

21 April 2023

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Bargara Local Centre, Bundaberg

This letter presents a review of the Economic Impact Assessment (EIA) prepared by Ethos Urban for BluePoint Property dated December 2022. The EIA is in relation to proposed Coles anchored shopping centre called Bargara Shopping Centre in the Bundaberg Local Government Area (LGA).

The Proposed Development

Bargara Shopping Centre is for a proposed supermarket-based centre of 5,200 sq.m. The composition of the centre would include:

- A Coles supermarket of 3,700 sq.m.
- Speciality shops totalling 900 sq.m.
- Medical centre - 400 sq.m.
- Fast-food at 200 sq.m.

The site is located at 60 Rifle Range Road, Bargara and is designated Local Centre in the Bundaberg Regional Council planning scheme.

Defined Trade Area

Ethos Urban define a trade area at Figure 2.1 of the EIA, which is quite extensive along the coastline from Bargara in the north through to Elliott Heads in the south (refer Map 1). The defined primary sector would be a geographic area consistent with a Local Centre.

The next question is does a Local Centre serve an area which extends 10 km to the south and 5 km to the north (the secondary sectors). In reality, if the centre includes a tenant such as Coles as indicated in the report, it will draw from the defined trade area including in and around the District Centre land to the north for those shoppers who wanted a Coles branded store.

The secondary south sector is relevant given the absence of any major shopping facilities within this location and, particularly until such time as South Beach Village Shopping Centre is developed.

It is relevant to note the defined catchment would overlaps with the District Centre catchment (a subset) but overlapping catchments in typical in any retail hierarchy.

Population Projection

Table 2.2 on page 10 of the Ethos Urban report outlined population projections for the trade area. The projected rate of growth is indicated to increase from around 400 persons annually to 550 to 560 persons annually over the forecast period. Although these projections would be potentially a little on the high side, they are not significant in the overall implications and conclusions of the impact assessment.

Relevantly, Ethos Urban do not specifically outline the contribution of tourists to spending within the Bargara Coast region which would add to demand for supermarket facilities in the location. Ethos Urban do allow for tourists in their supermarket analysis.

Competitive Environment

The main issue in relation to the competitive environment, is the status of the South Beach Village Centre at Elliott Heads and whether that will be developed by 2031. We agree with Ethos Urban that this centre is unlikely to include a major supermarket for some years.

Supermarket Needs

Table 4.1 of the Ethos Urban report presents an analysis of supermarket floorspace demand throughout the trade area, which is typical of any supermarket need analysis. Although there is always the potential to argue around individual assumptions within the table, the numbers are generally defensible in relation to the need and demand for supermarkets throughout the area. In particular, retaining 75% of food & grocery spending in the trade area which incorporates coastal areas having to travel up to 10 kilometres for facilities within the Bundaberg urban area is justifiable.

The analysis would tend to indicate, therefore, that another full line supermarket is supportable in and around Bargara. But the key question is where that supermarket should locate. The options include:

- On the District Centre zoned land at Bargara along Bundaberg Bargara Road. If a supermarket did not locate at the District Centre vacant land site, the District Centre would still be substantially larger than the proposal at over 10,000 sq.m of floorspace as compared with around 5,000 sq.m of floorspace at the subject proposal. Further, there will likely be potential opportunities for other facilities besides a supermarket to locate at the District Centre zoned land such as discount variety stores, non-food retailers and the like.
- The proposal would delay any supermarket that would locate at Elliott Heads, although I would agree further substantial population growth is required at Elliott Heads itself to sustain a supermarket at the South Urban Village site.

Centre Sales

Table 5.1 of the Ethos Urban EIA outlines projected sales for the proposed centre and total sales level of \$45.1 million is justifiable.

Impact Analysis

Table 6.2 of the Ethos Urban EIA outlines the impact analysis from the proposed development. In our view, based on Table 4.1 - the supermarket analysis, the impact on Bargara District Centre is likely to be higher than indicated by Ethos Urban (13.5%) and be in the order of \$15 million or closer to 20% impact. Conversely, there would be lower impacts on Kepnock District Centre and Bundaberg Principal Centre.

Consequently, the key difference in our view between Ethos Urban and our analysis is a higher impact on the Bargara District Centre which will result in sales of closer to \$70 million in 2026 for the District Centre, following the subject proposal. At this level, the District Centre would still be sustainable and have other elements such as the tavern, medical and the like which will continue to operate in the market. Further population growth over time will result in further opportunities for expansion of the centre besides supermarket retailing.

Conclusions

Overall, the Ethos Urban report presents an analysis which is typical of an economic impact assessment. The key issues relate to:

- Where a second full-line supermarket in the coastal areas should locate. In part this is a planning question.
- The impact on the Bargara District Centre is likely to be higher than indicated by Ethos Urban and closer to 20% impact. This is considered high but would not impact on the viability or operation the District Centre over time.

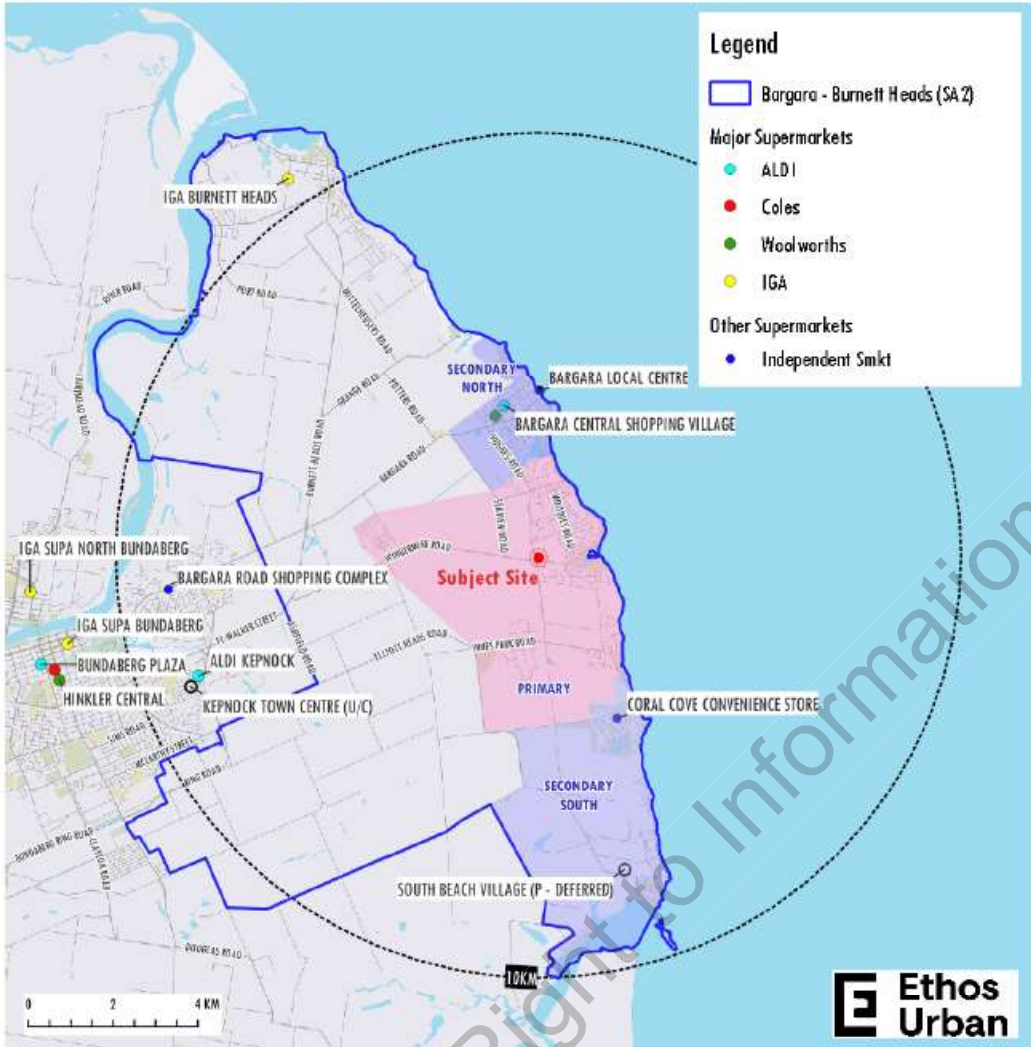
Yours sincerely,

Contrary to public interest - s47(3)(b) of RTI Act

Gavin Duane
Director

MAP.1. ETHOS URBAN TRADE AREA

Figure 2.1: Bargara Shopping Centre Main Trade Area and Competitive Context



Source: Ethos Urban

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