

Tamworth Activity Centre Review 2023

PREPARED FOR TAMWORTH REGIONAL COUNCIL

August 2023

FINAL

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Executive summary

This report presents an assessment of the activity centres framework within the Tamworth Regional council area. In doing so, a broader review of the existing centre hierarchy has been undertaken to consider an optimal outcome for the future provision of retail floorspace, including bulky goods across Tamworth over the far term, i.e. when the region's population is anticipated to reach 80,000 residents.

For the purposes of this assessment, the Tamworth study area includes the Tamworth Regional local government area (LGA) which, in addition to the city of Tamworth, includes the rural townships of Kootingal, Manilla, Barraba, Nundle and Moonbi as well as the village of Bendemeer.

Tamworth's resident population, according to forecast.id, is projected to increase from around 63,680 at mid-2021 to around 80,770 by mid-2041, equating to an average annual increase of 1.2% per annum. This growth is anticipated to largely occur within the residential growth areas of Arcadia Estate (Hillvue) and Calala in Tamworth's south and Hills Plain precinct in Tamworth's north.

The existing activity centre hierarchy within Tamworth is centralised around the City's Central Business District (CBD) which accommodates around 70,000 sq.m of retail floorspace anchored by two major supermarkets (Coles and Woolworths) and two discount department stores (Target and K-mart). The CBD is centred around Peel Street, predominantly stretching from Eastpoint Shopping Centre to the south to the ALDI supermarket to the north.

Tamworth City is also supported by a sub-regional centre, four village centres and three neighbourhood centres, with a further three villages and three neighbourhood centres servicing the surrounding rural area of Tamworth. In total there is 108,250 sq.m and 9,150 sq.m of traditional retail floorspace within Tamworth City and rural area respectively. Further to this is an estimated 71,630 sq.m of bulky goods floorspace located largely within the Longyard precinct in South Tamworth, along Bridge St and within the Taminda light industrial precinct to the west of the CBD. A handful of bulky goods retails (totally around 8,100 sq.m) are located across the CBD.

In estimating the future level of supportable retail floorspace as Tamworth reaches population thresholds over the forecast period, Macroplan takes into consideration projected retail expenditure available to support retail floorspace less the existing provision of retail floorspace within the study area, with the findings detailed below in Table A.

The key findings are as follows:

- As at mid-2021 the greatest market gap is estimated to be an oversupply of around 2,660 sq.m within the Tamworth study area, with the majority of this oversupply located within the secondary sector (i.e. rural Tamworth).
- Based on an estimated population of 65,000 as at mid-2023, there is currently an estimated undersupply of 1,530 sq.m of traditional retail floorspace, plus an undersupply of 1,263 sq.m of bulky goods floorspace, with the majority of this undersupply occurring within the village centres in both north and south Tamworth.

Table A					
Tamworth retail floorspace gap analysis by centre type					
	Population thresholds				
	Census 2021	Current 2023	Near term ~2026	Mid-term ~2034	Far term ~2041
Population	63,680	65,000	68,000	75,000	80,000
Total retail spending to TA - \$M*	820	854	909	1,132	1,280
<u>Market gap (sq.m)</u>					
Primary	789	-2,355	-7,572	-30,429	-42,706
<u>North</u>	<u>626</u>	<u>-926</u>	<u>-4,460</u>	<u>-17,958</u>	<u>-26,099</u>
CBD	612	664	-2,607	-13,059	-20,412
Village	14	-1,590	-1,853	-4,899	-5,687
<u>South</u>	<u>163</u>	<u>-1,429</u>	<u>-3,112</u>	<u>-12,471</u>	<u>-16,607</u>
Sub-regional	123	-26	-1,042	-5,198	-7,561
Village	-727	-2,238	-2,827	-7,548	-9,124
Neighbourhood	767	835	756	275	78
Secondary	1,062	825	432	-491	-1,344
Village	845	659	350	-513	-1,357
Neighbourhood	217	166	82	22	13
Net total	1,851	-1,530	-7,140	-30,920	-44,050
Bulky Goods	809	-1,263	-4,370	-16,840	-23,780
Net total (including bulky goods)	2,660	-2,793	-11,510	-47,760	-67,830
*Constant 2022/23 dollars & including GST					
Source: ABS, Forecast.id, PCA, Macroplan					

- Over the far term, when the population is estimated to reach 80,000 residents, there is estimated to be a need (i.e. undersupply) of over 44,000 sq.m of traditional retail floorspace and 23,780 sq.m of bulky goods floorspace.

Taking the above into consideration and the potential location of future retail floorspace, Macroplan make the following conclusions and recommendations:

- In the mid term, i.e. when the population reaches 75,000 residents, there will be a need for at least two to three village centres, one being located in north Tamworth and two within south Tamworth, as well as sufficient demand to support almost 20,000 sq.m of additional retail floorspace in the CBD and around 16,800 sq.m of bulky goods floorspace, ideally located within proximity to existing bulky goods precincts (e.g. Longyard).
- By the far term, i.e. when the population reaches 80,000 residents there will be a need for up to three to 4 village centres (or the expansion of existing village centres) with sufficient demand for around 9,125 sq.m additional retail floorspace in south Tamworth and almost 5,700 sq.m of traditional floorspace in north Tamworth.
- Demand for further bulky goods floorspace would ideally be met by prioritising further bulky goods floorspace in appropriately zoned land, such as 'Crowes Land' in Tamworth's south which is ideally located to an already well-established bulky goods precinct (i.e. Longyard) and with frontage to a major arterial road (i.e. Goonoo Goonoo Road / New England Highway).

- Taking into account the existing provision of total supermarket floorspace (around 27,400 sq.m), there is considered to be potential demand for up to 6 full-line supermarkets, including the existing four, within the Tamworth LGA.

The Tamworth Blueprint 100 has identified the need for three future village centres, which based the above analysis, Macroplan can confirm is supportable and sufficient, as are the suggested locations (i.e. one in the north and two in the south) with the timing of these future village centres dependent on Tamworth reaching the population thresholds that will trigger the need for further retail floorspace.

There is a demonstrated need for further bulky goods floorspace in Tamworth over the mid to far term, with the location of that floorspace preferably located within already appropriately zoned land that is placed to provide further concentration of bulky goods retailers within a well-established precinct. This will ensure the Longyard precinct in particular will remain a core destinational precinct for bulky goods retailing.

Further bulky goods floorspace outside of appropriately zoned land will be dependent on the amount of bulky goods floorspace that will ultimately be accommodated within such land (i.e. Crowes Land), and the resulting balance of unmet bulky goods floorspace demand, which is estimated to reach a little over 16,000 sq.m in the mid-term and increasing to 23,780 sq.m in the far term.

Introduction

Macroplan acknowledges the Kamilaroi/ Gamilaroi/ Gomeroi people, who are Traditional Owners of all the land over which this document has been undertaken. In presenting this report, Macroplan would like to pay respect to Elders past, present and future, and extend that respect to other Aboriginal and Torres Strait Islander peoples living in and visiting the region.

Approach and report structure

This report presents an assessment of the activity centres framework within the Tamworth Regional Council area. In doing so, a broader review of the existing centre hierarchy has been undertaken to consider an optimal outcome for the future provision of retail floorspace including bulky goods across Tamworth over the far term, i.e. when the region's population is anticipated to reach 80,000 residents.

This report has been prepared in accordance with instructions received from Tamworth Regional Council (Council), and is presented as follows:

- **Section 1 | Background** report provides an overview of the regional and local context of Tamworth and defines the study areas used for this assessment.
- **Section 2 | Study area analysis** provides an overview of population estimates and projections, including defining future population thresholds, the socio-demographic profile and estimated current and future retail expenditure capacity of the resident population.
- **Section 3 | Activity centre overview** provides an overview of the current structure of the Tamworth activity centre hierarchy specifically considering the distribution of retail floorspace by location and activity centre type.
- **Section 4 | Retail floorspace gap analysis** assesses the need for retail floorspace (including bulky goods floorspace) across Tamworth currently and projected for each population threshold, specifically considering the allocation of floorspace between each activity centre type during this timeframe.
- **Section 5 | Activity centre implications and planning** provides commentary on key considerations when planning for the future provision of retail floorspace within a region, whether it be for a new activity centre or the expansion of an existing centre.
- **Section 6 | Key findings and recommendations** provides a summary of the key findings of the assessment as well as providing key recommendations for the future provision of retail floorspace across Tamworth Regional Council area.

Section 1: Background

This section of the report provides an overview of the regional and local context of Tamworth and defines the study areas used for each commercial assessment.

1.1 Regional and local context

Tamworth is a major economic centre servicing a broader rural within northwest New South Wales and is located approximately 200 km northwest of Newcastle and 225 km southwest of Coffs Harbour (see Map 1.1). The city of Tamworth has a diverse economy including agriculture, healthcare services, construction, retail, manufacturing, education and accommodation and food services.

The city is also a popular tourist destination most notably for various festivals, such as the annual Tamworth Country Music Festival, various sporting events hosted at The Australian Equine and Livestock Events Centre, Tamworth Athletics Centre with facilities for multiple sports including track and field, cycling, basketball and hockey. Tamworth is also well-known for the Big Golden Guitar, Australian Country Music Hall of fame and wax museum.

The region is well connected via major highways, railway and a regional airport with daily flights between Sydney and Brisbane as well as two-weekly flights between Melbourne. The airport is also home to several businesses within the aviation industry.

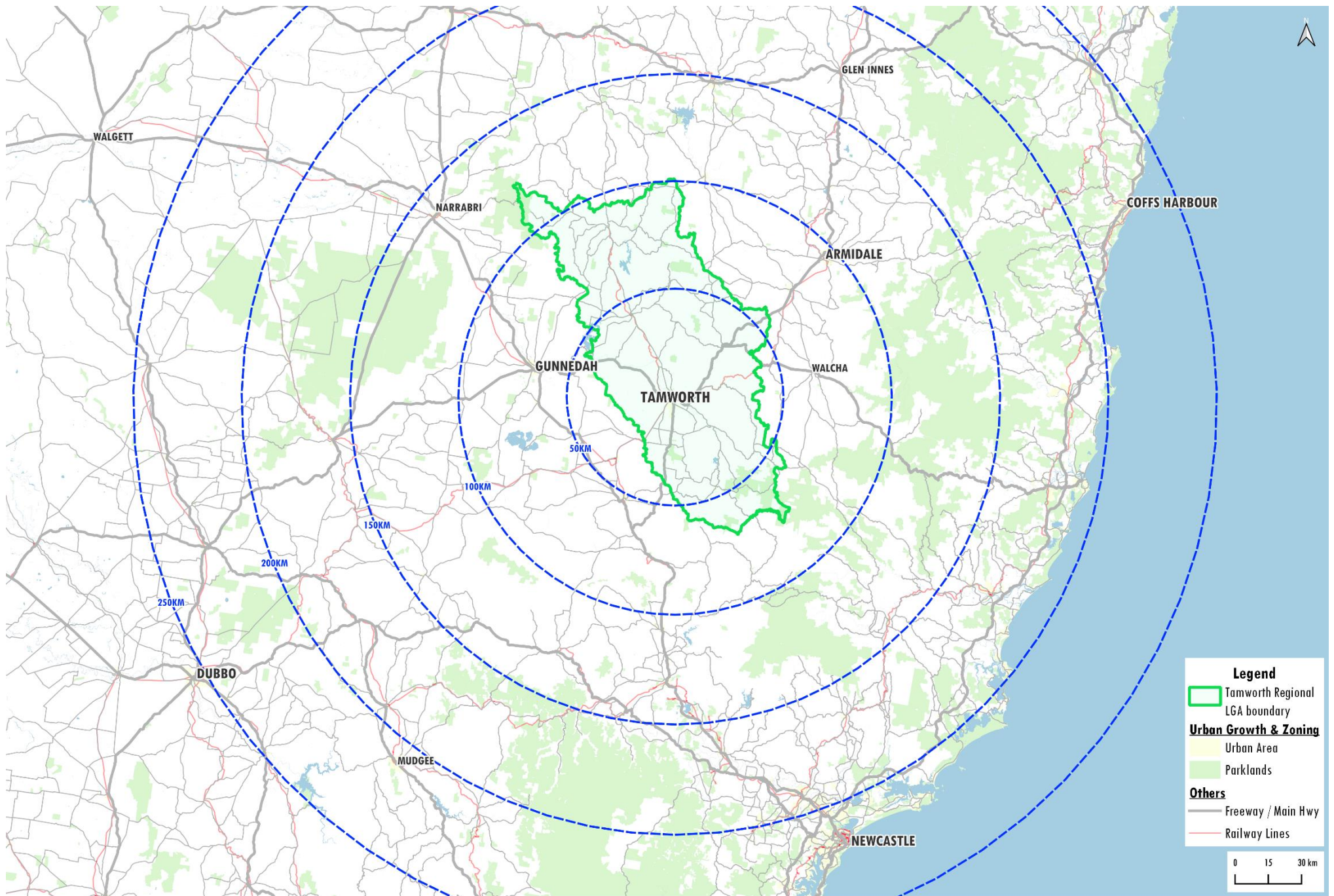
According to data also published by economy.id,

- Tamworth recorded headline Gross Regional Product estimated at \$3.69 billion, which represents 0.55% of the state's GSP (Gross State Product).
- The unemployment rate in Tamworth has averaged around 6% and traditionally relatively on par with regional NSW. At March 2023, the unemployment rate in Tamworth was 3.9%, the second lowest rate seen in the last decade, and compares with 3.3% for Regional NSW and 3.6% for Australia.

The Tamworth City Business District (CBD) accommodates an estimated 70,000 sq.m of retail floorspace including three main shopping centres (SC), Tamworth Square (anchored by a 6,885 sq.m Kmart discount department store and a circa 3,700 sq.m Coles supermarket), Centrepoint Tamworth (anchored by a cinema, theatre and major retailers JB Hi-Fi and Rebel) and Eastpoint SC comprising a circa 4,900 sq.m Woolworths supermarket and Dan Murphy's liquor store. The CBD also accommodates a Target discount department store and ALDI supermarket.

Tamworth also accommodates a significant amount of bulky goods floorspace, located to the south-west and west of the CBD within the suburb of Hillvue and Taminda respectively and accounts for an estimated 38% of total retail floorspace in Tamworth LGA.

Tamworth is a growing regional city with a healthy economy evidenced by the relatively low retail vacancy rate of 2.3% within the CBD and minimal vacancies in the supporting high order activity centres (i.e. sub-regional centre and village centres).



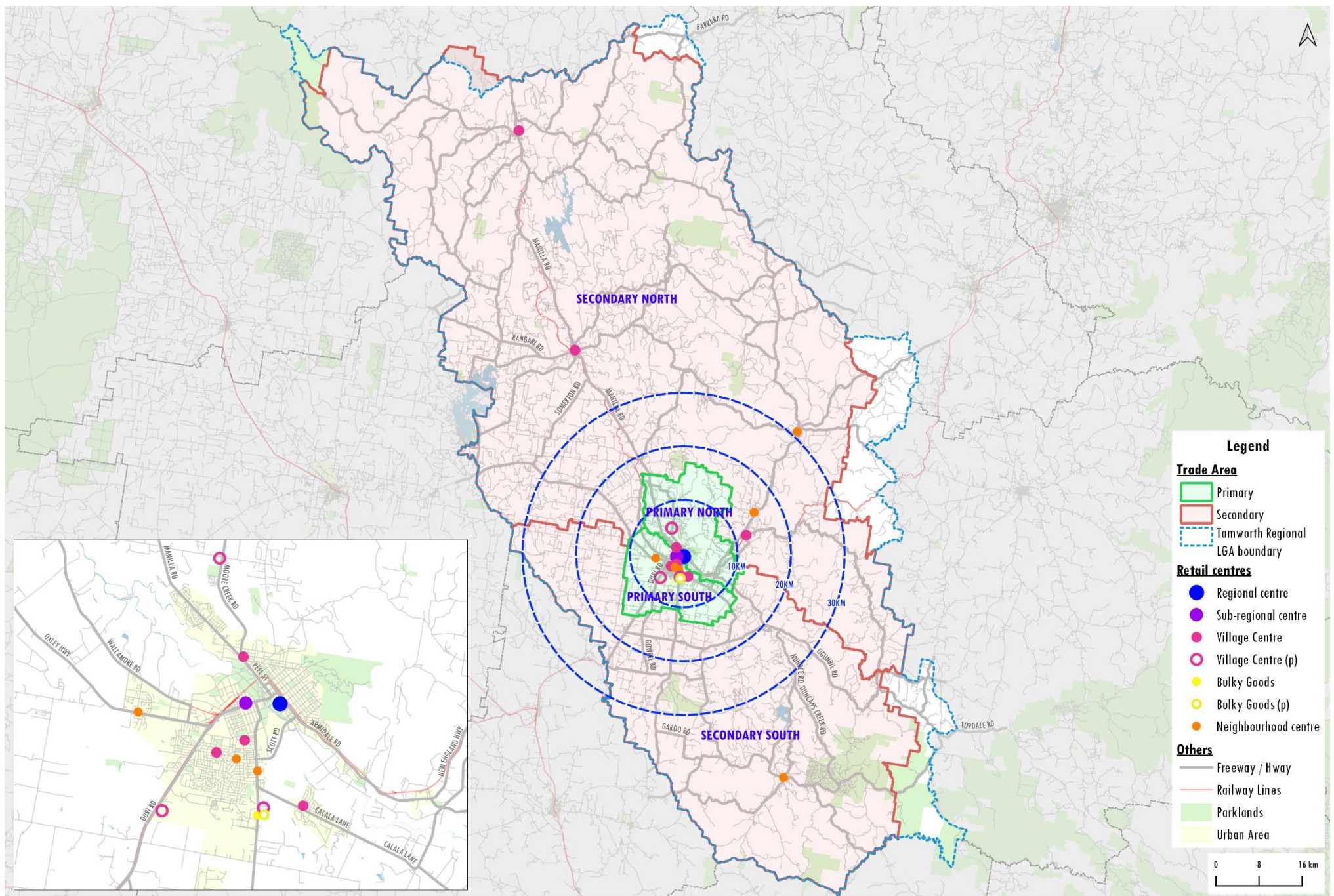
Map 1.1: Tamworth
Regional context

1.2 Study areas

As shown in Map 1.2, the study area for Tamworth has been defined to include the Tamworth Regional local government area (LGA). For the purposes of this assessment the LGA has been divided up into the following study areas

- **Primary north sector** – encompassing the CBD and northern urban area of Tamworth;
- **Primary south sector** – encompassing Tamworth's southern urban area located to the south of the Peel River encompassing the suburbs of West Tamworth, Taminda, South Tamworth, Hillview, Calala, Westdale, Warral and Kingswood.
- **Secondary north sector** - encompassing the rural areas to the north and east of Tamworth's urban area, extending to the LGA boundary
- **Secondary south sector** - encompassing the rural areas to the south and west of Tamworth's urban area, extending to the LGA boundary

The combination of the above study area sectors shall be referred to as the Tamworth LGA for the remainder of the report.



Map 1.2: Tamworth
Study area and activity centre hierarchy

Section 2: Demographic analysis

This section of the report provides an overview of population estimates and projections, the socio-demographic profile and estimated current and future retail expenditure capacity of the resident population.

2.1 Population

Table 2.1 details the historical population levels within the Tamworth study areas, by trade area sector, based upon data published by forecast.id, which Tamworth Regional Council utilise in their Tamworth Blueprint 100 strategic planning document. Comparison with projections published by the NSW Department of Planning and Environment have also been provided for the LGA overall. Table 2.2 details the projected growth rates for each five year period over the forecast period to 2041.

Table 2.1 Tamworth trade area population, 2016-2041*							
Trade area sector	Estimated population				Projected population		
	2016	2021	2023	2026	2031	2036	2041
Primary sectors							
• Pri North	19,600	21,360	22,270	23,625	25,720	27,770	29,740
• Pri South	<u>26,920</u>	<u>28,190</u>	<u>28,950</u>	<u>30,065</u>	<u>31,880</u>	<u>33,490</u>	<u>35,070</u>
Primary	46,520	49,550	51,220	53,690	57,600	61,260	64,810
Secondary sectors							
• Sec North	10,570	10,520	10,660	10,880	11,270	11,650	12,005
• Sec South	<u>3,720</u>	<u>3,610</u>	<u>3,630</u>	<u>3,660</u>	<u>3,750</u>	<u>3,860</u>	<u>3,955</u>
Total secondary	<u>14,290</u>	<u>14,130</u>	<u>14,290</u>	<u>14,540</u>	<u>15,020</u>	<u>15,510</u>	<u>15,960</u>
Main trade area	60,810	63,680	65,510	68,230	72,620	76,770	80,770
NSW DPE proj.	60,990	62,770	63,440	64,990	67,380	69,690	71,960
	Distribution of population						
	2016	2021	2023	2026	2031	2036	2041
Primary sectors							
• Pri North	32%	34%	34%	35%	35%	36%	37%
• Pri South	<u>44%</u>	<u>44%</u>	<u>44%</u>	<u>44%</u>	<u>44%</u>	<u>44%</u>	<u>43%</u>
Primary	77%	78%	78%	79%	79%	80%	80%
Secondary sectors							
• Sec North	17%	17%	16%	16%	16%	15%	15%
• Sec South	<u>6%</u>	<u>6%</u>	<u>6%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
Total secondary	<u>23%</u>	<u>22%</u>	<u>22%</u>	<u>21%</u>	<u>21%</u>	<u>20%</u>	<u>20%</u>
Main trade area	100%	100%	100%	100%	100%	100%	100%
*As at June Source: ABS Census 2021; NSW Department of Planning and Environment 2022; Transport for NSW; Forecast.id; Macroplan							

Table 2.2
Tamworth trade area population, 2016-2041*

Trade area sector	Average annual growth (no.)					
	2016-21	2021-23	2023-26	2026-31	2031-36	2036-41
Primary sectors						
• Pri North	352	455	453	431	415	402
• Pri South	254	380	375	366	343	319
Primary	606	835	828	798	757	721
Secondary sectors						
• Sec North	-10	70	72	76	77	74
• Sec South	-22	10	10	15	20	21
Total secondary	-32	80	82	91	97	94
Main trade area	574	915	910	889	854	815
Trade area sector	Average annual growth (%)					
	2016-21	2021-23	2023-26	2026-31	2031-36	2036-41
Primary sectors						
• Pri North	1.7%	2.1%	2.0%	1.7%	1.5%	1.4%
• Pri South	0.9%	1.3%	1.3%	1.2%	1.0%	0.9%
Primary	1.3%	1.7%	1.6%	1.4%	1.2%	1.1%
Secondary sectors						
• Sec North	-0.1%	0.7%	0.7%	0.7%	0.7%	0.6%
• Sec South	-0.6%	0.3%	0.3%	0.5%	0.6%	0.5%
Total secondary	-0.2%	0.6%	0.6%	0.7%	0.6%	0.6%
Main trade area	0.9%	1.4%	1.4%	1.3%	1.1%	1.0%

**As at June*
Source: ABS Census 2021; NSW Department of Planning and Environment 2022; Transport for NSW; Forecast.id; Macroplan

The Tamworth LGA population is estimated at around 63,680 residents at mid-2021, including 49,550 within the primary sectors (i.e. Tamworth's urban area), which has historically accounted for around 77-78% of the LGA population.

Over the most recent inter-censal period (i.e. 2016 to 2021), the region's population grew by an average 0.9% per annum, with a slight fall in population within the region's rural areas (i.e. secondary sectors). Over the forecast period to 2041, the Tamworth LGA is anticipated to increase to 80,770 residents including 64,810 (or 80%) of residents living in the primary sectors. This growth will predominantly be driven by greenfield development within Tamworth's identified residential growth areas of Hillvue (Arcadia Estate) and Calala in Tamworth's south and Hills Plains precinct in Tamworth's north.

2.2 Population horizon thresholds

Informed by the above population estimates and projections, the population thresholds and estimated timing of each, which shall be used for the assessment of future retail floorspace demand, are presented in Table 2.3 following.

Table 2.3 Tamworth population thresholds					
Thresholds	Timing*	Population	Pop. Projections		
			Year	Forecast.id	DPE 2022
Near term	0-5 years	68,000	2026	68,230	64,990
Mid term	5-15 years	75,000	2036	76,770	69,690
Far term	15-30+ years	80,000	2041	80,770	71,960
			2051	n.a.	75,850

* From 2021
Source: NSW Department of Planning and Environment 2022; Transport for NSW; Forecast.id; Macropplan

2.3 Socio-demographic profile

Table 2.4 and Chart 2.1 illustrate the socio-demographic profile of the Tamworth resident population, compared with benchmarks for Regional NSW (Rest of NSW), and Australia

Key findings are as follows:

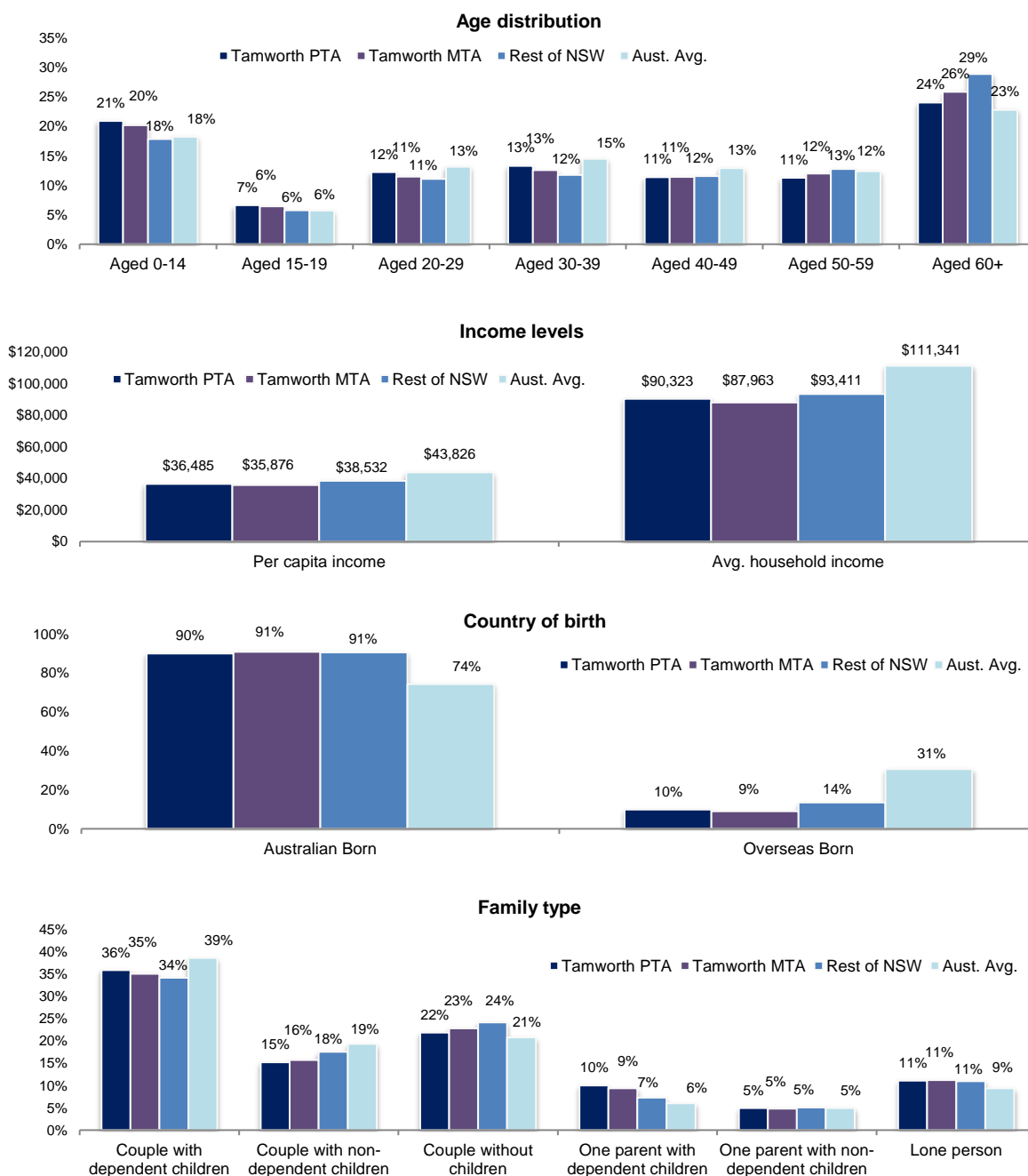
- The average per capita income of the Tamworth LGA population is around 6.9% below the regional NSW average, with average household incomes 5.8% below average. Residents within the primary north sector however are slightly more affluent with per capita incomes and household incomes 6.8% and 9.4% above the regional NSW average respectively.
- Average household size, at 2.5 persons for the LGA and all sectors with the exception of the secondary north sector (at 2.4 person) is relatively on par with regional NSW (2.4 average).
- The average age of Tamworth residents is 39.6 years, which is slightly younger than the regional NSW average of 43.2 years. The secondary sectors however are somewhat older, with an above average proportion of people aged 50 and over, and a slightly younger profile for resident in the primary south sector where there is a higher than average proportion of children aged 0 to 14.
- The home ownership levels of the Tamworth population, at 64.5%, is slightly lower than regional NSW average (68.5%), with an above average proportion of residents renting within the primary sectors. Residents living in the rural areas of Tamworth are more likely to own their home outright.
- Australian born residents account for 91% of the Tamworth population, which is higher than the regional NSW average of 87% and is most prominent in the rural areas with up to 94.4% of residents Australian born.
- Traditional families (i.e. couples with dependent children) are the dominant household type and account for 35% of Tamworth residents', which is relatively on par with the regional NSW average of 34.2%. Couples without children are the second most dominant at 22.8% of residents.
- Car ownership rates are relatively on par with regional NSW averages, with the majority of households owning one or two cars.

Table 2.4 Tamworth - socio-demographic profile, 2021							
Census item	Primary sectors		Secondary sectors		Main	Rest of NSW	Australia
	Pri North	Pri South	Sec North	Sec South	TA	avg.	avg.
Per capita income	\$41,160	\$33,430	\$33,074	\$36,671	\$35,876	\$38,532	\$43,826
Var. from Rest of NSW	6.8%	-13.2%	-14.2%	-4.8%	-6.9%		
Avg. household income	\$102,191	\$82,577	\$76,760	\$92,962	\$87,963	\$93,411	\$111,341
Var. from Rest of NSW	9.4%	-11.6%	-17.8%	-0.5%	-5.8%		
Avg. household size	2.5	2.5	2.3	2.5	2.5	2.4	2.5
<u>Age distribution (% of population)</u>							
Aged 0-14	20.9%	21.0%	17.3%	18.5%	20.2%	17.9%	18.3%
Aged 15-19	6.1%	7.1%	5.4%	6.7%	6.5%	5.8%	5.7%
Aged 20-29	11.2%	13.0%	9.0%	7.9%	11.5%	11.1%	13.2%
Aged 30-39	14.1%	12.8%	10.3%	9.1%	12.6%	11.8%	14.5%
Aged 40-49	11.8%	11.1%	11.4%	12.1%	11.4%	11.6%	12.9%
Aged 50-59	11.1%	11.5%	13.7%	16.8%	12.0%	12.8%	12.4%
Aged 60+	24.8%	23.5%	33.1%	29.8%	25.9%	28.9%	22.8%
Average age	38.4	36.7	47.2	46.7	39.6	43.2	38.8
<u>Housing status (% of households)</u>							
Owner (total)	<u>63.7%</u>	<u>59.0%</u>	<u>75.2%</u>	<u>79.9%</u>	<u>64.5%</u>	<u>68.5%</u>	<u>65.1%</u>
• Owner (outright)	30.7%	29.7%	44.2%	45.6%	33.4%	37.6%	30.6%
• Owner (with mortgage)	33.0%	29.3%	31.0%	34.3%	31.1%	30.9%	34.5%
Renter	32.0%	36.0%	20.7%	15.2%	30.9%	26.5%	30.3%
<u>Birthplace (% of population)</u>							
Australian born	88.7%	91.0%	94.4%	93.9%	91.0%	87.0%	70.8%
Overseas born	<u>11.3%</u>	<u>9.0%</u>	<u>5.6%</u>	<u>6.1%</u>	<u>9.0%</u>	<u>13.0%</u>	<u>29.2%</u>
• Asia	6.2%	4.8%	0.9%	0.5%	4.4%	3.2%	12.7%
• Europe	0.7%	0.6%	0.8%	1.2%	0.7%	2.5%	4.2%
• Other	4.4%	3.6%	3.9%	4.4%	4.0%	7.3%	12.4%
<u>Family type (% of population)</u>							
Couple w dep't child.	39.7%	32.9%	30.5%	38.1%	35.0%	34.2%	38.6%
Couple w non-dep't child.	14.8%	15.6%	16.5%	20.5%	15.7%	17.6%	19.3%
Couple without child.	21.8%	21.9%	26.2%	25.0%	22.8%	24.1%	20.8%
One parent w dep't child.	7.7%	11.7%	8.1%	4.4%	9.4%	7.3%	6.0%
One parent w non-dep't	4.1%	5.7%	4.9%	2.8%	4.8%	5.1%	5.0%
Lone person	11.1%	11.1%	12.6%	8.6%	11.2%	11.0%	9.4%
<u>Car ownership</u>							
% 0 Cars	5.8%	7.1%	3.8%	1.1%	5.8%	5.4%	7.2%
% 1 Car	34.5%	37.1%	33.0%	21.0%	34.7%	35.0%	36.2%
% 2 Cars	38.3%	36.0%	35.8%	38.9%	36.9%	37.2%	36.3%
% 3 Cars	12.5%	11.4%	14.7%	18.7%	12.7%	13.0%	12.0%
% 4 plus Cars	7.1%	6.7%	10.9%	13.5%	7.9%	7.6%	6.8%

Source: ABS Census of Population & Housing 2021; Macroplan

Chart 2.1

Tamworth main trade area - socio-demographic profile, 2021



Source: ABS Census of Population & Housing 2021; Macroplan

2.4 Retail expenditure capacity

The estimated retail expenditure capacity of the study area population is sourced from MarketInfo, which is developed by Market Data Systems (MDS) and utilises a detailed micro simulation model of household expenditure behaviour for all residents of Australia. The model takes into account information from a wide variety of sources including the regular ABS Household Expenditure Surveys, national accounts data, Census data and other information. The MarketInfo estimates for spending behaviour prepared independently by MDS are used by a majority of retail/property consultants.

Total retail expenditure is allocated in a number of categories, as follows:

- **Take-home food and groceries** – goods typically sold in supermarkets and specialty fresh food stores.
- **Packaged liquor** – liquor purchased at bottle-shops to take home.
- **Food catering** – cafes, take-away outlets and restaurants.
- **Apparel** – clothing, footwear, fashion and accessories.
- **Household goods** – giftware, electrical, computers, furniture and homewares.
- **Leisure** – newsagents, sporting goods, music, DVDs, games and books.
- **General retail** – pharmaceutical goods, cosmetics, toys, florists and mobile phones.
- **Retail services** – key cutting, shoe repairs, hair and beauty.

For the purposes of this study, the 2020/21 financial year will be utilised as the base year for projecting retail expenditure and retail floorspace in Section 4.

Chart 2.1 shows the estimated retail expenditure levels per capita for the Tamworth LGA resident population for 2020/21 and compares the estimates with the average for regional NSW (Rest of NSW) and Australia. Spending estimates are presented inclusive of GST.

The following points are noted for the Tamworth LGA:

- Average retail expenditure per person, estimated at \$14,495 per annum, is 1.3% below the regional NSW average. However, per person expenditure in the primary sector, estimated at \$14,607 per annum, is only 0.6% below average.
- Spend per person on fresh food, a key category for supermarkets, is 1.9% below the regional NSW average, while spend per person on food catering is 3.5% below the benchmark.
- Per capita expenditure on non-food retail categories (i.e. generally considered discretionary retail) is 1.9% below the regional NSW average, with a noticeable gap in spending on apparel, general retail and retail services, which are 2.1%, 2.7 and 3.1% below average respectively.

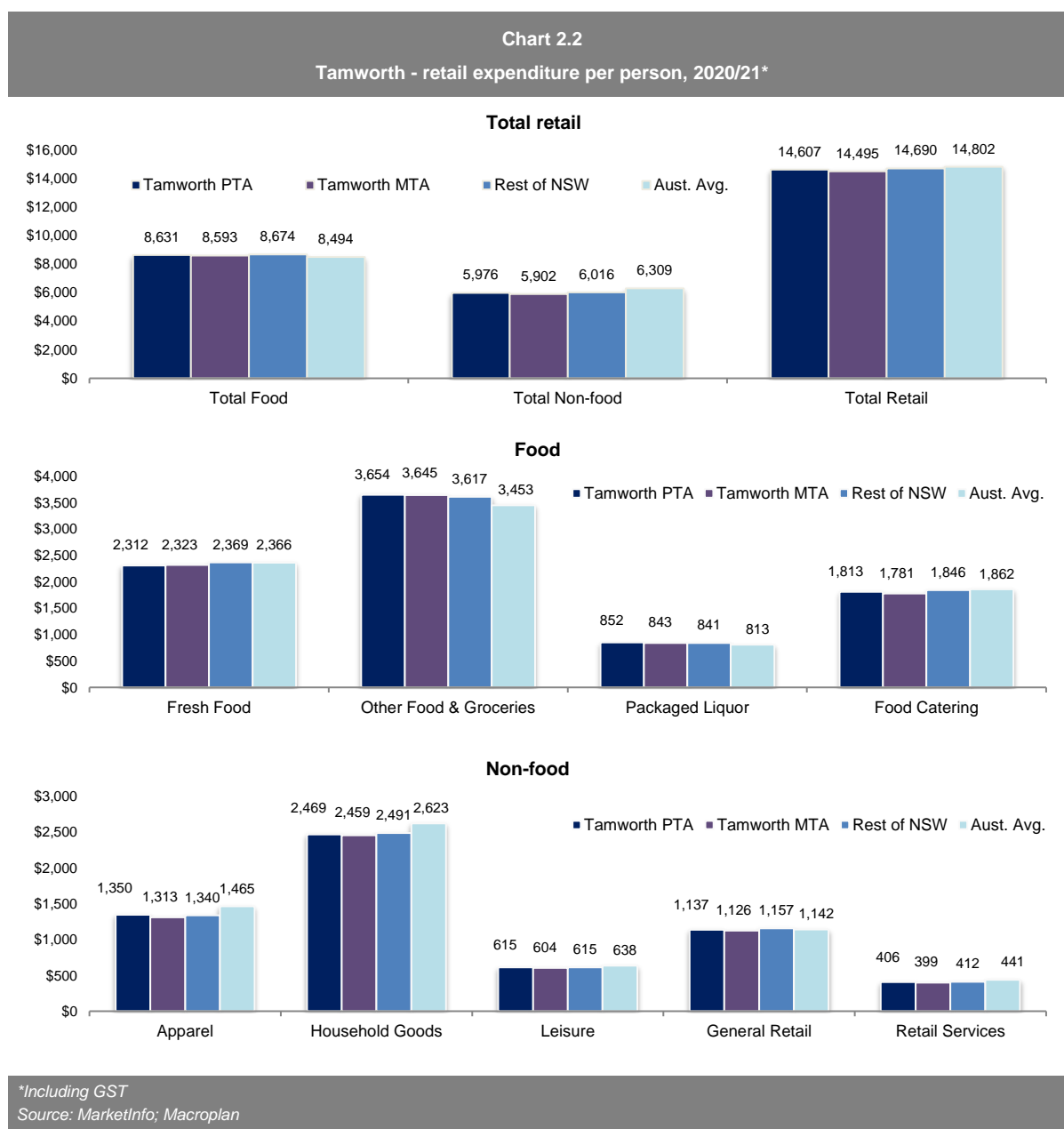


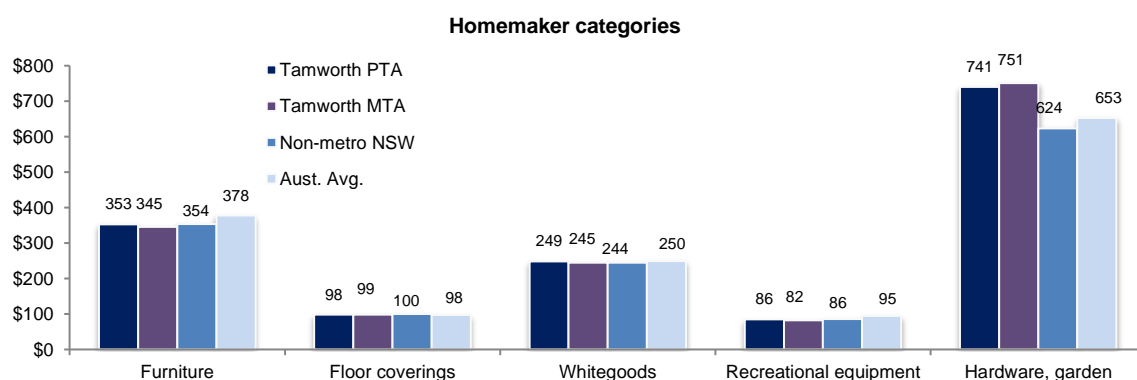
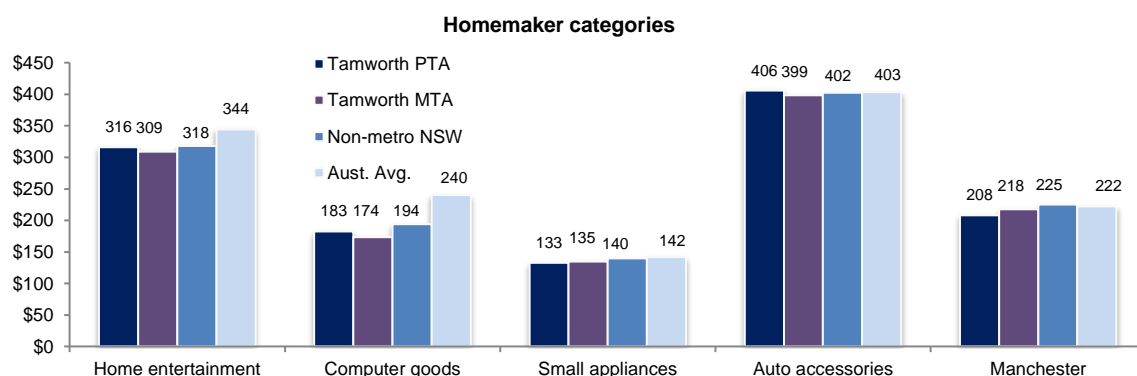
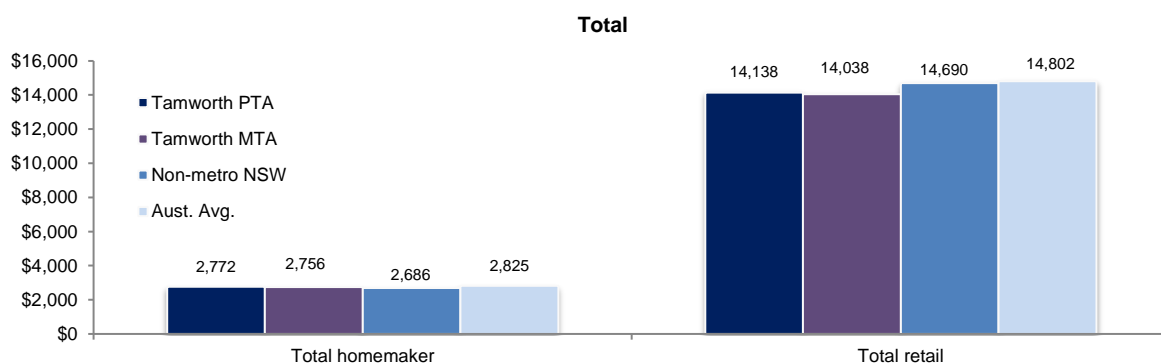
Chart 2.3 shows the estimated homemaker retail expenditure levels per capita for the Tamworth LGA resident population for 2020/21 and compares the estimates with the average for regional NSW (Rest of NSW) and Australia. Spending estimates are presented inclusive of GST. Homemaker retail spend categories typically fall under Household Goods, with the exception of auto accessories (general retail) and sporting goods (leisure).

The following points are noted for the Tamworth LGA:

- Average homemaker retail expenditure per person, estimated at \$2,765 per annum, is 2.6% above the regional NSW average. Primary sector resident spend on homemaker retail is higher still at \$2,772 per annum.
- Total homemaker spend per capita accounts for 19.6% of total retail spend per capita, which is above the regional NSW average of 18.3%.

- By sub-category, average spend per person for Tamworth LGA residents is highest on 'hardware and garden' (\$751 per annum) followed by 'auto accessories' (\$399 per annum) and 'home entertainment' (\$309 per annum).
- Per capita expenditure on 'hardware and garden' is 20% higher than the regional NSW average.

Chart 2.3
Tamworth LGA - homemaker spend per person, 2020/21*



*Including GST
Source: MarketInfo; Macroplan

Table 2.5 presents the estimated total retail expenditure capacity generated by the resident population, for each trade area sector area, over the period from 2021 to 2041. Expenditure forecasts are presented inclusive of GST and in constant 2020/21 dollars.

The retail expenditure capacity of the Tamworth LGA resident population is forecast to increase by an average \$21.3 million per annum from \$919 million in 2021 to \$1.34 billion by 2041. Of this, around 80% is estimated to be generated by residents within the Tamworth urban area (i.e. primary sector residents).

This represents an average annual growth rate of 1.9% over the forecast period comprising the following components:

- Residential population growth, which is expected to average 1.2% per annum; and
- Real growth in per capita retail expenditure, which is expected to average 0.6% per annum over the forecast period.

Table 2.6 presents projections of retail expenditure for the Tamworth LGA, by retail category, over the period 2021 to 2041, while Table 2.7 provides the spending by category for the primary sector (i.e. Tamworth urban area) population.

Food, liquor and groceries (FLG) expenditure (take-home food, groceries and packaged liquor), which is of most relevance to supermarket-based centres, is estimated to increase from \$432 million in 2021 to \$643 million by 2041 for the Tamworth LGA. FLG expenditure is estimated to account for around 47% of total main trade area retail expenditure, followed by household goods (17%) and food catering (12%).

In the primary sector, FLG expenditure is estimated to increase from \$336 million in 2021 to \$516 million by 2036, with FLG expenditure estimated to account for around 47% of total primary sector retail expenditure.

Table 2.5
Tamworth LGA - retail expenditure (\$M), 2021-2041*

Year ending	Primary sectors		Secondary sectors		Main
June	Pri North	Pri South	Sec North	Sec South	TA
2021	328	391	146	53	919
2022	336	399	148	54	936
2023	346	407	150	54	956
2024	355	415	152	55	977
2025	365	423	154	55	997
2026	375	432	156	56	1,018
2027	385	440	158	56	1,039
2028	394	448	160	57	1,060
2029	404	457	163	58	1,081
2030	413	466	165	58	1,102
2031	423	474	167	59	1,124
2032	433	483	170	60	1,145
2033	443	491	172	61	1,167
2034	453	499	174	61	1,188
2035	463	508	177	62	1,210
2036	474	516	179	63	1,232
2037	484	525	181	64	1,254
2038	494	534	184	65	1,276
2039	505	543	186	65	1,299
2040	515	551	189	66	1,321
2041	526	560	191	67	1,344
<u>Average annual growth (\$M)</u>					
2021-2041	9.9	8.4	2.3	0.7	21.3
<u>Average annual growth (%)</u>					
2021-2041	2.4%	1.8%	1.4%	1.1%	1.9%

*Constant 2020/21 dollars & including GST
Source: MarketInfo; Macropian

Retail expenditure category definitions:

- FLG: take-home food and groceries, as well as packaged liquor.
- Food catering: expenditure at cafes, take-away food outlets and restaurants.
- Apparel: clothing, footwear, fashion accessories and jewellery.
- Household goods: giftware, electrical, computers, furniture, homewares and hardware goods.
- Leisure: sporting goods, music, games, books, newspapers & magazines, stationery and photography equipment.
- General retail: pharmaceutical goods, cosmetics, toys, florists, mobile phones and pets.
- Retail services: hair & beauty, optical goods, dry cleaning, key cutting and shoe repairs.

Table 2.6 Tamworth LGA - retail expenditure by category (\$M), 2021-2041*								
Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	Total retail
2021	432	113	83	156	38	71	25	919
2022	440	116	84	159	39	73	26	936
2023	450	119	86	162	40	74	26	956
2024	460	122	87	165	40	75	27	977
2025	470	125	89	168	41	77	28	997
2026	481	128	91	171	42	78	28	1,018
2027	491	131	92	174	43	80	29	1,039
2028	501	134	94	177	43	81	29	1,060
2029	512	137	95	181	44	83	30	1,081
2030	522	141	97	184	45	84	30	1,102
2031	533	144	98	187	46	86	31	1,124
2032	543	147	100	190	46	87	32	1,145
2033	554	151	101	193	47	89	32	1,167
2034	565	154	102	196	48	90	33	1,188
2035	576	157	104	200	48	92	33	1,210
2036	587	161	105	203	49	93	34	1,232
2037	598	165	107	206	50	95	35	1,254
2038	609	168	108	209	51	96	35	1,276
2039	620	172	110	213	51	97	36	1,299
2040	631	175	111	216	52	99	37	1,321
2041	643	179	113	219	53	101	37	1,344
<u>Average annual growth (\$M)</u>								
2021-2041	10.5	3.3	1.5	3.2	0.7	1.5	0.6	21.3
<u>Average annual growth (%)</u>								
2021-2041	2.0%	2.3%	1.5%	1.7%	1.6%	1.7%	1.9%	1.9%
*Constant 2020/21 dollars & including GST Source: MarketInfo; Macroplan								

Table 2.7								
Tamworth primary sector - retail expenditure by category (\$M), 2021-2041*								
Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	Total retail
2021	336	89	66	122	30	56	20	719
2022	343	92	68	124	31	57	20	735
2023	352	94	69	127	31	58	21	753
2024	361	97	70	129	32	60	21	770
2025	369	99	72	132	33	61	22	788
2026	378	102	73	135	33	62	22	807
2027	387	105	74	138	34	63	23	825
2028	396	108	76	141	35	65	23	842
2029	405	110	77	143	35	66	24	861
2030	414	113	78	146	36	67	24	879
2031	423	116	80	149	37	69	25	897
2032	432	119	81	152	37	70	26	916
2033	441	122	82	154	38	71	26	934
2034	450	125	84	157	39	72	27	953
2035	459	128	85	160	39	74	27	971
2036	468	131	86	163	40	75	28	990
2037	478	134	88	165	40	76	28	1,009
2038	487	137	89	168	41	77	29	1,028
2039	497	140	90	171	42	79	29	1,047
2040	506	143	91	174	42	80	30	1,067
2041	516	146	93	177	43	81	30	1,086
<u>Average annual growth (\$M)</u>								
2021-2041	9.0	2.8	1.3	2.7	0.6	1.3	0.5	18.3
<u>Average annual growth (%)</u>								
2021-2041	2.2%	2.5%	1.7%	1.9%	1.8%	1.9%	2.1%	2.1%
*Constant 2020/21 dollars & including GST								
Source: MarketInfo; Macroplan								

Section 3: Activity centre overview

This section of the report provides an overview of the current structure of the Tamworth activity centre hierarchy specifically considering the distribution of retail floorspace by activity centre type. This section also reviews the provision of bulky goods retail floorspace within Tamworth.

3.1 Traditional retail floorspace

In order to understand the future need for retail floorspace across the study areas a detailed audit of existing retail floorspace was conducted in August 2023. This considered the provision of existing retail floorspace within all activity centres, as designated under the Tamworth Blueprint 100 regional plan, including retail floorspace within and outside of shopping centres.

Tamworth provides an established retail hierarchy, from the Tamworth CBD, supported by a sub-regional shopping centre and several village and neighbourhood centres that meet convenience needs of their immediate populations located throughout the urban and rural areas of Tamworth. The Tamworth CBD however is the main centre for the regions higher order and major grocery shopping needs.

Table 3.1 details all activity centres, as well as the provision of bulky goods floorspace, currently within the Tamworth LGA and are also illustrated in previous Map 1.2.

Key findings include the following:

- There is an estimated total of 117,400 sq.m of traditional retail floorspace (including 108,250 sq.m is located within the Tamworth urban area), which equates to around 1.84 sq.m per capita, which is considered a reasonable supply of retail floorspace.
- As at August 2023, there was an estimated **2,755 sq.m of vacant floorspace** across the Tamworth LGA, representing **1.4%** of total retail floorspace. This is considered to be a low rate of vacancy.
- In total, the Tamworth LGA currently accommodates an estimated **27,450 sq.m of supermarket floorspace**.

3.1.1 Tamworth CBD

Tamworth CBD contains a range of retail facilities and services and is the main commercial hub for the north western NSW region. With an estimated total of around 70,000 sq.m, the main retail facilities situated within the CBD are summarised as follows:

- **Tamworth Square** is a major component of the Tamworth City Centre shopping precinct, and is one of two main shopping destinations for the food, grocery and other shopping needs of local residents and visitors. Anchored by a 3,705 sq.m Coles supermarket and Kmart discount department store, Tamworth Square accommodates a total of 13,800 sq.m of retail floorspace. As at August 2023, the centre had a small level of vacancy (1.8%).
- **Centrepont Tamworth** comprises around 9,000 sq.m of floorspace and is located at the middle of Peel Street, the main street of the CBD and accommodates a high proportion of non-retail floorspace (2,500 sq.m) comprising a cinema, theatre and ten pin bowling alley. The centre also includes national brands JB Hi-Fi and Rebel sport (which recently moved into the former ALDI tenancy)
- **Eastpoint Shopping Centre** bookends the main street at the southern end and comprises 4,895 sq.m Woolworths supermarket, Dan Murphy's liquor outlet and a Red Rooster store.
- **Atrium Shopping Centre** is an arcade type centre comprising 3,150 sq.m of retail floorspace with main retailers being sporting goods store Sportspower, Toy World and Price Busters discount variety store.

In addition to the above, there is an estimated **37,330 sq.m of retail floorspace** throughout the CBD, largely along Peel Street, accommodating a range of shop front retailers such as cafes, restaurants, fast food outlets, several major apparel stores (e.g. Cotton On, Bonds, Rivers, Sportsgirl, LOWES, etc.). as well as a freestanding 3,000 sq.m Target discount department store, Best & Less store and ALDI supermarket.

As of August 2023, there was an estimated 1,640 sq.m of vacant retail floorspace equating to a 2.3% vacancy rate, which is considered a healthy rate of vacancy. It was noted that a number of previously vacant stores have recently been leased with fit-outs underway, indicating healthy retailer demand.

3.1.2 Sub-regional centre

Within the Tamworth centre hierarchy there is just one sub-regional centre, being Tamworth Shopping World, located in West Tamworth around 1 km west of the CBD with frontage to Bridge Street, a major commercial and retail corridor leading into the CBD from the airport.

Tamworth Shopping World comprises 17,000 sq.m of retail floorspace anchored by a 4,620 sq.m Woolworths supermarket and 7,780 sq.m Big W discount department store and supported by 37 specialty retail stores. As at August 2023, the centre had a minor level of vacancy, with just one small tenancy vacant.

In addition to Tamworth Shopping World, there is an estimated 4,500 sq.m of retail floorspace along Bridge Street comprising largely a mix of food retailers, such as McDonalds, KFC, Dominos and a number of Chinese restaurants, as well as a handful of household goods stores.

3.1.3 Village centres

Within the Tamworth LGA there are currently seven designated village centre, four of which are located within the Tamworth urban area. All village centres accommodate a supermarket, predominantly smaller IGA supermarkets with the exception of Northgate and Southgate shopping centres which are both anchored by Coles supermarkets.

Village centres within rural Tamworth typically range in size from 1,500 to 2,700 sq.m, while village centres in Tamworth's urban area range between 2,400 and 4,850 sq.m. The centres mostly serve the top-up food and convenience needs of their respective localised catchment. The activity centres that accommodate the largest supermarkets include:

- **Northgate**, located around 1.75 km north of the CBD, accommodates 4,000 sq.m of retail floorspace including a 2,655 sq.m Coles supermarket, nine specialties and a dental practice and.
- **Southgate** contains an estimated 4,850 sq.m of retail floorspace. It is located approximately 2 km south of the CBD and includes a 3,800 sq.m Coles supermarket, Liquorland bottle shop, chemist and tobacco shop as well as an Australia Post office and tavern.

Across the four village centres in Tamworth urban area there were minimal vacancies with just 0.3% vacancy.

3.1.4 Neighbourhood centres

Across Tamworth there are six designated neighbourhood centres which typically provide convenience offering with just three accommodating a small supermarket. Neighbourhood centres in Tamworth typically range between 150 to 1,500 sq.m of retail floorspace. In rural areas, these are typically the main retail strip in the rural town centre.

3.2 Bulky goods floorspace

Bulky goods floorspace in Tamworth is primarily located within two main precincts in Tamworth, being as follows:

- **Longyard** which accommodates three bulky goods centres located in the suburb of Hillvue and readily accessible as well as affording great exposure being located along the New England Highway, the main thoroughfare into Tamworth from the south. Located around 3.5 to 4 km south of the CBD, Longyard largely comprises major household goods (namely electrical, homewares and furnishings) such as The Good Guys, Harvey Norman, Fantastic Furniture and Beds R Us.
- **Taminda plus Bridge Street** is a light industrial / service commercial precinct which also accommodates several bulky goods retailers, predominantly hardware and household furnishing retailers (e.g. flooring, kitchen/bathroom suppliers, etc.) including a 11,500 sq.m Bunnings Warehouse, as well as a handful of leisure retailers (e.g. bulk pet store, equestrian retailers, outdoor clothing and equipment, etc.).

In addition to the above are several stand alone bulky goods retailers in the CBD such as BBQs galore, Spotlight, Chemist Warehouse and a number of household goods retailers.

In total there is an estimated **71,360 sq.m of bulky goods floorspace** within the Tamworth LGA which accounts for around 38% of total retail floorspace, which is considered somewhat higher than the typical benchmark of 30%. This level of bulky goods floorspace equates to around 1.1 sq.m per capita. This is however reflective of a major regional centre, that services a broader regional area than just the Tamworth LGA.

3.3 Future retail floorspace

For the purposes of assessing the future need of retail floorspace, taking into account future floorspace (i.e. approved supply) is important. It is noted however that at the time of this assessment, there are no currently development approved or under construction retail developments.

Macroplan note however the following potential future retail developments:

- **Village Centres** – according to the Tamworth Blueprint 100, there are three future designated village centres to be located within the Tamworth urban area, being one within the Hills Plains precinct, one within the future Arcadia estate and one within proximity to the Longyard precinct.
- **Bulky goods** - located in proximity to Longyard (on the Eastern side Goonoo Goonoo Road) and commonly referred to as 'Crowes Land' is a designated *E3 Productivity Support* zoned area of land with permissible uses including 'Specialised retail premises' (i.e. bulky goods retail), and currently has a 35-lot subdivision proposed¹. It is however not yet known what proportion of these lots will be developed to accommodate bulky goods floorspace.

It is noted that at the time of this assessment, there are two current planning applications for a supermarket-based centre on Goonoo Goonoo Road and a bulky goods development as part of a larger tourism/entertainment precinct development, located to the immediate south of Longyard.

The purpose of this assessment is to help inform council as to whether planning applications such as the above two are supportable and if so, at what point in time.

¹ Tamworth Regional Council, DA2023-0308

Section 4: Retail floorspace gap analysis

This section of the report assesses the need for retail floorspace across Tamworth currently and projected for each population threshold, specifically considering the allocation of retail floorspace between each activity centre type during this timeframe. Analysis is also provided for bulky goods floorspace.

4.1 Methodology

In order to determine the level of need for and suitable locations of future activity centres within the Tamworth LGA, a retail floorspace demand analysis by activity centre type has been undertaken. This takes into consideration projected population growth and retail expenditure of trade area residents as well as the provision of retail floorspace over each population threshold.

The methodology used in order to assess the level of retail floorspace demand and supply balance is done as follows:

1. The estimated level of traditional retail floorspace demand by residents in the study area is based on the retail expenditure generated (excluding bulky goods retail and non-retail facilities such as cinema/entertainment, medical, personal services, etc.). This indicative retail floorspace demand would be served by retail facilities located within and beyond the study area.
2. The amount of floorspace which can be supported within a trade area, and which will be appropriate to meet the needs of the trade area population, will be driven primarily by the market share which the trade area can reasonably expect to retain from the trade area population and is dependent on the scale and range of retail facilities available in the area.

Given the range and scale of retail facilities available, the Tamworth LGA is considered to retain around 75% of the available expenditure from main trade area residents, increasing to 80% in the mid to far term as the population continues to grow and further retail offerings enter the market.

This means around 20-25% is 'escaping' the Tamworth LGA. That is, being directed to retail facilities/retailers outside of the study area, such as other major centres (e.g. Armidale, Newcastle) as well as online sales, which according to the latest report by Australia Post accounts for 18.1% of retail sales² on average nationwide.

3. We estimate that around 15-16% of total annual demand would be generated from beyond the defined main trade area (i.e. in the form of spending attracted from tourists, people visiting for personal or business purposes). Macroplan note that given the strong tourism industry in Tamworth, this rate is considered conservative.
4. The amount of retail floorspace deemed supportable is then calculated by applying **an average Retail Turnover Density (RTD)** to the estimated available retail sales volume by category. The RTD is simply the level of sales per sq.m which retailers in each category typically achieve, typically ranging between \$4000 to

² Australia Post, 2023 Inside Australian Online Shopping

\$11,000 per sq.m. Adopted RTD levels are the highest for retailers in FLG (including supermarkets), and as at 2021, the base year for this study, the RTD for total retail sales volumes are assumed to average around \$7,100 per sq.m and increase by 0.55% real growth per annum over the forecast period.

5. Once the total traditional retail floorspace demand retained is calculated, the distribution of this demand across the retail hierarchy, and within each study sector, is then calculated. This takes into consideration current vacancy rates, the current distribution of floorspace supply and the proportion of residents within each trade area sector. These estimated distribution rates across each centre type and location are detailed in Table 4.1.
6. Additional retail floorspace demand for 'Specialist Retail' (i.e. bulky goods) floorspace is assumed to be in the order of around 38% of total retail floorspace.
7. Over the forecast period it is assumed that the distribution of demand towards each activity centre type will adjust in line with the future population growth within each study sector area.
8. In order to determine the ultimate level of floorspace demand gap for each population threshold, it is also assumed that supply of retail floorspace remains unchanged also noting that at the time of this assessment there are no approved retail developments of relevance.

4.2 Retail floorspace gap analysis

Projections are made over the near, mid and far term as defined for each study area in previous section 1.2. It should be noted that this assessment is on the basis of when the population thresholds are met, not the benchmark year which are estimates of timing only and are dependent on the rate at which the residential growth areas across Tamworth are developed.

Table 4.1 (population and retail demand) and 4.2 (supply and market gap) provides the detailed analysis for the projected retail demand for the Tamworth LGA.

The key findings are as follows:

- As at mid-2021 the greatest market gap is estimated to be an oversupply of around 2,660 sq.m within the Tamworth study area, with the majority of this oversupply located within the secondary sector (i.e. rural Tamworth).
- Based on an estimated population of 65,000 as at mid-2023, there is currently an estimated undersupply of 1,530 sq.m of traditional retail floorspace, plus an undersupply of 1,263 sq.m of bulky goods floorspace, with the majority of this undersupply occurring within the village centres in both north and south Tamworth.
- Over the far term, when the population is estimated to reach 80,000 residents, there is estimated to be a need (i.e. undersupply) of over 44,000 sq.m of traditional retail floorspace and 23,780 sq.m of bulky goods floorspace.

Table 4.1
Tamworth retail floorspace gap analysis by centre type - Population and demand

	Distribution				Census 2021	Population thresholds			
	2021 / Current	Near term	Mid term	Far term		Current 2023	Near term	Mid term	Far term
<u>Population</u>									
Tamworth LGA					63,680	65,000	68,000	75,000	80,000
<u>Primary</u>	<u>78%</u>	<u>79%</u>	<u>80%</u>	<u>80%</u>	<u>49,550</u>	<u>50,580</u>	<u>53,510</u>	<u>59,760</u>	<u>64,190</u>
North	34%	35%	36%	37%	21,360	21,800	23,550	26,950	29,460
South	44%	44%	44%	43%	28,190	28,770	29,960	32,810	34,740
<u>Secondary</u>	<u>22%</u>	<u>21%</u>	<u>20%</u>	<u>20%</u>	<u>14,130</u>	<u>14,420</u>	<u>14,490</u>	<u>15,240</u>	<u>15,810</u>
<u>Traditional retail spend</u>									
Available TA retail spend - \$M*					919	956	1,018	1,188	1,344
Spending retained by TA (@ 75-80%) - \$M*					689	717	764	951	1,075
Plus sales from beyond TA (@ 16%) - \$M*					<u>131</u>	<u>137</u>	<u>145</u>	<u>181</u>	<u>205</u>
Total retail spending to TA - \$M*					820	854	909	1,132	1,280
Potential ave. retail trading level (\$/sq.m)**					\$ 7,100	\$ 7,180	\$ 7,300	\$ 7,630	\$ 7,930
<u>Demand (sq.m)</u>									
Primary	93.0%	93.0%	93.5%	93.5%	107,462	110,605	115,822	138,679	150,956
<u>North</u>	<u>63.5%</u>	<u>63.0%</u>	<u>62.0%</u>	<u>62.0%</u>	<u>73,374</u>	<u>74,926</u>	<u>78,460</u>	<u>91,958</u>	<u>100,099</u>
CBD	60.1%	58.3%	56.0%	56.0%	69,388	69,336	72,607	83,059	90,412
Sub-regional	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0
Village	3.5%	4.7%	6.0%	6.0%	3,986	5,590	5,853	8,899	9,687
<u>South</u>	<u>29.5%</u>	<u>30.0%</u>	<u>31.5%</u>	<u>31.5%</u>	<u>34,087</u>	<u>35,679</u>	<u>37,362</u>	<u>46,721</u>	<u>50,857</u>
Sub-regional	18.5%	18.1%	18.0%	18.0%	21,377	21,526	22,542	26,698	29,061
Village	9.5%	10.5%	12.0%	12.0%	10,977	12,488	13,077	17,798	19,374
Neighbourhood	1.5%	1.4%	1.5%	1.5%	1,733	1,665	1,744	2,225	2,422
Secondary	7.0%	7.0%	6.5%	6.5%	8,088	8,325	8,718	9,641	10,494
Village	5.5%	5.5%	5.2%	5.3%	6,355	6,541	6,850	7,713	8,557
Neighbourhood	1.5%	1.5%	1.3%	1.2%	1,733	1,784	1,868	1,928	1,937
Total retail					115,550	118,930	124,540	148,320	161,450
Bulky Goods	38.0%	37.9%	37.4%	37.1%	70,821	72,893	76,000	88,470	95,410
Total (including bulky goods)					186,371	191,823	200,540	236,790	256,860
Demand per capita (traditional floorspace, sq.m)					1.81	1.83	1.83	1.98	2.02
Demand per capita (bulky goods floorspace, sq.m)					1.11	1.12	1.12	1.18	1.19

*Constant 2020/21 dollars & including GST; **Assumed real growth of 0.55% p.a

Source: ABS, Forecast.id, PCA, Macroplan

Table 4.2									
Tamworth retail floorspace gap analysis by centre type - Supply & Gap									
	Distribution				Population thresholds				
	2021 / Current	Near term	Mid term	Far term	Census 2021	Current 2023	Near term	Mid term	Far term
Supply (sq.m) ^									
Primary	92%	92%	92%	92%	108,250	108,250	108,250	108,250	108,250
<u>North</u>	<u>63%</u>	<u>63%</u>	<u>63%</u>	<u>63%</u>	<u>74,000</u>	<u>74,000</u>	<u>74,000</u>	<u>74,000</u>	<u>74,000</u>
CBD	60%	60%	60%	60%	70,000	70,000	70,000	70,000	70,000
Sub-regional	0%	0%	0%	0%	0	0	0	0	0
Village	3%	3%	3%	3%	4,000	4,000	4,000	4,000	4,000
<u>South</u>	<u>29%</u>	<u>29%</u>	<u>29%</u>	<u>29%</u>	<u>34,250</u>	<u>34,250</u>	<u>34,250</u>	<u>34,250</u>	<u>34,250</u>
Sub-regional	18%	18%	18%	18%	21,500	21,500	21,500	21,500	21,500
Village	9%	9%	9%	9%	10,250	10,250	10,250	10,250	10,250
Neighbourhood	2%	2%	2%	2%	2,500	2,500	2,500	2,500	2,500
Secondary	8%	8%	8%	8%	9,150	9,150	9,150	9,150	9,150
Village	6%	6%	6%	6%	7,200	7,200	7,200	7,200	7,200
Neighbourhood	2%	2%	2%	2%	1,950	1,950	1,950	1,950	1,950
Total					117,400	117,400	117,400	117,400	117,400
Bulky Goods	38%	38%	38%	38%	71,630	71,630	71,630	71,630	71,630
Total (including bulky goods)					189,030	189,030	189,030	189,030	189,030
Supply per capita (traditional floorspace, sq.m)					1.84	1.81	1.73	1.57	1.47
Supply per capita (bulky goods floorspace, sq.m)					1.12	1.10	1.05	0.96	0.90
Market gap (sq.m)									
Primary					789	-2,355	-7,572	-30,429	-42,706
<u>North</u>					<u>626</u>	<u>-926</u>	<u>-4,460</u>	<u>-17,958</u>	<u>-26,099</u>
CBD					612	664	-2,607	-13,059	-20,412
Sub-regional					0	0	0	0	0
Village					14	-1,590	-1,853	-4,899	-5,687
<u>South</u>					<u>163</u>	<u>-1,429</u>	<u>-3,112</u>	<u>-12,471</u>	<u>-16,607</u>
Sub-regional					123	-26	-1,042	-5,198	-7,561
Village					-727	-2,238	-2,827	-7,548	-9,124
Neighbourhood					767	835	756	275	78
Secondary					1,062	825	432	-491	-1,344
Village					845	659	350	-513	-1,357
Neighbourhood					217	166	82	22	13
Net total					1,851	-1,530	-7,140	-30,920	-44,050
Bulky Goods					809	-1,263	-4,370	-16,840	-23,780
Net total (including bulky goods)					2,660	-2,793	-11,510	-47,760	-67,830
*Constant 2020/21 dollars & including GST; **Assumed real growth of 0.55% p.a									
Source: ABS, Forecast.id, PCA, Macroplan									

Taking the above into consideration and the potential location of future retail floorspace, Macroplan make the following conclusions and recommendations:

- **In the mid term**, (i.e. when the population reaches 75,000 residents), there will be a need for at least two to three village centres, one being located in north Tamworth and two within south Tamworth, as has been identified by Tamworth Blueprint 100, as well as sufficient demand to support almost 20,000 sq.m of additional retail floorspace in the CBD and around 16,800 sq.m of bulky goods floorspace, ideally located within proximity to existing bulky goods precincts (e.g. Longyard).
- **In the far term**, (i.e. when the population reaches 80,000 residents) there will be a need for up to three to four village centres (or the expansion of existing village centres) with sufficient demand for around 9,125 sq.m additional retail floorspace in south Tamworth and almost 5,700 sq.m of traditional floorspace in north Tamworth.
- Demand for further bulky goods floorspace would ideally be met by prioritising further bulky goods floorspace in appropriately zoned land, such as 'Crowes Land' in Tamworth's south which is ideally located to an already well-established bulky goods precinct (i.e. Longyard) and with frontage to a major arterial road (i.e. Goonoo Goonoo Road / New England Highway).

Section 5: Centre implications and planning

This section of the report provides commentary on key considerations when planning for the future provision of retail floorspace within a region, whether it be for a new activity centre or the expansion of an existing centre.

The analysis presented above demonstrates that there is a current and growing need for further retail floorspace both within the Tamworth CBD and supporting activity centres. Key to the delivery of additional retail floorspace whether it be across existing centres or additional centres, are the following key considerations:

- | | |
|----------------------|--------------------------------|
| 1. Location | 5. Implementation |
| 2. Catchment size | 6. Online retail |
| 3. Mix of uses | 7. Retail category market gaps |
| 4. Design principles | |

5.1 Location

- Most successful centres are located adjacent to major or secondary arterial roads, affording the centre high visibility and good access for residents, employees and visitors.
- Proximity to or integration with public transport. One of the main challenges of integrating with public transport uses is to ensure that a **centric catchment** remains, and the delivery of infrastructure does not diminish the ability of the centre to form a convenient and accessible point for the surrounding population.
- Whilst it is often appealing to centralise the retail offer within a new residential area, it is often not the best trading location or not particularly accessible. This will depend on the road network and the location of other nearby centres.
- That the development of a new centre within a growing residential community be suitably located in order to meet the demand of new residents sooner.
- Unmet demand for retail floorspace may also be better served by the expansion of existing activity centres (land availability / floorspace ratios permitting) such as Calala Village Centre, which currently accommodates a small scale IGA supermarket and in the far term could support a full-line or mid-range size supermarket with the local a population forecast to reach over 6,000 in the medium term, circa 2036 (according to forecast.id small area forecast data).

5.2 Catchment size

- The scale of each activity centre is underpinned by their respective catchment sizes. Each activity centre within the Tamworth LGA is considered to have the following benchmark catchment sizes:

<u>Activity centre type</u>	<u>No. residents</u>
Regional centre (CBD)	60,000 +
Sub-regional centre	15,000-30,000
Village centre	5,000-10,000
Neighbourhood centre	2,000-5,000

5.3 Mix of uses

- Key to most centres is the provision of core retail at the initial stages, with higher order centres establishing a wider mix of uses over time as a centre matures and continues to serve a larger catchment.
- Co-location with other uses, such as schools, sporting venues, hospitals / medical uses, employment hubs, entertainment, taverns etc. afford a centre with greater amenity, sense of 'place' and create activity' through higher rates of footfall & traffic at different times of the day. This also provides a greater level of convenience, entertainment and sense of community for local residents, workforce and visitors to the area.
- Population is one of the key drivers of centre success, and centres with a strong population within the local area such as medium to higher density residential immediately surrounding the centre, is a key element to ensure performance, activity, surveillance, patronage and community character.
- Centres that provide a supermarket (of varying size including small, mid-sized and major depending on the local catchment size of which it serves) perform a strong community and convenience role and function.

5.4 Design principles

- Centres have taken on different trends of being enclosed, open-aired or as a main street.
- Centres are able to operate successfully regardless of the design outcomes if key activities and anchors are placed in a functional location to support all business and retailers within a centre.
- Main street centres may commence trading at initially slightly lower levels than comparable enclosed centres, however over time often become more successful with a wider mixed of uses.
- The design of centres and the location of uses within 400m of each other ensure people can access all facilities within a centre by walking and provide a more central hub for public transport nodes to establish.
- External retail facilities with a focus on hospitality offering, i.e. dining precincts, can also support a night-time economy and create footfall within a centre for longer hours of the day, which in turn can improve overall amenity and safety within centres, as well as greater viability for the centre's retailers.

5.5 Implementation

- Most successful centres are established by a single entity - one developer or landowner, which means that the types of uses, design, theming, staging and long term sustainability is planned, designed, and implemented holistically.
- With a few exceptions, centres that are strata titled can experience hurdles in redevelopment and establishment in the longer term. The end result is that the centres meet market need, but also ensure well designed centre's from the outset.
- Many higher order centres were established either from successful lower order centres or adhered to certain location advantages such as major transport nodes, which resulted in their higher order definition.
- Many centres have challenged the traditional hierarchy of centres or may not have established to the same success if a rigid centres framework was established. Of more importance than a traditional hierarchy approach is how they complement each other and perform.

5.6 Online retail

- Online retail is unarguably the biggest disruptor to the retail industry and has revolutionised the sector for consumers, retailers and planners.
- Before the COVID pandemic, online sales accounted for around 9% of total retail sales and is now estimated to account for around 18%, with varying rates for each retail category³. According to Australia Post's latest report, *2023 Inside Australian Shopping*, rates of online shopping are highest for 'home and garden' retailers (29.3%) followed by 'food and liquor' (20.6%), 'variety stores' (18.1%) and 'fashion and apparel' (17.4%).
- Despite increased appetite for online retail, demand for bricks-and-mortar retail remains with consumers continuing to demand in-store, face-to-face retailing underpinned by retailer's ability to connect with their consumers both online and instore, as well as continued demand for retail services (e.g. hair salons, barbers, etc.)
- Online retail sales are also driving demand for bulky goods floorspace and floorspace for 'dark stores' as larger retailers (e.g. supermarkets) look to co-locate micro-fulfillment centres with their physical store in centres.
- Parcel lockers and click-and-collect facilities have become increasingly in demand which in turn, attracts consumers to centres.

5.7 Retail category market gaps

- While there may be an overall deficiency in total retail floorspace, providing the right mix of retailers to meet this unmet demand is critical to the success of an activity centre.
- In Tamworth, it is noted that there is relatively strong provision of retailers within the 'Apparel' category – most notably within the CBD, as well as 'household goods' with such retailers being the predominant type within the existing bulky goods centres. As noted in section 2.4, 'household goods' accounts for the second highest proportion (after food, liquor & groceries) of total retail spend.

³ Australia Post, 2023 Inside Australian Online Shopping

- Demand for supermarket floorspace is also a key consideration particularly for regional areas such as Tamworth where there is a high proportion of retail spend directed towards the FLG category. With an existing resident population of 65,000, equates to demand for potentially up to 10 full-line supermarkets (based upon a benchmark of 6,000-8,000 residents per full line supermarket).
- However taking into account the existing provision of total supermarket floorspace (around 27,400 sq.m), there is potential demand for up to 6 full-line supermarkets, including the existing four.

Section 6: Key findings and recommendations

This section of the report provides a summary of the key findings of the assessment as well as providing key recommendations for the future provision of retail floorspace across Tamworth Regional Council area.

Population thresholds

- The Tamworth LGA is anticipated to reach over 80,000 in the next 20 years, with close to 65,000 residents (80%) located within the Tamworth urban area.
- Future population growth will be driven primarily by the key residential growth areas identified by Tamworth Blueprint 100, with the rate of development underpinning the likelihood of Tamworth reaching the 80,000 population threshold by 2041.

Retail floorspace provision

- Existing traditional retail floorspace supply of approximately 117,400 sq.m which equates to around 1.8 sq.m of traditional retail floorspace per capita, which is considered a reasonable supply of retail floorspace.
- Bulky goods floorspace, primarily located within the Longyard precinct and the Taminda light industrial precinct, is estimated at 71,630 sq.m of floorspace.
- Based on the retail audit undertaken in August 2023, there was an estimated 2,755 sq.m of vacant retail floorspace across Tamworth LGA, representing 1.4% of total retail floorspace (including bulky goods) which is reflective of healthy retailer demand in the city.

Retail floorspace gap analysis

- In the Tamworth LGA there was an estimated oversupply of 1,851 sq.m of traditional retail floorspace and a slight oversupply of 809 sq.m of bulky goods floorspace at mid-2021.
- **In the mid term**, (i.e. when the population reaches 75,000 residents), there will be a need for at least two to three village centres, one being located in north Tamworth and two within south Tamworth, as has been identified by Tamworth Blueprint 100, as well as sufficient demand to support almost 20,000 sq.m of additional retail floorspace in the CBD and around 16,800 sq.m of bulky goods floorspace, ideally located within proximity to existing bulky goods precincts (e.g. Longyard).
- Over the far term, when the population is estimated to reach 80,000 residents, there is estimated to be a need (i.e. undersupply) of over 44,000 sq.m of traditional retail floorspace and 23,780 sq.m of bulky goods floorspace.
- **In the far term**, (i.e. when the population reaches 80,000 residents) there will be a need for up to three to four village centres (or the expansion of existing village centres) with sufficient demand for around 9,125 sq.m additional retail floorspace in south Tamworth and almost 5,700 sq.m of traditional floorspace in north Tamworth.

- Demand for further bulky goods floorspace would ideally be met by prioritising further bulky goods floorspace in appropriately zoned land, such as 'Crowes Land' in Tamworth's south which is ideally located to an already well-established bulky goods precinct (i.e. Longyard) and with frontage to a major arterial road (i.e. Goonoo Road / New England Highway).

Centre implications and planning

- Unmet demand for traditional retail floorspace may also be better served by the expansion of existing activity centres (land availability / floorspace ratios permitting) such as Calala Village Centre, which currently accommodates a small scale IGA supermarket and in the far term could support a full-line or mid-range size supermarket with the local a population forecast to reach over 6,000 in the medium term, circa 2036 (according to forecast.id small area forecast data).
- In Tamworth, it is noted that there is relatively strong provision of retailers within the 'Apparel' category – most notably within the CBD, as well as 'household goods' with such retailers being the predominant type within the existing bulky goods centres. As noted in section 2.4, 'household goods' accounts for the second highest proportion (after food, liquor & groceries) of total retail spend.
- Taking into account the existing provision of total supermarket floorspace (around 27,400 sq.m), there is considered to be potential demand for up to 6 full-line supermarkets, including the existing four, within the Tamworth LGA.

Overall recommendations

- The Tamworth Blueprint 100 has identified the need for three future village centres, which based the above analysis, Macroplan can confirm is supportable and sufficient, as are the suggested locations (i.e. one in the north and two in the south).
- The timing of these future village centres will be dependent on Tamworth reaching the population thresholds that will trigger the need for further retail floorspace.
- There is a demonstrated need for further bulky goods floorspace in Tamworth over the mid to far term, with the location of that floorspace preferably located within already appropriately zoned land that is placed to provide further concentration of bulky goods retailers within a well-established precinct. This will ensure the Longyard precinct in particular will remain a core destinational precinct for bulky goods retailing.
- Further bulky goods floorspace outside of appropriately zoned land will be dependant on the amount of bulky goods floorspace that will ultimately be accommodated within such land (i.e. Crowes Land), and the resulting balance of unmet bulky goods floorspace demand, which is estimated to reach a little over 16,000 sq.m in the mid-term and increasing to 23,780 sq.m in the far term.

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