



ESSENTIAL ECONOMICS

Regional Town Centre and Employment Land Assessment

PSP 1067 Donnybrook

PSP 1096 Woodstock

PSP 25.2 English Street

Prepared for

Metropolitan Planning Authority

by

Essential Economics Pty Ltd

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Authorship

Report stage	Author	Date	Review	Date
Draft report	Nick Brisbane Austin Miller	26 August 2013	John Henshall	27 August 2013
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Contact details

For further details please contact:

Essential Economics Pty Ltd
96 Pelham Street
Carlton
Victoria 3053
Australia
PH 61 3 9347 5255
FAX 61 3 9347 5355
EMAIL mail@essentialeconomics.com
WEB www.essentialeconomics.com

ABN 92 079 850 427

Our Reference: **13124**

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EXECUTIVE SUMMARY

1 *Background*

Planning for the future development of Melbourne's northern growth corridor has been underway for a number of years. This includes the development of the Melbourne North Growth Corridor Plan (MNGCP) and a number of completed and approved Precinct Structure Plans (PSPs).

One of the completed and approved PSPs is Lockerbie (PSP 1066), which is planned to contain a Principal Town Centre that will serve a large proportion of the northern growth corridor.

The Metropolitan Planning Authority (formerly the Growth Areas Authority) is now turning their attention to the development of PSPs for areas located to the immediate east and south of the Lockerbie PSP. These areas are known *PSP 25.2 English Street, PSP 1067 Donnybrook and PSP 1096 Woodstock*.

This report provides a regional-level assessment of the potential town centre and employment land use requirements for the region containing the three PSPs and provides input to the drafting of the urban structure for these PSP areas.

2 *The Study Region and Regional Context*

The Study Region is located on the outer northern fringes of metropolitan Melbourne and consists of the Donnybrook, Woodstock and English Street PSP areas, and land located to the south of Donnybrook Road that forms part of the Northern Quarries PSP area (PSP 1069).

Although the Northern Quarries PSP is not the subject of this report, the future development of this land will have implications for activity centre development in the wider region, and therefore it has been included as part of the Study Region.

Combined, the Study Region accounts for more than 2,000ha of land (gross) identified for residential development and will accommodate a significant resident population. Importantly, these areas will be well serviced by rail transport, while an arterial road network will provide linkages to the Hume Freeway and the planned Outer Metropolitan Ring Road (OMR).

The Study Region is situated within the outer northern growth corridor of Melbourne. The region will be served by the planned Donnybrook Principal Town Centre (PTC), which is to be located to the immediate west of the Study Region. While the PTC will influence the future activity centre hierarchy in the Study Region, future residents in the Study Region require access to a network of centres that provides them with convenient access to retail and town centre services.

The outer northern growth corridor contains a significant amount of existing and planned employment land which will provide future residents of the Study Region with significant employment opportunities.

3 Residential Development Outcomes

The Study Region has the potential to accommodate approximately 16,400 to 19,600 residential dwellings and a population in the order of 45,800 to 55,000 residents at full-development. These estimates are based on information provided in the MNGCP, information provided by the MPA, and a set of assumptions relating to the efficiency of development, dwelling density and average household sizes.

Population estimates for each of the PSP areas within the Study Region are as follows:

- Donnybrook PSP: 21,200 to 25,400 residents
- Woodstock PSP: 16,100 to 19,300 residents
- English Street PSP: 2,900 to 3,400 residents
- Northern Quarries Area: 5,600 to 6,800 residents.

4 Supportable Retail Floorspace

In order to assess the potential level of supportable retail floorspace in town centres in the Study Region, including neighbourhood and higher order non-food retailing, the following two scenarios have been assessed:

- Scenario 1: Local Town Centres only, which provide for supermarket and convenience speciality retailing only, with each LTC providing up to 10,000m² of retail and commercial floorspace, including only one supermarket.
- Scenario 2: Expanded retail facilities, which provide for the opportunity for one centre in the Study Region to provide sub-regional shopping facilities, and where supportable, centres can contain more than one supermarket providing it does not “lead to an absence of accessible supermarket provision across the urban area.” (p58, *Growth Corridor Plans – Activity Centre and Employment Planning*, Essential Economics, November, 2011).

Based on a broad level analysis, potential exists under Scenario 1 for total retail floorspace in the Study Region at full development of approximately 33,000m², while under Scenario 2 potential exists for approximately 45,000m² of retail floorspace. The difference between the level of supportable retail floorspace reflects the opportunity to provide expanded retail facilities under Scenario 2, including multiple supermarkets in centres and the potential for a large non-food anchor tenant.

The analysis summarised above provides an indication of the level of retail floorspace that could potentially be supported in the Study Region; however, the eventual development, and therefore provision of retailing in the Study Region, will depend on the individual catchments of town centres; these catchments are influenced by a wide array of factors.

5 Assessment of MPA's Preliminary Centre Locations

MPA has identified the preferred location of five town centres (A to E) in the Study Region based on MPA's guiding principles for centre locations. The potential supportable retail and commercial floorspace for each of these centre has been assessed taking into consideration the size of the individual catchments for each centre and the viability of supermarkets which will anchor the retail and commercial components of the centre.

In addition, the potential for Local Convenience Centres (LCCs) in areas that are not easily accessible to Centres A to E has also been assessed.

The supportable retail and commercial floorspace within each of these centre, identified as Centres A to E, is summarised in the Table below.

Centre	Supermarket	Total Retail	Non-retail Commercial	Total Retail and Commercial
<u>Local Town Centres</u>				
Centre B	2,500 m ²	4,500 m ²	1,500 m ²	6,000 m ²
Centre C	4,000 m ²	7,000 m ²	3,000 m ²	10,000 m ²
Centre D	4,000 m ²	7,000 m ²	3,000 m ²	10,000 m ²
<u>Local Convenience Retail Centres (Planning Role to be Determined)</u>				
Centre A	800 m ²	1,500 m ²	500 m ²	2,000 m ²
Centre E	800 m ²	1,500 m ²	500 m ²	2,000 m ²
<u>Local Convenience Centre</u>				
Northern Area (Donnybrook/Woodstock)	0	1,000 m ²	500 m ²	1,500 m ²
English Street (potential only)	0	1,000 m ²	500 m ²	1,500 m ²
Lockerbie Train Station	0	1,000m ² to 2,000m ²	1,000m ² to 3,000m ²	2,000m ² to 5,000m ²

6 Further Considerations when Planning Town Centres in the Study Region

A number of issues for further consideration when planning for town centres in the Study Region have also been identified, and these issues are summarised below.

Consideration 1 – Potential Opportunity for Expanded Retail Facilities

Potential for a Large Non-food Anchor in One Centre

Potential may exist in the future for one centre to accommodate a major non-food anchor tenant such as a Discount Department Store (DDS). Such an outcome would elevate this centre to a retail role of a 'sub-regional shopping centre', which may have implications for the classification of the centre in a planning context.

'Centre D' would be the preferred location for a centre that could expand its retail role, as this location would provide the maximum separation from the Donnybrook PTC, and this would

assist the successful operation of both centres. This location is also central to the catchment that would be served by a sub-regional shopping centre.

Potential for Additional Supermarkets in the LTCs

Supermarkets in Centres C and D would operate at levels well beyond industry benchmarks if these centres were to permit only one supermarket within each centre.

Potential exists for Centres C and D to accommodate more than one supermarket, comprising a total of around 6,000m² of supermarket floorspace. For example, this may consist of a full-line supermarket containing approximately 3,500m² to 4,000m² and a mid-sized supermarket of 2,000m² to 2,500m² of floorspace.

Importantly, permitting the development of more than one supermarket in these centres would not impact the viability of supermarkets and centres located elsewhere in the Study Region, including the potential to deliver a mid-sized supermarket at Centre B.

Potential for Additional Retail and Commercial Floorspace at Centres C and D

If the expansion of supermarket and non-food anchor tenants within identified centres is permitted, this will also provide the impetus for additional speciality and non-retail commercial floorspace. The presence of additional anchor tenants will attract a greater level of patronage, which will, in turn, benefit nearby speciality retailers.

In essence, the retail role of these centres would be elevated to the following:

- Centre C: From a neighbour shopping centre to a sub-regional shopping centre
- Centre D: From a neighbour shopping centre to a large neighbourhood shopping centre.

Consideration 2 – The need for retailing at the Donnybrook Train Station and support for a full-line supermarket at Centre B

Centre A at the Donnybrook Train Station would provide a local convenience retail offer of around 2,000m² of retail floorspace, plus limited non-retail commercial facilities.

Consideration may be given to the need for a centre on both the eastern and western sides of the station, having regard for a LCC already identified for a location on the western side of the station in the Lockerbie PSP.

Not permitting supermarket development at Centre A, even that of a small supermarket, has the potential to increase the catchment of a supermarket at Centre B and provide the impetus for the development of a full-line supermarket at the centre.

Consideration 3 – Implications of a high pressure gas line dissects the Study Region.

A high pressure gas line dissects the Study Region and may have implications on the extent and type of development permitted within a specified buffer distance. MPA have indicated that standard residential development may be permitted within 350 metres from the gas line easement. However, uses that involve the congregation of large numbers of people, such as town centre development, are not be allowed within this buffer distance.

The implications arising for the identified town centre hierarchy arising from the location of the gas line and its associated buffer distances relates to the locations of Centre C and Centre D. Both of these centres are located a short distance outside the required buffer distance and development outcomes will not be impacted by the presence of the gas line according to current centre planning.

7 Employment Land Opportunities in the English Street PSP

A significant supply of employment land serving the northern growth corridor either already exists or is planned for the future. While the English Street PSP will not be required to meet future demand for employment land for some 30 to 60 years, the precinct does benefit from its close proximity to the Donnybrook Train Station and exposure to Donnybrook Road.

Therefore it would be prudent to plan for a mixed use outcome for the English Street PSP whereby an area of 20-30ha be reserved for high amenity commercial uses in the northern portion of the precinct, and residential development in the southern portion of the land.

INTRODUCTION

Background

Planning for the future development of Melbourne's northern growth corridor has been underway for a number of years. This includes the development of the Melbourne North Growth Corridor Plan (MNGCP) and a number of completed and approved Precinct Structure Plans (PSPs).

One of the completed and approved PSPs is Lockerbie (PSP 1066), which is planned to contain a Principal Town Centre that will serve a large proportion of the northern growth corridor.

The Metropolitan Planning Authority (MPA), formerly known as the Growth Areas Authority (GAA), is now turning their attention to the development of PSPs for areas located to the immediate east and south of the Lockerbie PSP. These areas are known *PSP 25.2 English Street, PSP 1067 Donnybrook and PSP 1096 Woodstock*.

This report has been prepared on behalf of the MPA by Essential Economics Pty Ltd as economic input to the preparation of Precinct Structure Plans for Donnybrook (PSP 1067), Woodstock (PSP 1096) and English Street (PSP 25.2). The three PSP areas combine to represent a contiguous region in the northern growth corridor of metropolitan Melbourne. This report presents a regional assessment of the town centre and employment land requirements for the region containing the three PSP areas.

Subsequent to this regional assessment, three separate reports outlining the specific town centre and employment outcomes for each PSP will be prepared. In particular, MPA are seeking findings and advice with regard to following:

- 1 The level of retail and employment floorspace and land required in the three PSP areas
- 2 The preferred location of retail and employment centres
- 3 The job creation potential in each PSP
- 4 The location of the jobs – including town centre, employment land, home-based – within or outside the PSP areas, etc.
- 5 The types of jobs, having regard to the regional catchment.

The preparation of this report has had regard for the Precinct Structure Planning Guidelines and a preliminary urban structure prepared by the MPA.

Information Inputs

The analysis in this report has been undertaken on the basis of information provided to the consultants by the MPA and from other sources, including the following:

- A preliminary urban structure for the three PSP areas that identifies preferred town centre locations and a planned road network.
- Existing zones applicable to the land, including the Urban Growth Zone, the Farming Zone and the Rural Conservation Zone.
- Indicative future urban form as proposed in the Melbourne North Growth Corridor Plan.
- The existing and potential future town centre hierarchy and employment land locations in the surrounding region, including the scale and role of centres in approved PSPs and those in draft form, including the following:
 - Lockerbie (PSP 1066) – approved
 - Lockerbie North (PSP 1098) – approved
 - Wollert (PSP 1070) – draft.

Various assumptions are made in relation to expected development efficiencies, dwelling yields, and average household size; these assumptions are detailed throughout the report.

This Report

This report provides a regional level assessment of the potential town centre and employment land use requirements for the region containing the three PSPs and will provide input to the drafting of the urban structure for these PSP areas.

This technical report is organised as follows:

Chapter 1: Study Region

Describes the Study Region that is the subject of this report, including the key features of the three PSP areas.

Chapter 2: Regional Context Analysis

Describes the wider context for future development of the Study Region, including the regional location, intended development in the broader region according to the MNGCP, planned transport infrastructure and the urban development trends.

Chapter 3: Residential Development Outcomes in the Study Region

Estimates the potential population capacity at full-development, based on a range of scenarios relating to land development efficiencies and dwelling yields.

Chapter 4: Regional Town Centre Assessment

Provides guidance to the potential future town centre hierarchy in the Study Region, taking into account the hierarchy serving the wider region and analysis of supportable retail and non-retail floorspace.

Chapter 5: Regional Employment Land Assessment

Examines the potential role in the Study Region for employment land purposes, taking into consideration the supply of employment land in the wider region and the suitability of the Study Region for employment land purposes.

Chapter 6: Summary of Main Findings

Summarises the main findings of the study arising from the analysis presented in previous Chapters 1 to 5.

1 STUDY REGION

This regional assessment takes into consideration a Study Region that consists of the Donnybrook, Woodstock and English Street PSP areas, and land located to the south of Donnybrook Road that forms part of the Northern Quarries PSP area (PSP 1069).

Although the Northern Quarries PSP is not the subject of this report, the future development of this land will have implications for town centre development and employment in the wider region, and therefore it has been included as part of the Study Region. This includes land located to the south of Donnybrook Road identified as ‘residential’ and ‘industrial’ in the Melbourne North Growth Corridor Plan (MNGCP).

The Study Region is shown in Figure 1.1 on the following page. A description of the relevant PSP areas is provided in this Chapter.

1.1 Donnybrook PSP 1067

Donnybrook PSP is located to the immediate east of the Lockerbie PSP and the Melbourne-Sydney railway line. The PSP area comprises 15 properties and a total of approximately 1,050ha of land (gross).

The majority of land is identified as residential in the *Melbourne North Growth Corridor Plan* (MNGCP, refer Section 2.2, GAA, 2012), although a proportion of land to the north of Merri Creek is identified as ‘potential urban’. MPA have indicated that the cost of providing transport infrastructure to this part of the PSP has the potential to constrain development, and have provided no direction on the preferred outcome for this land. For the purpose of this assessment, it is assumed that residential will be the future land use in this area.

Future residents in the Donnybrook PSP will be serviced by the planned Donnybrook Principal Town Centre, which is planned to include a train station to the immediate west of the Donnybrook PSP boundary. The close proximity of the Donnybrook PSP to a Principal Town Centre (PTC) will have implications on the extent and location of town centres in the Donnybrook PSP area; these implications are assessed later in this report.

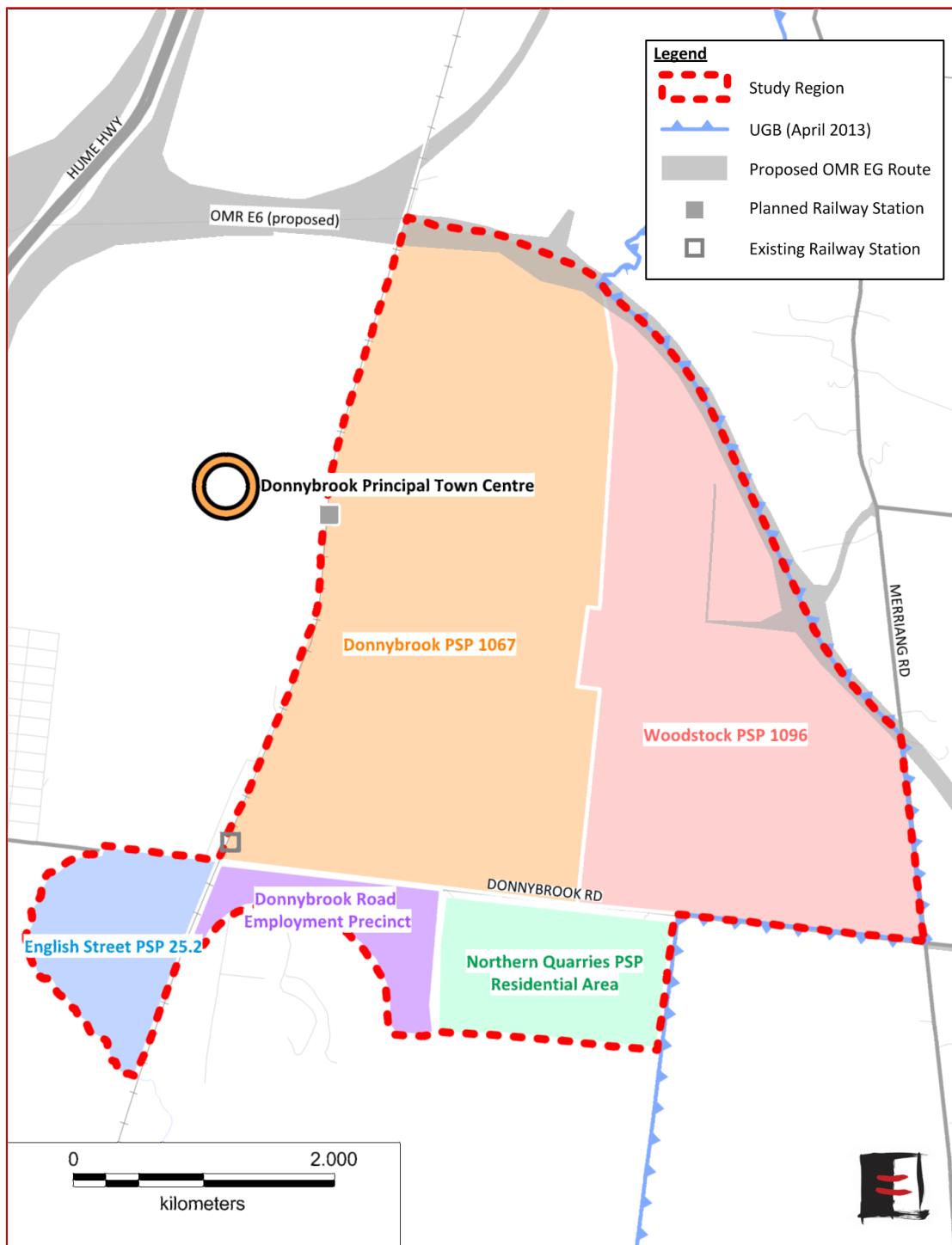
Train stations at Donnybrook and Lockerbie (planned) will provide future Donnybrook PSP residents with excellent access to the Principal Public Transport Network (PPTN).

1.2 Woodstock PSP 1096

The Woodstock PSP is located to the immediate east of the Donnybrook PSP and is bounded by the planned Outer Metropolitan Ring Road (OMR) to the north and Merriang Road to the east. The PSP area comprises 30 properties and a total of approximately 750ha of land (gross).

The majority of land is identified as residential in the MNGCP, although a proportion of land is also identified as having ‘landscape values’ and this is located around the Bald Hill.

Figure 1.1: Donnybrook, Woodstock and English Street PSP



Source: Metropolitan Planning Authority and Essential Economics

1.3 English Street PSP 25.2

The English Street PSP comprises approximately 160ha (gross) of land located south of Donnybrook Road, between Merri Creek and the Sydney-Melbourne railway line. The MNGCP identifies the English Street PSP as ‘urban – land use to be determined’. Advice from MPA is that this land may have potential for a mix of residential and employment uses. The potential future use of this land is assessed later in the report.

English Street PSP will be well-located with respect to the Donnybrook Train Station, and any employment uses have the potential to have direct access and exposure to Donnybrook Road which is identified as an arterial road.

1.4 Northern Part of Northern Quarries PSP

Although not the subject of this project, a 190ha parcel of land located to the south of Donnybrook Road which is part of the Northern Quarries PSP area has been included within this regional assessment. The MNGCP identified this land as residential, and potential exists for future residents in this location to form part of a catchment of town centres located within the Donnybrook or Woodstock PSP areas.

Another parcel of land located to the south of Donnybrook Road in the Northern Quarries PSP area, and identified as ‘industrial’ in the MNGCP, has also been included in the Study Region. This land, which is referred to as the ‘Donnybrook Road Employment Precinct’ in this report, will serve a proportion of the future employment land needs of residents in the Study Region.

1.5 Preliminary Centre Locations and Road Network for the Study Region

A preliminary urban structure for the three PSP areas is shown in Figure 1.2 and has been prepared by MPA. The plan shows MPA’s preferred locations for town centres and the planned road network for the three PSP areas. The centre locations and road networks shown in Figure 1.2 form the basis for the analysis of supportable retail and commercial floorspace presented later in this report.

1.6 Summary

Combined, the Study Region accounts for more than 2,000ha of land (gross) identified in the MNGCP as having potential for residential development, and will accommodate a significant level of population of 50,000 or so residents. Importantly, these areas will be well-serviced by rail transport, while an arterial road network will provide linkages to the Hume Freeway and the planned OMR.

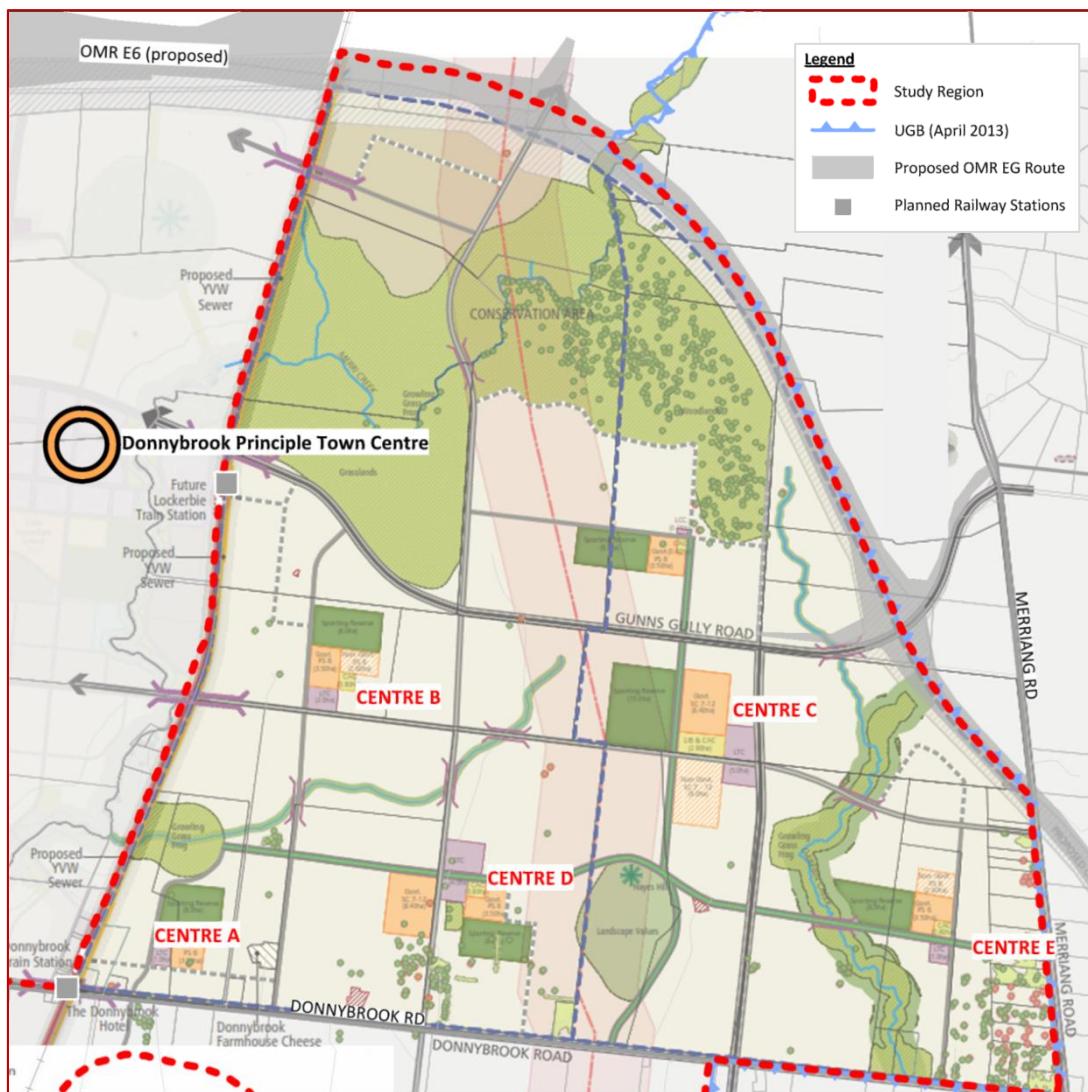
In addition, land to the south of Donnybrook Road has also been identified for employment purposes.

The Donnybrook Principal Town Centre will provide a range of higher-order retail, community, health, civic and entertainment uses for future residents of the Study Region; however, residents in the Study Region require a network of centres that provides them with convenient access to retail and town centre services that typically locate in major, neighbourhood and local centres.

Furthermore, the MNGCP does not provide guidance of the preferred use of land in the English Street PSP. MPA have indicated that potential for a mix of residential and employment uses may exist. The appropriateness of employment uses at English Street PSP will be assessed later in this report (refer Chapter 5), and will have regard for the extent of existing and planned employment land in the region.

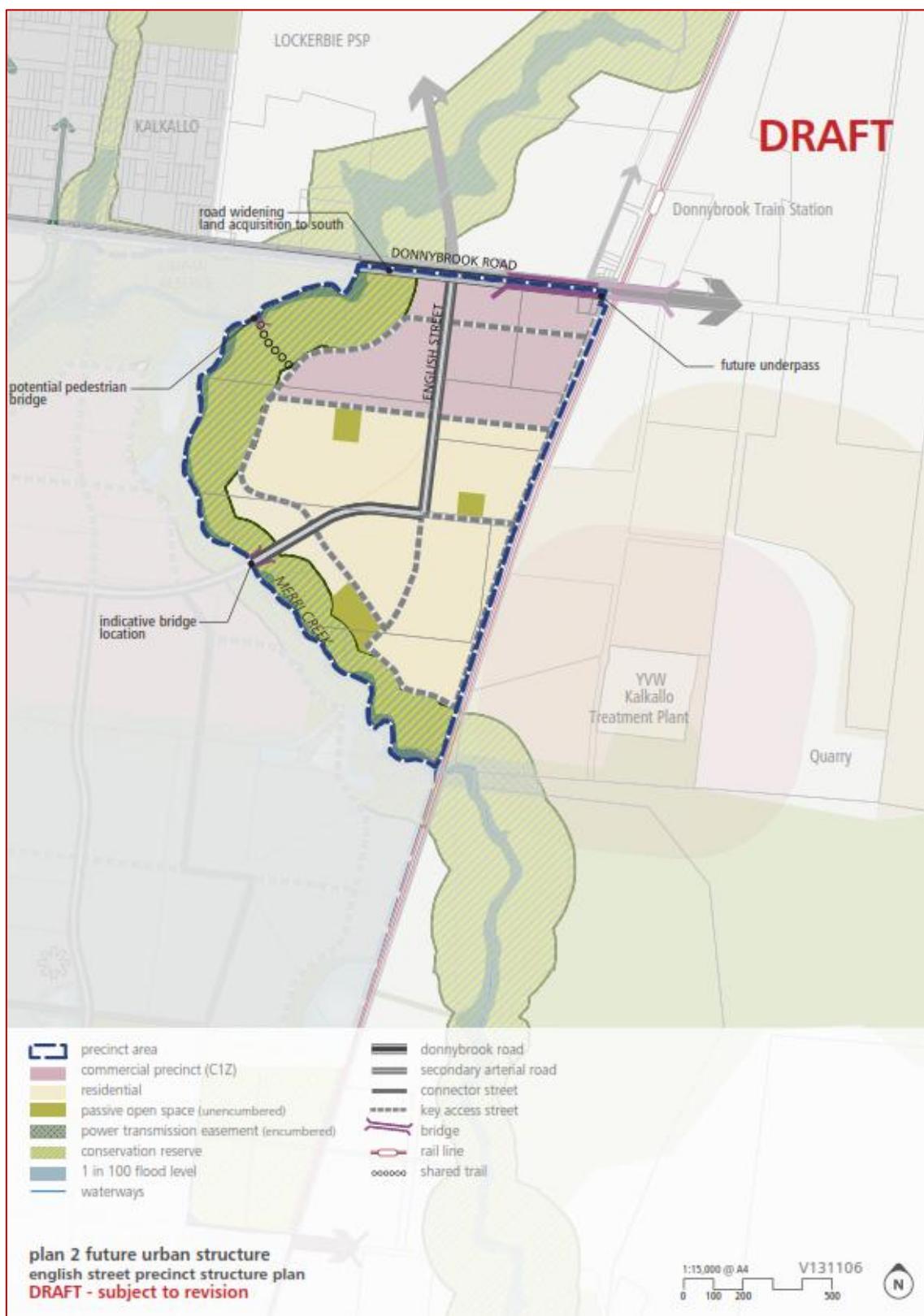
The following Chapter provides an overview of the regional context within which the Study Region is located.

Figure 1.2: Preliminary Centre Locations and Road Network



Source: MPA

Figure 1.2B: Preliminary Centre Locations and Road Network (English Street PSP)



Source: MPA

2 REGIONAL CONTEXT ANALYSIS

This Chapter presents an overview of the regional context within which the Study Region is situated, and includes:

- 1 The regional location of the Study Region.
- 2 A summary of the Melbourne North Growth Corridor Plan (MNGCP) as it relates to the region.
- 3 A summary of the *Growth Corridor Plans – Activity Centre and Employment Planning* (Essential Economics, 2011) which provides the basis for town centre and employment planning for the GCPs.
- 4 An overview of the regional context for growth area planning in the Northern Growth Corridor, including a description of development trends and population growth, and planned transport infrastructure.

2.1 Regional Location of the Study Region

The Study Region, located in the northern growth corridor of Melbourne approximately 30km north of the Melbourne CBD, accounts for more than 2,200ha (gross) of land bounded to the north and west by the proposed Outer Metropolitan Ring Road (OMR).

The majority of the Study Region is located in the western periphery of the City of Whittlesea, while the northern portion is located in the Shire of Mitchell and the western part adjoins the City of Hume.

The northern growth corridor is a rapidly developing part of metropolitan Melbourne, where the planning for new suburbs containing employment areas, town centres, transport infrastructure, community facilities, etc is currently underway. The MNGCP provides the broad strategic land use direction for the region and informs the preparation of more detail PSPs. An overview of the MNGCP is provided in Section 2.2.

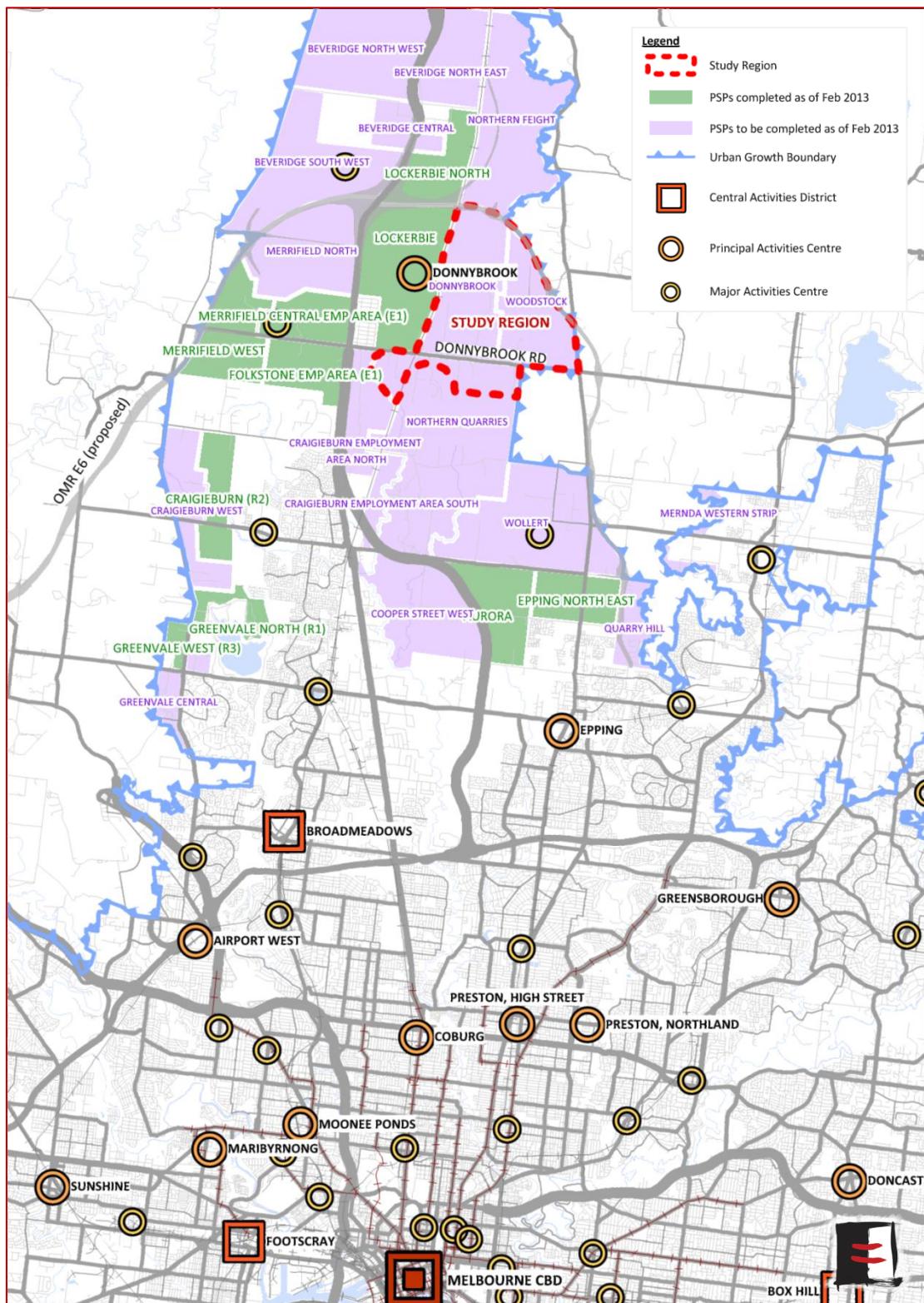
A number of PSPs have been approved in proximity to the Study Region, including:

- Lockerbie PSP (PSP 1066) to the immediate west (approved)
- Lockerbie North PSP (PSP 1098) to the north of the OMR (approved)
- Merrifield Central Employment Area (E1), Folkstone Employment Area (E1) and Merrifield West (PSP 1064), all located to the west of the Hume Freeway.

In addition to the future PSP areas in the region, the small existing township of Donnybrook is also located nearby. The Craigieburn North Employment Area is located immediately south-west of the study area and is expected to accommodate 12,500 jobs at full development.

The regional location is shown in Figure 2.1.

Figure 2.1: Regional Location



Source: DPCD, MPA and Essential Economics

2.2 Melbourne North Growth Corridor Plan

The *Growth Corridor Plans – Managing Melbourne’s Growth* was released by the GAA in June 2012. The Plan identifies the broad expected future urban form in each of Melbourne’s growth corridors, and provides strategic direction in relation to land designated for urban development, the delivery of transport infrastructure, higher-order town centre requirements, and areas for dedicated employment uses.

The Corridor Plans have been prepared with reference to eight principles that apply across each corridor. The most relevant principles for this study include:

- *Principle 1: Create Diverse and Vibrant New Urban Communities*

These urban communities are to contain a sufficient population base to support retail, business and community functions at a neighbourhood, district and regional level. Town centres are to be planned as the focus for shopping and business activity, employment creation and service delivery, and are organised into a hierarchy that accords with current metropolitan definitions (ie Central Activity Area, Principal Town Centre, Major Town Centre, Local Town Centre, etc). Higher-order centres are the focus for regional health and education services.

- *Principle 3: Plan for Local Employment Creation*

The GCPs aim to encourage local employment creation, recognising that most growth areas fail to provide sufficient jobs to serve local residents. MPA’s aspiration is to generate at least one job for every new household in the growth corridors, and to diversify the types of jobs that are available. Employment generation is to be achieved in a variety of locations, including town centres, local and district employment/industrial precincts, and larger employment precincts to facilitate industrial and commercial/mixed use development.

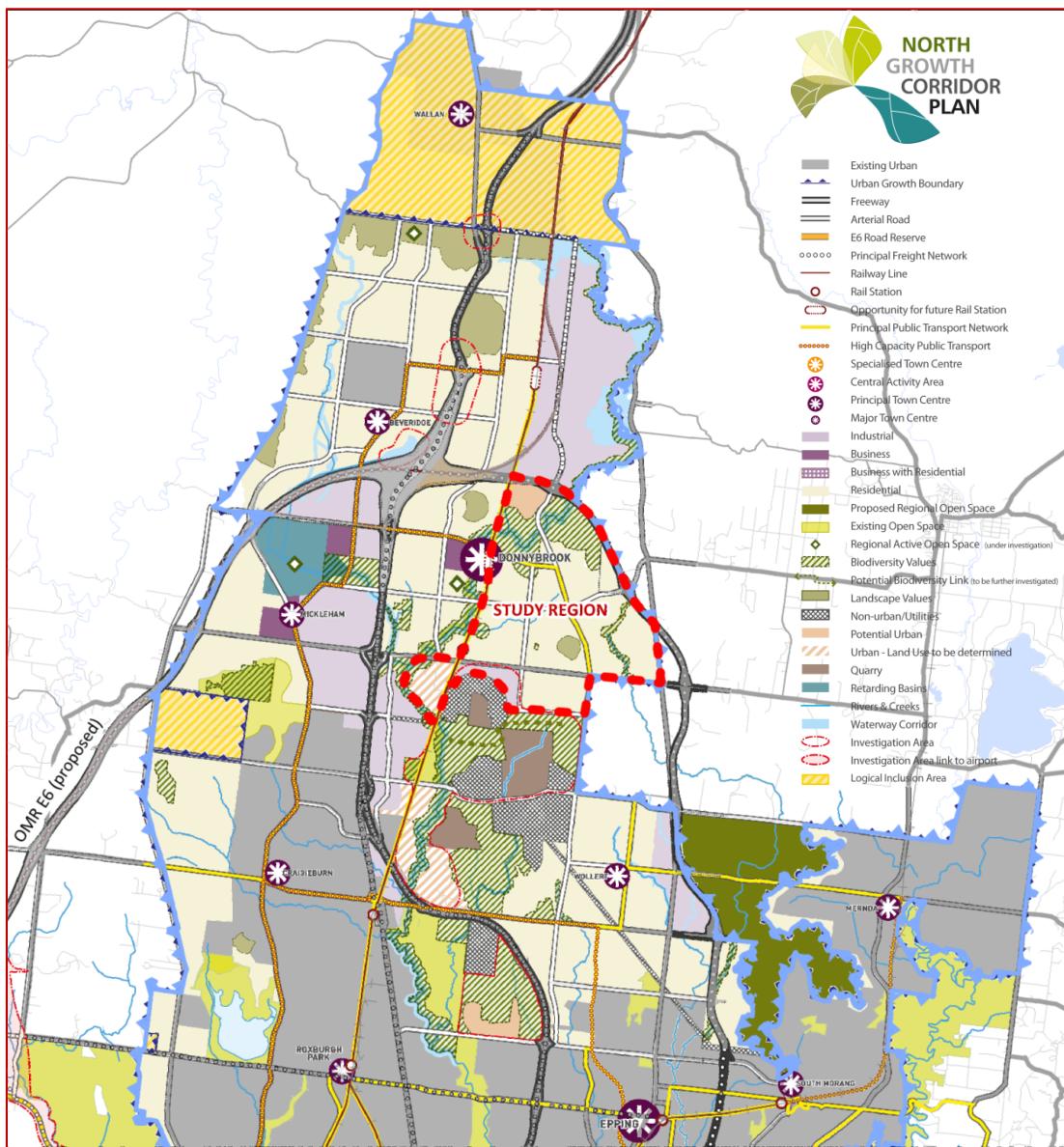
Features of the MNGCP of relevance to the Study Region are summarised below:

- A large portion of the area covered by the Donnybrook PSP is identified in the MNGCP as residential. In addition, the area also contains land identified to have biodiversity values and a portion of land to the north is identified as ‘potential urban’.
- The area covered by the Woodstock PSP contains land identified for residential and as having biodiversity values. A portion of land is also identified as having ‘landscape values’ and this is located around the Bald Hill.
- The area contained within the English Street PSP is identified as ‘urban – land use to be determined’. Advice from MPA is that this land may have potential for a mix of residential and employment uses. The potential future use of this land is assessed later in the report (refer Chapter 5).
- Land to the south of Donnybrook Road and which forms part of the Northern Quarries PSP area is identified as residential.

- Donnybrook is designated as a future Principal Town Centre serving the immediate residential community in Lockerbie and the Study Region, as well as catchments in Mickleham and Beveridge.
- Major Town Centres are identified at Mickleham, Beveridge and Wollert.
- A major long-term employment precinct is located to the east of Beveridge, with part of this site identified as a potential future Interstate Freight Terminal.
- In addition, employment areas are also identified in Mickleham, and a small portion of land to the south of Donnybrook Road. The land to the south of Donnybrook Road is referred to in this report as the Donnybrook Road Employment Precinct and forms part of the Study Region.
- Land to the immediate east of the railway line that borders the English Street PSP is identified for ‘non-urban/utilities’, and contains a sewerage treatment plant with the boundary and size to be determined.
- The Study Region is isolated from planned urban areas to the south, including Wollert and Epping. Although the OMR and an arterial road network will connect the three PSP areas to communities further to the south, a significant area of land containing a quarry, land with biodiversity values and land identified as ‘non-urban utilities’, will create a natural barrier of movement. This will have implications on the catchments for town centres.

The Plan as it relates to the region is provided in Figure 2.2.

Figure 2.2: Melbourne North Growth Corridor Plan



Source: Melbourne North GCP (GAA, 2012)

2.3 Growth Corridor Plans: Activity Centre and Employment Planning

As input to the preparation of Growth Corridor Plans, Essential Economics prepared the report titled *Growth Corridor Plans – Activity Centre and Employment Planning* (November, 2011). The report provides broad advice relating to the future activity centre (or town centre) and employment land requirements in each of Melbourne's growth corridors, while acknowledging the role of Precinct Structure Plans in providing more detailed planning guidance.

The assessment of the activity centre and employment requirements in the growth areas was prepared in the context of principles adopted by the MPA in relation to employment self-sufficiency and the distribution of activity centres. These principles strongly encourage outcomes in which jobs and services are provided close to where people live in order to reduce the number and length of private vehicle travel and to assist in the efficient delivery of transport and other infrastructure.

The advice was based on how a distributed network of activity centres and employment precincts can be attained in order to meet the MPA's aspirational targets, rather than a typical demand and supply assessment.

The MPA aspirations in relation to activity centre provision and employment generation, as presented on page 4 of the *Growth Corridor Plans – Activity Centre and Employment Planning* (November, 2011) report, can be summarised by the following set of measurable targets:

- 1 An overall target of one new job for each new dwelling to be created in the growth corridors
- 2 Approximately one-third of jobs to be provided at the local level (ie in local community neighbourhoods)
- 3 Approximately 70% of jobs to be located at the sub-regional level (ie within approximately 5km)
- 4 A target for 100% employment self-sufficiency at the wider regional level (ie within approximately 10km)
- 5 A target for 80-90% of all households to be within 1km of neighbourhood-level shopping facilities that have a supermarket
- 6 A network of neighbourhood and higher-order centres planned on the basis of a square mile block (1.6km x 1.6km), and supported by a grid system of streets to reflect this pattern of development.

As a consequence, the advice presented in that report relating to activity centre and employment distribution is high level in nature, and it is acknowledged in the report that the adopted '*model may need to be refined or adjusted during more detailed planning in order to account for the particular characteristics of some development precincts*' (p. ii).

In the context of the Study Region, factors such as the location of the Donnybrook PTC, a railway line, the location of the OMR, Bald Hill and areas of non-developable land, all impact on the natural catchments and commercial viability of activity centres. Consequently, more detailed analysis that takes into consideration these unique features of the Study Region has been undertaken in this assessment.

One of the key findings of the report is that Melbourne's existing growth areas perform poorly in terms of delivering a well-distributed network of activity centres to serve the needs of local residents (p20). MPA is seeking to alter this pattern of centre development in the new growth areas so that residents have greater access to Local Town Centres (this term is equivalent to a

neighbourhood activity centre) that are supported by supermarkets as strong anchor tenants (p. iii).

The report also provides broad level advice regarding how to achieve a network of easily accessible town centres, which ensure a high proportion of residents live within 1km of a supermarket-based centre. A selection of the relevant principles (refer page iii to vi) that have been identified to deliver this pattern of town centre provision are summarised as follows:

- Centre size: LTCs should be planned for an average floorspace provision of approximately 10,000m², comprising a supermarket of approximately 3,000m² to 3,500m², specialty retail of 3,500m² to 4,000m² and non-retail provision of approximately 3,000m².

These figures are intended as **broad indications** of average floorspace provision, and would be assessed in more detail when preparing PSPs.

- Population catchments to support supermarkets: Identifiable population catchments of at least 8,000 residents, and preferably up to 10,000 residents, should be adopted as the basis for planning the location of supermarket-based LTCs.

One of the conclusions in the report is that “*supermarket catchments of approximately 8,000 residents may struggle to sustain a full-line supermarket, while a catchment of 10,000 persons would be able to support a store achieving typical trading benchmarks.*”(p33)

Where population outcomes are less than 8,000 residents, opportunities for smaller supermarket-based centres (eg supported by mid-sized supermarkets) should be pursued where these are viable and where they are necessary to ensure good access to neighbourhood shopping services.

- Supermarkets in higher-order centres: The concentration of supermarkets at higher-order centres such as sub-regional and regional shopping centres (generally designated as Principal and Major Town Centres) should generally be discouraged **where it leads to an absence of accessible supermarket provision across the urban area**. However, it is acknowledged that in many cases the provision of more than one supermarket can be beneficial in helping to establish higher-order shopping roles, especially early in the development of such centres.
- Centre design: Centres must be well-designed places that encourage activity and provide a range of opportunities for local business generation, residential and mixed use development, small office-home office building design, town centre spaces, outdoor dining and other factors that contribute to the vibrancy of the centre.
- Neighbourhood centre location and viability: The provision of supermarket-based centres should be maximised in terms of the geographic spread in order to ensure high levels of accessibility. However, these centres need to be active and viable community hubs with a range of land uses and employment opportunities, and this commercial reality needs to be considered in assessing the locations of centres in the network.

The analysis presented in this report will take into consideration the key principles and findings identified in the *Growth Corridor Plans – Activity Centre and Employment Planning* (November, 2011). However, the analysis needs to take into consideration the specific local area features of the Study Region. Importantly, centres within the Study Region need to be commercially viable in order to realise MPA's targets in relation to centre accessibility and employment.

2.4 Planned Transport Infrastructure

The major pieces of existing and planned transport infrastructure serving the Study Region include the following:

- Outer Metropolitan Ring Road (OMR): The planned OMR is a major project to improve transport connections in Melbourne's north and west, providing an opportunity to deliver road and rail connections from the Princes Freeway west of Werribee, via Rockbank, Tullamarine, Craigieburn, Merrifield, Beveridge and Donnybrook, to the Metropolitan Ring Road in Thomastown/Bundoora. The OMR represents the northern boundary of Donnybrook PSP and the western boundary of the Woodstock PSP.

Although the OMR is identified as a future potential project and is unlikely to begin construction until 2020 at the earliest, it will have positive implications for travel patterns for Study Region residents.

- Hume Freeway: The Hume Freeway will provide access to major employment locations to the south in Campbellfield and Somerton.
- Arterial Road Network: Donnybrook Road will be the major east-west arterial road connecting the Hume Freeway and the OMR.
- Railway line and planned stations: Currently, the metropolitan rail network terminates at Craigieburn; however, a V/Line rail service extends further north and includes the Donnybrook Train Station. The MNGCP indicates that an opportunity for a future railway station exists at the Donnybrook Principal Town Centre and that the metropolitan rail network will extend through to Wallan in the future. This will provide future residents of the Study Region with excellent rail access to and from metropolitan Melbourne.

The MNGCP shown in Figure 2.2 provides an indication of the future transport infrastructure serving the Study Region.

2.5 Urban Development Trends in the Northern Growth Corridor

The urban development trends in the northern growth corridor, including population, and residential and employment land development, are summarised below.

Population Growth Trends and Forecast

The outer northern region is a major urban growth front for metropolitan Melbourne, and has experienced significant population growth over the past decade or so.

Population levels in the areas on the northern fringe of Melbourne comprising Craigieburn/Mickleham, Epping, South Morang and Roxburgh Park/Somerton increased by more than +70,000 residents between 2001 and 2011, representing more than 11% of population growth throughout metropolitan Melbourne.

Combined, this growth area of Melbourne experienced population growth of +8.8% per annum (or +7,050 residents per annum) compared to an average of +1.7% per annum throughout metropolitan Melbourne. These figures are shown in Table 2.1.

Table 2.1: Population Growth Trends, Outer Northern Melbourne, 2001-2011 (Persons)

Location (SA2)	2001	2006	2011	Average Annual Growth			Total Growth, 2001-2011
				'01-'06	'06-'11	'01-'11	
Craigieburn - Mickleham	16,650	23,320	35,810	7.0%	9.0%	8.0%	19,160
Epping	19,540	20,330	27,920	0.8%	6.6%	3.6%	8,380
South Morang	6,670	16,250	38,900	19.5%	19.1%	19.3%	32,230
Roxburgh Park - Somerton	10,220	17,700	20,940	11.6%	3.4%	7.4%	10,720
Total	53,080	77,600	123,570	7.9%	9.8%	8.8%	70,490
<i>Greater Melbourne</i>	<i>3,521,940</i>	<i>3,798,990</i>	<i>4,169,100</i>	<i>1.5%</i>	<i>1.9%</i>	<i>1.7%</i>	<i>647,160</i>

Source: ABS, Regional Population Growth Trends, Cat No: 3218.0

Population growth in the outer northern region of Melbourne is expected to accelerate over the next 20 or so years according to population forecasts prepared by the Department of Planning and Community Development (DPCD, *Victoria in Future, 2012*), as more residential land is released for development.

For instance, the municipalities of Whittlesea, Hume and Mitchell contain the urban growth fronts in outer northern Melbourne and experienced population growth of approximately +88,000 new residents between 2001 and 2011. Forecasts prepared by DPCD indicate that this level of growth will increase to more than +135,000 new residents between 2011 and 2021, and between 2021 and 2031.

The share of Melbourne's population growth within these municipalities is forecast to increase from 14% between 2011 and 2021, to 23% between 2021 and 2031.

Table 2.2: Recent and Forecast Population Growth Trends, Outer Northern Melbourne Municipalities, 2001-2030

Local Government Area	Recent and Forecast Population Growth (Persons)		
	2001-2011	2011-2021	2021-2031
Whittlesea (C)	42,250	70,350	53,680
Hume (C)	39,070	42,320	46,070
Mitchell (S)	6,680	22,910	36,360
Total	88,000	135,580	136,110
<i>Greater Melbourne</i>	<i>647,160</i>	<i>671,400</i>	<i>603,100</i>
<i>% of Greater Melbourne</i>	<i>14%</i>	<i>20%</i>	<i>23%</i>

Source: ABS, Regional Population Growth Trends, Cat No: 3218.0; DPCD, Victoria in Future, 2012

Broad hectare Residential Development Trends

Figure 2.3 illustrates the broad hectare residential development trends based on *Urban Development Program* data produced annually by DPCD and provided by MPA.

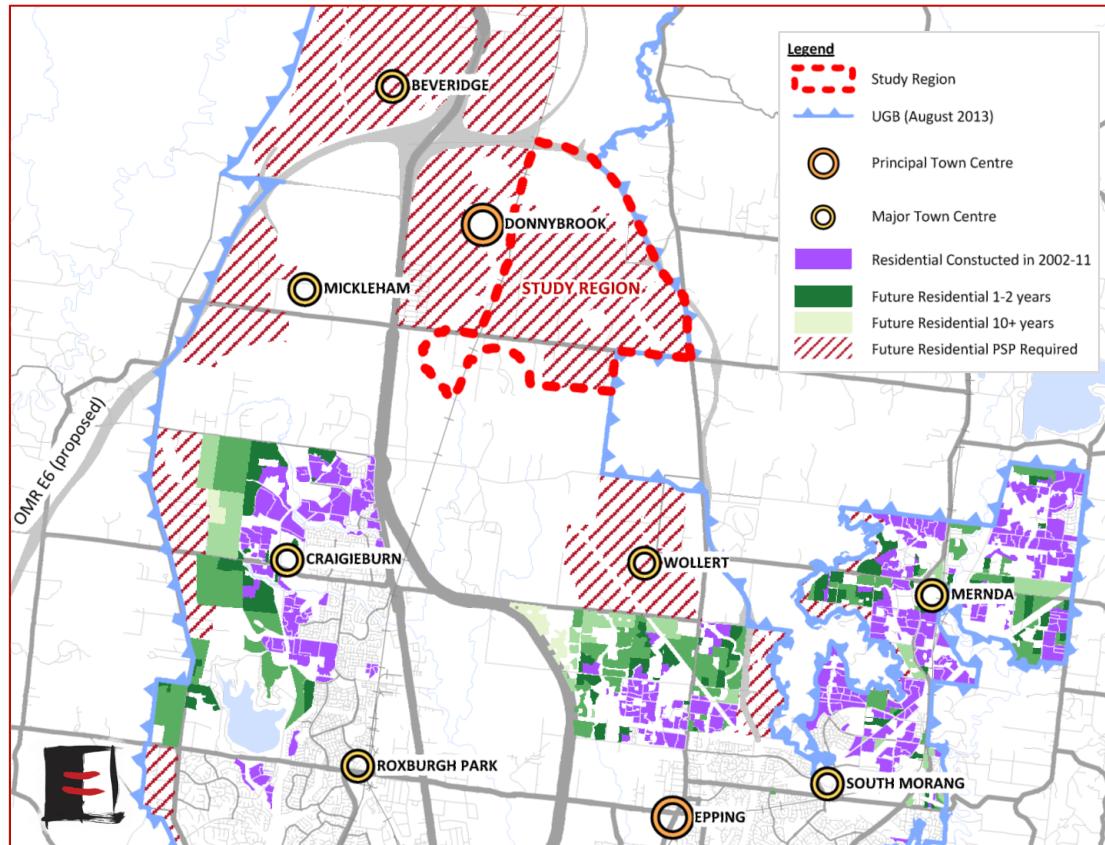
A number of residential development fronts exist in the northern growth corridor, including the South Morang, Mernda and Doreen corridor; Epping North; and around Craigieburn.

As land in the South Morang/Mernda/Doreen corridor becomes exhausted, this will shift the focus to the Epping North area, where new growth areas are planned for release in the near future. These new areas for growth will include areas where PSPs have been completed or are nearing completion and include:

- The extension of the Craigieburn area to the west
- Wollert and Quarry Hills in the vicinity of Epping North
- Lockerbie and Lockerbie North, which adjoin the three subject PSPs.

In addition to the above areas, the township of Wallan has recently been included within the Urban Growth Boundary and will continue to develop as a residential location.

Figure 2.3: Broad hectare Residential Development Trends, 2002-2011



Source: DPCD, Urban Development Program, annual

Employment Land Development Trends

Employment areas in the Melbourne north growth corridor combine to form one of Melbourne's major industrial nodes. The region has excellent access to major infrastructure within the metropolitan region, including Melbourne Airport at Tullamarine and the Port of Melbourne, and intermodal facilities at Somerton (operated by P&O Trans Australia). Metropolitan linkages are also excellent via CityLink and the Metropolitan Ring Road.

Importantly, the Study Region sits astride the Hume Freeway corridor, which represents the most significant interstate freight corridor in Victoria. According to *Freight Futures* (2008), the Somerton/Hume region represents one of the most important freight activity areas in Melbourne.

At present, the major occupied industrial precincts are located at Somerton/Campbellfield (east and west of the Hume Highway) and in Thomastown (south of the Metropolitan Ring Road). A more recent industrial precinct has been created in the Cooper Street employment precinct in Epping, and this estate has risen in significance as a location for major industrial development, particularly with the relocation of the wholesale market to a site on Cooper Street.

The important contribution the freight industry makes to employment generation in the northern growth corridor is highlighted in Table 2.3. The Transport, logistics and warehousing industry was the second greatest contributor to employment growth between 2006 and 2011 across the region's two largest municipalities (i.e. Hume and Whittlesea); the sector added an additional +2,570 jobs over the five-year period.

In addition to freight and warehousing activities, employment land accommodates a wide range of industries, such as construction company head offices and equipment yards, wholesale trade, and utility maintenance, as well as more traditional manufacturing industries. All of these industries saw employment growth, with the exception of manufacturing which has experienced a nation-wide decline in jobs.

Table 2.3: Hume and Whittlesea LGAs Employment Trends, 2006 to 2011

Industry	Hume and Whittlesea, Employment Change, 2006-2011 (Jobs)
Construction	+2,770
Transport, postal and warehousing	+2,570
Health care and social assistance	+2,100
Retail trade	+2,090
Education and training	+1,260
Accommodation and food services	+890
Professional, scientific and technical services	+720
Public administration and safety	+700
Administrative and support services	+670
Electricity, gas, water and waste services	+560
Other services	+520
Financial and insurance services	+370
Rental, hiring and real estate services	+210
Arts and recreation services	+130
Wholesale trade	+70
Information media and telecommunications	+40
Mining	-10
Agriculture, forestry and fishing	-30
Manufacturing	- 1,420
Inadequately described	+180
Industry of employment not stated	- 10
Total	+14,370

Source: ABS Census 2006 & 2011

2.6 Implications for the Precinct Structure Plans

The three PSPs are located within the northern growth corridor of Melbourne which has experienced significant rates of population growth over the past decade, with strong growth forecast to continue as more residential land is released for development.

The MNGCP is the strategic plan which provides guidance for land use planning in the region, and identifies a number of town centres and significant areas of employment land that will serve future residents of the three PSP areas. The outer northern region is already considered a major industrial hub of state-wide significance.

3 RESIDENTIAL DEVELOPMENT OUTCOMES IN THE STUDY REGION

This Chapter presents an analysis of the likely residential development outcomes in the Study Region, based on available information relating to:

- The amount of land located within the proposed urban area, dedicated for residential land uses
- The dwelling yield, based on development efficiencies likely to be achieved
- The average household size, from which the resident population in the precinct at full development can be calculated.

3.1 Land Area Calculations

The Study Region contains a total of 1,558ha (gross) of developable land identified in the MNGCP having potential for residential development, based on information provided by the MPA. This figure takes into account land constrained for development purposes by waterways, and areas of significant biodiversity and environmental significance.

Assuming a development efficiency of 70%, with the remaining land set aside for public open space, community facilities, schools and so on, the net developable area (NDA) in the Study Region is estimated at 1,091ha, comprising the following:

- | | |
|---------------------------|---------------|
| • Donnybrook PSP: | 504ha of NDA |
| • Woodstock PSP: | 382ha of NDA |
| • English Street PSP: | 69ha of NDA |
| • Northern Quarries Area: | 136ha of NDA. |

For the purpose of this analysis, it is assumed that the English Street PSP will be developed solely for residential purposes; however, opportunities may exist in the future that a proportion of land in the English Street PSP to be developed for employment purposes (refer Chapter 5). It has also been assumed for the purpose of this assessment, that land to the north of Merri Creek and identified in Figure 3.1 as D1 will also be developed for residential purposes. It is acknowledged that uncertainty regarding residential development in this area exists (refer Section 1.1)

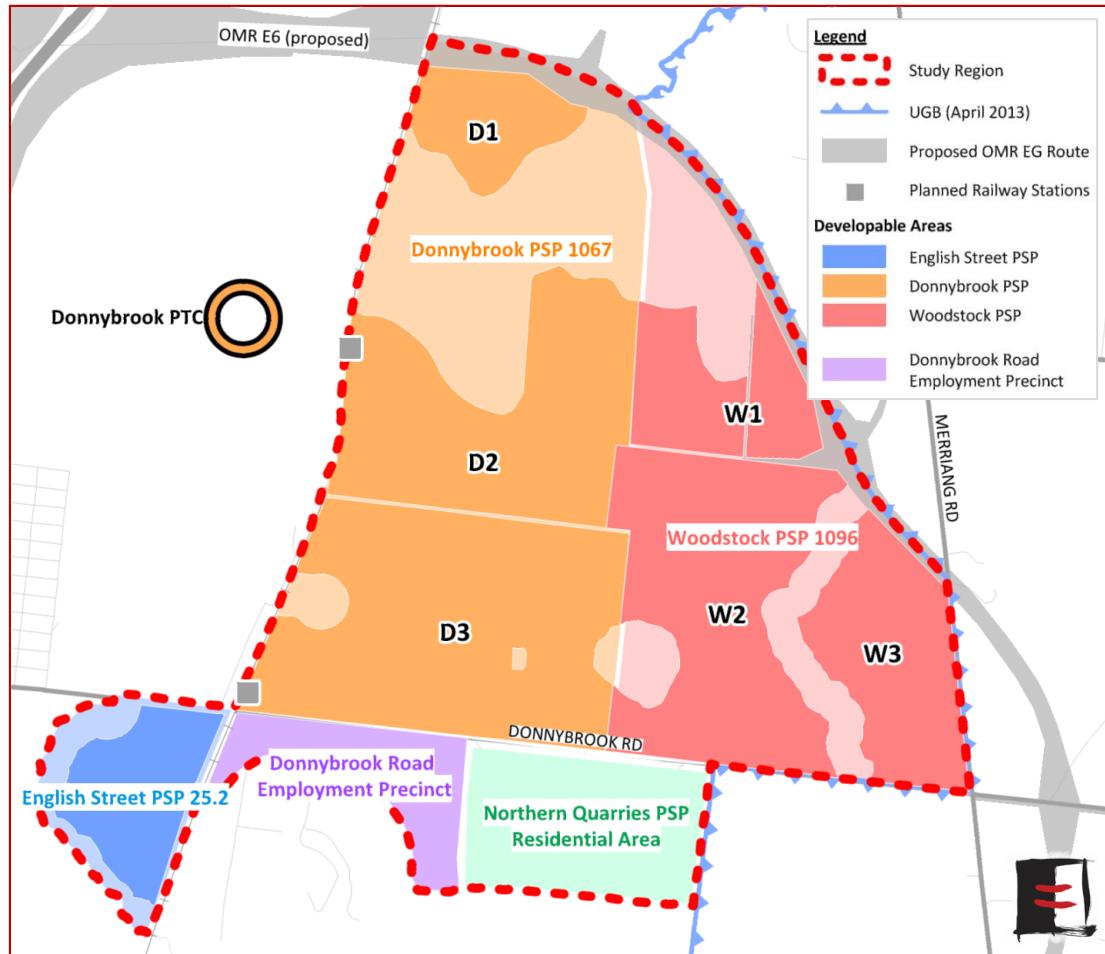
To assist with the town centre assessment provided in the following Chapter, the urban area has been divided into the different sub-regions which are shown in Figure 3.1. Table 3.1 summarises the NDA for each of the PSPs in the Study Region, including sub-regions.

Table 3.1: Study Region Net Developable Area Calculation

Location	Gross Land Area	Net Developable Area (assumed 70%)
Donnybrook PSP	720.5ha	504.4 ha
Area: D1	76.3ha	53.4 ha
Area: D2	271.4 ha	190.0 ha
Area: D3	372.8 ha	261.0 ha
Woodstock PSP	546.1 ha	382.3 ha
Area: W1	110.6 ha	77.4 ha
Area: W2	283.5 ha	198.5 ha
Area: W3	152.0 ha	106.4 ha
English Street PSP	98.0 ha	68.6 ha
Northern Quarries Area	193.8 ha	135.7 ha
Total Study Region	1,558.4 ha	1,090.9 ha

Source: MPA

Figure 3.1: Net Developable Area in the Study Region



Source: MPA; Essential Economics; MapInfo

3.2 Dwelling Yield and Population Capacity

Average dwelling yields throughout the northern growth area of Melbourne are currently in the order of 15 dwellings/ha of NDA. New residential estates are being planned with smaller lots and a higher proportion of medium-density (mainly townhouse) formats than in the past.

Potential exists for the Study Region to achieve an average future dwelling yield of 18 dwellings/ha, particularly in the context of the high level of access to rail transport and a Principal Town Centre.

For the purposes of this analysis, scenarios have been prepared under the following potential future dwelling yields:

- Low development scenario: 15 dwellings per ha of NDA
- Medium development scenario: 16.5 dwellings per ha of NDA
- High development scenario: 18 dwellings per ha of NDA.

Analysis of residential population outcomes are based on an average household size of 2.8 persons per household at full development. This is intended as a broad estimate at full development, and reflects the population projections prepared by DPCD (*Victoria in Future, 2012*).

It is acknowledged that the average size of households will change over time as the region is developed for housing. For example, it is likely that in the early stages the region will attract a greater number of family households, with the average size likely to be above three persons per dwelling or more in some localities. In the longer-term (ie after full development) the trend is likely to be a decline in the average household size as family members leave the principal residence.

Forecast dwelling and population outcomes at full development are shown in Table 3.3, and indicate that the total population at full capacity is broadly estimated as follows:

- Low development scenario: 16,360 dwellings and a population of 45,800 residents
- Medium development scenario: 18,000 dwellings and a population of 50,390 residents
- High development scenario: 19,630 dwellings and a population of 54,970 residents.

It is emphasised that these figures are provided as broad projections of the likely development outcomes in the Study Region as a whole, and the actual outcomes will depend on factors such as the available land for residential development, the efficiency of use of this land, housing density, and average household size.

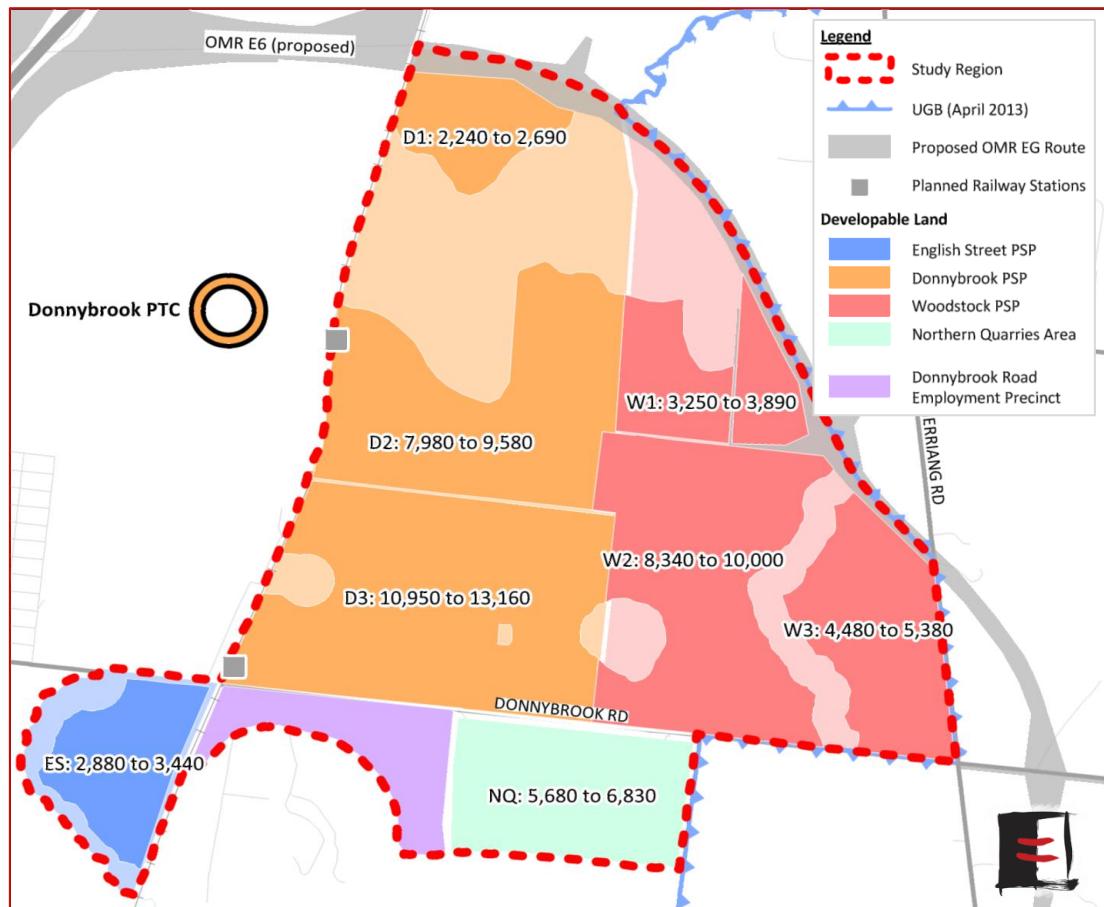
Figure 3.2 shows the population capacity estimates by sub-region.

Table 3.2: Study Region, Dwelling Yield and Population Capacity

Location	Low Scenario No. Dwellings	Medium Scenario No. Dwellings	High Scenario No. Dwellings	Low Scenario No. Population	Medium Scenario No. Population	High Scenario No. Population
Donnybrook PSP	7,560	8,320	9,080	21,170	23,290	25,430
Area: D1	800	880	960	2,240	2,460	2,690
Area: D2	2,850	3,130	3,420	7,980	8,760	9,580
Area: D3	3,910	4,310	4,700	10,950	12,070	13,160
Woodstock PSP	5,740	6,310	6,880	16,070	17,670	19,270
Area: W1	1,160	1,280	1,390	3,250	3,580	3,890
Area: W2	2,980	3,270	3,570	8,340	9,160	10,000
Area: W3	1,600	1,760	1,920	4,480	4,930	5,380
English Street PSP	1,030	1,130	1,230	2,880	3,160	3,440
Northern Quarries Area	2,030	2,240	2,440	5,680	6,270	6,830
Total Study Region	16,360	18,000	19,630	45,800	50,390	54,970

Source: MPA; Essential Economics

Figure 3.2: Population Estimates by Sub-region



Source: MPA; Essential Economics; MapInfo

3.3 Implications for the Precinct Structure Plans

The Study Region has the potential to accommodate approximately 16,400 to 19,600 residential dwellings and a population in the order of 45,800 to 55,000 residents at full-development. These estimates are based on information provided in the MNGCP, information provided by the MPA and a set of assumptions relating to the efficiency of development, dwelling density and average household sizes.

Population estimates for each of the PSP areas within the Study Region are as follows:

- Donnybrook PSP: 21,200 to 25,400 residents
- Woodstock PSP: 16,100 to 19,300 residents
- English Street PSP: 2,900 to 3,400 residents
- Northern Quarries Area: 5,600 to 6,800 residents.

4 REGIONAL TOWN CENTRE ASSESSMENT

This Chapter presents analysis of the potential town centre outcomes in the Study Region, and provides the following information:

- 1 Discussion on activity/town centre and retail centre typologies.
- 2 An overview of the town centre planning in the broader area surrounding the Study Region.
- 3 Analysis of potential retail expenditure capacity associated with the population outcomes identified in the previous Chapter.
- 4 Estimate of the potential retail turnover and market shares that could be achieved by retailers in town centres in the Study Region.
- 5 Calculation of the potential supportable retail development in floorspace terms, based on forecasts of average turnover performance (sales per square metre), including an assessment of the potential for ‘anchor’ retail tenants. This assessment takes into consideration activity/town centre planning principles and a scenario which enables an expanded level of retail facilities in Study Region town centres.
- 6 Indicative level of retail and commercial floorspace in the locations identified by MPA.
- 7 Identification of issues that may need further consideration when planning for town centres and retail development in the Study Region.

4.1 Activity and Retail Centre Typologies

Context for Activity/Town Centre Typologies and Hierarchies

A description of the varying activity centre hierarchies and their relevance to the planning for activity centres and retailing is provided in *Growth Corridor Plans – Activity Centre and Employment Planning* (November, 2011).

In essence, centre typologies describe the role of activity centres (or town centres) for use in planning and economic policy. Typically, centres are arranged in hierarchies in order to reflect the ways in which different retail, commercial, social and community functions are aggregated to serve particular geographic areas or catchments. Retailing is often the most significant land use and economic activity within activity centres, and therefore the incidence or absence of particular higher-order anchor retail tenants (i.e. department stores, discount department stores, and supermarkets) has traditionally been the key feature that characterise the different levels in the centre hierarchy. However, the important role of other activity generators within activity centres is increasingly being recognised by the planning and development industry.

For instance, other aspects that need to be considered in activity centre planning policy include whether any particular centres (or types of centres) are deserving of a particular focus for government investment (for example transport infrastructure), or whether private

investment (for example housing development) is to be encouraged at some levels of the hierarchy. Community infrastructure such as libraries, community centres, schools are key considerations when planning for activity centres.

For these reasons, planning authorities in different regions have developed many different versions of the centres hierarchy as the basis for planning policy.

For instance, *Melbourne 2030* introduced a hierarchy for Melbourne which consists of the Melbourne Central Activities District (CAD), Principal Activity Centres (PACs), Major Activity Centres (MACs), Specialised Activity Centres (SACs) and Neighbourhood Activity Centres (NACs), and this hierarchy has evolved over time. For example, six of the PACs were re-designated as Central Activities Districts (CADs).

The draft *Metropolitan Planning Strategy* for Melbourne has recently been released and seeks to simplify the activity centre hierarchy to comprise the following:

- Expanded City Centre
- Metropolitan Activity Centres, which includes Lockerbie
- Activity Centres, which include the former Principal and Major Activity Centres
- Neighbourhood Centres, which are to provide neighbourhood level goods and services.

Differing versions of activity centre typologies and hierarchies are present in plans for other major cities throughout Australia, and internationally, and highlight the many different types of centre hierarchies that are typically applied in developing public policy for the planning and development of activity centres.

MPA's Town Centre Hierarchy in Melbourne Growth Areas

The MPA have developed a town centre hierarchy for Melbourne's growth areas which broadly reflects that identified in *Melbourne 2030*, although introduces a different terminology, referring to centres as 'town centre' as opposed to 'activity centre'. A brief summary of the town centre hierarchy adopted by MPA in the preparation of the Growth Corridor Plans and PSPs is provided below:

- Principal Town Centres are expected to play an important role as a focus for retail, commercial activity, administrative functions, entertainment, and residential development. PTCs are well-served by public transport and are a priority for government investment and to stimulate private investment. A regional catchment of 150,000 residents has been identified as 'trigger' for the demand for a PTC.

The Donnybrook PTC is the PTC serving the Study Region.

- Major Town Centres are similar to PTCs in terms of the diversity of land uses that are expected to develop, and in terms of the expectation of strong public transport delivery. However, they serve smaller catchments and can therefore be differentiated mostly in

terms of scale. A regional catchment of 50,000 residents has been identified as ‘trigger’ for the demand for a MTC.

Although the Study Region is likely to contain 50,000 or so residents, the proximity to the Donnybrook PTC has led to no MTC being identified in the MNGCP for the Study Region.

- Local Town Centres have a more limited mix of uses and are important in providing easily accessible local services including grocery and convenience shopping, and local services. Neighbourhood centres are anchored by supermarkets of varying size, with full-line stores being the main distinguishing feature of the larger and more successful LTC centres. LTCs are broadly equivalent to Neighbourhood Activity Centres as identified in *Melbourne 2030*.

A catchment of 8,000 to 10,000 residents has been identified as ‘trigger’ for the demand for a LTC.

- Local Convenience Centres provide more limited day-to-day retail and community services.
- Specialised Town Centres are important economic precincts that provide a mix of economic activities that generate high numbers of work and visitor trips, and are typically associated with major research, health or transport infrastructure (eg Melbourne Airport). They do not necessarily have a focus on retailing or general commercial office activities.

Consideration of the Retail Hierarchy

The *planning policy activity centre hierarchy* as described above considers all types of land uses (including community, social, health, residential, etc) and is the basis for government decision-making on investment and infrastructure delivery.

However, when undertaking retail analysis, a *retail centres hierarchy* is often adopted. A retail hierarchy is associated with the current and future retail role of centres, and considers factors such as a centre’s geographic catchment, growth opportunities, key anchor tenants and how customers use the centre for shopping purposes.

In this assessment, which provides guidance as to the level and type of supportable retail floorspace, both the planning policy and retail hierarchies need to be considered.

For example, the retail role of centres will need to be considered in terms of the distribution of supermarkets and discount department stores (ie in terms of retail roles), while the policy hierarchy is important as new centres will need to be incorporated with other uses that are being assessed as part of the PSP process, including community facilities, transport infrastructure and so on.

The retail hierarchy normally applied in retail-economic analysis and retail planning consists of the following elements, noting that this classification system refers only to the retail role and function of centres:

- CBD – Forms the highest level in the hierarchy, containing major flagship department stores, and a wide range of retail specialties. Serves the whole metropolitan area, as well as attracting visits from regional Victoria, interstate and overseas.
- Super regional – A major shopping destination typically incorporating more than one department store, one or more discount department stores, supermarket(s) and a wide range of retail specialty traders. Examples include Chadstone, Southland, and Highpoint, all of which are in excess of 120,000m². These centres each serve very large parts of the metropolitan area.
- Regional – A major shopping destination typically containing a department store, discount department store(s), supermarkets and an extended range of retail specialties in fashion, homewares, and other types. Centres vary from 50,000m² (a small example) to 100,000m² or so.
- Sub-regional – A medium-sized shopping centre typically containing at least one discount department store, major supermarket(s) and a range of specialty shops. Centres can be as small as 15,000m², and as large as 50,000m² or more.
- Large neighbourhood centre – A centre with at least one (and sometimes two) full-line supermarket(s) as anchor tenant, and supported by a range of specialty stores, mostly offering convenience shopping and some comparison goods (eg limited apparel). Typically comprise at least 8,000m² or so of retail floorspace.
- Neighbourhood centre – A centre with one supermarket which might be a full-line store or a smaller format, and a limited range of convenience-related specialty shops. Usually contains approximately 3,000-8,000m² of retail floorspace.
- Local centre – A small collection of shops usually serving the day-to-day needs of the immediate residential catchment.
- Homemaker centre – A collection of traders with a particular focus on the sale of electrical, hardware, furniture, bedding and other home furnishings. Centre sizes vary from small precincts with just 10,000m², to large integrated centres of more than 50,000m².

4.2 Planned Town Centre Network in the Surrounding Region

The MNGCP and approved and draft Precinct Structure Plans (including Lockerbie, Lockerbie North, Merrifield Central Employment Area, Merrifield West and Wollert) provide the basis for assessing the potential competitive environment for town centres in the Study Region.

The Study Region is largely self-contained, with the OMR and the significant areas of open space planned to the south of the region creating significant barriers restricting the catchment of centres planned further afield.

As such, the Donnybrook Principal Town Centre (PTC) will have the largest influence on the town centre hierarchy in the Study Region. The PTC is planned to be the highest-order of the

proposed town centres in Melbourne's northern growth corridor and will be the regional destination for a number of activities including retail, employment, education, entertainment, health, civic, dining and socialising (*Lockerbie PSP, p18*).

A summary of the potential land uses and activities at the PTC are summarised on page 23 of the Lockerbie PSP and include the following:

Retail Uses

- Department stores
- Discount Department Stores
- Supermarkets
- Mini Majors
- Restricted retail premises (such as small format premises and showrooms)
- Specialty shops and stores

Entertainment

- Cafes, restaurants, bars and clubs
- Hotels
- Cinemas
- Arts and entertainment facilities

Commercial / Civic / Recreation

- Offices
- Office/warehouse
- Child care services
- Service industries
- Medical and specialist services
- Health services (including aged care)
- Tertiary and life-long learning services
- Community services
- Law courts
- Galleries and museums
- Convention and exhibition centres
- Short stay accommodation (such as hotels and serviced accommodation)
- Potential Federal, State and/or Local government offices
- Non-Government Organisation facilities
- Conference Centres
- Places of assembly
- Council and State Government facilities (such as libraries, performing arts centres, indoor sports centres, leisure centres, community centres, etc)
- Gyms

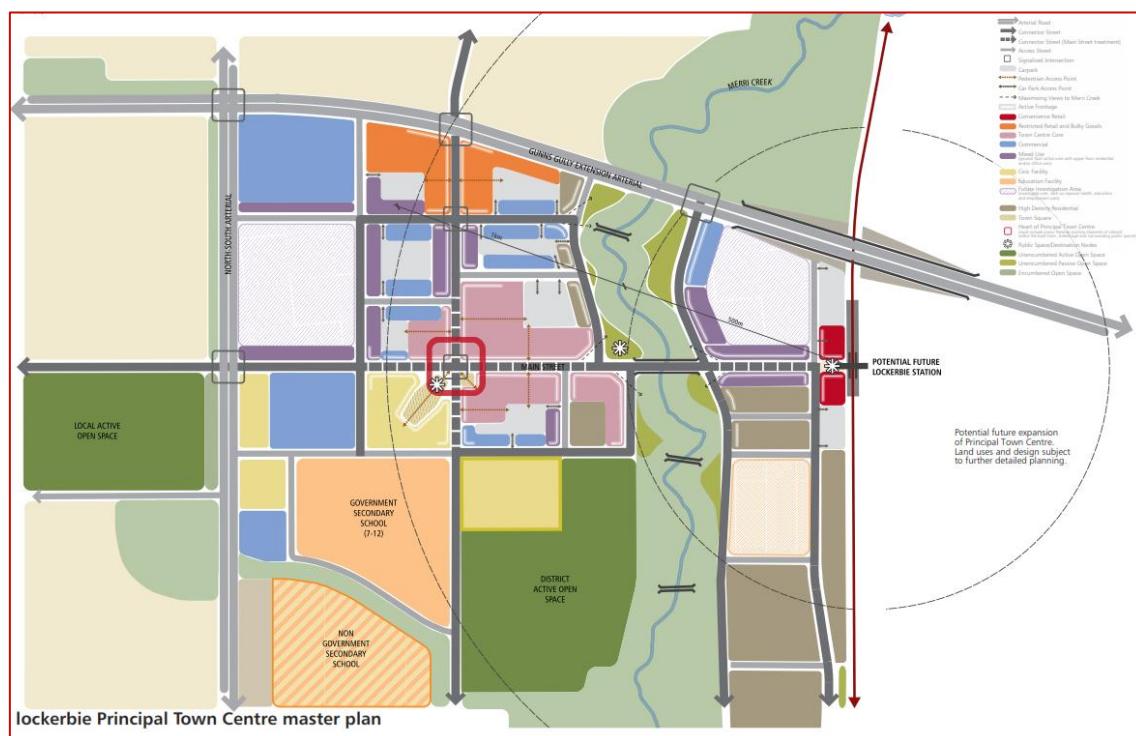
The Lockerbie PSP notes that the PTC can contain up to 80,000m² of shop floorspace without a permit and, as such, will have a significant influence on the shopping patterns of future Study Region residents. The PTC adjoins the western boundary of the Study Region and future residents in the Study Region will have excellent access to the retail and other facilities provided in the PTC.

This will particularly be the case for non-food shopping, where it is envisaged that the PTC will include Department stores, Discount Department Stores and an extensive range of non-food speciality retailing. A precinct for significant restricted retailing and bulky goods is also envisaged for the PTC.

The PTC will also have an impact, albeit to a lesser extent compared to non-food retailing, on the level of convenience shopping facilities provided in the Study Region, with the PTC envisaged to contain multiple supermarkets and convenience retailing outlets. A proportion of convenience retailing is planned to be located around the Lockerbie Train Station, which includes the potential for supermarket development.

The masterplan for the Lockerbie PTC is shown in Figure 4.1.

Figure 4.1: Lockerbie Principal Town Centre Masterplan



Source: MPA, Lockerbie PSP, 2012

Two Town Centres are also planned for the Lockerbie PSP area and these are envisaged to serve a neighbourhood centre role. Both the **Northern Local Town Centre** and the **Southern Local Town Centre** are envisaged to include an anchor tenant, presumably a supermarket, and can contain the following amounts of shop floorspace without a permit:

- Northern Local Town Centre: 3,000m²
- Southern Local Town Centre: 5,000m².

The Southern Town Centre has the potential to serve a portion of the Study Region's neighbourhood shopping requirements. For instance, the English Street PSP residents will have relatively good access to the Southern Town Centre.

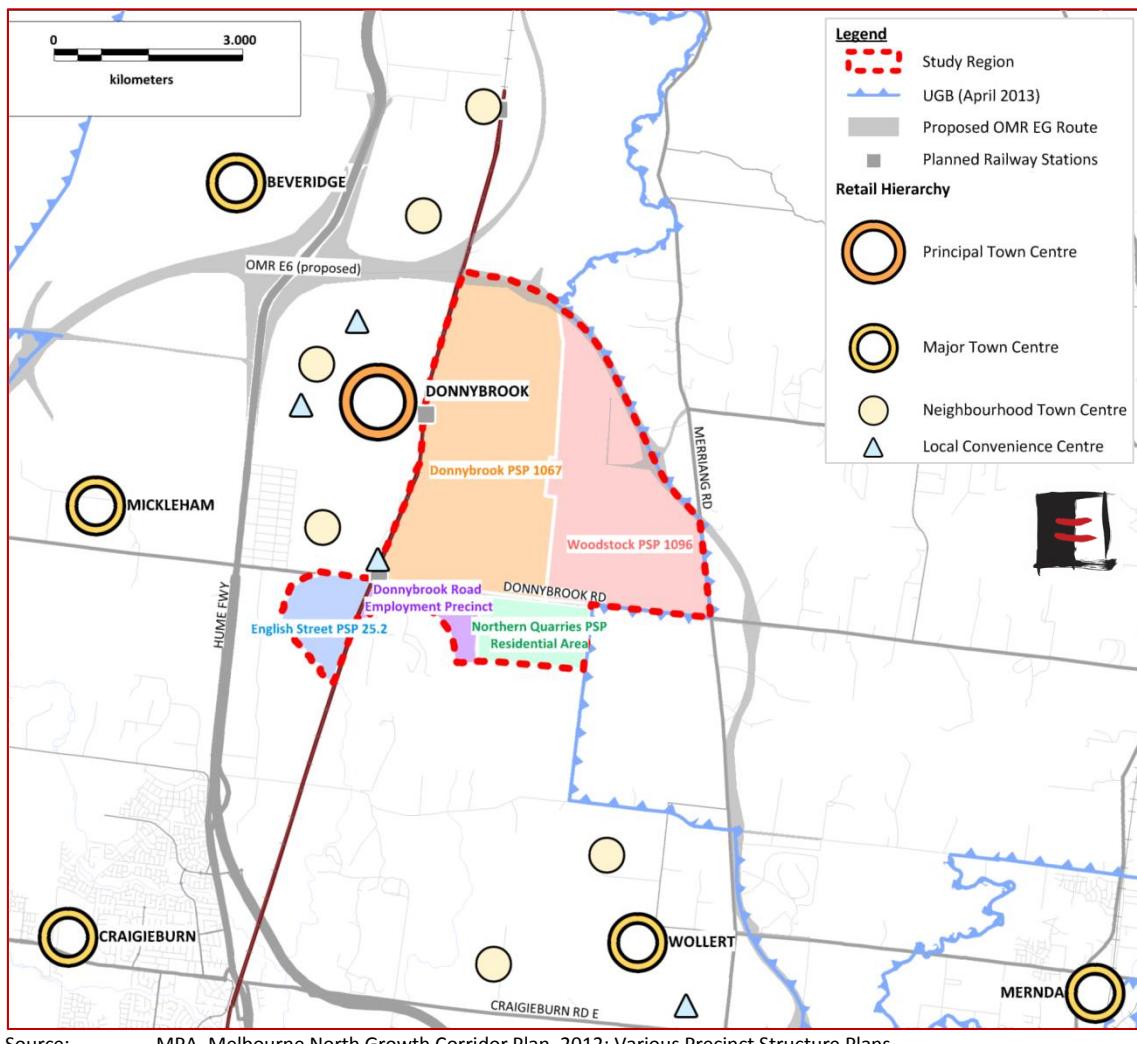
It is unlikely that the Northern Town Centre will have any major implications on the town centre hierarchy in the Study Region.

A number of **Local Convenience Centres** are also located in the Lockerbie PSP, including one near the Donnybrook Train Station. This centre is located approximately 400 metres north of the English Street PSP area and adjoins the southern portion of the Donnybrook PSP.

Other centres planned in the broader region which may have a more limited competitive influence on any future centres in the Study Region include planned Major Town Centres in Merrifield, Beveridge, Wollert, Craigieburn and Epping North; and existing regional and sub-regional centres at Epping, South Morang and Broadmeadows.

The locations of the existing and planned town centres in the broader region are shown in Figure 4.2.

Figure 4.2: Planned and Existing Town Centre Hierarchy Surrounding the Study Region



4.3 Estimate of Future Retail Expenditure

Estimates of retail expenditure for the Study Region have been derived from MarketInfo, which is a micro-simulation model that combines data from the ABS Household Expenditure Survey, ABS Census, National Accounts and other sources, to generate estimates of retail expenditure for small areas. MarketInfo is widely utilised in the retail economic, property and planning sectors.

The following provides retail spending estimates for the Study Region for the following retail categories:

- Food, liquor, groceries (FLG)
- Food catering (cafés and restaurant and take away food)
- Non-food merchandise

- Retail services.

For the purpose of this analysis, it is assumed that the Study Region will be fully developed by 2040.

Average Per Capita Retail Spending

Estimates of available retail spending by residents in the Study Region have been prepared by examining current average spending levels in the northern metropolitan Melbourne growth areas.

In 2013, average retail spending is estimated at approximately \$12,530 per capita, and this compares with average expenditure of \$13,690 per capita across metropolitan Melbourne as a whole. Average retail spending in the northern Melbourne growth areas is approximately -8% below that of metropolitan Melbourne.

By 2040, total average retail spending is projected to be approximately \$17,260 per capita, which takes into consideration forecast real growth rate in average per capita spending of +1.2% pa over the period.

Table 4.1 summarises the forecast average retail spending for Study Region residents. All figures are expressed in June 2013 dollars.

Table 4.1: Average Per Capita Retail Expenditure in the Study Region (\$/cap pa)

Retail category	2013	2040
Food, liquor, groceries	\$5,030	\$5,390
Food catering	\$1,580	\$2,220
Non-food	\$5,500	\$8,930
Retail services	\$420	\$720
Total Retail	\$12,530	\$17,260

Source: Essential Economics; MarketInfo
 Note: Figures expressed in June 2013 dollars

Total Retail Expenditure

Total retail spending by Study Region residents has been calculated with reference to population outcomes for the medium development scenario shown in Table 3.2 and the forecast average retail spending levels shown in Table 4.1.

Residents in the Study Region are forecast to spend approximately \$870m on retail merchandise, including approximately \$272m on FLG, \$112m on Food Catering, \$450m on Non-food and \$36m on Retail Services.

Table 4.2 shows the estimates of total retail spending by Study Region residents under the medium development scenario by PSP area and retail category.

Table 4.2: Forecast Retail Spending by Study Region Residents, Medium Development Scenario, 2040 (constant 2013 dollars)

Location	Food, liquor, groceries	Food catering	Non-food	Retail services	Total Retail
Donnybrook PSP	\$125.5m	\$51.7m	\$208.0m	\$16.8m	\$402.0m
Woodstock PSP	\$95.2m	\$39.2m	\$157.8m	\$12.7m	\$305.0m
English Street PSP	\$17.0m	\$7.0m	\$28.2m	\$2.3m	\$54.5m
Northern Quarries Area	\$33.8m	\$13.9m	\$56.0m	\$4.5m	\$108.2m
Total Study Region	\$271.6m	\$111.9m	\$450.0m	\$36.3m	\$869.7m

Source: MarketInfo; Essential Economics

4.4 Potential Town Centre Typologies in the Study Region

The MNGCP provides guidance as to the potential location of Principal and Major Town Centres, and has not identified a centre of these types in the Study Region.

Consequently, MPA have identified potential for only Local Town Centres (LTCs) to be accommodated in the Study Region, with the retail role of these LTCs providing for neighbourhood shopping requirements only (i.e. supermarkets and convenience based speciality retailing). Furthermore, MPA have advised of their preference for centres to be in the order of 8,000m² to 10,000m² during the initial stages of development, based on information provided in the *Growth Corridor Plans – Activity Centre and Employment Planning* (November, 2011) which indicate LTCs “should be planned for an average floorspace provision of approximately 10,000m², comprising:

- A supermarket of approximately 3,000m² to 3,500m²
- Specialty retail of 3,500m² to 4,000m²
- Non-retail provision of approximately 3,000m². (p57)

These recommendations are based on the principle of creating high levels of accessibility to neighbourhood shopping facilities, and supporting the role and function of the nearby Donnybrook PTC.

However, potential may exist for expanded retail facilities in the Study Region. This may comprise of sub-regional shopping facilities such as a major non-food anchor tenant, i.e. Discount Department Store (DDS). Although the Study Region’s 50,000 or so planned residents will have access to regional shopping facilities at the Donnybrook PTC, the provision of sub-regional shopping facilities has the potential to provide the following benefits to Study Region residents:

- Improved choice in retail facilities, in particular for non-food shopping
- Improved access to higher-order shopping facilities
- Improved convenience for residents and consumers, providing a choice for people who need to shop for certain non-food items but who do not wish to contend with some of

the issues associated with shopping at regional shopping facilities, such as car parking and crowds.

However, if potential does exist for sub-regional shopping facilities, it will be important that such a centre does not impact on the viability of retailing at the Donnybrook PTC. If viable, sub-regional shopping facilities in the Study Region should be located central to its catchment but also provide sufficient separation from the Donnybrook PTC to ensure the successful operation of both centres.

In order to assess the potential level of supportable retail floorspace in town centres in the Study Region, including neighbourhood and higher order non-food retailing, the following two scenarios have been assessed:

- Scenario 1: Local Town Centres only, which provide for supermarket and convenience speciality retailing only, with each LTC providing up to 10,000m² of retail and commercial floorspace, including only one supermarket.
- Scenario 2: Expanded retail facilities, which provide for the opportunity for one centre in the Study Region to provide sub-regional shopping facilities and, where supportable, centres can contain more than one supermarket providing it does not “lead to an absence of accessible supermarket provision across the urban area.” (p58, *Growth Corridor Plans – Activity Centre and Employment Planning*, Essential Economics, November, 2011).

The analysis presented in the following Sections 4.5, 4.6 and 4.7 identifies the potential retail market share, turnover and supportable floorspace based on the above two scenarios. However, the analysis assumes centres can be situated in locations that can provide sufficient local catchments to support retail facilities. This is not always possible, due to factors which control centre locations and catchments, such as barriers to customer movement (e.g. railway lines, large areas of non-urban land, major freeways, etc), planned road networks and other land uses which may compete with town centres for preferred locations.

4.5 Indicative Market Shares

Town centres in the Study Region will capture a share of the available retail spending by Study Region residents identified in Section 4.3, and this varies between the two scenarios identified in Section 4.4.

Estimates of indicative market shares for the Study Region for both scenarios are shown in Table 4.3 and reflect achievable retail market shares for retailers in the Study Region’s town centres. These market shares assume centres can be situated where they can serve sufficiently-sized catchment populations.

Under the **Scenario 1 (LTC Only Scenario)**, retail facilities in the Study Region have the potential to capture a combined 31% of the total retail spending generated in the Study Region residents, and this compares to an estimated 41% under the **Scenario 2 (Potential for Expanded Retail Facilities Scenario)**.

The higher market shares in Scenario 2 reflect the potential for a major non-food retailer and the potential for retail centres to capture higher market share as they are permitted to expand and provide a greater range and choice of retail facilities.

The estimates of indicative market shares shown in Table 4.3 also take into account the following:

- The location of other higher-order centres, in particular the PTC which will capture a significant proportion of non-food and food catering spending. The PTC is envisaged to contain a significant amount of non-food and entertainment floorspace. It is estimated that the Study Region could achieve a 10% (Scenario 1) to 25% (Scenario 2) market share in non-food retailing, and between 44-52% in food catering spending.
- The potential for neighbourhood shopping facilities in the Study Region, which in a large part relate to spending on FLG merchandise. It is estimated that the Study Region could achieve a 62-68% market share in FLG retailing.
- It is estimated that the Study Region could capture 44-52% of retail services spending.
- The market share does not account for any significant homemaker or bulky goods development in the Study Region. A significant bulky goods precinct is identified for the PTC, while potential also exists for bulky goods or restricted retailing to possibly eventuate at the Donnybrook Road Employment Precinct.
- Other forms of retailing, including the internet.

Table 4.3: Indicative Retail Market Shires for the Study Region

Retail Category	Local Town Centres Only	Potential for Expanded Retail Facilities
Food, liquor, groceries	62%	68%
Food catering	34%	39%
Non-food	10%	25%
Retail services	44%	52%
Total Retail	31%	41%

Source: Essential Economics

In addition to capturing spending from the Study Region, retailers will also capture a share of turnover from beyond the Study Region. As identified earlier, the Study Region is relatively self-contained in that barriers to movement exist to the south (significant open space), the north and east (the OMR) and to the west (the railway line). However, potential exists that a proportion of turnover may be captured from people either working in or visiting the Study Region.

The estimated shares of retail turnover captured from beyond the Study Region by retail category are shown below:

- FLG: 10%
- Food catering: 15%

- Non-food: 10%
- Retail services: 5%

4.6 Supportable Retail Floorspace in the Study Region

Broad Estimate of Supportable Retail Floorspace

An estimate of the amount of retail floorspace that could potentially be supportable at centres within the Study Region area has been prepared on the following basis:

- 1 Calculate total turnover likely to be achieved by shopping facilities, having regard to the market shares identified above, and the potential for turnover to be drawn from beyond the catchment.
- 2 Convert these turnover estimates into supportable floorspace, with reference to projected average turnover levels in 2040 for new retail development.

Projections of average sales levels in 2040 are shown in Table 4.4 and are based on current industry benchmarks, and with some real growth allowance over the period 2013-2040.

Table 4.4: Broad Estimate of Average Retail Turnover Performance (\$/m²), 2013-2040

Retail category	2013	2040
Food, liquor, groceries	\$8,000/m ²	\$10,500/m ²
Food catering	\$6,500/m ²	\$8,500/m ²
Non-food	\$6,000/m ²	\$7,800/m ²
Retail services	\$4,000/m ²	\$5,200/m ²
Total (derived)	\$6,700/m²	\$8,800/m²

Source: Essential Economics

Note: Figures expressed in June 2013 dollars

Assessment of supportable retail floorspace under both Scenario 1 and Scenario 2 are provided. Note that these are long-term forecasts, and should therefore be seen as broad indicative estimates of future retail need. Over time, more detailed analysis will be undertaken to accompany permit applications for development of particular sites, and flexibility should be provided so that these applications are assessed on their merits. Once again, it is assumed centres can be situated where they can serve appropriate catchment populations.

Estimated Retail Turnover

According to the analysis, retail facilities in the Study Region would be expected to have the following level of total sales in 2040 (figures in 2013 dollars):

- Scenario 1: Local Town Centres Only: \$298m
- Scenario 2: Expanded Retail Facilities: \$402m

Retail turnover estimates for the Study Region by retail category are shown in Table 4.5.

Table 4.5: Estimated Retail Turnover in the Study Region, 2040 (in constant 2013 dollars)

Category	Food, liquor, groceries	Food catering	Non-food	Retail services	Total Retail
<u>Scenario 1: Local Town Centres Only</u>					
Available retail spending in the Study Region	\$271.6m	\$111.9m	\$450.0m	\$36.3m	\$869.7m
Estimated market share	62%	34%	10%	44%	31%
Retail spending retained	\$167.9m	\$37.6m	\$45.0m	\$16.0m	\$266.5m
Share from beyond	10%	15%	10%	5%	40%
Total turnover	\$186.6m	\$44.2m	\$50.0m	\$16.9m	\$297.6m
<u>Scenario 2: Expanded Retail Facilities</u>					
Available retail spending in the Study Region	\$271.6m	\$111.9m	\$450.0m	\$36.3m	\$869.7m
Estimated market share	68%	39%	25%	52%	41%
Retail spending retained	\$185.2m	\$43.4m	\$112.5m	\$18.9m	\$360.0m
Share from beyond	10%	15%	10%	5%	40%
Total turnover	\$205.8m	\$51.1m	\$125.0m	\$19.9m	\$401.7m

Source: Essential Economics

Supportable Retail Floorspace

Supportable retail floorspace has been calculated by applying the projected retail performance (\$/m²) shown in Table 4.4 to the estimated future sales levels as shown in Tables 4.5.

Based on this broad level analysis, potential exists under Scenario 1 for total retail floorspace in the Study Region at full development of approximately 33,000m², while under Scenario 2, potential exists for approximately 45,000m² of retail floorspace.

These figures are shown in Table 4.6 and are intended to provide broad guidance as to the potential level of supportable retail floorspace in the Study Region, providing centres are situated in locations that provide a sufficient catchment population.

Table 4.6: Broad Estimate of Supportable Retail Floorspace in the Study Region, 2040

Retail Category	Scenario 1: LTCs Only	Scenario 2: Expanded Retail Facilities
Food, liquor, groceries	17,800m ²	19,600m ²
Food catering	5,200m ²	6,000m ²
Non-food	6,400m ²	16,000m ²
Retail services	3,200m ²	3,800m ²
Total	32,600m²	45,400 m²
Rounded Total	33,000m²	45,000m²

Source: Essential Economics

Note: Note that the floorspace projections for the Study Region do not include allowance for homemaker or restricted retailing

Having regard for the above figures and for population estimates presented in Chapter 3, average retail provision per capita in the Study Region is estimated at 0.7m² per person under Scenario 1 (LTCs Only) and 0.9m² per capita under Scenario 2 (Potential for Expanded Retail Facilities).

This is a relatively low average retail provision when compared to a projected average retail provision in the order of 2.5m² per capita in metropolitan Melbourne as a whole by 2040, and reflects the significant level of retail demand escaping the Study Region to other areas.

One of these other areas is the adjoining Lockerbie PSP. The Lockerbie PSP indicates that 29,000 residents will live in the area and around 90,000m² of shop floorspace is permitted without a permit, including 80,000m² in the PTC, a combined 8,000m² in the two LTCs and limited shop floorspace in the three LCCs. Adding these figures to those of the Study Region provides an average retail provision of approximately 1.5-1.7m² per capita, which is still below the average provision projected for metropolitan Melbourne and indicates that potential for addition retail floorspace in the wider region may exist (while also noting that a share of spending will always escape to larger centres, such as the CBD and the super-regional centres).

The analysis above provides an indication of the level of retail floorspace that could potentially be supported in the Study Region; however, the eventual development, and therefore provision of retailing in the Study Region, will depend on the individual catchments of town centres, and these are influenced by a wide range of factors identified earlier in this report.

Therefore, these figures should be used as only as a guide to the potential for retail development in the Study Region. Analysis of potential centre catchments is provided in Sections 4.9 and 4.10.

For instance, while the analysis for Scenario 1 may indicate potential for five LTCs containing approximately 6,600m² of retail floorspace (i.e. 33,000m² divided by five LTCs), this does not take into consideration the requirement for a sufficiently-sized catchment to support centres. In particular, advice provided in *Growth Corridor Plans – Activity Centre and Employment Planning* (November, 2011) which indicates “supermarket catchments of approximately 8,000 residents may struggle to sustain a full-line supermarket, while a catchment of 10,000 persons would be able to support a store achieving typical trading benchmarks.”

Sections 4.9 and 4.10 assess and discuss the potential network of town centres in the Study Region under both scenarios based on a set of principles guiding the location of town centres in growth areas.

Note that the floorspace projections for the Study Region presented above do not include any allowance for homemaker or restricted retailing.

Potential for Large Format Non-food Retailing

When formulating plans involving future retail provision over a long period it is important to emphasise the need for flexibility. The retail industry is constantly evolving with new retail formats emerging that meet the ever changing consumer needs and demands.

At present large non-food retailers, such as Department Stores and Discount Department Stores (DDSs), tend to anchor regional and sub-regional centres. However, this format of retailing is likely to change in the future. For instance, a trend is already emerging where DDSs are reducing in size. Typically, DDSs are in the order of 6,000m² to 8,000m² in size.

Residents in the Study Region will be able to access Department Stores and DDSs in the Donnybrook PTC; however, having regard for the projections of non-food retail floorspace under Scenario 2 for the Study Region as shown in Table 4.6, potential may exist for an town centre in the Study Region to be anchored by a large format non-food retailer such as a DDS.

Typical catchment sizes for DDSs vary considerably, depending upon the nature of the competition, the road network and other factors. However, a general rule is that a core catchment of approximately 40,000 to 50,000 persons is required to support a DDS and the associated specialty retail that is accommodated in a sub-regional shopping centre. The Study Region has the potential to accommodate approximately 45,000 to 55,000 residents.

Although the Donnybrook PTC will also serve the higher-order retail needs of these residents, potential may exist for a centre in the Study Region to accommodate a DDS which would provide additional choice for Study Region residents, improve the access to non-food retailers, and also provide an opportunity for a DDS to be represented in the region should they not be able to secure a site in the PTC. An outcome such as this would elevate a centre to the role as a sub-regional shopping centre in the ‘retail’ hierarchy, and provide additional local employment opportunities in the Study Region.

Separate analysis has been prepared to examine the potential for DDS provision in centres within the Study Region. The approach undertaken is a *capacity analysis*, which examines the spending capacity for DDS-type shopping by residents in the Study Region, calculates the share of such spending that might be retained by DDSs located in the area, and presents estimates of potential future trading performance for such stores.

The main assumptions applied in this analysis are as follows:

- Total spending on DDS-type merchandise (consisting of apparel, household items, some furniture items, books, cosmetics and so on) typically accounts for approximately 93% of total non-food spending. This excludes the limited food merchandise that is also normally sold at a DDS.
- Many types of stores compete for a share of DDS-type shopping, including major department stores, small specialty shops, larger homewares and bulky goods stores, and so on. For the purpose of this analysis, approximately 18% of spending on DDS-type merchandise would be expected to be directed to DDSs in the region.
- The extent to which DDS stores within the Study Region retain DDS-type spending has been assessed, with calculations of market share based on expected future shopping patterns, the location and strength of offer in competing centres (such as Donnybrook PTC), residents’ travel patterns for non-shopping purposes, and other factors. A market share of 20-30% of DDS spending to be retained in the Study Region has been assumed.

- An allowance of 10% of turnover is made for incoming spending by residents living outside the Study Region.
- An allowance is also made for turnover that is derived from non-DDS-type shopping lines, principally comprising limited food and grocery merchandise.
- An average trading level of approximately \$4,000/m², which is reflective of a strong performing DDS store.

The DDS capacity analysis is shown in Table 4.7.

Table 4.7: DDS Capacity Analysis, Study Region , 2040 (constant 2013 dollars)

Category	Low Market Share (Medium Development Scenario)	High Market Share (Medium Development Scenario)
Available spending on DDS Merchandise	\$452.2m	\$452.2m
Spending directed to DDSs (@18%)	\$81.4m	\$81.4m
Market share retained within the Study Region - %	20%	30%
DDS spending retained within the Study Region	\$16.3m	\$24.4m
Turnover from beyond the Study Region (@10%)	\$1.8m	\$2.7m
Total DDS spending to the Study Region centres	\$18.1m	\$27.1m
Plus F&G turnover (8%)	\$1.6m	\$2.4m
Available turnover to DDSs within the Study Region	\$19.7m	\$29.5m
Average trading level	\$4,000/m ²	\$4,000/m ²
Indicative DDS	4,900m ²	7,400m ²

Source: Essential Economics Pty Ltd

Note: Figures in constant 2013 dollars

The conclusion from this analysis is that, potential for a DDS at one centre in the Study Region may eventuate as the Study Region approaches capacity. Turnover in the order of \$20m may be sufficient to attract the development of a smaller DSS model in the order of 5,000m², while turnover of \$30m would be sufficient to attract the interest of a larger DDS model in the order of say 7,000m².

However, the proximity to the PTC will create a competitive landscape for such a centre, and it would be preferable that where a centre was to be anchored by a large non-food retailer that such a centre be located away from the PTC, while maintaining a central location with regard to its catchment.

Analysis of the distribution of regional and sub-regional centres throughout the outer areas of metropolitan Melbourne indicate a distance of around 4km is a sensible benchmark for the minimum distance required between higher-order centres. Of course, there are exceptions to this benchmark and these depend on the local context within which each centre is situated.

It may be prudent to allow for some level of flexibility in regard to permitting one centre in the Study Region to expand its retail role to that of a sub-regional centre should the demand for a centre of this type eventuate. It will be important that any sub-regional shopping centre in the Study Region be situated in a location that provides an opportunity for the proposed centre and the Donnybrook PTC to operate viably. The potential locations for centres that could accommodate an expanded retail role are discussed in Section 4.10.

Based on the analysis in Table 4.7, it is estimated that between \$57m and \$65m of spending by Study Region residents directed to DDSs would escape to centres beyond the Study Region, with the Donnybrook PTC likely to account for the majority of this escape spending. This spending is sufficient to support two large DDSs.

Under Scenario 1, no large format non-food retailing would be permitted, and residents would be required to travel to the Donnybrook PTC or other centres further afield to undertake a large proportion of their non-food shopping requirements.

Potential for Supermarket Development

Supermarkets perform an important role in providing for a high proportion of food, liquor and grocery needs of outer metropolitan Melbourne residents. Importantly from a town centre planning perspective, supermarkets act as anchor tenants that attract patronage which, in turn, supports adjoining speciality retailers.

An accepted benchmark is for a full-line supermarket to require an immediate catchment of at least 8,000 residents, and preferable 10,000 residents to trade successfully. On the basis of a preferable catchment of 10,000 residents per full-line supermarket, the anticipated population outcomes (46,000-55,000 residents) would be expected to support around five full-line supermarkets, providing supermarkets can be supported by sufficiently-sized local catchments.

A supermarket capacity analysis is presented below in Table 4.8 on the basis of the following considerations:

- Approximately 80% of total available spending on FLG merchandise is directed to supermarkets, with the remainder directed to food specialty stores, fresh food markets and so on. This is a relatively high figure but it is common for supermarkets to be the major location for grocery shopping in outer metropolitan growth areas.
- Supermarkets within the Study Region will capture a share of this supermarket spending, but will compete to some degree with supermarkets located in the PTC, and in the Lockerbie Southern Town Centre. In particular, the Lockerbie Southern Town Centre performs a role in serving the supermarket needs of residents in the English Street PSP area.
- Supermarkets in the Study Region have the potential to capture 62% of Study Region spending at supermarkets under Scenario 1, and 68% of supermarket spending under Scenario 2.
- A relatively small proportion of supermarket turnover will be captured from residents outside the Study Region, estimated at 10%.

- A small share of supermarket turnover (usually around 8%) is derived from the sale of non-FLG merchandise, including small kitchenware items, a limited range of clothing, other household accessories and so on.
- An average retail turnover performance of approximately \$10,500/m² for supermarkets in the Study Region; this estimate takes into consideration existing benchmarks for supermarket performance and potential for real growth in the future.

The analysis shows that a total of approximately 15,500m² (Scenario 1) to 17,000m² (Scenario 2) of supermarket floorspace could be supported in the Study Region. This provision of supermarket floorspace may comprise a mix of full-line, limited range, and potentially smaller supermarkets.

The assumptions underpinning the analysis in Table 4.8 include an expectation that centres containing supermarkets would be well-designed and positioned in suitable locations that are readily accessible to the surrounding community.

Table 4.8: Supermarket Capacity Analysis, 2040

Category	Scenario 1 LTCs Only	Scenario 2 Expanded Retail Facilities
Available spending on FLG	\$271.6m	\$271.6m
% to supermarkets	80%	80%
Spending available to supermarkets	\$217.3m	\$217.3m
Retained within the Study Region - %	62%	68%
Retained within the Study Region - \$m	\$134.3m	\$148.2m
Plus turnover from beyond - %	10%	10%
Turnover from beyond - \$m	\$14.9m	\$16.5m
Total supermarket FLG spending to the Study Region	\$149.3m	\$164.6m
Plus general merchandise turnover (8%)	\$13.0m	\$14.3m
Available turnover for Study Region supermarkets	\$162.3m	\$178.9m
Average trading level	\$10,500/m ²	\$10,500/m ²
Indicative Supermarket Provision	15,450m²	17,040m²
Rounded Totals	15,500m²	17,000m²

Source: Essential Economics

Homemaker and Restricted Retail Potential

The analysis presented above does not take into account any major development of a homemaker, bulky goods or restricted retailing precinct in the Study Region for the following reasons:

- A significant homemaker and restricted retailing precinct is planned at the PTC

- It has been assumed that some form of homemaker/restricted retailing may locate on land to the south of Donnybrook Road that has been identified as 'industrial' in the MNGCP (i.e. Donnybrook Road Employment Precinct).

Potential may exist for a homemaker/restricted retailing precinct in the Study Region in a location with frontage to Donnybrook Road should no such development occur in the Donnybrook Road Employment Precinct. Typically, a successful homemaker centre comprises around 15,000m² to 20,000m² of retail floorspace.

4.7 Implications for Donnybrook PTC and Other Centres

Based on the analysis described in the preceding Sections, a significant amount of retail spending by Study Region residents will escape to other centres, including the Donnybrook PTC.

For instance, Scenario 1 (LTCs Only) and Scenario 2 (Expanded Retail Facilities) are estimated to achieve retail market shares of 31% and 41% respectively (refer Table 4.3). Therefore, the majority of residents' retail spending will be directed to other centres.

Under **Scenario 1**, 69% of the \$870m in retail spending by Study Region residents will be directed to other centres. This equates to approximately \$600m (in constant 2013 dollars) and is sufficient to support approximately 100,000m² of retail floorspace, assuming an average turnover level of \$6,000/m². As an indication of the level of retail spending by Study Region residents that may be directed to the Donnybrook PTC, assuming 75% of the spending directed to other centres (i.e. \$603m) was to be directed to the Donnybrook PTC, this would equate to approximately \$450m.

Under **Scenario 2**, 59% of retail spending by Study Region residents will be directed to other centres. This equates to approximately \$510m (in constant 2013 dollars) and is sufficient to support approximately 85,000m² of retail floorspace, assuming an average turnover level of \$6,000/m².

Assuming 75% of the spending directed to other centres (i.e. \$603m) was to be directed to the Donnybrook PTC, this would equate to approximately \$380m. This level of expenditure is significant and is sufficient to support a regional shopping centre in itself, noting that the Donnybrook PTC is intended to serve a broad catchment encompassing the wider northern growth corridor. As a point of comparison, the Watergardens Town Centre in Melbourne's west achieved total turnover of approximately \$390m in 2012 (Shopping Centre News, Big Guns, 2013).

Table 4.9: Retail Spending Directed to Other Centre, 2040 (constant 2013 dollars)

Category	Scenario 1 LTCs Only	Scenario 2 Expanded Retail Facilities
Available retail spending of Study Region residents, 2040	\$869.7m	\$869.7m
Indicative market share	31%	41%
Retail spending retained in the Study Region	\$266.5m	\$360.0m
Retail spending directed to other centres	\$603.2m	\$509.7m

Source: Essential Economics

4.8 Principles for Town Centre Locations

Principles guiding the location of town centres in PSP areas is provided in Volume 2 of the PSP Guidelines and include the following:

- Town centres and hubs of community facilities are located to maximise access to public transport services. Principal and major town centres are located on the PPTN (both bus routes and railway stations), and Local Town Centres are served by local bus routes.
- Local town centres are located on connector streets with direct access to at least one arterial road. The planned road network is shown in Figure 1.2.
- Accessibility of household to convenience shopping facilities, with MPA principles identifying a goal of 80-90% of households located within 1km of a town centre of sufficient size to allow for provision of a supermarket.

In light of references to the level of accessibility to supermarket facilities as a guiding principle for the location of town centres, it is vital that the commercial viability of supermarkets in PSP areas be encouraged. One way of encouraging the viability of supermarkets, and therefore encouraging greater access to supermarket facilities, is to plan for supermarket based centres in locations that will enable sufficiently-sized catchment to support a supermarket.

These principles are the basis for assessing MPA's preliminary town centre locations in Section 4.9, and for the development of alternatives town centre networks which are assessed in Section 4.10.

4.9 Assessment of MPA Preliminary Centre Locations

MPA's preliminary centre locations, as shown in Figure 1.2, are assessed below based on the principles described in Section 4.8. These locations have been provided by MPA and reflect preferable locations from a planning perspective. Furthermore, the analysis presented in this Section is on the basis of only LTCs and Local Convenience Centres (LCCs) being located in the Study Region, with a limit of one supermarket per LTC.

The analysis provided in this Section assesses the viability of centres at these locations and provides guidance as to the potential retail and non-retail floorspace that may be provided within each centre.

The analysis specifically includes the following:

- Assessment of 'core' catchments for each centre, and the implications on the ability to support viable supermarkets.
- The level of access of Study Region residents to the supermarkets, based on the share of residents located with 1km of a supermarket based centre.
- The extent of retail and non-retail commercial floorspace that could be supported in each centre.
- Potential for LCCs, including the potential for development to the east of the Lockerbie Train Station.

Catchment Analysis and Implications for Supportable and Viable Supermarkets

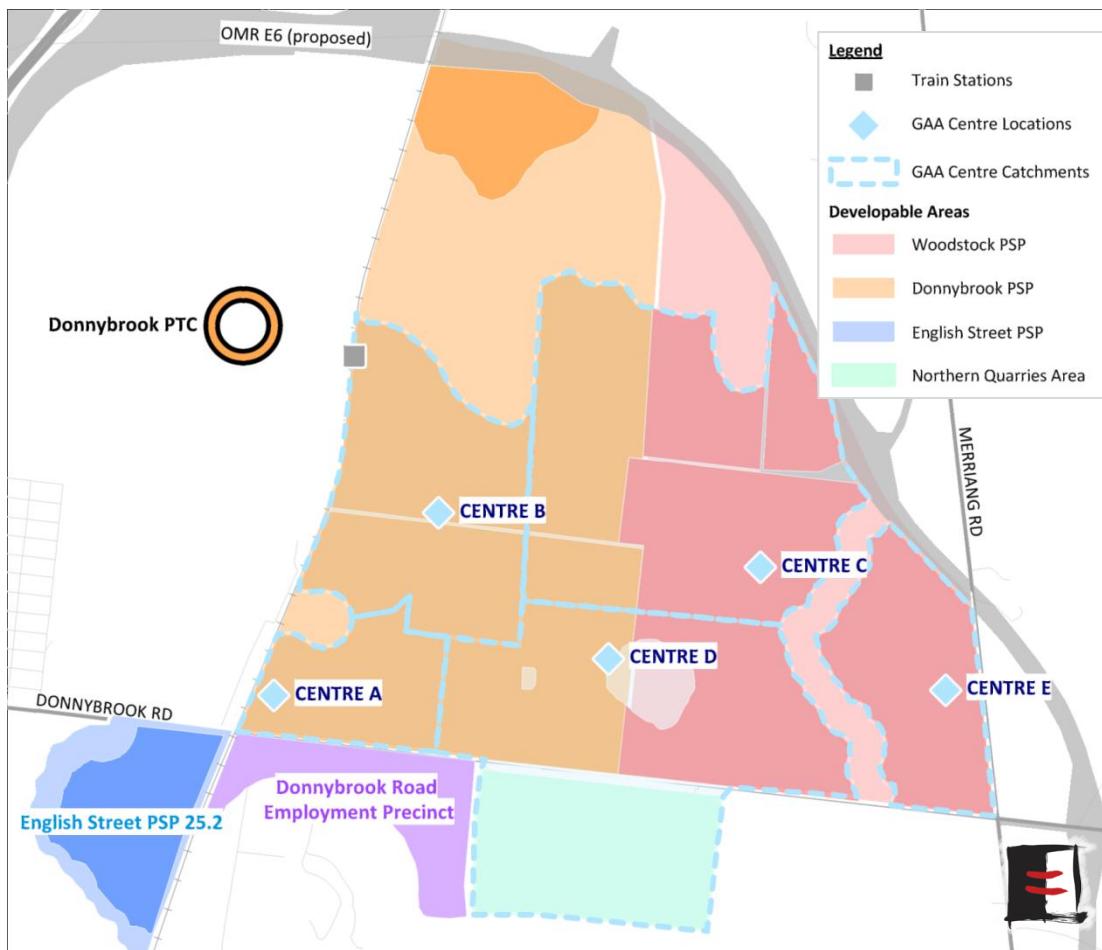
Figure 4.3 shows the preliminary MPA centre locations and the potential 'core' catchment for each centre. The five centres have been identified as Centres A to E.

These 'core' catchments reflect the indicative geographic areas where the majority of a centre's turnover would be derived. Typically, retail catchments will overlap; however, for the purpose of this assessment, *core* catchments have been identified that do not overlap.

The following factors have been considered in the identification of the core catchments for each centre:

- The proposed road network as shown in Figure 1.2.
- Physical barriers to movement, including railway lines, large areas of open space, major roads, etc.
- The area to the north of the Study Region (referred to as D1) will not have a population of sufficient size to support a supermarket-based centre. It is likely, based on the proposed road networks, that D1 could form part of multiple catchments. Therefore, it has not been included as part of a 'core' catchment for any particular centre. However, the potential for these residents to shop at any of the identified centres has been taken into consideration in the analysis of supportable floorspace.
- A similar scenario applies for residents in the English Street PSP. While these residents will have access to Centre A, they will also have relatively easy access to the Southern Town Centre in the Lockerbie PSP area.

Figure 4.3: MPA Preliminary Centre Locations – Core Catchment



Source: Essential Economics; MPA

An analysis of the catchment population for each centre has been undertaken which takes into account the extent of developable area for residential purposes (refer Section 3.1), an average dwelling density of 16.5 dwellings per hectare as per the medium development scenario (refer Section 3.2) and an average household size of 2.8 persons. The estimated catchment population for each centre is as follows:

- Centre A (located near the Donnybrook Train Station): 3,300 persons
- Centre B: 7,800 persons
- Centre C: 13,900 persons
- Centre D: 14,600 persons
- Centre E: 4,900 persons.

The analysis of catchment populations shows that Centres C and D will serve significant-sized catchment, each in excess of 13,500 persons. Centres A, B and E will serve much smaller catchments, with Centres A and E serving catchments of fewer than 5,000 people in each case.

The size of these catchments will have an effect on the size and type of supermarket that could be supported at each centre.

An analysis of supportable supermarket floorspace and turnover at each of the identified centres has been undertaken and is summarised in Table 4.10. The analysis takes into consideration the market shares typically achieved by small, medium and large full-line supermarkets, and the extent of turnover that may be derived from beyond each centre's core catchment. For instance, a greater share of turnover would be expected to be derived from beyond the core catchment for a supermarket in Centre A due to its location at a train station that serves a wider region compared to other centres. Similarly, centres which could accommodate a full-line supermarket would also capture turnover from the core catchments of centres that only offer limited-range supermarket facilities.

The key findings with regard to each centre are summarised below.

Centre A – Supportable Supermarket Size and Model

Centre A, with a core catchment population of only 3,300 persons (Medium Scenario), would only support a small supermarket in the order of 800m², despite an allowance for 40% of its turnover to be derived from beyond its core catchment.

A supermarket of this size would provide only day-to-day 'top-up' shopping for catchment residents and those using the train station. Catchment residents would undertake a large proportion of their supermarket shopping at other centres, namely Centres C and D, and at the Donnybrook PTC.

Centre B – Supportable Supermarket Size and Model

Centre B could support a mid-sized supermarket in the order of 2,500m², achieving turnover in the order of \$26m (in constant 2013 dollars). A supermarket of this size is sufficient to provide a large proportion of residents' supermarket shopping requirements.

The main difference between a mid-sized supermarket and a full-line supermarkets (which could be supported in Centres C and D) is the extent of fresh food provided and the extent of shopper convenience in the form of wider aisles, larger check-out areas, etc.

Centre C – Supportable Supermarket Size and Model

Centre C, with a core catchment population of 13,900 residents, could support a full-line supermarket of say 4,000m² and achieve turnover of more than \$50m (in constant 2013 dollars). This is considered a high level of turnover, above industry benchmarks.

Potential would exist for the provision of another mid-sized supermarket in the centre if permitted, which would further strengthen the role and performance of the centre, and provide additional choice and convenience to Study Region residents.

Centre D – Supportable Supermarket Size and Model

Similar to Centre C, Centre D with a core catchment population of 14,600 residents could support a full-line supermarket of say 4,000m² and achieve turnover of more than \$50m (in constant 2013 dollars).

Potential would exist for the provision of another mid-sized supermarket in the centre if permitted, which would further strengthen the role and performance of the centre, and provide additional choice and convenience to Study Region residents.

Centre E – Supportable Supermarket Size and Model

Centre E, with a core catchment population of only 4,900 persons (Medium Scenario), would only be able to support a small supermarket in the order of 800m². A supermarket of this size would provide only day-to-day ‘top-up’ shopping for catchment residents and those using the train station. Catchment residents would undertake a large proportion of their supermarket shopping at other centres, namely Centres C and D, and at the Donnybrook PTC.

Table 4.10 summarises the supportable supermarkets at Centres A to E as identified by MPA.

Table 4.10: Catchments and Supportable Supermarket Floorspace based on MPA Preliminary Centre Locations, 2040 (constant 2013 dollars)

Category	Centre A	Centre B	Centre C	Centre D	Centre E
Core Catchment Population (Medium Scenario)	3,300	7,800	13,900	14,600	4,900
<u>Supermarket Analysis</u>					
Available FLG spending directed to supermarkets	\$14.2m	\$33.6m	\$59.9m	\$63.0m	\$21.1m
Estimated market share of supermarket	30%	60%	70%	70%	30%
Estimated share of TO from beyond the Catchment	40%	15%	15%	15%	10%
Total estimated supermarket turnover (assuming 8% of turnover in non-FLG merchandise)	\$7.7m	\$25.8m	\$53.7m	\$56.4m	\$7.7m
Indicative supportable supermarket floorspace (assumes a maximum of one supermarket per centre)	800m²	2,500m²	4,000m²	4,000m²	800m²
Average turnover level	\$9,700/m ²	\$10,300/m ²	\$13,400/m ²	\$14,100/m ²	\$9,600/m ²

Source: Essential Economics

Based on the above analysis and allowing for only one supermarket per centre, the Study Region would support a total of approximately 12,000m² of supermarket floorspace, including the following:

- Two full-line supermarkets trading significantly above industry benchmarks (Centres C and D)
- One mid-sized supermarket (Centre B)

- Two small supermarkets (Centres A and E).

Potential for additional mid-sized supermarkets could be provided in Centres C and D that would not reduce the level of access to supermarket facilities.

This level of supermarket floorspace is below that estimated in Section 4.6, and reflects the following:

- Supermarkets achieving turnover above the industry benchmark used in the supermarket capacity analysis (i.e. \$10,500/m² in 2040)
- Limitations on centre locations which limit the ability for some centres to be situated within a local catchment that could support a supermarket
- The limitation of only one supermarket per LTC.

Accessibility to Supermarket Facilities

An analysis of the number of households located within 1km of supermarket facilities has been undertaken, and this has been compared to:

- Total number of household planned in the Study Region (i.e. 18,000 households) under the medium development scenario.
- Total number of households in the Study Region, less those located in Area D1 (880 households) and the English Street PSP (1,130 households). As identified above, these areas will not support supermarket facilities and are isolated from any planned centres, and therefore any residents in these areas will not be located within 1km of a supermarket.

The analysis is summarised in Table 4.11. Using the Study Region less D1 and English Street PSP as a benchmark, 43% of households would be located within 1km of a full-line supermarket, and 79% within 1km of any sized supermarket, including small supermarkets within Centre A and Centre E.

Table 4.11: Accessibility to Supermarket Facilities based on MPA Preliminary Centre Locations, 2040 (constant 2013 dollars)

Category	Households	Share of Total Study Region Households	Share of Study Region Households (excluding English Street PSP and D1)
Located within 1km of a Full-line Supermarket	6,800	38%	43%
Located within 1km of a Mid-sized to Full-line supermarket	9,500	53%	59%
Located within 1km of any supermarket	12,700	71%	79%

Source: Essential Economics

Although this level of accessibility (79%) is marginally below the MPA target of 80% to 90%, it is primarily a reflection of the unique geography of the Study Region and does not reflect any under-provision of supermarket facilities that will negatively impact on liveability.

It is possible that once detailed development planning is undertaken, the actual share of the population living within 1km of a supermarket will exceed the 80% target. In particular, this threshold is likely to be exceeded where opportunities for increased residential density around the proposed activity centres are realised.

Total Retail and Non-Retail Commercial Floorspace in Centres A to E

An indicative distribution of retail and non-retail commercial floorspace throughout Centres A to E is provided in Table 4.12. This indicative distribution is based on the following:

- **Centre typologies**: A provision of LTCs and LCCs only, with a limit of one supermarket per LTC.
- **Speciality retail floorspace**: Typically, a full-line supermarket will generally create the customer traffic and exposure sufficient to support specialty shops equivalent to approximately two-thirds of the supermarket's total floorspace.
- **Non-retail commercial floorspace**: In addition to retail activities, neighbourhood centres also accommodate a range of non-retail shopfront businesses. Examples include real estate agents, travel agents, post offices, solicitors, accountants, tax agents, financial advisers, and so on. In some circumstances home-based businesses may seek small office space in neighbourhood centres as they expand.

The proportion of non-retail floorspace in neighbourhood centres varies considerably. For example, single ownership neighbourhood shopping centres in growth areas typically have a relatively low proportion of non-retail floorspace, with non-retail uses comprising just 10% of centre floorspace. In some inner-city suburbs of Melbourne, a much greater share of floorspace at neighbourhood activity centres involves non-retail uses, and this proportion can often be 50% or more of total floorspace provision.

For the purpose of this assessment, it is assumed non-retail commercial floorspace accounts for between approximately 20-30% of total floorspace.

Based on the above benchmarks, the Study Region could support the following centres:

- **Two LTCs (Centre C and Centre D) containing full-line supermarkets**, approximately 7,000m² of retail floorspace and a total of approximately 10,000m² retail and commercial floorspace.
- **One LTCs (Centre B) containing a mid-sized supermarket**, approximately 4,500m² of retail floorspace and a total of approximately 6,000m² retail and commercial floorspace.
- **Two small centres providing limited convenience retailing (Centre A and Centre E)**, including a small supermarket and a total of approximately 2,000m² of retail and commercial floorspace. From an activity centre 'planning' hierarchy perspective, these

centre will either be classified at LTCs or LCCs, with the classification depending on the extent and ranges of alternative uses planned for these centre (e.g. community facilities).

The retail and commercial floorspace provision for each of the above centres is summarised in Table 4.12.

Table 4.12: Total Retail and Non-retail Commercial Floorspace Provision in the Study Region, based on Preliminary MPA Locations

Land Use Type	Centre A	Centre B	Centre C	Centre D	Centre E
Supermarket	800 m ²	2,500 m ²	4,000 m ²	4,000 m ²	800 m ²
Specialty retail	500 m ²	1,700 m ²	2,700 m ²	2,700 m ²	500 m ²
Total retail	1,300 m²	4,200 m²	6,700 m²	6,700 m²	1,300 m²
(rounded)	(1,500 m ²)	(4,500 m ²)	(7,000 m ²)	(7,000 m ²)	(1,500 m ²)
Non-retail commercial	500 m ²	1,500 m ²	3,000 m ²	3,000 m ²	500 m ²
Total retail and commercial floorspace	2,000 m²	6,000 m²	10,000 m²	10,000 m²	2,000 m²

Source: Essential Economics

Potential for Local Convenience Centres (LCCs)

In addition to the above, potential may exist for a number of Local Convenience Centres (LCCs) throughout the Study Region which provide residents with easy access to day-to-day convenience shopping within a walkable catchment.

The viability of traditional, small convenience-based local strips in established suburban areas has been undermined by a combination of changing retail formats, consumer spending patterns and lifestyle trends. Consumer preference for convenient multi-purpose trips and greater reliance on the motor vehicle has increased the popularity of modern convenience stores attached to petrol stations, and where the product range continues to expand. This is further illustrated by one of the major supermarket operators in Australia recently announcing that pricing of their convenience retail offer in convenience stores associated with petrol stations will soon be aligned with the pricing of products at their supermarkets.

Furthermore, the level of shopping convenience experienced at supermarkets has also increased, with the advent of express lanes, self-service check-out, convenient parking and extended shopping hours.

These trends have been to the detriment of many local centres, with centres struggling to remain viable and to attract the required amount of investment to have the level of presentation and amenity that shoppers now seek.

LCCs can vary in size from a solitary milk bar, to a small centre containing a small supermarket of say 400m² and a variety of specialty shops and non-retail uses. Flexibility should be provided in the PSPs to enable centres to attract businesses that will assist in making a LCCs a viable commercial location, while still performing the role of a local centre.

In regard to the Study Region, potential may exist for an LCC in the northern part of the Study Region and north of Gunns Gully Road.

Potential may also exist for a LCC in the English Street PSP, which would serve the residents (and potential workers) in the precinct and take advantage of a location on Donnybrook Road.

Allowing potential for these two LCCs to contain approximately 800m² to 1,000m² of retail floorspace, and between approximately 1,000m² and 1,500m² of total retail and commercial floorspace each is considered sufficient to enable some level of flexibility while still performing a local centre role.

Potential for Retail and Commercial Development at the Lockerbie Train Station

Potential for limited convenience retailing and employment uses may also exist in the area to the immediate east of the Lockerbie Train Station. The Lockerbie PSP identified a mix of uses to the immediate west of the station which include convenience retailing (including the potential for supermarkets), commercial, mixed use and high-density residential development. In addition, an area has been identified as having potential for regional health, education and employment uses.

Having regard for this level of planned activity and the likelihood of higher density residential development to the east of the train station, potential may also exist for limited convenience retailing and office development. Residents to the east of the station will be within walking distance of the convenience retailing planned to the immediate west of the station. In light of the potential for supermarket development to the immediate west of the train station, and the limited catchment for a supermarket at Centre B, it is recommended that no supermarket development be planned to the immediate east of the Lockerbie Station.

Once again, providing for some level of flexibility in the PSP would allow for the attraction of businesses and employment to this area. It is envisaged an allowance of say 1,000m² to 2,000m² of convenience retailing, which may include food catering (i.e. cafés and restaurants), be permitted at a LCC to the east of the station.

In addition, potential may also exist for commercial development having regard for the location next to a train station. A significant amount of commercial development is already planned for the Donnybrook PTC and the extent of commercial development to the east of the station will largely depend on the extent and type of commercial uses developed in the PTC. For instance, if a regional health facility is developed in the area identified as ‘future investigation’ to the west of the train station, potential for allied health services may arise.

Therefore, it would be prudent to plan for some level of flexibility regarding the level of commercial development to the east of the centre. It is recommended that a provision of between 1,000m² to say 3,000m² of non-retail commercial development be planned for a location to the immediate east of the station. This floorspace could be delivered over multiple storeys and/or in a mixed use form of development.

In total, planning for a provision of 2,000m² to 5,000m² of retail and commercial floorspace development, which may be planned over multiple storeys and/or in a mixed use form of

development, would provide an opportunity to generate employment opportunities for local residents without detracting from the role of the other centres in the region.

Summary of Town Centres in the Study Region

Based on the analysis provided above which takes into consideration catchments served by individual centres at locations identified by MPA, the Study Region could support approximately 24,500m² to 25,500m² of retail floorspace, and approximately 10,500m² to 12,500m² of non-retail commercial floorspace.

This level of retail floorspace is below that estimated in Section 4.6 (i.e. 33,000m²), and reflects the following:

- Limitations on centre locations which limit the ability for some centres to be situated within local catchments that could attract a critical mass of retail development, including supermarkets.
- The limitation of only one supermarket per LTC.

A summary of the schedule of uses by centre is provided in Table 4.13, while the location of centres is shown in Figure 4.4.

Table 4.13: Summary of Retail and Non-retail Floorspace by Centre (MPA locations)

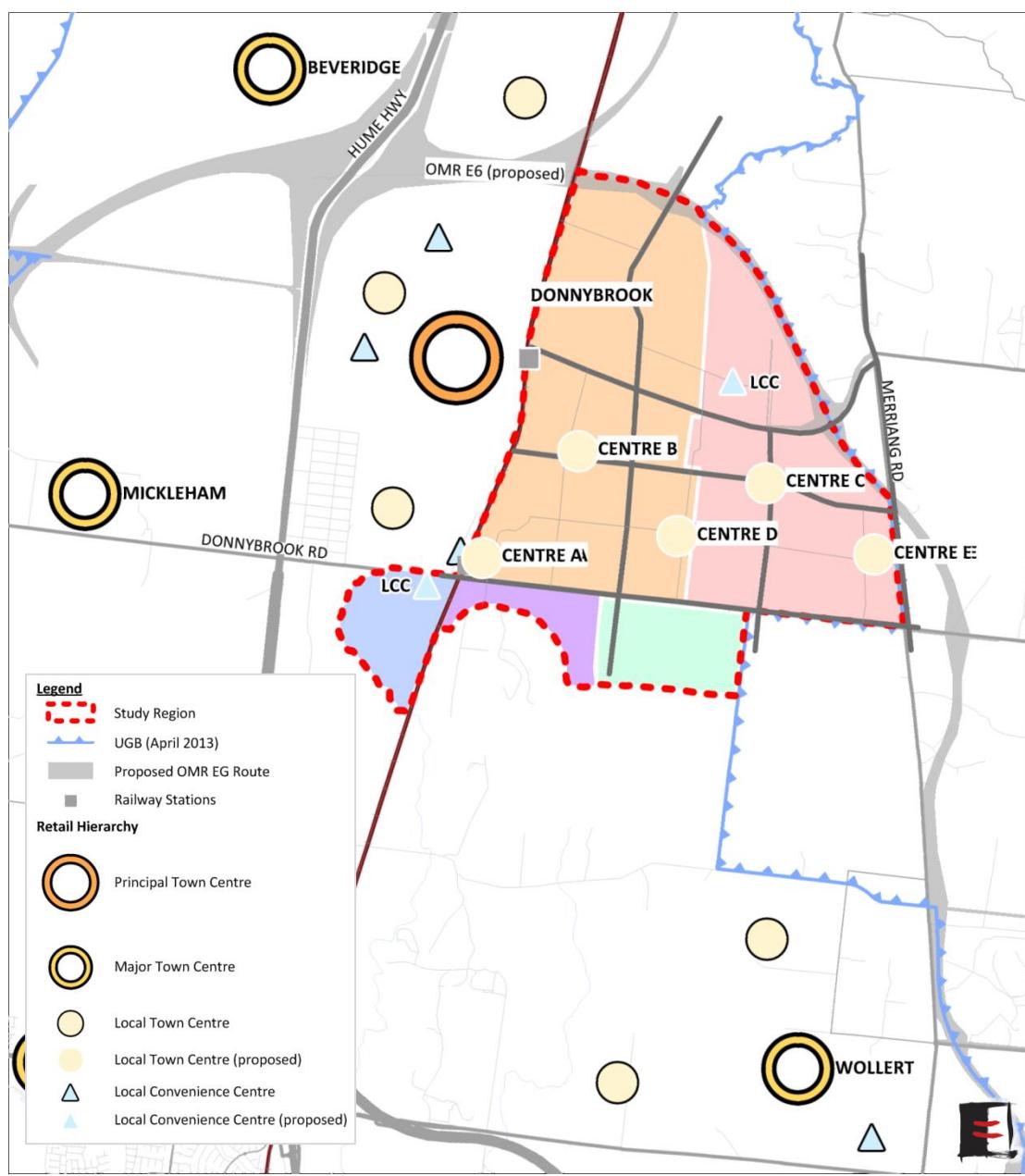
Centre	Supermarket	Total Retail	Non-retail Commercial	Total Retail and Commercial
<u>Local Town Centres</u>				
Centre B	2,500 m ²	4,500 m ²	1,500 m ²	6,000 m ²
Centre C	4,000 m ²	7,000 m ²	3,000 m ²	10,000 m ²
Centre D	4,000 m ²	7,000 m ²	3,000 m ²	10,000 m ²
<u>Local Convenience Retail Centres (Planning Role to be Determined)</u>				
Centre A	800 m ²	1,500 m ²	500 m ²	2,000 m ²
Centre E	800 m ²	1,500 m ²	500 m ²	2,000 m ²
<u>Local Convenience Centre</u>				
Northern Area (Donnybrook/Woodstock)	0	1,000 m ²	500 m ²	1,500 m ²
English Street (potential only)	0	1,000 m ²	500 m ²	1,500 m ²
Lockerbie Train Station	0	1,000m ² to 2,000m ²	1,000m ² to 3,000m ²	2,000m ² to 5,000m ²

Source: Essential Economics

In addition to the centres shown in Table 4.13, potential for centres in the Northern Quarries PSP may also exist and this will be determined during the planning process for the Northern Quarries PSP. As indicated in Section 4.6, potential for homemaker/restricted retailing may exist for a location along Donnybrook Road. It has been assumed that some form of homemaker/restricted retailing may locate on land to the south of Donnybrook Road in the Northern Quarries PSP area that has been identified as 'industrial' in the MNGCP.

Potential may exist for a homemaker/restricted retailing precinct in the Study Region in a location with frontage to Donnybrook Road should no such development occur in the Donnybrook Road Employment Precinct. Typically, a successful homemaker centre comprises around 20,000m² of retail floorspace

Figure 4.4: Town Centre Locations (MPA Locations)



Source: Essential Economics; MPA

4.10 Further Considerations for the Distribution of Town Centres in the Study Region

The following provides discussion on issues that may need further consideration when planning for the distribution of Town Centres in the Study Region, and includes discussion on the following:

- Consideration 1 – Potential Opportunity for Expanded Retail Facilities
- Consideration 2 – The need for retailing at the Donnybrook Train Station and support for a full-line supermarket at Centre B
- Consideration 3 – Implications of a high pressure gas line dissects the Study Region.

Consideration 1 – Potential Opportunity for Expanded Retail Facilities

Potential for a Large Non-food Anchor in One Centre

The analysis provided in Section 4.6 (refer Table 4.7) indicates the potential may exist in the future for one centre to accommodate a major non-food anchor tenant such as a DDS. Such an outcome would elevate this centre to a **retail** role of a ‘sub-regional shopping centre’, which would also have implications for the classification of the centre in a planning sense.

Of the centre locations identified in Section 4.9, ‘Centre D’ would be the preferred location for a centre that could expand its retail role, as this location would provide the maximum separation from the Donnybrook PTC, and this would assist the successful operation of both centres. This location is also central to the catchment which would largely comprise the Study Region.

Potential for Multiple Supermarkets in the LTCs

The analysis presented in Section 4.6 and in Section 4.9 indicates that supermarkets in Centres C and D would operate at levels well beyond industry benchmarks if these centres were to permit only one supermarket within each centre.

Potential exists for Centres C and D to accommodate multiple supermarkets, comprising a total of around 6,000m² of supermall floorspace. For example, this may consist of a full-line supermarket containing approximately 3,500m² to 4,000m² and a mid-sized supermarket of 2,000m² to 2,500m² of floorspace.

Importantly, permitting the development of multiple supermarkets in these centres will not impact the viability of supermarkets and centres located elsewhere in the Study Region, including the potential to deliver a mid-sized supermarket at Centre B.

An analysis of the supermarket development potential at each centre is shown in Table 4.14, assuming multiple supermarkets are permitted in Centres C and D. The analysis takes into consideration the potential for supermarkets to attract higher market shares where they

contain multiple supermarkets, while centres with only one supermarket will attract lower market shares compared to the analysis presented in Section 4.9.

Table 4.14: Catchments and Supportable Supermarket Floorspace Allowing Multiple Supermarkets in Centres C and D, 2040 (constant 2013 dollars)

Category	Centre A	Centre B	Centre C	Centre D	Centre E
Core Catchment Population (Medium Scenario)	3,300	7,800	13,900	14,600	4,900
<u>Supermarket Analysis</u>					
Available FLG spending directed to supermarkets	\$14.2m	\$33.6m	\$59.9m	\$63.0m	\$21.1m
Estimated market share of supermarket	25%	55%	75%	75%	25%
Estimated share of TO from beyond the Catchment	40%	15%	18%	15%	10%
Total estimated supermarket turnover (assuming 8% of turnover in non-FLG merchandise)	\$5.9m	\$23.7m	\$59.6m	\$60.4m	\$6.4m
Indicative supportable supermarket floorspace (assumes a maximum of one supermarket per centre)	800m²	2,500m²	6,000m²	6,000m²	800m²
Average turnover level	\$8,100/m ²	\$9,500/m ²	\$9,900/m ²	\$10,100/m ²	\$8,000/m ²

Source: Essential Economics

Potential for Additional Retail and Commercial Floorspace at Centres C and D

If the expansion of supermarket and non-food anchor tenants within identified centres is permitted, this will also provide the impetus for additional speciality and non-retail commercial floorspace. The presence of additional anchor tenants will attract a greater level of patronage which will, in turn, benefit nearby speciality retailers.

Table 4.15 provides an indication of the potential development outcome for Centres C and D, if expanded retail facilities were permitted in these centres. In essence, the retail role of these centres would be elevated to the following:

- Centre C: From a neighbour shopping centre to a sub-regional shopping centre
- Centre D: From a neighbour shopping centre to a large neighbourhood shopping centre.

Table 4.15: Potential Development Outcome for Centres C and D

Land Use Type	Centre C	Centre D
Large non-food anchor tenant	7,000m ²	-
Supermarket	6,000m ²	6,000 m ²
Specialty retail	8,700 m ²	4,000 m ²
Total retail	21,700 m ²	10,000 m ²
(rounded)	(22,000 m ²)	(10,000 m ²)
Non-retail commercial	8,000 m ²	4,000 m ²
Total retail and commercial floorspace	30,000 m²	14,000 m²

Source: Essential Economics

Consideration 2 – The need for retailing at the Donnybrook Train Station and support for a full-line supermarket at Centre B

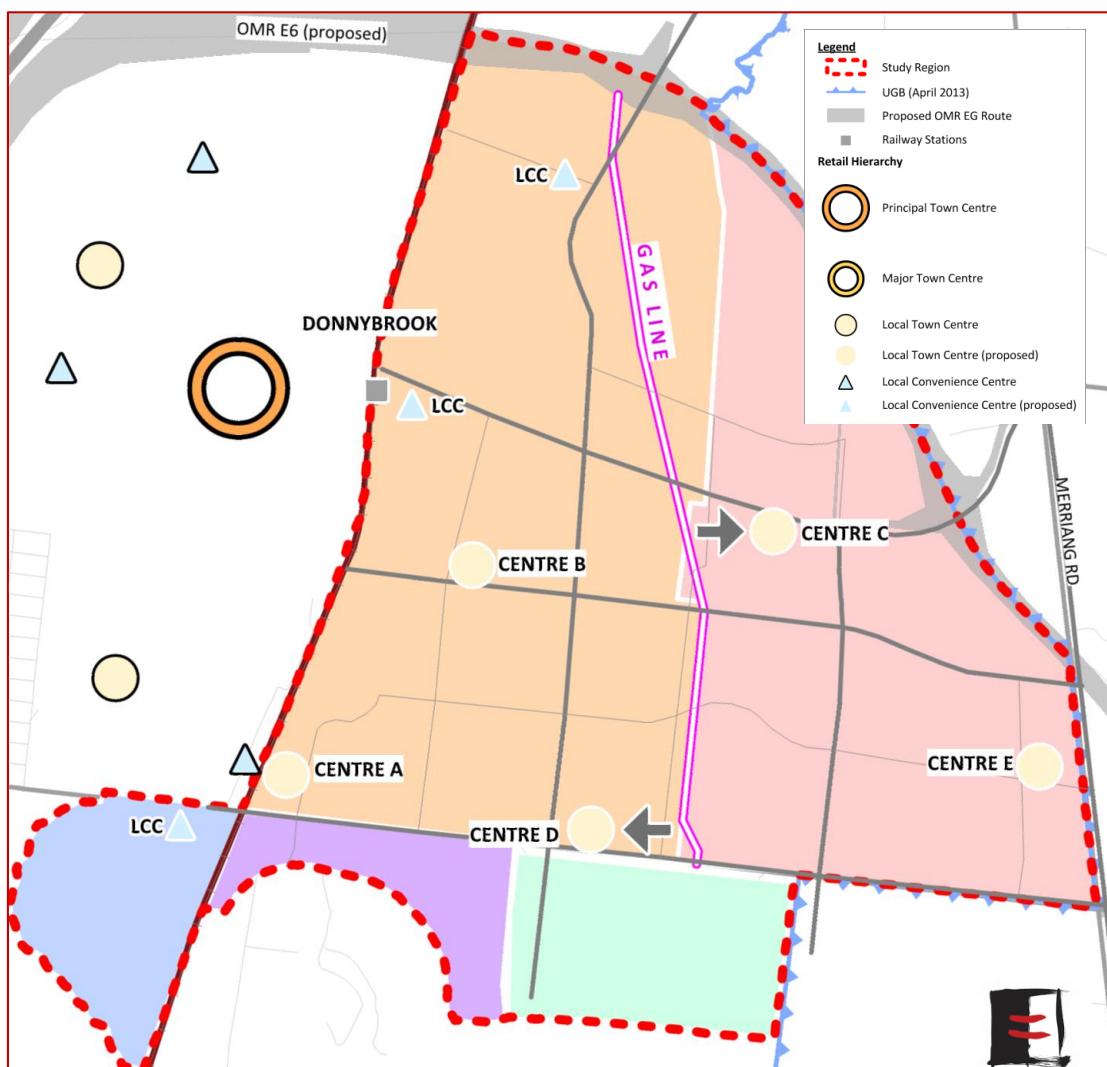
The analysis presented in this report indicates that any centre at the Donnybrook Train Station within the Study Area would only provide a local convenience retail offer of around 2,000m² of retail floorspace, plus limited non-retail commercial facilities.

The actual need for an LCC to the east of the station is limited by the LCC already approved for a location on the western side of the station in the Lockerbie PSP.

Consideration 3 - Implications of the Gas Line on Town Centre Planning

A high pressure gas line dissects the Study Region and may have implications on the extent and type of development permitted within a specified buffer distance as shown in Figure 4.5.

Figure 4.5: Implications of the Gas Line in the Study Region



Source: MPA; Essential Economics

MPA have indicated that standard residential development may be permitted within 350 metres from the gas line easement. However, uses that involve the congregation of large numbers of people such as town centre development are not be allowed within this buffer distance.

The implications arising for the identified town centre hierarchy arising from the location of the gas line and its associated buffer distances relates to the locations of Centre C and Centre D. Both of these centres are located a short distance outside the required buffer distance and development outcomes will not be impacted by the presence of the gas line according to current centre planning.

4.11 Implications for Precinct Structure Plans

The main implications for Donnybrook, Woodstock and English Street PSP areas arising from the town centre analysis presented in this Chapter are summarised in the Table 4.16 below.

Table 4.15: Summary of Town Centre Implications for PSP Area

PSP Area / Centre	Supermarket	Total Retail and Commercial Floorspace	Issues for Consideration
<u>Donnybrook PSP Area</u>			
Centre A	Yes (small limited range)	2,000m ²	- Is there a need for convenience retailing both to the east and west of the train station
Centre B	Yes (mid-sized supermarket)	6,000m ²	
Centre D	Yes (full-line supermarket)	10,000m ²	- Potential to expand to contain multiple supermarkets - May need to be relocated due to gas line
LCC (north)	No	1,500m ²	
LCC (Lockerbie Train Station)	No	2,000m ² - 5000m ²	
<u>Woodstock PSP</u>			
Centre C	Yes (full-line supermarket)	10,000m ²	- Potential to expand to contain multiple supermarkets and serve a sub-regional retail role - May need to be relocated due to gas line
Centre E	Yes (small limited range supermarket)	2,000m ²	
<u>English Street PSP</u>			
LCC (English Street)	No	1,500m ²	- Role of centre will depend on extent of employment in the PSP area

Source: Essential Economics

5 REGIONAL EMPLOYMENT LAND ASSESSMENT

This Chapter outlines regional employment land provision in the northern growth area and examines the potential to locate additional employment land in the Study Region.

5.1 Employment Land Planning in the Northern Growth Corridor

The Melbourne north growth corridor is recognised as an important industrial region of both state and national importance. The region is expected to provide a wide range of employment opportunities, across a range of industries and land uses.

The major objectives outlined by the MNGCP to guide land use planning in the region, include:

- To help maintain Melbourne North's job to dwelling ratio, and
- To improve the range and diversity of jobs in the employment market, which is predominantly "blue collar" compared to metropolitan Melbourne.

In order to achieve these objectives, the corridor plan anticipates that the Melbourne north growth corridor will need to provide between 68,000 and 120,000 new jobs, with town centres and employment areas being the main locations for these jobs.

Town Centres will play an important role in employment generation, particularly across a wide range of industries. The region's Principal Town Centre will be located adjacent to the Lockerbie rail station while Major Town Centres have been identified throughout the region (refer discussion in Chapter 4).

A number of employment precincts have also been identified in the MNGCP. These will ensure that sufficient industrial land is provided to enable the region to continue to capitalise on its advantages and remain an important economic and employment generator for the region and broader national economy.

5.2 Regional Employment Land Context

Taking into consideration existing vacant land zoned for industrial purposes and land identified for industry in the MNGCP, a total supply of approximately 3,250ha of land will be available for industrial development in the future. This estimate is based on information contained in the MNGCP, and the Urban Development Program 2011 prepared by DPCD.

The MNGCP identifies significant new industrial land precincts to serve the future needs of residents in northern Melbourne, and to safeguard future supplies of industrial land for economic uses. Major new areas of industrial land or other dedicated employment precincts (labelled *industrial, commercial, and mixed use/employment*) are identified at Mickleham/Kalkallo, Craigieburn North, Beveridge, Donnybrook and Wollert. A summary of these precincts is as follows:

- Mickleham/Kalkallo: More than 900ha (gross) of land is identified for employment purposes in the Mickleham/Kalkallo area, located to the west of the Study Region. This land has excellent access to the freight network and ability to attract distribution centres, other transport/storage companies and a range of associated industrial uses.

The Merrifield Business Park is located in this area and is now available for development. Merrifield contains more than 300ha of land for employment purposes, including land identified for traditional industrial and office park development.

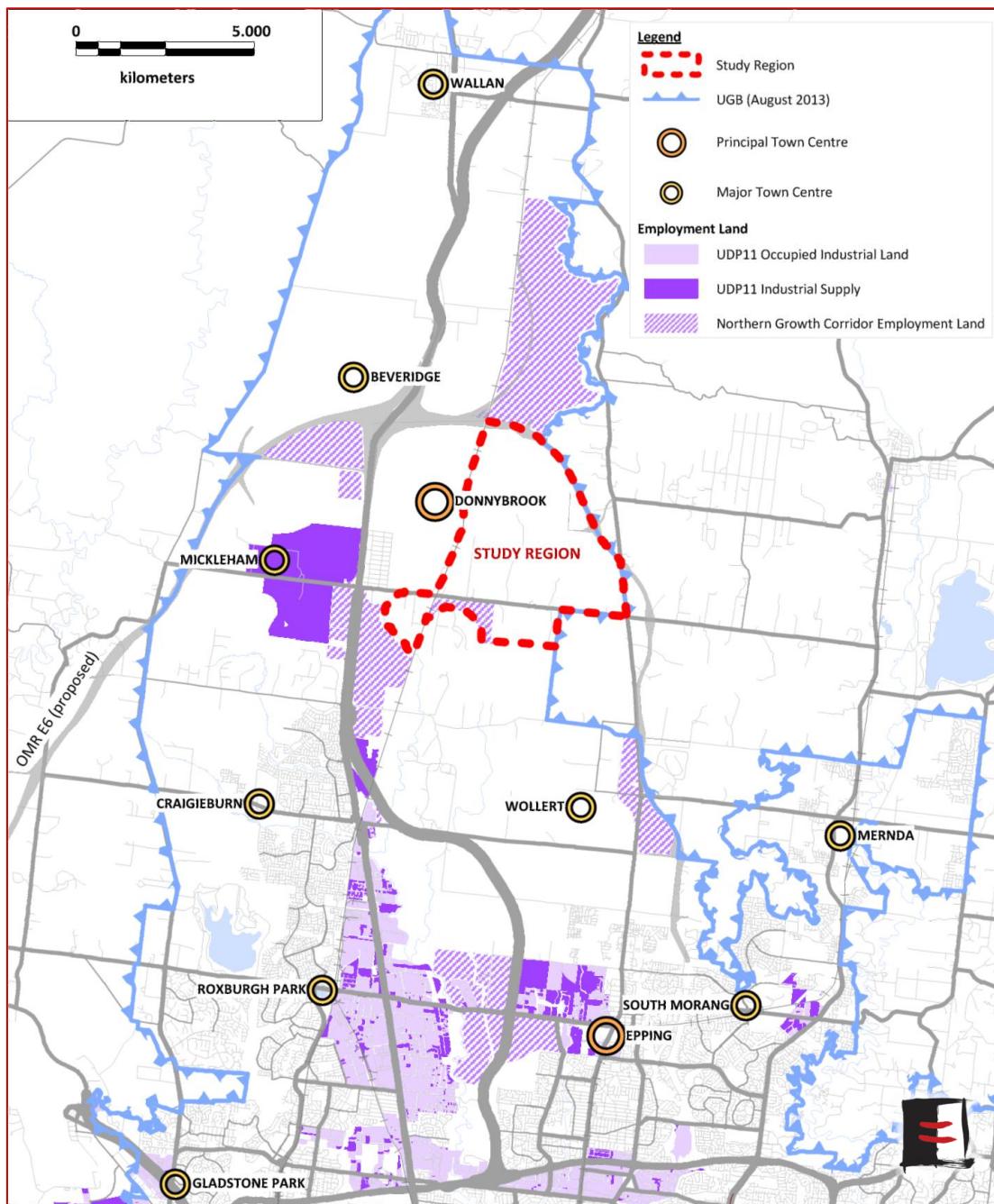
- Beveridge: A total of approximately 1,200ha (gross) of industrial land is designated for the longer-term accommodation of a major interstate freight terminal and for associated freight and logistics and other industrial uses.
- Donnybrook: Approximately 95ha (gross) of land is located on the southern side of Donnybrook Road, and is located in the Study Region. Potential exists for this land to be developed as a regional/district location for service industry and other industrial uses, while potential may also exist for logistics and major industrial activities. Restricted retailing and/or showroom uses may be developed along Donnybrook Road.
- Wollert: An employment precinct of approximately 230ha (gross) is identified for the subject land within the Wollert PSP area, adjoining the proposed E6 reservation. The precinct is identified as having potential to accommodate general industrial uses comprising local and regional service businesses, as well as freight-based industry.

In addition to the new employment areas identified above, a large stock of existing zoned employment land also exists. The existing employment areas are concentrated along the Hume Highway, north of the existing Metropolitan Ring Road in Broadmeadows and Campbellfield. Other important industrial land areas include Thomastown, Epping and a small supply in South Morang.

The employment land shown in Figure 5.1 shows that much of the existing industrial land has been developed in Broadmeadows and Thomastown. However, large supplies of land are available for development in Campbellfield and Epping.

The extent of employment land identified in the northern growth corridor is shown in Figure 5.1.

Figure 5.1 North Melbourne GCP Employment Precincts and Industrial Land Supply



Source: DPCD, Urban Development Program, 2011; GAA, Northern Growth Corridor Plan; and Essential Economics

A review of the UDP 2011 shows that an average of 25ha of industrial land was consumed in the northern growth corridor over the period 2007 to 2011. This figure is likely to be a conservative estimate of a 'typical' longer-term consumption rate in the northern growth corridor. For instance, pre-GFC in 2007-08 an average of 96ha was consumed.

Assuming an annual consumption in the order of 50ha to 100ha per year and taking into consideration a supply of approximately 3,250ha, the Melbourne North growth corridor has between approximately 30 and 65 years' supply of employment land.

5.3 Existing and Planned Employment Land Provision in the Study Region

The MNGCP does not identify any potential employment land in either the Donnybrook or Woodstock PSP areas. However, these PSPs are located opposite the Donnybrook Road Employment Precinct, which will be likely to accommodate district-level industrial uses focused on servicing the local population, including future residents of the Study Region. The Donnybrook Road Employment Precinct is the smallest of the identified industrial precincts in the Melbourne North growth area.

The Donnybrook Road Employment Precinct is well-situated with regard to regional and local access via Donnybrook Road, which is planned to serve as a major east-west arterial. The sites with direct exposure to Donnybrook Road will provide an opportunity for the development of showroom and possibly large-format retail uses.

5.4 Opportunity for Employment Uses in the English Street PSP

Land contained within the English Street PSP is identified as 'land use to be determined' according to the MNGCP, with potential for a mix of employment and residential uses having been identified by MPA.

The English Street PSP covers an area of approximately 160ha (gross), bounded to the west and south by Merri Creek, to the east by the railway line, and to the north by Donnybrook Road.

The Northern Craigieburn industrial area is located along the western bank of Merri Creek, while the Donnybrook Road Employment Precinct and sewerage treatment plant reserve are located to the east of the railway line. Access to the English Street PSP area is constrained in part by the creek and railway line. The major access will be via Donnybrook Road, although potential may exist for an arterial road that connects Donnybrook Road and the industrial areas to the south.

Although a significant supply of employment land is planned for the northern growth corridor, the English Street PSP may present as a strategic opportunity to plan for a high amenity business park incorporating office development. The potential for a business park development within the English Street PSP is borne out by the following features:

- Excellent exposure and access to Donnybrook Road, providing businesses with exposure to significant levels of passing traffic.
- Close proximity to the Donnybrook Train Station, providing businesses with access to a regional labour force.

- Excellent access to businesses in major industrial precincts located nearby, including industrial areas in Craigieburn North, along Donnybrook Road and Mickleham. This provides an opportunity for service related businesses.
- Excellent access to the Donnybrook PTC, once again providing an opportunity for serviced-related businesses. This may also present an opportunity for office-related businesses which may not be able to acquire sites in the PTC for a variety of reasons, including individual site requirements or costs.
- Direct access to a population of approximately 90,000 residents in the Study Region and the Lockerbie PSP.
- The land is vacant and can be easily developed.

The features of the site described above may be attractive for large-scale regional offices that require access to a regional labour force, or service-related business that serve the needs of other industrial and commercial businesses located nearby.

Potential may also exist for smaller-scale strata-office development. Population growth in the surrounding region will in the longer-term generate more professional residents, new entrepreneurs and new start-up businesses seeking commercial office accommodation.

Importantly, no other sites in the northern growth corridor provide the opportunities described above. Therefore, the English Street PSP presents as a future strategic opportunity for a high-amenity business spark development.

Although demand for this type of development may not eventuate for some years and pressure for alternative uses may eventuate, it is important in a land use planning sense to safeguard these opportunities in order to provide employment choice for future residents in the Study Region (and beyond).

Business parks throughout metropolitan Melbourne vary in size, ranging from small sites with only a handful of corporate office buildings, to larger business parks in the order of 20ha. Two of the larger business parks in Melbourne are Tally Ho Business Park in Burwood East and University Hill Business Park in Bundoora. These business parks cover areas of 21ha and 16 ha respectively. Each of these developments is serviced by tram networks and adjoins residential areas.

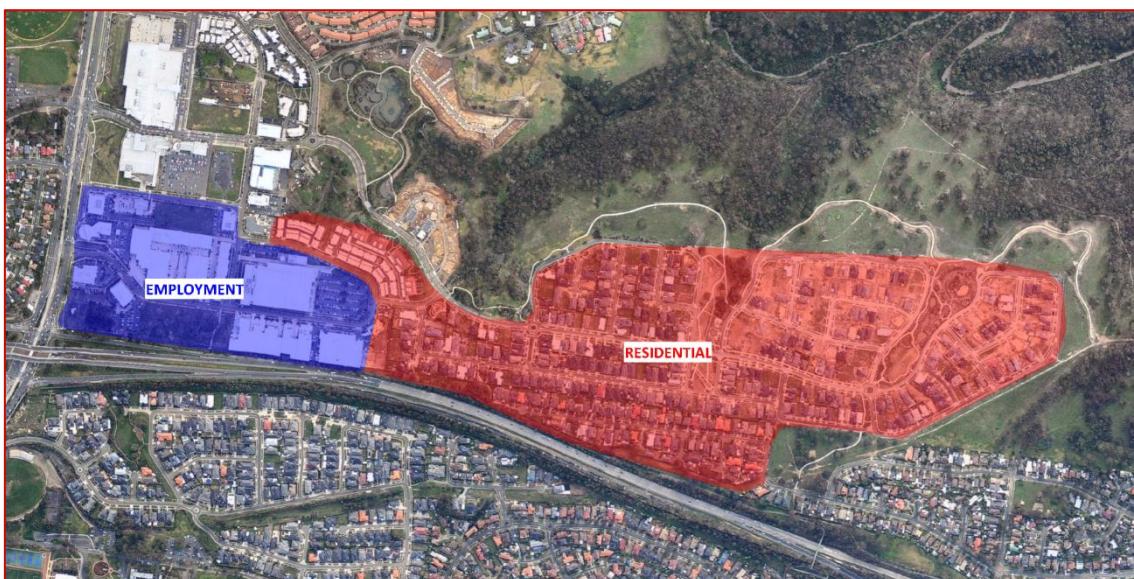
The Monash Technology Precinct in Mulgrave contains five smaller business parks with an office focus (Nexus, Axxess, UniPark, Omnico and Enterprise Business/Corporate Parks) which, combined, account for approximately 20ha of land.

Having regard for the strategic location of the English Street PSP and the potential for the site to accommodate significant employment opportunities, it may be prudent to provide the opportunity for the development of an office-based business park in the future. Therefore, it may be prudent to plan for a mixed use outcome for the English Street PSP, with an area of 20ha to 30ha reserved for a high-amenity commercial uses in the northern portion of the precinct.

It will be important that the design of this employment area does not restrict the potential for the development of residential uses on the remaining land in the precinct.

University Hill in Bundoora (shown in Figure 5.2) provides an example of a mix of high-amenity employment and residential uses co-locating in a suburban context. The area fronting Plenty Road has been developed with commercial uses, including restricted retail and office buildings, while the rear section, with limited exposure and access, is used for residential development.

Figure 5.2 University Hill, Bundoora



Source: Nearmap and Essential Economics

5.5 Implications for Precinct Structure Plans

A significant supply of employment land serving the northern growth corridor either already exists or is planned for the future. While the English Street PSP will not be required to meet future demand for employment land for some 30 to 60 years, the precinct does benefit from its close proximity to the Donnybrook Train Station and exposure to Donnybrook Road.

Therefore it would be prudent to plan for a mixed use outcome for the English Street PSP whereby an area of 20-30ha be reserved for high-amenity commercial uses in the northern portion of the precinct, and residential development in the southern portion of the land.

6 SUMMARY OF MAIN FINDINGS

A summary of the main findings and implications for each of the three PSPs arising from the analysis presented in this regional assessment is provided below.

- 1 **Regional Context:** The Study Region accounts for more than 2,000ha of land (gross) identified for residential purposes and will accommodate a significant resident population. Planning for the broader region indicates that the Study Region will have excellent access to rail and road transport options, and significant employment opportunities in nearby employment precincts.

The Donnybrook Principal Town Centre will be located to the immediate west of the Study Region and will provide a range of higher-order retail, community, health, civic and entertainment uses for future residents of the Study Region; however, residents in the Study Region require a network of centres that provides them with convenient access to retail and town centre services that typically locate in major, neighbourhood and local centres. The recommended hierarchy of centres is indicated below (refer paragraph 4).

- 2 **Estimated Population and Dwelling Yields:** The Study Region has the potential to accommodate approximately 16,400 (low development scenario) to 19,600 (high development scenario) residential dwellings and a population in the order of 45,800 to 55,000 residents at full-development. Population estimates for each of the PSP areas within the Study Region are as follows:

- Donnybrook PSP: 21,200 to 25,400 residents
- Woodstock PSP: 16,100 to 19,300 residents
- English Street PSP: 2,900 to 3,400 residents
- Northern Quarries Area: 5,600 to 6,800 residents.

- 3 **Supportable Retail Floorspace in the Study Region:** Potential exists for total retail floorspace in the Study Region at full development of between approximately 33,000m² (LTCs only) and approximately 45,000m² (Expanded retail facilities).

However, the eventual development, and therefore provision of retailing in the Study Region, will depend on the individual catchments of town centres, which are influenced by a wide range of factors.

- 4 **Recommended Town Centre Hierarchy:** Based on the preliminary centre locations identified by MPA, MPA's principals for town centre planning and analysis of catchment to support town centre, potential exists for the Study Region to contain five LTCs of varying sized, including the following:

- Two LTCs, each comprising approximately 10,000m² of retail and commercial floorspace.
- One LTC centre comprising approximately 6,000m² of retail and commercial floorspace.

- Two LTCs, each centre comprising approximately 2,000m² of retail and commercial floorspace.

In addition, potential may also exist for three Local Convenience Centres (LCCs).

- 5 **Issues for Further Consideration:** In planning for Town Centres in the Study Region, the following issues may need further consideration:
- Potential may exist for one of the LTC centres to serve a sub-regional shopping role, including the development of a large non-food anchor tenant (eg. Discount Department Store).
 - Potential exists for the two larger LTCs to contain multiple supermarkets (ie, more than one each).
 - The need or otherwise for a LCC at the Donnybrook Train Station, having regard for the limited retail role that would be performed by a centre at this location and the planned LCC to the immediate west of the station.
 - The implications of the gas line on the location of town centres and the planned road network.

- 6 **Employment Land Opportunities in the English Street PSP:** A significant supply of employment land serving the northern growth corridor either already exists or is planned for the future. While the English Street PSP will not be required to meet future demand for industrial land for some 30 to 60 years, the precinct does benefit from its close proximity to the Donnybrook Train Station and exposure to Donnybrook Road.

Therefore, it would be prudent to plan for a mixed use outcome for the English Street PSP whereby an area of 20-30ha be reserved for high-amenity commercial uses in the northern portion of the precinct, and residential development in the southern portion of the land.