

# Ballina Shire Bulky Goods Retailing Investigation

PREPARED FOR

Ballina Shire Council

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## LIST OF ABBREVIATIONS

Australian Bureau of Statistics	ABS
Development Application	DA
NSW Department of Planning (as it was)	DoP
NSW Department of Planning and Infrastructure	DP&I
Floor Space Ratio	FSR
Gross Floor Area	GFA
Gross Lettable Area	GLA
Hectares	Ha
Local Environmental Plan	LEP
Large Format Retailing	LFR
Local Government Area	LGA
Net Lettable Area	NLA
Property Council of Australia	PCA
Primary Trade Area	PTA
State Environmental Planning Policy	SEPP
Statistical Local Area	SLA
Square Metre	sqm
Secondary Trade Area	STA

## DEFINITION OF TERMS

**Accessibility** – Refers to the extent to which people have access to employment, goods and services, either through proximity or transport links to places.

**Bulky Goods** – a building or place used primarily for the sale by retail, wholesale or auction of (or for the hire or display of) bulky goods, being goods that are of such size or weight as to require:

- a) a large area for handling, display or storage, or
- b) direct vehicular access to the site of the building or place by members of the public for the purpose of loading or unloading such goods into or from their vehicles after purchase or hire, but does not include a building or place used for the sale of foodstuffs or clothing unless their sale is ancillary to the sale or hire or display of bulky goods.

**Category Killers** – Stores which provide an extensive range of goods within a single market segment.

**Flood Planning Area** – Comprises the extent of the mapped Richmond River Floodplain.

**Gross Floor Area** – Gross Floor Area (GFA) is Gross Lettable Area plus common mall spaces (including amenities), centre management area and plant rooms. In a typical indoor centre with at least one department store and supermarket the GLA makes up around 72% to 75% of the GFA.

**Gross Lettable Area** – Gross Lettable Area (GLA) is the common measure used for lease and for other descriptive purposes in retail centres and shops. It is usually defined as the total area of the lease and includes back of house, storage, offices and mezzanine levels but usually excludes loading docks and common mall spaces. GLA is more commonly used in the industry because it defines the area of the lease. Shopping centre owners report rents and turnover figures on the leased area and benchmarking is usually made on the GLA. For the purpose of Hill PDA's demand modelling all floor areas expressed are in GLA.

**Household** – One or more persons that usually reside in the same private dwelling.

**Large Format Retailing** – There is no universal definition of large format retail and the term is somewhat ambiguous. For the purposes of this Study we have understood the term to loosely mean a retail unit of greater than 1,000sqm. Also called "Big Box" retail.

**Mini-Majors** – Stores of between 400sqm and 2,000sqm.

**Primary Trade Area** – The area from within which a centre or retail facility will draw the majority of its trade.

**Secondary Trade Area** – The area from within which a centre or retail facility will draw some trade, but a significantly lesser proportion than in the Primary Trade Area.

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# 1. EXECUTIVE SUMMARY

Hill PDA was commissioned by Ballina Shire Council to undertake the Ballina Bulky Goods Retailing Investigation ('the Study'). The primary purpose of the Study was to investigate demand for bulky goods and Large Format Retail (LFR) premises in Ballina Shire over the 2011 to 2026 period. This is in order to inform the establishment of a planning framework for such premises in the emerging Ballina Standard Instrument Local Environmental Plan.

Currently bulky goods and LFR businesses are distributed over several locations in Ballina including:

- the Ballina Town Centre (around 5,000sqm including Retravisson and Snooze);
- Kerr Street retail precinct (around 4,000sqm including Super Amart);
- Clarke Street industrial area (around 2,000sqm including Vast Furniture);
- West Ballina Pacific Highway (around 4,000sqm including Good Guys);
- and the Southern Cross industrial precinct (around 16,000sqm occupied and 4,000sqm unoccupied space).

The largest concentration of bulky goods retailers is in the recently opened Harvey Norman centre (13,000sqm) in the Southern Cross Precinct.

Demand modelling suggests that Ballina could currently support around 55,000sqm of bulky goods retailing increasing to almost 70,000sqm by 2026 due to population growth. Current bulky goods floor space at around 31,400sqm occupied and 4,900sqm vacant suggests that Ballina is undersupplied. There is a further potential for non-bulky goods LFR space – up to 22,000sqm by 2026.

Ballina will require around 52,000sqm of additional bulky goods and LFR space over and above existing levels by 2026. Assuming development at 0.4:1 FSR then around 13 hectares of land will be required to meet growth in demand for bulky goods and LFR space to 2026.

There are currently several approved and mooted developments including:

- Homeworld 29,000sqm homemaker centre in West Ballina (DA consent until late 2012);
- Masters 13,500sqm DIY and hardware store in West Ballina (rezoning requested refused by Council);
- Bunnings 11,000sqm hardware house on the Big Prawn site in West Ballina (pre-DA design stage);
- 6 hectares of vacant land adjacent to the Harvey Norman centre to accommodate additional retailers.

If all proposed developments were to proceed (including the Masters site) then there will be sufficient supply to meet demand to 2026. However due to competition between owners over retailers it is unlikely that all proposed developments will proceed prior to 2026. A more likely scenario is that a combination of permitted and mooted development will be implemented. The Masters site was refused by Council which means Masters will need to consider an alternative site to have a store in Ballina – either Homeworld or Southern Cross precinct. Furthermore it is not certain that substantial commencement will occur on the Homeworld site prior to the lapsing of consent in late 2012.



It would be advantageous for bulky goods and LFR floorspace to be concentrated on one location. In our view Ballina Shire Council should seek to encourage a bulky goods and LFR cluster on the Southern Cross Precinct in and around the Harvey Norman Centre. This would include the Harvey Norman Centre itself and vacant land to the north and west. Bulky goods premises and LFR floorspace should thus be restricted elsewhere in Ballina Shire. Council may seek to achieve this by zoning this area B5 Business Development in the emerging Ballina LEP.

Refusal to extend development consent on the Homeworld site (assuming consent lapses) and refusal of the rezoning of land on the Masters preferred site is consistent with the objective of clustering or containing the bulky goods retailers in one destination – namely in the Southern Cross. However if this were to happen Council will need to find a further 4 hectares of land (in addition to land adjoining the Harvey Norman centre) to meet demand to 2026.

We concur with all other land zonings in the draft Ballina LEP 2011 related to precincts which have been considered in this Study for potential future bulky goods and LFR floorspace. We also concur with the definition of B6 Enterprise Corridor zoning in the draft Ballina LEP 2011 which excludes bulky goods premises as a permissible use.

## 2. INTRODUCTION

This Chapter introduces the Ballina Bulky Goods Retailing Investigation (hereafter referred to as 'the Study'). It outlines the purpose of the Study, the methodology and the structure which has been utilised to meet the Study aims and objectives.

### 2.1 Purpose of the Study

Ballina Shire Council ('Council') commissioned Hill PDA to undertake the Study in order to examine bulky goods and Large Format Retailing (LFR) floorspace in Ballina Shire Local Government Area (the LGA). The Study was required to examine both existing provision of such floorspace (i.e. supply), analyse future demand for such floorspace and to determine the capacity to accommodate this demand under existing and proposed planning policy. It was also required to identify suitable sites within the LGA for accommodating growth in this sector.

The primary purpose of the Study is to inform the establishment of a planning framework for bulky goods retailing and LFR premises in the new Standard Instrument Local Environmental Plan (LEP) which is being developed by Council. The period of investigation comprises 2011 to 2026.

### 2.2 Methodology

To meet the requirements of the Study brief, the methodological approach we have used is as follows:

- Reviewed the existing body of information which Council has relevant to consideration of current and future bulky goods and LFR floorspace in the LGA. This includes current and emerging planning policy documents, previous studies and submissions to the draft Ballina LEP 2010;
- Undertaken a series of one-on-one meetings with relevant stakeholders to determine their future plans for the LGA and their views on how bulky goods and LFR floorspace should develop;
- Undertaken a floorspace survey of all existing bulky goods and LFR floorspace in the LGA;
- Undertaken an assessment of precincts within the LGA which may be capable of accommodating additional bulky goods and LFR of this nature in the future;
- Undertaken retail expenditure demand modelling to determine the amount of bulky goods and LFR floorspace which the LGA will need to accommodate in the future;
- Within the context of the forecast level of need for additional bulky goods and LFR floorspace, provided advice on where this could best be accommodated and how Council could seek to support the preferred outcome in future planning policy documentation.

### 2.3 Report Structure

The Study is set out in the following manner:

- Chapter 3 undertakes a detailed policy review of relevant local and regional planning legislation to establish the context for the Study. It provides a framework within which the availability of land to accommodate bulky goods and LFR floorspace in the future is assessed;
- Chapter 4 provides an examination of trends in the bulky goods and LFR sector over the last 20 years. It distils the key implications from recent trends and considers new forms of retail which should be recognised when assessing land requirements for new sites in the future;
- Chapter 5 details the existing supply of bulky goods and LFR retail floorspace in the LGA based on the floorspace surveys undertaken by Hill PDA;
- Chapter 6 provides a synopsis of the stakeholder consultation process which Hill PDA conducted as part of the Study. Stakeholders interviewed included representatives from local Chambers of Commerce, landowners and bulky goods/ LFR retailers active in the LGA;
- Chapter 7 defines a trade area from bulky goods and LFR facilities in the LGA and undertakes analysis of the socio-demographic composition of residents living within this trade area;
- Chapter 8 utilises the Hill PDA expenditure model to calculate the amount of expenditure generated by residents in the trade area and the quantum of this which could be captured by bulky goods and LFR facilities in the LGA. This is subsequently converted to floorspace demand based on target turnover levels and compared to the supply assessment undertaken in Chapter 5 to determine the level of additional bulky goods and LFR floorspace for which Council should plan over the 2011 to 2026 period;
- Chapter 9 examines the capacity and suitability of a number of precincts in the LGA which for meeting future bulky goods and LFR floorspace needs;
- Chapter 10 details our advice and policy recommendations as a result of the previous Chapters, including guidance on land zonings which Council may seek to apply.

### 3. PLANNING POLICY & RESEARCH CONTEXT

Chapter 3 examines the legislative planning framework which influences development of bulky goods and LFR floorspace in the LGA in the future. Both State and local policies are considered, in addition to previous studies undertaken on behalf of Council which are pertinent to the Study.

#### 3.1 State Planning

##### **NSW Draft Centres Policy**

Recently there has been a growing awareness and investigation of barriers to competition in Australia, particularly in the retail industry. As a result of these investigations the Australian Government directed state governments and planning authorities to review the flexibility of planning regulations and policies regarding retail development. In response the NSW Department of Planning & Infrastructure (DP&I) released the draft Centres Policy in April 2009.

The Draft Centres Policy focuses around six key principles. The principles relate to:

1. The need to reinforce the importance of centres and clustering business activities;
2. The need to ensure the planning system is flexible, allows centres to grow and new centres to form;
3. The market is best placed to determine need. The planning system should accommodate this need whilst regulating its location and scale.
4. Councils should zone sufficient land to accommodate demand including larger retail formats;
5. Centres should have a mix of retail types that encourage competition; and
6. Centres should be well designed to encourage people to visit and stay longer.

Whilst the Draft Centres Policy indicates that the preferred location for new retail and commercial development is in centres, it recognises that there may be exceptions to this approach.

Specifically in regard to bulky goods premises, the draft Centres Policy recognises that such outlets often require large areas for the handling, display or storage of goods, or direct vehicular access by members of the public to the site to load or unload goods. Bulky goods operators are therefore attracted to locations that offer lower site costs offsetting lower retail turnovers relative to floor area. The Policy states that bulky goods premises should be accommodated in zones B2–B4 in centres, or where this is not realistic, they should be clustered together in an appropriate B5 zone in an edge-of-centre location.

The Draft Policy has been publicly exhibited. The DP&I is presently reviewing public submissions and aims to amend the policy in response, where appropriate. The six key principles are discussed in more detail below.

##### **Principle 1: Retail and Commercial Activity should be Located within Centres**

The first principle of the Draft Centres Policy reinforces the longstanding strategy to concentrate the predominant share of retail and business floor space within town centres. The clustering of uses within centres is justified for environmental and economic reasons. By way of example, focusing uses within centres makes efficient use of existing infrastructure, can improve business efficiency and productivity and allow for a range of uses to be provided meeting consumer needs.

*Principle 2: Centres should be able to Grow and New Centres Form*

The Draft Centres Policy identifies that areas experiencing significant increases in population and real income must be dynamic and respond to “prevailing market demands” through the extension of existing centres or the growth of new ones.

Principle 2 of the Draft Centres Policy recommends the rezoning of land in appropriate centre locations or locations adjacent to centres in order to facilitate business expansion and to enable new businesses to enter the market.

*Principle 3: Market Determines Need for Development, Planning Regulates Location and Scale*

The third principle of the Draft Centres Policy identifies that the market is best placed to determine demand for retail and commercial development. Accordingly, the role of the planning system is not to assess the appropriateness of development on the basis of demand, but rather to make an assessment as to the external costs and benefits.

*Principle 4: Ensuring the Supply of Floor Space Accommodates Market Demand*

The fourth principle of the Draft Centres Policy emphasises the importance of competition between retailers. The key intention of this principle is to create better quality, cheaper and more accessible goods for all consumers through enhanced competition. To support opportunities for greater competition, the Draft Policy requires councils to ensure that there is sufficient zoned land to enable additional (and new) large format retailers to enter the NSW retail market.

*Principle 5: Support a Wide Range of Retail and Commercial Premises and Contribute to a Competitive Retail Market*

Principle 5 of the Draft Centres Policy states that, subject to meeting the appropriate location and design criteria, the zoning and development assessment process should not consider impacts between existing and proposed retailers as a planning consideration.

Whilst the Principle seeks to extract the matter of individual business impact from planning assessment (in keeping with the findings of various Land and Environment Cases) the effect of a proposed development to the function and vitality of existing and planned centres will remain as an important local issue.

*Principle 6: Contributing to the Amenity, Accessibility, Urban Context and Sustainability of Centres*

Principle 6 of the Draft Centres Policy highlights the importance of design quality, development layout, connectivity and integration. The Policy recognises that good design supports the vitality and function of a town centre as well as the viability and success of a retail development. Accordingly good quality design is in the interests of planning authorities, retailers and consumer alike.

### **Competition SEPP**

Following a review undertaken by the NSW Department of Planning and the Better Regulation Office into how economic growth and competition were impacted by the planning system, a new Draft State Environmental Planning Policy (SEPP) has been prepared and was placed on public exhibition in July 2010.

The proposed state-wide planning policy removes artificial barriers on competition between retail businesses. The new Draft SEPP proposes:

- The commercial viability of a proposed development may not be taken into consideration by a consent authority, usually the local council, when determining development applications;
- The likely impact of a proposed development on the commercial viability of other individual businesses may also not be considered unless the proposed development is likely to have an overall adverse impact on the extent and adequacy of local community services and facilities, taking into account those to be provided by the proposed development itself; and
- Any restrictions in local planning instruments on the number of a particular type of retail store in an area, or the distance between stores of the same type, will have no effect.

### **Far North Coast Regional Strategy (2006)**

The Far North Coast Regional Strategy covers the six local government areas of Ballina, Byron, Kyogle, Lismore, Richmond Valley and Tweed and the period 2006 to 2031.

Chapter 9 'Economic Development and Employment Growth' of the Strategy states that:

*"Councils will identify opportunities for bulky goods style retailing in appropriate locations in commercial centres and restrict this form of retailing in employment and industrial zones..."*

Ballina is identified as a developing Major Regional Centre in the Strategy.

## **3.2 Local Plans, Policies and Research**

### **Ballina Local Environmental Plan (1987)**

The Ballina LEP 1987 is the principal local planning document which currently applies to the LGA. It has been subject to a series of amendments since 1987.

Bulky goods are defined in the Ballina LEP 1987 as meaning:

*"large goods which are, in the opinion of the Council, of such a size and shape as to require -*

- a) a large area for handling, storage or display; and*
- b) easy and direct vehicular access to enable the goods to be collected by customers after sale."*

'Bulky goods' is only defined as it applies to land to which Clause 27 of the Ballina LEP 1987 applies (i.e. land within Zone No 4 and land referred to in Schedule 4).

Under the Ballina LEP 1987, for a bulky goods use to be expressly permissible with consent on the site, the land is required to be zoned Zone 4 Industrial or listed in Schedule 4 (clause 27).

Council can only then grant consent for bulky goods if it is satisfied that:

- (a) *"suitable land for the development is not available in any nearby business centre,*
- (b) *to grant consent would not, by reason of the number of retail outlets which exist or are proposed on land within Zone No 4, alter the predominantly industrial nature of the zone, and*
- (c) *the proposed development will not detrimentally affect the viability of any business centre."*

### **Draft Ballina Local Environmental Plan**

Ballina Shire Council exhibited the draft Ballina LEP 2010 between March and June 2010. Subsequently Council re-exhibited its draft LEP as the draft Ballina LEP 2011. The 2011 version of the plan forms the basis for discussion in this Study.

The draft Ballina LEP 2011 permits bulky goods floorspace in B2 Local Centre, B3 Commercial Core and B4 Mixed Use zones. Such uses are specifically prohibited in the B6 Enterprise Corridor and IN1 General Industrial zonings although other LFR type uses are permitted within these zones.

The LEP reiterates the standard definition for bulky goods retail, which is:

*"bulky goods premises means a building or place used primarily for the sale by retail, wholesale or auction of (or for the hire or display of) bulky goods, being goods that are of such size or weight as to require:*

- a) *a large area for handling, display or storage, or*
- b) *direct vehicular access to the site of the building or place by members of the public for the purpose of loading or unloading such goods into or from their vehicles after purchase or hire, but does not include a building or place used for the sale of foodstuffs or clothing unless their sale is ancillary to the sale or hire or display of bulky goods."*

### **Ballina Retail Strategy (2003)**

The Ballina Retail Strategy, prepared by IBECOM, examines the existing extent of retail floorspace in the LGA and provides advice on the retail hierarchy. It stipulates the key direction for retailing should be the protection of Ballina Town Centre and the Kerr Street Retailing Precincts as the major retail centres in the LGA. As such, all decisions relating to the future development of retail activity in Ballina Shire should be based on the principal of protecting the position of these facilities at the top of the retail hierarchy. This involves discouraging the creation of major retailing outlets that are removed from existing centres.

The Strategy notes that, in relation to bulky goods retailing, fragmented property ownership in commercial areas in Ballina creates difficulties for bulky goods retailers in acquiring sufficiently large holdings in an economically viable manner. This has led to pressure on industrial areas to accommodate bulky goods uses. The Strategy considers that the impact of additional bulky goods floorspace beyond 10,000sqm GLA would adversely impact on existing retail activities in Ballina and create an oversupply of retail floorspace.

The Strategy documents preferred locational criteria for bulky goods retailing in the Shire which are as follows:

1. *Bulk retail locations need to be situated on or close to major roads with good access for large vehicles;*
2. *It is preferable that bulky goods retailing be located in quasi retail locations as distinct from industrial zones, where residents do not need to have easy access;*
3. *In non-metropolitan areas, it is preferable to minimise the extent to which bulk retail is spread throughout the Region. This is particularly intended to prevent alienation of areas which might be otherwise more appropriately zoned for other use...and also to ensure that locations requiring large vehicle movements are not spread throughout areas which are inappropriate such as residential zones.*

The Ballina Retail Strategy advocates focusing bulky goods activity on two areas in order to retain the focus of industrial zones for their intended purpose. These areas are:

- Southern Cross Industrial Estate;
- Clark Street Industrial Area.

Status: The Retail Strategy was adopted in August 2003

#### **Ballina Shire Retail Showrooms and Bulky Goods Report (2004)**

This Report was undertaken by Core Economics on behalf of Council in 2004. The purpose of the Report was to examine trends in the bulky goods and LFR sector at the time, assess demand for retail floorspace in this sector and determine whether sufficient land was available to accommodate future requirements.

The recommendations and findings of the Report were:

- a new definition for retail warehousing;
- a current over-supply of LFR floorspace which is attributed to a proportion of non-household sources of demand (i.e. trade related demand) and lower than industry benchmark trading performances;
- there will be demand for an additional 50,000sqm to 80,000sqm of LFR floorspace over the 2004 to 2016 based on Ballina accommodating much of the demand for such floorspace from neighbouring LGAs;
- new LFR floorspace should be accommodated at the Southern Cross Industrial Estate or along the Pacific Highway at West Ballina, although the later was noted as having capacity constraints;
- the potential creation of a new "retail showroom and bulky goods" or "bulky goods" estate precinct close to the regional road network.

Status: This document was prepared to assist Council in considering the concept of bulky goods retailing.

#### **West Ballina Arterial Road/ Industrial Estate Expansion Precinct Planning Discussion Paper (2005)**

The West Ballina Arterial Road/ Industrial Estate Expansion Precinct Planning Discussion Paper ('the Paper') sought to determine the issues which would be associated with the establishment of a planned precinct linked to the implementation of the West Ballina Arterial Road and/ or the expansion of the Southern Cross Industrial Estate. It was prepared by Council Strategic and Community Services Group.



The Paper assessed a total of 12 sites for their suitability for a range of uses, including bulky goods uses. Sites deemed as potentially capable of accommodating some element of bulky goods uses were:

- North of Southern Cross Industrial Estate. Land immediately north of the (then) current extent of the Southern Cross Industrial Area;
- Gallans Road – Council Owned Land. Located east of Gallans Road, immediately north of the Pacific Highway;
- Arterial Option 5 North West. South east of the Pacific Highway and Gallans Road intersection, west of Arterial Route Option 5.
- Pacific Highway South. Immediately south of the Pacific Highway and the Gallans Road intersection, and west of the River Oaks site.
- West Ballina. Land immediately west of the Riverbend manufactured home estate.

Status: The paper was subject of reporting to Council and options for siting of a bulky goods retailing precinct in Ballina Shire were subject to independent review by Clarence Valley Council. In May 2006 Council endorsed that the land adjacent to the Southern Cross Industrial Estate as the preferred location for future investigation in relation to a bulky goods retailing precinct (with respect of land not zoned to accommodate bulky goods uses).

#### **Southern Cross Precinct Master Plan (2008)**

The Southern Cross Precinct Master Plan was prepared by GeoLINK. It comprises an integrated master plan for Council owned land adjacent to the Ballina / Byron Gateway Airport and the Southern Cross Industrial Estate .

The Southern Cross Industrial Estate (which the Master Plan suggests be renamed as the 'Southern Cross Business Park') is recommended for the incorporation of industrial areas, bulky goods floorspace and live/ work precincts. The bulky goods precinct which will form part of this area is envisaged as becoming a regional bulky goods hub.

The major assets of the precinct for bulky goods uses are seen as being close and convenient access to major roads, in particular North Creek Road, and the visible nature of the site. The provision of a bulky goods precinct in this location would, according to the master plan, form a seamless extension to the existing adjoining industrial area.

Status: The Master Plan was adopted by Council in February 2008.

#### **Ballina Shire Industrial and Commercial Land Use Review (2008)**

This document was completed by GeoLINK in 2008. It comprised a comprehensive review of all zoned commercial and industrial land use in Ballina Shire LGA to determine the quantum available for development (i.e. supply). It also forecast future demand for commercial and industrial land based on population projections and industry trends.

Whilst we have reviewed this document, it does not contain any additional information of specific relevance to the Study although we note that the findings of the Review were that there was sufficient zoned supplies of both industrial and commercial lands to meet anticipated future demands.

Status: This document was prepared to inform the Council's comprehensive LEP Renewal program.

**West Ballina Planning Study and Structure Plan (2010)**

This Planning Study, prepared by King & Campbell in January 2010, was undertaken in recognition that the West Ballina locality is an area which is subject to a range of complex and interrelated issues and contains a number of landowners and development groups that are seeking a change of land use. The aim of the Planning Study was to identify a defined direction for West Ballina over the next 15- 20 year period (from 2010).

Of relevance to this Study, the Planning Study notes that:

- The Ballina "Gateway" site is not suitable for bulky goods uses;
- The North Eastern Sector of Study Area closest to the Southern Cross Precinct is deemed to be suitable for bulky goods uses;
- Land adjacent to the Pacific Highway is deemed to be potentially suitable for bulky goods uses.

Status: The Structure Plan was adopted by Council in March 2011.

## 4. RETAIL, BULKY GOODS AND LFR TRENDS

This Chapter outlines trends which have been experienced in the retail, bulky goods and LFR sectors over the last 20 years. It examines historic and current prevailing trends which in turn will impact upon the size, location and nature of land demanded by bulky goods and LFR retailers in the future. This is an important consideration when assessing the capability of sites in the LGA to meet the future demand for this type of retail floorspace.

### 4.1 Retail Trends

Over the next 15 years changes will occur in the retail industry shaped by new technologies, an ageing population, increased female participation in the workplace and changing consumer preferences. This has important ramifications in the development of a bulky goods and LFR strategy for Ballina Shire which should be considered. These changes will place increased pressure on the existing retail hierarchy to adapt or otherwise lose market share. The outlook suggested by many industry experts includes:

- Expansion of the regional centres with a stronger element of leisure/entertainment activity. The trend towards both larger stores and larger centres in Australia has been evident for decades. Super regional centres over 100,000 square metres have established themselves in most major metropolitan areas.
- Continued suburbanisation of office space and the growth of business parks.
- Strong growth in the bulky goods retailing centres with the big box retailers looking to capture market share from the department stores and some specialty retailers in traditional retail centres.
- Growth in the size of supermarket floor sizes, their trading hours and market share of the food and beverage household expenditure.
- Growth of mini-majors<sup>1</sup> and category killers<sup>2</sup>.
- Reduced share of expenditure captured by traditional department stores.
- Pressure from supermarket and big box retailers to develop outside commercial centres.
- Loss of many traditional speciality retailers but also new retailers entering the market (e.g. ALDI, Masters, Costco).
- Potential rise in electronic shopping.

In the 1980s, Australian retail floor space totalled approximately 1.8 square metres per person (excluding commercial space and automotive retailing), which was roughly divided into equal components of regional, district and neighbourhood/local centres. The retail industry's innovative nature is driven largely by the need to respond to, and anticipate, its customers' needs and desires. Changing demographics and lifestyles require individual retailers and shopping centres to constantly monitor these often subtle shifts and respond by repositioning their retail offer, presentation and mode of operation. The factors that are driving the changing face of retailing in Australia are detailed below.

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<sup>1</sup> Stores of between 400sqm and 2,000sqm

<sup>2</sup> Stores which provide an extensive range of goods within a single market segment

## 4.2 Socio-Demographic Changes

### Population Growth

First and foremost population growth drives the need for more retail space. Since 1981 Australia's population (excluding overseas visitors) has increased at an average annual rate of 1.3%.

**Table 1 - Population Growth in Australia**

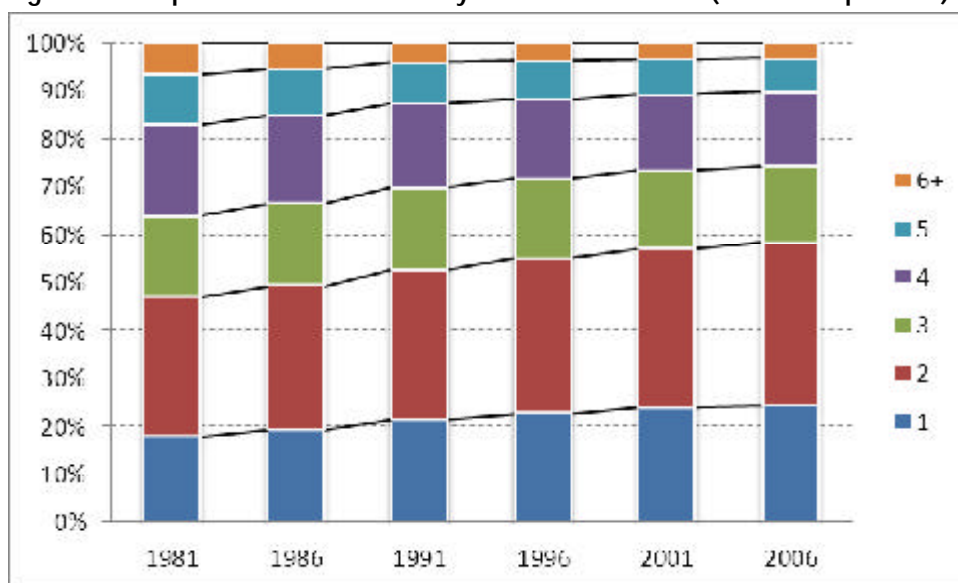
Year	Australia (m)
1981	14.58
1986	15.60
1991	16.85
1996	17.89
2001	18.97
2006	20.06

Source: ABS

### Decrease in Average Household Size

The decline in household size in Australia from 3.0 in 1981 to 2.6 in 2006 demonstrates a structural change in the household type.

**Figure 1 - Proportion of Households by Size of Households (number of persons)**



Source: ABS

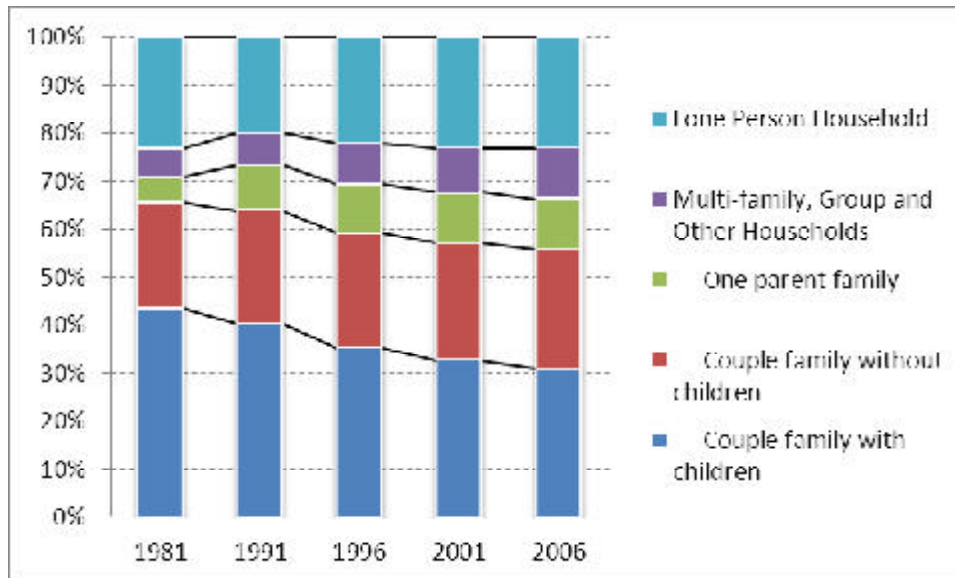
### Changing Household Structure

Declining occupancy rate is a manifestation of changes in family formation patterns including:

- a higher level of single parent families resulting from relationship breakdown;
- couples postponing the raising of children;
- couples choosing to have fewer children or no children;
- a larger percentage of aged persons and empty nesters living alone;

- reduction in the proportion of households that match the 'traditional family' model; and
- an increase in the number of single persons and single parent households.

**Figure 2 - Changing Household Types**



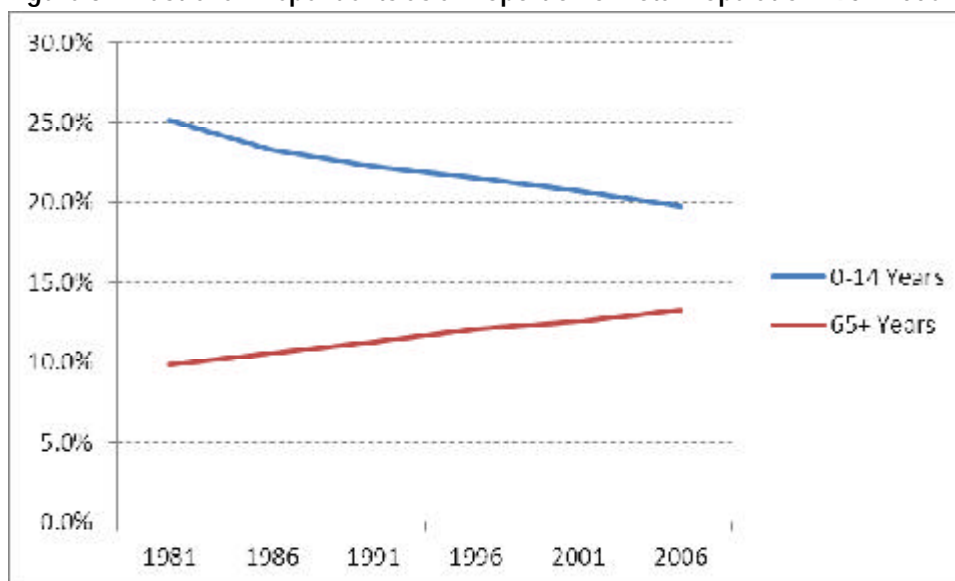
Source: ABS

The above chart clearly shows the decline in traditional couple with children families from 44% of all households in 1981 to 31% in 2006. There has been a strong corresponding increase in one parent families from 5% to more than 10% and lone person households from 20% in 1986 to 23% in 2006.

### An Ageing Population

The ageing of population as demonstrated in the chart below will increasingly dictate the profile and needs of shopping focusing on community services, social amenity and increased household expenditure.

**Figure 3 - Australian Dependents as a Proportion of Total Population 1981-2006**

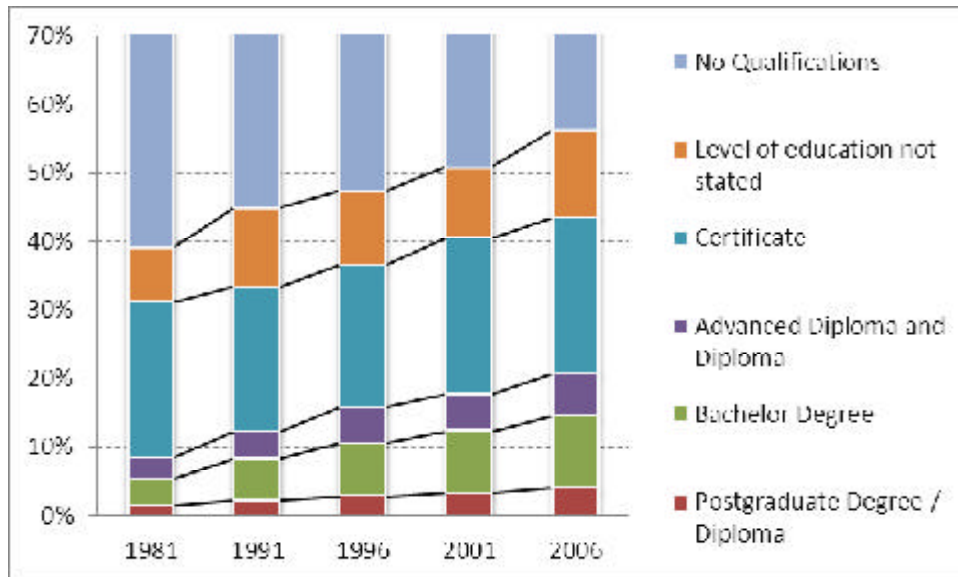


Source: ABS

### Changing Nature of Work

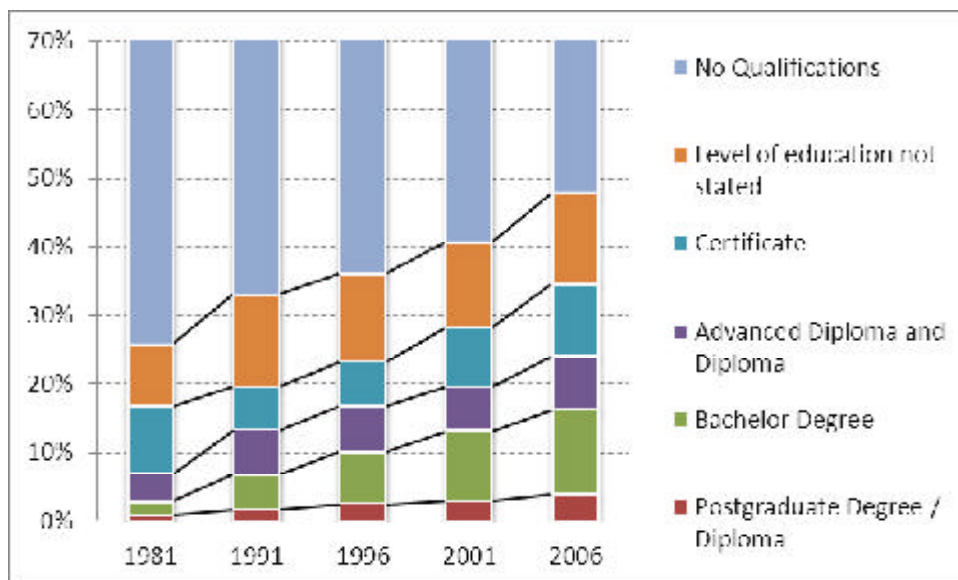
The Australian workforce is getting smarter which reflects the changing nature of work. Industry demands higher qualifications as professional and “white-collar” jobs replace traditional labourer and other “blue-collar” jobs. Growth in professionalism – particularly amongst the female population is strongly evident in the following charts.

**Figure 4 - Qualifications of Men (15 years plus) in Australia 1981 - 2006**



Source: ABS

**Figure 5 - Qualifications of Women (15 years plus) in Australia 1981 - 2006**



Source: ABS

### Increase Participation of Women in the workforce

The participation of women (over 15 years old) in the work force has steadily increased from 43% in 1981 to 55% in 2006. This is a significant level of growth particularly given the ageing of the female population and the increase

in dependents (over 65 years old). The proportion of men on the other hand has fallen from 73% to 68% over the same period largely due to growth in aged dependency.

**Table 2 - Australian Labour Force by Sex**

	1981	1991	1996	2001	2006
<b>Males</b>					
Full-time	61.7%	52.3%	51.6%	50.1%	51.9%
Part-time	7.9%	9.2%	9.5%	10.8%	11.6%
Other	3.5%	3.4%	3.3%	4.4%	4.3%
Total Working	73.1%	64.9%	64.4%	65.3%	67.8%
Unemployed	4.2%	9.2%	7.0%	5.7%	3.7%
Not in Labour Force	22.7%	25.9%	28.6%	29.1%	28.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Females</b>					
Full-time	25.1%	25.0%	25.3%	25.8%	27.1%
Part-time	14.1%	19.4%	20.4%	22.2%	24.2%
Other	3.2%	2.5%	2.8%	3.7%	3.7%
Total Working	42.5%	46.8%	48.4%	51.7%	54.9%
Unemployed	3.1%	5.5%	4.4%	3.7%	3.1%
Not in Labour Force	54.4%	47.7%	47.2%	44.6%	42.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

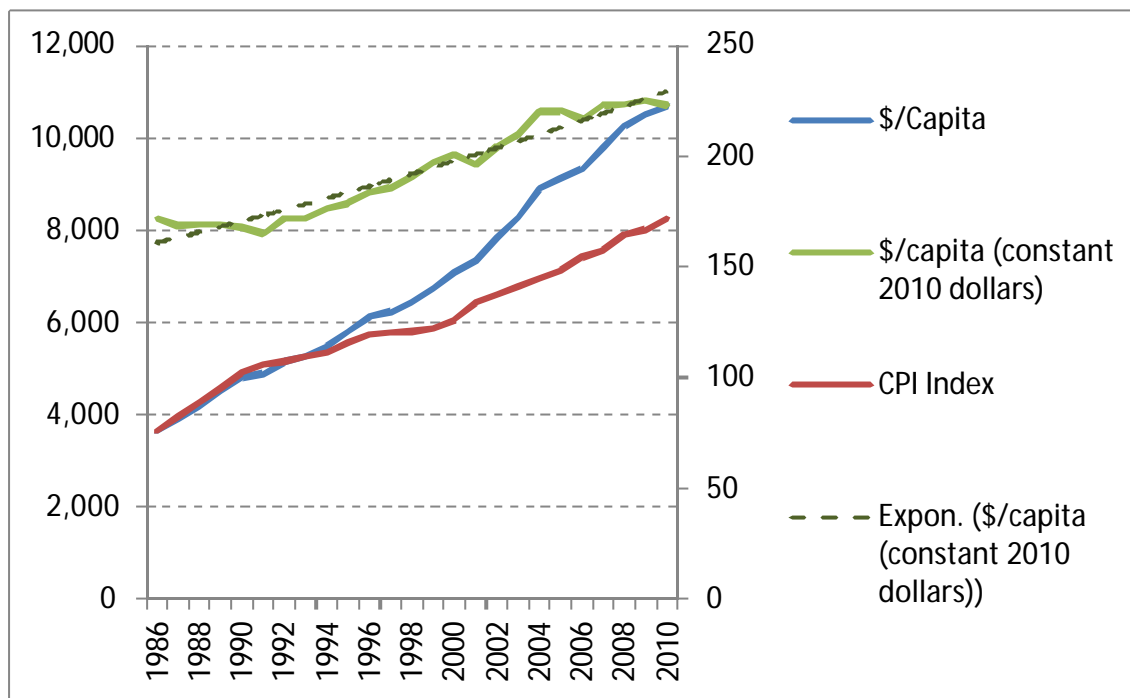
Source: ABS

People are working longer and the growth in female participation in the work force, and the increase in families where both parents work outside the home, means people have less time to shop.

### **Increasing Wealth**

Australians are getting wealthier. Over the past several decades rising affluence brought about by technological changes, micro-economic restructuring, longer working hours and increasing workforce participation rates (particularly women) has resulted in growing affluence. Much of this has translated to increased housing costs and long-term investments, but much added wealth has also translated to increased consumerism – bigger homes, more furniture and electrical appliances, an increase in dining out, etc.

Figure 6 - Spend on Retail Goods per Capita in Australia



Since 1986 Australians spend on retail goods and services have increased at an average rate of 1.1% every year in real terms (adjusted for CPI). 1986 to 1991 consumer spend per capita fell by 4.1%. Since 2005 to 2010 it was bumpy but fairly flat. The strongest period of growth happened between those years 1991-2004 (with “economic rationalism”) where average growth per annum was 2.2%.

Real spend per capita increased 28% from 1986 to 2004. Around half of this growth was translated into growth in occupied retail floor space. The increase in retail space was believed to be approximately 15% for each person from 1.8sqm to 2.1sqm. The balance of real growth in retail spend has translated to real growth in turnover per square metre.

### Disparity of Household Income

Economic rationalism over the past couple of decades has resulted in increasing household income disparity. Today there are many families with high disposable incomes as well as families that struggle on the poverty line. Families are typically cash-rich/time-poor or time-rich/cash-poor. Very few families are both time-rich and cash-rich, which provides interesting challenges for the retail industry.

## 4.3 Retailing Industry's Response

Population growth, rising real disposable incomes, and innovation and change within the retail industry have underpinned a rapid increase in the supply of retail floor space throughout Australia. Population growth and increasing levels of disposable income have provided the means to support new retail development, but it is the innovative nature of the industry itself that has generated major increases in more and sometimes larger centres.

The industry's response to these changes has led to the growth and introduction of:



- the regional and 'super-regional' centre (such as Westfield) which incorporate a large diversity of shops complemented by leisure activities and other facilities with an extensive trade area;
- 'convenience community centres' usually dominated by a supermarket to meet daily and weekly shopping needs;
- 'stand alone supermarkets' offering a just-in-time 'one stop shop' (petrol, video, pharmacy, groceries, fast food, etc);
- 'convenience service centres' being petrol stations on main highways but offering a just-in-time shop with a range of groceries and fast foods (e.g. 7 Eleven, Coles Express, Caltex Woolworths, BP Shop, etc);
- Highway service centres;
- 'Category killers' that provide an extensive range and depth of competitively priced merchandise within a single market segment – e.g. Bunnings, Harvey Norman, Freedom, Toys R Us, Dick Smith, JB Hi-Fi, etc.
- Bulky Goods that integrate warehousing with retailing;
- Power Centres that incorporate multiple category killers and bulky goods retailers in one large centre;
- Factory Outlets.

These changes may be summarised into three broad categories:

- Indoor shopping centres;
- Convenience shopping; and
- Bulky goods retailing.

### **The Indoor Shopping Centre**

Traditionally retailing has followed a hierarchy from regional through district to small neighbourhood centres. In the 1950s Australia's first planned suburban shopping centres replaced the traditional strip centres that had built up around train stations. The ample, off-street parking and shopper amenity offered by these new enclosed malls appealed to customers, especially as motor vehicle usage increased and became more widely affordable. Top Ryde was one of the first such centres to open in Australia.

The introduction of the discount department store in the mid 1960s spawned a wave of new centre development and expansion, which continued throughout the 1970s and early 1980s. In the late 1980s and early 1990s, retail innovations such as food courts, in-centre cinemas, family entertainment centres and larger supermarkets further fuelled increases in centre size and numbers.

Regional centres of more than 60,000sqm of floor space began during this time. These centres incorporated a national department store, large major tenants and supermarkets. Roselands was the first of these to be built in 1965 and today there are around 90 shopping centres across Australia with a leasable floor area greater than 45,000sqm.

By 1990 super-regional centres were opening in metropolitan Sydney comprising both a David Jones and a Grace Bros department store and having a total floor area of over 100,000sqm. These centres each have between 300 and 500 stores including at least two large supermarkets and discount department stores. There are now 6 such

centres in NSW being Westfield Parramatta, Hornsby, Miranda and Bondi Junction, Castle Towers in Castle Hill, Warringah Mall and Erina Fair.

NSW has 15 major regional centres each with a leasable shop front space of 50,000 to 90,000sqm. The ACT has 4 major regional centres being Canberra Centre, Tuggeranong Hyperdome, Westfield Belconnen and Westfield Woden.

These centres continue to diversify their offer with department stores, discount department stores and supermarkets and provide a wide and diverse range of specialties. More recently these centres are expanding the range of “mini-majors” which are stores between 400sqm and 2,000sqm. Many of these are “category killers” that provide an extensive range of goods within a single market segment. Examples include Freedom Homewares, Toys R Us, Baby Kingdom, Lowes, Reject, Priceline, Kathmandu, Dick Smith Powerhouse, JB Hi-Fi and Bing Lee.

The larger indoor centres are including more non-retail and entertainment uses such as multi-screen cinemas, ten-pin bowling, medical centre, Council library, etc. Lifestyle components are being developed in some of these centres in an effort to reverse the trend of expenditure being increasingly captured by bulky goods centres.

The primary aim of the bigger centres is to draw people from a wide area and once inside the centre to keep them there by providing a large offer – entertainment, dining, shopping, etc. These are “destination” shopping centres which offer a wide range for “comparative” goods and “leisure” shopping (as opposed to “chore” shopping). Leisure shopping includes shopping for homewares, fashion, leisure goods and electrical goods. Unlike food and grocery shopping shoppers are prepared to spend more time comparing shops, items, brands, quality and price. Whilst they are in the centre, shoppers can also undertake food and grocery shopping in one of the large supermarkets all under the one roof.

### **Convenience Shopping**

Convenience shopping is centred around quick, fast-in / fast-out or “just-in-time” shopping largely catering for workers travelling home by car, but also for consumers on week-ends that prefer to spend less time shopping for food and grocery shopping and other weekly needs.

This is particularly the case for food and groceries and other regular shopping requirements. This type of shopping is considered to be “chore shopping”. Shoppers do not like to spend a lot of time undertaking this type of shopping, nor do they like to travel far.

One response from the retail industry has been the development of “convenience community centres”. These are usually dominated by a supermarket to meet daily and weekly shopping needs but they also include a range of specialty shops such as butcher, fruit shop, liquor shop, take-away food, video rental and petrol station. Where they differ from traditional neighbourhood centres around railway stations is that a large proportion of their turnover comes from commuters in the PM peak on the way home and so they have generally located themselves on the PM peak side of main roads. They also provide ample parking and convenient access in and out to the main road. The Woolworths Marketplace is a good and successful example. In these cases the supermarket is a “full trolley” supermarket between 2,500 and 4,500sqm in size and the number of specialties is between 10 and 25. These centres are popular for both main food and grocery weekly shopping and for the occasional “on the way home” shopping.

Another retail type has been the emergence of 'convenience service centres' which are petrol stations on main highways but also offering a "just-in-time" shop with a range of groceries and fast foods (e.g. 7 Eleven, Quix, Ampol Shop Stop, BP Shop, Coles Express, Caltex Woolworths, etc). Typically the size of the food, groceries and take-away foods component is between 100 and 500sqm.

Highway service centres have been gaining in popularity largely due to convenience and time-savings. Generally these stores are not the main destination for food and grocery shopping but they offer a range of products for 'just-in-time' shoppers. They include the convenience services centres mentioned above but also include fast food, drive-in and restaurants such as McDonalds Family Restaurant, Burger King, KFC, Subway, Al Porto's, etc.

### **Out of Centre Retailing**

In the late 1980s new forms of retail centres emerged such as the category killer and the power centres. Category killers are large stores, typically from 400sqm to 2,000sqm (but can be as large as 10,000sqm) that provide an extensive range and depth of competitively priced merchandise within a single market segment. Bunnings, Toys R Us, IKEA, Officeworks and Harvey Norman are notable examples in Australia. Others include JB Hi-Fi, Katmandu, Dick Smith Powerhouse, etc. The financial success of these stores has been mixed as demonstrated by the failure of Coles World 4 Kids and Coles Megamart and the strong growth of Harvey Norman, Freedom Furniture, JB Hi-Fi and Bunnings. Category killers can be found in regional shopping centres, on free-standing sites and in power centres.

Beginning in the 1980s and expanding considerably through the 1990s were power centres. Power centres, also known as 'big box' centres, consist of a collection of category Killers and other specialist retailers (often retailers of bulky goods) and are usually located in secondary areas such as light industrial zones. Fit out is minimal and rents per square metre are significantly lower than in traditional centres.

Some power centres have a theme, such as a homemaker centre (hardware, carpets, tiles, furniture, kitchen/bath, etc). Examples include the Tweed Heads Homemaker Centre and Homeworld Helensville (Gold Coast). Power centres however can also trade successfully with a wide mix of traders (auto accessories, toys, sports, clothing). These are destination shopping venues and people are prepared to travel further to access a larger range at more competitive prices than can be offered by traditional department stores, discount department stores and specialty stores.

Bulky goods retailing, factory outlets and clearance centres in traditional industrial areas integrating warehousing with retail space are also recent innovations. As with power centres, they rely on low rents. While purpose-built factory outlets are common in the United States, most of Australia's major factory outlet centres occupy premises formerly occupied by traditional retailers, factories or other uses – e.g. Central Park (Gold Coast) and DFO Brisbane.

Harbourtown has recently built large purposely designed brand outlet centres in Melbourne Docklands and the Gold Coast of around 25,000sqm each. They are actively looking to build one or more similar centres in Sydney.

### **Deregulated Trading Hours**

One of the biggest changes the retail industry has made over the past 2 or 3 decades has been the introduction of seven day trading.

Peak shopping times in NSW use to be Thursday night (or Friday nights in some other States and Territories) and Saturday mornings. More people are juggling careers and family and increasingly must squeeze shopping in where they can rather than adhere to a standard schedule. With longer working hours for many people and both parents working these shoppers are now shopping later at night and on Sundays.

Busy shoppers today are also less inclined to spend as much time as they once did wandering through vast shopping complexes. While younger shoppers, and especially teenagers, do stay longer in shopping centres, the trend is towards a decline in average time spent shopping.

### **Changing Supermarket Formats**

30 years ago supermarkets varied in size but very few were larger than 2,500sqm. Supermarkets generally were “dry goods” style excluding fresh fruit and vegetables, meats, seafood, delicatessen products and pharmaceuticals.

During the 1980s supermarkets began increasing in size to “internalise” many traditional specialty shop merchandise including pharmaceuticals, fruit and vegetables, meat, fish, delicatessen foods, ethnic (e.g. Asian) foods, breads, toiletries, etc. Today some of the large 4,000sqm supermarkets stock small appliances, toys and even some clothing items.

The sole reason for this change was to improve convenience – providing a wider range of regular shopping all in one store with one checkout.

The other change in supermarkets related to expansion in processed or prepared food – from mixed sliced vegetables to marinated kebabs and prepared pizzas. Again the reason for this change is to improve convenience. Rather than buying several ingredients the time-poor shopper buys only one and it there is considerable time savings in food preparation.

As a result of these changes supermarkets have had to stock more lines and hence expand in size. The large full-line supermarkets have also required more back of house area for food preparation.

During the 1990s Woolworths and Coles began selling petrol at supermarkets and launched loyalty rewards with discounts on petrol.

Not all supermarkets are large. There is an increasing diversity of supermarket types. Woolworths have introduced small supermarkets at Caltex outlets, Thomas Dux and Macro Wholefoods. Both Woolworths and Coles have introduced smaller store types, small trolley supermarkets and even multi-level supermarkets in mixed use developments. Primarily this has occurred because of difficulties in delivering large supermarkets with ample on-site parking in established areas – particularly inner city suburbs.

### **Shifts in Trade**

More and more there appears to be a shift in trading patterns in a number of areas. In competing for consumer dollars some centres are winning and others are losing. The trends are:

1. Regional and super-regional centres are expanding and taking trade away from district centres and even some neighbourhood centres. These regional centres are capturing a larger proportion of trade by

increasing their retail offer and offering a range of activities including entertainment, comparative goods shopping and convenience shopping with large supermarkets.

2. Convenience centres on major roads are taking trade away from the traditional neighbourhood centres that are based around train stations. This is evident with some traditional retail centres that have experienced rising vacancies and the introduction of “low rental” tenants without fitout costs to fill the vacancies (e.g. liquidators, etc).
3. Supermarkets have increased in size to “internalise” many traditional specialty shop merchandise including pharmaceuticals, fruit and vegetables, meat, fish, delicatessen foods, ethnic (e.g. Asian) foods, breads, toiletries, etc.
4. Traditionally most bulky goods were purchased in the CBD and the national department stores (such as David Jones, Grace Brothers / Myer and Waltons). Much of that trade has been lost to the bulky goods retailers and category killers on the fringe of large shopping centres and in “out-of-centre” industrial areas. In 1991 over 40% of department stores’ turnover was in bulky goods commodities (furniture, floor coverings, electrical appliances, hardware, homeware, sports and camping goods, soft furnishings). This figure fell to 25% by 1998<sup>3</sup>. Today it is probably less than 20%.

### **Retailing Trends Conclusions**

The historic trend towards larger stores and centres may continue for some time but increasingly it is becoming more difficult and costly to expand existing centres due to land scarcity and fragmentation of land ownership. Neighbourhood centres might not increase in overall size (4,500 to 6,000 square metres) but future supermarkets are likely to become larger as they internalise more specialty shop functions. Strip centres will continue to be challenged by purpose built, neighbourhood centres anchored by major supermarkets and a growing number of small (1,000 to 2,000 square metre) convenience centres, typically containing a small 24 hour grocery store, bottle shop, cafe and smaller, fast food outlets.

All the above demographic and employment trends point to the need for more flexible trading hours to provide convenience for what is termed the “time-poor” shopper. In other words, we are steadily replacing the once-a-week shop with a series of small shopping trips as and when we need to buy various goods. This is called “just in time” shopping. The increasing percentage of working couples has demanded this change. An increasing profile of the “asset rich, time poor consumer” is emerging.

## **4.4 Bulky Goods Retail**

Bulky goods retailing is often described as low cost / high bulk retail goods and ancillary products. Retailers of these goods and products have identified financial benefits in lower occupancy costs and economies of scale outside of established high-rent and high-cost retail centres.

Bulky goods retailing first appeared as showrooms attached to distribution and warehousing industries. Over time bulky goods strip retailing and centres have attracted a number of furniture, appliance retailers and hardware stores such as Harvey Norman, Domayne, Bing Lee, Bunnings, bedding shops, lighting shops, etc.

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<sup>3</sup>. ABS Retail Surveys 1991-92 and 1998-99

Bulky goods can take the form of strip retailing along a major highway (e.g. Coffs Harbour south adjacent to the Pacific Highway). Alternatively it can be in a stand alone building or “power centre” such as the Tuggerah SupaCenta.

More recently there have been non-bulky goods retailers attracted to these peripheral locations including for example The Warehouse Group which is a discount variety store, video rental stores, large liquor stores, and factory outlets. Fast foods (such as McDonalds, Pizza Hut and KFC) and highway based convenience stores have also located in bulky goods precincts.

## 4.5 Large Format Retail Premises

There is no universal definition of large format retail (LFR) premises and the term is somewhat ambiguous, but it refers to a physically large retailer. For the purposes of the Study we will understand it to loosely refer to any retail unit of greater than 1,000sqm. This includes retailers such as Aldi, Dan Murphy's, Coles and Woolworths as well as the likes of Spotlight, JB Hi-Fi etc. and other bulky goods retailers.

At a larger scale, LFR retailers include single warehouse type retail units typically greater than 10,000sqm and drawing from a large catchment (sometimes also referred to as ‘big box retail’). Examples of such retailers include Costco, Bunnings, Ikea, Masters and Harvey Norman (although many of these can be accommodated under the definition of bulky goods premises).

The warehouse-type LFR retailers are an emerging retail format in Australia and are currently seeing significant market activity from the likes of Costco and Masters actively developing new units, particularly in NSW. Emerging formats such as these serve an important role in promoting and establishing competition and innovation in the retail market.

Given the significant site requirements of large LFR premises, they predominately seek sites outside of commercial centres where large plots are more available and are cheaper than within centres. In addition, similarly to bulky goods retail, these larger LFR units frequently sell bulky goods items or, in the case of Costco, items in bulk which necessitates easy access by car and appropriately high levels of car parking facilities.

Generally these larger LFR stores base their business model on high turnover, low prices and low costs. They have generally been housed in large single storey buildings providing large amounts of parking.

There is a clear distinction between smaller LFR of 1,000sqm to 5,000sqm and the larger LFR of greater than 10,000sqm. Whilst the aim should always be to accommodate such uses within defined centres, for the larger LFR in particular this is often unrealistic given the significant site requirements which such retailers demand.

## 4.6 Demand Requirements of Bulky Goods and LFR

Requirements for successful bulky goods and LFR retailers (note: for the purposes of this Section we have assumed that LFR retailers refer the larger “big box” type retailers) include:

- Having a large and extensive trade area;
- being in a central position in the trade area or near the main entry point of a large trade area;

- cheap and substantial land to enable plentiful parking and loading and unloading facilities;
- Being located on a major road with high visibility and accessibility.

Additional desirable requirements include:

- Having a trade area that is expanding as new homes generate higher demand for bulky goods than established homes;
- Having a wealthy trade area with high disposable incomes. Higher income households spend considerably more on bulky goods than lower income households.

## 5. EXISTING SUPPLY OF BULKY GOODS AND LFR FLOORSPACE

In order to consider the need to plan for bulky goods and LFR retail floorspace in Ballina Shire it is important to determine the existing extent of such floorspace. This Chapter undertakes an assessment of the quantum and nature of bulky goods and LFR floorspace in Ballina as it currently exists, the proliferation of such floorspace and the role it currently performs. It also considers mooted bulky goods and LFR and that in the planning pipeline.

For the purposes of this Study, in order to be consistent with the categorisation used in our expenditure modelling we use the term 'bulky goods' to relate to the following retail store types:

- Homeware & Manchester;
- Home Entertainment Equip;
- Furniture & Flooring;
- Whitegoods;
- Hardware & Gardening; and
- Sporting and Camping Goods.

### 5.1 Existing Retail Provision in Ballina Shire

Existing retailing in Ballina is provided in a number of distinct precincts. The location of all the precincts and sites considered in this Chapter are shown in Figure 7 below.



Figure 7 - Location of Existing and Pipeline Bulky Goods/ LFR Development in Ballina Shire LGA



Source: Map produced by Hill PDA using MapInfo 10.5 software and Microsoft Bing (c) 2010 Microsoft Corporation

### **Ballina Town Centre**

Ballina Town Centre is the original retail and commercial centre in the LGA and comprises an elongated commercial core area focused upon River Street (and, to a lesser extent Tamar Street) from Kerr Street in the northwest to Martin Street in the southeast. It comprises traditional high-street retail and key anchors include Woolworths, Crazy Clarks DDS, Video Ezy and Lincraft.



Based on the Hill PDA site survey undertaken in September 2011, Ballina Town Centre contains 300 units which consist of 21 bulky goods retailers, 1 supermarket, 54 specialty food retailers, 112 specialty non-food retailers, 77 commercial units and 35 vacant units.

Bulky goods and LFR floorspace in Ballina Town Centre provides an estimated 5,500sqm of floorspace (including 1 vacant unit of 165sqm). The main bulky goods anchors include Retravisio, Snooze and Repco. In addition we note that three of the vacant units in Ballina Town Centre are former bulky goods units. A full list of the location and size of each of these bulky goods/ LFR units is contained in this Study at Appendix 1.

### **Kerr Street Retail Precinct**

The Kerr Street Retail Precinct contains three purpose built shopping centres comprising of Ballina Central, Ballina Fair and Ballina Kmart:

- Ballina Central is a partially enclosed centre which provides 13,340sqm<sup>4</sup> of retail floorspace. It is anchored by a Big W (6,870sqm) and Ritchies IGA (3,760sqm), and includes a Dick Smith (546sqm). Anecdotaly we note that this shopping centre has recently been sold by Mirvac to a private investor for \$1m (4%) more than its book value as at June 2011;
- Ballina Fair is fully enclosed shopping centre of 15,420sqm<sup>5</sup> anchored by Woolworths (3,600sqm), Target (2,980sqm) and Best & Less (1,150sqm);
- Ballina Kmart is a smaller shopping centre anchored by Kmart (5,560sqm<sup>6</sup>) and Coles (2,900sqm). It also contains a Red Rooster, a café and a Kmart Auto. A Choice Liquor outlet is also under construction on the site.



This area is proposed to be zoned B3 Commercial Core in the draft Ballina LEP 2011.

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

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

### **Clarke Street Industrial Area**

The Clarke Street Industrial Area is located to the northeast of the Kerr Street Retailing Precinct. It contains a number of large retailers and trade related services, including Vast Furniture (1,395sqm) and Ballina Tenpin Bowl.

Bulky goods and LFR floorspace in the Clarke Street Industrial Area is in the order of 2,000sqm.

### **West Ballina**

This Precinct is located adjacent to the Pacific Highway in West Ballina. The proposed zoning for this area in the draft Ballina LEP 2011 is B6 Enterprise Corridor.

It contains a number of retailers including The Good Guys (3,000sqm), Sams Warehouse (1,090sqm), Dan Murphy's (1,000sqm) and a small Spar supermarket, in addition to a number of nurseries, automotive services and a number of other specialty shops.

<sup>4</sup> Source: Property Council of Australia Shopping Centre Index

<sup>5</sup> Source: Ibid

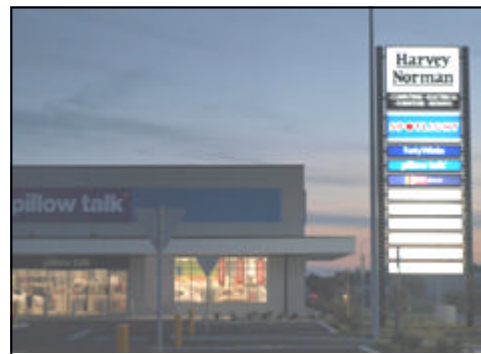
<sup>6</sup> Source: Hill PDA September 2011

We note that there is extant development application (DA) approval for the erection of a retail complex of 2,543sqm of floorspace area which includes bulky goods retail in addition to general retail and takeaway food premises. This DA lapses in April 2016.

Bulky goods in West Ballina provide approximately 4,020sqm of floorspace with a further 2,090sqm provided in LFR (Sams Warehouse and Dan Murphy's). There is also one vacant bulky goods unit, the former Beta Electrical / Joyce Mayne unit, which provides approximately 750sqm floorspace.

### Southern Cross Precinct

The Southern Cross Precinct is the largest employment and industrial area in the LGA. It is situated to the north of the Ballina conurbation and adjacent to Ballina airport. It contains a number of retail, bulky goods and trade-related occupiers including Bunnings's (3,000sqm indoor), ALDI (1,400sqm) and the recently opened Harvey Norman Centre which, in addition to Harvey Norman (4,908sqm), contains a Spotlight (1,800sqm), Forty Winks (1,583sqm), Pillow Talk (1,456sqm) and Petstock (594sqm).



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

This Precinct contains a further 8 vacant bulky goods and LFR units accounting for floorspace of 4,140sqm.

## 5.2 Pipeline/ Mooted Development

In addition to the existing bulky goods and LFR floorspace identified above and the extant DA in West Ballina, there are a number of bulky goods and LFR developments in the pipeline of which we are aware. These are:

- A Homeworld Homemaker Centre of 29,000sqm which was granted DA approval in 2008 but has yet to be implemented. The site of this extant DA is on the southern side of the Pacific Highway to the west of the intersection with Smith Drive. We understand that there is some uncertainty over whether this DA will be implemented which lapses in late 2012;
- Masters is seeking to develop a home improvement centre of 13,500sqm on a site located adjacent to the Pacific Highway west of West Ballina. The site is currently predominately zoned for rural purposes in the Ballina LEP 1987 and the draft Ballina LEP 2011 proposes a RU2 Rural Landscape zoning across the site. Masters has recently had a rezoning request in this regard declined by Council;
- Bunnings has acquired the 'Big Prawn' site located in West Ballina to the north of the Pacific Highway. We understand that Bunnings is seeking to develop a new large format Bunnings home improvement store of



11,000sqm GFA on the site. Bunnings has indicated that the existing store on Bangalow Road may close if this site were developed. This site forms part of the area which is proposed to be zoned for B6 Enterprise Corridor uses in the draft Ballina LEP 2011;

- In the longer term we understand that Councils Commercial Services Unit has plans to expand the quantum of bulky goods floorspace provided in the Southern Cross Precinct to the east of the Harvey Norman Centre;
- We are aware that a 3.5ha area for the development of bulky goods floorspace to the east of the Southern Cross Precinct opposite the junction with Gallans Road is identified by Council as having potential for bulky goods uses at some point in the future (see West Ballina Planning Study and Structure Plan).

## 5.3 Total Bulky Goods and Retail Floorspace

The table below provides a summary of the above data in terms of the existing and pipeline supply of bulky goods in the LGA. Note that in the assessment of supply below we have not differentiated between non-bulky goods floorspace and LFR floorspace. This is done in order to allow comparison with our demand modelling undertaken in Chapter 9, which models demand for bulky goods floorspace distinctly, and LFR as a proportion of residual floorspace demand.

**Table 3 - Supply of Bulky Goods and Retail Floorspace in Ballina Shire LGA 2011**

Location	Bulky Goods floorspace (sqm)				Non- Bulky Goods Retail	Total
	Existing	Proposed/ Approved	Vacant	Total		
Ballina Town Centre	5,330		165	5,495	27,580 <sup>1</sup>	33,075
Kerr Street	4,050			4,050	33,120 <sup>2</sup>	37,170
Clarke Street	2,000			2,000	-	2,000
West Ballina	4,020	2,543	750	7,313	4,200 <sup>3</sup>	11,513
Southern Cross	16,030		4,140	20,170	2,620 <sup>3</sup>	22,790
Homeworld		29,000		29,000	-	29,000
Masters		10,000 <sup>*</sup>		10,000		10,000
Bunnings		7,000 <sup>*</sup>		7,000	-	7,000
<b>Total</b>	<b>31,430</b>	<b>48,543</b>	<b>5,055</b>	<b>85,028</b>	<b>67,520</b>	<b>152,548</b>

<sup>^</sup> DIY/ Hardware/ Whitegoods assumed to constitute 75% of gross floor area as detailed by Masters

<sup>\*</sup> DIY/ Hardware floorspace only as detailed by Bunnings

<sup>1</sup> derived from Table 3.1, Ballina Retail Assessment Background Report, IBECOM (2003) (less bulky goods floorspace recorded in Hill PDA survey)

<sup>2</sup> derived from PCA and Hill PDA survey September 2011

<sup>3</sup> derived from Hill PDA survey September 2011

Table 3 demonstrates that Ballina Shire LGA contains some 85,000sqm of bulky goods and LFR floorspace existing, proposed/ approved or vacant. Proposed/ approved floorspace accounts for the majority 48,500sqm (57%) of bulky goods floorspace, followed by existing floorspace (31,430sqm or 37%) and vacant floorspace (5,055sqm or 6%). The Southern Cross Precinct provides the greatest proportion of existing bulky goods floorspace (16,030sqm or 51%).

An additional 67,520sqm of non-bulky goods retail floorspace is provided in the five precincts listed in Table 3. In total therefore these areas provide some 152,500sqm of retail floorspace (bulky and non-bulky goods floorspace combined but excluding predominately trade related businesses).



We should note that, in our view, it is unlikely that all of the proposed/ approved bulky goods retail floorspace will come forward. The Homeworld development for example is likely to require a large anchor retailer if it is to proceed and be economically viable. Given that Harvey Norman has now developed a store in the Southern Cross Precinct, and that Bunnings and Masters are actively pursuing interests on sites elsewhere in Ballina, it is not clear where this anchor would come from. As such, we deem it unlikely that all three pipeline developments would proceed. A combination of two of the three pipeline developments is a more realistic scenario.

Notwithstanding our view, these nevertheless all comprise bulky goods developments in the pipeline and have therefore been considered in our supply assessment. This issue will be explored in greater detail later in this Study.

We should also note that there is some discrepancy between the findings of our supply assessment and those of previous studies commissioned by Council and recent economic reports submitted to Council. For example, the Ballina Shire Retail Showrooms and Bulky Goods Report undertaken by Core Economics in 2006 recorded some 39,000sqm of bulky goods and LFR floorspace in Ballina Shire LGA, whilst the Ballina Homemaker Centre Economic Impact Assessment prepared by Pitney Bowes in April 2011 noted 17,300sqm<sup>7</sup> of existing bulky goods/ LFR floorspace in the LGA.

Notwithstanding change in the retail sector over time, for example with the development of the Harvey Norman Centre in the Southern Cross Precinct, the most likely explanation for these differences is attributable to different categorisations of what constitutes 'bulky goods'. In addition, with some quasi-retail and industrial uses (i.e. retailers predominately focused upon trade-related sales rather than sales to the general public) a value judgement is needed as to whether it should be included as 'bulky goods' for the purposes of quantifying bulky goods retail floorspace serving households, or alternatively what proportion of the particular unit should be quantified as such. This leads to differences in categorisation.

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<sup>7</sup> Note: This floorspace figure relates to 'major competing retail facilities' to the proposed Masters store only

## 6. STAKEHOLDER COMMENTS

As part of the Study Hill PDA undertook a number of one-on-one discussions with key local stakeholders with an interest in bulky goods and LFR in the LGA. These stakeholders were identified by Council. This Chapter summarises the stakeholder consultation responses and draws out the salient points of particular relevance to the proceeding Chapters of the Study.

### 6.1 Introduction

Hill PDA undertook a series of discussions with stakeholders in bulky goods and LFR sector in Ballina. This was undertaken in order to ensure that the opinions of these important stakeholders were considered during the course of the Study and that their views were taken into account when formulating our advice and recommendations for the future of bulky goods and LFR floorspace in the LGA. Given that these stakeholders have the power to influence bulky goods and LFR floorspace development, their views are important considerations in ensuring that our advice is realistic and achievable.

The stakeholders interviewed as part of this process were as follows:

- Clarke Street Landholders (Brett Smith and Damien Chapelle);
- Ballina Chamber of Commerce and Industry (Peter Carmont);
- Ballina Shire Council Commercial Services Unit (Paul Tsikleas);
- Alstonville/ Wollongbar Chamber of Commerce (Richard Lutze);
- Homeworld Ballina (Grant McLennan);
- Wesfarmers (Bunnings) (Phillip Drew);
- Masters (Tony Pratt (Masters) and Tim Blyth (Urbis));
- Harvey Norman (David Scurr).

### 6.2 Summary of Stakeholder Consultation

#### Clarke Street Landholders

Those engaged indicated that they represent the interests of land owners in the Clarke Street industrial area. This area was considered to be the fringe industrial area for the town several decades ago. Today it has a far more central position with expansion of residential development to Lennox Head and Cumbalum. The owners consider it to be the new centre where the northwest corridor (Cumbalum), the northeast corridor (Skennars Head and Lennox Head) and the Ballina Island urban area all join. The land also joins the Kerr Street retail precinct immediately across the Pacific Highway and Bangalow Road. Presently the site is severed from the Kerr Street precinct by the very busy Pacific Highway but the bypass should remove a considerable volume of that traffic.

The landowners are of the view that the precinct's strategic position makes the land too valuable for traditional industrial uses. The owners believe that commercial business park / campus style commercial uses and bulky goods are more appropriate uses in this location.

The precinct is subdivided into small to mid sized parcels in multiple ownership. This is a significant impediment to any redevelopment for large anchor retailers such as Masters. However there is a large parcel of land immediately west of the ten pin bowls (public land) which is being used by Council for depot purposes. This parcel has direct access from the Pacific Highway and provides an opportunity for a large anchor retailer such as Masters to inject stimulus to the precinct and catalyse further redevelopment.

### **Ballina Chamber of Commerce and Industry**

The Chamber represents most businesses in Ballina – not just the retailers in the main street. It made a submission on the Draft LEP 2010 although this said little on bulky goods and LFR. The Chamber is pro-development and supports growth for Ballina. It believes in increasing residential densities on the Ballina Island.

Kerr Street has become the main destination for shopping – particularly regular shopping and even fashion shopping. Ballina Fair is the strongest trading centre because it provides a strong retail mix (full line supermarket, department store and a good range of specialties) in a fully enclosed air-conditioned environment with ample at grade parking.

River Street is developing as the main commercial / office centre with ancillary retail uses such as cafes and restaurants. The Chamber is not so protective of the main street believing that the commercial / office workers and tourists will continue to support it.

The Chamber supports the service centre off the bypass in West Ballina and it supports the Homeworld site believing it to be in a superior location to Harvey Norman. However it is not optimistic that it will proceed as there has not been enough interest from national franchised retailers.

The Chamber also supports the Masters proposal although it recognises that flooding is a constraint on the site.

The Chamber considers the Harvey Norman site is currently an inferior bulky goods and LFR location but the extension of North Creek Road and a new bridge over the river should help to improve its exposure.

### **Ballina Shire Council Commercial Services**

Council owns a considerable amount of land in the Southern Cross Industrial Precinct and has adopted a masterplan to guide future development of the area. The Harvey Norman Centre, with nearly 13,000sqm of retail space, is now opened and is the main destination centre in the Ballina trade area for bulky goods shopping. There is additional land adjoining the centre to accommodate a further 20,000 to 25,000sqm of additional bulky goods floor space including a DIY store like Bunnings or Masters.

The Southern Cross location is far superior to the Homeworld site with better access and is more central in the Ballina trade area. It is not essential to have highway frontage and may even be preferable because of RTA restrictions. The area will improve over time under the masterplan with improved connectivity to the airport and a possible new bridge at North Creek Road. It will be at the intersection of the urban corridor to the north to Lennox

Head, to the growth areas to the northwest and to the south on Ballina Island. The main retailers have recognised these advantages which is why they have not supported Homeworld.

Whilst West Ballina could support some additional bulky goods retailing, future development will be limited due to fragmentation of ownership.

The team believes that you could not overstate the importance or benefit of being close to the airport. Airports add considerable prestige and marketability even for businesses and other land uses that are not airport related.

### **Alstonville/ Wollongbar Chamber of Commerce**

Alstonville is around 15 minutes from Ballina. The population is around 6,000 but is expected to grow to between 10,000 to 11,000 within the two villages. The Chamber recognises that the population is too small to attract any significant bulky goods retailers. There are only three small bulky goods retailers currently present in the centre being a hardware store, a furniture shop and pool shop.

The Chambers' main interests are to capture some passing trade – café, restaurant, quasi-tourist related stores. If more people travel to Ballina from Lismore to undertake shopping then there is some opportunity to capture passing trade.

The Homeworld site is better positioned than the Southern Cross Precinct for shoppers from outer villages and beyond the LGA. It is preferable for bulky goods retailers to be clustered together rather than dispersed which is the way it has developed to date.

### **Homeworld Ballina**

Homeworld Ballina has been given development consent for the erection of a homemaker centre of nearly 29,000sqm GFA with at grade parking on Smith Drive West Ballina near the bypass. Consent lapses late 2012 but Homeworld is confident that substantial commencement will be achieved prior to that date. The proposed homemaker centre is modelled on the Homeworld in Helensvale, Gold Coast which has been operating for the past three years. Helensvale is 27,500sqm with approval for a further 29,000sqm expansion.

25,000sqm is considered a critical size for a homemaker centre which allows competition between at least 2 retailers in each category (bedding, electrical, hardware, general furniture, rugs and flooring, outdoor furniture, etc).

A single destination for bulky goods shopping is supportable in Ballina however there are several weaknesses in the market by comparison to say the Gold Coast. Firstly Ballina has a limited trade area of around 167,000 which is expected to grow by 10,000 people over the next 10 years. Helensvale has a similar population in its trade area but is growing by 10,000 people every year. Secondly, bulky goods is considered to be discretionary spend and this type of spending has been low over the past 5 years. If anything, growth in spend per capita has probably been a little negative due to rising interest rates and fuel prices followed by the GFC. Thirdly, Ballina has below average income and expenditure levels, a high proportion of retirees and a relatively high unemployment rate.

There is considerable doubt about whether the market is strong enough to have two destination centres. Homeworld believes its location is superior to the Harvey Norman Centre, being on the Pacific Highway near the



turnoff from the bypass and having high visual exposure. The ability to have two centres may also depend on definitions of retail store types and how wide permissibility is given. For example, if large video hire stores, manchester stores (such as Pillow Talk), discount variety stores, mega chemist stores, etc were permissible then this would increase demand.

The approved design for Homeworld is flexible enough to accommodate a Bunnings store, a Masters store (with some design variation) or neither.

### **Wesfarmers (Bunnings)**

Bunnings' existing store is 6,000sqm gross area of which half is outdoor garden, supplies and nursery. Other existing stores include Lismore which is 10,000sqm gross (6,000sqm indoor). The proposed store on the Big Prawn site will be 11,000sqm gross of which 2,000sqm will be outdoor nursery, 2,000sqm timber and approximately 7,000sqm will be DIY / hardware.

Bunnings will close the existing store when the new one is opened. The reason for relocating to West Ballina is partially to have a larger store but largely because it is a superior location, being on the main entry into Ballina from the new bypass. The position is better to serve its trade area which extends from Evans Head to Byron. Whilst there may be some expenditure from Lismore this would not be significant because the Lismore store serves Lismore adequately.

### **Masters**

Masters is a new retail format which recently opened its first store in Australia in Braybrook, Melbourne. The large format model is around 13,500sqm, requiring a site area of around 3.5ha with at grade parking. Around 70% of the store is hardware, home renovations, DIY merchandise, 20% to 25% is nursery/gardening and outdoor furniture and 5% is whitegoods and appliances (such as stoves, ovens, refrigerators, air-con systems and the like) to complement the DIY theme. Its closest competitor is Bunnings but there is also competition with bulky goods retailers such as IKEA. The whitegoods component would have some competition with parts of some electrical stores and the DIY business competes with businesses in home renovation trades and wholesale such as kitchen renovations, tile stores and the like.

According to Masters, accessibility for both shoppers and delivery is crucial to the success of any Masters store. The preferred site, next to the site of the proposed service centre at the exit of the bypass in Ballina West, is the best site that meets their requirements – particularly for accessibility. Their closest competitor, Bunnings has secured the Big Prawn site for this reason.

Masters indicated a preference for land other than the Homeworld site as did Bunnings and Harvey Norman. This was on the basis of access in and out of Homeworld being too constrained.

Likewise, Masters consider that the Harvey Norman site is inferior to the preferred site given its present position at the dead end of the industrial area. Whilst the extension of North Creek Road would make some contribution to alleviating the problem, Masters is unaware of any program, timing or instrument in place (Section 94 plan or otherwise) to indicate when such works will be carried out.

Masters claim that they have considered all other possible alternatives. An amalgamation of properties in the Clarke Street precinct would be highly improbable and unlikely to be feasible. Masters is not familiar with the large parcel currently occupied by Council to the west of the ten-pin bowls. The one other remaining site is on the Pacific Highway opposite Gallans Road, but this is likely to have more environmental constraints than their preferred site and is also in an inferior location to the preferred site.

Lismore is not currently being considered. Whilst Lismore residents will travel to Ballina to shop, Ballina residents will not go to Lismore. There are also few remaining opportunities to develop in Lismore. It is likely that if a site could be secured Masters would build a smaller format store.

Masters believe their preferred site is far superior to these other alternatives and it best meets their needs. They also claim that Council engineers recognise that the flooding concerns are manageable. The proposed causeway, culverts under the highway and on-site detention will alleviate these problems. They claim the reasons for refusal are entirely political. It has been based on the proposed use not conforming to the Structure Plan for Ballina West but the Structure Plan was prepared without any thought given to having bulky goods on the preferred site.

### **Harvey Norman**

Harvey Norman were operating a 750sqm Joyce Mayne store in West Ballina which is now vacant. They have just opened their 5,000sqm Harvey Norman store in the Harvey Norman homemaker centre on Boeing Avenue in the Southern Cross Industrial Estate. Harvey Norman considered both this site and Homeworld in West Ballina. They decided on Southern Cross as being a much better site due to access and safety. Homeworld may be next to the bypass but Harvey Norman considers the access to be difficult and unsafe. Retailers are not supporting this site and David Scurr (Harvey Norman) believes that development is unlikely to proceed.

They have put their one hectare site next door to The Good Guys in West Ballina on the market as it is now surplus to their needs.

Ballina has, or is developing, a clearly defined and self-contained trade area of around 80,000 people for bulky and other comparative goods shopping. Although highway frontage is preferable, it is not essential for Ballina's primary homemaker centre to have strong exposure fronting the Pacific Highway. Residents in the trade area will soon learn its location and how to get there.

Harvey Norman are confident that over time the Southern Cross precinct will improve under the masterplan. It will be more central and better positioned for the growth areas.

In the view of Harvey Norman, the best outcome for Ballina would be the concentration of bulky goods retailing in the Southern Cross Precinct. This would create a stronger attraction from the perspective of retailers and would create benefits for local residents in terms of allowing easy price comparison, reducing travel distances and reducing the amount of time as it could all be done in one place. It would also be well placed to serve urban release areas to the north of Ballina. Ideally, Harvey Norman would like a Masters Home Improvement Centre to open within close proximity of the Harvey Norman Centre.

## 6.3 Implications of Stakeholder Consultation

In considering the implications of the stakeholder consultation, it is important to recognise that the stakeholders interviewed are not impartial; rather they all have vested interests and therefore their views should be treated as biased.

Bearing this in mind, we note the following key findings of the stakeholder consultation:

- All parties were pro-development, and recognised that Ballina Shire is a growing LGA which should provide additional bulky goods and LFR floorspace to meet future needs;
- With the exception of the Homeworld owners and Alstonville/ Wollongbar Chamber themselves, the general consensus amongst commercial operators is that the Homeworld site is inferior to other sites in Ballina upon which to accommodate future bulky goods and LFR floorspace;
- Locational requirements for bulky goods retailers were recognised as comprising good access to markets, safe accessibility and large land plots;
- It was generally agreed that concentrating bulky goods development on one, or at most two, location(s) is the best way of serving the trade area population.

## 7. TRADE AREA AND DEMOGRAPHICS

This Chapter defines a trade area for bulky goods and LFR floorspace in Ballina Shire and examines the socio-demographic characteristics and population growth forecasts within it.

Socio-demographics are an important consideration because demand for retail floorspace is dependent not only upon the number of households in an area but also on the characteristics of those households. An area with a high proportion of wealthy or elderly residents, for example, will have different retail needs to an area with a high number of young families.

Population growth will drive demand for retail floorspace in the future and therefore it is necessary to understand forecasts for the trade area. These will be used to inform the expenditure modelling undertaken in Chapter 8 of this Study.

### 7.1 Trade Area Definition

The trade area served by any retail centre is determined by a number of factors including:

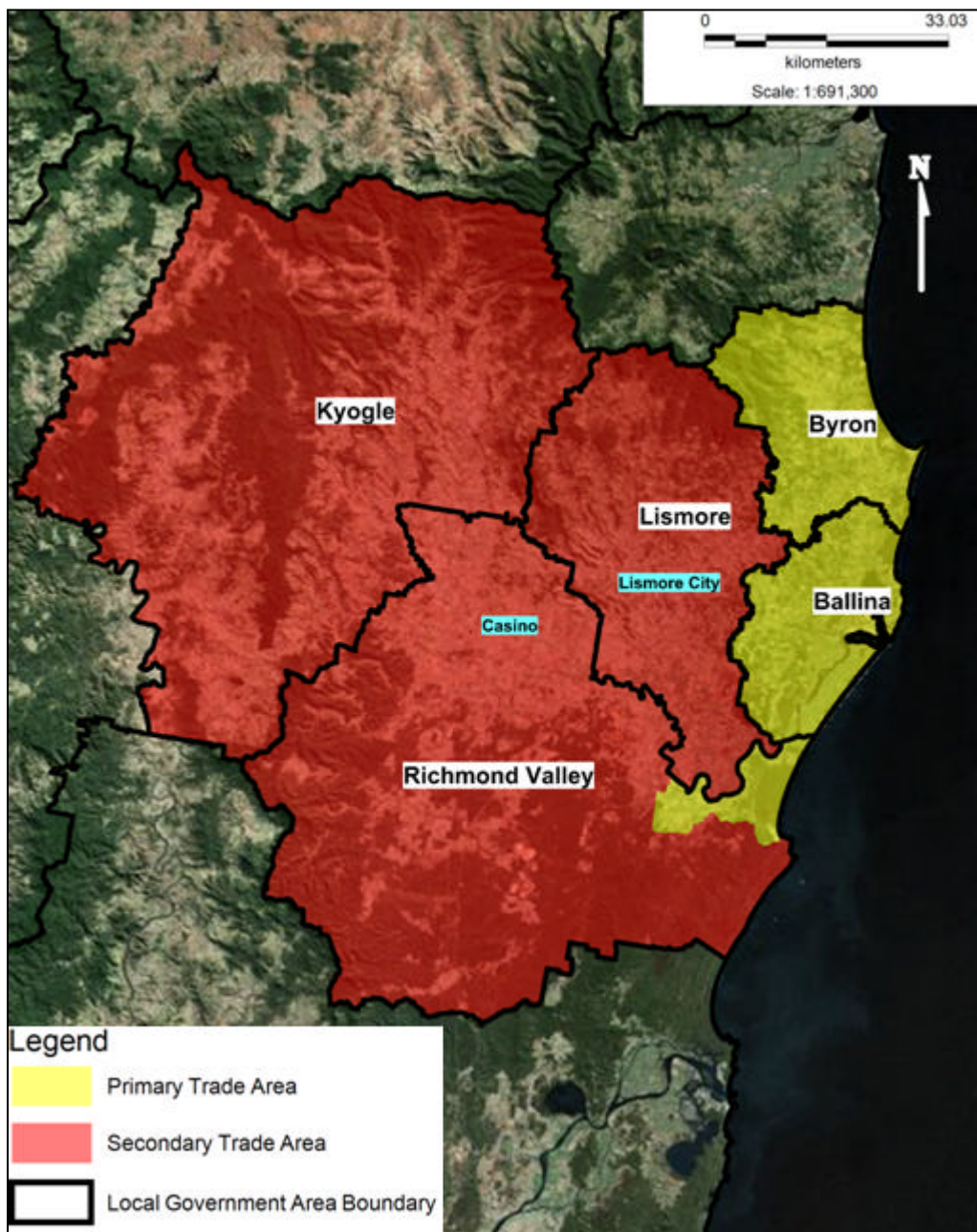
- The strength and attraction of the centre in question, determined by factors such as the composition, layout, ambience/atmosphere and car parking in the centre;
- Competitive retail centres, particularly their proximity to the subject centre and respective sizes, retail offer and attraction;
- The location and accessibility of the centre, including the available road and public transport network and travel times; and
- The presence or absence of physical barriers, such as rivers, railways, national parks and freeways.

Having regard to the above, and based on the analysis of existing and proposed retail centres within Far North Coast Region, we make several observations. Firstly there are significant clusters of bulky goods retailing in Tweed Heads and Grafton which restrict Ballina's trade area to the north and south. There are also some bulky goods retailers in Lismore including Bunnings, Spotlight and Harvey Norman and these restrict Ballina's trade area to the west. However there is the likelihood of Ballina capturing some expenditure from Lismore and surrounding areas.

For the purpose of the forecast we have defined a primary trade area (PTA) for Ballina which comprises the Shire of Ballina, the Shire of Byron and part of Richmond Valley Shire being the localities of Evans Head, Rileys Hill, Woodburn and Swan Bay. Ballina will capture the vast majority of bulky goods expenditure generated by these areas. There is also a secondary trade area (STA) which includes the balance of the Richmond Valley Shire which includes the town of Casino, The City of Lismore and the Shire of Kyogle. Some expenditure is expected to be captured from these areas.

The extent of the trade area is shown in the figure below.

Figure 8 - Trade Area of Bulky Goods and LFR floorspace in Ballina Shire



Source: Map produced by Hill PDA using MapInfo 10.5 software and Microsoft Bing © 2010 Microsoft Corporation

## 7.2 Socio-demographics of the Trade Area

This Section examines the socio-demographic characteristics within the identified trade area at an LGA level for Ballina Shire, Byron Shire, Lismore City, Kyogle Shire and Richmond Valley. We have benchmarked these against non-Metropolitan NSW (i.e. excluding Sydney Metropolitan area). The socio-demographic data has been derived from 2006 ABS Census data.

Table 4 - Trade Area Population and Dwelling Characteristics

	Ballina Shire	Byron Shire	Lismore	Kyogle	Richmond Valley	Non-metro NSW
<b>Population and Dwellings</b>						
Total Population	38,461	28,766	9,256	42,210	21,313	2,419,813
Total Private Dwellings	17,086	13,564	4,177	17,690	9,472	1,085,044
Occupied Private Dwellings	15,837	11,942	3,649	16,470	8,591	948,984
Occupied Private Dwellings (%)	92.7%	88.0%	87.4%	93.1%	90.7%	87.5%
Average Household Size	2.4	2.4	2.5	2.5	2.5	2.5
<b>Age Distribution</b>						
0-14	18.7%	19.4%	21.9%	20.4%	21.6%	20.4%
15-29	15.2%	15.9%	13.9%	19.3%	15.9%	17.3%
30-44	18.3%	21.2%	17.5%	19.6%	18.2%	19.3%
45-59	22.6%	26.4%	26.0%	22.4%	21.0%	21.0%
60-74	14.6%	10.8%	13.4%	11.4%	14.6%	14.2%
75+	10.5%	6.2%	7.2%	6.8%	8.7%	7.8%
Median Age	43	41	42	38	41	40

Source: ABS (2006)

The table above indicates that:

- The proportion of occupied private dwellings compared to total dwellings was generally higher in the trade area than in non-metro NSW. Kyogle and Ballina Shire LGAs recorded the highest proportion of occupied private dwellings;
- Household sizes in the trade area were generally comparable to the non-metro NSW average;
- In broad terms residents in the trade area were older than those in non-metro NSW, with all of the LGAs except Kyogle recording an older median age.

Table 5 - Trade Area Household Characteristics

	Ballina Shire	Byron Shire	Lismore	Kyogle	Richmond Valley	Non-metro NSW
<b>Home Ownership</b>						
Owned or Being Purchased	66.6%	64.0%	74.6%	67.3%	68.5%	69.3%
Rented	29.0%	31.3%	21.3%	29.1%	27.0%	26.7%
Other/Not Stated	4.3%	4.7%	4.0%	3.6%	4.5%	4.0%
<b>Household Structure</b>						
Family Households	69.1%	66.3%	70.1%	68.8%	71.2%	71.1%
Lone Person Households	27.0%	26.6%	27.4%	26.1%	26.5%	25.9%
Group Households	3.9%	7.1%	2.4%	5.1%	2.4%	3.0%
<b>Family Type</b>						
Couple family w. children	37.7%	39.1%	38.0%	40.8%	39.5%	41.2%
Couple family w/o children	44.0%	36.0%	43.0%	37.7%	39.8%	40.7%
One parent family	17.1%	23.7%	17.4%	20.0%	19.1%	16.8%
Other family	1.2%	1.3%	1.6%	1.5%	1.5%	1.3%
<b>Dwelling Type</b>						
Separate house	68.9%	81.3%	94.6%	84.6%	85.5%	83.7%
Townhouse	12.8%	7.3%	0.1%	4.0%	3.9%	6.4%
Flat-Unit-Apartment	13.8%	7.0%	2.8%	8.9%	7.8%	8.0%
Other dwelling	4.5%	4.4%	2.5%	2.5%	2.8%	1.9%
Not stated	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%

Source: ABS (2006)



The table above indicates that:

- With the exception of Lismore, all of the LGAs which comprise the trade area had a lower proportion of households who owned or were in the process of buying their own properties. These LGAs had a corresponding higher proportion of residents who were renting;
- The proportion of family households in the trade area was generally higher than in non-metro NSW, as was the proportion of lone person households;
- The proportion of couple families which children in the trade area was lower than in non-metro NSW, and the proportion of one parent families was higher;
- The dominant dwelling type in both the trade area and in non-metro NSW was separate houses. However these accounted for a greater proportion of total housing stock in all of the LGAs which constitute the trade area compared to the non-metro NSW average, with the exception of Ballina Shire and Byron Shire LGAs.

**Table 6 - Employment and Income Characteristics**

	Ballina Shire	Byron Shire	Lismore	Kyogle	Richmond Valley	Non-metro NSW
<b>Labour Force by Occupation</b>						
Managers	13.2%	13.6%	20.9%	11.6%	12.6%	13.5%
Professionals	17.9%	19.6%	12.8%	17.0%	9.7%	15.1%
Community & Personal Services Workers	9.2%	9.7%	8.2%	8.8%	9.3%	8.9%
Clerical and Administrative Workers	11.8%	9.5%	8.7%	12.1%	10.2%	12.0%
Sales Workers	10.9%	9.3%	6.1%	10.9%	9.2%	9.3%
Technicians & Trade Workers	13.5%	13.2%	11.4%	12.2%	12.2%	14.3%
Machinery Operators & Drivers	4.2%	3.8%	6.3%	5.0%	7.8%	6.8%
Labourers & Related Workers	10.7%	10.8%	13.9%	12.0%	18.6%	11.5%
Inadequately described or N.S.	1.4%	1.7%	1.7%	1.1%	1.5%	1.5%
Unemployed	7.3%	8.8%	10.1%	9.2%	8.8%	7.0%
<b>Weekly Household Income</b>						
\$0-\$349	18.0%	19.6%	24.0%	19.5%	21.1%	18.3%
\$400-\$799	27.7%	27.2%	33.1%	27.6%	31.9%	26.4%
\$800-\$1,399	23.7%	23.5%	20.6%	25.8%	24.2%	22.6%
\$1,400-\$2,499	14.5%	12.6%	8.6%	13.8%	10.6%	15.8%
\$2,500+	5.4%	4.8%	2.6%	3.6%	2.0%	5.8%
Partial income stated	7.5%	9.3%	8.2%	7.1%	6.5%	7.8%
All incomes not stated	3.2%	3.0%	2.9%	2.5%	3.6%	3.2%
Median Weekly Household Income	\$779	\$738	\$599	\$760	\$651	\$795

Source: ABS (2006)

The table above indicates that:

- In general terms the trade area contained a lower proportion of skilled white collar workers and a higher proportion of lower skilled blue collar works when compared to the non-metro NSW average;
- The trade area recorded a higher unemployment rate than non-metro NSW;
- A lower proportion of households in the trade area earned \$2,500 or greater than those in non-metro NSW;

- Households in the trade area recorded a lower median weekly household income than the average for non-metro NSW.

## 7.3 Population Growth in the Trade Area

For the purpose of this Study, population forecasts for the trade area have been derived from the DP&I 'New South Wales Statistical Local Area Population Projections, 2006-2036' (March 2010). These are shown below on an LGA-wide basis. Ballina Shire Council also has population projections by local areas which are based on the DP&I projections.

**Table 7 - Population Projections and Growth in the Trade Area**

	Forecast Population					Growth 2006-2026	
	2006	2011	2016	2021	2026	Persons	Pro Rata Per Annum
Ballina Shire	40,300	43,000	45,800	48,500	51,300	11,000	1.21%
Byron Shire	30,700	32,900	35,100	37,400	39,800	9,100	1.31%
Kyogle	9,700	9,500	9,400	9,200	9,100	-600	-0.32%
Lismore	44,200	45,000	45,900	46,800	47,700	3,500	0.38%
Richmond Valley- Casino	10,900	10,900	10,900	10,900	10,800	-100	-0.05%
Richmond Valley- Balance	11,200	11,800	12,400	13,000	13,600	2,400	0.98%
<b>Total</b>	<b>147,000</b>	<b>153,100</b>	<b>159,500</b>	<b>165,800</b>	<b>172,300</b>	<b>25,300</b>	<b>0.80%</b>

Source: Derived from New South Wales Statistical Local Area Population Projections, 2006-2036 (March 2010)



## 8. DEMAND FOR BULKY GOODS AND LFR FLOORSPACE

This Chapter documents the methodology and findings from the demand forecasting for bulky goods and LFR completed for Ballina Shire.

### 8.1 Methodology for Determining Demand

The methodology used for forecasting demand for retail floorspace is a bespoke retail demand model developed by Hill PDA utilising data from Marketinfo 2009, ABS Household Expenditure Survey 2003-04 and ABS Retail Sales. Demand for retail floorspace is generated by residents, workers and visitors within the defined trade area and having regard to both escape expenditure and expenditure that potentially could be captured from outside the trade area. This method then converts expenditure to retail floorspace (square metres) by dividing target retail turnovers by store type using industry benchmarks.

Growth in expenditure comes from two sources. Firstly, from growth in the number of residents and visitors and secondly from growth in real spend per capita. Real spend per capita has increased at an average rate of 1.3% per annum since 1986 (Hill PDA estimate based on ABS Retail Sales, CPI and Population estimates). For the purpose of the forecast we have adopted a slightly more conservative rate of 1.2% per annum.

### 8.2 Household Expenditure

Household expenditure was sourced from:

- ABS Household Expenditure Survey 2003-04 which provides household expenditure by broad commodity type by household income quintile; and
- The Marketinfo 2009 database which is generated by combining and updating data from the Population Census and the ABS Household Expenditure Survey (HES) using “microsimulation modelling techniques”.

Marketinfo combines the data from the Census, HES and other sources to derive total HES by commodity type. This data, which was validated using taxation and national accounts figures, quantifies around 14% more expenditure than the ABS HES Survey.

Some expenditure is captured by non-retailers (such as internet shopping) but the loss of expenditure to non-retailers is outweighed by additional sources of income that retailers capture including wholesale trading and the hire of equipment.

Forecast resident expenditure generated in the primary trade area by broad commodity type by Census Year is provided in the following tables. For the purpose of the forecast we have defined bulky goods as homewares,

manchester, soft furnishings, electrical goods (home entertainment, appliances and whitegoods), furniture and floor coverings, hardware and gardening, sports goods and camping goods.

**Table 8 - Forecast Expenditure (\$2009m) Primary Trade Area Residents**

YEAR	2009	2016	2021	2026
Population	77,260	84,582	89,876	95,365
Food, Groceries & Liquor take-away	367.0	436.8	492.7	555.0
Food Catered	77.9	92.8	104.6	117.8
Apparel	78.1	92.9	104.8	118.0
Bulky Goods*	157.4	187.3	211.2	237.9
Other Personal & Household Goods	239.1	284.5	320.9	361.5
Personal Services	25.2	30.0	33.8	38.1
Liquor on License Premises	25.2	30.0	33.8	38.1
<b>TOTAL</b>	<b>969.9</b>	<b>1,154.3</b>	<b>1,302.0</b>	<b>1,466.4</b>

\* homewares, manchester, soft furnishings, electrical goods (home entertainment, appliances and whitegoods), furniture and floor coverings, hardware and gardening, sports goods and camping goods

**Table 9 - Forecast Expenditure (\$2009m) Secondary Trade Area Residents**

YEAR	2009	2016	2021	2026
Population	72,890	74,275	75,167	76,057
Food, Groceries & Liquor take-away	320.4	355.0	381.4	409.8
Food Catered	62.1	68.9	74.0	79.6
Apparel	64.0	71.0	76.3	82.0
Bulky Goods	129.6	143.6	154.4	165.9
Other Personal & Household Goods	205.5	227.8	244.8	263.1
Personal Services	20.5	22.7	24.4	26.3
Liquor on License Premises	21.3	23.6	25.4	27.3
<b>TOTAL</b>	<b>823.5</b>	<b>912.7</b>	<b>980.8</b>	<b>1,053.9</b>

By applying varying capture rates to the PTA and STA and industry benchmark turnover levels we estimate a current demand for around 60,000sqm of bulky goods floor space. The capture rates applied are 90% for Ballina Shire (this allows 10% of bulky goods expenditure to be captured by non-bulky goods retailers and/or to escape to other localities such as Tweed Heads), 75% for Byron Shire and Evans Head and 20% for the Secondary Trade Area.

There is further potential for additional large format retail space in out-of-centre locations assuming 10% of non-bulky goods expenditure is captured by such stores. This can be in any number of forms including discount variety stores, mega-chemist stores, liquor discount stores, etc. It can also be smaller fast food restaurants that form an ancillary role to bulky goods destination centres.

The industry benchmark turnover levels applied were \$3,000/sqm for bulky goods retailing and \$5,000/sqm for non-bulky goods large format retailing in non-metropolitan NSW. We have increased these turnover levels at 0.5% every year generally in line with historic trends. The estimates are shown in the table below.

**Table 10 - Potential for Bulky Goods and Large Format Retail Floor Space in Ballina**

	2009	2016	2021	2026
Potential Capture of Bulky Goods Expenditure (\$m)	156.6	184.2	206.2	230.5
Target Turnover Rates	3,000	3,139	3,243	3,349
Required Floor Space for Bulky Goods	52,200	58,678	63,592	68,820
Potential Capture of Non-Bulky Goods Expenditure (\$m)	81.3	95.6	107.0	119.7
Target Turnover Rates	5,000	5,126	5,256	5,388
Required Floor Space Out of Centre for Other Goods	16,266	18,657	20,363	22,206
<b>TOTAL Floor Space Required (sqm)</b>	<b>68,466</b>	<b>77,335</b>	<b>83,955</b>	<b>91,026</b>

From the above table we can see that up to 77,300sqm of bulky goods and large format retail space could be supported in Ballina by 2016. This will increase to around 91,000sqm by 2026.

## 9. CAPACITY TO ACCOMMODATE DEMAND

This Chapter examines the demand for additional bulky goods and LFR floorspace in LGA within the context of supply. It considers the capacity of different precincts within the LGA to accommodate forecast growth, and the relative merits and restrictions of each.

### 9.1 Demand verses Supply

This section amalgamates the findings of Chapter 5 relating to bulky goods supply and Chapter 8 relating to bulky goods demand. From the data presented in these preceding Chapters it distils out the level of residual demand, that is the level of additional bulky goods/ LFR floorspace which will be required over and above existing supply i.e. the level for which Council should plan to accommodate.

This exercise is problematic given the uncertainty regarding bulky goods floorspace in the planning pipeline. Depending on when, and indeed if, this floorspace is approved or implemented will impact upon the level of additional bulky goods/ LFR floorspace for which Council needs to plan.

As previously stated, in our view we consider it unlikely that all the bulky goods floorspace in the planning pipeline will come forward over the Study period. We consider it more likely that some of this will come forward, given the difficulty in the Homeworld Ballina development continuing without an anchor store such as Masters or Bunnings.

For the purposes of this capacity assessment, we have therefore considered a number of possible scenarios:

- Scenario 1: Baseline. The residual bulky goods/ LFR demand based on existing supply (including vacant bulky goods/ LFR units) only. This excludes all pipeline floorspace
- Scenario 2: All Pipeline. All development in the planning pipeline is approved and developed. We consider this scenario to be unlikely.
- Scenario 3: Homeworld Ballina, Bunnings and West Ballina only. Assumes that Homeworld Ballina is implemented and the Bunnings store is developed on a separate site. Assumes that the extant DA approval for 2,543sqm is implemented and used wholly for bulky goods retail. This assumes that the Masters store is not developed on a separate site, but may form part of the Homeworld Ballina development.
- Scenario 4: Bunnings, Masters and West Ballina only. Assumes that Bunnings and Masters stores are developed on separate sites, the extant DA approval for 2,543sqm is implemented and used wholly for bulky goods retail and that the Homeworld Ballina consent lapses.

Tables 11 to 15 below quantify the amount of land which will be required to accommodate demand for bulky goods/ LFR floorspace in each of the above scenarios. These calculations include an allowance for the Harvey Norman Centre in the Southern Cross Precinct.

Table 11 - Scenario 1: Baseline

	2009	2016	2021	2026
<b>Bulky Goods Demand versus Supply</b>				
Bulky Goods Demand	52,200	58,678	63,592	68,820
Bulky Goods Supply				
Existing	31,430	31,430	31,430	31,430
Vacant <sup>1</sup>	4,890	4,890	4,890	4,890
Sub-Total Supply	36,320	36,320	36,320	36,320
<i>Residual Bulky Goods Demand (Overall demand minus supply)</i>	15,880	22,358	27,272	32,500
<b>LFR Demand versus Supply</b>				
LFR Demand	16,266	18,657	20,363	22,206
LFR Supply <sup>2</sup>	4,084	4,084	4,084	4,084
<i>Residual Bulky Goods Demand (Overall demand minus supply)</i>	12,182	14,573	16,279	18,122
<i>Total Residual Bulky Goods/ LFR Residual Demand</i>	28,062	36,931	43,551	50,622
<b>Additional Land Requirement (ha)<sup>3</sup></b>	<b>7.0</b>	<b>9.2</b>	<b>10.9</b>	<b>12.7</b>

<sup>1</sup> Excludes vacant BG units in Ballina Town Centre which could be reoccupied for general retail purposes

<sup>2</sup> Comprises: Sam's Warehouse (1,090sqm) and Dan Murphy's (1,000sqm) in West Ballina, ALDI (1,400sqm) and Petstock (594sqm) in Southern Cross Precinct

<sup>3</sup> Based on an FSR of 0.4 based on Hill PDAs industry experience

Table 12 - Scenario 2: All Pipeline

	2009	2016	2021	2026
<b>Bulky Goods Demand versus Supply</b>				
Bulky Goods Demand	52,200	58,678	63,592	68,820
Bulky Goods Supply				
Existing	31,430	31,430	31,430	31,430
Vacant <sup>1</sup>	4,890	7,890	7,890	7,890
Pipeline <sup>2</sup>		48,543	48,543	48,543
Sub-Total Supply	36,320	87,863	87,863	87,863
<i>Residual Bulky Goods Demand (Overall demand minus supply)</i>	15,880	-29,185	-24,271	-19,043
<b>LFR Demand versus Supply</b>				
LFR Demand	16,266	18,657	20,363	22,206
LFR Supply <sup>3</sup>	4,084	4,084	4,084	4,084
<i>Residual Bulky Goods Demand (Overall demand minus supply)</i>	12,182	14,573	16,279	18,122
<i>Total Residual Bulky Goods/ LFR Residual Demand</i>	28,062	-14,612	-7,992	-921
<b>Additional Land Requirement (ha)<sup>^</sup></b>	<b>7.0</b>	<b>-3.7</b>	<b>-2.0</b>	<b>-0.2</b>

<sup>1</sup> Excludes vacant BG units in Ballina Town Centre which could be reoccupied for general retail purposes . Allows for the closure of Bunnings (3,000sqm) at 2016 and beyond

<sup>2</sup> Includes Homeworld Ballina, Bunnings , Masters and extant DA in West Ballina

<sup>3</sup> Comprises: Sam's Warehouse (1,090sqm) and Dan Murphy's (1,000sqm) in West Ballina, ALDI (1,400sqm) and Petstock (594sqm) in Southern Cross Precinct

<sup>^</sup> Based on an FSR of 0.4 based on Hill PDAs industry experience

**Table 13 - Scenario 3: Homeworld Ballina, Bunnings and West Ballina only**

	2009	2016	2021	2026
<b>Bulky Goods Demand versus Supply</b>				
Bulky Goods Demand	52,200	58,678	63,592	68,820
Bulky Goods Supply				
Existing	31,430	31,430	31,430	31,430
Vacant <sup>1</sup>	4,890	7,890	7,890	7,890
Pipeline <sup>2</sup>		38,543	38,543	38,543
Sub-Total Supply	36,320	77,863	77,863	77,863
<i>Residual Bulky Goods Demand (Overall demand minus supply)</i>	15,880	-19,185	-14,271	-9,043
<b>LFR Demand versus Supply</b>				
LFR Demand	16,266	18,657	20,363	22,206
LFR Supply <sup>3</sup>	4,084	4,084	4,084	4,084
<i>Residual Bulky Goods Demand (Overall demand minus supply)</i>	12,182	14,573	16,279	18,122
<i>Total Residual Bulky Goods/ LFR Residual Demand</i>	28,062	-4,612	2,008	9,079
<b>Additional Land Requirement (ha)<sup>4</sup></b>	<b>7.0</b>	<b>-1.2</b>	<b>0.5</b>	<b>2.3</b>

<sup>1</sup> Excludes vacant BG units in Ballina Town Centre which could be reoccupied for general retail purposes . Allows for the closure of Bunnings (3,000sqm) at 2016 and beyond

<sup>2</sup> Includes Homeworld Ballina, Bunnings and extant DA in West Ballina only

<sup>3</sup> Comprises: Sam's Warehouse (1,090sqm) and Dan Murphy's (1,000sqm) in West Ballina, ALDI (1,400sqm) and Petstock (594sqm) in Southern Cross Precinct

<sup>4</sup> Based on an FSR of 0.4 based on Hill PDAs industry experience

**Table 14 - Scenario 4: Bunnings, Masters and West Ballina only**

	2009	2016	2021	2026
<b>Bulky Goods Demand versus Supply</b>				
Bulky Goods Demand	52,200	58,678	63,592	68,820
Bulky Goods Supply				
Existing	31,430	31,430	31,430	31,430
Vacant <sup>1</sup>	4,890	7,890	7,890	7,890
Pipeline <sup>2</sup>		19,543	19,543	19,543
Sub-Total Supply	36,320	58,863	58,863	58,863
<i>Residual Bulky Goods Demand (Overall demand minus supply)</i>	15,880	-185	4,729	9,957
<b>LFR Demand versus Supply</b>				
LFR Demand	16,266	18,657	20,363	22,206
LFR Supply <sup>3</sup>	4,084	4,084	4,084	4,084
<i>Residual Bulky Goods Demand (Overall demand minus supply)</i>	12,182	14,573	16,279	18,122
<i>Total Residual Bulky Goods/ LFR Residual Demand</i>	28,062	14,388	21,008	28,079
<b>Additional Land Requirement (ha)<sup>4</sup></b>	<b>7.0</b>	<b>3.6</b>	<b>5.3</b>	<b>7.0</b>

<sup>1</sup> Excludes vacant BG units in Ballina Town Centre which could be reoccupied for general retail purposes . Allows for the closure of Bunnings (3,000sqm) at 2016 and beyond

<sup>2</sup> Includes Bunnings , Masters and extant DA in West Ballina only

<sup>3</sup> Comprises: Sam's Warehouse (1,090sqm) and Dan Murphy's (1,000sqm) in West Ballina, ALDI (1,400sqm) and Petstock (594sqm) in Southern Cross Precinct

<sup>4</sup> Based on an FSR of 0.4 based on Hill PDAs industry experience

**Table 15 - Summary Table: Land Requirement in Scenarios 1 to 4 (ha)**

	2009	2016	2021	2026
Scenario 1: Baseline	7.0	9.2	10.9	12.7
Scenario 2: All Pipeline	7.0	-3.7	-2.0	-0.2
Scenario 3: Homeworld Ballina, Bunnings and West Ballina only	7.0	-1.2	0.5	2.3
Scenario 4: Bunnings, Masters and West Ballina only	7.0	3.6	5.3	7.0

Source: Tables 11 to 14

As Table 15 demonstrates in 2009 there was demand for an additional 7.0ha of bulky goods and LFR floorspace. Assuming no additional floorspace is implemented then this undersupply is forecast to increase every year until 2026 when a total of 12.7ha of additional bulky goods and LFR floorspace will be demanded.

If all of the pipeline bulky goods and LFR floorspace comes forward for development over the 2009 to 2026 this would remove the requirement for any additional floorspace until beyond 2026. In our opinion a more realistic scenario is that only some of the pipeline development will come forward over this period. Depending upon what level of pipeline bulky goods and LFR floorspace is developed over the 2009 to 2026 period, by 2026 between 2.3ha (Homeworld Ballina, Bunnings and West Ballina only) and 7.0ha (Bunnings, Masters and West Ballina only) will be demanded.

It is a realistic scenario that Ballina Shire LGA could end up with two bulky goods/ LFR shopping destinations comprising the existing Harvey Norman centre and the Homeworld Ballina. This would not be ideal for the LGA. The best outcome for residents would be one cluster which would allow easy to access, easy price comparison between different retailers and support fewer trips having to be made by shoppers.

We should also note that the figures above do not take into account additional non-bulky goods floorspace which would be supported in bulky goods and LFR destinations. Such floorspace could include restaurant, fast-food and take-away outlets, cafes and the like and other types of comparison retailers which are not necessarily bulky goods such as pet stores. In our view an additional 10- 15% of additional non-bulky/ LFR floorspace could be supported on the site of any bulky goods/ LFR development. However, the provision of any such non-bulky/ LFR floorspace should be staged to avoid adverse impacts on existing centres by way of trade diversion if supply is provided prior to sufficient demand being present to accommodate it.

## 9.2 Assessment of Sites

As part of the Study, Hill PDA assessed the potential for a number of different precincts across Ballina Shire LGA to accommodate bulky goods and LFR floorspace in the future. Precincts were identified through discussions with Council as being:

- Precinct 1: Ballina Town Centre
- Precinct 2: Kerr Street Precinct
- Precinct 3: Clarke Street Industrial Precinct
- Precinct 4: West Ballina
- Precinct 5: Southern Cross Precinct
- Precinct 6: Homeworld Precinct
- Precinct 7: Masters Precinct
- Precinct 8: Crown Land
- Precinct 9: Pacific Highway (Gallans Road).



The location and extent of these precincts is shown in Figure 9 below.

**Figure 9 - Location of Sites considered for Future Bulky Goods and LFR Floorspace**



Source: Map produced by Hill PDA using MapInfo 10.5 software and Microsoft Bing (c) 2010 Microsoft Corporation

Precincts were assessed on a number of criteria which relate to suitability for additional bulky goods and LFR floorspace in physical terms, in planning terms, from a commercial viability viewpoint and so on.

An assessment proforma for each precinct is contained at Appendix 2 of the Study.

In order to consider the suitability of different precincts in comparison to each other, a scoring system has been used based on a number of key criteria. This seeks to determine the precincts most suitable, available and viable to accommodate the future bulky goods and LRF needs of Ballina Shire LGA. We should note that these differ from the assessment criteria shown in Appendix 2 which provide a more general overview of each precinct. Commercial viability is an important informant, given that the future development of a particular precinct must be realistic, however ensuring that the precincts would develop in a manner which supports the planning objectives and future growth of Ballina Shire LGA is also critical. These two interests should be balanced.

We should note that, whilst we have been mindful of the land designation in the Ballina LEP 1987 and the draft Ballina LEP, one of the objectives of the Study is to provide advice on future zoning and therefore it not a criterion in its own right.

For each precinct, we have used a weighted scoring system based on the importance of the criterion to developability. This ranges from 1 (not compliant) to 5 (strongly compliant). The higher the score therefore, the greater the suitability for bulky goods/ LRF development.



The assessment criteria we have chosen, and the rationale for each, is as follows:

- **Regional Accessibility.** Assesses the accessibility of the precinct to the regional trade area. For a precinct to be successful, it must provide unproblematic access to the trade area which it serves. We have considered current (i.e. Pacific Highway) and future (i.e. Ballina Bypass and Lennox Head link) accessibility levels;
- **Site Accessibility.** This considers the safety and convenience of vehicular access and egress to the precinct. It is a key consideration given the level of traffic generation which would be associated with bulky goods/ LRF floorspace. Multiple-directional vehicular access from a main road is a positive benefit;
- **Availability of undeveloped land.** Although a precinct may be suitable for additional bulky goods/ LRF development it is only capable of supporting such development if sufficient undeveloped land is available at low cost;
- **Commercial Attractiveness.** This encompasses factors such as site marketability, desirability from a commercial perspective and includes factors such as cost of land, accessibility, visibility, proximity to markets etc. In order for a precinct to feasibly accommodate bulky goods/ LRF in the future it must be desirable to the market;
- **Planning.** This includes consideration of historic planning decisions where relevant (e.g. Homeworld, Masters), existing and proposed draft LEP designation and compatibility with Council's growth strategy and retail hierarchy;
- **Established Presence.** Given that bulky goods retailers prefer to cluster together in order to develop a "critical mass" of occupiers which will attract a greater number of shoppers, the existence of bulky goods operators in any given precinct will mean that it is more likely to be attractive to potential bulky goods operators;
- **Potential for Agglomeration.** In our view it would be advantageous for the future bulky goods/ LRF floorspace to be concentrated in one or two clusters. This criteria assesses the potential for precincts to accommodate a bulky goods/ LRF cluster as a result of the sufficient vacant land, potential to expand the precinct in the future or proximity to other precincts or existing bulky goods/ LRF developments;
- **Fragmented Ownership.** A precinct with multiple variably sized plots will present difficulties to potential bulky goods and LRF operators in securing a sufficiently large land-holding at cheap enough cost to enable future development;
- **Land Use Conflict.** Compatibility with surrounding land uses is beneficial, although measures can be incorporated in any development scheme to help mitigate any adverse impacts (e.g. screening, restricted servicing times etc);
- **Flooding.** Flooding is a consideration. All the precincts are located within the defined Flood Planning Area but some are likely to be more susceptible to flooding than others due to proximity to watercourses.

Table 16 below shows our scoring of the nine precincts based on the criteria above. The highest possible score is 50 points.

**Table 16 - Assessment of Development Precincts for additional Future Bulky Goods/ LFR Floorspace**

Assessment Criteria	Weight	Precinct								
		1	2	3	4	5	6	7	8	9
		Ballina TC	Kerr St	Clarke St	West Ballina	Sthrn Cross	Home-world	Mast-ers	Crown Land	Gallans Rd
Regional Accessibility	10%	1	3	2	4	3	5	5	3	3
Site Accessibility	10%	1	3	3	3	4	1	5	3	3
Availability of Undeveloped Land	10%	1	1	2	2	5	5	5	5	5
Commercial Attractiveness	10%	3	4	3	4	4	2	5	3	3
Planning	10%	5	5	3	5	5	5	1	3	3
Established Presence	10%	2	3	3	3	5	1	1	1	1
Potential for Agglomeration	10%	3	3	3	3	5	5	1	2	1
Fragmentation of Ownership	10%	1	4	2	3	5	5	5	5	5
Land Use Conflict	10%	3	3	3	3	5	5	5	4	4
Flooding	10%	1	5	3	5	5	3	3	1	4
<b>Total</b>	<b>100%</b>	<b>21</b>	<b>34</b>	<b>27</b>	<b>35</b>	<b>46</b>	<b>37</b>	<b>36</b>	<b>30</b>	<b>32</b>
<b>Precinct Rank</b>		<b>9</b>	<b>5</b>	<b>8</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>7</b>	<b>6</b>

Source: Hill PDA

Based on the scoring system, Precinct 5: The Southern Cross Precinct is the most appropriate location for new bulky goods and LFR floorspace. It is ranked 1<sup>st</sup> with 46 points overall and a score which is some 9 points above the second placed Homeworld precinct. The Masters and West Ballina Precincts were ranked third and fourth respectively based on our scoring system.

This indicates that the Southern Cross Precinct is the most suitable and viable for additional bulky goods and LFR floorspace in the future. It is an existing bulky goods and LFR cluster and represents a low risk option for developers as bulky goods and LFR floorspace in the precinct is already up and running.

These rankings have been mapped in Figure 10 below based on suitability for accommodating future bulky goods and LFR floorspace.

Figure 10 - Suitability of Sites for Future Bulky Goods/ LFR Floorspace



Source: Map produced by Hill PDA using MapInfo 10.5 software and Microsoft Bing (c) 2010 Microsoft Corporation

### 9.3 Capacity to Support Bulky Goods/ LFR Floorspace

This Section examines the quantum of bulky goods/ LFR floorspace which could be supported in the identified precincts. This is based on an assessment of the quantum of vacant lands and undeveloped lands within each precinct.

Table 17 - Assessment of Development Precincts for additional Future Bulky Goods/ LFR Floorspace

	Vacant Land (ha)	Supportable BG/ LFR F'space (sqm)	Vacant BG/ LFR F'space (sqm)	Total Supportable BG/ LFR F'space (sqm)
Precinct 1: Ballina Town Centre*	-	-	-	Limited
Precinct 2: Kerr Street	-	-	-	Limited
Precinct 3: Clarke Street Industrial	-	-	-	Limited but some scope to redevelop
Precinct 4: West Ballina	2.5*	11,000 <sup>2</sup>	750	11,750
Precinct 5: Southern Cross	6 <sup>1</sup>	20,000–25,000	4,140	24,140–29,140
Precinct 6: Homeworld Ballina	9.1	29,000	-	29,000
Precinct 7: Masters	3.6	13,500	-	13,500
Precinct 8: Crown Land <sup>^</sup>	8.5	34,000	-	34,000
Precinct 9: Pacific Highway (Gallans Road) <sup>^</sup>	3.5	14,000	-	14,000

Source: Hill PDA

\* Note we have excluded the former bulky goods units in Ballina Town Centre as this floorspace could be reused for general retail uses

<sup>^</sup> Where no indicative floorspace is known we have used a ratio of 0.4 FSR based on Hill PDAs experience

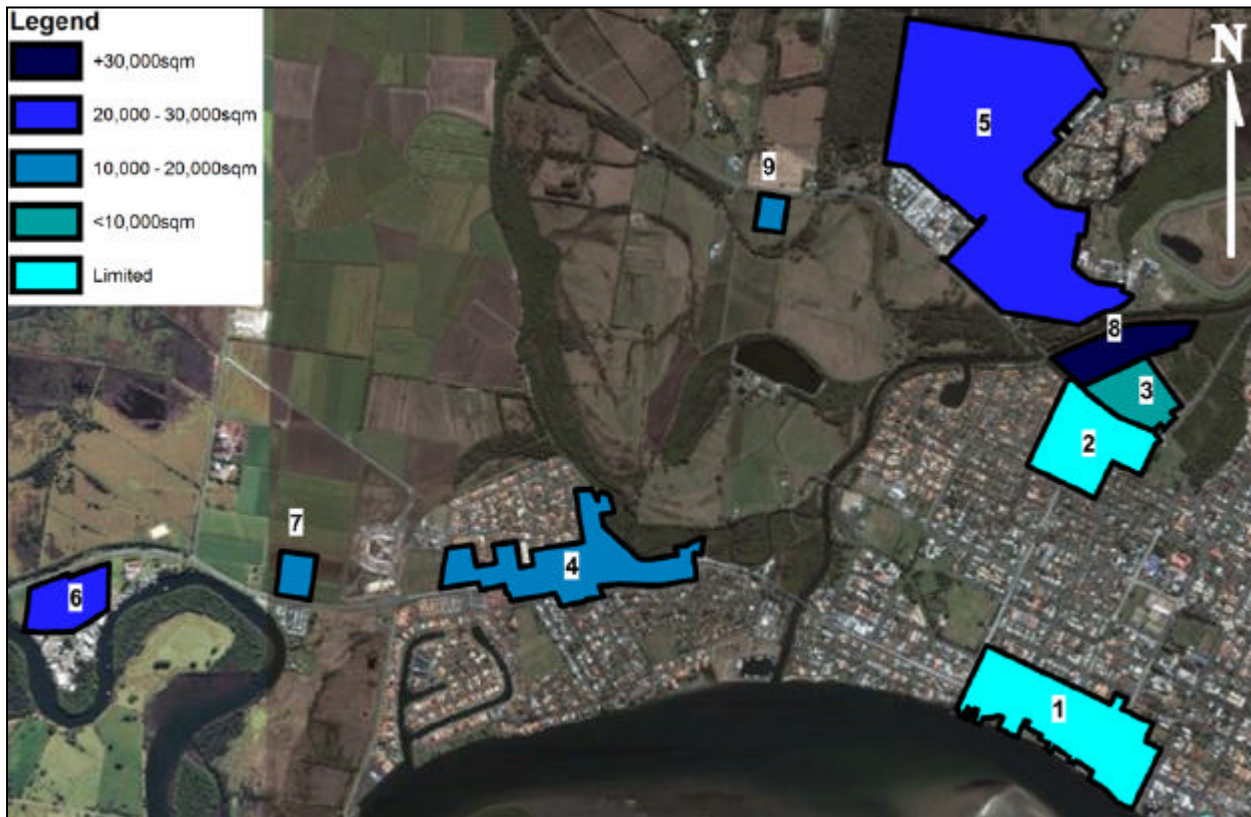
\* Bunnings Big Prawn Site

<sup>1</sup> Estimated undeveloped sites to the north and west of the Harvey Norman Centre

<sup>2</sup> GFA

These estimates of supportable bulky goods and LFR floorspace have been mapped for indicated purposes in Figure 11 below. Note that this map indicates the hypothetical quantum of bulky goods and LFR floorspace which could be supported but does not reflect the permissibility of such uses in the precincts. For example bulky goods and LFR uses are not permitted in the IN1 or the B6 zone under the exhibited draft LEP 2011.

**Figure 11 - Supportable Quantum of Additional Bulky Goods/ LFR Floorspace**



Source: Map produced by Hill PDA using MapInfo 10.5 software and Microsoft Bing (c) 2010 Microsoft Corporation



## 10. ADVICE AND POLICY RECOMMENDATIONS

Based on our research and analysis the main points to consider in relation to bulky goods and LFR floorspace are:

### **Bulky Goods and LFR Demand**

This Study has identified that:

- Bulky goods and LFR floorspace is an active retail sector at the present time with country-wide expansions underway of a variety of new formats in this sector, such as Masters and Costco;
- State planning policy stipulates that new retail forms such as these should be accommodated by LGAs. This guidance also notes that competition between individual traders is not a relevant consideration in determining DAs;
- Existing bulky goods floorspace in Ballina, based on the Hill PDA definition which excludes predominately trade-related retailers, totals approximately 31,400sqm of which a little over half (16,000sqm or 51%) is provided in the Southern Cross Precinct;
- There is considerable interest in Ballina from bulky goods operators. Harvey Norman has recently opened a bulky goods centre in the Southern Cross Precinct, there is extant DA approval for a 29,000sqm Homeworld development on Smith Drive, and Masters and Bunnings are both actively seeking to develop new stores in the area;
- The consultations undertaken as part of the Study revealed that most local stakeholders are pro-development. Although there are some differences in opinion, most parties believe that concentrating bulky goods development on one or two clusters would be the best outcome for Ballina, although exactly where this should occur is contentious;
- Ballina is a developing Major Regional Centre and serves a wide catchment area. For the purposes of assessing bulky goods and LFR demand, a trade area which extends to include the Shire of Ballina, the Shire of Byron, Richmond Valley Shire, The City of Lismore and the Shire of Kyogle was defined. This area included around 150,000 residents at 2009;
- The trade area is expected to incorporate a significant population increase over the 2009 to 2026 period, predominately due to the urban release of land for residential development to the north of Ballina. This, in addition to real retail growth, will lead to a notable increase in demand for bulky goods and LFR floorspace over the Study period;
- Based on the above, Ballina is undersupplied by bulky goods and LFR floorspace at the current time and without additional development, this undersupply will increase to 2026.

### **Future Development Scenarios**

Although there are a number of bulky goods and LFR approvals and proposals in the planning pipeline, we are of the opinion that they are not all likely to be realised. As we have discussed, bulky goods operators prefer to cluster together with similar uses and in our view it would not be commercially viable for all the pipeline development to come to fruition. In any case, our expenditure modelling has indicated that there is not sufficient capacity to support all the pipeline development until beyond 2026.

As such, a combination of some pipeline development, or none at all, is a more likely scenario. The need for additional bulky goods and LFR floorspace in Ballina will be dependent upon what pipeline floorspace comes forward, and when it comes forward. However there is no doubt, on our modelling, that additional bulky goods and LFR floorspace is required.

In terms of accommodating new bulky goods and LFR floorspace, the preferred location for such floorspace should be the existing commercial centres of Ballina Town Centre and Kerr Street. Notwithstanding this, given the site requirements of such bulky goods and LFR operators there is little scope to accommodate them in these locations.

Our appraisal of alternative precincts indicates that the Southern Cross Precinct would be the most suitable location for additional bulky goods and LFR floorspace in the future. This precinct benefits from having an existing presence of bulky goods retailers in the Harvey Norman Centre. It therefore represents a lower risk option for developers and would allow a cluster of bulky goods floorspace to develop. The master plan for this area anticipated growth in bulky goods floorspace in the future, and ample land is available to support this outcome. It is also set to benefit from accessibility improvements in the future via a possible road link to Lennox Head.

We note the extant DA approval for a Homeworld at Smith Drive. If substantial commencement occurs then two significant clusters of bulky goods uses will emerge. This would not be beneficial for consumers, as it would make price comparison more difficult and require additional shopping trips to be made. We also note that the Homeworld site has been considered and rejected by a number of bulky goods retailers over accessibility concerns, and therefore securing the necessary anchor retail for this development is likely to be problematic.

### **Recommended Strategy**

In our view, Council should seek the following outcomes:

1. Incorporate a zoning on the Harvey Norman Centre and on the adjacent undeveloped land to the north and west which supports bulky goods uses. Alternatively, Council should include provision for such uses in any zoning which applies to this land. This would assist in focusing bulky goods and LFR on this area and allow a cluster to develop in line with the Council masterplan;
2. Should substantial commencement of the Homeworld not occur prior to the lapsing of DA approval in 2012, Council should not identify the land for bulky goods purposes in its planning policy. This development would diffuse bulky goods and LFR retail provision in Ballina. We recommend the proposed IN1 zoning which applies to this land in the draft Ballina LEP 2011 be retained;
3. The provision of additional bulky goods floorspace in West Ballina would not assist in concentrating bulky goods and LFR floorspace in line with our preferred location. As such, from this perspective only we do not support listing bulky goods as a permissible use in this area. It is noted that the proposed B6 Enterprise Corridor zone would still allow Bunnings and trade-related retail development but prohibit bulky goods developments. We concur with this zoning;
4. With regard to the Masters Precinct, whilst we view this precinct as being suitable for bulky goods uses, the development of such uses in this location would not assist in the formulation of a single bulky goods cluster serving Ballina and the wider catchment. Council has also already declined a rezoning request

relating to this Precinct. As such, we do not recommend any departure from the proposed RU2 zoning in the draft Ballina LEP 2011;

5. The Clarke Street Precinct is not deemed particularly suitable for additional bulky goods and LFR floorspace and has land capacity constraints. As such we consider the proposed IN1 zoning in the draft Ballina LEP 2011 to be appropriate;
6. The Crown Land Precinct is not deemed particularly suitable for bulky goods and LFR floorspace and, given that there is little requirement for additional land to accommodate such uses should the Southern Cross Precinct be zoned to encourage such uses, we view the proposed RU2 zoning applied to this land in the draft Ballina LEP 2011 as appropriate. However, assuming a Masters Home Improvement Centre does not proceed on the existing Masters land holding, and should Masters seek an alternative site outside of the Southern Cross Retailing Precinct, we consider that this precinct may provide a viable alternative;
7. In terms of the Gallans Road Precinct, this was ranked 7<sup>th</sup> of the 9 precincts surveyed in terms of suitability for future bulky goods and LFR development. We do not therefore propose any change to the proposed RU2 zoning in the draft Ballina LEP 2011. Alternatively, if additional employment land is required the Precinct may be suitable as a potential industrial area.

### **Policy Definitions**

With respect to LEP zonings which could be used to encourage a bulky goods cluster in the Southern Cross Precinct, Council may seek to zone this area B5 Business Development. In the LEP Standard Instrument template published by the NSW Government this is the only zoning which permits bulky goods premises as standard.

In our view the B5 zoning would be more appropriate in encouraging bulky good uses than using B6 zoning with bulky goods uses incorporated as a permitted use. Given the wider range of uses which are permissible under the B6 zoning it would present a greater opportunity for non-bulky goods floorspace to be provided. In addition B6 uses permit residential as part of mixed use development. Residential would not be appropriate within a bulky goods precinct due to the potential for conflict or adverse amenity impacts. Residential uses would not be appropriate in the Southern Cross Precinct.

In summary we believe that a bulky goods precinct in Southern Cross should be defined incorporating the Harvey Norman Centre and the vacant plots located to the north and west using a B5 zoning. We concur with the definition of B6 zoning in the draft Ballina LEP 2011 which excludes bulky goods premises as a permissible use.

## DISCLAIMER

This report is for the use of the party to whom it is addressed (the client) for the specific purposes to which it refers. We disclaim any responsibility to any third party acting upon or using the whole or part of its contents or reference thereto that may be published in any document, statement or circular or in any communication with third parties without prior written approval of the form and content in which it will appear.

This report and its attached appendices are based on estimates, assumptions and information sourced and referenced by Hill PDA and its sub consultants. We present these estimates and assumptions as a basis for the reader's interpretation and analysis. With respect to forecasts we do not present them as results that will actually be achieved. We rely upon the interpretation of the reader to judge for themselves the likelihood of whether these projections can be achieved or not.

As is customary, in a report of this nature, while all possible care has been taken by the authors to prepare the attached financial models from the best information available at the time of writing, no responsibility can be undertaken for errors or inaccuracies that may have occurred both with the programming or the financial projections and their assumptions.

This report does not constitute a valuation of any property or interest in property. In preparing this report we have relied upon information concerning the subject property and/or proposed development provided by the client and we have not independently verified this information excepted where noted in this report.



## Appendix 1 - FLOORSPACE AUDIT

		Bulky Goods	Sqm	Vacant BGs (sqm)	Other Anchors	Sqm	Number of Stores				Comments
							SF	SNF	Comm	Vac	
BALLINA TOWN CENTRE											
	Cherry St	Cycles	45				5	9	3	8	3 vacancies are former bulky goods
	River St East of Cherry	Matress Xpress	240		Woolworths	3,000	14	20	26	3	
		Cycles and Fitness Equip	240								
	Tamar St	3 x Scooter Shops	360		Video Ezy	380	3	17	20	11	
		3 x Furniture Shops	158		Crazy Clarks DDS	1,008					
		Computer store near Lincraft	100		Lincraft	1,441					
	Pac Hwy	Beaumont Tiles	308								
		Repco	242								
		Snooze (bedding)	520								
		Ballina Tiles	180								
		Lighting	165								
		Vacant Bed Shop		165							
	River St from Hwy to Moon	Lights	672				12	25	13	3	Also a vacant hotel
		Camping	110								
		Sports Store	720								
	Ballina Central	Retravisision	882				13	29	11	6	
		Fabrics	110								
		Kitchenware	110								
	Ballina Arcades						7	9	4	3	
TOTAL BALLINA TOWN CENTRE			5,327	165		5,829	54	109	77	34	

		Bulky Goods	Sqm	Vacant BGs (sqm)	Other Anchors	Sqm	Number of Stores				Comments
							SF	SNF	Comm	Vac	
WEST BALLINA											
	West Ballina	Good Guys	3,000								
		Rugs	220		Spar Supermarket	560					
					Sams Warehouse	1,090					
					Dan Murphys	1,000					
					B+W	450					
		Former Betta Electrical / Joyce Mayne		750							
						1,100					11 other specialties
	Smith Drive	Antiques	630								Tourist place
		Nursery	168								
TOTAL WEST BALLINA			4,018	750		4,200					

		Bulky Goods	Sqm	Vacant BGs (sqm)	Other Anchors	Sqm	Number of Stores				
							SF	SNF	Comm	Vac	Comments
KERR STREET PRECINCT											
	Ballina Fair	Blue Sky Camping & Outdoor Sporting Equipment	330				15	39	4	1	
		Sportspower	216								
		House (homewares)	100								
					Target	2,979					
					Woolworths	3,600					
	Amart Furniture	Amart Furniture	2,860								
	Coles / Kmart				Kmart	5,558	2				Includes Red Rooster & Café
					Coles	2,893					Also a Kmart Auto
	Ballina Central	Dick Smith	546		Big W	6,870	5	7	7	1	
					Supa IGA	3,760					
TOTAL KERR STREET PRECINCT			4,052			25,660	22	46	11	2	

	Bulky Goods	Sqm	Vacant	Trade	Other Anchors	Sqm	Number of Stores	
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			BGs (sqm)	Related (sqm)			SF	SNF	Comm	Vac	Comments
<b>SOUTHERN CROSS DRIVE PRECINCT</b>											
		Bunnings	3,000								
		Former Trade Price Furniture - now Vacant		395							
		Vacant Shell - potential B.G.s next to above		576							
					Pet Supplies	242					
		ToolSpot Hardware	489								
		Carpet Court	216								
					Car Sound	120					
		Blinds and Awnings		264							
		Lawnmowers	150								
		Kitchens		675							
		Kitchen		663							
					Crafts shop	144					
		Pool Shop	280								
		Fashion Enclave now closed	150								
		Ballina Computer Solutions	120								
					Take-away restaurant /	120					
					ALDI	1,400					
		Super Cheap Auto	350								
		Caravans									
		Kitchens		250							
		Surf Shop	178								
		BBQ Galore	884								
		Dulux		360							
		Vacant BG store between dulux & BBQ		360							
		Giltrap Flooring		300							
		Art Supplies and Framing	260								
		Discount Centre Hardware	210								
		Reece		138							
		Kitchens		138							
	Harvey Norman Centre	Harvey Norman Furniture	3,318								
		Harvey Norman Electricals	1,590								
		Pillow Talk	1,456								

		Spotlight	1,800									
						Petstock	594					
		Forty Winks	1,583									
		Vacant		2,807								5 vacant units
<b>TOTAL SOUTHERN CROSS DR PRECINCT</b>			<b>16,034</b>	<b>4,138</b>	<b>2,788</b>		<b>2,620</b>					

		Bulky Goods	Sqm	Vacant BGs (sqm)	Trade Related (sqm)	Other Anchors	Sqm	Number of Stores				Comments
								SF	SNF	Comm	Vac	
Clarke Street Industrial Area												
		Vast Furniture & Homeware	1,395									
		Sunrise Cycles	200									
		Curtains & Blinds	401									
		Williams Building with kitchen/ bathroom showrooms			1,000							
TOTAL CLARKE ST PRECINCT			1,996		1,000							

Appendix 2 - **PRECINCT APPRAISAL**  
**PROFORMAS**

## **Appendix 2: Precinct Appraisal Proforma**

Appendix 2 provides detailed assessment proforma for each of the Precincts consider for the potential accommodation of bulky goods and LFR floorspace over the 2011 to 2026 period.

The precincts consider were:

- Precinct 1: Ballina Town Centre
- Precinct 2: Kerr Street Precinct
- Precinct 3: Clarke Street Industrial Precinct
- Precinct 4: West Ballina
- Precinct 5: Southern Cross Precinct
- Precinct 6: Homeworld Precinct
- Precinct 7: Masters Precinct
- Precinct 8: Crown Land
- Precinct 9: Pacific Highway (Gallans Road).

A location plan of each of these precincts is provided in Figure A2.1 below.

## Appendix 2: Precinct Appraisal Proforma

Figure A2.1: Location of the Precincts Considered for Additional Potential Bulky Goods/ LFR Floorspace



Source: Map produced by Hill PDA using MapInfo 10.5 software and Microsoft Bing (c) 2010 Microsoft Corporation



## Appendix 2: Precinct Appraisal Proforma

### Precinct 1: Ballina Town Centre

Criteria	Hill PDA Comment
Precinct Size	31ha
Precinct Boundaries	The precinct is bounded by Kerr Street (west), Holden Lane (north), Martin Street (east) and the Richmond River (south).
Current Use	Comprises the traditional retail and commercial centre in Ballina Shire LGA containing an array of high street retail floorspace including Woolworths, Retravisation, Crazy Clarks DDS, Video Ezy and Lincraft. Based on the Hill PDA survey (September 2011) this area contains 300 units which consist of 21 bulky goods retailers, 1 supermarket, 54 specialty food retailers, 112 specialty non-food retailers, 77 commercial units and 34 vacant units.
Local Accessibility	The precinct is easily accessible from the surrounding area of Ballina although we understand that at peak times parking may be an issue.
Regional Accessibility	The precinct adjoins the Pacific Highway to the north but given the street layout expedient access into and out of the precinct from the Region is difficult
Visibility/ Frontage	Sites on the western perimeter of the precinct enjoy good visibility from the Pacific Highway but the majority of the precinct is not easily visible from it
Land Use Zoning - Ballina LEP 1987	3 - Business
Land Use Zone - Draft Ballina LEP	B3 Commercial Core
Precinct Ownership	Multiple owners and disjointed land ownership.
Availability of Land	Lack of sufficiently large sites which would be capable of supporting significant bulky goods/ LFR floorspace.
Estimated Quantum of Developable Land	Limited.
Land Use Conflict	Residential uses adjoin the precinct on three sides, which may have implications in any bulky goods development particularly in terms of traffic generation, delivery/ serving and noise.
Flooding	Located within the Flood Planning Area (i.e. it is within the Richmond River Floodplain) and directly adjacent to the Richmond River.
Relevant Planning History	None of which we are aware.
Commercial Viability	Lack of visibility from the Pacific Highway, difficulty in assembling a site of sufficient size, cost of land and accessibility are likely to deter large scale bulky goods investors
Additional Comments	None.
Suitability for Bulky Goods/ LFR	Should be the preferred location for new bulky goods/ LFR development but given the lack of available land and accessibility issues, it does not have sufficient capacity to support any meaningful expansion of bulky goods/ LFR retailing.

## Appendix 2: Precinct Appraisal Proforma

### Precinct 2: Kerr Street Precinct

Criteria	Hill PDA Comment
Precinct Size	16ha
Precinct Boundaries	The Precinct is bounded by Bangalow Road in the north, Fox Street in the south and by residential properties to the east and west.
Current Use	This area encompasses three purpose built shopping centres, one freestanding retail unit and associated surface level car parking. Retailers located in this area include Coles, Woolworths, Kmart, Target, Big W, Ritchies IGA and Dick Smith.
Local Accessibility	Easily accessible from the surrounding residential area.
Regional Accessibility	The Pacific Highway (Kerr Street) runs through the precinct and provides unproblematic access to it from the wider area although the Precinct is some distance from the future Ballina Bypass.
Visibility/ Frontage	Highly visible from the Pacific Highway which transcends the centre of the precinct.
Land Use Zoning - Ballina LEP 1987	3 - Business
Land Use Zone - Draft Ballina LEP	B3 Commercial Core
Precinct Ownership	Several large lots which constitute this area are owned by single landowners.
Availability of Land	Limited opportunities for expansion in the existing precinct. There may be some scope to develop some of the car parking area, but unless replacement parking is provided locally it may adversely impact upon the performance of the precinct and therefore be resisted by existing retailers. The provision of replacement parking is also likely to be expensive.
Estimated Quantum of Developable Land	Limited.
Land Use Conflict	Retail is an established use in this area and access is provided via the Pacific Highway away from residential uses. Any bulky goods/ LFR development within the precinct is unlikely to create significant conflicts with surrounding residential uses.
Flooding	Located within the Flood Planning Area (i.e. it is within the Richmond River Floodplain).
Relevant Planning History	The Precinct is subject to extant Development Application (DA) approval for a Choice Liquor.
Commercial Viability	Likely to be attractive to potential bulky goods/ LFR operators given that the precinct is established as a retail destination and highly visible, however the amalgamation of sufficient land for development is likely to be expensive.
Additional Comments	None.
Suitability for Bulky Goods/ LFR	Suitable for such uses but these are unlikely to be developed given the lack of developable land at cheap costs.

## Appendix 2: Precinct Appraisal Proforma

### Precinct 3: Clarke Street Industrial Precinct

Criteria	Hill PDA Comment
Precinct Size	6.8ha
Precinct Boundaries	Precinct is bounded by Bangalow Road and the Pacific Highway to the south and west, by the Angles Beach Drive to the southeast, by undeveloped wooded land to the east and by Precinct 8: Crown Land to the north.
Current Use	Mixture of employment, industrial and quasi-retail uses
Local Accessibility	Internal access around the precinct is provided by Clarke Street and Hogan Street which form a circular loop.
Regional Accessibility	Located adjacent to the Pacific Highway .
Visibility/ Frontage	Restricted visibility from Pacific Highway due to setback from Bangalow Road and extensive vegetation .
Land Use Zoning - Ballina LEP 1987	4 - Industrial
Land Use Zone - Draft Ballina LEP	IN1 General Industrial
Precinct Ownership	Small allotments in fragmented ownership .
Availability of Land	Limited vacant allotments.
Estimated Quantum of Developable Land	There is some scope to redevelop existing units for bulky goods and LFR purposes but limited vacant plots.
Land Use Conflict	Land use conflict in this precinct is unlikely to be an issue.
Flooding	Located within the Flood Planning Area (i.e. it is within the Richmond River Floodplain).
Relevant Planning History	None of which we are aware .
Commercial Viability	If direct frontage onto Pacific Highway could be secured it is likely that the precinct would be very attractive to bulky goods/ LFR operators, although amalgamation of appropriately sized sites at the right costs is likely to be difficult
Additional Comments	Could be combined with Precinct 8: Crown Land to form a larger precinct.
Suitability for Bulky Goods/ LFR	Likely to be suitable, but may not be feasible or practical for bulky goods/ LFR development.

## Appendix 2: Precinct Appraisal Proforma

### Precinct 4: West Ballina

Criteria	Hill PDA Comment
Precinct Size	25ha
Precinct Boundaries	This large area is located on either side of the Pacific Highway in West Ballina, from the junction with Brampton Avenue in the east to Horizon Drive in the west
Current Use	The precinct is currently used for a mix of quasi-retail and industrial service related functions such as automotive repairs, The Good Guys, Dan Murphy's, Sam's Warehouse, nurseries and the like.
Local Accessibility	Easily accessible from West Ballina, although internal connectivity between sites is poor.
Regional Accessibility	Located adjacent to the Pacific Highway however it is likely to suffer from a significant decline in passing traffic once the Bypass is opened.
Visibility/ Frontage	Highly visible from Pacific Highway.
Land Use Zoning - Ballina LEP 1987	2(a) Living Area 4 – Industrial 3 – Business
Land Use Zone - Draft Ballina LEP	B6 Enterprise Corridor
Precinct Ownership	Multiple ownerships and plots of varying sizes.
Availability of Land	Some vacant units and vacant plots. Bunnings own the site of the former Big Prawn and the former Betta Electrical/ Joyce Mayne (750sqm) is vacant. However there is a lack of sufficiently large vacant sites to enable the development of a bulky goods centre rather than a group of freestanding bulky goods retailers. We understand that Harvey Norman also own a site adjacent to The Good Guys but that they are intending to sell this plot off.
Estimated Quantum of Developable Land	2.5ha (Bunnings site), limited elsewhere.
Land Use Conflict	Limited, given the established retail nature of the area and given that it has direct access to the Pacific Highway.
Flooding	Located within the Flood Planning Area (i.e. it is within the Richmond River Floodplain).
Relevant Planning History	Land adjacent to the Big Prawn is subject to extant DA approval for the erection of a retail complex of 2,543sqm including bulky goods retail, general retail and takeaway food premises. This DA lapses in April 2016. We note that Bunnings own the former Big Prawn Precinct, but that no development application has yet been submitted.
Commercial Viability	Likely to be commercially viable to potential bulky goods operators, provided sufficiently large sites can be assembled, although this is likely to comprise piecemeal bulky goods development.
Additional Comments	None
Suitability for Bulky Goods/ LFR	Likely to be suitable for bulky goods development, although difficulty in assembling sufficiently sized sites may be problematic. A major disadvantage, in our view, of bulky goods development in this precinct is that it would not easily accommodate a large, integrated concentration of such uses.

## Appendix 2: Precinct Appraisal Proforma

### Precinct 5: Southern Cross Precinct

Criteria	Hill PDA Comment
Precinct Size	87ha
Precinct Boundaries	The Southern Cross Precinct is located in north of Ballina and south of Ballina Airport. Broadly it encompasses an area bounded by the Pacific Highway and North Creek in the south/ southeast, Ballina racecourse and Corks Lane in the east, Ballina Byron Gateway airport in the north and Southern Cross Drive in the west.
Current Use	Currently this precinct is used for a mixture of industrial, employment and bulky goods retail purposes. It includes the recently opened Harvey Norman Centre which, in addition to Harvey Norman, contains a Spotlight, Forty Winks, Pillow Talk and Petstock. Bunnings and Aldi are situated in the wider precinct.
Local Accessibility	A variety of internal access roads facilitate easy local access around this precinct
Regional Accessibility	Located adjacent to the Pacific Highway, however the fledgling bulky goods cluster has no major road access. Future plans for the development of a link road to Lennox Head.
Visibility/ Frontage	Although it is situated adjacent to the Pacific Highway only a small number of sites are actually visible from it. We note that this has not deterred bulky goods retailers from investing in the area.
Land Use Zoning - Ballina LEP 1987	4 - Industrial
Land Use Zone - Draft Ballina LEP	IN1 General Industrial
Precinct Ownership	Existing lots are generally small (around 1,500sqm) and in fragmented ownership, however large area of undeveloped land to the east of the Harvey Norman Centre which could be subdivided to provide larger development plots.
Availability of Land	Some vacant plots of land and a large part of the precinct to the northeast of the Harvey Norman Centre remains undeveloped. Several vacant bulky goods units in the Harvey Norman Centre and surrounds.
Estimated Quantum of Developable Land	Approximately 6ha of undeveloped land on plots immediately adjacent to the Harvey Norman Centre to the north and west. There is significantly more land to the north of this area. We note that this undeveloped land is subject to a masterplan being prepared by Council's Commercial Services unit which envisages a bulky goods cluster and enterprise zone on these lands.
Land Use Conflict Flooding	No sensitive uses (i.e. residential) within the vicinity. Located within the Flood Planning Area (i.e. it is within the Richmond River Floodplain).
Relevant Planning History	Harvey Norman Centre recently approved (and now developed) in the precinct.
Commercial Viability	Attractive to bulky goods operators, as evidenced by the recent Harvey Norman Centre development, given the availability of low cost, undeveloped land.
Additional Comments	Council has future expansion plans for this Precinct given that it is subject to a masterplan.
Suitability for Bulky Goods/ LFR	Suitable for bulky goods/ LFR floorspace and capable of providing a focus for this type of development given the availability of sufficient land.

## Appendix 2: Precinct Appraisal Proforma

### Precinct 6: Homeworld Precinct

Criteria	Hill PDA Comment
Precinct Size	9.1ha
Precinct Boundaries	The Homeworld Precinct is located between the Pacific Highway and Emigrant Creek, west of Teven Road.
Current Use	Undeveloped.
Local Accessibility	Not applicable at the current time. However, we understand that bulky goods operators have concerns regarding the internal layout of the approved Homeworld development in that it encompasses a long roadway with two sets of roundabouts and no direct main road accessibility. Local access is therefore felt to be constrained and unsafe.
Regional Accessibility	Located adjacent to the Pacific Highway and the future intersection of the Ballina Bypass, however vehicular access is via Smith Drive and is only available in one direction. We understand that a number of bulky goods operators have considered and rejected this Precinct on the grounds of poor access.
Visibility/ Frontage	The precinct has good visibility from the Pacific Highway and is located adjacent to the future intersection of the Ballina Bypass.
Land Use Zoning - Ballina LEP 1987	1(b) Rural (Secondary Agricultural) 4 – Industrial 7(a) Environmental Protection (Wetlands)
Land Use Zone - Draft Ballina LEP	IN1 General Industrial
Precinct Ownership	Precinct is under sole ownership.
Availability of Land	Sufficient land is valuable to support significant bulky goods development.
Estimated Quantum of Developable Land	9.1ha
Land Use Conflict	Bulky goods uses are unlikely to not create any land use conflicts with adjoining uses.
Flooding	Located within the Flood Planning Area (i.e. it is within the Richmond River Floodplain). The precinct is bounded by Emigrant Creek to the south which suggests that it may be particularly prone to flooding.
Relevant Planning History	Development application approval for the development of a 29,000sqm Homeworld Homemaker Centre granted in 2007.
Commercial Viability	The precinct is highly visible from the Pacific Highway and the future Ballina Bypass.
Additional Comments	We understand that significant filling of the Homeworld site would be required in order to enable the approved development.
Suitability for Bulky Goods/ LFR	In granting development consent for the Homeworld, Council has accepted that this precinct is suitable for bulky goods development. However, in our view its lack of development is indicative of a lack of interest from bulky goods operators, attributable to access arrangements. This precinct may be more suited towards industrial or other development which generates less traffic.

## Appendix 2: Precinct Appraisal Proforma

### Precinct 7: Masters Precinct

Criteria	Hill PDA Comment
Precinct Size	3.6ha
Precinct Boundaries	The precinct comprises countryside land located to the north of the Pacific Highway less than 0.5km east of the Teven Road/ Pacific Highway road junction and 3km west of Ballina Town Centre.
Current Use	Undeveloped.
Local Accessibility	Easily accessible.
Regional Accessibility	Located adjacent to the Pacific Highway and close to the future junction with the Ballina Bypass.
Visibility/ Frontage	Easily visible from the Pacific Highway.
Land Use Zoning - Ballina LEP 1987	2(a) Living Area 1 (b) Rural (Secondary Agricultural)
Land Use Zone - Draft Ballina LEP	RU2 Rural Landscape
Precinct Ownership	Precinct is in sole ownership.
Availability of Land	Land is available for development.
Estimated Quantum of Developable Land	3.6ha (100%)
Land Use Conflict	The precinct is surrounded by undeveloped land and is some distance from West Ballina therefore land use conflict is unlikely to be an issue. We understand that a service station complex is proposed on land to the west. This would be compatible with bulky goods uses in this precinct.
Flooding	Located within the Flood Planning Area (i.e. it is within the Richmond River Floodplain).
Relevant Planning History	An application seeking to rezone this precinct in order to facilitate the development of a Masters Home Improvement Centre of 13,500sq m (gross) has been declined by Council. The land is not identified in Council's local structure planning or the State Government Far North Coast Regional Strategy as having urban development potential.
Commercial Viability	Interest in the precinct from Masters indicates that it is viable from for bulky goods operators.
Additional Comments	None.
Suitability for Bulky Goods/ LFR	Suitable for bulky goods but we note that this precinct is isolated from other such development and is only ever likely to be capable of supporting a freestanding store rather than a bulky goods concentration.

## Appendix 2: Precinct Appraisal Proforma

### Precinct 8: Crown Land

Criteria	Hill PDA Comment
Precinct Size	7.6ha
Precinct Boundaries	Precinct 8 is bounded by North Creek to the north, Precinct 2: Kerr Street Precinct to the south, the Pacific Highway to the west and a watercourse and undeveloped countryside land to the east.
Current Use	Currently undeveloped and used as a tip.
Local Accessibility	Dedicated access/ egress to the Pacific Highway.
Regional Accessibility	Located directed adjacent to the Pacific Highway.
Visibility/ Frontage	Precinct adjoins the Pacific Highway therefore any future development would be easily visible from it
Land Use Zoning - Ballina LEP 1987	1(b) Rural (Secondary Agricultural)
Land Use Zone - Draft Ballina LEP	RU2 Rural Landscape
Precinct Ownership	Precinct is in sole ownership.
Availability of Land	Land is underused at present and we assume it is available for bulky goods/ LFR development.
Estimated Quantum of Developable Land	8.5ha
Land Use Conflict	Minimal land use conflict given the only active adjoining use is industrial/ retail/ employment
Flooding	Located within the Flood Planning Area (i.e. it is within the Richmond River Floodplain). We understand that flooding in this precinct is a major issue.
Relevant Planning History	We are aware that this area has been used as a tip in the past, which may create issues such as contamination.
Commercial Viability	Likely to be commercially viable, subject to any site remediation costs.
Additional Comments	Could be combined with Precinct 2: Kerr Street to form a larger developable plot.
Suitability for Bulky Goods/ LFR	Suitable for bulky goods/ LFR floorspace



## Appendix 2: Precinct Appraisal Proforma

### Precinct 9: Pacific Highway (Gallans Road)

Criteria	Hill PDA Comment
Precinct Size	3.5ha
Precinct Boundaries	Precinct is located to the south of the Pacific Highway approximately 3km west of the main Ballina conurbation and directly opposite Gallans Road.
Current Use	Undeveloped.
Local Accessibility	Easily accessible to residents of Cumbalum and North Ballina
Regional Accessibility	Easy access from the wider area via the Pacific Highway although located some distance from the Ballina Bypass.
Visibility/ Frontage	Good frontage onto Pacific Highway.
Land Use Zoning - Ballina LEP 1987	1(d) Rural (Under Investigation)
Land Use Zone - Draft Ballina LEP	RU2 Rural Landscape
Precinct Ownership	Precinct is under sole ownership.
Availability of Land	Immediately available.
Estimated Quantum of Developable Land	3.5ha
Land Use Conflict	Unlikely to be an issue given the undeveloped nature of the area, although we note that future residential development is planned for the area to the east of the precinct.
Flooding	Located within the Flood Planning Area (i.e. it is within the Richmond River Floodplain).
Relevant Planning History	Identified as having potential for use as employment land in local structure planning.
Commercial Viability	Likely to be commercial viable, but given the relatively modest size of the precinct it could only ever support one or several freestanding units rather than a significant bulky goods/ LFR cluster.
Additional Comments	Well placed to serve the future urban expansion area. We understand that the precinct may be subject to environmental constraints.
Suitability for Bulky Goods/ LFR	Suitable for bulky goods/ LFR floorspace but likely to be a longer term option following residential development in the wider area.