BALLARAT NORTH PRECINCT STRUCTURE PLAN
ECONOMIC & RETAIL ASSESSMENT

Prepared for
The Victorian Planning Authority
June 2024

FINAL REPORT

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EXECUTIVE SUMMARY

Urbis has been engaged by the Victorian Planning Authority (VPA) to conduct an independent economic and retail assessment as part of the broader background research to inform the activity centre and employment land need and demand in the Ballarat North Precinct Structure Plan (PSP) area.

The study area encompasses a total land area of approximately 832 ha. This includes a designated Core Area of some 561 ha and an Expanded Area of around 271 ha further north. The Core Area has a population capacity of 18,000 – 19,000 people, whereas the Expanded Area could support another 7,300 – 9,800 residents depending on development density outcomes.

At this stage, the status of the Expanded Area remains unresolved. If the Expanded Area is not included in the Ballarat North PSP area, then it is understood that there is potential for that area to be released at a later stage via a separate PSP process.

In this report, analysis has been conducted for both the Core and the Expanded Areas.

Specifically, this research investigates:

- **The Context Influencing the Delivery of the Ballarat North PSP**, considering the nature of the land within the designated PSP area and its surrounding key land uses, including existing uses surrounding the PSP, and key physical and natural barriers that may influence the potential development outcomes.
- **Trends Impacting Retail & Employment Land**, providing a high-level overview of the emerging trends in recent years and the implications for future demand for both activity centre and employment land in the wider Ballarat context.
- **Regional Population & Employment Trends**, assessing the historical and forecast population growth in Ballarat and key characteristics of the local employment market as well as key factors driving jobs growth at a local level.
- **Ballarat North PSP Activity Centre Floorspace Demand** considers the need for anchor tenants for the area's activity centres across the PSP and within defined sectors. The relationship between major tenant and other centre floorspace is presented, along with identification of potential supporting retail, non-retail or other commercial uses within future activity centres or elsewhere in the PSP.
- **Location, Scale & Indicative Timing of Activity Centres** based on the preceding major tenant analysis and other space relationships, we recommend the appropriate scale and location of larger activity centres considering the PSP 2.0 Guidelines and the target of 80%-90% of dwellings to be within 800m of a centre. Within this context, we consider potential locations for future activity centres in various development scenarios.

MARKET TRENDS & NEEDS

EMERGING TRENDS RE-SHAPING MARKET DEMAND FOR RETAIL AND EMPLOYMENT LAND IN BALLARAT

The creation of successful activity centres will need to draw on the best elements and new thinking being applied in Town Centres, creating strong connection to the local market. Successful centres incorporate a mix of elements to bring more people, more often, staying longer and spending more. Centres need to include more than retail space, incorporating entertainment, activity, health and other community facilities.

In Australia, the key macro-economic trends emerged over the past two decades or so continue to re-shape the market demand for retail and employment land.

Evolving household consumption pattern has seen continued decline of spending on retail items as a share of total household consumption, whereas non-retail spending (e.g. health and education) has seen stronger growth. It is critical to ensure an optimal mix of both retail and non-retail uses in activity centre planning and ensure a degree of flexibility.

Meanwhile, e-commerce has had varying degree of impact on traditional retail. While online retailing has impacted consumer preferences and slowed relative growth in bricks-and-mortar retail space, the impact has been felt more in the discretionary sector (e.g. clothing, electronics, homewares, etc.) compared to non-discretionary sectors, such as food retail.

While in a regional market, such as Ballarat, such impact is considered to be relatively limited, it will nonetheless influence the planning and development of future activity centres, in particular centres serving a neighbourhood market. Retail categories such as food and groceries and other convenience retailing will likely be somewhat immune from the effects of e-commerce, whereas non-food and most discretionary categories are expected to continue to evolve, impacting the need and demand for those retail assets associated (e.g. department stores, discount department stores, etc.)

IMPORTANT ROLE OF HIGHER ORDER ACTIVITY CENTRES

Larger, higher order activity centres will continue to attract most of the demand for major, destinational retail and commercial uses.

In the Ballarat context, such centres involve the CBD as the designated Principal Activity Centre, as well as Major Activity Centres such as Wendouree. The opportunity for neighbourhood centres, in particular centres in outlying greenfield areas with access to a largely contained population catchment, such as those likely within the Ballarat North PSP, will be limited to providing local services, with a focus on catering to day-to-day shopping needs (e.g. food & groceries).

BALLARAT WELL PROVIDED WITH EMPLOYMENT LAND

As a major regional hub, Ballarat recorded strong population growth in recent years despite the COVID impact, outstripping the rest of regional Victoria as a whole. Such growth has and will continue to be supported by greenfield PSP developments.

Meanwhile, Ballarat has undergone significant changes in its employment landscape, now driven primarily by population services sector (e.g. health & education), followed by the traditional primary and industrial sectors which have continued to play a critical role in supporting jobs growth.

There is sufficient employment land designated across various dedicated employment precincts to support the long-term employment needs within the municipality, including the nearby Ballarat West Employment Zone. The VPA’s employment target of “1 new job per new household” in PSP areas is set to be achieved.

As such, the Ballarat North PSP should predominantly be a residential area, with any employment opportunities focused on serving demand from the local population (e.g. retail, education, local industry and commercial).

SIZEABLE & EVEN DISTRIBUTION OF POPULATION IN PSP

The population capacity for the Ballarat North PSP assessed in this report is approximately 18,000 - 19,000 people for the Core Area. Should the Expanded Area be included in the PSP, it could add another 7,300 - 9,800 people depending on the density of development.

The distribution of dwellings across the PSP area is generally even, with an average density of 20 dw/NDA.

At capacity, each of the defined retail catchment sectors within the PSP (Core Area East/West & Expanded Area) could support between 7,300 and close to 10,000 people.

Considering the existing and future population in the neighbouring suburb of Miners Rest, the total population for the wider catchment potentially adds up to between 23,400 and over 33,200 people at capacity. This population is sizeable to support a range of retail and commercial uses.

DDS UNLIKELY SUPPORTED OR NEEDED

There is unlikely any need or demand for a discount department store (DDS) within the Ballarat North PSP, given its declining market presence, more than sufficient existing and future supply across the municipality and importantly a lack of critical mass to support even an entry-level offer in the high population scenario (33,200 people vs. minimum 40,000 people required for a 6,000-7,000 sq.m store).

FUTURE ACTIVITY CENTRES IN BALLARAT NORTH PSP

RECOMMENDED OUTCOME: ONE LARGE NEIGHBOURHOOD ACTIVITY CENTRE IN A CENTRAL LOCATION TO SUPPORT STRONGER PERFORMANCE

Across the entire PSP area (including the Expanded Area), the total supermarket floorspace supportable is estimated at 8,000-12,000 sq.m at capacity. This would in theory generate demand for two to three full-line supermarkets and potentially another two to three smaller format stores.

Broadly, with 8,000-10,000 people at capacity in each of the three sectors defined within the PSP area, conceivably each would be close to supporting a full-line store. However, this would create smaller, competing centres with duplicated facilities and likely modest performance.

There is a positive relationship between the number and scale of major tenants provided in a centre. Larger centres with multiple supermarkets support more retail and non-retail shop space compared to smaller centres. The clustering of activity into a single location results in better performing centres.

As such, Urbis recommends **one large neighbourhood activity centre (NAC)** being centrally located in the PSP area. This large NAC could be supported by **up to two neighbourhood activity centres of smaller size**. This is elaborated in more detail below.

A Central Large NAC

- The Central Large NAC could be anchored by 2 full-line supermarkets given its anticipated designation as the higher order centre located centrally within the PSP, hence the wider draw of trade across both the Core Areas and the Expanded Area.
- In time, another mid-sized offer such as Aldi could also be potentially supported to service future additional residents in the Expanded Area.
- While this would appear a longer term proposition, **allowance in the provision of centre floorspace and land area for the Central Large NAC should be made to future-proof retail/commercial space provision to support a higher population capacity outcome (i.e. when the Expanded Area is delivered)**.
- This can be achieved by reserving a larger land area for the Central Large NAC at this early strategic planning phase, on the basis of a higher density outcome being ultimately delivered (i.e. Scenario 2, including the Expanded Area).
- This will ensure a more optimal and viable activity centre network in the wider Ballarat North area and preserve the status of the Central Large NAC as the larger, higher order centre within the local centre hierarchy.
- By consolidating retail floorspace at the larger centre, it will also be consistent with the objective to support stronger centre performance hence better services at not only the Central Large NAC but across all other centre locations in the PSP.

An Eastern LAC

- Within the Core Areas of the PSP, the Central Large NAC could be supported by a smaller format Local Activity Centre (LAC) in the Core Area East sector (i.e. Eastern LAC).
- The Eastern LAC could be anchored by a small-format supermarket, such as an IGA, alongside a small range of retail and non-retail specialty offerings.
- It is anticipated to play a supplementary role by providing convenience style retail and other commercial services to its local Core Area East sector.

A Northern LAC (TBD)

- Given the sizeable resident population anticipated to be accommodated, in time, there will be a need to deliver retail and commercial floorspace at a local centre (i.e. Northern LAC) to better service the future population.
- Similar to the Eastern LAC, the future Northern LAC could be anchored by a smaller supermarket (e.g. IGA) in supplementing the larger, higher order offers at the Central Large NAC.
- In a high development density scenario (i.e. Scenario 2), a mid-sized supermarket offer (e.g. SUPA IGA) could be considered to cater to a larger population.
- The existing Ritchies IGA in Miners Rest would service the parts of the PSP towards its western edge and a portion of the Expanded Area, given its proximity and the relative ease of access.

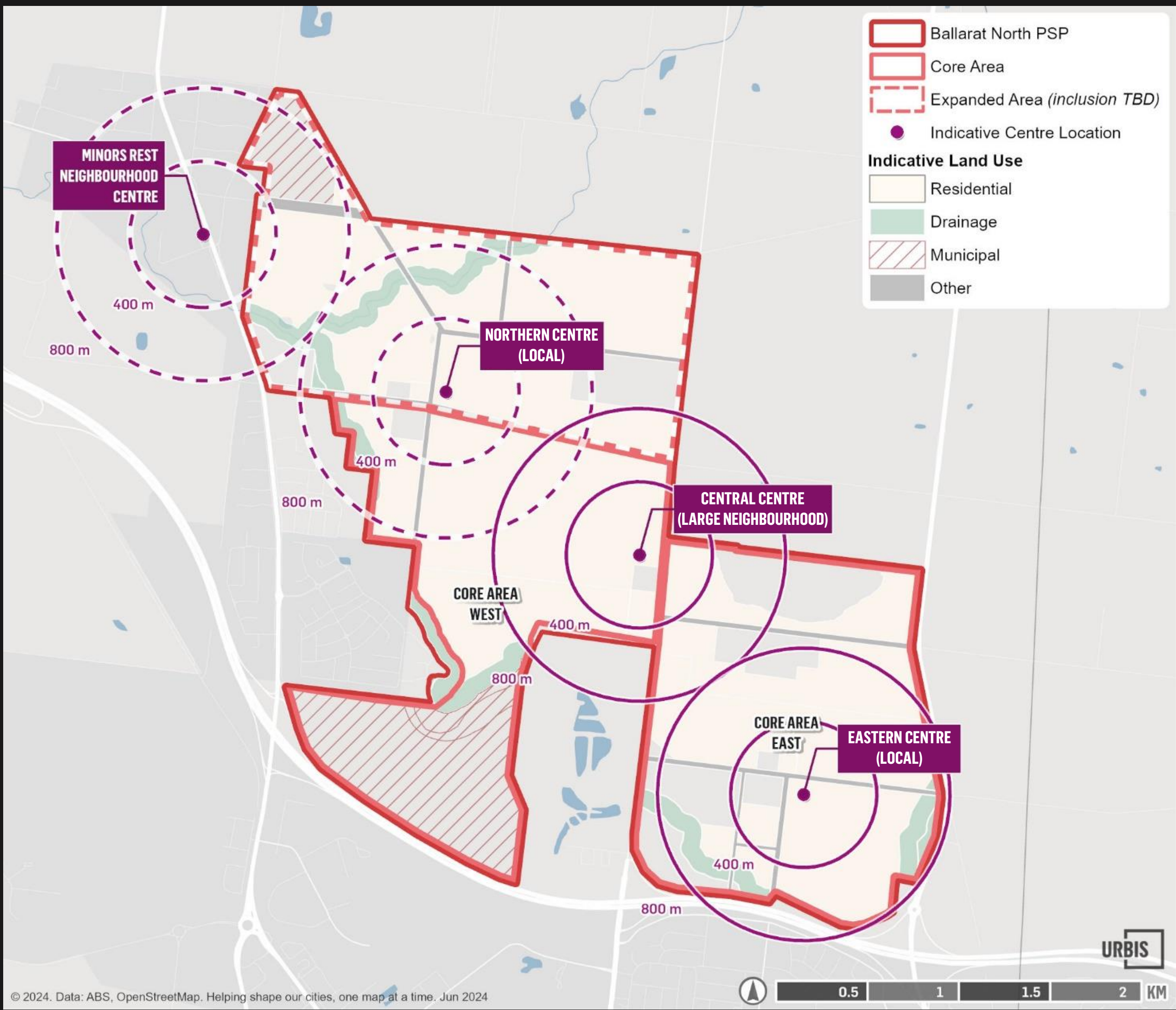
As mentioned, there is a potential for the Expanded Area to be released at a later stage via a new PSP process. Should this be the case, a separate economic and retail assessment would then be required to re-consider the size/scale and location of a future activity centre within that area in due course.

The above activity centre hierarchy and the recommended spatial distribution of centres are illustrated overleaf.

DISTRIBUTION OF ACTIVITY CENTRES IN BALLARAT NORTH PSP

On the basis of our recommended activity centre hierarchy outlined above, the spatial distribution of centres are illustrated on Figure 1 below.

FIGURE 1 - INDICATIVE LOCATION OF FUTURE ACTIVITY CENTRES WITHIN THE BALLARAT NORTH PSP



INDICATIVE CENTRE FLOORSPACE MIX

The indicative floorspace mix for each of the future activity centres within the PSP area is summarised in Table 1 below. This is presented for the three assumed development density scenarios:

- **Scenario 1**: 20 dw/ha for both Core Areas, but no development in the Expanded Area
- **Scenario 2**: 20 dw/ha for both Core Areas plus the Expanded Area
- **Scenario 3**: 20 dw/ha for both Core Areas, and 15 dw/ha for the Expanded Area

In doing so, we have had reference to the typical centre floorspace distribution ratios for supermarket-based centres from the latest edition of the Urbis Shopping Centre Benchmarks.

Note: these estimates are indicative only and are not intended to represent a cap on space that could be developed, as in time, different retail concepts or preferences may see the market deliver some variation. Planning for centres needs to be adaptable to this change over the long-term delivery of PSPs and the centres within them.

TABLE 1 - INDICATIVE ACTIVITY CENTRE FLOORSPACE MIX

Central Large NAC	Scenario 1		Scenario 2		Scenario 3	
	% of Centre	Sq.m	% of Centre	Sq.m	% of Centre	Sq.m
Supermarket Floorspace	56%	6,400-7,200	54%	8,500-9,200	55%	7,900-8,800
Mini Majors & Retail Specialties	38%	4,340-4,890	40%	6,300-6,810	39%	5,600-6,240
Non-Retail Specialties	6%	690-770	6%	940-1,020	6%	860-960
Centre Size		**11,430-12,860**		**15,740-17,040**		**14,360-16,000**
Other Commercial Floorspace		2,000		2,500		2,500
Total Activity Centre		**13,430-14,860**		**18,240-19,540**		**16,860-18,500**
Land Area Requirement (ha) (FSR @ 0.4:1)		*3.4-3.7*		*4.6-4.9*		*4.2-4.6*

Eastern LAC	Scenarios 1-3	
	% of Centre	Sq.m
Supermarket Floorspace	58%	1,200-1,500
Mini Majors & Retail Specialties	33%	680-850
Non-Retail Specialties	9%	190-230
Centre Size		**2,070-2,590**
Other Commercial Floorspace		1,000
Total Activity Centre		**3,070-3,590**
Land Area Requirement (ha) (FSR @ 0.4:1)		*0.8-0.9*

Northern LAC (TBD)	Scenario 2		Scenario 3	
	% of Centre	Sq.m	% of Centre	Sq.m
Supermarket Floorspace	57%	1,800-2,000	58%	1,200-1,500
Mini Majors & Retail Specialties	34%	1,070-1,190	33%	680-850
Non-Retail Specialties	9%	280-320	9%	190-230
Centre Size		**3,160-3,510**		**2,070-2,590**
Other Commercial Floorspace		1,000		1,000
Total Activity Centre		**4,160-4,510**		**3,070-3,590**
Land Area Requirement (ha) (FSR @ 0.4:1)		*1.-1.1*		*0.8-0.9*

Source: Urbis

20-MINUTE NEIGHBOURHOOD DWELLING TARGET & JOBS YIELD

The 20-Minute Neighbourhood is an urban planning concept and practice in which most daily necessities and services, such as shopping, education, healthcare, leisure and work can be accessed by 20-minute walk or bicycle ride from home.

As a key principle of greenfield precinct structure planning, the 20-Minute Neighbourhood concept revolves around enabling people to live locally whereby their everyday needs can be met locally by providing a broad range of amenities and services within a comfortable walking distance. In practice, this typically entails maximising the coverage of an 800m radius from activity centres within a new PSP area.

Based on our recommended centre distribution within the PSP, we estimate 80%-84% of all dwellings could be within 800 metres of one of the future activity centres within the PSP or the Miners Rest neighbourhood centre (Table 2), should higher density outcomes be achieved within the 800m radii (refer Appendices for dwelling density assumptions).

While there may be perceived gaps not immediately serviced by a centre (e.g. western parts of Core Area West in Scenario 1), Urbis does not recommend either adding centres to the hierarchy or re-distributing centres for the sole purpose of meeting the 80%-90% dwelling target.

At capacity, it is estimated between 600 and up to around 1,000 jobs could be supported at the future activity centres within the PSP (Table 3). These include around 600-820 jobs within the Core Areas and another 120-170 jobs within the Expanded Area.

TABLE 2 - ESTIMATED DISTRIBUTION OF NDA & DWELLINGS WITHIN 800M OF AN ACTIVITY CENTRE

PSP Sector	NDA (ha)				Dwellings		
Scenario 1	**Within 400m**	**Within 400m-800m**	**Outside 800m**	**Total**	**Total**	**Within 800m**	**Within 800m %**
Core Area East	45	106	26	176	3,525	3,134	89%
Core Area West	44	49	65	158	3,163	2,184	69%
Expanded Area (TBD)	-	-	-	-	-	-	-
Total PSP Residential NDA	**89**	**154**	**90**	**334**	**6,688**	**5,319**	**80%**
Scenario 2							
Core Area East	45	106	26	176	3,525	3,134	89%
Core Area West	44	83	31	158	3,163	2,688	85%
Expanded Area (TBD)	31	90	53	175	3,496	2,683	77%
Total PSP Residential NDA	**121**	**279**	**109**	**509**	**10,184**	**8,505**	**84%**
Scenario 3							
Core Area East	45	106	26	176	3,525	3,134	89%
Core Area West	44	83	31	158	3,163	2,688	85%
Expanded Area (TBD)	31	90	53	175	2,622	1,921	73%
Total PSP Residential NDA	**121**	**279**	**109**	**509**	**9,310**	**7,743**	**83%**

TABLE 3 - INDICATIVE ACTIVITY CENTRE FLOORSPACE & JOBS YIELD SUMMARY

	Scenario 1		Scenario 2		Scenario 3	
	Indicative Floorspace (sq.m)	Est. Jobs Yield	Indicative Floorspace (sq.m)	Est. Jobs Yield	Indicative Floorspace (sq.m)	Est. Jobs Yield
Central Large NAC						
Retail/Shopfront	11,430-12,860	380-430	15,740-17,040	520-570	14,360-16,000	480-530
Commercial	2,000	91	2,500	114	2,500	114
Eastern LAC						
Retail/Shopfront	2,070-2,590	70-90	2,070-2,590	70-90	2,070-2,590	70-90
Commercial	1,000	45	1,000	45	1,000	45
Northern LAC (TBD)						
Retail/Shopfront	-	-	3,160-3,510	110-120	2,070-2,590	70-90
Commercial	-	-	1,000	45	1,000	45
Total Retail & Commercial Jobs		**590-650**		**900-980**		**820-910**

Source: Urbis

SECTION 1
BALLARAT NORTH PSP CONTEXT

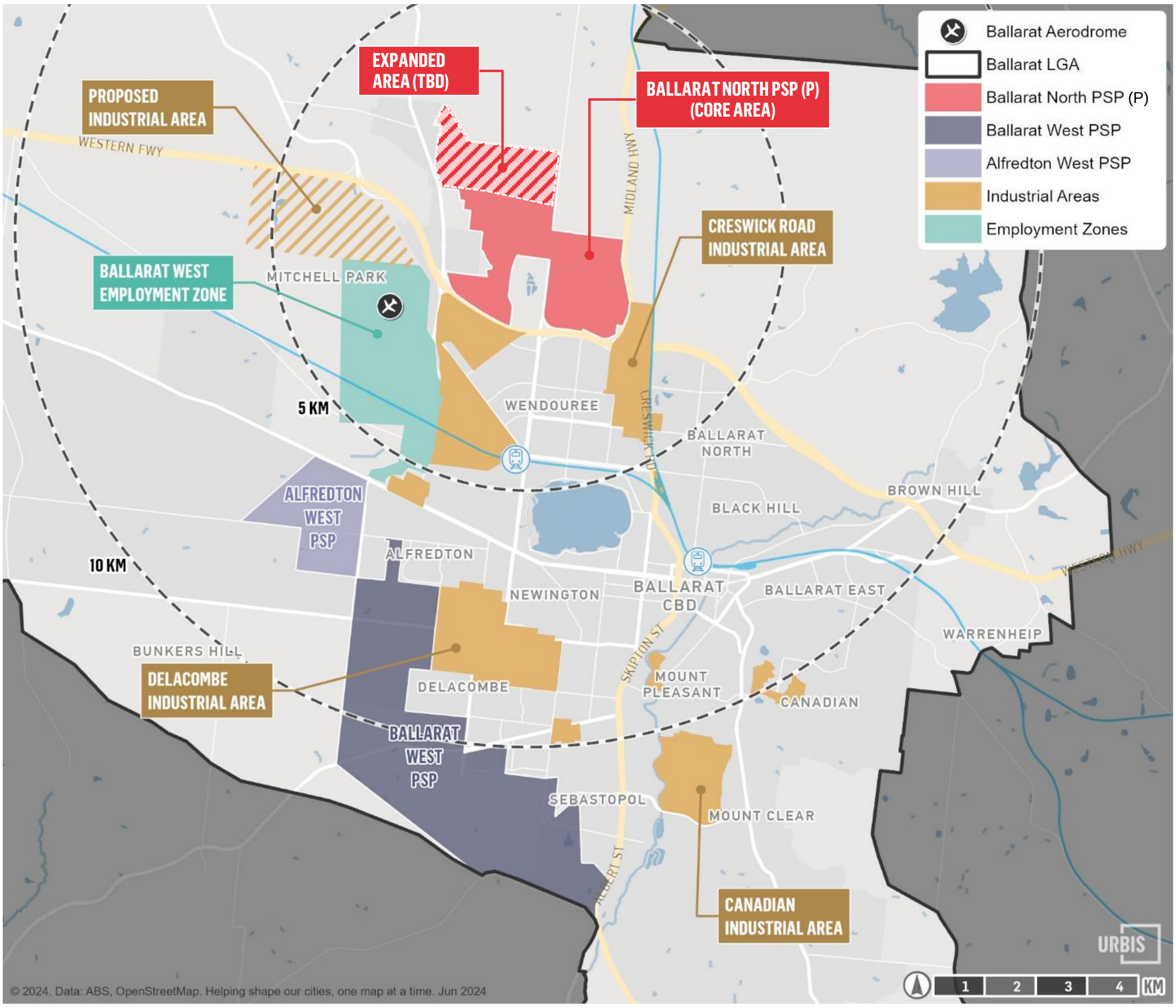
CITY OF BALLARAT CONTEXT

The Ballarat North Precinct Structure Plan (PSP) area is situated in the regional city of Ballarat, approximately 120 km north-west of the Melbourne CBD and 8 km northwest of the Ballarat CBD.

As shown in the below map:

- The designated Ballarat North PSP area sits immediately north of the Western Highway, abutting Midland Highway to the east. It is adjacent the suburb of Miners Rest to the west.
- The area is expected to be the focus of future greenfield development in support of longer term population growth in Ballarat.
- This is following the designation of the Ballarat West and Alfredton West PSPs as the existing growth fronts.

FIGURE 2 - CITY OF BALLARAT CONTEXT



Source: Draft Ballarat Employment Lands Strategy 2021; Urbis

LOCAL CONTEXT

The existing land use conditions and an indicative land use framework within the PSP area are shown in the map below. According to the VPA, the broader study area consists of land on both sides of Cummins Road, with the area to the north (i.e. Expanded Area) being subject to future investigation.

Areas set aside indicatively as regional open space and uncredited open space are also shown here, as per information provided by the VPA.

Key considerations in regards to this land use structure and the implications for future retail and employment developments are summarised below:

- Future town centres should be positioned to have main road access and high exposure, preferably close to key intersections. As such, exact centre locations may change depending on the final road network.
- Major physical and natural barriers such as the Western Freeway and future open space, drainage/floodway will limit the draw of future centres from both within and beyond the PSP area. Again, these limitations will need to be further considered and finalised in due course, which could affect the exact location of future centres in the PSP.
- The existing Ritchies IGA store serves primarily the local catchment in Miners Rest currently, although in time it will likely draw some demand from the western/northern parts of the PSP.
- The PSP area naturally divides into multiple sectors defined by physical and competitive barriers as well as staging considerations, in particular whether the Expanded Area is to be included in the PSP for residential development.
- As such, future activity centres are ideally positioned in the central location of the PSP and centrally within each sector to maximise the coverage of services for residents. This will be discussed in more detail through the remainder of this report.

FIGURE 3 - LOCAL BALLARAT NORTH PSP CONTEXT

**Note: The exact amount and location of non-developable land will be further determined via the PSP process.*
Source: VPA; Urbis

POLICY CONTEXT

To date, a number of local and State planning documents have provided the policy context which will influence the outcome of the PSP. A high-level review of the key documents or recent report most relevant to this research are summarised over the following two pages.

Ballarat Activity Centre Strategy (2012), City of Ballarat

- Strategic document guiding the activity centre developments across Ballarat
- A key document adopted by a number of other municipal level strategic policies such as the Ballarat Strategy 2040
- Incorporated into the local planning strategy (21.07 Ballarat Planning Scheme)
- Identifies the activity centre hierarchy back then and envisages a future structure, allowing for three future centres designated in the Ballarat West and Alfredton West PSPs which were under preparation at that time.
- Sets out overarching vision and principles for activity centre planning, including
  - Allowing flexibility for centres to change over time to accommodate the changing needs of their communities
  - reinforcing the defined hierarchy in Ballarat
  - consolidating retail and commercial activities in existing and planned centres

Ballarat Strategy 2040 (2015), City of Ballarat

- Long-term strategic planning document
- Identifies the 10-minute City as a key platform to guide growth and change. Key strategies of relevance include:
  - Encouraging a compact city form
  - Developing a network of complete local neighbourhoods, characterised by safe and convenient access to the goods and services needed, including retail facilities/services
- Supports the implementation of recommendations of the Ballarat Activity Centre Strategy
- Actively pursue more housing development within walking distance of local activity centres

Clause 21.07, Ballarat Planning Scheme, DTP

- Sets out objectives and strategies in support of Clause 17 (Economic Development) of the State Planning Policy Framework. Most relevant to this research include:
- Clause 21.07-3 Activity Centres
  - 5.4 - Support increased residential densities in and around activity centres
  - 5.10 - Encourage bulky goods/peripheral retailing to locate within the Ballarat CBD and Wendouree Bulky Goods Retail Centre.
- Clause 21.07-4 Industry
  - 6.3 - Encourage new industrial development to take locational advantage of the transport and distribution opportunities provided by the Western Freeway, Western link Road, Ballarat Aerodrome, and rail services
  - 6.4 - Ensure an adequate supply of zoned, developable and readily serviced industrial land is available in a range of locations.

Draft Ballarat Employment Lands Strategy (2021), City of Ballarat

- A comprehensive audit of existing and future supply capacity of employment land in Ballarat
- Identifies total zoned capacity of 370 ha, equivalent to 21-41 years of supply depending on methodologies applied in assessing demand levels
- Identifies a further 437 ha of proposed industrial land, and 39 ha of activity centre land planned for Ballarat
- Acknowledges the sufficient supply capacity in the existing market, while recognising the need to further review such capacity in the near future in case demand level increases following recent strong population growth

Precinct Structure Planning Guidelines: New Communities in Victoria (2021), VPA

- Commonly referred to as the PSP 2.0 Guidelines, providing overarching principles for greenfield developments across Victoria
- Specifically references the concept of 20-minute neighbourhoods and other guidelines relevant to activity centre and employment land planning, including
  - Encourages a dwelling density of 30 dwellings or more per net developable area within a 400m radius (T1)
  - Targets a minimum job density of one job per new dwelling within a wider growth corridor (T10), with 20% of the new jobs to be provided at activity centres/surrounding small local enterprise areas/dedicated health and education precincts.
  - Targets 80%-90 of dwellings to be within an 800m radius of an activity centre (T19)

POLICY CONTEXT

Ballarat Long Term Growth Options Investigation - The Northern GIA (2018)

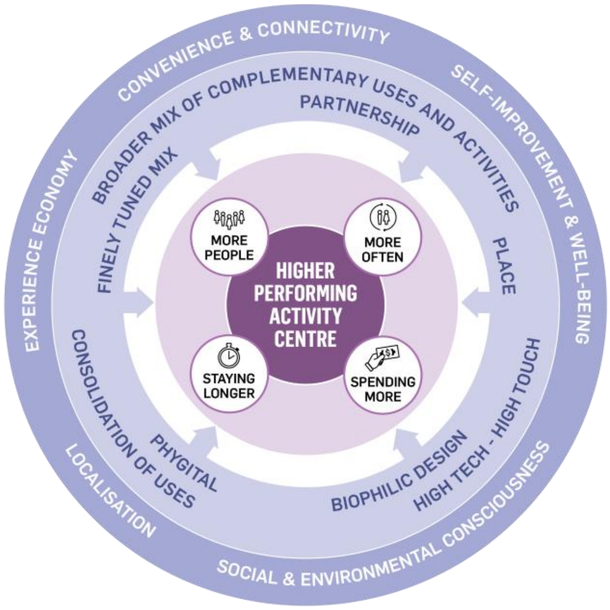
- Strategic documents providing guidance on future growth front opportunities across Ballarat
- The Northern Growth Investigation Area (GIA) identified as the top-ranking (i.e. highest score from a multi-criteria assessment) and preferred location for long term growth of Ballarat
- Key assessment criteria of most relevance to this research and where the Northern GIA achieved higher scores:
  - Access to designated Major Activity Centres – within a 10-minute drive from/to Wendouree
  - Access to Neighbourhood Activity Centres – estimated 70% of the GIA would be within a 10-minute walking/5 minute cycling catchment of a centrally located future NAC
  - Access to Ballarat CBD/Ballarat West Employment Zone – within a 20-minute drive for accessing 90% of employment opportunities and services
- Identified a range of key issues and considerations for future strategic planning work, including
  - Timing and staging consideration, in particular whether development should progress from the south towards the north, or whether from the northwest corner towards the southeast
  - Integration of development within the GIA with Miners Rest

SECTION 2
TRENDS IMPACTING RETAIL & EMPLOYMENT LAND

FUTURE OF TOWN CENTRES

MORE PEOPLE, MORE OFTEN, STAYING LONGER, SPENDING MORE

The creation of successful centres needs to draw on the best elements and new thinking being applied in Town Centres, creating strong connection to the local market. Successful centres incorporate a mix of elements to bring more people, more often, staying longer and spending more.



Entertainment & Leisure
Cinemas, F&B retailing and other entertainment extends the hours of centres and encourages visitors to linger.

Active Spaces
Rather than space for the sake of it, open areas must be compact and be filled with activity.

Health & Wellbeing
Health and wellbeing not only opens opportunities for tenants to fill centres (e.g. medical facilities) but the concept is becoming integral to designing centres people want to visit.

Activities & Events
A curated calendar of events and pop-up activities gives visitors more reasons to return and visit.

Easy Accessibility
The provision of multi-modal transport is becoming increasingly important to ensure town centres are easily accessible by residents, workers and visitors.

Community Facilities
Modern community facilities can be generators of activity in their own right and should be leveraged through close connections to retail areas.

Lifelong Learning
Education can be an important tenant in centres, with students extending active hours. This includes childhood through to adult education.

Convenience & Services
The needs of the market served must be top of mind. For a demographic characterised by lower to middle income families, a straightforward, convenient shopping and everyday needs (e.g. post office, banks, medical, libraries etc.) experience is essential. The design and offer must reflect this.

Sustainability
Sustainable credentials for a centre are almost essential now. This is important for the community, but it has also shown designing with sustainability in mind can make for better places to spend time in.

MORE THAN JUST RETAIL

WHY ARE USES BEYOND RETAIL INCREASINGLY IMPORTANT TO ACTIVITY CENTRES

The spending habits of Australians have shifted over recent decades. While retail goods and services are still the major consumption category, other non-retail uses are representing a greater share of where households spend their household purse.

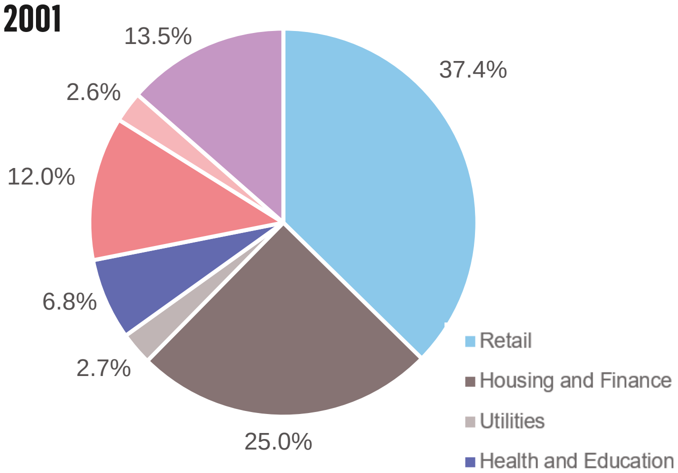
As shown in the charts here, the share of household consumption directed to retail spending has been narrowly declining. The bottom chart shows that retail spending has grown at a consistent rate relative to total household consumption, particularly over the last decade. Other key spending categories have grown faster, including health and education (more than 4-fold increase in spend since 2001) and housing and finance (close to 3-fold increase).

Consequently, the share of the household purse directed to retail spending has fallen marginally from 37% in 2001, to around 36% currently. At the same time, a greater share of spend has shifted to a variety of non-retail areas, including health, education, housing and finance, and utilities.

While this shift does not mean retail spending has declined in volume terms, it does suggest the focus of households has moved. At one time, developing a town centre would have simply been a case of adding the major tenants which would support retail specialty space and perhaps a couple of non-retail tenants. However, modern town centres must recognise the change in household spending and respond by including a broader mix of non-retail activity generators that reflect spending preferences and how the community now spends their time.

CHART 1 - AUSTRALIAN HOUSEHOLD CONSUMPTION BY CATEGORY (%)

2001



2023

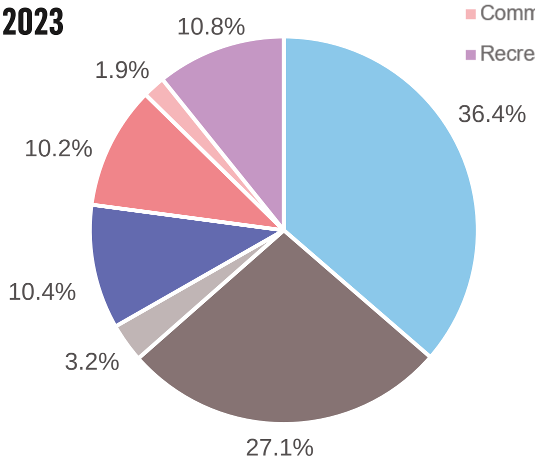
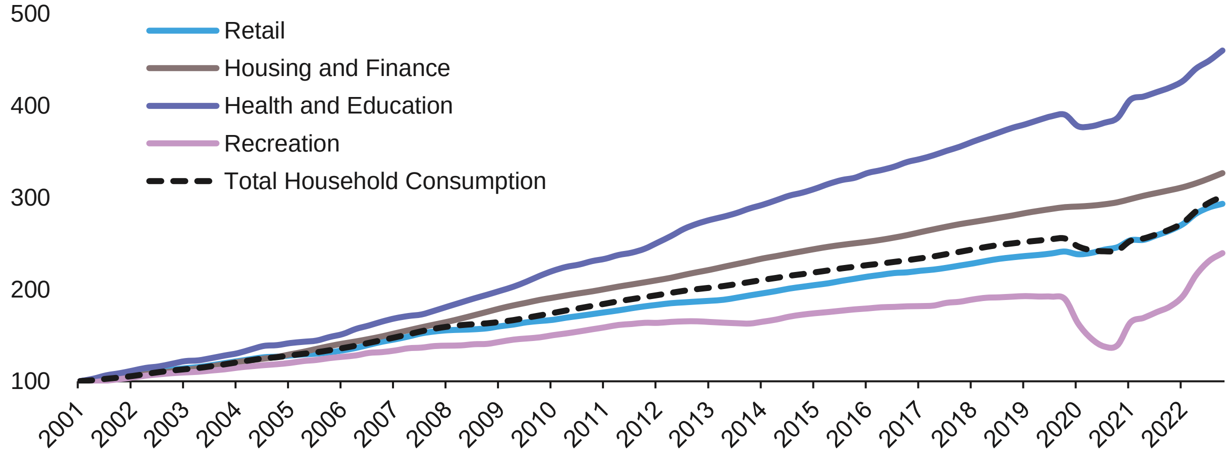


CHART 2 - AUSTRALIAN INDEX OF HOUSEHOLD CONSUMPTION BY CATEGORY[1]



1. Selected categories, current prices

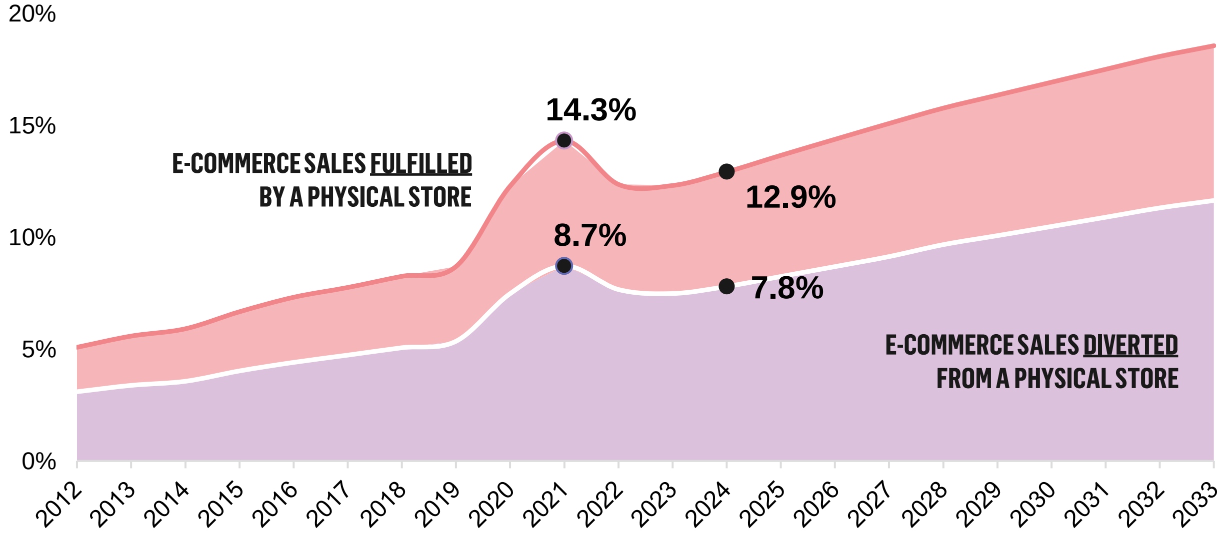
Source: ABS; Urbis

ONLINE RETAIL RE-SHAPING CENTRES

IMPACT OF E-COMMERCE ON RETAIL SPACE DEMAND

Over recent years, e-commerce has experienced growth at rates above those for traditional bricks-and-mortar retail. This trend accelerated during the COVID-19 Pandemic, as illustrated by the chart below:

CHART 3 - DISTRIBUTION OF RETAIL SALES BY POINT OF SALE



Source: ABS; Urbis

Online sales are expected to continue growing, although at a moderating rate post-COVID as consumers return to physical stores.

Online retailing as a share of total retail spending does however continue to increase. Total retail growth, driven by population and real per capita growth, is far greater than the growth in online retail alone. Bricks-and-mortar retailers are therefore still growing, albeit at a slower rate.

We have also seen faster growth in online sales being fulfilled within a physical store (e.g. click & collect, delivery from a store) compared to sales being distributed from a warehouse, as evidenced by the expansion of the top part of the chart in recent years. Consequently, online growth is still creating a need for an increasing physical store presence.

At a retail category level, the impacts of e-commerce will not be felt equally across different merchant categories. This is due to a multitude of reasons including, but not limited to:

- Different penetration rates (the share of spending directed towards e-commerce) across merchant categories,
- The composition of the online market between pureplay and omnichannel retailing, and
- Order fulfillment strategies across retailers and merchant types: click and collect, ship from store, or ship from warehouse.

For example, fresh food and grocery retailing only sees a low proportion of sales going online, while much of the online sales that are recorded are fulfilled or collected from the store, thereby still creating a need for the physical store network.

While e-commerce has impacted consumer preferences and slowed relative growth in the bricks-and-mortar retail space, the small discount to total spending growth for physical stores in a regional area such as Ballarat is considered immaterial. Furthermore, centres serving a neighbourhood market with a focus on food, groceries and other convenience retailing are somewhat immune from the effects of online retailing.

IMPACT OF COVID ON COMMERCIAL & INDUSTRIAL SPACE

Commercial

Growth in knowledge service employment has traditionally been a key driver of demand for commercial floorspace, with a strong correlation between the two variables visible over time.

In recent years, the COVID pandemic transformed the way people work, as evidenced by the rise of hybrid work modes. With most white-collar sector employers embracing remote work arrangements, CBD commercial space vacancies skyrocketed during the pandemic and is only improving modestly in recent times. From a retail and hospitality perspective, the increase in working from home has slightly shifted the demand back towards the local level, rather than in the major employment hubs, particularly for food and beverage retailing.

Nonetheless, the potential shift to a poly-centric model of suburban employment hubs is in its infancy. Further, only a limited number of key suburban hubs have, and are likely to be, the focus for future investment.

Within Ballarat, larger commercial office development is limited, and future demand is likely to be concentrated primarily in the CBD with convenient transport linkage and a broad range of facilities and amenities. The CBD is expected to continue to be the key commercial office location within the region, with limited opportunities for commercial development in smaller centres. Connecting Ballarat North PSP residents to these future jobs nearby will be critical (via road and public transport), rather than seeking to offer all job opportunities within the PSP.

Industrial

Driven by online retail growth and the need for more logistics and supply chain facilities to support such growth, the industrial sector has witnessed a surge in demand for logistics/warehousing type assets over the past couple of years. This has been on the back of a very tight market pre-COVID, resulting in an environment of ultra low vacancy (1.2% as at June-23, as per the *Urbis Eastern Seaboard Industrial Vacancy Index*) in all major industrial markets as demand continues to outstrip supply.

Across the Ballarat region, demand for large industrial lots in recent years has largely been concentrated around the Ballarat West Employment Zone (BWEZ), where there is large amount of available supply, as well as convenient access to key regional highway networks and well-established local supply chains across the adjacent Wendouree West precinct.

Meanwhile, demand for large industrial lots at a local level has been modest. Businesses in local employment/industrial precincts however typically serve a local market, with increased demand for small lots.

Higher order activity centres will attract most of the demand for commercial space in a regional area market such as Ballarat. The opportunity in smaller major or neighbourhood level centres (such as those likely in the Ballarat North PSP) will be limited to local service businesses primarily.

Future employment land in the Ballarat North PSP is unlikely supported or indeed needed, given the sufficient supply of available land in larger, higher order dedicated employment precincts in nearby locations, in particular the Ballarat West Employment Zone.

Source: Urbis

CLIMATE CHANGE & ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) CONSIDERATIONS

Australian consumers are progressively becoming more environmentally conscious. In response, a growing number of businesses are implementing sustainability initiatives such as green space, solar power, LED lighting and open-air ventilation. A lot of consideration is being invested into the layout of new developments with emphasis on site orientation to include installation of green roofs, water bodies and trees and vegetation to add an aesthetic appeal as well as reducing the carbon footprint of the development. Below are two examples highlighting some of the sustainability initiatives delivered at recent shopping/town centre developments.

Burwood Brickworks, located approximately 19 kilometres from Melbourne's CBD, aims to become the world's most sustainable shopping centre by achieving full Living Building Challenge™ certification. The centre has already obtained a 6 Star Green Star Design & As Built v1.1 (Design Rating) by the Green Building Council of Australia (GBCA). Burwood Brickworks captures, treats and reuses all rain and waste water; uses an on-site rooftop solar system and off-site renewable energy to power the centre; provides greenery, natural light and fresh air throughout the centre via a saw tooth style roof; composts all food waste generated; and utilises natural, toxin-free building materials. The centre also comprises a 2,000 sq.m rooftop urban farm and an additional 3,000 sq.m of urban agriculture spread across the rest of the site. Produce from the urban farm supplies the rooftop restaurant, offering a true paddock to plate experience.

Ripley Town Centre, in the western growth corridor of South-East Queensland, has achieved a 5 Star Green Star Rating in the Design & As Built category from the GBCA. Sustainable initiatives incorporated as part of Ripley Town Centre include a 480kW solar panel system positioned on the Centre's roof and car park structure, which generates around 75% of the electricity for the existing shopping precinct. The centre also features energy efficient glazing, shading and insulation, raw design materials and water sensitive features.

These examples will soon be the norm in neighbourhood centres. Most new centres are being planned incorporating renewal energy sources, while major tenants such as the supermarkets have committed to being powered by 100% renewables generated on and off site.

Source: Frasers Property; Sekisui House; Urbis

SECTION 3
REGIONAL POPULATION GROWTH & EMPLOYMENT PROFILE

REGIONAL POPULATION GROWTH

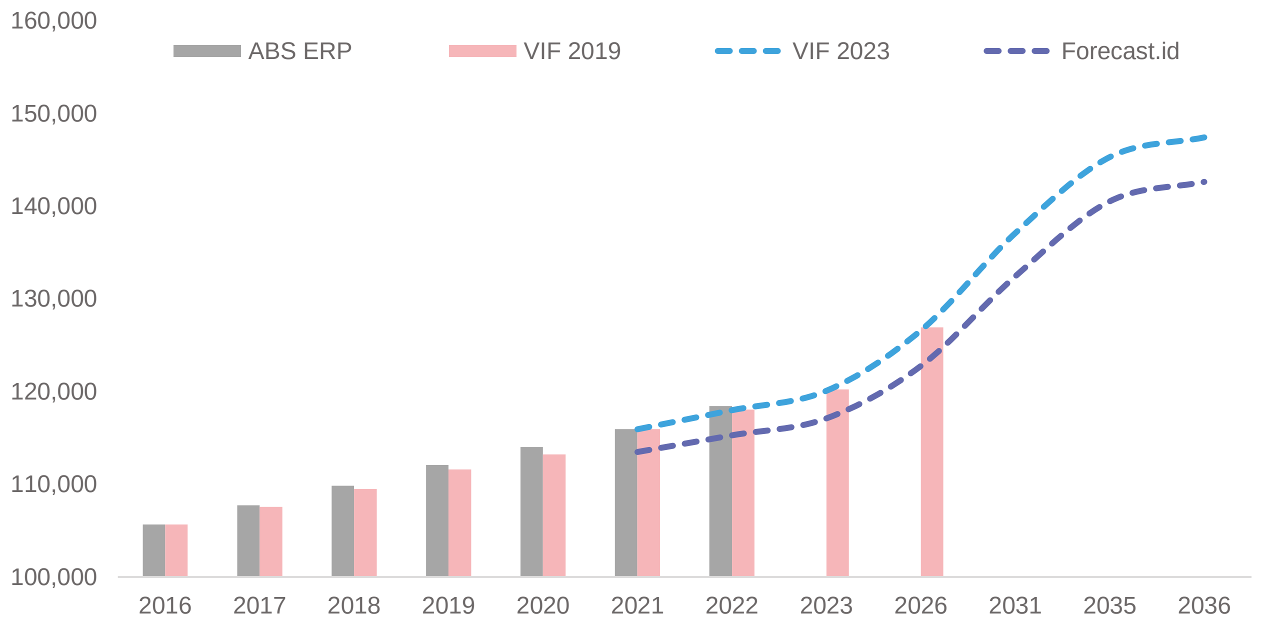
As a regional municipality, the City of Ballarat has experienced sustained population growth over the past 5-10 years.

Chart 4 below demonstrates historical and forecast population figures for the City of Ballarat, comparing the estimated resident population (ERP) in recent years with the various versions of projections prepared by both the State and local governments.

Key insights are summarised as follows:

- Ballarat recorded above-average population growth from 2016 to 2021 against the non-metropolitan Victorian average (1.9% p.a. vs. 1.5% p.a.).
- Such growth exceeded the Victoria in Future 2019 (VIF 2019) projections which pre-dated COVID.
- Following the recent release of a new version of the State official population and housing projections, VIF 2023, and considering growth trends in the past couple of years (1.7% in 2021 & 2.1% in 2022), Ballarat is expected to follow the stronger growth path generally in line with VIF 2023 forecasts.
- Moving forward, future growth is anticipated to be supported predominantly by the continuing development to both existing and future precinct structure plan (PSP) areas, including the Ballarat North PSP.
- By 2036, Ballarat is forecast to reach a total population of 144,730 as per VIF 2023. **This is equivalent to an additional 15,200 households or more than 27,300 residents for the City of Ballarat over the next 15 years or so (2021-2036).**

CHART 4 - CITY OF BALLARAT HISTORICAL & PROJECTED POPULATION 2016-36



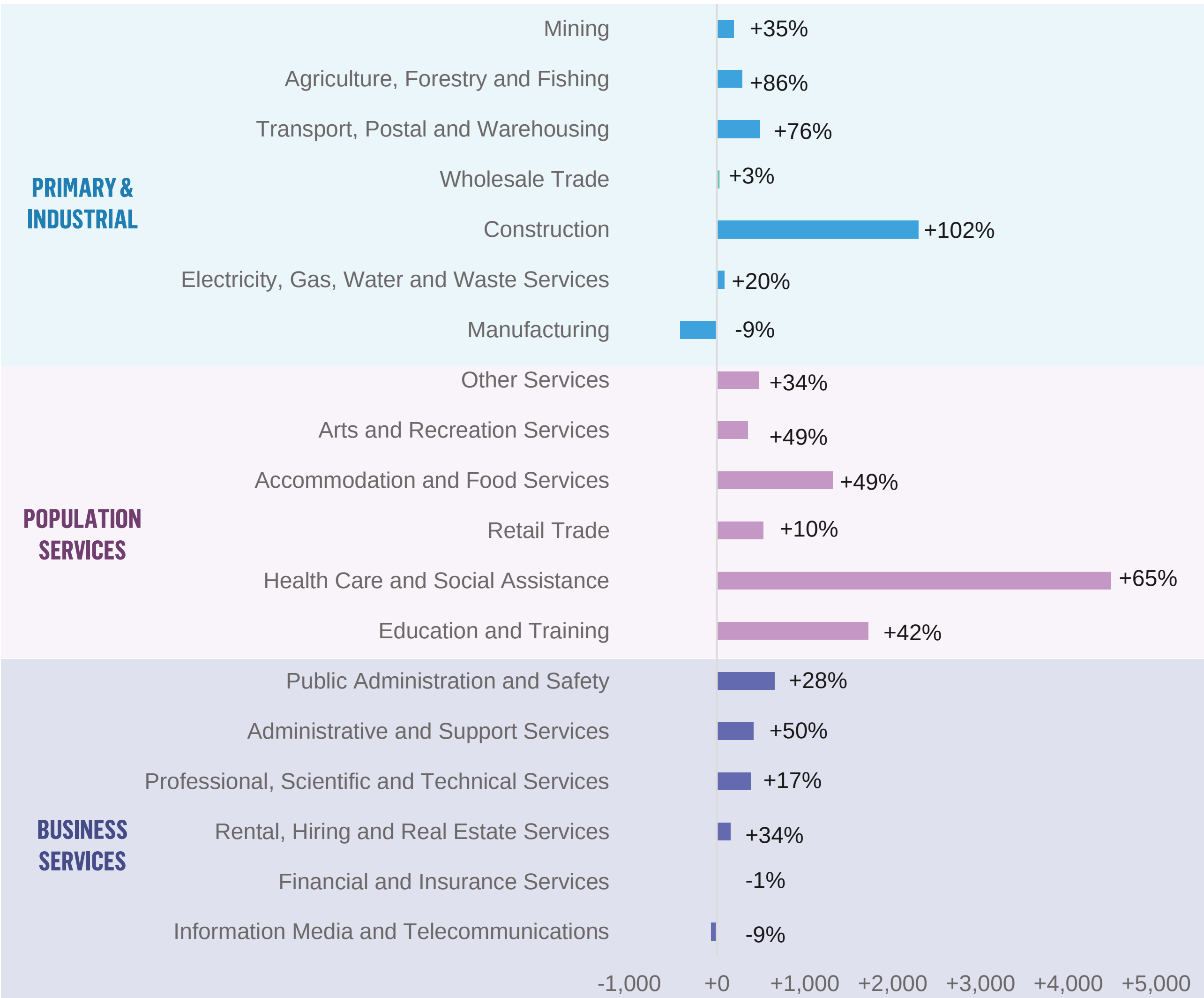
Source: ABS; Victoria in Future 2019 & 2023; forecast.id; Urbis

EMPLOYMENT TRENDS IN BALLARAT

As a regional city with a mining history, while Ballarat maintains a sizeable primary and industrial base, the city has undergone profound changes in its employment landscape in recent decades. Comparing employment changes over the past two censual periods (2011-2016, 2016-2021) as shown in Chart 5,

- A total of around 13,400 additional jobs were created between 2011 and 2021 (38,800 vs. 52,200), an increase of 35%.
- Most of this growth was due to the expansion of the population services sectors, in particular health care and education.
- This is typical of a regional city where employment is driven primarily by population growth.
- Meanwhile, construction related jobs saw strong growth, due in part to housing development activities in support of population growth.
- In comparison, higher value business services sectors generally saw modest growth. While sectors such as administration and support services and real estate services recorded substantial percentage growth (+50% & +34%) in jobs provided in the city of Ballarat, such growth was achieved from a low base, with the absolute volume remaining somewhat small.

CHART 5 - CITY OF BALLARAT EMPLOYMENT GROWTH BY INDUSTRY (NO. & %) 2011-21



Source: ABS: Urbis

EXISTING & FUTURE ACTIVITY CENTRES & OTHER EMPLOYMENT LAND

Across the City of Ballarat, a number of activity centres and designated employment precincts provide both retail/commercial services and employment opportunities for local and regional residents. The activity centre hierarchy and key employment precincts are illustrated on Figure 4 and briefly described below.

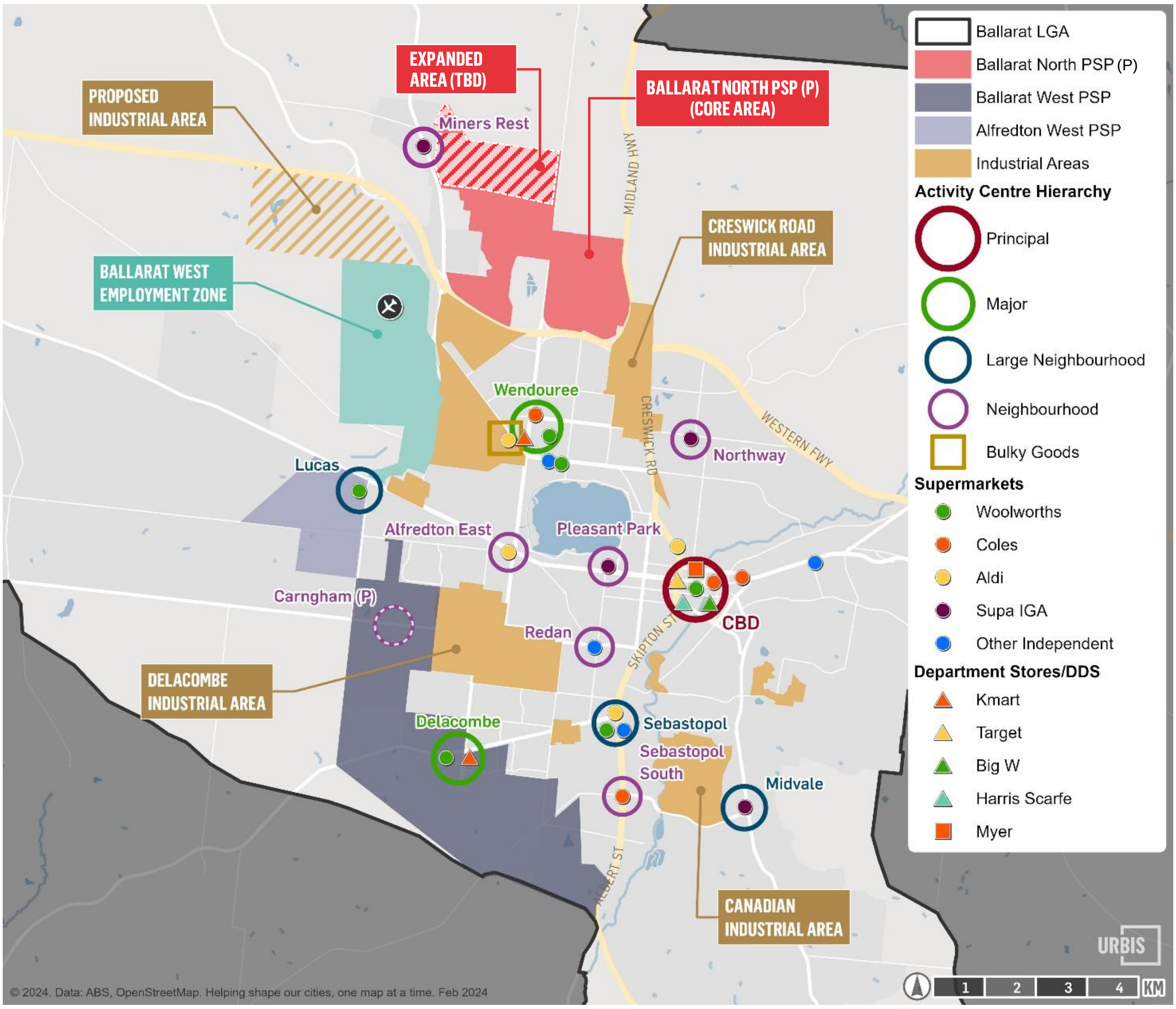
Activity Centres

The retail hierarchy in Ballarat is relatively established, with limited development activity in recent times. Centres delivered more recently have been driven primarily by greenfield residential expansion, including the Delacombe Major Activity Centre in the Ballarat West PSP and the Lucas Large Neighbourhood Activity Centre in the Alfredton West PSP. Other than those envisaged for the Ballarat North PSP, only a designated neighbourhood centre in Carngham is yet to be delivered. Centres of relevance to the subject development are discussed on the following page.

Employment Land

Ballarat is well serviced by both existing and future employment land across the urban area. Immediately adjacent to the subject land is a number of major dedicated precincts, including Wendouree West, Ballarat West Employment Zone (BWEZ) to the southwest and the Creswick Road precinct to the southeast. Another proposed future industrial precinct sits north of the BWEZ. As outlined earlier in Section 1 and analysed through the following pages, there is more than sufficient employment land to support future employment needs within the municipality over the longer term.

FIGURE 4 - DISTRIBUTION OF ACTIVITY CENTRES & EMPLOYMENT PRECINCTS IN BALLARAT



Source: Draft Ballarat Employment Lands Strategy 2021; Ballarat Activity Centre Strategy 2012; Urbis

KEY ACTIVITY CENTRES IN THE REGION

As shown on the previous map and summarised in the below table, a range of key activity centres are designated to serve the region. Centres of particular relevance to future activity centres within the PSP are described briefly below:

- The **Ballarat CBD Principal Activity Centre -** the principal activity centre within the region, which is designated to serve the entire city of Ballarat and the wider region. The CBD is highly accessible and has the largest range of uses, which include commercial, retail, cultural and community uses in addition to a range of entertainment and tourism functions. The Ballarat CBD contains Ballarat's only department store, plus two discount departments stores and a number of supermarkets.
- **Wendouree Major Activity Centre (Stockland Wendouree)** – the activity centre is anchored by Stockland Wendouree, a sub-regional level shopping centre anchored by a Kmart discount department store, a Woolworths and a Coles supermarket. An Aldi store is located adjacent outside the shopping centre but within the broader Wendouree precinct. It is the largest and the highest order centre in northern Ballarat, and is anticipated to cater to a share of the future retail demand from future residents in the PSP.
- **Miners Rest Neighbourhood Activity Centre** - a designated small format Neighbourhood Activity Centre, with a Ritchies IGA being the only supermarket offer providing some 1,670 sq.m of floorspace. The centre is well maintained and is popular amongst local residents. It will likely serve the western parts of the PSP due to the relative proximity and convenient access.

While not directly relevant to centre development in the subject PSP, the **Lucas Neighbourhood Activity Centre** in Alfredton West and the **Delacombe Major Activity Centre** in Ballarat West are the two recent centres delivered as part of a PSP development. These centres were developed largely in line or slightly ahead of population growth, and serve primarily their respective local catchment.

While no other new proposed centres in Ballarat are likely to compete directly with any future centres within the Ballarat North PSP , the proximity of existing activity centres such as Wendouree will likely limit the draw of future retail and commercial space to be largely within the Ballarat North PSP and its immediate surrounds. This is discussed in detail in the subsequent section.

TABLE 4 - KEY ACTIVITY CENTRES IN THE REGION RELEVANT TO THE BALLARAT NORTH PSP

Centre	Centre Hierarchy	Est. Retail Floorspace (Sq.m)	Est. Commercial Floorspace (Sq.m)	Anchor Tenants
Ballarat CBD	Principal	~200,000	~125,000	Myer, Target, Kmart, Harris Scarfe, Aldi, Coles (x2), Woolworths
Wendouree	Major	25,400	20,000	Kmart, Woolworths, Coles, Aldi
Miners Rest	Neighbourhood	1,900	200	Ritchies IGA
Existing & Planned Activity Centres in Other Residential PSPs				
Delacombe (Ballarat West)	Major	19,000	21,500	Kmart, Woolworths, ShowBiz Cinemas
Lucas (Alfredton West)	Large Neighbourhood	5,500	2,500	Woolworths
Carngham Road (P) (Ballarat West)	Neighbourhood	3,000	1,500	N/A

Source: Ballarat Activity Centre Strategy 2012; Urbis

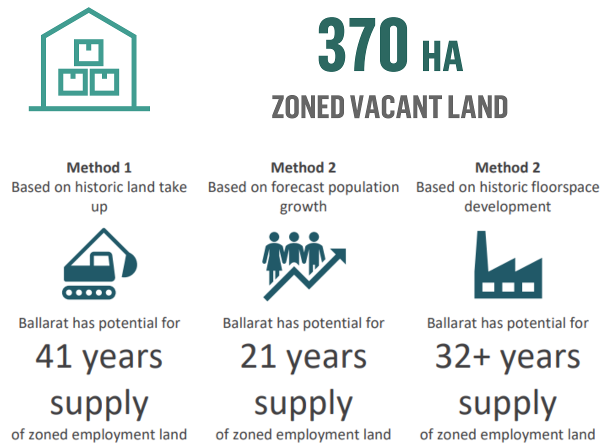
ADEQUACY OF EMPLOYMENT LAND ACROSS BALLARAT

As touched on earlier in Section 1, the Draft Ballarat Employment Lands Strategy (2021) provides a comprehensive review of the relative supply and demand conditions of the local/regional employment land market. According to the Strategy,

- Ballarat has more than sufficient provision of both existing and future employment land to accommodate growth over the longer term.
- Depending on the specific methodologies applied, the Strategy estimates there is between 21 and 41 years of zoned employment land supply across a total of 370 ha of vacant land. This is well above the 10-15 year supply capacity as per relevant Council and State government policy.
- In addition, there is further 437 ha of proposed industrial land and 39 ha of activity centre land planned for the municipality. Of the 439 ha of future industrial land, 427 ha is within the designated precinct north of the BWEZ (shown as the hatched area on the previous map). That precinct is less than 2km west of the Ballarat North PSP.

In summary, given the large amount of both zoned and proposed supply capacity in designated precincts nearby, there is unlikely any support or indeed a need to set aside additional employment land within the PSP to provide jobs in the area. The employment needs of future residents could be well supported elsewhere across the city within a short commute.

SUPPLY CAPACITY – ZONED SUPPLY



SUPPLY CAPACITY – FUTURE SUPPLY

Source: Draft Ballarat Employment Lands Strategy 2021; Urbis

SECTION 4
BALLARAT NORTH PSP ACTIVITY CENTRE FLOORSPACE DEMAND

RETAIL NEED ASSESSMENT METHODOLOGY

The scale of a centre is **typically driven by the major retailers** that in turn generate sufficient activity to support additional retail and commercial uses within and proximate to the centre. Major retailers must achieve sustainable trading levels which are dependent on population and market thresholds being achieved.

Competition and network strategies play a role in securing major retailers. This can have both an advantageous impact in securing tenants or can limit the potential tenant pool for a centre.

In determining the timing and scale of any development in the Ballarat North PSP area, in this section we start by considering the potential for additional supermarkets and discount department stores as the anchor tenants for the centres. This approach considers the demand for these anchors generated by future residents of the PSP, but also accounts for the share of that demand that will be catered to by existing or future centres outside the PSP.

In doing so, a main catchment area has been first defined. As shown in the map below, the main catchment area encompasses the whole of the PSP as the Primary Catchment and a Second North sector covering areas to the north-west and east of the PSP.

The Primary Catchment is then further segmented into three sectors. This is intended to allow assessment of the location of centres to serve demand. On this basis, a total of four sectors are defined:

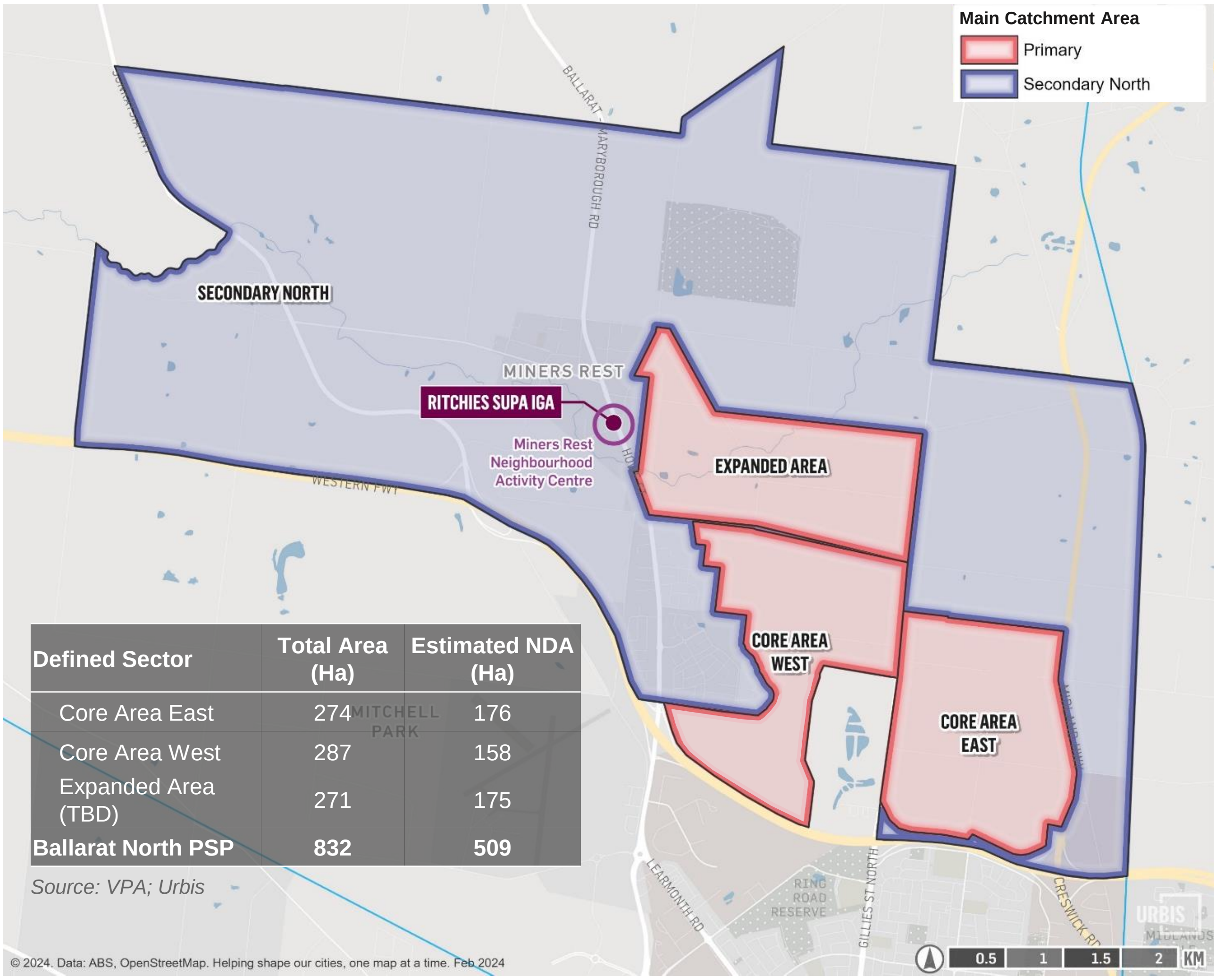
Primary Catchment

- The **Core Area East** sector generally defined by the area east of Gillies Road within the PSP.
- A **Core Area West** sector extending west from Gillies Road, bounded by Cummins Road to the north and the creek and open space to the west and south.
- The **Expanded Area** as defined by the VPA, as a future investigation area for the PSP.

The **Secondary North** sector has an existing population largely situated north-west of the defined core areas, including the established and the remaining growth areas of Miners Rest, and the immediately surrounding rural areas.

The inclusion of the Secondary North sector into our analysis will allow considerations of the existing retail provision at the Miners Rest Neighbourhood Activity Centre, as the centre will likely service parts of the Expanded Area given its close proximity.

FIGURE 5 - DEFINED MAIN CATCHMENT FOR ACTIVITY CENTRES WITHIN BALLARAT NORTH PSP



Defined Sector	Total Area (Ha)	Estimated NDA (Ha)
Core Area East	274	176
Core Area West	287	158
Expanded Area (TBD)	271	175
Ballarat North PSP	**832**	**509**

Source: VPA; Urbis

BALLARAT NORTH PSP HOUSEHOLD & POPULATION CAPACITY

Based on the sectors defined on the previous page, and the potential residential land area within each, we have applied dwelling density assumptions on a dwelling per hectare basis to the residential land estimate (i.e. net development area or NDA) as instructed by the VPA.

The dwelling density assumptions in the three scenarios for each sector are as follows;

- **Scenario 1**: 20 dw/ha for both core areas, but no development in the expanded area
- **Scenario 2**: 20 dw/ha for both core areas plus the expanded area
- **Scenario 3**: 20 dw/ha for both core areas, and 15 dw/ha for the expanded area

Based on an average household size of 2.8 people per household (the target for the PSP), we derive population projections for each sector and across the PSP.

Meanwhile, the existing and forecast population of the defined Secondary North sector has also been prepared and included in relevant calculations throughout this report, in particular centre floorspace need/demand.

The estimated population capacity for the PSP and the broader catchment is shown in Table 5 below.

TABLE 5 - HOUSEHOLD & POPULATION CAPACITY SCENARIOS

	Residential Land	Scenario Households		
	NDA (ha)	Scenario 1 (Core @20dw/ha)	Scenario 2 (Core + Exp. @20dw/ha)	Scenario 3 (Core @20dw/ha + Exp. @15dw/ha)
Core Area East	176	3,525	3,525	3,525
Core Area West	158	3,163	3,163	3,163
Expanded Area (TBD)	175	-	3,496	2,622
Ballarat North PSP	**509**	**6,688**	**10,184**	**9,310**

	Household Size	Capacity Population at 2.8 per Household		
	Pop per household	Scenario 1 (Core @20dw/ha)	Scenario 2 (Core + Exp. @20dw/ha)	Scenario 3 (Core @20dw/ha + Exp. @15dw/ha)
Core Area East	2.8	9,870	9,870	9,870
Core Area West	2.8	8,856	8,856	8,856
Expanded Area (TBD)	2.8	-	9,789	7,342
Ballarat North PSP	**2.8**	**18,726**	**28,516**	**26,068**
Secondary North[1]		4,700	4,700	4,700
Total Catchment		**23,426**	**33,216**	**30,768**

1. Forecast population as at June 2051.
Source: ABS; VPA; Urbis

DDS PROVISION & FLOORSPACE DEMAND

Higher-order major activity centres in greenfield areas are often anchored by a discount department stores (DDS) as the key discretionary retail tenant.

On average across non-metropolitan Victoria, DDS' are currently supplied at a provision ratio of 0.17-0.18 sq.m per person or roughly one DDS for every 35,000-40,000 people, noting store operators nowadays are targeting at least 40,000 people as the minimum population threshold for a potential new outlet.

With changing consumer preferences and increased competition from new retailers to the market, including online retailers, DDS' have been capturing a declining market share. The population needed to support a DDS, even in a greenfield location in a regional market, is increasing. There have been limited new stores developed across the country in recent years.

Applying the average non-metropolitan Victoria DDS floorspace per capita figure of 0.18 sq.m to the future population in the wider catchment, the notional demand for DDS floorspace generated by the population at capacity would range from around 4,000 sq.m to 5,700 sq.m (Table 6). In the current market, ideally 6,500 sq.m and up to 7,000 sq.m is needed as a minimum for a DDS, which is unlikely achieved in any of the scenarios for the PSP.

Further, this estimate does not consider the level of competition in centres elsewhere in Ballarat. As shown in Table 7, the DDS provision across the municipality (6 stores) is estimated at 0.25 sq.m per person currently, more than 40% above average. Even with population growth to 2036, the existing provision will likely be sufficient to meet the future need and demand across the region.

Consequently, there is unlikely need or demand for a new DDS in the Ballarat North PSP. Should there be future demand be perceived in time, it is recommended it be accommodated at higher order centres (e.g. Wendouree) instead of at outlying centres with access to a largely contained population base.

TABLE 6 - ESTIMATED DISCOUNT DEPARTMENT STORE FLOORSPACE CAPACITY

	Household Size	**Capacity Population at 2.8 per Household**		
	Pop per household	Scenario 1 (Core @20dw/ha)	Scenario 2 (Core + Exp. @20dw/ha)	Scenario 3 (Core @20dw/ha + Exp. @15dw/ha)
Core Area East	2.8	9,870	9,870	9,870
Core Area West	2.8	8,856	8,856	8,856
Expanded Area (TBD)	2.8	-	9,789	7,342
Ballarat North PSP	**2.8**	**18,726**	**28,516**	**26,068**
Secondary North[1]		4,700	4,700	4,700
Total Catchment		**23,426**	**33,216**	**30,768**
	Provision	**Total DDS Floorspace Demand (sq.m)**		
	sq.m/person	Scenario 1 (Core @20dw/ha)	Scenario 2 (Core + Exp. @20dw/ha)	Scenario 3 (Core @20dw/ha + Exp. @15dw/ha)
Core Area East	*0.18*	1,700	1,700	1,700
Core Area West	*0.18*	1,500	1,500	1,500
Expanded Area (TBD)	*0.18*	0	1,700	1,300
Ballarat North PSP	***0.18***	**3,200**	**4,900**	**4,500**
Secondary North	*0.18*	800	800	800
Total Catchment	***0.18***	**4,000**	**5,700**	**5,300**

TABLE 7 - NEED FOR DISCOUNT DEPARTMENT STORE FLOORSPACE - CITY OF BALLARAT

	Units	**2023**	**2036**
Estimated Population	No.	120,100	147,400
Total DDS' Floorspace	Sq.m	29,600	29,600
City of Ballarat Provision	Sq.m/person	0.25	0.20
Benchmark Provision	Sq.m/person	*0.18*	*0.18*
Over (+) vs. Under (-) Supply	Sq.m/person	***+0.07***	***+0.03***
	Sq.m	***+8,580***	***+3,810***
	% Var.	***+41%***	***+15%***

1. Forecast population as at June 2051.
Source: ABS; VPA; VIF 2023; Urbis

SUPERMARKET CAPACITY & FLOORSPACE DEMAND

With the preceding analysis confirming a DDS is unlikely to be supported in the Ballarat North PSP, supermarkets will be the key anchor tenants for future activity centres.

Applying the non-metropolitan Victoria benchmark of 0.41 sq.m of supermarket floorspace per resident to the future population within the Ballarat North PSP, the total supermarket floorspace demand created by residents could range from around 7,800 sq.m up to around 11,800 sq.m, depending on the scenario (Table 8).

This space could be split between stores and centres in a variety of ways. For example, the 11,800 sq.m in the second scenario might be three full-line supermarkets of on average 3,600-4,000 sq.m across three centres (i.e. one full-line store each), or alternatively, two large supermarkets at one larger centre and two to three small to mid-sized supermarket like Aldi (~1,500 sq.m) or independent stores like IGA (1,000-1,200 sq.m) across multiple smaller activity centres.

As analysed further in Section 5, a larger activity centre with multiple supermarkets is able to have stronger performance and support a larger retail specialty/non-retail uses, therefore creating a superior centre within the PSP that is capable of servicing the broader population.

The recommended supermarket mix across future activity centres, including location and timing considerations, are presented in more detail in Section 5.

In addition to the new supermarket floorspace generated by the future population, there is an existing Ritchies IGA supermarket in Miners Rest, just outside of the PSP further west. This supermarket centre is likely to serve parts of the Core Area West and, in Scenarios 2 & 3, the Expanded Area.

It should also be noted this analysis is based on average floorspace provision rates. Being an average, there are always examples of areas with above and below average provision. Therefore, these indicative floorspace numbers should not be translated as a limit on future supermarket space. A slightly larger than average provision can still be sustainable.

TABLE 8 - ESTIMATED SUPERMARKET FLOORSPACE CAPACITY

	Household Size	**Capacity Population at 2.8 per Household**		
	Pop per household	Scenario 1 (Core @20dw/ha)	Scenario 2 (Core + Exp. @20dw/ha)	Scenario 3 (Core @20dw/ha + Exp. @15dw/ha)
Core Area East	2.8	9,870	9,870	9,870
Core Area West	2.8	8,856	8,856	8,856
Expanded Area (TBD)	2.8	0	9,789	7,342
Ballarat North PSP	**2.8**	**18,726**	**28,516**	**26,068**
Secondary North		4,700	4,700	4,700
Total Catchment		**23,426**	**33,216**	**30,768**

	Provision	**Total Supermarket Floorspace Demand (sq.m)**		
	sq.m/person	Scenario 1 (Core @20dw/ha)	Scenario 2 (Core + Exp. @20dw/ha)	Scenario 3 (Core @20dw/ha + Exp. @15dw/ha)
Core Area East	*0.41*	4,086	4,086	4,086
Core Area West	*0.41*	3,666	3,666	3,666
Expanded Area (TBD)	*0.41*	0	4,053	3,040
Ballarat North PSP	***0.41***	**7,753**	**11,805**	**10,792**
Secondary North	*0.41*	1,946	1,946	1,946
Total Catchment	***0.41***	**9,698**	**13,751**	**12,738**
Potential PSP Store Mix (excl. Ritchies IGA)		2 x Full-line 1 x Small-format	2 x Full-line 3 x Small-format	2 x Full-line 3 x Small-format

Source: ABS; VPA; Urbis

SUPERMARKET VS. TOTAL CENTRE FLOORSPACE

Further to the analysis on the previous pages, Table 9 here shows the average size and composition of Australian shopping centres with two or more supermarkets (double supermarket) or a single supermarket. This data is derived from the latest edition of the *Urbis Shopping Centre Benchmarks*.

This analysis shows the capacity for one or more supermarkets to support mini-major and specialty retail space, and further non-retail specialty space (still shopfront).

Further commercial space (e.g. office suites, entertainment, medical centre, gym, etc.) and space external to the core centre (e.g. fast food pad sites, service station etc.) is also supported, although the volume of space varies more significantly between centres. Note these benchmarks only consider the commercial space on the same property as the shopping centre. A town centre can support more peripheral commercial space, with potential uses considered overleaf.

The larger double supermarket centres are able to sustain a larger retail and non-retail shop provision. This is both in terms of the volume of space, but also in proportionate terms. Supermarkets in the double supermarket centres represent just over half of the centre floorspace, compared to around 60% in single supermarket centres.

This highlights that cluster anchor tenants together can have the effect of increasing the provision of retail and other services to the community, rather than spreading them across two smaller centres. This clustering also makes for a stronger centre.

These relationships between supermarket and retail/non-retail shop space are referenced in the following section when presenting the scale of each centre.

TABLE 9 - MAJORS VS. MINI MAJORS & SPECIALTY – SINGLE & DOUBLE SUPERMARKET CENTRES

	Australian Single Supermarket Centres	
	Floorspace (Sq.m)	% of Total Centre
Supermarket	3,613	61%
Mini Majors & Retail Specialties (incl. vacant)	1,720	29%
Non-Retail Specialties	554	9%
Total Centre	**5,888**	
Other Commercial/External	918	-
Total Property Floorspace	**6,806**	-

	Australian Double Supermarket Centres	
	Floorspace (Sq.m)	% of Total Centre
Supermarket	6,753	52%
Mini Majors & Retail Specialties (incl. vacant)	4,690	36%
Non-Retail Specialties	1,480	11%
Total Centre	**12,923**	
Other Commercial/External	1,982	-
Total Property Floorspace	**14,905**	-

Source: Urbis Shopping Centre Benchmarks 2023

OTHER NON-RETAIL/ COMMERCIAL USES

Over the following pages, we consider the suitability of various uses in the PSP at a high level, considering factors such as exposure, access, competition and market size/alignment. Some uses are obvious inclusions that most activity centres should incorporate. Some are not suited and can be discounted.

TABLE 10 - SUITABILITY OF OTHER NON-RETAIL/COMMERCIAL USES IN THE BALLARAT NORTH PSP

Potential Use	Exposure / Access	Competition	Market Alignment / Demand	Comments
Large format retail / showrooms	Moderate	High	Good	Not considered to be suited to future activity centres within the PSP, given the lack of major arterial road frontage (i.e. future centres not fronting the Western Highway), and strong competition from the major bulky goods retailers around the Wendouree precinct.
Dedicated commercial office space	Moderate	High	Challenging	Regional city and indeed the edge of metro area location reduces the pool of white-collar workers. The Ballarat North PSP won't have a critical mass to create major synergies between businesses. Most demand for larger office assets will continue to be accommodated in the Ballarat CBD. In outer suburban locations, office space is generally shopfront or medical related. Note: There may be potential for a small amount of local office space (for the likes of local solicitors, accountants, financial advisors etc.) to be integrated into the shopping/activity centres within the Ballarat North PSP. This would either be occupying shopfront spaces in the centre, or potentially a small amount of space above retail areas.
Medical suites and allied health services	Excellent	Moderate	Excellent	Medical services are a population-driven use that should be included in future centres (in particular the largest centre) within the Ballarat North PSP, with the scale and nature consistent with the market size and local role of the PSP. There is likely demand for multiple services and dedicated medical centres clustered within activity centres. Larger health facilities such as hospitals or day surgeries are not envisaged here.
Health, wellbeing, fitness and recreation	Excellent	Low	Excellent	As an extension to the medical offer, other health, well-being, fitness and recreation facilities should be allowed for within the activity centres. Again, the scale is dependent on population driven demand, but the types of uses suited to this demographic include gyms, yoga/pilates outlets or other spaces for physical activity, particularly for children (e.g. dance studios, martial arts). These uses can often find it hard to lease space, such as retail areas removed from high traffic or upper-level space due to the desire to have larger spaces but pay less rent.

Source: Urbis

OTHER NON-RETAIL/ COMMERCIAL USES

TABLE 10 - SUITABILITY OF OTHER NON-RETAIL/COMMERCIAL USES IN THE BALLARAT NORTH PSP (CONT'D)

Potential Use	Exposure / Access	Competition	Market Alignment / Demand	Comments
Education	Good	Moderate	Excellent	The PSP may be able to respond to the trend identified earlier in this section with education representing a greater share of household spending. Beyond the provision of primary and secondary schools, there is an opportunity to incorporate the concept of "lifelong learning". While the Ballarat North PSP is not anticipated to be a prime location for a major higher education offer considering it is on the edge of the urban area, given the number of future schools envisaged (including potentially a private school associated with Ballarat Grammar School), there is potential for smaller offers in shopfront or upper level office space such as child tutoring facilities or extension programs (e.g. Kumon), adult education providers outposts, language classes and other small education operators.
Childcare	Excellent	Moderate	Excellent	Young families moving into the new PSP will drive demand for childcare facilities. Childcare centres are supported by community and education uses. The future activity centres or other areas clustered with schools are logical locations.
Short-term Accommodation	Moderate	High	Challenging	Larger accommodation hotels or serviced apartments in regional cities tend to locate in areas of high activity supported by tourist or worker demand, in this case central Ballarat. With no surrounding major attractions, large scale medical facilities (hospital) or function venues, it is unlikely that the Ballarat North PSP activity centres could support a commercial accommodation offer. The Ballarat North Employment Zone is a more likely nearby location. The future activities generated by businesses may in time create some demand for a business accommodation offer such as serviced apartment.
Small-format/Light Industrial	Moderate	Moderate	Moderate	Some small-format, non-sensitive light industrial uses (e.g. showroom, workshop, trades supply/storage, etc.) could be located on the edge of any town centre (e.g. on commercial or business zoned land such as Commercial 2) which could encourage cross-usage with other retail and commercial uses. However, these uses are likely better suited in a dedicated precincts elsewhere in Ballarat, with capacity in northern areas such as the Ballarat West Employment Zone or near the Midland Highway through Wendouree.

Source: Urbis

SECTION 5
CENTRE LOCATION, SCALE & STAGING CONSIDERATIONS

RECOMMENDED ACTIVITY CENTRE LOCATIONS

Based on the analysis of supermarket need, and depending on population scenarios, there is demand for two to three full-line supermarkets and potentially another two to three smaller format stores.

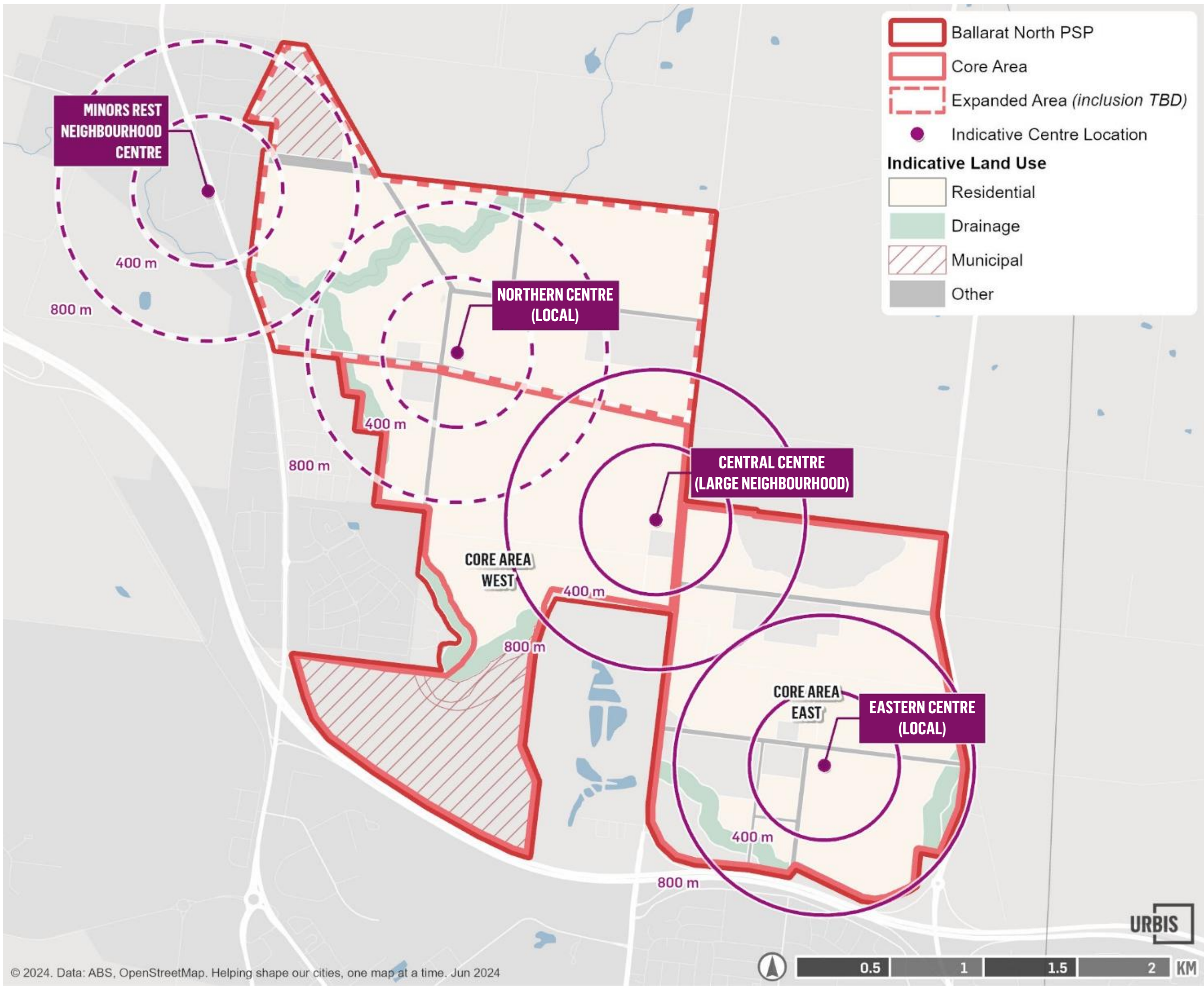
Broadly, with 8,000-10,000 people at capacity in each of the three sectors, conceivably each would be close to supporting a full-line supermarket. However, this would create smaller, competing centres with duplicated facilities and likely modest performance.

Given the stronger performance and greater range of retail and non-retail uses supported in centres with multiple supermarkets, Urbis recommends **one large neighbourhood activity centre (NAC)** being centrally located in the PSP, supported by **up to two small-format local activity centres (LACs)**. These centres could be located as shown indicatively on the map here, based on the following: :

- There isn't a significant distinction in catchment population across the defined sectors to justify a larger centre within any specific sector. The larger centre (large neighbourhood centre with 2+ supermarkets) should be central to the PSP, likely on Gillies Road, to serve the broadest catchment (i.e. **Central Large NAC**).
- A smaller supermarket-based centre (i.e. **Eastern LAC**) could be located in the Core Area East sector to fill the gaps (i.e. beyond the 800m of the larger centre) and provide convenience shopping, alongside other community-based services to the local catchment.
- Should the Expanded Area be developed in future as a part of the Ballarat North PSP (Scenarios 2 & 3), in time a second small-format supermarket-based centre (i.e. **Northern LAC**) could be located west of the area along Cummins Road.
- In Scenarios 2 & 3, a proportion of land further west of the Expanded Area will also be served by the existing Ritchies IGA store.
- Centres should be central to the population they serve and along major roads to allow public and private transport access.
- Although not confirmed at this time, the location of education and other community facilities may also influence centre locations.
- Maximising the share of the developable residential area within 800m of a centre.

As considered further through subsequent pages, there may be some gaps in the distribution that could be addressed through the location of local convenience centres.

FIGURE 6 - INDICATIVE LOCATION OF FUTURE ACTIVITY CENTRES WITHIN THE BALLARAT NORTH PSP



INDICATIVE ACTIVITY CENTRE FLOORSPACE: CENTRAL LARGE NAC

The total indicative floorspace in the proposed Central Large Neighbourhood Activity Centre is shown for the three population scenarios in the table below.

Based on the supermarket capacity analysis in the previous section, this centre would likely be anchored as follows:

- Two standard full-line supermarkets (3,200-3,600 sq.m each) in Scenario 1.
- Potentially, an additional third mid-sized supermarket (e.g. Aldi) could be supported if the Expanded Area is developed in time as part of the PSP (i.e. Scenarios 2 & 3).
- While the development of a third supermarket would appear a longer term proposition and might not be needed in the short term if only the Core Area is delivered initially, **allowance in the provision of centre floorspace and land area for the Central Large NAC should be made to future-proof retail/commercial space provision to support a higher population capacity outcome (i.e. when the Expanded Area is delivered)**.
- This can be achieved by reserving a larger land area for the Central Large NAC at this early strategic planning phase (discussed subsequently), on the basis of a higher density outcome being ultimately delivered (i.e. Scenario 2 or 3, including the Expanded Area).
- In Scenario 2, due to the larger total population, a larger full-line store say 3,800-4,000 sq.m could be considered to provide more variety/differentiation, subject to tenant interest.

Those supermarkets would support total shopfront space (i.e. centre size) of in the order of 13,600 sq.m in Scenario 1, up to over 16,000 sq.m in Scenarios 2 and 3.

Additional commercial floorspace outside (or potentially above) the centre might be in the range of 2,000 sq.m to 2,500 sq.m depending on the population density. We note, however, that commercial floorspace demand is variable and can depend on which tenants or uses wish to locate in the centre over time. Flexibility in these estimates is needed to allow for some variations to meet user needs over time.

With a floorspace to land area ratio of 0.4:1 (FSR, allowing for car parking, loading areas, circulation, etc.), a site of 4 ha up to 5 ha should be allowed for to accommodate future stages of centre development/expansion in line with the market growth.

Note: these estimates are indicative only, based on the scale of the supermarket space anticipated in each scenario, and the typically supportable level of additional retail and commercial space. These estimates are not intended to represent a cap on space that could be developed, as in time, different retail concepts or preferences may see the market deliver some variation. Planning for centres needs to be adaptable to this change over the long-term delivery of PSPs and the centres within them.

TABLE 11 - INDICATIVE ACTIVITY CENTRE FLOORSPACE – CENTRAL LARGE NAC

	Scenario 1		Scenario 2		Scenario 3	
	% of Centre	Sq.m	% of Centre	Sq.m	% of Centre	Sq.m
Supermarket Floorspace	56%	6,400-7,200	54%	8,500-9,200	55%	7,900-8,800
Mini Majors & Retail Specialties	38%	4,340-4,890	40%	6,300-6,810	39%	5,600-6,240
Non-Retail Specialties	6%	690-770	6%	940-1,020	6%	860-960
Centre Size		**11,430-12,860**		**15,740-17,040**		**14,360-16,000**
Other Commercial Floorspace		2,000		2,500		2,500
Total Activity Centre		**13,430-14,860**		**18,240-19,540**		**16,860-18,500**
Land Area Requirement (ha) (FSR @ 0.4:1)		*3.4-3.7*		*4.6-4.9*		*4.2-4.6*

Source: Urbis

INDICATIVE ACTIVITY CENTRE FLOORSPACE: EASTERN & NORTHERN LACs

The total indicative floorspace in the proposed Eastern and Northern Local Activity Centres is shown in Table 12 below for the various population scenarios relevant to these centres.

As mentioned earlier, both the Eastern (Scenarios 1,2 & 3) and the Northern (Scenarios 2 & 3 only) centres would be developed in support of the Central Large NAC and provide convenience shopping and other services to their respective local population base. They are intended to play largely an ancillary role relative to the larger centre.

As such, the mix and scale of the Eastern and Northern centres is anticipated to be largely similar.

Based on the previous supermarket capacity analysis, these centres would likely be anchored as follows:

- A small-format supermarket of 1,200 - 1,500 sq.m, potentially up to around 2,000 sq.m subject to development density in the immediate catchment.
- For example, in Scenario 2 the Northern LAC could potentially support a mid-size centre of up to 2,000 sq.m, given the higher density in the Expanded Area relative to Scenario 3.
- A number of retail specialty shops, typically including food catering (café, restaurant, takeaway, etc.), small green grocers and other fresh food retailers (e.g. bakery, butcher, etc.), retail services (e.g. hairdresser, message, beauty salons, etc.) and potentially a convenience pharmacy.

Additional non-retail specialty tenants such as real estate agents, lawyers, accountants, etc. could also fill a shopfront space.

Other out of centre commercial floorspace would likely be modest in a small-format supermarket centre outcome (up to 1,000 sq.m).

Note: Urbis understand that there is a potential for the Expanded Area to be released at a later stage via a new PSP process. Should this be the case, a separate economic and retail assessment would then be required to re-consider the size/scale and location of a future Northern activity centre within that area in due course

These estimates are indicative only, based on the scale of the supermarket space anticipated in each scenario, and the typically supportable level of additional retail and commercial space. These estimates are not intended to represent a cap on space that could be developed, as in time, different retail concepts or preferences may see the market deliver some variation. Planning for centres needs to be adaptable to this change over the long-term delivery of PSPs and the centres within them.

TABLE 12 - INDICATIVE ACTIVITY CENTRE FLOORSPACE – EASTERN & NORTHERN LACS

	Scenarios 1-3	
Eastern LAC	% of Centre	Sq.m
Supermarket Floorspace	58%	1,200-1,500
Mini Majors & Retail Specialties	33%	680-850
Non-Retail Specialties	9%	190-230
Centre Size		**2,070-2,590**
Other Commercial Floorspace		1,000
Total Activity Centre		**3,070-3,590**
Land Area Requirement (ha) (FSR @ 0.4:1)		*0.8-0.9*

	Scenario 2		Scenario 3	
Northern LAC (TBD)	% of Centre	Sq.m	% of Centre	Sq.m
Supermarket Floorspace	57%	1,800-2,000	58%	1,200-1,500
Mini Majors & Retail Specialties	34%	1,070-1,190	33%	680-850
Non-Retail Specialties	9%	280-320	9%	190-230
Centre Size		**3,160-3,510**		**2,070-2,590**
Other Commercial Floorspace		1,000		1,000
Total Activity Centre		**4,160-4,510**		**3,070-3,590**
Land Area Requirement (ha) (FSR @ 0.4:1)		*1.0-1.1*		*0.8-0.9*

Source: Urbis

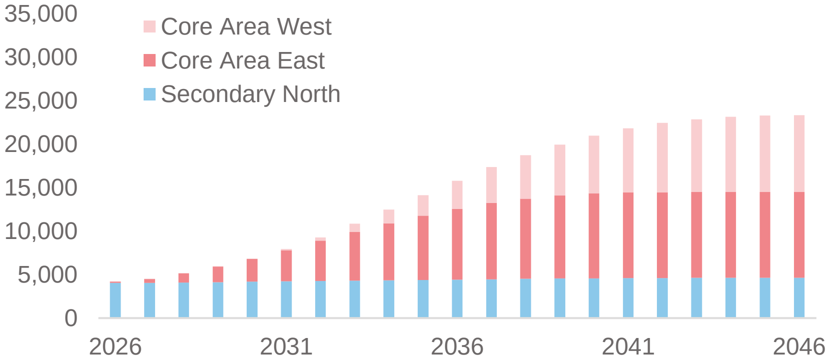
INDICATIVE POPULATION GROWTH SCENARIOS

To inform timing considerations on the delivery of retail facilities across the PSP, indicative growth forecasts have been prepared for each of the three development scenarios. In doing so, Urbis have had reference to typical delivery timeframe for greenfield precincts of comparable size and capacity, in particular local evidence drawn from our research on the Ballarat West and the Alfredton West PSPs regarding average dwelling completion and population increase over the past 5-10 years. Key assumptions are summarised below:

- The sequencing of residential development in the PSP is assumed to commence from the south, progressing towards the north and west following infrastructure delivery. This is in line with the typical pattern of urban growth where settlements grow outwardly.
- As such, the Core Area East sector would be the early stages of residential development, followed by Core Area West, then potentially the Expanded Area.
- For each sector, a 15-year delivery timeframe has been assumed, starting from 2026. In between sectors, a 5-year gap has been assumed to allow for smooth delivery of housing and avoid oversupply/unrealistic growth. For example, the Core Area West is assumed to kick off in 2031, 5 years after Core Area East.

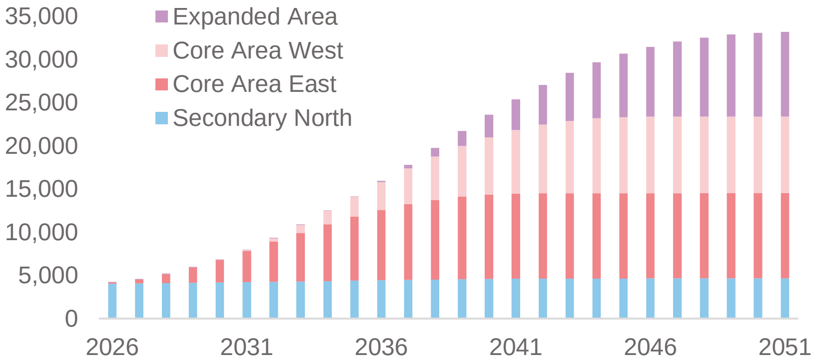
Forecast results alongside the above key assumptions are presented as follows, noting they provide only an indication of the potential growth trajectory over time and prepared solely for the purpose of this research.

CHART 6 - POPULATION GROWTH SCENARIO 1



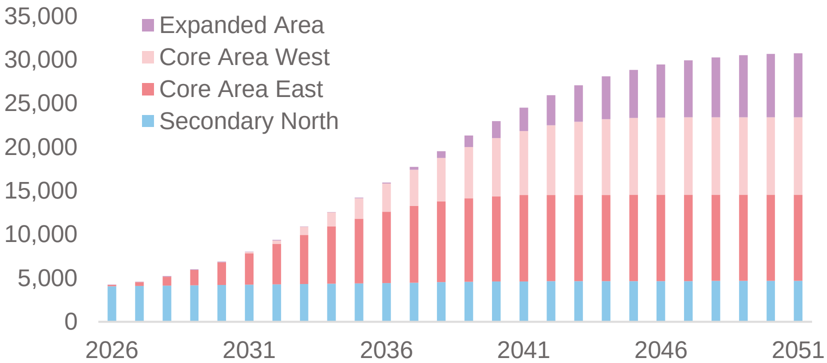
	Indicative Timeframe	Pop. Capacity
Core Area East	2026-41	9,870
Core Area West	2031-46	8,856
Overall PSP	**2026-46**	**18,726**
Avg. Annual Growth		*936*

CHART 7 - POPULATION GROWTH SCENARIO 2



	Indicative Timeframe	Pop. Capacity
Core Area East	2026-41	9,870
Core Area West	2031-46	8,856
Expanded Area	2036-51	9,789
Overall PSP	**2026-51**	**28,516**
Avg. Annual Growth		*1,141*

CHART 8 - POPULATION GROWTH SCENARIO 3



	Indicative Timeframe	Pop. Capacity
Core Area East	2026-41	9,870
Core Area West	2031-46	8,856
Expanded Area	2036-51	7,342
Overall PSP	**2026-51**	**26,068**
Avg. Annual Growth		*1,043*

Note: forecast population as at June.
Source: ABS; VPA; Urbis

SUPERMARKET FLOORSPACE PROVISION SCENARIOS

Taking into account the forecast population growth presented earlier, the indicative timing on the provision of supermarket floorspace is presented here for each scenario as an indication for the staging of future activity centres in the PSP. This is based on the recommended at-capacity supermarket floorspace distribution at each centre analysed earlier. Note this analysis is presented for the broader supermarket/activity centre catchment defined earlier, which all existing and future centres are likely to serve, including the Ritchies IGA centre in the Secondary North sector..

Key insights are summarised as follows.

- Currently and in the initial years of PSP development, the Ritchies IGA store is notionally not sufficient to cater to the growing population.
- However, there isn't capacity to introduce a new store yet. In the early years of development, residents will largely access facilities elsewhere, such as Wendouree.
- As the population grows, the gap needing to be filled by a new store will grow.
- Typically, a full-line offer is delivered first as an anchor to a large centre in a central location, but close to the initial growth front. In this case, that would be the Central Large NAC.
- This is likely around 2033 (or around year 7 from the assumed PSP commencement in 2026) when total catchment population is forecast to reach just under 11,000, including close to 7,000 within the PSP.
- While the addition of a full-line store (~3,600 sq,m) would result in a temporary oversupply relative to the benchmark, a supply gap would emerge within a few years given anticipated population growth, requiring new floorspace/stores to be added as the development progresses.
- This process will continue until ultimately the PSP reaches its population capacity.

While the timing of new store/centre development will vary based on population scenarios, the delivery of activity centres generally follows the above pattern.

A summary of the indicative staging/timing for the future activity centres is presented overleaf.

CHART 9 - SUPERMARKET FLOORSPACE PROVISION SCENARIO 1
2 X FULL-LINE + 1 X SMALL FORMAT (~8,700 SQ.M IN PSP)

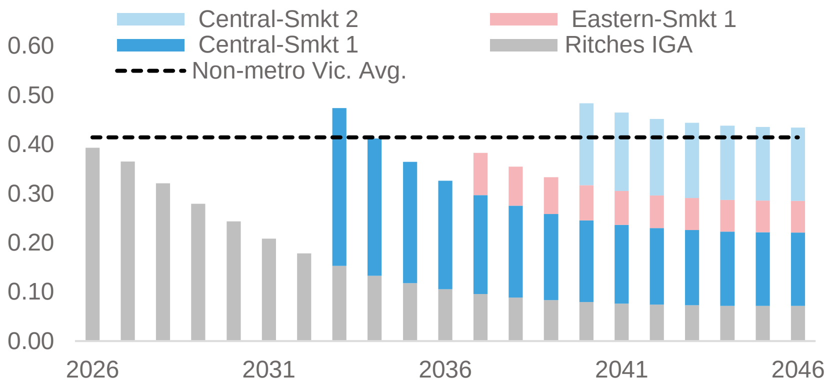


CHART 10 - SUPERMARKET FLOORSPACE PROVISION SCENARIO 2
2 X FULL-LINE + 2 X MID-SIZE + 1 X SMALL FORMAT (~12,700 SQ.M IN PSP)

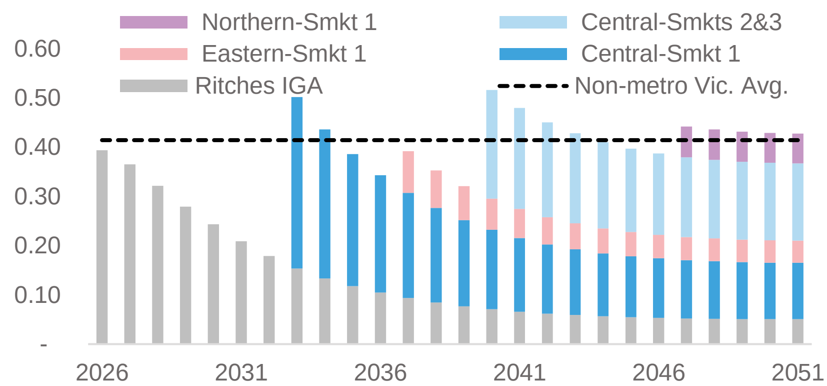
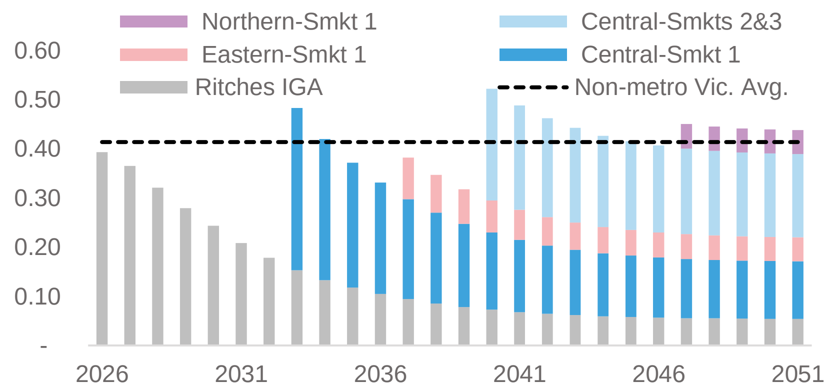


CHART 11 - SUPERMARKET FLOORSPACE PROVISION SCENARIO 3:
2 X FULL-LINE + 1 X MID-SIZE + 2 X SMALL FORMAT (~11,800 SQ.M IN PSP)



Source: VPA; Urbis

SUPERMARKET DISTRIBUTION & STAGING SUMMARY

The indicative distribution of supermarkets, their size range and the staging of store/centre delivery are summarised in the tables below.

TABLE 13 - INDICATIVE SUPERMARKET FLOORSPACE DISTRIBUTION & STAGING FOR ACTIVITY CENTRE DELIVERY

	2033	2037	2040	2047	2051
Scenario 1					
Central Large NAC					
Supermarket 1 - Full-line Standard	3,200-3,600				
Supermarket 2 - Full-line Standard			3,200-3,600		
Eastern LAC					
Supermarket 1 - Small-format		1,200-1,500			
Total PSP Supermarkets (sq.m)	3,200-3,600	4,400-5,100	7,600-8,700	7,600-8,700	7,600-8,700
Ritchies IGA Miners Rest (existing) (sq.m)	1,670	1,670	1,670	1,670	1,670
Total Catchment Supermarkets (sq.m)	4,870-5,270	6,070-6,770	9,270-10,370	9,270-10,370	9,270-10,370
Indicative Catchment Population	*10,900*	*17,400*	*21,000*	*23,400*	*23,400*
Indicative Supermarket Provision (sq.m/person)	*0.45-0.48*	*0.35-0.39*	*0.44-0.49*	*0.4-0.44*	*0.4-0.44*
Scenario 2					
Central Large NAC					
Supermarket 1 - Full-line Larger	3,600-4,000				
Supermarket 2 - Full-line Larger			3,200-3,600		
Supermarket 3 - Mid-size			1,500-1,600		
Eastern LAC					
Supermarket 1 - Small-format		1,200-1,500			
Northern LAC (TBD)					
Supermarket 1 - Mid-size				1,800-2,000	
Total PSP Supermarkets (sq.m)	3,600-4,000	4,800-5,500	9,500-10,700	11,300-12,700	11,300-12,700
Ritchies IGA Miners Rest (existing) (sq.m)	1,670	1,670	1,670	1,670	1,670
Total Catchment Supermarkets (sq.m)	5,270-5,670	6,470-7,170	11,170-12,370	12,970-14,370	12,970-14,370
Indicative Catchment Population	*10,900*	*17,800*	*23,600*	*32,100*	*33,200*
Indicative Supermarket Provision (sq.m/person)	*0.48-0.52*	*0.36-0.4*	*0.47-0.52*	*0.4-0.45*	*0.39-0.43*
Scenario 3					
Central Large NAC					
Supermarket 2 - Full-line Standard	3,200-3,600				
Supermarket 2 - Full-line Standard			3,200-3,600		
Supermarket 3 - Mid-size			1,500-1,600		
Eastern LAC					
Supermarket 1 - Small-format		1,200-1,500			
Northern LAC (TBD)					
Supermarket 1 - Small-format				1,200-1,500	
Total PSP Supermarkets (sq.m)	3,200-3,600	4,400-5,100	9,100-10,300	10,300-11,800	10,300-11,800
Ritchies IGA Miners Rest (existing) (sq.m)	1,670	1,670	1,670	1,670	1,671
Total Catchment Supermarkets (sq.m)	4,870-5,270	6,070-6,770	10,770-11,970	11,970-13,470	11,970-13,470
Indicative Catchment Population	*10,900*	*17,700*	*22,900*	*29,900*	*30,700*
Indicative Supermarket Provision (sq.m/person)	*0.45-0.48*	*0.34-0.38*	*0.47-0.52*	*0.4-0.45*	*0.39-0.44*

Source: VPA; Urbis

SECTION 6
20-MINUTE NEIGHBOURHOOD CONSIDERATIONS

20-MINUTE NEIGHBOURHOOD DWELLING TARGET

SHARE OF DWELLINGS WITHIN 800M OF AN ACTIVITY CENTRE

Dwellings Close to Activity Centres

The VPA is targeting 80%-90% of dwellings being within 800 metres of an activity centre for greenfield PSPs. In line with this aim, we have estimated the share of dwellings that are likely within this radius from the proposed key centre locations shown in Section 5. We have made allowance for increasing residential density closer to the centres, based on the NDA statistics provided by the VPA.

As currently drawn, we estimate **80%-84% of all dwellings could be within 800m of one of the future centres** within the PSP or the Miners Rest neighbourhood centre, should higher density outcomes be achieved within the 800m radii (refer Appendices for dwelling density assumptions).

As established earlier in this report, one large centre with two or more supermarkets will perform better than splitting the retail space evenly across three or more smaller centres. Therefore, it is preferable to not split the floorspace into dispersed centres for the sole purpose of ensuring every sector achieves the dwelling target. That would inevitably result in centres of similar size/scale competing with each other and serve overlapping catchments. In fact, the larger centre will support more retail and non-retail space relative to supermarket space, providing a superior offer to the community.

On this basis, while there may be perceived gaps not immediately serviced by a centre (e.g. western parts of Core Area West in Scenario 1), Urbis does not recommend either adding centres to the hierarchy or re-distributing centres.

In Scenario 3, the relative lower centre coverage for the Expanded Area (73%) is due primarily to the lower dwelling density designated (15 dwellings/ha). Again, this does not mean the remainder of residents in that area would be without facilities. They would still be able to access centres nearby within a very short drive.

Role of Local Activity Centres

Local activity centres as defined in the Ballarat activity centre hierarchy are typically developed to provide opportunities for residents to access day-to-day necessities, particularly where there is not a larger centre anchored by a full-line supermarket in the immediate area. In this case, the Eastern LAC (all scenarios) and the Northern LAC (Scenarios 2 & 3) are envisaged to play such a role in support of the larger Central Large NAC.

However, smaller local centres (3,000-5,000 sq.m) compete for a limited pool of anchor tenants. Independent supermarkets such as IGAs cannot occupy every centre. Experience across Victoria’s growth areas demonstrates that filling a gap in a retail hierarchy within a PSP does not guarantee a centre will be delivered. There are many examples of designated smaller LACs (or in some cases local convenience centres or LCCs) which cannot attract the necessary tenants or market interest.

Therefore, local activity centres need to be planned with a degree of flexibility in terms of the uses that are allowed, and potentially to an extent, the scale, in particular in regional areas where it usually takes longer for a centre to be delivered. Regardless of the mix of uses or scale of centre, the location selected will influence the delivery and operation of a successful centre. Small neighbourhood centres should be positioned in high exposure locations (e.g. main roads with high passing traffic) or high activity areas (e.g. adjacent to schools or childcare centres).

TABLE 14 - ESTIMATED DISTRIBUTION OF NDA & DWELLINGS WITHIN 800M OF AN ACTIVITY CENTRE

PSP Sector	NDA (ha)				Dwellings		
Scenario 1	**Within 400m**	**Within 400m-800m**	**Outside 800m**	**Total**	**Total**	**Within 800m**	**Within 800m %**
Core Area East	45	106	26	176	3,525	3,134	89%
Core Area West	44	49	65	158	3,163	2,184	69%
Expanded Area (TBD)	-	-	-	-	-	-	-
Total PSP Residential NDA	**89**	**154**	**90**	**334**	**6,688**	**5,319**	**80%**
Scenario 2							
Core Area East	45	106	26	176	3,525	3,134	89%
Core Area West	44	83	31	158	3,163	2,688	85%
Expanded Area (TBD)	31	90	53	175	3,496	2,683	77%
Total PSP Residential NDA	**121**	**279**	**109**	**509**	**10,184**	**8,505**	**84%**
Scenario 3							
Core Area East	45	106	26	176	3,525	3,134	89%
Core Area West	44	83	31	158	3,163	2,688	85%
Expanded Area (TBD)	31	90	53	175	2,622	1,921	73%
Total PSP Residential NDA	**121**	**279**	**109**	**509**	**9,310**	**7,743**	**83%**

1. *Refer Appendices for dwelling density assumptions.*

Source: Urbis, based on the three-centre layout shown on the previous page.

FLOORSPACE SUMMARY & JOBS YIELD

The tables below summarise the key statistics for the potential retail and commercial uses in the PSP, including centre floorspace and jobs yield, for each of the three development scenarios based on the typical job density assumptions applied to regional greenfield PSPs. In summary, generally between 600 and up to around 1,000 jobs could be supported at the future activity centres within the PSP.

TABLE 15 - INDICATIVE ACTIVITY CENTRE FLOORSPACE & JOBS YIELD

Scenario 1	Indicative Floorspace (sq.m)	Assumed Job Density (sq.m/job)	Total Estimated Jobs
Central Large NAC			
Retail/Shopfront	11,430-12,860	30	380-430
Commercial	2,000	22	91
Eastern LAC			
Retail/Shopfront	2,070-2,590	30	70-90
Commercial	1,000	22	45
Northern LAC (TBD)			
Retail/Shopfront	-	-	-
Commercial	-	-	-
Total Jobs			**590-650**

Scenario 2	Indicative Floorspace (sq.m)	Assumed Job Density (sq.m/job)	Total Estimated Jobs
Central Large NAC			
Retail/Shopfront	15,740-17,040	30	520-570
Commercial	2,500	22	114
Eastern LAC			
Retail/Shopfront	2,070-2,590	30	70-90
Commercial	1,000	22	45
Northern LAC (TBD)			
Retail/Shopfront	3,160-3,510	30	110-120
Commercial	1,000	22	45
Total Jobs			**900-980**

Scenario 3	Indicative Floorspace (sq.m)	Assumed Job Density (sq.m/job)	Total Estimated Jobs
Central Large NAC			
Retail/Shopfront	14,360-16,000	30	480-530
Commercial	2,500	22	114
Eastern LAC			
Retail/Shopfront	2,070-2,590	30	70-90
Commercial	1,000	22	45
Northern LAC (TBD)			
Retail/Shopfront	2,070-2,590	30	70-90
Commercial	1,000	22	45
Total Retail & Commercial Jobs			**820-910**

Source: Urbis

APPENDICES

APPENDIX A
ABBREVIATIONS

ABS	Australian Bureau of Statistics
BWEZ	Ballarat West Employment Zone
CBD	Central Business District
DDS	Discount Department Store
DTP	Department of Transport and Planning
ERP	Estimated Resident Population
ESG	Environmental, Social & Governance
FSR	Floorspace Ratio
GBCA	Green Building Council of Australia
GIA	Growth Investigation Area
LAC	Local Activity Centre
MAC	Major Activity Centre
NAC	Neighbourhood Activity Centre
NDA	Net Developable Area
PSP	Precinct Structure Plan
VIF	Victoria in Future
VPA	Victorian Planning Authority

APPENDIX B
KEY ASSUMPTIONS

20-MINUTE NEIGHBOURHOOD DWELLING TARGET CALCULATION ASSUMPTIONS
DWELLINGS/NDA

	Land within 400m	Land within 400m-800m	Land Outside 800m	Overall
Scenario 1				
Core Area East	25	19	15	20
Core Area West	25	22	15	20
Scenario 2				
Core Area East	25	19	15	20
Core Area West	25	19	15	20
Expanded Area (TBD)	25	21	15	20
Scenario 3				
Core Area East	25	19	15	20
Core Area West	25	19	15	20
Expanded Area (TBD)	18	15	13	15

Source: VPA; Urbis

APPENDIX C INDICATIVE SUPERMARKET TURNOVER POTENTIAL

INDICATIVE TURNOVER POTENTIAL FOR SUPERMARKETS IN THE BALLARAT NORTH PSP

	Scenario 1 (Core @20dw/ha) 2046 Capacity	Scenario 2 (Core + Exp. @20dw/ha) 2051 Capacity	Scenario 3 (Core @20dw/ha + Exp. @15dw/ha) 2051 Capacity
Total Supermarket F&G Spending ($M)			
Core Area East	70	71	71
Core Area West	63	64	64
Expanded Area	0.4	70	53
Ballarat North PSP	**133**	**205**	**187**
Secondary North	31	31	31
Total Catchment	**164**	**236**	**219**
Market Share Captured by PSP Smkts (%)			
Core Area East	51%	51%	50%
Core Area West	60%	60%	59%
Expanded Area	57%	61%	61%
Ballarat North PSP	**55%**	**57%**	**56%**
Secondary North	6%	6%	6%
Total Catchment	**46%**	**50%**	**49%**
Supermarket F&G Spending to PSP Smkts ($M)			
Core Area East	36	36	36
Core Area West	38	38	38
Expanded Area	0.2	43	32
Ballarat North PSP	**73**	**117**	**106**
Secondary North	2	2	2
Total Catchment	**75**	**119**	**107**
+ Turnover from Beyond (@8%)	7	10	9
Total Supermarket F&G Turnover	**82**	**129**	**117**
+ Liquor Turnover (@6%)	6	9	8
+ General Merc. Turnover (@5%)	5	7	7
Total Supermarket Turnover	**92**	**145**	**131**
Supportable Supermarket Floorspace (Sq.m)			
Avg. Supermarket Productivity ($/sq.m)		11,000-12,500	
Indicative Total Supermarket Floorspace (sq.m)	**7,300-8,300**	**11,600-13,200**	**10,500-11,900**

Source: Urbis

APPENDIX D
PROJECT INFORMATION

This report is dated **June 2024** and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Ltd's (Urbis) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of **the Victorian Planning Authority** (Instructing Party) for the purpose of preparing a **Ballarat North Precinct Structure Plan Economic & Retail Assessments** report (Purpose) and not for any other purpose or use. Urbis expressly disclaims any liability to the Instructing Party who relies or purports to rely on this report for any purpose other than the Purpose and to any party other than the Instructing Party who relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

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All surveys, forecasts, projections and recommendations contained in or made in relation to or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

Urbis has made all reasonable inquiries that it believes is necessary in preparing this report but it cannot be certain that all information material to the preparation of this report has been provided to it as there may be information that is not publicly available at the time of its inquiry.

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Urbis acknowledges the important contribution that Aboriginal and Torres Strait Islander people make in creating a strong and vibrant Australian society.

We acknowledge, in each of our offices, the Traditional Owners on whose land we stand.

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