

Difference between exhibited and newly proposed alignment charts contained in Figures 12 and 14 of Retail Strategy.

The following discusses the differences between the exhibited and newly proposed alignment charts contained at Figure 12 and 14 of the Retail Strategy. The data for these charts, along with the difference in the gap is presented in Tables Table 1 to Table 3. The exhibited data was not incorrect. However, it was inconsistent with the supportable floorspace table and presented an intermediate step that should not have been interpreted as a 'gap' that needs to be fully 'closed'. There are three reasons for the differences between the two version:

- The **Floorspace Supply** data now includes vacant floorspace consistent with the supportable floorspace table. A minor adjustment to planned floorspace for Kingston Downs has also been included. This has had a relatively minor impact on the results.
- The **Floorspace Demand** data is now using the 'target RTD' (average \$4,632) rather than the base 'estimated RTD' (\$4,374). These averages do vary by store type. The difference between these two measures is discussed in the Retail Appendix. This is now consistent with the rest of the gravity modelling and supportable floorspace table. This higher target RTD has had a relatively minor impact of reducing floorspace demand largely evenly across all subregions.
- The **Floorspace Demand** is now presented at centres rather than from origins within each subregion based on the gravity model. This has had a minor impact on the total floorspace demand for Greater Geelong (reflecting a small net inflow within the model from Torquay and Queenscliff) and a significant impact on the subregional distribution.

The 'gap' in the exhibited charts should not have been interpreted as a something that needed to be fully closed. If the gap was closed it would suggest each subregion was a self-contained 'island', where all retail was provided locally. This goes against the established retail centre hierarchy and role of the higher order centres. Under this representation, if the gap was fully closed across all subregions, Geelong Central subregion could see current floorspace fall by 30 per cent. This would significantly impact vacancy and performance of the centres in this subregion, including the Geelong CBD, Belmont, Warn Ponds and Pakington St higher order centres.

The newly proposed representation redistributes origin demand to current and planned centres based on the gravity model. This process is discussed in the Retail Appendix. This considers the established centre network and hierarchy and the difference between supply and demand can be interpreted as a gap that should be fully closed. Closing this gap would support incremental growth across the established centre network, along with the establishment of newly planned centres to support higher grow locations.

This newly proposed representation results in significant demand shifting to the Geelong Central subregion as it includes 45 per cent of all established centres including 4 of the 7 (existing) higher order centres (Regional, Sub-regional or Specialised). Geelong Corio Norlane subregion also sees higher demand as it includes several established centres, including Corio sub-regional centre. Geelong Armstrong Creek and Leopold subregions retain most of their subregional demand as they have identified Subregional centres to support their local and surrounding areas, while some origin demand leaves (as currently occurs) to other higher order centres outside the subregion. Other large settlement subregions such as Lara, Drysdale and Ocean Grove all see similar shifts of origin demand out of their subregion as they do not have designated Subregional centres within them. The Remainder subregion sees origin demand fully reallocated to other subregions as it does not have any existing or planned centres in the defined hierarchy.

TABLE 1 EXHIBITED SUBREGION SUPPLY AND DEMAND ALIGNMENT (DATA FROM FIGURE 12 AND 14)

	Floorspace SUPPLY existing, (excluding vacant) and planned supply to 2036			Floorspace DEMAND from Geelong Origins based on \$4,374 RTD		
	2016	2026	2036	2016	2026	2036
Lara	21,564	26,264	29,564	49,463	65,964	86,197
NGGA	0	0	12,022	3,861	4,313	55,012
Geelong (Corio Norlane)	157,131	157,131	157,131	118,669	139,254	161,847
WGGA	0	0	23,202	1,630	2,277	61,582
Geelong (Central)	603,595	613,095	613,095	415,104	498,223	581,813
Geelong (Armstrong Creek)	6,340	51,517	90,703	21,740	85,241	152,518
Leopold	36,328	36,328	36,328	38,582	54,596	73,217
Drysdale	24,575	24,575	24,575	44,203	63,608	86,658
Ocean Grove	41,086	52,785	53,785	68,846	84,238	104,156
NE Bellarine Pe	13,193	13,193	13,193	25,319	33,809	43,407
Remainder	0	0	0	46,603	54,959	71,521
Total	903,812	974,887	1,053,597	834,020	1,086,482	1,477,930

Source: SGS Economics and Planning

TABLE 2 NEWLY PROPOSED SUBREGIONAL SUPPLY AND DEMAND ALIGNMENT

	Floorspace SUPPLY Existing, vacant and planned to 2036 (as of March 2018)			Floorspace demand at Geelong centres based on \$4,632 RTD		
	2016	2026	2036	2016	2026	2036
Lara	22,000	26,700	30,000	19,800	25,200	33,900
NGGA	0	0	12,000	0	0	9,300
Geelong (Corio Norlane)	163,100	163,100	163,100	142,900	184,000	249,300
WGGA	0	0	23,200	0	0	24,800
Geelong (Central)	648,500	658,000	658,000	576,400	723,400	914,600
Geelong (Armstrong Creek)	7,300	52,400	91,600	5,500	44,000	109,600
Leopold	36,500	36,500	36,500	33,600	47,900	66,900
Drysdale	25,400	25,400	25,400	22,100	29,000	37,300
Ocean Grove	42,700	54,400	55,400	40,400	50,600	61,400
NE Bellarine Pe	14,300	14,300	14,300	12,900	16,500	20,600
Remainder	0	0	0	0	0	0
Total	959,800	1,030,900	1,109,600	853,600	1,120,800	1,527,800

Source: SGS Economics and Planning

TABLE 3 DIFFERENCE IN 'GAP' FOR EXHIBITED AND NEWLY PROPOSED ALIGNMENT

	Exhibited floorspace supply minus demand gap			Newly proposed floorspace supply minus demand gap			Difference between exhibited and newly proposed		
	2016	2026	2036	2016	2026	2036	2016	2026	2036
Lara	-27,899	-39,700	-56,633	2,200	1,500	-3,900	30,099	41,200	52,733
NGGA	-3,861	-4,313	-42,990	0	0	2,700	3,861	4,313	45,690
Geelong (Corio Norlane)	38,462	17,877	-4,716	20,200	-20,900	-86,200	-18,262	-38,777	-81,484
WGGA	-1,630	-2,277	-38,380	0	0	-1,600	1,630	2,277	36,780
Geelong (Central)	188,491	114,872	31,282	72,100	-65,400	-256,600	-116,391	-180,272	-287,882
Geelong (Armstrong Creek)	-15,400	-33,724	-61,815	1,800	8,400	-18,000	17,200	42,124	43,815
Leopold	-2,254	-18,268	-36,889	2,900	-11,400	-30,400	5,154	6,868	6,489
Drysdale	-19,628	-39,033	-62,083	3,300	-3,600	-11,900	22,928	35,433	50,183
Ocean Grove	-27,760	-31,453	-50,371	2,300	3,800	-6,000	30,060	35,253	44,371
NE Bellarine Pe	-12,126	-20,616	-30,214	1,400	-2,200	-6,300	13,526	18,416	23,914
Remainder	-46,603	-54,959	-71,521	0	0	0	46,603	54,959	71,521
Total	69,792	-111,595	-424,333	106,200	-89,900	-418,200	36,408	21,695	6,133

Source: SGS Economics and Planning