ESSENTIAL ECONOMICS

# Donnybrook Precinct Structure Plan

# Amendment GC28

# Whittlesea and Mitchell Planning Schemes

**Expert Witness Statement**

Nicholas Brisbane, B Ec

Director, Essential Economics Pty Ltd

**9 May 2016**

**Contact details**

For further details please contact Essential Economics Pty Ltd at one of our offices:

96 Pelham Street
Carlton
Victoria 3053
Australia
PH +61 3 9347 5255
FAX +61 3 9347 5355

Level 26 / 44 Market Street
Sydney
New South Wales 2000
Australia
PH +61 2 9089 8654

EMAIL mail@essentialeconomics.com
WEB www.essentialeconomics.com

ABN 92 079 850 427

Project Number: **16050**

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# 1 INTRODUCTION

## Professional Details

1.1 My name is Nicholas Brisbane and I practice as a Senior Economist and Director at Essential Economics Pty Ltd of 96 Pelham Street, Carlton.

1.2 I hold the degree of Bachelor of Economics from Monash University. A copy of my CV is attached to this statement.

## Area of Expertise

1.3 My area of professional expertise is urban economics and the assessment of economic impacts on local and regional economies associated with urban development projects. An area of particular professional activity is market feasibility and location analysis for retailers, developers and shopping centre owners, and the assessment of economic impacts associated with proposed new or expanded urban developments. I have undertaken economic assessments for both public and private sector clients.

1.4 My opinions expressed herein are, to the context relevant, made by me in reliance upon my above expertise.

## Instructions

1.5 I have been instructed in this matter by the Metropolitan Planning Authority (MPA).

1.6 The MPA are proposing an amendment to the Whittlesea and Mitchell Planning Scheme to incorporate the Donnybrook/Woodstock Precinct Structure Plan (the PSP). I have provided advice to the MPA in relation to activity centres and employment land requirements within the PSP.

1.7 My instructions in this matter are as follows:

(a) Demonstrate the locational suitability of the proposed retail and commercial uses throughout the PSP area.

(b) Respond to all outstanding submissions regarding the location and floorspace allocation of retail/commercial land in the PSP. This will include a response to submitters requesting additional or alternative retail floorspace outcomes.

(c) Respond to any other relevant matters to inform the Panel regarding the suitability of the proposed allocation of retail and commercial land in the PSP.

(d) To prepare this Expert Witness Statement for the Panel.

## Preparation

1.8 In preparing this statement:

(a) I have been instructed by the MPA, as a witness giving evidence (by report, or otherwise) in a proceeding as an expert, I have a duty to assist the Panel and that this duty overrides any obligation that I may have to any party to the proceeding or to any person who is liable for my fee or expenses in this matter;

(b) I have neither received nor accepted any instructions to adopt or reject any particular opinion in preparing this report;

(c) I have made all the enquiries which I believe are desirable and appropriate that no matters of significance which I regard as relevant have, to my knowledge, been withheld from the Panel;

(d) Undertaken an independent assessment of suitability of the size (in terms of floorspace) and location of the planned local centres in the PSP;

(e) I have considered the following relevant documents provided to me by the MPA:

- Donnybrook/Woodstock Precinct Structure Plan and Background Report (November 2015) prepared by the MPA
- Donnybrook Springs Developments: Response to proposed Donnybrook/Woodstock Precinct Structure Plan (December 2015), prepared Land Owner at 895 and 915 Donnybrook Road, Donnybrook (submission #27) and which comprises the following documents:
  - Proposed Plan of Subdivision of land at 895 & 915 Donnybrook Road, Donnybrook, prepared by REED Consulting dated 4/12/15
  - Donnybrook/Woodstock PSP – Activity Centres on Monteleone Land (December 2015) prepared by MacroPlan Dimasi
  - Submission to Amendment GC28 to the Whittlesea Planning Scheme and the Donnybrook/Woodstock Precinct Structure Plan (21 December 2015) prepared by MacroPlan Dimasi
- City of Whittlesea Submission (submission #33) to Planning Scheme Amendment GC28, dated 8 March 2016
- Amendment GC28 – Donnybrook Woodstock Precinct Structure Plan Submission of Stockland Pty Ltd (21 December 2015) prepared by Roberts Day (submission #13).

## This Statement

1.9 This Statement comprises the following sections:

Section 2: Local Centre Background and Context

Section 3: Donnybrook/Woodstock PSP Local Centre Analysis

Section 4: Response to Key Issues Identified in Submissions

Section 5: Conclusions.

# 2 LOCAL CENTRE BACKGROUND AND CONTEXT

2.1 The location, size and hierarchy of local centres identified in the *Donnybrook / Woodstock Precinct Structure Plan* (November 2015) is the focus of this Expert Witness Statement. I primarily refer to the document as 'the PSP' in the balance of my witness statement.

2.2 This Section of my statement provides a summary of the local centres planned in the PSP and an overview of advice I have previously provided MPA in regard to activity centres.

## Summary of Planned Centres Serving the Donnybrook / Woodstock PSP

2.3 In total, the PSP identifies potential for four Local Town Centres (LTCs) and six Local Convenience Centres (LCCs). In combination I refer to these as 'Local Centres'.

2.4 The roles of LTCs and LCCs are outlined on page 13 of the *Donnybrook / Woodstock Precinct Structure Plan – Background Report* (November, 2015) as follows:

- **LTCs** are intended to provide for day-to-day and weekly needs, with a supermarket and supporting retail, commercial and community uses. LTCs create a focus for social interaction within communities.
- **LCCs** are generally co-located with schools, community centres and open space in residential areas. These centres supplement the higher order centres in providing for day-to-day needs offering basic goods and services.

2.5 The PSP area will accommodate an estimated 37,870 persons at full-development (refer Section Chapter 3 of this Statement). In addition, future residents located in the PSP 1069.1 will also be served by centres in the Donnybrook / Woodstock PSP. The PSP 1069.1 is currently in the 'pre-planning' stage with the City of Whittlesea.

2.6 Combined, the Donnybrook/Woodstock and PSP 1069.1 areas are estimated to accommodate approximately 43,000 residents. This level of population is sufficient to support the hierarchy of centres as outlined in the PSP. The PSP provides a genuine hierarchy of centres that will offer the surrounding communities with a range of centre types and roles.

2.7 In total, the PSP identifies that following capacity in relation to retail and commercial uses in Local Centres:

- 45,500m$^2$ of retail floorspace
- 16,000m$^2$ of supermarket floorspace (note, this excludes the 1,000m$^2$ of supermarket floorspace identified in the Draft Concept Plan for the LCC6)
- 20,400m$^2$ of commercial floorspace.

2.8 The location of LTCs and LCCs in the PSP are shown in *Plan 6 – Local Centres* of the PSP, which is reproduced on page 5 of this Statement. On page 6 of this Statement, Table 2.1 provides a summary of each of the centres.

**Local Town Centres**

2.9 Three LTCs are identified in the PSP that will provide residents will a large proportion of their day-to-day and weekly shopping requirements. It is anticipated that these centres will be anchored by at least one supermarket of at least 2,500m$^2$ in floorspace. An overview of the larger LTCs is provided below:

- One larger centre (LTC1) comprising 21,500m$^2$ retail floorspace, including up to two supermarkets totalling 5,500m$^2$ and potential for a major non-food anchor tenant such as a Discount Department Store (DDS) of up to 7,000m$^2$. While the PSP allows for LTC1 to potentially serve a 'sub-regional' shopping role subject to market demand, this centre will sit below the Lockerbie Principal Town Centre (PTC) in the hierarchy of centres serving the broader region.

  The much larger Lockerbie PTC is planned to accommodate up to 80,000m$^2$ of retail floorspace (MPA, Lockerbie Precinct Structure Plan, May 2012) and residents in the Donnybrook/Woodstock PSP will use the Lockerbie PTC for a share of their higher-order shopping requirements.

- One centre (LTC2) comprising 10,000m$^2$ of retail floorspace, including up to two supermarkets totalling 5,000m$^2$.

- One centre (LTC3) comprising 4,500m$^2$ of retail floorspace, including one supermarket of up to 2,500m$^2$.

2.10 A fourth LTC, LTC4 is located in the eastern part of the Woodstock PSP. The extent of retail floorspace at this centre is limited by various physical and design factors which limit the size of its catchment (refer Chapter 3 of this Statement). Consequently, it is unlikely a large supermarket will be viable at this centre. The PSP identifies potential for LTC4 to accommodate 2,000m$^2$ of retail floorspace including a 1,500m$^2$ supermarket.

**Local Convenience Centres**

2.11 Six LCCs are planned for the PSP and which are intended to provide a limited range of convenience day-to-day retail and other services. An overview of these LCCs is provided in Table 2.1.

## Figure 2.1: Donnybrook/Woodstock PSP – Local Centres (Plan 6)

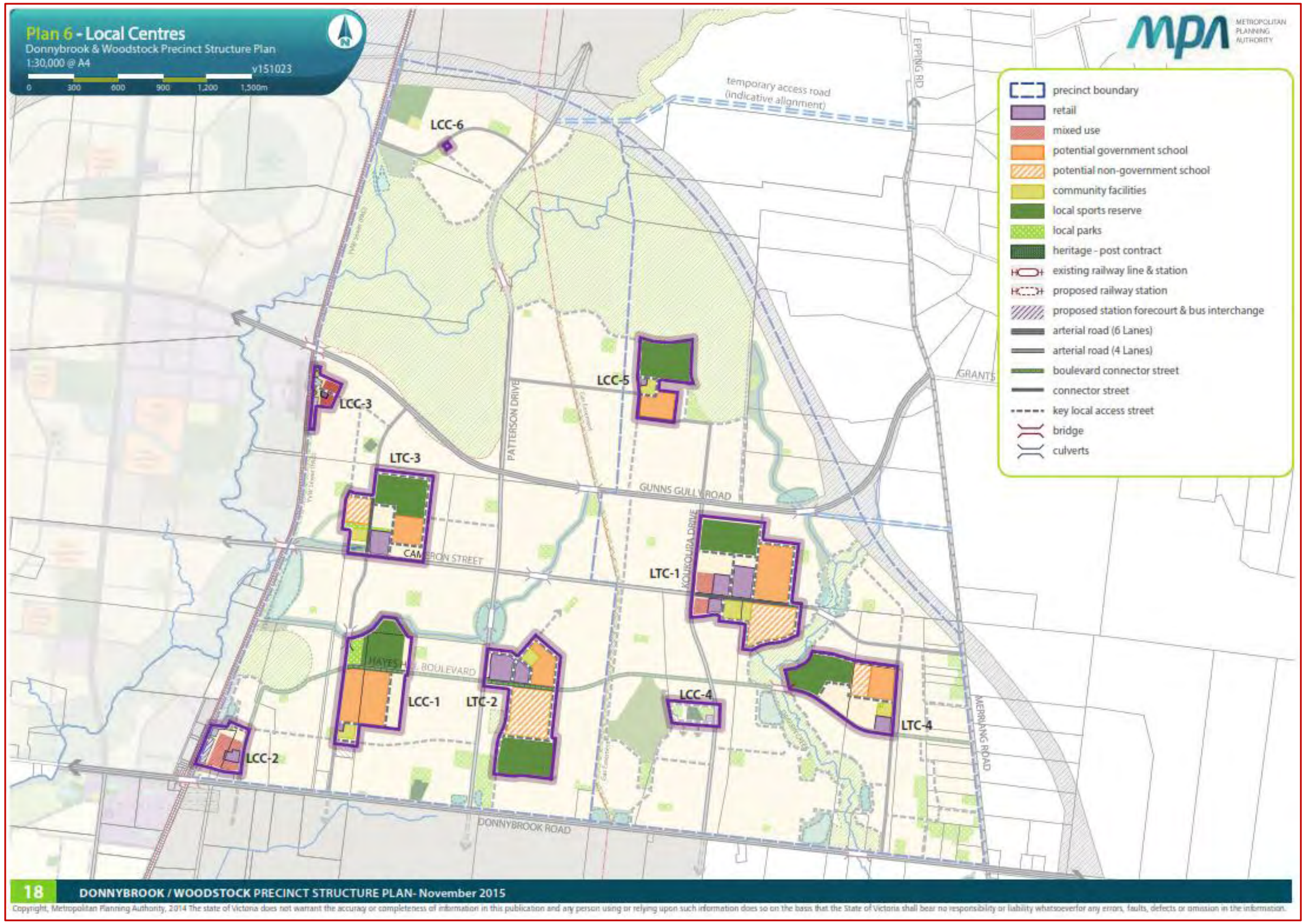


**Table 2.1: Donnybrook / Woodstock PSP – Local Centres**

| Centre | Total Retail Floorspace | Supermarket | Other Retail Floorspace | Commercial Floorspace | Location and Ancillary Uses |
|---|---|---|---|---|---|
| **Local Town Centres** | | | | | |
| LTC - 1 (Koukoura Drive) | 21,500m$^2$ | 5,500m$^2$ | 16,000m$^2$ | 6,200m$^2$ | Located to primarily service residents in the north and east of the Precinct. The centre will also play a sub-regional role with a DDS. Co-located with a state secondary school, Non-government secondary school, library and other community facilities and sporting reserve and local parks. Higher density residential development is envisaged as part of the overall centre concept. |
| LTC - 2 (Patterson Drive) | 10,000m$^2$ | 5,000m$^2$ | 5,000m$^2$ | 5,500m$^2$ | Located to service residents in the southern, central part of the Precinct. Co-located with a state primary school, Non-government P-12 school, community facilities and sporting reserve and local parks. |
| LTC - 3 (Lockerbie East) | 4,500m$^2$ | 2,500m$^2$ | 2,000m$^2$ | 2,200m$^2$ | Located to service residents in the north-west of the Precinct. Co-located with a state primary school, non-government primary school, community facility and sporting reserve and local parks. |
| LTC - 4 (Darebin Creek) | 2,000m$^2$ | 1,500m$^2$ | 500m$^2$ | 500m$^2$ | Located to service residents in the south-west of the Precinct. Co-located with a state primary school. Non-government P-6 school, community facilities and sporting reserve and local parks. |
| **Local Convenience Centres** | | | | | |
| LCC - 1 (Donnybrook Farmhouse) | 1,000m$^2$ | 0m$^2$ | 1,000m$^2$ | 0m$^2$ | Located to service residents in the south-west of the Precinct. Co-located with the existing Donnybrook Farmhouse Cheese restaurant and Shop, a proposed combined state primary / secondary school, community facilities and sporting reserve. |
| LCC - 2 (Donnybrook Station) | 2,500m$^2$ | 1,500m$^2$ | 1,000m$^2$ | 4,500m$^2$ | Located to service residents and passing trade in the south-west of the Precinct. It's position proximate to Donnybrook train station this centre will assist in establishing activated land uses close to the station precinct thereby improving opportunities for passive surveillance of the public realm. |

| Centre | Total Retail Floorspace | Supermarket | Other Retail Floorspace | Commercial Floorspace | Location and Ancillary Uses |
|---|---|---|---|---|---|
| LCC - 3 (Lockerbie Station) | 1,000m$^2$ | 0m$^2$ | 1,000m$^2$ | 1,000m$^2$ | Located to service residents and passing trade in the north-west of the Precinct. It's position proximate to the future potential Lockerbie train station this centre will assist in establishing activated land uses close to the station precinct thereby improving opportunities for passive surveillance of the public realm. |
| LCC - 4 (Hayes Hill) | 500m$^2$ | 0m$^2$ | 500m$^2$ | 0m$^2$ | Located to service residents in the central south-east of the Precinct. Co-located with community facilities, a heritage place and the Hayes Hill landscape reserve. |
| LCC - 5 (Woodlands) | 1,500m$^2$ | 0m$^2$ | 1,500m$^2$ | 500m$^2$ | Located to service residents in the north of the Precinct. Co-located with a State Primary School, community facility, sporting reserve and local parks. |
| LCC - 6 (Merri-stock)* | 1,000m$^2$ | 0m$^2$ | 1,000m$^2$ | 0m$^2$ | Located to serve residents in the north of the Donnybrook Precinct. Co-located with a community facility sporting reserve and local parks. |
| **Total Donnybrook/ Woodstock PSPs** | **45,500m$^2$** | **16,000m$^2$** | **29,500m$^2$** | **20,400m$^2$** | |

Source: MPA, Donnybrook / Woodstock Precinct Structure Plan, November 2015

Note: *Table 3 in the PSP nominates 1,000m$^2$ of retail floorspace; however, the Draft Concept plan provided on p. 75 identified 1,500m$^2$ of retail floorspace including a 1,000m$^2$ supermarket.

## Overview of Other Relevant Planned Centres and Areas

**Lockerbie Principal Town Centre**

2.12 The Lockerbie PTC will have the largest influence on the town centre hierarchy in the Donnybrook/Woodstock PSPs. The PTC is planned to be the largest town centre 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)*.

2.13 The Lockerbie PSP notes that the PTC can contain up to 80,000m$^2$ of shop floorspace without a permit and, as such, will have a significant influence on the shopping patterns of future residents in the region.

**Lockerbie Local Town Centres**

2.14 Two Local Town Centres are also planned for the Lockerbie PSP area and these are envisaged to serve a day-to-day and weekly convenience 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 planning permit:

- Northern Local Town Centre: 3,000m$^2$
- Southern Local Town Centre: 5,000m$^2$.

2.15 A number of Local Convenience Centres are also located in the Lockerbie PSP, including one near the Donnybrook Train Station. This centre adjoins the southern portion of the Donnybrook PSP.

**English Street PSP**

2.16 The English Street PSP (25.2) has been approved by the Minister for Planning through amendment C183 to the Whittlesea Planning Scheme. The English Street PSP will accommodate more than 700 jobs and 1,100 households. Potential for a LCC is identified in the English Street PSP in order to serve future residents and workers.

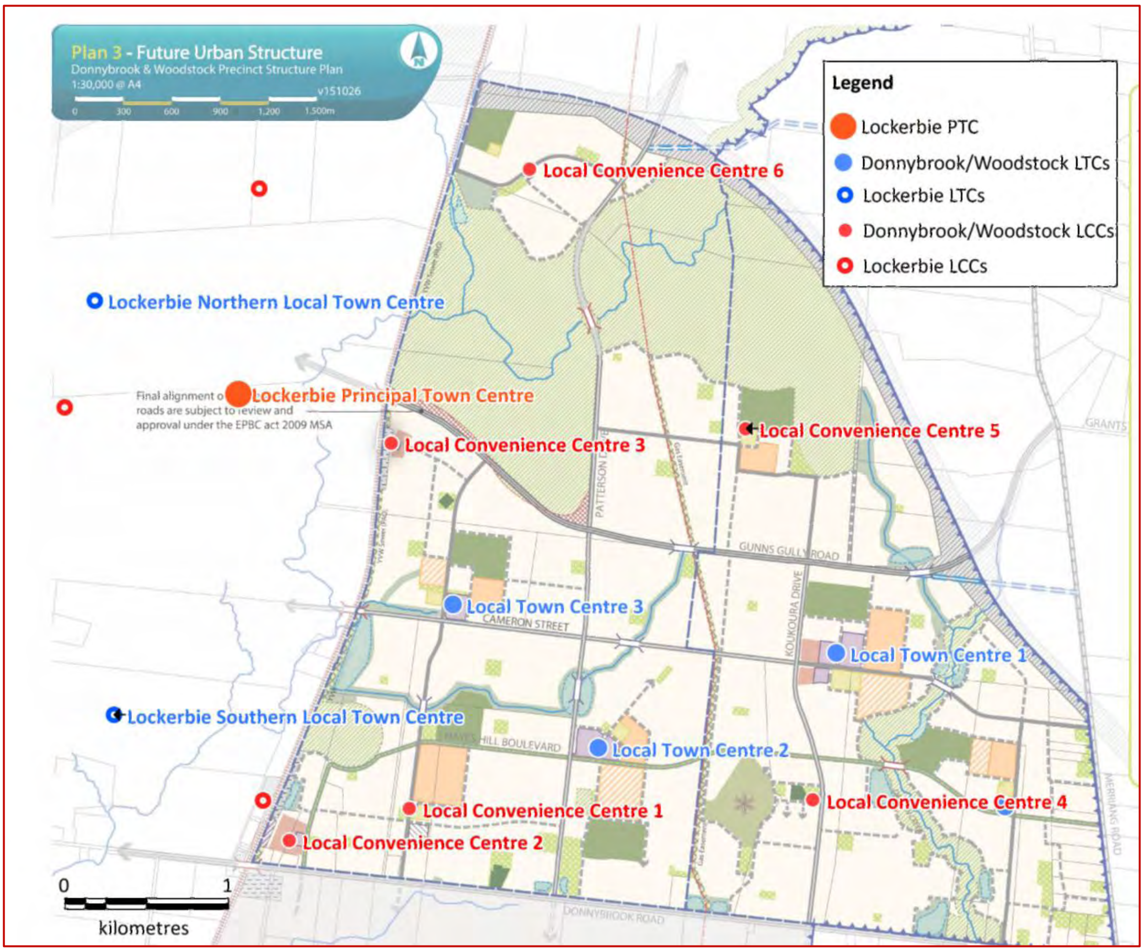
2.17 It is envisaged that the Southern Local Town Centre in the Lockerbie PSP will be the most accessible supermarket based centre for future English Street PSP residents.

**PSP 1069.1**

2.18 I have assessed the potential residential population located in the PSP 1069.1 based on the Northern Quarries Investigation Area draft addendum to the Melbourne Northern Growth Corridor Plan (MPA, 2015). My assessment found that potential exists for this area to contain a residential population of approximately 6,130 persons (refer paragraph 3.11). This is not sufficient to accommodate a LTC anchored by a large supermarket; however, it would be expected that some form of local convenience retail may be provided in the PSP 1069.1. Therefore, it is likely that LTCs in the Donnybrook/Woodstock PSP will serve the weekly convenience shopping needs of these residents.

2.19 Figure 2.2 shows the location of planned centres in the broader region surrounding the Donnybrook/Woodstock PSP.

**Figure 2.2: Town Centres in the Surrounding Region**




Produced by Essential Economics using MapInfo and information provided by MPA

## Essential Economics Involvement in Planning for Local Centres in the Donnybrook / Woodstock PSP

2.20 I was the main author of the *"Regional Town Centre and Employment Assessment"* (June 2014) which provided advice on the town centre hierarchy in the Donnybrook (PSP 1067), Woodstock (PSP 1096) and English Street (PSP 25.2) PSPs. This report is referred to herein as the 'EE2014 Report'.

2.21 The EE2014 Report assessed the level of retail floorspace supportable in the Study Region which included the Donnybrook, Woodstock and English Street PSPs. Note that the report was based on centre locations identified by MPA at the time of the assessment (refer Figure 1.2 in EE2014). In addition, the report reflected MPA's preference at the time for centres in the PSP to contain only one supermarket and total floorspace in the order of 8,000m$^2$ to 10,000m$^2$ (refer Section 4.4 of EE2014).

2.22 The EE2014 Report provided a recommended hierarchy of centres based on the preliminary centre locations identified by MPA, MPA's principles for town centre planning and analysis of catchments to support each town centre. In addition, the following issues were identified for further consideration when planning for centres in the Study Region (refer p. 68 of EE2014):

(a) 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).

(b) Potential exists for the two larger LTCs to contain multiple supermarkets (ie, more than one each).

(c) 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 already proposed to the immediate west of the station.

2.23 MPA subsequently prepared an urban structure for the Donnybrook/Woodstock PSPs that allowed for:

- The potential for one larger centre to serve a sub-regional shopping role,
- A total of two centres that could potentially accommodate multiple supermarkets, and
- The LCC at Donnybrook Station to have a more limited retail role.

2.24 In addition to EE2014, I prepared a Letter of Advice to MPA on 25 June 2015 which addressed in broad terms the following:

(a) Potential for Centre 1 (now referred to as LTC1) to be the larger centre serving the region

(b) Implications of increased residential yields around Donnybrook Station for town centre development at Centre 5 (now referred to as LCC2)

(c) Commentary on Local Town Centres and Local Convenience Centres, including an indication of land area required based on the findings of EE2014.

2.25 The analysis presented in Section 3 of this Statement presents the Panel with an up-to-date review of the supportable retail and commercial floorspace within the PSP. The analysis is based on the centre hierarchy described in the PSP (November, 2015) and an updated residential yield analysis which takes into consideration recent guidance on residential densities in the PSP provided by MPA.

# 3 DONNYBROOK / WOODSTOCK PSP LOCAL CENTRE ANALYSIS

3.1 This Chapter provides the following:

- Updated assessment of the residential dwelling and population yields in areas likely to be served by local centres in the Donnybrook / Woodstock PSP
- Assessment of the total supportable retail floorspace in the Donnybrook / Woodstock PSP
- Assessment of supportable retail floorspace at LTCs in the Donnybrook / Woodstock PSP, including supermarket floorspace and potential for a large non-food anchor tenant such as a DDS and speciality floorspace.
- Commentary on the appropriateness of the location of LTCs and LCCs in the PSP.

## Residential Dwelling and Population Analysis

3.2 The Study Region used for this analysis is shown in Figure 3.1 and includes the following:

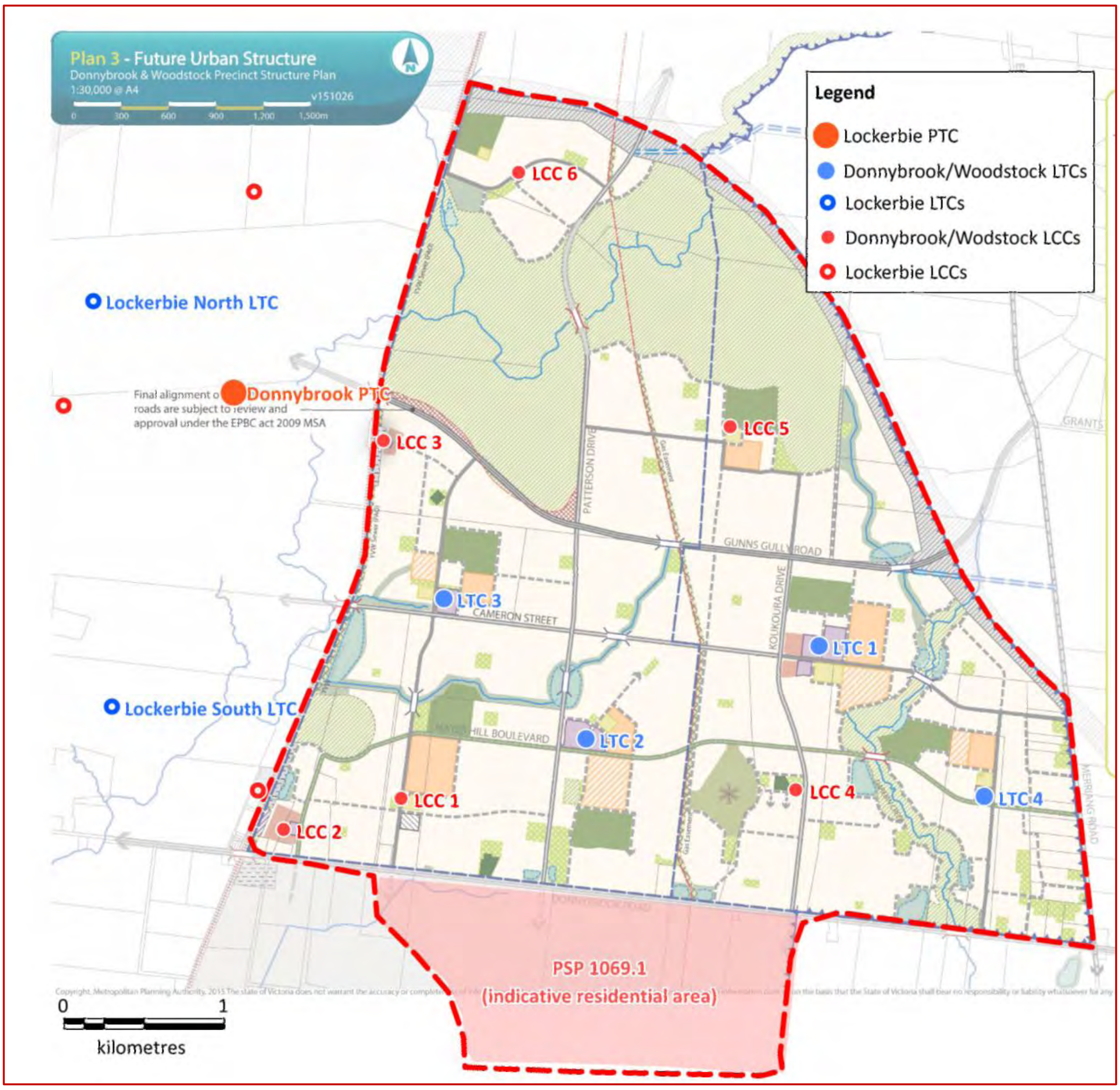
- The Donnybrook/Woodstock PSP area
- PSP 1069.1 area.

3.3 As indicated earlier in my Statement (paragraph 2.18), the population yield in PSP 1069.1 is unlikely to be sufficient to support a large supermarket. Therefore, it is likely a share of convenience related spending will be directed to other LTCs accessible to the PSP 1069.1 residents. Having regard for the planned road network shown in the Donnybrook/Woodstock PSP (refer Figure 2.1), LTC1 and LTC2 are the most accessible LTCs to PSP 1069.1 which are planned to contain a large supermarket. For this reason, PSP 1069.1 residents and their future retail spending have been included in this analysis.

3.4 An update of the residential yield and population within the Study Region has been prepared based on areas identified as ‘residential’ and ‘mixed use’ in the Donnybrook/Woodstock PSP. This updated analysis takes into consideration the potential for higher residential densities in areas in close proximity to Donnybrook and Lockerbie train stations, areas identified as mixed use and land within close proximity to LTCs.

3.5 A development efficiency of 75% has been assumed for land identified as ‘residential’ and ‘mixed-use’ in the Donnybrook/Woodstock PSP, with the balance of land set aside for roads and areas of non-developable land not identified in the PSP. This assumption takes into account areas already identified in the PSP for open space, community facilities, LTCs, etc.

**Figure 3.1: Study Region**




Produced by Essential Economics using MapInfo, StreetPro and information provided by MPA

3.6 In addition, MPA have advised of the following average residential densities, some of which vary from the requirements identified in the Donnybrook/Woodstock PSP (November 2015):

- Minimum average of 25 dwellings per hectare of Net Developable Area (NDA) of ‘residential’ land within 500m of Lockerbie and Donnybrook train stations
- 18 dwellings per hectare of NDA of ‘residential’ land within 500m – 800m of Lockerbie and Donnybrook train stations
- 18 dwellings per hectare of NDA of ‘residential’ land within 400m of a LTC
- It is assumed by the MPA that elsewhere in the PSP an average of 16.5 dwellings per hectare of NDA of ‘residential’ land
- 25 dwellings per hectare of NDA of ‘mixed-use’ land located in the PSP.

Based on the above assumptions, the Donnybrook/Woodstock PSP area has a potential capacity of 13,170 residential dwellings.

3.7 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 is considered to be a conservative estimate.

3.8 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 household size likely to be above three persons per dwelling or more in some localities. In the longer-term (i.e. after full development) the trend is likely to be a decline in the average household size as family members leave the principal residence.

3.9 On the basis of an average household size of 2.8 persons, the Donnybrook/Woodstock PSP is estimated to have a capacity population of 36,870 persons.

3.10 The above analysis is summarised in Table 3.1.

**Table 3.1: Residential Dwelling and Population Analysis for the Donnybrook/Woodstock PSP**

| Category | Land within 500m of Station | Land 500m-800m from a Station | Land within 400m of a Local Town Centre | Conventional Residential | Mixed Use Areas | Total PSP Area |
|---|---|---|---|---|---|---|
| Net Developable Area | 63 ha | 36 ha | 215 ha | 684 ha | 8 ha | **1,006 ha** |
| Net Developable Area – Residential (@75%) | 47 ha | 27 ha | 161 ha | 513 ha | 6 ha | **754 ha** |
| Assumed dwellings per developable area | 25.0 | 18.0 | 18.0 | 16.5 | 25.0 | **17.5** |
| **Estimated dwellings** | **1,180** | **480** | **2,900** | **8,460** | **150** | **13,170** |
| **Estimated Population (@ 2.8 persons per dwelling)** | **3,300** | **1,340** | **8,120** | **23,690** | **420** | **36,870** |

Source: MPA; Essential Economics
Note: Figures are rounded

3.11 For the purpose of this analysis and as indicated in Figure 3.1, PSP 1069.1 is also included in the Study Region. Based on analysis of the residential area that is located to the immediate south of Donnybrook Road (refer Appendix 2) and shown in the Northern Quarries Investigation Area draft addendum to the Melbourne Northern Growth Corridor Plan (MPA, 2015), this area has the potential to accommodate approximately 6,140 residents. This estimate is based on the following considerations:

- Gross land area of 253ha
- Net developable area of 177ha, assuming 70% will be available for development

- Net residential developable area of 133ha, assuming 75% of developable area will be used for residential purposes
- Average residential density of 16.5ha per net developable residential area
- Total of approximately 2,190 dwellings
- Total population of 6,130 persons assuming an average household size of 2.8 persons.

3.12 In total, the Study Area is estimated to contain approximately 15,360 dwellings and a population of 43,010 residents at full-development. For the purpose of this assessment full development is assumed to be 2040. Table 3.2 summarises the dwelling and population capacity within the Study Region.

**Table 3.2: Residential Dwelling and Population Capacity in the Study Region at Full-development (assumed to be 2040)**

| Location | Estimated Dwelling Capacity | Estimated Population |
|---|---|---|
| Donnybrook/Woodstock PSP | 13,170 | 36,870 |
| PSP 1069.1 | 2,190 | 6,130 |
| **Total Study Region** | **15,360** | **43,000** |

Source: Essential Economics

## Total Retail Spending in Study Region

3.13 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.

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

- Food, liquor, groceries (FLG), which is the main category of relevance for supermarkets and convenience retailing
- Other retail, which include food catering (cafés and restaurant and take away food) and non-food merchandise and services (apparel, homewares, bulky merchandise, leisure/general and retail services).

3.15 Estimates of available retail spending by residents in the Study Region have been prepared by examining average retail spending levels in the northern metropolitan Melbourne growth areas. These figures are shown in the EE2014 Report and have been updated to March 2016 dollars. The average per capita retail spending figures shown below are for 2040 and take into consideration real growth in average per capita retail spending of 1.2% per annum between 2013 and 2040 as identified in the EE2014 Report:

- FLG: $5,700 per capita (2016 dollars)
- Other retail: $12,560 per capita (2016 dollars).

3.16 Total retail spending by Study Region residents is shown in Table 3.3. These have been calculate by applying the average per capita retail spending figure shown above (paragraph 3.15) to the population outcomes shown in Table 3.2.

**Table 3.3: Total Retail Spending in Study Region, 2040 (in constant 2016 dollars)**

| Retail Category | Donnybrook / Woodstock PSP | Shenstone Park PSP | Study Region |
|---|---|---|---|
| Population, 2040 | 36,870 | 6,130 | 43,000 |
| **Average Per Capita Retail Spending, 2040** | | | |
| Food, liquor, groceries | $5,700 | $5,700 | $5,700 |
| Other Retail | $12,560 | $12,560 | $12,560 |
| Total Retail | $18,260 | $18,260 | $18,260 |
| **Total Retail Spending, 2040** | | | |
| Food, liquor, groceries | $210.2m | $34.9m | $245.1m |
| Other Retail | $463.1m | $77.0m | $540.1m |
| **Total Retail** | **$673.2m** | **$111.9m** | **$785.2m** |

Source: MarketInfo; Essential Economics

## Assessment of Total Retail Floorspace Planned for the Donnybrook/Woodstock PSP

*Note, all turnover and retail spending figures are expressed in constant 2016 dollars.*

3.17 The Donnybrook/Woodstock PSP identifies potential for a total of 44,500m$^2$ of retail floorspace within the identified LTCs and LCCs (refer Table 2.1). The discussion and analysis provided below and summarised in Table 3.4 presents a broad level assessment of the turnover and expected market shares assuming all of this retail floorspace is developed. This analysis is intended as an indication of the overall potential for this quantum of retail floorspace to be developed in the Donnybrook/Woodstock PSP area.

3.18 Assuming average retail turnover for retailers in the identified centres is $8,000/m$^2$, this would equate to total retail turnover of $356m in 2040. An average of $8,000/m$^2$ of retail floorspace is considered a relatively strong performing retail sector considering the range of LTCs and LCCs proposed in the PSPs.

3.19 Approximately $320m of turnover would be derived from residents in the Study Region, assuming 90% of turnover is derived from the retail spending of Study Region residents. The balance of 10% of turnover would be derived from beyond the Study Region, including workers, visitors and those passing through.

3.20 The $320m in turnover from Study Region residents reflects a market share of 41% of the $785.2m of retail spending of Study Region residents. This is considered to be achievable and indicates that 59% of retail spending (or $465m) would be directed to centres further afield or other retail formats (i.e. internet sales). In the context of Donnybrook/Woodstock, a significant share of this spending would be expected to be directed to the higher order centre serving the region, i.e. the Lockerbie PTC.

**Table 3.4: Market Share of Turnover Assessment, 2040 (in constant 2016 dollars)**

| Category | Values |
|---|---|
| Planned retail floorspace | 44,500m$^2$ |
| Average retail turnover | $8,000/m$^2$ |
| Total estimated turnover | $356.0m |
| Assumed share of turnover directed to Study Region residents | 90% |
| Retail turnover derived from Study Region residents | $320.4m |
| Total Study Region retail spending | $785.2m |
| Market share | 41% |

Source: MarketInfo; Essential Economics

## Assessment of Supportable Supermarkets at Centres

3.21 The PSP identifies the following centres with potential to accommodate at least one supermarket:

- LTC1: Potential for up to two supermarkets and 5,500m$^2$ of supermarket floorspace
- LTC2: Potential for up to two supermarkets and 5,000m$^2$ of supermarket floorspace
- LTC3: Potential for one supermarket of up to 2,500m$^2$ of supermarket floorspace
- LTC4: Potential for one small supermarket of up to 1,500m$^2$ of supermarket floorspace
- LCC2: Potential for one small supermarket of up to 1,500m$^2$ of supermarket floorspace.

The extent of supermarket floorspace identified in LTC1 and LTC2 is sufficient to support a larger supermarket of more than 3,500m$^2$ plus a second smaller supermarket.

The Draft Concept Plan in the PSP indicates potential for a 1,000m$^2$ supermarket at LCC6; however, this is not reflected in the total retail provision identified in Table 3 of the PSP. Having regard for the limited population in the northern part of the PSP area (i.e. north of Merri Creek) it is unlikely a supermarket will be developed in this locality. However, it is still prudent to plan for a LCC in this locality, but with the understanding that residents are likely to be required to travel to other centres for their supermarket shopping.

3.22 Supermarkets are the main anchor tenants and generator of activity within LTCs (or neighbourhood centres) and therefore it is important that supermarkets within these centres are commercially viable. A report prepared by Essential Economics and titled *Growth Corridor Plans – Activity Centre and Employment Planning* (November, 2011) concluded the following in relation to supermarket catchments:

> *"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)*

The above report is one of the reference documents that guides activity centre planning in Melbourne's growth areas.

3.23 On the basis of the above stated benchmarks for supermarket catchments, I have undertaken a detailed analysis of the potential residential catchments for the five stated centres within the Donnybrook/Woodstock PSP that are planned to accommodate a supermarket. These catchments are shown in Figure 3.2 and represent the geographic areas that each supermarket would expect to derived the highest market share . The following factors were considered when identifying these catchments:

(a) The proposed road network as shown in Figure 2.1.

(b) Physical barriers to movement, including railway lines, large areas of open space, major roads, etc.

(c) The location of centres identified to accommodate supermarkets and the relative size of planned centres, with larger centres expected to attract customers from a larger geographic area due to the superior choice in retail offer.

(d) The northern part of the PSP area has not been included in any of the identified catchments; however, these residents will need to shop at supermarkets including those identified in the Donnybrook/Woodstock and Lockerbie PSPs.

(e) Detailed analysis of residential areas and densities are described earlier in my Statement (paragraph 3.6)

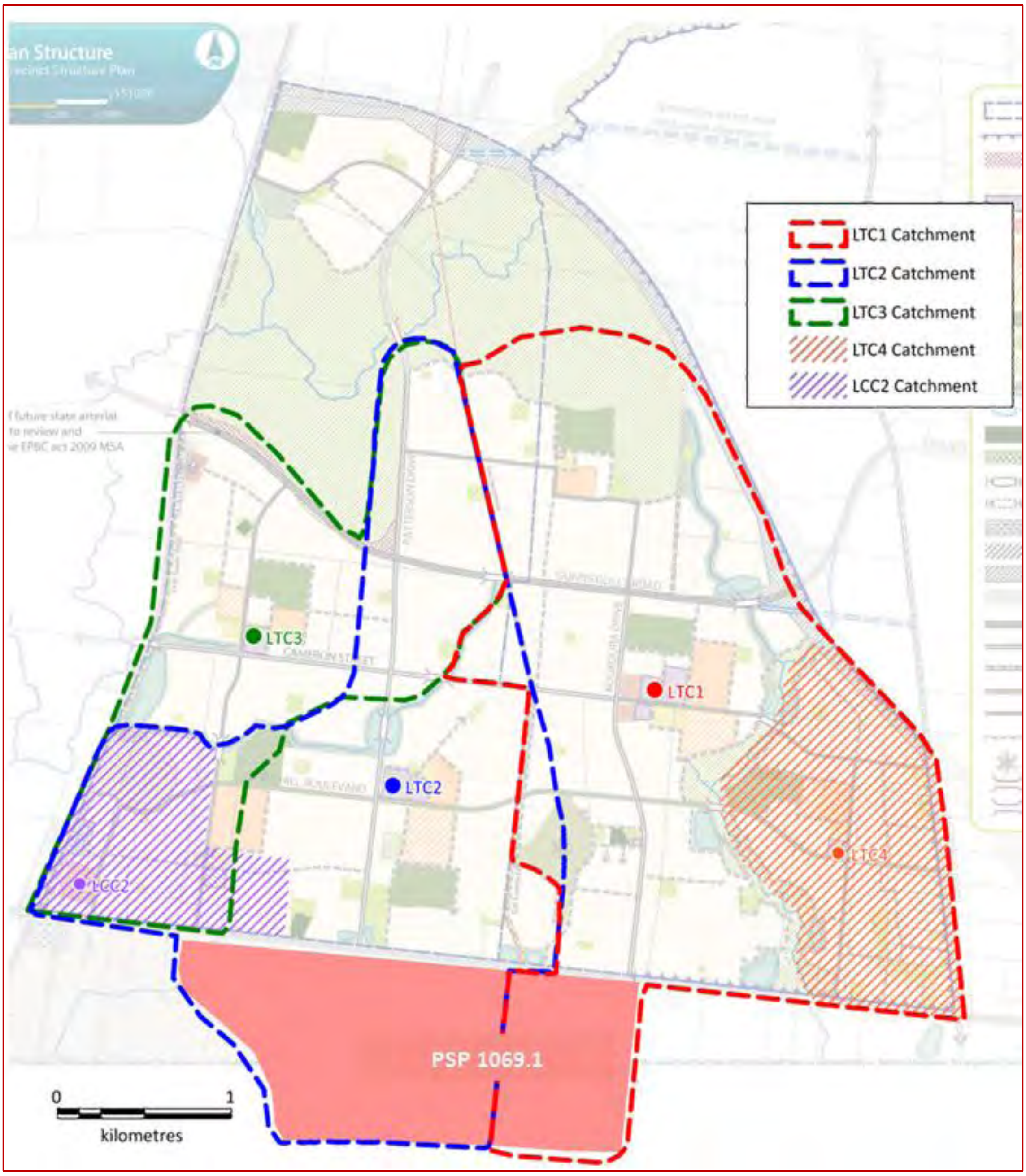
(f) Retail catchments overlap and this represents the element of choice provided to consumers when choosing different centres and supermarkets.

3.24 The expected population outcomes at full-development within each of the identified supermarket catchments is shown below:

- LTC1: 18,800 persons
- LTC2: 17,400 persons
- LTC3: 11,600 persons
- LTC4: 4,900 persons
- LCC2: 3,500 persons.

Commentary on the extent of supermarket floorspace at each of the identified supermarket-based centres based on the above residential catchments and benchmarks (refer paragraph 3.22) is provided below.

**Figure 3.2: Supermarket Catchments**




Produced by Essential Economics using MapInfo and information provided by MPA

3.25 **<u>LTC1</u>** has a supermarket catchment with an estimated residential population of 18,800 persons at full-development. This sized catchment is sufficient to support two strong performing supermarkets totalling at least 5,500m² of floorspace as identified in the

PSP. Based on current supermarket models, it would be expected at least one strong performing large 'full-line' supermarket of 3,500-4,000m$^2$ would locate in LTC1.

LTC1 is also expected to capture a share of supermarket spending from residents in the north of the PSP area.

3.26 **LTC2** has a supermarket catchment with an estimated residential population of 17,400 persons at full-development. This sized catchment is sufficient to support two supermarkets totalling 5,000m$^2$ of floorspace as identified in the PSP. It is likely at least one of these supermarkets would be a strong performing large 'full-line' supermarket of 3,500-4,000m$^2$ based on current supermarket models being developed in growth areas.

LTC2 is also expected to capture a share of supermarket spending from residents in the north of the PSP area.

3.27 **LTC3** has a supermarket catchment with an estimated residential population of 11,600 persons at full-development; however, LTC3 location means it will need to compete with other nearby supermarket-based centres including LTC2, LCC4, LTC1 and the Lockerbie PTC. This level of competition is reflected in the extent to which the catchments for centres overlap (refer Figure 3.2).

LTC-3 is important in the context of providing access to supermarket and convenience retailing throughout the PSPs. A plan without LTC-3 in its current location would result in future residents in the western part of the PSP areas having limited accessibility to a supermarket. Therefore, encouraging the viability of LTC-3 and any future supermarket at the centre is an important consideration for growth area planning. On this basis, increasing the flexibility regarding the extent of retail floorspace that can be developed will provide a greater opportunity for the centre to be viable.

Having regard for the above, the allocation of a 2,500m$^2$ at LTC3 is appropriate for planning purposes; however, potential may exist for a slightly higher allocation. An increase in the as-of-right development of supermarket floorspace to 3,000m$^2$ would provide a level of flexibility that would enable a future supermarket operator at LTC3 to compete at a higher level with other nearby centres that are envisaged to contain strong performing larger supermarkets.

LTC3 is also expected to capture a share of supermarket spending from residents in the north of the PSP area.

3.28 **LTC4** has a small supermarket catchment estimated at 4,900 persons at full-development. This sized catchment is not expected to support a large supermarket. Based on the size of this catchment and my own detailed analysis of potential turnover levels, my view is potential exists for a small supermarket in the order of 800-1,000m$^2$ that would anchor a small LTC at this location.

The PSP identifies potential for a 1,500m$^2$ supermarket at LTC4; this would provide an additional level of flexibility for any future supermarket operator should demand for a store of this size eventuate.

3.29 **LCC2** has a small supermarket catchment estimated at 3,500 persons at full-development. However, its location at the Donnybrook train station means it will likely attract the custom of commuters residing beyond the identified catchment. In addition, the PSP plans for a significant area of 'mixed-use' land adjoining the centre which is envisaged to contain a mix of higher density residential and commercial uses. Future workers will also shop at a supermarket at LCC2.

Similar to LTC4, my view is potential exists for a small supermarket in the order of 800-1,000m$^2$ at LCC2, and the allowance within the PSP for a 1,500m$^2$ supermarket will provide a level of flexibility should demand for such a store eventuate in the future. The eventual density of residential development and extent of commercial development at LCC2 will influence demand for retail at this location, therefore, it is prudent to provide a level of flexibility within the PSP.

3.30 In addition to assessing the number of people who may reside in each supermarket catchment, I have also undertaken a detailed turnover and market share assessment. This assessment was undertaken at a detailed level and the summarised results are shown in Table 3.5. The analysis supports the viability of supermarkets at LTC1, LTC2 and LTC3 as identified in the PSP. In addition, it also identifies the opportunity for small supermarkets at LCC2 and LTC4.

**Table 3.5: Estimated Supermarket Turnover and Market Share, 2040**

| Category | LTC 1 | LTC 2 | LTC 3 | LTC 4 | LCC2 |
|---|---|---|---|---|---|
| Planned supermarket floorspace | 5,500m$^2$ | 5,000m$^2$ | 2,500m$^2$ | 1,500m$^2$ | 1,500m$^2$ |
| Estimated catchment population | 18,800 | 17,400 | 11,600 | 4,900 | 3,500 |
| Estimated FLG spending directed to supermarkets (@ 75% of FLG spending)* | $80.4m | $74.4m | $49.6m | $20.9m | $15.0m |
| Estimated market share of supermarket spending | 55% | 52% | 42% | 30% | 30% |
| Estimated share of turnover from beyond the Catchment | 20% | 15% | 20% | 15% | 40% |
| **Total estimated supermarket turnover (assuming 8% of turnover in non-FLG merchandise)** | $59.6m | $49.8m | $28.0m | $8.0m | $8.1 |
| Average turnover level | $10,800/m$^2$ | $10,000/m$^2$ | $11,200/m$^2$ | $5,400/m$^2$ | $5,400/m$^2$ |
| *Average trading level (assuming 1,000m$^2$ supermarket)* | | | | $8,000/m$^2$ | $8,100/m$^2$ |

Source: MarketInfo, Essential Economics

Note: *Assumes 75% of FLG spending is directed to supermarkets and with the remainder directed to food specialty stores, fresh food markets and so on. This reflects the shopping patterns of residents in growth areas where there is a strong reliance on supermarket for food and grocery shopping.

## Opportunity for Discount Department Store (or Non-food Anchor Tenant)

3.31 The opportunity for one centre in the PSP to be a larger centre and serve a 'sub-regional' shopping role was identified in the EE2014 Report. This included potential for a large non-food anchor tenant, such as a Discount Department Store.

3.32 The EE2014 Report noted the need flexibility when formulating plans involving future retail provision over a long period as the retail industry is constantly evolving with new retail formats emerging that meet the ever changing consumer needs and demands.

3.33 At present large non-food retailers, such as Department Stores and Discount Department Stores (DDSs), tend to anchor regional and sub-regional shopping centres. However, this format of retailing is likely to change in the future. For instance, the trading performance of DDSs in recent years, has declined in the face of a subdued retail environment impacted by changing economic conditions, increased competition, and an increasing reluctance by consumers to spend their discretionary incomes. The internet and new international entrants to the retail market in Australia (such as H&M, Sephora and GAP) have also increased the level of competition faced by DDSs.

3.34 To address these difficult trading conditions, DDSs operations have undergone a number of structural changes. This includes the development of new store formats, refinement of brands to ensure they meet the expectations of their target markets, development of an increased online presence, and the development of new stores.

3.35 While the retail environment for the DDS has changed, the demand for new DDSs throughout Australia continues. For instance, over the eight year period 2007 to 2015 the number of DDSs and Department Stores in Australia increased by approximately 150 stores, at an average increase of almost 20 stores a year (IbisWorld, *Department Stores in Australia*, April 2016).

3.36 In the past, the size of a typical DDS was in the order of 7,000-8,000$m^2$. However, recent challenges to the industry have seen the restructure of operations at Kmart, Target and Big W, resulting – in some cases – with smaller DDS models.

3.37 The main DDS operators now consider the development of DDS models of various sizes, ranging from 4,000$m^2$ to 8,000$m^2$, depending on the size and characteristics of the catchment and local competition. While catchment sizes for DDSs vary considerably – depending on the nature of the competition, the road network and other factors – a general rule is that a core catchment of approximately 40,000 persons is required to support a DDS.

3.38 In the context of the potential for the Study Region to accommodate a resident population of approximately 43,000 persons at full-development (refer Table 3.2), potential may exist for the development of a large non-food anchor tenant, such as a DDS. Reasonable accessibility to at least some form of non-food retailing would be an expectation for a catchment of 40,000 or more residents. The lack of a larger centre in the PSP that could accommodate a non-food retail offer means residents will be required to travel to the much larger Donnybrook PTC (which is planned to accommodate up to 80,000m$^2$).

3.39 The provision of 21,500m$^2$ of retail floorspace at LTC1, including a large non-food tenant in the order of 7,000m$^2$, provides residents in the region a true hierarchy of centres provided locally. In functional terms the hierarchy can be described as follows:

- Donnybrook PTC, which operates as the large regional shopping centre where residents will undertake their higher-order and comparison shopping, as well visit the planned entertainment, cultural, civic and recreation facilities.
- LTC1, which operates as the sub-regional shopping centre where residents will visit to undertake their comprehensive convenience and weekly shopping, along with a limited range of non-food comparison shopping.
- Other planned LTCs and LCCs, where residents will undertake their day-to-day and weekly convenience shopping.

The PSP allows the 'potential' for LTC1 to serve a 'sub-regional' shopping role should demand eventuate over the period upon which the PSP and adjoining areas develop. Without providing this opportunity at LTC1, PSP residents would be provided with a relatively 'flat' centres hierarchy, with a limited local choice in centre types.

3.40 In the context of the above, I support the opportunity for LTC1 to accommodate a large non-food anchor tenant such as a DDS as outlined in the PSP and potentially serve a 'sub-regional' shopping role, in addition to providing a range of non-retail activities.

## Commentary on the Overall Size (floorspace) of Centres

3.41 Based on the analysis presented in this Statement, I support the extent of major retail tenants floorspace (i.e. supermarkets and DDSs) planned for each of LTCs as outlined in the PSP (November, 2015), with the following considerations:

- Potential exists for as-of-right supermarket floorspace at LTC3 to increase to 3,000m$^2$. Allowing for this increase, I can support the overall as-of-right retail floorspace of LTC3 to increase from 4,500m$^2$ to 5,000m$^2$. This change will not impact the viability of other planned centres.
- The provision of 1,500m$^2$ of supermarket floorspace planned for LTC4 and LCC2 provides a level of flexibility that could support viable centres at these locations in the future.

3.42 In my view, the extent of 'speciality' and commercial floorspace outlined in the PSP (November, 2015) is also appropriate. Such a provision allows sufficient flexibility to cater for any changes in the retail and commercial sectors that may occur over the next 20-30 years of which development within the PSP is expected to occur.

3.43 I note that additional commercial floorspace is provided at the two LCCs located at the Donnybrook and Lockerbie train stations. Providing an opportunity for office-based employment in close proximity to public transport and services will be important in order to encourage local employment opportunities. Providing opportunities for commercial development in LTCs and LCCs should be encouraged. In my view the PSP provides sufficient opportunity for such development to occur without going beyond reasonable expectations having regard for the intended roles of each centre.

## Commentary on the Appropriateness of Centre Locations

3.44 I have reviewed the locations of each of the LTCs and it is my view that they are appropriate. Importantly, the analysis presented in this Statement indicates that the locations of these centres provide an opportunity for the development of LTCs that would be anchored by viable supermarkets.

3.45 LCCs which have traditionally provided a limited range of day-to-day convenience retailing to a local catchment have come under increased competition, and have generally been in decline over at least the past two decades. Consumer preference for convenient multi-purpose trips and greater reliance on the motor vehicle has also increased the popularity of modern convenience stores attached to petrol stations. Therefore, in some circumstance the potential for LCCs to be developed in growth areas can be limited.

3.46 However, it is still prudent to plan for LCCs having regard for the important role they perform in providing local convenience services to the surrounding community. It is recommended to provide a range of land uses that encourage multi-purpose visits. In this context, I make the following comments with regard to the location and viability of LCCs in the PSP:

- The location of LCC2 and LCC3 at Donnybrook and Lockerbie train stations respectively provide an opportunity for retail and commercial land uses within a public transport node. I support the location of these LCCs.
- The location of LCC1 provides a unique opportunity to co-locate day-to-day convenience retailing with the adjoining 'Donnybrook Farmhouse Cheese Restaurant and Shop', along with planned community, education and recreation facilities. I support the location of LCC1.
- LCCs 4-6 are located in areas that are likely to be comparatively under-serviced from a retail perspective and therefore I support these locations as potential opportunities for LCCs.

## Conclusion

3.47 The location and size of local centres presented in the PSP (November, 2015), represents a sensible plan for the future planning of viable centres in the Donnybrook/Woodstock PSP area. An opportunity is provided for the development of a centres hierarchy that will provide future residents in the region with a genuine choice to fulfil their shopping and other needs.

# 4 RESPONSE TO KEY ISSUES IDENTIFIED IN SUBMISSIONS

4.1 Based on my review of the documents listed in paragraph 1.8, the key issues raised in these submissions and which are addressed below are the following:

- The size of the supermarket and total retail floorspace at LTC3
- The viability of LCC1 in its current location
- A proposal to relocate LTC3 to the south on land which adjoins Donnybrook Road
- The impact of having two larger centres, namely LTC1 and LTC2, on the viability of the Lockerbie PTC.

## LTC3: Size of Supermarket at LTC3 and Total Retail Floorspace

4.2 As discussed in paragraph 3.27, a supermarket at LTC3 would serve a catchment population of approximately 11,600 persons at full-development. However, it will compete with larger centres at LTC2 (1.6km by road), LTC1 (2.2km by road) and the Lockerbie PTC (2.6km by road).

4.3 Increasing the provision of supermarket floorspace to 3,000m$^2$ supermarket would provide a level of flexibility that would enable a future supermarket operator at LTC3 to compete effectively with other nearby centres. As indicated earlier, supermarkets at LTC1 and LTC2 are expected to be strong performing centres and allowing a larger supermarket of 3,000m$^2$ to be developed at LTC3 would not impact the viability or future provision of supermarket floorspace at these centres.

4.4 Increasing the total retail floorspace at LTC3 from 4,500m$^2$ to 5,000m$^2$ would allow for increased as-of-right development of supermarket floorspace as identified above.

## Viability of LCC1 in its Current Location

4.5 Submission #27 included a MacroPlan Dimasi report which reviewed the Donnybrook/Woodstock PSP and the activity centres planned for the submitters land. The report was titled "*Donnybrook/Woodstock PSP – Activity Centres on Monteleone Land (Donnybrook Road LCC-1 and Cameron Street LTC-3)*" and was prepared in December 2015. The report concluded the following regarding LCC1:

> *"…LCC-1 as shown in the Donnybrook/Woodstock PSP is an unviable development proposition. Recommendations to build centres of this scale and nature are generally at odds with the behaviours of consumers and the needs/requirements of both retailers and retail developers".* (p.16)

4.6 MacroPlan Dimasi highlight a number of examples of 'failed' LCCs in established areas of the City of Brimbank and Canberra. As I identify in paragraph 3.45, LCCs in established areas have been in decline over the past two decades in response to a changing competitive environment and shifting consumer behaviours. Many LCCs in established areas of Melbourne which are now struggling were designed and developed to the standards at that time. However, these standards no longer reflect the expectations of consumers today or modern urban planning requirements.

4.7 MacroPlan Dimasi also identify examples of sites in Cranbourne East and Clyde North PSPs which have been planned for LCCs but which are yet to be developed. In both of these examples, the urban areas surrounding these sites are yet to be fully developed.

For instance, the St Thomas the Apostle Primary School adjoins the site of the LCC in Cranbourne East. While the school has opened, it is still in the development phase. Construction is currently underway which will establish the main entrance to the school at a site which adjoins the planned location for the LCC. In addition, residential areas are still being developed in nearby areas which would form part of a local catchment for a LCC at the planned location.

Moreover, residential development is yet to commence on a site which adjoins the planned LCC in Clyde North.

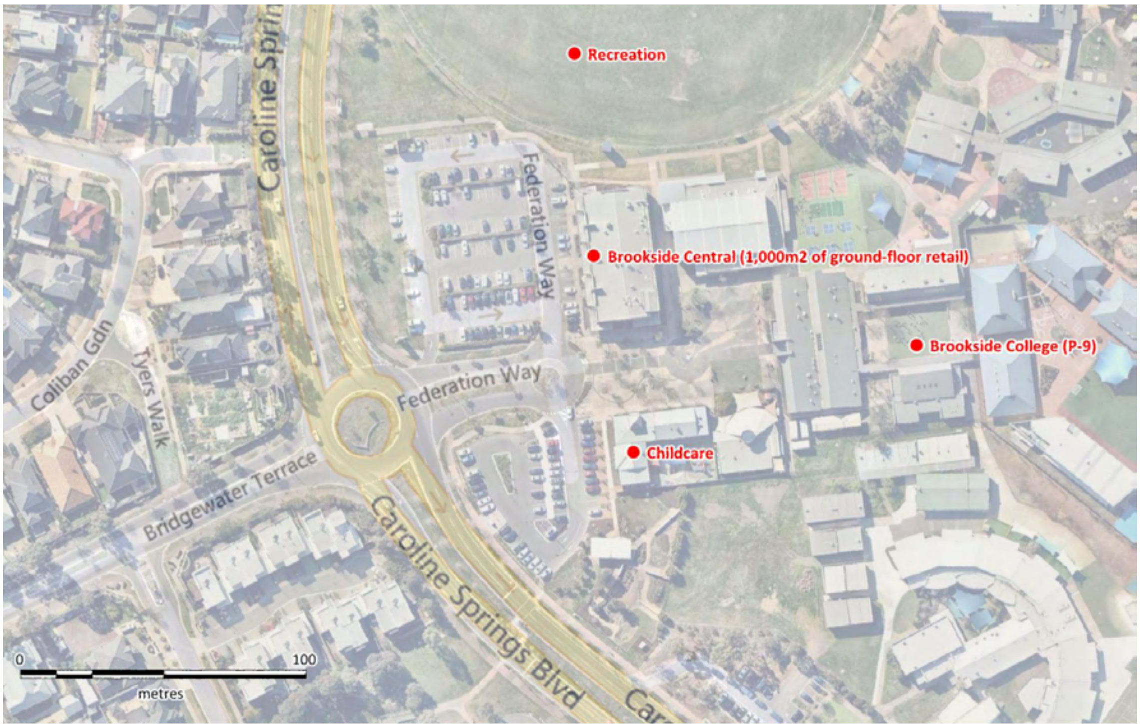
As discussed earlier, the viability of LCCs can be marginal in some locations, therefore, they are unlikely to be developed until the surrounding urban areas are fully developed. Potential still exist that LCCs will be developed at these locations, and if they are developed, they will serve important roles in the centre hierarchy, providing local day-to-day convenience retail and services to the surrounding community.

4.8 An example of a successful LCC in Melbourne’s growth areas is Brookside Central, located in Caroline Springs. Key features of Brookside Central include the following:

- Contains approximately 1,000m$^2$ of ground floor retail floorspace
- The surrounding urban areas are largely developed
- Located within an areas that is highly ‘walkable’ with many walking paths
- Co-located with a variety of education and community facilities include Brookside College (P-9 campus) and Brookside Early Learning Centre
- Benefits from exposure to Caroline Spring Boulevard.

**Brookside Central**

Source: Essential Economics, April 2016




Source: Nearmap and Bingmaps

4.9 The Local Centre Urban Design Framework outlined in the PSP shows that LCC1 is planned to be co-located with a community facility and a Government P-12 School. In addition, its location will provide an opportunity for the centre to be co-located with the Donnybrook Farmhouse Cheese Factory and Restaurant. The centre will be located on a ‘connector street’ which provides exposure to vehicles travelling from Donnybrook Road in the south to areas in the northern part of the PSP.

These factors provide an opportunity for a viable LCC1 at the location and scale identified in the PSP. The location adjacent to the Donnybrook Farmhouse Cheese Factory and Restaurant provides an opportunity for a 'unique' LCC that could attract customers from beyond the PSP broader area.

Based on the above considerations, I consider the location and scale of retail floorspace outlined in the PSP appropriate.

## Proposal to Relocate LTC3 to a Location on Donnybrook Road

4.10 Submission #27 proposes to relocate LTC3 to the south on a site that fronts Donnybrook Road, and provide a small centre on Cameron Street. A Masterplan forming part of Submission #27 prepared by REEDS Consulting is shown in Appendix 1 to this Statement and has been provided to me for review by MPA.

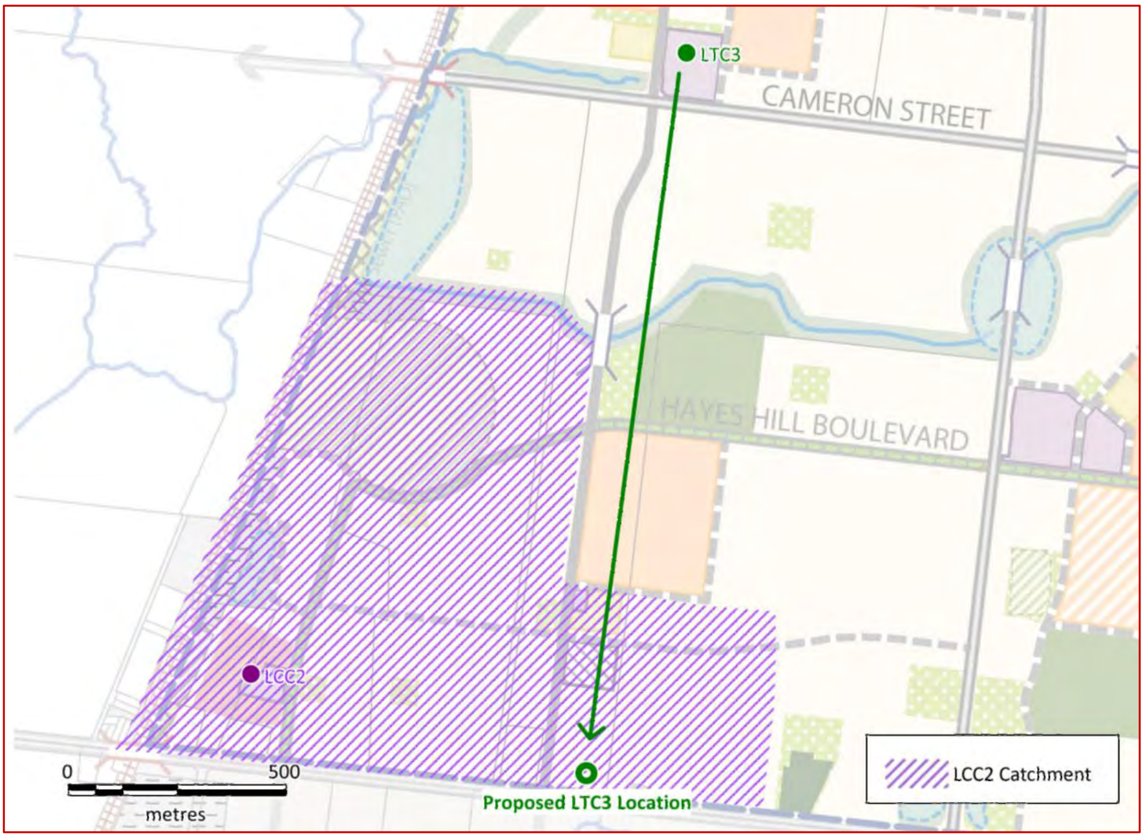
4.11 From a retail-economic perspective, I have two major concerns regarding this proposal.

4.12 **My first concern** relates to the impact a LTC in the proposed location on Donnybrook Road would have on the viability of retail, including a small supermarket, at LCC2 which is located at the Donnybrook train station. I have previously identified to the MPA my concerns regarding the viability of a supermarket at LCC2.

The catchment identified for the LCC2 (assuming LTC3 remains in its current planned location on Cameron Street) is shown in Figure 4.1, along with the location of the propose LTC on Donnybrook Road. The two centres will be less than 700m from each other and it is evident in Figure 4.1 that the location of the proposed centre will significantly impact the size of the catchment for retailers at LCC2. The proposed location will also lead to a reduction in the market share achieved by retailers at LCC2. Combined, these factors will limit the opportunity for strong performing retailers to locate at LCC2.

4.13 Having regard for the strategic importance of the station and principles that support transit orientated development, it is considered important that the opportunity for retail development at the station be maximised.

**Figure 4.1: LCC2 Catchment and Proposed Location for LTC on Monteleone Family Land**




Produced by Essential Economics using MapInfo and information provided by MPA

4.14 **<u>My second concern</u>** relates to the impact the proposed relocation of LTC3 will have on the level of accessibility to supermarkets within the PSP. The MPA aspires to achieve a target of 80-90% of all households to be within a 1km of neighbourhood-level shopping facilities that have a supermarket (refer page 4 of the *Growth Corridor Plans – Activity Centre and Employment Planning,* November, 2011).

4.15 Based on the centre locations outlined in the PSP, 78% of households will be located within 1km of a supermarket. While this share falls slightly below MPA's PSP guidelines, I view this as reasonable having regard for the topographical constraints that exist within the PSP that would impact viable catchments for supermarkets.

*The figure expressed above excludes households in the northern part of the PSP as the location features within this locality mean these residents are unlikely to ever be located within 1km of a supermarket.*

4.16 I have assessed the level of accessibility to supermarkets based on the relocation of LTC3 to the south. The results show that under this proposal, the share of households in the PSP (excluding the area in the north) within 1km of a supermarket will reduce to 66%.

4.17 In view of the above, I do not support the relocation of LTC3 to a location on Donnybrook Road.

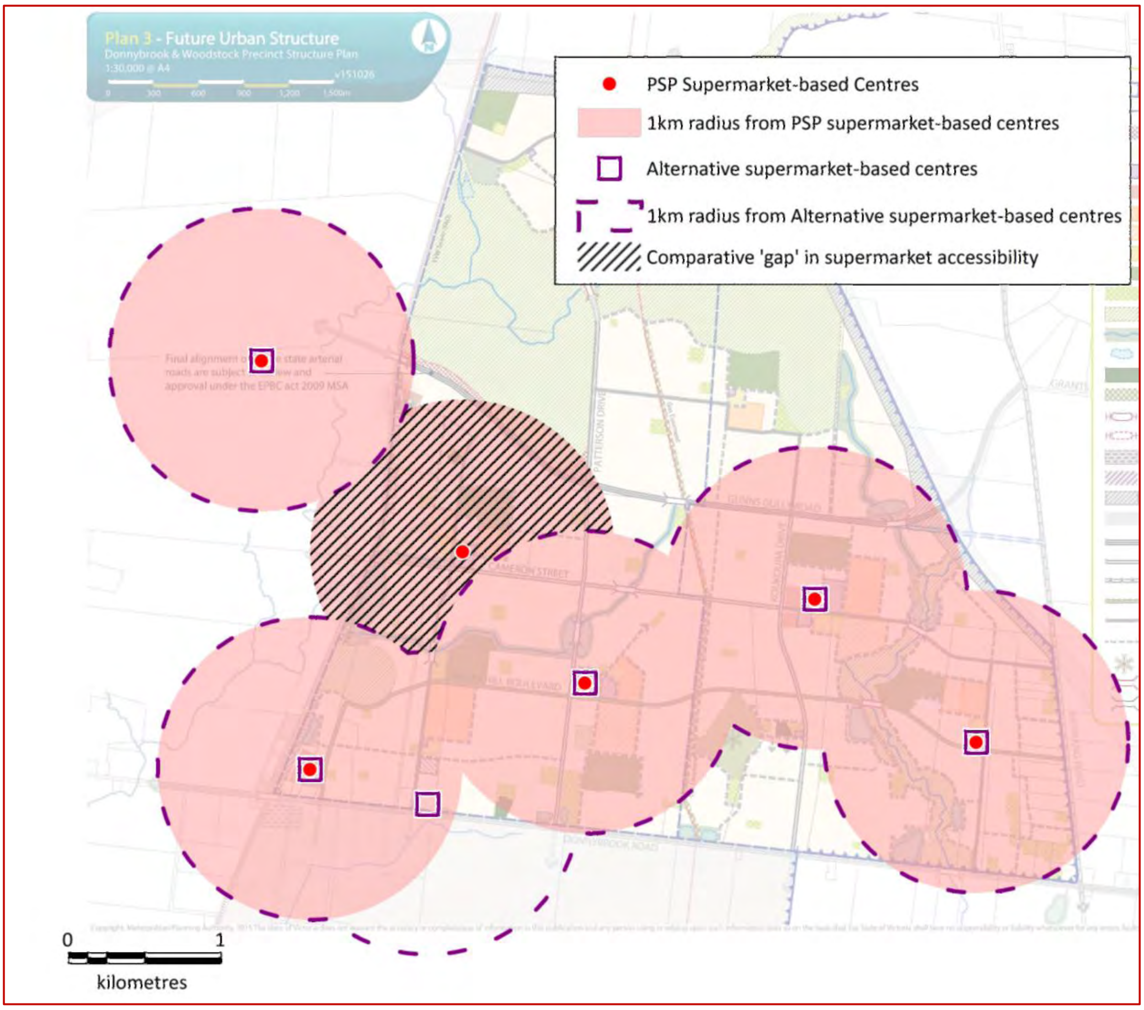
4.18 The accessibility to supermarkets under both scenarios is shown in Table 4.1 and also shown in Figure 4.2.

**Table 4.1: Accessibility to Supermarkets**

| Category | Existing PSP Centre Locations | 'Alternative' Centre Locations |
|---|---|---|
| Total estimated dwellings in PSPs (excluding Merri-stock) | 12,420 | 12,420 |
| Estimated dwellings within 1km of a supermarket | 9,680 | 8,140 |
| % of dwellings within 1km of a supermarket | 78% | 66% |

Source: Essential Economics

**Figure 4.2: Accessibility to Supermarkets**




Source: Essential Economics

## Impact on Lockerbie PTC

4.19 Roberts Day prepared a submission #13, dated 21 December 2015. The submission seeks the following in relation to town centres in the PSP:

> *"The reduction of the retail floorspace cap for Local Town Centre 1 on Koukoura Drive as identified in the 2014 Essential Economics report, or further retail impact analysis undertaken, on the basis that the proposed cap may undermine the long term objectives of the Lockerbie Principal Town Centre (PTC).*

4.20 The submission states "*the 2014 Essential Economics report did not further define the retail floorspace demand analysis and recommended a total provision of between 33,000m$^2$ - 45,000m$^2$. However, it did recommend a centre hierarchy based on the lower retail spending capture and total provision of 33,000m$^2$*".

4.21 As indicated earlier (refer paragraphs 2.21 to 2.24), the potential for a centre to serve a sub-regional shopping role and for two centres in total to accommodate multiple supermarkets was identified in EE2014 Report (refer Chapter 4.10 of EE2014).

4.22 The EE2014 Report also assessed the implications of expanded retail facilities in the PSP on the Lockerbie PTC and found that a significant level of retail spending will 'escape' the Donnybrook/Woodstock PSP to other centres, including the Lockerbie PTC. Under the expanded retail scenario, the EE2014 Report found that approximately \$510m (in constant 2013 dollars) would escape to other centres and this could support approximately 85,000$m^2$ of retail floorspace, assuming an average turnover of \$6,000/$m^2$ (refer p. 45 of the EE2014 Report). A significant proportion of this retail floorspace could be supported at the Lockerbie PTC.

4.23 Updated analysis of retail turnover and market share of retailers in the PSP is shown in Table 3.4 of my Statement. The Table shows that retailers in the PSP would capture 41% of the \$785.2m retail spending in the Study Region in 2040. Therefore, retailers located in centres further afield, will capture an estimated 59% of retail spending or \$464.8m. This level of escape spending is sufficient to support approximately 77,500$m^2$ of retail floorspace assuming an average retail turnover of \$6,000/$m^2$.

4.24 It would be reasonable to expect that a significant proportion of this floorspace would be supported at the Lockerbie PTC, having regard for the range of retail and non-retail uses planned for the centre and its relative accessibility to the Donnybrook/Woodstock PSP.

4.25 The development of centres as described in the PSP will not undermine the future role of the Lockerbie PTC taking into consideration the above and the expectation that the Lockerbie PTC will be the Principal Town Centre serving Melbourne's Northern Growth Corridor that is estimated to contain a population of more than 260,000 persons (GAA, Melbourne Growth Corridor Plans, June 2012).

# 5 CONCLUSIONS

5.1 The location and size of local centres presented in the Donnybrook/Woodstock Precinct Structure Plan (November 2015) represents a sensible plan for the future planning of viable centres in the Donnybrook/Woodstock PSP area. An opportunity is provided by the PSP for the development of a centres hierarchy that will provide future residents in the region with a genuine choice in centre types based on their shopping and other needs.

5.2 I support the hierarchy of centres as outlined in the PSP with the following exception:

- Potential exists for supermarket floorspace at LTC3 to increase to 3,000$m^2$.
- Allowing for this increase, I can support the overall retail floorspace of LTC3 to increase from 4,500$m^2$ to 5,000$m^2$.

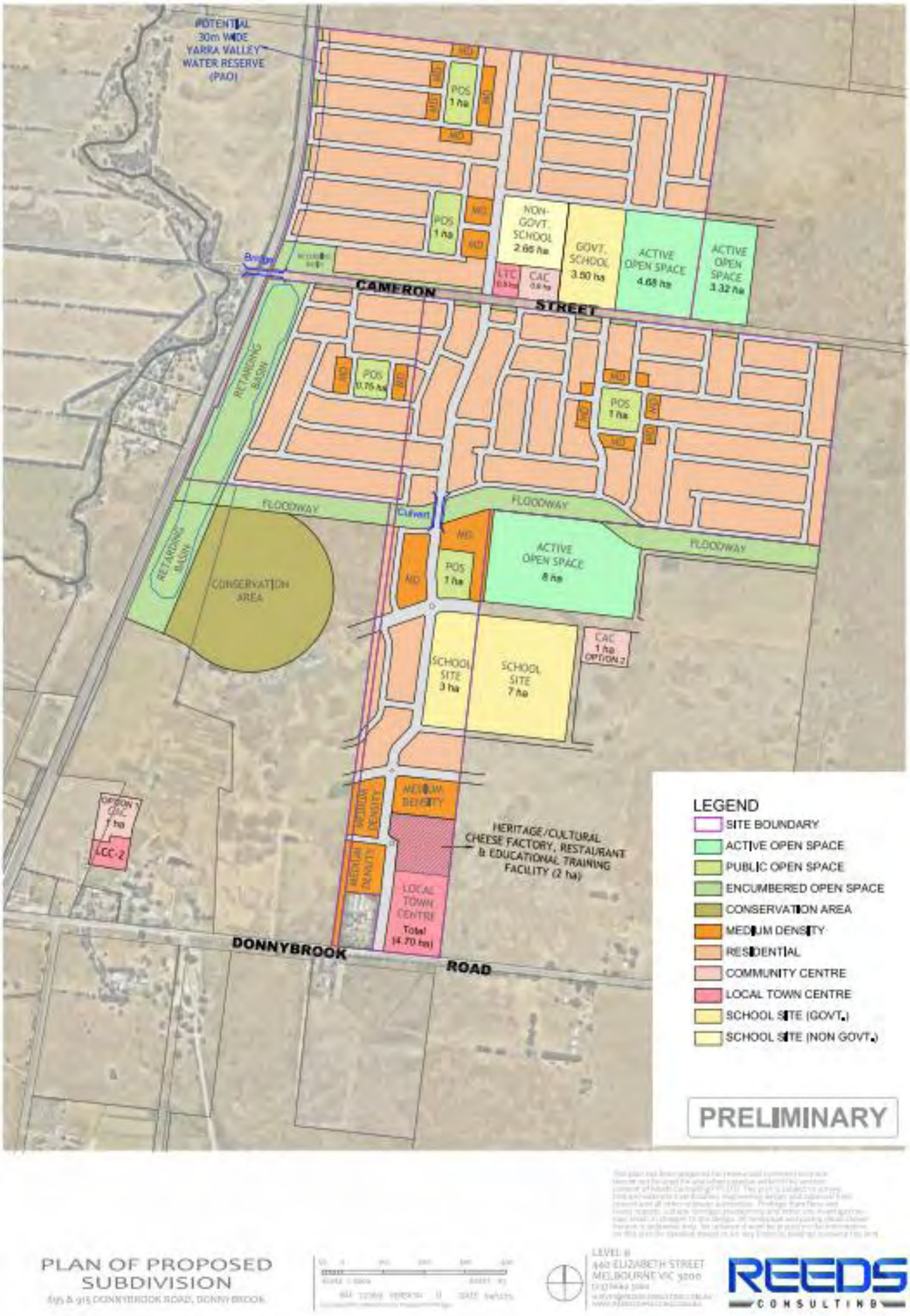
**Declaration**

I have made all the inquiries that I believe are desirable and appropriate and no matters of significance that I regard as relevant have to my knowledge been withheld.

Nicholas Brisbane
Director
**Essential Economics Pty Ltd**

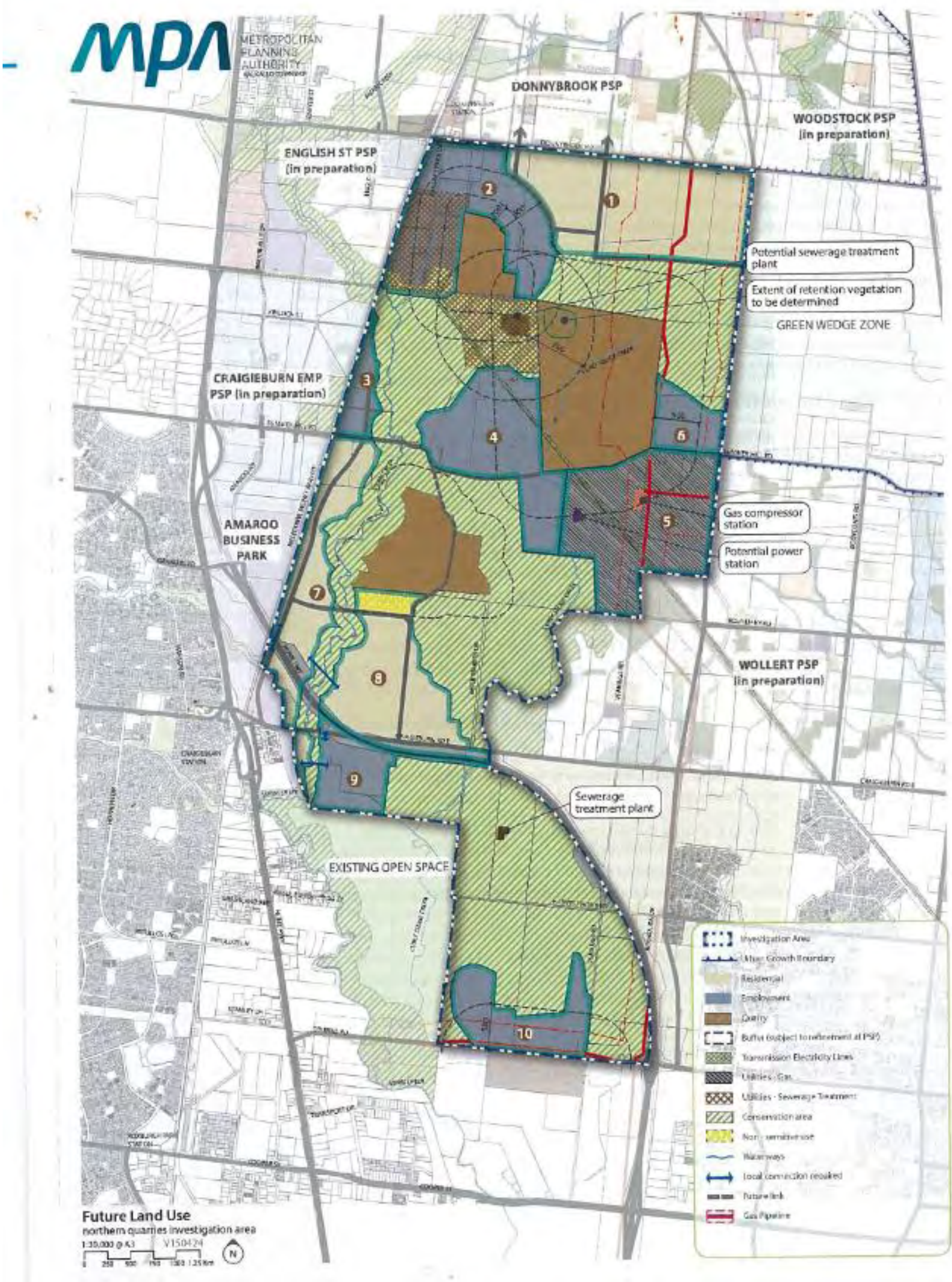
9 May 2016

# APPENDIX 1


POTENTIAL 30m WIDE YARRA VALLEY WATER RESERVE (PAO)
CAMERON STREET
GOVT. SCHOOL 3.50 ha
ACTIVE OPEN SPACE 4.68 ha
ACTIVE OPEN SPACE 3.32 ha
RETARDING BASIN
FLOODWAY
Culvert
ACTIVE OPEN SPACE 8 ha
CONSERVATION AREA
SCHOOL SITE 3 ha
SCHOOL SITE 7 ha
CAC 1 ha OPTION 2
MEDIUM DENSITY
HERITAGE/CULTURAL CHEESE FACTORY, RESTAURANT & EDUCATIONAL TRAINING FACILITY (2 ha)
LOCAL TOWN CENTRE Total (4.70 ha)
LCC-2
DONNYBROOK ROAD
LEGEND
SITE BOUNDARY
ACTIVE OPEN SPACE
PUBLIC OPEN SPACE
ENCUMBERED OPEN SPACE
CONSERVATION AREA
MEDIUM DENSITY
RESIDENTIAL
COMMUNITY CENTRE
LOCAL TOWN CENTRE
SCHOOL SITE (GOVT.)
SCHOOL SITE (NON GOVT.)
PRELIMINARY
PLAN OF PROPOSED SUBDIVISION
LEVEL 8
440 ELIZABETH STREET
MELBOURNE VIC 3000
REEDS CONSULTING

# APPENDIX 2

**Plan 3**



# ATTACHMENT: NICHOLAS BRISBANE CV

CURRICULUM VITAE

ESSENTIAL ECONOMICS


**Nick Brisbane**

B Economics

**Director and Economist**

nick@essentialeconomics.com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| *Introduction* | Nick is an economist at Essential Economics with wide-ranging experience in public and private sector work in both the UK and Australia. Nick's particular expertise is in undertaking market assessments of the demand for property development, and assessing the economic impact of development on the local, regional and wider economies. |
| *Disciplines, Skills, Qualifications* | Nick has a Bachelor degree in Economics, with a specialisation in Econometrics, and has ten years' experience in undertaking economic research for a wide range of public and private sector clients.<br><br>At Essential Economics, Nick's role is primarily in preparing market assessments of various forms of property developments, preparing demand forecasts across a range of sectors, preparing economic profiles, and assessing economic impacts associated with retail, commercial, residential, industrial and tourism land projects.<br><br>Nick has particularly strong expertise in assessing the market potential for retail, residential, retirement and tourism projects, and assessing the economic impact of such projects. Nick has experience in community and stakeholder consultation, and excellent report writing and presentation skills. |
| *Academic Qualifications* | Bachelor of Economics, Monash University, Melbourne, 2001 |
| *Present positions* | Director, Essential Economics, March 2012 - present |
| *Past positions* | Associate, Essential Economics, March 2011 – March 2012<br>Senior Economist, Essential Economics, January 2007 - March 2011<br>Economist, Essential Economics, March 2004 – January 2007<br>Consultant, Colin Buchanan and Partners Pty Ltd, September 2003 – January 2004<br>Economist, Essential Economics, August 2001 –March 2003 |

## Relevant Experience

*Retail, Commercial and Industrial Assessments*

- Exford Road NAC, Melton South – Economic Assessment, for private client
- Torquay ALDI – Economic Impact Assessment, for ALDI
- Bunnings Swan Hill Economic Assessment, for Bunnings Group Limited
- Proposed Gateway Neighbourhood Centre, New Norfolk (Tas) – Economic Impact Assessment, for North Hobart Developments Pty Ltd
- Montague Street, South Melbourne - Retail Assessment, for Austpac
- Shepparton Retail Overview, for Shepparton City Council
- Bunnings Swan Hill Trade Area Profile, for Bunnings Group Pty Ltd
- Bunnings Yarrawonga Trade Area Profile, for Bunnings Group Pty Ltd
- Laurimar Town Centre Advice, for private client
- Craigieburn R2 NAC Assessment, for Peet
- Glebe Hill Estate Neighbourhood Activity Centre Assessment, for private client
- Super Amart - Retail Economic Impact Assessment, for Super Amart
- Application for Rezoning of Land at Harcourt Parade, Cremorne - Economic Analysis, for Caydon Property Pty Ltd
- Sibelco Economic Benefit Assessment, for Sibelco
- University Hill Retail Analysis, for MAB Corporation
- Botanicca Corporate Park Building S8 - Economic Assessment of Proposed Change in Land Use
- Mildura Retail Strategy 2010, for Rural City of Mildura
- Assessment of Industrial Land in the City of Monash, for private land owners
- Economic Assessment of Preferred Future Land Uses, Oakleigh, for private land owners
- Corio Norlane Urban Renewal Project - Retail and Activity Centre Assessment, for Major Projects Victoria
- Costco Auburn Economic Impact Assessment, for Costco
- Market Street, South Melbourne – Economic Advice, for Blueprint Australia
- Inverloch Retail Assessment, for Coomes Consulting on behalf of Bass Coast Shire
- Business and Industrial Zoned Land Requirements in Wallan, for Mitchell Shire Council
- Winchelsea Supermarket Assessment, for private client
- Diggers Rest – Employment Land Assessment, for Industrial Commercial Property Solutions Pty Ltd
- Moorabbin Airport Masterplan Review, for Moorabbin Airport Corporation
- Truemans Road, Rosebud West – Retail Assessment, for Convivia Pty Ptd
- Sunderland Bay Retail Assessment, for private client
- Sale Industrial and Business Zoned Land Assessment, for Wellington Shire
- Tooronga Homemaker Centre Economic Impact Assessment, for Leighton Properties Pty Ltd

*Strategic and Urban Planning*

- Alexandrina Economic Development Strategy, for Alexandrina Council
- Colac Economic Development and Land Use Strategy, for Colac-Otway Shire
- Beveridge North West PSP 1059 – Retail Needs Assessment, for Metropolitan Planning Authority
- Donnybrook, Woodstock and English Street PSP – Activity Centre and Employment Land Analysis, for Metropolitan Planning Authority
- Melton Housing Diversity Strategy, for City of Melton
- Mildura Housing and Settlement Strategy, for Rural City of Mildura
- North Park Reserve, Swan Hill – Economic Impact Review of Proposed Rezoning, for Swan Hill Rural City Council
- Collins Street (St Albans) Redevelopment Feasibility Study – Economic Input, for Brimbank City Council
- Quarry Hills PSP – Activity Centre and Employment Analysis, Growth Areas Authority
- Wollert PSP – Activity Centre and Employment Analysis, Growth Areas Authority
- Yarra Ranges Activity Centre Network Strategy, for Shire of Yarra Ranges
- Horseshoe Bend Activity Centre Assessment, for private client
- Assessment of Economic Impact Associated with Reducing Development Levies in Mooroopna West, for Greater Shepparton Council
- Twin Rivers Land Use Plan, for East Gippsland Shire
- Hopkins Street Precinct, Footscray - Retail Economics Assessment, for Austpac Properties
- Leakes Road Rockbank Masterplan - Economic Input, for Mirvac and Jayaland
- Mount Penang Parklands - Economic Input to State Significant Site Study, for Central Coast Regional Development Corporation
- Batesford South, Geelong - Assessment of Future Land Use and Employment, for private client
- Assessment of Preferred Future Land Uses in Westminster Street Oakleigh, for private client
- Clyde North Submission to GAFP, for private client
- Retail Floorspace Forecasts for Regional Victoria, 2007-2030, for Department of Sustainability and Environment
- Retail Floorspace Forecasts for Metropolitan Melbourne, 2006-2030, for Department of Sustainability and Environment
- Moorabbin Airport Masterplan Review, for Moorabbin Airport Corporation
- Input to Fyans Street / West Fyans Street Structure Plan, for City of Geelong
- Input to Taylors Hill Structure Plan, for Shire of Melton
- Input to Melton North Structure Plan, for Shire of Melton
- Mooroolbark Urban Design Framework – Retail and Economic Considerations for the UDF, for Aspect
- St Albans Activity Centre – Economic Input to the Urban Design Framework, with David Lock Associates

*Residential, Retirement and Aged Care Assessments*

- Ballarat Eco-Village – Economic Assessment, for private client
- A Victorian Housing Solution – Market Analysis as Input Masterplan development & Urban Renewal of Fitzroy, Prahran and North Richmond Public Housing Estates, for Department of Human Services
- Pallara Retirement Village Market Assessment, for Stockland
- Farrington Grove Retirement Village Market Assessment, for Stockland
- Boral Quarry Residential Land Assessment, for Boral
- Selandra Rise Retirement Village Market Assessment, for Stockland
- Hillside Retirement Village Market Assessment – Update, for Stockland
- Woodend Davies Hill – Economic Analysis, for Villawood Properties
- Cape Paterson Eco Village Market and Impact Assessment, for PlannedFX
- Due Diligence for the Geelong TAFE Site, for VicUrban
- Infill Development Opportunities for Ballarat, for City of Ballarat
- Latrobe Residential and Rural Residential Land Assessment, For Latrobe
- Residential Mix Market Assessment, Cowes, for Kellehers
- Ventnor Residential Land Assessment, for Tomkinson
- Apollo Bay Residential Land Assessment, for J. Di Cecco & Associates Pty Ltd
- Arcare Knox – Aged Care Market Assessment, for Arcare Pty Ltd
- ARC/Stockland Victorian Retirement Village Research, for Stockland
- Gowanbrae Retirement Village Assessment, for Stockland
- South Morang Retirement Village Assessment, for Stockland
- Kawana Retirement Village Assessment, for Stockland
- Maitland Retirement Village Assessment, for Stockland
- Pemulwuy Retirement Village Assessment, for Stockland
- Campbelltown Retirement Village Assessment, for Stockland
- Maitland Retirement Village Assessment, for Stockland
- Rosebud West Retirement Village Assessment, for AMP Capital
- Penrith Retirement Village Assessment, for Stockland
- Craigieburn Retirement Village Assessment, for Stockland
- Shellharbour Retirement Village Assessment, for Stockland
- Baldivis Retirement Village Assessment, for Stockland
- Vincentia Residential Land and Retirement Village Assessment, for Stockland
- Cowes Retirement Village Market and Economic Impact Assessment, for AMP Capital
- Point Lonsdale Retirement Village Assessment, for Stockland
- Apollo Bay – Market Assessment for Potential Land Uses, for BCR
- Lyndhurst Aged Care and Accommodation Proposal, for Southern Cross Care
- Korumburra Assessment of Demand for Aged Care and Retirement Living, For Rossi Group Pty Ltd
- Leongatha Assessment of Demand for Aged Care and Retirement Living, For Rossi Group Pty Ltd

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| *Economic Development and Town Centre Assessments* | • Alexandrina Economic Development Strategy, for Alexandrina Council<br>• Echuca Commercial Strategy, for Campaspe Shire<br>• Swan Hill Retail Strategy 2014 – Strengthening Swan Hill's Retail Industry, for Swan Hill Rural City Council<br>• Horsham CAD Strategy, Rural City of Horsham<br>• Economic Impact of Crime in Frankston, for City of Frankston<br>• Economic Assessment of Crop2 Project Sunshine, for Brimbank City Council<br>• Coomera Town Centre Meeting Community Infrastructure Needs - Economic Assessment of Integrated Community Infrastructure, Suters Architects<br>• University Hill Town Centre - Retail Advice, for MAB<br>• Tamworth Economic Performance Report, 2008, 2009 and 2010, for Tamworth Regional Council<br>• Assessment of Sunshine Station Development Opportunities, for City of Brimbank<br>• Business and Industrial Zoned Land Requirements in Wallan, for Mitchell Shire Council<br>• South Gippsland Township Study – Economic Assessment of Future Requirements for Residential, Industrial and Commercial Zoned Land, for South Gippsland Shire<br>• Ballarat Economic Development Strategy, for City of Ballarat<br>• Metropolitan Fringe Strategic Planning Partnership Project - Growth Strategies, for DSE, Mitchell Shire and Baw Baw Shire<br>• Macedon Rural Land Study, Tourism and Urban Growth Assessment, for Macedon Ranges Shire, with RPD Group<br>• Mitchell Shire Economic Development and Planning Strategy, for the Shire of Mitchell<br>• Maribyrnong River Valley Business Development: Commercial Land Capacity and Forecast of Employment Opportunities, for Maribyrnong, Melbourne and Moonee Valley City Councils<br>• Moorabool Shire Economic Profile, for the Shire of Moorabool |
| *Tourism Assessments* | • Kinglake Resort – Market and Economic Impacts Assessment, for private client<br>• Korumburra Resort – Market and Economic Impacts Assessment, for private client<br>• Lorne Strategy Plan (Tourism and Economic aspects), for Surf Coast Shire and Maunsell<br>• Surfworld Museum – Tourism Benefit Assessment, for Surfworld Museum<br>• Surf Coast Shire – Economic Significance of Tourism - Update, for Surf Coast Shire<br>• Queenscliff Harbour Development, for Parks Victoria, with Egis |