



ESSENTIAL ECONOMICS

## **Wollert PSP 1070**

### **Activity Centre and Employment Analysis as Input to Precinct Structure Plan**

Prepared for

Growth Areas Authority

and

City of Whittlesea

by

Essential Economics Pty Ltd

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## EXECUTIVE SUMMARY

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### 1) *Wollert PSP Development Context*

Wollert PSP is located in the City of Whittlesea at the northern edge of Melbourne's metropolitan region, and represents an extension to the Epping North growth corridor. The City of Whittlesea is experiencing rapid population growth associated with new housing development. Currently most of this development activity is occurring in the Plenty Valley corridor (including South Morang, Mernda and Doreen), although development capacity in the corridor is forecast to be exhausted over the next five or so years. As a result, further urban growth in Whittlesea will be concentrated in Epping North.

The Wollert PSP covers a total land area of approximately 1,433ha, and extends from Craigieburn Road East on the southern boundary to Summerhill Road in the north, and from Curly Sedge Creek in the west to the E6 reservation in the east. Approximately 963ha of land is identified as being available for urban development, with a further 232ha of land designated for employment purposes. The proposed employment precinct involves land in the Farming Zone, which is affected by buffers from the Hanson Quarry to the east.

The Melbourne North Growth Corridor Plan identifies a Major Town Centre (MTC) to be located in the Wollert PSP area, to serve residents in Wollert and in Epping North to the south. This MTC designation does not anticipate the current proposal for the Aurora Northern Town Centre (NTC) to accommodate more significant retail development, including a major non-food anchor in the form of a discount department store. Other smaller centres in Epping North will serve localised demand for weekly grocery and other neighbourhood-level retailing, and are not likely to affect development outcomes in Wollert.

### 2) *Key Issues*

A number of issues have been identified as relevant for future development of the Wollert PSP:

- 1 The precinct is likely to have an 'internalised catchment', with limited opportunity for incoming retail expenditure from beyond the PSP area.
- 2 A more significant retail role for the Aurora NTC has the potential to affect the scale of retail activity that might be supported in the Wollert PSP, and the location for any higher-order activity centre.
- 3 The number, scale and location of smaller centres in the Wollert precinct will depend upon the size of the MTC, the location of this higher-order centre, the planned road network, the distribution of dwellings across the PSP area, and other localised factors.
- 4 The eastern part of the precinct is designated for employment purposes, mainly due to necessary buffers from the Hanson Quarry located to the east, and the opportunity created by the proposed E6. However, the timeframe for delivery of the E6 is unknown at this stage, and other

competing employment precincts in the region are likely to be more attractive for development in the short and medium term.

- 5 Wollert PSP is characterised by relatively large sites with few individual landowners. Moreover, a consortium of developers already has control over approximately 60% of the total urban development area. This will assist in realising a master-planned outcome to development of the precinct.

### **3) Potential Residential Development Outcomes**

According to analysis of available gross land area, potential dwelling yields, and expected average household size, the Wollert PSP area has potential to accommodate a total population in the range of 28,000 persons (low development scenario) to 43,000 persons (high development scenario). A population of approximately 35,000 residents is estimated under a medium development scenario.

This population outcome is associated with a dwelling yield of 9,400 lots under a low scenario, 11,800 lots under the medium scenario and to 14,400 lots under the high scenario.

### **4) Activity Centre Planning**

An assessment of supportable retail floorspace development has been prepared on the basis of the anticipated population outcomes, and by analysing the potential to capture a share of the available spending by residents living within the PSP area. The analysis also takes account a relatively low share of incoming spending from non-PSP residents due to the position of the PSP at the outer edge of the metropolitan area.

#### **Low development scenario**

Under the low development scenario, total supportable floorspace development in activity centres is estimated at approximately 29,000m<sup>2</sup> and consisting of a possible tenancy mix including:

- A small-format DDS
- Two full-line supermarkets and a mid-sized supermarket
- A range of mini-majors and specialty retailing
- A range of non-retail activities.

A proposed centre configuration would involve a Major Town Centre of approximately 20,500m<sup>2</sup> of retail and non-retail commercial floorspace, a Neighbourhood Town Centre of approximately 6,100m<sup>2</sup>, and a smaller allocation for local stores/centres.

The location of these centres will be determined by a range of localised factors (including the complexity of planning the MTC due to the transmission easement), and by the need for adequate separation between the centres (including those located outside the PSP).

A homemaker centre of approximately 25,000m<sup>2</sup> (including non-retail uses) could also be supportable, with a preferred location near the intersection of Craigieburn Road East and Epping Road.

An indicative activity centre hierarchy is provided in section 6.4 of this report.

### **Medium development scenario**

Under the medium development scenario, total supportable floorspace development in activity centres is estimated at approximately 43,000m<sup>2</sup>, and consisting of a possible tenancy mix including:

- A large DDS
- Three full-line supermarkets and a mid-sized supermarket
- A wide range of mini-majors and specialty retailing
- A range of non-retail activities.

A proposed centre configuration would involve a Major Town Centre of approximately 33,000m<sup>2</sup> of retail and non-retail commercial floorspace, a Neighbourhood Town Centre of approximately 7,000m<sup>2</sup>, and an allocation for local stores/centres. Potential may eventuate for a larger Local Town Centre that serves the northern part of the PSP area.

The location of these centres will be determined by a range of localised factors (including the complexity of planning the MTC due to the transmission easement), and by the need for adequate separation between the centres (including those located outside the PSP).

A homemaker centre of approximately 35,000m<sup>2</sup> (including non-retail uses) could also be supportable, with a preferred location near the intersection of Craigieburn Road East and Epping Road.

An indicative activity centre hierarchy is provided in section 6.4 of this report.

### **High development scenario**

Under the high development scenario, total supportable floorspace development in activity centres is estimated at approximately 57,000m<sup>2</sup>, and consisting of:

- A large DDS
- Three full-line supermarkets and 1-2 mid-sized supermarket
- A wide range of mini-majors and specialty retailing
- A range of non-retail activities.

A proposed centre configuration would involve a Major Town Centre of approximately 43,000m<sup>2</sup> of retail and non-retail commercial floorspace, a Neighbourhood Town Centre of approximately 8,000m<sup>2</sup>,

and an allocation for local stores/centres. Potential may eventuate for a larger Local Town Centre that serves the northern part of the PSP area.

The location of these centres will be determined by a range of localised factors (including the complexity of planning the MTC due to the transmission easement), and by the need for adequate separation between the centres (including those located outside the PSP).

A homemaker centre of approximately 40,000m<sup>2</sup> (including non-retail uses) could also be supportable, with a preferred location near the intersection of Craigieburn Road East and Epping Road.

An indicative activity centre hierarchy is provided in section 6.4 of this report.

#### **Impact of Proposed Changes to Activity Centre Planning at Aurora**

An analysis has been undertaken to examine the implications arising from proposed changes to activity centre planning for the Aurora NTC and the Aurora STC located 1.5km and 3km south of the Wollert PSP respectively. The proposed change will increase the retail provision at the Aurora NTC and increase its competitive relevance for future development of centres in the Wollert PSP. In particular, the inclusion of a Discount Department Store (DDS) at Aurora NTC (with the possibility of a second DDS in the future) would limit the opportunity to establish a strong DDS trader as part of the Wollert MTC.

Under the alternative scheme, it would be difficult to attract a DDS to anchor the Wollert MTC, particularly if insufficient separation between these two centres is provided. Even under the high development scenario, the analysis indicates that only a small-format DDS might be supported in the Wollert MTC.

Total retail provision in the Wollert PSP under this alternative scenario is estimated at 13,500m<sup>2</sup> under the low development scenario, 24,000m<sup>2</sup> under the medium development scenario and 30,000m<sup>2</sup> under the high development scenario. A provision of non-retail commercial floorspace will also be provided in the Wollert PSP centres.

While this alternative scheme would lead to lower retail provision within the Wollert PSP, it would also potentially have a beneficial effect on the activity centre network for the wider Epping North region. The designation of Aurora NTC as the major activity centre serving the wider Epping North-Wollert growth corridor would lead to one stronger higher-order centre that might potentially attract a more significant range of non-retail activities.

### **5) Employment Area Planning**

The designation of an employment precinct at Wollert has potential to add to the employment-generating capability of the precinct, and the wider Epping North-Wollert corridor. However, the Wollert employment precinct is unlikely to develop as a significant location for major industrial use, especially in the short to medium term, for the following reasons:

- Competitive disadvantage when compared against major existing and planned employment/industrial estates in the Hume Freeway corridor.
- Substantial industrial land supply in the existing industrial estates in Whittlesea.
- Low accessibility to regional labour market.
- Relatively poor access to the freight network, at least until the E6 is constructed (a longer-term project)
- Limited opportunity for co-location with major related education precincts, higher-order activity centres or other pieces of infrastructure that might encourage investment.

In this context, the Wollert employment precinct is likely to evolve as a sub-regional or district-level industrial estate, accommodating a range of activities primarily focussed around servicing the local and regional population and catering for industrial land demand from building and service industries.

## **6) Employment Outcomes**

According to a broad analysis of potential employment in the Wollert PSP, a total of approximately 7,500 jobs would be created under the low development scenario, representing an employment self-sufficiency rate of approximately 60% when compared against the estimated employed labour force of 12,700 persons.

Under the medium development scenario, a total of approximately 8,500 jobs would be created, representing an employment self-sufficiency rate of approximately 55% when compared against the estimated employed labour force of 16,000 persons.

Under the high development scenario, total employment generation is estimated at approximately 9,500 jobs, representing an employment self-sufficiency rate of approximately 50% when compared against the anticipated employed labour force of 19,500 persons.

The analysis shows that the Wollert PSP will provide a higher share of local employment opportunities than many other PSPs on the metropolitan fringe. However, many residents will still need to travel outside the region to access employment opportunities elsewhere, and in this regard it will be important to establish strong policy support for more significant employment generation in higher-order activity centres such as Epping Central and Aurora NTC (especially if this is to become a major retail destination), as well as in major industrial locations such as Cooper Street and employment precincts in the Hume Freeway corridor.

# 1 INTRODUCTION

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## 1.1 Background

This report has been prepared on behalf of the Growth Areas Authority (GAA) and the City of Whittlesea as economic input to the preparation of a Precinct Structure Plan for Wollert (PSP 1070). The purpose of the report is to provide advice on the level of retail and commercial floorspace provision that might be supported in the PSP area, and to identify an appropriate activity centres hierarchy.

The work is also to examine the potential employment outcomes that might be generated within the precinct, including advice on the employment precinct that has been defined in the Melbourne North Growth Corridor Plan (GAA, June 2012), and the end uses that might be attracted to this precinct.

This technical report is prepared to inform the preparation of an Urban Structure Plan for the PSP area, and will be subject to revision following the detailed planning and design work being conducted by the GAA and City of Whittlesea.

## 1.2 PSP Requirements

The report meets the requirement for activity centres and employment planning as set out in the *Precinct Structure Planning Guidelines* (GAA, 2009). In relation to activity centres, the Guidelines require the following analysis:

- 1 Identify the opportunity for any Major Town Centres, Local Town Centres and convenience retail nodes to serve the surrounding residential community
- 2 Examine the role, size, and components of any town centres within the PSP area
- 3 Identify locations for centres, having regard for issues such as access, role within the wider activity centre network, and so on
- 4 Identify the types of uses accommodated at the activity centre, recognising the importance of encouraging a diverse mix of activities
- 5 Identify an appropriate land budget for centres within the PSP
- 6 Provide a broad schematic design for the town centre, indicating the location and broad distribution of built form, and providing flexibility of design that can accommodate change
- 7 Prepare an activity centres plan showing the location of centres in the precinct
- 8 Prepare an activity centres table setting out the type of centre, its role, indicative floorspace and land area requirement.

In relation to employment planning, the Guidelines require the following analysis:

- 1 Identify opportunities to encourage local employment provision
- 2 Ensure good access to regional employment nodes
- 3 Encourage land use outcomes that reduce the need to commute to more distant employment locations
- 4 Cater for home-based businesses
- 5 Aim for the provision of one new job for every new household in growth areas (noting that this target applies across a region, rather than for every precinct)
- 6 Prepare an employment plan showing the location of employment across the precinct and the location of regionally-significant employment nodes beyond the precinct
- 7 Prepare an employment table setting out the expected job yield across the precinct
- 8 Prepare a travel-to-work statement indicating how residents are likely to travel to work.

### **1.3 Information Inputs**

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

- Existing zones applicable to the land, including the Urban Growth Zone, the Farming Zone and the Rural Conservation Zone.
- Indicative future urban form as proposed in the draft and final Melbourne North Growth Corridor Plans.
- The existing and potential future activity centre hierarchy in the surrounding region, including the scale and role of centres in Aurora and other parts of Epping North.
- Information contained in relevant structure plan documents, including the Aurora Development Plan Part 2, the Harvest Home Local Structure Plan and the Epping North East Local Structure Plan.

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

Analysis has been undertaken to examine the effect on activity centres in Wollert if proposed changes to the configuration of centres in Aurora takes place. These proposed changes involve the reallocation of floorspace from the Southern Town Centre (close to the intersection of O'Herns Road and Edgars Road), to the Northern Town Centre (located at the intersection of Harvest Home Road and Edgars Road). A larger Northern Town Centre, with the proposed inclusion of a discount department store, will influence

shopping patterns further to the north, in Wollert, and affect the amount and type of retail floorspace that might be sustainable in the PSP area.

## 1.4 This Report

This technical report is organised as follows:

**Chapter 2:** Regional Context Analysis

Describes the wider context for future development of the Wollert PSP, including urban growth trends in the Epping North-Wollert growth corridor, major transport infrastructure, and intended development according to the Melbourne North Growth Corridor Plan.

**Chapter 3:** Wollert PSP Context

Identifies the main features of the Wollert PSP including its location, constraints to development, current zoning, land ownership and other aspects.

**Chapter 4:** Implications for Wollert PSP

Summarises the key issues that will influence development outcomes and the potential location for activity centres and employment land.

**Chapter 5:** Residential Development Outcome

Includes calculations of the potential population at capacity development, depending on a range of scenarios based on varying land development efficiencies and dwelling yields.

**Chapter 6:** Activity Centre Analysis

Identifies the potential activity centre development outcomes for the Wollert PSP, including estimates of supportable floorspace and scenarios for centre development.

**Chapter 7:** Employment Precinct Analysis

Examines the potential role and development outcome on land designated for employment purposes in the Melbourne North Growth Corridor Plan.

## 2 REGIONAL CONTEXT ANALYSIS

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This Chapter presents contextual background to the economic analysis of the Wollert PSP, and includes:

- 1 An overview of the regional context for growth area planning in the Epping North-Wollert Corridor, including a description of development trends and population growth, and planned transport infrastructure.
- 2 A summary of the Melbourne North Growth Corridor Plan as it relates to the region.
- 3 Identification of existing and planned activity centres in the surrounding region.

### 2.1 Urban Development Trends in City of Whittlesea

The Wollert PSP is located at the northern end of an urban growth corridor that extends along Epping Road and is bounded by the Craigieburn Bypass to the west and by Darebin Creek and Quarry Hills Park to the east. This Epping North-Wollert region is one of two major urban growth fronts located within the City of Whittlesea, with the other growth front located along Plenty Road and including the suburbs of South Morang, Mernda and Doreen.

The City of Whittlesea is experiencing increasingly rapid population growth, driven by demand for broadhectare development on the urban fringe, and to a much lesser extent by some infill development in more established parts of the municipality. Latest available data from the ABS shows that the City of Whittlesea experienced population growth at a rate of 6% over the year 2010-11, and growth rates have risen from approximately 2% pa over the period 2001 to 2006. The nominal growth in the number of residents was approximately +8,700 people for 2010-11, representing the second-largest growth of any municipality in Victoria.

The focus for population growth is the Whittlesea – North Statistical Local Area, which incorporates all of the major broadhectare housing estates along the Plenty Valley and Epping North corridors. This SLA experienced growth of +8,100 people over the most recent year for which data is available (2010-11), representing 94% of the total population growth in the municipality. Very high average annual growth rates (22% pa in 2009-10) have been consistently experienced since 2001.

Historic population growth data for the period 2001-2010 is presented in Table 2.1 on the following page, and refers to the statistical regions shown in Figure 2.1 (refer p7).

**Table 2.1: Population Trends, City of Whittlesea, 2001-2011**

Statistical Local Area	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011p
<b>Estimated Resident Population</b>											
Whittlesea (C) - North	13,000	14,540	17,050	19,610	21,820	24,100	27,700	32,470	38,440	46,730	54,860
Whittlesea (C) - South-East	41,860	42,630	43,070	43,090	44,090	44,360	44,510	44,760	44,810	44,770	44,850
<u>Whittlesea (C) - South-West</u>	<u>63,250</u>	<u>63,230</u>	<u>62,930</u>	<u>62,180</u>	<u>61,590</u>	<u>61,340</u>	<u>61,690</u>	<u>62,370</u>	<u>62,980</u>	<u>63,370</u>	<u>63,830</u>
<b>Total City of Whittlesea</b>	<b>118,110</b>	<b>120,400</b>	<b>123,050</b>	<b>124,880</b>	<b>127,500</b>	<b>129,800</b>	<b>133,900</b>	<b>139,600</b>	<b>146,230</b>	<b>154,870</b>	<b>163,540</b>
<b>Annual growth (persons pa)</b>											
Whittlesea (C) - North		1,540	2,510	2,560	2,210	2,280	3,600	4,770	5,970	8,290	8,130
Whittlesea (C) - South-East		770	440	20	1,000	270	150	250	50	-40	80
<u>Whittlesea (C) - South-West</u>		<u>-20</u>	<u>-300</u>	<u>-750</u>	<u>-590</u>	<u>-250</u>	<u>350</u>	<u>680</u>	<u>610</u>	<u>390</u>	<u>460</u>
<b>Total City of Whittlesea</b>		<b>2,290</b>	<b>2,650</b>	<b>1,830</b>	<b>2,620</b>	<b>2,300</b>	<b>4,100</b>	<b>5,700</b>	<b>6,630</b>	<b>8,640</b>	<b>8,670</b>
<b>Average annual growth rate</b>											
Whittlesea (C) - North		11.8%	17.3%	15.0%	11.3%	10.4%	14.9%	17.2%	18.4%	21.6%	17.4%
Whittlesea (C) - South-East		1.8%	1.0%	0.0%	2.3%	0.6%	0.3%	0.6%	0.1%	-0.1%	0.2%
<u>Whittlesea (C) - South-West</u>		<u>0.0%</u>	<u>-0.5%</u>	<u>-1.2%</u>	<u>-0.9%</u>	<u>-0.4%</u>	<u>0.6%</u>	<u>1.1%</u>	<u>1.0%</u>	<u>0.6%</u>	<u>0.7%</u>
<b>Total City of Whittlesea</b>		<b>1.9%</b>	<b>2.2%</b>	<b>1.5%</b>	<b>2.1%</b>	<b>1.8%</b>	<b>3.2%</b>	<b>4.3%</b>	<b>4.7%</b>	<b>5.9%</b>	<b>5.6%</b>

Source: ABS, Regional Population Growth Australia, Cat No 3218.0 (provisional data for 2011)

In recent years, the focus for population growth in the City of Whittlesea has been the Plenty Valley corridor, with new residential estates established in South Morang, Mernda and Doreen. The population in this corridor has increased from approximately 16,180 persons in 2006 to 34,400 persons in 2010, representing an additional 18,220 residents at an average rate of 21% pa (or 4,555 new residents each year, on average).

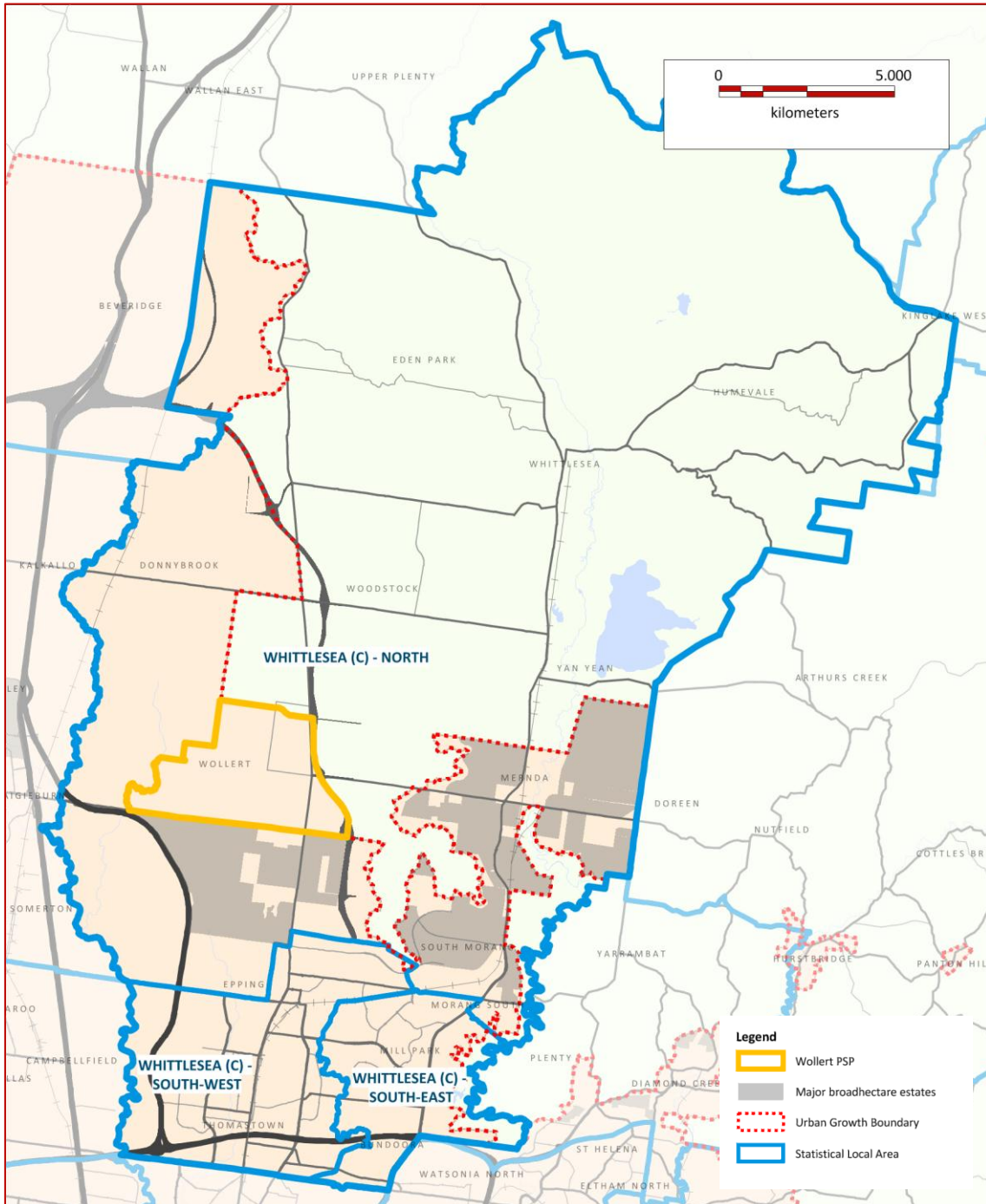
Over the same period (2006 to 2010), latest data shows that the Epping North Corridor increased in population terms from 770 residents to 3,660 residents, representing an additional 2,890 residents over the four years. The average growth rate for this corridor was approximately 48% per year (or an additional +725 new residents each year, on average), acknowledging that this rate is calculated from a low population base. This information is shown in Table 2.2, and relates to the regions depicted in Figure 2.2 (refer p8).

**Table 2.2: Population Growth Trends, Urban Development Corridors, 2006-2010**

Corridors	2006	2007	2008	2009	2010p	2006-2010
<u>Estimated resident population</u>						
Epping North Corridor	770	1,300	1,970	3,030	3,660	+2,890
Plenty Valley Corridor	16,180	19,410	23,160	27,660	34,400	+18,220
<u>Annual growth (persons pa)</u>						
Epping North Corridor		530	670	1,060	630	+725
Plenty Valley Corridor		3,230	3,750	4,500	6,740	+4,555
<u>Average annual growth rate</u>						
Epping North Corridor		68.4%	52.1%	53.4%	20.7%	47.6%
Plenty Valley Corridor		20.0%	19.3%	19.4%	24.4%	20.8%

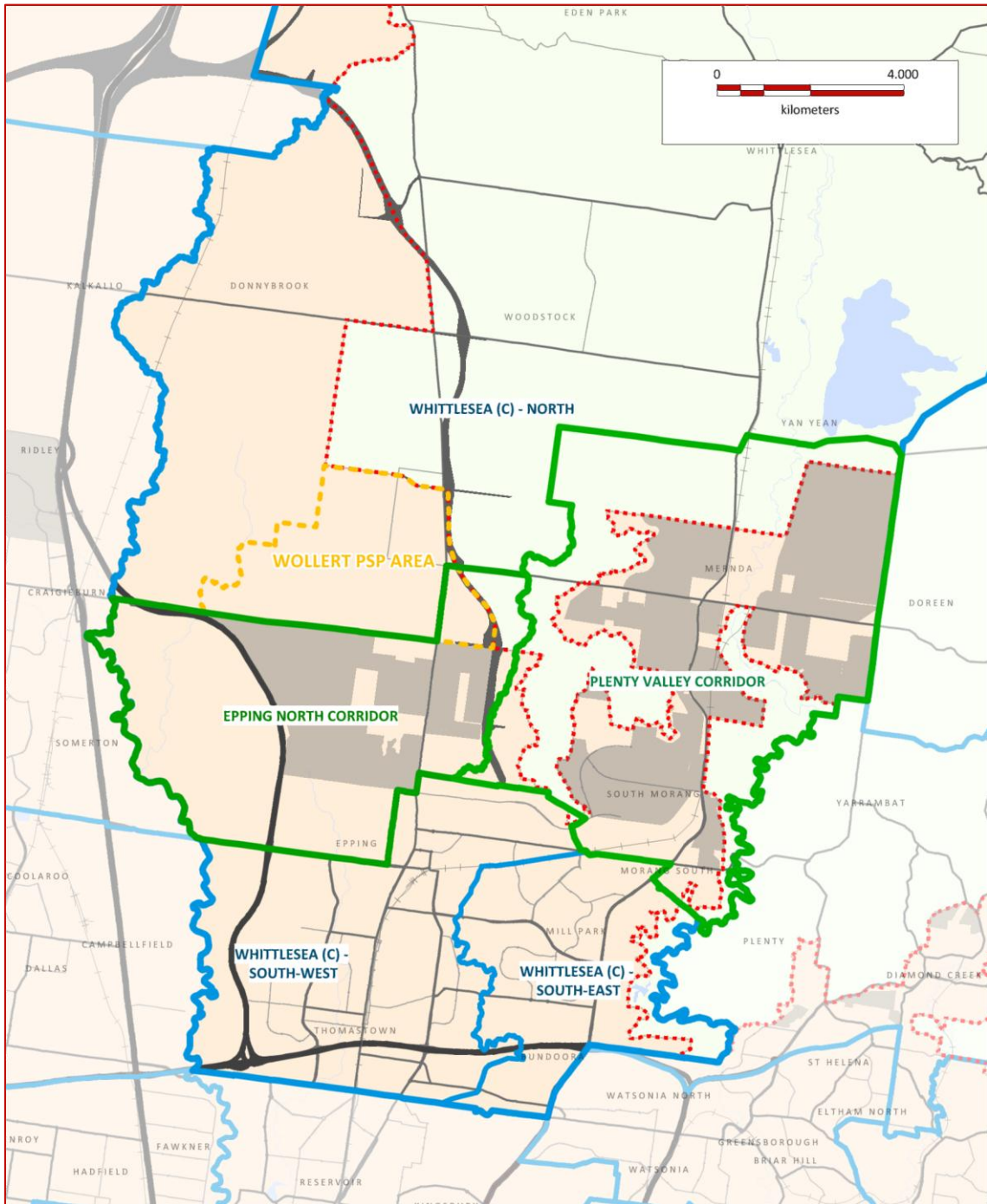
Source: ABS Regional Population Growth (unpublished data); Note: Refer Figure 2.2 for regions

Figure 2.1: Statistical Boundaries, City of Whittlesea



Produced by Essential Economics with MapInfo and StreetPro

Figure 2.2: Urban Growth Corridors



Produced by Essential Economics with MapInfo and StreetPro

## 2.2 Future Urban Growth

Strong growth will continue to occur in Whittlesea's northern urban fringe as existing and planned estates are built out and as new land in the extended urban growth area becomes available for residential development.

Official population projections prepared by the Department of Planning and Community Development (DPCD, 2012) anticipate that Whittlesea's population will grow by approximately 99,500 new residents (net) over the period 2011 to 2026, with as much as 86% of this growth (85,400 persons) occurring in the Whittlesea – North SLA.

Future rapid population growth is also forecast by id consulting (Forecast.id, 2010). According to the id projections, the municipal population is forecast to increase by 105,940 residents over the period 2011 to 2026, and by a total of 133,370 residents by 2031.

The id analysis also includes projections at a suburb level, and these show that the resident population in the Epping North Corridor is forecast to increase by 46,920 persons over the period 2011-2031, with the Plenty Valley Corridor forecast to increase by 36,330 persons over the same period. During the period 2016-2021 the Epping North Corridor is expected to replace the Plenty Valley Corridor as the main location for new housing development, due to the exhaustion of development opportunities in the housing estates of South Morang, Mernda and Doreen.

Importantly, the id forecasts are based on known and anticipated residential land supply information, and include an expectation that Wollert will become an important urban growth front over time, with this sub-region expected to commence significant development after 2021.

The id forecasts also acknowledge that another growth front will be initiated in Donnybrook, which is located further to the north of Wollert and is planned to be centred around a rail station. According to the id projections, Donnybrook will commence development in approximately 2021, thereafter competing to some degree with Wollert as a location for future residential expansion in Whittlesea.

Population projections produced by id consulting are shown below in Table 2.3. In reading this data, it is acknowledged that they are based on Census-related population data from 2006, updated by id to the date of production in November 2010; for this reason, the estimated resident population for the municipality in 2011 does not match the recent estimate prepared by the ABS. Also relevant is the fact that the projections rely on information from active developers at the time, recognising that some of this information may now be out-of-date. The actual timing of residential development (and hence population) may differ somewhat from the id forecasts; nevertheless, they provide a useful point of reference in understanding the likely future pattern of urban growth across the City of Whittlesea.

**Figure 2.3: City of Whittlesea Population Projections, Forecast.id, 2010-2031**

Location	2010	2016	2021	2026	2031	2011-2031
<u>Resident population</u>						
Epping North	7,080	19,120	35,280	43,360	44,100	+37,020
Wollert	80	200	1,610	10,720	22,160	+22,080
<b>Total Epping North Corridor</b>	<b>7,160</b>	<b>19,320</b>	<b>36,890</b>	<b>54,080</b>	<b>66,260</b>	<b>+59,100</b>
Mernda-Doreen	20,500	39,840	49,570	52,330	51,270	+30,770
South Morang	19,470	23,410	23,500	23,970	25,050	+5,580
<b>Total Plenty Valley Corridor</b>	<b>39,970</b>	<b>63,250</b>	<b>73,070</b>	<b>76,300</b>	<b>76,320</b>	<b>+36,350</b>
<b>City of Whittlesea</b>	<b>162,070</b>	<b>202,460</b>	<b>237,530</b>	<b>268,010</b>	<b>295,440</b>	<b>+133,370</b>
<u>Annual growth (persons pa)</u>						
Epping North		2,410	3,230	1,615	150	1,760
Wollert		25	280	1,820	2,290	1,050
<b>Total Epping North Corridor</b>		<b>2,435</b>	<b>3,510</b>	<b>3,435</b>	<b>2,440</b>	<b>2,810</b>
Mernda-Doreen		3,870	1,945	550	-210	1,470
South Morang		790	20	95	215	270
<b>Total Plenty Valley Corridor</b>		<b>4,660</b>	<b>1,965</b>	<b>645</b>	<b>5</b>	<b>1,730</b>
<b>City of Whittlesea</b>		<b>8,080</b>	<b>7,015</b>	<b>6,095</b>	<b>5,485</b>	<b>6,350</b>
<u>Average annual growth rate</u>						
Epping North		22.0%	13.0%	4.2%	0.3%	9.1%
Wollert		21.7%	51.3%	46.1%	15.6%	31.0%
<b>Total Epping North Corridor</b>		<b>22.0%</b>	<b>13.8%</b>	<b>8.0%</b>	<b>4.1%</b>	<b>11.8%</b>
Mernda-Doreen		14.2%	4.5%	1.1%	-0.4%	4.7%
South Morang		3.8%	0.1%	0.4%	0.9%	1.3%
<b>Total Plenty Valley Corridor</b>		<b>9.6%</b>	<b>2.9%</b>	<b>0.9%</b>	<b>0.0%</b>	<b>3.3%</b>
<b>City of Whittlesea</b>		<b>4.6%</b>	<b>3.2%</b>	<b>2.4%</b>	<b>2.0%</b>	<b>3.0%</b>

Source: City of Whittlesea Population Forecasts, Forecast.id, November 2010

This review of population trends highlights a number of important implications for development in Wollert:

- 1 The City of Whittlesea is experiencing rapid population growth, and this is expected to continue over the long term.
- 2 While the Plenty Valley Corridor has attracted most residential development in recent years, the focus will switch to the Epping North Corridor as development opportunities are exhausted in the newly-created estates in South Morang, Mernda and Doreen.
- 3 Wollert represents an extension to the Epping North Corridor, and significant new housing development will commence in about 5-10 years once development opportunities in Epping North (including Aurora and other estates) are exhausted.
- 4 Another development front will commence in Donnybrook, and this will compete to some degree with Wollert as a location for housing development and population growth.

## 2.3 Capacity Population Epping North

According to the id. forecast population projections for the City of Whittlesea, the resident population in the Epping North region is expected to peak at approximately 44,230 persons in 2029, with the population declining at a slow rate thereafter, mainly due to an ongoing reduction in the average household size as younger children move out of the family home. This Epping North region excludes the area covered in the Wollert PSP.

Estimates of capacity population have also been prepared by Urbis as part of an assessment of potential retail development in Aurora's two town centres (refer section 2.6). The Urbis report identifies a capacity population of approximately 49,000 residents for identified trade area sectors that together approximate the Epping North area defined by id consulting (and excluding Wollert).

Information provided to Essential Economics by the City of Whittlesea indicates that a total of approximately 16,300 or so lots are expected to be delivered in the Epping North corridor (as defined in Figure 2.2). With an average household size of approximately 3 persons per household, this indicates an eventual population at capacity of 48,900 persons, which is almost identical to the Urbis projection for the same region.

## 2.4 Transport Infrastructure

The major existing piece of transport infrastructure serving the Epping Corridor is the Craigieburn Bypass, which forms the western boundary of this growth front, and enables travel southwards to the Metropolitan Ring Road and thereafter to Melbourne's northern freeway network (City Link, Hume Freeway, Calder Freeway). Access to the Bypass is currently available at a full interchange with Cooper Street and a half interchange providing city-bound access at Craigieburn Road East. A future interchange at O'Herns Road has been proposed but has not yet been funded.

Epping Road is the main arterial road connection providing residents with access southwards to Epping Plaza shopping centre, Epping railway station, the Northern Hospital and other regional-level services and facilities.

Edgars Road is proposed to be extended from Cooper Street to Craigieburn Road and northwards into the Wollert PSP area. Some parts of this road (north and south of Harvest Home Road) are already under construction. In the future, Edgars Road will become an important north-south alternative to Epping Road, especially for those residents in the western part of Aurora.

East-west road connections include Craigieburn Road East (forming the southern boundary of the Wollert PSP area), Harvest Home Road, O'Herns Road, and Cooper Street. McDonalds Road provides access to the east towards South Morang and the Westfield Plenty Valley Shopping Centre.

Fixed rail public transport is available at Epping. However, a high capacity public transport corridor is planned to extend from Epping Road northwards through the Aurora estate on land to the east of the Edgars Road alignment. This will also allow major public transport to serve the Wollert PSP area.

The Outer Metropolitan Ring/E6 Transport Corridor is a major project to improve transport connections in Melbourne's north and west, providing an opportunity to deliver road and rail connections from the Princes Freeway west of Werribee, via Rockbank, Tullamarine, Craigieburn, Merrifield, Beveridge and Donnybrook, to the Metropolitan Ring Road in Thomastown/Bundoora. The E6 route through Wollert represents the eastern boundary of the Urban Growth Area.

Although the E6 is identified as a future potential project and is unlikely to begin construction until 2020 at the earliest, the implication for travel patterns in the Epping North-Wollert growth area will be significant. In particular, it will enable road (and possibly rail) access to major industrial areas at Beveridge and Merrifield, and to the planned Principal Town Centre at Donnybrook.

Detailed design for the E6 is still being undertaken, but current design sheets identify the potential for interchanges at Boundary Road/Bridge Inn Road, Craigieburn Road/Lehmans Road and O'Herns Road.

## 2.5 Melbourne North Growth Corridor Plan

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

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

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

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

- *Principle 3: Plan for Local Employment Creation*

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

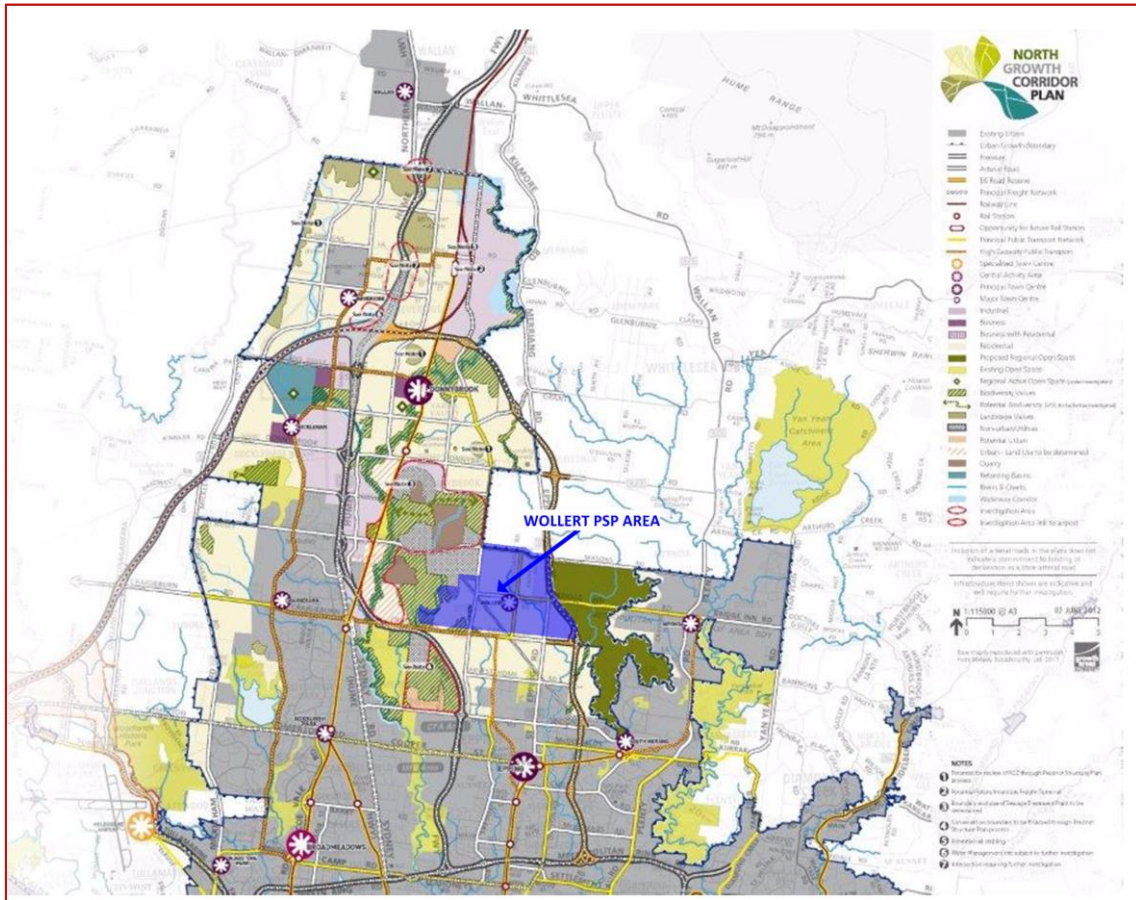
Relevant features of the Melbourne North Growth Corridor Plan are summarised below.

- Epping is designated as a Principal Town Centre serving the region, with South Morang and Mernda identified as Major Town Centres serving the Plenty growth corridor.
- Donnybrook is designated as a future Principal Town Centre serving the immediate residential community in Donnybrook, as well as catchments in Mickleham and Beveridge.
- A Major Town Centre is identified at Wollert, in a central location to the PSP area.
- Land to the west of the Wollert PSP area and extending generally from Craigieburn Road to Donnybrook Road is not identified for urban development, with part of this land having important biodiversity value, and other land set aside for existing or future quarries, and use for utilities infrastructure (as a gas compressor station).
- A major long-term employment precinct is located to the east of Beveridge, with part of this site identified as a potential future Interstate Freight Terminal.
- Smaller employment areas are identified in Donnybrook (southern side of Donnybrook Road) and in the eastern part of the Wollert PSP adjacent to the E6 alignment, within the buffer zone for the Hanson Quarry located east of the E6 alignment between Masons Road and Bridge Inn Road.

A depiction of the Plan as it relates to the region surrounding Wollert is provided in Figure 2.3.

From the perspective of activity centre planning, it is important to acknowledge that the Melbourne North GCP is based on an expectation that neither of the town centres in Aurora would be developed as a major town centre, with a new centre within the Wollert PSP area having this role in the Epping North-Wollert growth corridor. Further commentary on this aspect is provided in Section 2.6 on the following page.

Figure 2.3: Melbourne North Growth Corridor Plan (excerpt)



Source: Melbourne North GCP (GAA, 2012)

## 2.6 Activity Centre Planning

### Higher-order centres

The main higher-order activity centres in the surrounding region are described below.

#### Epping Central

Epping Central is a Principal Activity Area located near the intersection of Epping Road and Cooper Street, and consists of the following elements:

- Epping Plaza is a large sub-regional shopping centre containing a small Harris Scarfe department store, two discount department stores (Big W and Target), and three supermarkets. The centre has total retail floorspace of approximately 60,000m<sup>2</sup>, plus a range of non-retail components including a Readings Cinema complex, medical centre, hotel and Council offices.

- Epping Bulky Goods precinct is located on the eastern side of Epping Road and contains a Bunnings warehouse and a range of other homemaker retailers and associated uses including auto accessories, personal fitness, and other uses.
- Northern Hospital is located to the west of Epping Plaza and is the main public health facility serving northern Melbourne, providing 300 beds including acute care. Other services include emergency department, mental health clinic, children's unit, day procedures, and maternity and women's health.
- Epping Railway Station is located on Cooper Street to the east of Epping Road. The station currently represents the termination of the Epping railway line, although works are now almost complete on the extension to the railway line to South Morang, with services due to begin in April 2012.
- NMIT Epping Campus is located immediately to the east of the railway line, and has specialisations in agriculture, land management, aquaculture, environmental management, equine studies and viticulture. The campus also accommodates the Green Skills Centre of Excellence.

The Epping Central Structure Plan (December 2011) proposes to substantially increase the amount and intensity of development in the centre over the next 20 years or so, including an additional 113,000m<sup>2</sup> of retail floorspace, up to 80,000m<sup>2</sup> of commercial office floorspace, and an expansion to the centre's role in the provision of entertainment, community services, education and health. These developments will help to consolidate the centre's role as the main provider of regional-level shopping, business, education and health services.

### **South Morang Activity Centre**

South Morang is located on McDonalds Road, approximately 4km from the intersection with Epping Road. The centre is identified as a Major Activities Area for the purposes of metropolitan planning, and is to be the main centre serving the Plenty Road growth corridor and residential communities to the south. Existing uses in South Morang include the following components:

- Westfield Plenty Valley is located at the intersection of Civic Drive and McDonalds Road, and is a sub-regional shopping centre anchored by Target and Kmart discount department stores, and Coles, Woolworths and Aldi supermarkets. Total retail floorspace is approximately 50,000m<sup>2</sup>.
- South Morang Bulky Goods Precinct is located on Plenty Road near the intersection with McDonalds Road, and includes a free-standing Bunnings, the Plenty Central homemaker centre, and the Axis Homemaker Centre.
- Municipal offices are located on Ferres Boulevard to the north of McDonalds Road, and include an Arts and Convention Centre.
- The Mill Park Secondary College is located on the western side of Civic Drive.

The South Morang Activity Centre is anticipated to expand over time as the population in the Plenty growth corridor increases. A Myer department store has been planned for the centre, although the status and timing of this investment by Myer is unknown.

Other more distant higher-order centres include Campbellfield Plaza, Broadmeadows Town Centre and Roxburgh Park, all of which are located in the City of Hume, to the west of the Epping Road growth corridor.

### ***Neighbourhood centres***

Existing neighbourhood centres, anchored by supermarkets as the main retail tenant, include the following:

- Lyndarum Neighbourhood Centre, located at the intersection of Lyndarum Drive and Epping Road, contains a Woolworths supermarket (3,200m<sup>2</sup>) and a small range of retail tenancies, a medical centre, gym and a number of other non-retail uses. This centre serves existing residents in the Lyndarum estate and in Aurora, as well as people living on the eastern side of Epping Road.
- Craigieburn Shopping Centre, located near the intersection of Craigieburn Road and Hanson Road, contains a Woolworths supermarket and a range of other retail and non-retail uses.

### ***Proposed centres***

#### **Aurora Estate**

The original centre planning for Aurora (refer Aurora Development Plan Part 2, 2007) identifies two town centres to serve the retail needs of people living in the surrounding community. A Southern Town Centre (STC) was proposed for a location near the intersection of O'Herns Road and Edgars Road, comprising approximately 14,000m<sup>2</sup> of retail and non-retail floorspace and incorporating a discount department store, two supermarkets and specialty floorspace. A Northern Town Centre (NTC) was proposed for a location near the intersection of Edgars Road and Harvest Home Road comprising approximately 7,000m<sup>2</sup> of retail and non-retail floorspace including a supermarket and a range of specialty stores.

Figure 2.4 shows the distribution of the town centres and other community facilities across the Aurora estate.

More recently, Urbis have prepared a report to Places Victoria (*Aurora Assessment of Retail and Commercial Uses*, March 2010) proposing to alter the distribution of floorspace between the two town centres. As described in this report, the new scheme proposes to increase the retail floorspace at the NTC from 7,000m<sup>2</sup> to 23,500m<sup>2</sup> and incorporating a discount department store (7,000m<sup>2</sup>), two supermarkets (total 7,000m<sup>2</sup>), mini majors and specialty retail (7,500m<sup>2</sup>) and non-retail uses (2,000m<sup>2</sup>). The STC is proposed to be reduced in size, from 7,000m<sup>2</sup> to 3,000m<sup>2</sup> and incorporating a small supermarket (1,500m<sup>2</sup>), specialty shops (1,000m<sup>2</sup>) and non-retail uses (500m<sup>2</sup>). The scheme has the effect of increasing the overall floorspace at the Aurora town centres, from 21,000m<sup>2</sup> to 26,500m<sup>2</sup>.

The Urbis report argues that the change in distribution of retail and other commercial facilities would lead to an overall improvement in the level, range and quality of retail and other services on offer to residents in the surrounding catchment. In particular, it is argued that the NTC is a more logical location for a larger centre because of its more central position with respect to the catchment population, and particularly in the context of an extended UGB to the north to include the Wollert PSP area.

The effect of changing the proposed roles of the centres in Aurora will be to increase the share of retail spending by Wollert residents that would be captured by the NTC, thereby potentially reducing the possibility of attracting higher-order retail tenants (such as a discount department store) to a proposed new Major Town Centre in Wollert. For example, the Urbis analysis shows that a new discount department store (DDS) in the NTC would capture approximately 40% of total expenditure at DDSs by residents in Wollert (refer Urbis, Table 5.1).

Although one effect of the proposed reallocation of retail uses between the Aurora centres would be to (potentially) reduce the amount and type of retail supportable in the Wollert PSP area, another effect would be to influence the possible location of the Wollert higher-order centre. The GCP nominates an indicative location for the Wollert Major Town Centre that is central to the PSP area, which provides an optimal separation between the Wollert Major Town Centre and the NTC, which is particularly important if the NTC was to become the larger of the two Aurora centres. It is unlikely that these two centres could support a DDS as a major tenant if the Wollert Major Town Centre was located near the intersection of Craigieburn Road East and Edgars Road.

However, if the STC was to remain the larger of the two Aurora centres, potential may exist for the Wollert Major Town Centre to be located near the intersection of Edgars Road and Craigieburn Road East.

Further analysis of the implications of an increase in planned retail floorspace at the Aurora NTC is presented in Chapter 6 of this report.

Figure 2.4: Aurora Estate Plan



### Lyndarum North

Amendment C118 to the Whittlesea Planning Scheme proposes to rezone land on either side of Epping Road, approximately equidistant between Harvest Home Road and Craigieburn Road, from the Residential 1 Zone to the Mixed Use Zone. The rezoning is to accommodate a small neighbourhood centre comprising shop and other uses as allowed under the MUZ.

The Amendment proposes to include a schedule to the MUZ specifying a maximum combined leasable floor area of 3,000m<sup>2</sup> for shop uses, thereby limiting the potential role that the centre would play as a shopping location for surrounding residents.

Evidence submitted to the Panel hearing for Amendment C118 by Urbis on behalf of AV Jennings supports an increase in the floorspace limit applied to shop uses, based on an expectation that the catchment served by the centre would be in the order of 14,000-15,000 residents, and having regard to the typical distribution of neighbourhood-level shopping facilities for catchments of this size. The conclusion was that a neighbourhood centre with approximately 5,000m<sup>2</sup> or so of shop floorspace would be more suitable and would enable the inclusion of a full-line supermarket, supported by a range of specialty shops, to meet the catchment's need for weekly grocery shopping.

The Panel, in considering the submissions, recommended that further strategic work be undertaken to assess an appropriate upper limit for shop uses in the MUZ.

#### **Craigieburn Town Centre (Craigieburn Central)**

A Major Town Centre is proposed to be located at the intersection of Craigieburn Road and Aitken Boulevard, approximately 8km to the west of the Wollert PSP area. This centre is planned to become a major shopping, commercial and community hub, with initial plans for approximately 55,000m<sup>2</sup> of retail floorspace including two discount department stores and two supermarkets. Construction is expected to be completed by the end of 2013.

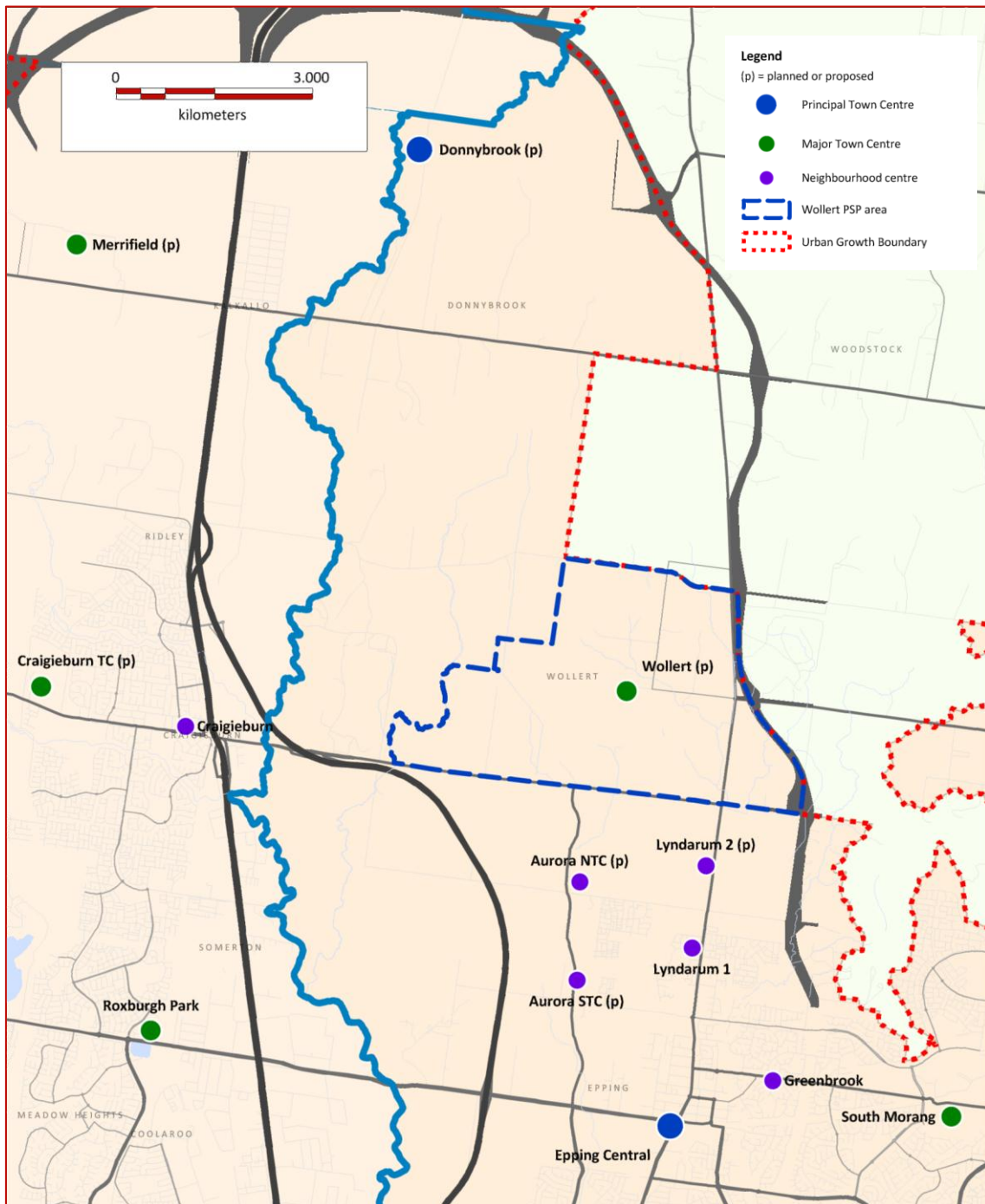
#### **Mernda Town Centre**

A Major Town Centre is planned to be located at the intersection of Bridge Inn Road and Plenty Road in Mernda, approximately 7km east of the Wollert PSP area. The *Mernda Town Centre Comprehensive Development Plan (2009)* identifies the future development of a sub-regional shopping centre serving 50,000 residents and comprising approximately 40,000m<sup>2</sup> of commercial floorspace.

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Figure 2.5 presents a summary of the existing and proposed activity centre hierarchy applicable to the region surrounding Wollert. Note that the figure includes the proposed location of the Wollert Major Town Centre as depicted in the Melbourne North GCP.

Figure 2.5: Activity Centre Hierarchy



Prepared by Essential Economics with MapInfo and StreetPro

## 2.7 Summary

The City of Whittlesea is experiencing significant levels of broadhectare residential development and population growth, to the extent that it is one of the fastest growing municipality's in Victoria. The majority of this recent growth has occurred within the Epping and Plenty Valley growth corridors, and this is expected to be the situation for years to come.

The Wollert PSP represents a northern extension of the Epping growth corridor, and is expected to become an important urban growth front post-2020, when the development opportunities in existing housing estates become exhausted.

Due to the recent and expected urban growth within these growth corridors, planning for the provision of infrastructure, employment and activity centres is underway. The planning for a hierarchy of activity centres to serve the future residents in the wider region is currently occurring. The eventual roles and locations of these planned centres will influence the location and types of centres that could be supported within the Wollert PSP.

Similarly, the timing of major transport infrastructure, for instance the E6 Ring Road, and the extent of employment areas in the broader region, will have implications for the timing and extent of employment land that could be supported in the Wollert PSP.

### 3 WOLLERT PSP CONTEXT

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The Wollert PSP covers a total land area of approximately 1,433ha, and extends from Craigieburn Road East on the southern boundary to Summerhill Road in the north, and from Curly Sedge Creek in the west to the E6 reservation in the east. According to the Melbourne North GCP, approximately 1,195ha of land is identified as being available for urban development (963ha) or for employment purposes (232ha), with the remaining land set aside because of environmental and conservation values, transmission easements or flood zones.

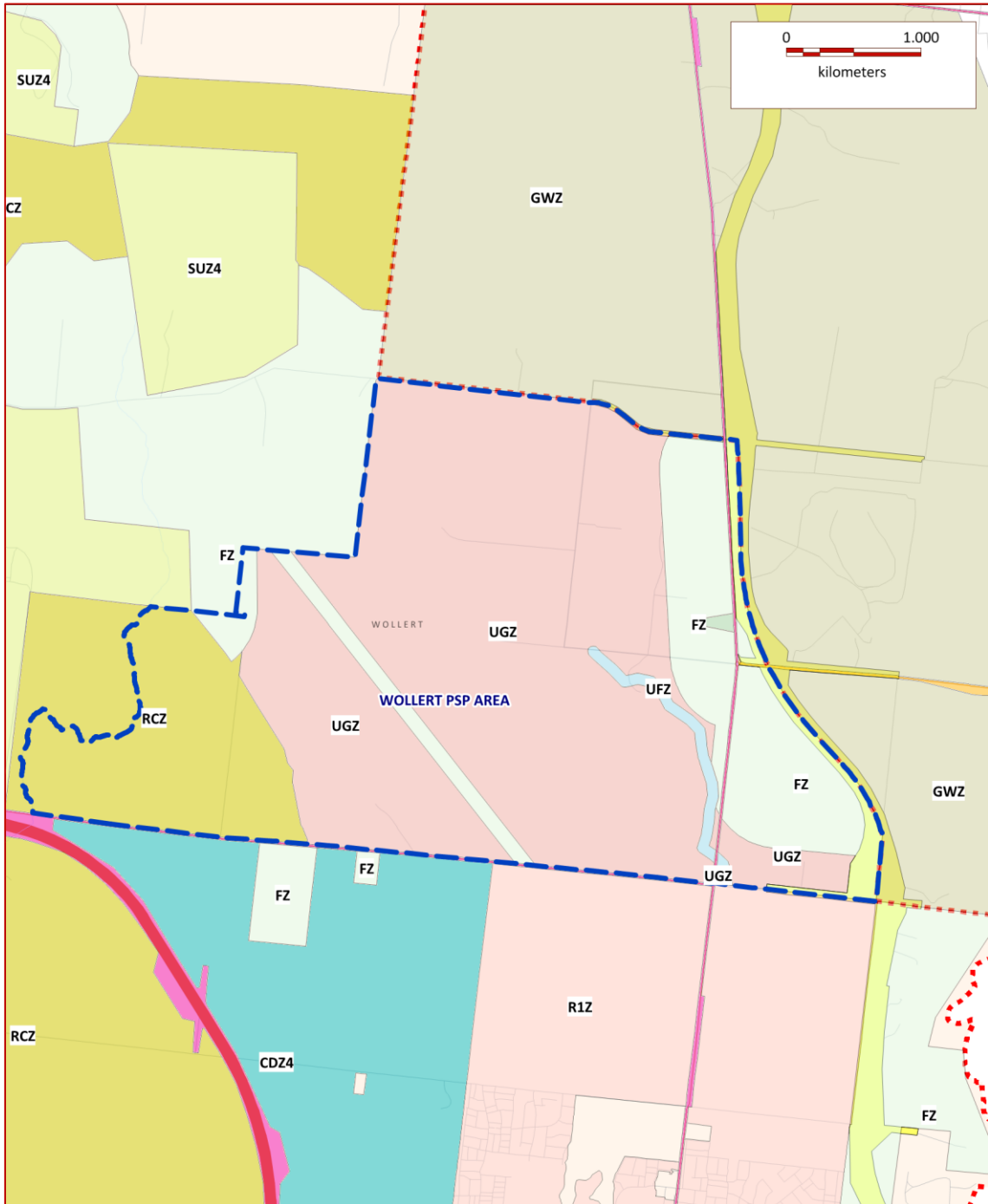
The main features of the Wollert PSP area are as follows:

- Position at the northern fringe of the urban area: The Wollert PSP area is located at the northern extremity of urban development in the Epping North-Wollert corridor. Although a new urban growth front is planned for Donnybrook, these precincts are separated by non-urban activities (including quarrying and utilities infrastructure).
- Topography: The land is relatively flat and does not pose any significant constraint to urban development.
- Easements and other constraints: The land is bisected by a transmission easement running from the north-western part of the Wollert precinct in a south-easterly direction, through the northern part of Lyndarum and on to the Eastern Energy terminal station in South Morang. An urban floodway zone follows the western branch of Findon Creek and represents the eastern edge of the land set aside in the GCP for urban development.
- Hanson Quarry: The eastern extent of urban development is constrained by the existing Hanson Quarry located on the eastern side of Epping Road and between Masons Road and Bridge Inn Road. Relevant buffers for quarrying activities have informed the delineation of the Urban Growth Zone, with land within the buffer remaining in the Farming Zone (and identified as having future potential for employment use).
- Adjoins the planned E6 Ring Road: The E6 is planned to be located on the eastern edge of the Wollert precinct and will provide northward connections to new industrial areas planned for Beveridge and Merrifield, and southwards to the Metropolitan Ring Road.
- Local and regional transport linkages: The main transport connections surrounding the Wollert PSP include:
  - Epping Road, which will be the main north-south connection to Epping Central
  - Edgars Road, which will provide an alternative access through Aurora, and may include a rapid public transport link southwards to Epping, and with potential to extend this link northwards to Donnybrook

- Craigieburn Road East, which will provide a connection from the E6 westwards towards the Craigieburn Bypass and on to Craigieburn Town Centre
  - Boundary Road/Bridge Inn Road, which will be the main east-west arterial road through the precinct, and will provide a transport link (including public transport) eastwards to Mernda
  - Masons Road, which will provide an alternative route to Mernda and Laurimar.
- Land ownership: The PSP area includes approximately 100 parcels of land with an average area of approximately 15ha each. Fourteen of these parcels, covering an area of approximately 520ha, are owned or controlled by a developer consortium consisting of Villawood, Evolve, AV Jennings and Greencor. Two properties are owned by the City of Whittlesea.

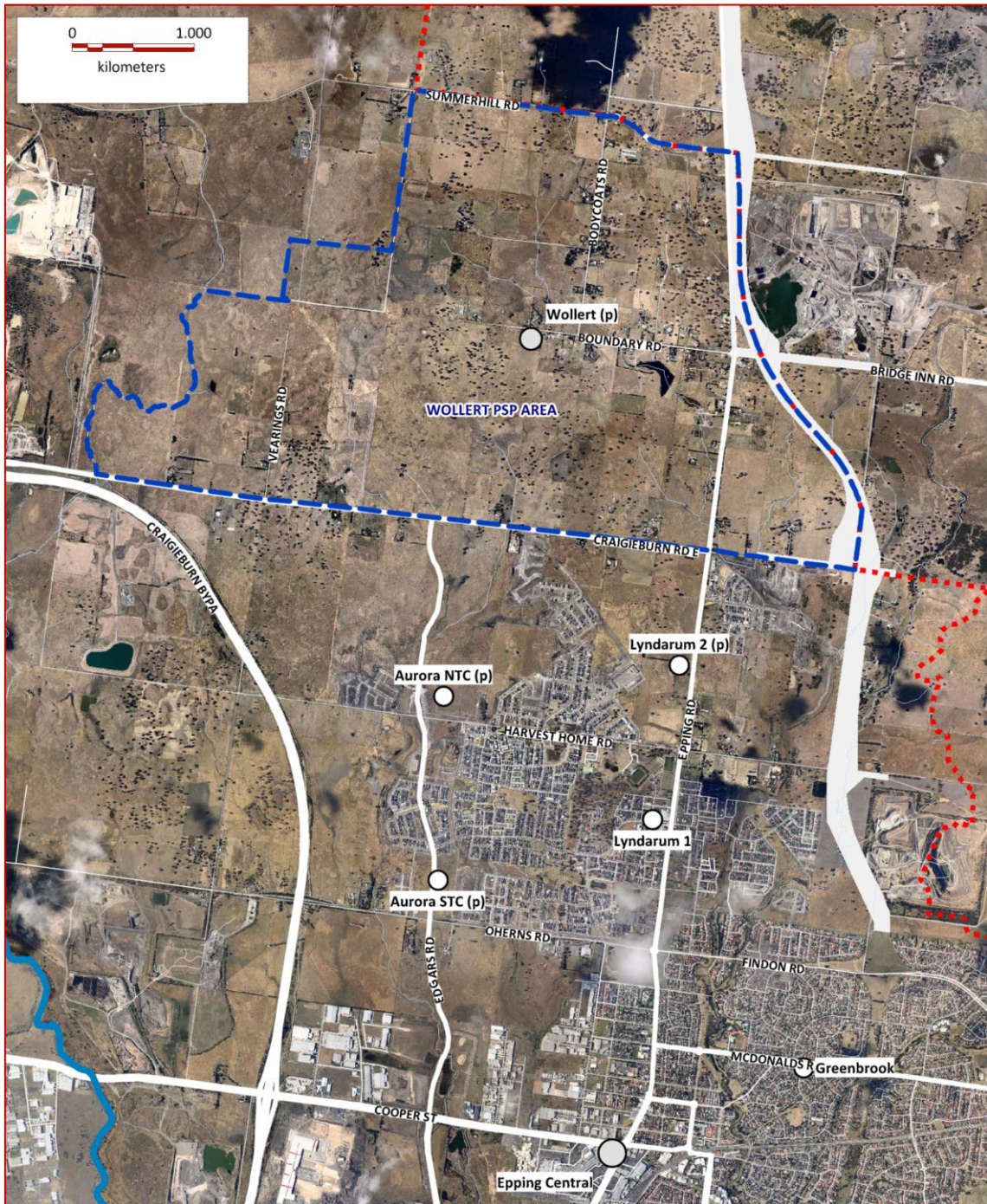
Figures 3.1 to 3.4 show the location and zoning context, area analysis and ownership patterns for the Wollert PSP area. In particular, Figure 3.3 shows the land areas used for the analysis of potential dwelling yields and forecast activity centre requirements provided later in the report.

Figure 3.1: Wollert Zoning Map



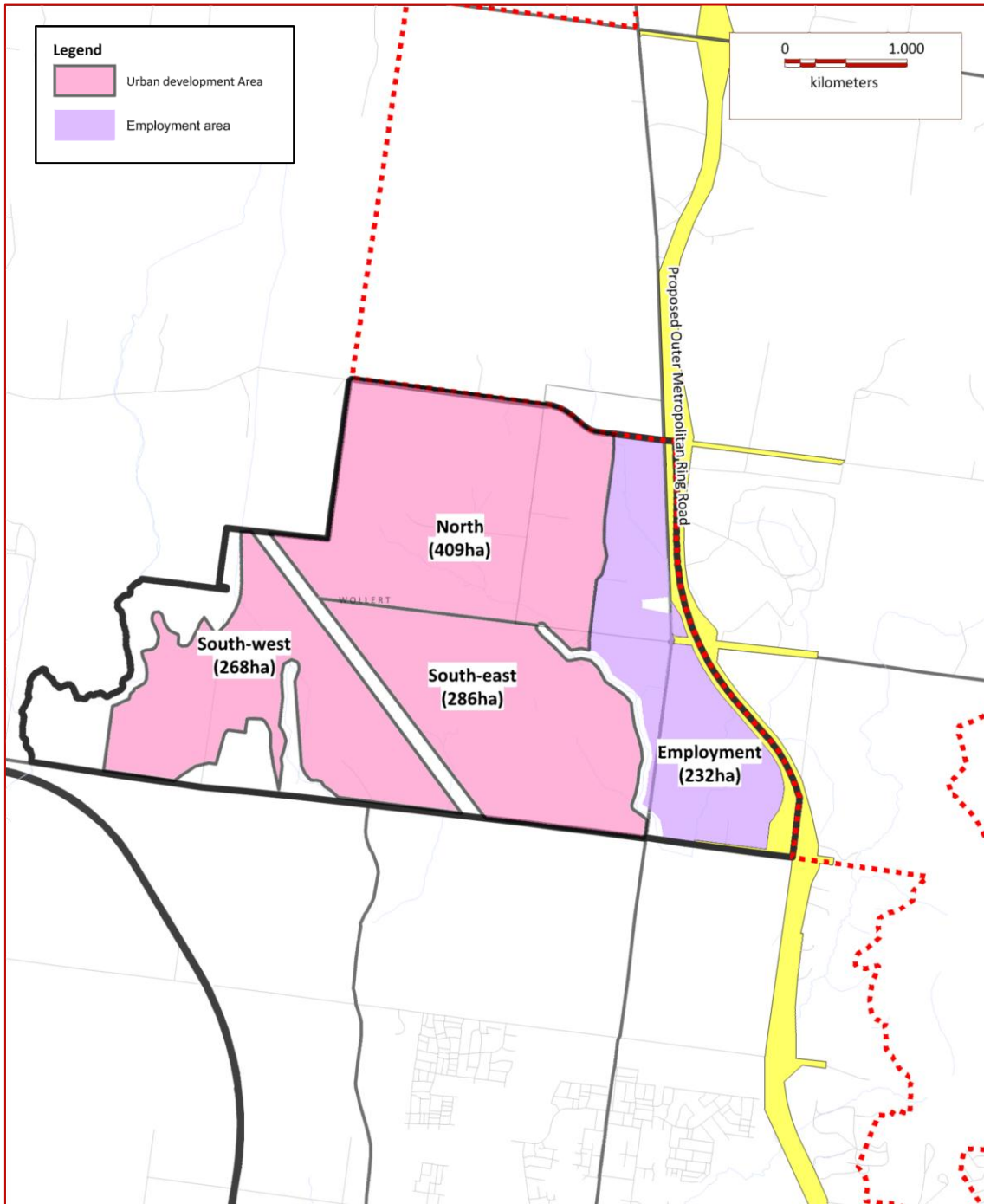
Prepared by Essential Economics with MapInfo, StreetPro and information from Land.Vic

Figure 3.2: Wollert PSP Location Context



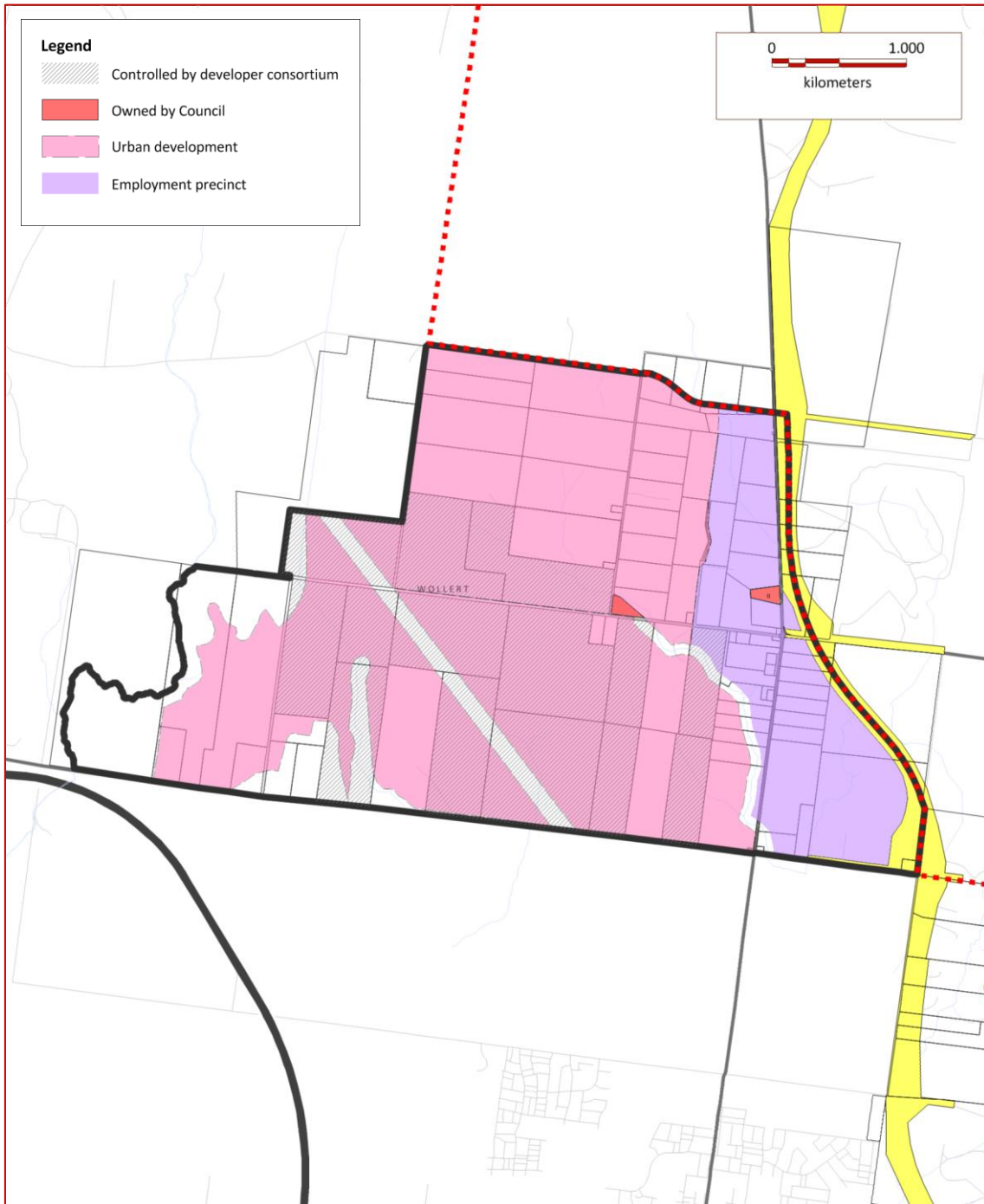
Prepared by Essential Economics with MapInfo, StreetPro, NearMap and information from the North Melbourne GCPs

Figure 3.3: Wollert PSP Area Analysis



Prepared by Essential Economics with MapInfo and StreetPro

Figure 3.4: Property Ownership, Wollert PSP



Prepared by Essential Economics with MapInfo and StreetPro

## 4 IMPLICATIONS FOR WOLLERT PSP

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From the contextual analysis presented in Chapters 2 and 3, the main implications for activity centre and employment planning can be identified as follows:

- 1 **Internalised Catchment**: The precinct represents the northern boundary of urban development in this part of Melbourne, and this will influence travel patterns including shopping trips and travel-to-work. The implication is that the PSP represents an ‘internalised catchment’ with limited opportunity for incoming retail expenditure from beyond the PSP.
- 2 **Activity Centre Planning in Aurora**: Proposed changes to the distribution of retailing in Aurora will have a major influence on the scale of retail activity that might be supported in the Wollert PSP, and the location for any higher-order activity centre. Alternative locations for the Wollert MTC are explored in Chapter 6.
- 3 **Distribution of Small Town Centres**: The number, scale and location of smaller town centres in the Wollert precinct will depend upon a range of factors, including the size of the MTC, the location of this higher-order centre, the planned road network, the distribution of dwellings across the PSP area, and other localised factors. The centre network is also likely to be influenced by the scale of the Lyndarum North activity centre (referred to as Epping North East Neighbourhood Activity Centre), which is located south of the intersection of Epping Road and Craigieburn Road East.
- 4 **Outlook for Employment Precinct**: The eastern part of the precinct is designated for employment purposes, mainly due to necessary buffers from the Hanson Quarry located to the east. The opportunity for employment activities at this location is derived from the alignment of the proposed E6; however, the timeframe for delivery of the E6 is unknown at this stage, and is likely to be a long-term project. Because the completion of the E6 is likely to occur after full development of the urban area of the Wollert PSP, this may mean that development of the employment precinct may be delayed. Other competing employment precincts, including the Cooper Street precinct and parts of Kalkallo and Merrifield, are likely to be more attractive for development in the short and medium term, particularly having regard for the direct access to the Hume Freeway (and Craigieburn Bypass) provided in these competing locations. These issues are explored further in Chapter 7.
- 5 **Land Ownership**: Wollert PSP is characterised by relatively large sites, and therefore few individual owners. Moreover, a consortium of developers already has control over approximately 60% of the total urban development area. This will assist in realising a planned outcome to the development of the precinct.

## 5 RESIDENTIAL DEVELOPMENT OUTCOME

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This chapter presents analysis of the likely residential development outcome in the Wollert PSP, based on available information relating to:

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

### 5.1 Land Area Calculations

The part of the Wollert PSP identified for urban (ie residential) development has a total gross area of approximately 963ha and comprises a North, South-west and South-east precinct. These precincts are shown in Figure 3.3.

For the purposes of this analysis, the urban area has been divided into the three regions shown in the figure, from which population calculations have been made.

An estimate of the net developable area (NDA) available for residential development has been calculated on the basis of the following development efficiencies (with the remaining land set aside for public open space, community facilities, schools, and so on):

- Low development scenario: NDA equals 65% of the gross land area
- Medium development scenario: NDA equals 70% of gross land area
- High development scenario: NDA equals 75% of the gross land area.

According to the analysis shown in Table 5.1 below, the total net area of land available for housing development comprises 626ha under the low development scenario, 674ha under the medium scenario and 722ha of land under the high development scenario.

**Table 5.1: Wollert PSP Net Developable Area Calculation**

Precinct	Gross land area	Net Developable Area		
		Low scenario (65%)	Medium scenario (70%)	High scenario (75%)
North	408.5ha	265.5ha	286.0ha	306.4ha
South-West	268.0ha	174.2ha	187.6ha	201.0ha
South-East	286.3ha	186.1ha	200.4ha	214.8ha
<b>Total Wollert PSP</b>	<b>962.9ha</b>	<b>625.9ha</b>	<b>674.0ha</b>	<b>722.1ha</b>

Source: Essential Economics

Note: Based on land designation contained in the Melbourne North GCP

## 5.2 Dwelling Yield

Average dwelling yields have risen significantly in recent years as new residential estates are planned with smaller lots and a higher proportion of medium density (mainly townhouse) formats. Residential estates in Epping North are typically achieving dwelling yields in excess of 15 lots per ha when applied to net developable area.

Historically, dwelling yields have risen fairly slowly from an average of 10-12 lots/ha in the past, to around 15 lots/ha for the most recent developments. The potential to achieve future yields of up to 20 lots/ha are therefore considered to be aspirational, and will rely on an acceptance of smaller housing formats (especially townhouses and other forms of medium density development) and advantageous pricing terms when compared against larger lots.

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

- Low development scenario: 15 lots per ha.
- Medium development scenario: 17.5 lots per ha.
- High development scenario: 20 lots per ha

Table 5.2 summarises shows the potential number of dwellings in the Wollert PSP based on the net developable areas shown in Table 5.1 and the assumed dwelling yields identified above.

**Table 5.2: Wollert PSP Dwelling Yield Calculation**

Precinct	No. dwellings		
	Low (@ 15 lots/ha)	Medium (@ 17.5 lots/ha)	High (@ 20 lots/ha)
North	4,000	5,000	6,100
South-West	2,600	3,300	4,000
South-East	2,800	3,500	4,300
<b>Total Wollert PSP</b>	<b>9,400</b>	<b>11,800</b>	<b>14,400</b>

Source: Essential Economics

Note: Based on land designation contained in the Melbourne North GCP

### 5.3 Estimate of Population Capacity

Analysis of residential population outcomes are based on an average household size of 3.0 persons per household at full development. This is intended as a broad estimate at full development, and reflects the population projections prepared by id consulting for the City of Whittlesea (December 2010).

It is acknowledged that the average size of households will change over time as the region is developed for housing. For example, it is likely that in the early stages, the region will attract a greater number of family households, with the average size closer to 3.2 persons per dwelling or more in some localities. In the longer-term (ie after full development) the trend is likely to be a decline in the average household size as family members leave the principal residence.

Forecast population outcomes at full development are shown in Table 5.3, and indicate that the total population at full capacity is broadly estimated at approximately 28,000 persons (low scenario) to 43,000 persons (high scenario). The estimated population under the medium scenario is approximately 35,000 persons.

The most significant area in terms of population outcomes is expected to be the northern part of the PSP (ie north of the alignment of Boundary Road), with a population of approximately 12,000 (low scenario) to 18,000 persons (high scenario) at full development.

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

**Table 5.3: Wollert PSP Population Outcomes**

Precinct	No. dwellings Low	No. dwellings Medium	No. dwellings High	No. residents Low (@ 3pph)	No. Residents Medium (3pph)	No. residents High (@ 3pph)
North	4,000	5,000	6,100	12,000	15,000	18,300
South-West	2,600	3,300	4,000	7,800	9,900	12,000
South-East	2,800	3,500	4,300	8,400	10,500	12,900
<b>Total Wollert PSP</b>	<b>9,400</b>	<b>11,800</b>	<b>14,400</b>	<b>28,200</b>	<b>35,400</b>	<b>43,200</b>

Source: Essential Economics

Note: Based on land designation contained in the Melbourne North GCP; "pph" refers to persons per household.

The analysis shows that the Wollert precinct is expected to represent a significant urban growth front, capable of accommodating more than 40,000 residents when fully developed.

It is acknowledged that the high scenario presented above may be an aspirational target, particularly in terms of trying to achieve dwelling yields of up to 20 lots/ha. The most likely outcome is a population at capacity in the order of 35,000 residents.

## 5.4 Summary

The Wollert precinct has the potential to accommodate approximately 9,400 to 14,400 residential dwellings and a population in the order of 28,000 to 43,000 residents at full-development. These estimates are based on information provided in the Melbourne North GCP and a set of assumptions relating to the efficiency of development within the precinct, dwelling density and average household sizes.

The higher estimates of dwelling yield and population reflect an aspirational target, and assume dwelling yields of 20 lots/ha can be achieved. In light of this, the most likely outcome is a population at capacity in the order of 35,000 residents.

## 6 ACTIVITY CENTRE ANALYSIS

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This Chapter presents analysis of the potential activity centre outcomes in the Wollert PSP, and provides the following information:

- 1 Analysis of potential expenditure capacity associated with the population outcomes identified in Chapter 5, based on forecast average retail expenditure, and applied to future population outcomes
- 2 Estimate of the market shares likely to be achieved by activity centres within the Wollert PSP
- 3 Estimate of retail turnover derived from beyond the PSP area, in particular from the northern parts of Epping North
- 4 Calculation of supportable retail development in floorspace terms, based on forecasts of average turnover performance (sales per square metre)
- 5 Indicative distribution of activity centres across the PSP area, including advice on the size and components of centres
- 6 Analysis of potential non-retail floorspace provision, based on typical benchmarks associated with the composition of higher-order centres
- 7 Estimated land budget requirements.

The retail analysis has been undertaken for the low, medium and high development scenarios presented in Chapter 5. Estimates of supportable floorspace have been prepared with reference to the following retail categories:

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

Separate analysis has been undertaken to examine the potential to accommodate one or more discount department stores within the PSP area, and to assess the potential for supermarket development.

The analysis in this Chapter is based on the current planned centre development in the Aurora estate, in which the Aurora NTC is to accommodate a total of approximately 7,000m<sup>2</sup> of floorspace including a supermarket and associated specialty retailing. Analysis of an alternative scheme is presented in Section 6.5 to consider the implications arising from the proposed elevation of the role of the Aurora NTC, in terms of the potential scale of a higher-order centre in Wollert and the preferred location for the centre.

## 6.1 Estimate of Future Retail Expenditure

Estimates of available retail spending by residents in the Wollert PSP have been prepared by examining current average spending levels in the surrounding region (consisting of the Epping North and Plenty Valley growth corridors) and by applying real growth in average spending over the period until full development. Having regard for the analysis undertaken by id consulting, including the anticipated rate of dwelling commencements, the Wollert PSP is expected to be fully developed by approximately 2035.

Estimates of average retail expenditure are derived from MarketInfo, which is a micro-simulation model that combines data from the ABS Household Expenditure Survey, ABS Census, National Accounts and other sources, to generate estimates of retail expenditure for small areas.

In 2011, average retail expenditure is estimated at approximately \$12,430 per capita, and this compares with average expenditure of \$13,180 per capita across metropolitan Melbourne as a whole. By 2035, total average retail spending is projected to be approximately \$16,530 per capita, as shown in Table 6.1. All figures are expressed in June 2011 dollars. The real growth rate in average per capita spending is forecast at +1.2% pa over the period, and this is considered appropriate in view of anticipated real growth in household incomes and expenditures.

Average per capita retail expenditure in the Wollert PSP is forecast to be approximately 6% below the average for Metropolitan Melbourne as a whole, although this varies by retail spending type, with expenditure on food catering 13% below the Melbourne average, and expenditure on food and groceries and on some non-food items just 4% below the average.

**Table 6.1: Average Per Capita Retail Expenditure in Wollert PSP (\$/cap pa)**

Retail category	2011	2035
Food, liquor, groceries	\$4,990	\$5,970
Food catering	\$1,520	\$1,820
Non-food	\$5,490	\$8,230
Retail services	\$430	\$510
<b>Total Retail</b>	<b>\$12,430</b>	<b>\$16,530</b>

Source: Essential Economics; MarketInfo

Note: Figures expressed in June 2011 dollars

Residents in the identified catchment are projected to generate a total of approximately \$466m in total retail expenditure under the low development scenario, \$585m under the medium development scenario and \$714m under the high development scenario. These figures has been calculated with reference to the population outcomes described in Chapter 5, and average spending levels as presented in Table 6.1.

These estimates are shown for each precinct of the Wollert PSP in Table 6.2 for the low development scenario, and Table 6.3 for the medium development scenario and Table 6.4 for the high development scenario.

**Table 6.2: Available Retail Expenditure, 2035 – Low Development Scenario**

Retail category	North	South-West	South-East	Total
Food, liquor, groceries	\$71.6m	\$46.6m	\$50.1m	\$168.4m
Food catering	\$21.8m	\$14.2m	\$15.3m	\$51.3m
Non-food	\$98.8m	\$64.2m	\$69.1m	\$232.1m
Retail services	\$6.1m	\$4.0m	\$4.3m	\$14.4m
<b>Total Retail</b>	<b>\$198.4m</b>	<b>\$128.9m</b>	<b>\$138.9m</b>	<b>\$466.1m</b>

Source: Essential Economics; MarketInfo

Note: Figures expressed in June 2011 dollars

**Table 6.3: Available Retail Expenditure, 2035 – Medium Development Scenario**

Retail category	North	South-West	South-East	Total
Food, liquor, groceries	\$89.6m	\$59.1m	\$62.7m	\$211.3m
Food catering	\$27.3m	\$18.0m	\$19.1m	\$64.4m
Non-food	\$123.5m	\$81.5m	\$86.4m	\$291.3m
Retail services	\$7.7m	\$5.0m	\$5.4m	\$18.1m
<b>Total Retail</b>	<b>\$248.0m</b>	<b>\$163.6m</b>	<b>\$173.6m</b>	<b>\$585.2m</b>

Source: Essential Economics; MarketInfo Note: Figures expressed in June 2011 dollars

**Table 6.4: Available Retail Expenditure, 2035 – High Development Scenario**

Retail category	North	South-West	South-East	Total
Food, liquor, groceries	\$109.3m	\$71.6m	\$77.0m	\$257.9m
Food catering	\$33.3m	\$21.8m	\$23.5m	\$78.6m
Non-food	\$150.6m	\$98.8m	\$106.2m	\$355.5m
Retail services	\$9.3m	\$6.1m	\$6.6m	\$22.0m
<b>Total Retail</b>	<b>\$302.5m</b>	<b>\$198.4m</b>	<b>\$213.2m</b>	<b>\$714.1m</b>

Source: Essential Economics; MarketInfo

Note: Figures expressed in June 2011 dollars

## 6.2 Market Share Analysis

Retail facilities in the Wollert PSP are projected to capture a combined 49% of the total retail expenditure generated in the PSP area under the high development scenario, 46% under the medium development scenario and a slightly lower 41% market share under the low development scenario. This lower market share reflects the smaller population base that would arise under the low development scenario, leading to less overall retail provision and less opportunity to generate a critical mass of retail traders.

Higher market share performance is forecast in the northern section of the PSP, having regard for the lack of alternative shopping facilities for residents in this precinct.

Estimates of market share performance across the catchment and by retail type and development scenario are shown in Tables 6.5 to 6.7.

**Table 6.5: Market Share Performance of Retail Centres in Wollert – Low Development Scenario**

Retail category	North	South-West	South-East	Total
Food, liquor, groceries	65%	55%	55%	59%
Food catering	25%	20%	20%	22%
Non-food	37%	28%	25%	31%
Retail services	50%	45%	45%	47%
<b>Total Retail</b>	<b>46%</b>	<b>37%</b>	<b>36%</b>	<b>41%</b>

Source: Essential Economics; MarketInfo

**Table 6.6: Market Share Performance of Retail Centres in Wollert – Medium Development Scenario**

Retail category	North	South-West	South-East	Total
Food, liquor, groceries	68%	65%	65%	66%
Food catering	28%	23%	23%	25%
Non-food	40%	33%	31%	35%
Retail services	60%	45%	45%	47%
<b>Total Retail</b>	<b>49%</b>	<b>44%</b>	<b>43%</b>	<b>46%</b>

Source: Essential Economics; MarketInfo

**Table 6.7: Market Share Performance of Retail Centres in Wollert – High Development Scenario**

Retail category	North	South-West	South-East	Total
Food, liquor, groceries	70%	67%	67%	68%
Food catering	35%	27%	27%	30%
Non-food	42%	37%	35%	39%
Retail services	60%	50%	55%	54%
<b>Total Retail</b>	<b>52%</b>	<b>47%</b>	<b>46%</b>	<b>49%</b>

Source: Essential Economics; MarketInfo

The retail spending by Wollert PSP residents not retained by centres in Wollert will be directed to other centres further afield (including centres in Aurora, Epping, South Morang) and other forms of retailing, including the internet. Potential may exist for local retailers to lose market share as households undertake a greater share of their shopping through the Internet and other information media. The extent to which Internet sales are likely to affect the existing retail industry remains uncertain, although it is apparent that particular retail sectors are well-suited to purchases by Internet, including music, books, wines, etc. The Internet market share for food shopping (especially in dry produce) may also increase over time. Current estimates (Urbis, Unravelling Online Retail, 2011) indicate that online retailing accounts for approximately 4% of retail spending and that this is forecast to increase to approximately 16% over the next decade or so.

In addition to capturing this share of expenditure by Wollert PSP residents, centres in Wollert will also draw trade from people living beyond the PSP area. The estimated share of sales from beyond the PSP area will depend upon the location of centres and the opportunity to attract shopping visits from people living in Aurora and other estates south of Craigieburn Road.

Another consideration is that centres in Wollert will be on the fringe of the urban area, with relatively few trips likely to be made through the Wollert precinct northwards to Donnybrook (although over time Donnybrook may gain regional significance). Most visits to regional shopping facilities will be directed southwards to Epping Central. Importantly, planned and proposed centres such as Aurora North and Lyndarum North/Epping North East will capture a substantial share of expenditure on food and groceries by local residents in Epping North, with relatively little spending leakage to centres in Wollert.

Also relevant is that the future development of an employment precinct at Wollert will bring workers into the area, with potential for flow-on shopping trips to activity centres within the precinct. However, this effect is likely to emerge only over the long-term.

For the base case scheme, in which the Aurora NTC is assumed to remain at 7,000m<sup>2</sup> as currently planned, the estimated share of sales from beyond the Wollert PSP area under each development scenario is shown in Table 6.8.

**Table 6.8: Share of Sales from Beyond the Wollert PSP Area**

Retail category	Low Development Scenario	Medium Development Scenario	High Development Scenario
Food, liquor, groceries	7%	10%	10%
Food catering	12%	15%	15%
Non-food	8%	10%	10%
Retail services	5%	5%	5%
<b>Total Retail</b>	<b>8%</b>	<b>10%</b>	<b>10%</b>

Source: Essential Economics; MarketInfo

### 6.3 Supportable Retail Floorspace

#### **Broad estimate of supportable retail floorspace**

An estimate of the amount of retail floorspace that might be supportable at centres within the Wollert PSP area has been prepared on the following basis:

- 1 Calculate total turnover likely to be achieved by shopping facilities, having regard to the market shares in each catchment sector, and the turnover drawn from beyond the catchment
- 2 Convert these sales into supportable floorspace, with reference to projected average sales levels in 2035 for new shopping centre development. These projections are based on current industry benchmarks, and with some real growth allowance over the period 2011-2035.

These are long-term forecasts, and so should be seen as broad indicative estimates of future retail need. Over time, more detailed analysis will be undertaken to accompany permit applications for development of particular sites, and flexibility should be provided so that these applications are assessed on their merits.

According to the analysis, retail facilities in the Wollert PSP would be expected to have the following level of total sales in 2035 (figures in 2011 dollars):

- Low development scenario: \$205m
- Medium development scenario: \$297m
- High development scenario: \$388m

These projections, including the source of sales by retail type, are shown in Tables 6.9 to 6.11 for each development scenario.

**Table 6.9: Activity Centre Turnover by Source of Sales, 2035 – Low Scenario**

Retail category	North	South-West	South-East	Total Wollert PSP	Beyond	Total Turnover
Food, liquor, groceries	\$46.6m	\$26.5m	\$27.6m	\$99.8m	\$7.5m	\$107.3m
Food catering	\$5.5m	\$2.8m	\$3.1m	\$11.4m	\$1.5m	\$12.9m
Non-food	\$36.5m	\$18.0m	\$17.3m	\$71.8m	\$6.2m	\$78.0m
Retail services	\$3.1m	\$1.8m	\$1.9m	\$6.8m	\$0.4m	\$7.1m
<b>Total Retail</b>	<b>\$91.6m</b>	<b>\$48.2m</b>	<b>\$49.8m</b>	<b>\$189.7m</b>	<b>\$15.7m</b>	<b>\$205.3m</b>

Source: Essential Economics; MarketInfo

Note: Figures expressed in June 2011 dollars

**Table 6.10: Activity Centre Turnover by Source of Sales, 2035 – Medium Scenario**

Retail category	North	South-West	South-East	Total Wollert PSP	Beyond	Total Turnover
Food, liquor, groceries	\$60.4m	\$38.4m	\$40.7m	\$139.6m	\$15.5m	\$155.1m
Food catering	\$7.5m	\$4.1m	\$4.4m	\$16.0m	\$2.8m	\$18.9m
Non-food	\$49.4m	\$26.9m	\$26.8m	\$103.1m	\$11.5m	\$114.5m
Retail services	\$3.8m	\$2.3m	\$2.4m	\$8.5m	\$0.4m	\$9.0m
<b>Total Retail</b>	<b>\$121.2m</b>	<b>\$71.7m</b>	<b>\$74.3m</b>	<b>\$267.2m</b>	<b>\$30.2m</b>	<b>\$297.5m</b>

Source: Essential Economics; MarketInfo

Note: Figures expressed in June 2011 dollars

**Table 6.11: Activity Centre Turnover by Source of Sales, 2035 – High Scenario**

Retail category	North	South-West	South-East	Total Wollert PSP	Beyond	Total Turnover
Food, liquor, groceries	\$76.5m	\$48.0m	\$51.6m	\$176.1m	\$19.6m	\$195.6m
Food catering	\$11.7m	\$5.9m	\$6.3m	\$23.9m	\$4.2m	\$28.1m
Non-food	\$63.3m	\$36.5m	\$37.2m	\$137.0m	\$15.2m	\$152.2m
Retail services	\$5.6m	\$3.1m	\$3.3m	\$11.9m	\$0.6m	\$12.6m
<b>Total Retail</b>	<b>\$157.0m</b>	<b>\$93.5m</b>	<b>\$98.4m</b>	<b>\$348.9m</b>	<b>\$39.6m</b>	<b>\$388.5m</b>

Source: Essential Economics; MarketInfo Note: Figures expressed in June 2011 dollars

Broad estimates and projections of average retail sales performance by retail type are presented in Table 6.12, and show that the average performance of retailers in the Wollert PSP area is projected to be approximately \$8,600/m<sup>2</sup> in 2035 (in constant 2011 dollars). This figure has been calculated with reference to existing turnover benchmarks for newly-constructed centres and by applying some real growth in sales performance over time. Because of the long-term nature of these forecasts, they should be used with caution.

**Table 6.12: Broad Estimate of Average Retail Turnover Performance (\$/m<sup>2</sup>), 2011-2035**

Retail category	2011	2035
Food, liquor, groceries	\$8,000	\$10,200
Food catering	\$6,500	\$8,300
Non-food	\$6,000	\$7,600
Retail services	\$4,000	\$5,100
<b>Total (derived)</b>	<b>\$6,800</b>	<b>\$8,600</b>

Source: Essential Economics

Note: Figures expressed in June 2011 dollars

Supportable retail floorspace has been calculated by applying the projected retail performance (\$/m<sup>2</sup>) shown in Table 6.12, to the estimated future sales levels as shown in Tables 6.9, 6.10 and 6.11.

According to the analysis, potential exists for total retail floorspace provision in the Wollert PSP at full development of approximately 24,000m<sup>2</sup> under the low development scenario, approximately 34,000m<sup>2</sup> under the medium development scenario and approximately 44,000m<sup>2</sup> under the high development scenario.

These figures are shown in Table 6.13, and are intended to provide broad guidance as to the total retail floorspace provision and indicative distribution of floorspace by type.

**Table 6.13: Supportable Retail Floorspace Provision, 2035**

Retail category	Low scenario	Medium Scenario	High scenario
Food, liquor, groceries	10,500 m <sup>2</sup>	15,200 m <sup>2</sup>	19,200 m <sup>2</sup>
Food catering	1,600 m <sup>2</sup>	2,300 m <sup>2</sup>	3,400 m <sup>2</sup>
Non-food	10,300 m <sup>2</sup>	15,100 m <sup>2</sup>	20,000 m <sup>2</sup>
Retail services	1,400 m <sup>2</sup>	1,800 m <sup>2</sup>	2,500 m <sup>2</sup>
<b>Total</b>	<b>23,800 m<sup>2</sup></b> <b>(24,000 m<sup>2</sup> rounded)</b>	<b>34,400 m<sup>2</sup></b> <b>(34,000 m<sup>2</sup> rounded)</b>	<b>45,100 m<sup>2</sup></b> <b>(45,000 m<sup>2</sup> rounded)</b>

Source: Essential Economics

As a further analysis, Table 6.14 shows the expected average retail provision by retail type under each scenario, measured in terms of average floorspace per capita for the residential population in Wollert.

The analysis shows that total retail provision is approximately 0.84m<sup>2</sup>/cap under the low scenario, and 1.04m<sup>2</sup>/cap under the high scenario. These figures represent relatively low average retail floorspace provision for a precinct that is anticipated to accommodate a major town centre, but they reflect the location of the Wollert PSP at the edge of the urban area, and the influence of competition from neighbourhood centres in Epping North and the regional activity centre at Epping Central. When compared against a projected average retail provision of approximately 2.5m<sup>2</sup>/cap in metropolitan Melbourne as a whole (assuming some growth from the current average of approximately 2.3m<sup>2</sup>/cap), the analysis shows that retail facilities in Wollert will retain approximately 34-42% of total retail floorspace demand. Note that this estimate does not include the potential for homemaker retailing to be accommodated in the Wollert PSP (refer Section 6.4).

**Table 6.14: Average Retail Floorspace Provision – m<sup>2</sup> per capita**

Retail category	Low scenario	Medium scenario	High scenario
Food, liquor, groceries	0.37	0.43	0.44
Food catering	0.06	0.06	0.08
Non-food	0.37	0.43	0.46
Retail services	0.05	0.05	0.06
<b>Total Retail</b>	<b>0.84</b>	<b>0.97</b>	<b>1.04</b>
Average total retail provision per capita	2.50	2.50	2.50
% share of total retail provision	34%	39%	42%

Source: Essential Economics Pty Ltd

### **Potential for DDS Development**

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

The main assumptions applied in this analysis are as follows:

- Total spending on DDS-type merchandise (consisting of apparel, household items, some furniture items, books, cosmetics and so on) typically accounts for approximately 93% of total non-food spending. This excludes the limited food merchandise that is also normally sold at a DDS.
- Many types of stores compete for a share of DDS-type shopping, including major department stores, small specialty shops, larger homewares and bulky goods stores, and so on. For the purpose of this analysis, approximately 18% of spending on DDS-type merchandise would be expected to be directed to DDSs in the region. This assumption is also applied by Urbis in assessing the potential for a DDS to be incorporated into the Aurora NTC.
- The extent to which DDS stores within the Wollert PSP area retain DDS-type spending has been assessed for each of the PSP sectors, with calculations of market share based on expected future shopping patterns, the location and strength of offer in competing centres (such as Epping Plaza, Westfield Plenty Valley, and Aurora STC), residents' travel patterns for non-shopping purposes, and other factors.
- An allowance is made for incoming spending by residents living outside the Wollert PSP area, and in particular the potential to attract spending from people in housing estates in Epping North.
- An allowance is also made for turnover that is derived from non-DDS-type shopping lines, principally comprising limited food and grocery merchandise.

The DDS capacity analysis is shown in Table 6.15.

**Table 6.15: DDS Capacity Analysis, Wollert PSP Area, 2035**

Scenario:	Low Scenario	Medium Scenario	High Scenario
<u>Available spending on DDS Merchandise</u>			
North	\$97.5m	\$121.9m	\$148.7m
South West	\$63.4m	\$80.5m	\$97.5m
South East	\$68.3m	\$85.3m	\$104.9m
<b>Total PSP area</b>	<b>\$229.2m</b>	<b>\$287.7m</b>	<b>\$351.1m</b>
<u>Spending directed to DDSs (@18%)</u>			
North	\$17.6m	\$21.9m	\$26.8m
South West	\$11.4m	\$14.5m	\$17.6m
South East	\$12.3m	\$15.4m	\$18.9m
<b>Total PSP area</b>	<b>\$41.3m</b>	<b>\$51.8m</b>	<b>\$63.2m</b>
<u>Market share retained within PSP area - %</u>			
North	35%	45%	45%
South West	25%	30%	30%
South East	25%	25%	25%
<b>Total PSP area</b>	<b>29%</b>	<b>35%</b>	<b>35%</b>
<u>DDS spending retained within PSP area</u>			
North	\$6.1m	\$9.9m	\$12.0m
South West	\$2.9m	\$4.3m	\$5.3m
South East	\$3.1m	\$3.8m	\$4.7m
Total PSP area	\$12.1m	\$18.1m	\$22.0m
Turnover from beyond PSP (@20%)	\$3.0m	\$4.5m	\$5.0m
<b>Total DDS spending to PSP centres</b>	<b>\$15.1m</b>	<b>\$22.6m</b>	<b>\$27.0m</b>
Plus F&G turnover (8%)	\$1.3m	\$2.0m	\$2.4m
<b>Available turnover to DDSs within PSP area</b>	<b>\$16.4m</b>	<b>\$24.5m</b>	<b>\$29.4m</b>
Indicative DDS	5,000 m <sup>2</sup>	7,000 m <sup>2</sup>	8,000 m <sup>2</sup>
Average trading level	\$3,300/m <sup>2</sup>	\$3,500/m <sup>2</sup>	\$3,700/m <sup>2</sup>
Note:	Figures in constant 2011 dollars		
Source:	Essential Economics Pty Ltd		

The conclusion from this analysis is that, under the low development scenario, a major town centre in Wollert would struggle to attract a DDS operator, as total sales of \$16m or so would not be sufficient to support a full-sized store. Under this scenario, there may be potential to attract a smaller DDS model of approximately 5,000m<sup>2</sup>; however, this depend on the turnover expectations of the particular DDS operator.

Forecast sales DDS sales under the medium and high scenario are in the order of \$25m (medium scenario) to \$29m (high scenario), should be attractive for a DDS operator. At this level of sales, a full-line DDS of up to around 7,000-8,000m<sup>2</sup> would be likely to be supported. However, the potential to attract an operator, and the performance of the store, would be highly dependent on the location of the centre and the extent to which spending by residents within the PSP area can be augmented by the

ability to attract shopping trips from beyond the PSP area (principally from residential estates in Epping North).

### **Potential for supermarket development**

An accepted benchmark is for a supermarket to require an immediate catchment of approximately 8,000-10,000 residents to trade successfully. On this basis, the anticipated population outcomes (28,000-43,000 residents) would be expected to support at least three, and possibly up to five supermarkets within the PSP area.

A supermarket capacity analysis is presented below in Table 6.16 on the basis of the following considerations:

- Approximately 75% of total available spending on food, liquor and groceries (FLG) is directed to supermarkets, with the remainder directed to food specialty stores, fresh food markets and so on. This is a relatively high figure but it is common for supermarkets to be the major location for grocery shopping in outer growth areas.
- Supermarkets within the Wollert PSP will capture a share of this supermarket spending, but will compete to some degree with supermarkets located 'in-board' at Aurora, Lyndarum, Epping North East, Epping Plaza, and so on. Some supermarket spending will also 'escape' from the Wollert PSP in association with other trips outside the region.
- A relatively small proportion of supermarket turnover will be captured from residents outside the PSP area, because people tend to direct most of their supermarket shopping locally and because of Wollert's position at the outer fringe of the urban area.
- A small share of supermarket turnover (usually around 6%) is derived from the sale of non-FLG merchandise, including small kitchenware items, a limited range of clothing, other household accessories and so on.
- An average retail turnover performance of approximately \$10,500/m<sup>2</sup> for supermarkets in the Wollert PSP; this estimate takes into consideration existing benchmarks for supermarket performance and potential for real growth in the future.

The analysis shows that a total of approximately 8,200m<sup>2</sup> or so of supermarket floorspace could be supported in centres within the Wollert PSP area under the low development scenario, approximately 11,600m<sup>2</sup> of supermarket floorspace under the medium development scenario and approximately 14,400m<sup>2</sup> of supermarket floorspace under the high development scenario. This provision of supermarket floorspace would comprise a mix of full-line, limited range and potentially smaller supermarkets in PSP centres.

The assumptions underpinning the analysis in Table 6.16 include an expectation that centres containing supermarkets would be well-designed and positioned in accessible locations to serve the surrounding community. In particular, the opportunity (especially under the medium and high growth scenarios) to attract a greater share of turnover from beyond the PSP area will rely on an easy transport route from

the north-western part of Aurora, from Evolve's Summerhill estate and from other northern sections of Epping North.

**Table 6.16: Supermarket Capacity Analysis, Wollert PSP Area, 2035**

Scenario:	Low scenario	Medium scenario	High scenario
<u>Available spending on FLG</u>			
North	\$71.6m	\$89.6m	\$109.3m
South West	\$46.6m	\$59.1m	\$71.6m
South East	\$50.1m	\$62.7m	\$77.0m
<b>Total PSP area</b>	<b>\$168.4m</b>	<b>\$211.3m</b>	<b>\$257.9m</b>
<u>Spending available to supermarkets</u>			
North	\$53.7m	\$67.2m	\$81.9m
South West	\$34.9m	\$44.3m	\$53.7m
South East	\$37.6m	\$47.0m	\$57.8m
<b>Total PSP area</b>	<b>\$126.3m</b>	<b>\$158.5m</b>	<b>\$193.4m</b>
<u>Retained within PSP area - %</u>			
North	70%	75%	75%
South West	55%	55%	60%
South East	52%	57%	57%
<b>Total PSP area</b>	<b>60%</b>	<b>64%</b>	<b>65%</b>
<u>Retained within PSP area - \$m</u>			
North	\$37.6m	\$50.4m	\$61.5m
South West	\$19.2m	\$24.4m	\$32.2m
South East	\$19.6m	\$26.8m	\$32.9m
<b>Total PSP area</b>	<b>\$76.4m</b>	<b>\$101.5m</b>	<b>\$126.6m</b>
Plus turnover from beyond PSP - %	6%	11%	11%
Turnover from beyond PSP - \$m	\$4.9m	\$12.6m	\$15.6m
<b>Total supermarket FLG spending to PSP</b>	<b>\$81.3m</b>	<b>\$114.1m</b>	<b>\$142.3m</b>
Plus general merchandise turnover (6%)	\$5.2m	\$7.3m	\$9.1m
<b>Available turnover for PSP supermarkets</b>	<b>\$86.4m</b>	<b>\$121.4m</b>	<b>\$151.3m</b>
Average trading level	\$10,500/m <sup>2</sup>	\$10,500/m <sup>2</sup>	\$10,500/m <sup>2</sup>
Indicative supermarket provision	8,200 m <sup>2</sup>	11,600 m <sup>2</sup>	14,400 m <sup>2</sup>
Note:	Figures in constant 2011 dollars		
Source:	Essential Economics Pty Ltd		

## 6.4 Activity Centre Hierarchy

### Summary Schedule of Retail Uses

Having regard for the broad analysis of retail floorspace potential presented in Table 6.13 and the more detailed assessment of the opportunity for DDS and supermarket provision, an indicative schedule of uses has been prepared for centres located within the Wollert PSP area, as shown in Table 6.17 on the following page.

The analysis is based on an expectation that the Wollert PSP area will contain two main centres, with one intended to become a Major Town Centre, and the other a Neighbourhood Town Centre. The potential for a Local Centre in the north of the PSP may also exist, particularly under the high development scenario.

The distribution of floorspace across these centres reflects the geographic extent of the PSP area, the distribution of population, and the aspiration to create accessible centres serving localised catchments.

The outcomes are as follows:

- Low development scenario:
  - A relatively small Major Town Centre of approximately 16,500m<sup>2</sup> of retail floorspace, comprising a small format DDS, a full-line supermarket, a smaller supermarket and a range of mini-majors and specialty stores. Note that the analysis in Section 6.3 indicates that a small DDS at this location would not achieve high levels of turnover, and the risk may be that the MTC does not attract a major non-food anchor.
  - A small Neighbourhood Town Centre comprising a full-line supermarket and a small range of specialty shops, likely to be located in the southern part of the PSP.
  - Potential for Local Centres/shops also exists throughout the PSP area.
- Medium development scenario:
  - A Major Town Centre of approximately 24,500m<sup>2</sup> of retail floorspace, accommodating a well-performing DDS, two full-line supermarkets and a third smaller supermarket, and supported by a range of mini-major and specialty stores.
  - A Neighbourhood Town Centre comprising a full-line supermarket and a small range of specialty shops, likely to be located in the southern part of the PSP.
  - Potential may also exist for a small Local Centre in the northern part of the PSP area, along with other Local Centres/shop throughout the PSP area.
- High development scenario:
  - A Major Town Centre of approximately 32,500m<sup>2</sup>, accommodating a well-performing DDS, two full-line supermarkets and a third smaller supermarket, and supported by a range of mini-major and specialty stores.

- A Neighbourhood Town Centre comprising a full-line supermarket and a small range of specialty shops, likely to be located in the southern part of the PSP.
- Potential may exist for a small Local Centre in the northern part of the PSP area, along with other Local Centres/shop throughout the PSP area.

Because of the risk that a DDS would not be attracted to the MTC under the low development scenario, an option may be to establish three neighbourhood town centres across the Wollert PSP area, each anchored by a supermarket. This outcome has not been assessed further because the low development scenario is likely to represent an under-development of the precinct, with population outcomes likely to be at least 35,000 residents (rather than the 28,000 residents assumed in the low development scenario analysis).

The indicative schedule presented in Table 6.17 does not consider the potential for large format tenancies such as bulky goods retailers, hardware warehouses, or other retail formats that might not seek a site within an activity centre. Further analysis of the potential for these retail uses is presented below.

**Table 6.15: Indicative Schedule of Retail Uses, Wollert PSP**

Uses	Low Scenario	Medium Scenario	High Scenario
<u>Major Town Centre</u>			
Discount department store	5,000 m <sup>2</sup>	7,000m <sup>2</sup>	8,000 m <sup>2</sup>
Supermarket 1	3,800 m <sup>2</sup>	3,800m <sup>2</sup>	3,800 m <sup>2</sup>
Supermarket 2	1,400 m <sup>2</sup>	3,200m <sup>2</sup>	3,800 m <sup>2</sup>
Supermarket 3	-	1,400m <sup>2</sup>	1,400 m <sup>2</sup>
Mini majors	1,200 m <sup>2</sup>	3,100m <sup>2</sup>	5,500 m <sup>2</sup>
Specialties	5,100 m <sup>2</sup>	6,000m <sup>2</sup>	10,000 m <sup>2</sup>
<b>Total retail floorspace</b>	<b>16,500 m<sup>2</sup></b>	<b>24,500m<sup>2</sup></b>	<b>32,500 m<sup>2</sup></b>
<u>Neighbourhood Town Centre (south)</u>			
Supermarket	3,000 m <sup>2</sup>	3,200m <sup>2</sup>	3,800 m <sup>2</sup>
Specialties	2,500 m <sup>2</sup>	2,800m <sup>2</sup>	3,200 m <sup>2</sup>
<b>Total retail floorspace</b>	<b>5,500 m<sup>2</sup></b>	<b>6,000m<sup>2</sup></b>	<b>7,000 m<sup>2</sup></b>
<u>Local Centres/shops</u>			
- Northern part of PSP	1,000m <sup>2</sup>	1,500m <sup>2</sup>	3,000m <sup>2</sup>
- Elsewhere in PSP	1,000m <sup>2</sup>	2,000m <sup>2</sup>	2,500m <sup>2</sup>
<b>Total retail provision</b>	<b>24,000 m<sup>2</sup></b>	<b>34,000m<sup>2</sup></b>	<b>45,000 m<sup>2</sup></b>

Source: Essential Economics Pty Ltd

### Large format retail

In addition to the traditional shopping centre components shown in Table 6.17, a homemaker precinct might also be established in the Wollert PSP area, recognising the strong demand that is likely to be generated from new housing development in the Epping North-Wollert growth corridor, and the relative lack of homemaker retailing so far established in this growth area.

A broad analysis of the potential for a homemaker precinct has been undertaken on the basis of:

- Total expenditure capacity as shown in Tables 6.2, 6.3 and 6.4
- A broad estimate that approximately 20% of total spending is directed to dedicated homemaker precincts (excluding spending to more traditional in-centre store formats such as discount department stores, specialty stores and so on)
- Potential to retain 60% of dedicated homemaker spending at a precinct located in the PSP area, with the remaining demand likely to support other homemaker precincts in the region, including at O'Herns Road (Aurora STC) and Epping Central
- Potential to capture 30% of sales from beyond the Wollert PSP area, including from residents in Epping North and from parts of Mernda
- Average turnover performance of \$5,100/m<sup>2</sup> in 2035 (based on applying real growth to current industry averages).

Using these calculations, the potential for dedicated homemaker floorspace is estimated at approximately 16,000m<sup>2</sup> under the low development scenario, approximately 20,000m<sup>2</sup> under the medium development scenario and approximately 24,000m<sup>2</sup> under the high development scenario. This represents a modest homemaker precinct that might accommodate a range of retailers selling furniture, electrical goods, and other merchandise typically sold in such precincts.

**Table 6.16: Homemaker Retail Development Potential**

Item	Low scenario	Medium scenario	High scenario
Total available retail spending	\$466.1m	\$585.2m	\$714.1m
Share to dedicated homemaker precincts	20%	20%	20%
Homemaker spending	\$93.2m	\$117.0m	\$142.8m
Retained locally (@60%)	\$55.9m	\$70.2m	\$85.7m
Plus from beyond PSP area (@30%)	\$79.9m	\$100.3m	\$122.4m
Average turnover	\$5,100/m <sup>2</sup>	\$5,100/m <sup>2</sup>	\$5,100/m <sup>2</sup>
Supportable retail floorspace	16,000 m <sup>2</sup>	20,000 m <sup>2</sup>	24,000 m <sup>2</sup>

Source: Essential Economics Pty Ltd

The actual development potential (in terms of store size) might be somewhat greater than indicated in Table 6.18, having regard for the fact that some homemaker retailers also serve a trade (ie non-household) market. Examples include hardware warehouses such as Bunnings or Masters, and other stores that serve the building industry. With core homemaker retail uses of 16,000-24,000m<sup>2</sup>, the actual size of a development might be in the order of 25,000-35,000m<sup>2</sup>.

### **Centre locations**

The location of the activity centres with respect to the surrounding street network will be critically important in contributing to the success of the centres as shopping destinations. In particular, under the base case scheme where the Aurora NTC only offers neighbourhood-level retail shopping, the potential for the Wollert MTC to become the main sub-regional shopping centre serving a wider region would be

maximised if the centre enjoyed good access from major north-south roads (eg Edgars Road) and east-west roads (eg Craigieburn Road East). However, the actual siting of the centre at this location is complicated by the constraints created by the transmission easement, which crosses Craigieburn Road East close to the intersection with Edgars Road, and by the relatively close proximity of the Aurora NTC and Epping North-East neighbourhood centres.

Figure 6.1 shows an indicative location for the Wollert MTC, which is intended to be central to the Wollert PSP, while also being in a location that could be easily accessed by residents in the northern part of the Aurora Estate.

An alternative location for the Wollert MTC could be at the junction of Edgars Road and Boundary Road. This location would be central to the Wollert PSP and good levels of access and exposure of two major roads. However, the ability of the centre to capture trade from the northern parts of the Aurora Estate could be reduced.

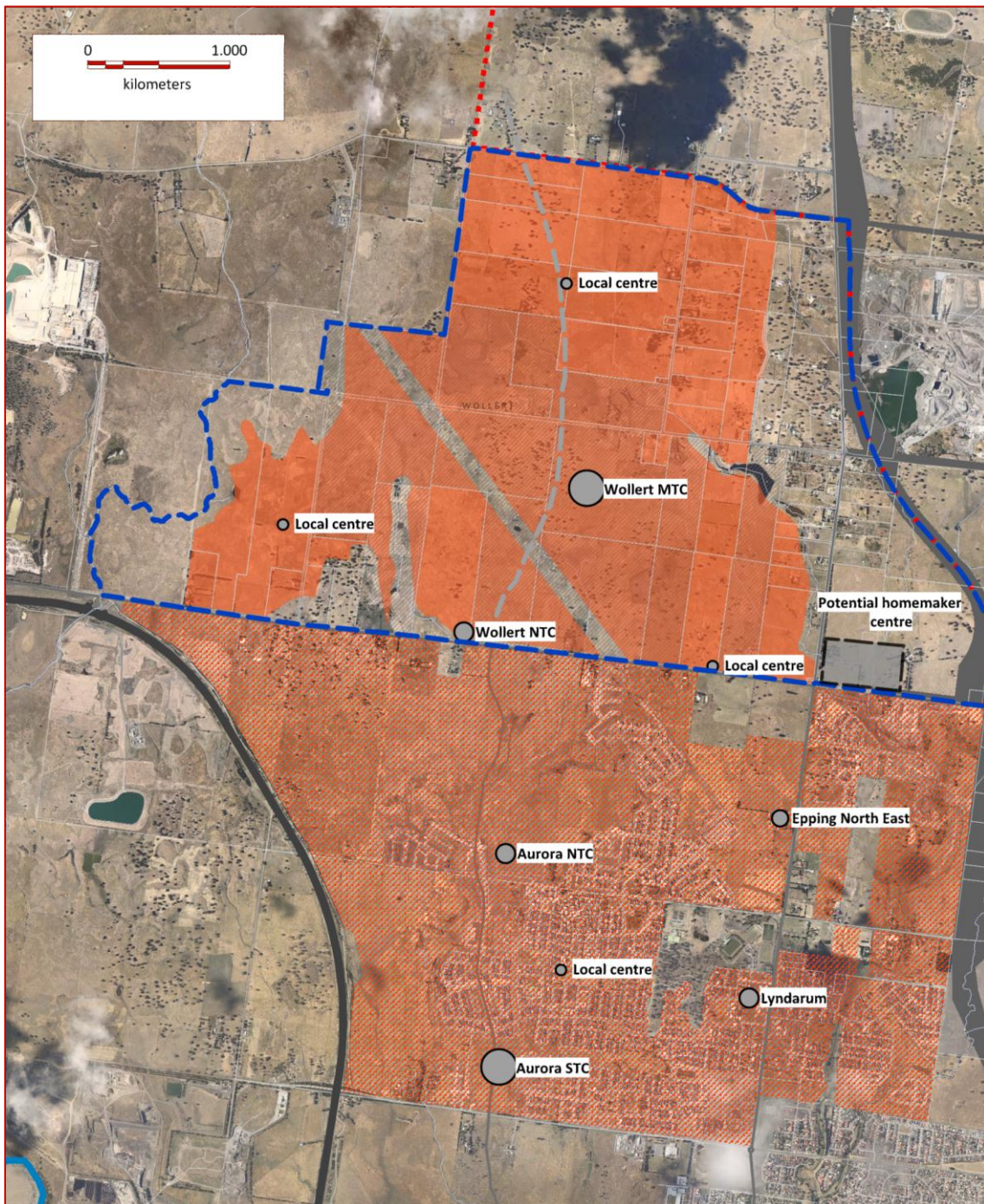
Figure 6.1 also shows an indicative location for the Wollert Neighbourhood Town Centre (NTC) in the southern part of the Wollert PSP. This location will benefit from being located on Craigieburn Road East and will serve the south-western parts of the Wollert PSP and parts of the Aurora Estate.

Local centres are shown in Figure 6.1 in the northern and southern parts of the Wollert PSP area. Potential for the Northern Local Town Centre (LTC) to accommodate up to around 3,000m<sup>2</sup> may exist under the high development scenario, having regard for the potential population in the northern precinct (estimated at more than 18,000 residents under the high development scenario). The exact location of LTCs in the Wollert PSP will need to be addressed when more detailed planning is undertaken. LTCs are important as they provide opportunities for local retail and services within walkable catchments, and potential for a number of LTC in the Wollert PSP area may exist. The eventual locations for LTCs need to consider the locational characteristics which contribute to successful LTCs, including exposure and accessibility to an appropriate sized catchment.

Homemaker retailing would be an appropriate use of part of the land designated for employment purposes, preferably close to the intersection of Craigieburn Road and Epping Road/E6. The design of a homemaker centre at this location would need to consider the needs of industry users accessing the remainder of the industrial/employment precinct, and would also depend on the constraint imposed by buffers around the Hanson Quarry.

Figure 6.1 presents a preliminary centre network that responds to the analysis contained above, noting that the locations for centres are intended to be indicative and will depend on other aspects of the PSP process including location of transport infrastructure and detailed design of residential estates.

Figure 6.1: Indicative Centre Network, Wollert PSP – Base Case Scenario



Prepared by Essential Economics

Note: This map provides indicative locations for centres, and will be refined following preparation of an Urban Structure Plan

## 6.5 Scenario Analysis – Impact of Changes to Aurora NTC

Scenario analysis has been prepared to examine the implications for activity centre development in the Wollert PSP if the scale and role of the Aurora NTC is elevated, as proposed by Places Victoria.

Analysis by Urbis recommends that the northern town centre in Aurora be designated as the larger of the two town centres planned for this estate, having regard for the surrounding pattern of residential development, the location of competing centres, likely travel routes, and other relevant factors. The adjusted retail mix is as follows:

- Aurora NTC:
  - Total 24,000m<sup>2</sup> of floorspace, comprising 22,000m<sup>2</sup> retail floorspace and 2,000m<sup>2</sup> of non-retail specialties
  - Discount department store
  - Two full-line supermarkets
  - Mini majors and specialty retailing
- Aurora STC:
  - Total 3,000m<sup>2</sup> of floorspace, comprising 2,500m<sup>2</sup> of retail floorspace and 500m<sup>2</sup> of non-retail uses
  - Mid-sized supermarket of 1,500m<sup>2</sup>
  - Small range of retail specialties.

Under this development scheme, the Aurora NTC would have an important role as a location for sub-regional shopping for people living in the Wollert PSP area, which is identified as a Secondary North Trade Area for the purposes of the Urbis assessment. The Urbis report estimates that up to 40% of spending by Wollert PSP residents on DDS shopping would be retained by the Aurora NTC in 2026, and that up to 80% of supermarket spending (in 2026) would be retained by supermarkets at the NTC.

It is acknowledged that the Urbis figures are for 2026, which predates full development at Wollert PSP, and at which point major retail anchors may not be sustained in centres located within the PSP area. However, clearly the Urbis analysis assumes that Aurora NTC would become the main location for higher-order retail shopping in the Epping North-Wollert corridor, and would effectively have a role as a Major Town Centre in the retail hierarchy. Over time, the Aurora NTC would be likely to attract a second DDS, thereby increasing its regional importance as a shopping destination.

If the reallocation of retail floorspace among the Aurora centres takes place, the effect would be a significant increase in competition for retail spending, and an associated reduction in the extent to which centres in the Wollert PSP could retain spending at a local discount department store or at local supermarkets. The flow-on effect would be a reduction in the number and performance of retail specialties that would be sustainable in centres within the PSP area, leading to smaller centres overall.

Table 6.19 replicates the DDS capacity analysis presented earlier in Table 6.15, but with different assumptions regarding the potential share of DDS spending that might be retained locally, and the amount of turnover derived from beyond the Wollert PSP area.

The analysis shows that, under the low development scenario, a DDS would not be supportable within the Wollert PSP, as total DDS turnover is forecast to be approximately \$10m (in constant 2011 dollars). Under the moderate and high development scenarios, total DDS turnover is estimated at \$15-\$19m in 2035. At best, this level of turnover may support a small DDS store in the order of 5,000m<sup>2</sup> to 5,500m<sup>2</sup>, although this would require more detailed analysis once dwelling yields, population outcomes and the eventual development plans at Aurora are better understood.

**Table 6.19: DDS Capacity Analysis, Wollert PSP Area, 2035 - Scenario Analysis**

Scenario:	Low scenario	Medium scenario	High scenario
<u>Available spending on DDS merchandise</u>			
North	\$97.5m	\$121.9m	\$148.7m
South West	\$63.4m	\$80.5m	\$97.5m
South East	\$68.3m	\$85.3m	\$104.9m
<b>Total PSP area</b>	<b>\$229.2m</b>	<b>\$287.7m</b>	<b>\$351.1m</b>
<u>Spending directed to DDSs (@18%)</u>			
North	\$17.6m	\$21.9m	\$26.8m
South West	\$11.4m	\$14.5m	\$17.6m
South East	\$12.3m	\$15.4m	\$18.9m
<b>Total PSP area</b>	<b>\$41.3m</b>	<b>\$51.8m</b>	<b>\$63.2m</b>
<u>Market share retained within PSP area - %</u>			
North	25%	30%	30%
South West	15%	20%	20%
South East	20%	23%	23%
<b>Total PSP area</b>	<b>21%</b>	<b>25%</b>	<b>25%</b>
<u>DDS spending retained within PSP area</u>			
North	\$4.4m	\$6.6m	\$8.0m
South West	\$1.7m	\$2.9m	\$3.5m
South East	\$2.5m	\$3.5m	\$4.2m
<b>Total PSP area</b>	<b>\$8.6m</b>	<b>\$12.9m</b>	<b>\$15.8m</b>
Turnover from beyond PSP (@8%)	\$0.7m	\$1.1m	\$1.4m
<b>Total DDS spending to PSP centres</b>	<b>\$9.3m</b>	<b>\$14.1m</b>	<b>\$17.2m</b>
Plus F&G turnover (8%)	\$0.8m	\$1.2m	\$1.5m
<b>Available turnover to DDSs within PSP area</b>	<b>\$10.1m</b>	<b>\$15.3m</b>	<b>\$18.7m</b>
Indicative DDS provision	-	5,000 m <sup>2</sup>	5,500 m <sup>2</sup>
Average trading level	-	\$3,060/m <sup>2</sup>	\$3,390/m <sup>2</sup>
Source:	Essential Economics Pty Ltd		

Table 6.20 replicates the supermarket capacity analysis presented earlier in Table 6.16, but with different assumptions about the market share of supermarket spending that might be retained by supermarkets within the PSP area, and the share of turnover derived from beyond the PSP area.

The analysis shows that a larger centre at Aurora containing at least two supermarkets (and possibly a third in the longer-term) would have the effect of reducing the scope for supermarket development within the Wollert PSP area. Under each development scenario for Wollert, this implies a reduction in the number of supermarkets supportable and/or a reduction in their size.

**Table 6.20: Supermarket Capacity Analysis, Wollert PSP Area, 2035 – Scenario Analysis**

Scenario:	Low Scenario	Medium Scenario	High Scenario
<u>Available spending on FLG</u>			
North	\$71.6m	\$89.6m	\$109.3m
South West	\$46.6m	\$59.1m	\$71.6m
South East	\$50.1m	\$62.7m	\$77.0m
<b>Total PSP area</b>	<b>\$168.4m</b>	<b>\$211.3m</b>	<b>\$257.9m</b>
<u>Spending available to supermarkets</u>			
North	\$53.7m	\$67.2m	\$81.9m
South West	\$34.9m	\$44.3m	\$53.7m
South East	\$37.6m	\$47.0m	\$57.8m
<b>Total PSP area</b>	<b>\$126.3m</b>	<b>\$158.5m</b>	<b>\$193.4m</b>
<u>Retained within PSP area - %</u>			
North	70%	75%	75%
South West	45%	50%	50%
South East	42%	46%	46%
<b>Total PSP area</b>	<b>55%</b>	<b>59%</b>	<b>59%</b>
<u>Retained within PSP area - \$m</u>			
North	\$37.6m	\$50.4m	\$61.5m
South West	\$15.7m	\$22.2m	\$26.9m
South East	\$15.8m	\$21.6m	\$26.6m
<b>Total PSP area</b>	<b>\$69.1m</b>	<b>\$94.2m</b>	<b>\$114.9m</b>
Plus turnover from beyond PSP - %	4%	6%	6%
Turnover from beyond PSP - \$m	\$2.9m	\$6.0m	\$7.3m
<b>Total supermarket FLG spending to PSP</b>	<b>\$72.0m</b>	<b>\$100.2m</b>	<b>\$122.2m</b>
Plus general merchandise turnover (6%)	\$4.6m	\$6.4m	\$7.8m
Available turnover for PSP supermarkets	\$76.6m	\$106.6m	\$130.0m
Average trading level	\$10,500/m <sup>2</sup>	\$10,500/m <sup>2</sup>	\$10,500/m <sup>2</sup>
<b>Indicative supermarket provision</b>	<b>7,300 m<sup>2</sup></b>	<b>10,100 m<sup>2</sup></b>	<b>12,400 m<sup>2</sup></b>

Source: Essential Economics Pty Ltd

An indicative schedule of retail uses associated with this alternative scheme for Aurora NTC is presented in Table 6.21, and shows that the elevation of Aurora NTC would reduce total retail provision in the Wollert PSP area under the low development scenario from 24,000m<sup>2</sup> to 14,000m<sup>2</sup>. Under the medium development scenario, total retail floorspace would reduce from 34,000m<sup>2</sup> to 24,000m<sup>2</sup>, while under the high development scenario total retail floorspace provision in Wollert would be reduced from 45,000m<sup>2</sup> to approximately 30,000m<sup>2</sup>.

**Table 6.21: Indicative Schedule of Retail Uses, Wollert PSP – Scenario Analysis**

Uses	Low Scenario	Medium Scenario	High Scenario
<u>Major Town Centre</u>			
Discount department store	-	5,000m <sup>2</sup>	5,500 m <sup>2</sup>
Supermarket 1	4,000 m <sup>2</sup>	4,000 m <sup>2</sup>	4,000 m <sup>2</sup>
Supermarket 2	- <sup>(1)</sup>	3,100 m <sup>2</sup>	4,000 m <sup>2</sup>
Supermarket 3			1,400 m <sup>2</sup>
Mini majors	1,000 m <sup>2</sup>	1,300 m <sup>2</sup>	1,600 m <sup>2</sup>
Specialties	2,500 m <sup>2</sup>	3,200 m <sup>2</sup>	4,000 m <sup>2</sup>
<b>Total retail floorspace</b>	<b>7,500 m<sup>2</sup></b>	<b>16,600 m<sup>2</sup></b>	<b>20,500 m<sup>2</sup></b>
<u>Neighbourhood Town Centre</u>			
Supermarket	3,200 m <sup>2</sup> <sup>(2)</sup>	3,000 m <sup>2</sup> <sup>(2)</sup>	3,000 m <sup>2</sup>
Specialties	1,000 m <sup>2</sup>	1,500 m <sup>2</sup>	2,000 m <sup>2</sup>
<b>Total retail floorspace</b>	<b>4,200 m<sup>2</sup></b>	<b>4,500 m<sup>2</sup></b>	<b>5,000 m<sup>2</sup></b>
Other (eg Local Town Centres and local stores)	1,800m <sup>2</sup>	2,500 m <sup>2</sup>	4,000 m <sup>2</sup>
<b>Total retail provision</b>	<b>13,500 m<sup>2</sup></b> <b>Rounded (14,000m<sup>2</sup>)</b>	<b>23,600 m<sup>2</sup></b> <b>Rounded (24,000m<sup>2</sup>)</b>	<b>29,500 m<sup>2</sup></b> <b>Rounded (30,000m<sup>2</sup>)</b>

Source: Essential Economics Pty Ltd

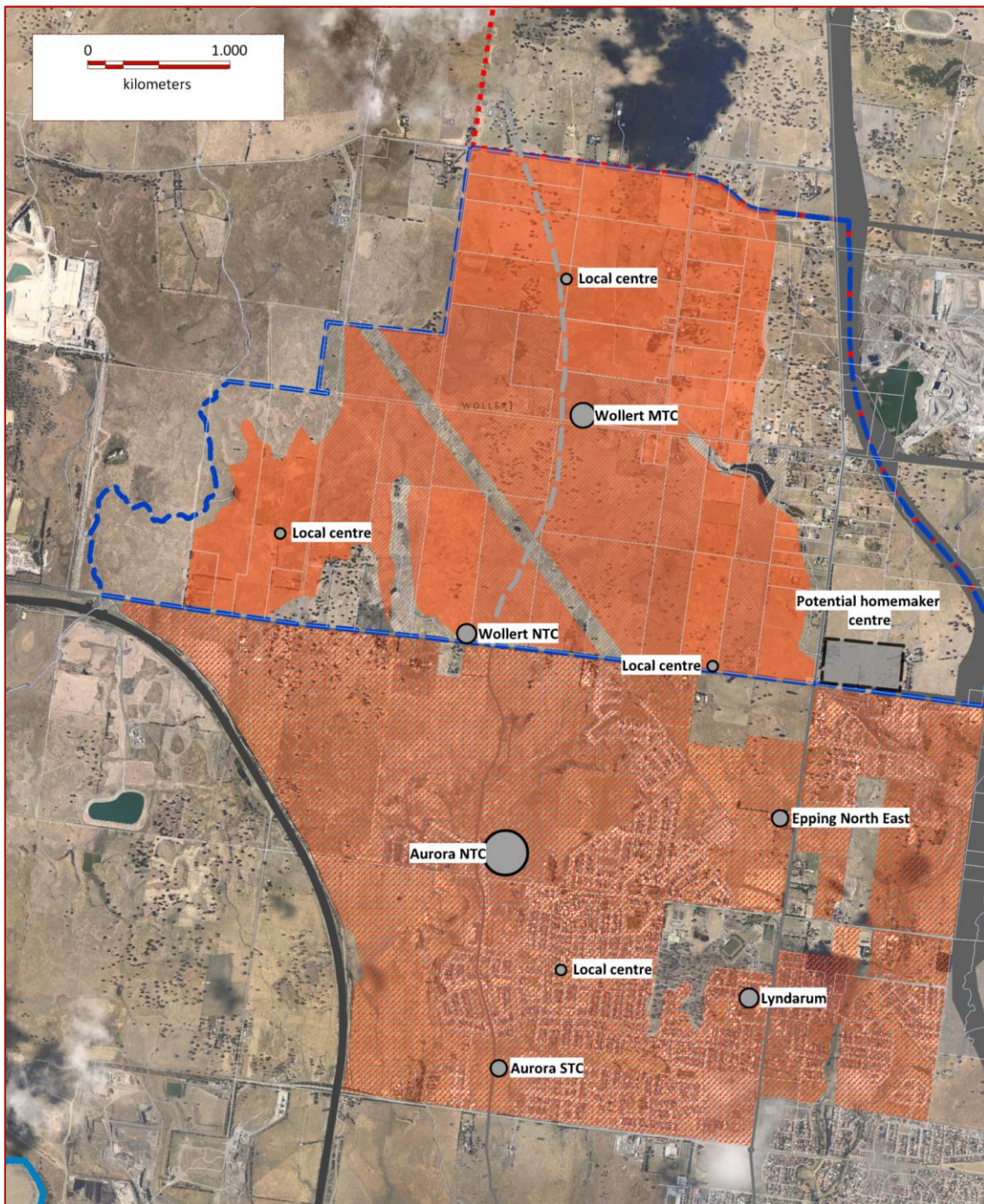
Note: <sup>1</sup> under this scenario an alternative would be two smaller stores – eg 2,500m<sup>2</sup> and 1,500m<sup>2</sup>. However, a single larger store is likely to be a more successful development outcome and would support a greater range of specialty stores

<sup>2</sup> The ability for the NTC to sustain a full-line supermarket will depend on the location of this centre and the ability for it to represent as a convenient alternative for residents in the north-western part of Aurora.

The changes to the retail hierarchy under this scenario would also affect the preferred location of the MTC, as a greater degree of separation would be required in order to maximise the centre's development potential.

Figure 6.2 presents an indicative centre network under this scenario, noting that the locations for centres will depend on other aspects of the PSP process including location of transport infrastructure and detailed design of residential estates. In addition, the eventual scale of development at Aurora NTC will also impact the location of centres in Wollert.

Figure 6.2: Indicative Centre Network, Wollert PSP – Alternative Scenario



Prepared by Essential Economics

Note: This map provides indicative locations for centres, and will be refined following preparation of an Urban Structure Plan

## 6.6 Comparison of Schemes

This section presents a comparison of the potential outcomes arising under the two schemes that have been assessed in this report.

The analysis, presented in Table 6.22, compares total retail floorspace outcomes for the major and local town centres in Wollert and Aurora, and discusses the advantages and disadvantages of each scheme. Other centres in the region (eg Epping North-East and Lyndarum) are unlikely to be affected significantly by these different schemes.

Importantly, the analysis is based on information prepared by Urbis in relation to centres in Aurora, and this analysis only covers the period until 2026; it is likely that the alternative scheme would allow more significant future development at Aurora NTC post-2026 as development capacity in Wollert is reached.

The conclusion drawn from this analysis is that, in many respects, the alternative scheme might represent a preferable outcome. In particular, a larger Aurora NTC would help to deliver a focus for higher-order retailing, and would be expected to support a more significant range of non-retail uses and activities. This conclusion is supported by the findings from the analysis, which show that the Wollert PSP may struggle to achieve good trading performance under the base scheme, especially if dwelling yields are closer to 15 lots per hectare.

Importantly, if the alternative scheme for Aurora NTC is adopted, the outcomes in terms of the diversity of uses and employment generating capability of this centre will need to be maximised by ensuring sufficient land allocation. This will need to be incorporated into forward planning for the Aurora NTC and surrounding precinct.

**Table 6.22: Comparison of Schemes**

Scenario	Base case	Alternative scheme (larger Aurora NTC)
<b>Outcomes:</b>	<p>More significant retail provision across the two regions (Aurora and Wollert), with up to 44,000-65,000m<sup>2</sup> of retail provision. However, planned outcomes at Aurora STC may not eventuate as the centre has a limited catchment, especially to the south.</p> <p>4-5 large supermarkets (excludes Lyndarum and Epping NE) plus potential for smaller models</p> <p>2 DDS stores, but smaller models would be supported, especially under the low development scenario for Wollert</p>	<p>Total retail provision of 38,000-54,000m<sup>2</sup> of retail floorspace, although more significant development at Aurora NTC is likely to occur after 2026.</p> <p>4-5 supermarkets, but with potentially another supermarket supportable at Aurora NTC in the longer term</p> <p>2 DDS stores, but likely to be longer-term potential for a second DDS at Aurora NTC (ie total 3 DDSs)</p>
<b>Advantages</b>	<p>In theory, two MTCs may generate greater retention of local spending and more significant development outcomes, thereby increasing local job provision.</p> <p>This would also improve access to full-line grocery shopping, with four centres anchored by full-line supermarkets.</p> <p>Opportunity to maximise local employment creation in Wollert PSP.</p>	<p>Creates a single major retail destination at Aurora NTC serving a total catchment of up to 90,000 residents. This creates an opportunity to establish a well-performing centre that can be a focus for retail and non-retail activity.</p> <p>May have potential to accommodate more significant non-retail activity including offices and government services.</p> <p>Wollert MTC would be able to support one-two full-line supermarkets, and possibly a third mid-sized supermarket under the high scenario. The centre would be likely to be a successful grocery shopping destination. Potential for a smaller DDS may exist under the medium and high scenarios.</p>
<b>Disadvantages</b>	<p>Provides two larger centres at the southern and northern extremity of the wider catchment. This creates a risk that one or either of these centres performs poorly, thereby reducing the potential to support specialty retail and non-retail activity.</p> <p>Analysis shows that, under the low development scenario, a DDS at the Wollert MTC may struggle to achieve industry benchmark turnover.</p> <p>Wollert would have a more significant role among the two larger centres; however, site locations for the Wollert MTC are constrained, and this may reduce the performance of the centre.</p> <p>Insufficient separation of higher-order centres between Epping Central and Aurora STC may occur, with the result likely to be poor retail performance at Aurora STC.</p>	<p>Higher-order retailing and business services would be more concentrated at Aurora NTC, with a reduction in local employment generation within the Wollert PSP.</p> <p>Position of Wollert MTC would be important in order to secure its role as a strong neighbourhood centre in the wider PSP area.</p>

Source: Essential Economics Pty Ltd

## 6.7 Non-Retail Commercial Development Potential

The extent of non-retail development at activity centres varies considerably, making it difficult to predict non-retail floorspace opportunities with certainty.

A previous report by Essential Economics for the GAA (*Growth Area Framework Plans, Activity Centre and Employment Planning*, November 2011) examined a number of Victorian and interstate sources in order to determine an applicable ratio for non-retail and retail floorspace in activity centres. The finding in that report was that rates of non-retail provision vary considerably: in some centres, just 10% of total floorspace is occupied by non-retail uses (and this is especially the case for smaller, grocery-focussed centres), while in others the share can be 50% or more.

The November 2011 report concluded that an applicable target would be for approximately 30% or so of total floorspace to be used for non-retail purposes, including commercial offices, shop-front office uses and personal services, community functions, medical uses, and other commercial functions. This figure was adopted as an aspirational target for the purposes of forward-planning, and the report acknowledged that not all centres would be able to achieve this benchmark. Moreover, the non-retail floorspace would also incorporate commercial activities that are often found on separately owned sites, rather than being located within an undercover shopping centre, for example.

For the purposes of examining the opportunity for non-retail development in centres within the Wollert PSP area, the following matters are of particular relevance:

- The MTC is located at the fringe of the urban area, and many travel-to-work trips would be directed southwards to major non-retail activities in Epping, or westwards to the Hume Freeway corridor.
- Although the Melbourne North GCP identifies a high capacity public transport corridor through Aurora into the Wollert PSP, this is likely to be a longer-term outcome, especially as this route is unlikely to be extended all the way to Donnybrook.
- Policy support for major office accommodation serving the region is more likely to favour Epping Central as the closest Principal Activity Area and having regard for the recent Epping Central Structure Plan.
- The proposed employment precinct will absorb a share of demand for office-type activities, especially in the form of integrated developments that combine some office/administrative function with a workshop/warehouse.
- Opportunities for local population serving businesses, that require shopfront of office floorspace will arise as the population in Wollert grows and as the MTC develops.

Having regard for these factors, the following indicative allocations for non-retail uses are adopted:

- Low development scenario:
  - Wollert MTC: 20% of total centre floorspace

- Wollert NTC: 10% of total centre floorspace
- Medium development scenario:
  - Wollert MTC: 25% of total centre floorspace
  - Wollert NTC: 15% of total centre floorspace
- High development scenario:
  - Wollert MTC: 25% of total centre floorspace
  - Wollert NTC: 15% of total centre floorspace

Under the alternative scheme (with a larger Aurora NTC) it is assumed that non-retail uses will make up 20% of total floorspace at the Wollert MTC, and 10% at the NTC.

On this basis, non-retail uses will comprise approximately 4,700-12,000m<sup>2</sup> of floorspace under the base case scheme, and approximately 2,400-5,700m<sup>2</sup> under the alternative scheme, as shown in Table 6.23.

**Table 6.23: Retail and Non-retail Floorspace Provision, Wollert MTC and LTC**

Centre	Base scheme			Alternative scheme (Larger Aurora NTC)		
	Low	Medium	High	Low	Medium	High
<u>Wollert MTC</u>						
Retail provision	16,500 m <sup>2</sup>	24,500 m <sup>2</sup>	32,500 m <sup>2</sup>	7,500 m <sup>2</sup>	16,600 m <sup>2</sup>	20,500 m <sup>2</sup>
Non-retail (@20-25%)	4,100 m <sup>2</sup>	8,200 m <sup>2</sup>	10,800 m <sup>2</sup>	1,900 m <sup>2</sup>	4,200 m <sup>2</sup>	5,100 m <sup>2</sup>
<b>Total centre provision</b>	<b>20,600 m<sup>2</sup></b>	<b>32,700 m<sup>2</sup></b>	<b>43,300 m<sup>2</sup></b>	<b>9,400 m<sup>2</sup></b>	<b>20,800 m<sup>2</sup></b>	<b>25,600 m<sup>2</sup></b>
<u>Wollert NTC</u>						
Retail provision	5,500 m <sup>2</sup>	6,000 m <sup>2</sup>	7,000 m <sup>2</sup>	4,200 m <sup>2</sup>	4,500 m <sup>2</sup>	5,000 m <sup>2</sup>
Non-retail (@10-15%)	600 m <sup>2</sup>	1,100 m <sup>2</sup>	1,200 m <sup>2</sup>	500 m <sup>2</sup>	500 m <sup>2</sup>	600 m <sup>2</sup>
<b>Total centre provision</b>	<b>6,100 m<sup>2</sup></b>	<b>7,100 m<sup>2</sup></b>	<b>8,200 m<sup>2</sup></b>	<b>4,700 m<sup>2</sup></b>	<b>5,000 m<sup>2</sup></b>	<b>5,600 m<sup>2</sup></b>
<u>Combined</u>						
Retail floorspace	22,000 m <sup>2</sup>	30,500 m <sup>2</sup>	39,500 m <sup>2</sup>	11,700 m <sup>2</sup>	21,100 m <sup>2</sup>	25,500 m <sup>2</sup>
Non-retail floorspace	4,700 m <sup>2</sup>	9,300 m <sup>2</sup>	12,000 m <sup>2</sup>	2,400 m <sup>2</sup>	4,700 m <sup>2</sup>	5,700 m <sup>2</sup>
<b>Total floorspace</b>	<b>26,700 m<sup>2</sup></b>	<b>39,800 m<sup>2</sup></b>	<b>51,500 m<sup>2</sup></b>	<b>14,100 m<sup>2</sup></b>	<b>25,800 m<sup>2</sup></b>	<b>31,200 m<sup>2</sup></b>

Source: Essential Economics Pty Ltd

## 6.8 Land Budget Requirements

Estimates of the land area required to accommodate the identified retail and non-retail uses have been prepared on the basis of an average site coverage of 35% for retail uses, and 50% for non-retail uses.

The analysis is shown in Table 6.24, and indicates the need for approximately 5.5-11.5ha of land for the Major Town Centre to under the base case scheme, and 2.5-7ha under the alternative scheme.

The Neighbourhood Town Centre would require approximately 1.7-2.2ha of land area under the base case scheme and 1.3ha to 1.5ha under the alternative scheme.

These land budgets should be applied flexibly, with more generous provision for centre development where possible to allow for the range of commercial uses that are not easily assessed in retail-economic studies of this kind.

**Table 6.24: Retail and Non-retail Floorspace Provision, Wollert MTC and LTC**

Centre	Base scheme			Alternative scheme (Larger Aurora NTC)		
	Low	Medium	High	Low	Medium	High
<b><u>Wollert MTC</u></b>						
Retail provision	4.7 ha	7.0 ha	9.3 ha	2.1 ha	4.7 ha	5.9 ha
Non-retail (@20-25%)	0.8 ha	1.6 ha	2.2 ha	0.4 ha	0.8 ha	1.0 ha
<b>Total centre provision</b>	<b>5.5 ha</b>	<b>8.6 ha</b>	<b>11.4 ha</b>	<b>2.5 ha</b>	<b>5.6 ha</b>	<b>6.9 ha</b>
<b><u>Wollert NTC</u></b>						
Retail provision	1.6 ha	1.7 ha	2.0 ha	1.2 ha	1.3 ha	1.4 ha
Non-retail (@10%)	0.1 ha	0.2 ha	0.2 ha	0.1 ha	0.1 ha	0.1 ha
<b>Total centre provision</b>	<b>1.7 ha</b>	<b>1.9 ha</b>	<b>2.2 ha</b>	<b>1.3 ha</b>	<b>1.4 ha</b>	<b>1.5 ha</b>

Source: Essential Economics Pty Ltd

## 6.9 Summary

A summary of the potential development outcomes within activity centres in the Wollert PSP by scenario, as described in this chapter are shown in Table 6.25.

**Table 6.25: Summary of Potential Activity Centre Outcomes**

	Base scheme			Alternative scheme (Larger Aurora NTC)		
	Low	Medium	High	Low	Medium	High
<u>Wollert MTC</u>						
Total supportable retail and commercial floorspace	20,600 m <sup>2</sup>	32,700 m <sup>2</sup>	43,300 m <sup>2</sup>	9,400 m <sup>2</sup>	20,800 m <sup>2</sup>	25,600 m <sup>2</sup>
Major retail tenancies (indicative)	1xsmall DDS, 1xfull-line supermarket, 1xmid-sized supermarket	1x large DDS, 2xfull-line supermarkets, 1xmid-sized supermarket	1x large DDS, 2xfull-line supermarkets, 1xmid-sized supermarket	1 full-line supermarket	Potential for 1 small DDS, 2xfull-line supermarkets	Potential for 1 small DDS, 2xfull-line supermarkets, 1xmid-sized supermarket
Land requirements	5.5 ha	8.6 ha	11.4 ha	2.5 ha	5.6 ha	6.9 ha
<u>Wollert NTC</u>						
Total supportable retail and commercial floorspace	6,100 m <sup>2</sup>	7,100 m <sup>2</sup>	8,200 m <sup>2</sup>	4,700 m <sup>2</sup>	5,000 m <sup>2</sup>	5,600 m <sup>2</sup>
Major retail tenancies (indicative)	1xfull-line supermarket	1xfull-line supermarket	1xfull-line supermarket	1xfull-line supermarket	1xfull-line supermarket	1xfull-line supermarket
Land requirements	1.7 ha	1.9 ha	2.2 ha	1.3 ha	1.4 ha	1.5 ha
Local centre floorspace	2,000 m <sup>2</sup>	3,500 m <sup>2</sup>	5,500m <sup>2</sup> (1)	1,800 m <sup>2</sup>	2,500 m <sup>2</sup>	4,000m <sup>2</sup> (1)
Potential homemaker floorspace	25,000m <sup>2</sup>	35,000m <sup>2</sup>	40,000m <sup>2</sup>	25,000m <sup>2</sup>	35,000m <sup>2</sup>	40,000m <sup>2</sup>
Note:	(1) potential for larger LTC in the northern part of PSP may exist					
Source:	Essential Economics Pty Ltd					

## 7 EMPLOYMENT PRECINCT ANALYSIS

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This Chapter examines the proposed employment precinct that has been designated for the Wollert PSP, according to the Melbourne North GCP, and includes the following analysis:

- Regional context for employment provision, including location of major industrial and employment precincts in the region
- Current provision of industrial land in the City of Whittlesea, and proposed future industrial land
- Assessment of potential development of an employment precinct in Wollert, including competitive positioning, potential future uses and development timing
- Employment outcomes in the Wollert PSP area, incorporating employment generated in activity centres
- Potential future access to employment locations for residents in Wollert.

### 7.1 Regional Employment Land Context

The location of major employment precincts is influenced by a number of factors that contribute to the locational decisions of industries seeking industrial zoned land. These factors include:

- Access to major transport infrastructure in order to facilitate the efficient and cost-effective movement of goods and services through regional or interstate freight networks or to and from import / export points (eg airport, port).
- Availability of large, relatively inexpensive sites, particularly for large site uses such as distribution centres and other transport & storage industry related businesses that seek competitive leasing arrangements.
- Availability of unencumbered sites that allow good separation from other sensitive uses such as residential development, and which can be developed relatively inexpensively.
- Access to a labour force that provides a range of technical and non-technical skills according to the particular requirements of individual industries.
- Availability of a range of business support services in the surrounding region or in the industrial estate itself, often comprising small-scale retail uses, gyms, child care, banking, security and other services.

The combination of these factors has led to the emergence of the Northern industrial node as one of the most significant locations in Melbourne for industrial development. The region has excellent access to major infrastructure within the metropolitan region, including Melbourne Airport at Tullamarine and the Port of Melbourne, and intermodal facilities at Somerton (operated by P&O Trans Australia).

Metropolitan linkages are also excellent via CityLink and the Metropolitan Ring Road. Importantly, the region sits astride the Hume Freeway corridor, which represents the most significant interstate freight corridor in Victoria. According to *Freight Futures* (2008), the Somerton/Hume region represents one of the most important freight activity areas in Melbourne.

The spatial arrangement of industrial land in northern Melbourne responds to the characteristics of the region and the locational imperatives described above. As shown in Figure 7.1, major occupied industrial precincts are located at Somerton/Campbellfield (east and west of the Hume Highway) and in Thomastown (south of the Metropolitan Ring Road). A more recent industrial precinct has been created in the Cooper Street employment precinct in Epping, and this estate has risen in significance as a location for major industrial development, and particularly with the relocation of the wholesale market to a site on Cooper Street.

As these industrial estates have filled, new areas of land have been designated for industrial uses further to the north at Kalkallo and Merrifield. Land along Cooper Street between the Craigieburn Bypass and Merri Creek is identified for energy-related development, and may in the future be developed for industrial purposes.

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

- Mickleham/Wollert: An additional 310ha (gross) at a location with excellent access to the freight network and ability to attract distribution centres, other transport/storage companies and a range of associated industrial uses. An additional 50ha (gross) land designated for commercial uses as an interface with the Kalkallo retarding basin.
- Beveridge: A total of approximately 1,100ha (gross) of industrial land is designated for the longer-term accommodation of a major interstate freight terminal and for associated freight and logistics and other industrial uses.
- Donnybrook: Approximately 80ha (gross) of land located on the southern side of Donnybrook Road, and potentially extending westwards to include land on the western side of the railway (up to 140ha gross). Likely to be developed as a regional/district location for service industry and other uses, while also potential attractive for logistics and major industrial activities, particularly if served by rail services.
- Wollert: An employment precinct of approximately 230ha (gross) is identified for the subject land within the Wollert PSP area, adjoining the proposed E6 reservation. The precinct is identified as having potential to accommodate general industrial uses comprising local and regional service businesses, as well as freight based industry.

The City of Whittlesea generally support the designation of land in the GCP for industry/employment, although Council also promotes the use of land at the intersection of Summerhill Road, Merri Creek and

the railway line as a potential location for higher-order business and commercial activities, supported by rail services. This land has been identified as urban land in the GCP; however, the land use is yet to be determined.

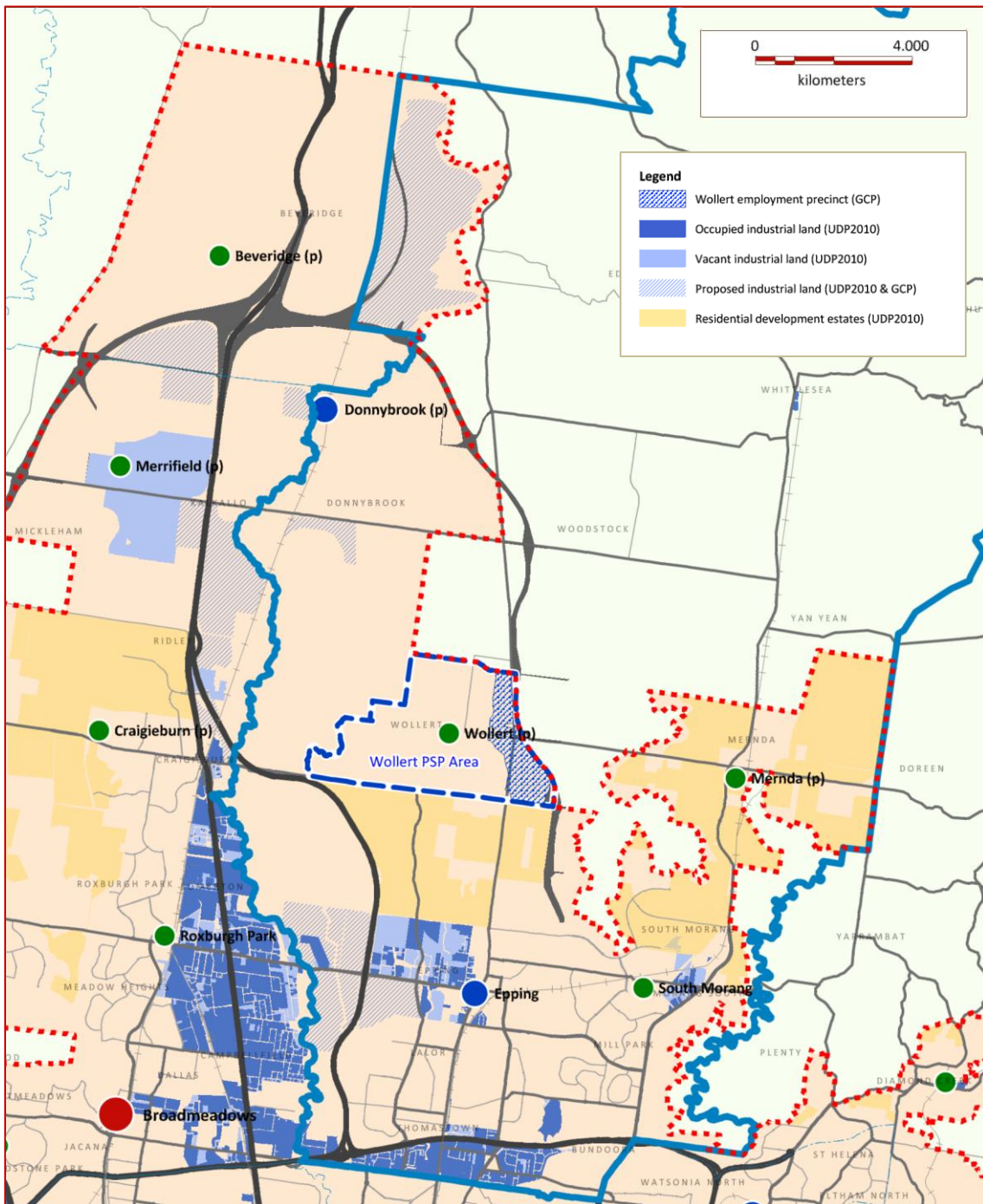
In summary, the wider region surrounding Wollert is a recognised industrial node and has significant existing and planned future provision for industrial land and other dedicated employment precincts. Most of the precincts designated for major employment activities are clustered around the major freight transport routes (Hume Highway, Hume Freeway, Cooper Street), or are locations (eg Beveridge) that are expected to facilitate intermodal activities. This reflects the imperatives for industrial operators seeking cost-effective transport options.

The Wollert employment precinct is located some distance from these major freight routes, and the success of this precinct as an industrial/employment node will depend on a number of factors, including the delivery of the E6 as an easy connection into the freeway network; the local and district connections (Masons Road, Epping Road, Summerhill Road, etc) that allow operators to serve intraregional markets; and the strength of demand for local and regional service business functions.

It is acknowledged that the designation of employment land at Wollert has also been influenced by the need to create buffer uses to separate urban development at Wollert and the quarrying activities located on the eastern side of Epping Road.

From this overview, it appears that the Wollert precinct is likely to be a longer-term opportunity to generate local employment, having regard for the proposed timeframe for completion of the E6 (if this route eventuates), and the competition from active (and expanding) industrial estates in Epping and the Hume Highway/Freeway corridor.

Figure 7.1: Regional Context for Industrial Land Provision



Produced by Essential Economics with MapInfo, StreetPro and data from UDP2010 and Melbourne North GCPs

## 7.2 Industrial Land Provision

According to the Urban Development Program 2010, the City of Whittlesea has a total stock of industrial land comprising 665.5ha of land that was occupied at the time of the UDP (in 2010) and a further 315.1ha of vacant industrial land available for development. The total area of land zoned for industry is approximately 980ha.

The majority of industrial land in Whittlesea is contained in the established estates located between Mahoneys Road/Keon Parade and the Metropolitan Ring Road (in the southern part of the municipality), and in the Cooper Street precinct (in the western part of the municipality). A small industrial precinct is located on Plenty Road/McDonalds Road in South Morang.

The pattern of industrial land provision in Whittlesea therefore closely reflects the key drivers for industrial development as described in Section 7.1, with little industrial land provision at the local and district level located in close proximity to residential growth areas.

Overall, Whittlesea can be classified as having secondary importance in the provision of industrial land when compared against the significant supply located in the City of Hume and other major industrial regions. For example, zoned industrial land in Whittlesea represents approximately 3.7% of total zoned industrial land in the metropolitan region (compared with 11.4% for Hume), and the municipality contains approximately 21% of total zoned land stocks in the Northern region (comprising Banyule, Darebin, Hume, Moreland, Nillumbik and Whittlesea), with Hume containing 64% of zoned stock in the region.

Set against these current trends is the very real need to expand the employment-generating capability of the local economy, through a diverse range of employment types located in activity centres as well as in dedicated employment precincts. Like many growth areas, the municipality is characterised by a deficit in local job provision, with ABS Journey to Work data showing a total of approximately 32,190 jobs for a total resident labour force of 58,760 persons.

Average annual consumption of industrial land in Whittlesea has been approximately 10ha pa over the period 2005-2010, having increased from an average of around 5ha pa over the previous five years. This compares with average land consumption of 46ha pa in Hume, 40.5ha pa in Wyndham, and 48.5ha pa in Greater Dandenong. Future consumption rates will depend on the development opportunities and take-up of industrial sites in the Cooper Street precinct, and the extent to which the relocation of the wholesale market stimulates wider demand for industrial uses.

## 7.3 Employment Provision in Epping North-Wollert

Current employment provision in Epping North-Wollert is very low, with ABS Journey to Work data for 2006 (ABS 2011 Census data will be available late-2012) showing just 90 or so jobs located in the Aurora/Epping North development area. This figure is likely to be somewhat higher with the recent completion of the Lyndarum activity centre, and will grow substantially with development of activity

centres, schools, medical facilities and other community services in existing and planned development estates.

Future employment opportunities will be generated in the town centres planned for Aurora. Analysis presented in Chapter 6 shows that the proposed reallocation of retail floorspace between the two town centres might create an opportunity for more significant development as a whole, and with greater opportunity to develop a range of non-retail employment generating activities at the northern town centre site.

#### **7.4 Potential Development Outcomes at Wollert Employment Precinct**

The Wollert employment precinct is unlikely to develop as a significant location for major industrial use, for a number of reasons:

- The precinct is likely to be at a competitive disadvantage when compared against the existing and planned employment/industrial estates in the Hume Freeway corridor. These competing precincts are favoured by their position with respect to major freight and transport routes and existing supply chain networks.
- Substantial industrial land supply still remains in the existing industrial estates in Whittlesea, with 315ha of vacant industrial land and additional land identified for future industrial/employment use.
- The precinct's position at the outer edge of the urban area makes it a less favoured place for investment in industrial facilities, and major investment by industry is likely to wait until the transport infrastructure is provided (often as urban development proceeds) and as the local labour force grows.
- The introduction of the E6 would stimulate development in the precinct, making it more connected to Melbourne's freight network; however, the timing for delivery of the E6 is unknown and is likely to be a longer-term project.
- The precinct is very much 'stand-alone' and does not benefit from co-location with major related education precincts, higher-order activity centres or other pieces of infrastructure that might encourage investment. Some development potential may be generated from nearby quarrying activities, especially in association with the building construction industry, but these are likely to be low-intensity developments.

In this context, the Wollert employment precinct is likely to evolve as a sub-regional or district-level industrial estate, accommodating a range of activities primarily focussed around servicing the local and regional population and catering for industrial land demand from the building industry. The types of uses might include:

- Small units for individual trades businesses
- Building supplies for trades customers

- Building supplies for DIY/household customers
- Garden centre
- Manufacturing and servicing for the building industry (cabinet-makers, flooring, concrete batching plants, etc)
- Auto mechanics and servicing
- Household and business storage.

Over time a more varied range of uses might emerge, including flexibly-designed integrated units that might attract a range of semi-industrial activities including computer and network installation, security services, wholesalers and import-export businesses, and so on.

Many of the types of uses attracted to the precinct are unlikely to be highly employment-intensive. For example, smaller industrial estates such as this often accommodate trades businesses that create employment activity off-site rather than within the estate.

## 7.5 Employment Outcomes

A broad estimate of the potential employment generated in the Wollert PSP has been prepared, and is compared against the forecast size of the employed resident labour force in order to assess the performance of the precinct in providing local jobs to the residential population. The estimates have been prepared for the low and the high development scenario.

The assumptions applied in this analysis are as follows:

- 1 An employment ratio of 35m<sup>2</sup> per job is applied to the retail components of centres located in the PSP area.
- 2 An average employment ratio of 20m<sup>2</sup> per job is applied to the non-retail components of these centres.
- 3 An average employment ratio of 50m<sup>2</sup> per job is applied to the homemaker component.
- 4 Employment generation in the employment precinct is based on an average of 20 jobs created per gross hectare, with a total gross land area of 225ha (excluding land potentially used for homemaker retailing)
- 5 An estimate of the potential for other employment at community facilities such as schools, medical centres, kindergartens, libraries and so on has been undertaken with reference to the approach used in the GAA employment model, which assesses the need for such facilities and includes an estimate of typical employment outcomes. This analysis is based on broad estimates of the requirements for these community facilities, including two primary schools, one secondary school and a range of other community facilities. These estimates will be revised following completion of the urban structure plan.

- 6 An estimate of the employed residential population is made by applying a crude labour force participation rate of 48%, and an average unemployment rate of 6%.
- 7 Home-based employment is estimated at 10% of the total employed labour force, and this is based on examination of other growth areas that shows that a significant home-based business component is associated with people working in the building industry.

Estimated employment outcomes, including estimated employment self-sufficiency rates, are shown in Table 7.1 for the low, medium and high development scenarios.

**Table 7.1: Summary of Employment Generation in Wollert PSP**

Location	Low Scenario	Medium Scenario	High Scenario
<u>Major Town Centre</u>			
Retail component	470	700	930
Non-retail component	210	410	540
<b>Total MTC employment</b>	<b>680</b>	<b>1,110</b>	<b>1,470</b>
<u>Neighbourhood Town Centre</u>			
Retail component	160	170	200
Non-retail component	30	60	60
<b>Total NTC employment</b>	<b>190</b>	<b>230</b>	<b>260</b>
Other local centres	60	100	160
<b>Total activity centres</b>	<b>930</b>	<b>1,440</b>	<b>1,890</b>
<b>Homemaker centre</b>	<b>500</b>	<b>700</b>	<b>800</b>
<b>Employment precinct</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>
<u>Home-based employment:</u>			
Residential population	28,200	35,400	43,200
Labour force (@48% crude participation rate)	13,540	16,990	20,740
Employed labour force (6% unemployment)	12,730	15,970	19,500
<b>Total home-based employment (@10%)</b>	<b>1,270</b>	<b>1,600</b>	<b>1,950</b>
<u>Community and other uses</u>			
Schools	180	180	180
Library/community centre	40	40	40
Medical/Other	70	90	90
<b>Total community and other uses</b>	<b>290</b>	<b>310</b>	<b>310</b>
<b>Total employment</b>	<b>7,490</b>	<b>8,550</b>	<b>9,450</b>
<b>Employment self-sufficiency rate</b>	<b>59%</b>	<b>54%</b>	<b>48%</b>

The analysis shows that the Wollert PSP will provide a significant number of jobs for local residents, and its performance in terms of employment generation will be higher than many recent PSPs on the metropolitan fringe. However, residents will still need to travel outside the region to access employment opportunities elsewhere, and in this regard it will be important to establish strong policy support for more significant employment generation in higher-order activity centres such as Epping Central and

Aurora NTC (especially if this is to become a major retail destination), as well as in major industrial locations such as Cooper Street and employment precincts in the Hume Freeway corridor.

## 7.6 Access to Employment in Surrounding Region

Residents in the Wollert precinct will have access to a number of other employment areas in the wider region, in addition to the employment activities located within the precinct. The main employment precincts in the wider region include:

- Nearby higher-order activity centres including Epping Central, South Morang/Plenty Valley, and Aurora NTC
- Existing industrial areas in the Cooper Street precinct, Thomastown, Somerton and other locations along the Hume Freeway corridor
- Employment precincts in Merrifield/Kalkallo that are zoned but not yet underway
- Future employment lands identified in the GCP, including at Kalkallo, Beveridge, and Donnybrook
- High-order centres in the wider region, including Craigieburn and Broadmeadows.

## 7.7 Summary

The wider region surrounding Wollert is a recognised industrial node and has significant existing and planned future provision for industrial land and other dedicated employment precincts. Most of the precincts designated for major employment activities are clustered around the major freight transport routes, or are locations that are expected to facilitate intermodal activities. This reflects the imperatives for industrial operators seeking cost-effective transport options.

The Wollert employment precinct is located some distance from these major freight routes, and the success of this precinct as an industrial/employment node will depend on a number of factors, including the delivery of the E6 as an easy connection into the freeway network; the local and district connections (Masons Road, Epping Road, Summerhill Road, etc) that allow operators to serve intraregional markets; and the strength of demand for local and regional service business functions.

Consequently, the Wollert precinct is likely to be a longer-term opportunity to generate local employment, having regard for the proposed timeframe for completion of the E6 (if this route eventuates), and the competition from active (and expanding) industrial estates in Epping and the Hume Highway/Freeway corridor.

Taking into consideration the future development of the employment land and activity centres within the Wollert PSP, and a high level analysis of the demand for and employment associated with community uses, the Wollert PSP could provide the following employment outcomes:

- Low scenario: Total of approximately 7,500 jobs and an employment self-sufficiency rate of almost 60%, when compared against the estimated employed labour force of approximately 12,700 persons.

- Medium scenario: Total of approximately 8,500 jobs and an employment self-sufficiency rate of almost 55%, when compared against the estimated employed labour force of 16,000 persons.
- High scenario: Total of approximately 9,500 jobs, representing an employment self-sufficiency rate of almost 50% when compared against the estimated employed labour force of 19,500 persons.