LOCATIQN

Bronte RSL Redevelopment, Sydney

Economic Impact Assessment

Prepared for WLB Pty Limited

March 2014

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INTRODUCTION

This report presents an independent assessment of the demand for a proposed retail centre anchored by a fresh produce trader at the Bronte RSL site in the Eastern Suburbs of Sydney. The report also considers the likely economic impacts that would result from the proposed development, with a specific focus on the nearby Macpherson Street retail strip. The proposal is referred to as the Bronte RSL retail centre throughout the remainder of this report.

The report is structured and presented in **four (4) sections** as follows:

- **Section 1** details the location of the proposed Bronte RSL site and discusses the context of the site within the Eastern Suburbs of Sydney. The proposed development scheme is reviewed and an overview of the planning environment is provided.
- **Section 2** examines the trade area which is relevant to the proposal, including current and projected population and retail spending levels.
- **Section 3** provides an overview of the retail structure within the surrounding region, with a specific focus on the surrounding Macpherson Street retail strip at Bronte.
- **Section 4** outlines an assessment of the sales potential for the proposed retail development at the Bronte RSL site and then presents an economic impact assessment. Likely trading impacts on other retailers throughout the local area are considered, as are the employment and other economic impacts, both positive and negative, of the proposal.

EXECUTIVE SUMMARY

The key points of this report, regarding the demand and likely economic impacts for the proposed retail centre at the Bronte RSL site, include:

i. The popular coastal suburb of Bronte is located some 8 km to the south-east of the Sydney Central Business District (CBD).

ii. The Bronte RSL site forms part of the Bronte Macpherson Street Neighbourhood Centre (*New South Wales Metropolitan Strategy – East Subregion*) which is the main retail precinct of Bronte. The proposed development would be effectively integrated within the existing retail strip.

iii. The proposed redevelopment at the Bronte RSL site by WLB Pty Limited is planned to encompass a retail centre of 1,179 sq.m with 26 residential apartments and a new RSL provided above. The retail centre will be anchored by a fresh produce mini-major (999 sq.m, including 333 sq.m back of house) as well as a small provision of specialty shops fronting Macpherson Street.

iv. The defined Bronte main trade area extends less than 1 km around the site and as at the 2011 Census accommodated a population of 18,920 that is projected to increase to 20,470 by 2026.

v. The proposed Bronte RSL retail centre is projected to achieve sales of $12.7 million, representing an average trading level of $10,757 per sq.m in 2016/17. This strong trading level reflects the densely populated surrounding area and the strong trading levels of surrounding supermarkets and fresh produce traders. As such, the Bronte RSL retail centre would record a 3.5% share of total main trade area spending and an approximate 10.6% market share of the food and grocery market.

vi. Given that the vast majority of food and grocery spending within the Bronte main trade area is currently directed to retail facilities beyond the main trade area, approximately 90% of the impact of the proposed Bronte RSL retail centre is likely to be on retail facilities beyond the main trade area, including Bondi Junction and Randwick.

vii. In relation to the impact on retail facilities within the main trade area, only 10% or $1.3 million of projected sales will be redirected from main trade area retailers, including at Bronte, Clovelly and other suburbs throughout the main trade area. This impact is likely to be focused on food and grocery traders.

viii. The Macpherson Street and Lugar Street Neighbourhood Centres include eight Food and Grocery retail shopfronts with only five of these shopfronts likely to compete with the proposed fresh produce offer at the Bronte RSL site. While there is likely to be some impact on these retail tenants, the proposed Bronte RSL retail centre will not impact on the viability of these tenants nor would the proposed development be detrimental to the surrounding retail strip. Indeed, the surrounding Macpherson Street retail strip stands to benefit from the increased sales potential and increased customer flows attracted to the retail precinct by the proposed development of the Bronte RSL retail centre.

ix. The development of the Bronte RSL retail centre will result in a range of important economic benefits, providing a wider range of shopping facilities for local residents in a convenient location as well as employment benefits. The proposed Bronte RSL retail centre is estimated to employ around 28 persons, representing an additional $820,000 in salary and wages for the local economy. As a result of supplier induced multiplier effects, some 27 additional jobs are projected to be created in the broader community. In addition, the construction of the proposed retail component of the Bronte RSL redevelopment is estimated to create some 38 jobs, resulting in a further 62 jobs based on the multiplier effect. As a result, in total some 155 jobs are likely to be created both directly and indirectly as a result of the proposed Bronte RSL retail centre with some 397 jobs likely to be created both directly and indirectly as a result entire development.

1 SITE LOCATION AND PROPOSED DEVELOPMENT

This section of the report reviews the regional and local context of the Bronte RSL site and provides an overview of the planned composition of the proposed retail development.

1.1 Regional and Local Context

i. The Eastern Suburbs of Sydney encompasses the Woollahra, Waverly and Randwick Local Government Areas (LGAs), extending from the South Head peninsula at Watsons Bay in the north to La Perouse in the south.

ii. The Eastern Suburbs of Sydney feature some of Australia's most famous beaches including Bondi Beach, Tamarama Beach, Bronte Beach, Coogee Beach and Maroubra Beach. As shown on Map 1.1, the suburb of Bronte is located some 8 km to the south-east of the Sydney Central Business District (CBD) and is provided within the Waverley LGA.

iii. Bronte is situated on the coast, approximately 2 km from Bondi Beach. Like most of the suburbs in the Eastern Suburbs of Sydney, Bronte is a popular established coastal residential area. Bronte is also one of the most densely populated suburbs of Sydney, reflecting the prevalence of medium density housing. According to the recently released 2011 Census of Population and Housing, the Waverley LGA is the third most densely populated area in Australia with 7,600 persons per sq.km.

iv. The site for the proposed Bronte RSL retail centre is the existing Bronte RSL which is located along Macpherson Street, directly to the south of Yanko Street and bounded by Chesterfield Lane in the south. Map 1.2 illustrates the local context of Bronte, with key points to note including:

   – The Bronte RSL site is located on the southern side of the Macpherson Street retail strip which extends along both sides of Macpherson Street from around St Thomas Street in the east to near Yanko Avenue in the west. Consequently, the proposed Bronte RSL retail centre will effectively be integrated with the existing strip retailing along Macpherson Street.

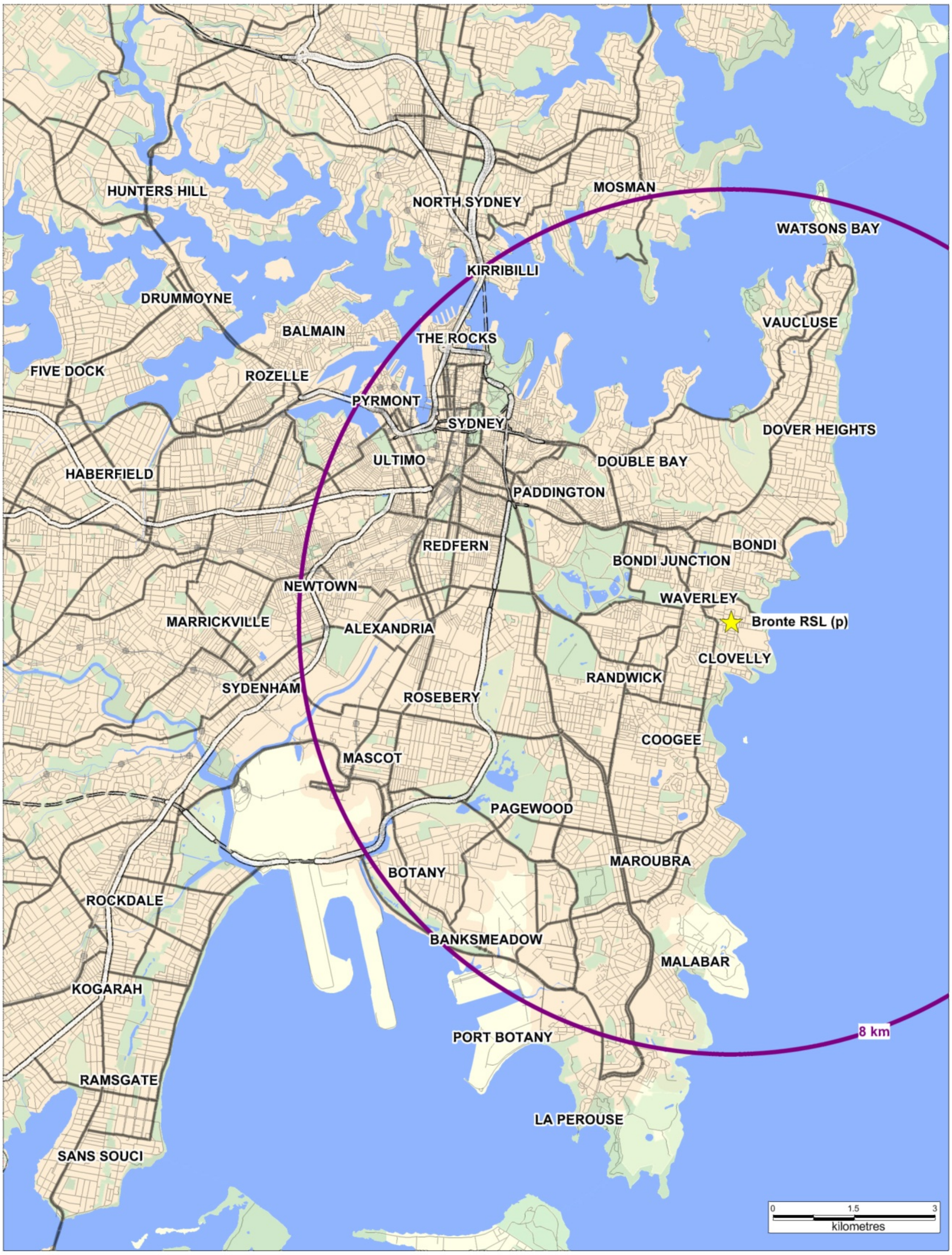
- Further along Macpherson Street, near the intersection of Lugar Street, there is a small retail precinct including key convenience traders such as Waverley Pharmacy, The Friendly Store (convenience store), Lucas Meats and Chambers Cellars as well as a number of food catering traders such as Eugene’s Cafe, Sue’s Cafe, Prego’s Restaurant, Topping Mad Pizza and Wet Paint Restaurant. A provision of retail services and non-retail tenants are also provided within this precinct.

- Bronte Beach and Bronte Park are located approximately 800 metres to the north-east of the Bronte RSL site, acting as significant attractors to the area for the wider Sydney population and tourists.

- The Bronte Beach retail precinct is located around 600 metres to the north-east of the Bronte RSL site and includes primarily cafes and restaurants serving residents and the significant level of visitors/tourists attracted to Bronte Beach.

v. The Bronte RSL site, therefore, is highly accessible to the surrounding population being located on a major traffic route, namely Macpherson Street. A number of public buses also run along this street, including the 378 and 362 routes, providing access to both the Sydney CBD and the remainder of the Eastern Suburbs. Consequently, the site is easily accessible by both public and private transport.

MAP 1.1 – BRONTE REGIONAL CONTEXT



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

MAP 1.2 – BRONTE LOCAL CONTEXT

1.2 Planning Environment

i. The Department of Planning and Infrastructures' *New South Wales Metropolitan Strategy – East Subregion* (released by the New South Wales Government in 2007), defines Macpherson Street, Bronte as a Neighbourhood Centre. The Centre and Corridor hierarchy for this sub-region is as follows:

1. Specialised Centre
2. Major Centre
3. Town Centre
4. Stand-alone Shopping Centre
5. Village
6. Small Village
7. Neighbourhood Centre

ii. A Neighbourhood Centre is defined as:

> *"One or a small cluster of shops and services. Contain between 150 – 900 dwellings."*

iii. Based on the 2011 Census, the suburb of Bronte included around 2,765 dwellings as well as a provision of strip retailing along Bronte Road and Macpherson Street. A Village Centre, which is the next level in the centres hierarchy, is defined as:

> *"A strip of shops and surrounding residential area within a 5 – 10 minute walk that contains a small supermarket, hairdresser, takeaway food shops. Contained between 2,100 – 5,500 dwellings."*

iv. As summarised in Section 3 of this report, the existing Macpherson Street, Bronte Neighbourhood Centre already includes some 27 shopfronts with a further 24 shopfronts located in the nearby Lugar Street, Bronte Neighbourhood Centre.

v. The *Waverley Local Environment Plan (LEP) 2012* was gazetted on 26th October 2012. The Bronte RSL site is zoned B1 Neighbourhood Centre as is the surrounding strip. The objectives of the B1 Neighbourhood Centre zone are as follows:

• To provide a range of small-scale retail, business and community uses that serve the needs of people who live or work in the surrounding neighbourhood.

• To ensure that non-residential uses do not result in adverse impacts on the amenity of existing and future residential premises.

• To strengthen the viability of Waverley's existing business centres as places of vitality for investment, employment and cultural activity."

vi. The *Waverley Development Control Plan 2012* reiterates that Waverley's local village centres are based on the hierarchy of centres as outlined within the Department of Planning and Infrastructures' Subregional Planning Strategies with the Desired Future Character Objectives for the Bronte (Macpherson Street) Neighbourhood Centre being:

(a) To maintain the built form arising from the historical subdivision pattern and the small shop character at street level.

(b) Maintain the public views and outlook at the eastern end of the centre, as well as outlook over open space at western end of the centre.

(c) The Bronte RSL is an important community building and considered to be a key site in the centre.

vii. In summary, there are a number of relevant planning documents and definitions. It should be noted that these definitions act as guidelines in each instance. From an economic perspective, taking into account the size of the retail strip, the current provision of retail facilities in the area and the surrounding catchment population, there is merit for the Bronte RSL proposal as outlined in the following sub-sections which would primarily serve local residents.

1.3 Proposed Development

i. WLB Pty Limited propose the redevelopment of the Bronte RSL Club to comprise a mix of uses, including a retail centre most likely anchored by a fresh produce trader.

ii. Based on plans provided by WLB Pty Limited (refer Figure 1.1), the Bronte RSL redevelopment is proposed to encompass a total of 1,179 sq.m of retail floorspace on the ground level (refer Table 1.1). The retail centre will be anchored by a fresh produce mini-major (999 sq.m, including 333 sq.m back of house) as well as a small provision of specialty shops fronting Macpherson Street. A total of 26 residential apartments and a new RSL will be provided above.

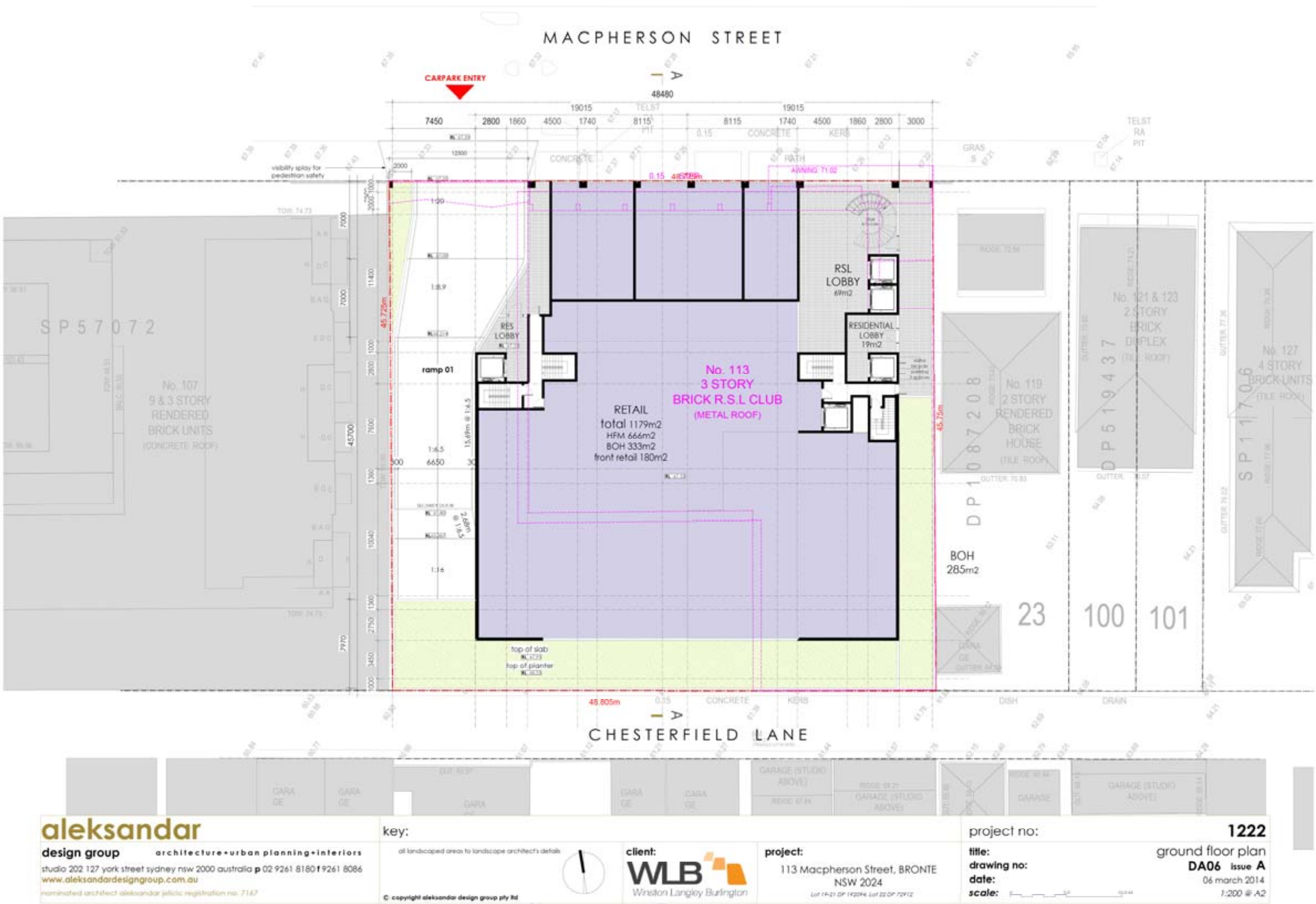
iii. Car parking for the retail component of the development will be provided across two basement levels, with some 68 car parking spaces. This equates to a provision of 5.8 car spaces per 100 sq.m of retail floorspace. The provision of 68 car parking spaces for the retail component of the development would significantly add to the car parking on offer within the Macpherson Street retail precinct. Further car spaces will be provided for the RSL and residential component of the development.

TABLE 1.1 – BRONTE RSL RETAIL CENTRE PROPOSED COMPOSITION

Tenant/ Category	GLA (sq.m)	(% of Total)
Mini-majors (> 400 sq.m)		
Large Format Fresh Produce	999	84.7%
Mini-majors	999	84.7%
Total Retail Specialty	180	15.3%
Total Retail	**1,179**	**100.0%**

Source: WLB Pty Limited

FIGURE 1.1 – BRONTE RSL REDEVELOPMENT LAYOUT, GROUND LEVEL



2 TRADE AREA ANALYSIS

This section of the report outlines the trade area likely to be served by the proposed Bronte retail centre including the current and projected population and retail spending levels. An overview of the socio-economic profile of the trade area population is also provided.

2.1 Trade Area Definition

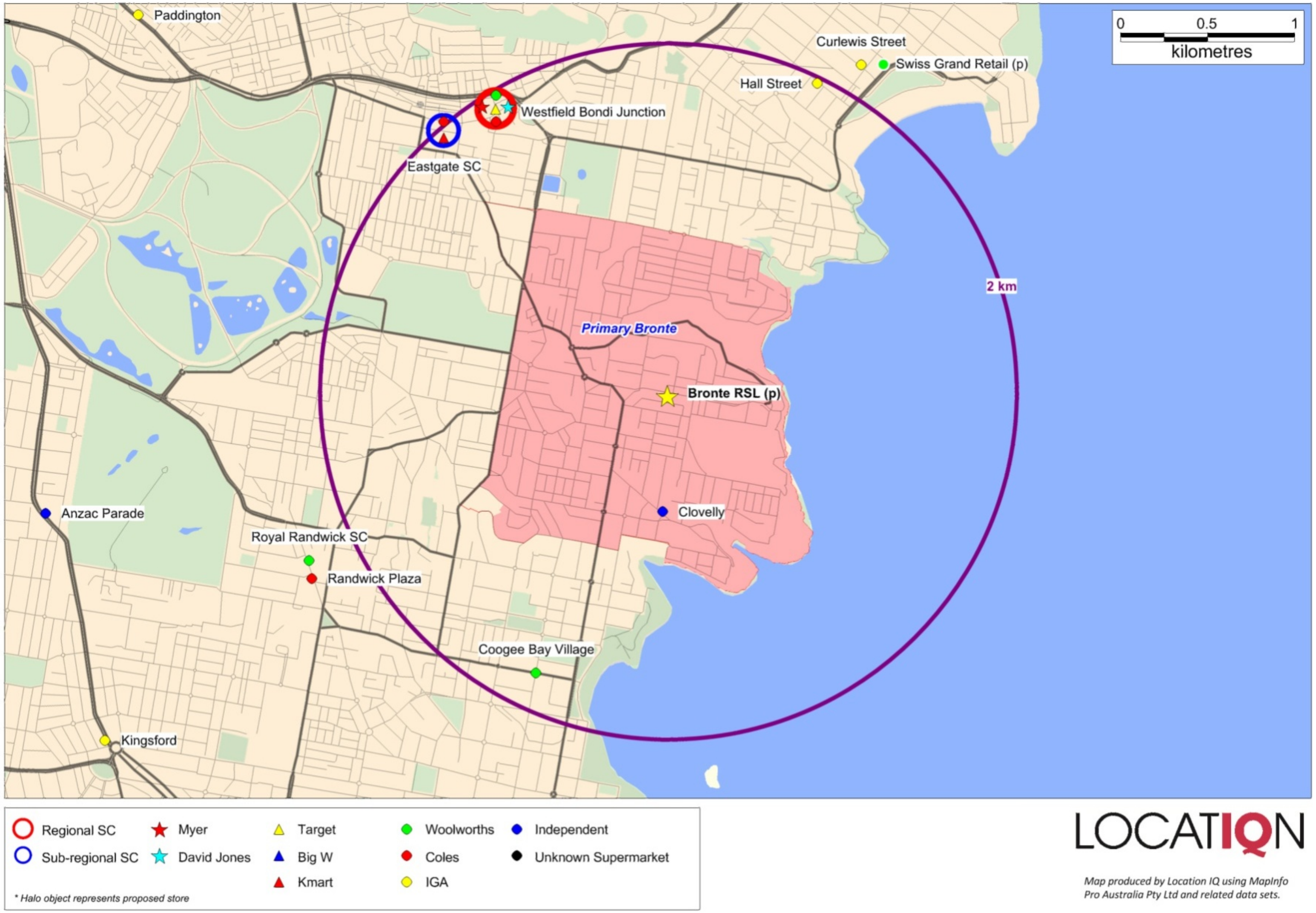
i. The trade area for the proposed Bronte RSL retail centre has been defined taking into account the following key considerations:

   - The scale and composition of the proposed Bronte RSL retail centre which will be based on a fresh produce grocer as the anchor tenant.
   - The provision of retail facilities throughout the region.
   - Regional and local accessibility.
   - The pattern of urban development.
   - Significant physical barriers and the steep gradients in the locality.

ii. Map 2.1 illustrates the defined main trade area for the proposed Bronte RSL retail centre, which is bounded by Birrell Street in the north, Quail Street in the south and Carrington Road in the west. The main trade area encompasses the suburbs of Bronte, Waverley and Clovelly and is restricted by the suburb of Bondi in the east as well as Coogee in the south.

iii. The defined main trade area generally extends less than 1 km around the site and is the area from which the proposed development would attract the majority of its customers. The extent of the main trade area is consistent with that for a small retail centre comprising a 5 – 10 minute walk, extending up to around 400 – 800 metres in most directions. The proposed Bronte RSL retail centre offer would serve local residents by providing a range of food and convenience shops focused around a fresh produce grocer.

MAP 2.1 – BRONTE RSL MAIN TRADE AREA



2.2 Main Trade Area Population

i. Table 2.1 details the current and projected population levels for the Bronte main trade area. The current and projected population levels are based on the following:

- The 2006 and 2011 Census of Population and Housing undertaken by the Australian Bureau of Statistics (ABS);
- New dwelling approval statistics sourced from the ABS;
- Population projections prepared at the Local Government Area (LGA) level by the New South Wales Department of Planning (2013);
- The New South Wales Government's Metropolitan Strategy;
- The East Subregion Draft Subregion Strategy (2007); and
- Investigations by this office into new residential developments in the area.

ii. The Bronte main trade area population as at the 2011 Census was 18,920 and is projected to increase to 20,470 by 2026, representing average annual growth of 100 persons, or 0.5% per annum over the period to 2026.

iii. The Bronte main trade area is a very densely populated region of Sydney, at approximately 6,600 persons per sq.km. This ranks as one of the most densely populated areas in Sydney and Australia.

iv. The provision of convenient fresh food shopping within a walkable distance from their homes would be of high importance for this population. In addition, the proposed development including a provision of car parking would offer a high level of convenience for people driving by car compared to retail facilities at Bondi Junction.

TABLE 2.1 – BRONTE MAIN TRADE AREA POPULATION, 2006 – 2026

Trade Area Sector	Estimated Resident Population 2006	2011	2014	Forecast Population 2016	2021	2026
Main Trade Area	18,020	18,920	19,370	19,670	20,170	20,470
		Average Annual Change (No.)				
		2006-2011	2011-2014	2014-2016	2016-2021	2021-2026
Main Trade Area		180	150	150	100	60
		Average Annual Change (%)				
		2006-2011	2011-2014	2014-2016	2016-2021	2021-2026
Main Trade Area		1.0%	0.8%	0.8%	0.5%	0.3%
Australian Average		*1.5%*	*1.5%*	*1.4%*	*1.3%*	*1.2%*

All figures as at June
All figures are based on 2011 SA1 boundary definition with the exception of 2006 which is based on 2006 CCD boundary definition. 2006 and 2011 ERP is calculated using 2011 enumeration factor.
Sources : ABS; NSW Department of Planning

2.3 Socio-economic Profile

i. Table 2.2 provides an overview of the socio-economic profile of the Bronte main trade area population. This information is based on the recently released 2011 Census of Population and Housing.

ii. The key socio-economic characteristics of the Bronte main trade area population compared with the Sydney metropolitan benchmarks, include:

- The main trade area population earn average income levels on a per person basis which are well above (51.8%) the Sydney metropolitan average. Both the per capita and per household averages are significantly above the benchmark.

- The average household size is slightly smaller than the Sydney metropolitan benchmark, reflecting the number of apartments in the Bronte area.

- The average age of the main trade area population is similar to the Sydney metropolitan benchmark.

- Home ownership levels are lower than the benchmark.
- The main trade area population is predominately Australian born.
- A review of the household structure of the population indicates an above average proportion of households consisting of couples without dependent children and lone persons.
- The level of car ownership is well below the Sydney metropolitan average with 16.2% of households not owning a car, compared to the benchmark of 12.5%.

iii. The socio-economic profile of the main trade area population generally reflects that of an established, inner suburban area with a very affluent population, comprising a large number of couples and singles in the 30 – 39 years of age category, but also including a family population.

iv. It is important to provide a range of convenient retail facilities within close proximity to residents, including a choice of location for food and grocery shopping. Some 16.2% of households within the defined main trade area do not own a car and providing facilities within close proximity to resident's homes is considered very important for this population to increase convenience, reduce travel movements and retain escape expenditure.

TABLE 2.2 – MAIN TRADE AREA SOCIO-ECONOMIC PROFILE, 2011 CENSUS

Characteristics	Main TA	Syd Metro Average	Aust Average
Average Per Capita Income	$56,060	$36,941	$34,201
Per Capita Income Variation	51.8%	n.a.	n.a.
Average Household Income	$135,110	$99,586	$87,928
Household Income Variation	35.7%	n.a.	n.a.
Average Household Size	2.4	2.7	2.6
Age Distribution (% of Pop'n)			
Aged 0-14	18.8%	19.2%	19.3%
Aged 15-19	4.3%	6.3%	6.5%
Aged 20-29	12.1%	14.7%	13.8%
Aged 30-39	20.4%	15.3%	13.8%
Aged 40-49	16.0%	14.2%	14.2%
Aged 50-59	11.6%	12.3%	12.8%
Aged 60+	16.8%	18.0%	19.6%
Average Age	37.5	37.2	37.9
Housing Status (% of H'holds)			
Owner/Purchaser	58.8%	67.4%	69.3%
Renter	41.2%	32.6%	30.7%
Car Ownership (% of H'holds)			
% 0 Cars	16.2%	12.5%	8.8%
% 1 Car	47.9%	39.6%	36.9%
% 2 Cars	29.8%	33.9%	37.2%
% 3 Cars	5.0%	9.5%	11.4%
% 4 Cars	1.1%	4.5%	5.5%
Birthplace (% of Pop'n)			
Australian Born	68.4%	63.7%	73.9%
Overseas Born	31.6%	36.3%	26.1%
• Asia	3.0%	13.7%	7.6%
• Europe	15.5%	9.1%	9.4%
• Other	13.2%	13.6%	9.1%
Living Arrangement (% of Pop'n)			
Couple with dep't children	49.0%	48.2%	45.3%
Couple with non-dep't child.	5.2%	9.1%	7.7%
Couple without children	23.2%	20.1%	23.0%
Single with dep't child.	5.9%	8.5%	9.2%
Single with non-dep't child.	2.7%	3.9%	3.5%
Other family	1.1%	1.2%	1.1%
Lone person	12.8%	9.0%	10.2%

Sources : ABS Census of Population and Housing 2011

2.4 Main Trade Area Retail Spending

i. The estimated retail expenditure capacity of the proposed Bronte RSL main trade area population is based on information sourced from MDS Market Data Systems and utilises the most recent MarketInfo 2012 release grown to 2014. 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, Victoria and Queensland, the MarketInfo estimates of retail spending that are prepared independently by MDS are commonly used by all parties in Economic Impact Assessments.

iv. Table 2.3 outlines the retail expenditure levels generated by the Bronte main trade area population and presents a breakdown of retail spending by key commodity group. The total retail expenditure level of the main trade area population is currently estimated at \$343.4 million and is projected to increase at an average annual rate of around 1.6% to \$417.1 million by 2026. All figures presented in this report are in constant 2014 dollars and include GST.

v. The largest spending market is food and liquor at \$126.9 million, representing 36.9% of the total retail spending market. This includes main trade area food and grocery expenditure of \$108.4 million (31.6% of the total retail spending market) and fresh food expenditure of \$45.3 million.

TABLE 2.3 – MTA RETAIL EXPENDITURE BY KEY COMMODITY GROUP, 2014 – 2026

Y/E June	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services	Total Retail
2014	126.9	57.0	42.8	62.0	18.9	23.1	12.8	343.4
2015	128.5	58.0	43.5	63.1	19.2	23.6	13.0	348.9
2016	130.1	59.0	44.3	64.3	19.6	24.0	13.2	354.5
2017	131.6	60.0	45.0	65.3	19.9	24.4	13.4	359.6
2018	133.6	61.1	45.9	66.6	20.3	24.8	13.7	366.0
2019	135.6	62.3	46.8	67.8	20.7	25.3	13.9	372.4
2020	137.7	63.5	47.7	69.1	21.1	25.8	14.2	379.0
2021	139.7	64.7	48.6	70.5	21.5	26.3	14.5	385.7
2022	141.7	65.9	49.4	71.7	21.8	26.8	14.7	392.1
2023	143.5	67.0	50.3	73.0	22.2	27.2	15.0	398.2
2024	145.4	68.1	51.1	74.2	22.6	27.7	15.3	404.4
2025	147.3	69.3	52.0	75.5	23.0	28.1	15.5	410.7
2026	149.2	70.5	52.9	76.7	23.4	28.6	15.8	417.1
Expenditure Growth								
2014-2017	4.8	2.0	1.5	2.2	0.7	0.8	0.5	11.1
2017-2021	8.1	4.7	3.5	5.1	1.6	1.9	1.1	26.1
2021-2026	9.5	5.8	4.3	6.3	1.9	2.3	1.3	31.4
2014-2026	22.3	13.5	10.1	14.7	4.5	5.5	3.0	73.7
Average Annual Growth Rate								
2014-2017	1.2%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.6%
2017-2021	1.5%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.8%
2021-2026	1.3%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.6%
2014-2026	1.4%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.6%

**Constant 2013/14 dollars & Including GST*
Source : Marketinfo

2.5 Tourists/Visitors

i. In addition to the resident population, Bronte also attracts a significant number of tourists and visitors from beyond the defined main trade area, particularly those visiting the beach and surrounding parkland.

ii. Tourist information is not available at the local level, however, it is estimated that tourists/visitors to the proposed Bronte RSL retail centre from beyond the main trade area would account for a small amount of business, given the distance to the beach and the steep gradient of Macpherson Street/Bronte Road to access the coastline.

3 COMPETITIVE ENIRONMENT

This section of the report provides a summary of the existing and proposed competitive developments in the surrounding region to the Bronte RSL development site.

i. Retail facilities on the Eastern Suburbs of Sydney form a typical retail hierarchy, including:

- A regional shopping centre, namely Westfield Bondi Junction and including the sub-regional shopping centre of Eastgate Shopping Centre.
- Supermarket based centres to serve the local population.

ii. The previous Map 2.1 highlights the key locations of retail facilities throughout the Eastern Suburbs of Sydney. Table 3.1 presents a summary of the retail facilities.

TABLE 3.1 – COMPETITIVE ENVIRONMENT

Centre	Shopfront GLA (sq.m)	**Anchor Tenants**	Dist. From Bronte RSL (km)
Regional Shopping Centres			
Bondi Junction	*133,400*		*2.5*
• Westfield Bondi Junction	98,000	David Jones (19,234), Myer (17,887), Target (5,311) Coles (4,757), Woolworths (3,705), Norton St Grocer (1,500)	
• Eastgate SC	15,400	Kmart (6,603), Coles (3,269), Aldi (1,500), Harris Farm Markets (1,000)	
• Other	20,000		
Supermarket Based Shopping Centres			
Clovelly - Burnie Street	2,000	FoodWorks (350)	1.0
Coogee Bay	*12,000*		*2.0*
• Coogee Bay Village	2,000	Woolworths (868)	
• Other	10,000		
Randwick Retail Precinct	*29,100*		*3.0*
• Royal Randwick SC	9,000	Woolworths (1,420), R R Fruit Market (707)	
• Randwick Plaza	4,400	Coles (3,079)	
• Belmore Road Retail Strip	15,700		
• The Spot, Randwick	5,000		
UNSW	5,000	IGA (350)	4.0
Kensington - Anzac Parade	7,500	FoodWorks (500)	4.5
Bondi	10,000	IGA (500), Harris Farm Markets	4.5

Source : Australian Shopping Centre Council Database

3.1 Bondi Junction Central Business Area (CBA)

i. A regional shopping centre is anchored by one or more department stores. The largest provision of retail facilities provided within the Eastern Suburbs is located at Bondi Junction, around 2 km to the north-west of the proposed Bronte RSL development site.

ii. The major component of the Bondi Junction CBA is Westfield Bondi Junction with this centre being one of the largest shopping centres in Australia, encompassing 128,090 sq.m with a retail component of around 98,000 sq.m. Westfield Bondi Junction is based on David Jones and Myer department stores, a Target discount department store as well as Woolworths and Coles supermarkets. According to *Big Guns 2013*, Westfield Bondi Junction is the second most successful shopping centre in Australia based on Moving Annual Turnover (MAT), achieving sales of around $1 billion.

iii. The other major shopping centre in the Bondi Junction CBA is Eastgate Shopping Centre which is provided over three levels and is anchored by Kmart, Coles, Aldi, Harris Farm Markets and some 26 specialty stores. According to *Mini Guns 2013*, the centre encompasses 15,597 sq.m and achieves sales of around $138 million.

iv. Bondi Junction currently provides three full-line supermarkets, each over 3,200 sq.m, namely Coles at Eastgate Shopping Centre as well as Woolworths and Coles at Westfield Bondi Junction. All of these stores are reported to be some of the highest performing supermarkets in Australia. Aldi has also opened at Eastgate Shopping Centre in the past year.

v. These centres also include a wide provision of fresh food retailing including Norton Street Grocer at Westfield Bondi Junction and Harris Farm Markets at Eastgate Shopping Centre. Again, these two fresh food traders are reportedly some of the highest performing fresh food operators in Sydney.

vi. Consequently, a large proportion of Bronte main trade area food and grocery spending would currently be directed to supermarkets and fresh food facilities in the Bondi Junction CBA.

3.2 Supermarket Based Shopping Centres

i. Typically, any foodstore less than 500 sq.m is not considered a supermarket as it only serves the basic convenience needs of the immediate population.

ii. There are currently no supermarkets provided within the defined main trade area, with the FoodWorks of around 350 sq.m at Clovelly (Burnie Street), approximately 1 km to the south of the Bronte RSL development site, classified as a foodstore given the size of the offer.

iii. Elsewhere in Clovelly, there are two Neighbourhood Centres at Clovelly Beach and Arden Street, respectively, containing a small provision of shops. The Clovelly Small Village is generally located around Fern Street and Clovelly Road and also includes a small provision of shopfronts.

iv. Also within the main trade area, there is a FoodWorks foodstore of some 200 sq.m at Bronte Road in Waverley (Charing Cross), situated around 1 km to the north-west of the Bronte RSL site.

v. Supermarket based retail facilities of relevance <u>beyond the main trade area</u> include:

- Bondi Road includes an extensive retail strip comprising a range of traders. The major fresh food operator is the Kemenys Food and Liquor outlet of around 2,000 sq.m. The fresh food offer at this store is relatively limited, with the majority of sales understood to be from the highly successful internet and home delivery liquor business.

- Bondi Beach is located approximately 2 km to the north of Bronte and is currently served by an IGA supermarket of 500 sq.m along Hall Street as well as an IGA foodstore of 300 sq.m along Curlewis Street. The small size of facilities at

Bondi Beach and the topography of the area means that Bronte residents would have little association with these facilities for food and grocery shopping.

Harris Farm Markets has recently opened on Hall Street at Bondi Beach, opposite the IGA foodstore. It is understood that this store has been well received by local residents, attracting significant customer numbers who are walking to and from the store, which is trading strongly. Further, sales for Harris Farm Markets at Eastgate Shopping Centre in Bondi Junction are believed to have declined since the opening of the Bondi Beach store indicating that local residents of Bondi Beach that were previously travelling to Harris Farm Markets at Bondi Junction are now shopping locally at the Bondi Beach store. A similar retention of sales in the local area would be likley from the proposed Bronte RSL retail development.

- Coogee Bay Village is provided as part of the Coogee Bay Road precinct, around 2 km to the south of Bronte. This centre is anchored by a small Woolworths supermarket of 868 sq.m that is reported to trade at very high levels.

- Randwick Junction is a major retail centre located in the Eastern Suburbs of Sydney. The Junction comprises the main strip along Belmore Road, as well as two supermarket anchored shopping centres, namely:

    - Royal Randwick Shopping Centre incorporates around 9,000 sq.m of retail floorspace and is anchored by a recently refurbished Woolworths supermarket of 1,420 sq.m and also includes a very successful fresh food operator (Royal Randwick Fruit Market).

    - Randwick Plaza incorporates around 4,400 sq.m of retail floorspace and is anchored by a Coles supermarket of 3,079 sq.m.

    - The remainder of the Randwick strip includes a range of food catering, fresh food and service orientated retailing.

3.3 Bronte

i. Bronte is currently served by a provision of strip retailing along Macpherson Street as well as Bronte Road in the north.

ii. The Macpherson Street retail strip is separated into eastern (Macpherson Street Neighbourhood Centre) and western (Lugar Street Neighbourhood Centre) portions and is outlined as follows (refer Tables 3.2 and 3.3):

- The eastern provision of retail facilities extends along both sides of Macpherson Street from around St Thomas Street in the east to Yanko Avenue in the west. The precinct incorporates a total of 27 shopfronts including 16 retail traders, with Food & Liquor (18.5%) and Food Catering (11.1%) being the largest retail categories represented. The precinct is served by a provision of street car parking. Bronte General Store which has an estimated floorspace of 200 sq.m includes the largest fresh food offer in Bronte.

- The western portion of the Macpherson Street retail strip is provided around the intersection of Lugar Street. The precinct has a total of some 24 shopfronts, comprising some 14 retail tenants, with the largest representation in the Food Catering category, accounting for 20.8% of the total shopfronts provided. This precinct includes a convenience store, namely, The Friendly Store (approximately 110 sq.m) which has a limited grocery offer and a small provision of fresh food retailing.

iii. In total, the Macpherson Street retail strip (both the Macpherson Street and Lugar Street Neighbourhood Centres) includes some 51 retail and non-retail shopfronts, comprising some 30 retail tenants. The retail strip is highly convenience focused, including key convenience traders such as a pharmacy and newsagent. In addition, Macpherson Street includes two convenience stores, namely Bronte General Store and The Friendly Store. Both stores include only a small provision of fresh food retailing.

iv. Consequently, the existing Macpherson Street retail precinct only serves the convenience and top-up shopping needs of the local population. Local residents would need to travel to the surrounding larger retail precincts such as Bondi Junction and Randwick beyond the main trade area for their weekly shopping needs.

v. The Macpherson Street retail strip currently includes some eight tenants within the Food & Liquor category (the category within which the proposed fresh produce mini-major tenant at the Bronte RSL retail centre would compete with), accounting for 15.7% of total tenants. Some 84% of shopfronts would not be of a similar offer to the proposed Bronte RSL retail centre.

vi. The proposed fresh produce mini-major would only compete indirectly with some of these tenants including the butcher, bakery and convenience stores. It is important to note that the proposed fresh produce mini-major would not compete with the existing liquor outlets (Camperdown Cellars and Chambers Cellars) as the product mix would not include a liquor store.

vii. At Bronte Beach there are some nine food catering retailers along Bronte Road, directly to the south of Bronte Park. This bustling precinct includes a number of popular cafes and serves both the local population as well as the significant number of visitors attracted to Bronte Beach.

TABLE 3.2 – BRONTE SPECIALTY PROVISION

Macpherson Street - East		Macpherson Street - West		Bronte Road	
Tenant	**Category**	**Tenant**	**Category**	**Tenant**	**Category**
Lifestyle Fitness	Non-retail	Brush	Retail Services	Bronte Fish and Chips	Food Catering
St Thomas Dry Cleaning	Retail Services	Bronte Sewing Room	General	G'day Bronte	Food Catering
Bronte Carlo Café	Food Catering	Dr Hazans Healthy Smiles	Non-retail	Swell Café	Food Catering
Iggy's Bakery	Food & Liquor	Cantor Real Estate Agent	Non-retail	Bronte Bello Café	Food Catering
Frothers Gallery	Non-retail	Sienna Salon	Retail Services	Bronte Lounge	Food Catering
Samambaia	General	Waverley Pharmacy	General	The Bogie Hole Café	Food Catering
New South Wales Lottery/Newsagent	Leisure	Waverley Medical Surgery	Non-retail	Bronte Pistachio	Food Catering
Ellouise Tyrrel Property Management	Non-retail	Sukha Mukha Yoga	Non-retail	Café Falina	Food Catering
Three Blue Ducks	Food Catering	Art of Massage and Beauty	Retail Services	Jenny's Café	Food Catering
Bronte Food Centre	Food & Liquor	Lucas Meats	Food & Liquor	Unknown Non-retail	Non-retail
Orchard Street	Food & Liquor	Chambers Cellars	Food & Liquor		
Bronte Medical Centre	Non-retail	Clovelly Family Medical Practice	Non-retail		
Risacca	Retail Services	Vacant	Vacant		
Vacant	Vacant	Wet Paint Restaurant	Food Catering		
Frockk	Apparel	Bosch Service Centre/Bronte Autos	Non-retail		
Natraj Indian Diner	Food Catering	Progress Security Electronics	Non-retail		
Busy Bookeeping	Non-retail	Unknown Non-retail	Non-retail		
Bronte Dental Centre	Non-retail	Eugene's	Food Catering		
Camperdown Cellars	Food & Liquor	Prego's	Food Catering		
Unknown Non-retail	Non-retail	R&J Laundromat	Retail Services		
Koskela	Non-retail	Topping Mad Pizza	Food Catering		
Bronte Pharmacy	General	The Friendly Store	Food & Liquor		
Home Estate Agent	Non-retail	Sue's Café	Food Catering		
Bronte General Store	Food & Liquor	PRD Nationwide	Non-retail		
Velvet Moth Photography	Non-retail				
Plumeria	Household Goods				
Spirit of Bronte	Household Goods				

** Based on a survey undertaken by Location IQ in March 2014.*

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TABLE 3.3 – MAIN TRADE AREA SHOPFRONT PROVISION

	Macpherson Street Neighbourhood Centre		Lugar Street Neighbourhood Centre		Bronte Road Bronte Beach		Arden Street Clovelly		Burnie Street Clovelly		Murray Street Bronte		Charing Cross	
Category	No. of Shopfronts	% of Total	No. of Shopfronts	% of Total	No. of Shopfronts	% of Total	No. of Shopfronts	% of Total	No. of Shopfronts	% of Total	No. of Shopfronts	% of Total	No. of Shopfronts	% of Total
Food & Liquor	5	18.5%	3	12.5%	0	0.0%	3	11.1%	2	7.4%	1	33.3%	7	9.1%
Food Catering	3	11.1%	5	20.8%	9	90.0%	5	18.5%	1	3.7%	1	33.3%	13	16.9%
Apparel	1	3.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	7	9.1%
Household Goods	2	7.4%	0	0.0%	0	0.0%	0	0.0%	2	7.4%	0	0.0%	9	11.7%
Leisure	1	3.7%	0	0.0%	0	0.0%	2	7.4%	0	0.0%	0	0.0%	2	2.6%
General	2	7.4%	2	8.3%	0	0.0%	3	11.1%	0	0.0%	0	0.0%	6	7.8%
Retail Services	2	7.4%	4	16.7%	0	0.0%	4	14.8%	0	0.0%	1	33.3%	9	11.7%
Total Retail	**16**	**59.3%**	**14**	**58.3%**	**9**	**90.0%**	**17**	**63.0%**	**5**	**18.5%**	**3**	**100.0%**	**53**	**68.8%**
Non-retail	10	37.0%	9	37.5%	1	10.0%	7	25.9%	7	25.9%	0	0.0%	17	22.1%
Vacant	1	3.7%	1	4.2%	0	0.0%	3	11.1%	1	3.7%	0	0.0%	7	9.1%
Total	**27**	**100.0%**	**24**	**100.0%**	**10**	**100.0%**	**27**	**100.0%**	**13**	**48.1%**	**3**	**100.0%**	**77**	**100.0%**

** Based on a survey undertaken by Location IQ in March 2014.*

3.4 Remaining Main Trade Area Retailers

i. The provision of retail and non-retail shopfronts throughout the defined main trade are outlined in the previous Table 3.3.

ii. Remaining retail facilities throughout the main trade area are outlined as follows:

- The **Charing Cross** retail precinct is defined as a Small Village in the *New South Wales Metropolitan Strategy – East Subregion.* For the purposes of this assessment, only those shopfronts on the eastern side of Carrington Road have been considered as Carrington Road forms the western boundary of the defined main trade area for the Bronte RSL retail centre proposal.

  A small FoodWorks supermarket of around 200 sq.m in size is located on the western side of Bronte Road at the midpoint of this strip. The remainder of this retail precinct (on the eastern side of Carrington Road) incorporates some 77 shopfronts, including 53 retail shopfronts. A total of seven shopfronts are in the Food & Liquor category (9.1%), with only five of these stores being relevant to the proposed fresh produce mini-major at the Bronte RSL retail centre (7-Eleven, FoodWorks, Seven Star Supermarket, Waverley Exotic Fruit, Vegetables & Flowers and Waverley One Stop Convenience Store). The retail shops that fall within the Food & Liquor category are generally smaller speciality shops with no large fruit and vegetable store provided.

- The **Arden Street Clovelly** retail precinct is defined as a Neighbourhood Centre in the *New South Wales Metropolitan Strategy – East Subregion* and is located around 1 km to the south of the Bronte RSL site. The precinct includes a total of some 27 shopfronts, including 17 retail shopfronts. Only two shopfronts are provided in the Food & Liquor category, namely Sweet Kiss Cake Shop, Clovelly Supermarket of approximately 100 sq.m and Clovelly Bakery.

- The **Burnie Street Clovelly** retail precinct is situated less than 1 km to the south and includes some 13 shopfronts with only five retail shopfronts. The largest tenant is a FoodWorks foodstore of around 350 sq.m

- The **Murray Street Bronte** retail precinct (around Belgrave Street) is also designated as a Neighbourhood Centre and includes a limited provision of only three retail shopfronts. Iggys Bakery is the only shopfront in the Food & Liquor category.

3.5 Summary

i. Overall, there are a limited number of major supermarkets and fresh produce stores located in the Eastern Suburbs of Sydney. Table 3.5 outlines the provision of supermarket floorspace in the Bronte main trade area as well as the Waverley and Randwick Local Government Areas (LGAs), indicating that the supermarket provision throughout the Eastern Suburbs of Sydney is significantly lower than both the Sydney metropolitan and Australian averages.

ii. The provision of supermarket floorspace within the Waverley LGA is approximately 20% below the Sydney metropolitan average and around 40% below the Australian average. The provision of supermarket floorspace within the Randwick LGA is approximately 65% below the Sydney metropolitan benchmark and nearly 75% below the Australian average.

iii. Consequently, it is understood that all major supermarkets within this area trade at very successful levels, indicating demand for further food and grocery facilities. In addition, a number of fresh produce operators also trade successfully throughout the Eastern Suburbs, including Norton Street Grocer and Harris Farm Markets at Bondi Junction, Royal Randwick Food Market at Randwick and the recently opened Harris Farm markets at Bondi Beach.

iv. The largest provision of retail facilities within the Eastern Suburbs is provided within the Bondi Junction CBA, which is based on three strong trading full-line supermarkets, Aldi, as well as two strong trading fresh produce stores. Given that the Bronte main trade area currently only includes a small FoodWorks foodstore of around 350 sq.m at Clovelly, a large proportion of food and grocery spending would currently be directed to retail facilities beyond the main trade area.

v. The immediate Macpherson Street retail strip currently includes some 27 retail tenants of which some five shopfronts are categorised as Food & Liquor. The proposed fresh produce mini-major at the Bronte RSL retail centre would compete indirectly with these Food & Liquor tenants, if at all. Indeed, the proposed Bronte RSL retail centre would integrate well into the precinct and complement the existing convenience based retailers.

vi. The addition of the proposed Bronte RSL retail centre, including a fresh produce mini-major tenant as a key customer attractor, would retain retail expenditure within the Macpherson Street East precinct, benefiting most existing retailers and also providing a more attractive leasing environment for potential new retail tenants.

TABLE 3.5 – EASTERN SUBURBS SUPERMARKET PROVISION, 2014

Trade Area Sector	No. of Supermarkets*	GLA (sq.m)	2014 Population	GLA per 1,000 persons
Bronte RSL Main Trade Area	0	0	19,370	0
Waverley LGA	5	13,552	69,845	194
Randwick LGA	7	11,915	143,218	83
Total Waverley & Randwick LGA's	**12**	**25,467**	**213,063**	**120**
Sydney Average				239
Australian Average				*325*

** Defined as 500 sq.m or larger*

4 ASSESSMENT OF POTENTIAL FOR RETAIL FACILITIES

This section of the report considers the sales potential for the retail component of the proposed Bronte RSL redevelopment, 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 Bronte RSL 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 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 Bronte RSL redevelopment, which would be anchored by a fresh produce store of 999 sq.m (including 333 sq.m back of house) and a small provision of specialty shops fronting Macpherson Street (180 sq.m), is now considered taking these factors into account.

4.2 Centre Potential

i. Table 4.1 details the potential sales volume for the retail component of the Bronte RSL redevelopment in 2016/17. Total projected centre sales are $12.7 million, representing an average trading level of $10,757 per sq.m. All sales in this report are in constant 2014 dollars and include GST. The proposed fresh produce mini-major is projected to achieve sales of $10.9 million. This very successful trading level for the proposed development reflects a number of factors:

- The density of the population within the immediate area surrounding the site.
- The very successful sales volumes being achieved by existing supermarkets and fresh produce traders in the Eastern Suburbs of Sydney.
- The convenience which would be offered by the subject development for the main trade area population.

ii. Table 4.2 details the projected market shares of main trade area retail expenditure in 2016/17 which would be achieved by the subject development, including the share of food and grocery spending, total food spending which includes liquor and food catering and total retail spending.

iii. The proposed Bronte RSL retail centre is projected to achieve a 3.5% market share of main trade area total retail spending and an approximate 10.6% market share of the food and grocery market.

TABLE 4.1 – INDICATIVE BRONTE RSL RETAIL CENTRE PROJECTED SALES, 2016/17

Tenant/ Category	GLA (sq.m)	Forecast Sales ($'000)	Forecast Sales ($/sq.m)
Mini-majors (> 400 sq.m)			
Large Format Fresh Produce	999	10,899	10,910
Mini-majors	999	10,899	10,910
Total Retail Specialty	180	1,784	9,913
Total Retail	**1,179**	**12,683**	**10,757**

**Constant 2013/14 dollars & Including GST*

TABLE 4.2 – BRONTE MAIN TRADE AREA MARKET SHARES, 2016/17

Trade Area Sector	Retail Spending ($M) F&G	Retail Spending ($M) Total Food	Retail Spending ($M) Total Retail[1]	Centre Sales ($M) F&G	Centre Sales ($M) Total Food	Centre Sales ($M) Total Retail[1]	Centre Market Share F&G	Centre Market Share Total Food	Centre Market Share Total Retail[1]
Main Trade Area	108.4	191.6	359.6	11.5	12.3	12.7	10.6%	6.4%	3.5%

[1] Includes all retail items.
**Constant 2013/14 dollars & Including GST*

4.3 Projected Sales Impacts

i. This sub-section of the report outlines the likely sales impacts on competitive retail centres/facilities as a result of the additional 1,179 sq.m of retail floorspace that is currently proposed at the Bronte RSL redevelopment.

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. The previous Table 4.2 indicated that, on average, the impact from the subject development would be 3.5% across all main trade area retail facilities, but likely to be higher at 10.4% on food and grocery facilities, if all the spending was redirected from main trade area retail facilities. However, the vast majority of food and grocery spending (including for fresh produce traders) is currently directed to retail facilities beyond the defined main trade area rather than within the main trade area. This reflects both the limited provision of competing retailers within the main trade area and the proximity and strength of the higher order retailing at Bondi Junction and Randwick. This would indicate a strong opportunity to capture local expenditure that is currently escaping the area, similar to the experience of the recent opening of Harris Farm Markets at Bondi Beach.

v. Consequently, Table 4.3 provides an indicative breakdown of the likely redirection of sales from within and beyond the main trade area. Approximately 90% of the impact is likely to be on retail facilities beyond the main trade area including centres such as Bondi Junction and Randwick. The supermarkets and food and grocery facilities at these centres achieve sales in-excess of $100 million and $200 million, respectively. As such, the impacts on these centres will be minor.

TABLE 4.3 – BRONTE RSL CENTRE IMPACTS, 2016/17

Bronte RSL Projected Sales ($M)	12.7	
Source of Sales	**% Impact**	**Sales ($M)**
• Retailers within the main trade area	10%	1.3
• Retailers beyond the main trade area	90%	11.4

**Constant 2013/14 dollars & Including GST*

vi. The proposed Bronte RSL retail centre is projected to achieve sales in the order of $12.7 million, accounting for around 3.5% of total retail expenditure within the main trade area. This leaves some $347 million of retail expenditure within the main trade area for other retailers.

vii. In relation to the impact on retail facilities within the main trade area, particularly along Macpherson Street, the previous Section 3 identified the number of tenants within the strip. The Macpherson Street retail strip (both the east and the west) includes some eight tenants within the Food & Liquor category (the category within which the proposed fresh producer mini-major tenant at the Bronte RSL retail centre would compete), accounting for 15.7% of total shopfronts. Some 84% of shopfronts would not have an offer that is similar to that of the proposed Bronte RSL retail centre and would therefore not be adversely impacted on this basis.

viii. However, there is only likely to be around five food and grocery tenants that the proposed fresh produce mini-major would compete with to a limited degree (i.e. excluding the Camperdown Cellars and Chambers Cellars liquor stores as no liquor offer is planned for the Bronte RSL retail centre and Orchard Street which sells unique health food products), namely:

- Iggy's Bakery
- Bronte Food Centre
- Bronte General Store
- The Friendly Store
- Lucas Meats

ix. Importantly, the proposed fresh produce mini-major would only compete indirectly with some of these tenants given that none of the above listed tenants operate as pure fresh produce stores. In addition, the majority of these stores are already established and successful traders in their own right, particularly the award winning Iggy's Bakery and Lucas Meats. As such, it is unlikely that any retail development within the area would impact significantly on such popular traders.

x. Therefore, only five of the 51 tenants within the two retail strips along Macpherson Street would be relevant to the fresh produce tenant planned for the proposed Bronte RSL retail centre, or around 10%. Consequently, the vast majority of tenants in the Macpherson Street Strip would not be impacted by the development.

xi. In fact, there are likely to be flow on benefits to the surrounding Macpherson Street retail strip as a simple reflection of the proposed retail development retaining customers within the region rather than those customers escaping to centres outside the region currently.

xii. As an example, if a fresh food/produce trader achieved sales of $10 million, and assuming an average spend per visit of $25, there would be an additional 400,000 customers per annum using the Macpherson Street retail strip that would currently be going outside the region. The existing retail tenants within the area would receive flow on benefits with these additional 400,000 customers undertaking shopping at the local pharmacy, newsagents, cafes, hairdressers and the like. Consequently, the vast majority of existing retail facilities are likely to benefit from the subject development. Importantly, the majority of customers for the planned fresh food/produce trader will be local residents retained in the area rather than customers being attracted from the broader region given the limited retail offer currently at Bronte and in the immediate surrounding area (Clovelly etc) and the location of competitive facilities including Bondi Beach, Bondi Junction and Coogee that would serve the immediate residents of these suburbs.

xiii. The addition of the proposed Bronte RSL retail centre, including a fresh produce mini-major tenant as a key customer attractor, would retain retail expenditure within the Macpherson Street East precinct, benefiting most existing retailers and also providing a more attractive leasing environment for potential new retail tenants.

xiv. In addition, the provision of 68 car parking spaces for the retail component of the proposed development would significantly add to the car parking on offer within the Macpherson Street retail strip. This would consequently increase the level of convenience offered by the Macpherson Street retail strip and therefore retaining customers within the region with flow on benefits to the existing tenants within the strip.

xv. In summary, as outlined in Table 4.3, only 10% or $1.3 million of projected sales will be redirected from main trade area retailers. This impact is likely to be focused on food and grocery traders including tenants at Bronte as well as Clovelly and other suburbs throughout the main trade area.

xvi. There are five relevant retailers within the Macpherson Street and Lugar Street retail strip. While there is likely to be some impact on these retail tenants, the proposed Bronte RSL retail centre will not impact on the viability of these tenants nor would the proposed development be detrimental to the surrounding retail strip. This reflects the established and popular nature of these tenants within the precinct such as Iggy's Bakery and Lucas Meats. Indeed, the surrounding Macpherson Street retail strip stands to benefit from the increased sales potential and increased customer flows attracted to the retail precinct by the proposed development of the Bronte RSL retail centre.

4.4 Employment and Consumer Impacts

i. The development of the Bronte RSL retail centre will result in a range of important economic benefits which will be of direct benefit to the local community.

ii. The key positive employment and consumer impacts resulting from the retail component of the Bronte RSL redevelopment will include the following:

- The provision of a wider range of shopping facilities for local residents, including a fresh produce trader and retail specialty floorspace in a convenient location.

- The retail component of the proposed centre is projected to employ around 32 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 28.

- The additional 28 permanent retail employees would earn an average annual wage of around $28,800 as sourced from the ABS. This represents an additional $820,000 in salary and wages for the local economy, directly as a result of the retail component of the proposed development.

- Further jobs would be created from the supplier induced multiplier effects as a result of the retail jobs for the on-going running of the additional retail component of the proposed Bronte RSL retail centre. Jobs created are full-time equivalent jobs, which may include both full-time and part-time positions. In total, some 27 jobs additional are projected to be created in the broader community, based on ABS Input/Output Multipliers (refer Table 4.5).

- The retail floorspace at the proposed Bronte RSL retail 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 retail development is around $7 million, with total construction costs of the entire project in the order of $24 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 for the retail floorspace of $5.5 million (i.e. in 1996/97 dollars), it is estimated that the construction period of the proposed Bronte RSL retail centre would create some 38 jobs (refer Table 4.6). The total project would create some 132 direct jobs (including the retail development jobs).

- The additional construction jobs (38) for the retail component, will result in a further 62 jobs in the broader community based on ABS Input/Output Multipliers (refer Table 4.6). Across the entire project, the additional construction jobs (132), will result in a further 211 jobs in the broader community

- As a result, in total some 155 jobs are likely to be created both directly and indirectly as a result of the proposed Bronte RSL retail centre, with some 397 jobs likely to be created both directly and indirectly as a result entire development.

TABLE 4.4 – ESTIMATED PERMANENT EMPLOYMENT OF RETAIL CENTRE

Type of Use	Estimated Employment Per '000 sq.m	Bronte RSL Change in GLA (sq.m)	Bronte RSL Employment (persons)
Mini-majors	20	980	20
Retail Specialty Shops	60	199	12
Total Centre[1]		**1,179**	**32**
Net Increase[2]			**28**

1. Excludes non-retail components.
2. Net increase includes an allowance for reduced employment levels at impacted centres estimated at 10% of the total increase

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TABLE 4.5 – ESTIMATED EMPLOYMENT IMPACT OF RETAIL CENTRE

Original Stimulus	Direct Employment	Supplier Employment *Multiplier Effects*	Total
Centre Employment[1]	28	27	55

** Employment totals include both full-time and part-time work*
1. Indicates the estimated number of net additional ongoing jobs as a result of the proposed development
Source : Australian National Accounts: Input-Output Tables 1996-97

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TABLE 4.6 – ESTIMATED CONSTRUCTION EMPLOYMENT IMPACT OF RETAIL CENTRE

Original Stimulus	Estimated Capital Costs ($M)[1]	Direct Employment	Supplier Employment *Multiplier Effects*	Total	
Construction of Project	5.5	38	62	100	Job Years[2]

** Employment totals include both full-time and part-time work*
1. Adjusted by inflation and productivity to 1996/97 Dollars
2. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects, for the equivalent of one year
Source : Australian National Accounts: Input-Output Tables 1996-97

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Location IQ
02 8248 0100
Level 6, 56 Pitt Street
Sydney, NSW 2000
www.locationiq.com.au