CAIRNS BEACHES TOWN CENTRE – PEER REVIEW OF ECONOMIC REPORTS AND ALTERNATIVE SITE ANALYSIS REPORT

Gerard Rosse GR : 8/27/3: #1828364

RECOMMENDATION:

That Council:

A. Note the Peer Review Report, Alternative Site Analysis Report & Project Program; and

B. Resolve to brand the project as the ‘Smithfield Town Centre’.

INTRODUCTION:

The establishment of a town centre on the Cairns beaches has progressed over the last 18 months and reports have been presented to Council on several occasions during this time.

In January 2008 Council resolved to investigate all possible options for the future provision of commercial, business and industry activities for the Smithfield and Beaches area. In June 2008 Council further resolved to commission an independent peer review of the economic reports relating to the Cairns Beaches Town Centre. It should be noted that this is not an additional economic study; rather it is a peer review of the existing economic reports.

Following on from these resolutions an alternative site analysis report and an economic peer review have been conducted. To ensure that the planning for the town centre progresses, a technical workshop will be held in December.

The process being undertaken is similar to that for the Edmonton Town Centre in that a technical workshop will take place that will inform a future amendment to CairnsPlan. It is anticipated that the amendments to CairnsPlan to incorporate the Edmonton and Smithfield Town Centres will occur concurrently.

BACKGROUND:

In early 2007, Council was approached by representatives of land located at Smithfield to consider a proposal for the establishment of a town centre to service the Northern Beaches.
At the Ordinary Meeting on 31 May 2007 Council resolved to:

A. 1. Amend the CairnsPlan to identify a new ‘Smithfield Town Centre’ Planning Area, having regard to the suggested boundaries provided in Appendix B of this report;

   2. Introduce a new Planning Area Code for the Smithfield Town Centre Planning Area, the content of which is to be informed by an Enquiry by Design Process; and

   3. Amend the Description and Intent Statement for the Barron-Smithfield District and the Cairns Beaches District, having regard to the suggested wording outlined in Appendix A of this report.

B. That Council note that an Enquiry by Design (EbD) workshop will be held prior to the preparation of the proposed Planning Scheme amendments. The EbD will enable community involvement in the policy direction of the amendments.

An Enquiry by Design (EbD) Workshop was held over one and a half consecutive days, from 23 to 24 July 2007. Following this Workshop, the “Smithfield Town Centre” Planning Area was renamed the “Cairns Beaches Town Centre”. This branding was considered at the time to best reflect the wider location and design elements that could be used.

A Technical Working Group was convened to discuss issues from a State and Local Government perspective.

At its 24 January 2008 Ordinary Council meeting, Cairns City Council made the following resolution:

A. That Council note the Cairns Beaches Town Centre Enquiry by Design Outcomes Report.

B. That Council use the Design Outcomes Report as a basis for progressing the Planning Scheme amendments for the Cairns Beaches Town Centre, subject to:

   1. That Council further investigates all possible options for the future provision of commercial, business and industry activities for the Smithfield and Beaches areas.

   2. That a process of investigation includes consultation with all relevant stakeholders including, but not limited to, residents, business owners, shopping complex owners and land owners/developers within the catchments.
In June 2008 it was confirmed that both Conics and Flanagan Consulting Group would represent LHL Investments and Trinity Park Investments as a consultant team. From this it was requested that Council endorse the proposed Draft Schedule of Tasks for the Cairns Beaches Town Centre. It was also requested that Council conduct a peer review of the economic reports for the Cairns Beaches Town Centre.

This request was presented to the Ordinary Meeting on 26 June 2008 whereby Council resolved to:

A. Note the proposed Draft Schedule of Tasks and Draft Consultation Strategy for the Cairns Beaches Town Centre prepared by Conics and Flanagan Consulting Group; and requires that the commencement of the strategy shall be the 1st August 2008 and that all subsequent tasks and milestones shall be adjusted from this date accordingly. Noting further the Council will determine when the various Tasks may commence and for what periods of time they may take, at any stage during the consultant process, irrespective of what may be included in a revised Consultation Strategy.

B. Commission an independent Peer Review of the economic reports and conduct the consultation program with all stakeholders in relation to the Beaches Town Centre.

COMMENT:

Peer Review

As a result of the resolution from June 2008, Council engaged Economic Associates Pty Ltd to undertake a peer review of the economic studies prepared in relation to the proposed Cairns Beaches Town Centre. The reports subject to the peer review are:

- MacroPlan Australia Pty Ltd, “Cairns Beaches Market Assessment Final Report, November 2007”;
- Pitney Bowes Mapinfo, “Northern Beaches, Cairns Assessment of Future Floor space Demand for Retail Facilities, November 2007”; and
- Core Economics “Review of the Cairns Beaches Market Assessment by MacroPlan, December 2007”

The purpose of the review was to examine the three reports, evaluate and comment on definitions, methodology and analysis contained within the three reports, provide an assessment of the accuracy and validity of the reports’ findings and provide recommendations on further work that may need to be undertaken. A copy of the Peer Review report is attached as Appendix 3.

The review by Economic Associates focused on the appropriateness of the methodology, assumptions and data on which the reports relied in forming their conclusions regarding the scope, scale and timing of the proposed Cairns Beaches Town Centre.
Outcomes and recommendations from the Peer Review provided by Economic Associates include the following:

- In relation to the MacroPlan report Economic Associates recommended that MacroPlan undertake the following further work:
  - Provide justification for inclusion of an additional 2,000 households over and above PIFU population projections for the Primary Trade Area in the retail analysis;
  - Confirm the appropriate set of population projections to be used for the retail, commercial office and industrial land analyses;
  - Further investigation of the appropriate trade areas for the proposed town centre based on consideration of the intended role and function of the proposed town centre in the context of various planning documents influencing areas;
  - Inclusion and correction of retail floor space currently supplied within the trade areas, particularly in regard to Clifton Village Shopping Centre and retail facilities located in the Secondary Trade Area;
  - Estimation of trade area specific retail expenditure propensities that reflect differences between the trade areas;
  - Application of revised retail expenditure propensities for each trade area to the retail analysis;
  - Undertake further investigations as to the appropriate sales productivity estimates to be applied to total available retail expenditure to estimate supportable retail floor space;
  - Provide further analysis of the suitability of market shares used in the retail analysis, particularly with regard to the extent of the market growth the proposed development is anticipating to capture in the longer term and the ability of the proposed town centre to achieve those market shares given its place in the broader regional centres hierarchy;
  - Provide an analysis of the potential impact, or measures to mitigate impacts, likely to be sustained across the centres network currently servicing the trade areas;
  - Provide further details on the intended role and function of the proposed Cairns Beaches Town Centre relative to other activity centres identified in the draft FNQ Regional Plan;
  - Provide an assessment of the quantum of existing commercial office space provided within the Primary Trade Area;
  - Revision of the commercial office and industrial land demand analysis based on employment by industry as opposed to occupation to ensure demand projections can be concorded with planning scheme definitions;
  - Provide an assessment of the existing supply-demand balance for commercial office space within the Primary Trade Area;
  - Consider capacity to include additional industrial land within the proposed Cairns Beaches Town Centre or centre frame in the context of the existing provision of industrial land within the Primary Trade Area;
In relation to the Pitney Bowes Mapinfo Report Economic Associates recommended that Pitney Bowes Mapinfo undertake the following further work:

- Provide further justification of retail trade area(s) identified;
- Provide retail floor space demand scenarios based on varying assumptions; and
- Provide a breakdown of the contribution to total trade area retail floor space demand by sub area.

The peer review report has been provided to the authors of the abovementioned reports. It is expected that many of the recommendations will be satisfied over the coming weeks.

*Alternative site report*

The analysis of potential locations for a town centre has been carried out in response to the Council resolution from January 2008. The investigation report is attached as Appendix 1.

The objective of this analysis was is to identify and analyse the potential locations for a Town Centre in the Cairns Beaches area.

This report details the following:

- Functional requirements of a town centre
- The formulation of appropriate criteria for the subsequent identification of possible locations, and the comparison of these locations.
- Identification of possible locations
- Comparison of possible locations using Multi–Criteria Analysis (MCA) techniques
- Conclusion as to most appropriate location for the town centre

Using a Multi–Criteria Analysis Technique all possible available locations were considered in the catchment area. The outcome of this analysis identifies the Smithfield site as the best possible site for a town centre to occur as it satisfied and scored highly against all the required criteria when compared to other possible sites.

It should be noted that consultation did not occur with land or business owners or the wider community when undertaking this investigation as there was limited opportunity for alternate sites.

*Project Program*

A revised program has been prepared that includes targeted consultation and drop in sessions following the technical workshop due to occur on 1 December. Following this a report will be presented to Council requesting that the amendment be progressed. It is not known at this stage what the level of detail that will be contained within this amendment as the technical workshop will inform the future amendment. The target date for this action is late February 2009. However this is dependant upon the progression of the Edmonton Town Centre amendment and the ability for any required tasks to be completed following the technical workshop.
Project Branding

Upon review of the town centre project and consideration of recent changes to local government boundaries it is considered appropriate that the Cairns Beaches branding for the town centre project be re-branded as the “Smithfield Town Centre”.

It is considered that this will provide greater consistency with the Edmonton Town Centre project and it would be best to provide a location based identity to the project. This does not impact on the name of any future commercial activity.

CONSIDERATIONS:

Corporate and Operational Plans:

The proposal for the town centre and the ultimate Planning Scheme Amendment is consistent with Section 1.1.5 of the Corporate Plan which seeks to develop an integrated local area plan for Smithfield as a major centre.

Statutory:

The outcomes of the technical design workshop will inform a future amendment to CairnsPlan.

The process for the amendment of a Planning Scheme is outlined in the Integrated Planning Act 1997, Schedule 1.

Financial and Risk:

As per the Edmonton Town Centre workshop, the landowners will cover the cost of the technical workshop. The administrative costs incurred in relation to the future amendment to CairnsPlan will be absorbed within the Planning Strategies branch budget.

Sustainability:

Sustainability principles formed the framework from which the previous EbD workshop was based and the resulting Outcomes Report. These sustainability principles will be carried through into the technical workshop and subsequent design outcomes that will follow.
**CONSULTATION:**

Consultation between the land owner consultants, Council officers and State agencies has occurred over the life of the project.

The consultation program that has been prepared for the project includes consultation sessions along with the opportunity for submissions to be received on the proposal. It should be noted that the technical workshop will not be open to the community or business operators and will be by invitation only to ensure it is of a technical nature. It is expected that James Cook University and the operator/owner of the Smithfield Shopping Centre will be invited as the design of the town centre seeks to integrate directly with the form and function of these land uses.

A consultation report will be prepared following the consultation sessions.

**OPTIONS:**

Part A of the recommendation is for noting.

That Council:

B. Resolve to brand the project as the ‘Smithfield Town Centre’.

Or

B. Resolve to brand the project as the ‘Cairns Beaches Town Centre’.

**CONCLUSION:**

It is recommended that Council note the Peer Review Report, Alternative Site Analysis Report & Project Program and re-brand the project to be known as the ‘Smithfield Town Centre’ in order to continue the project and achieve the desired outcome of an amendment to the CairnsPlan.

**ATTACHMENTS:**

Attachment 1 – Peer review of economic studies
Attachment 2 – Revised project schedule
Attachment 3 – Cairns Beaches Town Centre Investigations of Possible Locations

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Cairns Beaches Town Centre - Peer Review of Economic Studies

Final Report

October 2008
Cairns Beaches Town Centre - Peer Review of Economic Studies

Final Report

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INTRODUCTION

In August 2008, Cairns Regional Council engaged Economic Associates Pty Ltd to undertake a peer review of a number of economic studies prepared in relation to the proposed Cairns Beaches Town Centre. These reports included:

- MacroPlan Australia Pty Ltd, “Cairns Beaches Market Assessment Final Report, November 2007”;
- Pitney Bowes Mapinfo, “Northern Beaches, Cairns Assessment of Future Floor Space Demand for Retail Facilities, November 2007”; and
- Core Economics “Review of the Cairns Beaches Market Assessment by MacroPlan, December 2007”.

The purpose of this review is to:

- Examine the three reports;
- Evaluate and comment on definitions, methodology and analysis contained within the three reports;
- Provide an assessment of the accuracy and validity of the reports’ findings; and
- Provide recommendations on further work that may need to be undertaken.

Our review focuses on the appropriateness of the methodology, assumptions and data on which the reports relied in forming their conclusions regarding the scope, scale and timing of the proposed Cairns Beaches Town Centre. This review does not comment on spelling, grammatical or formatting errors contained in these reports. It is assumed that such errors would be addressed by the respective authors.
2 REVIEW OF MACROPLAN REPORT

The MacroPlan report seeks to identify the additional quantum of retail and commercial floor space and industrial land to be provided as part of the Cairns Beaches Town Centre. This review focuses on the assessment undertaken by MacroPlan. However, it should be noted that integrated town centres include a range of uses apart from retail, commercial and industrial uses, for example they commonly include a range of community facilities and open space areas for both passive and active recreation.

2.1 Retail Analysis

The purpose of the retail analysis contained within the MacroPlan report is to identify the appropriate quantum, mix and staging of retail facilities within the proposed Cairns Beaches Town Centre.

Typically, retail centres analysis involves the following broad tasks:

• Identification of appropriate trade area(s) for the proposed development;
• Assessment of demographic characteristics of trade area(s) to inform analysis of retail expenditure patterns;
• Estimation of retail expenditure patterns by retail expenditure category;
• Estimation of available retail expenditure within the trade area(s);
• Estimation of existing quantity and quality of retail floor space currently servicing the trade area(s);
• Estimation of retail floor space supportable by trade area(s);
• Estimation of appropriate scale of retail facilities provision over time in trade area(s); and
• Estimation of potential impacts of proposed development on existing retail facilities.

Broadly speaking, MacroPlan has adopted the above approach. However, in our opinion, a number of assumptions supporting MacroPlan’s analysis require further investigation.

2.1.1 Trade Area Definition

The MacroPlan report has defined two trade areas for the retail component of the Cairns Beaches market assessment, these being:

• Primary trade area – includes Cairns (C) – Northern Suburbs and a number of collection districts within Cairns (C) – Barron; and
• Secondary trade area – includes Douglas (S) and a number of collection districts within Mareeba (S).

It is our opinion that the definition of trade areas should consider the following:

• Local road infrastructure in terms of access to the site;
• Natural and man-made barriers;
• The location, role and function of existing centres;
• Psychological barriers; and
• Other barriers such as railways and watercourses.

In light of these criteria, we would not disagree with the definition of the primary trade area, but the definition of the secondary trade area appears too broad. MacroPlan’s secondary trade area includes the entire former Douglas Shire and parts of the former Mareeba Shire\(^1\). It is our opinion that inclusion of the entire former Douglas Shire in the secondary trade area is inappropriate because:

• The quality of access to the proposed Cairns Beaches Town Centre via the Captain Cook Highway significantly affects the level of convenience offered by such a centre to many Douglas Shire residents;
• The secondary trade area includes parts of the former Douglas Shire north of the Daintree River, the only crossing of which is provided by a vehicular ferry; and
• There are three supermarkets located within the former Douglas Shire that currently meet the convenience needs of the majority of Port Douglas and Mossman residents.

It is our opinion that the extent of the effective trade area into the former Douglas Shire of the proposed Cairns Beaches Town Centre for the majority of retail expenditure would extend north to around Wangetti Beach. However, we recognise that the trade areas for different types of floor space are likely to vary. For example, bulky goods trade areas are typically larger than supermarket trade areas. It may be appropriate to define a set of trade areas for bulky goods retailing and a set for other forms of retailing. In defining the town centre trade areas in the context of the area which the town centre is intended to service as informed by various planning documents, including the Cairns, Mareeba and Douglas planning schemes\(^2\) and the draft FNQ Regional Plan, should be considered. Therefore, the delineation of trade areas for the various components of the Cairns Beaches Town Centre require further investigation and justification.

2.1.2 Population and Household Projections

The population projections prepared for the secondary trade area appear consistent with 2006 Census results and historic residential building approval trends. However, we would have concerns with the population projections prepared for the primary trade area. Population projections for the primary trade area vary between the retail analysis and the commercial and industrial analysis. The apparent reason for this difference is the inclusion by MacroPlan of an additional 2,000 households within the Smithfield town centre in the primary trade area between 2016 and 2026 over and above that number projected by the Queensland Government’s Planning Information & Forecasting Unit (PIFU). MacroPlan appears not to have substantiated the inclusion of these 2,000 households over and above the PIFU projections. It is recommended that Council seek clarification from MacroPlan in this regard.

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\(^1\) The part of Mareeba Shire included in the STA pertains to the Kumbia area. We would agree with MacroPlan regarding including this part of Mareeba Shire in the STA.

\(^2\) The Douglas and Mareeba planning schemes are relevant insofar as they may provide an indication of the intended role of other activity centres north and west of the proposed Cairns Beaches Town Centre.
2.2 Demographic Analysis

MacroPlan include in their report an examination of population and household characteristics of the Smithfield state suburb benchmarked against the former Cairns LGA and Queensland. Typically, small area demographic analysis in retail analysis seeks to compare the characteristics of trade areas to the broader local government area or state experience. This in turn informs the derivation of retail expenditure characteristics. The demographic characteristics of the Smithfield state suburb, which is only a small part of the primary trade area, are likely to differ from those of the primary and secondary trade areas identified by MacroPlan. It is unclear what purpose this analysis serves in the broader retail assessment.

It is our opinion that the most appropriate demographic analysis would be to benchmark the primary and secondary trade areas to Cairns LGA and Queensland.

2.2.1 Existing Centres Network

The MacroPlan report provides detail on the existing centres network within the primary trade area, but not for the secondary trade area. As such, it is our opinion that the analysis of existing retail floor space supply is incomplete. For example, there are three major supermarkets located within the former Douglas Shire, including:

* Woolworths (1,900 m²), Mossman,
* Coles (1,800 m²), Port Douglas, and
* IGA (1,900 m²) at the intersection of the Captain Cook Highway and Davidson Street (west of Port Douglas).

There is significant retail floor space provision in both Mossman and Port Douglas that caters for the needs of local residents as well as tourists.

We also note that the site of the Clifton Village Shopping Centre has been significantly underestimated in the MacroPlan report. The 2006 Property Council of Australia Shopping Centre Directory reports that the Coles supermarket is actually 3,000 m² (as opposed to 1,800 m² in the MacroPlan report) and the total centre is 2,964 m² (as opposed to 3,000 m² in MacroPlan report).

From Council's perspective it may be appropriate for Council to determine in its mind the intended strategic centres hierarchy for the northern beaches corridor of Cairns.

2.2.2 Available Expenditure

The MacroPlan report relies on retail expenditure estimates prepared by a third party, Market Data Systems. We note that expenditure proponent estimates are for individuals, rather than

State suburbs are a standard geographic definition that are larger than Census Collection Districts, but generally smaller than statistical local areas.

While we can only assume that MacroPlan has only undertaken a demographic assessment of the Smithfield state suburb instead of the trade area, we note that MacroPlan has obtained retail expenditure proponent data from a third party, Market Data Systems Pty Ltd. It is possible that the expenditure proponent data presented might be biased on the Smithfield state suburb rather than the trade area. This would explain why only one set of retail expenditure proponent data is reported in Section 4.2.4 of the MacroPlan report. If this is the case, we would recommend that MacroPlan provides the complete set of retail expenditure proponent for the respective trade areas.

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households. It is our opinion that in converting data-based household expenditure data (e.g. ABS Household Expenditure Survey) to a per person estimate there is a risk that the retail expenditure estimate may understate or overstate individual expenditure. This is because the ABS Household Expenditure Survey estimates of household expenditure are for average households within each expenditure cohort reported (e.g. state regional, state capital city, income quintile, etc). Differences between the small area (e.g. trade area) and the relevant ABS Household Expenditure Survey expenditure cohort in terms of the incidence of children who tend to have very low expenditure potential could skew individual expenditure estimates. For example, were a trade area to have a high incidence of children under the age of fifteen relative to the ABS Household Expenditure Survey expenditure cohort used by Market Data Systems, the individual rather than household expenditure propensities derived from the ABS Household Expenditure Survey is likely to overstate retail expenditure potential in the trade area.

Retail expenditure per capita has been presented for what appears to be the combined primary and secondary trade areas. It is unlikely that retail expenditure profiles would be identical for both trade areas, meaning that the total available retail expenditure for each trade area may be understated or overstated. It is recommended that the retail expenditure analysis report the respective expenditure propensities of households in both the primary and secondary trade areas. This is particularly important in later stages of the analysis, where market shares applied to each trade area, not to the combined trade area.

The report states that the real growth for total retail is estimated to be 1.1% per annum based on the historical long term growth rates. However, our calculations indicate that a higher growth rate of 1.4% per annum has been applied to growth in retail expenditure per capita. Assuming the rate of growth to be applied is adjusted to 1.1% per annum (as stated by MacroPlan), this would reduce retail expenditure per capita to the following levels:

- $12,469 per capita in 2011 (reduction of 1.5%)
- $12,105 per capita in 2016 (reduction of 3.4%)
- $13,773 per capita in 2021 (reduction of 5.4%)
- $14,476 per capita in 2026 (reduction of 7.4%)

### 2.2.3 Supportable Floor Space

The MacroPlan report converts available expenditure to supportable retail floor space. It should be noted that this ‘supportable floor space’ relates to the total amount of floor space that trade area generated expenditure might support, but none of this floor space is likely to be located outside the trade area due to expenditure leakage. Expenditure leakage from the catchment of one centre will always occur when that centre is not at the top of the retail hierarchy. This occurs because higher order centres’ trade areas overlap those of lower order centres. The Caring Beauches Town Centre will always be subordinate to the Cairns CBD and MacroPlan converts available expenditure to supportable floor space by applying benchmark sales productivity estimates ($/m²) to the estimated available expenditure. Supermarkets &
groceries, take-home liquor and pharmaceuticals tend to have a higher sales productivity ($/m²) than expenditure groups such as clothing & fashion or bulky goods.

The estimates for the combined trade areas suggest that the level of supportable floor space was 87,478m² in 2007, increasing to 158,724m² in 2026 (increasing by 71,246m²). These estimates imply that MacroPlan’s assumed sales productivity levels in the primary trade area are as follows:

• Supermarket and groceries — estimated at $9,167/m² in 2008, increasing to $11,075/m² in 2026;
• Convenience — estimated at $6,329/m² in 2008, increasing to $7,647/m² in 2026; and
• Bulky goods — estimated at $3,100/m² in 2008, increasing to $3,745/m² in 2026.

The productivity levels for supermarket and groceries and convenience retailing used by MacroPlan are higher than benchmark trading levels, which are typically $7,000-$8,000/m² for groceries & take home food and $3,500-$4,000/m² for specialty retailing. MacroPlan appears to have increased their assumed sales productivity estimates by approximately 11% per annum. This suggests MacroPlan have made an allowance for real growth in sales productivity. It is our opinion that this represents an appropriately conservative assumption. It is also our opinion that MacroPlan may have been slightly over-conservative in using a starting sales productivity rate of over $9,000/m² for supermarkets & grocery retailing, but would agree that the sales productivity rate is more likely to be at the higher end of the range quoted above. On the other hand, a starting sales productivity rate of $3,100/m² for bulky goods retailing may be too low, especially in the context that electrical goods retailers can have sales productivity rates in excess of $10,000/m². We would contend that a sales productivity rate of approximately $3,500/m²-$4,000/m² would have been more appropriate. The issue of what are appropriate sales productivity rates to assess future floor space demand within the Cairns Beaches Town Centre trade area might be resolved after consideration of sales productivity levels being experienced by retailers at Smithfield Shopping Centre.

2.2.4 Market Share Analysis

To estimate the suggested provision of retail floor space at the Cairns Beaches Town Centre, sustainable retail floor space estimates for the trade areas have been prepared with market shares for the Cairns Beaches Town Centre then applied to those estimates.

Table 2.1 below outlines the market shares used by MacroPlan to estimate the retail floor space to be provided in the future Cairns Beaches Town Centre.

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* It may be that in using this rate MacroPlan are intending to moderate against the possibility of a future peak planning horizon or ensuring sufficient time for trading levels at new superstores to absorb before introducing additional supermarket & grocery facilities.
Table 2.1: MacroPlan market share estimates

<table>
<thead>
<tr>
<th>Expenditure category</th>
<th>PTA 2007-16</th>
<th>2016-26</th>
<th>STA 2007-16</th>
<th>2016-26</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarket</td>
<td>35%</td>
<td>60%</td>
<td>30%</td>
<td>35%</td>
</tr>
<tr>
<td>Restaurants &amp; cafes</td>
<td>25%</td>
<td>35%</td>
<td>25%</td>
<td>30%</td>
</tr>
<tr>
<td>Clothing &amp; accessories</td>
<td>17%</td>
<td>40%</td>
<td>25%</td>
<td>35%</td>
</tr>
<tr>
<td>Furniture &amp; whiteware</td>
<td>35%</td>
<td>40%</td>
<td>25%</td>
<td>35%</td>
</tr>
<tr>
<td>Electrical</td>
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<td>30%</td>
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<td>Homeware &amp; softgoods</td>
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<td>35%</td>
</tr>
<tr>
<td>Hardware</td>
<td>40%</td>
<td>45%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Sports &amp; hobbies</td>
<td>25%</td>
<td>55%</td>
<td>30%</td>
<td>40%</td>
</tr>
<tr>
<td>Services</td>
<td>25%</td>
<td>55%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>Hairdressing &amp; chemist</td>
<td>65%</td>
<td>65%</td>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>Bottleshop</td>
<td>35%</td>
<td>55%</td>
<td>24%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Note: 1. It would appear that this category includes all take-home food expenditure. That is, it includes expenditure at supermarkets, bakeries, butchers, green grocers and other specialty food retailers.

Without a detailed discussion of the future intended role of the Cairns Beaches Town Centre relative to other retail facilities already provided, it is difficult to comment on the appropriateness of market shares adopted in the second stage of the project (i.e. 2016-26). Between 2007 and 2016, it would appear from the reported market shares and section 4.5 of the MacroPlan report that the Cairns Beaches Town Centre’s intended function is that of a sub-regional scale shopping centre. It would appear that the Cairns Beaches Town Centre would then be anticipated to evolve into a more traditional town centre.

The setting of market shares could be better informed were turnover estimates of existing supermarkets in the trade areas disclosed. Surveys of trade area residents might clarify existing shopping behaviours, but it would be expected that these behaviours would change with the development of the regional centres hierarchy set out in the draft FNQ Regional Plan.

2007-2016 Market Share Assumptions

Major anchor tenants, such as supermarkets and discount department stores (DDSs), are typically the most contentious aspect of any new major retail development. MacroPlan estimates that the supermarket component of the proposed Cairns Beaches Town Centre would capture over 35% market share in the primary trade area and 30% market share in the secondary trade area between 2007 and 2016.

Within the primary trade area there are currently three (3) full line supermarkets providing approximately 10,400m² of supermarket floor space, namely:

- Coles Smithfield (3,003m²);
- Woolworths Smithfield (4,160m²); and
- Coles Clifton Beach (3,214m²).

7 Supermarkets are focused on in this part of the review because they represent major anchor tenants that stimulate repeat visits to a centre. Typically, the performance of a centre’s supermarket is a good indicator of the likely performance of other centre retailers.
In addition to the three full line supermarkets there are a wide range of grocery and specialty food retailers servicing the primary trade area. These retailers could account for as much as an additional 1,500 m²-2,000 m² of retail floor space. MacroPlan estimate that the total supportable floor space of the entire primary trade area is approximately 12,000 m²-14,500 m² between 2007 and 2016. Given that Smithfield is part of a regional centres network it could be expected that a significant proportion of PTA supermarket expenditure would escape to supermarkets in other centres, for example the three supermarkets in Cairns CBD, Woolworths at Redlynch or the two supermarkets at Raingtrees. Given the regional context it would not be surprising if escape supermarket & grocery expenditure would remain as high as 20%. Given employment patterns within Cairns it is probable that there will always be a material level of escape expenditure from the Cairns Beaches PTA to other centres. With this in mind, it would appear that it has not been demonstrated that there is sufficient demand to accommodate an additional supermarket within the PTA and within such a close proximity to Smithfield Shopping Centre or Clifton Village Shopping Centre.

Similarly, there are a number of other expenditure categories where we would consider MacroPlan’s market share estimates to be optimistic in the context of the existing provision of floor space in the primary trade area (e.g. hardware, newsagent & chemist, electrical, furniture & whitegoods).

For the secondary trade area, MacroPlan assumes that the Cairns Beaches Town Centre would capture approximately 30% of supermarket expenditure. Within the secondary trade area, there are currently three (3) supermarkets providing approximately 5,600 m² of supermarket floor space, namely:

* Coles Port Douglas (1,800 m²);
* IGA Port Douglas⁶ (1,896 m²); and
* Woolworths Mossman (1,916 m²).

There are also a number of other specialty food retailers within the secondary trade area, which could account for up to 1,000 m²-1,500 m² of retail floor space. MacroPlan estimates that the total supportable supermarket and grocery floor space of the STA would be between 6,000 m² and 7,600 m² between 2007 and 2016. It would appear from MacroPlan’s own analysis that were 30% of available supermarket & grocery expenditure to escape to the proposed Cairns Beaches Town Centre there would only be enough retained supermarket & grocery expenditure to support between 4,200 m² and 5,320 m² of supermarket and grocery floor space within the STA.

We would recommend that further work be undertaken to justify floor space estimates recommended by MacroPlan.

2016-2026 Market Share Assumptions

The MacroPlan report assumes that the Cairns Beaches Town Centre would increase its market share of the PTA and STAs post 2016. The implication of this assumption is that over time the

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⁵ An amendment of the sales productivity estimates used to estimate supermarket & grocery retail floor space demand might alter this outcome.

⁶ Note that this appears to include other grocery & take-home food retailers.

⁷ The IGA is located at the intersection of the Captain Cook Highway and Davidson Street.
Cairns Beaches Town Centre would take-up close to all growth in retail expenditure after 2016, leaving little or no available expenditure for improvements to the retail network across the northern beaches of Cairns, Kucunda, Mossman and Port Douglas. For example, within the PTA, MacroPlan estimates that total supportable floor space growth between 2016 and 2026 would be approximately 33,000m², of which the Cairns Beaches Town Centre would capture approximately 24,700m² (or 75%) of that demand growth. In the case of supermarkets and grocery floor space, MacroPlan estimate that while total supportable supermarket floor space is expected to increase by approximately 5,500m² (i.e. from 14,463m² in 2016 to 19,713m² in 2026), the Cairns Beaches Town Centre will capture an additional 6,800m² of supermarket & grocery floor space (i.e. increasing provision from 5,062m² in 2016 to 11,829m² in 2026). In other words, the Cairns Beaches Town Centre’s supermarkets would capture all supermarket and grocery expenditure growth in the trade area(s) and some additional existing expenditure.

2.2.5 Impact Analysis

The analysis provided by MacroPlan does not consider the potential impacts of the proposed Cairns Beaches Town Centre on the existing retail network.

The purpose of the MacroPlan report was to identify the future provision of retail and commercial floor space to create a town centre. Sometimes after careful consideration of the performance of existing retailers and the extent to which they currently meet demand and may be able to meet future demand, it becomes apparent that an impact analysis is not necessary. In this case however, it is our opinion that the MacroPlan report does not comprehensively consider the performance of existing centres and the possibility there may be a current overprovision of retail floor space. Secondly, it is our opinion that the secondary trade area defined by MacroPlan is too large, resulting in an overstatement of demand for retail facilities within the Cairns northern beaches sub-region. In this regard the trade areas will require further justification.

Drawing on points raised in the market share section of the review, Council will need to consider the relative merits of establishing an integrated town centre on the subject site relative to the potential impact such a development may have on the existing centres network, particularly Smithfield Shopping Centre. The intention to ultimately establish a town centre would mean that the proposed Cairns Beaches Town Centre would need to receive significant future support in the form of infrastructure investment and future expansion. This would necessarily be at the expense of Smithfield Shopping Centre. As such, a key issue for consideration by Council will be whether the establishment of an integrated town centre on the proposed site outweighs the possible impacts on the existing Smithfield Shopping Centre.

We would recommend that MacroPlan investigate the issue of potential impacts of the proposed Cairns Beaches Town Centre on the existing centres network. Further, Council should give some consideration to the intended centres network within the Cairns northern beaches corridor. Advice should also be sought from the FNQ regional planning team in regard to the role and function of Cairns’ future ‘satellite’ town centres at the Cairns Beaches and Mount Peter within the regional centres network.
2.3 Office Market Review

2.3.1 Trade Area Definition

For the office assessment, MacroPlan used the primary trade area for the retail analysis as the employment catchment for the office market review. It is our opinion that this is appropriate for the analysis.

However, were the trade areas for the retail analysis to be revised such that the primary trade area were to be expanded to include the coastal areas of the former Douglas Shire up to Wangarri Beach and the secondary trade area was eliminated, we would not have concerns about using that trade area for the assessment of commercial office demand.

2.3.2 Employment Projections

Methodology

In estimating demand for commercial office space, MacroPlan have used the following methodology:

1. Project the size of the total population in the primary trade area;
2. Project the proportion of the population aged 15 years and over (working age population);
3. Project the resident labour force participation rate;
4. Calculate the projected size of the resident FTE labour force;
5. Project the size of the resident white collar labour force; and
6. Determine the office space requirement of the resident white collar labour force; and
7. Apply an assumption regarding self-sufficiency and determine the commercial office requirements of the working population in the primary trade area.

In our opinion, the methodology adopted by MacroPlan is generally appropriate, but we have some concerns regarding assumptions and data used in the analysis.

Employees Requiring Commercial Office Space

In deriving office market projections, MacroPlan estimated the size of the white collar resident population in the primary trade area. White collar has been defined as those persons employed as managers and professionals according to the Australian and New Zealand Standard Classification of Occupations (ANZSCO). In our opinion, it would be best to use industry classifications to define those workers likely to utilise commercial office space. The managers and professionals category (as defined by ANZSCO) includes a number of occupations unlikely to utilise commercial office space. For example,

- School teachers / university lecturers;
- Hotel and motel managers;
- Livestock farmers; and
- Registered nurses.
Within the primary trade area, there are a number of educational facilities, for example:

- James Cook University (Cairns Campus);
- Trinity Anglican School (Kewarra Beach Campus);
- Smithfield State High School;
- Trinity Beach State School;
- Yorkeys Knob State School; and
- Holy Cross School.

There is also likely to be a large number of white collar workers employed at beach resorts, particularly in the primary trade area.

It is our opinion that commercial office (or industrial land) demand projections should be based on employment by industry projections.

**Employment Projections**

To derive employment projections, MacroPlan have made assumptions regarding the following factors:

- Projected population and working age population;
- Labour force participation rate;
- Labour force size (including an adjustment for FTE equivalents); and
- Self-sufficiency (or employment retention)\(^1\).

The population forecasts presented in Table 7 in the MacroPlan report are inconsistent with the primary trade area figures reported in the retail analysis section of the report. The difference in forecast population is 2,311 persons in 2021, increasing to 4,600 persons in 2026. No explanation is provided by MacroPlan as to why different projections between analyses have been used.

**Table 2.2: Differences in Primary Trade Area Population, 2006-2026**

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<td>0</td>
<td>0</td>
<td>2,311</td>
<td>4,600</td>
</tr>
</tbody>
</table>

*Source: MacroPlan (2007), Economic Associates estimates*

At the time the analysis was prepared, the latest data available on self-sufficiency was the 2001 Census of Population & Housing. The self-sufficiency of white collar workers (as defined by MacroPlan), as at the 2001 Census of Population & Housing was as follows\(^2\):

- Cairns (C) – Northern Suburbs – 30.9% and
- Cairns Beaches Town Centre – Peer Review of Economic Studies

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\(^1\) The relationship between employment by place of residence and employment by place of work.

\(^2\) Self-sufficiency levels are available only at the SLA level and above.
• Cairns (C) – Barron (of which part is within the primary trade area) – 28.3%.

These levels of self-sufficiency are lower than the assumed self sufficiency rate of 35% applied to MacroPlan’s 2006 estimates. However, self-sufficiency estimates released after the compilation of the report (i.e., the 2006 Census of Population & Housing results) show significant increases in self-sufficiency for white collar workers in the primary trade area, i.e.,

• Cairns (C) – Northern Suburbs – 42.9%; and

• Cairns (C) – Barron (of which part is within the primary trade area) – 33.4%.

Based on this, we believe the level of self-sufficiency assumed in the analysis is adequate throughout the projection period.

The analysis has calculated the size of the FTE labour force and assumed that approximately 31% of resident workers are classified as white collar workers. However, our analysis of 2006 Census results indicated that 31.0% of the employed resident population in Cairns (C) – Northern Suburbs and 30.2% of the employed resident population in Cairns (C) – Barron are white collar workers. The application of the proportion of employed resident white collar workers to the labour force, rather than the employed population, would overstate the number of white collar workers in the primary trade area. The incidence of employed resident white collar workers would differ from the incidence of white collar workers in the working population. Therefore, were the retention of white collar workers in the primary catchment to be lower than the average workforce retention, the future employment in white collar jobs is likely to be overstated.

The assessment has used a floor space provision rate of 20m² per white collar worker, based on benchmark employment yields. The benchmark provision of commercial office space per worker is 15m²/person for Queensland government office accommodation, a reduction from the previously used benchmark of 16m²/person. As such, the rate of provision adopted by MacroPlan may be at the upper end of the appropriate commercial floor space provision per worker, but not unreasonable.

The analysis determines there is demand for 46,600m² of commercial office space by 2026 and then indicates that the Cairns Beaches town centre should provide the entire floor space demanded. However, we note that this analysis has not taken into account the existing supply of commercial office space in the primary trade area. A search of available office space for sale on realcommercial.com.au indicated there was office space for sale at the following locations:

• Smithfield Commercial Centre – 7 Salvador Dr, Smithfield – offices available from 153m² to 1,294m² in size; and

• 12 Debbalan St, Smithfield – A grade office space ranging between 70m² to 191m² in size.

Furthermore, the analysis has not taken into consideration the incidence of white collar workers employed in ‘home based’ businesses or in other enterprises in which white collar workers do not utilise stand alone commercial office space (e.g., schools).

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4 The employed resident population refers to employment by place of residence (i.e. the number of people that reside in a catchment who have jobs which may or may not be located within that catchment) not employment by place of work (i.e. the number of jobs in a catchment).

For example, a person living in Smithfield, but working in Cairns CBD would be part of the Smithfield employed resident workforce, but also part of the Cairns CBD working population.
While it would seem appropriate to provide a significant proportion of the total commercial office space demanded within the Cairns Beaches Town Centre, it would not be desirable to provide all future commercial office space demanded in a single location within the primary trade area. Some commercial office space could be reasonably expected to be provided in smaller suburban centres throughout the trade area or in home business. We would recommend that MacroPlan undertake further analysis of the intended provision of commercial office with particular regard to the extent of future demand to be included in the Cairns Beaches Town Centre.

2.4 Industrial Market Review

2.4.1 Trade Area Definition

The trade area used for the analysis is the primary trade area, as defined in the retail analysis. This seems appropriate, given that the commercial office space in Cairns CBD is likely to service a different market than the provision in the Cairns Beaches Town Centre.

However, were the trade areas for the retail analysis to be revised such that the primary trade area is expanded to include the coastal areas of the former Douglas Shire up to Wangetti Beach and the secondary trade area was eliminated, we would not have concerns about using that trade area for the assessment of industrial land demand.

2.4.2 Supply Analysis

MacroPlan have identified two existing industrial precincts within Cairns City, these being the Portsmith – Woree Industrial Precinct and the Southern Growth Corridor. Recent work undertaken by Economic Associates regarding industrial land supply in Cairns City identified a number of other major industrial precincts, including:

- Westcourt / Bargalow
- Smithfield
- Cairns North
- Edmonton / Bentley Park
- Portsmith
- Woree
- Manundah
- Goodcraule; and
- Stratford / Aeroglen.

The Smithfield industrial precinct, which is located within the trade area for the industrial analysis, has an estimated 95 businesses, with low impact industrial uses at the site including personal & household good wholesaling and motor vehicle retailing & service businesses. The MacroPlan report does not discuss this precinct, despite its location within the primary trade area and the presence of light industrial activity in this precinct, nor does it estimate the existing capacity of this area to accommodate future industrial land demand.
2.4.3 Employment Projections & Land Demand

Methodology
The demand for industrial land has been estimated in the MacroPlan report using the following methodology:
1. Project the total population within the primary trade area;
2. Project the size of the resident FTE labour force;
3. Project the number of resident blue collar workers;
4. Make an assumption regarding industrial land requirement per blue collar worker;
5. Project trends in the self-sufficiency of blue collar workers; and
6. Determine the industrial land requirement in the primary trade area.

At first glance, the methodology used by MacroPlan appears adequate but further interrogation of the model used has found some issues which are discussed below in detail.

Employees Requiring Industrial Land
In order to determine the industrial land requirement of the primary trade area, MacroPlan have assumed that all persons employed as blue collar workers would demand industrial land. Blue collar workers have been defined as labourers, technicians & trades workers and machinery operators & drivers as defined by the ANZSCO. It is our opinion that an industry definition would be more appropriate in determining industrial land demand, given that a number of occupations which fall within the blue collar category as defined by MacroPlan are unlikely to demand industrial land, e.g.:
• Train and sugar tram drivers;
• Housekeepers;
• Fast food cooks;
• School laboratory technicians; and
• Vending machine attendants.

Employment Projections
To derive employment projections, MacroPlan have made assumptions regarding the following factors:
• Projected population;
• Labour force size (including an adjustment for FTE equivalents); and
• Self-sufficiency (or employment retention).

The population forecasts presented in Table 10 in the MacroPlan report are inconsistent with the primary trade area figures reported in the retail analysis section of the report but consistent with the figures reported in the commercial office space analysis.
At the time the analysis was prepared, the latest data available on self-sufficiency was the 2001 Census of Population & Housing. The self-sufficiency of blue collar workers (as defined by MacroPlan), as at the 2001 Census of Population & Housing was as follows:\(^\text{15}\):

- Cairns (C) – Northern Suburbs – 43.4%; and
- Cairns (C) – Barron (of which part is within the primary trade area) – 25.4%.

MacroPlan's assumption of self-sufficiency of 39% appears consistent with the 2001 Census results. However, self-sufficiency estimates released after the completion of the report (i.e. the 2006 Census of Population & Housing results) show significant increases in self-sufficiency for blue collar workers in the primary trade area, i.e.:

- Cairns (C) – Northern Suburbs – 49.0%; and
- Cairns (C) – Barron (of which part is within the primary trade area) – 30.1%.

Based on this, we believe the level of self-sufficiency assumed in the analysis is adequate but perhaps slightly conservative throughout the projection period.

The analysis has calculated the size of the FTE labour force and assumed that approximately 30% of resident workers are classified as blue collar workers. However, our analysis of 2006 Census results has indicated that 30.8% of the employed resident population in Cairns (C) – Northern Suburbs and 29.8% of the employed resident population in Cairns (C) – Barron are blue collar workers. The application of the proportion of blue collar workers to the labour force, rather than the employed population would overstate the number of blue collar workers in the primary trade area.

The assessment has used a benchmark yield of 20 jobs per hectare for industrial land. Previous research undertaken by Economic Associates has indicated that the employment yield of industrial land can vary considerably, depending on the land use. Typically, employment yields per hectare can vary from 5 jobs per hectare (e.g. storage) to 45 jobs per hectare (e.g. printing and publishing). The use of 20 jobs per hectare is considered adequate for the analysis, but it would have been preferable to determine industrial land demand by land use type, particularly given that only light industrial activity would be suitable at the proposed development. The analysis also does not indicate whether estimates are for net industrial land demand (site only) or for gross industrial land demand (inclusion of buffers, open space and roads).

MacroPlan have indicated that the provision of 5-10 hectares of industrial land would be appropriate at the Cairns Beaches town centre, providing employment for 150 to 300 persons. However, based on MacroPlan's previous assumption of employment yield of 20 jobs per hectare, the provision of 5-10 hectares of industrial land at the town centre would provide employment for only 100 to 200 persons. We would recommend that further investigations be undertaken to understand the extent of industrial land that could be accommodated within the Cairns Beaches Town Centre or its town centre frame.

\(^\text{15}\) Self-sufficiency levels are available only at the SLA level and above.
3 REVIEW OF PITNEY BOWES MAPINFO REPORT

3.1 Report Structure

It appears that the main purpose of this report was to provide a preliminary assessment of demand for future retail floor space in the Northern Beaches sub-region of Cairns. In performing their assessment, Pitney Bowes MapInfo undertook the following analysis:

- Assessment of retail hierarchy within the Cairns / Mareeba / Port Douglas region;
- Trade area definition;
- Population projections for the Cairns Northern Beaches region;
- Assessment of retail floor space provision per person, taking into account tourist expenditure;
- Potential additional provision of retail floor space provision in the Cairns Northern Beaches region; and
- Allocation of additional retail floor space demanded to the proposed Marlin Coast Town Centre.

The approach to the assessment taken by Pitney Bowes MapInfo is appropriate to obtain a preliminary estimate of the quantum of retail floor space to be provided within the Marlin Coast (Cairns Beaches) Town Centre for the purposes of concept development. However, more detailed analysis would need to be conducted subsequent to the findings of this report, including an assessment anticipated centre performance and impact before the planning scheme could be amended.

It is our opinion that the approach adopted by Pitney Bowes MapInfo is best used as a preliminary analysis to assist in the formulation of a development concept rather than justify the need for retail floor space. As such, the Pitney Bowes MapInfo report is not appropriate for assessing the future need for the Cairns Beaches Town Centre.

3.1.1 Retail Hierarchy Overview

The retail hierarchy overview presented in the Pitney Bowes MapInfo report provides an overview of the regional centres, sub-regional centres and supermarket anchored centres in the former Cairns, Mareeba and Douglas LGAs. The floor space estimates provided in the table appear consistent with floor space estimates reported in the latest PCA Shopping Centre directory.

Given the likely provision of bulky goods floor space within the town centre, it would have been desirable if details regarding bulky goods centres within the former Cairns, Mareeba and Douglas LGAs were also included in the retail hierarchy overview.

3.1.2 Trade Area Definition

Pitney Bowes MapInfo has defined the trade area for the proposed Northern Beaches town centre as follows:

- Cairns (C) – Northern Suburbs;
• Cairns (C) – Barron;
• Mareeba (S); and
• Douglas (S).

It is our opinion that the trade area population is likely to include Cairns (C) – Northern Suburbs, a significant proportion of Cairns (C) – Barron and only parts of Mareeba (S) (principally, KInvarianta and Myola). As stated in relation to the MacroPlan report, it is our opinion that only part of the former Douglas Shire should be included in the trade area.

The inclusion of the entire former Mareeba Shire as a retail catchment of the proposed Cairns Beaches Town Centre may be inconsistent with the draft FNQ Regional Plan, which identifies Mareeba as a Major Regional Activity Centre to service the northern Tablelands and the Cape.

While some residents of the former Mareeba Shire and Douglas Shire may currently be travelling to Smithfield to shop, it would be inappropriate to plan for this on an ongoing basis. The draft FNQ Regional Plan identifies a number of Major Regional Activity Centres and District Activity Centres. The intention of identifying these centres is to allow for their future orderly planning. Consider for example the Atherton Tablelands where both Atherton and Mareeba are currently identified as Major Regional Activity Centres.

The draft FNQ Regional Plan states the intention of these centres as follows:

“FNQ’s major regional activity centres include the business district and immediately surrounding streets and properties. These centres accommodate key concentrations of employment and population. They also serve business, agriculture, convenience retail and service uses. These centres may include local government administration, state government regional offices and important health, education, cultural and entertainment facilities. These centres typically comprise some level of local public transport to support a growing residential component. Major regional activity centres are usually supported by functions such as hospitals, tertiary education and a local airport or sea port.

The regional plan aims to achieve infill and redevelopment, with minimum residential densities of no less than 20 dwellings per hectare and up to or greater than 120 dwellings per hectare through highrise development in appropriate areas.” (Draft FNQ Regional Plan, page 61)

By seeking to include significant proportions of Mareeba and Atherton’s own trade areas (i.e. the entire former Mareeba Shire) in a trade area to plan for the establishment of the proposed Cairns Beaches is likely to prejudice the future development of Atherton and Mareeba as Major Regional Activity Centres. Should Council consider the inclusion of the entire former Mareeba Shire as part of the trade area relied upon to access the proposed Cairns Beaches Town Centre, it may be appropriate to engage with the Tablelands Regional Council and the Department of Infrastructure & Planning as part of future deliberations regarding the proposed Cairns Beaches Town Centre.
3.1.3 Population Projections

Population projections have been presented for the component parts of the Northern Beaches trade area population, namely Cairns (C) – Northern Suburbs, Cairns (C) – Barron, Mareeba (S) and Douglas (S). The estimated population figures appear consistent with the ABS estimated resident population figures, with the rate of population growth forecast for the regions similar to contained in the Planning Information Forecasting Unit medium series projections. It is our opinion that the population projections used in this analysis are appropriate and accurately estimate the future population of the trade area.

3.1.4 Retail Floor space Provision

The retail floor space provision section of the Pitney Bowes MapInfo report undertakes a simple benchmarking exercise of provision of square metres of floor space per person. It is our opinion that this analysis would be more meaningful if it were conducted for the 15 years and over population, given that expenditure propensity is significantly lower for persons aged 0-14 years, who in any event have limited income to make purchases outside of their parent’s endowment to them.

Retail floor space provision per person in the Cairns Northern Beaches trade area was estimated at 2.5m² per person by Pitney Bowes MapInfo, above the national average of 2.2m² per person. However, we note that based on the provision of 157,350m² of retail floor space in the trade area and an estimated population of 68,270 persons in 2006, this would represent retail floor space provision of 2.3m² per person.

The Pitney Bowes MapInfo analysis notes out provision of floor space for tourists to determine that the current retail floor space provision per person in the trade area is as follows:

- 1.7m² per person for local residents; and
- 0.8m²/0.9m² per person for local residents.

Consequently it is assumed that the provision of floor space per persons for local residents is lower than the Australian average of 2.2m² per person. However, this is not a meaningful comparison, as the Australian average has not been adjusted to take into account retail floor space provision for other tourist areas outside of the trade area. It is incorrect to assume that other tourist centres in Australia do not attract retail expenditure from visitors.

3.1.5 Potential Additional Provision in Trade Area

The demand for future retail floor space has been calculated in the Pitney Bowes MapInfo report based on the following factors:

- Growth in demand from future population growth in the region;
- Demand from increased tourism visitation; and
- The reduction in the level of escape retail expenditure from the Northern Beaches region, due to the increased provision of retail floor space.

The Pitney Bowes MapInfo report highlights that the provision of retail floor space per capita has increased at an average annual rate of 1.7% per annum in the past ten years to 2005-06. Applying this growth rate to the 2005-06 national average retail floor space provision of 2.2m²
per person would increase the national average provision of retail floor space to 3.1m² per person by 2026.

The summary table presented in the Pitney Bowes MapInfo report indicates that there will be an additional 25,200 persons in the trade area between 2006 and 2026, with demand for an additional 115,741m² of retail floor space, taking into account demand generated from tourists and a decrease in escape spending of existing residents. This would represent retail floor space provision of 2.9m² per person, significantly above the 2005-06 national average retail floor space provision of 2.2m² per person but below the projected average provision of retail floor space per person of 3.1m² per person by 2026.

It is our opinion that the breakdown of additional floor space demand by type (residential expenditure and tourist expenditure) for the trade area has most probably overcomplicated the benchmarking exercise. The assumption of 30% of additional retail being demand accounted for by tourist spending is difficult to justify, given that tourism visitation to a region is independent of population growth within an area.

We have revised the Pitney Bowes MapInfo additional retail floor space projections to provide two scenarios, which represent a range of estimates for appropriate additional retail floor space provision within the trade area. The two scenarios are as follows:

- **Low scenario** – the provision of retail floor space per person in the trade area decreases from 2.3m² per person in 2006 to the 2006 national average of 2.2m² per person by 2026; and
- **High scenario** – the provision of retail floor space per person in the trade area increases from 2.3m² per person in 2006 at an average annual rate of 1.7% per annum to 3.2m² per person by 2026.

Both scenarios assume that there was not an oversupply / undersupply of retail floor space in the trade area as of 2006. Based on the above assumptions, the additional demand for retail floor space in the trade area is likely to be in the order of 48,284m² – 144,456m².

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Source: Economic Associates estimates

Despite the differing approaches taken to determine additional retail floor space demand in the trade area, the Pitney Bowes MapInfo estimate is at the upper end of our estimates and appears appropriate for the defined trade area. However, given our opinion that the trade area for a retail centre at the Northern Beaches could be significantly smaller, the additional demand for retail floor space in the redefined trade area is likely to be significantly reduced unless justification for the larger trade area is provided.
3.1.6 Suggested Retail Floor space at Marlin Coast Town Centre

Piney Bowes MapInfo has suggested that an additional 59,727m² of floor space be provided at the Marlin Coast Town Centre by 2026, comprising the following elements:

- 15,000m² of discount department floor space;
- 6,400m² of supermarket floor space;
- 19,519m² of specialty and mini-major floor space; and
- 18,808m² of bulky goods floor space.

The provision of this floor space at the town centre would represent 51.6% of the additional floor space demand within Piney Bowes MapInfo’s entire trade area. This proportion seems high, particularly given the broad definition of the trade area. It is our opinion that an additional 60,000 m² of retail floor space requires further consideration of a wider range of factors/justification.
4 REVIEW OF CORE ECONOMICS REPORT

4.1 Purpose of Report

The purpose of the Core Economics report was to provide a review of MacroPlan’s Cairns Beaches Market Assessment Report compiled in November 2007.

4.2 Review Findings

4.2.1 Proposed Location of Cairns Beaches Town Centre

The Core Economics review correctly points out that the MacroPlan report inadequately describes the scope and location of the Cairns Beaches Town Centre. It is our opinion that a map of the proposed location of the town centre could have been presented, along with detail regarding existing retail (including bulky goods) activity within Smithfield.

4.2.2 Trade Area Definition

Core Economics do not raise concerns with the definition of the primary or secondary trade areas proposed by MacroPlan. However, as previously discussed it is our opinion that the primary trade area for the Cairns Beaches Town Centre appears adequate, but the secondary trade area is too broad, and should exclude significant parts of the former Douglas and Mareeba Shires.

4.2.3 Population Projections

It is our opinion that the population projections presented within the office and light industrial analysis for the primary trade area and the secondary trade area discussed in the retail analysis are appropriate. This contradicts Core Economics’ opinion in regards to the projected population of the primary trade area.

4.2.4 Retail Analysis

As stated above we have a number of concerns regarding the retail assessment presented in the MacroPlan report, most of which were not raised by Core Economics. However, our principal concern - that the supply of retail floor space had not been adequately reported by MacroPlan - was identified by Core Economics.

Core Economics notes that MacroPlan did not identify the sales productivity estimates used to generate their supportable retail floor space estimates. This is a matter we have raised and discussed in our review of the MacroPlan report.

4.2.5 Office Space Analysis

Core Economics considers the office space demand projected by MacroPlan to be reasonable. We disagree with Core Economics based on points made previously in our review of the MacroPlan report.
4.2.6 Industrial Land Analysis

Core Economics note that the industrial land demand projected by MacroPlan is approximately 100 hectares, but MacroPlan only recommends provision of 3-10 hectares of industrial land. Core Economics state that the provision of only 3-10 hectares of industrial land within the Cairns Beaches Town Centre area significantly underestimates the importance of the town centre as a major employment hub.

We agree with Core Economics on this point. Economic Associates provided input to the FNQ Regional Plan 2025 that highlighted the existing shortage of industrial land within the Cairns beaches sub-region.
5  SUMMARY

In our opinion, the economic reports prepared in relation to the proposed Cairns Beaches Town Centre are likely to overstate the need for retail and commercial office floor space and further investigation of the land use components should occur. However, we believe that the proposed industrial land provision may be understated.

We have a number of concerns with the MacroPlan report, the principal report prepared in support of the Cairns Beaches Town Centre, including:

- The secondary trade area for the retail proposal appears too large. The inclusion of the entirety of the former Douglas Shire is likely to significantly overstate demand for centre activities at Smithfield and ignores the role played by retail facilities in Mossman and Port Douglas to meet the needs of residents of the former Douglas Shire. The retail needs of Port Douglas, Mossman and residents north of the Daintree River are likely to be best served by providing appropriate retail facilities at Mossman, Port Douglas or other townships, such as Wonga Beach.

- There is a major discrepancy between primary trade area population projections in the retail and commercial / industrial analyses. Further, the primary trade area population projections include an additional 2,000 households between 2016 and 2026 over and above PIFU population projections without any justification.

- Demographic analysis prepared for the report focuses only on the demography of the Smithfield state suburb, as opposed to the respective trade areas. It is possible that this is the basis for determining retail expenditure propensities for the trade areas.

- The assessment of the existing centres network appears to be deficient in excluding a number of major supermarkets in the secondary trade area and including an incorrect floor space estimate (significant underestimate) for the Clifton Village Coles supermarket. This has significant implications for the assessment of need for additional retail floor space.

- We have concerns generally about using per capita estimates for retail expenditure, however recognise that this is a matter currently debated among retail analysts and represents an area of professional disagreement among analysts.

- We note that there appears to be an arithmetic error in the application of anticipated real retail expenditure growth rates to per capita retail expenditure estimates. The result being that per capita retail expenditure propensities reported in the MacroPlan report may be overstated.

- Sales productivity rates applied by MacroPlan for supermarket & grocery retailers appear to be marginally too high (conservative), while those used for bulky goods retailers appear to be marginally too low.

- Market shares proposed by MacroPlan indicate that the proposed Cairns Beaches Town Centre would have significant impacts on existing retail facilities and would most likely prevent the development of more convenient supermarket anchored centres throughout the trade areas.

- The MacroPlan report does not clearly articulate the extent to which there should be net additions to the stock of retail floor space within the Smithfield area to establish the Cairns Beaches Town Centre, nor does it articulate the composition of such floor space in terms of...
retail tenancy types (e.g. supermarkets, department stores, discount department stores, specialty stores, etc).

- Employment projections prepared in support of commercial office demand projections are based on white collar employment. Many white collar jobs are not accommodated in commercial office space. As such, the MacroPlan commercial office demand estimates may overstate commercial office demand within the identified trade area. In our opinion, a more appropriate approach would have been to base employment projections on industry sectors.

- The commercial office analysis does not provide an indication of how much additional commercial office space should be planned for the Cairns Beaches Town Centre, because it does not consider the existing supply of commercial office space within the identified trade area.

- Employment projections prepared in support of industrial land demand projections are based on blue collar employment. However, many blue collar jobs are not accommodated on industrial sites. As such, the MacroPlan industrial land demand estimates may not accurately reflect future industrial land demand within the identified trade area. In our opinion, a more appropriate approach would have been to base employment projections on industry sectors.

- MacroPlan’s analysis indicates that there is likely to be significant demand for industrial land within the identified trade area, but only recommends the provision of less than a tenth of that demand within the Cairns Beaches Town Centre. It is our opinion that the inclusion of such a small amount of industrial land within the town centre area would not allow the Cairns Beaches Town Centre to achieve a level of employment concentration and diversity required to establish a meaningful town centre.

In relation to the Pitney Bowes Mapinfo report, our main concern is that the overall approach to the assessment of retail floor space demand is not entirely appropriate for the detailed planning of a major town centre development. Other concerns include:

- The inclusion of the entire former Mareeba and Douglas LGAs in the trade area for the proposed Cairns Beaches Town Centre;

- The netting out of retail floor space generated by tourism from trade area demand estimates but not from national benchmarks; and

- The likely significant overstatement of retail floor space demand resulting from the broad definition of the trade area.

A number of issues identified in our review are not addressed in the Core Economics review.

Our principal concern is that the MacroPlan report does not provide an assessment of the supply-demand balance (or net future demand) for retail and commercial floor space or industrial land. An indicative analysis of the supply-demand balance presented in Table 2.1 of this review indicates that there is already some 47,000 m² of retail floor space at centres within close proximity to the proposed Cairns Beaches Town Centre. Applying this estimate of current supply to MacroPlan’s own floor space demand projections13, there would be a current oversupply of retail floor space and the additional demand for retail floor space is likely to be approximately 18,000 by 2026. It is important to note that the above discussion does not

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13 It should be noted that these projections could change subject to our comments on sales productivity estimates used to inform comparable floor space estimates.
consider the Bunnings Warehouse that recently opened opposite Smithfield Shopping Centre. This would add significantly to the existing supply.
6 RECOMMENDATIONS

The provision of an integrated town centre within an already established centres network will result in a reorganisation of the existing centres network and a change in the role and function of many of the established centres. The closer existing centres are to the proposed town centre, both in terms of proximity and function, the greater the likely impact of the new centre.

At this stage it is unclear what Cairns Regional Council’s intended centres strategy is within the Cairns northern beaches area. As such, it is necessary for Council to articulate or gain an understanding of the likely centres hierarchy of the Cairns northern beaches area to inform and guide the development of the proposed Cairns Beaches Town Centre.

In relation to the technical reports prepared thus far on behalf of the project proponents we make the following recommendations:

- MicroPlan Report:
  - Provide justification for inclusion of an additional 2,000 households over and above PIFU population projections for the Primary Trade Area in the retail analysis;
  - Confirm the appropriate set of population projections to be used for the retail, commercial office and industrial land analyses;
  - Further investigation of the appropriate trade areas for the proposed town centre based on consideration of the intended role and function of the proposed town centre in the context of various planning documents influencing areas;
  - Inclusion and correction of retail floor space currently supplied within the trade areas, particularly in regard to Clifton Village Shopping Centre and retail facilities located in the Secondary Trade Area;
  - Estimation of trade area specific retail expenditure propensities that reflect differences between the trade areas;
  - Application of revised retail expenditure propensities for each trade area to the retail analysis;
  - Undertake further investigations as to the appropriate sales productivity estimates to be applied to total available retail expenditure to estimate supportable retail floor space;
  - Provide further analysis of the suitability of market shares used in the retail analysis, particularly with regard to the extent of the market growth the proposed development is anticipating to capture in the longer term and the ability of the proposed town centre to achieve those market shares given its place in the broader regional centres hierarchy;
  - Provide an analysis of the potential impact, or measures to mitigate impacts, likely to be sustained across the centres network currently servicing the trade areas;
  - Provide further details on the intended role and function of the proposed Cairns Beaches Town Centre relative to other activity centres identified in the draft FNQ Regional Plan;

Note: population projections for the retail analysis include additional households over and above PIFU projections, but this is not carried through to the commercial office or industrial land analysis.
- Provide an assessment of the quantum of existing commercial office space provided within the Primary Trade Area;

- Revision of the commercial office and industrial land demand analysis based on employment by industry as opposed to occupation to ensure demand projections can be concorded with planning scheme definitions;

- Provide an assessment of the existing supply-demand balance for commercial office space within the Primary Trade Area;

- Consider capacity to include additional industrial land within the proposed Cairns Beaches Town Centre or centre frame in the context of the existing provision of industrial land within the Primary Trade Area;

• Pitney Bowes Mapinfo Report:
  - Provide further justification of retail trade area(s) identified;
  - Provide retail floor space demand scenarios based on varying assumptions; and
  - Provide a breakdown of the contribution to total trade area retail floor space demand by sub area.
Attachment 3 –

Cairns Beaches Town Centre

Investigations of Possible Locations

October 2008
TABLE OF CONTENTS

CAIRNS BEACHES TOWN CENTRE – PEER REVIEW OF ECONOMIC REPORTS AND ALTERNATIVE SITE ANALYSIS REPORT

Gerard Rosse GR : 8/27/3: #1828364

RECOMMENDATION:

That Council:

A. Note the Peer Review Report, Alternative Site Analysis Report & Project Program; and

B. Resolve to brand the project as the ‘Smithfield Town Centre’.

INTRODUCTION:
BACKGROUND:
COMMENT:
CONSIDERATIONS:
CONSULTATION:
OPTIONS:

Part A of the recommendation is for noting.

That Council:

CONCLUSION:
ATTACHMENTS:
INTRODUCTION

At the Ordinary Meeting on 24 January 2008 Cairns City Council resolved the following:

A. That Council note the Cairns Beaches Town Centre Enquiry by Design Outcomes Report.

B. That Council use the Design Outcomes Report as a basis for progressing the Planning Scheme amendments for the Cairns Beaches Town Centre, subject to:

1. That Council further investigates all possible options for the future provision of commercial, business and industry activities for the Smithfield and Beaches areas.

2. That a process of investigation includes consultation with all relevant stakeholders including, but not limited to, residents, business owners, shopping complex owners and land owners/developers within the catchments.

This analysis of potential locations for a town centre has been carried out in response to the above resolution.

The objective of this analysis is to identify and assess the potential locations for a town centre in the Cairns Beaches area.

This report sets out the following:

- Functional requirements of a town centre
- The formulation of appropriate criteria for the subsequent identification of possible locations, and the comparison of these locations.
- Identification of possible locations
- Comparison of possible locations using Multi–Criteria Analysis (MCA) techniques
- Conclusion as to most appropriate location for the town centre.
FUNCTIONAL REQUIREMENTS OF A TOWN CENTRE

What are the features of a modern Town Centre?

The goal of ecological sustainability has been the guiding principle behind the planning of cities over the last quarter century. This is even more so in current times with greater public awareness of the ramifications of “peak oil” and “climate change”.

The contemporary approach to centres planning is characterised by the holistic integration of land use planning, transport planning, and community planning. There is a heavy emphasis on urban consolidation, higher densities, a mix of uses, and a high quality public transport system serving them. Town centres are identified in the Far North Queensland Draft Regional Plan 2025 as “Transit Oriented Communities”.

These higher order activity centres are not just shopping centres. They are multi-functional, and include the following components, which interact and reinforce each other to produce a vibrant synergistic integrated centre:

- Commercial offices
- Recreational
- Cultural
- Residential
- Community facilities
- Service industries
- Medical facilities
- Retail
- Educational
- Public transport

It is potentially easier to achieve the above integration in a centre on a greenfield site, or consolidate an existing centre onto adjacent vacant land, than to retrofit an existing mature centre.
In the Australian context, Cairns is a young, evolving city. It has an opportunity to establish or consolidate semi-greenfield, integrated, sub-regional centres in a manner than is compatible and sympathetic with the challenges of “peak oil” and “climate change”. An additional challenge for Cairns, as a tropical city, is to build at higher densities, in a way that is both sustainable and provides a high level of amenity and tropical style.

**Evolution of Town Centres in the Suburbs of a City**

As towns grow and evolve into cities, they change from being mono-centric to poly-centric. This process started in Cairns some time ago with the recognition in CairnsPlan of sub-regional centres at Smithfield, Westcourt, Earlville and Edmonton. This process was supported by the FNQ2010 Regional Plan, and is further reinforced in the FNQ Draft Regional Plan 2025.

Although Cairns is at the forefront of centre development in a regional context, there are some learnings for Cairns in the way this process has unfolded in other cities that have undergone this change. Although on a larger scale, Brisbane has undergone this change. Until the mid 1980’s Brisbane was essentially a mono-centric city. Beyond the CBD, there was a shortage of significant Town Centre infrastructure. In the 1980’s Brisbane City Council nominated four regional centres, in the north, south, east and west of the City. The two larger ones are at Chermside in the north, and at Mount Gravatt in the south. This planning decision by Council provided an opportunity for government agencies to establish in commercial offices at both Chermside and Mount Gravatt. These centres comprise:

- **Chermside 440 ha** – This comprises the core retail / commercial/ civic / entertainment centre, plus adjacent hospitals, higher density residential, nursing homes, Brisbane City Council north regional business centre, and Marchant Park. The centre currently has a bus interchange, which will be significantly upgraded as part of the future northern busway project.

- **Upper Mt Gravatt 850 ha** – This comprises the core retail / commercial / civic / entertainment centre plus adjacent university, hospital, cemetery, sporting stadium, and Toohey Forest Park. This centre has a new busway station retro fitted, forming part of the south east busway.
Brisbane has since increased the number of centres to eight in the second tier below the city centre.

**New Greenfield Town Centre Development**

Springfield is a large greenfield development in a formerly rural district (Ripley Valley) within Ipswich City Council. It has a current population of 17,000 and is projected to grow to 85,000 people.

The proposed greenfield town centre at Springfield has an area of 320 ha, with a central rail station which is to be served by an extension of the railway line to Brisbane (anticipated opening date 2010).

Components of the town centre include:
- Education precinct, from childcare, through primary and secondary schools to TAFE and University, with student accommodation
- Health precinct
- Parklands precinct
- Regional shopping precinct, including entertainment space and recreational space
- Business park

**Implications for Cairns**

As demonstrated in the Brisbane experience and witnessed around the world, towns grow and evolve into cities, they change from being mono-centric to poly-centric. This process started in Cairns some time ago with the recognition in CairnsPlan of sub-regional centres at Smithfield, Westcourt, Earlville and Edmonton.

However the process has been slow in Cairns because of the dominance of the Cairn’s CBD Core and Frame. This area includes the traditional city centre core and the adjacent CBD frame which contains employment, tourism, residential and recreational areas.
In addition, this frame area is in turn flanked by the Portsmith industrial precinct. The industries within this area are typically large footprint uses, and are strategically located with rail and highway access from the south.

To date the second tier centres in the north and south are predominantly retail centres. The next stage in their evolution, especially with the introduction of high quality public transport services, is for the centres to become integrated multi-purpose centres, supporting a range of employment based uses, entertainment, community services and higher density residential development. This is also the development paradigm in contemporary greenfield centres, such as Springfield, near Ipswich.

CAIRNSPLAN & THE DRAFT REGIONAL PLAN’S VIEW OF A TOWN CENTRE

Hierarchy or Network of Centres

There are provisions for a hierarchy of centres in both the Cairns Planning Scheme CairnsPlan and in the FNQ Draft Regional Plan 2025. These provisions are presented in the table below, for Cairns urban areas i.e. the urbanised coastal strip from Palm Cove in the north, to Gordonvale in the south. Although the two Plans use slightly different language, the concepts are common to both, and the nominated localities in each tier are very similar.

The first tier in each hierarchy is the Cairns Central Business District.

The second tier of each hierarchy is referred to as Sub-Regional Centres in CairnsPlan, and Major regional activity centres in the draft Regional Plan. The location of the second tier centres are Smithfield and Edmonton. This level of centre is a higher order centre or a Town Centre.

Despite the different labels used, for the purpose of this analysis a Town Centre is a second tier centre, or higher order centre within a regional context.
Hierarchy of Centres in CairnsPlan and draft FNQ Regional Plan 2025

<table>
<thead>
<tr>
<th>CairnsPlan</th>
<th>Structure Plan Map 4</th>
<th>FNQ draft Regional plan 2025</th>
<th>Nominated Suburb for Centres Map 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBD</td>
<td>Cairns CBD</td>
<td>Principal regional activity centre</td>
<td>Cairns CBD</td>
</tr>
<tr>
<td>Sub-Regional Centres</td>
<td>Smithfield Westcourt Earlville Edmonton</td>
<td>Major regional activity centre</td>
<td>Smithfield Edmonton</td>
</tr>
<tr>
<td>District Centres</td>
<td>Trinity Beach Redlynch Manoora Manunda Mount Sheridan Bentley Park Gordonvale</td>
<td>District activity centre</td>
<td>Earlville Gordonvale</td>
</tr>
</tbody>
</table>

Other Provisions of CairnsPlan

Land in the general Northern Beaches locality is constrained by the Barron River flood plain and the Macalister Range to the west. Consequently, CairnsPlan has a number of unsuitable planning areas where the range of land use activities for a town centre is not appropriate. These areas include land shown on the Planning Area maps as

- Rural
- Conservation
- Open Space
- Sport and Recreation
- Community Facilities

To provide employment opportunities in the urban area of Cairns, Section 2.3.2 of CairnsPlan refers to major industrial areas nominated in the northern, central and southern sectors of the City.

In the northern sector, CairnsPlan identifies the suburb of Smithfield, where there are two locations nominated for industrial use. The first of these is at the corner of McGregor Road and Dunne Road, about 1 km east of Captain Cook Highway; This “industrial estate” is nominally fully developed. The other location is part of James Cook University and is located on the Captain Cook Highway, and is a 12 ha vacant site.
CairnsPlan has four categories of “Codes” which set out the performance requirements to be satisfied by development. These Codes impose constraints on the location of a Town Centre.

**Other Provisions of the Draft Regional Plan 2025**

As mentioned above, the FNQ Draft Regional Plan 2025 recognises and supports the need to establish a significant activity centre in the suburb of Smithfield. The draft Regional Plan prescribes this centre as:

- A *Major Regional Activity Centre*, growing from the existing district centre scale shopping facilities, to service a wider geographic area with new employment being established in both the enlarged Town Centre, and the adjacent James Cook University/Technology Park (for example the establishment and enhancement of government, administrative/business, education/research and training functions).

- Preferred for the establishment of a Transit Oriented Community (public transport node) with increased/higher density infill development. The principles and a typology of a Transit orientated community for Cairns are presented in Tables 8 & 9 (p. 104 & 105) of the draft Regional Plan.

- Preferred for development providing: a range of housing, including high density, medium density, town houses and shop top living; alternative office centre; minor entertainment (cinema, restaurants, bars, cafes, etc); strong employment centre. including a wide range of services and facilities (local government administration, health, educational and cultural) and some retail

- The envisaged residential development to have an average densities of 20 dwelling per hectare and 120+ dwellings per hectare in medium to high density development in appropriate town centre locations (Table 6, page 61);

In summary, a truly vibrant centre with less reliance on private vehicles, and emphasis on the establishment of an integrated, reliable, attractive, accessible public transport system, supported by a modern cycling and pedestrian network.
Adoption of Criteria from CairnsPlan and the Draft Regional Plan 2025 for the location for the Cairns Beaches Town Centre

Land included in Planning Areas in CairnsPlan nominated above in section 3.2 are unsuitable planning areas for town centre activities.

Similarly, in the FNQ Draft Regional Plan 2025, an unsuitable location for town centre activities is:

- land outside the urban footprint

Other criteria are that the Town Centre location:

- Will be served by the future busway
- Can incorporate the existing Smithfield shopping centre
- Has connectivity to James Cook University
- Is free of serious physical constraints and impacts – flooding, significant vegetation
- Will be compatible with adjoining existing and proposed land uses.

THE CAIRNS SITUATION

Recent Studies

A number of studies have been conducted over the last year, to quantify the existing provision in Cairns, and forecast the required future provision of facilities out to 2026 office space, residential accommodation and for retailing in its various forms.

Some of these studies contain data for all of Cairns, however the focus is on the catchment of a proposed Northern Beaches centre. These reports include estimates of the future population to be served by the proposed centre.

These studies include:

- Cairns Beaches, Market Assessment, November 2007
  MacroPlan Australia.
- Northern Beaches, Cairns Assessment of Future Floorspace demand for Retail Facilities November 2007
  Pitney Bowers MapInfo
• Review – Cairns Beaches Market Assessment by MacroPlan
  December 2007
  Core Economics

The economic analyses cited above were the subject of an independent peer review commissioned in August 2008 by Council, and undertaken by Economics Associates Pty Ltd. This review has called for some additional work to substantiate and make explicit all the background material used in the earlier Macroplan report, and to update it using recently released data.

It is demonstrated in this report that the determination of a town centre location is not particularly sensitive to the precise quantum of future demand for retail floorspace. Floorspace estimates and catchment boundaries may change following the submission of additional information as outlined in the recommendations of the Economic Associates report. It is considered that this information can be provided prior to Council considering an amendment to CairnsPlan as the retail component is only one element of the town centre.

Trading Catchments for a Cairns Beaches Town Centre.
Retail analysts speak of centres having a primary trading catchment, and a secondary trading catchment. For Cairns Beaches, the primary catchment is considered to extend from the Barron River north to Palm Cove

The secondary catchment for bulky goods and higher order services is considered to extend further north along the coast, possibly to Port Douglas and beyond, and inland to include some parts of the Tablelands. This is dependant upon the type of goods and/or service required.

Population of Trading Catchments for a Cairns Beaches Town Centre.
As indicated in 4.1, the retail analysts reports offer slightly different views on the extent of catchments, and hence the populations for these catchments.
The lower estimates for the 2006 population for the primary trade area and the secondary trade were 24,788 and 13,598 respectively (MacroPlan 2007 p10).

The lower estimated populations for these catchments for 2026 were 41,840 and 21,517; an increase of 17,052 and 7,919 respectively from 2006 to 2026 (MacroPlan 2007 p10).

**Current Provision of Retail Floor Space**

The existing (2007) total provision of retail floor space in the Cairns Urban Area (i.e. Palm Cove to Edmonton) was:

- Convenience Retail 214,000 m² (Pitney Bowes 2007 p 2)
- Bulky Goods 100,000 m² (Core Economics 2007 p1)

The existing (2007) total provision of retail floor space for the Cairns Beaches is

- Convenience Retail 34,000 m² at Smithfield, plus
- 15,514 m² at smaller local northern beach centres (Coast Watchers 2,300; Kewarra Park 1,200; Clifton Beach 5,964; Palm Cove 3,400; Campus Village 2,200; Stanton Place/Smithfield House Centre 450.)
- Bulky Goods 17,000 m².

(MacroPlan 2007 p 36)

**Estimated Future Floorspace Requirements for the Cairns Beaches Town Centre**

The reports cited above in Section 4.1 by MacroPlan, Pitney Bowers Mapinfo, and Core Economics include estimates of the future additional components of a town centre.

**Retail**

The initial estimates include around 40,000 to 50,000 m² of convenience retail space, plus around 20,000 m² of bulky goods retailing.

**Office**

The office component is expected to support around 2,000 jobs, requiring some 40,000 m² of office floorspace.
Residential
The residential component could be in the range of 2,000 to 4,000 persons depending on the attractiveness of the centre and the relative pricing of the residential products. It is desirable to have a sizeable resident population to add vitality to the Town Centre.

Industrial
There is estimated to be a very large demand for light industrial development both in the northern and southern sectors of Cairns. The anticipated requirement in the north is some 50 hectares, providing jobs for around 1,000 people. These land intensive uses are difficult to locate in Cairns, and the preferred location for them is adjacent to higher order centre, and served by high quality public transport. The initial minimum provision should be 10 ha.

Civic
The provision of land for out-door entertainment, civic purposes, and public open space, is an important and essential component of a town centre. Minimum provision is around 0.5 ha.

Adjacent Open Space
Because of their size, town centres often abut or straddle topographic features such as hill tops or creeks. These features can be successfully integrated into the town centre design as an added bonus, to enhance the amenity of the centre. It will be seen later in this report that Cattana Wetlands can contribute to this function.

A summary of estimated additional floorspace and associated land requirement, using both the demand figures from the initial reports and from the Peer Review are provide in section 4.7 below.

Estimated Future Land Requirements for the Cairns Beaches Town Centre

Assumptions Used to Calculate Town Centre Land area requirements.
The 2 large ancillary land consuming elements in town centre development are internal vehicular circulation space and car parking space; each of these has a landscaping component.
Vehicular Circulation within an estate
Assume 30% of a raw land site is required for external roads, and landscaping, for retail, residential and office uses.

Assume 20% of site required for external roads, and minor landscaping, for Bulky Goods and Light Industry uses.

Car Parking and circulation within a site.
Car parking rates (space per m² of land use)
- Conventional retail 1/25 m²
- Bulky goods 1/50 m²
- Office 1/25 m²

Allow 25 m² per car space, for Conventional Retail and Offices uses, for car parking and circulation within a site. Allow 50 m² per car space, for Bulky Goods uses.

Calculation of the required area of land for Town Centre

1. Retail: 40,000 m² - 50,000 m²
   - At One level, land required = 4.0 – 5.0 ha
   - Carparking at ground level = 4.0 – 5.0 ha
   - Circulation in estate = 3.4 – 4.2 ha
   - TOTAL = 11.4 – 14.2 ha

   - At Two Level, land required = 2.0 – 2.5 ha.
   - Carparking at ground level = 4.0 – 5.0 ha
   - Circulation in estate = 2.6 – 3.2 ha
   - TOTAL = 8.6 – 10.7 ha

2. Bulky goods 20,000 m²
   - At One level, land required = 2.0 ha
   - Carparking at ground level = 1.0 ha
   - Circulation in estate = 0.8 ha
   - TOTAL = 3.8 ha
3. Office 40,000 m²
Say 4 storey, land required = 1.0 ha
Carparking at ground level = 4.0 ha
Circulation in estate = 2.1 ha
Total = 7.1 ha

4. Light Industry/ Business Park 10ha initially; 50 ha over next 20 years.
Allow 20% circulation in estate
10ha net / 0.8 – 50/0.8 = 12.1 - 62.5 ha

5. Residential
Adopt a Net density of 250 people per hectare,
And 30% circulation space in estate

Land required per 2,000 - 4,000 people = 11.4 - 22.9 ha

Summary of Future Floorspace & Land Requirements for the Cairns Beaches Town Centre

From the initial estimates of future floorspace requirements, and the quantity of land required for the Cairns Beaches Town Centre are summarised in the Table below

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Quantity of Additional Demand</th>
<th>Additional Minimum Site Ha</th>
<th>Additional Preferred Site Ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenient Retail</td>
<td>40 - 50,000 m²</td>
<td>8.6</td>
<td>10.7</td>
</tr>
<tr>
<td>Bulky Goods</td>
<td>20,000 m²</td>
<td>3.8</td>
<td>3.8</td>
</tr>
<tr>
<td>Office</td>
<td>40,000m² (2,000 jobs)</td>
<td>7.1</td>
<td>7.1</td>
</tr>
<tr>
<td>Light Industry</td>
<td>10 - 50 ha (20 jobs/ha)</td>
<td>12.1</td>
<td>62.5</td>
</tr>
<tr>
<td>Residential</td>
<td>2,000 - 4,000 people</td>
<td>11.4</td>
<td>22.9</td>
</tr>
<tr>
<td>Civic Space</td>
<td>0.5</td>
<td>0.5</td>
<td>1.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>43.5 Ha</td>
<td>108 Ha</td>
<td></td>
</tr>
</tbody>
</table>

The table shows that the estimated minimum additional land for a modern Cairns Beaches Town Centre to the year 2026 is approximately 40 ha with the desirable amount of additional land being approximately 100 ha to allow for significant light industrial development adjacent to the Town Centre.
The above areas have been calculated on the demands identified in the Economic Studies referenced in Section 4.1. As noted earlier the Peer review has called for some additional work to substantiate and make explicit all the background material used in the earlier MacroPlan report, and to update it using recently released data. Although the authors of the abovementioned report have indicated that the updated data will not substantially change the amount of land required, the above table will be reviewed upon receipt of this information.

As detailed above, the determination of a town centre location is not particularly sensitive to the precise quantum of future demand for retail floor space given the variety of land uses that comprise a modern town centre.

Adoption of Criteria for Future Land Requirements for the Cairns Beaches Town Centre

- Minimum 40 hectare of contiguous land, not necessarily in one ownership; and
- Capable of enlarging up to 100 hectares with expansion onto adjacent vacant land

POSSIBLE TOWN CENTRE LOCATIONS

The following mandatory criteria were used to identify all possible locations for a Town Centre north of the Barron River:

- Vacant land with no existing or pending development approvals; or with development approvals that have not been acted upon
- Land not committed for ‘Sport and Recreation', ‘Open Space’ and ‘Conservation’, as indicated on the Planning Area Maps
- Land not committed for Rural Uses, as indicated on the Planning Area maps nor land outside the Far North Queensland Draft Regional Plan Urban Footprint;
- Not James Cook University and other land included within the ‘Community Facilities’ Planning Area. Note; this excludes the “Industry” land fronting the highway which has potential for industry or enterprise park uses, which are both potential JCU uses and/or uses compatible with a town centre;
- Minimum 40 hectare of contiguous land, not necessarily in one ownership; and
• Can be served by the planned future busway.
• The application of the above mandatory criteria identified the five (5) possible locations for town centre development as shown on Figure 1, and arranged from north to south as follows:

<table>
<thead>
<tr>
<th>Ref</th>
<th>Site Name</th>
<th>Site Ha</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Kewarra Beach</td>
<td>45.8 ha</td>
<td>Located on Captain Cook Highway and</td>
</tr>
<tr>
<td>B</td>
<td>Paradise Palms</td>
<td>70 ha</td>
<td>The Paradise Palms Golf Course is a large</td>
</tr>
<tr>
<td>C</td>
<td>Trinity Beach</td>
<td>47.1 ha</td>
<td>Vacant land east of the Captain Cook Highway and west of Moores Gully. The Bluewater development has Development Approvals in place for residential uses not as yet developed.</td>
</tr>
<tr>
<td>D</td>
<td>Smithfield Village</td>
<td>55 ha</td>
<td>The ‘Smithfield Village’ development by</td>
</tr>
<tr>
<td>E</td>
<td>Smithfield</td>
<td>40 ha</td>
<td>TPI and LHL land in Smithfield 0 (West of Smithfield bypass corridor) and Paino land in Smithfield 0 (east of Smithfield bypass corridor).</td>
</tr>
</tbody>
</table>

MULTI – CRITERIA ANALYSIS OF IDENTIFIED POSSIBLE SITES

The approach adopted for this investigation was to:

• Establish mandatory criteria to identify possible sites (section 5.0); and
• Use the desirable criteria to score and rank these possible sites.

Desirable Criteria used in the Assessment of Possible Town Centre Locations

The Desirable Criteria adopted are:

• Location capable of enlarging to 100 hectares with expansion onto adjacent land;
• Connectivity to James Cook University;
• Free of serious physical constraints and impacts – flooding, vegetation;
• Compatibility of town centre uses to adjoining existing and proposed land use; and
• Can incorporate existing Smithfield shopping centre;
Scoring and Ranking of Feasible Locations against Desirable Criteria

The scoring system is 1 to 5; 5 being the highest score, 1 being the lowest

<table>
<thead>
<tr>
<th>Desirable Criteria</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location cable of enlarging to 100 ha with expansion into adjacent land.</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Connectivity to JCU</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Free of serious environmental constraints</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Compatibility of town centre uses to adjoining existing and proposed land use</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Can incorporate existing Smithfield shopping centre</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total Score</strong></td>
<td>6</td>
<td>8</td>
<td>9</td>
<td>14</td>
<td>25</td>
</tr>
<tr>
<td><strong>RANK</strong></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Outcome of Scoring and Ranking against Desirable Criteria

Scoring each of the potential locations against desirable criteria and comparing the aggregate scores results in Site E, the “Smithfield site” being the stand out site, with large gap to the other 4 sites. This aggregated site meets all of the mandatory criteria, and rated highly on all of the desirable criteria. The Town Centre should be located at Smithfield in close proximity to James Cook University and the existing Smithfield Shopping Centre.
CONCLUSION

Analysis of the possible locations available on the Northern Beaches for a Town Centre identifies the Smithfield location, (an aggregation of properties between the existing Smithfield shopping centre, and the James Cook University) as the preferred location over all other possible locations examined.

- This location has both the required minimum additional area of 40 hectares, and has the potential to expand onto suitable vacant land to provide for future light industrial development to service northern Cairns.
- The location provides the potential for integration between the future town centre and an expanded James Cook University. The University also offers the opportunity for employment rich ‘Enterprise Park’ style development, which has great synergy other potential town centre uses.
- The location also has the potential to link with the existing Smithfield shopping centre.
- Very importantly, the location can be serviced by the proposed busway. This will assist in the development of an office employment and entertainment base in the centre, and also support residential development.
- As the centre matures, some of the existing low intensity uses in the Mt Milman Drive precinct may relocate to the fringe of the centre to allow for more dense redevelopment in that location.
- The location is free of serious physical constraints. There is a sewerage treatment plant which is a long distance from the site, and does not pose any issues. (1.7 km east of the existing highway.)
- The location comprises various parcels of land under different ownerships. Some of these have existing development approval from Council, which have not been implemented. The land is essentially vacant. Adjacent existing uses can coexist comfortably with a future mixed use town centre.
FIGURE 1  Possible Town Centre Locations