May 2023

Moss Vale, New South Wales

Economic Impact Assessment

Prepared for Woolworths

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Contents

Introduction

This report presents an independent assessment of the need and demand for a proposed Woolworths-based shopping centre at Moss Vale in the Southern Highlands of New South Wales. The report also considers the likely economic impacts that would result from the proposed development. The proposal is referred to as Woolworths Moss Vale centre throughout the remainder of this report.

This report is structure and presented in **five (5) sections** as follows:

- **Section 1** details the location of the proposed Woolworths Moss Vale centre site and discusses the context of the site within the Wingecarribee Local Government Area (LGA). The proposed development scheme is also reviewed.
- **Section 2** details the trade area likely to be served by the subject development, including current and projected population and retail spending levels over the period to 2041. A review of the socio-economic profile of the trade area population is also provided.
- **Section 3** summarises the current and future competitive retail environment within the surrounding region.
- **Section 4** outlines an assessment of the sales potential for the proposed Woolworths Moss Vale development and provides an assessment of the range of economic impacts, both positive and negative that may result from development at the subject site.
- **Section 5** outlines the conclusions of this report, including an assessment of the need for retail floorspace to be accommodated on the site.

Executive Summary

The key points to note from this independent assessment of the need and demand for a proposed supermarket at Moss Vale include the following:

1 **Regional and Local Context**: Woolworths Moss Vale is a proposed supermarket-based development at a vacant site on the northern side of Argyle Street, and to the east of the railway alignment. The high-profile site is located on Argyle Street, which is the major arterial road that runs through Moss Vale, which turns into the Illawarra Highway to the south before connecting with the Hume Highway.

2 **Proposed Development:** Woolworths Moss Vale is planned across a single level totalling 6,636 sq.m, including a retail component of 5,445 sq.m. The retail component is anchored by a full-line supermarket of 4,290 sq.m (including Direct To Boot and Home Delivery components), together with a provision of specialty tenants. Other non-retail uses indicated include a car wash and commercial floorspace. A total of 290 at-grade car parking spaces are planned.

3 **Trade Area Definition:** The defined trade area for the proposed Woolworths Moss Vale centre site generally extends 20 – 50 km from the site, and incorporates the suburbs of Moss Vale, Berrima to the north, Robertson to the east, Bundanoon to the south and Marulan to the west. The extent of the catchment reflects Moss Vale being the closest major centre for the southern portion of the Southern Highlands.

4 **Population Growth**: The trade area population is currently estimated at ~23,300 (2022) and is projected to increase at an average annual growth rate of 1.2% to ~29,000 by 2041. Future population will be driven by a number of residential estates including Ashbourne Moss Vale (~3,000 persons) and Moss Vale Village (~125 persons).

5 **Socio-Economic Profile**: The trade area is characterised as a relatively affluent, older, Australian-born population who would value the amenity and convenience of supermarket-based facilities close to their home. Average per capita incomes across the main trade area increased at a slightly faster rate than the benchmark (4.0% vs 3.6%) between the 2011 and 2021 Census periods.

6 **Retail Spend Market**: The total retail expenditure level is currently estimated at $373.2 million and is projected to increase at an average rate of 1.9% to $533.6 million by 2041. The largest spending market is food and liquor at $171.9 million, or 46.1% of the total retail spending market.

7 **Competition**: Moss Vale Town Centre provides ~21,000 floorspace. Currently, a relatively high proportion of retail (in particular supermarket) spending would escape beyond the main trade area to Bowral, Mittagong and Goulburn – given the lack of major full-line supermarkets in the main trade area currently. All supermarkets at Moss Vale are 2,500 sq.m or smaller, as compared with 4,000 sq.m and larger supermarkets at Bowral.

8 **Forecast Retail Sales** for the proposed development are $46.8 million (~$8,600 per sq.m) in FY2027, including supermarket sales of $39.3 million (constant dollars and including GST).

9 **Impacts**: Overall, the proposed Moss Vale Woolworths centre would not impact on the viability or continued operation of any retail precinct in the surrounding region, with all impacts less than 12.5% and within normal competitive bounds. All precincts will benefit from demand for retail floorspace generated by future population growth in the region over the next 20 years. In dollar terms, the highest impact of the proposed development would be on the Bowral Town Centre precinct, estimated at $19.3 million. In percentage terms, the total impact on this precinct is only 7.5%. The impact on Moss Vale Town Centre precinct is estimated at -12.5% (or $16.7 million). This precinct would remain viable at this level and would continue to grow over time. Smaller impacts of less than $1.5 million are expected on other retail precincts within the main trade area, given their lack of critical retail mass.

10 **Location**: The proposed Moss Vale Woolworths development is located in a high-profile, easily accessible location on Argyle Street (the main retail strip) at the northern end of Moss Vale Town Centre — and adjacent to Moss Vale train station. As such, the proposed development would reinforce the destinational appeal of the Town Centre overall.

11 **Net Community Benefit**: it is the conclusion of this report that a substantial net community benefit would result from the development of the proposed Moss Vale Town Centre development. Offset trading impacts on some existing retailers, there are very substantial, positive impacts including: Improved access to a range of retail facilities for residents, improved choice of location and price competition, and employment generation (800 jobs), among many others.

1 Location & Composition

This section of the report reviews the regional and local context of Moss and provides a summary of the proposed development scheme.

1.1. Regional & Local Context

i. The Southern Highlands of New South Wales is located ~110 km south-west of the Sydney Central Business District (CBD). The region falls within the Wingecarribee Shire and is an established residential area. The Southern Highlands is a popular tourist region given the easy drive from Sydney.

ii. The region specifically is centred on the towns of Mittagong, Bowral, Moss Vale, Bundanoon, and Robertson, as well as the historic town of Berrima. Smaller villages like Burradoo, Sutton Forest, Colo Vale, Avoca, Yerrinbool, Exeter, Welby, and more are spread in between and around these main centres and serve mostly as residential townships.

iii. The population of the Wingecarribee Local Government Area (LGA) is currently ~53,200 and is projected to grow to ~65,000 by 2041 (+12,000 residents).

iv. Moss Vale is located ~9 km south of Bowral and is an established residential area that encompasses a range of retail and non-retail uses within the Town Centre.

v. The Moss Vale Bypass is due for completion by December 2023, and will assist motorists travelling through Moss Vale by providing an alternative to Argyle Street. The Bypass will include an additional crossing of the Main Southern railway line and provide better connectivity between the east and west sides of Moss Vale. This will help to distribute traffic more evenly across the network and reduce congestion on Argyle Street particularly during peak periods.

vi. The proposed Woolworths Moss Vales centre is located at 233 Argyle Street a vacant site on the northern side of Argyle Street, and to the east of the railway alignment. Argyle Street is the major arterial road which runs through Moss Vale and forms part of the Illawarra Highway to the south before connecting with the Hume Highway.

vii. Map 1.2 illustrates the local context of the subject site. Key points to note include:

- The Moss Vale Town Centre is generally focused along Argyle Street and Clarence Streets. The subject site is located at the northern end of the Town Centre.
- Moss Vale Station is located to the immediate south-west of the site.
- The railway line runs parallel with Argyle Street, along the western side of the site.
- A small sized Coles supermarket as part of the Calaroga Centre, on Kirkham Street — 400 metres to the south. Supa IGA is located on Clarence Street.

- Moss Vale Medical Centre, Moss Vale Court House and the Southern Highland Police Station are located south of the Moss Vale Station.

- Education facilities are provided on the western side of the Moss Vale Station, namely St Paul's Catholic Primary School (370 students) and St Paul's International College (Yr. 7 – 12).

- A range of community facilities south of Elizabeth Street, including the Moss Vale Public Library, Aquatic Centre, Community Oval, War Memorial and Wingecarribee Shire Council.

viii. Overall, the proposed Woolworths Moss Vale site enjoys a high-profile location with exposure to significant passing traffic. The site is easily accessible to the local and wider region population and is reinforced by the range of adjacent facilities, which would make it a natural extension of the Town Centre.

MAP 1.1. REGIONAL CONTEXT

MAP 1.2. LOCAL CONTEXT

1.2. Proposed Development

i. Figure 1.1 shows the planned layout of the Woolworths supermarket-based development at Moss Vale. Key points to note include:

- Woolworths would be located at the eastern end of the site.
- A provision of external shopfronts facing onto the at grade car park.
- Ingress and egress to parking would be from Argyle Street, via a signalised intersection at Valetta Street, as well as secondary customer, and service vehicle access from Hoskins Street at the rear.

ii. Table 1.2 outlines the proposed uses within the development, which includes the following components:

- A Woolworths supermarket of 4,290 sq.m (including Direct to Boot and Home Delivery components).
- A BWS liquor store of 180 sq.m.
- Specialty floorspace of 1,400 sq.m.
- Commercial floorspace of 970 sq.m on level one.
- 290 at-grade car spaces; with 60-70% covered by shade sails. This represents are provision of 4.4 spaces per 100 sq.m of retail floorspace, which is in line with the supermarket-based shopping centre benchmark of 4 – 5 spaces per 100 sq.m of retail floorspace.
- Approx 12,000 sq.m of surplus land for future development.

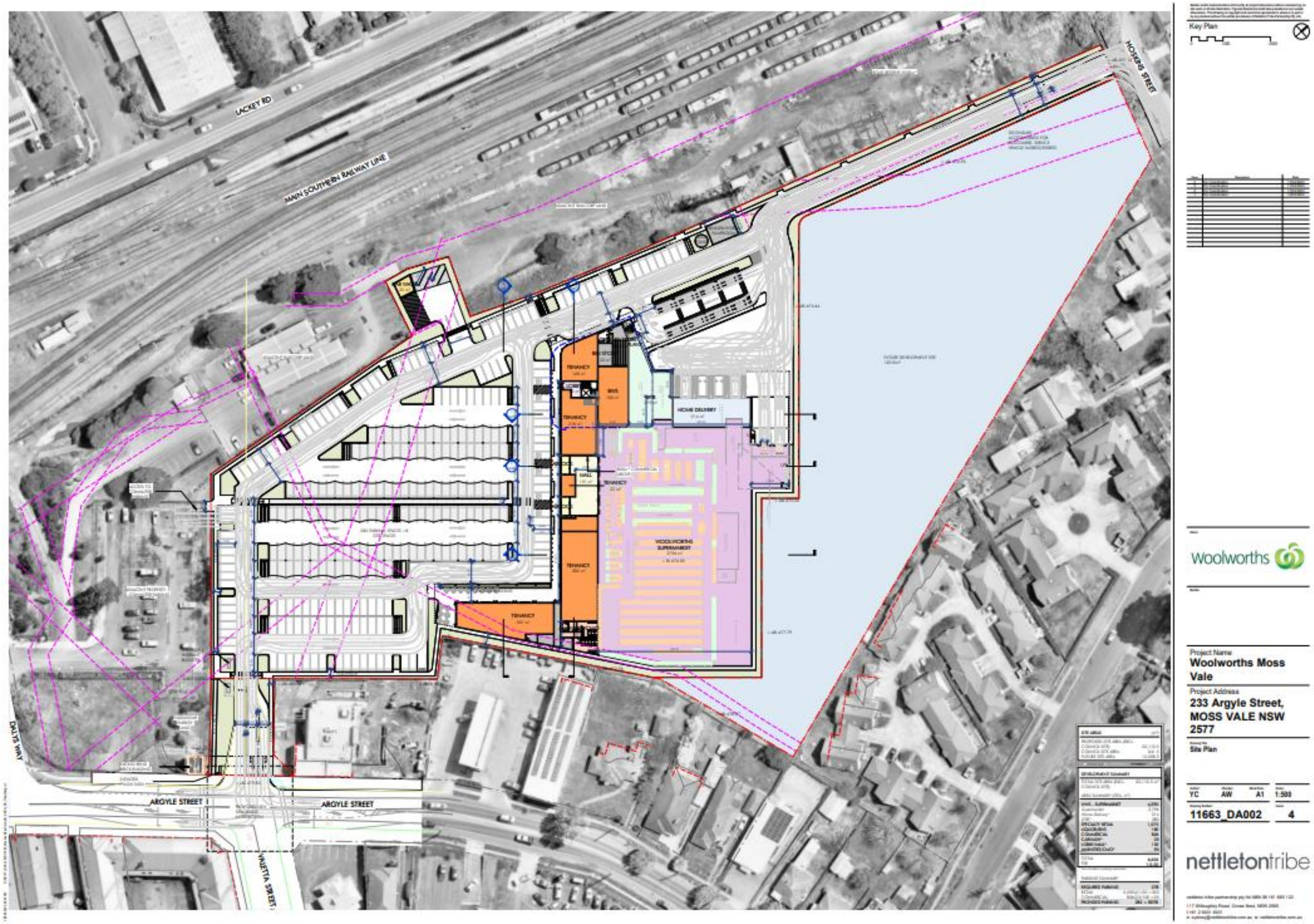
iii. Based on information provided by Woolworths, the development is expected to open in March 2026. On this basis, the assumed first full year of opening is FY2027.

TABLE 1.2. WOOLWORTHS MOSS VALE COMPOSITION

Use	Total (no.)	GLA (sq.m)
Majors		
Woolworths Supermarket	1	4,290
Retail Specialties		
BWS Liquor	1	180
Specialty Retail Shops	5	975
Total Retail	**7**	**5,445**
Non-retail Uses		
• Non-retail Shopfronts	1	100
• Office/Commercial	1	1,066
• Car wash	1	25
Total Non-retail	**3**	**1,191**
Total	**10**	**6,636**
Car Parking		
General	282	-
Pickup	8	-
Total Parking	**290**	

Source: Woolworths

FIGURE 1.1. PROPOSED DEVELOPMENT



2 Trade Area Analysis

This section of the report provides a review of the trade area served by Woolworths Moss Vale, including current and projected population and retail spending levels over the period to 2041. A review of the socio-economic profile of the trade area population is also provided.

2.1. Trade Area Definition

i. The trade area served by Woolworths Moss Vale has been defined taking into consideration the following:

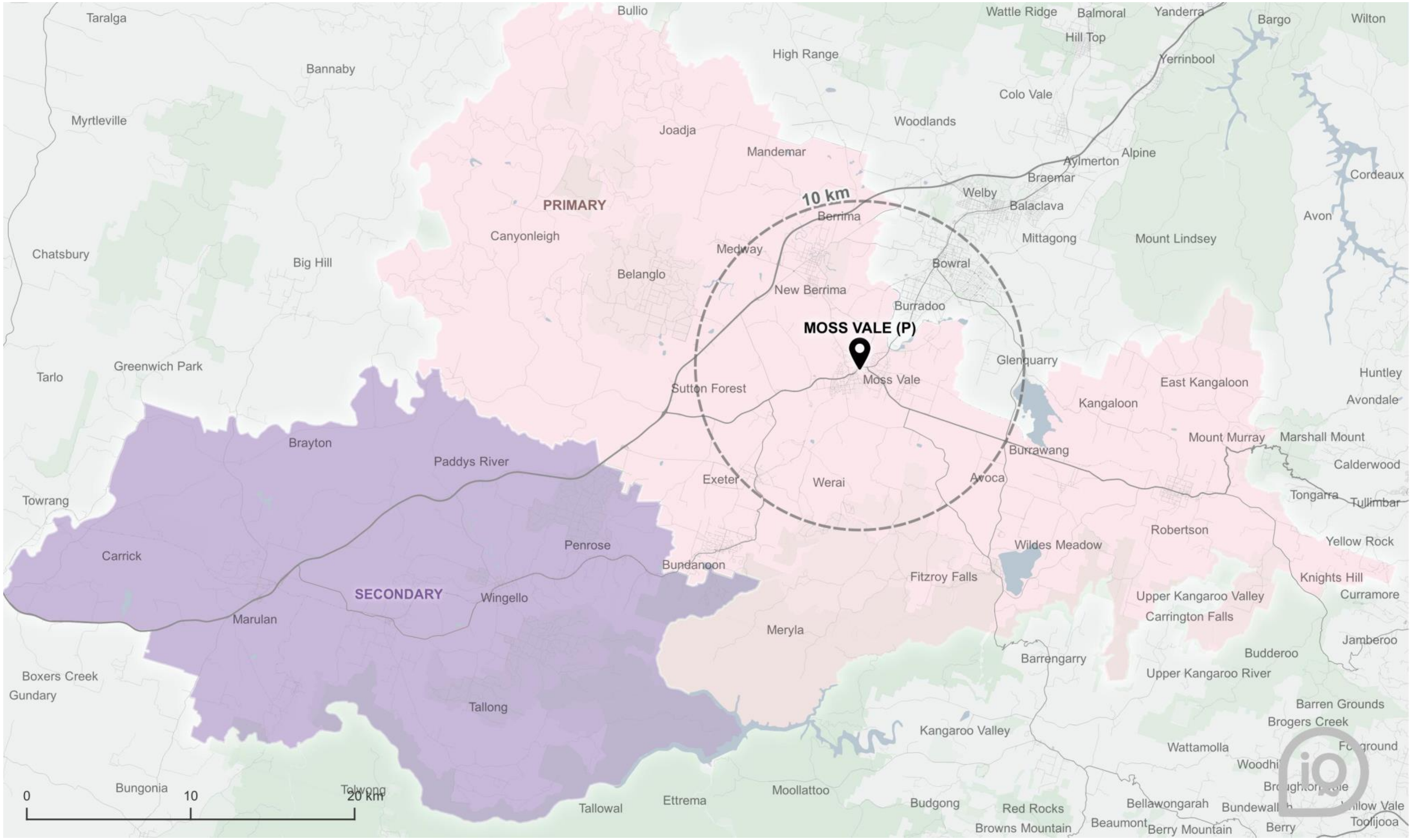
- The scale and composition of the centre.
- The provision of existing and planned competitive facilities throughout the surrounding area.
- Regional and local accessibility.
- The pattern of urban development throughout the region.
- Significant physical barriers.

ii. Map 2.1 illustrates the defined trade area for Woolworths Moss Vale. The Woolworths Moss Vale trade area is defined to include:

- **Primary sector**: incorporates the suburbs of Moss Vale, Berrima to the north, Sutton Forrest to the west, Bundanoon to the south, and Burrawang and Robertson to the south-east.
- **Secondary sector**: extends along the Hume Highway ~30 km south of the primary sector to include the township of Marulan.

iii. The combination of the primary and secondary sectors is referred to as the main trade area throughout the remainder of this report. The main trade area generally extends 20 – 50 km from the site reflecting Moss Vale being the largest town in the southern portion of the Southern Highlands.

MAP 2.1. MOSS VALE MAIN TRADE AREA & SUBURBS



2.2. Main Trade Area Population

i. Table 2.1 details the current and projected Woolworths Moss Vale main trade area population levels by sector. This information is sourced from the following:

- The 2011, 2016 and 2021 Census of Population and Housing undertaken by the Australian Bureau of Statistics (ABS).
- New dwelling approvals statistics from the ABS from 2011/12 to 2021/22 (refer Charts 2.1 – 2.2), which indicate an average of 136 new dwellings were approved for the main trade area annually over this timeframe. This includes an average of 111 across the primary sector.
- The latest population projections prepared at a Statistical Area 2 (SA2) level by the New South Wales Department of Planning Statistician's Office.
- Investigations by this office into new residential developments in the region.

ii. The Woolworths Moss Vale main trade area population is currently estimated at 23,337 (2022), including almost 20,000 persons in the primary sector.

iii. Future population growth throughout the main trade area will primarily by driven by a number of residential estates including:

- **Ashbourne Moss Vale** (primary sector): is planned to deliver approximately 1,200 - 1,500 lots (~3,000 persons) with first homes expected to be delivered by 2026. The proposed residential estate would form part of an extension to the southern urban area of Moss Vale surrounding the existing golf course. The proposed development will generally consist of smaller lots (450 – 600 sq.m), with some larger lots (2,000 sq.m) situated at the eastern extent.
- **Moss Vale Village** (primary sector): the site is proposed to include 21 townhouses and 31 villas (~125 persons) at 603 Argyle Street, Moss Vale. First homes are expected to be delivered by 2025/26.

iv. Taking into the above into consideration, the Woolworths Moss Vale main trade area population is projected to increase to over 29,000 by 2041 (+5,700 persons), representing an average annual growth of 1.2%.

TABLE 2.1. MAIN TRADE AREA POPULATION, 2011 – 2041

Population	Actual			Forecast					*Change*
	2011	2016	2021	2022	2026	2031	2036	2041	*2022-41*
Primary Sector	17,313	18,422	19,491	19,691	20,571	21,821	23,071	24,321	*4,630*
Secondary Sector	2,798	3,133	3,566	3,646	3,966	4,216	4,466	4,716	*1,070*
Main Trade Area	**20,111**	**21,555**	**23,057**	**23,337**	**24,537**	**26,037**	**27,537**	**29,037**	***5,700***

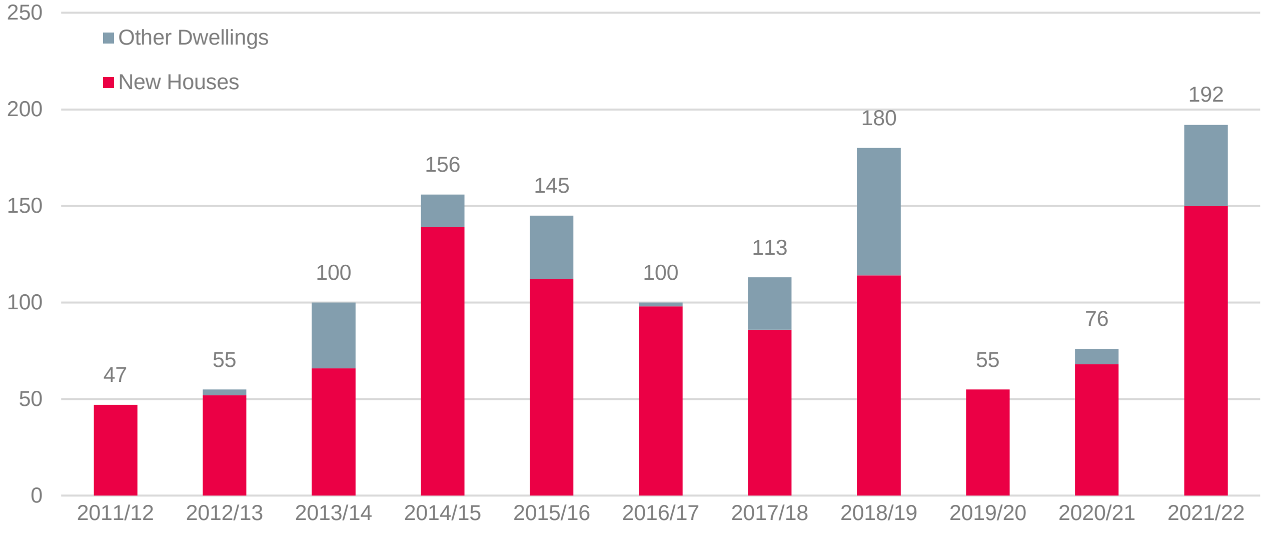
Average Annual Change (No.)	**Actual**		**Forecast**					***Change***
	2011-16	**2016-21**	**2021-22**	**2022-26**	**2026-31**	**2031-36**	**2036-41**	***2022-41***
Primary Sector	222	214	200	220	250	250	250	*244*
Secondary Sector	67	87	80	80	50	50	50	*56*
Main Trade Area	**289**	**300**	**280**	**300**	**300**	**300**	**300**	***300***

Average Annual Change (%)	**Actual**		**Forecast**					***Change***
	2011-16	**2016-21**	**2021-22**	**2022-26**	**2026-31**	**2031-36**	**2036-41**	***2022-41***
Primary Sector	1.2%	1.1%	1.0%	1.1%	1.2%	1.1%	1.1%	*1.1%*
Secondary Sector	2.3%	2.6%	2.2%	2.1%	1.2%	1.2%	1.1%	*1.4%*
Main Trade Area	**1.4%**	**1.4%**	**1.2%**	**1.3%**	**1.2%**	**1.1%**	**1.1%**	***1.2%***
Rest of NSW	*0.7%*	*0.9%*	*0.1%*	*0.7%*	*0.7%*	*0.4%*	*0.3%*	*n.a.*
Australian Average	*1.6%*	*1.2%*	*0.3%*	*1.3%*	*1.3%*	*1.2%*	*1.1%*	*n.a.*

All figures as at June and based on 2021 SA1 boundary definition.

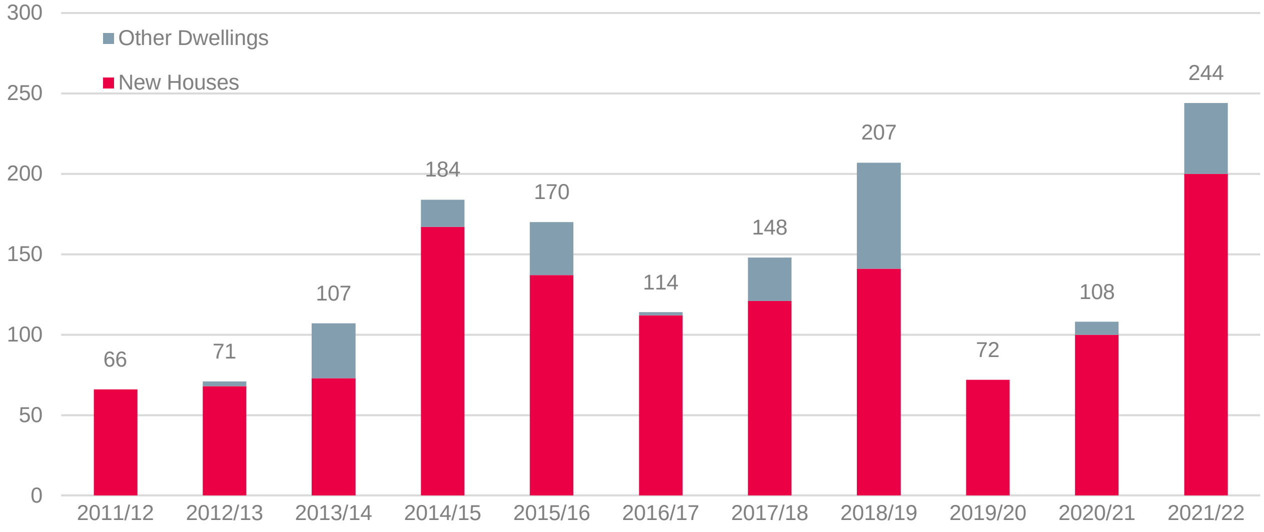
Sources : ABS; NSW DPIE

CHART 2.1. PRIMARY SECTOR NEW DWELLING APPROVALS, 2011/12 – 2021/22



Source: ABS

CHART 2.2. MAIN TRADE AREA NEW DWELLING APPROVALS, 2011/12 – 2021/22



Source: ABS

2.3. Socio-economic Profile

i. Table 2.2 summarises the socio-economic characteristics of the Woolworths Moss Vale main trade area population by sector, compared with the non-metropolitan New South Wales benchmarks. This information is based on the 2021 Census of Population and Housing with key points to note including:

- Main trade area residents earn average per capita incomes which are almost 10% higher than the non-metropolitan New South Wales benchmark.
- The average age of main trade area residents, at 45.2 years, is older than the benchmarks.
- The main trade area is characterised by household size of 2.4 persons which is in-line with the benchmarks.
- There is a higher proportion of couples without children across the main trade area, particularly within the primary sector.
- Main trade area residents are predominantly (84.3%) Australian born.
- The majority (79.0%) of main trade area residents own their own home.

ii. Table 2.3 outlines the key changes within the main trade area between the 2011 and 2021 Census periods. As shown, average per capita incomes across the main trade area increased at a slightly faster rate than the benchmark (4.0% vs 3.6%).

TABLE 2.2. MAIN TRADE AREA SOCIO-ECONOMIC PROFILE, 2021 CENSUS

Characteristic	Primary Sector	Secondary Sector	Main TA	Rest of NSW Average	Australia Average
People					
Age Distribution (% of Pop'n)					
Aged 0-14	15.5%	18.6%	**16.0%**	17.6%	18.0%
Aged 15-19	5.6%	5.8%	**5.6%**	5.7%	5.7%
Aged 20-29	8.1%	9.2%	**8.3%**	11.2%	13.3%
Aged 30-39	9.9%	11.9%	**10.2%**	11.8%	14.6%
Aged 40-49	11.3%	11.0%	**11.2%**	11.7%	13.0%
Aged 50-59	14.1%	14.5%	**14.2%**	12.9%	12.5%
Aged 60+	35.6%	29.0%	**34.6%**	29.1%	23.0%
Average Age	45.8	42.0	**45.2**	42.2	39.5
Birthplace (% of Pop'n)					
Australian	83.7%	88.2%	**84.3%**	88.5%	72.0%
Overseas	16.3%	11.8%	**15.7%**	11.5%	28.0%
• Asia	2.9%	0.8%	**2.6%**	2.8%	12.1%
• Europe	8.4%	6.1%	**8.0%**	4.8%	7.2%
• Other	5.0%	4.9%	**5.0%**	3.9%	8.7%
Family					
Average Household Size	2.4	2.5	**2.4**	2.4	2.5
Family Type (% of Pop'n)					
Couple with dep't children	37.7%	41.5%	**38.3%**	38.4%	44.2%
Couple with non-dep't child.	7.3%	7.4%	**7.3%**	7.4%	7.7%
Couple without children	31.7%	30.2%	**31.5%**	27.1%	23.8%
Single with dep't child.	7.3%	7.5%	**7.3%**	9.6%	8.6%
Single with non-dep't child.	3.8%	3.4%	**3.7%**	4.3%	4.0%
Other family	0.8%	0.4%	**0.7%**	0.9%	1.0%
Lone person	11.5%	9.5%	**11.2%**	12.3%	10.8%
Employment					
Income Levels					
Average Per Capita Income	$55,642	$48,467	**$54,590**	$49,683	$55,301
Per Capita Income Variation	12.0%	-2.4%	**9.9%**	n.a.	n.a.
Average Household Income	$105,138	$97,747	**$104,075**	$95,175	$109,594
Household Income Variation	10.5%	2.7%	**9.4%**	n.a.	n.a.
Housing					
Tenure Type (% of Dwellings)					
Owned	78.3%	83.2%	**79.0%**	70.9%	67.4%
Rented	20.2%	14.4%	**19.4%**	26.9%	30.8%
Other Tenure Type	1.5%	2.4%	**1.6%**	2.2%	1.8%

Sources: ABS Census of Population and Housing 2021

TABLE 2.3. MAIN TRADE AREA SOCIO-ECONOMIC PROFILE COMPARISON, 2011-21

Characteristic	Moss Vale Main Trade Area 2011	2016	2021	Change (%) 2011-16	2016-21	2011-21	Rest of NSW 2011	2016	2021	Change (%) 2011-16	2016-21	2011-21
People												
Average Age	41.8	43.7	45.2	0.9%	0.7%	0.8%	40.1	41.6	42.2	0.7%	0.3%	0.5%
Birthplace (% of Pop'n)												
Australian	84.8%	85.1%	84.3%	0.3%	-0.7%	-0.5%	88.6%	89.3%	88.5%	0.8%	-0.8%	-0.1%
Overseas	15.2%	14.9%	15.7%	-0.3%	0.7%	0.5%	11.4%	10.7%	11.5%	-0.8%	0.8%	0.1%
• Asia	1.1%	2.2%	2.6%	1.2%	0.4%	1.6%	1.6%	2.1%	2.8%	0.5%	0.7%	1.2%
• Europe	9.8%	8.6%	8.0%	-1.2%	-0.5%	-1.8%	6.1%	5.2%	4.8%	-0.9%	-0.4%	-1.3%
• Other	4.3%	4.1%	5.0%	-0.2%	0.9%	0.7%	3.8%	3.4%	3.9%	-0.4%	0.5%	0.1%
Family												
Average Household Size	2.4	2.4	2.4	-0.7%	0.4%	-0.1%	2.4	2.4	2.4	-0.5%	0.1%	-0.2%
Family Type (% of Pop'n)												
Couple with dep't children	39.7%	38.5%	38.3%	-1.2%	-0.2%	-1.4%	40.7%	39.4%	38.4%	-1.3%	-1.0%	-2.3%
Couple with non-dep't child.	7.1%	7.3%	7.3%	0.2%	0.0%	0.2%	7.0%	7.4%	7.4%	0.4%	0.0%	0.5%
Couple without children	29.1%	30.2%	31.5%	1.0%	1.3%	2.4%	25.7%	26.1%	27.1%	0.3%	1.1%	1.4%
Single with dep't child.	9.1%	8.5%	7.3%	-0.6%	-1.2%	-1.8%	10.6%	10.2%	9.6%	-0.4%	-0.5%	-1.0%
Single with non-dep't child.	3.0%	3.2%	3.7%	0.2%	0.5%	0.7%	3.5%	4.0%	4.3%	0.5%	0.2%	0.8%
Other family	0.7%	0.6%	0.7%	-0.1%	0.1%	0.0%	0.9%	0.9%	0.9%	0.0%	0.0%	0.0%
Lone person	11.3%	11.7%	11.2%	0.4%	-0.5%	-0.1%	11.7%	12.1%	12.3%	0.4%	0.2%	0.6%
Employment												
Income Levels												
Average Per Capita Income	$36,959	$44,138	$54,590	3.6%	4.3%	4.0%	$35,013	$41,203	$49,683	3.3%	3.8%	3.6%
Per Capita Income Variation	5.6%	7.1%	9.9%	1.6%	2.8%	4.3%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average Household Income	$69,939	$84,724	$104,075	3.9%	4.2%	4.1%	$66,798	$78,375	$95,175	3.2%	4.0%	3.6%
Household Income Variation	4.7%	8.1%	9.4%	3.4%	1.3%	4.6%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: ABS Census of Population and Housing 2011, 2016 & 2021

higher | lower than benchmark

2.4. Trade Area Retail Expenditure

i. The estimated retail expenditure capacity of the Woolworths Moss Vale main trade area population is based on information sourced from Market Data Systems (MDS). MDS utilises a detailed micro-simulation model of household expenditure behaviour for all residents of Australia.

ii. The MDS model considers information from a wide variety of sources, including the regular ABS Household Expenditure Survey, the National Accounts Data, Census Data, and other information. MarketInfo estimates used in this analysis are based on the 2016 release, benchmarked against the latest National Accounts Data, released by the ABS. Throughout Australia, the MarketInfo estimates of retail spending that are prepared independently by MDS are commonly used by all parties in economic assessments.

iii. Charts 2.3 – 2.4 illustrate the retail spending levels per person across the primary sector and main trade area, as compared with the non-metropolitan New South Wales averages in 2021/22.

iv. Table 2.4 outlines the total retail expenditure levels generated by the main trade area population. The total retail expenditure level is currently estimated at $373.2 million and is projected to increase at an average rate of 1.9% to $533.6 million by 2041. All figures presented in this report are in constant 2022 dollars and include GST.

v. The projected growth rate in retail spending for the main trade area considers the following:

- Real growth in retail spending per capita of 0.0% is assumed over the period to 2023, reflecting the impact of the Covid-19 pandemic on the economy. From 2024 real growth per capita is assumed at 0.5% annually for food retail and 1.0% for non-food retail over the period to 2041.

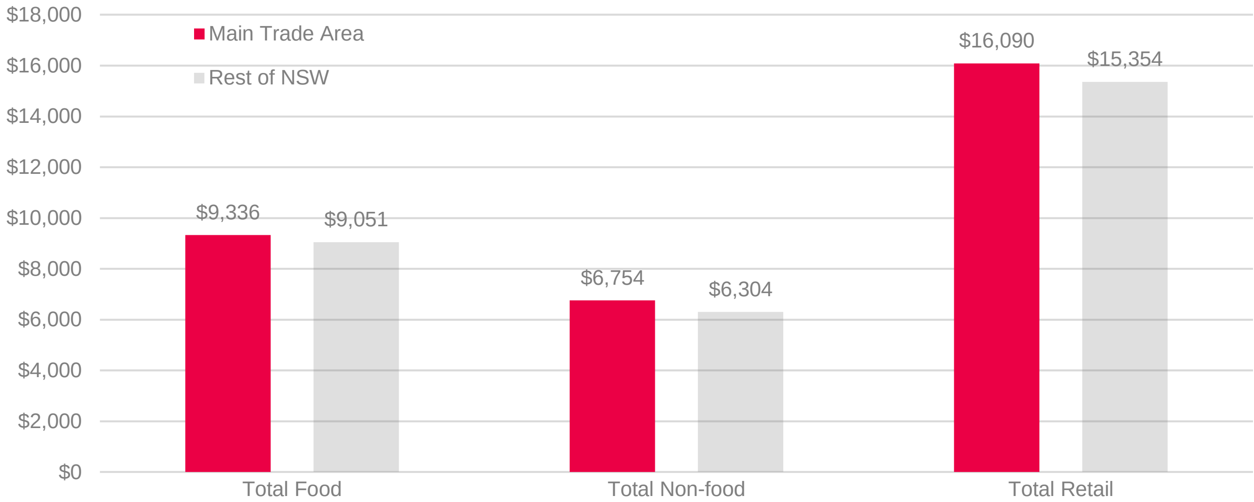
- Main trade area population growth is projected at around 1.2% per annum.

vi. Table 2.5 details the main trade area retail expenditure generated by key commodity group. The largest spending market is food and liquor at $171.9 million, or 46.1% of the total retail spending market.

CHART 2.3. PRIMARY SECTOR RETAIL EXPENDITURE PER CAPITA, 2021/22

Source: Marketinfo

CHART 2.4. MAIN TRADE AREA RETAIL EXPENDITURE PER CAPITA, 2021/22



Source: Marketinfo

TABLE 2.4. MAIN TRADE AREA RETAIL EXPENDITURE, 2022 – 2041

Y/E June	Primary Sector	Secondary Sector	Main TA
2022	320.8	52.4	**373.2**
2023	324.2	53.6	**377.8**
2024	330.3	55.1	**385.4**
2025	336.5	56.7	**393.2**
2026	342.8	58.4	**401.2**
2027	349.4	59.8	**409.2**
2028	356.3	61.0	**417.3**
2029	363.3	62.2	**425.6**
2030	370.5	63.5	**434.0**
2031	377.8	64.7	**442.5**
2032	385.1	66.0	**451.1**
2033	392.5	67.3	**459.8**
2034	399.9	68.6	**468.5**
2035	407.6	69.9	**477.5**
2036	415.4	71.3	**486.6**
2037	423.2	72.6	**495.8**
2038	431.0	74.0	**505.0**
2039	438.9	75.4	**514.3**
2040	447.1	76.8	**523.9**
2041	455.3	78.2	**533.6**
Expenditure Growth			
2022-26	22.0	5.9	**28.0**
2026-31	35.0	6.4	**41.3**
2031-36	37.6	6.5	**44.1**
2036-41	40.0	7.0	**46.9**
2022-41	134.6	25.8	**160.3**
Average Annual Growth Rate			
2022-26	1.7%	2.7%	**1.8%**
2026-31	2.0%	2.1%	**2.0%**
2031-36	1.9%	1.9%	**1.9%**
2036-41	1.9%	1.9%	**1.9%**
2022-41	1.9%	2.1%	**1.9%**

**Constant 2021/22 dollars & including GST*

Source : MarketInfo

TABLE 2.5. MAIN TRADE AREA RETAIL EXPENDITURE BY KEY COMMODITY GROUP, 2022 – 2041

Y/E June	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services
2022	171.9	44.6	33.3	69.6	15.2	28.0	10.7
2023	174.1	45.2	33.7	70.4	15.3	28.3	10.8
2024	177.1	46.2	34.4	72.0	15.7	28.9	11.1
2025	180.2	47.2	35.2	73.6	16.0	29.6	11.3
2026	183.4	48.3	36.0	75.3	16.4	30.2	11.6
2027	186.6	49.4	36.8	77.0	16.8	30.9	11.8
2028	189.7	50.4	37.6	78.7	17.1	31.6	12.1
2029	193.0	51.6	38.4	80.4	17.5	32.3	12.4
2030	196.2	52.7	39.3	82.2	17.9	33.0	12.6
2031	199.6	53.9	40.2	84.0	18.3	33.7	12.9
2032	202.9	55.0	41.0	85.8	18.7	34.5	13.2
2033	206.2	56.2	41.9	87.7	19.1	35.2	13.5
2034	209.6	57.4	42.8	89.5	19.5	36.0	13.8
2035	213.0	58.6	43.7	91.4	19.9	36.7	14.1
2036	216.5	59.9	44.7	93.4	20.4	37.5	14.4
2037	219.9	61.1	45.6	95.4	20.8	38.3	14.7
2038	223.4	62.4	46.5	97.3	21.2	39.1	15.0
2039	226.9	63.7	47.5	99.4	21.7	39.9	15.3
2040	230.5	65.0	48.5	101.4	22.1	40.7	15.6
2041	234.1	66.4	49.5	103.5	22.6	41.6	15.9
Expenditure Growth							
2022-26	11.5	3.7	2.7	5.7	1.2	2.3	0.9
2026-31	16.2	5.6	4.2	8.7	1.9	3.5	1.3
2031-36	16.9	6.0	4.5	9.4	2.0	3.8	1.4
2036-41	17.6	6.5	4.8	10.1	2.2	4.1	1.6
2022-41	62.2	21.8	16.2	34.0	7.4	13.6	5.2
Average Annual Growth Rate							
2022-26	1.6%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
2026-31	1.7%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
2031-36	1.6%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
2036-41	1.6%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
2022-41	1.6%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%

**Constant 2021/22 dollars & including GST*

Source : MarketInfo

3 Competitive Environment

This section of the report provides a summary of the existing and future competitive developments within the region. Map 3.1, and Tables 3.1 and 3.2 outline the location and composition of retail facilities within the region, based on a floorspace survey of retail facilities within the main trade area in May 2023.

TABLE 3.1. EXISTING COMPETITION

Centre	Shopfront GLA (sq.m)	Anchor Tenants	Dist. From Site (km)
Within Main Trade			
Moss Vale	20,930		-
• Calaroga Centre	4,200	Coles (2,500)	
• Other	16,730	Aldi (1,800), Supa IGA (2,330), Harvey Norman (2,200)	
Sutton Forest	600		6.2
Berrima	2,400		9.8
Bundanoon	2,000		16.6
Robertson	2,700		21.3
Marulan SC	2,500	IGA (850)	41.2
Beyond Main Trade Area			
Bowral	37,150		8.9
• Coles Bowral	5,400	Coles (5,400)	
• Highland Fair	4,800	Woolworths (4,230)	
• Aldi Bowral	1,700	Aldi (1,700)	
• Other	25,250	Kmart Hub (750)	
Mittagong	40,320		13.9
• Highlands Marketplace	16,400	Woolworths (4,000), Big W (8,270)	
• Mittagong Shopping Village	2,200		
• HomeCo Highlands	11,400		
• Other	10,320	Aldi (1,800)	
Goulburn	35,440		68.8
• Goulburn Square	13,860	Kmart (4,270), Coles (3,500)	
• Goulburn Marketplace	7,580	Woolworths (3,790), Aldi (1,595)	
• Hume Lifestyle Precinct	4,000		
• Other	10,000	Target (3,850)	

Source: Location IQ Database

TABLE 3.2. LOCATION IQ MAIN TRADE AREA RETAIL FLOORSPACE SURVEY BY PRECINCT & CATEORY, MAY-23

Categories	Moss Vale	Bundanoon	Marulan	Berrima	Robertson
Dist. From Moss Vale (km)	-	16.6	41.2	9.8	21.2
Supermarket GLA (sq.m)	6,630	464	850	-	300
Retail Specialty GLA (sq.m)					
Food & Liquor	800	624	180	240	490
Food Catering	3,470	360	1,310	1,030	880
Apparel	720	100	-	280	160
Household Goods	2,150	400	80	560	710
Leisure	400	100	-	150	100
General Retail	1,330	-	-	80	160
Bulky Goods	2,360	-	-	-	-
Retail Services	1,840	-	-	80	80
Non-Retail	2,100	-	100	160	160
Vacancy	700	-	-	-	-
Total	**15,870**	**1,584**	**1,670**	**2,580**	**2,740**

** Includes ground floor shopfronts only*

Source: Based on site inspection, April 2023

MAP 3.1. MAIN TRADE AREA & COMPETITION

3.1. Within the Main Trade Area

i. In total, ~ 31,130 sq.m of retail floorspace is provided within the main trade area. Retail facilities are generally convenience-focused, with the critical mass of higher-order, non-food facilities being provided at Bowral and Mittagong to the north of the main trade area.

ii. Key points to note in relation to main trade area retail facilities are as follows:

- **Moss Vale**:
  - In total, ~21,000 sq.m of floorspace is provided across over 150 tenants— primarily focused along Argyle and Clarence Streets. In total, five tenancies were vacant, representing a vacancy rate of only 3.4%. This indicates strong demand for retail floorspace within the Moss Vale Town Centre.
  - Calaroga Centre (4,200sq.m) is located along Kirkham Street ~400 metres to the south of the subject site. The centre is anchored by a smaller format (i.e., not full-line) Coles of 2,500 sq.m. The specialty offer at the centre is poorly presented and generally comprises non-retail and home improvement-type uses which do not complement the convenience offer of the supermarket.
  - A free-standing Supa IGA Fine Food Market (2,330 sq.m) is located at 11 – 13 Clarence Street, ~250 metres to the south of the subject site. The supermarket is well presented.
  - A free-standing Aldi (1,800 sq.m) at the south east intersection of Argyle Road and Robertson Road ~500 metres to the north-east of Moss Vale Town Centre.
- **Sutton Forest (primary sector)**: is located 6.2 km to the west and around 500 – 1,000 sq.m of retail floorspace – predominantly in the food catering category.
- **Bundanoon (primary sector)** is located 16.6 km to the south-west. **A**round 2,000 sq.m of retail floorspace is provided, including a smaller format IGA food store (460 sq.m) and 14 specialty shops.
- **Berrima (primary sector)**: is located 9.8 km to the south-east. In total, ~2,400 sq.m of retail floorspace is provided — primarily focused on servicing the visitor market i.e., restaurants, cafes, homewares stores, and would be of limited competitive relevance to the subject development.
- **Robertson (primary sector)** is located 21.3 km to the east and provided ~2,700 sq.m of retail floorspace along Hoddle Street. The largest component is a freestanding IGA Friendly Grocer food store of ~300 sq.m.
- **Marulan (secondary sector)** is located 41.2km to the south-west. In total, 2.500 sq.m of retail floorspace is provided, the main component being Marulan Shopping Centre, anchored by an IGA supermarket of 850 sq.m.

iii. In summary, there are currently no major full-line supermarkets (>3,200 sq.m) provided within the main trade area, which currently accommodates a resident population of over 23,000. Typically, one major full-line supermarket is provided for every 8,000 – 10,000 residents. Additional demand for supermarket floorspace would be generated by tourists and visitors to the area — as well as future population growth. Residents currently need to travel to Bowral or Mittagong (beyond the main trade area) in order to undertake a full supermarket shop.

iv. Table 3.3 outlines the current supermarket floorspace provision within the main trade area. Key points to note include:

- The current supermarket provision benchmark for non-metropolitan New South Wales is 406 sq.m per 1,000 persons.

- The main trade area supermarket floorspace provision, at 321 sq.m per 1,000 persons is currently lower than the non-metropolitan New South Wales benchmark. The primary trade area population (almost 20,000) alone could theoretically support two full line supermarkets (of 3,200 sq.m or larger).

- Taking into account the existing provision of supermarket floorspace (Coles at Calaroga Centre, 2,500 sq.m, Aldi 1,800 sq.m, Supa IGA, 2,330 sq.m in Moss Vale and Supa IGA at Marulan Shopping Centre), by 2026 the main trade area supermarket floorspace provision at 287 sq.m per 1,000 persons would be significantly below the non-metropolitan New South Wales benchmark.

v. There are no known approved developments of competitive relevance either within or beyond the main trade area.

TABLE 3.2. MAIN TRADE AREA SUPERMARKET FLOORSPACE PROVISION, 2022

Trade Area Sector	No. of Supermarkets*	GLA (sq.m)	2022 Population	GLA per 1,000 persons
Primary Sector	3	6,630	19,691	337
Total Secondary	1	850	3,646	233
Main Trade Area	**4**	**7,480**	**23,337**	**321**
Non Metro New South Wales Benchmark				*406*
Australian Average				*356*

** Defined as 500 sq.m or larger*

3.2. Beyond Main Trade Area

i. Higher-order retail facilities within the Southern Highlands are at Mittagong and Bowral, as follows:

- **Bowral**: is located 9 km to the north-east of Moss Vale. Key points to note in relation to the retail provision are as follows:
  - The Town Centre encompasses ~37,000 sq.m of retail floorspace and is a major destination for tourists visiting the Southern Highlands. Key components within the Town Centre include:
  - A total of ~240 retail and non-retail shopfronts are provided, with a large number of food catering and apparel tenants (>100 stores in combination).
  - Coles and Woolworths are the closest full-line supermarkets to Moss Vale currently. Both stores are over 4,000 sq.m. and significantly larger than supermarkets in Moss Vale.
  - K-Hub (800 sq.m) replaced Target Country in 2021.
  - Harris Farm Markets (~1,000 sq.m) is situated along Station Street.
- **Mittagong** is located 14 km to the north-east of Moss Vale. Key points to note in relation to the retail provision are as follows:
  - In total, ~40,000 sq.m of retail floorspace is provided across ~150 retail and non-retail shopfronts, including large format retail uses.
  - Highlands Marketplace (16,400 sq.m) component, anchored by Big W (8,270 sq.m) and Woolworths (4,000 sq.m). Woolworths is understood to be a strong trader.
  - HomeCo Highlands large format retail centre (11,400 sq.m) is located adjacent to Highlands Marketplace.
  - Freestanding Aldi and Dan Murphy's stores are also provided within the Town Centre.

ii. Some retail spend (particularly in the secondary sector) would escape to **Goulburn**, 68.8 km to the south-west. In total, over 35,000 sq.m of retail floorspace is provided at Goulburn, including:

- Goulburn Square (13,860 sq.m): anchored by Kmart and a full-line Coles supermarket (3,500 sq.m).
- Goulburn Marketplace (7,580 sq.m): anchored by a full-line Woolworths (3,790 sq.m) as well as Aldi (1,595 sq.m).
- A freestanding Target (3,850 sq.m) is also provided in the retail strip.

3.3. Summary

i. Key points to note in relation to the competitive environment within the area are as follows:

- The current provision of supermarket floorspace within the main trade area at 321 sq.m per 1,000 persons is lower than the non-metropolitan New South Wales benchmark (406 sq.m per 1,000 residents). Without the development of any additional supermarket floorspace within the main trade area – and with future population growth occurring within the area (+5,700 persons over the next 20 years), this provision would fall to even lower levels.

- The primary sector population (~20,000 persons) alone could theoretically support two major full line supermarkets (over 3,200 sq.m), based on the industry benchmark of 8,000 – 10,000 persons per full-line supermarket. None are provided currently.

- Relevantly, the supermarkets in Moss Vale are all less than 2,500 sq.m., substantially smaller than supermarkets at Bowral and Mittagong, which are over 4,000 sq.m and provide a broader range of goods for residents to fulfil their weekly shopping needs.

- The Woolworths Moss Vale site is located in a central position on a high-profile site along Argyle Street – the main retail strip within Moss Vale Town Centre which currently does not provide a full line supermarket.

- There is currently a high level of escape expenditure to Bowral, Mittagong and Goulburn given the lack of major full-line supermarkets in the main trade area currently. Moss Vale residents currently have to undertake a minimum 18 km round trip in order to undertake a full supermarket shop.

- There are no known supermarket proposals within the defined main trade area.

4 Assessment of Retail Potential

This section of the report considers the sales potential for the proposed Woolworths Moss Vale centre as well as the likely trading and other impacts that can be anticipated following the construction of the proposed development.

4.1. Sales Overview

i. To assess the potential economic benefits and impacts that may arise from the proposed Woolworths Moss Vale development, and the net additional sales level which the development is projected to achieve are outlined.

ii. The sales performance of any retail facility, be it an individual store or a collection of stores provided in a shopping centre or precinct, is determined by a combination of the following critical factors:

- The composition and quality of the facility, including the major trader or traders; the specialty mix; centre layout and configuration; ease of accessibility and parking; and the overall feel of the centre.
- The size of the available catchment which the facility serves.
- The location and strength of competitive retail facilities.

The sales potential for the Woolworths Moss Vale development is now considered accounting for these factors.

4.2. Supermarket Sales Potential

i. The proposed full-line supermarket at the subject site is indicated to be 4,290 sq.m in size. Supermarkets generate sales primarily from the food and groceries market, as discussed and measured in Section 2 of this report.

ii. Table 4.1 details the potential for a full-line supermarket in the defined main trade area. The calculations in this Table go through a series of steps, commencing with the available expenditure that is of relevance to supermarkets, namely food and grocery spending; assessing the share of expenditure which all supermarkets are likely to achieve; and then concluding with the likely sales which main trade area supermarkets can expect to generate.

iii. Forecast sales are detailed, noting that supermarkets are defined as grocery and dry goods stores of at least 500 sq.m. Smaller foodstores less than 500 sq.m are excluded from this analysis.

iv. The assessment detailed in Table 4.1 is based on the experience of many comparable analyses in locations throughout Australia, as follows:

- For the main trade area defined earlier in this report, the total food and grocery spending market is estimated at $150.7 million for the year to June 2022. The food and grocery spending market for the main trade area population is projected to increase to $163.6 million by 2026/27 and further to $189.8 million by 2035/36 (constant 2022 dollars).

- Typically, in Australia, approximately 70% - 75% of food and grocery expenditure is directed to supermarkets, not including small corner stores, convenience stores and milk bars. This ratio varies from location to location depending on the provision of such facilities and the socio-economic profile of the trade area population. In the defined main trade area, the proportion of food and grocery spending directed to supermarkets is currently estimated at 70% and is estimated to increase to 72.5% in the primary sector and 71.5% in the secondary sector following the development of Woolworths at Moss Vale. The represents an allowance for an increase in this figure as additional supermarkets in an area generate a higher propensity for residents to shop at supermarkets.

- The next step in the analysis is to estimate the likely proportion of food and grocery expenditure which can be retained by catchment area supermarkets; specifically in this case, the proportion of expenditure that can be retained by the full-line Moss Vale Woolworths, compared with spending directed to supermarkets beyond the catchment area.

- The level of retained spending is estimated at 82.5% in the primary sector and 70% in the secondary sector upon opening in 2026/27 (or 80.6% across the main trade area). Hence, 19.4% of main trade area supermarket spending would continue to be attracted by supermarkets beyond the main trade area, including Bowral Town Centre.

- Additionally, supermarket sales are likely to be attracted from beyond the defined main trade area, reflecting the high-profile location of the site and the visitor market to the Southern Highlands. This proportion of sales is estimated at 12.5%, or $11.7 million in 2026/27.

v. The steps detailed above generate the annual estimates of food and grocery spending available to supermarkets within the catchment area at $107.1 million in 2026/27.

vi. Finally, to estimate the total likely sales volume available to main trade area supermarkets, additional components of sales (other than food and grocery) are taken into account, the major component of which is general merchandise and non-food items. Non-food items typically generate around 6% of total store sales for modern supermarket chains. On this basis, the total volume of sales available is estimated at $113.9 million in 2026/27.

vii. The full-line Woolworths supermarket at Moss Vale is projected to achieve sales of $39.3 million in 2026/27, representing a sales productivity of around $9,157 per sq.m, which is comparable with national benchmarks.

TABLE 4.1. MOSS VALE WOOLWORTHS SUPERMARKET ANALYSIS, 2022-36

	Financial Year			
	2022	**2027**	**2031**	**2036**
Total Food & Grocery (F&G) Spending				
Primary Sector	128.5	138.4	148.1	160.5
Secondary Sector	22.3	25.1	26.9	29.2
Main Trade Area	**150.7**	**163.6**	**175.0**	**189.8**
F&G Spending to Supermarkets				
Primary (@ 70% in 2021/22 incr. to 72.5% in 2026/27)	89.9	100.4	107.3	116.4
Secondary (@ 70% in 2021/22 incr. to 71.5% in 2026/27)	15.6	18.0	19.2	20.9
Main Trade Area (@ 70% in 2021/22 incr. to 72.3% in 2026/27)	**105.5**	**118.3**	**126.6**	**137.3**
F&G Spending Retained by TA Smkts				
Primary (@ 67.5% in 2021/22 incr. to 82.5% in 2026/27)	60.7	82.8	88.6	96.0
Secondary (@ 60% in 2021/22 incr. to 70% in 2026/27)	9.3	12.6	13.5	14.6
Main Trade Area (@ 66.4% incr. to 80.6% in 25/26)	**70.1**	**95.4**	**102.0**	**110.7**
F&G Sales from Beyond TA (@ 10.9%)	8.6	11.7	12.5	13.6
Total F&G Sales for TA Smkts	**78.7**	**107.1**	**114.6**	**124.3**
General Merchandise Sales (@ 6%)	5.0	6.8	7.3	7.9
Total TA Smkt Sales	**83.7**	**113.9**	**121.9**	**132.2**
Smkt Floorspace in TA (sq.m)**	7,480	11,770	11,770	11,770
Average Trading Level ($/sq.m)	11,187	9,680	10,354	11,230
Distribution of TA Smkt Sales				
Moss Vale Smkt	0.0	39.3	42.0	45.6
Other TA Supermarkets**	83.7	74.6	79.9	86.6
Total TA Smkt Sales	**83.7**	**113.9**	**121.9**	**132.2**

**Constant 2021/22 dollars & including GST*

***Existing smkts in MTA as at April 2023 include Calaroga Centre Coles, Moss Vale Supa IGA & Moss Vale Aldi, Marulan SC IGA*

4.3. Sales Potential

i. Table 4.2 outlines projected retail sales for the proposed Woolworths Moss Vale centre development in FY2027 (the first full year of opening). Key points to note are as follows:

- **GLA**: retail floorspace of 4,290 sq.m, including Woolworths (4,290 sq.m – inclusive of the Direct To Boot and Home Delivery components) and 1,155 sq.m of retail specialty floorspace.

- **Total Retail Centre Forecast Sales** are projected at $46.8 million in FY2027. Key components of the forecast retail sales at the proposed development are as follows:

  – **Woolworths**: $39.3 million (or $9,157 per sq.m).

  – **Retail Specialties**: $7.5 million ($6,500 per sq.m).

ii. Forecast sales for the proposed development reflect the following:

- The lack of existing full-line supermarkets within the main trade area. The closest full-line supermarket facilities are located at Bowral — an 18 km round trip from Moss Vale.

- The high-profile nature of the site along Argyle Street at the northern end of the Moss Vale retail strip.

- The large size of the site and simplicity of the centre design which will facilitate ample, convenient car parking and a sufficient provision of supporting retail and complementary non-retail facilities to provide a true convenience offer. The existing supermarkets (Coles and Supa IGA) in the Moss Vale Town Centre do not provide a full convenience offer with quality parking.

TABLE 4.2. TOTAL RETAIL CENTRE FORECAST SALES, FY2027

Tenant/ Category	GLA (sq.m)	Forecast Sales* ($'000)	($/sq.m)
Woolworths	4,290	39,282	9,157
Retail Spec.	1,155	7,508	6,500
Total Retail	**5,445**	**46,789**	**8,593**
Non-retail Uses	1,191		
Total Centre	**6,636**		

**Constant 2022 dollars & including GST*

4.4. Sales Impacts

i. This sub-section of the report outlines the likely sales impacts on competitive retail facilities because of the additional sales generated by the proposed redevelopment of the proposed Woolworths-based development at Moss Vale

ii. It is important to note that impacts outlined in this report are indicative as it is difficult to precisely project the sales impact of the opening of a new store/centre on existing retail facilities. Several factors can influence the impact on individual centres/retailers, including but not limited to:

- Refurbishment/improvements to existing centres.
- Expansions to existing centres.
- Loyalty programs of existing retailers.
- The existing centre mix and how it competes with the proposed development.

iii. For these reasons and other similar factors, sales impacts outlined in this report should be used as a broad indication.

iv. Table 4.3 outlines the projected sales impacts from the proposed development. The steps involved in assessing the sales and impacts on competitive centres are presented as follows:

- **Step 1**: Estimate sales levels for existing centres in the 2021/22 financial year.
- **Step 2**: Projected sales are presented for existing and proposed developments in 2021/22, the first full year of trading for the proposed development (FY2027). These projections allow for retail market growth and are presented in constant 2021/2022 dollars (i.e., excluding inflation).
- **Step 3**: Outline the change in sales at each centre in FY2027 resulting from net additional sales generated by the proposed development. As outlined in section 3, there are no approved competitive developments of relevance assumed to occur within the forecast period. Again, all sales are expressed in constant 2022 dollars.
- **Step 4**: Show the impact on sales on competitive centres in FY2027, both in dollar terms and as a percentage of sales.

v. The key information outlined in Table 4.2 is summarised as follows:

- The proposed Woolworths Moss Vale development is projected to record sales of $46.8 million in FY2027.
- The highest impact in dollar terms would be on Bowral Town Centre, at $19.3 million, given that the closest major full-line supermarkets are provided within this precinct. In percentage terms, the total impact on this precinct is only 7.5%.
- The highest impact in percentage terms would be on Moss Vale Town Centre at -12.5% (or ~$16.7 million). This is within normal competitive range and this precinct would remain viable at this level and will continue to grow following the development of the Moss Vale Town Centre. Table 3.2 previously outlined the

number of shops by category within Moss Vale. Besides other supermarkets, there were only 11 food and liquor stores out of a total of over 150 specialty stores in Moss Vale. The vast majority of stores in Moss Vale would not compete directly with Woolworths and would benefit from the additional customer flows generated by the store in the Moss Vale Town Centre.

- Impacts on the Mittagong and Goulburn retail precincts are expected to be more limited at $4.5 million (-2.0%) and $1.4 million (-0.5%), respectively.

- Smaller impacts of less than $1.5 million are expected to occur on other centres in the main trade area, given the lack of full-line supermarket facilities.

- An impact of less than $3.1 million in combination is projected on a range of retail precincts that are not currently represented in this analysis.

vi. Given these projected impact levels, the viability of any centres or precincts would not be threatened. Relevantly, all centres besides Moss Vale would achieve a sales level similar to or higher than existing levels in 2027 after the proposed Woolworths Moss Vale development.

vii. Leaving aside any existing undersupply of retail floorspace within the main trade area, future population growth within the region will drive demand for additional retail floorspace. The population within the Wingecarribee LGA (in which the primary sector is located), is projected to grow from ~54,000 currently to almost 66,000 by 2041 — i.e., +12,000 persons. Projected population growth within the primary sector over the same period is ~4,600 additional residents – which accounts for less than 40% of the projected population growth in the broader Wingecarribee LGA. As such, there will be continued demand for retail facilities elsewhere within the Wingecarribee LGA — around Bowral and Mittagong.

viii. On this basis, the impacts on existing retailers in the Bowral and Mittagong precincts, as well as the Moss Vale Town Centre will be relatively limited, and will be absorbed by future demand generated by new residents in the area.

TABLE 4.3. WOOLWORTHS MOSS VALE SHOPPING CENTRE PROJECTED IMPACTS, 2027

	Unit	Estimated 2022	Projected 2027		Impact 2027	
			Pre Dev.	Post Dev.	$M	%
Moss Vale Woolworths SC	***$M***	***n.a.***	***n.a.***	***46.8***	***n.a.***	***n.a.***
Within Main Trade						
Moss Vale	$M	124.5	133.8	117.1	-16.7	-12.5%
Sutton Forest	$M	2.9	3.1	3.0	0.0	-0.5%
Berrima	$M	12.1	13.0	12.9	-0.1	-0.5%
Bundanoon	$M	14.2	15.3	15.2	-0.2	-1.0%
Robertson	$M	13.7	14.7	14.6	-0.1	-1.0%
Marulan SC	$M	20.3	21.8	20.4	-1.4	-6.5%
Beyond Main Trade Area						
Bowral	$M	239.2	257.1	237.8	-19.3	-7.5%
Mittagong	$M	209.9	225.6	221.1	-4.5	-2.0%
Goulburn	$M	258.9	278.3	276.9	-1.4	-0.5%

**Constant 2021/22 dollars & including GST*

4.5. Employment and Consumer Impacts

i. The development of the Moss Vale Woolworths centre would result in a range of important economic benefits which will be of direct benefit to the local community. These key positive employment and consumer impacts include:

- The provision of a wider range of retail facilities near residents' homes.
- Increased convenience and price competition for residents.
- Improved customer amenity, design, and aesthetic for the residents by way of a new and modern development.

Ongoing Employment Generation

- Table 4.4 summarises the projected level of ongoing employment likely to be generated by the proposed development. The employment benchmarks (jobs per 1,000 sq.m) used to calculate the indicative total jobs generated is based on typical floorspace and employment yield benchmarks.
- The proposed development is projected to employ 342 persons. Taking a conservative view and allowing for an estimated 10% of the total increase to result due to reduced employment at existing facilities, net additional jobs are estimated at 308 across both components.
- Based on Average Weekly Earnings data released by the ABS (Cat. 6302.0), the additional retail permanent employees would earn combined total salary/wages of $10.7 million for the local economy, as a direct result of the retail component of the proposed development alone.

TABLE 4.4. NET ADDITIONAL ESTIMATED PERMANENT EMPLOYMENT

Component	Total Floorspace (sq.m)	Employment Potential		
		Employm. per 1,000 sq.m	Indic. Total Jobs	Net Increase[1]
Retail				
Supermarket	4,290	50.0	215	193
Retail Specialty Shops	1,155	60.0	69	62
Total Retail	5,445		284	255
Non-retail				
Non-retail Shopfronts/Car Wash	125	40.0	5	5
Offices/Commercial	1,066	50.0	53	48
Total Non-retail	1,191		0	0
Total	**6,636**		**342**	**308**

1. Indicates the estimated number of net additional ongoing jobs as a result of the proposed development

Source : Australian National Accounts: Input-Output Tables 1996-97

Construction

- Construction of the Moss Vale Woolworths centre is indicated to incur total capital costs of $30 million (including GST), generating significant employment within the construction and associated industries during the development of the project.
- By using the appropriate ABS Input/Output Multipliers that were last produced in 1996/97 and a deflated estimated total capital cost of construction of $16.6 million (i.e., in 1996/97 dollars), it is estimated that the construction period of the proposed retail and commercial component would directly create some 116 full-time, part time and temporary jobs over the development timeline (refer Table 4.5).

TABLE 4.5. ESTIMATED CONSTRUCTION EMPLOYMENT

Metric	Total Floorspace
Estimated Capital Costs of Construction	
Estimated Capital Costs 2021/22 ($M)*	$30.0
Estimated Capital Costs 1996/97 ($M)	$16.6
Direct Employment Generation	
Construction Jobs per $1 million (2021/22)	3.87
Total Construction Jobs[1]	**116**

Source : Australian National Accounts: Input-Output Tables 1996-97
Employment totals include both full-time and part-time work. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects, for the equivalent of one year

Multiplier Effect

- Overall, it is estimated that the proposed development will directly generate the following jobs (refer Table 4.6):
  - **Ongoing Employment from Planned Floorspace**: 255 jobs
  - **Construction Phase**: 116 jobs
- In addition to this direct employment, multiplier effects will flow through the local economy and indirectly generate additional employment opportunities through ancillary businesses/suppliers that support the development and services, as well as additional consumption expenditure by workers employed within the precinct (spending wages).
- Again, by using the appropriate ABS Input/Output Multipliers that were last produced in 1996/97 and adjusting for inflationary and other changes to present, it is estimated that an additional 428 jobs will be created indirectly.

ii. Overall, the proposed redevelopment is likely to generate 800 jobs directly and indirectly.

TABLE 4.6. EMPLOYMENT SUMMARY

Metric / Category	Est. Net Employment Increase[1]	Employment Multiplier Effects	Total Employment
Ongoing Employment from Planned Floorspace			
Moss Vale Woolworths Centre	255	242	498
Construction Phase			
Direct Employment Generation	116	186	302
Net Additional Employment	**371**	**428**	**800**

Source: Australian National Accounts: Input-Output Tables 1996-97

1. Net increase includes an allowance for reduced employment levels at impacted centres estimated at 10% of the total increase

5 Needs Analysis

5.1. Population and Supermarket Demand

i. The main trade area population is currently over 23,300 and is projected to increase by ~5,700 to over 29,000 by 2041, representing an average annual growth rate of 1.2%.

ii. Based on the national benchmark for retail floorspace provision of 2.2 sq.m per capita, population growth within the main trade area alone would generate demand for an additional 12,540 sq.m over the next 20 years.

iii. The proposed development would result in additional retail floorspace of 5,445 sq.m, which represents only 43.4% of future retail floorspace demand generated within the main trade area — leaving aside any existing under-provision of major full-line supermarket floorspace and additional demand generated by visitors from beyond the main trade area.

iv. Given the lack of major full-line supermarket facilities in the main trade area currently, a full-line Woolworths-based centre on a large, vacant site, within Moss Vale Town Centre is the optimal use for this future retail floorspace demand.

v. Typically, one major full-line (>3,000 sq.m) supermarket is provided for every 8,000 – 10,000 persons, indicating that 2 - 3 stores could be supported in the main trade area. Currently, there are no major full-line supermarkets provided within the main trade area, with the closest facilities being provided at Bowral – an 18 km round trip from Moss Vale.

vi. The major component of any convenience facility would be a supermarket, serving the daily and weekly needs of surrounding residents. The proposed expanded supermarket-based centre facilities would therefore result in an increased level of facilities and services available to the local community.

5.2. Consumer Trends

i. Retail facilities in Australia, such as the proposed development, play fundamental roles in the economies of Australia's metropolitan areas, having developed around the need to meet consumer demand. The nature of consumer demand continues to develop and evolve, reflecting social changes within society, such as:

- Increasing time pressures on working families.
- Population and income growth.
- The evolution of new retail formats and traders.
- Competitive retail developments and precincts.

ii. The demands of retailers, as well as consumers, combine to add pressure for additional retail floorspace in existing retail precincts.

iii. There is a strong need for supermarket facilities within proximity to the homes of main trade area residents, with consumers visiting supermarkets two to three times a week on average.

iv. Over the past decade, there has been an increasing trend towards convenience shopping. This trend has been largely driven by broader social trends that have resulted in consumers becoming more time poor, such as longer working hours and an increase in the number of women in the labour force.

v. Time pressures are ranked at the top of the list of issues that consumers face when undertaking their regular food and grocery shopping. As a result, there is growing demand for convenience shopping facilities to meet the needs of residents.

vi. The proposed development at Moss Vale would be highly convenient for residents of the main trade area, being located within Moss Vale Town Centre.

5.3. Location

i. The proposed Moss Vale Woolworths centre development is located in a high-profile, easily accessible location on Argyle Street (the main retail strip) at the northern end of Moss Vale Town Centre — and adjacent to Moss Vale train station. As such, the proposed development would reinforce the destinational appeal of the Town Centre overall.

ii. The proposed development would provide a point of difference not currently offered in the Town Centre —i.e., a modern, full-line supermarket offer. Further, Woolworths are not represented in the main trade area currently.

iii. The proposed development is located on a large site which in addition to a full-line supermarket, can accommodate supporting convenience-focused retail specialty tenants and a large amount of convenient, at-grade car parking — which are not provided at either the Coles-based Calaroga Centre or the Supa IGA in Clarence Street.

5.4. Impact on Existing Retailers

i. The analysis of impacts provided in the previous section of this report shows the projected impacts on other retailers throughout the area from the proposed development would not threaten the viability or continued operation of any centre/precinct.

ii. The highest impact in <u>dollar</u> terms would be on Bowral Town Centre, at $19.3 million. Most of this impact is expected to fall on the supermarkets — i.e., Coles and Woolworths which are the closest full-line supermarkets to Moss Vale, despite being an 18 km round trip away). In percentage terms however, the total impact on this precinct is relatively low at 7.5% with existing supermarkets expected to continue to trade strongly as a result of future population growth in the area.

iii. The highest impact in <u>percentage</u> terms would be on Moss Vale Town Centre, with a projected impact of -12.5% (-$16.7 million). This precinct would remain viable at this level — again, driven by future population growth in the region and the lack of full-line supermarket facilities in the main trade area, which provide a point of difference to the existing offer.

iv. Smaller impacts of less than $1.5 million are expected on other centres within the main trade area, given the lack of direct competition with the proposed development.

v. Overall, the proposed redevelopment of the Moss Vale Woolworths Shopping Centre would not impact on the viability or continued operation of any existing or proposed centre within the main trade area or the surrounding region.

vi. Any impacts will likely be absorbed within the first 12 months of trading of the proposed development, given that convenience retail shopping patterns adjust relatively quickly. Following the development Moss Vale Woolworths centre, all competing centres and precincts will trade at levels which are similar or higher than current levels.

vii. Future population growth within the region will drive demand for additional retail floorspace, with the Wingecarribee LGA projected to increase by +12,000 residents over the next 20 years. Only 40% of these new residents will live within the primary sector. The remainder of population growth in the LGA occurring in and around Bowral and Mittagong, which will drive continued demand for retail facilities elsewhere within the Wingecarribee LGA. On this basis, the impacts on existing retailers in these precincts, as well as the Moss Vale Town Centre will be relatively limited, and will be absorbed by future demand generated by new residents in the area.

5.5. Impacts on Retail Hierarchy

i. The proposed redevelopment will provide additional choice and competition for retail facilities within the region.

ii. The proposed Moss Vale Woolworths centre would provide a major full-line supermarket-based development which would benefit the local community by increasing the ability of the population to shop locally, while not impacting the viability of existing centres in the surrounding area.

iii. Bowral, Mittagong, and Goulburn Town Centres would continue to act as the major retail destinations within the region, based around a strong retail and non-retail offer. These precincts contain a significantly greater number, variety and depth of retailing as compared with the subject development.

iv. The proposed Moss Vale Woolworths centre is well positioned to serve the convenience needs of the growing population around Moss Vale who would otherwise need to travel to Bowral Town Centre, an 18 km (~35 minute) round trip in order to undertake a supermarket shop.

5.6. Net Community Benefits

i. It is the conclusion of this report that a substantial net community benefit would result from the development of the Moss Vale Woolworths centre, offsetting the trading impacts on some existing retailers, there are very substantial positive impacts including the following:

- Improvement in the range of retail facilities that would be available to residents.
- The proposed development would improve choice of location and allow for price competition.

- The addition of the proposed development would also result in the retention of retail spending currently escaping the main trade area.

- The creation of additional employment which would result from the project, both during the construction period, and more importantly, on an ongoing basis once the development is complete and operational. In total, ~800 jobs are likely to be created both directly and indirectly from the proposed development. This includes youth employment opportunities with retail developments employing a large number of younger staff.

ii. It is concluded that the combination of the substantial positive economic impacts serves to more than offset the trading impacts that could be anticipated for a small number of existing and proposed retail stores, particularly supermarkets, in the region. Further, the impacts would not threaten the viability of any retail facilities/centres.

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