

February 2024

Woolworths Duncraig

Needs Assessment & Net Benefit Test
Prepared for Woolworths Group



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Introduction

This report presents an independent assessment of the demand, need, and net benefit for retail uses as part of a proposed Woolworths supermarket-based development at Duncraig, in the City of Joondalup Local Government Area (LGA).

The proposal is referred to as the 'Woolworths Duncraig'; 'proposed' or 'subject' development/site throughout the remainder of this report.

The report is structured and presented in **five (5) sections** as follows:

- **Section 1** details the location of the proposed Woolworths Duncraig site and discusses the context of the site within the City of Joondalup LGA. The existing shopping centre, as well as the proposed development scheme is also outlined.
- **Section 2** examines the trade area (study area) which is relevant for the proposed development, including current and projected population and retail spending levels. The socio-economic profile of the trade area population is also reviewed.
- **Section 3** provides an overview of the retail structure within the surrounding region.
- **Section 4** outlines an assessment of the sales potential for the retail component of the proposed Woolworths Duncraig development. Likely trading impacts on other activity centres throughout the surrounding region are considered, as are the employment and other consumer impacts, both positive and negative, of the proposal.
- **Section 5** summarises the key conclusions of the Needs Assessment and Net Benefit Test for the proposed Woolworths Duncraig development.

Executive Summary

The key points to note from this report regarding the demand, need, and net benefit for retail uses as part of a proposed Woolworths supermarket-based development at Duncraig, include the following:

- i. Woolworths Group propose a redevelopment of Glengarry Shopping Centre at the north-east corner of Glengarry Drive and Arnisdale Road, in Duncraig.
- ii. Glengarry Shopping Centre is an older neighbourhood centre which was constructed more than 30 years ago. The centre has had limited capital investment over time and is objectively an older and more dated offering - anchored by a small IGA supermarket (885 sq.m) and 17 other retail and non-retail shopfronts.
- iii. The proposed development would comprise a full-line Woolworths supermarket of 3,626 sq.m (including Direct to Boot services), an adjacent supermarket tenancy of 825 sq.m (facilitating the potential re-integration of the incumbent IGA back into the site), as well as retail specialty shops totalling around 885 sq.m (across 13 tenancies). Commercial office floorspace of 774 sq.m (non-retail) is proposed for upper levels.
- iv. Parking would be facilitated via an at-grade car park at the western portion of the site (75 bays), as well as a basement level (207 bays). Woolworths Direct to Boot sales will also be facilitated through six additional parking bays at basement level. The total of 288 bays would equate to a provision of around 5.4 per 100 sq.m of retail floorspace – which is at the upper-end of comparable developments.
- v. The defined main trade area for the proposed Woolworths Duncraig development includes one primary sector and three secondary sectors. The trade area is an appropriate study area for the purposes of needs assessment.
- vi. The main trade area population is currently estimated at 45,115 (2023), including 17,389 persons in the primary sector. The population is projected to increase at an average rate of 0.3% (or 143 persons) per annum to 47,695 across the main trade area by 2041, including 18,289 persons in the primary sector.
- vii. There are no full-line supermarkets currently provided across the main trade area, but rather a range of smaller offers which include five IGAs (less than 1,200 sq.m), Farmer Jacks (1,021 sq.m), and a non full-line Coles (2,641 sq.m).
- viii. Across Australia, one full-line supermarket (3,200 sq.m) is typically provided for every 8,000 – 10,000 persons, which would indicate that the primary sector population alone (17,000+ persons) is sufficient to support at least one.
- ix. Demonstrating this undersupply, the current provision of supermarket and shopping centre floorspace across the main trade area is less than half the Greater Perth and Australian benchmarks. Even allowing for the subject development (Woolworths and IGA) from 2026/27, the provision would remain well below benchmark levels – and continue to fall thereafter with population growth.
- x. The nearest full-line supermarkets are currently at Warwick Grove, which is beyond the main trade area (3.8 km to the south-east). Full-line supermarkets beyond the main trade area are understood to be trading at well above average levels, given they would be drawing significant customers and sales from the Duncraig main trade area (leakage).

xi. Total retail forecast sales for the Duncraig development are \$54.4 million in 2026/27, including Woolworths forecast sales of \$39.3 million (\$10,865 per sq.m). Key information regarding projected impacts of -\$1.0 million or more are outlined as follows:

- **Glengarry Shopping Centre:** the centre will be replaced by the Woolworths development. Therefore, the entirety of sales from the former site are assumed to transfer to the proposed development (-100% or -\$23.8 million). A small proportion of this sales may flow to nearby centres and reflect a partial benefit to offset potential impacts – however this has not been modelled.
- **Warwick Secondary Activity Centre:** a total impact of -\$9.2 million (-3.0%), with most of this falling on Warwick Grove, by way of the existing supermarkets at the centre.
- **Greenwood Secondary Activity Centre:** projected impact of -\$4.7 million (-7.7%) given Greenwood Village comprises the largest and only major brand supermarket (Coles) within the main trade area (albeit a non-full-line offer) – which is understood to trade strongly.
- **Karrinyup & Whitfords Secondary Activity Centres:** similar impacts of -\$3.2 million (-0.4% and -0.6%).
- **Balance of Duncraig:** an impact of -\$2.0 million on Duncraig by Hawaiian (-6.3%).
- **Madeley:** total impact of -\$1.9 million on Kingsway Shopping Centre (-1.2%).
- **Carine:** an impact of -\$1.6 million (-2.0%), the majority of which would fall on Carine Glades.

All other project impacts are less than -\$0.8 million or -3.0% on any one centre.

xii. Most of the impacts will be absorbed by Woolworths and Coles supermarkets throughout the surrounding area that are understood to trade at levels above the Australian average. The proposed Woolworths Duncraig development would not impact on the viability or continued operation of any existing or proposed centres (as per SPP 4.2) in the surrounding region, with all impacts well within the normal competitive range (low to medium) of less than -10%.

xiii. All sales impacts are within an acceptable range when considered in the context of the size, performance, role and function of surrounding centres - and it would be highly unlikely to result in a material reduction of retail service provision. The proposed Woolworths Duncraig development would add to the range of services and retention of escaped expenditure within the region. Further, residential growth would also see sales regain quickly. With retail expenditure growth across the main trade area growing by an average of 0.9% (2023-27) to 1.1% (2027-41) per year – even the most significant impacts could be ameliorated through population growth.

xiv. It is the conclusion of this report that a substantial net community benefit would result from the proposed Woolworths Duncraig development. Offsetting the trading impacts on some existing retailers, there are very substantial positive impacts including the following (with reference to SPP 4.2 *Implementation Guidelines A.24*):

Strategic Alignment, Infrastructure & Services

- **Optimal Site:** the site occupies a high-profile and easily-accessible location for the local resident population – capitalising on the existing infrastructure and uses at the precinct.
- **Liveable Neighbourhood:** the positioning of the development aligns with the strategic vision for the area, including as an established local/neighbourhood. The redevelopment of the tired site into a contemporary project will also promote a more liveable neighbourhood – which has a primary objective of walkable

neighbourhoods and places that support community, sense-of-place, mixed-use and active streets, accessible and sustainable parking, energy efficient design, and housing choice.

- **Enhanced Uses:** the development would provide a significant improvement in the range of retail facilities and services that would be available to existing and future residents. This includes satiating existing and future projected retail and supermarket floorspace demand generated by main trade area residents, and specifically the introduction of the first full-line supermarket to the main trade area.
- **Aligned With SPP 4.2 Objectives:** the proposed development strongly aligns with the core policy objectives, aiming to create and retain people, employment opportunities, retail, and services – within a well-connected community.
- **Aligned With SPP 4.2 Outcomes:** the development also seamlessly addresses specified outcomes, insofar as it efficiently and cohesively caters to community needs and consumer choice, while also avoiding significant disruptions to the existing activity centre hierarchy – particularly given it is a redevelopment of an existing centre. As outlined within this sub-section and the broader assessment, the development would be of net positive benefit to the local community.
- **Local Commercial Strategy (2013):** the site has previously been identified for additional floorspace capacity (4,000 sq.m NLA). The proposed development is just +1,336 sq.m above this threshold in GLA terms (likely in-line or lower in NLA terms) and will not negatively impact other centres or the established hierarchy.

Productivity

- **Employment:** the proposed Woolworths Duncraig development would result in the creation of additional employment, both during the construction period, and more importantly, on an ongoing basis once the development is complete and operational.

In total, approximately 631 jobs are likely to be created both directly and indirectly because of the proposed development - including ongoing employment (197 net jobs), construction (95) and multiplier effects (339).

Based on Average Weekly Earnings data released by the ABS in May 2023 (Cat. 6302.0), the net additional permanent employees (197) would earn combined total salary/wages of some \$15.6 million.

- **Impact on Activity Centres:** the proposed development would not impact on the viability or continued operation of any existing or proposed centres in the surrounding region, with all the impacts well within the normal competitive range (low to medium) of less than -10%; and expected to be ameliorated with growth.

Quality of Life

- **Compatible with Surrounding Land Uses:** the proposal is compatible with surrounding uses due to fact that the site has operated in a similar capacity (as a neighbourhood retail centre) for more than 30 years.
- **Complementary Range of Uses:** the proposed range of uses that would form part of the development are typical of many convenience-based centres – such as the existing site itself (Glengarry Shopping Centre), including a full-line supermarket and retail specialty shops.
- **Aligned with Consumer Trends & Expectations:** the nature of consumer demand continues to develop and evolve, reflecting social changes within society, such as increasing time pressures on working families; population/income growth; the evolution of new retail formats/operators. The demands of retailers, as well as

consumers, combine to add pressure for additional retail floorspace in existing retail precincts such as the Duncraig site. The design of the proposed development, including a full-line Woolworths supermarket, a similar quantum of specialty floorspace, easily accessible car parking, and Direct to Boot services, would be highly convenient for local families who would visit on a regular basis – and therefore help to retain some of the significant spending and visitation that is currently escaping the area.

- **Enhanced Amenity & Retained Vibrancy:** the proposed development would improve the offering within the Duncraig precinct and allow for price competition as part of this retention. The level of supermarket spending (generated by main trade area residents) being retained within the main trade area is estimated at just \$97.1 million (32%). This means that 68% (\$211 million) of main trade area resident supermarket expenditure is currently escaping the main trade area (and much of the LGA). The development of Woolworths Duncraig in 2026/27 is projected see retained supermarket spending increase to \$125.3 million (39%), reflecting a significant reduction in leakage (from 68% in 2022/23 to 61% in 2026/27).

The current state of the Centre, while playing a crucial role in providing convenience to the local community, underscores the pressing need for a revitalisation or strategic investment to breathe new life into the precinct, and ensure a more vibrant and contemporary retail experience.

- **Limited Specialty Floorspace:** the proposed development has a limited specialty floorspace component (13 tenancies totalling 885 sq.m and the re-integration of IGA) which will replace the existing offer at Glengarry Shopping Centre that is estimated to total 1,890 sq.m across 17 tenancies (plus IGA). This would mean residents will continue to frequent other centres/shops in the surrounding area for a variety of tenants that are not likely to be provided as part of the proposed site. Given most shopfronts in the locality and nearby activity centres would not compete directly with a full-line supermarket, impacts on local retail would be limited and most would stand to benefit from increased customer visitation, activity and retained spending associated with the full-line Woolworths supermarket. The ability for residents, for example, to undertake both a weekly shop at the subject site, as well as convenience, top-up, and complementary shopping at the independent supermarkets would represent a holistic food and grocery experience.

Environmental Sustainability, Equity & Social Inclusion

- **Reduced Trips or Drive Distance:** the retention of spending and visitation within the main trade area and LGA would also reflect a reduction in car-based trips (drive time and distance) to full-line supermarket-based centres (often multiple times per week) further afield such as Warwick Grove, Karrinyup, Westfield Whitford City, Kingsway City, Hillarys and more.

The exact quantum of traffic impacts would be the subject of a specific expert Assessment, however, volume changes are likely to broadly reflect net sales uplifts (at the subject site) and impacts (to other centres). This redistribution of traffic/trips, however, would include shorter travel distances (more localised shopping), as well as the ability to undertake less frequent, larger shopping (full weekly/trolley shop).

- **Localised Jobs & Services:** the provision of employment floorspace within the main trade area will help to retain job opportunities for residents, as well as providing a large number of youth employment prospects, given retail developments generally employ many younger staff.

- xv. In conclusion, this assessment demonstrates that proposed Woolworths Duncraig development would result in substantial net community benefit, that will more than offset anticipated trading impacts for a small number of existing and proposed retail centres – all of which would remain viable.

1 Location & Composition

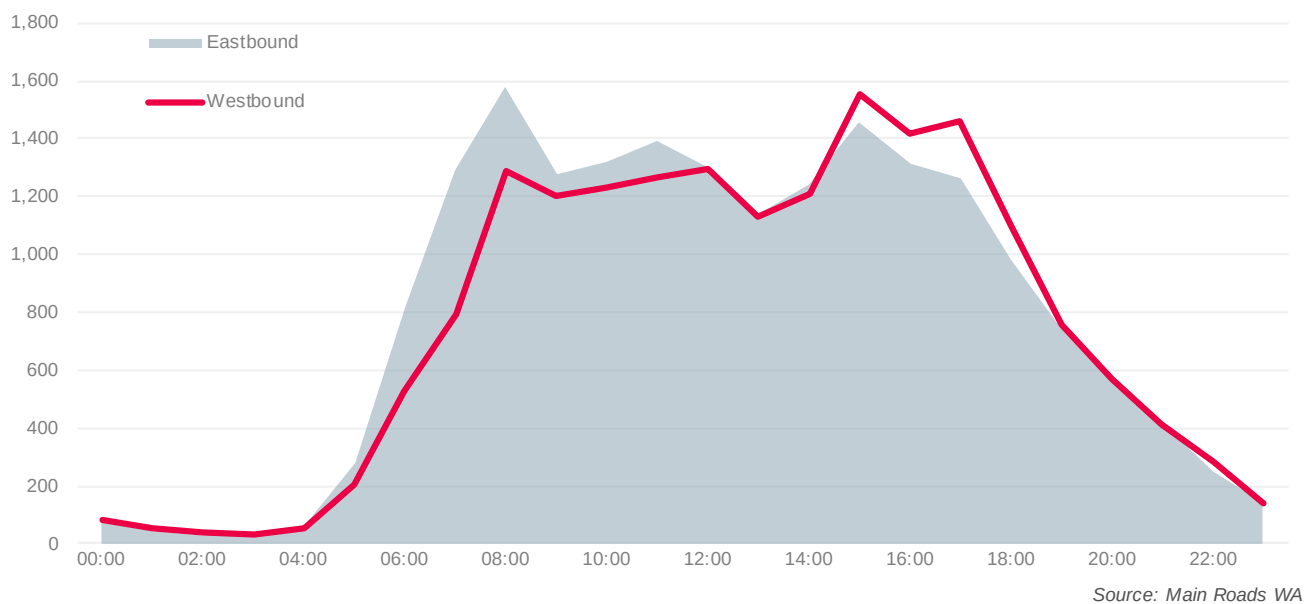
This section of the report reviews the regional and local context of the proposed Woolworths Duncraig site and provides an overview of the indicative development scheme.

1.1. Regional & Local Context

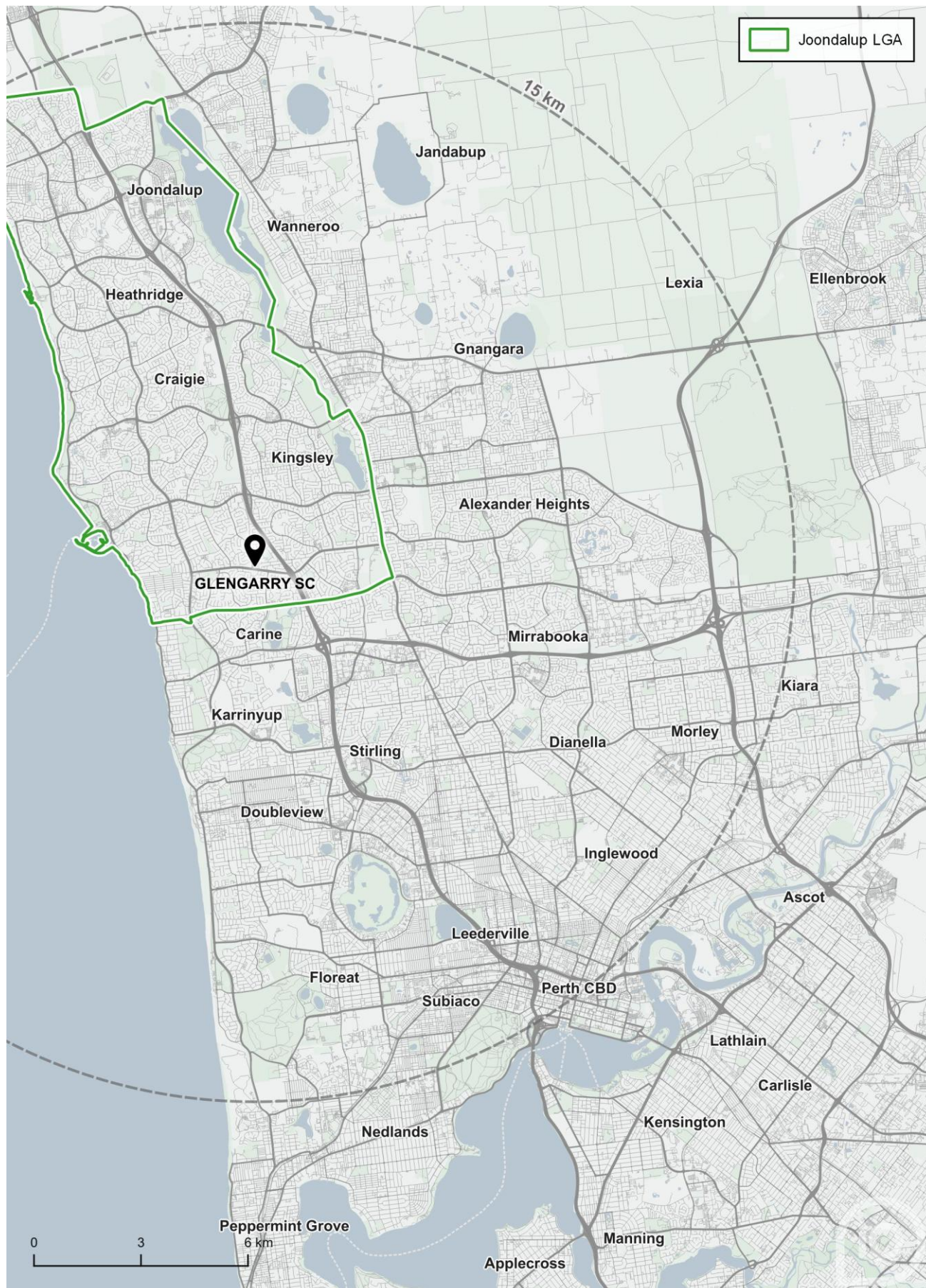
- i. The northern Perth suburb of Duncraig is part of the City of Joondalup Local Government Area (LGA), approximately 16 km (by road) north of the Perth Central Business District (CBD) (refer Map 1.1).
- ii. Duncraig is an established residential area that commenced development as early as the late 1960s. Residential construction from the mid-1970s, alongside community infrastructure such as primary schools, Duncraig High School, Duncraig Library, the Carine Glades tavern, and Glengarry Private Hospital.
- iii. Regional connectivity was enhanced through connection with the Mitchell Freeway in 1986, which links the Perth CBD with the northern suburbs and now extends to Alkimos.
- iv. Woolworths Group now propose a redevelopment of Glengarry Shopping Centre at the north-east corner of Glengarry Drive and Arnisdale Road (refer Map 1.2), which is an older neighbourhood shopping centre currently anchored by an IGA supermarket and 17 other retail and non-retail shopfronts (detailed further in Section 1.2.1).
- v. The centre is positioned nearby to the Warwick Road intersection (100 metres to the south). Warwick Road is a major east-west route through the locality, connecting Marmion Avenue (in the west), with the Mitchell Freeway. Based on a review of the most recent traffic counts provided by Main Roads Western Australia, an average of 12,847 vehicles travel along Warwick Road (East of Marmion Avenue) on an average day (2021/22 figures). This equates to an annual passing traffic volume of 4.7 million vehicles. Similar connectivity is also facilitated by Hepburn Avenue to the north.
- vi. Map 1.2 provides an illustration of the local context of the site, with key points to note including:
 - Glengarry Shopping Centre (as outlined above and subsequently).
 - A range of medical facilities anchored by Glengarry Private Hospital – which is an acute care facility that has an excellent reputation for providing comprehensive medical services across many specialties. Other complementary facilities include the adjacent Pharmacy 777, as well as Arnisdale Specialist Centre (on the southern side of Arnisdale Road) – which includes Ancillary Services such as radiology, cardiology, diagnostics, pathology, and gastroenterology.
 - A Shell service station and Hungry Jacks pad site are located along Warwick Road.
 - Glengarry Village retirement village is some 150 metres to the east of the subject site.

- Duncraig includes a broad array of recreation and sporting facilities, such as Glengarry Park, Portree Reserve, Greenlaw Park, and Carine Open Space. The latter is an expansive (124 hectares) public park featuring walking trails and recreational areas.
 - A range of education facilities are provided throughout the area, including Wise Preschool, Glengarry Primary School, Duncraig Primary School, Davallia Primary School, Duncraig Senior High School and more.
- vii. Overall, the Glengarry Shopping Centre site (proposed Woolworths Duncraig site) enjoys a high-profile location with exposure and connectivity a range of major traffic routes. The site is easily accessible for the local and wider region population and is well-located to service residents and workers within the region.

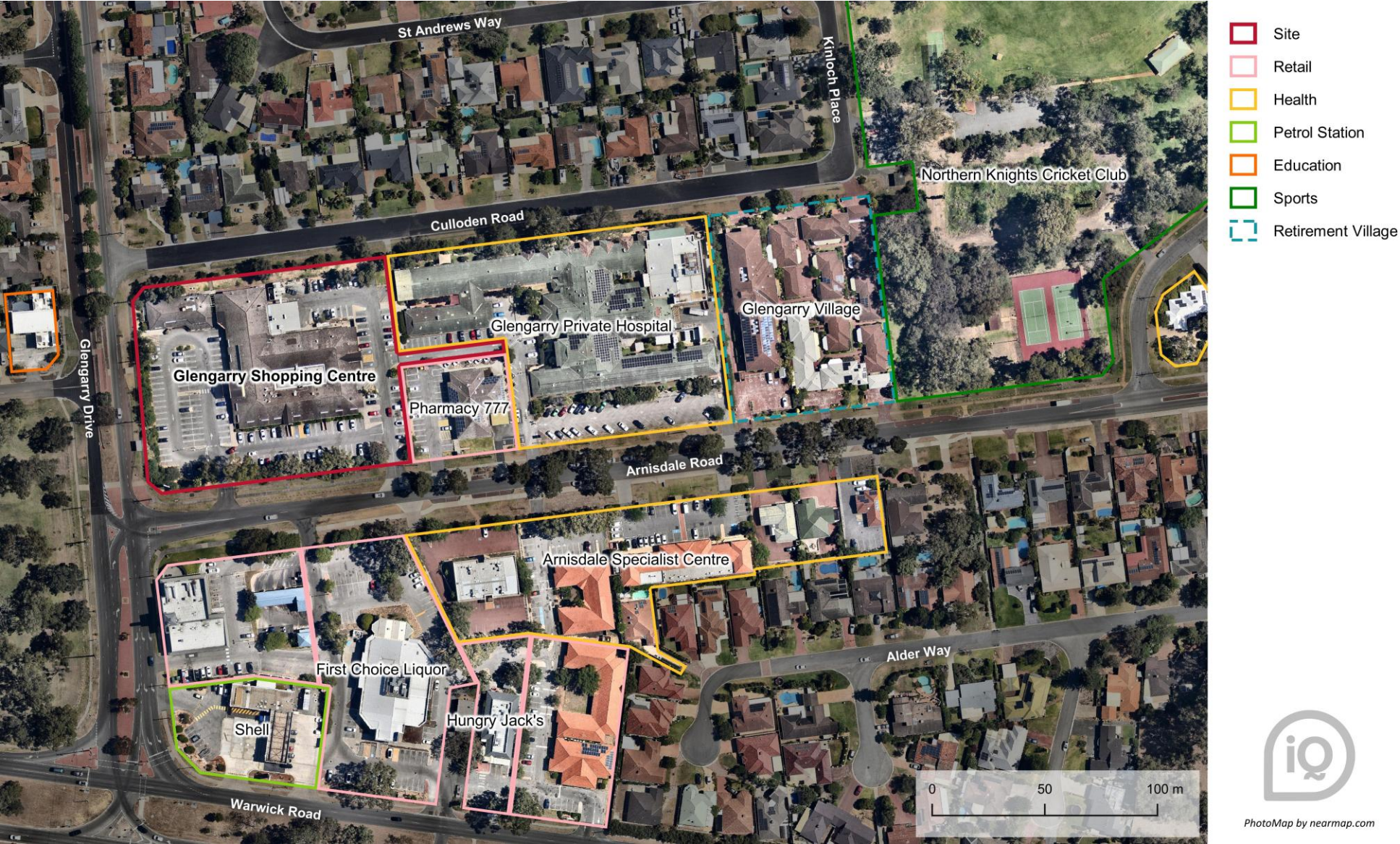
CHART 1.1. HOURLY TRAFFIC VOLUMES, WARWICK ROAD (EAST OF MARMION AVENUE) – 2021/22



MAP 1.1. REGIONAL CONTEXT



MAP 1.2. LOCAL CONTEXT

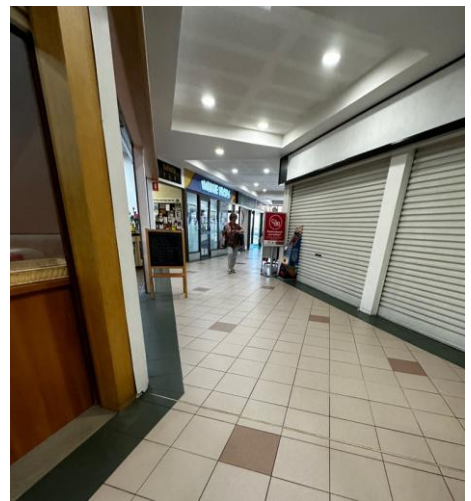


1.2. Existing & Proposed Development

1.2.1. Glengarry Shopping Centre (Existing Centre)

- i. Glengarry Shopping Centre is a traditional neighbourhood shopping centre which was constructed more than 30 years ago.
- ii. In light of limited capital investment over time, the centre may now be perceived as having an older and more dated infrastructure or offerings (refer Figure 1.1).
- iii. The centre includes a small, central, enclosed mall, as well as an external provision of shops at the north-west corner of the site.
- iv. An IGA supermarket of around 885 sq.m anchors the shopping centre and fronts the mall. The storefront is large but limited by partitioning and trolley bays.
- v. The retail specialty offer at the centre reflects that of a typical neighbourhood shopping centre mix, including a total of 17 other retail and non-retail shopfronts across some 1,890 sq.m. Key tenants include a bakery, tea/juice bar, café, Indian restaurant, Nando's, jeweller, florist, lottery and newsagency, nail salon, optometrist, alterations, two hair salons, massage parlour, post office and pool supplies store.
- vi. The centre is served by a provision of at-grade parking totalling around 150 bays, which surround the retail footprint. Ingress and egress to the site is provided via Arnisdale Road in the south, and the total spaces equate to a provision of 5.4 bays per 100 sq.m.
- vii. The current state of the centre, while playing a crucial role in providing convenience to the local community, underscores the pressing need for a revitalisation or strategic investment to breathe new life into the precinct, and ensure a more vibrant and contemporary retail experience.

FIGURE 1.1. GLENGARRY SHOPPING CENTRE (JANUARY 2024)



1.2.2. Woolworths Duncraig (Proposed Development)

- i. Woolworths Group propose a contemporary redevelopment of the existing Glengarry Shopping Centre site at Duncraig, which will indicatively comprise the following key components (refer Figures 1.2 – 1.4 & Table 1.1):
 - **A full-line Woolworths supermarket of 3,626 sq.m** that would also service 'Direct to Boot' sales. The supermarket would be provided behind a small 'airlock' and account for the majority (67.6%) of proposed retail floorspace.
 - **A supermarket tenancy of 825 sq.m** will be located to the adjacent south of Woolworths, facilitating the potential re-integration of the incumbent IGA back into the site.
 - **Retail specialty shops totalling around 885 sq.m** across 13 tenancies. Retail tenancies would each enjoy external frontage to the large at-grade car park at the west of the site, while supermarket-adjacent tenancies would also be accessible via the airlock.
 - **Commercial office floorspace of 774 sq.m** (non-retail) on an upper level.
- ii. In total, combined retail floorspace across the development would be 5,336 sq.m. Non-retail floorspace on the upper levels would total a combined 774 sq.m.
- iii. Parking would be facilitated via an at-grade car park at the western portion of the site (75 bays), as well as at basement level (207 bays). Direct to Boot sales will also be facilitated through 6 additional parking bays at basement level. The total of 288 bays would equate to a provision of around 5.4 per 100 sq.m of retail floorspace – which is at the upper-end of comparable developments.
- iv. The Woolworths Duncraig development would deliver a rejuvenate the site as a modern neighbourhood shopping centre, anchored by a convenient, full-line Woolworths supermarket, and a complementary provision of specialty shops and non-retail uses.
- v. The proposed full-line supermarket at the site would significantly increase the provision of services for the local population and maximise amenity, by way of excellent, modern design.
- vi. The first full year of trading for the development is assumed to be 2026/27.

TABLE 1.1. WOOLWORTHS DUNCRAIG PROPOSED DEVELOPMENT COMPOSITION

	Composition			Sales	
	Tenants (no.)	GLA (sq.m)	% of Total	(\$'000)	(\$/sq.m)
Retail (Ground)					
Woolworths (incl. BOH and DTB)	1	3,626	68.0%	\$39,265	\$10,829
Supermarket	1	825	15.5%	\$6,600	\$8,000
Mini-majors / Specialty Shops	<u>13</u>	<u>885</u>	<u>16.6%</u>	<u>\$8,528</u>	<u>\$9,636</u>
Total Retail	15	5,336	100%	\$54,393	\$10,194
Other					
Office	4	774			
Parking					
Ground Level	75		-		
Basement Level	207		-		
<i>Direct to Boot (DTB)</i>	6				

Source: Woolworths Group

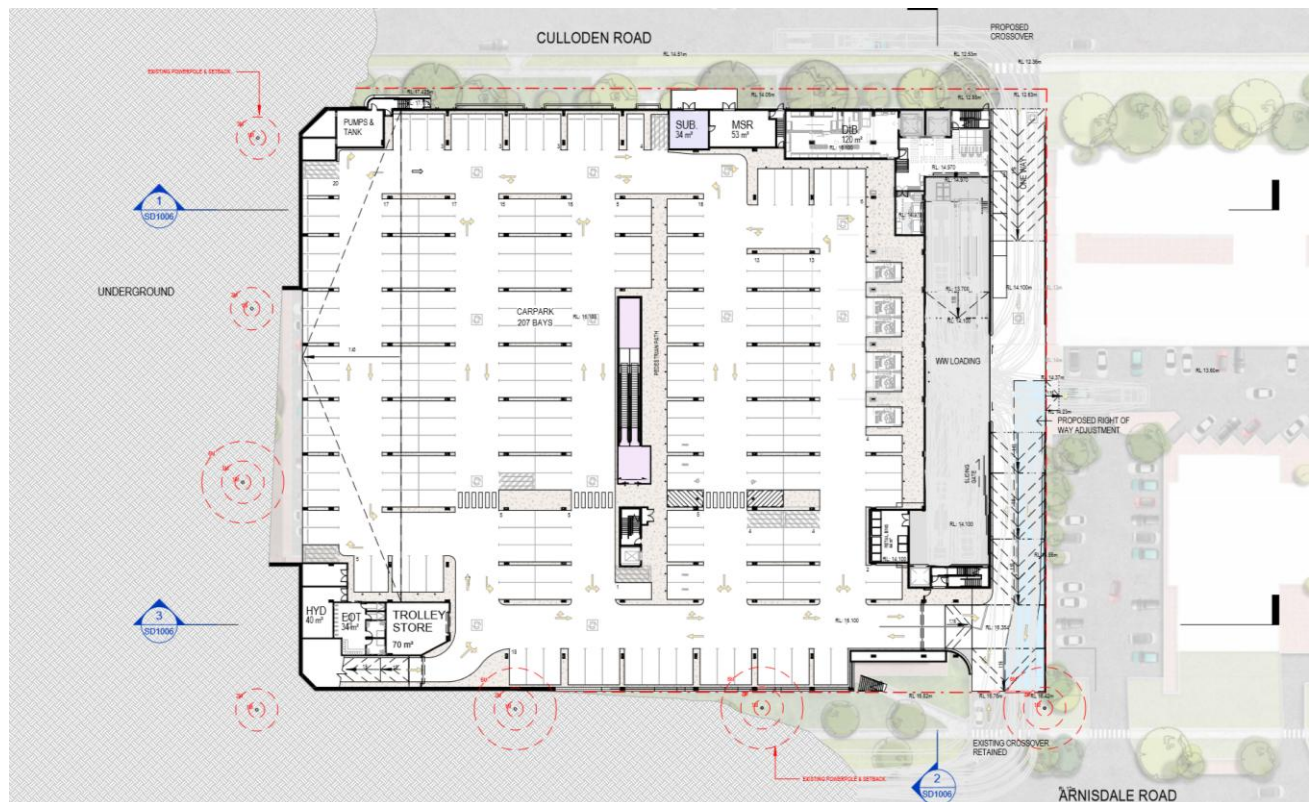
BOH = Back of House

Gross Lettable Area (GLA) vs Net Lettable Area (NLA)

In the shopping centre industry, only Gross Lettable Area (GLA) is typically reported and considered. Both the Property Council of Australia and the Australian Property Institute support this unit of measurement and a range of industry benchmarks that allow comparison are also based on GLA (i.e. the Urbis Retail Averages). This assessment adopts GLA in accordance with this standard.

FIGURE 1.2. WOOLWORTHS DUNCRAIG

Basement Carpark



Ground Level

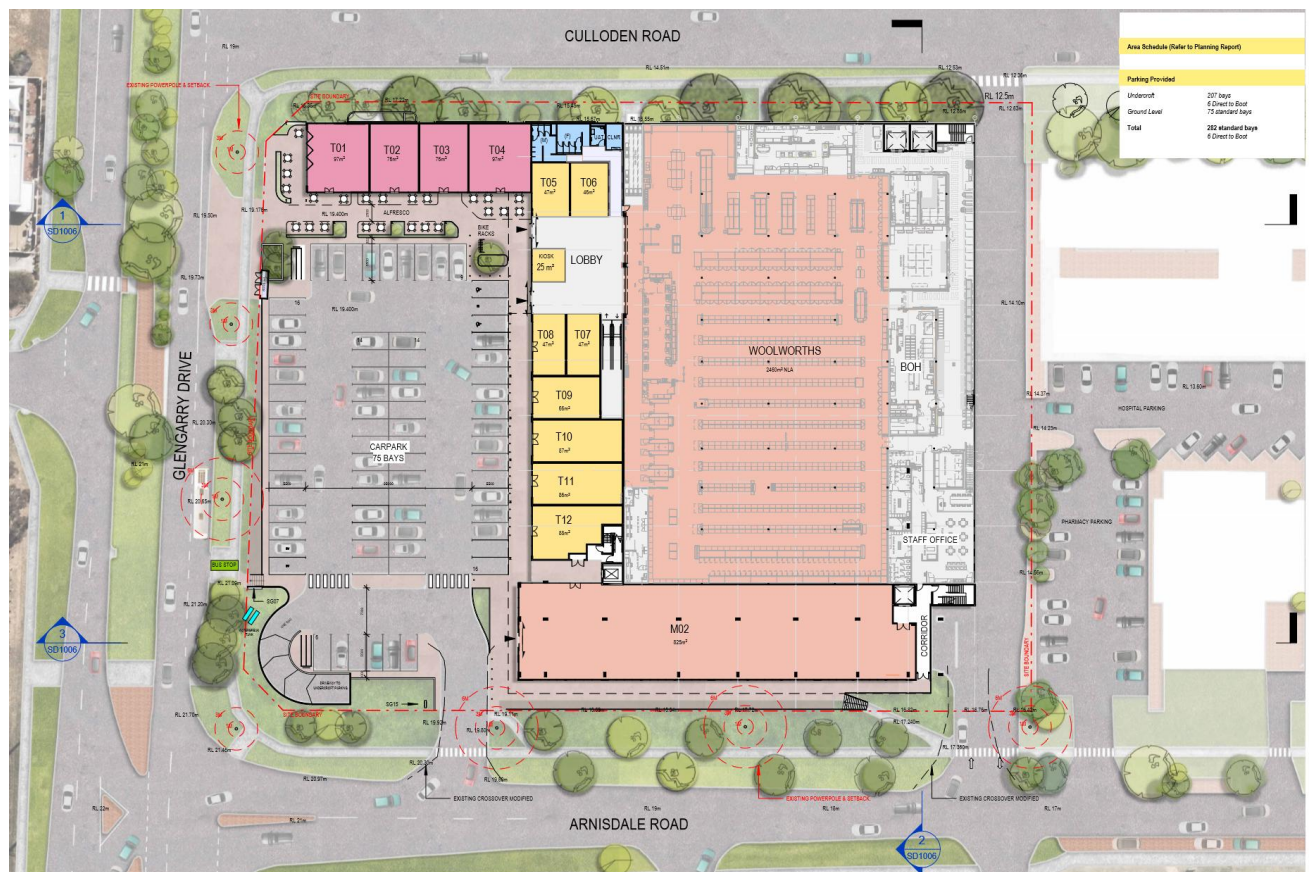


FIGURE 1.3. WOOLWORTHS DUNCRAIG

Office Level



Level Two



FIGURE 1.4. WOOLWORTHS DUNCRAIG

Renders



1.3. State Planning Policy 4.2 Activity Centres (2023)

- i. The Activity Centres Policy is a state planning policy for the planning and development of activity centres throughout Western Australia.

Activity centres are a significant focus for economic development and future growth. They are thriving community hubs that provide a diverse range of homes, jobs close to where people live, retail and commercial opportunities and other activities easily accessible by walking, cycling and public transport.

The main purpose of this policy is to ensure planning, development and decision making adequately consider the distribution, function, broad land use, access and urban form considerations for activity centres in Perth, Peel and Bunbury.

Other purposes of the policy include:

- *ensuring a diversity of employment opportunities and the promotion of business clustering*
- *providing for a choice of housing within and adjacent activity centres*
- *designing activity centres to be more walkable and better integrated with public transport*

- ii. The Western Australian Planning Commission engaged extensively with stakeholders to review *State Planning Policy 4.2 Activity Centres (2023)*, and the policy has been gazetted and become operational since 3 July 2023.
- iii. Of relevance to this assessment, key changes to the policy (from *SPP 4.2 Activity Centres for Perth and Peel 2010*) include the additional implementation guidelines for *Needs Assessment*, as well as the shift from *Retail Sustainability Assessments* to *Net Benefit Test*, as follows:

7.2 Needs Assessment

a) A needs assessment provides an information base to support decision-making by including an assessment of projected land use needs of communities in a local government area. The needs assessment should consider and assess the demand for all activity centre uses and is to be prepared as part of a local planning strategy to guide future development.

b) Where a local planning strategy does not have a Needs Assessment, or the Needs Assessment has not been updated for more than five years, a new Needs Assessment may be prepared in support of a:

- *local planning scheme/scheme amendment*
- *precinct structure plan*
- *standard structure plan at the district or local level.*

Note: Needs Assessments should not be prepared for development applications. In circumstances where the relevant strategy or structure plan does not include a Needs Assessment, development applications should be accompanied by a Net Benefit Test.

c) Once proposed floorspace and/or land requirements are identified, this information should be shown spatially within the planning document being prepared and include an indicative range of activity centre use floorspace per activity centre.

d) Guidance on the appropriate approach and methodology for a Needs Assessment is provided within the Implementation Guidelines (Appendix G1).

...

7.8 Net Benefit Test (NB Test)

a) Major development proposals within activity centres and out-of-centre developments can have an adverse effect on the extent and adequacy of facilities and services available to a local community, and the ability to access them in an efficient and equitable manner by walking, cycling and public transport.

b) It is therefore important to ensure that development of activity centre uses within an area generally complies with the floorspace need identified for specific activity centres in local planning strategies or structure plans (a Needs Assessment, refer section 7.2) and where a proposal exceeds that floorspace need, the proposal is to demonstrate a net benefit to the community of any impacted centres.

c) The purpose of the Net Benefit (NB) Test is to ensure that development applications and planning instruments align with the objectives of this policy.

d) A net benefit occurs when the benefits (pros) to the community arising from a proposal outweigh any identified impacts (cons) to the community arising from a proposal.

e) Where an endorsed local planning strategy or structure plan includes an indicative amount of activity centre use floorspace for the activity centre derived from a Needs Assessment, a NB Test is only required where this indicative activity centre use floorspace is proposed to be exceeded.

The NB Test is to demonstrate that the proposal will:

- not have an unreasonable and detrimental impact on the activity centre hierarchy or the existing or planned functions of activity centres
- not have an unreasonable and detrimental impact upon existing, committed and planned public and private investment in activity centres
- deliver net benefit to the community and not reduce the level of access to services by the community.

i) A NB Test is to be prepared by the proponent in accordance with the methodology provided within the Implementation Guidelines (section 5) and is to be submitted with the relevant planning instrument or development application.

1.3.1. Implementation Guidelines

- The *Implementation Guidelines* provide explanatory detail to assist in the implementation of *State Planning Policy 4.2 Activity Centres* (SPP 4.2) and other relevant Western Australian Planning Commission (WAPC) policies and guidelines.
- The Guidelines explain the intent and interpretation of SPP 4.2 and can be used in the preparation, review and assessment of planning instruments and development applications. Key extracts pertaining to this assessment are as follows:

5 Net Benefit Test

5.1 Requirements

The Net Benefit (NB) Test shall assess the potential impacts and benefits to the community of a proposal on existing and planned activity centres in the locality, considering:

- the supportable retail/commercial floorspace for an appropriate service population
- the implications for and optimal use of public and private infrastructure and services provided or planned in the locality
- the overall costs and benefits of the proposal to the community, considering the objectives, outcomes and measures of SPP 4.2.

b) The potential loss and/or gain of services and any associated detriment/benefit to the community caused by a proposal shall be assessed. The assessment must consider impacts and benefits in relation to all activity centres that may be affected, which are not necessarily just those closest to the proposal and may be in neighbouring local government areas. The extent of activity centres considered should be proportionate to the development.

5.2 Assumptions

a) The detail provided in the NB Test should be appropriate to the scale and context of the proposal, drawing on existing information where possible. Applicants and local and State planning authorities should seek to agree the scope, key impacts/benefits for assessment, and level of detail required in advance of applications being submitted.

b) The methodology, assumptions and data used in the NB Test must be specified and be appropriate, transparent and verifiable. A template methodology is provided at Appendix G2 as a guide to assist proponents and decision-makers in the preparation and assessment of a NB Test.

c) The assumptions and findings of a NB Test may be validated through an independent peer review. This independent peer review should be overseen by the responsible authority, with costs to be shared equally between the proponent and the responsible authority.

5.3 Assessment

The following key considerations should be used to guide the assessment:

- Is there a demand for additional floorspace, and how does the proposal meet this demand?
- How will the proposed development impact on the role of the activity centre and/or the viability and vibrancy of other activity centres in the hierarchy?
- What is the anticipated loss and/or gain of services to the community?
- What is the anticipated impact on access (distance, time, mode of travel) to services by the community?
- Will the proposal contribute to a net increase in employment?
- Does the proposal align with the objectives and outcomes of this policy and the planning framework?
- Are any potential impacts reduced over the longer term?

b) A judgement as to whether the likely impacts/benefits are significant can only be reached considering local circumstances (such as the role, offering and performance of an activity centre and the level of service to the community).

c) Competition between businesses in and of itself is not considered a relevant planning consideration. In this regard, the NB Test is not to be used in a way purely to prevent competition between businesses.

5.4 Implementing Net Benefit

a) Where items or components of a development (refer s2.8.1 of SPP 7.2 Precinct Design Guidelines) are proposed to demonstrate net benefit being achieved, they are to be genuinely over and above what would normally be required to address the requirements of the planning framework.

For example, undertaking road upgrades to cater for increased traffic from the development is not to be included as a benefit as the development cannot occur without the upgrade.

b) The responsible authority may impose reasonable conditions on development approvals to ensure that such items/development components are delivered. Similarly, where such items are proposed as part of a scheme amendment or structure plan process, it is reasonable to include these items as scheme or structure plan requirements to be satisfied by subsequent development.

c) As a general principle, such items or development components should not burden the responsible authority or other landowners without their agreement.

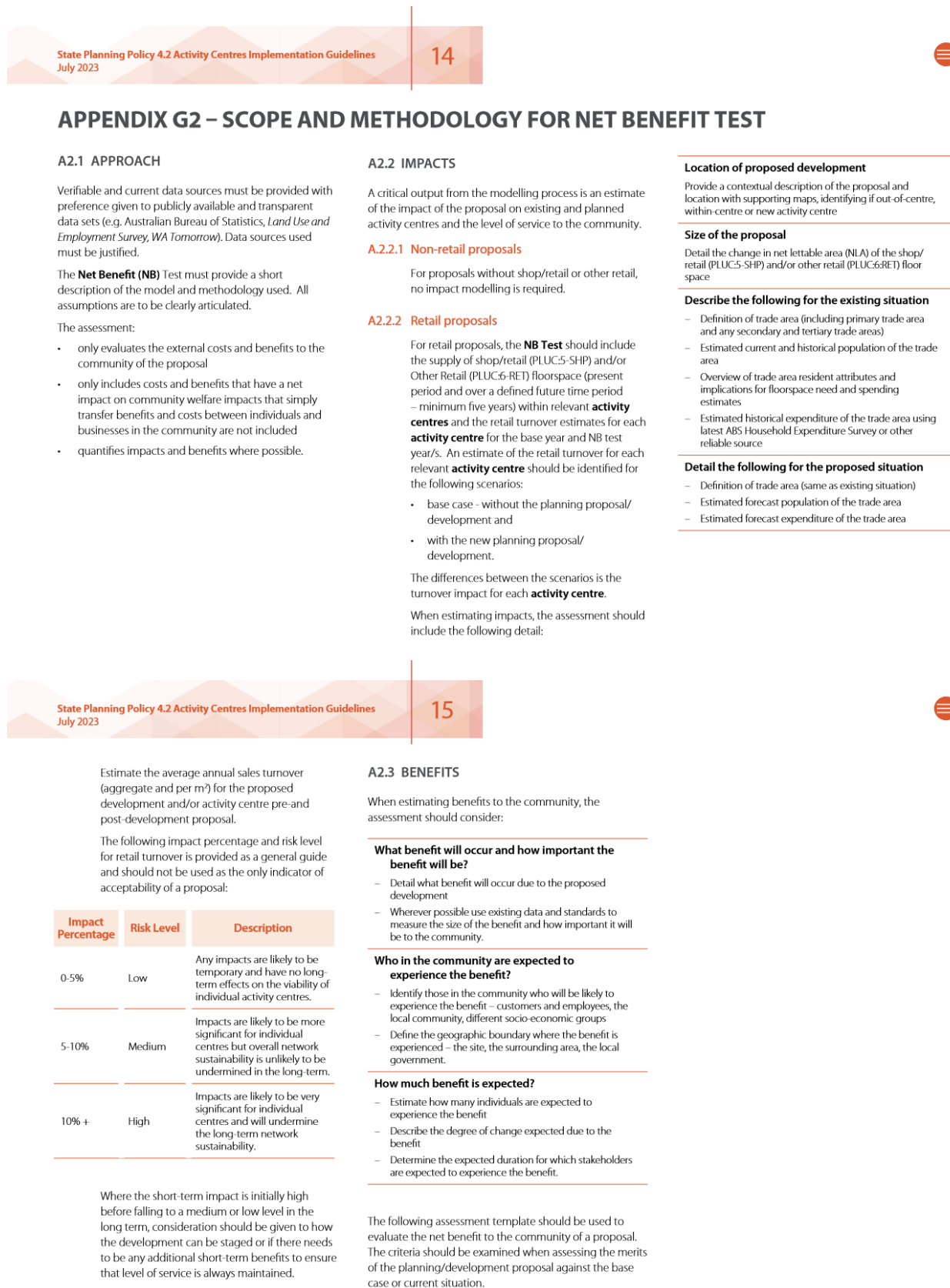
d) There should be a demonstrated need for such items or development component, which are best articulated in a local planning strategy or through the local government's Strategic Community Plan/ Corporate Business Plan.

- iii. Figures 1.5 – 1.8 summarise Appendices G1 & G2 of the Guidelines, which provide an example of the scope and methodology for Needs Assessment and Net Benefit Test.
- iv. The remainder of this document assesses the need and net benefits for the proposed Woolworths Duncraig development, as set out within SPP 4.2, and with reference to this documentation, where relevant.

FIGURE 1.5. SPP 4.2 GUIDELINES – APPENDIX G1 – SCOPE & METHODOLOGY FOR NEEDS ASSESSMENT

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APPENDIX G1 – SCOPE AND METHODOLOGY FOR NEEDS ASSESSMENT A1.1 SCOPE The need for activity centre uses refers to the scale and mix of non-residential uses likely to be needed within a catchment area over the plan period (10 years for precinct and standard structure plans, 15 years for local planning strategies and scheme amendments). The assessment should measure demand for the area and identify the scale of supply necessary to appropriately accommodate this demand in square metres net lettable area (NLA). The scale and detail of the assessment should be commensurate with the planning process or proposal being considered. Only future scenarios that could be reasonably expected to occur should be considered. The assessment of need must be based on facts and unbiased evidence. The methodology used must be transparent and verifiable. The WAPC's <i>Land Use and Employment Survey</i> Planning Land Use Categories (PLUC) system may be used in lieu of scheme land use terms (refer definition of activity centre uses for relevant PLUC codes). A1.2 INPUTS Verifiable data sources must be provided with preference given to publicly available and transparent data sets (e.g. Australian Bureau of Statistics, <i>Land Use and Employment Survey, WA Tomorrow</i>). Data sources used must be justified. The Needs Assessment should include an estimate of current supply of activity centre uses and historical and forecast population.	A1.3 METHODOLOGY The following table provides a guide on what should be included in a Needs Assessment: <table border="1"> <tr> <td data-bbox="614 806 981 1332"> Purpose and objectives Study parameters: - Define study area - Identify study period (10 years for a precinct structure plan or standard structure plan; 15 years for a local planning strategy or scheme amendment) - Define activity centre uses to be assessed by study Review drivers of floorspace, including: - Historical and forecast population growth and its socio-economic characteristics - Employment growth - Visitor growth - Existing infrastructure - Infrastructure investment - Government policy – including centre policy and hierarchy - Changing expenditure patterns - Technological influences impacting floorspace demand - New product and services growth Property market profile: - Rents – current and rental growth - Sale prices – current and price growth - Vacancy – current and historical - Yields – current and historical </td><td data-bbox="981 806 1375 1332"> Floorspace supply for the relevant study area and not just the immediate local government area – current, in development, and planned in terms of: - Scale – land area, gross floor area - Location - Type – zoning, lot size - Occupancy – proportion vacant vs occupied Floorspace demand for the relevant region: - Historical consumption rates – site area, NLA - Employment projections by industry sector with particular focus on relevant activity centre-based sectors Net demand assessment: - Overall LGA net floorspace demand by 5-year intervals - Activity centre/market net floorspace demand - Identification of risk factors, issues and opportunities Land use development options: - Base case (business as usual) - High growth scenario - Low growth scenario </td></tr> </table>	Purpose and objectives Study parameters: - Define study area - Identify study period (10 years for a precinct structure plan or standard structure plan; 15 years for a local planning strategy or scheme amendment) - Define activity centre uses to be assessed by study Review drivers of floorspace, including: - Historical and forecast population growth and its socio-economic characteristics - Employment growth - Visitor growth - Existing infrastructure - Infrastructure investment - Government policy – including centre policy and hierarchy - Changing expenditure patterns - Technological influences impacting floorspace demand - New product and services growth Property market profile: - Rents – current and rental growth - Sale prices – current and price growth - Vacancy – current and historical - Yields – current and historical	Floorspace supply for the relevant study area and not just the immediate local government area – current, in development, and planned in terms of: - Scale – land area, gross floor area - Location - Type – zoning, lot size - Occupancy – proportion vacant vs occupied Floorspace demand for the relevant region: - Historical consumption rates – site area, NLA - Employment projections by industry sector with particular focus on relevant activity centre-based sectors Net demand assessment: - Overall LGA net floorspace demand by 5-year intervals - Activity centre/market net floorspace demand - Identification of risk factors, issues and opportunities Land use development options: - Base case (business as usual) - High growth scenario - Low growth scenario
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FIGURE 1.6. SPP 4.2 GUIDELINES – APPENDIX G2 – SCOPE & METHODOLOGY FOR NET BENEFIT TEST



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Estimate the average annual sales turnover (aggregate and per m²) for the proposed development and/or activity centre pre-and post-development proposal.

The following impact percentage and risk level for retail turnover is provided as a general guide and should not be used as the only indicator of acceptability of a proposal:

Impact Percentage	Risk Level	Description
0-5%	Low	Any impacts are likely to be temporary and have no long-term effects on the viability of individual activity centres.
5-10%	Medium	Impacts are likely to be more significant for individual centres but overall network sustainability is unlikely to be undermined in the long-term.
10% +	High	Impacts are likely to be very significant for individual centres and will undermine the long-term network sustainability.

Where the short-term impact is initially high before falling to a medium or low level in the long term, consideration should be given to how the development can be staged or if there needs to be any additional short-term benefits to ensure that level of service is always maintained.

A2.3 BENEFITS

When estimating benefits to the community, the assessment should consider:

What benefit will occur and how important the benefit will be?

- Detail what benefit will occur due to the proposed development
- Wherever possible use existing data and standards to measure the size of the benefit and how important it will be to the community.

Who in the community are expected to experience the benefit?

- Identify those in the community who will be likely to experience the benefit – customers and employees, the local community, different socio-economic groups
- Define the geographic boundary where the benefit is experienced – the site, the surrounding area, the local government.

How much benefit is expected?

- Estimate how many individuals are expected to experience the benefit
- Describe the degree of change expected due to the benefit
- Determine the expected duration for which stakeholders are expected to experience the benefit.

The following assessment template should be used to evaluate the net benefit to the community of a proposal. The criteria should be examined when assessing the merits of the planning/development proposal against the base case or current situation.

FIGURE 1.7. SPP 4.2 GUIDELINES – APPENDIX G2.4 – SCOPE & METHODOLOGY FOR NET BENEFIT TEST (1/2)

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A2.4 NET BENEFIT ASSESSMENT TEMPLATE

CRITERIA	COMMUNITY COSTS AND BENEFITS – NET BENEFIT			
	BASE CASE – CURRENT SITUATION For the subject centre and nearby centres/trade area	PLANNING/DEVELOPMENT PROPOSAL For the subject centre and nearby centres/trade area	QUANTITATIVE COST/BENEFIT Is there a quantified cost or benefit that the proposal will bring to the community? What is it? Where a cost or benefit cannot be quantified, state NIL.	QUALITATIVE COST/ BENEFIT Outline the qualitative benefits to the community of the proposal. Can a non-quantifiable benefit or impact be described?
STRATEGIC ALIGNMENT				
Is the proposal consistent with the strategic planning for the area? Is it aligned with the relevant regional strategy and approved local planning strategy?	Describe how the current situation (zoning, land uses, development, built form) is aligned or otherwise with the strategic planning for the area.	Describe how the proposal will enable development that is compatible with and achieves the objectives of the strategic planning for the area.		
Is the proposal consistent with the objectives and outcomes of SPP 4.2?	Describe how the existing situation is/is not consistent with the objectives and outcomes of SPP 4.2.	Describe how the proposal achieves the objectives and meets the outcomes of SPP 4.2.		
What are the potential impacts on the activity centre hierarchy? Is the size and scale of the proposal consistent with the level of the hierarchy?	Describe how the existing situation aligns with the activity centre hierarchy and detail the size and scale in net lettable area (NLA) of existing and planned development.	Describe how the proposal may impact on the existing and planned activity centre hierarchy. Detail the size and scale (NLA) of the proposal.		
PRODUCTIVITY				
Does the proposal provide new jobs in addition to any that may be lost elsewhere – net additional jobs?	Outline the estimated existing employment located on site and in the surrounding area.	Provide an estimation of the expected additional employment to be provided on site and in the local area as a direct result of the proposal.		
Does the proposal contribute to diversifying local jobs – creating more strategic employment versus population-driven employment?	Describe the existing employment mix and the ratio of strategic vs population-driven employment on site and in the surrounding area.	Provide details of the changes to the employment mix that the proposal will bring on site and in the surrounding area.		

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CRITERIA	COMMUNITY COSTS AND BENEFITS – NET BENEFIT			
	BASE CASE – CURRENT SITUATION For the subject centre and nearby centres/trade area	PLANNING/DEVELOPMENT PROPOSAL For the subject centre and nearby centres/trade area	QUANTITATIVE COST/BENEFIT Is there a quantified cost or benefit that the proposal will bring to the community? What is it? Where a cost or benefit cannot be quantified, state NIL.	QUALITATIVE COST/ BENEFIT Outline the qualitative benefits to the community of the proposal. Can a non-quantifiable benefit or impact be described?
For retail proposals, how is the proposal expected to impact upon the current and expected turnover and role of relevant activity centres?	<i>See Scope and Methodology for Impacts above</i>	<i>See Scope and Methodology for Impacts above</i>		
Will the proposal increase the choice and availability of goods and services in the area?	Describe the range of choice and the availability of goods and services in the area for the existing situation.	Describe how the proposal will enable a greater range of choice and improve the availability of goods and services in the area.		
QUALITY OF LIFE				
Is the proposal compatible with surrounding land uses? Will there be an improvement in the level of amenity and vibrancy that benefits the wider community?	Describe the existing land uses, built form and public realm. Detail the character and level of amenity provided by the existing situation.	Describe how the proposal will/will not be compatible with the surrounding land uses and contribute to improvements in the amenity provided by the built form and public realm.		
Does the proposal include land uses such as healthcare, education and community facilities?	Describe the existing level of healthcare, education and community facilities in the area.	Detail any additional or potential loss of healthcare, education and community facilities in the area as a result of the proposal.		
ENVIRONMENTAL SUSTAINABILITY				
Would the proposal have an impact on overall vehicle trips? Would car-based net trips (by distance) increase or reduce as a result of the proposal?	Describe the existing vehicle trips for the existing situation within the trade area.	Calculate the potential increase or decrease in vehicle trips within the trade area as a result of the proposal.		

FIGURE 1.8. SPP 4.2 GUIDELINES – APPENDIX G2.4 – SCOPE & METHODOLOGY FOR NET BENEFIT TEST (2/2)

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CRITERIA	COMMUNITY COSTS AND BENEFITS – NET BENEFIT			
	BASE CASE – CURRENT SITUATION For the subject centre and nearby centres/trade area	PLANNING/DEVELOPMENT PROPOSAL For the subject centre and nearby centres/trade area	QUANTITATIVE COST/BENEFIT Is there a quantified cost or benefit that the proposal will bring to the community? What is it? Where a cost or benefit cannot be quantified, state NIL.	QUALITATIVE COST/ BENEFIT Outline the qualitative benefits to the community of the proposal. Can a non-quantifiable benefit or impact be described?
Does the proposal contribute to improved air and water quality – such as incorporating water sensitive urban design (WSUD), or walking and cycling infrastructure that reduces emissions from vehicles?	Describe the existing situation for the area in relation to WSUD and the provision of walking and cycling infrastructure.	Describe how the proposal will improve air and water quality through incorporation of WSUD, the provision of new and/or enhancement of existing walking and cycling infrastructure, or other measures.		
Does the proposal protect or enhance remnant vegetation or contribute to improving the urban tree canopy?	Describe the existing levels and quality of vegetation on site and the extent of urban tree canopy.	Provide details of how the proposal will protect and/or enhance vegetation on site and improve the urban tree canopy in the area, over and above any requirements of the planning framework.		
Does the proposal help reduce energy consumption and emissions – for example through sustainable construction methods and/or incorporating renewable energy systems?	Describe the current situation with regards to how energy is produced and consumed on site.	Describe how the proposal will help reduce emissions and incorporate renewable energy on site.		
INFRASTRUCTURE AND SERVICES				
Is there significant government investment in services, infrastructure or development in the area or nearby centres that may be affected by the proposal? Will the proposal impact patronage/viability of the investment and what is the expected impact?	Describe the government services (Federal, State and local) that already exist in the area or nearby centres. Describe government investments in infrastructure or government-led (re) development in the area or nearby centres.	Detail how the proposal may impact upon or benefit the provision of government services in the area or nearby centres. Detail how the proposal may or may not undermine government investment in infrastructure or (re)development in the area or nearby centres.		

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CRITERIA	COMMUNITY COSTS AND BENEFITS – NET BENEFIT			
	BASE CASE – CURRENT SITUATION For the subject centre and nearby centres/trade area	PLANNING/DEVELOPMENT PROPOSAL For the subject centre and nearby centres/trade area	QUANTITATIVE COST/BENEFIT Is there a quantified cost or benefit that the proposal will bring to the community? What is it? Where a cost or benefit cannot be quantified, state NIL.	QUALITATIVE COST/ BENEFIT Outline the qualitative benefits to the community of the proposal. Can a non-quantifiable benefit or impact be described?
Does the proposal include new, or improvements to existing transport infrastructure, particularly walking, cycling and public transport, that increases access and helps manage congestion?	Describe the transport infrastructure in the area and the current estimated mode split.	Detail how the proposal will improve transport infrastructure in the area with a focus on walking, cycling and public transport, over and above any requirements of the planning framework.		
Does the proposal include enhancements to utilities that benefit the local area?	Describe the existing provision of utilities.	Provide detail on any improvements to utilities that the proposal will bring.		
EQUITY AND SOCIAL INCLUSION				
Does the proposal have the potential to improve access to economic opportunity for minority and vulnerable groups?	Describe the existing services and employment opportunities.	Detail how the proposal will improve access to economic opportunity.		

A2.5 CONCLUSIONS

An executive summary should provide a comparison of the impact and benefit of the proposal to determine acceptability of the proposal in accordance with the requirements of SPP 4.2 and these Guidelines.

1.4. City of Joondalup Local Commercial Strategy

- i. The Local Commercial Strategy serves as a guiding framework for decision-making related to the development and amendment of structure plans, rezoning, and commercial centre development applications. The strategy was endorsed by the Council in December 2013 and its recommendations have been incorporated into the City's Local Planning Strategy.
- ii. The Strategy consists of three parts:
 - Part A: Background research, economic analysis, and retail needs assessment.
 - Part B: Recommended strategies for retail floorspace.
 - Part C: Recommended strategies for bulky goods retail and commercial offices.
- iii. The strategy includes indicative retail threshold floorspace allocations, which are not strict limits but provide guidance on the appropriate retail floorspace for each centre to maintain economic health and sustainability without harming other centres.
- iv. If a centre wishes to exceed these thresholds, a Retail Sustainability Assessment is required to demonstrate that the additional floorspace will not negatively impact other centres or the established hierarchy.
- v. Within the Strategy, the subject site (Glengarry Shopping Centre) is assessed as comprising 2,890 sq.m of 'Shop Retail' floorspace, but with a threshold for some 4,000 sq.m of total shop retail floorspace (NLA). The Complex is also noted as having medium amenity/function; good access/parking; and excellent overall health.
- vi. Based on the proposed development composition of Woolworths Duncraig, total retail floorspace of 5,336 sq.m gross lettable area (GLA) would be +1,336 sq.m above the Strategy (2013) net threshold – and more likely in-line or lower in like-for-like (NLA) terms.
- vii. Regardless, the remainder of this report reflects a 'Retail Sustainability Assessment' (now referred to as a Needs Assessment and Net Benefit Test) in order to assess the impact on other centres and the established hierarchy.

2 Trade Area Analysis (Study Area)

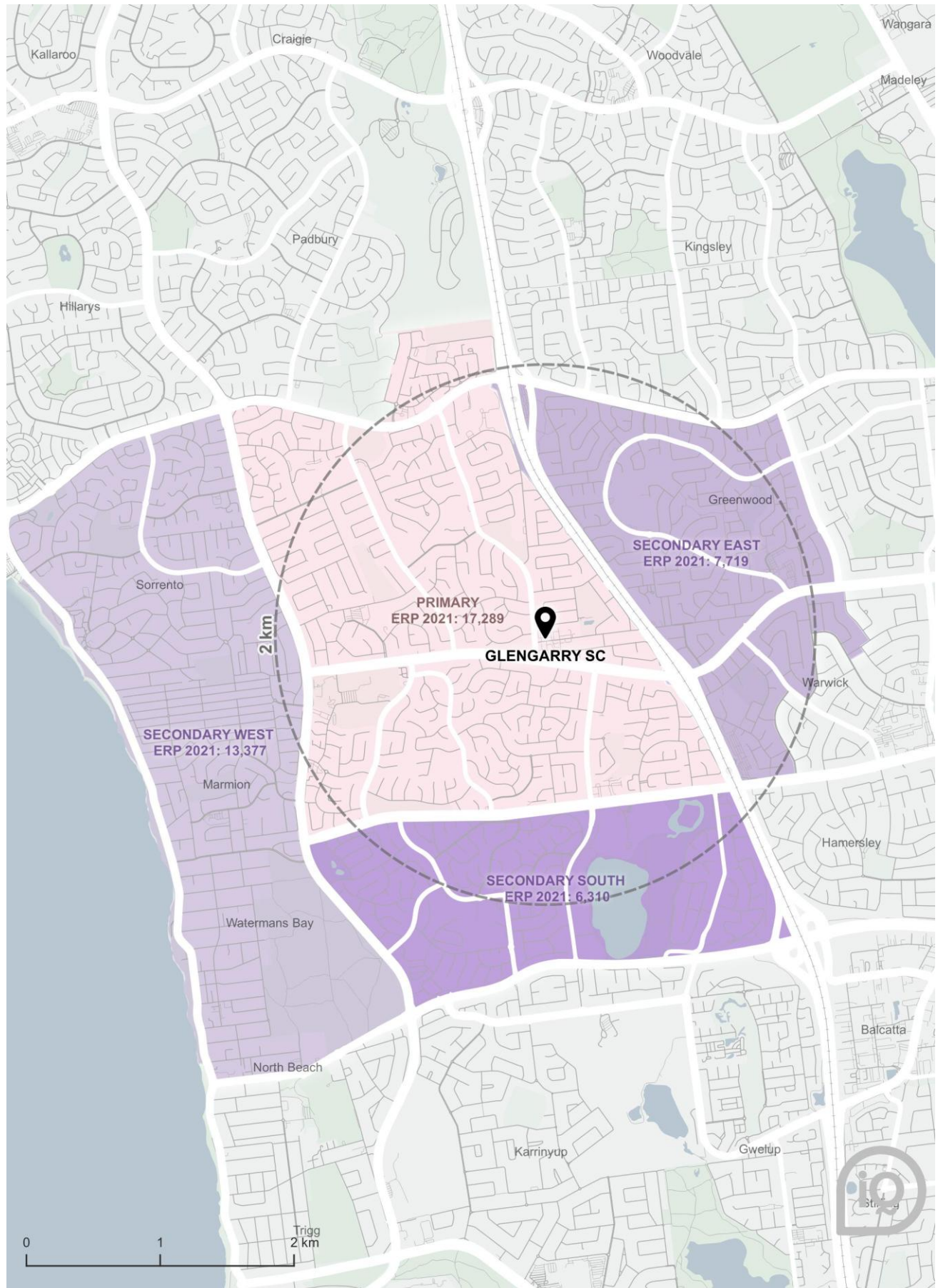
This section of the report outlines the trade area likely to be served by the proposed Woolworths Duncraig development, including current and projected population and retail spending levels. The trade area is an appropriate 'study area' for the purposes of needs assessment. The socio-economic profile of the trade area population is also reviewed.

2.1. Trade Area Definition

- i. The trade area for the proposed Woolworths supermarket-based shopping centre has been defined considering the following:
 - The scale and composition of the proposed development, including a full-line Woolworths supermarket as the largest retail tenant.
 - The provision of existing and proposed retail facilities throughout the region.
 - Regional and local accessibility.
 - The pattern of urban development.
 - Significant physical barriers such as major roads.
- ii. The trade area defined for the proposed development is also based on the experience of Location iQ, which has been established and refined over many years across many similar assessments. Location iQ has also been provided with existing store customer data (including exit-survey results, transaction data, mobile phone ping data and the like), which assists in the refinement and cross-checking of trade area boundaries for existing networks - and can then be utilised for future scenarios.
- iii. The trade area defined for the proposed development is based on Australian Bureau of Statistics (ABS) SA1 statistical areas, which is common convention for trade area definitions - given SA1's are the smallest unit area released in Census data. SA1s typically have a population of between 200 and 800 persons, and an average population size of approximately 400 persons.
- iv. Map 2.1 illustrates the defined main trade area for the proposed Woolworths Duncraig development which includes one primary sector, and three secondary sectors as follows:
 - The **primary sector** extends from Beach Road in the south to Hepburn Avenue in the north and is limited to the east by the Mitchell Freeway, as well as Marimon Avenue in the west. This sector encompasses the suburb of Duncraig and a small area of Padbury.

- The **secondary east sector** falls on the eastern side of the Mitchell Freeway and incorporates parts of Greenwood and Warwick.
 - The **secondary south sector** is to the south of Beach Road and to the north of the Reid Highway.
 - The **secondary west sector** extends from Marimon Avenue to the coastline and includes Sorrento, Marmion, Watermans Bay, and North Beach.
- v. The defined main trade area is consistent with most supermarkets in similar suburban locations across Australia, acknowledging overlapping catchments are typical in any retail hierarchy.
- vi. It is observed in any established population area that residents/customers move freely between different shopping facilities depending on choice, offer, complementary trip purposes, place of work, place of education, place of recreation and the like. It is not unreasonable to expect consumers to make choices about their shopping patterns based on these types of criteria and conversely, it is highly unlikely that residents would just undertake shopping at their closest facility all the time.

MAP 2.1. WOOLWORTHS DUNCRAIG MAIN TRADE AREA



2.2. Main Trade Area Population

- i. Table 2.1 details the current and projected population levels for the proposed Woolworths Duncraig main trade area, based on the following:
 - The 2011, 2016, and 2021 Census of Population and Housing undertaken by the Australian Bureau of Statistics (ABS);
 - New dwelling approval statistics sourced from the ABS over the period from 2011/12 – 2022/23 (refer Charts 2.1 – 2.2), averaging 50 dwellings per year in the primary sector, and 113 dwellings per year across the combined secondary sectors.
 - WA Tomorrow Band C (2018) forecasts prepared by the Western Australian Planning Commission at an SA2 level.
 - Forecast.id City of Joondalup population projections from March 2023.
 - Perth and Peel Urban Land development outlook provided by the Western Australian Government (Department of Planning, Lands and Heritage), 2020/21.
 - Investigations by this office in relation to residential development within the main trade area.
- ii. The main trade area population increased from 42,789 as at the 2011 Census to 44,695 persons as at the 2021 Census – reflecting average annual growth of 191 persons (0.4%).
- iii. The main trade area population is currently estimated at 45,115 (2023), including 17,389 persons in the primary sector. The population is projected to increase at an average rate of 0.3% (or 143 persons) per annum to 47,695 across the main trade area by 2041, including 18,289 persons in the primary sector.
- iv. This is considered a conservative projection, given it is lower than historical rates and broadly aligns with official projections that have been exceeded. Chart 2.3 provides a comparison between official population projection sources and those presented in this assessment, based on key overlap assumptions. This includes population and household forecasts prepared by .id (informed decisions) for the City of Joondalup (as at March 2023), as well as the latest WA Tomorrow projections by the State Government (as at December 2018). The latter projections do not include 2021 ABS census population data – which demonstrated growth that exceeded forecast levels for 2021.
- v. Reflecting the established, residential nature of the area, population growth will continue to be driven by small in-fill developments and consolidation – with no large-scale developments anticipated over the forecast period. There are currently three known developments of over ten units under construction or planned, including Prestige on Beach Apartments (20 dwellings under construction in the primary sector), Methuen Way Grouped Dwellings (12 dwellings under construction in the primary sector), and Ora Sorrento (75 dwellings approved in the secondary west sector).
- vi. It is important to note that the population projections in this report are based on current market conditions and the latest available information that has been sourced by this office. If market conditions change, this would impact population and sales projections outlined in this assessment.

TABLE 2.1. MAIN TRADE AREA POPULATION, 2011 – 2041

Population	Actual			Forecast					Change 2023-41
	2011	2016	2021	2023	2026	2031	2036	2041	
Primary	16,839	16,595	17,289	17,389	17,539	17,789	18,039	18,289	900
Secondary Sectors									
• East	7,664	7,467	7,719	7,739	7,769	7,819	7,869	7,919	180
• South	5,618	5,545	6,310	6,410	6,560	6,660	6,760	6,860	450
• West	<u>12,668</u>	<u>12,704</u>	<u>13,377</u>	<u>13,577</u>	<u>13,877</u>	<u>14,127</u>	<u>14,377</u>	<u>14,627</u>	<u>1,050</u>
Total Secondary	25,950	25,716	27,406	27,726	28,206	28,606	29,006	29,406	1,680
Main Trade Area	42,789	42,311	44,695	45,115	45,745	46,395	47,045	47,695	2,580

Average Annual Change (No.)	Actual		Forecast					Change 2023-41
	2011-16	2016-21	2021-23	2023-26	2026-31	2031-36	2036-41	
Primary	-49	139	50	50	50	50	50	50
Secondary Sectors								
• East	-39	50	10	10	10	10	10	10
• South	-15	153	50	50	20	20	20	25
• West	<u>7</u>	<u>135</u>	<u>100</u>	<u>100</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>58</u>
Total Secondary	-47	338	160	160	80	80	80	93
Main Trade Area	-96	477	210	210	130	130	130	143

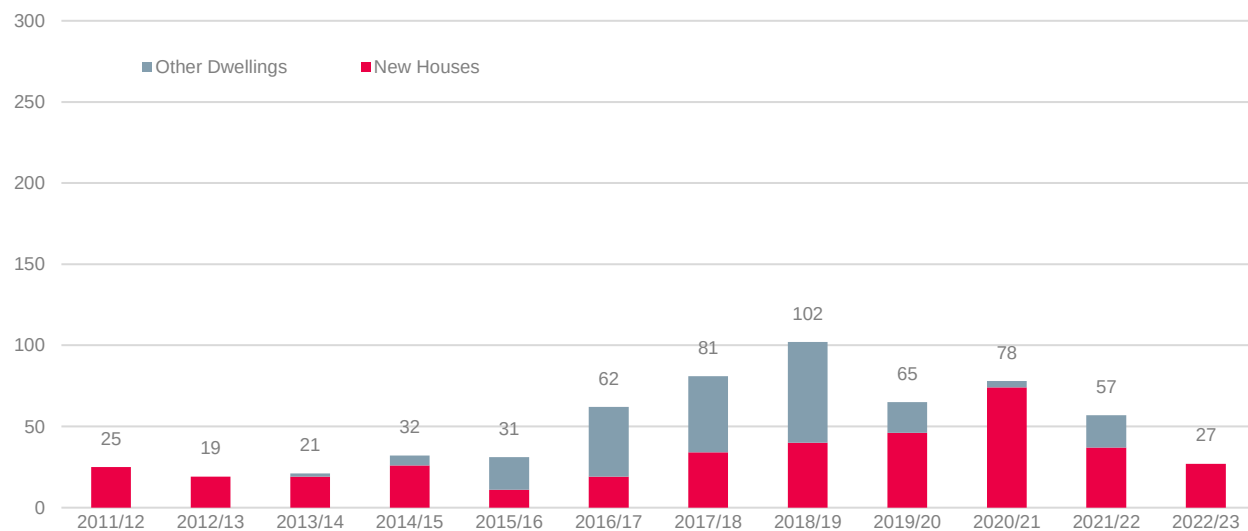
Average Annual Change (%)	Actual		Forecast					Change 2023-41
	2011-16	2016-21	2021-23	2023-26	2026-31	2031-36	2036-41	
Primary	-0.3%	0.8%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Secondary Sectors								
• East	-0.5%	0.7%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
• South	-0.3%	2.6%	0.8%	0.8%	0.3%	0.3%	0.3%	0.4%
• West	<u>0.1%</u>	<u>1.0%</u>	<u>0.7%</u>	<u>0.7%</u>	<u>0.4%</u>	<u>0.4%</u>	<u>0.3%</u>	<u>0.4%</u>
Total Secondary	-0.2%	1.3%	0.6%	0.6%	0.3%	0.3%	0.3%	0.3%
Main Trade Area	-0.2%	1.1%	0.5%	0.5%	0.3%	0.3%	0.3%	0.3%

Greater Perth	1.9%	1.2%	2.8%	1.7%	1.5%	n.a.	n.a.	n.a.
Australian Average	1.6%	1.2%	2.4%	1.6%	1.3%	1.2%	1.1%	1.3%

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

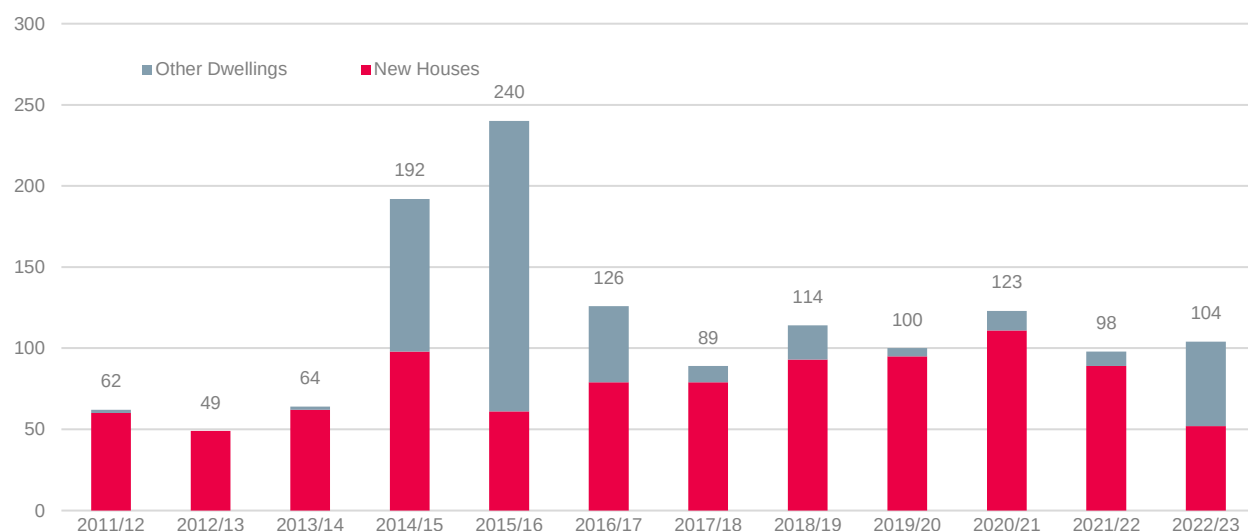
Sources : ABS; WA Tomorrow

CHART 2.1. PRIMARY SECTOR NEW DWELLING APPROVALS, 2011/12 – 2022/23



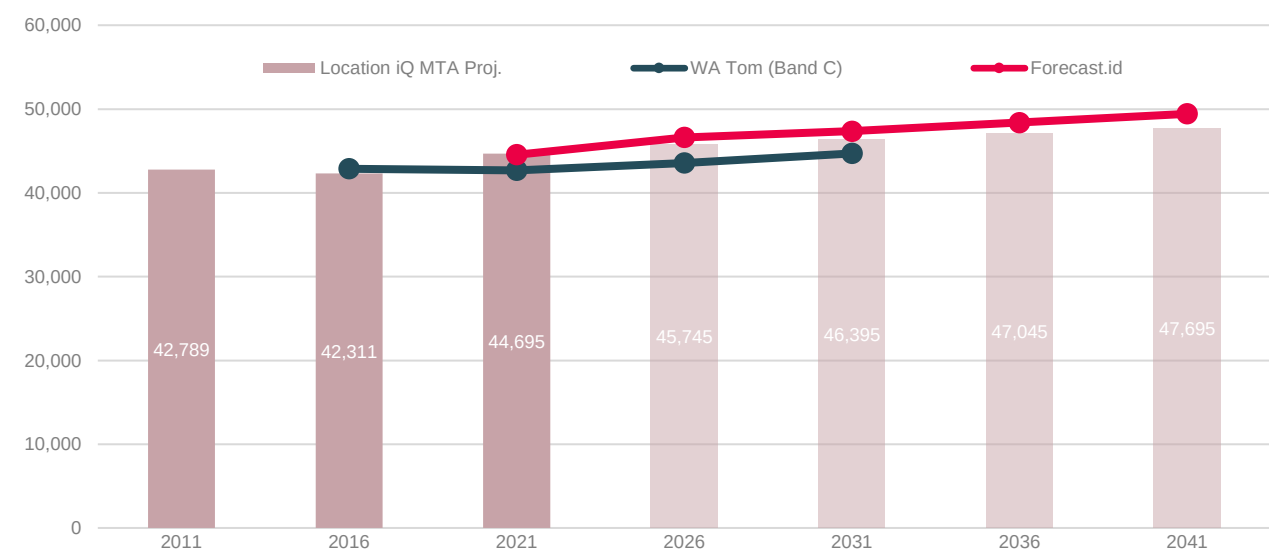
Source: ABS

CHART 2.2. COMBINED SECONDARY SECTORS NEW DWELLING APPROVALS, 2011/12 – 2022/23



Source: ABS

CHART 2.3. OFFICIAL POPULATION PROJECTIONS COMPARISON



Source: Location iQ; WA Tomorrow; Forecast.id

2.3. Socio-economic Profile

- i. Table 2.2 summarises the socio-economic profile of the main trade area population as compared with the Greater Perth and Australian benchmarks. This information is based on the 2021 Census of Population and Housing, with key points to note including:
 - Main trade area residents earn average per capita and household income levels that are significantly higher than the Greater Perth and Australian benchmarks.
 - The average household size (2.7 persons) is slightly larger than the benchmarks (2.5).
 - The main trade area has a higher proportion of Australian-born residents (70%) than both the Greater Perth (63.4%) benchmark. The largest overseas-born contingent is European (14.9%).
 - The main trade area reflects a traditional family market – given couples with dependent children (51.4%) make up more than half of households (Greater Perth average is 46.4%).
 - The main trade area consists of a slightly older population (41.9 years), but also indexes higher across the 0–14-year bracket.
 - A large proportion of residents own their own home (86.4%), as opposed to rent (12.3%).
- ii. Charts 2.4 – 2.9 illustrate the key socio-economic changes across the main trade area over the 2011 – 2021 Census periods, which generally indicates that the profile of new residents has continued to follow a similar pattern.
- iii. Overall, the main trade is characterised as an affluent, Australian-born family market. Based on higher-than-average income levels, family-oriented households, and a significant proportion of homeowners, these residents would identify strongly with full-line supermarket and convenience shopping options nearby to their homes.

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

Characteristic	Primary Sector	Secondary Sectors			Main TA	Greater Perth Average	Australia Average
		East	South	West			
People							
Age Distribution (% of Pop'n)							
Aged 0-14	21.7%	18.6%	20.6%	16.9%	19.6%	18.8%	18.0%
Aged 15-19	6.4%	5.9%	5.4%	5.9%	6.0%	5.8%	5.7%
Aged 20-29	7.3%	8.9%	6.6%	8.7%	7.9%	13.1%	13.3%
Aged 30-39	11.2%	14.5%	8.8%	8.9%	10.7%	15.3%	14.6%
Aged 40-49	14.9%	14.4%	15.4%	12.8%	14.2%	13.4%	13.0%
Aged 50-59	12.4%	12.2%	12.2%	14.6%	13.0%	12.4%	12.5%
Aged 60+	26.2%	25.5%	31.0%	32.2%	28.5%	21.1%	23.0%
Average Age	40.5	40.7	42.9	44.0	41.9	38.6	39.5
Birthplace (% of Pop'n)							
Australian	66.9%	71.3%	69.6%	73.4%	70.0%	63.4%	72.0%
Overseas	33.1%	28.7%	30.4%	26.6%	30.0%	36.6%	28.0%
• Asia	4.2%	5.9%	4.9%	2.2%	4.0%	12.5%	12.1%
• Europe	16.9%	13.6%	15.4%	14.9%	15.5%	13.1%	7.2%
• Other	12.1%	9.1%	10.1%	9.6%	10.5%	11.1%	8.7%
Family							
Average Household Size	2.8	2.6	2.8	2.6	2.7	2.5	2.5
Family Type (% of Pop'n)							
Couple with dep't children	54.8%	46.7%	55.1%	48.1%	51.4%	46.4%	44.2%
Couple with non-dep't child.	7.6%	8.0%	9.0%	9.5%	8.4%	7.3%	7.7%
Couple without children	21.9%	24.1%	24.7%	27.5%	24.3%	22.8%	23.8%
Single with dep't child.	6.3%	8.1%	3.9%	4.2%	5.6%	8.4%	8.6%
Single with non-dep't child.	2.6%	4.2%	1.9%	2.2%	2.6%	3.5%	4.0%
Other family	0.5%	0.7%	0.3%	0.7%	0.6%	1.0%	1.0%
Lone person	6.4%	8.3%	5.2%	7.8%	7.0%	10.5%	10.8%
Employment							
Income Levels							
Average Per Capita Income	\$66,000	\$58,805	\$69,728	\$72,580	\$67,269	\$58,917	\$55,301
Per Capita Income Variation	12.0%	-0.2%	18.3%	23.2%	14.2%	n.a.	n.a.
Average Household Income	\$137,035	\$117,215	\$146,351	\$142,218	\$136,365	\$114,361	\$109,594
Household Income Variation	19.8%	2.5%	28.0%	24.4%	19.2%	n.a.	n.a.
Labour Force (% of Pop'n)							
% White Collar Occupations	79.5%	72.4%	82.4%	82.5%	79.5%	69.2%	71.3%
% Blue Collar Occupations	20.5%	27.6%	17.6%	17.5%	20.5%	30.8%	28.7%
Housing							
Tenure Type (% of Dwellings)							
Owned	86.6%	84.1%	90.3%	85.8%	86.4%	71.7%	67.4%
Rented	11.6%	15.3%	7.2%	13.7%	12.3%	26.7%	30.8%
Other Tenure Type	1.8%	0.6%	2.4%	0.5%	1.2%	1.6%	1.8%
Dwelling Type (% of Dwellings)							
House	91.6%	92.0%	88.4%	76.8%	86.7%	77.9%	72.6%
Semi-detached	6.7%	7.8%	6.8%	18.7%	10.6%	14.2%	12.6%
Apartment	1.7%	0.2%	4.8%	4.5%	2.7%	7.6%	14.2%
Other Dwelling Type	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.5%

Sources: ABS Census of Population and Housing 2021

CHART 2.4. MAIN TRADE AREA AGE DISTRIBUTION (%), 2011 – 2021

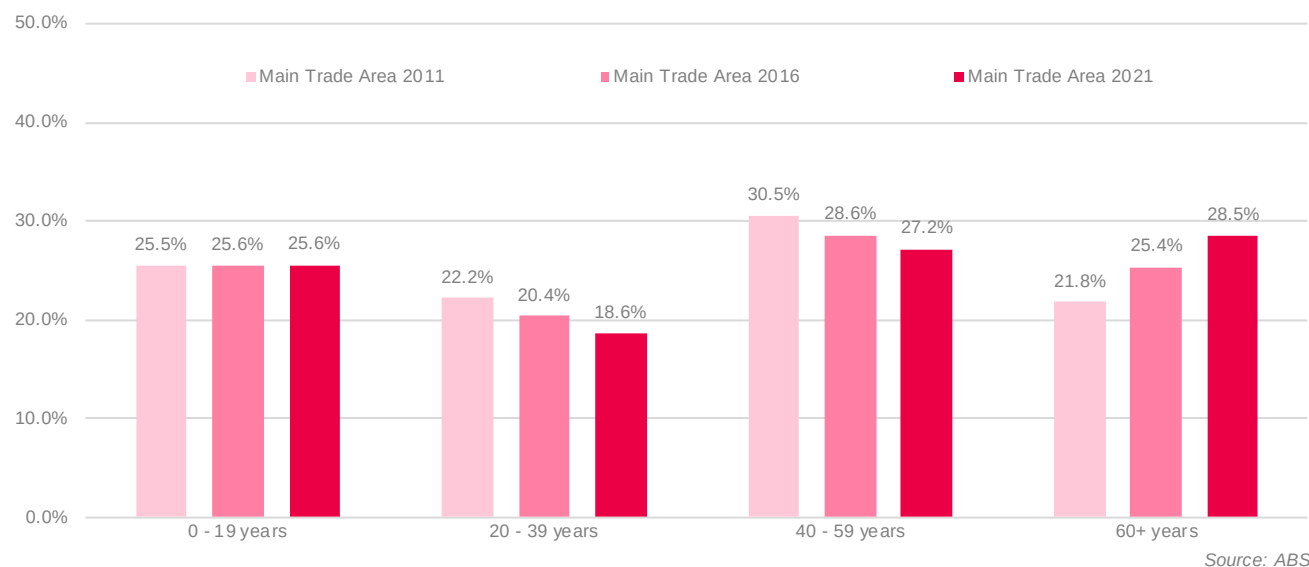


CHART 2.5. MAIN TRADE AREA INCOME LEVELS, 2011 – 2021

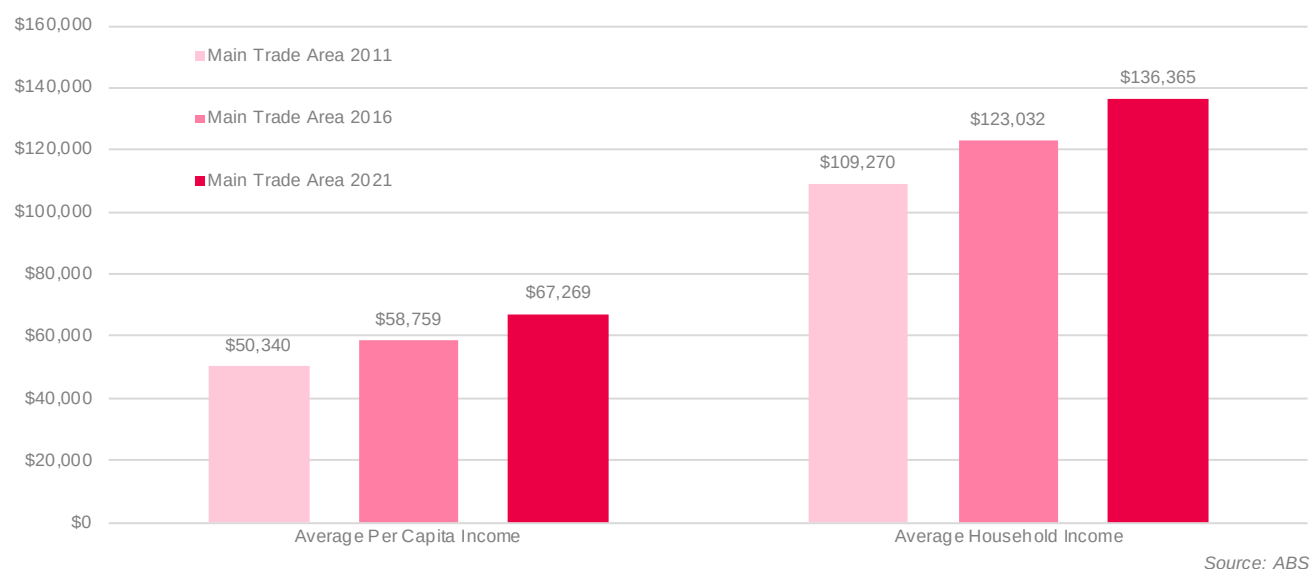


CHART 2.6. MAIN TRADE AREA PLACE OF BIRTH, 2011 – 2021

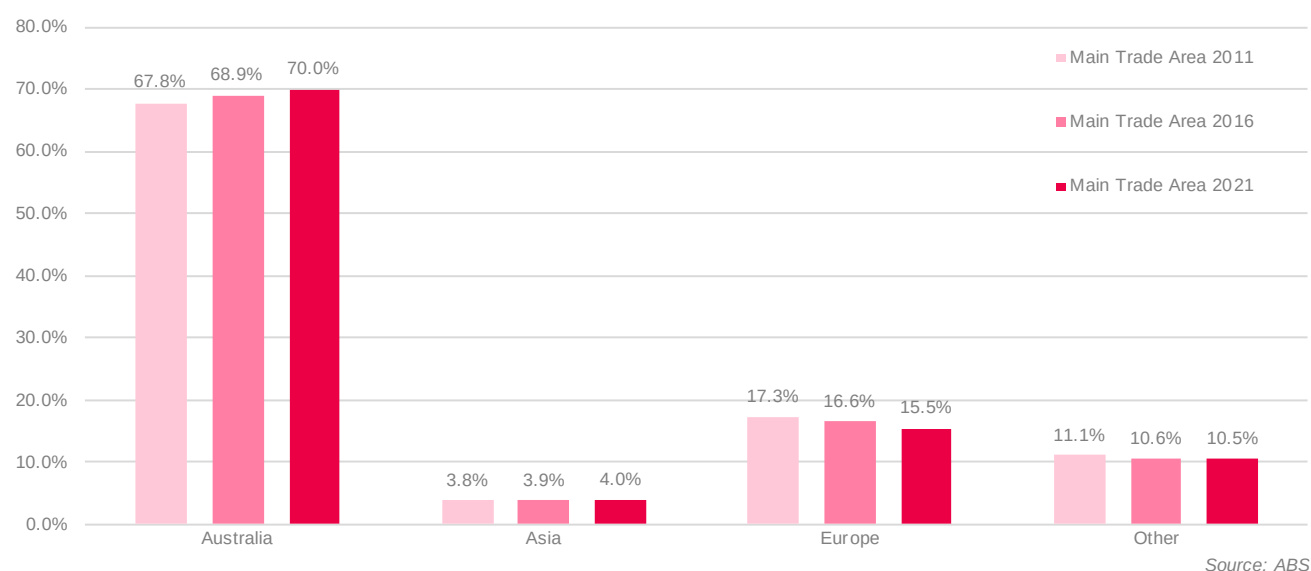


CHART 2.7. MAIN TRADE AREA HOUSEHOLD STRUCTURE, 2011 – 2021

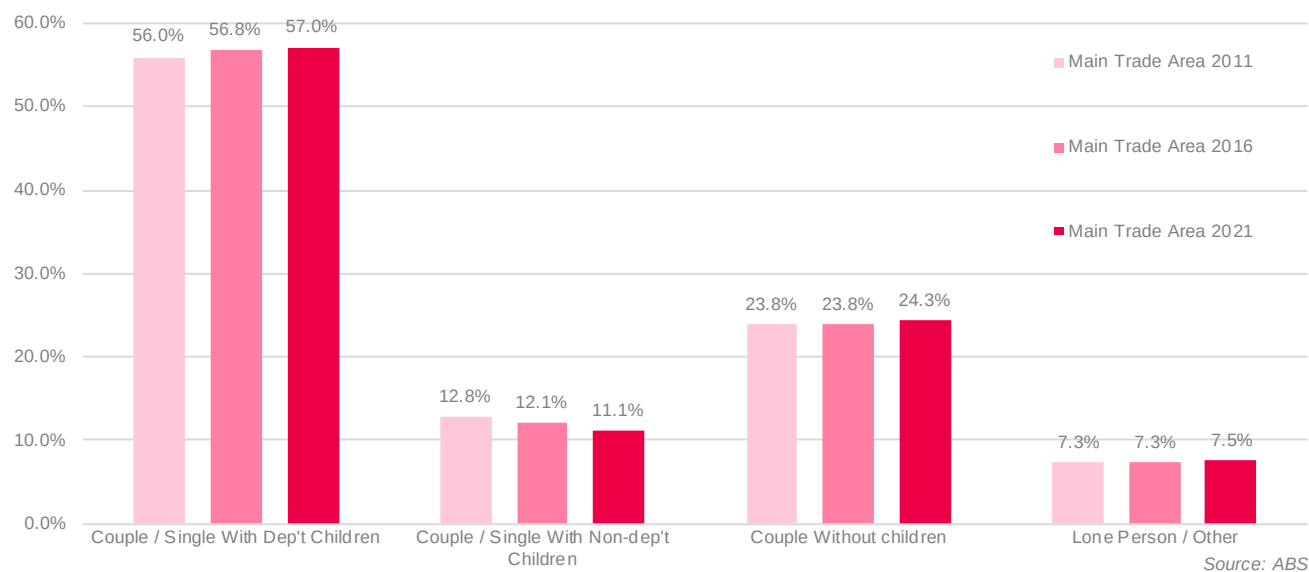


CHART 2.8. MAIN TRADE AREA DWELLING TYPE, 2011 – 2021

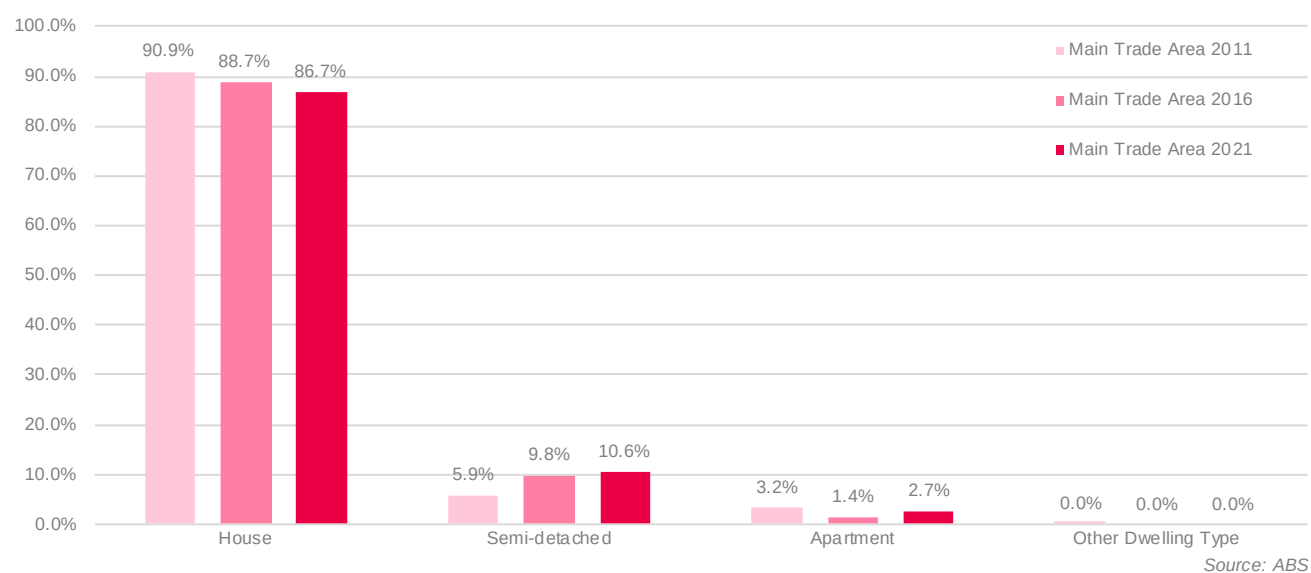
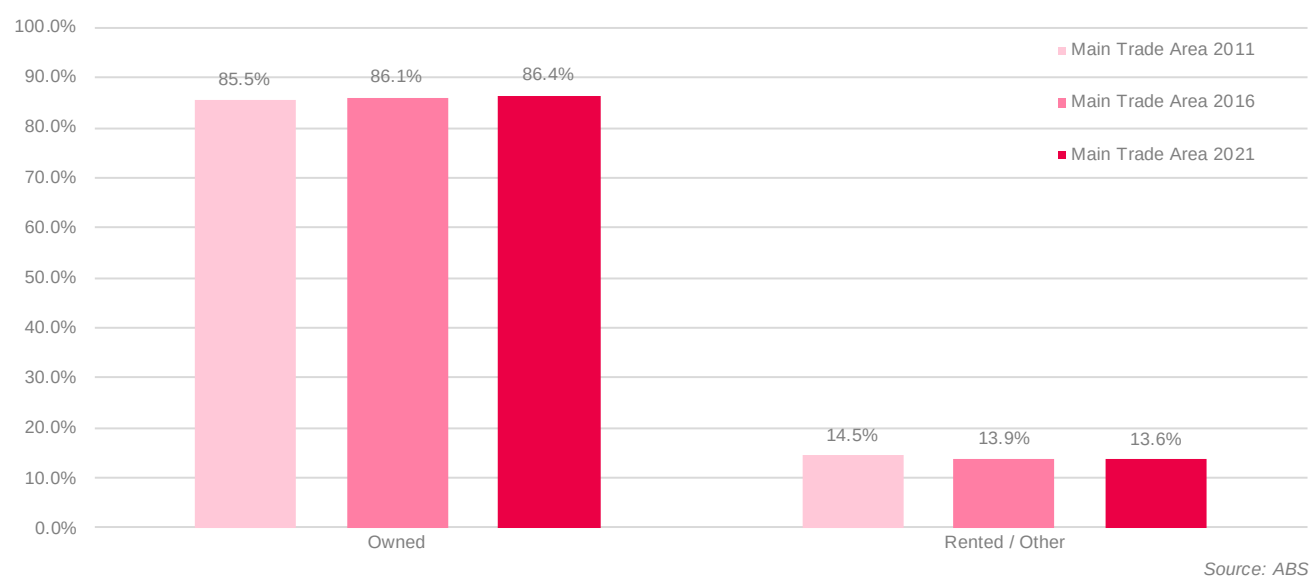


CHART 2.9. MAIN TRADE AREA HOUSING TENURE TYPE, 2011 – 2021



2.4. Main Trade Area Retail Expenditure

- i. The estimated retail expenditure capacity of the main trade area population is based on actual transaction data sourced from CommBank iQ Retail Spend Insights.
- ii. CommBank iQ Retail Spend Insights is a new dataset that was first released in April 2023 (Calendar Year 2022) and is to be released for each Financial Year and Calendar Year going forward (i.e. released every six months). The dataset has initially been adopted by the three leading economic property consultants in Australia.
- iii. Retail Spend Insights is a modelled view of retail spend per capita across Australia. It is provided at the granularity of SA1 allowing for the creation of bespoke catchments to facilitate a view on resident spend by category for the area. The dataset is based on de-identified, privacy treated retail banking transactions, normalised to be representative of the Australian population. Transactions may include purchases and refunds from credit card, debit card, EFTPOS cards, BPay and direct debit.
- iv. CommBank iQ Retail Spend Insights excludes cash and buy now pay later services (CBNPL). The data provides the average annual spend (for FY2023) across 81 categories for people aged 18 years and older. The data is also split out by instore and online transactions. Location iQ has adjusted the raw data for cash and buy now pay later services.
- v. Charts 2.10 – 2.12 illustrate retail spending levels per person across the main trade area, as compared with the Greater Perth averages in 2022/23. Reflecting higher income levels, per capita spending is higher than the Greater Perth benchmark (+14.8%) across all retail sub-categories, including supermarkets (+17.6%).
- vi. Table 2.3 outlines the total retail expenditure levels generated by the main trade area population. The total retail expenditure level is currently estimated at \$1.20 billion and is projected to increase at an average rate of 1.0%, to \$1.45 billion by 2041 (base). All figures presented in this report are in constant 2022/23 dollars and include GST. The projected growth rate of the main trade area retail spending market considers the following:
 - **Inflation or RPI** is held at 0.0% across the forecast period to 2041 (constant 2022/23 dollars).
 - **Real growth** in retail spending per capita of 0.0% is assumed over the period to 2024/25, reflecting post-pandemic impacts and inflationary pressures on wages and the economy. From 2025/26 real growth per capita is assumed at 0.5% annually for food retail, and 1.0% for non-food retail over the period to 2040/41.
 - **Population Growth** across the main trade area, which is projected at around 2.1% per annum.
- vii. Table 2.4 presents a breakdown of retail spending by key commodity group, indicating the largest spending market is supermarkets, at \$308.1 million (25.6% of total retail spend), which is a relevant consideration for the potential sales and performance of the proposed Woolworths at Duncraig.

CHART 2.10. MAIN TRADE AREA RETAIL EXPENDITURE PER CAPITA, 2022/23

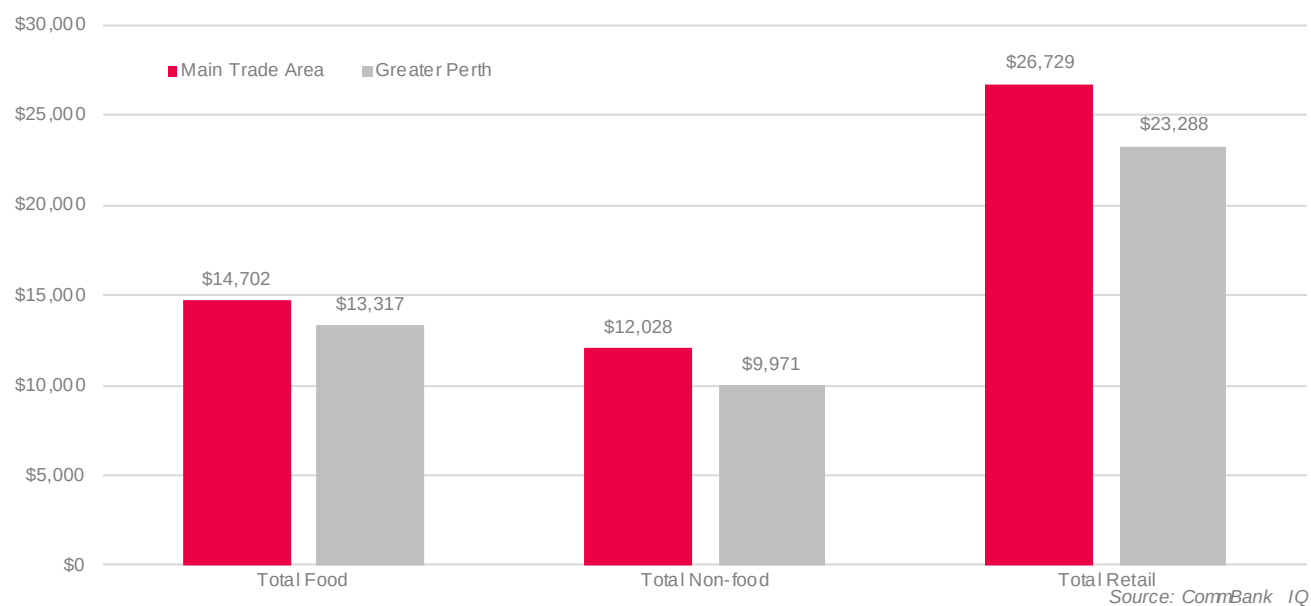


CHART 2.11. MAIN TRADE AREA RETAIL EXPENDITURE PER CAPITA BY CATEGORY, 2022/23

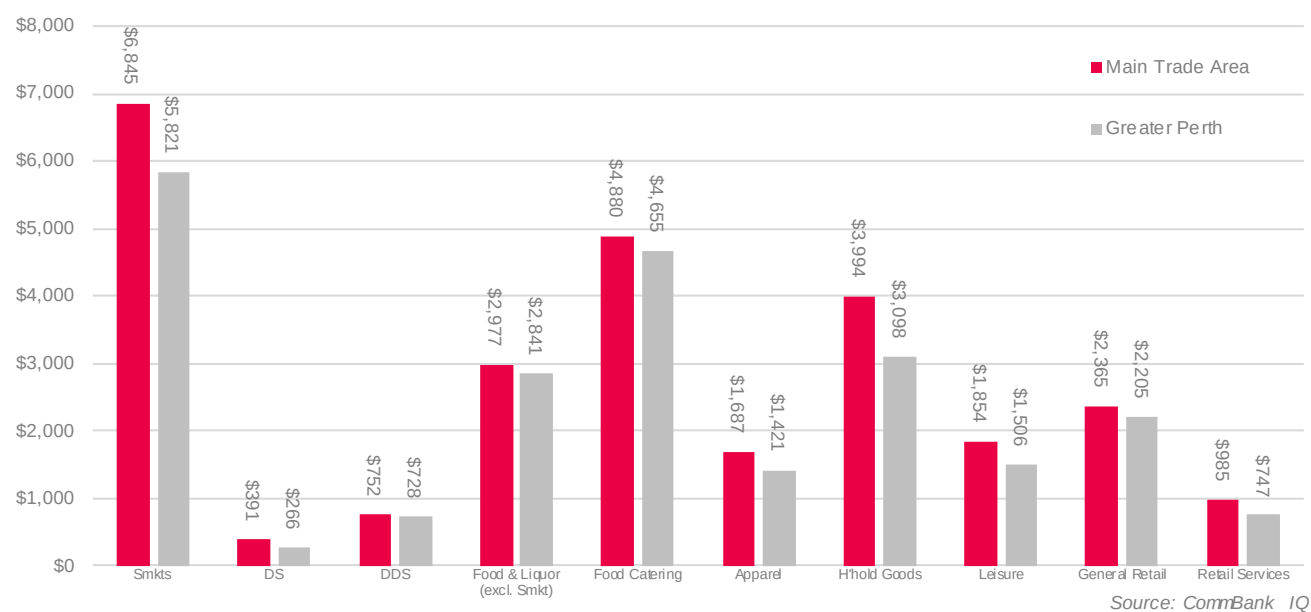


CHART 2.12. MTA RETAIL EXPENDITURE BY CATEGORY PER CAPITA VARIATION FROM PERTH AVE. 2022/23

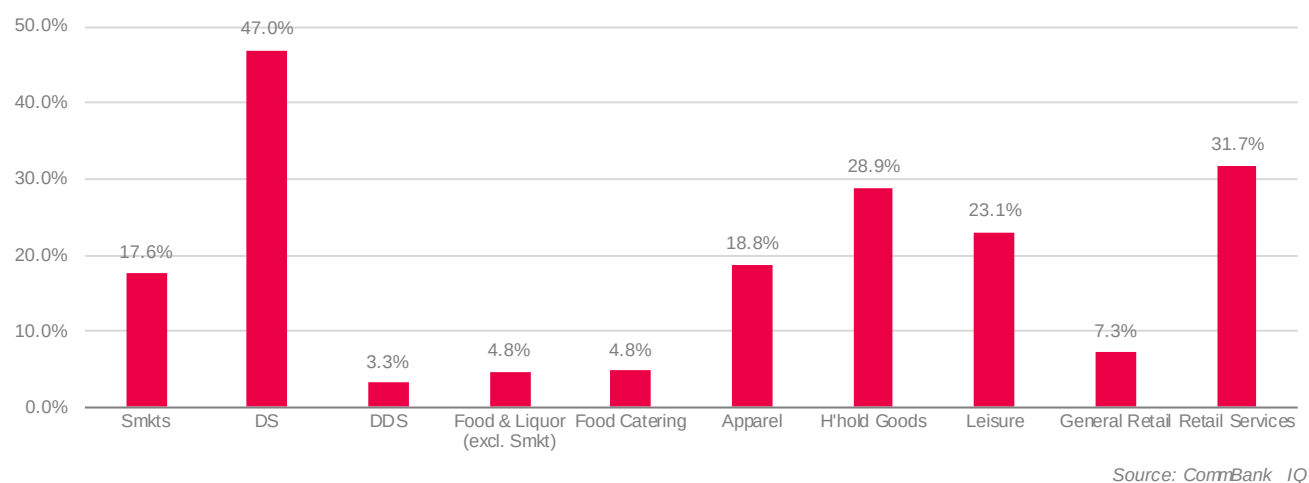


TABLE 2.3. MAIN TRADE AREA RETAIL EXPENDITURE, 2023 – 2041

Y/E June	Primary Sector	East	Secondary Sectors South West		Total	Main TA
2023	455.7	174.2	182.3	391.2	747.6	1,203.3
2024	457.0	174.4	183.7	394.1	752.2	1,209.2
2025	458.3	174.6	185.1	396.9	756.7	1,215.0
2026	463.3	176.2	188.0	403.1	767.3	1,230.6
2027	468.3	177.9	190.5	408.5	776.9	1,245.1
2028	473.3	179.5	192.6	413.2	785.4	1,258.7
2029	478.4	181.1	194.7	418.0	793.9	1,272.4
2030	483.6	182.8	196.9	422.9	802.6	1,286.2
2031	488.8	184.5	199.1	427.8	811.4	1,300.2
2032	494.1	186.2	201.2	432.8	820.3	1,314.4
2033	499.5	187.9	203.5	437.8	829.2	1,328.7
2034	504.8	189.6	205.7	442.9	838.2	1,343.1
2035	510.3	191.4	208.0	448.0	847.4	1,357.7
2036	515.8	193.1	210.2	453.3	856.6	1,372.5
2037	521.4	194.9	212.6	458.5	866.0	1,387.4
2038	527.0	196.7	214.9	463.8	875.4	1,402.4
2039	532.7	198.5	217.2	469.2	885.0	1,417.7
2040	538.4	200.4	219.6	474.6	894.6	1,433.1
2041	544.3	202.2	222.0	480.1	904.4	1,448.6
Expenditure Growth						
2023-26	7.6	2.1	5.8	11.9	19.7	27.3
2026-31	25.6	8.2	11.0	24.8	44.1	69.7
2031-36	27.0	8.7	11.2	25.4	45.3	72.2
2036-41	28.4	9.1	11.8	26.8	47.7	76.2
2023-41	88.6	28.0	39.8	88.9	156.7	245.3
Average Annual Growth Rate						
2023-26	0.6%	0.4%	1.0%	1.0%	0.0%	0.7%
2026-31	1.1%	0.9%	1.1%	1.2%	1.1%	1.1%
2031-36	1.1%	0.9%	1.1%	1.2%	1.1%	1.1%
2036-41	1.1%	0.9%	1.1%	1.2%	1.1%	1.1%
2023-41	1.0%	0.8%	1.1%	1.1%	1.1%	1.0%

*Constant 2022/23 dollars & including GST

Source : CommBank IQ, Location IQ

TABLE 2.4. MAIN TRADE AREA RETAIL EXPENDITURE BY KEY COMMODITY GROUP, 2023 – 2041

Y/E June	Smkt	Dept. Store	Discount Dept Store	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services
2023	308.1	17.6	33.8	134.0	219.7	76.0	179.8	83.5	106.5	44.3
2024	309.6	17.7	34.0	134.7	220.8	76.4	180.7	83.9	107.0	44.5
2025	311.1	17.8	34.1	135.3	221.8	76.8	181.6	84.3	107.5	44.8
2026	314.1	18.0	34.5	136.6	225.1	77.9	184.3	85.5	109.1	45.4
2027	316.9	18.1	34.8	137.9	228.3	79.0	186.9	86.7	110.6	46.1
2028	319.4	18.3	35.1	138.9	231.2	80.0	189.3	87.8	112.0	46.7
2029	321.9	18.4	35.3	140.0	234.2	81.1	191.7	89.0	113.5	47.3
2030	324.4	18.6	35.6	141.1	237.2	82.1	194.2	90.1	114.9	47.9
2031	327.0	18.7	35.9	142.3	240.3	83.2	196.7	91.3	116.4	48.5
2032	329.5	18.9	36.2	143.4	243.4	84.3	199.3	92.5	117.9	49.1
2033	332.1	19.0	36.4	144.5	246.5	85.4	201.8	93.7	119.4	49.8
2034	334.7	19.2	36.7	145.6	249.7	86.5	204.4	94.9	121.0	50.4
2035	337.4	19.3	37.0	146.8	252.9	87.6	207.1	96.1	122.5	51.0
2036	340.0	19.5	37.3	147.9	256.1	88.7	209.7	97.3	124.1	51.7
2037	342.7	19.6	37.6	149.1	259.4	89.9	212.4	98.6	125.7	52.4
2038	345.3	19.8	37.9	150.3	262.7	91.0	215.2	99.8	127.3	53.0
2039	348.0	19.9	38.2	151.4	266.1	92.2	217.9	101.1	129.0	53.7
2040	350.7	20.1	38.5	152.6	269.5	93.4	220.7	102.4	130.6	54.4
2041	353.5	20.3	38.8	153.8	273.0	94.6	223.6	103.7	132.3	55.1
Expenditure Growth										
2023-26	6.0	0.4	0.6	2.6	5.4	1.9	4.5	2.1	2.6	1.1
2026-31	12.9	0.8	1.4	5.6	15.1	5.3	12.4	5.8	7.3	3.1
2031-36	13.0	0.8	1.4	5.7	15.9	5.5	13.0	6.0	7.7	3.2
2036-41	13.5	0.8	1.5	5.9	16.9	5.9	13.8	6.4	8.2	3.4
2023-41	45.4	2.7	5.0	19.8	53.3	18.6	43.8	20.3	25.8	10.8
Average Annual Growth Rate										
2023-26	0.6%	0.7%	0.6%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
2026-31	0.8%	0.8%	0.8%	0.8%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
2031-36	0.8%	0.8%	0.8%	0.8%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
2036-41	0.8%	0.8%	0.8%	0.8%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
2023-41	0.8%	0.8%	0.8%	0.8%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%

*Constant 2022/23 dollars & including GST

Source : CommBank IQ, Location IQ

3 Competitive Environment

This section of the report reviews the competitive retail environment within which the proposed Woolworths Duncraig would operate, to assist with the assessment of likely trading impacts. As outlined previously, this assessment considers the need and net benefit of retail uses as part of the Woolworths Duncraig development, with relevant centres illustrated in Map 3.1.

The hierarchy of shopping centres presented in this Retail Need and Sustainability Assessment is consistent with SPP4.2, including:

- | | | |
|----------------|-----------------|-----------------|
| • Capital City | • Secondary | • Secondary |
| • Strategic | • District | • Local Centres |
| • Specialised | • Neighbourhood | |

Information on the size, composition and performance of centres outlined (refer Table 3.1) is based on the Location iQ proprietary databases that includes information from the following sources:

- The 2015/17 Land Use and Employment Survey conducted by the Department of Planning, Lands and Heritage which contains the Shop/Retail Planning Land Use Category (PLUC);
- Council floorspace surveys and planning documents such as the City of Joondalup Local Commercial Strategies (2013) and more;
- The PCA Database;
- Actual size information provided by retail and property owners;
- Annual reports;
- Shopping Centre News 'Guns' Publications;
- Cordell databases;
- Press releases in relation to new store openings, closures and asset transactions;
- Site visits and floorspace surveys;
- Measurements undertaken by this office.

TABLE 3.1. COMPETITIVE ENVIRONMENT

Centre	Shopfront Retail GLA (sq.m)	Anchor Tenants	Dist. From Site (km)
Secondary Activity Centres			
<u>Warwick</u>	<u>32,462</u>		<u>3.8</u>
• Warwick Grove	32,101	Kmart (7,430), Coles (4,053), Woolworths (3,238), Aldi (1,500)	
• Other	361		
<u>Karrinyup</u>	<u>109,100</u>		<u>7.5</u>
• Karrinyup SC	109,000	Myer (13,935), David Jones (9,470), Big W (7,021), Woolworths (4,398), Coles (4,176), Aldi (1,679)	
• Other	100		
<u>Whitfords (Hillarys)</u>	<u>85,211</u>		<u>7.6</u>
• Westfield Whitford City	85,111	Kmart (8,200), Big W (7,980), Coles (4,680), Woolworths (4,411), Aldi (1,700)	
• Other	100		
District Activity Centres			
<u>Greenwood</u>	<u>5,486</u>		<u>2.9</u>
• Greenwood Village	5,186	Coles (2,641)	
• Other	300		
<u>Sorrento (Hillarys)</u>	<u>8,500</u>		<u>5.4</u>
• Hillarys Boat Harbour	8,000		
• Other	500		
<u>Girrawheen</u>	<u>11,526</u>		<u>5.4</u>
• Hawaiians Newpark	10,026	Supa Valu (2,576)	
• Other	1,500		
<u>Madeley (Kingsway)</u>	<u>27,316</u>		<u>6.4</u>
• Kingsway SC	26,566	Big W (6,609), Woolworths (4,182), Aldi (1,600)	
• Other	750		
<u>Woodvale</u>	<u>9,563</u>		<u>6.4</u>
• Woodvale Boulevard	6,363	Woolworths (3,540)	
• Woodvale Park Commercial Centre	3,200		
<u>Stirling Central (Westminster)</u>	<u>16,000</u>		<u>6.4</u>
<u>Northlands (Balcatta)</u>	<u>8,558</u>		<u>7.9</u>
• Primewest Northlands	8,258	Coles (3,717)	
• Other	300		
<u>Alexander Heights</u>	<u>13,892</u>	Woolworths (3,698), Coles (3,016)	<u>8.1</u>
<u>Scarborough</u>	<u>4,761</u>		<u>9.3</u>
• Luna Maxi Mart	4,461	Coles (3,159)	
• Other	300		
Local & Neighbourhood Centres			
<u>Duncraig</u>	<u>9,835</u>		<u>0.0</u>
• Glengarry SC	2,775	IGA (885)	
• Duncraig Village SC	1,340		
• Duncraig by Hawaiian	3,396	IGA (1,200)	
• Other	2,324		
<u>Carine</u>	<u>6,890</u>		<u>2.0</u>
• Carine Glades SC	3,820	IGA (811)	
• Carine Central	670		
• Dan Murphys	1,550		
• Other	850		
Lilburne Road SC	721		2.5
Hepburn Heights Plaza Precinct	1,461		2.6
Seacrest SC	1,059		3.7
Coolibah Plaza	1,908	IGA (962)	4.2
Marmion Village SC	2,865	IGA (949)	3.8
Padbury SC	3,250	IGA (844)	4.3
Sorrento Retail	940		4.4
Little Bay Bar & Eatery	280		4.4
Kingsley Village	3,500	IGA (1,050)	4.7
Castle Road Strip Retail	2,120		5.1
North Beach SC	4,146	Farmer Jacks (1,021)	5.9
Hillarys SC	4,600	Coles (2,491)	6.6

Source: Location IQ Database

MAP 3.1. MAIN TRADE AREA & COMPETITION



3.1. Within the Main Trade Area

- i. Retail facilities currently provided throughout the main trade area generally include a range of neighbourhood, local centres, of which most are anchored by independent non full-line supermarkets, as follows:

Primary Sector

- The subject site currently comprises **Glengarry Shopping Centre**, which includes an IGA supermarket (885 sq.m) and around 17 other specialty tenants (refer Section 1.2.1). As outlined previously, the small commercial complex to the south of the site includes First Choice Liquor, Hoodburger, and a handful of other retail specialty tenants with a food catering and retail services focus.
- **Duncraig by Hawaiian** (3,396 sq.m) is on Marri Road, some 1.8 km to the west of the subject site. The centre is anchored by an IGA supermarket of 1,200 sq.m, as well as 19 other specialty shops, including fresh food, a bakery, services, and a café.
- **Carine** is 2 km south of the subject site and includes a range of facilities within a single precinct (combined 7,000 sq.m of floorspace) at the corner of Beach Road and Davallia Road. **Carine Glades Shopping Centre** (3,620 sq.m) is anchored by an IGA supermarket (811 sq.m) and some 20 specialty shops, while **Carine Central** (670 sq.m) contains a further six specialty tenants. There is an array of additional shopfronts within the balance of the precinct, including Dan Murphys (part of the Carine Glades Tavern), and the **Carine Glades Professional Centre** – which consists of non-retail medical and real estate tenants.
- **Lilburne Shopping Centre** (721 sq.m) is a small retail centre 2.6 km to the north-west, which comprises seven specialty shops, including a deli and café, hairdresser, and restaurant (no supermarket).
- **Hepburn Heights Plaza** is positioned 2.6 km to the north of the subject site, on the opposing side of Hepburn Avenue. The centre is home to several Asian restaurants, as well as a gym, café, and skincare clinic across some 1,461 sq.m of floorspace.
- **Duncraig Village Shopping Centre** is positioned on the corner of Marmion Avenue and Burragh Way, 2.7 km south-west of the subject site. The centre includes approximately ten shopfronts, but no supermarket, including a McDonalds, Subway, Liquor Barons, and gym – all co-located with a medical centre.

Secondary West

- **Seacrest Shopping Centre** (1,059 sq.m) is provided on Harman Road, some 3.7 km to the north-west, and include six shopfronts.
- **Marmion Village Shopping Centre** (2,865 sq.m) is located 3.8 km south-west, along Sheppard Way. The centre is anchored by an IGA supermarket (950 sq.m), as well as Australia post, a gym, liquor store, and bakery – among its 13 tenancies. The shopping centre is located alongside Marmion Professional Centre, which provides medical and accounting services.
- A small precinct (940 sq.m) at the corner of West Coast Drive and The Plaza in **Sorrento** (4.4 km west of the subject site) includes BWS and multiple restaurants.

- **Little Bay Bar & Eatery** (405 sq.m) operates at the corner of West Coast Drive and Elsie Street (4.4 km south-west) and contains two restaurants.
- Along **Flora Terrace** (5.1 km south-west) in North Beach is a small retail strip (2,120 sq.m) that is made up of food catering operators, two apparel tenants, and a dry cleaner.
- **North Beach Shopping Centre** (4,220 sq.m) is provided 6.2 km to the south-west of the proposed Woolworths site, at the corner of North Beach Road and West Coast Drive. The shopping centre contains around 17 shops and is anchored by a Farmer Jacks supermarket (1,020 sq.m). Other tenants include a pharmacy, bottle shop, Australia post, and several food catering shops.

Secondary East

- **Greenwood Village** is the only District Activity Centre within the main trade area - located 2.9 km to the east of the Duncraig site. The shopping centre totals 5,186 sq.m and is anchored by a Coles supermarket (2,641 sq.m), liquor store, bakery, numerous food catering tenants, a newsagency, and gym. Other tenants within the surrounding precinct include a medical centre, the Greenwood Hotel, BWS and more.
- **Coolibah Plaza** totals 1,908 sq.m of floorspace, and contains a fish and chip shop, café, and restaurant. Foodworks was previously located at the centre, however, IGA (962 sq.m) backfilled the tenancy in 2024.

3.2. Beyond the Main Trade Area

- Beyond the main trade area, supermarkets are more than 2 km from the subject site, including the nearest full-line supermarkets. Retail facilities within the region generally form a typical retail hierarchy, as follows:

Secondary Centres

- **Warwick Grove** is within the Warwick Secondary Centre (3.8 km to the south-east) and totals 32,101 sq.m in size, with Moving Annual Turnover (MAT) in the order of \$272 million (2023). The shopping centre is anchored by a cinema complex, Kmart discount department store, as well as Coles (4,053 sq.m), Woolworths (3,238 sq.m), and Aldi supermarkets.
- **Karrinyup Shopping Centre** (109,100 sq.m) has recently undergone redevelopment and contains Myer and David Jones department stores, a Big W discount department store, and three supermarkets – Woolworths (4,398 sq.m), Coles (4,176 sq.m) and Aldi (1,679 sq.m). The shopping centre achieved a recent MAT figure of \$799.6 million (2023).
- **Westfield Whitford City** is within the Whitford (Hillarys) Secondary Centre (6.1 km to the north-west) and totals 85,111 sq.m in size. The shopping centre has an MAT of \$474 million and contains two discount department stores (Kmart and Big W), and three supermarkets – Coles (4,680 sq.m), Woolworths (4,411 sq.m) and Aldi (1,700 sq.m).

District Centres

- **Hillarys Boat Harbour** is located within the **Sorrento District Centre** and totals around 8,000 sq.m in floorspace, providing a range of food catering and apparel shops in the boardwalk-style development.

- **Woodvale Boulevard** (6,363 sq.m) is anchored by a full-line Woolworths supermarket (3,540 sq.m) some 6.4 km north of the proposed Woolworths at Duncraig. Elsewhere within the Woodvale District Centre, the Woodvale Park Commercial Centre provides a further 3,200 sq.m of floorspace.
 - **Stirling Central** (16,000 sq.m) is positioned 7.2 km south-east of the subject site and contains a full-line Woolworths supermarket (4,990 sq.m) and Spudshed (3,000 sq.m).
 - **Primewest Northlands** includes a full-line Coles supermarket (3,717 sq.m) and totals 8,258 sq.m in size.
 - **Hawaiian's Newpark** (10,026 sq.m) contains Supa Valu (2,576 sq.m) and is 5.7 km west of the proposed Woolworths supermarket site.
 - **Kingsway City** (26,566 sq.m) is a sub-regional shopping centre positioned at the high-profile intersection of Hepburn Avenue and Wanneroo Road. The centre comprises a Big W discount department store, as well as Woolworths (4,128 sq.m) and Aldi (1,600 sq.m) supermarkets. The large at-grade car park also includes a range of pad site services such as fast food, service stations and medical facilities.
 - **Alexander Heights Shopping Centre** is located along Mirrabooka Avenue and is anchored by Woolworths (3,698 sq.m) and Coles (3,016 sq.m) supermarkets across a total centre GLA of 13,892 sq.m.
- ii. Other District Centre and retail precincts are each located more than 10 km from the subject site and are of limited competitive relevance.

3.3. Proposed Developments

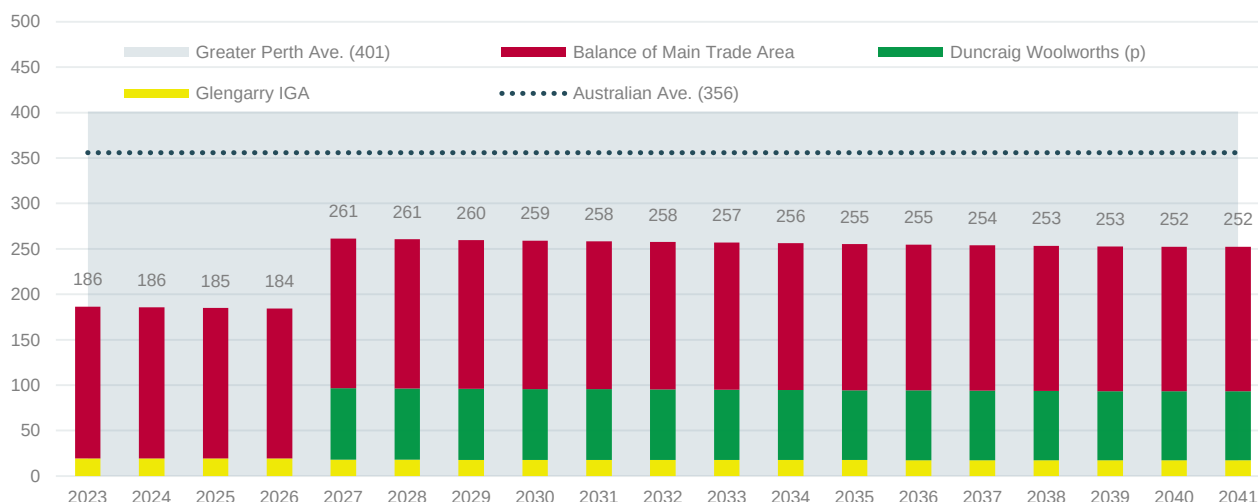
- i. Within the main trade area there is only one known future retail development of relevance:
- **Ora Sorrento** at the site of the existing Sorrento precinct and will be an eight-storey mixed use development incorporating a restaurant (854 sq.m), café (220 sq.m), and bottle shop (300 sq.m) - as well as a large public plaza and outdoor alfresco area. The development is assumed to be completed from 2027 for the purposes of this assessment.
- ii. There are no known developments within the main trade area or beyond that would impact the timing, supportability, or projected sales of the proposed Woolworths development at Duncraig.

3.4. Summary & Floorspace Demand

- i. Supermarkets are typically defined in planning documents and Courts as grocery and dry goods stores of at least 500 sq.m, with smaller stores classified as foodstores. Full line supermarkets are over 3,200 sq.m (GLA) in size and provide for the full weekly shopping needs of customers, including a higher typical spend per visit; larger basket size (trolley shop); a more substantial product range (20,000+).
- ii. There are no full-line supermarkets currently provided across the main trade area. Across Australia, one full-line supermarket (3,200 sq.m) is typically provided for every 8,000 – 10,000 persons, which would indicate that the primary sector population alone (17,000+ persons) is sufficient to support at least one.

- iii. The main trade area currently comprises a range of smaller supermarkets which includes five IGAs (each less than 1,200 sq.m), Farmer Jacks (1,021 sq.m), and a non-full-line Coles (2,641 sq.m). These stores provide for the basic convenience and top up shopping needs of residents, who would still have to frequent larger, full-line supermarkets in the surrounding region on a regular basis – in order to undertake a full weekly shop and access a wider variety of products. The nearest full-line supermarkets are currently at Warwick Grove, which is beyond the main trade area and some 3.8 km to the south-east – on the opposite side of the Mitchell Freeway.
- iv. To illustrate this undersupply, Chart 3.1 provides a summary of the current and future provision of supermarket floorspace within the Duncraig main trade area - as compared with the Greater Perth (401 sq.m per 1,000 persons) and Australian (356 sq.m) benchmarks.
 - The current provision of supermarket floorspace across the main trade area (186 sq.m per 1,000 persons) is less than half the Greater Perth and Australian benchmarks.
 - Assuming the proposed Woolworths (3,626 sq.m) and a re-integrated IGA (825 sq.m) at Duncraig replace the incumbent IGA (885 sq.m) from 2026/27, the main trade area supermarket floorspace provision would remain significantly lower than benchmark levels (261 sq.m per 1,000 persons) – and continue to fall thereafter with population growth.
 - As a guide, the difference in floorspace provision (261 vs 401 sq.m per 1,000 persons) would represent capacity for up to 6,454 sq.m of additional supermarket floorspace (on top of the proposed Woolworths and re-integrated IGA supermarket).
- v. Reflecting this lack of supermarket floorspace and full-line options within the area are understood to perform at levels in-line or above the Australian average of around \$10,000 per sq.m and above (all supermarkets). IGA (all variants), Spudshed, Drakes, Foodworks, Farmer Jacks and many more independent brands can also sustain sales levels (and averages) below this due to higher margins.
- vi. Full-line supermarkets beyond the main trade area are currently trading well above average levels, given they would be drawing significant customers and sales from the Duncraig main trade area (leakage).
- vii. Residents of the region should be provided with a wide range of food and grocery items within proximity of their homes. The opening of the proposed Woolworths Duncraig development would provide a key anchor for the area that would benefit the overall offering and range of services available to these residents.

CHART 3.1. SUPERMARKET FLOORSPACE PROVISION (PER 1,000 PERSONS), 2021 – 2041



4 Potential for Retail Facilities

This section of the report provides an assessment of the sales potential for the retail component of the proposed Woolworths Duncraig development. Likely trading impacts on other activity centres throughout the surrounding region are considered, as are the employment and other consumer impacts, both positive and negative, of the proposal.

4.1. Sales Overview

- i. To assess the potential economic benefits and impacts that may arise from the development of the proposed Woolworths Duncraig site, the retail sales level which the development is forecast to achieve is outlined.
- ii. The sales performance of any retail facility, be it an individual store or a collection of stores provided in a shopping centre or precinct, is determined by a combination of the following critical factors:
 - The composition and quality of the facility, including the major trader or traders; the specialty mix; centre layout and configuration; ease of accessibility and parking; and the overall feel of the centre.
 - The size of the available catchment which the facility serves.
 - The location and strength of competitive retail facilities.

4.2. Methodology

- i. Assessing a proposed retail development fundamentally requires an understanding of a variety of factors and methodologies, including:
 - Retail turnover;
 - Market shares;
 - Retail supply, demand, and impacts.
- ii. Location iQ adopt an evidence-based model that has been tested and refined over more than 10 years and across a range of clients. The model uses all available data, including the Location iQ proprietary database of supermarket and shopping centre tenant size and sales figures, as well as actual Retail Spend Insights at the SA1 granularity.
- iii. Location iQ has undertaken more than 100 retail need/economic impact assessments in Australia over the last decade, adopting a similar methodology as presented in this report for the high-level overview of retail demand. A range of other property consulting firms also adopt the approach outlined by Location iQ.
- iv. Specifically, this approach has been utilised by Location iQ for recent Retail Need and Sustainability Assessments that have subsequently been approved, including:

- North Perth - 318 – 334 (Lots 104-106 & 108-110) Charles Street (DAP/19/01710)
 - Highgate - 291,295 & 307 Stirling Street (DAP/19/01614)
 - Inglewood - 861 Beaufort St (DA18/2091)
 - Mount Pleasant – 855 - 857 Canning Highway Applecross & 37 - 41 Reynolds Road, Mount Pleasant (DAP/16/01123 & DA-2016-1080)
 - Whiteman Edge Town Centre – Lot 9040 Woollcott Avenue (Brabham Albion District Structure Plan Amendment No. 1 & Local Structure Plan No. 1C Amendment)
 - Maylands – 168 Guildford Road (DAP/21/02033)
- v. The methodology and data sources utilised within this Assessment are verifiable and current – in accordance with SPP 4.2 *Implementation Guidelines (A2.1)*, and all assumptions have been articulated.

4.3. Supermarket Sales Potential

- i. The existing IGA supermarket of 885 sq.m at Glengarry Shopping Centre is a typical offer within the main trade area, which includes a range of smaller supermarkets (three other IGAs each less than 1,200 sq.m; Farmer Jacks; and a non-full-line Coles).
- ii. The IGA at Glengarry is understood to trade slightly lower than other supermarkets within the main trade area, given the age, fitout, and convenience aspects of the older centre and tenancy. For the purposes of this assessment, existing sales of \$7.08 million (\$8,000 per sq.m) have been assumed.
- iii. The proposed Woolworths supermarket at the subject site will be 3,626 sq.m in size (GLA), including a Direct to Boot service. The supermarket spending market was discussed and measured in Section 2.4 of this report.
- iv. Table 4.1 details the forecast sales for the Woolworths supermarket at Duncraig. The calculations in this Table go through a series of steps, commencing with the existing level of supermarket expenditure generated by main trade area residents, which is based on actual transaction data sourced from CommBank iQ Retail Spend Insights - noting that supermarkets are defined as grocery and dry goods stores of at least 500 sq.m.
- v. The assessment detailed in Table 4.1 is based on the experience of many comparable analyses in locations throughout Australia, and is summarised as follows:

Existing (2022/23)

- **Spending to Supermarkets:** The total supermarket spending market for the main trade area (defined earlier in this report) is estimated at \$308.1 million in 2022/23.
- **Supermarket Spending Retained by MTA Supermarkets:** the next step in the analysis is to estimate the proportion of supermarket expenditure which is being (and will be) retained by main trade area supermarkets; specifically in this case, the proportion of expenditure that is retained by existing and proposed supermarkets, as compared with spending directed to supermarkets beyond the main trade area.

As outlined previously, reflecting this lack of supermarket floorspace and full-line options, existing supermarkets within the area are understood to perform at levels in-line or above averages for the respective brands. This is further evidenced by the overall level of supermarket spending generated by main trade area residents, as well as the strength of the local and neighbourhood centres which have a low level of vacancy and quality tenant mix.

Given the smaller size of these supermarkets, however, they would primarily serve the top up shopping needs of residents, who would still have to frequent larger, full-line supermarkets in the surrounding area on a regular basis - to undertake a full weekly shop and access a wider variety of products.

Based on this, the level of supermarket spending being retained within the main trade area is estimated at just \$97.1 million (32%). This means that 68% (\$211 million) of supermarket expenditure is currently escaping the trade area (including the LGA) – the majority of which would be directed to supermarkets at Warwick Grove, Karrinyup, Westfield Whitford City, Kingsway City, Hillarys and more (leakage).

- **Supermarket Spending from Beyond MTA:** Additionally, supermarket sales are likely to be attracted from beyond the defined main trade area. The localised nature of the existing supermarkets means they are unlikely to draw broadly, however, the positioning of several nearby to the edge of the main trade area (such as North Beach, Carine, and Greenwood) means that a proportion of sales would be attracted from beyond the main trade area. This figure is estimated to average 15% (\$17.5 million), of which a large proportion would be directed to Greenwood Village.
- **Distribution of MTA Supermarket Sales:** Based on the above, existing supermarkets within the main trade area are estimated to record sales of \$114.6 million in combination (including annualisation for tenants not yet trading a full year), or an average of \$13,534 per sq.m in 2022/23 - which is above national benchmarks (both at a brand and category level).

Development Year (2026/27)

- **Assumptions:** For the purposes of this assessment Woolworths (3,626 sq.m) and re-integrated IGA supermarket (825 sq.m) at Duncraig are assumed to replace the incumbent IGA (885 sq.m) in 2026/27.
- **Spending to Supermarkets:** Total supermarket spending for the main trade area is estimated at \$317.5 million in 2026/27 (including a small uplift of around +0.2% from the base case, associated with supply-induced growth).
- **Supermarket Spending Retained by MTA Supermarkets:** The level of supermarket spending being retained within the main trade area is projected to increase to \$125.3 million (39%) by 2026/27.

This reflects a significant reduction in leakage (from 68% in 2022/23 to 61% in 2026/27). Based on our experience, this is a conservative figure and reflects the geographic extent of the main trade area, as well as the current network of supermarkets.

- **Supermarket Spending from Beyond MTA:** The proportion of supermarket sales attracted from beyond the main trade area is projected to decrease to 12.8% (average) in 2026/27. This would reflect the introduction of Woolworths Duncraig (estimated at around 5% of sales from beyond), which would bring the overall weighted average down.

- **Distribution of MTA Supermarket Sales:** Based on the above, existing and proposed supermarkets within the main trade area are estimated to record sales of \$143.2 million in combination, or an average of \$11,874 per sq.m in 2026/27, including the following:
 - **Woolworths Duncraig:** The subject supermarket is forecast to achieve sales of \$39.3 million in 2026/27, at an average of \$10,829 per sq.m. This sales figure is expected to increase strongly, in-line with population growth, reaching \$43.8 million (\$12,079 per sq.m) by 2040/41.
 - **IGA Duncraig:** the re-integrated IGA supermarket is forecast to achieve sales of \$6.9 million in 2026/27, at an average of \$8,399 per sq.m, which accounts for population growth, reduction in floorspace, refurbishment, as well as impacts and uplifts associated with the redevelopment of the subject site.
 - **Other MTA Supermarkets:** other non full-line supermarkets within the main trade area are projected to record combined sales of \$97.0 million in 2026/27, or an average of \$12,749 per sq.m.
- vi. Overall, there is strong existing and future demand for the proposed Woolworths supermarket at Duncraig, as well as other non-full-line supermarkets within the main trade area.
- vii. Forecast sales of \$39.3 million in 2026/27 (\$10,865 per sq.m) for Woolworths can be compared with the Australian average of approximately \$10,000 per sq.m, and the balance of non-full-line supermarkets are also projected to trade at or above benchmark levels for the respective brands. The re-integrated IGA supermarket of 825 sq.m at the site is expected to record similar sales, having regard to the smaller tenancy, impacts, uplifts and other effects of the redevelopment.
- viii. Impacts for the Woolworths supermarket would be spread across several centres (as outlined subsequently in Section 4.5), including those beyond the main trade area - which would mean the impact on any one supermarket/centre would not detrimentally affect the performance of any stores, and each would remain viable.
- ix. The highest impacts would likely fall on the replicated supermarket brands (Woolworths), also noting that all supermarkets serve significant and overlapping population catchments and some have unique attractions or specialty products.

TABLE 4.1. SUPERMARKET SALES POTENTIAL, 2022/23 – 2040/41

	Financial Year				
	2023	2027	2031	2036	2041
Spending to Smkts (\$M)					
Primary Sector	118.6	121.8	125.6	130.6	135.8
Secondary Sectors					
• East	47.1	47.8	49.0	50.6	52.2
• South	46.3	48.2	49.8	51.8	53.9
• West	<u>96.1</u>	<u>99.7</u>	<u>103.2</u>	<u>107.7</u>	<u>112.3</u>
Total Secondary	189.5	195.8	202.0	210.1	218.4
Main Trade Area	308.1	317.5	327.7	340.7	354.2
Supermarket Spending Retained by TA Smkts					
Primary (@ 35% incr. to 50% in 26/27)	41.5	60.9	62.8	65.3	67.9
Secondary Sectors					
• East (@ 40% incr. to 44% in 26/27)	18.8	21.0	21.6	22.3	23.0
• South (@ 27.5% incr. to 32% in 26/27)	12.7	15.4	15.9	16.6	17.2
• West (@ 25% incr. to 28% in 26/27)	<u>24.0</u>	<u>27.9</u>	<u>28.9</u>	<u>30.2</u>	<u>31.5</u>
Total Secondary	55.6	64.4	66.4	69.0	71.7
Main Trade Area	97.1	125.3	129.2	134.3	139.6
Supermarket Sales from Beyond TA (@ 15% decr. to 13% in 22/23)	<u>17.5</u>	<u>17.9</u>	<u>18.5</u>	<u>19.2</u>	<u>19.9</u>
Total Supermarket Sales for TA Smkts	114.6	143.2	147.7	153.5	159.5
Smkt Floorspace in TA (sq.m)**	8,469	12,058	12,058	12,058	12,058
Distribution of TA Smkt Sales					
IGA Glengarry SC / Duncraig	7.1	6.9	7.1	7.4	7.7
Woolworths Duncraig Smkt	-	39.3	40.5	42.1	43.8
Other TA Supermarkets**	<u>107.5</u>	<u>97.0</u>	<u>100.0</u>	<u>103.9</u>	<u>108.0</u>
Total TA Smkt Sales	114.6	143.2	147.7	153.5	159.5
TA Smkt Sales Productivity (\$/sq.m)					
IGA Glengarry SC / Duncraig	8,000	8,399	8,667	9,012	9,368
Woolworths Duncraig	-	10,829	11,174	11,619	12,079
Other TA Supermarkets**	<u>14,180</u>	<u>12,749</u>	<u>13,148</u>	<u>13,662</u>	<u>14,193</u>
Total TA Supermarkets	13,534	11,874	12,248	12,729	13,227

*Constant 2022/23 dollars & including GST

4.4. Total Retail Sales Potential

- i. Table 4.2 shows total retail forecast sales for the proposed Woolworths Duncraig development, including the supermarkets (as outlined previously) and retail specialty floorspace.
- ii. As shown, retail specialty forecast sales are \$8.5 million in 2026/27, representing some \$9,636 per sq.m – which aligns with the current average (2022/23) for supermarket shopping centres (Urbis Averages).
- iii. This would reflect total centre retail forecast sales of \$54.4 million in 2026/27 for the proposed development.
- iv. Shopping centres generally include a mix of both retail and non-retail specialty shops, which typically often reflect a ratio of 80:20 (retail: non-retail). For this assessment, if a provision of non-retail tenants were to be allowed for (in place of retail floorspace), forecast sales (as well as impacts on surrounding centres) would be lower than presented.

TABLE 4.2. WOOLWORTHS DUNCRAIG FORECAST SALES, 2026/27

	Composition			Sales	
	Tenants (no.)	GLA (sq.m)	% of Total	(\$'000)	(\$/sq.m)
Retail (Ground)					
Woolworths (incl. BOH and DTB)	1	3,626	68.0%	\$39,265	\$10,829
Supermarket	1	825	15.5%	\$6,600	\$8,000
Mini-majors / Specialty Shops	<u>13</u>	<u>885</u>	<u>16.6%</u>	<u>\$8,528</u>	<u>\$9,636</u>
Total Retail	15	5,336	100%	\$54,393	\$10,194

Source: Woolworths Group

BOH = Back of House
DTB = Direct to Boot

4.5. Impacts

- i. This sub-section of the report outlines the likely sales impacts on competitive retail facilities because of the opening of the retail component of the proposed Woolworths Duncraig development.
- ii. There is no requirement for the impact on individual retailers to be specifically stated in Need Assessments and Net Benefit Tests. Key points required under the *State Planning Policy 4.2 Activity Centres Implementation Guidelines* are as follows:

A2.2 Impacts

A critical output from the modelling process is an estimate of the impact of the proposal on existing and planned activity centres and the level of service to the community.

A2.2.2 Retail Proposals

For retail proposals, the NB Test should include the supply of shop/retail (PLUC:5-SHP) and/or Other Retail (PLUC:6-RET) floorspace (present period and over a defined future time period – minimum five years) within relevant activity centres and the retail turnover estimates for each activity centre for the base year and NB test year/s. An estimate of the retail turnover for each relevant activity centre should be identified for the following scenarios:

- *base case - without the planning proposal/development and*
- *with the new planning proposal/ development.*

- iii. The following factors are typically considered when assessing the potential impacts of a new supermarket-based development on each existing facility or centre:
- The distance of the (impacted) centre, by road, from the proposed development.
 - The size of the centre, in terms of total retail floorspace.
 - The amount of supermarket floorspace, and brands of these supermarkets.
 - The quality of offer and unique attributes including trading hours, presentation/quality, and the like.
 - The role and function of the centre.
 - Relative accessibility and convenience compared with the proposed retail development.
 - The estimated performance of the centre (in current sales) and future performance (in the impact year), accounting for any approved developments in the region that may also impact on sales of existing centres.
 - The share of available expenditure which the centre attracts from the identified main trade area of the proposed development. A centre may not be situated in the identified main trade area of the proposed development, but its main trade area may extend to include parts, or all, of the main trade area. For example, the main trade area for large regional shopping centres typically includes circa 250,000 persons. Such a trade area is likely to include (partially or completely) trade areas for surrounding smaller convenience-based centres, sub-regional centres, retail strips and stand-alone supermarkets.
- iv. The following key principles are then relied on when assessing the dollar (and percentage) impacts that are likely to be absorbed by existing facilities/centres:
- The greatest impacts are typically absorbed by the closest comparable centres. For example, a new Woolworths supermarket is generally likely to impact the closest nearby Woolworths supermarket to the greatest extent, followed by impacts on other comparable supermarkets (e.g. Coles), and at the lower end of the spectrum, smaller scale supermarkets/foodstores, which serve much more limited roles.
 - Impacts on smaller local supermarkets/foodstores tend to be smaller in scale, as these stores normally attract a lower market share of available main trade area expenditure and perform a different role and function within the hierarchy, often serving the local walkable catchments surrounding them, and/or serving more specialised/discerning needs (e.g. a smaller IGA).
- v. Table 4.3 outlines forecast sales impacts from the proposed Woolworths Duncraig development on surrounding centres. The steps involved in assessing the sales and impacts on surrounding centres are presented as follows:
- **Step 1** - Estimate sales levels for existing centres in the 2022/23 financial year. Existing sales for all centres outlined are based on:
 - Expert opinions formed through qualitative consideration of factors including location, catchment, brand and infrastructure (our experience);
 - Multiple visits to Perth over the last 10 years, including to the subject site and nearby retail facilities several times in 2023/24;

- Local knowledge of Western Australian staff;
- Public reported data from Metcash and other groups;
- Actual data that includes publicly available information and Location iQ proprietary data (acquired from various retail clients and similar).

For centres where actual data was not available, the current sales levels are conservatively estimated. Retail specialty floorspace sales productivity levels of \$7,500 per sq.m have been applied on average, which is well below those assumed for the subject development (conservative) and reported benchmark levels as follows:

- Supermarket based shopping centres: \$9,636 per sq.m (*Urbis Retail Averages 2022/23*).
- Sub-regional shopping centres: \$9,296 per sq.m (*Urbis Retail Averages 2022/23*).
- Regional shopping centres: \$12,096 per sq.m (*Urbis Retail Averages 2022/23*).
- Warwick Grove: \$9,132 per sq.m (*Shopping Centre News Little Guns 2022*).
- Kingsway City: \$9,066 per sq.m (*Shopping Centre News Little Guns 2023*).
- Westfield Whitford City: \$7,916 per sq.m (*Shopping Centre News Big Guns 2023*).
- Karrinyup Shopping Centre: \$11,887 per sq.m (*Shopping Centre News Big Guns 2023*).

This means that sales could well be higher at these centres, and as a result, impacts would be lower in percentage terms.

- **Step 2** – Forecast sales are presented for existing and proposed developments in 2026/27, which is the first full year of trading for the proposed development. These projections include a conservative view of retail market growth and are presented in constant 2022/23 dollars (i.e. excluding inflation), as well as allowing for approved developments such as Ora Sorrento (refer Section 3.3).
- **Step 3** - Outline the change in sales at each centre in 2026/27, because of the development of the proposed Woolworths Duncraig site. Again, all sales are expressed in constant 2022/23 dollars.
- **Step 4** - Show the impact on sales in 2026/27, both in dollar terms and as a percentage of sales for each centre.

vi. Based on the SPP 4.2 Implementation Guidelines, the following impact percentage and risk level for retail turnover is provided as a general guide:

- **Low (0 to 5%):** Any impacts are likely to be temporary and have no longterm effects on the viability of individual activity centres.
- **Medium (5 to 10%):** Impacts are likely to be more significant for individual centres, but overall network sustainability is unlikely to be undermined in the long-term
- **High (10%+):** Impacts are likely to be very significant for individual centres and will undermine the long-term network sustainability.

Where the short-term impact is initially high before falling to a medium or low level in the long term, consideration should be given to how the development can be staged or if there needs to be any additional short-term benefits to ensure that level of service is always maintained.

- vii. Other factors such as trading performance; expansions/refurbishments of centres; potential loss of services to the community; expected growth; and overall net community benefit should be considered.
- viii. As outlined previously, the proposed Woolworths Duncraig development is forecast to record sales of \$54.4 million in 2026/27, including Woolworths supermarket sales of \$39.3 million. Key information regarding projected impacts as outlined in the above Table 4.3 is summarised as follows:

- **Glengarry Shopping Centre:** the centre will be replaced by the Woolworths development. Therefore, the entirety of sales from the former site are assumed to transfer to the proposed development (-100% or -\$23.8 million). A small proportion of this sales may flow to nearby centres and reflect a partial benefit to offset potential impacts – however this has not been modelled.
- **Warwick Secondary Activity Centre:** a total impact of -\$9.2 million (-3.0%), with most of this impact falling on Warwick Grove, by way of the existing supermarkets at the centre – and specifically the nearest full-line Woolworths supermarket. This centre also includes the largest concentration of retail and non-retail shops in the region – and would remain a strong retail offer.
- **Greenwood Secondary Activity Centre:** the projected impact would be -\$4.7 million (-7.7%) given Greenwood Village comprises the largest and only major brand supermarket (Coles) within the main trade area (albeit a non-full-line offer) – which is understood to trade strongly.
- **Karrinyup & Whitfords Secondary Activity Centres:** similar impacts of -\$3.2 million are anticipated for Karrinyup Shopping Centre and Westfield Whitford City (-0.4% and -0.6%, respectively) – which each have strong triple-supermarket offerings (Woolworths, Coles, and Aldi).
- **Balance of Duncraig:** an impact of -\$2.0 million is anticipated on Duncraig by Hawaiian (-6.0%), while other retail floorspace impacts in the suburb would be negligible (-\$0.2 million or -0.5%). Realistically, many retailers within the local area would stand to benefit from the increased visitation and activity generated by the proposed redevelopment.
- **Madeley:** an impact of -\$1.9 million on Kingsway Shopping Centre (-1.2%), which includes Woolworths and Aldi supermarkets.
- **Carine:** a total impact of -\$1.6 million (-2.0%) is projected, of which the majority would fall on Carine Glades Shopping Centre (anchored by IGA).
- **Hillarys Shopping Centre:** an impact of -\$0.8 million (-1.6%) on the Coles centre.
- **North Beach Shopping Centre:** an impact of -\$0.6 million (-1.5%) on the Farmer Jacks-anchored centre.
- **Marmion Village Shopping Centre:** an impact of -\$0.5 million (-2.0%) on the IGA centre.
- **Coolibah Plaza:** an impact of -\$0.4 million (-3.0%) on the now IGA-based centre (annualised).
- **Other Centres:** most of the remaining projected impacts are anticipated to be absorbed by supermarkets at various District, Neighbourhood, Local and Other Centres. Across the sixteen remaining, represented

centres, a total impact of -\$1.3 million (-0.2%) is projected. This includes a maximum of -\$0.3 million or -0.2% on any one site – and in most cases far lower.

- ix. Minor impacts totalling -\$0.4 million in combination (around 1.0% of the total forecast sales) are projected to fall on a range of centres located beyond the main trade area and not represented in Table 4.3.
- x. Overall, the proposed Woolworths Duncraig development would not impact on the viability or continued operation of any existing or proposed centres (as per SPP 4.2) in the surrounding region, with all the impacts well within the normal competitive range (low to medium) of less than -10%.
- xi. With retail expenditure growth across the main trade area growing by an average of 0.9% (2023-27) to 1.1% (2027-41) per year – even the most significant impacts could be ameliorated within around seven years.
- xii. It is emphasised that Woolworths is committed to be the operator of the supermarket at the Duncraig site. Consequently, the existing Woolworths supermarket network within the region would be expected to absorb a significant proportion of the projected impacts from the opening of the development.
- xiii. Based on actual market data, it is our experience that the greatest impacts are typically absorbed by the closest comparable retailers/centres. For example, a new Woolworths supermarket is generally likely to impact the closest nearby Woolworths supermarket to the greatest extent, followed by impacts on other comparable supermarkets (e.g. Coles), and at the lower end of the spectrum, smaller scale supermarkets/foodstores, which serve much more limited roles.
- xiv. Woolworths has assessed the levels of impact on the existing and future Woolworths store network, with only a moderate anticipated reduction in trading volumes which would not compromise the future viability of other Woolworths supermarkets.
- xv. In addition, the proposed Woolworths Duncraig development has a lower level of specialty floorspace to Glengarry Shopping Centre (1,890 sq.m across 17 shops currently – to be replaced with 885 sq.m across 13 shops and the re-integrated supermarket of 825 sq.m), meaning there would be no net additional retail specialty floorspace included as part of the development. Consequently, residents will continue to frequent other centres/shops in the surrounding area for a variety of tenants that are not likely to be provided as part of the proposed Woolworths Duncraig site.
- xvi. In summary, all sales impacts across the identified centres are within an acceptable range, and when considered in the context of the size, performance and role and function of surrounding centres, would be highly unlikely to result in a material reduction of retail service provision.
- xvii. The proposed Woolworths Duncraig development would add to the range of services and retention of escaped expenditure within the region. Further, residential population growth would also see sales regain quickly.

TABLE 4.3. WOOLWORTHS DUNCRAIG PROJECTED IMPACTS, 2023 – 2027

	Unit	Base Case Turnover		Proj. Turnover (WOW Duncraig) 2027	Impact 2027	
		2023	2027		\$M	%
Woolworths Duncraig Site	\$M	-	-	54.4	-	-
Secondary Activity Centres						
Warwick	\$M	274.7	307.3	298.1	-9.2	-3.0%
Karrinyup	\$M	799.8	894.7	891.4	-3.2	-0.4%
Whitfords (Hillarys)	\$M	474.8	531.1	527.9	-3.2	-0.6%
District Activity Centres						
Greenwood	\$M	55.3	61.8	57.1	-4.7	-7.7%
Sorrento (Hillarys)	\$M	63.8	71.3	71.2	-0.1	-0.1%
Girrawheen	\$M	92.9	103.9	103.6	-0.3	-0.2%
Madeley (Kingsway)	\$M	141.6	158.4	156.5	-1.9	-1.2%
Woodvale	\$M	101.0	113.0	112.7	-0.3	-0.2%
Stirling Central (Westminster)	\$M	135.8	151.9	151.7	-0.2	-0.1%
Northlands (Balcatta)	\$M	73.5	82.2	82.1	-0.1	-0.1%
Alexander Heights	\$M	120.8	135.1	135.0	-0.1	-0.1%
Scarborough	\$M	43.6	48.8	48.7	-0.1	-0.2%
Local & Neighbourhood Centres						
<u>Duncraig</u>						
• Glengarry SC	\$M	21.3	23.8	0.0	-23.8	-100.0%
• Duncraig by Hawaiian	\$M	29.8	33.3	31.3	-2.0	-6.0%
• Other	\$M	27.5	30.7	30.6	-0.2	-0.5%
Carine	\$M	69.9	78.2	76.7	-1.6	-2.0%
Lilburne Road SC	\$M	5.4	6.0	6.0	0.0	-0.1%
Hepburn Heights Plaza Precinct	\$M	11.0	12.3	12.2	0.0	-0.1%
Seacrest SC	\$M	7.9	8.9	8.9	0.0	-0.1%
Coolibah Plaza	\$M	13.2	14.7	14.3	-0.4	-3.0%
Marmion Village SC	\$M	23.9	26.7	26.2	-0.5	-2.0%
Padbury SC	\$M	26.5	29.6	29.6	-0.1	-0.2%
Sorrento Retail	\$M	7.1	10.6	10.6	0.0	-0.1%
Little Bay Bar & Eatery	\$M	2.1	2.3	2.3	0.0	-0.1%
Kingsley Village	\$M	28.9	32.3	32.2	-0.1	-0.2%
Castle Road Strip Retail	\$M	15.9	17.8	17.8	0.0	-0.1%
North Beach SC	\$M	33.6	37.6	37.1	-0.6	-1.5%
Hillarys SC	\$M	45.0	50.3	49.6	-0.8	-1.5%

*Constant 2022/23 dollars & including GST

¹ Proposed centre redevelopments assumed include subject site and Ora Sorrento

4.6. Employment and Consumer Impacts

- i. The proposed Woolworths Duncraig would result in a range of important economic benefits which will be of direct benefit to the local community. These employment impacts and contributions are described as follows:

Ongoing Employment Generation

- Table 4.4 summarises the projected level of ongoing employment likely to be generated by the retail and complementary non-retail components of the Woolworths Duncraig development. The employment benchmarks (jobs per 1,000 sq.m) used to calculate the indicative total jobs generated is based on typical floorspace and employment yield benchmarks.
- The Woolworths supermarket component of the development is projected to employ around 181 persons. The IGA supermarket is projected to employ some 41 persons, and the retail specialty component around 53 persons. Non-retail commercial floorspace is projected to employ a combined 39 persons.
- Allowing for a proportion (weighted average of 37%) of the total increase to be because of reduced employment at existing facilities such as Glengarry Shopping Centre (existing), net additional jobs are estimated at 197 (63% net additional jobs). This includes a lower proportion of net additional jobs for more replicated uses (such as IGA).
- Based on *Average Weekly Earnings* data released by the ABS in May 2023 (Cat. 6302.0), the net additional permanent employees would earn annual combined salary/wages of some \$15.6 million.
- This reflects salary/wages for the local economy, as a direct result of the supermarket, retail and non-retail component of the proposed development alone.

Construction

- Demolition works and construction of the entire development is estimated to incur total capital costs of approximately \$30 million, generating significant employment within the construction and associated industries during the development of the project.
- By using the appropriate ABS Input/Output Multipliers that were last produced in 1996/97 and a deflated estimated total capital cost of construction of \$13.5 million (i.e. in 1996/97 dollars), it is estimated that the construction period of the proposed retail component (in isolation) would directly create 95 full-time, part time and temporary jobs over the development timeline (refer Table 4.5).

Multiplier Effect

- Overall, the total centre is estimated to directly generate 292 jobs, including (refer Table 4.6):
 - **Ongoing Employment from Planned Floorspace:** 197 net additional jobs.
 - **Construction Phase:** 95 jobs
- In addition to this direct employment, multiplier effects will flow through the local economy and indirectly generate additional employment opportunities through ancillary businesses/suppliers that support the

development and services, as well as additional consumption expenditure by workers employed within the precinct (spending wages).

- Again, by using the appropriate ABS Input/Output Multipliers that were last produced in 1996/97 and adjusting for inflationary and other changes to present, it is estimated that an additional 339 jobs will be created indirectly.
- ii. Overall, approximately 631 jobs are likely to be created both directly and indirectly because of the subject development (including ongoing employment, construction, and multiplier effects).

TABLE 4.4. ONGOING EMPLOYMENT GENERATING FLOORSPACE

Component	Total Floorspace (sq.m)	Employment Potential		
		Employ. per 1,000 sq.m	Indic. Total Jobs	Net Increase ¹
Retail				(no.) (%)
Woolworths Supermarket	3,626	50.0	181	145 80%
IGA Supermarket	825	50.0	41	4 10%
Retail Specialty Shops	<u>885</u>	<u>60.0</u>	<u>53</u>	<u>13</u> 25%
Total Retail	5,336		276	162
Commercial				
Offices	774	50.0	39	35 90%
Total	6,110		314	197 63%

1. Indicates the estimated number of net additional ongoing jobs as a result of the proposed development. Including those lost from Glengarry SC.
Source : Australian National Accounts: Input-Output Tables 1996-97

TABLE 4.5. CONSTRUCTION GENERATED EMPLOYMENT

Metric	Woolworths Duncraig Total
Estimated Capital Costs of Construction	
Estimated Capital Costs 2022/23 (\$M)*	\$30.0
Estimated Capital Costs 1996/97 (\$M)	\$13.5
Direct Employment Generation	
Construction Jobs per \$1 million (2021/22)	3.15
Total Construction Jobs¹	95

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

TABLE 4.6. ESTIMATED TOTAL EMPLOYMENT GENERATED

Metric / Category	Est. Net Employment Increase ¹	Employment Multiplier Effects	Total Employment
Ongoing Employment from Planned Floorspace			
Retail	162	154	317
Commercial	<u>35</u>	<u>33</u>	<u>68</u>
Total	197	187	384
Construction Phase			
Direct Employment Generation	95	152	246
Net Additional Employment	292	339	631

Source: Woolworths Group; Location iQ Databases
1. Net increase includes an allowance for reduced employment levels at impacted centres and subject site

5 Needs & Net Benefit Summary

The final section of this report summarises the key conclusions of the Needs Assessment and Net Benefit Test for the proposed Woolworths Duncraig development.

'Need' or 'Community Need' in a planning sense is a relative concept that relates to the overall wellbeing of a community. A use is needed, for example, if it would, on balance, improve the services and facilities available in a locality. The reasonable demands and expectations of a community are important, therefore, in assessing need.

Several important factors that relate to need, particularly economic need, include:

- Population and demand.
- Consumer trends and expenditure patterns.
- Location and infrastructure.
- Impacts on existing retail facilities and the retail hierarchy.
- Net community benefits.

5.1. Floorspace Demand

- i. The proposed Woolworths Duncraig would enjoy a high-profile location at the north-east corner of Glengarry Drive and Arnisdale Road, which would be very convenient and easily accessible for the local population and passing traffic.
- ii. The main trade area population is currently 45,115 (2023) and is projected to increase to 47,695 persons by 2041, reflecting an average annual growth rate of 0.4% (or 191 persons).
- iii. There are no full-line supermarkets currently provided across the main trade area. Across Australia, one full-line supermarket (3,200 sq.m) is typically provided for every 8,000 – 10,000 persons, which would indicate that the primary sector population alone (17,000+ persons) is sufficient to support at least one.
- iv. The main trade area currently comprises a range of smaller supermarkets which includes five IGAs (each less than 1,200 sq.m), Farmer Jacks (1,021 sq.m), and a non-full-line Coles (2,641 sq.m). These stores provide for the basic convenience and top up shopping needs of residents, who would still have to frequent larger, full-line supermarkets in the surrounding region on a regular basis – in order to undertake a full weekly shop and access a wider variety of products. The nearest full-line supermarkets are currently at Warwick Grove, which is beyond the main trade area and some 3.8 km to the south-east.

- v. To illustrate this undersupply, the previous Chart 3.1 provided a summary of the current and future provision of supermarket floorspace within the Duncraig main trade area – highlighting that the current provision (186 sq.m per 1,000 persons) is less than half the Greater Perth (401 sq.m) and Australian (356 sq.m) benchmarks.
- vi. Assuming the proposed Woolworths (3,626 sq.m) and a re-integrated IGA (825 sq.m) at Duncraig replace the incumbent IGA (885 sq.m) from 2026/27, the main trade area supermarket floorspace provision would remain significantly lower than benchmark levels (261 sq.m per 1,000 persons) – and continue to fall thereafter with population growth. As a guide, the difference in floorspace provision (261 vs 401 sq.m per 1,000 persons) would represent capacity for up to 6,454 sq.m of additional supermarket floorspace (on top of what is proposed).
- vii. Reflecting this lack of supermarket floorspace and full-line options within the area are understood to perform at levels in-line or above the Australian average of around \$10,000 per sq.m and above (all supermarkets). IGA (all variants), Spudshed, Drakes, Foodworks, Farmer Jacks and many more independent brands can also sustain sales levels (and averages) below this due to higher margins. Full-line supermarkets beyond the main trade area are currently trading well above average levels, given they would be drawing significant customers and sales from the Duncraig main trade area (leakage).

5.2. Consumer & Expenditure Trends

- i. Retail precincts in Australia play fundamental roles in the economies of Australia's metropolitan areas, having developed around the need to meet consumer demand. The nature of consumer demand continues to develop and evolve, reflecting social changes within society, such as:
 - Increasing time pressures on working families.
 - Population and income growth.
 - The evolution of new retail formats and traders.
 - Competitive retail developments and precincts.
- ii. The demands of retailers, as well as consumers, combine to add pressure for additional retail floorspace.
- iii. There is a strong need for a new full-line supermarket within proximity to the homes of main trade area residents more generally, with consumers visiting supermarkets two to three times a week on average.
- iv. Over the past decade, there has been an increasing trend towards convenience shopping. This trend has been largely driven by broader social trends that have resulted in consumers becoming more time poor, such as longer working hours and an increase in the number of women in the labour force.
- v. Time pressures are ranked at the top of the list of issues that consumers face when undertaking their regular food and grocery shopping. As a result, there is growing demand for convenience shopping facilities to meet the needs of residents. Convenience has moved beyond the quick and easy concept, toward a simplification model, where consumers can get precisely what they need without having to think overly hard or navigate unnecessary obstacles. Convenience and quick delivery times are very important for time poor consumers.

- vi. One of the key behavioural shifts in retail shopping habits during the pandemic was a preference for local shopping over higher-order shopping centres. There were several key drivers behind this shift, but most notably work from home trends, travel restrictions, health concerns associated with large crowds, and closure of non-essential tenants (that dominate the composition of large centres). Even post-pandemic, the home is becoming more of a central hub of work and socialising, and so retailers are having to meet consumers where they are. In this sense, centres will continue to evolve.
- vii. The design of the proposed development, including a full-line Woolworths supermarket, a small quantum of specialty floorspace, and easily accessible car parking, would be highly convenient for local families who would visit on a regular basis. A full-line Woolworths supermarket and the re-integrated IGA would also help to retain some of the significant spending that is currently escaping the main trade area (and LGA).
- viii. As outlined previously in Section 4.3, the level of supermarket spending (generated by main trade area residents) being retained within the main trade area is estimated at just \$97.1 million (32%). This means that 68% (\$211 million) of supermarket expenditure is currently escaping the trade area (and much of the LGA) – the majority of which would be directed to supermarkets at Warwick Grove, Karrinyup, Westfield Whitford City, Kingsway City, Hillarys and more (leakage).
- ix. The development of Woolworths Duncraig in 2026/27 is projected see retained supermarket spending increase to \$125.3 million (39%), reflecting a significant reduction in leakage (from 68% in 2022/23 to 61% in 2026/27). Based on our experience, this is a conservative figure and reflects the geographic extent of the main trade area, as well as the current and future network of supermarkets.

5.3. Impacts on Existing and Proposed Centres

- i. As outlined in SPP 4.2 *Implementation Guidelines*, a critical output from the modelling process is an estimate of the impact of the proposal on existing and planned activity centres and the level of service to the community.
- ii. Residents of the region should be provided with a wide range of food and grocery items within proximity to their homes, and the opening of the proposed Woolworths Duncraig development would provide a key anchor for the area that would benefit the overall offer and range of services available - increasing the ability of the population to shop locally, while not impacting the future viability of current centres in the surrounding area.
- iii. The ability for residents, for example, to undertake both a weekly shop at the subject site, as well as convenience, top-up, and complementary shopping at the independent supermarkets would represent a holistic food and grocery experience.
- iv. In addition, increased competition between supermarkets is beneficial to consumers and will not adversely affect the balance of the centre hierarchy. The analysis of impacts provided in the previous section of this report shows the projected impacts on other centres from the proposed development would not threaten the viability or continued operation of any centre. Further, there would be no depletion or dilution in the range of services which are available to residents.
- v. As outlined previously, the proposed Woolworths Duncraig development is forecast to record sales of \$54.4 million in 2026/27, including Woolworths supermarket sales of \$39.3 million. Key information regarding projected impacts of -\$1.0 million or more are outlined in the previous Table 4.3, and summarised as follows:

- **Glengarry Shopping Centre:** the centre will be replaced by the Woolworths development. Therefore, the entirety of sales from the former site are assumed to transfer to the proposed development (-100% or - \$23.8 million). A small proportion of this sales may flow to nearby centres and reflect a partial benefit to offset potential impacts – however this has not been modelled.
 - **Warwick Secondary Activity Centre:** a total impact of -\$9.2 million (-3.0%), with most of this falling on Warwick Grove, by way of the existing supermarkets at the centre.
 - **Greenwood Secondary Activity Centre:** projected impact of -\$4.7 million (-7.7%) given Greenwood Village comprises the largest and only major brand supermarket (Coles) within the main trade area (albeit a non-full-line offer) – which is understood to trade strongly.
 - **Karrinyup & Whitfords Secondary Activity Centres:** similar impacts of -\$3.2 million (-0.4% and -0.6%).
 - **Balance of Duncraig:** an impact of -\$2.0 million on Duncraig by Hawaiian (-6.3%).
 - **Madeley:** total impact of -\$1.9 million on Kingsway Shopping Centre (-1.2%).
 - **Carine:** an impact of -\$1.6 million (-2.0%), the majority of which would fall on Carine Glades.
- vi. All other project impacts are less than -\$0.8 million or -3.0% on any one centre, and minor impacts totalling -\$0.4 million in combination (around 1.0% of the total forecast sales) are projected to fall on a range of centres located beyond the main trade area and not represented in Table 4.3.
- vii. It is emphasised that Woolworths is committed to be the operator of the supermarket at the Duncraig site. Consequently, the existing Woolworths supermarket network within the region would be expected to absorb a significant proportion of the projected impacts from the opening of the development. Based on actual market data, it is our experience that the greatest impacts are typically absorbed by the closest comparable retailers/centres. Woolworths has assessed the levels of impact on the existing and future Woolworths store network, with only a moderate anticipated reduction in trading volumes which would not compromise the future viability of other Woolworths supermarkets.
- viii. The proposed Woolworths Duncraig development would not impact on the viability or continued operation of any existing or proposed centres (as per SPP 4.2) in the surrounding region, with all of the impacts well within the normal competitive range (low to medium) of less than -10%.
- ix. In summary, all sales impacts are within an acceptable range, when considered in the context of the size, performance, role, and function of surrounding centres – and it would be highly unlikely to result in a material reduction of retail service provision. The proposed Woolworths Duncraig development would add to the range of services and retention of escaped expenditure within the region.
- x. Further, residential growth would also see sales regain quickly. With retail expenditure growth across the main trade area growing by an average of 0.9% (2023-27) to 1.1% (2027-41) per year – even the most significant impacts could be ameliorated through population growth.
- xi. The City of Joondalup 'Local Commercial Strategy' has previously indicated additional capacity for the Glengarry site (4,000 sq.m NLA). The proposed development composition reflects +1,336 sq.m of floorspace (GLA) above this net threshold (and realistically in-line or lower in like-for-like 'NLA' terms). Further, this Assessment demonstrates that the additional floorspace will not negatively impact other centres or the established hierarchy.

5.4. Net Benefits

- i. It is the conclusion of this report that a substantial net community benefit would result from the proposed Woolworths Duncraig development. Offsetting the trading impacts on some existing retailers, there are very substantial positive impacts including the following (with reference to SPP 4.2 *Implementation Guidelines A.24*):

Strategic Alignment, Infrastructure & Services

- **Optimal Site:** the site occupies a high-profile and easily-accessible location for the local resident population – capitalising on the existing infrastructure and uses at the precinct.
- **Liveable Neighbourhood:** the positioning of the development aligns with the strategic vision for the area, including as an established local/neighbourhood. The redevelopment of the tired site into a contemporary project will also promote a more liveable neighbourhood – which has a primary objective of walkable neighbourhoods and places that support community, sense-of-place, mixed-use and active streets, accessible and sustainable parking, energy efficient design, and housing choice.
- **Enhanced Uses:** the development would provide a significant improvement in the range of retail facilities and services that would be available to existing and future residents. This includes satiating existing and future projected retail and supermarket floorspace demand generated by main trade area residents, and specifically the introduction of the first full-line supermarket to the main trade area.
- **Aligned With SPP 4.2 Objectives:** the proposed development strongly aligns with the core policy objectives, aiming to create and retain people, employment opportunities, retail, and services – within a well-connected community.
- **Aligned With SPP 4.2 Outcomes:** the development also seamlessly addresses specified outcomes, insofar as it efficiently and cohesively caters to community needs and consumer choice, while also avoiding significant disruptions to the existing activity centre hierarchy – particularly given it is a redevelopment of an existing centre. As outlined within this sub-section and the broader assessment, the development would be of net positive benefit to the local community.
- **Local Commercial Strategy (2013):** the site has previously been identified for additional floorspace capacity (4,000 sq.m NLA). The proposed development composition of Woolworths Duncraig is just +1,336 sq.m above this threshold in GLA terms (likely in-line or lower in NLA terms), and this Assessment demonstrates that it will not negatively impact other centres or the established hierarchy.

Productivity

- **Employment:** the proposed Woolworths Duncraig development would result in the creation of additional employment, both during the construction period, and more importantly, on an ongoing basis once the development is complete and operational.

In total, approximately 631 jobs are likely to be created both directly and indirectly because of the proposed development - including ongoing employment (197 net additional jobs), construction (95) and multiplier effects (339).

Based on Average Weekly Earnings data released by the ABS in May 2023 (Cat. 6302.0), the net additional permanent employees (197) would earn combined total salary/wages of some \$15.6 million.

- **Impact on Activity Centres:** as outlined previously, the proposed development would not impact on the viability or continued operation of any existing or proposed centres in the surrounding region, with all the impacts well within the normal competitive range (low to medium) of less than -10%; and expected to be ameliorated with population growth.

Quality of Life

- **Compatible with Surrounding Land Uses:** the proposal is compatible with surrounding uses due to fact that the site has operated in a similar capacity (as a neighbourhood retail centre) for more than 30 years.
- **Complementary Range of Uses:** the proposed range of uses that would form part of the development are typical of many convenience-based centres – such as the existing site itself (Glengarry Shopping Centre), including a full-line supermarket and retail specialty shops.
- **Aligned with Consumer Trends & Expectations:** the nature of consumer demand continues to develop and evolve, reflecting social changes within society, such as increasing time pressures on working families; population/income growth; the evolution of new retail formats/operators. The demands of retailers, as well as consumers, combine to add pressure for additional retail floorspace in existing retail precincts such as the Duncraig site. The design of the proposed development, including a full-line Woolworths supermarket, a similar quantum of specialty floorspace, easily accessible car parking, and Direct to Boot services, would be highly convenient for local families who would visit on a regular basis – and therefore help to retain some of the significant spending and visitation currently escaping the area.
- **Enhanced Amenity & Retained Vibrancy:** the proposed development would improve the offering within the Duncraig precinct and allow for price competition as part of this retention. As outlined previously, the level of supermarket spending (generated by main trade area residents) being retained within the main trade area is estimated at just \$97.1 million (32%). This means that 68% (\$211 million) of supermarket expenditure is currently escaping the trade area (and much of the LGA). The development in 2026/27 is projected see retained supermarket spending increase to \$125.3 million (39%), reflecting a significant reduction in leakage (from 68% in 2022/23 to 61% in 2026/27).

The current state of the centre, while playing a crucial role in providing convenience to the local community, underscores the pressing need for a revitalisation or strategic investment to breathe new life into the precinct, and ensure a more vibrant and contemporary retail experience.

- **Limited Specialty Floorspace:** the proposed development has a limited specialty floorspace component (13 tenancies totalling 885 sq.m and the re-integration of IGA) which will replace the existing offer at Glengarry Shopping Centre that is estimated to total 1,890 sq.m across 17 tenancies (plus IGA). This would mean residents will continue to frequent other centres/shops in the surrounding area for a variety of tenants that are not likely to be provided as part of the proposed site. Given most shopfronts in the locality and nearby activity centres would not compete directly with a full-line supermarket, impacts on local retail would be limited and most would stand to benefit from increased customer visitation, activity and retained spending associated with the full-line Woolworths supermarket. The ability for residents, for example, to undertake both a weekly shop at the subject site, as well as convenience, top-up, and

complementary shopping at the independent supermarkets would represent a holistic food and grocery experience.

Environmental Sustainability, Equity & Social Inclusion

- **Reduced Trips or Drive Distance:** the retention of spending and visitation within the main trade area and LGA would also reflect a reduction in car-based trips (drive time and distance) to full-line supermarket-based centres (often multiple times per week) further afield such as Warwick Grove, Karrinyup, Westfield Whitford City, Kingsway City, Hillarys and more.

The exact quantum of traffic impacts would be the subject of a specific expert Assessment, however, volume changes are likely to broadly reflect net sales uplifts (at the subject site) and impacts (to other centres). This redistribution of traffic/trips, however, would include shorter travel distances (more localised shopping), as well as the ability to undertake less frequent, larger shopping (full weekly/trolley shop).

- **Localised Jobs & Services:** the provision of employment floorspace within the main trade area will help to retain job opportunities for residents, as well as providing a large number of youth employment prospects, given retail developments generally employ many younger staff.

- ii. In conclusion, this assessment demonstrates that proposed Woolworths Duncraig development would result in substantial net community benefit, which will more than offset anticipated trading impacts for a small number of existing and proposed retail centres – all of which would remain viable.



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