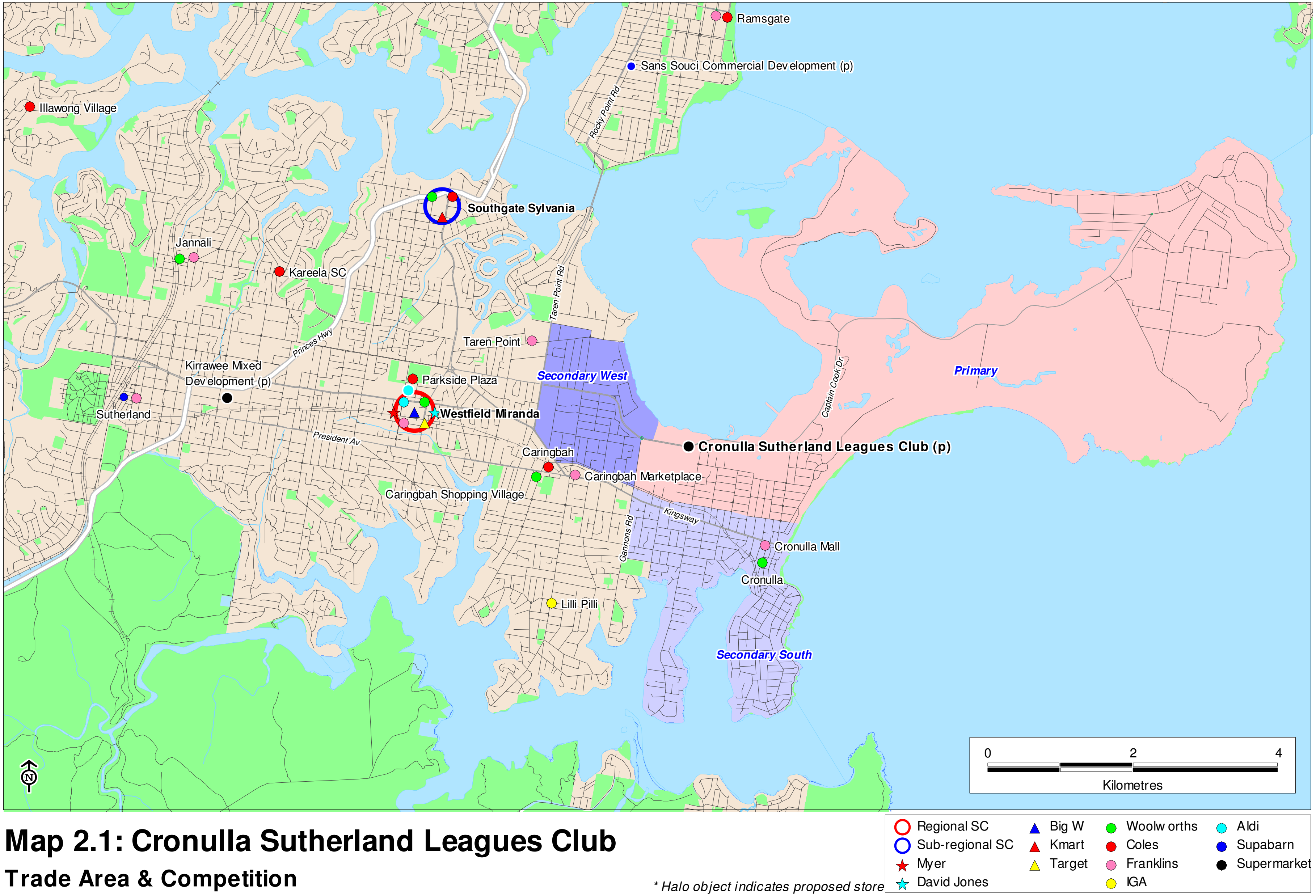


Map 2.1: Cronulla Sutherland Leagues Club

Trade Area & Competition

2.2 Trade area population

Table 2.1 details the current and projected population levels within the main trade area by sector. This information is sourced from the following:

- 2001 and 2006 Censuses of Population and Housing.
- New dwelling approvals data for the period 2006–2010.
- Population projections prepared by the New South Wales Department of Planning.

The main trade area population is currently estimated at 32,120, including 8,100 persons within the primary sector.

Major residential developments which have been proposed within the main trade area include:

- As previously outlined in Section 1, approximately 700 residential dwellings are proposed to be developed on the land to the west of the Toyota Stadium.
- Also within the primary sector, Australand and Breen Holdings have received an approval from the New South Wales Department of Planning for the rezoning of 130 hectares of land near Wanda Beach in Kurnell. It is understood that the land could accommodate around 400 residential dwellings.

There are no major residential projects within the secondary sectors, reflecting the established nature of this part of the Sutherland Shire.

Taking the above into account, the main trade area population is forecast to grow at an average annual rate of 170-270 persons, or 0.5%-0.8% per annum, resulting in the projected population of 34,420 by 2021, including 10,200 persons within the primary sector.

Table 2.1
Cronulla trade area population, 2001-2021*

Trade area	Estimated population 2001	2006	2011	Forecast population 2014	2016	2021
Primary sector	8,000	7,950	8,100	8,550	8,950	10,200
Secondary sectors						
• South	19,090	19,040	19,090	19,120	19,140	19,190
• West	4,840	4,880	4,930	4,960	4,980	5,030
Total secondary	23,930	23,920	24,020	24,080	24,120	24,220
Main trade area	**31,930**	**31,870**	**32,120**	**32,630**	**33,070**	**34,420**

Trade area	Average annual growth (no.) 2001-06	2006-11	2011-14	2014-16	2016-21
Primary sector	-10	30	150	200	250
Secondary sectors					
• South	-10	10	10	10	10
• West	8	10	10	10	10
Total secondary	-2	20	20	20	20
Main trade area	**-12**	**50**	**170**	**220**	**270**

Trade area	Average annual growth (%) 2001-06	2006-11	2011-14	2014-16	2016-21
Primary sector	-0.1%	0.4%	1.8%	2.3%	2.6%
Secondary sectors					
• South	-0.1%	0.1%	0.1%	0.1%	0.1%
• West	0.2%	0.2%	0.2%	0.2%	0.2%
Total secondary	0.0%	0.1%	0.1%	0.1%	0.1%
Main trade area	**0.0%**	**0.2%**	**0.5%**	**0.7%**	**0.8%**

**As at June*
Source: ABS; Pitney Bowes Business Insight

2.3 Socio-demographic profile

Table 2.2 and Chart 2.1 detail the socio-demographic profile of the trade area population. This information is sourced from the 2006 Census of Population and Housing at the Census Collection District (CCD) level and aggregated to correspond with the defined main trade area. The information for the main trade area population is benchmarked with the comparable Sydney metropolitan averages, with key points to note as follows:

- The average age of the main trade area population, at 39.2 years, is older than the Sydney metropolitan average of 36.6 years. The average age of the primary sector population, however, is generally in-line with the benchmark.
- The income profile of main trade area residents is higher than the benchmarks on both a per capita and per household basis, by 21.1% and 2.8%, respectively.
- A review of trade area residents' housing status shows some variations across trade area sectors, with the primary and secondary west sectors having above average home ownership levels as compared with the Sydney metropolitan benchmark.
- The trade area population is largely Australian born, with this trend evident in all trade area sectors.
- A review of the household structure of the main trade area population indicates a higher than average proportion of households consisting of couples without children and lone persons. Traditional households (i.e. couples with dependent children) are more prevalent within the primary sector (44.5%) and the secondary west sector (42.8%) than the secondary south sector (37.3%).

The main trade area comprises is a relatively established, affluent, Australian born population who could be expected to associate strongly with convenience based shopping facilities such as the proposed retail centre at the Cronulla Sutherland Leagues Club.

Table 2.2

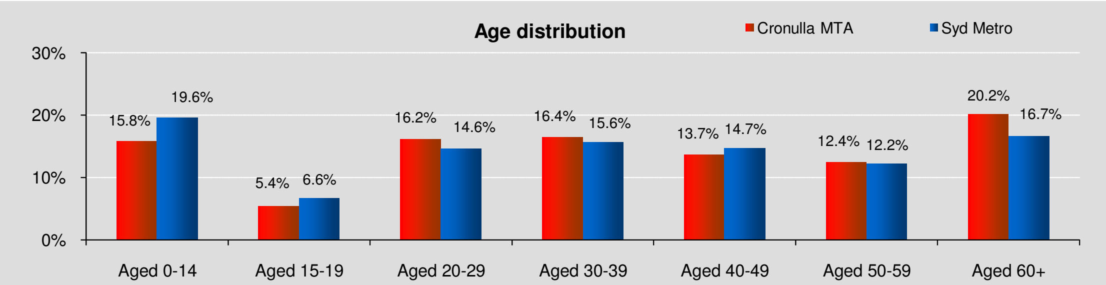
Cronulla main trade area - socio-demographic profile, 2006

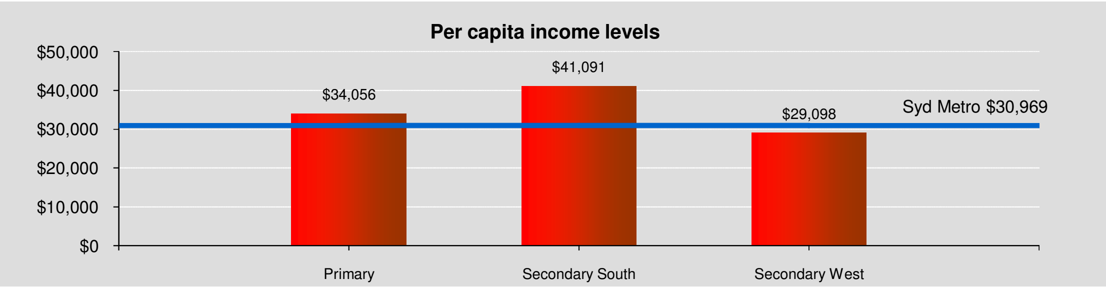
Census item	Primary sector	Secondary sectors South	Secondary sectors West	Main TA	Syd Metro avg.
Per capita income	$34,056	$41,091	$29,098	$37,499	$30,969
Variation from benchmark	*10.0%*	*32.7%*	*-6.0%*	*21.1%*	
Avg. household income	$82,645	$89,338	$68,436	$84,709	$82,406
Variation from benchmark	*0.3%*	*8.4%*	*-17.0%*	*2.8%*	
Avg. household size	2.4	2.2	2.4	2.3	2.7
Age distribution (% of pop'n)					
Aged 0-14	18.3%	13.9%	18.6%	15.8%	19.6%
Aged 15-19	5.4%	5.4%	5.3%	5.4%	6.6%
Aged 20-29	15.9%	17.1%	12.8%	16.2%	14.6%
Aged 30-39	17.7%	15.9%	16.7%	16.4%	15.6%
Aged 40-49	14.3%	13.5%	13.2%	13.7%	14.7%
Aged 50-59	12.1%	12.8%	11.3%	12.4%	12.2%
Aged 60+	16.2%	21.3%	22.1%	20.2%	16.7%
Average age	36.8	40.1	39.3	39.2	36.6
Housing status (% of h'holds)					
Owner/purchaser	68.6%	62.3%	70.8%	65.2%	67.0%
Renter	30.8%	37.3%	28.4%	34.4%	32.3%
Other	0.6%	0.3%	0.8%	0.5%	0.8%
Birthplace (% of pop'n)					
Australian born	84.0%	82.5%	82.7%	82.9%	65.5%
Overseas born	16.0%	17.5%	17.3%	17.1%	34.4%
• Asia	1.5%	2.2%	4.0%	2.3%	13.0%
• Europe	9.4%	9.9%	8.2%	9.5%	11.6%
• Other	5.1%	5.4%	5.2%	5.3%	9.9%
Family type (% households)					
Couple with dep't children	44.5%	37.3%	42.8%	39.8%	47.9%
Couple with non-dep't children	8.5%	7.2%	7.5%	7.5%	9.5%
Couple without children	21.5%	27.1%	21.1%	24.9%	19.7%
One parent with dep't children	7.0%	6.3%	8.1%	6.8%	8.5%
One parent with non-dep't child.	4.0%	3.7%	5.2%	4.0%	3.7%
Other family	1.4%	1.1%	1.5%	1.2%	1.2%
Lone person	13.1%	17.3%	13.8%	15.8%	9.4%

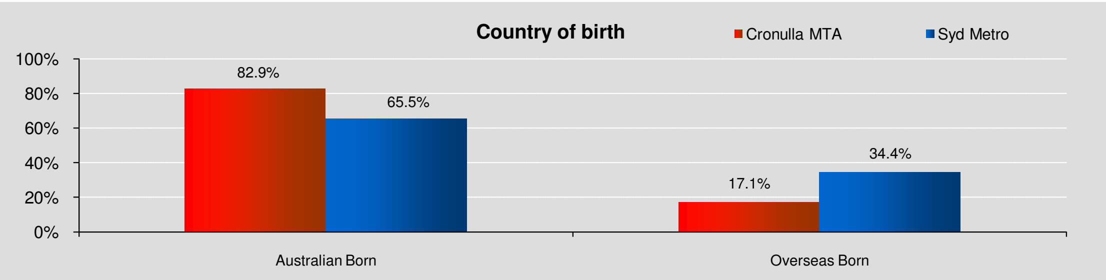
Source: ABS Census of Population & Housing, 2006; Pitney Bowes Business Insight

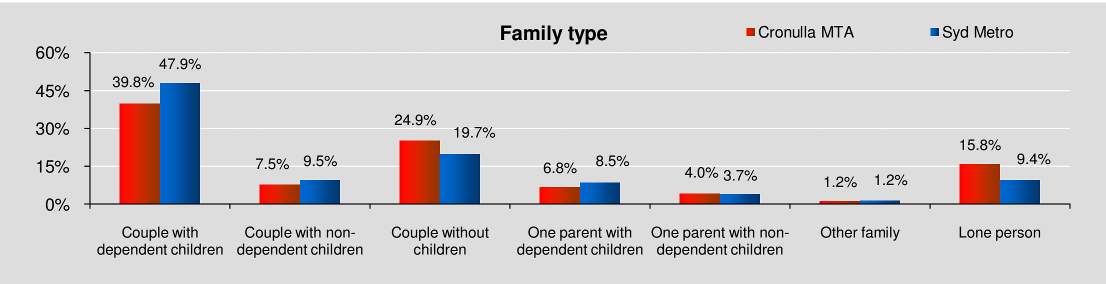
Chart 2.1

Cronulla main trade area - socio-demographic profile, 2006









Source: ABS Census of Population & Housing, 2006; Pitney Bowes Business Insight

2.4 Trade area spending

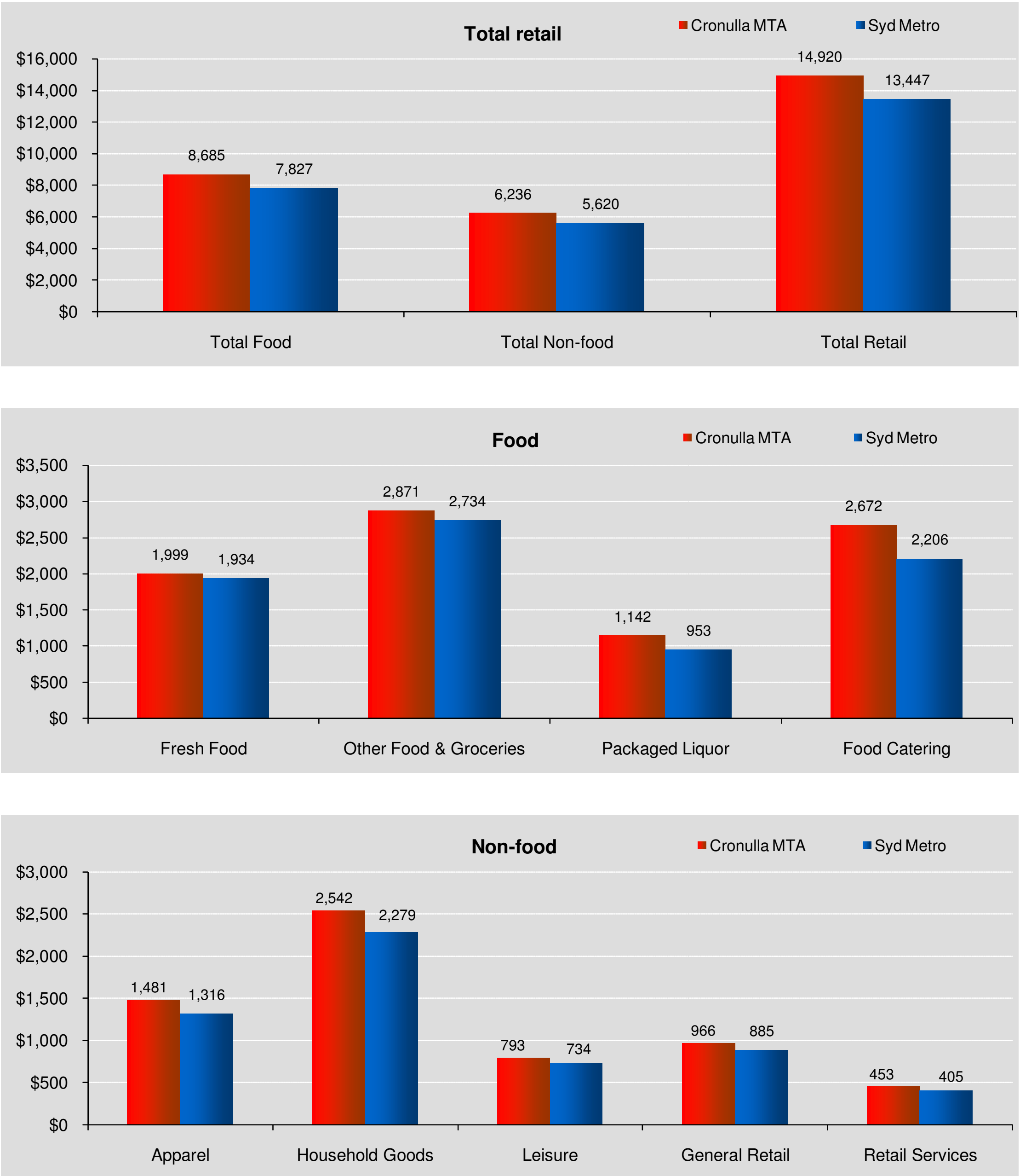
Chart 2.2 illustrates the retail expenditure levels per person for the main trade area population, benchmarked with Sydney metropolitan averages. Overall, retail spending levels are 11.0% above the benchmarks.

Table 2.3 summarises the total retail expenditure of the main trade area population in 2011, together with projections over the period to 2021. As shown, retail expenditure by the main trade area population is currently estimated at $479 million and is projected to increase at an average rate of 1.5% per annum, to reach $556 million in 2021. All spending forecasts presented in this report are in constant 2011 dollars (i.e. excluding retail inflation) and include GST.

Table 2.4 provides a more detailed summary of the retail expenditure of the main trade area population. As shown, food and liquor spending accounts for the highest proportion of total retail expenditure, at 40.3%.

Chart 2.2

Cronulla trade area - retail spending per person, 2011*



Source: MarketInfo; Pitney Bowes Business Insight

Table 2.3

Cronulla main trade area - retail expenditure ($M), 2011-2021

Year ending Dec	Primary sector	Secondary sectors South	Secondary sectors West	Main TA
2011	116	296	67	479
2012	119	299	68	486
2013	123	303	69	494
2014	126	306	69	502
2015	131	309	70	510
2016	135	311	71	517
2017	139	314	72	524
2018	144	316	72	532
2019	149	318	73	540
2020	154	321	73	548
2021	159	323	74	556
Average annual growth ($M)				
2011-2021	4.3	2.7	0.7	7.7
Average annual growth (%)				
2011-2021	3.2%	0.9%	1.0%	1.5%

**Constant 2011 dollars & including GST*
Source: MarketInfo; Pitney Bowes Business Insight

Table 2.4

Cronulla main trade area - retail expenditure by product group ($M), 2011-2021*

Year ending Dec	Food & liquor	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	Total
2011	193	86	48	82	25	31	15	479
2012	196	88	48	83	25	32	15	486
2013	200	90	48	84	25	33	15	494
2014	204	92	48	85	25	33	15	502
2015	208	94	48	86	25	34	15	510
2016	211	95	49	88	25	35	15	517
2017	214	97	49	89	25	35	15	524
2018	218	98	49	90	25	36	15	532
2019	221	100	50	92	25	37	15	540
2020	224	102	50	93	25	37	15	548
2021	228	104	51	95	26	38	15	556
Average annual growth ($M)								
2011-2021	3.5	1.8	0.3	1.3	0.0	0.7	0.1	7.7
Average annual growth (%)								
2011-2021	1.7%	1.9%	0.6%	1.5%	0.1%	2.1%	0.5%	1.5%

**Constant 2011 dollars & including GST*
Source: MarketInfo; Pitney Bowes Business Insight

Section 3: Competitive context

This section of the report reviews the major competitive retail facilities to the proposed retail centre at the Cronulla Sutherland Leagues Club. Table 3.1 provides a summary of the size and composition of these retail facilities which are illustrated on the previous Map 2.1.

Table 3.1
Cronulla schedule of competing retail facilities

Centre	Retail GLA (sq.m)	**Major traders**	Dist. by road from Cronulla (km)
Within trade area			
Cronulla	15,000	Woolworths, Franklins	2.3
Beyond trade area			
Caringbah	*15,200*		*2.5*
• Caringbah Shopping Village	5,800	Woolworths	
• Caringbah Marketplace	2,400	Franklins	
• Other	7,000	Coles	
Taren Point	3,700	Franklins	3.5
Lilli Pilli	500	IGA	4.0
Miranda	*113,400*		4.2
• Westfield Miranda	106,900	David Jones, Myer, Big W, Target, Woolworths, Franklins, Aldi, supermarket (p)	
• Parkside Plaza	4,600	Coles	
• Other	1,900	Aldi (u/c)	
Southgate Sylvania	21,600	Kmart, Woolworths, Coles	6.3

Source: Property Council of Australia; Pitney Bowes Business Insight

Within the main trade area

Currently, retail facilities within the main trade area are provided at Cronulla. Major tenants within the Cronulla retail precinct include a very small Woolworths supermarket (approximately 650 sq.m) and a Franklins supermarket which is also very small (approximately 850 sq.m). This precinct is generally characterised by food catering tenants, convenience based retailers (e.g. newsagent and chemist) and a number of surf shops.

Beyond the main trade area

Westfield Miranda is the only regional shopping centre within the Sutherland Shire. The centre is anchored by Myer and David Jones department stores; Big W and Target discount department stores; Woolworths, Franklins and Aldi supermarkets and a cinema complex. This centre encompasses 106,900 sq.m of retail floorspace, provided over four levels. Given such an extensive provision of retail floorspace, the centre is the major destination for higher order non-food shopping in the Sutherland Shire. The centre has also received a development approval for a further expansion to incorporate 17,700 sq.m of additional retail floorspace, including an expanded supermarket, mini-major tenants and retail specialty stores. Construction has yet to commence at the centre.

Other retail facilities within close proximity of Westfield Miranda include Parkside Plaza, which is anchored by a Coles supermarket. In addition, an Aldi supermarket is currently under construction at the Miranda RSL site, which is situated near Westfield Miranda. It is understood that construction is scheduled to be completed by the end of 2011.

Southgate Sylvania is the only sub-regional shopping centre serving Sutherland Shire residents to the east of the Princes Highway. This centre is anchored by a Kmart discount department store, Woolworths and Coles supermarkets and a 1st Choice large format liquor store. In addition to the associated specialty store mix at the centre, Southgate Sylvania is complemented by a number of non-retail tenants including an AMF Bowling alley.

A substantial provision of retail floorspace is also provided at Caringbah, immediately to the west of the main trade area. Major tenants in this precinct include Woolworths, Coles and Franklins supermarkets. The Franklins and Coles supermarkets are located on the eastern and western end of extensive retail strips along President Avenue and Kingsway, respectively. It is our understanding that supermarkets in this precinct generally trade solidly, with the modern Woolworths supermarket of some 4,400 sq.m being the strongest performer.

Around 3.5 km to the north-west of the Cronulla Sutherland Leagues Club, a Franklins supermarket of around 3,700 sq.m is also provided at Taren Point.

Section 4: Sales potential and economic impacts

On the basis of all preceding analysis, this section of the report commences with the analysis of demand for supermarket floorspace within the main trade area. It then considers the sales potential associated with the proposed retail facilities at the Cronulla Sutherland Leagues Club, as well as the likely trading and other impacts that can be anticipated to flow from the proposed Cronulla Sharks redevelopment.

4.1 Need and demand for supermarket floorspace

Table 4.1 summarises the current estimates of both population and supermarket floorspace provision within the main trade area. As shown, the current provision of supermarket floorspace within the defined main trade area is estimated at 47 sq.m per 1,000 persons, which is well below the Australian average of 320 sq.m per 1,000 persons.

The absence of full-line supermarkets and a very low supermarket floorspace provision within the main trade area mean that trade area residents currently have to travel beyond the main trade area for their grocery shopping needs. Significant proportions of these residents are likely to travel to Caringbah which currently has a triple supermarket offer, as well as Miranda, where four supermarkets are provided, with a fifth under construction. As shown in Table 4.1, the average provision of supermarket floorspace within the eastern part of the Shire (refer Map 4.1) is currently estimated at 201 sq.m per 1,000 residents. This provision is still much lower than the Australian average, and reflects a level of undersupply of supermarket floorspace in the region, which could be partly addressed by the proposed supermarket provision at the Cronulla Sharks redevelopment.

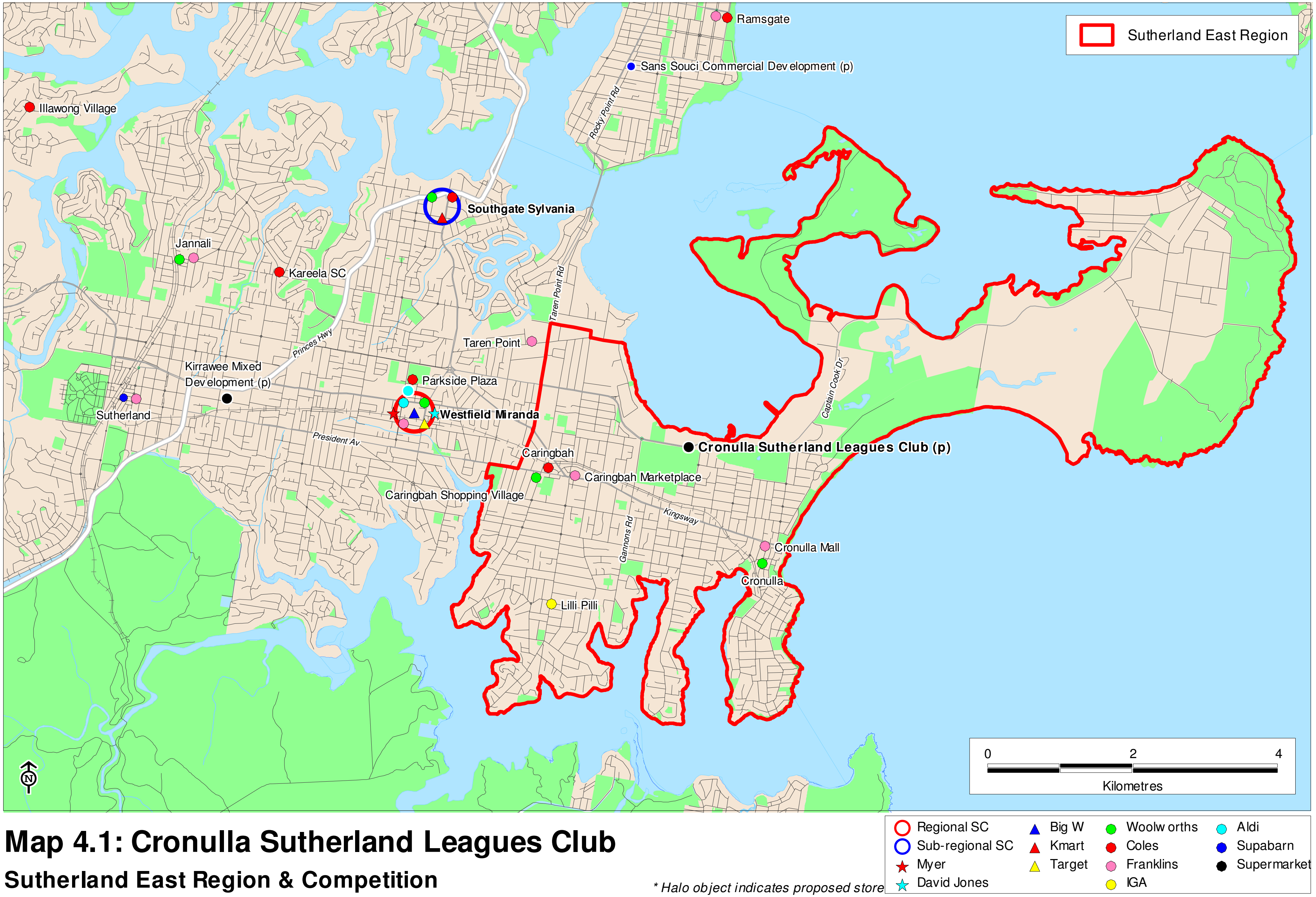
Assuming that the proposed full-line supermarket of 4,400 sq.m at the Cronulla Leagues Club proceeds, the supermarket floorspace provision within the main trade area would increase to around 181 sq.m per 1,000 persons in 2014, still well below the Australian benchmark. The supermarket floorspace provision within the broader Sutherland East region would increase to 279 sq.m per 1,000 persons in 2014, which is also below the Australian benchmark.

In our view, there is potential for a second, smaller supermarket (such as Aldi) to complement the proposed full-line supermarket at the Cronulla Sutherland Leagues Club. Aldi currently operates two stores within the Sutherland Shire, at Westfield Miranda and Menai, with a third store also under construction at Miranda. Residents living in the central and western parts of the Sutherland Shire therefore have relatively easy access to Aldi stores.

However, residents living in the eastern part of the Sutherland Shire would have to travel to Miranda to shop at Aldi. On this basis, we have assumed that Aldi could occupy the tenancy of 1,600 sq.m at the proposed development.

In the event that two supermarkets are provided at the Cronulla Leagues Club, the supermarket floorspace provision within the main trade area would increase to 230 sq.m per 1,000 persons, while the provision within the Sutherland East region would increase to 314 sq.m per 1,000 persons.

Typically in Australia the equivalent of one supermarket of 3,200 sq.m is provided for every 9,000-10,000 persons. The estimated Leagues Club trade area population of some 32,000 persons suggests that at least three full-line supermarkets could be provided within the main trade area. In fact, the primary trade area population alone (currently estimated at 8,100 and forecast to increase to 10,200 persons by 2021) could easily sustain a full-line supermarket.



Map 4.1: Cronulla Sutherland Leagues Club

Sutherland East Region & Competition

** Halo object indicates proposed store*

Table 4.1

Estimated supermarket floorspace provision within Cronulla main trade area, 2011

Trade area sector	No. of Smkts	Smkt Floorspace (sq.m)	Est. 2011 Population	Smkt provision (sq.m per 1,000 persons)
Primary	0	0	8,100	0
Secondary South	2	1,503	19,090	79
Secondary West	0	0	4,930	0
Main Trade Area	**2**	**1,503**	**32,120**	47
Sutherland East	6	10,588	52,690	201
Australian Average				320

Source: Pitney Bowes Business Insight

4.2 Estimated centre sales potential and market shares

The tenancy mix of the proposed retail facilities at the Cronulla Sutherland Leagues Club has yet to be finalised. For the purposes of this analysis, we have made the following assumptions regarding the tenancy mix:

- The centre would be anchored by a full-line supermarket (such as Woolworths or Coles) and a second, smaller supermarket (such as Aldi).
- Four mini-major tenants would be provided, including a large format liquor store and a fresh produce store on Level 2 and a discount variety store and a large pharmacy on Level 3.
- In total, 2,700 sq.m of specialty floorspace would be provided to complement the supermarket, fresh food and liquor offer. The specialty retailers would have a strong orientation towards fresh food and convenience. A proportion of specialty floorspace is assumed to be occupied by non-retail tenants such as a real estate agent and a travel agent.

In order to consider the question of potential economic benefits and impacts that may arise from the development of the proposed retail centre at the Cronulla Sutherland Leagues Club, it is first helpful to quantify the level of sales which the centre can expect to achieve.

The sales performance of any particular retail facility, be it an individual store or a collection of stores provided in a shopping centre, is determined by a combination of the following critical factors:

- The quality of the centre, with particular regard to the major trader or traders that anchor the centre;
- The strength of the tenancy mix relative to the needs of the catchment that it seeks to serve;
- The physical layout and ease of use;
- Ease of accessibility and carparking;
- Atmosphere and ambience of the centre;
- The size of the available catchment that the centre serves, which sets the upper limit to the sales potential that can be achieved; and
- The locations and strengths of competitive retail facilities, and the degree to which those alternative facilities are able to effectively serve the needs of the population within the relevant area.

Taking each of these factors into account, Table 4.2 presents the forecast sales potential by individual component for the proposed retail centre at the Cronulla Sutherland Leagues Club. These forecasts take into account:

- The proposed composition of the retail facilities at the Leagues Club, which will be positioned as a convenience-oriented shopping centre;
- The absence of full-line supermarkets elsewhere within the main trade area; and
- The estimated trading performance of surrounding retail facilities.

All sales forecasts in this report include GST and are expressed in constant 2011 dollar terms (i.e. excluding retail inflation).

Table 4.2

Cronulla Sutherland Leagues Club - Est. centre sales potential by retail category, 2014*

Category	GLA (sq.m)	Est. sales ($'000)	Est. sales ($/sq.m)
Supermarkets	6,000	50,637	8,440
Mini-majors	5,200	29,475	5,668
Total retail specialties	2,250	13,288	5,906
Total centre - retail	**13,450**	**93,400**	**6,944**
Non-retail	450		
Total Centre	**13,900**		

**Constant 2011 dollars & including GST*
Source: Pitney Bowes Business Insight

As shown in Table 4.2, the sales potential for the proposed Cronulla Sharks redevelopment is estimated at $93.4 million in 2014, expressed in constant 2011 dollar terms, including $50.6 million of supermarket sales, $29.5 million of mini-major sales and $13.3 million of sales achieved by retail specialty stores.

In assessing the potential for mini-major tenants, we have assumed that the four proposed mini-major tenancies will include a national brand liquor store, a fresh produce retailer, a discount variety operator and a large pharmacy. Clearly, the sales potential of these four tenancies will ultimately depend upon the retailers secured for each tenancy.

The performance of retail specialty shops at any shopping centre is largely driven by the performance of the major anchor tenants and, to a lesser extent, the mini-major tenants, as well as the actual mix of stores and individual traders secured. On the basis of the assumed tenancy mix at the proposed retail centre at the Cronulla Sutherland Leagues Club, specialty tenants are projected to achieve sales of $13.3 million or around $5,900 per sq.m in their first year of trade.

On the basis of sales potential of $93.4 million at 2014, the proposed retail centre at the Leagues Club is estimated to achieve a 16.6% market share of the available retail spending from the defined main trade area, including a 23.7% share of take-home food, liquor and groceries spending and 6.5% of non-food spending. The market share of food spending will naturally be much higher than non-food spending, reflecting the skew of the tenancy mix at the proposed retail centre at the Cronulla Leagues Club towards food and convenience retail.

Taking into consideration higher order retail facilities provided beyond the trade area at Miranda and, to a lesser extent, Sylvania, trade area residents are expected to continue to direct almost all of their comparison, non-food retail expenditure to these facilities. The proposed neighbourhood centre at the Leagues Club would however be well-positioned to serve the convenience retail needs of main trade area residents, and particularly residents of the primary sector. The centre is expected to achieve a market share of around 36% of available expenditure on food from the primary sector population.

Table 4.3

Cronulla Sutherland Leagues Club - Forecast market shares, 2014*

	Retail spend ($M)			**Centre sales ($M)**			**Market share**		
Trade area	Food	Non-food	Total	Food	Non-food	Total	Food	Non-food	Total
Primary sector	74.9	51.4	126.3	27.1	5.3	32.4	36.1%	10.3%	25.6%
Secondary sectors									
• South	179.4	126.4	305.8	37.5	7.1	44.5	20.9%	5.6%	14.6%
• West	41.2	28.2	69.5	5.4	0.9	6.4	13.1%	3.4%	9.2%
Total secondary	220.6	154.7	375.3	42.9	8.0	50.9	19.4%	5.2%	13.6%
Main TA	**295.6**	**206.0**	**501.6**	**70.0**	**13.3**	**83.3**	**23.7%**	**6.5%**	**16.6%**
Sales from beyond TA				8.6	1.5	10.1			
Total centre sales				**78.6**	**14.8**	**93.4**			

**Constant 2011 dollars & including GST*
Source: Pitney Bowes Business Insight

4.3 Assessment of economic benefits

The proposed retail centre at the Cronulla Sutherland Leagues Club is likely to generate a range of impacts upon the surrounding region. From a trading perspective, varying impacts are likely to be experienced by competitive retailers, and these will be discussed in greater detail in subsection 4.4 of this report. On the other side of the equation, it is also clear that the proposed retail centre at the Leagues Club will result in a range of economic benefits for trade area residents. These key positive impacts include the following:

- Convenience – The provision of shopping facilities at the Leagues Club will provide convenience for local residents within the trade area. The proposed retail centre would be anchored by the only full-line supermarket in the trade area, complemented by a range of mini-major stores and specialty retail floorspace. At present, supermarket facilities within the trade area are limited to two small supermarkets (Woolworths and Franklins) at Cronulla. Residents would currently have to travel beyond the trade area to do their weekly grocery shopping at Caringbah and Miranda, which can both be congested at peak trading times as a result of the relatively low supermarket provision in the Shire.

- Amenity – The proposed retail facilities at Cronulla Sutherland Leagues Club would be of a modern, high quality and customer-oriented design, seamlessly integrated with entertainment and other facilities associated with the existing Club. Along with the Leagues Club offer, the retail centre would form the basis of a community hub for local residents.

- Additional employment – once fully operational, the retail floorspace at the centre (13,900 sq.m) would be likely to employ an additional 566 persons. Allowing for an estimated 5% of the total increase to be as a result of the reduced employment in existing retail facilities, the net additional retail jobs at the Leagues Club is estimated at 538. This information is summarised in Table 4.4.

  In terms of wages and salaries, the additional 538 permanent retail employees within the centre would earn an average wage of around $32,000, as sourced from the latest ABS Statistics of average annual earnings. This represents an additional $17.2 million in salary and wages for the local region.

The proposed Cronulla Sharks redevelopment will also create a number of additional jobs, in the construction and related industries during its construction. The estimated total capital cost of construction of the retail centre is $55 million. After deflating these construction costs to 1996/97 dollars, the ABS Input/Output Multipliers (which were calculated in 1996/97) can be used to estimate the number of construction jobs generated by the project. On this basis, and as shown in Table 4.5, construction of the proposed retail centre at the Leagues Club is expected to create some 235 jobs, with a further 376 jobs resulting from the supplier induced multiplier effects. Jobs created are full-time equivalent jobs, which may include both full-time and part-time positions.

The additional retail jobs in the centre proper, as previously outlined (538), will result in a further 510 jobs in the broader community based on ABS Input/Output Multipliers. In total, 1,659 employment opportunities would be created as a result of the proposed retail centre development at the Cronulla Sutherland Leagues Club.

The Draft South Subregional Strategy (2007) targets 29,000 jobs to be provided within the South subregion, which comprises the local government areas (LGA) of Canterbury, Hurstville, Kogarah, Marrickville, Rockdale and Sutherland. Of relevance is some 8,000 additional jobs which are to be provided within the Sutherland LGA by 2031. The creation of more than 1,600 employment opportunities from the Cronulla Sharks redevelopment will contribute towards achieving this target.

Table 4.4

Cronulla Sutherland Leagues Club - Estimated Future Additional Employment Levels

Type of Use	Estimated Employment Per '000 sq.m	Cronulla Sutherland Leagues Club GLA (sq.m)	Cronulla Sutherland Leagues Club Employment (persons)
Supermarket	50	6,000	300
Mini-majors	20	5,200	104
Total Retail Specialty	60	2,700	162
Total Centre[1]		**13,900**	**566**
Net Increase[2]			538

1. Excludes non-retail components
2. Net increase includes an allowance for reduced employment levels at impacted centres, estimated at 5% of the total increase
Source : Pitney Bowes Business Insight

Table 4.5

Cronulla Sutherland Leagues Club - Estimated Future Additional Employment Levels*

Original Stimulus	Estimated Capital Costs ($M)[1]	Direct Employment	Supplier Employment *Multiplier Effects*	Total	
Construction of Project	55	235	376	611	Job Years[2]
Centre Employment[3]		538	510	1,048	
Total		**773**	**887**	**1,659**	

** Employment totals include both full-time and part-time work*
1. Adjusted by inflation and productivity to 1996/97 Dollars
2. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects, for the equivalent of one year
3. Indicates the estimated number of net additional ongoing jobs as a result of the proposed development
Source : Australian National Accounts: Input-Output Tables 1996-97; Pitney Bowes Business Insight

4.4 Trading impacts on existing retail network

Against the positive impacts considered in the previous subsection, the question of likely trading impacts on existing retailers within the surrounding region must also be considered.

The projections provided in this subsection should be considered as indicative only, given the difficulty associated with predicting with certainty the precise impact on existing retailers that would result from a change to the retail hierarchy serving a particular area. Impacted retailers have a number of possible responses such as expansions/improvements to their offers, or changes in their marketing efforts, which may limit or even fully eliminate the impact of a development.

Taking into consideration estimates of the current trading performance of each relevant competitive facility in the region, Table 4.6 provides estimates of the likely impacts that the proposed retail centre at the Cronulla Leagues Club may have on facilities in the surrounding region. As shown, the level of projected impacts are unlikely to threaten the viability of any existing retailers in the Sutherland Shire.

Table 4.6

Cronulla Sutherland Leagues Club - Trading Impact Assessment, 2014*

Centre	Unit	Estimated 2011	Projected 2014 Pre Dev't	Projected 2014 Post Dev't	Impact 2014 $M	Impact 2014 %
Cronulla Sutherland Leagues Club	$M	n.a.	n.a.	93.4	n.a.	n.a.
Within trade area						
Cronulla retail strip	$M	107.8	111.0	102.3	-8.7	-7.8%
Beyond trade area						
Caringbah**	$M	166.6	171.7	150.7	-20.9	-12.2%
Taren Point	$M	24.9	25.7	23.2	-2.4	-9.5%
Sylvania	$M	189.3	195.1	183.4	-11.7	-6.0%
Miranda***	$M	763.0	804.1	768.3	-35.8	-4.5%
All others	$M	n.a.	n.a.	n.a.	-13.8	n.a.

**Constant 2011 dollars & including GST*
***Includes Woolworths, Coles, Franklins and the Caringbah retail strip*
****Includes Westfield Miranda, Parkside Plaza and Aldi Miranda (currently under construction)*
Source: Pitney Bowes Business Insight

Cronulla

As noted in Section 3 of this report, retail facilities at Cronulla are currently the only competitive facilities provided within the defined main trade area. However, the Cronulla precinct generally caters for visitors to the popular Cronulla Beach and is characterised by food catering stores and a number of surf shops which are unlikely to compete to a significant degree with the proposed supermarket-anchored centre at the Leagues Club. The two small supermarkets in Cronulla are generally “top-up” shopping facilities, with offers inadequate to fulfil the weekly food shopping needs of local residents. On this basis, the impact of the proposed retail centre at the Leagues Club on the Cronulla retail precinct is estimated at $8.7 million or around 7.8%.

Caringbah

As outlined previously, three supermarkets, namely Woolworths, Coles and Franklins, are currently provided at Caringbah. The centre is generally congested during peak trading times. The provision of a convenient shopping centre at the Leagues Club site would offer customers an alternative place to shop and, therefore, would be expected to have a noticeable impact on this centre. The majority of the impact is likely to fall upon the Woolworths and Coles supermarkets.

The Franklins-anchored Caringbah Marketplace appears to trade more moderately as compared with the Woolworths-anchored and Coles-anchored centres. The store is relatively small, at around 1,200 sq.m, and is unlikely to compete with the proposed supermarkets at the Leagues Club to the same extent as the Woolworths or Coles supermarkets at Caringbah. It is expected to experience a lesser impact than the other two supermarkets.

Overall, it is estimated that the impact of the proposed supermarket based centre at the Leagues Club on retail facilities at Caringbah would be in the order of 12.2% or $20.9 million in combination.

In our view, and as is generally accepted in the retail property industry, a trading impact of 10%-15% is considered significant. However, in the context of the current strong trading performance of Caringbah Shopping Village, such an impact can be absorbed – certainly within 2-3 years following the proposed Cronulla Sharks redevelopment – without threatening the ongoing viability of the centre.

<u>Taren Point</u>

The Franklins supermarket is expected to experience some impact from the proposed retail centre at the Leagues Club, however, the impact would be moderate, in the order of 9.5% or $2.4 million.

<u>Sylvania</u>

The food offer at Southgate Sylvania currently comprises two supermarkets (Coles and Woolworths), two mini-major stores (1st Choice Liquor and a large fresh produce store), as well as a range of retail specialty shops. The proposed retail centre at the Cronulla Sutherland Leagues Club is likely to compete with Southgate Sylvania to some limited extent, reflecting the double supermarket offer and the assumed mini-major tenants (including a large format liquor store and a fresh produce store). As such, the estimated impact of 6% (or $11.7 million) from the proposed Cronulla Sharks redevelopment is likely to be spread across several retailers at Sylvania, including the two supermarkets, 1st Choice Liquor store and the large format fresh produce store.

Miranda

Miranda contains the highest concentration of retail facilities within the Sutherland Shire, and includes a regional shopping centre (Westfield Miranda) as well as smaller supermarket based centres. Westfield Miranda is a very successful shopping centre, with an estimated annual turnover in excess of $700 million in 2010.

The other main elements of the Miranda Centre are the Parkside Shopping Centre, anchored by a Coles supermarket, situated directly opposite Westfield Miranda, as well as a limited amount of street based strip shopping. In addition, a new Aldi supermarket is currently under construction within the total Miranda retail precinct.

The development of a convenience-oriented shopping centre at the Leagues Club is likely to attract a proportion of shoppers who currently do their weekly grocery shopping at Miranda, but would prefer the less congested offer of a neighbourhood centre to the hustle and bustle of a regional shopping centre. On this basis, sales at Miranda are expected to be impacted in the order of $36 million or 4.5%, with the greatest proportion of the impact likely to fall upon Westfield Miranda, and the centre’s existing Woolworths, Franklins and Aldi supermarkets and specialty food offer, as well as the Coles supermarket at Parkside Plaza.

As outlined previously, Westfield Miranda has received development approval for an additional 17,700 sq.m. Given the scale of the development, it is unlikely that the proposed expansion of the centre would be completed prior to 2014. It is estimated, however, that such an expansion could result in additional sales in the order of $120-$130 million to be generated predominantly from non-food usages. The additional sales, as well as the improved retail offer, would help to minimise the impact of the proposed smaller scale development at the Cronulla Sutherland Leagues Club. Both before and after the proposed expansion of Westfield Miranda, the proposed retail facilities at the Cronulla Sutherland Leagues Club would serve a different purpose (convenience shopping) for trade area residents.

The balance of the sales expected at the proposed retail facility at Cronulla Sutherland Leagues Club in 2014 (around $13.8 million) are expected to be generated from a combination of sources including visitors from outside the Sutherland Shire, and local residents who would otherwise complete a proportion of their retail spending further afield (for example, near their place of work).

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