



17 December 2025

Attn: Candace Canniffe – Planning Officer

The Chief Executive Officer
Gladstone Regional Council
PO Box 29, GLADSTONE QLD 4680

RE: SUBMISSION ON OTHER CHANGE DEVELOPMENT APPLICATION (COUNCIL REFERENCE: DA/1008/2014) – PRELIMINARY APPROVAL FOR MATERIAL CHANGE OF USE FOR ADVERTISING DEVICES, CAR WASH, CHILD CARE CENTRE, EDUCATIONAL ESTABLISHMENT (SWIM SCHOOL), FOOD AND DRINK OUTLET, GARDEN CENTRE, HARDWARE AND TRADE SUPPLIES, HEALTH CARE SERVICES, INDOOR SPORT AND RECREATION, OFFICE, SERVICE STATION, SHOP, SHOWROOM, VETERINARY SERVICE AND LARGE FORMAT RETAIL (ACTIVITY GROUP) OVER THREE (3) STAGES INCLUDING VARIATION REQUEST TO VARY THE EFFECTS OF THE GLADSTONE REGIONAL PLANNING SCHEME 2017 (VERSION 2) FOR DEVELOPMENT IN ACCORDANCE WITH THE PROVISIONS OF THE KIRKWOOD ROAD COMMERCIAL CENTRE CODE

Dear Candace,

We refer to the above other change application for a Preliminary Approval for Material Change of Use for Advertising Devices, Car Wash, Child Care Centre, Educational Establishment (Swim School), Food and Drink Outlet, Garden Centre, Hardware and Trade Supplies, Health Care Services, Indoor Sport and Recreation, Office, Service Station, Shop, Showroom, Veterinary Service and Large Format Retail (Activity Group) over three (3) stages including Variation Request to Vary the Effects of the Gladstone Regional Planning Scheme 2017 (Version 2) for Development in Accordance with the Provisions of the Kirkwood Road Commercial Centre Code (**Other Change Application**) submitted by Kirkwood LFR Development Pty Ltd (ACN: 683 516 592) ATF Kirkwood LFR Development Trust (ABN: 92 966 344 969) (**Applicant**).

Region RE Limited hereby lodge this submission as the registered owner of land located at 550 Kirkwood Road, Kirkwood QLD 4680, formally described as Lot 901 on SP235957, being land that comprises the Kirkwood Shopping Centre and is located on the opposite side of the road to the land the subject of the Application.

Region RE Limited has significant concerns for the unacceptable impacts caused by the proposed development the subject of the Application. The proposed development:

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- Is not of a type and scale appropriate for the prevailing nature of the area and the particular circumstances of the site and its surrounds;
- Will have unacceptable impacts on the Kirkwood Road Shopping Centre as well as others within the surrounding network of centres;
- Has not adequately demonstrated in its application material sufficient detail to support approval of the proposed development; and
- Is not envisaged by the Our Place Our Plan Gladstone Regional Council Planning Scheme 2017 (**Planning Scheme**).

Furthermore, the applicant has not adequately demonstrated in the application material, relevant matters to support an approval of the proposed development.

Importantly, the proposed development does not comply with the relevant assessment benchmarks of the Planning Scheme, and there are no relevant matters to approve the proposed development despite the non-compliance. Accordingly, the proposed development should not be approved by Council.

Our Understanding of Application Details and Assessment Progress

The subject site is located at Kirkwood Road, Kirkwood QLD 4680, formally described as Lot 1 on SP341685, Lot 2 on SP341685 and Lot 3 on SP341685. The site is designated as follows under the Planning Scheme:

Zone:

- Emerging Community Zone

Overlays:

- Acid Sulfate Soils Overlay
- Airport Environs Overlay
- Biodiversity Overlay
- Building Heights and Frontage Overlay
- Bushfire Hazard Overlay
- Flood Hazard Overlay
- Steep Land Overlay

Local Government Infrastructure Plan:

- Roads – Gladstone Intersections Upgrade and Gladstone Road Link Upgrades
- Water – Water Main Upgrades

The site benefits from a development approval issued by the Planning and Environment Court in Appeal 2977 of 2016 on 7 December 2017 (**Original Approval**). This development approval granted the following:

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- Preliminary Approval under Section 242 of the Sustainable Planning Act 2009 for development in accordance with the Kirkwood Road Commercial Centre Code dated 18 December 2015;
- Preliminary Approval under Section 241 of the Sustainable Planning Act 2009 for a Material Change of Use of premises for Showrooms; and
- Development Permit for a Staged Reconfiguring a Lot (2 Lots into 5 Lots and Road).

On 26 August 2021 Gladstone Regional Council granted approval to extend the currency period of the Original Approval to 7 December 2025 (**Extension Approval**).

The Town Planning Report for the Other Change Application states that the purpose of the change is to improve the functionality to deliver the project and implement staging, in addition to including land uses envisioned for the subject site based on current market demand and economic and community need.

Separate to the subject development application is an application seeking a Development Permit for a Material Change of Use for Shop (Supermarket) (Council Reference: DA/54/2025) on land located at Kirkwood Road, Kirkwood QLD 4680, formally described as Lot 2 on SP3413685 (**development permit application**).

Grounds of Submission

The following sections state the grounds for refusal as well as relevant matters that are of concern to Region RE Limited for the continued successful operation of the approved use of their land.

The facts and circumstances in support of the grounds for refusal are provided in the sections below.

Inappropriate Expansion of Kirkwood Road Centre

With consideration of the Kirkwood Road Commercial Centre Masterplan and Code put forward by the Applicant, the Other Change Application seeks to establish the framework for a development that comprises a combined major shopping centre and Specialised Centre. The Other Change Application includes an integrated regional scale development of non-traditional centre activities such as showrooms, outdoor sales and bulky goods retailing, as well as uses such as car wash, childcare centre, educational establishment, food and drink outlets.

The Planning Scheme establishes a clear and concise strategic vision for the Kirkwood Road centre. The major shopping centre is clearly identified as being bounded on the corner of Kirkwood Road, Dixon Drive and Kahler Close and being characterised by an existing shopping centre, service station and food and drink outlet. The Planning Scheme acknowledges that any future expansion is to provide lower order retail and / or commercial

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uses which service the immediate and future Kirkwood community. The Planning Scheme clearly states that no further expansion of this centre is supported beyond the existing boundaries.

The Planning Scheme establishes a clear intent for a specialised centre, identifying that a specialised centre is to not comprise retailing that is regularly visited such as small shops (including supermarkets) and shopping centres. These land uses, along with other non-land consumptive uses are not supported in specialised centres in the highest component of the Planning Scheme.

Poor Planning Scheme Drafting

The Other Change Application includes changes to Kirkwood Road Commercial Centre Code for a range of land uses anticipated on the subject site. The Kirkwood Road Commercial Centre Code is poorly drafted as the Categories of Development and Assessment and Assessment Benchmarks for Assessable Development and Requirements for Accepted Development do not appropriately consider the scale of intensity and associated operational impacts of the land uses and the consequences this would have with regards to the function of the centre within the centre hierarchy.

Food and Drink Outlet is identified as being accepted development, subject to requirements where the sum of the existing gross floor area (GFA) and the GFA proposed is less than 1,500m² GFA. The Kirkwood Road Commercial Centre Code Commercial Code is identified as an assessment benchmark. Note that this is not identified as a code within the Kirkwood Road Commercial Centre Code and therefore it is assumed that Part 3: Kirkwood Road Commercial Centre Code is the correct assessment benchmark.

Within the Kirkwood Road Commercial Centre Code assessment benchmarks for a Food and Drink Outlet that is accepted development subject to requirements, AO1 and AO2 in Section 3.2 seek to identify an appropriate split of the centre's ultimate building footprint to ensure that complementary uses support and enhance the purpose of the precinct, do not limit or compromise the purpose of the precinct and do not undermine or jeopardise the existing and commercial centre hierarchy across the region. This is expressed as a minimum and maximum percentage of building footprint for each category.

In a potential development scenario on the subject site, six drive through Food and Drink Outlets comprising 250m² GFA each could be achieved as accepted development, subject to requirements and not necessitating the requirement for a development application. The assessment benchmarks for accepted development, subject to requirements do not consider the associated operational impacts such as hours of operation, internal traffic impacts such as queuing or trip generation associated with such a use.

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While the Applicant is intending to allow for a physical limitation for building footprint for ancillary and complementary uses to support the operation of the centre, the drafting of the Kirkwood Road Commercial Centre Code does not take into consideration the differences in demand and function that these ancillary and complementary uses are able to establish in the form of. The Kirkwood Road Commercial Centre Code presents development opportunities that are reflective of a higher order centre within the hierarchy of centres, continuing to conflict with the Planning Scheme.

Further, the below represent several additional poor planning scheme drafting examples in the Kirkwood Road Commercial Centre Code:

- The nominated inconsistent uses in Section 2.4 are not consistent with the threshold requirements nominated in Sections 2.2 and 2.3. For example, Office where more than 500m² GFA is identified as an inconsistent use and reflects the drafting of the Categories of Development and Assessment tables.
- The acceptable outcomes of the Kirkwood Road Commercial Centre Code do not provide quantitative measures that can be assessed against in an accepted development, subject to requirements scenario. For example, Acceptable Outcome AO1 in Section 3.3.1, Acceptable Outcome AO1(a) and Acceptable Outcome AO2 in Section 3.3.2, Acceptable Outcome AO1 in Section 3.4.
- Where quantitative measures that can be assessed against in an accepted development, subject to requirements scenario is provided, the acceptable outcome is not clear as to which land use it applies to. For example, Acceptable Outcome AO2 in Section 3.3.1.
- Relevant assessment benchmarks for accepted development, subject to requirements development do not include an acceptable outcome to be assessed against however are relevant for the identified development. For example, Performance Outcome PO14 in Section 3.4 for Food and Drink Outlets.
- The nominated Assessment Benchmarks for Assessable Development and Requirements for Accepted Development within the Categories of Development and Assessment and Assessment Benchmark tables identify the Kirkwood Road Commercial Centre Code Commercial Code as the relevant assessment benchmark. This assessment benchmark does not exist.

Peer Review of Economic Need Assessment

Urban Economics have carried out a peer review of the development application's submitted Need and Economic Impact Assessment which is included as Attachment A of this submission letter. As stated in the peer review, the development application has:

- Submitted a development of piecemeal nature by providing a standalone supermarket application and individual economic assessments for the supermarket, childcare centre and swim school and shop land uses. The cumulative impacts of the proposed development on Gladstone's network of centres should be assessed as such.

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- In providing individual economic assessments, provided a defined catchment area that does not reflect the typical trade area for large format shops.
- Provided an analysis of retail expenditure that is deficient and cannot be relied upon to make an informed decision regarding the need for the large format retail shop uses sought.
- Provided a report that does not address the existing provision of stores or floorspace within the defined category niche and does not contemplate the supply of appropriately zoned sites which could accommodate the development as part of the centres network and supply assessment. For example, 5,300m² is located within the Kirkwood Shopping Centre which could accommodate large format retail shop development.
- Provided a report that with the assessment of need, has not demonstrated any gap in the provision of large format retail shop floorspace within Gladstone or any need for the proposed shop area which cannot be adequately met within existing centres of the region.

The Applicant has failed to provide a Need and Economic Impact Assessment that is prepared in accordance with the Community and Economic Needs Assessment Planning Scheme Policy within the Planning Scheme.

Summary

In accordance with Section 53(6) and Schedule 2 of the Planning Act 2016, this correspondence forms a properly made submission opposing the development application proposed over the site (Council Reference: DA/1008/2014).

Region RE Limited have significant concerns for the unacceptable impacts caused by the development application. This submission sets out multiple grounds which support refusal of this development application. Importantly, the development application does not comply with the relevant assessment benchmarks of the Planning Scheme and there are no reasonable grounds to approve the proposed development despite the conflict. Accordingly, the development application should be refused by Council.

Region RE Limited requests that these concerns are carefully considered in the assessment of the development application.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Wayne Moodie", written over a circular stamp or seal.

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Large Format Retail and Shop Peer Review and Submission

KIRKWOOD ROAD,
KIRKWOOD

Job No. 25089

December 2025

Ue urban
economics

Prepared on behalf of:

Region Group

Prepared by:

Joshua Binkley

Associate Director

Warranty

This report has been based upon the most up to date readily available information at this point in time, as documented in this report. Urban Economics has applied due professional care and diligence in accordance with generally accepted standards of professional practice in undertaking the analysis contained in this report from these information sources. Urban Economics shall not be liable for damages arising from any errors or omissions which may be contained within these information sources.

As this report involves future market projections which can be affected by a number of unforeseen variables, they represent our best possible estimates at this point in time and no warranty is given that this particular set of projections will in fact eventuate

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Version No	Date of Issue	Prepared By	Approved By
1.0	12/12/2025	Joshua Binkley	Joshua Binkley

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1.0 Introduction

1.1 Background

Urban Economics has been commissioned by Region Group to review the LFR Shop Need and Economic Impact Assessment (NEIA) report prepared by Deep End Services (July 2025), which was submitted in support of varying the categories of assessment for the preliminary approval of the Kirkwood Road Commercial Centre (KRCC) to include self-defined retail Shop uses.

Deep End Services also provided other need assessment analyses for the broader KRCC development, including separate investigations for a full-line supermarket, a childcare centre and swim school which although not the subject of this Review, highlight a piecemeal approach to the economic, community and planning need implications and assessment of the project.

Schedule 6.4 of the Gladstone Regional Council Planning Scheme 2017 outlines the requirements for undertaking a community and economic need assessment. It is with regard to this planning scheme policy that this review has been undertaken. Particularly, the purpose and reasoning for this policy is noted which states:

“The Gladstone region has long been characterised by periods of rapid population growth followed by more stable phases - placing fluctuating demands on the regions centres and residential housing supplies. Whilst this growth has occurred in preferred locations, this cycle has led to issues in both undersupply and oversupply of which the former Planning schemes have struggled to address. In response to this, the Strategic Framework seeks to protect the economic viability and long term function of existing and future centres as well as to ensure that residential development occurs in step with community need.”

A community and economic needs assessment is the primary supporting document used to justify whether there is need for a particular proposed development and whether such a proposal will have any adverse impacts to the existing social, economic and urban fabric of the immediate and surrounding locality.”

Region Group owns and manages some 100 convenience-based retail properties nationally and is the owner of the Kirkwood Shopping Centre opposite the subject site which includes a Woolworth’s supermarket, specialty stores, a service station and McDonald’s drive-thru outlet.

Urban Economics is an economic and market research consultancy based in South East Queensland. With more than 50 years' experience of senior personnel and employing a multi-disciplined team with skills in economics, market research, geography, property development and real estate, Urban Economics is uniquely positioned to arm our clients with the insights and advice they need to add value to their land, property and development-related decisions. We have a passion for understanding how and why we live, work, play and learn within our urban environments.

1.2 Study Objectives and Approach

In undertaking the review and submission, Urban Economics has undertaken the following tasks:

- Gathered relevant planning document and application material;
- Reviewed the methodology and assumptions adopted by the report, including but not limited to:
 - Trade area adopted;
 - Population growth rates;
 - Demographic profile;
 - Retail expenditure modelling and growth;
 - Supply network and quantum of facilities including approvals within the surrounding network;
 - The demand supply gap; and
 - Impact modelling.
- Reviewed the proposed development relative to the planning framework and economic objectives and any other “relevant matters” for consideration;
- Assessed need for the proposed development and the mix of uses;
- Identified any further information required or gaps in the analysis undertaken which Council should ask of the applicant;
- Provided a series of recommendations and conclusions from an economic perspective including key issues and potential reasons for refusal.

2.0 Review of Need and Economic Impact Assessment

2.1 Catchment Area Definition

Catchment areas are theoretical constructs utilised by retail analysts and retailers to describe the area from which a retailer or shopping centre is likely to draw the majority of its trade. Four catchment areas of interest have been defined for the proposed large format retail centre at the subject site, including one Primary catchment area and three secondary areas including:

- Secondary South;
- Secondary North; and
- Secondary West.

Urban Economics considers the catchment areas to be relatively logical for a large format retail centre in Gladstone although noting that residents of the Secondary West trade area such as at Biloela would also fall within the catchment of comparable and competitive development in Rockhampton, as would Secondary South catchment area residents such as at Agnes Waters associate with equidistant Bundaberg.

The proprietary Azira data illustrated within the report further supports this position, together with the weaker association of residents within other defined secondary catchment areas, particularly those which have access to other larger regional centres.

Moreover, the defined catchment areas whilst logical for a dominant regional large format retail/homemaker centre, does not reflect the typical trade area for the proposed 'LFR Shop' category sought; with national tenants such as suggested within the report including Chemist Warehouse, Choice the Discount Store and the Reject Shop supported by much smaller trade areas and more typically locating within retail and shopping centres.

The Reject Shop for instance includes two stores in Rockhampton, three stores in Bundaberg, two stores in Gladstone and a store within Biloela; none of which are located with Specialised centre type zones or large format retail centres.

2.2 Population Growth & Demographic Profile

Population estimates, projections and the demographic profile of the defined catchment areas sufficiently align with relevant reported data for these areas including:

- Australian Bureau of Statistics (ABS) - 2021 Census and residential building approvals;
- Queensland Government Statisticians Office (QGSO) – population estimates by SA1 and 2023 edition population projections.

Notably, population projections provided within this report align with population projections presented by the QGSO, with average annual population growth rates in the order of 0.9% to 1.1%, which is at odds with growth rates adopted within the separate but related need assessment for the proposed Coles supermarket (DA/54/2025) as part of the broader Kirkwood Road Commercial Centre.

2.3 LFR Shop & Retail Expenditure

Sections 3.6 and 3.7 of the report frame the estimated per capita spending of catchment area residents and specifically, the proportion of that expenditure directed to non-food, groceries and liquor which is designated Non-Food & Retail Services (NF&S) within the report and the basis for assessing 'LFR Shop' uses.

Whilst these assumptions generally align with Urban Economics assessment of total retail expenditure within these localities, which is drawn from actual expenditure data from residents as provided by Commbank iQ, the data source which has been adopted by leading retail analysts, it is considered that the report's use of the very broad NF&S category is inadequate for the assessment of the proposed LFR Shop use for measurement against typical retail centres and large format retail/showroom centres.

Furthermore, the retail expenditure base and expenditure categories have not had regard for online retail expenditure within the report, an element which is measured to represent ~14.6% of all retail expenditure in the catchment area and which generates limited demand for retail floorspace.

TABLE 1 provides Urban Economics' analysis of retail expenditure by more detailed categories across the catchment areas through 2023/24. Commensurately with the report, ~45% of expenditure is within the NF&S categories of apparel, general retail, household goods, leisure and retail services.

TABLE 1: Retail Expenditure by Category – 2023/24

\$million	Primary	SS	SN	SW	Total Catchment Area
Apparel	60.1	5.3	1.9	9.4	76.7
Food Catering	131.5	11.9	4.1	17.0	164.5
Fresh Food	22.4	2.4	0.8	5.9	31.4
General Retail	144.6	16.8	5.9	23.6	190.9
Household Goods	153.4	24.8	6.3	24.7	209.2
Leisure	95.8	10.3	2.7	11.7	120.5
Other Food & Groceries	357.3	42.9	12.2	65.3	477.7
Packaged Liquor	51.5	7.0	2.0	8.1	68.6
Retail Services	23.6	2.0	0.7	3.1	29.4
Retail Total	1,040.1	123.2	36.6	168.8	1,368.7
Excluding online	889.4	105.8	31.9	141.7	1,168.8
% online	14.5%	14.2%	12.7%	16.1%	14.6%

Source: Urban Economics, Commbank iQ

Section 3.7 of the report outlines the assessed level of retail expenditure growth which is projected within the defined catchment areas between 2025 and 2036. Table 4 of the report suggests that retail expenditure growth within the NF&S category over this period would average 3.7% per annum, however no justification or methodology for this level of expenditure growth above population growth is provided by the report.

Whilst the report’s assessment of the retail expenditure of the catchment area community is sufficient, the assumption that all non-food, grocery and liquor expenditure is demonstrative of demand for the proposed development is deficient.

More particularly, this broad category includes a significant array of retailers which would not be contemplated as LFR Shop type stores including but not limited to: men's women's & children’s clothing stores, jewellery & fashion accessories, luxury boutiques, shoe stores, art & craft stores, cosmetic & beauty stores, discount department & variety stores, mobile phone accessories & repairs, camera stores, florists, hobbies, music, computer & games stores news agencies & tobacconists, hair & beauty, optometrists, shoe repairs & key cutting, engraving & watch repairs.

This report’s analysis of retail expenditure is deficient and without further justification of assumptions applied, cannot be relied upon to make an informed decision regarding the need for the LFR Shop uses sought.

2.4 The Centres Network & Supply

The report sufficiently identifies the network of relevant activity centres including specialised centres and large-format retail supply within the defined catchment areas and Gladstone, although this analysis excludes Biloela in the Secondary West catchment area.

Relevantly, it is noted that more 5,700m² of vacant retail floorspace was measured across these centres at the time of the report's analysis, equivalent to vacancy rate in the order of 5.5% to 6.5%. It is Urban Economics' assessment that this does not reflect the true retail vacancy rate of the region, particularly given the significant number and scale of vacancies within the Gladstone CBD, estimated to be in the order of at least 10% of all retail floorspace.

Similarly, the Gladstone Central centre was recognised to have a significant level of vacancy within the report (~18%), a centre which includes a strong mix of non-food retailing as is proposed at the KRCC.

Plans for the initial phases of KRCC are noted to contemplate some 6,000m² of LFR Shop floorspace, a scale of development which could potentially be absorbed by existing retail vacancies of the region alone.

Overall, it is Urban Economics' view that there is sufficient capacity within existing centres to accommodate any demonstrated demand for non-food based retailing (Shops), particularly within vacant tenancies of established centres and including for stores which may require tenancies greater than 500m².

It is also considered that Gladstone and the catchment areas include an existing provision of LFR Shop uses as defined within the report including The Reject Shop, Choice the Discount Store, Chemist Warehouse, RSEA Safety, Reece Plumbing and other non-retail services which are found in some homemaker/lifestyle type centres.

Despite this, the report's supply analysis does not address the existing provision of stores or floorspace within this defined category niche and does not contemplate the supply of appropriately zoned sites which could accommodate the development. A 5,300m² for instance is located within the Kirkwood centre, directly opposite the KRCC which could accommodate LFR Shop development.

2.5 Need Assessment

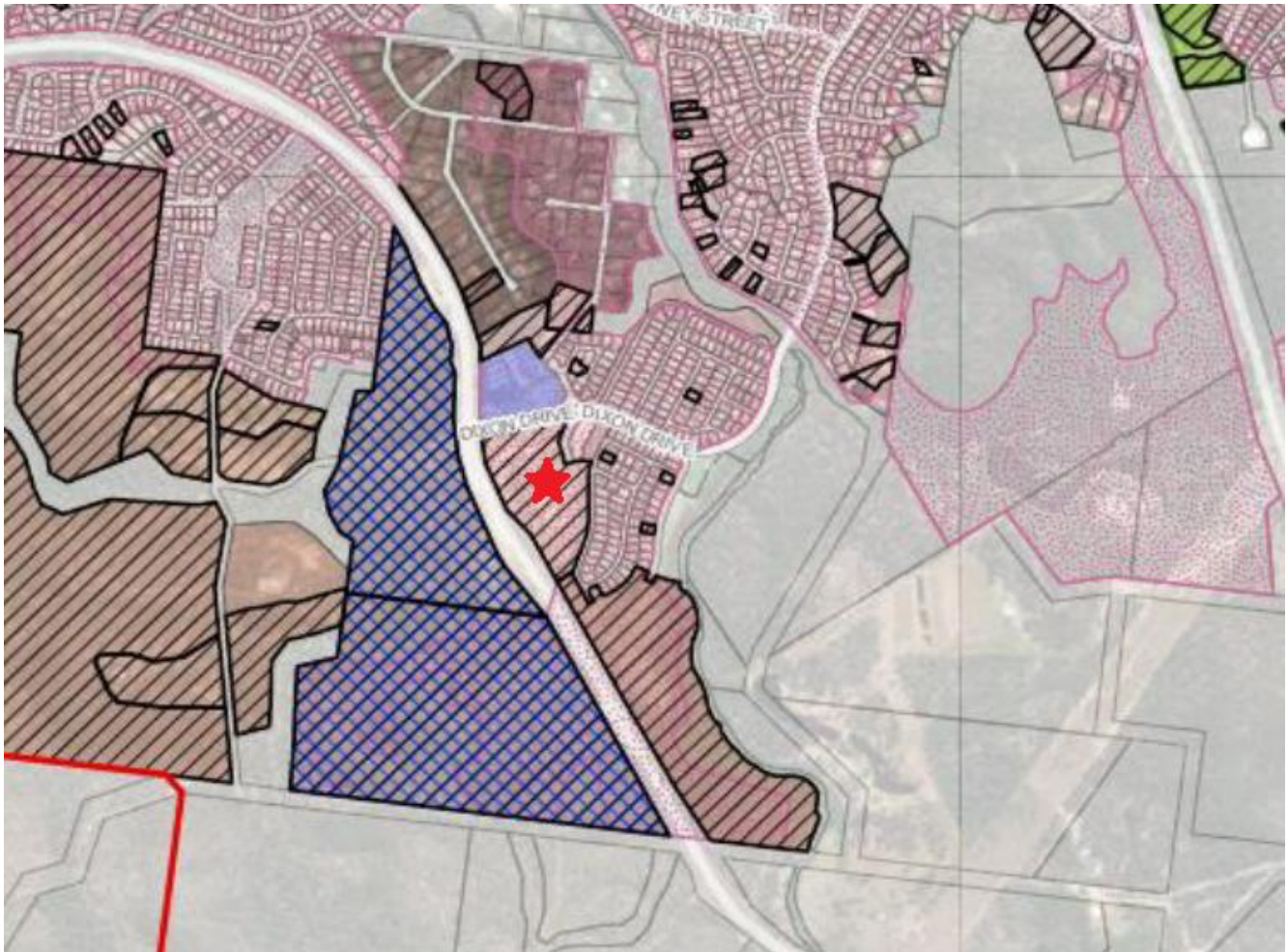
The report's assessment of need references the Norling Report (May 2024) prepared on behalf of Council which assesses the need for some 50,000m² of retail floorspace across the region by 2046. This assessment includes demand for **all** retail categories, including large format retail/showroom development such as is contemplated within KRCC. More particularly, KRCC is conceptually planned to include some 40,000m² of retail GFA, equivalent to ~80% of all retail demand for the entire Gladstone region between 2024 and 2046.

Further, the report also contends that the need for the proposed LFR Shop is supported by the level of escape expenditure to other regions. Critically, the Norling Report outlines that *"a number of key tenants are not located in the Region due to its relatively low population being below critical threshold levels (eg department stores, Target discount department store and several showroom operators), this ratio indicates that its **retail market appears to be in balance, with a modest level of escape expenditure, in the order of 10-15%. That is, this level of escape expenditure would be expected from a regional population of about 65,000 persons.**"*

Other relevant items of the Norling Report also outline:

- the capacity of existing centre zoned land within Gladstone to accommodate ~30,000m² of retail floorspace (excluding non-retail floorspace); and
- regarding the existing Kirkwood District Centre the report states *"This District Centre is well located in an emerging residential community and should expand by another 4,000m², accommodating a second supermarket. Figure 1.2 shows that there are no vacant centre zoned lands to accommodate this expansion. However, aerial photography indicates that there are **vacant residential zoned lands adjoining this Centre**, which should be developed for centre purposes."* This statement is mischaracterised within the NEIA report as referring to the KRCC site, however actually contemplates centre activities within the residential zoned lands to the south (L912 on SP 281138) of the existing centres as illustrated in FIGURE 1 below.

FIGURE 1: Vacant Centre Expansion Lands



Source: Norling Consulting - Gladstone Region Background Study: Population, Employment and Land Supply

Section 5.3 of the report attempts to highlight a gap in the provision of defined LFR Shop tenants/operators. This analysis provides a very weak demonstration of need for the following reasons:

- TK Maxx stores in compared regions such as Hervey Bay and Rockhampton do not locate within large format retail or homemaker type centres such as is proposed by KRCC, but rather regional and sub-regional shopping centres. TK Maxx is also noted within only two of the comparative centres of the analysis;
- Gladstone already supports a Choice store within the Gladstone Central Shopping Centre;
- Each of the contemplated LFR Shop operators are not primarily located within large format retail or homemaker type centres, but more typically form a mini major within retail shopping centres;

- ‘Undersized’ stores noted within the report are not considered to represent a gap in provision, but rather match and balance the needs of Gladstone’s population relative to other regions;

Overall, the assessment of need within the report has not demonstrated any gap in the provision of so-called LFR Shop floorspace within Gladstone, nor any need for the proposed Shop area which cannot be adequately met within existing centres of the region.

2.6 Economic Impact Assessment

The economic impact assessment of the report contemplates the potential performance of the Shop component of KRCC, estimating that a fully occupied 7,500m² development may achieve \$41.3 million in retail sales in 2028.

In the first instance, it is Urban Economics’ view that the piecemeal nature of the KRCC development application process including for a ‘standalone’ supermarket of 3,368m², three drive through food and drink outlets, a childcare centre, swim school and retail specialties together constitutes the establishment of a new centre and a collection of centre activities within KRCC, best defined as a Shopping centre within the Gladstone Planning Scheme.

On this basis, the cumulative impacts of the proposed development on Gladstone’s network of centres should be assessed as such, not only the proposed Shop uses in isolation. The combined retail sales performance of the proposed Supermarket, LFR Shop and Food and Drink Outlets of KRCC are estimated to be in the order of \$85 million in 2028 (based on submitted need assessments). Combined with the potential addition of ~35,000m² of Showroom floorspace and a performance level of \$3,750/m², the KRCC may represent total retail sales in the order of \$215 million in 2028, equivalent to ~15% of all resident in-store retail expenditure at the time and representing the second-largest retail centre in Gladstone.

The impact analysis of the report also erroneously measures the impacts of the proposed LFR Shop area for which the performance is attributed to retail spending within the defined ‘NF&S’ segment, against the total retail performance of centres, including for the supermarkets, food, grocery and liquor categories; serving to significantly understate the impacts of the proposed development.

Furthermore, it is contended the impacts of the proposed development would not be confined to trading impacts on competitive stores and activities. The proposed LFR Shop uses have the potential to attract stores which already locate within higher order centres of Gladstone such as for e.g. The Reject Shop, Choice the Discount Store and Chemist Warehouse, potentially diluting or removing these stores from existing centres.

As noted within the referenced Norling Report “The establishment of a third higher order centre is not recommended due to there being no suitable candidate sites and the obvious disadvantages of splitting higher order facilities across multiple centres: a reduction in vitality of each; a duplication of basic services across all three centres; and a dissipation in the utility of invested infrastructure.”

The statement within the report that “The impacts are within the bounds of normal competition and would not have an unreasonable detrimental impact on the commercial viability of any other centre in the area” is unfounded.

The impact assessment of the report cannot be relied upon to make an informed decision regarding the proposed development and is considered to significantly understate the impact on Gladstone’s network of activity centres.

3.0 Conclusions and Recommendations

The Need and Economic Impact Assessment (NEIA) report prepared by Deep End Services for the proposed LFR Shop at Kirkwood Road, Kirkwood is considered to significantly overstate the need for the proposed development at the subject site and significantly understate the impact that the proposed development would have on the surrounding network of centres.

Together with the proposed supermarket and other elements would result in the establishment of a third major centre within Gladstone which is not supported, and would significantly impact the performance, vibrancy and vitality of existing centres within Gladstone.

The NEIA report does not provide sufficient evidence or rigour from which Council can make an informed decision regarding the proposed development, nor has it adequately addressed the requirements of the Community and economic need assessment planning scheme policy and as such, approval cannot be supported.

Moreover, the piecemeal nature of the development application process for the KRCC including the multiple need and impact assessments is deficient and cannot be relied upon to make an informed decision regarding the projects approval.

There is no demonstrated impetus to vary the existing court approved preliminary approval for the KRCC from an economic, community or planning need perspective.