

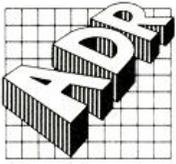
**SHEPPARTON NORTH EAST GROWTH AREA  
ACTIVITY CENTRE DEMAND**

Prepared for; Maunsell Australia Pty Ltd  
By; Applied Development Research Pty Ltd  
December 2008

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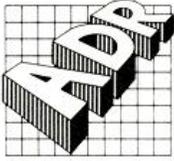
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Map 1: Shepparton North East Area Site and Activity Centre Network  
(following Pg 6)



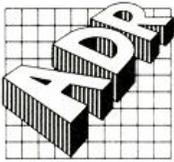
## **1. Introduction**

Maunsell Australia Pty Ltd (Maunsell) is preparing an Outline Development Plan (ODP) for a 168 ha Parcel of land on the north eastern edge of the Shepparton Urban Area currently zoned FZ. The land has been designated as the Shepparton North East Growth Area. In land use terms the site will be predominantly residential, an extension of the Shepparton Urban Area. However there are currently non-residential land uses in the form of schools and a church that are likely to remain and form part of the community infrastructure. One element of the ODP is the investigation and designation of appropriate shopping and commercial land uses to service the new residents and complement the existing activity centre network serving the adjacent urban area. Maunsell have commissioned Applied Development Research Pty Ltd (ADR) to investigate to estimate shop and other commercial floorspace components to be incorporated in the ODP.

### **1.1 Specific Investigations**

Specific investigations undertaken in preparing this report were;

1. Site visit to confirm land uses, inspect the surrounding competition Midland Highway and north including the Town Centre, meet with Officers of the City of Greater Shepparton and regional DPCD officers to secure access to the latest Strategic reports and any known Retail/Activity Centre future proposals and their perceptions of the site and proposed shop and commercial floorspace including any retail/operator caps.
2. Review relevant strategic documents in particular the Greater Shepparton 2030 Study as it relates to population growth and economic development (including retail), and the current status of the DPCD Retail Policy Review, and Activity Centres particularly in the light of the recent Activity Centres Guidelines as they relate to the proposed shop and commercial floorspace components.
3. Assess the shop and commercial demand from secondary sources noting in particular; the definition of a catchment population and its expenditure profile, the likely impact of surrounding competition both existing and proposed, and
4. Estimate the level of retail floorspace that could be supported including both supermarket (various footprint options) and small shops/services, including the potential for traditional out-of-centre activities (medical and smaller gymnasium/exercise facilities).



## 1.2 Reporting Framework

Section 2 ‘The Site’; presents the results of the site inspection and staging considerations, estimated expenditure from future residents, and the surrounding Activity Centre network.

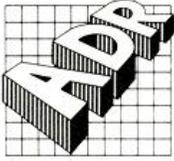
Section 3 ‘Shop and Commercial Options’; addresses planning considerations and a broad definition of requirements to service the new residents and existing residents on and adjacent to the NE Corridor.

Section 4 ‘Local Cluster Site Requirements’; establishes catchments and applies expenditure market shares and turnover per sqm to estimate sales and floorspace for the shopping/commercial anchor traders and translates this into site requirements for the Local Cluster shopping/commercial components.

Section 5 ‘Recommendations’; presents the site areas for the Local Cluster shop and commercial component to be included in the ODP with a note on possible future relocations and market conditions.

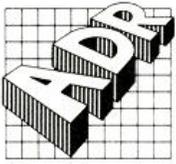
## 1.3 Report Summary

1. The future population of the Corridor has been calculated at 4,194 persons. The current proposal is to develop the site in two stages, Stage 1 with a capacity population of 1,639 persons (the western portion) estimated at 5 years demand to be followed by Stage 2 (the eastern portion) with a capacity population of 2,555 persons estimated at years 6 to 10.
2. The Shepparton NE Area, with an annual per capita expenditure of \$10,781.00, is marginally (4%) above the average for other Victorian regional urban areas, and will contribute \$45,210,000.00 (2006/07 dollar values) to the Shepparton Activity Centre network when fully developed, \$23,058,000.00 in food (including liquor and prepared food) and \$22,152,000.00 in non food merchandise and services.
3. The proposed expansion of the Shepparton Activity Centre network does not include significant facilities specifically aimed at servicing the local convenience shopping and commercial needs of the future residents of the Shepparton NE Growth Area.
4. The strategies to achieve the Greater Shepparton MSS objectives for Commercial/Retail Centres includes supporting ‘a hierarchy of retail centres that promote the primacy of the Shepparton CBD as a multi-functional centre, complemented by a range of local centres for convenience shopping and



activities' providing 'for planned local centres in growth areas' and encouraging 'a suitable mix of businesses within each centre to ensure viability'.(Pgs 4and5)

5. In providing for unknown future conditions the shopping/commercial strategy for the Shepparton NE Growth Area recommends a Stage 1 site allocation capable of serving the full corridor (should this be required) and as an alternative Stage 1 and Stage 2 sites on the basis of a Two Clusters scenario.
6. Recommendation 1; (Two Cluster Option) Allocate two 0.27 ha sites, one in Stage 1 and the other in Stage 2 for the shopping/commercial components of future Local Cluster developments (indicative sites are shown on Map 1). These allocations should be revised following the confirmation of the future of the tenure of the Grahamvale Primary School (see Recommendation 2).
7. Recommendation 2; (Single Cluster Option) Should the Grahamvale Primary School in the future relocate to a site closer to Verney Road, it is recommended that a 0.6 ha site is allocated for the shopping/commercial component of a single Local Cluster within Stage 1, co-located with both the Grahamvale Primary School and the Shepparton Christian Community School.



## 2. The Site

### 2.1 Shepparton North East Growth Area

The Site comprises the Shepparton North Eastern Growth Area (See Map 1). At the 2006 ABS Census the surrounding area (bounded by Ford Road, Grahamvale Road, New Dookie Road and Verney Road) had a population of 1225 persons focused in the R1Z, in the south eastern quadrant and a small component of LDRZ in the north east corner off Ford Road. The future residential population of the Shepparton North East Growth Area itself has been calculated at 4,194 persons.

The current proposal is to develop the study site in two stages, divided by the major internal north south property boundary; Stage 1 with a capacity population of 1,639 persons (the western portion) estimated to be completed by 2015 to be followed by Stage 2 (the eastern portion) with a capacity population of 2555 persons estimated to be completed by 2020.

### 2.2 Future Resident Expenditure Profile

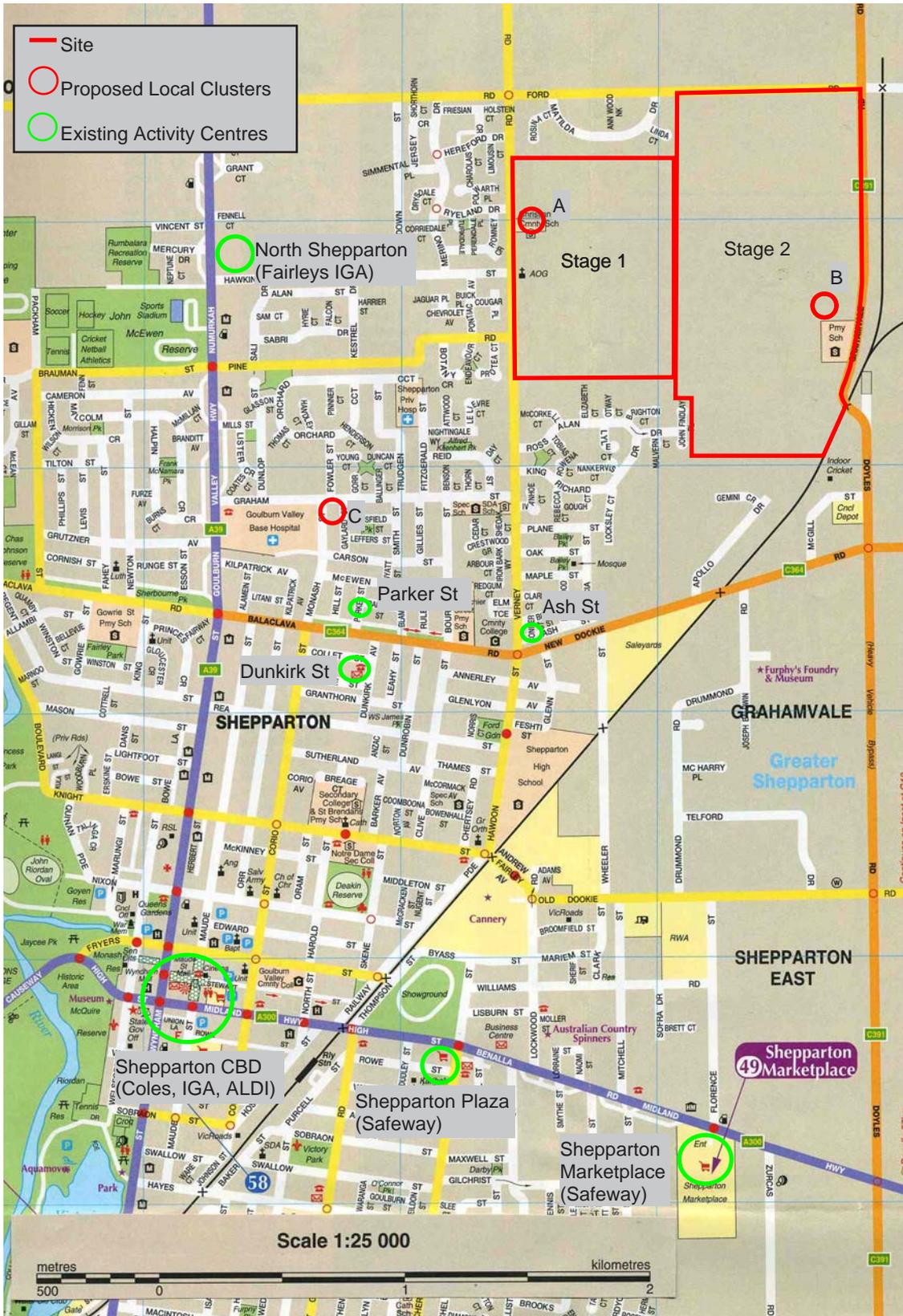
In estimating the future resident expenditure profile and capacity, Marketinfo data for 2006/07 was sourced based on the existing population east of Verney Road and abutting the study site, and that of the surrounding area extending west to the Goulburn Valley Highway and south to the Midland Highway. Based on this average the per capita profile for Shepparton North East and Victorian Other Urban is presented in Table 1 and the potential for the Growth Area site in Table 2.

Table 1; Shepparton (North East) Expenditure Profile and Victoria Other Urban Comparison 2006/2007

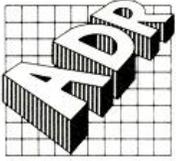
Expenditure Category	Shepparton NE (\$)	Vic. Other Urban (\$)
Food	3,957	4,006
Liquor	584	549
Café and Restaurants	425	366
Take-Away Food	532	485
Apparel	1,267	1,168
Homewares	1,072	988
Bulky Goods	1,090	1,056
Leisure	1,502	1,427
Services	351	321
Total	10,781	10,365

Source; Marketinfo 2007, Market Data Systems Pty Ltd and ADR

MAP 1 Shepparton North East Growth Area Site and Activity Centre Network



SOURCE: UBD and ADR



The data, Table 1 above, suggests that the Shepparton North East Growth Area, at an annual per capita expenditure of \$10,781.00, is marginally (4%) above the Victorian Other Urban and is marginally lower (1.3%) in only one category 'food'.

Table 2; Shepparton North East Growth Corridor Site  
Projected Expenditure Profile (2006/2007 dollars)

Expenditure Category	Shepparton NE Site (\$m)
Food	16.596
Liquor	2.449
Café and restaurants	1.782
Take-Away Food	2.231
Apparel	5.314
Homewares	4.496
Bulky Goods	4.571
Leisure	6.299
Services	1.472
Total	45.210

Source; Marketinfo 2007, Market Data Systems Pty Ltd,  
Maunsell and ADR

Based on the Table 2 data the Growth Area at its projected population capacity of 4,194 persons will contribute \$45,210,000.00 (2006/07 dollar values) to the Shepparton Activity Centre network comprising \$23,058,000.00 of food sales (including liquor and prepared food) and \$22,152,000.00 of non food merchandise and services.

### 2.3 Shepparton Activity Centre Network

From Map 1 it can be seen that all the major Shepparton Activity Centres will serve the future residents of the NE Growth Area. The Greater Shepparton 2030 Strategy proposed an Activity Centre Hierarchy for the region which has been incorporated into the Municipal Strategy Statement (MSS) of the Planning Scheme see Table 3 as presented in GS 2030 (following page).

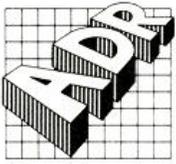
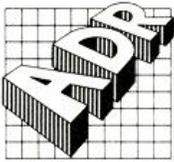


Table 3: Greater Shepparton 2030; Proposed Hierarchy of Activity Centres

Level in Retail Hierarchy	Centre (in descending size order)	Role
Regional Centre	Shepparton CBD	Regional Centre with a mall. The focus of speciality retail, tourist shops and venues, entertainment (cinemas, clubs, cafes and restaurants). Serves the Goulburn Valley and part of the Riverina. In competition with regional centres at Bendigo, Albury-Wodonga, Benalla, Wangaratta, Melbourne
Sub-regional Centres	Shepparton Marketplace Mooroopna CBD Shepparton Plaza	Important commercial areas, particularly for a range of convenience shopping and for non-food and speciality retailing.
Townships/ Neighbourhood Centres	Shepparton East (proposed) Shepparton South(proposed) Fairley's IGA (Numurkah Rd) Bi Lo (Mooroopna) Tatura	Self-sustaining centres in terms of convenience shops for weekly shopping.
Town/Local Centres	Murchison Merrigum Dookie Local Shops in Shepparton	Townships and small local shops for everyday convenience goods.
Bulky Goods	Benalla Road Melbourne Road Numurkah Road	Serves retail needs for bulky goods shopping, homemaker and building supplies/hardware etc.

Source; Greater Shepparton 2030 Background and Analysis Report No 5.

Reflecting the hierarchy of Activity Centres comparison non-food shopping will be dominated by the City's Regional (Shepparton CBD) and Sub-Regional (Shepparton Marketplace) Centres. In terms of food shopping the activity centres south of the growth area along the Midland Highway all offer Supermarket outlets, including Coles, IGA and Aldi in the Shepparton CBD and Safeway at both the Shepparton Marketplace and Shepparton Plaza. Nearer the growth area and directly accessible via Hawkins Street, the Fairley's IGA at the Northern Neighbourhood Centre will be the major full line supermarket competition to any on-site shopping facilities serving the future residents of the study site. Smaller local centre competition is limited to a group of 8 outlets at Dunkirk Avenue (just south of Balaclava Road), a small convenience group comprising a milk bar and hairdresser at Parker Street and milk bar/mixed business on Ash Street (corner Verney Road and New Dookie Road).



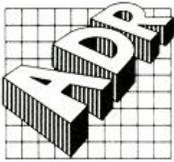
The Dunkirk Avenue centre is typical of an older traditional small centre without a retail anchor. Here 2 outlets now have office functions and the balance comprising a milk bar/post office/sub newsagency, butcher, beauty salon, laundrette, fish and chips and electrical goods (repairs and sales). In this 'strip' the butcher appears to be the significant trader.

In terms of future competition with facilities in the Shepparton North East Growth Area discussions with council officers confirmed that the Shepparton Marketplace had 1,000 sq m of expansion capacity remaining under current approvals. Further, Fairley's IGA at the Northern Neighbourhood Centre is proposed to expand what is predominantly a supermarket outlet from of 3,800 sq m to a retail offer of 7,300 sq m comprising the supermarket at its current size and 2,500 sq m of speciality outlets, a mini major component of 1,000 sq m and 400sq m of commercial services. Significantly, the proposed Fairley Northern Neighbourhood Centre expansion does non increase the supermarket outlet to service future population growth, but focuses on small tenancies and a mini major component to further service the requirements of the centres supermarket customers.

In addition, there is a proposal for a small local group of speciality outlets (500 sqm) and medical services at 52 - 56 Monash Street, shown as proposed local cluster 'C' on Map 1, to service the surrounding residential population and the needs of the adjacent Goulburn Valley Hospital (major employer) and associated University facilities (University of Melbourne School of Rural Health). This proposal has been adopted by council and is awaiting Ministerial approval.

## Conclusion

The proposed expansion of the Shepparton activity centre network does not include significant facilities specifically aimed at servicing the local convenience shopping and commercial needs of the future residents of the Shepparton North East Growth Area.



### **3. Shepparton North East Growth Area Shopping/Commercial Options**

#### **3.1 Planning Considerations**

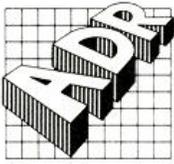
Discussions with council officers confirmed that while local shopping/commercial proposals for the NE Corridor are the province of Council, DPCD input was present through Melbourne 2030. It is noted that further DPCD input could be forthcoming from the proposed update of the Activity Centre Guidelines as outlined in the Retail Policy Review Discussion Paper, October 2008 (Pg 29). At the local level, the Strategy to guide the future growth of Shepparton, Greater Shepparton 2030, addresses activity centres in Background and Analysis Report No5; Economic Development, specifically local centres are addressed (Pg 37) as part of Retail/Commercial Centres under Objective 4 'To have a hierarchy of viable commercial/retail centres by retaining local and visitor spending within the municipality'. Within this objective Strategy 4.1 notes the complementary role of local centres in providing 'convenience shopping and activities'. Strategy 4.3 includes the following to 'provide for planned local centres in growth areas' and Strategy 4.4 encourages 'a suitable mix of businesses within each centre to ensure viability'.

The Greater Shepparton MSS incorporates the findings of GS 2030, with the 'council (being) committed to limiting the development of free standing centres to specified locations in the municipality's growth corridors' (Pg 2). In the objectives the MSS includes 'to have a hierarchy of viable activity centres' and 'to provide convenient access to a range of activity centres and employment opportunities that can serve the expanded municipality'. (Pg 3)

The strategies to achieve the MSS objectives for Commercial/Retail Centres includes supporting 'a hierarchy of retail centres that promote the primacy of the Shepparton CBD as a multi-functional centre, complemented by a range of local centres for convenience shopping and activities' providing 'for planned local centres in growth areas' and encouraging 'a suitable mix of businesses within each centre to ensure viability'. (Pgs 4 and 5)

It should be noted that both GS 2030 and the MSS reflect the State Planning Policy Framework (Pg 1) to;

- 'Provide a range of shopping facilities in locations that are readily accessible to the community,
- Incorporate and integrate a variety of land uses,
- Provide good accessibility by all modes of transport and safe pedestrian and cycling routes, encourage multi-purpose trip making, and
- Maximise opportunities for the co-location, multiple use and sharing of facilities'.



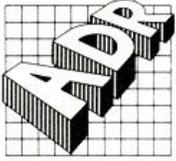
### 3.2 Activity Centre Provision

The Shepparton North East Growth Area currently has two operating schools on-site, one on Verney Road and one on Grahamvale Road. The Verney Road school is known as the Shepparton Christian Community School and is operated by the Assembly of God, whilst the Grahamvale Primary School (with 300 students currently enrolled) is located on Grahamvale Road (see Map 1).

The location of these existing facilities and the proposed staging of residential development in the corridor suggest servicing the local needs of future residents through the provision of two Local Clusters. This will provide for ‘walkable catchments’, the co-location of multiple activities and the early and timely provision of services in the interests of residential amenity and ‘net community benefit’. While proposing a two Local Cluster scenario, it is recognised that if the Grahamvale Primary School relocates closer to Verney Road as part of the overall development of the site, then a single Local Cluster, co-located with the two schools, could be the appropriate outcome.

#### Conclusion

Should the Grahamvale Primary School relocate to the Stage 1 area, the shopping/commercial strategy for the Shepparton North East Growth Area recommends a Stage 1 site allocation capable of serving the full corridor. As an alternative, Stage 1 and Stage 2 sites are recommended on the basis of a Two Cluster scenario should the Primary School be retained at its current location. Indicative sites for the proposed Clusters are identified on Map 1.



#### **4. Local Cluster Site Requirements**

The parameters for identifying the local cluster site requirements are based on; the proposed staging of the corridor development, the level of available expenditure and the trading expectation of a small supermarket operator to anchor the cluster and provide sustainability. Industry sources advise that small independent supermarkets usually draw a 20% market share of the available catchment expenditure and target annual turnover in the ACCC nominated range of \$7,600.00 - \$8,400.00 per sqm per annum (leasable floorspace).

It should be noted that the turnover per square metre may vary subject to the independent operator proposed including both IGA and Foodworks (possibly Foodworks in the case of a Single Cluster given the presence of the Hawkins Street Fairley's IGA outlet). Speculating on an operator and applying a lower sales level would increase the floor area; sales of \$5000.00 per sqm would result in a single Cluster with a supermarket (with liquor) of some 1,300 sqm and say 550sqm of small tenancies. However this would be the subject of a future proposal with a nominated operator, which together with other factors, is beyond the scope of the current study.

##### **4.1 The Two Cluster Option**

###### **Stage 1**

The Stage 1 Local Cluster location is proposed adjacent Verney Road between Hawkins Street and Ryeland Drive. In this location the cluster will serve the Stage 1 population and draw some trade from residents beyond the corridor using Verney Road. Note the proposed location is north of Hawkins Street and so will not act as effectively as convenience competition to Fairley's IGA at the Northern Neighbourhood Centre as would a cluster a little to the south of Hawkins Street.

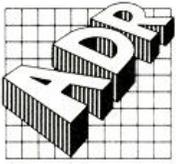


Table 4; Stage 1 Local Shopping/Commercial Cluster Small Supermarket

Catchment Components	Population 2006/capacity	Expenditure \$m 06/07 per annum (20% share)		Store size sqm (leasable) at \$7,000.00 per sqm	
		Food	Food/Liquor	Food	Food/liquor
Corridor (Capacity)	1,639	1.297	1.488	185	213
West; north of Balaclava	784	0.620	0.712	89	102
West south of Balaclava	377	0.298	0.342	43	49
South of Old Dookie	127	0.101	0.115	14	16
Adjacent Ford to Old Dookie	612	0.484	0.556	69	79
Other	100	0.079	0.091	11	13
<b>Total</b>	<b>3639</b>	<b>2.880</b>	<b>3.305</b>	<b>411</b>	<b>472</b>

Source; Marketinfo 2007, Market Data Systems Pty Ltd, ABS, Industry Sources & ADR

Based on Table 4 data above the Stage, 1 Local Cluster would support a convenience supermarket of between 411 sq m without liquor, and 472 sq m including liquor. Given industry standards the data suggests a convenience supermarket capped at a 400 sq m unit without liquor supported by 200 sq m of small tenancies, being a total floorspace capped at 600 sq m. The total centre size of 600 sq m with parking at 4.5 spaces per 100 sq m would require an overall site allocation of 2,625 sq m (rounded up to 0.27 ha).

## Stage 2

In Stage 2 the proposed location for the Local Cluster is co-located with the Grahamvale Primary School (should it remain and expand at its current location) where it will service the convenience needs of the Stage 2 population and a proportion (estimated at one third) of the school families (currently 300 students). A component of passing trade would come from Grahamvale Road subject to further decisions including access and site identification with passing traffic.

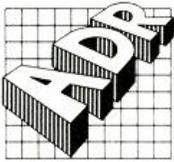


Table 5; Stage 2 Local Shopping/Commercial Cluster Small Supermarket

Catchment Components	Population 2006/capacity	Expenditure \$m 06/07 per annum (20% share)		Store size sqm (leasable) at \$7,000.00 per sqm	
		Food	Food/Liquor	Food	Food/liquor
Corridor (Capacity)	2,555	2.022	2.320	289	331
Grahamvale School	390	0.309	0.354	44	51
Passing Trade	327	0.259	0.297	37	42
<b>Total</b>	<b>3272</b>	<b>2.589</b>	<b>2.972</b>	<b>370</b>	<b>425</b>

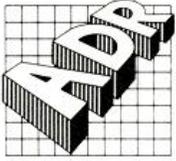
Source; Marketinfo 2007, Market Data Systems Pty Ltd, ABS, Industry Sources & ADR

Based on the above, the Stage 2 Local Cluster would support a convenience supermarket of 370 sq m without liquor and 425 sq m including liquor. Given industry standards, including a component of passing trade from Grahamvale Road the data suggests a convenience supermarket capped at a 400 sq m unit without liquor supported by 200 sq m of small tenancies, being a total floorspace capped at 600 sq m. The total centre size of 600 sq m with parking at 4.5 spaces per 100 sq m would require an overall site allocation of 2,625 sq m (rounded up to 0.27 ha).

#### 4.2 Single Cluster Option

Should the Grahamvale Primary School relocate closer to Verney Road as part of the study area development, all activities could be at a single co-located precinct combining the demand of the two clusters (less the Grahamvale Road passing trade estimate). This would generate, based on Tables 4 and 5 (above), a demand for a convenience supermarket to anchor the Local Cluster of between 744 sqm without liquor and 855 sqm with liquor. Based on industry standards the data suggests a convenience supermarket capped at a 900 sqm unit including liquor, supported by 450 sqm of small tenancies, a total floorspace capped at 1,350 sq m. In terms of overall site allocation a centre of 1,350 sqm with 4.5 car parking spaces per 100 sqm will require 5906 sqm (rounded up to 0.6 ha).

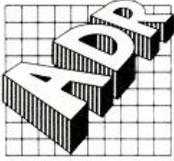
Note the data in Table 4 is for the location between Hawkins Street and Ryeland Drive and could be impacted by a relocation subject also to the future location of the Grahamvale Primary School should it relocate to a site nearer to Verney Road. A different result would be achieved if the focus of the Community Hub, including the Local Cluster, both schools and community facilities, was on Verney Road south of Hawkins Street.



## Conclusion

Should the Grahamvale Primary School in the future relocate to a site closer to Verney Road, it is recommended that a 0.6 ha site is allocated for the shopping/commercial component of a single Local Cluster at a Stage 1 site co-located with both the Grahamvale Primary School and the Shepparton Christian Community School.

If the Grahamvale Primary School remains at its current location it is recommended that a 0.27 ha site be allocated for the shopping/commercial component of the Stage 2 Local Cluster co-located with the Grahamvale Primary School and the Stage 1 allocation be a 0.27 ha site co-located with the Shepparton Christian Community School.



## **5. Recommendations.**

From the investigations undertaken in this analysis the following actions are recommended;

1. Two Cluster Option; Allocate two 0.27 ha sites, one in Stage 1 and the other in Stage 2 for the shopping/commercial components of future Local Cluster developments (indicative sites are shown on Map 1). These allocations should be revised following the confirmation of the tenure of the Grahamvale Primary School (see Recommendation 2).
2. Single Cluster Option; Should the Grahamvale Primary School in the future relocate to a site closer to Verney Road, it is recommended that a 0.6 ha site is allocated for the shopping/commercial component of a single Local Cluster within Stage 1, co-located with both the Grahamvale Primary School and the Shepparton Christian Community School.