
**Item 2 Goulburn Mulwaree LEP 2009, Amendment No 5
 – Retail Hierarchy (Enclosure)**

Reporting Officer

Principal Strategic Planner – Wesley Folitarik

Purpose of Report

To inform Council about the findings of an independent economic impact assessment supporting a planning proposal for a supermarket and specialty retail shops on the corner of Crookwell Road and Marys Mount Road, Goulburn.

Report

At the July 2012 Meeting, Council considered a report (refer Enclosure) on a planning proposal to establish a logical and orderly retail hierarchy which best meets the needs of the community. The report also outlined an assessment of a proposal submitted by the owners of a site on the corner of Crookwell and Marys Mount Roads, Goulburn seeking to increase the floor area restriction placed upon retail activities (i.e. from 1,000m² to 4,500m²) to permit establishment of a full line supermarket and specialty retail shops.

Council resolved that:

- A. *The Planning Proposal for Goulburn Mulwaree LEP 2009 (Amendment No 5) be forwarded to the Department of Planning & Infrastructure seeking a gateway determination subject to:*
 - *A city wide social, environmental, and economic assessment (including a retail trade catchment analysis) be undertaken to support the amended provision for neighbourhood shops at the corner of Crookwell and Marys Mount Roads*
 - *A formal agreement for the proponent to pay full costs for Council to engage a suitably qualified consultant to undertake the work*

- B. *Following the gateway determination, the Goulburn Mulwaree LEP 2009 (Amendment No 5) be placed on public exhibition.*

A retail economist was subsequently engaged to carry out an Economic Impact Assessment (EIA) to determine the expected impact of the proposal upon existing supermarkets and retailers in the Goulburn CBD. A copy of the EIA is included in the Enclosure. The following summary of the findings is provided for consideration:

▪ **Supermarket Demand Analysis**

The 2012 population for the Goulburn region is estimated to be 33,168. When this figure is multiplied by the estimated total supermarket spend per capita (i.e. \$4,222) it is suggested that the total supermarket expenditure pool within the Goulburn region is \$140 million.

Furthermore it is estimated that the current retail turnover density (RTD) for supermarkets in the Goulburn region is in the order of \$9,000/m². When the expenditure pool is divided by the RTD, the total current demand for supermarket floorspace is approximately 15,560m².

▪ **Supermarket Supply Analysis**

At present there is a total supply of approximately 9,400m² of supermarket floorspace within the Goulburn region.

The three largest supermarkets within this area are located with the Goulburn CBD and include Coles Centro (3,521m²), Woolworths Marketplace (3,677m²) and Aldi (1,250m²). Other convenience offerings are located at Bradfordville, Crestwood, Blue Hills and Crookwell. In addition to the above, Aldi recently gained approval for a further 337m² expansion of its existing store. There is also an existing approval for a 3,200m² supermarket at 57 Verner Street, Goulburn although this approval has not been acted upon at this stage.

When the supermarket demand analysis is compared to the supply analysis it is suggested that a market gap of approximately 6,159m² for floorspace exists. It is possible that the market gap means that escape expenditure is being directed to supermarkets outside the main trade area such as Yass, Moss Vale, Mittagong and Canberra. However, it is more likely that because people shop close to where they live the existing supermarkets within the Goulburn region are currently generating annual turnover greater than \$9,000/m².

▪ **Impact on Goulburn CBD**

Having established that there is currently a market gap for supermarket floorspace in the Goulburn region the EIA then examined the impact on the Goulburn CBD of a 3,200m² supermarket and 1,300m² of specialty retail at the subject site.

The proposed supermarket is estimated to generate sales of approximately \$24.4 million in the first year of trade. This equates to a turnover of \$7,500/m² which is below the benchmark RTD but consistent with the centre being established and new housing activity within the surrounding Marys Mount Road release areas occurring. The speciality retail component would be expected to generate trade of approximately \$7 million at about \$5,400/m².

Officers' Report to Ordinary (Planning) Meeting of Council to be held on 2 October 2012

As expected, there is some loss of trade from the Goulburn CBD which is typical when new centres emerge. The EIA estimated that trading impacts on the existing supermarkets in the Goulburn CBD would be in the order of 12-17%. As discussed previously, it is likely that the existing supermarkets are trading better than \$9,000/m² given the established current market gap for supermarket floorspace within the Goulburn region. This means that any loss of trade is offset by the fact that they are likely to be trading above industry benchmarks.

The impact on other speciality retailers within the Goulburn CBD in terms of loss of projected trade is estimated to be in the order of 6%. However, growth in real terms is still expected to be positive with an estimated total trade in 2011/12 of \$104.3 million increasing to \$105.2 million by 2015/16 or 0.8% in total.

As a result of the analysis undertaken by the EIA it is suggested that:

- The Goulburn region can support an additional supermarket to meet current undersupply without causing significant adverse impact upon turnover of established supermarkets in the Goulburn CBD
- Any adverse impact caused by the development will be negated in time by an increase in retail expenditure resulting from expected population growth
- The proposed development is very unlikely to result in store closures or affect the ongoing viability, role and function of the CBD
- The proposed retail development will result in a significant stimulus to local employment within the Goulburn region
- The proposal may have positive social and environmental impacts in terms of its proximity to Marys Mount residents which will encourage walking and cycling. This in turn encourages healthier lifestyles and a cleaner environment through reduced transport emissions

Budget Implications

Nil

Policy Considerations

- Goulburn Mulwaree LEP 2009
- Goulburn Mulwaree DCP 2009
- Economic Development Plan 2008

Officers' Report to Ordinary (Planning) Meeting of Council to be held on 2 October 2012

Recommendation

That:

- A. The Planning Proposal for Goulburn Mulwaree LEP 2009 (Amendment No 5) be forwarded to the Department of Planning & Infrastructure seeking a gateway determination.
- B. Following the gateway determination, the Goulburn Mulwaree LEP 2009 (Amendment No 5) is to be placed on public exhibition.

Section 375A of the *Local Government Act 1993* requires General Managers to record which Councillors vote for and against each planning decision of the Council, and to make this information publicly available.

Councillor	For the Motion	Against the Motion
Cr Banfield	☐	☐
Cr O'Neill	☐	☐
Cr Rowland	☐	☐
Cr Sturgiss	☐	☐
Cr Kirk	☐	☐
Cr Saville	☐	☐
Cr James	☐	☐
Cr Walker	☐	☐
Cr Kettle	☐	☐