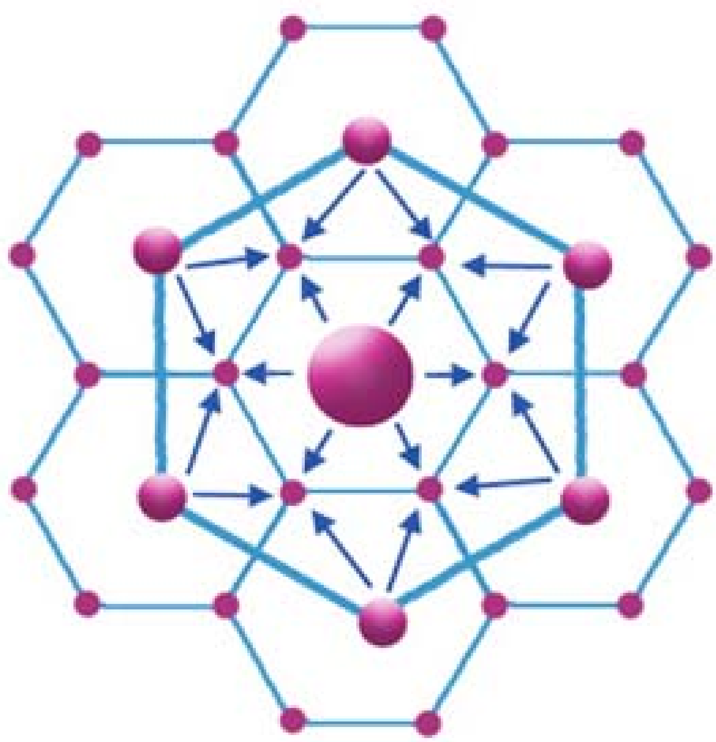
Melton Retail and Activity Centres Strategy

Background Analysis & Discussion

Prepared for **Melton City Council**

By Tim Nott with Harvest Digital Planning and Hansen Partnership

November 2013



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Report Data

Version	Date	Approved By	Sent to
Preliminary Draft	28/08/2013	TN	Jane Keddie, Hansen Partnership
Draft	30/08/2013	TN	Laura-Jo Mellan, Melton CC
Background Report	23/10/2013	TN	Laura-Jo Mellan, Melton CC
Revised Background Report	6/11/2013	TN	Laura-Jo Mellan, Melton CC
Final background report	7/03/2014	TN	Laura-Jo Mellan, Melton CC

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Note

The assessment in this report has relied on consultant estimates and forecasts as well as on primary and secondary data from a variety of Government and commercial sources. In parts, the analysis has relied on reasonable assumptions. However, the reader should bear in mind that there is no certainty in predicting the future.

The report has been prepared for Melton City Council. No responsibility is taken for its use by other parties.

Abbreviations

ABS	Australian Bureau of Statistics
CAD	Central Activities District
CBD	Central Business District
CDZ	Comprehensive Development Zone
DDS	Discount Department Store
DPCD	Department of Planning and Community Development
DTPLI	Department of Transport, Planning and Local Infrastructure
GAA	Growth Areas Authority (now the MPA)
MAC	Metropolitan Activity Centre
MPA	Metropolitan Planning Authority (formerly the GAA)
NAC	Neighbourhood Activity Centre
PAC	Principal Activity Centre
PPTN	Principal Public Transport Network
PSP	Precinct Structure Plan
UGB	Urban Growth Boundary

Melton Retail and Activity Centres Strategy

Background Analysis & Discussion

1 Introduction

The City of Melton has been growing rapidly for more than a decade and is expected to continue growing rapidly for at least several more decades. Planning for new communities is proceeding apace. In order to ensure that residents have access to effective, equitable and sustainable services and opportunities for employment, Melton City Council has commissioned a retail and activity centres strategy. This strategy will provide, "a robust policy framework to support the long term integrated land use planning and delivery of a hierarchy of Retail and Activities Areas across the municipality".

Tim Nott and a team comprising Harvest Digital Planning and Hansen Partnership have prepared the Strategy for Council. This team has worked closely with Council planning and development staff to deliver the project.

1.1 About this Report

This report provides the background analysis and discussion of issues that supports the Strategy. The **Strategy** itself is provided in a separate document. It is intended to provide directions for Council in its deliberations on the planning and support for retailing and activity centres throughout the municipality. The draft strategy will be tested through consultation.

Figure 1: Study Process

This background report is in several sections:

- Section 2 looks at the existing retail and activity centres network
- Section 3 presents the results of surveys of existing centre users
- Section 4 provides an analysis of retail supply and demand as a key driver of development in activity centres
- Section 5 looks at a range of influences on the future development of activity centres
- Section 6 provides a forecast of retail activity
- Section 7 provides an assessment of the need for new centres and identifies broad locations
- Section 8 provides resolution of issues around particular centres

The appendix provides a more detailed assessment and recommendations for the main existing activity centres in Melton.

2 The Existing Retail and Activity Centres Network

2.1 Description

The existing network of activity centres in the City of Melton has evolved over successive waves of urban development. The village centres of the early years were followed by the satellite town centre of Melton in the 1970s and then suburban centres to service the large-scale urban development that occurred from the 1990s. A map of the present network of centres is shown in Figure 2.

A more detailed description of each existing centre is provided in an appendix to the Draft Strategy.

2.2 Employment in Activity Centres

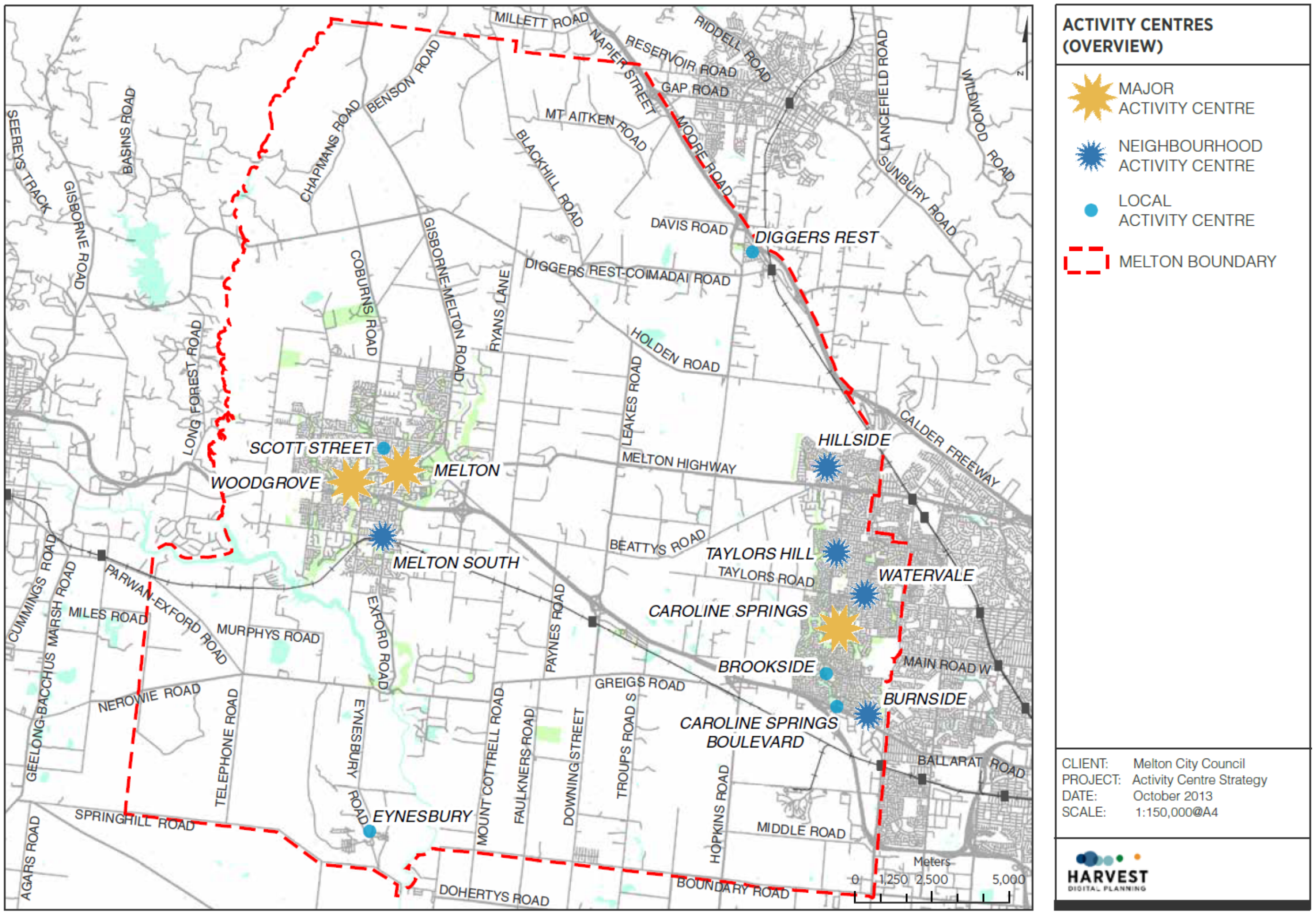
The number of jobs in Melton's activity centres is estimated at 8,500 in 2011

Based on the 2011 Census and the floorspace surveys undertaken by the consultant team, total employment in activity centres in Melton is estimated at 8,500 in 2011 (and this excludes employment in schools and colleges). This is equivalent to a little over half of all jobs in the municipality. With the growth of activity centres and the continuing shift to a service sector economy, this proportion is likely to grow. Activity centres are therefore a crucial component of the job scene for Melton residents and the wider region.

2.3 The Existing Hierarchy of Centres

Melton Residents, in common with people throughout Melbourne, have a choice of activity centres depending on their service requirements and their willingness (or ability) to travel. Each activity centre in the network performs a different role and provides a different, albeit overlapping, set of goods and services; fewer, larger centres deliver regional level services and offer a more complete range of services and retail goods; smaller, more numerous centres offer localised services and a smaller range of services and retail goods usually providing day-to-day groceries and convenience items. In planning activity centre networks, analysts generally assume that, for the most part, residents make rational choices about where they shop, choosing the closest available centre in which they can satisfy their needs.

Figure 2: Activity Centres in Melton, 2013



Note: only selected local centres are shown

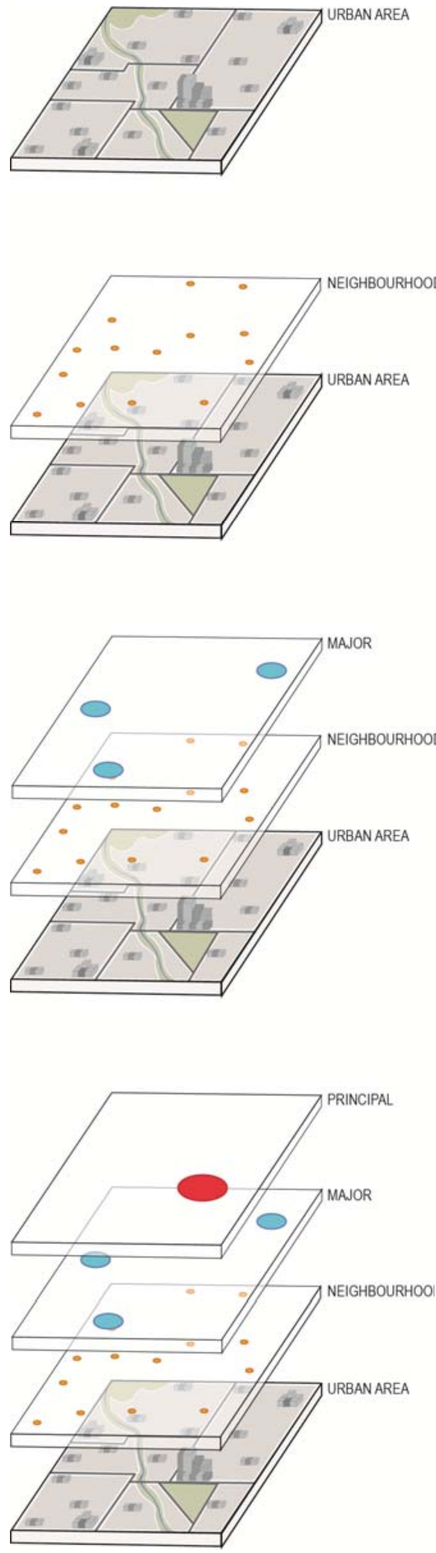
A hierarchy of centres in developed economies is created as a result of a number of pressures:

- Retailers and other service providers compete for market share by being at the closest and most convenient possible location to their customers, thereby reducing the travel costs for residents
- Different facilities have different scales at which they are most efficient; major department stores or hospitals, for example, must be central to a large regional catchment; the suburban milk bar or hairdresser, on the other hand, can service people who live within easy walking distance
- Traders tend to cluster together with others operating at a similar scale in order to capture agglomeration benefits (that is, cross-flow of customers, specialisation, creation of a pool of skilled staff etc)
- Planning policy has tended to classify and fix activity centres in the hierarchy so that appropriate infrastructure can be provided in a rational and efficient way

Analysts have developed a variety of categories to describe different levels of centre in the hierarchy. Typically, these categories have focussed on the retail function of centres, since retailing is usually the largest and most dynamic activity and is easily defined by the presence of particular retail forms (supermarket, discount department store, department store and so on). The strategic plans for metropolitan Melbourne developed by the State Government from Melbourne 2030 onwards (Department of Sustainability and Environment, 2002) provide categories based on broad function and perceived importance across a range of activities, of which retailing is only one. In planning for extensions to the metropolitan urban area including new centres, the Growth Areas Authority has adopted similar categories, albeit with different names and generally defined by their retail function (see Essential Economics, 2012).

The following table sets out the activity centre hierarchy currently in widespread use. It is based on the categories of Melbourne 2030 and the retail functions in the work for the Growth Areas Authority.

Figure 3: Current Activity Centre Hierarchy



Source: Hansen Partnership

Table 1: Existing activity centre hierarchy for Melton

Level in the hierarchy	Indicative retail role	Relevant example	Typical catchment population	Indicative share of the retail spending of its catchment
Capital City Central Activities District (CAD)	Extensive comparison goods and services; culture, entertainment; dining. Includes department stores and many specialty stores	Melbourne Central Activities District	1 million plus	5% to 10%
Principal Activity Centre (regional centre)	Extensive comparison goods and entertainment. Includes department store (or equivalent), discount department store, supermarkets and many specialty stores. Also applies to some large specialty centres that cater to an extensive catchment	Highpoint Watergardens	100,000 plus	20% to 35%
Major Activity Centre (sub-regional centre)	Routine comparison goods as well as food and groceries. Includes discount department store, supermarkets and specialty stores. Also applies to some specialty centres that cater to a significant catchment	Melton town centre Woodgrove Caroline Springs town centre	30,000 plus	20% to 45%
Neighbourhood Activity Centre	Mainly food and groceries and other convenience goods and services. Includes supermarket(s) and specialty stores	Melton South NAC Taylors Hill NAC Watervale NAC Hillside NAC Burnside NAC	3,000 to 20,000	15% to 35%
Local Activity Centre	Convenience goods. Usually comprises a corner grocery store and may include take-away food and local services	Brookside Eynesbury Scott Street	Up to 1,500	2% to 5%
Specialist Activity Centre	Usually a narrow but deep range of goods aimed at a specialist market	Melton Gateway Bulky Goods Precinct	Varies	Varies

Note: the draft metropolitan plan – Plan Melbourne - (DTPLI, 2013) provides a new and shortened hierarchy of centres which is described later in this report

Using this hierarchy, the City of Melton currently contains centres up to Major Activity Centre. However, for many higher order services that require substantial population catchments to be viable, residents must travel outside the municipality as the following examples show:

- Higher order retailing – Watergardens, Highpoint, Melbourne CAD
- Hospital services – Sunshine, Bacchus Marsh, Melbourne CAD
- Higher Education – St Albans, Footscray, Melbourne CAD (although there is a campus of Victoria University in South Melton which is currently not in use)
- Professional sports grounds and theatre companies – inner Melbourne

This factor limits the number and type of jobs that are available locally, increasing the level of commuting.

3 Results of Preliminary Consultations

As part of the process of developing the Melton Retail and Activity Centres Strategy, a number of consultation exercises have been undertaken to encourage input from residents and other stakeholders. These comprised:

- Interactive web-based survey aimed at residents and centre users
- Workshop with owners and developers of existing and proposed activity centres
- Individual meetings with a number of owners and developers of existing and proposed activity centres

A summary of the results are presented here.

3.1 Web-based Survey

3.1.1 About the Survey

An interactive web-based survey was developed by Harvest Digital Planning in conjunction with Tim Nott and Council. The survey went live on 14th March 2013 and ran until the 30 April 2013. The survey was embedded in a project web-site and was promoted via Council's web-page, through articles and advertising in the local newspaper, and through flyers placed in shops and Council venues.

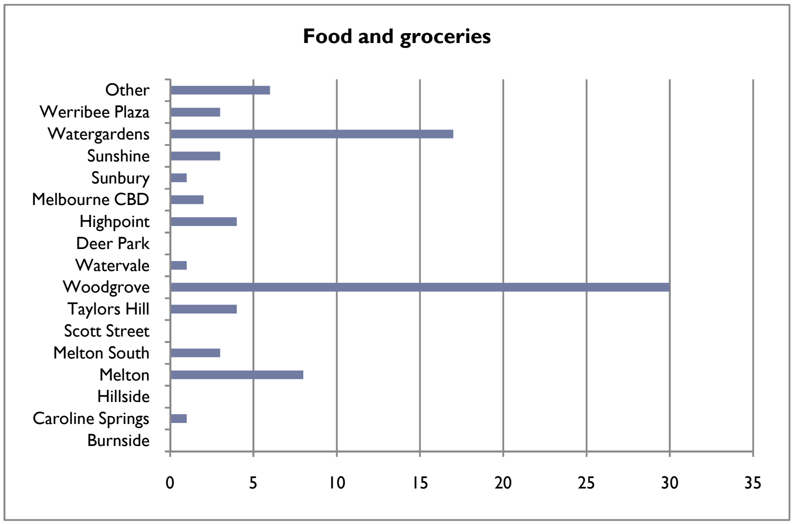
The survey consisted of a series of questions asking:

- about the respondent, including the suburb where they lived
- which activity centre was most visited for food, clothes, furniture, services and entertainment
- respondents to nominate whether the centres they used were good or bad in terms of retail mix, accessibility, parking and ambience
- respondents to provide their vision for development of activity centres in the municipality

The survey was completed by 83 respondents. This could not be considered a statistically significant sample in a municipality of 120,000 people. Nevertheless, the respondents often provided detailed responses and had a high level of engagement with the process. In terms of residential location, the survey respondents were heavily weighted towards the western half of the municipality, with only 7% from the eastern half (even though the numbers of residents in east and west are approximately even). Key results are provided below.

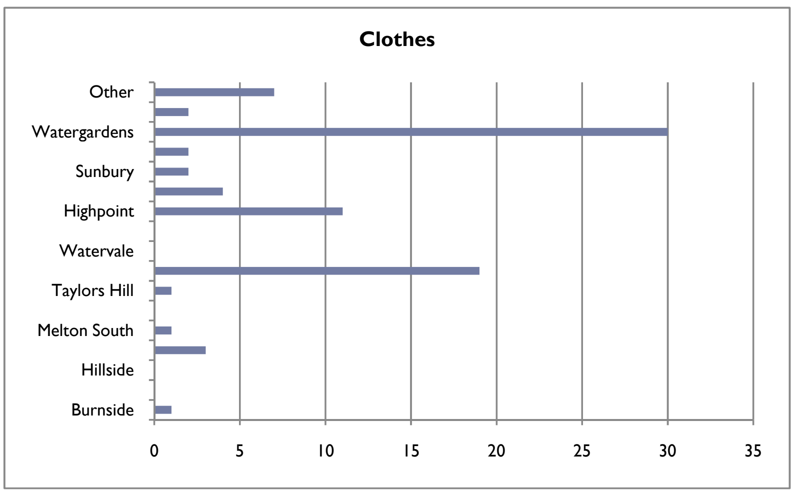
3.1.2 Where do residents shop?

Food and groceries



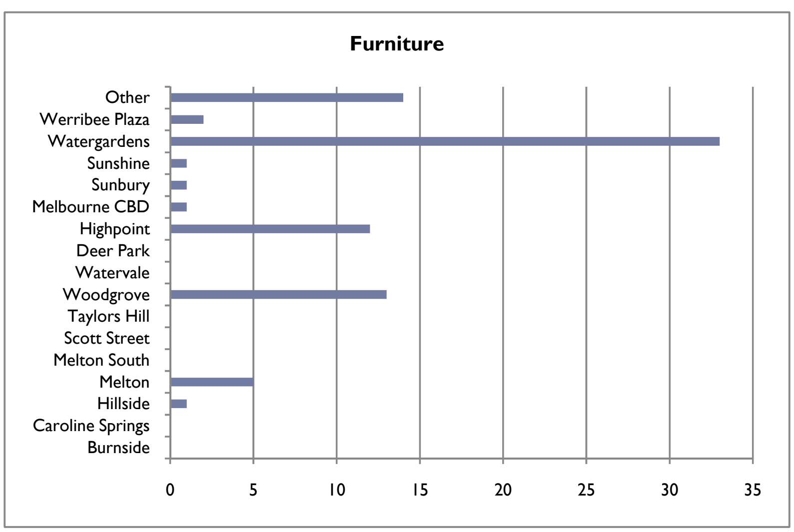
Woodgrove was the most popular centre for food and groceries. Perhaps surprisingly, Watergardens was nominated as the second most popular centre, indicating that the neighbourhood centres around the Melton township are not performing strongly.

Clothing



Watergardens was the most popular centre for clothes shopping, followed by Woodgrove and Highpoint. The two DDS stores and large number of specialty clothing stores at Watergardens are clearly a big attraction, although the current expansion at Woodgrove should redress this somewhat.

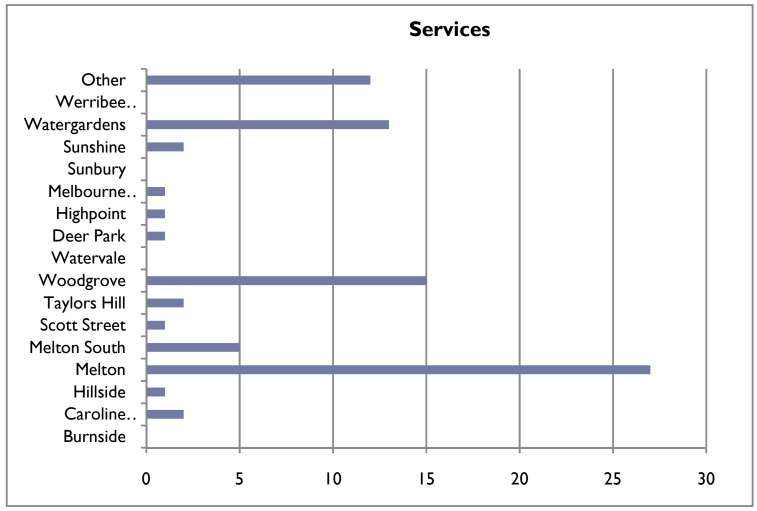
Furniture



Watergardens is by far the most popular destination for furniture shopping, largely as a result of the extensive bulky goods offering at that centre, largely absent from centres in Melton.

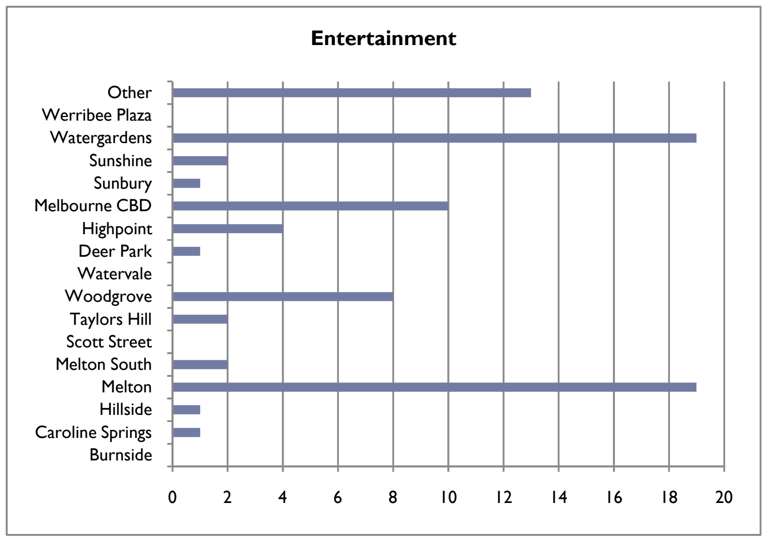
Services

Melton (the town centre as opposed to Woodgrove) is the most popular destination for services (hairdressing, take-away food etc), reflecting the nature of the Melton town centre as a broadly-based service centre.



Entertainment

Melton town centre and Watergardens are the most popular centres for entertainment (dining out, cinema, hotels etc). The Melbourne CBD and other inner city destinations are also popular.



What do residents say?
Here are some of their comments

We have too many takeaway venues ….. We should encourage more cafe style strips to change the culture in the area. We need more multicultural restaurants rather than be overridden with typical suburban take-away chains.

Melton South *- Even though I live close to here I do not shop here if I can help it (unsafe, dirty, poor variety)*

The environment around the train station is unsafe after daylight

Melton Town Centre *- …convenient and shopkeepers pleasant and knowledgeable*

Parking is becoming challenging in some areas of High Street

Woodgrove *- is usually pleasant to shop but lacks variety of stores. Definitely not enough variety of foods in food court - hard to find healthy options. Also there is rarely any entertainment on weekends - sometimes seems a bit soul-less*

Love the parking at Bunnings

Would like to have more here

Other *- Arnolds Creek desperately requires shops and cafe. I feel Shire of Melton care more about Caroline Springs then Melton.*

3.2 What do Residents say about their Centres?

Respondents were asked to nominate whether the centres they used performed well or poorly on four key attributes – convenience of the location, design of the centre, car parking and access, and the mix of uses. In all, 343 responses were provided, 166 negative and 177 positive. A summary of the results by issue is shown below. The results show the net sentiment that is the balance of positive or negative responses) ranked by activity area for each of the key issues addressed in the survey.

Activity Area Ranking by Issue

The following results show the net sentiment (the balance of positive or negative responses) ranked by activity area for each of the key issues addressed in the online survey.

Convenience of Location

1. Woodgrove **+35**
2. Melton TC **+10**
3. Melton South **+9**
4. Scott Street **+1**
5. Taylors Hill **+1**
6. Caroline Springs **0**
7. Watervale **0**
8. Eynesbury **-1**
9. Brookside **-4**

Design of Centre

1. Woodgrove **+7**
2. Caroline Springs **+5**
3. Taylors Hill **+2**
4. Eynesbury **-1**
5. Watervale **-1**
6. Melton Town Centre **-2**
7. Scott Street **-8**
8. Melton South **-20**

Mix of Uses

1. Melton TC **+3**
2. Brookside **+2**
3. Taylors Hill **+1**
4. Caroline Springs **0**
5. Scott Street **-1**
6. Eynesbury **-1**
7. Melton South **-9**
8. Woodgrove **-20**

Parking

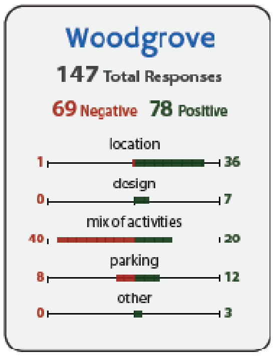
1. Woodgrove **+4**
2. Taylors Hill **+3**
3. Melton South **+1**
4. Caroline Springs **-1**
5. Melton TC **-9**

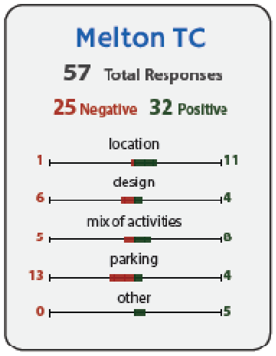
Because of the relatively small sample and the geographic bias to the western half of the municipality, these results are not definitive. Nevertheless, they do provide a useful indication of resident responses to their centres.

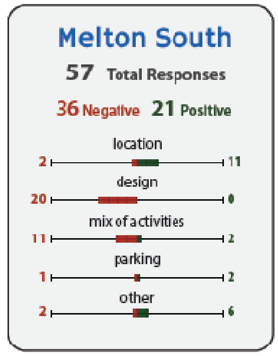
Overall, Woodgrove received by far the most responses of any centre. It came up well in being a convenient location, having good parking and design but many people wanted more in terms of the activity mix – particularly a broader range of national brand stores.

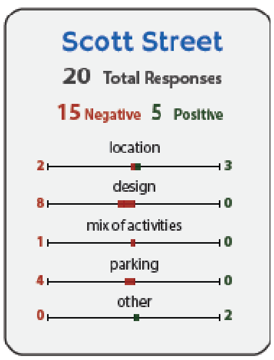
Of the other centres, Melton town centre was considered to be convenient for many and to have a good mix of uses but was poorly rated for car-parking. Melton South was convenient for many but was rated very poorly for design.

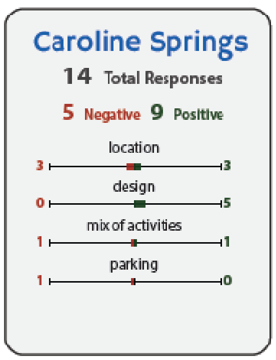
More detailed results for each centre are shown below.

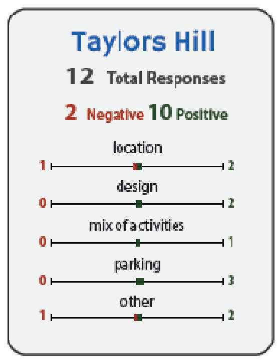


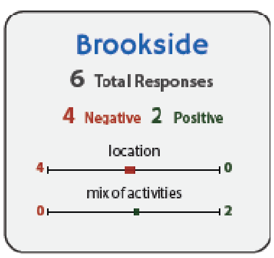


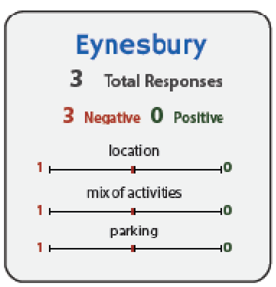












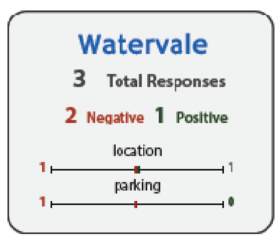
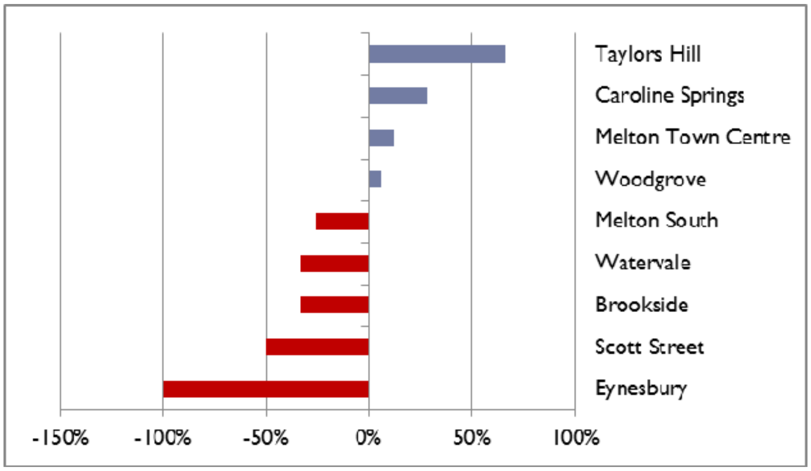


Figure 4: Net sentiment - share of all responses; data from Harvest Digital Planning



The figure opposite shows the net share of all responses that were positive for each centre. In general, sentiment was positive about the larger more diverse centres but negative about the smaller centres.

Key issues from these results include:

- The desire for an improved mix of activities at Woodgrove
- The need to improve the design and mix of activities at Melton South
- The need to improve the activity centre experience in small centres
- The need to provide new or enlarged centres in rapidly growing areas such as Eynesbury

3.3 Stakeholder Workshop

A workshop with key business stakeholders was held on 24th April 2013 at the Melton Civic Centre. Stakeholders included representatives of the owners and developers of many of the existing and planned activity centres in the municipality

The purposes of the workshop were:

- To understand the aspirations of centre owners and operators
- To establish common ground about how the network of activity centres will develop and the types of services they will contain
- To test principles for the retail and activity centres strategy

A discussion paper was prepared and delivered to participants prior to the workshop. A presentation based on the paper was made to participants and used as the basis for discussion. This presentation outlined why an activity centres strategy was necessary and provided a draft of the key principles of the strategy. In addition, the paper outlined a proposed activity centres hierarchy with expected retail floorspace, and posed some questions regarding centre size, making centres distinctive and competition, amongst other things.

Key points from the workshop included:

- Several stakeholders indicated their opposition to specific controls on floorspace or on the ability of their centres to become as large as the market would allow. Others were more accepting of a hierarchy of centres as a means of providing a measure of certainty for investors.
- Maximising employment should be a key consideration of any activity centre strategy.
- Shopping centres are evolving in response to competitive pressures and any planning strategy should be flexible enough to accommodate change.
- Design of centres should be distinctive in order to create community focal points but, according to some, this should be

left to the market. In particular, car-parking should not be made difficult since this is a key attractor for customers.
- Public transport is likely to be most important for the larger centres in order to get large numbers of people to work. Local bus routes will be an advantage for smaller centres.
- According to some, Council should concentrate on establishing the network of neighbourhood centres since these are the catalyst for community development. The development of larger centres should be left to the market.
- Council should reduce red tape associated with development; be more of a facilitator, in order to attract investment and jobs.
- There was some agreement that a full-line supermarket would require a catchment of at least 10,000 people.

Not all participants agreed with the "let the market decide" point of view (ie doing away with planning for activity centres). However, there was general agreement that a flexible and realistic strategy was required to encourage investment.

3.4 Meetings with Stakeholders

Individual meetings have been held with a number of the key stakeholders at their request to discuss the following centres:

- Botanica Springs
- Burnside Shopping Centre
- Caroline Springs Town Centre
- Waterford
- Woodgrove

These meetings have covered a range of issues specific to the prospects of the individual centres identified.

4 Retail Analysis of Existing Centres

Whilst activity centres contain a wide range of services and other activities, retailing is usually the largest single activity and the one that usually defines each centre's place in the hierarchy. The retail analysis presented here shows a step-wise calculation of the balance between the current demand and supply of retail shops in the City of Melton. It looks at:

- The trade areas for centres
- The retail floorspace
- The retail sales in existing shops
- The existing population of the City
- The estimated retail spending of that population
- Spending by visitors
- The balance of retail supply and demand, including an estimate of escape spending

This analysis looks at the municipality as a whole. Separate analyses have been undertaken for each of the eight main retail activity centres in the City and these are presented in the Appendix.

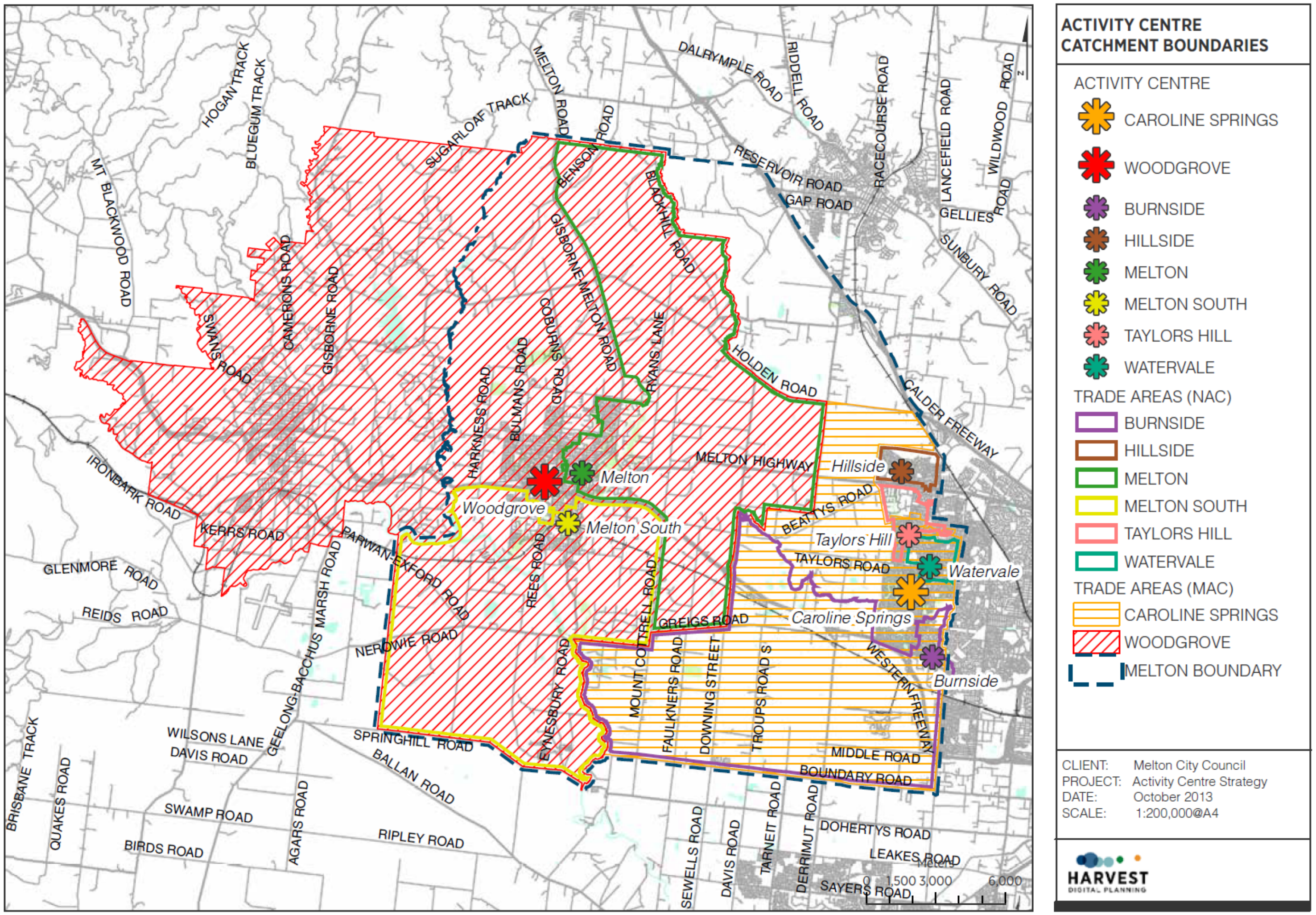
4.1 Trade Areas for Centres

The trade area of an activity centre is the area from which it gets most of its sales; the area from which residents naturally visit the centre to obtain particular goods and services. At the boundary of the trade area, residents may choose from two or more centres that provide equivalent services. The extent of a trade area is influenced mainly by the location of competing centres and the travel patterns of residents. By and large, residents make rational choices about where they shop, choosing the closest available centre in which they can satisfy their needs. The precise boundaries are usually set by the analyst to coincide with convenient statistical areas.

For planning and assessment purposes, this analysis assumes that the trade areas of centres at each level in the hierarchy are mutually exclusive; that is, the trade areas of Neighbourhood Activity Centres do not overlap and the trade areas of Major Activity Centres do not overlap, although a location may be in the trade area of both a Major and Neighbourhood Activity Centre. Of course, people travel to shop outside their trade areas for many purposes and centres compete, being more or less successful in serving their residents. Nevertheless, the benefit in assuming that a centre is responsible for serving its local trade area is that all geographic areas of the community are considered when planning the emerging network.

Figure 5 shows in a notional way, the trade areas for the Major and Neighbourhood Activity Centres in the City of Melton. (Although the Melton Town Centre is a Major Activity Centre its ***retail*** role is as a large Neighbourhood centre and its catchment area is treated accordingly.)

Figure 5: Melton activity centre trade area boundaries



4.2 Activity Floorspace

The following table provides an estimate of retail and non-retail floorspace based on a variety of sources including on-foot surveys by the consultant team, aerial photographs and reports held by Council.

The table shows that the City of Melton has a total retail floorspace of 145,600 sq m. The total floorspace in the activity centres of the municipality is approximately 284,800 sq m (excluding schools and dwellings).

For the purposes of this report, retail activity comprises the following categories:

Food and groceries – supermarkets, general stores, liquor outlets, specialty food outlets (butchers, bakers, greengrocers etc)

Non-food goods, comprising

- **Clothing** – clothes, shoes, manchester
- **Household goods** – homeware, hardware, furniture, floor coverings, curtains and blinds, electronic goods etc
- **Recreational goods** - sporting goods, toys, bookshops, newsagents
- **Other goods** –, chemists, florists, jewellers, second hand goods etc

Food service – cafes, restaurants and take-away food outlets

Retail services – hairdressers, beauty parlours, video rental, clothing and household goods repairs

Certain activities are excluded, including automotive sales, fuel and parts. Outlets that are mainly providing wholesale goods are also excluded.

Table 2: Estimated retail floorspace, City of Melton 2012

Activity	Caroline Springs town centre	Melton town centre	Woodgrove	Burnside	Hillside	Melton South	Taylors Hill	Watervale	Local Centres	Other retail	Total
Food and groceries	7,000	13,800	9,500	4,500	1,100	3,800	4,500	4,100	2,000	100	50,400
Non-food goods	9,400	10,200	21,500	18,800	200	1,000	1,700	400	1,100	2,300	66,600
Food service	4,800	8,200	2,800	1,000	400	1,300	1,400	300	1,700	600	22,500
Selected retail services	800	3,300	300	0	200	700	300	100	500	0	6,200
Total retail floorspace	**22,000**	**35,500**	**34,000**	**24,400**	**1,900**	**6,800**	**8,000**	**4,900**	**5,100**	**3,000**	**145,600**
Non-retail floorspace	53,300	53,900	15,100	7,200	1,700	1,900	1,800	400	8,800	0	144,100
Total floorspace	75,300	89,400	49,000	31,600	3,600	6,800	9,800	5,300	14,000	0	284,800

Source: consultant estimates

Notes
Figures for non-retail floorspace exclude school buildings
Figures for non-food retail floorspace have been adjusted to take account of wholesale sales at hardware outlets
Burnside includes adjacent retail activity (eg hardware stores) but not adjacent industrial activity
Figures for Taylors Hill have been adjusted to account for non-food floor area in the supermarket
"Other retail" includes peripheral sales outlets at Melton Gateway

4.3 Retail Sales

By estimating the average sales per square metre of retail floorspace in different categories, and knowing the total floorspace in each category, it is possible to make an estimate of retail sales at the various centres in the municipality.

The retail turnover density, that is, sales per square metre, has been estimated from a variety of statistical and industry sources. These figures take into account the location of the centre and the nature of the shops in each category.

The sales estimates are based on *average* figures for their category; it may be that some shops are trading above or below the average for their category. For example, if a supermarket were trading well above the average in a particular centre the sales for the food and groceries category and for the centre as a whole would be under-estimated. Nevertheless, it is important for the subsequent analysis that average figures are used in order to understand the potential for growth. Using higher figures would under-estimate the development potential and could entrench a situation in which one retailer was able to derive higher than average returns at the expense of competition in that centre.

The tables overleaf provide an estimate for total retail sales in the shops of the City of Melton of $913 million in 2012.

Table 3: Estimated retail turnover density, 2012 ($annual sales per sq m)

Retail type	Caroline Springs town centre	Melton town centre	Woodgrove	Burnside	Hillside	Melton South	Taylors Hill	Watervale	Local Centres	Other retail
Food and groceries	$8,600	$7,200	$9,600	$8,800	$8,000	$8,300	$9,300	$9,300	$5,500	$5,500
Non-food goods	$5,800	$4,800	$6,000	$4,500	$5,000	$5,000	$5,800	$5,800	$4,500	$4,500
Food service	$5,500	$4,800	$5,500	$5,200	$4,800	$4,800	$5,000	$5,000	$4,500	$5,000
Selected retail services	$4,200	$3,800	$4,500	$4,200	$3,800	$3,800	$4,200	$4,200	$3,500	$3,500
Total retail	**$6,600**	**$5,700**	**$6,400**	**$4,200**	**$6,600**	**$6,700**	**$7,500**	**$8,600**	**$5,000**	**$4,600**

Source: Tim Nott

Table 4: Estimated retail sales, 2012 ($m per year)

	Caroline Springs town centre	Melton town centre	Woodgrove	Burnside	Hillside	Melton South	Taylors Hill	Watervale	Local Centres	Other retail	Total
Food and groceries	$60.2	$99.4	$91.2	$39.6	$8.8	$31.5	$41.9	$38.1	$11.0	$0.6	$422.2
Non-food goods	$54.5	$49.0	$129.0	$84.6	$1.0	$5.0	$9.9	$2.3	$5.0	$10.4	$352.6
Food service	$26.4	$39.4	$15.4	$5.2	$1.9	$6.2	$7.0	$1.5	$7.7	$3.0	$113.7
Selected retail services	$3.4	$12.5	$1.4	$0.0	$0.8	$2.7	$1.3	$0.4	$1.8	$0.0	$24.1
Total retail	**$144.5**	**$202.3**	**$237.0**	**$129.4**	**$12.5**	**$45.4**	**$60.0**	**$42.4**	**$25.4**	**$13.9**	**$912.6**

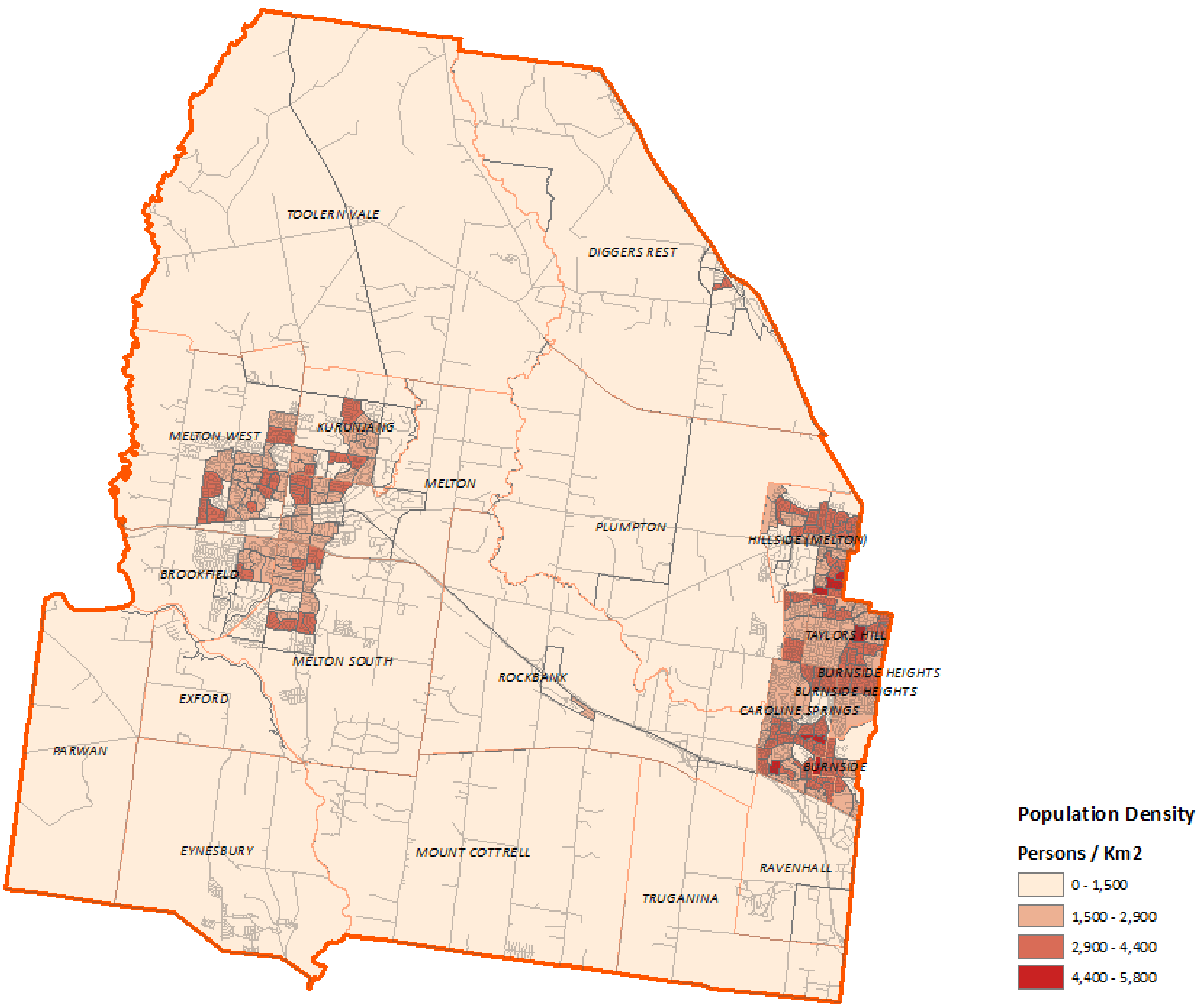
Source: Tim Nott

4.4 Population

Based on estimates provided for the City by .id consulting (.id consulting, 2012) the population of the City of Melton in 2012 was 117,220. The City grew at an average of 6.8% per year over the period from 2006 to 2011, making it the fastest growing municipality in the State.

The population is concentrated in two areas – on the western fringe of the Melbourne urban area (in the east of the City) and in the satellite township of Melton itself. (Refer Figure 7).

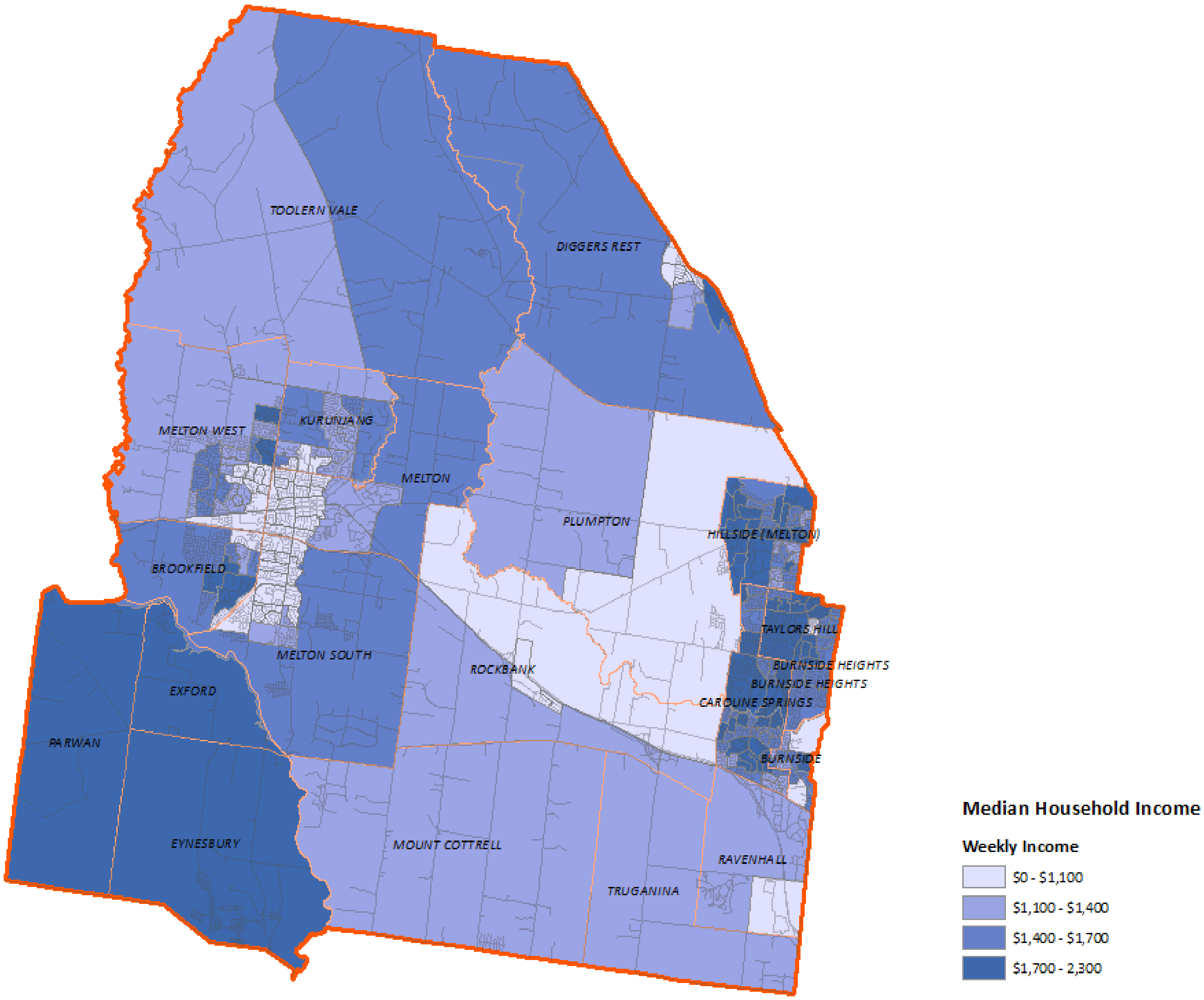
Figure 6: Population density, City of Melton, 2011



Source: Harvest DP from ABS, 2012

This urban divide also marks something of a socio-economic divide, with incomes much higher on average in the eastern part of the municipality than in Melton township. This is illustrated in the map of median household income below (refer Figure 7).

Figure 7: Median weekly household income, City of Melton, 2011



Source: Harvest DP from ABS, 2012

Median household income in much of the established urban area of the Melton township as well as in the rural areas in the centre of the municipality is below $1,100 per week. Median household incomes in most of the more recently developed areas are above $1,400 per week, and many areas are above $1,700 per week. As a reference, median weekly household income in Melbourne as a whole was $1,333 at this time.

4.5 Retail Spending of Residents

Retail spending patterns have been estimated here using the Market Info[1] data series and household income figures from the Census of Population and Housing (ABS, 2012). Table 5 provides an estimate of annual retail spending per person in the City of Melton.

Table 5: Annual retail spending per person, Melbourne and City of Melton, 2012

	Greater Melbourne	City of Melton	Melton compared with Melbourne
	$	$	%
Food and groceries	$5,000	$4,800	96%
Non-food goods	$5,400	$4,900	91%
Food service	$1,900	$1,700	89%
Retail services	$500	$500	100%
Total retail spending	$12,800	$11,900	93%

Source: MDS Data Systems, 2006; ABS, 2012; Tim Nott

The retail spending of residents of the City of Melton is approximately 93% of that in Melbourne as a whole.

Using the population estimate provided by .id consulting, it is possible to generate figures for total retail spending by residents, as shown in Table 6 below. This table also takes into account the likely online retail spending of local residents and the share of retail spending that is undertaken in shops.

Online shopping currently accounts for approximately 6% of retail sales in Australia (see box). This compares with 7.5% in the USA and 9% in the UK (in 2011, according to Frost & Sullivan, 2011).

> *In the twelve months to November 2012, Australians spent around $12.6 billion on online retail. This is equivalent to 5.7% of the scale of traditional bricks and mortar retail (excluding cafés, restaurants and take-away food) for the year to October 2012.*
>
> Gerald Burg, NAB Business Research and Insights, 9th January 2013.

[1] Market Info is a microsimulation model that uses the Census and Household expenditure survey to estimate spending on particular goods and services by the residents of statistical areas. It has become the industry standard for estimating retail spending.

Table 6: Estimate of total retail spending, 2012

Retail type	Spending per person	Total spending	Spending in shops	
	$	$m	% of total	$m
Food and groceries	$4,800	$562.7	99%	$557.1
Non-food goods	$4,900	$574.4	94%	$539.9
Food service	$1,700	$199.3	99%	$197.3
Retail services	$500	$58.6	80%	$46.9
Total retail spending	$11,900	$1,395.0	96%	$1,341.2

Source: Tim Nott

Total annual retail spending by City residents is $1.39 billion in 2012, with spending in shops around $1.34 billion.

4.6 Balance of Retail Supply and Demand

Table 7 compares the retail sales in the shops in the City of Melton with the retail spending of residents in the municipality to understand the existing balance between supply and demand. It makes the assumption that approximately 11% of retail sales in the municipality are made to visitors who live outside the City of Melton (and this is based broadly on the more detailed analysis undertaken for each centre – see Appendix 1). These are likely to be people visiting friends and relatives in Melton, people from Bacchus Marsh and others who are travelling through or who work in Melton but live elsewhere.

Table 7: Estimate of retail escape spending, City of Melton, 2012

Retail type	Retail sales	Sales to visitors		Sales to residents	Total spending by residents in shops	Escape spending	
	$m	%	$m	$m	$m	$m	% of all spending by residents in shops
Food and groceries	$422.2	8%	$33.8	$388.5	$557.1	$168.6	30%
Non-food goods	$350.6	14%	$49.1	$301.5	$539.9	$238.5	44%
Food service	$113.7	12%	$13.6	$100.0	$197.3	$97.3	49%
Retail services	$24.1	12%	$2.9	$21.2	$46.9	$25.7	55%
Total retail	$910.6	11%	$99.4	$811.2	$1,341.2	$530.0	40%

Source: Tim Nott

This table shows an estimated escape spending – that is, spending by municipal residents undertaken outside the municipality – of approximately $530 million last year, or 40% of all retail spending in shops by residents.

To some extent, escape spending represents a lost opportunity for local employment and service provision. However, since Melton is part of the wider metropolitan area, some level of escape spending is inevitable and, in some respects creates healthy competition to deliver keen prices and improved services. The following factors contribute to the escape spending:

- Melton lacks a regional shopping centre with a department store, which residents travel to access in Highpoint, Werribee Plaza or the CBD
- Over 80% of working residents leave the municipality to work each day, often undertaking at least some of their shopping close to where they work
- Some parts of the City – Diggers Rest and Hillside for example – are closer to major shopping centres (Sunbury and Sydenham) that are outside the municipality

The level of escape spending at approximately 40% is understandable given that regional shopping centres, the Melbourne CBD and the dining precincts of inner Melbourne are all attractions outside the City. Nevertheless, a key aim of the Retail Strategy will be to reduce the level of escape spending, bring services closer to Melton residents and creating higher levels of local employment.

5 Key Influences on Future Development

The future development of activity centres in the City of Melton will be driven by a wide range of factors including:

- General economic conditions (that is, demand will vary according to the business cycle and the ebbs and flows of the international economy)
- Changes in the organisation of the retail industry and other industries that work through activity centres such as the growth of internet shopping
- Changes in the number of people in the catchment and the level and type of their spending
- Competition from other centres in the surrounding activity centre network
- Policy requirements of Council and State Government

For this assessment, general economic conditions are assumed to continue as in the past, with growth in GDP averaging 2-3% per year, varying with the business cycle. The other factors are examined here.

5.1 Retail Development Trends

5.1.1 The Internet

Various pundits, including the founder of Amazon.com, have suggested that online retailing in mature economies will gradually achieve 15% of all retail sales. However, other commentators have suggested that, with mass customisation in fashion, improvements in online food ordering, and more widespread adoption of online technology, online retailing could approach 50% of total sales. For the moment this seems unlikely; nevertheless, online retail sales appear set to grow substantially (Refer Figure 8).

Figure 8: Forecast of online retail expenditure

Source: PWC/Frost & Sullivan, 2012 (excludes cafes and restuarants)

It is likely to be more and more the case that retailers will have an online presence so that the distinction between real and virtual shops will become blurred. This may mean that chain stores take up less shop space and more space in industrial areas for packing and distribution. Independent stores with an online presence may use more of their store space for fulfilling orders and less for display purposes. Smaller centres in established suburbs often have a relatively high proportion of independent stores. As long as these independent retailers develop an online presence, on-site order fulfilment may ensure that shops remain occupied. However, centres where retailers neglect the online potential of their business may well begin to experience long-term vacancies.

5.1.2 Retailer Strategies

Retailer strategies in some segments are in a state of flux as the sector struggles to respond to the challenge of the internet and other competitive pressures.

Supermarket operators are continually seeking growth in market share and expanding the range of goods that they provide, using their extensive and efficient supply chains and market power to deliver low prices for customers. This has led to the development of larger stores, including stores such as that in Taylors Hill which deliver a wider range of non-food goods. In addition, new supermarket chains have entered the market from overseas with a very low cost offering, including Aldi and, latterly, Costco. These developments increase the pressure on small and independent grocers and food outlets.

Traditional **department stores** (Myer, David Jones etc) and **discount department stores** (Target, Kmart, Big W) have had a declining market share for a number of years and this has led the major retail operators to begin experimenting with new store formats, including smaller full-line discount department stores. The decline has also created room for new large format clothing and other store operators, mainly from overseas chains looking for outlets in the relatively buoyant Australian market (Zara, Top Shop etc). These changes are particularly relevant to the PACs and MACs. Whilst department stores and discount department stores remain the defining retail component of these centres for now, future anchors may be very different, relying on a collection of stores rather than a single store.

There will be increasing competition throughout the clothes and homewares sector, making it more difficult for neighbourhood centres to offer goods in these categories. Non-food stores in neighbourhood centres are likely to succeed best where they have a strongly defended niche market.

Home-maker/bulky goods precincts are undoubtedly car-oriented features of the retail landscape. They require relatively large areas of land with excellent road access. They are said to be car-oriented because of the large items that shoppers may need to transport away from the site. However, this reason for car-dependence is overstated in many cases since most shoppers do not need to load large items; they are often buying smaller items or ordering large items for delivery by the retailer (eg beds, furniture, whitegoods etc). The more compelling reason that home-maker precincts are car-oriented is simply that the scale of outlets, especially when collected together, makes it inconvenient and unattractive to access them any other way. The large scale requires large, relatively inexpensive sites for this business model to work and these are to be found only on the periphery of existing activity centres and/or in light industrial or greenfield sites.

Home-maker precincts have become a legitimate and accepted part of the retail landscape that have contributed to retail innovation and enabled economies of scale at which some products have become viable in suburban locations that might previously have been the preserve of highly specialist or higher order centres. Nevertheless, in most cases the products provided in home-maker precincts are the same products provided in town centres and more conventional retail outlets.

The growth of **out-of-centre homemaker retailing** in many categories has temporarily abated as the large chains have struggled with competition from the internet and apparently reduced spending by Australian consumers. However, increasing competition may see growth in pressure for low-cost retail locations outside of existing designated centres, particularly in industrial areas that are able to accommodate larger format stores. Recent planning policy changes at State Government level have assisted the sector in this regard. Home-maker retailing in Melton is established in a limited number of locations (mainly Woodgrove, Melton Gateway and Burnside), all of which have sufficient land to accommodate growth. Further home-maker (bulky goods) retailing is planned in the Toolern PAC and may be a feature of planning for new Major Activity Centres. There are benefits in ensuring new retailing of this type is colocated with larger activity centres in order to gain efficiencies in infrastructure provision and to reduce shopper travel costs.

Traders' organisations, particularly in multi-owner strip centres, provide a collective voice for the retail industry in each centre and allow retailers to cooperate on important aspects of activity centre life including promotional campaigns, opening hours, centre planning and so on. Such cooperation is often seen as vital to enable strip centres to compete more effectively with single-owner centres which have direct control over store placement, design and opening hours.

Figure 9: Loyalty cards and online marketing allow tailored information and offers

Increasingly, individual retailers and whole centres are taking to **social media and online marketing**. These new media allow traders to deliver information and offers tailored to their audience, particularly when linked to information gained through loyalty cards. Mobile phone applications are being used to alert shoppers to sales and deals within centres. Such extensive use of new media is, for the moment, the preserve of larger retailers and large shopping centres. However, smaller centres will need to adopt some of these means in order to compete, with collective action required through traders' organisations.

5.1.3 Increases in productivity

Reduction in the labour intensity of big box outlets compared with traditional smaller shops, and the introduction of new technology such as scanners, eftpos, reordering at the point of sale and so on has generated higher than average improvements in labour productivity in retailing. In the five years to 2009-10, average annual growth in labour productivity in retail was 2.8% compared with an average of 1.5% in a broad range of other industries (Productivity Commission, 2011). This increase in productivity, coupled with recent slow growth in retail sales has resulted in a slight decline in the share of retail employment in the general economy. "After a decade of relative stability, the retail industry's share of total employment in the economy has fallen from a peak of 11.8 per cent in 2005 to 10.8 per cent in 2010" (Productivity Commission, 2011).

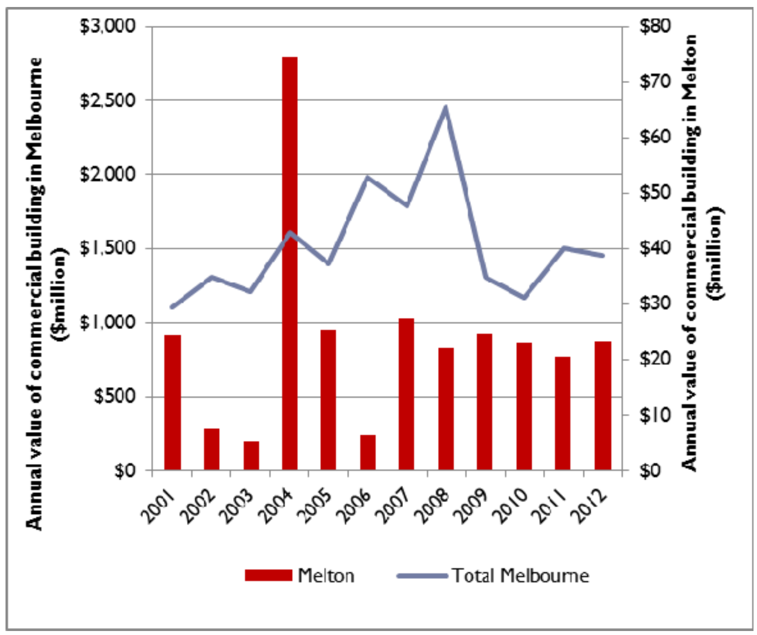
Despite this recent fall, retail employment is likely to continue to be the mainstay of employment in activity centres throughout the municipality for the foreseeable future.

5.2 Office Development Trends

Besides shops, offices are the other key commercial land-use within activity centres. Office activities in existing centres in the City of Melton take up approximately 30,000 sq m of space, mostly in small offices and shop-fronts. Council itself is one of the largest office users with other large users including large health centres, employment services and professional services. Presently Melton and Caroline Springs Town Centres are the main office locations. However, most centres have some office activities.

Within Melbourne, the CBD, the City Fringe and eastern suburbs centres have traditionally been the key office development precincts for larger scale offices and those accommodating activities that serve a metropolitan, State, national or international market. These areas have been most central to a professional workforce but there has also been some lack of understanding about the potential of other parts of the metropolitan area by the property development community (see for example, ASR/SGS Economics and Planning, 2007, on office potential in the northern suburbs). Whilst the potential for viable development away from the traditional office precincts is slowly being recognized, with developments such as University Hill (in Whittlesea) and Caroline Springs, it remains the case that large-scale office development is more limited in Melton than other areas.

Figure 10: Value of commercial building, Melton and Melbourne, 2001 to 2012

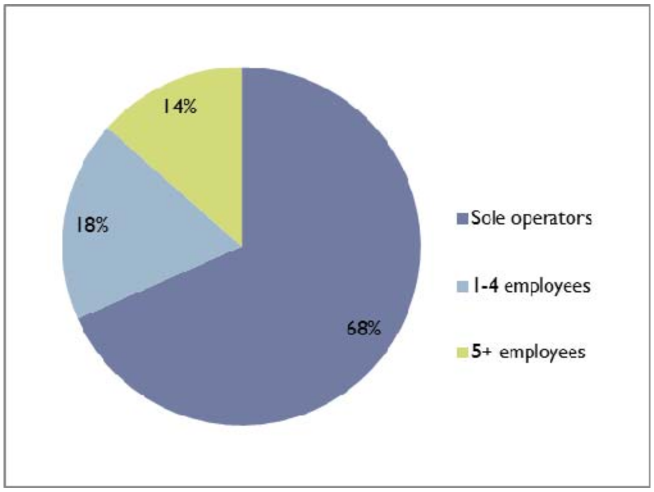


Source: Building Commission, 2013

Nevertheless, office (and other commercial) development has been relatively steady in Melton over the last five years, compared with Melbourne as a whole, as shown in the adjacent chart. In particular, the "global financial crisis" does not appear to have significantly affected development in Melton as it did in Melbourne as a whole.

Office development is driven by demand from firms involved in professional and business services. This industry is predicted to be one of the fastest growing of all local industries over the period to 2030 (see Draft Economic Development and Tourism Plan released by Melton City Council in 2013). Larger offices are generally located in larger activity

Figure 11: Share of the growth in number of businesses, Melton, 2009 to 2011



Source: ABS, 2013

centres because of the infrastructure requirements for the office and the staff. Small offices can be located in any size activity centre. Neighbourhood centres often have offices to accommodate small professional service firms catering to a small market or where they can access relatively low cost office space. In developed suburbs of Melbourne, some local activity centres that lost their retail role have become thriving small office precincts instead, catering to micro-business operators who often live locally (see, for example, Manningham City Council, 2007). Given that microbusinesses - sole operators and those employing less than five people - constitute the largest proportion of local businesses and the fastest growing segment (Figure 11), demand for small office space in activity centres is likely to be buoyant.

Small offices are the first step on the commercial property ladder for many business operators and are often sought close to home. An adequate supply of small office space is therefore important in reducing the need for local residents to commute long distances to work.

Council has recognized the importance of small office spaces and is developing the Western BACE (Business Accelerator and Centre for Excellence) as one of the first public buildings in the newly developing Principal Activity Centre at Toolern. This facility will provide around 2,000 sq m of office space, much of which will be leased to small start-up businesses.

Competition for larger scale office development in Melton's activity centres will come from large multi-functional centres in the wider region such as Sunbury, Sunshine and Werribee. There may also be competition from some industrial areas where recent zoning changes mean that unlimited offices *may* be developed on land zoned IN1 or IN3 (unless limits are specified in the planning scheme). Any significant office developments on industrial land in Melton are likely to be related to adjacent industrial activities although there may be scope for low cost back-office functions in inexpensive buildings. There are benefits in concentrating offices in activity centres including the generation of economies of scale and the improvements in the potential for new activities. However, where firms are able to function more efficiently by co-locating their office and industrial functions then a location on industrial land may generate more employment in the longer term.

5.3 Community Infrastructure Development

Community infrastructure comprises a wide range of public and private services including:

- Schools, kindergartens and child-care centres
- Hospitals, health centres, clinics and doctors surgeries
- Sports grounds, swimming pools and other sporting and recreation facilities
- Libraries, museums, cultural and entertainment centres
- Courts, police, fire, ambulance and emergency services facilities

Provision standards for each of these services are evolving but the Growth Areas Authority has adopted work undertaken by ASR (2009). This identifies different levels of provision for communities of different sizes. These are indicated in the Figure 13.

Figure 12: Indicative Community Infrastructure Hierarchy

Hierarchy	Items
Level 1 *Provision ratios up to 10,000 people*	• Government Primary Schools (including out of schools hours care)/Early Years Facility • Level 1 Council Community Centres/ Early Years Facility/Neighbourhood House • Level 1 Active Open Space • Level 1 Passive Open Space (including level 1 playgrounds) • Long Day Child Care Centres • Social housing
Level 2 *Provision ratios between 10,000 and 30,000 people*	• Government Secondary Schools • Catholic Primary Schools • Level 2 indoor recreation centres • Level 2 Council Community Centres/Early Years Facility/Neighbourhood Houses • Low Order Tennis Facilities • Low Order Youth Facilities • Maternal & Child Health (within every second level 1 early years facility) • Occasional Child Care (as part of every neighbourhood house and leisure centre) • Residential Aged Care
Level 3 *Provision ratios between 30,000 and 60,000 people*	• Libraries • Aquatic Leisure Centres • Community Arts Centres • Catholic Secondary Schools • Higher Order Active Open Space Reserves • Level 3 indoor recreation centres • High Order Tennis Facilities • Lawn Bowls Facility • High Order Dedicated Youth Facilities • Level 3 Council Community Centres • Level 3 Council and Community Services Health Precincts (DHS Level 2 Community-based health precincts - dedicated outreach health precinct sites)[2] • Early Childhood Intervention Service • PAG facility • Delivered meals facility • Level 3 adventure playgrounds • Other independent schools
Level 4 *Provision for the total municipality*	• Main Council Civic Centre • Level 3 Community-based health precincts – Day hospitals that contain main or outreach Community Health Centre site (including Mental Health)[3] • Synthetic athletics track
Level 5 *Provision for two or more municipalities*	• Highest Order Performance Arts Facility • Universities/TAFEs • Level 4 Community-based health precincts - Hospitals with community-based health services • Regional Parks

Source: ASR, 2009

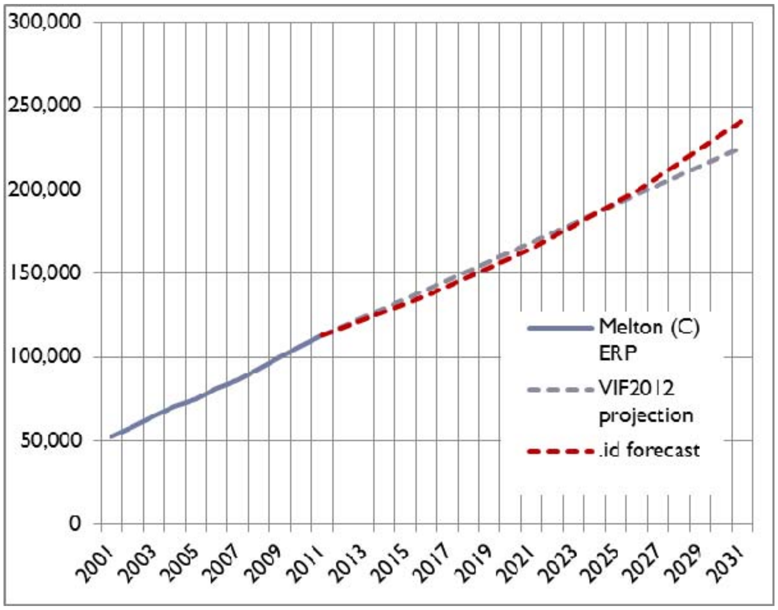
The reader should note that only some of the community services identified are likely to be provided within activity centres. However, in many cases, community services can benefit from a location in activity centres of an appropriate scale by being accessible to their catchment and sharing infrastructure such as car-parking. Commercial activities can also benefit through generation of customers who can undertake multi-purpose trips.

The catchment for level 1 infrastructure – primary schools, child care and small open spaces - broadly corresponds to that of Neighbourhood Activity Centres. Most of the facilities outlined in the table above would be best located on the outskirts of a NAC given that they take up relatively large areas of land.

The catchment for level 2 infrastructure corresponds to that of either large NACs or Major Activity Centres. Again, Council would expect that most of these facilities would be located close to, if not within, activity centres.

The catchment for level 3 to 5 infrastructure corresponds to that of Major and Principal Activity Centres. Council should expect that the relevant pieces of community infrastructure at this scale would be provided in or adjacent to such centres. At this level, accessibility via the principal public transport network is important for both users and workers.

Figure 13: Population forecasts for the City of Melton to 2031



Source: ABS, 2013; DPCD, 2012; .id consulting, 2013

5.4 Population Growth

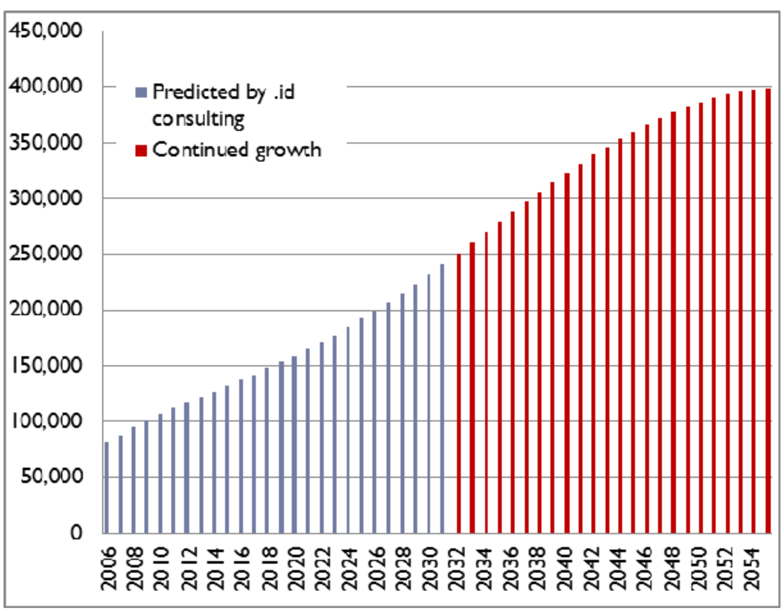
The latest population forecasts for the City of Melton are shown in Figure 13. The Victoria in Future population projection undertaken by State Government suggests that Melton will have 226,000 people by 2031. The forecasts undertaken by .id consulting for the council have the population at 242,000 by 2031.

For the purposes of the retail strategy, the .id forecasts are more useful because they have been built up from forecasts for small areas within the municipality, and are adopted here. However, the reader should bear in mind the potential for different outcomes.

The .id consulting forecast has the City of Melton growing at an average of 3.9% per year over the period from 2011 to 2031.

However, the municipal population will continue to grow beyond 2031. Planning for residential development allows much more growth in the various precincts of Melton, with continuous urban development expected between Caroline Springs and Melton. Several data sets have been used to estimate the population at full development including:

Figure 14: Forecast population at full development, City of Melton



Source: .id consulting, 2013; Tim Nott

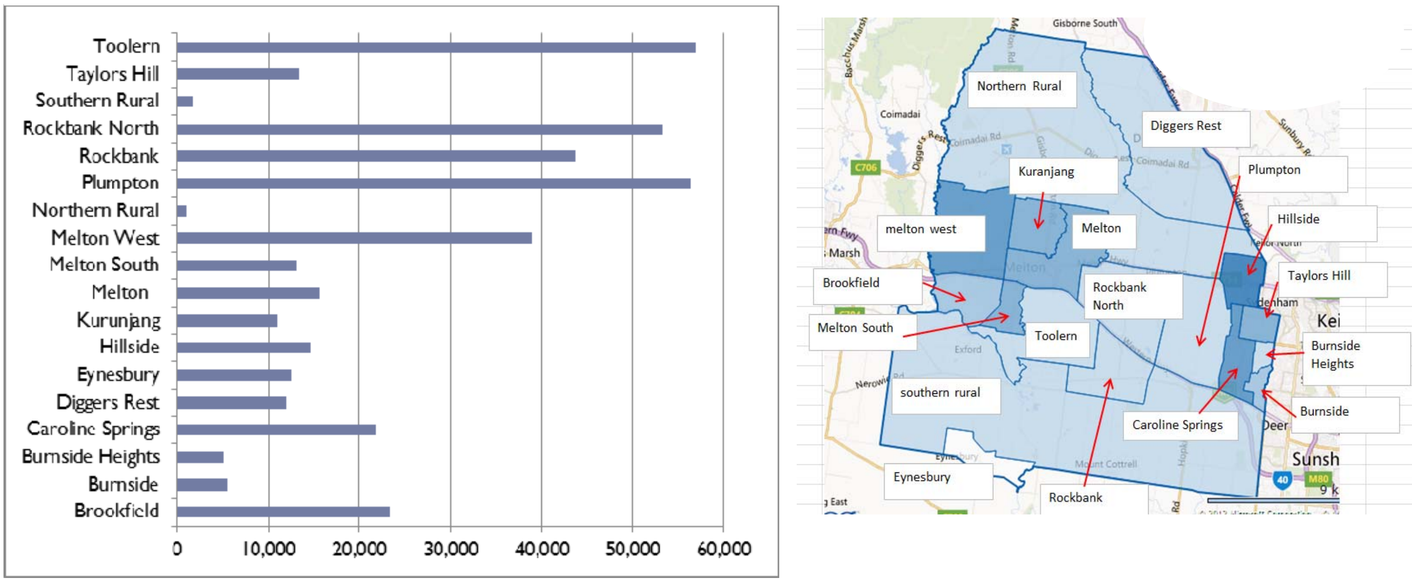
- Work on the existing Precinct Structure Plans (PSPs) by the Growth Areas Authority
- Work on corridor traffic modelling undertaken for the Growth Areas Authority
- Estimates of full development in the recent extensions of the Urban Growth Boundary

In total, population in Melton at full development is expected to be approximately 400,000. The expected growth trajectory of the City is shown in Figure 15. Full development is not expected until the mid-2050s.

As with all population forecasts, these figures must be revised periodically in order to take account of current trends.

The distribution of the population at full development is shown below in the chart and accompanying map.

Figure 15: Population at full development in forecast areas, City of Melton



Source: .id consulting, 2013; Tim Nott

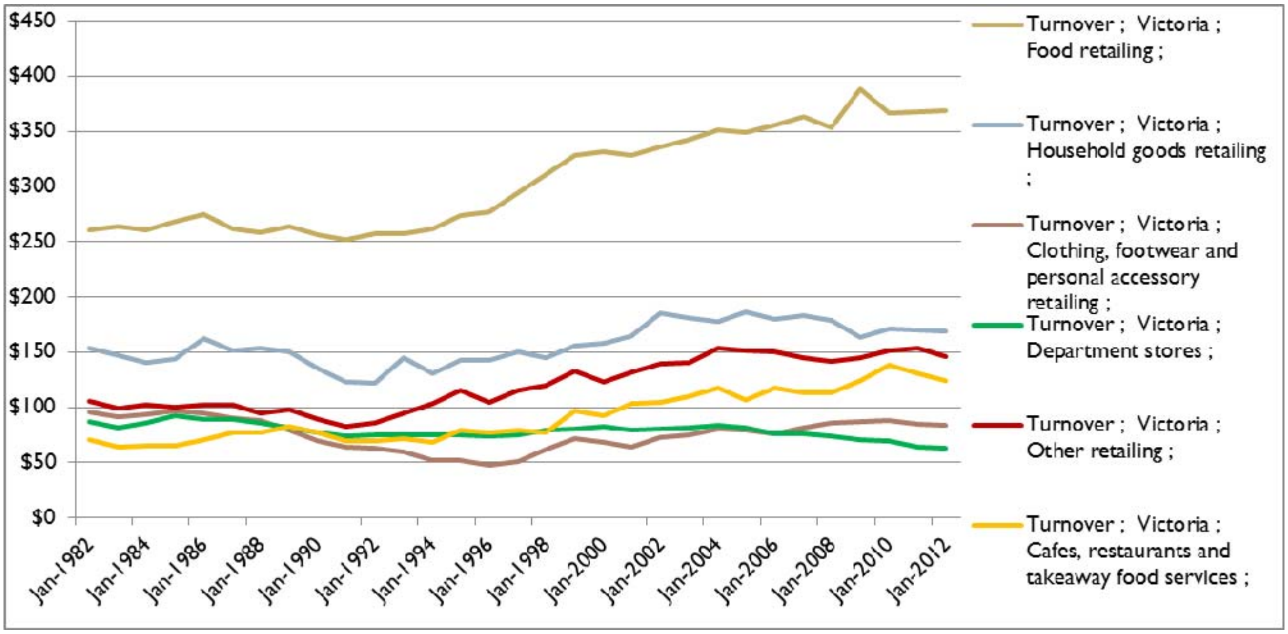
5.5 Trends in Retail Spending

Taking inflation into account, retail turnover per person in Victoria over the period from 1982 to 2012, has grown in real terms by approximately 0.7% per year. Figure 16 shows the growth in various retail categories

Growth has been particularly strong in segments such as food service, electronic goods (part of the household goods category), liquor (part of the food category) and pharmacy products (part of the other retail category). In part, this strong growth has been a result of the appearance of new products – the growth of consumer electronics for example. On the other hand, there has been a decline in real spending on clothes and in Department stores, mainly a result of the real reduction in the cost of clothing over this period with the growth of manufacturing in emerging economies and the reduction of tariffs.

Given the wide range of influences, it is difficult to predict how turnover per person will change in the future. It does seem likely that some costs will rise as competition for food and energy grows. On the other hand, the increasingly global economy is continually seeking out low cost locations for manufactured goods. For the purposes of this report, real retail spending in Victorian shops is assumed to continue to grow at 0.7% per year.

Figure 16: Monthly retail turnover per person, Victoria, 1982 to 2012 (adjusted for inflation)



Source: ABS, Retail Trade Australia, 2012; Regional Population Growth, Australia, various dates; CPI, various dates

5.6 Competition from Surrounding Centres

Retail development in the City of Melton will be influenced by developments in the closest main centres that are outside the City but which presently serve Melton residents:

Watergardens

Watergardens and the Sydenham Principal Activity Centre presently has around 75,000 sq m of retail floorspace in the main shopping centre owned by QIC. Brimbank City Council has issued a permit for expansion of this centre to 90,000 sq m which was to be used to accommodate (with some rearrangement of existing space) a Myer department store and a Kmart. However, the department store development is not proceeding for the moment. Nevertheless, it is likely that Watergardens will grow and will continue to serve as a significant attractor for shoppers from the eastern parts of Melton.

Brimbank Central

Although Kmart has left Brimbank Central in 2012, the centre is in the process of being redeveloped, with a stronger food and grocery offering and with a major Coles store of 5,500 sq m which offers an extensive range of non-food items. This centre will be more accessible to residents of Burnside if the proposed extension of Rockbank Middle Road is constructed.

Bacchus Marsh Town Centre

Residents of Bacchus Marsh have extensive retail facilities in the Bacchus Marsh Town Centre. The centre presently lacks a full scale discount department store (DDS), with the nearest large DDS at Woodgrove in Melton. However, given expected population growth, a DDS will be viable at Bacchus Marsh within the timeframe of this strategy. This will reduce demand somewhat at Woodgrove – although Woodgrove will remain a larger shopping destination with plans for further growth beyond the present phase of expansion.

5.7 Activity Centre Policy

Presently, the State Government's policy on planning for activity centres derives from the metropolitan planning strategy - Melbourne 2030 and its successors – and work by the Growth Areas Authority (GAA) which has been enshrined within the Growth Corridor Plans and Precinct Structure Plans.

5.7.1 State Government Policy in the Planning Scheme

The key objectives of present activity centre policy are:

- *"To build up activity centres as a focus for high-quality development, activity and living for the whole community by developing a network of activity centres.*
- *To encourage the concentration of major retail, residential, commercial, administrative, entertainment and cultural developments into activity centres which provide a variety of land uses and are highly accessible to the community.*

To achieve those objectives State policy directs that relevant planners should:

"Develop a network of activity centres that:

- *Comprises a range of centres that differ in size and function*
- *Provides different types of housing, including forms of higher density housing.*
- *Is connected by public transport and cycling networks.*
- *Maximises choices in services, employment and social interaction.*
- *Support the role and function of the centre given its classification, the policies for housing intensification, and development of the public transport network.*
- *Undertake strategic planning for the use and development of land in and around the activity centres.*
- *Give clear direction in relation to preferred locations for investment.*
- *Encourage a diversity of housing types at higher densities in and around activity centres.*
- *Reduce the number of private motorised trips by concentrating activities that generate high numbers of (non-freight) trips in highly accessible activity centres.*
- *Improve access by walking, cycling and public transport to services and facilities for local and regional populations.*

- *Broaden the mix of uses in activity centres to include a range of services over longer hours appropriate to the type of centre and needs of the population served.*
- *Provide a focus for business, shopping, working, leisure and community facilities.*
- *Encourage economic activity and business synergies.*
- *Locate significant new education, justice, community, administrative and health facilities that attract users from large geographic areas in or on the edge of Central Activities Districts, Principal or Major Activity Centres with good public transport.*
- *Locate new small scale education, health and community facilities that meet local needs in or next to Neighbourhood Activity Centres.*
- *Ensure Neighbourhood Activity Centres are located within convenient walking distance in the design of new subdivisions.*
- *Improve the social, economic and environmental performance and amenity of the centre.*"

(Melton Planning Scheme, Clause 11.01)

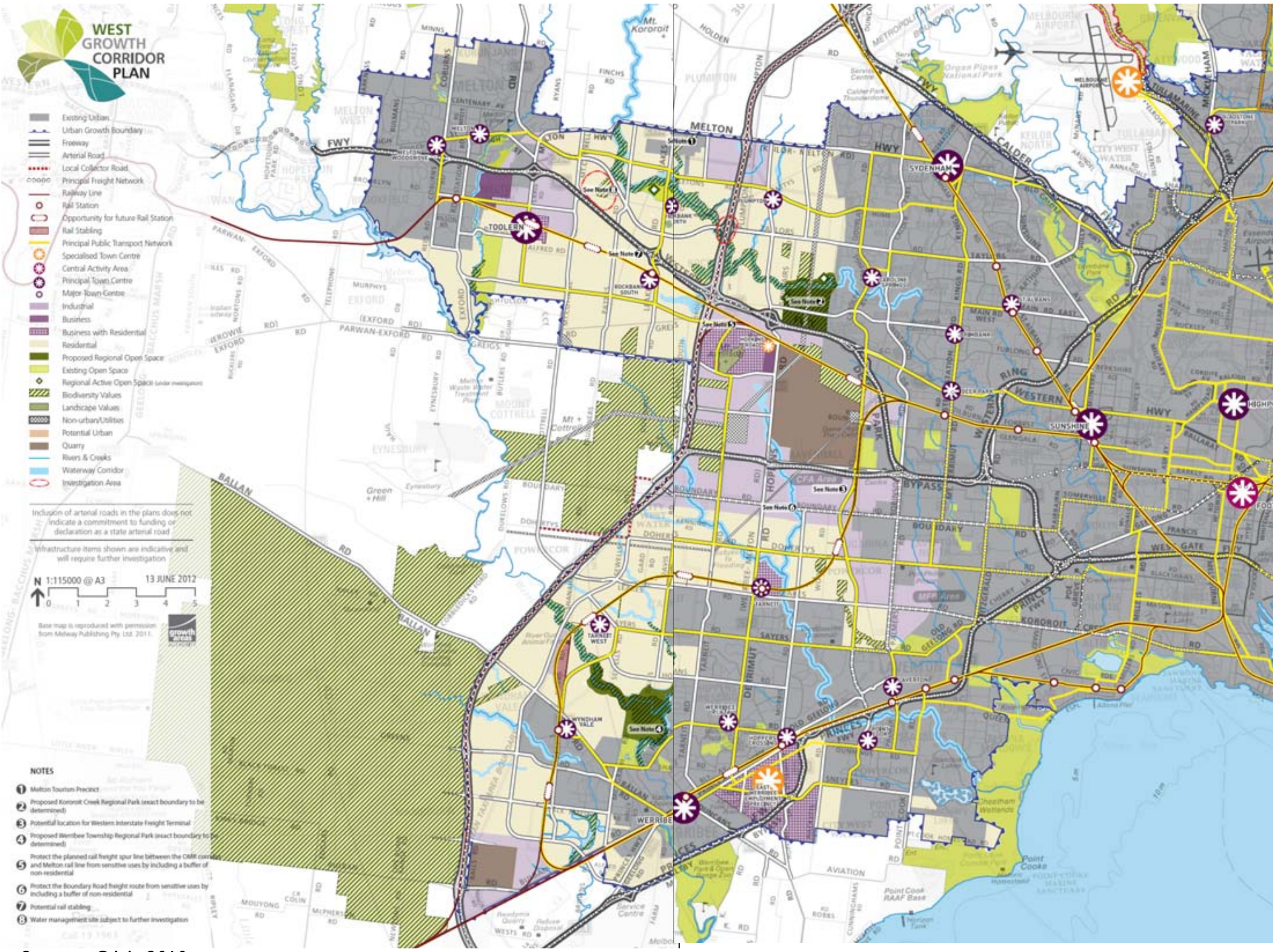
5.7.2 Metropolitan Planning Authority (formerly the Growth Areas Authority)

Existing local planning policy on activity centres is largely out of date due to the designation of much of Melton as one of Melbourne's 'Growth Areas'. Planning in these growth areas is the responsibility of the Metropolitan Planning Authority (MPA - formerly the Growth Areas Authority), in conjunction with Council and other stakeholders.

At a broad level, Melbourne's growth areas are first planned through Growth Corridor Plans, which identify the overall structure of the corridors. These growth corridors are then broken up into different 'Precincts' for which Precinct Structure Plans (PSPs) are prepared. Within the PSPs more detailed frameworks for the activity centres are sometimes included.

Melton sits primarily within the Western Growth Corridor (see Figure 17), although a small part of the municipality (Diggers Rest) is part of the Sunbury Growth Corridor.

Figure 17: Western Growth Corridor Plan



Source: GAA, 2010

The vision for the western growth corridor is as follows:

The Western Growth Corridor will play a significant role in the growth and diversification of the broader western region. The Hopkins Road Commercial Precinct, and potentially the Werribee Employment Precinct, together with existing and planned Principal and Major Town Centres will provide significant new opportunities for jobs, investment and services within the region.

The region will also continue to play a vital role in meeting Victoria's industrial, freight and logistics needs over the long term, whilst diversifying the employment offer in the region. Planned upgrades to the freeway and freight facilities in Melbourne's west will reinforce its importance to the industrial sectors.

Each local neighbourhood will have its own character, defined by its natural setting, and opportunities to integrate locally distinctive features

In activity centres and industrial areas, the aim of the GAA and Council is to create one job for every household in the municipality

There will be around 140,000 households at full development. Taking into account existing jobs, 124,000 new jobs will be required in Melton

Around 60% of all jobs will be in activity centres, which will need to accommodate 84,000 jobs at full development, 76,000 more than at present

into the development of the growth corridor will be maximised. These include waterways, hills, regional parks and open space and biodiversity reserves, as well as more distant view to the hills of the West and North and to the CBD. (See GAA, 2010)

The work of the GAA on Activity Centre policy has included a background report on Activity Centre and Employment Planning (see Essential Economics, 2011). This report identifies that the GAA is seeking to alter this pattern of centre development in the new growth areas so that residents have greater access to Local Town Centres (this term is equivalent to a Neighbourhood Activity Centre) that are supported by supermarkets as strong anchor tenants. The GAA aims to encourage the development of a network of easily accessible LTCs that are well distributed across the urban area, ensuring that a high proportion of residents are within 1km of a supermarket-based centre. The report also sets out a series of principals to deliver this pattern of town centre provision including floorspace allocations and road networks. The floorspace indications at each level of the hierarchy identified by Essential Economics are:

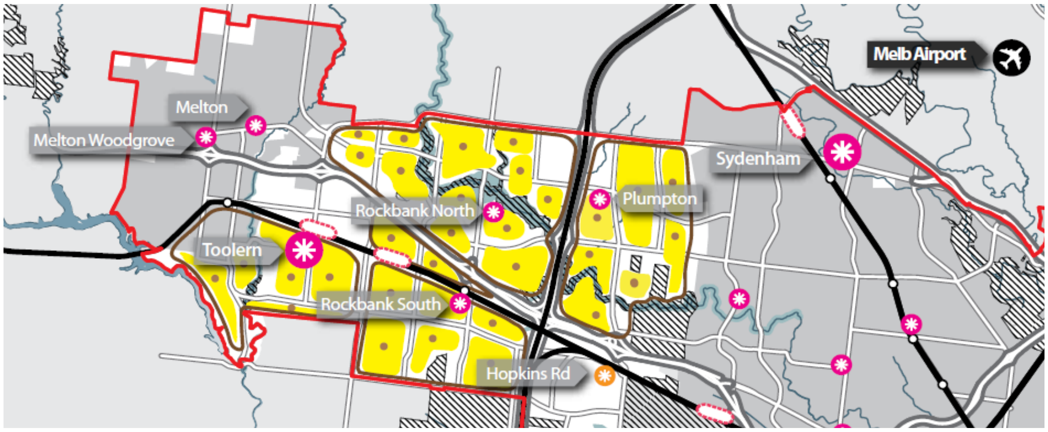
- Local Town Centre (equivalent to a Neighbourhood Activity Centre) with a catchment population of at least 8,000 and preferably 10,000 and containing 7,000 sq m of retail floorspace, including a supermarket of 3,000 to 3,500 sq m, as well as allowance for non-retail floorspace of 3,000 sq m
- Major Town Centre (equivalent to Major Activity Centre) with a catchment population of 50,000 people and containing 55,000 sq m of retail floorspace, including two discount department stores (15,000 sq m), two large supermarkets (7,000 sq m) and a bulky goods precinct (20,000 sq m) as well as 25,000 sq m of non-retail uses
- Principal Town Centre (equivalent to Principal Activity Centre) with a catchment population of 150,000 and containing a 100,000 sq m of retail floorspace comprising a department store (20,000 sq m), discount department stores (15,000 sq m), supermarkets (7,000 sq m), specialty stores (18,000 sq m) and a bulky goods precinct (40,000 sq m) as well as an allowance for 60,000 sq m of non-retail uses

These floorspace allocations do not include major uses such as universities or regional hospitals.

The corridor plan (Figure 18) identifies the following centres:

- Toolern Principal Activity Centre
- Existing Major Activity Centres at Melton, Woodgrove, Caroline Springs
- Three new Major Activity Centres in the intervening space. These are Rockbank, Rockbank North and Plumpton.
- Specialised Activity Centre at Hopkins Road.

Figure 18: Detail of the West Growth Corridor prepared by the GAA



In relation to the City of Melton, the corridor plan identifies that:

- The Toolern town centre will be the primary centre for the north western portion of the western growth corridor, as well as the regional hinterland, including Bacchus Marsh. It is well connected to the growth corridor and to regional areas by the western freeway and the western rail line and the PPTN along Ferris Road
- The Major Town Centres across the northern (Melton) past of the corridor are well connected to Toolern, Sunshine and Sydenham via the main rail line and the PPTN.
- Within the broader corridor there is provision for 2,000 gross hectares of industrial land, 200 hectares of mixed use employment land and 1,000 gross hectares of commercial land. Within Melton there are three major areas identified;
- The Melton highway industrial precinct - a new precinct of 600 gross ha to take advantage of the location of two interchanges with major freeways.
- The Toolern Employment Precinct – to be serviced by the Toolern Principal Town Centre, and another "high amenity mixed use precinct". This area will comprise both 390 gross ha of industrial land, along with another 130 gross ha of mixed use employment activities based around the Melton harness racing facility; and
- The Hopkins road commercial precinct – 600 gross ha of higher intensity employment, identified as potentially an office park, Research & Development area or a mixed use precinct.

There are a total of 20 'precincts' identified within Melton's Growth Areas. PSPs have been prepared for the following precincts.

- Melton North
- Toolern Park (awaiting approval)
- Toolern
- Rockbank North
- Taylors Hill
- Diggers Rest
- Robinsons Road Employment Precincts (x 2)

These PSPs have been incorporated into the Melton Planning Scheme as incorporated documents at Clause 81.01. Within the precincts the following activity centres and / or commercial areas have been identified:

- Melton North: has a 'Business / Retail node' identified at the intersection of Coburns Road and a new east west road.
- Toolern: has one large centre (identified as a Major Activity Centre but subsequently 'upgraded' to a Principal Activity Centre) at the intersection of Ferris Road and the railway line, and four Neighbourhood Activity Centres. Two of these are located to the south on Ferris and Mount Cottrell Roads, with the other two centres located to the west along Exford Road.
- Rockbank North: has a 'Major Town Centre', in the north west of the precinct above Beattys Road, 'Local Town Centre' (equivalent to a Neighbourhood Activity Centre) positioned centrally within the southern section of the Precinct, and 'Local Convenience Centre' identified slightly to the west of this.
- Taylors Hill West: has a 'local centre' identified at the intersection of City Vista Court and Hume Drive.
- Diggers Rest: identifies a 'local town centre' on Houdini Drive, west of Vineyard Road.

There are an additional three Precincts for which the process of planning has commenced (Rockbank, Kororoit and Plumpton) leaving a further ten areas for future planning. Five of these (Derrimut Fields, Chartwell East and Tarneit Plains, Ravenhall and Warawee) are identified as exclusively industrial precincts, with a sixth (Mt Atkinson) not identified as accommodating residential development, but does include the Hopkins Road Commercial Precinct. With the exception of the Plumpton and Rockbank Major Activity Centres, no activity centre network has yet been identified for the remaining Growth Areas. Some additional land has been included within the Urban Growth Boundary to the north and west of Melton which may require reassessment of preparation of new plans for those areas.

5.8 Emerging Policies of State Government

5.8.1 New Zones

The present State Government has undertaken a range of changes to land-use planning zones that have some relevance to activity centre planning. These changes have generally focused on encouraging more flexibility and removing constraints on market actors in order to improve rates of investment. In particular, the following changes have been made:

- Commercial 1 Zone to replace the Business 1, 2 and 5 Zones
- Commercial 2 Zone to replace the Business 3 and 4 Zones
- Any current caps on retail and office floorspace to be removed from Commercial Zones (in the metropolitan area)
- Supermarket (up to 1,800 sq m) and associated specialty shops (up to 500 sq m) to be allowed as-of-right in Commercial 2 and Industrial 3 Zones (in the metropolitan area)

- In Residential Zones, it is easier to establish small scale commercial uses on main roads within 100 m of existing activity centres

Floorspace caps have been used by Councils across Melbourne to bolster the hierarchy of activity centres, ensuring that the planned hierarchy remains relevant for new and existing public and private investors. The new zones remove limitations on the use of floorspace, although permits will be required for buildings and works. Where there is suitably zoned land, the owners will have the right to develop as much floorspace as the site will carry (subject to design approval).

This will particularly affect centres that presently have large areas of vacant land which is zoned Commercial 1 (Business 1, 2 or 5), including Burnside, Banchory Grove and Woodgrove, for example.

Burnside, for example, has 4.5 ha of vacant land zoned Commercial 1. This is sufficient to develop a significant addition to the existing shopping centre at Burnside, including a discount department store and additional supermarkets. These additions would be sufficient to promote the centre to a Major Activity Centre in the present hierarchy.

On the other hand, at Caroline Springs which is the established Major Activity Centre for East Melton (including Burnside), the land is zoned Comprehensive Development Zone. This Zone has, in some respects, a more onerous set of conditions than the Commercial Zones and may limit the ability of this centre to compete effectively with neighbouring centres.

Government has recognized the value in establishing a hierarchy of centres in the newly developing growth areas in order to ensure that an appropriate network of services is provided to all residents. Accordingly, within the Urban Growth Zone, floorspace caps are allowed in planned Commercial Zones as part of Precinct Structure Plans.

Nevertheless, the new zoning regime – without floorspace caps - means that the area of land to be zoned will be the principal control on the size of the centre. This applies to land in the Urban Growth Zone as well as other urban land.

5.8.2 New Metropolitan Strategy and Planning Arrangements

In October 2013, the State Government released its metropolitan strategy 'Plan Melbourne' (DTPLI, 2013). This document is intended to provide the overarching planning policy framework for Melbourne over the next 20 years, and will lead to changes to the existing state planning policy framework which forms part of the Melton Planning Scheme.

This strategy includes a number of changes to policy around activity centres which are relevant to the Melton Retail and Activity Centre Strategy.

Activity Centres

The draft strategy identifies a change from the existing hierarchy of activity centre s established though Melbourne 2030. The proposed new hierarchy is as follows:

1. National employment clusters

These are "designated geographic concentrations on interconnected businesses and institutions that make a major contribution to the national economy and Melbourne's position as a 'global city". They will be subject to potentially streamlined planning process and will be a focus of the new Metropolitan Planning Authority.

2. Metropolitan Activity Centres

These are higher level Activity Centres, which will be focal point for activity and investment at a subregional level, as well as within municipalities. The Metropolitan Planning Authority will be heavily involved in the planning and development of these centres of metropolitan significance.

3. Activity Centre

'Activity centres' are defined within the draft plan as all existing 'activity centres' above a neighbourhood centre level which are not designated as Metropolitan Activity Centres or National Employment Clusters. Plan Melbourne identifies seven activity centres in Melton:

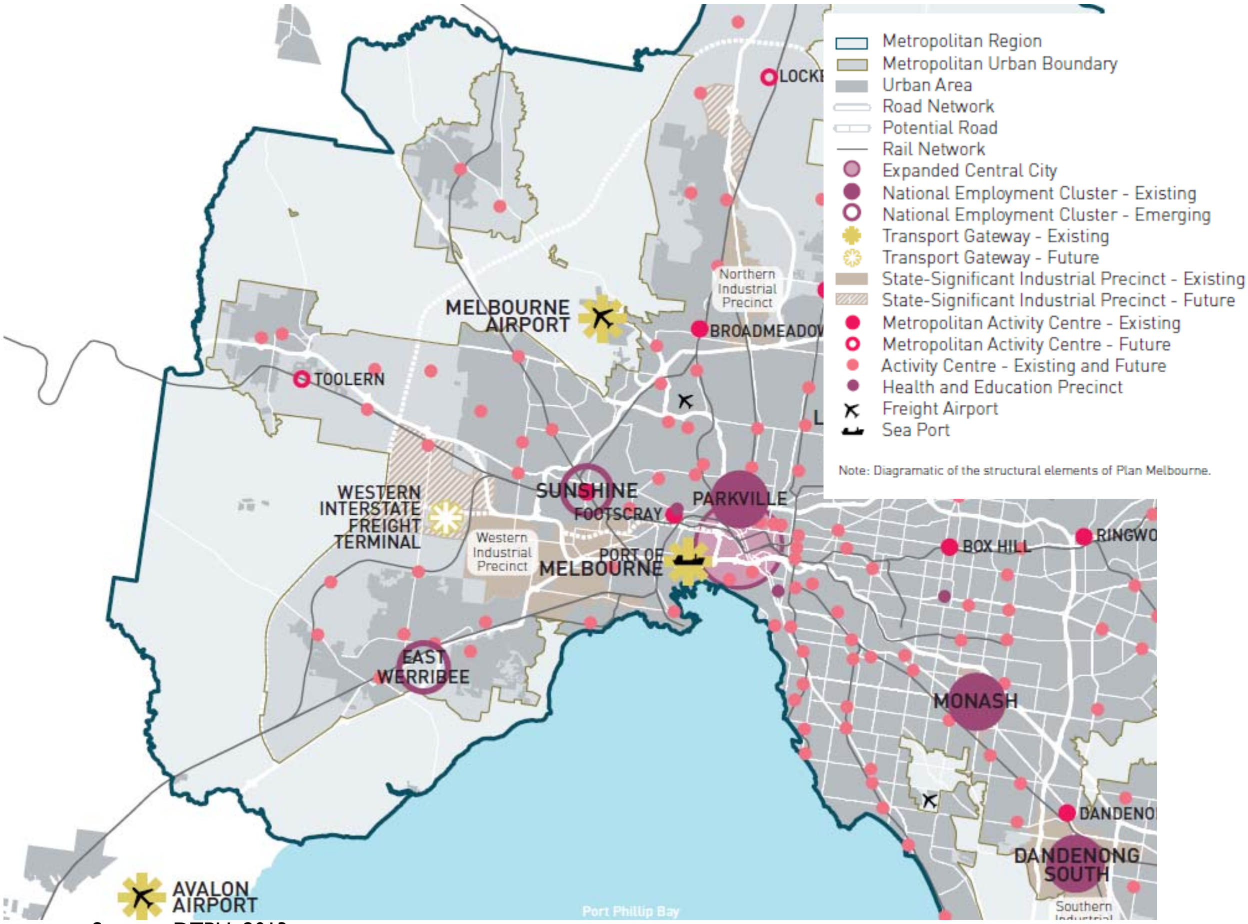
- Woodgrove
- Melton
- Caroline Springs
- Plumpton
- Rockbank North
- Rockbank South
- Hopkins Road

4. Neighbourhood Centres

All centres not listed above are now designated as 'neighbourhood centres' under 'Plan Melbourne'. The Plan identifies the potential for mandatory height and local character controls. These are not identified in the draft Plan Melbourne, but an initiative to achieve a '20 Minute City' encourages the distribution of a network to ensure people have access to local centres by foot or cycle.

These various centres are identified in the following diagram.

Figure 19: Metropolitan Melbourne Structure Plan (detail) from the draft Plan Melbourne



Source: DTPLI, 2013

Sub-Regional Planning

Under the draft 'Plan Melbourne', the metropolitan area will be divided into five 'subregions'. These subregions will be the basis for assessments regarding population growth and housing requirements, as well as job requirements and State level investment decisions. Decisions on the need for additional floorspace or activity centres may therefore occur at this new subregional level, rather than at a municipal level.

Each subregion is anchored by a 'national employment cluster', a 'major economic gateway' and a 'metropolitan activity centre'. Melton is part of the Western subregion, which includes Brimbank, Hobsons Bay, Melton, Moonee Valley and Wyndham.

Within this sub-region, there are two areas identified as 'national employment clusters' at Sunshine and East Werribee. Neither of these is within Melton.

The ‘major economic gateway’ is the Western Interstate Freight Terminal, which is part of an industrial area of state significance which stretches from Williamstown to the proposed Outer Metropolitan Ring Road. Within Melton, the Hopkins Road Activity Centre is part of this ‘western industrial precinct’.

Metropolitan Activity Centres are identified at Sunshine and (emerging) at Toolern. The identification of a Metropolitan Activity Centre at Toolern has implications not only for the potential distribution of activity in Melton but also for the planning of the area, which is anticipated to come under the mandate of the new Metropolitan Planning Authority.

The document identifies that the sub-region collectively has a current population of 691,000 which is expected to grow by 500,000 - 650,000 by 2050, almost doubling in size. Of these around 377,000 have been identified as living in the ‘growth areas’ – very largely in the Melton and Wyndham municipalities.

Other Matters

The Plan also identifies a change to the minimum densities within growth areas to an average of 18 dwellings per hectare (rather than the 15 dwellings per hectare which currently applies). This has implications for the number of people anticipated within these areas and therefore the supportable network of centre. As noted, this may need to be higher if the population projection to 2050 identified for the western subregion is to be accommodated.

It is also unclear how many of the potentially 377,000 additional people in the western sub-region will be accommodated by the increase in density in the growth areas and how many are anticipated to be accommodated within existing urban areas. The distribution across the western subregional is also not clear and additional population in Melton would also have implications for the supportable network of centres.

The implementation section of the document also identifies, among other matters, the likelihood of a revised structure for Municipal Strategic Statements.

Implications

The following will need to be considered in light of potential implications for activity centres in Melton:

- Under current policy the Hopkins Road area is not identified as a major activity centre, but under Plan Melbourne has the same status as the other ‘major’ activity centres in Melton. There is no separate designation of ‘specialised’ activity centres.
- If centres beyond those identified by Plan Melbourne are anticipated as addressing a catchment beyond the neighbourhood level or are likely to be recommended for greater flexibility for development these will need to be considered in the context of the subregional network.

- The identification of Toolern as a Metropolitan Activity Centre raises this in the activity centre hierarchy to the same status as the existing CADs described earlier.
- The increase in dwelling density in the growth areas and the additional population which is identified as being accommodated in the western subregional has potential implications for the number and distribution of centres which can be supported within Melton. Nevertheless, this strategy identifies the potential for an additional 280,000 people in Melton compared with 2012. This is around half of the total growth expected for the western sub-region and is therefore appropriate given the balance of land identified for housing in the area.
- Depending on the timing of the introduction of the revised MSS structure, this may have implications for how the findings and recommendations of the Melton Retail and Activity Centres Strategy is implemented.

6 Retail Forecast

In planning the future activity centre network, it is necessary to estimate the future demand for floorspace in order to understand the likely size of the centres and to zone land accordingly. This applies particularly to retail floorspace, since retailing is generally the single largest industry in activity centres. However, full development of the area is not expected for more than forty years. Accurately forecasting demand over such a period is an optimistic exercise; new and unexpected technologies, new methods of organization, social and political change are all likely to have impacts on demand which, in aggregate, are unforeseeable.

Nevertheless, this section does provide a forecast of demand at full development in order to assist in planning the size and location of new activity centres. Long-term planning is needed to ensure that future generations have access to a service network which is as good (rational, equitable and sustainable) as we can make it. The following analysis makes a series of conservative assumptions that existing trends will continue over the forecast period. Ongoing monitoring will be required to gauge whether these assumptions remain valid.

6.1 Retail Floorspace Supported

Table 8 provides an estimate of how the retail floorspace supported by the retail spending of the average Melton resident will change over the period to full development. The forecast change in floorspace per person has taken into account the growth in real retail spending (0.7% per year) and the growth in online spending (to a maximum of 15% of total retail spending).

Table 8: Retail floorspace supported per person in Melton, 2012 and at full development

	Annual retail spending	Retail Turnover Density	Floorspace supported in 2012	Floorspace supported at full development
	$	$/sq m		
Food and groceries	4,800	$8,400	0.57	0.71
Non food goods	3,675	$6,000	0.61	0.70
Bulky goods	1,225	$3,500	0.35	0.40
Food service	1,700	$5,100	0.33	0.43
Retail services	500	$3,900	0.13	0.12
Total retail	11,900	$5,900	2.00	2.37

Source Tim Nott

The forecast shows a growth in retail floorspace per person from 2 sq m in 2012 to almost 2.4 sq m per person. Table 9 provides an estimate of the total retail floorspace supported at full development. The table also provides an estimate of how much floorspace can be retained in Melton and the notional growth required to service residents.

Table 9: Retail floorspace supported in Melton at full development

Retail category	Floorspace supported per person	Total floorspace supported	Floorspace supported in Melton		Current provision	Notional growth
	sq m	sq m	%	sq m	sq m	sq m
Food and groceries	0.71	283,800	90%	255,400	50,400	205,000
Non food goods	0.70	281,100	80%	224,900	41,700	183,200
Bulky goods	0.40	160,600	75%	120,500	24,900	95,600
Food service	0.43	172,800	75%	129,600	22,500	107,100
Retail services	0.12	48,500	90%	43,700	6,200	37,500
Total retail	2.37	946,800	82%	774,100	145,700	628,400

Source: Tim Nott
Note: The share of total floorspace supported in Melton has been estimated with reference to information from elsewhere and taking the comments below into account.

This estimate shows that a notional growth of 630,000 sq m of retail floorspace in Melton will be required to satisfy the needs of residents[2]. The assumptions about the retention of spending within the municipality are:

- Food and groceries will overwhelmingly be provided by centres within the municipality, with only minor leakage to centres in neighbouring municipalities or to metropolitan markets
- While most non-food goods will be provided by centres in Melton, there will continue to be some escape spending to central Melbourne and the closest very large activity centres such as Watergardens and Highpoint
- There will be growth in bulky goods outlets at key nodes such as Burnside and Melton Gateway/Melton Homemaker Precinct as well as around the largest activity centres in Melton. However, the extensive provision of bulky goods outlets at Watergardens will continue to have an influence
- Most food service serving residents will be provided within the municipality but metropolitan dining destinations will continue to exert a pull
- Retail services will continue to be a mainstay of local retail centres with only a small escape spending to larger centres in neighbouring municipalities

Overall, the forecast shows an increase in the retention of retail spending from 60% currently to 82% at full development; that is, escape spending is estimated to reduce from 40% to 18 %. This is a natural

[2] Some retail floorspace will also be supported as a result of spending by visitors to the municipality (workers, residents of Bacchus Marsh etc). In 2012, visitor spending in Melton has been estimated earlier in this report at 11% of the total. It is likely that future visitor spending will continue to be of this order.

outcome as the growth in population makes the provision of a wider range goods and services more viable in the Melton context.

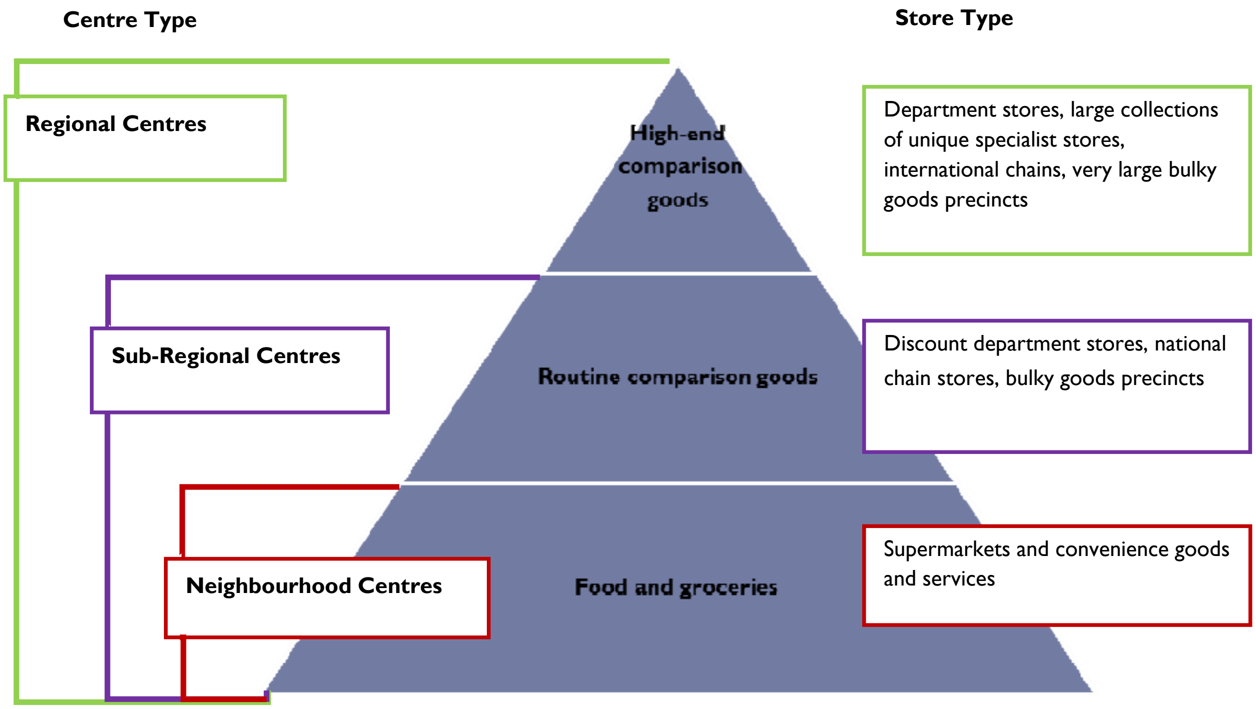
6.2 Organising Retail Floorspace into Centres

The latest Metropolitan Plan disconnects the hierarchy of centres from a retail function; that is, the centres at each level of the hierarchy do not have a specific retail function. This continues and reinforces the trend of the previous metropolitan planning strategy.

In general, the biggest shopping centres in Melbourne such as Chadstone, Highpoint or Doncaster Hill are not at the highest level in the new hierarchy. ***Metropolitan Activity Centres*** are intended to be multi-functional employment and service centres in which shopping is only one activity of unspecified importance. The retail function of ***Activity Centres*** as designated in the plan ranges from super-regional status as at Chadstone to neighbourhood status as at Deer Park, for example.

Nevertheless, retail activities do naturally operate at different scales and benefit from being co-located with activities that operate at a similar scale. A rational hierarchy of retail centres delivers the most effective service to residents (by reducing travel times) and to businesses (by maximising custom within a competitive environment). In planning an effective network of centres, then, it is necessary to understand the expected function of each centre and therefore, broadly how large each centre should be and how many can be accommodated given the overall demand. This has been the approach of the Growth Areas Authority and the approach which is adopted here. For the purposes of this report, therefore, a hierarchy of retail function has been adopted. It should be noted that the retail function is usually but not necessarily an indication of where a particular centre sits within the planning hierarchy as defined by the Metropolitan Plan. The retail hierarchy and function is explained further in the diagram below.

Figure 20: Hierarchy of suburban retail types and centres



6.3 Scope for New Centres

Table 10 provides an estimate of the scope for new centres at each level in the hierarchy, using the floorspace forecast above and the retail floorspace in a typical centre identified in the work for the Growth Areas Authority (Essential Economics, 2011).

Table 10: Notional scope for new retail centres in Melton at full development

Level in the hierarchy	Share of floorspace supported at each level of the hierarchy	Total retail floorspace supported in Melton	Retail floorspace in typical centre	Total centres supported	Current centres	Notional scope for new centres
	%	sq m	sq m	no.	no.	no.
Regional	25%	193,500	100,000	2	0	2
Sub-regional	43%	332,900	55,000	6	3	3
Neighbourhood	27%	209,000	7,000	30	5	25
Other*	5%	38,700				
Total	100%	774,100		38	8	30

Source: Tim Nott
Note: *"Other" includes local activity centres and stand-alone bulky goods precincts

Given the growth in retail demand from residents, there is notional scope for 30 new activity centres at typical centre sizes, including two new regional centres, three new sub-regional centres and 25 new neighbourhood centres.

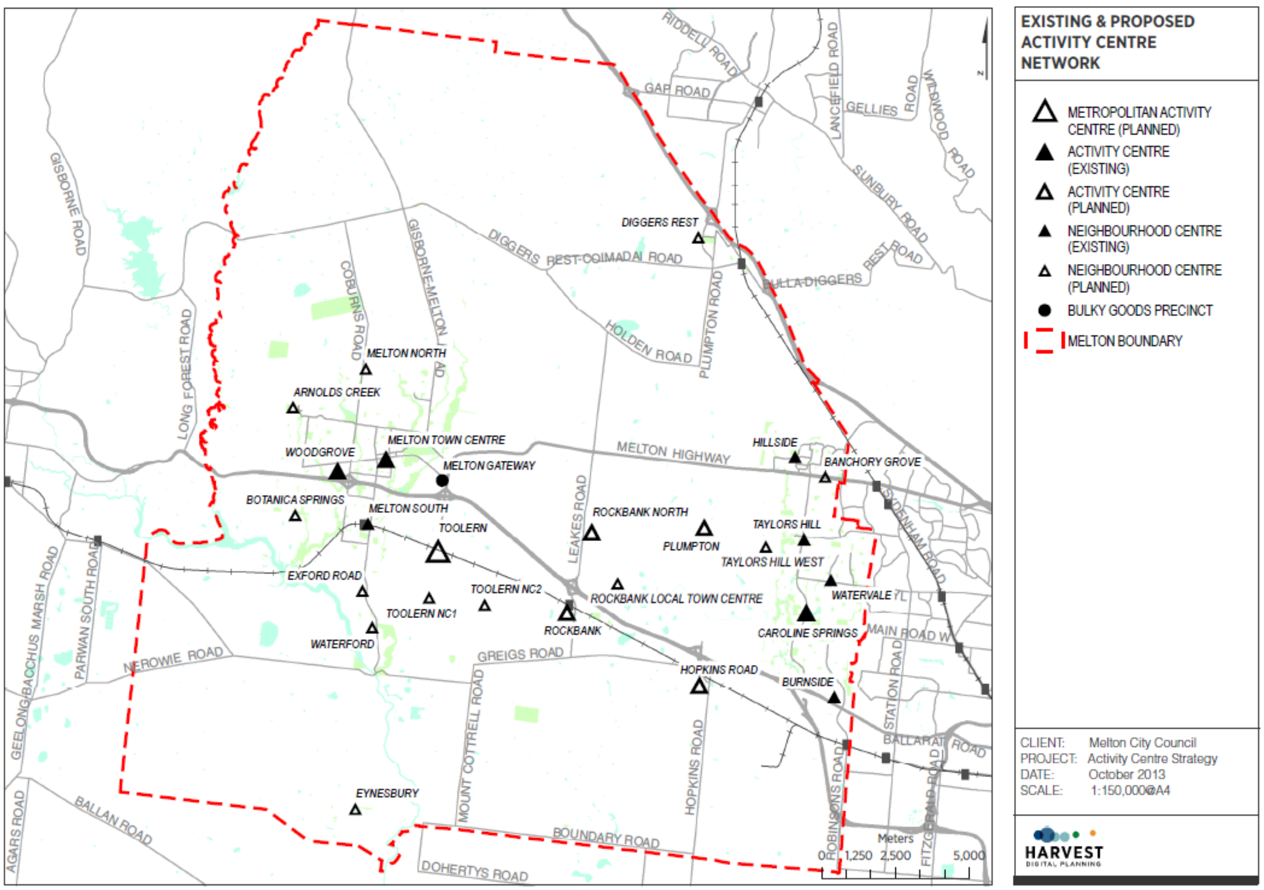
The following section identifies the real scope and need for additional activity centres taking this information into account along with the existing network and the current planned provision as well as data about the geography of population growth.

7 Location of New Centres

7.1 Existing and Planned Network

The existing network of centres has been described earlier. The following map shows the network that has been planned as a result of precinct structure planning by the GAA and by Council. The network has been translated into the new hierarchy proposed in the metropolitan plan.

Figure 21: Existing and currently planned network of activity centres, Melton

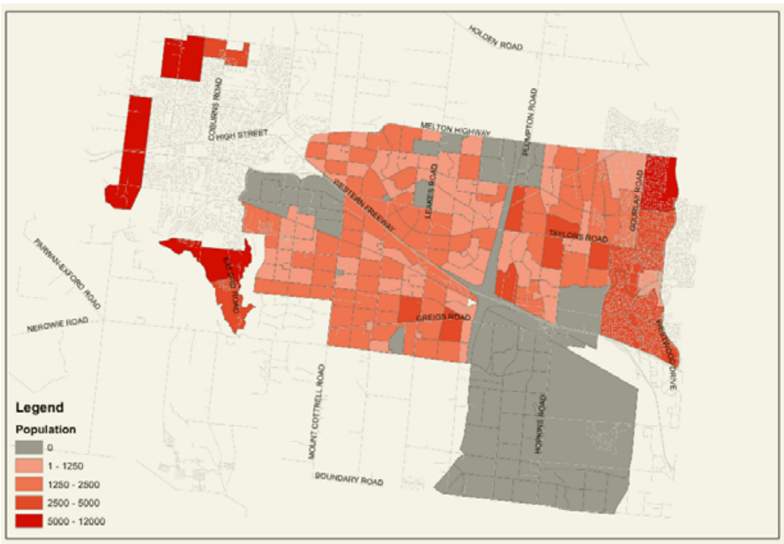


Note: Map excludes local centres

The existing and planned network so far consists of:

- One Metropolitan Activity Centre at Toolern
- Seven Activity Centres at –
  - Caroline Springs
  - Hopkins Road
  - Melton town Centre
  - Rockbank
  - Rockbank North
  - Plumpton
  - Woodgrove
- 16 Neighbourhood Centres
- 1 specialised bulky goods precinct at Melton Gateway

Figure 22: Urban development cells and population at full development, Melton

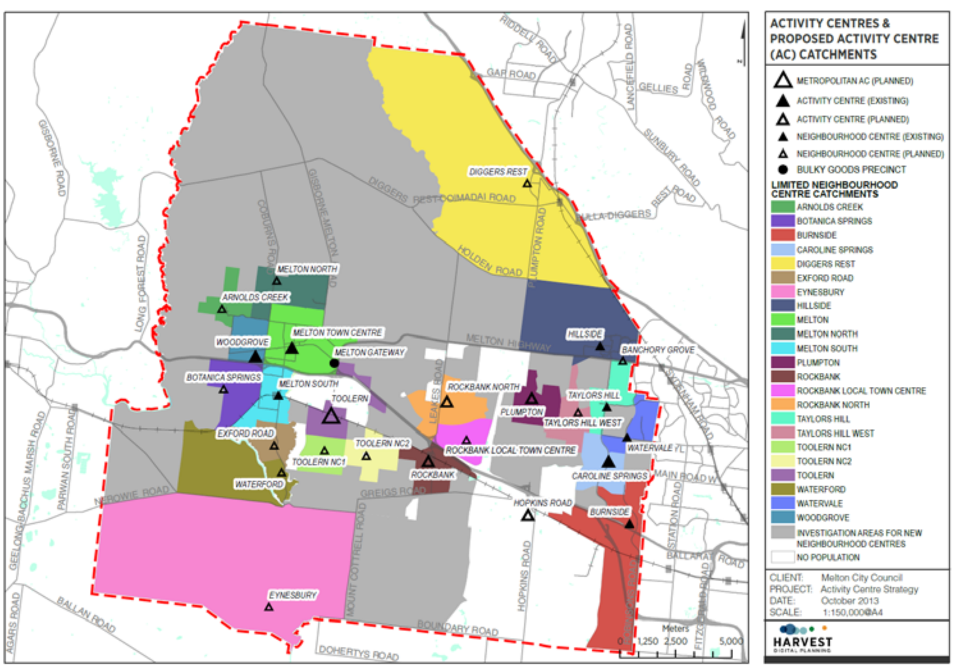


7.2 Additional Centres

The proposed network of activity centres does not cover the entire urban area of Melton; planning for some parts of the growth area has yet to commence. In order to assist this planning process and to identify, at least broadly, the locations of all the key activity centres for the municipality at full development, an analysis was undertaken using Geographic Information Systems (GIS) to create a network solution. This involved the following steps:

1. The population at full development was assigned to cells within the growth area (and this was prepared by traffic modellers for the GAA) and to precincts within the existing urban area and in growing areas for which the GAA is not responsible based on existing plans and population forecasts.
2. The existing and proposed centre network was overlaid on this.
3. A natural catchment was created for each activity centre by assigning the population in each cell to the closest centre.
4. The catchment around each centre was restricted to 10,000 people (or as close to 10,000 people as possible given the granularity of the population cells) in order to generate a neighbourhood-sized catchment. This was undertaken for all centres, even the centres at higher levels in the hierarchy. This ensured that there was full coverage by neighbourhood centres across the municipality.

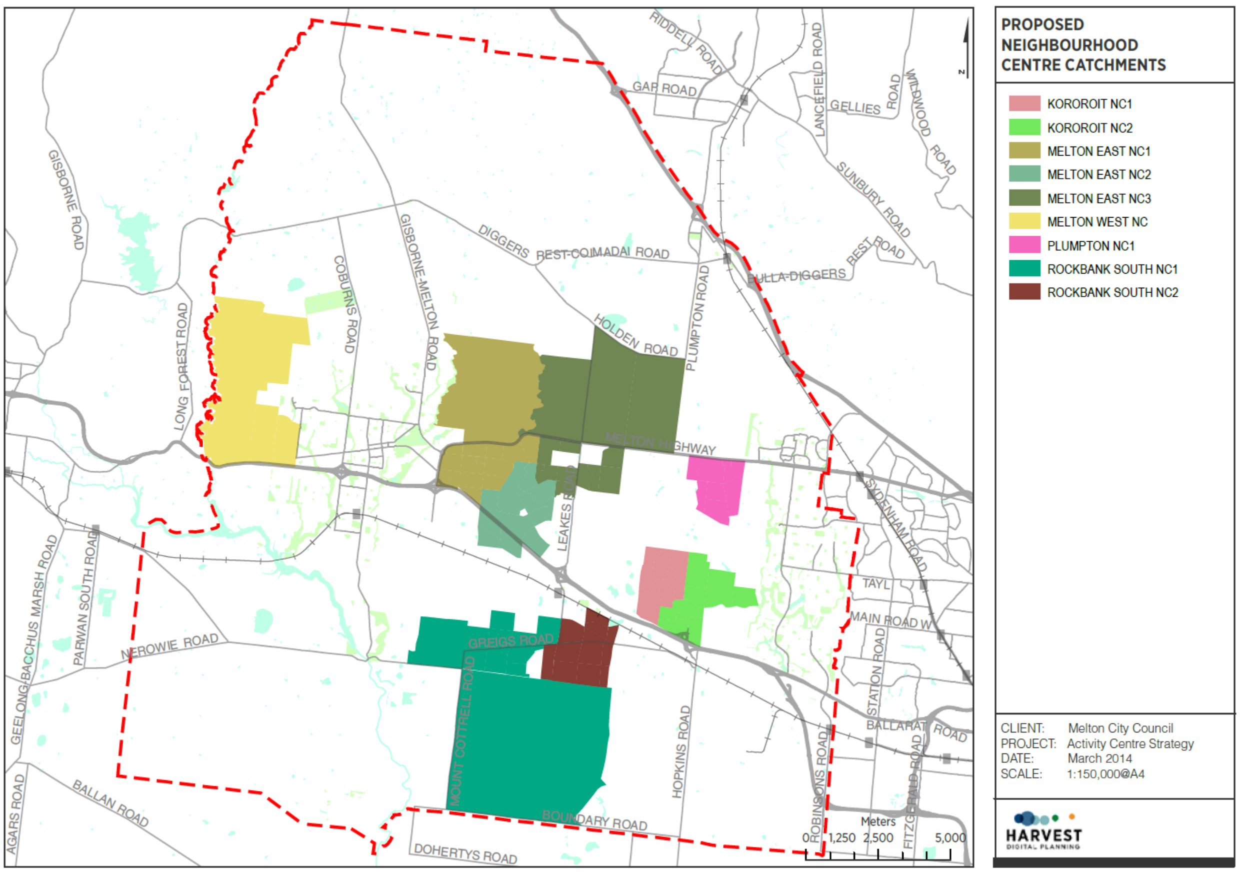
Figure 23: Step 4 - restricted neighbourhood centre catchments



Note: The white areas on the map within Melton include areas which are exclusively employment precincts, planned parks and the Outer Metropolitan Ring Road

5. Comparison of the natural and neighbourhood catchments allowed the analysts to identify the likely gaps in the neighbourhood network; that is, places which would not be well served by the existing centres or those already planned.
6. New neighbourhood catchments were identified which were not covered by the existing neighbourhood catchments and in which the ultimate population was at least 9,000 people.

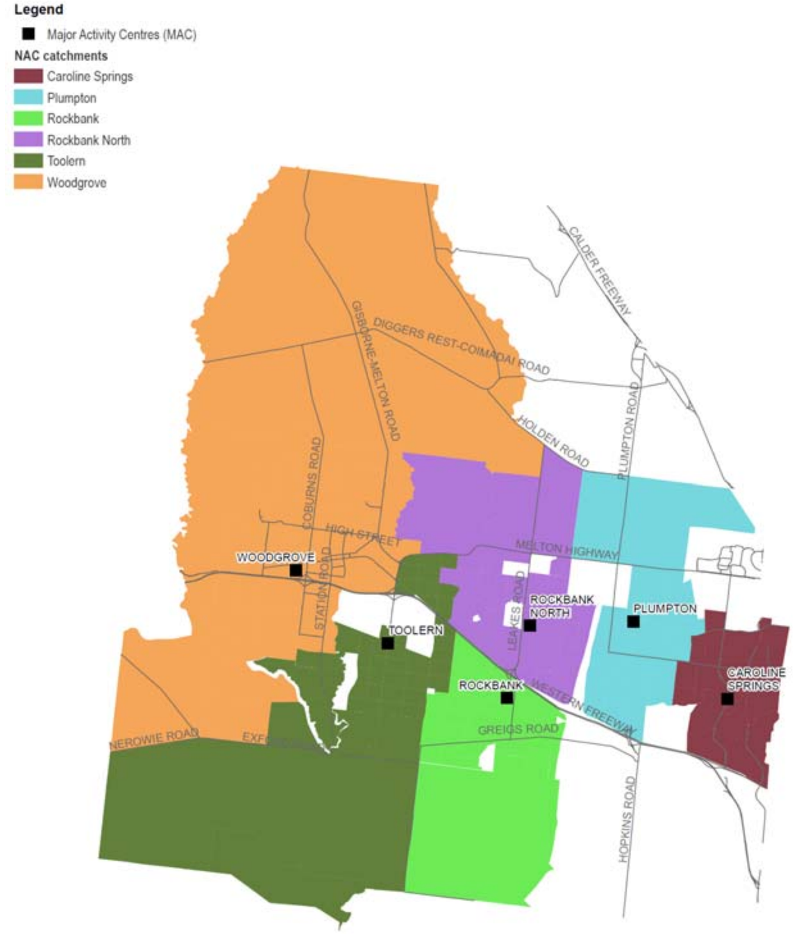
Through this process, potential for a further 9 neighbourhood centres was identified, with catchment populations ranging from 9,000 to 15,000 at full development. These catchments are shown in the Figure 24.



The precise locations of the Neighbourhood Centres serving these catchments will be resolved during the precinct structure planning process.

The same exercise of analysis and comparison was undertaken with those Activity Centres assumed to have a sub-regional retail function or higher, using a catchment size of 50,000 people. The catchments for these are shown in figure 25.

Figure 24: Residential catchments for sub-regional retail centres in Melton



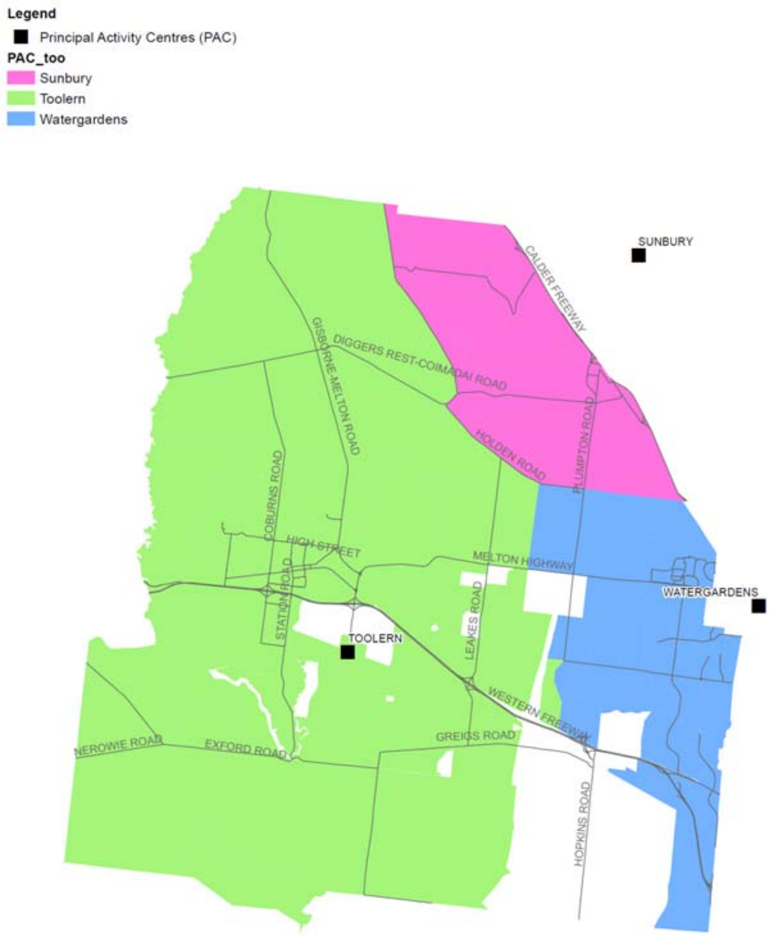
Notes:

1. The white areas on the map include areas which are exclusively employment precincts, planned parks, the Outer Metropolitan Ring Road, or where residents look to large activity centres outside the municipality – Watergardens and Sunbury – for their regional and sub-regional services.
2. Even though Melton Town Centre is a significant Activity Centre it has a neighbourhood retail role and has been omitted from this exercise.
3. Hopkins Road Activity Centre has not been included in this exercise since it is likely to be a centre serving mainly a non-residential catchment.

The population catchment for these centres ranged from around 50,000 to 90,000 (in the case of Woodgrove). However, on looking at the gaps left in the planned network, none were sufficient to insert a new *Activity Centre*. (The largest catchment was that of Woodgrove, which already hosts the Melton Town Centre.)

A similar exercise was undertaken for centres assumed to have a regional retail role using a catchment size of 150,000 people – see below.

Figure 25: Regional retail centre catchments in Melton



This showed that a regional retail centre at Toolern would have a catchment population in Melton of approximately 275,000 at full development, with the remaining population being closer to the regional (or near-regional) shopping centres at Watergardens (113,000 people in Melton) and Sunbury (12,000 people in Melton). Given this, there appears to be insufficient population for a further regional centre in the eastern part of the municipality, much of which is served by Watergardens. It may be that the sub-regional centres in this area could provide some additional regional-level services to ensure that residents are not disadvantaged. This might include a substantial bulky goods precinct, for example

Taking into account the population of Bacchus Marsh and surrounds – likely to grow beyond 30,000 over time - there may be scope for two regional retail centres in the western portion of the municipality (west of the proposed Outer Metropolitan Ring Road)..

8 Resolving Network Issues

Previous sections of this analysis have identified the demand and modelled the optimum number and location of centres. In resolving the final shape of the network it is also necessary to take into account issues of timing as well as rights and intentions to develop.

8.1 Toolern and Woodgrove

Toolern is the only approved Metropolitan Activity Centre (MAC) within Melton and is designed to be a service node for the whole Melton region. Eventually, this may well include a regional retail function. However, Toolern is yet to be developed and in the short to medium term, the existing centre of Woodgrove is continuing to expand and will be capable of delivering a regional retail service, potentially including a department store. The analysis here shows that at full development, and taking into account the demand from Bacchus Marsh to the west, two regional retail centres may be warranted to serve the area of the municipality west of the proposed Outer Metropolitan Ring Road.

Woodgrove is currently expanding to become a double DDS retail centre and the owner (QIC) wishes to expand further eventually to become a regional shopping centre. This centre has the available land to function as a regional shopping centre and good access to the Western Freeway. It is likely to be viable as a regional centre well before any centre at Toolern given the balance of residential development in this part of the municipality.

In these circumstances, it is sensible to nominate Woodgrove as a regional retail centre, in order to expedite the provision of regional shopping services to residents and the employment that this will generate. Presently Woodgrove does have some non-retail activities - especially health services – but these are limited and are likely to remain so because of the limited land area outside the shopping precinct (see plan in appendix for details).

Nominating Woodgrove as a regional retail centre does not necessarily remove the ultimate potential for a further regional retail service at Toolern. Any such development would need to be justified by retail demand from the ultimate population of this part of the municipality and surrounds. However, any restrictions on the ability of Toolern to expand its retail role that are present in the precinct structure plan or urban design framework should be removed

It may be that at full development, Woodgrove provides regional shopping and sub-regional non-retail services and that Toolern provides sub-regional shopping and regional non-retail services. This kind of difference in emphasis is common in neighbouring large centres throughout suburban Melbourne.

The centres are approximately 6 km apart by road. This compares with the separation distance of other centres in suburban Melbourne including, for example:

- Preston Principal Activities Centre (PAC) and Northland PAC – 2.7 km
- Preston PAC and Coburg PAC – 3.2 km
- Doncaster Hill PAC and Box Hill Central Activities District (CAD) - 3.5 km
- Footscray CAD and Highpoint PAC – 3.7 km
- Highpoint PAC and Moonee Ponds PAC – 4.1 km
- Knox PAC and Glen Waverley PAC – 6.8 km
- Knox PAC and Ringwood CAD – 7.1 km

When the municipality is fully developed each of these centres will be required and will deliver vital services as well as accommodating substantial employment nodes for the region.

8.2 Caroline Springs and Burnside

Caroline Springs is presently the nominated Activity Centre for East Melton and has developed to provide a small sub-regional retail offering and a substantial non-retail service. It is central to its catchment which would be broadly 50,000 people at full development, bearing in mind the location of the nearby existing and planned large activity centres.

The owner of the Burnside shopping centre (the Dennis Family Group of companies) is keen to expand to deliver a sub-regional service with potential to grow further. The owner has 4.5 ha of vacant land zoned Commercial 1 (and a further 7 ha zoned Mixed Use) adjacent to the shopping centre. Whilst the centre is presently designated a neighbourhood activity centre it does have surrounding uses that provide sub-regional services including two major hardware outlets and a growing bulky goods precinct.

A Panel Hearing held in relation to a previous attempt to expand Burnside had the following to say:

> *In conclusion, for the foregoing reasons, on economic grounds, the Panel does not support the proposed expansion of retail space at Burnside to 36,000 sq m. The Panel does not believe that the extent of retail expansion has been justified by the economic evidence.* (Melton C112 Panel Report, p 55)

However, the new zoning regime has done away with floorspace caps on the land and the owners now do not need a permit for retail or office *uses* on the land (although permits for buildings and works are still required). The area of vacant Commercial land is sufficient to accommodate a DDS, a supermarket and further specialty shops.

Given this, it is prudent to nominate Burnside as an Activity Centre and for Council to influence the design to produce the best outcome for residents and centre users (including maximising non-retail employment uses, ensuring connectivity with surrounding parts of the centre, encouraging sensible location of any dwellings on the site, and developing a pedestrian friendly approach to internal circulation and external access).

A sub-regional retail facility at Burnside would attract shoppers from the nearer parts of Brimbank. It could also serve some people in the newly developing growth areas east of the Outer Metropolitan Ring Road, at least until the Activity Centre at Plumpton was developed. At full development, Burnside and Caroline Springs would share a catchment of around 60,000 to 70,000 people. This would be sufficient to support small sub-regional retail facilities at each centre (that is, a single DDS, two full line supermarkets and specialty stores). Burnside could also host a more extensive bulky goods offering because of its location on the Western Highway; it could also accommodate specialist services for the adjoining industrial area to the south of the site. Caroline Springs would be likely to continue to host a strong business services sector since it is now an established office location.

Further expansion of commercially zoned land at Burnside would not be warranted by foreseeable demand.

8.3 Melton Town Centre

Melton Town Centre has a special role in the activity centre hierarchy because of its history and its existing structure. This centre accommodates an extensive range of secondary retailers which would be unlikely to find a place in a corporate centre because of the relatively high rents and non-standard formats. The centre has a strong provision of fresh food and discount food as well as retail services. In addition, the Town Centre has extensive offerings in dining and entertainment, health services and Government and emergency services.

The centre presently has the largest floorspace of any centre in the municipality, although its retail offering will be eclipsed by the expansion at Woodgrove, only 1.2 km to the west.

The expansion at Woodgrove and the gradual development of Neighbourhood Centres around Melton township (Melton North, Arnolds Creek, Exford Road etc) means that the Town Centre is unlikely to expand its retail role to become a sub-regional shopping centre. However, it will continue to play a sub-regional role in other services such as entertainment, government and community health. For this reason it will remain a substantial Activity Centre for the foreseeable future.

8.4 Floorspace Caps on Large Activity Centres

There is the potential to place floorspace caps on the proposed Activity Centres in Precinct Structure Plans, that is, Plumpton, Rockbank and Rockbank North. However, given that there is no possibility of imposing floorspace caps on the three existing Activity Centres – Caroline Springs, Melton Town Centre and Woodgrove - to impose competitive constraints on the new centres would be unfair.

At the time of writing, Caroline Springs Town Centre does have floorspace caps because it remains in a Comprehensive Development Zone. However, these caps will shortly be removed as part of the general planning zone reform being undertaken by State Government.

8.5 Neighbourhood Centres

8.5.1 Botanica Springs

In the suburb of Brookfield in south west Melton, the approved location for a neighbourhood centre is at the centre of the suburb close to the intersection of Clarkes Road and Brooklyn Road. Following the extension of the Urban Growth Boundary, the catchment for this centre is around 20,000 people. This would normally trigger the need for a second neighbourhood centre. However, the position of the proposed centre is such that no new centre could command a natural catchment sufficient to support a neighbourhood retail function.

In this case, it is sensible to expect Botanica Springs to grow to be a larger than usual centre with, perhaps, two full-scale supermarkets, some larger specialty stores, and a total retail floor area of up to 15,000 sq m. In order to provide walkable services for Brookfield residents, it may be possible to provide several local centres towards the edge of the suburb.

8.5.2 Banchory Grove

Banchory Grove is a neighbourhood centre that has been proposed on a vacant site in Hillside on the corner of the Melton Highway and Banchory Avenue. The site was identified as part of the original planning for the area but has not been developed. The most recent proposal was for a development of 10,200 sq m, including a full-scale supermarket, an Aldi supermarket and a series of specialty stores (most of which would be retail outlets). This was proposed in 2009-2011 but plans have not yet been finalised.

If developed, this centre would have a significant impact on the existing Hillside Neighbourhood Centre. However, there is no doubt that Hillside residents are under-serviced in terms of retail provision and must travel to Watergardens or Taylors Hill for a full supermarket shop, for example. The site is presently owned by QIC which also owns the Watergardens centre and has had no incentive to develop at Banchory Grove whilst Watergardens is still expanding. Nevertheless, at some stage, it is likely that Banchory Grove will be developed as a supermarket-based shopping centre and should therefore have

Neighbourhood Centre status in the hierarchy. The site is zoned Commercial 1 and whilst Council has no control over the scale of the commercial activity, the site is limited and would allow only the 10,200 sq m as previously proposed.

8.5.3 Centres in Precinct Structure Plans

Precinct Structure Plans (PSPs) prepared for Diggers Rest, Melton North, Rockbank, Rockbank North, Taylors Hill West and Toolern have identified the location of Neighbourhood Centres (Local Town Centres) and have provided some guidance as to how large these centres should be. However, the guidance has not always been consistent within or between PSPs[3].

A better approach would be to identify the population which the neighbourhood centre is designed to serve and to provide advice on how large the retail provision of the centre should be. In order to provide clear guidance to developers and the community, floorspace caps would be the most appropriate mechanism. Caps have the benefit that they prevent those centres that are developed first from growing so large that they reduce the scope of centres that come later, thereby protecting the service levels of residents in the latter stages of precinct development. Floorspace caps should remain broad and not inflexible. They could be of the form that allows development beyond the cap through a permit process (rather than an amendment) with the production of evidence that the cap breach is warranted because of changes in circumstance and would produce net community benefit and no detriment to the service levels of future residents. This is the approach taken in the Diggers Rest PSP and the Rockbank North PSP. This latter PSP also has an excellent exposition of the principals that should guide Neighbourhood Centre design and development (see GAA, 2012a).

The following table identifies the estimated catchment population for each of the Neighbourhood Centres in the growth areas being planned by the GAA. The catchment population has been broadly assessed using GIS techniques. The table identifies a suitable cap on retail floorspace based on that population, taking 7,000 sq m per 10,000 people as a benchmark.

A cap on office or other non-retail floorspace is not recommended. Office development is to be welcomed in all centres in Melton as a means of providing employment and improving job self-sufficiency. Larger offices will naturally gravitate to larger activity centres that have better transport connections and more available land. In general, Neighbourhood Centres will have insufficient land to accommodate

[3] In the Toolern PSP for example, a typical Neighbourhood Centre has an indicative floor area of 4,000 sq m for retail uses (Table 7) but Neighbourhood Centres are meant to accommodate “1-2 supermarkets and 20-30 specialty shops” (Table 5). Given that a single full-line supermarket could be 4,000 sq m this advice is confusing. While some PSPs have provided broad guidance about the size of the retail provision, others have specified the floorspace that can be developed without a permit (that is they have provided a “soft cap”).

large office precincts but will be suitable for small offices providing start-up premises and local services.

Table 11: Proposed Cap on Retail Floorspace in Neighbourhood Centres in Precinct Structure Plans

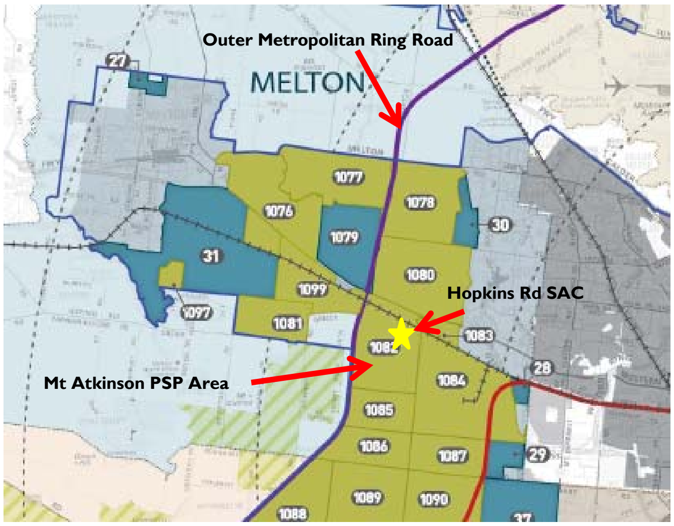
Proposed centre	Catchment population at full development no.	Cap on retail floorspace sq m
Diggers Rest	12,000	8,000
Exford Road	11,000	7,500
Melton North	16,000	11,000
Rockbank Local Town Centre	10,000	7,000
Taylors Hill West	13,000	900
Toolern NAC 1	11,000	7,500
Toolern NAC 2	17,000	12,000
Waterford	5,000	4,000
Rockbank South 1	13,000	9,000
Rockbank South 2	13,000	9,000
Kororoit 1	8,000	5,500
Kororoit 2	12,000	8,000
Plumpton 1	11,000	7,500
Melton East 1	14,000	9,500
Melton East 2	13,000	9,000
Melton East 3	11,000	7,500
Melton West (outside current PSP area)	10,000	7,000

Notes:
In Taylors Hill West, a permit has already been issued for a centre with a retail component of 900 sq m including a small supermarket. This is less than may be demanded by local residents but is the same as the allowance in the PSP. Residents of Taylors Hill West will have access to full-line supermarket services in surrounding centres at Taylors Hill, Caroline Springs and Plumpton.
A strict interpretation of the ratio of 7,000 sq m per 10,000 people would see Waterford with a cap of 3,500 sq m. However, the existing cap within the structure plan is 4,000 sq m and it is fair to keep that existing cap rather than reduce it. Melton West is in the Urban Growth Zone but no PSP has been declared for this area at present.

8.6 Local Centres

Local Centres include corner stores and small groups of shops that provide top-up groceries and local services. These centres have been a feature of suburban development up until the 1990s but have often disappeared from newer housing developments. Nevertheless, they are useful local service nodes in areas which are beyond a comfortable walk to the nearest neighbourhood or larger centre. The size of a local centre will vary but should usually be less than 1,000 sq m and will more often be in the range 300 to 800 sq m, sufficient to provide, for example, a convenience store, takeaway food and hairdressing.

Figure 26: Hopkins Road Special Activity Centre



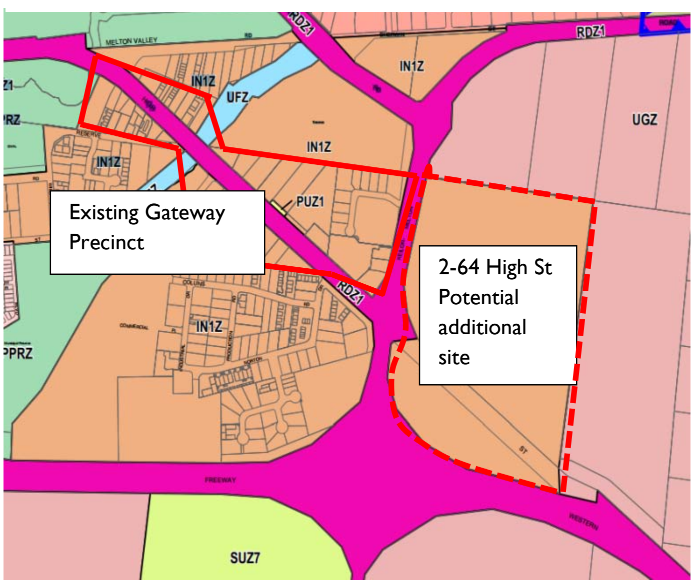
8.7 Hopkins Road

The development strategy for the Mt Atkinson PSP (the area in the south east quadrant of the intersection of the Outer Metropolitan Ring Road and the Western Freeway) has yet to be finalised. Presently, the West Growth Corridor Plan indicates that this area will be a mix of industrial and business with some residential. However, any residential community here would be cut off from other housing areas.

If there is to be some housing in this precinct, then the residents will require a commercial service node with appropriate retailing and local services. Such an activity centre would also provide services to the surrounding businesses and could include a significant wholesale and office component. The scale of the retail provision would likely support no more than a neighbourhood level centre.

Should a residential precinct not be created in this location, a service node will still be required to provide lunchtime services and wholesale and business services to the surrounding employment precinct.

Figure 27: Zoning around Melton Gateway Precinct



8.8 Melton Homemaker Precinct

Policy preference should be given to locating bulky goods outlets close to large activity centres in order to maximise synergies and reduce travel. However the Melton Homemaker Precinct at the corner of the Melton Highway and High Street has emerged as a bulky goods centre taking up the highway frontage of the surrounding light industrial area.

This area provides a useful service in an accessible location and further growth and consolidation should be expected here. A large area of land has been zoned for industrial purposes on the east side of the Melton Highway (see adjacent zoning diagram). This was designated some years ago for a particular purpose which never eventuated. Interest is now being expressed in extending the bulky goods precinct into this area. Ideally the site should be planned in conjunction with the Melton East Precinct Structure Plan. However, this will be some years away as will development of alternative bulky goods precincts adjacent to the Toolern MAC.

Any development of this Gateway site should recognise its importance as the entrance to the Melton township in design terms and should preserve opportunities for connections through to Melton East. Given the existing and proposed hierarchy of activity centres, the site should not be rezoned to allow conventional retail development.

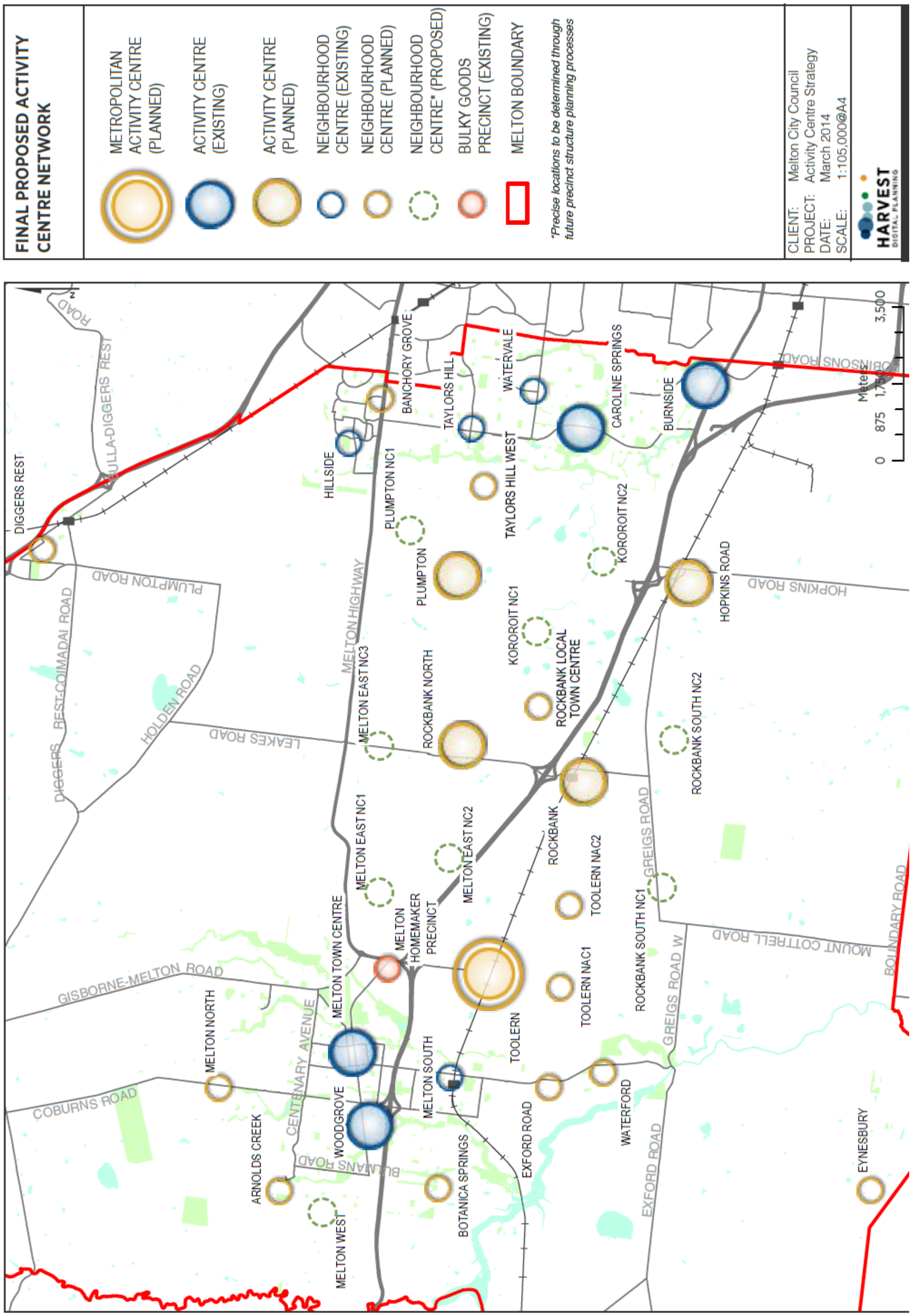
8.9 Summary

The supportable network of activity centres at full development, taking the various practical considerations into account, is close to the notional number of centres identified through analysis of population growth alone (see table below). Slightly fewer neighbourhood centres are provided than notionally demanded. The location of existing and planned centres has led to the formation of catchments which are, on average, slightly larger than 10,000. This is good for the viability of the activities in Neighbourhood Centres and will improve the range of services on offer. However, the accessibility of services will need to be monitored, with the provision of Local Centres where necessary to improve access on the fringes of centre catchments.

A plan of the centres is provided on the following page

Table 12: Supportable network of activity centres in Melton at full development

Level in retail hierarchy	Centre	Designation as per Plan Melbourne	Comment
Regional	Toolern Woodgrove	Metropolitan Activity Centre Activity Centre	(2 provided; 2 notionally supported by population growth)
Sub-Regional	Burnside Caroline Springs Melton Town Centre Plumpton Rockbank Rockbank North	Activity Centre Activity Centre Activity Centre Activity Centre Activity Centre Activity Centre	(6 provided; 6 notionally supported by population growth)
Neighbourhood	Arnolds Creek Banchory Grove Botanica Springs Diggers Rest Exford Road Eynesbury Hillside Kororoit 1 Kororoit 2 Melton East 1 Melton East 2 Melton East 3 Melton North Melton South Melton West Plumpton 1 Rockbank Local Town Centre Rockbank South 1 Rockbank South 2 Taylors Hill Taylors Hill West Toolern NAC 1 Toolern NAC 2 Waterford Watervale	Neighbourhood Centre Neighbourhood Centre	(25 provided; 30 notionally supported by population growth)
To be determined	Hopkins Road	Activity Centre	To be determined following decision on whether residential development will take place in the Mt Atkinson PSP


FINAL PROPOSED ACTIVITY CENTRE NETWORK
METROPOLITAN ACTIVITY CENTRE (PLANNED)
ACTIVITY CENTRE (EXISTING)
ACTIVITY CENTRE (PLANNED)
NEIGHBOURHOOD CENTRE (EXISTING)
NEIGHBOURHOOD CENTRE (PLANNED)
NEIGHBOURHOOD CENTRE* (PROPOSED)
BULKY GOODS PRECINCT (EXISTING)
MELTON BOUNDARY
*Precise locations to be determined through future precinct structure planning processes
CLIENT: Melton City Council
PROJECT: Activity Centre Strategy
DATE: March 2014
SCALE: 1:105,000@A4
HARVEST DIGITAL PLANNING
0 875 1,750 3,500 Meters
DIGGERS REST
BULLA-DIGGERS REST
PLUMPTON ROAD
DIGGERS REST-COIMADAI ROAD
HOLDEN ROAD
LEAKES ROAD
GISBORNE-MELTON ROAD
COBURNS ROAD
CENTENARY AVENUE
BULMANS ROAD
MELTON HIGHWAY
HILLSIDE
BANCHORY GROVE
TAYLORS HILL
WATERVALE
CAROLINE SPRINGS
BURNSIDE
PLUMPTON NC1
TAYLORS HILL WEST
KOROROIT NC2
PLUMPTON
HOPKINS ROAD
KOROROIT NC1
MELTON EAST NC3
ROCKBANK NORTH
ROCKBANK LOCAL TOWN CENTRE
ROCKBANK SOUTH NC2
ROCKBANK
MELTON EAST NC1
MELTON EAST NC2
TOOLERN NAC2
GREIGS ROAD
MELTON TOWN CENTRE
MELTON HOMEMAKER PRECINCT
TOOLERN
TOOLERN NAC1
ROCKBANK SOUTH NC1
MOUNT COTTRELL ROAD
BOUNDARY ROAD
MELTON NORTH
WOODGROVE
MELTON SOUTH
EXFORD ROAD
WATERFORD
GREIGS ROAD W
ARNOLDS CREEK
MELTON WEST
BOTANICA SPRINGS
EYNESBURY
ROBINSONS ROAD

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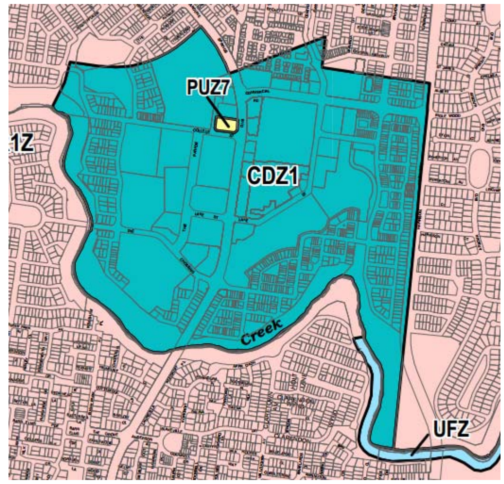
Appendix: Existing Activity Centres

1 Caroline Springs Town Centre

1.1 Summary Description

Caroline Springs Town Centre is located on Caroline Springs Boulevard and has been developed to service the newly developing suburbs of Caroline Springs and surrounds. First opened in 2004, the town centre has developed largely in accordance with a master plan prepared by Lend Lease, which owns the CS Square enclosed shopping centre, surrounding restaurants and much land which is yet to be developed. Lend Lease has completed stage two of a six stage development concept. The land including and around the centre is in a Comprehensive Development Zone to facilitate development (see adjacent figure).



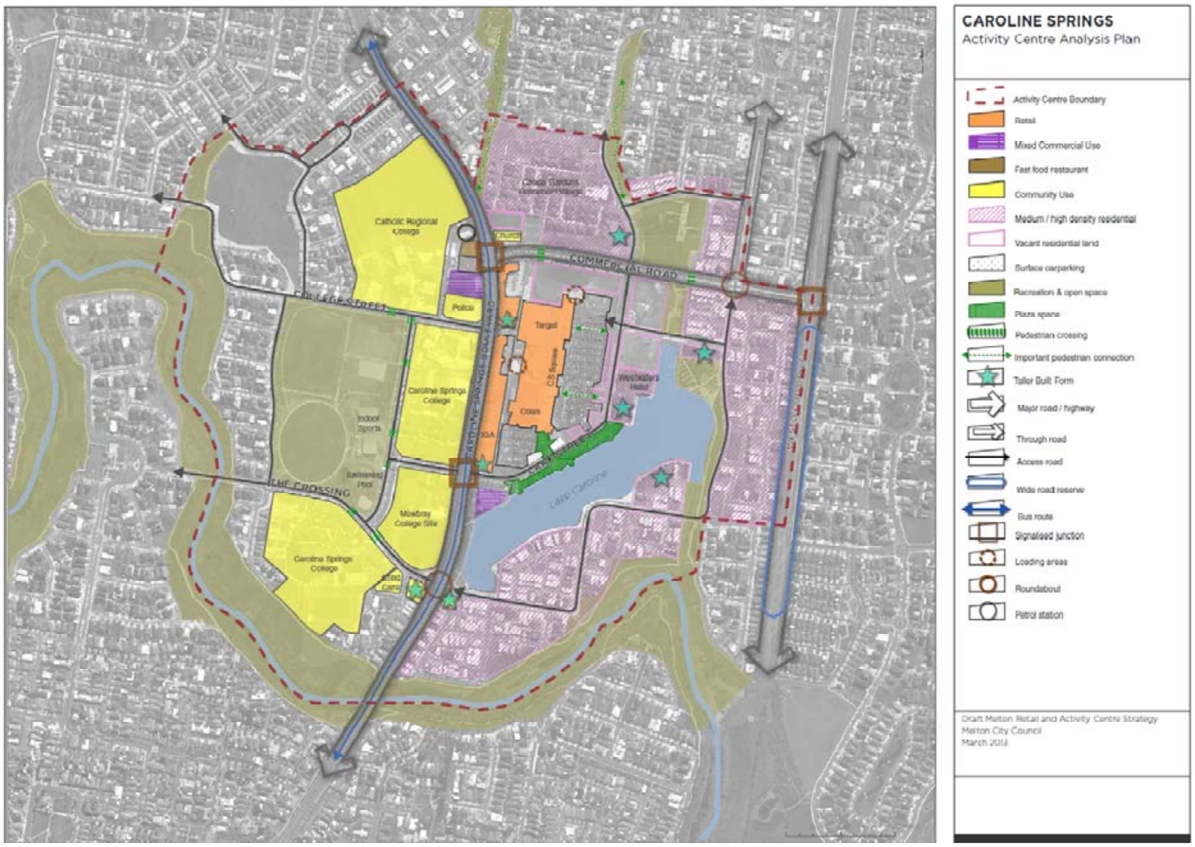
Zoning of Caroline Springs Town Centre

1.2 Urban Design

Caroline Springs Activity Centre has evolved as part of a Masterplan for the area, and comprises a commercial core to the east of Caroline Springs Boulevard, a more campus style arrangement of schools and recreational facilities to the west of Caroline Springs Boulevard and surrounding pockets of higher density housing. Unlike many outer suburban centres, Caroline Springs has a number of taller building forms, both within the commercial core and at key locations in the surrounding higher density residential hinterland. The commercial centres format provides an interesting mixture of 'main-street' and standalone larger format centres.

There has been a conscious effort to provide a sense of address to some of the forms within the centre, with buildings up to 7 storeys fronting Caroline Springs Boulevard. While this intensity of form steps down to the more standard large format stores behind this 'front row' and the built form is not reflected on the west side of the road, these higher forms clearly mark this area as the centre of activity. Additional higher forms are currently under construction around the centre, in particular a number of buildings are proposed around 8 storeys at key sites to the north and west of the existing surface car parking. An access road (extension of College Road provide access to internal car parking associated with CS Square complex. Although there is some continuation of the retail forms into this access road, the blank frontage presented by the back of the CS Square complex detracts for the activity in this area, which could be improved through an opening up of this interface.

The northern gateway to the centre is marked on the eastern side by a prominent built form which wraps around the corner of Commercial Road and on the eastern side by a series of standalone formats (including petrol station and fast food restaurant, as well as the Caroline Springs Police Station, which contrast with the more traditional (albeit higher) 'main street' format within the core of the centre.



Unlike many centres, it also adjoins a landmark feature in the form of Lake Caroline, which marks the southern entry to the centre. To the south of this lake are higher density residences (primarily 3-4 storey townhouse forms) while to the north a pedestrian promenade interfaces with a plaza area, car parking and a substantial hotel building. This area has the potential (as surface car parking areas are developed) to provide a focal area for entertainment and leisure with in the activity centre. The pathways around the lake also act as a conduit for pedestrian movement through the centre, and connect to two other key areas of public open space located around the intersection of Commercial Road and Arroyo Place.

1.3 Activity

Caroline Springs is a strongly multi-functional centre with:

- Shopping
- Dining options
- Commercial offices
- Commercial accommodation
- Civic functions
- A major primary and secondary education precinct
- Major recreational activities

The total floorspace in the centre is 75,300 sq m (excluding schools). This includes 22,000 sq m of retail space.

The estimated total employment in the centre is 1,500 to 2,000 (excluding school employees).

A more detailed breakdown of activity is shown below.

Table 13: Estimated premises and floorspace, Caroline Springs Town Centre, 2012

Activity	Caroline Springs Town Centre		
	Premises	Floorspace	
Retail	no	sq m	%
Supermarkets/general store	3	5,182	24%
Specialty food	8	1,786	8%
Department store	1	5,400	25%
Clothing	13	1,912	9%
Furniture, homeware and hardware	4	796	4%
Recreational goods	4	500	2%
Other retailing	4	818	4%
Cafés, restaurants and take-away food	32	4,824	22%
Retail services (hairdressing, beauty, video hire)	9	804	4%
Total retail		22,022	100%
Retail		22,022	29%
Postal and telecommunications	1	190	0%
Construction	2	216	0%
Wholesale and trade services			0%
Pubs, clubs and hotels	2	23740	32%
Banks, finance and insurance	5	1044	1%
Real estate and property	6	732	1%
Professional services	10	2832	4%
Administrative services	1	70	0%
Government services	1	176	0%
Emergency services	1	3060	4%
Non-school education			0%
Health services	9	6520	9%
Community services			0%
Recreation	6	8727	12%
Arts and media	1	2592	3%
Automotive sales and services			0%
Other services	2	168	0%
Community facilities			0%
Vacant	14	3239	4%
Total activity		75,328	100%

Source: Tim Nott; Council records

Note: excludes school buildings

1.4 Retail Analysis

Caroline Springs Town Centre

Floorspace assessment

(from surveys)

Total floorspace (excluding schools)	75,300	sq m	
Total retail floorspace	22,000	sq m	
Total non-retail floorspace	53,300	sq m	(includes allowance for some hardware floorspace to be devoted to wholesale rather than retail sales)

Retail sales

Retail type	Floorspace	Retail turnover density	Retail sales
	sq m	$/sq m per year	$m per year
Food and groceries	7,000	$8,600	$60.2
Non-food goods	9,400	$5,800	$54.5
Food service	4,800	$5,500	$26.4
Selected retail services	800	$4,200	$3.4
Total retail	22,000	$6,600	$144.5

Source: Consultant surveys and industry sources

Characteristics of the trade area

Estimated resident population, 2012	45,638
Forecast average annual rate of population growth, 2012 to 2016	2.7%
Median weekly household income, 2011	$1,591
Median household size	3.1

Estimated retail spending by trade area residents in 2012

Retail type	Annual retail spending per person	Total retail spending	Share of total
	$ per person	$m	%
Food and groceries	$4,740	$216.3	39%
Non-food goods	$5,050	$230.5	42%
Food service	$1,780	$81.2	15%
Selected retail services	$470	$21.4	4%
Total retail	$12,040	$549.5	100%

Source: Tim Nott; ABS, Census of Population and Housing; Market Info, 2006

Estimated sales to residents and visitors, 2012

Retail type	Total retail sales	Sales to visitors		Sales to residents
	$m	%	$m	$m
Food and groceries	$60.2	10%	$6.0	$54.2
Non-food goods	$54.5	10%	$5.5	$49.1
Food service	$26.4	15%	$4.0	$22.4
Selected retail services	$3.4	10%	$0.34	$3.0
Total retail	$144.5	11%	$15.8	$128.7

Source: Tim Nott

Share of resident spending captured

Retail type	Total resident spending	Sales to residents	Share of resident spending captured
	$m	$m	$m
Food and groceries	$216.3	$54.2	25%
Non-food goods	$230.5	$49.1	21%
Food service	$81.2	$22.4	28%
Selected retail services	$21.4	$3.0	14%
Total retail	$549.5	$128.7	23%

Source: Tim Nott

Key results of the retail analysis are:

- Trade area of 45,600 people in 2012
- Retail sales of approximately $145 million in 2012
- Captures 23% of resident spending

The share of resident spending is towards the lower end of the typical share of Sub-regional centres. This leaves some existing room for growth in retail provision. Population growth in the trade area of 2.7% per year over the period to 2016 also gives potential for growth, although there are factors that may reduce this potential as discussed below.

1.5 Factors Affecting Future Development

1.5.1 Retail Competition from Other Centres

The notional catchment area of Caroline Springs Town Centre will continue to grow, reaching 63,000 by 2031 (and a diagram of the trade area is provided in Figure 26 of this report). However, recent zoning changes initiated by the Minister for Planning mean that the Burnside activity centre has the as-of-right capacity to grow significantly and to provide a strong specialty retail component including a discount department store. This Strategy recognizes that capacity and has recommended designation of Burnside as a sub-regional Centre.

The trade area for Caroline Springs may grow to the west as the Taylors Hill West, Plumpton and Koroit growth areas are developed. However, most of these areas will ultimately be served by the Activity Centre designated at Plumpton. Once Plumpton is developed, and assuming development of a sub-regional facility at Burnside, the natural catchment area of Caroline Springs is likely to be 30,000 to 40,000 residents. At this stage, it is unclear when the Plumpton AC would be developed.

Higher density housing around the Town Centre may increase the residential catchment somewhat.

These developments are likely to limit the retail potential of the centre to the provision which currently exists. Nevertheless, there is continuing potential for adjustment and strengthening of the retail offering.

1.5.2 Office Development

Caroline Springs has an established office market and a set of characteristics that are favourable for further office development, including:

- Available land
- Attractive urban setting
- High order supporting services such as conference centre and a choice of commercial accommodation
- Extensive lunch-time and evening services

Office development is likely to be one of the key areas for expansion at Caroline Springs Town Centre. In achieving more office development there will be a need to cater for a range of likely occupiers and to preserve and improve the fine-grain street-level attractiveness and interest in the centre.

1.5.3 Land-Use Zoning

There is presently a schedule to the Comprehensive Development Zone (CDZ) which specifies floorspace limits for retail uses. However, this limit will shortly be removed as part of the State Government's current round of reforms to planning zones. Whilst the CDZ has enabled the development of a strong multi-functional centre, there may now be a case for reviewing the effects of this zone on the future competitiveness of the centre, particularly compared with centres that are in more conventional Commercial Zones.

1.5.4 Urban Design

The high quality urban design of Caroline Springs is its most distinguishing feature. In any replanning of future development at this centre as it adjusts to a more limited retail growth trajectory, high quality urban design should continue to be a feature in order to preserve existing land values and to maintain the attractiveness of the centre for commercial office development. Urban design improvements could be made, for example, to better integrate CS Square with the main street and to sleeve car-parks with development.

1.6 Recommendations

1. Confirm Caroline Springs Town Centre as an Activity Centre providing a sub-regional retail service within the centre hierarchy of the municipality
2. Review the existing zoning and its effects on the competitiveness of this centre
3. Review the Masterplan to ensure that it reflects the emerging commercial realities for the centre and is capable of preserving and improving the high quality urban design of the centre

2 Melton Town Centre

2.1 Summary Description

The original centre of the satellite city, Melton Town Centre sits astride the old Western Highway. It is a retail strip centre with a high proportion of health, community and professional services. Key features of the centre include:

- Three small to medium-sized supermarkets (IGA, Foodworks, Aldi)
- A wide range of specialty shops, including extensive provision of food
- the municipal offices
- the new Melton Library and Learning Centre (completed in June 2013)
- Clinics and other health services
- Several large hotels and nightclubs
- Recreational facilities such as gyms

This street-based centre has multiple owners and Council and others have invested strongly in streetscape works. The centre's appearance is generally good – it is clean and provides clear and effective way finding and business signage in prominent locations (especially along High Street). The centre is vibrant throughout the day evidenced by a range of people engaging with and using the various cafes, shops and services. This vibrancy is enhanced by a number of outdoor dining opportunities along High Street, Smith Street, Palmerston Street and Bakery Square.

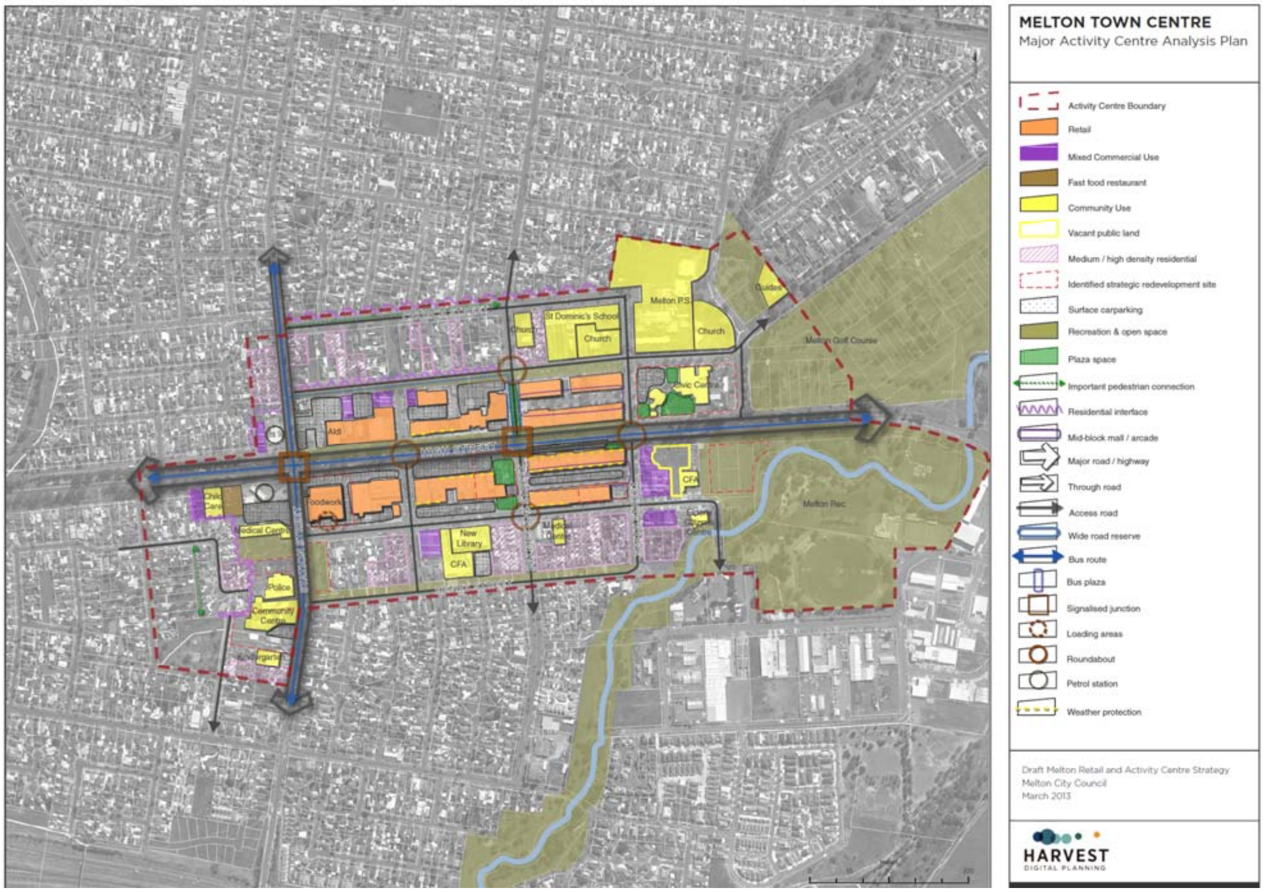
Car parking does dominate some parts of the centre, especially in the High Street and Bakery Square. There is also a general lack of connectivity between High Street, Bakery Square and McKenzie Street to the south. The lack of connectivity will also be an issue for the new Melton Library and Learning Centre.

Melton has a total of around 89,400 sq m of non-residential building floorspace (excluding the adjacent school) of which around 40% or 35,500 sq m is retail space.

Despite the presence of the Woodgrove centre just 1 km to the west, with major retail attractors such as Kmart and the major supermarket chains, Melton Town Centre has a vacancy rate (5% of space in December 2012) which is very acceptable for centres of its type. It has clearly developed a market niche catering for extensive convenience retailing - including discount food – as well as services, entertainment and secondary retailing. These roles make the Melton Town Centre an Activity Centre with a sub-regional role in non-retail services.

2.2 Urban Design

The Melton Town Centre essentially comprises a series of connected strip centres based around the Melton Highway interface and associated community assets. The eastern edge of the centre is defined by the Toolern Creek corridor and recreation areas, although the interface at these edges does not maximise the advantages of the 'green outlook'. The commercial centre is relatively compact and functions, with the main areas of activity focussed around Palmerston Street. To the edges of the centre, particularly the eastern edge, the intensity of built form lessens and the presence of more surface car parking and uses such as petrol stations and car washes predominate, with associated implications for the built environment.



The centre has two unique features in the form of 'mall' type areas (Bakery and Wallace Squares) which retain vehicle movement but with buildings which have double frontages. These areas are relatively successful, despite some parts where inactive frontages dominate. They offer exciting opportunities for these areas to develop into the real core of the town centre, subject to appropriate design. Scattered plaza areas such as around the civic centre and Palmerston Street are present within the centre, as well as a relatively recent bus interchange area adjacent to Wallace Square.

There is also a significant amount of on-street car parking provided within the centre, some of which may be better utilised in providing improvements to the pedestrian experience within the centre. Pedestrian connectively through the centre is relatively functional, although improvements to north / south through block linkages and the overall amenity of the pedestrian experience should be sought in the future.

To the north and south of the commercial areas there has been some medium density development and the interfaces between these areas and the commercial operations in the centre will need to be carefully managed, as will the balance in these areas of higher density residential development and peripheral commercial uses, particularly in light of changes to zoning. The centre is currently separated by less than three residential blocks along the Melton Highway for the Woodgrove Activity Centre, and it will be important to maintain this clear distinction between the centres by preventing the creep of commercial uses along this corridor.

2.3 Activity

Melton town centre is a strongly multi-functional centre with:

- Extensive convenience retailing and some comparison retailing
- Trade supplies and services
- Civic functions such as the Shire offices and the library
- Dining and evening entertainment
- Health services
- Commercial and personal services
- Recreational activities

The total floorspace in the centre is 89,400 sq m (excluding schools). This includes 35,500 sq m of retail space.

The estimated employment in the centre is around 2,500 (excluding school employees).

A detailed breakdown of space is provided in the table below.

Table 14: Estimated premises and floorspace, Melton Town Centre

Activity	Melton Town Centre		
	Premises	Floorspace	
Retail	no	sq m	%
Supermarkets/general store	6	7,592	21%
Specialty food	10	6,217	18%
Department store			0%
Clothing	8	1,799	5%
Furniture, homeware and hardware	13	3,677	10%
Recreational goods	5	994	3%
Other retailing	14	3,705	10%
Cafés, restaurants and take-away food	33	8,195	23%
Retail services (hairdressing, beauty, video hire)	16	3,286	9%
Total retail	105	35,465	100%
Retail	105	35,465	40%
Postal and telecommunications	1	836	1%
Construction	1	80	0%
Wholesale and trade services	2	236	0%
Pubs, clubs and hotels	6	4,863	5%
Banks, finance and insurance	16	3,167	4%
Real estate and property	15	2,874	3%
Professional services	15	2,402	3%
Administrative services	7	1,782	2%
Government services	4	6,099	7%
Emergency services	3	3,166	4%
Non-school education	0	0	0%
Health services	12	6,961	8%
Community services	5	3,692	4%
Recreation	7	6,537	7%
Arts and media	3	4,151	5%
Automotive sales and services	4	978	1%
Other services	4	775	1%
Community facilities	1	900	1%
Vacant	21	4,405	5%
Total activity	232	89,369	100%

Source: Tim Nott; Council records

Note: excludes school buildings

2.4 Retail Analysis

Melton Town Centre

Floorspace assessment

(from surveys)

Total floorspace (excluding schools)	89,400	sq m	
Total retail floorspace	35,500	sq m	
Total non-retail floorspace	53,900	sq m	(includes allowance for some hardware floorspace to be devoted to wholesale rather than retail sales)

Retail sales

Retail type	Floorspace	Retail turnover density	Retail sales
	sq m	$/sq m per year	$m per year
Food and groceries	13,800	$7,200	$99.4
Non-food goods	10,200	$4,800	$49.0
Food service	8,200	$4,800	$39.4
Selected retail services	3,300	$3,800	$12.5
Total retail	35,500	$5,600	$200.2

Source: Consultant surveys and industry sources

Characteristics of the trade area

Estimated resident population, 2012	15,515
Forecast average annual rate of population growth, 2012 to 2016	1.4%
Median weekly household income, 2011	$1,124
Median household size	2.7

Estimated retail spending by trade area residents in 2012

Retail type	Annual retail spending per person	Total retail spending	Share of total
	$ per person	$m	%
Food and groceries	$4,490	$69.7	42%
Non-food goods	$4,340	$67.3	40%
Food service	$1,530	$23.7	14%
Selected retail services	$400	$6.2	4%
Total retail	$10,760	$166.9	100%

Source: Tim Nott; ABS, Census of Population and Housing; Market Info, 2006

Estimated sales to residents and visitors, 2012

Retail type	Total retail sales	Sales to visitors		Sales to residents
	$m	%	$m	$m
Food and groceries	$99.4	55%	$54.6	$44.7
Non-food goods	$49.0	55%	$26.9	$22.0
Food service	$39.4	70%	$27.6	$11.8
Selected retail services	$12.5	70%	$8.78	$3.8
Total retail	$200.2	59%	$117.9	$82.3

Source: Tim Nott

Share of resident spending captured

Retail type	Total resident spending	Sales to residents	Share of resident spending captured
	$m	$m	$m
Food and groceries	$69.7	$44.7	64%
Non-food goods	$67.3	$22.0	33%
Food service	$23.7	$11.8	50%
Selected retail services	$6.2	$3.8	61%
Total retail	$166.9	$82.3	49%

Source: Tim Nott

Key results of the retail analysis are:

- Trade area of 15,500 people in 2012
- Retail sales of approximately $200 million in 2012
- Captures 49% of retail spending by people living in the trade area, with 59% of sales coming from people from outside the trade area

Melton Town Centre clearly has a wide draw on the spending of residents from throughout Melton (and not just in its identified trade area). It is likely that most Melton residents use the Town Centre for parts of the shopping and entertainment, including convenient top-up and discount groceries, take-away food, certain non-food goods and so on.

2.5 Factors Affecting Future Development

2.5.1 Competition from Other Centres

The expansion of Woodgrove shopping centre due for completion by Christmas 2013 will add substantially to the retail offer in the Melton township, particularly in non-food goods. This expansion will compete with retailers in Melton Town Centre. However, the Town Centre has established a niche in secondary and independent retailers who are unlikely to find a large corporate centre amenable or affordable. Of more concern, in the longer term, will be competition from new neighbourhood centres that are planned around the township, including Botanica Springs, Exford Road and Melton North. These centres will eat into the convenience food and grocery market that is presently serviced by the Town Centre. The timing of development of these centres is not presently known; however, it is likely that Melton Town Centre has reached the limit of its total retail provision, although adjustments and new investments will be ongoing.

2.5.2 Town Centre Functions

Melton Town Centre is the municipal centre and the largest overall activity centre in the City. Over time, however, that role will be challenged as Woodgrove expands to be a regional shopping centre and, later, as Toolern grows to become a Metropolitan Activity Centre. The new library will reinforce the municipal role of the centre for the time being but in the longer term, Toolern will become the focus for major public investments of this type.

2.5.3 Centre Resilience

The Town Centre has a good spread of activity in convenience retailing, discount groceries, wholesaling, business services, cafés and hotels, minor professional services, health and community services and so on. This spread of activity improves the economic resilience of the centre and will assist it to withstand economic shocks. Nevertheless, there is scope for a traders' group or chamber of commerce to present a collective voice for the centre; to develop a business plan, formal or informal; and to help individual traders to improve their business position.

2.6 Recommendations

1. Confirm Melton Town Centre as an Activity Centre with a neighbourhood retail role in the centre hierarchy of the municipality
2. Assist the formation of a traders' group for the Melton Town centre
3. Review the existing structure plan in the light of changes to competitive conditions and zoning

3 Woodgrove Activity Centre

3.1 Summary Description

Woodgrove comprises two enclosed shopping complexes – Woodgrove and Coburns Central – and surrounding commercial and community services. Woodgrove is located between the High Street and the Western Freeway in Melton township. Key features of the centre include:

- Kmart discount department store, two major supermarkets (Coles in Woodgrove and Woolworths in Coburns Central) and a wide variety of specialty stores
- Cinema and evening dining options
- Bunnings warehouse
- Health and community services

The centre as a whole has approximately 49,000 sq m of which 76% or 37,100 sq m is in retailing.

The Woodgrove Centre owned by QIC is presently undergoing an expansion to accommodate a further discount department store, major supermarket and many specialty shops. The expansion will provide a further 20,000 sq m of shop space. By the end of 2013, Woodgrove will be the largest *retail* activity centre in the City of Melton.

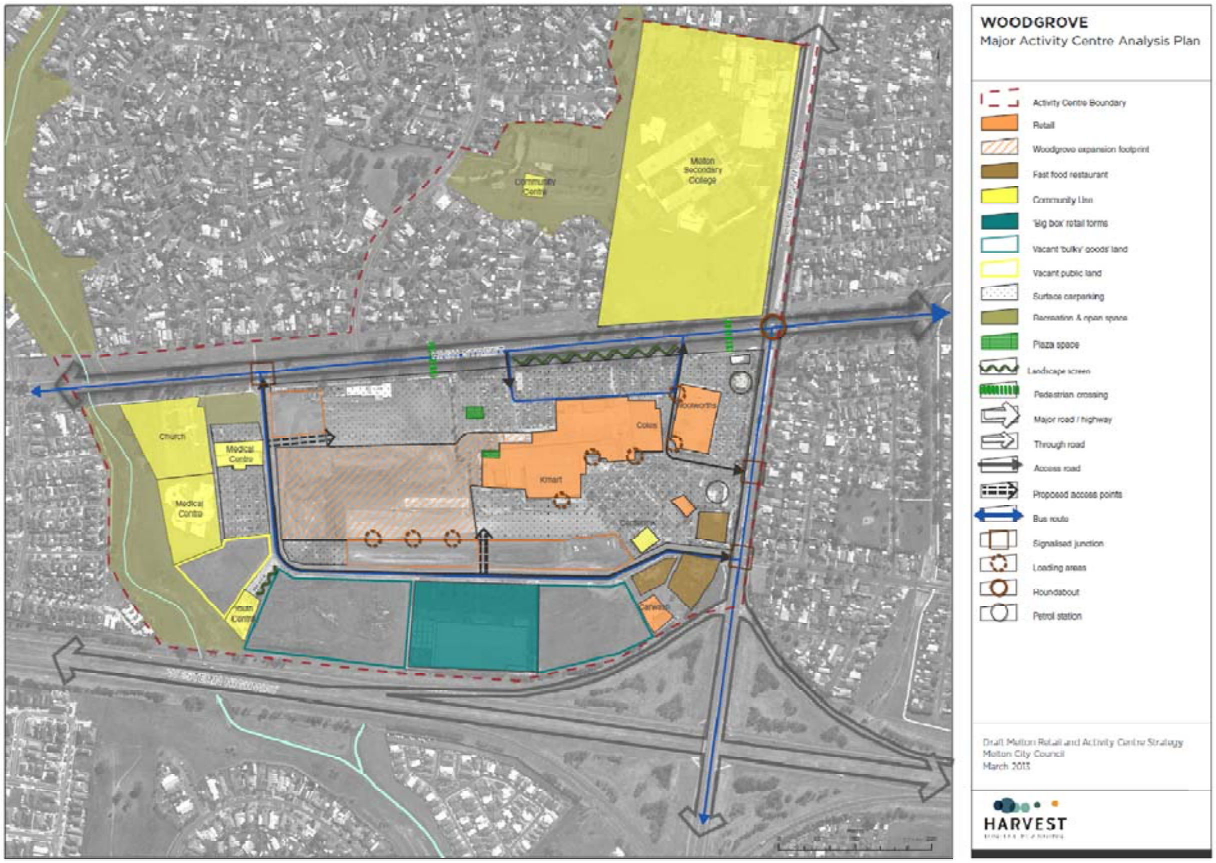
Woodgrove is a car-based centre, with relatively poor pedestrian connections to surrounding residential areas and between activities within the centre. As the centre expands, it will become more important to improve pedestrian linkages between the retail activity areas at the heart of the centre and the surrounding health and other commercial services. In addition, connections between the two enclosed centres are poor. Following the expansion of the QIC centre, with the addition of a Woolworths supermarket, the future of Coburns Central is unclear and this rather tired part of the centre may warrant redevelopment.

Despite these shortcomings, Woodgrove Activity Centre is the main retail centre for the Melton township and surrounds, providing for both convenience and routine comparison shopping.

3.2 Urban Design

Woodgrove is essentially a 'stand-alone' large format shopping centre based around an internal mall. In addition to the main Woodgrove complex, this centre also comprises a second centre (with an additional anchor tenant) and a number of 'stand-alone' buildings set within at-grade car parks, primarily fast food and or petrol stations which have associated access ways and car parking. The Woodgrove centre is currently expanding its footprint to the west, but the essential form (large internally orientated building set within an at-grade car park) will remain unchanged. A number of vacant sites identified for future bulky goods uses are located south of Barries Road adjacent to the highway and a number of community buildings.

Wrapped around the western side of the centre is a creek corridor which is currently isolated from the centre with all existing buildings orientated away from this open space and no connections to the corridor are provided. There is no open 'green' space within the centre but the expansion of the Woodgrove complex does propose an expansion to some of the (private) urban plazas on the northern side.



Pedestrian linkages through the centre exist in an ad-hoc way through the extensive areas of car parking, but the pedestrian experience is not prioritised within this vehicle dominated centre and a low priority is placed on (external) pedestrian amenity within this centre. Connections from adjoining community uses and the school to the north appear to be little improved as part of the centres expansion.

The centre is bounded on three sides by major roads, and the fourth by a creek line. Presentation to these interfaces is relatively poor with at-grade car parking, back of house loading areas and commercial signage dominating impressions of the centre from these viewpoints. Furthermore, the positioning of the main shopping centre building means that the interface between the community and other uses to the west essentially face the 'back end' of the Woodgrove expansion and have little connection to, or relationship with, the retail components of the centre.

3.3 Activity

The two single owner shopping centres ensure that retailing is the dominant activity at Woodgrove. However, the continuing development of the periphery of the centre is creating a more multi-functional profile, with a fast food precinct and a health and community services precinct. Some public sector office uses are also present.

The total floorspace in the centre is 49,000 sq m (excluding schools). This includes 34,000 sq m of retail space.

The estimated employment in the centre is around 1,500 (excluding school employees).

A detailed breakdown of space is provided in the table below.

Table 15: Estimated premises and floorspace, Woodgrove Major Activity Centre

Activity	Woodgrove		
	Premises	Floorspace	
Retail	no	sq m	%
Supermarkets/general store	4	8,345	25%
Specialty food	9	1,132	3%
Department store	1	6,126	18%
Clothing	26	4,113	12%
Furniture, homeware and hardware	12	9,786	29%
Recreational goods	4	423	1%
Other retailing	5	1,018	3%
Cafés, restaurants and take-away food	19	2,770	8%
Retail services (hairdressing, beauty, video hire)	4	270	1%
Total retail	84	33,983	100%
Retail	84	33,983	69%
Postal and telecommunications	1	105	0%
Construction			0%
Wholesale and trade services	2	3,174	6%
Pubs, clubs and hotels			0%
Banks, finance and insurance			0%
Real estate and property			0%
Professional services			0%
Administrative services	4	618	1%
Government services	2	807	2%
Emergency services			0%
Non-school education			0%
Health services	8	5,266	11%
Community services	1	750	2%
Recreation	2	2,563	5%
Arts and media			0%
Automotive sales and services	3	522	1%
Other services	3	53	0%
Community facilities	1	625	1%
Vacant	2	576	1%
Total activity		49,042	100%

Source: Tim Nott; Council records

Note: excludes school buildings

3.4 Retail Analysis

Woodgrove

Floorspace assessment
(from surveys)

Total floorspace (excluding schools)	49,000	sq m	
Total retail floorspace	34,100	sq m	
Total non-retail floorspace	14,900	sq m	(includes allowance for some hardware floorspace to be devoted to wholesale rather than retail sales)

Retail sales

Retail type	Floorspace	Retail turnover density	Retail sales
	sq m	$/sq m per year	$m per year
Food and groceries	9,500	$9,600	$91.2
Non-food goods	21,500	$6,000	$129.0
Food service	2,800	$5,500	$15.4
Selected retail services	300	$4,500	$1.4
Total retail	34,100	$6,900	$237.0

Source: Consultant surveys and industry sources

Characteristics of the trade area

Estimated resident population, 2012	70,337
Forecast average annual rate of population growth, 2012 to 2016	5.4%
Median weekly household income, 2011	$1,219
Median household size	2.7

Estimated retail spending by trade area residents in 2012

Retail type	Annual retail spending per person	Total retail spending	Share of total
	$ per person	$m	%
Food and groceries	$4,520	$317.9	41%
Non-food goods	$4,520	$317.9	41%
Food service	$1,590	$111.8	14%
Selected retail services	$420	$29.5	4%
Total retail	$11,050	$777.2	100%

Source: Tim Nott; ABS, Census of Population and Housing; Market Info, 2006

Estimated sales to residents and visitors, 2012

Retail type	Total retail sales	Sales to visitors		Sales to residents
	$m	%	$m	$m
Food and groceries	$91.2	5%	$4.6	$86.6
Non-food goods	$129.0	5%	$6.5	$122.6
Food service	$15.4	5%	$0.8	$14.6
Selected retail services	$1.4	5%	$0.07	$1.3
Total retail	$237.0	5%	$11.8	$225.1

Source: Tim Nott

Share of resident spending captured

Retail type	Total resident spending	Sales to residents	Share of resident spending captured
	$m	$m	$m
Food and groceries	$317.9	$86.6	27%
Non-food goods	$317.9	$122.6	39%
Food service	$111.8	$14.6	13%
Selected retail services	$29.5	$1.3	4%
Total retail	$777.2	$225.1	29%

Source: Tim Nott

Key results of the retail analysis are:

- Trade area of 70,300 people in 2012
- Retail sales of approximately $237 million in 2012
- Captures 29% of retail spending by people living in the trade area

The centre captures a typical share of retail spending by a sub-regional shopping centre.

3.5 Factors Affecting Future Development

3.5.1 Expansion Plans

The present expansion of the Woodgrove shopping centre will add 20,000 sq m to the floorspace of the centre, accommodating a further discount department store (Big W), a Woolworths supermarket and many specialty stores. QIC also have further plans to expand the centre on the available commercially zoned land, adding further floorspace to eventually become a regional shopping centre with a full department store. At this point, the centre would have more than 75,000 sq m of retail space.

The centre will serve an extended and rapidly growing trade area that encompasses the area west of the Outer Metropolitan Ring Road and as far west as Bacchus Marsh.

3.5.2 Competition

Competition to the retail offering of Woodgrove will grow only slowly as surrounding activity centres are developed. These will include neighbourhood centres in Melton – Botanica Springs, Exford Road and Melton North, for example – which will compete particularly in the food and groceries segment; and the larger centres of Toolern, Rockbank, Rockbank North and Bacchus Marsh, which will compete mainly in the non-food segment as each of these centres will accommodate a discount department store.

3.5.3 Non-Retail Development

Non-retail development is vital to the long term resilience of the centre and to its ability to deliver strong and varied employment opportunities. Presently non-retail development is relatively low, although there are some public sector offices and health and community service activities, with more to be developed. There is land around the periphery of the centre for further development of these activities.

3.5.4 Urban Design

This is a strongly car-based centre, with internalised malls and isolated peripheral uses. Several issues require attention in order to improve the sustainability of the centre:

- Better integration of uses across the centre to improve walkability
- Strong and well-connected bus interchange
- Improved connections and orientation to surrounding land-uses would integrate the centre better within its setting
- Surrounding housing is relatively low density; this could change over time in order to improve access to services
- Consideration should be given to integrating housing on the site, particularly on upper floors of buildings; this would entail an improved quality of construction to attract housing investors

These issues could be addressed through a structure plan and urban design framework for the centre.

3.6 Recommendations

1. Confirm Woodgrove as an Activity Centre with a regional retail role in the activity centre hierarchy
2. Undertake a structure plan/urban design framework, in conjunction with the land-holders

4 Burnside

4.1 Summary Description

Burnside is presently a neighbourhood retail centre with a significant bulky goods precinct located on the corner of Ballarat Road and Westwood Drive and consists of a single owner shopping centre with surrounding bulky goods outlets and other commercial activities. Key features of the centre are:

- Coles supermarket and specialty stores
- Bunnings and Masters hardware stores
- Developing bulky goods precinct

This is a car-based centre, developed in the early 2000s to service the newly established suburb of Burnside for convenience goods and services. The centre contains 31,500 sq m of activity space (and this counts the space in the shopping centre and surrounding retail operations). The two major hardware stores occupy 21,500 sq m between them (although some of this space provides for wholesale sales), with the remaining retail component occupying 10,000 sq m.

4.2 Urban Design

This centre currently consists of four disconnected precincts comprising:

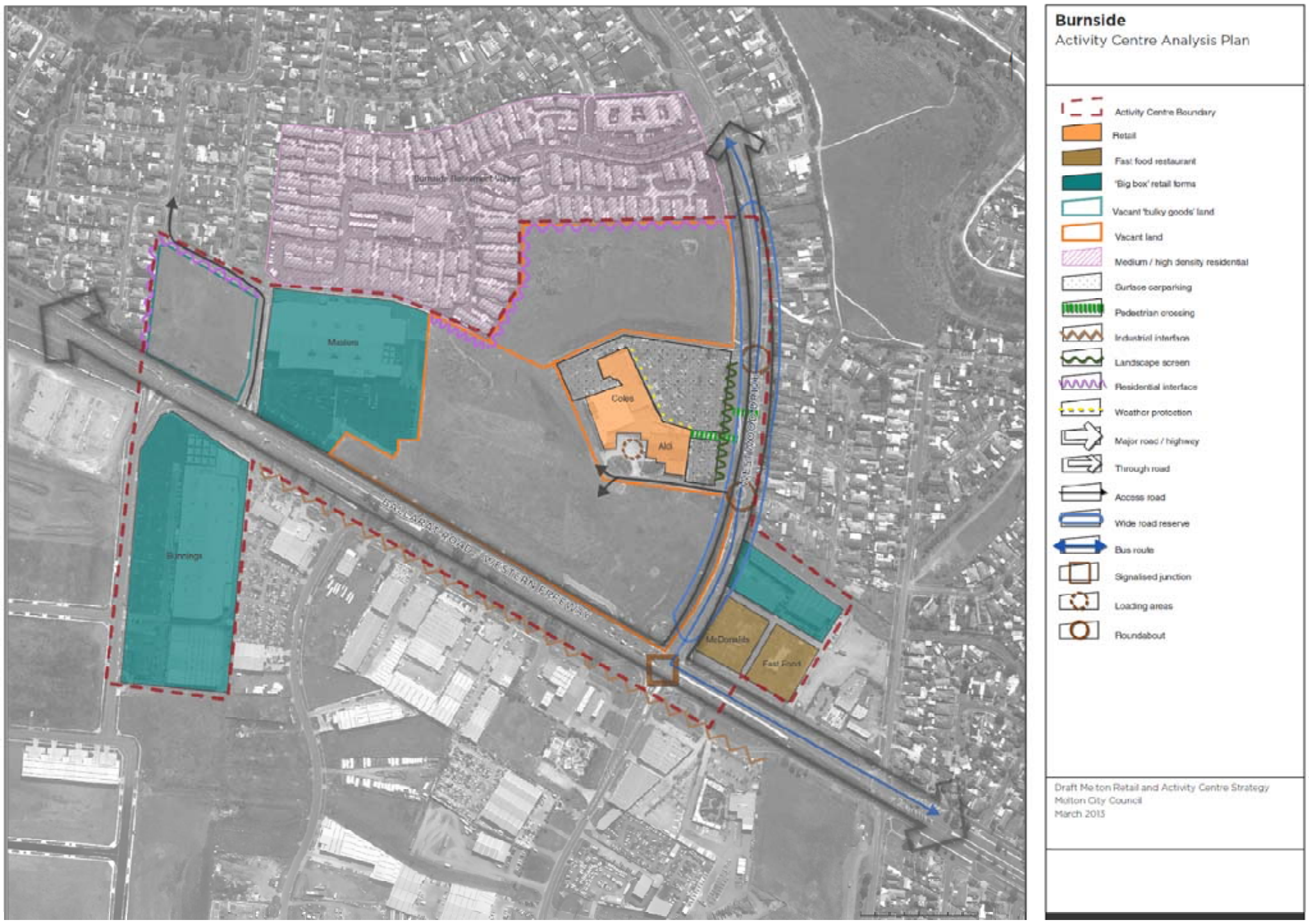
- Bunnings and adjacent bulky goods precinct on the south side of the Western Highway
- Masters Hardware on the north side of the Highway opposite Bunnings
- Several large format retail uses and fast food outlets at the corner of Westwood Drive and the Western Highway
- The stand-alone Burnside shopping centre on Westwood Drive

The shopping centre is a typical supermarket anchored centre with a single large format supermarket located to the rear of the site, with finer grain specialty retail wrapped around the main frontage. An ALDI store has been established to the southern portion of the site and at-grade car parking dominate the intervening space between Westwood Drive and the centre's entrance. The entrance to the centre is marked by a double height feature element.

There are no formal open spaces in or near the centre, although a wider pedestrian pavement is provided immediately adjacent to the Burnside shops and accommodates some outdoor dining areas.

Pedestrian links within this centre are poor with a strong emphasis on vehicle movement. A footpath runs along Westwood Drive in front of the centre but provides incomplete links to the north and south. One clear pedestrian path through the car parking leads to the small plaza area adjacent to the Aldi, and weather protection is provided along the front façade of the centre.

The activity centre's interfaces are currently undefined due to the large areas of vacant land within the activity centre, but the presence of two main through roads provides both a level of separation to residential areas, and a high level of exposure to commercial areas. To the north an interface with the Burnside Retirement Village needs to be sensitively managed and additional landscape buffers such as run along part of the Burnside shopping complex's interface with Westwood Drive may be beneficial. The retirement village and Masters store also separates the centre from its pedestrian catchment to the north and west.



4.3 Activity

Burnside is predominantly a retail centre, comprising the single-owner shopping centre, several peripheral shops and two very large hardware stores.

The total floorspace in the centre is 31,600 sq m (in 2012). This includes 24,400 sq m of retail space (although an allowance has been made here for a portion of the large hardware stores to be providing wholesale rather than retail space).

The estimated employment in the centre is 500 to 600.

A detailed breakdown of space is provided in the table below.

Table 16: Estimated premises and floorspace, Burnside

Activity	Burnside Neighbourhood Centre		
	Premises	Floorspace	
Retail	no	sq m	%
Supermarkets/general store	3	3,660	15%
Specialty food	5	845	3%
Department store			0%
Clothing	1	468	2%
Furniture, homeware and hardware	4	16,890	69%
Recreational goods			0%
Other retailing	2	1,488	6%
Cafés, restaurants and take-away food	6	1,017	4%
Retail services (hairdressing, beauty, video hire)	1	45	0%
Total retail	22	24,413	100%
Retail	22	24,413	77%
Postal and telecommunications			0%
Construction			0%
Wholesale and trade services	2	6,600	21%
Pubs, clubs and hotels			0%
Banks and insurance			0%
Real estate and property	1	72	0%
Professional services			0%
Administrative services			0%
Government services			0%
Emergency services			0%
Education			0%
Health services	2	420	1%
Community services			0%
Recreation	1	108	0%
Arts and media			0%
Automotive sales and services			0%
Other services			0%
Community facilities			0%
Vacant			0%
Total activity	28	31,613	100%

Source: Tim Nott; Council records

Note: excludes school buildings

4.4 Retail Analysis

Burnside

Floorspace assessment

(from surveys)

Total floorspace (excluding schools)	31,600	sq m	
Total retail floorspace	24,300	sq m	
Total non-retail floorspace	7,300	sq m	(includes allowance for some hardware floorspace to be devoted to wholesale rather than retail sales)

Retail sales

Retail type	Floorspace	Retail turnover density	Retail sales
	sq m	$/sq m per year	$m per year
Food and groceries	4,500	$8,800	$39.6
Non-food goods	18,800	$4,500	$84.6
Food service	1,000	$5,200	$5.2
Selected retail services	0	$4,200	$0.0
Total retail	24,300	$5,300	$129.4

Source: Consultant surveys and industry sources

Characteristics of the trade area

Estimated resident population, 2012	11,694
Forecast average annual rate of population growth, 2012 to 2016	2.0%
Median weekly household income, 2011	$1,200
Median household size	2.8

Estimated retail spending by trade area residents in 2012

Retail type	Annual retail spending per person	Total retail spending	Share of total
	$ per person	$m	%
Food and groceries	$4,320	$50.5	42%
Non-food goods	$4,080	$47.7	40%
Food service	$1,430	$16.7	14%
Selected retail services	$380	$4.4	4%
Total retail	$10,210	$119.4	100%

Source: Tim Nott; ABS, Census of Population and Housing; Market Info, 2006

Estimated sales to residents and visitors, 2012

Retail type	Total retail sales	Sales to visitors		Sales to residents
	$m	%	$m	$m
Food and groceries	$39.6	15%	$5.9	$33.7
Non-food goods	$84.6	90%	$76.1	$8.5
Food service	$5.2	30%	$1.6	$3.6
Selected retail services	$0.0	10%	$0.00	$0.0
Total retail	$129.4	65%	$83.6	$45.8

Source: Tim Nott

Share of resident spending captured

Retail type	Total resident spending	Sales to residents	Share of resident spending captured
	$m	$m	$m
Food and groceries	$50.5	$33.7	67%
Non-food goods	$47.7	$8.5	18%
Food service	$16.7	$3.6	22%
Selected retail services	$4.4	$0.0	0%
Total retail	$119.4	$45.8	38%

Source: Tim Nott

Key results of the retail analysis are:

- Trade area of 11,700 people in 2012
- Retail sales of approximately $129 million in 2012
- Captures 38% of retail spending by people living in the trade area
- Sales to visitors from outside the trade area comprise 65% of the total but these flow principally to the two large hardware stores which are sub-regional level attractors.

4.5 Factors Affecting Future Development

The owner of the Burnside shopping centre (the Dennis Family Group of companies) is keen to expand to deliver a sub-regional service with potential to grow further. The owner has 4.5 ha of vacant land zoned Commercial 1 (and a further 7 ha zoned Mixed Use) adjacent to the shopping centre (see diagram below).

Figure 28: Vacant land at Burnside

Source: Nearmap (April 2013) DPCD
Note: Land areas exclude the B1 zone over the retirement village and land within the Westwood Drive reserve.

Source: Deep End Services, 2013

A Panel hearing arguments about a previous attempt to expand Burnside had the following to say:

> *In conclusion, for the foregoing reasons, on economic grounds, the Panel does not support the proposed expansion of retail space at Burnside to 36,000 sq m. The Panel does not believe that the extent of retail expansion has been justified by the economic evidence.* (Melton C112 Panel Report, p 55)

However, the new zoning regime has done away with floorspace caps on the land and the owners now do not need a permit for retail or office *uses* on the land (although permits for buildings and works are still required). The area of vacant Commercial land is sufficient to accommodate a DDS, a supermarket and further specialty shops In addition, there is potential for the centre to expand its bulky goods precinct and to provide a range of business service activities to cater to the extensive industrial precinct to the south.

It is therefore prudent to nominate Burnside as an Activity Centre with a sub-regional retail focus and for Council to influence the design to produce the best outcome for residents and centre users (including maximising non-retail employment uses, ensuring connectivity with surrounding parts of the centre, encouraging sensible location of any dwellings on the site, and developing a pedestrian friendly approach to internal circulation and external access).

Given that the existing quantum of zoned land is more than sufficient to meet the retail demand no change is recommended to the existing land-use zoning unless this results in a significantly better design outcome

4.6 Recommendations

1. Redesignate Burnside as an Activity Centre with a sub-regional retail role
2. Develop a structure plan with land-owners to address zoning issues and to maximise non-retail employment uses, ensure connectivity with surrounding parts of the centre, encourage sensible location of any dwellings on the site, and develop a pedestrian friendly approach to internal circulation and external access

5 Hillside

5.1 Summary Description

Hillside is a small neighbourhood activity centre on the corner of Wattle Valley Drive and Royal Crescent in the centre of the residential suburb of Hillside. The centre is a single development, with key uses including:

- IGA supermarket
- Takeaway food outlets
- Childcare and school
- Recreational activities and retailing

The centre has a total floorspace of 3,600 sq m, of which 53% or 1,900 sq m is in retailing.

Whilst the accessibility of the centre to the surrounding neighbourhood is good, its design is rather uninviting given the lack of seating, blank walls, its overall bleak appearance and lack of shelter. These issues are further exacerbated by vacant tenancies and others operating with limited opening hours. Given its location away from main roads, the centre would be unlikely to benefit from passing trade.

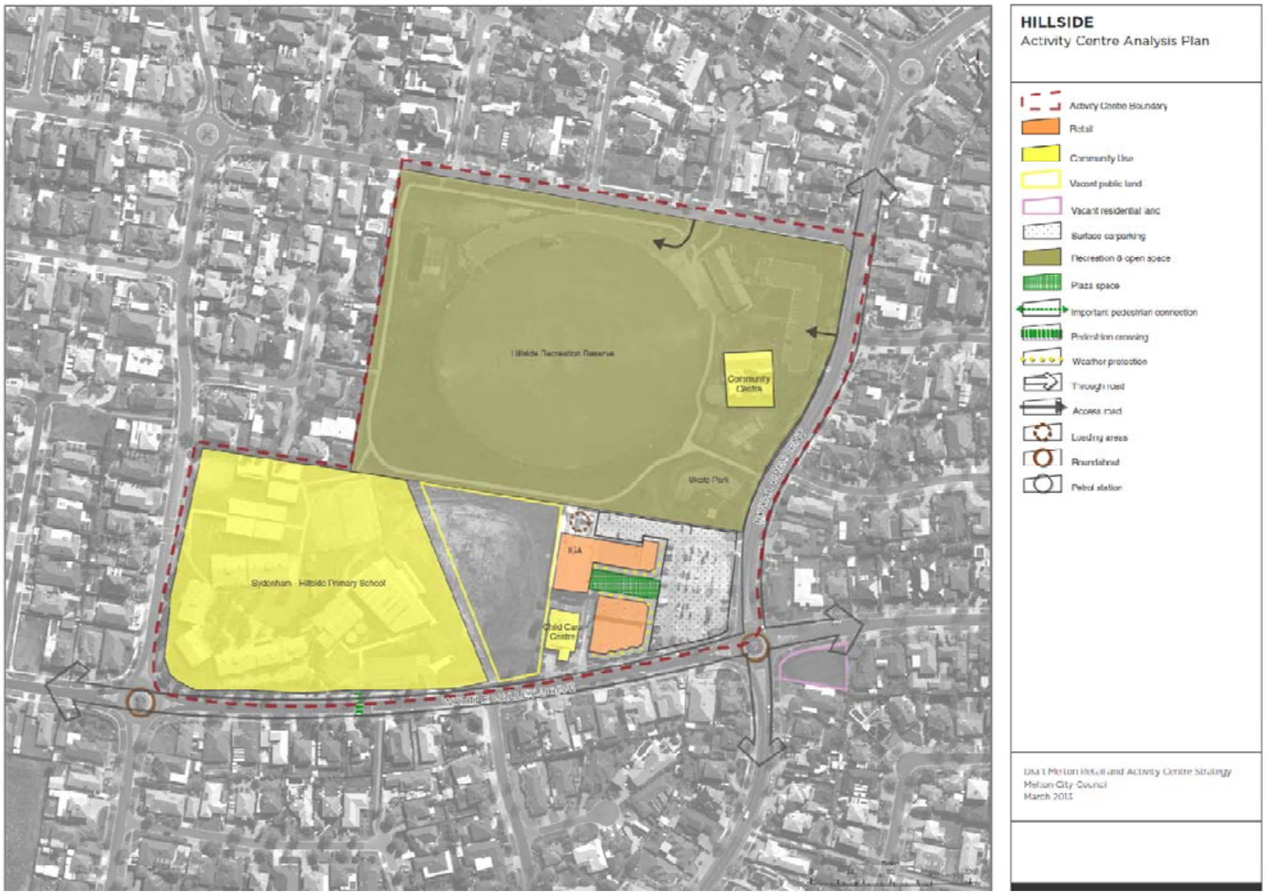
5.2 Urban Design

Hillside consists of one main building complex (the shopping centre) with a number of smaller buildings within the recreation reserve and the school complex to the west. Also within the centre is a child care centre with a porte cochere, indicating the building may have been originally constructed for a different purpose. The main complex is a large format supermarket fronted by an open brick plaza area orientated to the east with finer grain speciality shops to the north and south. The southern row of shops extends around to front Wattle Valley Drive. These shops fronts are angled, with opportunities for landscaping provided at the street frontage which have not been maximised.

The centre has a large recreation reserve to the north which includes a range of community buildings and facilitates such as a skate park but this is disconnected from the main retail area. The broader activity centre lacks any meaningful tree planting leaving pedestrian spaces exposed. This is also true of the relatively generous plaza area which forms the forecourt to the retail centre's supermarket .This is paved in brick and contains seating but presents as a relatively hostile pedestrian environment and could be substantially improved.

While a footpath runs along the centre's road frontage, within the retail centre there are no pedestrian links through the car parking area and the only dedicated pedestrian pathway is along the shop fronts from Wattle Valley Drive. There are no connections through to the recreation reserve to the immediate north.

The presence of the park and school within the centre moderate the interfaces with the surrounding residential areas, as do the roads which separate the centre from its residential hinterland to the south and east. However, internally the retail component of the centre has a poor interface with the parkland to the north, separated by loading bays and surface car parking.



5.3 Activity

Hillside provides retail activity and a small health and community services node to the immediately surrounding community.

The total floorspace in the centre is 3,600 sq m (excluding schools). This includes 1,900 sq m of retail space.

The estimated employment in the centre is around 100 (excluding school employees).

A detailed breakdown of space is provided in the table below.

Table 17: Estimated premises and floorspace, Hillside Neighbourhood Activity Centre

Activity	Hillside		
	Premises	Floorspace	
Retail	no	sq m	%
Supermarkets/general store	2	1,050	55%
Specialty food			0%
Department store			0%
Clothing			0%
Furniture, homeware and hardware			0%
Recreational goods	1	140	7%
Other retailing	1	85	4%
Cafés, restaurants and take-away food	3	420	22%
Retail services (hairdressing, beauty, video hire)	2	230	12%
Total retail	9	1,925	100%
Retail	9	1,925	53%
Postal and telecommunications			0%
Construction			0%
Wholesale and trade services			0%
Pubs, clubs and hotels			0%
Banks and insurance	1	140	4%
Real estate and property			0%
Professional services	1	140	4%
Administrative services			0%
Government services			0%
Emergency services			0%
Education	2	574	16%
Health services	1	240	7%
Community services			0%
Recreation	3	380	11%
Arts and media			0%
Automotive sales and services			0%
Other services			0%
Community facilities			0%
Vacant	2	200	6%
Total activity	19	3,599	100%

Source: Tim Nott; Council records

Note: excludes school buildings

5.4 Retail Analysis

Hillside

Floorspace assessment

(from surveys)

Total floorspace (excluding schools)	3,600	sq m	
Total retail floorspace	1,900	sq m	
Total non-retail floorspace	1,700	sq m	(includes allowance for some hardware floorspace to be devoted to wholesale rather than retail sales)

Retail sales

Retail type	Floorspace	Retail turnover density	Retail sales
	sq m	$/sq m per year	$m per year
Food and groceries	1,100	$8,000	$8.8
Non-food goods	200	$5,000	$1.0
Food service	400	$4,800	$1.9
Selected retail services	200	$3,800	$0.8
Total retail	1,900	$6,600	$12.5

Source: Consultant surveys and industry sources

Characteristics of the trade area

Estimated resident population, 2012	10,401
Forecast average annual rate of population growth, 2012 to 2016	0.3%
Median weekly household income, 2011	$1,719
Median household size	3.5

Estimated retail spending by trade area residents in 2012

Retail type	Annual retail spending per person	Total retail spending	Share of total
	$ per person	$m	%
Food and groceries	$4,910	$51.1	39%
Non-food goods	$5,220	$54.3	42%
Food service	$1,840	$19.1	15%
Selected retail services	$480	$5.0	4%
Total retail	$12,450	$129.5	100%

Source: Tim Nott; ABS, Census of Population and Housing; Market Info, 2006

Estimated sales to residents and visitors, 2012

Retail type	Total retail sales	Sales to visitors		Sales to residents
	$m	%	$m	$m
Food and groceries	$8.8	5%	$0.4	$8.4
Non-food goods	$1.0	5%	$0.1	$1.0
Food service	$1.9	5%	$0.1	$1.8
Selected retail services	$0.8	5%	$0.04	$0.7
Total retail	$12.5	5%	$0.6	$11.9

Source: Tim Nott

Share of resident spending captured

Retail type	Total resident spending	Sales to residents	Share of resident spending captured
	$m	$m	$m
Food and groceries	$51.1	$8.4	16%
Non-food goods	$54.3	$1.0	2%
Food service	$19.1	$1.8	10%
Selected retail services	$5.0	$0.7	14%
Total retail	$129.5	$11.9	9%

Source: Tim Nott

Key results of the retail analysis are:

- Trade area of 10,400 people in 2012
- Retail sales of approximately $13 million in 2012
- Captures 9% of retail spending by people living in the trade area

This small neighbourhood centre provides for only a small component of residents' convenience shopping needs. Many residents are likely to use it only for top-up shopping.

5.5 Factors Affecting Future Development

The centre provides only a relatively minor service to the Hillside suburb, although it is important to those residents within an easy walking distance. Furthermore, the centre has little room to grow without encroaching on public recreational reserves.

The catchment area for this centre is almost at full development; after 2016, population levels will begin to decline slowly as average household sizes shrink.

There is potential for the proposed Banchory Grove centre on the Melton Highway to provide a more comprehensive service for Hillside residents. There is presently no indication of when the Banchory Grove centre will be developed. If and when such development does occur, Hillside will be significantly affected although it may continue to operate at a lower level.

5.6 Recommendations

1. Confirm Hillside as a Neighbourhood Centre in the activity centre hierarchy of the municipality
2. Review the potential for urban design improvements, including tree planting, to make the best of this centre

6 Melton South

6.1 Summary Description

Melton South Neighbourhood Centre was developed following the growth of the Melton Township in the 1970s and 80s to serve the area south of the Western Freeway. The centre is co-located with the railway station (presently the only railway station in the western growth corridor). Key attractors in the centre include:

- A medium-sized Coles supermarket
- A variety of specialty shops with a strong fresh and take-away food component
- The train station and associated commuter car-parking

The centre is split by the railway line, with a freestanding single owner centre to the north and a smaller shopping strip to the south.

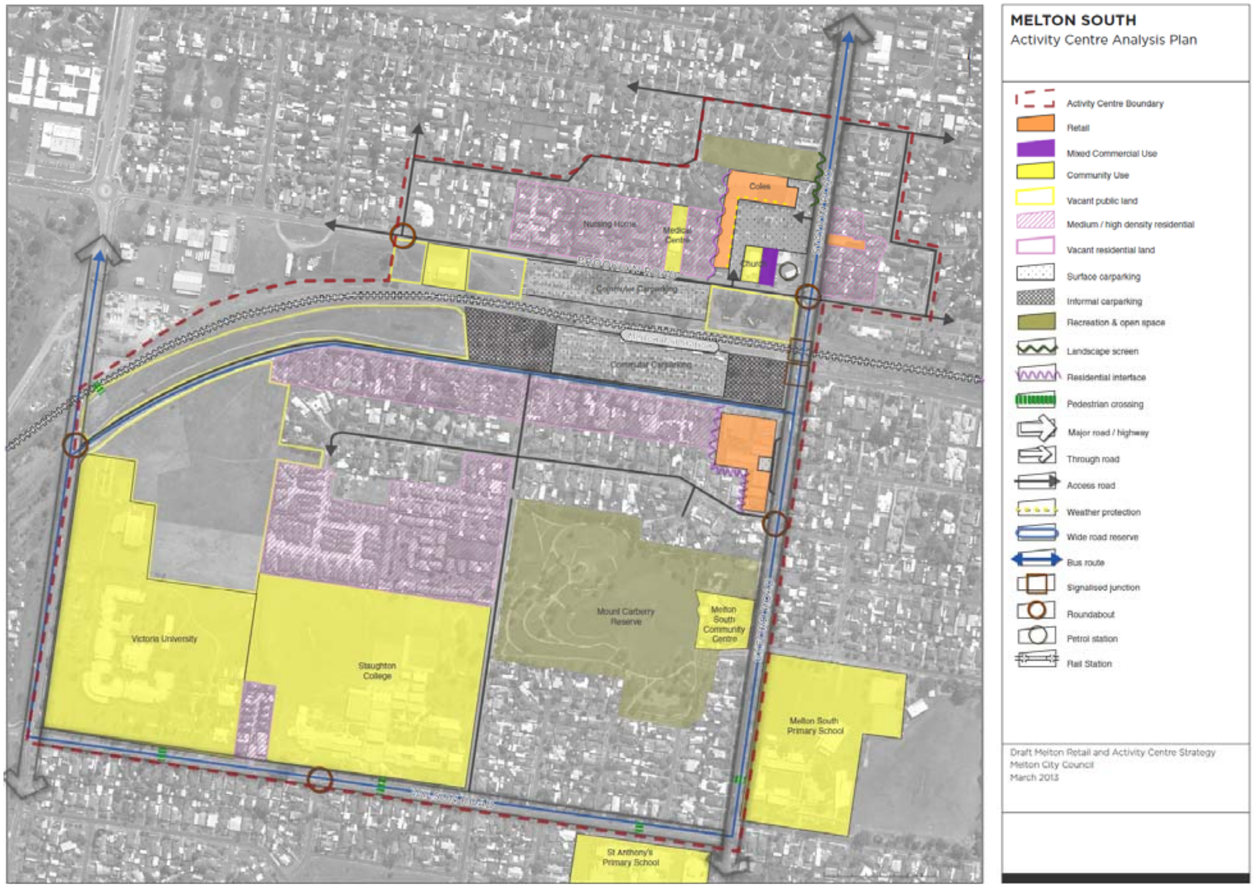
Melton South is a run-down centre with a significant vacancy rate (9% of floorspace in December 2012). It appears to be lacking investment although it remains busy. In all, the centre has 8,600 sq m of floorspace, of which 79% or 6,800 is in retailing, with the remainder in other services.

6.2 Urban Design

Melton South Activity Centre comprises a number of different elements of precincts. These include the large campus style areas to the south west, comprising the university and school, and which include large areas of undeveloped land and the areas of medium density residential development to the south of the rail line. The rail line, and the large areas of open space along either side of this infrastructure corridor, essentially separate these uses from the commercial centre located to the north and south of the rail line along Exford / Station Road and the integration of these areas provides significant opportunities for the future development of the centre.

The centre has two commercial precincts which are also separated by the rail line. To the north is a traditional standalone retail development of a supermarket with associated specialty retail located at the north-west corner of Station and Brooklyn Roads. Associated with this is a large area of surface car parking with little vegetation and blank walls to the south. The centre has a generous veranda wrapping the speciality tenancies however, many of these are tired looking and there is less active frontage along these interfaces than usually found in this style of development. Improvements to the activation of these facades, as well as upgrades within the car parking area could benefit the presentation of this centre. Likewise a greater integration with the parkland to the north could assist in linking this retail development to the surrounding residential areas, encouraging greater pedestrian activity.

The second area of retail activity to the south wraps the corner of Staughton Street and is a more traditional fine grain strip centre. Shopfronts along Exford Road are accessed via a service road and also have a rear accessway which extends down to the larger format store (currently a Cellarbrations) set back from the street frontage midway along this strip. The large area devoted to access and car parking in the service lane offer opportunities for improvements to the public realm in this part of the centre with wider, more sheltered footpaths offering the possibility of outdoor dining within this precinct.



Connectivity to and through the existing medium density areas and to the primary retail (supermarket) anchor is limited to footpaths along main roads, with informal 'desire lines' crossing many of the open spaces. There are large unformed areas of car parking associated with the station precinct, but also some significant canopy vegetation which forms a background to the retail areas. There are no formal gathering spaces within the centre to encourage informal social interaction which is an opportunity for the centre through any structure planning process.

6.3 Activity

Melton South is predominantly a retail centre with a mix of local services. However, the wider Melton South precinct contains a range of education (TAFE), recreation and community service activities.

The total floorspace in the centre is 8,600 sq m (excluding schools and TAFE). This includes 6,800 sq m of retail space.

The estimated employment in the centre is around 250 (excluding school and TAFE employees).

A detailed breakdown of space is provided in the table below.

Table 18: Estimated premises and floorspace, Melton South Neighbourhood Centre

Activity	Melton South		
	Premises	Floorspace	
Retail	no	sq m	%
Supermarkets/general store	2	2,194	32%
Specialty food	4	1,597	24%
Department store			0%
Clothing	1	144	2%
Furniture, homeware and hardware	1	207	3%
Recreational goods	1	120	2%
Other retailing	1	528	8%
Cafés, restaurants and take-away food	7	1,303	19%
Retail services (hairdressing, beauty, video hire)	3	686	10%
Total retail	20	6,779	100%
Retail	20	6,779	79%
Postal and telecommunications	1	72	1%
Construction			0%
Wholesale and trade services	1	100	1%
Pubs, clubs and hotels			0%
Banks and insurance			0%
Real estate and property			0%
Professional services			0%
Administrative services			0%
Government services			0%
Emergency services			0%
Education			0%
Health services			0%
Community services			0%
Recreation	1	147	2%
Arts and media			0%
Automotive sales and services			0%
Other services	4	683	8%
Community facilities			0%
Vacant	5	853	10%
Total activity	32	8,634	100%

Source: Tim Nott; Council records

Note: excludes school buildings

6.4 Retail Analysis

Melton South

Floorspace assessment
(from surveys)

Total floorspace (excluding schools)	8,700	sq m	
Total retail floorspace	6,800	sq m	
Total non-retail floorspace	1,900	sq m	(includes allowance for some hardware floorspace to be devoted to wholesale rather than retail sales)

Retail sales

Retail type	Floorspace	Retail turnover density	Retail sales
	sq m	$/sq m per year	$m per year
Food and groceries	3,800	$8,300	$31.5
Non-food goods	1,000	$5,000	$5.0
Food service	1,300	$4,800	$6.2
Selected retail services	700	$3,800	$2.7
Total retail	6,800	$6,700	$45.4

Source: Consultant surveys and industry sources

Characteristics of the trade area

Estimated resident population, 2012	14,689
Forecast average annual rate of population growth, 2012 to 2016	12.2%
Median weekly household income, 2011	$1,248
Median household size	2.7

Estimated retail spending by trade area residents in 2012

Retail type	Annual retail spending per person	Total retail spending	Share of total
	$ per person	$m	%
Food and groceries	$4,450	$65.4	41%
Non-food goods	$4,490	$66.0	41%
Food service	$1,580	$23.2	14%
Selected retail services	$420	$6.2	4%
Total retail	$10,940	$160.7	100%

Source: Tim Nott; ABS, Census of Population and Housing; Market Info, 2006

Estimated sales to residents and visitors, 2012

Retail type	Total retail sales	Sales to visitors		Sales to residents
	$m	%	$m	$m
Food and groceries	$31.5	10%	$3.2	$28.4
Non-food goods	$5.0	10%	$0.5	$4.5
Food service	$6.2	10%	$0.6	$5.6
Selected retail services	$2.7	10%	$0.27	$2.4
Total retail	$45.4	10%	$4.5	$40.9

Source: Tim Nott

Share of resident spending captured

Retail type	Total resident spending	Sales to residents	Share of resident spending captured
	$m	$m	$m
Food and groceries	$65.4	$28.4	43%
Non-food goods	$66.0	$4.5	7%
Food service	$23.2	$5.6	24%
Selected retail services	$6.2	$2.4	39%
Total retail	$160.7	$40.9	25%

Source: Tim Nott

Key results of the retail analysis are:

- Trade area of 14,700 people in 2012
- Retail sales of approximately $45 million in 2012
- Captures 25% of retail spending by people living in the trade area

For the scale of provision, this centre provides for a slightly smaller than expected share of the retail needs of its residents. In other words, some residents for whom this is the closest centre look elsewhere to shop (and this is confirmed in several survey responses by residents of the area).

6.5 Factors Affecting Future Development

6.5.1 Competing Centres

The notional trade area of Melton South is growing rapidly, with residential development fronts in Brookfield to the west, to the south on Exford Road and east in Toolern. However, new activity centres are also planned within these developing neighbourhoods including Botanica Springs, Exford, Waterford, the Toolern MAC and two further neighbourhood centres. Development plans are currently in the process of being drawn up for several of these centres. Once Botanica Springs and Exford centres are developed, the catchment area of Melton South will have around 10,000 people, down from around 15,000 people currently. In order to compete effectively for the retail spending and custom of these people, particularly in competition with brand new centres, Melton South will need to change.

6.5.2 Poor Perceptions

The limited online survey of centre users suggests that Melton South is seen as unattractive (dangerous after dark, poor design) and lacks choice or range of shops. Certainly the centre is somewhat dated, the supermarket is on the small side and the centre is split by the railway line. These aspects will require investment by a range of landholders to remedy. In order to guide such investment a structure plan and urban design framework will be needed. In addition, in order to improve the resilience of the centre in the face of forthcoming competition, a business plan for the centre would be useful. Such a plan could identify the trading difficulties faced by the centre and propose remedies that bring traders and landholders together. A traders' group would be useful in encouraging collective action on issues of common concern.

6.5.3 Potential Offered by the Railway Station

Melton South will be one of only two or three activity centres in Melton with direct access to rail transport. This greatly improves the potential for employment activities with a regional labour-force or catchment, including offices, education and similar activities. There may be some potential for the growth of employment uses, especially if the amenity of the area for workers can be improved.

6.6 Recommendations

1. Confirm Melton South as a Neighbourhood Centre in the activity centre hierarchy of the municipality
2. Assist the development of a traders' group for the centre to engage in collective action on issues of common concern
3. Development of a Structure Plan and Urban Design Framework for the centre, including an investigation of the potential for investment in non-retail uses that can make use of proximity to the railway station

7 Taylors Hill

7.1 Summary Description

Taylors Hill Neighbourhood Centre opened in November 2011 providing services to the surrounding suburb. The centre straddles Gourlay Road close to the junction with Hume Drive. The larger eastern section has been developed by Coles and contains one of Coles' new flagship supermarkets. This supermarket has a total floorspace of 5,400 sq m, providing a selection of clothes and household goods as well as a full line grocery section. In this store, Coles is testing a new format that has some of the characteristics of a discount department store. The Coles facility also has a selection of convenience goods and services. The western part of the centre mainly provides fast food.

The total floorspace of the centre is approximately 9,800 sq m of which 8,000 sq m or 81% is in retailing. The remainder provides a variety of health and personal services. Some units remain vacant but appear to be leased and awaiting their new tenants.

The centre has an impressive anchor tenant with some space for growth to the south. There are some pedestrian areas and pedestrians have been catered for in the design of the car park. However, tree cover would improve pedestrian comfort and add to the quality feel of the centre.

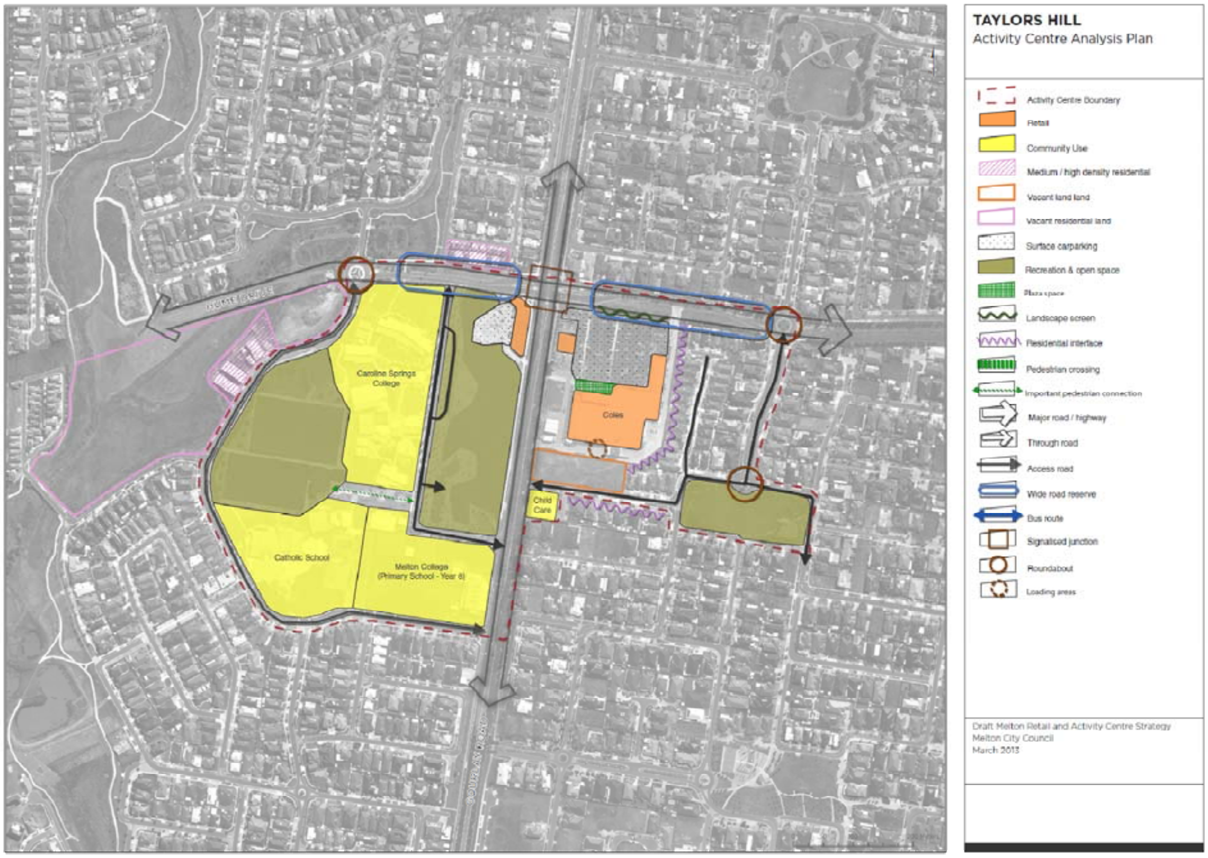
7.2 Urban Design

Taylors Hill activity centre has two key precincts on either side of Gourlay Road. Buildings within the school complexes to the west are typical of their use, and a small strip of single storey shops is positioned at the corner of Gourlay Road and Hume Drive with car parking to the rear. The main commercial part of this precinct comprises very large 'stand-alone' supermarket complex with a significant decorative element on the northern (front) elevation. A series of finer grain speciality stores are positioned to the western side of this supermarket, wrapping around the at-grade car park which fronts Hume Drive. A stand-alone take away food restaurant is positioned to the Gourlay Road frontage within this area of car parking, noting that it is only accessible from the car park.

Separated from the main commercial areas but serving as a link between this and the school complex to the west is a large area of passive open space. This area has car parking associated with it but contains little vegetation or seating.

A dedicated pedestrian link connects this passive open space to the active recreation reserve further to the west. Pedestrian footpaths have been established along Gourlay Road and smaller access roads and tree planting will shade these paths when mature. Trees originally planted adjacent to the commercial areas, however, have been removed. Pedestrian footpaths within the commercial area provide only internal access and do not connect to the wider pedestrian network (noting there is no footpath along Hume Drive to the north. The commercial area has a relatively large forecourt to the supermarket complex. While this area has seating, bike racks and other facilities available there is little canopy vegetation or other shading devices. Combined with the very light material palette this space could become unpleasant in hotter weather. An additional area of public parkland to the immediate south east is totally disconnected from the centre.

As with most stand-alone centres, there is little effort to integrate with the surrounding areas, with the residential areas to the east and south backing onto access ways and loading areas.



7.3 Activity

Taylors Hill is principally a shopping centre but does have an adjacent school and recreation precinct. The total floorspace in the centre is 9,800 sq m (excluding schools). This includes 8,000 sq m of retail space. The estimated employment in the centre is around 300 (excluding school employees). A detailed breakdown of space is provided in the table below.

Table 19: Estimated premises and floorspace, Taylors Hill Neighbourhood Activity Centre

Activity	Taylors Hill		
	Premises	Floorspace	
Retail	no	sq m	%
Supermarkets/general store	3	5,526	70%
Specialty food	2	336	4%
Department store			0%
Clothing			0%
Furniture, homeware and hardware	1	224	3%
Recreational goods			0%
Other retailing	1	98	1%
Cafés, restaurants and take-away food	10	1,430	18%
Retail services (hairdressing, beauty, video hire)	3	336	4%
Total retail	20	7,950	100%
Retail	20	7,950	81%
Postal and telecommunications			0%
Pubs, clubs and hotels			0%
Banks and insurance			0%
Real estate and property			0%
Professional services			0%
Administrative services			0%
Government services			0%
Emergency services			0%
Education	1	300	3%
Health services	2	436	4%
Community services			0%
Recreation	1	374	4%
Arts and media			0%
Automotive sales and services			0%
Other services	1	112	1%
Community facilities			0%
Vacant	5	620	6%
Total activity	30	9,792	100%

Source: Tim Nott; Council records

Note: excludes school buildings

7.4 Retail Analysis

Taylors Hill

Floorspace assessment

(from surveys)

Total floorspace (excluding schools)	9,800	sq m	
Total retail floorspace	8,000	sq m	
Total non-retail floorspace	1,800	sq m	(includes allowance for some hardware floorspace to be devoted to wholesale rather than retail sales)

Retail sales

Retail type	Floorspace	Retail turnover density	Retail sales
	sq m	$/sq m per year	$m per year
Food and groceries	4,500	$9,300	$41.9
Non-food goods	1,700	$5,800	$9.9
Food service	1,400	$5,000	$7.0
Selected retail services	300	$4,200	$1.3
Total retail	7,900	$7,600	$60.0

Source: Consultant surveys and industry sources

Characteristics of the trade area

Estimated resident population, 2012	12,196
Forecast average annual rate of population growth, 2012 to 2016	1.6%
Median weekly household income, 2011	$1,692
Median household size	3.3

Estimated retail spending by trade area residents in 2012

Retail type	Annual retail spending per person	Total retail spending	Share of total
	$ per person	$m	%
Food and groceries	$4,880	$59.5	39%
Non-food goods	$5,280	$64.4	42%
Food service	$1,860	$22.7	15%
Selected retail services	$490	$6.0	4%
Total retail	$12,510	$152.6	100%

Source: Tim Nott; ABS, Census of Population and Housing; Market Info, 2006

Estimated sales to residents and visitors, 2012

Retail type	Total retail sales	Sales to visitors		Sales to residents
	$m	%	$m	$m
Food and groceries	$41.9	10%	$4.2	$37.7
Non-food goods	$9.9	10%	$1.0	$8.9
Food service	$7.0	20%	$1.4	$5.6
Selected retail services	$1.3	10%	$0.13	$1.1
Total retail	$60.0	11%	$6.7	$53.3

Source: Tim Nott

Share of resident spending captured

Retail type	Total resident spending	Sales to residents	Share of resident spending captured
	$m	$m	$m
Food and groceries	$59.5	$37.7	63%
Non-food goods	$64.4	$8.9	14%
Food service	$22.7	$5.6	25%
Selected retail services	$6.0	$1.1	19%
Total retail	$152.6	$53.3	35%

Source: Tim Nott

Key results of the retail analysis are:

- Trade area of 12,200 people in 2012
- Retail sales of approximately $60 million in 2012
- Captures 35% of retail spending by people living in the trade area

In terms of its capture of retail spending by residents, this neighbourhood activity centre is operating at the upper end of the typical range. This is mainly a result of the very large Coles supermarket, one of its new flagship stores.

7.5 Factors Affecting Future Development

The likely catchment for Taylors Hill NC will expand with the growth of the Taylors Hill West development area (and where the proposed activity centre is relatively small). Taylors Hill has some vacant and underused land and scope to expand its floorspace a little.

The design of the centre is modern but has the potential to improve, particularly in the provision of shade for centre users.

7.6 Recommendations

1. Confirm Taylors Hill as a Neighbourhood Centre in the activity centre hierarchy

8 Watervale

8.1 Summary Description

Watervale Neighbourhood Centre opened in December 2010 providing convenience retailing to the fast growing Taylors Hill and surrounding suburbs. Key activities at the centre are:

- Full line Woolworths supermarket
- A variety of convenience retailing
- Medical centre

Watervale has a total floorspace of around 4,900 sq m, of which 92%, or 4,500 sq m provides for retailing.

This single-owner centre has a contemporary 'big box retail' appearance. Many of the tenancies are within a mall, although some face onto the car-parking area. The centre provides for extensive at grade car parking with limited pedestrian movement. This is a busy and vibrant centre and provides for clear and effective business and way finding signage.

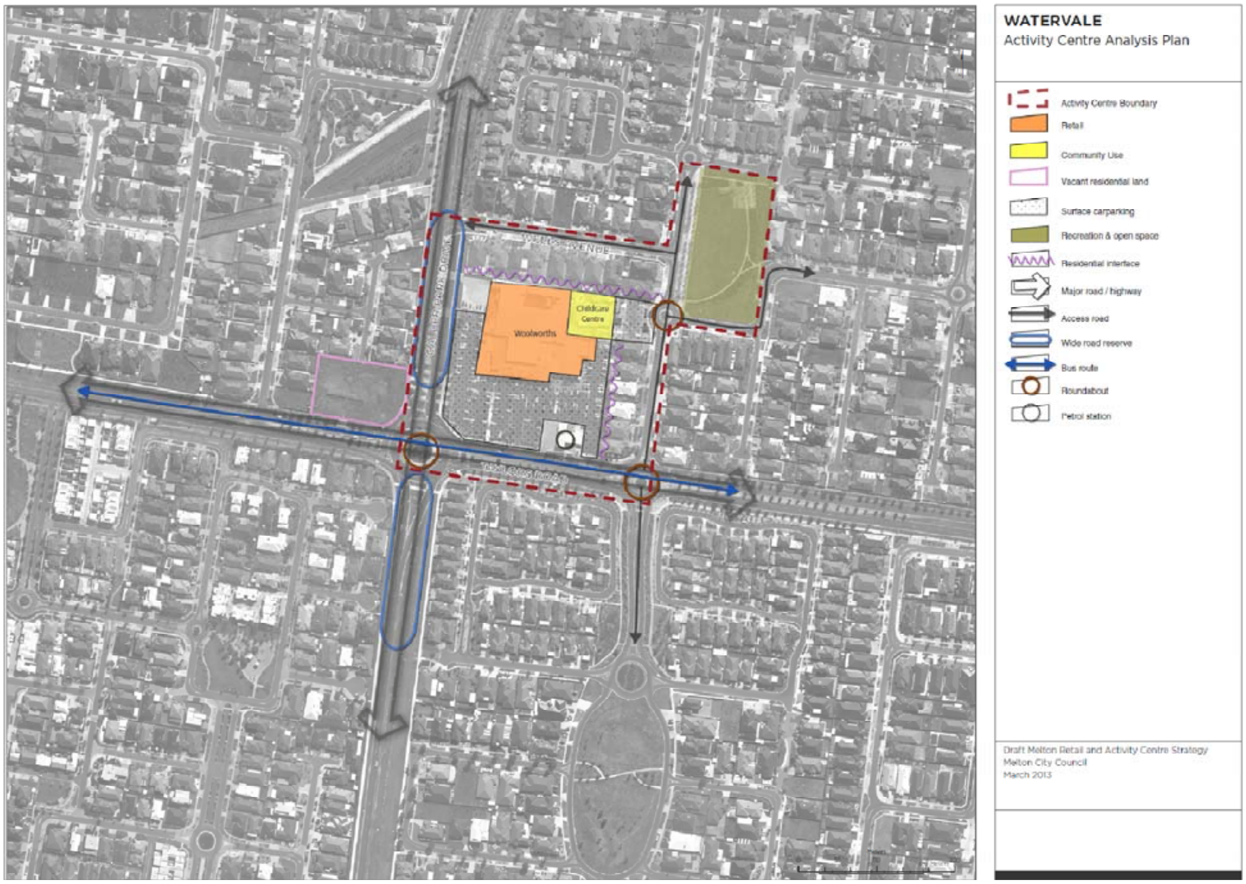
8.2 Urban Design

As with many new shopping centres, Watervale consists of a single stand-alone mall anchored by a supermarket (in this case a Woolworths) with finer grain speciality retail forms abutting a large area of at-grade car parking. At Watervale, a single storey child care centre abuts the complex to the north east and a small petrol station is positioned adjacent to Taylors Road.

There are no significant open spaces within this centre. A small neighbourhood park to the north east has little connectivity with the broader centre. A small plaza area is provided adjacent to the main supermarket entry and weather protection is provided along this frontage.

There are little meaningful pedestrian linkages within the centre, with adjoining community buildings such as the child care centre and park disconnected from the retail component. Within the surface car parking which separates the centre from its road interfaces there is one pedestrian link through the car park which provides a direct connection to the broader pedestrian network.

The centres interfaces are poorly, but not atypically managed. The residential areas to the north are separated by high fences and the areas adjoining the road interfaces (which act to separate the centre from the surrounding residential areas) are dominated by car parking.



8.3 Activity

Watervale is a shopping centre with a small local service component (child-care etc). The total floorspace in the centre is 5,300 sq m. This includes 4,900 sq m of retail space. The estimated employment in the centre is 150 to 200. A detailed breakdown of space is provided in the table below.

Table 20: Estimated premises and floorspace, Watervale Neighbourhood Activity Centre

Activity	Burnside Neighbourhood Centre		
	Premises	Floorspace	
Retail	no	sq m	%
Supermarkets/general store	2	3,220	65%
Specialty food	6	873	18%
Department store			0%
Clothing			0%
Furniture, homeware and hardware			0%
Recreational goods			0%
Other retailing		380	8%
Cafés, restaurants and take-away food	6	326	7%
Retail services (hairdressing, beauty, video hire)	2	120	2%
Total retail	16	4,919	100%
Retail	16	4,919	92%
Postal and telecommunications			0%
Construction			0%
Wholesale and trade services			0%
Pubs, clubs and hotels			0%
Banks and insurance			0%
Real estate and property			0%
Professional services			0%
Administrative services			0%
Government services			0%
Emergency services			0%
Education	1	196	4%
Health services	1	144	3%
Community services			0%
Recreation	1	60	1%
Arts and media			0%
Other services			0%
Community facilities			0%
Vacant			0%
Total activity	19	5,319	100%

Source: Tim Nott; Council records
Note: excludes school buildings

8.4 Retail Analysis

Watervale

Floorspace assessment

(from surveys)

Total floorspace (excluding schools)	5,300	sq m	
Total retail floorspace	4,900	sq m	
Total non-retail floorspace	400	sq m	(includes allowance for some hardware floorspace to be devoted to wholesale rather than retail sales)

Retail sales

Retail type	Floorspace	Retail turnover density	Retail sales
	sq m	$/sq m per year	$m per year
Food and groceries	4,100	$9,300	$38.1
Non-food goods	400	$5,800	$2.3
Food service	300	$5,000	$1.5
Selected retail services	100	$4,200	$0.4
Total retail	4,900	$8,600	$42.4

Source: Consultant surveys and industry sources

Characteristics of the trade area

Estimated resident population, 2012	12,492
Forecast average annual rate of population growth, 2012 to 2016	2.5%
Median weekly household income, 2011	$1,664
Median household size	3.3

Estimated retail spending by trade area residents in 2012

Retail type	Annual retail spending per person	Total retail spending	Share of total
	$ per person	$m	%
Food and groceries	$4,790	$59.8	39%
Non-food goods	$5,140	$64.2	42%
Food service	$1,810	$22.6	15%
Selected retail services	$480	$6.0	4%
Total retail	$12,220	$152.6	100%

Source: Tim Nott; ABS, Census of Population and Housing; Market Info, 2006

Estimated sales to residents and visitors, 2012

Retail type	Total retail sales	Sales to visitors		Sales to residents
	$m	%	$m	$m
Food and groceries	$38.1	10%	$3.8	$34.3
Non-food goods	$2.3	10%	$0.2	$2.1
Food service	$1.5	10%	$0.2	$1.4
Selected retail services	$0.4	10%	$0.04	$0.4
Total retail	$42.4	10%	$4.2	$38.1

Source: Tim Nott

Share of resident spending captured

Retail type	Total resident spending	Sales to residents	Share of resident spending captured
	$m	$m	$m
Food and groceries	$59.8	$34.3	57%
Non-food goods	$64.2	$2.1	3%
Food service	$22.6	$1.4	6%
Selected retail services	$6.0	$0.4	6%
Total retail	$152.6	$38.1	25%

Source: Tim Nott

Key results of the retail analysis are:

- Trade area of 12,500 people in 2012
- Retail sales of approximately $42 million in 2012
- Captures 25% of retail spending by people living in the trade area

Watervale captures a modest share of resident spending, in line with small-medium sized neighbourhood activity centres.

8.5 Factors Affecting Future Development

The trade area of the centre is expected to peak at a population of 14,000 in 2021 before declining once more as household sizes begin to drop. The existing centre has little capacity to expand, and any growth would require encroachment on surrounding residential land. This is unlikely to be necessary, given the capacity of surrounding centres at Taylors Hill, Caroline Springs, Burnside and Delahey Village (in Brimbank).

8.6 Recommendations

1. Confirm Watervale as a Neighbourhood Centre in the activity centre hierarchy