



Minutes of Planning and Community Consultation Committee Meeting

Held on

Tuesday 12 April 2022 at 5.30pm

Held at Council Chamber, 83 Mandurah Terrace Mandurah

PRESENT:

COUNCILLOR	D PEMBER [Chairperson]	EAST WARD
MAYOR	R WILLIAMS	
COUNCILLOR	R BURNS	TOWN WARD
COUNCILLOR	J GREEN	COASTAL WARD
COUNCILLOR	P JACKSON	NORTH WARD
COUNCILLOR	A KEARNS	EAST WARD
COUNCILLOR	C KNIGHT [Deputy Mayor]	NORTH WARD
COUNCILLOR	B POND	COASTAL WARD
COUNCILLOR	D SCHUMACHER	TOWN WARD

ELECTED MEMBERS OBSERVING:

COUNCILLOR	A ZILANI	NORTH WARD
COUNCILLOR	P ROGERS	TOWN WARD
COUNCILLOR	D WILKINS	EAST WARD

MS	C MIHOVILOVICH	ACTING CHIEF EXECUTIVE OFFICER
MS	J THOMAS	DIRECTOR PLACE AND COMMUNITY
MR	J CAMPBELL-SLOAN	DIRECTOR STRATEGY AND ECONOMIC DEVELOPMENT
MR	M HALL	DIRECTOR BUILT AND NATURAL ENVIRONMENT
MRS	T JONES	MANAGER GOVERNANCE, PROCUREMENT AND PROPERTY
MRS	A DENBOER	ACTING MINUTE OFFICER

1. OPENING OF MEETING

The Chairperson declared the meeting open at 5.30 pm.

2. APOLOGIES

Nil.

3. IMPORTANT NOTE

The purpose of this Committee Meeting is to discuss and make recommendations to Council about items appearing on the agenda and other matters for which the Committee is responsible. The Committee has no power to make any decisions which are binding on the Council or the City of Mandurah unless specific delegation of authority has been granted by Council.

No person should rely on or act on the basis of any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting. The City of Mandurah expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any advice or information provided by a Member or Officer, or the content of any discussion occurring, during the course of the Committee meeting.

4. RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil.

5. PUBLIC QUESTION TIME

Nil.

6. AMENDMENT TO STANDING ORDERS

PCC.1/4/22 STANDING ORDERS LOCAL LAW 2016

The Chairperson advised the meeting that the *City of Mandurah Standing Orders Local Law 2016* will be modified to ensure Committee Members and the public can participate in and follow the meeting as it progresses.

MOTION

Moved: Councillor D Schumacher
Seconded: Councillor C Knight

That the Committee of Council:

1. **Suspend the operation of the following provisions of the *City of Mandurah Standing Orders Local Law 2016* for the duration of this electronic meeting to ensure Council Members and the public can follow and participate in the meeting as it progresses:**
 - 1.1. **Standing Order 3.3 Public Question Time pertaining to public participation in meetings continues via electronic means with public submissions received to be read aloud by the Presiding Member at the relevant agenda item if required.**
 - 1.2. **Standing Order 7.2 Members to occupy own seats whilst present in meeting room. Relevant only for Elected Members attending the Council Chambers.**
 - 1.3. **Agree under Standing Orders 8.1(1) and 12.2, that instead of requiring a show of hands, a vote will be conducted by exception with the Presiding Member calling for those Members against each motion. If no response is received the motion will be declared carried and minuted accordingly.**
 - 1.4. **Reiterate the requirement as per Standing Order 7.3 for Members to advise the Presiding Member when leaving or entering the meeting at any time.**

CARRIED: 9/0

7. PRESENTATIONS

Nil.

8. DEPUTATIONS

8.1 STEVE CUZENS: RETAIL TRADING HOURS – COMMUNITY ENGAGEMENT & COST BENEFIT ANALYSIS

Mr Cuzens spoke in support of the report representing the customers and traders of the Lakelands Shopping Centre.

8.2 RICHARD TERHORST: RETAIL TRADING HOURS – COMMUNITY ENGAGEMENT & COST BENEFIT ANALYSIS

Mr Terhorst spoke on behalf of the owners of Mandurah Forum and Halls Head Central Shopping Centres in support of recommendations 1-4 relating agenda item 13.1.

9. CONFIRMATION OF MINUTES

PCC.2/4/22 CONFIRMATION OF MINUTES MONDAY 14 MARCH 2022

MOTION

Moved: Councillor D Schumacher
Seconder: Councillor C Knight

That the Minutes of the Planning and Community Consultation Committee meeting of Monday 14 March 2022 be confirmed.

CARRIED: 9/0

10. DECLARATIONS OF INTERESTS

- 10.1 Mayor R Williams declared an impartiality interest in Minute PCC.3/4/22 Retail Trading Hours – Community Engagement & Cost Benefit Analysis because during his 2021 Mayor campaign he displayed posters in a local independent retailer's store. Mayor Williams declared the interest and remained in the Chamber.
- 10.2 Councillor A Zilani declared an impartiality interest in Minute PCC.3/4/22 Retail Trading Hours – Community Engagement & Cost Benefit Analysis because of his involvement with Vicinity Centres and ISPT Lakelands Shopping Centre during his 2021 Mayor campaign. Councillor Zilani declared the interest and remained in the Chamber.

11. QUESTIONS FROM COMMITTEE MEMBERS

Questions of Which Due Notice Has Been Given

Nil.

Questions of Which Notice Has Not Been Given

Nil.

12. BUSINESS LEFT OVER FROM PREVIOUS MEETING

Nil.

13. REPORTS FROM OFFICERS

PCC.3/4/22 RETAIL TRADING HOURS – COMMUNITY ENGAGEMENT & COST BENEFIT ANALYSIS

Summary

Retail trading hours in WA are currently set by the Retail Trading Hours Act 1987 (the Act) for all areas south of the 26th parallel. Regional Local Governments can apply to the Minister to alter these trading hours to reflect the nature of their local economy. The Act applies to General Retailers, Small Retail Shops, Special Retail Shops and Filling Stations (Petrol Stations). The trading hours of restaurants, cafes, takeaway food shops, short-term markets (set up and

dismantled in one day), shops on Rottnest Island and Liquor Stores are not covered by the Act and therefore do not have specified trading hours.

The City has set specific trading hours through the Retail Trading Hours Variation Order (No2) 2013. Mandurah's retail trading hours for General Retail Stores differ from those in the Perth Metropolitan area, the City of Rockingham and the Shire of Murray (which has deregulated retail trading hours).

Following the widespread adoption of extended trading hours in the Perth Metropolitan area and regional Local Governments across Western Australia in recent years, Council requested City officers engage a consultant to undertake community engagement and a Cost Benefit Analysis to understand the economic and social impacts on permanently extending retail trading hours for general retail shops within the City of Mandurah.

In November 2021, the City engaged consultants to undertake the community engagement survey and Cost Benefit Analysis to provide Council with a firm foundation of information to assist with the decision-making process on permanently extending retail trading hours for general stores in the City of Mandurah. The proposed extensions of trading hours were from 70 hours per week currently permitted to 85 hours per week. Analysis of another scenario, where Mandurah's trading hours were extended only across weekdays, was also undertaken.

Results from the community engagement survey show 76.3% of the community support the proposed permanent change to the City of Mandurah's retail trading hours for general shops.

Results from the Cost Benefit Analysis show that proposed extended trading hours are likely to have a positive overall impact for the community of the City of Mandurah through:

- Generating Net Benefit Value of over \$11.2 million per annum to the local economy;
- Reducing turnover leakage to centres outside Mandurah of \$8.2 million per annum;
- Reduction of online leakage by \$4.9 million per annum; and
- Increase of 86 FTE equivalent jobs.

The extension of retail trading hours is expected to have an insignificant/minor¹ negative impact on:

- The turnover of activity centres with small-medium retail anchors by just under \$17 million per annum (equivalent to 4% of their combined total annual turnover). Modelling indicates that this value which will be transferred to larger centres, staying within the local economy.

The results from the community engagement survey and Cost Benefit Analysis show an overall positive economic impact to the City of Mandurah and the community. Results also show that extending trading hours in line with those proposed at the August 2021 Council meeting maximises job creation compared to alternative options, despite having a lower Benefit Cost Ratio than extensions limited to weekday evenings. This means it is likely to have the greatest impact on Mandurah's structurally high unemployment rate.

Council is requested to acknowledge the results of the Community Engagement Survey and Cost Benefit Analysis reports and endorse the proposed permanent extension of retail trading hours for general stores to those set out in Table 1.

Council is requested to authorise officers to lodge the application to the Department of Commerce for the Minister's consideration and approval with the introduction of the new trading

¹The Draft State Planning Policy 4.2 states that a centre is considered insignificantly impacted if the turnover impact is less than 5%.

hours arrangement on October 1st 2022, providing activity centres with smaller anchor tenants a 6-month transition period month.

Table 1: Current and proposed trading hours

Day of the Week	Current	Proposed	Difference
Monday	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Tuesday	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Wednesday	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Thursday	08:00 – 21:00	08:00 – 21:00	No Change
Friday	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Saturday	08:00 – 18:00	08:00 – 18:00	No Change
Sunday + Public Holidays	10:00 – 17:00	08:00 – 18:00	+3hrs
Exclusions: Christmas Day etc.	Closed	Closed	No Change
Total	70 hours	85 hours	+ 15 hours

Council is asked to note that officers will work closely with the Peel Chamber of Commerce and Industry and businesses that may be adversely affected by the changes, through business support programs and initiatives, including access to grant funding opportunities that assist with business transformation during the transition period.

Officer Recommendation

That the Planning & Community Consultation Committee recommend that Council:

1. Acknowledge the results of the Community Engagement Survey and Cost Benefit Analysis reports.
2. Endorse the proposed permanent extension of retail trading hours for general stores in the City of Mandurah from the current 70 hours per week to 85 hours per week, as per the arrangements proposed at the August 2021 Council meeting, with changes introduced on October 1st 2022.
3. Authorise officers to lodge the application for the permanent extension of retail trading hours for general stores in the City of Mandurah to the Department of Commerce for the Minister's consideration and approval.
4. Council is also asked to note that officers will work closely with the Peel Chamber of Commerce and Industry and businesses that may be adversely affected by the changes, through business support programs and initiatives, including access to grant funding opportunities that assist with business transformation during the transition period.

Committee Recommendation

MOTION

Moved: Mayor R Williams

Seconded: Councillor C Knight

That the Planning & Community Consultation Committee recommend that Council:

- 1. Acknowledge the results of the Community Engagement Survey and Cost Benefit Analysis reports.**
- 2. Endorse the proposed permanent extension of retail trading hours for general stores in the City of Mandurah from the current 70 hours per week to 85 hours per week, as per the arrangements proposed at the August 2021 Council meeting, with changes introduced on October 1st 2022.**
- 3. Authorise officers to lodge the application for the permanent extension of retail trading hours for general stores in the City of Mandurah to the Department of Commerce for the Minister's consideration and approval.**
- 4. Council is also asked to note that officers will work closely with the Peel Chamber of Commerce and Industry and businesses that may be adversely affected by the changes, through business support programs and initiatives, including access to grant funding opportunities that assist with business transformation during the transition period.**

FOR: Mayor R Williams, Councillors A Kearns, P Jackson, B Pond, R Burns, C Knight, D Pember
AGAINST: Councillors D Schumacher, J Green
CARRIED: 7/2

**PCC.4/4/22 AMENDMENT NO 1 TO LOCAL PLANNING SCHEME NO 12
ADOPT FOR ADVERTISING**

Summary

Arising from the finalisation of Local Planning Scheme No 12, during the final approval stages of the Scheme, a number of omissions and errors have been identified and a number of matters that require rectifying based on recent approvals, responses to submissions and mapping errors.

As a result, two separate amendments to Scheme 12 are proposed as follows:

Amendment No 1

Four separate changes are proposed as part of this Amendment as follows:

- (a) Modifying the R-Code density from R25 to R40 for area south of Adana Street, east of Anstruther Road, west of Rigel Street and to include all lots on Cygni Street

This modification is arising from a submission received during the formal advertising of Scheme 12 and to which Council supported, however, as community consultation was not undertaken for the change, the Western Australian Planning Commission and the Minister for Planning determined that that proposal should be subject to an amendment to Scheme 12;

- (b) Modifying the R-Code density from R10 to R5 for Lots 201 – 210 Bulara Road; and Lots 211 – 220 Balwina Road, Greenfields

This modification is arising from a map drafting error where the incorrect R-Code density was applied to this street block; no development changes are arising from this modification;

- (c) Rezoning Lot 9000 Country Club Drive, Dawesville from 'Residential (R60)' to 'Tourist'; and including single dwelling as a permitted use to this site;
- (d) Adding Hotel as a permitted use for Lot 2002 Marina Quay Drive, Erskine;

This modification is to regularise a recent approval issued over the subject site which is now in operation and avoids a potential conflict should the use become a 'non-conforming' use;

- (e) Adding some additional requirements to the provisions where approval is not required for the removal of trees.

These provisions were included in Town Planning Scheme No 3 but were not transferred over to Scheme 12 in its preparation.

The report will outline the justification to each of these modifications.

Officer Recommendation

That the Planning and Community Consultation Committee recommend that Council:

1. In accordance with Section 75 of the *Planning and Development Act 2005*, resolves to prepare Amendment No.1 of the City of Mandurah Local Planning Scheme No 12 as follows:

"PLANNING AND DEVELOPMENT ACT 2005

RESOLUTION DECIDING TO AMEND A TOWN PLANNING SCHEME

CITY OF MANDURAH LOCAL PLANNING SCHEME NO 12

AMENDMENT NO 1

Resolved that the Council, in pursuance of Section 75 of the Planning and Development Act 2005, amends Local Planning Scheme No 12 by:

- (a) *Modifying the R-Code density from R25 to R40 for the following lots:*

- *Lot 810 and 83-91 Adana Street, Mandurah;*
- *Lots 92 – 95 Rigel Street, Mandurah;*
- *Lots 104 - 106 Anstruther Road, Mandurah; and*
- *Lot 96 – 135 Cygni Street, Mandurah*

- (b) *Modifying the R-Code density from R10 to R5 for the following lots:*

- *Lots 201 – 210 Bulara Road, Greenfields; and*
- *Lots 211 – 220 Balwina Road, Greenfields*

- (c) *Rezoning Lot 9000 Country Club Drive, Dawesville from 'Residential (R60)' to 'Tourist'; and adding the following to Table 4 (Specified Additional Use for Zoned Land in Scheme Area)*

No	Description of Land	Additional Use	Conditions
2	Lot 9000 Country Club Drive, Dawesville	P Uses: • single dwelling	Nil

(d) Adding the following land use to Table 6 (Special Use Zones in Scheme Area) to SU2 as it applies to Lot 2002 Marina Quay Drive, Erskine:

- 'P Uses – Hotel';

(e) Adding the following to the Conditions Column of Schedule A – Clause 61(1) Development for which Development Approval is Not Required – Item No 26 'Removal of Trees:

- where the tree is dead or constitutes an immediate threat to life or property;
- where the tree is within three metres of the wall of an existing or approved building;
- where the tree is required to be removed for the purposes of bushfire prevention and control including a firebreak as required by any relevant legislation;

(f) Amending the Scheme Maps accordingly.

Dated this 26th day of April 2022.
Chief Executive Officer "

2. In accordance with Regulation 35(2) of the *Planning and Development (Local Planning Schemes) Regulations 2015*, determines that Amendment No. 1 of the City of Mandurah Local Planning Scheme No. 12 is a standard amendment for the following reasons:

- the amendment relates to a zone that is consistent with the objectives identified in the scheme for that zone;*
- the amendment is consistent with a local planning strategy for the scheme that has been endorsed by the Commission;*
- an amendment to the scheme so that it is consistent with the region planning scheme that applies to the scheme area;*
- the amendment that would have minimal impact on land in the scheme area that is not the subject of the amendment;*
- the amendment that does not result in any significant environmental, social, economic or governance impacts on land in the scheme area; and*
- is not an amendment that is a complex or basic amendment.;*

3. Authorises the Chief Executive Officer (City Planner) to prepare the necessary Scheme Amendment documentation for Amendment No 1 to the City of Mandurah Local Planning Scheme No 12.

Committee Recommendation

MOTION

Moved: Councillor B Pond
Seconded: Councillor C Knight

That the Planning and Community Consultation Committee recommend that Council:

1. In accordance with Section 75 of the *Planning and Development Act 2005*, resolves to prepare Amendment No.1 of the City of Mandurah Local Planning Scheme No 12 as follows:

“PLANNING AND DEVELOPMENT ACT 2005

RESOLUTION DECIDING TO AMEND A TOWN PLANNING SCHEME

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AMENDMENT NO 1

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- **Lots 92 – 95 Rigel Street, Mandurah;**
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- **Lot 96 – 135 Cygni Street, Mandurah**

(b) Modifying the R-Code density from R10 to R5 for the following lots:

- **Lots 201 – 210 Bulara Road, Greenfields; and**
- **Lots 211 – 220 Balwina Road, Greenfields**

(c) Rezoning Lot 9000 Country Club Drive, Dawesville from ‘Residential (R60)’ to ‘Tourist’; and adding the following to Table 4 (Specified Additional Use for Zoned Land in Scheme Area)

No	Description of Land	Additional Use	Conditions
2	Lot 9000 Country Club Drive, Dawesville	P Uses: • single dwelling	Nil

(d) Adding the following land use to Table 6 (Special Use Zones in Scheme Area) to SU2 as it applies to Lot 2002 Marina Quay Drive, Erskine:

- **‘P Uses – Hotel’;**

(e) Adding the following to the Conditions Column of Schedule A – Clause 61(1) Development for which Development Approval is Not Required – Item No 26 ‘Removal of Trees:

- **where the tree is dead or constitutes an immediate threat to life or property;**
- **where the tree is within three metres of the wall of an existing or approved building;**
- **where the tree is required to be removed for the purposes of bushfire prevention and control including a firebreak as required by any relevant legislation;**

(f) Amending the Scheme Maps accordingly.

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 - (c) an amendment to the scheme so that it is consistent with the region planning scheme that applies to the scheme area;*
 - (d) the amendment that would have minimal impact on land in the scheme area that is not the subject of the amendment;*
 - (e) the amendment that does not result in any significant environmental, social, economic or governance impacts on land in the scheme area; and*
 - (f) is not an amendment that is a complex or basic amendment.;*
- 3. Authorises the Chief Executive Officer (City Planner) to prepare the necessary Scheme Amendment documentation for Amendment No 1 to the City of Mandurah Local Planning Scheme No 12.

CARRIED: 9/0

14. LATE AND URGENT BUSINESS ITEMS

Nil.

15. CONFIDENTIAL ITEMS

Nil.

16. CLOSE OF MEETING

There being no further business, the Chairperson declared the meeting closed at 6.22pm.

CONFIRMED:[CHAIRPERSON]

**Attachments: Planning and Community Consultation Committee
Agenda 12 April 2022**

NOTICE OF MEETING

PLANNING AND COMMUNITY CONSULTATION COMMITTEE

Members of the Planning and Community Consultation Committee are advised that a meeting of the Committee will be held in the Council Chambers, 83 Mandurah Terrace, Mandurah on:

**Tuesday 12 April 2022
at 5.30pm**

MARK R NEWMAN
Chief Executive Officer
5 April 2022

Committee Members

Councillor D Pember [Chairperson]
Mayor R Williams
Councillor P Jackson
Councillor C Knight
Councillor B Pond

Councillor R Burns
Councillor J Green
Councillor A Kearns
Councillor D Schumacher

AGENDA

1 OPENING OF MEETING AND ANNOUNCEMENT OF VISITORS

2 APOLOGIES

3 IMPORTANT NOTE:

Members of the public are advised that the decisions of this Committee are referred to Council Meetings for consideration and cannot be implemented until approval by Council. Therefore, members of the public should not rely on any decisions of this Committee until Council has formally considered the resolutions agreed at this meeting.

4 RESPONSES TO QUESTIONS TAKEN ON NOTICE

5 PUBLIC QUESTION TIME

Public Question Time provides an opportunity for members of the public to ask a question of Council. For more information regarding Public Question Time please visit the City's website mandurah.wa.gov.au or telephone 9550 3787.

6 AMENDMENT TO STANDING ORDERS

Modification to *Standing Orders Local Law 2016* - electronic attendance at meeting.

7 PRESENTATIONS

8 DEPUTATIONS

Any person or group wishing to make a Deputation to the Committee meeting regarding a matter listed on this agenda for consideration must complete an application form. For more information regarding making a deputation please visit the City's website mandurah.wa.gov.au or telephone 9550 3787.

NB: Persons making a deputation to this Committee meeting will not be permitted to make a further deputation on the same matter at the successive Council meeting, unless it is demonstrated there is new, relevant material which may impact upon the Council's understanding of the facts of the matter.

9 CONFIRMATION OF MINUTES: 14 MARCH 2022

Minutes available on the City's website via mandurah.wa.gov.au/council/council-meetings/agendas-and-minutes

10 DECLARATIONS OF FINANCIAL, PROXIMITY AND IMPARTIALITY INTERESTS**11 QUESTIONS FROM COMMITTEE MEMBERS WITHOUT DISCUSSION**

11.1 Questions of which due notice has been given

11.2 Questions of which notice has not been given

12 BUSINESS LEFT OVER FROM PREVIOUS MEETING**13 REPORTS:**

<i>No.</i>	<i>Item</i>	<i>Page No</i>	<i>Note</i>
1	Retail Trading Hours – Community Engagement & Cost Benefit Analysis	4-135	
2	Amendment No 1 to Local Planning Scheme No 12 – Adopt for Advertising	136-147	

14 LATE AND URGENT BUSINESS ITEMS**15 CONFIDENTIAL ITEMS****16 CLOSE OF MEETING**

1	SUBJECT:	Retail Trading Hours – Community Engagement & Cost Benefit Analysis
	DIRECTOR:	Strategy and Economic Development
	MEETING:	Planning & Community Engagement Committee
	MEETING DATE:	12 April 2022

Summary

Retail trading hours in WA are currently set by the Retail Trading Hours Act 1987 (the Act) for all areas south of the 26th parallel. Regional Local Governments can apply to the Minister to alter these trading hours to reflect the nature of their local economy. The Act applies to General Retailers, Small Retail Shops, Special Retail Shops and Filling Stations (Petrol Stations). The trading hours of restaurants, cafes, takeaway food shops, short-term markets (set up and dismantled in one day), shops on Rottnest Island and Liquor Stores are not covered by the Act and therefore do not have specified trading hours.

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Following the widespread adoption of extended trading hours in the Perth Metropolitan area and regional Local Governments across Western Australia in recent years, Council requested City officers engage a consultant to undertake community engagement and a Cost Benefit Analysis to understand the economic and social impacts on permanently extending retail trading hours for general retail shops within the City of Mandurah.

In November 2021, the City engaged consultants to undertake the community engagement survey and Cost Benefit Analysis to provide Council with a firm foundation of information to assist with the decision-making process on permanently extending retail trading hours for general stores in the City of Mandurah. The proposed extensions of trading hours were from 70 hours per week currently permitted to 85 hours per week. Analysis of another scenario, where Mandurah's trading hours were extended only across weekdays, was also undertaken.

Results from the community engagement survey show 76.3% of the community support the proposed permanent change to the City of Mandurah's retail trading hours for general shops.

Results from the Cost Benefit Analysis show that proposed extended trading hours are likely to have a positive overall impact for the community of the City of Mandurah through:

- Generating Net Benefit Value of over \$11.2 million per annum to the local economy;
- Reducing turnover leakage to centres outside Mandurah of \$8.2 million per annum;
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- Increase of 86 FTE equivalent jobs.

The extension of retail trading hours is expected to have an insignificant/minor¹ negative impact on:

- The turnover of activity centres with small-medium retail anchors by just under \$17 million per annum (equivalent to 4% of their combined total annual turnover). Modelling indicates that this value which will be transferred to larger centres, staying within the local economy.

¹The Draft State Planning Policy 4.2 states that a centre is considered insignificantly impacted if the turnover impact is less than 5%.

The results from the community engagement survey and Cost Benefit Analysis show an overall positive economic impact to the City of Mandurah and the community. Results also show that extending trading hours in line with those proposed at the August 2021 Council meeting maximises job creation compared to alternative options, despite having a lower Benefit Cost Ratio than extensions limited to weekday evenings. This means it is likely to have the greatest impact on Mandurah's structurally high unemployment rate.

Council is requested to acknowledge the results of the Community Engagement Survey and Cost Benefit Analysis reports and endorse the proposed permanent extension of retail trading hours for general stores to those set out in Table 1.

Council is requested to authorise officers to lodge the application to the Department of Commerce for the Minister's consideration and approval with the introduction of the new trading hours arrangement on October 1st 2022, providing activity centres with smaller anchor tenants a 6-month transition period month.

Table 1: Current and proposed trading hours

Day of the Week	Current	Proposed	Difference
Monday	08:00 – 18:00	08:00 – 21:00	+ 3hrs
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Sunday + Public Holidays	10:00 – 17:00	08:00 – 18:00	+3hrs
Exclusions: Christmas Day etc.	Closed	Closed	No Change
Total	70 hours	85 hours	+ 15 hours

Council is asked to note that officers will work closely with the Peel Chamber of Commerce and Industry and businesses that may be adversely affected by the changes, through business support programs and initiatives, including access to grant funding opportunities that assist with business transformation during the transition period.

Disclosure of Interest

N/A

Previous Relevant Documentation

- G.10/08/21 24 August 2021 Council authorised officers to engage consultants to undertake a Cost Benefit Analysis and community and business engagement on permanently extending retail trading hours.
- G.15/05/21 11 May 2021 Council requested officers to monitor the two potential triggers that indicate uncertainty by COVID-19 has become manageable.

- G.03/11/20 24 Nov 2019 Council accepted a petition requesting the adoption of retail trading hours as per the Perth Metropolitan area.
- G.23/12/19 17 Dec 2019 Council revoked the resolutions of G.31/06/19.
- G.31/06/19 25 June 2019 Council authorised officers to undertake a community and business consultation process regarding retail trading hours in Mandurah with an independent consultant to be engaged and provide a report on the economic impact of extending retail trading hours and the social impact on retail business owners, their families and staff in Mandurah.

Background

In November 2020, a petition with over 600 signatures was presented to Council requesting alignment of Mandurah's retail trading hours for general stores with those of the Perth Metropolitan area. Council resolved to undertake a workshop to discuss permanent changes to the existing trading hours in response to the petition received.

A workshop was conducted with Elected Members in February 2021, and a subsequent Committee of Council meeting was held in May where issues and options regarding extending trading hours were outlined and considered at length.

Due to the economic impacts that the COVID-19 pandemic was having on the Mandurah economy at the time, Council asked officers to monitor two potential triggers that indicate that the economy had returned to sufficient strength to review trading hours arrangements. The first trigger identified was the lifting of the State of Emergency declaration by the Western Australian Government. The second was the Australian Bureau of Statistics (ABS) Payroll jobs level for Mandurah returning and exceeding pre-COVID19 levels as at March 2020 for a period of 12 consecutive weeks. Each trigger was independent, with further work undertaken if either condition was met.

Officers monitored fortnightly growth in ABS payroll data from 6 March to 22 May 2021. In May 2021, the ABS Payroll jobs level for Mandurah had rebounded from the impacts of COVID-19 with the number of jobs rising above the pre-COVID-19 level. By August 2021, as the ABS payroll job level trigger had been satisfied. The State of Emergency declaration has not been lifted since it was declared on 15 March 2020.

Council authorised officers to engage consultants to undertake a Cost Benefit Analysis on the economic and social impacts of permanently extending retail trading hours within the City of Mandurah and to undertake independent community engagement and business consultation on permanently extending trading hours for general retail shops.

In November 2021, the City engaged consultants to undertake a Cost Benefit Analysis of a potential change from the current retail trading hours to the permanent extension of retail trading hours for general retail shops within the City of Mandurah, as proposed at the August 2021 Council meeting. The analysis was to focus on four main constituent groups: businesses, employees, consumer and the community. In parallel, officers engaged a separate consultant to undertake independent research to understand the level of community support for permanently extended retail trading hours for general shops within the City of Mandurah.

The Cost Benefit Analysis sought to quantify and compare the economic and social impacts of three separate scenarios:

- Base case: existing retail trading hours and current forecast rates of growth;
- Project case: proposed extended retail trading hours, and expected growth forecast;

- Sensitivity test: extended retail trading hours for weekdays only.

The current and proposed permanently extended retail hours for the City of Mandurah are outlined below:

Day of the Week	Current	Proposed	Difference
Monday	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Tuesday	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Wednesday	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Thursday	08:00 – 21:00	08:00 – 21:00	No Change
Friday	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Saturday	08:00 – 18:00	08:00 – 18:00	No Change
Sunday + Public Holidays	10:00 – 17:00	08:00 – 18:00	+3hrs
Exclusions: Christmas Day etc.	Closed	Closed	No Change
Total	70 hours	85 hours	+ 15 hours

Comment

Community Engagement Survey

The objective of the community engagement survey was to obtain information on current purchasing behaviour and views in relation to the proposed change to retail trading hours:

- the level of support or rejection for permanently extended retail trading hours for general stores
- the degree of shopping outside the City of Mandurah and the impact of permanently extended retail trading hours on this; and
- the degree of shopping online and the impact of permanently extended retail trading hours on online shopping.

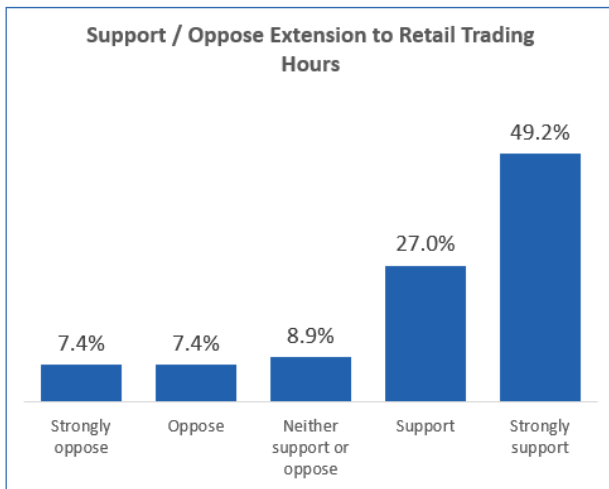
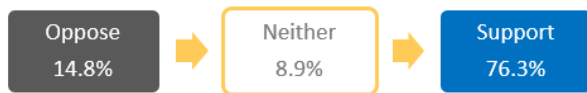
Questions targeting retail trade workers were also included to understand their willingness to work extra shifts and whether the shifts would impact their leisure time.

The community consultation process was conducted through a statistically representative community survey (phone and interception) of 393 City of Mandurah residents as well as an open online survey through the Mandurah Matters website. The sample size of 393 has a maximum level of sampling error of + 5% at the 95% level of confidence. This sample size and approach is in line with guidance from the Auditor General for surveys across Western Australia, and deemed generalisable to the population. Whilst the Mandurah Matters survey was not structured to represent the community, it was conducted to allow a larger range of people the opportunity to have their say.

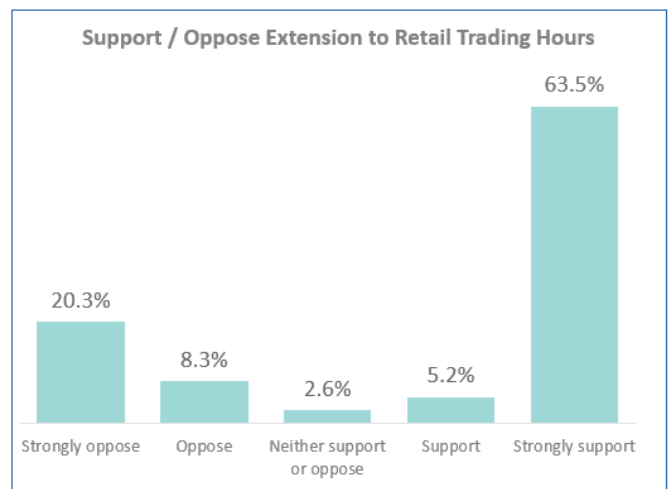
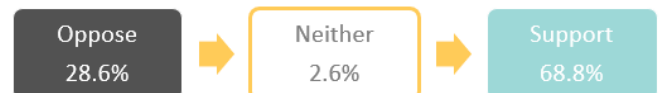
Key Findings - Permanently Extended Trading Hours:

76.3% of the community supported the proposed permanent change to the City of Mandurah's retail trading hours for general shops through the phone and interception community engagement survey. This was strongly backed up with 68.8% majority community support through the Mandurah Matters online survey.

SURVEY RESULTS



MANDURAH MATTERS – ‘YOUR SAY’



Key findings from the community engagement survey were:

- 2 in 3 residents use online shopping;
- 24% of residents who shop online indicated they did so due to restricted trading hours;
- these online shoppers would reduce their online expenditure by an estimated 20% if trading hours in Mandurah were extended;
- 3 in 4 residents currently do at least some of their shopping outside the City (1 in 4 do so at least weekly);
- just over 2 in 5 residents currently shop outside the City after 6.00pm on weekdays;
- there would be a reduction of approximately 15% in leakage from shopping trips outside of Mandurah for persons who currently shop outside the City after 6.00pm;
- the proportion of shoppers who do more than half their shopping at small retailers would rise (from 41.2% to 45.3%);
- 1 in 3 retail workers would be prepared to increase their working hours; and
- for those who would not want to work additional hours or would not want to change their current hours, over 70% indicated they would experience a reduction in leisure time by working extended trading hours.

All of the findings above were then used to help inform the Cost Benefit Analysis modelling. A copy of the full Community Engagement Report has been included as Attachment 1.1.

A Cost-Benefit Analysis

A Cost Benefit Analysis (CBA) provides a holistic approach to understanding the potential costs and benefits of a policy, investment or regulation. The CBA undertaken considers both economic and social outcomes of the proposed retail trading hours extension using best practice methods to quantify potential impacts on businesses, employment, consumers and the community.

Two Scenarios have been calculated by the consultant based on the ratio of benefits to costs:

a) Scenario 1 – Extension to match hours proposed at August 2021 Council meeting

This scenario assumes that trading hours will be extended to those proposed at the August 2021 Council meeting, bringing permissible total weekly trading hours from 70 to 85 a week. Under this scenario, the City would not need to apply annually for an extension of hours to accommodate the Christmas trading period.

b) Scenario 2 – Extension to match Perth Metropolitan hours

This scenario assumes that trading hours will be extended to match the Perth Metropolitan Area trading hours bringing the permissible total weekly trading hours from 70 to 81 a week.

The alignment of the City of Mandurah to the Perth Metropolitan hours does not mean the City will be legally part of the Perth Metropolitan area. The City will still have to apply annually for approval for extended Christmas trading hours.

Day of the Week	Current	Scenario 1 (Proposed)	Scenario 2 (Perth Metro Aligned)
Monday	08:00 – 18:00	08:00 – 21:00 + 3hrs	08:00 – 21:00 + 3hrs
Tuesday	08:00 – 18:00	08:00 – 21:00 + 3hrs	08:00 – 21:00 + 3hrs
Wednesday	08:00 – 18:00	08:00 – 21:00 + 3hrs	08:00 – 21:00 + 3hrs
Thursday	08:00 – 21:00	08:00 – 21:00 No Change	08:00 – 21:00 No Change
Friday	08:00 – 18:00	08:00 – 21:00 + 3hrs	08:00 – 21:00 + 3hrs
Saturday	08:00 – 18:00	08:00 – 18:00 No Change	08:00 – 18:00 No Change
Sunday + Public Holidays	10:00 – 17:00	08:00 – 18:00 + 3hrs	11:00 – 17:00 – 1 hr
Exclusions: Christmas Day, Good Friday, ANZAC Day	Closed	Closed No Change	Closed No Change

Modelled Benefits and Costs

The extension of retail trading hours under each scenario is expected to generate the following costs and benefits within the City of Mandurah:

Type	Scenario 1 (Proposed)	Scenario 2 (Perth Metro Aligned)
Costs		
Turnover Impact for Activity Centres with Small-Medium Retail Anchor	(16,952,199)	(12,247,836)
Additional Cost to Consumers	(442,400)	(329,967)
Reduction of Leisure Time	(1,430,179)	(1,172,670)
Benefits		
Reduced Turnover Leakage	\$8,249,890	\$6,118,472
Turnover Impact for Centres with Large Retail Anchor	\$16,952,199	\$12,247,836
Reduction of Online Leakage	\$4,865,871	\$4,635,751
Employment (Net Impact)	86 FTE	70 FTE
Night-time Economy and Tourism Spend	Not Included in CBA (\$2 million)	
Smooths peak demand allowing social distancing	Qualitative	Qualitative
Increase in Livability	Qualitative	Qualitative

Type	Scenario 1 (Proposed)	Scenario 2 (Perth Metro Aligned)
Reduced Travel Time	\$40,301	\$30,215

For both scenarios, total costs have been compared to total benefits to calculate the Net Value (NV):

	Scenario 1 - Proposed	Scenario 2 - Perth Metro Aligned
Total Benefit	\$30,108,260	\$23,032,274
Total Cost	(\$18,824,777)	(\$13,750,473)
Benefit to Cost Ratio (BCR)	1.60	1.68
Net Value	\$11,283,483	\$9,281,801

Results

The results show that extended retail trading hours will have an overall benefit for the City of Mandurah and the community with both scenarios showing a positive impact.

The largest benefit is achieved through proposed scenario 1 – extended hours from 70 hours per week currently permitted to 85 hours per week.

	Annual Benefit (\$)	Key Assumption
Benefits		
Reduced Turnover Lost to Centres Outside Mandurah	\$8,249,890	Extended trading hours increase the attractiveness of the activity centre hierarchy in Mandurah
Reduction of Online Leakage	\$4,865,871	Almost a quarter of survey respondents indicated they shopped online due to current trading hours
Employment (Net Impact)	+86 FTE	Net increased turnover in the Mandurah Activity Centre hierarchy supports additional FTE jobs in Mandurah
Increased Tourism Spend		<i>Not Included in CBA (\$2 million)</i>
Smooths peak demand		Qualitative
Increase in Liveability		Qualitative
Reduced Travel Time for Consumers	\$40,301	Mandurah residents will travel less with more time to shop locally

Benefits

Scenario 1 provides a greater net benefit to the community with a Net Value of \$11 million per annum. It also shows higher benefit results in reduced turnover leakage to areas outside the City of Mandurah, online shopping and a higher employment impact. Over a 10-year horizon, this option is expected to generate a net \$90.5m in additional benefits in discounted terms.

The analysis estimates a Benefit to Cost Ratio of 1.60 for the proposed (Scenario 1) retail trading hours extension indicating that for every dollar in costs there is approximately \$1.60 of benefits generated for the City of Mandurah. Scenario 2 achieves a higher ratio of benefits to costs with a BCR of 1.68, but delivers fewer additional FTE, and a smaller annual increase in value.

The benefit associated with reduced turnover leakage to areas outside of the City of Mandurah shows that the extended retail trading hours would support a reduced turnover leakage from the City of approximately \$8 million per annum.

Online expenditure would be reduced by approximately 20% based on the proposed extended trading hours. It is estimated that the extended retail trading hours would result in a \$4.9 million benefit per annum through reduced online turnover leakage.

The net employment impact of the extended trading hours is approximately 86 FTE equivalent jobs within the City of Mandurah.

The community survey identified that many residents that currently access goods and services outside the City after 6.00pm would access these goods and services within the City if retail trading hours were extended. This indicates that the proposed change would signify less travel time for after-hours shoppers and provide better access to a variety of convenience shopping. The total benefit of the reduction of travel time was estimated to be just over \$40,000 per annum.

The total tourism spend retention was calculated at an increase of \$2 million per annum. This benefit has not been included in the Cost Benefit Analysis as there are other factors that contribute to tourism expenditure.

Costs

The effect of extended retail trading hours on businesses in Activity Centres with a small-medium retail anchor is estimated to be almost \$17 million across these centres. While no data exists specifically, this is assumed to be concentrated within small businesses. This equates to approximately 4% of their combined total turnover. The Draft State Planning Policy 4.2 states that a centre is considered insignificantly impacted if the turnover impact is less than 5%. This cost to small-medium retailers is described in economics as a transfer as it will be accrued as a benefit by activity centres with a large retail anchor and the money will stay in the local community. Activity centre is a term used in urban planning and design for a mixed-use urban area where there is a concentration of commercial and other land uses.

There are a number of ways in which centres and businesses can adapt and reduce the potential impact of extended trading hours. Community survey results which indicated that there would be a net positive shift of 4.1% of expenditure towards small businesses through extended retail trading hours based on consumer preferences. The City can also establish and provide additional support through business capacity building programs via the City's Economic Development budget. It is envisaged that this will be done in partnership with other key stakeholders for those businesses who may be affected by the changes. City officers have already sought views of the Peel Chamber of Commerce and Industry board and management in this regard.

The potential lost leisure time associated with permanently extending retail trading hours results is estimated to cost \$1,540,438 per annum with the only other cost to consumers being the impact of consumers spending more per shopping trip which is anticipated to cost approximately \$442,000 per annum.

If Council chooses to extend the existing retail trading hours, it is important to note that under the Retail Trading Hours Act 1987, traders do not have to open, however may choose when they open within the specified trading hours or unless they hold a certificate to trade as a small retail shop, special retail shop or small filling/petrol station.

Consultation

A comprehensive community and business engagement process was undertaken through both telephone and interception surveys as well as an online survey through the Mandurah Matters website, along with two targeted business workshops and individual interviews. A summary of the engagement activities is outlined below;

- Community survey (phone and interception) of the general population with a structured representative sample (based on population distribution) - 393 City of Mandurah residents. A sample size of 393 has

a maximum level of sampling error of + 5% at the 95% level of confidence, this sample size is in line with Auditor General guidelines for surveys across Western Australia.

- Online community survey through the Mandurah Matters website to allow any members of the community who wished to respond on permanently extended retail trading hours to do so - 192 residents responded to the online survey.
- Business consultation was conducted through workshops and interviews including representatives of retail businesses, industry trade associations, shopping centre managers, the Peel Chamber of Commerce and Industry, Tourism Council WA and local tourism interest.

Consultation was performed in accordance with the criteria developed by the Minister of Commerce to assist with the decision-making process on variations to retail trading hours. Subsequent advice from the Department indicates that the consultation undertaken as part of this project is sufficient to meet the criteria outlined in the Act.

A copy of the full stakeholder list is included in the Cost Benefit Analysis report - Attachment 1.2.

Statutory Environment

- Retail Trading Hours Act 1987
The statutory implications associated with this item are governed by the Retail Trading Hours Act 1987. Any change (both temporary and permanent) requires recommendation by the relevant Local Government Authority and approval by the Minister for Commerce.
- The Competition and Consumer Act 2010 (CCA)
The CCA replaced the Trade Practices Act 1974 and aims to give businesses a fair and competitive operating environment. The objectives of the CCA are to prevent anti-competitive conduct, thereby encouraging competition and efficiency in business, and resulting in a greater choice for consumers (and business when they are the purchaser) in price, quality and service; and to safeguard the position of consumers in their dealings with producers and sellers and business in its dealings with other business.

The guiding principle (which also applies to Local Government) is that legislation (including Acts, enactments, ordinances or regulations) should not restrict competition unless it can be demonstrated that:

- a) the benefits of the restriction to the community as a whole outweigh the costs; and
- b) the objectives of the legislation can only be achieved by restricting competition.

The results of the Cost Benefit Analysis indicate that the benefits of restricting trading hours do not outweigh the costs.

Policy Implications

In the case of changing the current retail trading hours permanently, the City needs to lodge the application to the Department of Commerce to submit the variations of retail trading hours to the Minister of Commerce for consideration and approval.

Financial Implications

There is no financial implication for the City of Mandurah's budget.

There is a positive financial and economic implication for Mandurah broadly in assessed net value of over \$11.2 million per year with an estimated 86 FTE equivalent jobs created.

Risk Analysis

Risks associated with not extending retail trading hours include:

- Continuation of retail leakage to neighbouring Local Government Authority's and to online shopping;
- Undermine Mandurah's liveability, character and attractiveness to professional workers by limiting the choice to shop outside of standard opening hours;
- Damage to the City's reputation by failing to respond to community and retail business needs;
- Mandurah not being perceived as being 'open for business' and the subsequent impacts on private investment opportunities.

Strategic Implications

The following strategies from the City of Mandurah Strategic Community Plan 2020 – 2040 are relevant to this report:

Economic:

- Promote and foster business investment aimed at stimulating economic growth.
- Facilitate and advocate for sustainable local job creation and industry diversification.

Organisational Excellence:

- Demonstrate regional leadership and advocate for the needs of our community.
- Listen to and engage with our community in the decision-making process.
- Build and retain a skilled, agile, motivated and healthy workforce.

Conclusion

The results of the Community Engagement Survey and Cost Benefit Analysis show that the proposed extended retail trading hours from 70 hours per week currently permitted to 85 hours per week that is recommended, will have a positive overall impact for the local economy and there is majority community support for the proposed permanent change.

If implemented, the extension is expected to bring the following positive outcomes:

- A reduction of leakage to neighbouring centres that already have extended retail trading hours
- A reduction in online leakage
- Reduce travel time for Mandurah residents
- Additional employment opportunities

The night-time economy and tourism spend is also expected to be positively impacted by the change, however, the quantified impact was not included in the final Net Value and Benefit to Cost Ratio. The extension of retail trading hours is also expected to bring some qualitative benefits including levelling peak demand allowing more effective social distancing, facilitating customer preference of when they do their shopping and increasing liveability in the City of Mandurah.

The extension of retail trading hours is expected to have:

- A minor negative impact on the turnover of activity centres with small-medium retail anchors
- Increase prices paid by consumers and reduce leisure time for retail workers to cover extra shifts.

NOTE:

- Refer

Attachment 1.1 Retail Trading Hours – Community Engagement Survey (Research Solutions)

Attachment 1.2 ***Cost Benefit Analysis (CBA) on the impact of permanently extending retail trading hours for general shops (Pracsys)***

Attachment 1.3 ***Activity Centres***

RECOMMENDATION

That the Planning & Community Consultation Committee recommend that Council:

- 1. Acknowledge the results of the Community Engagement Survey and Cost Benefit Analysis reports.**
- 2. Endorse the proposed permanent extension of retail trading hours for general stores in the City of Mandurah from the current 70 hours per week to 85 hours per week, as per the arrangements proposed at the August 2021 Council meeting, with changes introduced on October 1st 2022.**
- 3. Authorise officers to lodge the application for the permanent extension of retail trading hours for general stores in the City of Mandurah to the Department of Commerce for the Minister's consideration and approval.**
- 4. Council is also asked to note that officers will work closely with the Peel Chamber of Commerce and Industry and businesses that may be adversely affected by the changes, through business support programs and initiatives, including access to grant funding opportunities that assist with business transformation during the transition period.**



RETAIL TRADING HOURS^x

A report prepared by Research Solutions



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Technical appendix and
questionnaires

INTRODUCTION

The City of Mandurah has undertaken a number of community surveys over the years to provide an understanding of community attitudes to retail trading hours in Mandurah. Over the past 10 years there have been indications of support for deregulation from the community and the City now wishes to have a definitive community survey to determine support for or rejection of permanently extended retail trading hours.

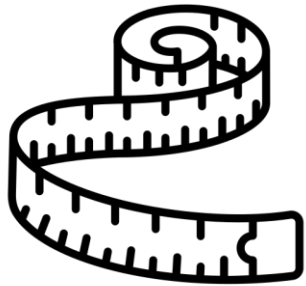
This study along with some economic modelling by Pracsys is designed to provide the Council with a firm foundation of information upon which to make decisions about the support for and impact of permanently extending retail trading hours in the City of Mandurah.

THE OBJECTIVES

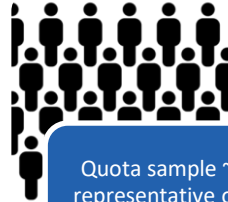
The objective of the research is to provide the City of Mandurah with residents current purchasing behaviour and their views in relation to the proposed permanently extended trading hours including:

- The level of support or rejection for permanently extended retail trading hours for general stores in the City of Mandurah
- The incidence of online shopping by the residents of Mandurah
- The frequency of shopping outside the City of Mandurah by the residents of Mandurah
- The frequency of shopping outside the City of Mandurah after 6pm on weekdays by the residents of Mandurah
- The potential change in shopping behaviour by residents if extended hours occur.
- Demographic, locational and socioeconomic information to provide a profile and for analysis by segment.

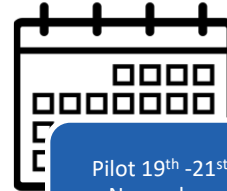
METHODOLOGY ^x



Community survey
(telephone & intercept) of general population
Designed to deliver a representative sample



Quota sample ~ representative of City of Mandurah residents ~ generalizable to the population



Pilot 19th -21st November
Survey
23rd November – 5th December 2021



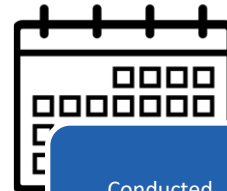
Sample n=393
Telephone: 363
Intercept :30
Response rate 7.8%



Consultation
(online survey) on the Mandurah Matters website



Convenience sample ~ those who wanted to have a say ~ representative of those people only



Conducted
29th November – 10th December 2021



Sample n=192

01 ×

KEY FINDINGS

Results from the Community Survey

Planning and Community Consultation Committee
12 April 2022





KEY FINDINGS ✕

There is majority community support for the proposed permanent change to the City of Mandurah's retail trading hours.

2 in 3 residents use online shopping.

3 in 4 residents currently do at least some of their shopping outside the City (1 in 4 do so at least weekly).

Just over 2 in 5 residents currently shop outside the City after 6pm on weekdays.

An increase to retail trading hours, if taken up by all retailers, would see:

- A reduction in online shopping for 2 in 5 online shoppers;
- The proportion of residents shopping outside the City decreasing and the proportion only shopping in the City of Mandurah increasing; and
- A reported small increase in the proportion of shopping undertaken at small retailers.

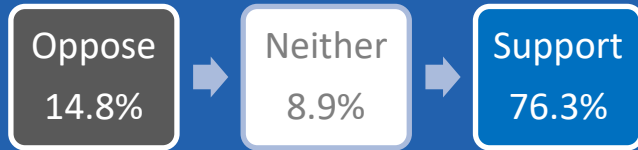
THE EXTENSION TO RETAIL ✕ TRADING HOURS IS SUPPORTED

The majority of City of Mandurah residents support the permanent extension of the current retail trading hours.

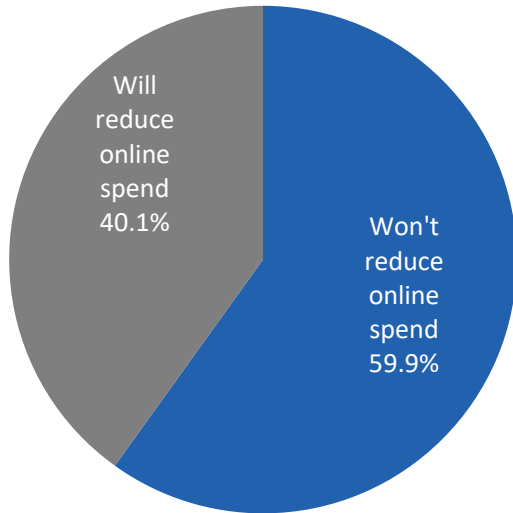
Support is also strong in the separate Consultation Survey on the Mandurah Matters web page (68.8% support).

Support is strongest amongst those with the greatest need (full time workers and those who work outside the City of Mandurah). Support is weakest amongst those who don't work and residents aged 55+.

There is no group that is more opposed than is supportive of the change to a permanent extension to the current retail trading hours.



Impact of Extending Retail Trading Hours on Online Spend



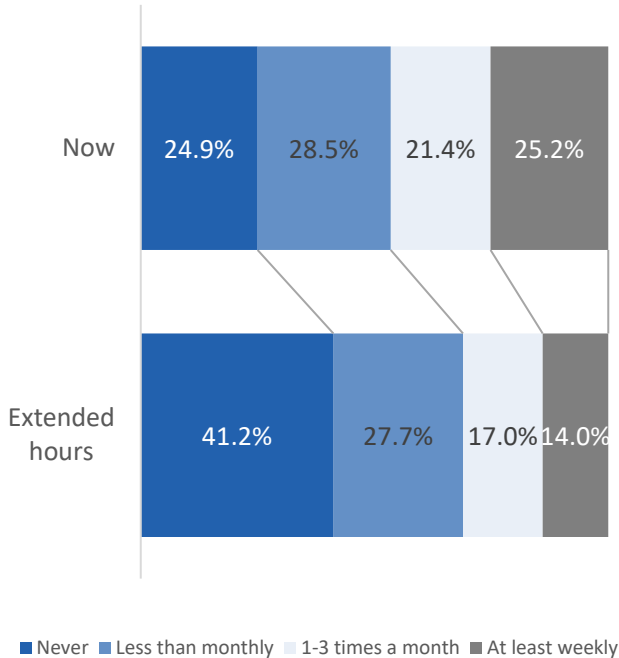
ONLINE SHOPPING



Almost 2/3 (64.4%) of City residents do at least some of their shopping online. They do so for a variety of reasons, with retail trading hours, being a minor reason.

3 in 5 of those who shop online believe extending retail trading hours will have no impact on their online spend. 2 in 5 believe that the extension will result in a reduction of their online spending.

Frequency of Shopping Outside City of Mandurah



SHOPPING OUTSIDE THE CITY ✕

Three quarters of residents (75.1%) currently do at least some of their shopping outside the City (25.2% do so at least weekly and 46.6% do at least monthly). Fewer shop outside the City after 6pm on weekdays.

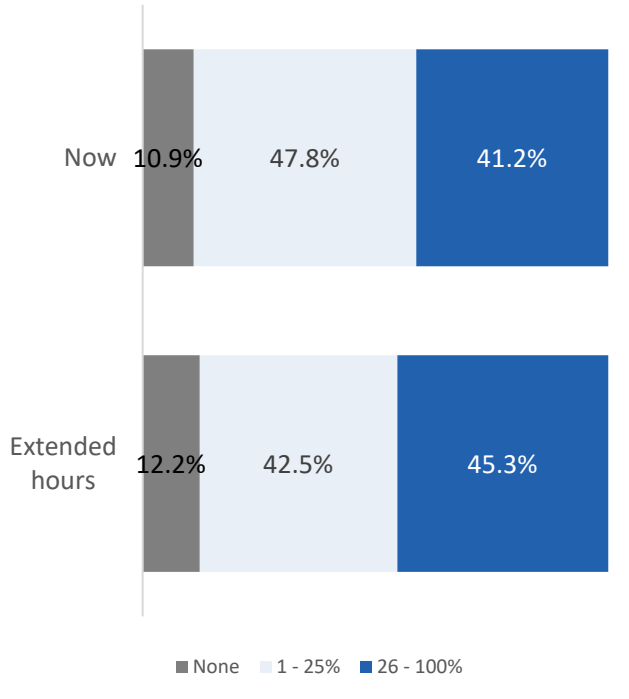
Permanently extending retail trading hours to 9pm weekdays and 6pm on weekends and minor public holidays would see the size of the group who shop outside the City of Mandurah shrink:

- “At least weekly” would decrease from 25.2% to 14.0%.
- “At least monthly” would decrease from 46.6% to 31.0%
- “Ever shop outside the City” would decrease from 75.1% to 58.8%

The size of the group who would only shop in the City of Mandurah (never shop outside) would increase from 24.9% to

SHOPPING AT SMALL RETAILERS ✕

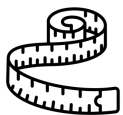
Proportion of Shopping Undertaken at Small Retail Shops



Currently, 41.2% do up to half or more of their shopping at small retailers.

Under the proposed extended hours, residents report a small increase to 45.3% shopping at small retailers.

That presumes that all small retailers will open for these extended hours.



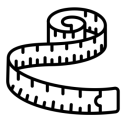
02^x

DETAILED FINDINGS

Results from the Community Survey

Planning and Community Consultation Committee
12 April 2022





WHO PARTICIPATED



A representative group of community members participated in the survey, whilst there was a small skew of 2% to females the age distribution replicated the 2016 census. The location by suburb was also very similar to the 2016 census data



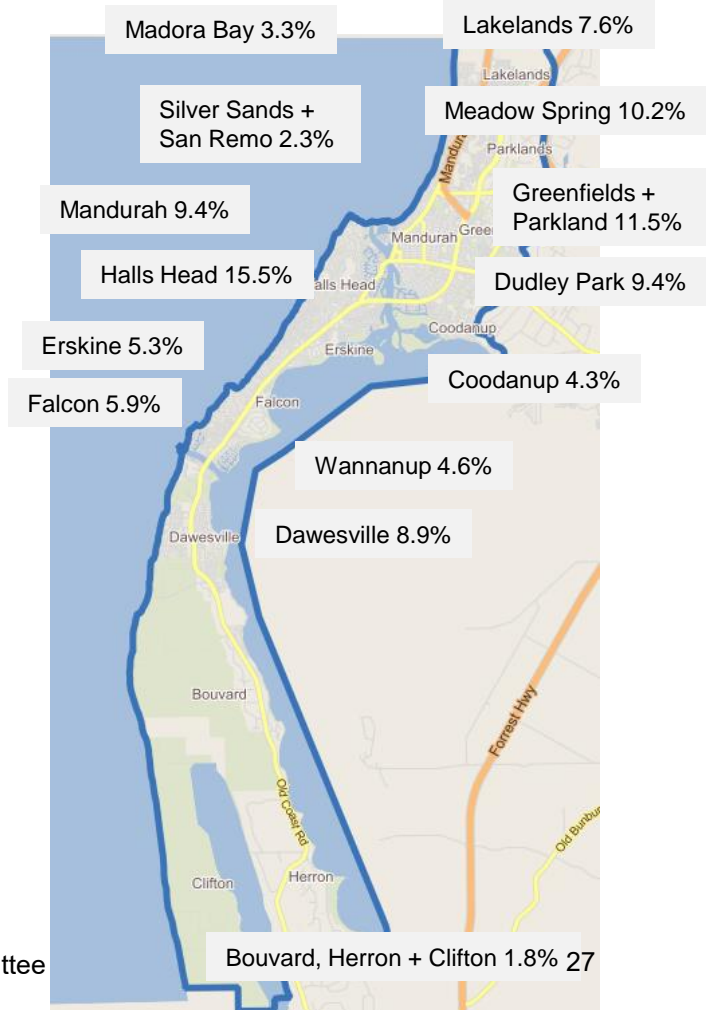
46.3%

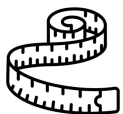


53.7%

18-34 years	35 – 54 years	55+ years
23.9%	31.6%	44.5%

Planning and Community Consultation Committee
12 April 2022





WHAT ELSE WE KNOW ABOUT THEM



Work full time (43.8%)

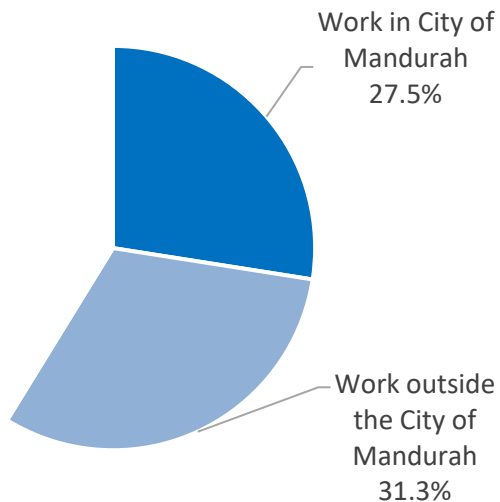


Work part time / casual (15.0%)

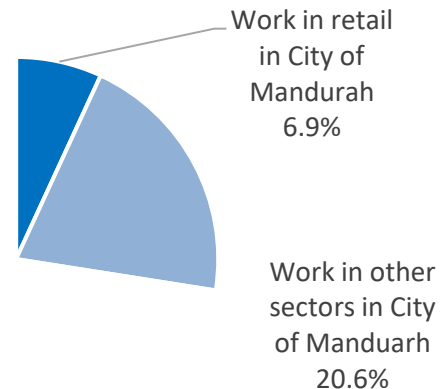


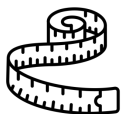
Don't work (41.2%)

Place of work



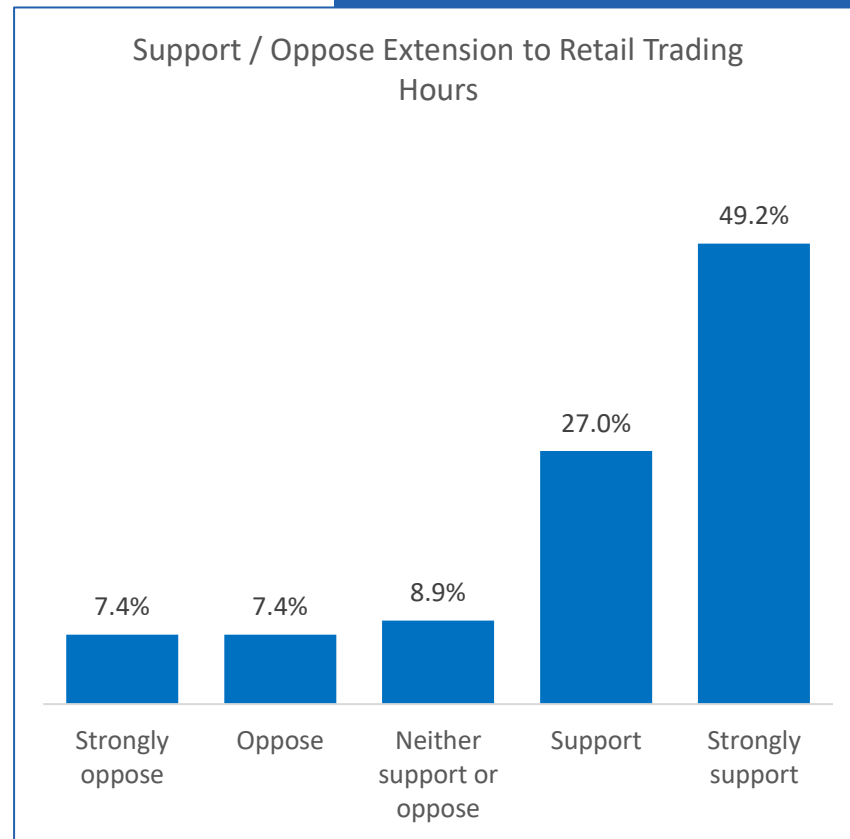
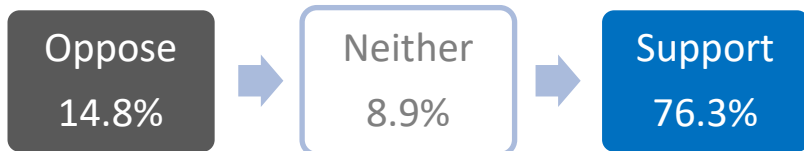
Work in retail

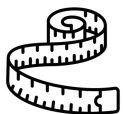




THERE IS SUPPORT FOR CHANGE

The majority of City of Mandurah residents support the permanent extension of the current retail trading hours.





× THERE ARE DIFFERENCES IN THE STRENGTH × OF SUPPORT FOR CHANGE

Support is strongest

Amongst full time workers

- 57.3% of full time workers strongly support extending retail trading hours

Amongst those who live in but work outside the City of Mandurah

- 63.4% strongly support extending retail trading hours



Support is weakest

Amongst older people

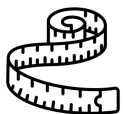
- 38.9% of those aged 55+ strongly support extending retail trading hours

Amongst people who don't work

- 40.1% strongly support extending retail trading hours



No particular group is opposed to extending retail trading hours
All groups support extending retail trading hours.



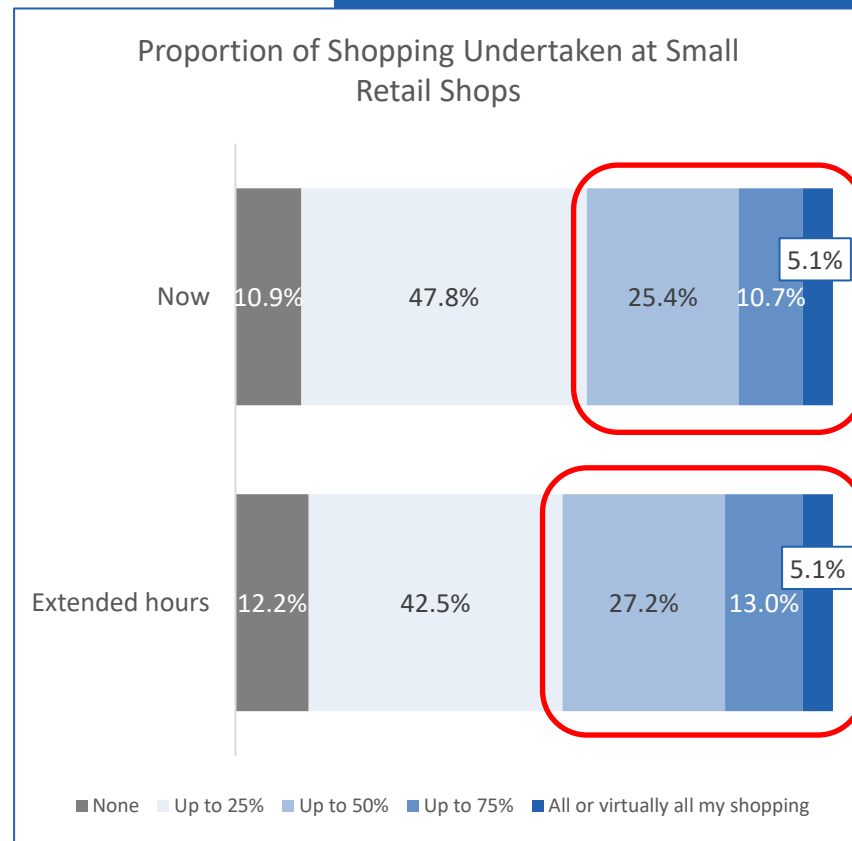
POSITIVE IMPACT ON SMALL RETAIL

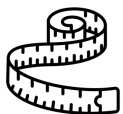
Permanently extending retail trading hours to 9pm weekdays and 6pm on weekends and minor public holidays would have a small positive impact on the amount of shopping City residents do at small retailers.

Currently, 41.2% do up to half or more of their shopping at small retailers.

Under the proposed extended hours, this would increase to 45.3%.

That presumes that small retailers will open for these extended hours.





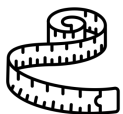
× IMPACT ON SMALL RETAIL OUTLETS ×

There is no one group that is more likely to spend more at small retail outlets if retail trading hours are extended. The small positive impact is widespread.

Young people currently do the least amount of shopping at small retail outlets.
25.5% of under 35s and 42.9% of under 25s do not shop at small retail outlets currently.

This will not change if retail trading hours are extended. Young people are still the least likely group to use small retail outlets.





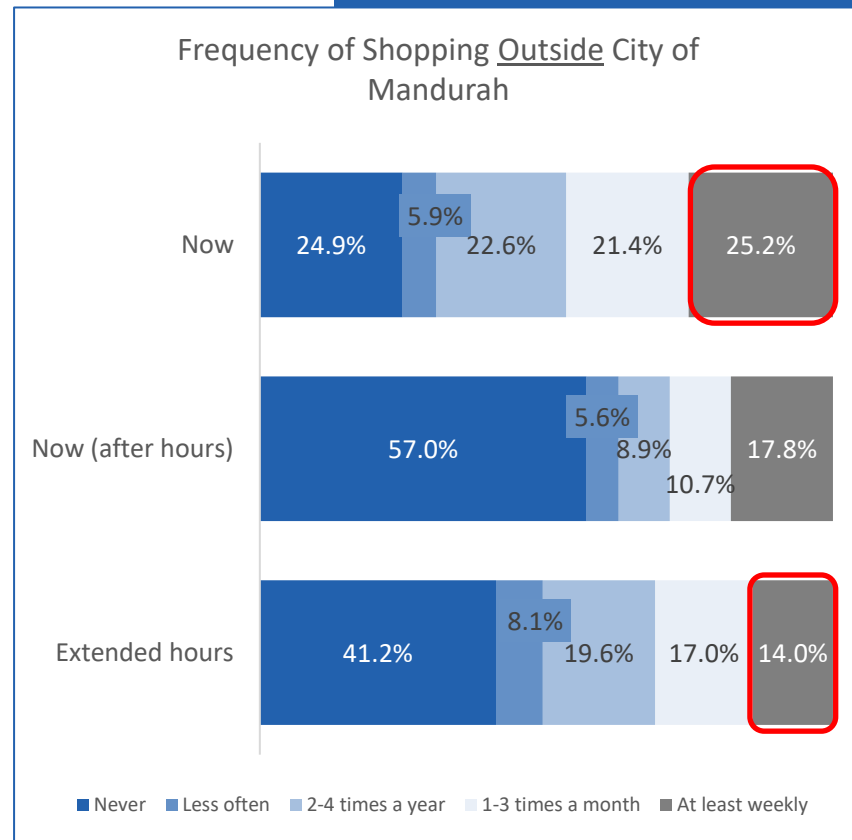
POSITIVE IMPACT ON LOCAL RETAIL

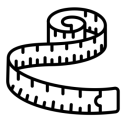
The “shop outside Mandurah” group

Currently, 1 in 4 shop outside the City of Mandurah at least weekly and 46.6% do so at least monthly.

Fewer do so after hours (17.8% at least weekly and 28.5% at least monthly).

Permanently extending retail trading hours to 9pm weekdays and 6pm on weekends and minor public holidays would see the size of the group who currently shop outside the City of Mandurah shrink in size to levels similar to the proportion who currently shop outside the City after hours.





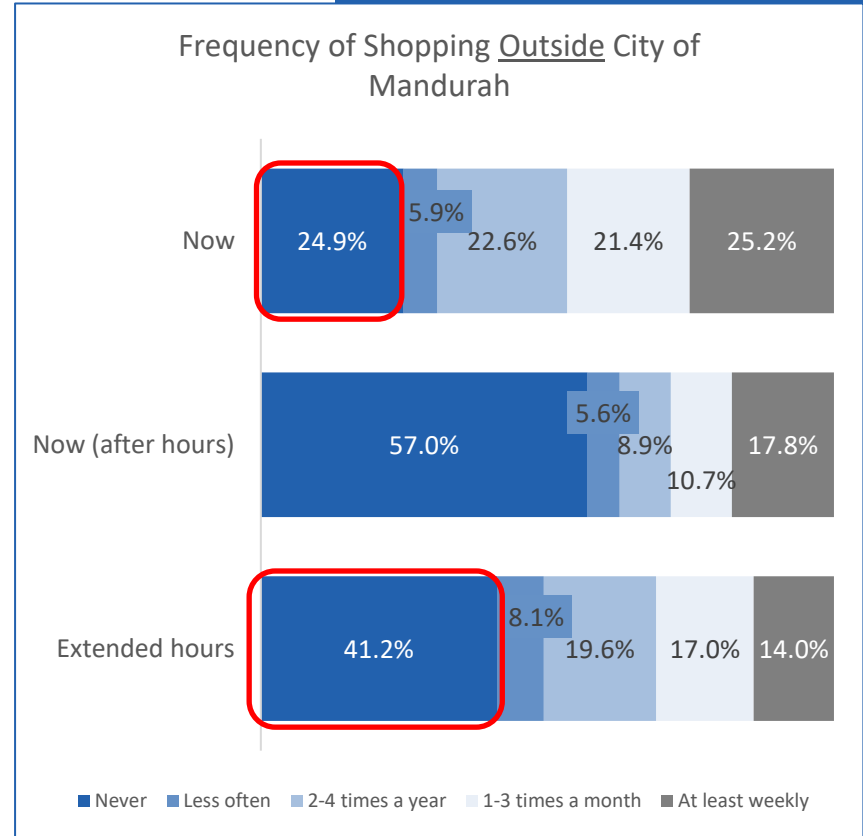
POSITIVE IMPACT ON LOCAL RETAIL

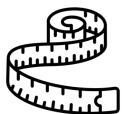
The “shop in Mandurah” group

Currently, almost 1 in 4 do all their shopping inside the City of Mandurah (never shop outside the City).

Even after hours, more than half (57.0%) do not shop outside the City.

Permanently extending retail trading hours to 9pm weekdays and 6pm on weekends and minor public holidays would see this group (who do all their shopping inside the City of Mandurah) increase in size to 41.2%.





× IMPACT ON LOCAL RETAIL OUTLETS IS × DRIVEN BY PEOPLE WHO WORK OUTSIDE THE CITY

35.8% of those who work outside the City of Mandurah also shop outside the City of Mandurah at least once a week.

Only 15.4% of people who work outside the City never shop outside the City.

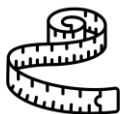
If retail trading hours in the City were extended, some would still shop outside the City, but the size of the group that shops at least weekly drops by about one third to 23.6%.

At the same time, the proportion of those who work outside the City and who would “never” shop outside the City doubles in size, increasing to 30.1%.



Residents who work outside the City are the biggest beneficiaries of extended hours.





ONLINE SHOPPING

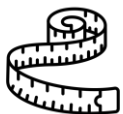
2 in 3 residents currently shop online. But this is not specifically a response to retail trading hours. There are many other reasons why they shop online.



ONLINE \$\$ WOULD BE REDUCED FOR SOME

2 in 5 of these people would reduce their online spend if retail trading hours were extended. As one would expect this is strongest amongst the group who shop online because of retail trading hours. It is weaker amongst the rest.





ONLINE SHOPPING ✕

64.4% do some of their shopping online.

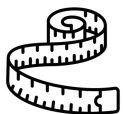
They shop online for a wide variety of things.

The two main types of goods:

- Clothes and footwear
- Electrical goods, including computer equipment and telephone accessories)

Followed by books or music, and leisure goods.





RESIDENTS SHOP ONLINE FOR × MANY REASONS

To get things you can't get in Mandurah (46.6%)

- Can't buy it in Mandurah
- Better range elsewhere
- Some goods are only online
- Unique or specialist items
- Can't buy in WA or Australia

To find cheaper options and save money (36.0%)

To allow me to shop after hours (24.9%)

Convenience (24.5%)

- Able to shop without leaving the house
- Able to shop at any time (of my choosing)
- Easier – with children
- Easier – disabled, don't drive
- Easier – work odd hours (FIFO, shift)
- Delivered to my home
- Faster, takes less time

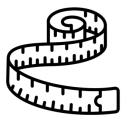
For pleasure and entertainment without leaving home / work (13.8%)

Comfort and safety (3.2%)

- COVID-safe
- Dislike crowds, noise
- Less pressure to purchase

Use click and collect (1.6%)

- Check if in stock first
- Buy as soon as it is in stock

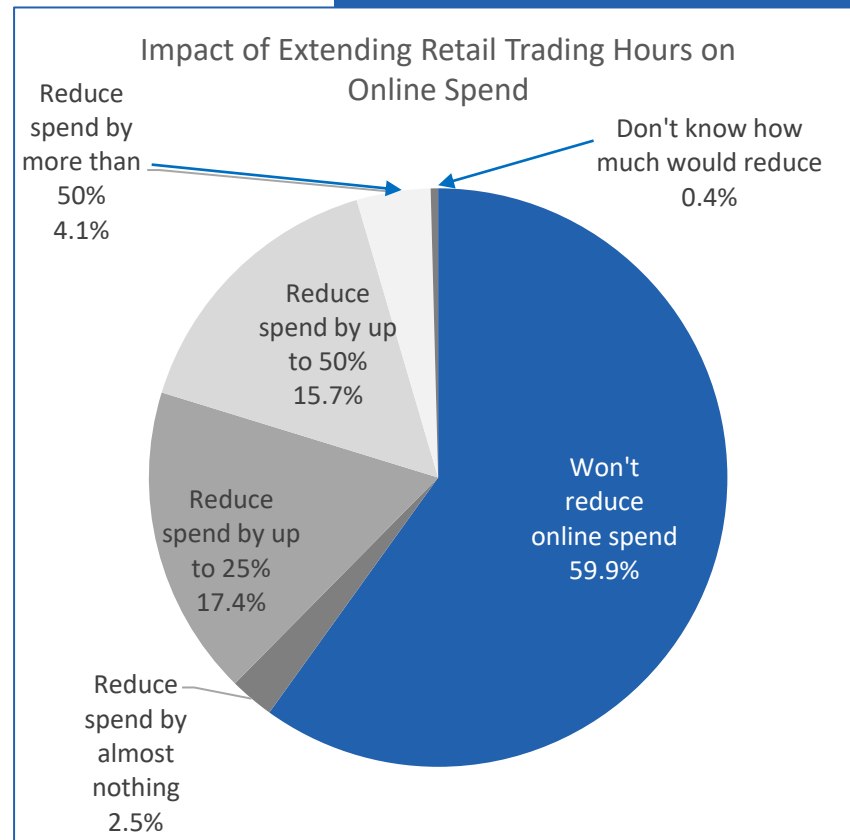


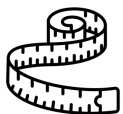
WHICH IS WHY MOST WON'T REDUCE \$\$

Almost 3 in 5 of those who shop online won't reduce their online spend if retail trading hours are extended.

The balance (just over 2 in 5) expect their online spend will be reduced, by up to a quarter or up to a half.

Those who shop online because they can do so after retail hours are the most likely to reduce their online spend (7 in 10 of this group say they will reduce their online spend).





× IMPACT ON ONLINE SHOPPING ×

Under 55s

- More likely (than older residents) to shop online (74.8%)
- As a group more likely to shop online because they can do so after retail hours (31.9%) ... but it is just one of the reasons they shop online.
- More likely to reduce their online spend if retail trading hours are extended (51.6%)
- But a great variation in how much.



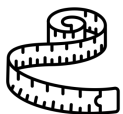
Full time workers

- More likely (than part-timers, casuals and those who don't work) to shop online (73.8%)
- More likely to shop online because they can do so after retail hours (35.4%) ... but it's just one of the reasons they shop online ... unlike those who don't work for whom the main reason is to get things they can't get in Mandurah.
- More likely to reduce their online spend if retail trading hours are extended (46.7%) ... unlike those who don't work whose spend is largely going to be unchanged (72.3% won't reduce their spend)

People who work outside the City

- More likely (than people who work in the City or people who don't work) to shop online (76.4%)
- They shop online for a variety of reasons.
- More likely to reduce their online spend if retail trading hours are extended (48.9%)
- But a great variation in how much.

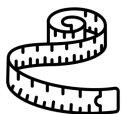




IMPACT ON RETAIL WORKERS ✕

Only 6.9% work in the retail sector in the City of Mandurah, hence the sample is small (27 people). They are the workers who will (likely) be the most affected by a permanent extension to retail trading hours.

- They are evenly split in their preparedness to work shifts outside their current working hours.
 - 1 in 3 would be prepared to increase their working hours, mostly so they can earn more money.
 - 1 in 3 would do so with caveats – working no more hours (just different hours) or only if their employer demanded. Their caveats relate to their personal situation.
 - 1 in 3 would not, mostly because they are happy with the hours they currently work.
- They are evenly split on the impact that working shifts outside current hours would have on their leisure time. It would have no impact for half; it would reduce their leisure time for the other half.



× UNDERSTANDING THE SUPPORTERS AND × THOSE OPPOSED

Strongly support or support (76.3%)

- Their support is likely motivated by need.
 - 29.4% shop at least weekly outside the City of Mandurah.
 - 21.1% shop at least weekly outside the City of Mandurah after 6pm weekdays.
- They are likely to redirect their spend from online to local retail:
 - Whilst they are as likely to shop online as those who don't support extended hours, 49.7% will reduce their online spend if retail trading hours are extended.



Strongly oppose or oppose (14.8%)

- Their opposition is partly reflected by not needing to shop during extended hours:
 - 82.8% never shop outside the City of Mandurah after 6pm weekdays.
- This group includes the workers who are the most impacted:
 - Those who work in retail in the City of Mandurah represent 17.2% of those opposed to extended hours. (However, the small group who work in retail in the City of Mandurah is, like the other groups, mostly in support of the change – 63.0% support extended hours, 37.0% oppose it).
- And they are unlikely to adjust their online spend:
 - Whilst they are as likely to shop online as those who support extended hours, only 6.1% will reduce their online spend.



Your say

03^x

THEIR SAY

Results from the consultation on Mandurah
Matters

Planning and Community Consultation Committee
12 April 2022



THE CONSULTATION ✕

A separate link to the survey was placed on the Mandurah Matters web page to allow any members of the community who wished to feedback on permanently extended retail trading hours to do so. This survey was run at the same time as the Community Survey (telephone and intercept) reported above.

For the purposes of this report, the Mandurah Matters survey is being referred to as the consultation.

It is a valid data collection tool, in that it provides people with the opportunity to provide their feedback.

However, unlike the telephone and intercept survey reported above the results are not generalisable to the City of Mandurah population. They are the opinions of the people who made a deliberate effort to seek out the Mandurah Matters page to participate.

Throughout this section, it will be noted whether the sample profile and the results are similar to the Community Survey and where or how they differ.

Your say

WHO PARTICIPATED



The Consultation included more females, more middle and older aged residents.



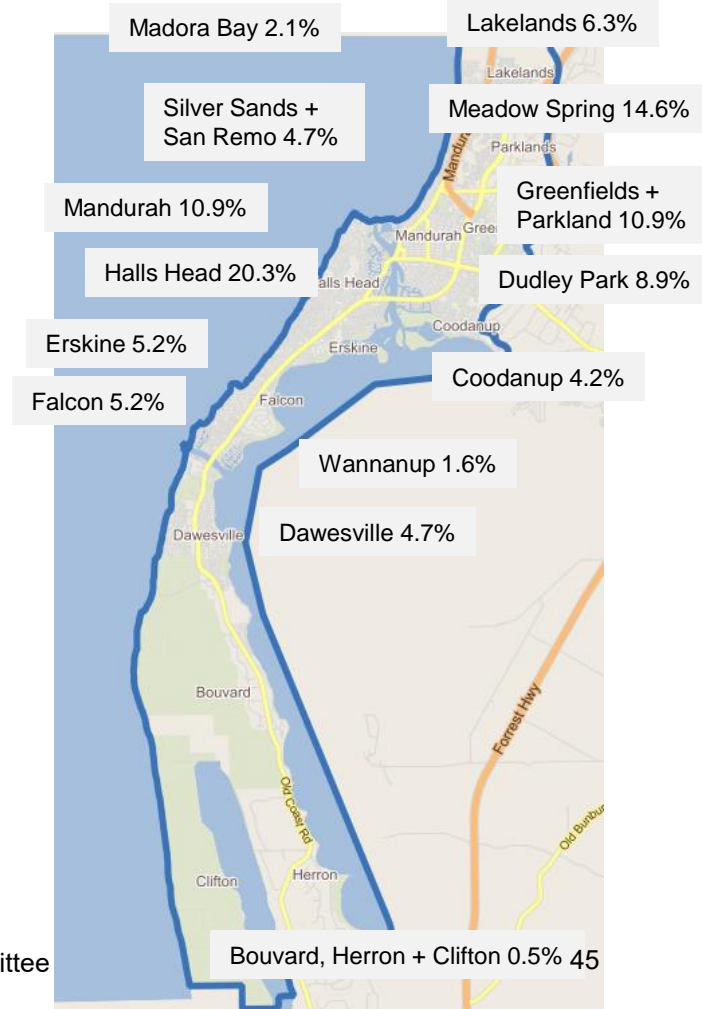
32.3%



67.7%

18-34 years	35 – 54 years	55+ years
12.0%	37.0%	50.5%

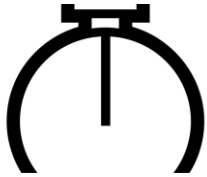
Planning and Community Consultation Committee
12 April 2022



WHAT ELSE WE KNOW ABOUT THEM



The Consultation included more females, more people employed in part-time or casual positions, and more people who work in the City of Mandurah.



Work full time (43.8%)

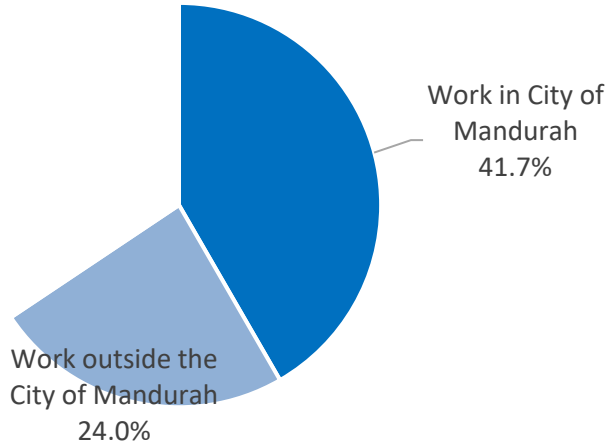


Work part time / casual (21.9%)

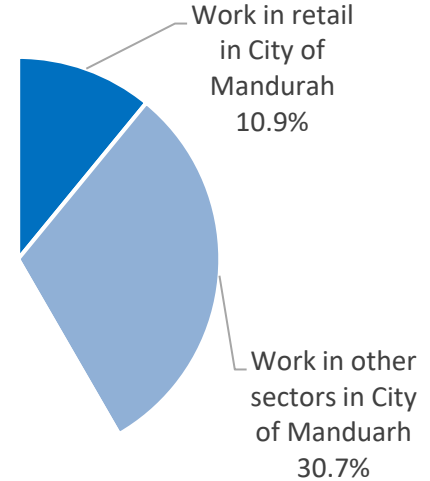


Don't work (34.4%)

Place of work

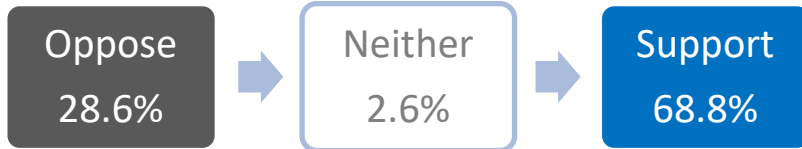


Work in retail



THERE IS SUPPORT FOR CHANGE

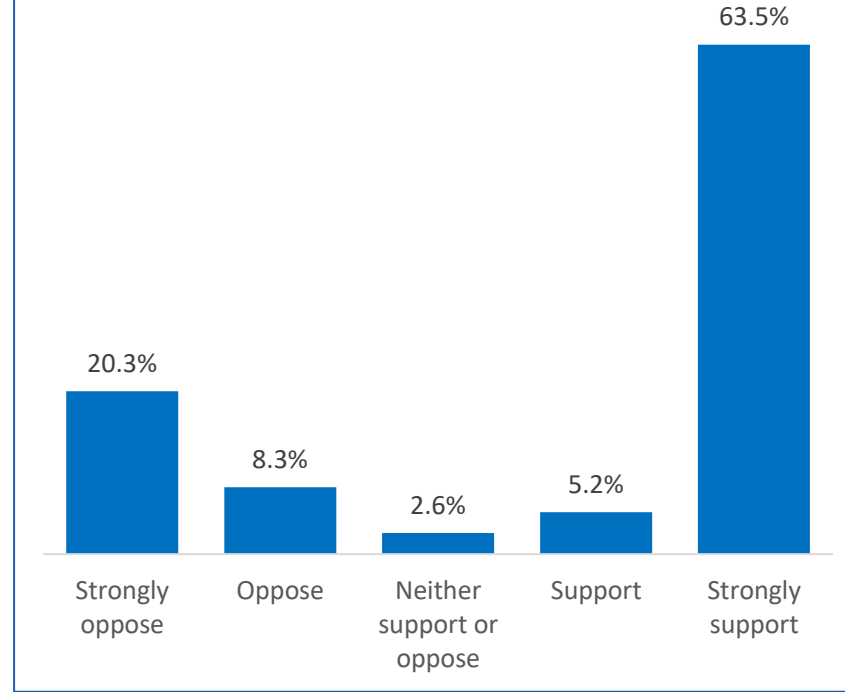
The majority of consultation participants support the permanent extension of the current retail trading hours.



More consultation participants have an opinion than did in the community survey. Whilst slightly fewer support and significantly more oppose the change, the majority of consultation participants are in support.



Support / Oppose Extension to Retail Trading Hours



IMPACT ON SMALL RETAIL

Permanently extending retail trading hours to 9pm weekdays and 6pm on weekends and minor public holidays would have a limited impact on the amount of shopping City residents do at small retailers.

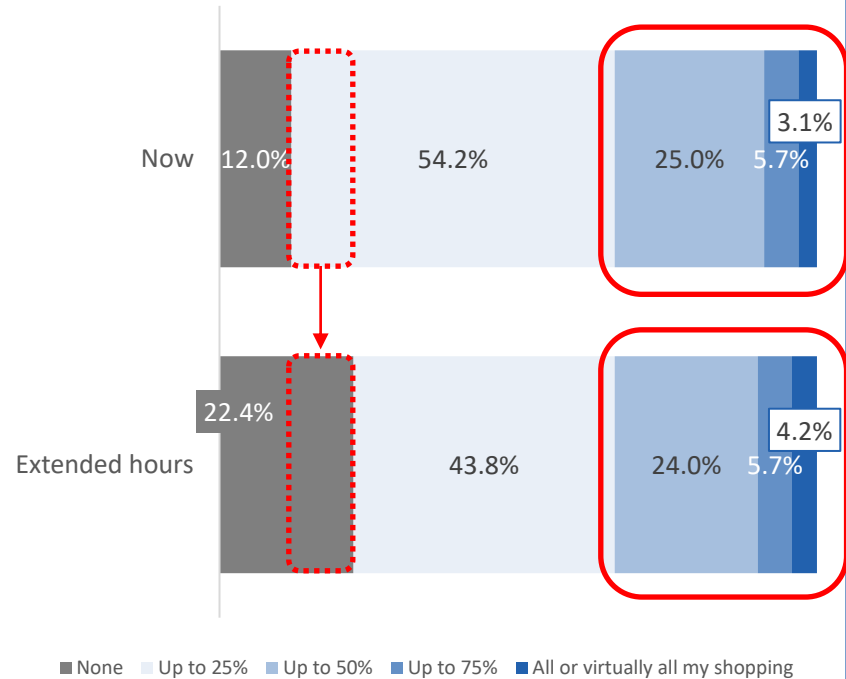
Currently, 33.9% do up to half or more of their shopping at small retailers. Under the proposed extended hours, this would remain the same (33.9%).

Around 1 in 10 would move from doing up to 25% of their shopping at small retail outlets to doing no shopping there.

The Community Survey found a small increase in the proportion of residents who would do up to half or more of their shopping at small retail outlets.



Proportion of Shopping Undertaken at Small Retail Shops



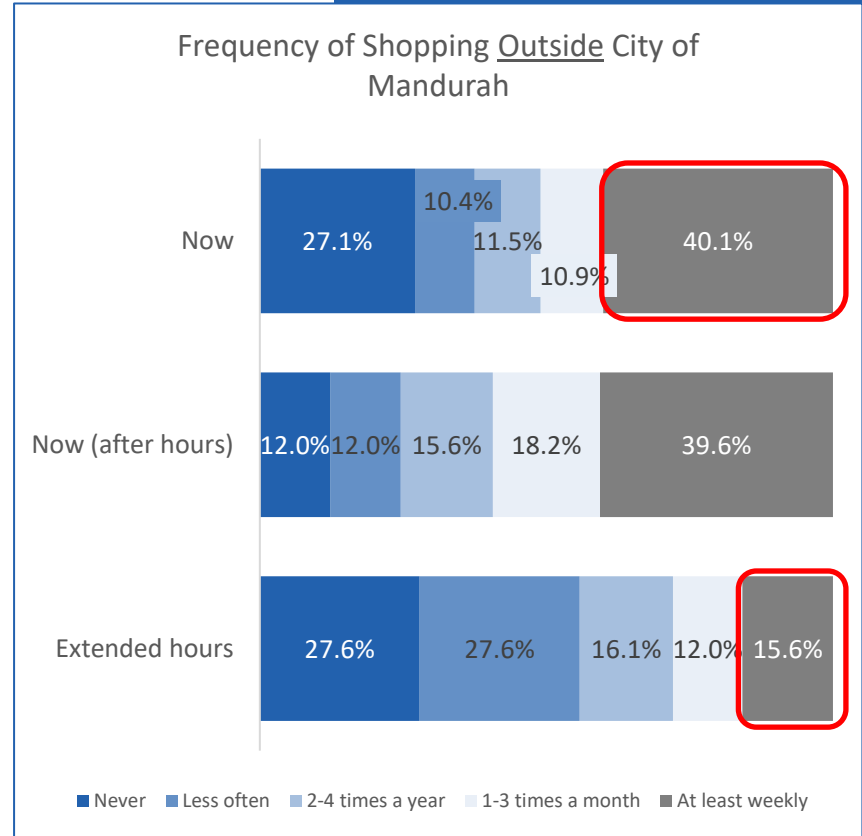
Q2 ... what proportion of your shopping in the City of Mandurah is done at small retail shops (examples given) and not at chain stores and large retailers? (n=192) Q3 If trading hours were extended to 9pm on weekdays and from 8-6pm on weekends and public holidays, what proportion of your shopping would you expect to undertake at small retail shops, rather than shopping at large retail shops (examples given)? (n=192)

IMPACT ON LOCAL RETAIL

Currently, 2 in 5 shop outside the City of Mandurah at least weekly. This may be influenced by the availability of extended hours elsewhere as a similar proportion shop outside the City after hours.

Permanently extending retail trading hours would decrease the size of this group. Furthermore, there would be a decrease in the proportion shopping outside the City at least monthly and at least twice a year. However, it wouldn't change the size of the group who never shops outside the City.

The Community Survey found extended hours would increase the size of the group that never shops outside the City.



ONLINE SHOPPING ✕

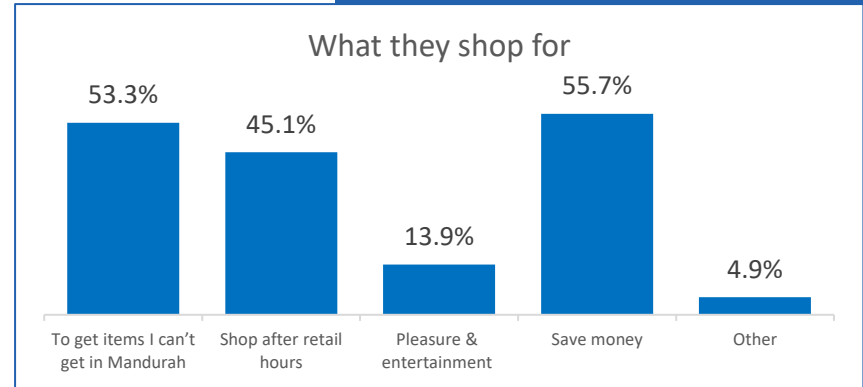
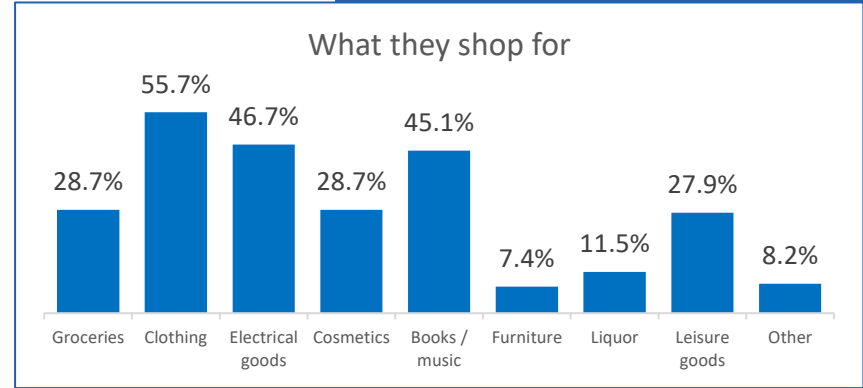
63.5% do some of their shopping online.

They shop online for a wide variety of things.

They shop online to save money, get a better range of goods and to shop after hours.

Where they differ to the Community Survey:

- Fewer consultation participants shop online for furniture and leisure goods
- More shop online because it allows them to shop after retail hours and to find cheaper options and save money.



IMPACT ON ONLINE SPEND

26.2% don't know if their online spend would be reduced if retail trading hours are extended.

This is much larger than the 4.3% in the Community Survey.

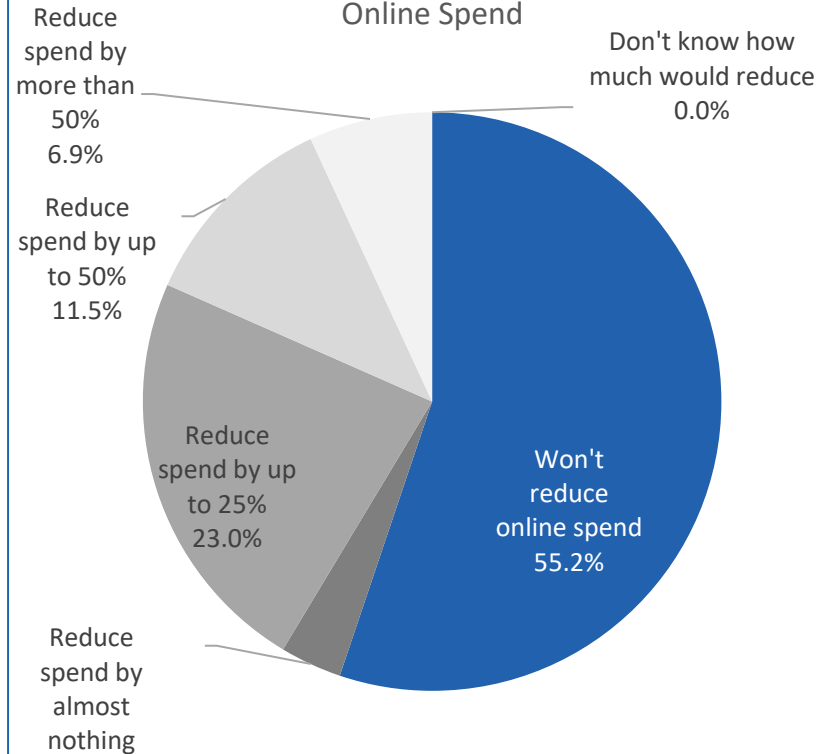
After removing this group, just over half of those who shop online won't reduce their online spend if retail trading hours are extended.

The largest groups amongst the remainder are those who expect their online spend to drop by up to a quarter or up to a half.

The proportion who will reduce online spend is similar to the Community Survey.



Impact of Extending Retail Trading Hours on Online Spend



Q10A: Thinking of your total expenditure online, if the City of Mandurah extended its trading hours to 9pm on weekdays and 8-6pm on weekends and public holidays, would your total expenditure online be reduced? (n=90 who shop online, 32 don't know excluded) Q10B How much would your total online expenditure be reduced? (n=90 who shop online, those who won't reduce spend at Q10A as noted, 32 don't know at Q10A excluded)

IMPACT ON RETAIL WORKERS

Just over 1 in 10 participants (10.9%) work in the retail sector in the City of Mandurah. They are the workers who will (likely) be the most affected by a permanent extension to retail trading hours.

3 in 5 of them would not be prepared to work shifts outside current working hours.

7 in 10 feel it would reduce their time for leisure activity.

The size of the retail worker samples in the two surveys are too small for any differences to be found.

04^x

APPENDICES

Methodology in detail and questionnaires

Planning and Community Consultation Committee
12 April 2022



TECHNICAL APPENDIX

Component	Details
Project Management Team	
Research Solutions contact	Nicky Munro
Client contact	Craig Johnson, Jane Pole-Bell and Natasa Perovec
Field company	Ask Australia (telephone and intercept) and Research Solutions (online)
Research Solutions & Field company credentials	ISO 20252 Market and social research
Other subcontractors	None
Research Methodology	
Data collection method	Community survey: telephone (CATI) and intercept Consultation: online (distributed via anonymous common link placed on Mandurah Matters)
Sampling Methodology	
Target population for survey	City of Mandurah residents
Description of sampling frame	Residents living within the City of Mandurah
Source of sampling frame	A commercial list of landline and mobile numbers
List checked for duplicate entries	12 April 2022

Component	Details
Was an Access Panel used?	No
Was the sample blended (derived from multiple sources or interviews conducted across multiple modes)?	Yes, for the Community Survey
<ul style="list-style-type: none"> Brief description of sources 	Telephone (CATI) survey and intercept survey – intercept was used to boost the proportion of people aged under 35 in the sample
<ul style="list-style-type: none"> Percentage of sample obtained from each source 	92.4% from the telephone survey, 7.6% from the intercept survey
Sampling technique	Community survey: stratified random sample Consultation: convenience sample
Was the sample quota'd?	Yes, for the Community Survey
<ul style="list-style-type: none"> Brief description of quota procedure 	Quota'd by: <ul style="list-style-type: none"> age based on estimates of the age distribution of the population calculated from Profile id forecast figures for the City's population in 2026 gender based on the 2016 census figures Suburb – broad distribution of responses based on 2016 census
<ul style="list-style-type: none"> Information source of quotas drawn from 	2016 ABS population census and Profile id population estimates for the City of Mandurah.
Planned sample Size	Community survey: N= 380 Consultation: N= as many as can achieve
Were there any problems encountered in sample selection?	No
Sample size achieved	Community survey: N= 393 Consultation: N=192
Do participants need to be approached again (for a future project)?	No

Component	Details
Fieldwork	
Briefing Method	Community survey: Face to Face via Zoom from Ask Australia's offices, with written briefing notes provided Consultation: not required
Pilot study date	Community survey: 19 th November to 21 st November Consultation: commenced after the telephone survey; responses from first two days were reviewed
Changes made as result of pilot	The question order was changed as the pilot indicated that respondents were including online shopping as shopping outside the City. The online shopping question (subsequently Q7-10b) was subsequently placed after the question on shopping outside the City (subsequently Q4-6) as this question was designed to measure traveling outside the City to make purchases. These changes were made to the questionnaire used for the consultation prior to it launching.
Survey dates	Community survey: 23 rd November – 5 th December 2021 Consultation: 29 th November – 10 th December 2021
Questionnaire length / administration time	Community survey (Telephone): 8.5 minutes Community survey (Intercept): unable to be calculated as hardcopy questionnaires were used Consultation: 5.5 minutes
Research participant support	Community survey: The contact details of the project manager were available to participants on request Consultation: Participants were provided with the contact details of the client
Screeners and questionnaire appended to report	Yes
Incentives or methods of engagement used for participants	No
Any issues arising in the survey?	56

Component	Details
Fieldwork (continued)	
Survey Procedure for Telephone (CATI)	
<ul style="list-style-type: none"> Number of interviewers used 	14
<ul style="list-style-type: none"> Times of day interviews took place 	4-8pm weekdays and 1-4pm on Saturday and Sunday
<ul style="list-style-type: none"> No of call backs before number replaced 	3 times including the first call, at least 3-4 hours apart and at different shift days
Survey Procedure for Intercept surveys:	
<ul style="list-style-type: none"> Number of interviewers used 	1
<ul style="list-style-type: none"> Times of day interviews took place 	8am-4pm weekdays
<ul style="list-style-type: none"> Locations of the intercept interviews 	The locations for the intercept survey: Mandurah Foreshore, lawn area of Mandurah Terrace; children's playground located in the same area, pedestrian strip outside Tod's Cafe Mandurah Terrace, and Woolworths shopping mall between Scholl Street and Mandurah Terrace.
Survey Procedure for Online (Common link)	
<ul style="list-style-type: none"> Administration process 	The survey was programmed by Research Solutions in Web Survey Creator, the survey was tested by Research Solutions and by the client on laptop and mobile devices. A common link was provided to the client, who loaded the link on to the Mandurah Matters page of the City's Website. The City promoted that the survey was available on social media.
<ul style="list-style-type: none"> Number of reminders to non-respondents 	Nil

Component	Details
Data Collection Outcomes:	
Probability sample: response rate	Community survey: 7.8% Consultation: unable to be calculated (distributed via anonymous common link)
CATI research participant contact outcomes:	
• Interviews	363
• Not available / away for duration of study/ answering machine, my include data only lines (after call backs)	3391
• Refusals	743
• Language/Behavioural Barrier	7
Intercept survey research participant outcomes:	
• Completed survey responses	30
• Screened out	Not collated as hardcopy questionnaires were used
Online survey (anonymous common link) research participant outcomes:	
• Completed survey responses	192
• Partially completed responses	22
• Screened out	42

Component	Details
Data Collection Outcomes:	
Was a router or similar method used?	No
Overall sampling error	Community survey: ± 4.9% based on population of 64,891 people aged 18+ Consultation: convenience sample, not able to be calculated
Validation procedures: Number validated:	Community survey: at least 10% of all completed interviews validated by Field Company (42 surveys) Consultation: not required as survey was self-completion
Number of cases excluded as the result of validation	None
Validity and Reliability Issues	
<ul style="list-style-type: none"> How well the sample fitted the sampling frame 	Community survey: The sample was exactly representative by age and deviated by no more than 2% in terms of gender and suburb of residence from the ABS 2016 Census for the City of Mandurah Consultation: convenience sample, not able to be representative of the sampling frame
<ul style="list-style-type: none"> Methods which may produce bias in participant selection 	None
<ul style="list-style-type: none"> Possible sampling errors and how well the sample can generalise to the population 	Community survey: had a well constructed sample which is generalisable to the population of Mandurah. Consultation: was accessible to everyone with internet access and whilst every effort has been made to eliminate duplications and those living outside the City from the sample, the inclusion of duplications and non residents cannot be guaranteed. The results are not able to be (and were never designed to be) generalised to the population.
<ul style="list-style-type: none"> Third party data to access any sample bias 	ABS 2016 Census was used to confirm that the sample was representative.

Component	Details
Data Coding, Analysis and Data File Treatment	
Data coding	Procedure involves: <ul style="list-style-type: none"> • Review of first 50 questionnaires (or similar) to develop coding sheets based on common responses • Additional codes created when more than 2% of the sample record common response • Approval of coding sheet by Research Solutions Project Manager • Validation of coding has been undertaken of 5% of the coded data.
Consistency checks	<ul style="list-style-type: none"> • Preliminary data file checked by Project Manager using SPSS: <ul style="list-style-type: none"> ○ Frequency counts ○ Relevant cross tabulations • Data outside the range/duplicates or abnormalities investigated with Field Company prior to coding and analysis Responses checked for: <ul style="list-style-type: none"> • Appropriate responses to open ended questions • Low probability / fictitious responses • Inconsistent responses on batteries • Pattern of responses: Flatlining or random responding • Length of time to complete the survey • High % of unanswered questions / key questions not answered • High % of don't know or refused questions
Data checked for duplications	<ul style="list-style-type: none"> • Contact details checked name & phone no. • IP address • Demographic profile • Open ended comments reviewed
Were any duplications identified?	No

Component	Details
Data Coding, Analysis and Data File Treatment (continued)	
Treatment of missing data	<ul style="list-style-type: none"> • Excluded from analysis and/or noted where relevant • Individual cases with excessive missing data excluded from sample
Was sample weighted?	No
Any estimating or imputation procedures used e.g. Pope's Model	None
Methods of statistical analysis	<ul style="list-style-type: none"> • Frequency counts • Descriptive statistics • Cross tabulations
Statistical tests used	<i>See Survey Research Appendix: Statistical tests</i>
Data file provided to client	Available on request
De-identified data files retained	For five years
This project has been undertaken in compliance with ISO 20252:2019	

STATISTICAL TESTS



Test:	One Sample T-Test of a Proportion
Use:	<p>To determine if the proportion of a variable in one sub-sample is significantly different to the proportion of the same variable in some other group, such as:</p> <ul style="list-style-type: none"> • The sample overall (I.e. sub-group differs to the sample in general) • The rest of the sample (e.g. sub-group of people aged 18-24 differs to the sub-group of people not aged 18-24).
Data Assumptions:	<ul style="list-style-type: none"> • Measure being tested is normally distributed within the two (sub-) samples. • Data must be interval or ratio. • Variance of measure being tested is roughly similar (homogeneity of variance). • Appropriate version of the test chosen for independent or dependent samples.
Test Measure / Cut-off Criterion:	<p>$p \leq 0.05$</p> <p>I.e. the difference between two groups has only a 5% probability of occurring by chance alone</p>
Issues to be aware of:	<p>The result should be both statistically significant and clinically or tactically or strategically significant. Be mindful of statistically significant differences where:</p> <ol style="list-style-type: none"> 1. The sample sizes are very large 2. Scores within the groups are very similar (I.e. the groups have small standard deviations)

Test:	Z-Test
Use:	To determine if the proportions of a variable in two independent samples are significantly different.
Data Assumptions:	<ul style="list-style-type: none"> • Measure being tested is normally distributed with the two samples.
	<ul style="list-style-type: none"> • Data must be interval or ratio.
	<ul style="list-style-type: none"> • Sample size is large enough to form a normal curve ($n > 30$)
	<ul style="list-style-type: none"> • Variance of measure being tested is roughly similar (homogeneity of variance).
Test Measure / Cut-off Criterion:	$p \leq 0.5$
Issues to be aware of:	The result should be both statistically significant and clinically or tactically or strategically significant. Be mindful of statistically significant differences where:
	1. The sample sizes are very large
	2. Scores within the groups are very similar (I.e. the groups have small standard deviations)

Test:	T-Test
Use:	To determine if the means of a variable in two independent or two dependent samples are significantly different.
Data Assumptions:	<ul style="list-style-type: none"> • Measure being tested is normally distributed within the two samples. • Data must be interval or ratio. • Variance of measure being tested is roughly similar (homogeneity of variance). • Appropriate version of the test chosen for independent or dependent samples.
Test Measure / Cut-off Criterion:	<p>$p \leq 0.05$</p> <p>I.e. the difference between two groups has only a 5% probability of occurring by chance alone</p>
Issues to be aware of:	<p>The result should be both statistically significant and clinically or tactically or strategically significant. Be mindful of statistically significant differences where:</p> <ol style="list-style-type: none"> 1. The sample sizes are very large 2. Scores within the groups are very similar (I.e. the groups have small standard deviations)

Test:	False Discovery Rate
Use:	To adjust the results of tests of statistical significance to reduce the chance of finding results to be significant when they are really due to sampling error.
Data Assumptions:	The data assumptions are relevant to the underlying tests of significance being “adjusted”
Test Measure / Cut-off Criterion:	$q \leq 0.5$

QUESTIONNAIRES



CITY OF MANDURAH
Retail Trading Hours
Residential Telephone survey
Final Telephone

Good morning/ afternoon / evening my name is from Ask Australia. We are conducting a survey on behalf of the City of Mandurah and Research Solutions on permanently extended retail trading hours for general stores and the City would like your views.

The survey will take 6 – 8 minutes to complete and the information and opinions you provide will be kept in the strictest confidence and only overall results of the survey will be presented to the City.

Firstly, to ensure that I have a representative sample of respondents may I ask.....
Are you a resident of the City of Mandurah? If yes continue if no thank and terminate.

SQ1 May I ask do you or any member of your family work in:

Market research/ advertising/ the media	1 terminate
For the City of Mandurah	2 terminate
Are a Councillor for the City of Mandurah	3 terminate
None of the above	4 Continue

SQ2. Which of the following age groups do you fit into? Read out

Under 18	Terminate and ask for the next person in age in the house hold
18 - 24	1
25 - 34	2
35 - 44	3
45 - 54	4
55 - 64	5
65 - 74	6
75 plus	7
Prefer not to answer	8 - Do not read out

SQ3. How do you classify your gender?

Male	1
Female	2
Other	3

SQ4. Which suburb do you live in?

Bouvard	1
Clifton	2
Coodanup	3
Dawesville	4
Dudley Park	5
Erskine	6
Falcon	7
Greenfields	8
Halls Head	9
Herron	10

Lakelands	11
Madora Bay	12
Mandurah	13
Meadow Springs	14
Parklands	15
San Remo	16
Silver Sands	17
Wannanup	18
None of these	terminate

The City of Mandurah wishes to understand the level of support and opposition to extending retail trading hours to across the whole of Local Government area.

If extended trading hours are granted, the businesses don't have to open, but they have a choice to do so
Current trading hours are:

Monday to Wednesday & Friday	8:00am to 6:00pm
Thursday	8:00am to 9:00pm
Saturday	8:00am to 6:00pm
Sunday & Public Holidays	10:00am to 5:00pm
Closed on Christmas Day, Good Friday and ANZAC Day	

The proposed new trading hours are:

Monday to Friday	8:00am to 9:00pm
Saturday	8:00am to 6:00pm
Sunday	
Public Holidays	
Closed on Christmas Day, Good Friday and ANZAC Day	

Q1. Do you support or oppose the current retail trading hours in the City of Mandurah being extended?

IF RESPONDENT SAYS SUPPORT OR OPPOSE, ASK IS THAT STRONGLY SUPPORT/OPPOSE OR SUPPORT/OPPOSE?

Strong support	5
Support	4
Neither support or oppose	3
Oppose	2
Strongly oppose	1
Don't know	9

Q2. Thinking about your current shopping behaviour, what proportion of your shopping in the City of Mandurah is done at small retail shops (IGA, delis, small fresh food grocers, newsagents, local clothing stores, etc.) and not at chain stores and large retailers? READ OUT

None	1	
Up to a quarter of my shopping	2	
Up to half of my shopping	3	
Up to three quarters of my shopping	4	
All/ virtually all my shopping	5	

Q3. If trading hours were extended to 9pm on weekdays and from 8-6pm on weekends and public holidays, what proportion of your shopping would you continue to undertake at small retail shops, rather than shopping at large retail shops (i.e., Coles, Woolworths, Kmart, Big W and chain stores)? READ OUT

None	1	
Up to a quarter of my shopping	2	
Up to half of my shopping	3	
Up to three quarters of my shopping	4	
All/ virtually all my shopping	5	

Now thinking about shopping in store:

Q4. How frequently do you currently shop outside the City of Mandurah after 6:00pm, Monday to Friday for any items?

Q5. Now in total how frequently do you currently shop outside the City of Mandurah for any items, including after hours? (Note to interviewer: double check this answer if the answer is less than the one given in Q4)

Q6. Now if the City of Mandurah extended trading hours, how frequently would you shop outside the City of Mandurah for any items?

	Q4	Q5	Q6
Daily	1	1	1
4 or 5 times a week	2	2	2
2 or 3 times a week	3	3	3
Once a week	4	4	4
Once in 2 weeks	5	5	5
Once a month	6	6	6
Once in 3 months	7	7	7
Once in 6 months	8	8	8
Less often	9	9	9
Never	10	10	10

ASK ALL

Q7. Do you do any shopping online?		
Yes	1	
No	2	GO TO Q11

Q8. Which of the following do you shop for online? (Read out)		
Groceries	1	
Clothes and footwear	2	
Electrical goods including computer equipment, telephone accessories	3	
Cosmetics	4	
Books or music	5	
Furniture	6	
Liquor	7	
Leisure goods	8	
Other (please specify):	9	

Q9. Why do you shop online? <i>DON'T PROMPT (If convenience is mentioned please probe fully)</i>		
To get items I can't buy or to get a better range of items than is available in the City of Mandurah	1	
To allow me to shop after retail hours	2	
For pleasure and entertainment without leaving home / work	3	
To find cheaper options and save money	4	
Other (please specify):	5	

Q10a. Now thinking of your total expenditure online, if the City of Mandurah extended its trading hours to 9pm on weekdays and 8-6pm on weekends and public holidays, would your total expenditure online be reduced?		
Yes	1	
No	2	Go to Q11
Don't know	3	Go to Q11

IF Q10a=1 (YES)

Q10b. By what proportion would your total online expenditure be reduced?		
Almost nothing	1	
By up to a quarter	2	
By up to half	3	
By up to three quarters	4	
I wouldn't shop on line at all/ hardly at all	5	

Just a bit about you

Q11. Do you work?		
<i>READ OUT</i>		
Full-time	1	
Part-time / casual	2	
Don't work / unemployed	3	Thank and finish

ASK IF Q11(1-2)

Q12. Is your place of work located outside the City of Mandurah?		
Yes	1	Thank and finish
No	2	

ASK IF Q12=2 (NO)

Q13. Do you work in the Retail Industry?		
Yes	1	
No	2	Thank and finish

ASK IF Q13 =1 (YES)

The following questions relate to your current work week.

Q14. Would you be prepared to work shifts outside of current working hours? (READ OUT)		
Yes, because it would allow me to increase my hours	1	
Yes, but I would only want to work about the same number of hours I work currently	2	
Yes, but only if I had to	3	
No, I would not	4	
Other comment:	9	

Q15. Why have you selected this choice?

Q16. What impact would working shifts, outside of current I working hours, have on your time for leisure activities (i.e. family time, sports, religious activities, etc.)?		
None/ no impact	1	
Reduce my time for leisure activities	2	

Thank you for your time. Just to remind you. My name is from Ask Australia.

BANNER TEXT: City of Mandurah survey
MOBILE BANNER TEXT: City of Mandurah survey
SURVEY WEB PAGE META TAGS: City of Mandurah Retail Trading Hours Survey

PAGE 1

HEADER 1: City of Mandurah Retail Trading Hours survey



PARA: This is your opportunity to tell City of Mandurah your views on permanently extended retail trading hours for general stores.

SQ: Do you live in the City of Mandurah.

Yes	1	CONTINUE
No	2	RESPONSES REMOVED PROIR TO ANALYSIS

SQ1 Do you or any member of your family work in:

For the City of Mandurah	2	RESPONSES REMOVED
Are a Councillor for the City of Mandurah	3	PRIOR TO ANALYSIS
None of the above	4	INCLUDE; EXCLUSIVE

SQ2. Which of the following age groups do you fit into? (SR)

Under 18		ANY UNDER AGE WILL BE REOVED PRIOR TO ANALYSIS
18 - 24	1	
25 - 34	2	
35 - 44	3	
45 - 54	4	
55 - 64	5	
65 - 74	6	
75 plus	7	
Prefer not to answer	8	

SQ3. How do you classify your gender? (SR)

Male	1
Female	2
I prefer to use another term	3

SQ4. Which suburb do you live in? CODE SUBURB (SR)

Bouvard	1
Clifton	2
Coodanup	3
Dawesville	4
Dudley Park	5
Erskine	6
Falcon	7
Greenfields	8
Halls Head	9
Herron	10
Lakelands	11
Madora Bay	12
Mandurah	13
Meadow Springs	14
Parklands	15
San Remo	16
Silver Sands	17
Wannanup	18
None of these	99 REMOVE PRIOR TO ANALYSIS

HEADER 2: Support or opposition to extended retail trading hours

PARA: The City of Mandurah wishes to understand the level of support and opposition to extending retail trading hours to across the whole of Local Government area.

If extended trading hours are granted, the businesses don't have to open, but they have a choice to do so
Current trading hours are:

Monday to Wednesday & Friday	8:00am to 6:00pm
Thursday	8:00am to 9:00pm
Saturday	8:00am to 6:00pm
Sunday & Public Holidays	10:00am to 5:00pm
Closed on Christmas Day, Good Friday and ANZAC Day	

The proposed new trading hours are:

Monday to Friday	8:00am to 9:00pm
Saturday	8:00am to 6:00pm
Sunday	
Public Holidays	
Closed on Christmas Day, Good Friday and ANZAC Day	

Q1. Do you support or oppose the current retail trading hours in the City of Mandurah being extended?

Strong support	5
Support	4
Neither support or oppose	3
Oppose	2
Strongly oppose	1
Don't know	9

Q2. Thinking about your current shopping behaviour, what proportion of your shopping in the City of Mandurah is done at small retail shops (IGA, delis, small fresh food grocers, newsagents, local clothing stores, etc.) and not at chain stores and large retailers? (SR)

None	1	
Up to a quarter of my shopping	2	
Up to half of my shopping	3	
Up to three quarters of my shopping	4	
All / virtually all my shopping	5	

Q3. If trading hours were extended to 9pm on weekdays and from 8-6pm on weekends and public holidays, what proportion of your shopping would you continue to undertake at small retail shops, rather than shopping at large retail shops (i.e., Coles, Woolworths, Kmart, Big W and chain stores)? (SR)

None	1	
Up to a quarter of my shopping	2	
Up to half of my shopping	3	
Up to three quarters of my shopping	4	
All/ virtually all my shopping	5	

HEADER 2: Now thinking about shopping in store:

Q4. How frequently do you currently shop in stores outside the City of Mandurah after 6:00pm, Monday to Friday for any items? (SR)

Q5. In total how frequently do you currently shop in stores outside the City of Mandurah for any items (note: this includes during business hours and after hours)? (SR) **NOTE TO PROGRAMMER: THIS ANSWER MUST BE THE SAME OR GREATER THAN Q4**

Q6. If the City of Mandurah extended trading hours, how frequently would you shop in stores outside the City of Mandurah for any items? (SR)

	Q4	Q5	Q6
Daily	1	1	1
4 or 5 times a week	2	2	2
2 or 3 times a week	3	3	3
Once a week	4	4	4
Once in 2 weeks	5	5	5
Once a month	6	6	6
Once in 3 months	7	7	7
Once in 6 months	8	8	8
Less often	9	9	9
Never	10	10	10

Q7. Do you do any shopping online? (SR)

Yes	1	CONTINUE
No	2	GO TO Q11

Q8. SHOW IF Q7=1 (YES): Which of the following do you shop for online? (MR)

Groceries	1
Clothes and footwear	2
Electrical goods including computer equipment, telephone accessories	3
Cosmetics	4
Books or music	5
Furniture	6
Liquor	7
Leisure goods	8
Other (please specify):	9

Q9. SHOW IF Q7=1 (YES): Why do you shop online? (MR)

To get items I can't buy or to get a better range of items than is available in the City of Mandurah	1
To allow me to shop after retail hours	2
For pleasure and entertainment without leaving home / work	3
To find cheaper options and save money	4
Other (please specify):	9

Q10a. SHOW IF Q7=1 (YES): Thinking of your total expenditure online, if the City of Mandurah extended its trading hours to 9pm on weekdays and 8-6pm on weekends and public holidays, would your total expenditure online be reduced? (SR)

Yes	1	
No	2	Go to Q11
Don't know	3	Go to Q11

Q10b. SHOW IF Q10a=1 (YES): How much would your total online expenditure be reduced? (SR)

Almost nothing	1
By up to a quarter	2
By up to half	3
By up to three quarters	4
I wouldn't shop on line at all / hardly at all	5

HEADER 2: Just a bit about you

Q11. Do you work? (SR)

Full-time	1
Part-time / casual	2
Don't work	3 GO TO PAGE 7

SHOW IF Q11(1-2)

Q12. Is your place of work located outside the City of Mandurah? (SR)

If you have more than one job and one of them is in the City of Mandurah, please answer no.

Yes	1 GO TO PAGE 7
No	2

SHOW IF Q12=2 (NO)

Q13. Do you work in the Retail Industry? (SR)

Yes	1
No	2 GO TO PAGE 7

SHOW Q13 =1 (YES)

The following questions relate to your current work week.

Q14. Would you be prepared to work shifts outside of current working hours? (SR)

Yes, because it would allow me to increase my hours	1
Yes, but I would only want to work about the same number of hours I work currently	2
Yes, but only if I had to	3
No, I would not	4
Other (please specify):	9

EXCLUDE THIS QUESTION

Q15. Why have you selected this choice?

Q16. What impact would working shifts, outside of current working hours, have on your time for leisure activities (i.e., family time, sports, religious activities, etc.)? (SR)

None / no impact	1
Reduce my time for leisure activities	2

PAGE 7

Please press the submit button to send your answers

Thank you for your help with the survey.

IMAGE ATTRIBUTIONS

Slide	Image	Source
1, 2	Image	Raw Pixel
5	Measuring tape icon	The Noun Project (Attribution: Measuring Tape by Shakeel Ch. from NounProject.com)
5	Interviewers	Pixabay - call-center-1015274_340 (Image by Peggy und Marco Lachmann-Anke from Pixabay)
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5	Mandurah Matters	City of Mandurah's Mandurah Matters website
6, 7, 8	Image	Raw Pixel
9	Blue man	Research Solutions
9	Red Woman	Research Solutions
9	Map of Mandurah	City of Mandurah's IntraMaps tool
10	Full Time	The Noun Project (Attribution: Full Time by b farias from NounProject.com)
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10	Don't work	The Noun Project (Hammock by Royyan Razka from NounProject.com)

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Slide	Image	Source
12	Online shopping	online-4275963_1920 (Image by Tumisu from Pixabay)
13	Clothes & footwear	hangers-1850082_1280 (Image by Pexels from Pixabay)
13	Electrical goods	technology-1850021_640 (Image by Pexels from Pixabay)
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13	Furniture	flowerpots-2754775_1280 (Image by bobana kovacevic from Pixabay)
13	Liquor	bottles-3623317_640 (Image by Hands off my tags! Michael Gaida from Pixabay)
13	Other	system-2660914_640 (Image by Gerd Altmann from Pixabay)
40	Image	Raw Pixel

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research|solutions

nicky@researchsolutions.com.au

+9225 7772

researchsolutions.com.au Planning and Community Consultation Committee

12 April 2022





City of Mandurah

Cost Benefit Analysis (CBA) on the impact of
permanently extending trading hours for
general shops

Final Report



Document Control				
Document Version	Description	Prepared By	Approved By	Date Approved
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Disclaimer

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1 EXECUTIVE SUMMARY

The City of Mandurah (The City) has set specific trading hours through the Retail Trading Hours Variation Order (No2) 2013. Its retail trading hours for General Retailers differs from those in the Metropolitan area and the neighbouring Shire of Murray and City of Rockingham. The purpose of this study is to understand the implications of extending trading hours within **the City's** boundaries to be more in line with the hours in the Metropolitan area.¹ Impacts are considered through a Cost-Benefit Analysis (CBA) to provide the City with an evidence-based approach to support decision-making. This report provides a comprehensive understanding of the costs and benefits associated with the proposed change.

1.1 Process

The Cost Benefit Analysis was developed through the following process:

- Context Analysis: analysis of demographic and socio-economic data on the trade area, including the City of Mandurah and parts of the City of Rockingham and Shire of Murray
- Literature Review: a comprehensive literature review on potential effects of the proposed change
- Consultation: Community and Business Feedback
- Modelling: Gravity Modelling and Impact Pathways (Theory of Change)

Gravity modelling was used to model the impact on centre turnover, and benefit pathways were used to estimate potential costs and benefits arising from the potential change. Benefit pathways are central to developing economic and social impact estimates for the CBA. Benefit (Impact) Pathways are a method of summarising the process by which value is created through a project or policy change. Impacts were considered focusing on the main stakeholders impacted by the change: businesses, consumers and workers in the retail industry. Potential impacts were identified through desktop analysis of available data and literature review on the effect of extending trading hours and community and stakeholder consultation.

Two Scenarios of extended trading hours extension were modelled, based on the hours proposed below:

Figure 1. Modelled Scenarios

Day of the Week	Current	Scenario 1 (Proposed)	Scenario 2 (Perth Metro aligned)
Monday	08:00 – 18:00	08:00 – 21:00 + 3hrs	08:00 – 21:00 + 3hrs
Tuesday	08:00 – 18:00	08:00 – 21:00 + 3hrs	08:00 – 21:00 + 3hrs
Wednesday	08:00 – 18:00	08:00 – 21:00 + 3hrs	08:00 – 21:00 + 3hrs

¹ It should be noted that this will in no way mean the City becomes part of the Perth Metropolitan area and the City will also still have to apply for changes to Christmas Trading hours every year.



Day of the Week	Current	Scenario 1 (Proposed)	Scenario 2 (Perth Metro aligned)
Thursday	08:00 – 21:00	08:00 – 21:00 No Change	08:00 – 21:00 No Change
Friday	08:00 – 18:00	08:00 – 21:00 + 3hrs	08:00 – 21:00 + 3hrs
Saturday	08:00 – 18:00	08:00 – 18:00 No Change	08:00 – 18:00 No Change
Sunday + Public Holidays	10:00 – 17:00	08:00 – 18:00 + 3hrs	11:00 – 17:00 – 1 hr
Exclusions: Christmas Day, Good Friday, ANZAC Day	Closed	Closed No Change	Closed No Change

Source: City of Mandurah 2022, Pracsys 2022

1.2 Impact Overview

Potential economic and social impacts for both scenarios were assessed through impact pathways development, describing the process by which value and costs are created through the proposed change. The identified impacts are then monetised **using the 'benefit transfer' method** – drawing values from high-quality studies and applying them to the context in question. Due to the nature of some of the benefits associated with extending retail trading hours, only certain benefits and costs can be successfully expressed in monetary value, therefore the total benefits and costs of the project are expected to be higher than those quantified. The extension of retail trading hours is expected to generate the following costs and benefits within the City of Mandurah (Figure 2).



Figure 2. Identified Impacts (Per Annum)

Type	Scenario 1	Scenario 2
Costs		
Turnover Impact for Activity Centres with Small-Medium Retail Anchor	(16,952,199) ²	(12,247,836) ³
Additional Cost to Consumers	(442,400)	(329,967)
Reduction of Leisure Time	(1,430,179)	(1,172,670)
Benefits		
Reduced Turnover Leakage	\$8,249,890	\$6,118,472
Turnover Impact for Centres with Large Retail Anchor	\$16,952,199	\$12,247,836
Reduction of Online Leakage	\$4,865,871	\$4,635,751
Employment (Net Impact)	86 FTE	70 FTE
Night-time Economy and Tourism Spend	Not Included in CBA (\$2 million)	
Smooths peak demand allowing social distancing	Qualitative	Qualitative
Increase in Liveability	Qualitative	Qualitative
Reduced Travel Time	\$40,301	\$30,215

Source: Pracsys 2022

The extension of retail trading hours is expected to generate:

- A minor negative impact on the turnover of activity centres with small-medium retail anchors
- An increase in prices paid by consumers
- A reduction in leisure time for retail workers to cover extra shifts.⁴

The extension is also expected to bring the following positive impacts:

- A reduction of leakage to neighbouring centres already trading extended hours
- An increase in turnover for centres with large retail anchors
- A reduction of online leakage

² Equates to 4% of total turnover for small-medium retail anchor

³ Equates to 3% of total turnover for small-medium retail anchor

⁴ For a detailed understanding of the assumptions used to estimate these costs, please see Section 8, Valuing Impacts.



- Reduce travel time for Mandurah residents
- Provide a net addition of employment

Night-time economy and tourism spend is also expected to be positively impacted by the change, however, the quantified impact was not included in the final Net Value and BCR as the monetisation of this impact is likely over-estimated due to the nature of tourism spend. The extension of retail trading hours is also expected to bring some qualitative (not quantifiable) benefits: smoothing peak demand allowing more effective social distancing and increasing liveability in the City of Mandurah.

Benefit-Cost Ratio (BCR)

Cost-Benefit analysis assesses the value for money of the project in relation to the associated development expenditure. The Net Value and Benefit Cost Ratio (BCR) for each Scenario has been calculated based on the ratio of benefits to costs.

Figure 3. BCR by Scenario

	Scenario 1	Scenario 2
Total Cost	(\$18,824,777)	(\$13,750,473)
Total Benefit	\$30,108,260	\$23,032,274
BCR	1.60	1.68
Net Value	\$11,283,483	\$9,281,801

Source: Pracsys 2022

The results show that extended trading hours will have a positive overall impact for the community of the City of Mandurah. Scenario 2 achieves a higher ratio of benefits to costs with a BCR of 1.68. Scenario 1 however provides a greater net benefit to the community with a Net Value of \$11 million.

Net Present Value (NPV)

The Net Present Value (NPV) and Benefit Cost Ratio (BCR) over a 10-year timeframe (from 2022 to 2032) was calculated for both scenarios.

Figure 4. Net Present Value Over 10 Years

	Scenario 1	Scenario 2
Present Cost	\$151,008,920	\$110,303,781
Present Value	\$241,522,956	\$184,760,689
BCR	1.59	1.67
Net Present Value (NPV)	\$90,514,036	\$74,456,908

Source: Pracsys 2022



The proposed change is expected to bring a have a total Net Present Value (NPV) of \$90,514,036 over a 10-year timeframe.



2 INTRODUCTION

Trading hours in WA are currently set by the Retail Trading Hours Act 1987 for all areas of south of the 26th parallel. Regional local governments can apply to the minister to alter these trading hours to reflect the nature of their local economy. The Act applies to General Retailers (e.g., retailers that have more than 25 employees on-premises at a single time) and exempts small retailers to trade freely. The City has set specific trading hours through the Retail Trading Hours Variation Order (No2) 2013, meaning its retail trading hours for General Retailers differ from those in the Metropolitan area and the neighbouring Shire of Murray and City of Rockingham. The purpose of this study is to understand the implications of extending trading hours within its boundaries. Proposed extended trading hours are outlined in Figure 5.

Figure 5. Current and Proposed Trading Hours

Day of the Week	Perth Metropolitan Hours	Current Mandurah Hours	Proposed Mandurah Hours	Difference
Monday	08:00 – 21:00	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Tuesday	08:00 – 21:00	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Wednesday	08:00 – 21:00	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Thursday	08:00 – 21:00	08:00 – 21:00	08:00 – 21:00	No Change
Friday	08:00 – 21:00	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Saturday	08:00 – 18:00	08:00 – 18:00	08:00 – 18:00	No Change
Sunday + Public Holidays	11:00 – 17:00	10:00 – 17:00	08:00 – 18:00	+ 3hrs
Exclusions: Christmas Day, Good Friday, ANZAC Day	Closed	Closed	Closed	No Change

Source: City of Mandurah 2022, Pracsys 2022

There is extensive research on the potential impacts of extending retail trading hours with findings of both positive and negative impacts. These impacts however need to be considered within the local context to understand whether the proposed changes will achieve a positive outcome for the City's community, including the general public, businesses and workers. Impacts were considered through a Cost-Benefit Analysis (CBA) to provide the City of Mandurah with an evidence-based approach to support decision-making.



3 PROJECT OVERVIEW

A Cost-Benefit Analysis (CBA) provides a holistic approach to understanding the potential costs and benefits of the proposed trading hours extension. This CBA considers both economic and social outcomes using best practice methods to quantify potential impacts. The City identified the need to understand the potential impact of extended trading hours on multiple stakeholder groups including:

- Youth Employment in the City
- Female Employment in the City
- Small Businesses
- Employees with families

The following process was used to develop the CBA:

- Context Analysis: analysis of demographic and socio-economic data on the trade area, including the City of Mandurah and parts of the City of Rockingham and Shire of Murray
- Literature Review: a comprehensive literature review on potential effects of the proposed change
- Consultation: Community and Business Feedback
- Modelling: Gravity Modelling and Theory of Change

Context Analysis, Literature Review and Feedback from both stakeholder consultation and community survey were used to inform two types of modelling, retail gravity modelling and theory of change. A combination of data collection methods were used to collect a representative sample of City of Mandurah residents.

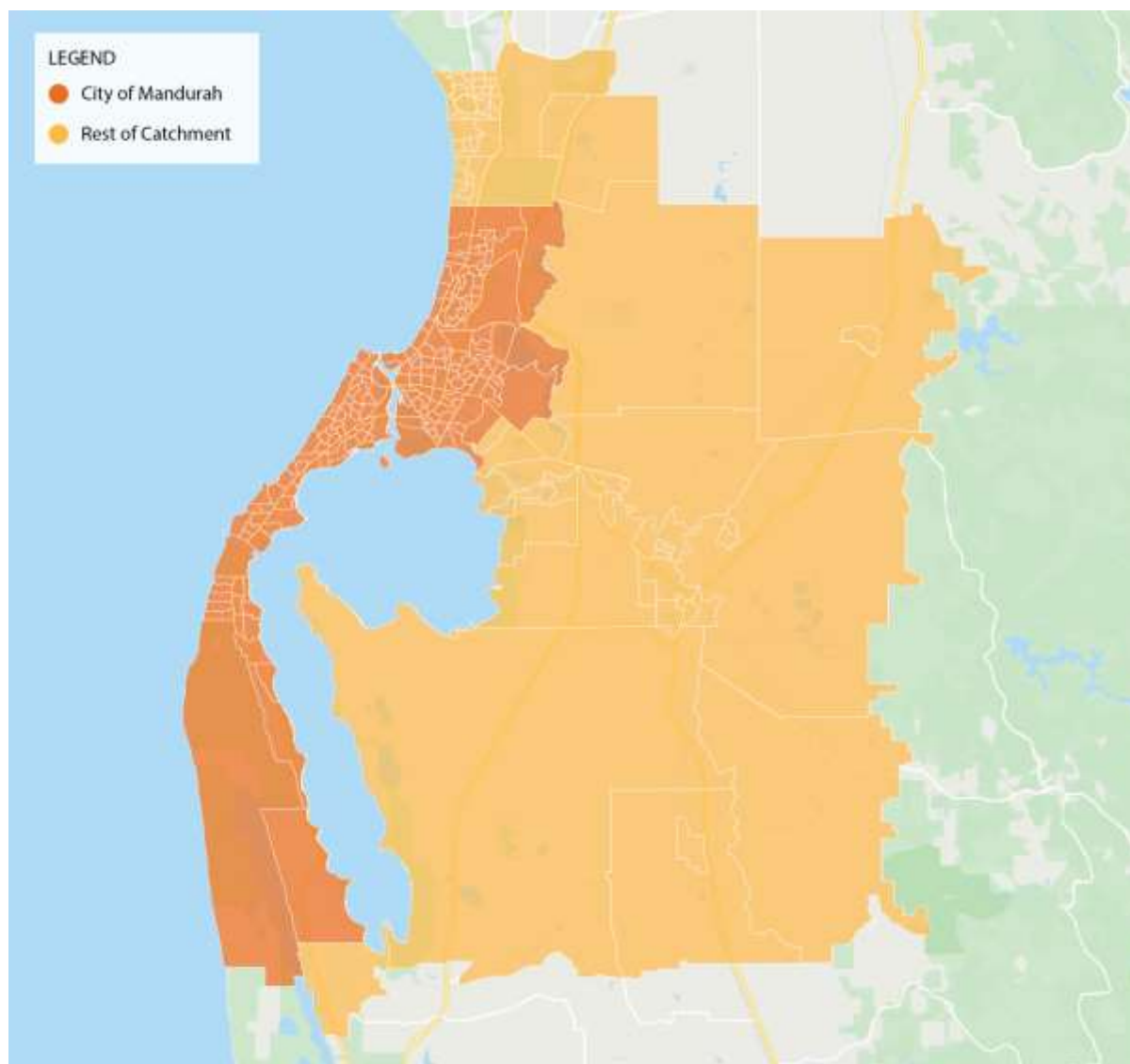
The survey asked questions aiming to understand how the proposed change might impact shopping and spend habits. Specific questions for retail workers were also included in order to understand the magnitude of the impact for this segment of the population. Consulted stakeholders included representatives from local activity centres, small business owners, chamber of commerce and retail industry experts.

The modelling was undertaken in combination with context analysis, literature review and feedback from the community and stakeholders to estimate the impact of the change on the community. Retail Gravity Modelling was used to estimate turnover leakage, activity centre precinct impact, employment impact and impact on leisure time for both retail workers and consumers. Theory of Change was used to put a dollar value on estimated benefits and costs of the proposed change.

3.1 Study Area

A Study Area has been defined to inform both contextual analysis and gravity modelling for the CBA. A study area is a spatial boundary that allows for the measurement of the number of potential customers, their demographics and expenditure potential, as well as an assessment of the competitive environment.

Figure 6. Study Area



Source: Pracsys 2022

The modelled study area for this analysis is comprised of both the City of Mandurah, defined by its local government boundaries (primary catchment area) and surrounding areas which could reasonably be impacted by the proposed change, comprising of some parts of the Shire of Murray, including Pinjarra, and some parts of the City of Rockingham, including Singleton, Golden Bay, Secret Harbor and Karnup (secondary catchment area or rest of catchment). The secondary catchment area was selected for its proximity to the primary catchment area, with the assumption that the area could currently be capturing spend that would otherwise go to City of Mandurah centres should trading hours be extended. Both the Shire of Murray and the City of Rockingham were at the time of the analysis operating under extended retail trading hours.



4 CONTEXT ANALYSIS

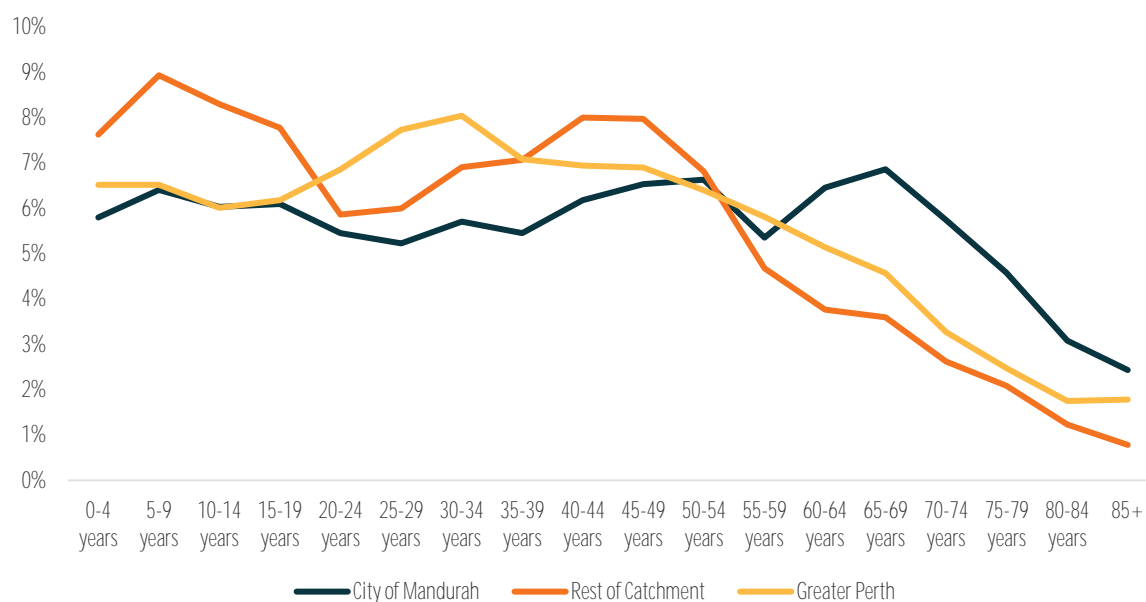
This section provides an analysis of the demographic and socio-economic profile of the area, an analysis of current retail supply, and an analysis of the local retail industry.

4.1 Demographic Analysis

Understanding local demographics and expected market growth is key in the assessment of the potential impact of the proposed change. This section provides an overview of the study **area's** age, gender, education profile, cultural diversity, and family composition.

The City of Mandurah has a high percentage of residents aged 60+ and a lower percentage of residents aged 20 to 35 years old. The drop off in the proportion of working age persons may related to a lack of employment opportunities. The analysis considers the effects of extending trading hours on employment for persons under 25.

Figure 7. Age Profile

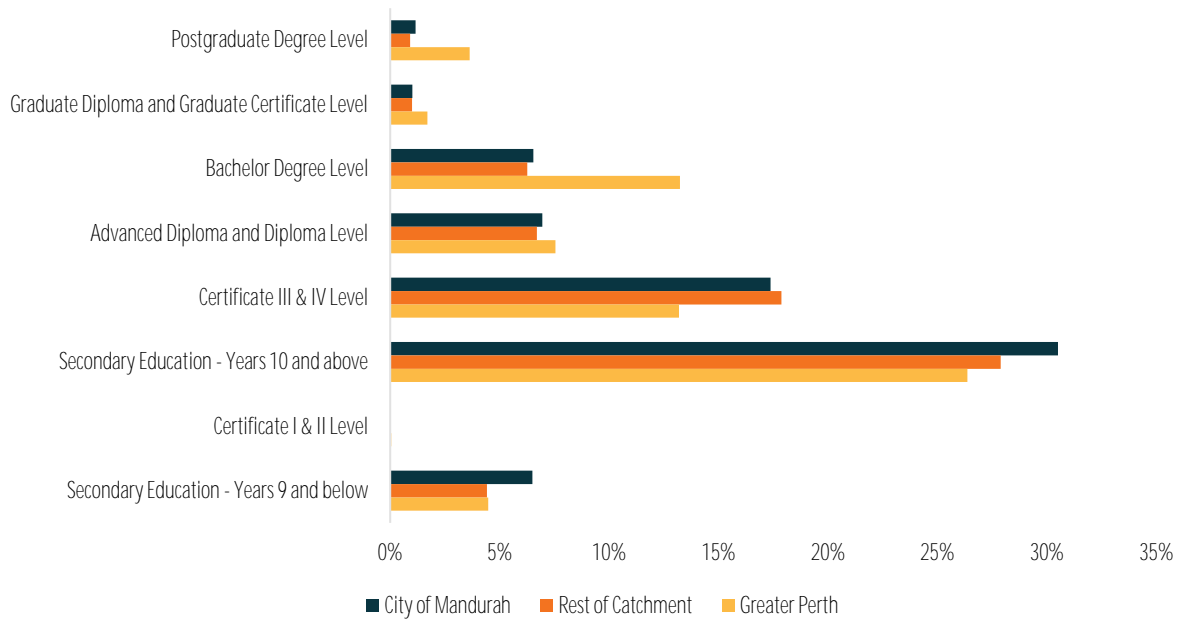


Source: ABS 2016

Both the City of Mandurah and the Rest of the Catchment have similar proportion of educational attainment. The majority of residents have a secondary education – years 10 and above, followed by residents with a Certificate III and IV. In comparison, Greater Perth has a higher percentage of residents with a **bachelor's** degree, Graduate Diploma and Postgraduate Degree. The provision of additional entry level employment would align with the education levels within the City.



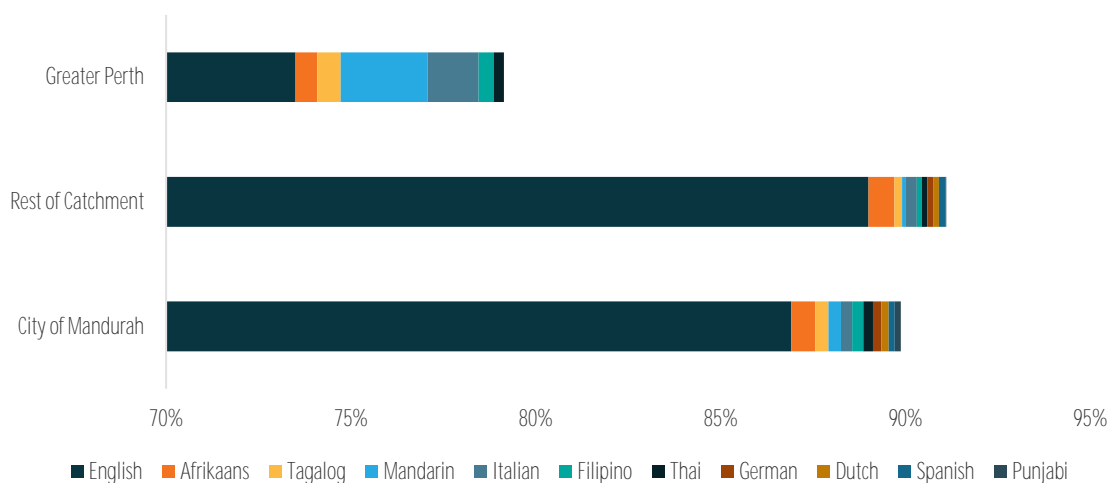
Figure 8. Education



Source: ABS 2016

The large majority of residents of both the City and the rest of the catchment speak English at home (Figure 8). Other languages spoken are Afrikaans, Tagalog, Mandarin, Italian and Filipino. Greater Perth has a higher level of diversity across the board, with 73.5% of the total population speaking English at home, compared with 86.0% in the City and 89% in the Rest of the Catchment. Less diversity could reduce the level of demand for retail goods and services at different times within the City.

Figure 9. Language Spoken at Home



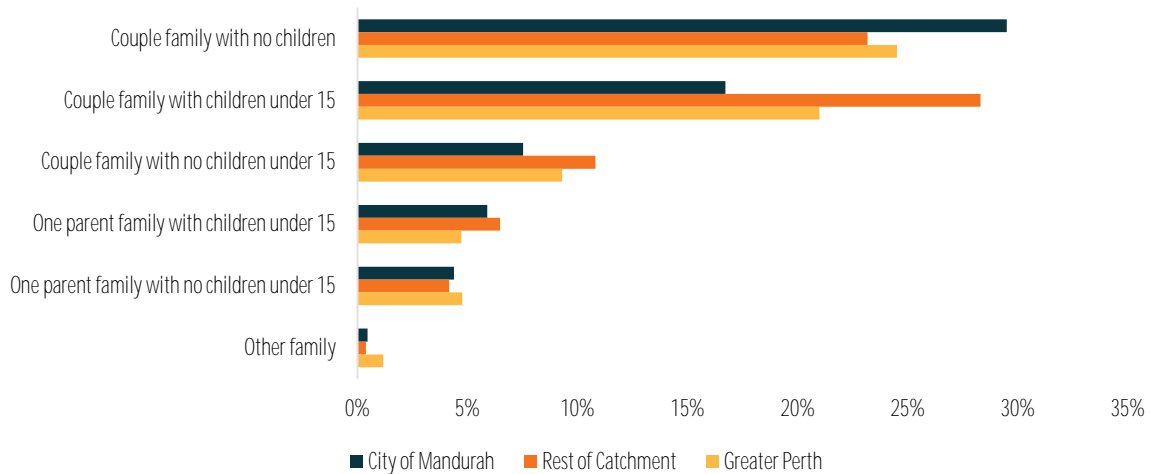
Source: ABS 2016

The City of Mandurah has a higher percentage of couples with no children and a lower percentage of couples with children under 15 when compared to both the Rest of the Catchment and Greater Perth. This is reflective



of the area demographic profile with a high percentage of residents aged 60+ and a lower percentage of residents aged 20 to 35 years old (young people and young families with children). Retirees would likely have less requirement for extended trading hours. The current trading hours may however be limiting the attractiveness of the City for working age persons and families with children.

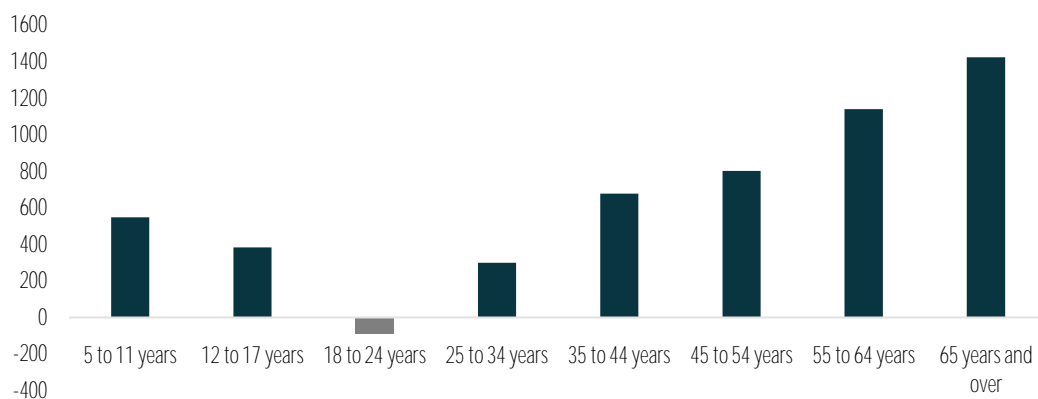
Figure 10. Family Composition



Source: ABS 2016

The chart below shows net migration by age group for the City of Mandurah. The age structure of people who move in and out of the City is influenced by the residential role and function of the area. For instance, inner city areas near employment, education and entertainment tend to attract many young people in their late teens and early twenties. Regional areas tend to lose young people and gain older families and retirees. **Understanding the City’s attraction to different age groups might assists in providing relevant** infrastructure, employment opportunities and facilities which may help to retain age groups which are otherwise leaving the area. Providing more flexible access to goods and services and job opportunities relevant to persons under 25 might assist in retaining population within the City.

Figure 11. Net Migration by Age Group 2016



Source: Forecast id 2016

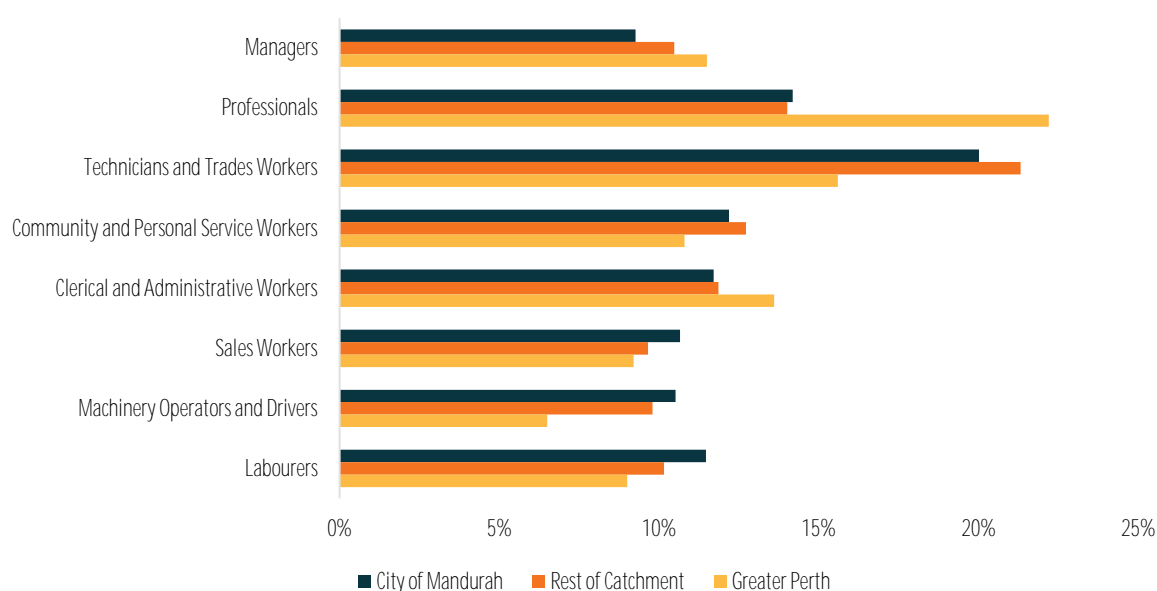


4.2 Socio-Economic Analysis

This section provides an overview of the study area’s occupation, labour force status, current and future household expenditure. The City’s occupation statistics quantify the occupations in which the residents work. Figure 12 shows a breakdown of occupations in the City.

The City also has a higher level of sales workers aligning with the provision of retail trade employment. It is expected that additional retail employment will align with current occupations. The fact that the employment will necessitate work outside of current trading hours would not be expected to affect the uptake of employment given the higher proportion of relevant skills available.

Figure 12. Occupation



Source: ABS 2016

The City’s labour force is made up by 18,320 working full-time, 11,167 working part-time and 27,600 not in the labour force (Figure 13). The levels of full-time or part-time employment as well as unemployment are an important indication of the strength of the local economy. The City has a higher unemployment rate (10.9%) compared to Greater Perth (8.1%). This indicates there might be less job opportunities for residents in the local economy.

Figure 13. Unemployment Rate

Employment Status	City of Mandurah	Greater Perth
Looking for full-time work	7.1%	4.8%
Looking for part-time work	3.8%	3.3%
Unemployed (Unemployed rate)	10.9%	8.1%

Source: Profile id 2016



Underemployment in the retail industry is particularly high. Labour force estimates from the ABS for underemployment in Australia indicate that it peaked at approximately 22.6% in May 2020.⁵ As of August 2020, underemployment in retail trade was approximately 15.4% compared to an average of 9.8% across all industries (including retail). Underemployment figures are not available at a Local Government level, however, **given the city’s high unemployment rate it is suspected that underemployment may also be above average.**

Figure 14 shows a breakdown of labour force status by age. As to be expected, the majority of people aged 60+ are not in the labour force. The under 25 age cohort has the highest percentage of part-time and unemployed workers. Additional retail employment would align with the skills and experience of this age group and could be expected to contribute to a reduction in unemployment.

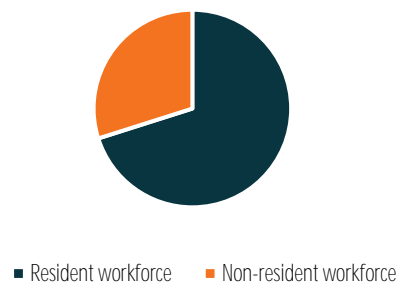
Figure 14. Labour Force Status by Age



Source: ABS 2016

Place of Work data provide information on where a person goes to work. The address of the person’s workplace in the week prior to Census night is coded to a Destination Zone (DZN). DZN boundaries have been designed by the ABS following consultation with each State/Territory Transport Authority. More than a quarter of workers in the City Mandurah live outside the study area and come to Mandurah for work (30%). 70% of the workforce live and work in Mandurah.

Figure 15. Employment by Place of Work (POW)

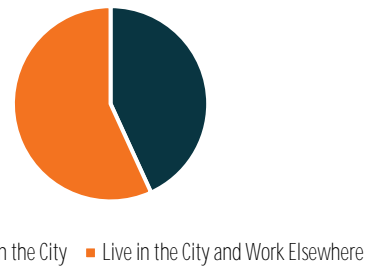


⁵ ABS Labour Force 2022



When considering the City's labourforce (residents that work), approximately 57% of the **City's labourforce work outside the City**. This indicates there could be significant leakage of resident expenditure to outside the City from residents who work outside the City. There could also be a missed opportunity to capture the expenditure of the workforce who lives outside the City.

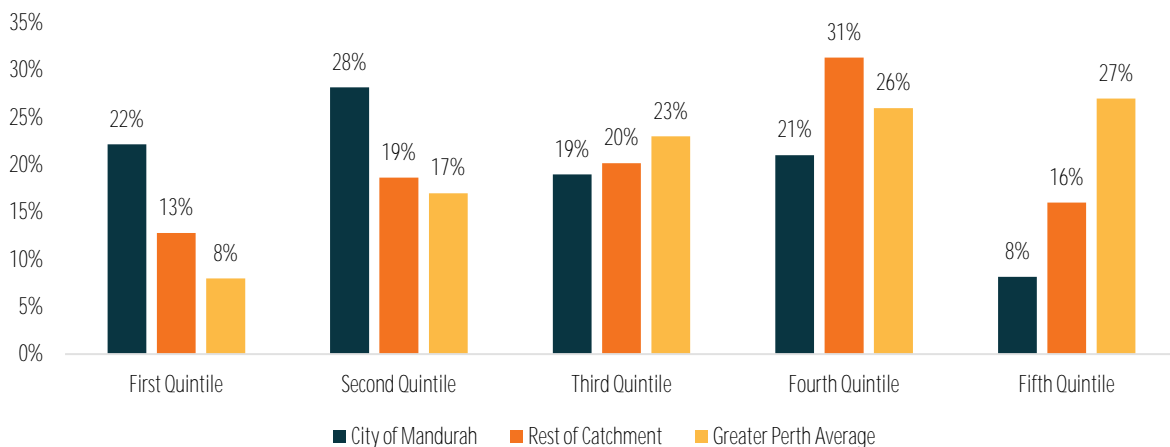
Figure 16. City's Labourforce Movements (PoUR)



Source: ABS 2016

ABS divides the population of Australia (as well as each State and Territory) into five equal parts, dependent on their level of gross household income. The 20% of households with the lowest weekly income are classified as falling within the first income quintile, while the fifth income quintile represents the top 20% of income-earning households. The level of spending on retail goods and services is primarily determined by household income. Lower quintiles spend a higher proportion of their income on basic goods and services. ABS Census 2016 data provides the estimated distribution of income level per dwelling in the study area. The City of Mandurah has a higher percentage of residents in the lower income quintiles. The rest of the catchment has a higher percentage of residents in the fourth quintile compared to Greater Perth. Research shows people with lower incomes spend more on convenience shopping. The distribution of households in the lower quintiles is likely skewed in the City of Mandurah by the high number of retiree households, some of whom would generate higher expenditure than an equivalent low- or no-income household

Figure 17. Income Profile



Source: ABS 2016

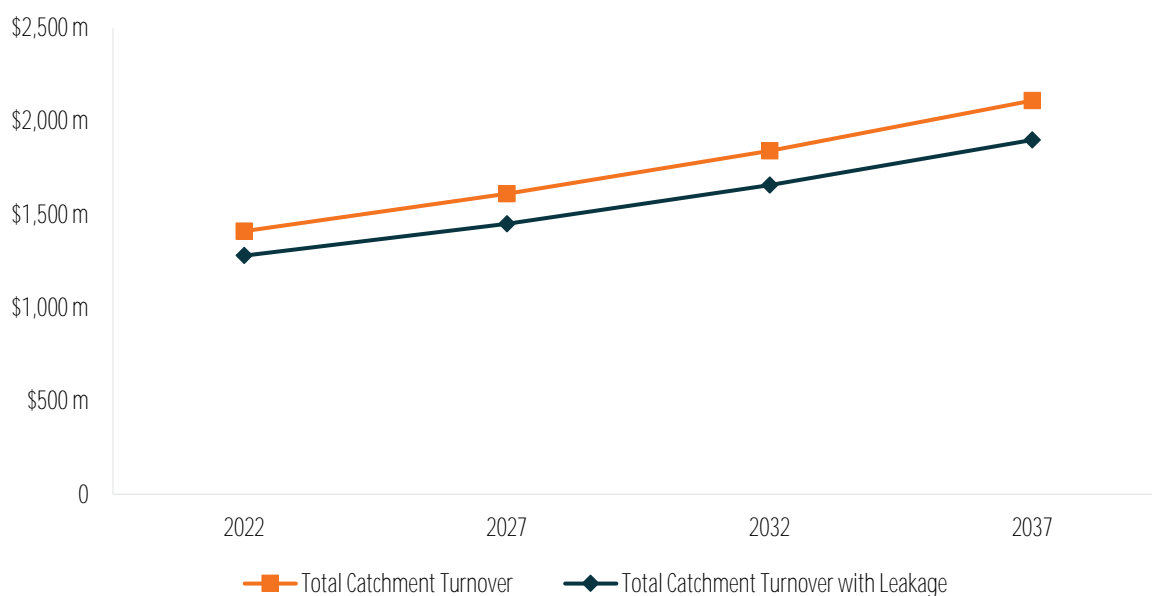
ABS Household Expenditure Survey 2015/2016 data was used to estimate the average spend per dwelling by income quintile, from which the total expenditure pool was derived for the gravity modelling. The model combines propensity to spend on commodities based on household income quintiles to derive the total retail



expenditure in the area (Figure 18). The expenditure in for the Trade Area was adjusted to account for retirees who are recorded as zero or low income by the ABS Census but would spend more on retail goods and services than other households in these categories. The Trade Area includes a portion of the City of Rockingham and the average expenditure per household of the City of Rockingham was assessed for its suitability for use in the model. The residential rate revenue between the City of Mandurah and City of Rockingham was compared to assess the appropriateness of the expenditure estimate. It was assumed that household value was representative of household capacity for expenditure. The City of Mandurah receives approximately \$1,359 in rates per dwelling while the City of Rockingham generates approximately \$1,315 per dwelling. Given the higher level of rate revenue per household in Mandurah it was assumed that household expenditure in the City of Rockingham could be used as an input for total turnover in the Trade Area. It should be noted that the change in turnover does not affect impact estimates as they remain proportional to available turnover. The exercise was undertaken to ensure the model accurately modelled the activity centre hierarchy based on actual turnover data for centres in the Trade Area⁶.

Given projected household growth, estimated shop / retail expenditure is estimated to increase from \$1.4 million in 2022 to \$1.8 million in 2032, reflecting growth of 30%. By 2037, trade area shop / retail expenditure is predicted to reach \$2 million an increase of 49% per cent from current levels. Some of this turnover is projected to be lost to online leakage.

Figure 18. Household Expenditure



Source: , ABS Census 2016, ABS HHES 2015

Growth in the expenditure pool will mitigate any potential impact from extended trading hours on activity centres within the City of Mandurah.

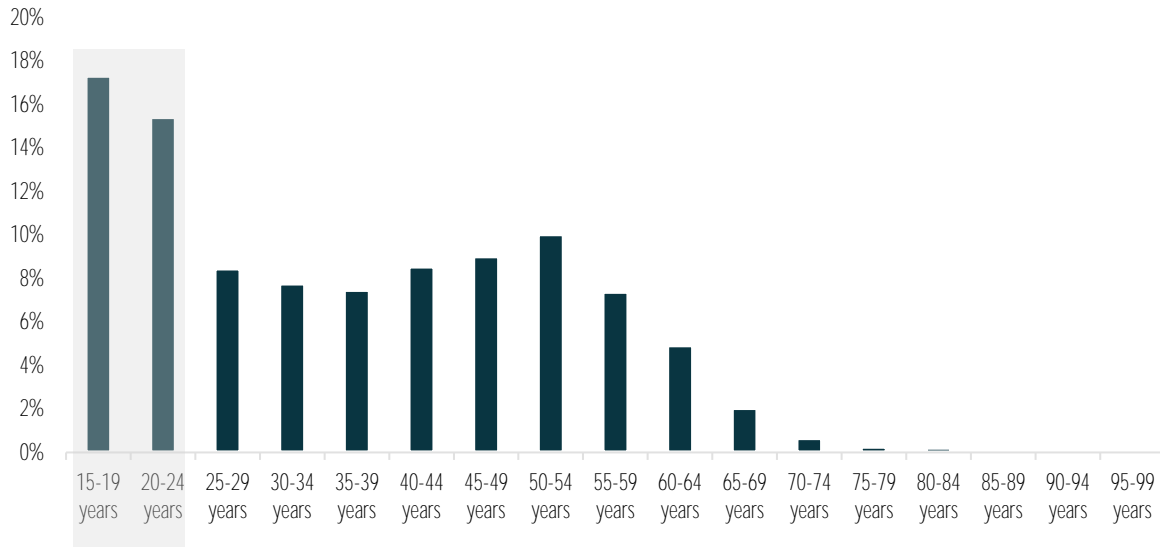
⁶ Annual Report 2020-2021, City of Rockingham, Annual Report 2020-2021 City of Mandurah



4.3 Local Retail Industry Analysis

This section provides an overview of the local retail industry, including employment type by age and sex. This analysis will help in the understanding of how the proposed change might impact workers in the retail industry. Figure 18 shows a breakdown by age of residents in the City working in the retail industry.

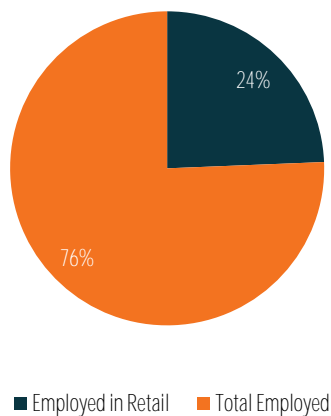
Figure 19. Retail Industry – Age



Source: ABS 2016

Persons between the ages of 15 and 24 years have the highest representation among retail industry workers. This indicates the people in this age cohort are more likely to work in this industry than other cohorts. Of the total number of employed people aged under 25, approximately 25% worked in retail (Figure 20). This indicates the industry provides employment for almost a quarter of all employed people aged under 25.

Figure 20. Retail Industry – Under 25

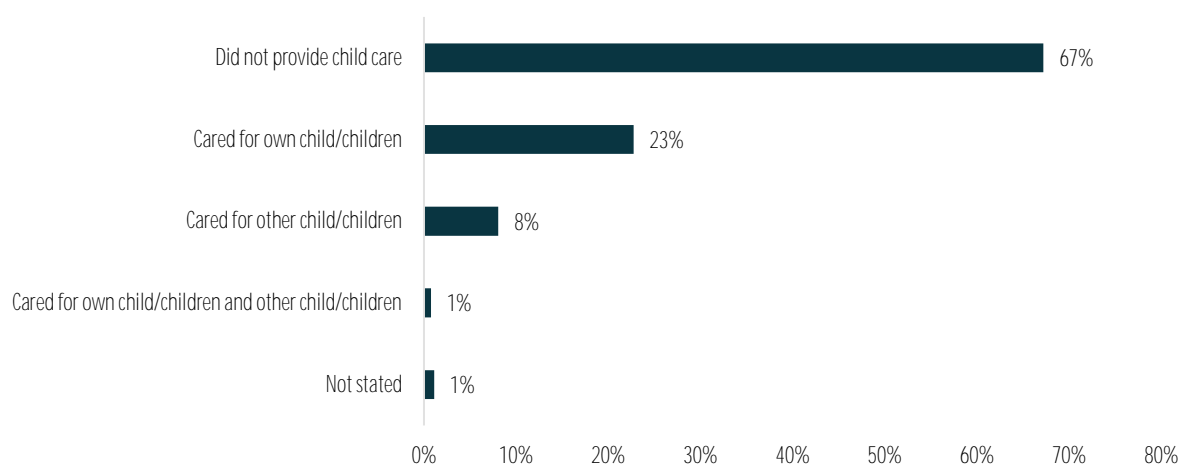


Source: ABS 2016



Figure 20 shows the amount of unpaid childcare time spent by residents of the City working in the retail industry. Results are derived from the question ‘In the last two weeks did the person spend time looking after a child, without pay?’ and specifically targets people looking after their own children rather than others⁷. The majority of retail workers did not provide childcare (67%). 23% of workers cared for their own children (Figure 16). This is reflective of the age distribution of workers in the retail industry, mainly characterised by young people and indicates the demand for additional childcare may be less compared to other industries that require extended hours. It also could also represent less women returning to the workforce due to limited access to childcare and/or opportunities to work when a partner or relative could care for the child.

Figure 21. Retail Industry – Unpaid Childcare



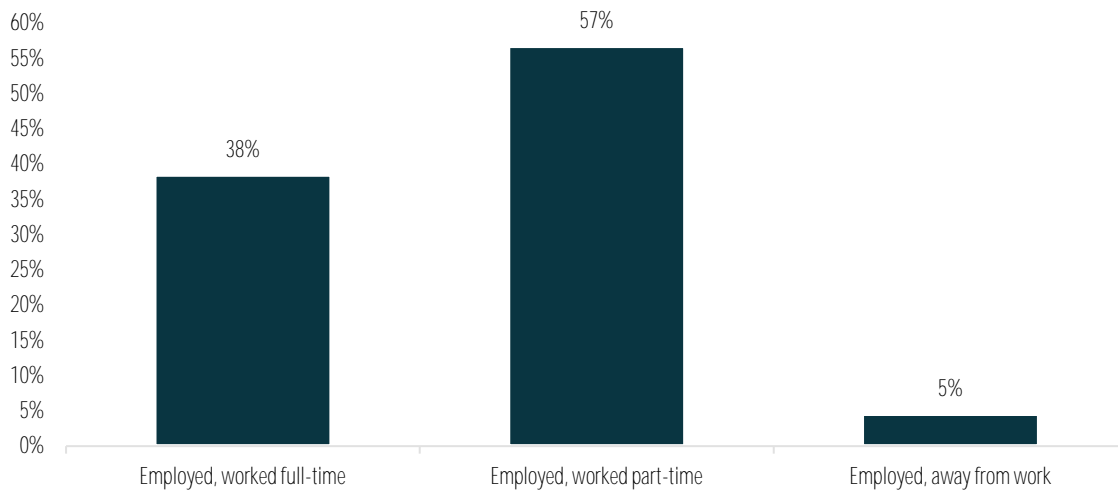
Source: ABS 2016

Figure 22 shows employment status for residents working in the retail industry. More than half of retail workers were employed part-time (57%). Increased hours of employment would likely be taken up by a mix of current part-time employees and new employees.

⁷ Results for this question only applies to people aged 15 years and over.



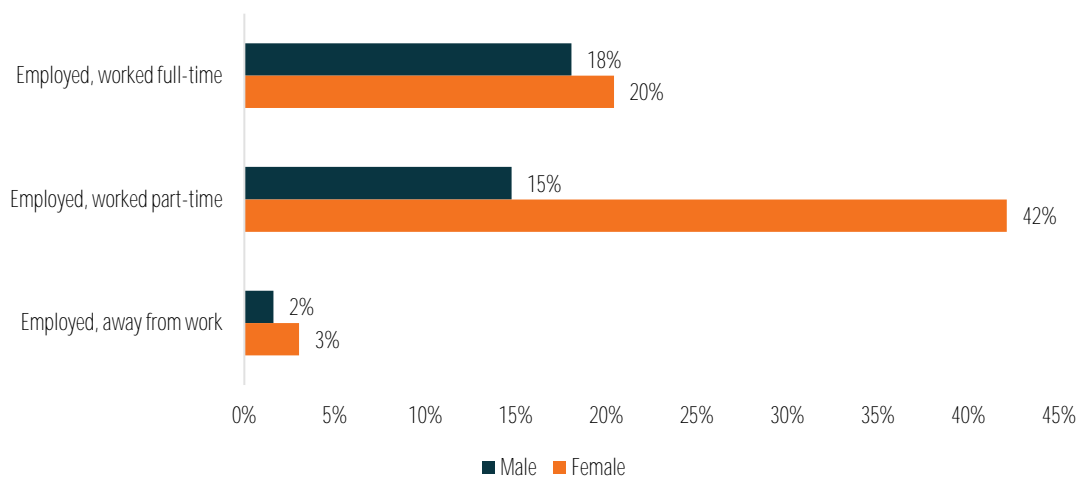
Figure 22. Employment Status



Source: ABS 2016

When filtering employment status by gender, 66% of retail workers were female, of which 42% were working part-time, compared to 15% of men (Figure 22).

Figure 23. Employment Status – By Gender



Source: ABS 2016

When filtering employment status by age, 43% of the City of Mandurah’s retail workforce under 25 employed part-time.



Figure 24. Employment Status – By Age



Source: ABS 2016

The above analysis demonstrates the importance of the retail industry to female and under 25-year-old persons employed part-time. The results will allow for estimates of employment changes for these demographics.



5 LITERATURE REVIEW

A comprehensive literature review on the topic of extending retail trading hours was undertaken. The review identified the potential effects of the proposed change on businesses, consumers and workers. The section below provides a breakdown of potential impacts, including effects on retail turnover, effects on leisure time and effects on retail employment. A summary of the literature review and identified effects is available below.

Figure 25. Literature Review Summary

Source	Positive	Negative	Other Considerations
Time to Open – Retail Trading Hours in WA. A Case for Reform	<ul style="list-style-type: none"> • Growth in sales • Work opportunities for younger people and women • Increase in available hours for existing employees • Enhances the vibrancy of shopping precincts • Retention of night time economy tourism expenditure 		
Statutory Review of the Retail Trading Hours Act 1987	<ul style="list-style-type: none"> • Increase of spend, reduction of peak shopping times. • No evidence to support the contention that deregulated or extended trading hours have an adverse effect on 	<ul style="list-style-type: none"> • IGA losing market share and their businesses become less profitable 	



	family life, sports and community participation rates		
Deregulation of trading hours in Western Australia, BIS Shrapnel		<ul style="list-style-type: none"> No material lift in employment in Western Australia since its deregulation of shopping hours 	Sales turnover is dependant on household income and population number
The impact of deregulation of retail hours on shopping patterns in a mall hierarchy: an application of the RASTT model to the Sydney Project (1980-1998) and the global vacant shop problem		<ul style="list-style-type: none"> Loss of patronage in lower order centres 	
Denmark Ministry of Trade and Industry, An Analysis of the Danish Shops Act – Consequences for shops, consumers and employees	<ul style="list-style-type: none"> Increase in sales in the retail industry Retail employment increased more than in the rest of the economy Irregular working hours (i.e. outside normal working hours) for employees in the retail industry 		
The Impacts of Retail Trade Deregulation: A review of evidence from other jurisdictions		<ul style="list-style-type: none"> Overall increase in overall shares for larger stores at the expenses 	



		of smaller businesses	
The Effects of Deregulating Retail Trading Hours in Queensland		<ul style="list-style-type: none"> • IGAs to reduce operation costs such as cut labour costs • Reduced turnover at an IGA has a higher effect on employment than the average retailer 	
Trading Hours Review Issues Paper	<ul style="list-style-type: none"> • Improved ability to compete with online vendors • Addresses community needs 	<ul style="list-style-type: none"> • Impact on regional Towns as extended trading hours attract consumers to larger centres • Disadvantage for retailers not located adjacent to areas with extended trading hours • Turnover impact on small and medium business 	
Economic Structure and Performance of the Australian Retail Industry	<ul style="list-style-type: none"> • Job opportunities, opportunity to earn additional income by receiving penalty 		



	rates for such work		
Review of Retail Trading Hours – Submission in Response to the Public Consultation Paper, Retail Traders Association	<ul style="list-style-type: none"> Increase in retail employment 		
Shopping Hours and Price Levels in the Retail Industry: a Theoretical and Empirical Analysis		<ul style="list-style-type: none"> Increase in prices as a result of smaller centres closing down, monopoly of majors 	
Non-sequential consumer search and the consequences of a deregulation of trading hours	<ul style="list-style-type: none"> Shops to become more efficient (and inefficient shops are driven out of the market), resulting in lower prices overall Reduction of travel time for shoppers and opportunity/cost of shopping 	<ul style="list-style-type: none"> 	

Source: Pracsys 2022

The following summaries provide descriptions of the findings from reviewed literature. The summaries are undertaken by main impact topic, including:

- Effects on Retail Turnover
- Effects on Small Business
- Effects on Leisure Time
- Effects on Retail Employment
- Effects on Prices of Goods
- Other



Effects on Retail Turnover

- A 2011 report developed out of the University of Western Australia highlighted that when Victoria deregulated in 1996, sales grew faster there than in any other State. Similarly, when Tasmania deregulated in 2002, over the following three years it experienced 26 per cent growth in retail sales compared with an Australia-wide growth rate of 17 per cent⁸.
- Interstate trends indicate that when retail trading is deregulated spending increases overall and consumers do spread their time of shopping out over available hours⁹
- Other studies identify household income and population number as the primary driver of retail turnover¹⁰
- A loss of patronage in lower order town and suburban centres which was evident in the rise in the number of vacant shops in lower order centres¹¹
- Sales in the retail industry increase with the extension of opening hours¹²

Effects on Small Businesses

- There is evidence that with relaxed trading hours there is often an overall increase in overall shares for larger stores at the expenses of smaller businesses¹³
- In relation to its own stores, Mr John Cummings, President of IGA claimed that the additional competition has resulted in IGA losing market share and their businesses have become less profitable as a result of increased trading hours for general retail shops¹⁴
- A questionnaire on trading hours extension conducted on a sample of IGAs. Several IGA storeowners indicate that their profit margins are already quite small and that they would have to consider selling their business if hours were deregulated. Most respondents indicate that their first action following deregulation would be to cut labour costs¹⁵

Effects on Leisure Time

- Reports issued by the Productivity Commission, the University of Western Australia and the Economic Regulation Authority found no evidence to support the contention that deregulated or extended trading hours have an adverse effect on family life, sports and community participation rates. Nor is there any evidence that extended trading hours affect church attendance¹⁶

⁸ Time to Open – Retail Trading Hours in WA. A Case for Reform

⁹ Statutory Review of the Retail Trading Hours Act 1987

¹⁰ Deregulation of trading hours in Western Australia, BIS Shrapnel

¹¹ The impact of deregulation of retail hours on shopping patterns in a mall hierarchy: an application of the RASTT model to the Sydney Project (1980-1998) and the global vacant shop problem

¹² Denmark Ministry of Trade and Industry, An Analysis of the Danish Shops Act – Consequences for shops, consumers and employees

¹³ The Impacts of Retail Trade Deregulation: A review of evidence from other jurisdictions

¹⁴ Statutory Review of the Retail Trading Hours Act 1987

¹⁵ The Effects if Deregulating Retail Trading Hours in Queensland

¹⁶ Statutory Review of the Retail Trading Hours Act 1987



Effects on Retail Employment

- Deregulation of trading hours provides those individuals who prefer to work outside of ‘normal hours’ with job opportunities they would not have otherwise. And for other workers, there is the opportunity to earn additional income by receiving penalty rates for such work¹⁷
- A study on the effects of deregulation on IGAs estimated that the loss of income for IGAs could bring a loss of 8.2 jobs in the retail sector of that community¹⁸. The total loss of employment in the community could be equivalent to 10.7 jobs¹⁹
- Retail employment in Western Australia would likely increase as a result of shopping hour reform. This is based on the result in Victoria which experienced a 0.6% increase in retail employment in the year following the 1996 removal of trading hour restrictions whilst nationally retail employment numbers fell by 2.4%²⁰
- Creates more work opportunities for younger people and women
- Increase available hours for existing employees
- Boosts flexibility for young, casual, and part-time workers who prefer to work unconventional hours²¹
- **No material lift in employment in Western Australia since its deregulation of shopping hours (...) in addition, total hours worked did not improve²²**
- Retail employment increased more than in the rest of the economy²³
- extended opening hours **in the retail industry have resulted in “irregular” working hours (i.e. outside normal working hours)** for employees in the retail industry²⁴

Effects on Prices of Goods

- if deregulation causes a reduction in the number of smaller shops and/or in their market share, then the increased market power of larger shops would result in a monopolistic or oligopolistic equilibrium characterised by higher prices²⁵
- With deregulation, shoppers have better opportunities to search for the cheapest shop. This, in turn, pushes all shops to become more efficient (and inefficient shops are driven out of the market), resulting in lower prices overall
- Deregulation can reduce the travel costs of shoppers

¹⁷ Economic Structure and Performance of the Australian Retail Industry

¹⁸ The study was conducted based on state-wide research and surveys involving all IGA retailers in the state of Queensland, Australia

¹⁹ The Effects of Deregulating Retail Trading Hours in Queensland

²⁰ Review of Retail Trading Hours – Submission in Response to the Public Consultation Paper, Retail Traders Association

²¹ Time to Open – Retail Trading Hours in WA A Case For Reform

²² Deregulation of trading hours in Western Australia, BIS Shrapnel

²³ Denmark Ministry of Trade and Industry, An Analysis of the Danish Shops Act – Consequences for shops, consumers and employees

²⁴ Ibid

²⁵ Shopping Hours and Price Levels in the Retail Industry: a Theoretical and Empirical Analysis



-
- and/or the opportunity cost of shopping²⁶

Other

- Smooths out peak demand periods, reducing congestion and allowing shoppers to practice social distancing
- Enhances the vibrancy of local community hubs by encouraging consumers to spend in their local precincts, rather than online.
- Attracts and retains tourists who add monetary and cultural value²⁷

The identified impacts make-up part of the impact identification process and have been supplemented through stakeholder consultation.

²⁶ Non-sequential consumer search and the consequences of a deregulation of trading hours

²⁷ Time to Open – Retail Trading Hours in WA A Case For Reform



6 STAKEHOLDER CONSULTATION

Stakeholder Consultation was conducted with the local community and business stakeholders to define impacts, understand the potential magnitude of impacts, and to test assumptions made through analysis and secondary research.

6.1 Community Survey

The objective of the community survey was to obtain information on current purchasing behaviour and views in relation to the proposed change to retail trading hours. Apposite questions targeting retail trade workers were also included to understand their willingness to work extra shifts and whether the shifts would impact their leisure time. The collected sample included a representative group of community members, of which the majority was female (53.7%). Almost half of respondents were aged 55+ years (44.5%) followed by respondents aged 35-54 (31.6%). A relatively small proportion of the sample indicated to work in retail (27 responses). Figure 26 shows a summary of the methodology and samples.

Figure 26. Community Survey Methodology

Type of survey	When	Type of Sample	Sample Size
Intercept survey	23 rd of November to 5 th of December 2021	Quota sample	30
Telephone survey	23 rd of November to 5 th of December 2021	Quota sample	363
Online survey through Mandurah Matters	29 th of November to 10 th December 2021	Convenience sample	192

Source: Research Solutions 2021

The following findings from the randomised telephone survey have been used to inform the analysis

- 2 in 3 residents use online shopping
- 24% of residents who online shop indicated they did so due to restricted trading hours
- These online shoppers would reduce their online expenditure by an estimated 20% if hours in Mandurah were extended
- 3 in 4 residents currently do at least some of their shopping outside the City (1 in 4 do so at least weekly).
- Just over 2 in 5 residents currently shop outside the City after 6 pm on weekdays.
- A reduction of approximately 15% in leakage of shopping trips to outside of Mandurah for persons who currently shop outside the City after 6pm
- A reported small increase in the proportion of shopping undertaken at small retailers (from 41.2% to 45.3%)



- 1 in 3 retail workers would be prepared to increase their working hours
- For those who would not want to work additional hours or would not want to change their current hours, over 70% indicated they would experience a reduction in leisure time by working extended trading hours

6.2 Workshops

The workshops were conducted in two locations to cater to both Mandurah-based stakeholders and Perth-based stakeholders. A total of four individual interviews were also conducted. Workshops and interviews had the main objectives of informing consulted stakeholders on the Cost Benefit Analysis process, identifying potential impacts associated with the proposed extended trading hours and collecting information to support the modelling of expected impacts. Figure 27 shows a summary of workshops and interviews.

Figure 27. Workshops Methodology

Method		Participants	When
Stakeholder Workshops	Workshop #1 Perth based stakeholders	<ul style="list-style-type: none"> • Steve Cuzens, Lease Equity • Arthur Abrahams, Loucoum Property • Richard Terhorst, Vicinity Centres • Megan Ross, Agora Property 	Wednesday 12 th of January 2022
	Workshop #2 Mandurah based stakeholders	<ul style="list-style-type: none"> • Andrew McKerrell, Peel CCI • Anita Kane, Visit Mandurah • Hayden Burbridge, Local Retailer 	Monday 17 th of January 2022
Interviews	Interviews (x4)	<ul style="list-style-type: none"> • Joe Rooney, Primewest • Jason Robertson, Australian Retail Association • Matthew Milner, Farmer's Jacks Halls Head • Rob Filmer, Mandurah IGA 	From 17 th of January to 1 st of February 2022

Source: Pracsys 2022

A full list of all stakeholders invited to consultation sessions is available in Appendix I: List of Stakeholders. Stakeholders were asked to provide input on expected responses and impacts on businesses, consumers and workers, and to provide an ideal outcome scenario for trading hours.



Main Findings

The main findings from the workshops and follow-up interviews have been summarised in the table below (Figure 28).

Figure 28. Main Findings

Expected Impacts
Consumers
<ul style="list-style-type: none"> • Might deter anti-social behaviour by having more foot traffic • Potential shift of spending from outside Mandurah to inside • Greater tourism and more tourism expenditure captured • Increase in liveability • Population retention • Spread trading hours over longer period of time might reduce congestion • Increase in residents and workers shopping In Mandurah, reduction of leakage to neighbouring areas • Reduction of travel time • Flexibility of shopping at most convenient time • Shoppers unlikely to change their behaviour and spend • Current shopping hours are suitable to the City’s population, and Thursday night as extra day with extended hours is sufficient • Online shopping is convenient and available 24/7 so ultimately no benefit for the consumer • Increase in prices if only major shopping centres remains open
Businesses
<ul style="list-style-type: none"> • Likely to affect specific small businesses more • Likely to affect specific retail types more (i.e. supermarket more than clothing store) • Increase in turnover for large retailers • Increase in turnover for small retailers in shopping centres that contain a large retailer • Reduction in turnover for small retailers • Flexibility: business can choose to open for longer or not • Later hours are not likely to be viable for small businesses • Small businesses can choose the opening hours that are most profitable to them (don’t have to open more or later hours just because large retailer does)



- Small businesses in shopping centres may be better able to cover fixed cost by opening more hours.
- Additional operating costs for small businesses
- Increased in turnover for small businesses from increased traffic
- Attraction of some brand name retail operators currently hindered by current limitations
- Extra competition might improve quality of offering
- Smaller retailers might struggle to find staff and/or pay staff for the extra hours
- Small independent businesses will likely see a reduction of turnover and have to close down
- Businesses will likely not see an increase in profits

Workers

- Additional employment for retail workers and other workers at shopping centre (cleaners, security)
- Potential reduction in need for child care as partner could care for child after hours
- Potential increase in need for afterhours childcare for single parents
- Provide part-time, casual work outside normal working hours
- Smaller businesses might need to let existing staff members go to cover the costs/loss in turnover
- Youth unemployment would not change as extended hours are not desirable hours to work
- Reduction of employment for centres already trading extended hours as a result of loss of turnover and diminution of foot traffic
- Potential reduction of leisure time for business owners
- No additional employment

Source: Pracsys 2022

These findings have been combined with the literature review to guide the modelling for the CBA.



7 IMPACT MODELLING

This section of the report aims to discuss and quantify, where possible, the impacts (benefits) associated with the proposed extended trading hours. Due to the nature of some of the identified impacts, only certain costs/benefits can be successfully expressed in monetary value.

7.1 Theory of Change

Impact Pathways are central to developing economic and social impact estimates for the CBA. Impact Pathways are a method of summarising the process by which value is created through a project or policy change (Figure 29).

Figure 29. Impact Pathways Approach



Source: Pracsys (2022) based on the SROI Network **International’s Guide to Social Return on Investment 2015**

The identified impacts are then monetised by using the ‘benefit transfer’ method – drawing values (through financial proxies) from high-quality studies and applying them to the context in question. The consistent quantification of metrics allows the direct comparison of project costs and benefits, summarised in the Benefit Cost Ratio (BCR). Identified impacts derived from literature review and consultation are summarised below.

Figure 30. Identified Impacts

Impact	Type
Costs	
Turnover Impact for Activity Centres with Small-Medium Retail Anchor	Quantifiable
Additional Cost to Consumers	Quantifiable
Reduction of leisure time	Quantifiable
Benefits	
Reduced Turnover Leakage	Quantifiable
Turnover Impact for Centres with Large Retail Anchor	Quantifiable
Reduction of Online Leakage	Quantifiable
Employment (Net Impact)	Quantifiable
Nighttime Economy and Tourism Spend	Quantifiable (not included in CBA)
Smooths peak demand allowing social distancing	Quantifiable



Impact	Type
Increase in Liveability	Qualitative
Reduced Travel Time	Qualitative

Source: Pracsys 2022

7.2 Gravity Modelling Methodology

Pracsys uses a proven retail gravity model methodology to examine the supply of and demand for retail floorspace within a defined catchment and estimate the potential impact of the extended trading hours. The **Retail Gravity Model (also known as Huff's Gravity Model)** is a modified version of Sir Isaac Newton's Law of Gravitation. The Gravity Model is a popular model widely used in international trade modelling, transport modelling and regional planning. Retail Gravity modelling studies retail supply, and the probability of a customer (demand) visiting a particular centre. The model accounts for the distribution and attractiveness of competing centres, along with the distance a customer will have to travel to each centre. Floorspace quantum (m²) is generally used to represent the attractiveness of retail centres where the same trading hours apply. Customers are willing to travel farther to shop at large centres, representing a higher level of attraction (they can generally satisfy multiple needs in one trip to a larger centre, which also contains a higher proportion of comparison goods). For the purpose of this study, Pracsys added an additional component to the gravity model calculation, to account for opening hours and their influence on attractiveness. Opening hours were combined with floorspace quantum, providing a new attractiveness variable that could be used to test the impact associated with extended trading hours.

The model provides an objective method of distributing expenditure among centres. Calibration is used to match the calculated distribution of expenditure to actual published turnover levels, optimising the model outputs. Having established a benchmarked current distribution of expenditure, new trading hours can be introduced and changes in expenditure distribution across centres can be examined. This comprehensive approach creates a distribution of expenditure that is fundamentally unbiased, as it is based on mathematical rules. It is a widely used approach that has been accepted by the Department of Planning, Lands and Heritage and Western Australian Planning Commission (WAPC) through the review of a wide range of Structure Plans, Local Commercial Strategies and Retail Sustainability Assessments.²⁸ For more information on the gravity modelling methodology applied to this study and floorspace quantum calculation, please see Appendix II: Gravity Model Methodology.

²⁸ For example, in April 2014, the West Australian Planning Commission approved the Melville City Centre Structure Plan, which proposed the expansion of the Garden City shopping centre. The RSA prepared by Pracsys in support of the application was based on gravity modelling. Please see Melville City Structure Plan 2015.

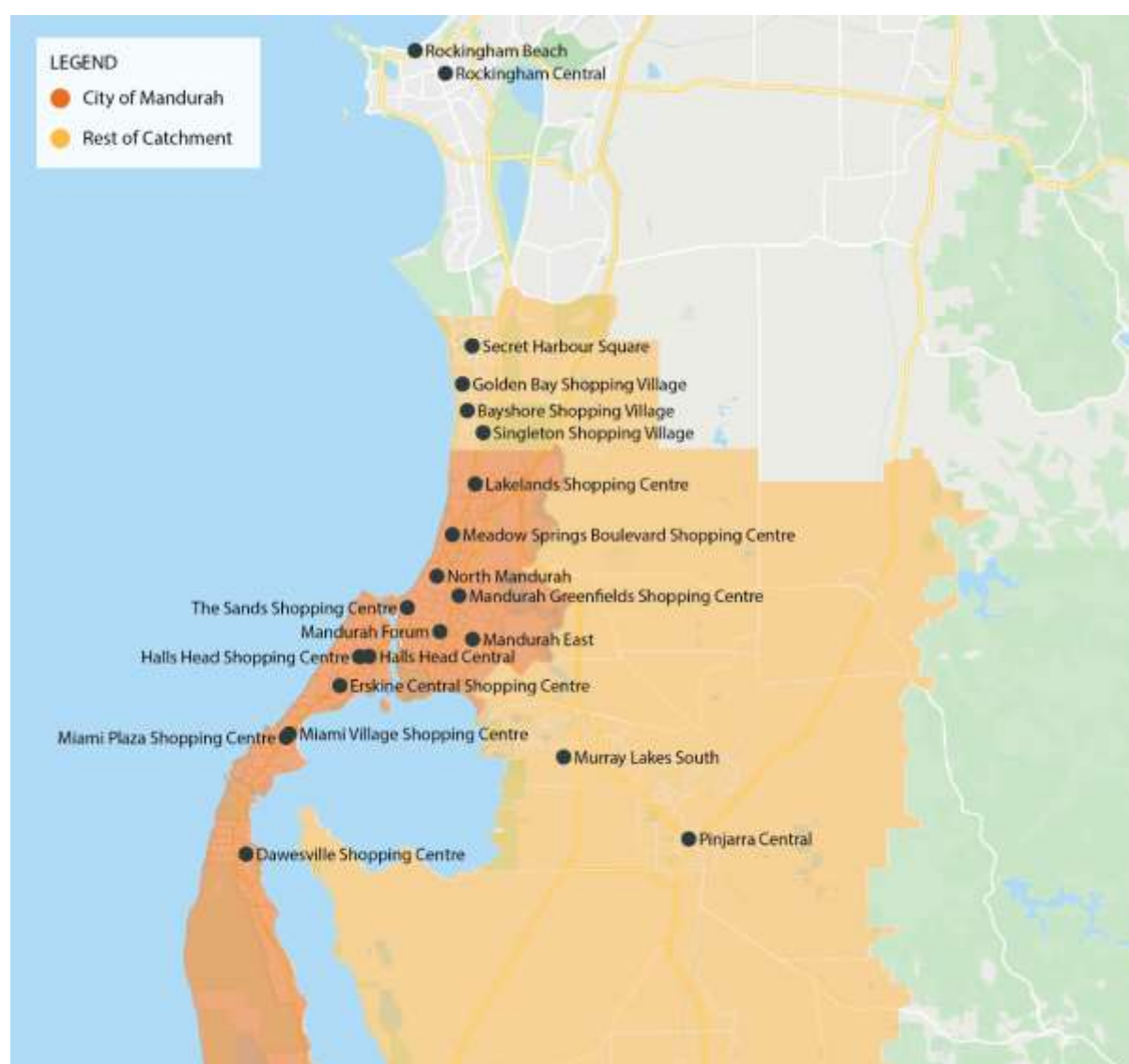
Current Supply

This section provides an overview of the competitive environment. The floorspace for the catchment was estimated through data from multiple sources:

- The Department of Planning Land Use Survey (2015/17)
- Property Council Shopping Centre Directory (2018)
- Desktop analysis of expansions and new development after 2018

A total of 60 centres containing shop / retail floorspace within the Trade Area were included in the analysis. The trade area includes a wide range of retail offerings, from Mandurah Forum to various local level centres. A selection of centres within the supply network is illustrated below.

Figure 31. Selection of Current Supply



Source: DPLH Land Use and Employment Survey 2015/17, Pracsys 2022



A review of relevant planning documents and desktop analysis was used to identify expansions that may have occurred since the most recent land use survey published in 2016/17.

Figure 32. Expansions and Developments Post 2015

Centre	Previous NLA (m ²)	Expanded NLA (m ²)	Additional NLA (m ²)
Mandurah Forum	31,556	57,628	26,072
Halls Head Commercial Centre	nil	9,200	9,200
Greenfields Commercial Centre	nil	5,326	5,326
Lakelands Shopping Centre	nil	21,170	21,170
Singleton Shopping Village	nil	4,000	4,000

Source: Pracsys 2022

After the inclusion of the completed expansions and developments, the total Shop (SHP) floorspace within the trade area has been estimated at 338,162m².

Figure 33. Trade Area Retail Supply Network

Centre	Shop Floorspace (m ²)
Mandurah	
Mandurah Strategic Metropolitan Centre	57,628
Lakelands Shopping Centre	21,170
Halls Head Central, Halls Head Shopping Centre	21,093
Mandurah Central	19,969
North Mandurah	18,130
Miami Plaza Shopping Centre, Miami Village Shopping Centre	10,802
The Sands	10,068
Meadow Springs Boulevard Shopping Centre	8,055
Marina	5,368
Mandurah East	4,300
City Centre (Bird Cameron)	4,130
Erskine Central Shopping Centre	3,552
Mandurah Greenfields Shopping Centre	3,551
Dawesville Shopping Centre	3,160
Greenfields Shopping Centre	1,506
Aldi Anstruther Road	1,350



Centre	Shop Floorspace (m ²)
Lakes	1,230
Old Bridge IGA	1,000
IGA Seascapes	877
Erskine	550
Falcon	550
Peel Isolated Uses	290
Parkridge	220
Dudley Park	200
Casuarina Drive	200
Roberts Point	200
Herron	130
Fairbridge	80
Rockingham	
Rockingham Central	63,978
Secret Harbour Square	15,000
Rockingham Beach	13,848
Enterprise	7,298
Singleton Shopping Village	4,000
Aldi Rockingham	1,600
Isolated Service Stations	800
Golden Bay Shopping Village	737
Bayshore Shopping Village	527
Foreshore Village	330
Golden Bay	307
Shire of Murray	
Pinjarra Central	9,834
Spudshed Furnissdale	2,000
Barragup	1,350
Austin Lakes IGA	1,000
Pinjarra South	891



Centre	Shop Floorspace (m ²)
Ravenswood	555
Murray Lakes Centre	386
North Yunderup Road	340
Carcoola	250
Murray Lakes Resort	200
North Dandalup	130
Fairbridge	80
Coolup	75
53 Mile Roadhouse	50
Pinjarra North	40
Total Floorspace	338,162

Source: DPLH Land Use and Employment Survey 2015/17, Vicinity Centres Direct Portfolio Property Book 2020, Pracsys 2022

Where applicable, available published turnover from centres in the trade area has been used to calibrate the model (Figure 34)

Figure 34. Available Centres Turnover

Centre	Reported Turnover	Source
Rockingham Centre	<i>Commercial Confidence</i>	Vicinity Centres, 2021
Mandurah Forum	<i>Commercial Confidence</i>	Vicinity Centres, 2021
Halls Head Central	<i>Commercial Confidence</i>	Vicinity Centres, 2021
Greenfields Shopping Centre	\$56,888,085	Shopping Centre Directory, 2018
Mandurah IGA	<i>Commercial Confidence</i>	Mandurah IGA, 2018

Source: Pracsys 2022

Where reported turnover was not available, industry benchmark viability levels were used to calibrate centres at a high-level based on the types of uses they provide (Figure 35).

Figure 35. Benchmark Productivity Levels

Retail Category	Productivity (\$/m ²)	Example Use
Take Home Food	10,000	Grocery
Take Home Liquor	9,000	Bottleshop
Dine Out Food	6,500	Restaurant



Retail Category	Productivity (\$/m ²)	Example Use
Clothing/Footwear	5,000	Comparison
Convenience Retail	7,000	Deli / pharmacy
Bulky Goods Retail	5,500	Showroom

Source: Colliers 2017

Where applicable, centre turnover has been calculated based on the proportion of centre revenue likely to be derived from the Trade Area (i.e. the retail turnover of centres at the boundary of the Trade Area has been adjusted to account for the proportion of turnover they would expect to capture from the Trade Area).

Scenarios Tested

The model accounts for population growth in the network to estimate current and future levels of turnover at the centres in question. Two option scenarios were modelled:

- Scenario 1: Extension of trading hours to match proposed change (+15 trading hours from current)
- Scenario 2: Extension of trading hours to match Perth Metropolitan hours (+11 trading hours from current)

Scenario 1 – Extension to match proposed change

This scenario assumes that trading hours will be extended to match what is currently proposed bringing permissible total weekly trading hours from 70 to 85 a week.

Figure 36. Scenario 1 Trading Hours

Day of the Week	Current	Proposed	Difference
Monday	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Tuesday	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Wednesday	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Thursday	08:00 – 21:00	08:00 – 21:00	No Change
Friday	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Saturday	08:00 – 18:00	08:00 – 18:00	No Change
Sunday + Public Holidays	10:00 – 17:00	08:00 – 18:00	+3hrs
Exclusions: Christmas Day etc.	Closed	Closed	No Change
Total	70 hours	85 hours	+ 15 hours

Source: Pracsys 2022

The key assumptions to undertake an assessment of the impact of the proposed change are as follows:



- Current trading hours have been set to a total of 70 for all centres included in the modelling, with the exception of centres in the area already trading extended trading hours (81 hours per week) including those outside of the City of Mandurah and small-medium retail anchor in the City of Mandurah (i.e., IGA and Farmer Jack’s)
- Proposed trading hours have been extended, as proposed, to 85 hours per week, with the exception of centres already trading extended hours, with the assumption that these centres will not further extend their hours of trade. This provides a conservatively large impact on centres within City of Mandurah
- Additional opening hours have been applied to the proportion of centre floorspace that is made up of large retailers

Scenario 2 – Extension to match Perth Metropolitan Centre hours

This scenario assumes that trading hours will be extended to match the Perth Metropolitan Area opening hours bringing permissible total weekly trading hours from 70 to 81 a week.

Figure 37. Scenario 2 Trading Hours

Day of the Week	Current	Proposed	Difference
Monday	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Tuesday	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Wednesday	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Thursday	08:00 – 21:00	08:00 – 21:00	No Change
Friday	08:00 – 18:00	08:00 – 21:00	+ 3hrs
Saturday	08:00 – 18:00	08:00 – 18:00	No Change
Sunday + Public Holidays	10:00 – 17:00	11:00 – 17:00	-1hrs ²⁹
Exclusions: Christmas Day etc.	Closed	Closed	No Change
Total	70 hours	82 hours	+ 11 hours

Source: Pracsys 2022

The key assumptions to undertake an assessment of the impact of the proposed change are as follows:

- Current trading hours have been set to a total of 70 for all centres included in the modelling, with the exception of centres in the area already trading extended trading hours (81 hours per week)
- Proposed trading hours have been extended, as proposed, to 81 hours per week, with the exception of centres already trading extended hours, with the assumption that these centres will not further

²⁹ Perth Metropolitan Public Holidays hours vary every year. The alignment of the City of Mandurah to Perth Metro Area does not mean the City will be legally part of the Perth Metropolitan areas. The City will still have to apply annually for Christmas trading hours.



extend their hours of trade. This provides a conservatively large impact on centres within City of Mandurah

- Where applicable, centre turnover has been calculated based on the proportion of centre revenue likely to be derived from within the modelled trade area (i.e. the retail turnover of centres at the boundary of the Trade Area has been adjusted to account for the proportion of turnover they would expect to capture from the Trade Area)

7.3 Assumptions

For the purposes of the benefit estimation, it is assumed the proposed change will come into effect as early as the year 2022. Changes in the year of operation will not affect the Benefit to Cost Ratio but will shrink the Net Present Value of the total project and individual stage. This means that if the proposed trading hours extension represent a good value for money (a BCR over 1) it will remain good value for money even if the change come into effect at a later date.

Additional Costs and Benefits

For the purposes of the analysis, only the additional costs and benefits that would not have occurred but for the extended trading hours, were evaluated.

Community Perspective

The analysis has been undertaken from the perspective of the City of Mandurah community as a whole. This includes businesses, workers and residents. Applying this perspective allows the analysis to consider changes in turnover that accrue to the City of Mandurah from surrounding areas. At a wider scale any increase in turnover experienced by the City of Mandurah is a transfer from a neighbouring area (i.e. City of Rockingham). It should be noted that any changes in turnover experienced due to extended trading hours in the City of Mandurah would have been experienced in reverse when extended trading hours were implemented in the Perth Metropolitan area and Shire of Murray.

Discount Rate and Present Value

This analysis has been undertaken using the expected annual costs and benefits associated with extending retail trading hours as there is no upfront cost (i.e. capital outlay) and the costs and benefits are expected to maintain their current ratio. A present value analysis was undertaken to estimate the long term impact of the project using a 10 year timeframe. For monetised flows to be directly comparable, future costs and benefits **need to be discounted back to current dollar terms. This reflects society's preferences, which place greater weight on consumption occurring closer to the present, and the opportunity cost of the investment.** In the analysis, all future costs and benefits are discounted to obtain the present value of benefits and costs.

The rate that converts future values into present values is known as the discount rate. The office of Best Practice Regulation (2016) requires the calculation of present values at an annual real discount rate of seven percent (7%). This is consistent with NSW Treasury (2007) and USOMB (2003). As with any uncertain variable,



sensitivity analysis was conducted, so in addition to the 7% 'central' discount rate, the net present values were also calculated with real discount rates of 3% and 10%. The present value of total costs has been compared to the present value of total benefits over a 10-year period to calculate the Net Present Value (NPV) of the Project. As recommended by the Office of Best Practice Regulations (2016), present values are calculated at an annual real discount rate of 7%.

Impact Testing

The Draft State Planning Policy 4.2 states that a centre is considered insignificantly impacted if the turnover impact is less than 5%, moderately impacted if between 5.1% - 9.99% and considered significantly impacted when the turnover is reduced by 10% or above.³⁰ Impact testing has been undertaken in alignment with Draft SPP4.2 Guidelines which are generally used to assess retail expansions or new developments.

Figure 38. Impact Percentages for Turnover Impact

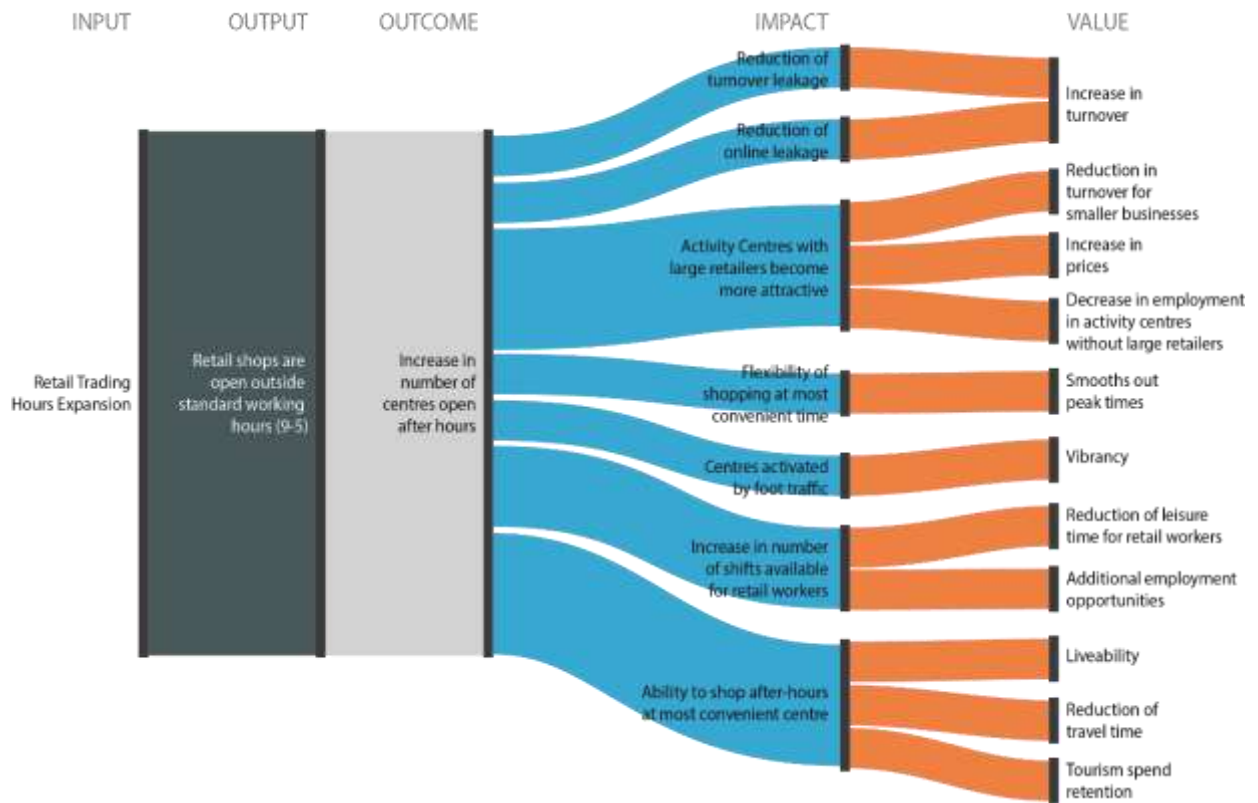
Turnover Impact (%)	Level of Impact
Less than 5%	Minor/ Insignificant
5.1% - 9.99%	Moderate
10% and above	Significant

Source: SPP 4.2 Implementation Guidelines 2021, Pracsys 2022

³⁰ State Planning Policy 4.2 Implementation Guidelines, May 2020



7.4 Impact Pathways



Source: Pracsys 2022



8 VALUING IMPACTS

This section of the report aims to discuss and quantify, where possible, the impacts (benefits/costs) associated with each outcome identified in Section 7. Due to the nature of the impacts associated with extending retail trading hours, only certain impacts can be successfully expressed in monetary value.

8.1 Reduced Turnover Leakage from City of Mandurah

Retail modelling examines consumer behaviour to understand how consumers make their purchasing choices. It is commonly understood that the more attractive an activity centre is, the more consumers will go there to shop. Centre attractiveness includes a number of variables such as diversity of offering, quantum of offering and availability of offering (i.e. opening hours). The activity centre hierarchy in Mandurah is currently less attractive as a whole compared to neighbouring areas as a number of major centres are anchored by large retail tenants that have restricted opening hours.

The potential to reduce retail leakage from the City of Mandurah was identified as a key positive benefit of extending trading hours through stakeholder consultation. Key findings from the literature review include:

- A 2011 report developed out of the University of Western Australia highlighted that when Victoria deregulated in 1996, sales grew faster there than in any other State. Similarly, when Tasmania deregulated in 2002, over the following three years it experienced 26 per cent growth in retail sales compared with an Australia-wide growth rate of 17 per cent³¹.
- Interstate trends indicate that when retail trading is deregulated spending increases overall and consumers do spread their time of shopping out over available hours³²
- Sales in the retail industry increase with the extension of opening hours³³

While these findings support the hypothesis that extended trading hours contribute to greater turnover levels, they do not address leakage specifically as they are assessing an area as a whole (i.e. a State or Territory) and not how spending changes with relation to a neighbouring area. The Trading Hours Review Issues Paper from the Office of Industrial Relations (QLD) identified negative impacts on regional Towns from changes to extended trading hours. The areas neighboring the City of Mandurah (the Perth Metropolitan area and the Shire of Murray) have already extended their trading hours. It is likely that this change reduced the level of turnover to both small and large retailers in the City of Mandurah; in line with the findings from the literature review. Extending the trading hours in the City of Mandurah would then mitigate the potential negative impact from extended trading hours in the Perth Metropolitan area and Shire of Murray. This is supported by the findings from the randomized telephone survey, which found that there would be an estimated 15% reduction in residents shopping outside of the City after 6pm.

³¹ Time to Open – Retail Trading Hours in WA. A Case for Reform

³² Statutory Review of the Retail Trading Hours Act 1987

³³ Denmark Ministry of Trade and Industry, An Analysis of the Danish Shops Act – Consequences for shops, consumers and employees



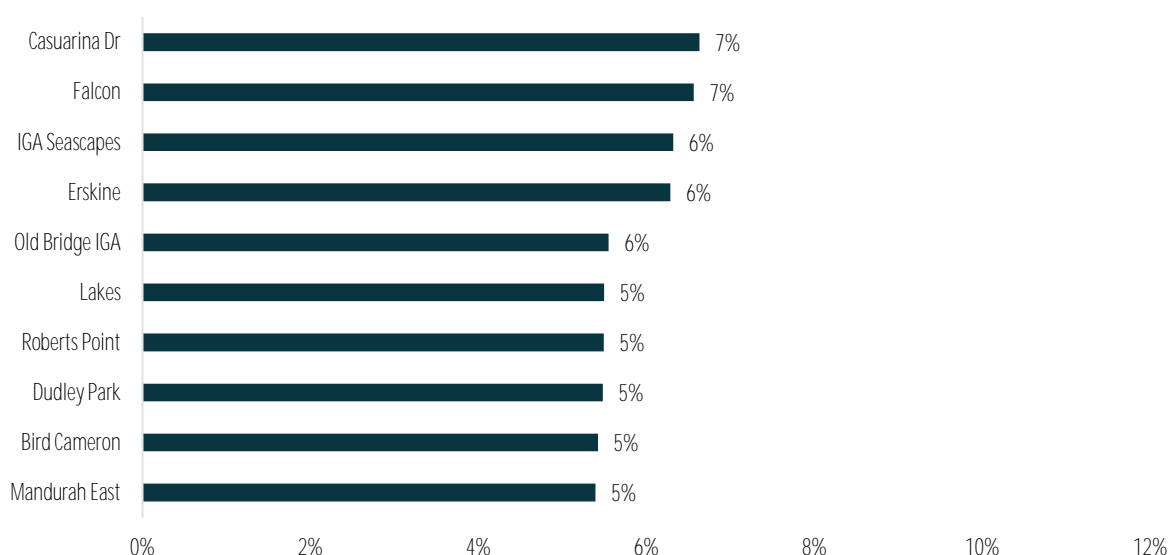
Gravity modelling was used to estimate the benefit associated with reduced turnover leakage to areas outside of the City of Mandurah. The extended trading hours would support a reduced turnover leakage from the City of approximately \$8 million per annum, or 0.7% of the current total City of Mandurah turnover.

8.2 Turnover Impact on Activity Centres with Small-Medium Retail Anchor

Retail modelling allows us to measure the changes in shopping behaviour between centres when attractiveness levels are changed. Within the City of Mandurah, centres that include large retail anchor tenants will become more attractive through extended trading hours. Centres that include small-medium anchor tenants (i.e. IGA, **Farmer Jack's**) will not gain attractiveness from the extended trading hours as it is assumed the anchors are already trading extended trading hours and they will not further extend their hours as it is not in their financial interest (it is assumed that if it was in their financial interest to open more hours they would already do so). It has been assumed that the impact on these centres is representative of the potential impact on small businesses. It should be noted that some small businesses located in activity centres that have large retail anchors will benefit from the extended trading hours.

Gravity modelling was used to measure the effect of the extended trading hours on small businesses in the identified activity centres. The modelling identified an average impact across these centres of -\$17 million in turnover; approximately 4% of their combined total turnover. The most impacted centres are:

Figure 39. Scenario 1 – Impact Results Top 10 Centres



Source: Pracsys 2022

The highest centre turnover impact is 7% and is considered moderate based on Draft SPP4.2 impact categories. It is not expected that this decrease in turnover would affect the viability of any centre. This cost



to small-medium retailers is described in economics as a transfer as it will be accrued as a benefit by activity centres with a large retail anchor.

The analysis has assumed that consumer behaviour will follow general rules around the attractiveness of centres and that the full impact of the extended trading hours would be realised by retailers in activity centres that do not have a large retail anchor. There are a number of ways in which centres can increase their attractiveness and reduce the potential impact of extended trading hours. This is highlighted by the survey results which indicated that there would be a net positive shift of expenditure towards small businesses through extended trading hours based on consumer preferences.

8.3 Reduced Online Leakage

Local businesses often rely on the local community for business. The rise of online shopping leads to economic leakage out of the local economy which can have negative repercussions on local businesses and particularly small businesses. Online shopping is enticing to consumers for a variety of reasons including the ability to purchase items at any time of the day, the tax savings, and the better production selection. A loss of local income can restrict the growth of the local economy including leading to loss of jobs and taxes.³⁴ Online shopping is predicted to reduce the amount of money circulating in the local economy by 32%.³⁵

The literature review identified the potential for extended retail trading hours to assist brick and mortar stores in competing with online vendors. This was further corroborated by the randomised telephone survey which found that current retail trading hours were an important reason contributing to resident online expenditure. The survey results indicated that for residents who shop online for this reason, their online expenditure would be reduced by approximately 20% based on the proposed extended trading hours. This equates to a reduction of total online expenditure of approximately 3%. The Pracsys gravity model assumes an online leakage of approximately 11.1%; based on the identified reduction in online leakage, it is estimated the extended trading hours would result in a \$5 million benefit through reduced online turnover leakage.

8.4 Additional Cost to Consumers

Literature review identified potential impacts through both the potential reduction and increase of costs to consumers as a result of extended trading hours. One study identified that the extension of retail trading hours could favour larger centres, leading to an increased market power of larger shops that results in a monopolistic or oligopolistic equilibrium characterised by higher prices³⁶ However, literature review also identified that with deregulation of trading hours, shoppers have better opportunities to search for the cheapest shop resulting in lower prices overall. The potential for a price increase was also identified by some stakeholders during consultation.

³⁴ Distinct, 2020, *How Online Sales Impact the Local Economy: The Good and the Bad*

³⁵ LOCO BC, 2015, *The Impact of Online Shopping on Local Business*

³⁶ Shopping Hours and Price Levels in the Retail Industry: a Theoretical and Empirical Analysis



There was limited evidence to quantify the proposed positive or negative effect of retail trading hours. There is however a difference in the average price paid when shopping at an IGA compared to a Coles or Woolworths, with research finding that consumers spend more per shopping trip at large retailers than IGAs. The difference between the average price for goods at major retailers and the average price for goods at IGAs was used to calculate the difference in prices for consumers as a result of the shift in turnover from minor to major retailers. A potential increase in price was quantified at \$442,400.

It should be noted that this increase in cost could be justified in economic terms based on the ability of the consumer to choose to shop at the cheaper store. This would mean that the utility for the consumer of shopping at a major retailer would be higher than shopping at an IGA; this could be due to a wider range of goods, brand awareness, and other factors. For the purpose of this analysis the higher price paid is assumed to be a cost to the consumer that does not reflect a higher marginal utility.

8.5 Employment

The employment impact was identified as both a positive and negative impact by consulted stakeholders. The literature review identified similar potential impacts. Research in Queensland identified a potential multiplier **effect of IGA's in regional towns** due to their greater contribution to the local community.³⁷ The research indicates that a reduction in turnover at a regional IGA could result in a higher-than-average loss of employment in the wider economy compared to a larger retailer. The report indicated that IGAs forced to compete in metropolitan areas would likely have to sacrifice this higher contribution to remain viable.

This analysis considers only direct employment changes associated with increases and decreases in turnover and no multipliers have been applied. Additionally, it is unclear the level to which the IGAs in Mandurah are forced to compete due to their proximity to the Perth Metropolitan area. It should be noted however that there may be a greater employment impact on other businesses from a reduction in direct turnover/employment at an IGA.

Turnover has been used as the metric for estimating employment changes due to the extended trading hours. This allows for retail output averages to be used to calculate Full Time Equivalent employment opportunities and accounts for casual, part-time and full-time employment.

The reduction in turnover at activity centres that have a small-medium business anchor has been used to estimate the employment impact for these businesses. It is estimated that there would be a reduction of approximately 110 FTE jobs at activity centres anchored to small-medium businesses.

The increase in turnover at activity centres with large retail anchors has been used to estimate the relevant increase in employment. These centres will capture turnover from both centres within the City and outside of the City. It has also been assumed that online leakage would also accrue to large retailers.³⁸ Total turnover

³⁷ Carmignani F (year not stated), The Effects of Deregulating Retail Trading Hours in Queensland. Available from: <https://s3.treasury.qld.gov.au/files/submission-134-a2.pdf>

³⁸ This does not affect the total impact numbers as online leakage accruing to small businesses would be additional employment.



captured is therefore approximately \$30 million and generates approximately 197 FTE jobs. The net employment impact of the extended trading hours is therefore approximately 86 FTE jobs within the City of Mandurah.

Figure 40. Employment Change in City of Mandurah

Employer	Change in Employment
Activity Centres with Small-Medium Retail Anchor	-110 FTE
Activity Centres with Large Retail Anchor	+197 FTE
All City of Mandurah Activity Centres (Net Employment Impact) ³⁹	+86 FTE

Source: ABS HHES 2018/19, Pracsys 2022

The net employment impact has been broken down to understand the potential impact on Youth (Under 25) and Females in the City (Figure 41).

Figure 41. Employment Breakdown by Sub-demographic⁴⁰

Demographic	FTE	Full-Time	Part-Time
Under 25	28	7	43
Female	56	18	76

Source: ABS HHES 2018/19, Pracsys 2022

Under 25s have an unemployment rate of approximately 12% in the City of Mandurah. The extended trading hours could contribute to reducing unemployment in this demographic by up to 0.39% per person. The unemployment rate for the Female population in the City was approximately 5% in 2016. The extended trading hours could contribute to reducing unemployment in this demographic by up to 0.25%.

8.6 Reduced Leisure Time

Leisure time is fundamental to the health and wellbeing of the community. Leisure happens during time that is not work or other obligations like chores. It includes activities such as sport, spending time with family and friends, and participating in arts. There are several benefits of engaging in leisure including stress reduction, relaxation, self-development, the building of social relations, and includes economic benefits.⁴¹ Leisure can also have a flow on affect into workers productivity levels, work ethic and creativity. Workers are more likely to feel good at work, have stronger working relations and have greater personal potential.⁴² When workers

³⁹ Figures do not sum due to rounding error

⁴⁰ It has been assumed that Part-Time employees make up 50% of an FTE. This is consistent with ABS Input-Output tables. These categories overlap, the fact that they add up to almost total net employment is coincidental.

⁴¹Frontiers in Public Health, 2021, *The Influence of Leisure Activity Types and Involvement Levels on Leisure Benefits in Older Adults*

⁴² South African Journal for Research in sport, Physical Education and Recreation, 2012, *Does Leisure have an Effect on Employee's Quality of Work Life*



leisure time is impeded, this may have negative consequences on their wellbeing and their performance at work.

A number of reports issued by the Productivity Commission, the University of Western Australia and the Economic Regulation Authority found no evidence to support a link between extended trading hours and a reduction of time participating in family life, sports and community activities, and church going.⁴³ Consultation identified potential positive and negative impacts on leisure time for employees with a particular impact identified for small business owners who may have to work additional hours if they cannot find an employee to work certain hours. Consultation also identified potential impacts on needs for childcare for the workers covering additional/out of hours shifts. Reduced leisure time can affect the availability of providing childcare, but it can also assist some people in getting back into the workforce by providing outside normal hours shifts.

The survey identified that almost 50% of retail industry workers would not want to or would refuse to work outside of current trading hours. Approximately 70% of these workers stated that working outside of current trading hours would affect their leisure time. It is possible to quantify the potential disbenefit associated with this loss of leisure time by using a proxy value for time spent undertaking leisure activities.

Leisure time was calculated based on a value of \$15.14 per hour (2022 dollars) using Australian Transport Assessment and Planning guidelines that place the value at 40% of seasonally adjusted full time average weekly earnings in Australia.⁴⁴ It was assumed that the reduction of leisure time would be experienced by partners and/or children of the identified workers. ABS data indicated that the average retail worker in the City of Mandurah lives in a household with approximately one other person (the average includes single households). Potential lost leisure time associated with the extended trading hours results in an estimated cost of \$1,540,438 per annum.

It should be noted that the estimated disbenefit associated with lost leisure time is intrinsic, meaning it is an intangible disbenefit potentially experience by the workers. In economics, the income earned while working additional hours is considered compensation for disbenefits such as lost leisure time (i.e. the utility provided by earning money for working is greater than the disutility of working). The benefit associated with income earned during working hours is captured by the net turnover increase in the City. The difference between the income earned by employees and the estimated disbenefit of lost leisure time would represent the net impact of extending trading hours.

⁴³ Statutory Review of the Retail Trading Hours Act 1987

⁴⁴ ATAP 2013, Travel Time. Available from: <https://www.atap.gov.au/parameter-values/road-transport/3-travel-time>



8.7 Night-time Economy and Tourism Spend

A vibrant night-time economy can add a sense of uniqueness to a location. It can lead to increased social cohesion and inclusion, encourage creative industries, develop tourism and support local economies.⁴⁵ An improved night-time economy assists local businesses by providing increased opportunities for customer transactions while also serving to attract visitors, particularly young demographics. Collaboration among businesses within different sectors is vital for a vibrant nightlife that is beneficial to businesses.⁴⁶ The extended trading hours will allow large retailers to remain open, supporting additional activity that can then be captured by other businesses in the night-time economy. Increased activation would also contribute to higher levels of vibrancy and perceived safety, providing a positive cycle for attracting night-time activity.

The literature review identified the potential for improved activity centre vibrancy associated with extended opening hours. Some of the relevant key findings include:

- Enhancing the vibrancy of local community hubs by encouraging consumers to spend in their local precincts, rather than online
- Attracts and retains tourists who add monetary and cultural value⁴⁷
- Might deter anti-social behaviour by having more foot traffic

A number of stakeholders indicated they believed there would be limited benefit to activity centres as there are a limited number of persons that would shop during the extended periods. The randomised telephone survey found that many residents who currently shop outside the City after 6pm would shop in the City if trading hours were extended. It is expected that there will be some level of increased activation during the extended trading hours that contributes to the night-time economy. Although the benefit to the night-time economy associated with extended trading hours is difficult to measure and quantify, the potential increased tourism expenditure through extended trading hours can be quantified.

Tourism spend increase was calculated using Tourism WA data on Local Government areas for intrastate travellers. Tourism spend in Mandurah was benchmarked against tourism spend in the Destination Perth tourism region, with the assumption the difference in daily spend is related to the difference in the extended trading hours between the two areas. The difference between average daily domestic spend for the Destination Perth tourism region (\$124 per day) and average daily domestic spend in the City of Mandurah (\$102 per day) was used to calculate future expenditure, based on the average number of tourism nights reported from 2017 to 2019⁴⁸. Only the spend attributable to Grocery and food stores was used, which was estimated to be 12% of total reported daily average tourism expenditure⁴⁹. The total tourism spend retention was calculated at \$2 million per annum. This benefit has not been included in the Cost Benefit Analysis as

⁴⁵ LGIU, 2016, *Building a Vibrant Night Time Economy*

⁴⁶ LGIU, 2016, *Building a Vibrant Night Time Economy*

⁴⁷ Time to Open – Retail Trading Hours in WA A Case For Reform

⁴⁸ City of Mandurah and City of Perth Overnight Visitor Factsheet 2017/18/19, Tourism Western Australia

⁴⁹ Tourist Spend Insights Provide Unprecedented View of Global Tourism, Center for International Development at Harvard University, Frank Neffe, Sid Ravinutala and Bruno Zuccolo



there are other factors that contribute to tourism expenditure such as event prices, availability of experiences, etc. This is therefore the maximum benefit tourism benefit that could be expected due to the extended retail trading hours.

8.8 Liveability

Liveability is a term frequently used to refer to the characteristics of a city, urban area or town that make people willing to live there. While the definition is highly subjective, depending on the specific geographic and cultural context, the definition considered most relevant for the City of Mandurah is:

“...the attractiveness of an area as a place in which to live, work, invest, and do business.”

Studies have identified direct links between high levels of liveability and positive changes in society such as lower crime, better health, higher educational attainment, and better economic growth. In addition, a strong sense of place can lead to increased retention of a skilled and educated population.

There are a wide range of factors that enhance a community and make it a desirable place to live. The literature review identified the potential for a negative impact on public access to goods and services where retail hours are restricted. Studies have shown that accessibility to healthy food is a strong indicator of wellbeing in a community⁵⁰. The net increase in employment will improve the liveability of the City from a worker perspective and the more flexible opening hours may attract investment from businesses that previously would not locate in Mandurah.⁵¹

The stakeholder consultation identified a mix of opinions on the effect of extended hours and impacts related to liveability. Some were of the opinion that it would provide greater flexibility for the community to access goods and services when they wanted. Others indicated that they did not believe there was a need to access goods and services during the extended hours, therefore limiting the potential benefit from providing access at these times.

The randomised telephone survey identified that many residents that currently access goods and services outside the City after 6pm would access these goods and services within the City if retail trading hours were extended. This indicates that the proposed change would signify less travel time for after-hours shoppers and better access to a variety of convenience shopping.

Travel Time

Reduction of travel time to access goods and services can be used as a proxy to represent the increase in liveability associated with extended trading hours. The potential reduction in travel distance was calculated based on gravity modelling estimates for the average distance a household would travel for shopping (between 5km and 6km). Total annual driving distance was then estimated based on an estimate of average

⁵⁰ Creating liveable cities in Australia May 2018 A scorecard and priority recommendations for Western Australia

⁵¹ According to stakeholder consultation.



shopping trips per week of 1.61 per household.⁵² An average driving speed of 60km per hour was assumed to estimate total driving time.

The reduction was calculated based on the difference between current travel time and travel time with extended trading hours for residents of the City of Mandurah. The total reduction of travel time was then multiplied by the proxy for leisure time (\$15.14 per hour).⁵³ The total benefit of the reduction of travel time was estimated to be \$40,000 per annum.

8.9 Smooths out peak periods

Supermarkets represent one of the main hubs where a large number of people mix indoors throughout the pandemic and are thus a potential risk area for the virus Covid-19. Studies demonstrate that the number of customers (both infectious customers and susceptible customers) in the store increases linearly with the arrival rate⁵⁴. Workshops identified a potential reduction in risk of exposure to Covid-19 at shopping centres due to extended retail hours. This is due to the potential smoothing of peak shopping periods, which is an identified positive impact from the literature review.

Extending retail trading hours might allow more flexibility for consumers to shop at different times of the day and assist supermarkets with Covid-19 containment strategies, such as limited number of customers in store and/or social distancing requirements. This ultimately will benefit society reducing the number of infections and potential deaths from the virus, as well as isolation days which currently limit the ability for some occupations to work. This benefit has not been quantified.

8.10 Cost-Benefit Summary

Sensitivity analysis was conducted on the two scenarios:

- Scenario 1 (Proposed Change): Extension of trading hours to match proposed change (+15 trading hours from current)
- Scenario 2: Extension of trading hours to match Perth Metropolitan hours (+11 trading hours from current)

For both scenarios, total costs have been compared to total benefits to calculate the Net Value (NV) (Figure 42).

⁵² Finder 2021, Supermarket Statistics 2021. Available from: <https://www.finder.com.au/supermarket-statistics-2021>

⁵³ ATAP 2013, Travel Time. Available from: <https://www.atap.gov.au/parameter-values/road-transport/3-travel-time>

⁵⁴ Modelling COVID-19 transmission in supermarkets using an agent-based model, Fabian Ying, Neave O'Cleary



Figure 42. Total Costs and Benefits

Type	Scenario 1	Scenario 2
Costs		
Turnover Impact for Activity Centres with Small-Medium Retail Anchor	(16,952,199) ⁵⁵	(12,247,836) ⁵⁶
Additional Cost to Consumers	(442,400)	(329,967)
Reduction of Leisure Time	(1,430,179)	(1,172,670)
Benefits		
Reduced Turnover Leakage	\$8,249,890	\$6,118,472
Turnover Impact for Centres with Large Retail Anchor	\$16,952,199	\$12,247,836
Reduction of Online Leakage	\$4,865,871	\$4,635,751
Employment (Net Impact)	86 FTE	70 FTE
Night-time Economy and Tourism Spend	Not Included in CBA (\$2 million)	
Smooths peak demand allowing social distancing	Qualitative	Qualitative
Increase in Liveability	Qualitative	Qualitative
Reduced Travel Time	\$40,301	\$30,215

Source: Pracsys 2022

The Net Value and Benefit Cost Ratio (BCR) for each scenario has been calculated based on the ratio of present value benefits to present value costs (Figure 43).

Figure 43. BCR by Scenario

	Scenario 1	Scenario 2
Total Cost	(\$18,824,777)	(\$13,750,473)
Total Benefit	\$30,108,260	\$23,032,274
BCR	1.60	1.68
Net Value	\$11,283,483	\$9,281,801

⁵⁵ Equates to 4% of total turnover for small-medium retail anchor

⁵⁶ Equates to 3% of total turnover for small-medium retail anchor



Source: Pracsys 2022

The analysis estimates a BCR of 1.60 for the proposed retail trading hours extension, indicating that for every dollar invested there is approximately \$1.60 of benefits generated for the City of Mandurah. The results show that extended trading hours will have a positive overall impact for the community of the City of Mandurah. Scenario 2 achieves a higher ratio of benefits to costs with a BCR of 1.68. Scenario 1 however provides a greater net benefit to the community with a Net Value of \$11 million.

8.11 Longer Term Impact

The Net Present Value (NPV) and Benefit Cost Ratio (BCR) over a 10-year timeframe (from 2022 to 2032) were calculated for both scenarios.

Figure 44. Net Present Value Over 10 Years

	Scenario 1	Scenario 2
Present Value Cost	\$151,008,920	\$110,303,781
Present Value Benefit	\$241,522,956	\$184,760,689
BCR	1.60	1.68
Net Present Value (NPV)	\$90,514,036	\$74,456,908

Source: Pracsys 2022

The proposed change is expected to bring a have a total Net Present Value (NPV) of \$90,514,036 over a 10-year timeframe.



9 CONCLUSION

The cost-benefit analysis presented in this report estimates the impacts of the proposed retail trading hours extension for general shops in the City of Mandurah. Context Analysis, literature review and stakeholder consultation helped in the identification of trends and potential factors that could influence value for money of the proposed change. There is extensive research on the potential impacts of extending retail trading hours with findings of both positive and negative impacts. Potential impacts are considered within the local context to **understand whether the proposed changes will achieve a positive outcome for the City of Mandurah's** community, including the general public, workers and businesses. Two scenarios with hours were tested:

- Scenario 1: based on the proposed extension to +15 hours from current
- Scenario 2: the alignment of City of Mandurah to Perth Metropolitan trading hours equating to + 11 hours from current

The following main impacts were identified:

Costs

- Turnover Impact for Activity Centres with Small-Medium Retail Anchor: on the assumption that activity centres with larger retailers will become more attractive when able to trade extended hours
- Additional Cost to Consumers: with the assumption that activity centres with larger retailers will become more attractive and cause consumers to pay higher prices
- Reduction of leisure time: on the assumption that additional shifts to cover extra opening hours will detract from workers' leisure time

Benefits

- Reduced turnover leakage: modelling calculated that extending trading hours will reduce turnover leakage to neighbouring areas, retaining expenditure in the City
- Turnover Impact for Activity Centres with Large Retail Anchor: on the assumption that extending trading hours will make centres more attractive and therefore increase turnover
- Reduction in Online Leakage: the randomised telephone survey identified a reduction in online leakage through extended retail trading hours. Modelling calculated the retained turnover associated with the reduction of expenditure leakage to online shopping
- Employment: gravity modelling accounted for activity centres with larger retailers becoming more attractive leading to a reduction in turnover for smaller centres and a reduction of employment at those centres. The increase in turnover at activity centres with large retail anchors included turnover from City of Mandurah centres, retail leakage reduction to outside the City and online leakage reduction. The increase of turnover at activity centres with large anchors leads to net positive change in employment



- Night-time economy and tourism spend: with the assumption that extended trading hours and increase night-time activation and foot traffic will have a positive impact on vibrancy and retention of tourism spend
- Smooths out peak demand: with the assumption extending trading hours will allow more flexibility for shopping at different times, potentially diluting peak demand periods and allowing better social distancing
- Increase in Liveability: with the assumption that the combination of increased level of accessibility, increase in vibrancy and activation, increased employment and reduced travel time will have a positive impact on liveability
- Reduced travel time: modelling calculated a reduction of travel time to access goods and services leading to an increase in available leisure time for residents

The Net Value (NV) and Benefit Cost Ratio (BCR) for each stage has been calculated based on the ratio of present value benefits to present value costs. The results show that extended trading hours will have a positive overall impact for the community of the City of Mandurah. Scenario 2 achieves a higher ratio of benefits to costs with a BCR of 1.68. Scenario 1 however provides a greater net benefit to the community with a Net Value of \$11 million. Net Present Value (NPV) for Scenario 1 was also calculated on a 10-year timeframe (from 2022 to 2032), with the proposed change expected to bring a have a total Net Present Value (NPV) of \$90,514,036.



10 APPENDIX I: LIST OF STAKEHOLDERS

The following table shows a list of stakeholders that were invited to workshops/individual interviews.

Figure 45. List of Stakeholders Invited to Consultation Sessions

Name	Company
Chamber of Commerce	
Andrew McKerrell	Peel Chamber of Commerce
	Chamber of Commerce and Industry WA
Retailers Associations	
Jason Robertson	Australian Retailers Association
Government	
Hon. David Alan Templeman MLA DipTchg; Bed	Minister for Culture and the Arts; Sport and Recreation; International Education; Heritage Leader of the House
Lisa Anne Munday, MLA, Acting Speaker	Member of the Western Australian Legislative Assembly
Tourism Industry	
Evan Hall	Tourism Council Western Australia
Nadine Haynen, Anita Kane	Visit Mandurah
Myrianthe Riddy	Mandurah Cruises
Shopping Centres	
Arthur Abrahams	Loucoum Group
Joe Rooney, Vince McQuillen	Primewest
Rob Filmer	Silver Sands IGA
Luke Mackenzie	Metcash
Hayden Burbridge	Former retailer
Matthew Milner	Farmers Jacks Halls Head Shopping Centre
Richard Terhorst	Vicinity Centres



Steve Couzens	Lease Equity
Julian Mylonas	Truway Property Group
Amanda	AGORA Property Group
Wendy Collins	Meadow Springs Shopping Centre
Kathleen MacGregor	ALDI Australia
Michelle Totton	Woolworths
Edward Smith	BCF
David Cramond, Lina Armenti	Harvey Norman
Darren Bowden	The Good Guys
Kathryn Buchanan	Spotlight
Mandurah Manager	Officeworks
Stacey Adamson	Target

Source: Pracsys 2022

11 APPENDIX II: GRAVITY MODEL METHODOLOGY

Gravity models allow for the measurement of spatial interaction as a function of distance to determine the probability of a given customer shopping at a centre and provide an approximation of trade area and sales potential for a development. This modelling technique uses the distance between a household and each centre, and a measure of 'attractiveness' to define the probability model. The 'attractiveness' of a centre has been defined by total floorspace and the distance has been calculated by measuring straight-line distances between each centre and population. The gravity model probability formula is shown in Figure 46.

Figure 46. Gravity Model Probability Formula

$$P_{ij} = \frac{\frac{A_{jk}^a}{D_{ij}^\beta}}{\sum_{j=1}^m \frac{A_{jk}^a}{D_{ij}^\beta}}$$

P_{ij} = Probability of customer living/working in statistical area i shopping at complex j.
 A_i = Area of floorspace in centre, j in square metres, according to the type of supply, k.
 D_{ij} = Distance between statistical area of households, i and complex j.
 a = Area exponent
 β = Distance exponent
 k = Type of supply or expenditure, either Convenience or Comparison
 i = Statistical area ($i=1, \dots, n$)
 j = Complexes ($j=1, \dots, m$)

Source: Carter, C (1993) 'Assumptions Underlying the Retail Gravity Model', *Appraisal Journal*, Vol 61, No 4, pp510; Pracsys (2021)

Figure 47. Gravity Model Demand Formula

$$D_{kj} = \sum_{i=1}^n (P_{ij} * E_i)$$

D_{kj} = Demand for retail category k, at centre j.
 E_i = Expenditure pool of statistical area i.

Source: Carter, C (1993) 'Assumptions Underlying the Retail Gravity Model', *Appraisal Journal*, Vol 61, No 4, pp510; Pracsys (2021)

Figure 47 shows that the demand for retail category k⁵⁷, at centre j, is equal to the sum of the probabilities of customers living in statistical areas i to n, multiplied by the expenditure pool of statistical area i. In other words, the demand for retail is a function of the probability of customer from particular statistical area attending the centre multiplied by the expenditure pool of that statistical area. The expenditure is pool is derived through the population multiplied by its income distribution.

In its core form gravity modelling provides a clearer, reproducible outcome that can be easily assessed. However, it does not consider local factors, including:

- The comparative value proposition of centres (e.g. the presence of an 'anchor' attractor that draws significant market share);
- The brand preference of users; or
- The efficiency of transport networks, as well as geographical barriers (e.g. in some cases it may be easier for customers to access a centre that lies physically further away).

For this study, Pracsys included **an additional measure of 'attractiveness'**: centre opening hours. This allowed for the modelling of the potential impact of extending opening hours. It was assumed that small-medium anchored centres would maintain their current hours (providing a higher (negative) impact on these centres) while the component of general retailer floorspace in large anchored centres was assumed to increase in trading hours based on the relevant scenario.⁵⁸ The two variables of floorspace and opening hours were multiplied by each other as this allowed for the interaction of the two variables in one attractiveness variable. The formula used to calculate the effect on **centre' attractiveness of opening hours is summarised below:**

Figure 48. Opening Hours Formula

$$\text{Total floorspace} * \text{current opening hours} + \text{General retail floorspace} * (\text{Future opening hours} - \text{Current opening hours}).$$

⁵⁷ Retail categories are determined by their PLUC code and whether they are convenience or comparison goods. Convenience goods are day-to-day items such as groceries, pharmaceuticals and fast food. Comparison goods are items where consumers are willing to travel further distances, and are bought less frequently such as clothing, furniture, electronics, or other household items.

⁵⁸ Large retail anchored centres were assumed to open in line with general retail operating hours.

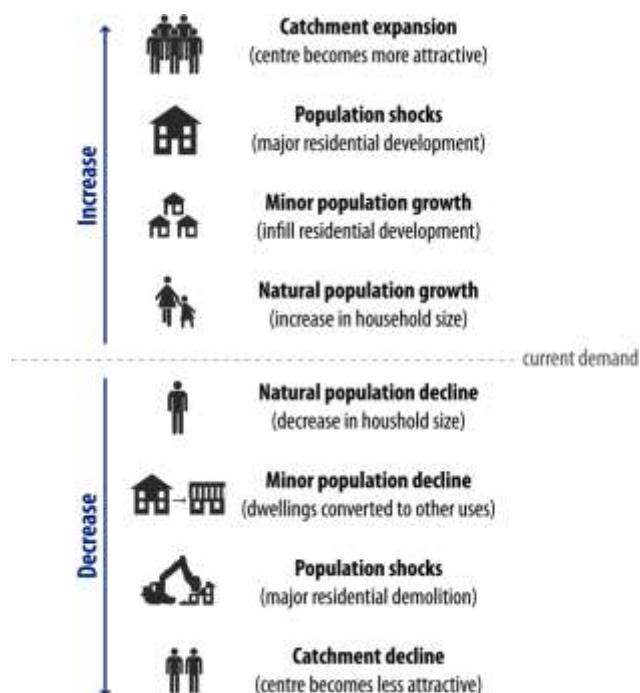
Source: Pracsys 2022

11.1 Drivers of Retail Floorspace Supply and Demand

Demand changes can result in increased or decreased expenditure. The potential causes of demand changes are shown in Figure 49. These largely show that an increasing population increases demand, and vice versa. There are significant amounts of commercial floorspace, especially office floorspace, flagged for the central sub-region of Perth and beyond. There will also be significant numbers of new dwellings provided across Perth. This increase in residents has the potential to boost demand for goods and services in the area.

Demand can also increase from rising incomes, or wealth, because people have more disposable income to spend on retail. Demand can also be increased by reducing leakage. Leakage for retail is largely caused by online retail, as well as travelling.

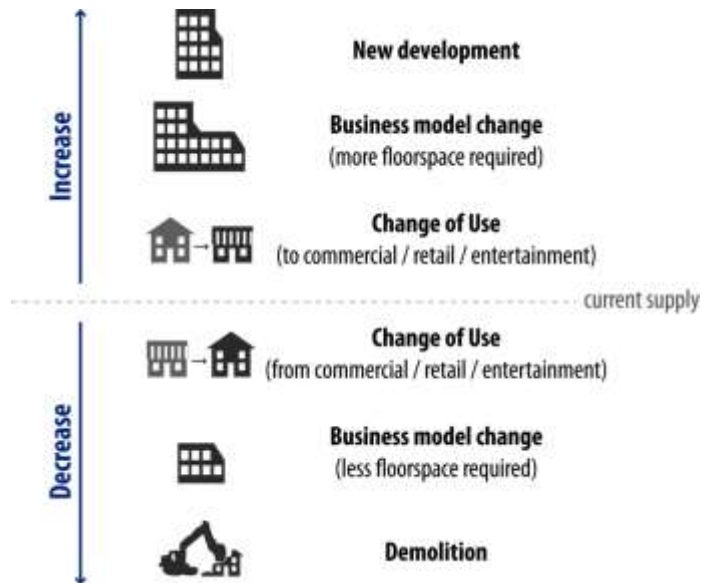
Figure 49. Drivers of Retail Floorspace Demand



Source: Pracsys 2021

Supply changes can result in increased or decreased retail floorspace. The potential causes of supply changes are shown in Figure 19.

Figure 50. Drivers of Retail Floorspace Supply



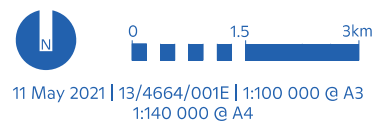
Source: Pracsys 2021

Mandurah Activity Centres

Activity Centres

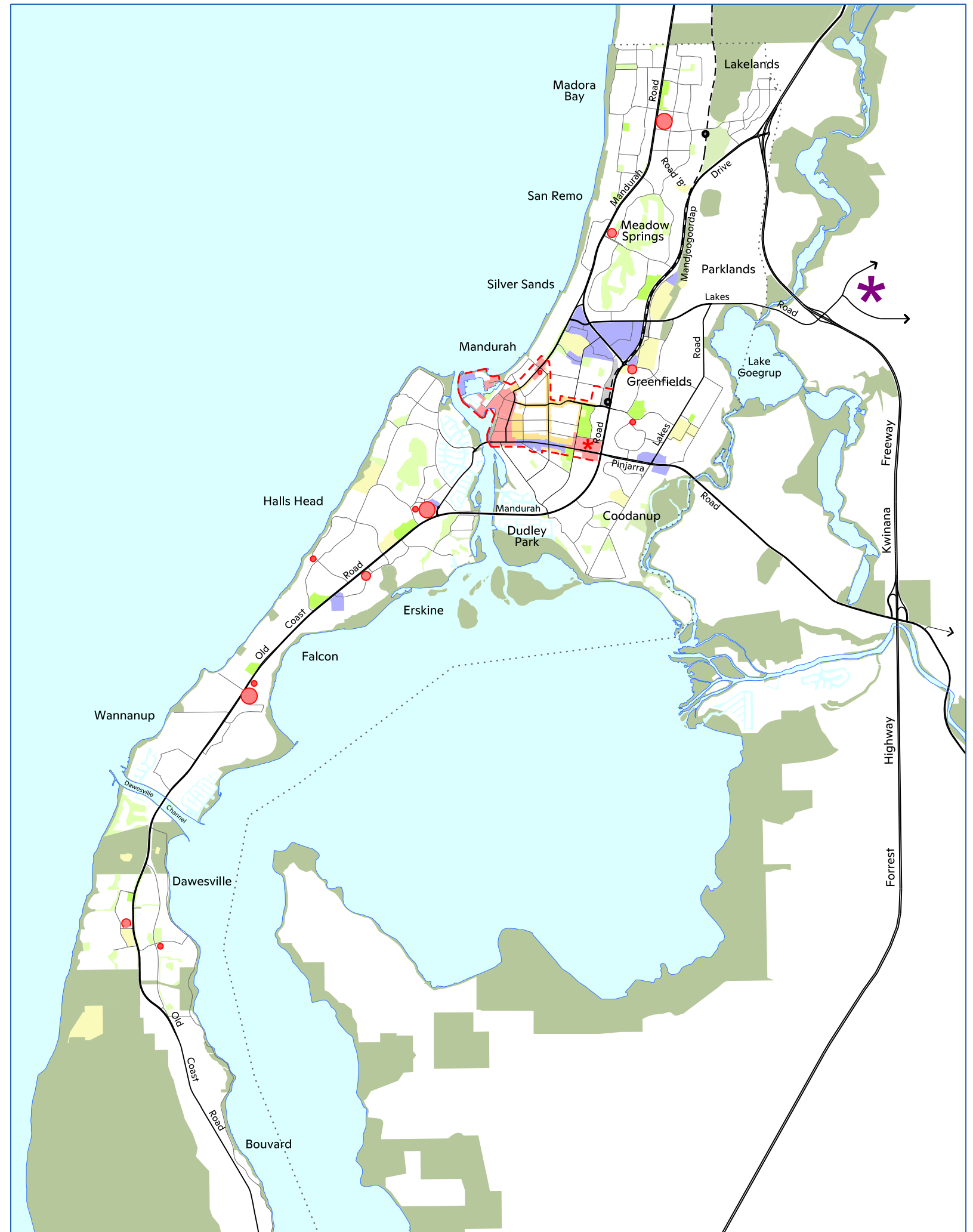
- Strategic Centre
- City Centre / Mixed Use Commercial Precinct
- Residential Mixed Use Precinct
- ✱ Mandurah Forum Shopping Centre
- District Centres (Large Shopping Centres)
Lakelands
Halls Head
Falcon
- Neighbourhood Centres (Large Shopping Centres)
Meadow Springs
Erskine
Dawesville (Under Development)
- Local Centres (Small / Medium Shopping Centres)
Silver Sands
Greenfields
The Bridge
Halls Head (Peelwood Parade)
Seascapes
Miami Plaza
Dawesville
- Mixed Business / Light Industry Precincts

City of Mandurah Boundary



Local Planning Strategy

Planning and Community Consultation Committee
12 April 2022



2	SUBJECT:	Amendment No 1 to Local Planning Scheme No 12 Adopt for Advertising
	DIRECTOR:	Strategy and Economic Development
	MEETING:	Planning and Community Consultation Committee
	MEETING DATE:	12 April 2022

Summary

Arising from the finalisation of Local Planning Scheme No 12, during the final approval stages of the Scheme, a number of omissions and errors have been identified and a number of matters that require rectifying based on recent approvals, responses to submissions and mapping errors.

As a result, two separate amendments to Scheme 12 are proposed as follows:

Amendment No 1

Four separate changes are proposed as part of this Amendment as follows:

- (a) Modifying the R-Code density from R25 to R40 for area south of Adana Street, east of Anstruther Road, west of Rigel Street and to include all lots on Cygni Street

This modification is arising from a submission received during the formal advertising of Scheme 12 and to which Council supported, however, as community consultation was not undertaken for the change, the Western Australian Planning Commission and the Minister for Planning determined that that proposal should be subject to an amendment to Scheme 12;

- (b) Modifying the R-Code density from R10 to R5 for Lots 201 – 210 Bulara Road; and Lots 211 – 220 Balwina Road, Greenfields

This modification is arising from a map drafting error where the incorrect R-Code density was applied to this street block; no development changes are arising from this modification;

- (c) Rezoning Lot 9000 Country Club Drive, Dawesville from 'Residential (R60)' to 'Tourist'; and including single dwelling as a permitted use to this site;

- (d) Adding Hotel as a permitted use for Lot 2002 Marina Quay Drive, Erskine;

This modification is to regularise a recent approval issued over the subject site which is now in operation and avoids a potential conflict should the use become a 'non-conforming' use;

- (e) Adding some additional requirements to the provisions where approval is not required for the removal of trees.

These provisions were included in Town Planning Scheme No 3 but were not transferred over to Scheme 12 in its preparation.

The report will outline the justification to each of these modifications.

Disclosure of Interest

Nil

Previous Relevant Documentation

- G.22/6/20 23 June 2020 Council considered submissions received on draft Local Planning Scheme 12 and resolved to adopt the Local Planning Strategy and proceed Scheme 12 to final approval by the Western Australian Planning Commission and the Minister for Planning.
- G.18/4/19 30 April 2019 Council adopted a modified Local Planning Scheme and Strategy which incorporated changes suggested by the Environmental Protection Authority.
- G.6/01/17 24 January 2017 Council adopted draft Local Planning Scheme No 12 and a revised Local Planning Strategy for forwarding to the Western Australian Planning Commission and the Environmental Protection Authority for consent to advertise the Scheme.

Background

In July 2013, Council resolved to prepare a new local planning scheme and in March 2014 Council adopted a draft Scheme (under the heading 'Mandurah Planning Scheme').

The following year, the *Planning and Development (Local Planning Scheme) Regulations 2015* ('LPS Regulations') were prepared, advertised and gazetted and became operative in October 2015. The LPS Regulations resulted in significant changes to the format and operation of local planning schemes requiring the draft Scheme to be rewritten and reformatted.

Council adopted a revised Local Planning Scheme – Local Planning Scheme No 12 (Scheme 12) and a revised Local Planning Strategy at its meeting of 24 January 2017 for the purposes of forwarding to the Western Australian Planning Commission for consent to advertise.

In September 2018, the City received advice that the WAPC had examined the documents provided, and that subject to modifications, had determined the Scheme was suitable to be advertised in accordance with the Regulations. Prior to advertising, the documents were required to be referred to the Environmental Protection (EPA) for consideration pursuant to s82 of the *Planning and Development Act 2005* ('the Act').

Scheme 12 was subsequently referred to the EPA and in November 2018, a request for additional information was received. These changes were considered by Council in April 2019 where it was resolved to adopt the modified Scheme and Strategy and forward the documents to the EPA and again to the WAPC, seeking consent to advertise.

Notification was received on 4 June 2019 from the Office of the EPA, advising that the Scheme had been examined and the decision was made not to assess the scheme under Part IV, Division 3 of the *Environmental Protection Act 1986*. Consent to advertise Scheme 12 and the Local Planning Strategy was subsequently granted by the WAPC in October 2019.

The draft Scheme was subsequently advertised between 28 November 2019 and 28 February 2020 and Council then considered all submissions on the Scheme in June 2020 and resolved to progress with the Scheme and forward it to the WAPC for approval.

The WAPC considered the Scheme in March 2021 and recommended to the Minister for Planning that a number of changes were required to the form and function of the Scheme with this approval being received in May 2021. Whilst some delays in progressing the modifications were experienced by City officers, the changes were completed and in February 2021, the WAPC advised the City that the Minister for Planning had approved the Scheme in accordance with section 87(3) of the Act.

Upon publishing in the Government Gazette in accordance with section 87(4) of the Act, Scheme 12 commences operation and Town Planning Scheme No 3 is revoked.

Notwithstanding the above, arising from the finalisation of Scheme No 12, during the final approval stages, a number of omissions and errors have been identified and a number of matters that require rectifying based on recent approvals, responses to submissions and mapping errors. Therefore, an amendment to Scheme 12, as provided by Section 75 of the Act, has been prepared for Council's consideration.

Comment

Five separate changes are proposed as part of the proposed Amendment. Commonly referred to as an 'Omnibus' Amendment whereby multiple and relatively straight forward proposals are prepared rather than separate amendments due to the significant administrative requirements required to progress an amendment.

The changes proposed are as follows:

Modification (a) - Residential Density – Boundary Road

A submission was received during the advertising of Scheme 12 seeking an increase in the residential density applied to the properties located within the area bounded by Adana Street, Anstruther Road, Boundary Road and the old cemetery (Cygni St precinct), from R25 to R40 to enable the development of grouped and multiple dwellings on lots that are currently either vacant or occupied by older dwellings.

The submission, prepared by the owners of 66 & 68 Boundary Road, however the proposed residential density increase was suggested to be applied to the wider Cygni St precinct as described above, consisting of 33 lots. The R40 density code is currently applied to residential zoned land immediately to the north and west of the Cygni St precinct, with the Mandurah cemetery bounding the precinct to the east. South of the precinct on the opposite side of Boundary Road, the R25 density code applies. (Refer *Attachment 1*)

As mentioned within the submission, the housing stock within the Cygni Street precinct consists primarily of older asbestos and fibro housing, with a number of lots having already been redeveloped into grouped housing developments. Undeveloped lot sizes within the precinct range in size from 1012m² to 2186m², which under the current R25 density code could be developed into 2 to 6-unit sites. An increase in density to R40 would enable these lots to be developed into 4 to 9-unit sites.

The subject land is located within close proximity to Central Mandurah with the majority of the area being located within a 400m radius of 3 bus routes. Under the South Metropolitan Peel Sub-Regional Planning Framework, a key principle for achieving housing targets within the region is the consolidation of existing urban areas and increased density in areas that are located within close proximity to activity centres, transit corridors and services. The land subject to the original submission meet these criteria, and an increase in density to R40 would be in keeping with the surrounding land.

Ideally this land, and the surrounding 'Residential R40' zoned land, would be included within the Strategic Centre zone, resulting in the Central Mandurah Activity Centre plan and the associated built form provisions applying to all developments. This would include provisions to ensure that development adequately addresses and contributes to the street frontage, and provisions minimising direct vehicular access to the street to reduce the dominance of garaging. However, since this time, progress has been made to modifying the Residential Design Codes (R-Codes) to improve outcomes for medium density housing that the City's Precinct Plans have sought address.

In its consideration on the final version of Scheme 12, Council recommended that the R40 density code be applied to the Cygni Street precinct, however, the WAPC and the Minister for Planning advised the following:

While noting potential merit in the proposal, it is noted that other potentially affected land owners have not yet been provided the opportunity to provide comment on the density of the area being increased to R40.

The consultation process seeks to provide appropriate opportunity for public participation in decision making processes to build community understanding and confidence in planning processes. It also provides an opportunity for the relevant servicing authorities to confirm if existing infrastructure has adequate capacity to support the proposed density increase.

Accordingly, the Western Australian Planning Commission (WAPC) considered that a future amendment would be the most appropriate option, rather than modification to the scheme. Notwithstanding the above, the WAPC also provided advice to the City noting that the proposed upcoding could be considered through an amendment to Local Planning Scheme No. 12, following its gazettal.

Due to Council's previous support of the proposal in considering the final version of Scheme 12, it was considered appropriate by City officers to progress the amendment as part of a collection of proposals rather than a separate (and landowner initiated) amendment.

Further, the location is identified as 'Suburban (Infill)' in the Urban Form section of the Local Planning Strategy which recommends densities between R25 and R60. It is important to note consistency with a Local Planning Strategy is considering an amendment to the local planning scheme.

Modification (b) - Residential Density – Bulara Road / Balwina Road, Greenfields

These lots were subject to an amendment to rezone them from Rural Residential to Residential R5 and then a subsequent subdivision approximately 10 years ago. The lots have been subdivided with an area of 2000 square metres consistent with the R5 density. (Refer *Attachment 2*)

As a drafting error in Scheme 12, an R10 density was applied to this street block in error and would potentially result in each of these sites being able to be subdivided further to a minimum size of 1000 square metre lots.

Notwithstanding the efforts sought to retain trees as part of the subdivision which hasn't been overly successful, further subdivision would see the character of the location being very different. Further, the sites are not connected to reticulated sewer which restricts further subdivision.

As a result, the proposal seeks to reintroduce the R5 density code to these sites/

Modification (c) - Rezoning Lot 9000 Country Club Drive, Dawesville from 'Residential (R60)' to 'Tourist';

In October 2012, Council approved a modification to the Development Guide Plan (as required by the relevant Structure Plan) for the 'Resort Precinct' of the Southport Development. This DGP split the whole area into four precincts which included then Lot 372 as 'Tourist / Residential' allowing for hotel and accommodation uses, in addition to residential development.

In 2014, the landowner sought to subdivide the whole of Lot 372 into residential lots. Arising from this subdivision, Lots 401-435 Resort View (plus Caddy Lane and Buggy Lane) were created. For some reason, the landowner did not create the final lots and retained Lot 9000 as one lot.

In the preparation of Scheme 12 (which coincided with the original approval of the subdivision and progressing of works), the mapping was prepared to reflect the outcome of the subdivision as being zoned 'Residential'.

Lot 9000 has been recently put on the market for sale as per the zoning on the Development Guide Plan as Tourist. In liaison with the current landowner, they are seeking to retain the current tourist zoning.

As time as progressed, the availability and accessibility of tourist zoned land in Mandurah has continually eroded. The Local Planning Strategy reflect this and identifies that “*Protection of key tourism sites and precincts to ensure an ongoing tourism function, as well as providing for the flexibility to allow for tourism uses within various zones of the scheme where appropriate, were identified as key strategies to achieve tourism outcomes.*”

Whilst Lot 372 (or Lot 9000) was not identified as Key Tourism Site, Lot 370, adjacent to The Cut Clubhouse is identified in reflection of previous work undertaken on the Development Guide Plan for the precinct.

In addition, the Development Guide Plan identifies Single Dwelling as a permitted use for Lot 9000 – but a Single Dwelling is an X (not permitted use) in the Tourist zone in Scheme 12. To negate the need for a further Scheme Amendment, and to retain development rights and outcomes arising from the Development Guide Plan, it is recommended that Lot 9000 is rezoned to Tourist, however, also allowing an ‘additional use’ of Single Dwelling for the site.

With the site being placed on the market, nearby landowners have queried its promotion as a Tourist site on the expectation the residential subdivision was completed. At this stage, officers have advised that an approved subdivision does not change the zoning.

Consistent with the Local Planning Strategy, the Tourist zoning should be reinstated, however based on this recent feedback, there is an expectation that surrounding landowner submissions will be received.

Modification (d) - Adding Hotel as a permitted use for Lot 2002 Marina Quay Drive, Erskine;

During Council’s consideration of a microbrewery proposal in July 2021, the proposal was approved as a ‘Hotel’ use under Scheme 3. At the time, officers advised of the following:

Local Planning Scheme No. 12 (LPS12) has now been approved by the Minister for Planning subject to modifications, which officers are currently completing – once gazetted LPS12 will replace TPS3. Given that LPS12 is advanced, it is considered to be a ‘seriously entertained’ planning document, which means it must be given due regard in decision making.

The site is zoned Special Use within LPS12 and sets aside the land uses that are permitted or discretionary. “Hotel” is not listed as a use and therefore it is essentially an X (not permitted) use.

The Special Use designation identifies the following land uses:

- *Permitted uses (exempt from approval if no works component):
Convenience Store, Holiday Accommodation, Liquor Store – Small, Marina, Market, Serviced Apartment, Motel, Reception Centre, Restaurant / Café, Recreation – Private, Small Bar, Shop and Tourist Development.*
- *Discretionary uses (approval required):
Single House, Grouped Dwelling and Multiple Dwelling.*

The City’s Local Planning Strategy identifies the broader site as being within a “Key Tourism Site”, and acknowledges the opportunity for a high-class tourism accommodation experience, contemplating a range of tourism uses (activities and accommodation).

If approved, a condition of the development approval requires the provision of short stay accommodation in order to meet the definition of “Hotel”. The application proposes to provide this accommodation via the existing Mandurah Quay Resort located on the adjacent site (40 Marina Quay Drive) – historically, the resort accommodation and restaurant / function centre building have complimented one another by provided reception, dining and administration facilities for visitors. Additionally, objectives of the Local

Planning Strategy are met through the approval of this application, by ensuring the resort remains open via its connection to the conditions of approval.

Officers consider it appropriate to determine the proposal under Scheme 3, for the following reasons:

- The site is listed as a strategic tourism location and any approval requires short stay accommodation to be provided, which will ensure the resort must remain during the operation of the proposed microbrewery;*
- The exclusion of “Hotel” from Scheme 12 is considered to be an administration oversight;*
- In the event that Council approves the application, officers intend to undertake an amendment to Scheme 12 in order to include “Hotel” as a listed use for this site.*

As a result, it is proposed to include Hotel as a Permitted use for the site in Special Use zone No 2. In the absence of doing so, the existing approved operation will be a ‘non-conforming use’ which would have implications should the existing use close down for a period of 6 months and on the retention of the existing hotel accommodation units within the Precinct and connected to the existing liquor licence approval.

Modification (e) – Modification to Tree Approval Requirements;

The original version of Scheme 3 and then subsequently modified versions via Amendments 75 and 125 to Scheme 3 provided for specific Tree Preservation requirements which required an approval for trees to seek an approval for removal where certain criteria were met unless further exemptions were provided.

In restructuring these provisions to meet with the Deemed and Model Provisions of the Local Planning Scheme Regulations, Scheme 12 has had to restructure the provisions so that the Removal of Trees is exempt and the conditions that apply to the exemption as follows:

- (a) The land is zoned Strategic Centre, District Centre, Neighbourhood Centre, Private Community Uses or Residential with a lot size less than 4000 square metres; or*
- (a) On land that is zoned Residential with an R-code of R15 or higher; or*
- (b) On land located a distance greater than 100 metres of a wetland;*
- (c) On land that is not designated as a Tree Preservation Area as shown in a structure plan;*
- (d) Where the tree(s) are not designated for retention on a structure plan or local development plans; or*
- (e) Where the tree is not registered in the Significant Tree Register under clause 13A.*

However, the drafting of Scheme 12 omitted the following exemptions that apply in Scheme 3:

- where the tree is dead or constitutes an immediate threat to life or property;*
- where the tree is within three metres of the wall of an existing or approved building;*
- where the tree is required to be removed for the purposes of bushfire prevention and control including a firebreak as required by any relevant legislation;*

Without these provisions, for instance, a dead tree on a rural lot, or a residential lot with a density of R10 or lower would require a development approval to remove – this is considered not necessary; similarly the City may require trees to be removed for a firebreak, but then require a planning approval to do so – as a result, it is recommended that these provisions are added back to the Scheme requirements for instances where approval is not required.

MEAG Comment

This item does not have any impact on the natural environment and therefore has not been referred to Mandurah Environmental Advisory Group for comment,

Consultation

If adopted, the Amendment will need to be referred to the Environmental Protection Authority for consideration; after this time, public advertising as outlined in the Regulations will be required; direct landowner and surrounding notification for modifications (a) to (d) will be undertaken inviting submissions for Council's consideration following advertising.

Statutory Environment

Provisions in regard to the Planning and Development Act 2005 and the Planning and Development (Local Planning Schemes) Regulations 2015 have been addressed in the body of the report.

In addition to the above, Council needs to consider whether the Amendment is a 'Basic', 'Standard' or 'Complex' amendment which were introduced via recent changes to the Regulations. For the following reasons, the amendment is considered a 'Standard' amendment as outlined in Regulation 35(2):

- (a) *the amendment relates to a zone that is consistent with the objectives identified in the scheme for that zone;*
- (b) *the amendment is consistent with a local planning strategy for the scheme that has been endorsed by the Commission;*
- (c) *an amendment to the scheme so that it is consistent with the region planning scheme that applies to the scheme area;*
- (d) *the amendment that would have minimal impact on land in the scheme area that is not the subject of the amendment;*
- (e) *the amendment that does not result in any significant environmental, social, economic or governance impacts on land in the scheme area; and*
- (f) *is not an amendment that is a complex or basic amendment.;*

Policy Implications

Nil

Financial Implications

Nil

Risk Analysis

Without undertaking this Amendment, there is a risk that further subdivision can occur in appropriate locations, approvals are required for removing trees that the City has required to be removed, or in the case of Lot 2002 Marina Quay Drive, there is the unintended consequence of an approved use becoming 'non-conforming' which creates regulatory and administrative issues.

Strategic Implications

The following strategies from the City of Mandurah Strategic Community Plan 2020 – 2040 are relevant to this report:

Economic:

- Promote and foster business investment aimed at stimulating economic growth.

Social:

- Facilitate safe neighbourhoods and lifestyles by influencing the built form through urban design.

Health:

- Promote the importance of a healthy, active lifestyle and the role the natural environment plays in preventative health, within our community.

Environment:

- Protect and manage our local natural environment and ensure that our actions to manage land-based assets don't adversely impact our waterways.

Organisational Excellence:

- Listen to and engage with our community in the decision-making process.

Conclusion

Arising from the finalisation of Local Planning Scheme No 12, during the final approval stages of the Scheme, a number of omissions and errors have been identified and a number of matters that require rectifying based on recent approvals, responses to submissions and mapping errors. Individually, each of these proposals are considered relatively minor,

NOTE:

- Refer **Attachment 2.1 Modification (a) – 'Cygni Street Precinct' Change of R-Code Density;**
Attachment 2.2 Modification (b) – Bulara Road / Balwina Road – Change of R-Code;
Attachment 2.3 Modification (c) – Lot 9000 Country Club Drive – Rezone to Tourist;

RECOMMENDATION

That the Planning and Community Consultation Committee recommend that Council:

1. in accordance with Section 75 of the *Planning and Development Act 2005*, resolves to prepare Amendment No.1 of the City of Mandurah Local Planning Scheme No 12 as follows:

“PLANNING AND DEVELOPMENT ACT 2005

RESOLUTION DECIDING TO AMEND A TOWN PLANNING SCHEME

CITY OF MANDURAH LOCAL PLANNING SCHEME NO 12

AMENDMENT NO 1

Resolved that the Council, in pursuance of Section 75 of the Planning and Development Act 2005, amends Local Planning Scheme No 12 by:

(a) Modifying the R-Code density from R25 to R40 for the following lots:

- **Lot 810 and 83-91 Adana Street, Mandurah;**
- **Lots 92 – 95 Rigel Street, Mandurah;**
- **Lots 104 - 106 Anstruther Road, Mandurah; and**
- **Lot 96 – 135 Cygni Street, Mandurah**

(b) Modifying the R-Code density from R10 to R5 for the following lots:

- **Lots 201 – 210 Bulara Road, Greenfields; and**
- **Lots 211 – 220 Balwina Road, Greenfields**

- (c) **Rezoning Lot 9000 Country Club Drive, Dawesville from 'Residential (R60)' to 'Tourist'; and adding the following to Table 4 (Specified Additional Use for Zoned Land in Scheme Area)**

No	Description of Land	Additional Use	Conditions
2	Lot 9000 Country Club Drive, Dawesville	P Uses: • <i>single dwelling</i>	Nil

- (d) **Adding the following land use to Table 6 (Special Use Zones in Scheme Area) to SU2 as it applies to Lot 2002 Marina Quay Drive, Erskine:**

- **'P Uses – Hotel';**

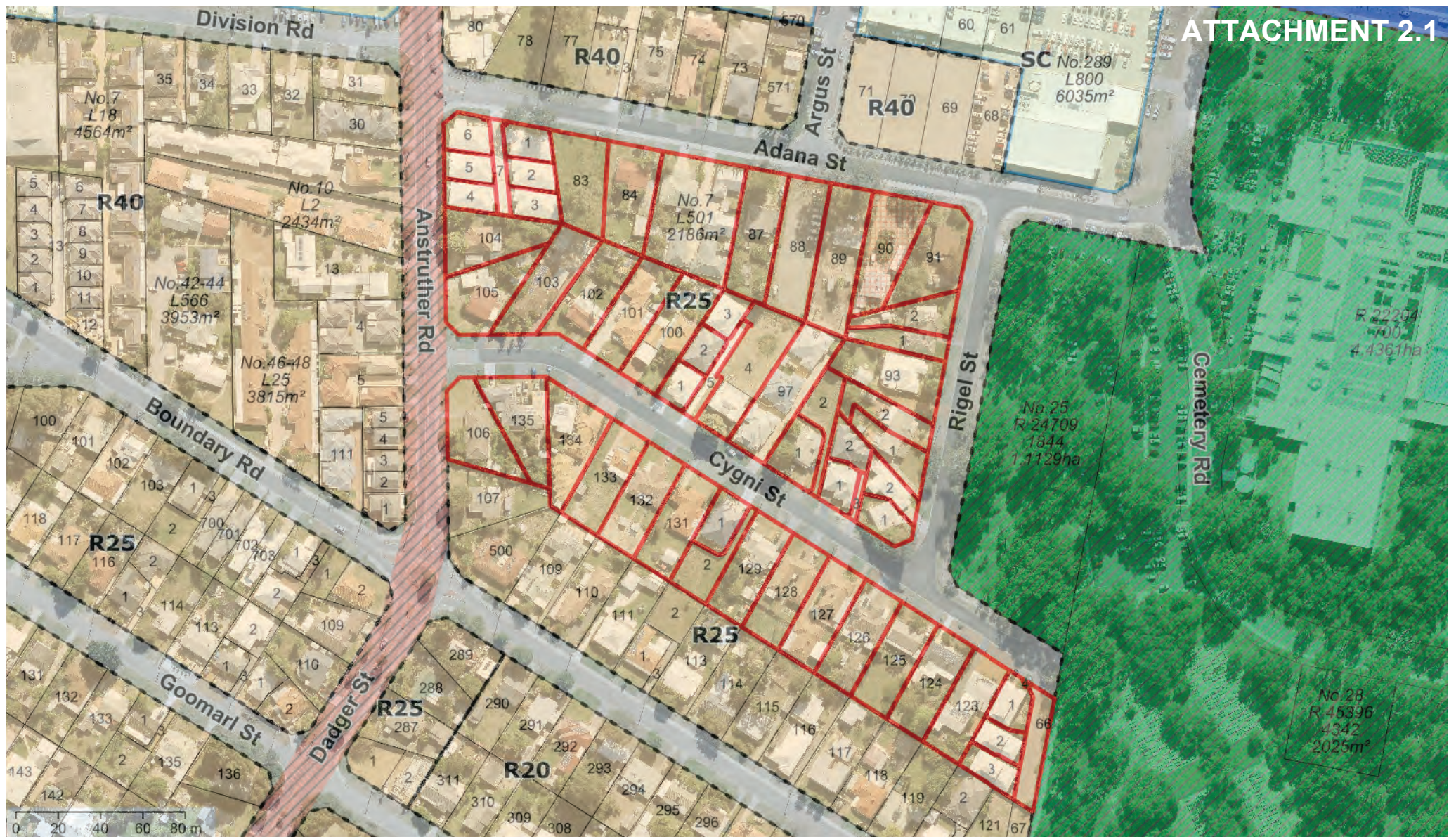
- (e) **Adding the following to the Conditions Column of Schedule A – Clause 61(1) Development for which Development Approval is Not Required – Item No 26 'Removal of Trees:**

- **where the tree is dead or constitutes an immediate threat to life or property;**
- **where the tree is within three metres of the wall of an existing or approved building;**
- **where the tree is required to be removed for the purposes of bushfire prevention and control including a firebreak as required by any relevant legislation;**

- (f) **Amending the Scheme Maps accordingly.**

**Dated this 26th day of April 2022.
Chief Executive Officer "**

- in accordance with Regulation 35(2) of the *Planning and Development (Local Planning Schemes) Regulations 2015*, determines that Amendment No. 1 of the City of Mandurah Local Planning Scheme No. 12 is a standard amendment for the following reasons:
 - the amendment relates to a zone that is consistent with the objectives identified in the scheme for that zone;**
 - the amendment is consistent with a local planning strategy for the scheme that has been endorsed by the Commission;**
 - an amendment to the scheme so that it is consistent with the region planning scheme that applies to the scheme area;**
 - the amendment that would have minimal impact on land in the scheme area that is not the subject of the amendment;**
 - the amendment that does not result in any significant environmental, social, economic or governance impacts on land in the scheme area; and**
 - is not an amendment that is a complex or basic amendment.;**
- Authorises the Chief Executive Officer (City Planner) to prepare the necessary Scheme Amendment documentation for Amendment No 1 to the City of Mandurah Local Planning Scheme No 12.



This document is compiled from various sources and whilst the City of Mandurah has made every effort to ensure the accuracy and currency of the information, Council accepts no responsibility or liability for any errors or omissions.

Modification (a) R-Code Density Change to R40

Printed by : Ben Dreckow

Date : 23/03/2022

Scale : 1:2500

Drawn by : Intramaps

Original Size

A4



E: council@mandurah.wa.gov.au
T: 08 9550 3777 F: 08 9550 3888
3 Peel St, Mandurah WA 6210
mandurah.wa.gov.au



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**Modification (b)
Change R-Code
Density to R5**

Printed by : Ben Dreckow

Date : 23/03/2022

Scale : 1:2500

Drawn by : Intramaps

Original Size

A4



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T: 08 9550 3777 F: 08 9550 3888
3 Peel St, Mandurah WA 6210
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**Modification (c)
Rezone to Tourist and
Add Single Dwelling as
Additional Use**

Printed by : Ben Drechow

Date : 23/03/2022

Scale : 1:2500

Drawn by : Intramaps

Original Size

A4



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3 Peel St, Mandurah WA 6210
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