008 proposal comprised a much larger proposal (Woolworths and Aldi were proposed). The response also notes other examples across the Sunshine Coast where Local (Full Service) Centres that contain a full line supermarket including Chancellor Park (3,300m² Woolworths), Mountain Creek (2,700m² Coles) and Pacific Paradise/North Shore (2,500m² Coles) Shopping Centres. It is noted that all of the full line supermarkets identified are smaller in size than the proposed centre with the largest being a 3,300m² Woolworths at Chancellor Park. Furthermore, it is noted that the proposed supermarket component of 3,688m² is larger than the Woolworths (2,456m²) within the higher order Buderim District Centre. Additional points are reiterated by MacroPlan Dimasi in response to the above issue including a demonstrated major spatial gap for full line supermarket facilities, the increase in population since 2008, and significant development of the Maroochydore PAC and Nambour MAC. As such, MacroPlan Dimasi concludes that "... it is clear that the 10,600 residents in the main trade area do not have convenient access to large supermarket facilities, and these residents are 'disadvantaged' relative to other residents on the Sunshine Coast, particularly in the context

¹³p.6 North Buderim – Response to Council Request for Information, MacroPlan Dimasi, 13 May 2016



of the worsening congestions at the closest full-line supermarket centres (Buderim District Centre and Maroochydore PAC)¹⁴."

It is our opinion that the points raised by MacroPlan Dimasi in their response to the above issues has not been addressed insofar as the response fails to demonstrate that the primary sector would be (or in fact is currently) disadvantaged by the absence of the proposed centre. It is our opinion that in demonstrating the primary sector would be disadvantaged in the absence of the proposed centre would imply that the existing provision of centres servicing the primary sector are inadequate and are therefore not fulfilling their intended role and function. MacroPlan Dimasi has failed to address this issue in our opinion.

- Demonstrate that there is a market gap for a major supermarket (or any supermarket) at this location after allowing for the overprovision of supermarket facilities in the adjoining suburb of Maroochydore (three major supermarkets), in that the supermarkets in that suburb rely upon the populations of the primary sector;

MacroPlan Dimasi reiterates that the EIA clearly demonstrates a major spatial gap for full-line supermarket facilities within the main trade area. In particular, the response notes that the main trade area (i.e. primary sector plus secondary sector) population of 10,600 persons would generate a supermarket demand for 4,912m², which is serviced by a small 1,100m² IGA. Based on our analysis (highlighted in section 3.6.2 of this Report), we conclude that there is an estimated shortfall of 1,482m² of supermarket floor space in 2015. It is our opinion that this shortfall could be met by centres located beyond the trade area (such as the nearby Buderim District Centre) and accommodated in the form of smaller grocery stores that reflect the intended role and function of centres intended in this corridor.

MacroPlan Dimasi's response further highlights that the provision of supermarkets at the Maroochydore PAC are "... *hardly convenient alternative residents in the main trade area...*"¹⁵. MacroPlan Dimasi further notes that the supermarkets as part of the PAC would not only service immediate local residents but also surrounding workers, tourists and to some extent a broader regional population. We note that the Maroochydore PAC is the highest order centre within the centres hierarchy and given its location approximately 5km east of the subject site (by road), that the primary sector is likely to fall within the trade areas of the supermarkets within the Maroochydore PAC as well as the Buderim District Centre (located approximately 4km south of the subject site).

¹⁴p.8 North Buderim – Response to Council Request for Information, MacroPlan Dimasi, 13 May 2016

¹⁵p.8 North Buderim – Response to Council Request for Information, MacroPlan Dimasi, 13 May 2016



5 CONCLUDING COMMENTS

The proposed North Buderim Supermarket Centre to be located at 141 Jones Road, North Buderim would undermine and threaten the viability of the existing centres hierarchy, particularly the existing North Buderim Shopping Centre located directly opposite.

The EIA and subsequent response to Council's Information Request has significantly understated the impact of the proposed North Buderim Supermarket Centre on the existing centres network, particularly on the North Buderim Shopping Centre located directly opposite the subject site due to:

- Approval of the proposed North Buderim Shopping Centre would elevate the intended role and function of the existing North Buderim local centre, which is intended to cater for the convenience needs of the local community.
- Approval of the proposed North Buderim Shopping Centre would directly compete with the existing North Buderim Shopping Centre, anchored by an IGA (1,330m²) given the proximity of the proposal to the existing centre.
- Approval of the proposed North Buderim Shopping Centre together with the existing North Buderim Shopping Centre and Kuluin Village would result in a total retail floor space of 7,953m² which is comparable to the scale of the existing Buderim District Centre (7,870m²).
- A higher proportion of turnover for the North Buderim Supermarket Centre anticipated to be derived from the higher order Maroochydore CBA;
- The modest population growth anticipated for the defined trade area due to the established nature of this corridor and limited residential land available for significant residential development;
- The EIA overstating the proportion of supermarket expenditure retained by the proposed North Buderim Supermarket Centre from the defined trade area, particularly the secondary trade area. The EIA provides no justification for the lack of differentiation of supermarket expenditure retention between the EIA's defined primary and secondary trade areas;
- The EIA overstating the overall market share potential derived from the defined primary and secondary trade areas for the proposed North Buderim Supermarket Centre, with almost identical market shares anticipated from both the primary and secondary trade areas. It is reasonable to anticipate market shares derived from secondary trade areas would be less due to the secondary nature of secondary trade areas;
- There being insufficient population within the primary trade area to warrant the development of a full line supermarket of the scale intended by the proposed North Buderim Supermarket Centre (a Woolworths supermarket of 3,688m²); and
- The EIA significantly underestimating the impact on the existing centres hierarchy, particularly the existing North Buderim Shopping Centre located directly opposite the subject site.

Overall, it is our opinion that the MacroPlan Dimasi response to Council's Information Request does little to appease the issues and concerns raised by Council with respect to need and impact of the proposed centre on the existing centres network, in particular the existing North Buderim Local Centre. Furthermore, a reduction in the total centre size of 98m² (from 5,035m² to 4,937m²) including a 200m² reduction in supermarket floor space (from 3,906m² to 3,688m²) and



an increase in shop floor space (from 879m² to 999m²) does not substantiate a significant material difference in the role and function of the proposed centre nor the level of impacts of the proposal on the existing network of centres. In our opinion, the EIA coupled with the response to information request prepared by MacroPlan Dimasi has failed to demonstrate that:

- There is a need for the proposed centre;
- The existing provisions of the centres hierarchy is insufficient to service the needs of the community in this corridor;
- There is a latent unsatisfied demand for the proposed centre that is not being met by the existing centres hierarchy;
- The proposed centre would not adversely impact upon the existing network of centres in this corridor; and
- The scale of the proposed centre is conducive to the existing centres hierarchy within this corridor.