ETHOS URBAN

Brunswick Heads

Economic Assessment of Paid Parking Scheme

FINAL REPORT

Prepared for Bryon Shire Council

March 2020 | 2190688

Authorship

Report stage	Author	Date	Review	Date
Draft report V1	Jack O'Connor	17 December 2019	Nick Brisbane	20 December 2019
Draft report V2	Jack O'Connor	30 January 2020	Nick Brisbane	30 January 2019
Final report V1	Jack O'Connor	25 February 2020	Nick Brisbane	27 February 2020
Final report V2	Jack O'Connor	16 March 2020	Nick Brisbane	18 March 2020

Disclaimer

Contact details

For further details please contact Ethos Urban Pty Ltd at one of our offices:

Ethos Urban Pty Ltd	ABN 13 615 087 931	
Level 8, 30 Collins Street Melbourne VIC 3000	173 Sussex Street Sydney NSW 2000	Level 4, 215 Adelaide Street Brisbane QLD 4000
(03) 9419 7226	(02) 9956 6962	(07) 3852 1822

economics@ethosurban.com

www.ethosurban.com

Our Reference: 2190688

Contents

Executive Summary

Background

1 Byron Shire Council (Council) has commissioned Ethos Urban to undertake an assessment of Brunswick Heads Village Centre's economic and trading context, and the potential economic implications associated with the introduction of a paid parking scheme. Council are considering implementing a paid parking scheme at Brunswick Heads in response to issues associated with high parking demand and traffic congestion, and to raise revenue for needed investment in public infrastructure which is under pressure from significant visitor sector growth. The scheme proposed for Brunswick Heads would only be operational for the peak summer months of December and January, as well as Easter.

Project Context

2 Brunswick Heads is located in Byron Shire Council in the North Coast region of New South Wales (NSW). The town is situated at the mouth of the Brunswick River, approximately ten kilometres north of Byron Bay and four kilometres east of Mullumbimby. Brunswick Heads' seaside village character is the primary drawcard from a tourism perspective and provides a distinct point of difference to the scale of development in Byron Bay and the nearby Gold Coast. The centre is promoted under the branding 'Simple Pleasures' which speaks directly to its laidback village feel.

3 The proposed paid parking scheme would broadly comprise paid parking metres in the commercial core area; free parking in the balance of the centre; and permits for Byron Shire Council residents, business owners and employees. It is apparent that the scheme would be aimed at tourists and other non-local visitors to Brunswick Heads. Strategic policy clearly articulates Brunswick Heads' role as a seaside village with a prominent tourist function. Businesses within the centre view a lack of investment in infrastructure as well as parking and traffic issues as key concerns. The majority of businesses are opposed to the introduction of paid parking, according to research undertaken by the Brunswick Heads Chamber of Commerce. With increasing visitor numbers, the feasibility of introducing paid parking to raise funds for renewal and improvement of assets is an option that Council will need to assess, as noted by the draft Byron Shire Sustainable Visitation Strategy 2020-2030.

Regional Economic and Tourism Overview

4 Across the 16 years to 2034, population growth in Brunswick Heads – Ocean Shores (SA2) and Byron Shire Council is forecast at +95 persons and +290 persons p.a. respectively. Population growth in the Brunswick Heads – Ocean Shores SA2 will increase the pool of local retail spending with flow-on benefits to retailers located in Brunswick Heads. The vast majority of Byron Shire Council's resident labour force (70.2%) are employed in the consumer services sector, with growth in this sector underpinning job creation in the municipality.

5 Although Byron Shire Council is an internationally regarded tourist destination, domestic visitors underpin the municipality's visitor sector in terms of visitor numbers, nights and expenditure. Domestic visitation is supported by the municipality's proximity to South East Queensland (SEQ). SEQ is expected to increase by some +2 million people over the next 25 years.

Brunswick Heads Trading Context

6 In 2019 total retail sales in Brunswick Heads is estimated at $29.8 million. Brunswick Heads is positioned to observe a significant increase in total retail sales over the next 15 years, underpinned by both population and spending growth in the centre's Main Trade Area (MTA)

as well as substantial growth in the visitor sector. There is potential for total retail sales at Brunswick Heads to be $52.0 million by 2034 (not including inflation), an increase of +$22.4 million on the current (2019) level; with potential for +3,520m^2 in addition retail floorspace based on an average sales level of $5,230 per m^2 of GLA. The analysis indicates a strong opportunity for a successful and growing retail sector in Brunswick Heads.

7 The growth trajectory faced by Brunswick Heads is largely unavoidable due to factors such as the significant population increase projected for SEQ. The resultant pressures will need to be appropriately managed and include increased traffic congestion in the centre and lack of parking, particularly at peak times.

Relevant Case Studies & Literature

8 Adverse impacts associated with the introduction of paid parking at Yarraville Village and to a lesser extent Byron Bay provide a cautionary tale. However, distinct differences relating to Brunswick Heads' trading context and the nature of the paid parking scheme (compared to both case studies) reduce the extent to which Brunswick Heads would be vulnerable to a significant reduction in trade if a paid parking scheme is implemented.

9 Unlike in Byron Bay township, Council are proposing that paid parking in Brunswick Heads be operational for only the peak months of December and January, as well as the Easter period. While in comparison to Yarraville Village, Brunswick Heads' role, function, competitive environment and future growth opportunities, provide a significantly more robust base to limit adverse impacts.

Stakeholder Interviews and Survey Results

10 The results of an intercept survey undertaken by Council to inform this assessment highlight the important role of the beach; as well as cafes, restaurants and other retailers in bringing people to Brunswick Heads. Survey results indicate the centre is predominately accessed by car and that the majority of people stay long enough to have a meal, a cup of coffee, or swim at the beach. Around 27% of respondents were from the Brunswick Heads/Ocean Shores postal area, which broadly reflects the MTA for Brunswick Heads identified in by the consultant.

11 Feedback from stakeholders was mixed and at times contradictory. There was a general census regarding Brunswick Heads' historic role as a low-key tourist town with a visitor market geared to families, although some stakeholders also observed this role is changing due to the significant and increasing visitation pressures.

12 Views were highly divergent regarding the introduction of a paid parking scheme. Some stakeholders clearly supported the introduction of paid parking on the basis that it could raise needed funding for the upkeep of infrastructure in Brunswick Heads which has come under pressure from the visitor sector. But other stakeholders were completely opposed to the introduction of paid parking (in any form) on the basis that it would threaten the viability of existing businesses and detract from the town's character amongst other reasons. It is apparent that the nature in which the town is changing – and is expected to continue changing – due to increasing visitation amongst other pressures, is a significant point of contention.

Considerations Relevant to the Introduction of Paid Parking at Brunswick Heads

13 A key rationale for implementing paid parking is to provide a revenue stream for maintaining public infrastructure which has come under pressure from visitor sector growth. If the scheme is only operational for December, January and the Easter period, its capacity to raise enough funds to be a viable investment is a key question that will need to be resolved.

14 Brunswick Heads is well positioned to observe a significant increase in total retail sales and improve trading levels across the next 15 years. It is the consultant's view that the introduction of paid parking scheme at Brunswick Heads would not prejudice the centre's ability to continue to operate viably and perform its role, nor would it result in any unreasonable impacts to the Brunswick Heads retail sector when implemented.

This view is underpinned by the scheme only being operational in the peak periods of December, January and Easter; and only applying to visitors (or non-permit holders). Having paid parking non-operational during non-peak times would assist the Brunswick Heads community in their efforts to smooth trade across the year.

15 Council should consider:

- Applying paid parking regulations to those areas covered by 1P, 2P and 3P timing controls, but not within the main beach area.
- Implementing a lower per hour rate ($) than Byron Bay due to Brunswick Heads' lower order commercial role (when compared to Byron Bay).

A summary of the key findings and considerations for Council arising from this report are provided in the Table below.

Key Considerations and Findings

Consideration	Sub Consideration	Comment/Finding
Rationale for implementation	Does the proposed scheme provide a response to traffic congestion?	Paid parking results in shorter stays when compared to a non-priced and non-timed situation. The Yarraville case-study provided evidence to support this contention.
	Would it generate needed revenue for infrastructure investment?	Whether a paid parking scheme only operational in December, January and the Easter Period will raise enough funds to be a viable investment is a question that will need to be resolved (potentially via a business case).
Potential for adverse impacts	Would the centre's viability be prejudiced?	Brunswick Heads is extremely well positioned to observe an increase in total retail sales and improve trading levels across the next 15 years – underpinned by population growth in the MTA and significant increase in the visitor sector. The introduction of paid parking would not undermine the viability of the centre, based on: - The scheme only being operational in the peak period of December, January and Easter. - That paid would only apply to visitors, with permits for Byron Shire residents. - The unique retail offer of Brunswick Heads' insulates it from competitive pressures from other centres in the MTA, Byron Shire Council and NSW North Coast. Having paid parking non-operational during non-peak times would assist the Brunswick Heads community in their efforts to 'smooth' the effects of seasonality throughout the year.

Consideration	Sub Consideration	Comment/Finding
	What is the likelihood of short-term impacts?	Individual retailers are likely to notice some changes in customer behaviour once the scheme becomes operational; these changes would vary from business to business but would not prejudice centre's overall commercial function.
Concerns and suggestions	What areas should the paid parking scheme apply?	Council should consider a consistent application, with the existing 1P, 2P and 3P zones viewed collectively as a sensible area for the scheme to cover. If paid parking was introduced, increasing the time limits of 1P areas (for permit holders) should also be considered.
	Should the Main Beach area be included?	Council should consider not implementing paid parking at the Main Beach, given the beach represents the town's primary drawcard for visitors. Exempting the Main Beach from the scheme would assist in projecting the centre's brand identity but the implications would need to be considered from a traffic management perspective.
	What price should users pay?	A rate lower than the $4 per hour charge (which applies in Byron Bay) could be considered given the majority of visitors to Brunswick Heads spend between zero and $50 dollars while in the centre (based on the results of the intercept survey). That being said, a rate of $4 dollars per hour under a scheme targeted solely at visitors (or non-permit holders) and operational only during peak periods is not viewed as a factor that would prejudice Brunswick Heads' long-term viability.
	Will the scheme create confusion?	Potentially yes. Signage and other collateral will need to clearly articulate when the scheme is operational and to whom it applies.

Introduction

Byron Shire Council (Council) has commissioned Ethos Urban to undertake an assessment of Brunswick Heads Village Centre's economic and trading context, and the potential economic implications associated with the introduction of a paid parking scheme.

Council are considering implementing a paid parking scheme at Brunswick Heads in response to issues associated with high parking demand and traffic congestion. It is understood the scheme would be similar to that which is operating at Byron Bay, and would involve a mix of paid parking metres in the town centre; provision of free parking at the periphery of the town centre; and permits for local residents, business owners and employees. However, unlike the paid parking scheme in Byron Bay which operates year-round, paid parking in Brunswick Heads is proposed to only operate across the peak summer months and Easter. A share of revenues generated would contribute to upgrading community and other infrastructure in Byron Shire Council which has come under pressure from significant visitor sector growth.

Council have commissioned this independent economic assessment in response to concerns from the local community regarding the potential impact the paid parking scheme would have on the viability of the Brunswick Heads Village Centre. In particular, this report provides analysis and discussion regarding the Byron Bay region's economy; Brunswick Heads' current trading conditions, competitive context and future development outlook; and the potential implications associated with the introduction of a paid parking scheme. The assessment has been informed by a review of case studies and available literature, consultation with local businesses, and an intercept survey undertaken by Council at Brunswick Heads.

Note: Ethos Urban are urban and regional economists with particular expertise in the planning and development of commercial centres. Accordingly, this report's focus is the economic function of Brunswick Heads and potential high-level implications of paid parking from an <u>economic and trading</u> perspective (rather than technical details relating to traffic flows and parking demand which would be provided by a specialised traffic consultant).

Objective

To provide an independent assessment of Brunswick Heads' economic and trading context, and the potential economic implications associated with the introduction of a paid parking scheme.

This Report

This report contains the following Chapters:

Chapter 1: Project Context

Chapter 2: Regional Economic and Tourism Overview

Chapter 3: Brunswick Heads Trading Context

Chapter 4: Relevant Case Studies and Literature

Chapter 5: Stakeholder Interviews and Survey Results

Chapter 6: Considerations Relevant to Paid Parking at Brunswick Heads

1 Project Context

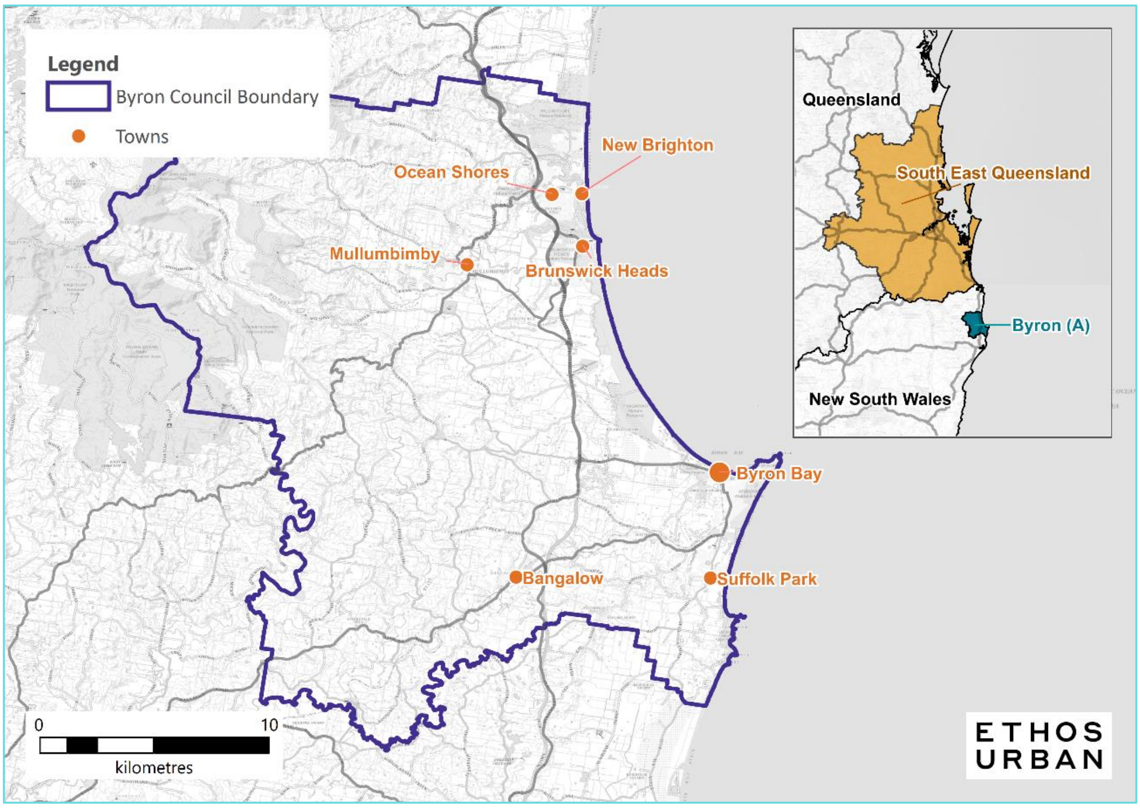
This Chapter provides an overview of those factors which inform the project's background, namely the regional location in Byron Shire Council, the key features of Brunswick Heads, the proposed paid parking scheme and relevant strategic policy.

1.1 Regional Location

Brunswick Heads is located in Byron Shire Council in the North Coast region of New South Wales (NSW). One of regional Australia's foremost tourist destinations, Byron Shire Council encompasses some 556 square kilometres of pristine coastal areas and rural hinterland centred around the town of Byron Bay. Byron Shire Council is shown in Figure 1.1.

In 2018, the Shire contained a population of some 34,570 persons (ABS, *Regional Population Growth Cat: 3218.0*) with prominent settlements being Byron Bay (population: 6,580), Suffolk Park (3,930), Bangalow (2,290), Mullumbimby (4,110), Ocean Shores (5,530) and Brunswick Heads (1,820).

Figure 1.1: Byron Shire Council



Source: Ethos Urban with Market Info, Bing Maps and StreetPro

An icon of Australia's backpacker scene and beach culture, Byron Bay is the Shire's tourist and commercial focal point. However, Byron Bay is increasingly viewed by residents and tourists alike as one component of a wider region experience which includes the network of rural villages in the unspoilt hinterland as well as the smaller coastal communities of Suffolk Park, Brunswick Heads, New Brighton and Ocean Shores. In essence, the wider municipality offers a unique melting pot of coastal and rural experiences overlaid by a context of surf, creative and counter cultures.

The Shire's economy is significantly geared to tourism. In 2017/18, visitor spending in Byron Shire Council was $769 million, having observed substantial average growth of +12.4% per annum for the period 2012 to 2018 (Tourism Research Australia, *National Visitor Survey* data). A major factor unpinning visitation to Byron Shire Council is the proximity of the South East Queensland (SEQ) urban corridor which contains some 3.5 million residents.

In addition to the Shire's unique character and setting, visitors are drawn to the region for its nationally renowned events and festivals including (the music festivals) Splendour in the Grass, Falls Festival and Bluesfest which collectively have some 265,000 attendees annually (counting over event days).

Visitors bring substantial external income to Byron Shire Council but need to be sustainably managed. Issues associated with the visitor sector include inflated housing rents due to short-term rental accommodation (STRA), traffic congestion and stressed public infrastructure. While the issues associated with visitor sector growth are most acute in Byron Bay, they are also occurring throughout the Shire. Capturing value from visitors through the introduction of appropriate levies and charges and using this income for needed infrastructure upgrades is one way the pressures associated with tourism growth can be managed.

1.2 Brunswick Heads Village Centre

Brunswick Heads Village Centre is situated at the mouth of the Brunswick River, approximately 10 kilometres north of Byron Bay and four kilometres east of Mullumbimby.

In contrast to Byron Bay, Brunswick Heads has retained its traditional seaside and village atmosphere. The centre is bound by:

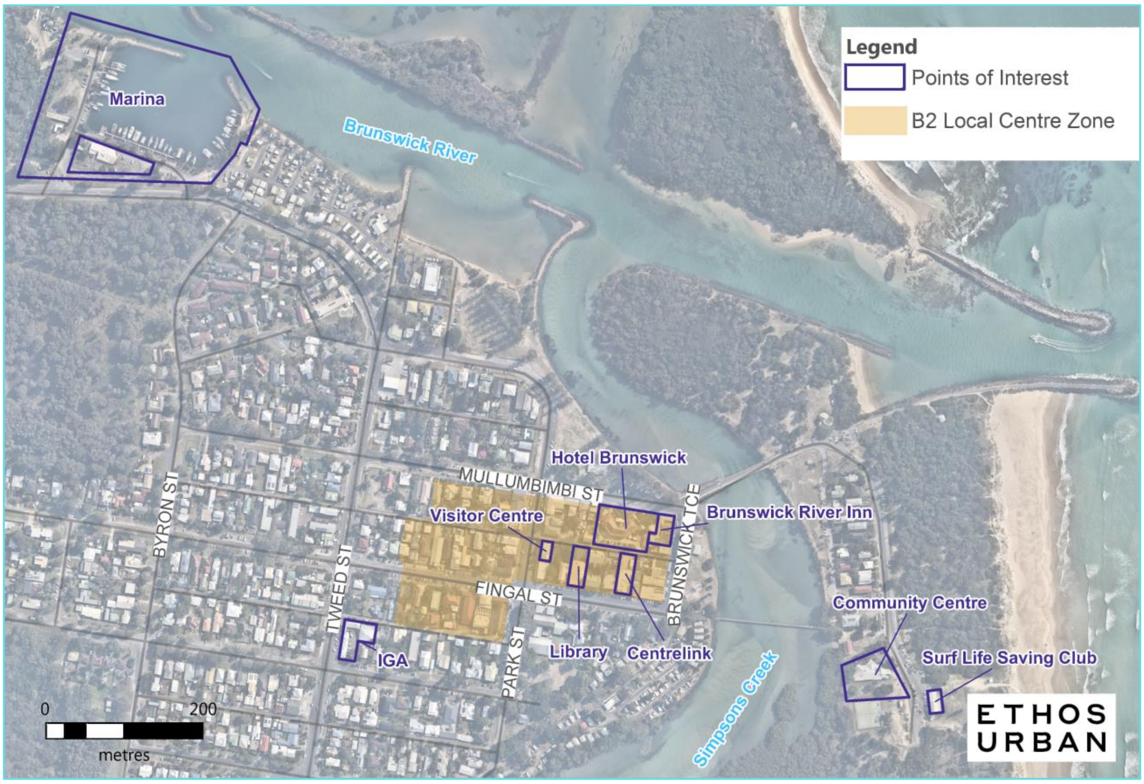
- Brunswick River, to the north
- Simpsons Creek, to the east and south-east, and
- Brunswick Heads Nature Reserve, to the south and west.

The constrained nature of the settlement has limited urban expansion and contributes to the village feel.

The commercial core of Brunswick Heads is recognised by the consultant as the land in the B2 Local Centre Zone, but some commercial uses also front Tweed Street (refer Figure 1.2.). Hotel Brunswick with its expansive beer garden overlooking Simpsons Creek is a major commercial focal point.

Other key land uses include the Brunswick River Inn (accommodation and restaurant); the Brunswick Heads Library, the Visitor Information Centre, Centrelink; an array of cafes and visitor sector aligned retailers; a small IGA supermarket; and three caravan parks (all operated by NSW Crown Holiday Parks, trading as Reflections Holiday Parks).

Figure 1.2: Brunswick Heads Village Centre



Source: Ethos Urban with MapInfo, Nearmap and StreetPro.

A small marina is located to the north-west of the centre. At the centre's eastern most point, two bridges (one for vehicles and one for pedestrians) provide access over Simpsons Creek to the Brunswick Heads Main Beach area, which accommodates Brunswick Heads Surf Life Saving Club, a Community Centre, Scouts Hall and a small node of holiday houses.

Brunswick Heads is a tourism dependent town. Visitors comprise more than half of total trade for 57% of businesses in the centre, according to the *Brunswick Heads Business Survey 2015* undertaken by the town's Chamber of Commerce. Visitors to Brunswick Heads are predominately day-trippers from Northern NSW or SEQ. Overnight visitors to the township are mainly families from SEQ, Sydney or Melbourne, many of whom visit on a year-on-year basis and have deep, long-standing connections to Brunswick Heads.

Consistent with most coastal towns which are dependent on tourism, trading levels of businesses in Brunswick Heads fluctuate throughout the year, with December, January and April being the best trading months and June and July the worst. Over the last ten or so years, a smoothing of trading patterns across the year has occurred due partly to events initiated by the local community including Mullum2Bruns Paddle (May) and Old & Gold (June).

Brunswick Heads' seaside village character is the primary drawcard from a tourism perspective and provides a distinct point of difference to the scale of development in Byron Bay and the nearby Gold Coast. The centre is promoted under the branding 'Simple Pleasures' which speaks directly to its laidback village feel. Further leveraging the village character and 'Simple Pleasures' brand to capture more spending from visitors is a key economic opportunity for Brunswick Heads.

1.3 Paid Parking Scheme

Council are considering introducing paid parking at Brunswick Heads in response to issues associated with high parking demand and traffic congestion at peak times. The introduction of paid parking would also generate revenue for needed infrastructure investment and upgrades in Byron Shire Council, as noted previously.

At the time of writing, the specific details of the proposed scheme are yet to be finalised. It is, however, understood from information provided by Council that the scheme would broadly comprise:

- Paid parking metres in the commercial core area, but potential also exists for parking metres to be located on Tweed Street and within the Main Beach precinct (east of Simpsons Creek).
- Provision of free parking in the balance of the centre, and
- Permits for residents of Byron Shire Council, business owners and employees.

In this context, it is apparent the paid parking scheme would be aimed at tourists and other non-local visitors to Brunswick Heads.

In addition, Council propose that paid parking in Brunswick Heads would only be operational in the peak summer months of December and January as well as Easter. This is a distinct point of difference to the paid parking scheme in Byron Bay which operates on a year-round basis.

Paid parking has been operational in Byron Bay since October 2017 and parking fees now apply to the central business district, council car parks and some parts of Wategos Beach area. Parking fees are four dollars ($) per hour and capped at $20 for all day parking. Operating hours are 9am to 6pm, seven days a week including public holidays.

Byron Bay Shire Council introduced paid parking in Byron Bay after directions from the NSW Government. The scheme raises an annual net return of around $2.7 million which is invested back into the community by Council.

1.4 Strategic Policy Context and Background

A range of strategic policies and other documents were reviewed for this assessment. An overview of relevant strategic documents is provided below.

Enterprising Byron 2025 **(Byron Shire Council)**

Council's current Economic Development Strategy (*Enterprising Byron 2025)*, provides a vision and strategic directions to inform sustainable economic growth and entrepreneurship within Byron Shire Council to 2025.

The document sets out the following vision to for the Shire:

"A resilient and diverse economy providing for our community in a sustainable manner". (p2)

Three strategic objectives are identified to guide economic growth:

- Accelerate employment generation and work creation
- Create resilient communities and build capacity, and
- Retain and attract industry and private/public investment.

Strategic directions to achieve these objectives include fostering local business expansion, nurturing entrepreneurship, developing the full potential and capacity of the Shire's towns, villages and rural lands, and promoting an attractive investment environment.

In supporting the Shire's towns and villages, a key action is to undertake concurrent master planning projects across all town centres and villages. For the visitor sector, the key priority is to increase the sectors yield while lowering its impact. Byron Shire generates insufficient revenue to adequately address the impacts of tourist sector growth, and this is viewed as a prevailing economic weakness, as noted by the Strategy.

***Byron Shire Sustainable Visitation Strategy 2020-2030 – DRAFT* (Byron Shire Council)**

Council's draft *Sustainable Visitation Strategy 2020-2030* provides a vision, strategies and action plan to minimise the impacts and maximise the benefits of tourism in Byron Shire. The draft document is the first sustainable visitation strategy for a regional destination in Australia, written in-line with the Global Sustainable Tourism Council's criteria for a sustainable destination.

Over the next decade, visitor numbers in Byron Shire are forecast to increase in the order of +50% to +70% on the current levels, with this growth is set to bring significant challenges including traffic congestion, lack of parking, reductions in affordable housing, as well as impacts on infrastructure and the environment, as outlined by the Strategy.

The Strategy puts forward the following vision:

> *"Byron Shire welcomes visitors and supports a visitor economy that cares for and respects our residents, creates low-impact visitor experiences, protects our natural environment, celebrates our cultural diversity and shares our social values."* (p3)

The role of local government in tourism is to support, facilitate, and help build the capacity of the local tourism industry for the sector to be sustainable, as noted by the Strategy. The Strategy goes onto state that effective leadership in destination management ensures there is adequate funding for implementation.

In this context, a specific strategy put forward (under Theme 1: Leadership and Destination Management) is to:

> *"Investigate alternate methods to secure addition revenue streams from government and visitors to support the implementation of the Visitor Strategy."* (p41)

The Strategy notes that revenue from paid parking was a funding option discussed during the Strategy's community engagement phase, and that *"with increasing visitor numbers, Council needs to assess current parking arrangements as well as the feasibility of introducing paid parking on other areas to raise funds for the improvement and renewal of assets."* (p53).

***Business and Industrial Lands Strategy 2019 – DRAFT* (Byron Shire Council)**

This draft document provides a strategic framework to generate investment and employment growth in the Shire's commercial centres and industrial precincts.

Brunswick Heads' future role is identified as follows:

> *"Brunswick Heads will continue to operate as a retail centre attracting locals and visitors drawn to beachside amenity. 'Simple Pleasures' is the catch cry of Brunswick Heads, promoting the village as a small, unspoilt coastal village offering a quality mix of*

cafes, restaurants, speciality shops, accommodation and a variety of activities to cater for families, couples and visitors including community festivals and events." (p42)

The Strategy states that Brunswick Heads' strengths include potential to increase visitors and tourism, close proximity to residential areas and natural assets. Challenges include limited passing trade and seasonal trade, as well as fragmented land ownership. Under existing planning controls, the Strategy notes that Brunswick Heads has capacity to accommodate an additional +5,610m^2 of retail/commercial floor space by 2041.

Actions planned for Brunswick Heads include an urban design review to determine appropriate building heights and floorspace ratios.

Byron Shire Business Survey 2017/18 (Byron Shire Council)

Byron Shire Business Survey 2017/18 was commissioned by Council to collect information on the needs of businesses in the Shire. Over 1,000 businesses participated in the online survey between November and December 2017, including 49 businesses from Brunswick Heads.

The Business Survey report notes that Brunswick Heads businesses "spoke of a desire to maintain the family amenity within the town and sought minimal change" (p25).

Specific comments, ideas, needs or projects for Brunswick Heads identified by survey respondents included (p52):

Bike Paths/Public Transport

- A bike/walking track along Brunswick River between Mullumbimby and Brunswick Heads.
- Development of bicycle ways interlinking the community can provide a massive amount of work for the local area.
- Traffic, transport and pedestrians.
- Public transport link to Varsity Lakes train station and Southern Cross University Gold Coast campus.
- Pedestrian and traffic management.

Paid Parking

- One respondent noted that "paid parking will be detrimental to my business, so no paid parking. People come to see me at Brunswick because it is easy to get parking. Paid Parking will turn clients off from coming here".

Internet

- Updated internet infrastructure for Byron Shire.

Public Toilets

- I need public toilets facilities in Brunswick Heads to properly maintained.

Business incubator

- Establishment of a business incubator for small/social businesses.

As noted by survey respondents, the top five Council strategic priorities for Brunswick Heads were (p51):

1 Planning for future transport, community facilities, water sewage and land use.

2 Renewing and maintaining existing infrastructure (roads, asserts, parks, swimming pools, community buildings).

3 Providing water, sewage, waste recycling, roads, emergency management services.

4 Championing equitable community services (healthcare, education, housing).

5 Supporting a sustainable tourism industry.

Brunswick Heads Business Survey 2015 **(Brunswick Heads Chamber of Commerce)**

The Brunswick Heads Business Survey is an independent survey undertaken every three years (approx.) by the Brunswick Heads Chamber of Commerce. (Note, this survey does not necessarily represent the views or policy of Council.)

The latest Survey was undertaken in 2015 by 72 businesses. A range of concerns and opportunities were identified, including:

Concerns

- The development application (DA) process and availability of warehousing
- The costs to businesses associated with DA approvals, energy, transportation and rates
- Lack of expenditure by Council on infrastructure including improvements to toilets, roads, traffic, more parking, signage, streetscaping & Tweed Street
- Over development instead of sensible development, and
- Paid parking - over 92% of businesses oppose paid parking, according to the Survey.

Opportunities

- Maintain our village charm and ‘Simple Pleasures’ activities, and reinforce our branding and mission.
- Run and support community events.
- Improve visitor amenities including WIFI and transport.
- Continue town promotion through the town website, social media and co-operative marketing, embracing the demographic of new businesses and their style.
- Run a new activity in February to provide a ‘spike’ in activity.
- Engage with Council to provide a variety of infrastructure improvements – public toilets, roads etc.
- Work with Council to resolve parking issues (in ways other than paid parking).
- Advance the Tweed Street upgrade.

At the time of writing, the results of the 2019 Visitor Survey were being collated by the Brunswick Heads Chamber of Commerce. Some preliminary survey findings were provided to the consultant for the purposes of this assessment, the following of which are noted:

- 48.4% of businesses in Brunswick Heads commenced operations in the time period 2015-2019, illustrating the centre contains a high share of relatively new businesses. Almost half of the businesses were not in operation when the 2015 survey was undertaken. A further 20.3% of businesses commenced in the period 2010-2014.
- 91.5% of businesses in Brunswick Heads are patronised by tourists to some extent – a similar level to the 2015 Survey.
- For 27.1% of businesses, tourists provide more than 80% of income (an increase of +0.3 percentage points compared to 2015).
- For 63.1% of businesses tourists make up half or more of total trade (an increase of +6.0 percentage points compared to 2015).

The draft findings note that Brunswick Heads is a tourism dependent town, with this dependency increasing over time. As a result, any downturns in the visitor sector adversely affect the town's economy. The draft findings note in this context that the introduction of paid parking is of concern to businesses.

The 2019 Survey asked businesses directly about the introduction of paid parking:

- 73.9% of businesses believe its impact would be negative, while
- 24.6% thought that no impact would occur.

Notably, the proportion of businesses in 2017 that believe paid parking would negatively impact Brunswick Heads has declined when compared to the 2015 Survey results.

An inventory of comments from businesses is provided regarding the introduction of paid parking. Comments received include:

- It will create total confusion.
- Visitors less likely to spend time in our town.
- People will visit other places instead.
- Where will my staff park?
- It's hard to say how it will affect me directly, but wrong vision for our small town.
- More two-hour spaces in town will help my clients since most of them are two-hour appointments.
- Paid parking keeps customers away and the ones that do come are limited by time.
- Will reduce trade as 30% of our business relies on locals. Locals will then choose elsewhere to shop.
- I lost my job in Byron as a direct result of a downturn in trade due to the introduction of paid parking.
- Periodic parking is a slippery slope to all year paid parking.

Other Documents

Other documents reviewed for the purpose of this assessment include:

- *2018/2019 Annual Report*, Byron Shire Council
- *Byron Shire Residential Strategy 2019 (DRAFT),* Byron Shire Council
- *Tourism Management Plan 2008-2018,* Byron Shire Council
- *Annual Report 2018,* Brunswick Heads Chamber of Commerce

1.5 Summary

The following key findings are highlighted:

- Brunswick Heads is located in Byron Shire Council, one of regional Australia's foremost tourist destinations. Tourism brings substantial external income to the Shire but needs to be sustainably managed.
- Brunswick Heads is situated at the mouth of the Brunswick River, some 10 kilometres north of Byron Bay. The centre's commercial core is recognised as the area in the B2 Local Centre Zone, but some commercial uses also front Tweed Street. Hotel Brunswick is the most prominent landmark and anchor use. Businesses in Brunswick Heads are significantly dependent on trade from tourists.
- The centre's seaside village character is the primary drawcard from a tourism perspective and is promoted under the brand 'Simple Pleasures'.
- The proposed paid parking scheme would broadly comprise paid parking metres in the commercial core area; free parking in the balance of the centre; and permits for Byron Shire Council residents, business owners and employees. Unlike Byron Bay, paid parking in Brunswick Heads would only be operational for peak summer months of December and January as well as Easter.
- Strategic policy clearly articulates Brunswick Heads' role as seaside village with a prominent tourist function. Businesses within the centre view a lack of investment in infrastructure as well as parking and traffic issues as key concerns. The vast majority of businesses are opposed to the introduction of a paid parking scheme, according to research undertaken by the Brunswick Heads Chamber of Commerce.
- With increasing visitor numbers, the feasibility of introducing paid parking to raise funds for renewal and improvement of assets is an option that Council will need to assess, as noted by the draft *Byron Shire Sustainable Visitation Strategy 2020-2030*.

2 Regional Economic and Tourism Overview

This Chapter provides a high-level overview of the regional economic and tourism context. Reference is made to the historic and forecast population, the socio-economic profile, industry structure trends and tourism trends.

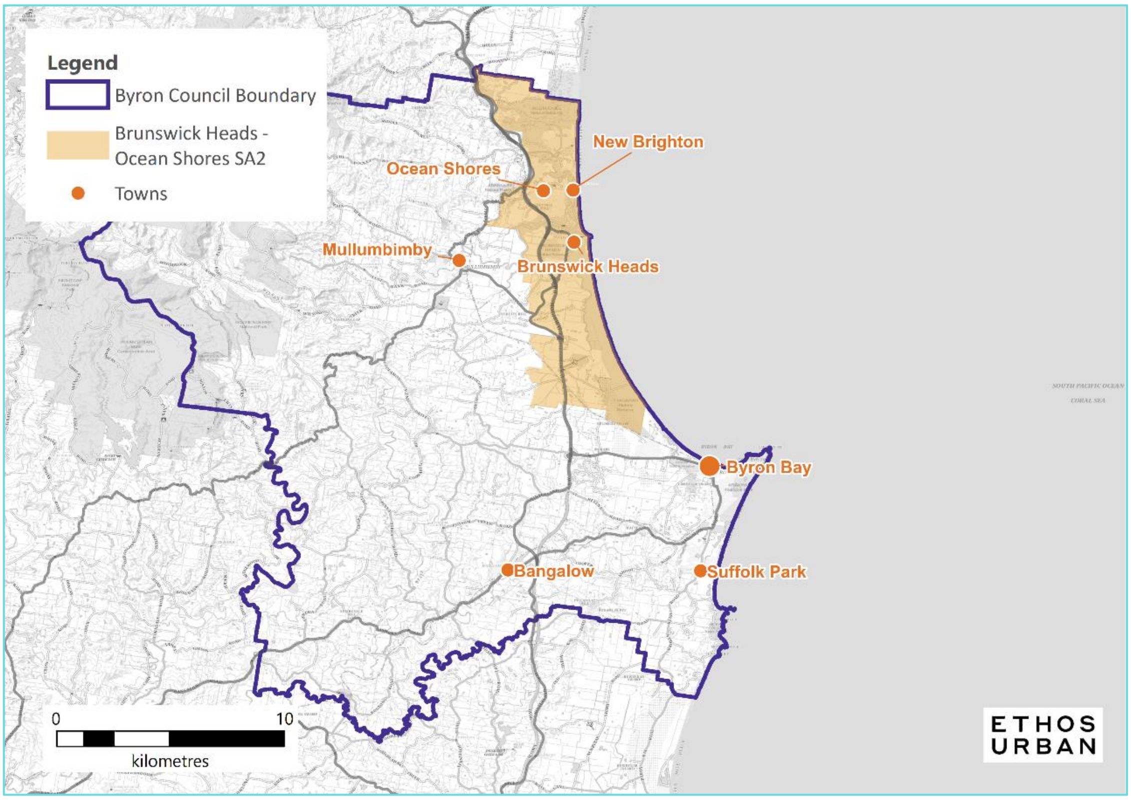
2.1 Study Regions

For the purpose of this regional economic and tourism overview, economic data has been collated with reference to the following statistical geographies (where practical):

- **Brunswick Heads – Ocean Shores SA2** (ABS statistical geography), representing the local study area of most relevance to Brunswick Heads. Note, Brunswick Heads – Ocean Shores SA2 is also identified as the Main Trade Area served by Brunswick Heads Village Centre (refer Chapter 3).
- **Byron Shire Council**, representing the regional study area.

Brunswick Heads – Ocean Shores SA2 and Byron Shire Council are shown in Figure 2.1.

Figure 2.1: Study Area Identification



Ethos Urban with MapInfo, Bing Maps and StreetPro

2.2 Population Trends & Forecast

In 2018, the residential population of the Brunswick Heads – Ocean Shores SA2 was some 8,760 persons, around 25% of the 34,570 persons living in Byron Shire, as per the latest ABS Regional Population Growth release (Cat No. 3218.0).

From 2014-2018, Brunswick Heads – Ocean Shores SA2 population increased by +360 persons with annual growth of +90 persons or +1.1% p.a. In contrast Byron Shire's population increased by +1.7% p.a. over the same period or +580 persons p.a.

Population forecasts for both the Brunswick Heads – Ocean Shores SA2 and Byron Shire have been undertaken by rebasing the official NSW State Government population projections to the latest ABS *Estimated Resident Population* (ERP) release for 2018.

From 2018 to 2034, the Brunswick Heads – Ocean Shores SA2 is forecast to increase by approximately +1,520 persons, with annual population growth of around +95 persons or +1.0% p.a. Over the same period the population of Byron Shire is forecast to increase by some +4,670 persons equating to annual growth of +290 persons p.a. or +0.8%. The significant reduction in the population growth rate for Byron Shire Council from 2018 is attributed to population growth under the latest (2018) ERP release being significantly higher than the NSW Government projections. In this context, the NSW Government projections should be viewed as a conservative estimate of the population growth likely to occur in Byron Shire Council in the near term.

Table 2.1: Bryon Bay Shire Council Historic and Forecast Population Trends, 2014-2034

Category	2014	2018	2024	2029	2034
Population					
Byron LGA	32,260	34,570	36,370	37,840	39,240
Brunswick Heads - Ocean Shores (SA2)	8,400	8,760	9,300	9,780	10,280
Annual Growth (No.)					
Byron LGA	-	+580	+300	+290	+280
Brunswick Heads - Ocean Shores (SA2)	-	+90	+90	+100	+100
Annual Growth (%)					
Byron LGA	-	+1.7%	+0.8%	+0.8%	+0.7%
Brunswick Heads - Ocean Shores (SA2)	-	+1.1%	+1.0%	+1.0%	+1.0%
Regional NSW	-	*+0.8%*	*+0.8%*	*+0.7%*	*+0.6%*

Source: ABS Regional Population Growth (Cat: 3218.0), 2016 NSW State & Local Government Area Population Projections

Population growth in the Brunswick Heads – Ocean Shores SA2 will be informed by development of existing vacant greenfield land supply and urban consolidation. The development of vacant greenfield supply would primarily occur south of Torakina Road at Brunswick Heads where there is capacity for an additional +212 dwellings according to Council's Draft Residential Strategy (2019).

Importantly, forecast population growth in the Brunswick Heads – Ocean Shores SA2 will increase the pool of local retail spending with potential flow-on benefits to retailers located in Brunswick Heads.

2.3 Social Economic Profile and Industry Structure Trends

An overview of the socio-economic profile for Brunswick Heads – Ocean Shore SA2 and Byron Shire, and the industry structure of Byron Shire is summarised in Table 2.2 and Table 2.3 respectively. The following key observations are noted:

- **Household income is low in Brunswick Heads and Byron Shire.** The median (annual) household income for Brunswick Heads-Ocean Shores SA2 and Byron Shire is $60,330 and $59,930 respectively, which is below the Regional NSW median of $61,200.

- **Housing costs are high compared to regional NSW,** with average rents in the SA2 and Byron Shire at $410 per week, significantly above the Regional NSW average ($280 per week). The median monthly mortgage repayment for Byron Shire ($1,330 per week) is lower than the Regional NSW median, but this can be attributed to the lower (mortgage) cost of residential dwellings in the hinterland. The median mortgage repayment for Byron Bay township (SA2) is significantly higher at $2,000 per week. Housing costs in the Shire have increased significantly due to the prevalence of STRA servicing the visitor economy.

- **The vast majority of Byron Shire's resident labour force (70.2%) is employed in the consumer services sector,** with health care and social assistance (1,920), accommodation and food services (1,620), retail trade (1,390) and education and training (1,320) representing four largest sub-sectors in 2016. Other significant sub-sectors for employment include construction (1,160) and professional, scientific and technical services (960). The dominance of the consumer services sector in Byron Shire partly reflects the municipality's dependence on tourism.

- **Employment growth in Byron Shire is underpinned by increases in the consumer services sector.** From 2006 to 2016 the consumer services sector increased by some +1,490 jobs or +20.9%. The only sub-sector within the consumer services sector to observe a decline in employment between 2006 and 2016 was retail (-100 jobs), and reflects broader structural changes including competition from online platforms as well as technology advancements (such as self-checkouts in supermarkets).

Table 2.2: Socio Economic Profile, Byron Bay Shire Council and Brunswick Heads – Ocean Shores (SA2), 2016

Category	Byron Shire Council	Brunswick Heads - Ocean Shore (SA2)	Rest of NSW
Income			
Median household income (annual)	$59,930	$60,330	$61,200
Variation from Rest of NSW median	*-2.1%*	*-1.4%*	*na*
Age Structure			
Median Age (years)	43.8	43.9	42.0
Country of Birth			
Australia	79.3%	80.9%	89.3%
% speak English only at home	*92.3%*	*92.3%*	*93.8%*
Household Composition			
Family Households	64.6%	64.6%	69.2%
Lone person household	27.6%	27.6%	27.6%
Group Household	7.9%	7.9%	3.2%
Dwelling Structure (Occupied Private Dwellings)			
Separate house	82.7%	83.1%	82.9%
Occupancy rate	*84.7%*	*84.8%*	*86.8%*
Average household size	2.4	2.4	2.4
Tenure Type (Occupied Private Dwellings)			
Rented	31.9%	31.9%	28.9%
Owned Outright	37.8%	38.2%	38.7%
Owned with a mortgage	29.4%	29.3%	31.6%
Other tenure type	0.9%	0.6%	0.8%
Housing Costs			
Median monthly mortgage repayment	$1,330	$1,790	$1,600
Variation from Rest of NSW median	-16.9%	11.9%	0.0%
Median weekly rent	$410	$410	$280
Variation from Rest of NSW median	46.4%	46.4%	0.0%
Share of occupied dwellings connected to the internet	87.9%	87.6%	79.8%
Employment Status			
Unemployed/ looking for work	6.5%	6.5%	6.6%
Labour force participation rate	63.2%	63.2%	59.1%
Occupation			
Managers	15.0%	15.2%	13.1%
Professionals	24.4%	24.4%	18.1%
Technicians and trades workers	14.2%	14.1%	14.9%
Community and personal service workers	12.3%	12.1%	11.9%
Clerical and administrative workers	9.5%	9.6%	12.4%
Sales workers	9.7%	9.7%	9.6%
Machinery operators and drivers	3.5%	3.5%	7.1%
Labourers	9.7%	9.9%	11.4%
Inadequately described or not stated	1.7%	1.5%	1.5%

Source: ABS Census 2016

Table 2.3: Resident Labour Force Trends (Jobs), Byron Bay Shire Council, 2006 to 2016

Category	2006		2016		Change 2006-2016	
	No.	*% Share*	*No.*	*% Share*	*No.*	*% Increase*
Primary Sector						
Agriculture, Forestry & Fishing	520	4.7%	510	4.2%	-10	-1.9%
Mining	30	0.3%	50	0.4%	+20	+66.7%
Sub-Total	***550***	***5.0%***	***560***	***4.6%***	***+10***	***+1.8%***
Secondary Sector						
Manufacturing	770	7.0%	550	4.5%	-220	-28.6%
Construction	1,100	9.9%	1,160	9.5%	+60	+5.5%
Sub-Total	***1,870***	***16.9%***	***1,710***	***13.9%***	***-160***	***-8.6%***
Tertiary Sector						
Producer Services						
Electricity, Gas, Water & Waste Services	60	0.5%	70	0.6%	+10	+16.7%
Transport, Postal & Warehousing	320	2.9%	370	3.0%	+50	+15.6%
Information Media & Telecommunications	230	2.1%	210	1.7%	-20	-8.7%
Financial & Insurance Services	190	1.7%	190	1.5%	0	0.0%
Rental, Hiring & Real Estate Services	310	2.8%	280	2.3%	-30	-9.7%
Wholesale Trade	420	3.8%	290	2.4%	-130	-31.0%
Sub-Total	***1,530***	***13.8%***	***1,410***	***11.5%***	***-120***	***-7.8%***
Consumer Services						
Retail Trade	1,490	13.5%	1,390	11.3%	-100	-6.7%
Accommodation & Food Services	1,440	13.0%	1,620	13.2%	+180	+12.5%
Arts & Recreation Services	240	2.2%	350	2.9%	+110	+45.8%
Administrative & Support Services	370	3.3%	630	5.1%	+260	+70.3%
Professional, Scientific & Technical Services	720	6.5%	960	7.8%	+240	+33.3%
Public Administration & Safety	420	3.8%	430	3.5%	+10	+2.4%
Education & Training	1,070	9.7%	1,320	10.8%	+250	+23.4%
Health Care & Social Assistance	1,380	12.5%	1,920	15.6%	+540	+39.1%
Sub-Total	***7,130***	***64.4%***	***8,620***	***70.2%***	***+1,490***	***+20.9%***
Sub-Total Tertiary Sector	***8,660***	***78.2%***	***10,030***	***81.7%***	***+1,370***	***+15.8%***
Total	**11,080**	**100.1%**	**12,300**	**100.2%**	**+1,220**	**+11.0%**

Source: ABS Census 2016 and 2006

2.4 Tourism Profile

An overview of domestic and international visitation and spending in Byron Shire is provided in Tables 2.4, 2.5 and 2.6. The following key findings are noted:

- **Domestic visitation underpins Byron Shire Council's tourist market.** Although Byron Shire is an internationally regarded tourist destination, domestic visitation and visitor nights significantly outweigh visitation and visitor nights attributed to the international market.

  In 2019, total visitors and visitor nights for Byron Shire was estimated at 2.2 million and 5.5 million, respectively. Domestic daytrip visitors totalled 1.0 million, while domestic overnight visitors and visitor nights were 1.0 million and 3.9 million, respectively. In contrast, international visitation totalled 0.2 million and visitor nights 1.7 million.

- **Growth is occurring in domestic and international visitor nights.** Across the four years to June 2019, annual growth in domestic daytrip visitors was +3.3% while domestic overnight visitors and international visitors increased by +6.5% and +6.3% respectively per annum.

  Growth in the domestic visitor market is informed by Byron Shire's proximity to the SEQ urban corridor which currently accommodates some 3.5 million residents. SEQ's residential population is projected to increase by some +2 million persons across the next 25 years (source: *Queensland Government Population Projection 2018 edition*), which will drive significant further growth in domestic visitation to Byron Shire Council.

- **By 2030 total visitors to Byron Shire is estimated to be 3.8 million and visitor nights 8.5 million,** based on forecasts outlined in the draft *Byron Shire Sustainable Visitation Strategy 2020-2030*. Under these forecasts annual growth in total visitors and visitor nights would be +4.1% and +3.9% respectively. The forecast growth in the visitor market outlined by Council's Visitor Strategy is considered conservative in view of recent trends in Byron Shire's visitor market and the population increase projected for SEQ (noted above).

- **Total and average per capita spending by domestic visitors is significantly higher than international visitors.** Approximately $769 million was spent by visitors to the Shire in 2018, with $571 million (or 74.3% or the total visitor spend) attributed to domestic overnight visitors followed by domestic daytrip visitors ($100 million or 13.0%) and international visitors ($97 million or 12.6%). The significantly lower average spending for international visitors (per night and for commercial accommodation) is attributed to the prevalence of backpackers in Byron Shire.

- **Between 2012 and 2018 total annual visitor spending for Byron Shire Council increased by +$387 million, representing average growth of +12.5% per p.a.** Significant growth in visitor spending is providing opportunities for businesses to increase average turnover levels in centres throughout the municipality including Brunswick Heads.

Table 2.4: Domestic & International Visitation, Byron Shire Council, June 2015 to June 2019

Category	2015	2016	2017	2018	2019	4-year annual growth Byron Shire (No.)	Byron Shire (%)	Regional NSW (%)
Visitors (000')								
Domestic day trip visitors	870	910	1,090	1,020	990	+30	+3.3%	+5.6%
Domestic overnight visitors	770	780	830	830	990	+55	+6.5%	+7.9%
International visitors	180	190	210	200	230	+13	+6.3%	+6.5%
Total visitors	**1,820**	**1,880**	**2,130**	**2,050**	**2,210**	**+98**	**+5.0%**	**+6.4%**
Visitor nights (000')								
Domestic day trip	-	-	-	-	-	-	-	-
Domestic overnight	2,930	2,610	2,960	2,800	3,850	+230	+7.1%	+6.7%
International	1,340	1,430	1,570	1,320	1,650	+78	+5.3%	+5.0%
Total visitor nights	**4,270**	**4,040**	**4,530**	**4,120**	**5,500**	**+308**	**+6.5%**	**+6.5%**

Source: Tourism Research Australia 2019
Note: Figures rounded

Table 2.5: Forecast Domestic & International Visitation, Byron Shire Council, 2020 to 2030

Category	2020	2022	2025	2027	2030	10-year annual growth Byron Shire (No.)	Byron Shire (%)
Visitors (000')							
Domestic day trip visitors	1,190	1,310	1,490	1,590	1,780	+60	4.1%
Domestic overnight visitors	1,170	1,330	1,510	1,620	1,750	+60	4.1%
International visitors	240	260	290	310	340	+10	3.5%
Total visitors	**2,600**	**2,900**	**3,290**	**3,520**	**3,870**	**+130**	**4.1%**
Visitor nights (000')							
Domestic overnight	4,030	4,490	4,940	5,280	5,550	+150	3.3%
International	1,830	2,060	2,410	2,650	3,040	+120	5.2%
Total visitor nights	**5,860**	**6,550**	**7,350**	**7,930**	**8,590**	**+270**	**3.9%**

Source: *Byron Shire Sustainable Visitation Startegy 2020-2030* (DRAFT)
Note: Figures rounded

Table 2.5: Visitor Spending, Byron Shire Council, 2018

Category	International	Domestic Overnight	Domestic Day	Total
Average stay (nights)	7	3		**4**
Spend ($m)	$97m	$571m	$100m	**$769m**
Average spend per trip ($)	$487	$691	$100	**$378**
Average spend per night ($)	$67	$198		**$154**
Average spend (commercial accommodation) per night ($)	$72	$260		**$191**

Source: Tourism Research Australia 2019

2.5 Summary

A summary of key findings from this Chapter is provided below:

- Across the 16 years to 2034, population growth in Brunswick Heads – Ocean Shores (SA2) and Byron Shire Council is forecast at +95 persons and +290 persons p.a. respectively. Population growth in the Brunswick Heads – Ocean Shores SA2 will increase the pool of local retail spending with flow-on benefits to retailers located in Brunswick Heads.
- For both Brunswick Heads – Ocean Shores (SA2) and Byron Shire Council, household incomes are lower and housing costs (rents) are higher relative to the Regional NSW median.
- The vast majority of Byron Shire Council's resident labour force (70.2%) are employed in the consumer services sector, with growth in this sector underpinning job creation in the municipality. The dominance of the consumer services sector can be partly attributed to Byron Shire Council's dependence on tourism.
- Although Byron Shire Council is an internationally regarded tourist destination, domestic visitors underpin the municipality's visitor sector in terms of visitor numbers, nights and expenditure. Domestic visitation to Byron Shire is supported by the municipality's proximity to SEQ. SEQ is expected to increase by some +2 million people over the next 25 years.

3 Brunswick Heads Trading Context

An overview of the current trading situation and outlook for Brunswick Heads is provided by this Chapter. The existing shopfront floorspace provision is outlined and an indicative trade area for the Brunswick Heads is identified with reference to competing centres and retailers, as well as forecast spending growth. The centre's development outlook is then considered in view of forecast available spending, likely market shares and visitor sector growth.

Discussion in this Chapter is primarily focused on the retail sector. Like most small commercial centres, trade in Brunswick Heads is largely underpinned by retailing.

3.1 Current Shopfront Floorspace Provision

Brunswick Heads contained some 6,930m^2 in shopfront floorspace (gross leasable area or GLA), based on a floorspace survey undertaken by the consultant in November 2019. Occupied retail shopfronts comprise 5,890m^2 of GLA or 85.0% of total shopfront floor space, with 460m^2 or 6.6% accommodated by office shopfronts (offices located in a tenancy that could be used for retail).

Approximately 590m^2 or 8.5% of total shopfront floorspace is vacant, representing six vacant tenancies including the fisherman's co-op shop at the Brunswick Heads marina. While it is understood that this level of vacancy (8.5% or six shopfronts) is the highest Brunswick Heads has experienced for some years, it is nonetheless considered reasonable from a national perspective and indicates relatively healthy trading conditions in light of headwinds and structural changes impacting the retail sector. Across Australia, vacancy rates of above 10% for strip centres are now common.

Discussions with local real estate agents indicate there is very strong demand for shopfronts in Brunswick Heads with commercial rents in the centre almost doubling in the last five years. Significant growth in commercial rents are a factor which has contributed to recent increases in tenant turnover and vacancies. As noted earlier, preliminary results from the Chamber of Commerce Business Survey 2019 showed that almost half of businesses surveyed commenced operations in the last four years.

Table 3.1: Brunswick Heads Occupied and Vacant Shopfront Floorspace

Category	Floorspace (m²)	Proportion (%)
Occupied Retail Shopfront	5,890	85.0%
Office Shopfront	460	6.6%
Total Occupied Shopfront	**6,340**	**91.5%**
Vacant Shopfront	*590*	*8.5%*
Total Shopfront	**6,930**	**100.0%**

Source: Ethos Urban (shopfront floorspace survey undertaken 5/11/2019 and 6/11/2019)
Note: Dedicated office floospace not included (eg Centrelink)
Note: Survey included all shopfront tenancies in Brunswick Heads

Occupied retail shopfront floorspace in Brunswick Heads is summarised in Table 3.2 based on the following categories:

- **Food, Liquor & Groceries (or FLG)** – encompasses spending on fresh food, groceries, take-home liquor and FLG specialties (bakeries, butchers etc). Tenancies in this category include the IGA supermarket and BWS liquor store (both located on Tweed Street), the Fresh Fruit & Vegetables outlet at Village Greens (on Old Pacific Highway), and Bruns Bakery.

- **Food Catering** – comprising cafes, restaurants and takeaway food.

- **Non-Food** – comprising apparel; homewares; bulky merchandise; leisure and general merchandise, and discount merchandise (e.g. The Big Fish, Sunshine Trade and Vinnies Op Shop)
- **Services** – encompassing hairdressers, beauty salons etc.

Brunswick Heads accommodates no national brand non-food retailers and many of the non-food tenancies serve both visitors and residents.

Non-Food is the largest category for occupied retail floorspace comprising 2,870m^2 or 48.7% of total occupied retail floorspace, followed by Food Catering (1,850m^2 or 31.4%) and FLG (1,170m^2 or 19.9%). A strong presence of food catering and small-format non-food tenancies including apparel are typical of many tourism-based centres.

Table 3.2: Brunswick Heads Village Centre, Occupied Retail Shopfront Floorspace

Category	Floorspace (m²)	Proportion (%)
Food, Liquor and Groceries	1,170	19.9%
Food Catering	1,850	31.4%
Non-Food	2,570	43.6%
Services	310	5.3%
Total Occupied Retail	**5,890**	**100.0%**

Source: Ethos Urban

3.2 Competitive Context

Main Trade Area Definition

Brunswick Heads – Ocean Shores SA2 is identified as Brunswick Heads' Main Trade Area (or MTA) and broadly represents the geographic area from which a large proportion of the centre's sales are captured. In identifying a MTA for Brunswick Heads, the consultant had regard for the results of an intercept survey undertaken by Council as well as conversations with local business stakeholders (refer Chapter 5).

Brunswick Heads MTA includes the following settlements:

- Brunswick Heads
- New Brighton
- Ocean Shores, and
- South Golden Beach.

The MTA is shown in Figure 3.1.

Competing Centres in the MTA

Within the MTA competing centres are Ocean Shores (which trades as 'Ocean Village') and Billinudgel.

<u>Ocean Village</u>

Ocean Village is the most prominent retail centre in the MTA, comprising approximately 4,500m^2 of shopfront floorspace. Ocean Village is anchored by a full-line Coles supermarket and a large Target Country. The Coles supermarket draws a proportion of its trade from Brunswick Heads' residents due to the supermarket offer at Brunswick Heads being limited to a small IGA. Unlike Brunswick Heads, which draws a significant proportion of trade from visitors, Ocean Village primarily draws trade from MTA residents and has a very limited café and restaurant offering when compared to Brunswick Heads.

Council's Draft Business and Industrial Lands Strategy (2019) outlines the following future role for Ocean Village:

> *"Ocean Shore centre should be encouraged to evolve into a town centre with the type of land use mix of such centres whilst continuing to operate as a retail and speciality use commercial centre catering for the local catchment." (p39)*

Council's Draft Business and Industrial Land Survey (2019) notes that Ocean Village has a growing residential catchment, low vacancy rate and good mix of uses to service the local catchment.

Billinudgel

Billinudgel comprises a handful of shopfronts located on Wilfred Street (to the west of the Pacific Highway) with surrounding industrial uses. The Billinudgel Hotel and a Billinudgel Store are the prominent retail/commercial focal points. Council's Draft Business and Industrial Strategy (2019) identifies the activity centre's future role as continuing to "*support the surrounding employment precinct and western Ocean Shores residential area with day-to-day services*" (p40). Development opportunities at Billinudgel are limited by the centre's high vacancy rate and limited (immediate) residential catchment.

Competing Centres Beyond the MTA

Mullumbimby (Town Centre)

Mullumbimby is the second largest retail/commercial centre in Byron Shire and comprises around 31,600m^2 of retail and commercial floorspace. The centre is currently anchored by a full-line Woolworths supermarket and contains the offices of Byron Shire Council. Historically, Mullumbimby has primarily serviced local residents in the northern reaches of Byron Shire, but the township's tourist function is increasing. In particular, the growth of Byron Bay has contributed to Mullumbimby now being viewed as the township where tourists can 'meet the locals'. In this context, the retail mix of Mullumbimby is changing with the emergence of some boutique clothing, homewares and cafes geared to visitors.

Council's Draft Business and Industrial Strategy (2019) states that there is an oversupply of commercial floorspace in the order of 6,165m^2, and by 2026 growth in resident, worker and visitor expenditure would more than absorb this level of floorspace. Moreover, by 2028 the Strategy states there would be enough demand for an additional supermarket of 1,500m^2. (Note, the calculations underpinning these finding are not substantiated.)

Council's Draft Business and Industrial Strategy (2019) identifies the following future role for Mullumbimby:

> "*Mullumbimby acts as the core service centre for much of Byron Shire. Continuing to encourage this function and further develop opportunities for a socially, culturally, environmentally and economically sustainable town centre will be the key to retaining the vibrancy of the town centre."* (p35)

Byron Bay

Byron Bay township is the municipality's 'heavyweight' – functioning as the commercial and tourist focal point for Byron Shire Council and indeed the NSW North Coast.

The township accommodates some 47,700m^2 retail/commercial floorspace with anchor tenants including Woolworths and ALDI supermarkets, and the Beach Hotel. Trading levels for retailers in Byron Bay are significantly higher than in the balance of the municipality which is reflected in a prevalence of major brands including Rip Curl and Surf, Dive and Ski; as well has higher commercial rents.

An epicentre for tourist accommodation, as well as entertainment and nightlife, Byron Bay has a distinctly different feel and context to the likes of Brunswick Heads, which has a tourist offering that is less commercial and more family orientated.

Indeed, the intensity of activity in Byron Bay is pushing tourists to other areas of the Shire including Mullumbimby and Brunswick Heads.

Figure 3.1: Brunswick Heads Village Centre Competitive Context

Source: Ethos Urban

3.3 Retail Spending Forecasts

Retail spending by residents in the MTA has been estimated with reference to *MarketInfo*, a micro-simulation model which uses data from the ABS Household Expenditure Survey, the ABS Census of Population and Housing, ABS National Accounts, and other relevant sources.

The estimated available total retail spending of MTA residents for the period 2019-2034 is summarised in Table 3.3 and is based on the categories described previously. All figures described in this report are in constant 2019 dollars (i.e. excluding the effects of inflation).

By 2034, estimated total retail spending from MTA residents is forecast to be \$172.2 million, some +\$42.5 million or +32.8% above the 2019 level of \$129.7 million. The Non-Food category would observe the largest increase in retail spending (+$24.8 million or +47.6%) followed by FLG (+$12.0 million or +21.1%), Food Catering (+$4.0 million or +25.1%) and Services (+$1.7 million or +32.8%).

Population growth in the MTA is the primary driver of the forecast increase in retail spending. The MTA's population is forecast to increase by +1,430 persons across the 15 years to 2034, as discussed in Chapter 2.

Table 3.3: Estimated Available Retail Expenditure of Trade Area Residents, 2019-2034 (in constant $2019)

Retail Category	2019	2024	2029	2034
MTA (Brunswick Heads – Ocean Shores (SA2)				
FLG	$57.1m	$60.9m	$64.9m	$69.2m
Food Catering	$15.9m	$17.1m	$18.4m	$19.8m
Non-Food	$52.2m	$59.4m	$67.6m	$77.0m
Services	$4.6m	$5.1m	$5.6m	$6.3m
Total Retail	**$129.7m**	**$142.4m**	**$156.6m**	**$172.2m**

Source: Ethos Urban with MarketInfo

The estimates provided in Table 3.3 are also informed by assumptions regarding real growth in expenditure for the four retail categories. For the retail sector (as a whole), real growth in retail expenditure has historically been in the order of +1% p.a.

Importantly, a context of increasing total retail expenditure bodes well for those existing retailers in the MTA including businesses in Brunswick Heads.

3.4 Retail Sales and Market Share Analysis

In 2019, the total sales attributed to retailers in Brunswick Heads is estimated at $29.8 million, with around $11.1 million (or 37.4%) attributed to the Food Catering sector. Estimates of current retail sales were informed by a floorspace survey undertaken by the consultant.

Sales attributed to MTA residents are estimated at $13.1 million, or 44% of total sales, with the balance of sales (56%) attributed to persons residing beyond the MTA in the balance of Byron Shire Council or in other areas – intrastate, interstate or international.

The above estimates indicate Brunswick Heads' *market share* is in the order of 10% – meaning 10% of total retail spending by MTA residents is captured by retailers in Brunswick Heads.

Market shares are influenced be a range of factors including:

- The size and offer of the centre in question
- The size of the trade area and retail spending available
- The number, location, size and offer of competing centres
- Leakages, including trade area spending captured by online sales.

The relatively small market share (of MTA spending) captured by Brunswick Heads reflects the centre's limited role in serving the retail needs of local residents. Brunswick Heads residents are required to travel to other centres such as Ocean Shores, Mullumbimby and Byron Bay to access a large proportion of their retail needs.

However, it should be noted that while the market share of MTA resident's retail spending captured by Brunswick Heads is relatively low, Brunswick Heads is the primary location for retail expenditure from visitors to the MTA. In this context, an average sales level of $5,060/m^2 is considered to be a relatively strong sales level for a centre of the size and role of Brunswick Heads.

Table 3.4: Brunswick Heads MTA Average Retail Sales Level per Sq Metre and Estimated Total Retail Sales, 2019

Retail Category	Average Sales per m^2 of Retail Floorspace	Occupied Floorspace	Total Sales		Market Share of MTA Spending
			No.	Share	
FLG	$6,930/m^2	1,170 m^2	$8.1m	27.2%	8%
Food Catering	$6,030/m^2	1,850 m^2	$11.1m	37.4%	25%
Non-Food	$3,500/m^2	2,570 m^2	$9.0m	30.1%	7%
Services	$5,110/m^2	310 m^2	$1.6m	5.3%	24%
Total	**$5,060/m^2**	**5,900 m^2**	**$29.8m**	**100.0%**	**10%**

Source: Ethos Urban

3.5 Future Trading Context and Opportunities

Forecasts of total sales and retail development potential have been prepared for Brunswick Heads for the period 2019 to 2034 having regard to:

- Forecast retail spending by MTA residents (Table 3.3),
- Current retail sales and market shares captured by the centre (Table 3.4),
- Likely future market shares and the level of spending captured from beyond the MTA (e.g. from visitors),
- Estimated average sales levels per m^2 of GLA, and
- Estimates of total supportable retail floorspace and retail development potential (calculated by comparing total supportable floorspace against the existing floorspace provision).

For the purposes of this assessment a scenario of future sales and retail development potential has been described whereby the market share (or share of spending by MTA residents captured by the Brunswick Heads) remains constant, but the share of sales captured from beyond the MTA increases due to growth in the visitor sector (refer Table 3.5).

Under this scenario, sales from beyond the MTA is estimated to increase to 67% by 2034. This estimate is informed by available data on visitor sector growth in Byron Shire Council.

Based on these assumptions, there is potential for total retail sales at Brunswick Heads to be $52.0 million by 2034 (not including inflation), an increase of +$22.4 million on the current (2019) level; with potential for +3,520m^2 in additional retail floorspace based in an average sales level of $5,230 per m^2 of GLA. Note, estimates of additional retail floorspace prepared by the consultant broadly reflect projections for Brunswick Heads in Council's *Business and Industrial Lands Strategy* (2019).

While there is a degree of uncertainty regarding the extent to which for sales from beyond the MTA will increase, the centre's demand trajectory and potential to increase total sales is none-the-less significant. Given the historic growth in visitor spending observed by Byron Shire and the population growth projected for South East Queensland (some +2 million persons over the next 25 years), the estimates provided in Table 3.5 are considered to reflect a conservative forecast of the future trading situation.

Importantly, estimates of supportable retail floorspace for Brunswick Heads provide an indication of the additional retail floorspace that could be supported if the centre has the capacity to expand. If the centre's capacity to accommodate additional retail floorspace is limited, then the forecast increase in total sales would be reflected in the achievement of higher average turnover levels ($/m^2).

The demand trajectory faced by Brunswick Heads will result in a significant increase to the level of retail sales captured by the centre over the next 15 years. The following broad considerations relating to Brunswick Heads' future trading situation flow from this context:

- The achievement of higher average turnover levels ($/m^2) will likely result in Brunswick Heads being more attractive to higher-order retailers including some commercial brands.
- Higher average turnover levels would also result in increased demand for retail tenancies with flow-on uplifts to commercial rents. It is understood that commercial rents in Brunswick Heads have doubled in the last 5 years, based on conversations undertaken with local real estate agents. This indicates an existing context of strong demand for tenancies in the centre. In response to increasing commercial rents, existing businesses will need to take full advantage of opportunities to leverage increased sales from MTA residents and the visitor market to realise profit growth.
- Significant continued growth in the visitor market will result in Brunswick Heads being increasingly congested and moving patrons through the centre during peak times will likely become a priority. Visitor market growth will also place increasing pressure on public infrastructure.

The increase in total retail sales and average turnover forecast for Brunswick Heads indicates a strong opportunity for a successful and growing retail sector in the town.

The above considerations also represent a situation in which the prevailing character of Brunswick Heads would likely evolve in response to increased average turnover levels, commercial rents and increased visitor activity.

The challenge for Council, residents, businesses and other concerned stakeholders is to ensure this projected growth is constructive for Brunswick Heads. In other words, to make sure Brunswick Heads remains an attractive place to live, visit and operate a business, in view of unavoidable pressures – namely the significantly growth in SEQ's residential population over the next 25 years and the implications this will have for Brunswick Heads and the wider the Byron Shire region.

Table 3.5: Brunswick Heads Village Centre – Estimated Retail Sales & Supportable Retail Floorspace

Category	2019	2034
Total Sales ($)	**$29.8m**	**$52.0**
Available MTA Spending	$129.7m	$172.2
Retained MTA Spending retained by Brunswick Heads	$13.1m	$17.3
Market Share	**10.1%**	**10.1%**
Share of sales from beyond MTA (%)	56.2%	67.0%
No. from beyond MTA ($)	$16.8m	$34.9
Average Turnover Level ($/m²)	*$5,060*	*$5,230*
Supportable Retail Floorspace (m²)	**5,890m²**	**9,410m²**
Additional Retail Floorspace	-	+3,520m²

Source: Ethos Urban

3.6 Conclusion

Brunswick Heads is positioned to observe a significant increase in total retail sales and improve average trading levels over the next 15 years, underpinned by both population and spending growth in the MTA as well as substantial growth in the visitor sector. In effect, the analysis indicates a strong opportunity for a successful and growing retail sector in Brunswick Heads.

This significant growth trajectory is largely unavoidable due to factors such as the major population increase projected for SEQ. The resultant pressures will need to be appropriately managed including increased traffic congestion and lack of parking in Brunswick Heads, particularly at peak times.

4 Relevant Case Studies & Literature

This Chapter provides an overview of case studies and literature relevant to the introduction of paid parking at Brunswick Heads. The relationship between parking pricing and business activity is a neglected area of economic research.

Specific reference is made to the introduction of paid parking at Yarraville Village (activity centre) in Melbourne, which represents the only case study on the impacts of paid parking for smaller retail centres in the Australian context subject to peer-reviewed academic research. Indeed, this case study has been referred to by concerned businesses in Brunswick Heads.

In this instance, Ethos Urban are uniquely placed to provide commentary on the relevance of Yarraville Village (case study) given our firm (formerly Essential Economics) undertook an assessment which directly considered the potential for adverse impacts to occur when paid parking was introduced at Yarraville Village.

Impacts associated with the recent introduction of paid parking (by Council) at Byron Bay are also discussed.

4.1 Yarraville Village Case Study

City of Maribyrnong introduced paid parking in the core commercial area of Yarraville Village on 28 August 2015. Approximately three months later, after widespread concerns about the effect on businesses, the paid parking scheme was suspended by Council.

The paid parking scheme introduced at Yarraville comprised:

- The conversion of 97 parking bays to paid parking which were previously 1-hour and 2-hour parking bays.
- A cost of $1.80 per hour for the time period 8am-6pm. Payment could be made by inserting coins into installed parking metres or via a 'pay by phone' option.
- Paid parking was operational from Tuesday to Saturday (on Sundays and Mondays parking was free).
- Residents of Yarraville (and nearby suburbs) <u>did not</u> have the options of purchasing an annual permit to park in the centre.

At the time the paid parking scheme was introduced, Yarraville Village contained approximately 8,700m^2 in retail floorspace and had a role and function akin to a 'small neighbourhood centre' in the hierarchy of centres serving Maribyrnong LGA. The majority of floorspace accommodated convenience and service retail activities for '**top-up shopping trips**.' In addition to its convenience and service function, Yarraville had developed as a node for cafes and restaurants geared to local residents.

Yarraville Village traded in a very competitive environment and faced competition from nearby centres with free parking including:

- **Yarraville Square,** located less than 1km from Yarraville Village and anchored by a full-line Coles supermarket, and
- **Highpoint Shopping Centre and Central West,** both higher-order centres comprising a significantly wider and deeper retail offer than Yarraville. In particular, Highpoint is the largest shopping centre in Melbourne's inner-west and includes a cinema complex.

Yarraville Village also competed with the significantly larger Footscray CBD for trade where a paid parking arrangement was operational.

4.2 Yarraville Village – Introduction of Paid Parking Metres Economic Impact Assessment (Essential Economics Assessment, 2015)

A working group of Yarraville residents engaged Essential Economics (now Ethos Urban) in September 2015 to prepare a report that provided advice regarding the potential for paid parking to result in adverse impacts on businesses in Yarraville.

The report provided an analysis of the retail and trading context of Yarraville Village including estimated retail floorspace and sales, trade area and market shares; and an overview of the Yarraville's vulnerability to adverse impacts associated with the introduction of paid parking.

The report provided the following conclusion regarding the introduction of paid parking at Yarraville Village:

> *"Small, traditional street-based activity centres face strong competition from larger centres in the retail hierarchy. In this context it is important for Council policies to support local businesses in Yarraville Village, which is a long and established centre serving an important role to the surrounding community.*
>
> *"It is difficult to understand the justification for parking metres in Yarraville Village in view of the centre's relatively small size and vulnerability to strong competition from other larger or more modern centres. This is particularly the case as most of the competition is from centres where free parking is readily available." (p18)*

Unpinning this conclusion was the concern that Yarraville Village would lose a component of both its convenience and café/restaurant trade to other nearby centres, particularly threatening Yarraville Village's two small supermarkets, namely the IGA and Village Store. In effect, supermarket patronage and spending would be diverted to the Coles at Yarraville Square and other centres, causing a decline in sales of other smaller businesses in Yarraville Village which depended on regular patronage generated by the two supermarkets.

4.3 A Users' Perspective of Paid Parking at a Local Retail Precinct (Dr Gary Au & Professor William Young, University of Melbourne & Monash University, 2016)

This scholarly report by academics from University of Melbourne and Monash University analysed the impacts of paid parking at Yarraville Village from a user's perspective through a random sampling survey of residents from suburbs around Yarraville Village.

A specific aim of the report was to fill an existing gap in academic research on the relationship between paid parking and business activity in local retail centres. Existing research had predominately focused on downtown central business districts or regional shopping centres, and most studies had looked at changes to existing paid parking pricing rather than its introduction.

In total, invitation letters (to participate in the survey) were sent to 10,300 households achieving a response rate of 9.5%. The survey was undertaken between 28 November 2015 and 31 March 2016 with deployment initiating one-week before the paid parking scheme was suspended by Council.

The report concluded that:

> *"Paid parking…may encourage people to travel to nearby businesses areas where there is subsidised parking, change the day they visit, time they visit, how long and*

when they visit, and cause them to reduce both regular and discretionary spending. Further empirical research needs to be conducted to understand the introduction of paid parking on local shopping strips." (p17)

Supporting this conclusion were findings, including:

- Shorter stays – particularly for the patrons staying 1-2 hours or 2-3 hours,
- Less frequent visits – with the mode number or visits per week reducing from three to one after paid parking was introduced, and
- Reduced grocery and discretionary spending – with spending for these categories reducing by an average of $24 and $23, respectively.

Again, the report cited competition from alternate shopping locations with all-day free parking such as Highpoint Shopping Centre and Yarraville Square as a major factor driving the above results.

4.4 What are the Implications for Brunswick Heads?

Yarraville Village provides a cautionary tale regarding the introduction of paid parking at small retail centres within highly competitive trading environments. But how relevant or applicable is this case study to Brunswick Heads?

First, Yarraville Village and Brunswick Heads are both relatively small centres (with total retail floorspace below 10,000m^2) but the role and function of each centre is significantly different. While Yarraville Village trades to a localised catchment in providing convenience retail and hospitality uses geared to residents in surrounding suburbs, Brunswick Heads has a significant tourist function drawing more than 50% of trade from beyond its MTA – including residents from the balance of Byron Shire, as well as day trippers and overnight visitors from Northern NSW, SEQ and beyond (refer Chapter 3). Moreover, the retail offer of Brunswick Heads is aligned to visitors with the majority of floorspace dedicated to cafes/restaurant and comparison retail. In contrast, Ocean Village which is anchored by a full-line Coles supermarket is the dominant location for convenience retail in Brunswick Heads' MTA. Brunswick Heads residents already travel to other centres to undertake the majority of their shopping, with the Brunswick Heads centre primarily functioning as a 'top-up' convenience location for local residents (as well as a place to visit café/restaurants).

Second, while Yarraville Village faced strong competition from other nearby centres with free parking offering similar or high-order retailing, Brunswick Heads' retail offer and role are unique in the local region. Although it could be argued that paid parking would result in trade being diverted to those beachside townships further north on the Tweed Coast (Kingscliff, Cabarita Beach, Hastings Point etc), the environs and scenic views to the estuary afforded by those businesses in the commercial core of Brunswick Heads in conjunction with the towns proximity to Byron Bay reduces the likelihood trade would be lost to 'substitute' coastal centres. In this context, it is noted many overnight visitors to Brunswick Heads are families with long standing ties to the township.

Third, residents of Byron Shire would have the option of purchasing a yearly permit to park in areas of Brunswick Heads subject to paid parking metres. Permit parking for residents <u>did not</u> form part of the scheme introduced at Yarraville Village.

Fourth, it is understood the paid parking scheme proposed for Brunswick Heads would only be operational for the peak months of December and January, as well as the Easter period. In contrast the scheme introduced at Yarraville Village was operational throughout the year (Tuesday to Saturday).

And finally, the future trading context of Brunswick Heads is informed by significant growth in sales attributed to persons from beyond the MTA, such as day-trippers from SEQ and other visitors to the township – on top of increases to the population and spending base from MTA residents. Indeed, trade to visitors is estimated to increase by +$18.1 million over the next 15 years on the current level representing total sales from the beyond the MTA of $34.9 million by 2034 (refer Chapter 3). In contrast, the demand context for Yarraville Village is predominately informed by limited infill population growth and associated spending (noting that a detailed analysis of potential sales growth was not provided by the Essential Economics report due to its limited scope).

In essence, the Brunswick Heads context is significantly different to that of Yarraville Village. In particular, the extent to which Brunswick Heads' retail offer and setting is unique in the Byron Shire region, coupled with the fact that the scheme proposed for Brunswick Heads would only be operational in peak months and includes permits for residents, indicates the likelihood of adverse impacts occurring at a level akin to the Yarraville Village case study is unlikely.

4.5 Introduction of Paid Car Parking in Byron Bay

It is understood that the paid parking scheme proposed for Brunswick Heads would be broadly similar to the scheme which has been operating in nearby Byron Bay since October 2017.

Representatives from the Byron Bay Chamber of Commerce were unavailable to provide comments regarding the introduction of paid parking in Byron Bay, but a number of stakeholders interviewed for the purpose of this assessment had business or other interests in Byron Bay and provided feedback. Commentary from these stakeholders highlighted the following points:

- Retailers noticed shifts in shopper behaviour and trade when paid parking was introduced, but these changes were varied and difficult to quantify.
- Pressures felt by some retailers in Byron Bay subsequent to the paid parking being introduced were also attributed to other factors such as the significant increase in commercial rents.
- Those impacts that did occur were generally only noticed for around six months, after which their effects where alleviated by growth in the market.

Paid parking operates in Byron Bay year-round with limited opportunities for visitors to park in commercial areas not subject to paid parking metres. Again, the scheme proposed for Brunswick Heads would be only operational for peak months and only be applied to a limited area in the town (noting that Council are yet to decide on the exact area that would be subject to paid parking in Brunswick Heads).

Byron Bay currently has a low vacancy rate and elevated commercial rents, both characteristics of strong performing centres, based on a field visit undertaken by the consultant and review of Council's *Draft Business and Industrial Land Strategy*. On this basis, the introduction of paid parking to Byron Bay has not undermined the ability of the centre to perform its role and accommodate a range of viable businesses.

4.6 Summary

Adverse impacts associated with the introduction of paid parking at Yarraville Village and to a lesser extent Byron Bay provide a cautionary tale. However, distinct differences relating to Brunswick Heads' trading context and the nature of the paid parking scheme proposed (compared to both case studies) reduce the extent to which Brunswick Heads would be vulnerable to a significant reduction in trade if a paid parking scheme was implemented.

Unlike Byron Bay, Council are proposing that paid parking in Brunswick Heads be operational for only the peak months of December and January, as well as the Easter period. While in comparison to Yarraville Village, Brunswick Heads’ role, function, competitive environment and future growth opportunities, provide a significantly more robust base to limit adverse impacts.

Byron Bay provides an illustration that centres with strong fundamentals such as growing local and visitor populations and spending can withstand impacts that may arise from the introduction of paid parking.

5 Stakeholder Interviews and Survey Results

This Chapter outlines the findings from the intercept survey and stakeholder interviews undertaken to inform this assessment.

5.1 Stakeholder Interview Findings

Consultation was undertaken with representatives of the Brunswick Heads Chamber of Commerce, Community Alliance for Byron Shire Council, Brunswick Heads Progress Association, and representatives of local businesses.

A selection of the views raised in consultation with key stakeholders are provided below. Note, the below comments are based on consultation and do not necessarily reflect the views of the consultant.

Role and Function of Brunswick Heads

- Brunswick Heads is a tourism dependent town with the majority of trade attributed to domestic day-trippers from Northern NSW and South-East Queensland.
- Overnight visitors are predominately families from South-East Queensland, Sydney and Melbourne. The three caravan parks in Brunswick Heads (Reflections Massey Greene, Reflections Ferry Reserve and Reflections Terrace Reserve) underpin overnight visitation.
- The overnight visitor profile has changed overtime from families (camping) to a higher price cliental and shorter-term stays.
- Brunswick Heads was a ‘low-key’ town historically, but this is changing due to increased visitation. Traffic congestions during peak-times is a growing concern.
- The volume of visitors to the town has significantly increased putting unprecedented pressure on the town’s infrastructure. There are also environmental concerns associated with the increasing volume of tourists including degradation of the riverfront.
- Families who stay overnight are price driven, return year-on-year (often booking a year in advance) and have deep connections to the township and residents.
- Unlike many other towns on the coast, Brunswick Heads is completely land constrained (due to the surrounding National Park) which contributes the town’s unique character and feel.
- Brunswick Heads is not a destination for international visitors, particularly backpackers – “we don’t want to be Byron Bay”.
- Dependence on the domestic visitor market mean the businesses in the town are highly vulnerable to regional and national economic impacts.
- The recent lower Australian dollar has been good for businesses in the township with more Australian’s choosing to holiday domestically (in locations such as Brunswick Heads) rather than overseas.
- The centre is currently experiencing the highest level of shopfront vacancy for some years and there is an unprecedented level of shop turnover.
- In peak periods (December, January and the Easter holidays) in excess of 85% of retail trade is to daytrip or overnight visitors.

- A significant amount of local trade comes from residents of nearby Ocean Shores.
- There was a significant increase in activity at Brunswick Heads when paid parking was introduced in Byron Bay.
- The relaxed, village atmosphere is Brunswick Heads' economic asset.
- There is no night-time economy in Brunswick Heads (other than the Brunswick Heads Hotel).
- Trade at the Brunswick Heads' Hotel is typically finished by around 9-10pm.
- Development of a night-time economy is difficult because overnight visitors to the town are typically families with children.
- We don't want the level of activity, visitation and trade in Brunswick Heads to increase significantly.
- We don't want a backpacker or party culture to develop in the Brunswick Heads.
- Brunswick Heads has the only Centrelink in Byron Shire Council and vulnerable persons travel from within and beyond Byron Shire Council to access these services. The peak holiday months (December and January) are typically a time of high vulnerability for persons on Centrelink payments.
- Significant increases in housing rents (due to STRA) is placing pressure on the residential population in Brunswick Heads and limiting growth.
- Retail and commercial rents have increased significantly which is placing pressure on businesses.
- We don't want sales levels and commercial activity in the town the increase – we don't want to be like Byron Bay.

Paid Car Parking

- Timed parking is already helping move traffic through the centre.
- It is near impossible to get a park in the centre in peak months.
- Paid parking should never be implemented in Brunswick Heads.
- Paid parking would result in needed revenue to support the upkeep of infrastructure which has come under pressure from increasing visitation.
- Change from two-hour parking to one-hour parking in parts of the centre has resulted in patrons buying coffee and not meals.
- People are worried about the loss of business to coastal centres in the Tweed region if paid parking is introduced.
- Locals (from Byron Bay Shire) should not have to pay.
- Introduction of a paid parking scheme akin to Byron Bay would result in difficulty for workers who live outside of Byron Shire Council.
- Introduction of paid parking at Byron Bay resulted in decline in trade which occurred across the course of a year and may have been contributed too by other factors such as the wider

downturn in the retail sector and soft domestic economy. The poor website makes it difficult for locals to apply for a yearly parking permit.

- For most businesses in Byron Bay, the initial impact of paid parking subsided after around 6-12 months.
- Paid parking is likely to happen in the long-term as traffic and visitor activity increase in Brunswick Heads.
- It is hard to discern whether the introduction of paid parking (in peak periods) would result in a downturn in trade – or, simply annoy customers.
- The introduction of paid parking at Brunswick Heads is contrary to the brand the town is trying to project - that Brunswick Heads is different to the Gold Coast.
- The introduction of paid parking would erode the ‘simple pleasures’ brand.
- Brunswick Heads will become busier irrespective of parking.
- The introduction of a paid parking for only certain months of the year may lead to confusion.
- The introduction of paid parking at peak periods within the commercial core (of Brunswick Terrace, Fingal Street, Park Street and Mullumbimbi Street) is understandable, but having a paid parking scheme at the Main Beach precinct would unfairly target families.
- Not all businesses are against paid parking.
- The introduction of paid parking in the commercial core would result in some customers parking on periphery and walking in.

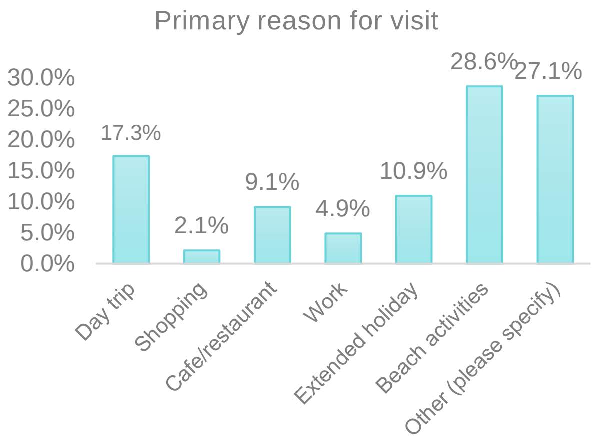
5.2 Intercept Survey Results

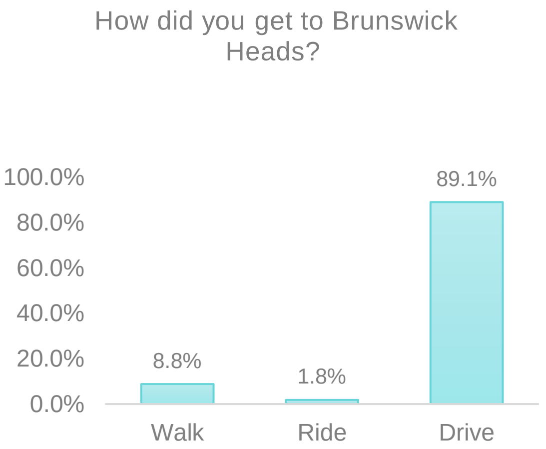
To inform this assessment intercept surveys were undertaken by Council in Brunswick Heads on Thursday the 28th and Saturday the 30th of November 2019. In total, around 300 surveys were undertaken. The purpose was to understand the centre’s patronage – namely, who use the centre and for what purpose. Surveys were undertaken at the Main Beach precinct in addition to the commercial core.

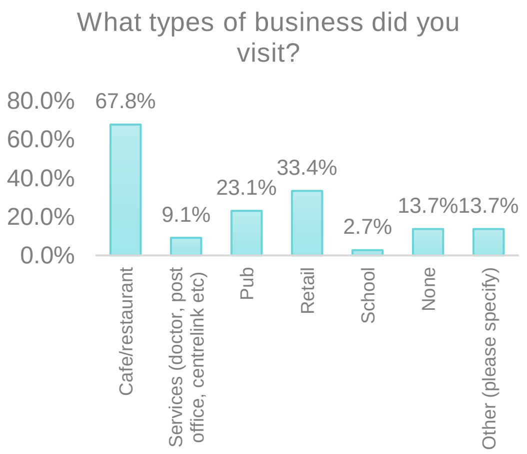
The following key findings are highlighted:

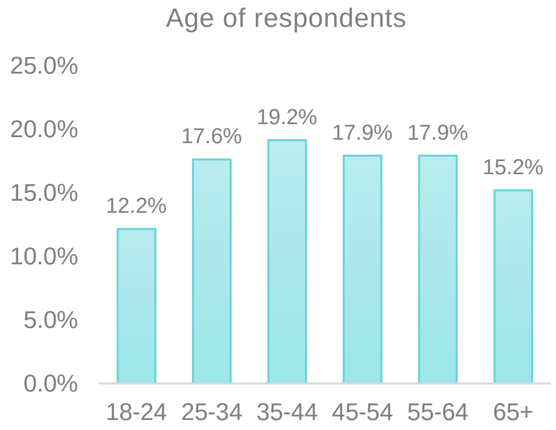
- Respondents provided a diverse range of primary reasons for visiting Brunswick Heads, with ‘beach activities’ the most prominent answer (25%) followed by ‘day-trip’ (17%). ‘Other’ accounted for 27% of responses.
- The age of respondents was relatively even across a range of age cohorts, with the ‘35-44 year age group’ the most prominent (19%) followed by the ‘55-64 year age group’ and ‘45-54 year age group’ (both 18%).
- Most respondents (89%) accessed Brunswick Heads via car.
- Cafes and restaurants were the most common business type respondents sought to access (68%), followed by ‘retail’ (33%) and the ‘pub’ (23%).
- The majority of respondents (62%) spent between zero and $50 dollars in Brunswick Heads on the day they were surveyed. Only 7% spent more than $100.

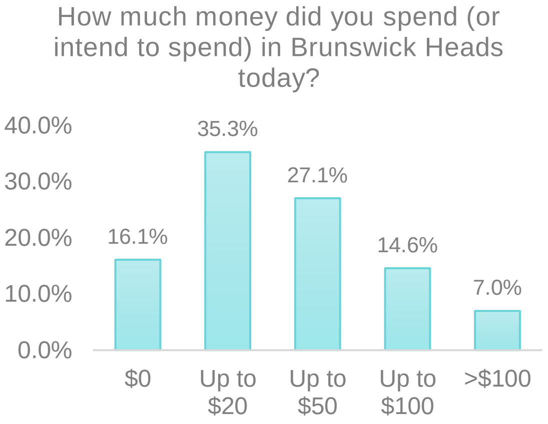
- Just over half of respondents (54%) visited Brunswick Heads on a daily basis or a couple of times per week. The balance of respondents (46%) visited Brunswick Heads a couple of times a month, a few times a year or rarely.
- One to four hours was how long the majority of respondents (61%) were intending to stay in the centre, with a further 16% staying for a day, 13% staying more than a day and only 10% staying less than an hour.
- An analysis of respondent's postcodes reveals that around 27% of respondents were from the Brunswick Heads/Ocean Shores (postal area). Other prominent postal areas where respondents originated from included Mullumbimby (16%), Byron Bay (7%) and Lismore (5%). Around 54% of respondents where from Byron Bay Shire, with balance from areas beyond (noting that in some instances postal area boundaries don't exactly align with LGAs). Around 14% of respondents where from the SEQ.

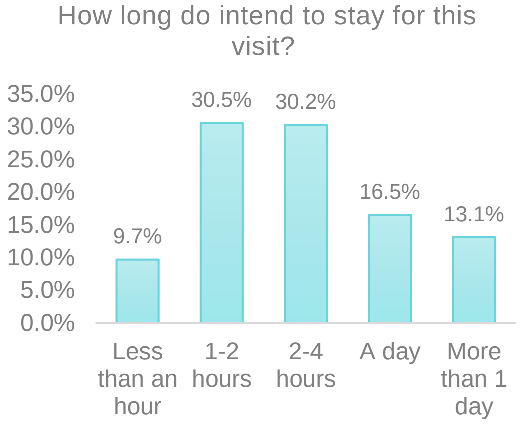

Primary reason for visit
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
17.3%
2.1%
9.1%
4.9%
10.9%
28.6%
27.1%
Day trip
Shopping
Cafe/restaurant
Work
Extended holiday
Beach activities
Other (please specify)


How did you get to Brunswick Heads?
100.0%
80.0%
60.0%
40.0%
20.0%
0.0%
8.8%
1.8%
89.1%
Walk
Ride
Drive


What types of business did you visit?
80.0%
60.0%
40.0%
20.0%
0.0%
67.8%
9.1%
23.1%
33.4%
2.7%
13.7%
13.7%
Cafe/restaurant
Services (doctor, post office, centrelink etc)
Pub
Retail
School
None
Other (please specify)


Age of respondents
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
12.2%
17.6%
19.2%
17.9%
17.9%
15.2%
18-24
25-34
35-44
45-54
55-64
65+


How much money did you spend (or intend to spend) in Brunswick Heads today?
40.0%
30.0%
20.0%
10.0%
0.0%
16.1%
35.3%
27.1%
14.6%
7.0%
$0
Up to $20
Up to $50
Up to $100
>$100


How long do intend to stay for this visit?
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
9.7%
30.5%
30.2%
16.5%
13.1%
Less than an hour
1-2 hours
2-4 hours
A day
More than 1 day

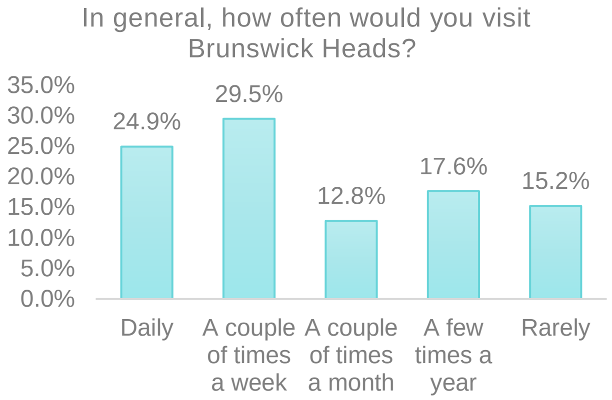
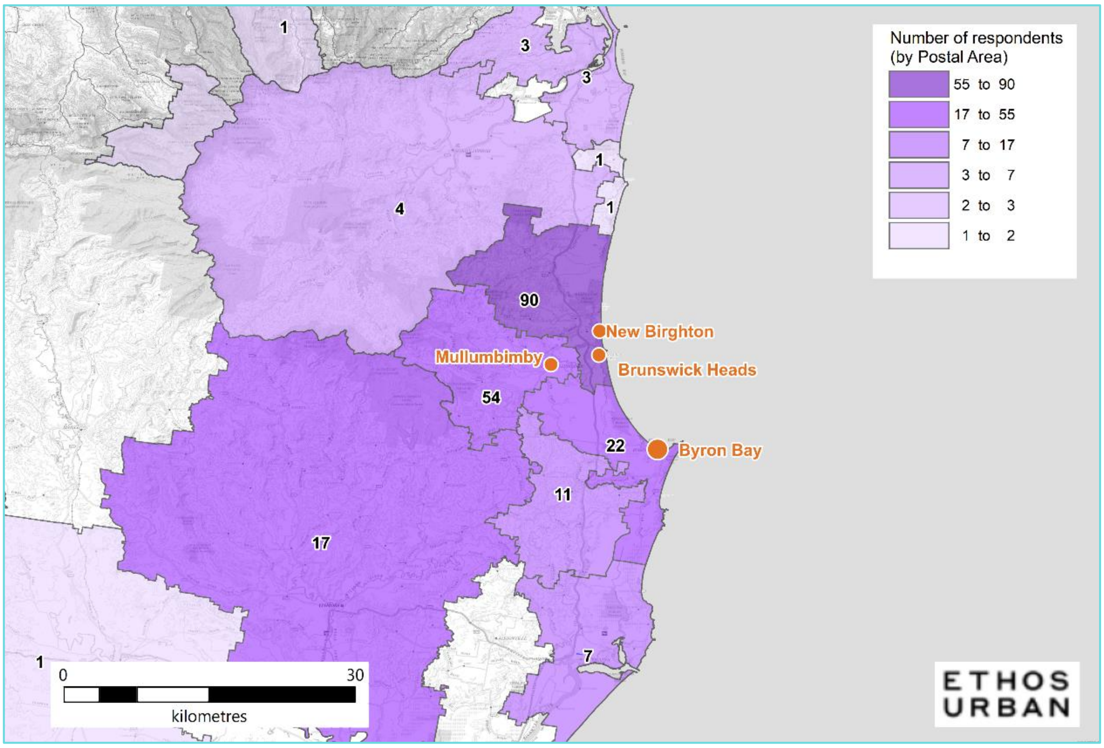


Figure 5.1: Respondents Place of Residence, Brunswick Heads Intercept Survey 2019.



Source: *Brunswick Heads Intercept Survey 2019*, Byron Shire Council; Ethos Urban

5.3 Implications

The results of the intercept survey highlight the important role of the beach as well as cafes, restaurants and other retailers in bringing people to Brunswick Heads. It is apparent the centre is predominately accessed by car and that the majority of people stay long enough to have a meal, a cup of coffee, or swim at the beach. Around 27% of respondents were from the Brunswick Heads/Ocean Shores postal area, which broadly reflects the MTA identified in Chapter 3.

Feedback from stakeholders was mixed and at times contradictory. There was a general consensus regarding Brunswick Heads' historic role as a low-key tourist town with a visitor market geared to families, although some stakeholders also observed this role is changing due to significant and increasing pressures from the visitor sector.

Views were highly divergent regarding the introduction of a paid parking scheme. Some stakeholders clearly supported the introduction of paid parking on the basis that it could raise needed funding for the upkeep of infrastructure in Brunswick Heads which has come under pressure from the visitor sector. But other stakeholders were completely opposed to the introduction of paid parking (in any form) on the basis that it would threaten the viability of existing businesses and detract from the town's character amongst other reasons.

It is apparent that the nature in the which the town is changing – and is expected to continue changing – due to increasing visitation amongst other factors, is a point of contention. For example, some stakeholders viewed the potential for increases in Brunswick Heads' level of sales in a positive light (that, albeit, would need to be carefully managed). While others firmly believed the commercial role of Brunswick Heads should remain as it is: put simply, that Brunswick Heads should not become Byron Bay.

However, no change occurring at Brunswick Heads is unlikely in view of the substantial demand pressures on the horizon (outlined in Chapter 3). In this context, finding ways to manage these pressures, such that Brunswick Heads remains a desirable and fulfilling place to visit and live will be key for Council and the Brunswick Heads community.

6 Considerations Relevant to Paid Parking at Brunswick Heads

This Chapter provides an overview of those economic and other considerations relevant to the introduction of paid parking at Brunswick Heads. Reference is made to the rationale for introducing a paid parking scheme, the ability of the centre's retail sector to absorb any initial impacts associated with the scheme's introduction (if these were to occur) and other suggestions and concerns.

It is noted that the paid car parking scheme being considered by Council broadly comprises:

- Paid car parking in the commercial core are of Brunswick Heads, but potential also exists for parking metres to be located on Tweed Street and within the Main Beach precinct.
- Provision of free parking in the balance of the centre, and
- Permits for residents of Byron Shire, business owners and employees.

Importantly, the proposed paid parking scheme would only be operational in the peak months of December and January as well as Easter.

6.1 Rationale

Council's rationale for introducing a paid parking scheme at Brunswick Heads is underpinned by the following to reasons, as noted in Chapter 1:

- The introduction of paid parking would provide a response to some issues associated with high-parking demand and traffic congestion. In particular, the introduction of a pricing mechanism is viewed as a means to increase the turnover of car parking spaces at peak-times, thereby making it easier for residents and visitors to access car parks; and
- Paid parking would also generate revenue for needed investment in infrastructure which has come under pressure from significant visitor sector growth.

Anecdotal feedback from stakeholders supports both reasons: namely, that congestion at peak times is a significant and increasing concern with residents and visitors finding it difficult to access car parks in the centre's commercial core during peak periods; and that public infrastructure in Brunswick Heads and Byron Shire Council is becoming increasingly degraded and in need of new investment due to increasing pressure from the visitor sector.

A Response to Traffic Congestion

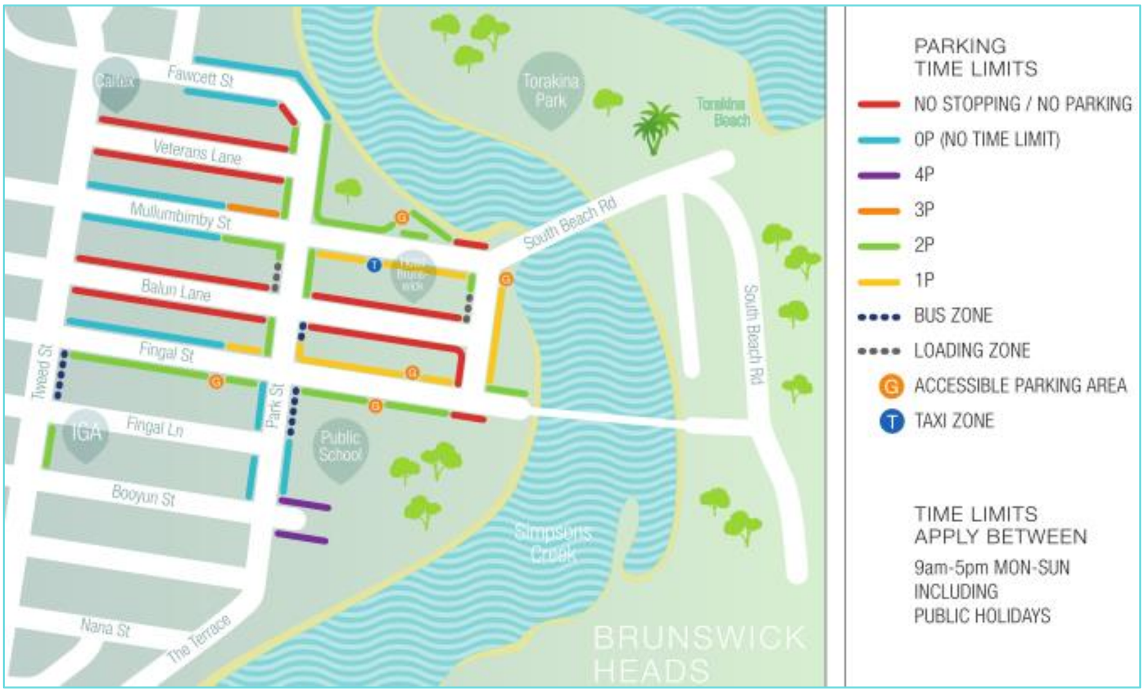
It is intuitive that paying for parking generally results in shorter stays when compared to a non-priced and non-timed situation. Indeed, the introduction of paid parking at Yarraville resulted in shorter stays particularly for patrons intending to be in the centre for less than three hours, as stated in the joint study by University of Melbourne and Monash University (refer Chapter 4).

The introduction of paid parking at Brunswick Heads would likely alleviate the need for timed parking for non-permit holders in those areas where timed parking is currently operational in Brunswick Heads (with parking permit holders still subject to time-limits). This would provide non-permit holders the flexibility to stay longer (subject to paying). Areas currently subject to parking time-limits in Brunswick Heads are shown in Figure 6.1.

Feedback from the Brunswick Heads Chamber of Commerce was that businesses in the centre's commercial core were impacted by the introduction of one-hour timed parking (1P) with this time limit not allowing patrons sufficient time to consume a main-course meal.

Results from the intercept survey showed only 10% of respondents visited Brunswick Heads for less than an hour, with the majority (61%) staying for between one and four hours – thereby supporting the Chamber of Commerce's claim. If a paid parking scheme was introduced, Council should also consider increasing the time limits of 1P areas (for permit holders) to, say, two hours to allow patrons enough time to undertake activities in the centre (e.g. eat a meal with friends).

Figure 6.1: Current Parking Time Limits in Brunswick Heads



Source: Byron Shire Council

Generating Needed Revenue for Infrastructure

The introduction of paid parking at Brunswick Heads to generate funds for needed investment infrastructure is valid to the extent that the paid parking scheme is viable; meaning that the scheme raises enough revenue to cover capital and operating costs and generate a revenue stream for Council. Generally, a payback period of under 10 years is viewed as adequate for public infrastructure, noting that for paid car-parking schemes payback periods can be significantly less.

The key consideration here is that if the paid parking scheme is only operational for December, January and the Easter Period, will it raise enough funds to be a viable investment for Byron Shire?

The proposed design of the paid parking scheme is intended to recognise tourism in Brunswick Heads as an asset upon which value can be captured. The revenue generated, largely from visitors to Brunswick Heads, will then support investment in much need infrastructure for which both residents, businesses and visitors will benefit.

6.2 Potential for Adverse Impacts

Brunswick Heads is extremely well positioned to observe a significant increase in total retail sales and improve trading levels across the next 15 years, as discussed previously. Underpinned by population growth in the centre's MTA and a substantial increase in the visitor sector, total retail sales are estimated to be $52.0 million by 2034, representing an increase of +$22.2 million in sales on the current level ($29.8 million). This estimated growth in sales indicates an opportunity for a successful and growing retail sector at Brunswick Heads.

It is the consultant's view that the introduction of paid parking scheme at Brunswick Heads would not prejudice the centre's ability to continue to operate viably, nor would it result in any unreasonable impacts to businesses already trading in Brunswick Heads. This view is underpinned by the following factors:

- The scheme only being operational in the peak periods of December, January and Easter.
- That paid parking would only apply to visitors, with annual permits available for purchase by Byron Shire residents.
- That Brunswick Heads' unique retail offer and role insulates it from competitive pressures arising from other centres in the MTA, Byron Shire Council and NSW North Coast. In particular, the environs and scenic views to the estuary afforded by those businesses in the commercial core of Brunswick Heads in conjunction with the township's proximity to Byron Bay reduces the likelihood trade would be lost to 'substitute' coastal centres.

The intention for the scheme to be only operational in peak periods is viewed as a reasonable concession by Council, particularly in view of the seasonality experienced by businesses in Brunswick Heads. Having paid parking non-operational during non-peak times would assist the Brunswick Heads community in their efforts to 'smooth' the effects of seasonality throughout the year.

The experience of Byron Bay provides an example of how the introduction of paid parking in a centre that has strong fundamentals that support businesses growth, has not undermined the ability of a centre to continue to trade viably and perform its role.

As noted above, the introduction of paid parking at Brunswick Heads is not viewed as a factor that would prejudice the centres ability to operate viably. Individual retailers, however, are likely to notice some changes in customer behaviour once the scheme becomes operational, particularly from the visitor sector. While these changes would vary from business to business, they would not prejudice the commercial function of the centre overall. Like with any changes to the business environment (e.g. changing consumer preferences, increased competition, growth in internet retailing, growth in online food delivery), individual traders will have to continually adapt in order to remain viable. Having regard for the growth opportunities for businesses in Brunswick Heads, the introduction of paid parking <u>in isolation</u> is not considered a factor that would result in the closure of individual businesses.

If the paid parking scheme was introduced and Council also increased the time limits of existing 1P areas (for permit holders) to, say, two hours (as suggested previously), an immediate short-term benefit could be that business notice that patrons are willing to stay longer in restaurants and cafes etc – particularly for those businesses fronting Brunswick Terrace, as well as Fingal and Mullumbimby Streets (east of Park street).

6.3 Concerns and Suggestions

The exact details of the proposed paid parking scheme are yet be finalised. The following concerns and suggestions are based on the consultant's current knowledge of the scheme which Council broadly intend to propose.

What areas should the paid parking scheme apply?

At the time of writing, Council had not finalised which areas would be subject to the paid parking scheme. It is understood that that the commercial core area is the primary location being considered; however, the potential also exists for parking metres to be located on Tweed Street, and within the Main Beach precinct.

To avoid confusion – particularly if paid parking is operating in conjunction with timed parking for residents – Council should consider a consistent application of the scheme to areas under discrete timed-parking regulations. In this context – one, two and three-hour parking areas (1P, 2P and 3P) are viewed collectively as representing a sensible area for the scheme to cover (refer Figure 6.1).

Should paid-parking be applied to the Main Beach area?

It is understood that Council are undecided as to whether the proposed paid parking scheme would apply to the Main Beach area of Brunswick Heads. Given the beach represents the town's primary drawcard for visitors, Council may consider not implementing paid parking at the Main Beach area.

The key rationale underpinning this contention is that having the Main Beach area exempt from the paid parking scheme would provide an important point of difference from Byron Bay (where paid parking applies to the Main Beach Car Park, Council car parks and some parts of Wategos Beach area, amongst other aspects). The difference between Brunswick Heads and Byron Bay is considered important by the community and from a branding perspective. The Simple Pleasures, brand under which Brunswick Heads is promoted as a tourist destination, speaks directly to the centre's family friendly, village like atmosphere – in contrast to Byron Bay which reflects a significantly more commercial and intense tourist experience. While Brunswick Heads' location on the NSW North-Coast in the area of Byron Bay is a key reason underpinning visitation to the centre, projecting a brand identity that promotes the unique attributes of Brunswick Heads is important.

Nonetheless, having paid parking operational at the Main Beach area is not viewed by the consultant as a factor that would prejudice the long-term viability of Brunswick Heads centre, particularly given that residents of Byron Shire Council would be exempt from the scheme (via permits), and that the majority of visitors who stay overnight in Brunswick Heads walk to the beach (as understood anecdotally.)

Finally, the implications of having the Main Beach exempt from paid parking would need to be considered from a traffic management perspective. Leaving the Main Beach unmetered would likely result in some visitors parking at the beach to avoid paid parking in proximity to the commercial uses. Whether this would occur to an extent that significantly prejudices parking availability at the Main Beach is an aspect that may warrant further consideration.

Note, Ethos Urban are not traffic engineers; Council should consult with suitably qualified experts regarding the implications on traffic flows before the area(s) subject to paid parking is finalised.

What price should users pay?

The price paid to access parking under the proposed scheme is another detail yet to be finalised by Council. In Byron Bay, parking fees are $4 per hour, with a capped rate of $20 for all day parking.

The key question is whether this rate would be too expensive for Brunswick Heads? The intercept survey undertaken by Council found the majority of respondents (62%) spent between zero and $50 dollars in Brunswick Heads. Given Brunswick Heads' commercial role is considered to be lower in order compared to Byron Bay, Council could consider a lower the rate per hour compared to Byron Bay.

That being said, the introduction of a paid parking rate of $4 dollars per hour under a scheme targeted solely at visitors (or non-permit holders) and operational only during peak periods is not viewed as a factor that would prejudice Brunswick Heads' long-term viability.

Will the scheme create confusion?

The introduction of a paid parking scheme that is only operational during certain time periods of the year has potential to create confusion. It is therefore imperative that signage and other collateral clearly articulates when the scheme is operational and to whom it applies.

In this context, the suggestion that Council apply the scheme to an area(s) consistent with time-parking regulations is reiterated. Particularly if the intention is for paid parking (for visitors or non-permit holders) to operate in conjunction with timed parking for residents.

6.4 Summary

The following findings are highlighted:

- A key rationale for implementing paid parking is to provide a revenue stream for maintaining public infrastructure which has come under pressure from visitor sector growth. If the scheme is only operational for December, January and the Easter Period, its capacity to raise enough funds to be a viable investment is a key question that will need to be resolved.
- Brunswick Heads is well positioned to observe a significant increase in total retail sales and improve trading levels across the next 15 years. The introduction of a paid parking scheme at Brunswick Heads would not prejudice the centre's ability to operate viably and perform its role, nor would it result in any unreasonable impacts to the Brunswick Heads retail sector when implemented.

  This view is underpinned by the scheme <u>only</u> being operational in the peak periods of December, January and Easter; and <u>only</u> applying to visitors (or non-permit holders). Having paid parking non-operational during non-peak times would assist the Brunswick Heads community in their efforts to address the seasonal nature of retailing in the town centre.
- Council should consider:
  - Applying the paid parking regulations to those areas covered by 1P, 2P and 3P timing controls, but not within the Main Beach area.
  - Implementing a lower per hour rate ($) than Byron Bay due to Brunswick Heads' lower order commercial role (when compared to Byron Bay).