

# Retail Development in Noosa Shire



**NOOSA COUNCIL  
STRATEGIC PLANNING  
JUNE 2002**

*The Noosa Plan  
Choosing Futures*



This document comprises a Planning Study prepared as part of the supporting documentation for The Noosa Plan: Choosing Futures process. It is intended to support a planning scheme that is consistent with the requirements of the *Integrated Planning Act*.

Project:	Retail Development in Noosa Shire
Project Type:	Infrastructure
Report Author/s:	Paul Summers (Manager Strategic Planning 5447 1553) Chapters 3 and 4: Urban Economics (Jon Norling 3229 7277)
Source Documentation:	
Report:	C:\Business\QLD\Noosa\Publications\Planning Studies\Retail Development In Noosa Shire.Doc
Spreadsheets	<a href="H:\Planning Scheme\Planning Studies\Retail\Report tables.xls">H:\Planning Scheme\Planning Studies\Retail\Report tables.xls</a>
Mapping:	<a href="H:\Planning Scheme\Planning Studies\Retail\Mapping\Map 2.1.wor">H:\Planning Scheme\Planning Studies\Retail\Mapping\Map 2.1.wor</a> Paul Summers, Manager Strategic Planning Mapping prepared by Noosa Council for strategic planning purposes, with original mapping held in Noosa Council's GIS. Accurate representation of boundaries over individual allotments cannot be guaranteed.
Edited and reviewed by:	Raul Weyhardt, Director Environment & Planning Rowena Skinner, Senior Strategic Planner Rebecca Leyshan, Strategic Planner Suzette Bell, Strategic Planner
Coordination & Final Documentation:	Noosa Council Strategic Planning Section (07 5447 1553)
Completion Date:	June 2002
Status of Report:	Final, endorsed by Council 25/07/2002

## EXECUTIVE SUMMARY

*Retail Development in Noosa Shire* is a planning study that provides an overview of the history of major retail development in the Shire and comments on the philosophy that has underpinned the approach over time.

The planning study carries forward two previous reports prepared by a consultant informing the community in relation to the 1997 Strategic Plan and the Shire Business Centre site. The study also provides commentary on the regional retail context in which Noosa is placed.

The report brings forward recommendations that:

- a. Seek to maintain strong controls on the extent of retail floorspace, through its planning instruments.
- b. Seek to use the planning scheme to provide guidance on the floorspace outcomes.
- c. Suggest that Noosa Shire should strive to make provision for its own community and for those areas with an immediate community of interest with Noosa Shire.
- d. Seek to maintain Noosa Shire's role and relativity in its regional context.

**CONTENTS**

**EXECUTIVE SUMMARY** ..... I

**CONTENTS** ..... II

**1. INTRODUCTION** ..... 1

**2. HISTORY OF RETAIL & BUSINESS DEVELOPMENT IN NOOSA SHIRE** ..... 2

**3. SURVEY OF NOOSA SHIRE RETAILERS** ..... 3

    3.1 INTRODUCTION ..... 3

    3.2 SURVEY RESULTS ..... 3

        3.2.1 Survey Sample ..... 3

        3.2.2 Turnover ..... 5

        3.2.3 Productivity Levels ..... 5

        3.2.4 Occupancy Costs ..... 5

        3.2.5 Profitability Levels ..... 9

    3.3 IMPLICATIONS ..... 12

**4. INDEPENDENT REVIEW OF THE STRATEGIC PLAN PROVISIONS RELATING TO THE NOOSA SHIRE BUSINESS CENTRE** ..... 13

    4.1 INTRODUCTION ..... 13

    4.2 STRATEGIC PLAN PROVISIONS ..... 13

    4.3 REVIEW OF RETAIL STUDIES SUPPORTING THE STRATEGIC PLAN ..... 14

        4.3.1 *A Strategy to Assess Future Major Commercial Development in Noosa Shire - January 1994* ..... 14

        4.3.2 *Planning Scheme Review: Business and Retail Development in Noosa Shire - February 1996* ..... 15

    4.4 OTHER CONSIDERATIONS ..... 16

        4.4.1 Location of Discount Department Store ..... 16

        4.4.2 Size of Retail Centre ..... 16

        4.4.3 Retail Showrooms ..... 16

    4.5 CONCLUSION ..... 16

**5. RESPONSES TO URBAN ECONOMICS' RECOMMENDATIONS** ..... 19

**6. REGIONAL CONTEXT AT 2002** ..... 21

**7. CONCLUSION & RECOMMENDATIONS** ..... 22

**8. APPENDIX A: QUESTIONNAIRE** ..... 23

**9. APPENDIX B: EXTRACTS FROM THE 1997 STRATEGIC PLAN** ..... 24

    9.1 STRATEGIC AIMS: BUSINESS, RETAIL & ADMINISTRATIVE DEVELOPMENT ..... 24

        9.1.1 Character, Lifestyle & Environment Role ..... 24

        9.1.2 Economic Role ..... 24

        9.1.3 Aims ..... 24

    9.2 OBJECTIVES & IMPLEMENTATION CRITERIA ..... 25

        9.2.1 Noosa Heads/Noosaville ..... 25

**10. APPENDIX C: PLANNING SCHEME POLICY PSP39 - BUSINESS DEVELOPMENT IMPACTS ON THE SHIRE BUSINESS CENTRE** ..... 27

    10.1 INTRODUCTION ..... 27

    10.2 DEFINITIONS ..... 27

    10.3 STRATEGIC PLAN ..... 27

    10.4 POLICY CONSIDERATION ..... 27

**11. APPENDIX D: REFERENCES** ..... 28

**TABLES, MAPS & FIGURES**

TABLE 2.1 GROWTH IN NEW SHOPPING CENTRES ..... 2

TABLE 3.1 TOTAL NUMBER OF RESPONDENTS BY STORE TYPE & CENTRE ..... 4

TABLE 3.2 TOTAL FLOORSPACE BY STORE TYPE & CENTRE ..... 4

TABLE 3.3 AVERAGE FLOORSPACE BY STORE TYPE & CENTRE ..... 6

TABLE 3.4 ANNUAL TURNOVER BY CENTRE ..... 6

TABLE 3.5 ANNUAL TURNOVER BY STORE TYPE ..... 7

TABLE 3.6 REASONS FOR VARIATION IN TURNOVER BY CENTRE ..... 7

TABLE 3.7 PRODUCTIVITY BY CENTRE ..... 7

TABLE 3.8 PRODUCTIVITY LEVELS BY STORE TYPE ..... 8

TABLE 3.9 OCCUPANCY COSTS AS A PERCENTAGE OF TURNOVER BY CENTRE ..... 8

TABLE 3.10 OCCUPANCY COSTS AS A PERCENTAGE OF TURNOVER BY STORE TYPE ..... 10

TABLE 3.11 OCCUPANCY COSTS PER SQUARE METRE BY CENTRE ..... 10

TABLE 3.12 OCCUPANCY COSTS PER SQUARE METRE BY STORE TYPE ..... 11

TABLE 3.13 PROFITABILITY LEVEL BY CENTRE ..... 11

TABLE 3.14 PROFITABILITY LEVEL BY STORE TYPE ..... 12

TABLE 4.1 DISCOUNT DEPARTMENT STORE-BASED CENTRES IN QUEENSLAND ..... 17

TABLE 5.1 ESTIMATED RESIDENT POPULATION GROWTH, 1998-2001 ..... 20

MAP 2.1 NEW SHOPPING CENTRE LOCATIONS ..... 2

## 1. INTRODUCTION

This report examines the philosophy of approach to retail development in Noosa Shire. In particular, it includes two reports prepared by Urban Economics P/L that examined the Shire's retail circumstances in 2000, by way of a retail survey and an evaluation of the commitments made in the 1997 Strategic Plan.

The report is intended to inform the preparation of a planning scheme that is consistent with the *Integrated Planning Act*. The report:

- Provides a brief history of business and retail development in Noosa Shire.
- Reproduces the two Urban Economics reports.
- Identifies the actions taken as a consequence of Urban Economics' recommendations.
- Provides the regional context in which Noosa Shire is placed in retail development.
- Brings forward recommendations for Noosa Shire's next planning scheme.

**2. HISTORY OF RETAIL & BUSINESS DEVELOPMENT IN NOOSA SHIRE**

Prior to 1982, Noosa Shire retail facilities were traditional town centre and strip centre facilities in each of its towns and villages. With a growing population base, particularly in the coastal area of the Shire, much stronger growth in the retail sector occurred and the early 1980s saw the emergence of shopping centres anchored by major supermarkets.

The major growth of new retail centres has occurred in the coastal area, Table 2.1 and Map 2.1.

**TABLE 2.1 GROWTH IN NEW SHOPPING CENTRES**

YEAR	SHOPPING CENTRE
1981	Noosa Fair
1982	Quamby Place shops
1987	Noosa Junction Plaza
1988	Bay Village
1992	St Andrews Drive
1995	Noosa Village
1997	Sunrise Beach

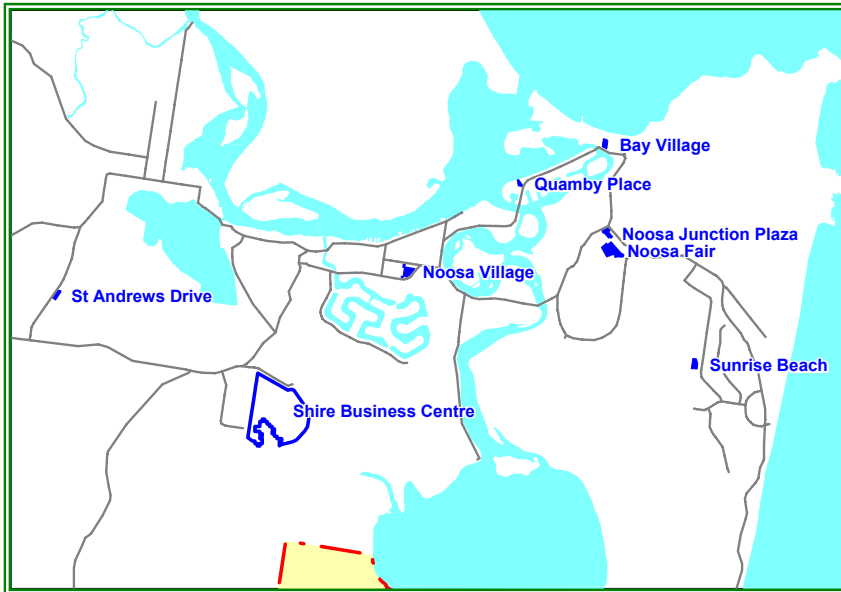
- Provide for neighbourhood centres to service neighbourhood needs.
- Ensure that the scale of facilities is consistent with the character of the particular location.

This approach has seen the maintenance of strong controls on the extent of retail floorspace, particularly in the coastal area of Noosa Shire. With increased population, Noosa Shire passed a threshold around 1998 where the level of population and expenditure was such that it could support a discount department store. The site identified for this and other important facilities to serve the shire and particularly its coastal area is the Shire Business Centre<sup>1</sup>.

Processes consistent with the 1997 Strategic Plan were commenced in 1999 to prepare a master plan for the Shire Business Centre. Issues arising from this process resulted in the following reports being commissioned:

- Survey of Noosa Shire Retailers on page 3; and
- Independent Review of the Strategic Plan Provisions Relating to the Noosa Shire Business Centre on page 13.

**MAP 2.1 NEW SHOPPING CENTRE LOCATIONS**



Noosa Shire's philosophy of approach has been to:

- Expand existing centres to cater for increased population, at a time when the need for the facilities can be established and not in advance of that need.
- Protect the viability of existing centres, whilst catering for increased demands for floorspace and order of retail centre.

<sup>1</sup> For further information on the philosophy of approach, refer to 1988 Strategic Plan: Chapter 5 Commercial Objectives [Noosa Council (1988)]; 1997 Strategic Plan: Chapter 27 Business, Retail & Administrative Development [Noosa Council (1997) and reproduced in Chapter 9.1 on page 24 of this planning study] and Stage 1 of *Shire Business Centre Master Plan: Stage 1 – Concepts* [Summers,P (2001b)].

### 3. SURVEY OF NOOSA SHIRE RETAILERS

This chapter comprises a complete report dated April 2000 and prepared by Urban Economics P/L (Jon Norling) on behalf of Noosa Council and the Noosa Chamber of Commerce.

#### 3.1 INTRODUCTION

This report provides the results of a short survey conducted with retailers operating in the major retail centres within Noosa Shire. It has been prepared by Urban Economics on behalf of the Noosa Chamber of Commerce and the Noosa Shire Council. It has been reviewed by Jebb Holland Dimasi<sup>2</sup>.

Noosa Shire Council has been undertaking master planning for the Shire Business Centre and has received an application for preliminary approval of the Shire Business Centre. As part of these processes, Council has been conducting an extensive consultation programme. During this process, it became apparent to the members of the Business Reference Group that there was a lack of empirical data on the current performance levels of the retail sector in the Shire. The latest Retail Census that had been conducted by the Australian Bureau of Statistics was in June 1992. The strong rates of population and commercial growth that has occurred in the interim has diminished the value of this 1992 data.

A survey of retailers was conducted in December 1999. The brief questionnaire was designed jointly by Urban Economics, Jebb Holland Dimasi and the Noosa Chamber of Commerce (Appendix A: Questionnaire on page 23).

Approximately 450 surveys (the 1992 ABS Census recorded 412 retail establishments in the urban part of the Shire and the retail floorspace survey conducted by Jebb Holland Dimasi in 1999 at the major centres recorded 444 retail establishments), together with reply paid envelopes addressed directly to Urban Economics, were hand delivered to retailers in Hastings Street, Noosa Junction, Noosaville and Tewantin by members (and their staff) of the Noosa Chamber of Commerce in December, 1999. The distributors personally encouraged retailers to complete the surveys and post them back for analysis.

It is the consultants' view that the method of distribution, together with the fact that the respondents were business persons with a strong interest in the subject rather than residents, should have resulted in a response rate of about one third. The actual number of responses received was 92, representing a response rate of 20%. This response rate is viewed as a little disappointing. However, the busy Christmas period may have contributed to this poor response rate. As a result of the lower number of completed surveys received, all surveys have been included in the analysis, including those with blank answers to some questions. For this reason, the derivation of some of the tabulated results has been made more difficult and time consuming.

The response rate of 20% could have contributed to a bias in the survey sample. For example, it is possible that retailers who were performing well may not have been sufficiently motivated to complete the questionnaire, whereas those that were not performing well may have had a greater motivation to complete the survey. It is difficult to ascertain whether this has occurred or not. It is therefore necessary that the survey results are interpreted as representing only 20% of Noosa retailers rather than being representative of all Noosa retailers. It should be noted that the national chain supermarkets did not contribute to the survey.

#### 3.2 SURVEY RESULTS

Table 3.1 to Table 3.14 provide the tabulated results of the survey and should be read in conjunction with the following summary of results.

##### 3.2.1 Survey Sample

The response rate of 20% is not uniform across the retail network, with a response rate of 32% being achieved at Noosa Junction and only 12% at Hastings Street. Noosaville and Tewantin both recorded the average response rates of 20%. Noosa Junction retailers therefore comprised 56% of responses. The sample sizes of less than 20 retailers in each of Hastings Street, Noosaville and Tewantin require caution to be applied in the interpretation of results for these three centres (Table 3.1 on page 4).

The greatest level of responses were received from the Other Retailing category (23 responses), Clothing category (19) and Cafes and Restaurants (10). In all other categories, a response rate of less than 5 was received. Again, interpretation of these other categories requires caution due to the low response rates (Table 3.1).

In terms of floorspace representation, there is also a disparity between the sample and the population. The survey sample of 11,900m<sup>2</sup> represents about 20% of the occupied floorspace. However, the floorspace covered by the sample represents only 7% of Hastings Street's floorspace and 10% of Tewantin's floorspace. The sample accounts for about 25% of the floorspace at Noosa Junction and Noosaville (Table 3.2 on page 4).

<sup>2</sup> Jebb Holland Dimasi is a firm of economic consultants retained by Ariadne an original applicant for the Shire Business Centre site.

TABLE 3.1 TOTAL NUMBER OF RESPONDENTS BY STORE TYPE & CENTRE

STORE TYPE	ANZSIC CODE	HASTINGS STREET	NOOSA JUNCTION	NOOSAVILLE	TEWANTIN	TOTAL
Supermarkets and Grocery Stores	5110	0	1	0	1	2
Fresh Meat, Fish & Poultry	5121	0	1	0	0	1
Bread & Cake	5124	0	1	0	0	1
Takeaway Food	5125	0	2	2	0	4
Other Food	5129	0	0	1	0	1
Clothing	5221	9	6	4	0	19
Footwear	5222	0	1	0	0	1
Fabrics	5223	0	1	0	0	1
Furniture	5231	0	0	3	0	3
Floor Coverings	5232	0	1	0	0	1
Hardware & Houseware	5233	0	2	2	0	4
Domestic Appliance	5234	0	2	0	1	3
Sports & Camping	5241	0	3	0	0	3
Newspaper, Books & Stationery	5243	0	2	0	0	2
Photographic Equipment	5244	1	0	0	0	1
Pharmacy	5251	0	2	1	0	3
Flowers	5254	0	1	0	0	1
Jewellery	5255	1	3	0	0	4
Other Retailing	5259	3	13	2	5	23
Cafes & Restaurants	5730	3	6	0	1	10
Optical Dispensing	8632	0	1	0	0	1
Film Processing	9522	0	1	0	1	2
Hairdressing & Beauty	9526	0	1	0	0	1
Not Stated	-	0	1	0	0	1
<b>TOTAL</b>		<b>17</b>	<b>52</b>	<b>15</b>	<b>9</b>	<b>93</b>

SOURCE: Urban Economics, Survey questions 5 & 6

TABLE 3.2 TOTAL FLOORSPACE BY STORE TYPE & CENTRE

STORE TYPE	ANZSIC CODE	HASTINGS STREET (m <sup>2</sup> )	NOOSA JUNCTION (m <sup>2</sup> )	NOOSAVILLE (m <sup>2</sup> )	TEWANTIN (m <sup>2</sup> )	TOTAL (m <sup>2</sup> )
Supermarkets and Grocery Stores	5110	0	83	0	50	133
Fresh Meat, Fish & Poultry	5121	0	137	0	0	137
Bread & Cake	5124	0	110	0	0	110
Takeaway Food	5125	0	244	90	0	334
Other Food	5129	0	0	100	0	100
Clothing	5221	579	373	245	0	1,197
Footwear	5222	0	160	0	0	160
Fabrics	5223	0	57	0	0	57
Furniture	5231	0	0	1,815	0	1,815
Floor Coverings	5232	0	35	0	0	35
Hardware & Houseware	5233	0	1,445	1,775	0	3,220
Domestic Appliance	5234	0	133	0	55	188
Sports & Camping	5241	0	433	0	0	433
Newspaper, Books & Stationery	5243	0	70	0	0	70
Photographic Equipment	5244	70	0	0	0	70
Pharmacy	5251	0	353	170	0	523
Flowers	5254	0	80	0	0	80
Jewellery	5255	37	97	0	0	134
Other Retailing	5259	226	913	159	343	1,641
Cafes & Restaurants	5730	340	570	0	125	1,035
Optical Dispensing	8632	0	75	0	0	75
Film Processing	9522	0	60	0	60	120
Hairdressing & Beauty	9526	0	98	0	0	98
Not Stated	-	0	135	0	0	135
<b>TOTAL</b>		<b>1,252</b>	<b>5,661</b>	<b>4,354</b>	<b>633</b>	<b>11,900</b>

SOURCE: Urban Economics, Survey questions 1, 5 & 6

The average floorspace of the respondent was 134m<sup>2</sup>, which is comparable, although a little less than the 145m<sup>2</sup> recorded by the ABS for the urban part of Noosa Shire in 1992. The larger average floorspace at Noosaville (290m<sup>2</sup>) is clearly influenced by the greater range of retail showroom tenancies at this location (Table 3.3 on page 6).

Of the 93 responses received, 60 were operating during each of the last three years. This indicates that there has been a substantial increase in new operators over this recent period. One third of the businesses operating at the time of the survey were either not operating three years earlier or are now under new management (Table 3.4 on page 6).

### 3.2.2 Turnover

The respondents recorded strong rates of turnover growth during the past two years, despite a period of low inflation and more subdued population and tourism growth. A growth rate of 5.5% was achieved from 1996/7 to 1997/8 and a growth rate of 9.2% from 1997/8 to 1998/9. Average annual growth was therefore a healthy 7.3% over this period (Table 3.4).

Strong growth rates were recorded by Noosa Junction, Noosaville and Tewantin respondents, whereas Hastings Street respondents derived an average annual increase of only 1.6% (Table 3.4).

The strong turnover growth rates were largely enjoyed by most retail categories. Those that did not were Cafes and Restaurants (-5.4% per annum over the two year period) and Optical Dispensing (-2.5%, only one respondent for this category). This analysis excluded a number of Cafes and Restaurants which reported very high turnover levels, but were not open for the entire three year period. It is therefore possible that the introduction of new competitors has influenced the results of the Cafes and Restaurants category (Table 3.5 on page 7).

The most frequently given positive reasons for variation in turnover were expansion of operations, new business, marketing strategies and longer working hours. The most frequently given negative reasons were increased competition, unfavourable economic conditions, business restructuring, no beach/fewer tourists and wet weather (Table 3.6 on page 7).

### 3.2.3 Productivity Levels

Productivity levels, a measure of performance levels (expressed as annual turnover per square metre), show a wide disparity between the four centres. Hastings Street respondents are achieving a very high \$11,117/m<sup>2</sup>, compared to only \$2,319/m<sup>2</sup> at Noosaville, \$3,737/m<sup>2</sup> at Noosa Junction and a more robust level of \$4,990/m<sup>2</sup> at Tewantin. The average across all respondents was \$4,026/m<sup>2</sup>. This compares favourably with the reported \$2,638/m<sup>2</sup> for the urban part of Noosa Shire in 1992 and the Queensland average of \$2,743/m<sup>2</sup> at the same time period. After adjusting for inflation, these 1992 benchmarks would equate to \$3,024/m<sup>2</sup> and \$3,145/m<sup>2</sup>, respectively. On this measure, it appears that only the respondents located at Noosaville appear to be under-performing. However, due to the small sample size, it is necessary to examine the tenancy mix of respondents from each centre, as productivity levels vary substantially between store types. It is noted, for example, that 83% of the floorspace occupied by Noosaville respondents comprised hardware and furniture stores. These stores generate much lower productivity levels (averaging \$1,314/m<sup>2</sup> for furniture stores and \$2,136/m<sup>2</sup> for hardware stores), resulting in the reported \$2,319/m<sup>2</sup> being considered a reasonable productivity level for the stores represented in the Noosaville sample. The average productivity level for store types other than hardware and furniture stores was \$5,954/m<sup>2</sup> (Table 3.7 on page 7).

An analysis has been undertaken comparing the CPI-adjusted productivity levels reported by the ABS Retail Census with the survey results. This clearly shows that the respondents' productivity level is on average 50% greater than the Queensland average. For many of the store categories, actual performance levels were well above average. In particular, for the three categories having the largest sample base (Other Retailing, Clothing and Cafes and Restaurants), performance levels were significantly above benchmark levels. Of the six categories reporting below average performance levels, five of them had a sample base of only one. The most significantly under-performing category (Newspapers, Books and Stationery) (59% below average) consisted of a specialised retailer. This specialised retailer can be expected to obtain a lower than average productivity level (Table 3.8 on page 8).

### 3.2.4 Occupancy Costs

Respondents reported an occupancy cost to turnover ratio of 9.0%. This varied from 7.1% at Tewantin to 10.3% at Hastings Street. These occupancy costs are considered appropriate for these locations and are sustainable. However, the sustainability of occupancy cost ratios to turnover varies across store types and consideration needs to be given to a more detailed level of analysis (Table 3.9 on page 8).

TABLE 3.3 AVERAGE FLOORSPACE BY STORE TYPE & CENTRE

STORE TYPE	ANZSIC CODE	HASTINGS STREET (m <sup>2</sup> )	NOOSA JUNCTION (m <sup>2</sup> )	NOOSAVILLE (m <sup>2</sup> )	TEWANTIN (m <sup>2</sup> )	TOTAL (m <sup>2</sup> )
Supermarkets and Grocery Stores	5110	0	83	0	50	67
Fresh Meat, Fish & Poultry	5121	0	137	0	0	137
Bread & Cake	5124	0	110	0	0	110
Takeaway Food	5125	0	122	45	0	84
Other Food	5129	0	0	100	0	100
Clothing	5221	64	62	61	0	63
Footwear	5222	0	160	0	0	160
Fabrics	5223	0	57	0	0	57
Furniture	5231	0	0	605	0	605
Floor Coverings	5232	0	35	0	0	35
Hardware & Houseware	5233	0	723	888	0	805
Domestic Appliance	5234	0	67	0	55	63
Sports & Camping	5241	0	144	0	0	144
Newspaper, Books & Stationery	5243	0	70	0	0	70
Photographic Equipment	5244	70	0	0	0	70
Pharmacy	5251	0	177	170	0	174
Flowers	5254	0	80	0	0	80
Jewellery	5255	37	49	0	0	45
Other Retailing	5259	75	70	80	69	71
Cafes & Restaurants	5730	170	114	0	125	129
Optical Dispensing	8632	0	75	0	0	75
Film Processing	9522	0	60	0	60	60
Hairdressing & Beauty	9526	0	98	0	0	98
Not Stated	-	0	135	0	0	135
<b>TOTAL</b>		<b>417</b>	<b>2,627</b>	<b>1,948</b>	<b>359</b>	<b>3,437</b>

SOURCE: Urban Economics, Survey questions 1, 5 & 6

TABLE 3.4 ANNUAL TURNOVER BY CENTRE

CENTRE	NO. RESPONDENTS	1996/7	ANNUAL GROWTH	1997/8	ANNUAL GROWTH	1998/9
Hastings Street	12	\$11,160,139	2.0%	\$11,384,586	1.2%	\$11,519,872
Noosa Junction	35	\$14,782,214	7.9%	\$15,955,459	14.3%	\$18,231,665
Noosaville	6	\$2,849,620	5.0%	\$2,992,090	8.3%	\$3,240,500
Tewantin	7	\$1,844,085	7.4%	\$1,980,955	15.8%	\$2,294,742
<b>TOTAL</b>	<b>60</b>	<b>\$30,636,058</b>	<b>5.5%</b>	<b>\$32,313,090</b>	<b>9.2%</b>	<b>\$35,286,779</b>

SOURCE: Urban Economics, Survey questions 2(a) & 6

TABLE 3.5 ANNUAL TURNOVER BY STORE TYPE

STORE TYPE	ANZSIC CODE	NO. RESPONDENTS	1996/7	ANNUAL GROWTH	1997/8	ANNUAL GROWTH	1998/9
Supermarkets and Grocery Stores	5110	2	\$963,000	-5.5%	\$910,000	9.0%	\$992,000
Fresh Meat, Fish & Poultry	5121	1	\$1,100,000	9.1%	\$1,200,000	-4.2%	\$1,150,000
Bread & Cake	5124	1	\$150,000	20.0%	\$180,000	27.8%	\$230,000
Takeaway Food	5125	2	\$641,109	28.8%	\$826,010	-1.6%	\$812,444
Clothing	5221	12	\$5,570,553	3.1%	\$5,743,492	6.8%	\$6,134,452
Footwear	5222	1	\$340,000	14.1%	\$388,000	10.1%	\$427,000
Furniture	5231	2	\$910,000	15.4%	\$1,050,000	30.0%	\$1,365,000
Floor Coverings	5232	1	\$140,000	42.9%	\$200,000	10.0%	\$220,000
Hardware & Houseware	5233	2	\$3,096,431	5.3%	\$3,259,128	3.1%	\$3,361,457
Domestic Appliance	5234	3	\$897,826	2.9%	\$923,739	5.8%	\$977,743
Sports & Camping	5241	3	\$1,216,376	4.1%	\$1,265,982	61.9%	\$2,049,991
Newspaper, Books & Stationery	5243	1	\$113,200	17.4%	\$132,890	17.1%	\$155,600
Photographic Equipment	5244	1	\$400,000	12.5%	\$450,000	22.2%	\$550,000
Pharmacy	5251	1	\$1,500,000	0.0%	\$1,500,000	33.3%	\$2,000,000
Flowers	5254	1	\$300,000	0.0%	\$300,000	0.0%	\$300,000
Jewellery	5255	3	\$720,700	12.8%	\$813,300	0.1%	\$814,000
Other Retailing	5259	15	\$5,276,559	8.7%	\$5,734,794	9.0%	\$6,250,650
Cafes & Restaurants	5730	4	\$4,956,399	-3.2%	\$4,798,757	-7.6%	\$4,435,701
Optical Dispensing	8632	1	\$463,904	-5.8%	\$436,998	0.9%	\$440,741
Film Processing	9522	2	\$1,180,000	18.6%	\$1,400,000	19.3%	\$1,670,000
Not Stated	-	1	\$700,000	14.3%	\$800,000	18.8%	\$950,000
<b>TOTAL</b>		<b>60</b>	<b>\$30,636,057</b>	<b>5.5%</b>	<b>\$32,313,090</b>	<b>9.2%</b>	<b>\$35,286,779</b>

SOURCE: Urban Economics, Survey questions 2(a) & 5

TABLE 3.6 REASONS FOR VARIATION IN TURNOVER BY CENTRE

REASON	HASTINGS STREET	NOOSA JUNCTION	NOOSAVILLE	TEWANTIN	TOTAL
Increased competition	1	8	1	2	12
Expansion of operations	0	6	1	0	7
Unfavourable economic conditions	1	4	1	0	6
Business restructuring	1	3	2	0	6
New business	2	3	1	0	6
Marketing strategies	0	1	4	1	6
No beach, fewer tourists	3	1	0	0	4
Longer working hours	0	4	0	0	4
Wet weather	1	2	0	0	3
Extended trading hours	0	2	0	0	2
Centre refurbishment	0	2	0	0	2
Shop refurbishment	1	1	0	0	2
Changed venues	0	1	0	1	2
Population growth	0	1	0	0	1
Roadworks	1	0	0	0	1
Rent increase	1	0	0	0	1
<b>TOTAL</b>	<b>12</b>	<b>39</b>	<b>10</b>	<b>4</b>	<b>65</b>

NOTE: Multiple response allowed. SOURCE: Urban Economics, Survey questions 2(b) & 6

TABLE 3.7 PRODUCTIVITY BY CENTRE

CENTRE	NO. RESPONDENTS	TOTAL FLOORSPACE	TOTAL TURNOVER	PRODUCTIVITY LEVEL
Hastings Street	15	1,202	\$13,362,168	11,117
Noosa Junction	46	5,455	\$20,383,256	3,737
Noosaville	15	4,354	\$10,098,869	2,319
Tewantin	8	508	\$2,534,742	4,990
<b>TOTAL</b>	<b>84</b>	<b>11,519</b>	<b>\$46,379,035</b>	<b>22,162</b>

SOURCE: Urban Economics, Survey questions 1, 2(a) & 6

TABLE 3.8 PRODUCTIVITY LEVELS BY STORE TYPE

STORE TYPE	ANZSIC CODE	NO. RESPONDENTS	TOTAL FLOORSPACE (m <sup>2</sup> )	TOTAL TURNOVER	PRODUCTIVITY LEVEL (\$/m <sup>2</sup> )	BENCHMARK PRODUCTIVITY LEVEL* (\$/m <sup>2</sup> )	DIFFERENCE
Supermarkets and Grocery Stores	5110	2	133	\$992,000	\$7,459	\$5,861	27.3%
Fresh Meat, Fish & Poultry	5121	1	137	\$1,150,000	\$8,394	\$4,527	85.4%
Bread & Cake	5124	1	110	\$230,000	\$2,091	\$2,565	-18.5%
Takeaway Food	5125	4	334	\$1,329,796	\$3,981	\$3,640	9.4%
Other Food	5129	1	100	\$570,000	\$5,700	\$5,271	8.1%
Clothing	5221	18	1,134	\$8,046,086	\$7,095	\$2,956	140.0%
Footwear	5222	1	160	\$427,000	\$2,669	\$3,811	-30.0%
Fabrics	5223	1	57	\$320,000	\$5,614	\$1,822	208.1%
Furniture	5231	3	1,815	\$3,090,369	\$1,703	\$1,314	29.6%
Floor Coverings	5232	1	35	\$220,000	\$6,286	\$2,066	204.2%
Hardware & Houseware	5233	4	3,220	\$4,761,457	\$1,479	\$2,136	-30.8%
Domestic Appliance	5234	3	188	\$977,743	\$5,201	\$4,577	13.6%
Sports & Camping	5241	3	433	\$2,049,991	\$4,734	\$2,161	119.1%
Newspaper, Books & Stationery	5243	1	70	\$155,600	\$2,223	\$5,478	-59.4%
Photographic Equipment	5244	1	70	\$550,000	\$7,857	\$7,441	5.6%
Pharmacy	5251	3	523	\$3,840,000	\$7,342	\$6,046	21.4%
Flowers	5254	1	80	\$300,000	\$3,750	\$2,526	48.5%
Jewellery	5255	3	134	\$814,000	\$6,075	\$5,459	11.3%
Other Retailing	5259	20	1,448	\$6,888,650	\$4,757	\$2,643	80.0%
Cafes & Restaurants	5730	7	910	\$6,465,701	\$7,105	\$1,898	274.4%
Optical Dispensing	8632	1	75	\$440,741	\$5,877	\$6,090	-3.5%
Film Processing	9522	2	120	\$1,670,000	\$13,917	\$4,524	207.6%
Hairdressing & Beauty	9526	1	98	\$139,900	\$1,428	\$1,708	-16.4%
Not Stated	-	1	135	\$950,000	\$7,037	\$3,144	123.8%
<b>TOTAL</b>		<b>84</b>	<b>11,519</b>	<b>\$46,379,034</b>	<b>\$4,026</b>	<b>\$2,671</b>	<b>50.7%</b>

\*Benchmark productivity levels have been derived from the 1991/2 ABS Retail Census, as adjusted by CPI. The total benchmark productivity level has been weighted by the actual floorspace occupied by the respondents.

SOURCE: Urban Economics, Survey questions 1, 2(a) & 5

TABLE 3.9 OCCUPANCY COSTS AS A PERCENTAGE OF TURNOVER BY CENTRE

LOCATION	NO. RESPONDENTS	TOTAL RENT	TOTAL TURNOVER	OCCUPANCY COSTS
Hastings Street	14	\$1,311,827	\$12,699,168	10.3%
Noosa Junction	47	\$1,862,274	\$21,133,255	8.8%
Noosaville	14	\$667,259	\$8,298,869	8.0%
Tewantin	7	\$168,900	\$2,384,742	7.1%
<b>TOTAL</b>	<b>82</b>	<b>\$4,010,260</b>	<b>\$44,516,034</b>	<b>9.0%</b>

SOURCE: Urban Economics, Survey questions 2, 3 & 6

Occupancy cost to turnover ratios per store type vary amongst the respondents from a low of 3.0% for Film Processing to a high of 18.2% for Photographic Equipment. The only categories which are significantly greater than 10% are Photographic Equipment (18.2%), Clothing (11.7%), Hardware and Houseware (11.8%) and Takeaway Food (11.3%) (Table 3.10 on page 10).

The majority of store categories have reported occupancy cost ratios which lie within recognised industry benchmark levels. The stores which have reported below benchmark occupancy cost ratios include Fresh Meat, Fish and Poultry and Flowers. Each of these categories are represented by only one respondent. The stores reporting occupancy cost ratios above the benchmark levels are Floor Coverings, Hardware and Housewares, Newspaper, Books and Stationery and Photographic Equipment (Table 3.10).

Occupancy costs per square metre vary significantly across the four centres. As expected, respondents from Hastings Street had the highest rental levels, at \$1,132/m<sup>2</sup>. This rate is comparable only to some of the CBD precincts in major cities and reflects the constrained supply of retail facilities able to locate on Hastings Street. Occupancy costs per square metre at Noosa Junction and Tewantin are considered to be at normal levels, at \$328/m<sup>2</sup> and \$370/m<sup>2</sup>, respectively. Respondents at Noosaville are paying occupancy costs at only \$159/m<sup>2</sup>. However, this is again influenced by the two very large retail showroom tenancies contained in the sample. The reported average of \$340/m<sup>2</sup> for all respondents appears to be reasonable and sustainable (Table 3.11 on page 10).

Occupancy costs per square metre also vary considerably across store type, with respondents reporting a low of \$113/m<sup>2</sup> for Furniture and a high of \$1,429/m<sup>2</sup> for Photographic Equipment. Overall, the occupancy costs per square metre are considered to reflect benchmark levels for the respective store types. Store types considered to have below average occupancy costs per square metre include Flowers (\$188/m<sup>2</sup>) and Hairdressing and Beauty (\$147/m<sup>2</sup>). Store types considered to have a high occupancy cost per square metre include the following, together with a brief analysis as to why:

- Photographic Equipment (\$1,429/m<sup>2</sup>) – whilst this rent may be typical for tenancies on Hastings Street, it does not appear to be sustainable for this type of business;
- Clothing (\$831/m<sup>2</sup>) – this higher than average occupancy cost is significantly influenced by half of the respondents being located on Hastings Street;
- Jewellery (\$610/m<sup>2</sup>) – somewhat higher than benchmark levels;
- Floor Coverings (\$543/m<sup>2</sup>) – this high rental level is caused by the very small tenancy (35m<sup>2</sup>); and

- Fabrics (\$526/m<sup>2</sup>) – the single respondent is paying a relatively high rent for this type of business.

### 3.2.5 Profitability Levels

Respondents were asked to describe qualitatively their interpretation of profitability. The results are therefore influenced by how different operators interpret performance levels. Just over half of the respondents claimed that they were achieving an adequate or better return for effort. 20% of respondents stated that they were breaking even, 24% stated that they were struggling to break even and 4% claimed that they were making losses. It is interesting to note that all respondents claiming to be making losses were located in Noosa Junction, whilst Hastings Street and Tewantin respondents had high proportions stating that they were struggling to break even. Two-thirds of Noosaville respondents claimed to be obtaining an adequate or better return for effort (Table 3.13 on page 11).

By allocating numbers of 1 for making losses to 6 for performing very well, the weighted average responses were as follows:

- |                   |     |   |
|-------------------|-----|---|
| • Hastings Street | 3.4 | Breaking even to adequate return for effort |
| • Noosa Junction  | 3.4 | Breaking even to adequate return for effort |
| • Noosaville      | 4.0 | Adequate return for effort                  |
| • Tewantin        | 2.7 | Struggling to break even to breaking even   |

It is particularly important to note that a number of respondent categories which, on comparison to benchmark levels, were considered to be performing poorly, have actually responded positively to the question of store profitability. These include:

- Photographic Equipment – adequate return for effort;
- Fabrics – performing well; and
- Floor Coverings – adequate return for effort (Table 3.14 on page 12).

The store categories which have high levels of respondents claiming to have higher levels of profitability include Furniture, Hairdressing and Beauty, Fabrics and Optical Dispensing. Store categories claiming to have poorer levels of profitability include Supermarkets and Grocery Stores and Pharmacies (Table 3.14).

TABLE 3.10 OCCUPANCY COSTS AS A PERCENTAGE OF TURNOVER BY STORE TYPE

STORE TYPE	ANZSIC CODE	NO. RESPONDENTS	TOTAL RENT	TOTAL TURNOVER	OCCUPANCY COSTS
Supermarkets and Grocery Stores	5110	2	\$57,644	\$992,000	5.8%
Fresh Meat, Fish & Poultry	5121	1	\$41,000	\$1,150,000	3.6%
Bread & Cake	5124	1	\$25,000	\$230,000	10.9%
Takeaway Food	5125	4	\$150,500	\$1,329,796	11.3%
Other Food	5129	1	\$19,000	\$570,000	3.3%
Clothing	5221	18	\$942,911	\$8,046,086	11.7%
Footwear	5222	1	\$39,000	\$427,000	9.1%
Fabrics	5223	1	\$30,000	\$320,000	9.4%
Furniture	5231	3	\$204,474	\$3,090,369	6.6%
Floor Coverings	5232	1	\$19,000	\$220,000	8.6%
Hardware & Houseware	5233	4	\$559,500	\$4,761,457	11.8%
Domestic Appliance	5234	3	\$57,200	\$977,743	5.9%
Sports & Camping	5241	3	\$157,500	\$2,049,991	7.7%
Newspaper, Books & Stationery	5243	2	\$95,000	\$905,600	10.5%
Photographic Equipment	5244	1	\$100,000	\$550,000	18.2%
Pharmacy	5251	2	\$146,000	\$2,040,000	7.2%
Flowers	5254	1	\$15,000	\$300,000	5.0%
Jewellery	5255	3	\$81,765	\$814,000	10.0%
Other Retailing	5259	18	\$559,445	\$5,575,650	10.0%
Cafes & Restaurants	5730	7	\$555,500	\$6,965,701	8.0%
Optical Dispensing	8632	1	\$29,900	\$440,741	6.8%
Film Processing	9522	2	\$50,500	\$1,670,000	3.0%
Hairdressing & Beauty	9526	1	\$14,422	\$139,900	10.3%
Not Stated	-	1	\$60,000	\$950,000	6.3%
<b>TOTAL</b>		<b>82</b>	<b>\$4,010,261</b>	<b>\$44,516,034</b>	<b>9.0%</b>

SOURCE: Urban Economics, Survey questions 2, 3 & 5

TABLE 3.11 OCCUPANCY COSTS PER SQUARE METRE BY CENTRE

LOCATION	NO. RESPONDENTS	TOTAL RENT	TOTAL TURNOVER (m <sup>2</sup> )	OCCUPANCY COSTS (\$/m <sup>2</sup> )
Hastings Street	13	\$1,161,827	1,026	\$1,132
Noosa Junction	46	\$1,787,274	5,455	\$328
Noosaville	14	\$667,259	4,184	\$159
Tewantin	7	\$168,900	456	\$370
<b>TOTAL</b>	<b>80</b>	<b>\$3,785,260</b>	<b>11,121</b>	<b>\$340</b>

SOURCE: Urban Economics, Survey questions 1, 3 & 6

TABLE 3.12 OCCUPANCY COSTS PER SQUARE METRE BY STORE TYPE

STORE TYPE	ANZSIC CODE	NO. RESPONDENTS	TOTAL RENT	TOTAL FLOORSPACE (m <sup>2</sup> )	OCCUPANCY COSTS (\$/m <sup>2</sup> )
Supermarkets and Grocery Stores	5110	2	\$57,644	133	\$433
Fresh Meat, Fish & Poultry	5121	1	\$41,000	137	\$299
Bread & Cake	5124	1	\$25,000	110	\$227
Takeaway Food	5125	4	\$150,500	334	\$451
Other Food	5129	1	\$19,000	100	\$190
Clothing	5221	18	\$942,911	1,134	\$831
Footwear	5222	1	\$39,000	160	\$244
Fabrics	5223	1	\$30,000	57	\$526
Furniture	5231	3	\$204,474	1,815	\$113
Floor Coverings	5232	1	\$19,000	35	\$543
Hardware & Houseware	5233	4	\$559,500	3,220	\$174
Domestic Appliance	5234	3	\$57,200	188	\$304
Sports & Camping	5241	3	\$157,500	433	\$364
Newspaper, Books & Stationery	5243	1	\$20,000	70	\$286
Photographic Equipment	5244	1	\$100,000	70	\$1,429
Pharmacy	5251	2	\$146,000	353	\$414
Flowers	5254	1	\$15,000	80	\$188
Jewellery	5255	3	\$81,765	134	\$610
Other Retailing	5259	18	\$559,445	1,320	\$424
Cafes & Restaurants	5730	6	\$405,500	810	\$501
Optical Dispensing	8632	1	\$29,900	75	\$399
Film Processing	9522	2	\$50,500	120	\$421
Hairdressing & Beauty	9526	1	\$14,422	98	\$147
Not Stated	-	1	\$60,000	135	\$444
<b>TOTAL</b>		<b>80</b>	<b>\$3,785,261</b>	<b>11,121</b>	<b>\$340</b>

SOURCE: Urban Economics, Survey questions 1, 3 &amp; 5

TABLE 3.13 PROFITABILITY LEVEL BY CENTRE

LOCATION	PERFORMING VERY WELL	PERFORMING WELL	ADEQUATE RETURN FOR EFFORT	BREAKING EVEN	STRUGGLING TO BREAK EVEN	MAKING LOSSES	TOTAL
Hastings Street	0	5	3	2	7	0	17
Noosa Junction	0	7	21	10	9	4	51
Noosaville	1	4	5	4	1	0	15
Tewantin	0	0	2	2	5	0	9
<b>TOTAL</b>	<b>1</b>	<b>16</b>	<b>31</b>	<b>18</b>	<b>22</b>	<b>4</b>	<b>92</b>

SOURCE: Urban Economics, Survey questions 4 &amp; 6

TABLE 3.14 PROFITABILITY LEVEL BY STORE TYPE

STORE TYPE	ANZSIC CODE	PERFORMING VERY WELL	PERFORMING WELL	ADEQUATE RETURN FOR EFFORT	BREAKING EVEN	STRUGGLING TO BREAK EVEN	MAKING LOSSES	TOTAL
Supermarkets and Grocery Stores	5110	0	0	0	0	2	0	2
Fresh Meat, Fish & Poultry	5121	0	0	1	0	0	0	1
Bread & Cake	5124	0	0	0	1	0	0	1
Takeaway Food	5125	0	1	2	0	1	0	4
Other Food	5129	0	0	0	1	0	0	1
Clothing	5221	0	2	5	5	7	0	19
Footwear	5222	0	0	1	0	0	0	1
Fabrics	5223	0	1	0	0	0	0	1
Furniture	5231	1	2	0	0	0	0	3
Floor Coverings	5232	0	0	1	0	0	0	1
Hardware & Houseware	5233	0	1	1	1	1	0	4
Domestic Appliance	5234	0	0	1	1	1	0	3
Sports & Camping	5241	0	0	1	1	1	0	3
Newspaper, Books & Stationery	5243	0	0	1	1	0	0	2
Photographic Equipment	5244	0	0	1	0	0	0	1
Pharmacy	5251	0	0	1	0	1	1	3
Flowers	5254	0	0	1	0	0	0	1
Jewellery	5255	0	1	1	1	1	0	4
Other Retailing	5259	0	2	8	6	4	2	22
Cafes & Restaurants	5730	0	3	3	0	3	1	10
Optical Dispensing	8632	0	1	0	0	0	0	1
Film Processing	9522	0	0	2	0	0	0	2
Hairdressing & Beauty	9526	0	1	0	0	0	0	1
Not Stated	-	0	1	0	0	0	0	1
<b>TOTAL</b>		<b>1</b>	<b>16</b>	<b>31</b>	<b>18</b>	<b>22</b>	<b>4</b>	<b>92</b>

SOURCE: Urban Economics, Survey questions 4 & 5

### 3.3 IMPLICATIONS

The survey reveals that whilst many respondents are less than happy with the performance of their retail business, all independent quantitative measures indicate that respondents are generally operating at above average trading levels and at sustainable levels. The survey records strong growth in turnover over the past three years, high productivity levels and sustainable occupancy cost ratios.

Occupancy costs in Hastings Street are at very high levels. However, the high turnovers obtained by businesses located in this Street justify these higher occupancy costs. It is also relevant to note that the high occupancy costs in this Street would have the potential to cause difficulty for retailers at times when turnover falls. The fixed rental mechanism commonly in use does not react quickly to sudden and severe downturns in turnover. The tourism business is more inherently risky than other businesses.

Overall, the survey does not support the notion that there is presently an oversupply of retail facilities or that existing retail facilities in Noosa Shire are performing at below average levels. Whilst the survey indicates that some retailers may not be happy with current performance levels, objective data obtained from the survey does not support these views.

#### 4. INDEPENDENT REVIEW OF THE STRATEGIC PLAN PROVISIONS RELATING TO THE NOOSA SHIRE BUSINESS CENTRE

This chapter comprises a complete report dated April 2000 and prepared by Urban Economics P/L (Jon Norling) on behalf of Noosa Council<sup>3</sup>.

##### 4.1 INTRODUCTION

This report has been prepared for Noosa Council by Urban Economics pursuant to a resolution of Council on 17 February 2000<sup>4</sup>. This resolution required an independent assessment of the Strategic Plan provisions relating to the proposed Shire Business Centre. This report should be read in conjunction with the Survey of Noosa Shire Retailers (Chapter 3) and the Independent Review of the Economic Impact Assessment of the Noosa Shire Business Centre (to be released later in May 2000)<sup>5</sup>.

Noosa Shire Council has been undertaking master planning for the Shire Business Centre and has received an application for preliminary approval of the Shire Business Centre. The issue of the impact of the Shire Business Centre upon existing businesses in the Shire has been the subject of considerable discussion within the community and within Council.

As a consequence, Council resolved on 17 February 2000 to, amongst other things, "note that the economic assessment of the Shire Business Centre application will also produce both an analysis of the application, and an assessment of the Strategic Plan provisions".

The assessment of the Shire Business Centre application is well advanced, simply awaiting a response to the information request from the applicant. In the meantime, Council has requested an earlier receipt of the assessment of the Strategic Plan provisions.

In undertaking this study, Urban Economics has examined the following information and undertaken the following analyses:

- a. site inspections of the subject site and relevant centres in Noosa;
- b. a survey of Noosa retailers, reported separately;
- c. review of the Strategic Plan, Noosa Council (1997);
- d. review of *Population Capacity Analysis based on the 1985-95 Planning Scheme*, Summers,P (1995)<sup>6</sup>;
- e. review of *Business and Retail Development in Noosa Shire*, Jackson Planning (1996); and
- f. review of the Economic Assessment of the Noosa Shire Business Centre Jebb Holland Dimasi (1999).

##### 4.2 STRATEGIC PLAN PROVISIONS

Strategic Aim 27.2.3.2 encourages *the development of the principal business, retail and administrative centre on Eenie Creek Road at Noosaville, in stages consistent with the needs of the population of the Shire*.

Objective 19.3.1 provides *for a multi-function employment node serving Shire-wide needs and including provision for business, retail, administrative, community and industrial functions*.

Paragraph 19.3.1.2 of the Strategic Plan indicates that the development will include the following within the life of the plan:

- *Retail components of the order of 15,000m<sup>2</sup> of floorspace, which in its first stage will include a discount department store.*
- *Homemaker/showroom components of the order of 10,000m<sup>2</sup>.*
- *Commercial and administrative office components of the order of 10,000m<sup>2</sup>.*
- *Civic and community services components.*

<sup>3</sup> Footnotes in this chapter have been prepared by Paul Summers and did not comprise part of the original Urban Economics report.

<sup>4</sup> Council Decision (17/02/2000): With regard to the Shire Business Centre site, Council:

- a. Expand the Business Reference Group by the addition of two members from the professional group which were recommended by the Noosa Chamber of Commerce.
- b. Note that there is now a significant amount of new data with which to assess retail and business growth needs in Noosa Shire.
- c. Note that a significant survey of retail trading has recently been completed, with the results of that work available shortly.
- d. Note that an economic assessment of the Shire Business Centre application by Council's consultants and staff has been commenced and the process for the assessment and the results of the assessment will be the subject of discussion with and input from the Business Reference Group.
- e. Note that the economic assessment of the Shire Business Centre application will also produce both an analysis of the application and an assessment of the Strategic Plan provisions.
- f. Direct staff to report to Council on the outcomes of the economic assessment mentioned in 4 and 5 above.

<sup>5</sup> The review related to a development application that was refused and is not reproduced in this report.

<sup>6</sup> Note that this planning study has now been superseded by the planning study *Population Capacity in the Coastal Area of Noosa Shire* [Summers,P (2001a)] and the data from *Demographic Influences in Noosa Shire to 2016* [SGS Economics & Planning (2002)].

- *Business components of the order of 20,000m<sup>2</sup>, where low impact manufacturing, transport, storage and communications facilities may be established.*
- *Passive and active open space areas.*

Paragraph 19.3.1.3 reinforces the applicable Strategic Aim by stating that the Shire Business Centre is to be developed in stages consistent with the needs of the community.

Of particular relevance to this study is the provision of 25,000m<sup>2</sup> of retail facilities, of which 10,000m<sup>2</sup> is designated for retail showroom facilities.

#### 4.3 REVIEW OF RETAIL STUDIES SUPPORTING THE STRATEGIC PLAN

The Strategic Plan provisions relating to retailing and the Shire Business Centre were based upon two previous studies<sup>7</sup>. It is therefore considered relevant that the methodologies and assumptions adopted by these reports are reviewed.

It is particularly interesting to note that whilst the 1996 study recommended that 40,000m<sup>2</sup> of retail floorspace should be developed at the Shire Business Centre (25,000m<sup>2</sup> retail centre plus 15,000m<sup>2</sup> retail showroom centre), the Strategic Plan significantly diluted this recommendation, identifying only 25,000m<sup>2</sup> (15,000m<sup>2</sup> retail centre plus 10,000m<sup>2</sup> retail showroom centre).

In February 1996, Jackson Planning prepared a review of the retail needs for Noosa Shire following commissioning by Noosa Shire Council. The report was a Planning Scheme Review project which examined the major retail and business needs of the Shire as a whole and specifically, identified the need for a Shire Business Centre. The outcomes and conclusions from the Jackson report relied significantly on population and retail analyses undertaken as part of an earlier study also undertaken by Jackson Planning. The earlier study was undertaken in January 1994 and is known as *A Strategy to Assess Future Major Commercial Development in Noosa Shire*. The study was commissioned by Noosa Shire Council for similar purposes - to assess the retail and business needs of the Shire. Both studies are contained within Council's report entitled *Business and Retail Development in Noosa Shire*.

It is Urban Economics' view that the conclusions presented in the 1996 Jackson report no longer provide a current basis from which to determine the retail and business needs for the residents of Noosa Shire. The following critique briefly outlines the reasons for this opinion. Given the substantial reliance of the 1996 report upon the 1994 report, both reports are critiqued.

#### 4.3.1 A Strategy to Assess Future Major Commercial Development in Noosa Shire - January 1994

The population estimates and projections discussed in both reports were based on the 1991 Australian Bureau of Statistics (ABS) Population and Household Census. Whilst it is recognised that the reports were based on the most recent information available at that time, significantly more accurate projections can now be made with the benefit of statistics from the 1996 ABS Census, recent building approval information and the latest set of Department of Communications, Information, Local Government and Planning (DCILGP) population projections.

The estimated 1991 population for Noosa Shire included on p.6 of the Jackson Planning (1994) was 29,354 persons. While this report is claimed to be based on the 1991 Census, the correct enumerated population estimate for Noosa Shire in 1991 was 27,440 persons. In two locations later in the report (p.9 and p.15), the 1991 population for Noosa Shire was identified as 29,378 and 27,060 persons, respectively. This lack of consistency within the report continues in the population projections.

The report recognises the presence of a significant tourist component within the Noosa Shire population and has adopted a 10% measure. The report states that the population figures have included this 10% tourist component. When this 10% is removed from the (first) stated 1991 population, the estimated resident population is 26,419 persons. This is very close to the ABS estimated resident population figure of 26,399 persons. Accordingly, criticisms noted in the previous paragraph have no effect on the report's conclusions.

Table 2.2 (p.8) in the report outlines population projections for the Noosa Shire and other Trade Areas. By 2011, the population of Noosa Shire was projected to reach 59,000 persons. The 1997 Strategic Plan identifies a population capacity for the Shire in the order of 56,600 persons. Therefore, the population projection to 2011 identified in the report exceeds the capacity population of the Shire. As noted earlier, lack of consistency was reflected throughout the report with other 2011 projections for Noosa Shire including 59,200 persons (also on p.8) and 58,500 persons (p.25). This results in an overstatement of the Shire's needs by 4%.

The report stated that the average annual household income for Noosa Shire was 15% less than the Queensland average. The 1996 Census results provide more accurate information on the income patterns of the residents of Noosa Shire. In 1996, residents of Noosa Shire had an average annual household income of \$35,587, some 13% lower than the Queensland average of \$40,891. This results in an understatement of the Shire's needs by 1%.

<sup>7</sup> Jackson Planning (1994) and Jackson Planning (1996).

The determination of future floorspace requirements was based on the assumption that, with the exception of the expansion of the then The Sands Shopping Centre at Maroochydore, there would be no material changes to the retail hierarchy within (or affecting) Noosa Shire after the time of writing of the report (January 1994) and before the opening of the proposed Shire Business Centre. However, there have been several additions to the network since 1994 including:

- The construction of Noosa Village Shopping Centre - opened in December 1995 with a total retail floorspace of 4,400m<sup>2</sup>. The Centre is anchored by a 2,500m<sup>2</sup> Franklins Fresh supermarket.
- The construction of the second stage of the Noosa Homemaker Centre. The 4,000m<sup>2</sup> first stage development was undertaken in 1990 and the 4,030m<sup>2</sup> second stage was approved in 1996.
- The construction of the Harvey Norman centre and other retail showroom stores at Noosaville.

The 1991/92 ABS Retail Census [Australian Bureau of Statistics (1994)] indicates that there was some 50,900m<sup>2</sup> retail floorspace within the coastal part of Noosa Shire at this time. The addition of the more recently constructed centres has increased the amount of available retail floorspace within this part of the Shire to 80,000m<sup>2</sup>, a 57% increase. This is a significant increase of 29,100m<sup>2</sup> (of which about 24,000m<sup>2</sup> has occurred since the date of this report), which significantly reduces the amount of additional retail floorspace which can be supported within the Shire in the future.

The report addresses the issue of potential floorspace provision in several ways. On the basis of turnovers per resident head of population, the report identifies that, by 2011, an additional 80,000m<sup>2</sup> of retail floorspace will be required. An examination of average performance levels is subsequently undertaken and the retail floorspace required to maintain average performance levels is estimated to be 95,600m<sup>2</sup>. However, it is stated that well over 100,000m<sup>2</sup> may be required if the then current trends in growth per head continued. It was concluded that the 80,000m<sup>2</sup> estimate was a minimum requirement for the Shire by 2011.

These estimations are grossly overstated for several reasons. Firstly, the 95,600m<sup>2</sup> estimate was based on the assumption that average performance levels will remain constant at \$2,880/m<sup>2</sup> (in 1993/94-dollar values). This is not an accurate assumption, as new floorspace requires greater productivity levels (in the order of \$3,500/m<sup>2</sup>) to operate at viable levels. This consideration alone reduces the 95,600m<sup>2</sup> estimate to 65,000m<sup>2</sup>. Furthermore, it was identified earlier that the assessment for future retail floorspace was based on the assumption that no material changes would be made to the retail network after 1994 and before the opening of the proposed Shire Business Centre. There has been in fact a 24,000m<sup>2</sup> increase in floorspace, further reducing the potential floorspace to about 41,000m<sup>2</sup>. This is approximately half of the floorspace stated by the report as a minimum future requirement for the Shire.

#### 4.3.2 Planning Scheme Review: Business and Retail Development in Noosa Shire - February 1996

The 1996 Jackson Planning report relies substantially on the analysis and conclusions presented in the 1994 report. Therefore, some of the fundamental shortcomings of the 1996 report have been addressed above.

The projection of the Shire population to 2011 relies on the projections adopted by the Northern Sub-Regional Organisation of Councils (NORSROC) and Regional Framework for Growth Management (RFGM, 1995) of 61,250 persons. This projection is likely to have relied on the 1991 Census information also. It is clearly evident that this projection is well (8%) above the capacity population of 56,600 identified in the current Strategic Plan for Noosa Shire.

Estimates of potential floorspace were summarised, with reference to the appendix where the 1994 Jackson report had been included. Potential floorspace requirements for 2011 were outlined as being 78,000m<sup>2</sup> to 95,000m<sup>2</sup>. It has been identified in the previous section that these estimates are significantly overstated.

The report identifies the construction of the Noosa Village Shopping Centre and its recency (i.e. post 1994). However, no amendments were made to the figures presented in the earlier report to account for this increase in floorspace.

The report concluded that half of the new retail floorspace should be incorporated at the Shire Business Centre. This appears reasonable, allowing for additions to other centres and the development of new, smaller centres where warranted.

If 41,000m<sup>2</sup> is adopted instead of the 80,000m<sup>2</sup>, half of this amount is 20,500m<sup>2</sup>. However, if the 24,000m<sup>2</sup> of retail floorspace which has been developed since the 1994 report is taken into account, half of the 65,000m<sup>2</sup> is 32,500m<sup>2</sup>. The provision of 25,000m<sup>2</sup> referred to in the Strategic Plan lies midway between these two calculations.

As at 1992, the standard provision of retail space was 1.8m<sup>2</sup> per capita. The 1999 population of Noosa Shire is 41,700 persons, with capacity set at 56,600 persons. Growth of the projected population by 14,900 persons to capacity will generate a need for 27,000m<sup>2</sup>. If tourist growth is taken into account, and the standard provision of retail space is assumed to increase over time, total demand growth to capacity would be about 40,000m<sup>2</sup> (which is similar to the above calculation of 41,000m<sup>2</sup>).

#### 4.4 OTHER CONSIDERATIONS

##### 4.4.1 Location of Discount Department Store

The 1994 and 1996 studies identify that a discount department store cannot be located within the established centres due to traffic considerations. This situation has been confirmed during recent discussions with the Mayor and staff of Council<sup>8</sup>.

The identified site for the Shire Business Centre is therefore the only location that can accommodate a discount department store and therefore deliver a sub-regional centre to the Shire's population.

##### 4.4.2 Size of Retail Centre

It is agreed that the Shire's retail needs can best be met (and escape expenditure reduced) by the provision of a discount department store - based centre (also known as a sub-regional centre). Due to the large size of a discount department store (at least 6,500m<sup>2</sup>) and the necessity to include at least one supermarket and a wide range of specialty stores, a sub-regional centre needs to be in excess of 15,000m<sup>2</sup>. Ordinarily it would need to be in the 17,500m<sup>2</sup> to 20,000m<sup>2</sup> range. A 15,000m<sup>2</sup> centre would not provide the full range of services demanded by the Noosa residents.

Table 4.1 on page 17 provides a summary of the size of single discount department store-based centres in Queensland. It shows that the 34 nominated centres vary in retail floorspace from 12,073m<sup>2</sup> to 35,724m<sup>2</sup>, with a median of 18,000m<sup>2</sup>. Centres smaller than 15,000m<sup>2</sup> on the list typically provide less than 5,000m<sup>2</sup> of specialty stores, were built prior to the mid-1980's and are anchored by only a single supermarket. It is noted that Noosa Fair Shopping Centre presently provides specialty retail floorspace of 3,200m<sup>2</sup>. The Shire Business Centre would need to devote more than 3,200m<sup>2</sup> (say 5,000m<sup>2</sup>) of specialty floorspace in order to satisfy the role of the Shire Business Centre.

Therefore, the Strategic Plan provision of 15,000m<sup>2</sup> for the retail centre is considered of insufficient size to deliver what is required by the community. The provision of 15,000m<sup>2</sup> should be extended to between 17,500m<sup>2</sup> and 20,000m<sup>2</sup>.

<sup>8</sup> Impacts on the character of existing centres are also key considerations.

##### 4.4.3 Retail Showrooms

Retail showrooms have now developed in two established nodes within the Shire: Noosaville (Gibson Road) and the industrial node of Noosaville (centred around the intersection of Eenie Creek and Eumundi-Noosa Roads). The Gibson Road precinct includes a substantial vacancy level and approvals exist for further retail showrooms to be developed at this node<sup>9</sup>. This situation has developed largely post the 1994 and 1996 reports.

The need for retail showrooms at the Shire Business Centre, identified in the Strategic Plan, is therefore likely to be overstated, particularly in the short and medium term.

The Shire Business Centre could be viewed as a logical extension of the industrial precinct in terms of the provision of retail facilities. Over time it could be expected that tenants could be attracted from the industrial area, freeing up land for more traditional industrial uses in these zones.

#### 4.5 CONCLUSION

Despite the recommendation of the Jackson Planning (1996) for the Shire Business Centre to be 40,000m<sup>2</sup>, the Strategic Plan has only provided for 25,000m<sup>2</sup>, of which 15,000m<sup>2</sup> is in respect of the sub-regional retail centre and 10,000m<sup>2</sup> is provided for retail showroom facilities.

The 1996 study was based upon an earlier 1994 study. A fundamental weakness of these reports was the assumption that no further growth in retail development would occur from 1994 until the development of the Shire Business Centre. In actual fact, provision of retail facilities in the coastal part of the Shire has increased by about 24,000m<sup>2</sup> or 43% since 1994. This has affected both the size of retail facilities able to be supported at the Shire Business Centre and the timing/impact consequences for the Shire Business Centre. It is therefore estimated that the coastal part of the Shire can support an additional 40,000m<sup>2</sup> of retail floorspace until 2011, rather than the 80,000m<sup>2</sup> plus stated in the 1996 study.

Not all of this retail floorspace should be accommodated within the Shire Business Centre as there will be a need for growth in the established centres. However, due to the recent strong growth in retail facilities which has occurred in Hastings Street and at Noosaville, the majority should be provided at the Shire Business Centre if it is to operate at a higher level in the hierarchy and reduce escape expenditure levels.

<sup>9</sup> The need for provision of showroom space in the Shire Business Centre has been strengthened since this Urban Economics report. The vacancies in showrooms in Noosaville referenced in the report are now largely filled. Provision for showrooms on the Shire Business Centre site will ease the pressure for showrooms to establish in the industrial area.

TABLE 4.1 DISCOUNT DEPARTMENT STORE-BASED CENTRES IN QUEENSLAND

CENTRE	TOTAL RETAIL FLOORSPACE (m <sup>2</sup> )	TOTAL SPECIALTY FLOORSPACE (m <sup>2</sup> )	ANCHOR STORES
Rockhampton Shopping Fair	35,724	16,712	Big W, Woolworths, Big Fresh
Capalaba Central	31,346	12,710	Big W, Woolworths, Big Fresh
The Pines	28,248	10,724	Kmart, Coles, Franklins Fresh
Sunnybank Hills Shoppingtown	27,937	10,153	Pick 'N Pay, Big Fresh
Smithfield Centre	26,093	11,018	Kmart, Woolworths, Coles
Clifford Gardens	25,770	9,413	Big W, Woolworths, Big Fresh
Sunnybank Plaza	25,474	14,763	Kmart, Coles
Peninsula Fair	25,390	10,959	Kmart, Coles
Kawana Shoppingworld	24,975	11,471	Big W, Woolworths, Franklins No Frills
Castletown Shoppingworld	24,886	8,386	Target, Woolworths, Franklins Fresh
Willows Shoppingtown	23,324	8,880	Target, Woolworths, Coles
Sugarland Shoppingtown	22,530	7,842	Big W, Woolworths, Franklins No Frills
Mount Pleasant (Mackay)	22,417	7,746	Kmart, Woolworths, Coles
Stafford City	21,517	7,957	Big W, Woolworths, Franklins Fresh
Wynnum Plaza	21,216	6,114	Kmart, Woolworths, Coles
Burleigh Town Marketplace	19,572	6,002	Big W, Woolworths, Franklins Fresh
Westcourt Plaza	18,334	6,004	Kmart, Coles
Rose City Shoppingworld (Warwick)	17,600	5,200	Big W, Woolworths, Bi-Lo
Southport Park	17,454	5,494	Target, Woolworths
Booval Fair	17,287	6,793	Big W, Woolworths
Logan Central Plaza	16,962	8,280	Kmart, Coles
Beenleigh Marketplace	16,818	6,634	Big W, Woolworths
Cannon Hill Kmart Plaza	16,094	5,052	Kmart, Coles
Caboolture Park	15,946	4,420	Kmart, Coles
Sunland	15,528	4,732	Kmart, Coles
Rockhampton Kmart Plaza	14,980	5,120	Kmart, Coles
City Centre Plaza (Rockhampton)	14,265	3,558	Target, Coles
The Mall Springwood	13,170	3,025	Target, Woolworths
Toowoomba Kmart Plaza	12,921	2,283	Kmart, Coles
Arana Hills Kmart Plaza	12,857	2,402	Kmart, Coles
Townsville Kmart Plaza	12,801	2,006	Kmart, Coles
Mount Gravatt Plaza	12,724	3,627	Target, Woolworths
Bay Central	12,681	4,740	Target, Franklins Fresh
Hinkler Place	12,073	1,950	Kmart, Coles

SOURCE: Queensland Shopping Centre Directory 1999-2000, Property Council of Australia

The current Strategic Plan limit of 15,000m<sup>2</sup> for the sub-regional centre should be extended to between 17,500m<sup>2</sup> and 20,000m<sup>2</sup> as it is considered that a 15,000m<sup>2</sup> centre will not provide a sufficient range of facilities and services to provide for the needs of Shire residents.

A substantial component of the recent growth in retail facilities has involved the development of retail showroom activities, mainly at Noosaville. Approvals exist for further retail showrooms to be developed at Noosaville. These matters were not taken into account by the 1994 or 1996 studies. Consequently, within the life of the Strategic Plan, the scope for locating retail showroom facilities at the Shire Business Centre without impacting upon existing and approved sites may be limited.

It is therefore concluded that:

- a. A new Shire Business Centre is necessary, as a discount department store cannot be accommodated in the established centres.

- b. The Strategic Plan provision of 25,000m<sup>2</sup> of retail facilities at the Shire Business Centre within the life of the Strategic Plan is appropriate.
- c. Some of the floorspace allocated to retail showrooms should be re-allocated to the sub-regional centre, bringing its size up to 17,500m<sup>2</sup> to 20,000m<sup>2</sup>.
- d. Due to the Shire Business Centre being a "greenfields site", its impact upon the network is likely to be greater than if sub-regional floorspace was added to an existing district centre, due to the need to duplicate some retail facilities.

- e. The impact of the Shire Business Centre can be reduced if Council places a moratorium on further retail approvals at existing centres. Incremental growth of existing centres (which has been occurring to date) absorbs the need identified at the Shire Business Centre, making it more difficult for the consequent impacts to be absorbed.

## 5. RESPONSES TO URBAN ECONOMICS' RECOMMENDATIONS

A number of actions have occurred in response to the Urban Economics' recommendations from 4.5 above. The need to focus on preparing a new planning scheme under the *Integrated Planning Act* has however taken precedence. The next planning scheme could in fact be the means of advancing some recommendations.

The responses and other comments on the recommendations are provided below:

**a. A new Shire Business Centre is necessary, as a discount department store cannot be accommodated in the established centres.**

A position reinforced by the 1997 Strategic Plan and more recently, in traffic terms, by Beard,C (2002).

**b. The Strategic Plan provision of 25,000m<sup>2</sup> of retail facilities at the Shire Business Centre within the life of the Strategic Plan is appropriate.**

The Strategic Plan figures have been maintained and should be carried forward in the preparation of the master plan required by the Strategic Plan.

In terms of the next planning scheme, *Proposals for The Noosa Plan* posed the following question to the community:

*Do you agree that the policy approach should be to generally limit the Shire's total population while allowing for some growth of rural towns?<sup>10</sup>*

Submitters on *Proposals for The Noosa Plan* supported this position and subsequently endorsed *the approach of generally limiting population, but also permitting some limited growth in the rural towns, provided that it is compatible with the town character and able to be supported by necessary services and facilities, including public transport.*

Based on this approach, population capacity in the coastal area of the Shire would not increase significantly from the level indicated in the 1997 Strategic Plan. Therefore floorspace yields for retail development would not need to alter significantly. There is, however, significant population growth potential in the north of Maroochy Shire. Much of this area is likely to have its principal *community of interest* with Noosa Shire and in particular, its coastal area.

The retail component of the Shire Business Centre strongly relates to the needs of Noosa Shire's residents. It also relates to those of the future residents of the north of Maroochy Shire who will make use of such facilities wherever they are located in the coastal area. The peripheral nature of the Shire Business Centre site and its location on major roads provides for this without requiring access through coastal urban roads.

The scale of the Shire Business Centre was originally designed to fulfil the Shire's needs for the life of the Strategic Plan<sup>11</sup>. With little change in the population yields, it is likely that it can service the Shire's needs beyond that time without major change in floorspace.

Population growth in the north of Maroochy Shire will continue beyond 2021<sup>12</sup>. Argument may arise in the future that the Shire Business Centre site should cater for the needs of this future population. At this stage, it is considered doubtful that Noosa Shire should be looking to fulfil this need, particularly as expansion of such functions may alter the regional relationships and hierarchy to which Noosa and Maroochy Shire's have been cooperatively planning.

**c. Some of the floorspace allocated to retail showrooms should be re-allocated to the sub-regional centre, bringing its size up to 17,500m<sup>2</sup> to 20,000m<sup>2</sup>.**

The first stage of the master plan<sup>13</sup> adopted subsequent to the receipt of the *Independent Review of the Strategic Plan Provisions Relating to the Noosa Shire Business Centre* is consistent with this recommendation indicating a potential outcome of 17,500m<sup>2</sup> of retail floorspace and 7,000m<sup>2</sup> showroom/homemaker floorspace.

**d. Due to the Shire Business Centre being a "greenfields site", its impact upon the network is likely to be greater than if sub-regional floorspace was added to an existing district centre, due to the need to duplicate some retail facilities.**

There are two aspects to consider in terms of this recommendation:

- First, any new retail centre will have an impact on other centres, whether in or out of an existing centre. The question is whether the impact is sustainable. In this instance, Urban Economics is of the view that it is, otherwise a reduction in floorspace or deletion of the Shire Business Centre would have been recommended.

<sup>10</sup> Refer to Key issue K11, page 9 [Skinner,R; Terry,P & Summers,P (2001)].

<sup>11</sup> Originally 2007, now anticipated to be around 2010.

<sup>12</sup> Refer to Table 5.1 in Beard,C (2002).

<sup>13</sup> Summers,P (2001b)

- Second, there are means of ameliorating impacts. One critical means is to defer the fulfilment of the need for the centre. In this instance, the need for a discount department store arose in 1998, however there was considerable concern both in the community and in Council that this need did not extend to the associated specialty shops that would be located with the discount department store on the Shire Business Centre site.

Between 1998 and 2001, the population in the Shire grew by more than 10% to 43,985<sup>14</sup>, Table 5.1 below, with the majority of growth occurring in the coastal area of the Shire. Based on the capacity under the current planning scheme, the estimated resident population capacity in the coastal area of the Shire is 41,894<sup>15</sup>, expected to be reached around 2009/10.

**TABLE 5.1 ESTIMATED RESIDENT POPULATION GROWTH, 1998-2001**

Year	1998	1999	2000	2001	1998-2001
Estimated resident population	39770	41386	42922	43985	4015
Growth	3.81%	4.06%	3.71%	2.48%	10.1%
Absolute growth	1616	1536	1063		

Based on advice from the contracted purchasers of part of Shire Business Centre site, it is expected that the first stage of development inclusive of a retail centre and discount department store would be operable by 2004.

- e. ***The impact of the Shire Business Centre can be reduced if Council places a moratorium on further retail approvals at existing centres. Incremental growth of existing centres (which has been occurring to date) absorbs the need identified at the Shire Business Centre, making it more difficult for the consequent impacts to be absorbed.***

The principle of a moratorium is difficult to achieve under the IPA, however the Strategic Plan provided a head of power enabling Noosa Council to prepare a planning scheme policy that has the effect of minimising the extent of floorspace that might otherwise occur, refer to Appendix C: Planning Scheme Policy PSP39 - Business Development Impacts on the Shire Business Centre on page 27.

<sup>14</sup> Estimated resident population, Australian Bureau of Statistics.

<sup>15</sup> Summers,P (2001a).

## 6. REGIONAL CONTEXT AT 2002

The *South-East Queensland Regional Framework for Growth Management 2000* [RFGM2000 - Regional Coordination Committee (2000)] identifies a range of planning initiatives that influence retail outcomes across south-east Queensland and within individual local government areas. One of the priority actions associated with major centres from Regional Coordination Committee (2000) is:

*Support the development of Key Regional Centres at Toowoomba, Maroochydore, Robina and Southport.*

Maroochydore is identified as a Key Regional Centre and this role is acknowledged and supported by the 1997 Strategic Plan. The next planning scheme should reinforce this position.

The RFGM2000 also calls for the establishment of a hierarchy of centres that provides for the needs of communities, but also to be consistent with the identified Major Centres and Key Regional Centres.

The 1997 Strategic Plan identifies the Shire Business Centre site as a new employment node within the Shire. The site will accommodate a retail centre, with the Strategic Plan also indicating an appropriate scale for the facilities designed to dovetail into the hierarchy planned for the Sunshine Coast. This approach should be maintained in the next planning scheme.

Outside the formal regional planning processes, there is one regional issue that has not been addressed. Currently, the scale of facilities to be contained within the Shire Business Centre under the Strategic Plan is designed to service areas within Noosa Shire and within the north of Maroochy Shire. Essentially, the scale is designed to service those areas with a Noosa Shire community of interest.

The peripheral location of the Shire Business Centre site was one of the influencing factors to its location, due to the problems that would arise with congestion in existing business locations. Data supporting this position can be found in Beard,C (2002), however it is noted that research associated with population capacity in the north of Maroochy Shire identifies a significant level of growth within its planning scheme beyond 2021 for that same area. The scale of the ultimate population for this area could, in the future, be used to support future increases in the scale of the facilities provided at the Shire Business Centre site. For instance, it might be argued that retail floorspace may need to be expanded.

Whilst decisions relating to this situation do not necessarily need to be made as a part of Noosa's next planning scheme, the more serious position is that increasing the scale of function on the site may see a change in the role of the site in the hierarchy. This could in turn generate increased attractiveness to shoppers not currently a part of the planned catchments. In turn, this would have ramifications for services, traffic, road capacity, etc.

At this time and with the current level of data available, it is not considered appropriate for Noosa Shire to contemplate accommodating any significant increase in floorspace to cater for areas beyond the Shire population capacity and those immediate communities of interest in the north of Maroochy Shire. In particular, it is also not considered appropriate to contemplate a scale of facility that would alter Noosa's position in the hierarchy on the Sunshine Coast. In these senses then, the scale of facilities contemplated by the 1997 Strategic Plan and further discussed in Chapter 4 above is appropriate for inclusion in the next planning scheme.

**7. CONCLUSION & RECOMMENDATIONS**

- a. Since 1988, Noosa Shire has maintained strong controls, through its planning instruments, on the extent of retail floorspace that can be accommodated in the Shire and its various key business locations. This approach has served the community well and should be maintained into the future.
- b. The approach sees the planning scheme providing guidance on the floorspace outcomes sought for particular areas. This approach should be maintained in the next planning scheme.
- c. The 1997 Strategic Plan identification of retail facilities within the Shire Business Centre should be maintained in the next planning scheme with similar emphasis on location and need for the site, scale and range of retail and commercial facilities as updated by the Urban Economics reports.
- d. Increasing population in the north of Maroochy Shire will be likely to see pressure generated for expansion of floorspace in facilities in the coastal area of the Shire beyond that which may be defined by the planning scheme. Noosa Shire should strive to make provision for its own community and for those areas with an immediate community of interest in Noosa Shire.
- e. Noosa Shire sits within a regional context, which sees Maroochy as a Key Regional Centre that provides and will continue to provide higher order goods and services to its region. The next planning scheme should continue to recognise Maroochy's retail role and be designed to fit within that context.

**8. APPENDIX A: QUESTIONNAIRE**

Dear Retailer,

Urban Economics and Jebb Holland Dimasi are conducting an independent survey of the current performance levels of retailers within Noosa Shire to assist in the assessment of the future retail needs of the Shire and their possible impacts. Please complete the short survey and post it directly to Urban Economics in the Reply Paid envelope supplied. Individual results will remain confidential to Urban Economics and Jebb Holland Dimasi, with only summarised results made available to the Chamber of Commerce, Noosa Council and other relevant organisations. Summarised results will also be provided to all retailers who participate. If you have multiple stores, a questionnaire should be completed for each.

1. What is the leasable floorspace your shop occupies? Include selling, office and storage space, but exclude outdoor areas. \_\_\_\_\_ m<sup>2</sup>.

2. (a) What is the full year turnover of your business? Leave blank if your business was not operating for the relevant full year. (July to June financial years).

1996/97 \$ \_\_\_\_\_

1997/98 \$ \_\_\_\_\_

1998/99 \$ \_\_\_\_\_

(b) If significant variation in turnover has occurred during this period, please explain.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. If trading for the full financial year of 1998/99 and you are renting your premises, what was the total occupancy cost (rent plus outgoings) for 1998/99? \$\_\_\_\_\_.

4. Which expression best describes your current level of profitability? (PLEASE CIRCLE).

- Performing very well 1
- Performing well 2
- Adequate return for effort 3
- Breaking even 4
- Struggling to break even 5
- Making losses 6

5. What type of shop do you operate (e.g. Newsagent)?

\_\_\_\_\_

Office Use Only

\_\_\_\_\_

6. In which retail node are you located? (PLEASE CIRCLE).

- Hastings Street 1
- Noosa Junction 2
- Noosa Sound 3
- Noosaville 4
- Tewantin 5
- Other (please specify) 6



## 9. APPENDIX B: EXTRACTS FROM THE 1997 STRATEGIC PLAN

In this appendix, extracts from the 1997 Strategic Plan are reproduced, comprising the complete Business, Retail & Administrative Development Strategic Aims and the objective and implementation criteria relating to the Shire Business Centre<sup>16</sup>.

### 9.1 STRATEGIC AIMS: BUSINESS, RETAIL & ADMINISTRATIVE DEVELOPMENT

#### 9.1.1 Character, Lifestyle & Environment Role

- a. Business, retail and administrative developments are used on a day to day basis by residents of and visitors to the Shire. The character and feel of the establishments in which business, retail and administrative functions are conducted is therefore a significant influence on resident and visitor perception of the Shire.
- b. Features such as human scale, development integrated with surrounding built form and landscape fabric, visual relationships between indoor spaces and outdoor spaces, low key informal atmospheres, low stress traffic environments play a key role in characterising business, retail and administrative developments in Noosa Shire. These features are recognised and sought by the Noosa Shire community.
- c. The features described in b above distinguish business, retail and administrative developments in Noosa Shire from other such developments in Sunshine Coast and south-east Queensland areas.
- d. The proximity of other centres to Noosa Shire ensures ready access to higher order goods and services and comparative shopping, enabling the scale and atmosphere of local developments to be retained.

#### 9.1.2 Economic Role

- a. The business, retail and administrative sectors are important contributors to the Shire economy. Nevertheless, their significance is not so great as to warrant the setting aside of the Shire's core values and the character, lifestyle and environment enjoyed by its residents, in order to achieve short term economic and employment goals.
- b. 27.2.2.2 Business, retail and administrative developments which recognise and reflect the natural character and environment values of the Shire will assist in achieving sustainable economic and employment growth across a range of industry sectors.

<sup>16</sup> Note that in addition to the Strategic Plan defining key criteria with which the Shire Business Centre needs to comply, it also defines the future for each of the key commercial centres in the coastal and rural areas of the Shire.

#### 9.1.3 Aims

- a. Recognise that a significant proportion of the higher order needs of the Shire's population is fulfilled by business, retail and administrative developments located in other regions, particularly the key regional centre of Maroochydore.
- b. Encourage the development of the principal business, retail and administrative centre on Eenie Creek Road at Noosaville, in stages consistent with the needs of the population of the Shire.
- c. Protect the long term viability of the principal business, retail and administrative centre to the extent that:
  - Short term needs may be set aside to ensure the medium-long term implementation of the centre.
  - No other centres are developed in the coastal urban area, with the exception of those servicing predominantly neighbourhoods and local communities.
- d. Recognise that it may be necessary to increase floorspace in existing centres to meet changing needs:
  - In Noosa Junction, any increase in floorspace should not alter the existing order of centre provided by the Junction.
  - In Noosaville, Peregian Beach, Sunrise Beach, Sunshine Beach and Tewantin, any increased floorspace is to be of a scale consistent with the direct needs of the area served by those centres and in keeping with the character of those centres.
  - In Cooroy, which is the main centre serving the rural parts of the Shire, increased floorspace will consolidate the role and function of the existing commercial precincts and will be focussed within those existing precincts. Development will also be in keeping with the character of those existing precincts.
  - In Cooran, Pomona and Kin Kin, relatively minor increases of floorspace can be expected. Such increases will be of a scale consistent with the direct needs of the area served by those rural towns and villages and in keeping with their character.

In all cases, any increased floorspace is not to impact on the successful operation and development of the principal business, retail and administrative centre.
- e. Ensure that business, retail and administrative development has high levels of accessibility.
- f. Ensure that business, retail and administrative development adheres to the Strategic Principles and Development Principles.

## 9.2 OBJECTIVES & IMPLEMENTATION CRITERIA

### 9.2.1 Noosa Heads/Noosaville

**Objective:** *Provide for a multi-function employment node serving Shire-wide needs and including provision for business, retail, administrative, community and industrial functions.*

- a. Land on Eenie Creek Road and a new road between Emu Mountain Road and Eenie Creek Road will be developed as a multi-function employment node, catering for the highest level of business, retail and administrative facilities in the Shire, consistent with Strategic Aim 27.2.3.2. The significance of this site is recognised in the Shire Business Centre designation of around 40 ha. Variation to the potential site size could occur through more detailed evaluation of land capability over the site or as a consequence of variation in the alignment of the Emu Mountain Road-Eenie Creek Road route. All land lying between the eventual route and the mapped designation, excluding land with environmental sensitivity, will be suitable for inclusion as part of the Shire Business Centre site.
- b. Within the life of this Strategic Plan, the development will include:
  - Retail components of the order of 15,000m<sup>2</sup> of floorspace, which in its first stage will include a discount department store.
  - Homemaker/showroom components of the order of 10,000m<sup>2</sup>.
  - Commercial and administrative office components of the order of 10,000m<sup>2</sup>.
  - Civic and community services components.
  - Business components of the order of 20,000m<sup>2</sup>, where low impact manufacturing, transport, storage and communications facilities may be established.
  - Passive and active open space areas.
- c. The Shire Business Centre site will be developed in stages consistent with the needs of the community. The first stages of development will only proceed following:
  - The construction of Eenie Creek Road between Eumundi Road and Reef Street; and
  - Commitments being made for the construction of the new road between Emu Mountain Road and Eenie Creek Road.
- d. Planning and development principles are critical to the development of the Shire Business Centre. These principles, defined in 9.2.1e-9.2.1r below, are to be refined as part of a master plan process.

#### Master Plan

- e. A master plan will be prepared to guide the overall development process. The master plan will be prepared by a multi-disciplinary team and will include:
  - Overall development concepts, including the definition of areas for development, roads and open space provision.
  - Sequencing guidelines for the overall development, designed to coordinate with the construction of roads servicing the site and other relevant issues.
  - Design guidelines, including controls on size, scale, mix of uses, aesthetics, amenity and the like.

- f. The master plan will be prepared in consultation with relevant stakeholders including the developer, Noosa Council, State Government agencies and the local design community and key stakeholders in the area. It will also include consultation with the general community. The plan will require approval from Noosa Council and relevant State Government agencies.
- g. The sequencing of development will be consistent with the master plan and the needs of the community.

#### Design Considerations

- h. Whilst the development will have entry statements on its access points, the overall development will have an internal focus and not be reliant on main road exposure. As a consequence, significant landscape buffering will be provided to Eenie Creek Road and the Emu Mountain Road-Eenie Creek Road route.
- i. The design of the overall Shire Business Centre, together with individual elements within it, will be distinctive and unique. Its design will be determined by its setting and will be recognisable as a development within Noosa Shire.

To achieve this, the Shire Business Centre and particularly the retail, business, office and community components will have an outdoor focus, with the site's topographic, vegetation and local climatic features integrated into the development. Key features will include:-

- Retention of existing vegetation as key landscape elements;
- Existing drainage paths as key drainage patterns;
- A low rise form of mainly single storey buildings;
- Integrated approaches to establishing land use arrangements, development designs and landscaping;
- Energy efficiency in the design of buildings and the operation of the centre; and
- Separate buildings, rather than large bulky developments under a single roof.

- j. Drainage systems will be designed to prevent water quality impacts in Eenie Creek. Such drainage systems will be designed for the collection of part of the runoff waters from the existing industrial estate in order to improve runoff water quality from that area.
- k. Dedication of a significant open space area adjacent to Eenie Creek, which connects to the drainage system of the site and to the key gathering places and open space areas within the centre.
- l. Development will meet the requirements of the Environmental Management Aims and adhere to Strategic Principles, 25.1-25.4 and Development Principles 26.1-26.9<sup>17</sup>.

**External Traffic Movements**

- m. The development will contribute towards the construction of external roadworks through a construction and contributions strategy which has regard to the sequencing requirements of 9.2.1c and 9.2.1e above. This strategy will recognise the staging programme and provide for the timing of any construction and contributions consistent with that programme.
- n. Access points to and from Eenie Creek Road and to any new route between Emu Mountain Road-Eenie Creek Road will be minimised and strictly controlled to avoid traffic hazards and congestion and to prevent ribbon development. It is preferable that there be one point of access to each road. Traffic movements at intersections will be controlled by roundabouts.
- o. Traffic movements should be based on bringing traffic into the site away from the external roads and then dispersing that traffic to appropriate carpark areas. External roads will not form part of the dispersal system.
- p. A transport link should be provided between Production Street and the new route, Emu Mountain Road-Eenie Creek Road.
- q. The site will be planned to provide for multi-modal transport linkages, including public transport.

**Internal Traffic Movements**

- r. The master plan will be based on achieving efficient internal vehicular traffic circulation, however traffic movements will be subservient to and not compromise pedestrian access and movement between activity areas.

---

<sup>17</sup> Not reproduced in this study.

## 10. APPENDIX C: PLANNING SCHEME POLICY PSP39 - BUSINESS DEVELOPMENT IMPACTS ON THE SHIRE BUSINESS CENTRE

### 10.1 INTRODUCTION

Provisions of the Strategic Plan seek to protect the long-term viability and the development and operational success of the Shire Business Centre site. The intent of this planning scheme policy is to:

- Assist in ensuring that the provisions of the Strategic Plan are met; and
- Provide guidance to the community, Council and its staff in the assessment of development applications.

### 10.2 DEFINITIONS

For the purposes of this planning scheme policy the term:

- *Business development* refers to a range of land uses including retail, industrial and office functions.
- *Coastal area* refers to the localities of Eastern Beaches, Noosa Heads/Noosaville and Tewantin defined in the Strategic Plan.

### 10.3 STRATEGIC PLAN

The Strategic Plan includes the following Strategic Aims:

*27.2.3.3 Protect the long term viability of the principal business, retail and administrative centre to the extent that:*

- *Short term needs may be set aside to ensure the medium-long term implementation of the centre.*
- *No other centres are developed in the coastal urban area, with the exception of those servicing predominantly neighbourhoods and local communities.*

*27.2.3.4 Recognise that it may be necessary to increase floorspace in existing centres to meet changing needs ...*

*...In all cases, any increased floorspace is not to impact on the successful operation and development of the principal business, retail and administrative centre (Shire Business Centre).*

The reasons for inclusion of protective aims of this nature are discussed in *Business and Retail Development in Noosa Shire* [Jackson Planning (1996)]. These reasons are further highlighted in *Independent Review of the Economic Impact of the Noosa Shire Business Centre* [Urban Economics (2000)] where it indicates that:

*The impact of the Shire Business Centre can be reduced if Council places a moratorium on further retail approvals at existing centres. Incremental growth of existing centres (which has been occurring to date) absorbs the need identified at the Shire Business Centre site, making it more difficult for the consequent impacts to be absorbed.*

### 10.4 POLICY CONSIDERATION

Business development in many parts of the coastal area of the Shire must follow a self-assessment or code-assessment process, where questions of impact do not arise. In other cases though, business development must follow an impact assessment process.

Where business development in the coastal area of the Shire must follow an impact assessment process, it is likely that the development will conflict with Strategic Aims 27.2.3.3 and 27.2.3.4, where it:

- Is not on the Shire Business Centre; and
- Is not a material change of use of an existing building.

In such cases, it is unlikely that Council will support the proposal.

#### POLICY HISTORY:

- *PSP39 adopted for public notification 06/09/2001.*
- *PSP39 adopted 29/11/2001.*
- *PSP39 has effect on and from 14/12/2001.*

## 11. APPENDIX D: REFERENCES

- Australian Bureau of Statistics, *Estimates of Resident Population*, ASGC01
- Australian Bureau of Statistics (1994), *Retailing in Queensland 1991-92*, ABS Catalogue No 8623.3, ABS
- Australian Bureau of Statistics (1997) Census 1996
- Beard,C (2002) *Coastal Area Traffic & Transport to 2016*, Planning Study, Noosa Council
- Burgess,M & Skinner,R (2002) *Report on Submissions on Proposals for The Noosa Plan*, Supporting study, Noosa Council
- Jackson Planning (1994) *A Strategy to Assess Future Major Commercial Development in Noosa Shire*, published in Jackson Planning (1996)
- Jackson Planning (1996) *Business & Retail Development in Noosa Shire*, Planning Study, Noosa Council
- Jebb Holland Dimasi (1999) *Economic Assessment of the Noosa Shire Business Centre*, Development application supporting study, unpublished
- Noosa Council (1988) *Strategic Plan*, Planning Scheme component, Noosa Council
- Noosa Council (1997) *Strategic Plan*, Planning Scheme component, Noosa Council
- Noosa Council (1999) *Schedule to the Planning Scheme*, Planning Scheme component, Noosa Council
- Noosa Council (2001) PSP39 *Business Development Impacts on the Shire Business Centre*, Planning Scheme Policy adopted 14/12/2001
- Regional Coordination Committee (2000) *South East Queensland Regional Framework for Growth Management 2000*, SEQ 2001
- SGS Economics & Planning (2002) *Demographic Influences in Noosa Shire to 2016*, Data projections, Noosa Council
- Skinner,R; Terry,P & Summers,P (2001) *Proposals for The Noosa Plan*, Planning Study, Noosa Council
- Summers,P (1995) *Population Capacity Analysis Based on the 1985-95 Planning Scheme*, Planning Study, Noosa Council
- Summers,P (2001a) *Population Capacity in the Coastal Area of Noosa Shire*, Planning Study, Noosa Council
- Summers,P (2001b) *Shire Business Centre Master Plan: Stage 1 – Concepts*, Planning Study, Noosa Council
- Urban Economics P/L (2000a) *Survey of Noosa Shire Retailers*, Noosa Council and Noosa Chamber of Commerce
- Urban Economics P/L (2000b) *Independent Review of the Strategic Plan Provisions Relating to the Noosa Shire Business Centre*, Noosa Council