Ipswich Retail Strategy Update

Final Report

City of Ipswich

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Certified B Corporation

SGS Economics & Planning

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Introduction

Maximising access to goods and services for a growing community is a key objective for Ipswich City Council. Improving the range of goods and services available through a well-planned centres network that is responsive to population growth delivers important benefits and synergies to the community.

To that end, SGS has been engaged by the City of Ipswich (Ipswich) to undertake a detailed retail study of the network of centres in the local government area (LGA). The purpose of this analysis is to gain a better understanding of retail and other floor space demand and the implications for centres within the City. The work is intended to provide a sound evidence base for Council's hierarchy of centres and facilitate more detailed planning for future growth in the key centres including the Ipswich CBD and Springfield.

Research Questions

As outlined under the brief for these works, this report focuses on:

"*2.1 The supplier is to provide a technical analysis that will underpin the development of the Centres Strategy for the new Ipswich Planning Scheme. The analysis must include current trends and the provision of recommendations which can be used to guide the drafting of the new Ipswich Planning Scheme. This update is to be delivered in the form of a report including maps, tables and text.*

The Centres Strategy Update must include:

> *(a) an update of the technical information contained in the Retail Strategy and Centres Review Final Report August 2014 prepared by Foresight Partners Pty Ltd;*
>
> *(b) a review of the proposed centre hierarchy, distribution of centres and indicative zoning allocation as contained in the draft Strategic Framework; and*
>
> *(c) trend analysis, structural impacts and the consideration of best practice approaches for planning for centres, including the analysis of land area requirements, threshold limits, land use mix, heights, and out of centre impacts.*

2.2 The supplier must be experienced in preparing economic impact assessments at a regional level. Maps included in the report are also to be provided in Mapinfo format and tables in Excel format.

2.3 The key considerations and deliverables to be addressed by the update and included in the report are outlined below:

> *(a) Update of the technical base to guide the policy directions in the new Ipswich Planning Scheme.*
>
> *(b) The identification of any necessary adjustments or changes to the centre hierarchy and strategy.*

This is to include maps, tables and text and needs to consider and address:

I. the impacts of recent trends and structural changes, particularly the effects arising from online retailing, the inferred declining need for retail space, changes to vacancy rates and out of centre development;

II. the viability of centres and the likely future demand across Ipswich, including a critical review of the role, function and future demand of the principal (Ipswich CBD and Springfield) and major centres (Goodna and Ripley Valley) in Ipswich (and giving consideration to likely demand and supply that will arise from areas outside of the Ipswich Local Government Area). Particular attention should be given to the role, function and future demand of revitalised Ipswich CBD in the network of centres; and

III. the role of rural / township / village centres (noting legislative restrictions) and how they fit in the centre hierarchy.

2.4 An analysis of retail, commercial and other non-residential floor area limits and critical thresholds (showing existing / projected / and indicative limits for each centre hierarchy level), including the identification of the appropriate composition of use types and GFA provision applicable at each centre hierarchy level in accordance with Schedule 2 of the Planning Regulations 2017.

2.5 Where additional capacity needs to be expanded or where planned capacity should remain static or even be reduced (based on the projected population for the Ipswich LGA as expressed in ShapingSEQ at 2041), include indicative benchmarks for the projected population of the Ipswich LGA at 2021 and 2031 using the Queensland Government population and dwelling projections, 2018 edition. This must include maps, tables and text.

2.6 Provide policy statements and direction to assist the control and management of out of centre development to inform the development of the new Ipswich Planning Scheme.

These statements are to review and address:

(a) current trends in delivery and changing markets;

(b) the role and possible impacts of highway service station centres, i.e. grouping of service station / fast food and other uses – e.g. child care / medical centres, normally on inter-regional transport routes in the centre hierarchy (also confirm that these centres do not impact / or to what scale, on the centres hierarchy – i.e. when does it become a destination); and

(c) the implications and possible impacts of suburban service station centres on the centres hierarchy, i.e. grouping of service station / fast food and other uses – e.g. child care / medical centres located away / or near identified centre locations, normally on major suburban transport routes.

2.7 Provide recommendations that will inform the development of critical development standards, including changes to the overall centres strategy and policy directions contained in the draft strategic framework. These recommendations are to be informed by the regulated definitions, current best practice planning, and review of the existing Ipswich Planning Scheme codes.

2.8 Outline the implications of promoting business parks (particularly where including large format retail) and impacts from other major out of centre uses (e.g. Costco, Bunnings, motor vehicle showrooms etc.) and provide policy statements and direction to inform the Centres Strategy.

2.9 Outline the implications, reliance, and importance on the delivery (including timing) of the future Ipswich to Springfield railway line from the Ipswich City Centre to Springfield Central station, particularly on the delivery of the Ripley major centre (town centre / urban core)."

- Ipswich City Council

Issues emerging

Policy

State policy provides clear guidance that whilst a mix and broadening of land uses is desirable, it should not be at the expense of precincts and centres retaining their core focus. In other words, alternative land uses should also be accepted where they do not detract from their prime purpose.

What this means for centres planning is that Council should really be looking to have centres for core retailing/office, business parks for commercial office/industrial and then dedicated bulky goods precincts as well. Without creating those dedicated precincts each of the uses mentioned above has the potential to then encroach upon the others, potentially diluting the core purpose of those other precincts.

Despite significant population growth expected in the LGA, the growth itself is limited to a number of locations led by Springfield and the Ripley Valley. Therefore, the expansion of the centre network and proliferation of retail floorspace across the LGA should also be primarily focused on those areas. Floorspace expansions in other parts of the LGA, particularly those that are distant from growth precincts should be avoided.

In the case of the Ipswich CBD, the policy focus is that the centre can differentiate itself, including mixed use development, commercial office, its position as a transport interchange and cultural/civic hub.

Centres in the Ipswich LGA can be reasonably organised into a five tier system of principal, major, district, local and neighbourhood centres, with each tier signalling a role and function expected of those centres.

Economy

An assessment of economic trends and consultation with local retailing stakeholders found a number of key trends influencing retail development in Ipswich:

The **changing profile of retailing**, with online platforms, the impacts of COVID and a general shift towards convenience means customers want value for time and money, resulting in the predominance of large chains (whether it be major supermarket chains or in big boxes). Those store types are here to stay, and will account for a significant proportion of retail spending that isn't happening online. The challenge for planning authorities then, is to manage them in a way that benefits centres and communities.

A closely related issue lies in **restricting out of centre retailing**. Both supermarkets and big box retail are business models that can easily proliferate across the urban and regional landscape without much regard for the centres network and hierarchy. Indeed, the importance of value for time and money for consumers means that cheap land that is easily accessible gives an out-of-centre retailer a potentially winning advantage over their centre counterparts, whilst increasing the level of car travel and reducing any sense of community in any given neighbourhood.

Finally, to counterbalance those effects, the **emerge of the experience**. Whether it be café culture, entertainment or the rapidly expanding wellness industries, all three have one thing in common: the need to belong and interact in the community. That is the ever important role of centres and places in the urban and regional fabric, and it's at the very essence of why the community needs planning. The challenge then, is to ensure that the most important hubs of activity in the LGA (Ipswich and Springfield in particular) encourage that, and retailers in those centres are innovating to develop spaces that achieves those outcomes as a means for attracting more footfall and spending.

For Council, these shifting trends in retailing will challenge the predictability of centers planning. Much of this report's analysis from here focuses on the dynamics of supply and demand between competing centers driven by population growth. Whilst that will remain the primary determinant of center trade, this sector is now highly prone to constant disruption. Council's role is therefore to find ways for its higher order and mid range centers to remain relevant in the face of significantly reduced retail storefront demand.

Existing centres and supply

An audit of current centres floorspace and the floorspace supply pipeline in Ipswich provides insight into the roles and functions of centres throughout the LGA.

The LGA's Principal Centres, Ipswich and Springfield, will continue to fulfil their role as the dominant centres throughout the LGA. However, Ipswich CBD is currently heavily reliant on Riverlink shopping centre, which is largely distinct from the CBD core across the Bremer River in its built form characteristics, with the river also representing a significant physical barrier.

Further down the hierarchy, the status of Goodna as a Major Centre is not consistent with what a Major Centre should be in terms of size and function. After the analysis of future demand and expansion possibilities in Sections 5 and 6, Goodna's status as a Major Centre is reviewed.

Under current projections, the higher volume of retail floorspace in Springfield over Ipswich CBD will continue to widen, with over 145,000 sqm of additional retail floorspace expected to be realised in Springfield up to the year 2041. Springfield's spatial attributes will also support its growth, with a sufficiency of car parking and a range of recreational and entertainment facilities contributing to its overall offering.

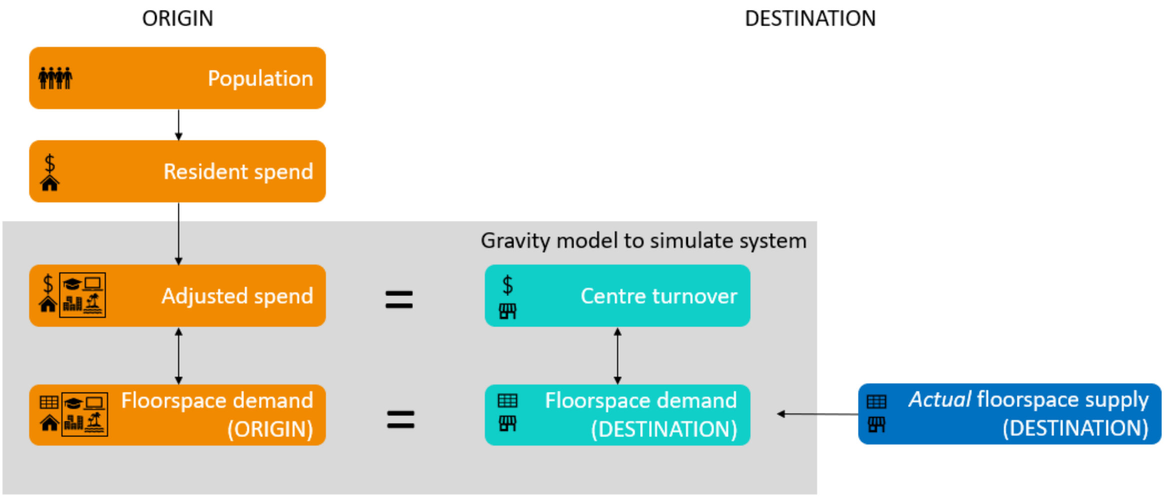
Despite this, the Ipswich CBD remains a strong candidate for retail functions relative to other centres in the LGA, with opportunities granted via its fine-grained urban form, built heritage and natural amenities.

GFA thresholds currently apply to Springfield and Ripley's future development, although those thresholds are high, even for the considerable volumes of demand that is forecast.

Modelling

Retail Demand

SGS has employed a gravity approach to modelling the future demand for retail floorspace. The modelling is conceptually summarised in the chart below depicting how population and spending feed floorspace demand, and that the gravity model is then employed to simulate how that spending floorspace demand is distributed across centres and destination (supply) locations.



Multiple scenarios were adopted in the modelling and found that:

Given the impacts of long (online retail) and short (COVID) term trends, existing and planned retail floorspace across the LGA is close to being sufficient for meeting long term demand in most parts of the LGA, with the major exceptions being Ipswich CBD and South Ipswich.

Further floorspace expansions over and above planned floorspace in places such as Springfield or Ripley Valley is likely to lead to trade diversions from nearby/competing submarkets. One scenario demonstrated this by showing how increased floorspace at Springfield over and above existing and planned floorspace would lead to significant surplus of floorspace over nearly 20,000 sqm.

The supermarket floorspace gap is perhaps the most obvious undersupply issue for Council to consider in the long run. In most other parts of Australia where rapid population growth in greenfield areas creates supermarket floorspace undersupply, the supermarkets generally overtrade in the short-to medium term. But as long as there is sufficient coverage of neighbourhood centres that are accessible and those centres have sufficient zoned land to allow new supermarkets to be built in them, the problem is less severe in the long terms as second and third supermarket chains will tend to fill the gaps and create competition.

Commercial Demand

On the basis of historical shares of growth, current centre size and strategic planning policies, the Ipswich CBD and Springfield are likely to compete for the forecast demand of around 107,000 sqm of additional strategic commercial floorspace between 2021-2041. Other centres may capture a small amount, including a future major centre at Ripley and future district centres in the Ripley Valley and Western Growth corridor, but the lack of existing concentration of employment, services and transport accessibility in these locations makes them likely to be less competitive over the time period considered.

The natural competitive strengths of the Ipswich CBD for attractive business development over other centres like Springfield are its existing urban structure and associated amenity and stronger concentration of existing services including civic functions as mentioned above. Hospitality and social infrastructure in particular are more concentrated in Ipswich CBD, and will be helped by Council's

Nicholas Street Precinct development. The planned railway line from Ipswich to Springfield will also help Ipswich's competitive position to attract commercial employment.

In the long run, Council should seek to improve the employment self-containment rate, which is likely to be achieved through a combination of economic development work; the work of local businesses and entrepreneurs to establish new ventures and most importantly; how those ventures are able to grow and scale over time to employ more local residents and eventually serve customers from beyond Ipswich.

In terms of bulky goods retailing, the most important policy play for Council would be to focus the majority of Ipswich LGA's bulky goods uses in major, dedicated bulky goods clusters. The attraction of a large cluster with a good anchor such as Bunnings or IKEA should create a long term market driven attractor for the majority of bulky goods firms to locate in. For this method to be successful, the bulky goods clusters must be in prime locations from a market perspective.

Recommendations

Appropriateness of the existing hierarchy

Ipswich CBD should continue to be supported as, the primary services and commercial centre. Continued economic development of the CBD can leverage its intrinsic assets and attributes. Marketing the CBD's advantages and planning for it to be the LGA's primary commercial centre will support this outcome. Future improvements to the public transport network and new railway stations/connections could also potentially unlock demand for more commercial office floorspace (see Section 9.6).

The scenario testing in Section 6 however, found that further expansions at **Springfield** will challenge the Ipswich CBD to remain relevant as a Principal Centre at the top of the centres hierarchy. To ensure that the Ipswich CBD is not superseded as the prime centre in the LGA, a greater focus will need to be placed on growing its role beyond retailing.

In terms of **growth area planning**, a polycentric development model is required, as residential development is spreading right across the LGA. This means that existing and future residents will need good access to weekly groceries and services – something that necessitates the broader network of supermarket-anchored centres in order to reduce travel distances and times. There will likely be a substantial need for further rollout of supermarket floorspace across all areas expecting population growth.

Managing retail floorspace thresholds and limits to growth

The modelling has identified that whilst historical trend and population forecasts may reveal gaps in retail floorspace across most of the LGA's centres in the base case, other factors such as the increasing prevalence of online retailing and the longer term impacts of COVID to residential development, retailing and office work, encouraging further expansion or development of new retail floorspace needs to be treated with caution.

Collectively, existing and planned retail floorspace across the LGA is close to being sufficient for meeting long term demand in most parts of the LGA, with the major exceptions being Ipswich CBD and South Ipswich. Further floorspace expansions over and above planned floorspace in places such as Springfield or Ripley Valley is likely to lead to trade diversions from nearby/competing submarkets.

The supermarket floorspace gap is the most obvious undersupply issue for Council to consider in the long run. In most other parts of Australia where rapid population growth in greenfield areas creates supermarket floorspace undersupply, the supermarkets generally overtrade in the short to medium term. But as long as there is sufficient coverage of neighbourhood centres that are accessible, and those centres have sufficient zoned land to allow new supermarkets to be built in them, the problem is less severe in the long term, as second and third supermarket chains will tend to fill the gaps and create competition.

Consistent with Council's Planning Scheme, **out of centre retail development should be avoided**, as they undermine the structure of the retail hierarchy, taking spending away from established town centres. This in turn affects the amenity, footfall and vibrancy of what would otherwise have been integrated places. Retail clusters anchored by supermarkets of greater than 1,000 sqm are an obvious threat to the retail hierarchy. Smaller clusters with less significant anchors pose a reduced risk on their own, but the cumulative impact can be significant and should therefore be prevented. The policy implication is that Council ensures through its planning for centres that gaps in the network are filled by the right mix and coverage of local and neighbourhood centres so that there are no major pockets of the urban landscape which lacks access to supermarkets.

Additional future capacity in centres

The highest priority is for Council to find a way to improve the fortunes of Ipswich CBD given the significant growth expected at Springfield Central, with Ipswich CBD needing to focus more strongly on the non-retail anchors of the future (for example arts and culture). That includes focusing on the Ipswich CBD's civic function as a city centre, creating a calendar of events, and a network of visitor attractions (for both the Ipswich residents and visitors from beyond the LGA) that are proven to be successful in city centres including sports stadiums, night markets, and arts and cultural facilities. The retail offering should then be carefully curated around those non-retail anchors.

In the greenfield areas, a number of centres (and their submarkets) are still early in their growth phase to provide definitive assessments on their level of appropriateness. Nevertheless it appears based on current population forecasts that the floorspace planned in those centres is broadly appropriate (with a few noted exceptions). In those examples, Council needs to ensure floorspace is released in concert with the development of the surrounding residential estates; holding off the development of more retail floorspace until more population growth occurs.

Future centre hierarchy

The centres hierarchy is not expected to change dramatically, with the Ipswich CBD and Springfield Central still expected to retain their place at the top of the hierarchy (although Springfield will be the prime retail centre whilst Ipswich CBD will be a leading centre of civic and cultural features). From there the number of Major Centres is expected to have a net increase (although, owing to significant demand driving increases in the floorspace in centres such as Ripley and Yamanto. Redbank Plaza, Booval and Redbank Plains are also of similar sizes (30,000 to 50,000 sqm)[1], and so should be on a similar level of the hierarchy playing similarly dominant roles in their submarket. These growing centres should be considered as potential/future Major Centres, with the expectation that they become that tier of centre once they pass the 30,000 sqm threshold. In many cases, this is unlikely to occur until at least 2031, so

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[1] Note that whilst retail floorspace is a key economic determinant for centre hierarchy classifications, this report does consider other aspects of the centres including commercial office, community uses and health precincts.

for the next 10 years, should still be labelled commensurate to their current role and function. For example, even a centre like Yamanto is still well off that 30,000 sqm threshold, and will be for some time still. Goodna's role should be downgraded from Major to District.

There is a clear step down from those centres to the next tier of centres that are all under 15,000 sqm in floorspace. This is becoming more common across the retail landscape as traditional DDS (Target, Kmart, Big W) anchored centres that were typically 20,000 to 25,000 sqm in size are expected to become increasingly rare. Centres either need to do more than incorporating cafés, eat streets, and health and wellbeing precincts, or they need to be revised down to supermarket anchored centres.

Managing out of centre retailing proposals

Division 1.6 (Urban Areas Strategy) of the 2006 Ipswich Planning Scheme, states the need to contain commercial uses within existing urban areas and growth corridors of Springfield to Ripley to Ipswich and Goodna to Rosewood.

Proposals for big box and related types of retail should be targeted to centres which have an existing strength or concentration of these uses. These types of centres are typically those that people will travel to for specific reasons, rather than being needed on a day-to-day basis. As such, these types of stores don't need to be provided in every centre.

Similarly, the establishment of new supermarkets in out of centre locations has the same potential to be a driver and catalyst for unsustainable, low density suburban development. It is therefore important that planning for supermarket floorspace is considered in the context of the hierarchy of centres across the LGA and patterns of future development. Where new supermarket floorspace is provided, it will need to be considered based not only where the most projected need is, but also how the introduction of a new store may encourage development nearby, and how it may interact with existing supermarkets (e.g. will it increase competition or push out other retailers).

Service station retailing

There are two tests regarding service station retailing:

1. From a policy perspective, Council needs to decide whether it is acceptable for these clusters to essentially be <u>performing de-facto neighbourhood centre functions</u> at highway locations. The trade diversion impact of such clusters is not likely to be significant enough to destabilise the retail hierarchy, as neighbourhood centres are typically dotted across the urban landscape, and so whether they are walking conveniences (particularly in inner-city suburbs) or driving conveniences (in the outer suburbs, regional areas) is immaterial from an economic standpoint.
2. If these clusters are allowed to grow further and begin to form much larger economic clusters to the point where they can <u>replicate the role of a local centre</u> as defined under section 2.2 of this report, the issue may transcend policy concerns and begin to have economic impacts.

Given these considerations, it is therefore recommended that Council put in place a policy mechanism whereby any petrol outlet that is seeking to exceed 2,500 sqm in retail floorspace be subject to an economic impact assessment. In some cases the impact may be low, and that would then make such developments permissible, but it is possible that particularly where a proposal significantly exceeds 2,500 sqm, there could be a detrimental trade diversion impact to nearby centres, that is what the economic impact assessment would be testing.

1. Introduction

1.1 Overview

SGS has been engaged by the City of Ipswich (Ipswich) to undertake a detailed retail study of the network of centres in the local government area (LGA). The purpose of this analysis is to gain a better understanding of retail floor space demand and the implications for centres within the City. The work is intended to provide a sound evidence base for Council's hierarchy of centres and also facilitate more detailed planning for future growth in the key centres including the Ipswich CBD and Springfield.

This study focuses principally on the amount, type and distribution of *retail floorspace* required to serve the future population of Ipswich LGA. The study also takes into consideration commercial and other non-residential uses that can be found in centres. This analysis will take into consideration key local and regional trends, the evolving form of Ipswich and the surrounding region, trends specific to the retail sector. It includes a breakdown of current retail floorspace across Ipswich LGA and provides insight into how future population growth will shape demand for retail floorspace by type across the municipality's centre network, in both established and emerging centres.

A key outcome of the study will be to help Council understand how best to plan for a retail centre network that supports community wellbeing and urban amenity across the region and to help ensure that access to high quality retail floorspace is optimised for future residents across the Ipswich LGA.

1.2 Retail and Commercial Centres Study

The report is broken down into the following sections:

- Section 2 provides an overview of the planning context relating to the Ipswich LGA retail network. It summarises key documentation, policies and previous studies.
- Section 3 provides an overview of the changing trends relating to retail. It discusses the declining 'on ground' retail expenditure, changing nature of retail relating to shopping hour deregulation and the night-time economy, changing nature of supermarkets, the rise of online retail and the emergence of café culture. It also includes market insights gathered through stakeholder engagement to localise/contextualise the broader trends.
- Sections 4 and 5 introduce the retail supply and demand methods. It provides a step-by-step approach as to the methodology applied to estimate floorspace across centres (supply), as well as overall population expenditure (demand). These chapters contain data that are key inputs into the modelling work discussed in Chapter 6.
- Section 6 introduces the concepts behind the retail gravity model, which is a mathematical model designed to allocate expenditure to specific retail centres. The discussion then turns to the modelled results. The base case is presented as a 'business as usual' scenario, where no additional floorspace is introduced into the network. It is a hypothetical estimate of how the retail network will perform, given the large amount of population growth expected across the LGA. The potential 'retail floorspace gap' is then presented, which highlights the centres that are likely to experience significant growth in demand and where there is insufficient floorspace. This work is followed by three sensitivity scenarios.

- Section 7 focuses on commercial office demand, looking at the issue from multiple angles including both population driven employment as well as more strategic employment clusters.
- Section 8 provides a deeper dive into the two major centres Ipswich CBD and Springfield Central.
- Section 9 then provides discussion on the key issues and problems that emerge from the modelling. Recommendations are provided.

2. Policy Framework

2.1 Policy context

This section addresses the planning context in which Ipswich LGA's retail network will grow and evolve. These contextual factors are addressed below.

The section commences with an overview of centre hierarchies, the role of centres within those hierarchies and what that means for centres within the Ipswich context. This is important as throughout the rest of this document, centres are assessed individually and collectively based on the role that they are expected to play within the Ipswich community and economy. The definition of a centre hierarchy helps to formalise those roles within a policy setting, creating an emphasis and focus for what policymakers and developers should be working towards in building, growing and maintaining those centres.

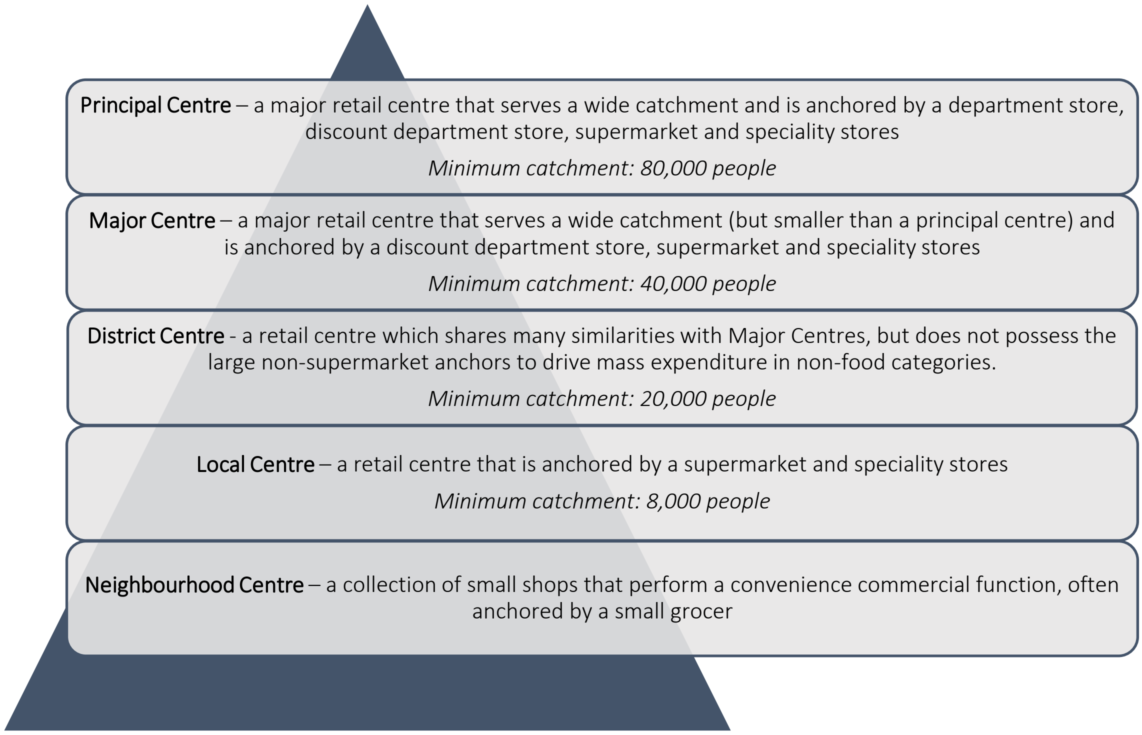
From there, that focus shifts to the policies that underpin centres planning in Ipswich. Planning for Ipswich's centre network should be consistent with Local and State Government planning policies. Centre planning should also align with the Local and State infrastructure strategies. Major transport investments across the subregion are likely to influence economic growth and development within Ipswich LGA, which in turn will influence the role and function of the centre network.

The following key strategic policy documents have been reviewed at a state and local level:

- Shaping SEQ
- State Planning Policy 2017
- 2006 Ipswich Planning Scheme
- Ripley Valley PDA Development Scheme
- Draft Ipswich Planning Scheme 2019 – Strategic Framework
- 2014 Retail Strategy and Centres Review prepared by Foresight Partners
- Springfield Town Centre Concept Plan

2.2 Centre Hierarchies

FIGURE 1: REGIONAL HIERARCHIES



Source: SGS research into Activity Centres, Town Centres and Metropolitan Centres.

Principal Centres

Principal Centres possess large and diverse retail and entertainment facilities, often featuring some niche retail sub-precincts. Principal centres are typically positioned in some of the most accessible locations in regional areas, with strong public transport and major road linkages. All principal centres serve a wide catchment that extends across whole regions.

Function and Form

The Function of a Principal Centre is to provide the highest end retail, commercial office and mixed-use services to the regional economy. This multi-functional role is also complementary, as each function serves to enhance the potency of the other, synergistic uses.

Due to these functions, Principal Centres also become de-facto focal points for the regional community, as significant proportions of the regional population can be expected to visit, work, shop, and play in these nodes.

Principal Centres are often so large that they contain multiple built forms within the same centre. Most Principal Centres will typically include a mall (open, close or semi-enclosed) along with street-based retailing, plus a pedestrianised square or street. Laneways are also a design feature. This variety in built form encourages a greater diversity of opportunities for different types of retailers to find their most suitable floorplate, along wide a broader and deeper offer of attractions for customers.

Land Uses

Principal Centres are usually anchored by one or more department stores, discount department store(s), supermarket(s), mini major(s) and speciality stores. These centres are often associated with a significant provision of bulky goods retailing adjacent to the core retail centre, and in pure planning principles are the best places to accommodate regionally significant bulky goods retail clusters. Principal centres provide for a full range of retail needs including leisure and social facilities such as large cinemas and restaurants.

Whilst retail generally comes first, Principal Centres eventually also become great locations for commercial office development. If combined with strong road and rail access, these centres should attract significant demand for corporates looking to combine good amenity for their workforce, ability to interact and do business with collaborators in the economy as well as the branding benefits that are generally associated with a reputable centre such as the Ipswich CBD or Springfield.

Finally, civic functions such as government offices or social services may (although not always) locate in Principal Centres given the high volume of population captured in their trade areas.

Size

Principal centres should range in size from anywhere between 75,000 sqm to 200,000 sqm, with a typical size of approximately 100,000 sqm. An average Principal Centre's catchment should encompass a minimum of 80,000 people.

In the Ipswich LGA, these include Ipswich CBD and Springfield Central.

Major Centres

Major Centres are major retail nodes that serve wide catchments (but smaller than catchments for principal centres). Up until the past decade, major centres have traded well. However, the gradual decline of DDSs has seen these centres become increasingly vulnerable to competition from district and local centres.

Function and Form

Major Centres aim to offer a nearly full range of goods and services to the local resident community. They will also provide office space and community facilities for that local to sub-regional community.

Most major centres will contain an enclosed or semi-enclosed mall or plaza, as the DDS anchor generally prefers to operate out of those boxes. In a sense this has been the central limiting factor to these centres. As on-street activity, alfresco dining and cultural features have becoming increasingly important to centre performance in the online era, centres anchored by malls are under increasing pressure to create a more open environment – both physically and socially. And whilst malls in principal centres can justify significant investment in those domains from shopping centre operators, many major centres have been left to look somewhat more tired.

Land Uses

Major Centres can be anchored by one or more discount department stores (although multiple DDSs in the one major centre are becoming less viable), supermarket(s), mini major(s) and specialty stores.

Given the challenges discussed above, Major Centres of the future are less likely to rely on DDSs as their major anchor. Whilst the DDS is not entirely extinct (particularly in areas with a lower socio-economic profile), the focus is expected to shift to food, health and wellness at a level that extends beyond what is seen in supermarkets.

Offices and community facilities are also expected to remain vital to the role that Major Centres play in a community. Employment floorspace in Major Centres tend to cater more to a suburban office market, so price is a consideration, with shop-top offices a good compromise as opposed to more expensive standalone office developments. Note that whilst some Major Centres may still play a predominantly retail function, there should be opportunities for office and community facilities if the landowners/developers are to pursue those options.

Size

Major centres generally range from 25,000 sqm to 50,000 sqm, with the typical centre at a size of approximately 35,000 sqm. The average major centre's catchment area can be expected to encompass approximately 45,000 people.

In Ipswich LGA, these Major Centres include Goodna, Yamanto and potentially, Ripley. It should be noted that while Ripley currently contains less than 10,000 sqm of retail floorspace, its classification within the hierarchy has been made in anticipation of its *future* role, given the scale of population growth in this subregion of the LGA.

District Centres

District centres are relatively large centres with supermarkets and on occasion (mostly in the past) Discount Department Stores acting as anchors.

Function and Form

District Centres are often strong in either:

- Non-supermarket based food stores (including cafes and restaurants), or
- Independent clothing, specialty boutiques, population services,

In growing areas (particularly in growth areas) many district centres are also centres which are transitioning from local centres to district centres as a result of population growth.

A key difference between district and neighbourhood centres is that the former can often withstand competition from out of centre developments as they possess multiple supermarkets and/or a variety of goods and services which are difficult to replicate on stand-alone sites.

Most District Centres take either a street-based or mall form.

Land Use and Size

A typical district centre should be around 10-25,000 sqm in retail floorspace, although few centres are in the higher end of the range, with the exception of some niche examples in popular tourism or entertainment precincts or in areas of high affluence where there are thousands of sqm of independent/specialty boutiques.

In Ipswich LGA, District Centres include: Redbank Plaza, Booval, Redbank Plains, Ripley East, Rosewood, Ripley West, Brassall and Karalee.

Local Centres

Local Centres generally serve a contained catchment and are anchored by one or more supermarkets. Some of these centres may also contain mini major(s), but not Discount Department Stores.

Local Centres can vary significantly in terms of function, size and floorspace composition. Any centre ranging from 2,500 sqm to 10,000 sqm should be considered a local centre.

Centres with less than 7,000 sqm of floorspace can be described as small local centres, whilst 7,000 sqm+ centres are considered larger local centres.

Most local centres will generally serve the weekly shopping needs of its population catchment. However, some will also play a more specialised role that draws customers and visitation from across the metropolitan or regional area.

The typical population catchment for local centres is 10,000 - 25,000 people, noting that major supermarket operators generally seek a catchment of at least 8,000 people.

Local Centres - and their supermarket anchors in particular - tend to perform well in regional growth areas. This is because major supermarket chains located close to home offer a low cost (both in terms of time and money) means of shopping for weekly grocery needs.

Within the study area, these include centres such as Raceview, Kruger, Silkstone and North Ipswich.

Neighbourhood Centres

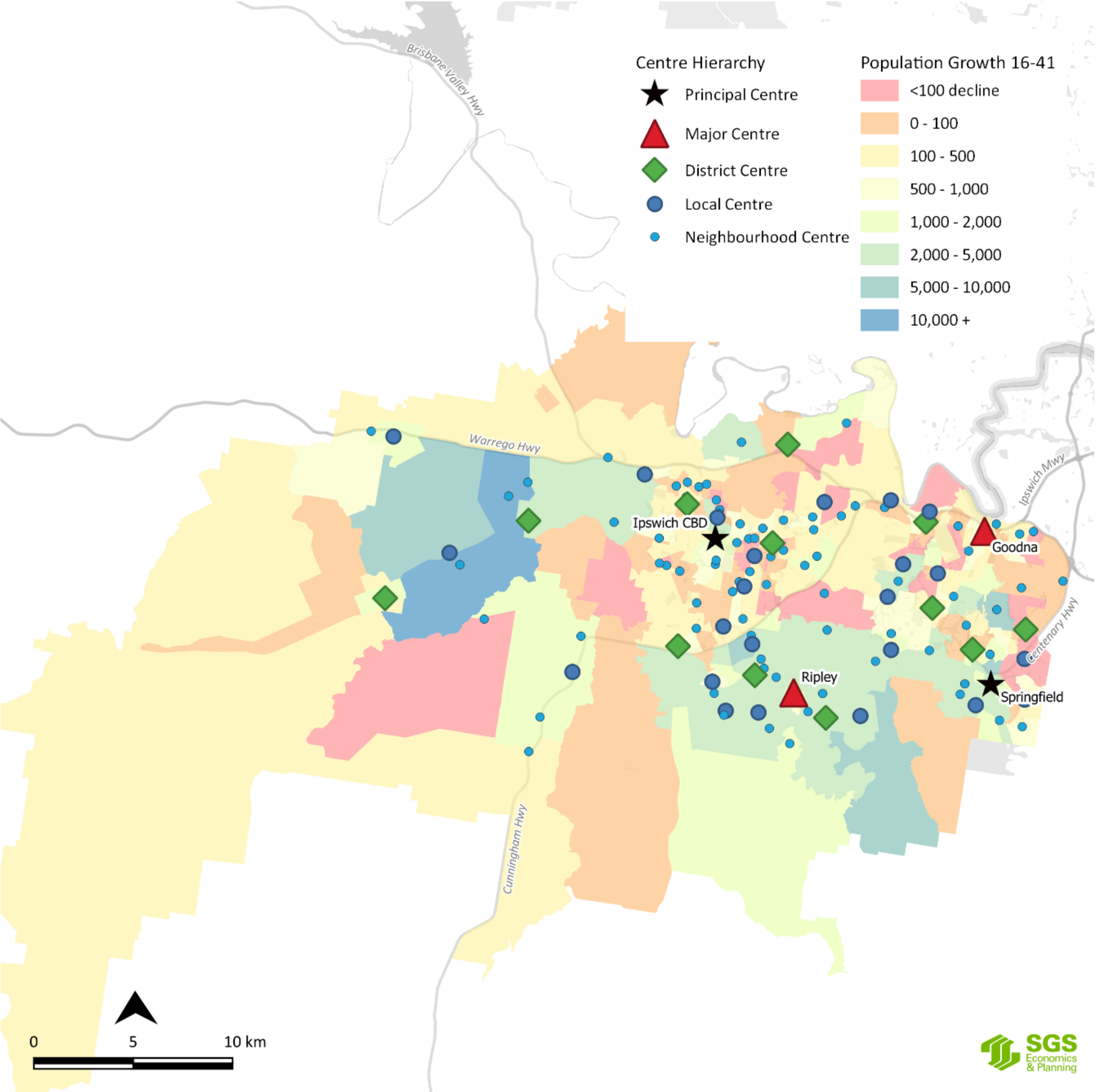
Neighbourhood Centres are smaller retail nodes which serve the day to day needs of residents who are within walking distance. These centres usually consist of small grocers, milk-bars, a takeaway restaurant and perhaps a café. They are generally no larger than 2,500 sqm.

Within the study area, these include locations such as:

- Corner of Wyndham Street and Pine Mountain Road, North Ipswich
- Brisbane Road, East Ipswich
- Corner of Lowe Street and Brisbane Terrace, Goodna

Current Hierarchy of Centres in Ipswich

FIGURE 2 CURRENT HIERARCHY OF CENTRES IN IPSWICH LGA



Source: SGS Economics and Planning

2.3 State and Regional Policy

Shaping SEQ

Overview

The South East Queensland Regional Plan 2017 (ShapingSEQ) is the Queensland Government's plan to guide the future development of the South East Queensland (SEQ) region up to 2041. ShapingSEQ responds to the region's projected growth, and the opportunities and challenges associated with global megatrends. It sets the direction for sustainability, global competitiveness and high-quality living by:

- Identifying a long-term sustainable pattern of development which focuses more growth in existing urban areas
- Harnessing SEQ's regional economic strengths and clusters to compete globally
- Ensuring land use and infrastructure planning is integrated
- Valuing and protecting SEQ's natural environment, productive land, resources, landscapes and cultural heritage
- Promoting more choice of housing and lifestyle options
- Locating people and jobs closer together, and moving people and goods more efficiently and reliably
- Promoting vibrant, fair, healthy and affordable living and housing to meet all of the community's needs
- Valuing design and embracing SEQ's climate to create high-quality living environments
- Maximising the use of existing infrastructure and planning for smarter solutions for new infrastructure Supporting strong rural communities and economic diversification.

Ipswich's Role and Future Growth

The Plan estimates that between 2017 and 2041, Ipswich's population will grow by 319,000, to approximately 520,000 residents. Major expansions areas are identified at Ripley and Springfield, with an 'urban corridor' at Walloon/Rosewood.

Ipswich and Springfield are identified as 'Principal Regional Activity Centres, with Goodna and Ripley listed as 'Major Regional Activity Centres'.

The plan also bookmarks several key public transport projects for the sub-region to 2041, including:

- High frequency connections along the Ipswich to Springfield public transport corridor.
- High-frequency connections between Brassall and Yamanto via the Ipswich CBD.

In addition, the SEQ Regional Transport Plan also includes:

- Ipswich to Ripley (Bus Priority Corridor)
- Ipswich to Springfield Central, via Redbank Plains (Frequent Bus Link)
- Redbank to Springfield Central, via Redbank Plains (Frequent Bus Link)
- Springfield Central to Greater Flagstone (Frequent Bus Link)

- Goodna to Springfield Central (Frequent Bus Link)
- Goodna to Redbank Plains (Frequent Bus Link)

The state-level designation of major expansion areas for Ripley and Springfield formalises what will be significant population growth in those two areas. It follows that a significant expansion of retail and to a lesser extent, commercial, floorspace will need to be facilitated to service this population growth.

High frequency public transport connections have the potential to improve the commercial development prospects of Ipswich and Springfield in particular, providing opportunities for local businesses, connecting them to the global economic centres in Brisbane and other major nodes across South East Queensland. The central location of Redbank Plains also gives this centre potential to become a much larger transport hub.

RECs

Shaping SEQ identifies several 'Regional Economic Clusters' (RECs) within the Ipswich LGA:

- *Ipswich* is identified as an emerging REC, with clustering of urban uses around its city centre. Clustering of uses around improved transport connections is stated as a key objective for this REC to realise its potential.
- *Springfield REC* currently supports health, tertiary education and consumer activities, and will continue to develop as the area's population increases and connections to the area improve.
- The *South West Industrial* corridor spans across the eastern portion of the LGA consists primarily of industrial and logistics land, acting as a centre of distribution for land-based freight.

The RECs provide policy guidance for the distinguishing emphasis of Ipswich and Springfield as Principal Centres. Not all Principal Centres should play the same role; indeed when these centres are expected to exceed hundreds of thousands of leasable floorspace, it is beneficial for the local economy and community if they provide something different as opposed to just more of the same.

State Planning Policy 2017

Overview

The State Planning Policy expresses the state's interests in land use planning and development. The SPP is reflected in local and regional plans and is to be given effect through each local government planning scheme.

The plan identified 17 state interests in land use planning and development that broadly relate to liveable communities, infrastructure, economic growth, safety and resilience to hazards, and environment and heritage. These have been interpreted below:

- *Liveable Communities*: Is directed at ensuring that land supply supports diverse housing forms to meet the changing needs of the community, in locations that support the efficient use of infrastructure.
- *Planning for economic growth*: Supports diversification of the state's industries, and recognises that knowledge-intensive and technology intensive industries have to the potential to become leading contributors to the state's economic growth.

- *Environment and heritage*: Recognise that Queensland supports natural and built environments that are of international, national, state and local significance. These assets possess intrinsic value and also underpin the state's vast tourism industry.,
- *Safety and resilience to hazards*: Supports planning for natural hazards, which include flooding, landslide, bushfire, coastal erosion and storm tide inundation, as well as the impacts of hazardous human activities.
- *Infrastructure*: directed towards delivering and facilitating a wide range of infrastructure for transport, energy, water, roads, airports, ports and public utilities.

Implications for Centre Development

State interest – development and construction provides policy guidance for LGA's in setting the planning controls for their urban centres. It provides a number of recommendations specific to retail and commercial development:

- A sufficient supply of suitable land for retail, commercial (amongst other) development needs to be identified with consideration for anticipated demand, physical constraints, surrounding land uses and infrastructure/services. This is of particular significance for centres planning because it means Councils need to always plan ahead, forecasting demand and ensuring that adequate and suitable zoned land exists within centres for retail and commercial development.
- A mix of lot sizes is provided. This is significant particularly for greenfield estates as to prevent a muted monoculture of development that often disregards the human scale and walkability. It is also important to consider that not all retail developments come in similar lot or floorplate sizes, with bulky goods much more land hungry and hospitality often better suited to a fine grain urban form.
- Land uses are consistent with the purpose of the zone. This is a point that needs to be borne in mind regularly, particularly for: business parks that are to cater for high value commercial office with some ancillary industrial (instead of bulky goods retail) and centre core precincts which are for higher density retail and commercial office.
- Planning schemes should seek to make zones as broad as possible in their intent and permissibility of uses, so that a greater mix of economic development is able to occur in centres. However, this should not override the above point, and that land use mix should only be facilitated where it contributes rather than dilutes the core purpose of the zone.
- Schemes should not place restrictions on the size or mixture of businesses in an area where there is low risk of incompatibility and development does not undermine centre hierarchies.

2.4 Local Policy

2006 Ipswich Planning Scheme[2]

Division 1.6 Urban Areas Strategy

This provides the principles for the progression of urban development within the LGA, several of which pertain to the development of urban centres and the urban transect. Relevant principles have been interpreted below:

- New development should be located away from principal ecological conservation areas, extractive industry resources areas, places of cultural significance and areas with significant streetscape value.
- Urban uses should be concentrated within the 'cityframe', and should not encroach on vegetative mountain backdrops, hillsides, prominent ridges/peaks and view corridors.
- Several 'Investigation Areas' have been identified to the west of the existing urban boundary. New development in this area should avoid development constraints posed by major connective infrastructure, bushfire and flood prone locations, RAAF Base Amberley and Purga Rifle Range.
- Commercial uses should be contained within existing urban areas and urban growth corridors of Springfield to Ripley to Ipswich and Goodna to Rosewood. Commercial uses in these locations should be developed. These should be developed in a way which is compatible with the preferred function and population catchment of the centre.
- This supports the movement of Ipswich LGA towards a polycentric development model, with Ipswich City Centre as the Key Regional Centre and Springfield Town Centre as a 'Gateway CBD'.

Although significant development was anticipated across the LGA's polycentric model even in the 2006 Ipswich Planning Scheme, it should be noted that this development was and is still occurring in specific locations. This means that the greatest volumes of retail centre establishments and expansions should also be confined and targeted to those specific areas such as Springfield, Ripley, Ipswich and Rosewood, with no basis for new retail nodes – essentially out of centre development - in areas that are not expecting population growth.

Division 4.9 Major Centres Zone

This provides for the development of Principal Activity Centres at Ipswich and Springfield CBDs, with a network of smaller Major Centres at Goodna, Redbank, Redbank Plains, Booval, Brassall, Karalee, Walloon, Rosewood, Yamanto, and Ripley.

The zone aims to accommodate retail, entertainment and professional office uses to service the needs of surrounding residential catchments. It also aims to capture innovative retail, entertainment and recreational uses which provide a community benefit.

Major centres may have defined Primary and Secondary Businesses which perform the follow functions:

- Primary Business Areas operate as integrated retail and office locations with a high density of uses.

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[2] The 2006 Ipswich Planning Scheme is the current planning scheme for Ipswich at the time of writing.

- Secondary Business Areas surround Primary Business Areas, and are comprised of typical strip retail with active ground floor uses. These areas may also include a range of entertainment, recreation, leisure, cultural and community facilities.

The Scheme notes that all development should occur in a contiguous and progressive manner with the Primary Business Centre acting as a focal point

This broad classification of 'retail' was forward thinking in hindsight and should be continued. Engagement with stakeholders and key retailers in the LGA suggests that given digital disruptions to the way in which consumers buy goods and services, centre managers are needing to be increasingly innovative with the way in which shop fronts are presented. A broader mix of retail uses that encompasses wellbeing, entertainment, leisure, culture and community functions will not just be important, but also potentially anchor principal and major centres of the future.

Part 5 – City Centre

States the LGA's vision for Ipswich City Centre as the primary activity centre for South East Queensland's (SEQ) Western Corridor:

- Sensitive intensification of sites within close proximity to the city centre's heritage areas. This is emphasised in areas adjacent to the Ipswich Transport Interchange.
- A mixture of land uses operating within close proximity. This aims to maximise synergies between co-located uses.
- A range of uses which activate the streetscape at all times of the day.
- Visual and physical access to local landmarks such as the Bremer River and heritage buildings.

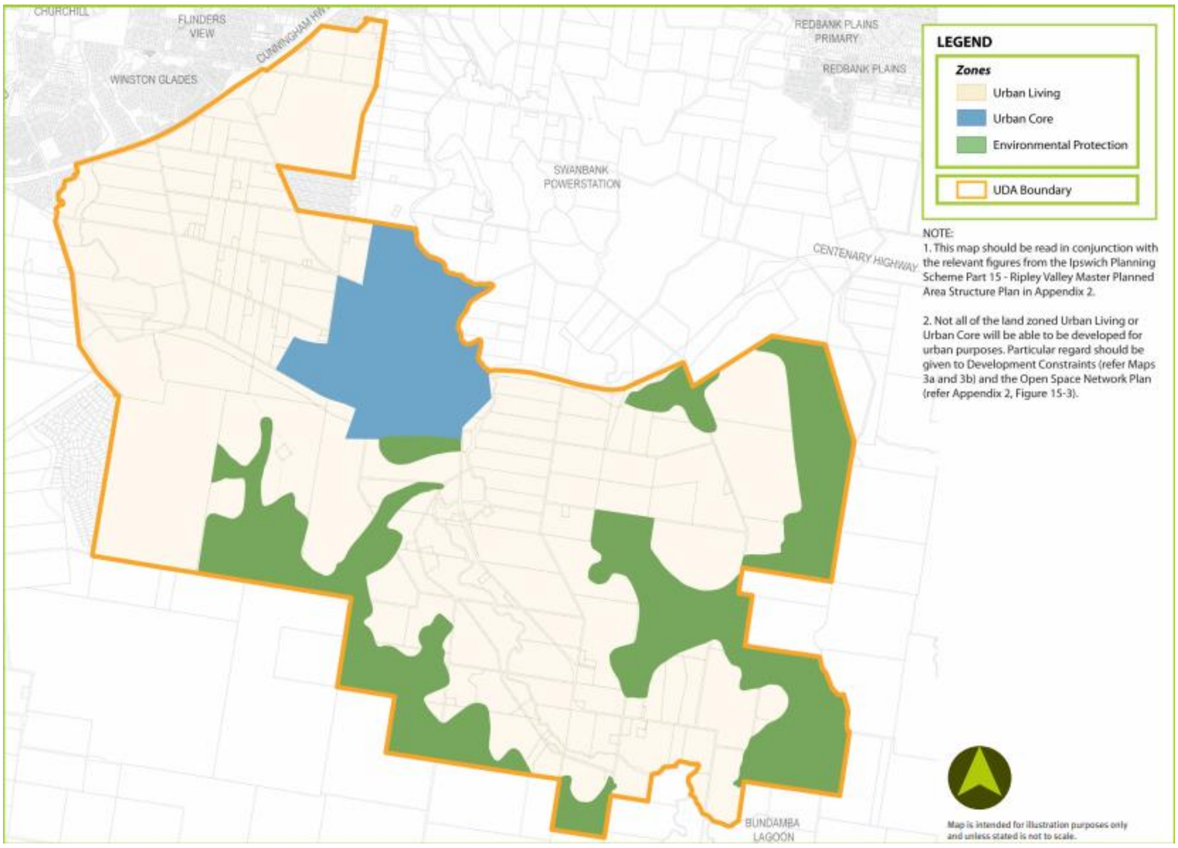
In line with the discussion on the Major Centres Zone, the Ipswich CBD needs to look beyond traditional definitions of core retailing for inspiration. As the civic, cultural and community hub for the LGA, rather than just a retail centre, it also needs to be planned in a unique way. That means it's not just about good parking, retail shopfronts and major department stores. Instead, the city needs to be activated, walkable, be inviting and possess a strong theme that differentiates it from other Principal Centres; providing a unique experience for visitors that cannot be found in any other nearby centre.

Ripley Valley PDA Development Scheme

The Ripley Valley Development Scheme prescribes a planning vision for the Ripley Priority Development Area (PDA). Transect-based planning is central to this vision, with a clear hierarchy of activity centres:

- An Urban Core envisioned in a 'marketplace style', with a high density of activities relative to the surrounding area. Residential, retail, commercial and entertainment uses should all be co-located.
- Secondary Urban Centres are smaller hubs of social, and commercial activity for residents in adjacent neighbourhoods. They serve as 'transitions' between the between relatively low-density Villages and Neighbourhoods and the Urban Core.

FIGURE 3: RIPLEY VALLEY PDA DEVELOPMENT SCHEME



Source: Department of State Development, Local Government and Planning

Table 1 provides the development thresholds for the Ripley Valley, particularly its Major Centre (Urban Core), along with the secondary centres (east and west) and then the neighbourhood centres.

At 70,000 sqm as a maximum floor area, the Ripley Major Centre will play a significant role, that sits just under the Principal Centres in Ipswich CBD and Springfield. The secondary centres (east and west) at 15,000 and 20,000 sqm respectively will become more akin to District Centres.

TABLE 1 DEVELOPMENT THRESHOLDS FOR RIPLEY VALLEY

Zones	Urban core zone	Urban living zone			
	Urban Core centre and frame	Secondary centre (west)	Secondary centre (east)	Major neighbourhood centres (each)	Neighbourhood centres
Maximum building height	Major centre -12 storeys Frame - 5 storeys	5 storeys	5 storeys	3 storeys	9.0m
Minimum net residential density	50-100 within the major centre core 20-50 within the Urban Core Frame	35-50 within 400m of the main transit stop (proposed rail station) 20-35 outside the above	20	20	15**
Indicative maximum gross floor areas*:					
» retail and indoor entertainment use categories	70,000m²	20,000m²	15,000m²	6,000m²	3,000m²
» commercial use categories	32,000m²	1,000m²	1,000m²	500m²	200m²
» low intensity retail e.g. showrooms/outdoor sales	100,000m²	–	–	–	–
» service industry / research technology facility	15,000m²	5,000m²	5,000m²	–	–
Community services***(indicative GFA)	40,000m²	8,000m²	8,000m²	1,800m²	–

* Development proposals that would result in the aggregate gross floor area exceeding these indicative maximums must be accompanied by an economic impact assessment study report that assesses the likely impact on existing and proposed centres within and outside the UDA.

Development Themes for the area focus on themes of self-containment within Ripley, with the aim of accommodating a large share of residents retail and employment needs within the development area.

Draft Ipswich Planning Scheme 2019 – Strategic Framework

Shaping SEQ sets the dwelling supply target and employment baseline for Councils in South East Queensland. The Ipswich Planning Scheme seeks to respond to these state targets.

Given that context, the Draft Ipswich Planning Scheme's 2019 Strategic Framework notes the need for a new planning scheme to accommodate the LGA's high annual growth rate of 5 per cent. 300,000 additional residents are expected by 2041, representing growth of 136 per cent on the current figure of 220,000.

This is expected to require an additional 61,000 employment positions and 112,000 new dwellings.

Vision Statement

Describes a list of objectives to guide development, several of which are closely related to centre growth:

1. Ipswich has grown and developed around a series of vibrant public transport activated centres and master planned communities.

2. Ipswich is rejuvenated and positioned as the primary service centre for the Western Sub-region.

3. Mixed use and higher density centres have developed around key rail and bus stations, particularly in the Ipswich City Centre, Springfield Town Centre, Ripley Town Centre and at Goodna, Booval and Rosewood.

The *Urban Land Use Transect* further outlines the role of centres in Ipswich's future, placing an emphasis on the presence of a hierarchy which reflects the role of the centre and its service catchment. Ipswich City Centre is clearly identified as the LGA central cultural and administrative hub.

Centres and employment

Section 3.5.3 provides 'Regional Activity Centres' identified within the Shaping SEQ strategy.

- Ipswich City Centre as a Principal Regional Activity centre – the LGA's central hub, with relatively high density, mixed use development[3] surrounding a transport interchange.
- Springfield Town Centre as a Principal Regional Activity Centre – high density, mixed used centre co-located with health and education precincts.
- Goodna Centre as a Major Regional Activity Centre[4] – a compact town centre to service the LGAs north-eastern suburbs.
- Ripley Valley Town Centre as a Major Regional Activity Centre – a new town centre servicing the Ripley valley Town Centre.

This section also states that centre's development should be of a size and type appropriate to their position in the overall hierarchy of centres. Out-of-centre development which could undermine the role and function of centres should be avoided.

Section *3.5.4.2 – employment* states that centre should also provide flexibility in their land use regulations in order to accommodate emerging industries and economic restructure.

2014 Retail Strategy and Centres Review prepared by Foresight Partners

Method

Foresight reviewed common benchmarks used to evaluate the need for additional retail floorspace, such as extrapolating future demand based on existing per capita provision of retail floorspace.

A combination of population thresholds required to 'unlock' additional floorspace requirements, combined with projected retail spending measures, were used to convert future population growth into demand for retail floorspace.

However, the authors note the disadvantage of relying on an overly formulaic approach which does not necessarily consider the spatial context in which Ipswich sits, including the attractiveness/accessibility of its centres.

[3] Note that whilst no feasibility analysis has been undertaken in this report, significant mixed use may be difficult to achieve in the Ipswich City Centre at this stage.
[4] Note that this centre's role as a Major Centre is dissected later in this report

Future Supportable Floorspace

Ipswich households were estimated to generate retail spending of $1.9 billion in 2013, growing to $7.9 billion by 2036. This was translated into an amount of additional retail floor space potentially supportable of 833,770m² at 2036.

Ripley and Springfield account for the majority (52% or 430,890m²) of this potential floor space increase.

Within the LGA, existing spare capacity and projects planned or under construction within the Ipswich and Springfield CBDs accounted for 48% of this future supportable floorspace. Development envisioned for the Ripley Valley accounted for a future 27% of this figure.

The remaining 25% was seen as likely to be absorbed by other future designated centres such as Walloon and Ebenezer.

Centre-Specific Findings

Key findings specific to certain centres are provided below:

- Booval and Redbank Plaza have limited potential for future expansion, and would need to expand their site areas to growth their existing capacity.
- Goodna has significant vacant land on which to grow[5].
- Brassall and Karalee are likely to retain a similar mixture of uses, with retail precincts anchored by their supermarket anchors.
- Yamanto and Redbank Plains both have significant potential, and available land, to expand as retail centres.
- A future centre at Walloon appears as a long term possibility as the Rosewood-Walloon corridor develops.
- Rosewood could solidify its position within the centre hierarchy through incorporation of a second supermarket in its town centre.

Overall, the 2014 strategy found that all of the LGA's existing centres have capacity for expansion, either via consolidation or expansion. However, at the time (in 2014), they also lacked the populations to warrant a change in hierarchical function. Note that these findings are analysed and updated in this report.

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[5] The analysis later in this report suggests that whilst Goodna may have land on which grow, the economic basis for such growth en masse (beyond a few thousand square metres of floorspace) is unlikely to materialise.

2.5 Implications

Ipswich LGA – a hierarchy of centres

Centres in the Ipswich LGA can be reasonably organised into a five tier system of principal, major, district, local and neighbourhood centres, with the following roles:

Principal - large and diverse retail, civic and entertainment facilities, serving a wide catchment that stretches across and beyond the LGA.

Major – sizable centres often offering the full range of retail services for its catchment, along with important community and employment functions.

District – centres anchored by multiple full line supermarkets that are ideally suited to providing for the weekly grocery needs of customers. It will also offer some degree of apparel and general goods and services along with limited doses of suburban office and community services.

Local – centres usually anchored by one full line or multiple smaller supermarkets that are effective at serving a typical catchment of 8,000 to 10,000 local residents. Non-retail uses more limited in these centres.

Neighbourhood – small retail nodes that general serve to provide daily conveniences within a walking distance for the local neighbourhood.

Precincts need to focus on their core uses

State policy provides clear guidance that whilst a mix and broadening of land uses is desirable, it should not be at the expense of precincts and centres retaining their core focus. In other words, alternative land uses should also be accepted where they do not detract from their prime purpose.

What this means for centres planning is that Council should really be looking to have centres for core retailing/office, business parks for commercial office/industrial and then dedicated bulky goods precincts as well. Without creating those dedicated precincts each of the uses mentioned above has the potential to then encroach upon the others, potentially diluting the core purpose of those other precincts.

Centre expansion in specific locations

Despite significant population growth expected in the LGA, the growth itself it actually limited to a number of locations led by Springfield and the Ripley Valley. Therefore, the expansion of the centre network and proliferation of retail floorspace across the LGA should also be primarily focused on those areas. Floorspace expansions in other parts of the LGA, particularly those that are distant from growth precincts should be avoided.

In the case of the Ipswich CBD, the policy focus is more on the means in which that centre can differentiate itself, including mixed use development, commercial office, its position as a transport interchange and cultural/civic hub.

3. Economic Context

3.1 Overview

To understand the context in which Ipswich LGA's centres are likely to evolve, it is important to understand how the future will be influenced by current and emerging retail trends.

Ordinarily consideration of retail trends in the context of a retail floorspace study would already be a significant task in terms of integrating observed and emerging trends in a modelling exercise that informs future development patterns. At the time of writing this report, there is also a significant global pandemic to consider. This pandemic and governments' responses to it are considered in this section in terms of impacts to retail and hospitality-based activities in Ipswich.

A summary of stakeholder consultation is provided to provide local market insights that sits alongside quantitative analysis.

3.2 Recent and ongoing retail trends

Decline in retail expenditure

Over the past twenty years, the retail sector's growth has slowed across Australia, with annual growth trending downwards since the late 1990s.

FIGURE 4. QUARTERLY RETAIL EXPENDITURE GROWTH IN AUSTRALIA, 1996 TO JANUARY 2021

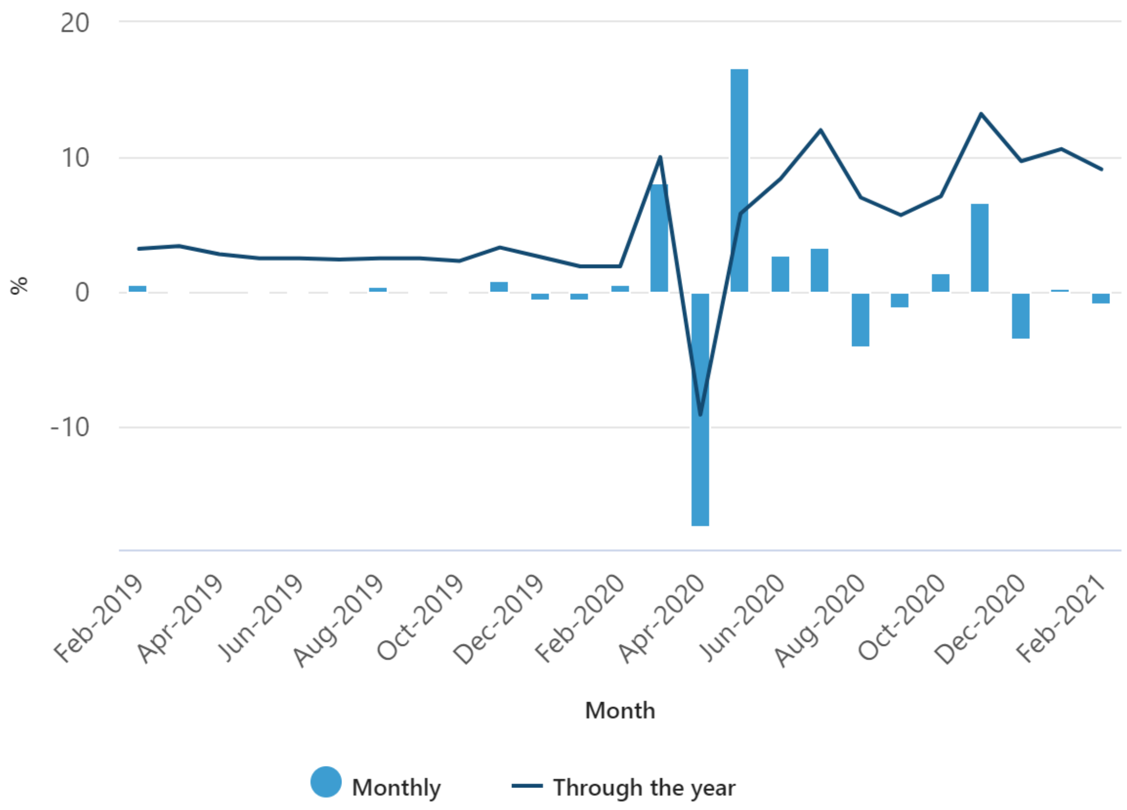
Source: Trading Economics 2021

The post-GFC years in particular represent something of a break from trend for retail spending. During the decade prior to COVID-19, quarterly growth in retail expenditure has averaged 0.45 %, while growth prior to that averaged 1.04 %. There are a range of factors that have contributed to this decline, with these acting in combination to supress growth in retail expenditure, particularly since the GFC. These include:

- Australians are saving a greater proportion of their incomes, reflected in relatively high savings rates since 2010, and resulting from lower levels of confidence in the global and national economies
- Increased competition from other sectors (e.g. travel) which have become cheaper and attract an ever-increasing proportion of household expenditures
- Changes in consumer preferences in regard to shopping experiences, which are rarely reflected in the layout of contemporary Australian retail centres from a supply-side response perspective
- Low growth in productivity across the economy more generally; and therefore low growth in wages
- Record high housing costs requiring households to devote a larger share of disposable income to mortgage payments or rent.

Figure 5 illustrates the change in retail expenditure growth during the recent pandemic and lockdown periods. Although COVID-19 has provided a significant distortion, owing to national lockdowns and subsequent easing of restrictions, this trend is seen as likely to resume its long-term trajectory. Although some sectors have recovered strongly, several industries continue to be in recession and are likely to remain subdued in the short-medium term, placing downward pressure on spending.

FIGURE 5: MONTH-ON-MONTH NATIONAL RETAIL TURNOVER GROWTH



Source: Australian Bureau of Statistics

Throughout the decline in per-capita spending, population growth (driven largely by immigration) has been the major demand-side driver behind the expansion of retail facilities nationally. Given that

COVID-19 has been responsible for a cessation of immigration in the short term, projected population [6]increases have been delayed considerably.

Implications for Ipswich

With the factors driving low growth of retail expenditure likely to remain in place for the foreseeable future, Australian retail centres have increasingly been exposed to significant levels of demand side risk. Oversupply of retail floorspace has therefore been common in many capital cities and regional towns. This can in turn result in suboptimal retail centre conditions or 'centre blight' in the least appealing centres, undermining the viability of centres and networks, and ultimately detracting from liveability for residents of the region.

The modelling in this report therefore takes the trends of these past 20 years into consideration, and in particular the post-GFC malaise.

The COVID-19 pandemic and associated recession will exert a significant cyclical influence over household spending for a number of years. Furthermore, it is likely to have perpetuated a number of structural changes to spending habits, with strong growth in household goods retailing at the expense of decline in food retailing. These changes, including the impact of online retail, are explored in greater detail throughout this report.

Changing profile and role of supermarkets

High street retail strips and enclosed shopping centres are typically anchored by a supermarket, with smaller stores tending to cluster around these anchors. Supermarkets play a significant role in the overall health of a shopping centre or district. Traditionally, Australia's groceries market has been dominated by Woolworths and Coles. Although in recent years there have been some new entrants into the groceries market, the duopoly accounts for more than three-fifths of the total grocery market.[7]

The past decade has seen the rise of two main competitors – IGA and Aldi. Combined, these two chains accounted for 19.7% of grocery market share in December 2019. IGA has a strong focus on supporting local communities through stocking goods that tailor to community needs as well as by identifying as an active commercial citizen in local communities.

In December 2019, Aldi had increased its market share to 12.4%, according to Roy Morgan. Their focus on low-price items promotion of 'home brands' has attracted a number of shoppers who may not have traditionally shopped at discount supermarkets.

While supermarkets traditionally tend to service their surrounding population catchment, there is anecdotal evidence that Aldi bucks this trend, with many choosing to shop at Aldi even though it may not be their closest supermarket.

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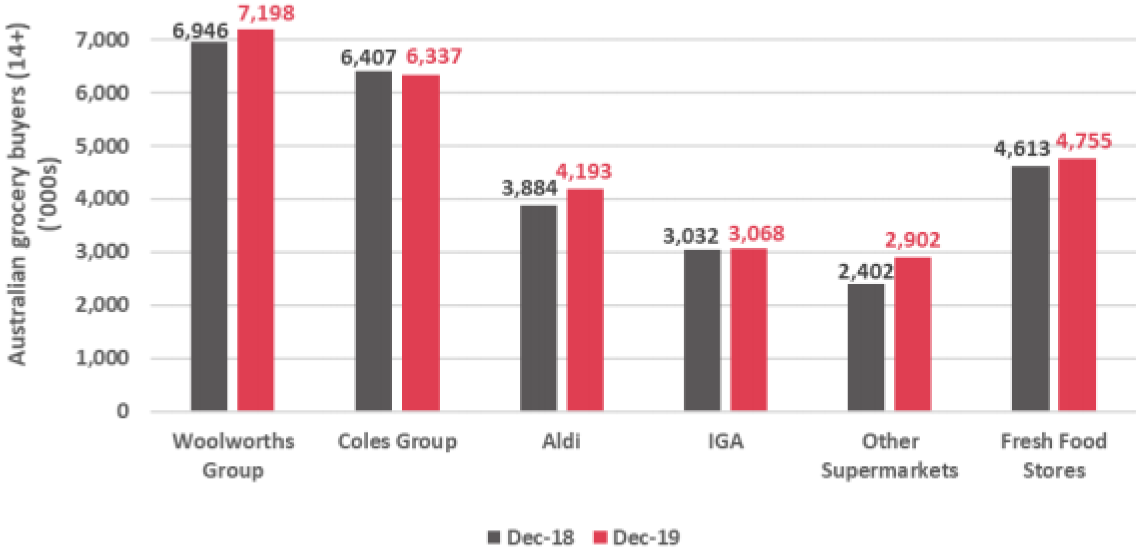
[6] The objective of these implications boxes is to provide general implications for centres planning based on trends playing out in the economy at large. Recommendations specific to Ipswich are provided in later sections alongside the analytical results, and are based on data specific to the LGA/subregion rather than Australia as a whole.
[7] Roy Morgan 2020, 'Looking beyond the panic-buying, Australia's big supermarket story is Aldi's growing market share' – 24 March, http://www.roymorgan.com/findings/7537-woolworths-increases-lead-in-$100b-plus-grocery-war-201803230113

FIGURE 6. SHARE OF TOTAL GROCERY MARKET, 2018 & 2019



Source: Roy Morgan 2020

It is worth noting that while supermarkets capture a significant proportion of food retailing, the role of non-supermarket specialty food stores, such as bakeries, grocers, and delicatessens, in meeting food retailing needs is significant. A recent trend however has seen many supermarkets 'in-house' these speciality offerings within their stores. In recent years, major supermarket operators have become significantly more sophisticated in their bakery and deli offerings in particular, placing further pressure on competing high street retailers. That said, these high street retailers are also reliant on these major supermarkets as anchor tenants, with visitation to smaller retail outlets driven in large part by people attracted first and foremost to centre supermarkets.

Supermarkets continue to evolve their business models and are looking to grow their share of the online market. According to KPMG's Australian Retail Outlook 2021, online grocery sales doubled their market share of overall grocery sales, with major investment from Woolworths and Coles into home delivery and 'click and collect' models.[8]

With 'click and collect' becoming increasingly normalised within the local context (including home delivery business models), Woolworths have announced plans to design 'drive-through' facilities into new stores, with customers having the option of purchasing online, and picking up from a purpose-built drive through facility, meaning it will become possible to collect shopping from centres without leaving their car. In some older demographics, this click and collect business model has been reasonably popular.

[8] KPMG 2021, 'Australian Retail Outlook 2021', https://assets.kpmg/content/dam/kpmg/au/pdf/2021/australian-retail-outlook-2021-report.pdf

Implications for Ipswich

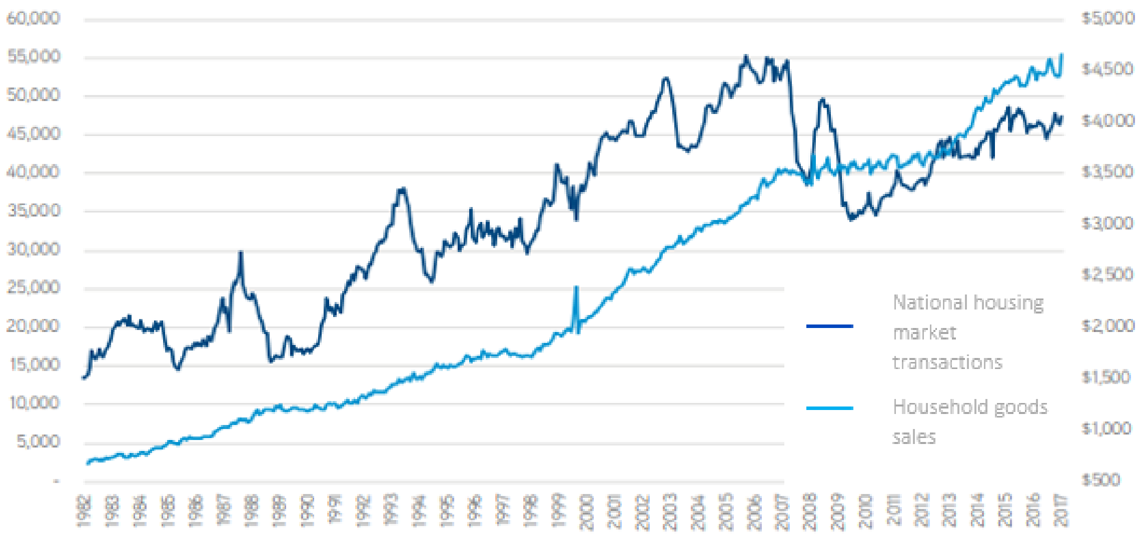
Supermarkets will continue to play a major role in anchoring suburban centres which do not possess higher order uses. In the growth areas context in Ipswich, younger families tend to concentrate their spending where value is greatest – and that is the target market of a standard supermarket. This behavioural pattern drives the spatial proliferation of development early in the lifecycle of growth area precincts, in places like Ripley and Springfield.

Therefore, it is important to ensure that the right network of centres is rolled out – one which caters for the daily and weekly grocery needs of residents to reduce travel and encourage economic integration of centres. That said, if supermarket anchored centres are encouraged to develop beyond that core role, they can begin to detract from the growth potential of higher order centres – many of which are already experiencing difficulties due to the poor performance of department stores and apparel/specialty shops, and the distance that growth area residents are living (and will live in the future) from a centre like the Ipswich CBD. This suggests that Councils need to hold district and local centres to the floorspace thresholds defined in Section 2.2 unless there is a compelling growth based reason for those centres to be elevated beyond that role.

Out of centre retailing (supermarkets, bulky goods and fuel retailing)

In recent years, the performance of household goods (which includes furniture, houseware, textile, electrical, electronics and hardware[9]) has been strongly linked to housing construction, urban expansion and low interest rates. As a result, consistent increases in residential property prices and growth in new dwellings has tended to underpin strong performance in the bulky goods retail sector. Figure 7 shows this relationship to 2017, showing a clear association between a buoyant property market and an expanding household goods sector.

FIGURE 7. NATIONAL HOUSING MARKET TRANSACTIONS (NO.) AND HOUSEHOLD GOODS SALES ($M), 1982 TO 2017



Source: Colliers (2018)

[9] Australian Bureau of Statistics, 2019. '8501.09 – Retail Trade, Australia, Jul 2019. https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/8501.0Explanatory%20Notes1Jul%202019?OpenDocument

In the year to June 2019, large format retailing was responsible for 23.5 % of total retail sales in Australia – equivalent to $81.8 billion in expenditure and accounted around 35 % of total retail floorspace in Australia.

The successful entry of Aldi to the Australian market has in part occurred as a result of their smaller format which has successfully differentiated them from Coles and Woolworths, and which has also allowed them in some cases to operate 'out of centre', in employment precincts. The transfer of expenditures away from centres has meant that foot-traffic and flow-on expenditure that would otherwise have found its way to smaller retailers in the centre network has been lost.

Fuel retailers have also played a role in the rise of out of centre retailing, diversifying their product offering to include convenience items and food retailing (e.g. snacks, bread, milk etc.). The alliance between fuel retailers and supermarkets in NSW has also contributed to this trend.

Bulky goods retailers – a derivation of household goods, though in a different shop format, are particularly well-suited to outer-metropolitan growth areas, where car-oriented lifestyle dominate, as well as finding opportunities in former industrial precincts in inner and middle ring areas of Australia cities. Traditional activity centres are unable to compete with these retailers across a range of retail categories and must therefore leverage their human scale, better urban amenity, and an increasing presence of food and hospitality providers, entertainment options and population services to attract visitors.

Implications for Ipswich

Specialist bulky goods precincts provide sales outlets for large format retailers which would otherwise detract from the economic and physical integration of centres.

Nonetheless care needs to be taken in planning for these precincts. On the one hand, they are land hungry, with an oversupply directly leading to less land available for housing or employment uses. On the other hand, Council should also ensure that uses that would be better suited to centres (such as small supermarkets, mini-majors like JB Hi-Fi) are not locating in these bulky goods precincts, as they would effectively function as out-of-centre competition for centres.

It is therefore recommended that (a) Council focus bulky goods uses in specialised precincts and (b) locate these precincts near Principal/Major/District Centres where possible so that mini majors and smaller household goods stores (e.g. Manchester) can be placed in between a bulky goods precinct and a centre in a transitionary sub-precinct. More detailed analysis of bulky goods precincts is found in Section 7.3.

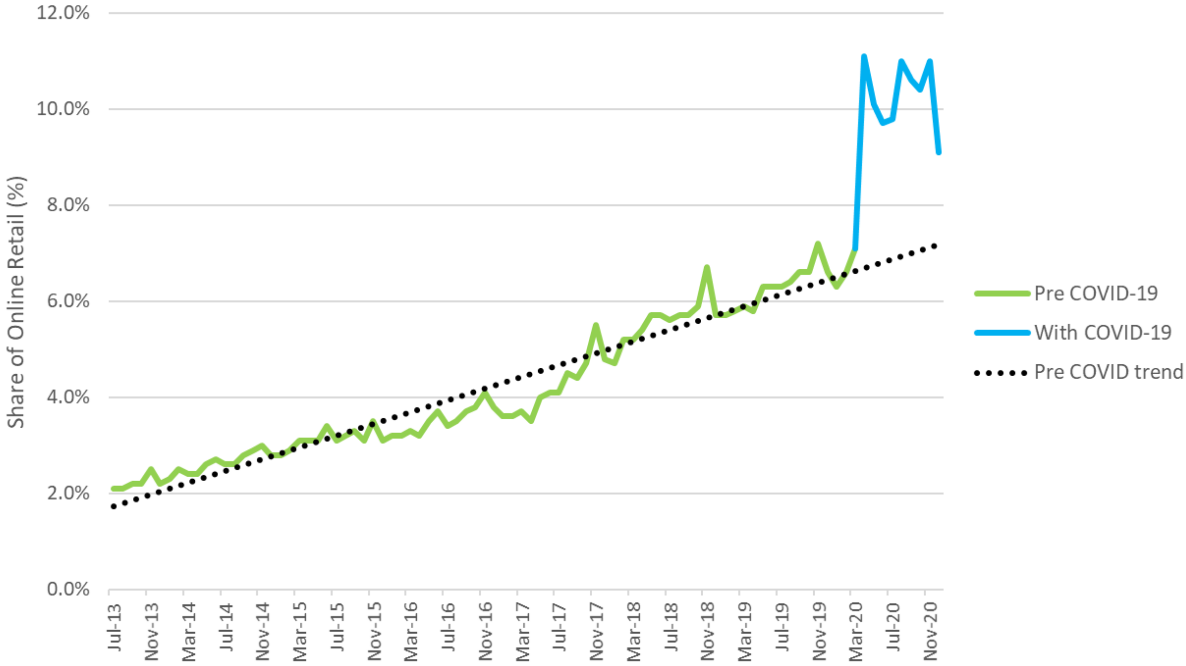
Rise of online retailing

The rise of online retailing is increasingly impacting on Australia's retail sector, with market share growing by around 0.75% per year. As of February 2020 (prior to COVID-19) the market share of all retail spending stood at 7.2%[10]. One month later and until November 2020, online retail had risen to be as high as 11.1%. As of December 2020, it has since fallen to 9.1%. A summary of this time-series is

[10] ABS, 2020. 8501.0 Retail Trade - Table 23 | Percentage Change of total Australian Retail. https://www.abs.gov.au/statistics/industry/retail-and-wholesale-trade/retail-trade-australia/latest-release

provided below. It illustrates that prior to COVID-19, online retail was growing steadily each year up until around March 2020, where it experienced a significant spike.

FIGURE 8: GROWTH OF ONLINE RETAIL, AUSTRALIA



Source: ABS 8501.0 Retail Trade - Table 23 | Percentage change of total Australian retail, December 2020

Some key reasons for individuals choosing to shop online are:

- to reduce the amount of time taken to undertake purchases,
- to make it easier to find the cheapest price for a good, and
- to provide flexibility to shop at convenient times.

The risk of loss of expenditure to online retailers varies across retail categories. Some are highly vulnerable to loss of trade online, while others are a bit more insulated from these impacts. Retailers that are most vulnerable are those that trade in non-perishable goods (i.e. those that can be stored and transported without loss of quality) that have standard specifications. On the other hand, retailers that trade in the following categories of goods are relatively less vulnerable:

- those where the brand distributes the product,
- those that are perishable (i.e. food, although home delivery business models could potentially encroach on this as well),
- those that are liable to have variations in quality, and where customer review prior to purchase would typically be considered important (i.e. cars, fresh food, cosmetics), and
- those that need to be customisation (i.e. glasses, suits, cars)

As the table below indicates, both forms of retailing possess distinct and different advantages.

When online retailing first emerged, it was seen purely as a direct competitor to store based retailing. However, as online technologies have evolved, many ‘bricks and mortar’ retailers have adopted a new approach to business that involves having both physical and online presences that work in a single system (known as the omni-channel[11]). An example of how this omni-channel form of retailing works is where a customer finds the retailer online and decides to download the store app. The customer then visits the store, and reviews and purchases a product using a 10% discount coupon from the app. As part of the process, the retailer receives data about how the customer found the store, their preferences, etc. This data allows the retailer to develop and deliver a more targeted product and service offer.

Implications for Ipswich

For certain product categories and niche markets, online retailing has become significant, and in a few cases, even dominant. For the vast majority of goods and services however (around 90% of the market based on Figure 8), physical shopfronts remain the preferred method of retailing.

For many brands that have an online presence, physical stores can also play a significant marketing role as part of their integrated 'omni-channel'. And then there are other spending activities such as dining, entertainment and personal services for which physical floorspace remains as important as ever.

Whilst online retailing is undoubtedly growing and here to stay, most businesses are more likely to use the technology as a complementary addition to their entire retail ecosystem than as their solitary contact point with customers. Indeed, the irony of the COVID-19 pandemic and the subsequent loss of foot traffic is that it has only highlighted the indispensability of physical shopfronts for many businesses and in turn, for jobs in the community.

In planning for centres then, planners and place makers ought to focus on what makes retail floorspace an indispensable element of businesses' retail offer. Visual presentation, physical access, encouraging footfall and an enticing vibe are all crucial elements. On those fronts, Table 2 provides some key implementable considerations that are relevant to the scope of this report.

TABLE 2 HOW PLANNING CAN OPTIMISE THE ROLE OF PHYSICAL RETAIL FLOORSPACE IN CENTRES

Key elements for physical stores	How planning can optimise centres on those indicators
Visual presentation	Encourage new investment that refreshes shopfronts, prevent floorspace oversupply which can lead to vacancies. Where existing assets complement place character, planning should seek to enhance these features (e.g. heritage, natural amenity).
Physical access	Ensure adequate traffic/movement strategies are in place across the centre.
Encouraging footfall	Have strong anchors in strategic locations. Make use of major infrastructure such as new railway stations, as well as natural assets such as river foreshores.

[11] As distinct from multi-channel retailing

Enticing vibe	Manage the aesthetic element of centres with a dedicated place manager who works across infrastructure, tenancies and design. Work with businesses on street presentation.

Emergence of café culture eat streets and food centres

Service-based cafes and restaurants have experienced strong growth over the past five years. For instance, the café and coffee shop sub-sector grew by an average annual rate of 2.5 % between 2014 and 2019[12], contrasting to the stagnation of the broader retail sector.

Cafés and restaurants currently account for approximately 14% of retail sales volume across Australia[13]. This has coincided with the rise in alfresco dining and the 'eat street' culture. Ipswich's climate in particular is conducive to this culture.

The move towards outdoor dining and restaurant-defined retail strips requires a reconfiguration of footpaths and road alignment, a strong focus on urban amenity (including street trees, provision of furniture and pedestrian/diner safety) as well as supportive policies that enable these to take place. Many high streets are increasingly focusing on the pedestrian and diner experience along local retail strips.

Privately owned malls have also evolved on their food offering, moving away from food courts to collections of cafés, restaurants and fresh food outlets, including green grocers, delis etc., to provide a contemporary, appealing food offering. Providing a healthier and more diverse food offering provide an opportunity to increase the attraction of standalone shopping centres and increase footfall[14]. Shopping centre operators are increasingly recognising the importance of providing an amenable experience to shoppers in order to differentiate their centre and food retailing plays a significant role in creating a point of difference and positive experience.

Implications for Ipswich

Strong retail and service offerings in centres will be underpinned by the existence of high-quality food hubs. This trend will be particularly important for the larger centres. Even in the growth areas (which have traditionally been dominated by supermarket anchors), some of the larger new centres are likely to have a more solid food and hospitality offering than before.

This all does need to be cautioned for certain submarkets where lower disposable incomes would minimise the level of spending available – in those cases, consumers tend to limit most of their spending on food and beverages to supermarkets and fresh food markets.

Nonetheless, in Principal, Major and District Centres, eat streets and food centres add to the vibrancy of centres in ways that elevate them beyond mere shops (which is what you would expect in a local or neighbourhood centre). That will be the defining feature of higher order centres in the future – not just the volume of floorspace, but the environment that the floorspace and uses create as well.

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[12] IBISWorld, 2019, Cafes and coffee shops in Australia – Market Research Report https://www.ibisworld.com.au/industry-trends/market-research-reports/accommodation-food-services/cafes-coffee-shops.html
[13] Colliers, 2016, Research and Forecast Report: First Half 2016
[14] Colliers, 2016, Research and Forecast Report: First Half 2016

3.3 The impact of the COVID-19 pandemic and government's response

From early 2020, the COVID-19 pandemic has taken hold across the world, with governments forcing communities and economies into lockdowns in order to reduce the spread of the virus. These policies have also been implemented across Australia, and, in this case, Queensland. At the time of writing, Queensland (and Australia) appears to have been spared the worst impacts of the epidemic, however it is too early to say what the long-term impact of the epidemic on communities, economies and centres will be.

Potential structural shift to online retail

One scenario is a faster shift to online retail. Australia's online market penetration of 11.1% is around six years behind the global average, around half that of global markets (25%) and a quarter to the Asia-Pacific (40%)[15]. Reasons for this include Australia's 'tyranny of distance', low population density and high labour rates, which add to deliver costs and reducing online margins[16]. Despite these local factors, the gap between Australia and the world suggests there is capacity for accelerated online market penetration. Ultimately, the answer will only be found in the next 12-24 months, when government-induced shutdowns recede and online and offline are once again in competition.

Implications for Ipswich

It will be known over the next 12-24 months whether there is a greater shift to online retail. If so, then demand for retail floorspace for non-hospitality commodities will reduce. This could result in increased vacancy rates and excess supply across the Ipswich LGA centres. More traditional centres offering goods that can be purchased online, and that offer a poor 'experience' are the most likely to be affected.

From a centres planning perspective, Council will need to respond swiftly to any floorspace vacancies that might emerge over the next five to ten years, particularly for those mid-range district centres that are typically most at risk, as they don't possess a diverse enough range of uses beyond retail, but have more floorspace than is needed for just groceries and basic food and services.

A plan needs to be put in place for how that floorspace would be redeployed in the event of a significant and emerging floorspace vacancy. Options include community services/facilities and shared workspaces for local businesses.

The impact of COVID and online retailing is factored in, in sensitivity tests for the modelling work from sections 5 and 6.

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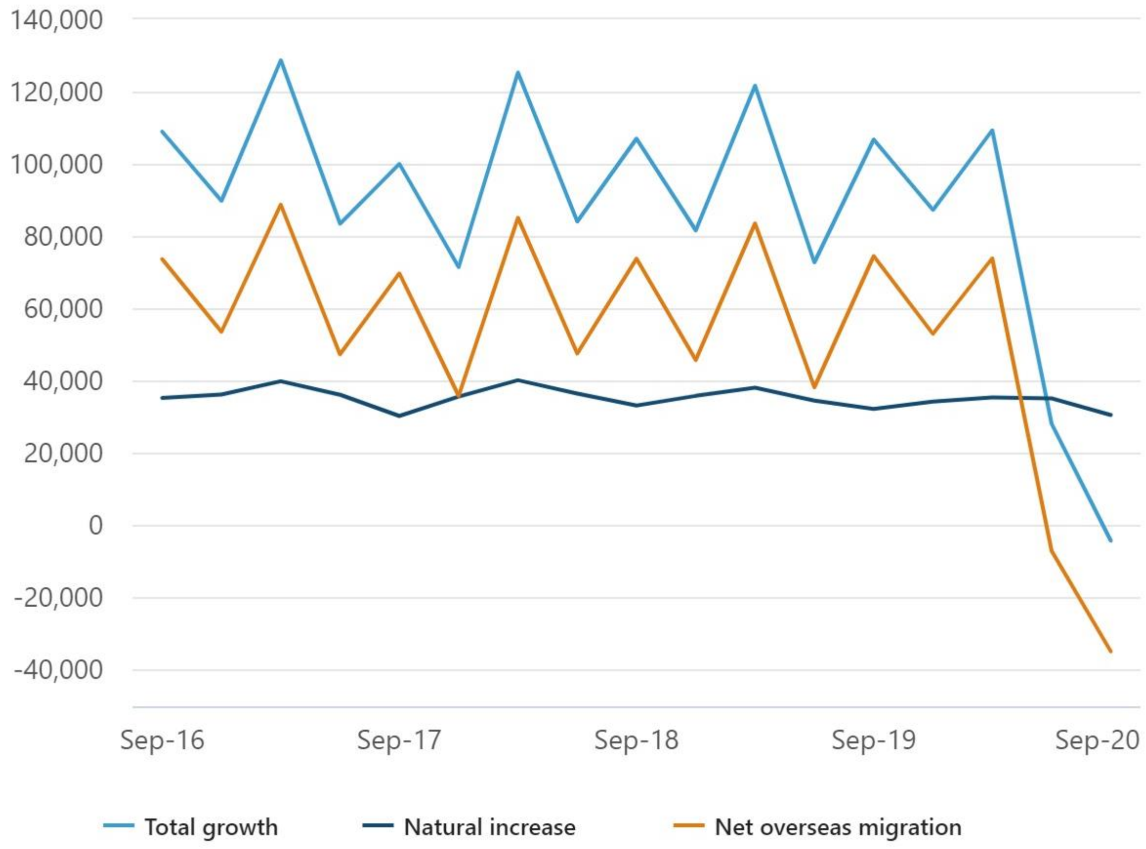
[15] Mitchell, Sue 2020. *'Online spending surges but retailers warned against over reliance'*. Australian Financial Review. https://www.afr.com/companies/retail/online-spending-surges-but-retailers-warned-against-over-reliance-20200903-p55s1h
[16] Ibid

Population growth

COVID-19 has resulted in the slowest national population growth since 1942, with Net Overseas Migration (NOM) turning negative for the first time since WW2.[17] With population growth strongly tied to retail expenditure (new residents need housing, furniture, groceries), any forecasted declines will lead to declines in retail expenditure.

FIGURE 9: COMPONENTS OF NATIONAL POPULATION CHANGE, 2016-2020



Source: Australian Bureau of Statistics 2020

However, the impact on Ipswich is likely to be mixed. Previous research has indicated that approximately 70% of all Australian migrants arrived on temporary visas, with the large majority classified as students or visitors.[18] Given the overall global environment and university sector shutdowns, the largest impact on NOM is on temporary visas. Given that almost 90% of temporary migrants are renters, the greatest impact will be in rental demand, rather than established home sales. Markets that cater for most of this rental demand are found mostly in the inner city, such as the Sydney and Brisbane CBD. Therefore, the impact on an area such as Ipswich is likely to be much less. As Tim Lawless from Corelogic explains:

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[17] Van Onselen, Leith. 2020, *'Budget forecasts lowest population growth since WW2'.* Macrobusiness. https://www.macrobusiness.com.au/2020/10/budget-forecasts-lowest-population-growth-since-ww2/
[18] Lawless, Tim. 2020. 'How Will Stalled Net Overseas Migration Impact Housing Demand'. CoreLogic. https://www.corelogic.com.au/news/how-will-stalled-net-overseas-migration-impact-housing-demand

"Greenfield housing estates are also less impacted from reduced NOM, with early reports that the HomeBuilder grant, together with low interest rates and first home buyer incentives, are providing a solid boost to demand. Developers and builders may need to pivot towards these more active sectors, at least while NOM remains low."

Implications for Ipswich

Ipswich is expected to remain resilient to much of the economic downturn. This means that retail centres across Ipswich LGA are less likely to be impacted, and this has been the assumption in the modelling work at this stage.

Changes in work practices

Many Australians working in office-based jobs that are still employed have been forced to work from home. As with online retailing, for many, this will be a temporary change; for these individuals space constraints or individual preferences mean that they will return to working from offices once there is a return to normality. Many others however, having invested in equipment and systems that allow them to work from home, will be far more likely to do so once there is a return to normality.

Implications for Ipswich

A greater proportion of 'office workers' working from home may translate to a reduction in demand for sub-regional and CBD office floorspace. It may also translate to an increase in demand for local/neighbourhood-based office space. This will become clearer as Australia resumes normal working conditions.

A structural shift in working conditions to occur over the medium and long term will have implications for the retail network. Each worker takes a quantity of daily retail and hospitality expenditure with them, often purchasing meals, services, or goods at businesses in the vicinity of their workplaces. With more people choosing to work from home, some of this expenditure will be redirected to businesses in the vicinity of workers' homes. This may lead in the long-run to a greater quantity of expenditure finding its way to businesses in smaller local population-serving centres.

In terms of forecasting demand for commercial office floorspace, no drastic reductions have been made at this stage. This is primarily because it is still unclear whether a shift to working from home is permanent or temporary. Furthermore, from a commercial office planning perspective, it is often better to plan for more than less, as office vacancies are not as damaging to centre amenity as retail vacancy, whilst any unexpected undersupply of office floorspace can cost a centre or even the LGA crucial jobs and businesses.

3.4 Stakeholder engagement findings

As part of researching trends into the local market, consultation was undertaken with key local retail stakeholders. Following groups were contacted[19]:

- Ipswich Region Chamber of Commerce
- Greater Springfield Chamber of Commerce
- Economic Development Queensland (EDQ)
- Riverlink
- Mirvac Orion (Springfield)

Note: Springfield City Group and Sekisui were contacted in early December and again in April but did not get a response.

Current views of retail performance across Ipswich LGA are varied. On the one hand, there are perceptions of low business confidence and uncertainty associated with the COVID 19 pandemic remaining at the time of consultation (November 2020). A significant concern was the anticipated the impact of the pandemic – particularly as it might exacerbate already prevalent trends associated with online retail away from specialty retail and potentially cause floorspace vacancies across the LGA. This effect was expected to be most pronounced in the Ipswich CBD, with uncertainty from participants regarding the CBD's future as a retail centre. One participant also stated that the LGA's market for suburban shopping centres was oversaturated. Concern was also expressed at the CBD's physical permeability, particularly with the river dividing the city centre and preventing integration.

The opinions on Springfield were more positive, with higher local disposable incomes generally though to create a more positive environment and outlook for retailing. Centre managers and retailers are also less reliant on competing based on price – meaning they can combat online platforms through a range of initiatives including well-being and entertainment based themes for retailing, as well as thinking more of retailing as a service. These mechanisms are likely to drive demand

While it was noted that Council was unlikely to have a role in providing direct financial support (such as via grants), the role of Council in providing clear policy intent and a supportive regulatory environment was emphasised. A clearly stated vision and policy objectives for the LGA's retail future were seen as key factors in providing retailers and businesses with confidence and certainty regarding potential investment in additional capacity. The importance of land use regulation capable of accommodating innovative business models and 'experience-based' retail was also stressed.

Multiple participants also noted the significance of effective transport linkages (both road and rail) between the LGA's major activity nodes of Ipswich CBD and Springfield Central. Although this lies largely outside of the remit of local government, it was agreed that this infrastructure would play a significant role in economic development and patterns of retail activity should it proceed.

3.5 Key implications

The analysis and stakeholder engagement summarised in this section have found a number of trends that are important to be cognisant of in developing centres policy in the Ipswich LGA moving forward, namely:

The **changing profile of retailing**, with online platforms, the impacts of COVID and a general shift towards convenience overall. That means customers want value for time and money, resulting in the predominance of large chains (whether it be major supermarket chains or in big boxes). Those store types are here to stay, and will account for a significant proportion of retail spending that isn't happening online. The challenge for planning authorities then, is to manage them in a way that benefits centres and communities.

A closely related issue lies in **restricting out of centre retailing**. Both supermarkets and big box retail are business models that can easily proliferate across the urban and regional landscape without much regard for the centres network and hierarchy. Indeed, the importance of value for time and money for consumers means that cheap land that is easily accessible gives an out-of-centre retailer a potentially winning advantage over their centre counterparts, whilst increasing the level of car travel and reducing any sense of community in a given neighbourhood.

Finally, to counterbalance those effects, the **emerge of the experience**. Whether it be café culture, entertainment or the rapidly expanding wellness industries, all three have one thing in common: the need to belong and interact in the community. That is the ever important role of centres and places in the urban and regional fabric, and it's at the very essence of why the community needs planning. The challenge then, is to ensure that the most important hubs of activity in the LGA (Ipswich and Springfield in particular) encourage that, and retailers in those centres are innovating to develop spaces that achieves those outcomes as a means for attracting more footfall and spending.

For Council, these shifting trends in retailing will challenge the predictability of centers planning. Much of this report's analysis from here focuses on the dynamics of supply and demand between competing centers driven by population growth. Whilst that will remain the primary determinant of center trade, this sector is now highly prone to constant disruption. Council's role is therefore to find ways for its higher order and mid range centers to remain relevant even in the face of significantly reduced retail storefront demand (should that come to pass).

4. Existing Centres and Floorspace Supply

4.1 Overview

In forecasting the future growth of retail floorspace, SGS has built a gravity model spanning Ipswich LGA and significant neighbouring centres in the Brisbane LGA (e.g. Jindalee, Mt Ommaney, Forest Lake). This approach takes a mathematical approach to modelling and understanding how people purchase their goods within a city. A subregion-wide approach is important because the flow of goods and services from a consumer perspective does not stop at a municipal boundary.

The first step then is to understand the current supply of retail floorspace across the study area. SGS has captured the supply of retail floorspace across strategic centres (such as Springfield or Ripley), to small neighbourhood centres (such as Collingwood Park or Winston Glades). The following sections describe the method in calculating floorspace supply.

Section 5 then focuses on the demand-side component of the modelling process. The modelling analysis and implications are described in Section 6.

4.2 Approach

Retail supply has been derived through the use of Google data, which is supplemented with external datasets and manual auditing for key shopping centres. The technique has the following steps:

1. Download business point data and blending it with building footprint data obtained from the PSMA 'Geoscape' dataset.
2. Estimate the floorspace of each business within each building, and then aggregate this floorspace into retail categories.
3. Manually check any buildings with a quantum over a certain threshold.
4. Sum floorspace for each building into centres, drawing where possible on the hierarchy of retail centres outlined within local policy.

Outputs are adjusted based on data from the Property Council of Australia, with the largest centres manually audited. The reason this approach is used is because shopping centres often exist across multiple levels, whereas typical street level retail exists only at the ground level. Relying purely on the automated method would not capture any retail that occurs across multiple levels.

One caveat with this method is that it only focusses on identified 'retail' floorspace, as defined by ABS retail categories (See Appendix C – SGS Retail To ABS Retail Categories). It eliminates any non-retail floorspace that is often defined as retail 'services', as opposed to 'goods'. Therefore, retail services such as massage clinics, doctor's surgeries, banks, etc are moved out of this audit of total retail supply.

Those retail services then form part of the commercial floorspace assessment, specifically as the 'population serving' commercial component (see Section 7 for the analysis).

4.3 Retail centre classifications

Once retail floorspace has been calculated at a building level, the next step is to aggregate floorspace up to the centre level. Centres are classified through a blend of planning documentation, land use zoning, business location points and desktop review. Some centres are contained entirely within their zoning boundary.

Some centres extend slightly beyond their zoning boundaries. That is because a centre's economic activity may not be perfectly aligned to the administratively-defined zone.

For the purposes of the retail gravity model, centres are categorised into a retail hierarchy.

This categorisation is based on the following hierarchy.:

- Principal (Ipswich CBD, Springfield Central)
- Major (Ripley, Yamanto, Goodna[20])
- District (Booval, Redbank Plaza)
- Local (Raceview, Kruger)
- Neighbourhood/Strip (Warrego Highway, School Street Redbank Plains)

Note that these categories have been used for generations and are based on the retail and economic function of the centres rather than the policy designation – which can vary across jurisdictions. Where possible, this hierarchy has been made concordant with that described on page 16 of this report (which was the policy designation). However, as we need to model current consumer behaviour within the LGA, we do revert to a centre's economic function (that is specifically, comprised of its current floorspace provision, tenant mix and performance), rather than the strategic position assigned to it within council policy.

Table 3 demonstrates an alignment between these two systems of classification for major centres within the LGA for the higher order centres, along with the audited floorspace found in those centres.

[20] Whilst Goodna is currently classified as a Major Centre, its size (11,600sqm) would suggest it below to the District Centre category. This is discussed further in the sections below as the analysis in the document progresses.

4.4 Existing supply of floorspace within Ipswich

Current Floorspace Profile

TABLE 3 CENTRE AND FLOORSPACE CATEGORISATION, STUDY AREA MAJOR CENTRES

Name	Policy Hierarchy[21]	Supermarket	Other Food	Hospitality	Clothing	Household Goods	Other Retail	Department Stores	Total	Major anchor tenants
Springfield Central	Principal centre	13,488	987	8,825	8,237	23,786	3,964	16,539	75,826	Woolworths, Coles, Aldi, Target, Big W
Riverlink[22]		10,723	2,093	3,727	5,129	13,096	7,441	15,315	57,524	Woolworths, Coles, Aldi, Target, Kmart
Ipswich		4,593	734	8,147	2,307	14,255	3,640		33,676	Coles
Ipswich Centre Total (Including Riverlink)		*15,316*	*2,826*	*7,437*	*11,873*	*27,351*	*11,081*	*15,315*	*91,200*	*Woolworths, Coles, Aldi, Target, Kmart*
Goodna	Major Centre	3,526	348	4,834	532	2,018	353		11,611	Woolworths
Ripley		4,151	600	600		491	500		6,343	Coles
Redbank Plaza	District Centre	12,420	531	3,156	1,526	3,566	5,175	20,761	47,135	Coles, Aldi, Big W, Kmart
Booval		5,169	646	1,229	5,311	11,32	2,985	9,842	36,506	Woolworths, Aldi, Big W
Redbank Plains		13,754	1,555	736	5,359	1,409	1,307	6,371	30,491	Woolworths, Coles, Aldi, Foodworks, Target
Yamanto		3,986	1,969	300	4,595	5,041	624		16,516	Woolworths, Aldi
Springfield[23]		2,623	1,048	520	1,527	2,835	379		8,932	Coles

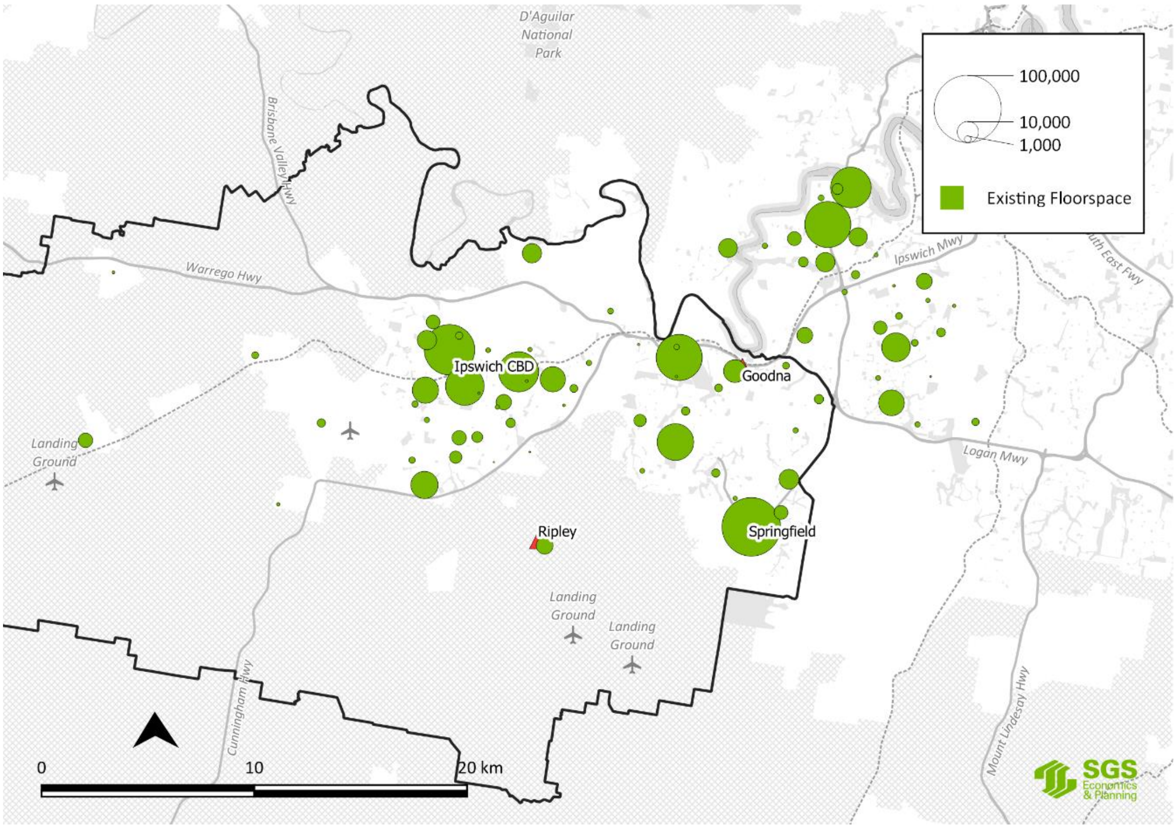
[21] As defined under the Ipswich City Council Draft Strategic Framework
[22] For modelling purposes, Riverlink is a separate sub-regional centre. This reflects the current disconnected nature of the Ipswich City Centre. Nonetheless it is acknowledged that better integration between the two sides of the river could help the entire city centre function better as a single node.
[23] Does not include Brookwater, Springfield Fair

Name	Policy Hierarchy[21]	Supermarket	Other Food	Hospitality	Clothing	Household Goods	Other Retail	Department Stores	Total	Major anchor tenants
Brassall		6,253	630	590	867		311		8,650	Woolworths, Aldi
Karalee		5,000	500	400	700	1,353	478		8,432	Woolworths, Coles
Silkstone	Local Centre	4,155			827	318	58		5,358	Coles
Springfield Lakes			405	199	2,514	1,254	78		4,450	IGA
Winston Glades		2,706	266	163	300		217		3,652	Drakes
Collingwood Park		2,817	272		257		237		3,583	Woolworths
Raceview			258		1,995	348	136		2,737	Grocery store
Kruger Parade		824	201		370		187		1,582	Foodworks
North Ipswich				188	241	820			1,249	
Redbank			326		59	182	94		661	
Pine Mountain Road	Neighbourhood Centre	719	655		2,382	267	520		4,543	
Augustine Heights		898	230		504				1,632	IGA
Goodna South		1,163	0		169		217		1,548	IGA
The Oaks		1,102	272		169				1,542	IGA
Gailes			76		337	355	355		1,123	
Leichhardt		170	76		356		365		967	
Dinmore		461			317				778	
Camira			308		263		191		762	
East Ipswich		127	248		136	100			612	
School Road					263		324		587	

Name	Policy Hierarchy[21]	Supermarket	Other Food	Hospitality	Clothing	Household Goods	Other Retail	Department Stores	Total	Major anchor tenants
Grange Road			240		88		203		530	
Gledson Street			171		152		176		499	
Marburg					123		114		237	
Blackstone				188			37		224	
Glebe Road				135	76				211	
Whitehill Road					178				178	
Riverview							171		171	
Flinders View					81				81	

A spatial representation of existing floorspace is illustrated in Figure 10. The bulk of existing floorspace is located in Ipswich CBD and the surrounding area, Springfield, and to the east around Redbank. Floorspace was captured to the north-east of the Ipswich LGA to ensure that any residential expenditure in the Brisbane LGA were appropriately drawn to their nearest centres.

FIGURE 10: EXISTING SUPPLY OF FLOORSPACE ACROSS THE IPSWICH LGA AND SURROUNDS



Multi-Criteria Analysis

Criteria have been developed to account for people's propensity to shop in certain locations due to their unique physical and environmental attributes. This has formed the basis for a qualitative multi-criteria analysis (MCA) which provides a ranking of major centres based on their perceived desirability as shopping destinations.

A score of 0-2 for each criterion is given for existing Principal, Major and District Centres based on their corresponding attributes.

FIGURE 11: MULTI-CRITERIA ASSESSMENT SCORES

0	1	2
Does not meet criteria to any extent	Meets criteria to some extent	Meets criteria to a good extent

TABLE 4 ASSESSMENT CRITERIA

Theme	Label	Criteria	Weighting
Tenant Offering	1.1	Presence of retail anchors	80%
	1.2	Diverse tenant mix (retail and non-retail)	70%
	1.3	Presence of entertainment/recreation uses	60%
Amenity	2.1	Environmental quality	40%
	2.2	Presence of natural amenities (e.g. parks, waterfront etc)	60%
	2.3	Recently constructed/upgraded	80%
Access	3.1	Accessibility via public or active transport	50%
	3.2	Availability of car parking	50%

Criteria development

Retailing is becoming increasingly complex, driven by a broad range of factors beyond (but not excluding) the value of merchandise sold.[24] Consumer choice of where to access goods and services remains closely linked to proximity and travel time, but is also driven by a diverse range of attributes which contribute to a centre's overall attractiveness.

In order to account for inputs of centre attractiveness which are less easily quantified, an MCA has been used to score centres based on eight criteria, shown in Table 4. Criteria cover three areas of centre attractiveness:

1. Tenant Offering
2. Amenity
3. Access

The following subsections outline the basis for the development and weighting of these criteria.

Tenant Offering (1.1 – 1.3)

In 2016, researchers involved in estimating catchment area extents for retail centres across the UK noted that those centres towards the upper end of a retail hierarchy typically offer a 'multi-purpose and comparison shopping' experience.[25]

There is substantial evidence to suggest that multi-purpose centres which combine a range of commercial, retail, entertainment and recreational uses are more attractive destinations for consumers. "Tenant mix (retail and non-retail) affects the success of the mall, because a proper tenant mix can attract more patrons and thus increase the sales of retailers".[26] This effect can largely be attributed to the time and cost benefits accrued to consumers travelling between centres.

Although it is not possible to completely formulate an ideal tenant mix, the presence of anchor stores has been shown to generate a larger footfall.[27] As such, the presence of retail anchors has been included as a criterion, in line with other modelling approaches.[28]

Amenity (2.1 – 2.3)

In evaluating the suitability of their model for determining retail catchment areas, Dolega et al (2016) note that a remaining weakness of their existing method is its failure to account for environmental factors which have been found to influence consumer perceptions of a retail centre.[29]

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[24] Dennis, C 2005, 'Central Place Practice: Shopping Centre Attractiveness Measures, the 'Break Point', Catchment Boundaries and the UK Retail Hierarchy', https://link.springer.com/chapter/10.1057/9780230509481_7
[25] Dolega, L, Pavlis, M & Singleton, A 2016, 'Estimating attractiveness, hierarchy and catchment area extents for a national set of retail centre agglomerations', https://www.sciencedirect.com/science/article/pii/S0969698915300412#bib61
[26] Kunc, J, Krizan, F, Bilkova, K, Barlik, P & Maryas, J 2016, 'Are there differences in the attractiveness of shopping centres? Experiences from the Czech and Slovak Republics', https://cyberleninka.org/article/n/868667/viewer
[27] Teller, C & Reutterer T, 'The evolving concept of retail attractiveness: what makes retail agglomerations attractive when customers shop at them?', https://www.sciencedirect.com/science/article/abs/pii/S0969698907000239
[28] Dolega et al 2016
[29] Dolega et al 2016

This is corroborated by Kunc et al (2016), who explored the role these environmental factors play in determining centre attractiveness. The researchers consider 'atmosphere' as a key input in this regard, referring to the perceived amenity and experience offered by the spatial characteristics of a centre.[30]

Other definitions of atmosphere as a marker of centre attractiveness refer to the presence of nature and natural assets such as parklands or waterfronts nearby.[31]

New construction has also been added as a criterion to reflect the novelty and enhancements to environmental quality offered by new shopping malls. These new shopping centres are often better suited to current consumer tastes and retail trends, with the incorporation of recreational and entertainment floorspace. Within the Ipswich LGA, Springfield Central provides an example of this, with the Orion Lagoon and Event Cinemas providing non-retail uses co-located with traditional retail offerings.

Access (3.1 – 3.2)

In addition to measures of travel time by private vehicle provided for in other components of the model, parking availability and public transport accessibility have been included as MCA criteria.

A substantial body of research notes the importance of car parking as a contributor to centre attractiveness.[32] This could be considered especially important in the Ipswich LGA context, given the predominance of private vehicle use.

The availability of public transport connections near to a shopping centre may also influence the choice of place of purchase.[33] It was also considered important to include this criterion from a strategic perspective, given objectives within the 2019 Draft Ipswich Planning Scheme for development of centres around public transport nodes.

The is also a significant health benefit for people who become more engaged with active transport modes in lieu of using their car. The Australian Transport Assessment and Planning Guidelines (ATAP 2016) list numerous benefits associated with active transport including reductions in health costs, environmental impacts, road congestion and vehicle operating costs. Active transport also encourages greater levels of pedestrianisation to help active street frontages and improve amenity for retail and hospitality businesses.

Criteria Weighting

Weightings for each of these criteria have been developed to reflect their perceived importance within the context of the Ipswich LGA, based on method of travel, typical centre offering and centre mix. For instance, given that centres in the LGA consist mostly of suburban shopping centres within ample car parking, this has been given a lower weighting to allow for centres to be differentiated from one another.

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[30] Kunc et al 2016
[31] Karlsson, S & Nilsson, M 2017, 'What makes a city centre attractive from a consumer perspective? A comparison between residents and visitors of Kristianstad city centre', https://www.diva-portal.org/smash/get/diva2:1114796/FULLTEXT01.pdf
[32] Timmermans, H 1996, 'A stated choice model of sequential mode and destination choice behaviour for shopping trips', https://www.scopus.com/record/display.uri?eid=2-s2.0 0029797812&origin=inward& txGid=1e503cc9d79066d05 76cae63dec2b685
[33] Karlsson & Nilsson 2017

These weightings, combined with the scoring provided in Figure 12, have produced scores and centre rankings shown in Figure 13. These scores have been used as inputs to weight centre attractiveness within the retail gravity model.

Therefore, unique spatial centre attributes are properly accounted for to provide a more nuanced calculation of each centre's 'pull' within the retail gravity model.

Note that the MCA provides weightings for centre attractiveness based on current centre attributes only for a couple of reasons:

- The MCA measures current attributes to provide an accurate picture of the existing distribution of retail expenditure across the LGA.
- Future floorspace is already accounted for by the model, and will influence centre attractiveness when it is phased in.
- Accounting for future scenarios would introduce speculation and additional subjectivity.

Scoring

FIGURE 12: MULTI-CRITERIA ANALYSIS

	Centre[34]	1.1 Presence of retail anchors	1.2 Diverse tenant mix (retail and non-retail)	1.3 Presence of entertainment/ recreation uses	2.1 Environmental quality	2.2 Presence of natural amenities (e.g. parks, waterfront etc)	2.3 Recently constructed/ upgraded	3.1 Accessibility via public or active transport	3.2 Availability of car parking
TZ/Zenith	Weight	80.0%	70.0%	60.0%	40.0%	60.0%	80.0%	50.0%	50.0%
2921	Ipswich City Centre	2	2	2	1	1	1	2	1
3055	Springfield Town Centre	2	1	2	2	2	2	2	2
3116	Goodna Centre	2	1	0	1	0	1	2	2
2986	Ripley Valley Town Centre	2	1	0	1	1	2	1	2
2865	Booval	2	1	0	1	0	1	1	2
2930	Brassall	2	0	0	1	0	1	2	2
3171	Karalee	2	0	0	1	0	2	0	2
3149	Redbank Plains	2	1	1	1	0	2	1	2
3126	Redbank Plaza	2	1	2	1	0	0	2	2
3025	Rosewood	1	1	1	1	1	0	1	2
3066	Springfield Fair	2	1	2	1	1	1	2	2
2963	Yamanto	2	0	1	0	0	0	1	2
1110	Jindalee	2	1	1	1	1	0	0	2
1099	Mount Ommaney	2	1	0	1	0	0	1	2
1014	Forest Lake	2	0	0	1	0	0	1	2

Source: SGS Economics and Planning

[34] Note that these assessments are based on current centre attributes/centre performance. For centres that will clearly grow such as Ripley Centre, we have avoided making speculative assessments of floorspace that is yet to be constructed.

MCA Weighting and Ranking

FIGURE 13: MCA FINAL RANKINGS

Score	1.1 Presence of retail anchors	1.2 Diverse tenant mix (retail and non-retail)	1.3 Presence of entertainment/ recreation uses	2.1 Environmental quality	2.2 Presence of natural amenities (e.g. parks, waterfront etc)	2.3 Recently constructed / upgraded	3.1 Accessibility via public or active transport	3.2 Availability of car parking	Total	Index	Percentile
Weighting applied	80.0%	70.0%	60.0%	40.0%	60.0%	80.0%	50.0%	50.0%			
Ipswich City Centre	1.6	1.4[35]	1.2	0.4	0.6	0.8	1	0.5	6.7	1.3	1.45
Springfield Town Centre	1.6	0.7	1.2	0.8	1.2	1.6	1	1	9.1	1.8	1.45
Goodna Centre	1.6[36]	0.7	0	0.4	0	0.8	1	1	5.5	1.1	1.08
Ripley Valley Town Centre	1.6	0.7	0	0.4	0.6	1.6	0	1	5.9	1.2	1.16
Booval	1.6	0.7	0	0.4	0	0.8	0.5	1	5	1.0	0.98
Brassall	1.6	0	0	0.4	0	0.8	0.5	1	4.3	0.8	0.84
Karalee	1.6	0	0	0.4	0	1.6	0	1	4.6	0.9	0.90
Redbank Plains	1.6	0.7	0.6	0.4	0	1.6	0.5	1	6.4	1.3	1.25
Redbank Plaza	1.6	0.7	1.2	0.4	0	0	0.5	1	5.4	1.1	1.06
Rosewood	0.8	0.7	0.6	0.4	0.6	0	1	1	5.1	1.0	1.00
Springfield Fair	1.6	0.7	1.2	0.4	0.6	0.8	1	1	7.3	1.4	1.43
Yamanto	1.6	0	0.6	0	0	0	0.5	1	3.7	0.7	0.88
Jindalee	1.6	0.7	0.6	0.4	0.6	0	0	1	4.9	1.0	0.96
Mount Ommaney	1.6	0.7	0	0.4	0	0	0.5	1	4.2	0.8	0.82
Forest Lake	1.6	0	0	0.4	0	0	0.5	1	3.5	0.7	0.69

Source: SGS Economics and Planning

[35] Note that Ipswich CBD has double the score of Springfield on this measure. Based on pure diversity of uses stretching beyond retail, Ipswich is currently ahead, with its civic, public sector/administration type uses among others. That said, Springfield Town Centre is currently working on diversifying its offering as well, and so is likely to 'catchup' over its next expansionary phases.

[36] Scoring is limited to 0-2 to remove as much subjectivity as possible. For this criteria specifically, the presence of one or more major anchors has been seen as sufficient to meet this criteria.

Proposed floorspace/centres

Figure 14 provides a spatial representation of both existing and proposed floorspace across the Ipswich LGA and surrounds. The clearest observation is the large amount of proposed floorspace expected to be appearing across the Ripley Valley and in Springfield. Floorspace expansion in the more established parts of the LGA (Ipswich CBD and Goodna[37]) are expected to be more modest. Whilst Ipswich does currently pass the size and function threshold of its status as a Principal Centre, the same cannot be said for Goodna, which would need more floorspace and activity to retain its position as a Major Centre.

FIGURE 14: PROPOSED RETAIL FLOORSPACE EXPECTED ACROSS THE IPSWICH LGA

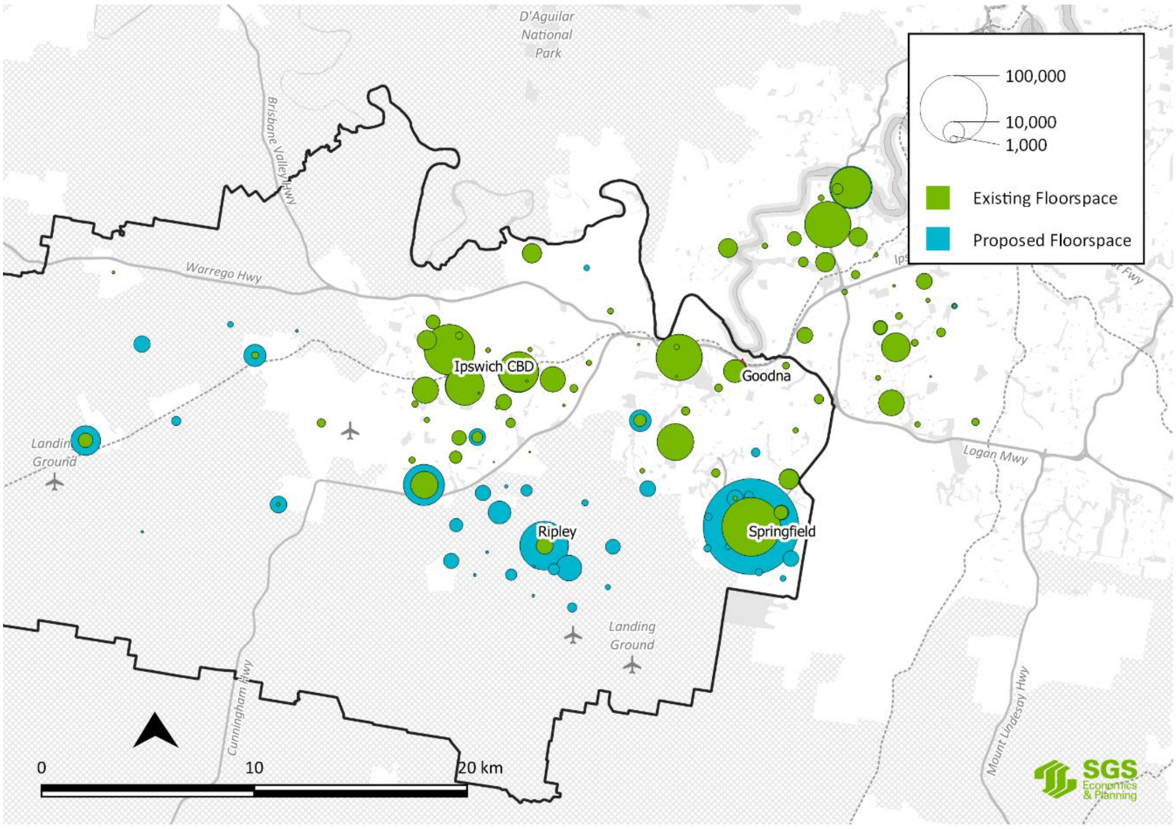


Table 5 (shown below) provides a breakdown of retail projects expected to deliver substantial additional retail floorspace to the LGA by 2041. It should be noted that this is distinct from development capacity, and consists only of projects which are currently in the initial planning, design or construction phases as of November 2020.

While there may be capacity for additional retail floorspace under existing development controls, this is not considered to provide an accurate expectation of future floorspace over a given time course, due to the complexity of site-by-site considerations in the development process. Note that presently strict

[37] This is a problem for Goodna given its current designation as a Major Centre. This issue is explored further in Section 8.

capacity constraints under planning controls only exist for Springfield and Ripley. This is discussed further below in Section 4.5 and 4.6.

Note that as centres expand with more floorspace, their role in the hierarchy may shift. As such a centre could rise up the hierarchy if reaches certain floorspace thresholds and starts performing a higher order function. This is revisited later in the report after the proposed supply is aligned with demand in the gravity modelling exercise.

TABLE 5: MAJOR FUTURE FLOORSPACE PROPOSED/UNDER CONSTRUCTION[38]

		Proposed Retail Floorspace								
Precinct	Policy Hierarchy[39]	Completion[40]	Supermarket	Other Food	Hospitality	Clothing	Household Goods	Other Retail	Department Store	Total
Brookwater	District	2021	4,000	400	200	500	200	300	-	5,600
Brookwater South	Neighbourhood	2026	1,000	200	150	200	150	150	-	1,850
Kalina[41]	Neighbourhood	2026	1,000	200	150	200	150	150	-	1,850
Raceview	Local	2026	3,215	250	-	120	-	200	-	3,785
South Redbank Plains	Neighbourhood	2026	4,000	400	200	500	200	300	-	5,600
Spring Mountain North	Neighbourhood	2026	500	200	100	200	100	100	100	1,300
Spring Mountain South	Neighbourhood	2026	500	200	100	200	100	100	100	1,300
Springfield Lakes South	Local	2026	4,000	400	200	500	200	300	-	5,600
Yamanto	District	2026	3,920	1,250	1,500	1,500	5,300	1,600	6,600	21,670
Collingwood Park	Neighbourhood	2031	5,000	600	300	700	300	500	-	7,400
Cumner Road	Local	2031	2,200	750	300	750	500	500	-	5,000
Deebing Heights East	Local	2031	1,000	500	200	500	400	400	-	3,000
Grampian Drive MNC	Local	2031	3,000	200	200	300	200	200	-	4,100
Ripley Road MNC	Local	2031	3,500	500	300	500	300	300	-	5,400

[38] Note that this is a summary table and includes only projects located centres categorised as ‘Neighbourhood’ and above.
[39] The policy hierarchy refers to the proposed draft Strategic Framework
[40] Rounded to following Census period. Larger centre floorspace amounts are typically built over phases prior to the final completion year.
[41] Kalina is located in the suburb of Springfield.

Ripley West MNC	Local	2031	3,500	500	300	500	300	300	-	5,400
Ripley West DC	District	2031	3,000	1,500	1,500	1,500	1,500	1,000	2,000	12,000
Willowbank	Local	2031	4,000	400	400	500	300	400	-	6,000
Coleman Road	Local	2036	850	250	200	250	200	250	-	2,000
Grande Avenue	Neighbourhood	2036	500	200	100	200	100	100	100	1,300
Ripley East NC	Neighbourhood	2036	900	500	201	500	400	400	-	2,901
Ripley East DC	District	2036	4,000	1,500	1,500	2,000	2,000	2,000	2,000	15,000
Thagoona	Local	2036	4,000	400	400	500	300	400	-	6,000
Thagoona NC	Neighbourhood	2036	850	250	200	250	200	250	-	2,000
Ripley	Major	2041	10,500	1,900	5,000	9,000	8,400	3,700	8,000	46,500
Ripley Rd NC (Satterley)	Neighbourhood	2041	1,000	500	200	500	400	400	-	3,000
Rosewood	District	2041	6,000	600	600	3,500	700	600	3,000	15,000
Springfield Central	Principal	2041	12,300	9,200	15,860	15,900	31,500	20,100	23,000	127,860
Walloon	District	2041	4,000	600	400	1,000	400	600	3,000	10,000
Total			**92,235**	**24,350**	**31,411**	**43,770**	**56,800**	**35,600**	**47,900**	**332,066**

4.5 Adequacy of current supply

SGS's gravity model is calibrated based on the assumption that the retail system is currently in equilibrium, with retail floorspace supply roughly equal to retail floorspace demand and no large under-provision or over-provision of floorspace for particular retail commodity types. This is a standard assumption in many retail models and reflects the difficulty in obtaining accurate measures of current turnover in retail centres outside of large shopping centres.

As SGS's model assumes that retail supply and demand is balanced in the base year, it is usually assumed that relative increases in the retail performance of centres will translate into increases in floorspace demand. However, if some centres are currently performing poorly or there is more retail floorspace in an area than could be supported by the demand generated by the local population, this assumption cannot be made. In this case, increases in the performance of certain centres should rather be interpreted as improving their viability but not generating additional floorspace demand.

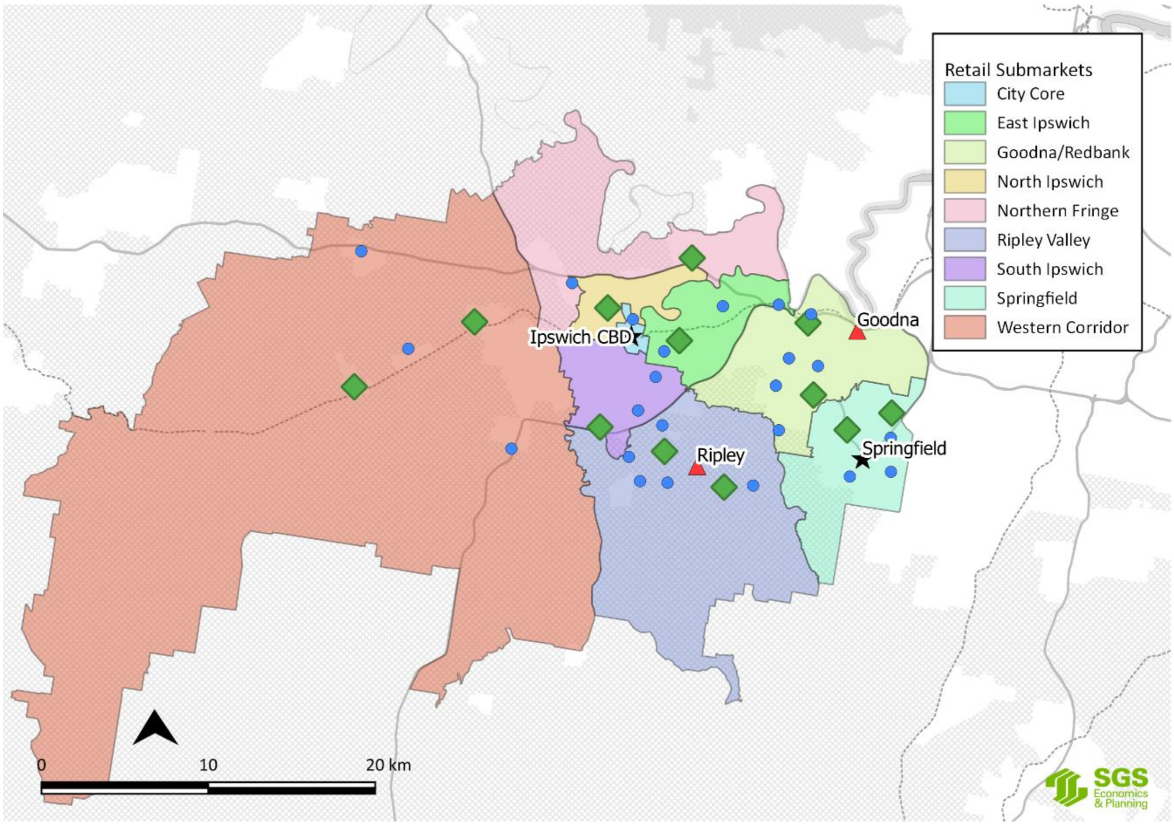
Current retail provision rates (amount of floorspace per person) provide an indication of the retail supply demand balance in an area. These were calculated by dividing the total floorspace (as estimated in this study) by the population in each sub-catchment in the model's base year. The resulting rates are shown in Table 6 for the Ipswich LGA and its sub-catchments, with a map of the sub catchments shown in Figure 15.

TABLE 6: RETAIL PROVISION RATES (SQM/PERSON) ACROSS IPSWICH'S SUBCATCHMENTS CELLS ARE COLOURED BASED ON THEIR VALUE

Sub-catchment	Supermarket or other food	Clothing	Hospitality	Household goods	Other Retail	Department Store	Total
City Core	3.00	1.23	1.97	4.53	1.83	2.54	**15.10**
Northern Fringe	0.33	0.02	0.04	0.08	0.03	0.00	**0.51**
North Ipswich	0.38	0.04	0.16	0.05	0.04	0.00	**0.67**
East Ipswich	0.39	0.06	0.25	0.79	0.12	0.31	**1.91**
South Ipswich	0.27	0.01	0.26	0.51	0.04	0.08	**1.17**
Goodna/Redbank	0.54	0.06	0.21	0.11	0.12	0.38	**1.43**
Western Growth Corridor	0.34	0.10	0.05	0.08	0.11	0.00	**0.68**
Ripley Valley	0.21	0.00	0.03	0.03	0.02	0.00	**0.29**
Springfield	0.44	0.20	0.31	0.62	0.10	0.37	**2.02**
LGA Total	**0.46**	**0.10**	**0.24**	**0.43**	**0.12**	**0.27**	**1.62**

Source: SGS Economics and Planning 2021

FIGURE 15: RETAIL SUB CATCHMENTS ACROSS THE IPSWICH LGA



Current provision rates can be compared with benchmark provision rates that would be expected if all expenditure generated within the LGA was captured within the LGA, and Ipswich's centres had similar trading performance to average enclosed shopping centres across Australia. These benchmarks were calculated using the following method:

1. Estimate the total retail expenditure by commodity type generated by the population of the Ipswich LGA (this is the same estimate that feeds into the retail model as discussed in the next chapter), accounting for local demographics and expenditure patterns.
2. Divide by the total population of the Ipswich LGA in the base year to calculate per-capita retail expenditure by commodity type.
3. Generate nation-wide average retail turnover densities (RTDs, which are a measure of retail turnover per square meter) for different kinds of centres and for each retail commodity group using average retail turnover data sourced from Urbis. The averages form benchmarks for different kinds of centres, with some kinds of centres generally having better trading performance than others. This provides a range of expected RTDs.
4. Divide LGA per-capital expenditure by the lowest and highest benchmark retail turnover densities for each commodity type, excluding values appropriate to city centres like the Sydney or Brisbane CBD.

The variation between the maximum and minimum RTDs gives a floorspace range within which retail provision would be expected to lie, which is shown in the table below, benchmarked against the sub-catchment provision rates from Table 6. Blue cells indicate where there is a higher than benchmark rate of provision, whilst red cells indicate a lower rate.

Overall, there is currently slightly more floorspace per person in the LGA than the benchmark. This is particularly the case for Clothing, Household Goods and Department Stores. Clothing and Department Stores is noteworthy as both categories have struggled in recent years and the forecast is not strong. Household Goods oversupply on the other hand, is less concerning given that the forecast population growth in the LGA over the next 20 years will facilitate new household formation which would in turn generate strong demand for household goods.

TABLE 7: EXPECTED RETAIL PROVISION RATES IN THE IPSWICH LGA

Sub-catchment	Supermarket or other food	Clothing	Hospitality	Household goods	Other Retail	Department Store	Total
City Core	3.00	1.23	1.97	4.53	1.83	2.54	**15.10**
Northern Fringe	0.33	0.02	0.04	0.08	0.03	0.00	**0.51**
North Ipswich	0.38	0.04	0.16	0.05	0.04	0.00	**0.67**
East Ipswich	0.39	0.06	0.25	0.79	0.12	0.31	**1.91**
South Ipswich	0.27	0.01	0.26	0.51	0.04	0.08	**1.17**
Goodna/Redbank	0.54	0.06	0.21	0.11	0.12	0.38	**1.43**
Western Growth Corridor	0.34	0.10	0.05	0.08	0.11	0.00	**0.68**
Ripley Valley	0.21	0.00	0.03	0.03	0.02	0.00	**0.29**
Springfield	0.44	0.20	0.31	0.62	0.10	0.37	**2.02**
LGA Total	**0.46**	**0.10**	**0.24**	**0.43**	**0.12**	**0.27**	**1.62**
Benchmarks:							
Low range	*0.45*	*0.04*	*0.10*	*0.07*	*0.08*	*0.26*	*0.98*
High range	*0.53*	*0.07*	*0.24*	*0.30*	*0.12*	*0.33*	*1.59*

Source: SGS Economics and Planning 2021

At a sub-catchment level, provision is generally low in the growth areas (Ripley Valley and the Western Growth Corridor) where there are currently few retail premises, but additional retail development in these areas is expected in the future. North and South Ipswich and the Northern Fringe generally have low retail provision rates.

Retail provision rates are very high in the City Core as this area has a sub-regional retail role but very little population. Given the retail role, this does not necessarily indicate an oversupply overall, particularly for clothing, hospitality, household goods and department stores, where consumers generally are willing to travel further for their products/services. The supermarket provision does appear to be high, although there is a case for encouraging shoppers into the CBD on a more frequent basis to boost footfall .

Supermarket and other food floorspace provision are nonetheless at the lower end of the range across the LGA. While it would be expected to be distributed across the LGA to some degree given people mostly shop for food near home, some areas have much lower provision areas. Provision in established suburban areas is lowest in South Ipswich[42] followed by East and North Ipswich.

Clothing, hospitality and other retail floorspace are within or slightly above the expected bands, indicating adequate overall floorspace supply. However, they are all low in North Ipswich and the Northern Fringe, while clothing and other retail are low in South Ipswich.

The household goods provision rate is much higher than the high range of the expected band. This likely reflects the presence of large bulky goods premises with low RTDs rather than an overprovision of floorspace.

Department store floorspace provision is at the lower end of the expected range for the LGA. There are only discount department stores in the LGA (as opposed to Myer or David Jones), requiring people to travel outside the LGA to access more expensive department stores. This is likely to be one of the causes of a relatively low department store provision rate, although Department Stores are closing en masse across the country, including in Ipswich LGA. There are also two centres near the boundaries of the Ipswich LGA which contain discount department stores (Mount Omnaney and Forest Lake), and so may capture some of the trade originating in the LGA. As a result, the relatively low provision rate for department stores in the LGA is unlikely to represent a gap in the local retail market. However, Department stores are also likely to be heavily impacted from increased competition from online retail in the future, counteracting any current small undersupply.

Retail accessibility

Mapping the accessibility of retail centres provides an additional lens through which to view gaps in current retail floorspace supply. The on-road accessibility of major supermarkets (defined here as a Woolworths, Coles, Aldi, Costco or IGA of a similar size to a full-line supermarket) is shown in the figure overleaf. This is a proxy for general access to a large retail centre (which would be expected to include a supermarket) for every part of the LGA.

Access to a supermarket is also important for convenience of shopping for day-to-day essential goods, which is a critical function of local centres. In general, people may be willing to walk *up to* 1km to a supermarket (or in a regional area which applies to parts of the Ipswich LGA, willing to drive up to 1km), but are likely to drive if the distance is much higher. Most established urban and suburban parts of Australia have a supermarket within 3km, and where there is no supermarket within this distance access to retail may be less convenient (depending on the ease of travel on the road network).

In general, while much of the LGA is within 1-2km of a large supermarket, there are also large areas containing suburban development which are more than 2km from a supermarket, and some which are 3km or more from a supermarket. In particular, Leichhardt, Camira and parts of Raceview, Riverview,

[42] Apart from the Raceview Grocery Store, residents in South Ipswich would need to travel outside this area (to Woolworths Booval, Coles Ipswich, Coles Yamanto or Coles Ripley) to have access to supermarkets.

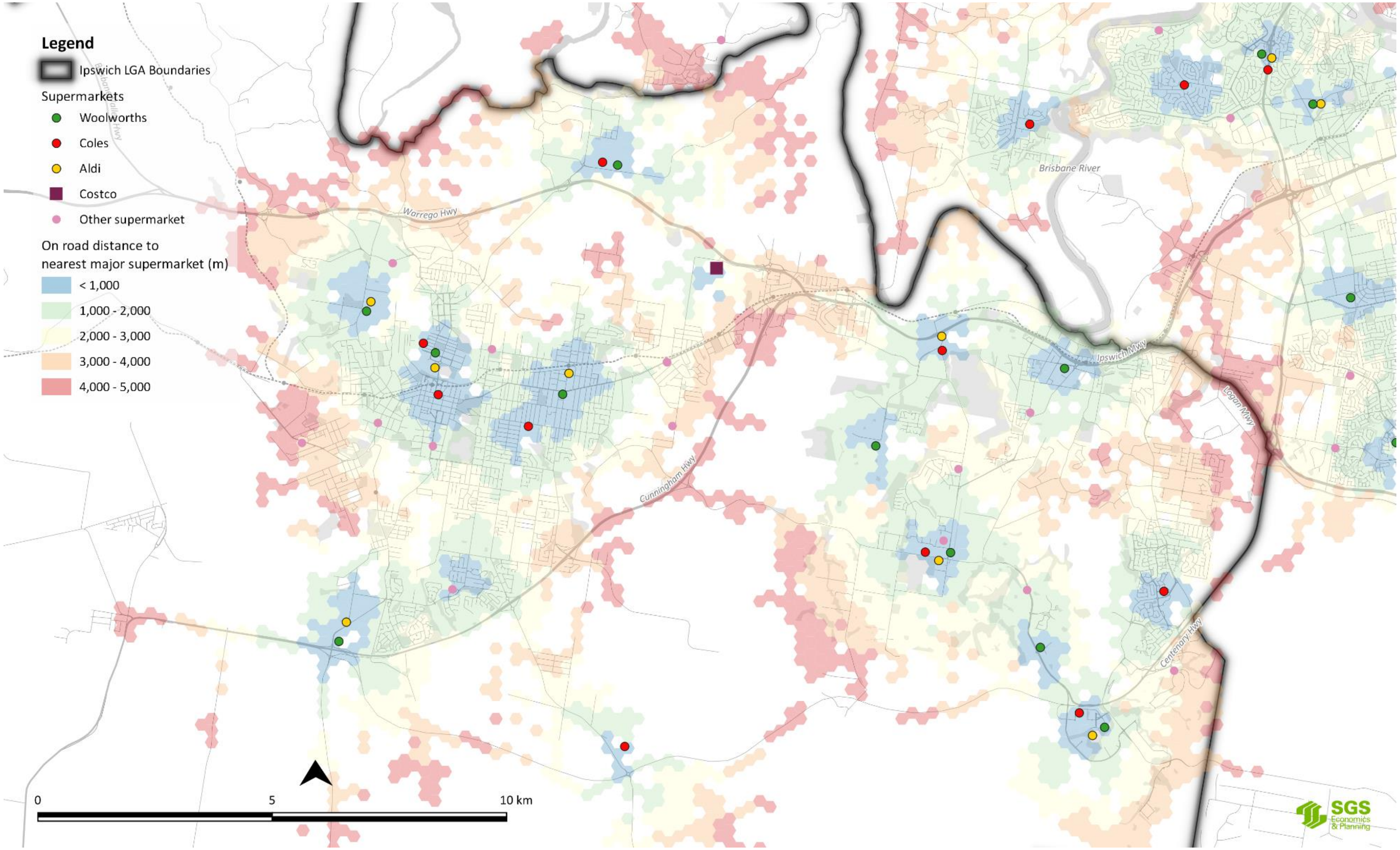
Redbank Plains and Brassall have poor access to supermarkets. Developing greenfield areas and the more rural parts of the LGA also have poor access, but access is likely to improve as the greenfield areas develop, and it is likely to be impractical to impose high retail accessibility standards on low density semi-rural or rural areas.

The analysis of retail provision rates above revealed that the South Ipswich area stretching between Ipswich City and the Ripley Valley had a relatively low food retail and other retailing provision rate, as did the North Ipswich and Northern Fringe area. Leichhardt is within the South Ipswich area, and would benefit from an increase in retail accessibility through provision of a supermarket and expansion of the local centre. There may also be scope as a result of current under provision for an additional supermarket in the area between the Ipswich Centre and the centres at Yamanto and Flinders View. The existing local centre on Raceview Road contains the Raceview Grocery Store but not a large supermarket, and may be an appropriate place for expansion in supermarket or other food floorspace provision.

The North Ipswich Area north of the Bremer River was also identified as having a low retail provision rate. There is an identified existing local centre in this area at North Ipswich which is very small and has no existing anchor tenant (including a supermarket). This centre could be expanded, although any expansion should focus only on day-to-day retail needs at the risk of competing with the Ipswich centre nearby. Otherwise, large parts of the North Ipswich area are semi-rural in character and no centres appear to be appropriate candidates for expansion and which would address notable gaps in retail accessibility and have suitably large catchment areas. A neighbourhood centre in the newer Western part of Brassall is required, noting there has been an approval for a local centre[43] on the corner of Fernvale Road and the Ipswich – Warrego Highway Connection.

[43] This approved node which is yet to be constructed not included in the modelling.

FIGURE 16: ACCESSIBILITY OF SUPERMARKETS



Source: SGS Economics and Planning 2021

4.6 Potential floorspace capacity

From existing floorspace supply we turn attention to potential floorspace capacity. That is, the volume of floorspace which *could be* developed in a centre if market demand was to be forthcoming in the future.

In the Ipswich LGA, two centres – Springfield and Ripley – have an explicitly defined level of land use mix and therefore retail floorspace totals, as shown in Table 8 below. Note that both stated capacity limits are much higher than existing floorspace supplies, effectively functioning as a long term upper limit, as such substantial growth volumes are likely to take years if not decades to achieve, even with the level of population forecast expected in the catchment areas for those two centres.

TABLE 8 TOTAL RETAIL GFA CAPACITY AT PRINCIPAL, MAJOR & DISTRICT CENTRES

Centre[44]	Future Centre Designation	Existing Retail Floorspace in Centre	Total Core Retail GFA Capacity[45]	Remaining GFA capacity available for growth
Springfield	Principal	75,826	227,860	152.034
Ripley	Major	0	70,000	70,000

For the other Principal, Major and District centres in the LGA, an indicative threshold is presented based on their level in the hierarchy, and more importantly, the role and function that this LGA needs them to play for their catchments. As shown in Table 9, these numbers are more akin to general ranges and so centres at the same level in the hierarchy have the similar thresholds placed on their upper limit capacity.

In the case of the Ipswich CBD, it should in principle have the freedom to reach parity with Springfield at the top of the retail hierarchy in the long run should the right economic conditions be generated, although 200,000 is admittedly a very high bar. The same can be said for the major centres, given Ripley has an official capacity of 70,000sqm.

Based on these indicative thresholds, all Principal, Major and District centres will have ample capacity to grow.

[44] Centre Core only
[45] Under existing planning and development controls. Source: ICC Draft LAF Area Calculations

TABLE 9 RETAIL GFA CAPACITY – INDICATIVE THRESHOLDS AT PRINCIPAL, MAJOR & DISTRICT CENTRES

Sub-catchment	Future Hierarchy	Existing Retail Floorspace in Centre	Indicative threshold GFA Capacity	Indicative residual capacity available for growth
Ipswich CBD	Principal	91,200	230,000	138,800
Redbank Plaza	Major	47,135	70,000	22,865
Booval	Major	36,506	70,000	33,494
Redbank Plains	Major	30,491	70,000	39,509
Yamanto	Major	16,516	70,000	53,484
Brassall	District	8,650	25,000	16,350
Goodna	District	11,611	25,000	13,389
Karalee	District	8,432	25,000	16,568

4.7 Implications

The audit of current floorspace and the floorspace supply pipeline provides insight into the roles and functions of centres throughout the LGA under a business as usual scenario.

The LGA's Principal Centres, Ipswich and Springfield, will continue to fulfil their role as the dominant centres throughout the LGA. However, Ipswich CBD is currently heavily reliant on Riverlink shopping centre, which is largely distinct from the CBD core across the Bremer River in its built form characteristics, with the river also representing a significant physical barrier. That said, improvements to the pedestrian connection between the Ipswich CBD and Riverlink (as part of Nicholas Street redevelopment) have helped lessen this barrier.

Further down the hierarchy, the status of Goodna as a Major Centre is not consistent with typical Major Centre size and function. After the analysis of future demand and expansion possibilities in Sections 5 and 6, Goodna's status as a Major Centre is reviewed.

Under current projections, the higher volume of retail floorspace in Springfield over Ipswich CBD will continue to widen, with over 145,000 sqm of additional retail floorspace expected to be realised in Springfield by 2041. As indicated by the MCA scoring shown in Figure 12, Springfield's spatial attributes will also support its growth, with a sufficiency of car parking and a range of recreational and entertainment facilities contributing to its overall offering.

Despite this, Figure 12 also indicates that Ipswich CBD remains a strong candidate for retail functions relative to other centres in the LGA, with opportunities linked to its fine-grained urban form, built heritage, natural amenities and established civic/community/cultural functions.

GFA thresholds currently apply to Springfield and Ripley, although as will be shown in the following sections, those thresholds are high, even for the considerable volumes of demand that is forecast.

5. Retail Demand

5.1 Approach

In this section, demand for retail floorspace across Ipswich's centres is assessed. Demand analysis and floorspace supply data are key inputs into the retail gravity model. This section focuses on retail, with analysis of commercial and other non-residential centre-based uses in Section 7.

The approach for calculating demand weighs centre quality, mass (floorspace) and accessibility against the volume and location of available expenditure in the system to estimate expenditure capture at each centre (and hence the quantity of floorspace likely to be needed) at various points in the future. It makes clear where there are shortages of retail floorspace, as well as places where there is potentially an overprovision and in doing so inform Ipswich's future planning.

Note that 'demand' refers to the level of demand for retail expenditure at a given location or centre based on consumer spending.

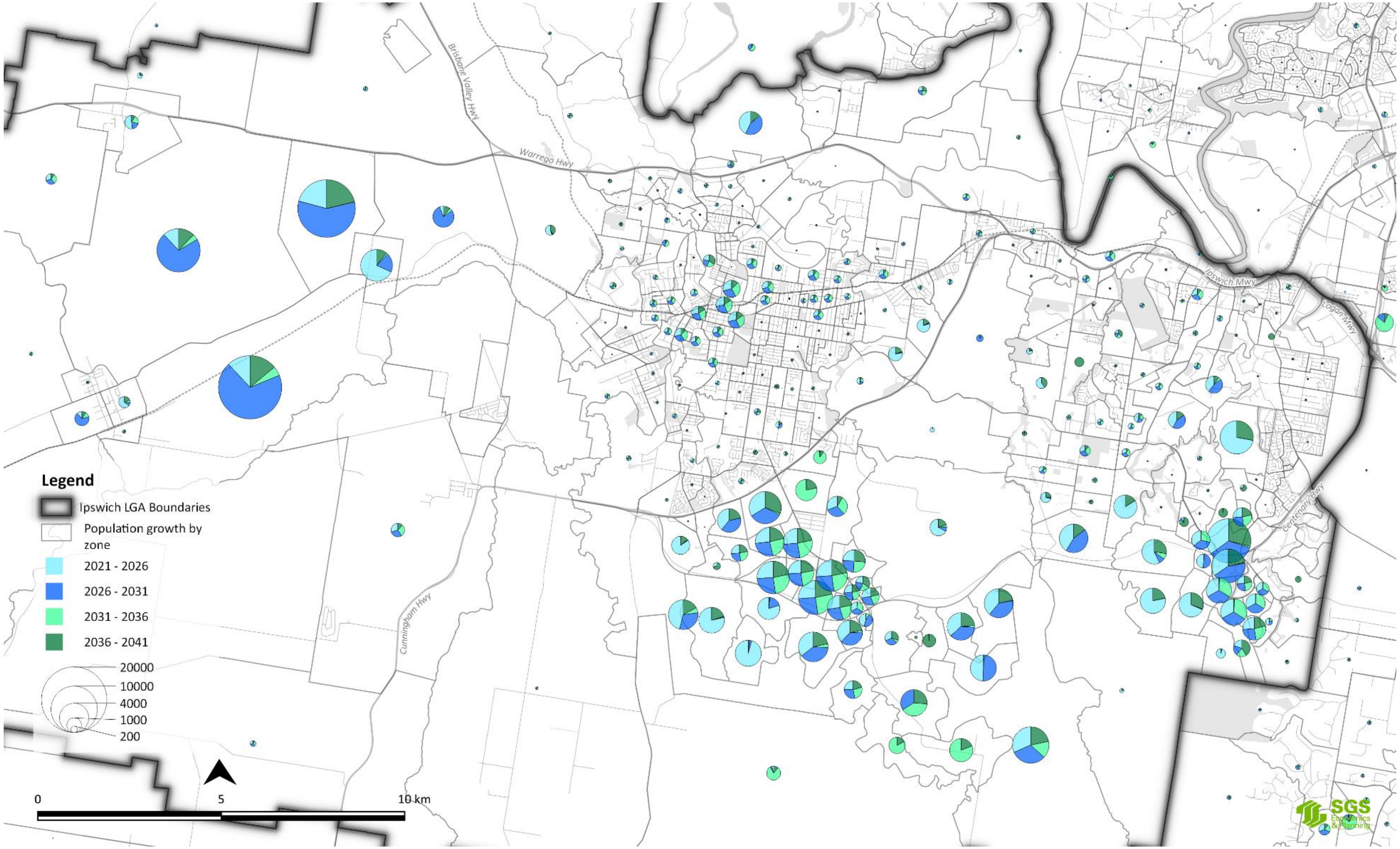
5.2 Population growth

Population growth plays a direct role in underpinning retail demand and, by extension, the long-term success of retail centres. Ipswich LGA is expected to experience a large volume of population growth by 2036, growing from 270,815 in 2021 to 518,671 in 2041. This represents an average annual growth rate of approximately 6%, according to a blend of SGS's Small Area Land Use Projections (SALUP) data and population estimates provided by Council.

Figure 17 highlights this growth at a small area (travel zone) level. The largest changes in population will occur in the southern and western portions of the LGA, around the growth centres of Rosewood, Ripley and Springfield. The Ipswich CBD is also experiencing a significant increase in population over this period.

Given their obvious role as population-serving uses, retail developments tend to concentrate and expand most aggressively in areas with highest population growth. Therefore, higher levels of retail development will be required in these areas of high growth.

FIGURE 17: POPULATION GROWTH 2021-2041



Source: SGS Economics and Planning

5.3 Local demographics

Figure 18 illustrates patterns of socio-economic advantage and disadvantage across the LGA, drawn from the Socio-Economic Index for Areas (SEIFA) dataset produced by the ABS[46].

Given that relative levels of socio-economic advantage have a close positive correlation to levels of disposable income, they can also be used as an estimation of rates of retail consumption per household throughout the LGA. Areas where this index indicates a higher level of relative advantage will therefore provide a greater incentive for retailers to locate in, as they anticipate the potential benefits of co-locating with more affluent areas.

As of the 2016 Census, suburbs surrounding the West Ipswich centre were some of the most disadvantaged areas within the Ipswich LGA, most of which are in the bottom 0 – 10th percentile relative to other areas in Australia. Established suburbs extending east of the Ipswich CBD also typically exhibit high levels of disadvantage.

South-eastern parts of the LGA tend to be more advantaged, particularly surrounding Springfield, Brookwater and Augustine Heights. Areas close to the northern boundary of the LGA also experience relative levels of advantage.

Into the future, many of these areas are expected to accommodate significant population growth, particularly in Springfield and Ripley. Early indications are that the population settling in Springfield is of a reasonably affluent demographic, which should drive sales and floorspace demand there.

Densification of the Ipswich CBD through residential development could also attract some reasonably affluent residents, population creating an impetus and driven of demand for retail goods.

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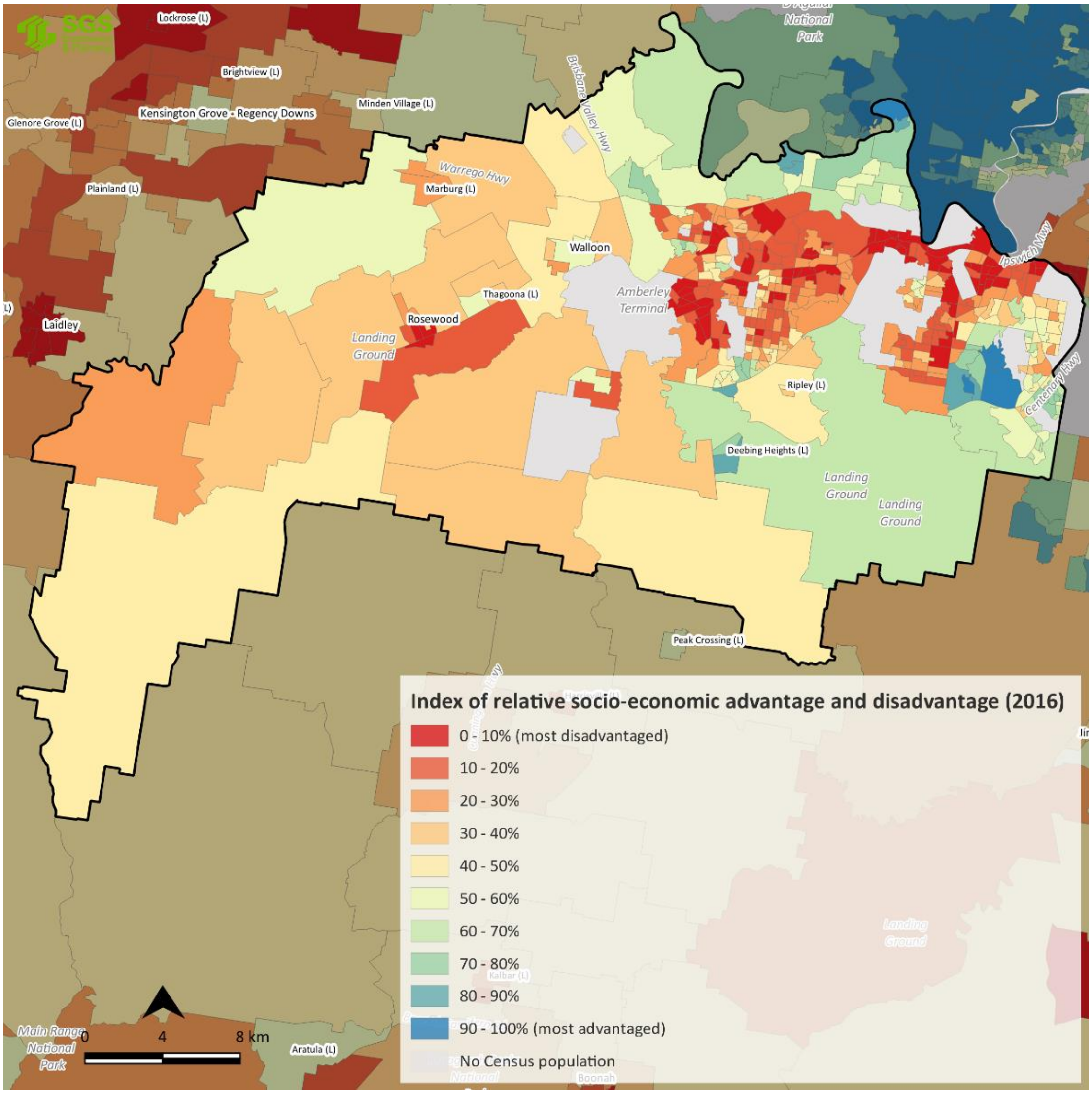
[46] Note that this is 2016 Census data, and will next be updated during the 2021 ABS Census.

FIGURE 18: INDEX OF RELATIVE SOCIO-ECONOMIC ADVANTAGE AND DISADVANTAGE (2016)



Source: ABS 2016

5.4 Expenditure forecast

Table 10 provides an estimate of estimated retail expenditure forecasts across the Ipswich LGA. Retail expenditure is comprised of spending by residents and workers within the LGA boundary. It is based on industry-standard MarketInfo data, and ABS retail spending data and is used in combination with the latest understanding of current and future population and employment numbers at a small area level. Expenditure is estimated to double from around 2.96 billion to 6.54 billion between 2021 and 2041. This equates to growth of around 118.3 per cent, or at a rate of 5.9%annually. Supermarket, Other Food, Household Goods and Hospitality are expected to grow at the fastest rate at 6.5 per cent annually. Clothing, Other Retail and Department Store spending is expected to grow by around 4 per cent. These commodities are more influenced by the growing competition from online retail.

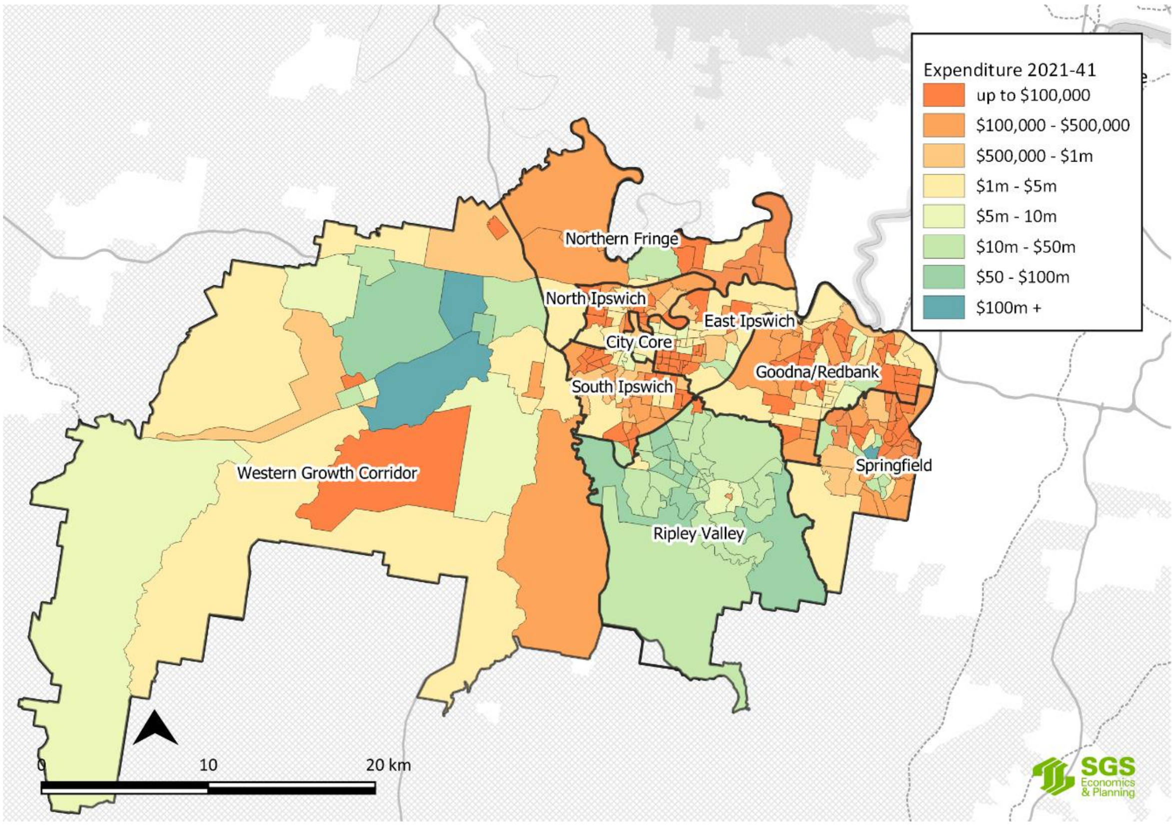
TABLE 10: EXPENDITURE FORECAST, IPSWICH 2021-2041, SCENARIO 1

Commodity	2021	2041	Growth	AAGR
Supermarket	985	2,284	131.9%	6.6%
Other Food	462	1,065	130.2%	6.5%
Hospitality and Services	377	871	131.0%	6.6%
Clothing and Soft Goods	130	241	85.9%	4.3%
Household Goods	388	878	126.3%	6.3%
Other Retail	415	763	84.0%	4.2%
Department Stores	239	437	82.9%	4.1%
Total	**2,995**	**6,538**	**118.3%**	**5.9%**

Source: ABS Household Expenditure Survey, Marketinfo data, SGS

A breakdown of expenditure growth is illustrated in Figure 19. While the LGA is experiencing a large degree of expenditure growth, this is occurring predominantly in Ripley Valley and in the northern part of the Western Growth Corridor. This distinction is expected, since these are areas set to experience a significant amount of population growth. The remaining submarkets, as established centres, are expected to remain largely stable, with moderate levels of growth in some commodities offset by decline in others due to online retail.

FIGURE 19: EXPENDITURE GROWTH 2021-41, SCENARIO 1



The role of online retail

Online retail growth scenarios are based on experimental time-series statistics of online retail market share produced by the ABS. While they are experimental, these estimates are the most relevant to the SGS retail model, as SGS uses a similar categorisation of retail expenditure.

These time series show the market share to be growing by around 0.75% per year, and as of March 2020 (prior to COVID-19) were around 7.2%[47]. As of August 2020, online retail has jumped significantly and is estimated to be around 11.0% of total retail turnover. Prior to COVID-19, online retail was growing steadily each year up until around March 2020, where it experienced a significant spike.

Projecting future online market share

Online retail spending is currently growing rapidly, and there are a variety of estimates of its size and growth rate. To reflect the uncertainty in how quickly online retailing will grow in the future, three scenarios have been modelled, and are discussed below.

Online retail market share was broken down into shares for each retail commodity based on reported market shares for various goods and services from a variety of third-party research sources, including

[47] ABS, 2020. 8501.0 Retail Trade - Table 23 | Percentage Change of total Australian Retail. https://www.abs.gov.au/statistics/industry/retail-and-wholesale-trade/retail-trade-australia/latest-release

NAB[48], IBIS World[49], and Australia Post[50]. These shares are lowest for supermarkets and hospitality and highest for department stores and clothing. Online shares for every commodity were assumed to grow in the future, although the highest growth is expected to occur in those commodities which have the highest current online retail market penetration (department stores, clothing and household goods).

The figure below shows the projection scenarios for online retail market share. In both the low and medium scenarios, the growth rate of the online market share is expected to decline in the future, reflecting a decrease in growth rates of the online retail industry. Growth in the number of customers is likely to slow in the future as almost everyone who is likely to shop online does so sometimes. In addition, it is likely that the easiest gains will be made earlier, leaving online retail competing to capture transactions which people prefer to make in-store.

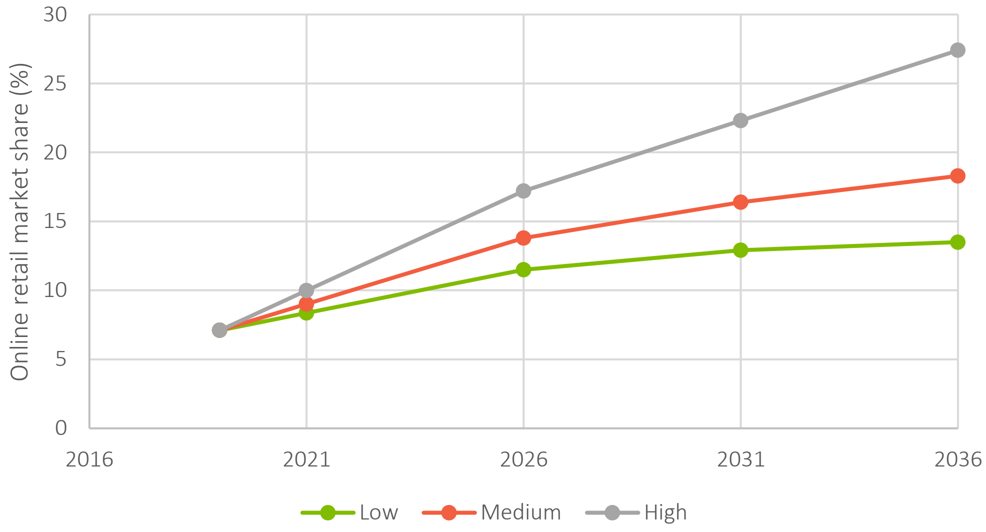
SGS adopted the medium scenario as its base, in which online retail market share growth continues at the pre-COVID trend of 0.75% per year in the short term before halving to 0.38% per year by 2036. This is predicated on the idea that various strategies and interventions centre operators, councils, and bricks and mortar retailers themselves are able to stem the loss of retail expenditure to online retailers. **The high scenario has also been adopted as part of the COVID-19 modelling scenario.**

Other scenarios represented in the table below are:

- A ‘low’ scenario, in which online retail market share growth slows to 0.5% per year in the short term, reducing to 0% by 2036.
- A ‘high’ scenario, in which online retail market share growth accelerates to 1% per year, with no reduction in this growth rate in the future. While online retail market share only reaches around 27% by 2036 under this scenario, it is much higher for department stores and clothing at almost 50%, likely posing a significant challenge to retailing in these sectors.

[48] National Australia Bank, 2020. *NAB Online Retail Sales Index, Monthly update – March 2020*. https://business.nab.com.au/nab-online-retail-sales-index-monthly-update-may-2020-41085/
[49] IBISWorld, 2020. *Online Shopping in Australia – Market Research Report. https://www.ibisworld.com/au/industry/online-shopping/1837/*
[50] Australia Post, 2020. *Inside Australian Online Shopping: 2020 eCommerce Industry Report*. https://auspost.com.au/content/dam/auspost_corp/media/documents/2020-ecommerce-industry-report.pdf

FIGURE 20: ONLINE RETAIL MARKET SHARE UNDER DIFFERENT SCENARIOS



Source: SGS Economics and Planning, 2020

5.5 Transport network

Population and demographics drive expenditure. However modelling work also needs to take into account the way that expenditure reaches centres via the transport network.

Existing network

Figure 21 illustrates the existing network of major road and rail connections across the Ipswich LGA. Although Ipswich and Springfield are both serviced by a mass transit connection, these connections currently form part of a radial system extending from the Brisbane CBD rather than a system which effectively connects existing and future centres throughout the Ipswich subregion. Services on these lines run every 30 minutes, with greater frequencies operating during peak periods.

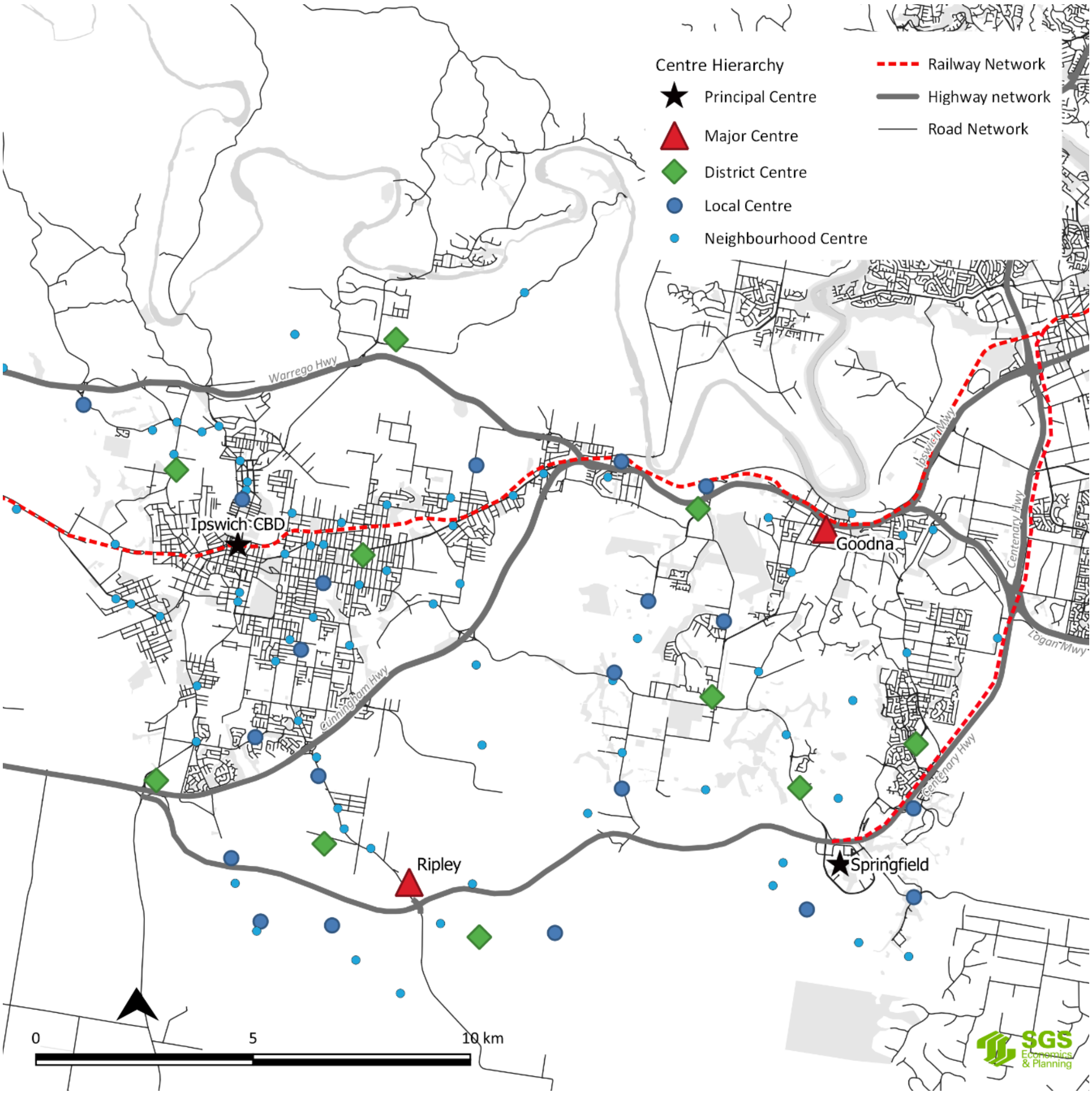
By comparison, centres throughout the LGA are well serviced by highway connections. This, combined with a car-centric urban form, has led to a significant majority of trips throughout the LGA being made by private vehicle. Most larger retail centres within the LGA are representative of this, with large areas dedicated to car parking adjacent or within shopping centres.

Bus services also operate in the LGA. The bus network serves more of a social justice function given the large areas needing to be covered in Ipswich LGA. There is one high frequency service on the 515 route.

In terms of active transport, there is a limited network across the LGA to maximise catchment potential given the dispersed urban form. Nonetheless there are some high quality links, including the Brassall bikeway, Ipswich Motorway Bikeway, Goodna Creek Bikeway.

Responding to this, SGS has constructed a travel time matrix as an input to the retail gravity model based on travel times by private vehicle. This informs the gravity model's assumptions regarding people's propensity to shop in certain locations.

FIGURE 21: EXISTING ROAD AND RAIL CONNECTIONS



Source: SGS Economics and Planning

Proposed upgrades and investments

Figure 22 shows the addition of the proposed Ipswich-Ripley-Springfield Rail connection on its present indicative alignment, following the Bremer River south from Ipswich before turning east along the Centenary Highway.

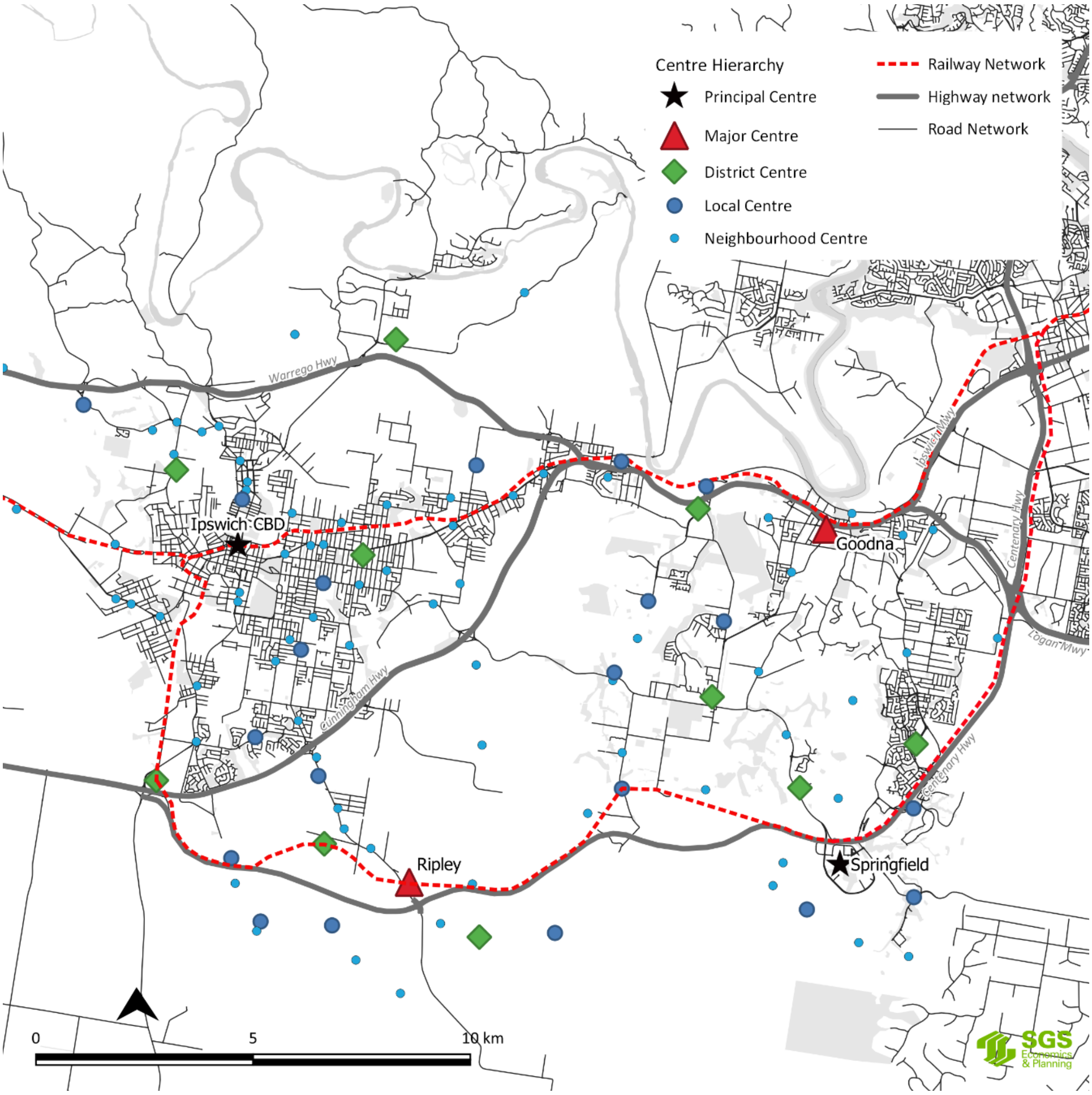
Ensuring centres are accessible can exert a strong ‘centripetal’ force, supporting growth and the clustering of uses. Where transport costs and times are high, centres are typically smaller and more dispersed. Therefore, the primacy centres are enabled in situations where access to it is time and cost efficient.

While it is unlikely that this additional transit capability will have a significant impact on the LGA’s modal share in the short-medium term, it offers a long-term proposition to alter and support patterns of settlement and retail activity across the LGA. The staging of infrastructure is significant here. If the rail line is first built from Springfield to the Ripley Valley, then Springfield would likely see the overall benefit of improved access well before the Ipswich CBD – potentially having an impact of firm location decisions.

Early provision of this transit infrastructure (particularly from Ipswich to Ripley Valley and then to Springfield) before any travel patterns are established would have a positive effect on long term transport mode shares for future residents in the growth areas. This is likely to be impactful because economic, social and community movements and connections will be established as new residents find their first shops, child-care centres, accountants and so on. The availability of cost and time effective transport routes would shape those decisions that then establishes movement patterns – hopefully along mass transit routes; generating significant net community benefits in the long run associated with reduced greenhouse gas emissions, road/car maintenance, road accidents etc. The same rationale applies to active transport modes, albeit the benefits may be significant as mass transit would apply to longer journeys.

The impacts of this network expansion should be considered in planning for future growth and land use across the LGA’s centres. That said, the full extent its effects on consumer behaviour, movement patterns and mode share are more difficult to quantify. In lieu of such inputs, SGS’s retail gravity model still focuses on private vehicle travel in testing future retail scenarios for the LGA.

FIGURE 22: PROPOSED RAILWAY NETWORK EXPANSION



6. Modelling

6.1 Approach

Introducing the gravity model

To forecast future growth of retail floorspace, SGS has built a retail gravity model. This takes a mathematical approach to modelling and understanding how people purchase their goods within a certain area – in this case the model has been applied to Ipswich and surrounding LGAs. Modelling at a broader geography is important because the flow of goods and services from a consumer perspective does not stop at a municipal boundary.

Retail gravity modelling simulates the general pattern of how individuals consume their goods within the retail hierarchy. Residents travel nearby for lower-value goods, more frequently (groceries, cafes). Residents travel further for higher-value goods, less frequently (household goods). Small neighbourhood centres are more numerous and surround the fewer sub-regional and even less strategic centres. Though residents are drawn to the larger strategic centres because of their size, residents are more drawn to neighbourhood centres in their local area, due to it offering more of their day-to-day goods in proximity to their home, or place of employment. Note that if there are fewer neighbourhood centres in the network, higher order centres can take on the role of neighbourhood centres provided they are close enough to their catchment.

How gravity model calculates demand

The SGS Retail Model is broadly based on the following formula

$$\text{Propensity to shop at a centre} = \frac{\text{“Attractiveness” of centre} \times \text{Floorspace of shopping centre}}{\text{Travel time to the shopping centre}^{n}}$$

This formula recognises that an individual is more likely to frequent more ‘attractive’ and larger centres and less likely travel to small, lower-quality centres that are further away.

The ‘attractiveness’ of a shopping centre refers to a range of visual and functional attributes. Most gravity models (such as those used for transport planning purposes) do not explicitly measure the effects of design layout or product mix. In this case, an extensive multi-criteria assessment was undertaken by SGS during its floorspace auditing process to understand the qualitative features of a shopping centre (as documented in the multi-criteria assessment in Section 4), along with the more traditional factors of current turnover and the distribution of current demand as a basis to establish a ‘current attractiveness value’ for the centre. This is then used to forecast how the centre will perform in the future given changes to floorspace (in either that centre or surrounding ones) and demand.

The rate at which travel times affect propensities is calibrated to ensure realistic catchments. This is to account for consumers going to alternative shopping centres that are based along major freeways or restricted to others based on natural barriers such as bays and rivers. This is particularly reflective of suburban, peri-urban, regional and rural retail environments, where the car is dominant.

Why are we running multiple tests?

The purpose of retail modelling is to answer several key questions to inform Council's future planning, including understanding where there may be:

- An oversupply currently and/or in the future of floorspace (retail surplus)
- An undersupply currently and/or in the future of floorspace (retail gap)
- Spatially, where will these pockets of over/undersupply most likely emerge (or are already a problem), and
- Spatially, where the most obvious areas for centres/floorspace expansion are likely to be.

It is important that this factors in the potential for the supply of floorspace in the LGA to change – recognising that some projects which are planned may not come to fruition. The impacts of the COVID pandemic are also likely to affect the demand for future floorspace to some extent. As such, three scenarios have been applied below:

- Scenario 1 – Base Case
- Scenario 2 –COVID impact adjustment
- Scenario 3 – COVID impact with additional floorspace introduced at Springfield TC
- Scenario 4 – COVID impact with additional floorspace in greenfield centres

6.2 Scenario 1 – Base Case

Key assumptions

The base case has been modelled assuming:

- The existing supply of floorspace in the LGA is the same as of November 2020
- Planned floorspace (market sources and planning documentation) has been introduced (Table 5)
- A medium scenario uptick in retail expenditure that is lost to online retail

Gap analysis

Table 11 shows the gap in retail floorspace under Scenario 1 between 2021 and 2041. It is estimated that there is a gap of around 96,000sqm, which doubles to a gap of around 184,000 square metres by 2041. The majority of floorspace gap is found in Supermarket (81,000 square metres), followed by Household Goods (78,000 square metres) and Hospitality (37,000 square metres). A small gap of around 5,000 square metres exists for both Other Food and Department Store floorspace. Retail surpluses emerge in the commodities of Clothing (+11,000 square metres) and Other Retail (+12,000 square metres).

TABLE 11: GAP ANALYSIS – IPSWICH LGA BY COMMODITY TYPE, SCENARIO 1

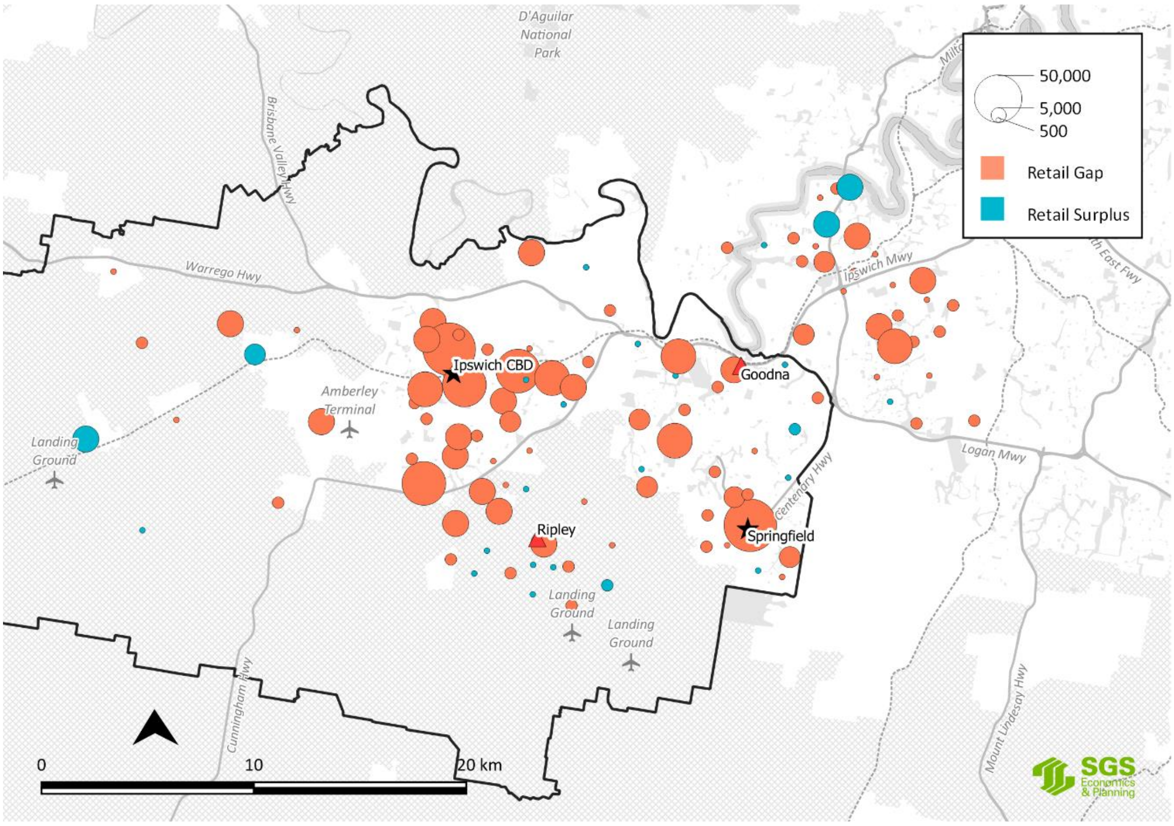
Commodity	2021	2031	2041
Supermarket	-25,177	-48,904	-81,252
Other Food	-4,725	-5,686	-5,174
Hospitality and Services	-15,307	-30,241	-36,654
Clothing and Soft Goods	-2,932	4,364	10,986
Household Goods	-32,012	-48,642	-78,245
Other Retail	-6,064	4,178	11,814
Department Stores	-9,364	-7,894	-5,174
Total	**-95,581**	**-132,827**	**-183,699**

Source: SGS, 2020.

This pattern in the different commodity groups is consistent with those that might be expected in locations with Ipswich's demographic profile and growth areas. Being more disadvantaged on average, households will typically have less to spend on discretionary items – such as Clothing and Soft Goods – compared to staples and necessities such as food which is predominantly captured by Supermarket spending. Household Goods also has a strong presence, as growth areas will tend to see new households setting up their homes, buying furniture and so on, driving demand for that floorspace type.

Figure 23 illustrates the retail gap across the LGA in 2041, which sees a broad indication of undersupply. Small pockets of undersupply exist in the Western Growth Corridor, as well as in large centres at Mt Ommaney and Jindalee. This is likely a result of these centres being in established residential areas, with floorspace types more exposed to the growing competition from online retail.

FIGURE 23: RETAIL FLOORSPACE GAP, SCENARIO 1 – BASE CASE, 2041



Source: SGS, 2020.

Table 12 shows the projected gap by centre type for the LGA. Generally, the order of gap should be in descending order from the highest order centre to the lowest order centre. In 2021, the retail gap flows in descending order. In 2041, this starts to shift, with large supermarket-based centres starting to grow in presence at the expense of sub-regional centres, though only to a moderate degree. Most notably is that specialised retail precincts (such as Bunnings/out of centre retail) start to emerge up the hierarchy, as they are drawing an increasing amount of market share. Another observation is that non-supermarket-based centres have a higher gap than smaller supermarket-based centres, indicating that the smaller neighbourhood based supermarket centres are experiencing an impact, or non-supermarket centres are better located to growing residential populations.

TABLE 12: GAP ANALYSIS – IPSWICH LGA BY CENTRE HIERARCHY, SCENARIO 1

Centre type	2021	2031	2041
Principal Centre	-41,277	-66,171	-90,787
Sub-regional centre	-19,074	-21,658	-27,063
Large supermarket-based (10,000+ sqm)	-14,697	-18,300	-29,362
Supermarket-based (<10,000 sqm)	-7,993	-5,488	-8,781
Specialised retail precinct	-7,093	-11,757	-16,270
Non-supermarket based centre	-5,447	-9,453	-11,435
Total	**-95,581**	**-132,827**	**-183,699**

Source: SGS, 2020.

The retail gaps for each centre were aggregated to retail submarkets (See Figure 24). The purpose of this is to apply a broader strategic lens to retail undersupply and oversupply across the LGA, rather than viewing gaps singularly at a single centre. Decisions are then made based on the broader trends and in line with the intended aims of the retail hierarchy.

FIGURE 24: RETAIL SUBMARKETS ACROSS THE IPSWICH LGA

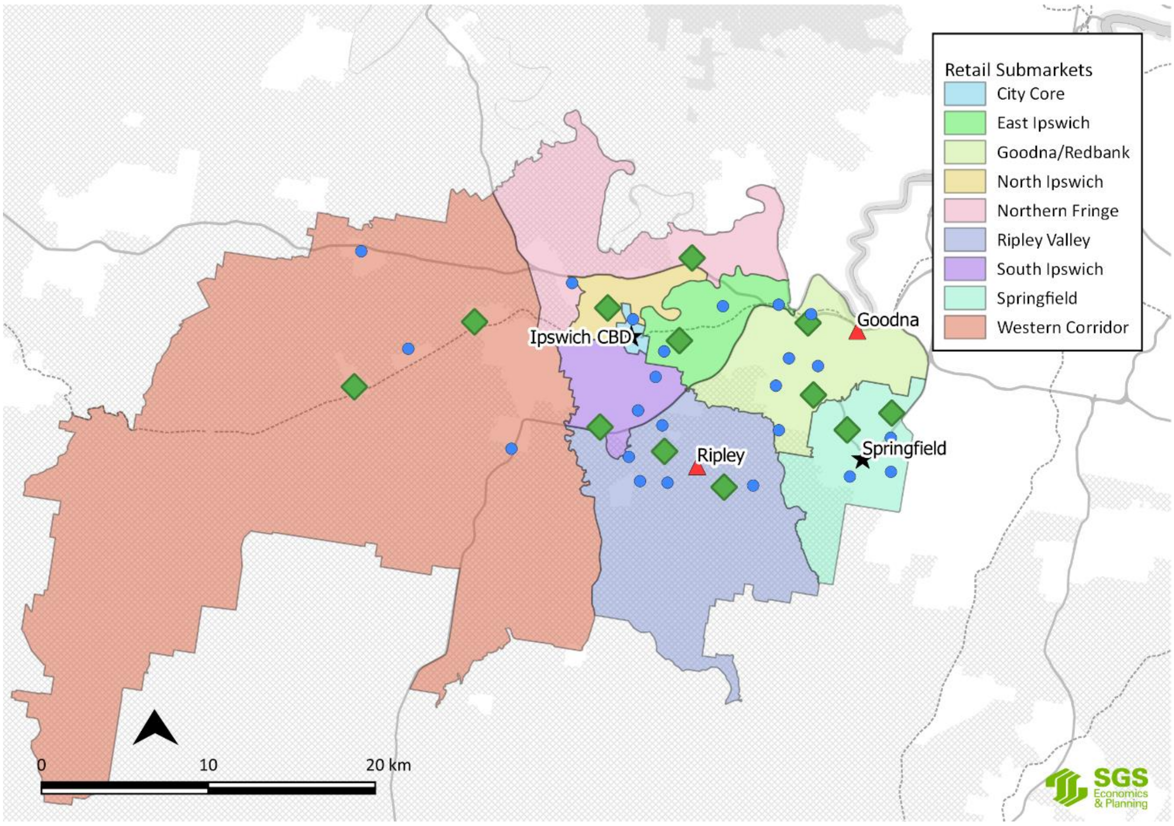


Table 13 breaks down these retail submarkets into various commodity groups in the future (for the year 2041). It finds that the Springfield submarket is likely to have a retail gap of around 52,000 square metres, followed by City Core with 41,000 square metres, South Ipswich with 31,000 square metres and East Ipswich with 26,000 square metres. There are minor retail gaps in North Ipswich (6,000 square metres) and the Northern Fringe (4,000 square metres). The Western Growth Corridor is expected to have a minor oversupply of retail of around 2,000 square metres.

Supermarket is the commodity with the highest retail gap with 81,000 square metres, closely followed by Household Goods on 78,000 square metres and then hospitality floorspace on 37,000 square metres. Minor retail gaps emerge for Other Food and Department Store floorspace with around 5,000 square metres. Retail surpluses emerge for Clothing and Other Retail floorspace of around 10,000 square metres.

TABLE 13: RETAIL GAP BY SUBMARKET, BY COMMODITY – SCENARIO 1, 2041

	Supermarket	Oth Food	Hospitality	Clothing	Hsld Goods	Other Retail	D'pmt Store	Total
City Core	-10,863	-1,450	-7,626	758	-19,103	-298	-2,682	**-41,263**
East Ipswich	-6,697	-846	-3,811	400	-14,107	193	-1,201	**-26,070**
North Ipswich	-3,520	-459	-1,317	152	-473	41	0	**-5,575**
South Ipswich	-7,010	-1,620	-6,624	744	-18,424	420	1,041	**-31,474**
Goodna/Redbank	-17,784	5	-2,938	1,486	-791	2,372	-401	**-18,051**
Springfield	-25,764	-821	-11,990	5,742	-22,452	7,817	-4,484	**-51,952**
Ripley Valley	-6,992	-202	-572	1,092	-2,408	851	194	**-8,036**
Western Growth Corridor	443	365	-1,594	507	6	312	2,357	**2,396**
Northern Fringe	-3,065	-145	-181	105	-493	105	-0	**-3,674**
Total	**-81,252**	**-5,174**	**-36,654**	**10,986**	**-78,245**	**11,814**	**-5,174**	**-183,699**

Key implications

A gap of 183,000 square metres in 2041, indicates that there is a broad undersupply of retail across the LGA. Under this scenario, there is a need to plan for a significant amount of additional floorspace, particularly in higher order submarkets of Springfield and the City Core. It is a positive sign that the City Core is not significantly impacted by the significant amount of additional floorspace that has been introduced.

A key consideration however is that this analysis has factored in a *medium* uptake of online retail spending. This has a large impact on retail analysis, as it means there is a reduced amount of residential spending that goes to bricks and mortar retail. Subsequent scenarios are undertaken under the assumption of a high trend uptake in online retail, which is more reflective of the current retail environment due to COVID-19. It is also a more conservative estimate, meaning a more conservative planning response.

6.3 Scenario 2 – COVID-19 Impact

Key assumptions

Scenario 2 has been modelled assuming:

- The same levels of existing and planned floorspace as the base case
- A structural shift to more expenditure being lost to online retail (See 'high' scenario in Figure 20)
- A 10 per cent rise in activity around Neighbourhood centres, to account for a growing rise in remote working

Gap analysis

Table 14 shows the resultant gap in retail floorspace under Scenario 2 between 2021 and 2041. There is a significant reduction in gap from Scenario 1 from around 184,000 square metres to 17,000 square metres. This is largely attributable to a higher shift towards online retail, particularly for Clothing, Household Goods, Other retail and department store floorspace which is more vulnerable to online purchasing.

The commodities with the highest retail gap are Supermarket with 56,000 square metres and Hospitality with 35,000 square metres. This is reasonable given that the future of retail is likely to be around more perishable items less exposed to online retail, as well as a shift from consumption to retail services and experiences, such as cafés, pubs and restaurants.

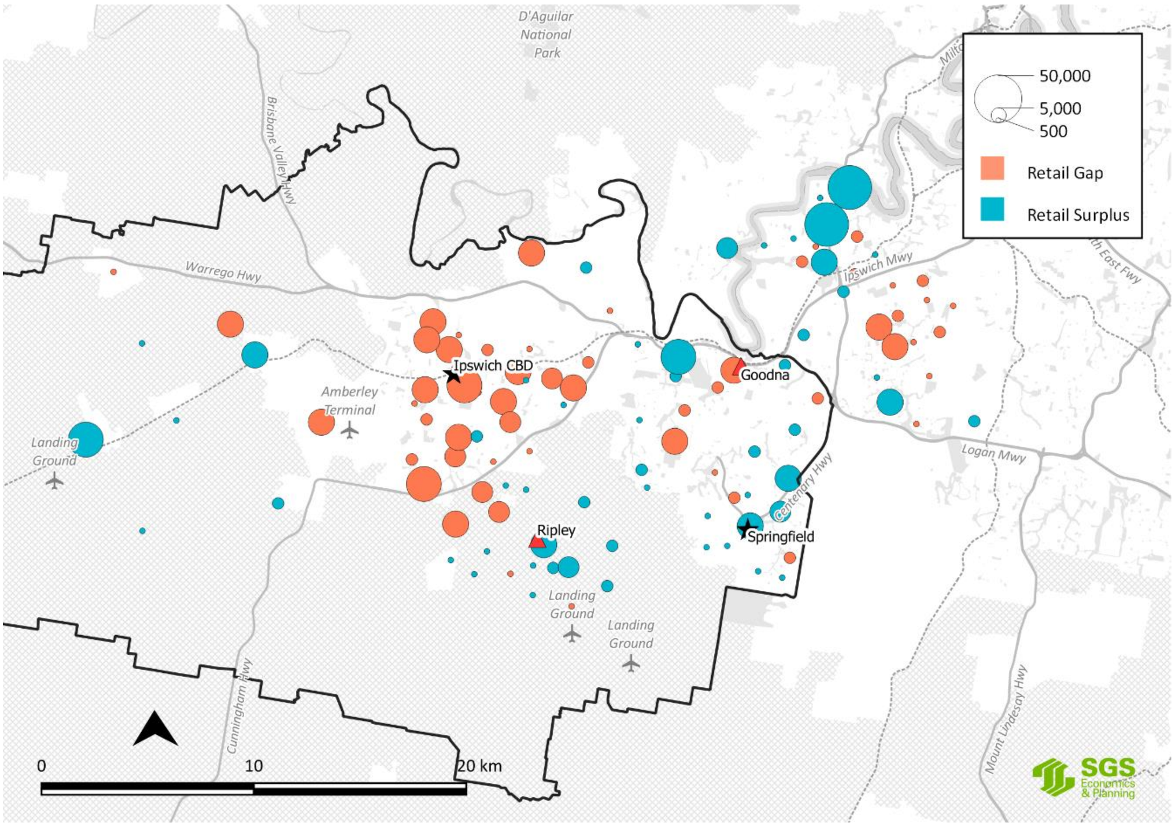
TABLE 14: GAP ANALYSIS – IPSWICH LGA BY COMMODITY TYPE, SCENARIO 2

Commodity	2021	2031	2041
Supermarket	-23,921	-40,244	-56,067
Other Food	-4,572	-4,449	-1,556
Hospitality and Services	-15,853	-30,881	-34,750
Clothing and Soft Goods	-1,604	9,669	20,740
Household Goods	-28,537	-23,581	-6,350
Other Retail	-4,823	10,874	27,963
Department Stores	-6,130	9,538	33,417
Total	-85,440	-69,075	-16,603

Source: SGS, 2020.

Figure 25 illustrates the spatial impacts under the second scenario, with higher online retail leakage. Centres with a higher proportion more exposed to online retail are now projected to experience an oversupply of retail floorspace. This is best illustrated in the centres of Ripley, Springfield and Redbank, with centres outside of the LGA experiencing an even greater impact from online retail. A number of centres surrounding the Ipswich CBD seem to be relatively resilient under this scenario, which is likely a result of their floorspace composition.

FIGURE 25: RETAIL FLOORSPACE GAP - SCENARIO 2, 2041



Source: SGS, 2020.

Table 12 shows the projected gap by centre type for the LGA under scenario 2. Similar to scenario 1, there is a reasonable pattern of gap according to the centre hierarchy. Also like scenario 1, this pattern changes over time, though is likely accelerated due to the impacts of online retail. Sub-regional, large supermarket centres and small supermarket centres experience a significant loss of retail gap, indicating that much of their floorspace expenditure is likely to be impacted through online leakage. It indicates that more may need to be done to support Sub-regional and small supermarket centres into the future.

TABLE 15: GAP ANALYSIS – IPSWICH LGA BY CENTRE HIERARCHY, SCENARIO 2

Centre type	2021	2031	2041
Principal Centre	-36,744	-32,501	-8,446
Sub-regional centre	-16,130	-8,115	1,435
Large supermarket-based (10,000+ sqm)	-13,749	-12,173	-6,147
Supermarket-based (<10,000 sqm)	-7,472	-2,675	4,088
Specialised retail precinct	-6,207	-6,521	-3,142
Non-supermarket-based centre	-5,139	-7,089	-4,392
Total	-85,440	-69,075	-16,603

Source: SGS, 2020.

Table 16 highlights the retail gap by submarket and commodity under scenario 2 for 2041. It finds that unlike scenario 1, where significant shortages were identified across most submarkets and commodities, there is a much more nuanced story emerging in a high online environment. Springfield, which in Scenario 1 had a shortage of around 52,000 square metres is now projected to end up with a surplus of 6,000 square metres. This represents a loss in retail demand of around 58,000 square metres. Other centres to experience large losses include the City Core (from a gap of 41,000 square metres to a gap of 13,000 square metres), South Ipswich (retail gap of 31,000 to retail gap of 11,000 square metres) and East Ipswich (retail gap of 26,000 square metres to 7,000 square metres). The data suggests that only centres around the inner and middle ring of Ipswich are expected to hold a retail gap under this environment. All other centres experience a shift to excess supply by 2041, with the exception of the northern fringe.

This shift is due to the vulnerability of key commodity groups. It should be noted that there are still retail gaps across all centres for the more perishable commodity groups of Supermarket and Hospitality. A small retail gap still exists for household goods, with all remaining groups experiencing large shifts to a retail surplus/oversupply.

TABLE 16: RETAIL GAP BY SUBMARKET, BY COMMODITY – SCENARIO 2, 2041

	Supermarket	Oth Food	Hospitality	Clothing	Hsld Goods	Other Retail	D'pmt Store	Total
City Core	-8,194	-1,074	-7,400	2,419	-5,207	3,301	3,159	-12,997
East Ipswich	-4,852	-624	-3,671	849	-2,216	1,344	2,396	-6,775
North Ipswich	-2,466	-306	-1,259	308	-7	279	0	-3,451
South Ipswich	-4,725	-1,032	-6,386	1,072	-4,966	1,386	3,962	-10,688
Goodna/Redbank	-11,747	367	-2,708	2,285	1,902	4,458	8,454	3,011
Springfield	-18,929	435	-11,460	10,751	2,461	13,368	9,862	6,490
Ripley Valley	-4,442	235	-268	2,120	1,004	2,576	2,479	3,705
Western Growth Corridor	1,508	523	-1,433	758	501	974	3,104	5,935
Northern Fringe	-2,218	-79	-166	179	176	277	0	-1,832
Total	-56,067	-1,556	-34,750	20,740	-6,350	27,963	33,417	-16,603

6.4 Scenario 3 – COVID-19, with additional floorspace at Springfield Central

Key assumptions

Scenario 3 has been modelled assuming:

- The same levels of existing floorspace as the base case
- The same levels of planned floorspace as the base case, with the exception of an additional 20,000 square metres of retail being added to Springfield Central, in 5,000 square metre increments every five years to better reflect the TCCP approval
- The same structural shift to online retail as Scenario 2 (See 'high' scenario in Figure 20)
- The same 10 per cent rise in activity around Neighbourhood centres, as the COVID scenario (Scenario 2)

Gap analysis

Table 11 shows the resultant gap in retail floorspace under Scenario 3 between 2021 and 2041. Unlike the previous two scenarios, the introduction of 20,000 square metres of retail at Springfield has now pushed the LGA into a broad level of oversupply by around 7,000 square metres. This is predominantly being experienced in the commodity groups of Clothing, Other Retail and Department Store, which experience the same level of vulnerability as seen in Scenario 2, though at slightly higher levels due to the additional floorspace at Springfield.

TABLE 17: GAP ANALYSIS – IPSWICH LGA BY COMMODITY TYPE - SCENARIO 3

Commodity	2021	2031	2041
Supermarket	-23,921	-39,361	-53,516
Other Food	-4,572	-3,817	430
Hospitality and Services	-15,853	-29,394	-30,464
Clothing and Soft Goods	-1,604	10,972	23,674
Household Goods	-28,537	-19,706	-1,222
Other Retail	-4,823	12,610	31,508
Department Stores	-6,130	11,797	36,953
Total	-85,440	-56,899	+7,364

Source: SGS, 2020.

Spatially there is no distinct and observable impact on the retail gap composition across the LGA. This is expected, given the small amount of additional retail that has been modelled.

Table 18 illustrates that the introduction of 20,000 square metres of additional retail floorspace at Springfield Central results in a growing level of retail oversupply at higher order centres. Principal centres have moved from a retail gap of around 8,000 square metres under scenario 2, to a retail surplus of 6,000 square metres. This is expected, given the additional floorspace has been placed into Springfield Central. Interestingly, this introduction has also increased the retail surplus at sub-regional centres. This suggests that additional floorspace at Springfield Central is impacting on sub-regional centres in Redbank. All other centres still experience retail gaps, though at varying levels of impact.

TABLE 18: GAP ANALYSIS – IPSWICH LGA BY CENTRE HIERARCHY - SCENARIO 3

Centre type	2021	2031	2041
Principal Centre	- 36,744	-25,320	5,671
Sub-regional centre	- 16,130	-6,217	4,347
Large supermarket-based (10,000+ sqm)	- 13,749	-11,135	-3,632
Supermarket-based (<10,000 sqm)	- 7,472	-1,831	6,500
Specialised retail precinct	- 6,207	-5,929	-2,419

Non-supermarket based centre	- 5,139	-6,467	-3,103
Total	**-85,440**	**-56,899**	**+7,364**

Source: SGS, 2020.

At a submarket level, the largest change in retail gap occurs in Springfield, which has shifted from a retail oversupply of 6,000 square metres to a surplus of 20,000 square metres. This is expected given the introduction of floorspace occurs at Springfield Central. Submarkets which seem to be most impacted include Goodna/Redbank (where the retail surplus rises from 3,000 square metres to 6,000 square metres) and City Core (where its retail gap of 13,000 square metres falls to 11,000 square metres). This indicates that the introduction of floorspace at Springfield impacts Goodna/Redbank to a greater degree than other submarkets. Like other scenarios, there are still significant retail gaps in Supermarket and Hospitality across most submarkets.

TABLE 19: RETAIL GAP BY SUBMARKET, BY COMMODITY – SCENARIO 3, 2041

	Supermarket	Oth Food	Hospitality	Clothing	Hsld Goods	Other Retail	D'pmt Store	Total
City Core	-7,945	-945	-6,881	2,635	-4,476	3,580	3,444	-10,590
East Ipswich	-4,683	-546	-3,350	905	-1,570	1,426	2,555	-5,263
North Ipswich	-2,380	-260	-1,148	325	14	293	0	-3,156
South Ipswich	-4,518	-828	-5,872	1,117	-4,281	1,455	4,093	-8,835
Goodna/Redbank	-10,899	575	-1,915	2,430	2,118	4,701	9,049	6,058
Springfield	-18,395	1,525	-10,015	13,005	5,171	16,067	12,151	19,509
Ripley Valley	-4,181	384	34	2,268	1,078	2,676	2,536	4,794
Western Growth Corridor	1,617	580	-1,185	798	511	1,020	3,126	6,467
Northern Fringe	-2,131	-52	-132	190	213	292	0	-1,620
Total	**-53,516**	**430**	**-30,464**	**23,674**	**-1,222**	**31,508**	**36,953**	**7,364**

6.5 Scenario 4 – COVID Scenario, with a 10 per cent uplift in floorspace at greenfield sites

Key assumptions

Scenario 4 has been modelled assuming:

- The same levels of existing floorspace as the base case
- The same levels of planned floorspace as the base case, with the exception of an additional 10 per cent floorspace across all greenfield sites to reflect minor impacts of greenfield retail.
- The same structural shift to online retail as Scenario 2 (See 'high' scenario in Figure 20)
- The same 10 per cent rise in activity around Neighbourhood centres, as the COVID scenario (Scenario 2)

Gap analysis

Table 20 finds that under this 'greenfield' scenario, there is a return to a higher level of retail gap of around 10,000 square metres. This is between the retail gap of 16,000 square metres in scenario 2 and the retail oversupply of 7,000 square metres of scenario 3. The majority of commodity groups do not differ noticeably from scenario 2, with the exception of small deviations in Supermarket floorspace. This makes sense, since the majority of greenfield sites are likely to contain supermarket floorspace. As such, the analysis modelled expansions based on proportionate increases in supermarket allowances. Under scenario 2, supermarket floorspace was estimated to have a gap of around 56,000 square metres. Under scenario 4, this gap has been reduced to around 53,000 square metres. All other commodities experience shifts in gap of around 700 square metres, which is proportionate to the allocations given to greenfield sites.

TABLE 20: GAP ANALYSIS – IPSWICH LGA BY COMMODITY TYPE, SCENARIO 4

Commodity	2021	2031	2041
Supermarket	-23,921	-38,133	-53,042
Other Food	-4,572	-3,990	-818
Hospitality and Services	-15,853	-30,446	-34,044
Clothing and Soft Goods	-1,604	9,859	21,124
Household Goods	-28,537	-23,311	-5,826
Other Retail	-4,823	11,256	28,673
Department Stores	-6,130	9,538	33,417
Total	-85,440	-65,227	-10,517

Source: SGS, 2020.

Table 21 shows the projected gap by centre type for the LGA under the greenfield scenario. Due to the smaller levels of greenfield floorspace expansion, the impact on the hierarchy does not differ noticeably from scenario 2. The largest differences occur in Principal centres (reduction in retail gap by around 2,000 square metres) and Large supermarket centres (reduction in retail gap of around 1,500 square metres). This indicates that increases to greenfield expansion impact the centres at Springfield and Ipswich CBD to a smaller degree. The changes observed in the table below are small increases to what is already occurring in scenario 2. Therefore, the small increases in floorspace at the greenfield sites does not indicate a high level of change across the hierarchy. This however, can change depending on the amount of floorspace being tested.

TABLE 21: GAP ANALYSIS – IPSWICH LGA BY CENTRE HIERARCHY, SCENARIO 4

Centre type	2021	2031	2041
Principal Centre	- 36,744	-31,062	-6,137
Sub-regional centre	- 16,130	-7,416	2,367
Large supermarket-based (10,000+ sqm)	- 13,749	-11,387	-4,807
Supermarket-based (<10,000 sqm)	- 7,472	-2,041	5,083
Specialised retail precinct	- 6,207	-6,460	-3,047
Non-supermarket based centre	- 5,139	-6,860	-3,975
Total	-85,440	-65,227	-10,517

Source: SGS, 2020.

Table 13 breaks down the retail submarkets into various commodity groups for the year 2041. There is very little deviation between the submarkets under scenario 4. This is due to the size of floorspace being tested in the greenfield scenario. Additional floorspace may illustrate greater levels of impact. Nevertheless, the centre that is most impacted by additional greenfield development is likely to be Springfield. Its retail surplus has increased from 6,000 square metres in scenario 2, to a retail surplus of 8,000 square metres. All other submarkets experience an impact to their gaps ranging from around 500 – 1,000 square metres.

The combination of an increase in floorspace at Springfield Central and a growth in retail floorspace at greenfield sites could further risk oversupplying the Springfield submarket.

TABLE 22: GAP ANALYSIS - IPSWICH LGA BY CENTRE HIERARCHY AND STORE TYPE, SCENARIO 4

	Supermarket	Oth Food	Hospitality	Clothing	Hsld Goods	Other Retail	D'pmt Store	Total
City Core	-7,815	-1,004	-7,302	2,464	-5,121	3,418	3,159	-12,201
East Ipswich	-4,581	-583	-3,613	859	-2,143	1,377	2,396	-6,288
North Ipswich	-2,341	-283	-1,241	311	-5	284	0	-3,274
South Ipswich	-4,279	-871	-6,242	1,086	-4,857	1,427	3,962	-9,773
Goodna/Redbank	-11,015	431	-2,632	2,309	1,916	4,525	8,454	3,988
Springfield	-18,100	695	-11,240	10,903	2,609	13,589	9,862	8,318
Ripley Valley	-4,430	310	-218	2,230	1,084	2,764	2,479	4,220
Western Growth Corridor	1,629	556	-1,393	781	511	1,007	3,104	6,194
Northern Fringe	-2,110	-68	-162	180	179	281	0	-1,700
Total	-53,042	-818	-34,044	21,124	-5,826	28,673	33,417	-10,517

6.6 Implications

The scenarios modelled in this section suggest that:

- Given the impacts of long (online retail) and short (COVID) term trends (Scenario 2), existing and planned retail floorspace across the LGA is close to being sufficient for meeting long term demand in most parts of the LGA, with the major exceptions being Ipswich CBD and South Ipswich.
- Further floorspace expansions over and above planned floorspace in places such as Springfield or Ripley Valley is likely to lead to trade diversions from nearby/competing submarkets. Scenario 3 demonstrates this by showing how increased floorspace at Springfield over and above existing and planned floorspace would lead to significant surplus of floorspace over nearly 20,000 sqm.
- The supermarket floorspace gap is perhaps the most significant undersupply issue for Council to consider in the long run. In most other parts of Australia where rapid population growth in greenfield areas creates supermarket floorspace undersupply, the supermarkets generally overtrade in the short-to medium term. But as long as there is sufficient coverage of neighbourhood centres that accessible and those centres have sufficient zoned land to allow new supermarkets to be built in them, the problem is less severe in the long terms as second and third supermarket chains will tend to fill the gaps and create competition.

7. Commercial demand

7.1 Commercial floorspace demand

Commercial and office floorspace can be broadly understood to be one of two types, each of which has distinctly different drivers.

- 'Population-serving' commercial activity is closely linked to demand from the local population. These commercial uses provide services for people within a relatively restricted local catchment. Typical activities include accounting, legal services, and medical services.
- 'Business-serving' commercial activities choose to locate in areas that suit the broader requirements of the business. For these uses, proximity to customers is important but sits alongside other broader locational factors. These are diverse and include:
  - access to skilled employees
  - proximity to trade gateways (i.e. ports and airports)
  - access to key business inputs, (e.g. administrative functions associated with a winery locating within a wine region)
  - the location of clusters of related businesses
  - proximity to collaborators.

The following section will assess employment within sectors likely to contribute to demand for commercial office floorspace, establishing demand for commercial office floorspace attributable to population serving and business serving uses; with significant implications for non-retail commercial floorspace demand across Ipswich's centres.

Methodology

SGS has adopted the following approach to estimating office-based employment across Ipswich LGA:

1. The ABS Census has been used to estimate employment in the Ipswich LGA by industry classification and location. Only parts of the LGA outside of industrial areas and which contain centres were considered.
2. Employment likely to occur within centres has been estimated by filtering employment at the 2-digit ANZSIC (ABS industry classification) level for industries which are likely to locate in centres and industries which are likely to locate elsewhere (for example manufacturing uses that are generally located in large facilities outside of centre zones).
3. A per-capita number of population-serving commercial jobs determined from SGS research on metropolitan wide job distributions has been used, along with population projections, to calculate the number of additional population-serving jobs expected in the LGA in each five-year interval.
4. Population serving jobs have been distributed to each part of the LGA based on the proportion of the LGA's total population growth expected in the sub-area.
5. Any commercial employment not accounted for in as a population serving job has been determined to be a strategic business-serving job.

6. Standard floor-space per job ratios of around 30sqm[51]/centre-based job were used to convert employment projections to commercial non-retail floorspace demand projections.

Employment projections for the Ipswich LGA

Table 23 shows employment projections for the Ipswich LGA which are created by the Queensland Government. While these projections only cover the period until 2036 Employment across the LGA is expected to grow from around 67,900 to around 128,800 between 2016-2041.

Much of the projected employment growth will not impact demand for commercial office floorspace, with many additional workers employed in retail outlets, on factory floors, on construction sites, or elsewhere. Furthermore, not all jobs will be located in activity centres, with many jobs based in employment precincts, in homes, or not fixed to particular addresses.

[51] Based on past SGS land use audits of commercial office uses in employment precincts and centres

TABLE 23: FORECAST EMPLOYMENT GROWTH IN THE IPSWICH LGA FROM 2016

Industry	2016-21	2021-26	2026-31	2031-36	2036-41	Average annual growth rate
Agriculture, Forestry & Fishing	-27	-11	-11	-11	-10	-1.0%
Mining	77	81	94	96	99	2.8%
Manufacturing	592	914	1,457	1,935	2,275	2.1%
Electricity, Gas, Water & Waste Services	68	77	99	82	59	1.6%
Construction	1,864	1,158	955	857	887	3.3%
Wholesale Trade	66	57	64	65	70	0.7%
Retail Trade	473	963	1,023	1,002	1,061	1.8%
Accommodation & Food Services	342	413	391	331	283	1.3%
Transport, Postal & Warehousing	154	219	273	264	296	1.2%
Information Media & Telecommunications	7	16	20	16	18	0.9%
Financial & Insurance Services	-56	-74	-16	84	130	0.2%
Rental, Hiring & Real Estate Services	169	199	219	224	259	3.3%
Professional, Scientific & Technical Services	409	471	514	526	638	2.8%
Administrative & Support Services	227	452	539	596	730	3.9%
Public Administration & Safety	482	727	793	849	898	1.7%
Education & Training	989	1,596	1,831	1,982	2,193	3.3%
Health Care & Social Assistance	1,914	3,214	3,839	4,312	4,934	4.2%
Arts & Recreation Services	31	47	55	59	66	1.7%
Other Services	254	419	487	522	595	2.8%
Total	8,035	10,938	12,626	13,791	**15,481**	**2.6%**

Source: Queensland Government employment projections

Self-containment

Note that these results from the Queensland Government are conservative through assuming that prevailing rates of employment generation and growth will continue. Whilst there is no outstanding reason to suggest that a major economic shock (whether positive or negative) is on the horizon for the Ipswich economy, one change that is possible given the high volumes of population growth projected, is an increase in the local rate of employment self-containment. The SEQ Regional Transport Plan expects that Ipswich LGA’s self-containment rate will decrease gradually over the next two decades (from 50% to 40% between 2016 to 2041). However, as explained below, this view is not consistent with market trends for how a growth area LGA like Ipswich is likely to develop in the long run.

This employment self-containment rate measures the percentage of local residents employed in local jobs. Naturally, as the population of Ipswich LGA increases, that rate of self-containment would decrease based on existing employment creation trends of the past five to ten years. That is a natural outcome, and in the short to medium term is reflective of most growth area developments.

In the long run however, businesses and local entrepreneurs will find new opportunities to service the new population in the local area, thereby helping to accelerate job creation to levels that would be higher than what would have been observed prior to that population growth. Exactly how much higher is difficult to quantify without some speculative economic modelling and depends on:

- the work of economic development in Council,
- the economic opportunities that might emerge in the area (beyond retailing),
- the work of local businesses and entrepreneurs to establish new ventures and most importantly,
- how those ventures are able to grow and scale over time to employ more local residents and eventually serve customers from beyond Ipswich.

Employment results

Using the population forecast for the Ipswich LGA (refer to the beginning of section 7.1 for method), SGS has calculated population-driven employment by region. This provides a number of jobs in each industry sector that would be expected per capita to serve the local needs of the population.

These population-serving jobs were distributed across Ipswich's sub-catchments on the assumptions that the location of demand for population-serving jobs will follow the broad location of population growth.

By subtracting this number from the 'total' office employment figures, which is calculated from standard SGS industry to land use conversion ratios, it is then possible to approximate the number of business-serving jobs expected to be generated within the LGA to 2041. The approximate breakdown of population-serving and business-serving jobs across Ipswich to 2041 is set out in Table 24 below.

The table shows a moderate increase in commercial employment within centres (excluding retail employment) in the Ipswich LGA. Population serving employment is mostly distributed to the Western Growth Corridor, Ripley Valley and Springfield where expected population growth is highest, but some growth should also be expected elsewhere.

Population serving commercial employment growth is expected to be much higher than strategic employment growth. This reflects the high forecast population growth rate of the Ipswich LGA (4.2% per annum on average) compared to the forecast employment growth rate (2.6% per annum on average). On this basis, relatively little strategic office employment growth in the LGA is likely (although going from 688 to 3,570 could still be considered significant given the low base) unless the employment growth rate increases drastically from this forecast.

TABLE 24: ADDITIONAL COMMERCIAL CENTRE-BASED EMPLOYMENT (FROM 2021 BASELINE)

Type	Location	To 2026	To 2031	To 2036	To 2041
Population serving	North Ipswich	11	27	69	96
	Northern Fringe	32	64	78	122
	South Ipswich	53	82	153	214
	East Ipswich	65	109	222	283
	Goodna & Redbank	109	224	321	492
	City Core	37	82	198	254
	Western Growth Corridor	242	1,054	1,220	1,655
	Ripley Valley	688	1,349	2,637	3,709
	Springfield	477	762	1,116	1,699
	Subtotal	*1,714*	*3,753*	*6,014*	*8,524*
Strategic		688	1,490	2,404	3,570
Total		2,402	5,243	8,418	12,094

Source: SGS 2021

Strategic employment has not been distributed between the parts of the Ipswich LGA in this modelling. Employers in this category have a choice of locations in which to locate their businesses, and so growth is likely to occur in the centres which are most competitive. Major centres like the Ipswich CBD and Springfield Centre are the most likely candidate locations within the Ipswich LGA, but will also compete with centres and precincts outside of the Ipswich LGA. Some of this increase in employment could also locate in offices within industrial areas if they offer cheaper floorspace which is relatively attractive in terms of amenity and road/rail access. The prospects of different centres with respect to office floorspace are discussed in more detail in the historical development shares section below.

Floorspace demand results

Floorspace demand resulting from this increase in employment is shown in the table below. The conversion from employment to floorspace has occurred using a standard floorspace per job ratio. However, the amount of floorspace demand may differ as a result of variations of this ratio for local or industry specific reasons.

TABLE 25: ADDITIONAL COMMERCIAL NON-RETAIL FLOORSPACE DEMAND (SQM) IN CENTRES (FROM 2021 BASELINE)

Type	Location	To 2026	To 2031	To 2036	To 2041
Population serving	North Ipswich	321	810	2,080	2,866
	Northern Fringe	955	1,926	2,336	3,667
	South Ipswich	1,581	2,462	4,601	6,428
	East Ipswich	1,958	3,262	6,660	8,484
	Goodna & Redbank	3,280	6,729	9,634	14,755
	City Core	1,123	2,467	5,942	7,624
	Western Growth Corridor	7,268	31,614	36,597	49,655
	Ripley Valley	20,649	40,457	79,114	111,268
	Springfield	14,295	22,874	33,471	50,985
	Subtotal	51,431	112,599	180,433	255,732
Strategic		20,627	44,694	72,107	107,099
Total		**72,057**	**157,293**	**252,541**	**362,832**

Source: SGS 2021

The quantity of floorspace demand on average for workers varies from place to place. In general, higher land values in central metropolitan regions mean that each worker occupies less space on average. In contrast, outer-metropolitan office space tends to be less intensively used. Other factors that can impact the intensity with which commercial office floorspace is used include office fitouts (i.e. open plan or segregated), specific work practices (i.e. 'hot desking'), and the requirement across workplaces to accommodate shared (e.g. meeting) spaces. Employment densities may differ slightly in the Ipswich LGA than in other parts of Brisbane, which would change forecast floorspace demand slightly.

7.2 Competitive position of centres for commercial development

Historical development shares

The share of the Ipswich LGA's economic growth which has occurred in different centres historically provides a guide to where growth may occur in the future, unless economic catalysts or interventions change the economic trajectories of centres. In general, those centres which have seen the most employment growth recently in knowledge intensive sectors are likely to be the most competitive locations for strategic employment.

The recent change in centre-based employment in each of the LGA's sub-catchments is shown below in Table 26. Destination zones which do not contain centres (for example industrial areas) are excluded from these statistics, similarly to the methodology for commercial floorspace demand modelling. Centre-based employment is employment in those industries which were profiled in the commercial demand modelling to be likely to locate within centres. Institutional uses like hospitals and schools are excluded from this analysis as they generally locate on specific sites and do not compete with other uses for capacity within centres. In addition, these facilities do not house 'footloose'[52] businesses, and so employment in them is not useful for understanding the competitive position of different centres. That said, it needs to be acknowledged that from a planning perspective, the uses do contribute to the overall function of the centres and help inform their place in the hierarchy.

Springfield had by far the most growth in centre-based employment between 2011-2016[53], with almost all of this employment growth centred in the Springfield centre where substantial development occurred between 2011-2016. A large amount of the recent employment growth in Springfield is likely to be population-serving given that the population is growing rapidly and new centres are being built.

TABLE 26: CHANGE IN CENTRE-BASED EMPLOYMENT 2011-2016

Location	2011	2016	Change	% of increase
Western Growth Corridor	795	770	-25	
Ripley Valley	70	136	66	2%
North Ipswich	680	664	-16	
City Core	6,436	6,720	284	10%
South Ipswich	2,653	2,937	284	10%
East Ipswich	2,855	2,947	92	3%
Northern Fringe	167	165	-2	
Goodna & Redbank	3,998	4,088	90	3%
Springfield	2,366	4,408	2,042	71%
Total	**20,020**	**22,835**	**2,815**	

Source: SGS 2021 based on ABS Census 2011, 2016

The recent change in employment in a more specific set of industries has also been profiled to better capture the competitive positioning of particular areas for strategic office-based employment. This set of industries has been termed 'knowledge-based industries', and includes:

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[52] So called due to their natural tendency to not occupy a set location for longer than weeks at a time for operational reasons.
[53] The latest time series available based on ABS Census 2011-2016

- Professional, scientific and technical services,
- Financial and insurance services,
- Real estate and property operation, and
- The arts.

Recent employment growth in centres within the LGA's sub-catchments is shown in the table below. Jobs in these sectors typically highly skilled and have high economic productivity. Health and education jobs are also highly skilled, but are not included because as noted above they are more focused in specific institutions or in population services and so are not as useful in understanding where strategic commercial employment is likely to locate.

Like employment growth in centre-based employment, growth in knowledge-based sectors is strongly concentrated in Springfield, with nearly all of the remaining growth occurring in the Ipswich City Centre. In combination, these two historical profiles suggest that Springfield and the Ipswich City Centre are currently the most important business destinations in the LGA.

TABLE 27: CHANGE IN KNOWLEDGE-BASED EMPLOYMENT 2011-2016

Location	2011	2016	Change	% of increase
Western Growth Corridor	102	99	-3	
Ripley Valley	19	17	-2	
North Ipswich	46	48	2	0%
City Core	1,088	1,271	183	23%
South Ipswich	282	315	33	4%
East Ipswich	346	318	-28	
Northern Fringe	29	45	16	2%
Goodna & Redbank	648	603	-45	
Springfield	485	1,035	550	70%
Total	**3,045**	**3,751**	**706**	

Source: SGS 2021 based on ABS Census 2011, 2016

As with centre-based employment, much of the employment growth in knowledge-based sectors between 2011-2016 may still have a population-serving rather than strategic focus (for example, local bank branches or legal services would fit within the knowledge-based category). Further profiling of the specific industries which are growing or shrinking in Springfield and the Ipswich City Core is provided in the following section to address this.

Economic profiling of Springfield and Ipswich City Core

The following table shows the industry sectors which grew the most in the Ipswich City Core between 2011-2016. Growth in the water supply, sewerage and drainage services sector, the sector with the most growth, is likely to be located in the office of a single anchor tenant. Otherwise, all of the industries with the most growth are health and education or population services. Most of the growth in these sectors was not highly concentrated in the Ipswich centre, apart from growth in hospitals and real estate.

TABLE 28: CHANGE IN EMPLOYMENT 2011-2016 IN TOP 5 GROWING INDUSTRIES IN IPSWICH CITY CORE

Industry (ANZSIC 2 digit)	City Core	LGA	% of LGA growth in City Core
Water Supply, Sewerage and Drainage Services	303	317	96%
Hospitals	282	456	62%
Medical and Other Health Care Services	207	599	35%
Preschool and School Education	201	1263	16%
Social Assistance Services	92	359	26%
Property Operators and Real Estate Services	78	149	52%

Source: SGS 2021 based on ABS Census 2011, 2016

The following table shows the industry sectors which grew the most in Springfield between 2011-2016. Like the Ipswich City Centre (and indeed across the economy more broadly), health and education and other population serving sectors feature prominently on this list. Auxiliary finance and insurance services could be both retail services and some back office roles.

TABLE 29: CHANGE IN EMPLOYMENT 2011-2016 IN TOP 5 GROWING INDUSTRIES IN SPRINGFIELD

Industry (ANZSIC 2 digit)	Change in City Core	Change in LGA	% of LGA growth in Springfield
Food and Beverage Services	382	747	51%
Preschool and School Education	366	1263	29%
Other Store-Based Retailing	344	334	Almost all
Food Retailing	211	363	58%
Auxiliary Finance and Insurance Services	189	253	75%
Medical and Other Health Care Services	184	599	31%

Source: SGS 2021 based on ABS Census 2011, 2016

Discussion

On the basis of historical shares of growth, current centre size and strategic planning policies, Ipswich and Springfield are likely to compete for the forecast demand of around 107,000 sqm of additional strategic commercial floorspace between 2021-2041. Other centres may capture a small amount, including a future major centre at Ripley and future district centres in the Ripley Valley and Western Growth corridor, but the lack of existing concentration of employment, services and transport accessibility in these locations makes them likely to be less competitive over the time period considered.

The employment profiling in this section reveals that most of the recent employment growth in Ipswich and Springfield is population-serving in nature, rather than strategic office-based or strategic knowledge-based employment. This is likely to reflect that the Ipswich LGA is not highly competitive for this office-based employment when compared to other parts of Greater Brisbane. There is a slight distinction between the two, with Ipswich hosting a more civic focus, whilst Springfield’s employment growth is still more consumer/consumption oriented.

Notwithstanding the focus on population serving employment, historical shares of employment growth show that Springfield has had more momentum in economic growth than the Ipswich Centre. Development of office space is likely to be more straightforward at Springfield given its greenfield status. Its position immediately adjacent to Centenary Highway is also a competitive advantage for back-office and business-park style development.

The natural competitive strengths of the Ipswich City Core for attractive business development over other centres like Springfield are its existing urban structure and associated amenity and stronger concentration of existing services including civic functions as mentioned above. Hospitality and social infrastructure in particular are more concentrated in Ipswich, and will be helped by Council’s Nicholas Street Precinct development. The planned railway line from Ipswich to Springfield will also help Ipswich’s competitive position to attract commercial employment.

As noted earlier, the Ipswich LGA’s forecast employment growth rate is much lower than its forecast population growth rate. This reflects the focus on population services in recent employment growth, rather than other knowledge-based sectors. Unless the economic trajectory of the Ipswich LGA as a whole changes, there is not likely to be enough demand for strategic commercial employment to support strong commercial offerings for other centres or business precincts besides Ipswich and Springfield, noting that the forecast demand of around 107,000sqm could be easily absorbed by Ipswich and Springfield. As a result, in the absence of a change in economic context, Council should focus strategic commercial aspirations on Ipswich and Springfield, as part of a broader economic development focus on strategic employment.

7.3 Bulky Goods Retail

Characteristics

The characteristics of bulky goods retailing can be summarised as follows:

- Bulky goods shopping is an infrequent and high cost shopping activity, and as such consumers are generally prepared to travel longer distances for such items;
- A significant concentration of bulky goods retailers in the one specialised centre or precinct can provide consumers from a wider regional catchment with the opportunity to visit one location for comparison shopping – reducing the need for these facilities to be proliferated across every business park or retail centre;
- A bulky goods precinct anchored by a large tenant (such as Bunnings) usually trades better than a group of smaller bulky goods tenancies. This is because the anchor store is likely to draw retail traffic that would result in visits to the smaller stores.
- Without a larger tenant, it may also take longer for the proponent to lease out the floorspace to smaller tenants, which would affect the short-term viability of the bulky goods component. On the other hand, the poorer trading performance would reduce the impact on other bulky goods precincts.
- Clustering bulky goods in specialised centres or precincts provides the opportunity to provide integrated transport services and shared car parking solutions; and
- Land in core activity centres and business parks, should be preserved for higher order uses such as commercial employment, hospitality and even residential development. Hence there is often a strong net community benefit derived from locating bulky goods into other areas where it does not compete with these higher value uses.

Bulky Goods retailing in Ipswich LGA

Given these characteristics, the most important policy direction for Council would be to focus the majority of Ipswich LGA's bulky goods uses in major, dedicated bulky goods clusters. The attraction of a large cluster with a significant anchor such as Bunnings or IKEA should create a long term market driven attractor for the majority of bulky goods firms to locate in.

For this to be successful, the bulky goods clusters must be in prime locations from a market perspective. Based on SGS's experience of analysing bulky goods precincts, the following location characteristics matter most:

Locational need	Economic Rationale
Good Exposure	Visual exposure combined with good road access is by far the most fundamental factor underpinning the success of any bulky goods business
Agglomeration & Integration Potential	This speaks to the potential for a cluster to grow in size and accommodate more bulky goods businesses over time, noting the significant land requirements (including parking) that are commonly associated with such clusters
Access to Regional Catchment	The precinct should also be located in a central location to its catchment. Positioning along a highway/freeway that has good road access back to its residential hinterland and catchment
Near a Major or Principal Centre	Allows the bulky goods cluster to also feed off in-centre trade. Smaller format homemaker stores (such as manchester, kitchenware) also benefit from this location, and can be placed between the centre core and the bulky goods precinct.
Outside Prime Employment Location	Not just a policy consideration, bulky goods precincts need to offer ample volumes of land and floorspace at a competitive price. Prime employment locations (or locations that can potentially attract significant commercial development and interest) are not a good long term bulky goods location as land values will gradually become too high.

Table 30 shows the major bulky goods clusters in Ipswich LGA currently, based on those being greater than 10,000 sqm. Two of these five clusters are co-located with a Principal Centre, whilst there are also two standalone bulky goods precincts. Collectively the five clusters cover a good range of sub-markets across the LGA, including the City Core, Springfield, South Ipswich and East Ipswich. Council should look to consolidate its bulky goods retail policy around these major clusters, and avoid allowing the use to spread beyond those clusters.

Springfield Central is expected to grow significantly in terms of bulky goods demand by 2041. This is predominantly by the growing population in its catchment. Demand may also be driven by significant population growth in the Ripley area. There is a case for considering the establishment of a bulky goods cluster in or around the Ripley growth area as well.

TABLE 30 BULKY GOODS CLUSTERS WITH OVER 10,000SQM OF FLOORSPACE

Centre/precinct	Hierarchy	Sub-market	Current Floorspace (sqm)	Current Turnover ($m)	Turnover Demand by 2041 ($m)
Springfield Central	Principal Centre	Springfield	23,786	256.1	520.0
Ipswich	Principal Centre	City Core	27,351	124.0	137.0
Bundamba	Bulky Goods	East Ipswich	13,672	46.3	47.1
Booval	District Centre	East Ipswich	11,324	38.6	40.1
West Ipswich	Bulky Goods	South Ipswich	10,205	35.8	40.0

Once the majority of bulky goods businesses have a natural home in these major dedicated clusters, it becomes much easier to manage the location of the remaining businesses that may wish to be located away from a cluster (where they are likely to be at a competitive disadvantage anyway), as they will have a clear alternative location for them in an established bulky goods precinct. Council should therefore make sure to actively manage those five clusters above (plus perhaps one near Ripley) so that there is land available for newer stores.

Bulky Goods retailing in Business Parks

Bulky Goods Retail is often (but not always) inconsistent with the objectives of business park in terms of roles and functions.

One difficulty in being definitive however is the sheer range of profiles within the business park precinct designation – which includes a full spectrum from office parks to industrial sheds and anything in between. For those precincts that are more geared towards being an office focussed area, a particular one that is seeking to attract head office functions, bulky goods retail can detract from the 'sense of address' of the area. This is a particularly common problem in regional areas with areas having tech park or innovation park labels that struggle to attract any interest. Once that concession has been made to bulky goods retail, it is difficult to recapture the brand of the place. Note that this has significance for any precinct which may currently not have significant office functions but has aspirations for future roles.

At the other end of the spectrum, in more industrial areas bulky goods retailing will generally be a higher value use which will drive up land values, making it more difficult for lower value industrial operations to establish/cluster as well. Use conflicts may also be a problem where bulky goods retail customers interact with industrial truck movements. There is also potential here for off-site impacts, where bulky goods retail uses in broadly industrial areas are at a cost advantage over competing retail in centres.

As such it is reinforced that Council should seek to focus bulky goods retail development in designated/established clusters.

8. Centres

In Sections 4 to 6, we looked at the supply, demand and future gap in floorspace for retail floorspace across the LGA. Section 7 added commercial office to the equation. The focus was on LGA wide trends, along with discussion of different sub-markets and levels in the hierarchy.

In this section we provide a deeper dive into the centres themselves, including Springfield and the Ipswich CBD, looking at their floorspace equilibrium along with strategies for addressing any limits or thresholds that might need to be put in place.

8.1 Ipswich

Under Scenario 2 in Section 6, there is projected to be a small gap in retail floorspace in the Ipswich CBD in 2021 (8,000 square metres), growing to a total gap of 27,000 square metres in 2041, as shown in Table 31 below. The projected gap is predominantly in the Household Goods category – likely linked to the demographics of the LGA overall, and also reflecting that this type of floorspace requires larger floorplates.

TABLE 31: CITY CENTRE RETAIL FLOORSPACE GAP, 2016-2041 (SCENARIO 2)

City Centre	2021	2026	2031	2036	2041
Supermarket	-1,127	-2,305	-3,787	-4,746	-5,583
Other Food	-188	-328	-479	-563	-669
Hospitality and Services	-1,878	-3,383	-5,481	-6,741	-7,970
Clothing and Soft Goods	-264	-134	-224	-223	-276
Household Goods	-4,058	-4,588	-7,920	-10,022	-11,775
Other Retail	-645	-586	-889	-975	-1,098
Department Stores[54]	0	0	0	0	0
Total	**-8,161**	**-11,323**	**-18,779**	**-23,271**	**-27,371**

Source: SGS, 2020.

However, it has also been noted through stakeholder engagement that the city centre is struggling somewhat, with a high rate of vacancy in existing spaces. Noting that this is not unique to Ipswich given the current economic climate, it is important that the introduction of new retail floorspace into the CBD

[54] Note that significant Department Store floorspace does exist at Riverlink Shopping Mall.

is not simply allowed in an attempt to revitalise it without considering the underlying factors that may be contributing to its underperformance. Indeed, a simplistic injection of new floorspace may well exacerbate floorspace vacancy problems, which could create blight in older/underperforming sections of the CBD precinct.

As such, any strategies applied in the Ipswich CBD need to be targeted to build on its strengths. It has a unique advantage in the context of the LGA, as not only the major destination for retail, but also as the civic heart and centre for cultural and other functions beyond shopping; its intrinsic assets should therefore be built on. **The city centre has the benefit of being home to major medical, entertainment and recreational uses, natural amenity, and public transport accessibility in comparison to other centres, while also having a more diverse retail tenant mix alongside retail anchors in the Riverlink mall**.

We acknowledge that regaining momentum in the Ipswich CBD will be a challenge. More newly developed (and indeed development in the pipeline) will have an advantage in attractiveness simply by virtue of it being new.

Strategies should include focusing on shopper and visitor *experience* of the retail environment as much as the floorspace types being provided and providing a unique offer that will encourage people to want to come to the centre. Attention could be given to elements such as physical amenity, including public realm elements, with the aim to make places that people will want to linger in. This may require different interventions in different locations and sub-precincts within the centre – for example in areas with a concentration of food/restaurant uses, how outdoor dining is managed may be an important factor; in other locations, it may be how the retail spaces interface with public space (or don't), such as between the CBD and riverside parkland spaces. There could also be opportunities in developing and targeting boutique or specialised retailers to distinguish the CBD from other centres in the LGA and the enclosed shopping malls which tend to cater to the same types of stores and functions. **The CBD should hold a special place in the hierarchy, differentiating itself and providing a higher order offer.** In essence, Ipswich CBD needs to be more than a shopping mall, because based on retail alone, there will always be developers that could create a new retail experiences elsewhere to supersede what may already be on offer. Council should really hone in on a specialisation for the City Centre, whether it be food, arts and culture or a general civic role. One or two of those three should then essentially form 'anchor sub-precinct' that will attract visitors from within and beyond the LGA boundaries, with retailing activity to feed off that base.

It may be that these types of tangential (but still congruent) interventions will be needed to bring activity back to the city centre, increase consumer confidence and re-establish it as a destination, *before* expanding the amount of floorspace over the longer term. Consideration should also be given to the staging of interventions to generate momentum in the short to medium term. Quick wins are needed to generate interest, momentum and excitement in the CBD without compromising long term objectives.

Some specific actions for Council to consider include:

- **Encouraging residential development.** And then utilising that population yield. Some investigation should go into the type of residents that are likely to be attracted to the Ipswich CBD, what is their demographic; what do they prefer to spend their leisure time on and what are their consumption habits. The entertainment, civic and cultural activities should be built around that demographic, which in turn attracts more people with those similar interests to create a critical mass of demand and then footfall.

- **Focusing retail provision in one core precinct**. Whether it be north, south or a more integrated core that straddles/transcends the river crossing. There is unlikely to ever be enough retail demand for dispersed retail development pattern across the Ipswich CBD (at least not until perception of the centre has already been improved). In response, Council needs to make a decision on whether customers will be directed towards, and then to facilitate a consolidated retail experience at that location, with only limited and non-core amounts of additional retail provision elsewhere. This would also help ensure an efficient use of Council's budget when it comes to infrastructure investment in the CBD.
- **Improve the river crossing**. This will be essential regardless of the above action. Facilitating movement is an essential part of modern centre planning and placemaking. Pedestrian movement is essential for footfall, which is in turn essential for most retail store types and service businesses. The only exceptions are supermarkets and households goods – which also happen to be the two store types that will most commonly be provided for elsewhere in the LGA.
- **Facilitate the night time economy**. Council should also begin investigating the potential for a local night time economy. Whilst traditionally a regional town's night time economy may have been limited to the local pub, a modern, growing city centre should be more ambitious. The night time economy gets people out interacting at a different time, in a different context. This should help to generate new retail and hospitality opportunities and serve as a stimulus for a new wave of investment. Fine grain streets would be the focus, as that layout facilitates human scale experiences and social interactions, moving away from the standard transactional experience of retail shopfronts that are not as conducive to the night time economy. If done right, it can actually improve perceptions of safety whilst changing the reputation of the City Centre.
- **Fostering a civic/ cultural heart**. This is most likely to be achieved through urban design intervention, with a focus on built form permeability, addressing vacancies, leveraging heritage character and encouraging pop-up shops as quick wins in the short term to help generate some momentum, turnover of stores and excitement. Longer term, strategic work should be put into opportunity sites, north-south physical connections, anchor/institution attraction and major catalytic events.
- **Encouraging greater footfall.** This is partly covered by many of the points above but consideration should also be given to just attracting more people into the CBD. Mixed-use development in the city centre core may be difficult to facilitate, as would major residential apartment developments as many businesses often prefer to have a pure commercial address/tenancy. But on the fringe of the city centre, opportunities may well exist for medium density developments that provide a living environment that will attract new residents towards the Ipswich CBD's immediate catchment. If successful, this should also stimulate investment and encourage demand for retail uses in the CBD. Council should investigate the feasibility of mixed use development under current controls, and potentially make some adjustments to increase the likelihood of more mixed use development in particular sub precincts.
- **Increasing the health sector's prominence.** As demonstrated in Section 7's forecasts, the health sector is expected to be a major source of employment growth in the Ipswich LGA. The Ipswich CBD itself contains a significant array of medical centres, pathology clinics and other health services. There is an opportunity to continue to grow those uses along with Allied Health Services around the Ipswich Hospital and St Andrew's Private Hospital.

8.2 Springfield Central

Springfield is the other of the two principal centres in the Ipswich LGA. Under this designation, Springfield is already providing key focal points for employment and services of regional significance, in Springfield's case including a university, office space, potential additional future public hospital, cultural and recreational facilities and a large amount of retail floorspace. The anticipated floorspace mix in the centre at final development based on the Springfield Town Centre Concept Plan (TCCP) is outlined below.

TABLE 32: INDICATIVE DOMINANT LAND USE DEVELOPMENT YIELDS IN SPRINGFIELD CENTRE

Use category	Town centre heart	Other areas	Total
Offices	359,700	742,940	1,102,640
Retail and shops	114,000	113,860	227,860
Club	37,000	-	37,000
Bulky goods retailing	80,000	45,000	125,000
Service trades and warehousing	-	230,000	230,000
Special business uses, research and technology	35,000	196,000	231,000
University and schools	340,200	54,000	394,200
Health services and hospital	3,000	168,900	171,900
Recreation precinct	-	145,000	145,000
Local activity centres	6,000	15,000	21,000
Total (excluding dwellings)	**974,900**	**1,710,100**	**2,865,000**

Source: Springfield Town Centre Concept Plan Amended 23 November 2020

Office space

A large volume of office space is expected to be delivered in Springfield Central. As noted previously, there are existing office buildings in Springfield, and its position alongside the Centenary Highway and with a railway station does provide some competitive advantages to a function as a commercial centre. Nonetheless, the size of office space anticipated is much larger than the strategic commercial floorspace demand found in SGS's modelling in Section 7 of 107,099 sqm of additional space by 2041. Springfield Central is also likely to capture a large part of the 51,554 sqm of additional population serving commercial floorspace demand expected for the Springfield area between 2021-41.

For more context on the likelihood of development of 1,102,640sqm of office space on Springfield, existing office markets in centres can be used as benchmarks. The office floorspace and vacancy rates of a range of these benchmarks are shown in the table below, including:

- Brisbane CBD and Brisbane fringe,
- Canberra Civic (the main centre in Canberra),

- Several major centres in Sydney outside of the Sydney CBD (North Sydney, Chatswood, Macquarie Park and Parramatta), and
- The Melbourne Outer East area which stretches east from the western boundary of Camberwell in Melbourne and includes multiple centres such as Box Hill, Doncaster, Glen Waverley and Camberwell, as well as the major business park in the Monash area.

TABLE 33: SIZES OF OTHER OFFICE MARKETS FOR COMPARISON TO SPRINGFIELD

Use category	Prime	Secondary	Total	Vacancy rate
Brisbane CBD	1,278,759	991,861	2,275,860	12.9%
Brisbane Fringe	663,924	541,371	1,205,295	14.8%
Canberra Civic	397,245	279,085	694,330	11.8%
North Sydney	266,510	558,257	824,767	8.0%
Chatswood	132,181	141,843	274,024	8.8%
Macquarie Park	616,726	277,308	894,034	6.8%
Parramatta	326,113	394,930	768,421	3.2%
Melbourne Outer East (includes multiple centres including Monash area)			936,471	9.5%

Source: Knight Frank *Brisbane CBD Office Market Report September 2020, Brisbane Fringe Overview June 2019, Canberra Office Market Brief March 2020, North Shore Office Market Report October 2020, Parramatta Office Market Brief March 2020, Melbourne Metropolitan Office Market Overview May 2020*

From this comparison, if Springfield were to develop 1,102,640 sqm of office space, it would be a larger office market than any centre in Sydney outside of the CBD, with several of these centres being major and well-established office markets in themselves. Springfield would also be around 59% larger than Canberra Civic and larger than the entire Melbourne Outer East Market. It would be a similar size to the Brisbane Fringe Market, and around half the size of the Brisbane CBD office market. On the basis of these comparisons, Springfield is highly unlikely to develop to the size anticipated over the timeframe of this study (and that advice would have applied in a pre-COVID world).

Several of the benchmark centres used have better competitive attributes than Springfield. For example, Macquarie Park is a major office centre in the middle of metropolitan Sydney, alongside a major motorway and several main roads, with multiple train stations and containing a university (Macquarie University which teaches around 45,000 students), hospital and regional-scale retail centre. While Springfield shares some of these attributes, it is located on the fringe of Greater Brisbane and so has poorer access to labour markets, its university campus is much smaller and the university is lower ranked, and the Springfield Centre is only partly developed.

While there is scope for business park functions to continue to develop in Springfield, much less floorspace is likely to be developed than anticipated by 2041. Springfield’s (and indeed Ipswich CBD’s) short-medium term prospects are also hindered by the relatively high vacancy rates in the Brisbane CBD and Brisbane Fringe office markets, and by the likely dampening of office demand in response to increased working from home following COVID-19.

Retail space

Based on SGS's partly automated desktop audit, it was estimated that Springfield Central currently contains around 75,800sqm of retail floorspace as well as other space providing retail services.

On the basis of the TCCP anticipated floorspace values, considerable additional retail floorspace is expected in Springfield. If around 70% of the floorspace nominated for retail or shops is counted as retail according to SGS's definitions, with the remainder retail services, population services and entertainment premises, around 110,500sqm of additional retail floor area would be expected, as well as an additional 100,000sqm of bulky goods floorspace.

Comparison with demand

Retail demand across the Ipswich LGA is expected to increase by approximately 240,000sqm between 2021-2041 under the COVID scenario (medium scenario) (see Section 6), with around 122,000 sqm of this to be met by additional supply in other new and expanded greenfield centres. Under the moderate online retail scenario, there would be around 400,000 sqm of additional demand between 2021-2041.

The anticipated expansion of Springfield would constitute 178% of the remaining increase in floorspace demand in the LGA in the COVID scenario, or 75% under the medium scenario. Some of the bulky goods demand is likely to come from a broader trade area given the potential for a strong homemaker centre in Springfield adjacent to major highways, but even the additional retail floorspace alone would constitute 94% of the LGA's additional retail demand between 2021-2041 under the COVID scenario, or 40% under the medium online retail scenario.

As there are multiple other centres in the LGA at which expansion could occur, there is unlikely to be demand for development on this scale at Springfield.

Impacts on other centres

To better understand the potential impacts of future retail development at Springfield, and to establish how much development could be supported before the retail hierarchy is destabilised, multiple sensitivity tests of the retail model were conducted, with 10%, 25%, 50%, 75%, 90% and 100% of the anticipated additional retail floorspace at Springfield delivered and delivery spaced evenly over the periods 2021-26, 2026-31, 2031-36 and 2036-41.

Traditionally, retail trade diversion impacts on existing centres of more than 10% are often regarded to be significant. The impact of a significant expansion of Springfield will also be compounded with impacts on trading performance from competition with online retail and other new floorspace being built. To reflect both of these factors, impacts have been identified as potentially significant if:

- The RTD of a centre in 2041 is more than 15% below an inflated benchmark RTD, and
- The impact of additional floorspace in Springfield compared to a 2041 COVID base case with no additional floorspace at Springfield Central (scenario 2 from Chapter 6) on turnover is 10% or more, and
- The centre in question has more than 1,000 sqm, as a result of the lower accuracy of the model for smaller neighbourhood centres, and the increased flexibility for these centres to change composition and function compared to larger centres

In some cases, the additional floorspace at Springfield has a large impact, but this is partially offset by increased expenditure as a result of population growth. As these cases will not pass the first test, they are not assessed as significant impacts.

TABLE 34: CENTRES FACING SIGNIFICANT IMPACTS FROM SPRINGFIELD, BASED ON THE PROPORTION OF THE MAXIMUM FLOORSPACE DELIVERED[55]

50% of floorspace	75% of floorspace	90% of floorspace	100% of floorspace
Jindalee (-16% impact)	Jindalee (-23% impact)	Jindalee (-26% impact)	Jindalee (-28% impact)
	Springfield Lakes (-44% impact)	Springfield Lakes (-49% impact)	Springfield Lakes (-51% impact)
	Gailes Neighbourhood Centre (-31% impact)	Gailes Neighbourhood Centre (-35% impact)	Gailes Neighbourhood Centre (-38% impact)
	Sumner Park (-21% impact)	Sumner Park (-25% impact)	Sumner Park (-27% impact)
	Mount Ommaney (-12% impact)	Mount Ommaney (-14% impact)	Mount Ommaney (-15% impact)
		Springfield (-33% impact)	Springfield (-35% impact)
		Bellbowrie (-21% impact)	Bellbowrie (-22% impact)

Source: SGS 2020

Some of these impacts are large enough to jeopardise the continued viability of centres, particularly at the higher ranges of floorspace delivered. For example, at 100% of floorspace built, Jindalee in 2041 would only trade at 68% of the benchmark RTD, while Springfield Lakes would trade at 74% of the benchmark.

The 2041 trading positions of other selected principal, major and district centres in the Ipswich LGA in response to additional floorspace at Springfield are shown in the table overleaf. Apart from Goodna and Redbank Plaza, the 2041 trading performance would be buoyed by population growth and so be above benchmark rates. Impacts on Redbank Plaza could be significant if 90% or more of the floorspace was built, even if it does not match the criteria specified above.

On the basis of this impact testing, development of 50% of the floorspace anticipated at Springfield could significantly harm the Jindalee Centre, although as it contains an outlet centre this impact may be overstated. Development of 75% of more of the floorspace anticipated at Springfield could have significant trading impacts on several centres.

[55] Note that some of these centres are located outside the Ipswich LGA boundaries, but any impacts to centres outside the LGA boundaries should still be taken seriously as part of centres planning.

TABLE 35: REAL TERMS CHANGE IN TRADING PERFORMANCE FROM 2021-2041 IN LARGE CENTRES IN RESPONSE TO ADDITIONAL FLOORSPACE AT SPRINGFIELD CENTRAL

Proportion of additional floorspace at Springfield	0%	10%	25%	50%	75%	90%	100%
Riverlink	130%	126%	122%	116%	110%	107%	105%
Ipswich CBD (outside Riverlink)	154%	149%	144%	135%	128%	124%	122%
Goodna	139%	133%	125%	114%	105%	101%	98%
Redbank Plains	135%	130%	124%	116%	110%	107%	105%
Redbank Plaza	109%	106%	103%	97%	92%	90%	88%
Booval	127%	124%	120%	113%	108%	105%	103%
Yamanto	137%	133%	128%	120%	114%	111%	108%
Brassall	137%	135%	133%	130%	127%	126%	125%

Source: SGS 2020

Position in centre hierarchy

In addition to not causing significant turnover impacts, any additional floorspace at Springfield should comply with the overall retail hierarchy. The anticipated total retail floorspace of around 285,000 sqm including 125,000 sqm of bulky goods (or more depending on the breakdown of anticipated retail floorspace into retail commodity groups and retail services which are not included in SGS's modelling) would make Springfield considerably bigger than Ipswich or any other nearby centre, potentially giving it a strong competitive advantage as a retail centre and setting it apart as the primary centre in the LGA. This would only align with the policy intention of supporting two principal centres at Ipswich and Springfield (as opposed to Springfield sitting above Ipswich CBD), if the Ipswich CBD is able to develop its own unique gravitas.

To that end Council will need to be mindful that with Springfield expected to attract the majority of higher order retail development in coming years, it will likely be a direct challenge to the status of the Ipswich CBD (even more so than presently). Without growth and change itself, Ipswich CBD can easily stagnate, and overcoming that inertia of stagnation will be more difficult as time goes on.

On the basis of retaining competitive strengths at both Ipswich and Springfield, Springfield should not grow to be significantly larger than Ipswich CBD in total.

Ipswich CBD has competitive strengths in the provision of hospitality, civic facilities, services and entertainment. Springfield should not replicate these functions, or it may supersede Ipswich's key role as a centre. Securing Ipswich's continued primacy in these areas could be secured through a change in the retail hierarchy to recognise these functions, as well as in design principles for Springfield ensuring it does not replicate these functions while recognising the need for some entertainment uses to cater to the local population and ensure that it functions as a complete centre.

Discussion

On the basis of impact testing, new floorspace at Springfield should not be substantially more than 50% of anticipated floorspace. This would limit it to 50,000 – 60,000 sqm of additional retail floorspace and a bulky goods centre of reduced size.

Springfield is estimated to have around 75,800 sqm of retail floorspace, with some of this composed of large hardware stores compared to 91,200sqm in Ipswich. Springfield’s retail floorspace could be somewhat larger than Ipswich’s and still be occupy an equal position in the retail hierarchy. If Bunnings Springfield is not included, Springfield could expand retail floorspace by around 40,000-60,000 sqm to between 100,000-120,000 sqm without establishing numerical primary over Ipswich.

It would be expected that principal centres could claim a reasonable part of the LGA’s approximate 120,000-278,000 sqm of additional retail floorspace demand not to be met in other new or expanded greenfield centres. In 2021, around 37% of floorspace in the LGA is in principal centres. The Ripley Valley, Springfield and Goodna/Redbank subsectors are expected to host 71% of the Ipswich LGA’s population growth between 2021-41 and are likely to mostly be more accessible from Springfield than Ipswich. If these percentages were to remain the same, Springfield would be expected to host an additional 31,500-73,000 sqm of retail floorspace.

Combining these different ways of thinking about how much floorspace is reasonable at Springfield without jeopardizing the operational of an appropriate centres hierarchy, it appears likely that 40,000-60,000 sqm of additional retail floorspace could be accommodated within the current retail hierarchy not including a bulky goods precinct. This would be subject to the continued primacy of Ipswich Centre in civic functions, services and hospitality, which could be enforced through planning objectives and design. Increases beyond this point are not ruled out but, should be carefully tested to determine if:

- Any existing centres are likely to become unviable (for example those highlighted in the modelling discussed above)
- If the continued development of the Ipswich Centre could be compromised, including in terms of competitive offer rather than just turnover testing

A bulky goods retailing precinct at Springfield would likely have a trade area larger than the Ipswich LGA given its location next to the Centenary Highway and the lack of a large and consolidated bulky goods centre permitting comparison shopping in the LGA (the nearest centres are at Oxley, Browns Plains and Jindalee). The provision of such a precinct should be encouraged to increase retail accessibility to such a precinct for residents of the Ipswich LGA. However, this could be accommodated with much less than 120,000 sqm of floorspace (for example, 30,000 sqm of floorspace), and should be relatively separate from the rest of the centre.

Alternatively, if Springfield were to be allowed to expand beyond 200,000 sqm – noting that this will still likely take over a decade to accomplish given current retail trends – there is time for Ipswich CBD to develop and work on its own strengths to try and reach some degree of parity from a different angle.

8.3 Ripley

In Ripley, a number of centres are expected to be developed, including Ripley MC (Major Centre), Ripley East DC (District Centre) and Ripley West DC (District Centre).

Council's preferred development pattern for this area is for the Ripley MC to be the primal focal point for higher order retail and commercial functions, with Ripley West and Ripley East combining more localised retail services alongside community facilities such as schools.

Table 35 tabulates an expected floorspace supply growth trajectory for the Ripley Major Centre. Note that this is merely a forecast, with greenfield developments notoriously difficult to predict years in advance. Actual rollout of floorspace will likely be influenced by many factors including:

- Population growth, influenced by various macroeconomic and demographic factors at the national, state or regional level, which in turn affects demand for retail goods and services
- The level of retail floorspace in the broader region. That includes retail provision at a higher level such as at Springfield, as well as more local competition.
- Development issues at the site, including the ability of the landowner/developer to attract tenants, as well as bear the risks associated with larger investments in floorspace.

These forecasts show Ripley MC initially performing something close to a neighbourhood centre role (at under 15,000sqm of retail floorspace) from 2021 to 2031, before being expected to significantly increase development volumes to over 30,000sqm by 2036.

TABLE 36: RIPLEY MC RETAIL FLOORSPACE EXPECTED SUPPLY GROWTH, 2016-2041 (SCENARIO 2)

City Centre	2021	2026	2031	2036	2041
Supermarket	4,151	4,151	7,651	11,651	11,651
Other Food	600	600	1,600	1,900	1,900
Hospitality and Services	600	600	1,600	5,600	5,600
Clothing and Soft Goods	0	0	500	2,500	2,500
Household Goods	491	491	891	4,891	4,891
Other Retail	500	500	1,000	2,500	2,500
Department Stores	0	0	0	4,000	4,000
Total	6,343	6,343	13,243	33,043	33,043

Source: SGS, 2020.

Table 37 then highlights the expected floorspace gap for this centre as it grows to that volume of floorspace. Note that any (major) forecast gap in a greenfield centre is only ever notional – in reality, the developer is likely time the rollout of floorspace in concert with population growth.

Nonetheless the floorspace gaps are relatively minor, indicating that based on current population forecasts for the area, the expected development schedule is appropriate. In some greenfield centres, the developer may wish to provide a supermarket anchor early on to establish long term dominance in travel patterns. Given its status as a future Major Centre, Council should facilitate that outcome.

TABLE 37: RIPLEY MC RETAIL FLOORSPACE GAP, 2016-2041 (SCENARIO 2)

City Centre	2021	2026	2031	2036	2041
Supermarket	-3,700	225	322	-432	-1,071
Other Food	-647	51	68	202	266
Hospitality and Services	-796	14	167	-302	148
Clothing and Soft Goods	0	13	47	334	1,338
Household Goods	-654	2	67	-100	922
Other Retail	-523	12	69	464	1,354
Department Stores	0	0	129	377	2,053
Total	-6,320	317	868	542	5,010

Source: SGS, 2020.

8.4 Goodna

The Goodna centre is currently classified as a Major Centre. It does play a significant role for its local catchment including medical, recreational and community services. However, the centre itself is relatively small in terms of retail floorspace (Table 38), having a more limited role than would be expected for a Major Centre (given its lack of a DDS or Department Store anchor for instance).

The centre's position near a major arterial and train station gives it good accessibility, however in the long run, this arterial limits the centre's walkable catchment to the north, whilst also creating a barrier to the station. This centre is thus limited to a drive and park business model.

TABLE 38: GOODNA RETAIL FLOORSPACE EXPECTED SUPPLY GROWTH, 2016-2041 (SCENARIO 2)

City Centre	2021	2026	2031	2036	2041
Supermarket	3,526	3,526	3,526	3,526	3,526
Other Food	348	348	348	348	348
Hospitality and Services	4,834	4,834	4,834	4,834	4,834
Clothing and Soft Goods	532	532	532	532	532
Household Goods	2,018	2,018	2,018	2,018	2,018
Other Retail	353	353	353	353	353
Department Stores	0	0	0	0	0
Total	11,611	11,611	11,611	11,611	11,611

Source: SGS, 2020.

Looking ahead, some gaps for retail floorspace are expected to emerge (Table 39), particularly in terms of supermarket and hospitality. This creates an opportunity to expand - and in doing so, improve – the centre's role and appeal, in terms of groceries and hospitality/services.

Nonetheless, that volume and type of floorspace expansion (if it were to go ahead) would not be significant enough to justify a substantial upscaling in the role of the centre. Goodna would realistically need a Department Store or DDS anchor to be considered a Major Centre in the long run.

Overall, it is assessed that Goodna should be reclassified as a District Centre, with continued support for centre development based on the forecast demand shown below.

TABLE 39: GOODNA RETAIL FLOORSPACE GAP, 2016-2041 (SCENARIO 2)

City Centre	2021	2026	2031	2036	2041
Supermarket	-557	-755	-868	-1,057	-1,048
Other Food	-65	-44	-21	1	17
Hospitality and Services	-793	-728	-953	-1,162	-902
Clothing and Soft Goods	-11	124	181	223	261
Household Goods	-313	191	246	307	484
Other Retail	-34	57	104	134	170
Department Stores	0	0	0	0	0
Total	-1,772	-1,155	-1,312	-1,554	-1,019

Source: SGS, 2020.

8.5 Redbank Plaza

Redbank Plaza is a centre of significant size particularly given the presence of its department store and supermarket anchors. The specialty shop offering predominantly comprises some clothing, soft goods and other general retail.

TABLE 40: REDBANK PLAZA RETAIL FLOORSPACE EXPECTED SUPPLY GROWTH, 2016-2041 (SCENARIO 2)

City Centre	2021	2026	2031	2036	2041
Supermarket	12,420	12,420	12,420	12,420	12,420
Other Food	531	531	531	531	531
Hospitality and Services	1,526	1,526	1,526	1,526	1,526
Clothing and Soft Goods	3,156	3,156	3,156	3,156	3,156
Household Goods	3,566	3,566	3,566	3,566	3,566
Other Retail	5,175	5,175	5,175	5,175	5,175
Department Stores	20,761	20,761	20,761	20,761	20,761
Total	47,135	47,135	47,135	47,135	47,135

Source: SGS, 2020.

Table 41 shows some interesting trends expected for the centre over the next 20 years. On the one hand, the centre is expected to come under increasing competition and lose some market share to other major/principal centres in the region including Springfield and Ipswich. On the other hand, the gap in supermarket floorspace is expected to increase. So, whilst its overall place in the retail landscape may decline slightly, there will still be opportunity to expand its local grocery role.

Another interesting observation from these modelling results is that early in the forecast (2021 to 2026), there still remains a floorspace gap (across all types of retail). This suggests that presently, this centre is underservicing its catchment. If an investment were to occur at this centre to expand and improve its offering, that gap would not only be bridged, but long term the centre itself would capture a larger market share. Nonetheless, it is important to acknowledge the skill and risk associated with retail developments, and that not all market gaps like these can be filled – hence the role of centres across the retail landscape can be shift over time.

At present Redbank Plaza functions as predominantly retail centre. This is partly due to site constraints that limit further expansion beyond the current mall/plaza and parking areas. Should more floorspace be available, particularly through redevelopment, there is potential for other uses such as office, health or community functions to collocate with and benefit from the established retail anchors on site. On retail uses alone however, this centre can still constitute a Major Centre.

TABLE 41: REDBANK PLAZA RETAIL FLOORSPACE GAP, 2016-2041 (SCENARIO 2)

City Centre	2021	2026	2031	2036	2041
Supermarket	-2,020	-3,164	-3,450	-4,074	-4,118
Other Food	-92	-68	-27	8	28
Hospitality and Services	-238	-236	-291	-343	-270
Clothing and Soft Goods	-59	669	1,028	1,287	1,508
Household Goods	-532	238	296	410	720
Other Retail	-525	678	1,380	1,863	2,385
Department Stores	-1,589	996	2,757	4,438	6,438
Total	-5,055	-887	1,695	3,589	6,691

Source: SGS, 2020.

8.6 Yamanto

Yamanto is a growing centre which in the near future is expected to exceed 30,000 sqm in retail floorspace and begin playing a Major Centre role in its catchment. The centre's main strengths lie in its supermarket and DDS anchors. The household goods offering should also not be underestimated as early in the development cycle of a greenfield catchment, household establishments are high and so the volume of bulky goods retail sales would be high, and in turn, a strong attractor for multi-purpose family trips into the centre as a whole.

TABLE 42: YAMANTO RETAIL FLOORSPACE EXPECTED SUPPLY GROWTH, 2016-2041 (SCENARIO 2)

City Centre	2021	2026	2031	2036	2041
Supermarket	7,906	7,906	7,906	7,906	7,906
Other Food	3,219	3,219	3,219	3,219	3,219
Hospitality and Services	5,595	6,095	6,095	6,095	6,095
Clothing and Soft Goods	1,800	1,800	1,800	1,800	1,800
Household Goods	5,541	10,341	10,341	10,341	10,341
Other Retail	2,124	2,224	2,224	2,224	2,224
Department Stores	6,600	6,600	6,600	6,600	6,600
Total	32,786	38,186	38,186	38,186	38,186

Source: SGS, 2020.

Table 43 then looks at the level of floorspace gap at Yamanto. Despite the centre growing significantly over the coming 5-10 years, there is likely to still be some gap for retail expenditure. The centre may overtrade, particularly in terms of supermarkets, hospitality and household goods. Some additional retail floorspace could be permitted here without elevating the centre's role any further. Note that in the department store category, there is no gap, and that is likely due to the struggling nature of that category of shops more generally across the economy.

TABLE 43: YAMANTO RETAIL FLOORSPACE GAP, 2016-2041 (SCENARIO 2)

City Centre	2021	2026	2031	2036	2041
Supermarket	-1,024	-3,252	-2,422	-2,620	-2,887
Other Food	-564	-1,401	-1,068	-850	-831
Hospitality and Services	-1,578	-3,390	-3,915	-4,277	-4,191
Clothing and Soft Goods	269	451	736	887	991
Household Goods	-1,793	-2,532	-3,151	-2,808	-1,897
Other Retail	21	83	503	766	970
Department Stores	2,034	1,932	2,469	2,925	3,361
Total	-2,634	-8,109	-6,848	-5,977	-4,485

Source: SGS, 2020.

8.7 Booval

Booval is a strip centre to the east of the Ipswich CBD. Most activity in this centre lies along a linear plane on both sides of the Brisbane Road arterial. The centre possesses the supermarket and department store anchors expected of a Major Centre, as well as a significant collection of bulky goods retail and car sales at its eastern most point. Most of its retail anchors are positioned within the Booval Fair mall.

TABLE 44: BOOVAL RETAIL FLOORSPACE EXPECTED SUPPLY GROWTH, 2016-2041 (SCENARIO 2)

City Centre	2021	2026	2031	2036	2041
Supermarket	5,319	5,319	5,319	5,319	5,319
Other Food	746	746	746	746	746
Hospitality and Services	5,536	5,536	5,536	5,536	5,536
Clothing and Soft Goods	1,379	1,379	1,379	1,379	1,379
Household Goods	11,324	11,324	11,324	11,324	11,324
Other Retail	3,135	3,135	3,135	3,135	3,135
Department Stores	9,842	9,842	9,842	9,842	9,842

Total	37,281	37,281	37,281	37,281	37,281

Source: SGS, 2020.

In terms of floorspace gap (Table 45), the centre currently overtrades slightly, particularly in terms of those bulky goods and to a lesser extent, hospitality services dotted along Brisbane Road. The centre is expected to operate at near equilibrium by 2041. Given the size of this centre in floorspace terms (and the market supporting it), it should be considered a Major Centre.

TABLE 45: BOOVAL RETAIL FLOORSPACE GAP, 2016-2041 (SCENARIO 2)

City Centre	2021	2026	2031	2036	2041
Supermarket	-910	-1,524	-1,638	-1,925	-2,004
Other Food	-113	-174	-166	-153	-140
Hospitality and Services	-1,052	-1,767	-2,276	-2,645	-2,536
Clothing and Soft Goods	-11	174	326	428	524
Household Goods	-2,519	-2,011	-2,603	-2,402	-1,278
Other Retail	-320	2	402	726	1,061
Department Stores	-799	-347	566	1,389	2,396
Total	-5,726	-5,646	-5,389	-4,582	-1,978

Source: SGS, 2020.

8.8 Redbank Plains

In Redbank Plains, there is a strong supermarket presence, along with some limited Department Store offerings. The centre's core function is that of a weekly grocery trip, with some other general merchandise and retailing. The centre's activities are primarily focused around the Town Square Shopping Centre.

TABLE 46: REDBANK PLAINS RETAIL FLOORSPACE EXPECTED SUPPLY GROWTH, 2016-2041 (SCENARIO 2)

City Centre	2021	2026	2031	2036	2041
Supermarket	13,754	13,754	13,754	13,754	13,754
Other Food	1,555	1,555	1,555	1,555	1,555
Hospitality and Services	5,359	5,359	5,359	5,359	5,359

Clothing and Soft Goods	736	736	736	736	736
Household Goods	1,409	1,409	1,409	1,409	1,409
Other Retail	1,307	1,307	1,307	1,307	1,307
Department Stores	6,371	6,371	6,371	6,371	6,371
Total	30,491	30,491	30,491	30,491	30,491

Source: SGS, 2020.

In terms of floorspace gaps, the Redbank Plains centre has a similar trajectory to Booval, with some overtrading at present (particularly in its supermarket anchors). This pattern is expected to continue, although like in other centres, it is questionable whether Department Stores can retain their market share. It is possible that those stores may shrink fractionally in footprint overall. Given the size of this centre in floorspace terms (and the market supporting it), it should be considered a Major Centre.

TABLE 47: REDBANK PLAINS RETAIL FLOORSPACE GAP, 2016-2041 (SCENARIO 2)

City Centre	2021	2026	2031	2036	2041
Supermarket	-2,658	-3,802	-4,088	-4,761	-4,804
Other Food	-348	-213	-72	53	119
Hospitality and Services	-1,168	-1,138	-1,327	-1,483	-1,158
Clothing and Soft Goods	-31	174	267	330	381
Household Goods	-242	166	222	282	401
Other Retail	-164	250	451	574	698
Department Stores	-739	171	825	1,398	2,016
Total	-5,349	-4,392	-3,722	-3,607	-2,347

Source: SGS, 2020.

8.9 Rural Townships and Village Centres

Major settlements in the Ipswich LGA are concentrated towards the north and east, where connections back into Brisbane and other important economic nodes are stronger. This leaves the western (and to a lesser extent southern) corridors of the LGA with a collection of smaller, less densely populated settlements. The character of these parts of the LGA is semi-rural to rural, with a number of village centres that dot the landscape.

These village centres range in size from a couple of convenience outlets to a small collection of shops totalling less than 7,000sqm. A limited list of these centres is shown in Table 48.

In most cases, demand is not expected to grow significantly in the foreseeable future, with most of these village centres expected to continue to play similar roles to what they currently perform for their local population. That is, to provide local convenience goods and services for the population in the immediate surrounds, with higher-order functions requiring a longer travel journey for their local catchment.

TABLE 48 RURAL TOWNSHIPS AND VILLAGE CENTRES IN IPSWICH LGA

Village Centre	Floorspace supply (sqm) 2021	Floorspace Demand (sqm) by 2041
Thagoona	6,600	6,592
Willowbank	6,290	5,950
Amberley	1,632	2,950
Marburg	238	257
Grandchester	-	-

9. Strategic planning implications

9.1 Emerging issues

The key issues emerging from the analysis in this study are:

- High forecast population growth across the LGA will create demand for more retail floorspace.
- However, as much of this population growth is likely to occur in greenfield areas, it will also drive the expansion of urban settlement patterns across the LGA.
- Much of the expected increase in demand for retail floorspace will happen away from established centres, including those such as the Ipswich CBD that need to attract more expenditure long term.
- Supermarkets are also expanding their presence in the retail ecosystem, increasing their range of products and conveniences, which encroach upon the product range of specialty stores and department stores.
- Furthermore, declining store-based expenditure for key retail categories in higher order established centres including apparel and department store goods are challenging the established floorspace mix in those nodes.
- Nonetheless, other opportunities are emerging. Café culture, eat streets, and health and wellbeing precincts are increasingly popular; whilst even the rise of online retailing has transformed shopfronts into showrooms where the latest and shiniest products or services can be displayed and interacted with by consumers before they buy online.

These key trends are shaping the development of centres across the LGA already. Stakeholder consultation has found some centres such as Mirvac Orion in Springfield are implementing many mechanisms to take full advantage of the opportunities documented above whilst mitigating against the challenges.

The principles documented so far guide recommendations for how Council should address these issues from a planning perspective.

9.2 Appropriateness of the existing hierarchy

Division 1.6 (Urban Areas Strategy) of the 2006 Ipswich Planning Scheme states the importance of moving Ipswich LGA towards a polycentric development model, with Ipswich City Centre as the Key Regional Centre whilst the Springfield Town Centre was defined as the Gateway CBD.

The 2020 floorspace audit and modelling work documented in Sections 4 and 6 of this report supports that development model. It finds that those two CBDs sit atop the hierarchy of centres and have the critical mass and gravitas to attract more spending long term.

Ipswich CBD should continue to be supported as, the primary services and commercial centre. Continued economic development of the CBD can leverage its intrinsic assets and attributes. Marketing the CBD's advantages and planning for it to be the LGA's primary commercial centre will support this outcome. Future improvements to the public transport network and new railway stations/connections could also potentially unlock demand for more commercial office floorspace (see Section 9.6).

The scenario testing in Section 6 however, found that further expansions at Springfield will challenge the Ipswich CBD to remain relevant as a Principal Centre at the top of the centres hierarchy. To ensure that the Ipswich CBD is not superseded as the prime centre in the LGA, a greater focus will need to be placed on growing its role beyond retailing.

In terms of growth area planning, a polycentric development model is required, as residential development is spreading right across the LGA. This means that existing and future residents will need good access to weekly groceries and services – something that necessitates the broader network of supermarket-anchored centres in order to reduce travel distances and times. There will likely be a substantial need for further rollout of supermarket floorspace across all areas expecting population growth.

However, it is suggested that Council should avoid micro-managing this rollout through explicitly allocating vast volumes of supermarket floorspace supply, particularly given this growth is tied to population forecasts which may take a long time to materialise – if at all. Generally, supermarkets require a minimum of 8,000 residents to be supportable. So overall, Council should aim for the rollout of one full line supermarket per approximately 10,000 population (give or take depending on how that plays out spatially in catchments).

It is also better to masterplan the centres themselves in a way to ensure extra capacity at these locations for new supermarkets and supporting specialty shops in the future. A common strategy for employment in growth area planning is to zone for bulky goods retail on the edges of the centre core, with that land then becoming available for more supermarket floorspace in the future when demand from growing populations begins to materialise.

Another key strategy to containing the role of these neighbourhood centres and preventing from ascending further up the hierarchy than their core function (providing weekly grocery shopping needs) is to prohibit DDS, Department Stores, Big Boxes and other shop types that are not considered to be congruent with supermarket-based shopping.

9.3 Managing retail floorspace thresholds and limits to growth

The modelling has identified that whilst historical trend and population forecasts may reveal gaps in retail floorspace across most of the LGA's centres in the base case, other factors such as the increasing prevalence of online retailing and the longer term impacts of COVID to residential development, retailing and office work, encouraging further expansion or development of new retail floorspace needs to be treated with caution.

As Table 49 demonstrates existing and planned retail floorspace across the LGA is close to being sufficient for meeting long term demand in most parts of the LGA, with the major exceptions being Ipswich CBD and South Ipswich.

Further floorspace expansions over and above planned floorspace in places such as Springfield or Ripley Valley is likely to lead to trade diversions from nearby/competing submarkets. Scenario 3 demonstrated this by showing how increased floorspace at Springfield over and above existing and planned floorspace would lead to a significant surplus of floorspace over nearly 20,000 sqm. Note that this oversupply would be even higher if disregarding the supermarket statistic – much of that supermarket floorspace could alternatively be provided in neighbourhood centres, closer to residents' trip origins.

TABLE 49: RETAIL GAP BY SUBMARKET, BY COMMODITY – SCENARIO 2, 2041

	Supermarket	Oth Food	Hospitality	Clothing	Hsld Goods	Other Retail	D'pmt Store	Total
City Core	-8,194	-1,074	-7,400	2,419	-5,207	3,301	3,159	**-12,997**
East Ipswich	-4,852	-624	-3,671	849	-2,216	1,344	2,396	**-6,775**
North Ipswich	-2,466	-306	-1,259	308	-7	279	0	**-3,451**
South Ipswich	-4,725	-1,032	-6,386	1,072	-4,966	1,386	3,962	**-10,688**
Goodna/Redbank	-11,747	367	-2,708	2,285	1,902	4,458	8,454	**3,011**
Springfield	-18,929	435	-11,460	10,751	2,461	13,368	9,862	**6,490**
Ripley Valley	-4,442	235	-268	2,120	1,004	2,576	2,479	**3,705**
Western Growth Corridor	1,508	523	-1,433	758	501	974	3,104	**5,935**
Northern Fringe	-2,218	-79	-166	179	176	277	0	**-1,832**
Total	-56,067	-1,556	-34,750	20,740	-6,350	27,963	33,417	-16,603

As discussed in Section 9.2, the supermarket floorspace gap is the most significant undersupply for Council to consider in the long run. In most other parts of Australia where rapid population growth in greenfield areas creates supermarket floorspace undersupply, the supermarkets generally overtrade in the short to medium term. But as long as there is sufficient coverage of neighbourhood centres that are accessible, and those centres have sufficient zoned land to allow new supermarkets to be built in them, the problem is less severe in the long term as second and third supermarket chains will tend to fill the gaps and create competition.

Consistent with Council's Planning Scheme, **out of centre retail development should be avoided**, as they undermine the structure of the retail hierarchy, taking spending away from established town centres. This in turn affects the amenity, footfall and vibrancy of what would otherwise have been integrated places. Out of centre retail clusters anchored by supermarkets of greater than 1,000 sqm can be a threat to the retail hierarchy. Smaller clusters with less significant anchors pose a reduced risk on their own, but the cumulative impact can be significant and should therefore be prevented. The policy implication is that Council ensures through its planning for centres that gaps in the network are filled by the right mix and coverage of local and neighbourhood centres so that there are no major pockets of the urban landscape which lacks access to supermarkets.

9.4 Additional future capacity in centres

From submarket discussion from the modelling results, we now turn our attention to individual centres (note that there has also been discussion about centres in Section 8). Table 50 presents all centres that are currently classified in the hierarchy as Principal, Major or District. Supply and demand is shown which leads to commentary on what Council ought to make of the future floorspace equilibrium in these locations by 2041.

The highest priority is for Council to find a way to improve the fortunes of Ipswich CBD given the significant growth expected at Springfield Central, with Ipswich CBD needing to focus more strongly on the non-retail anchors of the future (for example arts and culture). Both centres were covered in detail in section 8, but Table 50 does demonstrate that further expansion at Springfield Central could affect a number centres in the hierarchy, given its relative size to Ipswich CBD.

One strategy could be to convert some of that expected 228,000 sqm of floorspace into entertainment, health and other lifestyle uses that will still net a strong income for the centre owners, but without excessively diverting trade from other centres.

From there, Council's priority will likely be more about encouraging Ipswich CBD to focus on its strengths and growing that rather than taking anything away from Springfield. That includes focusing on the Ipswich CBD's civic function as a city centre, creating a calendar of events, and a network of visitor attractions (for both the Ipswich residents and visitors from beyond the LGA) that are proven to be successful in city centres including sports stadia, night markets, and arts and cultural facilities. The retail offering should then be carefully curated around those non-retail anchors.

In the greenfield areas, a number of centres (and their submarkets) are still early in their growth phase to provide definitive assessments on their level of appropriateness. Nevertheless it appears based on current population forecasts that the floorspace planned in those centres is broadly appropriate (with a few noted exceptions). In those examples, Council needs to ensure floorspace is released in concert with the development of the surrounding residential estates; holding off the development of more retail floorspace until more population growth occurs. As a first base, a population of 8,000 people is sufficient to support a baseline full line supermarket (3,000 sqm+), alongside a collection of shops worth 2,000 sqm for an initial centre in excess of 5,000sqm.

That process can create some natural monopolies - particularly in the supermarket space – but overtrading supermarkets is a reasonable trade-off to offset floorspace oversupplies that lead to centre disintegration in what is often already sparsely populated greenfield estates.

TABLE 50 SUPPLY, DEMAND AND ADDITIONAL/REDUCED CAPACITY BY 2041 – PRINCIPAL, MAJOR & DISTRICT CENTRES

Name	Policy Hierarchy[56]	Submarket	Existing Floorspace	Floorspace Supply by 2041	Likely Market Demand by 2041	Key comments	Recommendation for Additional/Reduced Capacity
Springfield Central	Principal centre	Springfield	75,826	228,000	199,135	– 20 year demand forecast fails to meet planned supply. – Will be double the size of Ipswich, and could relegate Ipswich CBD down the hierarchy as a de-facto Major Centre – Avoid any further expansions, potentially revisit whether the planned floorspace should go ahead in its current form.	– Cap floorspace to under 228,000sqm (which is the proposed amount by 2041).
Ipswich CBD		City Core	91,200	92,250	105,247	– The modelling demonstrates that all else being equal, there is sufficient gravitational demand for more retail activity in Ipswich; – albeit it needs to accompanied by more and better cafés, eat streets, and a health and wellbeing precinct that ties into its civic functions	– Expanding the range of attractions in the CBD will make 105,000sqm of quality retail realistic, if not more. – Track progress of master planning and other efforts to assess whether there is potential for more floorspace.
Ripley MC	Major Centre	Ripley Valley	6,343	52,843[57]	48,224	– For a speculative long term forecast in a greenfield precinct, the demand and supply gap is acceptable.	– Circa 50,000sqm capacity, subject to population thresholds being reached.

[56] Based on the proposed draft Strategic Framework

[57] The development plans in Ripley suggest 70,000sqm of floorspace in the centre core for retail. Note this is higher than the circa 53,000sqm of retail floorspace that the model is expecting to be developed by 2041. We consider this to be reasonable as in reality, the 70,000sqm should likely act as an upper floorspace limit, which might be reached eventually should market demand be realised.

						– Council should regularly monitor the rollout of the estate and its population yields.	
Goodna		Goodna/ Redbank	11,611	11,611	12,709	– No significant change expected	– Incremental growth of floorspace in line with the low level of extra demand is acceptable. See next table for recommendation to reduce its role in the hierarchy.
Redbank Plaza		Goodna/ Redbank	47,135	47,135	40,761	– Note that this floorspace demand is actually declining from around 50,000sqm in 2021. There is significant competition in this submarket across three district centres, as well as Springfield Central.	– The significant expansion expected at Springfield will reduce growth opportunities for this centre in the future.
Booval		East Ipswich	36,506	37,281	39,481	– No significant change expected	– Incremental growth of floorspace in line with the low level of extra demand is acceptable
Redbank Plains	District Centre	Goodna/ Redbank	30,491	30,491	33,230	– No significant change expected	– Incremental growth of floorspace in line with the low level of extra demand is acceptable
Yamanto		South Ipswich	16,516	38,186	43,266	– Significant growth expected in this area. The modelling suggests there is potential for more floorspace than planned.	– Council should wait to establish where/when demand exceeds supply. – In the short term that should create an overtrading and overcrowding situation in some supermarkets and other shops. – At that point, there would be a case for further floorspace expansion of circa 5,000sqm
Ripley West DC		Ripley Valley	0	12,000	12,810	– Forecast demand broadly in line with planned floorspace	– No change to planned floorspace

Ripley East DC		Ripley Valley	0	15,000	14,401	– Forecast demand broadly in line with planned floorspace	– No change to planned floorspace
Rosewood		Western Growth Corridor	4,685	19,685	13,607	– Forecast demand appears to fall short of planned floorspace. – There may be a case here to slow down the rollout of floorspace to 10,000sqm until 2031.	– Keep to 10,000sqm by 2031, and then review whether there is a case for a further expansion to 15,000 or 20,000sqm
Springfield		Springfield	8,932	9,202	7,750	– Market demand declining slightly (possibly due to the dominance of the expanded Springfield Central). – Not a major concern or priority to manage.	– No change to planned floorspace, although if stores begin to underperform, there is a case to stop any expansion of this centre. – Otherwise, Council should be seeking to limit the growth of Springfield Central.
Brassall		North Ipswich	8,650	8,650	10,994	– No significant change expected	– Incremental growth of floorspace in line with the low level of extra demand is acceptable
Karalee		Northern Fringe	8,432	8,432	10,463	– No significant change expected	– Incremental growth of floorspace in line with the low level of extra demand is acceptable

Following on from Table 50, the next step is to establish a revised centres hierarchy. This is shown in Table 51 below. Overall, the hierarchy is not expected to change dramatically, with the Ipswich CBD and Springfield Central still expected to retain their place at the top of the hierarchy (although Springfield will be the prime retail centre whilst Ipswich CBD will be a leading centre of civic and cultural features).

From there the number of Major Centres is expected to have a net increase (although, owing to significant demand driving increases in the floorspace in centres such as Ripley and Yamanto. Redbank Plaza, Booval and Redbank Plains are also of similar sizes (30,000 to 50,000sqm), and so should be on a similar level of the hierarchy playing similarly dominant roles in their submarket.

These growing centres should be considered as potential/future Major Centres, with the expectation that they become that tier of centre once they pass the 30,000 sqm threshold. In many cases, this is unlikely to occur until at least 2031, so for the next 10 years, should still be labelled commensurate to their current role and function. For example, even a centre like Yamanto is still well off that 30,000 sqm threshold, and will be for some time still.

There is a clear step down from those centres to the next tier of centres that are all under 15,000 sqm in floorspace. This is becoming more common across the retail landscape as traditional DDS (Target, Kmart, Big W) anchored centres that were typically 20,000 to 25,000 sqm in size are expected to become increasingly rare. Centres either need to do more than that incorporating cafés, eat streets, and a health and wellbeing precincts, or they need to be revised down to supermarket anchored centres.

Those District Centres of between 10,000 to 15,000 sqm are generally quite large, featuring multiple full line supermarkets as well as an extensive array of specialty shops covering most commodity types in the retail economy. Covering weekly shopping needs, they will be quite important for building communities in the new greenfield estates. Nonetheless they should be capped to 15,000 sqm maximum to encourage more non-grocery trips into Principal and Major Centres.

Finally, a recommended floorspace range is provided for those centres based on a combination of the modelling work in earlier chapters, the detailed centre based assessments (particularly for Springfield and Ipswich CBD in Section 8) and the more retail policy based analysis in this Recommendations Section.

The new/proposed hierarchy is mapped out in Table 47.

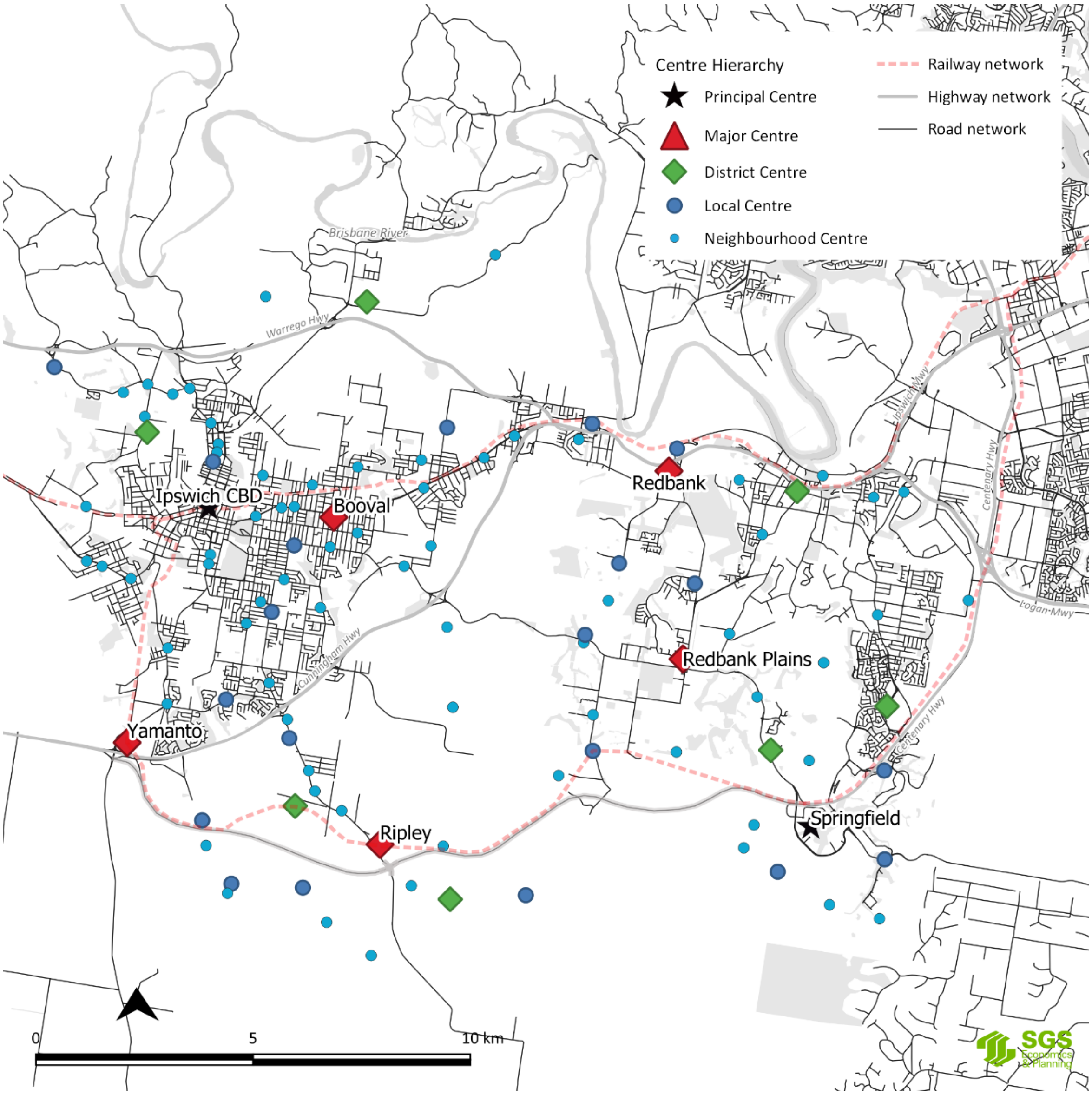
TABLE 51 FUTURE HIERARCHY AND RECOMMENDED FLOORSPACE RANGE

Name	Current Hierarchy[58]	Future Hierarchy[59]	Submarket	Existing Floorspace	Floorspace Supply by 2041	Likely Market Demand by 2041	Recommended Floorspace Range (sqm) by 2041 unless otherwise stated	Other Important Roles
Springfield Central	Principal Centre	Principal Centre	Springfield	75,826	203,686	199,135	200,000 to 230,000	Entertainment, health, commercial office
Ipswich CBD	Principal Centre	Principal Centre	City Core	91,200	92,250	105,247	200,000 to 230,000	Civic, health, commercial office
Ripley MC	Major Centre	Major Centre	Ripley Valley	6,343	52,843	48,224	~30,000 by 2031; ~50,000 by 2041	Community facilities, health, education
Yamanto	District Centre	Major Centre	South Ipswich	16,516	38,186	43,266	38,000 to 43,000	Health
Redbank Plaza	District Centre	Major Centre	Goodna/ Redbank	47,135	47,135	40,761	45,000 to 48,000	Health

[58] Based on the proposed draft Strategic Framework
[59] Note that these future hierarchies are based on the expected sizes for the centres by 2041. In many cases, the centres will not reach that size/role in the hierarchy until at least 2030 to 2035. Hence these future hierarchies should be interpreted as potential, and conditional upon those centres reaching their forecast size and role.

Booval	District Centre	Major Centre	East Ipswich	36,506	37,281	39,481	36,000 to 40,000	Health
Redbank Plains	District Centre	Major Centre	Goodna/ Redbank	30,491	30,491	33,230	30,000 to 34,000	Entertainment, health
Ripley East DC	District Centre	District Centre	Ripley Valley	0	15,000	14,401	10,000sqm by 2031 ~14,000 to 15,000 by 2041	Community, education
Rosewood	District Centre	District Centre	Western Growth Corridor	4,685	19,685	13,607	10,000sqm by 2031 13,000 to 15,000 by 2041	Education, community, entertainment, health
Ripley West DC	District Centre	District Centre	Ripley Valley	0	12,000	12,810	no development until 2031 ~12,000 to 13,000 by 2041	Community, education
Goodna	Major Centre	District Centre	Goodna/ Redbank	11,611	11,611	12,709	11,000 to 13,000	Entertainment, health
Brassall	District Centre	District Centre	North Ipswich	8,650	8,650	10,994	8,000 to 11,000	Community
Karalee	District Centre	District Centre	Northern Fringe	8,432	8,432	10,463	8,000 to 11,001	N/A
Springfield	District Centre	District Centre	Springfield	8,932	9,202	7,750	7,000 to 10,000	Education, community, entertainment, health

FIGURE 26 PROPOSED HIERARCHY FOR IPSWICH LGA



9.5 Managing out of centre retailing proposals

Division 1.6 (Urban Areas Strategy) of the 2006 Ipswich Planning Scheme states the need to contain commercial uses within existing urban areas and growth corridors of Springfield to Ripley to Ipswich and Goodna to Rosewood.

The distribution of future retail floorspace is to a large extent decided by a few key players – anchor stores, developers, and Council. It is likely that if market forces are left to dictate development, then a low-density suburban structure with large format retail will be delivered for the LGA's growth areas, with supermarket anchored highway clusters the dominant element in the market.

Most rational behaviour in a competitive environment will see Ipswich's existing centres expand somewhat ahead of demand in order to pre-empt market share in the newer suburbs in growth areas that are still developing, and this is likely to delay establishment of alternative centres. The same interests or others will eventually bring another centre online, again pre-empting market share to prevent competitors establishing. This centre will then expand progressively to keep competitors at bay. Hence the 'market' will tend towards a limited number of larger centres which will necessarily have to be accessed by car. Such centres also often include those referred to as 'big box' centres and they generally offer little to the community beyond selling retail products en masse at low prices. They are invariably in single ownership and hence afford few opportunities for small businesses to compete, innovate and contribute to the community in meaningful ways. The 'development model' is one where the anchor stores are offered floorspace at modest rents with the most profitable rents being derived from the specialty shops. There is competition to co-locate with the anchor stores which are major people attractors.

Big box stores are efficient distributors of retail goods, but they lack a traditional public domain and they tend to be designed for car access, are often surrounded by large carparks and are poorly integrated into the urban environment. They contrast strongly with CBDs and their increasing focus on shopper/ visitor experience and fine-grain retailing, Big box retailing does not create the same opportunities for complementary uses to establish that more integrated centres are able to.

If a more concerted approach to centres planning is applied, then more mixed densities, integrated, diverse and sustainable town centres may be able to be achieved for the LGA. As noted above, Household Goods is projected to be one of the areas with the most need for floorspace in future, however this shouldn't mean that it is allowed everywhere. **Instead, proposals for big box and related types of retail should be targeted to centres which have an existing strength or concentration of these uses.** These types of centres are typically those that people will travel to for specific reasons, rather than being needed on a day-to-day basis. As such, these types of stores don't need to be provided in every centre.

Similarly, the establishment of new supermarkets in out of centre locations has the same potential to be a driver and catalyst for unsustainable, low density suburban development. It is important therefore that **planning for supermarket floorspace is considered in the context of the hierarchy of centres across the LGA and patterns of future development**. Where new supermarket floorspace is provided, it will need to be considered based not only where the most projected need is, but also how the introduction of a new store may encourage development nearby, and how it may interact with existing supermarkets (e.g. will it increase competition or push out other retailers).

9.6 Service station retailing

Over the past decade, service stations in Ipswich LGA (and indeed across Australia) have increasingly expanded on their sales offerings beyond petrol. Initially this might have been driven by corporate partnerships and joint ventures between major retailers and petrol outlets, including the consolidation of Caltex into the Woolworths Business.

That initial trend expanded on the floorplate and branding of the traditional convenience store in these petrol outlets. Whilst this has continued, other uses have also gained a foothold, including takeaway restaurants and other retail shops. When all of these functions are collocated in a single node, they begin to constitute something more akin to a neighbourhood centre as defined under section 2.2 (except walking convenience is now replaced by driving convenience). This is a legitimate planning issue.

From a policy perspective, Council needs to decide whether it is acceptable for these clusters to essentially be <u>performing de-facto neighbourhood centre functions</u> at highway locations. The trade diversion impact of such clusters is not likely to be significant enough to destabilise the retail hierarchy, as neighbourhood centres are typically dotted across the urban landscape, and so whether they are walking conveniences (particularly in inner-city suburbs) or driving conveniences (in the outer suburbs, regional areas) is immaterial from an economic standpoint.

There is however a second test to be conceived. If these clusters are allowed to grow further and begin to form much larger economic clusters to the point where they can <u>replicate the role of a local centre</u> as defined under section 2.2 of this report, the issue may transcend policy concerns and begin to have economic impacts.

A local centre is defined as one which is larger than 2,500 sqm, usually anchored by a small supermarket or convenience store. Typically, a local centre is around 5,000sqm in retail floorspace and is capable of generating up to $25million in annual turnover. At that level of trading, it is *possible* (although not guaranteed) that such a centre could create significant trade diversion impacts on surrounding nodes, particularly given the fact that these petrol outlets are usually in highly accessible locations. There is also a potential cumulative impact, although such nodes exceeding 2,500 sqm is floorspace are still rare.

Given these considerations, it is therefore recommended that Council put in place a policy mechanism whereby any petrol outlet that is seeking to become anchored by a supermarket (or higher order anchor) be subject to an economic impact assessment. In some cases the impact may be low, and that would then make such developments permissible, but it is possible that particularly where a proposal is anchored by a supermarket, there could be a detrimental trade diversion impact to nearby centres; that is what the economic impact assessment would be testing.

9.7 Commercial office development

Ipswich and Springfield are likely to compete for the forecast office demand of around 107,000 sqm of additional strategic commercial floorspace between 2021-2041. Other centres may capture a small amount, including a future major centre at Ripley and future district centres in the Ripley Valley and Western Growth corridor, but the lack of existing concentration of employment, services and transport accessibility in these locations makes them likely to be less competitive over the time period considered.

Indeed, for the best agglomeration and productivity benefits, it would wise for Council to encourage stronger concentrations of office development in fewer places as opposed to the more dispersed development pattern that is better suited to the population serving function of retailing.

That said, most of the recent employment growth in Ipswich and Springfield is population serving in nature as well, rather than strategic office-based or strategic knowledge-based employment. This is likely to reflect that the Ipswich LGA is not highly competitive for the relatively footloose office-based activity when compared to other parts of Greater Brisbane. There is a slight distinction between the two, with Ipswich hosting a more civic focus, whilst Springfield's employment growth is still more consumer/consumption oriented.

Historical shares of employment growth show that Springfield has had more momentum in economic growth than the Ipswich Centre. Development of office space is also likely to be more straightforward at Springfield given its greenfield status would better allow big commercial tenants to configure the site and new buildings to their preferences. Its position immediately adjacent to Centenary Highway is also a competitive advantage for back-office and business-park style development.

The natural competitive strengths of the Ipswich City Core for attractive business development over other centres like Springfield are its existing urban structure and associated amenity and stronger concentration of existing services including civic functions as mentioned above. Hospitality and social infrastructure in particular are more concentrated in Ipswich and will be helped by Council's Nicholas Street Precinct development. The planned railway line from Ipswich to Springfield will also help Ipswich's competitive position to attract commercial employment, although exact quantifiable impacts are more difficult to determine.

As noted earlier, the Ipswich LGA's forecast employment growth rate is much lower than its forecast population growth rate. This reflects the focus on population services in recent employment growth, rather than other knowledge-based sectors. Unless the economic trajectory of the Ipswich LGA as a whole changes, there is not likely to be enough demand for strategic commercial employment to support strong commercial offerings for other centres or business precincts besides Ipswich and Springfield, noting that the forecast demand of around 107,000 sqm could be easily absorbed by Ipswich and Springfield. As a result, in the absence of a change in economic context, Council should focus strategic commercial aspirations on Ipswich and Springfield, as part of a broader economic development focus on strategic employment.

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