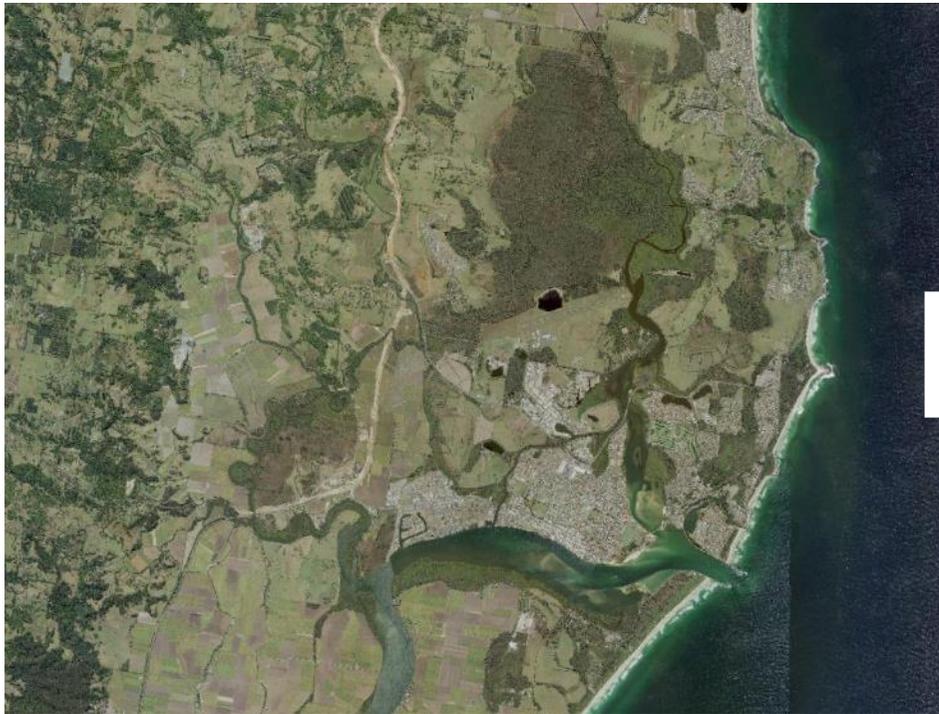


BALLINA COMMERCIAL CENTRES AND EMPLOYMENT LANDS STUDY



Prepared for Ballina Shire Council

Contents

Executive Summary	5
1.0 Introduction	10
1.1 Purpose of this Study	10
1.2 Employment land uses	10
1.2.1 Commercial centres.....	10
1.2.2 Employment lands.....	10
1.3 Ballina Shire.....	11
2.0 Market Trends.....	13
2.1 Retail industry trends	13
2.1.1 New format supermarkets in smaller village and neighbourhood centres	14
2.1.2 Continued evolution of online retail.....	15
2.1.3 Changes in food services	16
2.1.4 Better designed eating experiences	16
2.1.5 Virtual reality.....	17
2.1.6 Out-of-centre retailing	17
2.2 Commercial trends	18
2.3 Industrial trends	20
2.4 Agriculture Trends.....	21
2.4.1 Agribusiness	23
2.4.1 Agritourism.....	23
2.5 Increasing demand for residential uses in centres.....	24
2.6 The potential impact of driverless cars	24
2.7 Airports and related industries	25
2.8 In the context of the study area	25
3.0 Ballina Shire Economy.....	28
3.1 Resident Population	28
3.1.1 Resident population growth.....	28
3.1.2 Education attainment.....	29
3.1.3 Employment status.....	29
3.2 Growth in the LGA Economy	30
3.2.1 Jobs in the LGA	30
3.2.2 Gross Value Added (GVA).....	30
3.3 Ballina Shire Location Quotient	31
3.3.1 Industry of employment and location quotient	31
4.0 Employment Precincts	35
4.1 Retail and Commercial Precincts	35
4.1.1 Ballina Town Centre (Commercial Core)	35
4.1.2 Kerr Street Retail Precinct (Commercial Core)	36
4.1.3 Alstonville (Local Centre).....	37
4.1.4 Lennox Head (Local Centre)	38
4.1.5 East Ballina and Shaws Bay neighbourhood centres (B1 zone)	39
4.1.6 Wollongbar (local centre/ neighbourhood)	40
4.1.7 West Ballina (local centre/ neighbourhood)	41
4.1.8 Wardell (local centre/ neighbourhood).....	41
4.1.9 Summary of existing commercial centres in Ballina Shire	42
4.2 Pipeline Developments.....	42
4.3 Industrial and B5 Business Development Zoned Land.....	43
There is one industrial land use zone in Ballina Shire, namely, IN1 General Industrial.....	43
4.3.1 Southern Cross Drive Precinct	43
4.3.2 Russellton Drive Industrial Precinct.....	43
4.3.3 Smith Drive Industrial Precinct	43
4.3.4 Clark Street Industrial Precinct.....	43
4.3.5 Pipeline Developments	43
5.0 Demand for Retail Space.....	46
5.1 Retail expenditure modelling	46
5.1.1 Trade area definition.....	46
5.1.2 Forecast population	46
5.2 Tourism expenditure	47
5.3 Forecast of potential retail sales in the centres	48
5.4 Forecast demand for retail floor space	48
6.0 Employment Lands Demand and Capacity.....	51
6.1 Employment precinct demand	51
6.1.1 Methodology of forecasting.....	51

6.1.2	Ballina Shire job forecast	51
6.1.3	Forecast demand for industrial land	52
6.1.4	Forecast demand for office space	52
6.1.5	Forecast demand for key Industry sectors	52
6.2	Land supply.....	53
6.3	Capacity assessment	54
7.0	Recommendations.....	56
7.1	Objectives of the Strategy	56
7.1.1	Retail Centres	56
7.2	Demand for employment space	56
7.3	Commercial Centres Hierarchy.....	57
7.3.1	Future Village Centres:	57
7.4	Industrial areas.....	57
7.5	Other Strategies	58
7.5.1	Ballina Commercial Core	58
7.5.2	Cumbalum Precinct A	58
7.5.3	Monitoring and Review	58

Figures

Figure 1:	Commercial and Industrial Hierarchy in Ballina Shire	7
Figure 2:	Growth in retail turnover in NSW 1982-2018 by industry group	14
Figure 3:	Burwood Brickworks Rooftop Garden and Hugo’s Manly (right)	16
Figure 4:	Business characteristics of job growth in NSW	18
Figure 5:	Australia’s GDP from Agriculture	21
Figure 6:	Agricultural Employment in Australia	22
Figure 7:	Ballina Shire Location Quotation by industry.....	33
Figure 8:	Ballina Town Centre (B3 and B4 zone)	35
Figure 9:	Kerr St Retail Precinct (B3 Zone) Commercial Core	36
Figure 10:	Alstonville Local Centre (B2 zone).....	37
Figure 11:	Lennox Head Local Centre (B2 zone)	38
Figure 12:	East Ballina Neighbourhood Centres (B1 zone)	39
Figure 13:	Wollongbar Neighbourhood Centre (B1 zone)	40
Figure 14:	West Ballina -Commercial Core (B1 and B6 zone)	41

Tables

Table 1:	Australians major agricultural exports	21
Table 2:	Historical population growth	28
Table 3:	Forecast population growth.....	28
Table 4:	Highest non-school qualification achieved (15 years and above)	29
Table 5:	Employment status	29
Table 6:	Total jobs by industry in Ballina Shire 2002-2018	30
Table 7:	Gross Value Added by Industry in Ballina Shire 2002-18 (\$m).....	30
Table 8:	Ballina LGA Location Quotation by industry	32
Table 9:	Ballina Town Centre (B3 and B4 zone) Commercial Breakdown.....	35
Table 10:	Kerr Street Retail (B3 zone) Commercial Breakdown	36
Table 11:	Alstonville (B2 zone) Commercial Breakdown	37
Table 12:	Lennox Head (B2 zone) Commercial Breakdown	38
Table 13:	East Ballina (B1 zones) Commercial Breakdown	39
Table 14:	Wollongbar (B1 zone) Commercial Breakdown	40
Table 15:	West Ballina (B1 and B6 zone) Commercial Breakdown	41
Table 16:	Summary of total retail floor space.....	42
Table 17:	Trade Area Population forecast	46
Table 18:	Estimated retail expenditure per capita (\$2018)	47
Table 19:	Estimated total retail expenditure by trade area residents (\$m).....	47
Table 20:	Tourism Expenditure Statistics.....	48
Table 21:	Ballina centres potential retail sales in 2018 (\$m)	48
Table 22:	Demand for retail floor space to 2041 (sqm)	49
Table 23:	Current supply of retail floor space in the Ballina Shire.....	49
Table 24:	Recommended Net increase in Retail Space by 2041 (sqm)	49
Table 25:	Ballina Shire Employment projections	52
Table 26:	Industrial Zoned Land Ballina Shire by Location (hectares)	54
Table 27:	Industrial Zoned Land Capacity in Ballina Shire	54

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EXECUTIVE SUMMARY

HillPDA was commissioned by Ballina Shire Council (Council) to undertake a review of commercial centres and employment lands in the Ballina Local Government Area (LGA). This review includes an analysis of recent market trends and drivers, identifying capacity, supply constraints, and project future land requirements to accommodate additional growth.

The Ballina Economy

Ballina Shire's population has increased from around 38,500 in 2006 to almost 41,800 in 2016 (11.3% growth). Forecast.ID suggests it will reach 53,600 by 2041.

The total number of jobs in Ballina Shire increased to 17,261 in 2018, up from 13,644 in 2002 (almost 4,000 increase). The strongest areas of growth have been Health Care and Social Assistance (1,570 jobs or 39%); Education and Training (722 jobs or 18%) and Accommodation and Food Services (419 jobs or 11%)

Growth in manufacturing has been more modest at around 4% of total job growth but there are some opportunities for expansion in this industry, particularly in food product manufacturing. Professional services, agribusiness and multimedia and creative industries are also key industries for Ballina. Byron has a competitive advantage over Ballina Shire with respect to Multimedia and Creative Services Industries making it more difficult for Ballina Shire to attract major players in these industries. However Ballina has an airport which could attract airport related industries as well as businesses that desire close proximity to improve efficiencies and reduce travel costs.

Employment Precincts

Ballina (CBD) is the major regional centre in the wider area with a large trade area that extends into Lismore and Byron LGAs. The CBD has more than 300 retailers and a further 222 commercial businesses occupying almost 186,000sqm of employment floor space. The Kerr Street Retail Precinct contains three big box shopping centres comprising Ballina Central (14,127sqm), Ballina Fair (14,854sqm) and Ballina Kmart (5,560sqm).

There are a few supermarket based district and local centres in the Ballina Shire as well as a number of smaller neighbourhood centres.

The main established industrial area in Ballina is Southern Cross Drive which is 76 hectares in size. This precinct provides urban services as well as some manufacturing, bulky retailing, storage and transport industries and is largely developed (55 hectares occupied) with only 21 hectares remaining vacant of which 5.6 hectares is constrained (development unlikely to be feasible or practical). There are plans to expand the Precinct to provide a further 38.2 hectares of industrial land which will largely be delivered within a ten-year period.

There are several highway based fast food restaurants, motels and around 26,000sqm of bulky goods retailing within the industrial precincts.

Recommended Objectives

In order to develop and evaluate a range of options for the planning and management of employment lands in the LGA it is necessary to have a clear set of objectives. Below is a recommended list of key objectives for Ballina's Commercial Centres and Employment Land Strategy:

- Promote Ballina Shire as the major city centre for the North Coast Region;
- Provide quantity, quality and convenience for consumers as well as a wide range of shopping opportunities and commercial experiences;
- Provide for further growth in retail and commercial space to meet growth in demand generated by population and household growth;
- Protect the integrity and viability of existing centres to the extent that they continue to perform a valuable community function;
- Protect current employment levels in retailing and hospitality industries for the residents of the LGA and expand opportunities for further employment;
- Promote tourism as an important base industry;

- Promote other potential base industries such as food product manufacturing, professional, scientific and technical services (including business development), agribusiness and to a lesser degree multimedia and creative industries; and
- Provide ample employment lands to accommodate the range of potential industries that would seek to invest in Ballina Shire.

Retail Centres

An important objective of any retail strategy is to achieve the right level of shop front retail and commercial floor space. An undersupply of floor space creates the following problems:

- It undermines the objective of residents having the widest possible range of shopping opportunities and commercial services;
- It undermines the objective of providing quantity, quality and convenience for consumers;
- It results in longer travel times for shopping and increased car use;
- It results in increased congestion, parking difficulties and loss of convenience; and
- It results in more “out-expenditure” escaping the LGA and less “in-expenditure” from other LGAs.

An oversupply of shop front retail and commercial floor space results in:

- High vacancies, low rents and neglect of retail centres;
- Inefficient use of land and other resources; and
- An uninviting appearance and ambience with lack of users, property neglect and urban blight.

In many cases an oversupply of shop front space occurs as a result of intense competition in the retail industry with competitors trying to be first. In high growth areas oversupply is only a short-term problem. However in areas of stagnant population growth, oversupply is an issue that is more difficult to address.

Notwithstanding the above, retail space is often increased in quantum leaps due to the sizes of majors or anchor tenants and the need to include a component of specialty stores to ensure viability of development.

Demand for Employment Space

The forecast of demand for employment uses (commercial centres and business development / industrial areas) was based on population growth projections. The population projection is based on Forecast.ID which forecasts almost 11,000 more people in Ballina Shire from 2016 to 2041 to almost reach 53,600.

Expansion of employment uses will be required to meet demand for jobs over the next 20-25 years. This includes:

- 48,500sqm of additional retail space in Ballina Shire;
- 37,000sqm of additional office space in the LGA of which say 10% would be distributed in the district centres and the balance in the CBD and B6 zoned areas.
- Up to 50 hectares of additional industrial zoned land of which the bulk of it can be accommodated in Lennox Heads and Southern Cross Industrial Estate in Ballina. There is also potential for extending Russelton Drive Industrial Precinct as well as additional potential sites in Wardell.

Commercial Centres Hierarchy

The existing commercial centres in Ballina Shire are classified as follows (refer to Figure 1):

Commercial Core: Ballina CBD (including Ballina Town Centre and Kerr Street Retail Precinct) is a main city centre for the North Coast region comprising almost 186,000sqm of employment floor space of which around 91,700sqm is occupied retail space. Anchor retailers including three discount department stores and four full line supermarkets.

District Centres: Alstonville and Lennox Head have been identified as District Centres. Alstonville currently provides a full line supermarket whilst Lennox Head is serviced by small format supermarket (IGA). As the population within Lennox Head grows substantially there will be potential for one to two full line supermarkets. A 3,500sqm supermarket has already been proposed as part of the Epiq Centre in Lennox Head.

Local Centre/ Neighbourhood Centres: Local centres generally have a leasable floor area of between 2,000sqm and 10,000sqm and are generally anchored by a supermarket or large food and grocery store. Neighbourhood centres are generally less than 2,000sqm, comprise of several small shops and lack an anchor tenant. They may include a supermarket but would be a mini-supermarket – such as a ‘Friendly Grocer’, the size of a specialty store.

There is one local centre in Ballina Shire, namely, West Ballina; four neighbourhood centres in Ballina Shire being East Ballina, Shaws Bay, Wollongbar and Wardell and two rural commercial hamlets including Newrybar and Tintenbar.

Homemaker / Bulky Goods: These centres have a concentration of large bulky goods stores including hardware, furniture stores, electrical goods stores, home renovations, camping stores, saddleries and the like.

There are a number of such stores in the CBD (or CBD fringe) such as Super Amart, Snooze and Repco. However the main concentration is in the Southern Cross Precinct. This area has developed as the main destination for bulky goods shopping. In addition it provides some 4,000-5,000sqm of home renovation type floorspace selling products such as lighting, blinds and awnings, kitchens etc., for example Reece, Dulux and Giltrap Flooring. Trade-related sales are likely to account for the majority of their revenue but we note that they also retail directly to the public. West Ballina and Clark Street Industrial Area also provide significant provision of bulky goods retailing.

Future Village Centres:

Additional retail facilities of a neighbourhood/local scale are planned for Epiq Lennox Head development, Kinvara and Cumbalum urban release areas and Skennars Head expansion area in the future. These centres will all be required before 2041 – with Epiq required in the short term (five years) and the remaining centres in medium to longer term.

Figure 1: Commercial and Industrial Hierarchy in Ballina Shire



Source: Ballina Shire Economic Development Strategy 2019

Industrial Areas

Ballina Shire has around 50 hectares (37 hectares excluding constrained land) of vacant IN and B6 zoned land to accommodate future demand for industrial development out to 2041. The above forecast suggests an additional 50 hectares of industrial zoned land is required by 2041 to meet demand.

There is however 37 hectares of current vacant developable land and 110 hectares of proposed industrial land in Ballina LGA (Section 4.3.5). This would increase the total supply of vacant industrial lands to 147 hectares (net of constrained land). This is more than sufficient to meet forecast demand to 2041.

The majority of vacant land is in Southern Cross Drive Industrial Precinct near the airport including the Southern Cross Industrial Estate Expansion Area. There is potential to develop the site to include secondary industries including food product manufacturing, professional services (with potential for co-working spaces and start up incubators) leveraging from the adjoining airport and road infrastructure.

The Sydney Startup Hub Regional Landing Pad has had a significant impact in connecting regional startups to the Sydney ecosystem to expand their networks and target business opportunities¹. There is potential for Ballina Shire to leverage from this successful and established platform and develop a “start up” incubator in the Southern Cross Industrial Expansion Area.

There is also potential for Ballina Shire to develop its multimedia and creative industries. For these industries to become a base industry this would require significant investment possibly in the form of grants, subsidies and education institutions working collaboratively to promote the industry. Critical mass is a key success factor along with access to a strong talent pool and clients.

Other Strategies

Ballina Commercial Core

It is recommended that a masterplan be prepared for Ballina CBD with the objective of identifying potential development sites, ensuring adequate supply of suitable sites to accommodate growth over the next 20 years, developing urban design options for growth and the feasibility testing of those options.

Newrybar

It is recommended that Council investigate further of commercial opportunities in Newrybar and capitalise on its established reputation as a rural tourism hub.

Cumalum Precinct A

A similar structure plan or masterplan should be prepared for Cumalum Precinct A urban release area to accommodate a future local/neighbourhood centre.

Monitoring and Review

It is further recommended that the Commercial Centres and Employment Lands Study be reviewed every six or seven years to enable Council to monitor growth, determine how the LGA is tracking against the original forecast and whether or not the strategy requires amendments.

¹ Sydney Startup Hub One Year Report 2019



INTRODUCTION

1.0 INTRODUCTION

HillPDA was commissioned by Ballina Shire Council (Council) to forecast demand and supply of commercial and industrial land within Ballina Local Government Area (LGA) to the year 2041. This study includes an analysis of recent market trends and drivers, identifying capacity and supply blockages, and project future land requirements to accommodate additional growth in demand.

1.1 Purpose of this Study

Ballina Shire Council is undertaking a review of the Ballina Shire Local Growth Management Strategy (the Strategy). The Strategy provides the framework for managing population and employment growth in Ballina Shire with respect to residential, commercial and industrial development opportunities over the next 20+ years.

This Study has been prepared as required by the Growth Management Strategy and is intended to inform the successive Strategy and associated planning guidelines. More specifically this study was galvanised to guide and stimulate appropriate development within Ballina Shire and identify emerging business opportunities in the Shire.

1.2 Employment land uses

This study considers all employment zoned land across Ballina LGA – that is land zoned for retail, commercial and industrial purposes. For simplicity employment precincts have been categorised into two broad classifications – employment lands (areas generally zoned IN and B5, B6 and B7) and commercial centres (centres generally zoned B1, B2 and B3 and in some cases include B4).

1.2.1 Commercial centres

Commercial centres are generally higher density employment areas containing concentrations of businesses involved in population serving, retail, knowledge intensive and health related uses. They are important employment generators, provide for the daily/weekly shopping needs for local residents and workers and are an important focal point for the local community where people can meet and socialise. They also provide

important commercial and personal services including banking, real estate, health, hair and beauty, etc.

For the purpose of this study, commercial centres include land zoned as B1 Neighbourhood Centre, B2 Local Centre, B3 Commercial Core, B4 Mixed Use and RU5 Village.

1.2.2 Employment lands

As defined by the Department of Planning and Environment’s (NSW DP&E) Employment Lands Development Monitor (ELDM), employment lands are defined as:

“land zoned for industrial or similar purposes in planning instruments. They are generally lower density employment areas containing concentrations of businesses involved in: manufacturing; transport and warehousing; service and repair trades and industries; integrated enterprises with a mix of administration, production, warehousing, research and development; and urban services and utilities.

They are vital to the functioning of our urban areas, providing space for:

- *Essential services such as waste and water management, repair trades and construction services*
- *Warehousing, logistics and distribution centres*
- *Areas for businesses that design, manufacture and produce goods and services”.*

Employment lands primarily encompasses land zoned as IN1 General Industrial, IN3 Heavy Industrial, B5 Business Development and B7 Business Park.

1.3 Ballina Shire

Ballina Shire is located within one of the fastest growing regions of Australia, the Far North Coast of New South Wales some 780 kilometres to the north of the Sydney and 230 kilometres south of Brisbane.

Ballina is the Shire's strategic centre and provides essential and higher-level services to residents. Ballina Town Centre and the Kerr Street Retailing Precinct are the primary commercial centres for the Shire and are described as follows:

- The Ballina Town Centre area is characterised by a mix of retail, civic and professional services type uses focussed along River Street.
- The Kerr Street Retail Precinct is anchored by two shopping centres; Ballina Fair, the Kmart and Coles shopping complex and Ballina Central, with supporting High Street retail.

In addition to the central commercial facilities at Ballina smaller scale commercial facilities are provided at Lennox Head, Alstonville, Wollongbar, West Ballina and East Ballina. These centres fulfil local service needs for residents who are based further inland and on the coast. Modest retail services and amenities are also provided in the Shire's rural villages such as Wardell, New Rybar and Tintenbar.

Bulky goods and homemaker outlets are located at the Southern Cross, Clark Street and Russellton Industrial Estate areas, as well as dispersed along the former Pacific Highway.

There are a number of existing and planned commercial centres across the LGA identified by their B1 Neighbourhood Centre, B2 Local Centre, B3 Commercial Core, B4 Mixed Use and B6 Enterprise Corridor zones under the Ballina Local Government Environment Plan 2012 (BLEP 2012).

A blurred background image of a business meeting. A woman in a dark suit is on the left, holding a folder and pointing towards a whiteboard. A man in a dark suit is on the right, looking towards the whiteboard. The whiteboard has some faint diagrams or charts on it. The entire image has a blue tint and a white border.

MARKET TRENDS

2.0 MARKET TRENDS

The following Chapter documents historic and emerging trends in the commercial/retail markets and resultant implications in planning/demand for such land uses in the study area into the near future.

2.1 Retail industry trends

The future of retail is shifting strongly towards experience and convenience, with technology driving the change. This is part of a continually evolving retail market, which has been most significantly influenced by the growth of online retailing. As the retail industry's innovative nature is driven largely by the need to anticipate and respond to its customers' needs and desires, changing socio-demographics and lifestyles require individual retailers to constantly monitor shifts in demand and reposition their offer and in instances, their mode of operation and distribution. Some of the trends influencing retail activity include:

- Full line supermarkets, that is supermarkets over 3,000sqm, are increasingly anchoring smaller centres
- Mixed successes with the discount department stores
- New format supermarkets are being tried and developed such as metro style or café/restaurants within
- Growth in mini-major retailers overall, despite failure with several chains (e.g. Dick Smith)
- Redevelopment of some underperforming centres into mixed-use developments with high rise residential above
- The emergence of 'dark' and "last mile" stores for online sales
- Continued expansion of new and existing international retailers
- Continued evolution of online retail.

Over the last three and a half decades all retail industry groups have recorded positive growth in turnover. However, food retailing has out-performed all other industries over

this period, recording a \$3 billion or 709% growth in turnover. Of this growth, around \$2.5 billion was attributed to supermarket and grocery stores with this subcategory comprising 83% of the turnover recorded for food retailing in 2018².

Strong growth has also been recorded in the industry of household goods retailing, especially circa 2000. This industry is closely linked to the property market where the purchase of new white goods and other furnishings go hand and hand with the purchase of a new dwelling or redevelopment/refurbishment of an existing dwelling. This linkage can be seen in the slight decline in turnover experienced by the industry between 2009 and 2012. This is likely a result of the global financial crisis where uncertainty subdued development and retail expenditure.

The growth in leisure shopping and the rise of the café culture in NSW have witnessed strong growth in the provision and turnover of the cafes, restaurants and takeaway food services industry in recent years. This is evident in the industry experiencing a \$645 million or 49% increase in turnover over the last eight years³.

The rise of the café culture has seen a dramatic increase in the number of cafes and restaurants across NSW with increased demand for outdoor dining options and enhanced amenity within centres to facilitate this.

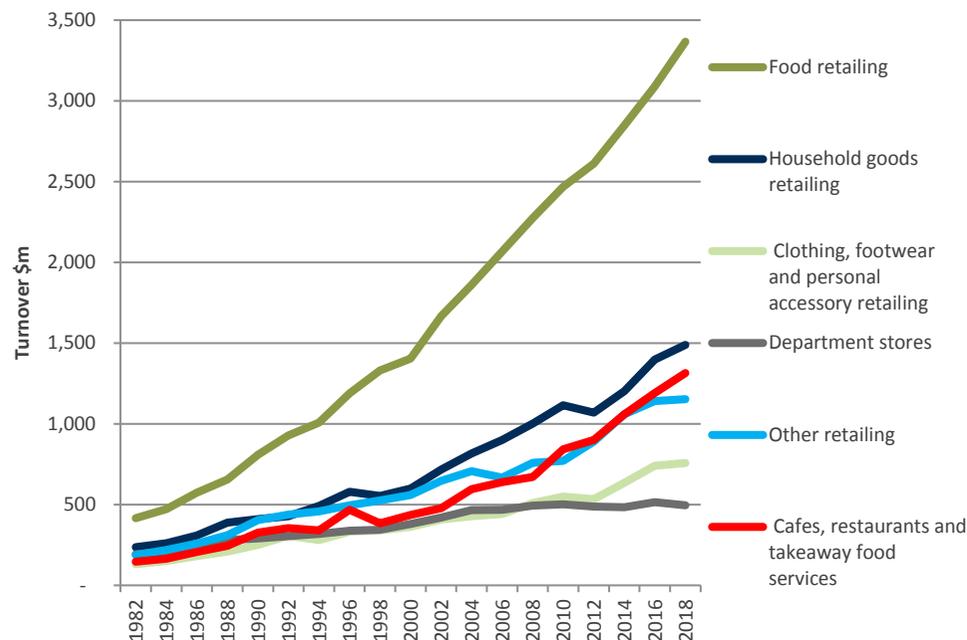
Turnover of department stores has been variable and subdued over recent years, recording only a \$2 million increase in turnover over the last eight years⁴. Recently department stores have experimented with new innovative sales and in-store experiences to attract shopper and reverse this trend, while also shrinking in size. Innovation in new technologies, niche markets and unique experience will need to be constantly provided and examined for this industry type to remain relevant and profitable.

² ABS Cat. 8501.0 Retail Trade, Australia Table 13

³ ibid

⁴ ibid

Figure 2: Growth in retail turnover in NSW 1982-2018 by industry group



Source: ABS Cat. 8501.0 Retail Trade, Australia Table 13

From the above analysis, and given a stable economic environment, we can determine:

- Demand for supermarket and grocery stores will continue to experience strong growth in the coming years, with the possible provision of neighbourhood supermarkets in smaller centres
- The growth in the café culture will continue to increase demand for new cafés and restaurants across the study area. Demand for outdoor dining options will also increase which may require amenity improvements in some commercial centres
- The attraction of new or expanded department stores to and in the study area is unlikely in the near future, as their market share has been relatively flat over recent years. Existing stores will continue to consolidate, evolving and innovating to reflect the changing trends in shopper preferences and habits.

2.1.1 New format supermarkets in smaller village and neighbourhood centres

A recent trend, which is likely to continue to influence the retail market, is the demand for larger format retail space and other new format supermarkets in smaller centres (i.e. greater than the traditional retail small centre floor plates of 400-600sqm). This trend would see an increase in proposals seeking to develop supermarkets of around 1,000sqm to 1,500sqm in smaller retail centres where previously smaller supermarkets or convenience stores may have prevailed. It is anticipated that this trend will continue, owing to:

- Growing demand for additional supermarket facilities as a result of urban infill development
- Accommodating full-line supermarkets is difficult due to site amalgamations and increasing land scarcity
- Full-line supermarkets implementing their market share growth strategy via targeting smaller centres
- Consumer habits increasingly favouring multiple smaller convenience shopping trips during the week rather than one large trolley load
- Increasing desire from consumers for walkable, convenient access to food and grocery shopping reflecting declining vehicle ownership/usage and expectations for access to retail facilities outside of traditional trading hours
- Strong activity from smaller supermarket operators including ALDI and Harris Farm with Coles and Woolworths increasingly competing at this end of the market.

This trend has been reflected in the NSW DP&E's recent amendments to the definition of a neighbourhood supermarket in the standard local environmental plan template. This change in land use definition permits the development of small-scale supermarkets up to 1,000sqm in size in the B1 - Neighbourhood Centre zones.

The restricted size of a maximum gross floor area (GFA) of 1,000sqm is intended to ensure compatibility with the scale and nature of the surrounding, predominately residential, area while also allowing for the development of essential services to serve the needs of people who live and work in the surrounding neighbourhood.

The attraction of larger supermarkets (up to and over 1,000sqm) into smaller centres can have both a negative and positive impact. In terms of negative impact, a larger

supermarket will directly compete with smaller speciality shops, such as bakeries, butchers and fruit and vegetable shops.

At the end of the spectrum, the presence of a supermarket can increase the attractiveness of a centre to its surrounding community, thereby increasing visitation. This increased foot traffic (an increase in the number of persons visiting the centre) has flow on benefits for other shops in the centre through increased opportunity for capturing passing trade.

2.1.2 Continued evolution of online retail

A major topic of debate regarding the future of retail in Australia is the continued growth of online retailing and the likely impacts this may have to ‘bricks and mortar’ retail stores.

The latest data from the National Australia Bank (NAB) estimates Australian online spend at around \$28.5 billion over the 12 months to October 2018. This is equivalent to 9.0% of spending at traditional bricks and mortar retailers, as measured by the ABS in the 12 months to September 2018. Generally, there was a moderate slowing in penetration rates for seven of ten retail categories in October, with only three categories accelerating (games and toys; wholesales; and fashion) all other categories experienced a slight decline (grocery and liquor; media; homewares and appliances; department stores; personal and recreational; food catering and daily deals).

Retail analysts generally agree that online retail growth is likely to continue to grow in the future, although there is no consensus as to the amount of growth that can be expected. The rate of growth from March 2017 to October 2018 was estimated at 0.3%⁵.

The growth of online retail is changing the way shoppers interact with physical retail stores, both expanding the opportunity for smaller boutique retailers in smaller local centres to access larger customer markets and creating competition for established bricks and mortar premises. In the twelve months leading to 2017, online purchases increased by 11.5% compared to 2016, with many shoppers switching to online sources due to better prices, more variety, easier comparisons and convenience⁶. In 2017 online sales comprised 8% of total traditional retail sales for that year⁷. Buyers are more commonly shopping online in a

bid to seek more affordable prices for everyday essentials, avoid crowds and for a more effective use of their time⁸.

An opportunity for online markets and the promotion of unique brands have seen the emergence of local entrepreneur retailers, manufacturing, and distributing goods. Online retailing has enabled boutique or speciality retailers to compete in a broader market, with less reliance on traditional shops to gain market penetration.

Despite the growth, a number of barriers in online retailing are preventing some business owners from fully leveraging this market to the greatest potential. These include:

- Slow or limited internet connectivity
- Unfamiliarity with the internet or web design
- Limited vacancy in warehouse and distribution space.

The emergence of online retailing has affected land use and building requirements. NSW is seeing a growing demand for warehousing and distribution facilities, including in inner city and fringe locations. These locations ensure that consumers get same-day delivery, with some stores opting for "within an hour", which is termed "last mile delivery". CBRE has estimated that across Australia *the growth in e-commerce sales will generate demand for an additional 350,000sqm of distribution space annually*⁹.

The growth in online retailing will affect the traditional brick and mortar stores. However, traditional retailing will not become obsolete. Instead, retailers in the study area will need to adapt and evolve becoming or providing either display spaces, showrooms or increased experience as destinations that represent a brand’s story or objective¹⁰.

Overall, it is likely that continued growth in online retail will impact on shopper’s interactions with physical stores. However, current industry forecasts suggest this may not lead to a significant decline in demand for high street floorspace (with particular regard to supermarket floorspace) since population growth will continue to drive demand for

⁵ NAB Online Retail Sales Index

⁶ 2017 eCommerce Industry Paper, Australia Pose and Startrack

⁷ Sydney Morning Herald, Omni-channel retail the new fix for quick service, By Carolyn Cummins 2018

⁸ *ibid.*

⁹ Sydney Morning Herald, Omni-channel retail the new fix for quick service, By Carolyn Cummins 2018

¹⁰ Sydney Morning Herald, Omni-channel retail the new fix for quick service, By Carolyn Cummins 2018

additional retail shop front space to be provided in local centres over the medium to longer term.

2.1.3 Changes in food services

The food offering is increasing, largely as a result of changes in consumer behaviour – less cooking at home, increasing consumption of meals out and a desire for entertainment and socialisation whilst eating. Food is also diversifying resulting in a broadening of consumer choices and palates and an increased diversity in ethnicity of the population. More and more consumers are expecting high-quality food and a wide choice anywhere, at any time.

Cooking shows have had a significant impact on consumer behaviour. They have changed the way people eat out and prepare their own meals from simple meals to fine dining. With such an intense focus on fine food and the unique ingredients used to create it, the general public has developed a taste for gourmet foods that were once exclusively targeted at affluent consumers who had the knowledge and the means¹¹.

Speciality food stores, take-away and restaurants are changing and new formats are emerging. Supermarkets are also changing their formats. Certain discount format supermarkets such as Bi-Lo and Flemings have disappeared while Coles and Woolworths have introduced more metro style and upmarket formats. The new Coles supermarket in East Village, Zetland is a good example. These formats look more and more like fresh food halls than traditional supermarkets with several long isles.

There are a number of overseas examples of emerging trends and new retail formats which have recently made their way on to the Australian market or are likely to make their way into the Australian market over the next decade or so.

These include the following:

- Amazon markets with no checkouts where the shopper can eat-in or take-out and have the items automatically billed to their credit account
- Adaptation of heritage buildings such as Mercado da Ribeira Timeout Market in Lisbon and the Chelsea Markets in New York
- 3-D printed food designed by the customer him/herself

- Pop-up kitchen and restaurants
- Restaurants combined with cooking classes
- Uber eats where fine dining is delivered.

Internet shopping and social media are being used increasingly in food services. However, when it comes to food services, the impact on bricks and mortar food and beverage retail is not as significant as it potentially is for non-food retail. This is because when food is ordered online it is prepared, in most cases, by the same food outlet or restaurant that people dine in.

2.1.4 Better designed eating experiences

With the rise of the café culture and increased food awareness, the eating experience has become increasingly important. With customers seeking an experience where it is not just about the food but also the environment they eat in, creating the needs for designing venues that also enhance and excite a customer’s sense of touch, smell, sight and taste. Venues that create this “point of difference” or unique experiences can evoke an emotional response and attachment from customers that will have them recommending the venue to others and increase word of mouth referrals.

Figure 3: Burwood Brickworks Rooftop Garden and Hugo’s Manly (right)



Source: HillPDA, Frasers Property, Hugos.com.au

This “experience” has seen increased demand for comfy outdoor dining options with centres needing to respond through providing improved centre amenity. Venues can also extend their trading hours, provide natural themes or taking advantage of existing natural

¹¹ The democratisation of food, SCN

assets or open space, where venues open onto scenic views or green spaces can also create a connection to the land, increasing dining experience.

2.1.5 Virtual reality

Virtual reality using VR headsets or 3D “holorooms” and holograms give the customer a virtual experience as well as the ability to design, decorate and view live. Lowe’s Innovation Lab in the USA is an example of this technology in DIY renovation stores. In the future, this technology will also become increasingly useful for other retailers and services such as real estate and travel agents, car dealerships and clothing stores.

The virtual change rooms is also a recent technology that aims to enhance the shopper experience, enabling the shopper to see themselves with numerous full-scale virtual outfits in a short space of time without leaving the change room.

Myer and eBay have recently created the world’s first virtual reality department store enabling consumers with a VR headset, iOS or Android device to browse and choose the departments of interest and navigate through the product range with their gaze. By simply hovering over a certain product customers can view a 3D model and are given the option to hover over information icons, which give more details in regards to full product specifications, price, availability and shipping details.

These technologies increase the shopper experience, save time and attract shoppers into the store. This technology, coupled with the potential impacts of driverless cars and last mile delivery services allow retailers to downsize while still offering the same range of services and products.

2.1.6 Out-of-centre retailing

The continuing high level of demand for floorspace from bulky goods operators and other retailers such as supermarkets will lead to continued pressure to develop on out-of-centre industrial and employment sites, given the constraints in in-centre development. Factors and constraints that contribute to the attractiveness of out-of-centre developments have

been the lack of appropriate and sizable sites in established centres and the relatively low land values when compared to the high street.

The development of out-of-centre retailing, especially those with supermarkets, has the potential to affect the continued economic viability of the established centres across the study area. For example, an international study found that the presence of out-of-centre retailing can negatively affect retail activity in nearby centres by around 12%¹².

Although new centres should be allowed to form and develop, especially in areas of high growth and where demand is shown, existing centres should be the primary location for new commercial and retail floorspace. This could be achieved by tightening the sequential approach assessment, reducing barriers to in centre development such as development contribution levels, adherence to certain design requirements and retail demand and impact assessments, as well as providing disincentives for out-of-centre investment.

At the same time, in such instances where insufficient land is available to meet demand in centres, proactive action could be taken to:

- Identify additional land within centres (e.g. council car parks or additional levels above existing shopping centres) to facilitate new retail development
- Where there is a genuine demand which cannot be met in centres, ensure the zoning of additional land for retail and commercial uses to accommodate future growth
- In such instances where demand cannot be met within or on the edge of centres, provide a clear process for facilitating the development of new centres in appropriate locations which are well connected to public transport and consumer markets. This is especially relevant for the LGAs with numerous urban renewal and priority precincts.

¹² Land Use Policy, The impact of out-of-town shopping centres on town-centre retailers and employment: The case of the Region of Murcia. Armando Ortuño Padillaa; Antonia Alarcón Hermosillab; and Olga Tomás Ozoresc 2017

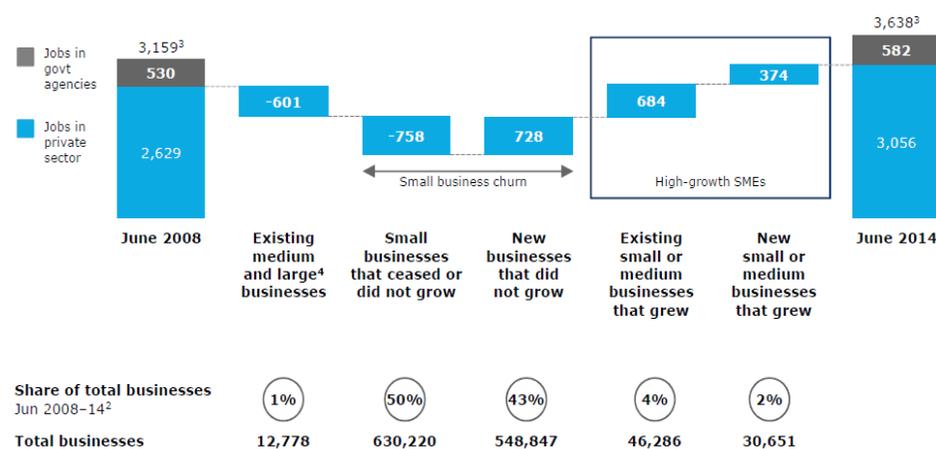
2.2 Commercial trends

Between 2008 and 2014, over 1 million new jobs in NSW came from just 6% of businesses: new or growing Small, Medium and Enterprises (SME). Of that, around 60% of these jobs came from existing firms that grew from less than 20 people to up to 199 people.

Figure 4 shows that 12,778 higher-profile medium and large businesses shed around 600,000 jobs over the same period, largely due to productivity improvements in their very large workforces. In the remaining small businesses, which make up 93% of all companies in NSW, jobs in new businesses simply replaced those in shrinking ones.

Figure 4: Business characteristics of job growth in NSW

Contribution to jobs growth (June 2008–2014), NSW¹
Jobs, Thousands



SOURCE: Calculations based on bespoke data provided by Australian Bureau of Statistics, based on Counts of Australian Businesses database, public sector employment from ABS Cat 6428

Source: Jobs for the Future NSW

NSW’s experience is similar to that observed in Europe and the US. A 20-year analysis of net job growth in the US revealed that firms less than five years old were the only cohort of firms that were net job creators. Every other cohort shed more jobs than they created.

There are four challenges to future job creation in NSW, these include:

- Increasing global trade in the knowledge economy
- New challenges in faster-changing industries
- Increased automation of the manufacturing line
- An ageing population.

NSW’s ability to respond and adapt to these challenges or ‘disruptions’ will play a key role in determining the state’s success in being able to compete on a global platform for the jobs of the future.

Start-ups have great disruptive potential because of the ease with which they can reach global audiences through the use of technology. With high labour productivity and lower capital requirements than industry incumbents, these businesses can exploit a competitive advantage in price¹³.

In terms of spaces (i.e. floor plates) in which people work are also changing, with the traditional purpose-built office space increasingly giving way to more flexible options like co-working spaces. These spaces act as a shared workspace for a highly diversified workforce of small businesses, start-ups, freelancers, and entrepreneurs. The rise in demand for co-working space has grown by 6% annum in the five years up to 2017, with approximately 50,000sqm of space existing in Sydney in that year¹⁴. That said, there is still demand for larger floor plates >2,000sqm to accommodate international or domestic corporations. Although these tenants would likely be more attracted to CBD/ town centre locations, improved connectivity, commercial/retail services and lifestyle attractors within Southern Cross Industrial Estate may increase the attraction of this precinct to such tenants.

¹³ PwC (Commissioned by Google, 2013): The Startup Economy; How to support tech startups and acceleration innovation

¹⁴ Knight Frank, 2017

The initial demand for these spaces has been focussed around urban cores, with 53% of Australian co-working spaces located in CBD or metro areas in 2017. However, there has been growth in other areas, with 32 per cent of spaces in suburban locations away from metropolitan centres¹⁵. This growing demand for flexible workspaces away from the metropolitan core echoes trends in the US market, where a growing demand for flexible working spaces in suburban locations has been observed¹⁶. This expansion will be further driven by growth in the Freelancing and Gig Economy.

Co-working is well suited for comparatively small office spaces (<200sqm) with evidence suggesting faster take-up by co-working tenants compared to traditional tenancy arrangements. While the demand from co-working space operators is primarily domestic at present, it is predicted that the imminent entry of international operators will increase demand for spaces suited for co-working¹⁷.

JLL has predicted that 30% of all office space will be classed as flexible by 2030⁶. The demand for these types of spaces is continuing to grow, most notably in suburban locations. Commercial spaces, like those in the study area, would be viable candidates for this type of use.

The impact of technology is fundamentally changing the way in which people work, adding flexibility to when and how they allocate their time. The traditional concept of the workplace being a fixed space is changing, with telecommuting and remote working now commonplace. While research has found that there has been an overall decrease in regular work from home since 2001, it remains highly prevalent amongst managers and professionals, with 41% of managers and 38% of professionals regularly working at home in 2016¹⁸. Over the last twenty years the proportion of employed professionals has expanded rapidly, now comprising the largest occupational grouping, at almost 24%. As a consequence telecommuting is set to continue expanding⁹.

This is playing out in the changing nature of contemporary workplaces, and therefore the type of spaces that are in demand. This translates into people working from home or other suitable spaces. Naturally, this will have a flow-on effect into the way commercial space is

used in the study area, influencing the times when offices are active and the total floorspace required by different industries.

Government led initiatives is also generating incubator spaces and start up hubs. In the year since opening, the Sydney Startup Hub has attracted leading coworking communities including Fishburners, Tank Stream Labs, creative incubator The Studio, and Australia's largest fintech hub, Stone & Chalk. Larger corporate tenants like Microsoft, Optus and Caltex have also established business accelerators in the 11-storey building on York Street in the Sydney CBD. The Sydney Startup Hub Regional Landing Pad has had a significant impact in connecting regional startups to the Sydney ecosystem to expand their networks and target business opportunities. There is potential for Ballina Shire to leverage from this successful and established platform¹⁹.

2.2.1.1 Multimedia and Creative Industries

The Ballina Shire Economic Development Strategy (2019) identified economic development opportunities in association with key industry sectors multimedia and the creative Industries. Key trends relating to these industries are briefly discussed below:

The multimedia and creative industries are innovation led, knowledge intensive and highly exportable, and make a larger contribution to GDP than a number of traditional industry groups. Creative services includes software and digital content (including web design and games) and media management and marketing.

Key national statistics include:

- The creative industries represent 6.2% (over 611,000 employees) of total Australian employment and 122,564 of Australia's registered businesses
- Employment in creative industries is growing 40% faster than the Australian economy as a whole.
- \$3.2 billion total export from the creative industries in Australia annually.

The Australian creative industries growth is driven by the digital revolution and demand for digital and design services across the whole economy. Edmonds and Bradley (2015)

¹⁵ Sydney Business Insights 2017

¹⁶ JLL (2017), *Bracing for the Flexible Space Revolution*

¹⁷ Cheung, A. (2018), *Overseas Companies Set to Rock Australia's 'Sleeping' Coworking Market, Expert Says*, Commercial Real Estate

¹⁸ Bankwest Curtin Economics Centre 2018

¹⁹ Sydney Startup Hub One Year Report 2019

analysed the automation susceptibility of Australian occupations and industries and found that digital and non-market sector industries generally have lower automation susceptibility than other industries. The Australian government has also recognised that a creative economy contributes to cultural diversity, social inclusion, environmental sustainability and technological advancement. There are opportunities for Ballina Shire to follow suit and capitalise on this growth.

It should be noted that while digital creative services grow rapidly, publishing (this is mostly newspapers and magazines) has continued its downward spiral.

2.2.1.2 Business Development

Business Development was another key industry identified in Ballina Shire Economic Development Strategy (2019). The industry includes finance, management and administration services which support the smooth operation of other business within the Shire and the region. These industries represent a significant portion of Ballina Shires workers (2,131 FTE employees) and economic output (\$629 million). These have steadily increased since 2002/03 (36% increase) with these trends likely to continue into the future. Demand for these professional services will be driven by a number factors including:

- Structural changes in Australia’s economy. As certain industries decline (ie mining and manufacturing decline) and global trade increases in knowledge economies businesses and workers will need to be adaptable and be able to respond to changing conditions and skill requirements.
- Digital change. Strong demand for new fields of customer engagement and social media management as customers become more engaged with businesses online. There will also be an increased need for data analysis skills.
- Automation of process oriented roles. As process oriented roles become increasingly automated, service roles which require higher levels of social engagement and social intelligence.
- Aging population.

2.3 Industrial trends

Demand for industrial floor space is influenced by the globalisation of trade, wider use of information technology and online retailing. Today’s global economy consists of sophisticated linkages between businesses, which are designed to enable the efficient sharing of information and the delivery of goods through a global supply chain. This supply chain, once thought of as the flow of goods through production to the end user, can now be seen as an alignment of firms that design, develop, market and produce goods and services and deliver them to the customer when needed.

Industrial floor space used primarily for business related storage is in decline, whereas demand for space built for the transfer of goods is increasing. This ‘high throughput distribution’ space is essentially designed to facilitate the rapid movement of goods through the supply chain. In essence, businesses with low inventory turnover are gravitating to inexpensive land and low cost buildings.

Retail and industrial operations are becoming increasingly aligned, with omni-channel real estate emerging as a key trend in 2018. Supply chain efficiencies is a key for the success of the retail sector with the rise of online retailing has also driving demand for warehousing and distribution centres.

Non-food manufacturing continues to decline in Australia as more and more of this activity is done off-shore. In the 1970s more than 17% of jobs in Australia was non-food manufacturing and today it is less than 5.5%.

Food product manufacturing however remains strong in Australia as domestic demand and export demand rises. Some subsectors of the food product manufacturing experiencing particularly strong growth include craft beer, marinated meat and wine manufacturing²⁰. Food product manufacturing had the second highest manufacturing industry with the largest number of employing businesses in June 2018. Over the past five years, the number of employing manufacturing businesses has expanded in the ‘food & beverages’. Similarly employment in food product manufacturing has steady increased over the last 10 years (9.2% increase). Food and beverage manufacturers have benefitted from a lower Australian dollar and steady growth in regional (mainly Asian) demand for Australian food

²⁰ <https://www2.deloitte.com/au/en/pages/consumer-industrial-products/articles/two-speed-food-processing-industry.html>

& beverages²¹. Strong population growth will continue to drive this growth. Ballina is in a very strong and central position in the region to capitalise on this growth, with food product manufacturing being Ballina Shire’s largest manufacturing industry. However, 40% of Ballina Shire’s residents employed in food product manufacturing are having to travel beyond the Shire for work. This indicates there is a shortage of local job opportunities in this industry. Additional local job opportunities in this industry will contribute to job containment and a stronger economic outcome for Ballina Shire.

Further to the above, Byron Shire employs a substantial proportion of Ballina Shire resident workers in food product manufacturing industry²². Based on anecdotal evidence²³ it is understood, however, due to infrastructure capacity constraints and a lack of available space for expansion in Byron, many food product manufacturing businesses currently located in Byron Shire would be open to relocating within the Ballina Shire, while retaining marketing opportunities associated with the "Byron" brand. This creates opportunities for both Ballina Shire and Byron Shire to implement sharing economy initiatives in their agri-food manufacturing systems. Moreover, there are resounding opportunities for Ballina Shire to further grow their food product manufacturing industry.

It should be noted though that as production and manufacturing technologies evolve, there will most likely be a shift in the scale and land requirements of businesses. While the size of distribution and warehousing increases, manufacturing will become increasingly automated reducing floorspace and car parking requirements. This is more evident in major metropolitan markets but is expected to filter to the regions.

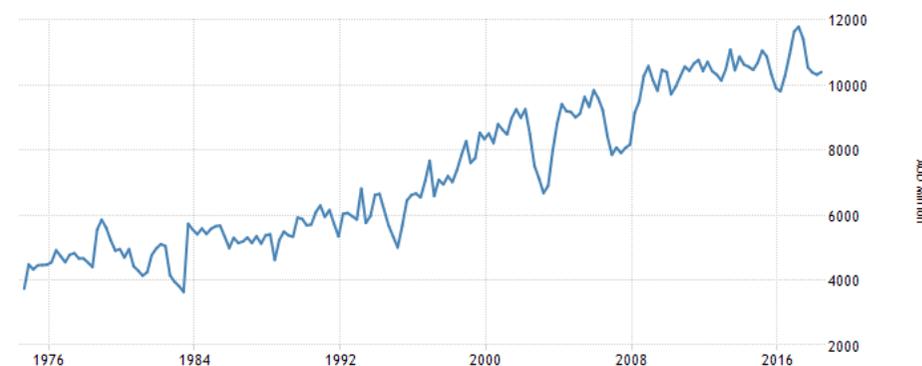
2.4 Agriculture Trends

Australia’s Gross Domestic Product (GDP) from agriculture has increased to \$10.4 billion in Q2 2018 up from \$10.3 billion in Q1 (Figure 5 below). Historically in the last 10 years Agriculture GDP has grown 2.65% per annum. This growth is related to Australia’s continued population growth and the implementation of the Free Trade Agreements (FTAs) with China, Japan, Korea, New Zealand, Singapore, USA Thailand, Chile, ASEAN and Malaysia. The next FTA’s under negotiation are Indonesia and India which will offer very significant additional export growth potential for Australia.

²¹ AIG, Australian Manufacturing 2019

²² Economy.ID (Journey to Work Data)

Figure 5: Australia’s GDP from Agriculture



Source: Trading Economics 2018

The major Australian agriculture exports include beef, wheat, meat and wool which total 18.85 billion (in 2015 dollars) or 42% of total agricultural exports.

Table 1: Australians major agricultural exports

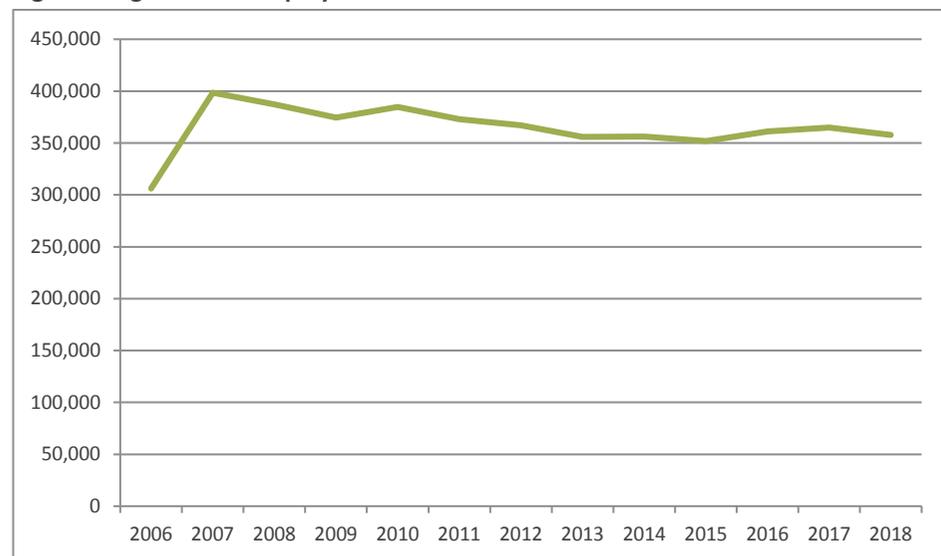
Major agriculture export products	A\$m in 2015	Share of total (%)
Beef	7,401	16.6
Wheat	4,853	10.9
Meat (excluding beef)	3,575	8.0
Wool	3,021	6.8
Alcoholic beverages	2,587	5.8
Sugars, molasses and honey	2,332	5.2
Vegetables	2,260	5.1
Dairy	2,216	5.0
Live animals (excluding seafood)	1,875	4.2
Fruit and nuts	1,762	3.9
Total	31,882	

Source: DFAT 2018

²³ Discussions with Ballina Council

Conversely the employment in agriculture has steadily decreased in the last 10 years, in 2008 total employment was 387,124, which has decreased to 357,717 in 2018 or at a rate of -0.79% p.a. The employment in agriculture has decreased as a result of urbanisation and the increased use of technology in agriculture.

Figure 6: Agricultural Employment in Australia



Source: IBIS World Reports 2018

At a more local level, the Agriculture, Forestry and Fishing industries remain significant in terms of the number of registered businesses (15% of all businesses) and the value of exports (22.9% of all exports) in Ballina Shire. Despite the historical decline in number of agricultural workers, the industry remains the sixth largest industry of employment with 6.5% of all hours worked (856 FTE employees) in the Shire.

High intensity / high technology agriculture across the world is continuing to change as new technology is trialled and implemented rapidly to reduce overheads and water consumption. At present we are seeing the industry use drones to monitor crops, install solar panels to power glasshouses, implement remote automated irrigation, and use

driverless trains/carts known as ‘agrobots’ to ferry produce around. This technology is being coupled with enhanced supply chain logistics via distribution centres across Australian capital cities.

Australia’s quick adaption of this agriculture technology is making us a global leader. In property economic terms this technology requires significant capital outlay for infrastructure and technology, however, farmers are now becoming competitive against traditional farming techniques (The Australian 2016, Sundrop Farms).

There are some ongoing challenges that remain a threat to the agriculture industry such as retailers dealing directly with producers which eliminates the wholesaler value chain. This is placing downward pressure on wholesaler margins. With lower margins, many smaller businesses in the last five years were forced to exit, thus providing opportunity for consolidation amongst existing players to remain competitive (IBIS World Report, 2018).

Another key challenge is the relationship between the AUD and exports. Generally for our exports to remain globally competitive, it requires the AUD to remain <\$0.75 against the USD. If the dollar increases above \$0.75 AUD additional pressure is placed on business margins, removing the economic attractiveness of Australian commodities.

There is also the challenge of feeding Australia’s growing population which adds to the demand side factor for food. There are two key matters here; one as the population expands the demand for housing increases which can often lead to the rezoning of rural land to accommodate residential uses. The other challenge is any rezoning of land for residential purposes will often lead to an increase in land values, which, creates cost pressures for an agriculture business that generally requires low cost land. This can force agriculture business to relocate further afield placing additional transportation costs on goods.

However, there is a notable increase in high tech agriculture facilities, like in California complex irrigation has turned desert into productive farmland²⁴. In Australia, CSIRO is leading the digital agriculture by working with farmers to combine sensing technology, software engineering, data analytics, precision agriculture, modelling, food innovation, and farm systems management. On a business level the likes of the Australian Agricultural Company (ASX AAC) are implementing new technology to increase cattle throughput and

²⁴ <http://education.abc.net.au/home#!/media/1423209/high-tech-farming>

monitor stocks across their 7 million hectares. This is just one company's example of Australia's rapidly changing agricultural landscape.

We expect the future for agriculture to develop into sustainable intensification of farming i.e. more with less, on a bigger scale and with increased productivity. We would expect this to occur through the development of high tech facilities, using smaller parcels of fertile land located in close proximity to streamlined distribution facilities. 'Agribusiness' and food product manufacturing will play an increasing bigger role in Australia's evolving agricultural industry and Australia's economy.

2.4.1 Agribusiness

The Agribusiness sector is highly diverse and comprises operators involved in agricultural services or production across the food supply chain. Operators include primary producers of agricultural commodities, processors, manufacturers and wholesalers.²⁵

The gross value added from the food and agribusiness industry to the economy was \$67.2 billion in 2017–18, with a total of 176 050 business estimated in the sector in 2016. The industry's exports of \$41.2 billion represent 12.0 per cent of total merchandise exports recorded in 2018.

Agribusiness was nominated by Deloitte²⁶ as one of the 'fantastic five' industry sectors which has the potential to become a key driver of growth opportunities for the Australian economy over time, with beef, lamb, aquaculture, dairy and oilseed sectors providing the strongest opportunities.

Global demand for Australian food products is anticipated to support sector revenue growth over the next five years. Sector revenue is forecast to grow at an annualised 1.9% over the five years through 2022-23, to \$316.9 billion²⁷.

The growth potential of the agribusiness industry is creating government and community optimism to open new markets, create jobs and develop new technologies²⁸. Food Innovation Australia Limited (FIAL) was established to grow the share of Australian food in

the global marketplace FIAL has committed over \$9 million in project funding towards collaborative projects with an estimated \$50+ million in benefit to be realised from commercialising these ideas²⁹. There are opportunities for Ballina Shire to leverage from its strong agricultural base and expand and diversify its agribusiness and food product manufacturing industries. This will help to improve the industries' sustainability and competitiveness.

2.4.1 Agritourism

Agritourism is a field that is growing in popularity as producers try to diversify and increase revenue. Agritourism is a form of "commercial enterprise that links agricultural production and/or processing with tourism in order to attract visitors onto a farm, ranch, or other agricultural business for the purposes of entertaining and/or educating the visitors and generating income for the farm, ranch, or business owner"³⁰. According to Tourism Research Australia³¹, over the five years to 2015/16 the number of domestic tourists visiting a farm on their trip increased by 9% per annum on average, whilst international tourists increased by 11% per annum. Over the same period the number of domestic tourists visiting wineries grew by 13% per annum on average, whilst international visitors increased by 8% per annum.

In 2015-16, visitors participating in agri-tourism activities spent \$9.4 billion on their total trip³². Accordingly the expenditure by agritourists can be a major driver of economic activity. If visitation growth continues to increase at a similar rate as the past five years, agri-tourism could become a major contributor to regional Australia economy, including Ballina Shire. As identified in the Ballina Shire Economic Development Strategy (2018) agritourism can leverage from the productive and aesthetic qualities of the rural hinterland along with strong tourist base visiting the Shire's coastal towns and Byron Bay (less than 35km from Ballina Shire).

²⁵ IBIS World Report Agribusiness in Australia 2018

²⁶ Building the Lucky Country: Positioning for Prosperity (BTL#3), Deloitte

²⁷ IBIS World Report Agribusiness in Australia 2018

²⁸ <https://www.agribusiness.asn.au/about-us/overview>

²⁹ <https://www.industry.gov.au/data-and-publications/industry-growth-centres-initiative-progress-and-impact/growth-centre-achievements/food-and-agribusiness-growth-centre-fial>

³⁰ <https://nationalaglawcenter.org/overview/agritourism/>

³¹

³²

2.5 Increasing demand for residential uses in centres

Demand for housing within centres is increasing as a result of:

- Increasing population and demand for residential stock
- Demand for smaller dwellings in accessible locations with public transport to support affordable living
- Lifestyle changes with residents increasingly favouring the accessibility, retail and service provision of centres
- Improvement to the viability of redevelopment as residential values outperforms other land use types in many situations.

In some cases providing residential development in centres can improve business conditions by increasing the population in the retail catchment. There is an increasing preference by younger households to live in highly accessible and well-serviced locations. At the same time, retirees are seeking to remain in their local neighbourhoods and downsize their dwelling. Continued immigration of people of Asian descent also favours in-centre living. This as a key dynamic influencing centre development and planning can benefit from taking this into account.

This trend is more prevalent in the metropolitan areas due largely to the high cost of low density housing. The feasibility of high density housing in regional towns is difficult. However in high growing towns we are seeing some shift towards this housing alternative, particularly in popular coastal areas such as Port Macquarie and Coffs Harbour.

2.6 The potential impact of driverless cars

The coming age of autonomous or driverless cars will eliminate many of the inconveniences of shopping while owning and using a car, such as searching for a parking space in a centre. Instead, the car would be able to just returning to the garage, circling the centre or if part of a carpooling scheme the car can service another customer. Leftover carparks, driverless trucks and cars will also create new opportunities for centres, retailers and logistics companies, through:

- **Reduced costs and increased efficiencies associated with deliveries:** the cost associated with the transport and delivery of goods has long been a negative

economic factor to retailers. Despite an initial investment cost, driverless cars and trucks, in the long run, will benefit retailers and the transport industry through increased efficiencies and decreased costs associated with driver wages, other costs associated with employees, human error, reduced fuel costs and servicing

- **Increased redevelopment and expansion options:** as driverless cars become the norm, the need for large carparks will become obsolete. This will create opportunities within existing centres, where the redevelopment or repurposing of existing carparks can occur. There is also the potential for increased public realm improvements, such as better landscaping opportunities, though the repurposing of on-street car parking spaces.

Underground parking areas are a little more difficult. However, such spaces could be potentially transitioned into alternative uses such as storage, retail, entertainment or new age light manufacturing area. In essence, there is a need to allow for greater flexibility in the design of any new car parking areas to ensure that they can easily and efficiently be transitioned into alternative uses that either enhances the productivity of the centre or its community identity

- **Improved high street amenity:** High streets can be busy and noisy places that can deter or make outdoor dining or social interactions difficult. The introduction of the driverless car may play a significant role in the evolution of the high street through decrease congestion, reducing noise and air pollution. This can benefit retailers by making the area more attractive for social interactions, outdoor dining and increased foot traffic, further increasing the opportunity for the capture of passing traffic for shops
- **The willingness to travel further:** there could be a downside to driverless cars in regard to smaller local centres. Driverless cars could increase the willingness of customers to travel further in order to undertake shopping activities or access services. This could be a result of reduced traffic congestion and time spent searching for a park, allowing people to travel further in a shorter amount of time. This could lead some customers to bypass their local centre in order to access the greater range of services provided in larger centres. Local centres will need to maintain a high level of innovation, appropriate retail mixture, outdoor dining, increased shopper experience and offer other community benefits such as good

public domain and playgrounds/parks in order to combat this potential negative effect of the driverless car.

2.7 Airports and related industries

Transportation in general affects the development of cities, with air travel having a large stake in both short and long distance transportation. A report prepared by InterVISTAS Consulting in 2015, demonstrated that aviation is no longer merely a transport service provider to other industries and the public, but a key driver of economic and social growth and prosperity in its own right³³. The report identifies a number of economic impacts airports and associated aviation activities have on the economy including:

- Direct – through employment, income and GDP associated with operation and management of activity on site and airport related businesses
- Indirect – the employment, income and GDP generated from down-stream industries that supply and support the airport such as, food catering, travel agent bookings, oil refining for flights etc.
- Wider economic benefits – Air transporting facilitating the employment and economic development through trade (export markets), investment, tourism and productivity.

The proposed Western Sydney Aerotropolis is a case study in greenfield land use planning around airports. Although located in a major Australia metropolis, the underlying principles around what land uses can be co-located around airports can be applied in other locations. These can be separated into two tiers:

- Primary industries: Industries such as defence and aerospace, agricultural processing and exports, advanced manufacturing and logistics.
- Secondary industries: Education institutes focused on the aerospace and aviation industries, high technology, research and development associated with food production and processing and tourism and the visitor economy³⁴.

Dependent on the location of the airport, the applicability of some of these uses would vary. In the case of the north coast, industries such as agricultural processing and exports, advanced manufacturing and logistics as well as tourism and the visitor economy would all be appropriate.

2.8 In the context of the study area

The study area has an established and successful commercial centre in Ballina Shire, with a number of district centres and local centres in the wider rural area of the study area. Initiatives identified below may be required in some commercial centres to increase viability, economic activity and stimulate rejuvenation:

- A high level of street activity though pedestrian connectivity enhanced via good architecture improved amenity and streetscape,
- Increased diversity in the number of and mix of retail businesses,
- Development of neighbourhood supermarkets,
- Flexible spaces suited to short-term retail licences to allow small format, pop-up or shared retail space,
- Community events that showcase local retail brands, food offerings and services to create a sense of identity reflective of the community and assist in driving retail growth,
- Flexible IT infrastructure that can accommodate the growth in the online demand for retail, and
- An agile retail environment that can respond to changes in the retail industry as they occur.

The trend of larger retail floorplates in smaller centres is likely to continue in the Ballina Shire to facilitate the predicted growth in housing over the next plan period. In small centres the restricted size of a maximum gross floor area (GFA) of 1,000sqm is intended to ensure compatibility with the scale and nature of the surrounding, predominately residential, area while also allowing for the development of essential services to serve the needs of people who live and work in the surrounding neighbourhood. With identified

³³ InterVISTAS Consulting Ltd (2015) Economic Impact of European Airports, prepared for Airports Council International Europe

³⁴ Department of Planning and Environment 2018, Western Sydney Aerotropolis – Land Use and Infrastructure Implementation Plan

housing growth targeted on the fringes of Ballina, this will require smaller local centres with emphasis on food and retail premises to service the needs of the growing population.

From previous studies, we have found that business owners are increasingly choosing to locate in commercial centres outside of the larger established “commercial office precincts” because of their established identity, amenity and proximity to home. This demand is likely to continue. In meeting this trend employment centres should provide:

- An increased range of commercial floor plates that can accommodate local professional services, start-ups and boutique SME businesses
- Provision of affordable commercial office space
- Provision of flexible floorplates suitable for co-working
- A continuation of floorspace suited to professional business services to cater to the local population.

Encouraging specific businesses to locate in the area is difficult. Businesses will tend to choose their location based on a variety of individual factors such as style, identity, skill base, demographics, accessibility, competition, proximity to other businesses, utilities, rents, infrastructure, and ordinance. To support new investment, a clear vision and direction for the study area can be embedded in the planning framework. Maintaining flexibility in the size of and variety of floor plates will be important to attract the greatest diversity of uses. Protecting the existing supply of commercial floorspace will also be important so as not to inadvertently affect rents and the affordability of the location.

The big wild cards for Ballina are professional services and potential significant growth in food product manufacturing and tourism as base industries. The creative industries is a further source of potential employment. It should be also be noted that although Multimedia has been identified as key industry for Ballina Shire the ‘Information Media and Telecommunication’ has been a relatively small and in most recent times a declining industry for Ballina (refer to Section 4.2 to 4.3). In terms of suitable airport related industries for Ballina Shire, agricultural processing and exports, advanced manufacturing and logistics as well as tourism and the visitor economy would all be appropriate for Ballina Shire.



BALLINA SHIRE ECONOMY

3.0 BALLINA SHIRE ECONOMY

The following Chapter undertakes a review of the current and historic economic and employment trends within the study area (Ballina Shire) and wider locality. Information in this Chapter has been sourced from the Australian Bureau of Statistics (ABS), Transport, Performance Analytics (TPA) and community/economy id.

Where relevant, economic performance indicators of the study area have been benchmarked against non-metropolitan NSW and surrounding LGAs Byron and Lismore to further identify any industry specialisation or opportunities for Ballina Shire.

3.1 Resident Population

3.1.1 Resident population growth

Table 2 outlines the estimated population growth for Ballina Shire and benchmark locations from 2006 to 2016. Populations estimates have been sourced from ABS Census Time Series Profiles.

Over the ten year period to 2016, the population within Ballina Shire increased by 3,328 residents to almost 41,800 residents, which represents an annual growth rate of 0.8%. Most of this growth occurred over the 2011-2016 period, with the annual growth rate reaching 1.3%. This level of growth is generally in line with Byron LGA and substantially higher than surrounding LGA Lismore and the non metropolitan average, demonstrating the substantial growth in Ballina Shire in recent years.

Table 3 provides population forecasts for Ballina Shire and benchmark locations to 2041. Population forecast estimates for Ballina Shire have been sourced from Forecast ID, with Department of Planning projections adopted for benchmark locations.

This strong population growth is projected to continue in Ballina Shire with population forecast to increase to almost 53,600 by 2041, which represents an annual growth rate of 0.9% over the period of 2016 to 2041. This annual growth rate is well above the benchmark locations.

Table 2: Historical population growth

Location	2006	2011	2016
Ballina Shire	38,462	39,272	41,790
Average Annual Change (No.)			
		2006-11	2011-16
Ballina Shire		162	504
Average Annual Change (%)			
		2006-11	2011-16
Ballina Shire		0.4%	1.3%
Lismore LGA		0.3%	0.2%
Byron LGA		0.3%	1.6%
Non metropolitan NSW		0.8%	1.0%

Source: ABS 2016 Census Time Series Profile

Table 3: Forecast population growth

Location	2016	2021	2026	2031	2036	2041
Ballina Shire	42,629	44,840	46,875	49,013	51,238	53,586
Average Annual Change (No.)						
		2016-21	2021-26	2026-31	2031-36	2036-41
Ballina Shire		442	407	428	445	470
Average Annual Change (%)						
		2016-21	2021-26	2026-31	2031-36	2036-41
Ballina Shire		1.0%	0.9%	0.9%	0.9%	0.9%
Lismore LGA		0.8%	0.7%	0.6%	0.5%	0.4%
Byron LGA		0.9%	0.8%	0.8%	0.7%	0.7%
Non-metropolitan NSW		0.8%	0.7%	0.6%	0.5%	0.5%

Source: Forecast ID; NSW Department of Planning

3.1.2 Education attainment

As of 2016 over half of Ballina Shire’s population aged 15 and over had tertiary qualifications, up from 40.7% in 2006. Of those with tertiary education, most held vocational qualifications (22.2%), followed by Bachelor or Higher Degrees (18.8%) and Advanced Diploma or Diploma (9.55%).

Ballina Shire saw an increase in qualification attainment across all tertiary qualifications between 2006 to 2016, particularly in higher level qualifications (ie Bachelor or Higher Degrees).

With the exception of Byron LGA, Ballina Shire also had a higher proportion of residents attain a Bachelor or Higher Degree compared to Lismore LGA and non metropolitan NSW at 18.8% and in turn has a higher proportion of residents with higher level skills.

Table 4: Highest non-school qualification achieved (15 years and above)

Qualification Attainment	Ballina (%)			2016 (%)		
	2006	2016	Change 2006-16	Lismore LGA	Byron LGA	Non-Metro NSW
Bachelor or Higher degree	13.5%	18.8%	39.3%	17.6%	23.7%	14.5%
Advanced Diploma/ Diploma	7.5%	9.5%	26.7%	8.1%	10.6%	8.2%
Vocational	19.7%	22.2%	12.7%	23.3%	18.9%	23.6%
Total population with qualification	40.7%	50.5%	24.1%	49.0%	53.2%	46.3%

Source: ABS Census Time Series Data

Nationally it is projected that 90% of new jobs in the next five years will require post school education³⁵. The department of Jobs and Small Businesses projects that total employment will increase by 7.1% by 2023 with a long-term structural shift towards professional and service jobs with either tertiary or vocational education and training qualifications. The broad occupations groups projected to have the largest employment increases are; Professionals (10.9%) and Community and Personal Service Workers (17.5%). As

³⁵ Australian Government Department of jobs and small business - Industry Employment Projections 2018

globalisation and technology continue to reshape the needs of labour markets, the demand for individuals with tertiary education will continue to rise.

3.1.3 Employment status

In 2016, 18,550 of Ballina Shire’s residents were in the labour force. Ballina Shires labour force participation rate (as a percentage of total population over the age of 15 years) dropped from 58.9% in 2006 to 57.6% in 2016 and remains below the benchmark locations.

1,086 people or 5.9% of residents in Ballina Shire’s labour force were unemployed, down from 7.3% in 2006. Ballina’s unemployment rate has remained below the benchmarks.

A fall in both unemployment and participations rates may indicate that previous unemployed residents are no longer seeking employment and have dropped out of the labour force. Consequently, a falling unemployment rate is not necessarily an indicator of renewed economic strength, but could indicate a structural weakness within the job market. This issue would only be exacerbated with further population growth.

The strong population growth forecast for Ballina Shire highlights the importance of providing the right quantum and mix of job opportunities in the local area.

Table 5: Employment status

Location	2006	2011	2016
Labour force (No.)			
Ballina Shire	17,485	17,711	18,550
Labour force participation rate (%)			
Ballina Shire	58.9%	57.5%	57.6%
Lismore LGA	61.4%	61.2%	60.6%
Byron LGA	61.4%	61.7%	63.2%
Non metro NSW	59.2%	59.4%	59.1%
Unemployment rate (%)			
Ballina Shire	7.3%	6.3%	5.9%
Lismore LGA	9.2%	8.2%	7.8%
Byron LGA	8.8%	8.5%	6.5%
Non-Metro NSW	7.0%	6.1%	6.6%

Source: ABS Census Time Series Data

3.2 Growth in the LGA Economy

3.2.1 Jobs in the LGA

The below industry sector analysis has been sourced from Economy.ID which procures statistics modelled by NIEIR to correct for the known undercount of jobs recorded in the census. It should be noted that the total number of jobs includes both full-time and part-time employees. Total number of jobs by industry in Ballina Shire over the period of 2002/03 to 2017/18 are shown in the chart below.

Table 6: Total jobs by industry in Ballina Shire 2002-2018

Industry	2002/03	2007/08	2012/13	2017/18
Agriculture, forestry & Fishing	1,221	1,309	931	942
Mining	22	32	76	108
Manufacturing	875	964	966	1,027
Electrical, Gas, Water & Waste	82	126	168	144
Construction	1,236	1,656	1,418	1,552
Wholesale Trade	532	552	434	387
Retail Trade	2,045	2,399	2,225	2,108
Accommodation & Food Services	1,190	1,439	1,573	1,609
Transport, Postal & Warehousing	408	485	533	521
Information, Media & Telecomm.	158	182	198	115
Finance & Insurance Services	280	375	321	309
Rental, Hiring & Real Estate	306	329	289	338
Professional, Scientific & Technical S.	704	788	867	1,040
Administrative & Support Services	455	432	506	557
Public Administration & Safety	598	804	819	836
Education & Training	1,193	1,430	1,584	1,915
Health Care & Social Assistance	1,554	1,975	2,532	3,124
Arts & Recreation Services	210	304	296	429
Other Services	575	575	601	560

Source: Economy.ID

The total number of jobs in Ballina Shire increased to 17,261, up from 13,644 in 2002 (almost 4,000 increase). The strongest areas of growth have been:

- Health Care and Social Assistance (1,570 jobs or 39%)
- Education and Training (722 jobs or 18%)
- Accommodation and Food Services (419 jobs or 11%)

There were also steady increases in the Construction with 316 more jobs (8% increase) since 2002/03 and Public Administration and safety Services with 238 more jobs (6% increase). Only three employment sectors recorded job losses over the period; Agriculture, Forestry and Fishing with a loss of 279 jobs (4% decrease), Wholesale Trade with a loss of 145 jobs (-4%) and Information, Telecommunication and Media (43 jobs or 1%).

3.2.2 Gross Value Added (GVA)

Industry sector profiles reveal the way in which each industry contributes to the economy in Ballina Shire using ten economic measures generated by NIEIR economic modelling. This helps in understanding the role each industry sector plays in the economy. Gross value added (GVA) of an industry is a measure of its contribution to the economy. It refers to gross revenue less the cost of inputs into production. GVA by industry from 2002/03 to 2017/18 is shown in the table below.

Table 7: Gross Value Added by Industry in Ballina Shire 2002-18 (\$m)

Industry	2002/03	2007/08	2012/13	2017/18
Agriculture, forestry & Fishing	48.1	86.3	105.8	80.8
Mining	2.6	4.6	13.3	25.8
Manufacturing	92.6	91.8	85.4	99.8
Electrical, Gas, Water & Waste	28.7	35.1	46.0	30.3
Construction	139.4	186.4	196.6	157.1
Wholesale Trade	47	47.6	43.9	47.0
Retail Trade	81.6	111.4	113.5	110.9
Accommodation & Food Services	61.3	78.8	73.1	78.9
Transport, Postal & Warehousing	42.1	43.2	52.7	53.6
Information, Media & Telecomm.	18.6	25	24.0	20.7
Finance & Insurance Services	60.7	92	74.3	77.0

Rental, Hiring & Real Estate	70.5	62.5	65.2	100.9
Professional, Scientific & Technical S.	66.7	70.9	83.5	98.5
Administrative & Support Services	50.2	48.2	47.3	52.8
Public Administration & Safety	52.9	62.4	68.8	75.1
Education & Training	93.4	110.1	110.3	122.4
Health Care & Social Assistance	89.2	133.3	168.1	203.1
Arts & Recreation Services	9.9	11.9	15.9	52.1
Other Services	36.0	34.2	31.6	28.1
Total	1,091.5	1,335.7	1,419.3	1,514.9

Source: Economy.ID

Analysis of the value added by industry sectors in Ballina Shire in 2017/18 shows the three largest industries were:

- Health Care and Social Assistance at \$203.1m (13% of value added across all industries)
- Construction at \$157.1m (10%)
- Education and Training Services at \$122.4m (8%)

Overall the LGA economy grew by 38.8% over the past 15 years but the strongest growth industries since 2002-03 have been:

- Health Care and Social Assistance (27% or \$113.9m of growth across all industries in the LGA)
- Arts and Recreation Services (10% or \$42.2m)
- Agriculture, Forestry and Fishing (8% or \$32.7m)

Other Services was the only industry to experience losses in GVA over the period with a fall of \$7.9m (2% decrease).

3.3 Ballina Shire Location Quotient

3.3.1 Industry of employment and location quotient

Location quotient (LQ) is a simple way of assessing which are the main industries in an area relative to a comparable area or wider region or State.

- Where LQ=1, the identified industry is as prevalent as in the comparable area
- An LQ greater than 1.2 indicates a significant specialisation of the industry in the study area – indicating possibly a key economic strength. Higher numbers indicate a greater specialisation with anything exceeding 2 being a major specialisation
- An LQ between 0.8 and 1.2 means the industry is broadly similar in importance in the study area compared to the comparison region and could be seen as representative
- An LQ under 0.8 indicates an industry which is more important in the comparable area than the study area and may represent an economic weakness or opportunity for growth³⁶.

From the table immediately below we can see that Ballina LGA has:

- A significant underrepresentation in ‘Mining’ and ‘Electricity, Gas, Water and Waste’ and ‘Public Administration and Safety’ compared with Regional NSW.
- Specialisation in ‘Arts and Recreation Services’, ‘Rental, Hiring and Real Estate Services’ and ‘Professional, Scientific and Technical Services’.
- Emerging industry specialisations in ‘Mining’, ‘Arts and Recreation Services’ and ‘Rental, Hiring and Real Estate Services’.
- Declining industry specialisations in ‘Information, Media and Telecommunications’.

³⁶ Economy id

Table 8: Ballina LGA Location Quotation by industry

Industry	Ballina Shire				Location Quotient Regional NSW	
	2012/13	2017/18	Change #	Change %	2012/13	2017/18
Agriculture, Forestry & Fishing	931	942	11	1%	0.9	0.9
Mining	76	108	32	42%	0.2	0.2
Manufacturing	966	1,027	61	6%	0.7	0.9
Electricity, Gas, Water & Waste	168	144	-24	-14%	0.7	0.6
Construction	1,418	1,552	134	9%	1.1	1.0
Wholesale Trade	434	387	-47	-11%	1.0	1.1
Retail Trade	2,225	2,108	-117	-5%	1.2	1.1
Accommodation & Food Services	1,573	1,609	36	2%	1.2	1.1
Transport, Postal & Warehousing	533	521	-12	-2%	0.8	0.8
Information Media & Telec.	198	115	-83	-42%	1.1	0.8
Financial & Insurance Services	321	309	-12	-4%	1.0	1.0
Rental, Hiring & Real Estate	289	338	49	17%	1.2	1.5
Professional, Scientific & Technical	867	1,040	173	20%	1.2	1.4
Administrative & Support Services	506	557	51	10%	1.0	1.0
Public Administration & Safety	819	836	17	2%	0.8	0.7
Education & Training	1,584	1,915	331	21%	1.1	1.1
Health Care & Social Assistance	2,532	3,124	592	23%	1.2	1.1
Arts & Recreation Services	296	429	133	45%	1.3	1.7
Other Services	601	560	-41	-7%	0.9	0.8
TOTAL	16,337	17,621	1,284	8%		

* Non-metropolitan NSW

Source: ABS

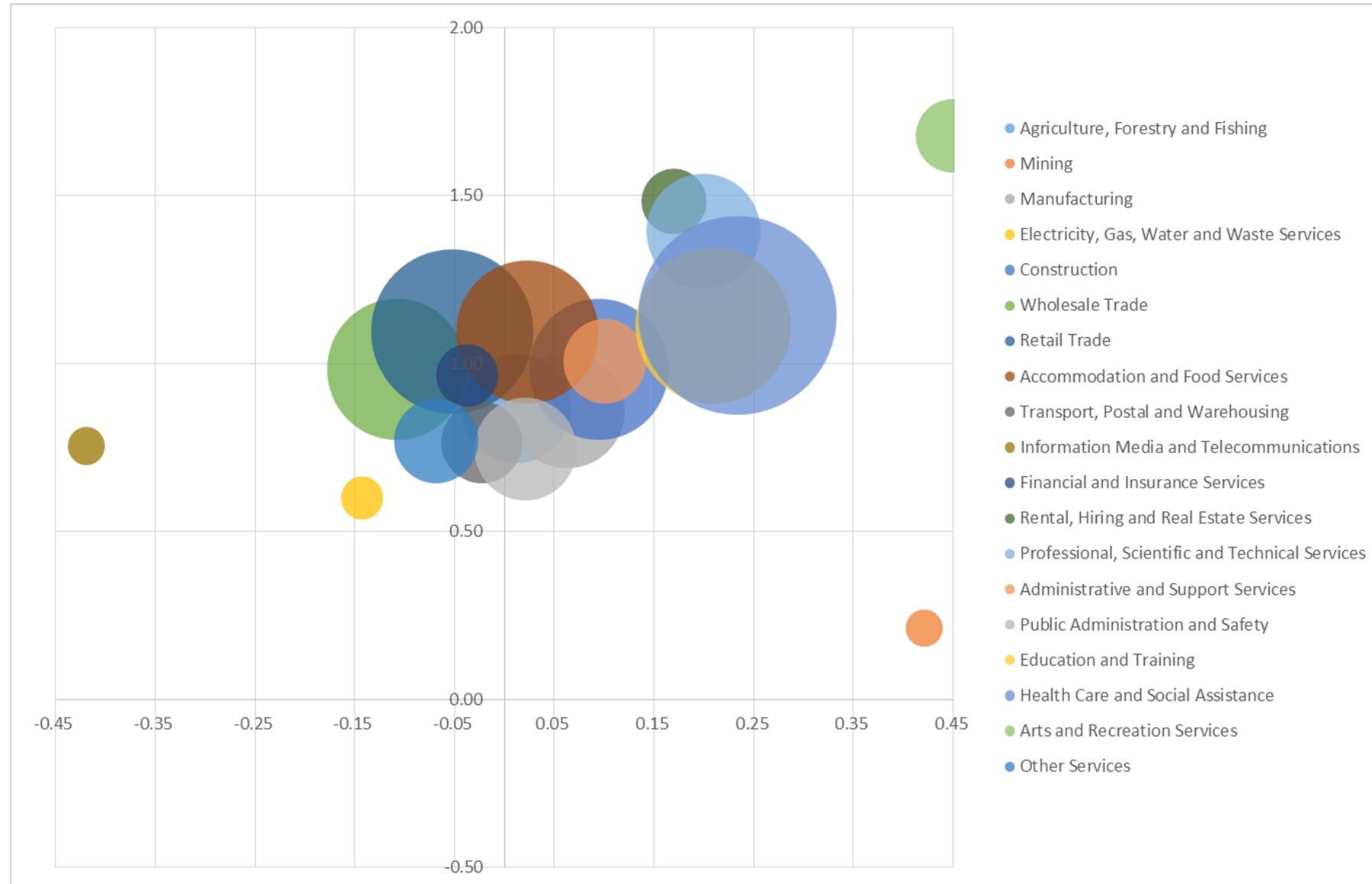
Table LQ key:

Economic weakness/ opportunity for growth	Similar in importance between areas	Significant specialisation	Major specialisation
--	--	-------------------------------	-------------------------

To further understand the main industries in an area relative to a comparable area or wider region or State, the following scatter diagram demonstrates:

- The bubbles represent the size of each industry in Ballina Shire, and so demonstrates the largest industries in the Ballina Shire are 'Health Care and Social Assistance, Retail Trade and Education and Training. The smallest industries in Ballina Shire are; Mining, Information, Media and Telecommunications, Electricity, Gas, Water and Waste Services.
- Bubbles to the right of the Y axis (origin) represent growth industries in the area, demonstrating that a large percentage of industries are expanding industries and bubbles to the left of the Y axis (origin) represent declining industries.
- Bubbles above the X axis (origin) represent a high specialisation against regional Non-metro NSW and bubbles below the axis demonstrate the industries in Ballina Shire that are underrepresented compared to regional non-metro NSW.
- Industries which have both high LQ and high total job numbers typically form a regions economic base; the industries in Ballina Shire that demonstrate this relate to; Health Care and Social Assistance, Professional, Scientific and Technical Services, Education and Training, Retail Trade and Accommodation and Food Services.
- Industries that present high employment numbers with a low LQ can indicate a problem for an economy where there is a large labour force with a declining industry, in Ballina Shire's case this represents Manufacturing and Agriculture, Forestry & Fishing.
- The Scatter diagram clearly identifies Health Care & Social Assistance as one of the largest employers in the LGA area, a growing industry and a specialisation industry compared with Non-metro NSW, followed by Education and Training then Professional, Scientific and Technical Services.

Figure 7: Ballina Shire Location Quotation by industry



Source: ABS



EMPLOYMENT PRECINCTS

4.0 EMPLOYMENT PRECINCTS

The following chapter provides a short overview/description of the LGA’s commercial centres, employment precincts and special use zones.

4.1 Retail and Commercial Precincts

4.1.1 Ballina Town Centre (Commercial Core)

Figure 8: Ballina Town Centre (B3 and B4 zone)



Source: Mecone Mosaic

Ballina Town Centre is the original retail and commercial centre in the LGA and comprises an elongated commercial core area focused upon River Street (and, to a lesser extent Tamar Street) from Kerr Street in the northwest to Martin Street in the southeast. It comprises traditional high-street retail and key anchors include Woolworths and BCF as well as supporting specialty retail including cafes, restaurants, and non-food retailers like pharmacies, discount variety stores and other non food related retailers. There is approximately 41,700sqm of retail floorspace (refer to table below). A mix of non-retail floor comprising commercial uses such as medical/health facilities, education and recreation uses (over 45,200sqm of shopfront floorspace) and tourist accommodation

facilities (27,860sqm) complements the retail office. Bulky goods floorspace in Ballina Town Centre provides an estimated 2,600sqm of floorspace. The main bulky goods anchors include Retravision, Snooze and Repco. In addition we note that eight vacant units in Ballina Town Centre totalling 1,240sqm. Additional retail and commercial uses totalling 13,600sqm are also provided within the B4 zone along River Street.

Refer to table below for commercial breakdown. In terms of vacant land there is over 4,150sqm of vacant land located within the B4 zone and 2,250sqm in the B3 zone.

Table 9: Ballina Town Centre (B3 and B4 zone) Commercial Breakdown

Commercial Use	B3 Zone		B4 Zone	
	Business Count	Area (sqm)	Business Count	Area (sqm)
Retail				
Supermarkets & Grocery Stores	1	2,647	1	214
Food and Beverage*	42	10,007	3	596
Department Stores	-	-	-	-
Other**	150	29,027	14	4,772
Total Retail	193	41,681	18	5,582
Commercial (non-retail)				
Financial Services	32	7,054	1	200
Real Estate Services	7	1,791	2	400
Government Services	6	8,103	3	3,856
Education	5	1,147	2	841
Medical Services	52	10,436	-	-
Arts and Recreation	11	1,474	3	1,511
Office space other or not defined	81	15,196	5	1,175
Total Non-retail Commercial	194	45,201	16	7,983
Tourism Accommodation	8	27,858	8	7,960
Industrial				
Transport, Postal and Warehousing	2	711	1	162
Vacancy				
Vacant Space	8	1,237	-	-
Vacant Land	3	2,251	4	4,156
Other (community etc)	15	2,009	1	-

Source: HillPDA Desktop Analysis Oct 2019; *This includes restaurants, fast food, pubs and taverns ** This includes other specialty retail, bulky goods retail and retail services (eg. hairdresser, dry cleaners, etc.)

4.1.2 Kerr Street Retail Precinct (Commercial Core)

The Kerr Street Retail Precinct contains three big box shopping centres comprising Ballina Central, Ballina Fair and Ballina Kmart:

- Ballina Central is a partially enclosed centre which provides 14,127sqm³⁷ of retail floorspace. It is anchored by a Big W (7,412sqm) and Ritchies IGA (3,761sqm)
- Ballina Fair is fully enclosed shopping centre of 14,854sqm³⁸ anchored by Woolworths (3,600sqm), Target (2,979sqm) and Best & Less (1,150sqm);
- Ballina Kmart is a smaller shopping centre anchored by Kmart (5,560sqm³⁹), Coles (2,900sqm) and Choice Liquor outlet (1,100sqm). It also contains a café and a Kmart Auto.

Figure 9: Kerr St Retail Precinct (B3 Zone) Commercial Core



Source: Mecone Mosaic

Super Amart (2,860sqm) comprises a freestanding retail unit located to the south of Bentinck Street close to the Kerr Street Retail Precinct.

Based on the HillPDA site survey undertaken in 2011, bulky goods and LFR floorspace in this precinct comprises approximately 4,050sqm (including Super Amart).

Refer to table below for commercial breakdown. In terms of vacancy there is 1,173sqm of vacant space provided within the enclosed centres.

Table 10: Kerr Street Retail (B3 zone) Commercial Breakdown

Commercial Use	Business Count	Area (sqm)
Retail		
Supermarkets and Grocery Stores	3	10,261
Food and Beverage*	17	4,250
Department Stores	3	15,951
Other**	68	9,079
Total Retail	91	39,541
Commercial (non-retail)		
Financial Services	2	800
Real Estate Services		
Government Services	1	500
Education		
Medical Services	5	2,000
Arts and Recreation	4	2,000
Office space other or not defined		
Total non-retail Commercial	12	5,300
Vacancy		
Vacant Space	3	1,173

Source: HillPDA Desktop Analysis Oct 2019; *This includes restaurants, fast food, pubs and taverns ** This includes other specialty retail, bulky goods retail and retail services (eg. hairdresser, key cutters etc.)

³⁷ Source: Property Council of Australia Shopping Centre 2018

³⁸ Source: Ibid

³⁹ Source: Hill PDA September 2011

4.1.3 Alstonville (Local Centre)

Alstonville has been identified as a district centre. The core retail and commercial precinct is focussed along Main Street, Alstonville and primarily serves the residents of Alstonville and the surrounding suburbs. The precinct is serviced by a Coles anchored centre, with supporting commercial floorspace (including a strong presence of medical services) as outlined in the table below. Vacancy is low with only one vacant space in the precinct providing approximately 100sqm.

Figure 10: Alstonville Local Centre (B2 zone)



Source: Mecone Mosaic

Table 11: Alstonville (B2 zone) Commercial Breakdown

Commercial Use	Business Count	Area (sqm)
Retail		
Supermarkets and Grocery Stores	2	3,500
Food and Beverage*	17	2,538
Department Stores	-	-
Other**	30	4,026
Total Retail	49	10,064
Commercial (non-retail)		
Financial Services	13	2,030
Real Estate Services	7	894
Government Services	-	-
Education	2	235
Medical Services	19	3,463
Arts and Recreation	4	436
Office space other	17	3,312
Total non-retail Commercial	62	10,370
Tourism Accommodation		
Industrial		
Transport, Postal and Warehousing	2	235
Vacancy		
Vacant Space	1	97
Vacant Land	2	1,378
Other (community etc)		
	13	2,611

Source: HillPDA Desktop Analysis Oct 2019; *This includes restaurants, fast food, pubs and taverns ** This includes other specialty retail, bulky goods retail and retail services (eg. hairdresser, key cutters etc.)

4.1.4 Lennox Head (Local Centre)

Lennox Head’s retail and commercial precinct (refer to table below) sprawls along Ballina Street and is largely food and beverage orientated (with food and beverage representing 43% of the total retail floorspace). The precinct also provides a small format IGA supermarket and non-retail shopfronts including a medical centre. Only two tenancies are vacant (equating to vacancy rate of 3%).

Figure 11 Lennox Head Local Centre (B2 zone)



Source: Mecone Mosaic

Table 12: Lennox Head (B2 zone) Commercial Breakdown

Commercial Use	Business Count	Area (sqm)
Retail		
Supermarkets and Grocery Stores	2	377
Food and Beverage*	17	3,628
Department Stores	-	-
Other**	27	4,445
Total Retail	46	8,450
Commercial (non-retail)		
Financial Services	2	293
Real Estate Services	3	676
Government Services	-	-
Education	-	-
Medical Services	3	653
Arts and Recreation	1	987
Office space other or not defined	6	1,452
Total non-retail Commercial	15	4,061
Tourism Accommodation	2	6,332
Industrial		
Transport, Postal and Warehousing	1	90
Vacancy		
Vacant Space	2	138
Vacant Land***	-	-
Other (community etc)	2	3,289

Source: HillPDA Desktop Analysis Oct 2019; *This includes restaurants, fast food, pubs and taverns ** This includes other specialty retail, bulky goods retail and retail services (eg. hairdresser, key cutters etc.);*** 1 Range Street, East Ballina is vacant and provides over 500sqm of land. The land is undulating and constrained and is unlikely to be developed. For this reason, it has been excluded from our analysis.

4.1.5 East Ballina and Shaws Bay neighbourhood centres (B1 zone)

East Ballina is the area between North Creek and the Pacific Ocean, south of Skennars Head. There are three separate neighbourhood size commercial areas. The East Ballina Shopping Centre on Links Avenue is a convenience-based neighbourhood centre providing approximately 2,000sqm of retail floorspace plus fuel and child-care.

The Shaws Bay B1 area on Range Street is adjacent to a tourist accommodation park and includes a tavern and takeaway food premises.

Further to the east on Compton Drive and Lighthouse Parade is the Ballina Surf Club which includes a tourist cafe and restaurant and community facilities (meeting rooms). Adjacent on Cedar Cres is the Quality Hotel Ballina with conference facilities.

In addition a small takeaway food premises (The Belle General) is located on Shelley Beach Road 650m north of the surf club.

Figure 12: East Ballina Neighbourhood Centres (B1 zone)



Source: Mecone Mosaic

Table 13: East Ballina (B1 zones) Commercial Breakdown

Commercial Use	Business Count	Area (sqm)
Retail		
Supermarkets and Grocery Stores	1	211
Food and Beverage*	4	733
Department Stores	-	-
Other**	5	1,064
Total Retail	10	2,008
Commercial (non-retail)		
Financial Services	-	-
Real Estate Services	-	-
Government Services	-	-
Education	1	736
Medical Services	-	-
Arts and Recreation	-	-
Office space other or not defined	-	-
Total non-retail Commercial	1	736
Tourism Accommodation	1	1,400
Industrial		
Transport, Postal and Warehousing	1	211
Vacancy	-	-
Vacant Space	-	-
Vacant Land	-	-
Other (community etc)	-	-

Source: HillPDA Desktop Analysis Oct 2019; *This includes restaurants, fast food, pubs and taverns ** This includes other specialty retail, bulky goods retail and retail services (eg. hairdressers, tailors, etc.) ***

Further accommodation facilities (4,800sqm) and a restaurant (300sqm) are also provided 3km south of East Ballina at Shaws Bay. Also 3km south at Shelly Beach is a Belle General Store (250sqm) and a further café (250sqm).

4.1.6 Wollongbar (local centre/ neighbourhood)

A small neighbourhood centre is provided at Wollongbar along Simpson Avenue (refer to table below). The centre is anchored by a small Foodworks supermarket and supporting specialty retail and commercial floorspace as well as tourist accommodation facilities. There are currently two vacant tenancies as well as two vacant parcels of land totalling 10,662sqm.

Figure 13 Wollongbar Neighbourhood Centre (B1 zone)



Source: Mecone Mosaic

Table 14: Wollongbar (B1 zone) Commercial Breakdown

Commercial Use	Business Count	Area (sqm)
Retail		
Supermarkets and Grocery Stores	1	138
Food and Beverage*	3	1,245
Department Stores	-	-
Other**	5	570
Total Retail	9	1,953
Commercial (non-retail)		
Financial Services	-	-
Real Estate Services	-	-
Government Services	-	-
Education	1	373
Medical Services	2	196
Arts and Recreation	-	-
Office space other or not defined	-	-
Total non-retail Commercial	3	569
Tourism Accommodation	1	761
Industrial		
Transport, Postal and Warehousing	1	98
Vacancy	-	-
Vacant Space	2	218
Vacant Land	2	10,662
Other (community etc)	-	-

Source: HillPDA Desktop Analysis Oct 2019; *This includes restaurants, fast food, pubs and taverns ** This includes other specialty retail, bulky goods retail and retail services (eg. hairdressers, tailors, etc.)

4.1.7 West Ballina (local centre/ neighbourhood)

This Precinct is located adjacent to the Pacific Highway in West Ballina. It contains a number of retailers including The Good Guys (3,000sqm), Sams Warehouse (1,090sqm), Dan Murphy’s (1,000sqm) and a small Spar supermarket, in addition to a number of nurseries, automotive services and a number of other specialty shops.

Figure 14 West Ballina -Commercial Core (B1 and B6 zone)



Source: Mecone Mosaic

Bulky goods in West Ballina provide approximately 10,720sqm of floorspace with a further 2,090sqm provided in Large Format Retailers (Sams Warehouse and Dan Murphy’s). Commercial uses total 1,600sqm within West Ballina, with a further 1,650sqm of industrial uses. There are also three vacant tenancies which provides approximately 7,411sqm floorspace.

Refer to table below for commercial breakdown for the combined B6 and B1 zones.

Table 15: West Ballina (B1 and B6 zone) Commercial Breakdown

Commercial Mix	B1 Zone		B6 Zone	
	Business Count	Area (sqm)	Business Count	Area (sqm)
Retail				
Supermarkets & Grocery Stores	1	318	-	-
Food and Beverage*	2	636	3	1,990
Department Stores	-	-	-	-
Other**	7	3,756	19	21,717
Total Retail	10	4,710	22	23,707
Commercial				
Arts and Recreation	-	-	1	1,026
Office space other or not defined	-	-	2	573
Total Commercial	-	-	3	1,599
Tourism Accommodation	-	-	8	6,608
Industrial				
Manufacturing	-	-	2	1,080
Transport, Postal and Warehousing	1	318	1	1,331
Vacancy				
Vacant Space	-	-	3	7,411
Vacant Land	-	-	5	29,472

Source: HillPDA Desktop Analysis Oct 2019

*This includes restaurants, fast food, pubs and taverns

** This includes other specialty retail, bulky goods and retail services (hairdressers, optometrists, tailors, etc.)

4.1.8 Wardell (local centre/ neighbourhood)

A small scale neighbourhood centre (with 1.1 hectares of B1 Neighbourhood Centre zone) is also provided at Wardell that includes a butcher, two cafes/ take away and tourist accommodation facility.

Council has identified part of the existing village area (~5 hectares) for investigation for commercial uses (undefined) once the Pacific Highway has bypassed the village.

4.1.9 Summary of existing commercial centres in Ballina Shire

The below table outlines the total business counts and floorspace of retail and commercial uses for the aggregated 'in centres' precincts and the West Ballina precinct. An analysis of the data reveals that out of centre precincts account for only 17% of the total retail floorspace and 2% of total commercial floorspace of Ballina Shire's commercial precincts which is typical of most retail and commercial hierarchies.

Table 16: Summary of total retail floor space

Commercial Mix	In Centre		West Ballina B6 Zone	
	Business Count	Area (sqm)	Business Count	Area (sqm)
Retail				
Supermarkets & Grocery Stores	13	17,866	-	-
Food and Beverage*	108	24,588	3	1,990
Department Stores	3	15,951	-	-
Other**	306	56,739	19	21,717
Total Retail	430	115,144	22	23,707
Commercial (non-retail)				
Financial Services	50	10,377	-	-
Real Estate Services	19	3,761	-	-
Government Services	10	12,459	-	-
Education	11	3,332	-	-
Medical Services	81	16,748	-	-
Arts and Recreation	23	6,408	1	1,026
Office space other or not defined	109	21,135	2	573
Total Commercial	303	74,220	3	1,599
Tourism Accommodation	22	50,752	8	6,608
Industrial				
Manufacturing	-	-	2	1,080
Transport, Postal and Warehousing	9	1,825	1	1,331
Vacancy	-	-	-	-
Vacant Space	16	2,863	3	7,411
Vacant Land	12	14,433	6	19,071
Other (community etc)	33	8,709	-	-

Source: HillPDA Desktop Analysis Oct 2019

*This includes restaurants, fast food, pubs and taverns

** This includes other specialty retail, bulky goods and retail services (hairdressers, optometrists, tailors, etc.)

In addition to the above there are retail businesses in 'out-of-centre' locations – mostly bulky goods and large format stores but also some fast foods and other similar outlets – estimated at around 28,000sqm.

4.2 Pipeline Developments

In addition to the existing commercial and retail floorspace identified above, there are a number of commercial developments in the pipeline, including:

- A six storey mixed use development with 2 retail tenancies (229sqm) and restaurant tenancy (201sqm) on the corner of River and Kerr Streets was recently completed.
- DA approval was given for a McDonald's Restaurant for 115 patrons & a play land area at 565-589 River Street, Ballina.
- Construction of a two storey office building which will include 884sqm of commercial floorspace at 61 Ballina St.
- Construction of a neighbourhood shopping centre, namely, Epiq Shopping Centre at Lennox Heads which will include a 3,365sqm supermarket (Woolworths) and specialty shops (1,840sqm).
- Additional retail facilities of a neighbourhood/local scale are planned for the Cumbalum urban release area and Skennars Head expansion area in the future.

4.3 Industrial and B5 Business Development Zoned Land

There is one industrial land use zone in Ballina Shire, namely, IN1 General Industrial.

4.3.1 Southern Cross Drive Precinct

The Southern Cross Precinct is the largest employment and industrial area in the LGA occupying 59.7 hectares of industrial land. It is situated to the north of the Ballina conurbation and adjacent to Ballina/ Byron Gateway airport. It contains a number of retail, bulky goods and trade-related occupiers including Bunnings (3,000sqm indoor), ALDI (1,400sqm) and the recently opened Harvey Norman Centre which, in addition to Harvey Norman (4,908sqm) contains a Spotlight (1,800sqm), Forty Winks (1,583sqm), Pillow Talk (1,456sqm) and Petstock (594sqm). The Precinct is largely developed (55 hectares of this land is developed). Around 21 hectares is still vacant. However 5 hectares of this land is considered constrained.

The Southern Cross Precinct contains the largest quantum of bulky goods and LFR floorspace in the LGA with an estimated 16,000sqm. In addition it provides some 4,000-5,000sqm of home renovation type floorspace selling products such as lighting, blinds and awnings, kitchens etc., for example Reece, Dulux and Giltrap Flooring. Trade-related sales are likely to account for the majority of their revenue but we note that they also retail directly to the public.

Other industrial related uses at this precinct include manufacturers (OEM Dynamics, Triple X Wetsuits, Make-it Shutters and shades and Creative blinds and awnings), self-storage, Harvey Norman, wholesalers (e.g. B&E Blanch) and other local orientated businesses (e.g. Byron Bay Glass and Aluminium, Dave Bazar Plumbing, North Coast Wedding & Party Hire etc.). A further 3 hectares of industrial land accommodating airport related activities adjoins the airport some 200m from Southern Cross Drive.

4.3.2 Russellton Drive Industrial Precinct

The Russellton Drive Industrial Estate is located approximately 2km west of Alstonville and provides 30.5 hectares of industrial land. Existing uses include manufacturers (Macadamia Oils of Australia and the Koala Tea Company), self-storage, Boral Country-

Concrete and quarries, and other local orientated businesses (e.g. Rob's Mowers, Richmond Ceramics, Alstonville Kitchens, etc.).

Of total industrial zoned land, it is estimated that around 25.5 hectares or 84% of this land is developed. There is approximately 15.3Ha of undeveloped industrial land. Approximately 7.6 hectares of this land is significantly constrained by topography. Further, the remaining area for which Council has a subdivision approval (7.7 ha) is also slope constrained resulting in the subdivision being only economically developed as small lots (allowing benching). Anecdotal evidence⁴⁰ reveals that there is low demand for these smaller lots and consequently the subdivision has been slow to progress.

4.3.3 Smith Drive Industrial Precinct

The Smith Drive Industrial Precinct is located on the northern banks of Emigrant Creek and provides 14 hectares of industrial land. Existing uses include manufacturers (Overall Heavy Equipment, Gemcuts), self-storage and other marine related activities. Only 56% (or 7.8 hectares) of the industrial precinct is developed.

4.3.4 Clark Street Industrial Precinct

The Clark Street Industrial Area is located to the northeast of the Kerr Street Retailing Precinct and provides 6.4 hectares of industrial land. It contains a number of large retailers and trade related services, including Vast Furniture (1,395sqm) and Ballina Tenpin Bowl. Bulky goods and LFR floorspace in the Clarke Street Industrial Area is in the order of 2,000sqm. The industrial precinct is fully occupied.

4.3.5 Pipeline Developments

There is approximately 110 hectares⁴¹ of proposed and potential industrial lands in Ballina LGA including:

- The Southern Cross Industrial Estate expansion proposes an additional 32 hectares of industrial land to be delivered within a ten year period, with a further 6.2 hectares adjacent to the Racecourse.⁴² Council is currently considering a planning proposal to rezone land within the Southern Cross Industrial Estate

⁴⁰ Discussions with Council

⁴¹ This excludes the constrained land and the 27 hectare site north of Wardell.

⁴² Macroplans, 2015

Expansion Area, located adjacent to the Ballina-Byron Gateway Airport. Proposals put forward for this area to date have included an Expo Centre (“X-Building”), film studio, food manufacturing precinct and business “start-up” incubator.

- As advised by Council, the planning proposal is currently considering the application of other land use zones within the proposed expansion area. Moreover, the development of additional land within the Southern Cross Industrial Estate presents the opportunity to provide large land parcels as a part of the next stage of commercial/industrial land release.
- A light industrial estate (some 21 hectares) is under investigation on the northern side of Lennox Head which could be delivered within 20 years.
- The Russellton Drive Industrial Estate expansion provides an additional 23.2 hectares of industrial land.⁴³
- An additional five hectares has been identified for industrial uses immediately to the North-West of the Clark Street Industrial Estate⁴⁴.
- A 17.1 hectare site between the Pacific Highway and Teven Road (North of the Teven Interchange) has been identified as a potential 'Transport Logistics Hub' (which has been enabled via additional permitted uses schedule). It should be noted however, approximately 3.2 hectares of the site is constrained by floodway designation (excluded from the calculations with respect to future potential development) leaving 13.9 hectares developable.
- A further 8.8 hectares has been identified in West Ballina for potential employment lands⁴⁵.
- There is 27 hectare site north of Wardell between Pacific Highway and Pimlico Road which was identified for potential industrial uses in the long term. Perhaps 60% or more of the site is likely to be subjected to major environmental constraints. Consequently, this site has been excluded from the calculation of potential future development and has been identified only as a very long term possibility.

⁴³ Wollongbar Strategic Plan 2019

⁴⁴ Clark Street Structure Plan and Land Use Review (2014)

⁴⁵ West Ballina Planning Study and Structure Plan 2011

A person is walking, carrying several colorful shopping bags (pink, green, blue, purple) in their hands. The image is overlaid with a semi-transparent blue filter and a white rectangular border. The text "DEMAND FOR RETAIL SPACE" is centered in the white border.

DEMAND FOR RETAIL SPACE

5.0 DEMAND FOR RETAIL SPACE

The following chapter forecasts the demand for shop front space in the commercial centres of the LGA to 2041. Forecasting the type and quantum of space is necessary to ensure the right levels for strategic planning. The main objective of a commercial centres strategy is to ensure there will be sufficient quantity and quality of retail space to meet growth in demand generated by population growth and to meet the wide range of opportunities and experiences for consumers whilst protecting the integrity and viability of existing centres to the extent that they continue to perform a valuable community function. An important secondary objective is to promote economic development and expand opportunities for job creation. The methodology used to forecast the demand for retail space is expenditure modelling.

5.1 Retail expenditure modelling

Demand for retail space is derived mainly from three sources being residents (household expenditure), workers and visitors or tourists.

The steps in the methodology in forecasting retail floor space include:

- Defining the extent of the potential trade area for all the centres in Ballina Shire. The trade area is determined by a combination of factors including (and not limited to) the strength and attraction of the retail offer, competitive retail landscape, retail hierarchy as well as the scale and retail offering
- Deriving expenditure data from Market Data Systems (MDS) Marketinfo 2017 and forecasting expenditure generated by residents to 2041
- Applying varying capture rates for each trade in relation to the various retail categories
- Dividing total estimated retail sales by industry benchmark turnover rates (which varies by centre size and by retail store type) to derive overall floorspace required.

⁴⁶ Based on ABS retail sales data indexed to CPI and population both Australia wide and NSW 1986 to 2017.

5.1.1 Trade area definition

The total or combined trade area for all the centres is the Ballina Shire. Some expenditure escapes the LGA to other centres and in relation to ‘tourism-out’ spend. However Ballina Shire captures some expenditure from beyond the LGA given that a number of the surrounding LGAs do not provide the level of retail offer that Ballina Shire does. Therefore a secondary trade area was defined for Ballina Shire being the LGAs of Lismore and Byron.

5.1.2 Forecast population

The next step in the modelling is to forecast population growth in these areas. Population forecast was sourced from Forecast.ID and Department of Planning (refer to Section 4.1) and is shown in the table immediately below.

Table 17: Trade Area Population forecast

LOCAL AREA	2016	2021	2026	2031	2036	2041
Ballina Shire	42,629	44,840	46,875	49,013	51,238	53,586
Secondary Trade Areas (STA)						
Lismore LGA	46,200	47,850	49,350	50,700	51,750	52,793
Byron LGA	32,400	33,850	35,250	36,650	37,950	39,297
TOTAL STAs	78,600	81,700	84,600	87,350	89,700	92,090

Source: Forecast.ID and NSW Department of Planning and Environment

Expenditure data was sourced from MDS Marketinfo 2017 which utilises national accounts, ABS Census and ABS Household Expenditure Survey data to derive estimated household expenditure down to SA1 level for 625 different categories of expenditure. Average expenditure per capita in retail goods and services is shown in the table below. In forecasting per capital spend we have assumed real growth in retail spend per capita of 1% per annum in food, groceries, food and personal services and 0.5% in non-food categories. This is consistent, if not slightly conservative, with the long term trend since 1986⁴⁶.

Table 18: Estimated retail expenditure per capita (\$2018)

TRADE AREA	2016	2021	2026	2031	2036	2041
PTA Ballina Shire						
Supermarts & Grocery Stores	4,499	4,729	4,970	5,224	5,490	5,770
Food and Beverage	1,990	2,091	2,198	2,310	2,428	2,552
Department Stores	809	830	851	872	894	917
Retail Other	6,598	6,801	7,011	7,229	7,454	7,686
Total	13,896	14,451	15,030	15,634	16,266	16,925
STA Lismore						
Supermarts & Grocery Stores	4,400	4,624	4,860	5,108	5,368	5,642
Food and Beverage	1,894	1,991	2,092	2,199	2,311	2,429
Department Stores	789	809	830	851	872	894
Retail Other	6,433	6,630	6,834	7,045	7,263	7,488
Total	13,516	14,054	14,616	15,202	15,815	16,454
STA Byron						
Supermarts & Grocery Stores	4,710	4,950	5,203	5,468	5,747	6,040
Food and Beverage	2,174	2,285	2,401	2,524	2,653	2,788
Department Stores	882	904	927	950	974	999
Retail Other	7,203	7,424	7,652	7,889	8,133	8,386
Total	14,968	15,563	16,183	16,830	17,507	18,213

Source: Marketinfo 2017, HillPDA

Forecast expenditure generated by residents is shown in the table below.

Table 19: Estimated total retail expenditure by trade area residents (\$m)

TRADE AREA	2016	2021	2026	2031	2036	2041
PTA Ballina Shire						
Supermarkets & Grocery Stores	191.8	212.0	233.0	256.0	281.3	309.2
Food and Beverage	84.8	93.8	103.0	113.2	124.4	136.7
Department Stores	34.5	37.2	39.9	42.8	45.8	49.1
Retail Other	281.2	304.9	328.6	354.3	381.9	411.9
Total	592.4	648.0	704.5	766.3	833.4	906.9
STA Lismore						
Supermarkets & Grocery Stores	203.3	221.3	239.8	259.0	277.8	297.9
Food and Beverage	87.5	95.3	103.3	111.5	119.6	128.2
Department Stores	36.5	38.7	40.9	43.1	45.1	47.2
Retail Other	297.2	317.2	337.2	357.2	375.8	395.3
Total	624.4	672.5	721.3	770.7	818.4	868.7
STA Byron						
Supermarkets & Grocery Stores	152.6	167.6	183.4	200.4	218.1	237.4
Food and Beverage	70.4	77.3	84.6	92.5	100.7	109.6
Department Stores	28.6	30.6	32.7	34.8	37.0	39.2
Retail Other	233.4	251.3	269.7	289.1	308.6	329.5
Total	485.0	526.8	570.4	616.8	664.4	715.7

Source: Marketinfo 2017, HillPDA

5.2 Tourism expenditure

In addition to resident expenditure Ballina centres (mainly the CBD) enjoy some capture of tourist expenditure – visitors staying overnight in hotels, motels, camping and with friends and relatives that live in the LGA.

A summary of tourism statistics is provided in the table immediately below.

Table 20: Tourism Expenditure Statistics

Financial Year End	Overseas Visitor Nights	Domestic Visitor Nights	Domestic Daytrips	Spend by Overseas Tourists (\$m)	Spend by Domestic overnight tourists (\$m)	Spend by Domestic Day trippers (\$m)
2018	87,598	928,396	672,446	5.4	152.3	76.7
2017	189,370	1,020,948	477,087	10.6	142.9	44.8
2016	184,996	1,312,803	307,310	10.9	182.5	31.0
2015	74,721	863,000	--	4.3	127.7	--
2014	115,345	1,301,543	--	6.1	174.4	--
2013	150,070	881,440	--	8.0	119.9	--
2012	155,573	1,056,519	375,247	9.2	146.9	39.4
2011	95,090	772,070	438,578	6.5	97.3	53.5

Source: Economy.ID, Destination NSW and National Visitor Survey 2017-18

Identifying any real trend or growth in tourist numbers from the above figures is a little vexed. Tourism levels fluctuate due to sensitivities with economic conditions including for example job certainty, interest rates rises, petrol prices and other factors. For the purpose of the retail demand modelling we have ignored day trippers as much of this expenditure overlaps with expenditure sourced from the secondary trade areas (adjoining LGAs) which was quantified in the previous section.

Expenditure in the above table refers to total expenditure relating to the trip including travel costs, accommodation and entrance fees. Only 40% to 45% of this expenditure relates to retail goods and services including meals and drinks in restaurants and the like.

5.3 Forecast of potential retail sales in the centres

Estimating total retail sales in the centres was done by applying varying capture rates to household expenditure.

Capture rates will never total 100% as some expenditure will escape the LGA, particularly in relation to 'tourism-out' expenditure. On average around 7% to 7.5% of the average NSW household's annual expenditure on retail goods and services is undertaken when away on holidays.

Capture rates from surrounding LGAs vary based on distance from Ballina CBD. The assumed rates vary from 7.5% to 20% for FGL expenditure and 35% to 50% for discretionary shopping. This was further cross checked with Destination NSW data on day trippers.

Finally the expenditure on retail goods and services was added from overnight tourists to derive estimated total retail sales in each of the centres. The results are shown in the table immediately below.

Table 21: Ballina centres potential retail sales in 2018 (\$m)

Retail Category	2016	2021	2026	2031	2036	2041
Supermarkets & Grocery Stores	212	233	256	280	306	335
Food and Beverage	121	131	143	155	168	183
Department Stores	62	66	71	75	80	85
Retail Other	464	501	538	577	617	661
Total	794	863	935	1,011	1,093	1,181

* HillPDA Estimate from Marketinfo 2017 expenditure data and Forecast.ID population

5.4 Forecast demand for retail floor space

Demand for retail floor space is calculated from dividing total retail sales by target (or industry standard) retail turnover density (RTD) levels (measured as \$/sqm/ann) for each retail store type. The sources of target RTDs is various including Shopping Centre News, Property Council of Australia, Urbis Retail Averages and various consultancy studies. For the purpose of the forecasting we have adopted the following RTDs

Food & Groceries	\$11,000
Food and Beverage	\$5,800
Department Stores	\$3,700
Other Retail	\$5,000

These rates were escalated at 0.5% per annum for food and groceries, food and beverages and 0.2% for non-food retailers. With these above RTDs the demand for retail floor space was calculated to be as follows:

Table 22: Demand for retail floor space to 2041 (sqm)

Retail Category	2021	2026	2031	2036	2041
Supermarkets & Grocery Stores	20,700	22,660	24,820	27,160	29,740
Food and Beverage	22,110	24,000	26,060	28,290	30,740
Department Stores	17,720	18,900	20,150	21,430	22,800
Retail Other	99,140	106,440	114,190	122,250	130,940
Total	159,670	172,000	185,220	199,130	214,220

Source: HillPDA Forecast

The above table shows demand for retail space of around 215,000sqm across the LGA by 2041.

The current supply of retail space is shown in the table immediately below.

Table 23: Current supply of retail floor space in the Ballina Shire

Retail Category	B1-B4 zones	B6 Zone (West Ballina)	B5 and IN1 zones	Current proposals*	TOTAL
Supermarkets & Grocery Stores	17,866	0	1,400	3,365	22,631
Food and Beverage	24,588	1,990		801	27,379
Department Stores	15,951	0			15,951
Retail Other	56,739	21,717	19,341	1,569	99,366
Total	115,144	23,707	20,741	5,735	165,327

Note: Retail only excluding commercial services such as financial, real estate, travel, medical and other services.

* Pipeline developments and rural commercial hamlets Newrybar and Tintenbar. Excludes long-term planned centres at Cumbalum and Skennars Head

The table below compares the existing supply of retail floorspace to forecast demand. It shows an additional 48,500sqm would be required over and above current and planned space to 2041.

Table 24: Recommended Net increase in Retail Space by 2041 (sqm)

	Supply*	Demand for Retail Space in 2041	Net increase/decrease by 2041
Supermarkets & Grocery Stores	22,631	29,740	7,109
Retail Food & Beverage	27,379	30,740	3,361
Department Stores	15,951	22,800	6,849
Retail Other	99,366	130,940	31,574
Total Retail	165,327	214,220	48,893

As shown in the above table Ballina will need to plan for and procure almost 50,000sqm more retail floor space to meet demand in 2041.

The background of the slide features a blurred, low-angle shot of several people walking in a brightly lit hallway. The image is overlaid with a semi-transparent blue filter. The text is centered within a white rectangular border.

EMPLOYMENT LANDS DEMAND AND CAPACITY

6.0 EMPLOYMENT LANDS DEMAND AND CAPACITY

The following Chapter forecasts employment growth and floorspace requirements in Ballina Shire to 2041. Demand for employment lands was based on employment projections.

Employment growth within the LGA may take many forms and would be accommodated within:

- Business centres (i.e. retail, government, accommodation, office and culture)
- Employment precincts (i.e. warehousing, storage, wholesaling and manufacturing and ancillary retail and commercial) and

Other locations such as stand-alone hospitals and educational institutions.

6.1 Employment precinct demand

HillPDA has undertaken modelling to project the demand for employment lands over the next 25 years. Employment projections were developed using historical employment trends within the LGA over the last 15 years.

6.1.1 Methodology of forecasting

The following methodology was applied in undertaking employment projections:

Step one | sourced employment in the LGA by ANZSIC Industry 1 digit from economy.id at the last four census dates (2001, 2006, 2011 and 2016)

Step two | condensed the 19 ANZSIC 1 Digit categories into broad land use categories such as industrial, commercial and retail

Step three | calculated the proportion of total employment in each industry category across the LGA's resident working population. This was achieved by dividing total employment by industry category for total residents aged 15 years and over

Step four | assessed the proportional change for each industry category between the census periods

Step five | extrapolated the trends from Step 4 to project employment by industry category

Step six | forecast employment generated in the LGA by applying various proportional growth scenarios (Step five) to the projected resident population aged 15 years and over for the corresponding year.

There are a range of industries such as manufacturing, transport and warehousing, wholesale trade, equipment hiring, engineering and home building services, etc that are generally located in the "blue-collar" areas, generally on sites that are zoned industrial. However, these industries are classified as '*rental, hiring and real estate services*' under ANZSIC 1 Digit category. Other jobs in this category include real estate services which are generally located in business centres. Also the ANZSIC code of '*other services*' includes automotive and other mechanical repair services that are generally located in the industrial zones. To account for this, the jobs in these categories were apportioned to the different zones. For example, 20% of jobs in the industry of '*rental, hiring and real estate services*' and 30% of '*other services*' were apportioned to the industrial zoned precincts.

Historic employment and population was sourced from Economy.id and Community.id while population projections were sourced from the NSW Department of Planning and Environment population projections.

6.1.2 Ballina Shire job forecast

This forecast is a long term trend scenario that matches growth in employment with Forecast.ID population growth. It applies the proportional growth experienced over the last 15 years to the projected population of persons aged 15 years and over. Total employment in the industrial 'blue-collar' precincts is forecast to increase to 4,269 by 2041, representing a net gain of 732 or 21% increase over the period.

Table 25: Ballina Shire Employment projections

Industry	2016*	2021	2026	2031	2036	2041	Growth 16-41
Rural & Mining	1,036	939	871	815	767	728	-308
Industrial Areas	3,537	3,702	3,835	3,974	4,119	4,269	732
Shop front space	3,364	3,469	3,574	3,680	3,785	3,891	527
Office space	4,688	5,055	5,423	5,791	6,160	6,528	1,840
SP (schools, hospitals, etc)	3,402	3,773	4,144	4,515	4,886	5,257	1,855
Other	1,184	1,251	1,317	1,383	1,449	1,515	331
Total Employment	17,212	18,189	19,164	20,157	21,166	22,188	4,976

Source: HillPDA, *Economy and Community ID

6.1.3 Forecast demand for industrial land

Forecast demand for industrial zoned land is calculated by dividing the increase in number of jobs by job density ratio (workers per hectare) in Ballina Shire. From Economy.ID and the land use survey we estimate the current job density ratio in Ballina Shire to be around 25 jobs per hectare (including the area of local streets). Therefore 732 more workers in the industrial areas from 2016 to 2041 would require an additional 30 hectares of land zoned and serviced.

This does not allow for any variation in job density ratios. Job densities can fall over time due to the displacement of manufacturing with warehousing and/or increasing automation. If we assume a decline of 10% across the LGA (ie 22.5 workers per hectare by 2041) then the demand for additional land would be significantly higher at 50 hectares.

6.1.4 Forecast demand for office space

Forecast demand for office floorspace is calculated by simply multiplying the increase in number of jobs by an industry standard job density ratio (sqm per workers). For the purpose of the forecast we have used 20sqm per job.

With 1,840 additional jobs forecast to 2041 Ballina would require an additional 37,000sqm of office floorspace.

As discussed in Section 2.2 there has been a substantial increase in demand for co-working space (6% increase per annum in the five years up to 2017). Although these tenants would likely be more attracted to CBD/ town centre locations, improved connectivity, commercial/retail services and lifestyle attractors within Southern Cross Industrial Estate Expansion Area may increase the attraction of this precinct to such tenants. However we would anticipate the vast majority of office floorspace would locate in the Ballina Town Centre given the higher level of amenity there.

Co-working is well suited for comparatively small office spaces (<200sqm) with evidence suggesting faster take-up by co-working tenants compared to traditional tenancy arrangements however we are seeing increasing demand for larger spaces in recent times⁴⁷.

6.1.5 Forecast demand for key industry sectors

This next section considers the demand for commercial and industrial lands for Ballina’s key industry sectors.

6.1.5.1 Food product manufacturing

Food Product Manufacturing remains Ballina Shires largest manufacturing industry and has steadily increased over the years with this trend expected to continue. Using the same methodology for estimating forecast demand for industrial land and assuming 25 jobs per hectare and a net increase in workers from 2016 to 2041 of 58 in Food Manufacturing we estimate less than 1.5 hectares of land zoned and serviced is required to accommodate future growth in this industry.

However as discussed in Section 2.3 40% of Ballina Shire’s residents employed in food product manufacturing (some 130 workers) are having to travel beyond the Shire for work indicating additional latent demand for food production manufacturing. To promote job containment and provide a stronger economic outcome if Ballina Shire were to provide

⁴⁷ Cheung, A. (2018), *Overseas Companies Set to Rock Australia’s ‘Sleeping’ Coworking Market, Expert Says*, Commercial Real Estate

job opportunities in the same industry for say up to 50% of these 130 workers this would equate to additional 1.7 hectares of industrial land. On this basis this would suggest a further 3 hectares of industrial land is required for food product manufacturing.

6.1.5.2 Multimedia and creative industries

Nationally, both the multimedia and the creative industries are growing and making a larger contribution to GDP than a number of traditional industry group. These industries form part of the Information Media and Telecommunication ANZSIC 1 Digit category and Creative and Performing Arts Activities ANZSIC 2 Digit category. With only 15 additional jobs projected across these industries in Ballina Shire to 2041, we consider this insignificant. The proposed commercial developments within Ballina Shire can accommodate this growth.

These projections are based on historical trends, however, and do not take into account any aspirational targeting. If multimedia and creative industries were to become key or base industries for Ballina Shire this would require significant investment (grants, subsidies, education institutions working collaboratively to promote the industry) and critical mass (including job opportunities). It is difficult to quantify the quantum of floorspace required to ensure the success of these industries given the limited data available and various other factors which will influence its success (ie. Access to talent pool, strength of competition, access to clients etc.).

6.1.5.3 Business development

There has been shift towards professional and white collared jobs both nationally and at local level (Ballina Shire). To 2041 an additional 534 jobs are projected in Ballina Shire across the Financial and Insurance Services, Professional, Scientific and Technical Services and Administration and Support Services industries, with Professional, Scientific and Technical Services identified as a base industry for Ballina Shire (refer to Section 3.3.1). Much of industries typically locate in office space and to a lesser degree shop front floorspace and industrial land. Of the 37,000sqm additional commercial floorspace required by 2041 (refer to Section 6.1.4) the Financial and Insurance Services, Professional, Scientific and Technical Services and Administration and Support Services industries would account for 20% or some 7,600sqm of this floorspace.

6.1.5.4 Agribusiness

As discussed in Section 2.4 we expect the future for agriculture to develop into sustainable intensification of farming i.e. more with less, on a bigger scale and with increased productivity. We would expect this to occur through the development of high-tech facilities, using smaller parcels of fertile land located in close proximity to streamlined distribution facilities. Nevertheless, leveraging from its high-quality soils and relatively higher annual rainfall along with access to markets, Ballina Shire could pursue growing its horticultural industry. This will increase demand for agricultural related land.

If the above were to occur the agritourism industry, which as established previously is growing in popularity is likely to experience some growth also. Due to the permissibility of this form of activity within rural zones, there would be adequate provision of land for this use over the longer term.

6.1.5.5 Airport related industries

As discussed in Section 2.7 industries such as agricultural processing and exports, advanced manufacturing and logistics as well as tourism and the visitor economy would all be appropriate secondary industries. Southern Cross Industrial Estate Expansion Area would be a suitable location for these industries given its proximity to the airport and road infrastructure. Employment forecasts have been accounted for in the forecast for industrial demand for industrial lands (Section 6.1.3).

6.2 Land supply

In each Industrial Employment Precinct, HillPDA undertook a land use survey to identify the zoned area of employment land (ha), occupied building floorspace (sqm) and vacant land (ha).

The table immediately below shows there is some 165.6 ha of zoned employment lands (land zoned IN1, B5 and B6) in Ballina Shire of which 115.4 hectares is occupied. Across the LGA the supply of vacant industrial lands is 50.2 hectares which equates to 30% of total supply. Of that supply 13.2 hectares is constrained and hence only 37 hectares is developable (practical or feasible to develop).

Table 26: Industrial Zoned Land Ballina Shire by Location (hectares)

Employment Precinct	Southern Cross Drive	Russellton Drive	Smith Drive	Clarke Street	West Ballina	TOTAL
Zoning Capacity						
IN1	72.00	43.40	15.90	6.40	-	137.70
B5	3.70	-	-	-	-	3.70
B6	-	-	-	-	24.20	24.20
Total	75.70	43.40	15.90	6.40	24.20	165.60
Occupied (2019)						
IN1	51.00	25.20	7.80	6.40	-	90.40
B5	3.70	-	-	-	-	3.70
B6	-	-	-	-	21.30	21.30
Total	54.70	25.20	7.80	6.40	21.30	115.40
Vacant						
IN1	21.00	18.20	8.10	-	-	47.30
B5	-	-	-	-	-	-
B6	-	-	-	-	2.90	2.90
Total	21.00	18.20	8.10	-	2.90	50.20
As a %	28%	42%	51%	0%	12%	30%
Constrained	5.60	7.60	-	-	-	13.20
Net Vacant Area	15.40	10.60	8.10	-	2.90	37.00
As a %	20%	24%	51%	0%	12%	22%

6.3 Capacity assessment

The development capacity and resulting ability for the LGA to accommodate its projected demand in 2041, is provided in the table below. The analysis shows an additional 13 hectares of industrial zoned land is required by 2041 to meet demand over and above the level of current supply.

Table 27: Industrial Zoned Land Capacity in Ballina Shire

	Existing Vacant Land Supply (ha)*	Existing unconstrained vacant land supply (ha)*	Demand for industrial land from 2016 to 2041 (ha)	Additional industrial land required by 2041 (ha)
Hectares	50	37	50	13

There is however approximately 110 hectares⁴⁸ of proposed industrial land in Ballina LGA (refer to Section 4.3.5). This would increase the total supply of vacant industrial lands to 147 hectares. Factoring in anticipated demand for further industrial land to 2041 suggests there will be a surplus of industrial zoned land of around 97 hectares by 2041 if the 110 hectares of proposed industrial land were to proceed. This would represent around 35% of total land supply. While this is a significant proportion it is considered healthy to plan for surplus zoned land to ensure adequate land supply and price competition between sites.

⁴⁸ This excludes the constrained land and the 27 hectare site north of Wardell.

RECOMMENDATIONS



7.0 RECOMMENDATIONS

7.1 Objectives of the Strategy

In order to develop and evaluate a range of options for the planning and management of employment lands in the LGA it is necessary to have a clear set of objectives. Below is a recommended list of key objectives for Ballina’s Commercial Centres and Employment Land Strategy:

- Promote Ballina Shire as the major city centre for the North Coast Region;
- Provide quantity, quality and convenience for consumers as well as a wide range of shopping opportunities and commercial experiences;
- Provide for further growth in retail and commercial space to meet growth in demand generated by population and household growth;
- Protect the integrity and viability of existing centres to the extent that they continue to perform a valuable community function;
- Protect current employment levels in retailing and hospitality industries for the residents of the LGA and expand opportunities for further employment;
- Promote tourism as an important base industry;
- Promote other potential base industries such as including the food product manufacturing, Professional, Scientific and Technical (including Business development), agribusiness and to a lesser degree multimedia and creative industries; and
- Provide ample employment lands to accommodate the range of potential industries that would seek to invest in Ballina Shire.

7.1.1 Retail Centres

An important objective of any retail strategy is to achieve the right level of shop front retail and commercial floor space. An undersupply of floor space creates the following problems:

- It undermines the objective of residents having the widest possible range of shopping opportunities and commercial services;
- It undermines the objective of providing quantity, quality and convenience for consumers;
- It results in longer travel times for shopping and increased car use;
- It results in increased congestion, parking difficulties and loss of convenience; and
- It results in more “out-expenditure” escaping the LGA and less “in-expenditure” from other LGAs.

An oversupply of shop front retail and commercial floor space results in:

- High vacancies, low rents and neglect of retail centres;
- Inefficient use of land and other resources; and
- An uninviting appearance and ambience with lack of users, property neglect and urban blight.

In many cases an oversupply of shop front space occurs as a result of intense competition in the retail industry with competitors trying to be first. In high growth areas oversupply is only a short-term problem. However in areas of stagnant population growth, oversupply is an issue that is more difficult to address.

Notwithstanding the above, retail space is often increased in quantum leaps due to the sizes of majors or anchor tenants and the need to include a component of specialty stores to ensure viability of development.

7.2 Demand for employment space

The earlier chapters in this report provide a forecast of demand for employment uses (commercial centres and business development / industrial areas). The forecasts are based on population growth projections. The population projection is based on Forecast.ID which forecasts almost 11,000 more people living in the LGA from 2016 to 2041 to almost reach 53,600.

Expansion of employment uses will be required to meet demand to 2041 years. This includes:

- 48,500sqm of retail space in Ballina Shire;
- 37,000sqm of additional office space in the LGA of which say 10% to 20% would be distributed in the district centres and the balance in the CBD and B6 zoned areas.
- Up to 50 hectares of industrial zoned land of which the bulk of it can be accommodated in Lennox Heads and Southern Cross. There is also potential for extending Russelton Drive Industrial Precinct as well as additional potential sites in Wardell.

7.3 Commercial Centres Hierarchy

The existing commercial centres in Ballina Shire are classified as follows:

Commercial Core: Ballina CBD (including Ballina Town Centre and Kerr Street Retail Precinct) is a main city centre for the North Coast region comprising almost 186,000sqm of employment floor space of which around 91,700sqm is occupied retail space. Anchor retailers including three discount department stores and four full line supermarkets.

District Centres: Alstonville and Lennox Head have been identified as District Centres and are generally anchored by at least one full line supermarket and possibly a discount department store. Alstonville currently provides a full line supermarket whilst Lennox Heads is serviced by small format supermarket (IGA). As the population within Lennox Head grows substantially there will be potential for one to two full line supermarkets. A 3,500sqm supermarket has already been proposed as part of the Epiq Centre.

Local Centre/ Neighbourhood Centres/ Rural Commercial Hamlets: Local centres generally have a leasable floor area of between 2,000sqm and 10,000sqm and are generally anchored by a supermarket or large food and grocery store, whilst neighbourhood centres are generally less than 2,000sqm, comprise of several small shops and lack an anchor tenant. They may include a supermarket but would be a mini-supermarket – such as a ‘Friendly Grocer’, the size of a specialty store.

There is one local centre in Ballina Shire, namely, West Ballina; four neighbourhood centres in Ballina Shire being East Ballina, Shaws Bay, Wollongbar and Wardell and two rural commercial hamlets including Newrybar and Tintenbar.

Homemaker / Bulky Goods: These centres have a concentration of large bulky goods stores including hardware, furniture stores, electrical goods stores, home renovations, camping stores, saddleries and the like.

There are a number of such stores in the CBD (or CBD fringe) such as Super Amart, Snooze and Repco. However the main concentration is in the Southern Cross Precinct. This area has developed as the main destination for bulky goods shopping. In addition it provides some 4,000-5,000sqm of home renovation type floorspace selling products such as lighting, blinds and awnings, kitchens etc., for example Reece, Dulux and Giltrap Flooring. Trade-related sales are likely to account for the majority of their revenue but we note that they also retail directly to the public. West Ballina and Clarke Street Industrial Area also provide significant provision of bulky goods retailing.

7.3.1 Future Village Centres:

Additional retail facilities of a neighbourhood/local scale are planned for Epiq Lennox Head development, Cumbalum urban release area and Skennars Head expansion area in the future. These centres will all be required before 2041 – with Epiq required in the short term (five years) and the remaining centres in medium to longer term.

7.4 Industrial areas

The above forecast suggests an additional 50 hectares of unconstrained industrial zoned land is required from 2019 to 2041 to meet growing demand.

Ballina Shire has around 50 hectares (37 hectares if you exclude constrained land) of vacant IN and B6 zoned land to accommodate future demand for industrial development out to 2041. This is a shortfall of 13 hectares.

There is however approximately 104 hectares of proposed industrial land in Ballina LGA (refer to Section 4.3.5). This is more than sufficient to meet forecast demand. Notwithstanding it is important to maintain a strong supply of vacant developable zoned land (at least 20% of total supply) to ensure adequate price competition at attraction for potentially large occupiers.

The majority of vacant land is in Southern Cross Drive Industrial Precinct near the airport including the Southern Cross Industrial Estate Expansion Area. There is potential to develop the site to include secondary industries including food product manufacturing, professional services (with potential for co-working spaces and start up incubators) leveraging from the adjoining airport and road infrastructure.

The Sydney Startup Hub Regional Landing Pad has had a significant impact in connecting regional startups to the Sydney ecosystem to expand their networks and target business opportunities⁴⁹. There is potential for Ballina Shire to leverage from this successful and established platform and develop a “start up” incubator in the Southern Cross Industrial Expansion Area.

There is also potential for Ballina Shire to develop its multimedia and creative industries. For these industries to become a base industry this would require significant investment possibly in the form of grants, subsidies and education institutions working collaboratively to promote the industry. Critical mass is a key success factor along with access to a strong talent pool and clients.

7.5 Other Strategies

7.5.1 Ballina Commercial Core

It is recommended that a masterplan be prepared for Ballina CBD with the objective of identifying potential development sites, ensuring adequate supply of suitable sites to accommodate growth over the next 20 years, developing urban design options for growth and the feasibility testing of those options.

Newrybar

It is recommended that Council investigate further of commercial opportunities in Newrybar and capitalise on its established reputation as a rural tourism hub.

7.5.2 Cumbalum Precinct A

A similar structure plan or masterplan should be prepared for Cumbalum Precinct A urban release area to accommodate both a future local/neighbourhood centre of up to 3,000sqm GLA of retail and commercial space (serving both both Cumbalum and Kinvara).

Currently there is a 12 hectare site zoned B2 for a village centre in Cumbalum on Ballina Heights Drive and further to the north is another area of around 3 hectares zoned B2 for a future village centre.

Forecast.ID is showing only 4,227 people living in the Cumbalum, Kinvara and Tintenbar area by 2036 which means a centre not much larger than say 2,000sqm to 3,000sqm of shop front space is required. 1.7ha should be sufficient size for a B2 zone. That said the site on the corner of Ballina Heights Drive and Power Drive is a better location for the centre. It is as central as the current 12ha site but also closer to the main entry point into Cumbalum from Ballina and closer to the on/off ramps of the Pacific Motorway.

7.5.3 Monitoring and Review

It is further recommended that the Commercial Centres and Employment Lands Strategy be reviewed every six or seven years to enable Council to monitor growth, determine how the LGA is tracking against the original forecast and whether or not the strategy requires amendments.

⁴⁹ Sydney Startup Hub One Year Report 2019