Appendix EIGHT

Economic Impact Assessment

Aberglasslyn Release Area and Surrounds, New South Wales

Economic Impact Assessment

Prepared for Stockland

14st July 2010

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INTRODUCTION

This report presents an independent assessment of the demand for a retail convenience precinct to service the Aberglasslyn release area in the Hunter region of New South Wales. The report also considers the likely economic impacts that would result from the proposed development. The proposal is referred to as the Aberglasslyn convenience shops throughout the remainder of this report.

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

- **Section 1** details the location of the Aberglasslyn retail site and discusses the context of the proposed development and site within the current planning environment. The proposed development scheme is also reviewed.
- **Section 2** details the trade area likely to be served by convenience retail facilities at the site, including current and projected population and retail spending levels over the period to 2026.
- **Section 3** provides an overview of the retail structure within the surrounding region.
- **Section 4** outlines our assessment of the sales potential for the retail component of the proposed Aberglasslyn convenience shops and then presents an economic impact assessment. Likely trading impacts on other retailers throughout the surrounding region are considered, as are the employment and other economic impacts, both positive and negative, of the proposal.
- **Section 5** outlines the key findings of the analysis.

EXECUTIVE SUMMARY

The key points of this report, regarding the demand and market scope for the proposed Aberglasslyn convenience shops development, include:

i. The site for the proposed convenience retail shops at Aberglasslyn is located on the south-eastern corner of McKeachie Drive and Aberglasslyn Road.

ii. In total, the proposed convenience retail shops will comprise of 1,403 sq.m of floorspace, including 1,123 sq.m of retail floorspace. The development will include:

   - A small convenience supermarket of 700 sq.m.
   - Six retail specialty tenants are proposed over 423 sq.m of floorspace. The mix of these tenants will be purely convenience based.
   - The only non-retail tenant proposed is a small medical centre, which will be highly valued given the young family market likely to reside in Aberglasslyn release area.
   - Some 67 car parking bays are also proposed.

iii. Additionally, a child care centre is proposed on an adjacent site, which will also be highly valued by the young family market.

iv. This tenant mix will fulfil the daily convenience needs of the population and allow the critical mass required for such a convenience precinct to be successful. It is important to note that a single neighbourhood shop, rather than this collection of neighbourhood shops proposed, would serve no more than the population within a few blocks of the site (i.e. within walking distance) and would not adequately serve the convenience needs of the 5,000 – 6,000 residents proposed in the Aberglasslyn area.

v. The proposed small convenience supermarket and specialty offer would serve the convenience and day-to-day needs of primarily the Aberglasslyn population and will complement the existing Rutherford Town Centre, which will still act as the major shopping destination for resident's weekly supermarket shop.

vi. The Aberglasslyn main trade area population is currently estimated at 1,890 and is projected to increase to 5,710 persons by 2026. On completion, the Aberglasslyn release area is proposed to contain around 1,600 - 1,800 dwellings, with the largest development being McKeachie's Run which is likely to include some 650 homes.

vii. The main trade area population profile generally reflects that of new land release area, which tend to attract a large number of relatively affluent, young families. It is important to provide retail facilities which contain a range of convenience facilities within close proximity to residents.

viii. The closest retail facilities are located within the Rutherford Town Centre, which is designated as a 'Town Centre' in the *Lower Hunter Regional Strategy* and as such is designated to be the *"shopping and business centre for the district."* The facilities are more than 10 times larger than those proposed within Aberglasslyn, with four supermarkets provided (all of which are larger than the convenience supermarket proposed at the Aberglasslyn site).

ix. It is important to note that this retail provision at Rutherford is not conveniently located to serve the daily convenience needs of the Aberglasslyn population, particularly of those working in the Maitland CBA or to the east of Rutherford. The turn off to the major road throughout the release area, Aberglasslyn Road, is located 1.2 km east of the Rutherford Town Centre, meaning residents must by-pass their exit in order to pick up their daily convenience items within the Rutherford Town Centre.

x. The site for the Aberglasslyn convenience shops, on the other hand, is located on Aberglasslyn Road, which is the major arterial road linking both current and future residents to the New England Highway and, consequently, the Maitland CBD. As such, the proposed Aberglasslyn convenience shops would be conveniently located to serve the daily shopping needs of Aberglasslyn residents, travelling home from the Maitland CBD.

xi. As well as serving the convenience retail needs of the population, the convenience shops will act as a community hub for residents to meet and feel included within a community. This will be particularly relevant in a new area like Aberglasslyn.

xii. The projected impacts will not threaten the viability of any centre, including those located within the Rutherford Town Centre. Furthermore, each of these centres are likely to benefit in the future from the population growth within the Aberglasslyn area (as well as other surrounding land release areas), with residents likely to continue to use these facilities to complete their major weekly food and grocery shop.

xiii. Some of the major positive impacts include:

- The availability of convenience based retail facilities, within close proximity to residents within the Aberglasslyn release area. The addition of the centre would enable residents to fulfil their daily and top-up food and grocery requirements. The majority of residents will continue to use facilities within the larger Rutherford Town Centre for their major weekly food and grocery shop.
- The provision of shops will help create a sense of community throughout the Aberglasslyn area.
- 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 completed and operational.
- The development of the shops will complement the existing retail hierarchy and provide residents with the benefits generated by the location of convenience facilities within close proximity to their homes.

xiv. 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 centres in the region. Further, the impacts would not threaten the viability of any of these retailers or centres.

1 SITE LOCATION AND PROPOSED DEVELOPMENT

This section of the report reviews the regional and local context of the proposed Aberglasslyn convenience shops and provides an overview of the composition of the proposed development scheme.

1.1 Regional Context

i. The Aberglasslyn release area is a new residential community currently under construction within the Maitland Local Government Area (LGA). Maitland is situated within the Lower Hunter region of New South Wales and is located approximately 35 km north-west of Newcastle and 160 km north of Sydney (refer Map 1.1).

ii. The Lower Hunter region contains the five LGAs of Maitland, Port Stephens, Cessnock, Newcastle and Lake Macquarie. According to the *Lower Hunter Regional Strategy*, 515,000 people currently live in the region with the following growth expected for this region over the planning period to 2031:

  - 160,000 additional residents
  - 115,000 new homes
  - 66,000 new jobs

iii. The study recommends that 27,800 (or 24%) of these new homes be provided within the Maitland LGA. Of this it is recommended that 1,300 dwellings, or 5%, be provided within the major regional centre of Maitland. The remainder will primarily be located in emerging new centres planned within the regional areas of the LGA.

iv. The residential release area of Aberglasslyn (the subject of this report) is situated within one of these emerging new areas. The Aberglasslyn release area is located north of the Rutherford Town Centre, on land bounded by the Hunter River to the north and east and the New England Highway to the south.

v. On completion, the Aberglasslyn area is proposed to contain around 1,600 - 1,800 dwellings, with the largest development being McKeachie's Run which is likely to include some 650 homes.

1.2 Local Context

i. The site for the proposed convenience retail shops at Aberglasslyn is located on the south-eastern corner of McKeachie Drive and Aberglasslyn Road. Aberglasslyn Road is the major arterial road serving the Aberglasslyn release area, linking residents to the New England Highway and, consequently, the Rutherford and Maitland Town Centres (Figure 1.1). The convenience retail site will be located within close proximity to the future local school and designated playing fields, as nominated on the structure plan.

ii. The nearest retail provision to the proposed retail shops is located within the Rutherford Town Centre, some 2.5 km to the south-west. The Rutherford Town Centre contains around 15,800 sq.m of retail floorspace, located across four developments, including:

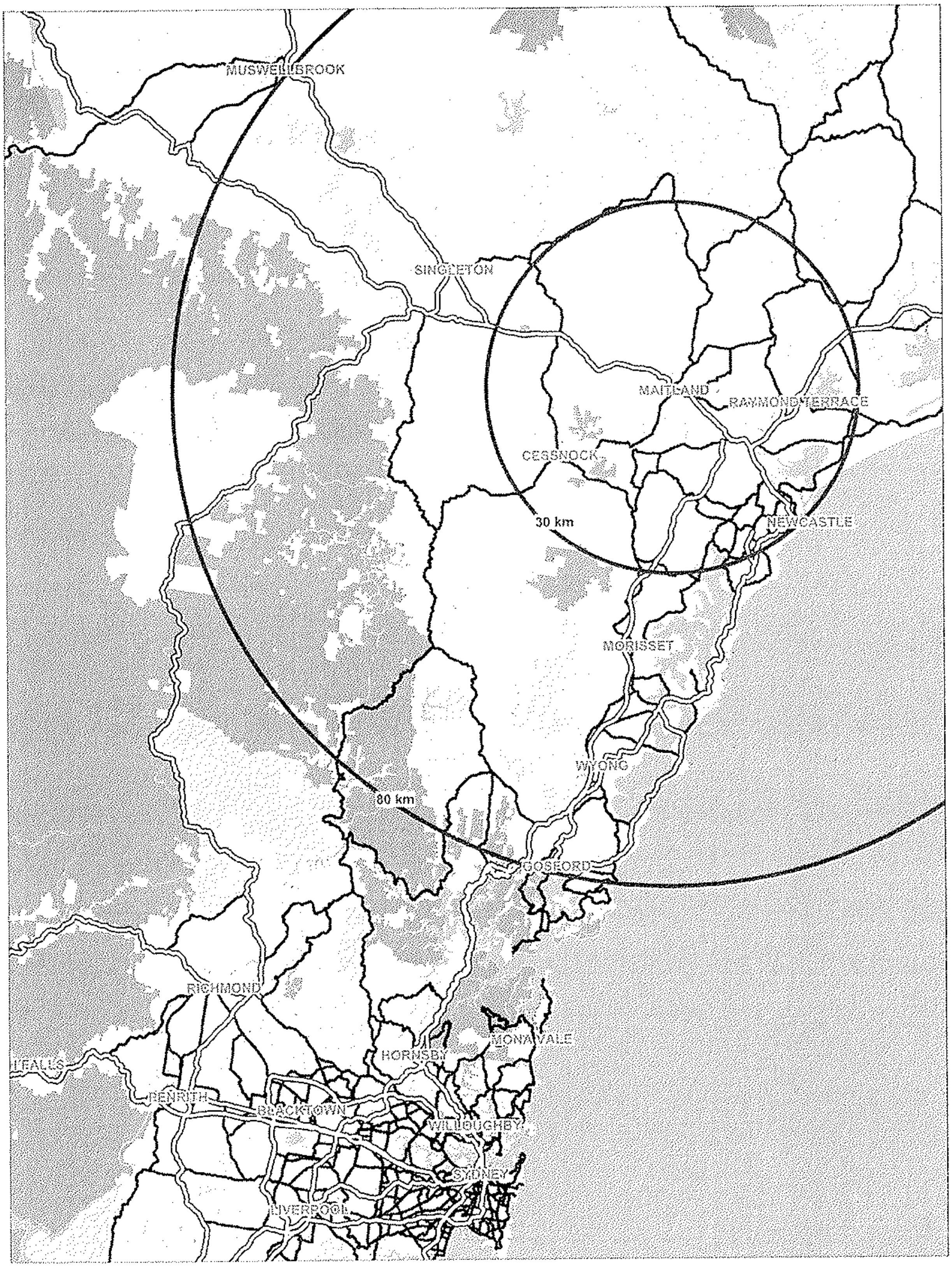
- The newly constructed Rutherford Marketplace, anchored by a Woolworths supermarket.
- Rutherford Shopping Centre, containing a Coles supermarket.
- West Mall Plaza, the first to be constructed within the precinct and anchored by a recently refurbished Supa IGA supermarket.
- A stand alone Aldi supermarket.

iii. It is important to note that this retail provision is not conveniently located to serve the daily convenience needs of the Aberglasslyn population working in the Maitland CBA. The turn off to the major road throughout the release area, Aberglasslyn Road, is located 1.2 km east of the Rutherford Town Centre, meaning residents must by-pass their exit in order to pick up their daily convenience items within the Rutherford Town Centre.

iv. The site for the Aberglasslyn convenience shops, on the other hand, is located on Aberglasslyn Road, which is the major arterial road linking both current and future residents to the New England Highway and, consequently, the Maitland CBD. As such, the proposed Aberglasslyn convenience shops would be conveniently located to serve the daily shopping needs of Aberglasslyn residents, travelling home from the Maitland CBD.

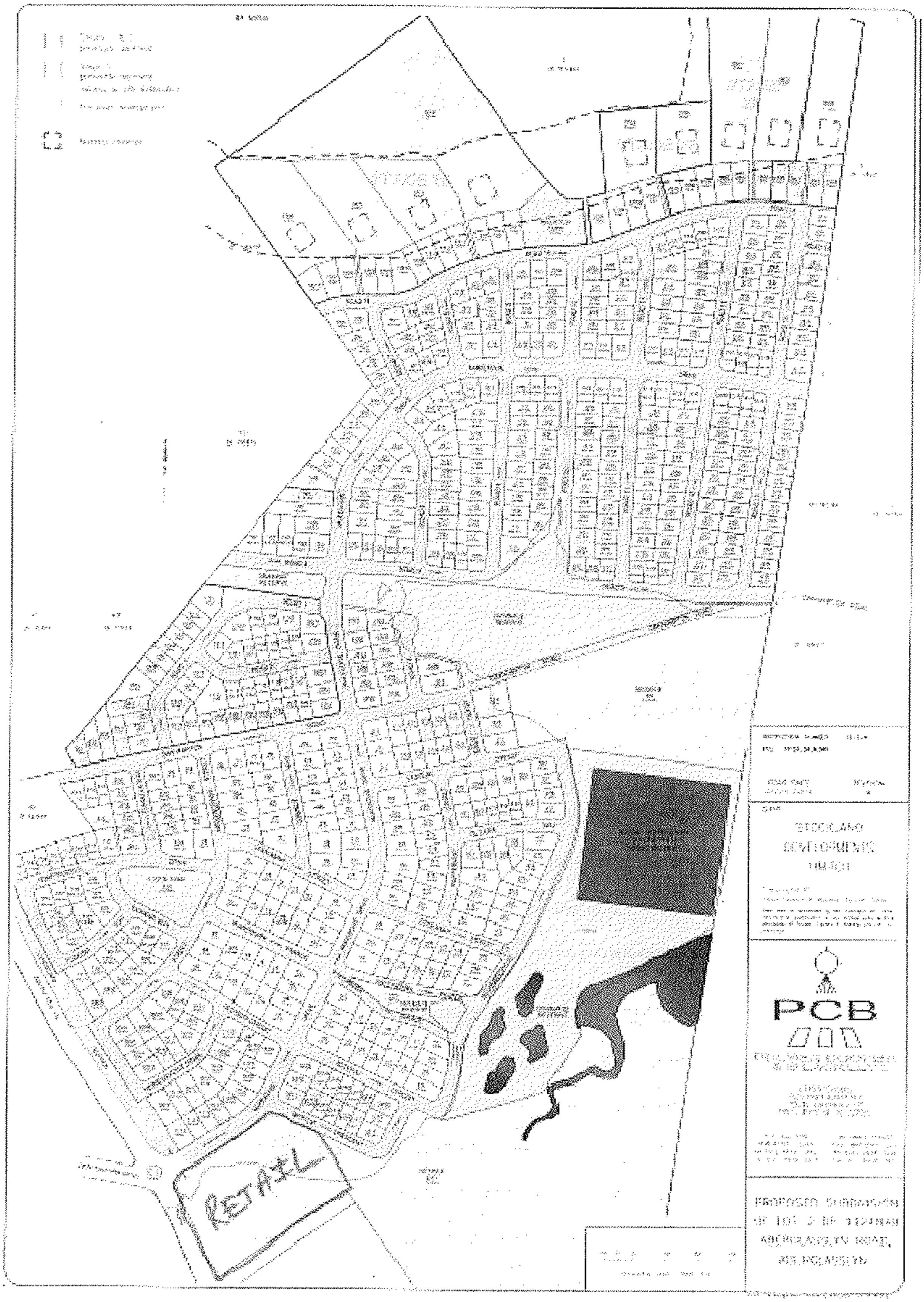
v. Once the Aberglasslyn area is fully developed, the Aberglasslyn convenience shops will be centrally located and easy to access for residents within the release area.

MAP 1.1 – MAITLAND REGIONAL CONTEXT



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

FIGURE 1.1 – ABERGLASSLYN CONVENIENCE SHOPS LOCAL CONTEXT



1.3 Proposed Development

i. The composition of the convenience retail shops proposed to primarily serve the growing Aberglasslyn release area is shown in Table 1.2. Key points include:

  - In total, the proposed development will comprise of 1,283 sq.m of floorspace, including 1,123 sq.m of retail floorspace.

  - A small convenience supermarket of 700 sq.m will be the anchor tenant.

  - Six retail specialty tenants are proposed over 423 sq.m of floorspace. The mix of these tenants will be purely convenience based and include tenants required to complete the daily top-up shop, such as newsagent, chemist, bottleshop, takeaway store/cafe and food retail stores (i.e. butcher, baker, deli and the like). Six specialty tenants in these precincts is a relatively small number. Generally, tenants like hairdresser, beautician, real estate, dry cleaners, video rental, as well as restaurants are provided.

  - The only non-retail tenant proposed is a small medical centre, which will be highly valued given the young family market likely to reside in Aberglasslyn release area.

ii. Additionally, a child care centre is proposed on an adjacent site. This will also be highly valued by the young family market. Locating retail facilities within close proximity to childcare facilities increases convenience for parents who are able to pick up their groceries items after collecting their children from childcare.

iii. This tenant mix will fulfil the daily convenience needs of the population and allow the critical mass required for such a convenience precinct to be successful. It is important to note that a single neighbourhood shop, rather than this collection of neighbourhood shops proposed, would serve no more than the population within a few blocks of the site (i.e. within walking distance) and would not adequately serve the convenience needs of the 5,000 – 6,000 residents proposed in the Aberglasslyn area.

iv. The development would offer a high degree of customer amenity and convenience by way of its high profile, accessible location and simple design.

v. The proposed small convenience supermarket and specialty offer would serve the convenience and day-to-day needs of primarily the Aberglasslyn population and will complement the existing Rutherford Town Centre, which will still act as the major shopping destination for resident's weekly supermarket shop.

TABLE 1.1 – ABERGLASSLYN CONVENIENCE SHOPS PROPOSED COMPOSITION

Tenant	Floorspace (sq.m)	% of Floorspace
Majors		
Small Supermarket	700	54.6%
Total Majors	700	54.6%
Retail Specialty		
Bottleshop	66	5.1%
Food Retail*	74	5.8%
Newsagent	62	4.8%
Chemist	62	4.8%
Food Retail*	83	6.5%
Takeaway Food/café	76	5.9%
Total Retail Specialty	423	33.0%
Total Retail	**1,123**	**87.5%**
Non-Retail		
Medical Centre	160	12.5%
Total Non-Retail	160	12.5%
Total Shops Area	**1,283**	**100%**

** Butcher, baker ect.*
Source: Stockland

1.4 Planning Environment

i. Given the growing nature of the Maitland LGA, a number of planning documents have been released to guide the future development of the Maitland area. These planning documents are prepared in accordance with the goals and strategic direction set out for Maitland in the NSW Government's *Lower Hunter Regional Strategy.*

ii. The *Lower Hunter Regional Strategy* provides guidelines for the future direction of the Lower Hunter area (Maitland, Port Stephens, Cessnock, Newcastle and Lake Macquarie). The *Centres and Corridors* component of the strategy provides a hierarchy, which outlines guidelines for the future growth within each of the defined centres. This hierarchy, as it relates to the Maitland area, includes:

- Major Centre (i.e. Maitland CBD)
- Town Centres (i.e. Thornton, East Maitland, Rutherford and Lochinvar)
- Stand-alone Shopping Centre (i.e. Stockland Green Hills)

iii. Overall, the Maitland area has been designated as a Major Regional Centre, one level below the Newcastle City Centre in the hierarchy.

iv. From the strategic direction outlined in the strategy, a number of planning documents have been developed. Each of these is discussed below.

Maitland Urban Settlement Strategy (2001 – 2020)

i. The *Maitland Urban Settlement Strategy* was primarily developed to provide a framework for population growth within the Maitland Local Government Area (LGA). The strategy also outlined the importance of protecting and strengthening the existing centres within the LGA, as well as allowing for the development of future commercial and employment lands.

ii. As a result of the strategy, a number of structure plans have been released in order to provide guidance for future developers of the proposed release areas. The most relevant of these for the purposes of this report is the *Aberglasslyn Structure Plan.*

iii. According to the *Aberglasslyn Structure Plan,* which was adopted by Maitland City Council in April 2007 and shown in Figure 1.2, the site for the proposed Aberglasslyn convenience shops, the subject of this report, is nominated as *'Neighbourhood Shops'* and is located within close proximity to the proposed school. Major roads and indicative zoning is also shown on the plan.

iv. Since the release of the *Aberglasslyn Structure Plan,* a number of developments have been approved, with some under construction (including McKeachie's Run), within the release area. Overall, it is anticipated that the area will have a lot yield of around 1,600 - 1,800 lots on completion.

Maitland LEP 1993

i. The site for the proposed Aberglasslyn convenience shops is zoned *'Residential 2(a)'* under the Maitland LEP, which permits the land to be developed into a range of uses including a convenience store, child care centre, tavern (including a bottleshop), medical centre and attached chemist and recreational facilities.

ii. A convenience store is defined in the LEP as:

> *"(a) a shop which sells a variety of small consumer goods, and (b) is located no closer than 400 metres from commercially zoned land."*

iii. Therefore, the proposed development is in line with the zoning of the site, with the small range of retail floorspace proposed likely to *"sell a variety of small consumer goods."* The retail facilities will be located more than 400 metres from the nearest commercially zoned land at Rutherford.

Maitland Centres Study

i. In 2006 Hill PDA were commissioned by Maitland City Council to prepare *"a study of centres and employment generating lands within the Maitland LGA."* The major conclusions of the analysis as it relates to the Aberglasslyn convenience shops development include:

  - In 2006 the most significant industry generating employment within the Maitland LGA was retail, at 24.1%.
  - Retail jobs will make up over 50% of all new jobs demanded within the Maitland LGA, with over 3,100 retail jobs likely to be created over the period to 2031. This is a relatively conservative figure given Hill PDA estimate job growth in the Maitland LGA is likely to be closer to 12,000, then the 6,000 originally allocated in the Regional Strategy.
  - A place within the retail hierarchy should be maintained for easily accessible neighbourhood centres and convenience stores within town centres, such as Telarah, to prevent the monopolisation of larger centres such as the Rutherford Town Centre.
  - Planning policies *"need to be framed and applied to ensure that supermarkets do not adversely affect competition in local centres and neighbourhood centres and to maintain an acceptable level of access for regular food shopping."*
  - According to the study, in 2006 the defined west sector (the sector containing the Aberglasslyn release area) had an oversupply of supermarket and grocery store floorspace of 4,992 sq.m. This would be primarily due to the large provision of supermarket floorspace currently provided within the Rutherford Town Centre.
  - However, over the period to 2031 the defined west sector will demand an additional 15,726 sq.m of supermarket and grocery store floorspace. This will equate to a short fall of some 10,734 sq.m by 2031.

- Additionally, when discussing the future opportunities for the Anambah and Farley release areas, the document identifies the *"need to provide convenient and accessible retail options to the existing and future community."* The proposed Aberglasslyn convenience shops would be providing such facilities, within easy access to resident's homes and within close proximity to other facilities such as the local school and playing fields. Additionally, a medical centre and childcare facilities are likely to be provided as part of the development.

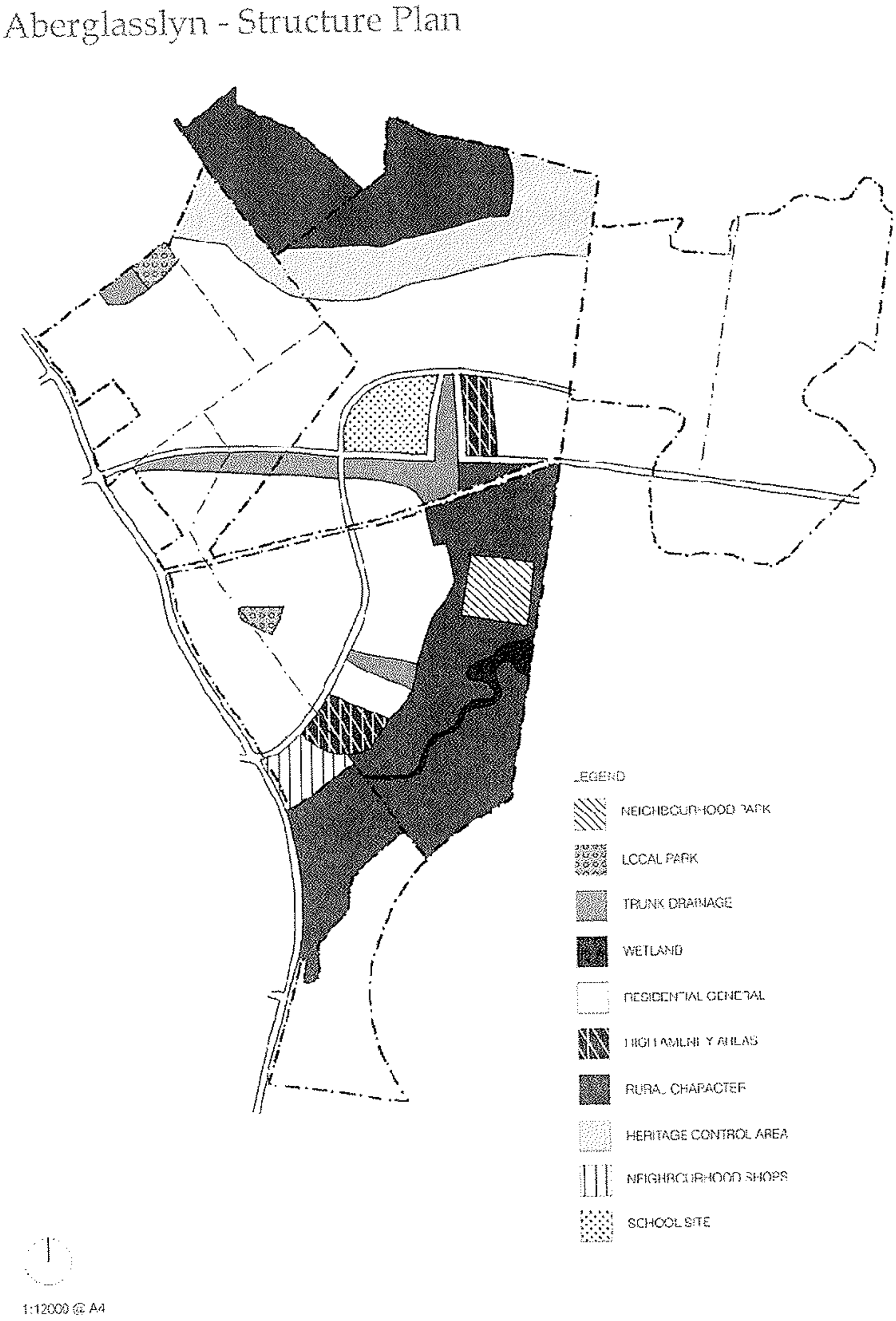
Activity Centres and Employment Clusters Strategy, January 2010

i. The conclusions of the Maitland Centre Study were used to produce the *Activity Centres and Employment Clusters Strategy,* which was developed to direct the network of activity centres and employment clusters over the next 20 years.

ii. Whilst the site for the Aberglasslyn convenience shops is identified as *'neighbourhood shops'* in the *Aberglasslyn Structure Plan,* the Council's intentions for the future of the site are not specified in either the *Activity Centres and Employment Clusters Strategy* or the *Maitland Centres Strategy.*

iii. However, in our view the proposed Aberglasslyn convenience shops are required to fulfil the daily top-up shopping needs of Aberglasslyn residents. Additionally, the medical centre and childcare facilities will be highly valued by the young family market likely to characterise the Aberglasslyn release area.

FIGURE 1.2 – ABERGLASSLYN STRUCTURE PLAN



2 TRADE AREA ANALYSIS

This section of the report outlines the trade area likely to be served by the proposed Aberglasslyn convenience shops 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 Aberglasslyn convenience shops has been defined taking into account the following key considerations:

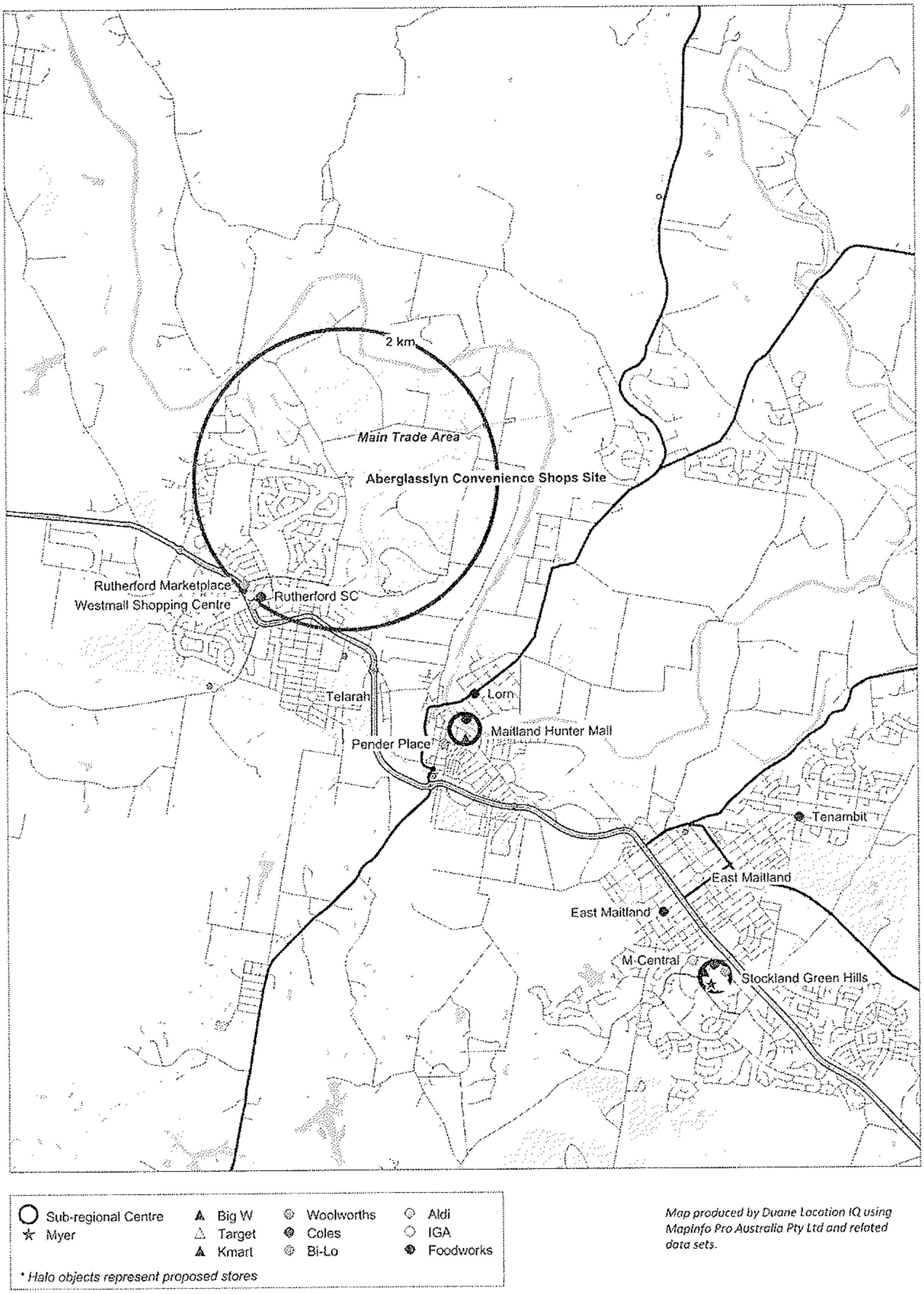
   - The scale and composition of the proposed Aberglasslyn convenience shops which will be based on a small supermarket as the anchor tenant.
   - The provision of retail facilities throughout the region, particularly the location of the larger Rutherford Town Centre to the south.
   - Regional and local accessibility.
   - The pattern of urban development.
   - Significant physical barriers.

ii. Map 2.1 illustrates the defined main trade area for the Aberglasslyn convenience shops. The main trade area is limited to the north and east by the Hunter River and to the south by Waterworks Road. This main trade area is defined to include the eastern portion of Aberglasslyn and the northern portion of Oakhampton.

iii. As shown, the defined main trade area generally extends approximately 2.5 km to the north and east, 1 km to the south and 500 metres to the west. This is the area from which the proposed development would attract the majority of its customers.

iv. The trade area is generally limited by the larger provision of retail facilities located within Rutherford Town Centre, to the south-west.

MAP 2.1 – ABERGLASSLYN MAIN TRADE AREA



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

v. The retail offer of the proposed Aberglasslyn convenience shops would serve local residents by providing a range of food and convenience shops focused around a small supermarket.

vi. It is important to note that a single neighbourhood shop would not serve the trade area outlined in Map 2.1. Rather a single store would only serve the area within a few blocks (i.e. walking distance) of the site, and as such would not serve the convenience needs of the entire Aberglasslyn release area.

2.2 Main Trade Area Population

i. Table 2.1 details the current and projected population levels by sector for the Aberglasslyn main trade area.

ii. The current and projected population levels are based on the following:

- The 2006 Census of Population and Housing undertaken by the Australian Bureau of Statistics (ABS);
- New dwelling approval statistics sourced from the ABS;
- The *Aberglasslyn Structure Plan*, released by Maitland City Council;
- A listing of development application approvals throughout the Aberglasslyn release area, as sourced from Maitland City Council;
- Estimated rate of sales for McKeachie's Run estate, as provided by Stockland; and
- Investigations by this office into new residential developments in the Aberglasslyn release area.

iii. The Aberglasslyn main trade area population is currently estimated at 1,890. This represents an increase of 6.1% since the 2006 Census of Population and Housing. This population growth of 6.1% is based on New Dwelling Approvals data (ABS), which indicates that on average around 70 – 75 new dwellings were approved annually over the period 2007-2009 (Table 2.2).

iv. The *Maitland Urban Settlement Strategy 2001 – 2020* identified the Aberglasslyn precinct as an investigation area for future population growth within Maitland. As a result Maitland City Council has since released the *Aberglasslyn Structure Plan,* which provides guidance for future development within the Aberglasslyn Urban Area. The document forms part of the *City Wide Development Control Plan* and was adopted in April 2007. As previously discussed, the Aberglasslyn area is designated to contain around 1,600 - 1,800 residential lots on completion.

v. The McKeachie's Run residential estate, illustrated on Figure 2.1, forms a large proportion of the Aberglasslyn release area. The estate has been approved for 650 lots, with around 160 lots already sold. Stockland estimate the rate of residential sales within McKeachie's Run to be between 100 – 140 lots per annum. The estate is likely to be completed by early 2015.

vi. Assuming sales proceed within McKeachie's Run as planned, the main trade area population is projected to increase to 5,710 by 2026, with growth slowing over the 2021 - 26 period. Between the 2010 – 2016 period the trade area will experience a very high growth rate of between 12.6% and 17.8%, or some 400 to 440 persons per annum.

TABLE 2.1 – ABERGLASSLYN MAIN TRADE AREA POPULATION, 2006-2026

Trade Area Sector	**Estimated Resident Population**	**Forecast Population**				
	2006	2010	2013	2016	2021	2026
Main Trade Area	1,490	1,890	3,090	4,410	5,310	5,710
		Average Annual Change (No.)				
		2006-2010	2010-2013	2013-2016	2016-2021	2021-2026
Main Trade Area		100	400	440	180	80
		Average Annual Change (%)				
		2006-2010	2010-2013	2013-2016	2016-2021	2021-2026
Main Trade Area		6.1%	17.8%	12.6%	3.8%	1.5%

**as at June*

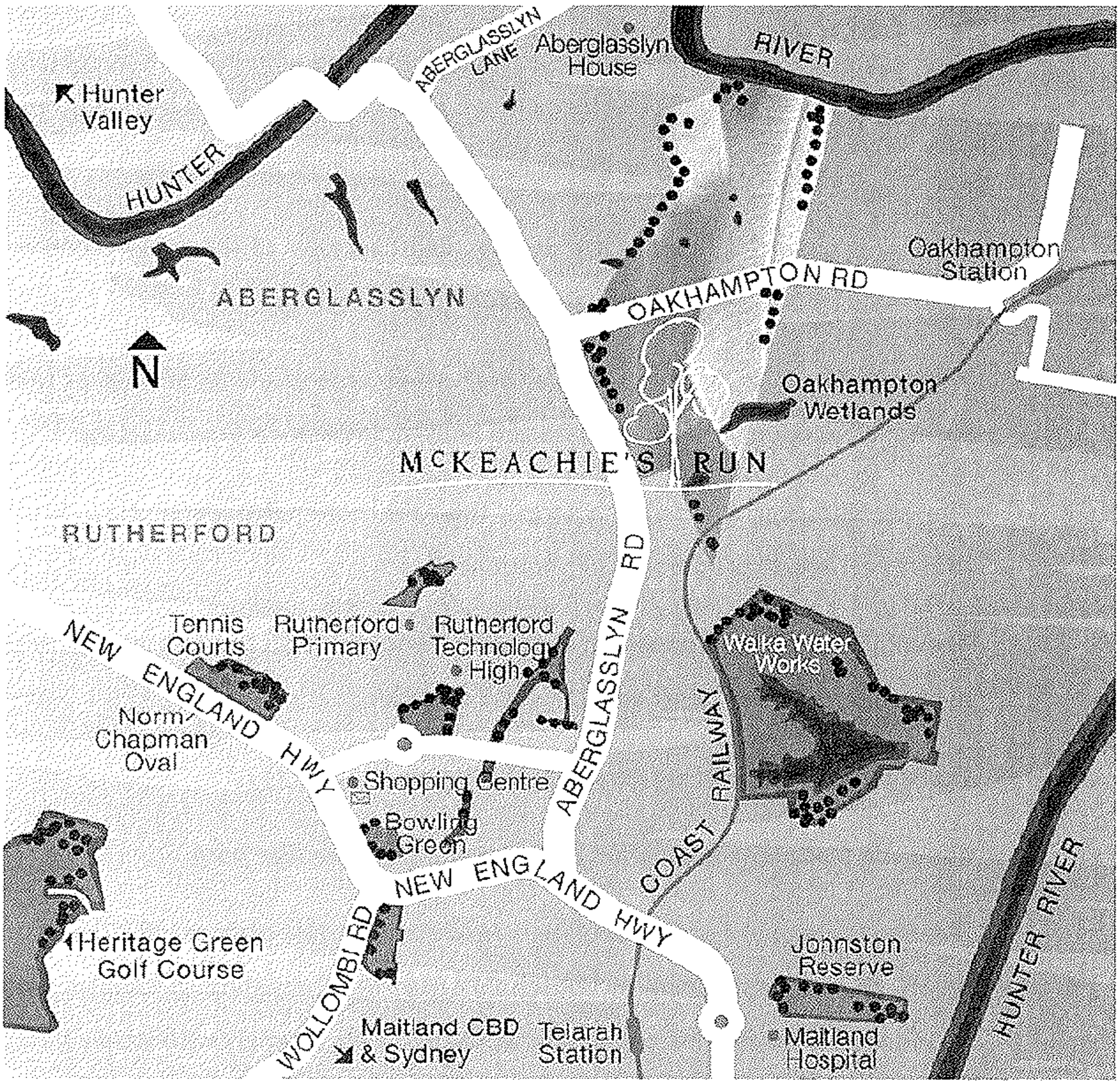
Sources : ABS; Planning NSW

TABLE 2.2 – ABERGLASSLYN MAIN TRADE AREA NEW DWELLING APPROVALS, 2007-2009

Sector	Main Trade Area
New Houses	
2006/07	73
2007/08	61
2008/09	44
Total New Houses	**178**
Average	***59***
Other Dwellings	
2006/07	36
2007/08	6
2008/09	0
Total Other Dwellings	**42**
Average	***14***
Total Dwellings	
2006/07	109
2007/08	67
2008/09	44
Total Dwellings	**220**
Average	***73***

Source: ABS

FIGURE 2.1 – MCKEACHIE'S RUN AREA MAP



2.3 Socio-economic Profile

i. The socio-economic profile of the Aberglasslyn main trade area population contains primarily affluent, young families, which is typical for new land release areas. This information is based on the latest 2006 Census of Population and Housing.

ii. Table 2.3 and Chart 2.1 provide a more detailed overview of the socio-economic profile of main trade area residents. Key points to note include:

- Average per capita income levels for main trade area residents are higher than the benchmark on both a per capita and household basis.
- The average household size is larger than the non-metropolitan New South Wales average, at 3.1 persons per household.
- The main trade area population is generally younger than the benchmark, with over a quarter of residents aged 14 years or under.
- Homeownership levels are generally in line with the average.
- The main trade area population is predominately Australian born.
- A large traditional family population reside within the main trade area, with 53.3% of persons residing in household structures consisting of couples with dependent children. This population would associate strongly with locally based retail facilities.

iii. The socio-economic profile of the main trade area population generally reflects that of new land release area, which tend to attract a large number of relatively affluent, young families. It is important to provide retail facilities which contain a range of convenience facilities within close proximity to residents. This enables residents to fulfil their daily and top-up food and grocery requirements, without having to travel to larger facilities located a round trip of 5 – 10 km from their place of residence. The proposed medical centre and childcare facilities would also be highly valued by this time poor family market.

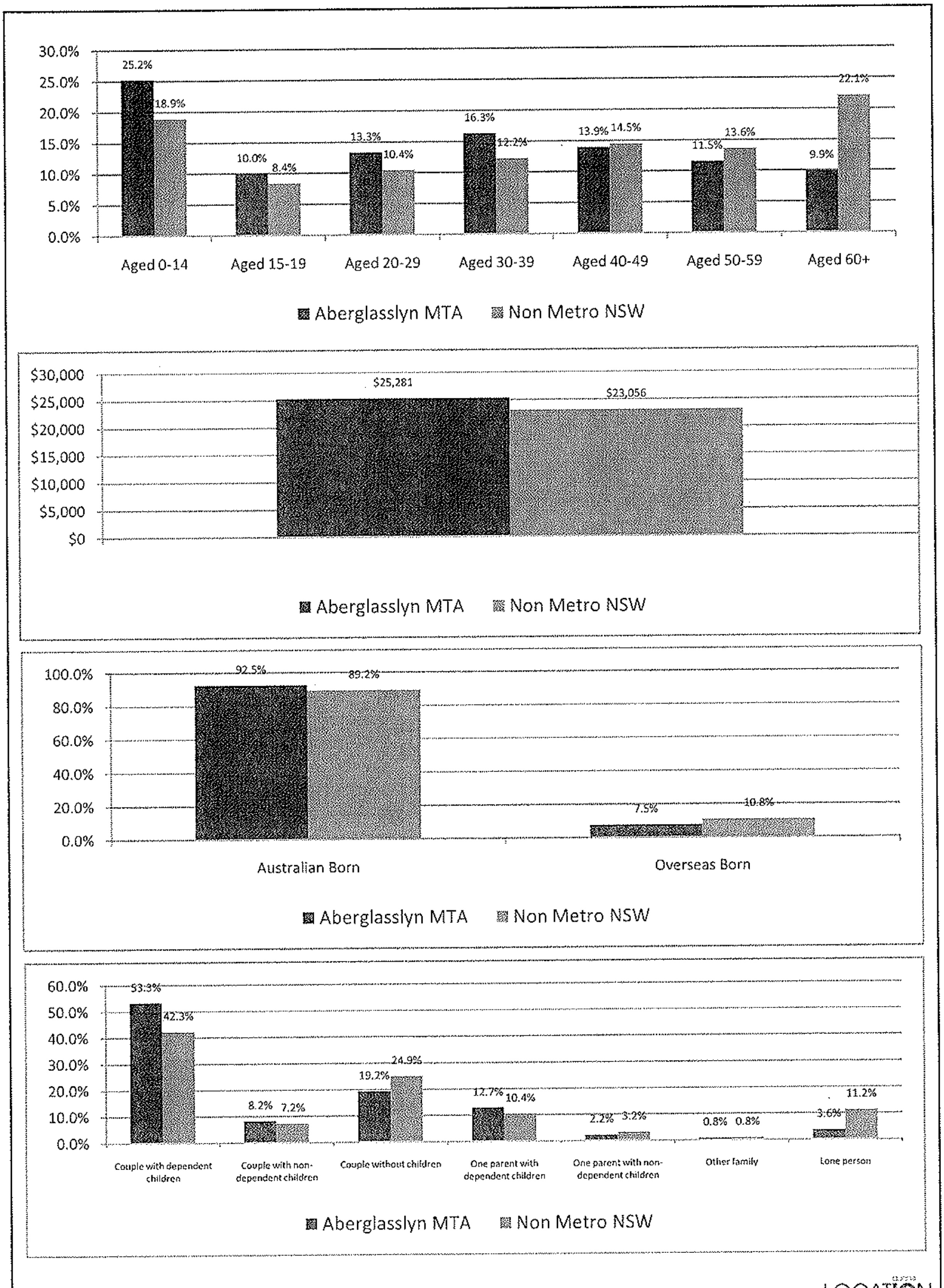
TABLE 2.3 – MAIN TRADE AREA SOCIO-ECONOMIC PROFILE, 2006 CENSUS

Characteristics	Main Trade Area	Non Metro NSW Average
Average Per Capita Income	$25,281	$23,056
Per Capita Income Variation	9.6%	n.a.
Average Household Income	$77,306	$57,128
Household Income Variation	35.3%	n.a.
Average Household Size	3.1	2.5
Age Distribution (% of Pop'n)		
Aged 0-14	25.2%	18.9%
Aged 15-19	10.0%	8.4%
Aged 20-29	13.3%	10.4%
Aged 30-39	16.3%	12.2%
Aged 40-49	13.9%	14.5%
Aged 50-59	11.5%	13.6%
Aged 60+	9.9%	22.1%
Average Age	31.6	39.1
Housing Status (% of H'holds)		
Owner/Purchaser	71.9%	72.2%
Renter	28.1%	27.8%
Birthplace (% of Pop'n)		
Australian Born	92.5%	89.2%
Overseas Born	7.5%	10.8%
• Asia	1.0%	1.3%
• Europe	4.4%	7.1%
• Other	2.1%	2.4%
Family Type (% of Pop'n)		
Couple with dep't children	53.3%	42.3%
Couple with non-dep't child.	8.2%	7.2%
Couple without children	19.2%	24.9%
Single with dep't child.	12.7%	10.4%
Single with non-dep't child.	2.2%	3.2%
Other family	0.8%	0.8%
Lone person	3.6%	11.2%

Sources : ABS Census of Population and Housing 2006

LOCATION

CHART 2.1 – MAIN TRADE AREA SOCIO-ECONOMIC PROFILE, 2006 CENSUS



Sources : ABS Census of Population and Housing 2006

2.4 Main Trade Area Retail Spending

i. The estimated retail expenditure capacity of the proposed Aberglasslyn main trade area population is based on information sourced from Market Data Systems (MDS). 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. Chart 2.2 outlines the retail spending levels for the Aberglasslyn main trade area population on a per person basis and compares this with the non-metropolitan New South Wales average. Overall, spending per person in the Aberglasslyn main trade area is higher than the benchmark.

v. Table 2.4 outlines the retail expenditure levels generated by the Aberglasslyn main trade area population. The total retail expenditure level of the main trade area population is currently estimated at $24.3 million. This level is projected to increase at an average annual rate of around 8.8% to $93.7 million by 2026. All figures presented in this report are in constant 2010 dollars and including GST.

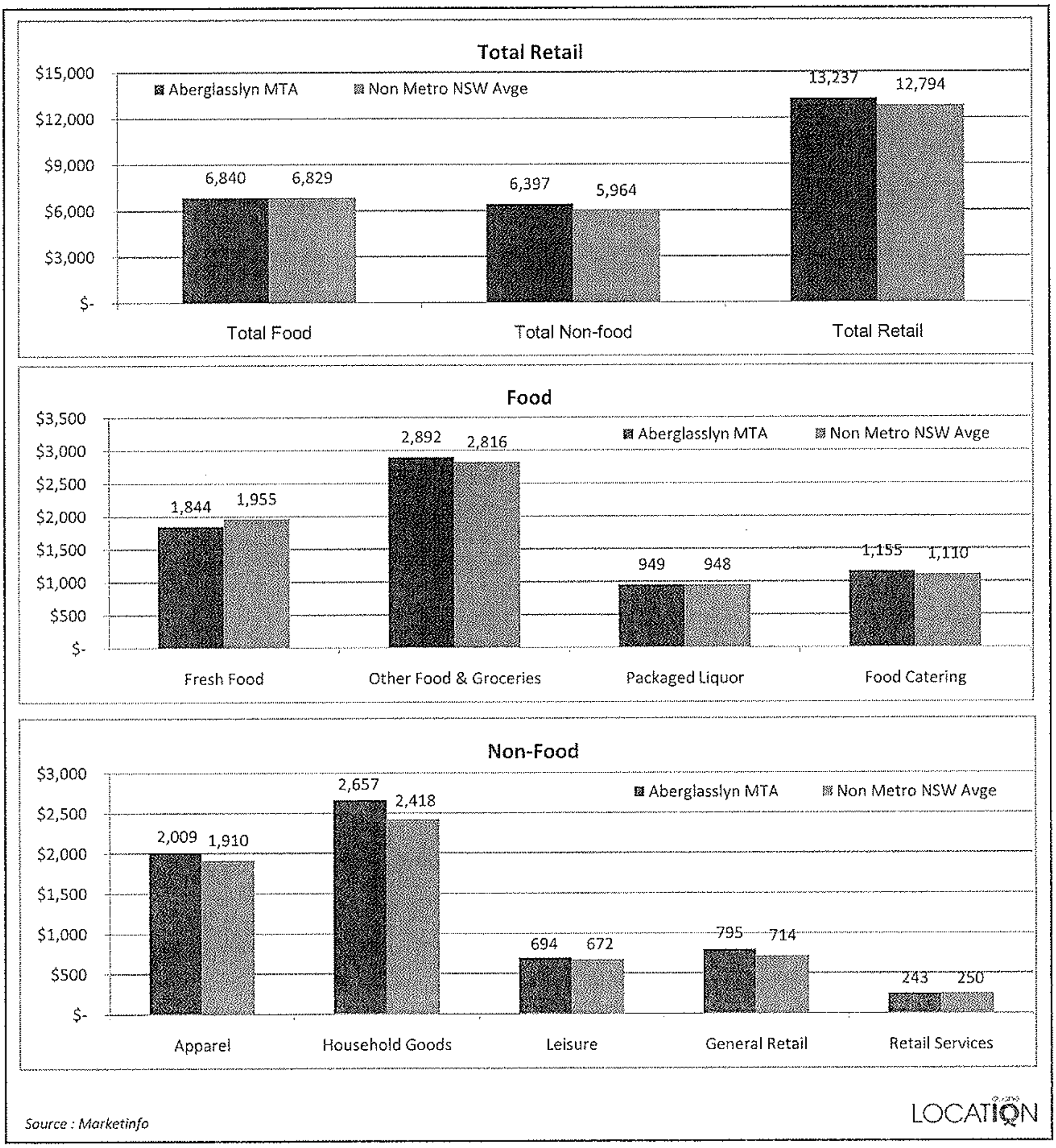
vi. Projected growth in the retail spending market of 8.8% for the Aberglasslyn main trade area takes into account the following:

   - Real growth in retail spending per capita of 1.5% annually over the period to 2026. The assumed level of real growth is in keeping with the typical trends generally evident throughout New South Wales and Australia over long-term periods and takes into account a lower than average growth level over the next few years, reflecting the current economic climate.

- Resident trade area population growth, projected at around 7.3% per annum.

vii. Table 2.5 presents a breakdown of retail spending by key commodity group, indicating the largest spending market is food and grocery at $10.4 million, representing 43.0% of the total retail spending market.

CHART 2.2 – RETAIL SPENDING PER PERSON, 2009/10



Source : Marketinfo

TABLE 2.4 – MAIN TRADE AREA RETAIL EXPENDITURE, 2010 - 26

Y/E June	Main Trade Area
2010	24.3
2011	27.5
2012	32.9
2013	39.3
2014	45.9
2015	52.4
2016	59.8
2017	65.5
2018	68.9
2019	72.5
2020	76.3
2021	80.3
2022	83.6
2023	86.0
2024	88.5
2025	91.0
2026	93.7
Expenditure Growth	
2010-2013	15.0
2013-2016	20.5
2016-2021	20.6
2021-2026	13.3
2010-2026	69.4
Average Annual Growth Rate	
2010-2013	17.4%
2013-2016	15.0%
2016-2021	6.1%
2021-2026	3.1%
2010-2026	8.8%

**Constant 2009/10 dollars & Including GST*
Source : Marketinfo

LOCATION

TABLE 2.5 – MAIN TRADE AREA RETAIL EXPENDITURE BY KEY COMMODITY GROUP

Y/E June	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services
2010	10.4	2.1	3.7	4.9	1.3	1.5	0.4
2011	11.8	2.4	4.2	5.6	1.4	1.7	0.5
2012	14.0	2.9	5.0	6.7	1.7	2.0	0.6
2013	16.7	3.4	6.0	8.0	2.1	2.4	0.7
2014	19.4	4.0	7.0	9.4	2.4	2.8	0.8
2015	22.1	4.6	8.0	10.8	2.8	3.2	1.0
2016	25.1	5.2	9.1	12.4	3.2	3.6	1.1
2017	27.4	5.8	10.0	13.7	3.5	4.0	1.2
2018	28.7	6.1	10.6	14.5	3.6	4.2	1.3
2019	30.1	6.4	11.1	15.4	3.8	4.4	1.3
2020	31.5	6.7	11.7	16.3	4.0	4.6	1.4
2021	33.1	7.1	12.3	17.2	4.3	4.9	1.5
2022	34.3	7.4	12.8	18.0	4.4	5.1	1.6
2023	35.1	7.6	13.2	18.6	4.6	5.2	1.6
2024	36.0	7.8	13.6	19.3	4.7	5.4	1.6
2025	36.9	8.1	14.0	20.0	4.8	5.5	1.7
2026	37.8	8.3	14.5	20.7	5.0	5.7	1.7
Expenditure Growth							
2010-2013	6.2	1.3	2.3	3.2	0.8	0.9	0.3
2013-2016	8.4	1.8	3.1	4.4	1.1	1.2	0.4
2016-2021	8.0	1.8	3.2	4.8	1.1	1.3	0.4
2021-2026	4.7	1.2	2.1	3.5	0.7	0.8	0.3
2010-2026	27.4	6.2	10.8	15.8	3.7	4.3	1.3
Average Annual Growth Rate							
2010-2013	16.9%	17.5%	17.5%	18.1%	17.5%	17.5%	17.5%
2013-2016	14.6%	15.1%	15.1%	15.7%	15.1%	15.1%	15.1%
2016-2021	5.7%	6.2%	6.2%	6.7%	6.2%	6.2%	6.2%
2021-2026	2.7%	3.2%	3.2%	3.7%	3.2%	3.2%	3.2%
2010-2026	8.4%	8.9%	8.9%	9.5%	8.9%	8.9%	8.9%

**Constant 2009/10 dollars & Including GST*
Source : Marketinfo

LOCATION

3 COMPETITIVE ENVIRONMENT

This section of the report reviews the competitive retail environment within which the proposed Aberglasslyn convenience shops would operate in order to assist in the assessment of likely trading impacts that the proposed shops would have on other competitive retailers.

The competitive retail centres to the proposed Aberglasslyn convenience shops are summarised in Table 3.1 and illustrated on the previous Map 2.1.

TABLE 3.1 – COMPETITIVE RETAIL FACILITIES

Centre	Retail GLA (sq.m)	**Anchor Tenants**	Dist. From McKeachie's Run (km)
Sub-regional Shopping Centres			
Maitland	*41,450*		*5.8*
• Maitland Hunter Mall	14,200	Kmart (8,000), Foodworks (4,450)	
• Penderplace	4,800	Woolworths (3,370)	
• Maitland Marketplace	3,000	The Warehouse (2,300)	
• Remainder	19,450		
Greenhills	*45,700*		*10.2*
• Stockland Green Hills	28,200	Big W (8,024), Woolworths (4,817), Coles (3,702)	
• M-Centre	7,500	Aldi (1,300)	
• Remainder	10,000		
Supermarket Based Shopping Centres			
Rutherford	*15,800*		*2.5*
• Rutherford Mktplace	6,000	Woolworths (3,200)	
• Rutherford SC	3,800	Coles (2,800)	
• West Mall Plaza	3,500	IGA (2,150)	
• Remainder	2,500	Aldi(1,350)	
Telarah	1,330	IGA (630)	2.9
Lorn	2,500	Foodworks (600)	6.8
East Maitland	4,600	Foodworks (500), IGA (300)	9.2

Source : Australian Shopping Centre Council Database - February 2010

3.1 Rutherford Town Centre

i. The closet provision of retail facilities to the proposed Aberglasslyn convenience shops are located 2.5 km to the south-west, within the Rutherford Town Centre. The Rutherford Town Centre is designated as a 'Town Centre' in the *Lower Hunter Regional Strategy* and as such is designated to be the *"shopping and business centre for the district."*

ii. Three separate retail centres are located within the Rutherford Town Centre totalling over 15,000 sq.m of floorspace, including:

   - At 3,500 sq.m, the Westmall Shopping Centre is the smallest of the three centres. The Supa IGA supermarket that anchors the centre was the first to open within the precinct. The supermarket is around 2,150 sq.m and has recently been refurbished to better to compete with the surrounding more recently opened supermarket offer.

   - The Rutherford Shopping Centre was the second centre constructed within the precinct and contains a Coles supermarket of approximately 2,800 sq.m. A range of convenience tenants are located within the centre, with the total retail provision estimated at 3,800 sq.m.

   - The Rutherford Marketplace is the most recent addition to the Rutherford Town Centre. The centre is around 6,800 sq.m and contains a Woolworths supermarket of 3,200 sq.m, the largest supermarket within the precinct. The Marketplace is currently being sold by Woolworths Limited, who opened the centre in early 2008.

iii. Complementing these three main centres is an Aldi supermarket, situated adjacent to Rutherford Shopping Centre.

iv. Given the extensive full-line supermarket provision provided within the Rutherford Town Centre, the precinct is likely to draw strongly from the growing West Maitland area, including the Aberglasslyn release area. The facilities are more than 10 times larger than those proposed within Aberglasslyn, with four supermarkets provided (all of which are larger than the convenience supermarket proposed at the Aberglasslyn site).

v. The Rutherford Town Centre is designated as a 'Town Centre' within the Lower Hunter retail hierarchy. As such, the centre serves a very different role to the proposed Aberglasslyn convenience shops. Whilst residents are likely to use the proposed Aberglasslyn convenience shops to fulfil their daily top-up shopping needs, they will still use facilities within the Rutherford Town Centre for their larger weekly shopping requirements.

vi. It is important to note that this retail provision is not conveniently located to serve the daily convenience needs of the Aberglasslyn population, particularly of those working in the Maitland CBA or to the east of Rutherford. The turn off to the major road throughout the release area, Aberglasslyn Road, is located 1.2 km east of the Rutherford Town Centre, meaning residents must by-pass their exit in order to pick up their daily convenience items within the Rutherford Town Centre.

vii. The site for the Aberglasslyn convenience shops, on the other hand, is located on Aberglasslyn Road, which is the major arterial road linking both current and future residents to the New England Highway and, consequently, the Maitland CBD. As such, the proposed Aberglasslyn convenience shops would be conveniently located to serve the daily shopping needs of Aberglasslyn residents, travelling home from the Maitland CBD.

3.2 Sub-regional Centres

i. There are two sub-regional anchored precincts located within the Maitland area, including Maitland Hunter Mall, which anchors the Maitland CBD, and Stockland Green Hills, a stand-alone shopping precinct situated in East Maitland.

ii. The Maitland CBD is classified as a 'Major Regional Centre' in the *Lower Hunter Regional Strategy* and is the main retail and commercial centre for the Maitland LGA. The CBD is located around 5.8 km south-east of the Aberglasslyn site and contains approximately 41,450 sq.m of retail floorspace across a number of retail centres. These include:

- Maitland Hunter Mall is a sub-regional centre that includes a Kmart discount department store and a Foodworks supermarket. The Foodworks has recently replaced the former Bi-Lo supermarket, as part of an agreement with Wesfarmers and the Foodworks Group to transfer ownership of 45 supermarkets, eight of which were Bi-Lo stores.

  The Mall, which is located on the southern side of High Street, contains a relatively small provision of specialty tenants when compared to other sub-regional centres, at 1,844 sq.m or 17 retailers. Major retailers within the centre include Angus & Coote, Noni B, Donut King, Sanity and Super Cheap Auto.

- Pender Place Shopping Centre is a Woolworths anchored supermarket centre, situated on Ken Tubman Drive. The total centre is approximately 4,800 sq.m, with the supermarket occupying over 70% of the total floorspace. Specialty tenants within the centre are primarily convenience based, with major retailers including Baker's Delight, Michel's Patisserie and Woolworths Liquor. A Medicare is also provided in the centre.

- Maitland Marketplace is a retail centre located on the corner of Bulwer Street and Michael Street. The centre is anchored by a The Warehouse discount retailer of 2,300 sq.m and around 11 specialty stores.

iii. Complementing the major retail centres within the Maitland CBD is a wide range of retailers, primarily focused around the High Street pedestrian mall. These retailers include a mix of convenience tenants, such as pharmacies, newsagents and food retailers, as well as apparel and homewares traders.

iv. Stockland Green Hills has been designated as a 'Stand-alone Shopping Centre' within the *Lower Hunter Regional Strategy*. The centre anchors the East Maitland shopping precinct and is located in the block bounded by Molly Morgan Drive to the east, Mitchell Drive to the north and Stronach Avenue to the west. Major tenants within the centre include a Big W discount department store and Woolworths and Coles supermarket. These are supported by some 7,300 sq.m or 76 retail traders.

Stockland Green Hills is currently proposed for a major redevelopment, which will include the addition of a Myer department store and possibly a second discount department store. Overall, around 30,000 sq.m of retail floorspace is proposed to be added, with the completion of the centre enabling Maitland to better compete with the wide range of retail facilities offered within the Newcastle urban area.

v. Also located within the East Maitland shopping precinct is an Aldi supermarket, as well as a range of bulky and peripheral retail and commercial traders.

3.3 Supermarket Based Shopping Centres

i. Apart from the supermarket facilities located within the Rutherford Town Centre, there are two supermarket centres of relevance to the proposed Aberglasslyn convenience development. Both serve a Local Centre role within the retail hierarchy and as such are unlikely to draw customers from the Aberglasslyn residential area. Details on these local centres are as follows:

  - The Telarah Local Centre serves the population to the south of the New England Highway and as such is unlikely to draw from the defined Aberglasslyn trade area. The centre contains approximately 1,330 sq.m of floorspace and includes a small IGA supermarket of 630 sq.m. This supermarket is supportable by a small number of convenience traders, including a newsagent and doctors surgery.

  - The Lorn retail precinct as been classified as a 'Local Centre' by the *Maitland Centres Study* (Hill PDA). The centre primarily serves the population to the north of the Maitland Town Centre and to the east of the Hunter River, and again would not draw directly from the Aberglasslyn main trade area. Overall, the precinct is larger than Telarah, at approximately 2,500 sq.m of retail floorspace, however the major anchor tenant, a Foodworks supermarket of 600 sq.m, is similar in size to the IGA at Telarah.

ii. The Telarah centre serves a key population catchment of approximately 3,300 residents. This catchment includes the area bounded by the New England Highway to the north and east, the railway line to the south and Wollombi Road to the west. The population catchment served by the centre is significantly smaller than the Aberglasslyn release area, which is likely to contain around 5,000 – 6,000 people on completion.

iii. The Lorn centre serves a similar population to the future Aberglasslyn catchment area, with around 5,900 residents. However, these residents are spread over a much larger area following the Paterson River to the north and east, the Hunter River to the south and the railway line to the west.

iv. Both the Telarah and Lorn Local Centres are located within close proximity to the larger retail precincts of the Maitland CBD and the Rutherford Town Centre. However, given their Local Centre role, each serves very different roles in the retail hierarchy and, therefore, are able to trade successfully despite the close proximity of these larger retail precincts.

3.4 Planned Retail Centres

i. Given the population growth expected within the Maitland LGA, a number of the proposed release areas are likely to be provided with either Local or Neighbourhood Centres, to serve the immediate population within the newly formed population catchment. These are of no relevance to the Aberglasslyn proposal.

3.5 Summary

i. As indicated in the *Maitland Centres Study*, retailing within Maitland follows a typical retail hierarchy including a Major Centre (Maitland CBD), Town Centres (such as Rutherford Town Centre and East Maitland), Local Centres (including Telarah and Lorn), as well as a range of smaller Neighbourhood Centres (such as Woodbery and Metford).

ii. Each centre serves a different role within the retail hierarchy, with Local and Neighbourhood Centres like Telerah and Lorn able to trade successfully despite the close proximity of larger retail precincts, such as the Maitland CBD and Rutherford Town Centre. The importance of Local and Neighbourhood Centres is outlined in the *Maitland Centres Study*, which indicated that a place within the retail hierarchy should be maintained for easily accessible centres to prevent the monopolisation of larger centres (like Rutherford Town Centre).

iii. These Local and Neighbourhood Centres act as a major destination for resident's daily top-up, convenience shopping and prevent residents having to travel to the larger centres to complete the convenience shop. In order for the centres to be successful, each is generally anchored by a small supermarket of 500 – 1,000 sq.m, which adds significant appeal to the precinct and allows the other specialty traders to perform better with the small supermarket generating greater traffic flows.

iv. It is important to provide these facilities within close proximity to resident's home, as majority of residents within release areas are young, time poor families, who demand a range of convenience based retail facilities within close proximity to their homes. As well as serving the convenience retail needs of the population, convenience or neighbourhood shops act as primary community hub for residents to meet and feel included within a community. This will be particularly relevant in a new area like Aberglasslyn.

4 ASSESSMENT OF POTENTIAL FOR RETAIL FACILITIES

This section of the report considers the sales potential for the retail component of the proposed Aberglasslyn convenience shops, 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 Aberglasslyn convenience shops 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 Aberglasslyn convenience shops, which would be anchored by a small supermarket and a provision of complementary retail specialty shops, is now considered taking into account these factors.

4.2 Supermarket Sales Potential

i. The proposed Aberglasslyn convenience shops will include a small convenience supermarket of 700 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 Aberglasslyn 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 the expenditure which all supermarkets are likely to achieve; and then concluding with the likely sales which the 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 Aberglasslyn supermarket of 700 sq.m. Supermarkets are defined as grocery and dry goods stores of at least 500 sq.m. Smaller foodstores are excluded from this analysis.

iv. The analysis in Table 4.1 is as follows:

- For the main trade area defined earlier in this report, the total food and grocery spending market is projected at $8.7 million for the year to June 2010. The food and grocery spending market for the main trade area population is projected to grow to $13.9 million (in constant 2010 dollar terms) by 2013 and further to $31.4 million by 2026 (in constant 2010 dollars). These projected figures do not include retail inflation, thus the increase shown over this time period reflects real growth.

- Typically in Australia, approximately 75% of food and grocery expenditure is directed to supermarkets and major foodstores (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 Aberglasslyn main trade area, the proportion of spending to supermarkets is currently estimated at 72.5% given the young family market and the provision full-line supermarket facilities in the Rutherford Town Centre. This proportion is projected to increase to 75% with the addition of the proposed Aberglasslyn supermarket.

TABLE 4.1 – SUPERMARKET SALES POTENTIAL

	Financial Year				
	2010	2013	2016	2021	2026
Total Food & Grocery (F&G) Spending					
Main Trade Area	8.7	13.9	20.8	27.5	31.4
F&G Spending to Supermarkets					
Main Trade Area (@ 72.5% incr. to 75% in 12/13)	6.3	10.4	15.6	20.6	23.5
F&G Spending Retained by Aberglasslyn Supermarket					
Main Trade Area (@ 0% incr. to 40% in 12/13)	0.0	4.2	6.3	8.2	9.4
F&G Sales from Beyond MTA (@ 5%)	0.0	0.2	0.3	0.4	0.5
Total F&G Sales for Aberglasslyn Supermarket	**0.0**	**4.4**	**6.6**	**8.7**	**9.9**
General Merchandise Sales (@ 6%)	0.0	0.3	0.4	0.6	0.6
Total Aberglasslyn Supermarket Sales	**0.0**	**4.7**	**7.0**	**9.2**	**10.5**
Aberglasslyn Supermarket Floorspace (sq.m)	0	700	700	700	700
Average Trading Level ($/sq.m)	0	6,648	9,999	13,179	15,064

**Constant 2009/10 dollars & Including GST*

LOCATION

- The next step in the analysis is to estimate the likely proportion of food and grocery expenditure which can be retained by the Aberglasslyn supermarket; specifically the proportion of expenditure that can be retained by the proposed supermarket facilities within the main trade area as compared with the spending directed to supermarkets outside the main trade area at larger locations such as the Rutherford Town Centre and the Maitland CBA.

- There are currently no supermarkets located within the Aberglasslyn main trade area. Based on the defined main trade area, it is estimated that 40%, or $4.2 million, of the food and grocery spending will be retained by the Aberglasslyn supermarket when opening in 2012/13.

- Additionally, an estimated 5% of total supermarket sales are likely to be attracted from beyond the defined main trade area reflecting the location of the site on one of the major arterial roads throughout the Aberglasslyn release area.

v. The steps detailed above generate the annual estimates of food and grocery spending available to supermarkets within the main trade area. In this case the Aberglasslyn supermarket will be the only supermarket located within the main trade area. On this basis, after the Aberglasslyn supermarket is developed, this figure is projected at $4.4 million in 2012/13. These sales are projected to increase to $8.7 million in 2020/21, with further growth to $9.9 million in 2025/26, expressed in constant 2010 dollar terms.

vi. Finally, in order to estimate the total likely sales volume available to the proposed Aberglasslyn supermarket, additional components of sales other than food and grocery sales is 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 Aberglasslyn is estimated to achieve total sales of $4.7 million in 2012/13, representing average sales of $6,648 per sq.m. This is slightly below the average generally achieved by supermarkets throughout Australia of $7,500 – 8,000 per sq.m.

viii. Small supermarkets generally trade at a lower level than the larger stores, as they serve only the daily top-up convenience shopping requirements and not the larger weekly shop. Additionally, the small stores are generally occupied by independent retailers, such as IGA and Foodworks, which are unlikely to trade as strongly as the larger chains, like Woolworths and Coles.

ix. On top of these factors, residential development within the Aberglasslyn area is not projected to be completed till at least 2015. As such, the Aberglasslyn supermarket sales will continue to grow over this time period, reaching $13,179 sq.m by 2021.

This 2021 figure indicates strong long term potential for a supermarket to serve the Aberglasslyn area.

x. It is important to note that only 40% of main trade area resident's food and grocery spending will be captured by the proposed Aberglasslyn supermarket. Some 60% of spending, $6.2 million, will continue to be spent at the larger retail developments within surrounding area, including the Rutherford Town Centre. Additionally, these centres will continue to capture growth as population within the Aberglasslyn release area increases, with around $14 million of main trade area resident's food and grocery spending escaping to these larger centres by 2026.

xi. Taking the above into account, there is clearly demand for a provision of convenience shops, anchored by a small supermarket, within the Aberglasslyn release area. The development of the Aberglasslyn convenience shops will allow residents to undertake their daily top-up convenience shop within close proximity to their homes. The addition of a range of convenience shopping facilities, as well as the medical centre and childcare facilities, within the Aberglasslyn area, would be highly valued by the young family market likely to reside in the area.

xii. The inclusion of a small supermarket and critical mass of some six retailers would increase the convenience nature of the centre and allow the surrounding retailers to benefit from higher customer flows generated by the supermarket floorspace.

4.3 Total Centre Sales Potential

i. The proposed Aberglasslyn convenience shops will include a supermarket of 700 sq.m and approximately 423 sq.m of retail specialty floorspace. A medical centre of 160 sq.m will also form part of the development.

ii. The proposed supermarket at Aberglasslyn is projected to achieve sales of $4.7 million in 2012/13.

iii. Around 423 sq.m of specialty floorspace is also planned to be provided at Aberglasslyn convenience shops. Based on an indicative composition shown in Table

1.1, Table 4.2 outlines a projected average trading level of around $4,900 per sq.m across retail specialty floorspace. This trading level equates to projected retail specialty sales of $2.1 million (i.e. 423 sq.m of retail specialty shop floorspace multiplied by $4,900 per sq.m).

iv. As summarised in Table 4.2, total retail sales for the Aberglasslyn convenience shops are projected at $6.7 million in 2012/13. The projected sales volume for the development would average $5,995 per sq.m across all retail floorspace.

TABLE 4.2 – PROJECTED CENTRE SALES, 2012/13

Tenant	Floorspace (sq.m)	Projected Sales ($'000)	($/sq.m)
Supermarket	700	4,653	6,648
Retail Specialty	423	2,079	4,915
Total Retail	**1,123**	**6,732**	**5,995**

4.4 Sales Impacts

i. This sub-section of the report outlines the likely sales impacts on competitive retail centres/facilities as a result of the development of the retail component of the proposed Aberglasslyn convenience shops.

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 Aberglasslyn convenience shops. 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 2010 financial year
   - Step 2 - Project sales for existing and proposed centres in the 2013 financial year, the first full year of trading for the proposed Aberglasslyn convenience shops. These projections allow for retail market growth and new retailers/centres. All sales projections in 2013 are presented in constant 2009 dollars (i.e. excluding inflation).
   - Step 3 - Outline the change in sales at each centre in 2013 as a result of the development of Aberglasslyn convenience shops. Again, all sales are expressed in constant 2010 dollars.
   - Step 4 - Show the impact on sales in 2013, both in dollar terms and percentage of sales.

v. The key information outlined in Table 4.3 is summarised as follows:

   - The proposed Aberglasslyn convenience shops are projected to record sales of \$6.7 million in 2012/13.
   - Of this total, some \$6.0 million is projected as a result of a redirection of spending from retail facilities within the Rutherford Town Centre, with the remainder (\$0.7 million) being a reduction in expenditure from facilities within the Maitland CBD.

TABLE 4.3 – ABERGLASSLYN PROJECTED CENTRE IMPACTS, 2010-2013

	Unit	Estimated 2010	Projected 2013 Pre Exp.	Projected 2013 Post Exp.	Impact 2013 $M	Impact 2013 %
Major Centres						
Maitland CBA		176.0	191.4	190.8	-0.7	-0.3%
Town Centres						
Rutherford Town Centre	$M	114.8	124.9	118.9	-6.0	-4.8%
Convenience Shops						
Aberglasslyn	*$M*	*0.0*	*0.0*	*6.7*	*6.7*	*n.a.*

**Constant 2009/10 dollars & Including GST*

LOCATION

- The highest impacts in both dollar and percentage terms will be on the existing larger retail facilities located within the Rutherford Town Centre. The largest impacts within the Rutherford Town Centre are likely to fall on the Rutherford Marketplace and the Rutherford Shopping Centre.
- Impacts on the Rutherford Town Centre are relatively small, equating to a little over 5% of total 2013 projected sales. It is important to note that even with the development of the proposed Aberglasslyn convenience shops, 2013 retail sales within the Rutherford Town Centre would still be some $4.1 million higher than 2010 sales, due to market growth.
- It is also projected that the proposed Aberglasslyn convenience shops will have a minimal impact of 0.3%, or $0.7 million, on the Maitland CBD.
- The projected impacts, as outlined above, will all be less than 10% and within the bounds of normal competition. The projected impacts will not threaten the viability of any centre, including those located within the Rutherford Town Centre. Furthermore, each of these centres are likely to benefit in the future from the population growth within the Aberglasslyn area (as well as other surrounding land release areas), with residents likely to continue to use these facilities to complete their major weekly food and grocery shop.

- The success of other convenience precincts in Maitland are evidence that developments of the size and scope proposed within Aberglasslyn and larger developments, such as the Rutherford Town Centre, as able to trade successfully regardless of the proximity to one another due to their different role in the hierarchy.

- The proposed centre will serve the convenience food and grocery needs of the surrounding family population, enabling them to fulfil their daily and top-up food and grocery requirements, without having to travel to larger facilities located up to 10 km from their place of residence.

4.5 Employment and Consumer Impacts

i. The development of the proposed Aberglasslyn convenience shops will result in a range of important economic benefits. These key positive employment and consumer impacts will include the following:

   - The provision of convenience based shopping facilities residents of the Aberglasslyn release area within close proximity to their homes. This will reduce the vehicle kilometres travelled by resident's, which in turn will have environmental benefits for the Maitland population.

   - The retail component of the development is projected to employ around 60 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 54.

   - The additional 54 permanent retail employees would earn an average annual wage of around $28,800 as sourced from the ABS. This represents an additional $1.6 million 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 retail component of the proposed Aberglasslyn convenience shops as well as from the construction of the development. Jobs created are full-time equivalent jobs, which may include both full-time and part-time positions. In total, some 106 jobs are projected to be created in the broader community, based on ABS Input/Output Multipliers (refer Table 4.5).

- The proposed Aberglasslyn convenience shops 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 $5 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 $3.9 million (i.e. in 1996/97 dollars), it is estimated that the construction period of the proposed Aberglasslyn convenience shops would create some 27 jobs (refer Table 4.6).

- The additional construction jobs (27), will result in a further 44 jobs in the broader community based on ABS Input/Output Multipliers (refer Table 4.6).

- Retail jobs are important within the Maitland economy. The *Maitland Centres Study* indicated that retail was the most significant industry generating employment in 2006 and is likely to make up over 50% of all future jobs demanded within the Maitland LGA over the period to 2031.

TABLE 4.4 – ESTIMATED PERMANENT EMPLOYMENT

Type of Use	Estimated Employment Per '000 sq.m	Aberglasslyn	
		GLA (sq.m)	Employment (persons)
Supermarket	50	700	35
Retail Specialty Shops	60	423	25
Total Centre[1]		**1,123**	60
Net Increase[2]			54

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

TABLE 4.5 – ESTIMATED EMPLOYMENT IMPACT

Original Stimulus	Direct Employment	Supplier Employment *Multiplier Effects*	**Total**
Centre Employment[1]	54	52	106

** 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

TABLE 4.6 – ESTIMATED CONSTRUCTION EMPLOYMENT IMPACT

Original Stimulus	Estimated Capital Costs ($M)[1]	Direct Employment	Supplier Employment *Multiplier Effects*	**Total**	
Construction of Project	3.9	27	44	72	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

5 NEEDS ANALYSIS

The final section of this report summarises the key conclusions of the impact analysis for the proposed Aberglasslyn convenience shops.

'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 demand
- Consumer Trends
- Supply of retail facilities.
- Impacts on existing retail facilities.
- Location.
- Net community benefits.

5.1 Population Growth

i. The large growing family market within the Aberglasslyn area will demand and support of provision of convenience based retail facilities.

ii. It is estimated that approximately 5,700 residents will reside in Aberglasslyn release area over the period to 2026. The majority of this population will be located within the McKeachie's Run release area and therefore will have easy access to the proposed retail site.

iii. New land release areas, like Aberglasslyn, tend to attract a large number of relatively affluent, young families. It is important to provide Local Centres which contain a range of convenience facilities, including supermarket floorspace, within close proximity to resident's homes. This enables residents to fulfil their daily and top-up food and grocery requirements, without having to travel to larger facilities located as far as 10 km from their place of residence. The proposed medical centre and childcare facilities would also be highly valued by this time poor family market.

5.2 Consumer Trends

i. There is a strong need for convenience shopping facilities and a wider choice of facilities within close proximity to the homes of residents of release areas, such as Aberglasslyn. Consumers visit supermarkets, on average, two to three times a week.

ii. Over the past five years, 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 numbers 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. There are a limited number of convenience based facilities within the surrounding Aberglasslyn region and as such, the development of the proposed Aberglasslyn convenience shops will provide a much needed convenient retail offer for the surrounding population.

5.3 Supply of Retail Facilities

i. The development of the proposed Aberglasslyn convenience shops would provide a small supermarket of 700 sq.m and approximately 420 sq.m of retail specialty floorspace.

ii. The proposed supermarket offer would cater to the needs of the local population and allow them to undertake a daily and top-up food and grocery shop in close proximity to their homes.

iii. The centre would serve a different role within the retail hierarchy than the surrounding larger retail developments, with residents continuing to travelling to larger centres, such as Rutherford Town Centre, to complete their weekly food and grocery shop. It is estimated that around 60% of resident's food and grocery expenditure will be spent at these larger centres beyond the main trade area.

iv. As such, the proposed Aberglasslyn convenience shops would complement the existing retail hierarchy and ensure residents of the Aberglasslyn area are provided with the same retail provisions as supplied in similar locations.

v. Generally, any new floorspace within the Maitland LGA needs to pass sequential testing. However, this is generally applied to infill retail situations. In relation to new retail shops serving growth areas, it is more important that retail facilities are provided to serve the convenience shopping needs of residents.

5.4 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 region from the development of the Aberglasslyn convenience shops will not threaten the viability or continued operation of any centres.

ii. The majority of projected impacts would fall on centres located within the Rutherford Town Centre, however, this impact would be minimal. The viability of these centres would not be impacted with the addition of convenience shops at Aberglasslyn, with all centres to continue to trade at viable levels. Furthermore, these centres will continue to benefit from population growth within the surrounding release areas. This will help to offset any negative impact from the proposed Aberglasslyn convenience shops development.

iii. The impacts for the proposed small supermarket based development are only likely to be experienced by competitive centres in the short-term, and these centres stand to benefit from market growth after these impacts have been absorbed.

iv. Additionally, convenience shops act as a major destination for resident's daily top-up shopping and prevent residents having to travel to the larger centres to complete the convenience shop. This increases not only convenience for residents, but also reduces the environmental impact of not having to travel to larger facilities daily.

v. Additionally, conveniently located shops encourage residents to walk to nearby facilities, which results in a range of environmental and health benefits. Locally based shops also create community benefits by sponsoring a range of local sporting and community based activities.

vi. In order for the centres to be successfully, each is generally anchored by a small supermarket of 500 – 1,000 sq.m, which adds significant appeal to the precinct and allows the other specialty traders to perform better with the small supermarket generating greater traffic flows.

vi. Additionally, the tenant mix proposed will fulfil the daily convenience needs of the population and allow the critical mass required for such a convenience precinct to be supportable. It is important to note that a single, rather than this collection proposed, would serve no more than the population within a few blocks of the site and would not adequately serve the convenience needs of the 5,000 – 6,000 residents proposed in the Aberglasslyn area.

5.5 Location

i. The site for the proposed retail shops at Aberglasslyn is located on the south-eastern corner of McKeachie Drive and Aberglasslyn Road. Aberglasslyn Road is the major arterial road provided for the Aberglasslyn release area, linking residents to the New England Highway and, consequently, the Rutherford and Maitland Town Centres.

ii. The high profile site would be very convenient and easily accessible for the local population and passing traffic, particularly given the close proximity of the centre to the planned local school and playing fields.

iii. Additionally, a child care centre is proposed on an adjacent site. Locating retail facilities within close proximity to childcare facilities increases convenience for parents who are able to pick up their groceries items after collecting their childcare from childcare.

5.6 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 Aberglasslyn convenience shops. Offsetting the trading impacts on some existing retailers, there are very substantial positive impacts including the following:

  - The availability of convenience based retail facilities, within close proximity to residents within the Aberglasslyn release area. The addition of the centre would enable residents to fulfil their daily and top-up food and grocery requirements, without having to travel to larger facilities located as far as 10 km from their place of residence. The majority of residents will continue to use facilities within the larger Rutherford Town Centre for their major weekly food and grocery shop. Additionally, the provision of shops will help create a sense of community throughout the Aberglasslyn area.

  - 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 completed and operational. This includes a number of youth employment opportunities with retail developments generally employing a large number of younger staff. This will be important for the significant and growing young population in the region.

  - Additionally, the development of the shops will complement the existing retail hierarchy and provide residents will the benefits generated by the location of convenience facilities within close proximity to their homes. The *Maitland Centres Study* specifies a place within the retail hierarchy should be maintained for precincts, like the proposed Aberglasslyn convenience shops, to prevent the monopolisation of larger centres, such as the Rutherford Town Centre.

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 centres in the region. Further, the impacts would not threaten the viability of any of these retailers or centres.

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Appendix NINE

Mapping - Maitland Citywide DCP Chapter: Hunter River Floodplain Management

![MAITLAND CITY COUNCIL]

This map has been prepared on the basis of information available to Council at the date of issue. However, that information may be subject to change over a limited time and should therefore be verified with Maitland City Council

▭ Floodway

▒ 1% Flooding

◫ Declared Floodplain

▨ Approx Area Inundated by 1955 Flood

MAP No

E8

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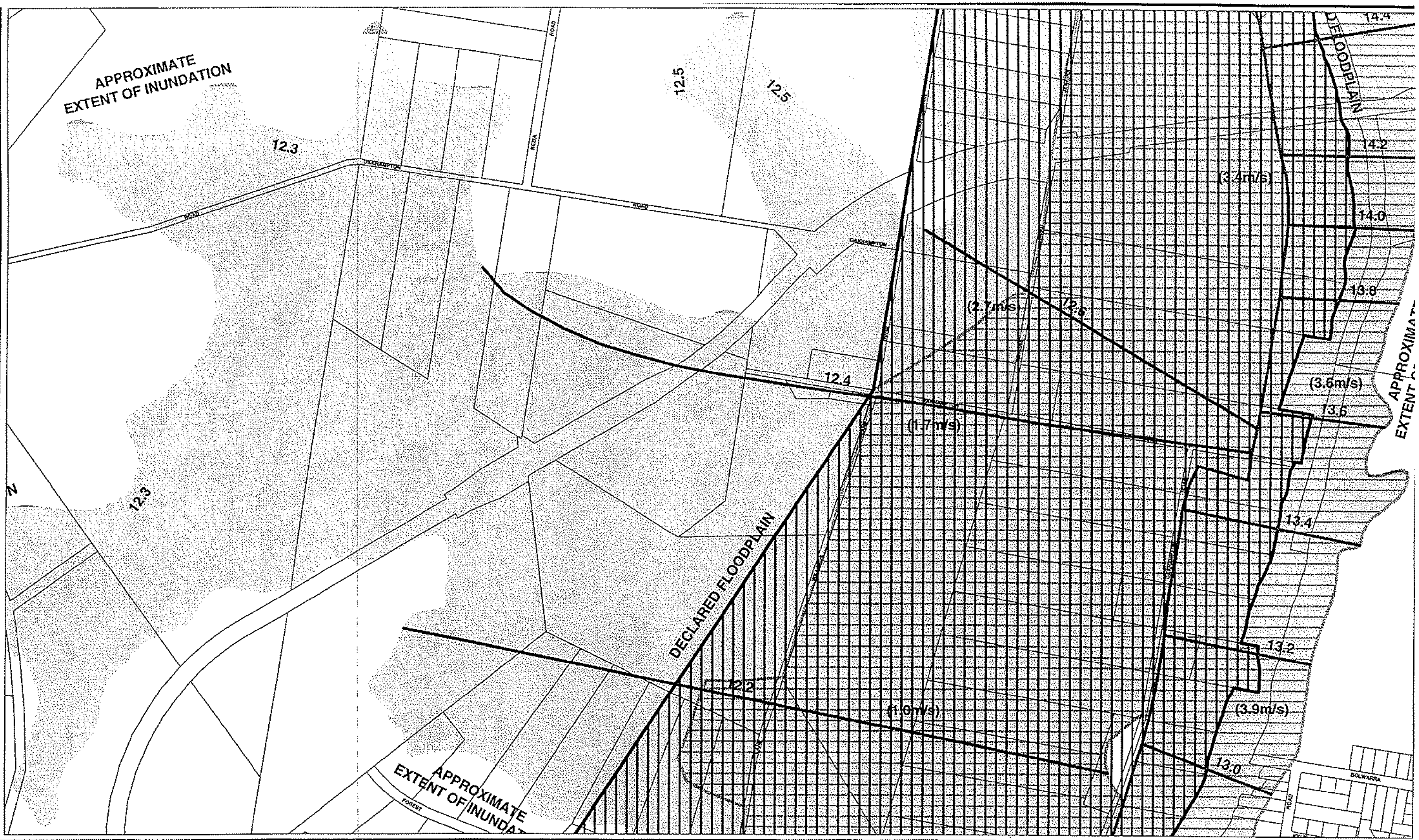
MAITLAND CITY COUNCIL

Scale 1 : 10 000
Printing Date: August 2000



MAITLAND CITY COUNCIL

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☐ Floodway

▒ 1% Flooding

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