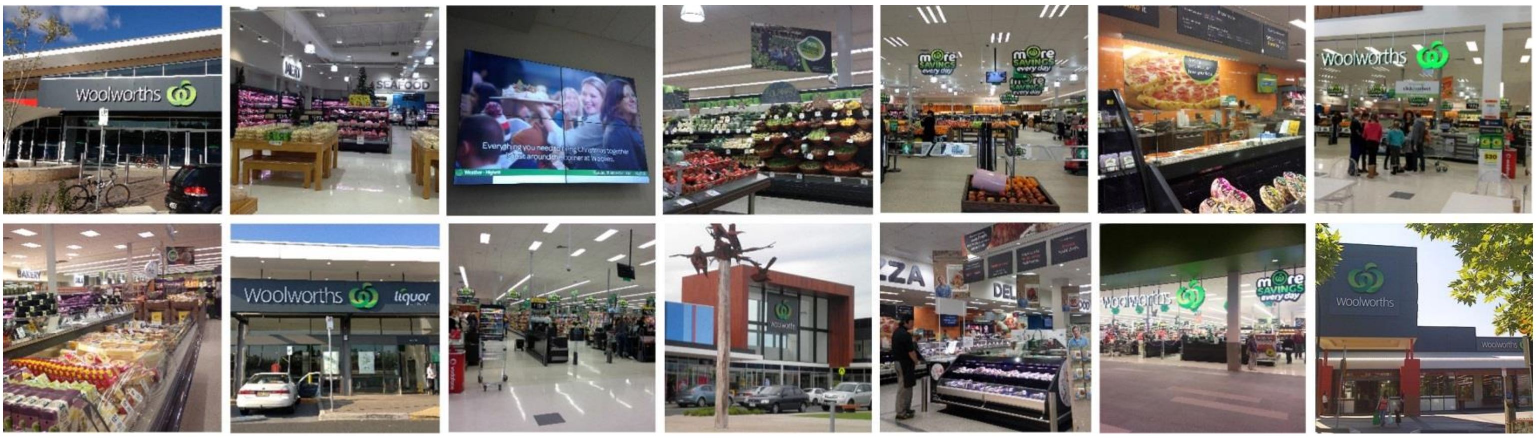
Woolworths Bridgman Road Hunterview

Economic Impact Assessment

November 2015



MacroPlanDimasi

MacroPlan Dimasi

MELBOURNE
Level 4
356 Collins Street
Melbourne VIC 3000
(03) 9600 0500

SYDNEY
Level 6
39 Martin Place
Sydney NSW 2000
(02) 9221 5211

BRISBANE
Level 15
111 Eagle Street
Brisbane QLD 4000
(07) 3221 8166

GOLD COAST
Level 2
89 -91 Surf Parade
Broadbeach QLD 4218
(07) 3221 8166

ADELAIDE
Ground Floor
89 King William Street
Adelaide SA 5000
(08) 8221 6332

PERTH
Level 1
89 St Georges Terrace
Perth WA 6000
(08) 9225 7200

Prepared for: Woolworths Limited

MacroPlan Dimasi staff responsible for this report:

James Turnbull, Senior Manager – Retail

Adelaide Timbrell, Analyst – Retail

Table of contents

Executive summary

This report presents an independent assessment of the need and demand for a proposed supermarket based retail development at Hunterview in the Singleton Local Government Area (LGA), as well as analysing the likely consequent impacts on other relevant activity centres throughout the surrounding region. The key findings of the report are summarised below:

Subject site context and proposed development

- The proposed subject site is located on the north-eastern corner of Bridgman Road and Glass Parade/Pioneer Road, in the suburb of Hunterview. The subject site is located about 3km from the Singleton CBD, north of the Hunter River.
- The subject site is an identified neighbourhood centre in the Singleton Local Environmental Plan (LEP) 2013, with a B1 – Neighbourhood Centre zoning.
- The proposed development is planned to consist of a 3,780 sq.m Woolworths supermarket and around 6 specialty tenants totalling 682 sq.m, as well as 203 car-parking spaces.
- The proposed supermarket is similar in size to the average for a full-line supermarket anchored centre across Australia, however only a small amount of supporting specialty retail is proposed, i.e. around half that typically observed at similar centres across Australia.

Strategic planning context

- The subject site has been identified as a neighbourhood centre in the strategic planning framework for the Singleton LGA, and was zoned accordingly in the Singleton LEP 2013. The analysis that underpinned the location of the site, was based on a report conducted by Hirst Consulting Services in 2007, which focussed solely on the optimal location for a neighbourhood centre, with no supporting economic or quantitative analysis in relation to the appropriate size of the centre. In relation to the proposed size of the centre, the report continued to rely on the recommendations of the previous report conducted in 2002. That is, an assessment of the demand and need for supermarket and convenience retail in North Singleton has not been undertaken since 2002, some 13 years ago.

- In the above context, we consider that while the subject site has been identified for neighbourhood retail/commercial uses, the size and composition of the centre should be reconsidered in light of the significant time that has elapsed since 2002, which has seen the population of the LGA increase by more than 10% in this time, and major changes in the retail sector and consumer shopping behaviour. This report examines the demand for supermarket facilities in North Singleton and the broader provision of supermarket floorspace per capita within the Singleton LGA.

Trade area and population

- The main trade area population is estimated at 12,510 as at June 2015, including 9,850 residents within the key primary sector. Over the most recent intercensal period (2006-2011), the main trade area population increased at an average rate of 1.2% per annum, or around 140 residents per annum.

- Most of the residential growth occurring within the Singleton LGA has been, and is expected to continue to be accommodated north of the river, in estates such as Bridgman Rise; Settler's Rise; and Hunter Estate. These estates could potentially yield well in excess of 1,500 new dwellings over the longer term.

- The main trade area population is estimated to reach 14,950 by 2031, reflecting average annual growth of 1.1%, including 11,450 persons in the key primary sector. To put this in context there is typically one large supermarket provided per 8,000 – 9,000 persons across Australia, and around one per 7,000 – 8,000 persons in regional locations.

- The main trade area population is characterised by highly affluent households, high home ownership levels, and an above average proportion of young families relative to both the non-metropolitan NSW and Australian populations.

Competition

- There are no supermarket facilities provided north of the Hunter River in the Singleton LGA. There is a small retail facility called **Singleton Heights Shopping Village**, located about 1.5 km from the subject site, which contains around 1,241 sq.m of gross lettable area (GLA), including a 421 sq.m Foodworks foodstore, which contains a limited range of food and grocery items, with only 4 – 5 small trolleys servicing customers and about 20% of the floor area operating as a Newspower newsagency.

- The **Singleton Central Business District (CBD)** provides the largest collection of retail facilities in the broader region, serving a sub-regional scale catchment. The CBD retail/commercial offer is generally oriented around John Street and contains an estimated 36,000 sq.m of occupied retail floorspace. The CBD contains a range of other uses including hotels, pubs, medical centres, community facilities and civic/community services and supports a daily workforce in the order of 4,000 – 5,000 workers.

- The major component of the offer includes the 20,500 sq.m Singleton Square sub-regional shopping centre, which contains the only full-scale supermarket facilities in Singleton, a 4,050 sq.m Woolworths and a 3,800 sq.m Coles supermarket.

- The majority of vacant space in the Singleton CBD is contained within the two poorly maintained retail assets book-ending the retail main street (i.e. Singleton Town Square - with about 8-10 vacancies and Singleton Plaza – with around 5 vacancies).

- Overall, aside from the two assets mentioned above, the Singleton CBD main street (i.e. John Street) is a vibrant, diverse and well-presented retail/commercial precinct, with very limited retail vacancy, of around 4 – 5 premises.

- The town of **Branxton** (about 25 km south-east of the subject site) currently contains limited retail floorspace, including a small, 500 sq.m IGA and around 1,000 sq.m of supporting specialty floorspace.

- The town of **Muswellbrook** is located around 50 km north of the subject site and contains a relatively substantial retail and commercial offer. While Muswellbrook is located a significant distance to the north of Singleton, the retail offer within the town, with all four major supermarket operators represented, is solid and would limit the northern extent of the potential trade area for the proposed Woolworths development at North Singleton.

Market gap, supermarket floorspace provision and precedent in B1 zone

- The residents of the main trade area generate demand for about 4,733 sq.m of supermarket floorspace at 2015, which is estimated to increase by around 1,540 sq.m, to reach 6,273 sq.m by 2031. This demand is presently not met by any supermarket facilities. The Foodworks is considered to be a small foodstore/general store, rather than a supermarket, given its small size, limited range and newsagent/lotto area.

- If we include the 421 sq.m Foodworks and account addition of a 3,780 sq.m supermarket at the subject site by 2017/18, the supermarket floorspace gap will still be around 742 sq.m in 2017/18 and is expected to grow to 2,072 sq.m by 2031, assuming the provision of no additional facilities in the main trade area.

- The population of Singleton in 2015 is estimated at 24,060 persons and the LGA contains an estimated 11,375 sq.m of supermarket floorspace supply, which equates to 473 sq.m of supermarket floorspace per 1,000 residents. A rate of provision of 473 sq.m per 1,000 residents is at the lower end of the spectrum for NSW regional towns.

- A provision of 400+ sq.m of supermarket floorspace per 1,000 persons is neither an unusual situation nor a situation which calls for concern. For non-metropolitan areas of Australia, and certainly for provincial cities and towns like Singleton, a provision of supermarket floorspace in excess of 400 sq.m per 1,000 persons is in fact the norm, and in many such towns the provision available is significantly higher than this level.

- Even following the addition of the proposed supermarket at the North Singleton subject site, and allowing for future growth in the population in the Singleton LGA, the rate of provision of supermarket floorspace would be 613 sq.m per 1,000 residents, which would be less than several other towns in regional NSW.

- There are at least 17 supermarkets of more than 2,000 sq.m in the B1 zone in various LGAs across NSW, and at least 2 under construction or approved in this zone.

Economic Impacts

- All centres identified would have benefitted from the recent closure of the IGA store which previously existed at Singleton Town Centre, as the sales generated by this store would now be directed to the other supermarkets/retailers in Singleton.

- The greatest impacts are expected to be absorbed by the Singleton Square shopping centre, which contains two large supermarkets and would therefore presently be the main destination for food and grocery shopping for residents of the main trade area. We estimate impacts in the order of around 14-15% on this centre.

- The expansion of the Singleton Square shopping centre no doubt had some impacts on the Singleton Town Centre asset, which no longer contains an IGA supermarket, however, the demise of that centre was also driven by a lack of investment in the asset, which is very tired and poorly maintained, and mix that was clearly not meeting consumer need.

- We do not expect a similar picture to play out from a new full-scale supermarket north of the Hunter River, because we expect the majority of the impacts to be absorbed by the two large Woolworths and Coles supermarkets at Singleton Square, stores that would be at no risk of closure following a moderate reduction in trading volumes. Indeed, Woolworths would not be opening a second supermarket if there was any risk that its existing store would be compromised.

- The Singleton Square centre trades reasonably well, reporting official sales in the order of $132 million for the year 2013, sales volumes which would have grown in the two years since, particularly with the closer to the IGA at Singleton Town Square. Thus impacts of the magnitude estimated would be able to be comfortably absorbed.

- We estimate impacts across the rest of the CBD, which includes an IGA supermarket and an Aldi supermarket, to be in the order of 13%.

- Impacts on the smaller neighbourhood centre at Singleton Heights are expected to be minor-moderate, at around $0.5 million, or around 8%. This centre performs a different role and function to the proposed Woolworths development as it does not provide full-scale supermarket facilities, and only attracts a very small market share of the available main trade area expenditure. The centre is anchored by a Foodworks foodstore which provides a top-up shopping service and a Newspower newsagent service, with only a handful of small trolleys available.

- The Singleton Heights Shopping Village is estimated to generate around $5.7 million in annual sales. The main trade area population generates around $182.5 million in retail expenditure, which means that at least $176.8 million, or 97% of all retail expenditure generated by this population is not directed to this centre.

- These estimated impacts across the identified centres are considered to be within an acceptable range, and when considered in the context of the size, performance and role and function of surrounding centres, would be highly unlikely to result in a material reduction of retail service provision in the Singleton CBD nor the nearby Singleton Heights Shopping Village.

Employment impacts

- We estimate the proposed development could result in 109 net additional jobs once fully operational, including as well as 44 multiplier induced jobs across the broader economy.

- The construction phase of the project is estimated to sustain about 143 jobs per annum across the economy, including around 55 jobs created directly and a further 88 jobs resulting from multiplier induced effects.

Other community benefits

The proposed development at the subject site would generate a range of other economic benefits, in particular the following:

- Increased choice and amenity for the population of the main trade area as well as likely increased competition for the benefit of consumers.

- More convenient access to new food and grocery shopping facilities, and other supporting retail and non-retail services, to serve both the current residents of the main trade area and future residents.

- Reduced travels distances, leading to savings on time and fuel for main trade area residents, due to a much better provision of food and grocery shopping facilities at the local level.

- Reinforcing the retail/centres hierarchy in the Singleton LGA by providing additional convenience retail to service a growing residential growth area, without reducing the level of service provision anywhere else, particularly within the Singleton CBD.

- Opportunities for small businesses to open premises within the neighbourhood centre.

- Providing jobs near people's homes and consequent economic multiplier impacts, which will boost the local economy.

Introduction

This report presents an independent assessment of the need and demand for a proposed supermarket based retail development at Hunterview in the Singleton Local Government Area (LGA), as well as analysing the likely consequent impacts on other relevant activity centres throughout the surrounding region.

The report has been prepared in accordance with instructions from Woolworths, and is structured as follows:

- **Section 1** reviews the local and regional context of the centre; provides an overview of the proposed development; and reviews the strategic planning context of the subject site. This section also responds to the submitted objections of the proposed development.
- **Section 2** examines the potential trade area to be served by the proposed retail development; provides estimates of current and anticipated population levels within the trade area; analyses the socio-demographic profile of the trade area population; and assesses the current and future estimated retail expenditure volumes generated by trade area residents.
- **Section 3** reviews the competitive context within which the proposed centre could operate, including all proposed competitive facilities.
- **Section 4** assesses the supermarket demand and market gap within the main trade area; compares the supply of supermarket floorspace per capita in Singleton with other regional NSW towns/localities and the regional NSW average; and provides case study examples of large supermarket developments on B1 zoned land in the NSW. This section of the report also estimates the sales potential of the proposed development.
- **Section 5** presents our estimates of likely trading impacts on the surrounding retail network; discusses the implications of these impacts; and examines the net community benefits associated with the proposed development, including employment generation and other economic and social benefits.

- **Section 6** presents our responses to submissions received during the public exhibition period of DA 150/2015.

Section 1: Site context and proposed development

1.1 Regional and local context

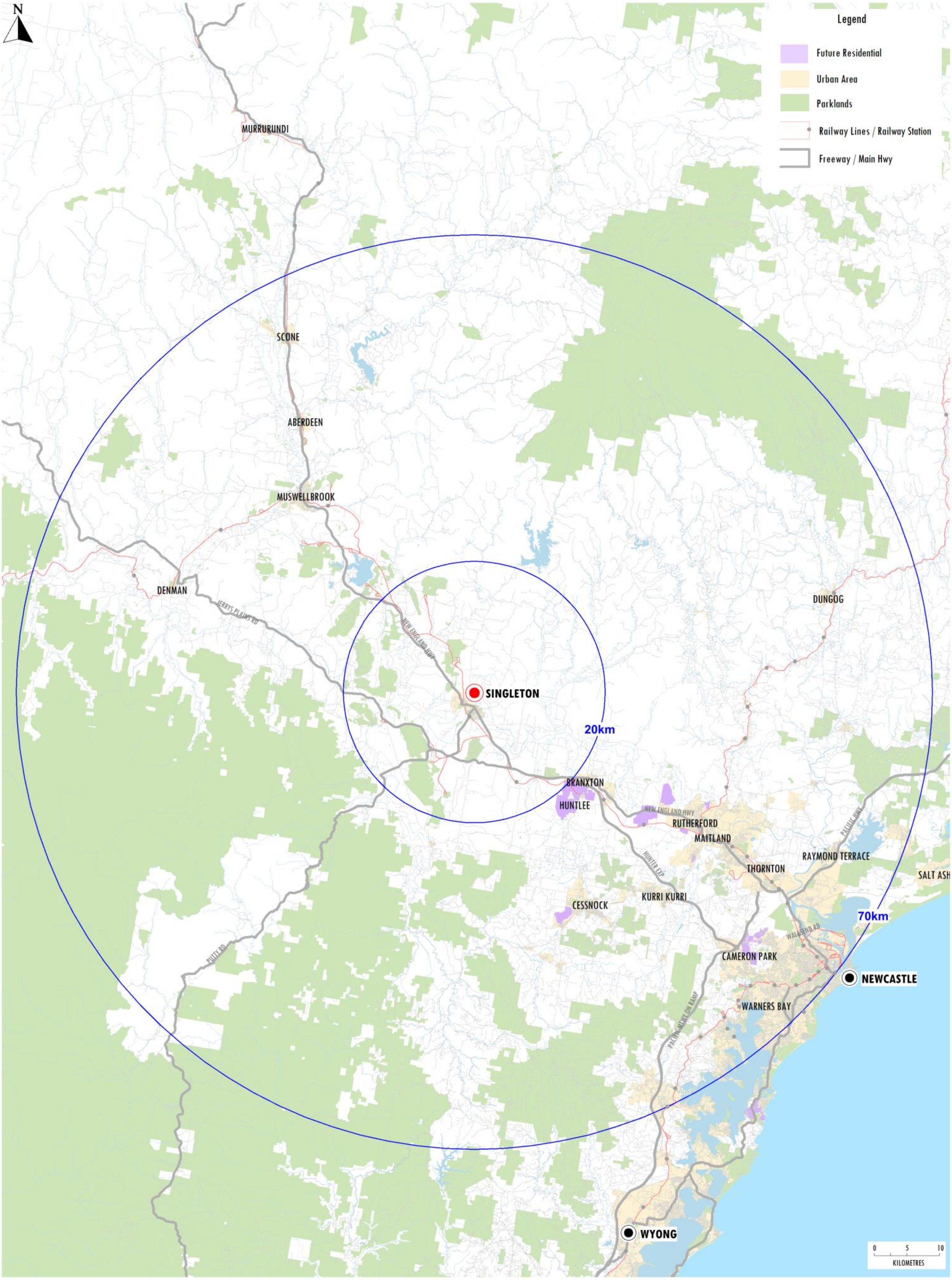
The town of Singleton is easily accessible via the New England Highway, the main highway servicing the upper Hunter region, located around 25km from the Huntlee/Branxton interchange of Hunter Expressway and around 50km south of Muswellbrook (Refer Map 1.1).

The resources sector is a major driver of the Singleton economy, with around 18 coal mines located in the region, as well as two large power stations situated some 35 km north of Singleton. However, the Singleton economy is well diversified. Singleton is a key business centre for the dairy industry in the Hunter region; and supports cattle farming; a newly emerging mushroom industry; as well as other agricultural industries such as market gardening, wine growing and grain crops.

There are four residential estates proposed or under construction in Singleton, three of which are located in the North Singleton area. Singleton Council has identified the northern part of Singleton as an urban expansion area, and aims to provide in excess of 100 lots per year to allow for population growth/residential development.

The proposed subject site is located on the north-eastern corner of Bridgman Road and Glass Parade/Pioneer Road, in the suburb of Hunterview. Bridgman Road is a key north-south thoroughfare in the locality, while Glass Parade/Pioneer Road has recently been extended, now intersecting with Bridgman Road providing convenient east-west access to the site. The proposed supermarket will therefore be easily accessible to the surrounding local population (Refer Map 1.2).

The subject site is located about 3km north of the Singleton CBD, across the Hunter River. Residents north of the Hunter River must travel into the Singleton CBD to access full-line supermarket facilities as there is no supermarket located north of the river. A small Foodworks foodstore in Singleton Heights provides a very limited top-up shopping offer.



Map 1.1 Regional Context

Singleton

MacroPlanDimasi

Map 1.2 Local context

Subject site and surrounds

1.2 Proposed development

Table 1.1 summarises the composition of the proposed development being considered at the subject site, and compares it with the typical size/composition of single supermarket based neighbourhood centres across Australia. The proposed development is planned to consist of the following components:

- A Woolworths supermarket of 3,780.4 sq.m;
- A BWS tenancy of 196.7 sq.m;
- Five specialty tenancies totalling 460.7 sq.m;
- A Kiosk of 25 sq.m; and
- 203 car parking spaces.

As shown in Table 1.1, the proposed supermarket is similar in size to the average full-line supermarket anchored centre across Australia, however only a small amount of supporting specialty retail is being proposed, i.e. around half that typically observed at similar centres across Australia.

Figure 1.1 illustrates the layout of the site, including the customer car parking spaces at the southern end of the site. It is indicated on the plans that the site will be accessible to customers from Glass Parade/Pioneer Road and Bridgman Road, with loading dock access from Glass Parade/Pioneer Road.

Figure 1.2 illustrates the layout of the proposed development, which consists of a south facing external mall, with five tenancies to the west of the Woolworths supermarket entrance, the kiosk directly in front of the Woolworths supermarket entrance, and the BWS on the east of the supermarket entrance. The plans also indicate that there will be outside seating surrounding the kiosk and the two most western tenancies.

Table 1.1
Hunterview - Proposed composition

Category	Proposed centre GLA (sq.m)	Proposed centre GLA (% of retail)	Avg. single smkt centre GLA (sq.m)	Avg. single smkt centre GLA (% of retail)
Major tenants				
Supermarket	3,780	84.7%	3,750	70-75%
Retail specialties				
BWS	197	4.4%		
Tenancy 1	110	2.5%		
Tenancy 2	106	2.4%		
Tenancy 3	105	2.4%		
Tenancy 4	70	1.6%		
Tenancy 5	70	1.6%		
Kiosk	25	0.6%		
Total retail spec.	682	15.3%	1,250 - 1,500	25-30%
Total centre - retail	**4,463**	**100.0%**	**5,000 - 5,250**	**100.0%**
Non-retail				
E.g. banks, medical, etc	0		1,000 - 1,250	
Total centre - retail	**4,463**		**6,000 - 6,500**	

Source: Woolworths; MacroPlan Dimasi

Figure 1.1: Proposed Plans

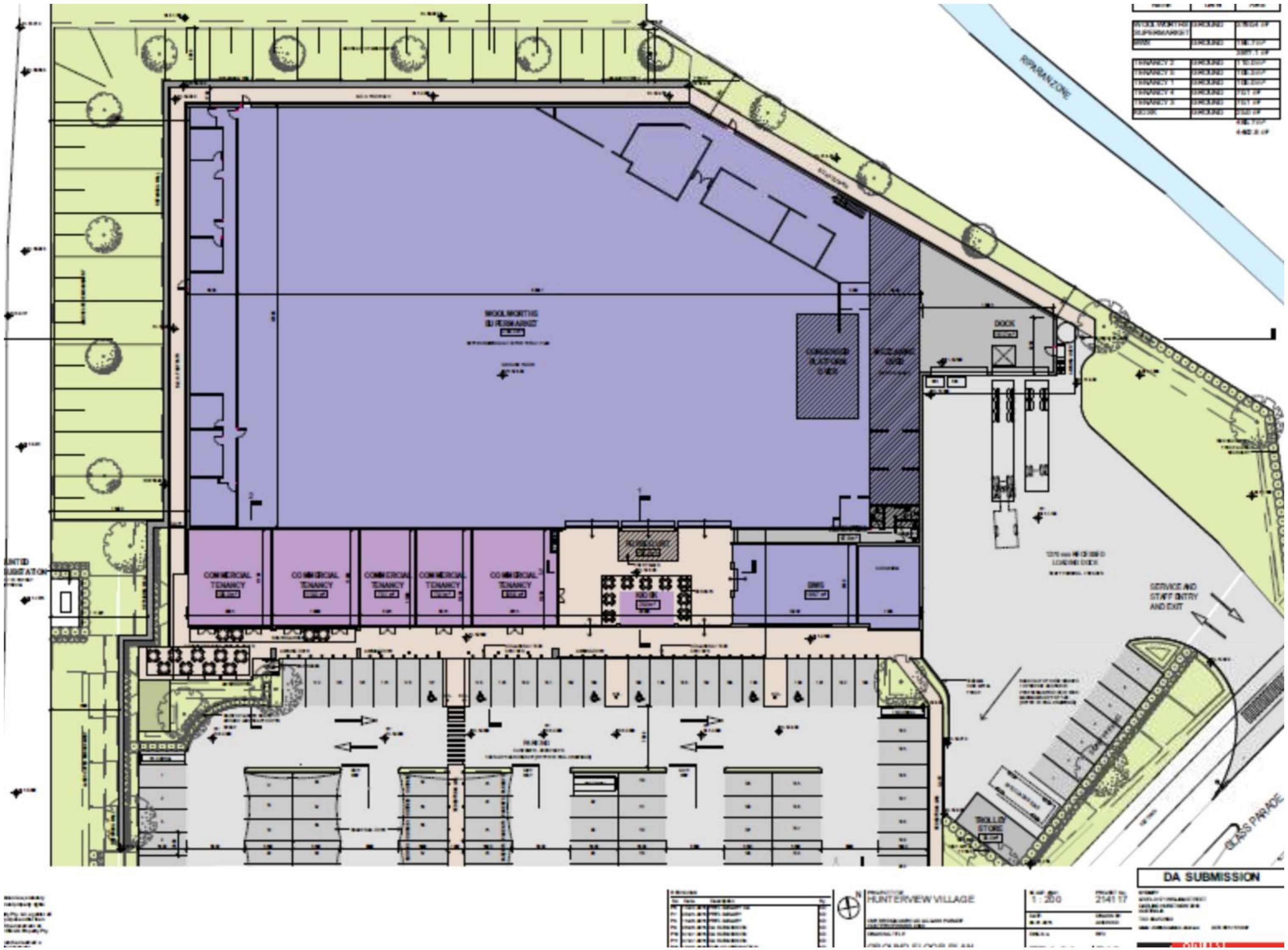


Figure 1.2: Proposed Plans

1.3 Strategic planning environment

The subject site is located on the corner of Bridgman and Pioneer Roads, at Lot 4 DP 1196266. The subject site has been identified by Singleton Council to accommodate future convenience based retail facilities and is currently zoned B1 – Neighbourhood centre under the Singleton Local Environmental Plan (LEP) 2008.

Singleton Local Environment Plan 2013

According to the Singleton LEP 2013, the objective of the B1 – Neighbourhood Centre zone is:

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

The relevant list of uses permitted with consent include neighbourhood shops, business premises, kiosks, restaurants or cafes, shops, and takeaway food and drink premises.

The proposed supermarket anchored convenience development will serve the needs of people who live or work in the surrounding neighbourhood, as well as residents more broadly residing north of the Hunter River.

Singleton Land Use Strategy 2008 (and Hirst Consulting Report 2007)

The Singleton Land Use Strategy was prepared in 2008 to inform the preparation of the Singleton LEP 2013, outlining the key land use policies and principles for the LEP provisions.

One of the key land use issues identified for North Singleton (i.e. Singleton Heights) on page 7 of the document is:

> *"Consideration needs to be given to provision of retail areas and potential for additional industrial land. Transport accessibility is largely reliant on private transport, and there is limited accessibility to major transport links and Singleton Town* (i.e. CBD)."

The strategy acknowledges that most of the future growth in the LGA should be accommodated in North Singleton.

Hirst Consulting Services (Hirst) prepared a background report to inform the preparation of the Singleton Land Use Strategy 2008 titled *“A review of options for additional local retail facility in North Singleton.”* This report built upon a previous report prepared by Hirst Consulting in 2002.

The objective of the report was to identify an appropriate site (or sites) for ‘local-serving’ retail facilities in North Singleton. The report assessed the retail service and planning merits of six alternative sites, from which the proposed subject site was selected and zoned in the Singleton LEP 2013. The Hirst report did not contain any quantitative analysis of retail demand or supermarket demand, merely focused on which site was appropriate according to a multi-criteria analysis. Indeed, the report relied on prior assessment of retail floorspace demand undertaken in the 2002 report.

The subject site has been identified as a neighbourhood centre in the strategic planning framework for the Singleton LGA, and was zoned accordingly in the Singleton LEP 2013. The analysis that underpinned the location of the site, was based on the 2007 Hirst report which contained no supporting economic or quantitative analysis in relation to the appropriate size of the centre. In relation to the proposed size of the centre, the report continued to rely on the recommendations of the previous report conducted in 2002. That is, an assessment of the demand and need for supermarket and convenience retail in North Singleton has not been undertaken since 2002, some 13 years ago.

In the above context, we consider that while the subject site has been identified for neighbourhood retail/commercial uses, the size and composition of the centre should be reconsidered in light of the significant time that has elapsed since 2002, which has seen the population of the LGA increase by more than 10%, and major changes in the retail sector and consumer shopping behaviour. This report examines the demand for supermarket facilities in North Singleton and the broader provision of supermarket floorspace per capita within the Singleton LGA.

Section 2: Trade area analysis

This section of the report examines the potential trade area to be served by the proposed retail development; provides estimates of current and anticipated population levels within the trade area; analyses the socio-demographic profile of the trade area population; and assesses the current and future estimated retail expenditure volumes generated by trade area residents.

2.1 Trade area definition

The extent of the trade area or catchment that is served by any shopping centre or retail facility is shaped by the interplay of a number of critical factors. These factors include:

- The relative attraction of the centre, in comparison with alternative competitive retail facilities. The factors that determine the strength and attraction of any particular centre are primarily its scale and composition (in particular the major trader or traders that anchor the centre); its layout and ambience; and carparking, including access and ease of use.

- The proximity and attractiveness of competitive retail centres. The locations, compositions, quality and scale of competitive retail facilities all serve to define the extent of the trade area which a shopping centre is effectively able to serve.

- The available road network and public transport infrastructure, which determine the ease (or difficulty) with which customers are able to access a shopping centre.

- Significant physical barriers which are difficult to negotiate, and can act as delineating boundaries to the trade area served by an individual shopping centre.

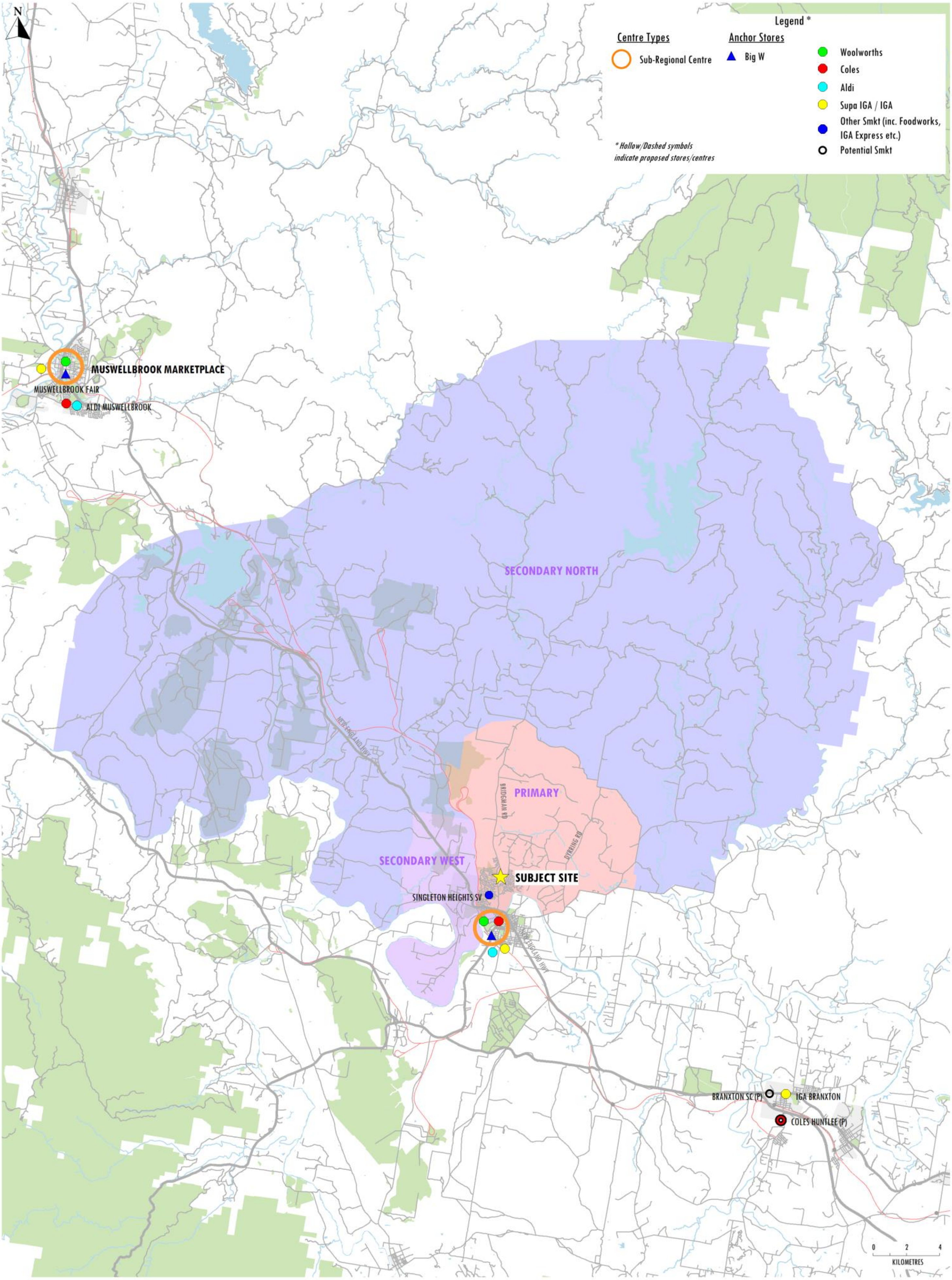
The trade area estimated to be served by the proposed development has been defined taking into consideration all of the above factors, in particular the following:

- The lack of supermarkets within the trade area, particularly north of the Hunter River;
- The significant retail offering at Singleton CBD, which limits the trade area to the south, and the substantial retail facilities at Muswellbrook, which limits the trade area to the north;
- The prominent position of the subject site on Bridgman Road, which is a key north-south road servicing Singleton's northern suburbs;
- The lack of any retail facilities in Gowrie and the road network which services this area, which connects to the New England Highway at Maison Dieu Road;
- Significant physical barriers, such as the Hunter River.

Maps 2.1 and 2.2 illustrate the main trade area, which includes one primary sector and two secondary sectors, described as follows:

- The **primary sector** consists of the suburbs of Obanvale, Wattle Ponds, Fern Gully, Singleton Heights, Hunterview, and parts of Sedgefield, Dunnolly, Dyrring and Bridgman.
- The **secondary north sector** extends north to Mount Royal National Park, Lake Liddell to the west and Hunter River to the south. This sector includes such towns as Liddell, Ravenswoth, Glennies Creek, Falbrook, Bridgman, Greenlands, Mount Olive and St Clair.
- **The secondary west sector** contains the suburbs of McDougalls Hill, Darlington, Gowrie, Wylie's Flat, Hambledon Hill, as well as parts of Maison Dieu, Rixs Creek and Camberwell. This sector is generally bounded by the Hunter River to the south and the rail line to the east.

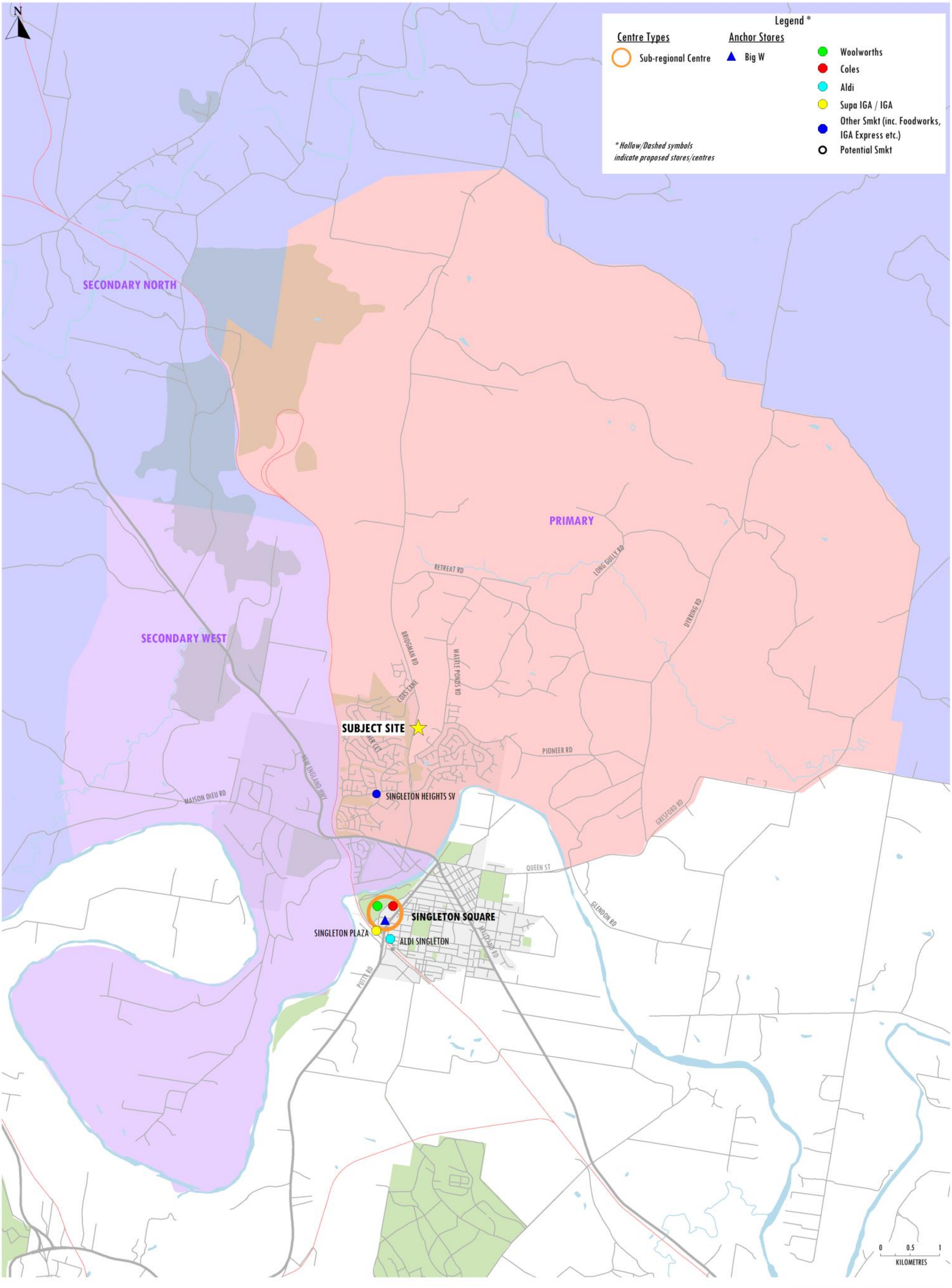
The primary and secondary sectors, in combination, are referred to as the **main trade area** in the remainder of this report.



Map 2.1 Trade area and competition

Wider reference

MacroPlanDimasi



Map 2.2 Trade area and competition

Zoomed in

MacroPlanDimasi

2.2 Trade area population

Table 2.1 details the current and projected population levels within the main trade area. This information has been collected from a range of sources, including the following:

- Australian Bureau of Statistics Census of Population and Housing (2006 and 2011);
- Australian Bureau of Statistics Dwelling Approvals Data (2010–14);
- Australian Bureau of Statistics Estimated Residential Population Data (ERP) (2011-14);
- NSW Department of Planning and Environment (2014);
- NSW Bureau of Transport Statistics (2014);
- Other investigations of future residential development, undertaken by this office.

The main trade area population is estimated at 12,510 as at June 2015, including 9,850 residents within the key primary sector. Over the most recent intercensal period (2006-2011), the main trade area population increased at an average rate of 1.2% per annum, or around 140 residents per annum.

The following major residential developments have been identified that will enable future population to establish within the trade area:

- **Settlers Rise Estate:** is a 765 lot development in the suburb of Gowrie, which has subdivision approval for the first seven stages (i.e. 177 lots). A rezoning application has been lodged for the remaining 588 lots, which has been approved at Gateway. If approved, this development is expected to be completed over the next 10 – 20 years. The marketing for this estate indicates an intent for a neighbourhood centre, however no application exists for this component of the estate.

Table 2.1 Hunterview trade area population, 2006-2031*							
	Estimated population			Forecast population			
Trade area sector	2006	2011	2015	2018	2021	2026	2031
Primary	8,680	9,450	9,850	10,150	10,450	10,950	11,450
Secondary sectors							
• North	1,410	1,420	1,460	1,490	1,520	1,570	1,620
• West	1,240	1,160	1,200	1,230	1,380	1,630	1,880
Total secondary	2,650	2,580	2,660	2,720	2,900	3,200	3,500
Main trade area	**11,330**	**12,030**	**12,510**	**12,870**	**13,350**	**14,150**	**14,950**
		Average annual growth (no.)					
Trade area sector		2006-11	2011-15	2015-18	2018-21	2021-26	2026-31
Primary		154	100	100	100	100	100
Secondary sectors							
• North		2	10	10	10	10	10
• West		-16	10	10	50	50	50
Total secondary		-14	20	20	60	60	60
Main trade area		**140**	**120**	**120**	**160**	**160**	**160**
		Average annual growth (%)					
Trade area sector		2006-11	2011-15	2015-18	2018-21	2021-26	2026-31
Primary		1.7%	1.0%	1.0%	1.0%	0.9%	0.9%
Secondary sectors							
• North		0.1%	0.7%	0.7%	0.7%	0.6%	0.6%
• West		-1.3%	0.9%	0.8%	3.9%	3.4%	2.9%
Total secondary		-0.5%	0.8%	0.7%	2.2%	2.0%	1.8%
Main trade area		**1.2%**	**1.0%**	**1.0%**	**1.2%**	**1.2%**	**1.1%**

**As at June*
Source: ABS Census 2011; NSW Department of Planning and Environment 2014; MacroPlan Dimasi

- **Bridgman Ridge** is a residential estate under construction in Hunterview, which includes the subject site of the proposed Woolworths development. This estate is planned to include 650 lots. It is understood that around 10% of the dwellings in the estate are constructed. All lots in stages 1, 2 and 3A are sold, as well as 48 of the 78 lots released for sale in stages 3B, 4A and 4B. The remainder of the estate is yet to be released for sale, and is expected to be released in stages.

- There is rezoning approval for the **Hunter Green Estate**, which is located adjacent to the Bridgman Ridge Estate. The Hunter Green Estate is deferred for 10-15 years, to allow for the completion of the Bridgman Ridge Estate before commencing construction. There is proposed to be 400 lots in this estate upon completion.

- There is a rezoning application for four lots on **Bridgman Road in Obanvale**, which is proposed to become part of the Singleton North Urban Expansion Area. The application includes a proposal for a change in the minimum lot size, so that the lots can be subdivided, potentially allowing up to 500 residential lots to be developed. If approved, this project is expected to be completed in stages over the long term.

The above summary indicates the large amount of land available within the main trade area for future population growth.

Having regard to the above and the official NSW Bureau of Transport Statistics population forecasts, the main trade area population is estimated to reach 14,950 by 2031, reflecting average annual growth of 1.1%. The primary sector population is estimated to grow at an average annual rate of 0.9% to reach 11,450 by 2031.

2.3 Socio-demographic profile

Table 2.2 presents the socio-demographic profile of main trade area residents and compares it to the non-metropolitan NSW and Australian averages, based on information sourced from the 2011 ABS Census of Population and Housing.

- The average per capita income of the main trade area is 49.1% higher than the non-metropolitan NSW average and 28.0% above the Australian average, while the average per household income of the main trade area is 75.3% above the non-metropolitan NSW average and 41.1% above the Australian average. The primary sector is most affluent, with average household incomes 77.8% higher than the non-metropolitan NSW average.

- The average age of the main trade area, at 33.0 years of age, is significantly younger than the non-metropolitan NSW average. This is driven by the high proportion of children (24.4%), and people aged 20-39 (29.0%), and the low proportion of people aged 60+ years (11.8%), compared with the non-metropolitan NSW average.

- The home ownership level of the main trade area (70.6%) is in line with the non-metropolitan NSW average (70.6%), however a higher proportion of home owners within the main trade area are still in the process of buying their homes, compared with the non-metropolitan NSW average.

- Australian born residents account for 91.2% of residents within the main trade area, which is slightly higher than the non-metropolitan NSW average.

- Traditional families (i.e. couples with dependent children) account for over half (53.5%) of households within the main trade area, and almost 55% of primary sector households, which is much higher than the proportion of traditional family households within non-metropolitan NSW (40.7%).

In summary the main trade area population is characterised by highly affluent households, high home ownership levels, and an above average proportion of young families relative to both the non-metropolitan NSW and Australian populations.

Table 2.2
Hunterview main trade area - socio-demographic profile, 2011

Census item	Primary sector	Secondary sectors North	West	Main TA	Non-metro NSW avg.	Aust. avg.
Per capita income	$44,178	$43,192	$44,655	$44,107	$29,574	$34,467
Var. from Non-metro NSW benchmark	*49.4%*	*46.0%*	*510%*	*49.1%*		
Avg. household income	$126,231	$119,264	$117,059	$124,439	$70,977	$88,205
Var. from Non-metro NSW benchmark	*77.8%*	*68.0%*	*64.9%*	*75.3%*		
Avg. household size	2.9	2.8	2.6	2.8	2.4	2.6
Age distribution (% of population)						
Aged 0-14	25.8%	20.7%	18.0%	24.4%	19.4%	19.3%
Aged 15-19	7.5%	7.2%	8.5%	7.6%	6.6%	6.5%
Aged 20-29	15.0%	11.1%	13.1%	14.3%	10.8%	13.8%
Aged 30-39	15.5%	10.6%	13.3%	14.7%	11.3%	13.8%
Aged 40-49	15.0%	18.4%	17.7%	15.7%	13.4%	14.2%
Aged 50-59	10.3%	16.8%	14.1%	11.4%	13.9%	12.8%
Aged 60+	10.9%	15.1%	15.3%	11.8%	24.5%	19.6%
Average age	32.0	37.0	36.8	33.0	40.2	37.9
Housing status (% of households)						
Owner (total)	69.7%	72.8%	75.3%	70.6%	70.6%	68.7%
• Owner (outright)	24.1%	39.5%	34.2%	26.9%	38.8%	32.9%
• Owner (with mortgage)	45.6%	33.3%	41.1%	43.7%	31.9%	35.8%
Renter	29.6%	26.4%	23.7%	28.7%	28.4%	30.4%
Other	0.6%	0.8%	1.0%	0.7%	0.9%	0.9%
Birthplace (% of population)						
Australian born	90.7%	95.8%	89.5%	91.2%	88.7%	74.0%
Overseas born	9.3%	4.2%	10.5%	8.8%	11.3%	26.0%
• Asia	1.7%	0.2%	2.1%	1.6%	1.7%	8.6%
• Europe	3.0%	2.7%	3.4%	3.0%	6.8%	10.5%
• Other	4.6%	1.3%	4.9%	4.2%	2.8%	7.0%
Family type (% of households)						
Couple with dep't children	54.9%	50.3%	46.7%	53.5%	40.7%	45.3%
Couple with non-dep't child.	7.5%	11.2%	9.5%	8.2%	7.0%	7.7%
Couple without children	19.4%	23.9%	25.1%	20.6%	25.7%	23.0%
One parent with dep't child.	9.0%	4.3%	6.4%	8.1%	10.6%	9.2%
One parent w non-dep't child.	2.3%	2.5%	2.7%	2.4%	3.5%	3.5%
Other family	0.3%	1.3%	1.0%	0.5%	0.9%	1.1%
Lone person	6.4%	6.5%	8.7%	6.7%	11.7%	10.2%

Source: ABS Census of Population & Housing, 2011; MacroPlan Dimasi

2.4 Retail expenditure capacity

MacroPlan Dimasi estimates retail expenditure capacity generated by the main trade area residents based on information sourced from Market Data Systems (MDS), which 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. We consider MarketInfo data to be an accurate measure of available retail expenditure and it is widely relied on in the retail industry.

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

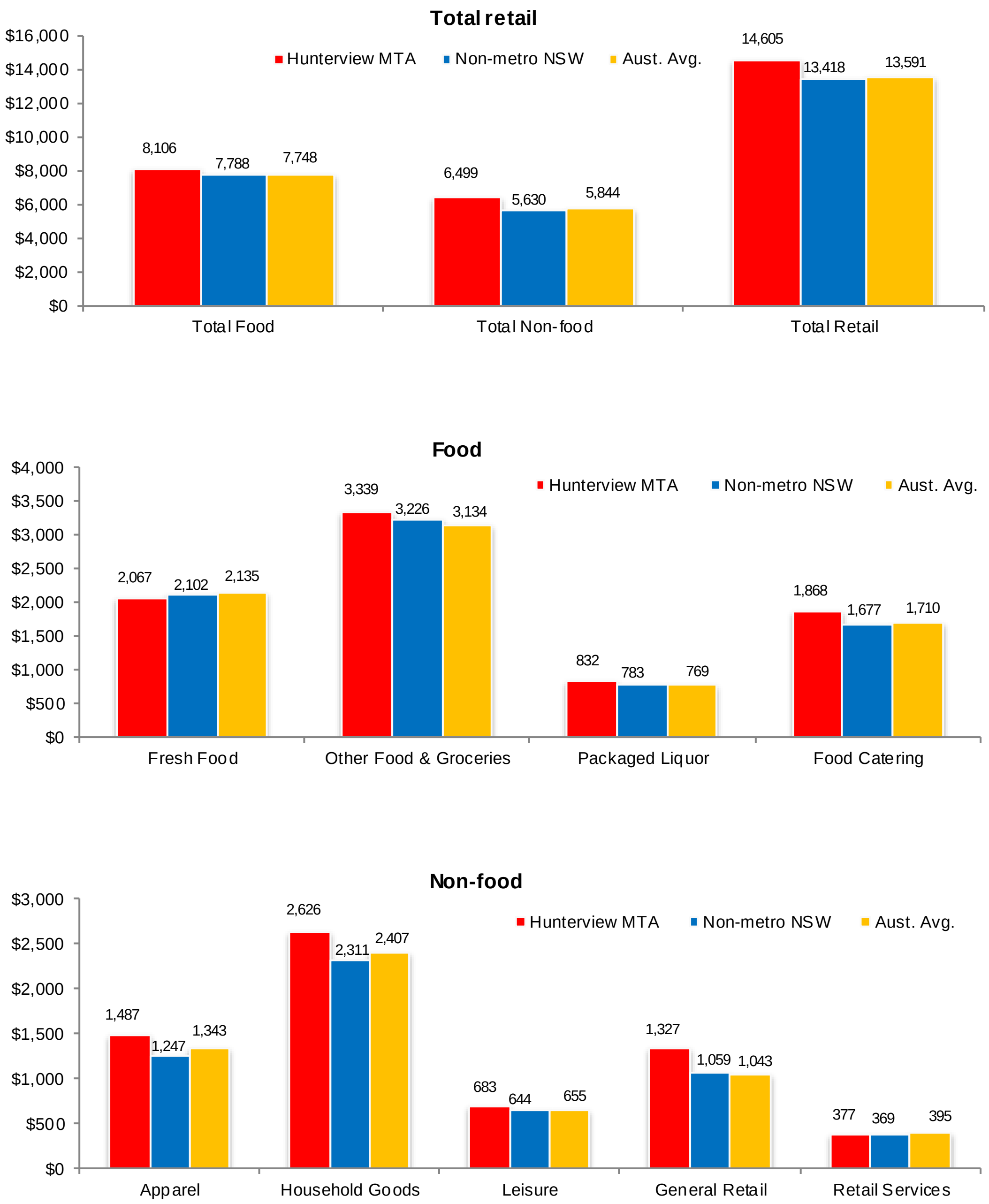
- Take-home food and groceries – goods typically sold in supermarkets and specialty fresh food stores.
- Packaged liquor – packaged beer, wine and spirits such as those purchased at bottle-shops and liquor outlets.
- Food catering – cafes, take-away outlets and restaurants, including liquor consumed on such premises.
- Apparel – clothing, footwear, fashion and accessories.
- Household Goods – giftware, electrical, computers, furniture, homewares, and hardware goods.
- Leisure – sporting goods, music, DVDs, games, books, newsagents and film processing/photography.
- General Retail – pharmaceutical goods, cosmetics, toys, florists, mobile phones.
- Retail Services – retail services such as key cutting, shoe repairs, hair and beauty.

Chart 2.1 shows the retail expenditure capacity per person for residents of the identified main trade area for the year 2014/15, and compares these estimates with the average for non-metropolitan NSW and Australia. Spending estimates are presented inclusive of GST. The following points are noted:

- Retail expenditure per capita is estimated to be around 9% above the non-metropolitan NSW average.
- Per capita expenditure on fresh food and other groceries is estimated to be 1-2% greater than the non-metropolitan NSW average. These categories of are of particular relevance to supermarkets, as they represent 90-95% of items for sale at supermarkets.
- Per capita expenditure on food catering is around 6% above average.
- Per capita expenditure on discretionary retail categories is 15-16% above the non-metropolitan NSW average.

These strong expenditure levels reflect the relatively affluent nature of the main trade area population.

Table 2.1
Hunterview trade area - retail expenditure per person, 2014/15*



*Including GST
Source: MarketInfo; MacroPlan Dimasi

Table 2.3 presents estimates of total retail spending generated by the main trade area population, by trade area sector, over the period from 2015 to 2031. Spending forecasts are presented inclusive of GST and in constant 2014/15 dollars.

The retail expenditure market is estimated to grow from about $182.5 million in 2015 to $257.9 million by 2031, at an average annual growth rate of 2.2%. The average annual growth rate of 2.2% comprises two components, as follows:

- Residential population growth, which is expected to average 1.1% per annum;
- Real growth in per capita retail expenditure, which is expected to average 1.0-1.1% per annum over the forecast period; and

The total retail expenditure capacity of primary sector residents is expected to grow at 2.0% per annum, from $143.2 million at 2015 to $196.9 million by 2031.

Table 2.4 presents projections of expenditure for the main trade area by retail category. FLG expenditure (take-home food and groceries including packaged liquor) is estimated at $78.3 million in 2015, and accounts for around 43% of all retail expenditure in the trade area.

FLG expenditure by trade area residents is forecast to increase by $34.1 million by 2031, to reach $112.4 million, reflecting average annual growth of 2.3%. The fastest growing category is expected to be food catering, at 2.8% per annum.

Table 2.3
Hunterview main trade area - retail expenditure ($M), 2015-2031*

Year ending June	Primary sector	Secondary sectors North	Secondary sectors West	Main TA
2015	143.2	21.2	18.1	182.5
2016	146.0	21.5	18.4	185.9
2017	148.8	21.9	18.7	189.4
2018	151.6	22.2	19.1	192.9
2019	154.6	22.6	19.7	196.9
2020	157.7	22.9	20.7	201.3
2021	160.9	23.3	21.7	205.9
2022	164.2	23.8	22.7	210.7
2023	167.6	24.2	23.8	215.6
2024	171.1	24.6	24.8	220.5
2025	174.6	25.0	26.0	225.6
2026	178.2	25.5	27.1	230.8
2027	181.8	25.9	28.3	236.0
2028	185.5	26.4	29.4	241.3
2029	189.2	26.9	30.6	246.7
2030	193.0	27.3	31.9	252.2
2031	196.9	27.8	33.2	257.9
Average annual growth ($M)				
2015-2031	3.4	0.4	0.9	4.7
Average annual growth (%)				
2015-2031	2.0%	1.7%	3.9%	2.2%

**Constant 2014/15 dollars & including GST*
Source: MarketInfo; MacroPlan Dimasi

Table 2.4
Hunterview main trade area - retail expenditure by category ($M), 2015-2031*

Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	**Total retail**
2015	78.3	23.3	18.5	32.7	8.5	16.5	4.7	182.5
2016	79.9	23.8	18.8	33.3	8.6	16.8	4.8	185.9
2017	81.5	24.4	19.1	33.8	8.8	17.0	4.9	189.4
2018	83.1	25.0	19.3	34.4	8.9	17.2	5.0	192.9
2019	84.8	25.7	19.7	35.1	9.0	17.5	5.1	196.9
2020	86.8	26.4	20.0	35.8	9.2	17.9	5.2	201.3
2021	88.9	27.2	20.4	36.6	9.4	18.2	5.3	205.9
2022	91.1	28.0	20.8	37.4	9.5	18.6	5.4	210.7
2023	93.3	28.8	21.2	38.2	9.7	18.9	5.6	215.6
2024	95.5	29.6	21.6	39.0	9.9	19.3	5.7	220.5
2025	97.8	30.5	22.0	39.8	10.1	19.6	5.8	225.6
2026	100.1	31.3	22.4	40.7	10.3	20.0	6.0	230.8
2027	102.5	32.2	22.8	41.5	10.5	20.4	6.1	236.0
2028	104.9	33.1	23.2	42.4	10.7	20.8	6.3	241.3
2029	107.3	34.1	23.6	43.3	10.9	21.1	6.4	246.7
2030	109.8	35.0	24.1	44.2	11.1	21.5	6.6	252.2
2031	112.4	36.0	24.5	45.1	11.3	21.9	6.7	257.9
Average annual growth ($M)								
2015-2031	2.1	0.8	0.4	0.8	0.2	0.3	0.1	4.7
Average annual growth (%)								
2015-2031	2.3%	2.8%	1.8%	2.0%	1.8%	1.8%	2.3%	2.2%

**Constant 2014/15 dollars & including GST*
Source: MarketInfo; MacroPlan Dimasi

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, DVDs, computer 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.

Section 3: Competition

This section of the report reviews the competitive context within which the proposed centre could operate, including all proposed competitive facilities.

3.1 Existing competition

Table 3.1 details the major retail facilities of relevance to the proposed development, while the previous Map 2.1 illustrates the locations of these centres.

The closest retail facility to the subject site is the **Singleton Heights Shopping Village**, located at 108 Blaxland Avenue. This small centre contains 1,241 sq.m of gross lettable area (GLA), of which 1,026 sq.m is retail GLA. The centre includes a 215 sq.m medical centre. The largest tenant at the centre is a 421 sq.m Foodworks foodstore, which contains a limited range of food and grocery items, with only 4 – 5 small trolleys servicing customers and about 20% of the floor area operating as a Newspower newsagency. The other 605 sq.m of specialty retail consists of a butcher, Blooms Chemist, a bakery, a take-away shop, a hair and beauty store, and an Ice Box liquor store. This centre is located within a large 'activity centre' that includes the Singleton Heights Public School, a child care centre and an indoor sports centre.

The Singleton Central Business District (CBD) provides the largest consolidation of retail facilities in the broader region, serving a sub-regional scale catchment. The CBD retail/commercial offer is generally oriented around John Street and contains an estimated 36,000 sq.m of occupied retail floorspace.

Singleton Square, a 20,500 sq.m sub-regional shopping centre, is anchored by a Big W discount department store, and Coles and Woolworths supermarkets, and contains around 40 – 50 specialty shops including a First Choice Liquor mini-major tenant.

Singleton Plaza is anchored by a 2,000 sq.m Supa IGA supermarket and contains a handful of supporting specialty tenants including a large Cotton On store and includes around 4 - 5 vacant tenancies. Singleton Town Square previously contained a Supa IGA supermarket, which has recently closed the centre includes around 10 - 11 occupied tenancies and around 8 - 10 vacancies. There is also a stand-alone Aldi supermarket at south-eastern end of John Street, at the intersection of Argyle Street.

A detailed site inspection by this office was undertaken on Monday 2 November 2015, which involved a count of the existing retail and commercial tenants along John Street in the CBD.

In general, the composition of the main street includes the types of tenants that are typically found in main street/commercial districts in regional towns. This mix includes cafes, take-away shops and restaurants; a handful of fashion boutiques; some low level discount variety shops; pharmacies; hair & beauty shops; retail services such as dry-cleaning/alterations; as well as around 5 food specialty tenants (e.g. butchers, bakers etc). Non-retail tenants include bank and building society branches, medical centres, dentists, lawyers, accountants, real estate agents, consulting businesses, social/community offices, Government agencies and pubs/hotels.

The retail strip between Ryan Avenue and Elizabeth Street contains very limited vacancy. We counted 6 - 8 ground floor vacancies along the main street of which 3-4 appeared to be ex-commercial vacancies and about 3 - 4 were ex-retail vacancies.

The majority of vacant space in the Singleton CBD is contained within the two poorly maintained retail assets book-ending the retail main street (i.e. Singleton Town Square - with about 8-10 vacancies and Singleton Plaza – with around 5 vacancies). These centres have struggled since the expansion of Singleton Square – a development within the main street.

Overall, aside from the two assets mentioned above, the Singleton main street is a vibrant, diverse and well-presented retail/commercial precinct with approximately 50 - 60 ground floor retail tenancies with very limited vacancy, and around 50 – 60 ground floor commercial tenancies.

If the whole retail offer around John Street between Ryan Avenue and Elizabeth Street (inc. Aldi), including the supermarket anchored shopping centre assets, we estimate there to be around 130 - 140 retail tenants, with around 20 vacant tenancies, equating to a vacancy rate of around 15% - a level of vacancy is heavily influenced by one under-performing/under-invested retail asset.

The town of **Branxton** (about 25 km south-east of the subject site) currently contains limited retail floorspace, including a small, 500 sq.m IGA and around 1,000 sq.m of supporting specialty floorspace.

The town of **Muswellbrook** is located around 50 km north of the subject site and contains a relatively substantial retail and commercial offer. The retail offer is generally focussed around the New England Highway north of the railway crossing and includes **Muswellbrook Marketplace, a small** is contains 11,100 sq.m sub-regional shopping centre, anchored by a Big W discount department store and a Woolworths supermarket. The main street includes a solid provision of strip retail between Turanville Avenue to the north and William Street to the south. There is also a second retail node south of the railway line, on Rutherford Road, that includes a freestanding Aldi supermarket and the Muswellbrook Fair shopping centre, which includes a Coles supermarket.

While Muswellbrook is located a significant distance to the north of Singleton, the retail offer within the town, with all four major supermarket operators represented, is solid and would limit the northern extent of the potential trade area for the proposed Woolworths development at North Singleton.

Table 3.1
Hunterview - schedule of competing retail facilities

Centre	Retail GLA (sq.m)	Major traders	Dist. by road from Hunterview (km)
Within the main trade area			
Singleton Heights***	1,026	Foodworks	1.5
Singleton CBD	*36,000*		*3.0*
• Singleton Square	20,500	Big W, Coles, Woolworths	
• Singleton Town Square*	2,000	n.a.	
• Singleton Plaza**	3,500	IGA	
• Other	10,000	Aldi	
Beyond trade area			
Branxton	1,500	IGA	25.0
Muswellbrook	*30,000*		*49.0*
• Muswellbrook Marketplace	11,100	Big W, Woolworths	
• Muswellbrook Fair	7,900	Coles	
• Other	11,000	Aldi, Supa IGA	
Future retail facilities			
Branxton	*10,100*		*25.0*
• Branxton SC (p)	5,100	Unknown supermarket (p)	
• Coles NC Huntlee (p)	5,000	Coles (p)	
Settlers Rise NC (p)	n.a.	Mooted	

**Contains 8-10 occupied tenancies, totalling an estimated 1,500 sq.m. Approximately 10 vacancies including ex-Supa IGA.*
***Contains 2,000 sq.m IGA supermarket, large Cotton On and about 5 occupied tenants.*
****Excludes medical centre of 215 sq.m.*
Source: Cordell; Property Council of Australia; MacroPlan Dimasi

3.2 Proposed competition

A proposed neighbourhood centre is indicated as part of the **Settler's Rise Estate** in the marketing information for this estate, however no rezoning application has been lodged with an approval authority as at the time of this report. If a centre is proposed and approved in this location, we expect it would be developed over the much longer term, as the population critical mass required to sustain such a centre would need to establish first.

A development approval exists for a 5,100 sq.m shopping centre development anchored by a 3,200 sq.m supermarket in the town of Branxton. However, this approval was granted prior to the approval of the Huntlee Town Centre, and has been deferred since then. We do not expect this development to occur in the short-medium term, given that Coles has committed to the Huntlee Town Centre, and is expected to open within the next year or so.

The **Huntlee Town Centre**, which is located about 1km south of the town of Branxton, is a new 200 hectare mixed use precinct that will include retail, commercial, employment and education opportunities. The first stage will include a full-line Coles supermarket and supporting specialty floorspace, which is expected to be developed within the next year or so. Residential development within Katherine's Landing, the first precinct of the Huntlee Estate, is well underway.

The proposed first stage of development at Huntlee is expected to have little bearing on the demand for supermarket facilities at North Singleton but has been identified because it shows, that it will be still be some time before higher order sub-regional scale facilities will be supported at Huntlee, which means that Singleton and Cessnock will continue to be the closest sub-regional shopping/commercial destinations for residents around this area.

Section 4: Retail potential

This section of the report assesses the supermarket demand and market gap within the main trade area; compares the supply of supermarket floorspace per capita in Singleton with other regional NSW towns/localities and the regional NSW average; and provides case study examples of large supermarket developments on B1 zoned land in the NSW.

This section of the report also estimates the sales potential of the proposed development, for the purposes of economic the potential impacts on the surrounding retail hierarchy in Section 5 of the report.

4.1 Retail floorspace demand

To assess the market demand for potential supermarket facilities at the subject site, we have examined the current and future demand for supermarket floorspace generated by the trade area population and compared these estimates with the existing and proposed supply of such floorspace.

To estimate the supermarket floorspace demand generated by the main trade area population, the available supermarket related expenditure is translated into an estimate of supportable/required supermarket floorspace. Floorspace estimates are generated by applying appropriate thresholds of turnover levels per sq.m of floorspace, normally referred to as retail turnover densities (RTD), to the available expenditure volume.

Table 4.1 compares the demand for supermarket floorspace generated by residents of the trade area with the existing, and proposed, supply of supermarket floorspace, outlining the estimated current and future market gap for supermarket floorspace within the main trade area. We have undertaken the following steps to calculate the estimated gap:

- Estimated the current and future population within the main trade area over the period 2015 – 2031.

- Estimated per capita expenditure on take-home food and groceries (F&G) using MarketInfo data.
- Allowed for 75% of F&G expenditure to be directed to supermarkets. This estimate is consistent with national benchmarks for regional locations, and allows for the remaining 25% to be allocated to smaller foodstores, food specialty stores, service stations and other general retail stores (e.g. the Foodworks at Singleton Heights is a smaller foodstore – although we have defined it as a supermarket in our analysis to present conservative view).
- Multiplied per capita F&G expenditure directed to supermarkets by the available population to determine the total available F&G expenditure pool to be directed to supermarkets.
- Allowed for 6% of supermarkets' turnover to comprise general merchandise (i.e. non-food) retail items, which is typical across national supermarkets.
- Applied a suitable retention rate of available expenditure within the main trade area. To do so, we have first allowed for an outflow of 25% of total supermarket expenditure, i.e. 75% of supermarket expenditure generated by main trade area residents is estimated to be retained within the trade area, if an extensive range of supermarket options is provided within the area. We have then allowed for inflow from customers who live beyond the main trade area, which we have estimated at be about 10%. The consequential outcome of these assumptions is that there is a net outflow of 10% (i.e. a net retention rate of 85%). This is considered reasonable, as it accounts for the supermarket offer in the Singleton CBD.
- The total supermarket expenditure pool is then translated into supermarket floorspace demand by dividing by an applied retail turnover density (RTD). We have applied an RTD for supermarkets and grocery stores of $9,500 per sq.m in 2015, which we consider would reflect a successful and profitable average trading level. We have also allowed for some real growth in this RTD, averaging around 0.5% per annum from 2015 onwards.

Based on the above methodology, Table 4.1 shows that residents of the main trade area generate demand for about 4,733 sq.m of supermarket floorspace at 2015, which is estimated to increase by around 1,540 sq.m, to reach 6,273 sq.m by 2031.

For the purposes of this assessment, we have included the existing Foodworks store at North Singleton in the estimate of existing supply, even though it is considered to be a small foodstore/general store, rather than a supermarket, given its small size, limited range and newsagent/lotto area.

If we compare the estimated supermarket floorspace demand with the current supply of 421 sq.m, we estimate an existing supermarket floorspace market gap in the main trade area of 4,312 sq.m. This means that more than 90% of the supermarket floorspace demand generated by main trade area residents is presently escaping the trade area.

We have assumed that the proposed supermarket at the subject site will be open by June 2017 and the first full year of trading for the store will be 2017/18.

Even with the addition of a 3,780 sq.m supermarket at the subject site by 2017/18, the supermarket floorspace gap will still be around 742 sq.m in 2017/18. The supermarket floorspace gap is then expected to grow to 2,072 sq.m by 2031, assuming the provision of no additional facilities in the main trade area.

This means that an additional small-medium sized supermarket could be supported in the North Singleton, in addition to the existing Foodworks foodstore and the proposed Woolworths supermarket at the subject site.

Table 4.1
Hunterview main trade area - supermarket floorspace market gap

Factor	2015	2016	2017	2018	2019	2020	2021	2026	2031
MTA population									
Main trade area population	12,510	12,630	12,750	12,870	13,030	13,190	13,350	14,150	14,950
MTA supermarket expenditure									
F&G Spend per capita* ($)	5,406	5,460	5,515	5,570	5,629	5,691	5,757	6,115	6,494
Total F&G exp. ($M)	$67.6	$69.0	$70.3	$71.7	$73.3	$75.1	$76.9	$86.5	$97.1
F&G expenditure to smkts at 75% ($M)	$50.7	$51.7	$52.7	$53.8	$55.0	$56.3	$57.6	$64.9	$72.8
6% of smkt sales from GM ($M)	$3.2	$3.3	$3.4	$3.4	$3.5	$3.6	$3.7	$4.1	$4.6
Total smkt expenditure by MTA residents ($M)	**$54.0**	**$55.0**	**$56.1**	**$57.2**	**$58.5**	**$59.9**	**$61.3**	**$69.0**	**$77.5**
Net retention and available supermarket expenditure									
MTA containment ratio	75%	75%	75%	75%	75%	75%	75%	75%	75%
BTA capture rate	10%	10%	10%	10%	10%	10%	10%	10%	10%
Total available smkt expenditure ($M)	**$45.0**	**$45.9**	**$46.8**	**$47.7**	**$48.8**	**$49.9**	**$51.1**	**$57.5**	**$64.5**
Supermarket floorspace demand									
RTD @ $9500 increasing at 0.5% p.a.	$9,500	$9,548	$9,595	$9,643	$9,691	$9,740	$9,789	$10,036	$10,289
Supportable smkt floorspace (sq.m)	**4,733**	**4,803**	**4,872**	**4,943**	**5,032**	**5,124**	**5,221**	**5,732**	**6,273**
Supermarket floorspace supply									
Existing supply**	421	421	421	421	421	421	421	421	421
Subject site**	0	0	0	3,780	3,780	3,780	3,780	3,780	3,780
Total supermarket supply (sq.m)	**421**	**421**	**421**	**4,201**	**4,201**	**4,201**	**4,201**	**4,201**	**4,201**
Supermarket floorspace gap									
Total supermarket gap (sq.m)	**4,312**	**4,382**	**4,451**	**742**	**831**	**923**	**1,020**	**1,531**	**2,072**
% of total demand	91%	91%	91%	15%	17%	18%	20%	27%	33%

**Constant 2014/15 dollars & including GST*
***Includes the existing Foodworks foodstore at North Singleton (which is less than 500 sq.m)*
****Assumes the proposed development at the subject site enters the competitive supply network by June 2018*
Source: MarketInfo; MacroPlan Dimasi

4.2 Supermarket supply per capita - Singleton

Table 4.2 presents a summary of the provision of supermarket floorspace per 1,000 residents across selected regional NSW towns ranging in size from approximately 20,000 – 50,000 persons. This table also presents the average rate of provision across Australia, NSW, regional NSW, and metropolitan Sydney.

Table 4.2 shows that the average level of provision of supermarket floorspace in towns across non-metropolitan NSW is generally far higher than the national average. This is also the case for identified towns across NSW, and indeed across all parts of regional Australia.

The reasons that the levels of supermarket floorspace provision relative to population in provincial cities and towns are much higher than the national average include the following:

- Average income levels are typically lower in non-metropolitan areas, and consumers are generally much more price focused (i.e. supermarkets – which provide low prices - are a preferred shopping destination, say, compared with butchers, delis, etc).
- The range of food and grocery shopping alternatives in towns and provincial cities is generally much more limited than is the case in the state capital cities – for example, the range of fresh produce stores, butchers, seafood stores, artisan food stores, bakeries, etc is invariably much more limited in country towns than is the case in say, Sydney or Melbourne.
- In the major metropolitan areas, and particularly in Sydney, it is substantially more difficult to find appropriate sites and develop supermarket floorspace commensurate with the demand for such space. Sydney for example, which alone contains 20% of the national population, has a far lower provision of supermarket floorspace than the national average. As a consequence, the national average is 'dragged down', while all of the supermarket operators continue to work hard to try and find sites throughout various parts of Sydney on which they can provide additional supermarket floorspace.

- Supermarkets achieve generally lower turnover levels on a dollar per sq.m basis in non-metropolitan areas than they do in the major metropolitan areas. This reflects the fact that population densities are typically lower, and also reflects the fact that supermarket floorspace provision is typically higher. That does not mean that there is in any sense ‘overprovision’ of supermarket floorspace, since clearly if that were to be the case, operators such as Woolworths, Coles and Aldi would not be endeavouring to build supermarkets in areas where they identify a need.

Table 4.2

NSW Towns - supermarket provision relative to population

Town/Urban Area	Population	Supermarket GLA	GLA per 1,000 residents
Orange	37,645	14,666	390
Goulburn	22,796	8,926	392
Maitland	72,712	29,571	407
Tamworth	38,512	17,995	467
Bathurst	33,603	15,833	471
Port Macquarie	43,948	20,717	471
Singleton (current)*	**24,060**	**11,375**	**473**
Cessnock	21,543	10,225	475
Wagga Wagga	49,328	24,298	493
Nowra - Bomaderry	29,299	15,033	513
Broken Hill	18,962	9,933	524
Albury	47,954	25,421	530
Dubbo	34,322	18,929	552
Armidale	20,950	12,185	582
Forster - Tuncurry	19,926	12,078	606
Singleton (post development)**	**24,690**	**15,155**	**614**
Wingham & Taree	23,312	15,065	646
Coffs Harbour	47,812	31,088	650
Bowral - Mittagong	21,023	14,635	696
Lismore	28,698	22,219	774
Non-metro NSW	-	-	394
Metro Sydney	-	-	256
NSW	-	-	309
Australia	-	-	346

**Does not include 421 sq.m Foodworks foodstore. Supermarkets are defined as being above 500 sq.m.*

**Population is as at 2018, when the subject development is planned to be completed*

Source: MacroPlan Dimasi

Currently, within Singleton LGA, there is around 11,375 sq.m of supermarket floorspace. This consists of the 3,800 sq.m Coles and 4,050 sq.m Woolworths supermarkets in Singleton Square; the 2,000 sq.m IGA supermarket in the Singleton Plaza centre; the 1,525 sq.m stand-alone Aldi supermarket on John Street. The Supa IGA supermarket that previously existed in the Singleton Town Square is no longer trading and the 421 sq.m Foodworks foodstore is not considered to be a supermarket (as supermarkets are defined as greater than 500 sq.m).

The population of Singleton in 2015 is estimated at 24,060 persons. So 11,375 sq.m of supermarket floorspace supply equates to 473 sq.m of supermarket floorspace per 1,000 residents. A rate of provision of 473 sq.m per 1,000 residents is at the lower end of the spectrum for NSW regional towns, as shown in Table 4.2.

Therefore, a provision of 400+ sq.m of supermarket floorspace per 1,000 persons is neither an unusual situation nor a situation which calls for concern. For non-metropolitan areas of Australia, and certainly for provincial cities and towns like Singleton, a provision of supermarket floorspace in excess of 400 sq.m per 1,000 persons is in fact the norm, and in many such towns the provision available is significantly higher than this level.

Even following the addition of the proposed supermarket at the North Singleton subject site, and allowing for future growth in the population in the Singleton LGA, the rate of provision of supermarket floorspace would be 613 sq.m per 1,000 residents, which would be less than several other towns in Table 4.2, and only marginally above Forster-Tuncurry.

It is worth noting that the towns identified in Table 4.2 with higher rates of provision tend to service a sub-regional role and function, including sub-regional scale shopping facilities serving large trade areas. A similar picture is true of Singleton.

Singleton contains the 20,050 sq.m Singleton Square sub-regional shopping centre which contains a Big W discount department store, two full-line supermarkets and 50 specialty stores and the CBD contains around 41,000 sq.m of retail floorspace in total. The Singleton CBD (inc. Singleton Square) would serve a trade area population in excess of 30,000 persons, extending south to include Branxton/Huntlee, given the lack of higher order retail facilities south-west around Branxton. This means the supermarkets in this centre also serve a broader population than just those residing in the Singleton LGA.

4.3 Case studies – supermarkets located in B1 Neighbourhood centre zone

Development of supermarkets and retail development that would not be considered “small scale”, in the B1 – Neighbourhood Centre zone is not uncommon across NSW. There are many instances of supermarkets in excess of 2,000 sq.m being developed and approved in the B1 zone and these are presented in Table 4.3. Key points to note are summarised below:

- There are at least 17 supermarkets of more than 2,000 sq.m in the B1 zone in various LGAs across NSW, and at least 2 under construction or approved in this zone.
- Three of those centres, namely Quakers Court (Blacktown LGA); Southgate SC (Tamworth LGA) and Arida Centre (Parramatta LGA), contain supermarkets larger than the proposed 3,780 sq.m Woolworths supermarket at the subject site. Southgate SC is located in the Tamworth LGA, a regional town.
- Of the supermarkets above 2,000 sq.m identified, four are located in regional towns across NSW, including Maitland, Tamworth, Coffs Harbour and Yass. There are many other examples of supermarkets between 1,500 and 2,000 sq.m in regional Councils across NSW.
- The two supermarkets that have received development approval but are not yet operational include a Woolworths at Baulkham Hills (Hills Shire) and Woolworths at Spring Farm (Camden LGA). These supermarkets are 2,900 sq.m and 3,100 sq.m, respectively, the latter of which is currently under-construction.

In summary, there is a clear precedent of larger supermarkets being approved/developed in the B1 zone across other Councils in NSW, including many regional Councils.

Table 4.3
B1 - Neighbourhood centres in NSW with supermarket GLA over 2,000 sq.m

Centre name/identifier	Supermarket		Location	
	Brand	GLA (sq.m)	LGA	Suburb
Jewellstown Plaza	Coles	2,032	Lake Macquarie	Jewellstown
Woolworths Marsfield	Woolworths	2,190	Ryde	Marsfield
Harrington Plaza SC	Coles	2,200	Camden	Harrington Park
Woolworths Aberglasslyn	Woolworths	2,351	Maitland	Aberglasslyn
Irvine SC	IGA	2,400	Yass Valley	Yass
Boambee Central SC	Supa IGA	2,410	Coffs Harbour	Boambee
Greenpoint Shopping Village	Coles	2,500	Gosford	Green Point
Glenwood Park SC	Woolworths	2,540	Blacktown	Glenwood
Oatley Village Square	Coles	2,680	Hurstville	Oatley
Woolworths Baulkham Hills (p)	Woolworths	2,900	The Hills	Baulkham Hills
Edgeworth Town Mall	Coles	2,940	Lake Macquarie	Edgeworth
Spring Farm (u/c)	Woolworths	3,100	Camden	Spring Farm
North Richmond SC	Coles	3,242	Hawkesbury	Richmond North
Woolworths Prospect	Woolworths	3,354	Blacktown	Prospect
Woolworths Jerrabomberra	Woolworths	3,493	Queanbeyan	Jerrabomberra
Woolworths Glenorie	Woolworths	3,663	The Hills	Glenorie
Quakers Court	Woolworths	3,844	Blacktown	Marayong
Southgate SC	Coles	4,010	Tamworth Regional	Tamworth
Arida Centre	Woolworths	4,331	Parramatta	Granville

Source: Various councils; PCA; MacroPlan Dimasi

4.4 Sales potential

Tables 4.4 and 4.5 summarise the estimated sales potential of the proposed development, and the required market shares needed to achieve these sales. As previously stated, we have assumed that the proposed development would be open by mid-2017 and we have assumed for the purposes of assessing sales/impacts, that 2017/18 would be the first full year of trade. Sales estimates are presented in constant 2014/15 dollar terms and include GST.

In estimating the sales potential for the proposed development, we have had regard to all of the information set out in the previous sections of the report, and in particular the following:

- The lack of supermarkets within the main trade area.
- The available population, and in particular the F&G expenditure capacity, within the trade area.
- The provisions of competitive supermarkets in the surrounding centres located outside the trade area, in particular the Singleton CBD.
- Known information in regards to supermarket turnover levels across NSW and Australia.

As shown in Table 4.4, we estimate that the proposed development as per the revised development scheme, could achieve sales in the order of $40.0 million at 2017/18 expressed in constant 2014/15 dollar terms, including supermarket sales of around $35.9 million.

Table 4.4
Hunterview - Estimated sales potential by store type, 2017/18*

Tenant	GLA (sq.m)	($'000)	Est. sales ($/sq.m)
Woolworths	3,780	35,910	9,500
Specialty floorspace	682	4,092	6,000
Total	**4,462**	**40,002**	**8,965**

**Constant 2014/15 dollars & including GST*
Source: MacroPlan Dimasi

Table 4.5 presents the estimated market shares which the proposed development would be required to achieve in order to deliver the sales potential estimated in Table 4.4.

As shown the proposed development could potentially achieve a market share main trade of available main trade area retail expenditure of about 19%, which means that around 81% of all expenditure generated by residents in the main trade area would be directed to other centres, including the Singleton Heights Shopping Village and Singleton CBD.

As indicated earlier, we estimated that beyond trade area expenditure would contribute to around 10% of total sales for the centre.

Table 4.5
Hunterview - Estimated market shares, 2017/18*

	Est. sales ($M)			Distribution of Sales			Est. market share	
Trade area	WOW*	Spec.	Total	WOW*	Spec.	Total	Total retail exp. ($M)	% Mkt share
Primary	28.7	3.3	32.0	80.0%	80.0%	80.0%	151.6	21.1%
Secondary sectors								
• North	2.2	0.2	2.4	6.0%	6.0%	6.0%	22.2	10.8%
• West	1.8	0.2	2.0	5.0%	5.0%	5.0%	19.1	10.5%
Total secondary	4.0	0.5	4.4	11.0%	11.0%	11.0%	41.3	10.7%
Main TA	**32.7**	**3.7**	**36.4**	**91.0%**	**91.0%**	**91.0%**	**192.9**	**18.9%**
Sales from beyond TA	3.2	0.4	3.6	9.0%	9.0%	9.0%		
Total centre sales	**35.9**	**4.1**	**40.0**	**100.0%**	**100.0%**	**100.0%**		

**Constant 2014/15 dollars & including GST*
Source: MarketInfo; MacroPlan Dimasi

Section 5: Economic and social impacts

This section of the report presents our estimates of likely trading impacts on the surrounding retail network; discusses the implications of these impacts; and examines the net community benefits associated with the proposed development, including employment generation and other economic and social benefits.

5.1 Purpose of assessing trading impacts

The purpose of an impact assessment is to provide guidance as to whether or not there is likely to be a net community benefit or disbenefit from any proposed development. In particular, if there is a real possibility of some existing facilities potentially being impacted to such a degree that they may be lost to the community and if the service or services provided by those facilities are not at the very least replaced by the proposed new facilities, then a community disbenefit could result.

In order to understand whether any particular centre may be impacted to the extent that its continued viability may be in question, we have estimated specific retail impacts that we expect across the surrounding competitive network if the proposed supermarket based development at the Wallsend subject site were to proceed as planned.

These estimates provide indications as to whether the scale of the proposed retail development is reasonable and whether any surrounding centres are likely to be at risk to the extent that the community would suffer a net disbenefit, attributable to the proposed retail development. In considering likely trading impacts on any individual centre or individual retailer, it must first be acknowledged that such estimation can only realistically expect to provide a broad indication of likely outcomes, since there are many factors which can change in response to any new retail development, and which will have a bearing on the consequent outcomes. The competitive response of each relevant centre or trader is one such factor, as are further redevelopments/improvements which one or more of the competitive network of centres might implement.

5.2 Impacts methodology

The following factors are typically considered when assessing the potential impacts of a new supermarket based development on each existing facility or centre:

- The distance of the (impacted) centre, or retail precinct, by road, from the proposed development.
- The size of the centre or precinct, in terms of total retail floorspace.
- The amount of supermarket floorspace, and brands of these supermarkets.
- The role and function of the centre or precinct.
- Relative accessibility and relative convenience compared with the proposed retail development.
- The estimated performance of the centre/precinct (in current sales) and future performance (in the impact year), accounting for any future developments in the region that may also impact on the future sales of existing centres.
- The share of available expenditure which the centre/precinct attracts from the identified main trade area of the proposed development. A centre may not be situated in the identified trade area of the proposed development but its main trade area may extend to include parts, or all, of the trade area. For example, the trade area for large regional shopping centre typically includes several hundred thousand persons. Such a trade area is likely to include (partially or completely) trade areas for smaller convenience based centres, sub-regional centres, retail strips and stand-alone supermarkets.

The following key principles are then relied on when assessing the dollar (and percentage) impacts that are likely to be absorbed by existing facilities/centres:

- The greatest impacts are typically absorbed by the closest comparable centres. For example, a new Woolworths supermarket is generally likely to impact the closest nearby Woolworths supermarket to the greatest extent, followed by impacts on other comparable large supermarkets (e.g. Coles), and at the lower end of the spectrum, by smaller scale supermarkets/food stores, which serve much more limited roles.

- Impacts on small scale, local supermarkets/food stores, tend to be relatively smaller in scale, as these stores normally attract a small market share of available main trade area expenditure and perform a different role and function in the hierarchy, often serving the local walkable catchments surrounding them, and/or serving more specialised/discerning needs (e.g. a small Foodworks foodstore).

Table 5.1 presents a summary of the key metrics for the surrounding centres of relevance to the proposed development. This table includes the following:

- Column (1) shows the distance of each centre or store from the subject site.
- Column (2) shows the amount of retail floorspace at the centre and column (3) shows the amount of supermarket floorspace at the centre.
- Column (4) outlines the brand/s of key supermarket tenants at the centre.
- Column (5) outlines the estimated sales for the year 2014/15.
- Column (6) presents an estimate of the proportion of sales for each centre that is generated from the main trade area population. This provides the starting point for the allocation of sales redirected to the new development at the subject site.
- Column (7) presents an estimate, for each centre, of the volume of sales generated from the defined main trade area. Column (7) is calculated by multiplying Column (6) by Column (5). This column represents the total amount estimated to be spent by residents of the main trade area at each identified centre.
- Column (8) shows, for each centre, the proportion of sales drawn by the centre from the main trade area as a percentage of the total sales drawn from the main trade area by all identified centres in the analysis. **Column (8) is calculated by dividing each entry in Column (7) by the sum total of Column (7).**

Table 5.1 Hunterview - Estimated sales distribution of specific centres in region, 2014/15*								
Centre	Distance from site (km) *(1)*	Floorspace (sq.m) Total GLA (sq.m) *(2)*	Smkt. GLA (sq.m) *(3)*	Supermarket Brand *(4)*	Est. centre sales ($M) (2014/15) *(5)*	Est. % sales drawn from MTA (%) *(6)*	Est. % sales drawn from MTA ($M) *(7)*	Share of available MTA retail exp. to identified centres (%) *(8)*
Singleton Heights	1.5	1,026	421	Foodworks	*5.7*	90%	5.1	4.6%
Singleton CBD	*3.0*	*36,000*	*11,375*		*238.6*	*45%*	*107.4*	*95.4%*
• Singleton Square		20,500	7,850	Coles, WOW	140.0	45%	63.0	56.0%
• Other Singleton CBD		15,500	3,525	IGA, Aldi	98.6	45%	44.4	39.4%
Total identified centres		**37,026**	**11,796**		**244.4**		**112.5**	**100.0%**
Share of sales directed to nearby centres from MTA residents							**46.1%**	

**Sales expressed inclusive of GST and in $2014/15*
Source: PCA, MacroPlan Dimasi

Table 5.2 builds upon the analysis in Table 5.1, setting out an assessment of the likely order of trading impact on each of the identified centres, showing:

- The estimated floorspace (GLA) and sales volume for each centre as at 2014/15.
- The estimated sales volume for each centre at 2017/18 assuming no development at the subject site.
- The estimated sales volume for each centre at 2017/18 after allowing for the proposed development at the subject site at 2017/18.
- The consequent estimated trading impact, measured both as a sales volume and a percentage impact, on each centre.
- The estimated post-impact sales performance at 2017/18 as compared with current (2014/15) sales for each centre.

Table 5.2
Hunterview - Estimated impacts on specific centres, 2017/18*

Centre	GLA (sq.m)	Est. sales (2014/15) $M	Est. Sales (2017/18) Without dev. $M	Est. Sales (2017/18) With dev. $M	Dist. Of impacts (%)	Est. Impacts (2017/18) Est. Impacts $M	Est. Impacts (2017/18) Est. Impacts %	% diff. from 2014/15
Singleton Heights	1,026	5.7	6.0	5.6	1.2%	-0.5	-7.9%	-2.6%
Singleton CBD	*36,000*	*238.6*	*251.0*	*215.5*	*88.8%*	*-35.5*	*-14.2%*	*-9.7%*
• Singleton Square	20,500	140.0	147.3	125.3	55.0%	-22.0	-14.9%	-10.5%
• Other Singleton CBD	15,500	98.6	103.8	90.2	33.8%	-13.5	-13.0%	-8.5%
Sub-total	**37,026**	**244.4**	**257.1**	**221.1**	**90.0%**	**-36.0**	**-14.0%**	**-9.5%**
Other centres					10.00%	-4.0		
Total est. sales potential new centre					**100.00%**	**40.0**		

**Sales expressed inclusive of GST and in $2014/15*
Source: MarketInfo; MacroPlan Dimasi

In summary, the impact assessment shows the following:

- All centres identified would have benefitted from the recent closure of the IGA store which previously existed at Singleton Town Centre, as the sales generated by this store would now be directed to the other supermarkets/retailers in Singleton.

- The greatest impacts are expected to be absorbed by the Singleton Square shopping centre, which contains two large supermarkets and would therefore presently be the main destination for food and grocery shopping for residents of the main trade area. We estimate impacts in the order of around 14-15% on this centre.

- We estimate impacts across the rest of the CBD, which includes an IGA supermarket and an Aldi supermarket, to be in the order of 13%.

- Impacts on the smaller neighbourhood centre at Singleton Heights are expected to be moderate, at around $0.5 million, or around 8%. This centre performs a different role and function to the proposed Woolworths development as it does not provide full-scale supermarket facilities, and only attracts a very small market share of the available main trade area expenditure. The centre is anchored by a Foodworks foodstore which provides a top-up shopping service and a Newspower newsagent service, with only a handful of small trolleys available.

5.3 Consideration of trading impacts

The key points to note regarding the estimated impacts across the surrounding network of centres, as presented in Table 5.2, include the following:

- The retail sector is dynamic, and the development of new retail facilities is linked to evident undersupply and/or growth in population. New players, new centres, new competition will seek to enter any retail hierarchy where there is a market gap and/or future population growth to support such development.

- It is stressed, however, as already noted previously in this report, that the impact assessment set out above should be regarded purely as a guide as to the likely order of trading impacts on the various existing centres. What is far more important in this instance is the fact that the relevant area is grossly underprovided with retail facilities, and therefore, any resultant trading impacts from the improvement in the provision of such facilities, particularly modern supermarket floorspace, is not in reality a negative economic impact as such – rather, it is an addition to net community benefit, for all the reasons set out in this report. There is more than ample available demand for all existing facilities to continue to trade successfully and viable – all they need to do is reasonably meet the needs and aspirations of trade area residents.

- Generally, retail trading impacts between 10% and 15% are considered by the industry to be significant but acceptable, with impacts less than 10% considered relatively moderate, and impacts less than 5% generally considered minor/negligible. However, other factors such as the current trading performance; expansions of centres; potential loss of services to the community; expected growth in the region; and overall net community benefit should be considered.

- Singleton Square trades reasonably well, reporting sales in the order of $132 million for the year 2013, according to the PCA, sales volumes which would have grown in the two years since, particularly with the closure of the IGA at Singleton Town Square. We estimate that sales volumes would be in the order of $140 million, or around $6,800 –

6,900 per sq.m are currently being achieved. Thus impacts of the magnitude estimated, i.e. 14% would be able to be comfortably absorbed.

- The expansion of the Singleton Square shopping centre no doubt had some impacts on the Singleton Town Centre asset, which no longer contains an IGA supermarket, however, the demise of that centre was also driven by a lack of investment in the asset, which is very tired and poorly maintained, and mix that was clearly not meeting consumer need.

- We do not expect a similar picture to play out from a new full-scale supermarket north of the Hunter River, because we expect the majority of the impacts to be absorbed by the two large Woolworths and Coles supermarkets at Singleton Square, stores that would be at no risk of closure following a moderate reduction in trading volumes. Indeed, Woolworths would not be opening a second supermarket if there was any risk that its existing store would be compromised.

- The Singleton Heights Shopping Village is estimated to generate around $5.7 million in annual sales. The main trade area population generates around $182.5 million in retail expenditure, which means that at least $176.8 million, or 97% of all retail expenditure generated by this population is not directed to this centre.

- These estimated impacts across the identified centres are considered to be within an acceptable range of 10 – 15%, and when considered in the context of the size, performance and role and function of surrounding centres, would be highly unlikely to result in a material reduction of retail service provision in the Singleton CBD nor the nearby Singleton Heights Shopping Village.

5.4 Employment impacts

The development of the proposed retail component of the development at the subject site will result in additional on-going employment on site, as well as further jobs throughout the supply chain, including those in industries servicing the retail tenants at the site, such as transport workers, wholesalers and the like.

Furthermore, the construction phase of the project will support temporary construction related employment, and additional temporary jobs through the broader economic supply chain (i.e. multiplier impacts).

In estimated the various employment benefits, we have relied upon various data sources including information from supermarket operators, the ABS, state and local government agencies, as well as 30 years of experience in preparing assessments of this nature.

Table 5.3 illustrates the estimated net increase in direct on-site retail employment that could potentially be created if the proposed development at the subject site were to proceed. An estimated 115 jobs could be created on site once the neighbourhood centre development is fully operational. Making an allowance of around 5% for employment being redirected from other centres, the proposed development could result in a net addition of 109 jobs.

Table 5.3
Hunterview - Estimated employment impacts

Scenario	Estimated employment per '000 sq.m	GLA (sq.m)	Employment (persons)
Supermarket	25	3,780	95
Retail specialties	30	682	20
Total development	**26**	**4,463**	**115**
Net employment increase*			**109**

** Net increase includes an allowance for reduced employment levels at impacted centres, estimated at 5% of the total increase*
Source: MacroPlan Dimasi

Table 5.4 provides an estimate of the total additional employment that would be created as a result of the proposed development, including both on-going direct and indirect (multiplier induced) employment from the construction phase of the project.

To calculate the likely total economic stimulus that can be attributed to the proposed retail facility, both due to the direct employment which it will create, and also due to its construction, we have had regard to ABS Australian National Accounts Input/output multipliers.

Based on assumed construction costs of around $12.8 million and an expected development timeframe of one year, the construction phase of the project is estimated to sustain about 142 jobs per annum across the economy, including around 55 jobs created directly and a further 88 jobs resulting from multiplier induced effects.

As previously outlined, the proposed development scheme could potentially create 109 jobs net additional jobs. Based on ABS employment multipliers for the relevant industries, we estimate this would also lead to 44 multiplier induced jobs across the broader economy.

Table 5.4

Hunterview - Estimated future additional centre employment levels*

Original stimulus	Direct employment (long-term)	Direct employment (const'n period)	Supplier employment multiplier effects	Total	
On-site employment[1]	109		44	153	
Construction of project ($12.8m. est. capital costs)		55	88	142	Job years[2]

** Employment totals include both full-time and part-time work*
1. Indicates the estimated number of net additional ongoing jobs as a result of the proposed development
2. Indicates the estimated number of jobs over the life of the construction project, for the equivalent of one year
Source: ABS; MacroPlan Dimasi

5.5 Social and community benefits

The proposed development at the subject site would generate a range of other economic benefits, in particular the following:

- Increased choice and amenity for the population of the main trade area as well as likely increased competition for the benefit of consumers.
- More convenient access to new food and grocery shopping facilities, and other supporting retail and non-retail services, to serve both the current residents of the main trade area and future residents.
- Reduced travels distances, leading to savings on time and fuel for main trade area residents, due to a much better provision of food and grocery shopping facilities at the local level.
- Reinforcing the retail/centres hierarchy in the Singleton LGA by providing additional convenience retail to service a growing residential growth area, without reducing the level of service provision anywhere else, particularly within the Singleton CBD.
- Opportunities for small businesses to open premises within the neighbourhood centre.
- Providing jobs near people's homes and consequent economic multiplier impacts, which will boost the local economy.

Section 6: Response to submissions

The application (DA150/2015) for the proposed Woolworths supermarket development was recently placed on public submission by Singleton Council and several submissions were received.

Submissions were received by FoodWorks (Australian United Retailers Ltd); from HDB Town Planning and Design (on behalf of Ritchies Stores Pty Ltd, owners of the Supa IGA in John Street); as well as some independent submissions from members of the public.

FoodWorks submission

- **Lack of economic impact assessment:** FoodWorks suggested that the application be refused because of a lack of an economic impact assessment. This economic impact assessment report provides a detailed analysis of the demand for supermarket facilities in North Singleton and the likely economic impacts of the proposed supermarket based development at the subject site, on the Singleton Heights Village Centre and the Singleton CBD. This report demonstrates that while there is expected to be some redirected trade from other centres, estimated impacts are expected to be moderate and within acceptable ranges.

- **Objectives of the zone**: Our report focusses on economic issues. However, the proposed development, in our view, will *"…serve the needs of people who live or work in the surrounding neighbourhood…,"* as well as residents from a broader area, residing north of the Hunter River. Therefore the development is consistent with this part of the zone objectives.

- **Contrary to the objectives of Singleton Land Use Strategy 2008:** the submission argues that the proposed development is contrary to the objectives of the Singleton Land Use Strategy 2008, which aims to strengthen the integrity of the CBD. Since 2008, the Singleton Square expansion has been completed, and all four major supermarket operators in Australia are now represented in the CBD.

- The subject site of the proposed Woolworths development is identified for local/neighbourhood retail, and is zoned accordingly (i.e. B1 – Neighbourhood centre). Our analysis of the proposed development indicates that the impacts on the Singleton CBD are expected to be moderate, and within acceptable ranges, with impacts expected to be mainly absorbed by the two large supermarkets in Singleton Square. In this context, the integrity of the CBD would be maintained.

- **Insufficient local demand to justify development**: The population of main trade area of the proposed development is currently 12,500 persons. This population generates demand for about 4,733 sq.m of supermarket floorspace at 2015, which is estimated to increase by around 1,540 sq.m, to reach 6,273 sq.m by 2031. This demand is presently not met by any supermarket facilities north of the Hunter River. Clearly there is significant local demand for supermarket facilities north of the Hunter River.

- The analysis presented by FoodWorks in examining the market potential does not contain any information as to how the trade area for the proposed development has been defined, and does not appear to consider the realistic trade area that would be served by the proposed development as a full-line supermarket. We estimate the trade area to contain around 12,500 persons, which equates to around 4,400 – 4,500 households at 2.8 persons per household, which is around 40% greater than the 3,200 households referred to by FoodWorks in examining the market potential. Furthermore, supermarkets can trade profitably at levels well below $10,000 per sq.m, particularly as they establish their position within their trade area, thus claiming that a supermarket would not be commercially viable at the site if it were to trade at levels below this level is not correct.

- **Economic need/over-supplied with supermarket floorspace**: The analysis undertaken by FoodWorks in related to supermarket floorspace provision per capita, in our view, is misleading as the population base which is used as the reference point is based off an arbitrary "20 km radius". The population in this area is about 16 – 17% less than the population of the Singleton LGA, which we consider to be a reasonable area of reference given Singleton CBD would be the main shopping, business, medical and civic destination for these residents. The LGA boundary also allows for a comparison with other LGAs across NSW.

- The population of Singleton in 2015 is estimated at 24,060 persons and the LGA contains an estimated 11,375 sq.m of supermarket floorspace supply, which equates to 473 sq.m of supermarket floorspace per 1,000 residents. A rate of provision of 473 sq.m per 1,000 residents is at the lower end of the spectrum for NSW regional towns.

- A provision of 400+ sq.m of supermarket floorspace per 1,000 persons is neither an unusual situation nor a situation which calls for concern. For non-metropolitan areas of Australia, and certainly for provincial cities and towns like Singleton, a provision of supermarket floorspace in excess of 400 sq.m per 1,000 persons is in fact the norm, and in many such towns the provision available is significantly higher than this level.

- Even following the addition of the proposed supermarket at the North Singleton subject site, and allowing for future growth in the population in the Singleton LGA, the rate of provision of supermarket floorspace would be 613 sq.m per 1,000 residents, which would be less than several other towns in regional NSW. It must also be acknowledged that Singleton CBD serves a broader sub-regional population, extending beyond the LGA boundaries, in excess of 30,000 persons, and the provision of supermarket floorspace per capita should also be considered in that context.

- FoodWorks claims that there are around 30 – 40 vacant retail properties in the Singleton CBD. This estimate would likely refer to the level of vacancy across all of the Singleton CBD around John Street and the commercial/highway retail along the New England Highway including retail shop front vacancies as well as vacancies from previous commercial, accommodation and bulky goods/large format retail tenants.

- This office undertook a detailed site inspection of the retail core along John Street, between Ryan Avenue and Elizabeth Street, where the majority of the traditional retail and supermarket facilities are located. Our inspections indicated there to be around 4 - 5 retail vacancies in the main strip (plus around 5 – 6 ex-commercial vacancies), around 5 retail vacancies in Singleton Plaza and around 8 – 10 retail vacancies in Singleton Town Centre. The poorly maintained Singleton Town Centre asset skews the overall vacancy picture of the retail core, which we consider to be a vibrant, functional retail/commercial main street. Indeed, in total, there are around 130 – 140 retailers (plus commercial business in addition to this) along John Street, including Singleton Square, and 10 – 20 vacancies, depending whether the Singleton Town Square is included/excluded in the estimates.

- **The economic downtown:** The key drivers of supermarket floorspace demand are population (and growth in population) and expenditure on food and groceries. The population in the main trade area, of 12,500, generates local demand for at least one full-line supermarket north of the Hunter River, even without consideration of future population growth.

- Expenditure on food and groceries is generally inelastic to economic conditions, and may indeed be higher when economic conditions are worse, as households tend to spend less on dining out and/or on other discretionary retail goods and services.

- Furthermore, the proposed development will create important local employment opportunities. Our report indicates that in the order of 109 net additional jobs could be created by the proposed development, as well as 44 jobs across the broader economy as well as 143 temporary jobs (direct and indirect) through the construction phase of the project.

- **Strategic considerations**: FoodWorks refers to the Singleton Land Use Strategy 2008 which identifies a need to provide additional local commercial areas to service future urban development in Singleton Heights. The subject site was subsequently identified, and zoned accordingly in the Singleton LEP 2013 for this purpose.

- We agree that the integrity of the CBD should be maintained/strengthen, and this has happened with the expansion of the Gowrie Street Mall, which is now Singleton Square, a double supermarket anchored sub-regional shopping centre. Our report demonstrates that the expected impacts on the CBD will be within acceptable ranges and will be mainly absorbed by the two large supermarkets within the Singleton Square shopping centre (i.e. Coles and Woolworths).

Ritchies Stores Pty Ltd submission (HDB Town Planning and Design)

- **Scale of development**: An issue is raised with the scale of the proposed development. As we have discussed in our report, in sub-section 1.3, the site is zoned B1 – Neighbourhood centre to allow retail development to serve the surrounding neighbourhood. The basis for scale of the centre was based on the findings of a report prepared by Hirst Consulting from 2002, which was then relied on in a 2007 report and in the preparation of the Singleton LEP 2013. That is, an assessment of the demand and need for supermarket and convenience retail in North Singleton has not been undertaken since 2002, some 13 years ago.

- We agree that the location of a centre in North Singleton, at the subject site is appropriate, although the intended size is not based on any contemporary demand modelling – and must be considered in the context of up to date analysis of demand. Our report indicates that there is significant demand for full scale supermarket facilities in North Singleton and a centre of the size proposed in DA150/2015 appears reasonable.

- **Lack of economic assessment & Impacts on trading levels of other supermarkets:** We agree that the proposed supermarket development is likely to serve not only the immediate surrounding neighbourhood, but a broader population north of the Hunter River that is presently without any supermarket facilities.

- Our analysis of economic impacts demonstrates that, while there will be inevitably be some redirected trade, the expected magnitude of impacts will be within acceptable ranges, and the majority of trading impacts are expected to be absorbed by the two full-line supermarkets in the Singleton Square shopping centre.

- **Over-supply of supermarket floorspace:** The population of Singleton in 2015 is estimated at 24,060 persons and the LGA contains an estimated 11,375 sq.m of supermarket floorspace supply, which equates to 473 sq.m of supermarket floorspace per 1,000 residents. A rate of provision of 473 sq.m per 1,000 residents is at the lower end of the spectrum for NSW regional towns.

- A provision of 400+ sq.m of supermarket floorspace per 1,000 persons is neither an unusual situation nor a situation which calls for concern. For non-metropolitan areas of

Australia, and certainly for provincial cities and towns like Singleton, a provision of supermarket floorspace in excess of 400 sq.m per 1,000 persons is in fact the norm, and in many such towns the provision available is significantly higher than this level.

- Even following the addition of the proposed supermarket at the North Singleton subject site, and allowing for future growth in the population in the Singleton LGA, the rate of provision of supermarket floorspace would be 613 sq.m per 1,000 residents, which would be less than several other towns in regional NSW. It must also be acknowledged that Singleton CBD serves a broader sub-regional population, extending beyond the LGA boundaries, in excess of 30,000 persons, and the provision of supermarket floorspace per capita should also be considered in that context.

- **Inconsistency with Council's Strategy Plans:** In our view, the 2007 Hirst report has been misquoted by HDB Town Planning. The introductory points in the 2007 Hirst report are summary points of its 2002 report. The 2007 Hirst report did not contain any quantitative analysis of retail demand or supermarket demand, merely focused on which site was appropriate according to a multi-criteria analysis. Indeed, the report relied on prior assessment of retail floorspace demand undertaken in the 2002 report. That is, an assessment of the demand and need for supermarket and convenience retail in North Singleton has not been undertaken since 2002, some 13 years ago. It is against the above background which the 2008 Singleton Land Use Strategy and the Singleton LEP 2013 need to be considered and indeed, the proposed development application at the subject site.

- This economic impact assessment report indicates that there is significant demand for full scale supermarket facilities in North Singleton and a centre of the size proposed in DA150/2015 appears reasonable.

Anonymous submission "Submission of Retail Proposal at 1 Glass Parade"

- Most of the issues in this submission are not related to economics.
- **B1 Zoning Non-conforming use**: A point is raised in this submission that various other NSW Councils have defined "small scale retail" in their LEPs, but no Council has a floorspace cap above 1,500 sq.m. We consider this statement to be misleading. Essentially, the statement only refers to those LEPs with a floorspace cap applied to retail development in the B1 zone. There is no indication as to how many have a prescribed cap, just that none of those with a prescribed cap, have a cap that exceeds 1,500 sq.m.
- Our report in sub-section 4.3 shows there to be at least 17 precedents of supermarkets in the B1 Neighbourhood centre zone across NSW of at least 2,000 sq.m, with an additional 2 under construction or approved.
- **Economic impacts:** Our economic impact assessment shows that the estimated impacts on the Singleton Heights Shopping Village are expected to be minor-moderate (at around 8%), due to the different role that this centre performs in the retail hierarchy.
- **Suitability of the site for a full-line supermarket**: The submission supports the development of a full-line supermarket north of the Hunter River. We agree with this point.
- The submission argues that a location about 1km further north of the subject site, to allow a 2.5km distance from Singleton Heights Shopping Village would be more appropriate to reduce impacts on the Singleton Heights Shopping Village. In our view, this would have very little bearing on the level of impacts on that centre, as the centre performs an entirely different role and function and the additional distance would result in an immaterial change in likely trading impacts. Our report shows the significant majority of impacts will be absorbed by the two large supermarkets in Singleton Square shopping centre as these supermarkets presently are the only large supermarkets in Singleton.