ATTACHMENT 4

Economic Need and Impact Assessment

Prepared by:

Foresight Partners

ECONOMIC NEED AND IMPACT ASSESSMENT

PROPOSED IGA SUPERMARKET
81 SAVAGE STREET, COOKTOWN

PREPARED FOR:

KWIKBRIDGE PTY LTD

23039

DECEMBER 2023

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EXECUTIVE SUMMARY

Kwikbridge Pty Ltd (the applicant) has lodged a DA (DA/4677) over 81 Savage Street, Cooktown to establish an IGA supermarket of 2,038m^2 GFA, liquor store (150m^2 GFA), and small laundry (84m^2). The applicant is the operator of the existing IGA supermarket in Cooktown and this proposal will facilitate the relocation of the IGA store while maintaining continuity of operations to service the community.

Foresight Partners was commissioned to prepare this economic need and impact assessment to accompany a Development Application.

Main Trade Area and Population

A Main Trade Area (**MTA**) was defined to represent the primary catchment for the proposed development. It is comprised of a Primary Trade Area (PTA) encompassing the Cooktown and Hope Vale localities, and a Secondary Trade Area (STA) comprising the surrounding rural areas.

In June 2023, it is estimated that the MTA population was around 4,800 persons in 1,930 households. It is projected that the population of the MTA will increase slowly to 5,040 persons by 2035.

Retail Spending

Total retail expenditure potential generated by MTA households is expected to grow from $62.1 million in 2023 to $67.2 million in 2035. This represents an increase of $5.2 million.

The Cook Shire LGA receives around 516,000 visitor nights annually. It is estimated that overnight visitors spend around $4.13m on grocery items and $18m on other retail goods in the LGA annually.

Retail Environment

Retail uses in the Cooktown Centre Zone include IGA Cooktown (1,322m^2), Q-Cumber Greengrocers (~80m^2), The West Coast Hotel, multiple liquor stores, a pub, chemist, several fuel stations as well as a range of food and drink outlets and stand-alone retail stores.

Other relevant retail uses in the MTA include Ayton General Store (~200m^2 GFA) and Hope Vale independent supermarket (250m^2 GFA). The major (national chain) supermarkets nearest to Cooktown are located in Mossman and Port Douglas, around 3 hours by car.

Need and Performance

There is currently demand for 2,754m^2 of supermarket floorspace and a supply of only 250m^2 in the MTA (excludes the existing IGA, which will be relocated). Thus, there is a current undersupply of 2,504m^2 supermarket GFA and a clear need for the proposed IGA.

A market share analysis indicates that the proposed IGA could achieve sales of around $25.2m, which is a viable trading level.

Economic Impacts

The proposal would not undermine the Cooktown Centre zone for the following reasons:

- Sales will be primarily redirected from the existing IGA (which will be relocated) to the proposed development at this site. In other words, there will be no major economic impact on other retail stores within Cooktown.
- The market share analysis implies that around $9.2m of Take Home Food spending plus around $34.4m of other retail spending would be available to other retailers within (and beyond) the MTA.
- At an average productivity level of \$7,000/m^2, this level of spending is sufficient to support around 6,220m^2 of retail floorspace. This demonstrates that there is sufficient demand to support existing retail facilities in Cooktown (which are not directly competitive with a supermarket) contributing to the ongoing sustainability of the Cooktown Centre zone.
- Visitor retail spending will also contribute to the ongoing viability of other (non-supermarket) retail uses in Cooktown, particularly food and drink retail.
- Moreover, some expenditure that would have been directed outside the MTA to areas such Mossman, Port Douglas, and Cairns will be recaptured and retained within the MTA. This will incur positive benefits to Cooktown with increased opportunities for employment supported by a greater capture of local spending.
- There are no supermarkets within the MTA that would be direct competitors to the proposed IGA. Hope Vale Supermarket serves a distinctly lower-order function than the proposed IGA due to its size and location. It would meet only some of the convenience grocery needs of Hope Vale residents and would not serve Cooktown residents to any significant degree.

Summary of Need and Benefits

Factors that demonstrate economic need for the proposal are outlined below:

- MTA resident retail spending is projected to grow from $62.1m in 2023 to $67.2m by 2035 with population growth.
- The existing IGA supermarket, which the proposal would replace, does not adequately meet the needs of the local community, and cannot effectively be expanded at its current site.
- There is an <u>undersupply</u> of supermarket floorspace in the MTA as demonstrated in this assessment. This warrants the provision of a larger supermarket in Cooktown.
- There is sufficient demand in the MTA to support the proposal at a viable level demonstrated by a market share analysis.
- There are no directly competitive supermarkets within the MTA that the proposed IGA supermarket would materially impact.

- Remaining MTA resident spending (i.e. not directed to the proposal) is sufficient to support existing retail uses in the MTA plus additions to this supply.

Community benefits include the following:

- The provision of a larger supermarket in the local area to better meet the needs of the community.
- The relocation of the existing IGA to this site will allow continuity in operations to ensure the community is not without an important day-to-day retail service.
- A modest number of construction jobs will be supported during the construction phase, and on-going employment will be supported once the proposed development is operational.
- Greater capture of local expenditure that is likely being directed outside the MTA will support increased local employment opportunities.
- Increased range and convenience in retail facilities for trade area residents and visitors to provide a greater selection of goods available in Cooktown.

Conclusion

The proposal will address a current need for a larger supermarket in the Main Trade Area.

There are a number of economic and community benefits associated with the proposed development, and no material economic impacts are anticipated given the lack of similar facilities.

It is concluded that **there is a strong need for the proposed development.**

1. INTRODUCTION

1.1 Proposed Development

Kwikbridge Pty Ltd (the applicant) proposes to develop retail uses at 81 Savage Street, Cooktown comprising an IGA supermarket of 2,038m^2 GFA, liquor store (150m^2 GFA), and small laundry (84m^2). The applicant is the operator of the existing IGA supermarket in Cooktown and this proposal will facilitate the relocation of the store while maintaining continuity of operations to serve the community.

This assessment was prepared to accompany the subject Development Application (DA/4677).

1.2 Subject Site and Local Context

The subject site is zoned Medium Density Residential and is described as 81 Savage Street, Cooktown or Lot 212 on C17915.

Figure 1.1 shows the subject site and its surroundings.

The site has significant exposure, being located on the main road corridor entering Cooktown. Cooktown Hospital is located around 200 metres east of the subject site and Cooktown Hardware adjoins the site to the north.

The Cooktown Centre Zone is located to the north and is generally concentrated along Charlotte Street. The local neighbourhood is characterised by detached low density residential dwellings.

1.3 Purpose of Report and Methodology

Foresight Partners was commissioned to prepare this economic need and impact assessment to accompany a Development Application. The primary objectives of this assessment are to:

- Assess the market prospects of the proposed retail uses at the subject site;
- Evaluate the proposal's potential economic impacts upon the viability and vitality of nearby centre zones; and
- Assess the need for the proposed development, and the potential benefits accruing to the surrounding community.

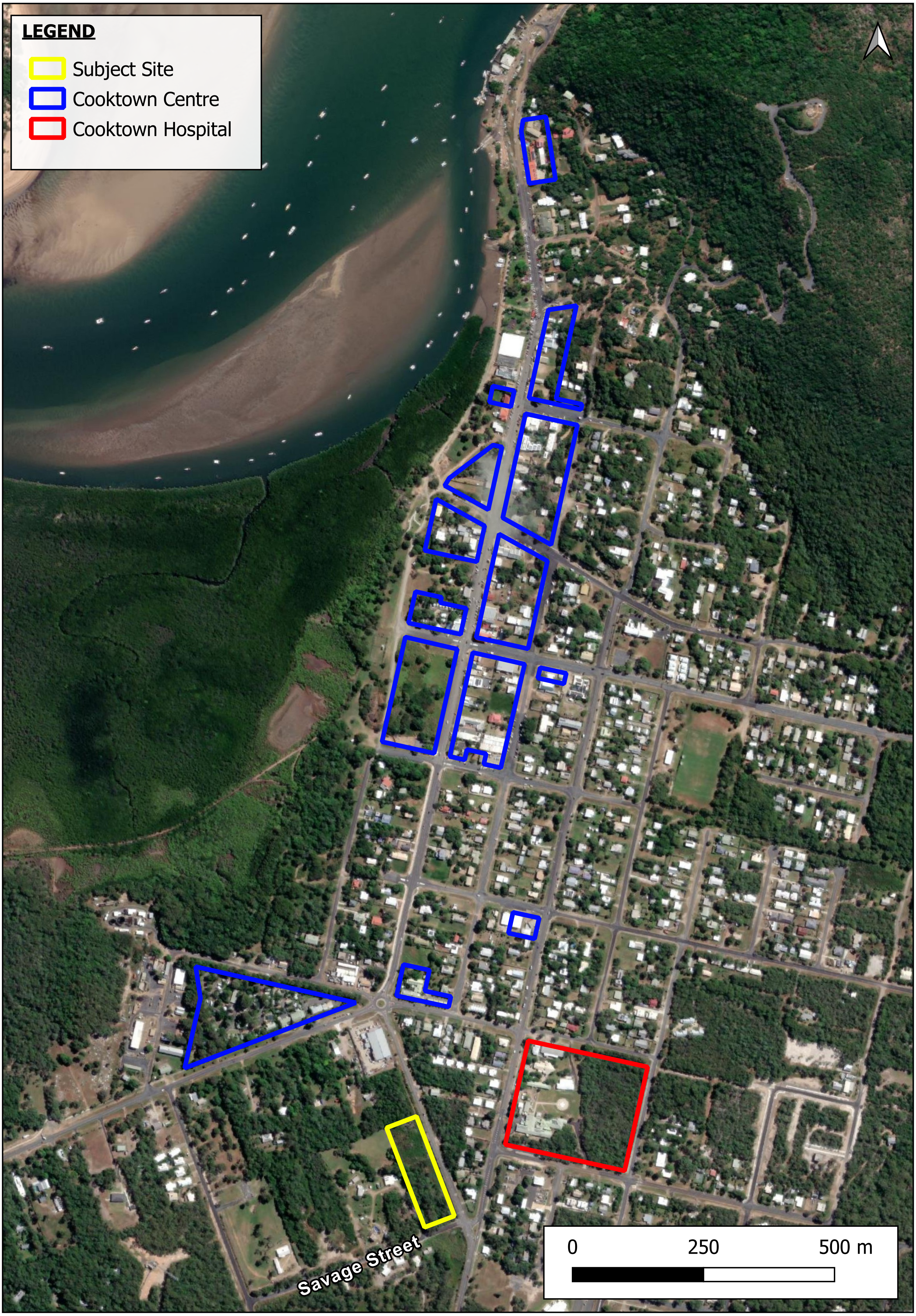
In preparing this report, a number of investigations were undertaken. These included:

- Identification, mapping and analysis of existing, proposed and approved centres and retail facilities in the local area, noting their key characteristics;
- Definition of, and justification for, a main trade area for the proposed development;

- Current and forecast population of the defined main trade area based on ABS Census data, Queensland Government population projections, and recent ABS dwelling approval data;
- Extraction and analysis of selected socio-economic characteristics of trade area residents compared to the Cook Shire LGA and Queensland, and the implications for demand for retail;
- Estimation of the current and future trade area spending on retail goods/services over the forecast period;
- Forecast likely sales achievable by the proposed through a market share analysis taking into account external sales (from outside the main trade area);
- Assessment of the potential economic impacts of the proposed development on existing and planned centres as well as retail uses outside of designated centres; and
- Discussion of the need and community benefits of the proposal.

These investigations form the basis of this economic need and impact assessment.

Figure 1.1: Subject Site and Local Context



2. TRADE AREA ANALYSIS

2.1 Defined Main Trade Area

A Main Trade Area (**MTA**) was defined to represent the primary catchment for the proposed development.

Several factors were considered in the definition of the MTA including:

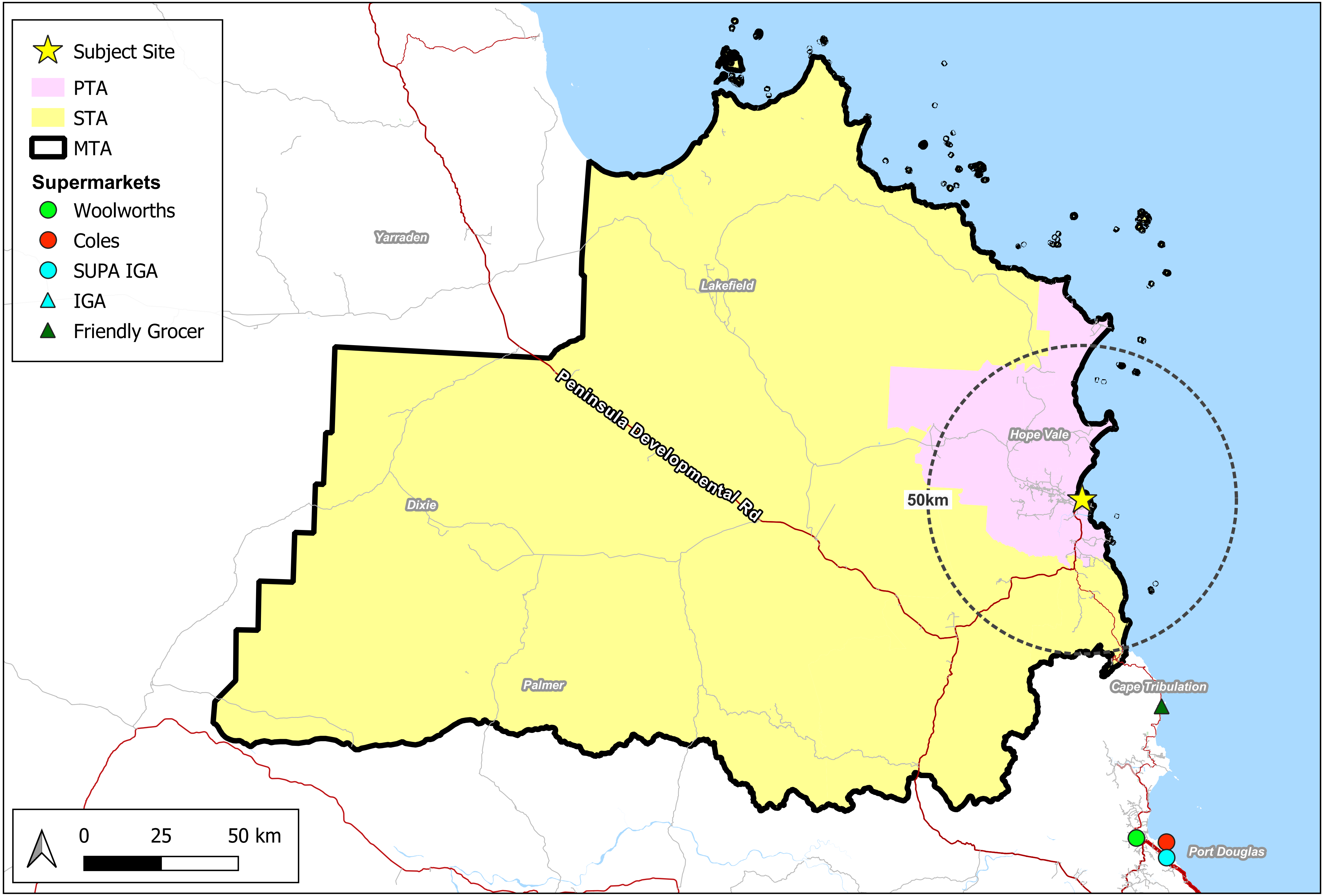
- The likely characteristics, function, and attraction of the proposed development;
- The characteristics and proximity of existing retail and commercial uses;
- The ease of access to the site by car, and natural and man-made barriers to movement, such as topographic features and the road network; and
- Australia Statistical Geography Standard (ASGS) boundaries for which ABS Census data is available.

Figure 2.1 shows the defined Main Trade Area. The MTA comprises a Primary Trade Area (PTA) and a Secondary Trade Area (STA). The PTA and STA add to give the MTA.

The PTA extends roughly 50km west, 60km north, and 20km south (radial distance) of the subject site and includes Cooktown and Hope Vale.

The STA includes rural areas surrounding the PTA. Persons residing south of the STA are likely to primarily utilise retail facilities in Mossman, Port Douglas, and further afield.

Figure 2.1: Defined Main Trade Area



2.2 Population Growth

Table 2.1 sets out the estimated resident population and households in the Main Trade Area (MTA) between 2016 and 2035.

MTA population projections are Foresight Partners estimates based on ABS Census data, more recent ABS resident population estimates, dwelling approval data, and Queensland Government Statistician's Office (QGSO) projections by SA2 (2023 edition medium series).

In June 2023, it is estimated that the MTA population was around 4,805 persons in 1,930 households. It is projected that the population of the MTA will increase slowly to 5,040 persons by 2035.

The PTA is expected to account for most of the projected growth in the MTA (77% or 180 persons from 2023 to 2035). The STA is expected to grow comparatively slower as it is a more rural area with limited residential zoned land.

Table 2.1: Forecast Population and Households, MTA, 2016 to 2035

	2016	2021	2023	2026	2029	2032	2035	Incr. 2023-2035
PTA								
Population	3,625	3,675	3,760	3,830	3,875	3,915	3,940	*180*
Households	1,390	1,435	1,475	1,515	1,545	1,575	1,600	*125*
Persons per Household	2.61	2.56	2.55	2.53	2.51	2.49	2.46	
STA								
Population	1,190	1,020	1,045	1,070	1,080	1,090	1,100	*55*
Households	495	440	455	465	475	480	490	*35*
Persons per Household	2.40	2.32	2.30	2.30	2.27	2.27	2.24	
MTA (PTA + STA)								
Population	4,815	4,695	4,805	4,900	4,955	5,005	5,040	*235*
Households	1,885	1,875	1,930	1,980	2,020	2,055	2,090	*160*
Persons per Household	2.55	2.50	2.49	2.47	2.45	2.44	2.41	

Source: Foresight Partners based on ABS data, QGSO Population Projections Medium Series 2023 edition. Population refers to persons in private dwellings. Figures are rounded.

2.3 Demographic Profile

A summary of selected socio-economic characteristics of PTA, STA, and MTA residents and households as at the 2021 Census, as well as those for the Cook Shire LGA and Queensland as benchmarks, is set out in Appendix 1. Key insights include:

- The PTA had a higher proportion of baby boomers (25.1%) than Queensland (21.7%).
- The labour force participation rate in the PTA (56.8%) was less than that of the Cook Shire LGA (63.4%) and Queensland (65.8%).
- Average annual household income in the PTA ($89,806) was slightly less than Cook Shire LGA level ($91,386) and significantly lower than the Queensland average ($123,035). Average annual household income was even lower in the STA ($77,526).
- The PTA had a far higher proportion of renting households (48.8%) compared to Cook Shire LGA (36.4%). Consequently, the PTA had a lower proportion of households that own outright (30.1%) or are purchasing their homes with a mortgage (16.9%) compared to Cook Shire LGA (36.8% and 19.6%).
- Renting was less common in the STA (30.9% of households) and outright home ownership was more common (43.3%).
- Average annual mortgage costs for PTA households ($20,468) were slightly greater than Cook Shire LGA ($19,790) however, less than the Queensland average ($26,760).
- A significant proportion of PTA households were occupied by a lone person (32.2%).

Based on these characteristics, it is concluded that the PTA is characterised by a mix of singles, couples, and families with below-average incomes. The characteristics of the STA indicate a less affluent population with a slightly older age profile to the PTA, and a higher proportion of lone person households. Overall, average retail spend per MTA household is expected to be lower than the Queensland level.

2.4 Resident Retail Spending

Forecast retail spending is a key driver of demand for retail uses.

Retail spending is segmented into the following categories:

- **Take Home Food** – food expenditure at supermarkets, grocery stores, greengrocers, butchers, bakers, tobacconists, delis and bottle shops (take home alcohol).
- **Meals Out / Take Away Food** – spending at restaurants, takeaways, cafés, coffee shops, and alcohol consumed on premises.
- **Apparel** – spending on clothing and footwear, including hire services.

- **Convenience Homewares and Personal Services** – expenditure on non-food products typically sold in chemists, newsagents, and supermarkets (e.g. paper products, pet supplies, cleaning items and personal health / beauty products) and personal services (e.g. hairdresser, dry cleaning).
- **Comparison Homewares** – spending on goods that consumers buy at infrequent intervals and would normally compare prices before purchasing (e.g. furniture, appliances, tools, computers, jewellery, and luggage).

2.4.1 Forecast Resident Retail Spending

Resident retail spending is a key driver of demand for retail uses. Table 2.2 shows forecast retail spending generated by trade area households.

Spending estimates were derived using data from the 2021 Census, and ABS Household Expenditure Survey rebased with more recent data from ABS National/State Accounts and Retail Trade products (June 2023). Dollar values from these sources were inflated to common June 2023 values.

Key insights include:

- Total retail expenditure potential generated by MTA households is expected to grow from $62.1 million in 2023 to $67.2 million in 2035. This represents an increase of $5.2 million.
- MTA resident spending on Take Home Food is projected to increase from $27 million in 2023 to $29.3 million in 2035.
- Growth in PTA spending is expected to account for around 80% of MTA retail spending growth from 2023 to 2035.

Increases in retail spending could theoretically support additional retail floorspace inside and outside the defined MTA.

Table 2.2: Forecast Retail Spending by Category, MTA Households, 2023 to 2035

YE June	Take Home Food ($m)	Meals Out/ Takeaway ($m)	Apparel ($m)	Convenience Homewares/ Services ($m)	Comparison Homewares ($m)	Total ($m)
2023						
PTA	20.8	7.1	4.8	6.1	9.8	48.8
STA	6.2	1.7	1.3	1.6	2.6	13.3
MTA	**27.0**	**8.8**	**6.1**	**7.7**	**12.4**	**62.1**
2026						
PTA	21.4	7.3	5.0	6.3	10.1	50.1
STA	6.3	1.7	1.3	1.7	2.6	13.6
MTA	**27.7**	**9.0**	**6.3**	**7.9**	**12.7**	**63.7**
2029						
PTA	21.8	7.5	5.1	6.4	10.3	51.1
STA	6.5	1.8	1.3	1.7	2.7	13.9
MTA	**28.3**	**9.2**	**6.4**	**8.1**	**13.0**	**65.0**
2032						
PTA	22.3	7.6	5.2	6.5	10.5	52.1
STA	6.5	1.8	1.3	1.7	2.7	14.0
MTA	**28.8**	**9.4**	**6.5**	**8.2**	**13.2**	**66.1**
2035						
PTA	22.6	7.7	5.3	6.6	10.7	52.9
STA	6.7	1.8	1.4	1.8	2.8	14.3
MTA	**29.3**	**9.6**	**6.6**	**8.4**	**13.4**	**67.2**
Inc. 2023-2035						
PTA	*1.8*	*0.6*	*0.4*	*0.5*	*0.8*	*4.1*
STA	*0.5*	*0.1*	*0.1*	*0.1*	*0.2*	*1.0*
MTA	***2.2***	***0.7***	***0.5***	***0.6***	***1.0***	***5.2***

Source: Foresight Partners estimates based on ABS Household Expenditure Survey, Retail Trade, and State Accounts data. Figures are in June 2023 dollars and are rounded. No allowance for real increases in retail spend per annum.

2.5 Resident Retail Demand

2.5.1 Supportable Floorspace

Retail spending projections from Table 2.2 were translated to supportable retail floorspace estimates assuming benchmark productivity levels of:

- $9,500/m^2 for Take Home Food;
- $6,500/m^2 for Meals Out/Takeaway;
- $4,500/m^2 for Apparel;
- $7,000/m^2 for Convenience Homewares/Services; and
- $4,000/m^2 Comparison Homewares.

It is recognised that individual stores in the same category trade at different levels, but it is considered that these benchmark productivities would represent reasonable average trading levels in the context of the MTA. Table 2.3 sets out estimates of theoretically supportable retail floorspace by MTA resident spending. It is noted that not all demand would be met within the MTA.

Table 2.3: Theoretically Supportable Retail Floorspace by MTA Resident Spending, 2023 to 2035

YE June	Take Home Food (m2)	Meals Out/ Takeaway (m2)	Apparel (m2)	Convenience Homewares/ Services (m2)	Comparison Homewares (m2)	Total (m2)
2023						
PTA	2,194	1,098	1,077	872	2,461	7,703
STA	651	258	280	232	642	2,063
MTA	**2,845**	**1,357**	**1,357**	**1,105**	**3,103**	**9,766**
2026						
PTA	2,253	1,128	1,106	896	2,528	7,912
STA	665	264	286	237	656	2,108
MTA	**2,918**	**1,392**	**1,392**	**1,133**	**3,184**	**10,020**
2029						
PTA	2,298	1,150	1,128	914	2,578	8,068
STA	679	270	292	243	670	2,154
MTA	**2,977**	**1,420**	**1,420**	**1,156**	**3,248**	**10,222**
2032						
PTA	2,343	1,173	1,150	932	2,628	8,225
STA	686	272	295	245	677	2,176
MTA	**3,029**	**1,445**	**1,445**	**1,177**	**3,305**	**10,401**
2035						
PTA	2,380	1,191	1,168	946	2,670	8,355
STA	701	278	302	250	691	2,222
MTA	**3,080**	**1,470**	**1,470**	**1,197**	**3,361**	**10,577**
Inc 2023-2035						
PTA	*186*	*93*	*91*	*74*	*209*	*653*
STA	*50*	*20*	*22*	*18*	*49*	*159*
MTA	***236***	***113***	***113***	***92***	***258***	***811***

Source: Foresight Partners estimates based on Table 2.2. Figures are rounded.

2.6 Visitor Profile

Table 2.4 sets out key data for the Cook Shire LGA visitor market based on an average of data over the four years to 2019 sourced from Tourism Research Australia. Key insights include:

- The vast majority of visitor nights (~84%) in the Cook Shire LGA are sourced from domestic visitors.
- Domestic visitors spend, on average, $122 per night in the region.
- Around 90,000 domestic visitor nights are spent in hotels or similar accommodation annually.

Table 2.4: Visitor Profile, Cook Shire LGA, 2019

	International	Domestic Overnight	Domestic Day	Total
Annual Visitors	6,000	105,000	n.a.	**174,000**
Visitor nights p.a.	83,000	433,000	n.a.	**516,000**
Average Length of Stay (nights)	13	4	n.a.	**5**
Annual Expenditure ($M)	$6	$53	n.a.	**n.a.**
Spend per Trip ($)	$1,054	$503	n.a.	**n.a.**
Avg Spend per Night ($)	$78	$122	n.a.	**$115**
Avg. Spend per Night (if in commercial accommodation) ($)	$94	$162	n.a.	**$146**
Reason for Visit (Visitors)				
Holiday	5,000	68,000	n.a.	**102,000**
Visiting friends and relatives	n.a.	n.a.	n.a.	**n.a.**
Business	n.a.	n.a.	n.a.	**n.a.**
Other	n.a.	n.a.	n.a.	**n.a.**
Accommodation (Nights)				
Hotel or similar	n.a.	90,000	n.a.	**n.a.**
Home of friend of relative	n.a.	n.a.	n.a.	**n.a.**
Caravan Park	n.a.	n.a.	n.a.	**n.a.**
Backpacker	n.a.	n.a.	n.a.	**n.a.**
Other	n.a.	206,000	n.a.	**n.a.**

Source: Tourism Research Australia (TRA) LGA profiles, Foresight Partners. Note: data is averaged over 4 years to 2019 (latest available).

2.7 Visitor Spending

Table 2.5 sets out estimated visitor spending for Cook Shire LGA.

Estimated visitor nights are based on an average of data over the four years to 2019 and the breakdown of spending is based on data at the national level. Visitation is assumed to remain relatively consistent.

Visitor spending estimates are used to inform estimates of external sales (to non-MTA residents) at the proposal (Section 4).

Based on these assumptions, it is estimated that:

- Visitors spend around $4.13m on groceries per year in the region.
- Visitors spend $18m on other retail goods per year in the region (including food and drink, alcohol on premises, other).

Table 2.5: Estimated Visitor Spending, YE 2023

	International	Domestic	Total
Visitor nights p.a.	83,000	433,000	516,000
Total Spend per Night	$78	$122	
Est. Spend on Groceries per visitor night	$8	$8	
Est. Spend on Groceries p.a.	**$664,000**	**$3,464,000**	**$4,128,000**
Est. Spend on Other Retail per visitor night	$35	$35	
Est. Spend on Other Retail Goods p.a.	**$2,905,000**	**$15,155,000**	**$18,060,000**

Source: Foresight Partners estimates based on Tourism Research Australia: National Visitor Survey. Note: visitor nights for Cook LGA is based on 4 year average to 2019.

3. RETAIL ENVIRONMENT

3.1 Cook Shire Centre Network

A Centre network is typically comprised of different types of Centres which satisfy various needs of the community. The Cook Shire has only one type of centre zone which, according to the Cook Shire Council Planning Scheme (2017), provides a wide mix of uses and activities including retail, business, and community uses to service all or part of the LGA.

The designated centres relevant to this assessment include:

Cooktown Centre Zone

Retail uses in the Cooktown Centre Zone include IGA Cooktown (1,322m^2), Q-Cumber Greengrocers (~80m^2), The West Coast Hotel, multiple liquor stores, a pub, chemist, several fuel stations as well as a range of food and drink outlets and stand-alone retail stores.

A range of commercial and community services are also present (real estate, library, museum, etc).

Other Centres and Retail

Bloomfield provides the Ayton General Store (~200m^2). This is around 63km by road from the subject site (55 minutes).

The Township zone within Hope Vale in the PTA (Hope Vale LGA) provides a small stand-alone independent supermarket of around 250m^2 GFA.

3.2 Supply of Supermarkets

The existing Cooktown IGA is the largest supermarket within the MTA and would capture the largest share of supermarket/grocery spending of any store in the MTA. The other take home food retailers in the MTA would perform a complementary function.

Hope Vale Supermarket is a small independent supermarket of around 250m^2 GFA. Due to its size and location, Hope Vale Supermarket would serve only a minor level of convenience grocery needs of Hope Vale residents and would not serve Cooktown residents at any significant level.

Beyond the MTA

Grocery shopping by MTA residents would also be undertaken during multi-purpose trips to Port Douglas, Mossman, and other locations. Table 3.1 shows the three nearest major supermarkets located outside the MTA.

Each of these supermarkets are 110km or more from the subject site by road, or around 3 hours travel time. These supermarkets would meet some level of grocery needs of MTA residents, likely when combined with multi-purpose trips to Port Douglas / Mossman to access retail goods and services not available in the MTA.

These supermarkets are not considered directly competitive with the proposal due to their distance.

Table 3.1: Nearest Major Supermarkets Located Outside MTA

Brand	Address	Distance from Subject Site (km)	Drive Time from Subject Site
Coles	Primewest Port Village Shopping Centre, 11 - 17 Macrossan St, Port Douglas	114	3 hours
IGA	Captain Cook Hwy, Port Douglas	118.8	3 hours
Woolworths	53 Grace Street, Herberton	110	2 hours and 50 minutes

Source: Google Maps.

3.3 Proposed and Approved Developments

Searches of the Cook Shire Council's Development Application database revealed no Development Applications for supermarkets.

4. NEED AND PERFORMANCE ASSESSMENT

4.1 Supermarket Floorspace Demand, Supply & Need

Table 4.1 below sets out an assessment of demand and supply of supermarket floorspace in the defined MTA.

This analysis assumes that supermarket spending comprises 75% of Take Home Food spend plus 8% non-food sales, and translates supermarket spending into indicative floorspace demand by applying an average trading productivity of $10,000/sqm.

This analysis indicates that there is currently demand for 2,754m^2 of supermarket floorspace. Demand is forecast to increase to 2,982m^2 by 2035. There is a current supply of 250m^2 supermarket floorspace in the MTA. Thus, there is a current undersupply of 2,504m^2 supermarket GFA and sufficient need for the proposed IGA.

Table 4.1: Forecast Demand and Need for Supermarket Floorspace, MTA, 2023 to 2035

	2023	2026	2029	2032	2035	Inc. 2023-35
PTA Demand (m2)	1,699	1,745	1,780	1,814	1,843	**144**
STA Demand (m2)	504	515	526	532	543	**39**
MTA Demand (m2)	**2,203**	**2,260**	**2,306**	**2,346**	**2,386**	**183**
External demand (20%)	551	565	576	586	596	
Total Demand	**2,754**	**2,825**	**2,882**	**2,932**	**2,982**	
MTA Supply (Without Existing IGA) (m2)	250	250	250	250	250	
Implied Undersupply (-) (m2)	**-2,504**	**-2,575**	**-2,632**	**-2,682**	**-2,732**	

Source: Foresight Partners estimates.

4.2 Market Share and Turnover Analysis

Table 4.2 sets out a market share and turnover analysis for the proposed IGA supermarket based on sales data for the existing IGA received from the applicant. The analysis assumes that:

- A 2,038m^2 IGA is developed at the subject site.
- The proposed IGA will be a relocation of the existing IGA store in Cooktown.
- The theoretical first full year of trade is YE June 2026 (considering likely DA and construction timing).

It is estimated that the proposed IGA store at the subject site would attract around 89% of supermarket food spending generated by MTA residents. Accounting for 20% external sales, this represents total sales of $25.2 million in YE June 2026 and a strong productivity level of $12,370/m^2.

The proposed liquor store and laundry would capture a small portion of MTA retail spending and would be viable given the size of the market.

This analysis demonstrates that the local market is sufficient to support the proposed development, for which there is a demonstrated economic need.

Table 4.2: Forecast Market Shares and Turnover, YE June 2026

YE June 2026	PTA	STA	MTA
Population	3,830	1,070	4,900
Take Home Food Expenditure Potential ($m)	21.4	6.3	27.7
Estimated Supermarket Share (%)	75%	75%	75%
Food Exp. At Supermarkets ($m)	**16.1**	**4.7**	**20.8**
Estimated Market Share			
Market Share of Food Exp. at Supermarkets (%)	92.0%	80.0%	89.3%
Food Sales from TA ($m)	14.8	3.8	18.6
Non-food Sales from TA (8%)	1.3	0.3	1.6
Total Sales from TA ($m)	**16.1**	**4.1**	**20.2**
External Sales (% of total sales)			20%
Total Turnover ($m)			**25.2**
Assumed Store Size (m2)			2,038
Productivity ($/m2)			$12,374

Source: Foresight Partners estimates. External sales are those originating from outside the Total Trade Area (i.e. from visitors). Figures may not add due to rounding.

5. ECONOMIC IMPACTS

This section sets out an assessment of potential economic impacts of the proposed development. Key implications are discussed below:

- Sales will be primarily redirected from the existing IGA (which will be relocated) to the proposed development at this site. In other words, there will be no significant net change or economic impact on other retail stores within Cooktown.
- The market share analysis implies that around $9.2m of Take Home Food spending plus around $34.4m of other retail spending would be available to other retailers within (and beyond) the MTA.
- At an average productivity level of $7,000/m^2, this level of spending is sufficient to support around 6,220m^2 of retail floorspace. This demonstrates that there is sufficient demand to support existing retail facilities in Cooktown (which are not directly competitive with a supermarket) contributing to the ongoing sustainability of the Cooktown Centre zone.
- Visitor retail spending will also contribute to the viability of other (non-supermarket) retail uses in Cooktown, particularly food and drink retail.
- Moreover, some expenditure that would have been directed outside the MTA to areas such Mossman, Port Douglas, and Cairns will be recaptured and retained within the MTA. This will incur positive benefits to Cooktown with increased opportunities for employment supported by a greater capture of local spending.
- There are no other supermarkets within the MTA that would be direct competitors to the proposed IGA. Hope Vale Supermarket serves a distinctly lower-order function than the proposed IGA due to its size. It would meet only some of the convenience grocery needs of Hope Vale residents and would not serve Cooktown residents to any material degree.

Overall, the proposal development would not have unacceptable impacts on existing retailers within the MTA and would provide a much-needed improvement to the range/depth of retail goods available to the local community.

6. SUMMARY OF NEED AND BENEFITS

6.1 Economic Need

Economic need refers to whether there is sufficient demand generated by the market to support a proposed development, while considering the possible impacts upon the existing and approved supply of similar or potentially competitive uses.

Economic need for the proposed development is demonstrated by the following:

- The population of the Main Trade Area (**MTA**) is around 4,800 persons in 2023.
- MTA resident retail spending is projected to grow from $62.1m in 2023 to $67.2m by 2035 with population growth.
- The existing IGA supermarket, which the proposal would replace, does not adequately meet the needs of the local community, and cannot effectively be expanded at its current site.
- There is an <u>undersupply</u> of supermarket floorspace in the MTA as demonstrated in this assessment. This warrants the provision of a larger supermarket in Cooktown.
- There is sufficient demand in the MTA to support the proposal at a viable level demonstrated by a market share analysis.
- There are no directly competitive supermarkets within the MTA that the proposed IGA supermarket would materially impact.
- Remaining MTA resident spending (i.e. not directed to the proposal) is sufficient to support existing retail uses in the MTA plus additions to this supply.

6.2 Community Need

Community need relates to the extent to which community well-being is improved. This can be addressed in terms of convenience, accessibility, choice, range, depth, competition, price, service, and consumer amenity.

Community need for the proposed development is demonstrated by the following:

- The provision of a larger supermarket in the local area to better meet the needs of the community.
- The relocation of the existing IGA to this site will allow continuity in operations to ensure the community is not without an important day-to-day retail service.
- A modest number of construction jobs will be supported during the construction phase, and on-going employment will be supported once the proposed development is operational.
- Greater capture of local expenditure that is likely being directed outside the MTA will support increased local employment opportunities.

- Increased range and convenience in retail facilities for trade area residents and visitors to provide a greater selection of goods available in Cooktown.

6.3 Conclusion

The proposal will address a current need for a larger supermarket in the Main Trade Area.

There are a number of economic and community benefits associated with the proposed development, and no material economic impacts are anticipated given the lack of similar facilities.

It is concluded that **there is a strong need for the proposed development.**

APPENDICES

Appendix 1: Summary of Selected Socio-Economic Characteristics, PTA, STA, MTA, 2021

	PTA	STA	MTA	Cook Shire LGA	QLD
Age (% residents)					
0-9 (Gen Alpha)	14.7	9.8	13.5	11.4	12.1
10-24 (Gen Z)	18.0	12.6	16.7	15.1	19.0
25-39 (Millennials/Gen Y)	17.3	24.3	19.0	19.4	20.5
40-54 (Gen X)	19.8	19.7	19.8	20.0	19.5
55-74 (Baby Boomers)	25.1	29.2	26.1	28.4	21.7
75+ (Interwar Gen)	5.0	4.3	4.9	5.6	7.2
Average Age (Years)	38.2	41.2	38.9	41.1	39.3
Employment (%)					
In labour force	56.8	64.4	58.7	63.4	65.8
Unemployed	9.0	7.7	8.6	5.6	5.4
White collar occupations	68.4	57.4	65.4	66.2	68.8
Employed per household (persons)	1.01	1.33	1.08	1.20	1.31
Household Income (% households)					
$0-$41,600	37.1	44.1	38.6	35.3	23.0
$41,600-$78,000	24.7	23.1	24.3	25.5	22.6
$78,000-$130,000	20.8	20.0	20.7	22.3	24.6
$130,000-$182,000	9.1	7.1	8.7	8.8	14.4
Over $182,000	8.3	5.8	7.8	8.1	15.3
Average ($2023 values)	$89,806	$77,526	$87,293	$91,386	$123,035
Dwelling Structure (% households)					
Detached	88.3	83.5	87.2	84.7	75.0
Semi-detached	7.0	0.0	5.5	6.0	11.7
Flats/units	1.3	0.0	1.0	0.5	12.5
Other structure	3.5	16.5	6.3	8.9	0.7
Dwelling Tenure (% households)					
Owned	30.1	43.3	32.9	36.8	29.5
Purchasing	16.9	17.0	16.9	19.6	35.0
Renting	48.8	30.9	45.0	36.4	33.6
Average Annual Occupancy Cost - Mortgages	$20,468	$16,327	$19,725	$19,790	$26,760
Average Annual Occupancy Cost - Rentals	$10,893	$10,223	$10,793	$13,090	$22,535
Mobility (% households)					
No car	11.0	7.0	10.1	8.4	5.8
1 Car	41.8	44.0	42.3	41.3	35.8
2 or more cars	47.2	49.0	47.6	50.4	58.4
Avg. Vehicles per Household (no.)	1.58	1.69	1.60	1.67	1.80
Education (% persons Aged 20+)					
Bachelors Degree	9.3	7.0	8.6	9.4	16.2

	PTA	STA	MTA	Cook Shire LGA	QLD
Grad Dip/Grad Cert	2.1	1.0	1.8	1.8	2.4
Postgraduate Degree	1.5	1.6	1.5	1.9	5.1
Family Type (% households)					
Couples with Children	22.6	20.2	22.1	21.2	29.3
Couples without Children	24.9	25.6	25.0	27.1	28.6
Single Parent Household	15.3	8.5	13.8	11.5	12.0
Lone Person Household	32.2	39.8	34.0	35.0	24.7
Group/Other Household	4.9	5.9	5.1	5.2	5.5
Avg. Household Size (persons)	2.56	2.31	2.50	2.41	2.53

Source: ABS Census 2021, Foresight Partners. June 2023 dollar values.