

Bloomfield, Orange

Economic Impact Assessment

Prepared for James Richmark Pty Ltd

October 2018



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INTRODUCTION

This report presents an independent assessment of the need and demand for a convenience-based retail centre as part of the development of the Bloomfield mixed-use development, located in the southern urban area of Orange.

The report is structured and presented in **five (5) sections** as follows:

- **Section 1** details the regional and local context of the Bloomfield site. The proposed development scheme is also reviewed.
- **Section 2** provides an assessment of the various customer segments likely to be served by retail facilities at the proposed convenience centre at Bloomfield. Current and projected population and retail spending levels, in addition to a review of the socio-economic profile, are provided.
- **Section 3** provides an overview of the current and future retail environment within the area surrounding the site.
- **Section 4** outlines our assessment of the sales potential for the proposed convenience retail facilities at the Bloomfield mixed-use development and then presents an economic impact assessment. Likely trading impacts on other retailers throughout the surrounding region are also considered, as are the employment and other economic impacts, both positive and negative, of the proposal.
- **Section 5** summarises the key findings of the analysis.

1 SITE LOCATION AND PROPOSED DEVELOPMENT

This section of the report reviews the regional and local context of the proposed convenience centre at Bloomfield in Orange and provides an overview of the proposed development scheme.

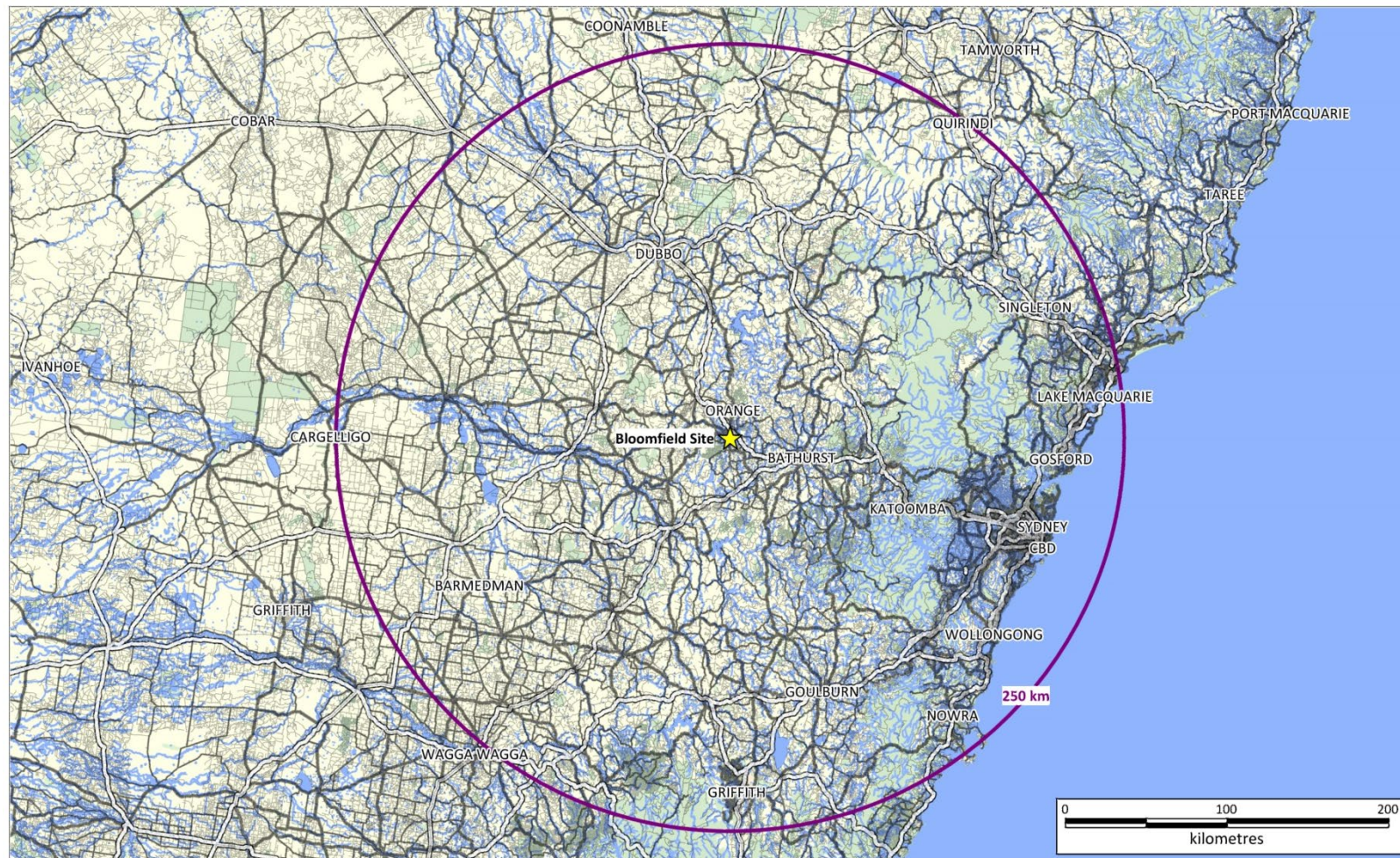
1.1 Regional and Local Context

- i. The suburb of Bloomfield is located within the City of Orange in the Central West region of New South Wales, approximately 250 km north-west of the Sydney Central Business District (CBD) and 5 km south of the Orange Central Business Area (CBA) (refer Map 1.1).
- ii. The City of Orange municipality accommodates a population of approximately 38,000 and is also a key service centre and administrative hub for surrounding smaller towns, providing in-excess of 22,000 jobs. The largest industries of employment are health care and social assistance, retail trade and education and training. The town also incorporates higher order retail facilities, as well as large education, health, commercial and administrative facilities. Orange is easily accessible via a number of major roads including the Mitchell Highway, Cargo Road and The Escort Way.
- iii. Orange is a popular tourist destination with the region attracting some 3 million visitors a year, primarily a reflection of the scale of facilities provided as well as the food and wine produced in the area.
- iv. The site of the proposed mixed-use development at Bloomfield is located on the western side of Forest Road, immediately north of Gosling Creek Aged Care Centre and directly opposite the Orange Health Service precinct. As such, the site has excellent visibility with a 220 metre frontage along Forest Road, which is a major north-south arterial route linking Orange in the north to the township of Blayney in the south.
- v. The site is easily accessible via public transport with bus route 537 providing direct access from the Orange Central Business Area (CBA) to the Orange Public Hospital site.

Map 1.2 illustrates the location of the site in relation to key facilities within the region, including:

- Orange Health Service precinct, a 520 bed capacity public hospital facility, which is the largest hospital in regional New South Wales. The hospital was relocated from the Orange Base Hospital site (3 km to the north) to the Forest Road site in 2011. The hospital currently services approximately 10,000 day admissions and 12,000 overnight admissions each year.
 - Gosling Creek Aged Care Facility operated by Allity, which opened in January 2015.
 - Bloomfield Country Golf Club, located immediately to the north of the Orange Health Service site.
 - Orange Agricultural Institute, located 1 km to the south of the site, on the western side of Forest Road.
 - Phillip Shaw Winery, located approximately 2.5 km (by road) to the west of the site.
- vi. Currently, no retail facilities are provided within the immediate region, with the focus for retail currently being provided within the Orange CBA.
- vii. Overall, the Bloomfield site enjoys a high profile location along Forest Road, as part of the future major residential growth area in southern Orange.

MAP 1.1 – REGIONAL CONTEXT



LOCATIONIQ

Map produced by Location IQ using MapInfo Pro Australia Pty Ltd and related data sets.

MAP 1.2 – LOCAL CONTEXT



1.2 Proposed Development

- i. The proposed Bloomfield mixed-use development site is located at Lot 1 in Deposited Plan 549856 and encompasses 6.33 hectares, with a 220 metre frontage along Forest Road.
- ii. Currently, the site is undeveloped and largely comprises paddocks and rural residential properties. The new Bloomfield Private Hospital in Precinct 2 of the site is under construction.
- iii. Figure 1.1 illustrates the approved concept plan for the proposed Bloomfield mixed-use development, which is planned to be provided across four precincts as follows:
 - **Precinct 1:** a private hospital/super clinic with a maximum GFA of 12,630 sq.m and a medi motel (82 rooms plus function/restaurant area).
 - **Precinct 2:** medical centre health facilities and a neighbourhood retail centre, with approximately 5,313 sq.m of GFA.
 - **Precinct 3:** comprising a childcare centre (100 spaces) and 7,500 sq.m GFA for residential purposes (equivalent to 59 x two bedroom apartments for example).
 - **Precinct 4:** approved 17,000 sq.m of GFA for residential purposes (equivalent to 157 x two bedroom apartments for example).
- iv. The retail component of the development is assumed to be developed over two stages, as follows:
 - **Stage One:** a small supermarket (1,649 sq.m), one mini-major tenant (416 sq.m) and 845 of specialty space, with the first full year of operation being 2020/21.
 - **Stage Two:** expansion of the supermarket to 3,000 sq.m, a mini-major tenant of 936 sq.m and a further 856 sq.m of specialty floorspace, assumed to be operational by 2024/25. The expansion of the supermarket will absorb some of the specialty space developed in Stage One. The total retail floorspace

provision following the development of Stage Two is approximately 4,800 sq.m.

- v. The remainder of the report assesses the potential for retail facilities at the Bloomfield site.

FIGURE 1.1 – SITE PLAN



2 TRADE AREA ANALYSIS

The proposed retail facilities at the Bloomfield mixed-use development will serve a number of customer segments as follows:

- Residents;
- Workers;
- Visitors (given the close proximity of Orange Hospital as well as the proposed private hospital on the Bloomfield site).

2.1 Resident Market

Resident Main Trade Area Definition

- i. The resident main trade area for the retail component of the Bloomfield mixed development site has been defined to include one primary and two secondary sectors (refer Map 2.1) as follows:
 - The **primary sector** includes southern parts of Orange and the rural settlement areas of Huntley, Spring Creek, Spring Terrace and the eastern parts of Canobolas and Springside.
 - The **secondary north sector** incorporates northern parts of Orange, bounded to the north by Gardiner Road, to the east by the Mitchell Highway, to the south by the railway line and to the west by Racecourse Road.
 - The **secondary south sector** comprises the rural townships of Blayney, Millthorpe and the surrounding areas.
- ii. The proposed convenience centre at Bloomfield will likely draw more trade from the secondary sectors following the second stage of development (i.e. once a full-line supermarket is operational) in 2024/25.
- iii. Overall, the defined Bloomfield resident main trade area extends some 3 km to the north, 6 km to the east, 50 km to the south and 6 km to the west of the site.

- iv. The main trade area is limited to the north by retail facilities provided within the Orange CBA, to the east by retail facilities at Bathurst, and to the south-west by retail facilities at Cowra.

Resident Main Trade Area Population

- i. The resident main trade area population is currently estimated at 17,440 (2018) and is projected to increase to 20,750 by 2031, representing an average annual growth rate of 1.3% (refer Table 2.1). This growth rate is comparable with the Australian average of 1.4% over the same period.
- ii. The primary sector currently contains some 5,510 persons and is projected to increase to 8,650 by 2031.
- iii. Population growth within the primary sector will be driven by the following developments:
 - Residential development within the broader Bloomfield site (also known as the DPI site), which is currently proposed to include 550 dwellings. Discussions with Orange City Council indicate that this provision could be increased to 700 – 800 dwellings. For the purposes of this analysis, a 550 dwelling development is assumed to commence in 2020 and occur over a ten-year timeframe.
 - The Shiralee Village release area located to the north-west of the Bloomfield site is anticipated to accommodate 1,750 dwellings over the next 20 years. The first stage of this development received rezoning approval in September 2014 with the first release of lots occurring recently. The timing of the remainder of the development is somewhat uncertain, given the fragmentation of land ownership across 80 – 100 owners currently. Figure 2.1 details the Shiralee Village masterplan, which allows for a neighbourhood centre, centrally located within the development.
 - Residential development within the Bloomfield mixed development site. As outlined in sub-section 1.2 previously, approximately 24,500 sq.m of GFA has been

approved at a concept level, which would equate to some 214 x two bedroom apartments being established within Precincts 3 & 4 of the site.

- iv. Discussions with Orange City Council indicate that the take up rate of residential lots within the municipality is in the order of 210 – 220 lots per year, reflecting average annual growth of around 600 people. As such, projected population growth within the primary sector over the period to 2021-31 (comprising the Bloomfield mixed-use development/DPI site and Shiralee Village developments) of approximately 275 – 300 persons per annum (over the period 2021-31) represents approximately 50% of growth within the broader Orange region.
- v. Projected population growth within the remainder of the trade area is minimal, given their rural locations.
- vi. Based on new dwelling approvals data sourced from the ABS over the period from 2011/12 to 2017/18, an average of 63 new dwellings have been approved annually throughout the resident main trade area over this period (refer Chart 2.1).

MAP 2.1 – MAIN TRADE AREA AND COMPETITION

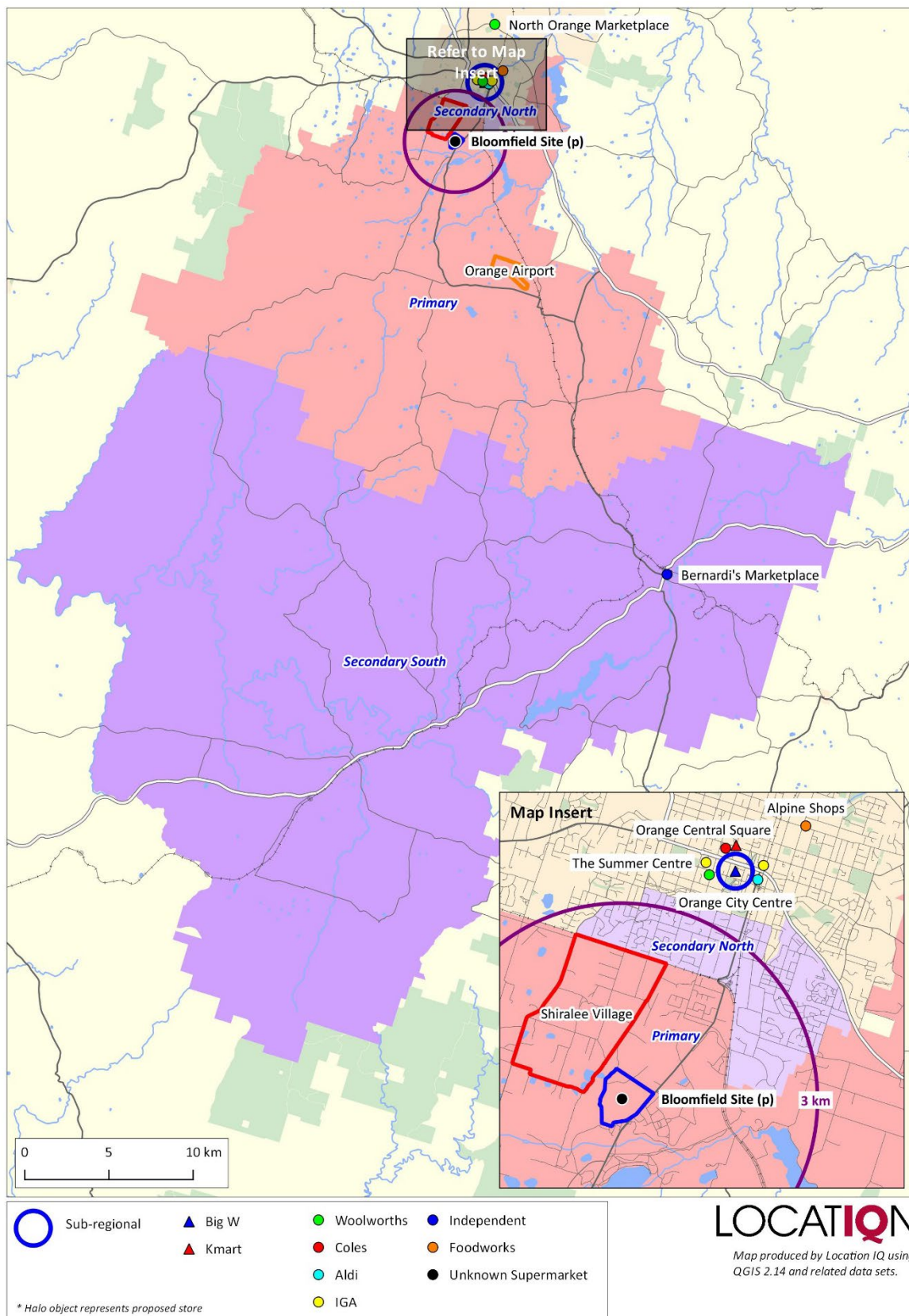
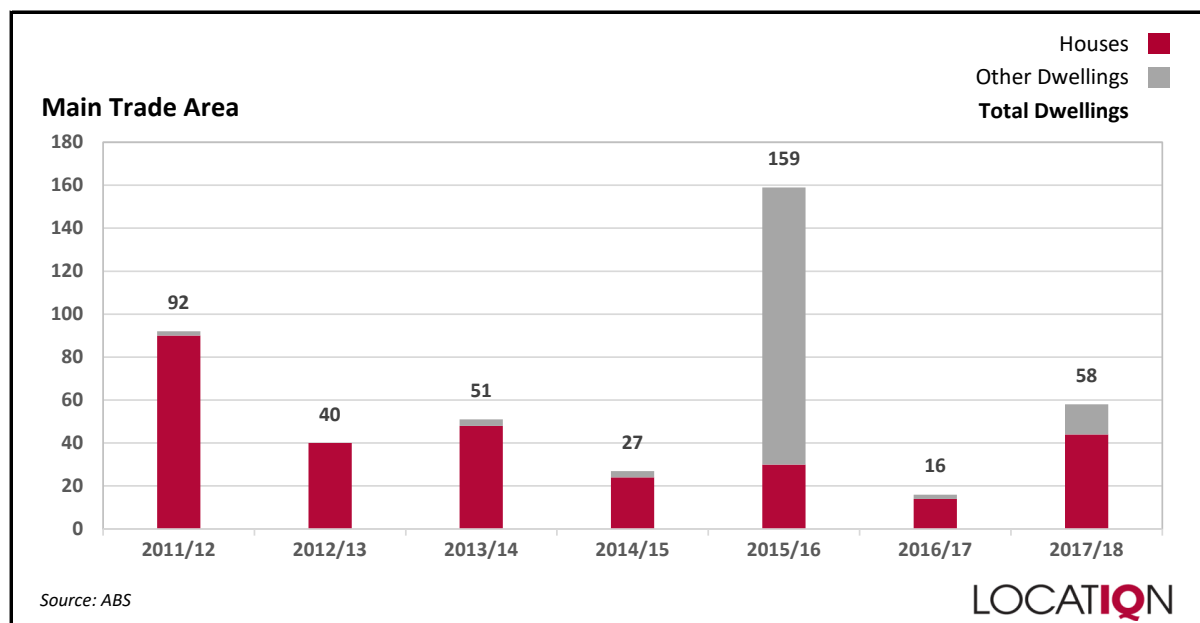


FIGURE 2.1 – SHIRALEE VILLAGE MASTER PLAN



TABLE 2.1 – BLOOMFIELD MAIN TRADE AREA POPULATION, 2011 – 2031

Trade Area Sector	Actual		Forecast			
	2011	2016	2018	2021	2026	2031
Primary Sector	5,010	5,310	5,510	5,810	7,060	8,560
Secondary Sectors						
• North	7,240	6,890	6,890	6,890	6,890	6,890
• South	<u>4,900</u>	<u>5,000</u>	<u>5,040</u>	<u>5,100</u>	<u>5,200</u>	<u>5,300</u>
Total Secondary	12,140	11,890	11,930	11,990	12,090	12,190
Main Trade Area	17,150	17,200	17,440	17,800	19,150	20,750
Average Annual Change (No.)						
	Actual		Forecast			
	2011-2016	2016-2018	2018-2021	2021-2026	2026-2031	
Total Primary	60	100	100	250	300	
Secondary Sectors						
• North	-70	0	0	0	0	
• South	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	
Total Secondary	-50	20	20	20	20	
Main Trade Area	10	120	120	270	320	
Average Annual Change (%)						
	Actual		Forecast			
	2011-2016	2016-2018	2018-2021	2021-2026	2026-2031	
Primary Sector	1.2%	1.9%	1.8%	4.0%	3.9%	
Secondary Sectors						
• North	-1.0%	0.0%	0.0%	0.0%	0.0%	
• South	<u>0.4%</u>	<u>0.4%</u>	<u>0.4%</u>	<u>0.4%</u>	<u>0.4%</u>	
Total Secondary	-0.4%	0.2%	0.2%	0.2%	0.2%	
Main Trade Area	0.1%	0.7%	0.7%	1.5%	1.6%	
<i>Non Metro NSW</i>	<i>1.0%</i>	<i>1.0%</i>	<i>1.0%</i>	<i>0.9%</i>	<i>0.9%</i>	
<i>Australian Average</i>	<i>1.7%</i>	<i>1.4%</i>	<i>1.4%</i>	<i>1.4%</i>	<i>1.3%</i>	
<i>All figures as at June and based on 2016 SA1 boundary definition.</i> <i>Sources : ABS; SAfi by .id</i>						

CHART 2.1 – BLOOMFIELD MTA NEW DWELLING APPROVALS, 2011/12 – 2017/18

Resident Main Trade Area Socio-Economic Profile

- i. Table 2.2 summarises the socio-economic profile of the Bloomfield resident main trade area population, as compared with the non-metropolitan New South Wales and Australian benchmarks. Key points to note are summarised as follows:
 - Overall, residents earn per capita and household incomes which are comparable with the non-metropolitan New South Wales benchmark. Residents of the primary sector however, earn incomes which are significantly higher than the benchmark.
 - Residents are generally younger than the non-metropolitan New South Wales benchmark.
 - Home ownership levels vary by trade area sector, however, there are higher levels of home ownership within the primary sector (81.7%) and lower levels of home ownership within the secondary north sector (56.9%).
 - Residents are predominantly (93.8%) Australian born as compared with the non-metropolitan New South Wales benchmark (89.2%).
 - The household structure of main trade area residents generally comprises traditional families (i.e. couples with dependent children), particularly within the primary sector.

- ii. The socio-economic profile of the Bloomfield main trade area population generally reflects an Australian-born, family based population.
- iii. Future residents of within the broader Bloomfield (DPI) site and Shiralee Village are likely to be young, Australian born families, consistent with the socio-economic profile of residents in the surrounding primary sector.
- iv. Table 2.3 provides a comparison of the key socio-economic changes within the main trade area over the 2011 - 2016 Census periods. As shown, the average per capita income levels have increased at a slightly slower rate than the non-metropolitan New South Wales benchmark. Main trade area residents are also ageing at a faster rate than the benchmark.

TABLE 2.2 – BLOOMFIELD ORANGE MTA SOCIO-ECONOMIC PROFILE, 2016 CENSUS

Characteristics	Primary Sector	Secondary Sectors		Main TA	Non Metro NSW Average	Aust Average
		North	South			
Income Levels						
Average Per Capita Income	\$39,920	\$29,042	\$32,542	\$33,487	\$34,181	\$38,497
Per Capita Income Variation	16.8%	-15.0%	-4.8%	-2.0%	n.a.	n.a.
Average Household Income	\$109,902	\$64,978	\$77,590	\$81,086	\$82,505	\$98,478
Household Income Variation	33.2%	-21.2%	-6.0%	-1.7%	n.a.	n.a.
Average Household Size	2.8	2.2	2.4	2.4	2.4	2.6
Age Distribution (% of Pop'n)						
Aged 0-14	22.2%	20.3%	19.4%	20.6%	18.5%	18.8%
Aged 15-19	6.6%	6.5%	6.8%	6.6%	6.0%	6.1%
Aged 20-29	8.5%	13.7%	10.2%	11.0%	11.1%	13.8%
Aged 30-39	11.3%	11.4%	10.5%	11.1%	11.0%	14.0%
Aged 40-49	13.8%	12.2%	12.2%	12.7%	12.5%	13.5%
Aged 50-59	14.6%	12.8%	13.9%	13.7%	13.8%	12.7%
Aged 60+	23.1%	23.1%	27.1%	24.3%	27.0%	21.1%
Average Age	39.0	38.6	41.2	39.5	41.3	38.5
Housing Status (% of H'holds)						
Owner/Purchaser	81.7%	56.9%	73.0%	68.7%	71.0%	68.0%
Renter	18.3%	43.1%	27.0%	31.3%	29.0%	32.0%
Birthplace (% of Pop'n)						
Australian Born	94.2%	93.0%	94.6%	93.8%	89.2%	72.9%
Overseas Born	5.8%	7.0%	5.4%	6.2%	10.8%	27.1%
• Asia	0.8%	2.4%	0.6%	1.4%	2.1%	10.7%
• Europe	2.8%	2.5%	3.1%	2.8%	5.2%	8.0%
• Other	2.2%	2.0%	1.7%	2.0%	3.4%	8.4%
Family Type (% of Pop'n)						
Couple with dep't children	50.2%	32.0%	39.9%	40.1%	39.4%	45.2%
Couple with non-dep't child.	6.8%	6.5%	7.7%	6.9%	7.4%	7.8%
Couple without children	24.3%	22.4%	24.9%	23.7%	26.1%	23.0%
Single with dep't child.	7.2%	16.9%	10.1%	11.9%	10.2%	8.9%
Single with non-dep't child.	2.9%	4.9%	3.9%	4.0%	4.0%	3.7%
Other family	1.0%	1.2%	1.0%	1.1%	0.9%	1.1%
Lone person	7.5%	16.1%	12.5%	12.4%	12.1%	10.2%

Sources: ABS Census of Population and Housing 2016

LOCATION

TABLE 2.3 – SOCIO-ECONOMIC PROFILE KEY CHANGES, 2006 CENSUS - 2011 CENSUS

Characteristics	Bloomfield Orange MTA			Non Metro NSW Benchmark		
	2011	2016	Change (%)	2011	2016	Change (%)
Income Levels						
Average Per Capita Income	\$29,978	\$33,487	11.7%	\$29,579	\$34,181	15.6%
Average Household Income	\$75,801	\$81,086	7.0%	\$72,680	\$82,505	13.5%
Age						
Average Age	37.7	39.5	4.9%	40.1	41.3	2.9%
Birthplace (% of Pop'n)						
Australian Born	92.5%	93.8%	1.3%	88.5%	89.2%	0.8%
Overseas Born	7.5%	6.2%	-1.3%	11.5%	10.8%	-0.8%
Household Size & Structure						
Average Household Size	2.5	2.4	-4.2%	2.5	2.4	-1.8%
Couple with dep't children	43.0%	40.1%	-3.0%	40.7%	39.4%	-1.3%
Housing Status (% of H'holds)						
Owner/Purchaser	69.1%	68.7%	-0.4%	71.3%	71.0%	-0.3%
Renter	30.9%	31.3%	0.4%	28.7%	29.0%	0.3%

Sources: ABS Census of Population and Housing 2011 & 2016

LOCATION

Resident Main Trade Area Retail Spending

- i. The estimated retail expenditure capacity of the Bloomfield main trade area population is based on information sourced from MDS Market Data Systems. MDS utilises a detailed micro-simulation model of household expenditure behaviour for all residents of Australia.
- ii. The MDS model takes into account information from a wide variety of sources, including the regular ABS Household Expenditure Survey, National Accounts Data, Census Data and other information.
- iii. In New South Wales, Queensland and Victoria, the MarketInfo estimates of retail spending that are prepared independently by MDS are commonly used by all parties in Economic Impact Assessments.
- iv. Chart 2.2 illustrates the retail spending behaviour of residents within the Bloomfield resident main trade area compared with the non-metropolitan New South Wales benchmarks for 2017/18. As shown, the average per capita retail spending level at

\$14,341 is comparable with the non-metropolitan New South Wales benchmark. Spending is comparable with the benchmark across all retail spending categories.

- v. The main trade area retail spending market is currently estimated at \$249.2 million and is projected to increase to \$329.3 million over the period to 2031, representing an average annual growth rate of 2.2% (refer Table 2.4). These figures are provided in constant dollars (i.e. excluding inflation) and include GST. The projected retail spending growth rate of 2.2% per annum takes into account the following:
 - Real growth in retail spending per capita of 0.5% annually for food retail and 1.0% for non-food retail over the period to 2030/2031.
 - Main trade area population growth of 1.3% per annum through to 2031.
- vi. Table 2.5 presents a breakdown of retail spending by key commodity group, indicating that the largest spending market is food and liquor at \$118.5 million, representing 47.5% of the total retail spending market.

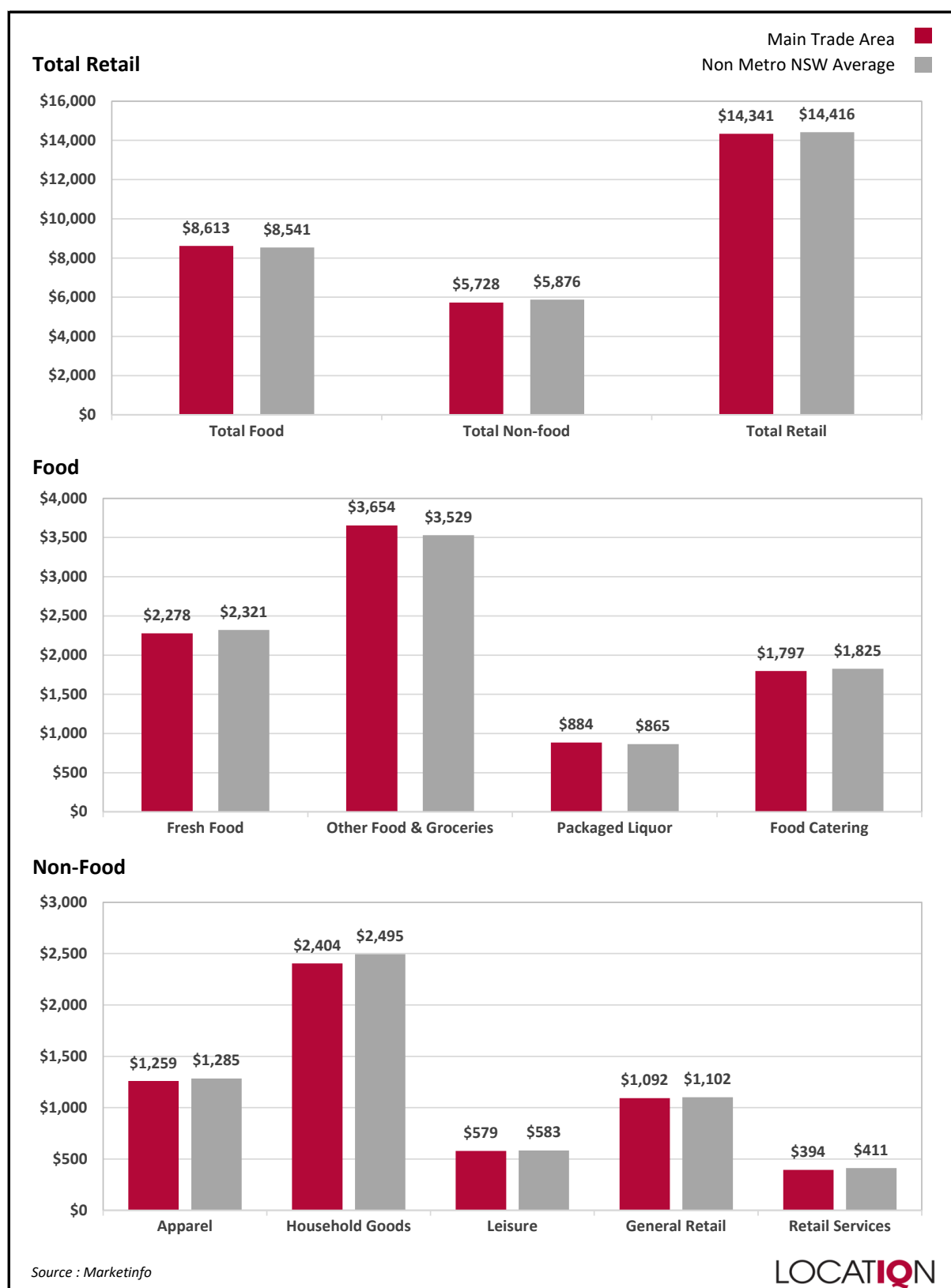
CHART 2.2 – BLOOMFIELD RESIDENT MTA RETAIL SPEND PER CAPITA, 2017/18

TABLE 2.4 – BLOOMFIELD RESIDENT MTA RETAIL EXPENDITURE, 2018 – 2031

Y/E June	Primary Sector	Secondary Sectors		Main TA
		North	South	
2018	84.1	93.8	71.3	249.2
2019	86.3	94.5	72.2	253.0
2020	88.5	95.2	73.0	256.7
2021	90.8	96.0	73.9	260.6
2022	94.1	96.7	74.7	265.5
2023	98.6	97.4	75.6	271.6
2024	103.3	98.1	76.4	277.9
2025	108.3	98.9	77.3	284.5
2026	113.4	99.6	78.2	291.3
2027	118.8	100.4	79.1	298.4
2028	124.5	101.1	80.0	305.7
2029	130.4	101.9	81.0	313.3
2030	136.6	102.7	81.9	321.1
2031	143.1	103.5	82.8	329.3
Expenditure Growth				
2018-2021	6.7	2.1	2.5	11.3
2021-2026	22.7	3.7	4.4	30.7
2026-2031	29.6	3.8	4.6	38.0
2018-2031	59.0	9.6	11.5	80.1
Average Annual Growth Rate				
2018-2021	2.6%	0.8%	1.2%	1.5%
2021-2026	4.6%	0.8%	1.2%	2.3%
2026-2031	4.7%	0.8%	1.2%	2.5%
2018-2031	4.2%	0.8%	1.2%	2.2%
*Constant 2017/18 dollars & Including GST Source : Marketinfo				LOCATION

TABLE 2.5 – BLOOMFIELD RESIDENT MTA RETAIL EXPENDITURE BY KEY COMMODITY GROUP, 2018 – 2031

Y/E June	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services
2018	118.5	31.2	21.9	41.8	10.1	19.0	6.9
2019	119.9	31.8	22.3	42.5	10.2	19.3	7.0
2020	121.3	32.3	22.7	43.3	10.4	19.6	7.1
2021	122.7	32.9	23.1	44.0	10.6	20.0	7.2
2022	124.6	33.6	23.6	45.0	10.8	20.4	7.4
2023	127.1	34.5	24.2	46.2	11.1	20.9	7.6
2024	129.6	35.4	24.8	47.4	11.4	21.5	7.8
2025	132.2	36.3	25.5	48.7	11.7	22.1	8.0
2026	134.8	37.3	26.2	50.1	12.0	22.7	8.2
2027	137.6	38.3	26.9	51.5	12.3	23.3	8.4
2028	140.5	39.4	27.7	52.9	12.7	23.9	8.7
2029	143.4	40.5	28.5	54.4	13.0	24.6	8.9
2030	146.5	41.6	29.3	56.0	13.4	25.2	9.2
2031	149.7	42.8	30.1	57.6	13.8	26.0	9.4
Expenditure Growth							
2018-2021	4.3	1.7	1.2	2.3	0.5	1.0	0.4
2021-2026	12.1	4.4	3.2	6.0	1.4	2.7	1.0
2026-2031	14.9	5.5	3.9	7.5	1.7	3.3	1.2
2018-2031	31.3	11.5	8.3	15.8	3.7	7.0	2.6
Average Annual Growth Rate							
2018-2021	1.2%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
2021-2026	1.9%	2.5%	2.6%	2.6%	2.5%	2.5%	2.6%
2026-2031	2.1%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
2018-2031	1.8%	2.4%	2.5%	2.5%	2.4%	2.4%	2.5%
*Constant 2017/18 dollars & Including GST Source : Marketinfo						LOCATIONIQ	

2.2 Worker Market

- i. Map 2.2 illustrates the worker main trade area which would likely be served by retail facilities at the Bloomfield site. As shown, the worker main trade area is generally consistent with the primary sector of the resident main trade area, extending approximately 3 km to the north, 5 km to the east and west, and 6 km to the south of the site.
- ii. Table 2.6 details the current and projected worker population within the main trade area, which is currently estimated at 2,548 and is projected to increase to reach nearly 3,300 by 2031, reflecting an average annual increase of approximately 60 workers, or 1.7%.
- iii. These worker projections take into account the proposed private hospital/super clinic on the Bloomfield site, which is assumed to accommodate around 350 workers (at a rate of 29 sq.m per worker).
- iv. Table 2.7 provides a summary of the estimated total retail expenditure of the worker population, based on the per capita resident retail spending levels within a 10 km radius as a proxy.
- v. The total retail expenditure of the worker main trade area population is \$40.8 million (2018), and is projected to increase to \$55.0 million by 2031, reflecting an average annual growth rate of 2.3%. All figures are presented in constant 2018 dollars and include GST.
- vi. Typically, workers spend some 15% - 20% of total retail spending at retail facilities near their place of work if relevant facilities are provided. This would indicate worker retail spending of approximately \$6 - \$8 million, primarily on food catering and retail services.

MAP 2.2 – WORKER MAIN TRADE AREA AND COMPETITION

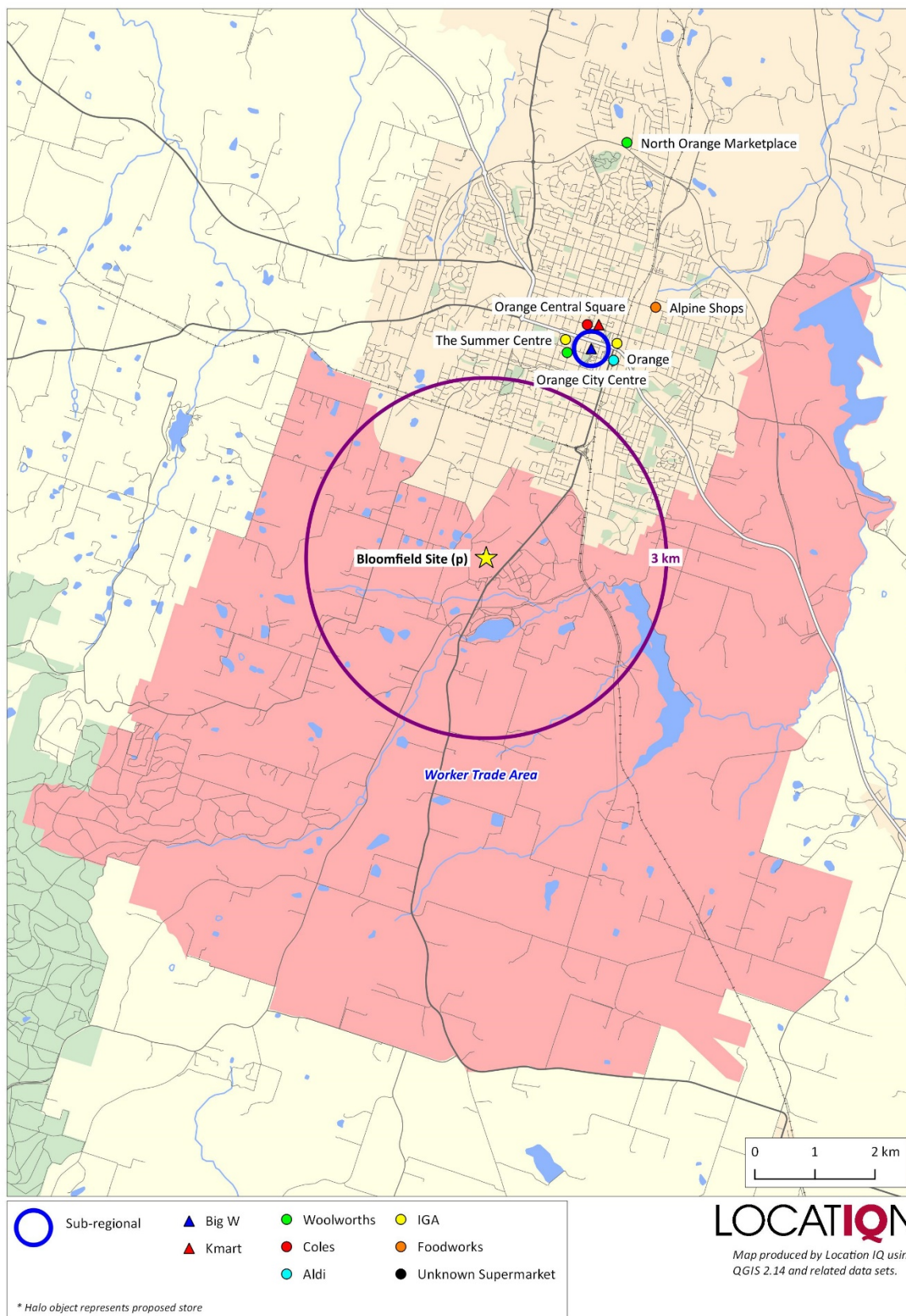


TABLE 2.6 – PROJECTED WORKER TRADE AREA POPULATION, 2011-31

Trade Area Sector	Actual Population		Forecast Worker Population			
	2011	2016	2018	2021	2026	2031
Main Trade Area	2,330	2,488	2,548	2,878	3,078	3,278
Average Annual Change (No.)						
		2011-2016	2016 - 2018	2018-2021	2021-2026	2026-2031
Main Trade Area		32	30	110	40	40
Average Annual Change (%)						
		2011-2016	2016 - 2018	2018-2021	2021-2026	2026-2031
Main Trade Area		1.3%	1.2%	4.1%	1.4%	1.3%
<i>*as at June</i> <i>Sources : ABS</i>						

LOCATIONIQ

TABLE 2.7 – PROJECTED WORKER MTA RETAIL EXPENDITURE MARKET, 2018-31

Y/E June	Total Retail Spending (\$M)*	Estimated Spend Near Place of Work (\$M)	
	Main TA	@15%	@20%
2018	40.8	6.1	8.2
2019	42.8	6.4	8.6
2020	45.0	6.7	9.0
2021	44.7	6.7	8.9
2022	45.7	6.8	9.1
2023	46.6	7.0	9.3
2024	47.6	7.1	9.5
2025	48.6	7.3	9.7
2026	49.7	7.4	9.9
2027	50.7	7.6	10.1
2028	51.7	7.8	10.3
2029	52.8	7.9	10.6
2030	53.9	8.1	10.8
2031	55.0	8.2	11.0
Avg. Ann. Growth (2018-31)	2.3%	2.3%	2.3%
<i>*Constant 2018 dollars and including GST.</i> <i>Source : Marketinfo</i>			

LOCATIONIQ

2.3 Visitor Market

Visitor Total Trade Area Definition

- i. Map 2.3 illustrates the defined visitor total trade area which is likely to be served by retail facilities at the Bloomfield site. The visitor market would visit the site less regularly than local residents, primarily for the purposes of visiting Orange Hospital or the private hospital on the Bloomfield site, once developed.
- ii. The visitor main trade comprises one primary sector, one secondary sector and one tertiary sector, as follows:
 - **Primary sector** comprising the local government areas (LGAs) of Orange, Blayney, Oberon, Bathurst, Cabonne, Cowra, Weddin, Forbes, Parkes and Lachlan.
 - **Secondary sector** encompassing the LGAs of Bogan, Warren, Coonamble, Gilgandra, Warrumbungle, Narromine, Dubbo, Wellington, Lithgow, Blue Mountains, Wollondilly, Booroa, Young, Temora and Bland.
 - **Tertiary sector** including the LGAs of Cobar, Bourke, Brewarrina, Walgett, Narrabri, Gunnedah and Liverpool Plains.
- iii. The wider visitor total trade area generally extends 400 km to the north and west and 150 km to the east and south of the Bloomfield site.
- iv. Table 2.8 details the visitor trade area population levels by sector. The current population is estimated at 510,000 (2018) and is projected to increase to over 550,000 by 2031, reflecting an average annual growth rate of 0.6%.
- v. Table 2.9 details the retail expenditure levels generated by the visitor market, by sector. The visitor market trade area retail expenditure is currently estimated at \$7.4 billion and is forecast to increase to \$8.8 billion by 2031, reflecting an average annual growth rate of 1.4%. All figures are presented in constant 2018 dollars and include GST.

- vi. In addition to the resident visitor market, the proposed centre would benefit from visitation generated by tourism within the area, with some 3 million tourists visiting the region each year as well as visitors to the public and private hospitals.

MAP 2.3 – VISITOR TOTAL TRADE AREA AND COMPETITION

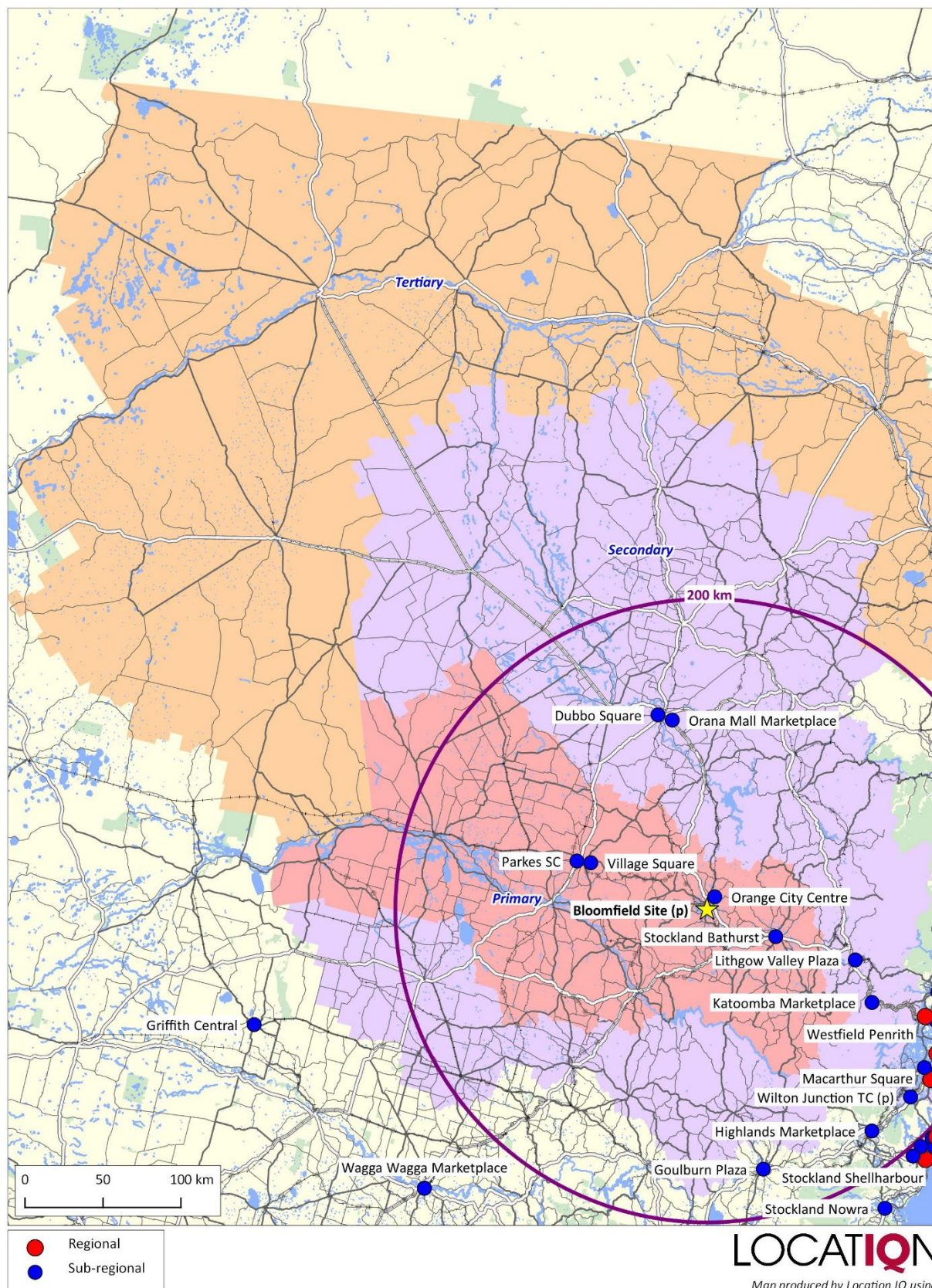


TABLE 2.8 – PROJECTED VISITOR TRADE AREA POPULATION, 2016-31

Trade Area Sector	Actual		Forecast			
	2011	2016	2018	2021	2026	2031
Total Primary	152,580	159,350	162,230	166,550	173,400	179,650
Total Secondary	282,030	294,390	297,370	301,840	310,890	322,190
Total Tertiary	50,580	50,300	50,560	50,950	51,550	52,000
Total Trade Area	485,190	504,040	510,160	519,340	535,840	553,840
Average Annual Change (No.)						
	Actual 2011-2016		2016-2018	2018-2021	Forecast 2021-2026	2026-2031
Total Primary		1,354	1,440	1,440	1,370	1,250
Total Secondary		2,472	1,490	1,490	1,810	2,260
Total Tertiary		-56	130	130	120	90
Total Trade Area		3,770	3,060	3,060	3,300	3,600
Average Annual Change (%)						
	Actual 2011-2016		2016-2018	2018-2021	Forecast 2021-2026	2026-2031
Total Primary		0.9%	0.9%	0.9%	0.8%	0.7%
Total Secondary		0.9%	0.5%	0.5%	0.6%	0.7%
Total Tertiary		-0.1%	0.3%	0.3%	0.2%	0.2%
Total Trade Area		0.8%	0.6%	0.6%	0.6%	0.7%
<i>Non Metro NSW</i>		<i>1.0%</i>	<i>1.0%</i>	<i>1.0%</i>	<i>0.9%</i>	<i>0.9%</i>
<i>Australian Average</i>		<i>1.7%</i>	<i>1.4%</i>	<i>1.4%</i>	<i>1.4%</i>	<i>1.3%</i>
<i>All figures as at June and based on 2016 SA1 boundary definition.</i> <i>Sources : ABS; SAfi by .id</i>						

TABLE 2.9 – PROJECTED VISITOR TRADE AREA RETAIL EXPENDITURE MARKET, 2016-31

Y/E June	Primary Sector	Secondary Sector	Main TA	Tertiary Sector	Total TA
2018	2,318.9	4,325.5	6,644.3	731.3	7,375.6
2019	2,357.4	4,380.7	6,738.1	738.7	7,476.9
2020	2,396.4	4,436.5	6,832.9	746.3	7,579.2
2021	2,436.1	4,493.0	6,929.1	753.9	7,683.0
2022	2,475.6	4,552.4	7,028.0	761.5	7,789.4
2023	2,514.8	4,614.8	7,129.6	769.1	7,898.7
2024	2,554.7	4,678.0	7,232.7	776.7	8,009.5
2025	2,595.3	4,742.2	7,337.4	784.5	8,121.9
2026	2,636.5	4,807.2	7,443.7	792.3	8,236.0
2027	2,677.0	4,876.2	7,553.2	800.0	8,353.3
2028	2,716.9	4,949.3	7,666.1	807.6	8,473.7
2029	2,757.4	5,023.4	7,780.8	815.2	8,595.9
2030	2,798.4	5,098.8	7,897.2	822.8	8,720.0
2031	2,840.2	5,175.2	8,015.4	830.6	8,846.0
Expenditure Growth					
2018-2021	117.3	167.5	284.8	22.6	307.3
2021-2026	200.3	314.2	514.6	38.5	553.1
2026-2031	203.7	368.0	571.7	38.2	610.0
2018-2031	521.3	849.7	1,371.1	99.3	1,470.4
Average Annual Growth Rate					
2018-2021	1.7%	1.3%	1.4%	1.0%	1.4%
2021-2026	1.6%	1.4%	1.4%	1.0%	1.4%
2026-2031	1.5%	1.5%	1.5%	0.9%	1.4%
2018-2031	1.6%	1.4%	1.5%	1.0%	1.4%
<i>*Constant 2017/18 dollars & Including GST</i> <i>Source : Marketinfo</i>					

3 COMPETITIVE ENVIRONMENT

- i. The previous Map 2.1 illustrates the major competitive retail facilities currently provided within the surrounding region, with details of these centres summarised in Table 3.1.

TABLE 3.1 – EXISTING COMPETITION

Centre	Shopfront GLA (sq.m)	Anchor Tenants	Dist. From Bloomfield (km)
Regional Shopping Centres			
<u>Orange CBA</u>	<u>54,600</u>		5.0
• Orange City Centre	11,000	Big W (7,017)	
• Orange Central Square	7,700	Coles (2,736)	
• The Summer Centre	4,100	IGA (2,200)	
• Orange Arcade	1,200		
• Alpine Shops	900	FoodWorks (600)	
• Other	29,700	Kmart (5,500), Woolworths (3,262), Supa IGA (1,700), Aldi (1,738)	
Sub-Regional Shopping Centres			
<u>Cowra</u>			90.0
• Cowra Plaza	3,900	Coles (2,219)	
• Other	12,000	Target Country (2,900), Woolworths (2,857), Aldi (1,500)	
Supermarket Based Shopping Centres			
North Orange Marketplace	4,700	Woolworths (3,631)	9.0
<u>Blayney</u>	<u>7,200</u>		30.0
• Bernardi's Marketplace	5,000	Supa IGA (2,500)	
• Other	2,200		
Source: Australian Shopping Centre Council Database			

3.1 Existing Retail Facilities

- i. Currently, there are limited retail facilities provided within the resident main trade area, with Bernardi's Marketplace (5,000 sq.m) located at Blayney (secondary south sector) being the only retail offer. This centre is anchored by a Supa IGA supermarket of 2,500 sq.m. This centre was refurbished in November 2015 and is now marketed as 'Farm Lane Village Market'. The centre also includes a significant non-food (primarily discount variety oriented) component of around 400 sq.m.
- ii. Beyond the resident main trade area, the focus for retail facilities is within the Orange Central Business Area (CBA) located 5 km to the north of the Bloomfield site, which

encompasses in-excess of 40,000 sq.m of retail floorspace. The main components include:

- Orange City Centre (11,000 sq.m) includes a Big W discount department store, with Myer having vacated the centre in 2017. The remainder of the centre comprises a number of national brand tenants although no fresh food offer.
- Orange Central Square (13,200 sq.m) owned by Charter Hall is anchored by a Kmart discount department store and small format Coles (2,736 sq.m), in addition to a number of national brand tenants including Lowes, Priceline and Cotton On.
- The Summer Centre (4,100 sq.m) is located at the western extent of the main retail strip (Summer Street). The centre is anchored by an Ashcroft's IGA supermarket (2,200 sq.m) and a Dan Murphy's liquor outlet. The centre was redeveloped in 2013 and now provides four external food catering tenants onto an at-grade car park, with modern store fit-outs provided throughout.
- A free-standing Woolworths supermarket (3,262 sq.m) is located along Anson Street.
- Orange Arcade of 1,150 sq.m is provided off the main retail strip along Summer Street.
- Two free-standing supermarkets are provided along Peisley Street, at the eastern end of the strip; namely a second Ashcroft's Supa IGA supermarket (1,700 sq.m) to the north of Summer Street, and an Aldi supermarket (1,350 sq.m) to the south.

iii. Elsewhere within the trade area, facilities include:

- North Orange Marketplace, located approximately 3 km north of the Orange CBA, is anchored by a Woolworths supermarket of 3,631 sq.m - which is the largest supermarket in the region - and 16 retail specialty stores. This centre primarily serves the growing residential catchment to the north of the Orange CBA.

- Alpine Shops (910 sq.m), located on the north-eastern periphery of the Orange CBA, is anchored by a FoodWorks supermarket (600 sq.m) and eight convenience focused retail specialty stores. The centre primarily serves the residents and workers of the immediately surrounding area.
- To the south-west of the main trade area, the focus for retail facilities is at Cowra. Over 15,000 sq.m of retail floorspace is provided, including free-standing Target Country (2,900 sq.m), Woolworths (2,857 sq.m) and Aldi (1,500 sq.m) as well as a Coles supermarket (2,219 sq.m) which anchors Cowra Plaza. A significant proportion of residents in the western portion of the secondary south sector would currently shop in Cowra.

3.2 Future Retail Developments

- i. The Shiralee Village development is proposed to include neighbourhood retail facilities, however, the site does not benefit from the critical success factors necessary to provide a strong retail offer (e.g. main road exposure, easily accessible and central location in relation to the broader population etc.). Also, the development timeframe of Shiralee Village is somewhat uncertain, given the fragmentation of ownership across the site (between 80 – 100 landowners), which could take some time to resolve.
- ii. Conversely, the Bloomfield site is well positioned along a main road, has the ability to serve multiple customer segments (e.g. workers and visitors as well as residents), and could commence development in a relatively short time-frame.
- iii. Beyond the main trade area, a development application has been approved to backfill the former Myer box in the Orange City Centre. Plans currently indicate that there will be a food court and smaller retail tenancies in place of the former Myer tenancy.
- iv. Rezoning approval has been granted for the proposed expansion of North Orange Shopping Centre. Over time, the existing supermarket is expected to be extended and a new full-line supermarket, mini supermarket and provision of specialty retailers are also planned.

- v. An area of B2 zoned local centre land located immediately south of the Bloomfield site allows for 1,470 sq.m of floorspace. B2 local centre zoned land a range of uses which are not necessarily retail-related, including: child care centres, commercial, community facilities; educational establishments; entertainment facilities; medical centres, registered clubs, tourist and visitor accommodation.

TABLE 3.1 – FUTURE COMPETITION

Name	Sector	Additional Retail GLA (sq.m)	Components	Status	Assumed Opening Date
Shiralee DPI	Primary	3,500	Neighbourhood retail facilities	Planning	n.a
B2 Zoned Land, Bloomfield		1,470	Unknown	Planning	n.a
Orange City Centre	Beyond	5,000	Backfill of former Myer with food court & specialty retailers	DA Approved	2019/20
North Orange SC	Beyond	7,700	Exp. to existing smkt. of 800 sq.m, new smkt of 4,000 sq.m, 1,400 sq.m specialty and 1,500 sq.m mini-smkt	Rezoning Approval	n.a
LOCATIONIQ					

4 ASSESSMENT OF POTENTIAL FOR RETAIL FACILITIES

This section of the report considers the sales potential for the retail component of the proposed convenience centre at Bloomfield, as well as the likely trading and other impacts that can be anticipated following the construction of the proposal.

4.1 Sales Overview

- i. In order to assess the potential economic benefits and impacts that may arise from the development of the proposed convenience retail centre at the Bloomfield site, the sales level which the development is projected to achieve is outlined.
- ii. The sales performance of any particular retail facility, be it an individual store or a collection of stores provided in a shopping centre or precinct, is determined by a combination of the following critical factors:
 - The composition and quality of the facility, including the major trader or traders; the specialty mix; centre layout and configuration; ease of accessibility and parking; and the overall feel of the centre.
 - The size of the available catchment which the facility serves.
 - The locations and strengths of competitive retail facilities.
- iii. The sales potential for the retail component of the proposed convenience retail centre at the Bloomfield site, which is planned to be anchored by a supermarket of 1,649 sq.m, a mini major tenant (416 sq.m) and 845 sq.m of retail specialty floorspace in Stage One, is now considered taking into account these factors.

4.2 Supermarket Sales Potential

- i. The proposed Bloomfield development will include a supermarket of 1,649 sq.m. Supermarkets generate sales primarily from the food and groceries market, as discussed and measured in Section 2 of this report.

- ii. Table 4.1 details the potential sales for the proposed Bloomfield supermarket. The calculations in this table go through a series of steps, commencing with the available expenditure that is of relevance to supermarkets, namely food and grocery spending; assessing the share of expenditure which all supermarkets are likely to achieve; and then concluding with the likely sales which trade area supermarkets can expect to generate.
- iii. The assessment detailed in Table 4.1 is based on the experience of many comparable analyses in locations throughout both New South Wales and Australia. Projected sales are detailed for the proposed Bloomfield supermarket of 1,649 sq.m. Supermarkets are defined as grocery and dry goods stores of at least 500 sq.m.
- iv. The analysis in Table 4.1 is as follows:
 - For the main trade area defined earlier in this report, the total resident main trade area food and grocery spending market is projected at \$103.1 million for the year to June 2018. The food and grocery spending market for the resident main trade area population is projected to grow to \$106.8 million (in constant 2018 dollar terms) by 2021.
 - Typically, in Australia, approximately 70% - 75% of food and grocery expenditure is directed to supermarkets and major food stores (i.e. grocery stores greater than 500 sq.m), not including small corner stores, convenience stores and milk bars. This ratio does vary from location to location depending on the provision of such facilities and the socio-economic profile of the trade area population. In the defined Bloomfield resident main trade area, the proportion of spending to supermarkets is currently estimated at 72.5%, increasing to 75% following the development of the Bloomfield supermarket in 2020/21.
 - The next step in the analysis is to estimate the likely proportion of food and grocery expenditure which can be retained by main trade area supermarkets; specifically, the proportion of expenditure that can be retained by the existing and

- proposed supermarket facilities within the main trade area as compared with the spending directed to supermarkets immediately beyond the main trade area.
- Currently, only one supermarket is provided within the resident main trade area, namely the Supa IGA supermarket (2,500 sq.m) which anchors Bernardi's Marketplace in Blayney. The current retention of supermarket spending across the resident main trade area is estimated at 21.6%. With the addition of the proposed Bloomfield supermarket, the level of retained spending is projected to increase to 31.7% in 2020/21.
 - This means that 68.3% of resident main trade area resident supermarket spending, equating to \$54.7 million, will still escape the main trade area to supermarkets within the Orange City Centre and beyond.
 - Additionally, an estimated 10% of total supermarket sales are likely to be attracted from beyond the defined resident main trade area, reflecting the location of the site within a hospital precinct which draws visitation from the broader regional area.
- v. The steps detailed above generate the annual estimates of food and grocery spending available to the proposed supermarket at Bloomfield. On this basis, after opening of the Bloomfield development, the food and grocery spending retained by the supermarkets in the resident main trade area is \$25.4 million in 2020/21. These projected figures do not include retail inflation, thus the increase shown over this time period reflects real growth.
- vi. Finally, in order to estimate the total likely sales volume available to the proposed supermarket at Bloomfield, additional components of sales other than food and grocery are taken into account. The major component of sales other than food and grocery sales that supermarkets typically include are general merchandise and non-food items. Non-food items typically generate around 6% of total store sales for modern supermarket chains.

- vii. On this basis, the proposed supermarket at Bloomfield is projected to achieve sales of \$10.8 million or \$6,563 per sq.m in 2020/21. Assuming that the Shiralee Village development and other residential developments in the area proceed at the rate assumed in this report (refer Section 3.2 previously), the proposed supermarket at the Bloomfield site could be expanded to a full-line offer (3,000 sq.m or larger) by around 2024/25.
- viii. Taking the above into account, there is clearly demand for a new supermarket of 1,649 sq.m at the proposed Bloomfield development. The projected sales level of \$6,563 per sq.m would be in line with the typical sales level achieved by supermarkets in similar locations within non-metropolitan New South Wales markets.
- ix. The inclusion of a supermarket of 1,649 sq.m at the site would provide a highly convenient food and grocery offer for current and future residents of the southern Orange area, with residents currently forced to drive into the Orange CBA or to Blayney for their weekly food and grocery shopping needs.
- x. Main trade area residents would still continue to use the Orange CBA for their higher order shopping needs as well as some supermarket shopping, depending on their brand preferences (all of the national supermarket chains are represented within the Orange CBA).
- xi. Further, the proposed development would also serve the convenience needs of the worker and significant visitor market to the area, largely driven by the development of the Bloomfield Hospital precinct.

TABLE 4.1 – SUPERMARKET SALES POTENTIAL, 2018 – 2021

	Financial Year	
	2018	2021
Total Food & Grocery (F&G) Spending		
Primary Sector	32.2	34.5
Secondary Sectors		
• North	41.2	41.8
• South	<u>29.7</u>	<u>30.5</u>
Total Secondary	70.9	72.3
Main Trade Area	103.1	106.8
F&G Spending to Supermarkets		
Primary Sector (@ 72.5% incr. to 75% in 20/21)	23.4	25.9
Secondary Sectors		
• North (@ 72.5% incr. to 75% in 20/21)	29.9	31.4
• South (@ 72.5% incr. to 75% in 20/21)	<u>21.5</u>	<u>22.9</u>
Total Secondary (@ 72.5% incr. to 75% in 20/21)	51.4	54.2
Main Trade Area (@ 72.5% incr. to 75% in 20/21)	74.7	80.1
F&G Spending Retained by TA Smkts		
Primary Sector (@ 0% incr. to 25% in 20/21)	0.0	6.5
<u>Secondary Sectors</u>		
• North (@ 0% incr. to 5% in 20/21)	0.0	1.6
• South (@ 75% incr. to 76% in 20/21)	<u>16.1</u>	<u>17.4</u>
Total Secondary (@ 31.4% incr. to 34.9% in 20/21)	16.1	18.9
Main Trade Area (@ 21.6% incr. to 31.7% in 20/21)	16.1	25.4
F&G Sales from Beyond TA (@ 7.5% incr. to 10% in 20/21)	<u>1.3</u>	<u>2.8</u>
Total F&G Sales for TA Smkts	17.4	28.2
Packaged Liquor Sales from Beyond TA (@ 8% decr. to 5.5% in 20/21)	<u>1.5</u>	<u>1.6</u>
Total FLG Smkt Sales	19.0	29.9
General Merchandise Sales (@ 6%)	<u>1.2</u>	<u>1.9</u>
Total TA Smkt Sales	20.2	31.8
Smkt Floorspace in TA (sq.m)**	2,500	4,150
Average Trading Level (\$/sq.m)	8,065	7,657
Distribution of TA Smkt Sales		
Bloomfield Smkt	0.0	10.8
Other TA Supermarkets**	<u>20.2</u>	<u>20.9</u>
Total TA Smkt Sales	20.2	31.8
<i>*Constant 2017/18 dollars & Including GST</i> <i>**Existing supermarket in resident main trade area</i>		

4.3 Total Centre Sales Potential

- i. The proposed Bloomfield convenience centre will be anchored by a supermarket of 1,649 sq.m, in addition to a mini-major tenant (416 sq.m), 695 sq.m of retail specialty floorspace and 150 sq.m of non-retail floorspace. In total, Stage One will comprise 2,910 sq.m.
- ii. Table 4.2 provides a summary of the projected sales by component for Stage One of the proposed Bloomfield convenience centre in 2020/21. All sales forecasts include GST and are presented in constant 2018 dollar terms (i.e. excluding retail inflation).
- iii. Based on an indicative composition and inspection of existing supermarket-based shopping centre retail facilities within the area, the proposed Bloomfield convenience centre is projected to achieve sales levels in 2020/21 (in constant 2018 dollars) as follows:
 - Supermarket sales of \$10.8 million (\$6,563 per sq.m).
 - Mini-major sales of \$1.9 million (\$3,700 per sq.m).
 - Retail specialty sales of \$3.8 million (\$5,525 per sq.m).
- iv. Total projected retail sales for the proposed Bloomfield convenience centre are \$16.2 million (5,872 per sq.m).
- v. The planned retail specialty offer at the proposed Bloomfield convenience centre will complement the supermarket in serving the convenience shopping needs of local residents.

TABLE 4.2 – STAGE ONE PROJECTED CENTRE SALES, 2020/21

Tenant/ Category	GLA (sq.m)	Forecast Sales* (\$'000) (\$/sq.m)	
Supermarket	1,649	10,829	6,567
Mini-majors	416	1,539	3,700
Retail Specialties	<u>695</u>	<u>3,840</u>	<u>5,525</u>
Total Retail	2,760	16,208	5,872
Non-retail	150		
Total Centre	2,910		

**Constant 2017/18 dollars & Including GST*

LOCATIONIQ

4.4 Sales Impacts

- i. This sub-section of the report outlines the likely sales impacts on competitive retail facilities as a result of the development of the retail component of the proposed Bloomfield development.
- ii. It is important to note that impacts outlined in this report are indicative as it is difficult to precisely project the sales impact of the opening of a new store/centre on existing retail facilities. A number of factors can influence the impact on individual centres/retailers, including but not limited to:
 - Refurbishment/improvements to existing centres.
 - Expansions to existing centres.
 - Loyalty programs of existing retailers.
 - The existing centre mix and how it competes with the proposed development.
- iii. For all these reasons and other similar factors, sales impacts outlined in this report should be used as a broad indication.
- iv. Table 4.3 outlines projected sales impacts from the retail component of the proposed Bloomfield development. The steps involved in assessing the sales and impacts on competitive centres are presented as follows:

- **Step 1:** Estimate sales levels for existing centres in the 2018 financial year.
 - **Step 2:** Project sales for existing and proposed centres in the 2020/21, the first full year of trading for the proposed Bloomfield development. These projections allow for retail market growth and new retailers/centres. All sales projections in 2019 are presented in constant 2018 dollars (i.e. excluding inflation).
 - **Step 3:** Outline the change in sales at each centre in 2021 as a result of the development of the proposed Bloomfield convenience centre. Again, all sales are expressed in constant 2018 dollars.
 - **Step 4:** Show the impact on sales in 2021, both in dollar terms and percentage of sales.
- v. The key information outlined in Table 4.3 is summarised as follows:
- Overall, projected sales for the proposed convenience centre at the Bloomfield site are \$16.2 million 2020/21 (i.e. constant 2018 dollar terms).
 - Of this total, some \$1.5 million is projected as a result of a redirection of spending from retail facilities in the main trade area. An impact of \$13.9 million is projected to come from a reduction in expenditure to facilities beyond the main trade area. The remaining impact (\$0.7 million) is likely to be made up of small impacts on a range of retail facilities beyond the trade area which are not currently represented in this analysis.
- vi. The proposed convenience centre at the Bloomfield site is projected to record sales of \$16.2 million in 2020/21. The key information is outlined in Table 4.3 and is summarised as follows:
- vii. It is important to note that each of these impacts will be one off impacts resulting from the opening of the proposed Bloomfield convenience centre. Each of these centres/retailers are likely to benefit in the future from population growth within the resident trade area but also the broader Orange region. Sales for all centres in 2021 will still be above 2018 levels after the proposed development.

- viii. Overall, the proposed Bloomfield development will not impact on the viability or continued operation of any retail facility in the Orange CBA, Blayney or Cowra. The proposed development will provide a convenience shopping destination for residents of the growing southern Orange area, with main trade area residents still travelling into the Orange CBA for their higher-order retail needs.

TABLE 4.3 – BLOOMFIELD CONVENIENCE CENTRE PROJECTED CENTRE IMPACTS, 2020/21

	Unit	Estimated 2018	Projected 2021		Impact 2021	
			Pre Dev.	Post Dev.	\$M	%
<i>Bloomfield Convenience Centre</i>	<i>\$M</i>	<i>n.a.</i>	<i>n.a.</i>	<i>16.2</i>	<i>n.a.</i>	<i>n.a.</i>
Regional Centres						
Orange CBA	\$M	376.5	393.7	381.0	-12.6	-3.2%
Sub-Regional Shopping Centres						
Cowra	\$M	91.1	95.2	94.3	-0.9	-1.0%
North Orange	\$M	63.7	66.6	66.2	-0.3	-0.5%
Blayney	\$M	45.9	48.0	46.5	-1.5	-3.2%
*Constant 2017/18 dollars & Including GST						
¹ Proposed centres and expansions assumed to be trading for a full year by FY2021						

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4.5 Employment and Consumer Impacts

- i. The development of the proposed convenience centre at Bloomfield will result in a range of important economic benefits which will be of direct benefit to the local community. These key positive employment and consumer impacts will include the following:
 - A convenience shopping destination for local residents that will include a supermarket and a complementary provision of specialty floorspace in a centralised location. In Stage One, the development is projected to employ around 242 persons as summarised in Table 4.4. Taking a conservative view and allowing for an estimated 10% of the total increase to be as a result of the reduced employment at existing retail facilities, the net additional jobs are estimated at 217.
 - The additional 217 permanent retail employees would earn an average annual wage of around \$28,800 as sourced from the ABS. This represents an additional

\$6.3 million in salary and wages for the local economy, directly as a result of the proposed development.

- Further jobs would be created from the supplier induced multiplier effects as a result of the retail jobs which service the on-going running of the retail component of the proposed Bloomfield convenience centre. Jobs created are full-time equivalent jobs, which may include both full-time and part-time positions. In total, some 206 jobs are projected to be created in the broader community, based on ABS Input/Output Multipliers (refer Table 4.5).
- The proposed Bloomfield convenience centre will create a substantial number of additional jobs, both for the construction and related industries during the construction phase of the development and for the economy generally once the development is completed.
- The estimated total capital costs for the construction of the development are approximately \$15 million. By using the appropriate ABS Input/Output Multipliers that were last produced in 1996/97 and a deflated estimated total capital cost of construction of \$15 million (i.e. in 1996/97 dollars), it is estimated that the construction period of the proposed Bloomfield convenience centre would create some 80 jobs (refer Table 4.6).
- The additional construction jobs (80) would result in a further 129 jobs in the broader community based on ABS Input/Output Multipliers (refer Table 4.6).
- In total some 209 jobs are likely to be created both directly and indirectly as a result of the construction of the proposed Bloomfield convenience centre.

TABLE 4.4 – ESTIMATED PERMANENT EMPLOYMENT

Type of Use	Estimated Employment Per '000 sq.m	Change in GLA (sq.m)	Bloomfield Employment (persons)
Supermarket	50	1,650	83
Retail Specialty Shops	60	<u>1,000</u>	<u>159</u>
Total Centre¹		2,650	242
Net Increase²			217
<p>1. Excludes non-retail components.</p> <p>2. Net increase includes an allowance for reduced employment levels at impacted centres estimated at 10% of the total increase</p>			

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TABLE 4.5 – ESTIMATED EMPLOYMENT IMPACT

Original Stimulus	Direct Employment	Supplier Employment Multiplier Effects	Total
Centre Employment ¹	217	206	424
<p>* Employment totals include both full-time and part-time work</p> <p>1. Indicates the estimated number of net additional ongoing jobs as a result of the proposed development</p> <p>Source : Australian National Accounts: Input-Output Tables 1996-97</p>			

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TABLE 4.6 – ESTIMATED CONSTRUCTION EMPLOYMENT IMPACT

Original Stimulus	Estimated Capital Costs (\$M) ¹	Direct Employment	Supplier Employment Multiplier Effects	Total
Construction of Project	11.5	80	129	209 Job Years ²
<p>* Employment totals include both full-time and part-time work</p> <p>1. Adjusted by inflation and productivity to 1996/97 Dollars</p> <p>2. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects, for the equivalent of one year</p> <p>Source : Australian National Accounts: Input-Output Tables 1996-97</p>				

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5 NEEDS ANALYSIS

The final section of this report summarises the key conclusions of the impact analysis for the proposed convenience centre at Bloomfield.

‘Need’ or ‘Community Need’ in a planning sense is a relative concept that relates to the overall wellbeing of a community. A use is needed, for example, if it would, on balance, improve the services and facilities available in a locality. The reasonable demands and expectations of a community are important, therefore, in assessing need.

A number of important factors that relate to need, particularly economic need, include:

- Population and supermarket supply and demand.
- Consumer trends.
- Impacts on existing retail facilities.
- Location.
- Net community benefits.

5.1 Population and Retail Floorspace Supply and Demand

Supermarket Floorspace

- i. There are currently 17,440 persons residing in the Bloomfield resident main trade area, including 5,510 persons within the primary sector. A population of this size is typically served by at least two convenience-focused retail centres, anchored by a supermarket.
- ii. This demand for a convenience shopping destination will increase in the future, with the resident main trade area population projected to increase to 20,750 by 2031.
- iii. Typically, a population of around 8,000 – 9,000 persons is required to support a full-line (3,200 sq.m or larger) supermarket. This indicates that two full-line supermarkets are currently supportable within the resident main trade area, with none currently

provided to support a population of nearly 17,440. The worker and visitor market would generate additional demand for such facilities.

- iv. The inclusion of a supermarket of 1,649 sq.m in the proposed Bloomfield development will provide a convenient supermarket shopping destination for residents of the development Shiralee Village residential estate, with main trade area residents primarily travelling into the Orange CBA in order to undertake their weekly food and grocery shop.
- v. A full-line supermarket of 3,000 sq.m would likely be supportable by 2024/25 when the primary sector population is projected to reach around 7,000.

Traditional Retail Floorspace

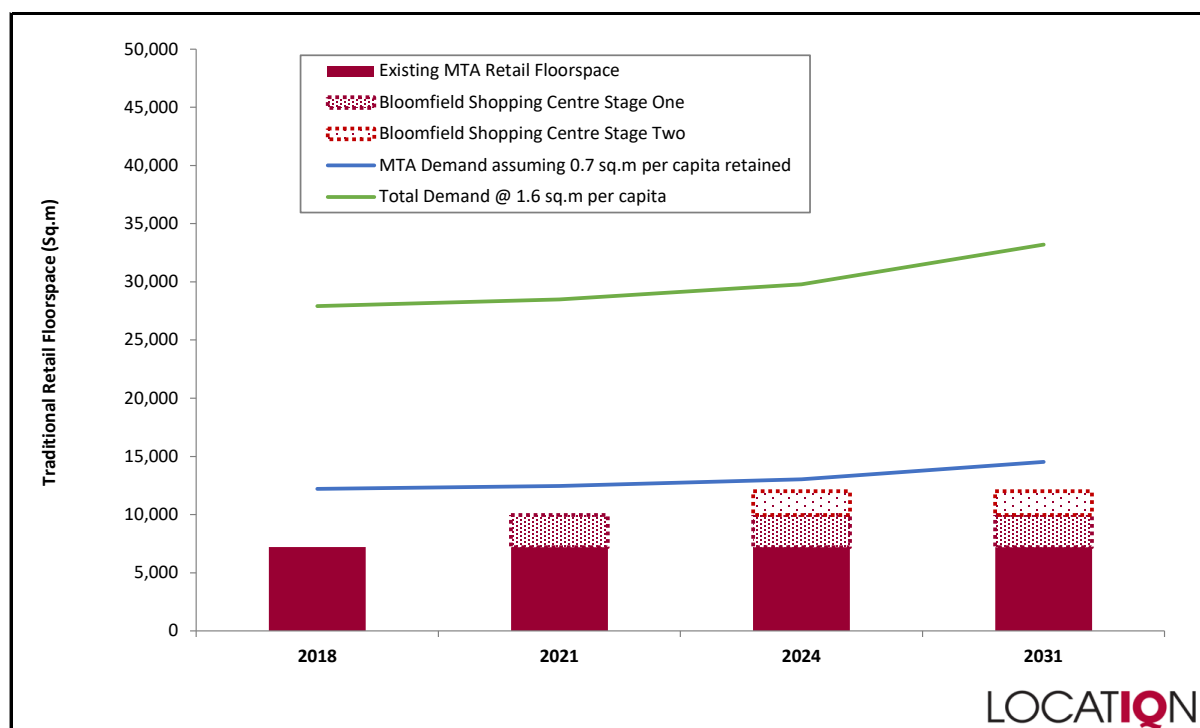
- i. Table 5.1 provides an analysis of total retail floorspace demand throughout the trade area on the following basis:
 - The typical provision of retail floorspace is around 1.6 sq.m per persons (excluding large format retail) and is assumed to remain constant over the period to 2031.
 - The current provision throughout the trade area at 0.4 sq.m per person represents around 25% of demand. This reflects the lack of adequate facilities within the main trade area currently, in particular within the primary sector. The proposed Bloomfield convenience centre will reduce the amount of retail expenditure escaping the main trade area, particularly within the food retail category.
 - Given the extensive provision of higher-order retail facilities immediately beyond the main trade area (primarily within the Orange CBA), the level of escape retail expenditure from the Bloomfield main trade area will likely remain relatively high.
 - In reality for this region, at least 40% - 50% of residents' retail expenditure should be retained locally. This equates roughly to 0.7 sq.m per capita.
 - The existing supply of retail floorspace is estimated at almost 7,200 sq.m, representing an undersupply of approximately 5,000 sq.m. If no retail floorspace

is developed in the main trade area, this undersupply would increase to 7,325 sq.m by 2031.

- This means that the development of Stage One of the proposed Bloomfield convenience centre (2,760 sq.m) in 2020/21, would still leave demand for an additional 2,500 sq.m of floorspace elsewhere in the main trade area.
- Following the development of Stage Two of the Bloomfield Shopping Centre to approximately 4,800 sq.m in 2024/25, there would still be additional demand for around 1,000 sq.m of retail floorspace at that time, increasing to over 2,500 sq.m by 2031 (refer Chart 5.1).

TABLE 5.1 – PROJECTED MTA TRADITIONAL RETAIL FLOORSPACE OVER/UNDERSUPPLY

Floorspace Category	Current 2018	2021	Projected 2024	2031
Main Trade Area Population	17,440	17,800	18,610	20,750
Traditional Retail Floorspace Demand (Sq.m)*				
Benchmark Floorspace Provision Per Capita	0.7	0.7	0.7	0.7
Total Main Trade Area Retail Floorspace Demand	12,208	12,460	13,027	14,525
Traditional Retail Floorspace Supply (Sq.m)*				
Existing Traditional Retail Floorspace within MTA	7,200	7,200	7,200	7,200
<u>Bloomfield Shopping Centre</u>				
Stage One	0	2,760	2,760	2,760
Stage Two	0	0	2,040	2,040
Total Bloomfield Shopping Centre	0	2,760	4,800	4,800
Total Traditional Retail Floorspace within MTA	7,200	9,960	12,000	12,000
Traditional Retail Floorspace Over/Under Supply (Sq.m)*				
MTA Over/Undersupply	-5,008	-2,500	-1,027	-2,525
* Excluding Large Format Retail				

CHART 5.1 – PROJECTED MTA TRADITIONAL RETAIL FLOORSPACE OVER/UNDERSUPPLY

5.2 Consumer Trends

- i. There is a strong need for a wider choice of convenient shopping facilities within close proximity to the homes of main trade area residents, with consumers visiting supermarkets two to three times a week on average. The focus for residential development within the region is in the southern Orange area (Shiralee Village).
- ii. Over the past decade, there has been an increasing trend towards convenience shopping. This trend has been largely driven by broader social trends that have resulted in consumers becoming more time poor. These social trends include:
 - Longer working hours.
 - An increase in the number of women in the labour force.
- iii. Time pressures are ranked at the top of the list of issues that consumers face when undertaking their regular food and grocery shopping.

- iv. As a result of the increasing time pressures that consumers face when it comes to food and grocery shopping, there is growing demand for convenience shopping facilities to meet the needs of local residents.
- v. The resident main trade area population would demand a convenient supermarket destination, particularly given the large number of families many of whom are likely to have two working parents residing within the area.

5.3 Impacts on Existing Retailers

- i. The analysis of impacts provided in the previous section of this report shows the projected impacts on other retailers throughout the area from the development of the convenience centre at Bloomfield would not threaten the viability or continued operation of any centres. The impacts are all less than or equal to 10%, within the normal competitive range.
- ii. Each of these impacts will be one off impacts resulting from the opening of the proposed Bloomfield development, with the centres/retailers likely to benefit in the future from population growth within the Orange region over time.
- iii. The impacts for the proposed supermarket-based development are only likely to be experienced by other facilities in the short-term, and these centres stand to benefit from market growth after these impacts have been absorbed.

5.4 Location

- i. The only existing supermarket facility within the resident main trade area is the Supa IGA (2,500 sq.m) anchoring Bernardi's Marketplace in Blayney (secondary south sector), some 30 km to the south-west of the Bloomfield site. Residents of the primary and secondary north sectors currently direct the majority of their food and grocery spend to supermarket facilities in the Orange CBA to the north.

- ii. Future population growth within the region will be focused in southern Orange (in the primary sector), based on the development of the Shiralee Village which is expected to ultimately accommodate an additional 4,800 residents.
- iii. By 2024/25, the primary sector population is expected to reach around 7,000 and as such could independently support a full-line supermarket (3,000 sq.m or larger). Over the short-medium term, the growing resident population in this region will require access to convenience retail facilities. The current primary sector population alone could support a small format supermarket of 1,649 sq.m, which could be expanded to a full-line offer once the population within the area can sustain it.
- iv. The provision of a smaller format supermarket facilities at the Bloomfield site will reduce the number of trips made by residents of the main trade area for this type of shop.
- v. Given that Orange CBA is the focus for higher-order retail within the region, residents of the main trade area will still visit these retail facilities regularly for non-food expenditure. The Orange CBA also serves the visitor and worker markets.
- vi. As such, proposed retail facilities at the Bloomfield site would be well positioned to serve convenience needs of the existing primary sector population and the growing Shiralee Village residential estate.
- vii. The Bloomfield site is preferable to the Shiralee Village site for retail uses based on the following:
 - It can be developed in the short-term. The development of Shiralee Village is expected to commence in the longer term given the land consolidation issues.
 - It will serve multiple customer segments (local residents, workers, visitors), given its location directly opposite the hospital.
 - Is easily accessible, being located with frontage onto Forest Road, a main north-south arterial route through the region. The Shiralee Village site is somewhat internalised, and as such would likely only serve local residents.

5.5 Net Community Benefits

- i. It is the conclusion of this report that a substantial net community benefit will result from the development of the proposed convenience retail centre at Bloomfield. Offsetting the trading impacts on some existing retailers, there are very substantial positive impacts including the following:
 - The creation of a convenience shopping destination for local residents that will ultimately include a full-line supermarket and a complementary provision of specialty floorspace in a centralised location.
 - The reduction in travel time and savings in petrol consumption. Smaller shopping is usually undertaken 2 – 3 times a week, meaning the subject development will result in substantial time and petrol savings.
 - The creation of additional employment which will result from the project, both during the construction period, and more importantly, on an ongoing basis once the development is complete and operational. In total, some 209 jobs are likely to be provided both directly and indirectly as a result of the proposed Bloomfield development. This includes a number of youth employment opportunities with retail developments generally employing a large number of younger staff.
- ii. It is concluded that the combination of the substantial positive economic impacts serve to more than offset the trading impacts that could be anticipated for a small number of the existing retail stores, particularly supermarkets, in the region. Further, the impacts would not threaten the viability of any of these retailers or centres.

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