



NORTH TUNCURRY DEVELOPMENT PROJECT: MARKET AND ECONOMIC ASSESSMENT REPORT



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EXECUTIVE SUMMARY

Objectives

SGS Economics and Planning were engaged by Landcom in 2013 to provide urban economics and planning research in relation to the amount and type of employment lands required for development on a State Significant Precinct in North Tuncurry. In 2018, SGS were engaged once more to review the findings of the initial report, to update the underlying data, and to make changes where necessary. The objectives of this study are set out below.

Assessment of the North Tuncurry Development Project (NTDP) Economic Impact, including:

- Assessment of the proposed development against the relevant provisions of the MidCoast Regional Economic Development Strategy, and Hunter Regional Plan, and the Forster Employment Land Implementation Strategy.
- Identification of opportunities for development to complement and diversify the economic base of the Forster-Tuncurry area and increase the level of services and facilities and employment.
- Provision of advice on how the development proposal will integrate and reinforce the role of the Tuncurry town centre.
- Assessment of market demand and need analysis for retail and commercial land uses to assist in determining opportunities for development on the site

Method and findings

This study assesses the economic profile and planning framework of the MidCoast Council. Trends in the employment land market have been examined and the requirements for retail and industrial lands for the site have been forecast.

Analysis revealed that the MidCoast Council economy is underpinned by retail and accommodation, sectors that are supported by expenditure linked to the resident population as well as tourist visitation. The retail and tourist markets are presently performing well, driven by a strong regional economy and buoyant regional visitation. Anecdotally, vacancy rates in both the Tuncurry and Forster Town Centres (TCs) are low relative to previous years.

The industrial market in Forster-Tuncurry appears to be relatively subdued. Demand continues to be linked to growth in the size of the local population, with urban services and construction likely to be the major sources of future growth.

The key findings of the report are summarised below against the objectives of the study.

Identification of opportunities for development to complement and diversify the economic base of the Forster/Tuncurry area and increase the level of services and facilities and employment

This study identifies opportunities for development to complement and diversify the economic base of the Forster/Tuncurry area. Based on the need of the incoming residents of the North Tuncurry site, there will be requirement for an additional 10,988 sqm of retail floorspace. A recommended level of provision for the NTDP site, which does not adversely impact on the Tuncurry TC, is between **2,154 sqm and 2,834 sqm**. This is consistent with the proposed Master Plan prepared for the NTDP.

Based on the industry targeting analysis, there is a requirement for **12,000 sqm of freight and logistics industrial land**. This will accommodate the 1.2 hectares of demand for freight and logistics uses and cater for any additional emerging demand during the project lifespan. Based on a suitability and capability assessment, demand for other industrial and commercial office employment has been allocated to other employment areas and centres in Forster-Tuncurry.

Other employment uses, such as aged care and education were considered in the Social Plan prepared by Elton Consulting.

A total of **126 jobs** are likely to be generated by direct employment uses on the NTDP site. There is likely to be approximately **35 additional indirect jobs** associated with the direct jobs generated on the NTDP site.

The development will potentially generate **2,121 onsite jobs** and an **additional 2,643 indirect jobs** associated with expenditure from onsite workers. Therefore, a total of 4,764 jobs will potentially be generated by the development over the course of the construction period.

Assessment of the proposed development against the relevant provisions of the MidCoast Regional Economic Development Strategy, and Hunter Regional Plan, and the Forster Employment Land Implementation Strategy

The proposed development was assessed against the relevant provisions of the MidCoast Regional Economic Development Strategy, and Hunter Regional Plan, and the Forster Employment Land Implementation Strategy. In all cases, the proposed residential, retail, industrial and other employment uses were either consistent with, or positively reinforced, the strategy and policy framework.

Provision of advice on how the development proposal will integrate and reinforce the role of the Tuncurry town centre

The proposed retail floorspace at the NTDP site will be in the form of a B2 Local Centre, which will provide convenience and food retailing, rather than comparison retail. The proposed retail component would not negatively affect the health of existing retail centres in Forster-Tuncurry. It would complement, rather than compete with other centres.

1. INTRODUCTION

SGS Economics and Planning has been engaged by Landcom to produce an update to a report produced in 2013, taking into consideration changed market conditions and updated data. The purpose of this updated report is to provide urban economics and planning research for the amount and type of employment land required for a State Significant Site in North Tuncurry.

1.1 Background

This research forms part of a State Significant Precinct Study being conducted for a proposed mixed use and residential development site at North Tuncurry. The site is a 615-hectare site adjoining the coast, directly to the north of and adjoining the Tuncurry Town Centre (Tuncurry TC).

1.2 Scope of Work

As detailed in the study brief, the scope of works includes:

Market Demand and Need Analysis for Retail and Commercial Land Uses

- Conduct an assessment of current and proposed retail and commercial floor space in Forster-Tuncurry, including but not limited to quantum of space, type of space, occupancy /vacancy rates, value, rental rates, etc.
- Provide commentary on historical trends in relation to retail and commercial land use in Forster-Tuncurry.
- Provide commentary on historical and future potential drivers of growth in the retail and commercial sectors.
- Provide advice in relation to current and potential demand for retail and commercial floor space in Forster-Tuncurry and the site.
- Undertake an assessment of potential retail and commercial land uses that may be accommodated on the site, over time.
- Undertake an assessment of opportunities to provide complementary retail and commercial space to space currently provided in Forster-Tuncurry.
- Provide an assessment of the location, quantum of space and type of space suitable for the NTDP, over time.
- Conduct necessary research and consultation to undertake services described above.
- Preparation of a report shaped for the intended purpose, including a brief summary of the project context, an explanation of the methodology, findings, conclusions and recommendations.
- Present report content to Landcom and other stakeholders as required.

Economic Assessment

The Economic Assessment will need to:

- In addition to information and data made available by Landcom, collect all additional data that may be required to inform the Economic Assessment.
- Undertake a broad assessment of the prevailing economic and employment profile of Forster-Tuncurry and region.
- Respond to the specific requirement of the SSP Study requirements, most notably:

- Assess the proposed development against the relevant provisions of the MidCoast Regional Economic Development Strategy, and Hunter Regional Plan, and the Forster Employment Land Implementation Strategy,
- Identify opportunities for development to complement and diversify the economic base of the Forster-Tuncurry area and increase the level of services and facilities and employment.
- Provide advice on how the development proposal will integrate and reinforce the role of the Tuncurry TC.
- Justify the site's ability to achieve the proposed employment and housing targets (as established by the NSW Government and Council) given the existing and proposed policy and strategy framework and market conditions.
- Interrogate exiting literature and market intelligence and make recommendations in terms of commercial floor space areas, retail floor space areas and industrial/employment land provisioning.
- Identify and assess potential staging and delivery options for the development as they relate to the economics of the project.
- Estimate employment initially created by the construction project, and following staged completion, as well as the number of additional jobs generated elsewhere in the region.
- For each component of the proposal assess the impact on the relevant industry in Foster/Tuncurry and the region.
- Preparation of a report shaped for the intended purpose, including a brief summary of the project context, an explanation of the methodology, detailing data assumptions, findings, conclusions and recommendations.
- Present report content to Landcom and other stakeholders as required.

1.3 Method outline

This report is structured into the following sections. The outputs of these sections are combined to provide estimates of job numbers and land requirements.

Market assessment

Supply-side analysis

- Floorspace Audit
- Development pipeline
- Market trends and drivers

Demand forecast

- Employment demand
- Retail demand

Economic assessment

Economic profiling

- Employment profile
- Economic specialisation
- Location quotient
- Growth share analysis
- Shift-share analysis
- Workforce profiling
- Education levels
- Occupations
- Workforce participation
- Unemployment

Strategy and policy test

- MidCoast Regional Economic Development Strategy,
- Hunter Regional Plan, and
- Forster Employment Land Implementation Strategy.

Industry targeting

- Land requirements
- Job yield

Conclusions and recommendations

- Land requirements
- Job yield

2. PLANNING PROCESS

2.1 Background

On 28 February 2011, pursuant to Clause 8 of the former State Environmental Planning Policy (Major Development) 2005 (now the State Environmental Planning Policy (State Significant Precincts) 2005), the Minister for Planning (the Minister) formed the opinion that the North Tuncurry Development Project (NTDP) was a potential State Significant Site (herein referred to as a State Significant Precinct). In doing so, the Minister also formed the opinion that a Study be undertaken to consider a revised planning framework, including amendments to land use zoning and planning controls applicable to the NTDP Site.

It is noted that the State Environmental Planning Policy (Major Developments) 2005 (Major Development SEPP) has now been amended and renamed the State Environmental Planning Policy (State Significant Precincts) 2005. For all intents and purposes, the process and requirements previously set out in Part 2 of the Major Development SEPP were largely transferred to Part 2 of the State Significant Precincts SEPP and are to be construed to be the same thing.

This Study is submitted to the Minister for Planning pursuant to Clause 8 of the State Significant Precincts SEPP. This is to fulfil the Study Requirements issued by the Director General (now Secretary) on 8 December 2011 for rezoning of approximately 615 hectares of land at North Tuncurry in the MidCoast Council (the Site).

2.2 NTDP Vision

NTDP is envisaged as a model for environmentally-sensitive and innovative coastal development. It would be an accessible and diverse seaside village with a mix of retail, employment, housing, open space and community uses focussed around a vibrant mixed-use heart. Development would embrace the cultural heritage of the traditional landowners and integrate with surrounding urban lands as well as the natural qualities of the location. It would provide housing choice and affordability complemented by new local community, recreational and business services.

The Study recommends the amendment of the Great Lakes LEP 2014 to revise the applicable land use zones and planning controls for the NTDP Site.

2.3 Planning Process

Landcom is seeking to introduce a new site-specific planning framework for the NTDP Site, including land use zones, building heights and floor space ratios. Future development on the NTDP Site will need to be assessed against the new framework. More specifically, the proposal by Landcom comprises:

- A rezoning proposal, which sets out the proposed land use zones and objectives for the NTDP, type of development that is proposed to be permitted and prohibited within each of the zones, development standards relating to the maximum height and development potential within the Site, and other matters that will need to be considered when development is proposed in the future. The Great Lakes LEP 2014 is the underlying environmental planning instrument that currently applies to the NTDP Site, reflecting the site was previously under the jurisdiction of the Great Lakes Council.
- *Amendment to the Great Lakes DCP 2014 Forster Tuncurry Site Specific – North Tuncurry* (herein referred to as 'NTDP DCP'), which contains detailed provisions to achieve the purpose of the rezoning and includes built form controls, guidelines for special areas or

precincts within the NTDP Site, pedestrian and vehicular access and car parking, landscaping and public domain, and heritage matters. When adopted, the NTDP DCP will be used as a guide to inform future development outcomes.

Importantly, development consent for the construction of buildings or the carrying out of any other physical works did not, nor does not now, form part of the rezoning proposal. Development consent will need to be separately obtained in the future for the carrying out of development consistent with the new land use framework.

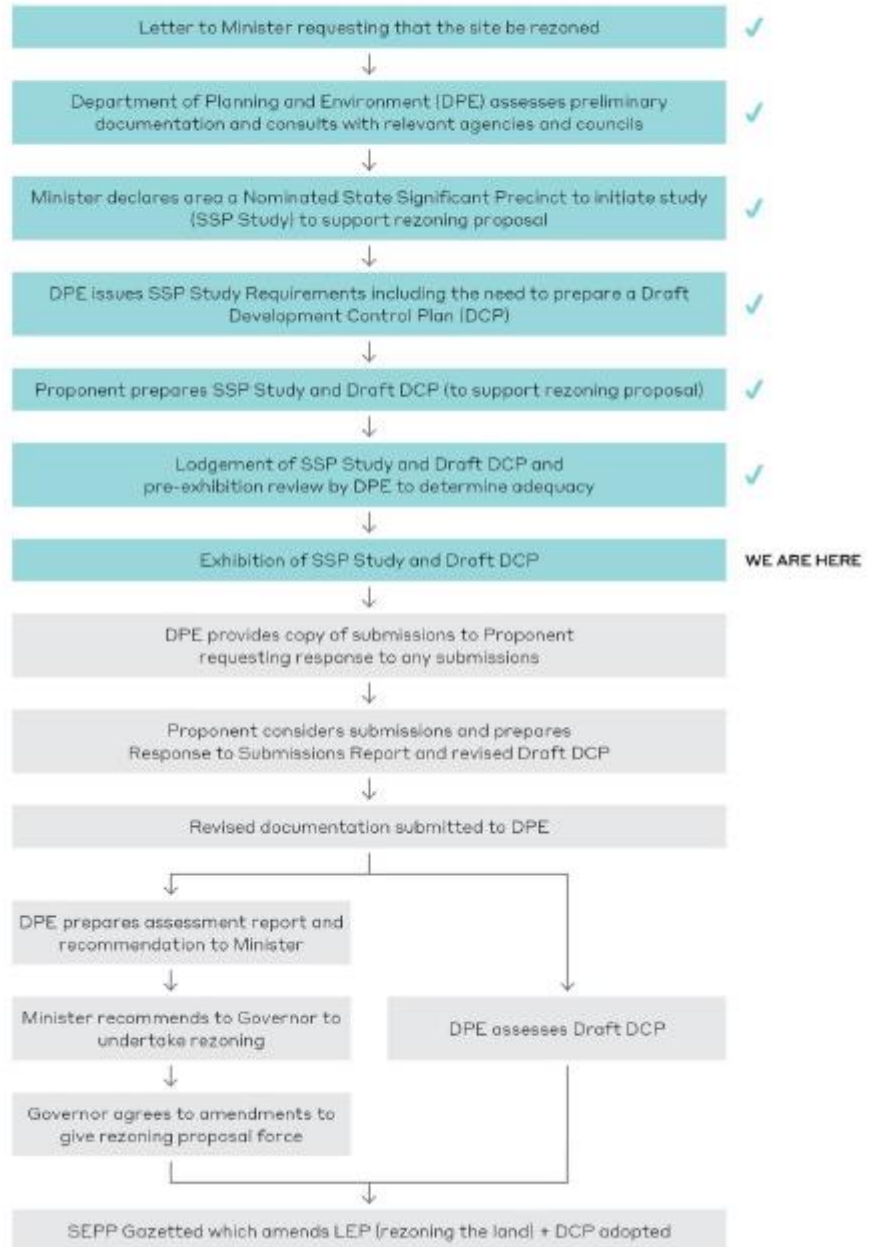
The Department of Planning and Environment, which administers the functions of the Minister for Planning will prepare a draft State Environmental Planning Policy (SEPP) and supporting maps containing the proposed new zoning and development controls. The draft SEPP and maps, when made, will amend the Great Lakes Local Environmental Plan 2014, and replace the current planning controls for the NTDP site with a range of land uses and development controls that are consistent with the NTDP Master Plan as outlined in Section 4.0. The NTDP DCP will be subsequently adopted and will amend the existing Great Lakes Development Control Plan 2014 to insert new site-specific provisions to guide future development on the NTDP Site.

A flowchart illustrating the planning pathway undertaken for the rezoning proposal to date, and the remaining steps, is shown in Figure 1.

FIGURE 1. PLANNING PATHWAY FLOWCHART

Process & Timeline State Significant Precinct and Development Control Plan

**ETHOS
URBAN**



3. SITE CONTEXT AND ASSESSMENT

3.1 Site and position assessment

Tuncurry is located in the MidCoast Council on the entrance to Wallis Lake, approximately 320 kilometres north of Sydney. The land the subject of the SSP Study is a 615-hectare parcel of land located on the eastern side of The Lakes Way, directly to the north of, and adjoining, the NTDP Site. It is an irregular shaped waterfront parcel of land situated on a peninsula that has been created by the Wallamba River.

The NTDP Site enjoys an ocean beach frontage of more than 4.5 kilometres and has a frontage to The Lakes Way and Northern Parkway. It is located within the coastal zone and is low lying and undulating as a result of the presence of a dunal system.

The NTDP Site was formerly used as a commercial pine plantation established to productively use prison labour, prior to being destroyed by wild fire in 1939. It was subsequently bulldozed in the 1950's and has since been generally unutilised. An 18-hole golf course is currently operational on part of the NTDP Site.

FIGURE 2. LOCATIONAL CONTEXT



Source: Ethos Urban, 2018.

The overall vision for the NTDP is for a coastal community offering a diversity of housing typologies, with approximately 2,123 dwellings situated around a new centre, a reconfigured golf course, and new open spaces. Providing new housing and neighbourhood supermarket and specialty stores to support local residents, future development will integrate with the existing Tuncurry-Forster urban area.

Environmentally sensitive urban design is a prominent feature of the Master Plan that underpins the NTDP with the dedication of new conservation lands and incorporation of best practice coastal design. The objective for the NTDP is that it will:

- Be the destination of choice for the NSW 'sea change' market and the aspirational goal for the regional housing market.
- Enhance Forster-Tuncurry as a coastal tourism destination.
- Be an innovative and authentic coastal community with a genuine sense of place that can enhance and expand the existing Tuncurry community.
- Be a new coastal community that reflects local lifestyle, offers housing diversity that is not available elsewhere in the Mid North Coast.
- Provide a unique offering where the beach, golf course and proximity to amenity and services are delivered as an integrated lifestyle package.
- Facilitate the conservation of 327 hectares of land for ecological conservation within the NTDP site and provide the opportunity to dedicate this land to the State Government ensuring long term conservation outcomes.
- Strengthen connections to Nine Mile Beach and the foreshore.
- Celebrate and interpret local culture and heritage.
- Attract employment, tourists, sea- changers and a younger generation.
- Accelerate the growth and activation of a 'heart' at the B2 Local Centre Zone by co-locating daily convenience services and needs with the beach, a new golf clubhouse, community centre, cultural centre, mobile surf club and public gathering places.
- Accommodate a diverse range of residents with shared values as to how they choose to live, move around and recreate.
- Facilitate healthy living through a connected loop of destinations that encourage walking and cycling as a convenient and desirable mode of transport.
- Promote social equity and interaction by rethinking streets, open space and retail as places to meet and gather.

4. SUPPLY SIDE ANALYSIS

This section provides an insight into the different employment markets in Forster-Tuncurry. An analysis of the supply of floorspace in 2013 is provided as well as an assessment of the current development pipeline. Broad and local economic trends for the retail, industrial and commercial markets are examined with reference to the literature, empirical evidence and advice from local real estate agents.

4.1 Floorspace by Precinct

A floorspace audit was carried out in 2013 at four major employment areas within Forster-Tuncurry. The precincts are defined as the following (from South to North):

- Forster South: Forster Stockland Shopping Centre, commercial uses along The Lakes Way and the industrial area along Kularoo Drive
- Forster Town Centre (TC): Forster TC along Wharf Street and businesses surrounding Forster Beach
- Tuncurry Town Centre (TC): Tuncurry TC centred on Manning Street
- Tuncurry Industrial: Tuncurry industrial area around Grey Gum Road

The details of the survey can be found in Appendix 3.

2013 land use survey results

The land use results were described in terms of Broad Land use Categories (BLCs), rather than the ABS ANZSIC (Australia New Zealand Standard Industry Classification) codes. Unlike ANZSIC codes, the BLCs account for business categories that cut across land use types and zones within our study area. A detailed description of the BLC codes is provided in the appendix to this report.

The results of the audit indicated that Dispersed Local (DL) uses are most common overall (40 per cent). Alongside this, Food and Beverage Services (FBS) and Light Service Industrial (LSI) respectively contribute 8 per cent and 11 per cent of the overall floorspace. Forster South and Forster TC in particular contain substantial Dispersed Local (DL) uses. The floorspace survey identified a prevalence of holiday parks, motels, short term accommodation and local recreation facilities within these two precincts.

An updated land use audit has not been provided as part of this report, with the 2013 survey results reiterated. There is evidence that the local economy is performing far better today than it was in 2013. This is likely to mean a land use audit carried out today would have substantially different findings.

Vacancy rate

At the time of the 2013 floorspace audit, vacancy rates in the Forster South suggested that the precinct was functioning well, while high vacancy rates within the Forster TC indicated the opposite. Relatively high vacancy rates within the Tuncurry TC and Tuncurry industrial precinct appeared to suggest economic viability issues within these precincts, and potential structural problems in the longer-term.

Given the relatively buoyant current economic context, it is likely that an audit carried out today would find lower retail and commercial vacancy rates across both the Forster and Tuncurry town centres.

4.2 Capacity assessment

Table 1 indicates vacant lots and buildings for industrial and commercial zones by precinct within Forster-Tuncurry at the time of the 2013 audit. To reiterate, these audit results have not been updated as part of this revised report. These audit estimates revealed that, in 2013, there were approximately 173,000 square metres of vacant land across all precincts. Using conservative build-out ratios for industrial, commercial and retail uses, it was estimated that floorspace capacity in Forster-Tuncurry could be increased by 22 per cent. Industrial land in Tuncurry in particular was judged to have the most potential for future expansion, being theoretically capable of accommodating around 63,000 square metres of additional floorspace. In contrast, Tuncurry TC was estimated to have capacity for a further 3,600 square metres of floorspace, though this was in addition to 6,700 square metres of existing floorspace estimated to be vacant in 2013.

TABLE 1. VACANCY AND CAPACITY

	Forster South	Forster TC	Tuncurry TC	Tuncurry Industrial	Total
Vacant Lots (total sq.m)	25,792	17,726	3,621	126,267	173,406
Industrial floorspace capacity (sq.m)	12,896	-	-	63,134	76,030
Non-industrial floorspace capacity (sq.m)	-	17,726	3,621	-	21,347
Total floorspace capacity (sq.m)	12,896	17,726	3,621	63,134	97,377
% Capacity	6%	15%	7%	140%	22%

4.3 Assessment of the development pipeline

Assessments of the development pipeline within the Great Lakes SA3 and the larger MidCoast Council were completed to supplement the land audit of current uses.

The following development categories were included:

- Residential
- Retail/Commercial
- Mixed use
- Industrial
- Tourism
- Community facilities

The developments were also categorised according to status including abandoned, possible/planned and commenced/complete.

The possible and planned projects for the Great Lakes SA3 are outlined in Table 2. These are all known developments that are at the development application or pre-development application stage. There are a variety of projects planned for Great Lakes SA3, with a particularly large amount of retail/commercial floorspace.

TABLE 2. GREAT LAKES SA3 - POSSIBLE/PLANNED DEVELOPMENTS

Development type	Value (\$)	Floorspace (m2) ¹
Industrial	\$5,116,000	5,375
Mixed use	\$166,500,000	76,598
Residential	\$22,470,000	9,779
Retail/commercial	\$4,496,000	12,862
Tourism	\$10,200,000	1,100

Source: Cordell Connect, 2018.

The development pipeline across the broader MidCoast Council reflects a similar cross section of development types as within the Great Lakes SA3 (refer to Table 3).

TABLE 3. MIDCOAST COUNCIL – POSSIBLE/ PLANNED DEVELOPMENTS

Development type	Value (\$)	Floorspace (m2) ¹
Industrial	\$14,734,000	9,567
Mixed use	\$342,650,000	221,590
Residential	\$71,967,000	6,720
Retail/commercial	\$11,641,000	8,206
Tourism	\$7,467,000	2,695

Source: Cordell Connect, 2018.

The focus for the analysis was commercial (industrial and retail), and mixed-use developments. These developments within Great Lakes SA3 are detailed in Table 4, Table 5, and Table 6. There are a number of projects which have been identified as abandoned or deferred within the Great Lakes SA3 and the MidCoast Council. The developments in the Great Lakes SA3 were further investigated through consultation with agents and Council and are detailed below.

Bluewater apartments Tuncurry (36-48 Manning Street, Tuncurry)

- Proposed demolition of the existing South Pacific Palms Motel and the construction of a combined commercial and residential building with frontage to Manning St and bounded by Manning Lane and Catherine St. The Manning St frontage will be single storey commercial with footway and awning.
- On the ground floor, the development will comprise four shops and restaurant along with 34 carparking spaces and service vehicle parking. The basement level is proposed to allow for 73 carparking spaces and a carwash bay.
- The development will extend to four storeys up along Manning Street towards the commercial centre.
- Setback on the southern end, a taller nine storey residential area will curve around the Catherine St corner.
- In total, the development will comprise 41 three-bedroom units. There will be seven penthouse units that will each have roof decks on level 4 and 9.
- Building cladding will be made up of colourbond roofing and flatplate concrete materials.
- The development has been approved and is currently selling off the plan.

Pindimar Abalone Farm (180/Lot 2 Clarke Street, Pindimar)

- Proposal for the construction of a land-based aquaculture farm for the production of about 60 tonnes a year of Blacklip Abalone for human consumption. The proposed farm

¹ Floor space data not available for all projects

will comprise a series of land-based tanks, sheds and ancillary structures to accommodate the quarantine, breeding and grow-out of Abalone.

- The farm will have a building footprint of approximately 1.2 hectares (about 2.3 per cent of the total site area). Four pipelines will extend from the main farm precinct to the waters of Port Stephens for the intake and outlet of marine water, from the farm precinct to the pumphouse.
- Key features comprise: Broodstock shed, secure building for Abalone quarantine, breeding, single storey building elevated on low piers, GFA approximately 135 square metres, five insulated shipping containers with tanks designated for specified uses: quarantine room; spawning/hatchery area; broodstock conditioning rooms and carparking for eight vehicles.
- Austrasia Leefield is the developer with Bressan Group as project manager.

Forster Civic Precinct development (Solaris) (34-36 West St (Lots 11,12 and 13), Forster)

- Proposal for the construction of four towers of up to 11 storeys over a multi-level podium base to accommodate: self-contained seniors housing units (139 units, 5 x 1, 72 x 2 and 62 x 3 bedroom); four penthouse residential apartments; 84 suite hotel; 18 serviced apartments; 841sq m supermarket; 800 seat cinema; 903sq m GFA of restaurants and retail space (5); 50 place child care centre; nightclub; and community facilities comprising new library, visitor information centre, flexible community spaces, outdoor community plaza and gardens, and a public car park.
- The development is to be constructed in four stages and will be built with concrete walls, performance glazing, concrete floor and a metal roof.
- Approval has been given for this proposal in 2017 from the NSW Department of Planning and Environment with a completion date set for September 2020.
- A development agreement has been entered into between Enyoc and Council for the design and construction of community facilities. Stage 1 of this development has commenced.

Little Street Mixed Commercial (Lot 434 Little Street, Forster)

- Demolition of the former structure has taken place, and construction of a new two-storey building consisting of a restaurant, cafe and dive shop has commenced. Once completed, the development will include a restaurant and bar on the first floor with ground and first floor decks, a dive shop in the south portion of the ground floor and a café on the northern portion of the ground floor.
- Together the restaurant and café will comprise a gross leasable floor area of 150sqm and the dive shop will cover 83sqm.
- This proposal has received development approval subject to conditions in December of 2017.
- The site, known as 'Fisherman's Wharf', formerly comprised a dive shop and boat shed, which were both located within very old structures. The site is located within the Breckenridge Channel towards the southern end of Beach Street.

Manning Street Showroom/workshop (156-158/Lot 1 Manning St, Tuncurry)

- Proposal for the construction of a showroom, vehicle detailing area and external display area. In total the floorspace of the development will be 516sqm and provides carparking spaces.
- The development will be constructed using a concrete floor, tilt planning, metal roof and glass exterior for the showroom.
- Woolworths Service Station (190 The Lakes Way lot 51, Tuncurry)
- Approved proposal for the construction of a new petrol station and associated structures on the 1,938sqm site.

- Facility will include sales and display area for ancillary retail products and accessible toilet facilities. The convenience type store will include a large 10-door refrigerator.
- The proposal includes three lanes of petrol pumps and underground tanks with storage capacity for 195,000 litres.
- In March of 2017, MidCoast Council deferred a meeting to discuss changes to the development application from Woolworths.
- Concerns from residents centred around changes to traffic flow, with the current traffic issues identified in the submission being based on existing arrangements rather than considering changes to the area or its impact on the land adjacent to Tuncurry beach.

Wharf street mixed use development (1 Wharf Street, Tuncurry)

- Proposed demolition of existing structures and the construction of a mixed-use development on the foreshore of Tuncurry at the southern end of the township. The application was submitted in September of 2015.
- The development will comprise eight units, a café and a shop. The ground level will comprise car parking and the café (55sqm), with residential units above. Together, the development is proposed to have 1,206sqm of Gross Floor Area and reach a maximum height of 16.5m.
- The development will include associated car parking and landscaping.

TABLE 4. MIDCOAST COUNCIL – RETAIL/COMMERCIAL DEVELOPMENT

Project title	Area	Development type	Detail	Status	Estimated value (\$)	Project completion date	Project stage
Mcintosh Petroleum	MidCoast	Retail/commercial	Service Station alterations	Planned	\$310,000	20-12-18	Development Approval
Woolworths service station, Tuncurry	MidCoast	Retail/commercial	Service Station	Planned	\$799,000	24-04-20	Development Approval
Chapmans Road Nursery	MidCoast	Retail/commercial	Nursery	Abandoned	\$250,000	27-05-15	Development Approval
Down Under Brewery Resort - Great Lakes International	MidCoast	Retail/commercial	Brewery/pizzeria - 2 storey - phase 1	Abandoned	\$4,000,000	30-05-16	Development Approval
School of the Arts site redevelopment	MidCoast	Retail/commercial	Library/shop/office	Abandoned	\$8,700,000		Early Planning
Little Street mixed commercial	MidCoast	Retail/commercial	Restaurant/café/shop - 2 storey	No further info available	\$998,000		Development Approval
Pacific Highway Nursery & Boutique Winery	MidCoast	Retail/commercial	Nursery/boutique winery	No further info available	\$350,000		Development Approval
The Lakes Way Tavern/Restaurant	MidCoast	Retail/commercial	Tavern/Restaurant	Deferred	\$2,039,000	02-11-18	Development Approval
McDonalds restaurant - Bulahdelah	MidCoast	Retail/commercial	Restaurant	Abandoned	\$1,700,000		Development Approval
McDonalds restaurant	MidCoast	Retail/commercial	Restaurant	Commenced	\$477,000	06-07-15	Construction

Source: Cordell Connect, 2018.

TABLE 5. MIDCOAST COUNCIL - INDUSTRIAL DEVELOPMENT

Project title	Area	Development type	Detail	Status	Estimated value (\$)	Project completion date	Project stage
Pindimar Abalone Farm	MidCoast	Industrial	Abalone Farm	Possible	\$1,800,000	27-11-20	Development Application
Kularoo Drive industrial units	MidCoast	Industrial	Industrial units (10) - 2 storey	Deferred	\$1,776,000	14-09-18	Development Approval
Pacific Highway poultry farm	MidCoast	Industrial	Poultry Farm	Abandoned	\$4,500,000		Sketch Plans
Manning Street showroom/workshop	MidCoast	Industrial	Showroom/workshop	Commenced	\$590,000	11-05-17	Construction
Forster bus depot	MidCoast	Industrial	Workshop	Firm	\$600,000	12-05-17	Contract Let
Warraba Road poultry sheds	MidCoast	Industrial	Poultry sheds	No further info available	\$540,000		Development Approval
Alderley in poultry sheds	MidCoast	Industrial	Poultry sheds (2)	Abandoned	\$460,000		Development Approval
Markwell Road poultry shed	MidCoast	Industrial	Ventilated tunnel	Possible/Planned	\$400,000	25-02-18	Development Approval

Source: Cordell Connect, 2018.

TABLE 6. MIDCOAST COUNCIL – MIXED USE DEVELOPMENT

Project title	Area	Development type	Detail	Status	Estimated value (\$)	Project completion date	Project stage
Forster Civic Precinct development (Solaris)	Great Lakes	MidCoast	Seniors units (139)/ Apartments (4)/hotel/serviced apartments (18)/supermarket	Planned	\$80,000,000	24-10-20	Development Approval
Wharf Street mixed use development	Great Lakes	MidCoast	Units (8)/Café/Shop	Planned	\$1,500,000	07-09-20	Development Application
Bluewater Apartments, Tuncurry	Great Lakes	MidCoast	Units (41)/shops (4)/Restaurant - 9 Storey	Deferred	\$12,000,000	30-06-22	Building Approval
Riverside at Tea Gardens	Great Lakes	MidCoast	Dwellings/community facilities/playing fields	Early	73,000,000	30-06-23	Early Planning
Down Under Brewery Resort - Great Lakes International	Great Lakes	MidCoast	Serviced apartment/hotel/commercial - 4 storey	Abandoned	\$25,000,000	30-05-16	Development Approval
Seven Mile Beach eco-living - overall	Great Lakes	MidCoast	Dwellings (200)/Apartments (118)/Commercial/Community - 5 Storey	Abandoned	\$162,000,000		Development Approval
Tuncurry operational facility	Great Lakes	MidCoast	Office/workshop	Abandoned	\$1,500,000		Sketch Plans
Wallis Street commercial development	Great Lakes	MidCoast	Shops/supermarket/office - 2 storey	Abandoned	\$2,500,000		Development Approval
Beach Street mixed use development	Great Lakes	MidCoast	Apartments (6)/ Retail (2)/ Offices (3) - 5 Storey	Commenced	\$3,325,000	19-07-19	Construction

Source: Cordell Connect, 2018.

4.4 Market trends and drivers

The following section identifies and describes the key economic trends that impact the demand and supply of different types of land uses across Australian centres.

Broader economic trends

Retail

For the retail sector, key trends include ongoing deregulation of shopping hours, an increase in the quantity of floorspace in new supermarkets, a push toward out-of-centre retailing, and the increasing importance of online shopping.

The rise in larger big-box shopping centres and the increase in retailing hours have fundamentally changed the 'where' and 'when' of consumer shopping habits with changing demand patterns increasingly weekend trade, the role and function of smaller neighbourhood centres diminishing². This problem is accentuated by a lack of capacity to develop new and improved car parking infrastructure in established centres relative to new shopping centres in greenfield locations where land is available and/ or inexpensive.

Online shopping in Australia is becoming increasingly important – particularly among those living in regions less well serviced by high-quality retail centres (in particular residents of outer-metropolitan and regional centres). Retail sub-sectors most vulnerable to the rise of online shopping are those selling items such as books, music, clothing, sporting goods, electrical and electronic goods and cosmetics. In general, bricks and mortar retailers whose offer has a higher 'service component' are better able to retain customers, as well as those who sell items less conducive to storage and shipping (i.e. food).

Figure 3 highlights the rapid growth in online retailing that has occurred in recent times. Between 2009 and 2016, the volume of expenditure passing through online sales channels grew by more than 150 per cent, from \$10.6 million to \$26.9 million over the period. Over the same period, the proportion of total retail expenditure attributable to online sales grew from 4.6 per cent to 9.0 per cent. This trend is expected to continue in coming years.

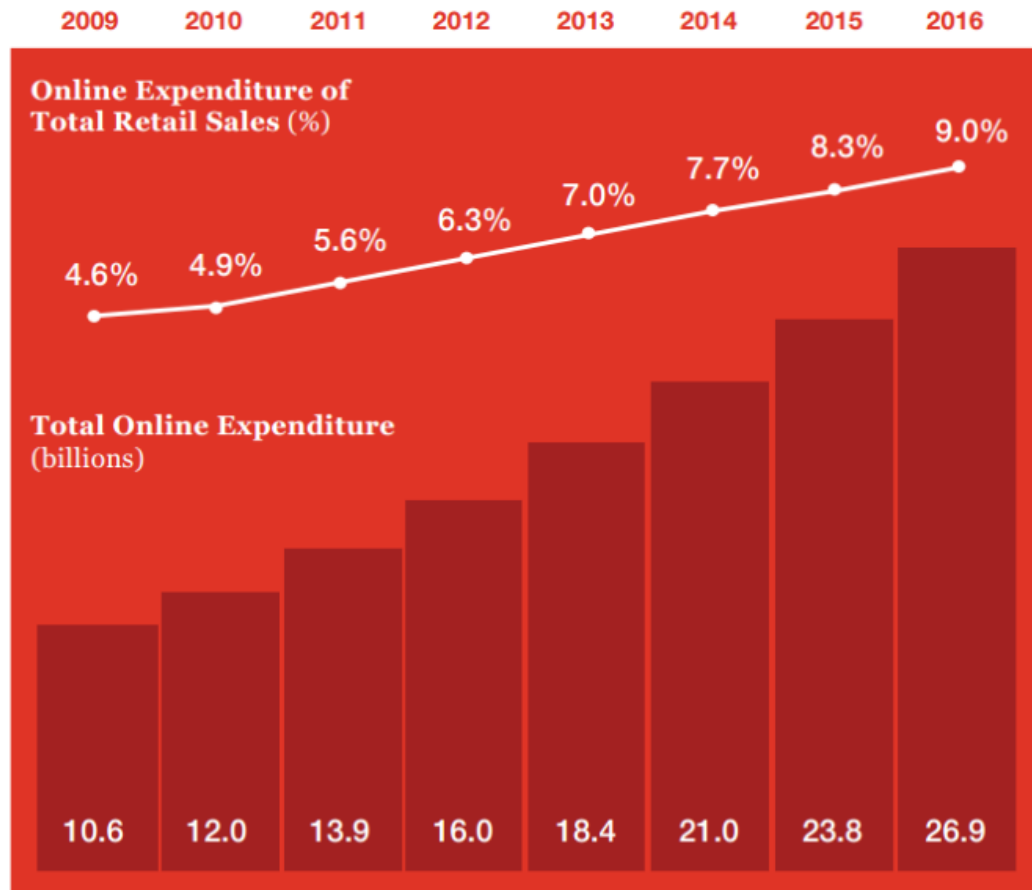
Retailers have been forced to adapt to the threat of online retail by leveraging the advantages of place-based retailing. Some retailers/ retail centres have been successful in driving retail expenditure through a mix of the following strategies:

- A focus on the 'local', including supporting local supply chains and producers;
- A focus on retail as an experience, including curation of public and semi-public spaces;
- A shift towards the provision of services that are unable to be provided online;
- Enhancement of the customer service component of retailing; and
- Use of a dual sales channel approach which provides the 'best of both worlds' to customers, leveraging online sales technologies whilst using bricks and mortar stores to drive sales, i.e. visiting a store to try clothes, and purchasing online using in-store technology.

² Wood, S., Sneesby, T., & Baker, R. G. (2012). 'Maintaining town centre vitality in competitive environments: pedestrian movements, land-use and built-form in Armidale and Tamworth, NSW.' *Australian Planner*, 49(2), 172-187.

FIGURE 3. VALUE OF INTERNET COMMERCE IN AUSTRALIA, 2009 TO 2016

Australian Online Shopping Expenditure Forecast



Source: PriceWaterhouseCoopers

Commercial

Traditionally in Forster-Tuncurry, commercial office space was located within centres with retail, civic buildings and community facilities typically clustering together. Manning Street, Tuncurry and Wharf Street, Forster were examples of traditional urban centres which accommodated the bulk of retail and commercial activity in the region³.

Broader changes in the economy and the growth of new technologies have seen a shift towards decentralised office locations in business park developments and the location of commercial activities within industrial zones. These industrial zone-based business park developments offer a number of advantages:

- Single ownership structure, allowing for targeted and restricted access for operators and industries.
- Well-located in terms of access to an appropriately skilled workforce.
- Access – they are typically strategically located close to a network of major arterial roads, providing access to the greater region.

³ Hill PDA, *Forster-Tuncurry Employment Land Implementation Strategy*, November 2009.

- Relatively low property prices – the result of low levels of speculative purchases due to a high proportion of owner-occupiers, as well as zoning that precludes all but low-density commercial/ industrial uses.

The trend for offices to locate in business parks is much more pronounced in larger metropolitan areas, however this trend is noted within Forster-Tuncurry. The land audit revealed that uses that have traditionally locate in-centre or edge-of-centre, such as health and fitness centres, were instead choosing to locate in industrial areas.

Industrial

Industrial uses are broadly of two types – they can be driven by the local population, or they can be built on regional comparative advantages in a particular sector, such as access to infrastructure assets, natural resources and skilled labour.

Demand for industrial floorspace has been heavily influenced by the globalisation of trade, with high labour and land costs in Australia combining with liberalisation of trade and growth of manufacturing in parts of Asia combining to make many industrial sub-sectors in Australia uncompetitive. Manufacturing in NSW is expected to continue to decline in importance relative to other rapidly growing, service-oriented sectors.

That said, there is evidence that the decline in industrial employment is slowing or even reversing, with low-skilled production line employment declines being offset by increased numbers of workers in highly-skilled research and product and process development roles. Whilst manufacturing in NSW will never again reach the peaks of the 1960 and 1970s, it appears to have ‘bottomed out’, with the sector likely to be driven in future through the employment of highly-educated workers in high value-add activities.

With new jobs in industry likely to require highly-educated workers, the bulk of these jobs will locate close to worker clusters in Australia’s key cities. In locations such as Forster-Tuncurry, demand is likely to be driven by population-driven urban services (such as car service and repair, joinery, construction and building supplies and domestic storage) and warehousing and distribution.

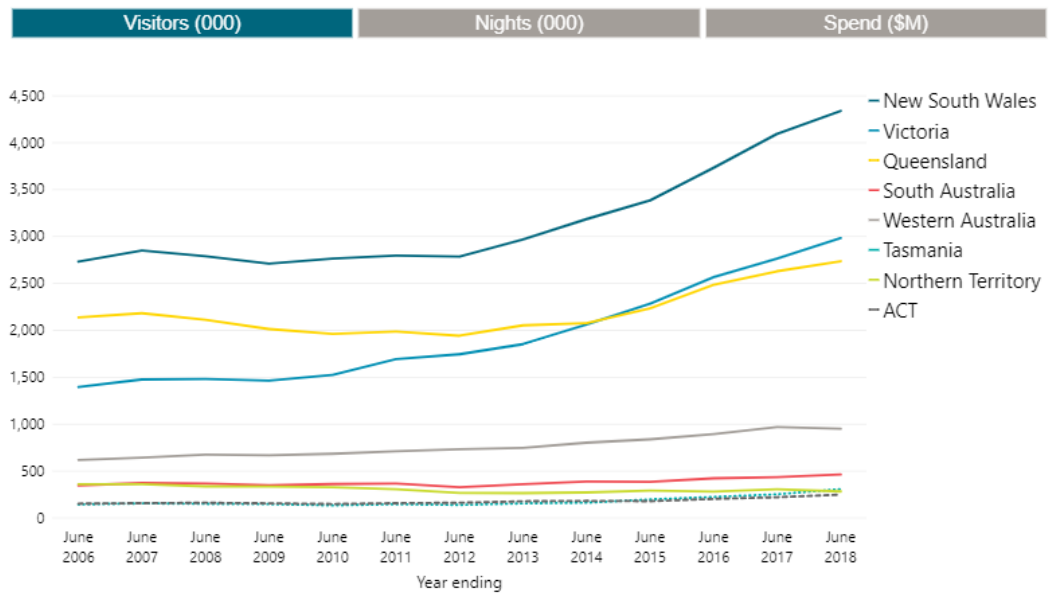
Tourism

Tourism visitation has grown strongly in the years after the GFC, with strong growth in international visitation in particular driven by a rapidly-growing middle class in countries such as China and India. New South Wales remains by far the most popular destination for foreign arrivals, with around 4.5 million visitors in 2018 – around 50 per cent higher than Victoria, the next most popular destination.

Growth in tourism has also been supported by an uptick in investment in Australia’s tourism infrastructure.

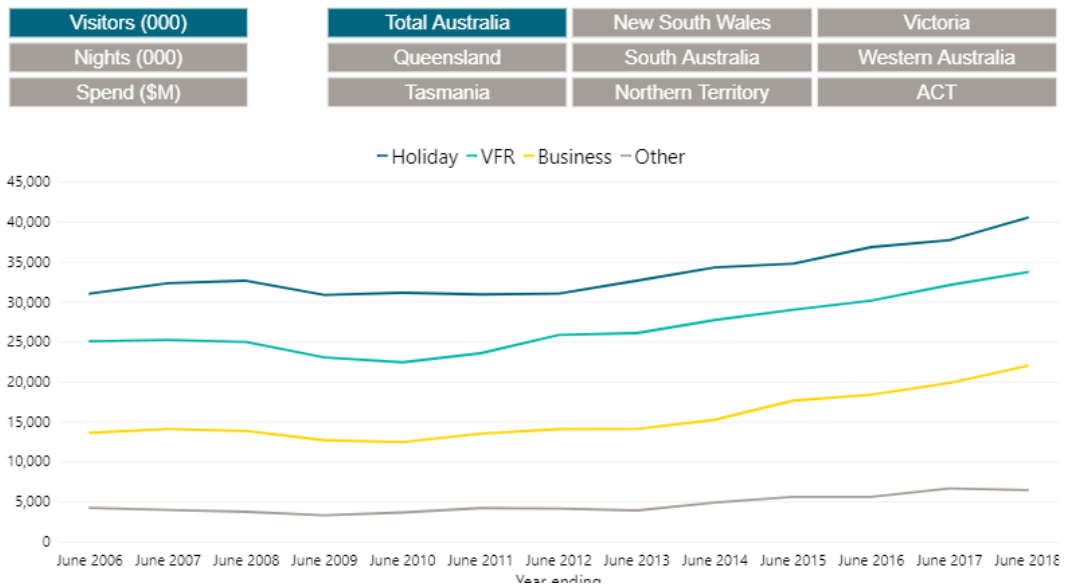
Growth in visitation has been driven by overseas-based visitors in recent years, with growth in domestic tourism relatively flat. This is partly explained by an Australian dollar that is relatively strong in historic terms. A decline in the buying power of the Australian dollar is likely to make Australian exports (including tourism) more competitive for international tourists, as well as more attractive for Australian holidaymakers.

FIGURE 4. OVERSEAS OVERNIGHT VISITORS, AUSTRALIA, 2006 TO 2018



Source: Tourism Research Australia, *Travel by Australians*, December quarter 2011, Data source: ABS Cat. No. 3401.0

FIGURE 5. DOMESTIC TOURIST VISITATION, AUSTRALIA, 2006 TO 2018



Local trends

Analysis of market data, alongside consultation with real estate agents reveals a number of local trends occurring within the retail, commercial and industrial markets in Forster-Tuncurry.

In recent years, the real estate market in Forster-Tuncurry has performed well, with growth in the local population, generally strong economic conditions and increases in tourist activity driving robust retail and service expenditure in local retail centres. This improved economic performance is reflected in a lower unemployment rate. Engagement with local stakeholders reveals that the future growth of Forster-Tuncurry may be constrained by a lack of available supply of residential land.

Retail, commercial and industrial markets in Tuncurry and Forster are characterised by high demand and low vacancy rates

Consultation reveals that there is significant buoyancy within the market for commercial and retail floorspace, with strong demand for floorspace – particularly that located in prominent locations. In recent times, when retail or commercial floorspace has become available it has in general been snapped up relatively quickly. This contrasts sharply with the situation that prevailed a number of years ago, when demand for spaces was relatively low.

TABLE 7. MARKET RENTS

Land use category	Observed lease range (\$/sqm), 2016-18
Retail	\$350-\$550
Commercial	\$250 - \$400
Industrial	\$80 - \$100

Source: Commercialrealestate.com.au, RP Data, SGS Economics and Planning, 2018

The presently buoyant commercial environment is highlighted by the fact that a number of significant developments are presently underway or planned in Forster. These are set out in the table below.

TABLE 8. DEVELOPMENTS PRESENTLY UNDERWAY IN FORSTER-TUNCURRY

Development name	Location	Category	Details
Astina Apartments	Forster CBD	Serviced Apartment	6x 2 bedroom apartments
The Cove Forster (pictured)	Forster CBD	Apartments	
Forster Grange	South Forster	Land release	41 individual lots, mostly between 450 and 500 sqm
Forster Precinct	Forster CBD	Civic facility, commercial uses	New Council office, including library, as well as various commercial uses
The Rockpool on Kent	Tuncurry	Apartment	35 luxury dwellings

Tourism has an important role in the local economy, though it is vulnerable to broader economic factors

Expenditure relating to tourism and visitation has historically played an important role in underpinning the Forster-Tuncurry economy. At present, the sector is performing relatively well, which in part explains the strong performance of the town's retail and commercial precincts. This is in contrast to the situation as recently as 2012, when a combination of reduced local consumer spending and the high value of the Australian dollar (which made Australian tourism relatively expensive for both local and foreign tourists) combined to reduce the number of visitors to the Forster-Tuncurry region.

Whilst tourism is presently buoyant, the sector is vulnerable to external influences, including those mentioned above. Ultimately, travel and tourism are luxury goods, with demand generally highly sensitive to changes in an individual's current or expected future wealth. Further, Australian tourism competes with foreign tourism, so when it becomes more expensive relative to foreign destinations, demand declines.

Table 9 shows changes in key tourism indicators in Forster-Tuncurry between December 2013 and December 2015 (the most recent December date for which the ABS has produced data). The improvement in local tourism is highlighted by the increase in room occupancy from 45.5 per cent to 53.3 per cent in only two years, with takings from accommodation increasing by around 25 per cent over the same period.

TABLE 9. TOURISM IN FORSTER-TUNCURRY, 2013 AND 2015

Measurement	Dec 2013 Quarter	Dec 2015 Quarter
Number of establishments	13	14
Room occupancy rate	45.5%	53.3%
Takings from accommodation	\$1,950,000	\$2,448,000
Average takings per room night occupied	\$145	\$148

Source: Australian Bureau of Statistics, Tourist Accommodation, Small Area Data, New South Wales, December 2013 and December 2015

5. DEMAND FORECAST

This section provides the forecast demand for the amount and type of retail and other commercial uses for the NTDP site. The relationship to the Tuncurry TC is considered so that potential negative impacts are avoided. The site attributes and economic profile aspects are assessed to determine the target industries for the NTDP site. The land requirements for the site are provided based on the forecast floorspace requirements.

5.1 Employment demand

Forecasts for a range of different employment land uses (excluding retail) have been produced. The employment growth rates have been based on a combination of the historical trend, national industry forecasts and local factors. The employment growth rates were applied to the recorded floorspace (from the audit) to derive the floorspace forecasts up to 2036. The forecasts by ANZSIC industry were converted to forecasts by BLC using the ANZSIC-BLC relationship obtained from the land use audit.

Table 10 shows the quantity of floorspace by broad land use category (BLC) required to accommodate employment growth within the Great Lakes SA3 to 2036. The BLC forecasts have been allocated to different areas in line with the planning strategy and policy framework as well as their current distribution. It is estimated that the number of people employed in the Tuncurry region will grow by around 2,000, to around 12,200 by 2036. This increase in employment will generate demand for a total 96,000 square metres of employment floorspace.

TABLE 10. EMPLOYMENT FORECAST

Broad land use	Change (2016-36)
Office	1,904
Retail – big box	1,261
Bulky goods retail	2,521
Retail – main street	17,004
Dispersed activities	72,672
Special activities	6,753
Service industry and urban support	7,087
Manufacturing – Light	-11,132
Freight and logistics	-2,803
Urban services	292
TOTAL	95,559

Source: ABS Census, 2016; SGS, 2018.

5.2 Retail demand

The scope of work requires identification of detailed retail/commercial land use requirements demanded by the future residents at NTDP.

In this sub-section, a retail demand analysis is completed in following steps:

1. Forecast the retail expenditures that will be generated by the residents gradually moving to the site over time
2. Apportion the resident retail expenditures to different centres within a retail hierarchy
3. Estimate the demand for additional retail floorspace at each centre type
4. Allocate the additional retail floorspace demand to the retail hierarchy that existing centres in Tuncurry and Forster operate within.

Step 1: Forecast retail expenditures

Development Staging

Based on an assumed take-up rate of 75 dwellings per annum (as advised by Landcom), we have adopted the following development staging for the purpose of the retail analysis.

TABLE 11. DEVELOPING STAGING FOR NTDP

	2026	2031	2036	2041	2046	2050
Lots/ dwellings	375	750	1,125	1,500	1,875	2,123
Residents	825	1,650	2,475	3,300	4,125	4,670

Source: Based on the take-up rate advised by Landcom, 2013

According to this, it is assumed that the precinct will supply 2,123 dwellings over 29 years from mid-2021 and the last lot will be released and developed in 2050. Using an average occupancy rate of 2.2 persons per household, the precinct is expected to home 4,670 residents by 2050.

Resident Income Profile

The retail expenditure of incoming resident population has been based on a per-capita basis derived from the national average and adjusted for the income profile of households likely to occupy the dwellings in NTDP.

For the purpose of this assessment, the income profile of future residents has been based on:

- The target market profile identified by Landcom (see table below)
- The income profile of market segments (represented by family/tenure types) in Forster

TABLE 12. TARGET MARKET SEGMENT

Market segment	% of total residents
Purchasers	
- Couple families with no children	45%
- Couple families with children	40%
- Other	5%
Renters	10%
TOTAL	100%

Source: UrbanGrowth NSW Marketing, 2013

The assumed income profile of future households at NTDP is provided in the following table, together with the national average.

TABLE 13. PROPORTION OF HOUSEHOLDS IN EACH WEEKLY INCOME BRACKET, 2016

	Low income range	Lower-middle income range	Middle income range	Upper-middle range	Upper range	TOTAL
<i>Weekly income</i>	\$0-\$599	\$600-\$999	\$1,000-\$1,499	\$1,500-\$2,499	>\$2,500	
Australia	18%	16%	17%	25%	25%	100%
NTDP (probable)	16%	30%	22%	19%	13%	100%

Source: ABS Census, 2016

The table shows that residents moving to the NTDP are likely to be lower-middle income earners, with an estimated 52 per cent expected to be in the lower-middle, or middle-income categories. Across Australia, only 33 per cent of households have income profiles that put them in these categories. The data shows relatively few high earners will move to the NTDP. An estimated 13 per cent of future residents will be in this category, compared with 25 per cent of Australian households overall.

Per-Capita Retail Expenditure Forecast and Income-Based Adjustment

Next, the assumed income distribution has been applied to the 2015/16 National Household Expenditure Survey data (by income bracket and retail type) to derive expenditure at the local level. The average expenditure at the national level is then compared to the average of the derived expenditure at the local level. This forms the basis for the variation in expenditure (by retail type) between Australia and the NTDP.

Using time series data in the ABS Retail Turnover quarterly release, per-capita national retail expenditure by retail type has been extrapolated to derive projected five-yearly national forecasts. The average variation in expenditure (by retail type) between Australia and the precinct is then applied to the national retail forecast to derive site level projections.

As an example of the outcome of this process, the table below shows the per-capita expenditure comparison for 2021. The 'Total' column in Table 13 shows that, on average, each future resident of the precinct is estimated to spend around \$12,134 on retail goods and services in 2021. This is about \$979 less than the average spending of residents nationally. For this assessment, it should be noted that all values are in 2017 dollars.

TABLE 14. PER CAPITA RETAIL EXPENDITURE 2021, IN 2016 DOLLARS

	Supermarkets	Other foods	Dept stores	Clothing	Household goods	Other retail	Hospitality services	Total
Australia	\$4,165	\$918	\$823	\$1,236	\$2,437	\$1,893	\$1,641	\$13,113
North Tuncurry (assumed)	\$3,904	\$861	\$788	\$998	\$2,267	\$1,822	\$1,495	\$12,134

Source: SGS Economics and Planning, 2018 based on ABS Retail Trade time series

Total Retail Expenditure Forecasts

The following table shows the projected expenditure by retail category of residents at NTDP from 2021 to 2050. If the precinct is to be fully developed to its maximum capacity (of 4,670 residents) by 2050, the total retail expenditure generated by residents within the precinct is forecast to reach approximately \$69.54 million.

TABLE 15. PROJECTED TOTAL RETAIL EXPENDITURE IN NTDP, IN 2016 DOLLARS

Retail categories	2026	2031	2036	2041	2046	2050
Supermarkets	\$3,220,700	\$6,682,562	\$10,362,011	\$14,135,991	\$18,079,222	\$20,831,698
Other food	\$710,025	\$1,497,128	\$2,359,135	\$3,264,462	\$4,234,887	\$4,929,295
Department Stores	\$650,466	\$1,260,366	\$1,825,060	\$2,317,565	\$2,759,040	\$2,991,682
Clothing	\$823,303	\$1,827,715	\$3,032,254	\$4,368,280	\$5,899,656	\$7,047,606
Household goods	\$1,870,004	\$4,032,015	\$6,496,960	\$9,156,830	\$12,099,053	\$14,257,382
Other retail	\$1,503,274	\$3,204,766	\$5,105,789	\$7,130,660	\$9,336,151	\$10,935,585
Hospitality and services	\$1,233,026	\$2,598,649	\$4,092,903	\$5,661,224	\$7,341,089	\$8,542,376
Total	\$10,010,799	\$21,103,202	\$33,274,113	\$46,035,013	\$59,749,099	\$69,535,625

Source: SGS Economics and Planning, 2018.

Step 2: Apportion expenditures to different centre types

Based on previous research and results from previous expenditure surveys, the following apportionment of retail expenditure between centre types has been adopted for the purpose of this high-level analysis:

- B2 Local Centre: 22 per cent
- Sub-regional centre: 35 per cent
- Regional centre: 33 per cent
- CBD centre: 10 per cent

These percentages apply to large metropolitan areas and vary in different retail environments, as a result of both demand and supply forces. In the case of Forster-Tuncurry, the TCs would likely absorb some of the sub-regional centre floorspace, while the Forster Stockland would attract regional centre expenditure.

The following table shows the retail expenditure associated with the incoming residents and how that expenditure is likely to be allocated to each centre type within a retail hierarchy.

TABLE 16. ASSUMED DISTRIBUTION OF RETAIL EXPENDITURES BY CENTRE TYPE AND RETAIL CATEGORY, IN 2016 DOLLARS

	% distribution	2026	2031	2036	2041	2046	2050
CBD Centre	10%	\$1,001,080	\$2,110,320	\$3,327,411	\$4,603,501	\$5,974,910	\$6,953,563
Regional Centre	33%	\$3,303,564	\$6,964,057	\$10,980,457	\$15,191,554	\$19,717,203	\$22,946,756
Sub-regional Centre	35%	\$3,503,780	\$7,386,121	\$11,645,940	\$16,112,255	\$20,912,184	\$24,337,469
B2 Local Centre	22%	\$2,202,376	\$4,642,704	\$7,320,305	\$10,127,703	\$13,144,802	\$15,297,838
Supermarkets	66%	\$1,453,568	\$3,064,185	\$4,831,401	\$6,684,284	\$8,675,569	\$10,096,573
Other food	11%	\$242,261	\$510,697	\$805,234	\$1,114,047	\$1,445,928	\$1,682,762
Household goods	2%	\$44,048	\$92,854	\$146,406	\$202,554	\$262,896	\$305,957
Other retail	6%	\$132,143	\$278,562	\$439,218	\$607,662	\$788,688	\$917,870
Hospitality and services	15%	\$330,356	\$696,406	\$1,098,046	\$1,519,155	\$1,971,720	\$2,294,676

Source: SGS Economics and Planning, 2018.

In the same table, the retained expenditure at a B2 Local Centre has been further broken down by retail category based on typical store/commodity composition of a supermarket-based centre. Following is the assumed split of the retail turnover at a B2 Local Centre.

- Supermarket: 66 per cent
- Other food speciality shops (for example, butchers and bakeries): 11 per cent

- Household Goods (for example, manchester, homewares and electronic equipment): 2 per cent
- Other Retail (for example, gardening supplies, health and beauty products, pet care products): 6 per cent
- Hospitality and Services (for example, cafes and restaurants): 15 per cent.

Step 3: Estimate retail floorspace demand

To estimate the retail floorspace demand generated by incoming residents at the NTDP, we have applied a set of benchmark Retail Turnover Density (RTD) to the retail expenditure allocated to each centre type (in step 2). Those RTDs represent the average trading performance of each centre type, as reported in the Urbis Retail Averages, and are measured in turnover per sqm Gross Leasable Area (GLA).

Note that the Urbis RTD for a single-supermarket based centre has been discounted by 20 per cent to estimate the average RTD for a B2 Local Centre in this case. This is to reflect lower rents for street-front shops, compared to shops within an enclosed shopping centre the Urbis figures are supposed to represent.

The table below shows the resultant floorspace demand by centre type. NTDP residents are expected to demand additional retail floorspace of just under 11,000 sqm GLA by 2050, of which around 2,500 sqm are likely to be retained at the B2 Local Centre.

TABLE 17. RETAIL FLOORSPACE DEMAND BY CENTRE TYPE, SQM (GLA)

	Benchmark RTDs	2026	2031	2036	2041	2046	2050
CBD Centre	\$6,286	159	336	529	732	951	1,106
Regional Centre	\$6,261	528	1,112	1,754	2,426	3,149	3,665
Sub-regional Centre	\$6,537	536	1,130	1,782	2,465	3,199	3,723
B2 Local Centre	\$6,134	359	757	1,193	1,651	2,143	2,494
TOTAL		1,582	3,335	5,258	7,275	9,442	10,988

Source: SGS estimates based on RTDs from *Urbis Retail Averages*, 2013.

The following table provides a breakdown of B2 Local Centre floorspace by retail category. For example, around 1,556 sqm of supermarket floorspace will be required by 2050 within a B2 Local Centre to satisfy the needs of local residents.

TABLE 18. B2 LOCAL CENTRE FLOORSPACE DEMAND BY RETAIL CATEGORY, SQM (GLA)

	Benchmark RTDs	2026	2031	2036	2041	2046	2050
Supermarkets	\$6,488	224	472	745	1,030	1,337	1,556
Other Food	\$7,630	32	67	106	146	189	221
Household goods	\$3,145	14	30	47	64	84	97
Other retail	\$3,647	36	76	120	167	216	252
Hospitality and services	\$6,229	53	112	176	244	317	368
TOTAL floorspace at B2 Local Centre		359	757	1,193	1,651	2,143	2,494

Source: SGS estimates based on RTDs from *Urbis Retail Averages*, 2013.

Step 4: Add demand to the existing retail hierarchy

Lastly, the floorspace demand (shown in Table 16) is added to the respective centres in the existing retail hierarchy. To determine the amount of retail floorspace for a potential B2 Local Centre it is important to consider the potential impacts that any floorspace in the NTDP might have on the Tuncurry TC. In particular, any proposed floorspace needs to complement, rather than compete with the Tuncurry TC.

With regards to the floorspace demand for higher order centres, this process has been relatively straightforward. This is largely due to the fact that additional floorspace demanded will not be sufficient to support a new stand-alone centre until beyond 2040. Therefore, the floorspace has been simply added to the corresponding centres that are nearest to the precinct. For example, the additional retail floorspace demand for a CBD centre (around 1,106 sqm) is likely to be accommodated at Newcastle CBD, whereas the 7,388 sqm of floorspace demand for a sub-regional/regional centre is more likely to be split between the Tuncurry TC and the Forster Stockland Shopping Centre.

For the proposed B2 Local Centre approximately 1,281 sqm of floorspace is proposed for a supermarket / grocery type floorspace, while around 772 sqm is proposed for other retail, which would include cafes, takeaway food, newsagents, etc. This convenience type retail would be necessary to service the incoming population on the NTDP site. It is unlikely that this would attract expenditure from outside of the NTDP site and away from the Tuncurry TC.

Sensitivity of market share

In order to ascertain the sensitivity of the projections to the retention rate, the impact of alternative rates has been tested. The base case was modelled assuming that 22 per cent of total retail expenditure in the NTDP would be captured by the B2 Local Centre. Floorspace demand using a higher retention rate of 25 per cent and lower retention rate of 19 per cent have been modelled. The results are shown below.

TABLE 19. FLOOR SPACE DEMAND (SQM) FOR B2 LOCAL CENTRE: HIGH SCENARIO

	Benchmark RTDs	2026	2031	2036	2041	2046	2050
Supermarkets	\$6,488	255	537	846	1,171	1,520	1,768
Other Food	\$7,630	36	76	120	166	215	251
Household goods	\$3,145	16	34	53	73	95	111
Other retail	\$3,647	41	87	137	189	246	286
Hospitality and services	\$6,229	60	127	200	277	360	419
TOTAL floorspace at B2 Local Centre		408	860	1,356	1,876	2,435	2,834

Source: SGS, 2018

TABLE 20. FLOOR SPACE DEMAND (SQM) FOR B2 LOCAL CENTRE: LOW SCENARIO

	Benchmark RTDs	2026	2031	2036	2041	2046	2050
Supermarkets	\$6,488	193	408	643	890	1,155	1,344
Other Food	\$7,630	27	58	91	126	164	190
Household goods	\$3,145	12	25	40	56	72	84
Other retail	\$3,647	31	66	104	144	187	217
Hospitality and services	\$6,229	46	97	152	211	273	318
TOTAL floorspace at B2 Local Centre		310	654	1,031	1,426	1,851	2,154

Source: SGS, 2018

The high scenario results in demand for approximately 2,834 sqm (assuming a 25 per cent share of local residents' expenditure), while the low scenario suggests demand for 2,154 sqm (assuming a 19 per cent share of local residents' expenditure). In broad terms, the sensitivity tests suggest that a neighbourhood centre would be supported by the new population.

Impact considerations

SGS's retail demand forecast for the NTDP site is inherently conservative, with an assumption that only 22 per cent of expenditure attributable to income residents is spent at a B2 Local Centre. Given the anticipated low impact of the new centre, a detailed retail simulation model to test impacts on the broader region is not considered necessary.

Nevertheless, the potential impact of supermarket / grocery floorspace has been considered. Whilst the centre is earlier in the decade, the Tuncurry TC was under-performing, in recent years the local economy has 'bounced back', and the retail and commercial sector is performing strongly. Given this, and anticipated further growth in tourism expenditure, the establishment of a centre in the NTDP is expected to have little impact on the ongoing viability of existing centres.

A small supermarket is likely to be required to underpin the viability of a B2 Local Centre in NTDP and would also make the development more attractive to potential buyers. A vibrant and viable B2 Local Centre would increase accessibility for incoming residents and would promote increased walkability. If the NTDP is considered for retirement living and aged care residents, then a local supermarket would also be desirable. It is unlikely that a small 1,500 square metre supermarket would attract residents from outside of the precinct, considering a 4,000 square metre full-line Woolworths is located nearby. Furthermore, the additional expenditure generated above the B2 Local Centre level will have a positive impact on retail businesses off-site.

The NTDP Master Plan proposes 2,292 square metres of retail floorspace for the site. This amount of floorspace is within the range identified through the sensitivity test conducted in the preceding section.

The amount of additional floorspace (broken down by centre type) attributable to the development of the NTDP by 2050 is shown in the table below.

TABLE 21. RETAIL FLOORSPACE ALLOCATION, SQM (GLA)

Centre type	Benchmark RTDs
CBD (Newcastle)	1,106
Regional centre (Forster Stockland)	3,665
Sub-regional centre (Tuncurry)	3,723
B2 Local Centre (NTDP)	2,494
TOTAL floorspace	10,988

Source: SGS Economics and Planning estimates, 2018.

Floorspace timing

The timing of floorspace provision is an important consideration to ensure that any development does not attract expenditure from other nearby areas to remain viable. For example, if a full-line supermarket was proposed for the site, then it would be important to ensure that it could be supported without unreasonably undermining retail trade in the Tuncurry TC.

However, given that the nature of retail provision (i.e. neighbourhood, convenience retail) is likely to only capture onsite resident expenditure, then there is no compelling need to provide a timing requirement for the B2 Local Centre. Instead, land should be reserved for a B2 Local Centre and market forces should guide development take-up.

6. ECONOMIC ASSESSMENT

This section examines the economic profile for the MidCoast Council and the relevant planning strategies and policies applying to the site. The economic profile reveals that Great Lakes has a high concentration of retail and accommodation industries, underpinned by the local population and the tourism industry.

6.1 Economic profiling

Economic profiling of the Great Lakes SA3 was conducted to understand its economic performance including specialised, emerging and declining industries. A comparative analysis of the Great Lakes SA3 against two benchmark regions (the MidCoast Council and NSW) was completed to understand its performance in context. The MidCoast Council is a newly formed LGA comprising the former LGAs of Great Lakes, Gloucester Shire and Greater Taree. The detailed economic profile can be found in Appendix 2.

An understanding of the employment profiling (size and growth of industries), employment specialisation and labour force characteristics is important to determine the targeted industries of employment for the NTDP.

6.2 Employment Profiles

The size and growth rate of industries of employment for the Great Lakes SA3 has been analysed.

Assessing employment by industry category (1-digit ANZSIC) for 2016, the three largest sectors of employment for the Great Lakes SA3 were:

- Health care and social assistance (16.0 per cent),
- Retail trade (13.8 per cent), and
- Accommodation and food services (11.7 per cent).

This pattern is also reflected within the wider MidCoast Council though less so across NSW, where jobs in relatively highly skilled, higher paid service sector industries take up a greater share of total employment.

Between 2011 and 2016, the largest proportional growth in employment share by industry sector was experienced in health care and social assistance (+3.3 per cent), with the largest decline in share of total employment witnessed in manufacturing (-2.1 per cent) and construction (1.2 per cent). The growth in health care and social assistance reflects the appeal of the region among elderly cohorts.

One of the three largest industry sectors – retail trade – has experienced relative declines in employment share over the past decade, reflecting the evolution of a more diverse local economy.

Changes in employment between 2011 and 2016 were also assessed at a finer grain 4-digit ANZSIC level for the top 20 industry sectors. Although many sectors were relatively stable, there were a number of notable exceptions. House construction, takeaway, accommodation and road freight all experienced a decline in the number of people employed, while, on the other hand, employment increased in aged care residential services, hospitals, secondary education, clubs (hospitality), building and other industrial cleaning services, supermarket and grocery stores, and cafes and restaurants.

6.3 Economic Specialisation

The specialisation of economy of the Great Lakes SA3 was also assessed. The degree of specialisation was measured by applying a number of analytical tests including a location quotient, growth share and shift-share analysis.

For the purposes of this study specialisation does not necessarily imply a competitive or comparative advantage. Some industries may be more prominent than others, indicating a degree of regional specialisation. A relatively high number of employees within a particular sector may indicate that a given industry is relatively strong based on a comparative or competitive advantage and could imply that it the sector is 'export focused', serving markets beyond the local region. Alternatively, the specialisation may indicate a local economy that is relatively undiversified, heavily reliant on a small number of industry sectors. To an extent, there is an element of scale associated with economic diversification. All other things being equal, a smaller economy is likely to be concentrated in fewer industries and less diverse than a larger economy. By way of example, for a range of reasons, the tertiary and quaternary sectors (those that leverage 'knowledge' and higher order skills) are likely to be more developed in larger metropolitan economies than in smaller rural and regional economies (such as Forster-Tuncurry).

The detailed economic specialisation analysis can be found in Appendix 2 – Economic profiling.

Location Quotient

The LQ analysis conducted for ANZSIC 1-digit industries of employment shows that compared to the Mid North Coast and NSW, the Great Lakes SA3 is dominated by the following industries:

- Retail trade
- Accommodation and food services
- Construction

Rental, hiring and real estate services and electricity, gas, water and waste services each have relatively high specialisation, albeit with a low quantity of employment in each of these sectors.

An LQ analysis was also completed at a finer level for the top 10 ANZSIC 4-digit industries of employment. This showed that the Great Lakes SA3 is specialised in a number of different industries, with particular strengths in aged care residential services and accommodation with high LQs and industry shares.

Growth share analysis

The growth share analysis combines the LQ analysis with industry growth rates. This analysis reveals that, in contrast to NSW, Great Lakes SA3 has particular strengths in health care and social assistance, accommodation and food services, and construction. Health care (the largest industry) has experienced a 1.7 per cent increase in employment from 2011 to 2016. Compared to the MidCoast Council, the Great Lakes SA3 is specialised in retail and accommodation and food services, even though retail industry share declined between 2011 and 2016.

On the other hand, the LGA (compared to NSW) is less specialised in professional services, public administration and manufacturing, despite professional services experiencing some growth between 2011 and 2016.

Shift-share analysis

Shift-share analysis indicates that the Lakes SA3 has comparative / competitive advantages for manufacturing, electricity, gas, water and waste services and administrative and support services. At the same time, the Great Lakes SA3 was uncompetitive in most other industries.

6.4 Labour force profiling

Education levels

In 2016, 32 per cent of Great Lakes SA3 residents aged 15+ had a post-secondary educational qualification. This situation was matched across the MidCoast Council, though was significantly below the rate for NSW as a whole, where the equivalent proportion was 38 per cent. The analysis shows that the most common level of attainment was at certificate level with relatively few residents having degrees or diplomas.

Occupations

The analysis shows that the Great Lakes SA3 has a relatively even distribution of jobs between the various occupations with professionals and technicians and trade workers each accounting for more than 15 per cent of total jobs. NSW has a significantly higher proportion of professional jobs (23 per cent) compared to the Great Lakes SA3 (15 per cent) and MidCoast Council (16 per cent).

Across all geographies between 2006 and 2016, there has been growth in the number of professional and community and personal service workers. The decline in managerial occupations was strongest in Great Lakes SA3 (-2 per cent) and the MidCoast Council. The Great Lakes SA3 also recorded substantial declines (-2 per cent) in labour occupations – a situation that was reflected to a lesser degree across the MidCoast Council.

Labour force growth and participation rate

Over the 2014 to 2018 period, the Great Lakes SA3 saw growth in the size of its labour force of around 19.6 per cent. This figure was in line with the broader MidCoast Council (up 19.4 per cent) and well above the increase recorded across NSW (up 8.4 per cent).

Labour force participation rates for the Great Lakes SA3 and MidCoast Council are between 77 and 78 per cent. This rate is lower than the state-wide rate of 82.4 per cent.

Unemployment Rate

Unemployment rates across the Great Lakes SA3 and the MidCoast Council are currently in line with the NSW rate – at just over 5 per cent. Over the past five years, this has not always been the case, with respective unemployment rates of 8.8 per cent and 9.7 per cent recorded for the Great Lakes SA3 and the MidCoast Council in December 2015 (compared with 6.1 per cent across NSW). These findings highlight both the recent strong performance of the local economy, as well as the underlying volatility of the local labour market.

6.5 Summary

The major industry sectors in terms of employment in the Great Lakes SA3 are health care and social assistance, retail trade, and accommodation and food services. Analysis of regional specialisation reveals that the Great Lakes SA3 is specialised in retail trade, accommodation and food services and construction. At the same time, accommodation and food services and retail trade have experienced zero growth and decline (respectively) over the past decade.

The workforce across the Great Lakes SA3 has lower educational attainment than that of NSW. Relatedly, professional jobs make up a smaller proportion of total jobs in the Great Lakes SA3. Although at times over the past five years the Great Lakes SA3 has experienced unemployment rates well above the NSW average, at present the rate is around 5.5 per cent, roughly on par with the state-wide rate.

The economic profile reveals that the regional economic performance has been mixed in recent years, with volatility reflected in the variable unemployment rate. The regional economy has been long-underpinned by tourism, and this continues to be the case. Large numbers of visitors from outside of the region (particularly during warmer months) also

supports a relatively employment-intensive retail sector. The ongoing migration into the region of retirees will continue to drive growth in the health care and social assistance sector.

The dearth of educated residents in the region, as well as the locational requirements of employers within those sectors mean that highly-skilled service jobs will continue to be relatively uncommon in the region, with educated younger cohorts forced to leave the region to find appropriate employment.

The economic assessment will inform the industry targeting. The growth and shift-share analyses indicate that retail trade and health care and social services are emerging target industries for the site.

7. STRATEGY AND POLICY TESTING

This section assesses the local and regional planning strategies and policies and the implications that these have for development on the NTDP.

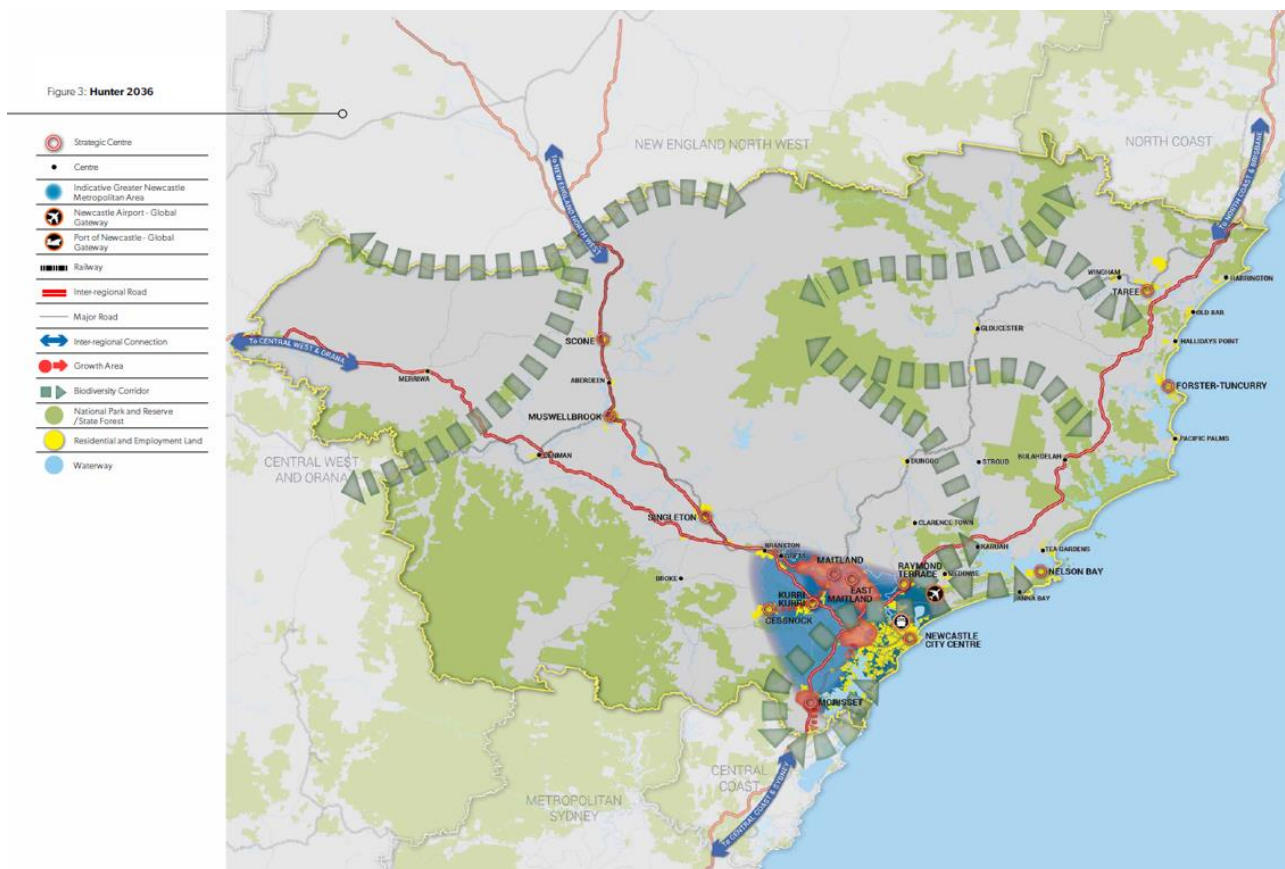
A strategy and policy test was adopted to assess the proposal against the relevant provisions of the:

- Hunter Regional Plan (2016)
- MidCoast Regional Economic Development Strategy (2018)
- Forster Employment Land Implementation Strategy (2009)

7.1 Hunter Regional Plan 2036 (2016)

The Hunter Regional Plan was developed by the NSW Department of Planning and Environment to guide development in region surrounding the regional city of Newcastle. The region includes the LGAs of Cessnock, Dungog, Lake Macquarie, Maitland, MidCoast, Muswellbrook, Newcastle, Port Stephens, Singleton, and Upper Hunter

FIGURE 6. HUNTER REGION



Source: Department of Planning and Environment, 2016

Table 22 tests the proposal against the provisions contained within the Hunter Regional Plan 2036, particularly focusing on elements relating to Forster-Tuncurry.

TABLE 22. HUNTER REGIONAL PLAN 2036 STRATEGY TEST

Directions/ Actions	Comments
<p>Direction 6: Grow the economy of MidCoast and Port Stephens</p> <ul style="list-style-type: none"> ▪ The area’s economy and employment base are largely service-based and highly seasonal, especially in the coastal towns of Forster and Nelson Bay. These factors reflect its tourism economy and ageing communities. <p>Actions:</p> <ul style="list-style-type: none"> ▪ Enable economic diversity and new tourism opportunities that focus on reducing the impacts of the seasonal nature of tourism and its effect on local economies. 	<p>The proposal will provide new opportunities for employment outside of the tourism sector. By supporting a larger permanent population, the impact of seasonality on the region’s retailers and service providers will be reduced, resulting in a more sustainable local economy.</p>
<p>Direction 13: Plan for greater land use compatibility</p> <ul style="list-style-type: none"> ▪ There is also potential for conflict if new housing encroaches into rural and resource areas, leading to increased management costs. <p>Actions</p> <ul style="list-style-type: none"> ▪ Identify and protect important agricultural land, including intensive agricultural clusters, in local plans to avoid land use conflicts, particularly associated with residential expansion. ▪ Limit urban and rural housing encroachment into identified agricultural and extractive resource areas, industrial areas and transport infrastructure when preparing local strategies. 	<p>Development at the proposed site will not impinge on agricultural or extractive industries in the Hunter region.</p>
<p>Direction 14: Protect and connect natural areas</p> <ul style="list-style-type: none"> ▪ Investing in conservation (including biodiversity offsets) that protects, and where possible, enhances habitat connections will deliver multiple benefits to the environment and the community. <p>Actions:</p> <ul style="list-style-type: none"> ▪ Identify terrestrial and aquatic biodiversity values and protect areas of high environmental value to sustain the lifestyle, economic success and environmental health of the region. 	<p>The proposed development would require the removal of a large amount of scrub which is likely to have some conservation value. The detriment associated with the removal of this scrub could be offset by ensuring that new development is done in a way that respects and retains (where possible) the present biodiversity values of the land.</p>
<p>Direction 20: Revitalise existing communities</p> <ul style="list-style-type: none"> ▪ The region is home to diverse communities located throughout the Hunter’s urban areas, towns, villages and rural localities. These places have unique histories and a strong sense of identity. Concentrating development in existing areas will revitalise communities. It can reinforce and enhance the sense of community and belonging. 	<p>The Forster-Tuncurry region has a highly seasonal economy that ultimately impacts the viability of the broader regional economy. By increasing the number of local residents, this development will boost the regional economy, making it less vulnerable to seasonal fluctuations in demand.</p>
<ul style="list-style-type: none"> ▪ Direction 21: Create a compact settlement ▪ Focusing development in locations with established services and infrastructure increases the appeal of these places for new residents. ▪ In locations with good access to public transport and services, it makes sense to identify new opportunities for redevelopment and renewal. Greater Newcastle, coastal areas including Nelson Bay and Forster-Tuncurry, and other towns across the region have potential for this type of development. <p>Actions</p> <ul style="list-style-type: none"> ▪ Focus development to create compact settlements in locations with established services and infrastructure ▪ Create a well-planned, functional and compact settlement pattern that responds to settlement planning principles and does not encroach on sensitive land uses, including land subject to hazards, on drinking water catchments or on areas with high environmental values. 	<p>Forster-Tuncurry is specifically mentioned in the regional plan as a location close to existing services and infrastructure that is suitable for redevelopment and renewal.</p>

Source: SGS Economics and Planning, 2018

7.2 MidCoast Regional Economic Development Strategy (2018)

The MidCoast Regional Economic Development Strategy 2018–2022 (the Strategy) sets out a long-term economic vision and associated Strategy for the MidCoast local government area (LGA).

This Strategy is based on an understanding of the region’s industry specialisations, with these likely to shape future regional opportunities – relating to land and water, location and infrastructure, and lifestyle and amenity. These regional competitive advantages will guide investment and other actions over the period 2018 to 2022. The Strategy also takes account of regional risks and how they might be addressed.

TABLE 23. MIDCOAST REGIONAL ECONOMIC DEVELOPMENT STRATEGY (2018)

Strategies/ initiatives	Comments
<p>Strengthening the region as a location of choice</p> <ul style="list-style-type: none"> encourage other lifestyle and tourist developments that will increase the Region’s attractiveness to sea/tree change professionals and other skilled workers. 	<p>The strategy discusses the importance of the Northern Gateway development, in particular ensuring that there is adequate infrastructure in place.</p>
<p>Creating a supportive environment for businesses to invest and grow</p> <ul style="list-style-type: none"> identify and reduce/remove barriers that hinder business growth (including ensuring policies, procedures and charges are appropriate to support economic development consistent with the vision); support development of the Region’s workforce 	<p>The proposed development will be important in providing opportunities for an expansion of aggregate demand, particularly at times of the year when expenditure relating to tourists and visitors is low.</p> <p>This will be important in underpinning the viability of the region’s existing retailers and service providers, as well as providing opportunities for an increasingly diverse offering.</p> <p>New residents will provide a deeper, more diversely-skilled labour pool that will help to underpin the viability of new and existing businesses across the region.</p>

Source: SGS Economics and Planning, 2018

7.3 Forster Employment Land Implementation Strategy

In 2009, Great Lakes Council commissioned Hill PDA to prepare a detailed analysis of employment and the supply and demand of employment lands in Forster-Tuncurry; the Forster Employment Land Implementation Strategy. Table 24 tests the proposal for the site against the provisions of the Strategy.

TABLE 24. FORSTER EMPLOYMENT LAND IMPLEMENTATION STRATEGY TEST

Provisions	Comments
<p>Requirement for Economic Impact Assessments (EIAs) for significant retail development proposals to protect the existing centre hierarchy and viability of Forster - Tuncurry’s centres (particularly its village centres).</p> <p>EIAs should include a sound assessment of demand for the particular type of retail proposed in light of existing supply. It should also review the potential impact of the proposed development to the role and function of centres not only within the Study Area, but the broader Great Lakes LGA and Greater Taree.</p>	<p>The proposed retail development at the site will only be for local retail and is not a ‘significant retail development’. At the same time, the impact of proposed retail and other commercial uses has been considered in this study to ensure that there are only positive impacts on existing centres.</p>
<p>In relation to retail floorspace: Additional 22,500 sqm of retail floorspace required by 2031 but not to be provided in one centre alone. Retail space to be dispersed across centres with priority given to Manning St Tuncurry Recommends B2 Local Centre within proposed urban release area (North Tuncurry Crown Land Site) of 400 sqm in the short</p>	<p>The proposal is consistent with this provision in the following ways: Additional 2,292 sqm of retail floorspace has been supplied. There is demand for an additional 5,852 sqm of retail space across centres in Forster; some of which will flow to Manning St, Tuncurry. A B2 Local Centre is proposed for the NTDP. It is slightly larger than the 1,500 sqm approximation indicated in the Employment Land</p>

term. In the longer term a small supermarket (under 1000 sqm) supported by additional specialty stores, totalling around 1,500sqm, is recommended. Retail space should be subservient in scale and role to the existing Manning Street centre

Strategy. It will be subservient in scale and role to the existing Manning Street centre.

In relation to industrial floorspace:
Most demand can be met by existing vacant floorspace
Additional 17,892 sqm of industrial floorspace required by 2031

The proposal is consistent with this provision in the following ways:
The industrial floorspace identified for the NTDP precinct accounts for the capacity and suitability of the other industrial precincts in Forster-Tuncurry.

Source: SGS Economics and Planning, 2018.

8. INDUSTRY TARGETING

This section draws on the outputs from the economic profile data, as well as site attributes, to identify the types of industries that are suitable for the site. The existing and emerging specialisation, industry size and growth and gaps in the industry profile are considered. A decision matrix combines these factors to indicate the best target industries for the NTDP.

8.1 Existing and emerging specialisation

1-digit ANZSIC specialisation

The LQ analysis highlights existing and emerging industries of specialisation. The existing industries of specialisation with a high LQ and significant share of employment include:

- Retail Trade,
- Accommodation and Food Services, and
- Construction.

There is potential for some uses associated with these industries to be accommodated on the site through the provision of floorspace for retail and food services to serve the residential population of the site. The industries which are considered to be emerging with a moderate LQ and relatively significant share of employment include:

- Health Care and Social Assistance,
- Education and Training, and
- Public Administration and Safety

4-digit ANZSIC specialisation

At a fine grain 4-digit ANZSIC level, the MidCoast Council has existing specialisations in:

- Aged Care Residential Services
- Accommodation

There is potential for floorspace for Aged Care Residential Services and Accommodation to be included onsite to accommodate employment relating to these industries. There are also emerging specialisations in:

- Takeaway Food Services,
- Cafes and Restaurants, and
- Supermarket and Grocery Stores

There is potential for these emerging industries to be accommodated onsite through the provision of floorspace for takeaway food, cafes, a restaurant and a real estate according to the scale of the proposal and expected resident population.

8.2 Industry growth and change

In terms of industry growth and change, the focus is on change in job numbers, particularly the industries with a high share of employment in the MidCoast Council which experienced significant change between 2011 and 2016. The two major industries of growth are:

- Health care and social assistance,
- Administrative and support services, and

- Education and training.

Health care and social assistance, which accounts for 16.0 per cent of MidCoast Council jobs, experienced the most significant growth between 2011 and 2016, increasing its share by 3.3 per cent. Administrative and support services, and education and training command a relatively small share of the local economy, with 7.9 per cent and 4.2 per cent of total jobs respectively.

The two major industries of employment which experienced a decline between 2011 and 2016 were:

- Construction, and
- Retail trade

Construction, which has a job share of 9.9 per cent across the MidCoast Council, experienced a decline of 1.2 per cent between 2011 and 2016. Retail trade accounts 13.8 per cent of employment within the Great Lakes SA3 and experienced a decline in its share of local employment of 0.5 per cent over the same period.

8.3 Industry gap analysis

Focusing on fine grain employment (ANZSIC 4-digit industries of employment), there are a number of opportunities for industries to grow in the MidCoast Council.

The following industries are within the top 20 major industries of employment across the MidCoast Council or NSW, though outside of the top 20 industries in the Great Lakes SA3:

- Accounting Services
- Banking
- Computer System Design and Related Services
- Electricity Distribution
- General Practice Medical Services
- Higher Education
- Legal Services
- Other Auxiliary Finance and Investment Services
- Department stores
- State Government Administration

This may indicate a gap in provision in the MidCoast Council region in these industries.

8.4 Other factors

Previous research undertaken by the Hunter Valley Research Foundation suggested that the following sectors and uses are not viable for the subject site:

- **Heavy industry**, including most traditional manufacturing, largely due to extensive availability of alternative sites in logistically-preferable locations.
- **High tech industry**, due to the lack of supportive agglomerative factors, such as key labour pools, technology institutions, government networks, etc.
- **Marine industries**, such as boat building, again due to the availability of numerous other sites, and the significant challenges facing current operations.
- The attraction of a traditional **university campus** to the site would appear very unlikely in anything but the long term due to: prevailing policy and cost challenges facing the relevant universities; the proximity of Taree, as a higher order centre; and the small scale of the local market.

8.5 Decision matrix

A decision matrix was generated considering economic, locational and planning attributes against ANZSIC 1-digit and 2-digit industries of employment. The ANZSIC 1-digit industries are considered in the first instance. Based on the output of this matrix, a number of selected

industries are tested at a 2-digit level to determine the types of industries potentially suitable for the site.

The decision-making criteria are as follows:

- **Incoming population requirements (Population Driven Employment):** Industry suitability was assessed against the requirements of the incoming population.
- **Regional site suitability:** Tests the suitability of the site in the region as a location for the particular industry of employment.
- **Local site suitability:** Assesses the suitability of the site in the Forster-Tuncurry area for the particular industry of employment. While an industry might be suitable to the Forster-Tuncurry area from a regional perspective, there may be other sites within Forster-Tuncurry that are more suitable than the NTDP.
- **Growth Share Analysis:** Assesses the suitability of an industry against its growth share analysis score.
- **Shift-Share Analysis:** Assesses the suitability of an industry against its shift-share analysis score.
- **Impact/Synergy with Tuncurry TC:** Industry suitability is assessed based on whether it complements or competes with the Tuncurry TC.
- **Strategy and Policy:** Assesses the suitability of an industry against the planning strategies and policies.
- **Availability of labour:** Industry suitability is tested based on availability of skilled labour.

The suitability assessment (decision matrix) of ANZSIC 1-digit industries is displayed in Table 25 overleaf.

TABLE 25. ANZSIC 1-DIGIT INDUSTRY TARGETING

Industries	Incoming population requirements	Regional site suitability	Local site suitability	Growth Share Analysis	Shift-Share Analysis	Impact/Synergy with Tuncurry TC	Strategy and Policy	Availability of labour	Total - net
Agriculture, forestry & fishing	x	✓	x	✓	x	✓	✓	✓	✓✓
Mining	x	✓	x	x	x	✓	x	✓	xx
Manufacturing	x	✓	✓	x	x	✓	✓	✓	✓✓
Electricity, gas, water & waste services	x	✓	✓	x	x	✓	✓	✓	✓✓
Construction	✓	✓	✓	✓	✓	✓	✓	✓	✓✓✓✓✓✓✓✓
Wholesale trade	x	✓	✓	✓	x	✓	✓	✓	✓✓✓✓
Retail trade	✓	✓	✓	x	x	✓	✓	✓	✓✓✓✓
Accommodation & food services	✓	✓	✓	✓	✓	x	x	✓	✓✓✓✓
Transport, postal & warehousing	x	✓	✓	x	x	✓	✓	✓	✓✓
Information media & telecommunications	x	x	x	x	x	x	x	x	xxxxxxxx
Financial & insurance services	x	x	x	x	x	x	x	x	xxxxxxxx
Rental, hiring & real estate services	✓	✓	x	✓	✓	✓	✓	✓	✓✓✓✓✓✓
Professional, scientific & technical services	x	x	x	✓	✓	x	x	x	xxxx
Administrative & support services	✓	✓	x	✓	✓	x	x	✓	✓✓
Public administration & safety	✓	✓	x	✓	✓	x	x	✓	✓✓
Education & training	✓	✓	✓	✓	✓	✓	✓	✓	✓✓✓✓✓✓✓✓
Health care & social assistance	✓	✓	✓	✓	✓	x	✓	✓	✓✓✓✓✓✓
Arts & recreation services	✓	✓	✓	x	x	✓	✓	✓	✓✓✓✓
Other services	x	x	x	x	✓	x	x	✓	xxxxxx

Source: SGS Economics and Planning, 2018

The results of the ANZSIC 1-digit matrix are indicated in Table 25. The second round of testing for 2-digit ANZSIC industries has been conducted for the uses identified as suitable.

TABLE 26. ANZSIC 1-DIGIT INDUSTRY TARGETING RESULTS

The following uses are not suitable for the site	The following uses are possible candidates for the site but may locate elsewhere	The following uses are suitable for the site
Mining	Retail trade	Construction
Other services	Accommodation and food services	Education & training
Information media & telecommunications	Electricity, gas, water & waste services	Health care & social assistance
Financial & insurance services	Arts and recreation services	Arts & recreation services
Professional, scientific & technical services	Wholesale trade	Rental hiring and real estate services
	Administrative and support services	
	Arts and recreation services	
	Public administration and safety	
	Transport postal and warehousing	
	Agriculture, forestry and fishing	

Source: SGS Economics and Planning, 2018

The suitability assessment (decision matrix) of ANZSIC 2-digit industries is displayed in Table 26 overleaf.

TABLE 27. ANZSIC 2-DIGIT INDUSTRY TARGETING

Industries	Incoming population requirements	Regional site suitability	Local site suitability	Growth Share Analysis	Shift-Share Analysis	Impact/ Synergy with Tuncurry TC	Strategy and Policy	Availability of labour	Total - net
Retail trade									
Motor Vehicle and Motor Vehicle Parts Retailing	✓	-	✗	✗	✗	✓	✗	✓	✗
Fuel Retailing	✓	-	✓	✗	✗	✓	✗	✓	✓✓
Food Retailing	✓	-	✓	✓	✗	-	✓	✓	✓✓✓✓
Other Store-Based Retailing	✓	-	✓	✓	✓	✗	✗	✓	✓
Transport, postal & warehousing									
Road Transport	✗	✓	✓	✓	✗	✓	✓	✓	✓✓✓✓
Rail Transport	✗	✗	-	✗	✗	✓	✓	✓	✗
Water Transport	✗	✗	✗	✗	✗	✓	✓	✓	✗✗
Air and Space Transport	✗	✓	✓	-	-	✓	-	✗	✓
Other Transport	✗	✗	-	✗	-	✓	✓	✓	-
Postal and Courier Pick-up and Delivery Services	✓	✓	✗	✗	-	✓	✓	✓	✓✓✓
Warehousing and Storage Services	✓	✓	✓	✗	✗	✓	✓	✓	✓✓✓✓
Education & training									
Preschool and School Education	✓	-	✓	✓	✓	✓	✓	✓	✓✓✓✓✓✓✓✓
Tertiary Education	✗	✗	✓	✗	✗	✓	-	✗	✓
Adult, Community and Other Education	✗	-	✗	✗	✗	✓	✓	✗	✗✗✗
Health care & social assistance									
Hospitals	✗	✗	✓	✗	✓	✓	✓	✗	-
Medical and Other Health Care Services	✓	-	✗	✓	✗	-	✓	-	✓
Residential Care Services	-	-	✓	✓	✗	✓	✓	✓	✓✓✓✓
Social Assistance Services	✓	-	-	✓	✗	-	✓	✓	✓✓✓
Arts & recreation services									
Heritage Activities	✗	✓	✓	✗	✗	✓	✓	✓	✓✓
Creative and Performing Arts Activities	✗	✗	✗	✗	✓	✓	✓	✗	✗✗
Sports and Recreation Activities	✓	✗	✓	✓	✗	✓	✓	✓	✓✓✓✓
Gambling Activities	✗	✗	✗	✗	✗	-	✓	✓	✗✗✗

Source: SGS Economics and Planning, 2018.

Note: A dash (-) indicates either neutral or not applicable.

Based on the results of the ANZSIC 2-digit matrix the following industries are recommended for the site:

- Food retailing
- Road transport
- Postal etc. services
- Warehousing and storage
- Preschool and school education
- Residential care services
- Social assistance services
- Sports and recreation activities

The predicted land requirements and associated jobs for these industries are indicated in the following sections.

8.6 Land requirements

The employment land requirements for the recommended industrial uses have been derived by applying standard floorspace ratios. For industrial uses, based on the outcome of the industry targeting, demand for freight and logistics uses in the MidCoast Council (3,645 sqm) has been allocated to the site. This assumes that, based on the decision matrix, that the total anticipated requirement for freight and logistics uses across the MidCoast Council to 2036, will be accommodated on the site. An FSR of 0.3:1 has been applied to the floorspace to derive the land requirement of 12,000 square metres.

The land requirements for the education and training as well as health care and social assistance industries have not been provided. These are indicated in separate social infrastructure and aged care reports that have been prepared for the site in the past.

The area of land set aside for industrial purposes is around 13.3 hectares (6.6 hectares of industrial land and 6.7 hectares of business use). This will accommodate the 1.2 hectares of demand for freight and logistics uses and cater for any additional emerging demand during the project lifespan.

From an economic development perspective, based on the regional and local site suitability and discounting local measurable demand for industrial uses, the site would be a suitable target for a range of industrial activities including the following:

- heavy industrial uses that require separation from residential areas
- uses that have a symbiotic relationship with the existing materials recovery facility, such as particular construction industries
- uses that require large land areas for storage or manoeuvrability, such as auto wreckers and warehousing
- uses that require easy access to major road corridors, such as transport and logistics

As a caveat, it should be noted that full development of the northern industrial portion of the NTDP may require significant upgrades to the Lakes Way intersection, including slip lanes for turning. These works would add to the cost of industrial land (via development contributions) and would affect feasibility of development on the site.

Employment land location considerations

The following considerations should be made when planning for the location of employment lands:

- Retail and other employment and civic uses should be clustered to increase accessibility, ensure efficient use of infrastructure and promote commercial viability and vibrancy.
- Any planned open space should be, where possible, located near the planned centre to optimise use of physical infrastructure assets.

- The B2 Local Centre should be located in an area within the site that is accessible to the greatest number of residents.
- Industrial land, such as the suggested freight and logistics uses, should be separated from residential uses where possible.
- Industrial uses should be located with easy access to The Lakes Way and would require streets that can accommodate the mobility requirements of large trucks with trailers.

The NTDP master plan proposes that the employment lands be located in two precincts, a mixed-use precinct at Manning Street/Northern Parkway (6.7 ha) and an isolated employment pocket on the Lakes Way (6.6 ha). These identified locations are consistent with the consistent with the considerations above.

8.7 Job yield

Direct jobs

A total of 126 jobs are likely to be generated by employment on the NTDP site⁴. These are based on the above recommended industries, as follows:

- Retail trade: 76 jobs
- Transport, postal and warehousing: 22 jobs
- Education and training: 4 jobs
- Health care and social assistance: 20 jobs
- Arts and recreation services: 3 jobs

The job forecast numbers for retail and transport industries are based on the floorspace identified in the proposed NTDP Master Plan and standard jobs per floorspace ratios. Education and training and health care job requirements have been based on a small preschool and aged care facility. The arts and recreation services jobs have been based on additional jobs associated with a remodelled golf clubhouse.

Multiplier jobs

The number of flow-on or 'multiplier' jobs in the economy was estimated using the SGS regional input-output (IO) model for the LGA. SGS's model was constructed using the national IO tables published by the ABS. An IO model accounts for the flows between sectors. It measures the activity generated in one business (the 'direct' activity) and the additional flow-on activity to other businesses ('indirect' or total activity). This is done by assessing both the supply and demand side flow-on effects. The supply side considers the activity generated by supply chain linkages (i.e. the goods and services that are required from other businesses), while the demand side accounts for the additional expenditure in the system generated by the direct jobs. The 'indirect' effects can be expressed as 'multiplier' jobs.

Our modelling indicates that there are likely to be approximately 35 additional indirect jobs associated with the direct jobs generated on the NTDP. Given the nature of the direct jobs, it is assumed that the indirect jobs are likely to locate within the LGA.

Limitations of IO modelling

The multiplier indirect job analysis utilises a regional IO model. It is important to note key limitations associated with the IO model framework. IO models assume that the supply chain goods and services are produced by factors of production that are located completely within the state or region defined and that income flows do not leak to other states.

The IO framework and the derivation of the multipliers also assume that the relevant economic activity takes place within an unconstrained environment. That is, it assumes that

⁴ These employment estimates are unchanged from the 2013 estimates, as it is considered likely that the structure of the regional economy has undergone no change that would lead to significantly different employment outcomes.

an increase in economic activity in one area of the economy does not increase prices and subsequently crowd out economic activity in another area of the economy. Furthermore, an IO model assumes constant returns to scale – that is, it assumes that there is a proportional relationship between resources (inputs) and output; and ignores the possibility that additional output can be produced with a less than proportional increase in inputs. As a result, the modelled total and indirect contribution should be treated with extreme caution, and the results regarded as an upper-bound estimate of the likely contribution made by the supply of intermediate inputs.

Unless there is significant latent capacity in the economy (such as a readily available supply of unemployed and appropriately skilled labour) there is only a weak relationship between a firm's economic contribution as measured by value added (or other static aggregates) and the welfare or living standard of the community. Indeed, the use of labour and capital by demand created from the industry comes at an opportunity cost as it may reduce the amount of resources available to spend on other economic activities.

Construction phase

Expenditure on construction activity is likely to generate a stimulus within the local economy, provides the local economy with an economic stimulus, leading to further expenditure increases. For example, building works will require purchases of materials from suppliers, who in turn will spend this income on purchasing inputs required to produce their goods and services, and paying salaries. Workers (both from the construction and supplier industries) will spend a portion of their wages in the local economy; on food and living expenses, generating increased retail demand and expenditure for example.

With a total construction cost of \$787 million, the development will potentially generate 2,121 onsite jobs over the construction period, and 2,643 indirect jobs associated with this expenditure. In total, there will potentially be 4,764 jobs generated by the development over the course of the construction period.

9. CONCLUSIONS AND RECOMMENDATIONS

This section provides the main findings from the economic and market assessments that have implications for the Master Plan.

The key findings of the report are summarised against the objectives of the study.

9.1 Development opportunities

Objective: Identification of opportunities for development to complement and diversify the economic base of the Forster/Tuncurry area and increase the level of services and facilities and employment

This study identifies opportunities for development to complement and diversify the economic base of the Forster/Tuncurry area. Based on the needs of incoming residents to the NTDP, there will be requirement for an additional 10,988 sqm of retail floorspace by 2050. Assuming full on-site capture of the residents' neighbourhood level expenditure, **between 2,154 and 2,834 sqm of retail floorspace** could be provided on site. The proposed Master Plan for the site identifies 2,292 sqm of retail floorspace onsite which is within this range. In practice, the level of capture of neighbourhood level expenditure will depend on individual residents' shopping patterns and preferences. Accessibility of alternative shopping areas, the design and attractiveness of the on-site stores, products stocked, opening hours, etc will all have an impact in this regard. If a lower percentage capture of neighbourhood level results, the viability of on-site retail spaces may be threatened (and smaller spaces may be more appropriate).

Based on the industry targeting analysis, the **12,000 sqm of freight and logistics industrial land** is required given projected employment growth in the LGA could be provided on site. Demand for other industrial and commercial uses has been allocated to other employment areas and centres in Forster-Tuncurry that were assessed as having a better competitive offer.

A total of **126 jobs** are likely to be generated by employment on the NTDP site. These are as follows:

- Retail trade: 76 jobs
- Transport, postal and warehousing: 22 jobs
- Education and training: 4 jobs
- Health care and social assistance: 20 jobs
- Arts and recreation services: 3 jobs

There are likely to be approximately **35 additional indirect jobs** associated with the direct jobs generated on the NTDP.

The development will potential generate **2,121 onsite jobs** and an **additional 2,643 indirect jobs** associated with expenditure from onsite workers. Therefore, a total of 4,764 jobs will potentially be generated by the development over the course of the construction period.

9.2 Consistency with strategy and policy framework

Objective: Assessment of the proposed development against the relevant provisions of the MidCoast Regional Economic Development Strategy, and Hunter Regional Plan 2036, and the Forster Employment Land Implementation Strategy.

The proposed development was assessed against the MidCoast Regional Economic Development Strategy, and Hunter Regional Plan 2036, and the Forster Employment Land Implementation Strategy. In each case, the proposed residential, retail, industrial and other employment uses were either consistent with, or positively reinforced the strategy and policy framework.

9.3 Relationship to Tuncurry centre

Objective: Provision of advice on how the development proposal will integrate and reinforce the role of the Tuncurry town centre

The proposed retail floorspace at the NTDP will be in the form of a B2 Local Centre, which will provide convenience and food retailing, rather than comparison retail. The proposed retail component would not negatively affect the health of existing retail centres in Forster-Tuncurry. It would complement, rather than compete with other centres.

The incoming residents of the North Tuncurry site will require demand for an additional 10,988 sqm of retail floorspace. A recommended level of provision for the NTDP site, which does not adversely impact on the Tuncurry TC, is between 2,154 and 2,834 sqm.

Based on the industry targeting analysis, there is a requirement for **12,000 sqm of freight and logistics industrial land**.

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APPENDIX 1 – BROAD LAND USE CATEGORIES

TABLE 28. BLC DEFINITIONS

	BLC Code	BLC Name	Description	Example uses
Industrial	HI	Heavy Industrial	Large scale production activity. Likely to be characterised by high noise emission; emission stacks; use of heavy machinery; and frequency of large trucks	Chemical Manufacturing
Industrial	FL	Freight and Logistics	Warehousing and distribution activities. Includes buildings with a number of docking facilities; 'hard stand' areas with trucks or goods awaiting distribution; and large storage facilities	Postal depot/mail centres Road Freight Transportation Services Container Terminals Jeans West Distribution Centre Woolworth Storage Centre
Industrial	US	Urban Services	Concrete batching, waste recycling and transfer, construction and local and state government depots, sewerage, water supply, electricity construction yards	Government (federal, state or local) Depot Bus Depot Water Supply, Sewerage and Drainage Services Electricity Supply Concrete Batching Recycling Depots
Industrial	LI	Light Industrial	Small scale production with lower noise and emission levels than heavy manufacturing	Small printing works Small scale production Lower noise and emission levels than Heavy Industrial
Industrial	LSI	Local Service Industrial	Car service and repair; joinery, construction and building supplies; and domestic storage. Typically does not interfere with the amenity of the neighbourhood via pollution.	Automobile Repairs Plumbers Building supplies Panel-beaters Domestic Storage Bricklaying Services Machinery and Equipment Hiring Self-storage
Commercial office	BP	Business Park	Integrated warehouse, storage, R&D, 'back-room' management and administration with up to 40% office component	
Commercial office	O	Office	Office buildings that are independent (i.e. are not ancillary to another use on site) and likely to accommodate a significant number of administration staff	Banks;
Retail	FBS	Food and beverage services		Cafes Restaurants Takeaway Food Services Hot Food Retailing Cold Food Retailing Sandwiches Retailing Catering Services Pubs, Taverns and Bars Small Bar Karaoke Bar Clubs (Hospitality)
	SM	Supermarket		Supermarket

	DS/DDS	(Discount) Department Store		Discount department stores (Big W, Target) and department stores (David Jones, Myer)
	OR	Other retailing	All types of specialty retailing, but not including bulky goods.	Post office Newsagency Chemist Clothing Retailing Accessories Other Store-Based Retailing (except bulky goods)
Retail				
	BG	Bulky Goods	Typically large, one-story buildings surrounded by car-parking,	Automobile Retailing; Homemaker centres Bedding & furniture retail Harvey Norman; BBQ's Galore; Timber and bulk hardware (e.g. Bunnings).
Retail				
	DL	Dispersed Local	Social and community services, trades construction, other 'nomads'	Police/ Fire/Ambulance Services Childcare Religious Services Veterinarians, doctors, physios, chiros, dentists etc. Funeral Services Cultural and Community Services (Libraries, Museums, Parks and Gardens) Accommodation
Other				
	DR	Regional Dispersed		Performing Arts Venues Amusement Parks Sports and Physical Recreational Venues and Grounds
Other				
Other	SS	Service Stations	Service Stations	Service Stations
	LHE	Local health and education	Smaller scale education or health uses such as schools, training centres, community college, aged care facilities, day surgery	Nursing homes Training centres Pre, Primary schools Sports and Recreational Services Secondary Schooling
Health & Education				
	RHE	Regional health and education	Large-scale regional health and education facilities include general and speciality hospitals, universities and TAFEs	Hospitals Tertiary Level Education
Health & Education				
Vacant	VO	Vacant - Office		Vacant office building
Vacant	VR	Vacant - retail		Vacant retail building
Vacant	VI	Vacant - industrial		Vacant industrial building
Vacant	VD	Vacant - dispersed		Vacant dispersed building
	H	Hardstand	Hardstand area required for business functioning. For example, turning areas for FL uses	
	C	Carpark		

APPENDIX 2 – ECONOMIC PROFILING

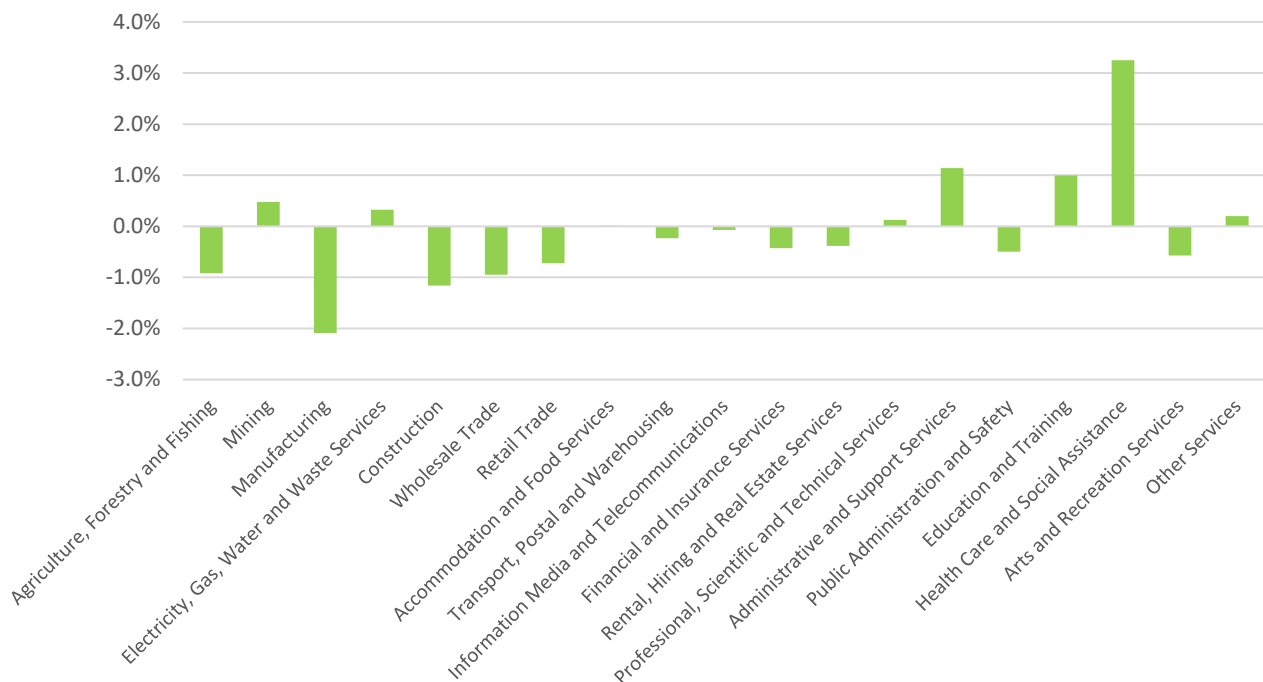
Economic profiling

Economic profiling of the Great Lakes SA3 was conducted to understand its economic performance including specialised, emerging and declining industries. A comparative analysis of the Great Lakes SA3 against two benchmark regions (the MidCoast Council and NSW) was also completed⁵. The MidCoast Council was formed in 2016 through the amalgamation of the Gloucester Shire, Great Lakes and Greater Taree LGAs.

Employment Profiles

The change in the share of industry by employment (ANZSIC 1-digit) between 2001 and 2011 is illustrated in Figure 7. The largest proportion growth in employment share was experienced in Health Care (3.2 per cent), with the largest decline in shares experienced in Manufacturing (-2.1 per cent) and Construction (-1.2 per cent).

FIGURE 7. CHANGE IN SHARE OF INDUSTRY OF EMPLOYMENT, GREAT LAKES SA3, 2006-16



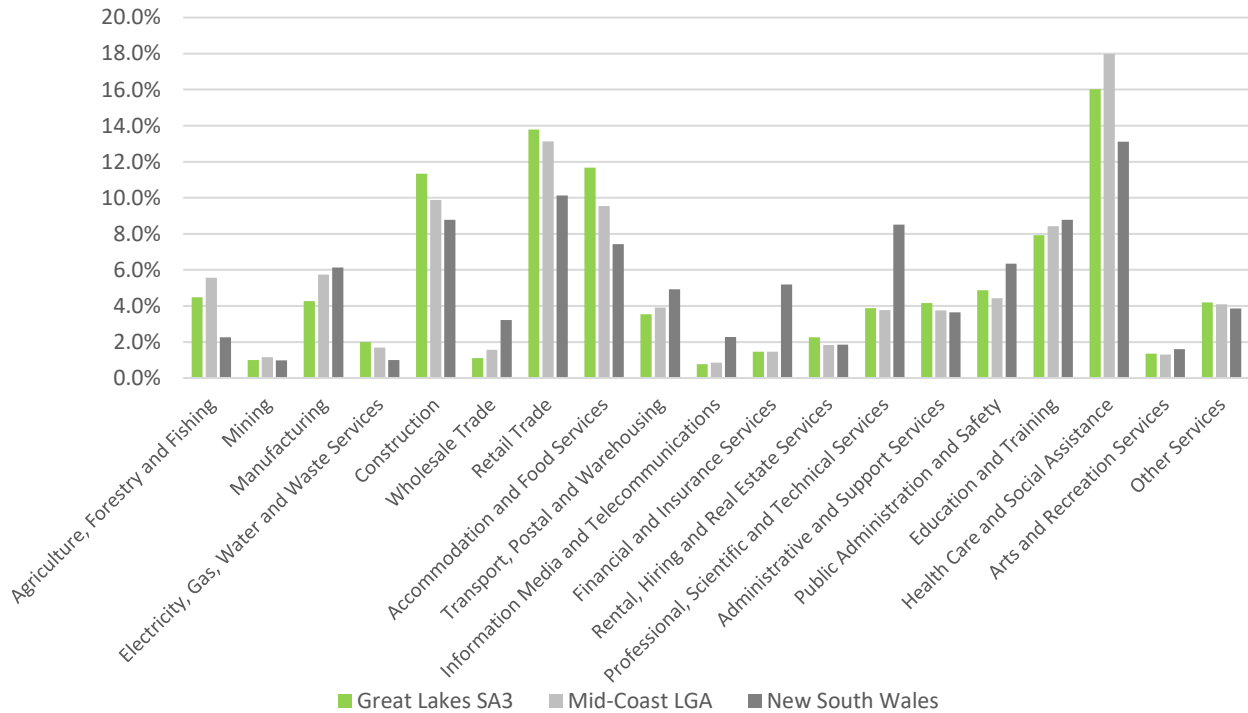
Source: SGS Economics and Planning, 2018, using ABS Census of Population and Housing, 2006, 2011 and 2016

⁵ The previous report assessed the former Great Lakes LGA against the Mid North Coast Region and NSW. In the years since the initial analysis was undertaken, Great Lakes LGA has amalgamated with two other LGAs to form the MidCoast Council. Further, the Mid-North Coast Region is no longer recognized by the NSW Government, and data is Census data for this region is no longer gathered and presented separately.

In order to carry out this revised analysis, SGS adopt the Great Lakes SA3 as the primary catchment, benchmarked against the new Mid-Coast LGA and NSW. The Great Lakes SA3 is marginally smaller than the former Great Lakes LGA, though could be considered broadly equivalent.

Figure 8 illustrates employment by industry category (1-digit ANZSIC) for 2011, comparing Great Lakes SA3 with the MidCoast Council and NSW. Health Care and Social Assistance (16.0 per cent) Retail Trade (13.8 per cent), and Accommodation and Food Services (11.7 per cent) are the three major industries for employment within the Great Lakes SA3. Health Care and Social Assistance and Retail Trade are also the most important employment sectors across the MidCoast Council and New South Wales. As shown in Figure 7, the importance of Retail Trade as a source of employment has declined in relative terms over the past decade, whilst the share of the workforce employed in the Health Care and Social Assistance sector has grown.

FIGURE 8. INDUSTRY OF EMPLOYMENT, 2016



Source: SGS Economics and Planning, 2018, using ABS Census of Population and Housing, 2016

The top 20 industries of employment (ANZSIC 4-Digit) within the Great Lakes SA3 in 2011 are highlighted in Table 29. This breakdown reiterates the cross section in employment discussed above with the top industries of employment falling within construction and increases in health services. The same industries and their proportions are also shown for the benchmark regions.

TABLE 29. TOP 20 INDUSTRIES OF EMPLOYMENT (ANZSIC 4-DIGIT), GREAT LAKES SA3, 2011

ANZSIC 4-digit	Great Lakes SA3 (%)	Great Lakes SA3 (Number)	MidCoast Council (%)	MidCoast (Number)	Council	NSW (%)	NSW (Number)
Aged Care Residential Services	4.66%	516	3.92%		1,154	1.75%	54,962
Accommodation	3.31%	366	2.24%		658	1.18%	37,018
Supermarket and Grocery Stores	2.96%	328	3.25%		957	2.19%	68,668
Cafes and Restaurants	2.54%	281	1.86%		548	1.79%	56,144
Local Government Administration	2.47%	273	2.12%		624	1.30%	40,773
Takeaway Food Services	2.36%	261	2.45%		720	2.01%	63,173
Primary Education	2.36%	261	2.58%		759	1.90%	59,670
House Construction	2.21%	244	1.82%		537	1.49%	46,891
Hospitals (except Psychiatric Hospitals)	2.11%	234	3.86%		1,136	3.22%	100,941
Secondary Education	1.90%	210	2.26%		664	1.61%	50,563
Road Freight Transport	1.63%	180	1.78%		523	1.65%	51,643
Clubs (Hospitality)	1.59%	176	1.17%		344	0.74%	23,283
Real Estate Services	1.54%	170	1.20%		354	0.93%	29,170
Beef Cattle Farming (Specialised)	1.45%	160	2.17%		639	0.43%	13,496
Building and Other Industrial Cleaning Services	1.41%	156	1.18%		347	0.99%	31,099
Other Social Assistance Services	1.30%	144	1.59%		469	1.35%	42,345
Hairdressing and Beauty Services	1.07%	118	0.91%		267	0.79%	24,868
Pharmaceutical, Cosmetic and Toiletry Goods Retailing	1.06%	117	1.09%		321	0.71%	22,334
Child Care Services	1.02%	113	1.22%		360	1.05%	33,086
Clothing Retailing	1.01%	112	0.91%		269	0.96%	30,177

Source: SGS Economics and Planning, 2018, using ABS Census of Population and Housing, 2016

In 2016, the top 20 industries of employment (ANZSIC 4-digit) remained relatively stable (refer to Table 29), with some notable exceptions. House construction, takeaway, accommodation and road freight all experienced a decline in employment. On the other hand, the growth industries aged care residential services, hospitals (except psychiatric hospitals), secondary education, clubs (hospitality), building and other industrial cleaning services, supermarket and grocery stores, cafes and restaurants.

TABLE 30. TOP 20 INDUSTRIES OF EMPLOYMENT (ANZSIC 4-DIGIT), GREAT LAKES SA3, 2016

ANZSIC 4-digit	Great Lakes SA3 (%)	Great Lakes SA3 (Number)	Mid Coast LGA (%)	Mid Coast LGA (Number)	NSW (%)	NSW (Number)
Aged Care Residential Services	5.35%	540	4.89%	1,467	1.99%	67,210
Supermarket and Grocery Stores	3.18%	321	3.18%	956	2.20%	74,488
Cafes and Restaurants	2.97%	300	2.22%	668	2.38%	80,553
Accommodation	2.95%	298	2.05%	616	1.02%	34,452
Hospitals (except Psychiatric Hospitals)	2.49%	251	4.09%	1,229	3.53%	119,348
Secondary Education	2.47%	249	2.50%	750	1.72%	58,070
Local Government Administration	2.39%	241	1.92%	577	1.28%	43,377
Primary Education	2.35%	237	2.56%	768	1.93%	65,207
Building and Other Industrial Cleaning Services	2.09%	211	1.62%	485	1.22%	41,389
Clubs (Hospitality)	2.07%	209	1.48%	443	0.76%	25,776
Takeaway Food Services	1.87%	189	2.13%	641	1.69%	56,961
Other Social Assistance Services	1.62%	164	2.11%	633	1.61%	54,257
Real Estate Services	1.61%	163	1.33%	400	1.12%	37,703
Beef Cattle Farming (Specialised)	1.28%	129	1.94%	584	0.40%	13,479
Road Freight Transport	1.26%	127	1.49%	446	1.12%	37,989
House Construction	1.23%	124	1.05%	314	0.74%	24,881
Pharmaceutical, Cosmetic and Toiletry Goods Retailing	1.17%	118	1.18%	354	0.73%	24,673
Department Stores	1.11%	112	0.83%	250	0.68%	23,102
General Practice Medical Services	1.10%	111	1.25%	375	0.93%	31,574
Child Care Services	1.05%	106	1.15%	346	1.16%	39,217

Source: SGS Economics and Planning, 2018, using ABS Census of Population and Housing, 2016

The top industries of growth for the Great Lakes SA3 are outlined in Table 31, along with the growth rates in the benchmark regions⁶. Similar to the analysis on the largest industries in the LGA, there is a diversity of results. While allied health services and social other assistance, the Health Care and social assistance sector experienced the greatest contraction. Similarly, the house construction, non-residential construction and manufacturing sectors experienced a decline in growth despite other construction services the third highest growth industry.

TABLE 31. TOP 10 INDUSTRIES OF EMPLOYMENT (ANZSIC 4 DIGIT) WHICH EXPERIENCED GREATEST GROWTH AND GREATEST DECLINE, MIDCOAST COUNCIL, GREAT LAKES SA3 AND NSW, 2011-2016

ANZSIC 4-digit	Great Lakes SA3	MidCoast Council	New South Wales
Top 10 industries of growth			
Building and Other Industrial Cleaning Services	35.3%	39.8%	33.1%
Other Allied Health Services	32.4%	22.4%	23.9%
Other Construction Services nec	25.0%	38.8%	34.1%
Department Stores	23.1%	1.6%	14.0%
Clubs (Hospitality)	18.8%	28.8%	10.7%
Secondary Education	18.6%	13.0%	14.8%
Other Social Assistance Services	13.9%	35.0%	28.1%
Banking	12.0%	-14.8%	17.3%
General Practice Medical Services	11.0%	30.2%	30.9%
Dental Services	10.9%	28.6%	15.7%
Top 10 industries of growth			
Employment Placement and Recruitment Services	-33.3%	-47.7%	-3.2%
Fuel Retailing	-38.6%	-14.5%	-1.1%
Technical and Vocational Education and Training	-39.1%	-30.2%	-12.9%
Retail Trade, nfd	-40.3%	-30.9%	-42.2%
House Construction	-49.2%	-41.5%	-46.9%
Non-Residential Building Construction	-50.6%	-30.0%	68.3%
Urban Bus Transport (Including Tramway)	-61.0%	-38.7%	17.2%
Manufacturing, nfd	-62.4%	-40.3%	-47.4%
Other Machinery and Equipment Repair and Maintenance	-65.0%	-23.5%	-17.1%
Sports and Physical Recreation Venues, Grounds and Facilities Operation	-73.0%	-57.6%	-20.4%
Health Care and Social Assistance, nfd	-74.2%	-68.8%	-60.4%

Source: SGS Economics and Planning, 2018, using ABS Census of Population and Housing, 2011 and 2016

Economic Specialisation

Location Quotient analysis

A Location Quotient (LQ) is calculated by dividing the proportion of local jobs within a particular industry sector by the proportion of jobs within that industry sector in a benchmark area. If the proportion of jobs in a local industry sector is high within a small region relative to that of a benchmark area, that industry sector will have a location quotient of greater than 1. This form of analysis is used to identify relative strengths of particular industry sectors, with

⁶ To avoid skewed data, industries with less than 40 employees were omitted from the analysis.

LQs greater than 1 potentially a sign of the existence of regional competitive advantage, and/or the presence of an export focus. This analysis is therefore important in devising strategies to grow regional economies by leveraging existing strengths.

The LQ analysis conducted for ANZSIC 1-digit industries of employment is contained in Table 32. The LQ analysis shows that compared to the MidCoast Council and NSW, Great Lakes SA3 has particular strengths in:

- Retail trade
- Accommodation and food services
- Construction

These three industries have high LQs and industry shares. Rental, hiring and real estate services and electricity, gas, water and waste services both have relatively high specialisation, albeit with low concentrations of employment.

TABLE 32. LOCATION QUOTIENT (ANZSIC 1-DIGIT) 2016

Industry	LQ relative to MidCoast Council	LQ relative to NSW	Share of total employment in Great Lakes SA3
Health Care and Social Assistance	0.89	1.22	16.0%
Retail Trade	1.05	1.36	13.8%
Accommodation and Food Services	1.22	1.57	11.7%
Construction	1.15	1.29	11.3%
Education and Training	0.94	0.90	7.9%
Public Administration and Safety	1.10	0.77	4.9%
Agriculture, Forestry and Fishing	0.80	1.98	4.5%
Manufacturing	0.74	0.70	4.3%
Other Services	1.03	1.08	4.2%
Administrative and Support Services	1.11	1.14	4.2%
Professional, Scientific and Technical Services	1.03	0.46	3.9%
Transport, Postal and Warehousing	0.90	0.72	3.5%
Rental, Hiring and Real Estate Services	1.24	1.22	2.3%
Electricity, Gas, Water and Waste Services	1.18	2.01	2.0%
Financial and Insurance Services	1.00	0.28	1.5%
Arts and Recreation Services	1.05	0.85	1.4%
Wholesale Trade	0.70	0.34	1.1%
Mining	0.86	1.00	1.0%
Information Media and Telecommunications	0.90	0.33	0.8%

Source: SGS Economics and Planning, 2018

The location quotient analysis serves as a filter to identify industries of comparative strength for additional consideration and analysis. In broad terms, the above analysis reveals that the economy of the Great Lakes SA3 is specialised in retail trade, accommodation and food services, and to a lesser extent, construction.

A finer grain LQ analysis was also completed. This reviewed industries at the 'four-digit level', allowing identification of competitive advantage as it relates to specific industry subsectors. Table 33 sets out the findings of this analysis, showing that the industries in which the Great Lakes SA3 is specialised. It reveals the region has particular strengths in the provision of aged care residential services and accommodation, with these sectors having both high LQs and industry shares.

TABLE 33. LOCATION QUOTIENT (ANZSIC 4-DIGIT) 2016

Top 10 ANZSIC Industries (4-digit)	LQ relative to Mid Coast LGA	LQ relative to NSW	Share of total employment in Great Lakes SA3
Aged Care Residential Services	1.19	2.66	4.66%
Accommodation	1.48	2.80	3.31%
Supermarket and Grocery Stores	0.91	1.35	2.96%
Cafes and Restaurants	1.36	1.42	2.54%
Local Government Administration	1.16	1.90	2.47%
Takeaway Food Services	0.96	1.17	2.36%
Primary Education	0.91	1.24	2.36%
House Construction	1.21	1.48	2.21%
Hospitals (except Psychiatric Hospitals)	0.55	0.66	2.11%
Secondary Education	0.84	1.18	1.90%

Source: SGS Economics and Planning, 2018.

Growth share analysis

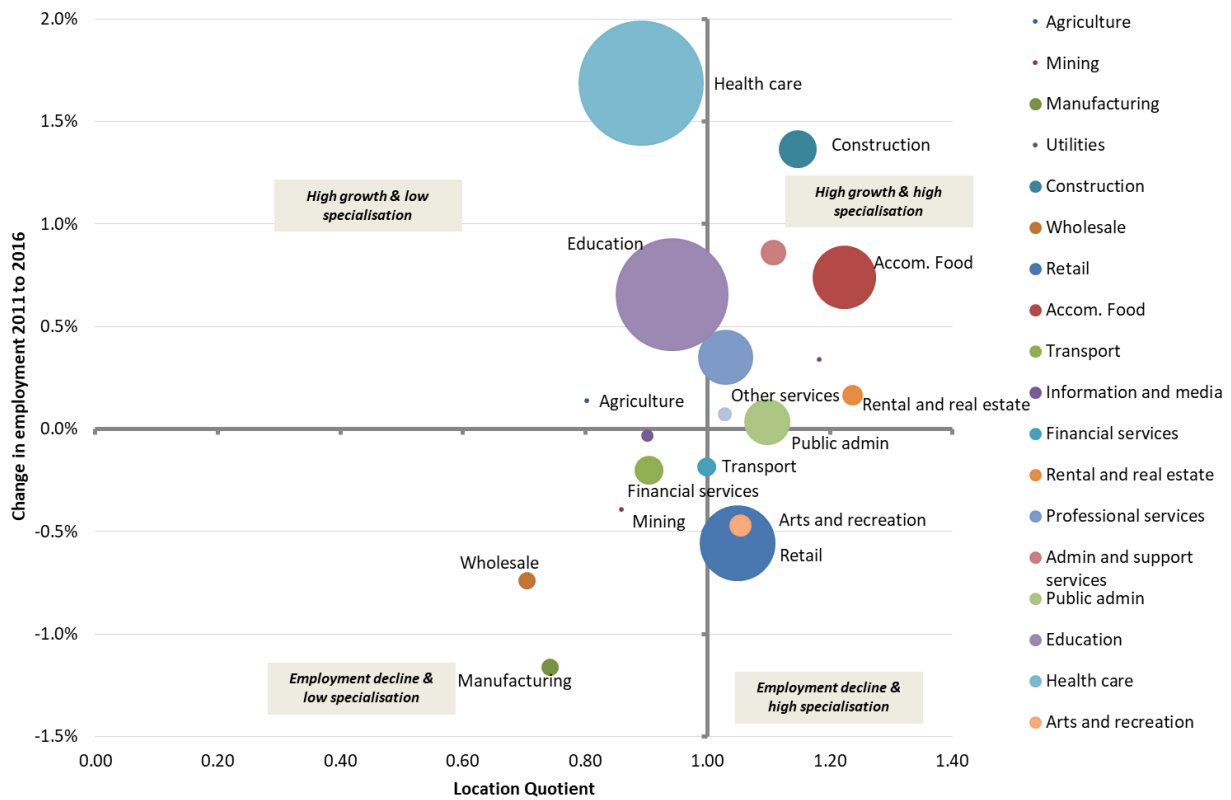
The LQ analysis was used to produce the growth-share analysis against the MidCoast Council (Figure 9) and NSW (Figure 10). Growth-share analysis involves an assessment of the relative size and specialisation of key industries, or industry clusters, and their recent change relative to the benchmark total growth in employment. Progression can be understood and assessed by comparing the recent relative growth against the benchmark, specialisation and size of key industries. Analysing industries or clusters in this way assists in the understanding of appropriate policies to guide their further growth and development, or to prioritise actions for economic development facilitation across various industry sectors.

The LQ is shown on the horizontal axis, and the change in employment from 2011 to 2016 on the vertical axis. The size of the marker represents the relative size of the industry within the LGA. The upper-right quadrant shows specialised industries experiencing growth in employment, while the upper-left quadrant shows employment growth and low specialisation. The bottom half of the diagram shows industries experiencing a decline in employment with the south-eastern quadrant indicating high specialisation and the lower-left quadrant indicating low specialisation.

The analysis shows that, relative to NSW, the Great Lakes SA3 has a particular strength in health care, accommodation and food services, and construction. In comparison with the MidCoast Council, the Great Lakes SA3 is specialised in retail, construction, and accommodation and food services, though retail sector's share of total employment declined between 2011 and 2016.

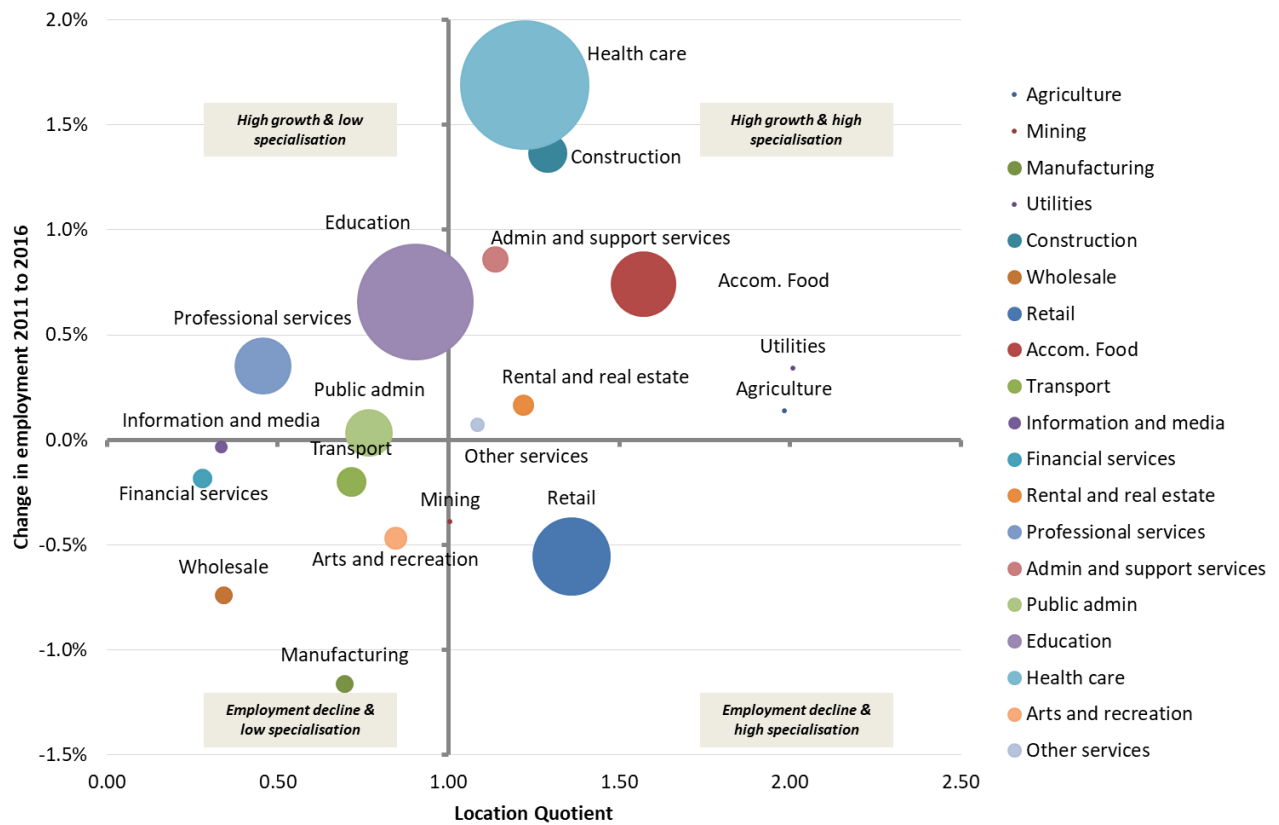
On the other hand, the Great Lakes SA3 is relatively unspecialised in regard to white-collar employment types, notable professional services, information and media, and financial services, although professional services as a proportion of total employment grew somewhat between 2011 and 2016.

FIGURE 9. GROWTH SHARE ANALYSIS, GREAT LAKES SA3 COMPARED TO MIDCOAST COUNCIL, 2011-16



Source: SGS Economics and Planning, 2018

FIGURE 10. GROWTH SHARE ANALYSIS, GREAT LAKES SA3 COMPARED TO NSW, 2011-16



Source: SGS Economics and Planning, 2018.

Shift-share analysis

Shift-share analysis is one way to account for the competitiveness of a region's industries and to analyse the local economic base. It paints a picture of how well a region's current industries are performing by systematically examining the national, local, and industrial components of employment change. A shift-share analysis provides a dynamic account of total regional employment growth that is attributable to growth of the national economy, a mix of faster or slower than average growing industries, and the competitive nature of the local industries. This analysis clearly identifies those industries that benefit from local competitive advantages and those that suffer from local growth impediments.

A shift-share analysis was conducted for Great Lakes SA3 against NSW to determine the extent to which job growth can be attributed to unique regional factors and how much is due to broader state trends (Table 34). Employment growth between 2011 and 2016 for both Great Lakes SA3 and NSW is shown in Table 34.

TABLE 34. EMPLOYMENT GROWTH, 2011-16, GREAT LAKES SA3 AND NSW

	Great Lakes SA3		NSW	
	2011	2016	2011	2016
Agriculture, Forestry and Fishing	421	434	69,576	72,625
Mining	134	96	31,185	31,736
Manufacturing	527	414	264,867	197,331
Electricity, Gas, Water and Waste Services	160	193	34,205	31,881
Construction	968	1,100	230,057	282,491
Wholesale Trade	179	107	138,891	103,722
Retail Trade	1,393	1,338	324,725	326,396
Accommodation and Food Services	1,063	1,134	210,379	239,222
Transport, Postal and Warehousing	363	343	155,024	158,760
Information Media and Telecommunications	77	74	72,489	73,398
Financial and Insurance Services	159	141	158,422	167,259
Rental, Hiring and Real Estate Services	203	219	51,551	59,652
Professional, Scientific and Technical Services	343	377	247,292	274,078
Administrative and Support Services	320	403	102,355	117,482
Public Administration and Safety	469	472	192,635	204,173
Education and Training	707	770	248,951	282,568
Health Care and Social Assistance	1,393	1,556	364,321	422,195
Arts and Recreation Services	178	132	46,332	51,775
Other Services	400	407	117,616	124,477
Total	9,457	9,710	3,060,873	3,221,221

Source: SGS Economics and Planning, 2018

Shift-share analysis incorporates the following elements.

- State Growth Effect (SG) displays the overall growth of the NSW economy over the 2011 to 2016 period. The SG demonstrates the share of local job growth that can be attributed to growth of the national economy. For example, if the state as a whole is experiencing employment growth, one would expect the conditions supporting this growth to be having some impact on the economy of the Great Lakes SA3.
- Expected Change is the rate of growth for a particular industry at the state level. It is the change that you would expect to see occurring across both the study and benchmark regions, all other things being equal. This is the share of local job growth that can be attributed to the region's mix of industries. This second factor is the change in a local industry that would be attributable to the growth or decline of the industry nationally.
- The Industrial Mix Effect (IM) represents the industry growth rate for the benchmark region (NSW) accounting for broader growth. The IM removes (or isolates) the effect of overall growth in the NSW economy by subtracting the overall growth from the industry growth. For example, construction grew by 22 per cent between 2011 and 2016, but once the NSW growth of 5 per cent is accounted for, then it grew by only 17 per cent.
- Regional Competitive Shift (CS) explains how much of the change in a given industry is due to some unique competitive advantage that the region possesses, because the growth cannot be explained by broader trends in that industry or the economy as whole. It is the total industry growth in Great Lakes SA3 minus the change you would expect in that industry (expected change) given the benchmark rates. We observe that even during periods of general prosperity, some regions and still some industries grow faster than others do. This is usually attributed to some local comparative advantage such as natural resources, linked industries, or favourable local labour situations. The local component aids in identifying a local area's economic strengths. This element of the analysis is a representation of how a region's competitive position can contribute to regional job growth.
- The total column is the total amount of growth by industry in Great Lakes from 2011-16.

Table 35 shows that the Great Lakes SA3 has comparative / competitive advantages for manufacturing, electricity, gas, water and waste services and administrative and support services. At the same time, the Great Lakes SA3 is relatively uncompetitive in most other industry sectors.

TABLE 35. GREAT LAKES SHIFT-SHARE ANALYSIS

	NATIONAL GROWTH (NG)	INDUSTRIAL MIX (IM)	EXPECTED CHANGE	COMPETITIVE SHIFT (CS)	TOTAL
Agriculture, Forestry and Fishing	5.2%	-0.9%	4.4%	-1.3%	3.1%
Mining	5.2%	-3.5%	1.8%	-30.1%	-28.4%
Manufacturing	5.2%	-30.7%	-25.5%	4.1%	-21.4%
Electricity, Gas, Water and Waste Services	5.2%	-12.0%	-6.8%	27.4%	20.6%
Construction	5.2%	17.6%	22.8%	-9.2%	13.6%
Wholesale Trade	5.2%	-30.6%	-25.3%	-14.9%	-40.2%
Retail Trade	5.2%	-4.7%	0.5%	-4.5%	-3.9%
Accommodation and Food Services	5.2%	8.5%	13.7%	-7.0%	6.7%
Transport, Postal and Warehousing	5.2%	-2.8%	2.4%	-7.9%	-5.5%

Information Media and Telecommunications	5.2%	-4.0%	1.3%	-5.2%	-3.9%
Financial and Insurance Services	5.2%	0.3%	5.6%	-16.9%	-11.3%
Rental, Hiring and Real Estate Services	5.2%	10.5%	15.7%	-7.8%	7.9%
Professional, Scientific and Technical Services	5.2%	5.6%	10.8%	-0.9%	9.9%
Administrative and Support Services	5.2%	9.5%	14.8%	11.2%	25.9%
Public Administration and Safety	5.2%	0.8%	6.0%	-5.3%	0.6%
Education and Training	5.2%	8.3%	13.5%	-4.6%	8.9%
Health Care and Social Assistance	5.2%	10.6%	15.9%	-4.2%	11.7%
Arts and Recreation Services	5.2%	6.5%	11.7%	-37.6%	-25.8%
Other Services	5.2%	0.6%	5.8%	-4.1%	1.8%
TOTAL	5.2%	0.0%	5.2%	-2.6%	2.7%

Source: SGS Economics and Planning, 2018

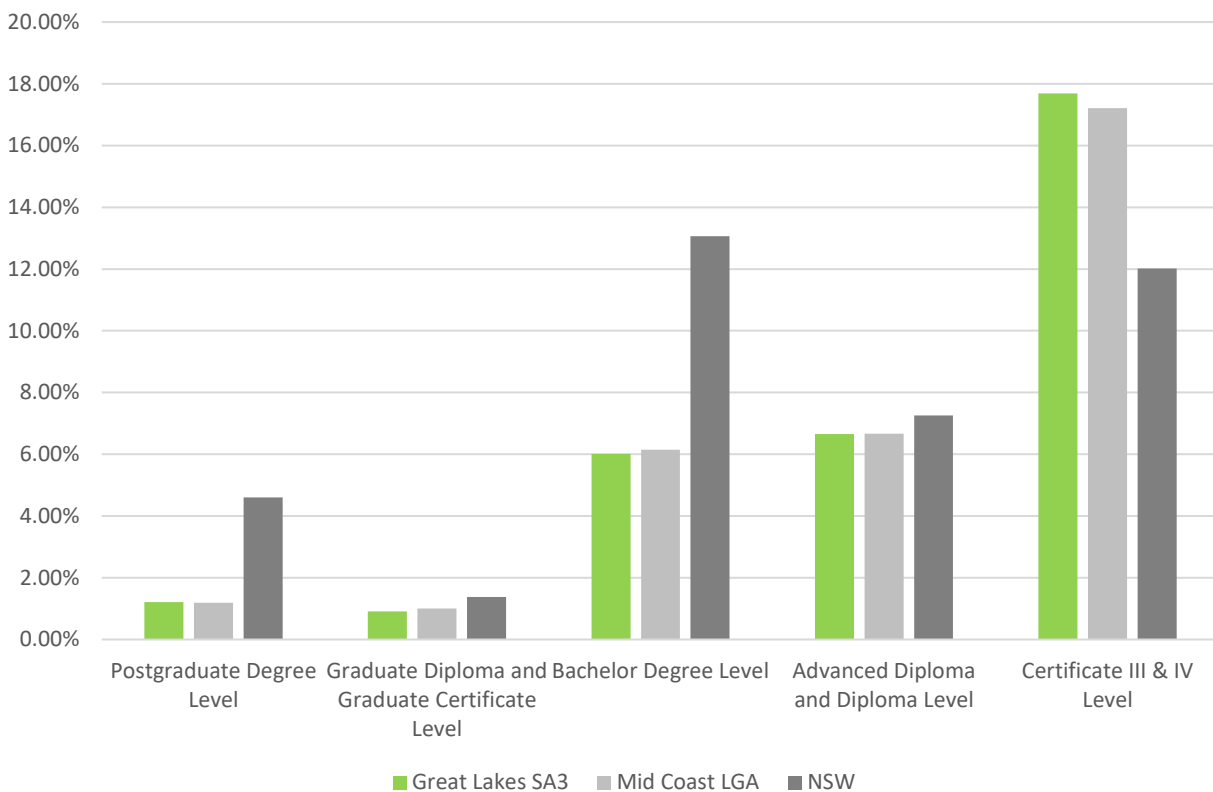
Workforce Profiling

Education levels

In 2016, 8 per cent of adult residents within the Great Lakes SA3 had a bachelor's degree or higher. Across the MidCoast Council, levels of education attainment were similar. Across the state, the level of educational attainment is substantially higher, with 19 per cent of adults across New South Wales having achieved bachelor's degree or higher.

Residents of both the Great Lakes SA3 and the MidCoast Council are far more likely to have vocational qualifications (Certificate III or IV) than residents of NSW as a whole, with between 17 and 18 per cent of adults having these qualifications. Across the state, the proportion is significantly lower – at around 12 per cent.

FIGURE 11. EDUCATION ATTAINMENT LEVEL, 2016

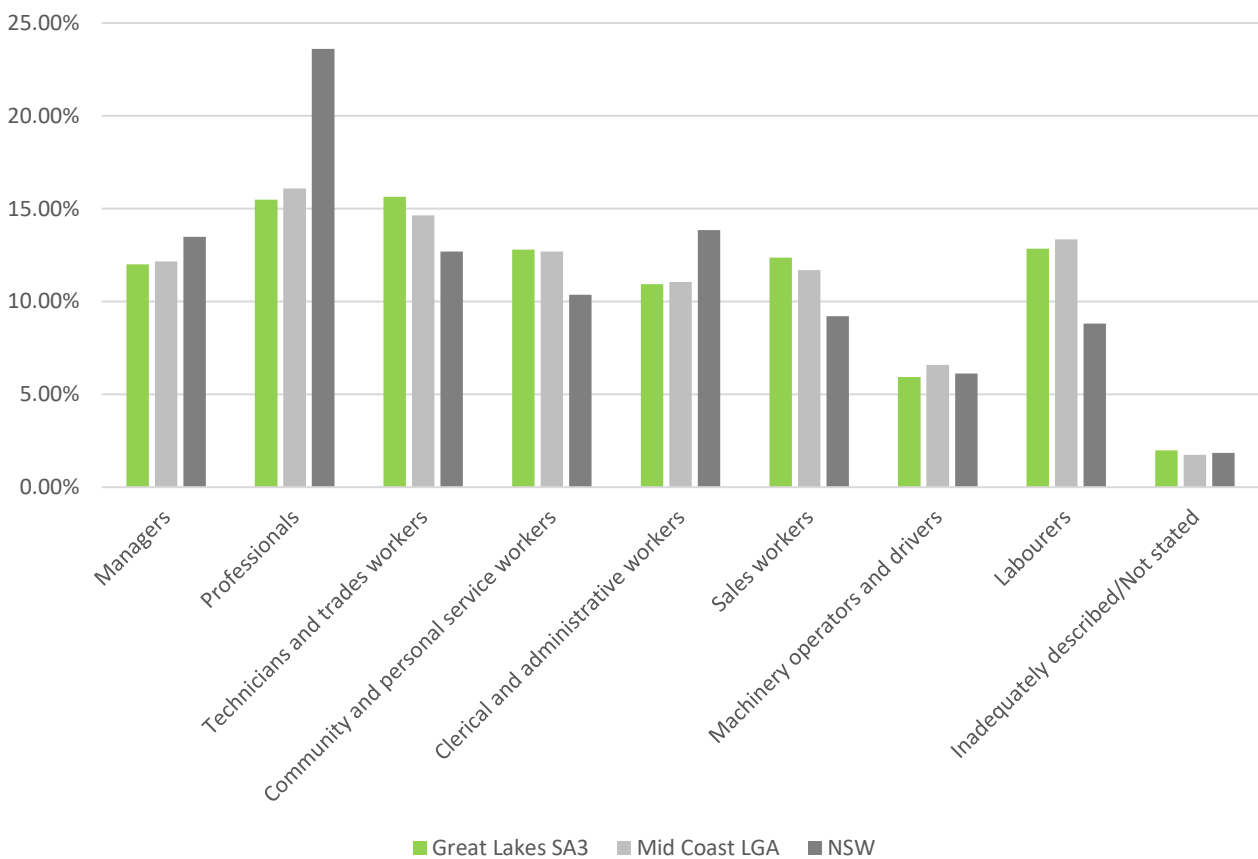


Source: SGS Economics and Planning, 2018, using ABS Census of Population and Housing, 2016

Occupations

Figure 12 illustrates the breakdown of the Great Lakes SA3, MidCoast Council and NSW workforces by occupation. In comparison with NSW, a relatively high proportion of Great Lakes SA3 workers are employed in unskilled or semi-skilled occupations (i.e. technicians and trades workers, community and personal service workers, sales workers and labourers). On the other hand, occupations typically associated with a white-collar workforce (managers, professionals and clerical and administrative works) are underrepresented in the Great Lakes SA3.

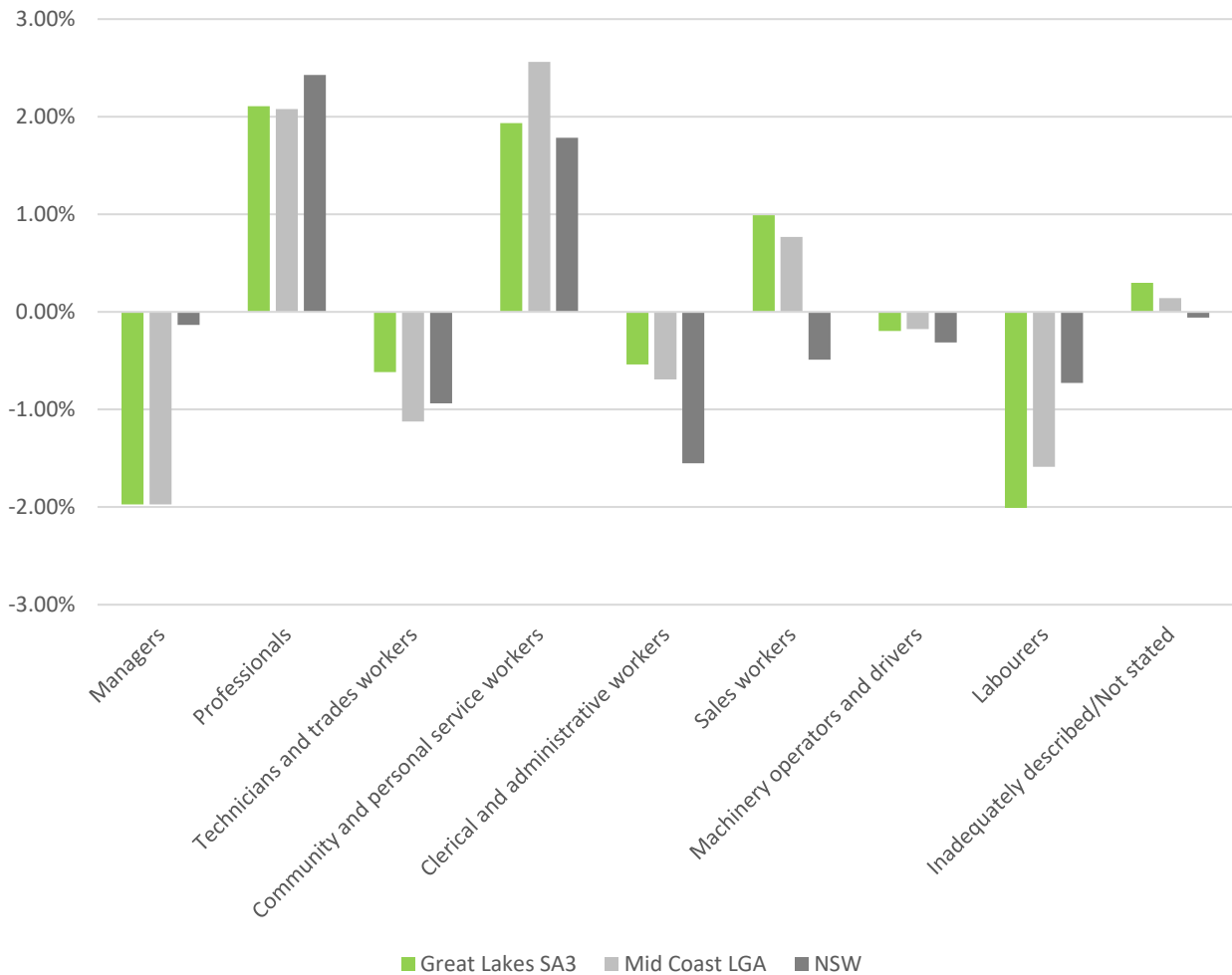
FIGURE 12. RELATIVE SHARE OF WORKERS BY OCCUPATION, GREAT LAKES SA3, MIDCOAST COUNCIL, AND NSW (2016)



Source: SGS Economics and Planning, 2018, using ABS Census of Population and Housing, 2016

Figure 13 illustrates the change in relative share of workers by occupations that has occurred between 2006 and 2016. This analysis shows that share of total workers employed as both professionals and community and personal service workers has grown across all geographies, reflecting broader national trends that have supported growth of employment in relatively highly-skilled sectors. The decline in managerial occupations was strongest in the Great Lakes SA3 and the MidCoast Council. Great Lakes SA3 further recorded substantial declines in labour occupations. This decline was reflected to a lesser degree across the MidCoast Council.

FIGURE 13. CHANGE IN OCCUPATIONS, 2006-16



Source: SGS Economics and Planning, 2018, using ABS Census of Population and Housing, 2006, 2011, 2016

Labour Force

Table 36 contains the labour force figures for Great Lakes SA3, MidCoast Council and NSW between 2014 and 2018. Over this period, Great Lakes SA3 experienced growth in the labour force of 19.6 per cent, which is in line with the broader MidCoast Council (19.4 per cent) and well above NSW (8.4 per cent) growth rates.

TABLE 36. LABOUR FORCE 2014-18

Column1	Great Lakes SA3	Mid-Coast LGA	NSW
Sep-14	11,423	34,540	3,828,945
Dec-14	11,734	35,415	3,844,413
Mar-15	12,331	37,145	3,861,647
Jun-15	12,748	38,368	3,883,394
Sep-15	13,036	39,242	3,913,741
Dec-15	13,061	39,367	3,949,365
Mar-16	12,831	38,729	3,978,819
Jun-16	12,683	38,327	4,006,226
Sep-16	12,672	38,296	4,018,176
Dec-16	12,642	38,193	4,021,808
Mar-17	12,879	38,858	4,023,222
Jun-17	13,091	39,466	4,029,243
Sep-17	13,422	40,442	4,046,939
Dec-17	13,803	41,577	4,074,649
Mar-18	13,840	41,725	4,110,780
Jun-18	13,661	41,248	4,149,473
Change 2014-18	19.6%	19.4%	8.4%

Source: SGS Economics and Planning, 2018, using Department of Education, Employment and Workplace Relations, 2012, Small Area Labour Markets publication.

Labour Force Participation Rate

The work force participation rates have been calculated for Great Lakes SA3, MidCoast Council and NSW (refer to Table 37). Great Lakes SA3 and MidCoast Council both have participation rates of around 77 per cent, compared to NSW which has a higher participation rate of 82.4 per cent.

TABLE 37. WORK FORCE PARTICIPATION RATES, 2016

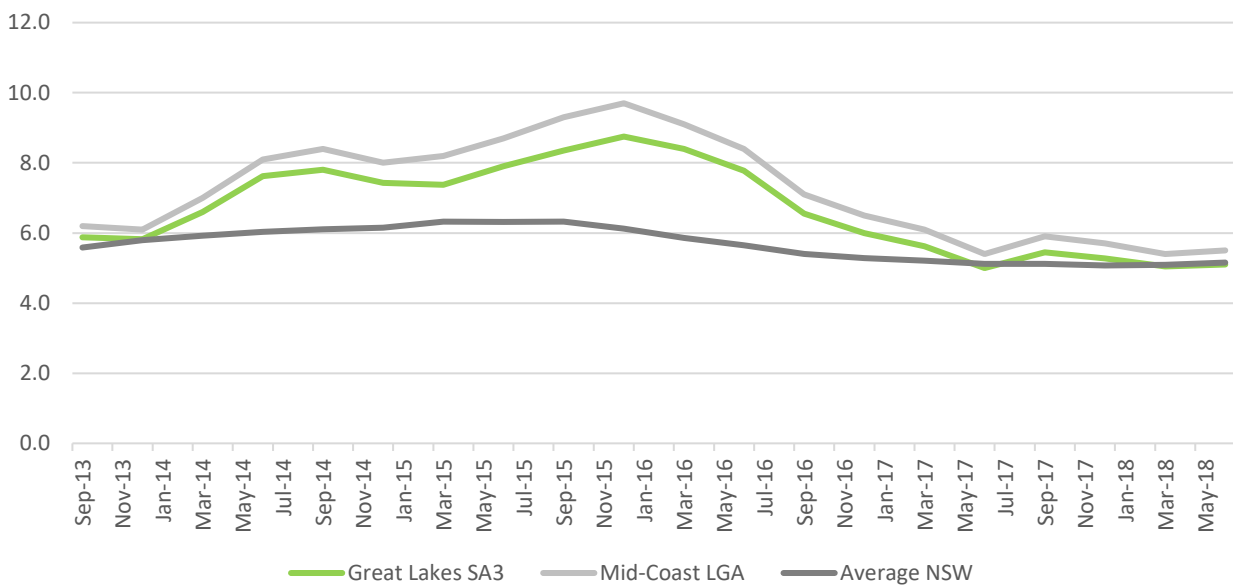
	Great Lakes SA3	Mid Coast LGA	New South Wales
Labour force	12,672	38,296	4,018,176
Working age population	16,429	49,174	4,876,257
Participation rate	77.1%	77.9%	82.4%

Source: SGS Economics and Planning, 2018

Unemployment Rate

Figure 14 illustrates the unemployment rates for Great Lakes SA3, MidCoast Council and NSW between 2013 and 2018. The graph highlights that Great Lakes SA3 had a relatively high unemployment rate in recent years, with the rate peaking at 8.8 per cent in December 2015. However, this rate has since declined to 5.1 per cent as of July 2018. This trend was broadly experienced in the context of the MidCoast Council with a slightly higher unemployment rate from 2013 to 2018. At the same time NSW has maintained a significantly steady unemployment rate over this time period. From December 2016, the employment rates in MidCoast Council and Great Lakes SA3 have remained stable under a rate of 6 per cent, aligning more closely with the state average.

FIGURE 14. UNEMPLOYMENT RATE, 2013-18



Source: SGS Economics and Planning, 2018, using Department of Education, Employment and Workplace Relations, 2018, Small Area Labour Markets publication

Summary

The major industries of employment in the Great Lakes SA3 are Health Care and Social Assistance, Retail Trade and Accommodation and Food Services. Similarly, the Great Lakes SA3 is specialised in Retail trade, Accommodation and food services and Construction.

At the same time, Accommodation and Food and Retail, have experienced nil growth and decline (respectively) over the past decade. This tends to suggest that population-serving industries have declined in real terms over 2011 to 2016.

The Great Lakes SA3 has lower levels of education than the NSW average (fewer Bachelor degrees) and fewer professional jobs compared to the NSW average; probably indicating a 'brain drain' of educated residents leaving Great Lakes SA3. At the same time, the unemployment rates in Great Lakes SA3 has declined to meet NSW averages.

In essence, the economic profile suggests that the Great Lakes SA3 economy has continued to be subdued over the past decade. There are fewer highly educated residents and knowledge-intensive professional workers in the area. The participation rate is lower than State averages however unemployment rates have declined.

FLOORSPACE AUDIT

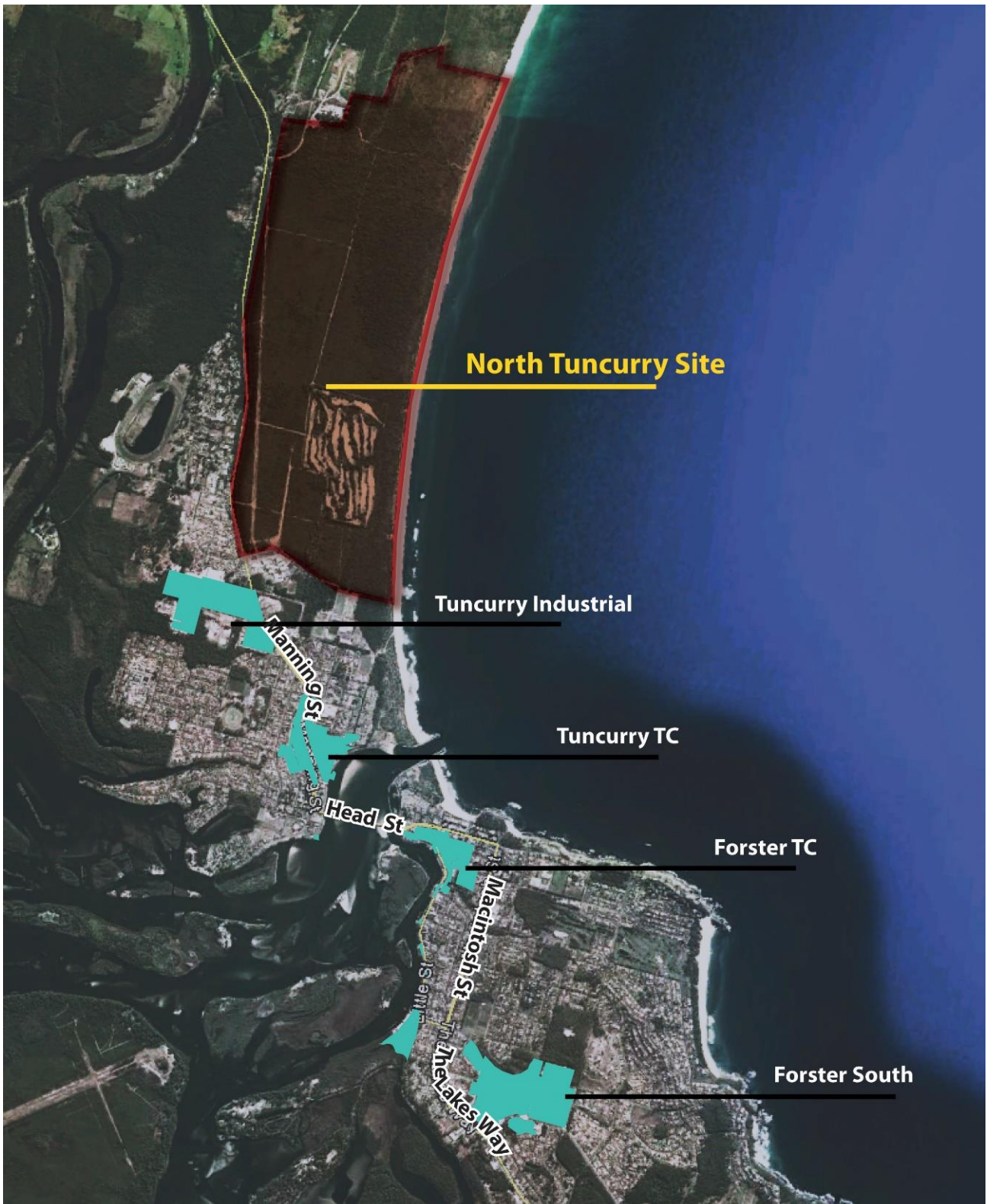
Floorspace by Precinct

A floorspace survey was carried out at four major employment areas within Forster-Tuncurry. The precincts are defined as the following (from South to North):

- Forster South: Forster Stockland Shopping Centre, commercial uses along The Lakes Way and the industrial area along Kularoo Drive
- Forster Town Centre (TC): Forster TC along Wharf Street and businesses surrounding Forster Beach
- Tuncurry Town Centre (TC): Tuncurry TC centred on Manning Street
- Tuncurry Industrial: Tuncurry industrial area around Grey Gum Road

The precincts are shown overleaf in Figure 15.

FIGURE 15. FORSTER-TUNCURRY EMPLOYMENT PRECINCTS



Source: Google Maps, 2013; SGS 2013.

Overall, approximately 434,000 sqm of developed floorspace was recorded within Forster-Tuncurry centres. Forster South in particular accounts for 50 per cent of the recorded floorspace. This is largely due to the existing shopping centre and high volumes of accommodation (mostly cabins) and retail businesses within the precinct.

Table 38 summarises the overall floorspace coverage and vacancy rate within each precinct.

TABLE 38. TOTAL FLOORSPACE OF ALL PRECINCTS

Precinct	Forster South	Forster TC	Tuncurry TC	Tuncurry Industrial	Total
Total (sqm)	220,170	120,009	48,840	45,174	434,192
Total businesses	240	219	125	71	655
Total Vacant premises	14	17	15	9	55
Vacancy rate	6%	8%	12%	13%	8%
Total Vacant Floorspace (sqm)	4,401	3,175	6,691	6,166	20,433

Source: SGS, 2018.

The vacancy rate of a precinct provides a general indicator of its viability and vitality. A retail centre with a vacancy rate of 5 per cent could be considered 'at capacity', given the nature of centres, where natural attrition, refurbishments, and turnover of businesses results in a situation where centres are rarely if ever 100 per cent occupied. On the other hand, a vacancy rate of 10 per cent might suggest that a precinct is underperforming, potentially due to cyclical or seasonal factors. A vacancy rate higher than 15 per cent would suggest that there are structural problems that might ultimately impact a centre's viability⁷.

For industrial precincts, the 'natural' vacancy rate is typically higher, with a shallower market. Further, given differing facility requirements by different users, often significant investments (and time) is required to make a site suitable for an incoming business.

Given all this, the Forster South precinct appears to be functioning well, while the vacancy rate for the Forster TC indicates that it is under-performing. The vacancy rate in the Tuncurry TC suggests weak economic viability of these precincts, as well as a sign of potential longer-term structural problems. In the Tuncurry Industrial precinct, a vacancy rate of 13 per cent would be considered fairly unproblematic.

Table 39 shows floorspace coverage by Broad Land Use Categories (BLCs). In this analysis, BLCs have been used as the preferred employment descriptor, rather than the ABS ANZSIC (Australia New Zealand Standard Industry Classification) codes. Unlike ANZSIC codes, the BLCs account for business categories that generate demand for a range of land use types and zones within our study area. For example, for the manufacturing industry category, parts of a manufacturing business may be in heavy industrial areas, other parts may be in light industrial areas and jobs in head office/administrative functions in the same manufacturing firms may be in commercial areas (in offices). A detailed description of the BLC codes is provided in Appendix 1.

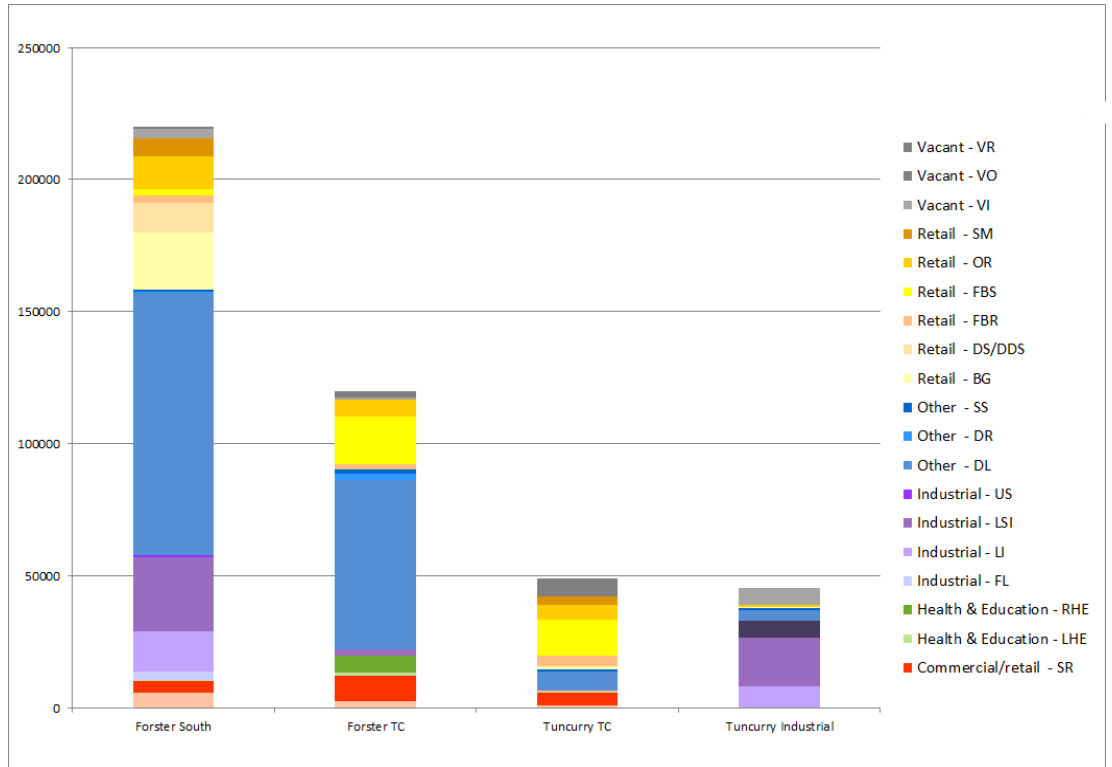
⁷ Wood, S., Sneesby, T., & Baker, R. G. (2012). 'Maintaining town centre vitality in competitive environments: pedestrian movements, land-use and built-form in Armidale and Tamworth, NSW.' *Australian Planner*, 49(2), 172-187.

TABLE 39. FLOORSPACE BY BLC

	BLC	Forster South	Forster TC	Tuncurry TC	Tuncurry Industrial
Commercial office					
O	Office	5,472	2,447	911	-
		2%	2%	2%	0%
Commercial / retail					
SR	Service Retail	4,627	9,552	4,738	-
		2%	8%	10%	0%
Health & Education					
LHE	Local health and education	283	1,071	750	-
RHE	Regional health and education	-	6,645	-	-
		0%	6%	2%	0%
Industrial					
FL	Freight and Logistics	3,304	-	-	-
LI	Light Industrial	15,184	-	-	7,866
LSI	Light Service Industrial	28,091	2,509	277	18,539
US	Urban Services	742	-	-	6,607
		21%	2%	1%	73%
Other					
DL	Dispersed local	99,227	63,819	7,148	3,917
DR	Regional Dispersed	452	2,446	-	-
SS	Service Stations	1,105	1,648	467	601
		46%	57%	16%	10%
Retail					
BG	Bulky Goods	21,572	-	1,465	464
DS / DDS	(Discount) Department stores	11,154	-	-	-
FBR	Food and beverage retailing	2,783	1,926	3,745	-
FBS	Food and beverage services	2,188	18,349	13,749	283
OR	Other retail	12,767	6,422	5,533	731
SM	Supermarket	6,818	-	3,367	-
		26%	22%	57%	3%
Vacant					
VI	Vacant Industrial	3,632	693	-	6,166
VO	Vacant Office	-	-	526	-
VR	Vacant Retail	769	2,482	6,164	-
		2%	3%	14%	14%
Total		220,170	120,009	48,840	45,174

Figure 16 illustrates the land use composition within each precinct. Forster South and Forster TC in particular are predominantly Dispersed Local (DL) uses. The floorspace survey identified a prevalence of holiday parks, motels, short term accommodation and local recreation facilities within these two precincts.

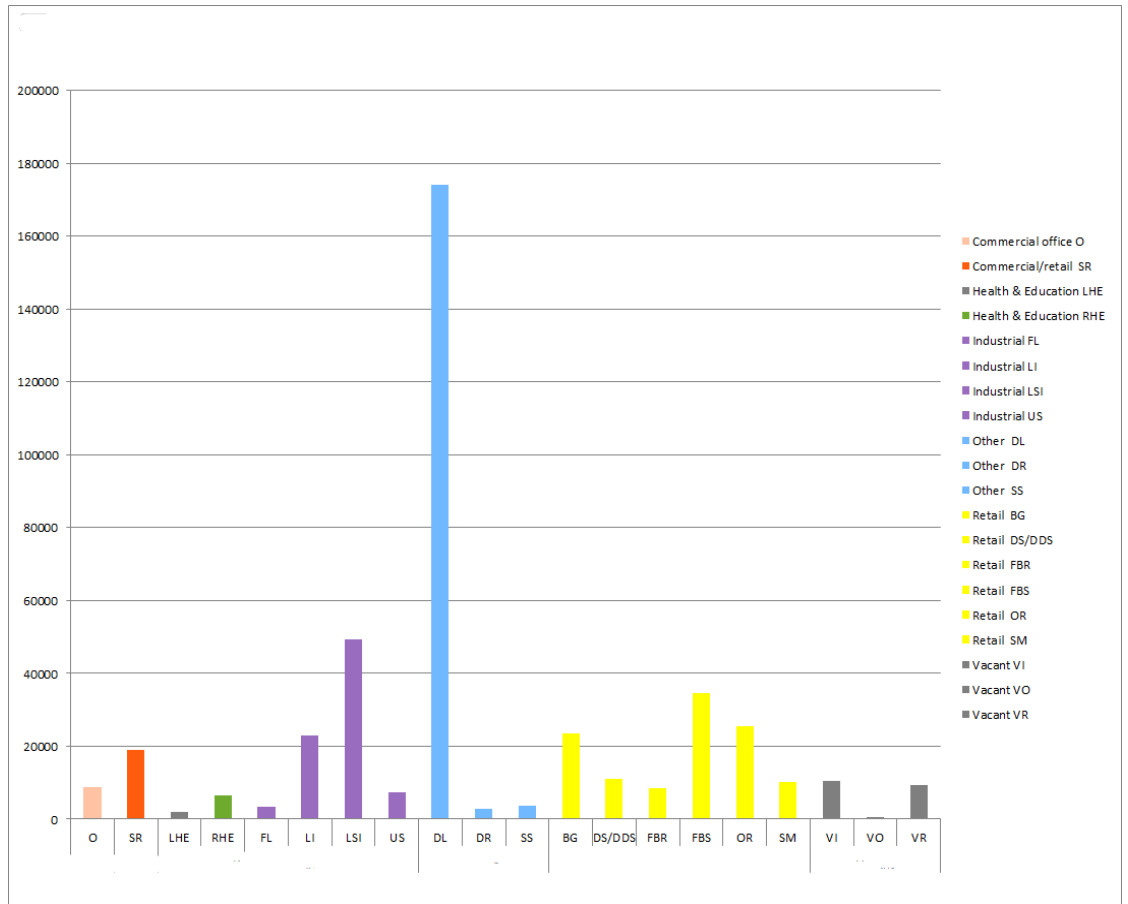
FIGURE 16. FLOORSPACE BY PRECINCT



Source: SGS, 2013

Figure 17 illustrates floorspace amount by BLC. Results indicate that Dispersed Local (DL) uses are most common overall (40 per cent). Alongside this, Food and Beverage Services (FBS), Light Service Industrial (LSI) each contribute for 8 per cent and 11 per cent of the overall floorspace, respectively. The ANZSIC uses that fall under these BLCs are outlined in Table 40.

FIGURE 17. FLOORSPACE BREAKDOWN BY BLC



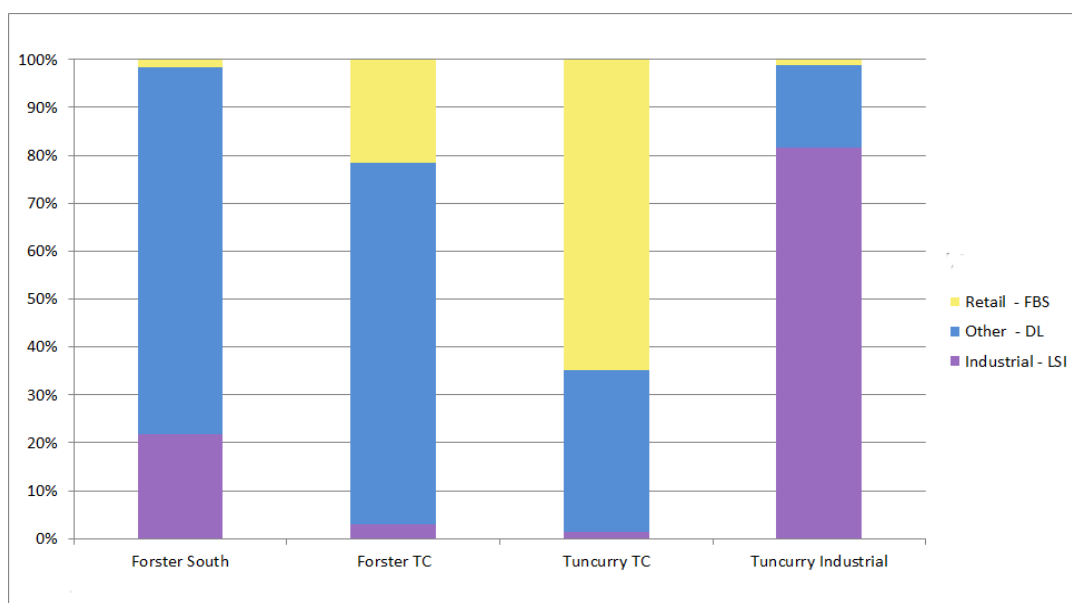
Source: SGS, 2013.

TABLE 40. BLC-ANZSIC DESCRIPTIONS

BLC	Description	ANZSIC
DL	Dispersed Local	Ambulance Services, accommodation, dental, recruitment, funeral and crematorium, general medical, health and fitness centres, hotels, legal, motels, motion picture exhibition, library, performing arts, police stations, religious services, veterinary services, video and electronic media rental, etc.
FBS	Food and Beverage Services	Cafes, Clubs, Pubs, Restaurants, Takeaway and Food
LSI	Light Service Industrial	Automotive body, paint and repair, Plumbing goods wholesaling, Domestic Household Tools, Furniture and Floor Covering Wholesaling, Landscape Construction Services, Air Conditioning and Heating Services, Heavy Machinery and Scaffolding Rental and Hiring, Self-storage Renting or Leasing, Clothing Manufacturing N.E.C., Other Heavy and Civil Engineering Construction

Figure 18 shows that there is a significant shift in dominant business type from South Forster to Tuncurry Industrial precinct in the north. Survey results recorded a variety of LSI activities in Tuncurry Industrial precinct including self-storage renting or leasing, automotive, machinery and construction related services.

FIGURE 18. SIGNIFICANT BLCS BY PRECINCT



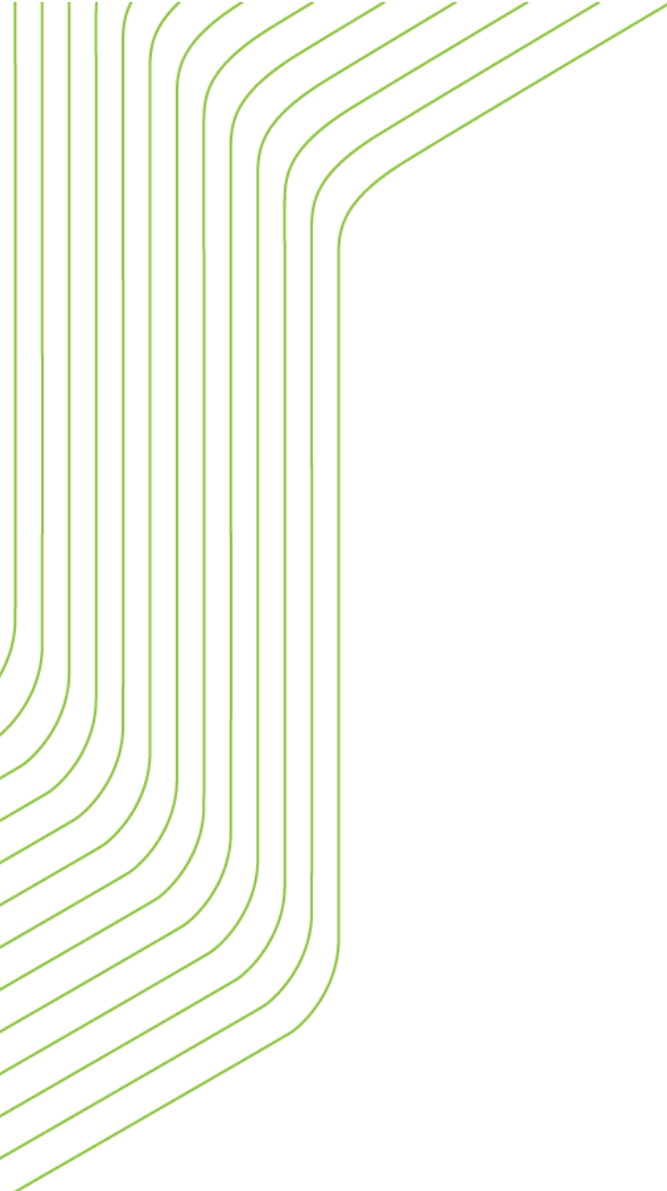
Source: SGS, 2013

Capacity assessment

Table 41 indicates vacant lots and buildings for industrial and commercial zones, by precinct within Forster-Tuncurry. Based on an estimation using aerial imagery, cadastre and GIS assessments of our survey, there are approximately 173,000 sqm of vacant land in all precincts. Using conservative build-out ratios for industrial, commercial and retail uses, it is estimated that floorspace capacity in Forster-Tuncurry could be increased by 22 per cent. Tuncurry Industrial in particular has the most potential for future expansion. It could accommodate around an additional 63,000 sqm of industrial floorspace. Tuncurry TC on the other hand only has capacity for an additional 3,600 sqm; although this is in addition to the 6,700 sqm of existing vacant floorspace.

TABLE 41. VACANCY AND CAPACITY

	Forster South (sqm)	Forster TC (sqm)	Tuncurry TC (sqm)	Tuncurry Industrial (sqm)	Total
Vacant Lots	25,792	17,726	3,621	126,267	173,406
Floorspace Capacity (Industrial)	12,896	-	-	63,134	76,030
Floorspace Capacity (non-industrial)	-	17,726	3,621	-	21,347
Floorspace Capacity - Total	12,896	17,726	3,621	63,134	97,377
% Capacity	6%	15%	7%	140%	22%



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