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Point Grey Development Company Pty Limited (PGDC)

Point Grey Neighbourhood Village

Economic Development Strategy

JULY 2024



Document Control				
Document Version	Description	Prepared By	Approved By	Date Approved
v 1.0	Draft Updated Economic Development Strategy	Callum Shenton	Dawson Demassiet-Huning	01/07/2024
v 2.0	Final Economic Development Strategy	Callum Shenton	Dawson Demassiet-Huning	30/07/2024

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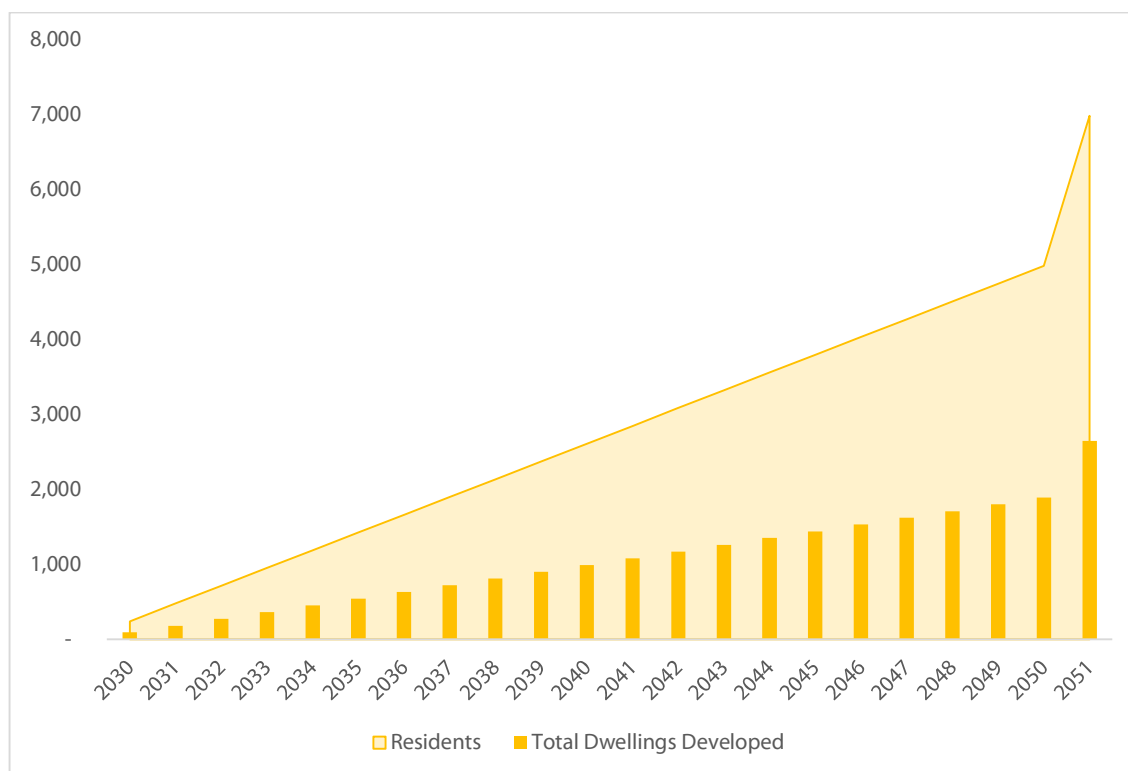
1 EXECUTIVE SUMMARY

This Economic Development Strategy (EDS) has been prepared in support of PGDC’s Local Structure Plan (LSP) for Point Grey. This EDS document includes lot release modelling and residential, employment, visitor and expenditure projections up to the year 2051. These projections inform the development of an achievable EDS Vision and Goals by providing an indication of Point Grey’s population base and economic maturity. They are based on a dwelling uptake of 90 per annum with full development considered at 2051. This modelling assumes that by 2051:

- All lots are sold
- All sold lots are built upon
- Not all dwellings are occupied year-round

Point Grey is projected to include 2,650 dwellings and 6,985 residents at full build out, resulting in post-leakage retail expenditure of approximately \$57 million (see Figure 1 and Figure 2)¹

Figure 1. Cumulative Dwellings and Residents, 2030 to 2051



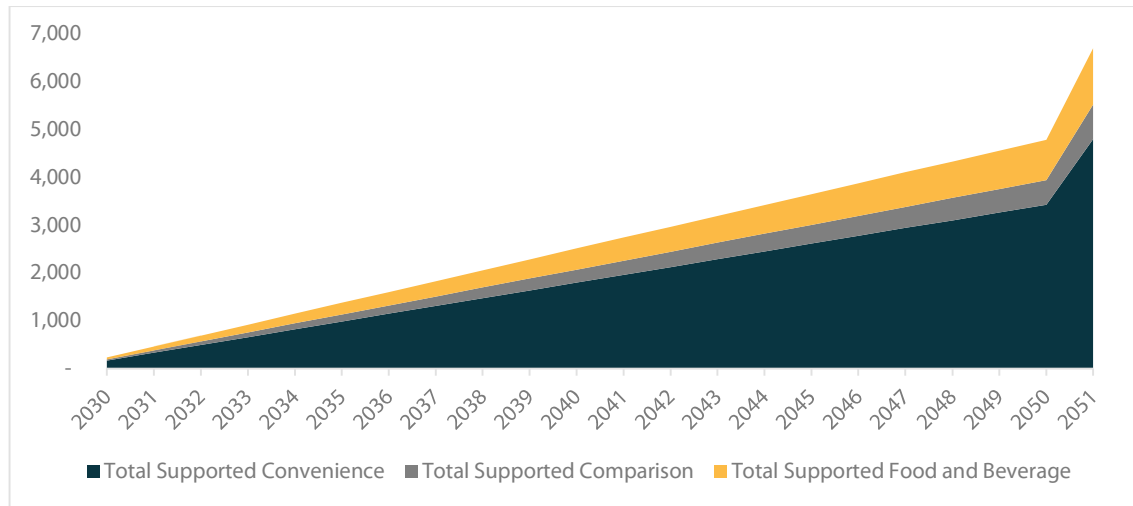
Note: Cumulative residents have been calculated based on the timeline of expected annual occupancy rates presented in **Error! Reference source not found.** and the Village’s weighted average household size.

Source: PGDC 2024, Hatch 2024, Pracsys 2024

¹ Some of the food and beverage expenditure would be additional to this as it is for entertainment related uses and has been calculated as a proportion of total expenditure, see Retail Needs Assessment.



Figure 2. Timeline of Total Supported Retail Floorspace at Point Grey by Category, 2030 to 2051



Source: Pracsys 2024

Modelling assumes that Point Grey’s demographic profile is similar to that of other coastal settlements in Western Australia. The expenditure modelled in preparation of this EDS uses retail gravity modelling to determine the point in time at which the pool of expenditure within Point Grey is sufficient to support provision of various floorspace / commercial infrastructural items. Initial commercial uses are expected to be developed in 2034 at which point approximately 1,100m² of shop retail floorspace could be supported. By 2045, there will likely be sufficient retail expenditure to support a medium-sized local centre of approximately 4,000m², comprised of a supermarket and associated specialty stores.

At full build out (modelled in 2051) the residential base of and visitors to Point Grey will be sufficient to support:

- 6,700m² of convenience retail (including a major supermarket)
- 1,100m² of comparison retail floorspace (see Retail Needs Assessment for detailed analysis)
- 7,800 m² total shop retail floorspace :



The economic vision and goals for Point Grey suggested in this EDS are achievable and measurable, based on the evidence base provided by detailed demand modelling. The following economic vision for Point Grey has been prepared:

“Point Grey provides regionally-significant high-quality retail and tourism offerings that meet the daily needs of residents, workers and tourists alike”

To support achievement of this vision by 2051, five major goals have been formulated, along with supporting interventions:

- Goal 1** Create a tourist precinct that is well activated and of high amenity
- Goal 2** Provide high quality and complementary activities and amenities at the village, including nature playground, diverse short-stay accommodation and retail / entertainment offerings
- Goal 3** Deliver approximately 7,800m² of retail, and food and beverage floorspace at the Point Grey Neighbourhood Village by 2051
- Goal 4** Establish a range of community-supporting infrastructure, such as a Village primary school, community hall, events space and playground / youth precinct
- Goal 5** Maximise Point Grey’s employment self-containment through targeted industry attraction

Efforts to promote the local economy should be focused on consumer-based activities. This can be achieved most effectively by adhering to sound place activation principles to capture as much local expenditure as possible. Additionally, economic development at Point Grey can be expedited by attracting key pieces of infrastructure in anticipation of local demand, rather than in response to realised demand.



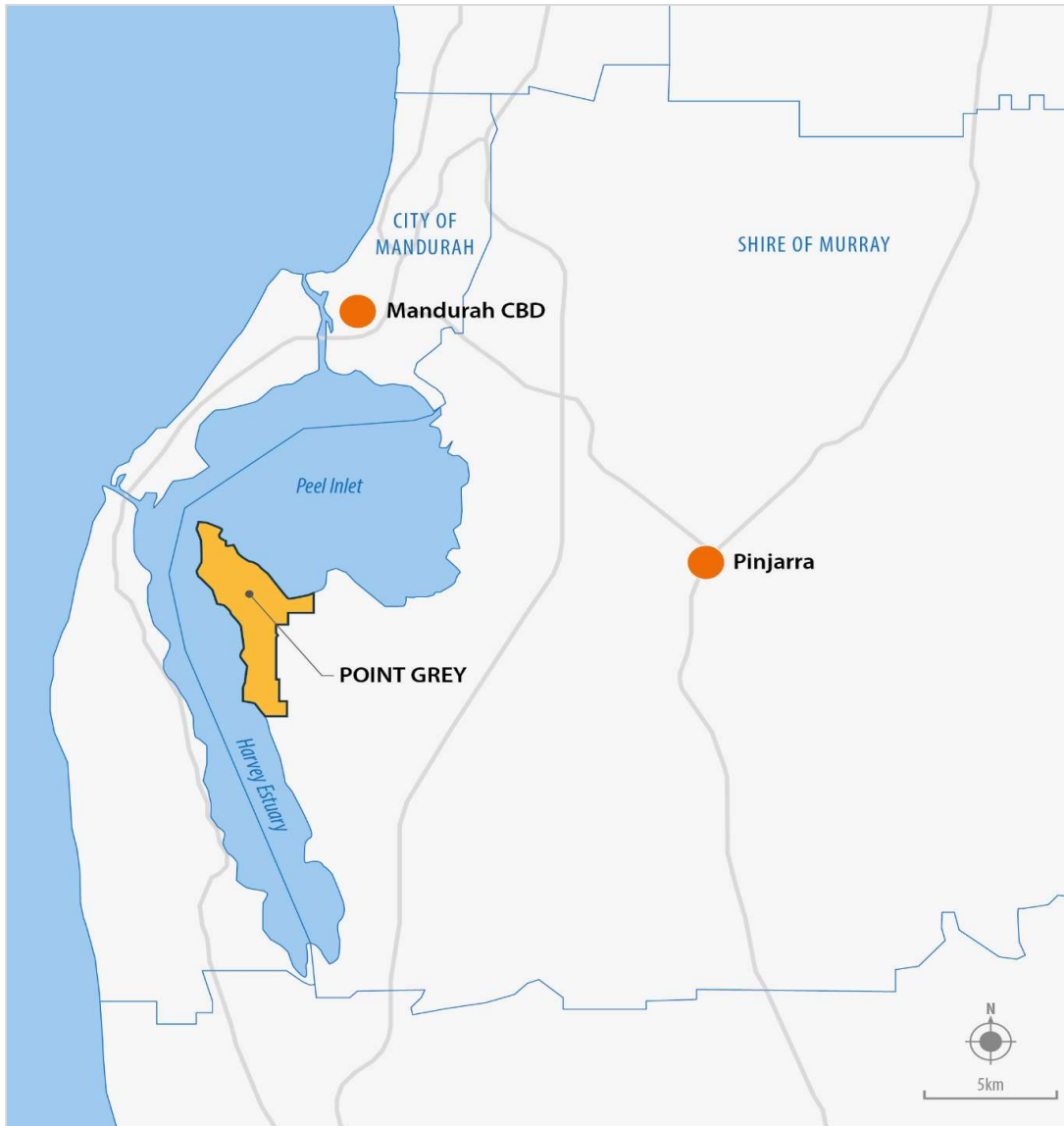
2 INTRODUCTION

2.1 Location

Point Grey is a prominent peninsula surrounded by the Peel Inlet and the Harvey Estuary in the Shire of Murray. The Urban Zoned development site covers approximately 270 hectares, of which approximately 205 hectares is owned by Point Grey Development Company and 65 hectares (southern portion of the LSP area) is owned by the Plunketts. The site is situated approximately 20 kilometres west of Pinjarra and 12 kilometres southeast of the Mandurah city centre, the strategic regional centre servicing the Peel Region.²

² These are straight line distances; the location is 27km from Pinjarra and 31km from Mandurah in driving distance.

Figure 3. Point Grey in the South-Metropolitan Regional Context



Source: Google Maps 2024, Pracsys 2024

Figure 4. Point Grey Site Context



Source: Google Maps 2024, PGDC 2024, Hatch 2024, Pracsys 2024

2.2 Zoning and Planning Context

Land at the Point Grey Neighbourhood Village development site is zoned “Urban” under the Peel Region Scheme. The land areas immediately adjacent to the development site are zoned as “Rural” or reserved as “Regional Open Space”.

Previous Submissions

The location has been recognised as having potential for urban development and tourism uses through several strategic planning studies over the past thirty years. RobertsDay submitted an Outline Development Plan (ODP) for proponents Port Bouvard Limited in December 2010, supported by various technical reports, including the Regional Planning Context Report (2008). This ODP outlined the establishment of a water-based precinct that provides the long-term opportunity to develop complementary residential and tourism activity in a high-quality public realm. The potential amenity offered by the setting, in particular the views across the estuary and tourism precinct, provided the opportunity and feasibility to develop higher density housing and tourism accommodation. The ODP also allowed for the provision of a local primary school, public parks and open space and employment facilities to meet the daily needs of the community. A proportion of district-level retailing was allocated to the centre in anticipation of the population-driven expenditure that would be generated within the catchment area.

Current Submission

The Shire of Murray subsequently amended its Town Planning Scheme No. 3 to make 'Marina' a non-permitted use on the Point Grey site. As such, Hatch RobertsDay has produced an updated Point Grey Local Structure Plan (LSP) for proponents PGDC. This time the Marina Village Precinct has been replaced with a traditional Neighbourhood Centre and is supported by a Retail Assessment and Economic Development Strategy.

2.3 Point Grey Neighbourhood Village – Infrastructure Schedule

The schedule below gives an indication of the infrastructure that could be delivered under the aspirational vision for the Point Grey Neighbourhood Village upon full buildout in 2051.

Housing

- Approximately 2,075 low-density single dwellings
- Approximately 425 medium-density single dwellings
- Approximately 150 high-density apartment / townhouse dwellings

Commercial Infrastructure

- A neighbourhood-scale retail activity centre, consisting of approximately 5,185 m² of Convenience Retail, 1,058 m² of Comparison Retail and 1,544 m² of Food and Beverage. This centre is likely to be inclusive of a supermarket, pharmacy, newsagent, personal services (hairstylist, beauty), medical / allied health, childcare and visitor centre³

³ This floorspace estimate includes visitor expenditure, please see Retail Needs Assessment for further information

-
- Point Grey Holiday Resort, with office / visitor centre, local convenience store, casual restaurant, chalets / camping / glamping accommodation and basic entertainment and recreation facilities. These facilities will likely be scaled up over time to hotel / luxury accommodation.
 - A Boardwalk and small jetty
 - Entertainment / food and beverage offerings
 - Aged care / lifestyle living
 - Club kiosk / café

Community Infrastructure

- Village primary school
- Extensive open space network
- Fire refuge facility
- Water sports hall
- Walking / cycling trails
- Cultural interpretation signage
- Aboriginal heritage / education centre
- Foreshore park
- Space for community events

2.4 Economic Development Strategy Overview

Pracsys has been engaged by PGDC to prepare a detailed economic development strategy in support of the Point Grey Neighbourhood Village LSP. This scope of work includes population and employment projections based on the expected:

- Lot release program
- Resident demographics
- Visitor pattern
- Local amenity
- Provision of infrastructure
- User expenditure patterns
- Floorspace and land requirements

This evidence base supports an economic development strategy that is measurable and achievable. This report is intended to be read in conjunction with the Point Grey Neighbourhood Village Retail Needs Assessment.

3 ASSUMPTIONS

This section presents all assumptions incorporated in Pracsys' lot release modelling for the Point Grey Neighbourhood Village. These assumptions reflect modelling variables agreed upon by Pracsys, RobertsDay and PGDC.

3.1 Dwelling Density by Lot Type

Figure 5. Lot, Dwelling and Resident Yields under Point Grey Neighbourhood Village Masterplan Zoning

	Number of Dwellings	Residents per Dwelling	Number of Residents ⁴
Single Dwelling	2,075	3	6,225
Terrace/Villa	425	3	1,275
Apartment	150	2.3	345
Total	2,650		7,845

Source: PGDC 2024, Hatch 2024, Pracsys 2024

3.2 Rate of Release

- A linear lot-release program from 2030 to 2050, comprising of 75 single dwellings and 15 terrace / villas released each year,
- In 2051, the remaining dwellings are released⁵
- All lots are assumed to be sold
- Initial commercial offerings will be delivered in 2034

3.3 Lot Occupancy

A linear occupancy for all dwellings from 2030 to 2051. The current occupancy rate of private dwellings for the Shire of Murray, of 88%⁶, has been used.

⁴ Reflects the maximum number of residents, not accounting for the average rate of dwelling occupancy.

⁵ This has been done for modelling purposes and may take longer.

⁶ Calculated from occupied and unoccupied private dwellings rates for the Shire of Murray, from ABS Census 2021. Short-stay accommodation within unoccupied private dwellings was accounted for by using the findings from Economics and Industry Committee 2019, *Report 7 - Levelling the Playing Field*



4 POPULATION PROJECTIONS

4.1 Results

Lot Sales

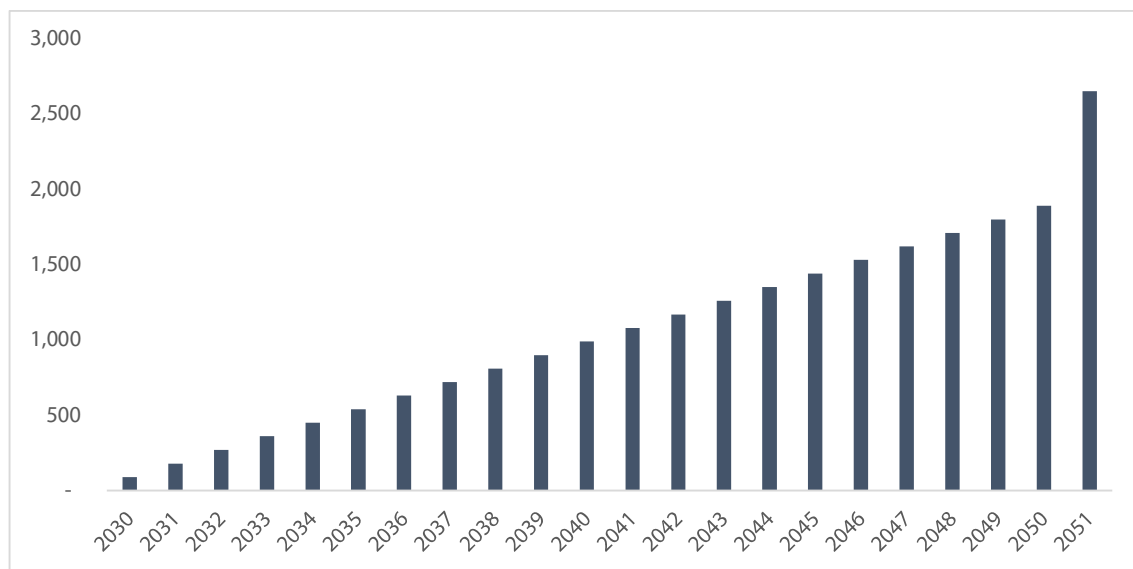
By 2051, all 2,650 lots are assumed to be sold and constructed, illustrated in Figure 6 and 7, respectively.

Figure 6. Number of Lots Released Each Year by Density, 2030 to 2051



Source: PGDC 2024, Hatch 2024, Pracsys 2024

Figure 7. Cumulative Constructed Dwellings per Annum, 2030 to 2051



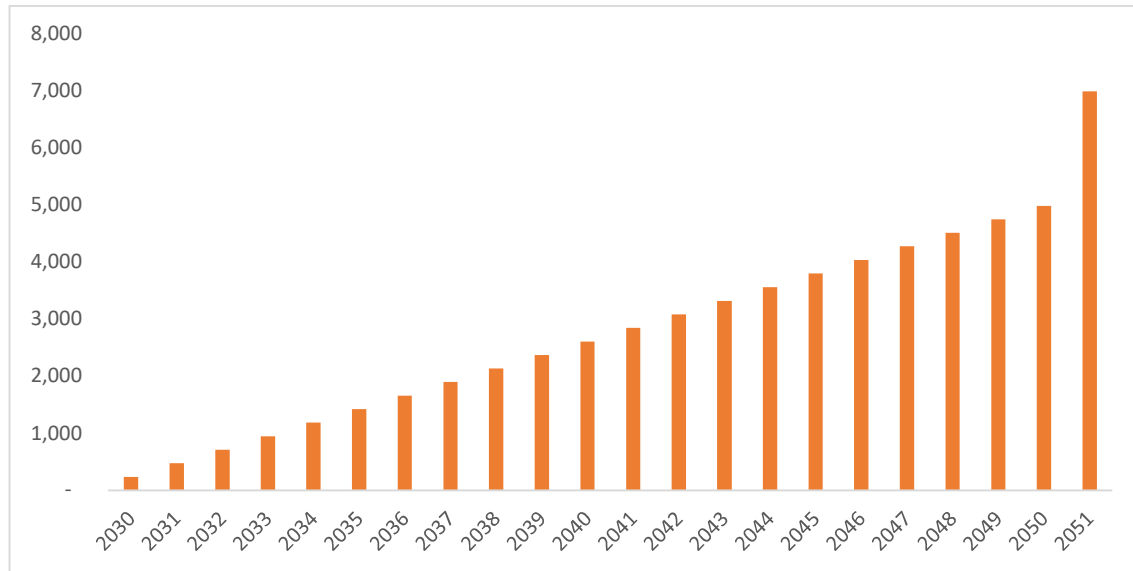
Source: PGDC 2024, Hatch 2024, Pracsys 2024



Residential Population

Household sizes were benchmarked against similar coastal settlements within Western Australia and these benchmarks were applied to the total dwelling yields over time to forecast the local residential population up to 2051 (see Figure 8). From these population projections, a demographic profile of the resident population was formulated.

Figure 8. Forecast Point Grey Neighbourhood Village Residential Population, 2023 to 2051

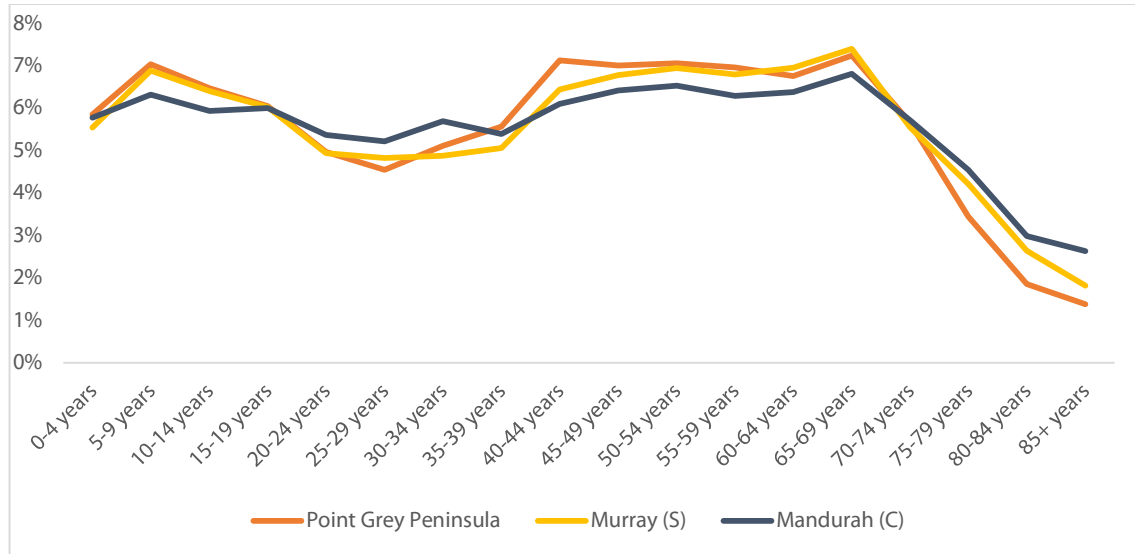


Source: PGDC 2024, Hatch 2024, Pracsys 2024

Age profile and demographic structure benchmarks have been applied to the total number of residents within the Point Grey Neighbourhood Village development based on comparable coastal areas. Results are illustrated below in Figure 9.



Figure 9. Point Grey Neighbourhood Village Prospective Age Profile



Source: ABS 2021, Pracsys 2024

5 VISITATION

Comprehensive modelling has been undertaken to estimate the visitation attraction potential of the Point Grey Neighbourhood Village. Estimates have been conducted for years 2030 to 2051, under the assumption that the Village's commercial offerings will be operational by 2030 and full build-out will be completed by 2051.

5.1 Visitation Modelling

Methodology

Tourism Research Australia (TRA) visitation forecasts have been used to estimate the future growth of visitors, visitor nights and expenditure by intrastate, interstate and international visitors to Peel between 2030 and 2051. Australia-wide year-on-year forecasts produced by TRA have been applied to historical Peel region data to forecast key visitation economy indicators. From this visitor base, a proportion of total visitation has been attributed to the prospective Village based on TRA data reporting on the activities undertaken by visitors to a comparable regional benchmark; activities which can be undertaken at the Village have been combined in a weighted manner to produce a composite Village activity participation rate for each visitor segment. The result of this proportional attribution analysis is the estimation that 27 per cent of domestic and 50 per cent of international visitors to Peel will visit a comparable Village during their stay in the region.

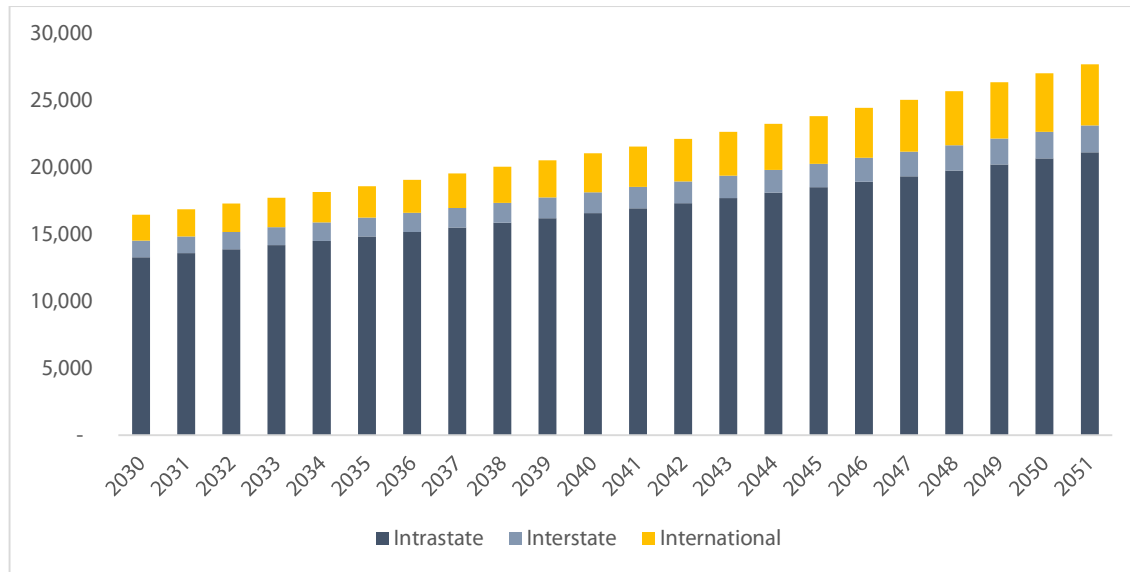
The number of visitors to the Point Grey Neighbourhood Village has then been estimated based on a market share attribution factor of 8%. This was derived from the length of developed beach coastline, that is both accessible and in close proximity to a village centre, set to be developed in Point Grey (500 meters) relative to the total length of beach coastline offering the same within the Shire of Murray and the City of Mandurah. Forecasts have been based on current estimates and reflect a conservative estimation of potential Neighbourhood Village visitation, as they are based on a share of existing forecasts for future visitation to the region. Developments such as Point Grey will be key to achieving these forecasts through attractions and destinations that provide the necessary amenity to support sustainable tourism growth. An additional tourism benefit has been included based on shifting daily visits to night visits (see Socio-Economic Benefit Analysis, Section 3.3).

Modelling Results

The results of the above visitation modelling methodology are presented below. It has been estimated that the Village will initially be able to attract approximately 16,500 visitors per annum, growing to 27,700 by 2051 (Figure 10). These visitors are assumed to be undertaking a day trip to the Village but are staying elsewhere.



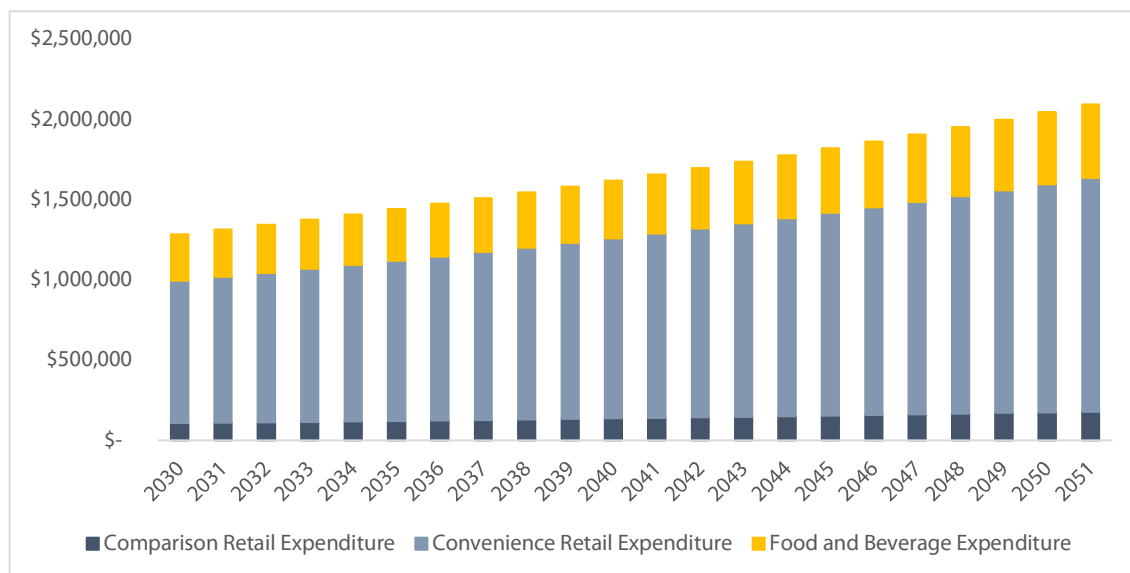
Figure 10. Estimated Annual Neighbourhood Visitation by Visitor Category, 2030 to 2051



Source: Tourism Research Australia 2019, Tourism Research Australia 2023, Pracsys 2024

Estimated future visitation to the Village has been converted into forecast visitation expenditure by applying a breakdown of daily expenditure by product type for each visitor segment derived from TRA’s *National Visitors Survey*. It has been estimated that the Village will initially attract approximately \$1.3 million of expenditure per annum, growing to \$2.1 million by 2051. These expenditure estimates are *exclusive* of accommodation expenditure, which has been modelled separately. Figure 11 illustrates estimated expenditure at the Neighbourhood Village by floorspace type from 2030 to 2051.

Figure 11. Estimated Annual Village Visitor Expenditure by Floorspace Category, 2030 to 2051



Source: Tourism Research Australia 2019, Tourism Research Australia 2023, Pracsys 2024

5.2 Short Stay Accommodation Modelling

Methodology

In addition to modelling visitation captured by the Village, the demand for short-stay accommodation at Point Grey has been assessed. Australia-wide year-on-year visitor night growth forecasts produced by TRA have been applied to historical Peel region visitor nights data to estimate total future demand for visitor nights in Peel. 2051 visitor night demand in the Peel region has been estimated at approximately 5.6 million visitor nights.

Demand for visitor nights at Point Grey has been estimated through use of a market share demand attribution – as the prospective accommodation floorspace at the Village amounts to 3.2 per cent of total accommodation floorspace in the Peel region⁷, it has been assumed that the Village can capture approximately 143,000 visitor nights (3.2 per cent of all visitor nights in the region) by 2051. This reflects a conservative estimation of potential future Village accommodation demand on two fronts. Firstly, it does not consider the Point Grey Village's offering to be more attractive to visitors than other accommodation options in the region. Secondly, it reflects only an attribution of forecast visitor nights in the region, despite the possibility of attraction additionality i.e. the prospect that the Point Grey Village may drive demand for additional visitor nights in the Region beyond what is already forecast in the absence of the Village. Therefore, it is possible that an astute accommodation operator at Point Grey will be able to attract a greater number of visitor nights at the Village than has been modelled here. The model has limited the potential expenditure associated with this demand to the proposed 150 rooms in the Village centre. This equates to a total potential demand of approximately 85,000 visitor nights per year, which has been adjusted in 2030 to the current occupancy rate for all short stay accommodation in the Shire⁸. It is assumed that the occupancy rate will increase over time as visitation grows.

Modelling Results

The demand for visitor nights at the Village in 2051 has been estimated based on delivery of 150 short-stay accommodation units; this yields a total annual potential of approximately 36,000 room nights. It is estimated that the Village will capture approximately \$8.8 million in accommodation spend in 2051 based on nightly spend data for tourists.⁹ Based on short stay accommodation benchmarks for m² per room, approximately 4,125m² of accommodation floorspace will be required. Should future expansion of accommodation uses be considered, there is the potential to support up to 6,258m² of accommodation floorspace at Point Grey.

When combined with estimated expenditure in the Neighbourhood Village, this reflects a forecast total visitor expenditure of \$20 million in 2051.

⁷ Based on Department of Planning, Lands and Heritage 2016, *Land Use and Employment Survey*

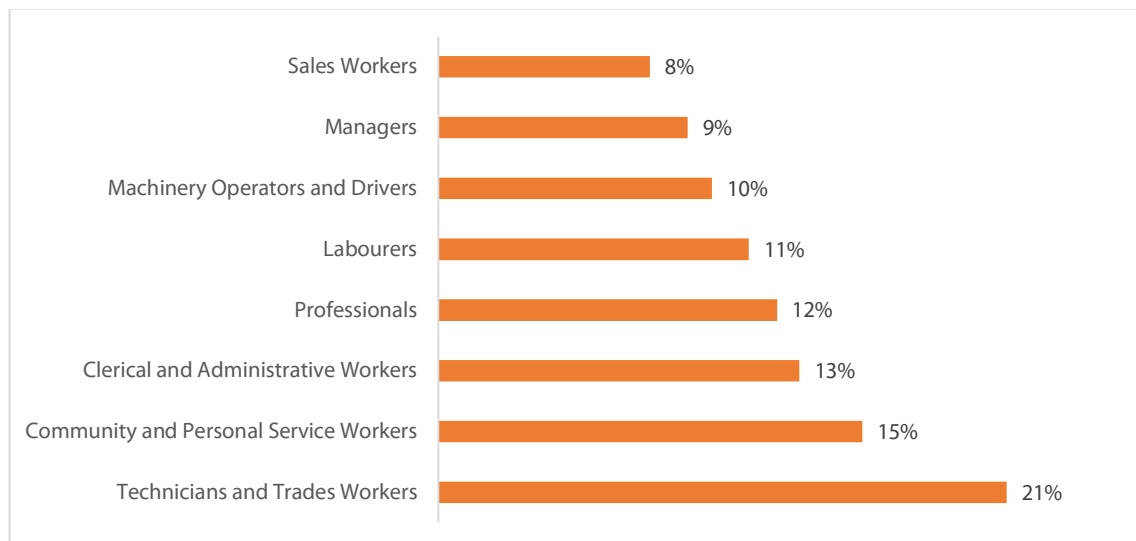
⁸ Occupancy rate of 66% based on Tourism Western Australia 2024, *Accommodation Performance*. The rate accounts for the proportion of Airbnb accommodation, which has been assumed to remain the same until 2051. Given the current pressures to decrease Airbnb accommodation, this is considered a conservative position.

⁹ Based on the Shire of Murray's tourism spend per night in 2019, reported by Tourism WA, the following daily spend amounts were used: \$143 for intrastate visitors, \$143 for interstate visitors, and \$64 for international visitors.

6 EMPLOYMENT

The Village’s labour force profile has been estimated through benchmarking to comparable regions in the same way as its demographic profile. This benchmarked labour force profile exhibits a participation rate of 63 per cent and labour force of approximately 4,386 persons. Figure 12 illustrates the estimated breakdown of the future Point Grey Neighbourhood Village labour force by profession. Based on benchmarking to the employment profile of comparable areas, the most common profession within the residential workforce of Point Grey in 2051 will be Technicians and Trade Workers, representing approximately 21 per cent of all occupations. Other notable professions are forecast to include Professionals, Community and Personal Service Workers, and Clerical and Administrative Workers , with each of these three profession groupings including more than 900 workers.

Figure 12. Estimated Local Labour Force by Profession, 2051

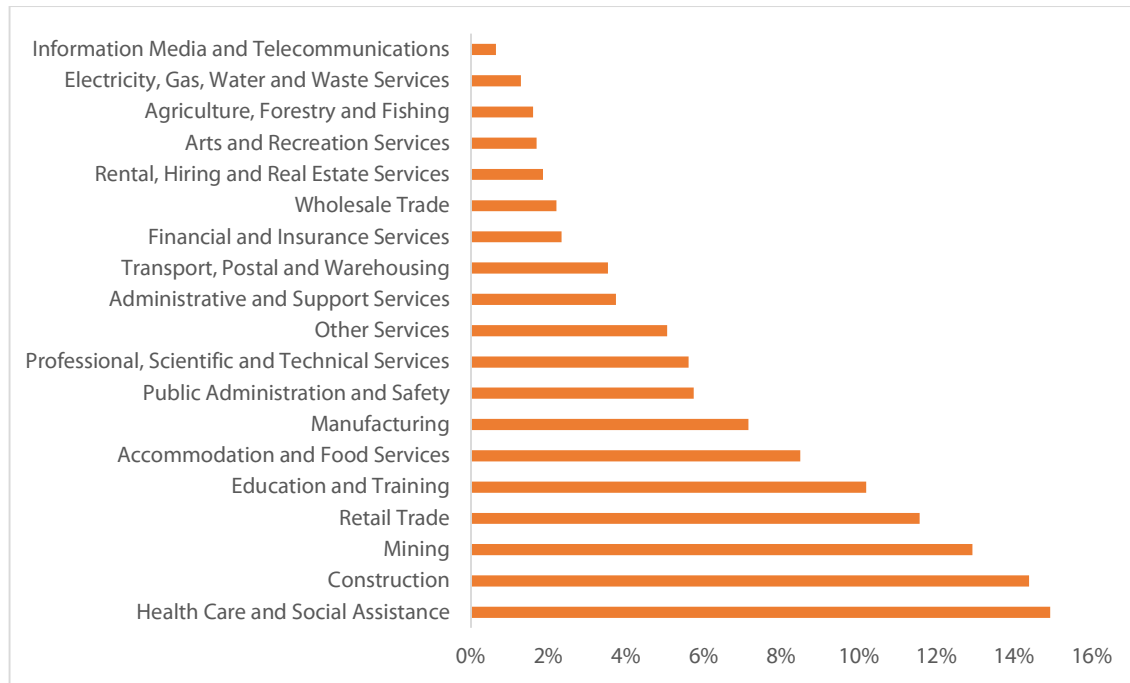


Source: ABS 2021, Pracsys 2024

Figure 13 indicates the benchmarked breakdown of the future Point Grey Neighbourhood Village labour force by industry. Based on benchmarking to the employment profile of comparable areas, the most common employment industry within the residential workforce of Point Grey in 2051 will be Health Care and Social Assistance, with approximately 15 per cent. Other key residential labour force industries are forecast to include Construction, Mining, and Retail Trade.

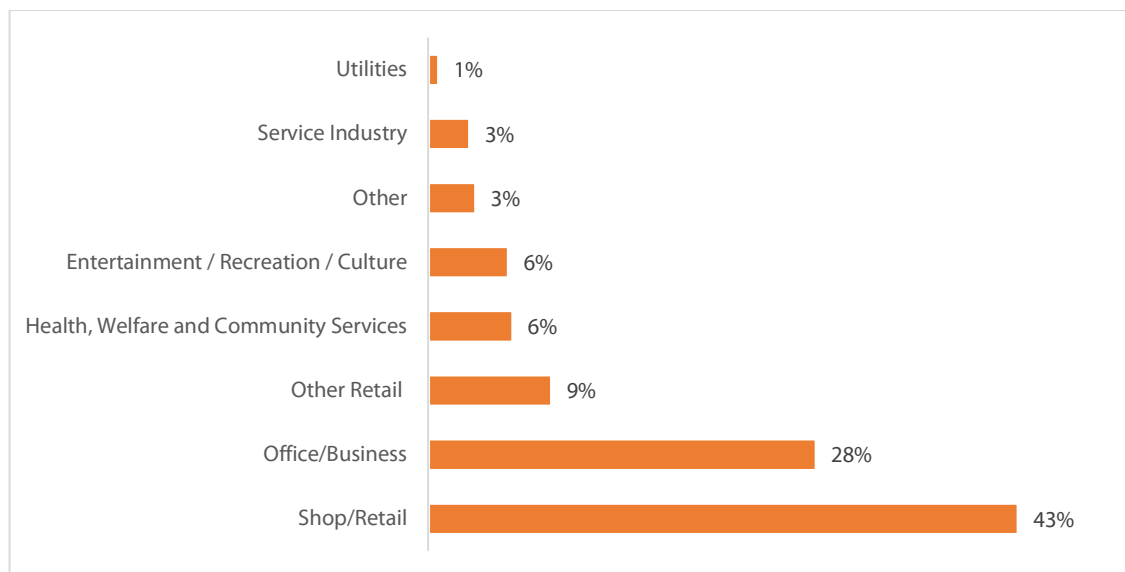


Figure 13. Estimated Local Labour Force by Industry, 2051



Source: ABS 2021, Pracsys 2024

Figure 14 illustrates the estimated labour force employment profile by DPLH land use categories. Projections show that of the residential workforce, approximately 43 per cent will work in Shop-Retail, 28 per cent in an Office/Business environment and 6 per cent within Health, Welfare and Community Services. These projections are based on applying the existing land use and employment patterns in the constituent local government areas of the Peel region to the residential profile of Point Grey.

Figure 14. Estimated Local Labour Force by Land Use Category, 2051

Source: Department of Planning, Lands and Heritage 2016, Pracsys 2024

Point Grey will receive some inward migration by virtue of its location within the Peel Region and its proposed tourism-based village centre core. Working residents commuting out of Point Grey daily will be travelling to employment centres within the vicinity such as Oakley, Boddington, Mandurah, Rockingham, Kwinana, Perth CBD, and Pinjarra. The employment pool of approximately 4,386 workers within the development is more than sufficient to meet the immediate and long-term local employment needs of Point Grey, mostly within the retail, food and beverage service and entertainment sectors.

Employment Self-Sufficiency

Employment self-sufficiency (ESS) is the proportion of jobs located in a geographic area (region, corridor, local authority, etc.) relative to the residents in that same area who are employed in the workforce. Current ESS projections for Point Grey, based on the intended retail/tourism core and applying the Liveable Neighbourhoods 16 per cent target for home-based businesses¹⁰, results in an estimated Village ESS of 22 per cent. Through concerted efforts (e.g. by providing high-speed internet infrastructure) a home-based business target of up to 20 per cent may be achievable, therefore facilitating a higher ESS at Point Grey. Furthermore, if the Village is able to deliver non-retail floorspace in the Health / Welfare / Community services and Entertainment / Recreation / Culture categories, Village ESS could be as high as 24 per cent (see Employment Contribution of Non-Retail Floorspace below).

Equally, as well as providing in excess of 240 local jobs in the retail, hospitality and entertainment, there are opportunities to increase Point Grey's economic performance by future economic development interventions.

¹⁰ The proportion of home-based business employment is approximately four per cent in Greater Perth (ABS Census 2016).

Employment opportunities at Point Grey can be enhanced through creation and implementation of a clear strategy for business attraction, such as targeting particular convenience retail chains as anchor tenants, specific office floorspace uses and specialised health and comparison retail stores. This will support the area's growing population, capture a greater proportion of local expenditure and generate more local employment opportunities. The Village's nature-based tourism offerings will also generate additional local employment opportunities within the tourism industry. Execution of targeted economic development interventions such as high-speed internet infrastructure, business attraction strategies, and tourism strategies will generate local employment opportunities and improve the economic performance of the area. Considering the relatively low labour force base of approximately 4,386 workers, successful execution of these initiatives will induce a strong positive impact on Point Grey's overall economic performance and will increase ESS and Employment Self-Containment (ESC) factors significantly.

To fully appreciate the potential benefits of business attraction strategies, it is important to recognise the inter-relationship between retail offerings and expenditure leakages. If residents' needs are not catered for locally, leakages from the area will be high. Conversely, the more opportunities that the local population is given to spend locally (e.g. if businesses are attracted to the development in the early years), the greater the amount of local expenditure retained. This in turn will support the sustainability of local businesses, generate local employment opportunities, and improve ESS and ESC within Point Grey.

Employment Self-Containment

Employment self-containment (ESC) indicates the proportion of jobs located in a geographic area which are occupied by residents of that same area, relative to the total number of working residents in the area. Given a majority of the village centre employment opportunities within Point Grey will comprise of service and retail-based employment, it is reasonable to assume that the vast majority of these jobs will also be occupied by residents of the Village. It should be noted that ESC is primarily a Sub-Regional concept that should consider employment within an overall economy comparative to the workforce living within that economy. Measurement of localised components (e.g. Point Grey) of a larger economy (South-West Sub-Region) does not consider the individual roles of the development within the greater Sub-Region and does therefore not validly assess the sustainability of employment in adjacent local areas. Additionally, it should be noted that Point Grey's residential labour force who do not work locally are likely to access employment opportunities in the Peel Sub-Region, namely at Mandurah, Pinjarra and potentially at Keralup and Nambeelup as these areas mature economically. When considered in the long-term Sub-Regional context, Point Grey is likely to improve the ESS performance of the Peel Sub-Regional economy.

The ESS and ESC information above highlights that to achieve enhanced local employment opportunities at Point Grey, it will be imperative to minimise expenditure leakages from the site and facilitate employment opportunities as early as possible in the development.

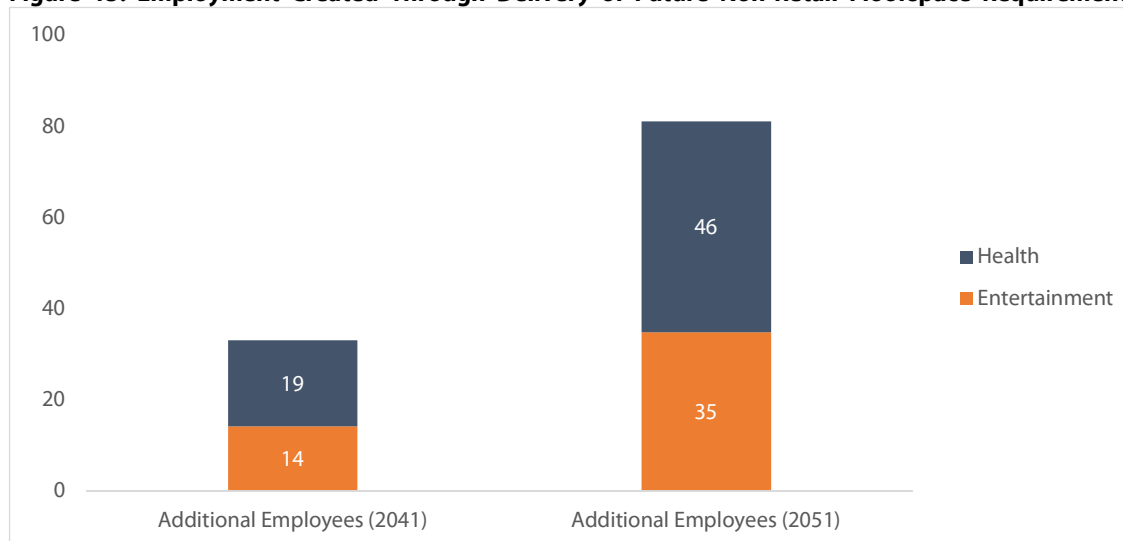


Furthermore, as part of the detailed planning for the village centre at the Detailed Area Plan phase, development proponents should investigate targeted interventions to expand the employment workforce base to encompass non-retail and service jobs to increase the development’s ESS. Expansion of the workforce base in this way is expected to include additional health services and office-based employment.

Employment Contribution of Non-Retail Floorspace

The employment contribution of non-retail floorspace delivery at the Neighbourhood Village has been estimated using Peel region-specific floorspace to employment ratios derived from the Department of Planning, Land and Heritage’s Land Use and Employment Survey. Figure 15 illustrates the potential additional employment generated through delivery of Health and Entertainment floorspace benchmark requirements at the Neighbourhood Village.

Figure 15. Employment Created Through Delivery of Future Non-Retail Floorspace Requirements



Source: Department of Planning, Lands and Heritage 2016, WA Tomorrow 2024, Forecast .id 2024, Pracsys 2024

Based on a benchmarked Health floorspace requirement of approximately 1,600m² by 2041, it has been estimated that delivery of required floorspace will generate an additional 19 Health workers. By 2051, the number of additional jobs created in the Health floorspace category will be approximately 46. Based on a benchmarked Entertainment floorspace requirement of approximately 1,300m² by 2041, it has been estimated that delivery of required floorspace will generate an additional 14 Entertainment workers. By 2051, the number of additional jobs created in the Entertainment floorspace category will be approximately 35.

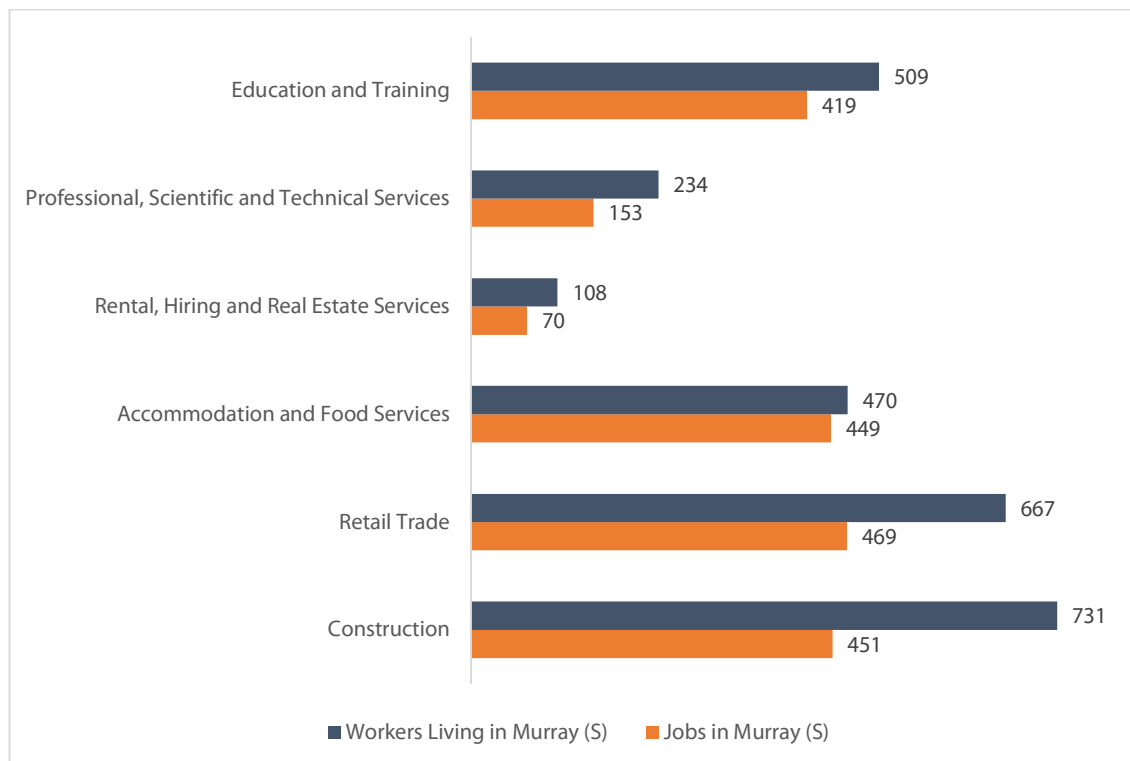
Industry Employment Gaps

Identifying gaps in industry employment can provide estimates of the Village’s potential positive contributions to Sub-regional ESS targets. ABS data has been used to compare industry employment in the Shire of Murray with the industry of employment of Shire residents. Figure 19 illustrates industries in the

region which exhibit employment gaps, such that the number of local residents employed in an industry exceeds the number of jobs available locally in that industry.

As a result, a proportion of Murray residents working in these industries must travel outside of the region for employment, negatively affecting regional ESS and ESC. Addressing these industry employment gaps will provide positive contributions to South Metropolitan Peel Sub-regional employment self-sufficiency targets by delivering jobs that match the existing employment profile of Murray’s residential base.

Figure 16. Industries with Employment Gaps in the Shire of Murray



Source: ABS Census 2021, Pracsys 2024

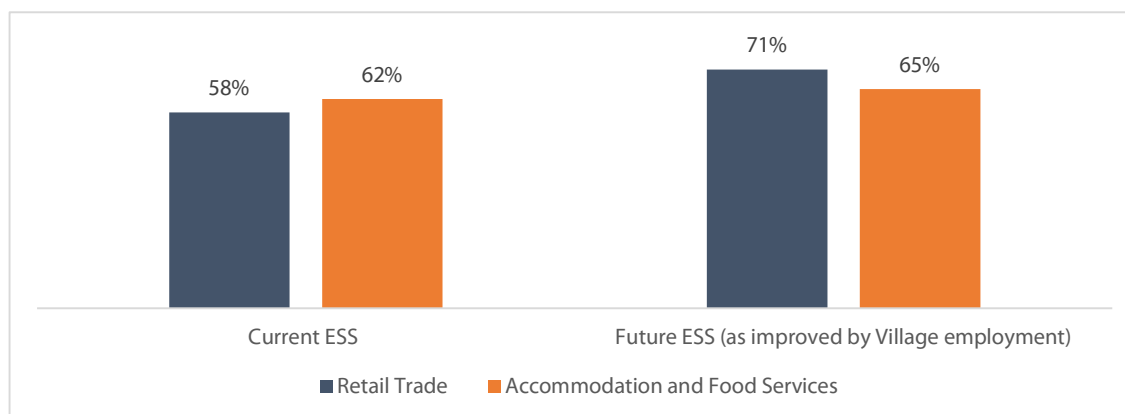
Key industries with employment gaps that can be addressed through commercial floorspace delivery at the prospective Point Grey Neighbourhood Village include Construction, Retail Trade and Accommodation and Food Services. The Construction industry will be reflected significantly within the Village’s initial construction phase, with significant construction employment created through the commercial / retail / mixed use, visitor accommodation and residential dwelling components of the development. The project will thus provide an opportunity for the region to improve its employment self-sufficiency through provision of local construction employment opportunities. Retail Trade and Accommodation and Food Services will also make up a significant portion of ongoing employment opportunities at the Village. The estimated potential supportable retail floorspace of 6,609m² is likely to provide approximately 207 new retail industry jobs, based on benchmark floorspace-to-employee ratios in the Peel region. Retail Trade ESS is predicted to improve from its current rate of 58 per cent to 71 per cent for Village residents by 2051 as a result of this floorspace delivery.



Retail Trade ESC is also predicted to increase from its current rate of 41 per cent to 72 per cent for Village residents.

Similarly, the accommodation infrastructure aspiration of 150 short-stay units will generate approximately 23 new accommodation jobs, with Entertainment / Food Services floorspace delivering a further 15 jobs. Accommodation and Food Services ESS is thus predicted to improve from its current rate of 62 per cent to 65 per cent for Village residents by 2051 as a result of this floorspace delivery. Accommodation and Food Services ESC is also predicted to increase from its current rate of 60 per cent to 68 per cent for Village residents by 2051. The improvement in industry ESS and ESC performance due to these additional employment opportunities, created through delivery of commercial floorspace at the Village, is illustrated in Figure 17 and Figure 21 below.¹¹

Figure 17. Current and Potential Future ESS for Employment Gap Industries in the Shire of Murray



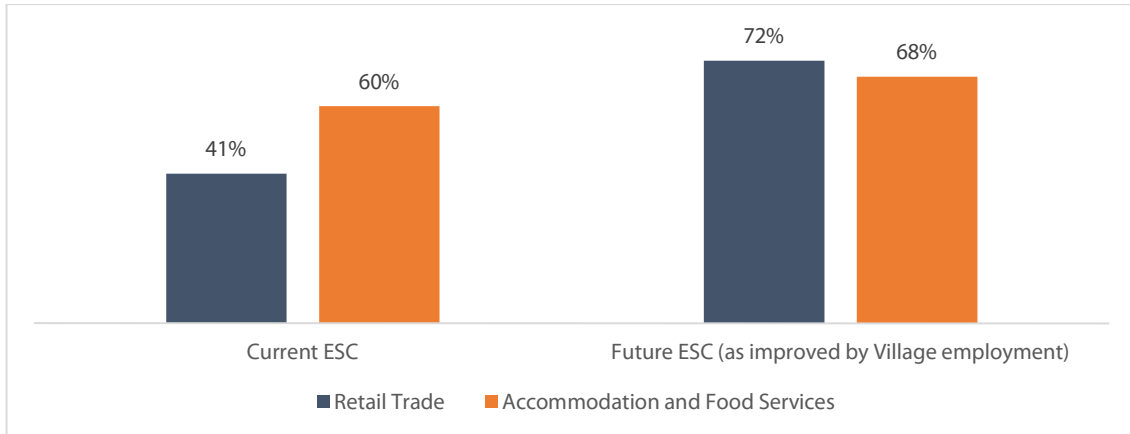
Note: ESS improvement estimates are static only and do not account for industry or population growth beyond the effect of the Point Grey Neighbourhood Village project.

Source: Department of Planning, Lands and Heritage 2016, ABS 2021, Pracsys 2024

¹¹ It has been assumed that new employment opportunities created through the Village project will increase the number of employment opportunities locally *without* increasing the number of local workers, such that the *same* workforce will have access to a greater number of employment opportunities in each affected industry.



Figure 18. Current and Potential Future ESC for Employment Gap Industries in the Shire of Murray



Note: ESC improvement estimates are static only and do not account for industry or population growth beyond the effect of the Neighbourhood Village project.

Source: Department of Planning, Lands and Heritage 2016, ABS 2021, Pracsys 2024

7 EXPENDITURE AND FLOORSPACE MODELLING

Expenditure modelling projects the pool of available expenditure within Point Grey based on the total number of households, workers and visitors in the catchment area up to 2051. Over this timeframe, the pool of available expenditure will be influenced by:

- The growth in the number of households in the development area
- Annual rates of increase in household expenditure on goods and services
- The availability of competing retail and commercial centres in the general area
- The rate of expenditure leakage from the catchment

A retail gravity model has been used to compare Catchment demand and supply while accounting for the size of centres and their distance to consumers (dwellings). The model estimates the probability of a consumer travelling to a given centre and distributes the available expenditure based on this probability. Modelling results can be used to:

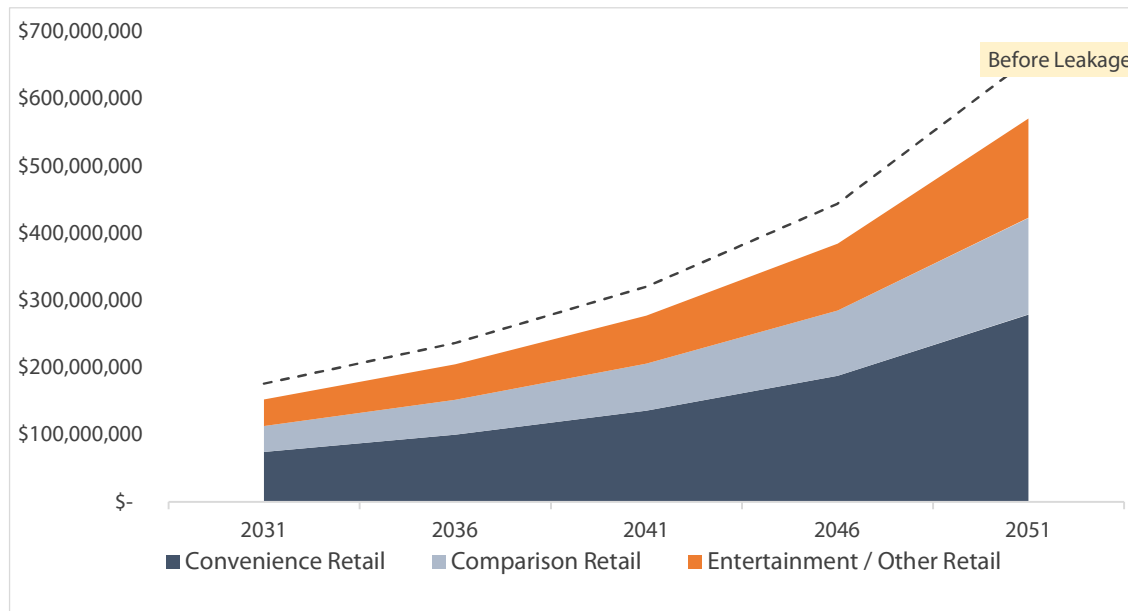
- Assess potential gaps in retail demand by comparison and convenience retail
- Estimate the potential sales (turnover) that can be achieved by the proposed centre
- Estimate the floorspace productivity of the proposed centre
- Estimate the quantum and mix of viable retail floorspace at the proposed centre
- Estimate the impact of development of the proposed centre on existing centres

The modelling assesses the demand for retail floorspace at full buildout of the Point Grey Neighbourhood Village, which is estimated to accommodate approximately 2,650 new dwellings by 2051 based on a commencement date of 2030 and a 21-year development schedule. The level of potential retail expenditure and supportable retail floorspace at this full buildout checkpoint has been estimated using a retail gravity model, which considers leakages.¹² It should also be noted that the floorspace benchmarks refer to breakeven turnover for each type of land use. Accordingly, the estimate of the potential businesses that could be supported by the pool of available expenditure is a measure of demand by turnover, not profitability.

Figure 19 shows the pool of available expenditure in the Village catchment area for each land use category, before and after leakages are accounted for.

¹² In general terms, the estimates of expenditure leakage are predicated on the idea that not all of the available pool of expenditure within the Point Grey Neighbourhood Village will be spent at the Village. It is likely that a portion of Village expenditure will be lost to other major centres in the region, such as Pinjarra and Mandurah.

Figure 19. Point Grey Neighbourhood Village Catchment Expenditure Pool by Floorspace Category (after leakage)¹³



Source: Pracsys 2024

The total post-leakage expenditure pool of the Neighbourhood Village catchment area is estimated to reach \$570 million by 2051 (the extent of current regional population projections). Retail gravity modelling undertaken through a Retail Needs Assessment indicates that approximately \$57 million of convenience and comparison retail expenditure will be captured by the Village from residents of the Village catchment by 2051.

7.1 Implications

Expenditure modelling provides indicative projections that may be used to inform decision-making regarding strategic infrastructure provision within Point Grey over time. It provides an indication of the point in time at which the development will generate sufficient expenditure to support various infrastructural and commercial offerings. For example, it may show that after ten years, sufficient expenditure is generated to support a small-scale medical centre. This enables key decision-makers to plan ahead and undertake the measures necessary to provide key pieces of infrastructure for the Point Grey Neighbourhood Village as it matures.

Key Expenditure Thresholds

Based on benchmark floorspace productivities, a number of commercial infrastructure thresholds have been established.

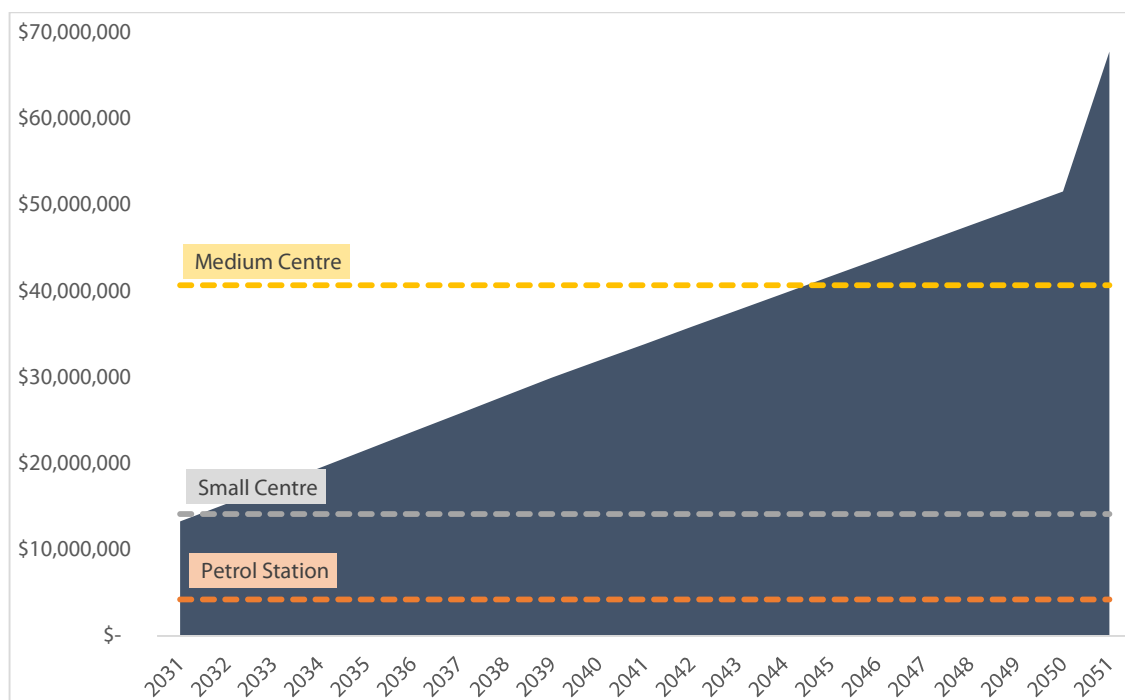
¹³ Based on a leakage rate of 10 per cent for convenience retail and entertainment expenditure and 22 per cent for comparison retail expenditure.



Expenditure modelling conducted for other urban areas in Western Australia has shown that \$4.2 million of local Shop-retail expenditure is sufficient to support a local service station with a mini-mart (e.g. Coles Express) attached.¹⁴ Expenditure of approximately \$14 million is sufficient to support a small supermarket. A medium-sized supermarket between 2,500m² and 3,000m² with several small retail operators of approximately 120m² each can be supported by expenditure of approximately \$41 million.¹⁵ These indicative thresholds are illustrated in **Error! Reference source not found.**

Again, it is also important to understand the inter-relationship between expenditure leakage and retail offerings. Expenditure leakage will be 100 per cent if there are no retail offerings within Point Grey, as residents have nowhere to spend their money locally. Conversely, if a service station with an attached mini-mart is delivered *ahead* of the post-leakage expenditure threshold of \$4.2 million, it will capture a greater portion of local expenditure and therefore be viable earlier than projected by **Error! Reference source not found.**

Figure 20. Estimated Village Expenditure with Key Retail Infrastructure Thresholds



Note: Reflects expenditure by residents of the Village catchment only (is exclusive of visitor expenditure).

Source: Department of Planning, Lands and Heritage 2016, Pracsys 2024

The commercial infrastructure threshold analysis above estimates that:

- A Petrol Station will be viable at Point Grey by 2031
- A Small Centre will be viable at Point Grey by 2032
- A Medium Centre will be viable at Point Grey by 2045

¹⁴ Based on prior Pracsys research, adjusted for inflation.

¹⁵ Assuming a convenience retail floorspace productivity of \$11,965/m² and comparison retail floorspace productivity of \$5,983/m².

ECONOMIC DEVELOPMENT STRATEGY

7.2 Employment Drivers

The opportunity for non-retail employment to locate at the Point Grey Neighbourhood Village is based on the drivers for employment in the area. Drivers for employment can broadly be summarised in two categories:

- **Population-driven:** employment that is based on the delivery of goods and services to the local population (i.e. retail, entertainment, etc.)
- **Export-orientated:** employment that is based on the delivery of goods and services to external markets beyond the local population catchment (i.e. professional services, agriculture, etc.)

The potential for Point Grey to contribute to Employment Self-Sufficiency targets in the region are dependent on industry demand in the area. Increasing the ESS for an area can be achieved either through growth in export-orientated industries or through addressing gaps in the provision of population-driven industries.

Demand for export-orientated employment at Point Grey will rely on attraction of strategic employment. There is currently no planned industrial or intense agricultural land set to be delivered at Point Grey, with any such uses likely to locate at existing industrial centres such as the Pinjarra industrial estate and the Pinjarra Alumina Refinery. Therefore, any strategic employment delivered by the Village development will likely take the form of knowledge intensive producer services and tourism. High-level planning for the development has identified the potential for concentration of tourism, tertiary education and ecological research activities at Point Grey. These latter of these activities would likely involve partnering with a tertiary education institution to establish programs and research with leverages the region's unique wetland ecology.

While export-orientated employment may indeed eventuate at Point Grey through tourism and knowledge-intensive services, the majority of the development's positive contribution to ESS targets will be made through addressing gaps in the delivery of population-driven industries in the region. Point Grey is likely to attract population-driven employment due to the significant new residential population it will support. Furthermore, as the development aims to attract a certain level of additional visitation from tourists, various non-retail floorspace uses such as entertainment will be delivered and supported through both resident and visitor expenditure.

Population Driven Employment

Population driven employment can be categorised as Consumer Services (CS), Knowledge Intensive Consumer Services (KICS) and Producer Services (PS). By nature, all consumer services, KICS and some producer services are oriented towards servicing the population at Point Grey. While population-driven economic activity requires activation to capture as much expenditure as possible, activity will ultimately depend on the number and characteristics of residents, workers and visitors within Point Grey. Economic growth can occur in areas where there is only population-driven employment, however it will be in proportion



to further growth in population, or reliant on macroeconomic factors increasing the population’s available expenditure.

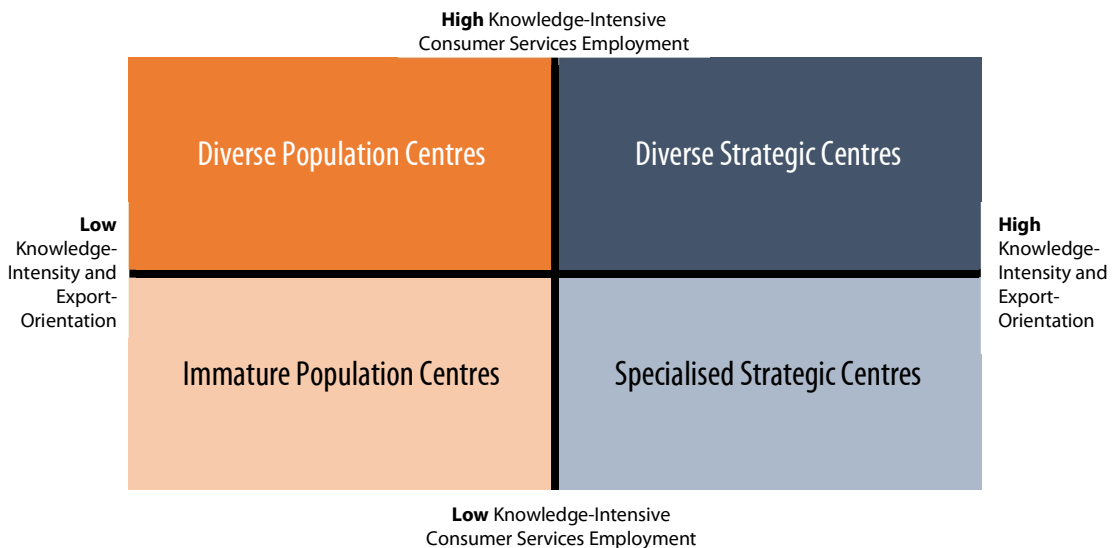
Strategic Employment

Strategic employment provides the impetus for economic activity beyond that resulting from population growth, as income is generated through the export of goods and services of value to external markets. This segment typically employs a higher-skilled and higher income workforce that is likely to generate significant flow-on impacts through business to business and consumer expenditure within local economies. Strategic employment includes Knowledge Intensive Producer Services (KIPS) and Exports.

7.3 Economic Development Goals for the Point Grey Neighbourhood Village

It is important to appreciate that the economic maturity of an economy is based upon the proportion of high-quality employment it contains, rather than merely the amount of employment. The economic maturity matrix below indicates how the Point Grey economy may mature up to 2051 (Figure 21).

Figure 21. Economic Maturity Matrix



Source: Pracsys 2024

An economy will mature through the matrix based upon its employment composition. In particular, as the economy matures it will develop a greater proportion of Knowledge Intensive Consumer Services (KICS), Knowledge Intensive Producer Services (KIPS) and Export-Oriented employment. Up to 2051, the Point Grey economy will expand into a more mature economic position comprised predominantly of population-driven economic activity. There is also some potential for realisation of strategic employment at the Village through knowledge intensive producer services, such as the concentration of tertiary education and ecological research activities at Point Grey. While export-orientated employment may indeed eventuate at Point Grey



through knowledge-intensive services, the majority of the development's positive contribution to ESS targets will be made through tourism and addressing gaps in the delivery of population-driven industries in the region. Employment opportunities will thus principally be within consumer services and KICS, with some producer services industries.

Consumer services are defined as lower productivity activities oriented towards servicing the population, and at Point Grey will include the retail, food and beverage and tourism offerings within the core. In addition, interventions to expand office-based, health/medical and home-based businesses will generate further employment opportunities. KICS provide high-productivity activity oriented towards a consumer population and will potentially include employment at a local primary school and through healthcare activity (e.g. a local doctor). While tourism will support population related industries it will attract expenditure from outside the local economy (i.e. an export) and generate employment beyond what would be supported by the local population only.

Due to its role and size within the context of the Peel Region and the economic activity that it will attract, Point Grey is unlikely to become a major strategic employment node. However, strategic employment activity may eventuate at the Village, such as through high-skill home-based businesses and / or tertiary research activities on Point Grey's wetland ecology. Therefore, as Point Grey grows in maturity towards 2051, the concentration of knowledge-intensive consumer services (KICS) will likely increase. However, the majority of economic activity will likely still be derived from population-driven economic activity.

Based on population and employment projections and the economic context provided above, the following vision, goals and targets have been formulated for Point Grey:

2051 Vision

"Point Grey provides regionally-significant, high-quality retail and tourism offerings that meet the daily needs of residents, workers and tourists alike"

Economic Development Goals

The Economic Vision for 2051 will be met through the achievement of the economic goals below. As economic activity at Point Grey is largely population-driven in nature, efforts should be focused around supporting retail-based activation. Additionally, efforts should aim to attract key pieces of infrastructure in anticipation of local needs (as shown by expenditure modelling) and to help grow the population.

The economic development goals for Point Grey are as follows:

Goal 1: Create a tourist precinct that is well activated and of high amenity

Supporting intervention: Ensure that urban design and activation at the neighbourhood centre provides the best opportunity for local retailers to capture as much of the local retail expenditure as possible. This can be achieved by adhering to strong place activation principles and by taking opportunities to promote local spending wherever possible. High concentrations of uses should be encouraged by focusing car parking and foot traffic around the village. This means that businesses will have a greater chance of surviving seasonal trading fluctuations, and therefore will provide a higher standard of amenity for residents and visitors all year round.

Goal 2: Provide high quality and complementary activities and amenities at the village, including nature playground, diverse short-stay accommodation and retail / entertainment offerings

Supporting intervention: Promote effective tourism product development by facilitating a collective approach of tourism and retail businesses and organisations, as this has the potential to be a significant provider of employment.

Goal 3: Deliver approximately 7,800m² of retail floorspace at the Point Grey Neighbourhood Village by 2051

Supporting intervention: Strategically engage major supermarket chains in the early stages of the Point Grey development, encouraging them to establish a presence as early as possible in order to retain a greater portion of local expenditure and help build a critical mass of commercial activity.

Goal 4: Establish a range of community-supporting infrastructure, such as a Village primary school, community hall, events space and playground / youth precinct

Supporting intervention: Engage with the local community to provide tailored infrastructure which improves amenity and quality of life in the Village. Work with the Department of Education to establish a local primary school ahead of demand to attract a larger proportion of working families.

Goal 5: Maximise Point Grey's employment self-containment through targeted industry attraction

Supporting intervention: Lobby tertiary education and health services providers to locate high-quality employment opportunities at Point Grey. Promote home-based businesses through the local planning environment and by providing high-quality internet / telecommunications infrastructure. Deliver commercial infrastructure ahead of demand to minimise leakage, maximise local expenditure and drive localised Village employment.

7.4 Recommendations



Economic Activation

Focus on the economic activation of the core in the first instance; ensure that it functions effectively as a local retail centre, then aim to promote radiation of activity out from the core (likely to be after 2040).

Expenditure Capture

Aim to capture as much of the local retail expenditure as possible by improving place activation, this includes managing:



- Access and arrival points
- Compact and controlled active frontages
- Motor vehicle traffic flows
- Pedestrian traffic flows and exposure
- Businesses located at strategic sites and major attractions



Strategic Employment

Recognise the important economic role of a local primary school / tertiary research centre as a provider of knowledge-intensive employment and an attractor of young families and skilled workers.



Community Assets

Attract key pieces of community and commercial infrastructure in anticipation of local demand, rather than in response to realised demand. This may include the provision of community assets such as a Village primary school, community hall, events space or playground / youth precinct in the early stages of the development to improve liveability and amenity. Ultimately, this will make Point Grey far more attractive to prospective residents, workers and visitors.



Employment Planning

Employment generation opportunities should be addressed in more detail when a Local Development Plan is prepared for the Village Precinct.