Wallan South PSP and Wallan East (Part 1) PSP: Economic And Retail Assessment

Prepared for the Victorian Planning Authority and Mitchell Shire Council

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Contents

EXECUTIVE SUMMARY

This report provides an economic and retail assessment of the Wallan South PSP area and Wallan East (Part 1) PSP area. These areas are sub-areas of Wallan and the broader Mitchell urban growth corridor.

The economic assessment has been prepared to inform the development of a planning framework for the PSP areas, which is to be incorporated into the Mitchell Planning Scheme.

Wallan as a whole is expected to achieve 19,800 dwellings and 61,300 residents at full development[1]. This population is expected to support approximately 115,700 sqm of retail floorspace in the town (across all centres), 34,700 sqm of office floorspace, 51 ha of industrial land development and a range of community facilities including higher order health and education facilities.

Wallan Town Centre, Wallara Waters and the Wallan South Employment Precinct are expected to accommodate higher order economic uses in the future.

Within this context, Wallan South comprises 806 gross hectares and is expected to have a residential focus with 7,000 dwellings and 21,800 residents at full development.

Wallan East (Part 1) comprises 140 gross hectares and is expected to support 2,250 dwellings and 7,000 residents at full development.

The two PSP areas are expected to perform local and neighbourhood activity centre roles within the broader activity centre hierarchy.

Wallan South also has an opportunity to establish an employment precinct that can support the higher-order role of Wallan Town Centre and serve the wider region.

The recommended economic plan for the PSP areas is summarised as follows:

- Wallan South:
  - 1 x Neighbourhood activity centre
  - 2 to 3 x Local convenience centres (and potentially other local shop nodes)
  - 1 x Employment precinct (with commercial, health, education, showroom, bulky goods and service industry uses)
- Wallan East (Part 1):
  - 1 x Local convenience centre.

The potential spatial composition of these economic elements is shown in the figure below and described in more detail in the recommendations section of this report.

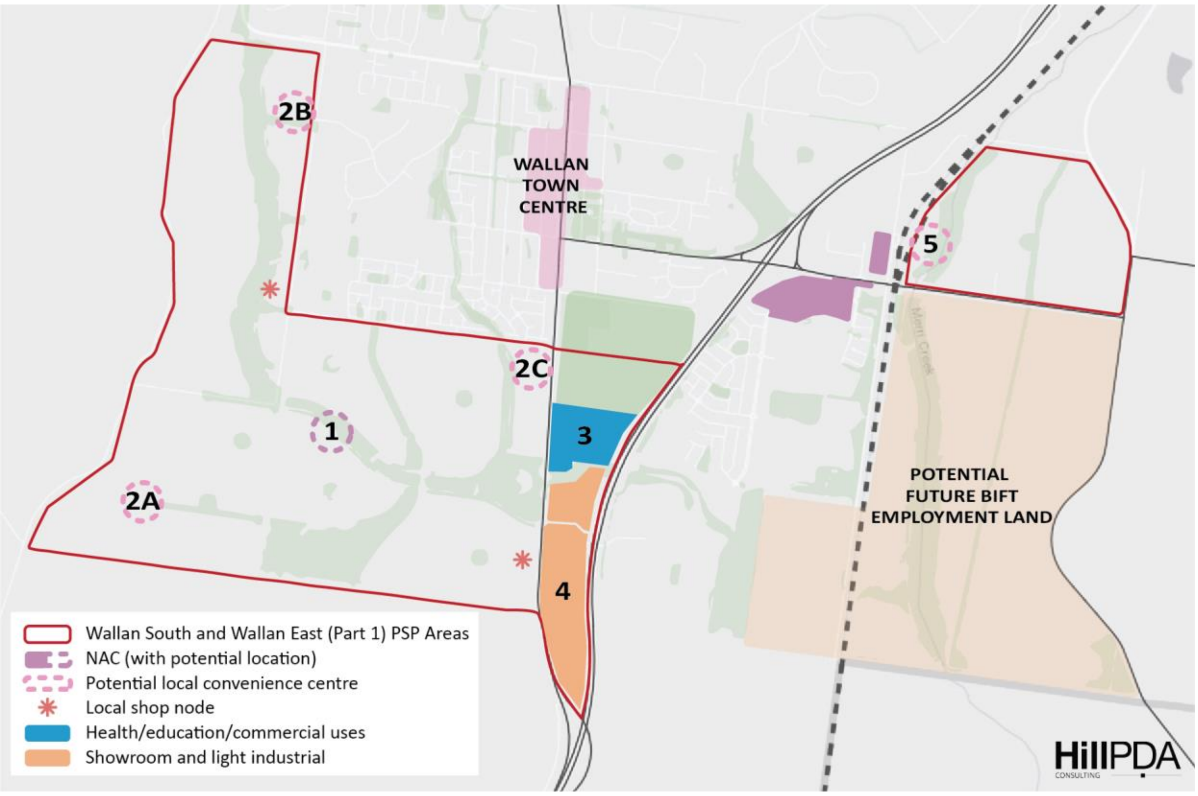
[1] Note that land known as Wallan East (Part 2), which is 120 gross hectares of land south of Wallan-Whittlesea Road, is being investigated for potential future residential use. The findings of this report may require updating following confirmation of the future direction for that area.

The PSP areas could support in the order of 4,000 jobs at full development. This would be a significant contribution to meeting the job and service needs of the local population.

Summary of Recommended Economic Elements for Wallan South and Wallan East (Part 1) PSP Areas

Economic Element	Land Area (ha)	Floorspace (All Types) (sqm)	Jobs
1: Neighbourhood Activity Centre, Wallan South	3.0	12,000	350
2a: Local Convenience Centre, Wallan South	0.8	3,200	100
2b: Local Convenience Centre, Wallan South	0.8	3,200	100
2c: Local Convenience Centre, Wallan South	0.8	3,200	100
3&4: Wallan South Employment Precinct	53.0	204,200	3,230
5: Local Convenience Centre, Wallan East	1.4	5,600	140
Total for PSP Areas	**59.8**	**231,400**	**4,020**

Wallan South PSP and Wallan East (Part 1) PSP Economic Directions



1.0 INTRODUCTION

1.1 Project Purpose

This report provides an economic and retail assessment of the Wallan South PSP and Wallan East (Part 1) PSP. The economic assessment has been prepared to inform the development of a planning framework for the study area, which is to be incorporated into the Mitchell Planning Scheme.

The economic structure in the region has been established at a high level by Growth Corridor Plans - Managing Melbourne's Growth (Growth Areas Authority, June 2012). The Northern Growth Corridor Plan nominates two major activity centres at Wallan and Beveridge to service a projected population of 70,000 residents north of the Outer Metropolitan Ring Road by 2026 and 145,000 residents by 2046. An activity centre structure and future industrial (employment) areas are also nominated for the region.

As such, a comprehensive and diverse economic and employment plan is required to be established for the area.

1.2 Project Scope

This report addresses the following matters summarised from the project brief:

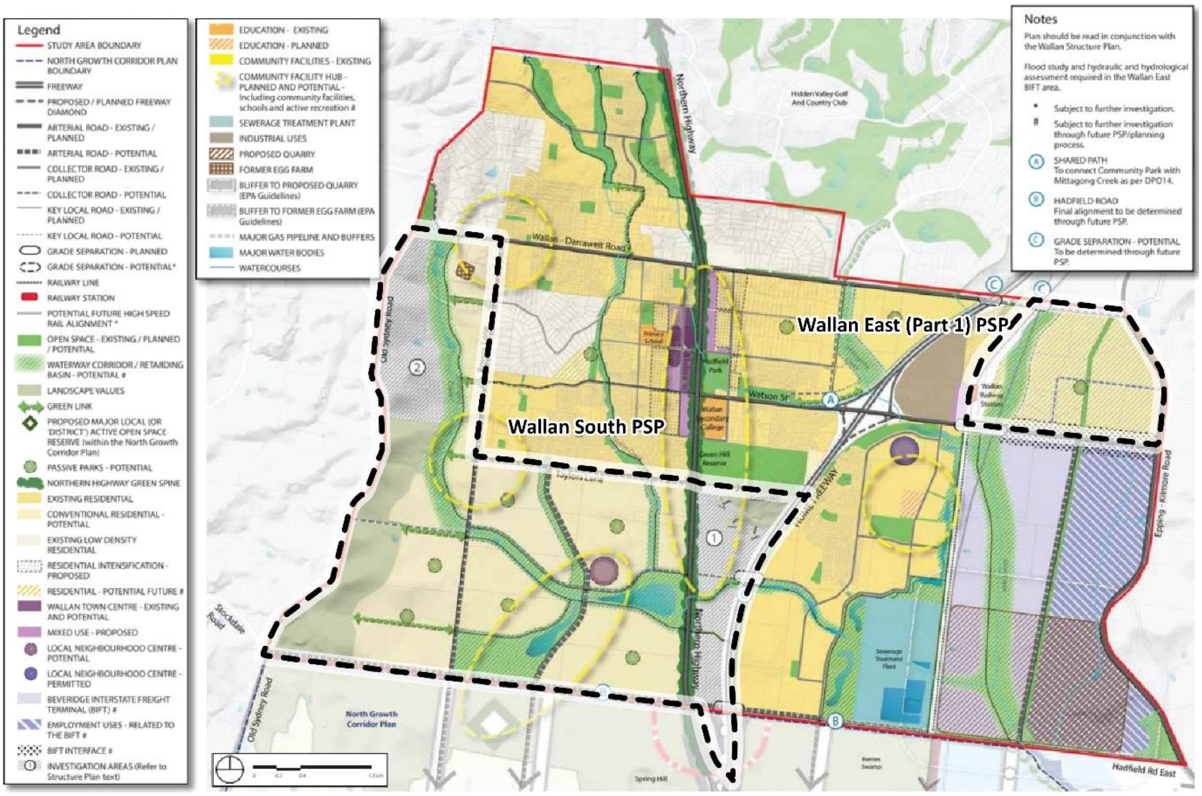
- *Review activity centre requirements within the context of the Northern Growth Corridor and Wallan South and Wallan East (Part 1) PSPs.*
- *Provide advice on the potential for employment land within the PSP, with particular attention to the need and likely employment land composition for the land between the Hume Freeway and Northern Highway and in particular opportunities to realise a range of employment land uses in this area, including.*
  - *Office / branch office functions (i.e. Business Park)*
  - *Health Care (possibly with a sports / health link in view of the adjacent and to be expanded Greenhill Rec Reserve)*
  - *Creative Economy jobs*
  - *Light industrial / maker-space type employment*
  - *Possibly Education and training.*

1.3 Study Area

The study area is shown in Figure 1 below. Wallan South comprises 806 hectares and is expected to have a residential focus and be supported by associated services and facilities. Wallan East (Part 1) comprises 140 hectares and is expected to support and complement the existing Wallan township.

Note that land known as Wallan East (Part 2) is being investigated for potential future residential use. The findings of this report may require updating following confirmation of the future direction for that area.

Figure 1: Study Area



Source: Based on Mitchell Shire Council and Victorian Planning Authority planning

1.4 Report Structure

This report is structured as follows.

- Section 1 Introduction
- Section 2 Policy and Strategy Review
- Section 3 Dwellings and Population
- Section 4 Economic and Social Context Review
- Section 5 Retail and Activity Centre Analysis
- Section 6 Commercial Office Possibilities
- Section 7 Community Services
- Section 8 Industrial Market Analysis and Projections
- Section 9 PSP Economic Recommendations.

2.0 POLICY AND STRATEGY REVIEW

2.1 Overview

This section provides a summary of documents related to economic development, activity centres and employment land in the region. The documents are:

- Plan Melbourne 2017-2050 (Department of Environment, Land, Water and Planning, 2017)
- North Growth Corridor Plan (Growth Areas Authority, 2012)
- Melbourne Industrial and Commercial Land Use Plan (Department of Environment, Land, Water and Planning, 2020)
- Precinct Structure Planning Guidelines: New Communities in Victoria (Victorian Planning Authority, October 2021)
- Mitchell Planning Scheme
- Wallan Structure Plan (Mitchell Shire Council, 2016)
- Wallan Structure Plan and Infrastructure Coordination Plan: Activity Centre and Employment Study (Charter Keck Cramer, 2014)
- Broadford Industrial and Employment Study (Urban Enterprise, 2020).

2.2 Plan Melbourne 2017-2050

Plan Melbourne is Melbourne's metropolitan planning strategy. It establishes high level directions for housing, employment and infrastructure development to 2050.

A key feature of Plan Melbourne is to ensure communities have access to services and jobs in their local area, which is summarised under the theme '20-minute neighbourhoods', whereby most community needs can be accessed within a 20 minute trip.

Land use and infrastructure directions of relevance to Wallan are as follows.

- **Activity centre hierarchy** - Wallan is identified as a future Major Activity Centre. Beveridge is designated as a future Major Activity Centre and Lockerbie is designated as a future Metropolitan Activity Centre. The activity centres will be subject to precinct-based structure planning and the timeframe of development will coincide with housing and infrastructure development.
- **Interstate freight terminal** - An intermodal transport hub will be developed in the Northern Growth Area, now known as the Beveridge Intermodal Freight Terminal (BIFT). It is proposed to span from Beveridge up to the southern boundary of Wallan East (Part 1) and adjacent to Wallan South. This development would act as a significant hub for a range of industrial and logistics businesses close to Wallan.
- **Outer Metropolitan Ring and Rail Corridor** - A potential outer ring road is proposed connecting Werribee to the Beveridge Intermodal Freight Terminal, and southeast to

Epping and Box Hill. The proposed corridor connects with the BIFT and opens the opportunity to carry passenger rail as an extension of the Melbourne Airport Rail Link.

- **State-significant industrial precincts** - This is strategically located land available for major industrial development linked to the Principal Freight Network and transport gateways. The Northern Industrial Precinct spans from Thomastown, Broadmeadows to Somerton and Epping, reaching 20km south of Wallan.

The centres hierarchy established in Plan Melbourne is as follows:

- **Neighbourhood Activity Centres** - Local centres that provide access to local goods, services and employment opportunities and serve the needs of the surrounding community.
- **Major Activity Centres** - Suburban centres that provide access to a wide range of goods and services. They have different attributes and provide different functions, with some serving larger subregional catchments. Plan Melbourne identifies 121 major activity centres.
- **Metropolitan Activity Centres** - Higher-order centres with diverse employment options, services and housing stock, supported by good transport connections. Existing centres include Box Hill, Broadmeadows, Dandenong, Epping, Footscray, Fountain Gate/Narre Warren, Frankston, Ringwood and Sunshine. Future centres will include Lockerbie and Toolern.

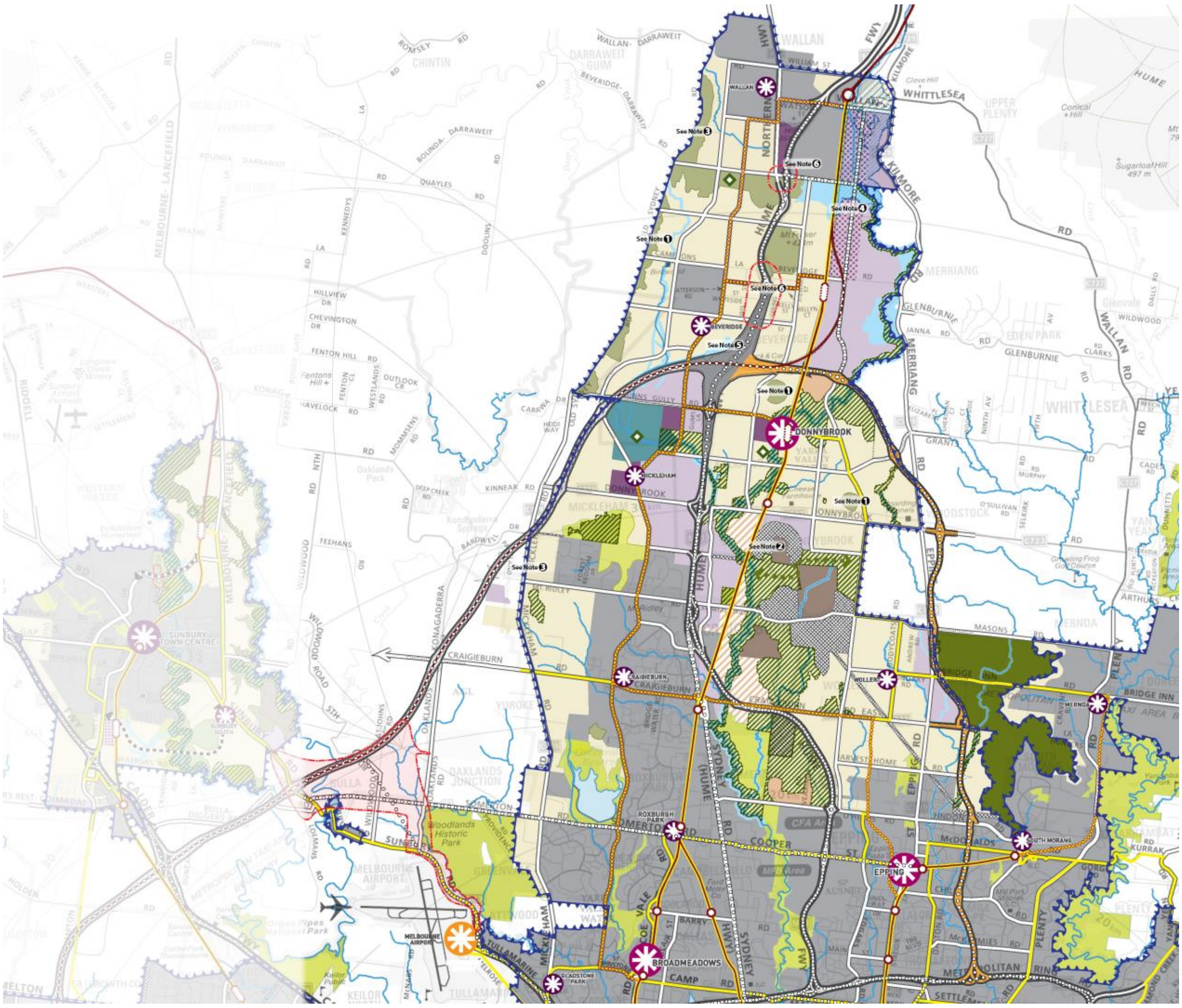
The Wallan PSPs could support neighbourhood activity centres as proposed in the Wallan Structure Plan (Mitchell Shire Council). The scale of proposed neighbourhood centres in Wallan South and Wallan East (Part 1) is assessed in this report.

2.3 North Growth Corridor Plan

This plan has been updated by Plan Melbourne and will be updated by the Wallan South and Wallan East (Part 1) Structure Plan. Wallan was excluded from the Growth Corridor Plan given that it was located outside the Urban Growth Boundary (UGB) at the time of its publication. In 2012 the State Government approved an additional 6,000 hectares (approximate) of land to extend the UGB to include areas considered 'logical inclusions' to the UGB by an Independent Advisory Committee. Therefore, soon after this plan was released, Wallan was re-designated as a 'logical inclusion' area. Mitchell Shire Council's Wallan Structure Plan provides a strategic response to this plan by providing more defined land use priorities and infrastructure planning.

The revised North Growth Corridor Plan is shown in Figure 2 below.

Figure 2: Study Area Context



Source: Victorian Planning Authority

2.4 Melbourne Industrial and Commercial Land Use Plan (DELWP, 2020)

Wallan is located in the Northern Region of metropolitan Melbourne, although it is not currently classified within the Northern State-Significant Industrial Precinct (SSIP).

Table 1: Industrial Land in Melbourne's North

Region	Occupied zoned land (ha)	Vacant zoned land (ha)	Future unzoned land (ha)	Total vacant zoned and unzoned land supply (ha)
Northern Region	3,718.6	1,241.2	2,866.9	4,108.1
Northern SSIP	2,400.7	978.2	2,393.7	3,371.9
Total Melbourne	19,843.2	6,562.5	6,931.7	13,494.2

Source: Urban Development Program

This data suggests that the Northern Region currently supports 19% of occupied industrial land in Greater Melbourne, however it will supply 30% of Melbourne's industrial land in the future. Most of the planned industrial land (82%) in the Northern Region will be located within the Northern SSIP.

The hierarchy of industrial precincts are classified as follows.

- **State-significant industrial precincts** - These are identified as providing strategically located land for major industrial development linked to the Principal Freight Network and transport gateways. It is state policy that these areas are to be protected from incompatible land uses to allow continual growth in freight, logistics and manufacturing investment.
- **Regionally-significant industrial precincts** - These are key industrial areas that contribute significantly to local and regional economies. Some of these areas are well established and support a range of industrial uses while others are transitioning and supporting new uses. They include future employment areas identified through Growth Corridor Plans. These areas need to be planned for and retained either as key industrial areas or locations that can transition to a broader range of employment opportunities.
- **Local industrial precincts** - If an area is not identified as being of state or regional significance, then it is of local significance. Councils are best placed to determine how these industrial areas are to be planned and developed. This could include identifying when industrial land should be retained, when it could transition to other employment generating uses, or if it is no longer required.

Wallan's industrial area currently performs a local function that accommodates population-servicing businesses such as service industry, regional storage, small-scale manufacturing, bulky goods and other such uses. However, proximity to the Beveridge Intermodal Freight Terminal could facilitate more intensive and higher-order industrial businesses and uses and elevate the area as being regionally significant.

2.5 Precinct Structure Planning Guidelines: New Communities in Victoria

The precinct structure planning guidelines provide detail on how planning is to be performed and the targets that are to be achieved in planning for new communities. The guidelines provide detail regarding the 20-minute neighbourhood concept.

From an economic perspective, guidance is provided for delivering services and jobs close to where people live and for connecting people to multiple transport modes and networks.

Facilitating thriving local economies via a network of well-designed and located activity centres is a key element of the guidelines.

Planning for activity centres should ensure centres are "economically viable, vibrant places, with a high intensity and variety of public, semi-public and private land uses to ensure they remain the social and economic heart for the community they serve". Planning should also ensure "adaptability to accommodate new industry sectors and community needs that arise from changes in the economy, climate change and social demographics".

The following targets relate to economic planning:

- The PSP should facilitate increased densities with an average of 20 dwellings or more per net developable hectare across the entire PSP area.
- The PSP should facilitate increased densities with an average of 30 dwellings or more per net developable hectare within 400m walkable catchment of an activity centre or train station and 50m of open space and major public transport routes.
- The provision of land for local employment and economic activity should be capable of accommodating the minimum job density target of one job per dwelling located within the wider growth corridor.
- 80-90% of dwellings should be located within 800m of an activity centre.
- The location of dwellings should achieve accessibility in relation to education and community facilities (see the guidelines for the metrics noted).

The implications for the Wallan PSPs are that a network of well-designed and located neighbourhood centres, local convenience centres and other employment zones is required to be planned and delivered, integrated with housing areas, transport systems and open space.

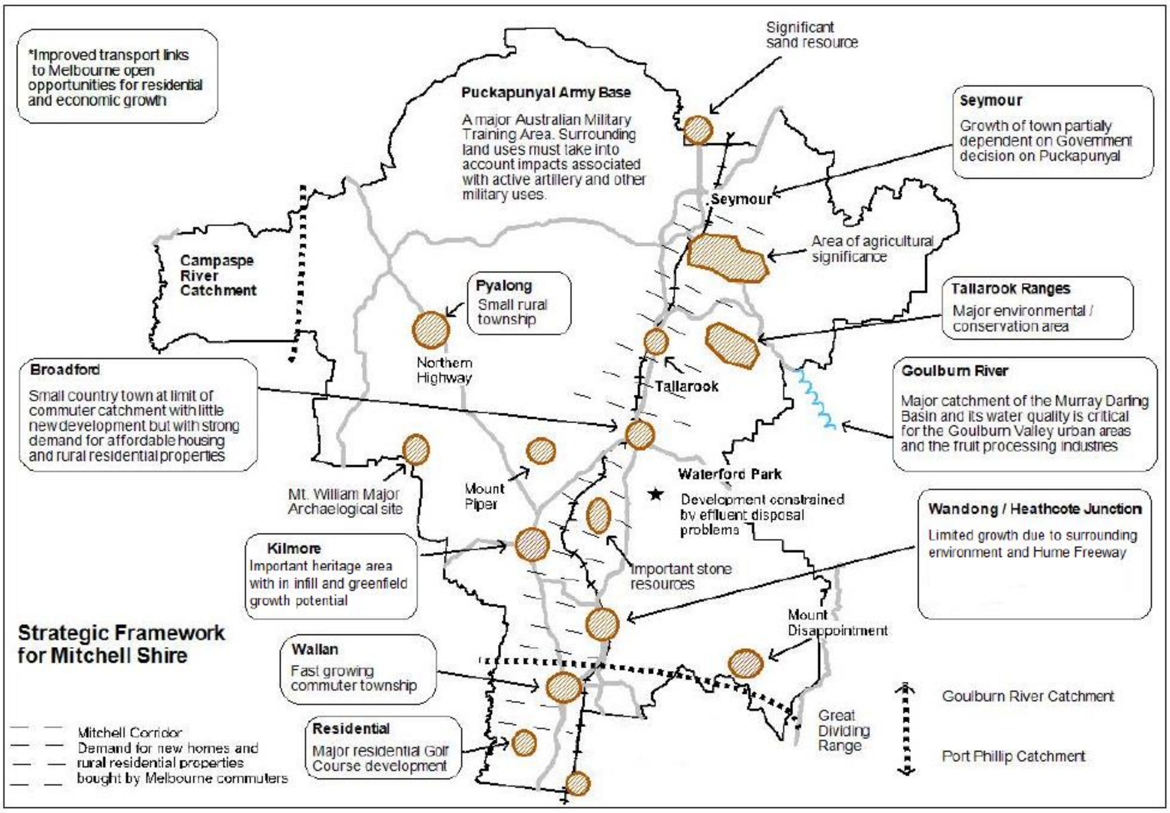
2.6 Planning Scheme Context

Figure 3 below shows Wallan in a municipal context. Wallan is located south of the Great Dividing Range and is noted as a fast-growing commuter township.

The Shire is made up of a network of townships that converge into Wallan via both the Hume Freeway and Northern Highway. The Melbourne-Sydney train line is another strategic infrastructure asset that connects Wallan to Melbourne and regional centres to the north.

This framework presents Wallan with an opportunity to be the first intervening opportunity for consumers from townships north of the Great Dividing Range that travel south for higher order retail and other services.

Figure 3: Strategic Framework Plan



Source: Mitchell Planning Scheme

2.7 Wallan Structure Plan

The Wallan Structure Plan was prepared by Mitchell Shire Council, Capire and Tract Consulting. It was released in March 2015 and modified for planning scheme amendment C108 in December 2015. The plan identified six priority projects that will lead the implementation of the structure plan. The six priority projects are:

- Endorsement and Immediate Priorities (passing planning scheme amendment)
- Town Centre Master Plan and Urban Design Framework
- Wallan South Precinct Structure Plan
- Greenhill Reserve Master Plan
- Master Plan for Hadfield Park
- Train Station Precinct Master Plan.

A direction for the Wallan South PSP is that there is a need to plan for a range of retail offerings beyond the core Wallan retail area along with other possible community uses, and there is a need for this PSP to be completed as a priority to complement the Town Centre Master Plan.

Wallan South

As shown in Figure 1 (shown previously), most of Wallan South is identified as 'conventional residential - potential.' This provides direction for dwellings as the basis for development along with associated local activity centres and community facilities. There may be potential for a local neighbourhood centre to be located in Wallan South.

The land along Old Sydney Road between Northern Highway and the Hume Freeway is identified as 'investigation areas'. There is no clear direction for land use for this area; it is understood there are access and servicing constraints associated with developing this area and as such this area will be assessed in the Wallan South PSP process.

For the investigation area between Northern Highway and the Hume Freeway, the following should be considered through the PSP process:

- The mix, layout and location of land uses
- The provision of bulky goods retail
- Interface with Hume Freeway
- Potential for crossing locations over the Hume Freeway
- The extent of bulky goods retail land that is proposed and its interface to Northern Highway
- The Northern Highway interface and treatment of the southern gateway into Wallan
- Access arrangements onto Northern Highway.

Wallan East (Part 1)

Most of Wallan East (Part 1) is identified as *'residential - potential future (subject to further investigation through future PSP/planning process)'*. For the proposed growth areas identified as Wallan East, the following should be considered through the PSP process:

- The layout of the BIFT and associated buffers
- The timing of the BIFT and interim uses to be provided prior to the BIFT
- The provision, location and layout of employment uses
- Land uses to the north of Wallan-Whittlesea Road
- Detailed planning around the Wallan Railway Station
- The impacts of the proposed Quarry on the BIFT
- The alignment of the potential high speed rail network which runs east of the existing railway line
- The impacts of future grade separation of the rail line and Wallan-Whittlesea Road
- The implications of the high pressure gas pipeline on future development
- Flooding management across the area including the need for detailed hydraulic and hydro-logic assessment
- Pedestrian access to the railway station and to the future town centre at Wallara Waters
- Width, treatment and interface with the Merri Creek corridor.

Wallan Town Centre

The Wallan Town Centre is designated as a major activity centre in the Wallan area. The approach is to pursue higher order commercial floorspace and facilities within the Wallan Town Centre while potential centres in Wallan South and Wallan East (Part 1) could support smaller, local-servicing uses. There is expected to be 9,000 sqm demand for office space in the Wallan Town Centre to 2046.

Industrial Land

The Wallan Structure Plan's position on industrial land supply in the Wallan area is as follows:

- Wallan is currently serviced by an industrial precinct located immediately north of Watson Street and east of the Hume Freeway. The precinct currently has 32 ha of industrial land. Approximately 10% (3 ha) of this land is developed with light industrial uses that serve local residents and accommodate some rural suppliers.
- Wallan's future industrial role (outside of the proposed Beveridge Intermodal Freight Terminal) is likely to primarily service residents within the study area and surrounding regional districts.
- Opportunities exist to ensure the existing industrial area is developed in a way that creates an attractive destination for businesses and a highly accessible, high amenity location for workers.

2.8 Wallan Structure Plan and Infrastructure Coordination Plan: Activity Centre and Employment Study

Charter Keck Cramer produced this report for Mitchell Shire Council to support strategic planning for Wallan. The study suggests maintaining the state government's activity centre hierarchy and growing service industries in Wallan. Specific recommendations follow.

- Activity centres in Wallan are likely to support neighbourhood retail. The report states that land should be set aside for larger format retailers given the potential for bulky goods sector to evolve.
- The growing population would be sufficient to support additional supermarkets. Priority should be given to the Wallan Town Centre however there will be opportunity for several local activity centres anchored by supermarkets.
- Industrial employment within sectors such as transport and logistics will continue to be focused upon the designated industrial nodes such as the BIFT.
- Locally focused activities such as construction and building services, repairs and maintenance, small-scale transport services and industrial services offer opportunities for local employment within Wallan.
- The services sector will play an increasing role in providing local employment opportunities, which is consistent with the increase in the proportion of residents working in the sector across the northern region.

- Consideration may be given to providing a nominal amount of industrial land east of the Hume Freeway where businesses may better service local residents. Approximately 2 ha of such land would be considered appropriate.
- Total projected demand for office space across both private and public sectors is estimated to be approximately 13,000 sqm to 26,900 sqm by 2046 based on low and high estimates.
- Opportunity also exists for services such as health and education to encourage local employment.

2.9 Broadford Industrial and Employment Study

Mitchell Shire Council engaged Urban Enterprise to prepare an economic assessment of the need for employment land to assist with the preparation of the Broadford Structure Plan. Broadford is located 40km north of Wallan. There is a total of approximately 109 ha of land in the Industrial 1 Zone in the town spread across six precincts.

The report identified that there is no capacity for additional industrial land in Broadford under current planning controls and recommends expansion of industrial land supply in the town to meet future needs.

With respect to Wallan, the report found that existing industrial land is limited, with little zoned and vacant land available.

The land in Wallan East Part 2 PSP is a long term proposition and has some environmental challenges and encumbrances. Larger, strategically located land parcels are in demand in the north of Melbourne, and proposed future industrial land near the BIFT could support these uses in the future.

2.10 Summary

The key takeaways from this section are:

- Wallan is a peri-urban town that is well connected to rural townships to the north by two major road links (Hume Freeway and Northern Highway) and the Melbourne-Sydney train line. The town also forms part of the northern urban growth corridor of Melbourne.
- High levels of growth in activity centres, commercial and industrial activities is expected in Wallan and surrounds over the next 20 years.
- Wallan is planned to perform a Major Activity Centre role and be supported by a network of Neighbourhood Activity Centres, including at least one in Wallan South, and local convenience centres.
- Industrial and related commercial uses in Wallan are relatively limited at the current time but these sectors are expected to grow in line with town and broader regional growth. Opportunities include service industry and commercial uses on land between the Northern Highway and Hume Freeway in Wallan South and investment associated with the proposed Beveridge Intermodal Freight Hub.

3.0 DWELLINGS AND POPULATION

3.1 Dwellings and Population to 2041

The following two tables provide population and dwelling projections for Wallan and Mitchell Shire. These forecasts suggest Wallan will achieve approximately 49,900 residents by 2041 and the Shire will reach approximately 170,900 residents at that time.

Table 2: Population and Dwellings, Wallan, 2016-2041

Wallan	2016	2021	2026	2031	2036	2041	Change 2021-2041 (no. and %pa)	
Population	11,461	14,473	21,484	30,726	39,900	48,890	34,417	6.28%
Dwellings	4,026	5,028	7,489	10,770	14,043	17,278	12,250	6.37%

Source: Forecast ID May 2020 on Mitchell Shire Council website

Table 3: Population and Dwellings, Mitchell Shire, 2016-2041

Mitchell Shire	2016	2021	2026	2031	2036	2041	Change 2021-2041 (no. and %pa)	
Population	41,797	48,969	67,777	95,372	130,631	170,830	121,861	6.45%
Dwellings	16,385	19,060	25,515	34,808	46,653	60,283	41,223	5.93%

Source: Forecast ID May 2020 on Mitchell Shire Council website

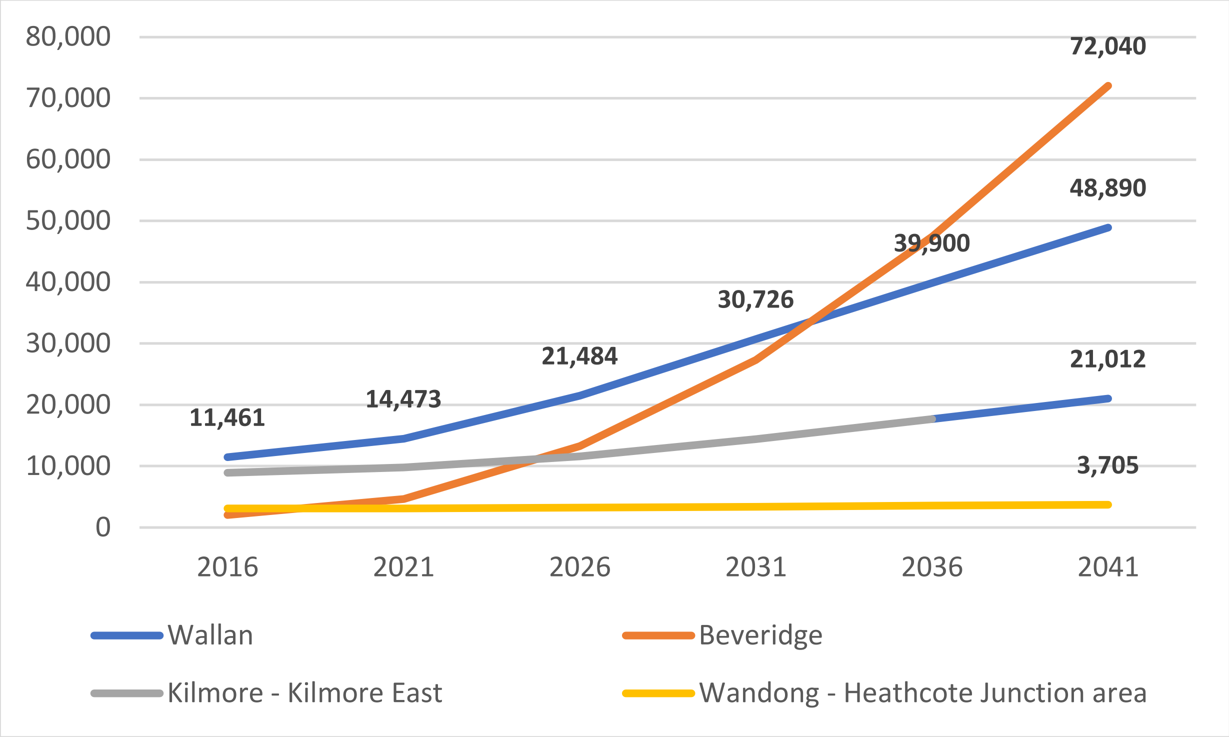
Figure 4 below shows population projections for Wallan along with selected other areas within the Shire.

Over the next 20 years, Wallan is expected to experience a high level of population growth at rate of 6.3% per annum from 2021.

Wallan is expected to maintain the largest population in the region until the early 2030s, where it will be overtaken by Beveridge. Beveridge is expected to grow its population from 4,700 in 2021 to 72,100 in 2041, at a rate of 14.7% per annum.

Areas within Mitchell to the north west and north east of Wallan are not expected to experience moderate growth over the coming decades.

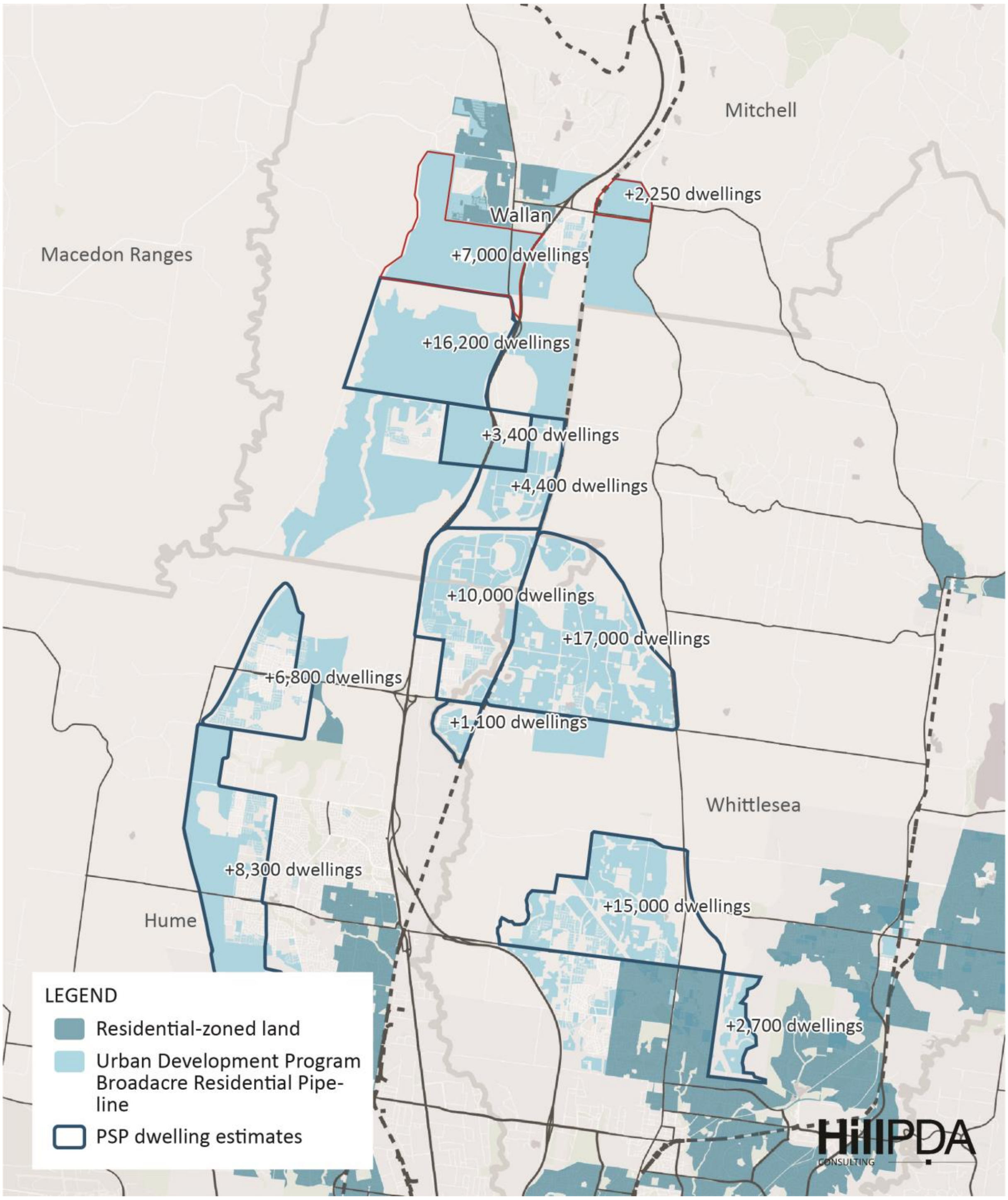
Figure 4: Population Growth, Selected Areas, 2016-2041



Source: Forecast ID May 2020 on Mitchell Shire Council website

The following map shows PSPs in progress in the broader growth corridor context based on Urban Development Program data.

Figure 5: Residential Development Areas in Norther Growth Corridor



Source: VicPlan Zoning 2020; DELWP Urban Development Program 2018; Victorian Planning Authority PSPs

3.2 Full Development of Wallan and PSP Areas

The table below provides an estimate of land area and potential dwelling yield and population yield in the PSP areas and in Wallan as a whole. This is based on data supplied by the VPA and Mitchell Shire Council. Note that depending on the final location of the BIFT, additional development areas in Wallan East (Part 2) may increase the population projected at full development.

Nevertheless, the current available data suggests:

- Wallan as a whole is expected to achieve 19,800 dwellings and 61,300 residents at full development
- Wallan South is expected to achieve 7,000 dwellings and 21,700 residents at full development
- Wallan East (Part 1) is expected to achieve 2,250 dwellings and 7,000 residents at full development.

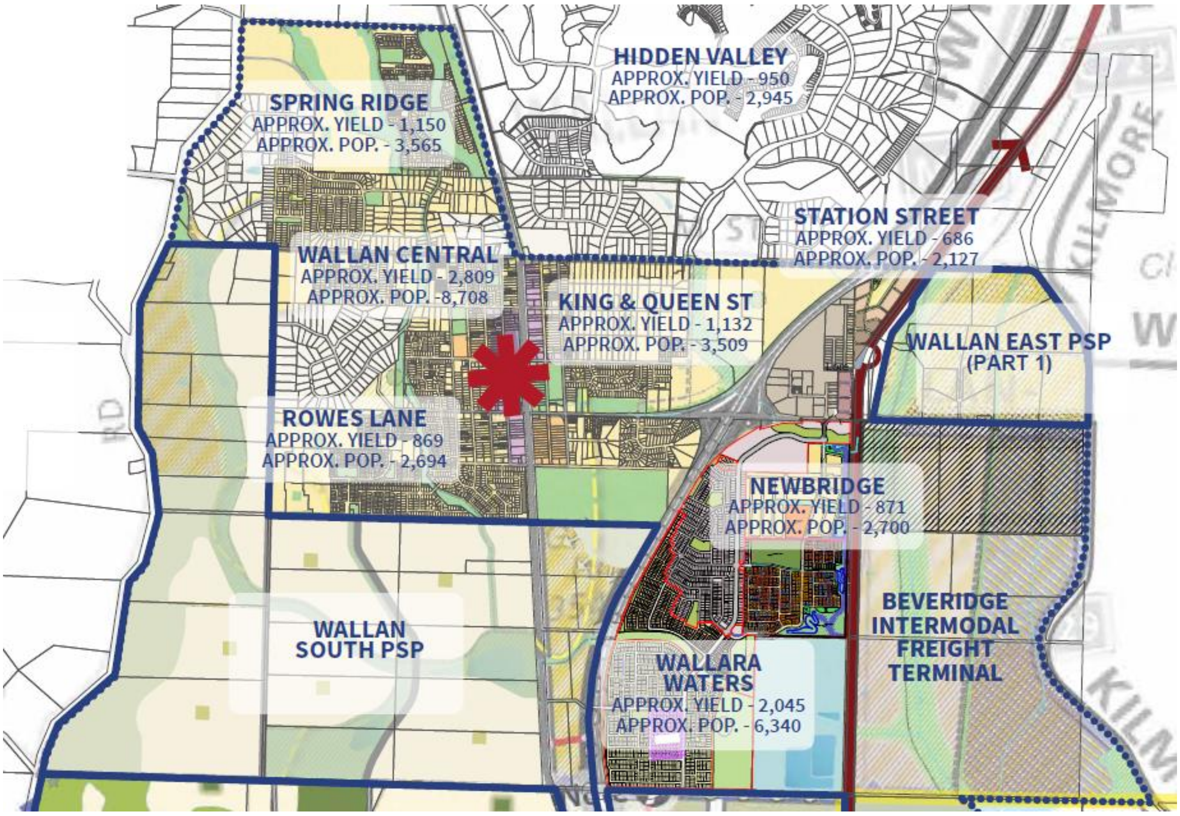
The development areas are shown in Figure 6 below.

Table 4: Dwellings and Population at Full Development (estimate as at May 2022)

Area	Net Developable Area (Ha)	Dwellings / Ha	Dwelling Yield	Projected Population (3.1 PPD)
Wallan South PSP - Residential	303	23.1	7,003	21,709
Wallan South PSP - Employment	53	-	-	-
Wallan East PSP	90	25.0	2,250	6,975
Established + Developing Wallan	n.a.	n.a.	10,462	32,588
Total Residential	**n.a.**	**n.a.**	**19,715**	**61,272**

Source: Victorian Planning Authority and Mitchell Shire Council, August 2020 and May 2022

Figure 6: Development Areas in Wallan



Source: Mitchell Shire Council, 2020

3.3 Summary

The key takeaways from this section are:

- Wallan as a whole is expected to achieve 19,800 dwellings and 61,300 residents at full development
- Depending on the final location of the BIFT, additional development areas in Wallan East (Part 2) may increase the population projected at full development
- Wallan South is expected to achieve 7,000 dwellings and 21,700 residents at full development
- Wallan East (Part 1) is expected to achieve 2,250 dwellings and 7,000 residents at full development.

4.0 ECONOMIC AND SOCIAL CONTEXT REVIEW

4.1 Overview

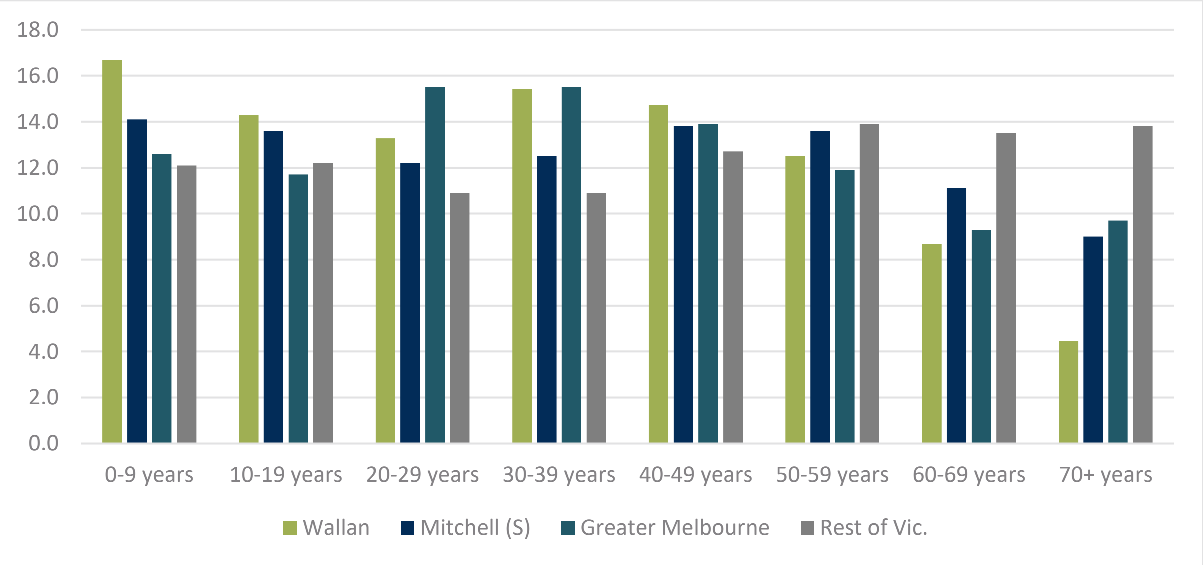
This section provides an economic and demographic context review to set the scene for development projections. The section includes an assessment of economic, population, household and labour force conditions in the area benchmarked to comparison areas.

4.2 Age Profile

The following demographic data is based on the Wallan suburb statistical area using 2016 Census data.

Wallan has a higher concentration of its population among age groups under 50, relative to the Mitchell Shire and Regional Victoria. This greater concentration is most significant among 0-10- and 30-39-year age groups, due to the greater prevalence of young families. Wallan has a lower median age than Mitchell Shire and the rest of Regional Victoria.

Figure 7: Age Breakdown



Source: ABS Census 2016

Table 5: Median Age

	Wallan	Mitchell Shire	Regional Victoria	Metropolitan Melbourne
Median Age	33	37	43	36

Source: ABS Census 2016

4.3 Household Composition

Wallan's household composition profile shows a greater presence of couples with children relative to Mitchell Shire, Regional Victoria, and Greater Melbourne. Owner-occupiers make up 66.1% of households.

Table 6: Household Composition

Household Type	Wallan	Mitchell Shire	Regional Victoria	Greater Melbourne
Couple family with no children	21%	22%	22%	20%
Couple family with children	37%	29%	21%	29%
One parent family	11%	10%	8%	9%
Lone person household	13%	18%	23%	20%
Group household	2%	2%	2%	4%
Other	16%	18%	24%	17%

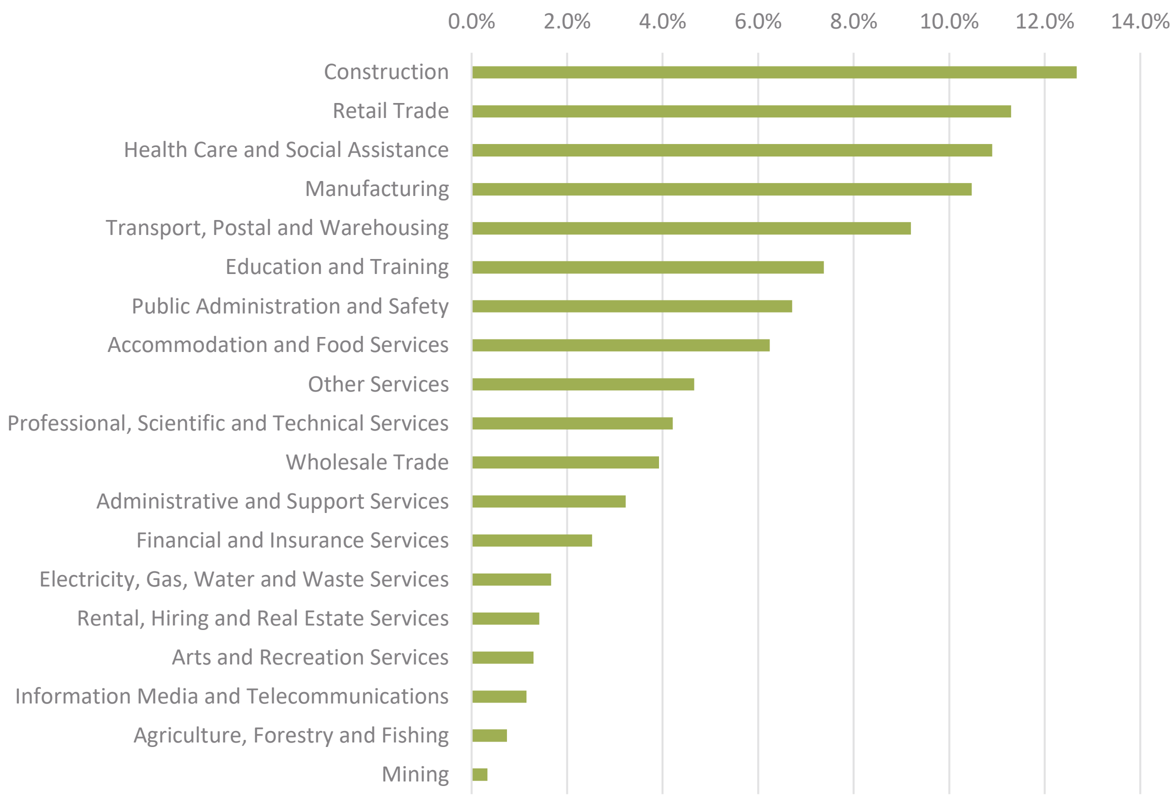
Source: ABS Census 2016

4.4 Workforce

The figure below captures the skills of the Wallan workforce by industry of employment. A large portion of the workforce are employed in vocational and trade-based sectors, with the largest share in Construction, Health and Retail industry sectors. These are largely population-driven sectors.

As the population increases and the growth areas reach maturity, the workforce industry shares are expected to become more diverse, broadening the skillset of the population.

Figure 8: Industry of Employment - Wallan Residents



Source: ABS Census 2016

4.5 Income

Wallan's personal and household income levels are above that of the Mitchell Shire, Regional Victoria, and Greater Melbourne. This may reflect that households establishing in the area have a job and select the area as a place to purchase a home.

Table 7: Median Weekly Income Levels

	Wallan	Mitchell Shire	Regional Victoria	Greater Melbourne
Personal	$710	$648	$576	$673
Household	$1,592	$1,391	$1,124	$1,542

Source: ABS Census 2016

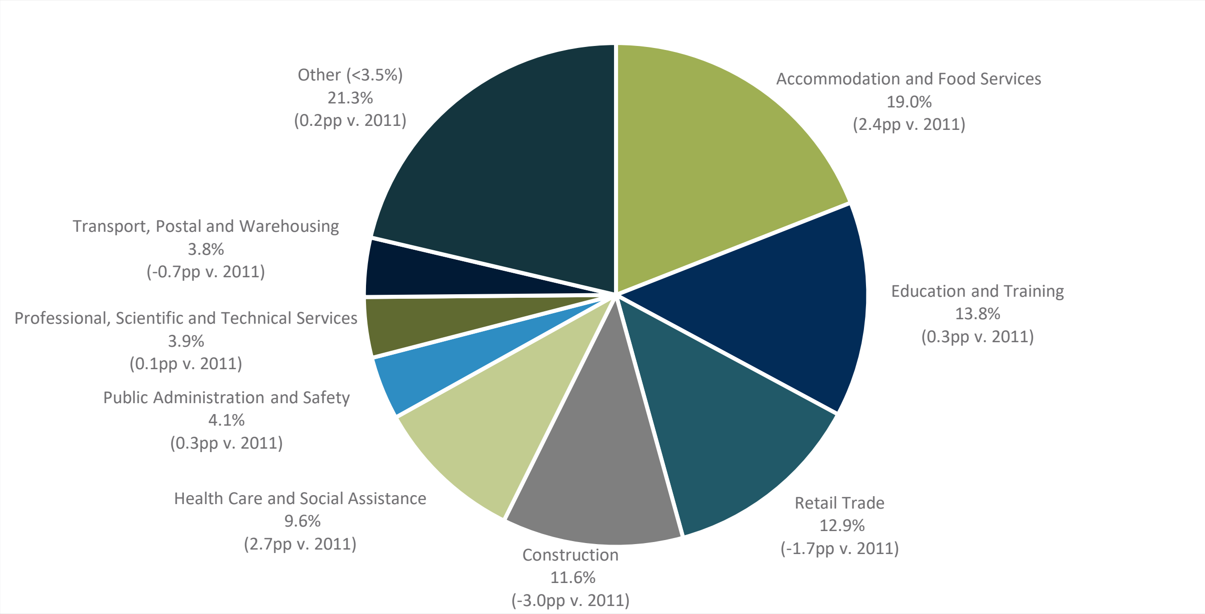
4.6 Employment

The following sub-sections are based on Place-of-Work data for Wallan SA2 statistical area. This data counts jobs located in the area and is therefore representative of the size and structure of the local economy.

Over the five-year period between 2011 and 2016, the number jobs within Wallan grew by 585 jobs (6.2% per annum), from 1,679 to 2,264.

The figure below illustrates the industry profile of the Wallan data area as indicated by 2016 Census data.

Figure 9: Wallan Industry Composition



Source: Census 2016/11, ABS.

Table 8: Jobs in Wallan, 2011 and 2016

Sector	2016	2011	Change 2011-2016	Change Per Annum
Accommodation and Food Services	431	280	151	9.0%
Education and Training	313	227	86	6.6%
Retail Trade	291	244	47	3.6%
Construction	263	246	17	1.3%
Health Care and Social Assistance	217	116	101	13.3%
Public Administration and Safety	92	63	29	7.9%
Professional, Scientific and Technical Services	88	64	24	6.6%
Transport, Postal and Warehousing	86	75	11	2.8%
Other	483	354	129	6.4%
Total	**2,264**	**1,679**	**585**	**6.2%**

Source: Census 2016/11, ABS.

The industry sectors contributing most to the growth in the data period shown were Accommodation and Food Services (+151 jobs), Health Care and Social Assistance (+101 jobs) and Education and Training (+86 jobs).

Between census periods, the industry sectors exhibiting the largest growth in employment share were Healthcare and Social Services (+2.7 percentage points vs 2011), Accommodation and Food Services (+2.4 pp. vs 2011) and Administrative and Support Services (+1.6 pp. vs 2011). Retail Trade, and Rental, Hiring and Real Estate Services are experiencing growth at a slower rate.

4.7 Job Catchment

Of those working within the Wallan region, 56.0% of workers are also residents. Of the workers living outside the data area, the largest contributing regions are Kilmore-Broadford (14.0%), Whittlesea (2.4%) and Romsey (2.3%).

Table 9: Job Catchment

Variable	Wallan SA2
Number of employed persons living in Wallan	7,256
Number of persons employed in Wallan	2,264
Number of persons living and working in Wallan	1,268
Percentage of Wallan jobs occupied by residents	56.0%

Source: Census 2016, ABS.

4.8 Jobs Challenge

The following table shows various ratios relating to the provision of jobs in the area and a nominal target for jobs assuming one job per dwelling. This uses the latest available Census data (2016), which is now dated.

Nevertheless, the data provides a picture that is common to outer metropolitan growth areas: that jobs lag population growth and a core challenge for planning strategies is to ensure the number and range of jobs is maximised to the extent possible in the planning process.

Table 10: Job Ratios, Wallan, 2016

Wallan SA2	2016
Population	16,219
Dwellings	5,840
Employed Persons	7,256
Jobs	2,264
Jobs Per Person	0.14
Jobs Per Dwelling	0.39
Deficit of Jobs in 2016 Using Target Jobs at 1 Per Dwelling	-3,576

Source: Census 2016, ABS.

4.9 Summary

The key takeaways from this section are:

- The median age of Wallan is lower than that of Mitchell, Greater Melbourne and Regional Victoria due to the greater presence of young families.
- The skills of the local workforce are predominantly in vocational and trade-based industries such as Construction, Retail Trade, Healthcare and Social Assistance, Manufacturing, and Logistics. These skillsets are likely to become more diverse as the population grows.

- Healthcare and Social Services, Accommodation and Food Services and Administrative and Support Services, are becoming more prevalent among local industries, while Construction, Retail Trade, and Rental, Hiring and Real Estate Services are experiencing growth at a slower rate. This may change as the population grows and diversifies.
- As an outer metropolitan growth area, jobs lag population growth and a core challenge for planning strategies is to ensure the number and range of jobs is maximised to the extent possible in the planning process.

5.0 RETAIL AND ACTIVITY CENTRE ANALYSIS

5.1 Overview

This section provides a supply and demand assessment of retail sectors that could be supported in the study area, having regard to the regional context and planning framework. The section includes analysis of supportable floorspace by type over time.

5.2 Existing and Planned Centres

The table below provides an overview of the activity centre hierarchy in Wallan and surrounding areas. This includes an estimate of retail supply for existing centres and an estimate of future supply for proposed centres.

Table 11: Existing and Proposed Activity Centre (Retail) Hierarchy as at 2020

Centre	Hierarchy	Status	Estimated Size (sqm)	Major Tenants
Wallan	**MAC**	**Existing and proposed**	**21,700+**	
Wellington Square SC		*Existing and proposed*	*9,700*	*Woolworths (discount department store and other retail to come)*
Wallan Coles Centre		*Existing*	*2,800*	*Coles*
Other		*Existing*	*10,200*	*High Street, ALDI , other commercial*
Wallara Waters	**MAC**	**Proposed**	**23,700**	Discount department store, supermarkets, other
Station Street Wallan East	LCC	**Proposed**	**1,800**	Small supermarket (1,000 sqm)
Wallan South LTC	**NAC**	**Proposed**	**9,000**	Full line supermarket/s, other
Wallan South LCC	NAC	**Proposed**	**3,000**	Local convenience retail
Wallan East (Part 1) LCC	**NAC**	**Proposed**	**3,000**	Local convenience retail
Beveridge North West PSP	4 x NACs	**Proposed**	**22,000 (4)**	Supermarkets (various), other
Major Centre to South:				
Beveridge (Mitchell)	**MAC**	**Proposed**	**20,000+**	Supermarkets, discount department store TBC
Donnybrook / Lockerbie (Hume)	**PAC**	**Proposed**	**50,000+**	Department stores, supermarkets, bulky goods, etc.
Craigieburn Central (Hume)	**MAC**	**Existing**	**40,000**	Big W, Target, Coles, Woolworths, Aldi, Bulky Goods

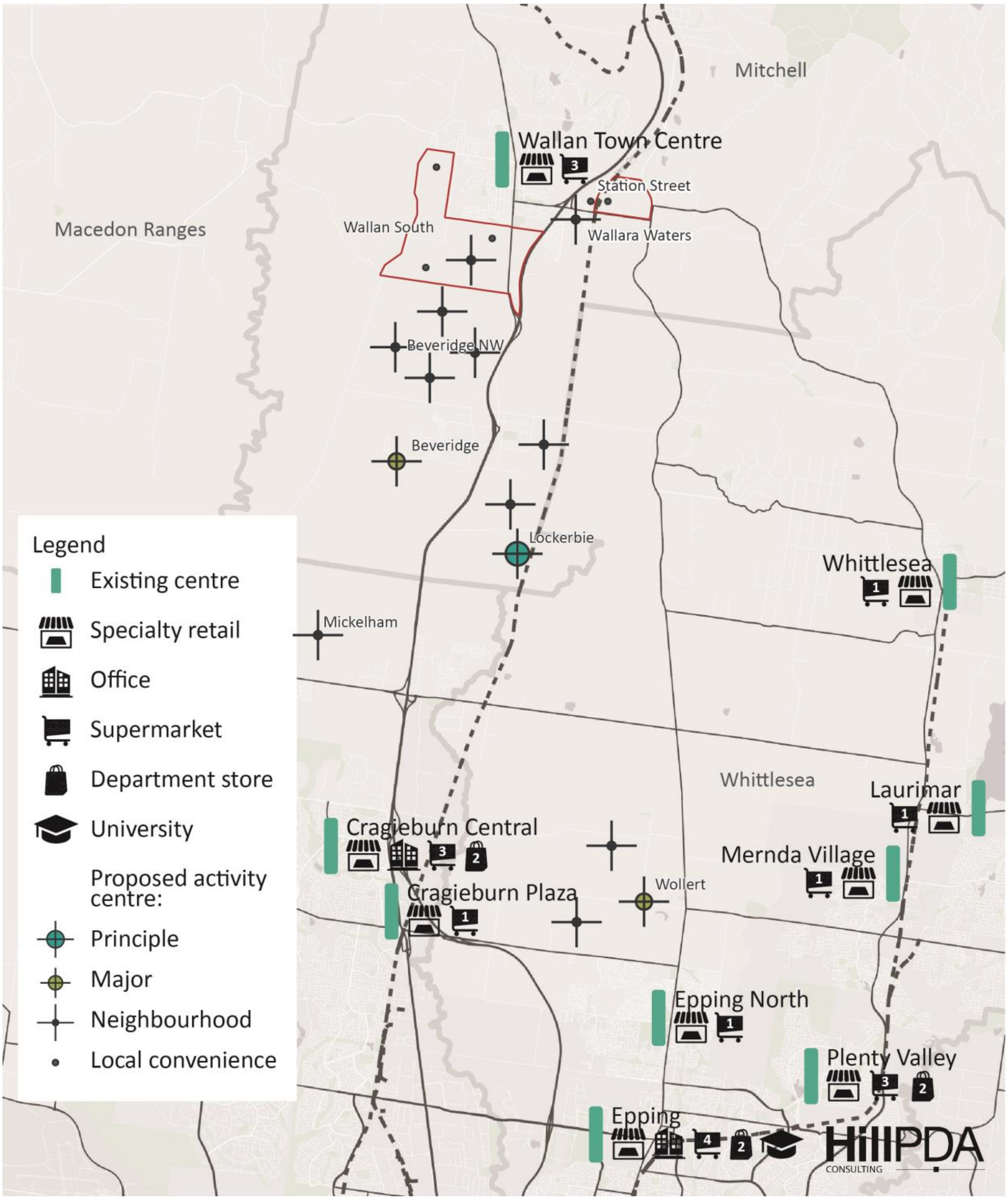
Source: HillPDA 2020, Essential Economics 2018, Charter Keck Cramer 2014

Wallan is designated as a MAC and has approximately 21,000 sqm of retail space. The surrounding growth areas of Wallara Waters, Wallan South and Beveridge North West propose to accommodate a network of Neighbourhood Activity Centres (also called Local Town Centres) and Local Convenience Centres.

Higher order services are currently available in Craigieburn in the City of Hume and in other centres further away. Craigieburn is approximately 22km from Wallan.

Over time, Lockerbie, which is 10km from Wallan, is expected to reach Principal Activity Centre status and provide higher order services closer to Wallan.

Figure 10: Location of Centres (Indicative)



Wallan Town Centre

Wallan Town Centre, located along High Street, is nominated as a Major Activity Centre and is subject to a master plan adopted by Council in 2016. Major retail and office activities are planned to be focused in the Wallan Town Centre in the future.

Recent investment activity in Wallan includes:

- Construction of an Aldi supermarket in High Street, Wallan
- Construction of a commercial building in High Street, Wallan.

Proposed works include a commercial development in High Street and Council-led Town Centre upgrade works. Wellington Square also has a significant expansion proposal in place for land on Wellington Street. This includes construction of a discount department store and further retail uses including a hardware store and speciality retail.

Figure 11: Wallan Town Centre Masterplan

Source: Mitchell Shire Council

Wallara Waters (Proposed)

This is a proposed Major Activity Centre located at the northern tip of the Newbridge development. The centre recently gained planning approval for the following uses, which would service Wallan as a whole and the wider region:

- 23,700 sqm of retail space including:
  - 6,500 sqm discount department store
  - 8,400 sqm of supermarkets
  - 8,800 sqm of other retail including mini-major and speciality retail
- 18,000 sqm to 52,000 sqm of other commercial and community services uses.

The centre would serve all of Wallan including the nearby Wallan East (Part 1) PSP area, however the walking catchment is currently constrained by the train line, roads and the Merri Creek.

Beveridge North West Centres (Proposed)

There are four Neighbourhood Activity Centres and two Local Convenience Centres proposed within the Beveridge North West PSP area. The NAC's range from 3,300 sqm to 6,300 sqm of retail with 1,400 sqm to 2,700 sqm of commercial floorspace. Local convenience centres are proposed to host 1,000 sqm of retail floorspace each.

Station Street Local Town Centre (Proposed)

Land to the west of Wallan Station along Station Street is zoned as Township Zone. The land of approximately 12 ha currently accommodates detached houses and is expected to grow to support more intensive uses adjacent to the train station.

The proposed development of a Local Town Centre on Station Street includes a recently approved 1,000 sqm supermarket, shops, apartments and a brew pub.

More intensive activity is expected as residential activity in Wallan increases and the station becomes part of the PPTN network.

The centre could draw trade from future residents in the Wallan East (Part 1) PSP, however there are currently access issues given the land is on the west side of the train tracks. More detailed planning is required to establish a precinct around the station that supports a mix of uses.

Wallan South Local Town Centre (Proposed)

The proposed Wallan South Local Town Centre by Crystal Group comprises approximately 9,540 sqm of space with 6,200 sqm retail space and 3,340 sqm of non-retail space.

Western Local Convenience Centre (Proposed)

The proposed Brick Hut Local Convenience Centre by Crystal Group is located in the western part of the Wallan South PSP area. It comprises approximately 2,800 sqm of space with 1,400 sqm retail space and 1,400 mom-retail space.

Northern Local Convenience Centre (Proposed)

This proposal by Kingsman Projects is for a Local Convenience Centre in the northern part of the Wallan South PSP area comprising 2,000-2,500 sqm retail with a small supermarket of up to 1,000 sqm and some non-retail space.

295 Northern Highway Centre (Proposed)

A proposed mixed use development on the west side of Northern Highway in the north-east corner of the Wallan South PSP area proposes to include a retail centre with at least 5,832 sqm of retail space including a supermarket.

5.3 Retail Floorspace Demand

Based on the existing and planned activity centre structure in the region, Wallan performs all roles up to Major Activity Centre, which is also called sub-regional in retail economics.

Within this context, Wallan South and Wallan East (Part 1) will perform neighbourhood and local roles.

The retail modelling shown below is structured to take this framework into account. The modelling provides an estimate of total retail demand from the two PSP areas and Wallan as a whole and assumes:

- Sub-regional demand from the Wallan and surrounding areas area is captured by Wallan
- Some sub-regional demand from areas north of Wallan, such as Kilmore, is included
- Higher order regional shopping centre spending (demand) is partly captured by the large centres to the south of Mitchell Shire
- Bulk goods demand from Wallan is partly captured locally in Wallan
- Neighbourhood centres capture demand up to supermarket level from their local areas.

The modelling results are shown the in three tables below. Each table has three parts:

- Part 1: Total retail expenditure supported by the population of the area across the retail economy
- Part 2: Total retail floorspace (sqm) supported by the population of the area across the retail economy
- Part 3: Estimated retail floorspace (sqm) capture in the area of analysis.

Table 12 provides data for Wallan (suburb).

Table 13 provides data for Wallan South PSP area. This table has two capture scenarios for the PSP area: baseline and higher capture.

Table 14 provides data for Wallan East (Part 1) PSP area. Highlights of the analysis are noted below.

5.4 Wallan

Wallan (suburb) comprises the existing township and surrounding areas including the two PSP areas subject to this study and Wallara Waters.

Overall retail expenditure is expected to increase from around $178m in 2021 to $521m in 2036 to $800m at full development.

Floorspace supported by this expenditure across the retail economy is estimated at 31,900 sqm in 2021 increasing to 93,400 sqm by 2036 and 143,400 sqm at full development.

Of this floorspace, it is estimated that a possible share (or capture rate) for Wallan could be in the order of at 25,800 sqm in 2021 increasing to 75,400 sqm by 2036 and 115,700 sqm at full development. This relates to all retail centres and uses across the suburb as a whole, not just the town centre. A guide by commodity group and store type is shown in the tables.

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Table 12: Wallan (Suburb) Retail Demand Data

Total Expenditure Supported Across Retail Economy ($m2020)

YEAR	2021	2026	2031	2036	FD
No. of Residents	14,473	21,484	30,726	39,900	61,272
Food & Groceries	66.1	100.1	146.1	193.6	297.2
Liquor Take-Away	9.7	14.7	21.5	28.5	43.7
Take-Away Food	10.2	15.5	22.6	29.9	45.9
Apparel	16.7	25.3	36.8	48.8	75.0
Homewares & Manchester	3.9	5.9	8.6	11.4	17.5
Bulky Goods	29.6	44.8	65.4	86.6	133.0
Other Goods	23.9	36.2	52.9	70.1	107.6
Selected Personal Services	4.8	7.3	10.6	14.1	21.6
Liquor Consumed On Premises	3.6	5.5	8.0	10.6	16.3
Meals in Pubs, Clubs, Restaurants	9.3	14.1	20.5	27.2	41.8
TOTAL	**177.9**	**269.4**	**393.1**	**520.8**	**799.7**

Total Floorspace (sqm) Supported Across Retail Economy

YEAR	2021	2026	2031	2036	FD
Supermarkets & Grocery Stores	5,651	8,558	12,486	16,541	25,401
Specialty Food Stores	1,372	2,078	3,032	4,016	6,167
Fast-Food Stores	1,283	1,943	2,835	3,755	5,767
Restaurants, Hotels and Clubs	2,585	3,915	5,712	7,567	11,620
Department Stores	3,458	5,237	7,640	10,122	15,543
Clothing Stores	2,425	3,673	5,359	7,099	10,901
Bulky Goods Stores	8,860	13,417	19,576	25,933	39,824
Other Personal & Household Goods Retailing	4,878	7,387	10,778	14,278	21,925
Selected Personal Services	1,374	2,081	3,036	4,023	6,177
Total Retailing	**31,887**	**48,288**	**70,453**	**93,333**	**143,326**

Estimated Retail Floorspace (sqm) Capture in Local Area

YEAR	2021	2026	2031	2036	FD
Supermarkets & Grocery Stores	5,651	8,558	12,486	16,541	25,401
Specialty Food Stores	1,372	2,078	3,032	4,016	6,167
Fast-Food Stores	1,283	1,943	2,835	3,755	5,767
Restaurants, Hotels and Clubs	2,585	3,915	5,712	7,567	11,620
Department Stores	1,729	2,618	3,820	5,061	7,772
Clothing Stores	2,425	3,673	5,359	7,099	10,901
Bulky Goods Stores	4,430	6,709	9,788	12,966	19,912
Other Personal & Household Goods Retailing	4,878	7,387	10,778	14,278	21,925
Selected Personal Services	1,374	2,081	3,036	4,023	6,177
Total Retailing	**25,728**	**38,961**	**56,845**	**75,306**	**115,643**

**FD = Full development*

Source: HillPDA

5.5 Wallan South PSP Area

The Wallan South PSP area is expected to generate $283m of retail expenditure at full development.

Floorspace supported by this expenditure (across the retail economy) is estimated at 50,800 sqm at full development.

Of this floorspace, it is estimated that a possible share (or capture rate) for the Wallan South PSP area could be in the order of 11,100 to 16,800 sqm at full development for neighbourhood level retail services.

This includes supermarket space in the PSP area between approximately 4,500 sqm and 6,800 sqm, plus a range of speciality store types.

The supermarket space will be a primary anchor for a centre and can be allocated as follows:

- 3,800 sqm to a Local Town Centre
- 1,000 sqm each to three Local Convenience Centres.

Given the spatial structure of the PSP area, there is potential for a full line supermarket-based centre to be located in the central part of the area and small convenience centres in the peripheral parts of the area.

A guide by commodity group and store type is shown in the tables.

Details regarding location and floorspace mix are shown in the recommendations section of this report.

Table 13: Wallan South Retail Demand Data

Total Expenditure Supported Across Retail Economy ($m2020)

YEAR	2021	2026	2031	2036	FD*
No. of Residents	0	2,171	8,684	15,197	21,709
Food & Groceries	0.0	10.1	41.3	73.7	105.3
Liquor Take-Away	0.0	1.5	6.1	10.8	15.5
Take-Away Food	0.0	1.6	6.4	11.4	16.3
Apparel	0.0	2.6	10.4	18.6	26.6
Homewares & Manchester	0.0	0.6	2.4	4.3	6.2
Bulky Goods	0.0	4.5	18.5	33.0	47.1
Other Goods	0.0	3.7	14.9	26.7	38.1
Selected Personal Services	0.0	0.7	3.0	5.4	7.7
Liquor Consumed On Premises	0.0	0.6	2.3	4.1	5.8
Meals in Pubs, Clubs, Restaurants	0.0	1.4	5.8	10.4	14.8
TOTAL	**0.0**	**27.2**	**111.1**	**198.3**	**283.3**

Total Floorspace (sqm) Supported Across Retail Economy

YEAR	2021	2026	2031	2036	FD*
Supermarkets & Grocery Stores	0	865	3,529	6,300	9,000
Specialty Food Stores	0	210	857	1,530	2,185
Fast-Food Stores	0	196	801	1,430	2,043
Restaurants, Hotels and Clubs	0	396	1,614	2,882	4,117
Department Stores	0	529	2,159	3,855	5,507
Clothing Stores	0	371	1,514	2,704	3,862
Bulky Goods Stores	0	1,356	5,532	9,877	14,110
Other Personal & Household Goods Retailing	0	746	3,046	5,438	7,768
Selected Personal Services	0	210	858	1,532	2,189
Total Retailing	**0**	**4,879**	**19,911**	**35,547**	**50,782**

Estimated Retail Floorspace (sqm) Capture in Local Area

YEAR	2021	2026	2031	2036	FD*
Supermarkets & Grocery Stores	0	432	1,764	3,150	4,500
Specialty Food Stores	0	105	428	765	1,093
Fast-Food Stores	0	98	401	715	1,022
Restaurants, Hotels and Clubs	0	99	404	720	1,029
Department Stores	0	0	0	0	0
Clothing Stores	0	93	379	676	966
Bulky Goods Stores	0	0	0	0	0
Other Personal & Household Goods Retailing	0	187	761	1,359	1,942
Selected Personal Services	0	53	215	383	547
Total Retailing	**0**	**1,066**	**4,352**	**7,769**	**11,098**

Continued …

Estimated Retail Floorspace (sqm) Capture in Local Area - Higher Capture Scenario

YEAR	2021	2026	2031	2036	FD*
Supermarkets & Grocery Stores	0	649	2,647	4,725	6,750
Specialty Food Stores	0	157	643	1,147	1,639
Fast-Food Stores	0	147	601	1,073	1,532
Restaurants, Hotels and Clubs	0	148	605	1,081	1,544
Department Stores	0	0	0	0	0
Clothing Stores	0	139	568	1,014	1,448
Bulky Goods Stores	0	0	0	0	0
Other Personal & Household Goods Retailing	0	280	1,142	2,039	2,913
Selected Personal Services	0	79	322	575	821
Total Retailing	**0**	**1,600**	**6,527**	**11,653**	**16,647**

**FD = Full development*

Source: HillPDA

5.6 Wallan East (Part 1) PSP Area

The Wallan East (Part 1) PSP area is expected to generate $91m of retail expenditure at full development.

Floorspace supported by this expenditure (across the retail economy) is estimated at 16,400 sqm at full development.

Of this floorspace, it is estimated that a possible share (or capture rate) for the Wallan East (Part 1) PSP area could be in the order of 3,300 sqm at full development. This could include a small supermarket (grocery store) plus speciality stores.

Details regarding location and floorspace mix are shown in the recommendations section of this report.

Table 14: Wallan East (Part 1) Retail Demand Data

Total Expenditure Supported Across Retail Economy ($m2020)

YEAR	2021	2026	2031	2036	FD*
No. of Residents	0	698	2,790	4,883	6,975
Food & Groceries	0.0	3.3	13.3	23.7	33.8
Liquor Take-Away	0.0	0.5	2.0	3.5	5.0
Take-Away Food	0.0	0.5	2.1	3.7	5.2
Apparel	0.0	0.8	3.3	6.0	8.5
Homewares & Manchester	0.0	0.2	0.8	1.4	2.0
Bulky Goods	0.0	1.5	5.9	10.6	15.1
Other Goods	0.0	1.2	4.8	8.6	12.2
Selected Personal Services	0.0	0.2	1.0	1.7	2.5
Liquor Consumed On Premises	0.0	0.2	0.7	1.3	1.9
Meals in Pubs, Clubs, Restaurants	0.0	0.5	1.9	3.3	4.8
TOTAL	**0.0**	**8.7**	**35.7**	**63.7**	**91.0**

Total Floorspace (sqm) Supported Across Retail Economy

YEAR	2021	2026	2031	2036	FD*
Supermarkets & Grocery Stores	0	278	1,134	2,024	2,892
Specialty Food Stores	0	67	275	491	702
Fast-Food Stores	0	63	257	460	656
Restaurants, Hotels and Clubs	0	127	519	926	1,323
Department Stores	0	170	694	1,239	1,769
Clothing Stores	0	119	487	869	1,241
Bulky Goods Stores	0	436	1,778	3,173	4,533
Other Personal & Household Goods Retailing	0	240	979	1,747	2,496
Selected Personal Services	0	68	276	492	703
Total Retailing	**0**	**1,568**	**6,397**	**11,421**	**16,316**

Estimated Retail Floorspace (sqm) Capture in Local Area

YEAR	2021	2026	2031	2036	FD*
Supermarkets & Grocery Stores	0	139	567	1,012	1,446
Specialty Food Stores	0	17	69	123	176
Fast-Food Stores	0	16	64	115	164
Restaurants, Hotels and Clubs	0	32	130	231	331
Department Stores	0	0	0	0	0
Clothing Stores	0	30	122	217	310
Bulky Goods Stores	0	0	0	0	0
Other Personal & Household Goods Retailing	0	60	245	437	624
Selected Personal Services	0	17	69	123	176
Total Retailing	**0**	**310**	**1,265**	**2,258**	**3,226**

**FD = Full development*

Source: HillPDA

5.7 Summary

The key takeaways from this section are:

- It is estimated that the Wallan South PSP area could support approximately 11,100 sqm to 16,800 sqm of retail floorspace at full development for local retail services. This space can be allocated to one neighbourhood centre (anchored by a full line supermarket) and three separate local convenience centres with a small supermarket (say up to 1,000 sqm each).
- Four retail development proposals have been nominated for the Wallan South PSP area to date. These are the Wallan South Local Town Centre, two Local Convenience Centres (one in the west and one in the north), and a Northern Highway Centre.
- The role and size of the Northern Highway Centre is likely to compete with the Wallan Town Centre and proposed Wallan South Local Town Centre. This is due to the location of the centre on the Northern Highway and its proximity to the other centres. A role and size above Local Convenience Centre status at the proposed location requires justification by the proponent, including an impact analysis on the Wallan Town Centre and proposed Wallan South Local Town Centre.
- It is estimated that the Wallan East (Part 1) PSP area could support approximately 3,300 sqm of retail floorspace at full development. This could include a small supermarket (grocery store) plus speciality stores.
- Details regarding location and floorspace mix are shown in the recommendations section of this report.

Land known as Wallan East (Part 2) is being investigated for potential future residential use. The findings of this report may require updating following confirmation of the future direction for that area.

6.0 COMMERCIAL OFFICE POSSIBILITIES

6.1 Overview

This section provides a guide to potential scale and type of office uses that may establish in Wallan over the next 20 years.

6.2 Office Activity Metrics

For the purpose of estimating potential demand for future office space, a ratio of 30 sqm of office space for every 100 sqm of retail space is adopted. This ratio is typical for a location outside of the state's primary office market areas (being inner metropolitan Melbourne, principal activity centres and major business parks).

Assuming the above ratio applies into the future, the need for office floorspace in Wallan could increase to around 34,700 sqm at full development, which represents growth of around 27,000 sqm from 2021 demand conditions. This level of demand relates to activity that serves the local area.

Table 15: Estimated Office Floorspace Demand in Wallan

	2021	2026	2031	2036	FD*
Retail Demand (SQM)	25,728	38,961	56,845	75,306	115,643
Office Demand (SQM)	7,718	11,688	17,053	22,592	34,693

**FD = Full development*
Source: HillPDA

It is possible demand could be much greater than this estimate if businesses that serve a broader role (such as metropolitan or state-wide roles) establish in Wallan. This is possible with the Beveridge Intermodal Freight Terminal, which could drive demand for higher order commercial services. This opportunity is explored in more detail in the industrial land assessment.

6.3 Possible Office Typologies

As the business service sector grows and the industry profile of the region becomes more diverse, a range of property types may become relevant for Wallan.

Shown below are some examples of office typologies that may be relevant for development in the future.

Of the typographies listed, the current supply of office space in Wallan is mainly related to 'main street' office buildings and government services.

In the future there is potential to grow a more diverse office sector with activities like business park corporate offices, office-warehouses, co-working spaces and SOHOs.

Table 16: Office Typology Examples

Office Types	Comments	Examples
Home Based Business	– Business from a traditional dwelling structure	-
SOHO (Small Office Home Office)	– Dual function properties including dwelling and office / business space – Includes separate access from both the living spaces and street level business access	Example: Cowper Residences in Footscray 
Co-Working Spaces	– Small tenancy options from open desk, dedicated desk, private office and custom private suites – Includes shared spaces including kitchen, conference rooms, outdoor spaces – Location that has access to lifestyle retail and public transport	Example: The Commons Co-working Spaces in South Melbourne 
Main Street Offices	– Modern small to medium sized office suites – Usually two level building – Flexible spaces suitable for offices, community uses and retail	Example: SOHO Alamander centre in Wyndham 
Small and Medium Sized Office Suites	– Commercial suites ranging from 50 sqm to 200 sqm within a commercial building (e.g. 8,000 sqm) – Includes retail and services at ground level – High environmental rating	Example: Lifestyle Working Building in Docklands 

Office Types	Comments	Examples
Corporate Office Buildings associated with Public Sector Investment	– A-grade office space within a flagship building – Office suite from 400 sqm to 5,000+ sqm – Private entry and facilities including car parking – Built by public sector at same time of public sector investment in office and / or community facilities	Example: Commercial space constructed as part of Banyule City Council office and aquatic centre development in Greensborough 
Corporate Office Buildings	– Stand-alone private building – In a location that have good access to skilled workers – Typically requires a pre-commitment in order to be developed	Example: Target Building in Williams Landing 
Office-Warehouse	– Stand-alone buildings with office and warehouse components – Located on or near major road links – Often seek a high amenity business park location	Example: Scoresby-Rowville Business Park 

Source: HillPDA

6.4 Summary

The key takeaways from this section are:

- The current supply of office space in Wallan is mainly related to 'main street' office buildings and government services.
- Wallan could accommodate around 34,700 sqm of office space at full development, which represents growth of around 27,000 sqm from 2021 demand conditions. This level of demand relates to activity that serves the local area.

- Some this this demand can be captured by the PSP areas and some in other parts of Wallan such as the Town Centre.
- It is possible demand could be much greater than this estimate if businesses that serve a broader role (such as metropolitan or state-wide roles) establish in Wallan. This is possible with the Beveridge Intermodal Freight Terminal, which could drive demand for higher order commercial services in business park corporate offices and office-warehouses.
- Another potential growth sector is the micro and small business sector that utilise flexible work spaces like co-working spaces and SOHOs.

7.0 COMMUNITY SERVICES

7.1 Overview

This section provides a high level review of the potential for Wallan to accommodate higher order community facilities.

7.2 Selected Higher Order Facilities

Based on population thresholds expected to be achieved over time, there is potential for Mitchell Shire and Wallan to support higher order community facilities, in addition to the wide range of local facilities like schools, community centres and others. This assessment is based on the Shire and Wallan accommodating approximately 170,900 and 48,900 residents respectively by 2041.

Using thresholds for the Shire as a whole, benchmarks suggests the municipality could support a public hospital, tertiary education facility and major cultural facility at around 2041. These facilities could potentially be accommodated in Wallan to serve the municipality.

Taking a narrower scope and considering only the Wallan population at 2041, the town may be able to support a tertiary satellite campus and community health centre if the higher order facilities are not located in Wallan.

The actual need for such facilities would be subject to more detailed assessment and verification, including planned supply in the region. However for planning purposes the potential provision of such facilities should be considered.

Table 17: Preliminary Needs Review, Selected High Order Community Facilities

Item	Indicative Site Area	Mitchell	Wallan
Public Hospital	7.5 hectares (3 to 12 hectares)	Yes	
Tertiary TaFE Main Campus	7.5 hectares (3 to 12 hectares)	Yes	
Regional Cultural Facility	2,500 sqm	Yes	
Tertiary TaFE Satellite Campus	4.5 hectares	Yes	Yes
Community Health Centre	1.5 hectares	Yes	Yes

Source: HillPDA

7.3 Health

The opportunity for health services to locate in the area is outlined in the *'Statewide Design, Service and Infrastructure Plan for Victoria's Health System 2017-2037'*. This notes that current medical facilities in the northern growth corridor will be insufficient to meet needs of high population growth. Whilst no firm commitment has been made, the state government is planning to grow hospital capacity and promote local access to services.

Medical facilities tend to cluster around higher density urban areas or around hospitals. In the absence of a hospital, the optimal location for medical clinics and general practitioner offices would be in Wallan Town Centre or along the Northern Highway, in order to best serve the local community through reduced travel time and ease of access.

The Department of Health and Human Services is growing the suite of health infrastructure services and integrating health with other sectors such as social services, aged care, sports and the tertiary education sector. Opportunities for such facilities should be explored for Wallan.

7.4 Higher Education

Tertiary and technical education is a growing, diversifying sector and this is expected to continue in the future. Examples of smaller scale tertiary institutions or TaFE facilities include:

- Federation University campus in Churchill (south-east Victoria) plays a role in upskilling the population across the Latrobe LGA and eastern Victoria.
- University of Melbourne's Burnley Campus specialises in horticultural education and is co-located with a small business park.
- TaFE Gippsland Yallourn Campus is located on the edge of the Moe township on a 9.5 ha site. The Yallourn Campus focuses on automotive, metal fabrication, plumbing and gas, carpentry, and construction - benefitting from a large site with environmental buffers near Moe.
- GOTAFE La Trobe University Campus is located on the 1st floor of 59 High Street with a small facility with a teaching capacity of approximately 60 students at any given time.

7.5 Summary

The key takeaways from this section are:

- There is likely to be significant demand and potential for Wallan to support higher order health, education and cultural facilities in the future as the population grows. This could potentially include a public hospital and TaFE if the facilities serve the whole Shire or smaller versions of these facilities if serving the Wallan area only.
- Anchor institutions help attract private businesses to an area, and as such an anchor-based approach would help Wallan grow a diverse employment base.
- The proposed employment land site in Wallan South may be a suitable candidate for large-scale facilities of this nature.

8.0 INDUSTRIAL MARKET ANALYSIS AND PROJECTIONS

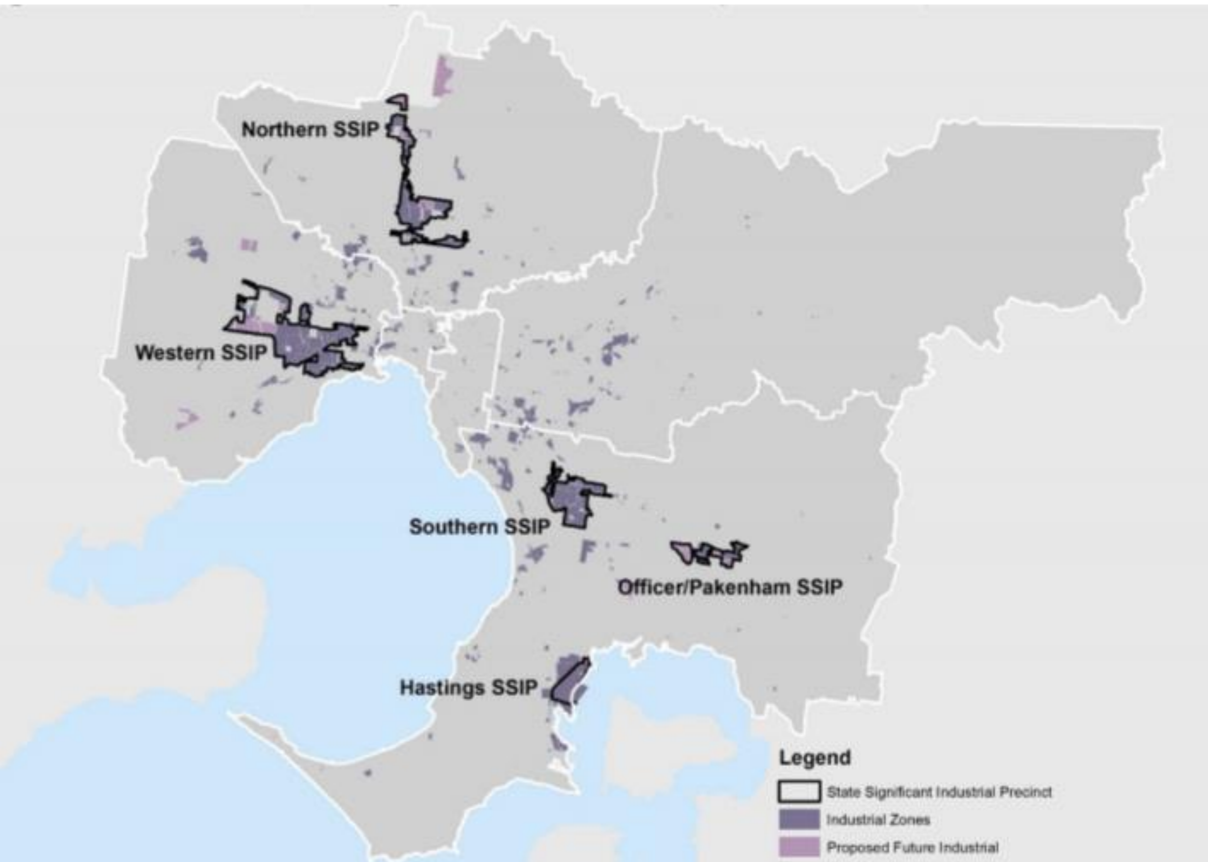
8.1 Overview

This section provides a guide to the potential scale and type of industrial uses that may establish in Wallan over the next 20 years and to full development. The section explores local demand and potential demand for broader state significant sectors including the proposed Beveridge Intermodal Freight Terminal.

8.2 Industrial Land Supply

A map of industrial land in metropolitan Melbourne is shown in the figure below. The metropolitan area has a number of state significant industrial precincts and this includes a precinct in the northern region. The figure below shows a proposed major industrial land estate near Wallan.

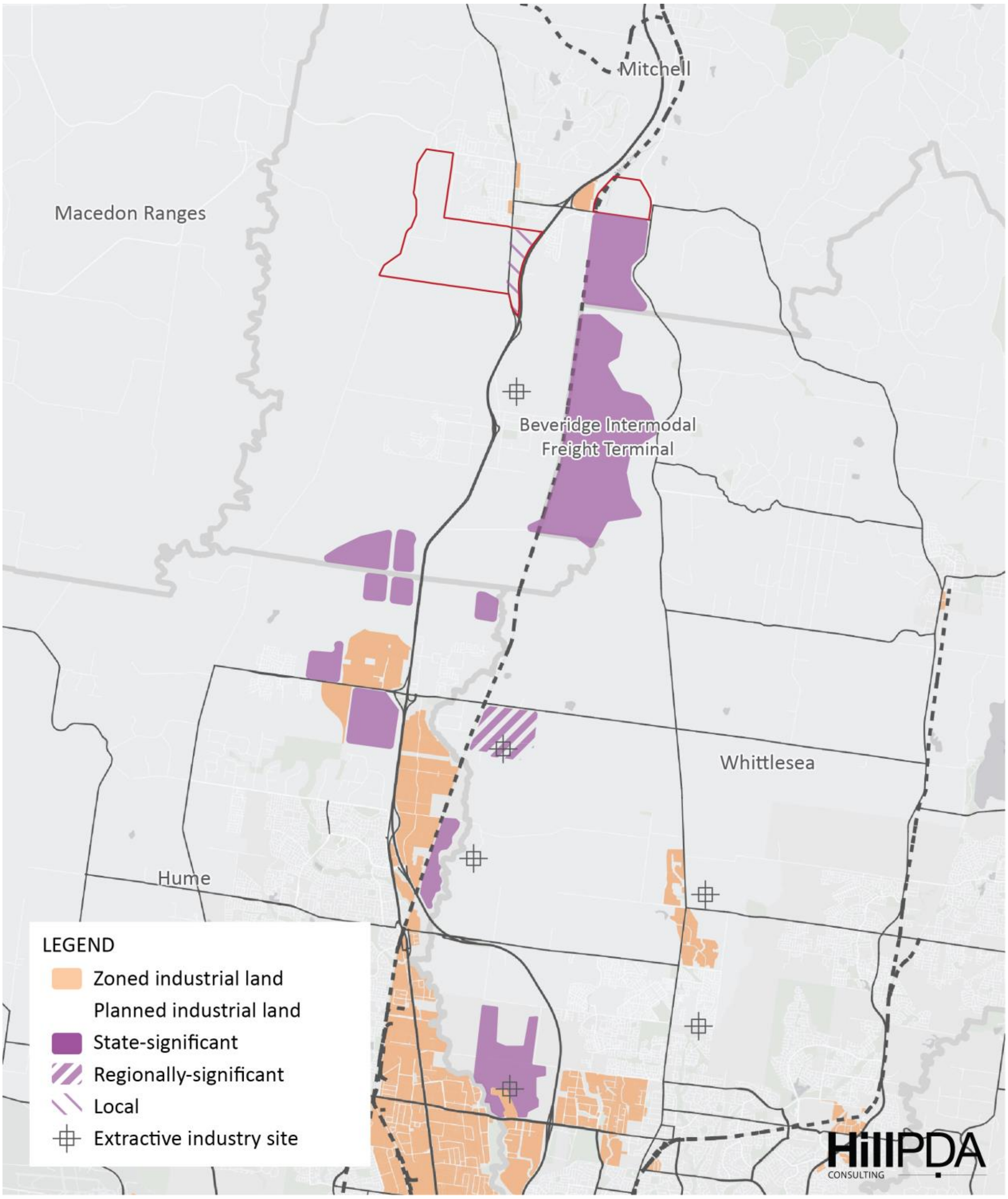
Figure 12: Industrial Land in Melbourne



Source: DELWP Urban Development Program

A map of industrial land in the vicinity of Wallan and nearby northern suburbs is shown below.

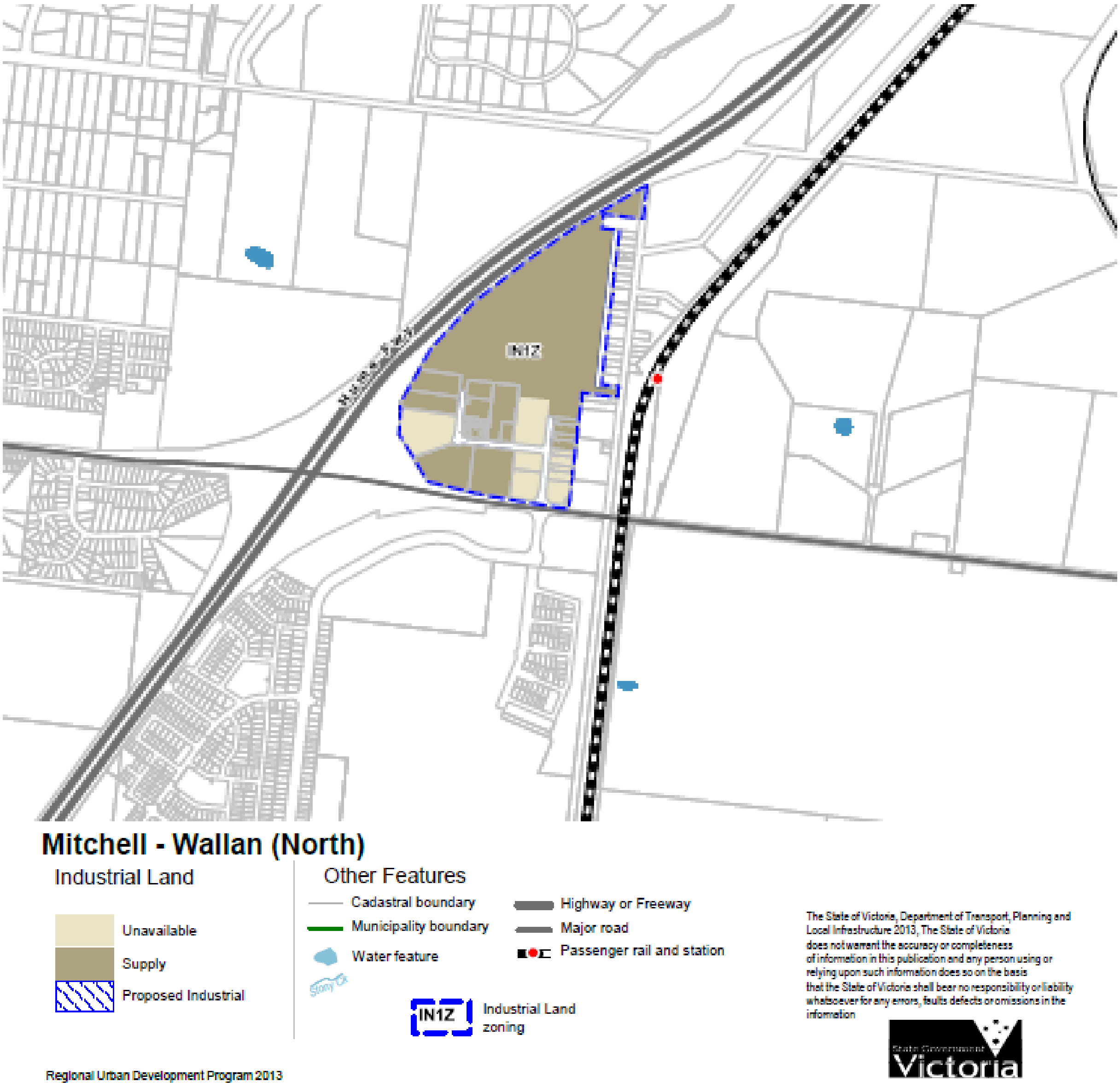
Figure 13: Industrial Land Near Wallan



Source: VicPlan Zoning 2020; DELWP Urban Development Program Industrial 2018; Plan Melbourne 2017

A more detailed image of Wallan's current industrial estate is shown below. The southern portion of the estate is developed and planning permits have been issued to expand existing development in the area. It is expected that the developed portion of the estate will double by 2022.

Figure 14: Wallan Industrial Estate



Source: DELWP Urban Development Program

Within the Wallan industrial precinct, most businesses are automotive and construction-related. These are considered locally significant industries.

Figure 15: Wallan Industrial Precinct

Source: Nearmap

Wallan has approximately 7 ha of occupied industrial land and 6 ha of land that is 'in development' at the current time, resulting in about 16 ha of undeveloped industrial land supply.

Mitchell Shire has approximately 300 ha of zoned industrial land supply (as at 2012). Of this supply, 189 ha is occupied land and 111 ha is vacant. It is important to note that of the deemed vacant supply, the portion available to the public for development is significantly lower, due to terrain issues or owners unwilling to develop or sell the property.

Table 18: Industrial Land Supply, 2018

Area	Occupied (ha)	Under Development (ha)	Vacant (ha)	Total (ha)
Wallan	7*	6	16*	29
Mitchell Shire	189	n/a	111	300
North SSIP	2,649	n/a	1,104	3,752
Total North Subregion	3,902	n/a	1,359	5,261
Total Metropolitan Melbourne	19,998	n/a	6,402	26,400

*Source: Department of Transport, Planning and Local Infrastructure (2018) Urban Development Program, *data for Mitchell Shire sourced from Regional Industrial Report - Shire of Mitchell 2012, *Approximated using aerial mapping; Mitchell data has been added to the North SSIP for comparison.*

As listed in the 2018 UDP, an additional 250 ha of vacant industrial land is planned to be added to Mitchell Shire industrial land supply.

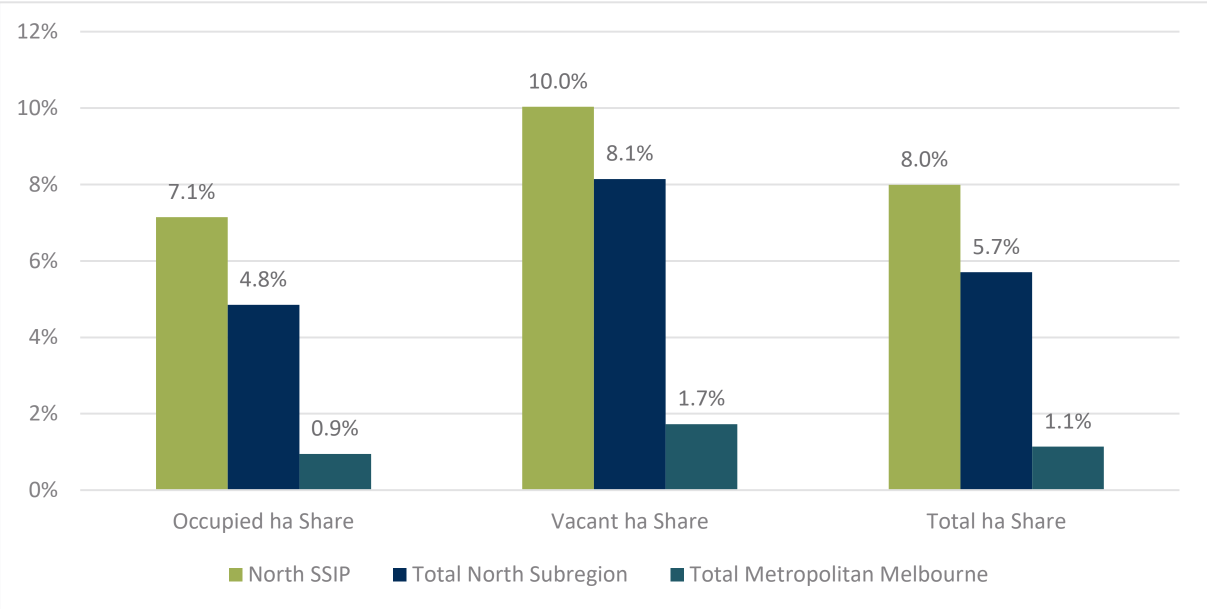
Table 19: Planned Additional Industrial Land Supply, 2018

Area	Planned supply ha
Wallan	69*
Mitchell Shire	250
Total North Subregion	1,880
Total Metropolitan Melbourne	4,745

*Source: Department of Transport, Planning and Local Infrastructure (2018) Urban Development Program, *Approximated using aerial mapping.*

The figure below illustrates Mitchell Shire's share of industrial land in relation to the comparison areas listed. This shows that Mitchell Shire holds approximately 4.8% of the northern subregion's occupied industrial land stock.

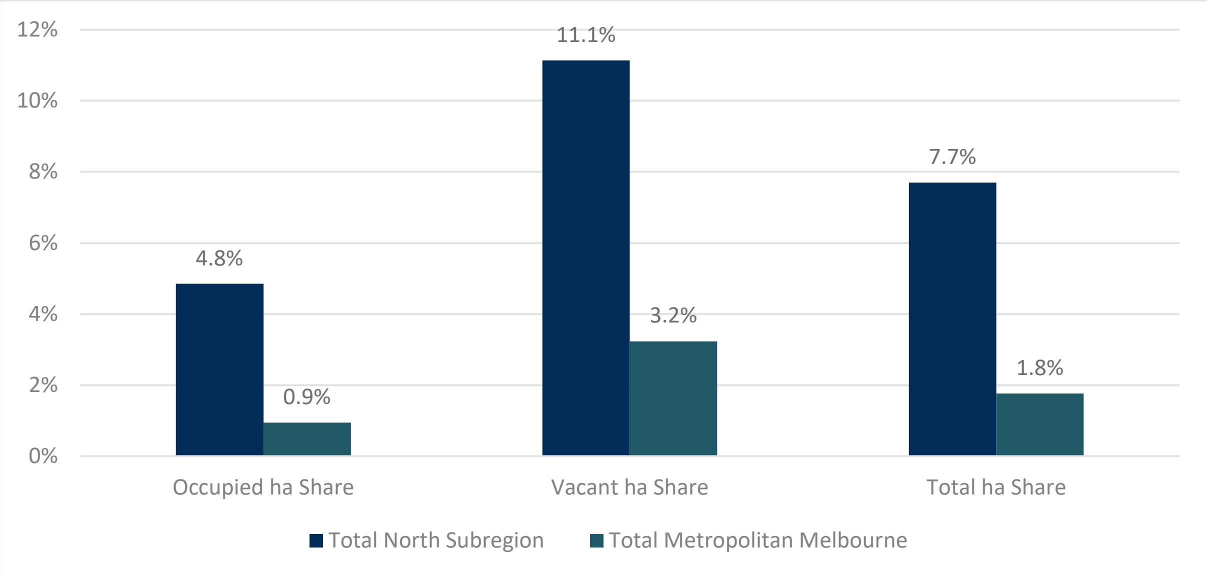
Figure 16: Mitchell Shire - Share of Industrial Land Area, 2018



Source: Department of Transport, Planning and Local Infrastructure (2018) Urban Development Program

When planned industrial land supply is factored into the analysis, Mitchell Shire's supply of land in the subregion is expected to increase from 8.1% to 11.1%

Figure 17: Mitchell Shire - Share of Industrial Land Area (ha) (incl. Planned Supply), 2018

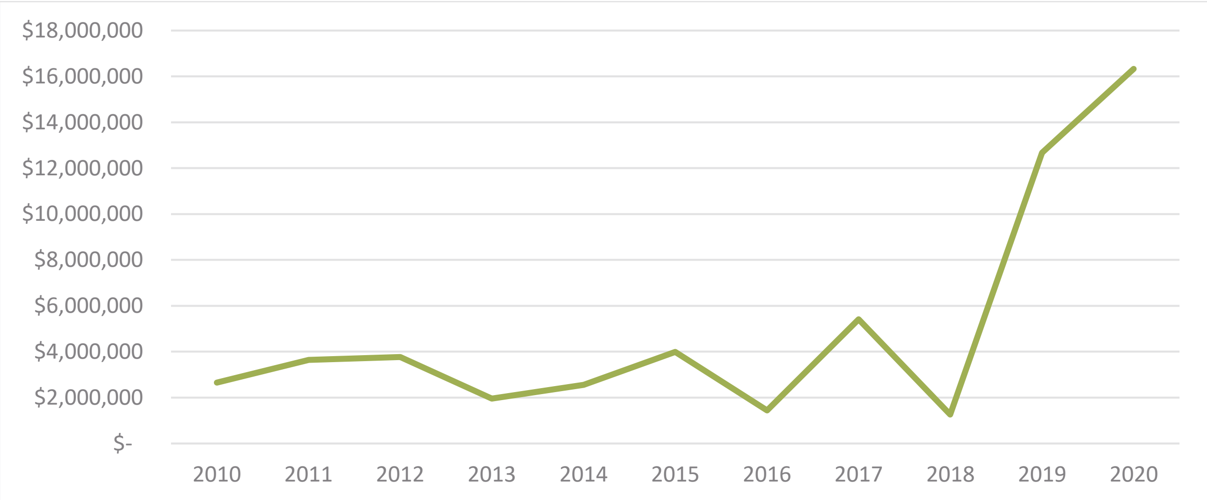


Source: Department of Transport, Planning and Local Infrastructure (2018) Urban Development Program

8.3 Property Sales and Leasing Activity

Since 2010, there have been 60 reported industrial property sales (factories, warehouses, etc.) in Mitchell Shire. As shown below, the sales volume has risen significantly in 2019 and 2020.

Figure 18: Mitchell Shire Industrial Land Net Sale Values (2010-2020)



Source: RP Data Professional

The median land area and selling price are 2,067 sqm and $392,000 respectively. Industrial sales have been primarily located in Seymour and Kilmore (40 sales / 66.7%) with the remainder found in Wallan (13 / 21.7%) and Broadford (7 / 11.7%).

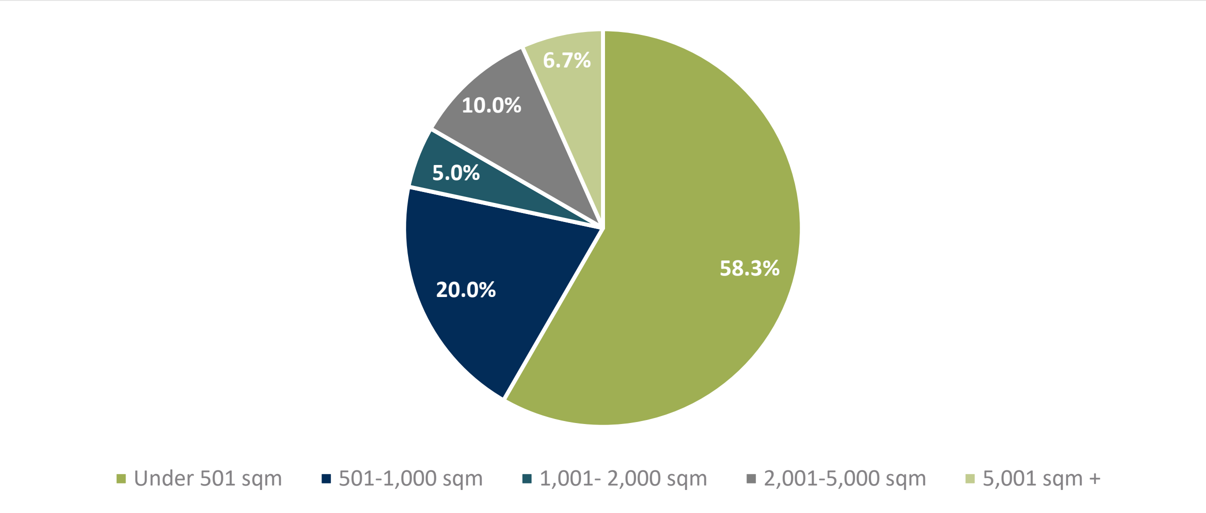
Table 20: Reported Industrial and Commercial Sales, Mitchell Shire (01/2010 - 07/2020)

	Properties Sold	Land Area (sqm)	Median Land Area (sqm)	Total Value	Median Value
Industrial	60	464,051	2,067	$33,866,200	$392,500
Industrial Development Site	23	385,681	2,127	$16,789,588	$204,000
Office	5	6,517	901	$5,590,000	$555,000

Source: RP Data Professional

In terms of building area, over half of sites are under 500 sqm and over three quarters below 1,000 sqm. This is illustrated in the figure below, showing the building area composition of industrial sales since 2010.

Figure 19: Building Area of Industrial Properties Sold, Mitchell Shire (01/2010 to 07/2020)



Source: RP Data Professional, HillPDA 2020

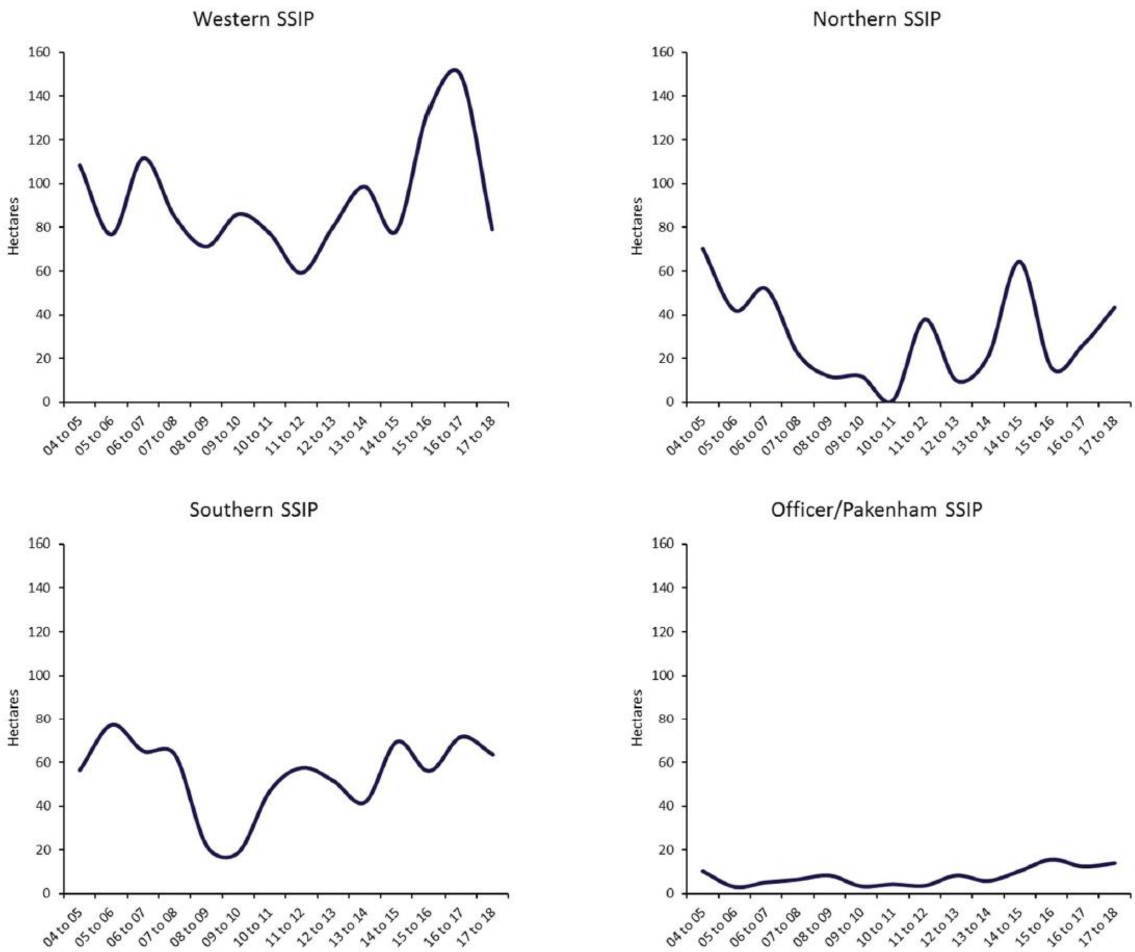
Anecdotal evidence from real estate firms active in the area suggests that there is a deficit of industrial land in the Wallan area as of mid-2020. Firms indicate that industrial land was the best performing commercial property class in 2019, with an understanding that online retailing and related warehouse and distribution activity is driving this trend. Investors perceive that COVID-19 is hastening the transition to online retail and that this will continue to build demand for well-located industrial land for the transport, postal and warehousing sector.

Real estate firms have indicated that land in the north of the growth area is selling at high volumes in 2019/20 (particularly in the Wallan East Industrial estate) and the area will require additional land to keep up with demand.

8.4 Investment Trends

The figure below shows the evolution of industrial land consumption across the State Significant Industrial Precincts (SSIPs). Relative to metropolitan Melbourne averages and other SSIPs, consumption in the Northern SSIP has been volatile, facing a downward trajectory between 2004 and 2012 before experiencing large fluctuations and an overall upward trajectory through to 2018. Over this period annual consumption levels ranged from approximately 0 to 70 ha.

Figure 20: Consumption Trends of Industrial Land in State Significant Industrial Precincts, 2004-2018



Source: Department of Transport, Planning and Local Infrastructure (2018) Urban Development Program

The two tables below provide a breakdown of the types of construction projects taking place in Mitchell over the 2010 to 2020 period.

Community projects such as education facilities, emergency services, and parklands make up the largest number of investments. In terms of value, residential and community projects are the main investment categories.

Table 21: Investment Applications by Project Type, Mitchel Shire, 2010-2020

	Count	Share	Value ($m)	Share
Community	61	40.7%	$250.3	32.8%
Residential	37	24.7%	$363.8	47.7%
Infrastructure	34	22.7%	$103.9	13.6%
Commercial	18	12.0%	$45.4	5.9%

Source: Cordell Connect

Across all categories, approximately 42 projects have been completed (27.1% of all projects). The total value of completed projects is $133.3m, averaging $13.3m per annum. The average value of completed projects is $3.2m. The estimated value of the investment pipeline exceeds that of completed projects within this period, totalling $198.0m. Given this, the average project value and average project value per annum could increase in the coming years.

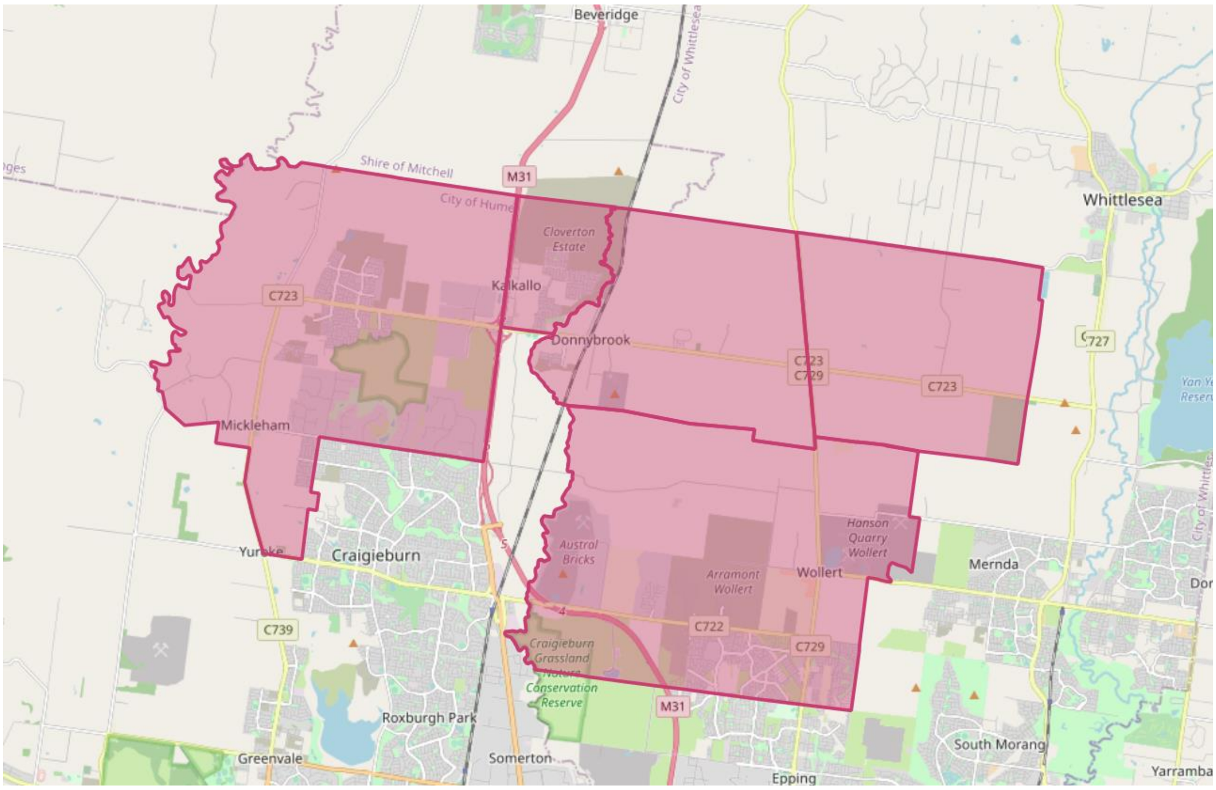
Table 22: Project by Stage, Mitchell Shire, 2010-2020

Stage	Number of Projects	Value	Average Project Value	Average Project Value per annum
Construction	42	133,374,000	3,175,571	13,337,400
Likely Construction	66	197,967,000	2,999,500	19,796,700
Possible Construction	22	151,762,000	6,898,273	15,176,200
Deferred	0	-	-	-
Abandoned	4	27,410,000	6,852,500	2,741,000
No Further Information	16	252,845,000	15,802,813	25,284,500
Total	**150**	**763,358,000**	**5,089,053**	**76,335,800**

Source: Cordell Connect

The investment data base provides limited detail on industrial investments in Wallan. As such, a profile of industrial projects in the area to the south of Wallan is provided below. This provides a guide to the scale of industrial investment in region as defined by the following figure. These suburbs may reflect future industrial demand in Wallan.

Figure 21: Map of Industrial Profile Area



Source: ABS Maps 2020

The table below shows industrial activity and pipeline data for the selected area. An estimated 34 industrial projects have been completed between 2010 and 2020. These projects have an approximate total value of $257.9m, with an average project value of $7.6m and an average value per annum of $25.8m.

While many projects are in the pipeline (projects considered possible and likely), these projects are on average of smaller value than those completed during the period.

Table 23: Industrial Activity and Pipeline of Selected Area, 2010-2020

	Number of Projects	Value	Average Project Value	Average Project Value per annum
Construction	34	257,981,000	7,587,676	25,798,100
Likely Construction	17	8,490,000	499,412	849,000
Possible Construction	26	111,116,000	4,273,692	11,111,600
Deferred	0	-	-	-
Abandoned	5	4,130,000	826,000	413,000
No Further Information	5	26,875,000	5,375,000	2,687,500
Total	**87**	**408,592,000**	**4,696,460**	**40,859,200**

Source: Cordell Connect

8.5 Industrial Land Projections - Investment Trends

Annual floorspace and land area take-up estimates are shown below using constructed project value as a guide.

Two scenarios are provided in the table below. The first uses a construction value of $1,000 per sqm, which reflects warehouse style projects, and the second scenario uses $1,500 per sqm, which reflects office warehouse projects. In both scenarios, a 40% site coverage ratio is assumed.

Assuming future industrial activity in the Wallan area mirrors that of the selected area, land take up could be approximately 3.3 ha per annum over time as the market natures.

Table 24: Estimated Annual Industrial Floorspace and Land Development, Selected Area

	Scenario 1 Assuming $1,000/sqm & 40% Site Coverage		Scenario 2 Assuming $1,500/sqm & 40% Site Coverage	
	Floorspace	Site Area	Floorspace	Site Area
Construction (sqm)	13,337.4	33,343.5	8,891.6	22,229.0
Construction (ha)	1.3	3.3	0.9	2.2

Source: Cordell Connect

8.6 Industrial Land Projections - Local Demand Thresholds

The analysis below examines the potential growth in industrial land demand across Wallan as the number of households increases. The assumption of the analysis is that the ratio of occupied industrial land to households will hold constant as the number of households in the area increases.

In Wallan, 2.7 ha of industrial land is effectively occupied (estimated for 2021) per 1,000 households. Across Mitchell Shire, the same ratio is 13.8 ha per 1,000 households.

Table 25: Occupied Industrial Land to Household Ratios

	Occupied Industrial Hectares	Households	Hectares Per 1,000 Households (2014)
Wallan*	13	4,855	2.7
Mitchell Shire	189	13,721	13.8
Whittlesea	890	63,680	14.0
Hume	2,142	60,123	35.6
Greater Melbourne	19,809	1,574,484	12.6

Source: Forecast id 2020, Regional Industrial Report - Shire of Mitchell 2012, Hill PDA 2020

**Wallan data estimate for 2021; other areas 2016/2018 data*

The table below shows the application of the calculated Wallan ratio (2.7 ha per 1,000 households) to the estimated growth in Wallan households to full development.

This approach suggests that the demand for industrial land is forecast to reach 50.6 ha at full development in the town for local industrial uses.

This rate of increase in demand for local industrial land is 1.6 ha per annum between 2021 and 2041. This is within the investment trend benchmarks shown earlier and is thus deemed reasonable.

This suggests the existing Wallan industrial precinct could be more or less fully occupied within a decade as a function of local demand.

As shown earlier in this section of the report, there is estimated to be 16 ha of zoned industrial land available for future development (beyond current occupied and under construction land). The additional need for Wallan is therefore a minimum of 27 ha to meet local needs at full development.

Table 26: Industrial Land Demand Estimate, Wallan, 2016 to Full Development

Year	Households	Industry Land Forecast (ha)
		2.7 ha per 1,000 households
2016	3,825	10.3
2021	4,777	12.9
2026	7,115	19.2
2031	10,232	27.6
2036	13,341	36.0
2041	16,414	44.3
Full Development	**18,729**	**50.6**
Change in Demand 2021-Full Development		*37.7*
Available Supply (2021)		*16.0*
Minimum Additional Need		*21.7*

Source: HillPDA

The growth rate is likely to increase as industrial investment demand enters the region from the neighbouring suburbs of Hume and Whittlesea. While such a method results in linear growth in demand for industrial land area, it is more likely that this demand will be met through periods of oversupply and undersupply over the forecast period.

8.7 Beveridge Intermodal Freight Terminal (BIFT)

In addition to local demand as measured above, additional demand for industrial land and related commercial land would be driven by the proposed major investment in Beveridge.

Cargo and freight services provider *Qube* has proposed the private development of an intermodal freight terminal located in Beveridge (see figure below) in line with the preferred location of the Victorian Government.

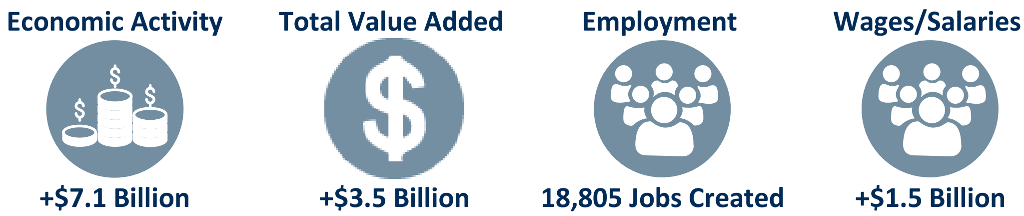
The intermodal terminal would facilitate the transfer of freight between road and rail and in so doing become a state significant transport and logistics destination.

The proposed site is approximately 1,100 hectares overall and lies between the Melbourne-Sydney rail line and the Merri Creek, with access to C729 Epping Kilmore Road. The location would allow for ease of transport access, maximising accessibility. *Qube* is seeking approval for the project to reach an operational stage as early as 2022.

The Department of Transport is assessing several options for the site and the potential scale of the project and land area required. The final land allocation for the project and precinct is currently uncertain and as such the nominal 1,100 hectares could be revised following more detailed investigation.

The introduction of the intermodal terminal in Beveridge could have significant economic impacts, particularly Wallan and Beveridge, and the wider region.

Figure 22: Potential Economic Impact Metrics - BIFT



Source: Urbis 2019

An estimated 18,805 jobs will be supported from the construction and operation of the proposed site. Of these jobs, 8,110 would be located on-site during construction or in operating the terminal when operational. The remaining 10,695 jobs will be supported through indirect support services involved in both phases.

Some of the flow-on jobs from the site could be captured by other areas of Mitchell Shire. There is potential for business support services, trade supplies, repairs and maintenance activities and retail and service sectors in Wallan to benefit from the project.

The employment opportunities would include the following:

1. Construction Phase

   Employment on construction site (Direct) - There will be roles formed while construction takes place. Given employment trends in the region, an estimated 53.2%[2] of jobs created will be captured by local construction industry workers.

   Ancillary services (Indirect) - Jobs will be created in industries providing both intermediate and final goods and services to the construction industry during this period. These roles may be found in industries such as transport, manufacturing, accommodation and food services.

[2] Census 2016, ABS

2. Operational Phase

   Employment in freight transport (Direct) - Once operational, employment in primarily warehousing (94% of direct employment generated) will assist the region meet job targets for the Wallan and Beveridge area.

   Ancillary Services (Indirect) - Indirect employment in the operational phase will strengthen a variety of industries in the regional area, catering to the region's growth in skillset diversity.

   New wage/salary recirculation (Consumption-Induced) - From employment generated, the recirculation of wages through the region will result in demand-driven industry growth.

3. Additional Investment

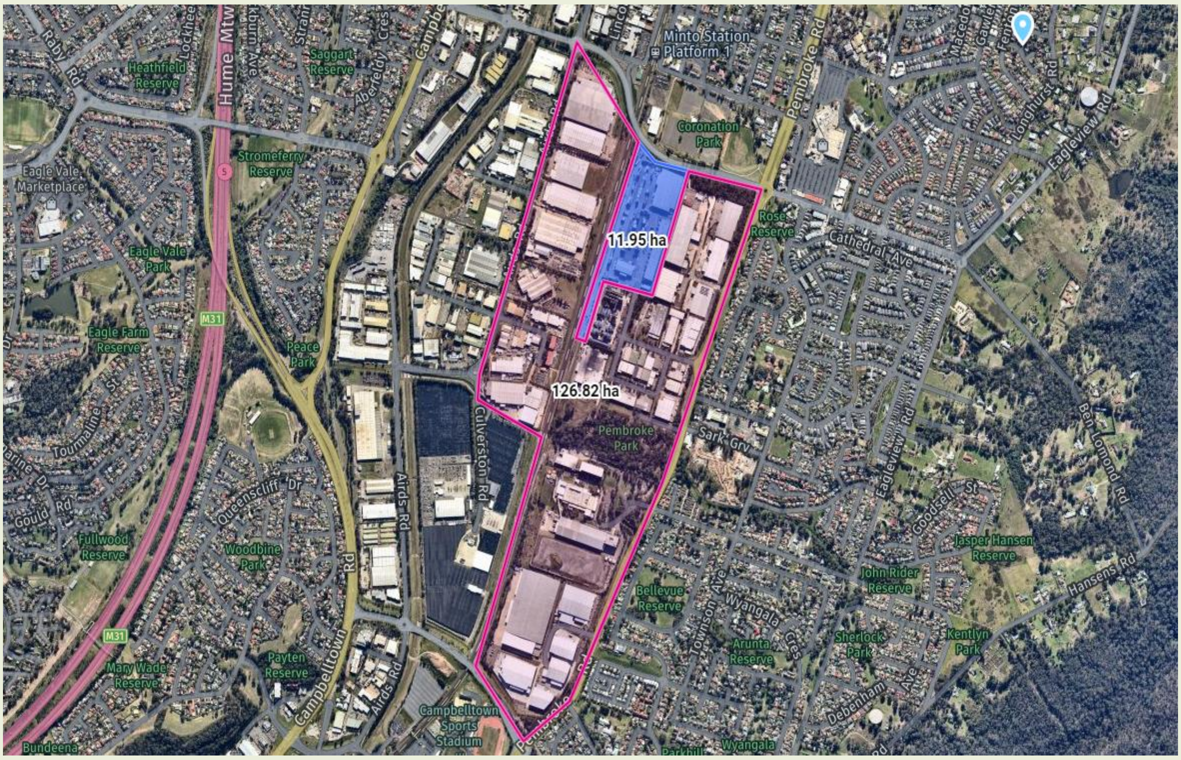
   A large infrastructure investment in Mitchell could encourage additional investment within the northern growth corridor. Like this project, future investments would achieve local job creation across a variety of industries in both the construction and operational phases.

Shown below is an example of a similar facility in New South Wales.

Case Study: MacArthur Intermodal Shipping Terminal

The MacArthur Intermodal Shipping Terminal, another *Qube* site, provides a smaller scale version of the potential Beveridge terminal and provides context for the types of businesses that have located in or near the facility.

MacArthur Intermodal Shipping Terminal (MIST)



Source: Nearmap 2020

The terminal, approximately 12 ha in area and located in Minto NSW, is surrounded by a variety of businesses, leveraging off the transport efficiencies provided by the site. These businesses take up approximately 10 times the industrial land of the terminal site itself but noting many of these may serve other functions in the area and not just the terminal.

The land use zoning is a general industrial zone and property sizes vary from 2,500sqm to 60,000sqm - compared to neighbouring precincts there are large lots with more intensive industrial uses.

Businesses surrounding the MacArthur site are of the following industries:

- Logistics - Packaging, Plastics and Distribution
- Minerals - Steelworks and Mining Machinery
- Manufacturing - Final and Intermediate Goods Production

Using region-specific multipliers, it is approximated that per $1 generated in the transport, postal and warehousing industry in MacArthur, approximately $0.12 is generated for office-based industries through ancillary services and wage consumption impacts.

8.8 Summary

The key takeaways from this section are:

- Wallan has approximately 13 ha of occupied or in development industrial land and about 16 ha of undeveloped zoned industrial land supply.
- Within the Wallan industrial precinct, most businesses are automotive and construction-related. These are considered locally significant industries.
- In term of projected industrial land take-up, it is estimated that occupied industrial land demand in Wallan could reach 50.6 ha at full development.
- This means there could be a shortage of industrial land later this decade and a need to add at least 27 ha to industrial land supply to meet local needs.
- Beyond local demand, Wallan has potential to perform a role in the broader industrial economy, due to its location near the Hume Freeway, interstate rail line and proposed intermodal freight terminal in Beveridge. This could accelerate industrial land demand in Wallan. It is assumed the nominal 1,000 ha of potential future land would meet regional and state-significant needs in the vicinity of Wallan.

9.0 PSP ECONOMIC RECOMMENDATIONS

9.1 Context

Wallan as a whole is expected to achieve 19,800 dwellings and 61,300 residents at full development[3]. This population is expected to support approximately 115,700 sqm of retail floorspace in the town (across all centres), 34,700 sqm of office floorspace, 51 ha of industrial land development and a range of community facilities including higher order health and education facilities.

Wallan Town Centre, Wallara Waters and the Wallan South Employment Precinct are expected to accommodate higher order economic uses in the future.

Within this context, recommendations for the two PSP areas are shown below.

9.2 Recommendations

The recommended economic plan for the PSP areas is summarised as follows:

- Wallan South:
  - 1 x Neighbourhood activity centre
  - 2 to 3 x Local convenience centres (and potentially other local shop nodes)
  - 1 x Employment precinct (with commercial, health, education, showroom, bulky goods and service industry uses)
- Wallan East (Part 1):
  - 1 x Local convenience centre.

The recommended profile of the economic activities is summarised in the table below and shown in the map that follows.

Notes that floorspace guidance applies a rounded estimate of the analysis shown earlier.

[3] Note that land known as Wallan East (Part 2), which is 120 gross hectares of land south of Wallan-Whittlesea Road, is being investigated for potential future residential use. The findings of this report may require updating following confirmation of the future direction for that area.

Table 27: Recommended economic plan

Map ID	Investigation area
1	**Neighbourhood Activity Centre, Wallan South** At full development, the Wallan South PSP will require a large neighbourhood activity centre anchored by a full line supermarket and potentially a second small supermarket in addition to a range of speciality shops, commercial services and local community facilities, such as medical facilities and child care. Supermarket sizes would be determined by proponents at this centre based on their assessment of need and their delivery models. Typically a full line supermarket is approximately 3,500 sqm to 4,200 sqm and smaller versions range up from 500 sqm. This centre will play a part in meeting needs for the PSP area, which will also be met by Wallan Town Centre, local convenience centres and higher order centres in the northern region of Melbourne. Full development potential: ▪ Retail floorspace: 8,000 sqm (nominal guide; details to be determined by proponents) ▪ Commercial floorspace: 2,000 sqm ▪ Plus local community services: 2,000 sqm (assumed) ▪ Estimated jobs: 350 ▪ Land area: 3.0 ha The need for the facilities will follow residential development in the PSP area. It is possible that approximately 70% of the need for activity centre uses will be required around 2036-2041 depending on development take up.
2	**Local Convenience Centres in Wallan South** At full development, the Wallan South PSP area may require two to three local convenience centre that include a small supermarket of around 1,000 sqm. This will provide residents in the fringes of the PSP area with access to convenience services within a walkable distance from home. The centres can be co-located with community facilities. Full development potential: ▪ Retail floorspace: 2,000 sqm ▪ Commercial floorspace: 600 sqm

- Plus local community services: 600 sqm
- Estimated jobs: 100
- Land area: 0.8ha

The need for the facilities will follow residential development in the PSP area.

3 & 4 Wallan South Employment Precinct

The employment precinct can be structured to deliver a commercial office, health and education precinct in the north of the area around Greenhill Reserve.

The land adjacent to the Greenhill reserve is suited to health, education or other community uses. These uses would benefit from interface with the Greenhill Reserve and sports fields and proximity to the Wallan Town Centre. Pedestrian and cycle links to the centre should be established.

The employment precinct has potential to offer major anchor institutions large floorplates in a master-planned business park setting. Anchors such as medical facilities and higher education facilities can attract complementary commercial uses. This can also be the case with the intermodal freight hub, which could generate demand for a range of commercial uses that seek a business park setting.

The southern part of the precinct could include showroom uses and bulky goods along the highway frontage and service industry uses (focused on the freeway or eastern fringe). The southern part of the employment precinct is nominated as a secondary local industry area in Wallan to support service or light industry uses to establish as the existing industrial precinct in Wallan approaches capacity.

Indicative profile (total):

- Land: 53 ha
- Floorspace: 204,200 sqm
- Jobs: 3,230

Commercial / office component:

- Land: 2 ha
- Floorspace: 18,300 sqm
- Jobs: 910

Health and education component:

- Land: 15 ha
- Floorspace: 45,000 sqm
- Jobs: 530

Showroom / bulky goods component:

- Land: 6 ha
- Floorspace: 21,000 sqm
- Jobs: 600

Light Industry component:

- Land: 30 ha
- Floorspace: 120,000 sqm
- Jobs: 1,200

5 Local Convenience Centre, Wallan East (Part 1)

At full development, the Wallan East (Part 1) PSP area will require a local convenience centre that includes a small supermarket of around 1,500 sqm. This will provide residents in the PSP area with access to convenience services within a walkable distance from home.

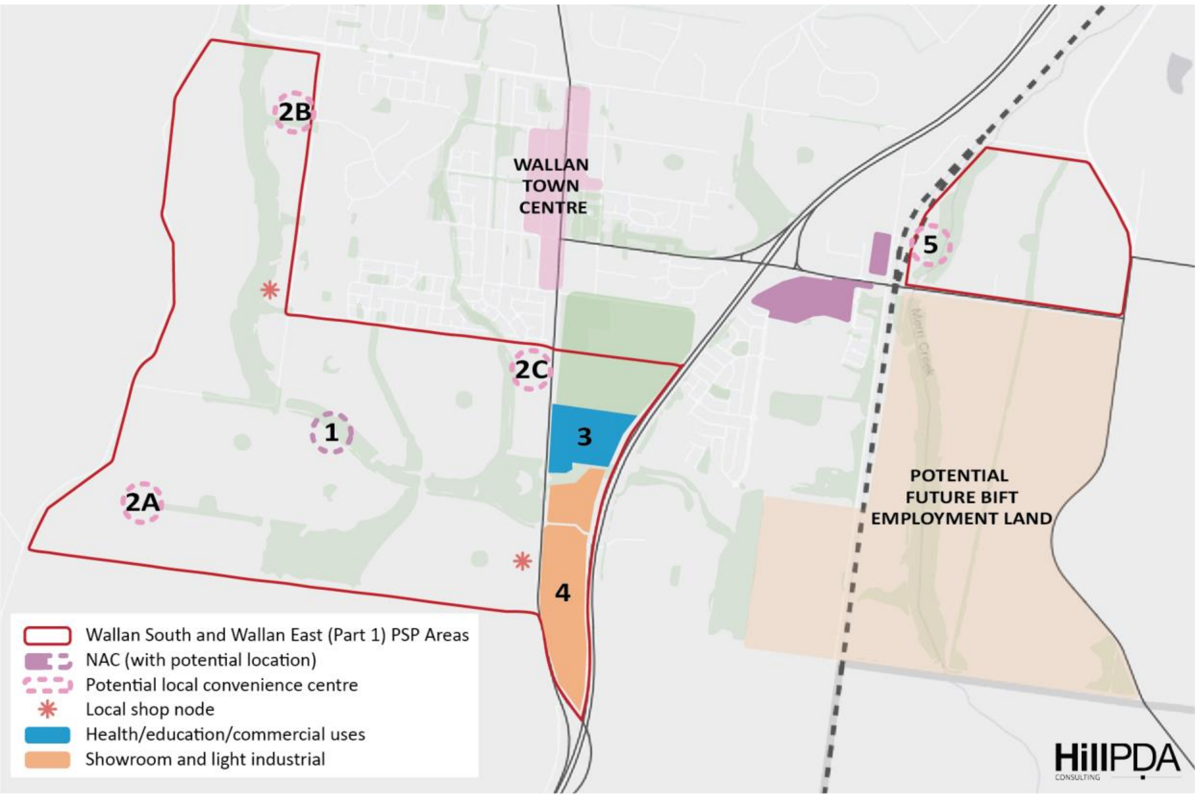
The centre can be co-located with Wallan train station and be near Wallan-Whittlesea Road to gain benefits from passing trade. This location has potential to support a wide range of commercial uses such as offices. Shown below is nominal demand supported by the local population however there may be scope for higher order office uses beyond the guide shown to locate near the train station.

Full development potential:

- Retail floorspace: 3,000 sqm
- Commercial floorspace: 600 sqm (however there may be additional demand associated with a train station location)
- Plus local community services: 2,000 sqm (assumed)
- Estimated jobs: 140
- Land area: 1.4ha

The need for the facilities will follow residential development in the PSP area. It is possible that approximately 70% of the need for activity centre uses will be required around 2036-2041 depending on development take up.

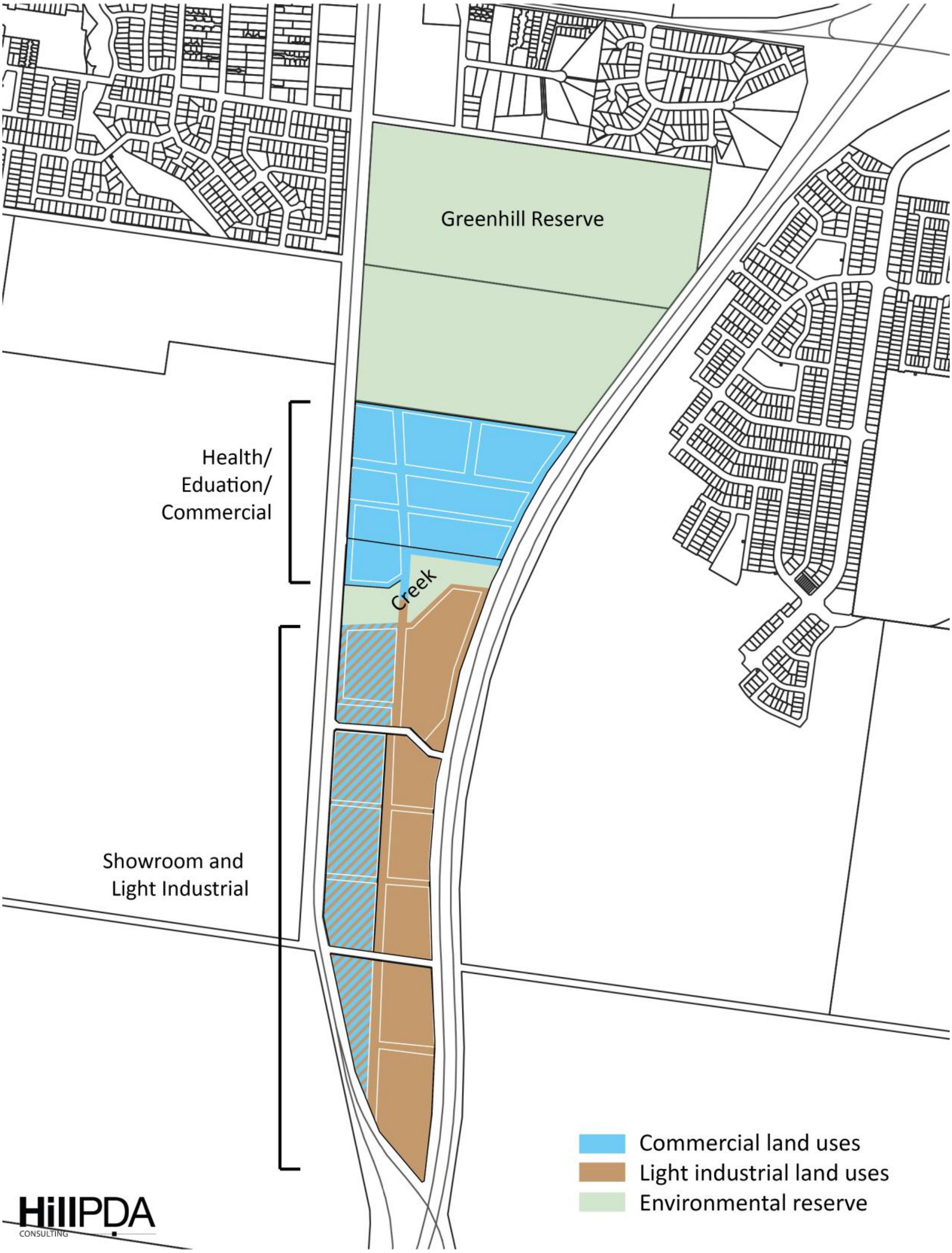
Figure 23: Wallan South PSP and Wallan East (Part 1) PSP Economic Directions



A more detailed concept plan of the potential land use composition of the employment precinct is shown below. This map is indicative. Details would be developed by proponents and relevant authorities.

The figure shows a notional commercial frontage along the Northern Highway. This frontage is likely to be attractive to business that benefit from visibility and passing trade.

Figure 24: Indicative Employment Precinct Layout



9.3 Contribution to Meeting Jobs Targets

The PSP areas could support in the order of 4,000 jobs at full development. This would be a significant contribution to meeting the job and service needs of the local population.

The PSP areas combined could accommodate 9,30 dwellings and as such the policy target of one job per dwelling would need to be achieved via employment development in higher order centres and employment areas outside of the PSP areas.

Table 28: Summary of Recommended Economic Elements for Wallan South and Wallan East (Part 1) PSP Areas

Economic Element	Land Area (ha)	Floorspace (All Types) (sqm)	Jobs
1: Neighbourhood Activity Centre, Wallan South	3.0	12,000	350
2a: Local Convenience Centre, Wallan South	0.8	3,200	100
2b: Local Convenience Centre, Wallan South	0.8	3,200	100
2c: Local Convenience Centre, Wallan South	0.8	3,200	100
3&4: Wallan South Employment Precinct	53.0	204,200	3,230
5: Local Convenience Centre, Wallan East	1.4	5,600	140
Total for PSP Areas	**59.8**	**231,400**	**4,020**

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