



Latrobe City Council | Bulky Goods Retail Sustainability Assessment

FINAL REPORT

MARCH 2009



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Executive Summary

Background and Introduction

MacroPlan Australia has been engaged by Latrobe City Council to undertake an updated bulky goods needs assessment within Moe, Morwell and Traralgon.

This assessment has included the identification of appropriate sites for bulky goods development within Latrobe City.

In general terms, bulky goods retail refers to land uses as described under the Victorian Planning Policy as “Restricted Retail Premises” (see table below). In practical terms, bulky goods retailing includes retail formats such as bulky goods retail and retail showrooms, for example “Harvey Norman”.

Table 1. Restricted Retail Premises, Victorian Planning Policy

Restricted Retail Premises is defined as any land used to sell or hire:	
<ul style="list-style-type: none"> • automotive parts and accessories; • camping equipment; • electric light fittings; • equestrian supplies; • floor and window coverings; • furniture, bedding, furnishings, • fabric and manchester; 	<ul style="list-style-type: none"> • household appliances, • household electrical goods • and home entertainment goods; • party supplies; • swimming pools; or • Office equipment and supplies.

Source: Victorian Planning Policy, Definitions, Page 18 of 22, (Released 15th December 2008)

MacroPlan’s earlier 2007 review of need for bulky goods floorspace confirmed that there was a market gap of around 25,000m² in floorspace, representing a need for an additional 8 to 10 hectares of land. The purpose of this assessment is to update these estimates with closer consideration of:

- Appropriate locations for development
- Consideration of existing constraints on currently zoned land including fragmented parcels, inappropriate lot sizes and lack of market acceptance
- Assessment of more up to date and accurate demand driver statistics including population and incomes

This assessment has also included more detailed consultation with Council and regard for related issues including the potential impact of a purpose built precinct on existing centres.

In addition consultation with landowners and industry participants including estate agents and local planning consultants, have added to MacroPlan’s understanding of local dynamics.



Study Area

This analysis has focused on the competitive framework for bulky goods retail in the three main urban centres within the municipality of Latrobe City Council, namely Moe, Morwell and Traralgon.

A primary trade area (PTA) and secondary trade area (STA) have been derived to take account of the trade that bulky goods retailing within these three urban centres is likely to draw from. The primary trade area and secondary trade area combine to form the main trade area, which extends

- North to Jericho
- East to Rosedale
- West to beyond Warragul
- South to Yarram.

As seen in the map which illustrates this main trade area (see figure 3 in Section 4.1), bulky goods retailing within the existing urban centres of Moe, Morwell and Traralgon draw trade from a wide area. It is anticipated that the development of at least two dedicated bulky goods precincts would increase the attractiveness of the bulky goods offer and would potentially draw trade from a broader catchment, extending to areas such as Sale. These wider areas would form a Tertiary Trade Area (TTA), and would typically be expected to display consistent levels of trade, albeit at market shares below those of the PTA and STA.

Although such a Tertiary Trade Area has not been included in the base case analysis, scenario testing in the appendix explores this further.

Supply and Demand Assessment

MacroPlan's updated retail demand and supply assessment has re-confirmed that there is an existing and growing market gap for bulky goods floorspace and land.

MacroPlan estimates that the market gap is currently around 28,000sqm. This will require the identification and zoning of additional land parcels equating to nearly 20 hectares over the coming 3 to 5 years to plan for the existing gap. Significant growth in the bulky goods market is expected with the market gap increasing to approximately 73,000sqm by 2023.

The demand for bulky goods retail floorspace is influenced by the expected rate of population growth within the main trade area. At the request of Council, population growth rates have been drawn from the Residential and Rural Residential Land Assessment, prepared for Latrobe City Council by Essential Economics Pty Ltd (January 2009). The "Moderate" growth scenario in that report has been adopted for the relevant Statistical Local Areas (SLAs) within the main trade area. Appendix 1 illustrates the impact on the estimated market gap for bulky goods retail floorspace within the main trade area of incorporating the "Low" and "High" population growth scenarios.

MacroPlan's supply analysis has revealed that the majority of the existing 57,000sqm of bulky good retail floorspace within the main trade area is located in loosely-defined precincts, with little integration in the region. For this reason, MacroPlan considers that there is likely to be above average leakage of bulky good retail expenditure outside the Latrobe region as existing precincts constrain the opportunity for comparison shopping and an attractive retail offer.

This means that there is significant potential to establish at least two new dedicated bulky goods precincts (approximately 15,000sqm - 20,000sqm each) that have the ability to deliver an attractive offer and therefore draw back significant bulky goods expenditure to the region.



The following table summarises the key analysis undertaken as part of this retail demand and supply assessment and includes consideration and estimation of the emerging market gap.

Market Gap for Bulky Goods Retail Floorspace (sqm)

Demand for Bulky Goods Floorspace				
Main Trade Area (MTA)	2008	2013	2018	2023
Estimated Demand for Bulky Goods Floorspace (sqm)	85,365	100,211	117,335	136,899
Supply of Bulky Goods Floorspace				
Main Trade Area (MTA)	2008	2013	2018	2023
BGR floorspace: B4Z land	19,054	26,244	26,244	26,244
BGR floorspace: non-B4Z land	37,994	37,994	37,994	37,994
Estimated Supply of Bulky Goods Floorspace (sqm)	57,048	64,238	64,238	64,238
Market Gap				
Main Trade Area (MTA)	2008	2013	2018	2023
Gap between supply and demand	28,318	35,973	53,098	72,662

The existing and growing market gap for this category of retail floorspace will have several negative impacts including leakage of employment out of the study area. The “High” population growth scenario (Appendix 1) results in a market gap of approximately 76,000sqm of bulky goods retail floorspace by 2023. This difference in market gap (approximately 3,500sqm) between the “Moderate” growth scenario used throughout this report, and the “High” growth scenario shown in Appendix 1 does not significantly affect the implications for bulky goods retailing within the main trade area.

Market Conditions

The analysis of the estimated existing and estimated future market gap of bulky goods retail floorspace needs to be considered in the context the broader market conditions. In the event of a protracted economic downturn, unemployment may rise significantly. This is likely to constrain the growth of discretionary incomes in the short term. In the medium to long term, MacroPlan believes the demand for bulky goods retailing will be maintained subject to population growth.

Since bulky goods retail expenditure is usually derived primarily from discretionary income, demand for bulky goods retailing would be expected to soften. The market gap in bulky goods retail floorspace within the main trade area would still exist, however latent demand would be delayed.

Site selection

Based on the existing supply gap, MacroPlan has considered site selection criteria to determine where future development could most appropriately be directed.

The selection of future locations for bulky goods development within the study area will be critically important to ensure that land is delivered that suits market need and balances sustainable outcomes.

It is clear that vacancy rates for core retail floorspace – particularly speciality retailers – is an issue in Moe and Morwell. The development of enclosed mall centres outside of the traditional town centres has drawn pedestrian activity away from the traditional core of established activity centres.

It will therefore be important for Council to consider the opportunity for the establishment of new activity centre anchors as part of the strategic planning process to ensure that existing community facilities and infrastructure are appropriately utilised. However due to constraints on available land parcels in existing activity centres and the price of land in these centres, the establishment of a dedicated bulky goods precinct adjacent to an existing centre is challenging.

The following requirements are considered critical in delivering a bulky goods precinct that could achieve a stronger market penetration in the catchment:



- Exposure to passing traffic
- Car accessibility
- Parking availability
- Critical Mass / clustering to improve attractiveness of centre (through choice, range of goods, amenity, multi-purpose trips, and convenience)
- Future land availability to allow a mix of uses

In addition the location of sites also needs to consider the following strategic issues:

- Co-location to catchment growth
- Impact on the number of vehicle trips
- Potential for co-location with other uses (i.e. a future activity centre or employment node)
- Impact on established activity centres
- Net impacts on employment generation

Key strategic issues of consideration have included:

- The location of the future Traralgon bypass (which will reduce the competitiveness of existing bulky goods retailers in Traralgon)
- Consideration by Council of the long term strategic role of lands in the Morwell to Traralgon corridor
- Consideration of location for future activity centres and industrial land development as future opportunities for the co-location of bulky goods floorspace

The management of these issues will define and guide the opportunity for future bulky goods development.

Consideration must also be given as to the most appropriate future land uses for land zoned as bulky goods retailing that is likely to be currently ignored by tenants or will be vacated in the future.

Moe, Morwell and Traralgon Context

Leading indicators of the market for bulky goods retailing have been assessed for the three townships of Moe, Morwell and Traralgon in order to assess the market viability of establishing a dedicated bulky goods retail precinct in each of these areas.

The points below summarise these findings:

- Socio-economic analysis revealed that household income is significantly lower than the Regional Victorian balance in Moe SLA (-22.9%) and in Morwell SLA (-18.3%). However household incomes in Traralgon SLA are significantly higher (by 23.0%) than the Regional Victorian balance.
- Analysis of retail expenditure data revealed that average expenditure per capita on bulky goods retailing is lower than the Victorian average for residents of Moe SLA (-8.8%) and Morwell SLA (-5.5%), whereas it is 8.8% higher than the Victorian average for residents of Traralgon SLA.



- Journey to work data revealed 33.1% of Latrobe LGA residents travel to Traralgon SLA for work, with 23.2% travelling to Morwell SLA for work and 11.7% travelling to Moe SLA for work.
- Historical population data shows the overwhelming majority of Latrobe LGA's population growth being driven by the population growth of Traralgon SLA. This trend is expected to continue, with all three of the "Low", "Moderate" and "High" population growth scenarios depicted in the Residential and Rural Residential Land Assessment (2009) showing Traralgon SLA's population growth constituting the large majority of Latrobe LGA's long term population growth. For example, of the 8,560 people expected to be added to Latrobe LGA's population between 2008 – 2023 under the "Moderate" growth scenario, 6,620 of these people (77.3%) are expected to be added in the Traralgon SLA.
- Consultations revealed that the area within the Morwell-Traralgon Corridor is of significant interest to developers. Although Traralgon currently enjoys significantly higher volumes of passing trade than the bypassed towns of Moe and Morwell, the construction of the proposed Traralgon Bypass will result in the only section of highway continuing to enjoy these high volumes of passing trade will be the area within the Morwell-Traralgon Corridor. Existing bulky goods retail tenants will eventually lose competitiveness in the medium / long term, once the Traralgon Bypass is constructed.

With Traralgon showing significantly higher household incomes, bulky goods retail expenditure per capita and population growth than either Moe or Morwell, prospective bulky goods retail tenants have shown a strong preference for establishing additional bulky goods retailing in Traralgon.

Moe – with its lower household incomes, bulky goods retail expenditure per capita and lower proportion of Latrobe residents travelling there for employment – also finds itself distanced from the majority of the population growth expected to occur in Traralgon. As such, sites in Moe are not expected to face market acceptance from prospective bulky goods retail tenants. This was confirmed during the course of the consultations.

For these reasons, MacroPlan has found that sites located between Morwell and Traralgon are strongly preferred by developers and prospective bulky goods retail tenants, due to being central to the expected residential growth and being assured of long term M1 Freeway access.

The Sites

MacroPlan has investigated twelve potential sites for the location of a dedicated bulky goods retail centre. The planning opportunities and market constraints of these sites have been reviewed and are reported on in more detail in the body of the report.

The site assessment work has confirmed that planning constraints, including overlays and ecological constraints are not as challenging as the achievement of sustainable outcomes and locations that are acceptable to future tenants.

Following consultation with stakeholder groups, nine of the twelve sites initially reviewed were chosen for further investigation. The planning constraints and opportunities of each of the nine sites, as well as the market viability of each site, have been analysed in the context of the local area and broader region. Following from this, the Strengths, Weaknesses, Opportunities and Threats of each site have been summarised in Section 11 (SWOT Analysis), and this forms the basis of comparative site rankings.

The sites were ranked by scoring each site on a scale of 1 – 3 across twelve criteria. The criteria were drawn from site selection and strategic considerations. The comparative site rankings clearly suggest that four of the investigated sites are ranked significantly higher than the others. These sites are listed in the table below.



Highest Scoring Sites by Comparative Ranking

Site #	Location	Existing Land Use	Score	Maximum Possible Score
Site #6	Morwell East (#1) (M-C Corridor) Morwell-Traralgon Road, west of National Road	FZ, Farming	32	(out of 36)
Site #7	Morwell East (#2) (M-C Corridor) Princes Highway, east of National Road	FZ, Farming	33	(out of 36)
Site #8	Traralgon (M-C Corridor) Princes Highway, east of Northern Avenue	FZ, Farming	30	(out of 36)
Site #11	Traralgon East (#2) Princes Highway, west of Stammers Road	IN1Z, Industrial	32	(out of 36)

Of all the investigated sites, these four sites according to the outlined criteria display the highest likelihood of supporting a successful and sustainable dedicated bulky goods retail precinct.

The sites have been ranked on the assumption that planning constraints¹ affecting Site #7 can be managed and will not significantly impact the development potential of that site. However an alternative delivery scenario has been considered to account for the possibility that these planning constraints affecting Site #7 cannot be managed.

Taking these considerations into account, an alternative delivery scenario has been developed, with the rankings as follows.

Highest Scoring Sites by Comparative Ranking – Alternative Delivery Scenario

Site #	Location	Existing Land Use	Score	Maximum Possible Score
Site #6	Morwell East (#1) (M-C Corridor) Morwell-Traralgon Road, west of National Road	FZ, Farming	32	(out of 36)
Site #7	Morwell East (#2) (M-C Corridor) Princes Highway, east of National Road	FZ, Farming	26	(out of 36)
Site #8	Traralgon (M-C Corridor) Princes Highway, east of Northern Avenue	FZ, Farming	30	(out of 36)
Site #11	Traralgon East (#2) Princes Highway, west of Stammers Road	IN1Z, Industrial	32	(out of 36)

Conclusion

This report has shown that a significant market gap exists between the supply of, and demand for, bulky goods retail floorspace within the main trade area of approximately 28,000 sqm. Furthermore, this market gap is expected to increase to 73,000 sqm by the year 2023.

In order to close this market gap, two dedicated bulky goods retail centres of approximately 15,000sqm – 20,000sqm each are required. The appropriate location for such a centre has been the subject of analysis within the body of this report.

The existing estimated market gap in bulky goods retail floorspace indicates that a dedicated bulky goods retail precinct is required in the short term (2009 – 2013) to fulfil the existing excess demand for bulky goods retailing within the main trade area.

The estimated market gap in bulky goods retail floorspace is expected to grow to 36,000sqm by 2013 and to 56,000sqm by 2018. A second dedicated bulky goods retail precinct will be required to fulfil this additional expected excess demand for bulky goods retailing in the medium term (2014 – 2018).

¹ These rankings have been determined on the basis that the Special Use Zone (relating to the Morwell River Diversion) and the Design and Development Overlay – Schedule 1 affecting Site #7 can be managed and dealt with by Council in negotiations with the Department of Primary Industries. It also assumes that the developer could accommodate bulky goods tenancies closely adjacent to the existing gas pipeline, which is currently constrained by the Design and Development Overlay – Schedule 1. In the event that these planning considerations cannot be managed for Site #7, this could affect the relative rankings of this site.



A suggested delivery framework is set out below.

Time Horizon	Floorspace Area (sqm)	Land Area (hectares)	Policy Action
Short Term (2009 – 2013)	A dedicated bulky goods retail precinct of approximately 15,000 – 20,000 sqm is delivered.	Approximately 5 – 7 hectares of B4Z land required	Re-zone now.
Medium Term (2014 – 2018)	A second dedicated bulky goods retail precinct of approximately 15,000 – 20,000 sqm is delivered.	Approximately 5 – 7 hectares of B4Z land required	Re-zone now.
Long Term (Beyond 2021)	Depending on future market performance and population growth.	Depending on future market performance and population growth.	Consider in 5 years.

Estimates of the requirements for bulky goods retailing within the main trade area in the long term (beyond 2021) will depend on population growth, incomes and locational choices driven by new infrastructure such as the proposed Traralgon Bypass.

Once the Bypass is constructed, the volume of vehicular traffic passing through Traralgon will undoubtedly change. This will affect the ability of bulky goods retail tenants to benefit from passing trade through Traralgon, and will need to be considered in conjunction with the prevailing market conditions at that time.

To ensure the competitive functioning of the bulky goods retail sector within the main trade area, MacroPlan recommends that either two or three sites be made available for a dedicated bulky goods precinct. Should only one site be made available, Council runs the risk that a single land owner may choose not to develop the site. This could impede the smooth functioning of the market to close the market gap in bulky goods retail floorspace.

To accommodate the highlighted market gap and in consideration of the lack of certainty of delivery of Site #7, MacroPlan has developed three policy options for Council's consideration. These options are as follows:

- **Option A:** Approve Sites #11 and #7, assuming that the planning constraints faced by Site #7 can be managed in the short term.
- **Option B:** Approve Sites #11 and #6, to provide a greater certainty of delivery of vacant land parcels in the study area
- **Option C:** Approve only Site #11, and delay a decision between Site #6 and Site #7 until greater certainty of development constraints within Site #7 is assured.

MacroPlan recommends Option B to ensure delivery of vacant land in the short term. Option A faces the risk of an overall development delay as Site #7 faces constraints and Site #11 may be delayed due to current economic conditions.

The approval of Sites #11 and #6 as per Option B will provide the highest likelihood for economic development and employment growth in bulky goods retailing in the study area.



1 Introduction

1.1 Scope of this Report

MacroPlan Australia has been engaged to undertake a Retail Sustainability Assessment of the potential for dedicated bulky goods retail centres within the Latrobe City study area. Such centres would provide bulky goods retail services to the residents of the area.

This report is divided into the following sections:

Section 2: Literature Review

Section 3: Development Proposal and Location

Section 4: Retail Trade Area Analysis

Section 5: Bulky Goods Retail Competitive Framework

Section 6: Retail Demand Framework

Section 7: Retail Expenditure Pool

Section 8: Gap Analysis

Section 9: Latrobe City Council – Local Planning Policy Review

Section 10: Site Assessments

Section 11: Potential Sites for a Dedicated Bulky Goods Retail Precinct – SWOT Analysis and Site Comparison

Section 12: Stakeholder Consultation

Section 13: Best Practice Bulky Goods Centres

1.2 Methodology and Trade Area Assessment

MacroPlan Australia has undertaken a retail sustainability assessment of the opportunity for dedicated bulky goods retail centres within the Latrobe City study area. As part of this assessment we have considered the role of the existing competitive retail framework.

Defining the Trade Area and Forecasting Growth

A trade area is a geographical area from which a shopping centre will draw the majority of future trade. The delineation of a trade area typically comprises a primary, secondary and in some circumstances tertiary trade area. Trade areas are defined by the following factors which are discrete to each development proposal:

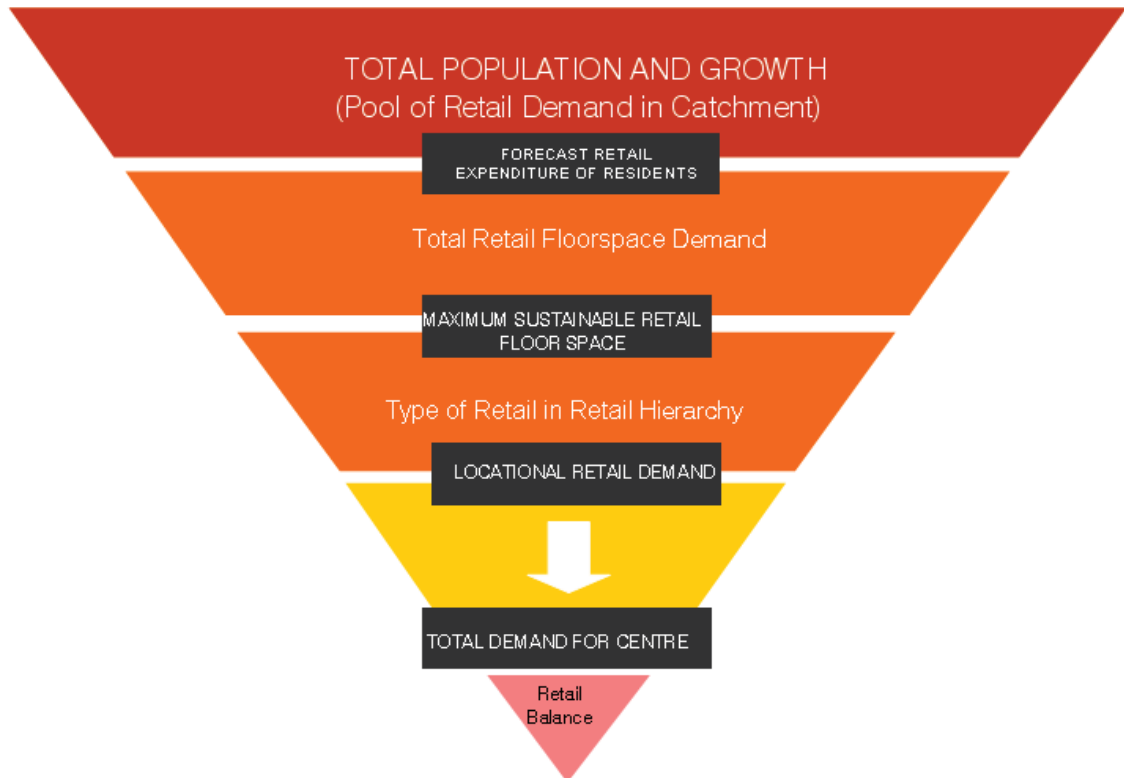
- The proposed development type and merchandise sold;
- Site location including access and exposure;
- Proximity, role and function of existing competing shopping centres;
- Natural and man-made barriers.

Primary research of comparable centres and extensive trade area experience are also used to derive trade areas.

Retail methodology

Measuring retail demand is complex and limited by the availability of data industry wide. An expenditure based approach and use of economic modelling is widely accepted as the most appropriate measure for retail. MacroPlan Australia has used an economic modelling approach to measure the level of demand for retail in the study area and has sought data from a range of reliable sources to establish assumptions. The figure below outlines our demand model methodology.

Figure 1. Demand methodology



Source: MacroPlan Australia (2008).

Step 1 – Population of Study Area

Aside from changing patterns of retail expenditure, driven primarily by cyclical macro-economic conditions and changing consumer preferences, the most influential factor determining the quantum of available retail demand is trade area population.

In the study area, population growth is primarily driven by new household development and increasing housing densities. As such, the validation of population forecasts is based upon estimated future residential development.

MacroPlan Australia has based its household and population growth forecasts, on a range of information sources including:

- Latest trends in population growth in the Latrobe City Council
- ABS Census of Population and Housing (2006)



Step 2 – Resident Retail Expenditure

The potential for future sustainable retail development within the study area and the wider area can be expected to increase in future years as a result of the following factors:

- Real growth in retail expenditure, which indicates increased propensity of retail consumption above inflation;
- Population and household growth in the region; and
- Opportunities to reduce escape expenditure to retailers beyond the study area and thus increase the share of expenditure that is captured by retailers in the study area.

Step 3 – Sustainable Retail Floorspace

The amount of floorspace that can be sustained by the identified expenditure sources is directly determined by the turnover per square metre of floorspace from retailers.

This measure is difficult to estimate in retail analysis for a given location. The reason for this is the limited information available in relation to retail performance. The most comprehensive survey on turnover by the ABS was undertaken in 1991/92 Retail Census that surveyed all retailers. Given the data is now 17 years out of date, it is very unreliable in determining current day performance.

The ABS followed this retail census with a sample survey of a selection of tenants throughout Australia in 1998/99. This survey is more reliable in determining retail performance of current retail tenancies; however it is a national average and not necessarily representative of local circumstances. This data is used as a benchmark for all retailers, however MacroPlan Australia also considers current market performance and factors such as centre location in estimating centre performance and required retail turnover densities.

Step 4 – Market Potential and Hierarchy of Retail Centres

Identification of market potential based on current supply levels compared against future retail demand. The aim of this analysis is to provide an overview of the current retailing landscape, as well as recommendations for future retailing needs within the study area.

1.3 Information Sources

This report draws on a wide range of information sources. The more important information sources include:

- Census of Population and Housing, Australian Bureau of Statistics (2006);
- Department of Sustainability and Environment, Victoria in Future Population Projections (2004);
- Victorian Shopping Centre Directory, Property Council of Australia (2008);
- Household Expenditure Survey, Australian Bureau of Statistics (2003–04);
- MarketInfo 2006, MDS Market Data Systems (2006);
- Census of Retail Activity, Australian Bureau of Statistics (1992, 1998/99);
- ABS Catalogue Number 3218.0 Regional Population Statistics (1996 – 2006);
- Monthly Retail Trade data, Australian Bureau of Statistics;
- Latrobe City Council Website;
- Site visits of subject area and surrounding competing centres;



- Consumer Price Index, Australian Bureau of Statistics;
- Various Council documents and publications provided by Latrobe City Council (these are discussed in more detail in the Literature Review section);
- Relevant experience associated with other shopping centres throughout Victoria and Australia, with particular reference to customer survey information, trade areas, turnover performance and market shares.



1.4 Abbreviations

The following abbreviations are used in this report

ABS	Australian Bureau of Statistics
ANZSIC	Australian & New Zealand Standard Industrial Classification
BGR	Bulky Goods Retail
CPI	Consumer Price Index
DDS	Discount Department Store
EIA	Economic Impact Assessment
GFA	Gross Floor Area
GLA	Gross Lettable Area
GST	Goods and Services Tax
HES	Household Expenditure Survey
LGA	Local Government Area
MDS	Market Data Systems
MTA	Main Trade Area
PCA	Property Council of Australia
PTA	Primary Trade Area
SLA	Statistical Local Area
STA	Secondary Trade Area

1.5 Report Limitations

This report is prepared on the instructions of the party to whom it is addressed and is thus not suitable for the use other than by that party. As the report involves future forecasts, it can be affected by a number of unforeseen variables. It represents for the party to whom or which it is addressed the best estimates of MacroPlan Australia Pty Ltd, but no assurance can be given by MacroPlan Australia Pty Ltd that the forecasts will be achieved.



2

Literature Review

In preparing this report, the following documents have been reviewed.

2.1.1 Sale Industrial Land and Retail Assessment

The Sale Industrial Land and Retail Assessment was prepared by Essential Economics for Wellington Shire in May 2006. The report assessed the potential for Sale to attract large format retailers (i.e. bulky goods) to its CBD. It refers to the "Sale CBD Zoning Review" which estimated approximately 10,000sqm of retail floorspace is needed for up to three "largish" retail developments, to be delivered under Business 4 Zone.

The report details the use of the Business 4 Zone land concluding that it could accommodate homemaker retailing as well as a range of non-retail activities (particularly car dealerships) that are currently on or near such land. The report also estimated retail land requirements for Sale CBD concluding that about 0.5 to 1 ha of land is required by 2021.

2.1.2 Sale Business & Industrial Zoning Review

The Sale Business & Industrial Zoning Review was prepared by David Langmore Strategic Facilitation for Wellington Shire in January 2006. It reviews the planning strategies and zonings for Sale CBD, particularly the provisions for bulky goods zonings in the Sale district.

The report found that the existing Business 4 Zone areas were not used (or were suitable) for bulky goods retailing. It suggested that a new Business 4 Zone area to be established on some land in the Wurruk South area, immediately south of the Princes Highway.

2.1.3 Wellington Planning Scheme Policy and Zone Amendments – Industrial and Business Zones

The Wellington Planning Scheme Policy and Zone Amendments report was prepared by Coomes Consulting Group for the Shire of Welling in October 2007. The report provided Council with options on accommodation industrial, business and bulky goods retailing land and reviewed the "Sale Industrial Land and Retail Assessment" (Essential Economics) and the "Sale Business & Industrial Zoning Review" (David Langmore Strategic Facilitation).

The report concluded that a homemaker centre in the area north of Cobains Road is to be supported through rezoning to Business 4 Zone. It also recommended that a schedule to this zone be included imposing a minimum leasable floorspace of 1,000sqm to apply to any retail developments. This condition is to ensure that a "genuine" homemaker centre, which would not compete with the established Sale CBD retail areas.

2.1.4 Economic Development Strategy for Latrobe City

The Economic Development Strategy for Latrobe City was revised by Latrobe City in February 2007. The report outlines key economic development actions for 2004 to 2008. The strategy strives to stimulate economic development through the following strategies:

- **Promoting new investment:** identifying opportunities to attract new private and public sector investment.



- **Focusing on competitive strengths:** Latrobe City has advantages in various industries including energy, forestry, agribusiness, aviation and tourism that should further be capitalised upon. New and emerging businesses such as infrastructure, education and research would also be encouraged to grow.
- **Profiling the sectors:** an information clearing house is to be established, collating relevant information which could be used as a valuable resource for potential investors, the government and the wider community.
- **Economic modelling:** a model developed by Latrobe University will be used to measure the economic impact of potential public and private sector projects.
- **Building the Latrobe City brand:** this is addressed by the Latrobe City Marketing and Communications Strategy (2005 – 2008) to, amongst other things, highlight the region and its competitive strengths.
- **Building community relationships:** Latrobe City will engage with intermediaries / influencers, the Investment Facilitation Committee (IFC) and small medium enterprises (SMEs).
- **Linking tourism and events to economic development:** Latrobe's tourism attractions are to be marketed in conjunction with its economic and industrial benefits as they are physically proximate. This would involve investment in business development activity, industrial / eco tourism, infrastructure and other traditional tourism activities and events.

These strategies are to be delivered by Latrobe City Council's Economic Development Unit through their Business Development Services, Investment Attraction and Facilitation Services, Policy and Advocacy Services, and Project Services.

2.1.5 Employment & Industry Survey

The Employment & Industry Survey was prepared by Gippsland Research & Information Service (Monash University GRIS) for the Latrobe City Council in September 2008. The report provides an assessment of the current employment state across the municipality including an analysis of the business needs and skills required for the next twelve months.

The report concluded that most businesses in the municipality were concentrated in Traralgon (41%), Morwell (27%) and Moe / Newborough (20%) with two thirds comprising of small businesses (i.e. employing less than 20 persons). Of the 31,772 employed persons in the municipality, over 5,500 worked in retail trade. The report estimates that Morwell & district postcode area will experience growth in the number of employees by 8%; Traralgon & district postcode area by 3% and Moe & district postcode area by 6%.

2.1.6 Latrobe Strategy Plan

The Latrobe Strategy Plan was adopted in December 1997 and focused on, amongst other things, the following:

- Assisting small and medium enterprises already in Latrobe to expand their activities. This also includes investigation of the need for additional facilities to stimulate business activity across the Shire.
- Retain the rural character of the land use and activity between the major towns (Morwell, Moe, Churchill and Traralgon) of the municipality. This includes the preparation of local area development plans for the western end of the Morwell-Traralgon corridor.



- Strengthen and reinforce the existing four major town centres, encouraging consolidation and co-location of new commercial development within these centres. This is detailed in local structure plans, town centre master plans and the municipal planning scheme.
- Ensure that the four main town centres continue to develop as multi-function centres comprising retail, office, community, cultural, entertainment and leisure activities. These will be addressed in the respective town centre master plans.
- Resolve the future role of Mid Valley as a significant retail and entertainment centre for both the municipality and the wider region. This is addressed as part of the local area development plan for the highway area east of Morwell.
- Take advantage of the choice available to investors to locate in any one of the municipality's major activity centres. This details the criteria that Council should consider when deciding on new major commercial developments.
- Ensure sufficient supply and adequate choice of industrial land exists to accommodate the different types of industry likely to emerge in the future as the municipality seeks to diversify its economic base and new opportunities arise. This includes the consideration of land to the east of Morwell (north of Princes Freeway) to be developed as a potential industrial park.

2.1.7 Latrobe Retail Strategy Study

The Latrobe Retail Strategy Study was prepared by Urban Spatial and Economic (USE) Consultants for the Latrobe Council in July 1995. The strategy analysed escape expenditure of the Latrobe region relating to the expansion of the Mid Valley Shopping Centre and provided options for the municipality to address this.

The Strategy found the retail environment in Latrobe to be performing poorly, recording negative growth between 1985/96 and 1991/2. It also identified two main options for the Latrobe retail strategy:

1. **Regional Centre Model:** establishment of a dominant regional retail centre with a number of retail centres fulfilling basic retail and service roles. The Mid Valley shopping centre expansion would fit this model. It also represents a significant shift from the existing retail network model for the Latrobe Valley and thus public consultation was recommended.
2. **Local Centres Model:** Local centres approach without a single regional focus. It builds on the existing retail network model in Latrobe region. The three main discount department stores in key Latrobe region townships reflect this local centres approach to the existing retail network.

USE Consultants recommended the second approach, the Local Centres Model, as it facilitates equity in floorspace distribution and thus presents a sustainable retail role for township centres.

2.1.8 Morwell East Industrial & Retail Precinct

The Morwell East Industrial & Retail Precinct was prepared by the NBA Group for the Central Gippsland Development Group (CGDG) in May 2008. The report reviewed strategic planning studies and planning controls to support the proposal to rezone land at Alexanders Road, Morwell East from Farming Zone to Industrial 1 Zone and Business 4 Zone (and apply a Development Plan Overlay).



The report identifies two Business 4 Zone areas in Morwell of which only four vacant B4Z allotments remain. It concludes that there are limited opportunities for new businesses wanting to locate new bulky goods retail premises on Greenfield sites within Morwell and thus rezoning land at Alexanders Road in Morwell East would be appropriate.

2.1.9 Submission to Latrobe Planning Scheme Amendment C62

The Submission to Latrobe Planning Scheme Amendment C62 was prepared by the NBA Group for the Central Gippsland Development Group (CGDG) in December 2008. The report is to be considered as a submission to the Latrobe Planning Scheme Amendment C62.

The submission supports the identification of 104 ha of their land, at the corner of Alexanders Road and Princes Drive, as 'Future Industrial' but requests that approximately 13ha of this land to be identified as 'Future Bulky Goods Retail' on the Morwell Structure Plan. Its appropriateness for bulky goods retailing is primarily supported by its prime location and lack of land use constraints for such development.

2.1.10 Residential and Rural Residential Land Assessment

The Residential and Rural Residential Land Assessment was prepared by Essential Economics for the Latrobe City Council in January 2009. The report provides a demand-supply analysis of residential and rural residential land in the 11 precincts of the municipality. The findings would feed into the preparation of revised Small Town Structure Plans the review of the Latrobe Municipal Strategic Statement (currently being undertaken by Council).

In relation to Moe / Newborough, the precinct provides affordable housing to the Latrobe residential market with house prices below the median for Latrobe. There has also been limited development of new residential estates that has limited the residential market in the precinct.

2.1.11 Latrobe 2021: The Vision for Latrobe Valley

The Latrobe 2021 Vision (Second Edition) was prepared by Latrobe City in 2006. The Vision for Latrobe Valley is to develop the region as:

- A vibrant region;
- A caring and enterprising community;
- A harmonious community
- A sustainable, safe and secure region by 2021.

It presents an assessment of the current socio-economic situation in Latrobe including an integrated planning framework to achieve the following strategic objectives:

- Sustainability;
- Liveability;
- Community Capacity Building; and
- Governance.



2.1.12 Latrobe Retail Strategy Review 2001

The Latrobe Retail Strategy Review was prepared by MacroPlan for the Latrobe Shire in 2001. The report is a review of the 1995 Retail Strategy Review undertaken by Urban Spatial and Economic Consultants.

The report concluded that the retailing performance in Latrobe is still slightly below the regional Victoria average (particularly the enclosed shopping centres). This is reflected in the marginal oversupply of retailing in the region. It concluded that any proposals for expansions of existing centres (beyond that proposed in the strategy) to be strictly monitored (including proving the retention of escape expenditure).

2.1.13 Latrobe Structure Plans

The Latrobe Structure Plans consist of a number of documents.

- The Latrobe Structure Plans – Moe and Newborough
- The Latrobe Structure Plans – Morwell
- The Latrobe Structure Plans – Traralgon
- The Latrobe Structure Plans – Churchill

The Latrobe Structure Plans were prepared by Beca for Latrobe City Council in August 2007. The Structure Plans were prepared to “provide for growth and change in a planned and managed manner over a 30-year period.” They also intended to “provide clear direction to the community, government and the development industry about appropriate development.”

The Structure Plan defined various areas that were to achieve specific, strategic objectives. The Structure Plans presented various implementation strategies and planning scheme amendments to achieve these objectives over the next 30 years.

2.1.14 Moe Activity Centre Plan

The Moe Activity Centre Plan was prepared by Tract Consultants for Latrobe City Council in December 2007. The report was intended to build upon previous planning studies such as the Urban Renewal Framework. The study identified projects that Council can take a lead in implementing, particularly public projects that can have a catalyst effect on broader regeneration.

The report concludes that focus for development should be on delivering a high quality transport and activity hub at the train station. This would alleviate the divisive nature of the rail corridor. In addition, other “finer grain initiatives” are also recommended that will slowly improve the amenity, vibrancy and liveability of Moe.

2.1.15 Latrobe Transit Centred Precincts – Moe Town Summary

The Latrobe Transit Centred Precincts – Moe Town Summary document was prepared by David Lock Associates in association with SGS Economics and Planning PBAI Australia in June 2006.

The document deals with the Transit City Principles that form the foundation of the Urban Renewal Frameworks, and the urban areas with Latrobe that are affected by these. This document deals with Moe’s role within this framework.



2.1.16 Latrobe Transit Centred Precincts – Morwell Town Summary

The Latrobe Transit Centred Precincts – Moe Town Summary document was prepared by David Lock Associates in association with SGS Economics and Planning PBAI Australia in June 2006.

The document deals with the Transit City Principles that form the foundation of the Urban Renewal Frameworks, and the urban areas with Latrobe that are affected by these. This document deals with Morwell's role within this framework.

2.1.17 Latrobe Transit Centred Precincts – Traralgon Town Summary

The Latrobe Transit Centred Precincts – Moe Town Summary document was prepared by David Lock Associates in association with SGS Economics and Planning PBAI Australia in June 2006.

The document deals with the Transit City Principles that form the foundation of the Urban Renewal Frameworks, and the urban areas with Latrobe that are affected by these. This document deals with Traralgon's role within this framework.

2.1.18 Churchill Town Centre Plan

The Churchill Town Centre Plan was prepared for Latrobe City Council by Beca Pty Ltd in 2007 as part of the Latrobe Structure Plans Review (Draft 2007). The Latrobe Structure Plans Review addresses strategic planning issues for the four major towns of the Latrobe municipality – Moe, Morwell, Traralgon and Churchill.

2.1.19 Morwell East Commercial Development – Market Assessment

The Morwell East Commercial Development – Market Assessment was prepared for SM Urban by Essential Economics Pty Ltd in August 2008. The report presents a retail and commercial market assessment of the potential for a mixed use development to locate at the Morwell East Commercial Development site on the Princes Highway on the eastern boundary of Morwell. The proposed development would comprise homemaker retail, trade supplies and commercial showrooms.

2.1.20 Victorian Retail Policy Review: Discussion Paper

This is a discussion paper, released in October 2008, which seeks to clarify and discuss issues in the planning provisions for retailing in Victoria. The discussion paper acknowledges that the policy approach towards restricted retail premises, or 'bulky goods retailing' as it is widely referred to, is a contentious issue, and opens the issue for further discussion.

2.1.21 Other Documents

MacroPlan have also reviewed the following documents:

- Preliminary Contaminated Site Assessment (Coomes Consulting Group, 2007)
- Wellington Planning Scheme Amendment C35 Explanatory Report
- List of Changes to the Wellington Planning Scheme
- Wellington Planning Scheme Amendment C35 Part 2 (Coomes Consulting Group, 2008)



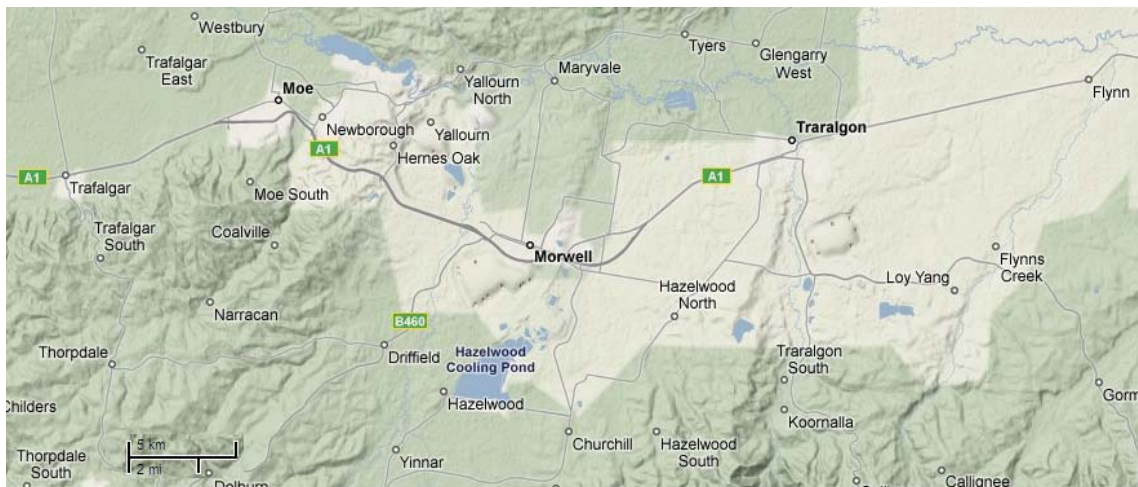
- Wellington Planning Scheme Amendment C35 Part 2 Expert Witness Statement (Essential Economics, 2008)
- Wellington Planning Scheme Amendment C35 Part 2 Panel Report (2008)
- Bulky Goods Review Planning Permit Applications
- Latrobe Planning Scheme – Municipal Strategic Statement
- Latrobe Planning Scheme – Proposed Amendment C62
- Latrobe Planning Scheme – Proposed Amendment C23 (Lapsed)
- Latrobe Planning Scheme Amendment Information (Amendment C004, C029)
- Latrobe Planning Scheme List of Amendments
- Latrobe Shire New Format Planning Scheme (Minister for Planning, 1998)
- Development Plan, Morwell East (SMEC Urban)
- “Hollydale, Princes Highway, Traralgon: Indicative Support for Rezoning”, prepared by SMEC Urban for Stable Property Group (November 2008).

3 Study Area

3.1 Location and Background

The study area is located within the Latrobe City Council, approximately 135km east of Melbourne. The three main townships of Moe, Morwell and Traralgon lie along the Princes Freeway and fulfil a range of retail needs for the residents in these areas. Traralgon is approximately 12km east of Morwell, while Moe is approximately 15km west of Morwell.

Figure 2. Latrobe City Study Area



Source: Google Maps (2008). MacroPlan Australia (2008)

The key issues in understanding the potential growth and development options for a bulky goods retail centre include:

- The provision of an appropriate mix of uses;
- The associated influence on other retail facilities in the region; and
- The opportunity for interaction for the surrounding community and linkages with residential development.

MacroPlan has balanced the assessment to not only consider the size of the bulky goods market but also the roles of individual towns and activity centres.



4 Retail Trade Area Analysis

This section presents an analysis of the trade area likely to be served by a proposed dedicated bulky goods retail precinct.

4.1 Trade Area

For the purpose of this study, MacroPlan Australia has applied a retail gravity technique to determine the likely trade area for the proposed development, balanced with MacroPlan Australia's professional judgement. Distortions can arise through any number of trade area or shopping centre characteristics including:

- Potential development type, such as the capacity of the study area to offer bulky goods retailing, which will provide higher order comparison shopping attracting the wider community and visitors.
- Site location, including the available road network and public transport system. This influences the ease of access and exposure to the development for the wider region. A main street location is likely to attract impulse visitation and destination shopping from vehicular traffic.
- Proximity and pattern of existing and potential competitors. The relative attraction of the centre compared to alternative competing centres is assessed according to the scale, composition, quality, size and diversity of retail services provided in those centres and stores, and
- Physical barriers, such as, lakes, railways and freeways can affect the size and composition of trade catchments.

Due to the nature of bulky goods retailing drawing trade from a wide area, the requirement for retail floorspace has been modelled based upon a regional catchment.

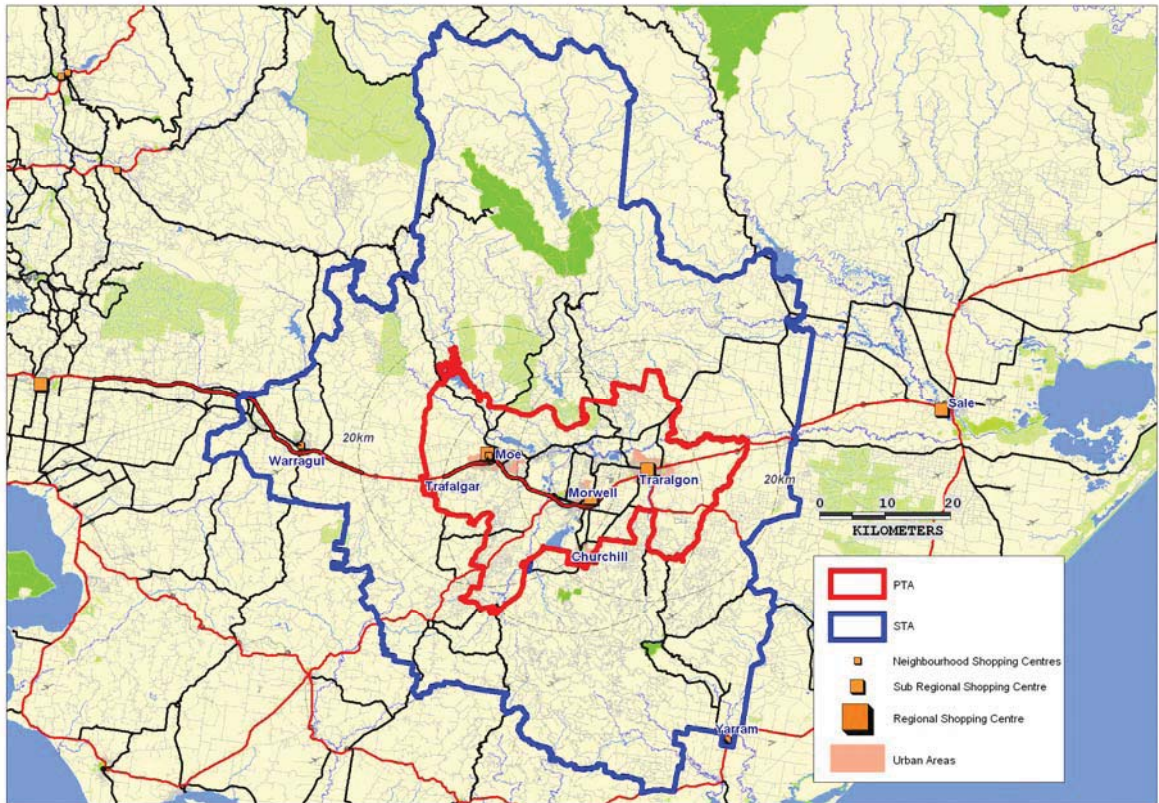
This methodology will guide estimates on the bulky goods retail potential for the study area.

The main trade area is constrained by competition in Sale to the east, and by Melbourne metropolitan centres located in Pakenham, Cardinia and Cranbourne to the west.

The study area centre has been assumed to draw from a regional catchment consistent with its likely role as a dedicated bulky goods centre within the retail hierarchy.

On this basis, the figure below illustrates the trade area which has been considered for the Latrobe study area.

Figure 3. Latrobe Region – Main Trade Area



Source: CDATE (2008), MacroPlan Australia (2008).

The Main Trade Area (MTA) is made up of a primary trade area (PTA) and a secondary trade area (STA) as detailed above.

The PTA represents the area where the majority of trade for the centre would be sourced. It is chosen based on the assumption that the resident population will principally use either the proposed bulky goods centre or the existing bulky goods precincts for their bulky goods retail needs. The boundaries are selected based on proximity to the proposed local centre, man-made borders (e.g. main roads), relative location to other shopping precincts and ABS Census Collection District (CCD) boundaries. Creating trade areas using ABS CCDs provides accurate population estimates.

The STA has been created to reflect a population that will occasionally utilise retail offerings in the Latrobe study area more generally. It is defined similarly to the PTA, in that it covers defined CCDs, has natural and man-made boundaries. However, market shares from the retail expenditure pool generated by these residents are likely to be lower than residents in the PTA, as they are co-located within access to other competing centres (eg. Sale and Bairnsdale).

The PTA and STA combine to form the MTA which is used to determine an expenditure pool and subsequently an estimate of sustainable retail floorspace for Latrobe study area. The current population of the MTA is estimated at 118,303 people (MacroPlan Australia 2008).



5 Bulky Goods Retail Supply

This section provides an overview, including role, quantum and major tenants of the existing bulky goods retailing offer within and beyond the trade area. MacroPlan Australia has referred to

- The Victorian Shopping Centre Directory (2008);
- Latrobe City Council Retail Strategy Review (June 2007).

The Victorian Shopping Centre Directory provides detailed information on regional and local shopping centre floor space (including the type of retailers) but it does not survey retail floor space analogous to the primary shopping centres (i.e. strip shops and speciality stores outside centres). Centres and strip shops not listed in the directory are expected to be assessed based upon site visit estimates.

5.1.1 Supply methodology

Without a full audit of all bulky good retail floorspace in Latrobe City it is difficult to accurately calculate the existing supply of bulky goods retail floorspace that exist in Latrobe City. MacroPlan has therefore developed the following methodology to estimate existing supply:

- Small area analysis of Business 4 Zoning (B4Z) in the Latrobe study area;
- GIS and desktop analysis of bulky good floorspace located in non-B4Z land;
- Site visit / land audit to confirm the preliminary supply estimate;
- Stakeholder consultation to finalise this assessment;
- Based on the above, provide a preliminary estimate of existing bulky goods retail floorspace in the Latrobe study area.

5.1.2 Key Success Factors

Key requirements of bulky goods developments include:

- Exposure to passing traffic;
- Car accessibility;
- Parking availability;
- Critical Mass / clustering to improve attractiveness of centre (through choice, range, amenity, multi-purpose, convenience);
- Site area.

MacroPlan's supply analysis has revealed that the majority of the existing 60,000m² of bulky good retail floorspace is located in loosely-defined precincts, with little integration in the region. For this reason, MacroPlan considers that there is likely to be above average leakage of bulky good retail expenditure outside the Latrobe region. This means that there is significant potential to establish one or more dedicated bulky goods precincts that have the ability to deliver an attractive offer and therefore draw back significant bulky goods expenditure.



5.1.3 Definition

For the purposes of supply analysis, bulky goods retailing includes land uses as described under the Victorian Planning Policy as “Restricted Retail Premises” (see table below). In practical terms, bulky goods retailing includes retail formats such as bulky goods retail and retail showrooms, for example “Harvey Norman”.

Table 2. Restricted Retail Premises, Victorian Planning Policy

Restricted Retail Premises is defined as any land used to sell or hire:	
<ul style="list-style-type: none"> • automotive parts and accessories; • camping equipment; • electric light fittings; • equestrian supplies; • floor and window coverings; • furniture, bedding, furnishings, • fabric and manchester; 	<ul style="list-style-type: none"> • household appliances, • household electrical goods • and home entertainment goods; • party supplies; • swimming pools; or • Office equipment and supplies.

Source: Victorian Planning Policy, Definitions, Page 18 of 22, (Released 15th December 2008)

Retailers that have been included are those that predominantly sell to the general public. This precludes businesses that primarily sell their goods and services to other businesses or in wholesale quantities. For example, retailers which sell electrical goods (EG Harvey Norman) are included. However, retailers which sell large electrical items (such as ride-on lawn mowers) in a wholesale fashion are not included.

5.1.4 Supply of Business 4 Zone (B4Z) land

Development of dedicated bulky goods precincts will depend, in part, on the supply of appropriately zoned land. The required zoning for these developments is B4Z - Business 4 Zone. Total supply will need to be considered in regard to an individual precinct and the total quantum of land required across the study area.

The following land audit has been completed of the Latrobe City study area. The table below assesses all land with the Business 4 Zoning (B4Z) in the Latrobe City study area, and summarises the estimated existing usage of that land.

MacroPlan has developed these estimates based on research of various publications and online resources, as well as site visits to the study areas.

As with all supply information, the data below should be interpreted with caution. It is possible that the supply of bulky good retail building floorspace may be over-estimated, due to the following factors:

- Tenancy changes;
- Rounding error.

The supply analysis revealed that the total supply of B4Z land within the MTA is 34.05 hectares². The figure below summarises the main findings.

- Of the total 178 B4Z lots within Latrobe City Council, 124 of these lots are located in Traralgon, 53 are located in Morwell and 1 is located in Moe.
- The Latrobe City Council has 14% of the number of B4Z lots currently vacant (representing 33% of B4Z land currently vacant).
- Moe township has a single, vacant B4Z lot of 5.92 hectares, resulting in 100% vacancy of B4Z land in Moe, and representing approximately half of all vacant B4Z land in Latrobe City Council;
- Traralgon has the lowest vacancy rates for B4Z land, with 11% of B4Z lots currently vacant (representing 16% of B4Z land currently vacant);
- However, although 89% of Traralgon's B4Z lots are currently occupied (representing 11% vacancy), only 19% of Traralgon's B4Z lots are currently occupied by *bulky goods retail tenants*. The remaining 69% of B4Z lots are currently occupied by other uses. Therefore, while a relatively large amount of B4Z currently exists, it is constrained from fulfilling its intended bulky goods retail function by other uses.
- Similarly, 72% of B4Z lots in Morwell are currently occupied by other uses;
- Of the three towns, Morwell has the lowest proportion (49%) of its B4Z lots located on the main highway (Morwell-Traralgon Road), whereas Moe has 100% of its B4Z land located on the highway (Narracan Drive);
- Traralgon's 15,704 sqm of bulky goods retail floorspace represents 11% *utilisation* of its total 142,421 sqm (14.24 ha) of B4Z land for bulky goods retail purposes. Moe's B4Z land utilisation is 0% and Morwell's B4Z land utilisation is 2.4%. Therefore, Traralgon's B4Z land utilisation for bulky goods retail purposes is the highest of the three townships.

Table 3. Supply of Business 4 Zone Land within Latrobe Study Area

B4Z Land Use		Moe		Morwell		Traralgon		TOTAL	
		#	%	#	%	#	%	#	%
Total B4Z land	Acres	14.62	-	34.32	-	35.19	-	84.13	-
	Hectares	5.92	-	13.89	-	14.24	-	34.05	-
	Sqm	59,165	-	138,888	-	142,421	-	340,474	-
Total Lots	Number individual lots	1	-	53	-	124	-	178	-
Highway / Freeway Location	Number of Lots	1	100%	26	49%	106	85%	133	75%
Lot Vacancy	Total Vacant Lots	1	100%	10	19%	14	11%	25	14%
	Total Vacant Hectares	5.92	100%	3.22	23%	2.25	16%	11.39	33%
Lot Usage	Total occupied lots	0	0%	43	81%	110	89%	153	86%
	Total occupied - bulky goods	0	0%	5	9%	24	19%	29	16%
	Total occupied - Other	0	0%	38	72%	86	69%	124	70%
Bulky Goods Retail on B4Z land	Sqm	0	0%	3,350	2.4%	15,704	11.0%	19,054	5.6%

Source: NBA Group (2008), DPCD Website (2008), Google Maps (2008), Latrobe City Council (2008)

² MacroPlan notes that the NBA Group report titled "Morwell East Industrial & Retail Precinct (Proposal to Re-zone Land at Alexanders Road)" (May 2008) indicates a figure of approximately 38 hectares (page 36). It is highly likely that this discrepancy arises due to three land parcels located at 187, 191 and 195 Argyle Street, Traralgon. These land parcels are at the eastern-most end of the B4Z land, and span both B4Z and IN1Z zonings. The portion of land contained within these three allotments which is zoned IN1Z sums to a total of approximately 3.41 hectares, and is likely to constitute the main source of the discrepancy. MacroPlan has counted only the B4Z land, bringing the total to 34.05 hectares.



These findings show that there are large amounts of B4Z land which are currently vacant within Latrobe City Council. However, the majority of these vacant sites are not suitable for a dedicated bulky goods precinct due to lack of highway frontage, lot sizes being too small, fragmented land ownership or questionable market viability (as indicated by ongoing vacancy).

5.2 Supply of Bulky Goods Retailing Floorspace on Other Zonings

Other land has been identified within the Latrobe study area, which contains BGR floorspace. MacroPlan has utilised a number of sources to estimate the current supply of BGR floorspace that is contained on non-B4Z land. Sources include:

- Department of Planning and Community Development (DPCD);
- Google Earth;
- Property Council Shopping Centre Directory – Victoria (2008).
- Site visits.

The estimated current supply of BGR floorspace that is contained on both B4Z land and non-B4Z land is shown in the table below.

Table 4. Supply of BGR Floorspace on Non-Business 4 Zone Land within Latrobe City Study Area

Supply of Bulky Goods Floorspace	2008
Estimated Supply of Bulky Goods Floorspace (Sqm)	57,048

Source: Google Earth (2008), DPCD Website (2008), Google Maps (2008), Latrobe City Council (2008)

This estimate accounts for large retail formats, such as Bunnings, Morwell (6,500sqm) and Harvey Norman, Traralgon as well as smaller bulky goods retail premises. Discount Department Store (DDS) formats were considered in the assessment of bulky goods retail supply. However DDS floorspace has not been included in the supply analysis primarily due to this store format normally being located on Business 1 Zone land.

MacroPlan recognises that some retail products regarded as bulky goods are sold by DDSs. However it is also important to consider that bulky goods retailers also sell merchandise which is sold by other retail formats. Therefore this assessment has focused on retail format, rather than retail product.

Based on the supply of BGR floorspace on both B4Z land and non-B4Z land, the provision of BGR floorspace per capita is also shown in the table below to be 0.49sqm per capita.

Table 5. Provision of BGR floorspace per capita within Latrobe Study Area

Supply of BGR Floorspace (2008)	
BGR floorspace: B4Z land	19,054 Sqm
BGR floorspace: non-B4Z land	37,994 Sqm
Estimated Total Supply of BGR Floorspace	57,048 Sqm
Population	
MTA (2008)	117,419
BGR Floorspace Provision	
MTA (2008)	0.49 Sqm per Capita

Source: MacroPlan Australia (2008)



The national average for bulky goods floorspace provision is 0.60 sq.m per capita. Based on MacroPlan's supply assessment, the provision of bulky goods floorspace in Latrobe City is below average at around 0.49 sqm per person.

While BGR floorspace provision appears to be near the average, a dedicated BGR development is expected to draw trade from beyond the MTA, as it draws passing trade along the main highway and serves the needs of destination shoppers.

5.3 Summary

The existing supply of BGR floorspace, and B4Z land, within the main trade area has been reviewed according to land zonings and floorspace estimates. Traralgon has a large majority of existing bulky goods retail floorspace, as well as a large majority of existing B4Z land.

The provision of BGR floorspace per capita was found to be 0.49sqm per capita, which is below the national average of approximately 0.60sqm per capita. This provides further justification for additional bulky goods floorspace to meet the existing and growing needs of Latrobe City residents.

However, an assessment of the supply equation is not the only consideration in defining a market gap. Other factors are important, including critical mass, location, land prices and co-location to target market. Chapters 6 and 7 assess the demand for BGR in more detail subject to the area's retail expenditure pool. Chapter 8 concludes with a detailed market gap analysis.



6 Study Area Population

Accurate representation of the demographic characteristics for a study area is critical in ensuring the future sustainability of retail development. Due to the developing nature of the location, the sources of future retail demand will be derived from two distinct groups:

- Existing residents residing in established residential areas; and
- New and potential residents.

As such, the assessment of growth, spending, retail sustainability, and the implications for the future retailing network for bulky goods, has been undertaken in this manner.

6.1 Population: Existing and Forecast

All demographic forecasts rely on a variety of historical information. This historical information forms the basis for decisions concerning future events. Forecasting is therefore influenced by a wide range of economic and social trends.

The trade area population forecasts have involved consideration of the following information sources:

- 2006 ABS Census of Population and Housing;
- ABS Regional Population Growth, Australia (Cat No. 3218.0);
- Department of Sustainability's Victoria In Future (2004);
- Australian Government Department of Health and Ageing (2008);
- Latrobe City Council Residential and Rural Residential Land Assessment (2009).

Existing Population

The existing population for the trade area (see Table below) has been calculated by collecting usual resident population from the 2006 ABS Census of Population and Housing. The estimate of usual resident (UR) is then adjusted³ to calculate the estimated resident population (ERP). The estimated MTA population is detailed in the table below.

³ ERP and Usual Residents are different measures of population. The Census counted usual resident, that is, whoever was in Australia, wherever they happened to be, on Census Night (8 August 2006) – a frozen snapshot in time. However the estimated resident population figure takes into account the wider picture and moves people back to where they live. For example, Australians temporarily overseas are not counted in the Census, but they are accounted-for in the estimated resident population figures.



Table 6. Trade Area Estimated Population (June 2008)

	Jun-08
Primary Trade Area	72,414
Secondary Trade Area	45,005
Main Trade Area	117,419

Source: ABS Census of Population and Housing (2006); Rural Residential Land Assessment, prepared for Latrobe City Council by Essential Economics Pty Ltd (2009); Australian Government Department of Health and Ageing (2008); MacroPlan Australia (2008)

Historical Population Growth

The following table shows the historical population growth of the SLAs included in the MTA from 2001 to 2007.

Table 7. Historical SLA Population Growth, 2001 - 2007

SLAs within Latrobe MTA	2001	2002	2003	2004	2005	2006	2007	Total Change (2001 - 2007)
Population								
Latrobe (C) - Moe	18,775	18,765	18,766	18,809	18,603	18,688	18,868	93
Latrobe (C) - Morwell	23,031	22,830	22,583	22,416	22,413	22,484	22,550	-481
Latrobe (C) - Traralgon	26,201	26,309	26,537	26,929	27,524	28,259	28,833	2,632
Latrobe (C) Bal	2,636	2,613	2,605	2,604	2,637	2,644	2,654	18
Baw Baw (S) - Pt A	4,353	4,306	4,275	4,240	4,205	4,264	4,365	12
Baw Baw (S) - Pt B East	4,005	3,964	3,966	3,963	3,968	3,991	4,028	23
Baw Baw (S) - Pt B West	28,041	28,176	28,426	28,877	29,437	30,229	30,685	2,644
Mount Baw Baw Alpine Resort	5	6	7	9	9	10	10	5
South Gippsland (S) - Central	12,468	12,463	12,561	12,656	12,760	12,792	12,882	414
Wellington (S) - Alberton	5,871	5,790	5,712	5,652	5,645	5,651	5,669	-202
Wellington (S) - Maffra	10,358	10,304	10,221	10,281	10,373	10,451	10,563	205
Wellington (S) - Rosedale	7,725	7,563	7,497	7,556	7,544	7,563	7,627	-98
Average Annual Growth Rate (2001 - 2007)								
SLAs within Latrobe MTA	2001	2002	2003	2004	2005	2006	2007	Average Annual Growth Rate (2001 - 2007)
Growth Rates								
Latrobe (C) - Moe	-	-0.1%	0.0%	0.2%	-1.1%	0.5%	1.0%	0.1%
Latrobe (C) - Morwell	-	-0.9%	-1.1%	-0.7%	0.0%	0.3%	0.3%	-0.3%
Latrobe (C) - Traralgon	-	0.4%	0.9%	1.5%	2.2%	2.7%	2.0%	1.6%
Latrobe (C) Bal	-	-0.9%	-0.3%	0.0%	1.3%	0.3%	0.4%	0.1%
Baw Baw (S) - Pt A	-	-1.1%	-0.7%	-0.8%	-0.8%	1.4%	2.4%	0.1%
Baw Baw (S) - Pt B East	-	-1.0%	0.1%	-0.1%	0.1%	0.6%	0.9%	0.1%
Baw Baw (S) - Pt B West	-	0.5%	0.9%	1.6%	1.9%	2.7%	1.5%	1.5%
Mount Baw Baw Alpine Resort	-	-	-	-	-	-	-	-
South Gippsland (S) - Central	-	0.0%	0.8%	0.8%	0.8%	0.3%	0.7%	0.5%
Wellington (S) - Alberton	-	-1.4%	-1.3%	-1.1%	-0.1%	0.1%	0.3%	-0.6%
Wellington (S) - Maffra	-	-0.5%	-0.8%	0.6%	0.9%	0.8%	1.1%	0.3%
Wellington (S) - Rosedale	-	-2.1%	-0.9%	0.8%	-0.2%	0.3%	0.8%	-0.2%

Source: ABS Regional Population Growth (Cat No. 3218.0) (2008); MacroPlan Australia (2008)

The population in Moe SLA has grown modestly between 2001 – 2007 at an average annual growth rate of 0.1%, adding 93 people to its population. Over the same period, Morwell SLA has experienced an average annual growth rate of -0.3%, declining by 481 people.

Traralgon SLA has grown at an average annual growth rate of 1.6% between 2001 – 2007, adding 2,644 people to its population. This steady population growth within Traralgon SLA has accounted for the majority of population growth within the PTA over this time.

Between 2001 – 2002, most of the SLAs in the region experienced negative population growth rates, however between 2006 – 2007, all SLAs experienced positive growth rates, indicating a broad uplift in population growth for the region.

Forecast Population

SLA forecast growth rates have been used to estimate the population of the PTA and STA. For SLAs within the Latrobe City Council, growth rates are drawn from the “Moderate” growth scenario in the Residential and Rural Residential Land Assessment (2009), prepared for Latrobe City Council by Essential Economics⁴.

For all remaining SLAs, growth rates are drawn from population projections produced by the Australian Bureau of Statistics, and commissioned by the Australian Government Department of Health and Ageing (2008).

These population projections are based on an assessment of recent demographic trends and current settlement patterns, which reflect changes in social policy, social behaviour or economics. For the purpose of this assessment, MacroPlan Australia has applied the projected SLA population growth rates to the main trade area as appropriate.

Latrobe LGA is expected to show moderately strong population growth over the next 18 years, increasing at an average annual growth rate of 0.7% from its current population of 72,650 people to 81,210 people in 2023.

Within the Latrobe LGA, the Traralgon SLA is expected to grow at an average annual growth rate of 1.4% between 2008 – 2023, representing strong population growth. Between 2008 and 2023 Traralgon SLA is expected to add 441 people per annum to its current population of 29,080. This amounts to an additional 6,620 people by 2023.

Moe SLA’s current population of 18,650 is expected to increase at an average annual growth rate of -0.4% between 2008 – 2023. The population of Morwell SLA, which includes the townships of Morwell and Churchill, is expected to increase at a modest average annual growth rate of 0.1%.

Traralgon SLA’s additional 6,620 people by 2023 are expected to constitute 77% of the Latrobe LGA’s net population increase of 8,560 people between 2008 – 2023. Moe SLA’s additional 1,160 people are expected to contribute 14%, while Morwell SLA’s additional 430 people are expected to contribute 5% of the expected population growth in Latrobe LGA between 2008 – 2023.

The table below shows the projected population growth rates for Latrobe City Council SLAs and Latrobe City Council LGA, according to Latrobe City Council’s Residential and Rural Residential Land Assessment prepared by Essential Economics.

⁴ Latrobe City Council Residential and Rural Residential Land Assessment, prepared for Latrobe City Council by Essential Economics (January 2009).



Table 8. Projected population growth, Latrobe City Council LGA (2008-2023)

SLA	Population Projections				Average Annual Growth (%)	Average Annual Growth (#)	Total Change (#)	SLA share of LGA Population Increase
	2008	2013	2018	2023	'08-'23	'08-'23	'08-'23	'08-'23
Latrobe (C) - Traralgon	29,080	31,360	33,620	35,700	-	441	6,620	77%
<i>Average Annual Growth</i>		1.6%	1.4%	1.2%	1.4%	-	-	-
Latrobe (C) - Moe	18,650	19,040	19,420	19,810	-	77	1,160	14%
<i>Average Annual Growth</i>		0.4%	0.4%	0.4%	0.4%	-	-	-
Latrobe (C) - Morwell	22,270	22,390	22,520	22,700	-	29	430	5%
<i>Average Annual Growth</i>		0.1%	0.1%	0.2%	0.1%	-	-	-
Latrobe (C) - Balance	2,650	2,770	2,890	3,000	-	23	350	4%
<i>Average Annual Growth</i>		0.9%	0.9%	0.8%	0.8%	-	-	-
LGA								
Latrobe (C) - Total	72,650	75,560	78,450	81,210	-	571	8,560	-
<i>Average Annual Growth</i>		0.8%	0.8%	0.7%	0.7%	-	-	-

Source: Residential and Rural Residential Land Assessment, prepared for Latrobe City Council by Essential Economics Pty Ltd (2009); MacroPlan Australia (2008)

6.1.1 Estimates of Existing and Forecast Populations

MacroPlan has taken consideration of forecasted population growth across each SLA in Latrobe City as part of our population forecasts for the MTA. While the study area varies from the LGA boundary, MacroPlan used estimates from Latrobe City Council's Residential and Rural Residential Land Assessment where appropriate.

Based on the approach described above, the current population of the MTA is estimated at 117,419 people in 2008 and is forecast to grow to 130,296 persons by 2021.

Table 9. Trade Area Population Forecasts

	2008	2011	2016	2021	Change (2008-2021)	Average Annual Growth Rate (2008-2021)
PTA	72,414	74,073	76,851	79,534	7,121	0.8%
STA	45,005	46,387	48,634	50,762	5,756	1.0%
MTA	117,419	120,460	125,484	130,296	12,877	0.8%
<i>Annual Average Growth</i>		0.9%	0.8%	0.8%		

Source: Residential and Rural Residential Land Assessment, prepared for Latrobe City Council by Essential Economics Pty Ltd (2009); Australian Government Department of Health and Ageing (2008); MacroPlan Australia (2008)

The expenditure pool has therefore been derived subject to the additional residents within the MTA.

6.2 Socio-Demographic Profile

The table below compares the key socio-economic characteristics of Latrobe City Council LGA to Metropolitan Melbourne and Victoria. The information presented has been derived from the 2006 ABS Census of Population and Housing.

The key characteristics of the catchment population, reveals the following about the proposed development:



- Residents in the Latrobe LGA have lower levels of wealth, reflected in the lower than average individual and household incomes. Average individual and household incomes in Moe SLA are lower than Victorian regional balance by 15.3% and 22.9% respectively. Average individual and household incomes in Traralgon SLA are higher than Victorian regional balance by 13.8% and 23.0% respectively.
- Analysis of the age distribution reveals that the proportion of residents aged over 65 years old is slightly higher for Victorian regional balance at 16%, as opposed to 14% for Latrobe LGA.
- Household sizes in the Latrobe LGA are lower than the Victorian regional balance average at 2.54 persons as opposed to 2.57 persons. However household size in Traralgon SLA is higher than Victorian Regional Balance at 2.63 people per household, while Moe SLA and Morwell SLA both have lower household sizes (2.46 and 2.48 respectively)
- Traralgon SLA shows a higher proportion (33%) of couple families with children than the Victorian regional balance (30%), whereas Moe SLA and Morwell SLA show a lower proportion (both 26%). Higher proportions of couple families with children can lead to an above average level of expenditure on bulky goods related retailing in the MTA.
- While the occupation profile of the three SLAs is reasonably similar, Traralgon SLA shows slightly higher proportions of Managers (11%) and Professionals (16%) than Latrobe LGA (10% and 14%). Moe and Morwell SLAs both show slightly higher proportions of Labourers (14%) than Latrobe LGA (13%).
- Latrobe LGA shows a higher proportion (52%) of home ownership than the Victorian regional balance (41%).

Table 10. Socio-Economic Characteristics – SLA Analysis

	Moë (SLA)	Morwell (SLA)	Traralgon (SLA)	Latrobe (LGA)	Melbourne Metropolitan Area	Victorian Regional Balance	Victoria
Headline Indicators (2006)							
Population and Households							
Persons	17,981	21,561	27,225	69,329	3,592,591	1,333,435	4,932,422
Households	7,324	8,702	10,356	27,272	1,351,530	517,856	1,869,384
<i>Average Household Size</i>	2.46	2.48	2.63	2.54	2.66	2.57	2.64
Socio-Economic Snapshot							
Income and Wealth							
<i>Median Household Income</i>	\$32,864	\$34,840	\$52,468	\$40,768	\$56,108	\$42,640	\$53,144
variation from Victorian Regional median	-22.9%	-18.3%	23.0%	-4.4%			
<i>Median Income Per Capita</i>	\$17,576	\$17,628	\$23,608	\$19,552	\$25,012	\$20,748	\$23,712
variation from Victorian Regional median	-15.3%	-15.0%	13.8%	-5.8%			
Occupation							
Clerical and Administrative Workers	14%	14%	14%	14%	16%	12%	15%
Community and Personal Service Workers	10%	10%	9%	9%	8%	9%	9%
Labourers	14%	14%	12%	13%	9%	13%	10%
Machinery Operators And Drivers	8%	9%	8%	8%	7%	7%	7%
Managers	8%	9%	11%	10%	13%	17%	14%
Professionals	12%	13%	16%	14%	23%	16%	21%
Sales Workers	12%	12%	11%	11%	10%	10%	10%
Technicians and Trades Workers	21%	19%	19%	20%	14%	16%	14%
Demographic Snapshot							
Age Distribution							
0-4 years	6%	6%	7%	6%	6%	6%	6%
5-14 years	14%	13%	15%	15%	13%	14%	13%
15-24 years	13%	15%	14%	14%	14%	12%	14%
25-54 years	38%	38%	42%	40%	44%	39%	43%
55-64 years	11%	12%	10%	11%	10%	12%	11%
65 years and over	18%	15%	12%	14%	13%	16%	14%
Family Types							
Couple family with children	26%	26%	33%	29%	35%	30%	34%
Couple family without children	25%	26%	26%	26%	25%	29%	26%
One parent family	14%	14%	12%	13%	11%	11%	11%
Other Family	1%	1%	1%	1%	2%	1%	1%
Lone Households	31%	29%	25%	28%	23%	26%	24%
Group Households	2%	3%	3%	3%	4%	3%	4%
Tenure Type							
Owner	49%	46%	57%	52%	36%	41%	37%
Purchaser	41%	44%	32%	38%	37%	34%	36%
Renter	1%	1%	1%	1%	26%	24%	26%
Other	9%	9%	9%	9%	1%	1%	1%
Dwelling Type							
Separate House	87%	89%	88%	88%	72%	90%	77%
Semi-detached	3%	4%	3%	3%	11%	4%	9%
Flat, Unit, Apartment	11%	7%	9%	9%	16%	7%	14%
Birthplace							
Australia	85%	85%	89%	87%	64%	84%	70%
Overseas	15%	15%	11%	13%	36%	16%	30%

Source: ABS Census (2006), MacroPlan Australia (2008).



SEIFA

SEIFA is an acronym for Socio-Economic Index for Areas, a product developed by the Australian Bureau of Statistics (ABS). SEIFA is used to assess the welfare of Australian communities. The ABS has developed indexes to allow ranking of regions/areas, providing a method of determining the level of social and economic well-being in that region. These indexes can be thematically mapped to show where the affluent (as opposed to just high income earning) live.

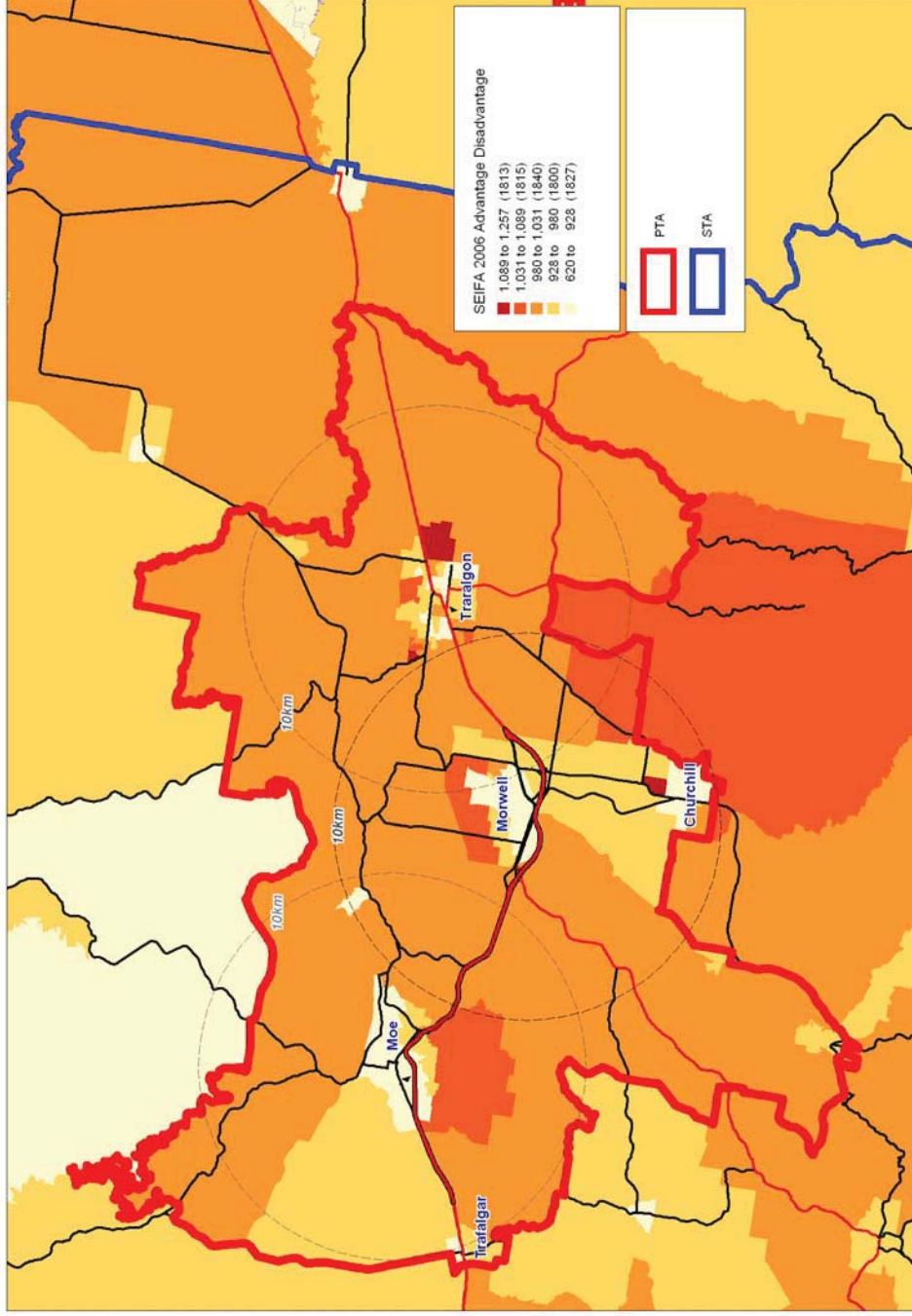
The SEIFA Index of Economic Resources gives an indication of the relative level of economic resources for a given area. The index has a mean of 1,000 with a score above 1,000 indicating the area has a relatively high proportion of high incomes or housing expenditure and assets, whereas, a score below 1,000 indicates an area has a relatively high proportion of low incomes or housing expenditure and assets.

The SEIFA data has been thematically mapped to show variations in socio-economic advantage and disadvantage in the Latrobe study area.

The map of Advantage / Disadvantage shows areas of significant disadvantage in the town centres of Moe, Morwell, Trafalgar and Churchill.

There are some areas of moderate advantage to the south of Moe, to the north of Morwell and to the south east of Churchill. There are some small areas of significant advantage at the eastern fringe and western fringe of Traralgon, as well as the northern fringe of Churchill.

Figure 4. SEIFA – Advantage / Disadvantage in Latrobe MTA



Source: MacroPlan Australia (2008)



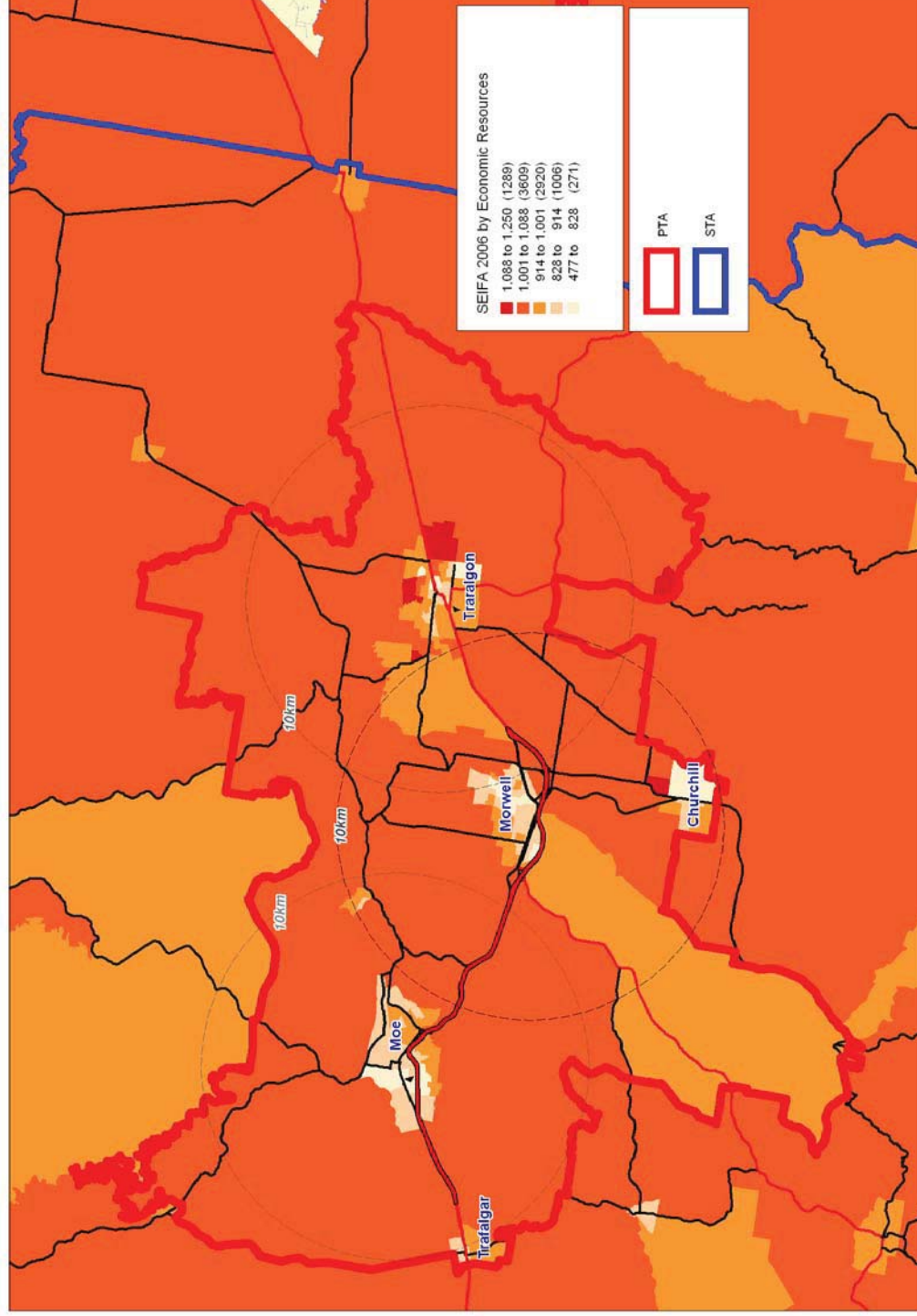
The map of Economic Resources shows areas significantly lacking economic resources in the town centres of Moe, Morwell and Churchill, as well as parts of Trafalgar and Traralgon.

Areas of significant economic resources are found in Traralgon East, and the northern and western parts of Traralgon. Additionally there are small pockets to the north and to the east of Churchill.

This analysis has clear implications for bulky goods retail developments within the MTA. Areas showing high levels of Disadvantage and low levels of Economic Resources are likely to have low levels of discretionary income. Therefore these areas are not likely to be attractive to potential bulky goods retail tenants. Conversely, areas showing high levels of Advantage and high levels of Economic Resources are likely to have higher levels of discretionary income. Therefore these areas are likely to be attractive to potential bulky goods retail tenants.

As a result, prospective bulky good retailers would be expected to show a strong preference for establishing their premises in Traralgon, and would have a lower preference for Morwell and Moe.

Figure 5. SEIFA – Economic Resources in Latrobe MTA



Source: MacroPlan Australia (2008)



6.3 Journey to Work

Main highway frontage is critical to the success of bulky goods retail developments, since the majority of bulky goods retail purchases take place in the context of a car-based trip. Analysis of journey to work data can assist in understanding existing travel patterns of residents within the MTA and informing the opportunity for suitable development sites that may promote multi-purpose trip generation.

6.3.1 Journey to Work

Analysis of Journey to Work data reveals the following key points:

Working in place:

- 39.7% of Moe SLA residents travel to Moe for work
- 39.2% of Morwell SLA residents travel to Morwell for work
- 52.5% of Traralgon SLA residents travel to Traralgon for work.

Latrobe City Council residents:

- 33.1% of Latrobe residents travel to Traralgon for work

“Exit” workers *within* Latrobe City Council:

- Morwell SLA appears to have a relatively high level of residents who “escape” to their adjacent township, with 21.4% of Morwell SLA residents travelling to Traralgon for work.
- Traralgon SLA also appears to have a relatively high level of residents who “escape” to their adjacent township, with 16.5% of Traralgon SLA residents travelling to Morwell for work.

“Exit” workers *exiting* Latrobe City Council for employment:

- Moe SLA has the highest proportion of workers exiting Latrobe City Council, with 18.7% of Moe SLA residents travelling outside of Latrobe City Council for work.
- These higher levels of labour exit could be indicative of a higher level of escape retail expenditure, since shoppers may purchase big ticket items on multi purpose trips to / from work.

Journey to work data is shown in the table below.

Table 11. Percentage of Residents Working in Latrobe Municipality (2006)

SLA of Residence	Workplace Location					Elsewhere in Latrobe	Total Latrobe	Elsewhere	Total
	Churchill	Moe	Morwell	Traralgon	Sub-Total				
Moe	0.8%	39.7%	16.1%	12.4%	69.1%	12.2%	81.3%	18.7%	100.0%
Morwell	5.4%	4.5%	39.2%	21.4%	70.5%	16.7%	87.2%	12.8%	100.0%
Traralgon	1.4%	2.5%	16.5%	52.5%	73.0%	14.5%	87.5%	12.5%	100.0%
Balance	4.2%	3.8%	22.3%	26.0%	56.4%	31.8%	88.2%	11.8%	100.0%
Total Latrobe	2.6%	11.7%	23.2%	33.1%	70.6%	15.4%	86.0%	14.0%	100.0%

Source: ABS Census (2006) Journey to Work data by workplace destination, Residential and Rural Residential Land Assessment, Latrobe City Council (prepared by Essential Economics) (2009), MacroPlan Australia (2008)

6.4 Summary

Analysis of historical population trends indicate that the majority of population growth within Latrobe City Council has occurred within Traralgon SLA. Population projections based on the Rural Residential Land Assessment (2009), prepared for Latrobe City Council by Essential Economics suggest this trend will continue in the future.

Socio-Demographic analysis reveals areas of economic disadvantage in the townships of Moe, Morwell and to a lesser extent, Traralgon. Areas of high economic resources are identified to the east and north of Traralgon.

Journey to work analysis reveals Moe SLA has the highest proportion of workers exiting Latrobe City Council, whereas Traralgon SLA has the highest proportion of Latrobe City Council residents travelling there for work. This indicates that bulky goods retail development in Traralgon will have the greatest opportunity for encouraging multi-purpose trip generation, therefore increasing sustainable outcomes by reducing overall vehicle trips.



7 Retail Expenditure Pool and Floorspace Demand

In order to estimate the future market potential for any future retail development within the trade area, the total retail expenditure generated by residents needs to be assessed.

The total bulky goods retail market is based on the definition of shopfront retailing adopted by the ABS for the purpose of collecting retail statistics. For this report the total retail market has been defined as a combination of four major spending categories:

- Furniture and Whitegoods
- Electrical
- Housewares and Softgoods
- Hardware

These retail spending categories broadly encompass the land uses set out in the Victorian Planning Policy, set out in section 5.1.3.

7.1 Retail Expenditure Per Capita

Retail expenditure estimates for the trade area are derived using MarketInfo 2007, a micro-simulation model developed by MDS Market Data Systems Pty Ltd. This model is based on information from the National ABS Household Expenditure Survey (HES), the Census of Population and Housing as well as other information sources (i.e. ABS National Accounts, Australian Tax Office Statistics, Medicare data etc). The model uses micro-simulation techniques to combine propensity to spend on particular commodities with socio-economic characteristics of individuals, thus deriving spend estimates on a small area basis (i.e. CCD level). Retail expenditure per capita levels with the trade area are presented in the table below.

Table 12. Retail Expenditure Per Capita 2008 (\$2007/08) – PTA and STA

Retail Category	PTA	STA	Victoria
Furniture and Whitegoods	864	885	867
Electrical	663	652	674
Housewares and Softgoods	377	410	387
Hardware	430	465	431
Bulky Goods Total	2,333	2,412	2,358
<i>% Variation from Victorian Average</i>	<i>-1.06%</i>	<i>2.29%</i>	

Source: Market Data Systems, MarketInfo, MacroPlan Australia (2008)

In 2008, retail expenditure for bulky goods is estimated at \$2,333 per person in the PTA and \$2,412 per person in the STA. This shows that the PTA retail expenditure per person is below the Victorian average of \$2,358 per person by 1.06%, while the STA retail expenditure per person is above by 2.29%.

7.1.1 Bulky Good Retail Expenditure Per Capita

In order to assess the likely demand for BGR floorspace within the Latrobe City Council, retail expenditure per capita has been assessed for the following three SLAs:

- Latrobe (C) – Moe
- Latrobe (C) – Morwell
- Latrobe (C) – Traralgon

It is important to remember that this analysis does not take account of where these residents spend their bulky goods retail expenditure. Nevertheless, potential bulky goods retailers are highly likely to consider this information as they assess their prospects in a given location.

The average expenditure per capita on BGR for residents in Moe SLA and Morwell SLA are *below* the Victorian average (-8.8% and -5.5% respectively).

The average expenditure per capita on BGR for residents in Traralgon SLA is 8.8% *higher* than the Victorian average. In particular, spending on hardware items is 10.6% higher than the Victorian average.

The table below shows the results, with SLA expenditure per capita averages compared to average expenditure per capita averages for Victoria.

Table 13. Retail Expenditure Per Capita for Latrobe City Council by SLA

MarketInfo Expenditure Categories	Moe SLA		Morwell SLA		Traralgon SLA		Victoria
	Spend Per Capita	Variation from Vic Avge %	Spend Per Capita	Variation from Vic Avge %	Spend Per Capita	Variation from Vic Avge %	Spend Per Capita
	\$2007/08	%	\$2007/08	%	\$2007/08	%	\$2007/08
Furniture and Whitegoods	\$793	-8.0%	\$830	-3.7%	\$939	9.0%	\$862
Electrical	\$607	-10.3%	\$635	-6.2%	\$726	7.4%	\$676
Houseware and Softgoods	\$347	-9.9%	\$344	-10.7%	\$420	9.2%	\$385
Hardware	\$395	-6.8%	\$409	-3.4%	\$469	10.6%	\$424
Bulky Goods Retail (BGR)	\$2,141	-8.8%	\$2,217	-5.5%	\$2,554	8.8%	\$2,347

Source: MarketInfo (2008), MacroPlan Australia (2008)

7.2 Real Growth in Retail Expenditure

Retailing within the trade area can be expected to increase in future years as a result of the following factors:

- Real growth in retail expenditure, which indicates increased propensity of retail consumption above inflation;
- Household growth; and
- Retail price inflation as measured by the ABS based on a basket of retail goods and services.

A combination of these factors can be expected to result in increases in the retail spending generated by residents from the trade area over the forecast period to 2023. In terms of real growth in retail expenditure, 2.4% pa growth has been forecast for bulky goods retail, based upon the historical long term growth rates illustrated in the table below.

It is important to note that price inflation has been excluded from the analysis of available retail expenditure in order to present future market forecasts in constant 2007/08 dollar terms.

7.3 Expenditure Forecasts

Total retail expenditure levels within the trade area in 2008 and future years are assessed by combining the population forecasts presented in the previous section with average per capita expenditure levels allowing for real growth in retail sales. A summary of forecast retail expenditure generated from within the MTA over the next 15 years to 2023 is provided in the table below.

Table 14. Bulky Goods Forecast Retail Expenditure, 2008 – 2023 (\$ Million)

ANNUAL EXPENDITURE POOL	2008	2013	2018	2023
MTA				
Furniture and Whitegoods	102.3	120.2	140.9	164.4
Electrical	77.4	90.9	106.5	124.3
Housewares and Softgoods	45.8	53.8	63.0	73.5
Hardware	52.1	61.2	71.7	83.7
BULKY GOODS TOTAL	277.5	326.1	382.0	446.0

Source: MacroPlan Australia (2008)

The bulky goods retail expenditure pool generated by residents of the MTA is currently estimated to be \$277.5 million in 2008. The total expenditure pool is forecast to increase to \$382.0 million by 2018 and further to \$446.0 million in 2023 (expressed in constant dollars \$2007/08).

Of this spend, Furniture and Whitegoods expenditure is expected to increase from \$102.3 million in 2008, increasing to \$140.9 million in 2018 and further to \$164.4 million by 2023.

The Latrobe City Council Retail Strategy Review (2007) reported a total bulky goods expenditure of \$235.7 million in 2007. The estimate for 2008 is \$277.5 million, representing a slightly larger catchment and accounting for real growth in retail expenditure. Given the projected expenditure increases over the coming years, there will be increased demand for additional BGR floorspace.

7.4 Retained Expenditure

MacroPlan estimates that the Latrobe MTA has the potential to retain more of the BGR expenditure than it currently does. Developing one or more dedicated bulky goods centres is likely to improve the proportion of retained bulky goods expenditure within the MTA, and result in a larger majority of the total bulky goods expenditure pool being retained within the MTA.

A small proportion of MTA residents may continue to shop outside of the MTA for their bulky goods needs. This is likely to consist of big ticket retail items, where higher order retail formats are sought in the Melbourne metropolitan area.

This analysis has assumed that 25% of the PTA bulky goods expenditure pool is spent on bulky goods retailing outside the MTA, while 45% of the STA bulky goods expenditure pool is spent on bulky goods retailing outside the MTA. The escape expenditure is higher from the STA expenditure pool due to residents in areas such as Warragul having easier access to the bulky goods retail market in metropolitan Melbourne areas.



Table 15. Bulky Goods Forecast Retail Expenditure: Retained, 2008 – 2023 (\$ Million)

ANNUAL EXPENDITURE POOL	2008	2013	2018	2023
MTA				
Furniture and Whitegoods	68.8	80.8	94.6	110.3
Electrical	52.2	61.2	71.7	83.6
Housewares and Softgoods	30.6	36.0	42.1	49.1
Hardware	34.9	40.9	47.9	55.9
BULKY GOODS TOTAL	186.4	218.9	256.2	299.0

Source: MacroPlan Australia (2008)

7.5 Beyond Trade Area Spend

While a proportion of MTA residents may seek bulky goods retailing outside of the MTA (constituting “escape” expenditure), a proportion of MTA bulky goods retail expenditure will result from residents who live beyond the MTA purchasing BGR items within the MTA.

Spend from beyond the trade area can be influenced by a number of factors, such as

- Passing trade from tourists to the area
- Residents who live beyond the MTA, but who have employment within the trade area

The eastern section of the Princes Freeway links Melbourne with the Latrobe Valley. The entire freeway is one of the busiest sections of rural highway in Victoria, used by large numbers of freight and commercial vehicles and provides access to tourist attractions in central and east Gippsland.

The Latrobe City Council contains a number of major employment nodes. There is a large range of employment sources, from large scale operations through to the many established small and medium sized enterprises.

As a result of these factors, it is estimated that an additional 15% trade will be drawn from beyond the trade area.

The table below presents BGR expenditure from within the MTA combined with that drawn from beyond the trade area. It shows BGR expenditure of \$214.4 million in 2008. Furthermore, this is likely to increase to \$343.8 million by 2023.

Table 16. Bulky Goods Retail Expenditure (\$m) – Including Trade from Beyond the Trade Area – Latrobe Study Area

	2008	2013	2018	2023
MTA				
Furniture and Whitegoods	79.1	92.9	108.7	126.9
Electrical	60.0	70.4	82.4	96.2
Housewares and Softgoods	35.2	41.3	48.4	56.5
Hardware	40.1	47.1	55.1	64.3
BULKY GOODS TOTAL	214.4	251.7	294.7	343.8

Source: MacroPlan Australia (2008)

7.6 Bulky Goods Retail Floorspace Opportunity

The amount of floorspace that can be generated by the identified expenditure sources is directly determined by the turnover per square metre of floorspace that is required by retailers to operate a profitable business.

This measure is difficult to estimate in retail analysis for a given location. The reason for this is the limited information available in relation to retail performance. The most comprehensive survey on turnover by the ABS was undertaken in 1991/92 Retail Census that surveyed all retailers. Given the data is now 17 years out of date, it is very unreliable in determining current day performance. The ABS followed this retail census with a sample survey of a selection of tenants throughout Australia in 1998/99. This survey is more reliable in determining retail performance of current retail tenancies however it is a national average and not necessarily representative of local circumstances. It is however the best available and is used as a benchmark for all retailers.

Based upon the 1998/99 Retail Industry Survey and inflated to 2007/08 dollars the retail turnover densities used for the purpose of this study are outlined in the table below.

Bulky goods businesses often require larger land parcels and larger retail store formats than specialty retail formats would normally require. Consequently, retail turnover densities for standalone bulky goods stores are likely to be slightly below category averages.

The figures below are in line with those used in the Latrobe City Council Retail Strategy Review (2007), and have been adjusted to reflect changes in real growth of approximately 1% p.a.

Table 17. Retail Turnover Densities (RTD), 2008

Retail Category	\$/sqm
Furniture and Whitegoods	2,491
Electrical	5,976
Housewares and Softgoods	2,040
Hardware	1,524

Source: ABS Retail Industry Survey (1998/99), MacroPlan Australia (2008)

Applied to each of the respective retail categories, the resulting floorspace demand sustained by the MTA is summarised in the table below.

Table 18. Demand for Bulky Goods Sustainable Floorspace (sqm)

	2008	2013	2018	2023
MTA				
Furniture and Whitegoods	31,761	37,282	43,650	50,926
Electrical	10,038	11,782	13,793	16,091
Housewares and Softgoods	17,261	20,265	23,730	27,688
Hardware	26,305	30,882	36,162	42,193
BULKY GOODS TOTAL	85,365	100,211	117,335	136,899

Source: MacroPlan Australia (2008)



7.7 Summary

This analysis has shown the following key findings:

- The bulky goods retail expenditure per capita is estimated to be \$2,333 per capita in the PTA and \$2,412 per capita in the STA.
- The bulky goods expenditure pool is currently estimated at \$214.4 million and is expected to increase to \$343.8 million by 2023.
- The demand for bulky goods retail floorspace is estimated to be approximately 85,000 sqm in 2008, and is expected to increase to approximately 137,000 by 2023.

8 Market Gap Analysis

Having previously assessed the demand for BGR floorspace and the supply of BGR floorspace within the MTA, this section will now combine these analyses to determine the “gap” in the market between supply and demand.

It should be noted that the gap between supply and demand for BGR **floorspace** is distinct from the demand and supply of **land** available for BGR floorspace. The first sub-section will examine BGR floorspace, while the second sub-section will outline the issues related to existing and potential land use for BGR floorspace.

8.1 Floorspace

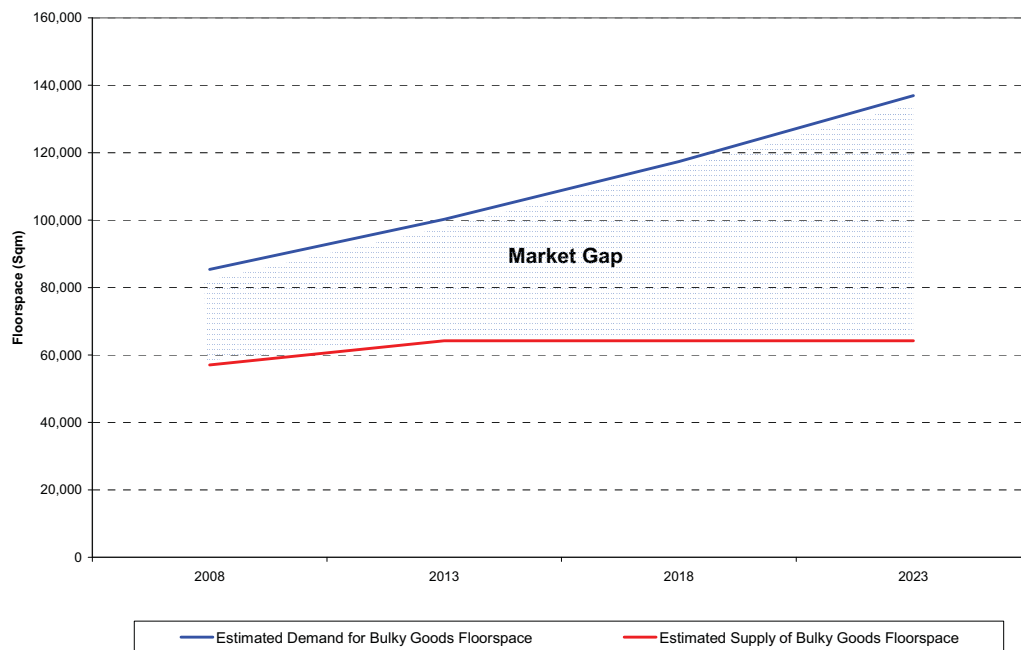
The development potential for bulky goods retail floorspace was stated in the previous section as being 85,365 sqm in 2008.

The supply of BGR floorspace has been estimated at approximately 57,048 sqm within the MTA in 2008. This supply estimate has resulted from research of various publications, such as the Property Council Shopping Centre Directory, as well as site visits to the investigation areas.

Given the assessment of bulky goods retail floorspace supply within the trade area, a gap has been identified between the amount of bulky goods floorspace demanded and the amount supplied within the MTA.

In 2008, there is an estimated shortfall of 28,318sqm BGR floorspace within the bulky goods market. Assuming no additional BGR floorspace is supplied within the MTA (beyond the known proposed development of 7,190sqm BGR floorspace in Traralgon), increasing demand for BGR floorspace is expected to increase this gap to a shortfall of 72,662sqm by 2023.

Figure 6. Market Gap Analysis of Bulky Goods Retail Floorspace in Latrobe MTA



Source: MacroPlan Australia (2008)



The table below illustrates the gap between estimated supply of BGR floorspace and the demand for BGR floorspace.

Table 19. Market Gap Analysis of Bulky Goods Retail Floorspace in Latrobe MTA

Demand for Bulky Goods Floorspace				
Main Trade Area (MTA)	2008	2013	2018	2023
Estimated Demand for Bulky Goods Floorspace (sqm)	85,365	100,211	117,335	136,899
Supply of Bulky Goods Floorspace				
Main Trade Area (MTA)	2008	2013	2018	2023
BGR floorspace: B4Z land	19,054	26,244	26,244	26,244
BGR floorspace: non-B4Z land	37,994	37,994	37,994	37,994
Estimated Supply of Bulky Goods Floorspace (sqm)	57,048	64,238	64,238	64,238
Market Gap				
Main Trade Area (MTA)	2008	2013	2018	2023
Gap between supply and demand	28,318	35,973	53,098	72,662

Source: MacroPlan Australia (2008)

The Latrobe City Council Retail Strategy Review (2007) reported a requirement for a bulky goods centre in the order of 15,000sqm – 20,000sqm.

Based on this analysis of demand and supply of bulky goods floorspace within the MTA, MacroPlan concludes that a dedicated bulky goods centre such as this is justified in the short term.

A dedicated bulky goods centre of approximately 15,000sqm – 20,000sqm would undoubtedly fulfil the majority of existing excess market demand for bulky goods retailing within the Latrobe MTA. The remainder of BGR floorspace would be fulfilled by additional BGR retailing in existing town centres.

8.2 Existing B4Z Land

This gap between demand and supply of bulky goods **floorspace** within the MTA must be acknowledged within the context of the **land** available to fill that gap.

Within Latrobe City Council there is currently B4Z **land** that could, in theory, be used to help fill the gap between demand and supply of bulky goods **floorspace** within the MTA.

8.2.1 Existing B4Z Land – Occupied

A significant quantum of B4Z within the Latrobe study was revealed to contain uses which are not related to bulky goods retailing. Generally, these uses are light industrial / trade supplies uses. However other uses were occasionally noted, such as fast food and core retail uses.

Therefore while the theoretical supply of B4Z land is reasonably high, these non-bulky goods uses operating on B4Z land effectively limit the available supply of B4Z land within the study area.

8.2.2 Existing B4Z Land – Vacant

A number of vacant B4Z land parcels were revealed within the Latrobe City study area. These vacant B4Z land parcels represent a supply of B4Z land which could also be used to help fulfil the gap between the demand of bulky goods floorspace and the supply of bulky goods floorspace. However a number of constraints limit the ability of these vacant B4Z land parcels to effectively do this.

These constraints include, but are not limited to, the following factors:

- a. Not being appropriately located in close proximity to a main highway;
- b. No opportunity for comparison shopping;
- c. No opportunity for clustering with other bulky goods / showroom retail uses.

Existing vacant B4Z land parcels are currently present in Moe (Newborough) and Morwell (near the Mid-Valley shopping centre). The figures below illustrate these land parcels, with B4Z land parcels outlined in red and vacant B4Z land parcels circled in red.

Figure 7. Moe (Newborough) B4Z Land



Source: MacroPlan Australia (2008) Latrobe City Council (2008)

Figure 8. Morwell (Mid Valley) B4Z Land



Source: MacroPlan Australia (2008) Latrobe City Council (2008)



MacroPlan has examined the potential for these land parcels to meet the existing market gap in retail floorspace. However upon investigation, it was revealed that these vacant land parcels are not suitable for additional bulky goods retail floorspace.

8.2.3 Moe

For the Moe (Newborough) B4Z land parcel, the reasons are as follows:

- Location
- Lack of exposure to passing trade
- Lack of market acceptance

Location

Given that the vast majority of historical and expected population growth originates from Traralgon, Moe is not central to the catchment. Therefore the site would suffer from a lack of convenience for the majority of shoppers with the main trade area.

Lack of Exposure to Passing Trade

Although the Moe (Newborough) site sits on Narracan Drive, which is a major arterial road between Moe and Morwell, the township of Moe is bypassed by the Princes Freeway. Since a key success factor in any dedicated bulky goods retail precinct is its ability to capitalise on passing trade, as well as its ability to draw trade from beyond the trade area, the fact that Moe is bypassed by Princes Freeway detracts significantly from the attractiveness of this site.

Lack of Market Acceptance

The site in Moe (Newborough) has been zoned B4Z while demand for bulky goods retailing has continued to rise over the past years. Yet the land has remained vacant during this time, since potential bulky goods retail tenants have not shown sufficient interest in moving into the site. This lack of market acceptance is not expected to change in the future.

8.2.4 Morwell

For the Morwell (Mid Valley) B4Z land parcels, the reasons are as follows:

- Location
- Fragmentation of land ownership
- Lack of exposure to passing trade:

Location

It is noted that the location of the Morwell (Mid Valley) B4Z land parcels are generally in an excellent area for a dedicated bulky goods precinct. The close proximity to the Mid-Valley Shopping Centre would provide many benefits to a prospective development, such as the potential to benefit from existing shopping patterns.

However a number of factors significantly constrain the ability of these land parcels to present a viable option for the development of a dedicated bulky goods precinct.



Land Fragmentation

In order for a dedicated bulky goods precinct of at least 15,000sqm to be developed, the total land parcel north to Vestan Drive, east to Tramway Road, south to the railway line and west to Centre Valley Road would need to be made available in a single development.

This would require unanimous consent from all land owners who own land within this area. This is extremely unlikely, and would require extensive consultation with all land owners, Council and other agencies.

In the absence of this combined development approach to this site, no single existing vacant land parcel within this area has sufficient size to accommodate a dedicated bulky goods retail precinct of at least 15,000 sqm.

Lack of Exposure to Passing Trade

None of the vacant B4Z sites within the Morwell (Mid Valley) area have any exposure to Morwell-Traralgon Road. With significantly decreased ability to draw from passing trade along this highway, these sites are not likely to be considered attractive to potential bulky goods retail tenants.

If a dedicated bulky goods retail precinct were to be developed on the entire land parcel (north to Vestan Drive, east to Tramway Road, south to the railway line and west to Centre Valley Road), then the exposure to Morwell-Traralgon Road could be utilised to draw trade to retail tenants at the rear of the total land parcel along Saskia Way. However in the absence of such a development, vacant B4Z lots along Saskia Way have no such exposure.

8.3 Summary

In 2008, there is an estimated shortfall of approximately 27,000sqm BGR floorspace within the bulky goods market. This market gap is expected to increase approximately 71,000 sqm by 2023.

A dedicated bulky goods centre of approximately 15,000sqm – 20,000sqm would undoubtedly fulfil the majority of existing excess market demand for bulky goods retailing within the Latrobe MTA.

It is important to note that demand for bulky goods retailing is expected to continue increasing into the future. Council thus has the opportunity to take a long term view on the provision of bulky goods retailing within the Latrobe MTA and consider the zoning of a second precinct within the study area. Strategically the zoning of at least two land parcels capable of accommodating 15,000sqm – 20,000sqm of bulky goods retailing formats would be appropriate, as it would ensure that an individual developer does not sit on a particular approval and limit supply in the short to medium term.



9 Latrobe City Council – Local Planning Policy Review

This section reviews existing planning policies of Council. The following provides an overview of the Local Planning Policy Framework (LPPF) section of the Latrobe Planning Scheme, specifically in relation to retailing policy within Council’s Municipal Strategic Statement (MSS) and the affect of existing local policies.

Council has recently exhibited an amended version of its MSS, and is seeking to have this new version incorporated in the Latrobe Planning Scheme (through proposed Amendment C62)

9.1.1 Clause 21.01 – Municipal Profile

Clause 21.01-9 – Retailing

This section identifies the four major retail centres that exist within Latrobe City, including the Central Activity Districts (CADs) of Moe, Morwell and Traralgon, and the Mid-Valley Activity Centre. All CADs are essentially traditional town centres, whilst Mid-Valley is a more recently constructed stand-long shopping centre. Traralgon CAD and Mid-Valley are identified as the strongest retail destinations within the municipality.

Traralgon is the centre that has emerged as a major commercial centre, both within the municipality and in the wider Gippsland region. It is acknowledged in this policy that all four major retail centres have the potential to accommodate additional retail floorspace, and new types of retailing.

9.1.2 Clause 21.02 – Key Influences

Clause 21.02-3 – Retail

The 1995 Latrobe Retail Strategy Study (USE) identified an oversupply in floorspace across the municipality. This section also identifies that the Morwell CAD was significantly impacted upon by the development of the Mid-Valley centre, particularly to the north of the railway line.

This clause also acknowledges the development of Restricted Retail premises away from the established centres, resulting in the weakening of these centres and increased vacancies. The relocations are generally in order for these businesses to relocate to higher exposure sites, such as sites with direct highway frontages.

9.1.3 Clause 21.03 – Vision-Strategic Framework

Clause 21.03-2 – La Trobe Strategy Plan vision

Latrobe City’s vision identifies that the city should look to achieve a number of goals over the coming 10 to 15 years, which includes the following:

- A key regional centre in Victoria’s well established network of urban areas, connected to Melbourne and other cities in the network by excellent transport linkages and high capacity telecommunication links;
- A service centre for south-east Australia; and



- The “capital” of the region in terms of shopping, health, education, culture, public administration, business, sport and a side range of employment and social and cultural activities.

Clause 21.03-3 – Strategic land use framework plan

The framework plan identifies a number of policy positions for future development in Latrobe, which includes the retention of the Morwell-Traralgon Corridor as a non-urban area, and restricting development around the Latrobe Regional Hospital which is located within the corridor, adjacent to the Latrobe Regional Airport.

This clause also sets out the Networked City concept, and within that the unique characteristics of each centre. Morwell is identified as the location for regional higher order retailing.

The clause states that there is an adequate provision of retail facilities within Latrobe at the present time (at the time of the MSS being published). Activity centres are encouraged to consolidate over time, and no support should be given to any new free-standing activity centres.

9.1.4 Clause 21.04 – Objectives, Strategies, Implementation

Clause 21.04-1 – Settlement and Urban Form

Latrobe’s Settlement and urban form policy is based around objectives for four key elements:

- Networked City;
- Containment;
- Corridors; and
- Balancing Conflicting Land Uses.

Objectives for containment and land use for corridors are especially relevant for the future of bulky goods retailing within Latrobe. These current policies support the retention of clear town boundaries, and the restriction of new development taking place in the corridors along the Princes Highway between the three main centres.

In addition, there is a clear direction for continuing to provide local employment opportunities and retail opportunities within the City of Latrobe, to provide for self-containment.

Local Structure Plans for Moe, Morwell and Traralgon are also provided within this clause, which provide direction for the mix of land uses to be provided for within each town. Retailing in Moe is to be consolidated within the existing CAD, as it is in the Morwell CAD to the south of the railway line. A low density retail precinct to accommodate bulky goods retailing is encouraged to be developed adjacent to the existing Mid Valley Activity Centre.

Traralgon identifies land east of the Cad along Argyle Street as the location for low density retailing, whilst again seeking to consolidate existing retail uses within the CAD.

Clause 21.04-5 – Economic Development

This clause directs that the pattern of zoning within and around the CADs should create highly legible centres, and provide for floor space within the CAD to encourage core retailing and peripheral sales, such as bulky goods in adjacent locations.



Clause 21.04-6 – Retail

The strategic direction of Council's Retail policy is to support the existing retail centres throughout the Municipality, and to avoid the creation of any new centres unless demand can be demonstrated, and assessments conclude that existing centres will not be detrimentally affected.

The policy further encourages consolidation of retail in the CADs, and restricted retail in areas adjacent to the four major activity centres.

ELEMENT 3 RESTRICTED RETAIL PREMISES

The two objectives for the development of bulky goods (restricted retail) premises in Latrobe includes providing opportunities for bulky goods where it can support established major retail centres, and to encourage functional specialisation, "through grouping of similar or complementary restricted retail uses to maximise the regional benefits derived from concentrating specialist activities".

The policy encourages restricted retail to locate within the existing CADs and Mid Valley Activity Centre, or beyond that within existing Business 4 Zone areas.

9.1.5 Local Planning Policies

Clause 22.02 – Coal Buffers Policy

This policy recognises the need to restrict development within the buffer zones for the coal mines surrounding Moe, Morwell, and Traralgon, as implemented by the Environmental Significance Overlay – Schedule 1. The buffers are intended to ensure that any development taking place in these zones does not have the potential to conflict with the ongoing use of the mines and their associated uses.

Clause 22.03 – Car Parking Policy

This policy sets out alternate car parking rates to be applied for selected land uses, and allows for variations to the granted to the standard provisions at Clause 52.06 of the planning scheme.

For a Restricted Retail premises, the standard car parking rate applicable is 8 car spaces per 100 square metres of leasable floor space. However, the policy states that the acceptable rate for Latrobe City is 1 car space per 100 square metres of leasable floor space.

Clause 22.04 – Latrobe Regional Airport and Environs Policy

The key objective of this policy is to ensure that the development of land around the Latrobe Regional Airport does not prejudice the ongoing operations, safety and efficiency of the airport. It also seeks to ensure that the design of any new developments in the vicinity of the airport takes into account potential noise impacts from aircraft, or whether a development may impact on the opportunity for reasonable future expansion of the airport.

9.1.6 Proposed Municipal Strategic Statement (MSS)

The updated version of Council's MSS incorporates a section focus on retail growth throughout the municipality, under proposed Clause 21.05-2. This clause again recognises the existing four key activity centres in Latrobe as being the Moe, Morwell and Traralgon CADs, and the Mid Valley Shopping Centre.



The clause identifies a market gap of approximately 32,000 square metres of floorspace for convenience, supermarket and specialty shops, and provides direction for this floorspace to be accommodated within the Morwell and Traralgon CADs to stimulate the revitalisation of these centres. Regarding bulky goods retailing, a gap of between 15,000 – 20,000 square metres is identified, and the clause entertains the concept of accommodating this floorspace within a new dedicated bulky goods development within the municipality, however a preferred option is not yet identified.

This new direction is a significant shift from previous Council policy, which directed that bulky goods retail use be in a supporting function to the four existing main activity centres. The new policy includes a new objective of identifying a suitable location or locations to accommodate bulky goods retailing.

10 Site Assessments

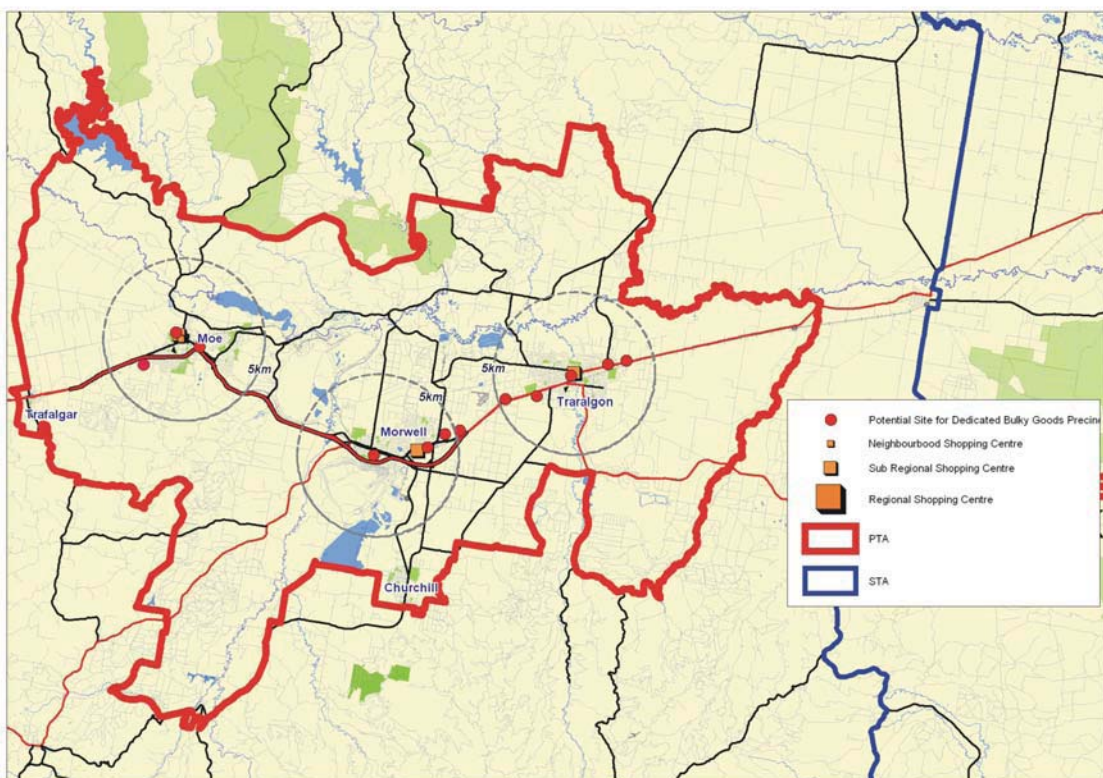
This section identifies and maps the various investigation sites that have been examined for their potential to accommodate a dedicated bulky goods retail precinct. Maps depicting the relevant planning zones are displayed, and the various zones and overlays are defined. Finally, planning implications for each site are discussed, in the context of relevant existing policies, proposed policies, planning scheme requirements and orderly and proper planning.

Given the confirmed supply gap and consideration of council policy MacroPlan has assessed potential sites capable of accommodating expansions in the supply of BGR floorspace. Eleven sites have been examined. This examination appears below.

10.1 Subject Site Identification

Following consultation with key stakeholders, various sites and areas have been identified as potential locations for future bulky goods centres. These are illustrated in red circles on the following maps.

Figure 9. Latrobe – Potential Sites for a Dedicated Bulky Goods Precinct



Source: MacroPlan Australia (2008), MapInfo (2008)

The following sites and areas are identified for the township of Moe.

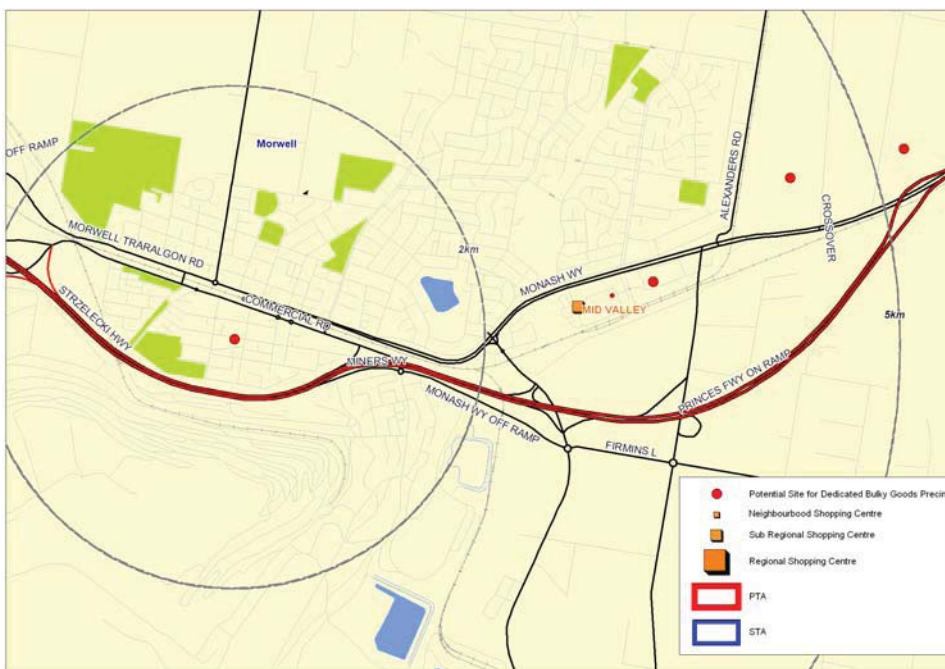
Figure 10. Moe – Potential Sites for a Dedicated Bulky Goods Precinct



Source: MacroPlan Australia (2008), MapInfo (2008)

The following sites and areas are identified for the township of Morwell.

Figure 11. Morwell - Potential Sites for a Dedicated Bulky Goods Precinct

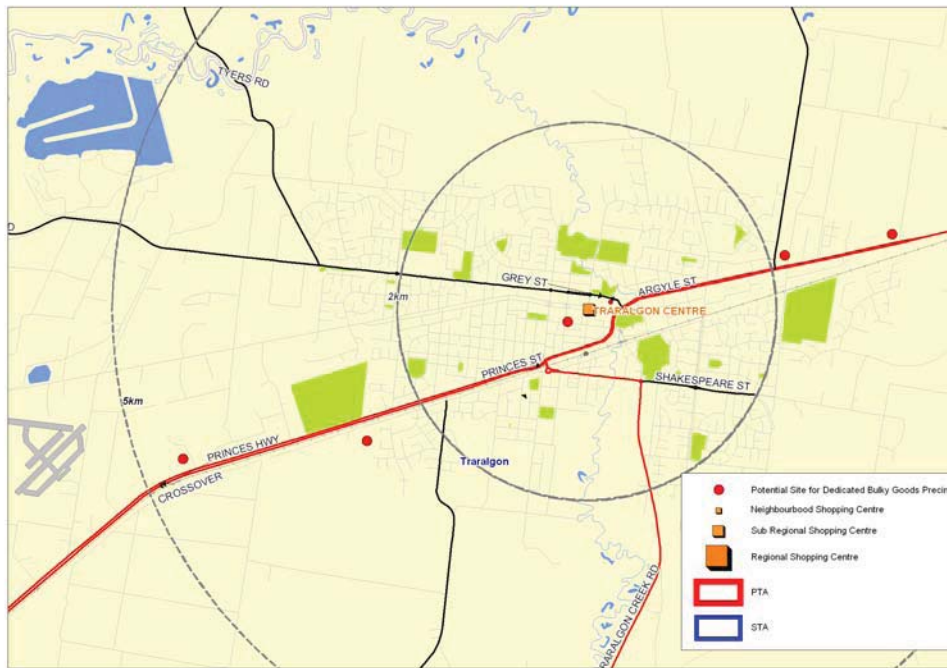


Source: MacroPlan Australia (2008), MapInfo (2008)



The following sites and areas are identified for the township of Traralgon.

Figure 12. Traralgon – Potential Sites for a Dedicated Bulky Goods Precinct



Source: MacroPlan Australia (2008), MapInfo (2008)



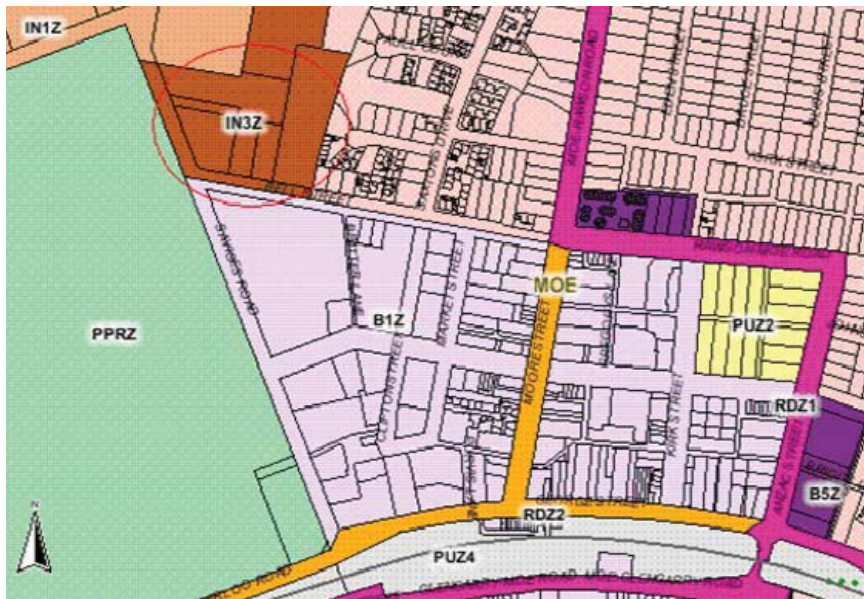
10.2 Planning Opportunities and Constraints

The following discussion examines the planning implications of locating bulky goods retailing floorspace on the various investigation sites.

10.2.1 Site 1 – Moe Town Centre (north)

This area includes a number of lots zoned IN3Z at the corner of Bell Street and Saviges Road, north of Moe town centre.

Figure 13. Location Map



Source: MacroPlan Australia (2008), Department of Planning and Community Development (2008)

Table 20. Current Planning Controls

Zones and Overlays	Purpose
Industrial 3 Zone (IN3Z)	<p>To provide for industries and associated uses in specific areas where special consideration of the nature and impacts of industrial uses is required or to avoid inter-industry conflict.</p> <p>To provide a buffer between the Industrial 1 Zone or Industrial 2 Zone and local communities, which allows for industries and associated uses compatible with the nearby community.</p> <p>To ensure that uses do not affect the safety and amenity of adjacent, more sensitive land uses.</p>
Overlays: Nil	

Planning Implications

The subject site includes recently constructed trade supplies tenancies, and reasonable exposure to passing traffic and customers of the existing K-Mart and Coles located on adjacent land to the south. However, the location does not provide for direct or convenient access for potential customers travelling into Moe from surrounding areas, and is also disconnected from “Main Street” retail area of Moe.

The existing zoning of the land allows for restricted retail (bulky goods retailing) and trade supplies to be established, however the majority of these retailers are located within the south-west area of the Moe Town Centre. This area has little capacity to provide additional floorspace.

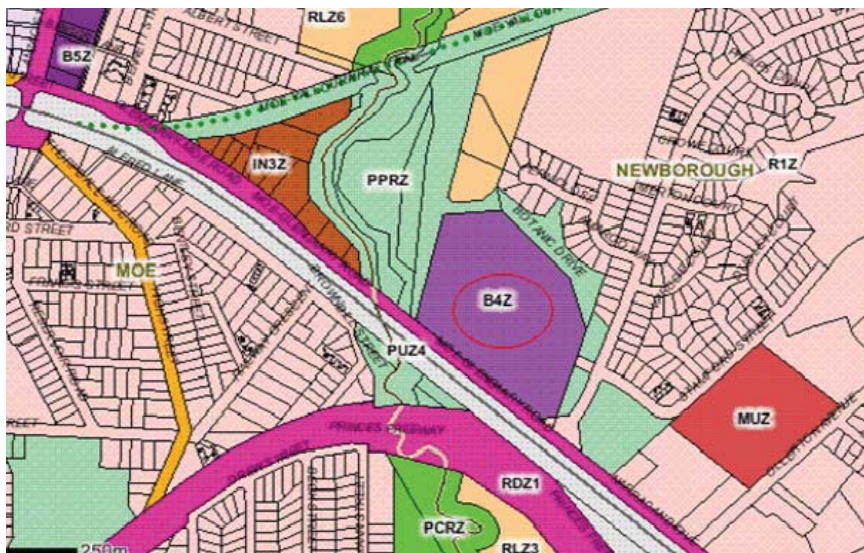
It is generally recognised that Moe does not have existing capacity to sustain additional bulky goods retailing at this point in time. Whilst this site in particular may continue to be developed to accommodate additional commercial uses, it is more likely to continue accommodating trade supplies based businesses as opposed to bulky goods retailing. From a planning perspective, this use is consistent with providing an area of transition between the existing town centre and the industrial zoned land located further north.

The current structure plan encourages the revitalisation of the Moe Town Centre, and identifies the centre as being the preferred location for any additional retail in Moe. However, investigations of the Moe Town Centre indicate that no suitable locations exist for establishing a new, large dedicated bulky goods centre.

The Moe Activity Centre Plan encourages large format retail to locate in the south-west portion of the Moe town centre, however on inspection this location does not have the capacity to accommodate a large amount of additional floorspace.

10.2.2 Site 2 – Moe (Newborough)

Figure 14. Location Map



Source: MacroPlan Australia (2008), Department of Planning and Community Development (2008)



Table 21. Current Planning Controls

Zones and Overlays	Purpose
Business 4 Zone (B4Z)	To encourage the development of a mix of bulky goods retailing and manufacturing industry and their associated business services.
Land Subject to Inundation Overlay (LSIO)	<p>To identify land in a flood storage or flood fringe area affected by the 1 in 100 year flood or any other area determined by the floodplain management authority.</p> <p>To ensure that development maintains the free passage and temporary storage of floodwaters, minimises flood damage, is compatible with the flood hazard and local drainage conditions and will not cause any significant rise in flood level or flow velocity.</p>

Planning Implications

This site is currently zoned Business 4, allowing for the development of the site for bulky goods retailing. The presence of the Land Subject to Inundation Overlay (LSIO) on the land does not prevent such a development from taking place.

An assessment of the property has demonstrated that it is capable of accommodating a development, such as a dedicated bulky goods centre, with retail floorspace of approximately 20,000 square metres.

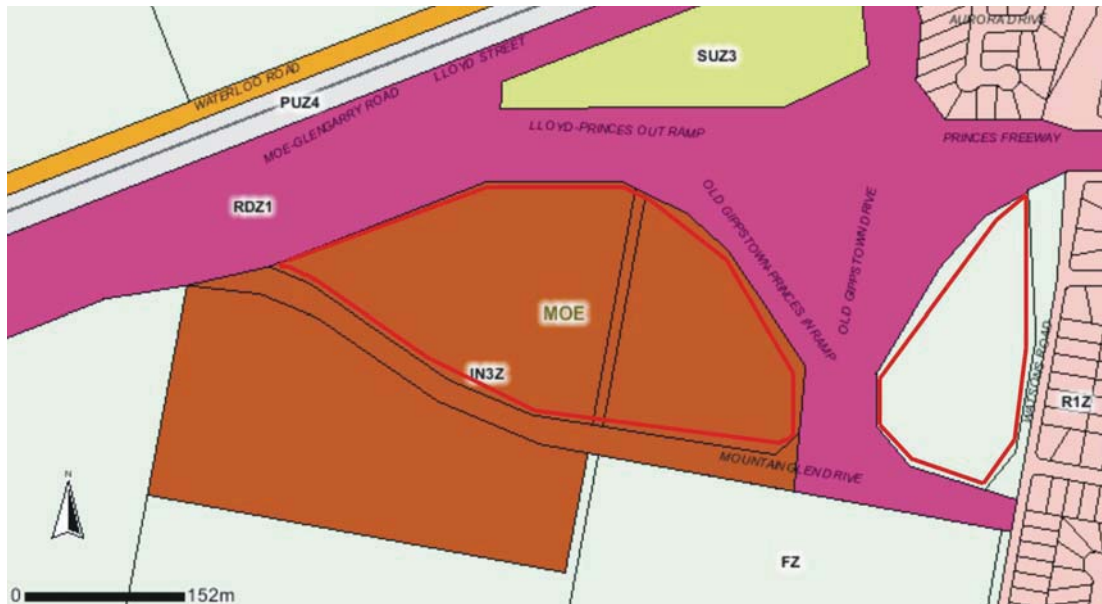
Future residential growth planned for Moe over the medium to long term will ensure that this site has the ability to be developed in a manner such as that discussed above. However, given current market gap that exists within Latrobe as a whole, and the timing of this planned growth for Moe, this site is considered suitable as a long term proposition, and is not a site with the ability to address the current need for bulky goods retailing.

In addition, it is possible that any development of the site would involve the preparation of a Cultural Heritage Management Plan (CHMP), under the provisions of the Aboriginal Heritage Act 2006, due to the site being located within 200 metres of a waterway.



10.2.3 Site 3 – Moe (West)

Figure 15. Location Map



Source: MacroPlan Australia (2008), Department of Planning and Community Development (2008)

Table 22. Current Planning Controls

Zones and Overlays	Purpose
Industrial 3 Zone (IN3Z)	<p>To provide for industries and associated uses in specific areas where special consideration of the nature and impacts of industrial uses is required or to avoid inter-industry conflict.</p> <p>To provide a buffer between the Industrial 1 Zone or Industrial 2 Zone and local communities, which allows for industries and associated uses compatible with the nearby community.</p> <p>To ensure that uses do not affect the safety and amenity of adjacent, more sensitive land uses.</p>
Overlays: Nil	

Planning Implications

This site is currently zoned Industrial 3, however remains as vacant land and is identified in Council’s current MSS as not being required for industrial land supply, and that it should be rezoned for agricultural purposes. This site is also identified in the Moe Structure Plan (2007, BECA) as future residential land supply.

A large area of native vegetation exists on the subject site, occupying an area of approximately 3.5 hectares. This potentially creates a significant constraint to the development of the site, as a flora and fauna assessment will be required to determine the retention value of the vegetation.

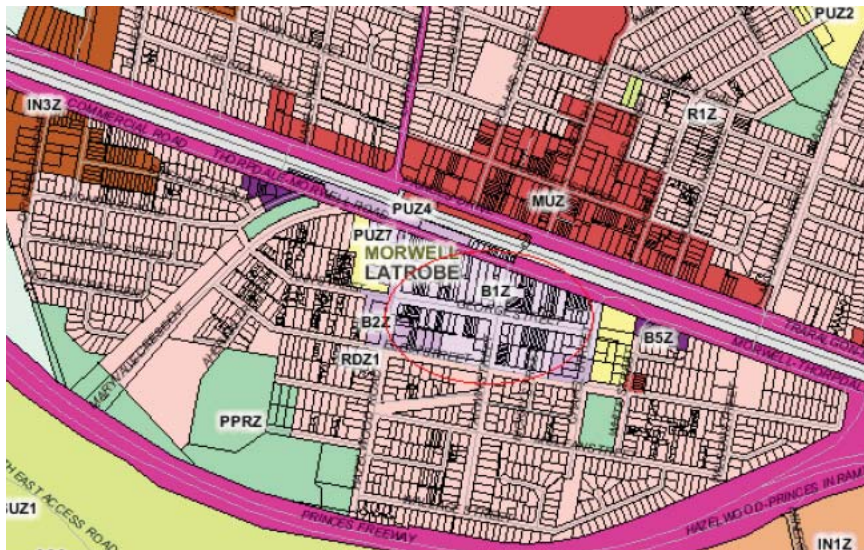
The easternmost parcel of land is also disconnected from main central parcel by a main road, which creates some difficulty in developing the site as a large bulky goods centre. The location of the native vegetation discussed above will exacerbate this.

There is however potential to incorporate some additional land to the south of the main, 5 hectare parcel of developable land across Mountain Glen Drive. This land is also located within the Industrial 3 Zone, and may provide a large enough parcel to develop a significant bulky goods centre.

However, whilst the site is located along the main freeway linking to Morwell and Traralgon, it is unlikely to encourage trips from these towns where alternatives may be available.

10.2.4 Site 4 – Morwell (Town Centre)

Figure 16. Location Map



Source: MacroPlan Australia (2008), Department of Planning and Community Development (2008)

Table 23. Current Planning Controls

Zones and Overlays	Purpose
Business 1 Zone (B1Z)	To encourage the intensive development of business centres for retailing and other complementary commercial, entertainment and community uses.
Business 2 Zone (B2Z)	To encourage the development of offices and associated commercial uses.
Mixed Use Zone (MUZ)	To provide for a range of residential, commercial, industrial and other uses which complement the mixed-use function of the locality. To encourage residential development that respects the neighbourhood character.
Overlays: Nil	

Planning Implications

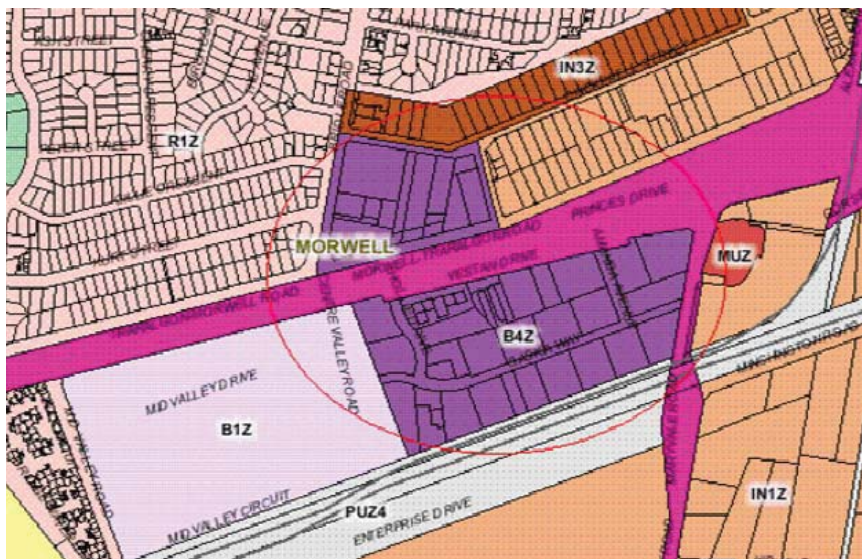
Whilst opportunities may exist within the Morwell Town Centre to create some additional bulky goods floorspace, there is insufficient capacity to accommodate an amount of new floorspace that will have a significant impact on the existing market gap. The current zoning of the land for Business 1 encourages a core retail function, and it appears likely that this land is now underutilised due to the impact of the Mid Valley Shopping Centre, constructed east of the existing town centre. Existing Council policy supports consolidation of the CAD for a range of retail functions.

It is considered that the Morwell Town Centre is better suited to re-consolidating its historical function as a retail centre. It is further considered that the town centre is unsuitable for bulky good retailing due to a lack of appropriate sites, fragmentation of land ownership and lack of exposure available to passing traffic in the town centre south of the rail line.

Land within the Mixed Use Zone (MUZ) to the north of the town centre has some capacity to accommodate bulky goods retail, which is best suited to land located along Princes Drive. MUZ land located further north is considered to be unsuitable, due to the potential for adverse amenity impacts on residential land, the existing lot layout and the fragmentation of ownership.

10.2.5 Site 5 – Morwell (Mid Valley)

Figure 17. Location Map



Source: MacroPlan Australia (2008), Department of Planning and Community Development (2008)

Table 24. Current Planning Controls

Zones and Overlays	Purpose
Business 4 Zone (B4Z)	To encourage the development of a mix of bulky goods retailing and manufacturing industry and their associated business services.
Overlays: Nil	



<p>Airport Environs Overlay – Schedule 2 (AEO2 – part site only)</p>	<p>To identify areas which are or will be subject to high levels of aircraft noise, including areas where the use of land for uses sensitive to aircraft noise will need to be restricted.</p> <p>To ensure that land use and development are compatible with the operation of airports in accordance with the appropriate airport strategy or master plan and with safe air navigation for aircraft approaching and departing the airfield.</p> <p>To assist in shielding people from the impact of aircraft noise by requiring appropriate noise attenuation measures in new dwellings and other noise sensitive buildings.</p> <p>To limit the number of people residing in the area or likely to be subject to significant levels of aircraft noise.</p>
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Planning Implications

This site possesses sufficient capacity and is well located in terms of exposure to passing traffic for the future development of a dedicated bulky goods centre on this land. Rezoning of land from the existing Farming Zone to a Business 4 Zone (B4Z) would be required.

The site is identified in the Structure Plan for Morwell as being a future industrial area, which presents the opportunity for land to be rezoned to B4Z along the highway frontage of the site. However, an objective of the Morwell Structure Plan is to focus bulky goods retailing in Morwell to land east of Mid Valley Shopping Centre. This is consistent with the existing policy position in Council’s MSS.

Previously identified constraints on the land east of Mid Valley may lead to land further east, such as this site being identified as suitable for a large scale bulky goods centre.

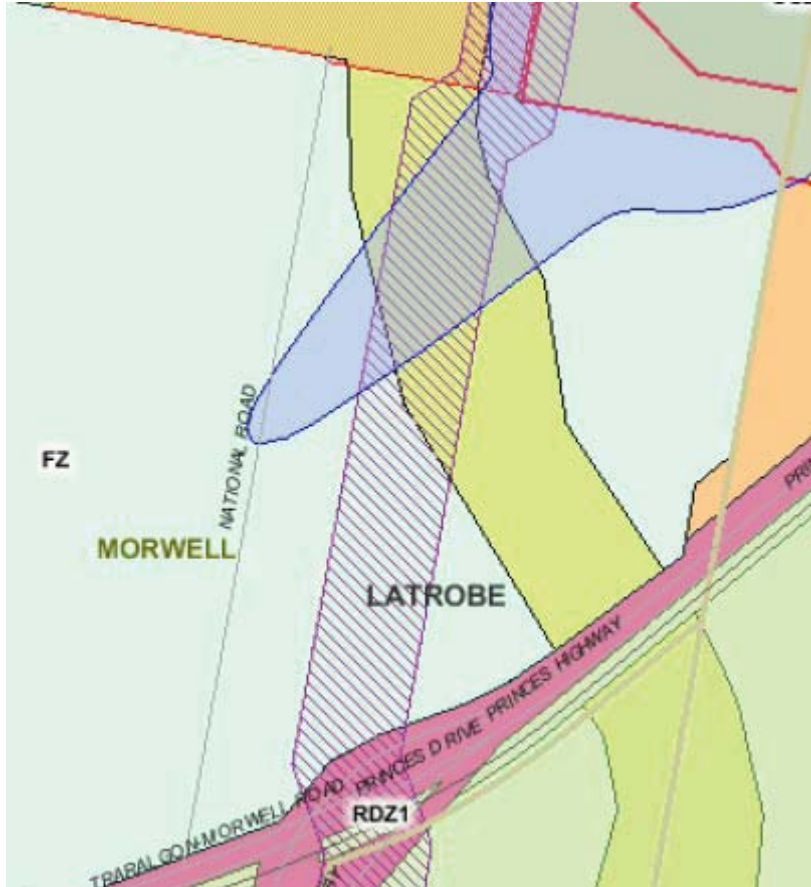
As this is a “greenfield” development site, a Cultural Heritage Management Plan prepared under the provisions of the Aboriginal Heritage Act 2006 may be required.

The Airport Environs Overlay – Schedule 2 covers only a small part of this site, and would have minimal impact on any proposal.



10.2.7 Site 7 – Morwell East # 2 (Morwell–Traralgon Corridor: Hwy Interchange)

Figure 19. Location Map



Source: MacroPlan Australia (2008), Department of Planning and Community Development (2008)

Table 26. Current Planning Controls

Zones and Overlays	Purpose
Farming Zone (FZ)	<p>To provide for the use of land for agriculture.</p> <p>To encourage the retention of productive agricultural land.</p> <p>To ensure that non-agricultural uses, particularly dwellings, do not adversely affect the use of land for agriculture.</p> <p>To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.</p> <p>To protect and enhance natural resources and the biodiversity of the area.</p>
Special Use Zone 5 (SUZ5) – Morwell River Diversion	<p>To ensure that adequate spatial separation is provided between works associated with the proposed river diversion and associated works and any existing or proposed use and development, so as to reduce the likely effects of the</p>



	emission of noise, visual intrusion, waste discharge, movement of earth and dust.
Design and Development Overlay – Schedule 1 (DDO1) – Major Pipeline Infrastructure	To ensure that all buildings and works and in particular buildings designed to accommodate people are sufficiently separated from high pressure pipelines to avoid a safety hazard.
Airport Environs Overlay – Schedule 2 (AEO2)	<p>To identify areas which are or will be subject to high levels of aircraft noise, including areas where the use of land for uses sensitive to aircraft noise will need to be restricted.</p> <p>To ensure that land use and development are compatible with the operation of airports in accordance with the appropriate airport strategy or master plan and with safe air navigation for aircraft approaching and departing the airfield.</p> <p>To assist in shielding people from the impact of aircraft noise by requiring appropriate noise attenuation measures in new dwellings and other noise sensitive buildings.</p> <p>To limit the number of people residing in the area or likely to be subject to significant levels of aircraft noise.</p>

Planning Implications

This land parcel is well located on the eastern side of Morwell, and enjoys significant exposure to passing traffic at the intersection of the Morwell Bypass with the main highway. The majority of the site is currently within the Farming Zone, however the landowner proposes to rezone the land to allow for a mix of residential, industrial and commercial development to take place. The presence of the Airport Environs Overlay over part of the site will impact on the proposed layout of the development.

Current Amendment C62 to the Latrobe Planning Scheme provides for the investigation of establishing new land uses in the corridor between Morwell and Traralgon, on the northern side of the highway. Council's existing MSS currently shows this site as being located out of the township boundary of Morwell, and discourages the development of land within the Morwell-Traralgon corridor for commercial uses.

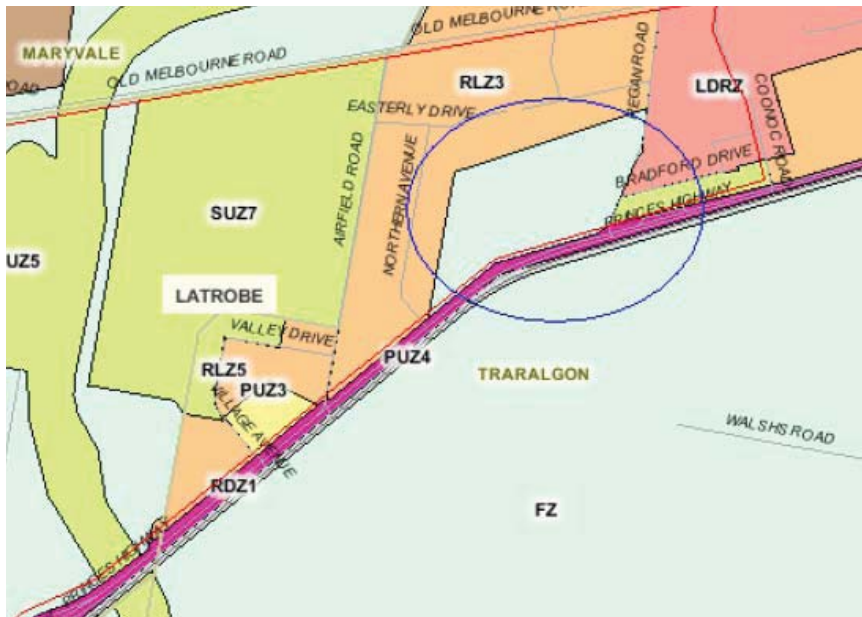
Access to the site is constrained from the Princes Highway frontage, meaning that access may only be available from National Road along the western site boundary.

The majority of the site is constrained by the presence of a major pipeline running through the site, and the rear of the site zoned Special Use to allow for the diversion of the Morwell River through the site.



10.2.8 Site 8 – Traralgon (Morwell–Traralgon Corridor)

Figure 20. Location Map



Source: MacroPlan Australia (2008), Department of Planning and Community Development (2008)

Table 27. Current Planning Controls

Zones and Overlays	Purpose
Farming Zone (FZ)	<p>To provide for the use of land for agriculture.</p> <p>To encourage the retention of productive agricultural land.</p> <p>To ensure that non-agricultural uses, particularly dwellings, do not adversely affect the use of land for agriculture.</p> <p>To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.</p> <p>To protect and enhance natural resources and the biodiversity of the area.</p>
Airport Environs Overlay – Schedule 2 (AEO2 – part site only)	<p>To identify areas which are or will be subject to high levels of aircraft noise, including areas where the use of land for uses sensitive to aircraft noise will need to be restricted.</p> <p>To ensure that land use and development are compatible with the operation of airports in accordance with the appropriate airport strategy or master plan and with safe air navigation for aircraft approaching and departing the airfield.</p> <p>To assist in shielding people from the impact of aircraft noise by requiring appropriate noise attenuation measures in new dwellings and other noise sensitive buildings.</p>



	To limit the number of people residing in the area or likely to be subject to significant levels of aircraft noise.
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Planning Implications

Whilst existing Council policy seeks to restrict development in the corridor between Morwell and Traralgon, proposed Amendment C62 to the Latrobe Planning Scheme provides for the investigation of establishing new land uses in this corridor to the northern side of the highway. Accordingly, this site would provide a new opportunity for development.

Whilst new commercial uses are not specifically encouraged, new industrial land is encouraged to locate in this corridor, and the development of a new dedicated bulky goods centre in this corridor could ideally be located along the highway, adjacent to a trade supplies, warehousing or light industrial precinct.

The site possesses excellent exposure to passing traffic, and will not suffer from a reduction in traffic as a result of the proposed Traralgon Bypass. The site is also of a sufficient size to accommodate appropriate buffers for a more intensive land use from the existing Rural Living Zone (RLZ) located to the north and west, and the Low Density Residential Zone (LDRZ) located east.

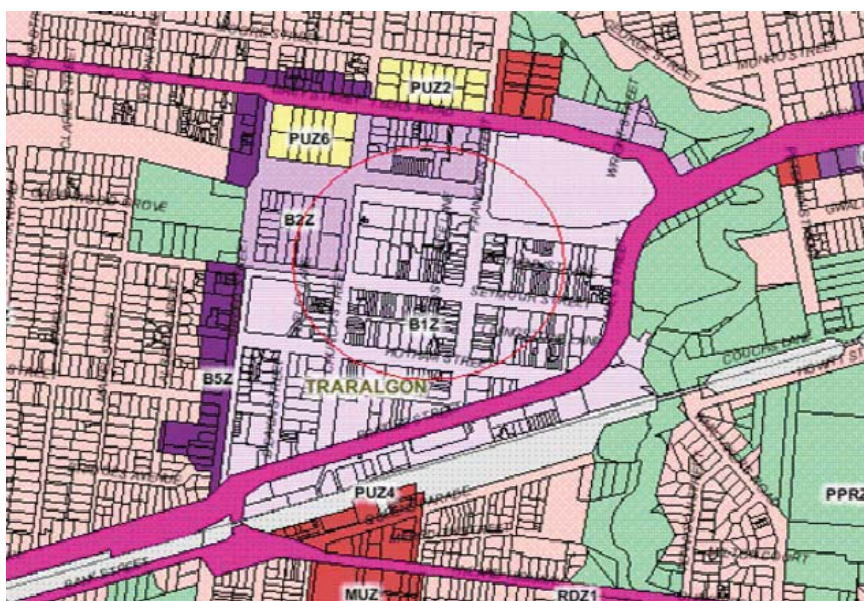
The site currently contains two large dams, which may have implications on the form of any future development on this land. This should be the subject of further detailed investigations.

As this is a “green-field” development site, a Cultural Heritage Management Plan (CHMP) as required by the Aboriginal Heritage Act 2006 may be required.

The Airport Environs Overlay – Schedule 2 (AEO2) affects only a small section of this site, and is not expected to be a constraint to its future development for bulky goods retailing.

10.2.9 Site 9 – Traralgon Town Centre

Figure 21. Location Map



Source: MacroPlan Australia (2008), Department of Planning and Community Development (2008)



Table 28. Current Planning Controls

Zones and Overlays	Purpose
Business 1 Zone (B1Z)	To encourage the intensive development of business centres for retailing and other complementary commercial, entertainment and community uses.
Business 2 Zone (B2Z)	To encourage the development of offices and associated commercial uses.
Heritage Overlay (HO – part site only)	<p>To conserve and enhance heritage places of natural or cultural significance.</p> <p>To conserve and enhance those elements which contribute to the significance of heritage places.</p> <p>To ensure that development does not adversely affect the significance of heritage places.</p> <p>To conserve specifically identified heritage places by allowing a use that would otherwise be prohibited if this will demonstrably assist with the conservation of the significance of the heritage place.</p>
Land Subject to Inundation Overlay (LSIO – part site only)	<p>To identify land in a flood storage or flood fringe area affected by the 1 in 100 year flood or any other area determined by the floodplain management authority.</p> <p>To ensure that development maintains the free passage and temporary storage of floodwaters, minimises flood damage, is compatible with the flood hazard and local drainage conditions and will not cause any significant rise in flood level or flow velocity.</p>

Planning Implications

Whilst the Traralgon Town Centre contains some existing bulky goods tenants, historically bulky goods retailing has located to the east of the central area along Argyle Street. This is reflected in existing retail policy for Traralgon within Council's MSS.

The Town Centre lacks any sites suitable of accommodating the development of a new, large dedicated bulky goods centre. The subdivision layout further constrains the potential any such a site becoming available in the immediate future.

The presence of the Heritage Overlay (three sites only) and the Land Subject to Inundation Overlay has little impact in this instance.

10.2.10 Site 10 – Traralgon East (#1)

Figure 22. Location Map



Source: MacroPlan Australia (2008), Department of Planning and Community Development (2008)

Table 29. Current Planning Controls

Zones and Overlays	Purpose
Industrial 1 Zone (IN1Z)	To provide for manufacturing industry, the storage and distribution of goods and associated uses in a manner which does not affect the safety and amenity of local communities.
Overlays: Nil	

Planning Implications

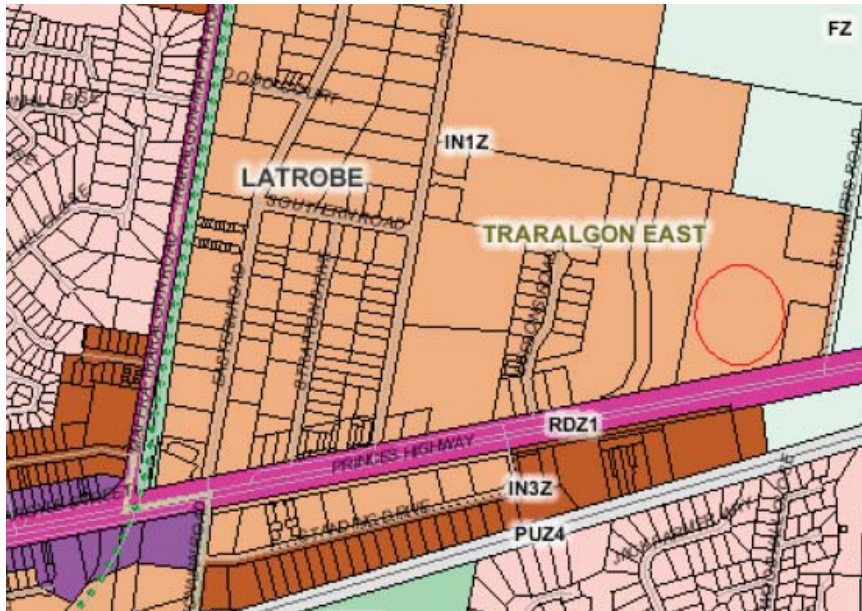
This site is well located in close proximity to the existing Argyle Street bulky goods and trade supplies precinct, is a prominent corner location with a substantial highway frontage. However, the site could potentially accommodate only one to two large tenants.

Rezoning of the land to the Business 4 Zone would be required to specifically provide for bulky goods retailing. The current Structure Plan recognises the site as being within the established industrial precinct.

In the future, this site may suffer from a decrease in passing traffic due to the location of the proposed Traralgon Bypass.

10.2.11 Site 11 – Traralgon East (#2)

Figure 23. Location Map



Source: MacroPlan Australia (2008), Department of Planning and Community Development (2008)

Table 30. Current Planning Controls

Zones and Overlay	Purpose
Industrial 1 Zone (IN1Z)	To provide for manufacturing industry, the storage and distribution of goods and associated uses in a manner which does not affect the safety and amenity of local communities.
Overlays: Nil	

Planning Implications

This site is a large vacant parcel of approximately 10 hectares, has significant opportunity for high exposure to passing traffic and is located on the eastern periphery of the existing trade supplies/bulky goods strip on the eastern side of Traralgon.

The site is well located with respect to future residential growth areas, located to the south of the railway line (as identified in the Structure Plan for Traralgon).

The Structure Plan currently recognises this land as industrial, and in the future the site may suffer from a decrease in passing traffic as a result of the location of the proposed Traralgon Bypass.

A planning permit application is currently before Latrobe City Council for an industrial subdivision of this land into 46 lots.

10.2.12 Site 12 – Traralgon (south-west)

Figure 24. Location Map



Source: MacroPlan Australia (2008), Department of Planning and Community Development (2008)

Table 31. Current Planning Controls

Zones and Overlays	Purpose
Farming Zone (FZ)	<p>To provide for the use of land for agriculture.</p> <p>To encourage the retention of productive agricultural land.</p> <p>To ensure that non-agricultural uses, particularly dwellings, do not adversely affect the use of land for agriculture.</p> <p>To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.</p> <p>To protect and enhance natural resources and the biodiversity of the area.</p>
Overlays: Nil	

Planning Implications

This site is identified as future residential land in the current Structure Plan for Traralgon. The site presents one of the only opportunities for development on the southern side of the highway in the Morwell-Traralgon corridor, and is constrained along its southern and western boundaries by the Urban Buffer for the coal fields located south of Traralgon (implemented by the Environmental Significance Overlay – Schedule 1 (ESO1)).



The site will be bypassed in the future, and has limitations on future expansion opportunities of any commercial development due to existing residential land to the east, and restrictions on development to the south and west due to the bypass location.

As a “greenfield” site, a Cultural Heritage Management Plan (CHMP) may be required, pursuant to the provisions of the Aboriginal Heritage Act 2006.

10.3 Summary

Greenfield sites present the best opportunity for development of a dedicated bulky goods retail precinct. While existing B4Z land has some capacity to provide limited additional BGR floorspace, this land is generally either constrained by fragmented ownership of multiple land holdings or existing uses, or is not generally of sufficient scale to accommodate a large dedicated bulky goods retail precinct.



11 Potential Sites for a Dedicated Bulky Goods Retail Precinct – SWOT Analysis and Site Comparison

Twelve potential investigation sites have been identified for bulky goods precincts and re-development in consultation with council and stakeholders.

Planning considerations of these investigation sites appear in Section 9 and Section 10. Based on consultations with council officers, real estate agents, consultants, land owners and developers (see Section 12), 9 of these sites have been identified for further analysis. The strengths and weaknesses of locating a dedicated bulky goods centre at these various sites are assessed in more detail in the following sections.

11.1 Moe

11.1.1 Site 2 – Moe (Newborough)

The figure in Section 10.2.2 identifies the site considered on existing B4Z land in Newborough, away from the town centre of Moe. While the site is of sufficient size and does not suffer from fragmented ownership, the site is not co-located to the Moe town centre, and does not offer potential synergies with surrounding existing uses.

Despite being zoned appropriately for bulky goods use, the site has remained vacant for a number years. This indicates questionable market viability of locating bulky goods retailing at this site.

Swot Analysis

Below is a summary of strengths, weaknesses, opportunities and threats (SWOT) of locating a dedicated bulky goods centre on the existing B4Z land in Newborough, outside the Moe town centre.

Table 32. SWOT Analysis

Strengths
<ul style="list-style-type: none"> • Consolidated land ownership • Appropriately zoned B4Z
Weaknesses
<ul style="list-style-type: none"> • Low Socio-Economic indicators • Low forecast population growth for Moe SLA • Below Victorian average incomes • Although the site is appropriately zoned B4Z, the site has remained vacant for many years, indicating questionable market viability of bulky goods retailing in this location • Potential passing trade is bypassed by Princes Freeway
Opportunities



<ul style="list-style-type: none"> • Opportunity to increase employment and economic development in Moe.
Threats
<ul style="list-style-type: none"> • Risk that various economic indicators being below the Victorian average may jeopardise the viability of a new dedicated BGR precinct. • Risk that intensive retail development of this site could negatively impact trade levels within Moe town centre.

Source: MacroPlan Australia (2008)

11.1.2 Site 3 – Moe (West)

The figure in Section 10.2.3 identifies the site considered at the western edge of Moe township. This site is located on the Princes Freeway, which offers the prospect of long term benefits of passing trade.

However, the site is not central to the Latrobe main trade area catchment and is the farthest of all the sites from the majority of Latrobe Council's population growth occurring in Traralgon. Consequently prospective bulky goods retail tenants are likely to favour other sites closer to this population growth in the short and medium term.

Once the Traralgon Bypass is completed there will undoubtedly be a greater demand for potential bulky goods retail sites which are located on the Princes Freeway. Once this occurs, the site at Moe (West) is likely to become more competitive.

Overall, this site is has the opportunity to be considered as a potential bulky goods retail precinct, provided two factors materialise. First, the Traralgon Bypass is constructed; and second, residential development occurs in and around Moe at a more substantial rate than currently demonstrated.

Swot Analysis

Below is a summary of strengths, weaknesses, opportunities and threats (SWOT) of locating a dedicated bulky goods centre on the existing B4Z land in Moe, west of the Moe town centre.

Table 33. SWOT Analysis

Strengths
<ul style="list-style-type: none"> • Close proximity to the M1 Princes Freeway, ensuring long term potential benefits of access to passing trade by the site.
Weaknesses
<ul style="list-style-type: none"> • Site subject to planning constraints, due to vegetation considerations • The two land parcels are divided by Old Gippsdown Road, which would impede pedestrian movement and limit the capacity for comparison shopping. • Low Socio-Economic indicators • Low forecast population growth for Moe SLA • Below Victorian average incomes • Site is identified in the Moe Structure Plan (2007, BECA) as being a future residential growth area



<ul style="list-style-type: none"> Site is not central to the Latrobe main trade area catchment, and would only become viable in the event that future residential development in and around Moe occurs.
Opportunities
<ul style="list-style-type: none"> Opportunity to increase employment and economic development in Moe.
Threats
<ul style="list-style-type: none"> Risk that various economic indicators being below the Victorian average may jeopardise the viability of a new dedicated BGR precinct. Risk that intensive retail development of this site could negatively impact trade levels within Moe town centre.

Source: MacroPlan Australia (2008)

11.2 Morwell

11.2.1 Site 4 – Morwell (Town Centre)

The figure in Section 10.2.4 identifies the site considered in Morwell town centre.

The B1Z area south of the railway and the MUZ area north of the railway were considered and investigated. No clear candidate sites that could provide substantial bulky goods retail floorspace have emerged due to small lot sizes, fragmented land ownership and lack of vacant lots.

Swot Analysis

Below is a summary of strengths, weaknesses, opportunities and threats (SWOT) of locating a dedicated bulky goods centre in Morwell CBD.

Table 34. SWOT Analysis

Strengths
<ul style="list-style-type: none"> Strong levels of “retained workers” (as shown in Journey to Work data in Section 6.3) Morwell is centrally placed within the MTA catchment
Weaknesses
<ul style="list-style-type: none"> Low Socio-Economic indicators Low forecast population growth for Morwell SLA Below Victorian average incomes Vacant B4Z lots are too small to accommodate a dedicated bulky goods retail precinct Vacant B4Z land parcel are away from Princes Freeway Potential passing trade is bypassed by Princes Freeway Land prices likely to be too high (per sqm) due to town centre location



Opportunities
<ul style="list-style-type: none"> • Opportunity to consolidate Morwell CBD by providing opportunities for multi-purpose trip generation for the town centre.
Threats
<ul style="list-style-type: none"> • Risk that various economic indicators being below the Victorian average may jeopardise the viability of a new dedicated BGR precinct.

Source: MacroPlan Australia (2008)

11.2.2 Site 5 – Morwell (Mid Valley)

The figure in Section 10.2.5 identifies a land parcel considered on existing B4Z land, adjacent to the Mid Valley Shopping Centre.

Swot Analysis

Below is a summary of strengths, weaknesses, opportunities and threats (SWOT) of locating a dedicated bulky goods centre in this land parcel.

Table 35. SWOT Analysis

Strengths
<ul style="list-style-type: none"> • Co-location with the strongly performing Mid Valley Shopping Centre would likely boost trade to a potential dedicated BGR precinct. • Morwell is centrally placed within the MTA catchment • This land is appropriately zoned for bulky goods use, with a B4Z zoning and is supported for bulky goods use by the Latrobe Structure Plan – Morwell (2007).
Weaknesses
<ul style="list-style-type: none"> • Potential passing trade is bypassed by Princes Freeway • This land is constrained by existing tenancies, some of which are bulky goods retail tenants and some of which are other uses, such as trade supplies and fast food. • No individual lot is of sufficient size to accommodate a dedicated bulky goods retail precinct. • Large degree of fragmented land ownership. • Ongoing vacancies on the B4Z lots which lie off the main highway (Morwell-Traralgon Road) indicate a lack of market viability for bulky goods retail tenants on these lots. • Lower than average socio-economic indicators • Low forecast population growth for Morwell SLA
Opportunities
<ul style="list-style-type: none"> • Opportunity to benefit from “Mid Valley Shopping Centre” and Bunnings (adjacent) visitation.



Threats
<ul style="list-style-type: none"> • There is a perception that the existing Morwell town centre suffers from the success of Mid Valley Shopping Centre. • Locating a dedicated BGR precinct adjacent to Mid Valley Shopping Centre could draw trade away from Morwell CBD, and exacerbate this perception.

Source: MacroPlan Australia (2008)

11.3 Morwell-Traralgon Corridor

During the course of the stakeholder consultation, the Morwell-Traralgon Corridor was discussed as a potential area of interest for locating a future bulky good retail precinct.

It was noted that there are strong pressures for urban development in the inter urban area. Two proposals have been lodged for sites which lie within the Morwell-Traralgon Corridor. The first has been lodged by NBA group for the land west of National Road. The second has been lodged by SMEC Urban for the land east of National Road. These are discussed in further detail in the following sections.

The Morwell-Traralgon Corridor is defined in Council's Municipal Strategic Statement as the land bounded by Alexanders Road in the west, the Gippsland railway line in the south, the Old Melbourne Road in the north and properties east of Coonoc Road in the east. The area opposite the Corridor located south of the Princes Highway and railway line is also included within the policy area. Standard urban commercial, industrial and residential development has historically been discouraged. This area is outlined in red in the figure below.

The figure below illustrates a map, displaying zoning information, with the boundary of the Morwell – Traralgon Corridor marked in red.

Figure 25. Morwell-Traralgon Corridor – Potential Bulky Goods Site



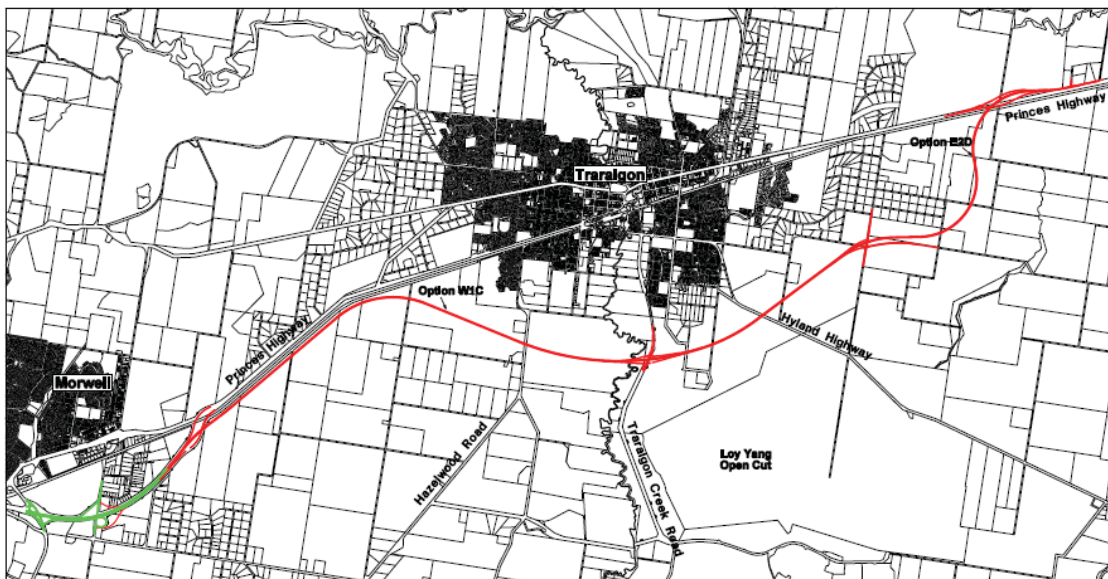
Source: MacroPlan Australia (2008), Department of Planning and Community Development (2008)

The area within the Morwell-Traralgon Corridor is of significant interest to developers. The Proposed Traralgon Bypass (see figure below) shows that the section of highway running along the southern boundary of the Morwell-Traralgon Corridor area is assured of high volumes of passing trade, even once the Proposed Traralgon Bypass is completed (the proposed construction start date is approximately 2020).

Since passing trade is a key success factor in the long term viability of any dedicated bulky goods retail precinct, sites which sit along this particular section of the highway have significant long term appeal for potential bulky goods retail development.

The figure below shows the proposed Traralgon Bypass (shown in red), as stated by the Department of Planning and Community Development.

Figure 26. Proposed Traralgon Bypass



Source: MacroPlan Australia (2008), Latrobe City Council (2008), Department of Planning and Community Development (2008)

11.3.1 Site 6 – Morwell East # 1 (Morwell-Traralgon Corridor)

The figure in Section 10.2.6 identifies the site considered near the existing B4Z land, north east of the Mid Valley Shopping Centre. This site falls within the Morwell – Traralgon Corridor, as defined by Council’s Municipal Strategic Statement.

The site is referred to in the report titled, “Morwell East Industrial & Retail Precinct (Proposal to Rezone land at Alexanders Road)”, prepared by NBA Group on behalf of Central Gippsland Development Group (2008). The figure below illustrates the proposal, as outlined in that report.

Figure 27. Morwell – Traralgon Corridor: Potential Bulky Goods Site



Source: MacroPlan Australia (2008), NBA Group (2008)

Swot Analysis

Below is a summary of strengths, weaknesses, opportunities and threats (SWOT) of locating a dedicated bulky goods centre at this site.

Table 36. SWOT Analysis

Strengths
<ul style="list-style-type: none"> • Large site, potentially allowing for approximately 13 hectares of bulky goods land. • Site is located nearby Mid Valley Shopping Centre, Bunnings and the low density retail precinct (on existing B4Z land) • Morwell is centrally placed within the MTA catchment
Weaknesses
<ul style="list-style-type: none"> • Lower than average socio-economic indicators • Low forecast population growth for Morwell SLA • Household and individual incomes are below the Victorian average
Opportunities
<ul style="list-style-type: none"> • Opportunity to benefit from existing shopping patterns at Mid Valley Shopping Centre, Bunnings and the low density retail precinct (on existing B4Z land) nearby.



<ul style="list-style-type: none"> • Opportunity to pursue an off-ramp from the Bypass to allow for increased passing trade. • Land available for future growth.
Threats
<ul style="list-style-type: none"> • There is likely to be a perception that the existing Morwell town centre would be impacted by a bulky goods development in this location. • Locating a dedicated BGR precinct adjacent to Mid Valley Shopping Centre could draw trade away from Morwell CBD, and exacerbate this perception. • The adopted Morwell Structure Plan (Beca, August 2007) does not currently support B4Z land at this site. However the adopted Morwell Structure Plan does support the use of “High Amenity Industrial Use”. • However, latest advice from Council indicates that the upcoming revisions to the Structure Plan are not likely to inhibit development of bulky goods retailing on this site.

Source: MacroPlan Australia (2008)

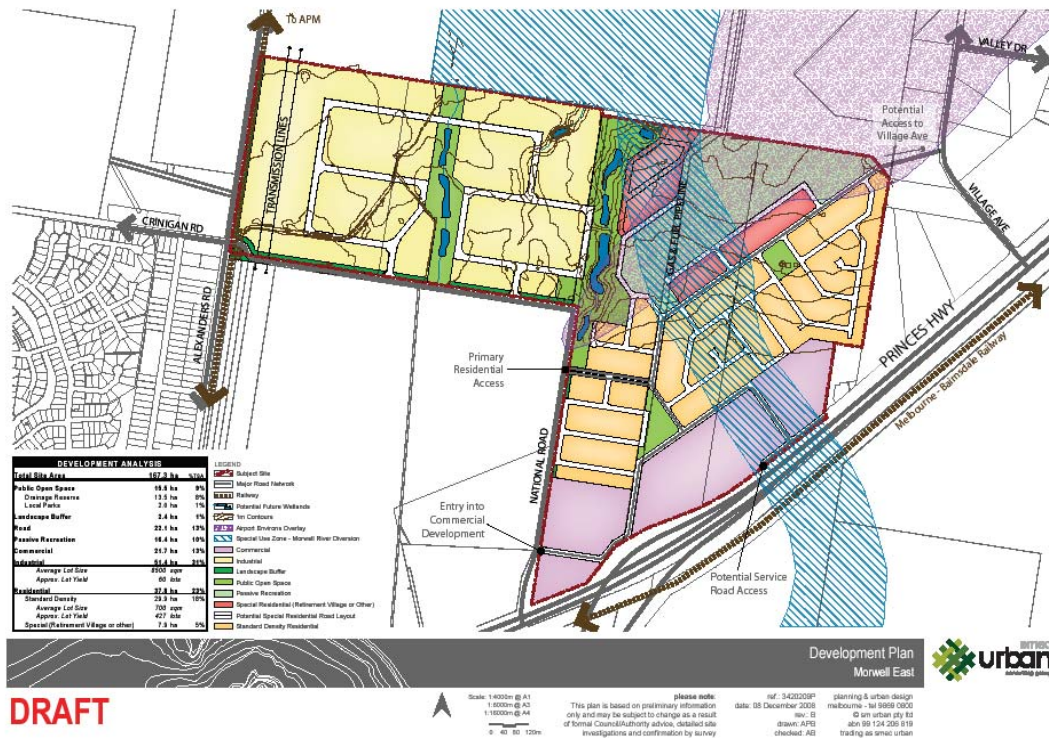
11.3.2 Site 7 – Morwell East # 2 (Morwell–Traralgon Corridor: Hwy Interchange)

The figure in Section 10.2.7 identifies the site considered near the existing B4Z land, north east of the Mid Valley Shopping Centre. This site falls within the Morwell – Traralgon Corridor, as defined by Council’s Municipal Strategic Statement.

This site is referred to in the report titled, “Morwell East Commercial Development”, prepared for SM Urban by Essential Economics Pty Ltd (2008). The figure below illustrates the proposal, as outlined in that report.



Figure 28. Morwell – Traralgon Corridor: Potential Bulky Goods Site



Source: MacroPlan Australia (2008), SMEC Urban (2008)

Swot Analysis

Below is a summary of strengths, weaknesses, opportunities and threats (SWOT) of locating a dedicated bulky goods centre at this site.

Table 37. SWOT Analysis

Strengths
<ul style="list-style-type: none"> The site is centrally placed within the MTA catchment Good frontage and visibility from both Morwell-Traralgon Road and Princes Highway. The southern portion of the subject site is not affected by the adopted Morwell Structure Plan (Beca 2007).
Weaknesses
<ul style="list-style-type: none"> Low Socio-Economic indicators Low forecast population growth for Morwell SLA Below average incomes
Opportunities
<ul style="list-style-type: none"> Opportunity to benefit from existing shopping patterns at “Mid Valley Shopping Centre” and Bunnings (nearby). Once the Traralgon Bypass has been constructed, the site will continue to benefit from long term Princes Highway frontage (although vehicle access may be via Village



Avenue)
<ul style="list-style-type: none"> Site will experience an increase in competitive advantage relative to those BGR sites which lose passing trade after the construction of the Traralgon Bypass.
Threats
<ul style="list-style-type: none"> Risk of planning considerations constraining development.

Source: MacroPlan Australia (2008)

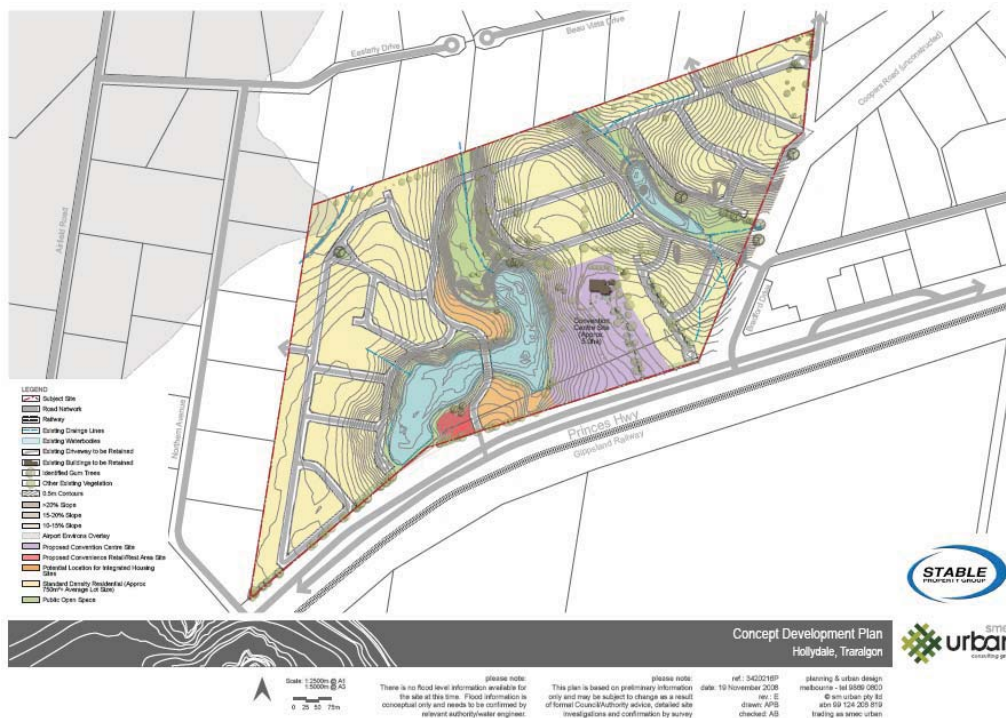
11.3.3 Site 8 – Traralgon (Morwell–Traralgon Corridor)

The figure in Section 10.2.8 identifies the site considered near the existing B4Z land, north east of the Mid Valley Shopping Centre. This site falls within the Morwell – Traralgon Corridor, as defined by Council’s Municipal Strategic Statement.

This site is referred to in the report titled, “Hollydale, Princes Highway, Traralgon: Indicative Support for Rezoning”, prepared by SMEC Urban for Stable Property Group (November 2008). The figure below illustrates the proposal, as outlined in that report.

The site is approximately 56.8 hectares. The proposed utilisation under this concept development plan would be primarily residential development.

Figure 29. Morwell – Traralgon Corridor: Potential Bulky Goods Site



Source: MacroPlan Australia (2008), SMEC Urban (2008)

Swot Analysis

Below is a summary of strengths, weaknesses, opportunities and threats (SWOT) of locating a dedicated bulky goods centre at this site.

Table 38. SWOT Analysis



Strengths
<ul style="list-style-type: none"> This site is centrally placed within the MTA catchment The site is approximately 56.8 hectares, allowing for significant scale of development and expansion potential in the future
Weaknesses
<ul style="list-style-type: none"> This site is not near other retail uses - reduced opportunity to benefit from comparison shopping Geographic features could constrain the site
Opportunities
<ul style="list-style-type: none"> Opportunity to benefit from the proximity of two large urban centres, namely Morwell and Traralgon
Threats
<ul style="list-style-type: none"> Risk that a standalone development would not achieve the critical mass required for destination shopping

Source: MacroPlan Australia (2008)

11.4 Traralgon

11.4.1 Site 11 – Traralgon East (#2)

The figure in Section 10.2.11 identifies the site considered east of the existing B4Z land, on the eastern fringe of Traralgon urban area. The site is approximately 10 hectares in size and is currently zoned industrial (IN1Z). The site is west of Stammers Road.

The site currently has a planning permit application lodged with Council to subdivide the land into 46 lots. There has been significant interest in locating bulky goods retailing / restricted retailing uses on this site, especially alongside Princes Highway.

Swot Analysis

Below is a summary of strengths, weaknesses, opportunities and threats (SWOT) of locating a dedicated bulky goods centre at this site.

Table 39. SWOT Analysis

Strengths
<ul style="list-style-type: none"> Strong interest from bulky goods retailers Strong levels of “retained workers” (see journey to work data) Household and individual incomes of the immediate catchment are higher than the Victorian average Socio-Economic indicators are above the Victorian average Historical and forecast population growth is strong



<ul style="list-style-type: none"> • There is a higher proportion of couple families with children than the Victorian average
Weaknesses
<ul style="list-style-type: none"> • This site is nearby the existing bulky goods precinct, but is separated from the majority of existing bulky goods retailers in the area. • This limits the opportunity for comparison shopping at this site.
Opportunities
<ul style="list-style-type: none"> • Some vacant B4Z lots exist, located on Princes Highway • Majority of existing Latrobe bulky goods floorspace is already in Traralgon. Therefore, opportunities for retailers to benefit from “clustering” and co-location.
Threats
<ul style="list-style-type: none"> • Risk that the development would not be central to the broader catchment, being located on the eastern edge of Traralgon.

Source: MacroPlan Australia (2008)

11.4.2 Site 12 – Traralgon (south-west)

The figure in Section 10.2.12 identifies the investigation area considered at the western end of Traralgon town centre. BFN Developments has expressed interest in locating bulky goods retail floorspace at this site.

Swot Analysis

Below is a summary of strengths, weaknesses, opportunities and threats (SWOT) of locating a dedicated bulky goods centre at this site.

Table 40. SWOT Analysis

Strengths
<ul style="list-style-type: none"> • Strong levels of “retained workers” (see journey to work data in Section 6.3) • Household and individual incomes are higher than the Victorian average • Socio-Economic indicators are above the Victorian average • Historical and forecast population growth is strong • There is a higher proportion of couple families with children than the Victorian average
Weaknesses
<ul style="list-style-type: none"> • Limited opportunity for comparison shopping • This land parcel is away from other retailing uses
Opportunities
<ul style="list-style-type: none"> • Opportunity to draw trade from the urban centres of both Traralgon and Morwell
Threats



- Risk that a standalone development would not achieve the critical mass required for destination shopping
- Risk that site is not of sufficient size to allow for future expansion potential as the market grows.

Source: MacroPlan Australia (2008)



11.5 Site Rankings Criteria

MacroPlan has developed a ranking framework for each candidate site in the study area. Each site has been given a score between 1 and 3 for each assessment criteria to guide the likely success of the site in delivering a viable bulky goods precinct. In this way a number of sites may be compared, as assessed by a number of criteria.

Each site's score is summed across all the key criteria to create a total score for the site. This score can be interpreted as representing the site's potential to accommodate a successful dedicated bulky goods retail precinct.

The key criteria, considered key success factors in the location of dedicated bulky goods centres, are discussed below.

11.5.1 Market Viability

The market viability of a given site will be assessed by a combination of factors. Of key importance is the ultimate demand for the site itself by prospective developers and tenants who, in turn, are likely to consider the attractiveness of the site to prospective bulky goods retail tenants. Prospective bulky goods retail tenants, in turn, are likely to consider the attractiveness and appropriateness of the site in terms of their ability to attract customers to their premises. Market viability consists of the following factors:

- Location
- Critical Mass
- Expansion Potential
- Land Price
- Risk of Market Rejection

Location

Location refers to a site's proximity to the nearest main highway, and the associated benefits of increased visibility and prospects for passing trade. Vehicle access is also considered as part of this criteria.

Critical Mass

Critical mass refers to a site's capacity to deliver a large range of retail tenants, which allows for each tenant to benefit from a "clustering" effect. With sufficient critical mass, the proposed dedicated bulky goods centre would consist of a significant mix of retail tenants which would ultimately become a destination for bulky goods shopping.

Expansion Potential

The long term prospects of a site will depend in part on its ability to meet an increase in future demand by expanding beyond its initial endowment of floorspace. Given positive population growth and rising disposable incomes in a given area, this is an important consideration in any site. Should a site be constrained in its ability to meet future demand by expanding, the site will inevitably suffer a competitive disadvantage as competing centres meet that demand.



Land Price

The costs of development are a significant factor in determining the attractiveness of a site to a prospective developer, and to potential retail tenants.

Risk of Market Rejection

This criterion assesses the likely risk that prospective bulky goods retail tenants will not bid for or enter a dedicated bulky goods site at the given site in the short to medium term. Without significant interest from established bulky goods retail tenants, the viability of a successful bulky goods retail precinct could be jeopardised.

11.5.2 Planning Considerations

Planning criteria considered are

- Land Fragmentation
- Constraints and Overlays

Land Fragmentation

A large number of individual land owners can be problematic for the timeliness of development. If two or more land owners are not “aligned” in their incentives or time horizons, agreement on the layout, nature and scale of proposed development could prove elusive.

While there are options available to Council such as the compulsory acquisition of land parcels, this can involve significant costs.

Land fragmentation is a factor in some existing vacant B4Z land parcels, particularly in land east of the Mid Valley Shopping Centre. This means that some existing vacant parcels cannot be considered as real or actual supply.

Constraints and Overlays

A site affected by a particular planning overlay can potentially be constrained in its ability to accommodate an adequate quantum of bulky goods retail floorspace. Alternatively, complying with the conditions imposed by that overlay may add costs to any proposed development, which could make the site less attractive to developers. Other site constraints can include existing uses currently occupying the site. This criteria also considers the site’s context within the relevant existing Structure Plan.

11.5.3 Strategic Policy

Strategic Policy criteria are

- Vehicle Trips
- Co-location with Other Uses
- Impact on Established Centres
- Employment Generation
- Future Catchment



Vehicle Trips

The number of vehicle trips generated by the establishment of a dedicated bulky goods precinct is likely to be affected by the tenancy mix at the centre. A wide range of retail tenants at the centre is likely to improve the opportunity for comparison shopping at the centre, where shoppers can compare competing prices on an item within a single vehicle trip. Consequently, this reduces the number of vehicle trips required for a “big ticket” retail purchase. Keeping the number of vehicle trips to a minimum is generally considered in the interests of sustainable development principles.

Co-location with Other Uses

Co-location with existing and future uses is in keeping with sustainable planning principles, and can result in increased multi-purpose vehicle trips.

Impact on Established Centres

The establishment of a dedicated bulky goods precinct could create a new activity centre with the potential to impact existing centres either positively or negatively.

Employment Generation

The number of jobs created by a bulky goods development will depend on the scale of development. Direct employment and indirect employment will increase with a larger development. This will depend, in turn, on the size of the land parcel.

Future Catchment

This criteria considers the forecast population growth in the immediate area surrounding the site, as well as the existing intensity of urbanisation in the wider area.

11.6 Ranking of Sites

Each alternative precinct / development site in the study area has been ranked according to the criteria highlighted above. The results of this assessment appear in the table below.

With a total of 12 criteria in the table, the maximum possible score is 36. The most highly ranked sites are the Morwell East (#2) site, with a score of 33. While this site scored well across the majority of criteria, a number of sites also scored well, namely the Morwell East (#1) site (with a score of 32), the Traralgon East (#2) site (also with a score of 32) and the Traralgon (Morwell-Traralgon Corridor) site (with a score of 30).

The Moe (Newborough) site (score of 16), Moe (West) site (score of 19), Morwell (Town Centre) site (score of 21), Morwell (Mid Valley) (score of 24) and Traralgon (south west) site (score of 21) all scored significantly lower in their rankings, indicating a lower likelihood of successfully accommodating a dedicated bulky goods precinct. Generally these sites scored lower on criteria such as Constraints and Overlays, Critical Mass, Expansion Potential and Employment Generation.

The Morwell (Town Centre) and Morwell (Mid Valley) sites both had poor scores on the criteria of Land Fragmentation. The issue of land fragmentation and the impact on this factor on available land supplies is explored in more detail in Section 8.2 of this report. The Moe (Newborough) site, Morwell (Town Centre) and Morwell (Mid Valley) all scored poorly on the criteria of Future Catchment due to limited population growth in the trade area in the short – medium term.

It should be noted that these overall scores are intended as a guide to summarising a large amount of information contained in multiple factors of consideration and are indicative only.



11.7 Top Ranking Sites

Of the nine sites analysed in this section, the comparative site rankings clearly suggest that four of the investigated sites are ranked significantly higher than the others. These sites are listed in the table below.

Table 42. Highest Scoring Sites by Comparative Ranking⁵

Site #	Location	Existing Land Use	Score	Maximum Possible Score
Site #6	Morwell East (#1) (M-C Corridor) Morwell-Traralgon Road, west of National Road	FZ, Farming	32	(out of 36)
Site #7	Morwell East (#2) (M-C Corridor) Princes Highway, east of National Road	FZ, Farming	33	(out of 36)
Site #8	Traralgon (M-C Corridor) Princes Highway, east of Northern Avenue	FZ, Farming	30	(out of 36)
Site #11	Traralgon East (#2) Princes Highway, west of Stammers Road	IN1Z, Industrial	32	(out of 36)

Source: MacroPlan Australia (2008)

Of all the investigated sites, these four sites display the highest likelihood of supporting a successful and sustainable dedicated bulky goods retail precinct. However, three of the sites sit within the Morwell-Traralgon Corridor. Council will therefore need to consider their policy position in relation to the development opportunities within this corridor.

As discussed earlier in the report MacroPlan recommends Council considers the identification and zoning of at least two bulky goods precincts in the short term to ensure that an appropriate development is delivered and that an individual land holder does not sit on a development approval.

11.8 Alternative Delivery Scenario for Preferred Sites

As discussed above, Council may face short term challenges in delivering Site #7 in the market due to existing overlays.

The proposed Special Use Zone (relating to the Morwell River Diversion) is considered redundant by Council, and efforts have been made to have the status of this overlay reviewed by the Department of Primary Industries (DPI). Recent discussions with the DPI have revealed that no review of this zoning is possible at this time, pending the establishment of Clean Coal Victoria.

However DPI has indicated that Clean Coal Victoria is not likely to be established for at least 1 – 2 years. It's possible that a review of the status of the Special Use Zone could be delayed for up to 5 years. However it is possible that this process could take longer.

Additionally, the Design and Development Overlay – Schedule 1 (which relates to the gas pipeline) could constrain development of the site. Further consultation with the land owner's consultants (SMEC Urban) has revealed that their bulky goods layout shows construction up to the boundary of the pipeline.

⁵ It is important to note that the rankings in the previous section have been determined on the basis that the Special Use Zone (relating to the Morwell River Diversion) and the Design and Development Overlay – Schedule 1 affecting Site #7 can be managed and dealt with by Council in negotiations with the Department of Primary Industries. It also assumes that the developer could accommodate bulky goods tenancies closely adjacent to the existing gas pipeline, which is currently constrained by the Design and Development Overlay – Schedule 1. In the event that these planning considerations cannot be managed for Site #7, this could affect the relative rankings of this site.

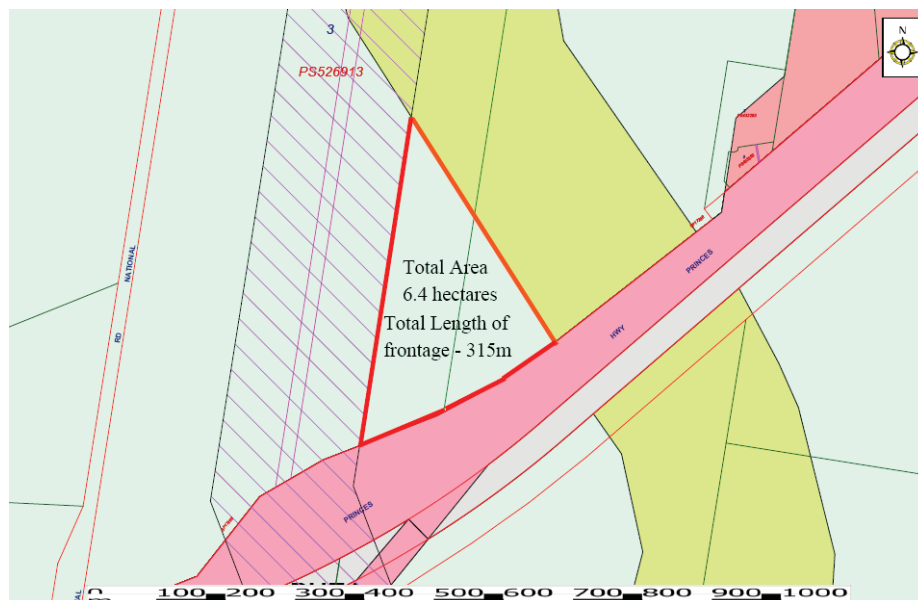
This proposed encroachment over part of the Design and Development Overlay – Schedule 1 may not be problematic. Enquiries into the DPI policy regarding pipeline development have revealed only “general guidelines” to the effect that a 3 metre clearance is required for development near major pipeline infrastructure. However in the absence of a more detailed policy position, MacroPlan cannot entirely rule out the possibility that the Department of Primary Industries may reject such a proposal.

In the event that both the Special Use Zone and the Design and Development Overlay – Schedule 1 remain in place and constrain the development, this will affect the ranking of Site #7 in the following ways:

- Reduced total developable land parcel
- Reduced expansion potential for any bulky goods retail development.

The figure below shows the total developable land parcel that is not constrained by planning zones or overlays.

Figure 30. Morwell – Traralgon Corridor: Potential Bulky Goods Site



Source: MacroPlan Australia (2008), Latrobe City Council (2009)

The existing Farming Zone area on Site #7 in between the existing gas pipeline and the Special Use Zone 5 is a sufficient area to establish a dedicated bulky goods centre. However the shape of the land does not lend itself to an appropriate configuration and inevitably a section of the Special Use Zone 5 would be required to be encroached upon.

While this land parcel could be utilised for the development of bulky goods retail floorspace, the site overall would not be as attractive as Site #6 in the short – medium term. Due to the imminent construction of the Latrobe Bypass the location of Site #6 is not as attractive from a long-term market perspective. However Site #6 is not constrained by the planning constraints that Site #7 currently faces, resulting in comparatively greater expansion potential in the short – medium term under this scenario.



Accordingly, under this scenario, the highest ranking sites are as follows⁶.

Table 43. Highest Scoring Sites by Comparative Ranking - Alternative Delivery Scenario

Site #	Location	Existing Land Use	Score	Maximum Possible Score
Site #6	Morwell East (#1) (M-C Corridor) Morwell-Traralgon Road, west of National Road	FZ, Farming	32	(out of 36)
Site #7	Morwell East (#2) (M-C Corridor) Princes Highway, east of National Road	FZ, Farming	26	(out of 36)
Site #8	Traralgon (M-C Corridor) Princes Highway, east of Northern Avenue	FZ, Farming	30	(out of 36)
Site #11	Traralgon East (#2) Princes Highway, west of Stammers Road	IN1Z, Industrial	32	(out of 36)

Source: MacroPlan Australia (2009)

11.9 Summary

In conclusion this assessment has demonstrated that Site #7 has the most ideal location for a dedicated bulky goods centre due its proximity and exposure to the proposed Traralgon bypass alignment. However given that the Special Use Zone and the Design and Development Overlay – Schedule 1 which affect Site #7 may be difficult to manage in the short – medium term with absolute certainty, Site #6 currently ranks higher than Site #7.

In consideration of these planning constraints, Site #6 becomes the preferred site because it is free from constraints that would affect the establishment of a dedicated bulky goods centre and its potential expansion. This is particularly the case if there is an immediate requirement to establish a dedicated bulky goods centre in the Latrobe main trade area to capture expenditure leakage and employment opportunities.

It is also important more generally for two precincts to be made available to tenants to ensure competition in the market. A scenario that releases Sites #7 and #11 may not guarantee this outcome.

11.9.1 Policy Options

Accordingly Council has three options

- **Option A:** Approve Sites #11 and #7, assuming that the planning constraints faced by Site #7 can be managed in the short term.
- **Option B:** Approve Sites #11 and #6, to provide a greater certainty of delivery of vacant land parcels in the study area
- **Option C:** Approve only Site #11, and delay a decision between Site #6 and Site #7 until greater certainty of development constraints within Site #7 is assured.

MacroPlan recommends Option B to ensure delivery of vacant land in the short term. Option A faces the risk of an overall development delay as Site #7 faces constraints and Site #11 may be delayed due to current economic conditions.

The approval of Sites #11 and #6 as per Option B will provide the highest likelihood for economic development and employment growth in bulky goods retailing in the study area.

⁶ See Appendix 6 for the complete list.



11.9.2 Implementation Issues – Management of Existing B4Z Land

Existing B4Z land in Traralgon currently displays high rates of bulky goods retail tenancy, and due to its high exposure to the Princes Freeway can expect continued interest from bulky goods retail tenants.

However B4Z land in Morwell and Moe has displayed high rates of vacancy, and is not expected to become more desirable to bulky goods retail tenants in the future. These issues are discussed in more detail in Section 8.2 of this report.

The highest ranking sites recommended to accommodate dedicated bulky goods precincts are not currently zoned Business 4 Zone. Assuming a dedicated bulky goods precinct is constructed on one or more of these recommended sites, it is possible that existing areas of bulky goods retailing may become less desirable. Subsequently bulky goods retail tenants may choose to relocate.

Areas which are currently zoned B4Z may need to be re-zoned. Alternatively, Council may encourage alternative uses on this land.

Moe (Newborough)

The existing B4Z land at Moe (Newborough) could accommodate a range of uses which could include

- Residential
- Retirement
- Commercial
- Retail

Morwell (Mid Valley)

The existing B4Z land at Morwell (Mid Valley) could accommodate a range of uses which could include

- Residential
- Retirement
- Commercial / Showroom
- Retail
- Light Industrial

However MacroPlan recommends that Council undertake further needs assessments of these areas to investigate the most appropriate use of these areas.



12 Stakeholder Consultation

In accordance with the project brief, MacroPlan project staff undertook consultations with a range of stakeholders to assist our understanding of issues related to the opportunity for an expansion in the supply of Business 4 Zone (B4Z) land within Latrobe City Council.

These stakeholder consultations were conducted on Thursday December 4th, 2008 at Century Inn Hotel, in Traralgon.

12.1 Introduction

12.1.1 Consultations

The following overview of these consultations is not designed to make judgements about the views expressed. Discussion of the issues raised through this consultation process is analysed through the remainder of this report.

12.1.2 Attendance

These consultations included attendance by:

- Latrobe City Council Staff:
 - Swee Lim, Senior Strategic Planner
 - Nathan Misiurka, Senior Strategic Planner
 - Rob Dunlop, Acting Coordinator Statutory Planner
 - Kristy Crawford, Statutory Planner
 - Jody O’Kane, Coordinator Business Development
- Consultants and Agency / Service Authority representatives:
 - Nick Anderson – NBA Group
 - Harvey Dinelli – VicRoads
 - Deanne Smith – CFA
 - Jenny Jones – SMEC Urban Pty Ltd
 - Nicole Stow – Beveridge Williams & Co. Pty Ltd
- Real Estate agents:
 - Ben Wilson - Wilson Real Estate, Traralgon
 - Ted Addison – Addison Real Estate, Traralgon
 - Grant Williams - Keith Williams Real Estate, Traralgon



- Philip Colavecchio - Keith Williams Real Estate, Traralgon
- Bill McMahon - Ray White Real Estate
- Land owners and developers
 - Gerard Munnink - Towrong Nominees Pty Ltd
 - Fred Wilson - Towrong Nominees Pty Ltd
 - Ray Massaro - Gipps Investments
 - Brett Neilson – BFN Developments
 - Emanuel Manthos
- MacroPlan Australia Staff:
 - Richard Brice – General Manager, Retail and Commercial
 - Paul Beatty – Senior Consultant, Spatial Planning Group
 - Sam Qualtrough – Consultant, Retail and Commercial

12.1.3 Stakeholder consultation response

All parties positively welcomed the opportunity to our request to discuss their various developments and their respective views about a range of issues relevant to Latrobe City. A number of parties were also keen to know the outcomes of Council's policy development.

It is recommended that at the appropriate time after Council's consideration of this matter, that the specific stakeholders be advised accordingly. It is noted that amendments to the planning scheme will require a formal exhibition phase as a matter of course, including the consulted stakeholders.

12.2 Discussions

A brief information document was distributed to all attendees, containing summary findings of the demand and supply of bulky goods retail floorspace within the MTA, as well as a broad overview of some of the investigation sites.

Zoning maps from the Department of Planning and Community Development, as well as satellite maps provided by Latrobe City Council were displayed during all the consultations. These maps depicted zoning information for Moe, Morwell and Traralgon.

Valuable feedback was given by the various stakeholder groups about the strengths and weaknesses of the investigation sites.

The feedback is summarised below.



12.3 Latrobe City Council Staff

12.3.1 Township Rivalry

Natural rivalry between townships was raised as a concern. This could lead to potential political considerations being factored into the choice of where to locate the bulky goods precinct.

Potentially allocating multiple bulky goods precincts could resolve these political considerations, where multiple sites will ultimately provide potential bulky good retail tenants with a choice of sites.

12.3.2 Highways and Passing Trade

Currently, Traralgon is preferred by potential bulky goods retail tenants over Moe and Morwell, due to the large volume of vehicles passing through Traralgon along the Princes Highway. This additional passing trade is a major consideration for the attractiveness of Traralgon to potential bulky goods retail tenants.

The construction of the Traralgon Bypass will eventually change this, although Aus-Link funding has not been secured for this project, and is not likely to be constructed for at least 10 – 15 years.

12.3.3 Industrial Zoned Land

It was noted that a number of bulky goods retail tenants are currently located on industrial zoned land.

The possibility was raised that industrial zoned land could be re-zoned to B4Z to provide an increased supply of B4Z land. The supply of industrial zoned land was discussed in relation to land parcels which adjoin B4Z land parcels.

Anecdotal evidence was provided which indicated Australian Paper Mill occupies a large proportion of IN2Z land, and is not likely to relocate in the foreseeable future.

While re-zoning industrial land to B4Z land may assist to resolve the bulky goods market gap, further investigation would be required to determine current and future industrial land requirements.

12.3.4 Residential Zoned Land

Residential zoned land was discussed. It was noted that there is high demand for residential land in Traralgon. Furthermore it was noted that the take up rates of residential land in Moe and Morwell have historically been slower than in Traralgon.

12.4 Consultants and Agency / Service Authorities

12.4.1 Retail preferences for Traralgon, Morwell and Moe

There was a strong consensus that Traralgon is strongly preferred by prospective bulky goods retail tenants as the preferred location for bulky goods retailing in the region. This is primarily due to:

- High levels of passing trade



- The presence of an existing established bulky goods precinct along Princes Highway

Moe and Morwell are not preferred, due to:

- Morwell and Moe have lower than average incomes
- Ongoing retail vacancies in Moe and Morwell
- Lack of main highway frontage to Princes Freeway

A point of general perception was raised that Traralgon and Morwell are increasingly perceived as a single destination. Anecdotal evidence was provided that a family may, for example, “have dinner in Traralgon and see a movie in Morwell”, since the towns are approximately 10 minutes apart by car.

12.4.2 Traralgon Bypass

The proposed Traralgon Bypass was discussed. Traralgon was noted as enjoying a significant passing trade advantage over Moe and Morwell due to a large proportion of traffic from Melbourne passing by Moe and Morwell, but passing through or terminating in Traralgon.

There was a general perception that the construction of the Traralgon Bypass will eventually erode Traralgon’s passing trade advantage over Moe and Morwell.

However Aus-Link funding has not been secured for the proposed Traralgon Bypass project. Instead, the Traralgon – Sale duplication is a higher funding priority and has secured Aus-Link funding. Subsequently, the Traralgon Bypass is not likely to be constructed for at least 10 – 15 years.

Local residents of Moe have lobbied for additional freeway access for Moe, by way of an additional off-ramp from Princes Freeway. However, the VicRoads representative indicated that there is no straightforward way of achieving this within the existing road network.

12.4.3 Land Constraints and Availability

A number of serious constraints are in effect on the land surrounding Traralgon and Morwell. Specifically, some of these take the form of:

- State Resource overlays (ie, Coal)
- Environmental Significance overlays

These are discussed in further detail in the body of the report.

12.4.4 Lack of Strategic Focus

It was noted that Latrobe City has never had a Bulky Goods Strategy. This has made it difficult to deal with applications for developments and re-zoning.

12.5 Real Estate Agents

12.5.1 Defining Bulky Goods

There was significant confusion over zoning constraints, and which retail uses are allowable on B4Z land. One example cited the non-allowance of a toy store on B4Z land.

It was noted that there is significant interest from retailers to find sites and establish bulky goods retailing in Traralgon, and moderate interest in Morwell.

12.5.2 Moe: Consumer Sentiment

Fountain Gate shopping centre is approximately 87km west of Moe (approximately 55 minutes drive), and had 139,800sqm GLA retail floorspace in 2006. Concerns were raised over the proposed expansion of Fountain Gate shopping centre, which is expected to have an impact on the trading performance of Moe CBD.

Additionally, the Cardinia Road employment precinct is expected to provide between 8,000 – 10,000 jobs over the next 10 – 15 years. This has the potential to attract additional Moe residents in the future, with the prospect of an increase in labour leakage and escape expenditure from Moe in the future.

12.5.3 Morwell: Mid Valley Shopping Centre – Consumer Sentiment

Concerns were raised over the lingering negative sentiment amongst the community regarding Mid Valley Shopping Centre's negative impact on Morwell CBD.

Additionally, there were concerns that establishing a dedicated bulky goods retail centre adjacent to the Mid Valley Shopping Centre would further detract from Morwell CBD.

Issues were raised that although the Mid Valley Shopping Centre opened approximately 26 years ago (in 1982), some lingering negative sentiment continues to be harboured by Morwell CBD retailers and residents about the impact of Mid Valley Shopping Centre on Morwell CBD.

12.5.4 Traralgon: Industrial land values VS Bulky Goods Retail land values

The following anecdotal estimates were given of the land values of different zonings and attributes. Land zoned appropriately for bulky goods retailing would appear to attract a healthy premium, attracting market values approximately three times that of industrial land.

Table 44. Land Value Estimates (November 2008)

Land Use	Estimated Price
Industrial	\$100 - \$125 per sqm.
Industrial – with Highway frontage	\$150 - \$175
Bulky Goods Retailing	\$300 - \$350



12.5.5 Desired Outcomes

Ideal scenarios and preferences were discussed. Developers and retailers would like to see the whole strip of Traralgon's Princes Highway frontage opened up to bulky goods retailing, with sufficient supply of B4Z land made available. Additionally, the following features were discussed as being ideal for bulky goods sites:

- Deeper lots allocated for bulky good retailing;
- Rear access to these lots for loading was noted as being a priority;
- Sites of sufficient scale are important in order to achieve a large range of retail tenants and critical mass for retailers;
- Sufficient land to provide adequate parking;
- Main Highway frontage and good visibility.

Additionally, developers and retailers would like to see clear overall strategic direction for anticipated future land uses, especially with respect to

- Industrial land;
- Residential land;
- Retail land; and
- Farming land.

The general consensus was that large national retailers have an overwhelming preference to locate in Traralgon, rather than Morwell or Moe. Additionally, there is a large perceived latent demand for development to occur in the Morwell – Traralgon Corridor. However, this latent demand has not been realised due to the long-standing policy of non-urban development in the Morwell – Traralgon Corridor, within Latrobe City Council's Municipal Strategic Statement.

12.6 Land Owners and Developers

The following issues were raised by land owners and developers.

12.6.1 Weaknesses

There were a number of comments about the significant demand by retailers to establish bulky goods retailing in Traralgon, and to a lesser extent Morwell.

Anecdotal evidence was provided that numerous prospective bulky goods retailers would like to establish themselves in Traralgon, and would like to appropriate sites of approximately 2 – 3 acres (0.8 – 1.2 hectares) each.

Significant concerns were raised about the market viability of bulky goods retailing in Moe, as well as the lack of appropriate sites in Morwell and Traralgon.

A number of emphatic comments were made about the lack of sites available – especially in Traralgon – to establish these bulky goods retailers, due to existing sites being:



- Not zoned appropriately (ie, with a B4Z zoning); or
- Being zoned appropriately (ie, with a B4Z zoning), but lacking the required amenities, such as
 - not being located on the main highway, or
 - lacking visibility / attractiveness from passing trade.

12.6.2 Strengths

The strengths of the Latrobe Valley were discussed broadly and are summarised as including:

- Good transportation links;
- Strong infrastructure provision;
- Strong employment nodes, and healthy employment prospects in the future.

There was general support for Council's review process to give improved policy direction to bulky goods retail development and maximise the opportunity to update Council's current strategic planning approach.

12.6.3 Proposed Developments

A number of comments were made by the developer, Brett Neilson, that a number of proposed bulky goods retail developments are currently "on the table", which include:

- Confirmed interest from bulky goods retailers;
- Large land parcels of significant size; and
- Appropriately sized lots for bulky goods retail tenancies

However, these land parcels are currently zoned IN1Z (industrial) or FZ (farming), meaning these proposals would require re-zoning in order to be realised. The re-zoning process is perceived to involve significant time delay, and as a result the development applications have not proceeded.

A number of developments are proposed for the existing Traralgon bulky goods precinct. The following are proposed by BFN Developments Pty Ltd:

- Old "Dahlsen's" site (Traralgon East)
 - Homemaker Centre
 - Development application approved
 - Construction due to start January 2009
 - 5 restricted retail showroom tenancies, varying between 900sqm – 1,930sqm
 - 1 restaurant
 - 170 car spaces



- Total GFA of 7,190sqm
- New “Dahlsen’s” Superstore relocation site (Traralgon East)
 - Approved planning permit for 6 retail showroom / industrial buildings
 - Inflexibility of existing IN1Z zone has impacted on the ability to locate appropriate tenants for this development.
- 10 hectares industrial land (IN1Z), west of Stammers Rd, north of Princes Highway, Traralgon East.
 - Planning permit application lodged with Council for sub-division into 53 lots
 - Significant interest by prospective bulky goods / restricted retail tenants to locate on this site, especially along the highway frontage.
- New “Valley Ford” relocation site (Traralgon West)

Of these, the old “Dahlsen’s” site will add a significant quantity (approximately 7,190sqm GFA) of bulky goods retail tenancies to the Traralgon bulky goods precinct.

12.6.4 Desired Outcomes

Land owners and developers would like to see the Morwell-Traralgon Corridor developed. They have already had overwhelming interest from retailers in doing this. If this could occur, it is anticipated that Morwell and Traralgon could eventually merge to become a larger, stronger township which could serve a wider region.

This is constrained by

- Council’s Municipal Strategic Statement;
- The necessity of re-zoning; and
- The lack of utilities being connected to some of these sites.

Concerns were raised about any re-zoning initiative to result from this bulky goods assessment. The perception is that recommendation of a single site for bulky goods precinct by Council could lead to delays, as existing land owners may choose to sit on the land, rather than develop it.

As a result, a desired outcome is recommendation of a number of potential sites being nominated and allowing market forces to determine take-up rates and land values.

Ultimately, there was general consensus that the Latrobe region currently suffers from a large amount of retail escape expenditure, due to excess demand for bulky goods retailing. A strong desire was voiced to establish additional bulky goods retailing and retain a greater share of bulky goods retail expenditure within the MTA.



12.7 Summary

Feedback from stakeholders indicated that an ideal scenario would involve several development nodes being released and/or improved for bulky goods retailing / retail showrooms. A number of sites were discussed, however some key sites included:

- Morwell: existing B4Z land south of Morwell-Traralgon Road, directly adjacent the Mid-Valley Shopping Centre;
- Traralgon: Expanding, improving and consolidating the existing bulky goods precinct along Argyle Street in Traralgon East;
- Traralgon: Establishing a standalone bulky goods retail precinct at the south-western end of Bank Street, adjacent the residential land at the western end of Traralgon.

The existing B4Z land south of Morwell-Traralgon Road, directly adjacent the Mid-Valley Shopping Centre, was discussed as a potential re-development site for a bulky goods retailing precinct. This site was noted as having a number of favourable characteristics, including:

- Favourable highway frontage;
- Benefiting from passing trade between Morwell and Traralgon;
- Benefiting from the close proximity to the adjacent Mid Valley Shopping Centre, and the associated existing shopping patterns.

Following on from this scenario, the land surrounding the B4Z land (the majority of which is currently zoned industrial) could potentially become more valuable and ultimately be converted to higher and better use.

Traralgon was discussed as the overwhelming preference for prospective BGR tenants. The reasons for this were also discussed. Prospective bulky goods retail tenants stand to benefit from:

- Existing bulky goods trade;
- Main highway frontage (Princes Highway);
- Good visibility;
- Critical mass; and
- Appropriate zoning.

While Traralgon was acknowledged as enjoying a clear advantage over Moe and Morwell in terms of passing trade, the Traralgon Bypass was discussed as having an impact on this in the longer term (i.e. beyond 10 – 15 years in the future).

There was a general consensus that allocating multiple designated sites for bulky goods precincts could resolve a number of the political considerations which had been raised, since market forces would ultimately allow prospective bulky goods retailers to compete for sites.

The existing under-supply of bulky goods retailing was discussed. The general consensus was that this under-supply of bulky goods retailing is highly likely to result in significant escape expenditure from the Latrobe MTA.



A number of attributes were discussed as being critical for success in bulky goods retailing. Successful bulky goods developments would ultimately require the following key success factors:

- Adequate parking;
- Main highway frontage;
- Good visibility;
- Critical mass; and
- Appropriate zoning.

Feedback from stakeholders indicated that there are a number of issues with establishing bulky goods retailing in Moe. Some of these include:

- Significant concerns about the market viability of bulky goods retailing in Moe;
- Low household incomes; and
- Low discretionary incomes.



13 Best Practice Bulky Goods Centres

The following principles highlight best practice in dedicated bulky goods centres of approximately 20,000sqm GLA with respect to the following features:

- Centre Design and Layout
- Car Parking and Loading Bay Considerations
- Tenancy mix

13.1 Principles

13.1.1 Design and Layout

The retail layout for dedicated bulky goods retail centres are important, since these considerations will affect the ability of the centre to attract passing trade and remain competitive.

In terms of design, the importance of both access and particularly exposure for a bulky goods centre cannot be over emphasised. This generally relates to main highway frontage.

In terms of layout, while variations exist, the most common forms of amalgamated bulky goods centres and homemaker centres are based on either the 'U' or 'L' shape design (see figure below), which provide benefits in terms of:

- Significant levels of exposure to passing trade to all tenants;
- Maximum site coverage;
- Car parking provision central to all tenants; and
- Provision of rear loading truck access.

Figure 31. Bulky Goods and Homemaker Centre Designs



Source: MacroPlan Australia (2008).

13.1.2 Car Parking and Loading Bay Requirements

The provision of car space to floorspace is typically in the ratio of 3 per 100sqm, giving an average of 30sqm (including roads) per space.

Generally loading bay access is ideally located at the rear or at the side of the development. Of key importance is that large vehicle access does not obstruct customer vehicle access or visibility. Additionally, pedestrian access should not be impaired by loading vehicles.

13.1.3 Tenancy Mix and Themes

Dedicated bulky goods centres often have groups of retail tenants which form a theme for the centre. For example a number of furniture and homewares retail tenants may provide a “lifestyle” theme to the centre. Alternatively multiple electrical and whitegoods retail tenants, may result in an “entertainment” themed centre.

These themes can provide a point of differentiation for the centre as a whole, and can result in the centre becoming the centre of choice for destination shoppers.

Further investigation would be required to establish the specific gaps within the bulky goods market, to uncover opportunities for establishing competitively positioned retail tenancies.

13.2 Case Studies

13.2.1 Northland Homemaker Centre

Northland Homemaker Centre effectively incorporates two themes within the centre. It has a number of furniture, homewares and bedding retail tenancies, including Forty Winks, Freedom Furniture and Barbeques Galore, creating a “home and lifestyle” theme.

The centre also features JB Hi-Fi, The Good Guys and Brashes, creating an “entertainment” theme. The two themes combine effectively within the context of home-based and lifestyle shopping.

Northland Homemaker Centre is designed in the “U”-shaped format, as seen in the figure below.

Figure 32. Northland Homemaker Centre





Source: Google Maps (2008), MacroPlan Australia (2008)

13.2.2 Frankston Homemaker Centre

The Frankston Power Centre has 45,000 sqm of retail space and includes a 5,000 sqm Spotlight store. Harvey Norman is due to open an electrical, furniture and computer outlet at the new centre in December 2008. Other tenants include Forty Winks, Dick Smith and Clive Anthony's and includes a 1,000 sqm food court. The Frankston Power Centre has a trading catchment of roughly 358,000 people

13.2.3 Homemaker Supa Centre – Moore Park

The Homemaker Supa Centre – Moore Park, NSW includes Toys 'R' Us, Harvey Norman and Dick Smith retail tenants, with a clear emphasis on an "entertainment and electronics" theme. The centre also includes IKEA, as well as a number of furniture retail tenancies, creating a "home and lifestyle" focus. The centre effectively appeals to young families who are focused on raising children and possibly moving into larger houses.



14 Appendix 1 – Scenario Testing: Population

MacroPlan notes that the Latrobe City Council Residential and Rural Residential Land Assessment (LCCRRRLA), prepared by Essential Economics Pty Ltd in January 2009, presents population projections for low, medium and high growth scenarios. These population projections relate to the SLAs of Latrobe - Moe, Latrobe - Morwell, Latrobe - Traralgon and Latrobe – Balance.

MacroPlan notes that the population projections used in the modelling of the demand for bulky goods retail floorspace within the Latrobe MTA (section 6 of this report) has included population growth rates drawn from the “Moderate” growth scenario presented in the LCCRRRLA.

In all three growth scenarios Moe SLA, Morwell SLA and Balance SLA contribute small proportions of the overall projected population growth in Latrobe LGA, while Traralgon SLA contributes the majority (approximately 75%) of population growth to the Latrobe LGA.

The main information sources cited in the Latrobe City Council Residential and Rural Residential Land Assessment are

- “Regional Population Growth”, publication 3218.0, released by Australian Bureau of Statistics, March 2008.
- “Victoria In Future”, released by Department of Sustainability and Environment, released in 2004.

Note the MTA covers an area which includes SLAs beyond the Latrobe LGA. Population growth rates for these SLAs have been drawn from population projections in “Statistical Local Area Population Projections, 2006 to 2026”, prepared by the Australian Bureau of Statistics for the Australian Government Department of Health and Ageing (2008).

MacroPlan has included the following analysis to illustrate the difference in expected market gap of bulky goods retail floorspace resulting from the “Low” and “High” growth scenarios within the LCCRRRLA.

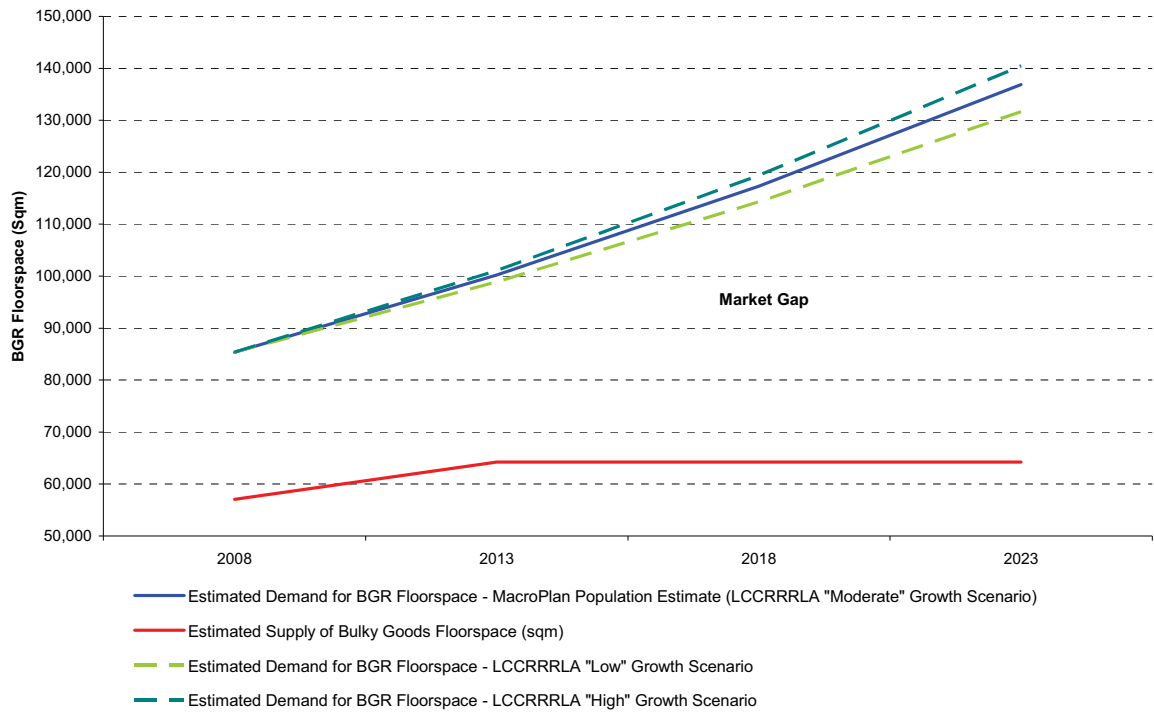
As can be seen from the figure below, the various population growth rates result in negligible differences in the gap between the demand for bulky goods floorspace and the supply of bulky goods floorspace in the MTA.

For example, the “High” growth rate scenario shown in the Latrobe City Council Residential and Rural Residential Land Assessment shows a higher demand for BGR floorspace, and would result in a market gap for bulky goods retail floorspace which is approximately 3,600sqm greater than the quantum estimated in Section 8 of this report by the year 2023.

Similarly, the “Low” growth rate scenario shown in the Latrobe City Council Residential and Rural Residential Land Assessment shows a lower demand for BGR floorspace, and would result in a market gap for bulky goods retail floorspace which is approximately 5,000sqm lower than the quantum estimated in Section 8 of this report by the year 2023.

Since the difference is very small, the implications for bulky goods retailing requirements within the MTA are not affected.

Figure 33. Bulky Goods Retail Market Gap, MTA – Various Population Growth Scenarios



Source: Latrobe City Council Residential and Rural Residential Land Assessment (2009); Australian Government Department of Health and Ageing (2008); MacroPlan Australia (2008).



15 Appendix 2 – Sensitivity Testing: Tertiary Trade Area

Should a Tertiary Trade Area be included in the analysis, the demand for bulky goods retailing would increase to approximately 140,500 sqm of bulky goods retail floorspace by 2023.

Provisional estimates of modelling outcomes are seen in the table below. Including areas such as Sale in a tertiary trade area would result in the estimated market gap in the bulky goods market being approximately 3,500sqm higher in 2023 than the quantum estimated in Section 8 of this report.

Table 45. Gap Analysis with TTA

Demand for Bulky Goods Floorspace				
Main Trade Area (MTA)	2008	2013	2018	2023
Estimated Demand for Bulky Goods Floorspace (sqm)	87,592	102,825	120,396	140,471
Supply of Bulky Goods Floorspace				
Main Trade Area (MTA)	2008	2013	2018	2023
BGR floorspace: B4Z land	19,054	26,244	26,244	26,244
BGR floorspace: non-B4Z land	37,994	37,994	37,994	37,994
Estimated Supply of Bulky Goods Floorspace (sqm)	57,048	64,238	64,238	64,238
Market Gap				
Main Trade Area (MTA)	2008	2013	2018	2023
Gap between supply and demand	30,545	38,588	56,158	76,233

Source: MacroPlan (2008)



16 Appendix 4 – Additional Stakeholder Consultation: Latrobe City Council

16.1 Latrobe City Council Attendance

On Thursday December 18th 2008, additional stakeholder consultation was conducted via telephone conference.

The attendees to the telephone conference included:

Latrobe City Council Officers

- Swee Lim - Senior Strategic Planner
- Carol Jeffs – Manager City Planning and Development
- Jason Pullman – Coordinator Strategic Planning
- Geoff Hill – Manager Economic Development
- Jody O'Kane – Coordinator Business Development
- Tom McQualter - Project Officer, Transit Cities

MacroPlan Australia

- Richard Brice – General Manager, Retail and Commercial
- Paul Beatty – Senior Consultant, Spatial Planning Group
- Sam Qualtrough – Consultant, Retail and Commercial

16.2 Consultations

The following overview of these consultations is not designed to make judgements about the views expressed. Discussion of the issues raised through this consultation process is analysed through the remainder of this report.

16.2.1 Trade Area: Sale

Enquiries were made as to the extent of the trade area in the analysis, in particular whether a new dedicated bulky goods centre would draw trade from Sale.

Although Sale is not included in the main trade area, that it is likely that a new dedicated bulky goods centre could draw some trade from Sale. Residents of Sale undoubtedly travel through the MTA for passage to Melbourne, and possibly work within Latrobe municipality. These people would be in a position to benefit from multi-purpose trips, should they decide to combine bulky goods retail purchases with their travel to / from their job. These matters have been considered in the beyond trade area analysis.



In this case, Sale would be included in an area which served as a Tertiary Trade Area. This question is further addressed in the sensitivity testing section of the report.

16.2.2 Sites in Town Centres

Enquiries were made as to the appropriateness of potential bulky goods sites within the existing town centres. Specifically, the northern side of Morwell CBD was raised as a potential area of investigation.

Having conducted site visits and stakeholder consultations, no appropriate sites have been identified within the existing town centres of Moe, Morwell or Traralgon. This is generally due to high levels of land ownership fragmentation, and a lack of availability of sites which would offer the necessary scale for the proposed development.

Generally, bulky goods retailers seek sites away from town centres in order to achieve lower rents on the land. As such, most existing B4Z land, and other potential sites for a new dedicated bulky goods centre are found in out-of-centre locations.

Another key consideration is highway frontage, since strong visibility and passing trade are key success factors for bulky goods developments. Both Moe and Morwell town centres lack this exposure due to the Princes Freeway Bypass.

16.2.3 Out of Centre Sites and Impacts

Concerns were raised that an out-of-centre development could potentially have a negative impact on existing centres, due to the perceived negative impact of the Mid Valley Shopping Centre on Morwell CBD.

Specifically, enquiries were made as to the feasibility of using the proposed dedicated bulky goods development to rejuvenate Morwell CBD.

While this proposition is feasible, a number of obstacles would need to be overcome. These are

- The need to consolidate a large number of fragmented land parcels into a single precinct
- The need to secure sufficient land area to accommodate a dedicated bulky goods precinct of 15,000 sqm – 20,000 sqm, along with the requisite land for associated parking facilities
- The need to deliver the consolidated land parcel – as a single site - to a developer with the necessary expertise and experience to deliver a project of this scale.

Having achieved this, there remains the question of market viability, since land owners and real estate agents expressed an overwhelming desire by prospective bulky goods tenants for sites in Traralgon.

16.2.4 Moe and Market Viability

The large B4Z land parcel away from Moe town centre was discussed. Although the land is of appropriate size and zoning, the site itself has remained vacant for a prolonged period, indicating a lack of interest from developers and retailers. As such, there are issues with the market viability of the site.



While significant residential development could potentially prompt a turnaround in the future, this change of market sentiment has not yet materialised.

16.2.5 Traralgon Bypass and the Morwell – Traralgon Corridor

A number of investigated sites fall within the Morwell – Traralgon Corridor. This area is significant, since the announcement of the proposed Latrobe Bypass means that the stretch of Princes Highway between Morwell and Traralgon will be one of the few remaining stretches of highway within the MTA which is not eventually bypassed.

Consequently, land north of Princes Highway between Morwell and Traralgon is the subject of much interest by land owners and developers. Construction of the Traralgon Bypass is not likely to occur for at least 10 – 15 years. Despite this, potential bulky goods retailers seeking long term highway frontage and the benefits of being positioned to take advantage of the associated passing trade are keen to establish themselves in the Morwell – Traralgon Corridor.

A number of proposals for such development have been lodged and MacroPlan has reviewed these. They are reported in further detail in the main body of the report.

MacroPlan understands that the Amendment C62 process is currently underway to clarify the role and nature of the Morwell – Traralgon Corridor, and will endeavour to stay informed as to the outcomes of Council's deliberations on this matter.

16.2.6 Developer Preferences

Enquiries were made as to what developers are looking for in their assessment of preferred locations for a proposed dedicated bulky goods development.

Generally, developers are looking for sites which:

- Have sufficient size to accommodate the necessary scale of development. For example a 20,000sqm development would require approximately 4 – 5 hectares of land, accounting for parking requirements, setbacks, etc;
- Have good main highway frontage and visibility; and
- Are located in Traralgon, or in the Morwell – Traralgon Corridor

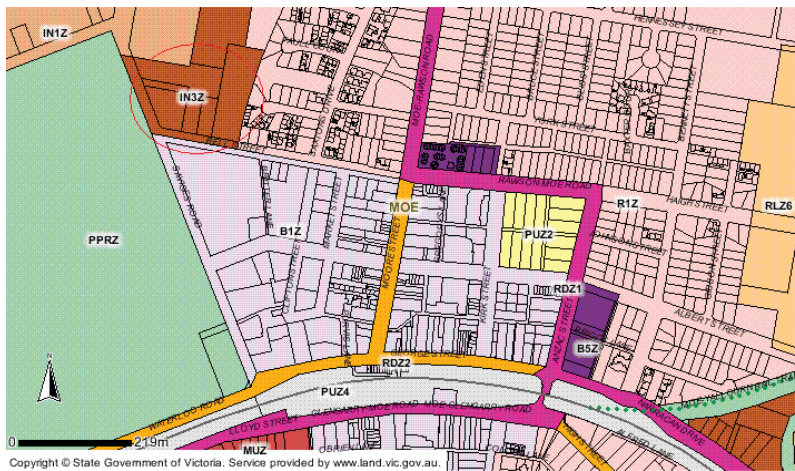
17

Appendix 5 – Additional Stakeholder Consultation: Gippsland Water

Additional stakeholder consultation was conducted with Paul Young, of Gippsland Water. This consultation was conducted via telephone and email correspondence.

The following feedback was received.

Figure 34. Moe – potential bulky goods sites

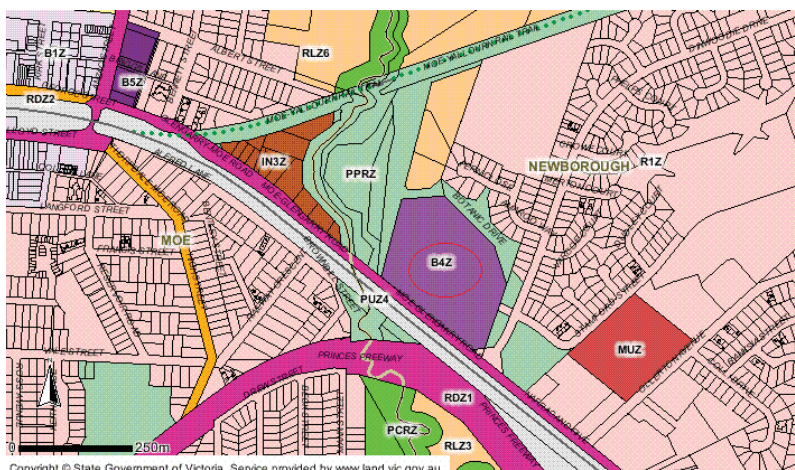


Source: MacroPlan Australia (2008), MapInfo (2008)

Feedback about the site (in the figure above):

No issues for both water and wastewater servicing. Minor extension of wastewater main required. The site currently has water mains front allotments.

Figure 35. Moe – potential bulky goods sites

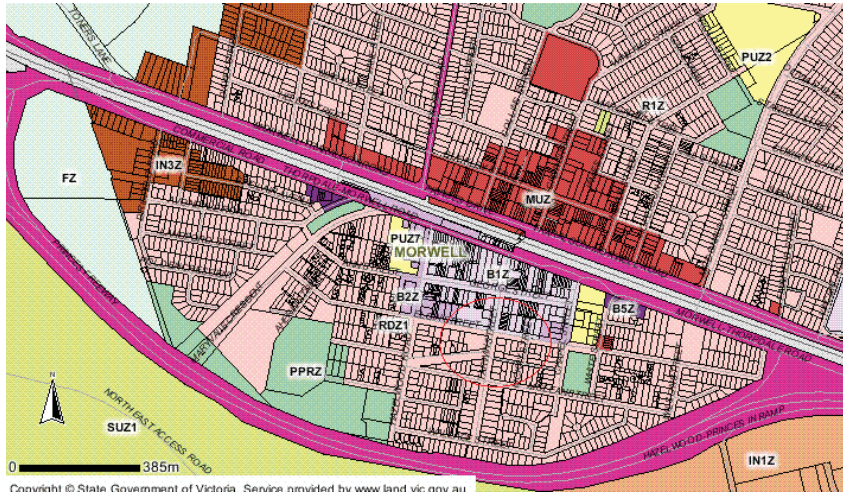


Source: MacroPlan Australia (2008), MapInfo (2008)

Feedback about the site (in the figure above):

No issues for both water and wastewater servicing. Minor extension of both water and wastewater mains required.

Figure 36. Morwell – potential bulky goods sites

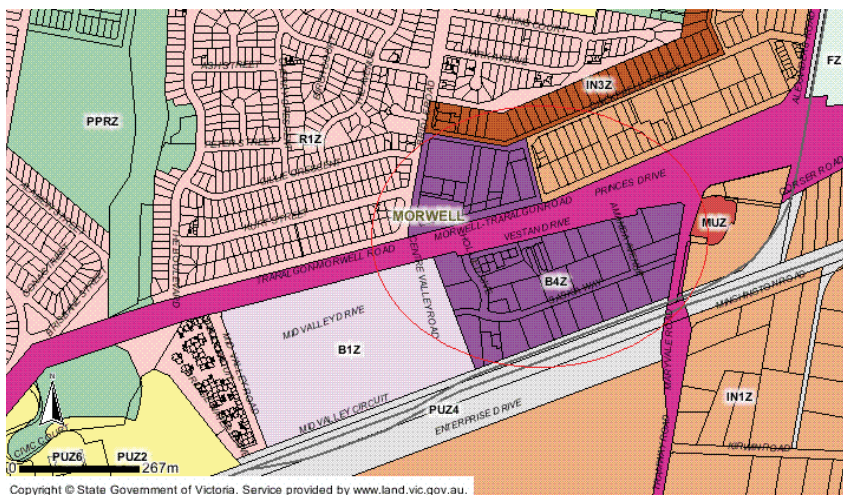


Source: MacroPlan Australia (2008), MapInfo (2008)

Feedback about the site (in the figure above):

No issues for both water and wastewater servicing.

Figure 37. Morwell – potential bulky goods sites

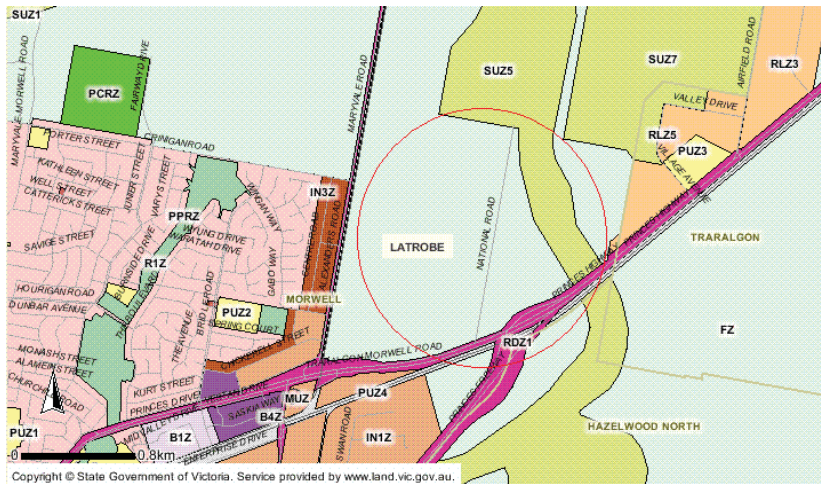


Source: MacroPlan Australia (2008), MapInfo (2008)

Feedback about the site (in the figure above):

No real issues for both water and wastewater servicing. Depending on the discharge rate, some of the wastewater infrastructure may need to be upgraded.

Figure 38. Morwell – potential bulky goods sites



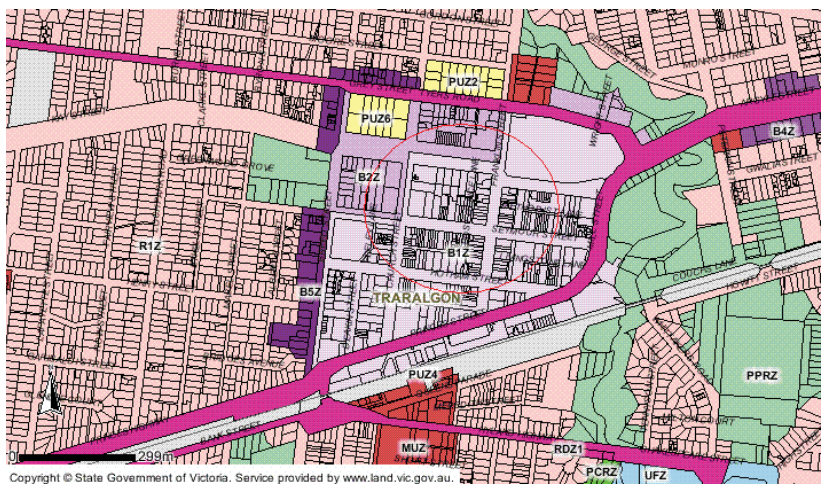
Source: MacroPlan Australia (2008), MapInfo (2008)

Feedback about the site (in the figure above):

No real issues for both water and wastewater servicing. May require a wastewater main extension.

Currently not zoned.

Figure 39. Traralgon – potential bulky goods sites



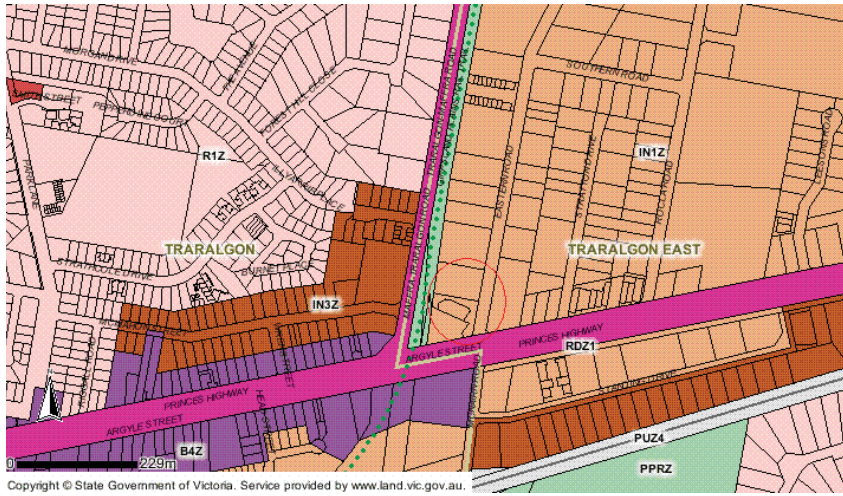
Source: MacroPlan Australia (2008), MapInfo (2008)

Feedback about the site (in the figure above):

No issues for both water and wastewater servicing.



Figure 40. Traralgon – potential bulky goods sites

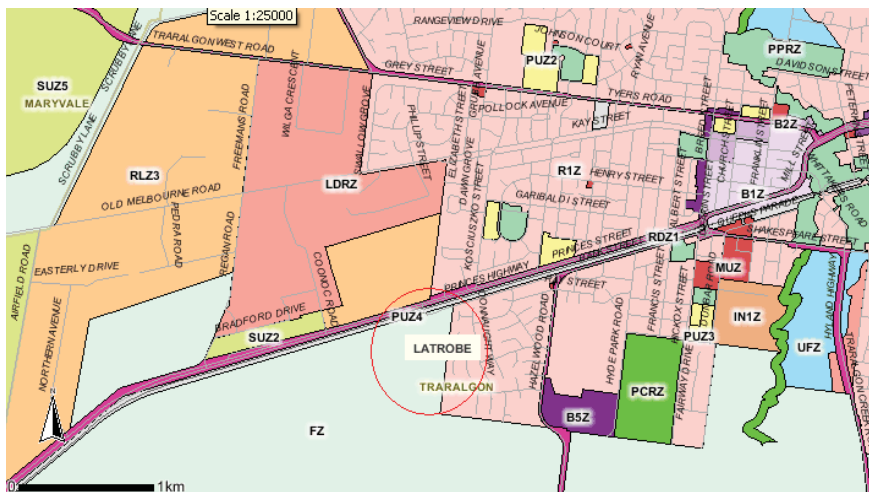


Source: MacroPlan Australia (2008), MapInfo (2008)

Feedback about the site (in the figure above):

No issues for both water and wastewater servicing.

Figure 41. Traralgon West – potential bulky goods sites

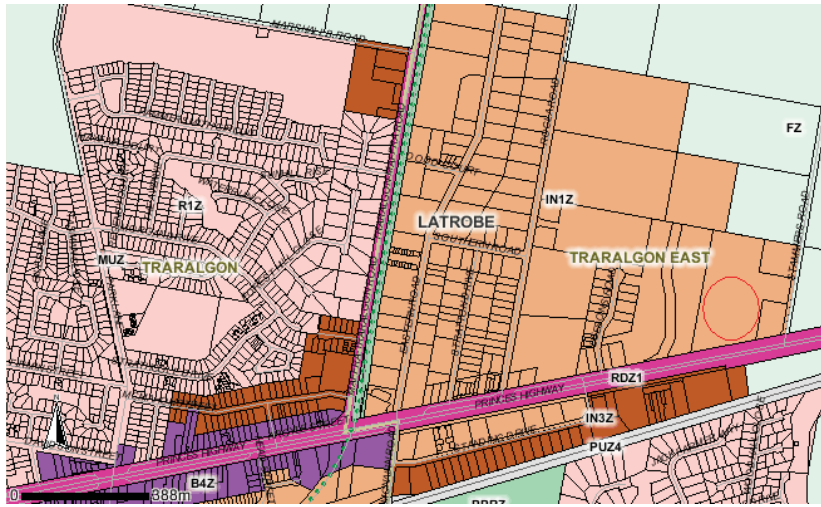


Source: MacroPlan Australia (2008), Department of Planning and Community Development (2008)

Feedback about the site (in the figure above):

No issues for both water and wastewater servicing.

Figure 42. Traralgon East – potential bulky goods sites



Source: MacroPlan Australia (2008), Department of Planning and Community Development (2008)

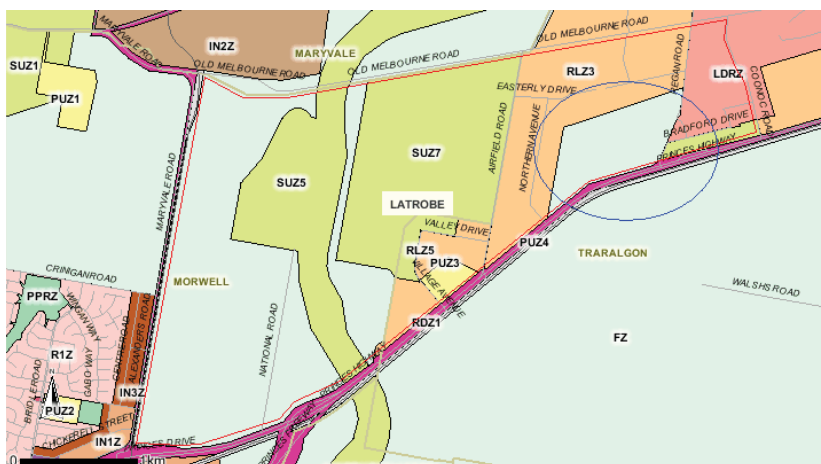
Feedback about the site (in the figure above):

Gippsland water acknowledged that this already has a planning permit for subdivision of this Industrial area.

No real issues for both water and wastewater servicing. Gippsland Water will be constructing a large sewer main to the west (in the valley) and a large sewer pump station to the north.

To the east of Stammers Road will require the sewage to be pumped over the ridge to the pump station. Therefore a large cost is expected.

Figure 43. Morwell – Traralgon Corridor: potential bulky goods sites.



Source: MacroPlan Australia (2008), Department of Planning and Community Development (2008)

Feedback about the site (in the figure above):

No real issues for water. Some external water extensions required.

Significant costs for wastewater - Sewer Pump Station, Rising Main and Gravity mains about \$1.0 million.

Appendix 6 – Alternative Delivery Scenario Rankings

Table 46. Site Comparative Rankings – Alternative Delivery Scenario

Key Site Selection Criteria	Developer / Consultant			Moe		Morwell		Morwell-Traralgon Corridor			Traralgon	
	Site #2	Site #3	Site #4	Site #5	Site #6	Site #7	Site #8	Site #9	Site #10	Site #11	Site #12	
	Moe (Newborough)	Moe (West)	Morwell (Town Centre)	Morwell (Mid Valley)	Morwell East (#1)	Morwell East (#2)	Traralgon (M-C Corridor)	Traralgon (M-C Corridor)	Traralgon (M-C Corridor)	Traralgon East (#2)	Traralgon (south west)	
	-	-	-	-	NBA	SMEC	SMEC/Stable	SMEC/Stable	SMEC/Stable	-	BFN	
	Score	Score	Score	Score	Score	Score	Score	Score	Score	Score	Score	
Key Terms in Scoring	Low 1	Medium 2	High 3									
Market Viability	Location	Medium	Good									
	Critical Mass	Medium	Good									
	Expansion Potential	Medium	Good									
	Land Price	Expensive	Inexpensive									
	Risk of Market Rejection	High	Low									
Planning Considerations												
	Land Fragmentation	Medium	Consolidated									
	Constraints and Overlays	Constrained	Not Constrained									
Strategic Policy												
	Vehicle Trips	Many	Few									
	Co-location with Other Uses	Not Co-located	Co-located									
	Impact on Established Centres	Negative Impact	Positive Impact									
	Employment Generation	Low	High									
	Future Catchment	Low	High									
Total Score (out of a maximum score of 36)	16	19	21	24	32	26	30	32	32	21		

Source: MacroPlan Australia (2008)

Latrobe City Council |
Bulky Goods – Indicative
Design Response

FINAL REPORT

May 2009

PREPARED FOR LATROBE CITY COUNCIL

MACROPLAN AUSTRALIA PTY LTD
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Other Candidate Sites



Indicative Design Response





1

Assessment of Indicative Design Response

Introduction

MacroPlan has been engaged to undertake a critique of an indicative design response (IDR) submitted to Council by SMEC Urban, relating to a proposed bulky goods development at a site in the Morwell-Traralgon Corridor.

Background

As part of the Latrobe City Council Bulky Goods Retail Sustainability Assessment, a number of candidate sites were assessed – and ranked according to a number of criteria – for their appropriateness to accommodate a dedicated bulky goods retail precinct.

One such site – known as Site #7 within that report – was ranked highly relative to the other candidate sites. The assessment of the IDR in relation to this site is the subject of this report.

Rankings

Site #7 was ranked highly in comparison to the other sites considered within the Bulky Goods Retail Sustainability Assessment due to, among other factors, its strategic location along Princes Highway, and its prospects for long term exposure to Princes Freeway, once the Traralgon Bypass is constructed.

However there was some uncertainty surrounding Site #7's appropriateness to accommodate a dedicated bulky goods retail precinct, due to certain planning and strategic considerations. Namely, the presence of the Design and Development Overlay – Schedule 1 (DDO1) and Special Use Zone – Schedule 5 (SUZ5) running through the land parcel.

Initial analysis indicated that these planning considerations associated with the DDO1 and SUZ5 could be managed. This led to Site #7 initially receiving the highest ranking overall.

However, further analysis revealed some uncertainty as to whether these planning considerations could, in fact, be managed. Subsequently, an Alternative Delivery Scenario was illustrated within the Bulky Goods Retail Sustainability Assessment, which explored a scenario by which the planning constraints and uncertainties affecting Site #7 could not be managed. The site was re-ranked within the context of this Alternative Delivery Scenario. The result was that Site #7 would have a lower score on a number of criteria, and a lower ranking overall.

MacroPlan presented the key findings of the Bulky Goods Retail Sustainability Assessment to Latrobe City Council in March 2009. During that presentation, MacroPlan recommended three candidate sites as most preferable, noting that Site #7 faced uncertainty regarding planning constraints.

MacroPlan recommended Council proceed to re-zone Site #6 and Site #11¹. However, MacroPlan noted that if the planning constraints affecting Site #7 could be managed, then it could also be considered as an attractive site for bulky goods development. Subsequent to this advice, the consultants representing the landowners of Site #7 have provided Council with an indicative design response.

¹ See Appendix



2 Dedicated Bulky Goods Site Assessment Criteria

This report will critique the indicative design response within the context of the ranking criteria used within the Bulky Goods Retail Sustainability Assessment report. Best practice principles in bulky goods design and development will also be considered. The key criteria, considered key success factors in the location of dedicated bulky goods centres, are discussed below.

2.1.1 Market Viability

The market viability of a given site will be assessed by a combination of factors. Of key importance is the ultimate demand for the site itself by prospective developers and tenants who, in turn, are likely to consider the attractiveness of the site to prospective bulky goods retail tenants. Prospective bulky goods retail tenants, in turn, are likely to consider the attractiveness and appropriateness of the site in terms of their ability to attract customers to their premises. Market viability consists of the following factors:

- Location
- Critical Mass
- Expansion Potential
- Land Price
- Risk of Market Rejection

Location

Location refers to a site's proximity to the nearest main highway, and the associated benefits of increased visibility and prospects for passing trade. Vehicle access is also considered as part of this criterion.

Critical Mass

Critical mass refers to a site's capacity to deliver a large range of retail tenants, which allows for each tenant to benefit from a "clustering" effect. With sufficient critical mass, the proposed dedicated bulky goods centre would consist of a significant mix of retail tenants which would ultimately become a destination for bulky goods shopping.

Expansion Potential

The long term prospects of a site will depend in part on its ability to meet an increase in future demand by expanding beyond its initial endowment of floorspace. Given positive population growth and rising disposable incomes in a given area, this is an important consideration in any site. Should a site be constrained in its ability to meet future demand by expanding, the site will inevitably suffer a competitive disadvantage as competing centres meet that demand.

Land Price

The costs of development are a significant factor in determining the attractiveness of a site to a prospective developer, and to potential retail tenants.



Risk of Market Rejection

This criterion assess the likely risk that prospective bulky goods retail tenants will not bid for or enter a dedicated bulky goods at the given site in the short to medium term. Without significant interest from established bulky goods retail tenants, the viability of a successful bulky goods retail precinct could be jeopardised.

2.1.2 Planning Considerations

Planning criteria considered are

- Land Fragmentation
- Constraints and Overlays

Land Fragmentation

A large number of individual land owners can be problematic for the timeliness of development. If two or more land owners are not “aligned” in their incentives or time horizons, agreement on the layout, nature and scale of proposed development could prove elusive.

While there are options available to Council such as the compulsory acquisition of land parcels, this can involve significant costs.

Land fragmentation is a factor in some existing vacant B4Z land parcels, particularly in land east of the Mid Valley Shopping Centre. This means that some existing vacant parcels cannot be considered as real or actual supply.

Constraints and Overlays

A site affected by a particular planning overlay can potentially be constrained in its ability to accommodate an adequate quantum of bulky goods retail floorspace. Alternatively, complying with the conditions imposed by that overlay may add costs to any proposed development, which could make the site less attractive to developers. Other site constraints can include existing uses currently occupying the site. This criterion also considers the site's context within the relevant existing Structure Plan.

2.1.3 Strategic Policy

Strategic Policy criteria are

- Vehicle Trips
- Co-location with Other Uses
- Impact on Established Centres
- Employment Generation
- Future Catchment



Vehicle Trips

The number of vehicle trips generated by the establishment of a dedicated bulky goods precinct is likely to be affected by the tenancy mix at the centre. A wide range of retail tenants at the centre is likely to improve the opportunity for comparison shopping at the centre, where shoppers can compare competing prices on an item within a single vehicle trip. Consequently, this reduces the number of vehicle trips required for a "big ticket" retail purchase. Keeping the number of vehicle trips to a minimum is generally considered in the interests of sustainable development principles.

Co-location with Other Uses

Co-location with existing and future uses is in keeping with sustainable planning principles, and can result in increased multi-purpose vehicle trips.

Impact on Established Centres

The establishment of a dedicated bulky goods precinct could create a new activity centre with the potential to impact existing centres either positively or negatively.

Employment Generation

The number of jobs created by a bulky goods development will depend on the scale of development. Direct employment and indirect employment will increase with a larger development. This will depend, in turn, on the size of the land parcel.

Future Catchment

This criterion considers the forecast population growth in the immediate area surrounding the site, as well as the existing intensity of urbanisation in the wider area.



3 Best Practice Bulky Goods Centres

The following principles highlight best practice in dedicated bulky goods centres of approximately 20,000sqm GLA with respect to the following features:

- Centre Design and Layout
- Car Parking and Loading Bay Considerations
- Tenancy mix

3.1 Principles

3.1.1 Design and Layout

The retail layout for dedicated bulky goods retail centres are important, since these considerations will affect the ability of the centre to attract passing trade and remain competitive.

In terms of design, the importance of both access and particularly exposure for a bulky goods centre cannot be over emphasised. This generally relates to main highway frontage.

In terms of layout, while variations exist, the most common forms of amalgamated bulky goods centres and homemaker centres are based on either the 'U' or 'L' shape design (see figure below), which provide benefits in terms of:

- § Significant levels of exposure to passing trade to all tenants;
- § Maximum site coverage;
- § Car parking provision central to all tenants; and
- § Provision of rear loading truck access.

Figure 1. Bulky Goods and Homemaker Centre Designs



Source: MacroPlan Australia (2009).

3.1.2 Car Parking and Loading Bay Requirements

The provision of car space to floorspace is typically in the ratio of 3 per 100sqm, giving an average of 30sqm (including roads) per space.



Generally loading bay access is ideally located at the rear or at the side of the development. Of key importance is that large vehicle access does not obstruct customer vehicle access or visibility. Additionally, pedestrian access should not be impaired by loading vehicles.

3.1.3 Tenancy Mix and Themes

Dedicated bulky goods centres often have groups of retail tenants which form a theme for the centre. For example a number of furniture and homewares retail tenants may provide a “lifestyle” theme to the centre. Alternatively multiple electrical and whitegoods retail tenants, may result in an “entertainment” themed centre.

These themes can provide a point of differentiation for the centre as a whole, and can result in the centre becoming the centre of choice for destination shoppers.

Further investigation would be required to establish the specific gaps within the bulky goods market, to uncover opportunities for establishing competitively positioned retail tenancies.



4 Indicative Design Response

In early May 2009, the Bulky Goods Retail Sustainability Assessment was adopted by Latrobe City Council. Subsequently, an indicative design response was submitted to Latrobe City Council by SMEC Urban. The site refers to the southern portion of the total land parcel, which has Princes Highway exposure measuring a total of 1,110 metres.

This indicative design response marks indicative building footprints for bulky goods retail development within the site.

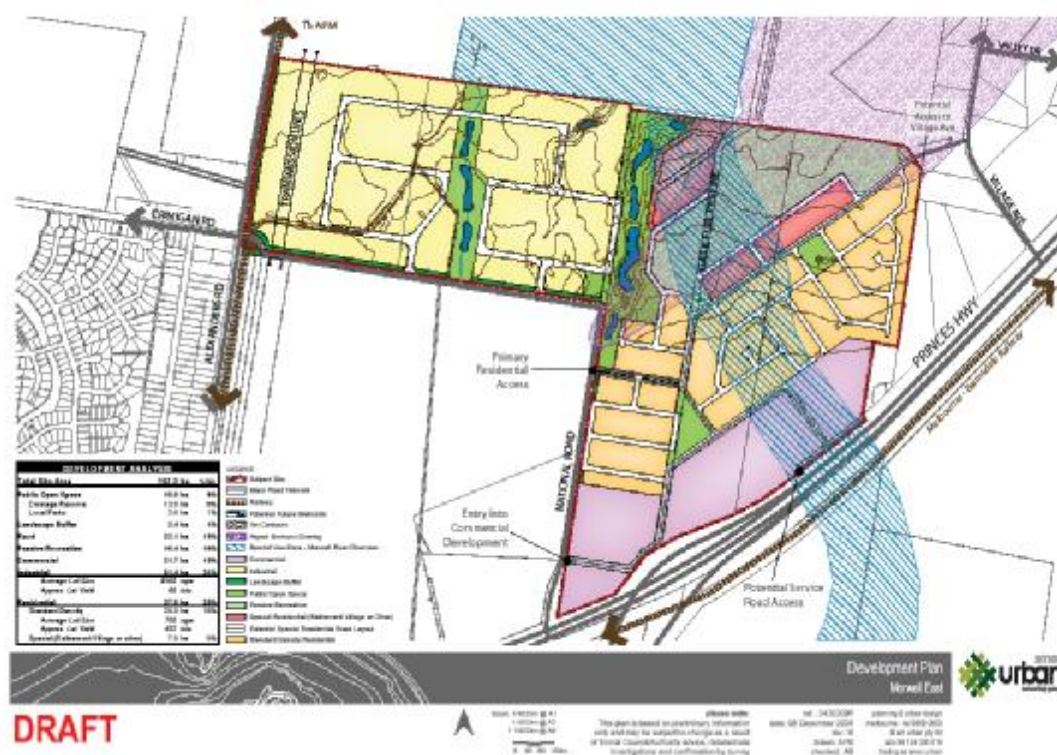
This section will critique this indicative design response, and will consider further correspondence with the State Government related to the various factors associated with the DDO1 and SUZ5.

The figure below illustrates the original site plan proposed by SMEC Urban, and reviewed within the Latrobe City Council Bulky Goods Retail Sustainability Assessment. The total land designated for commercial land indicated on this site plan is 21.7 hectares.

The impact of the DDO1 overlay on the site's appropriateness for bulky goods retail development was one source of uncertainty. Namely, while the Gas and Fuel Pipeline was marked on the Original Proposal, the 200 metre buffer surrounding the Gas and Fuel Pipeline was not marked.

This prompted investigation as to whether it is, or is not, permissible to build solid structures within the 200 metre buffer. Further investigations were pursued. Indicative area maps were obtained from Latrobe City Council (see section 1.3, Supplemental Information) and correspondence with Energy Safe Victoria was pursued. (This correspondence is reviewed under Section 2 of this report).

Figure 2. Morwell East – Site #7; Original Proposal

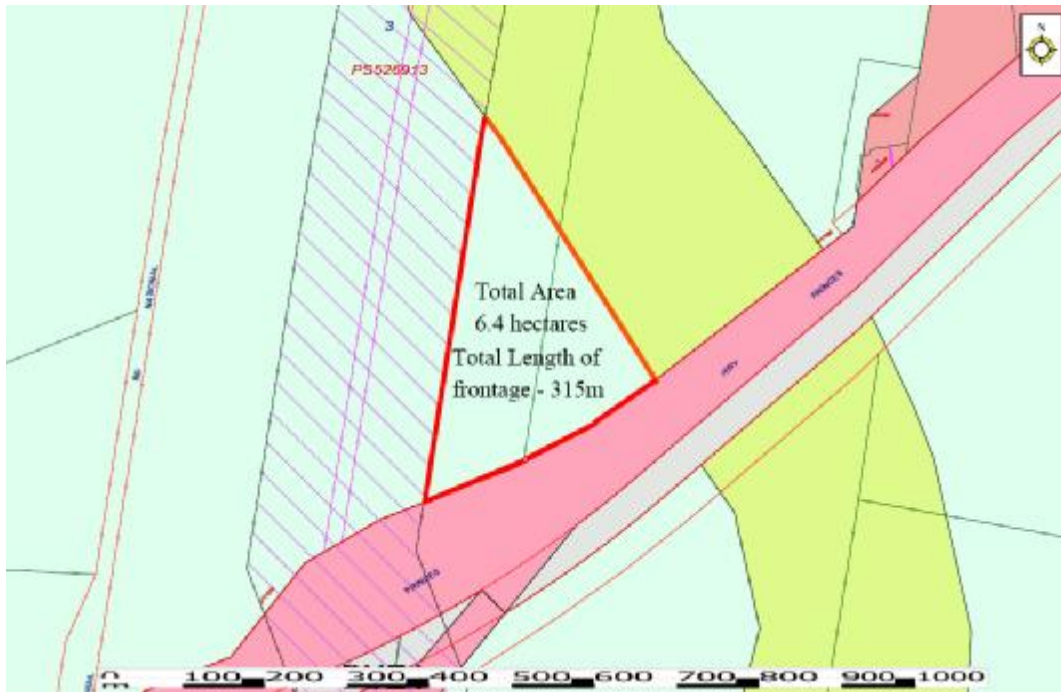


Source: SMEC Urban, Latrobe City Council

4.1 Supplementary Information

The figure below illustrates supplementary information provided by Latrobe City Council as part of the Latrobe City Council Bulky Goods Retail Sustainability Assessment. This map revealed that should development of solid structures be prohibited within the 200 metre surrounding the Gas and Fuel Pipeline, this would significantly reduce the total developable land parcel available for a dedicated bulky goods retail development.

Figure 3. Morwell East – Site #7; Unconstrained land



Source: SMEC Urban, Latrobe City Council

4.2 The Latest Indicative Design Response

The figure below illustrates the indicative design response provided by SMEC Urban.

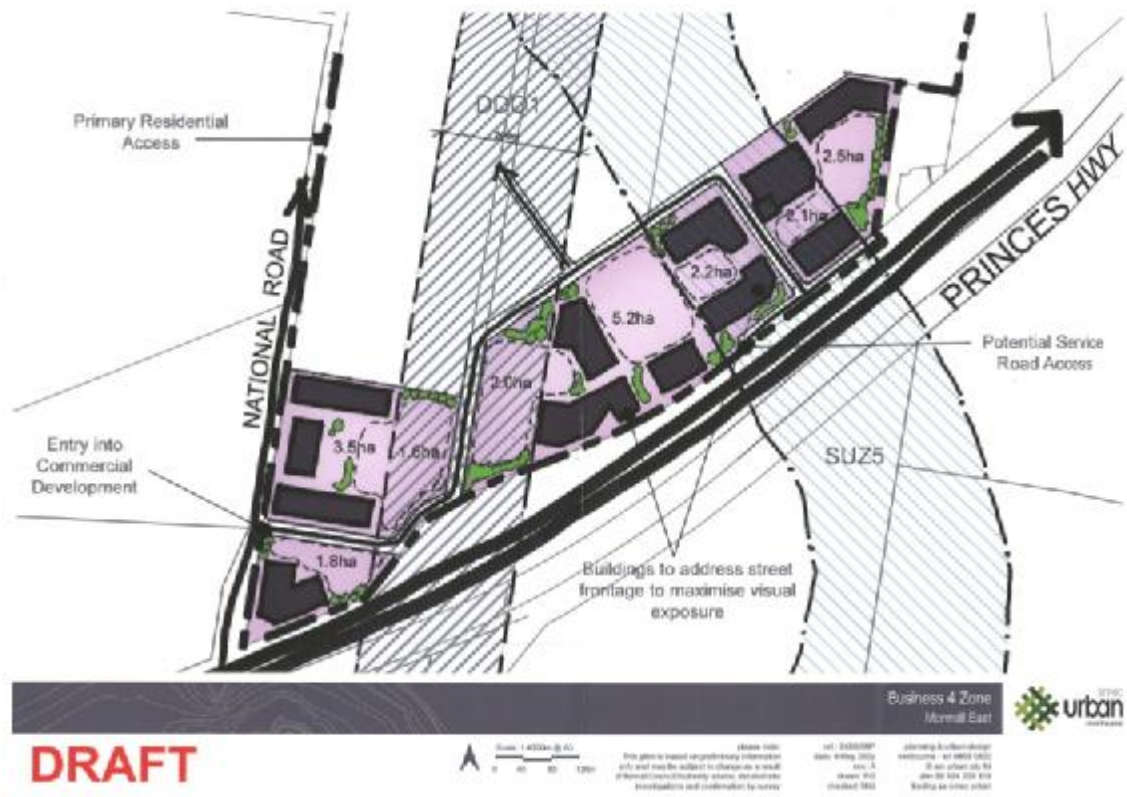
It was revealed in the supplemental information provided by Latrobe City Council, that a triangular land parcel of 6.4 ha is not constrained by planning zones or overlays. In addition, other areas within the site not constrained by planning zones or overlays include

- land to the west of the Design and Development Overlay – Schedule 1 (DDO1) and bounded by National Road, and
- Land to the north east of the Special Use Zone 5 (SUZ5) and bounded by the adjacent property.

The indicative design response shown below reveals the central area, lying between the DDO1 and SUZ5, consists of 5.2 ha. This area represents the most opportune location within the boundaries of Site #7 for bulky goods development, due to its current and future exposure to Princes Highway.



Figure 4. Morwell East – Site #7; Indicative Design Response



Source: SMEC Urban, Latrobe City Council



5

Consideration of correspondence with State Government

5.1.1 The DDO1

Correspondence with Energy Safe Victoria revealed the following:

“ESV does not have any objection to the proposed development of a large car park, roads, access ways and a large landscaped area. The developer must consult with the pipeline licensee during the planning stages of the proposed construction so as to discuss any pipeline integrity issues.

ESV is concerned about public safety with the existence of the bulky goods precinct close to the pipeline.

To address public / pipeline safety, ESV requests that the developer shall conduct a Safety Study (Risk Assessment to identify the risks to the pipeline from construction activities and to identify and mitigate any risks to the public when the buildings are occupied. The developer must invite the pipeline licensee and ESV to participate in the Safety Study.”

Based on the advice of ESV, supported by DPI, the proposed construction within the DDO1 area, as shown on the indicative development plan prepared by SMEC Urban appears to be appropriate, and is likely to be supported. However, ESV has expressed reservations regarding the proposed use of the land, and has recommended that further investigation be undertaken by the proponent in this regard.

5.1.2 The SUZ5

The Department of Primary Industries have stated that they are

“Not in a position to indicate any decision regarding an alteration to the SUZ5 until an analysis of the SUZ5 is performed by Clean Coal Victoria. It is expected that the review of this major planning corridor will be undertaken over the next two to three years.”

Once this review occurs, three outcomes are possible. The Department of Primary Industries may

- a) remove the SUZ5; or
- b) retain the SUZ5; or
- c) Defer any decision on the future of the SUZ5 affecting the land.

Assuming the review occurs in a timely fashion, the removal of the SUZ5 only becomes possible after 2 – 3 years. Even then, there is no guarantee that the SUZ5 will be removed. Therefore, MacroPlan cannot say with any certainty what the outcome of Clean Coal Victoria’s analysis of the SUZ5 will, in fact, be.



6 Assessment of the Indicative Design Response

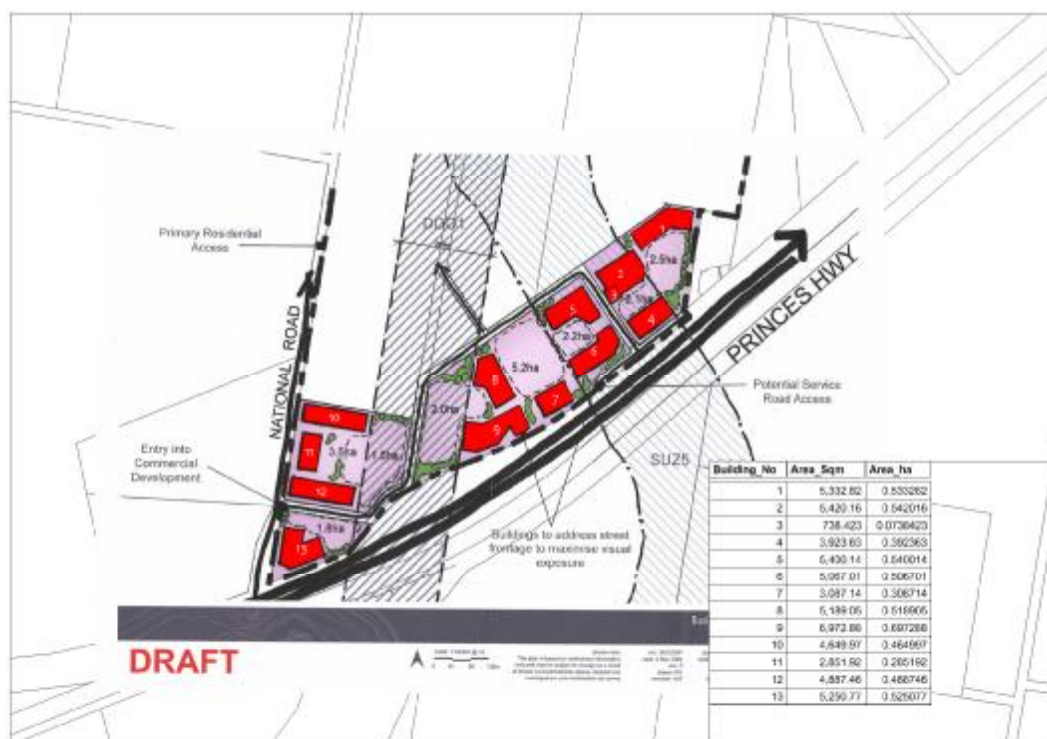
This section will critique the indicative design response in the context of the bulky goods site assessment criteria (outlined in section 2), the best practice principles of bulky goods centres (outlined in section 3) and the recent correspondence with State Government (outlined in section 5). Recommendations will follow in section 7 of this report.

6.1.1 Expansion Potential

The total land parcel designated for commercial development under the original site plan is 21.7 hectares. The total land parcel designated for commercial development under the indicative design response comes to a total of 20.9 hectares (allowing for roads and other uses).

The table below reveals the approximate building areas of the indicative bulky goods footprint outlined in the indicative design response.

Figure 5. Approximate building areas - bulky goods footprint



Source: MacroPlan (2009)



Table 1. Approximate building areas - bulky goods footprint

Land Use / Building Use	Building #	Building Area	Building Area	Land parcel
		sqm	ha	ha
Bulky Goods Retail	1	5,333	0.53	2.50
Bulky Goods Retail	2	5,420	0.54	
Bulky Goods Retail	3	738	0.07	
Bulky Goods Retail	4	3,924	0.39	2.10
Bulky Goods Retail	5	5,400	0.54	
Bulky Goods Retail	6	5,067	0.51	2.20
Bulky Goods Retail	7	3,087	0.31	
Bulky Goods Retail	8	5,189	0.52	
Bulky Goods Retail	9	6,973	0.70	5.20
Bulky Goods Retail	10	4,650	0.46	
Bulky Goods Retail	11	2,852	0.29	
Bulky Goods Retail	12	4,887	0.49	3.50
Bulky Goods Retail	13	5,251	0.53	1.80
Car parks / landscaping	-	-	-	1.60
Car parks / landscaping	-	-	-	2.00
Total	-	58,771	5.88	20.90

Source: MacroPlan (2009)

Staged Development Scenario

Under a staged development scenario, it is conceivable that the triangular 5.2 hectare portion of the site could be developed as stage one in the short term. The indicative design response shows a total of approximately 15,249 sqm of bulky goods retail floorspace would likely be built, as shown by buildings 7, 8 and 9.

Assuming that the SUZ5 could be lifted, the next most opportune section of the site lies to the east, represented by buildings 1, 2, 3, 4, 5 and 6 (total of approximately 25,882 sqm of bulky goods retail floorspace). These buildings could then be developed as Stage 2 of the overall dedicated bulky goods precinct.

If the SUZ5 could not be lifted, buildings 2, 3, 4, 5 and 6 (total of approximately 20,549 sqm of bulky goods retail floorspace) would not be available for development and the land owner may wish to develop buildings 10, 11, 12 and 13 (total of approximately 17,640 sqm of bulky goods retail floorspace) as Stage 2 instead. The overall result would be an expanded development, however the overall precinct would consist of two development clusters (i.e., between buildings 7, 8 and 9 and buildings 10, 11, 12 and 13) separated by a significant distance and a road running north-south over the gas and fuel pipeline.

The resulting overall precinct would be compromised by a lack of connectedness between the two development clusters. For example, a best case scenario for pedestrian movement would involve a shopper in building 9 needing to walk a minimum of 200 metres to reach a desired retailer in building 10 (including a road crossing). A worst case scenario would involve a shopper in building 7 needing to walk approximately 590 metres to reach a desired retailer in building 12 (including a road crossing) or approximately 640 metres to reach a desired retailer in building 13 (including two road crossings). These distances, combined with the road crossings, would significantly hinder pedestrian movement between the two development clusters.

Since walking would be undesirable, shoppers may instead use their vehicles to move between the two development clusters. This could increase traffic congestion throughout the precinct and impact on the convenience. Thus, whether shoppers opt for walking or driving, either way the disconnected precinct would present an obstacle to comparison shopping, and reduce the convenience and attractiveness of the precinct.



Additionally, buildings 10, 11, 12 and 13 do not have exposure to Princes Highway, and are therefore not as desirable as buildings 1, 2, 3, 4, 5 and 6. This is the case from the short and medium term perspective, as well from a long term perspective given the future construction of the Traralgon Bypass.

Planning Considerations

Given the planning considerations outlined in previous sections, the judgement about the site's expansion potential in the medium to long term (i.e. beyond 2012) is a speculative judgement. Therefore, while the 5.2 hectare section of Site #7 is both unconstrained and sufficient for a dedicated bulky goods development of approximately 15,249 sqm², the site's expansion potential beyond that quantum of floorspace is significantly constrained for a minimum of 2 – 3 years³.

Furthermore, Clean Coal Victoria (in the Department of Primary Industries' letter, dated 4th May 2009) have committed to "reviewing...this major planning corridor", but not to making an ultimate decision on the future of the SUZ5 land. Consequently, the possibility that Clean Coal Victoria may require additional time to undertake further investigations must be considered. This leads to the possibility that a verdict may not be reached for some time beyond that "review".

In addition, the possibility that Clean Coal Victoria's review may yield the result that the SUZ5 remains in place cannot be ruled out.

The Latrobe City Council Bulky Goods Retail Sustainability Assessment raised a number of concerns about Site #7's appropriateness for bulky goods development, including the issue of expansion potential.

As stated in the Latrobe City Council Bulky Goods Retail Sustainability Assessment (p.95):

In the event that both the Special Use Zone and the Design and Development Overlay – Schedule 1 remain in place and constrain the development, this will affect the ranking of Site #7 in the following ways:

- *Reduced total developable land parcel*
- *Reduced expansion potential for any bulky goods retail development.*

This analysis confirms that the existing limitation on Site #7's expansion potential (in the form of the presence of the DDO1 and SUZ5) combined with the uncertainty regarding the future status of the SUZ5 does indeed serve to impact Site #7's appropriateness for bulky goods development.

6.1.2 Critical Mass

The indicative design response shows a total of approximately 15,249 sqm of bulky goods retail floorspace would likely be built in Stage 1, as shown by buildings 7, 8 and 9.

Assuming that the SUZ5 could be lifted and buildings 1, 2, 3, 4, 5 and 6 (total of approximately 25,882 sqm of bulky goods retail floorspace) were developed as State 2, this would yield a dedicated bulky goods precinct with a consolidated total of approximately 41,131 sqm of bulky goods retail floorspace.

² This area has been measured from the indicative design response floorplan.

³ MacroPlan notes that the Bulky Goods Retail Sustainability Assessment report states (p.48) that in 2008, there was an estimated shortfall of 28,318sqm BGR floorspace within the bulky goods market.



If the SUZ5 could not be lifted, and buildings 10, 11, 12 and 13 (total of approximately 17,640 sqm of bulky goods retail floorspace) are developed as Stage 2 instead, this would yield two separated bulky goods precincts with a non-consolidated total of approximately 32,889 sqm of bulky goods retail floorspace. The two precincts would be separated by a road (running north-south through the subject site) and a large landscaped area and car parking (lying over the 200 metre wide DDO1 buffer). As such the overall development would not have the same critical mass as a single dedicated bulky goods centre.

6.1.3 Vehicle Trips

Development of Stage 1 would result in approximately 15,249 sqm of bulky goods retail floorspace, as shown by buildings 7, 8 and 9. While this is a substantial quantum of bulky goods retail floorspace, it would provide for approximately nine or ten retail tenants (assuming approximately 1,500 sqm per retail tenant). This would limit the centre's capacity to provide a wide range of retail tenants, and therefore would limit comparison shopping. Shoppers would therefore need to visit other bulky goods centres throughout the municipality in order to compare big ticket items, thereby generating additional vehicle trips.

Additionally, if the SUZ5 could not be lifted, and buildings 10, 11, 12 and 13 (total of approximately 17,640 sqm of bulky goods retail floorspace) are developed as Stage 2 instead, this would result in two precincts separated by the 200 metre wide DDO1 buffer. This would inhibit comparison shopping, and could potentially cause additional vehicle trips.

6.1.4 Design and Layout

Dedicated bulky goods centres are usually designed to maximise key operational success factors, such as visibility, ease of access and parking facilities. 'U'-shaped and 'L'-shaped designs are often utilised effectively.

Building 10, 11 and 12 together form a 'U'-shaped design, which would offer good visibility for retail tenants to motorists parking to the east of building 11. However buildings 10, 11 and 12 are significantly set back from Morwell-Traralgon Road and would have less than ideal visual exposure to passing motorists.

The central parcel of 5.2 hectares (consisting of buildings 7, 8 and 9) appears to include a combination of these two design formats. Building 8 and building 9 together form a 'U'-shaped design which would offer shoppers parking to the west of these buildings good exposure to the majority of retail tenants within those buildings.

Building 7, building 8 and the east end of building 9 together form an 'L'-shaped design, offering good exposure to those shoppers parking to the east of building 8. Building 9 and building 7 together good visibility and exposure to Princes Highway, and provide the potential to draw passing trade.

6.1.5 Vehicle Access

Vehicle access to the site is not straightforward, since shoppers would need to access the site from National Road, then proceed along service roads to the car parking areas. Access to buildings 7, 8 and 9 would be especially inconvenienced by this circuitous road access.

Additionally, the road access combined with the layout of buildings 7, 8 and 9 mean that motorists' visibility of building 7 would be blocked by building 8 as they approach north along the access road.



7 Recommendations

The Alternative Delivery Scenario – set out in the Bulky Goods Retail Sustainability Assessment (page 94) – outlines the scenario in which planning constraints affecting Site #7 could not be managed.

Following the critique of this indicative design response, and a review of the criteria stated in Section 1.1, MacroPlan has concluded that these planning considerations will constrain Site #7's capacity to offer optimum dedicated bulky goods development for Latrobe City Council.

Therefore MacroPlan confirms the Alternative Delivery Scenario outlined in the Bulky Goods Retail Sustainability Assessment, and recommends that Council proceed with a policy position outlined under section 11.9.1 stated under Option B. That is, MacroPlan recommends that Council re-zone land at Site #6 and Site #11 for bulky goods use. This will provide certainty of delivery of vacant land parcels in the study area.

The approval of Sites #11 and #6 as per Option B will provide the highest likelihood for economic development and employment growth in bulky goods retailing in the study area.

Table 2. Top Ranking Sites.

Site #	Location	Existing Land Use	Score	Maximum Possible Score
Site #6	Morwell East (#1) (M-C Corridor) Morwell-Traralgon Road, west of National Road	FZ, Farming	32	(out of 36)
Site #7	Morwell East (#2) (M-C Corridor) Princes Highway, east of National Road	FZ, Farming	26	(out of 36)
Site #8	Traralgon (M-C Corridor) Princes Highway, east of Northern Avenue	FZ, Farming	30	(out of 36)
Site #11	Traralgon East (#2) Princes Highway, west of Stammers Road	IN1Z, Industrial	32	(out of 36)

Source: MacroPlan (2009)



Other Candidate Sites

The figures below show candidate sites under consideration in the Bulky Goods Retail Sustainability Assessment.

Site #6

Figure 6. Candidate Sites for Consideration for Bulky Goods Development: Site #6

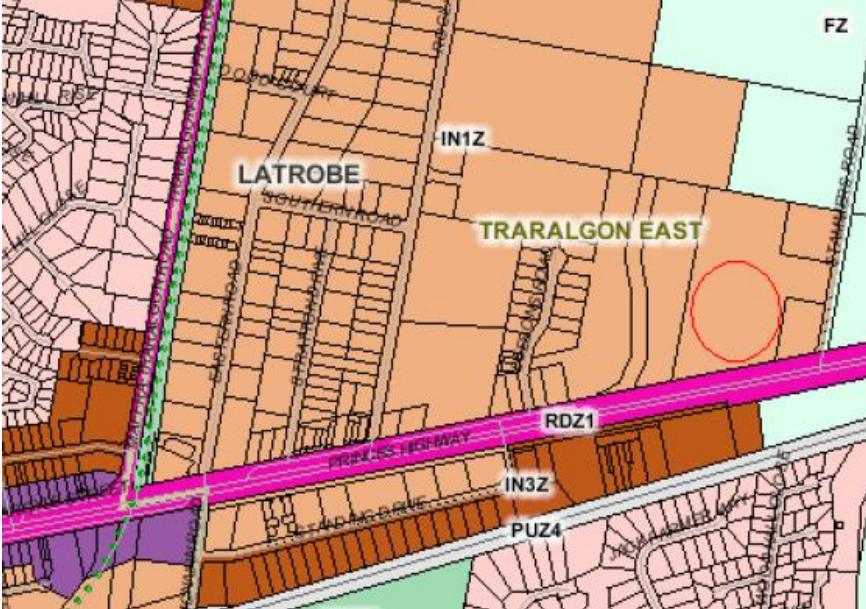


Source: NBA Group (2008); MacroPlan (2009)



Site #11

Figure 7. Candidate Sites for Consideration for Bulky Goods Development: Site #11



Source: MacroPlan (2009); Department of Planning and Community Development (2008)