

# Economic Expert Witness Statement

Amendment C393 to the Greater Geelong Planning Scheme

Justin Ganly

Prepared for Shell Road Development Pty Ltd  
18 October 2019



**Deep End Services**

Deep End Services is an economic research and property consulting firm based in Melbourne. It provides a range of services to local and international retailers, property owners and developers including due diligence and market scoping studies, store benchmarking and network planning, site analysis and sales forecasting, market assessments for a variety of land uses, and highest and best use studies.

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**Document Name**

Shell Road Development report (draft) - G Geelong Am C393 -  
Economic expert witness statement - Justin Ganly - 17 Oct 19

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This report should be read in its entirety, as reference to part only may be misleading.

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# 1

## Introduction

- 1.1 Background**
- <sup>01</sup> This statement addresses economic and retail issues relevant to Ocean Grove and, specifically, the Kingston Downs Neighbourhood Activity Centre (“NAC”) located on Grubb Road.
  - <sup>02</sup> The statement has been prepared for Shell Road Development Pty Ltd, the owner of part of the Kingston Downs NAC site and the developer of the surrounding Kingston Downs Estate.
  - <sup>03</sup> The statement is to assist the Panel formed to consider Amendment C393 (“Am C393”) to the Greater Geelong Planning Scheme (“Scheme”).
- 1.2 Approach**
- <sup>04</sup> The tasks completed in the preparation of this statement have included:
    - Inspecting the Kingston Downs NAC and surrounding area.
    - Inspecting other retail facilities within Ocean Grove and surrounding areas of relevance.
    - Reading and considering relevant background documents to Am C393.
    - Reading and considering other relevant documents and reports produced or commissioned in relation to the Scheme (including those for Am C395).
    - Considering relevant submissions made regarding Am C393.
    - Reading and considering the City of Greater Geelong’s (“Council”) Part A submission and the witness statement of Julian Szafraniec for Am C393.

### 1.3 Abbreviations <sup>05</sup> The following abbreviations are used in this statement:

ABBREVIATION	EXPLANATION
2006 Retail Strategy	<i>City of Greater Geelong Retail Strategy, June 2006</i> Essential Economics and Hansen
ABS	Australian Bureau of Statistics
Am C129	Amendment C129 to the Greater Geelong Planning Scheme
Am C345	Amendment C345 to the Greater Geelong Planning Scheme
Am C393	Amendment C393 to the Greater Geelong Planning Scheme
Am C395	Amendment C395 to the Greater Geelong Planning Scheme
C1Z	Commercial 1 Zone
C2Z	Commercial 2 Zone
Council	City of Greater Geelong Council
Development Plan	<i>Kingston Neighbourhood Activity Centre and Industrial Estate Development Plan, October 2016,</i> Spiire Shell Road Development Pty Ltd
Draft Greater Geelong Gravity Model Update	<i>Draft Greater Geelong Gravity Model Update</i> by SGS for the City of Greater Geelong, 24 May 2018
EIA	Economic Impact Assessment
FG&L	Food, Groceries & Liquor
ha	hectare
IN3Z	Industrial 3 Zone
Issues & Options Report	<i>Greater Geelong Retail Strategy, Issues and Options Report</i> by SGS for the City of Greater Geelong, September 2016
Lascorp	Lascorp Development Group (Aust) Pty Ltd
NAC	Neighbourhood Activity Centre
NEGA	North East Growth Area
SGS Ocean Grove Report	<i>Ocean Grove Economic Analysis, Final Report,</i> by SGS for the City of Greater Geelong, April 2015
Retail Strategy	<i>City of Greater Geelong Retail Strategy 2016-2036,</i> undated, City of Greater Geelong and SGS
2017 Draft Retail Strategy	<i>Draft City of Greater Geelong Retail Strategy, 2017,</i> by the City in conjunction with SGS, September 2016
Scheme	Greater Geelong Planning Scheme
sqm	square metre

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Szafraniec Statement

Am C393 Expert Evidence of Julian Szafraniec for  
the City of Greater Geelong, 14 October 2019

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#### 1.4 Expert witness details

The following expert witness details are provided as required in Planning Panels Victoria's *Guide to Expert Evidence*.

##### *Name and address of expert*

Mr Justin Ganly  
Managing Director  
Deep End Services Pty Ltd  
Suite 304, 9-11 Claremont Street  
South Yarra Victoria 3141

##### *Expert's qualifications and experience*

- Graduate Diploma of Applied Finance & Investment, Securities Institute of Australia.
- Bachelor of Engineering (Chemical) (First Class Honours), University of Melbourne.
- Managing Director of Deep End Services since 2003.
- Retail and property consultant for KPMG, Coopers & Lybrand and Coles Myer from 1993 to 2003.
- A full CV is included at *Appendix 1*.

##### *Expert's area of expertise to make report*

- Preparation and presentation of economic expert witness evidence.
- Preparation of sales and impact forecasts for new, expanded and refurbished supermarkets, shopping centres and other forms of retail including homemaker centres and restricted retail tenancies.
- Feasibility analysis for property owners and developers of all forms of property.
- Activity centre network planning.
- Thorough understanding of retail and commercial land use and development patterns throughout Victoria.
- Demographic analysis.
- Population forecasting.

*Instructions that defined the scope of the report*

I received written instructions from Minter Ellison on behalf of Shell Road Development Pty Ltd on 20 August 2019 as follows:

*Our client has instructed us to engage you to:*

- a) reviewing all materials enclosed in your brief;*
- b) attending a conference with our client to discuss the Amendment and its implications;*
- c) providing an expert witness statement which outlines your views in relation to the economic matters raised by the Amendment; and*
- d) attending the Panel Hearing for the purpose of providing expert evidence.*

Further written instructions were provided by Minter Ellison on 9 October 2019 as follows:

*Further to the briefing letter sent to you on 20 August 2019, we confirm your instructions are to:*

- 1. Review and provide your opinion on the proposed Retail Strategy 2016 – 2036 (Retail Strategy) and the work supporting the Retail Strategy. In undertaking this review, please:*
  - a. undertake a critical assessment as to how the Retail Strategy addresses development of retail and restricted retail floor space at Ocean Grove, and with further particularity, the Kingston Downs Neighbourhood Activity Centre (KDNAC). In undertaking this critical assessment, please take into account:*
    - i. the current zoning of the KDNAC land (noting areas zoned for both Commercial 1 and Commercial 2);*
    - ii. the approved Development Plan and planning permits applying to the KDNAC;*
    - iii. the Ocean Grove Structure Plan 2016; and*
    - iv. current and proposed settlement strategies for Ocean Grove, including those proposed by way of Amendment C395 to the Greater Geelong Planning Scheme;*
  - b. undertake a critical assessment of the key findings and recommendations of the Retail Strategy as set out in the Explanatory Report for the Amendment, namely:*
    - i. that residents in Greater Geelong have convenient access to retail centres;*
    - ii. that existing centres should be expanded or redeveloped over developing new centres, but that new centres may be possible in particular circumstances;*
    - iii. that 465,000 square metres of additional floor space is required over the life of the Retail Strategy to meet population growths forecasts;*

- iv. that there is sufficient floorspace available for restricted retail centres within the municipality, noting areas of Drysdale, Ocean Grove and Leopold;*
  - v. that additional centres are not required in areas experiencing high levels of residential growth (e.g. Ocean Grove); and*
  - vi. that floorspace caps for 'Shop' uses are an appropriate method of restricting the size of activity centres, particularly in growth area locations. Consideration of this matter should have regard to Amendment VC100 to the Greater Geelong Planning Scheme, and any State policy regarding the use of floorspace caps in areas outside of metropolitan Melbourne.*
2. *Review and provide your opinion on the proposed changes to the broader Planning Policy Framework, including Clause 2109 (Activity Centres) and the proposed Clause 22.03 (Assessment Criteria for Retail Planning Applications). In this review, please consider and comment on any practical implications of imposing a floorspace cap on an activity centre where approved works may lead to floorspace being built which would exceed the proposed cap.*

*Facts, matters and assumptions upon which the report proceeds*

- Stated in relevant sections of my report.

*Documents, materials and literature used in preparing this report*

- Stated in relevant sections of my report.

*Assisting staff*

- Alex Hopley, Senior Associate, Deep End Services assisted with data analysis and map preparation in this report.

*Summary of the opinions of the expert*

- The retail gravity model prepared by SGS as the key input for the Retail Strategy is heavily flawed, with key inputs such as existing retail floorspace, centre RTDs, population forecasts, tourism spending contributions and catchment area definitions demonstrating, in many cases, significant departures from reality.
- The implications of the flawed nature of the gravity model are amplified at Ocean Grove, particularly with respect to population capacity and forecasts, the current overperformance of the Ocean Grove Marketplace, the small size of centre catchments and the underestimation of tourism contribution to local retail spending.
- Supportable floorspace projections contained within the Retail Strategy bear little resemblance to the actual market, particularly at the Kingston Downs NAC and Sinclair Street.
- Clause 22.03 is poorly drafted and based upon an onerous and unnecessarily restrictive set of guidelines provided within the Retail Strategy. The current 22.03 should be retained as it has served the City well.

- Kingston Downs NAC is being developed in line with the Development Plan approved by Council in October 2016, with Kingston Village due to open before the end of this year. Its development should be encouraged to continue in line with the Development Plan.
- Kingston Downs NAC does not currently have a floorspace cap and it is not appropriate that one be applied to the centre as a result of Am C393.

*Provisional opinions not fully researched*

- None.

*Questions outside the expert's expertise*

- None.

*Report incompleteness or inaccuracies*

- None.

# 2

## Am C393

**2.1 Background** <sup>06</sup> Am C393 has been prepared by Council which is the planning authority for this amendment.

<sup>07</sup> This Amendment applies to the entire municipality.

<sup>08</sup> As set out in the Am C393 Explanatory Report:

*The Amendment seeks to implement the statutory recommendations of the City of Greater Geelong Retail Strategy 2016-2036, adopted November 2018, into the Greater Geelong Planning Scheme.*

*The Amendment will:*

- *Delete the retail policy provisions at Clause 21.07 Economic Development and Employment.*
- *Insert a new Clause 21.19 Activity Centres that includes an updated Geelong Retail Centre Hierarchy and identifies the Retail Strategy as a background document.*
- *Replace Clause 22.03 Assessment Criteria for Retail Planning Applications with a new Clause 22.03 Assessment Criteria for Retail Planning Applications.*
- *Amend the Schedule to Clause 34.01 Commercial 1 Zone.*
- *Amend the Schedule to Clause 72.08 Background Documents.*

The exhibited Instruction Sheet and proposed amended/new clauses are copied within Appendix B.

## 2.2 Exhibition

<sup>09</sup> Am C393 was exhibited from 10 April 2019 to 20 May 2019.

<sup>10</sup> 14 submissions were made regarding the exhibited documentation, including one by Minter Ellison on behalf of Shell Road Development which is included at Appendix C of this statement.

<sup>11</sup> Other submissions of relevance regarding the Kingston Downs NAC were made by ERM on behalf of Lascorp Development Group (Aust) Pty Ltd (“Lascorp”) and Morgan & Griffin and these are included at Appendix D and Appendix E.

<sup>12</sup> Council’s Delegated Authority Report of 22 August 2019 noted the following in relation to the submissions:

*Key issues raised in submissions relate to the application of floor space caps for ‘Shop’ in sub-regional and planned activity centres, deficiencies in the economic modelling, the location of centres and drafting of the new policies.*

<sup>13</sup> The report then went on to say:

*Council officers have considered the submissions and sought to resolve objections where possible. We propose to make a number of changes to the Strategy to correct errors, inconsistencies and policy content.*

*Officers recommend drafting changes to proposed clauses 21.19 and 22.03. Removal of floor space caps from growth location centres is not supported however some floor space amounts have been adjusted in-line with submissions. All Amendment document changes are shown in Appendix 1.*

<sup>14</sup> The recommended (and adopted) approach to the Kingston Downs NAC submissions was:

*With regard to the Kingston Downs NAC, the Strategy’s projected retail floorspace demand out to 2036 is 6,300sqm (Table 5). The Centre is under construction and has permits for 10,935sqm of retail floorspace, which includes 6,877sqm (Council officer calculation) for Shop.*

*Based on the endorsed plans (PP-233-2016 approved 16/05/2019), we have calculated the 6,877sqm assuming 50% of the specialty retail outlets will not be ‘Shop’ (e.g. Food and drink premises). ERM on behalf of Lascorp by email dated 12/08/2019 advised that two of the specialty outlets would be used for Food and drink premises (approximately 100sqm). Under this scenario just 3% of the available specialty retail floor space is expected to be non-Shop uses which is unrealistic. We have assumed 50% however propose to retain the exhibited 7,650sqm which conservatively sits in-between Council’s and Lascorp’s position.*

*The Shop amount of 7,650sqm does not include the 1,830sqm ALDI Store and specialty outlets on C2Z land but the C2Z land does form part of the Kingston Downs NAC.*

*The Centre could potentially support over 20,000sqm of floorspace (all retail) and therefore strongly compete with the higher order Leopold Sub-Regional Activity Centre and Ocean Grove Town Centre. The Centre also joins the Sinclair Street restricted retail precinct which further adds to the overall mass of available and potential retail floorspace.*

*Strategies for Ocean Grove at Clause 21.14 seek to ensure the Town Centre remains the primary retail centre while supporting a new neighbourhood activity centre in the north-east growth area adjacent to Grubb Road. Further analysis is provided in the Ocean Grove Structure Plan 2015 (amended September 2016) which highlights the extent of the C1Z land and finds that the role and size of the Grubb Road Activity Centre should be reassessed as part of the overall Retail Strategy review.*

*We do not agree to remove the Kingston Downs NAC from the Schedule to the C1Z nor change the exhibited maximum leasable floor area for Shop of 7,650sqm.*

*Should future investigations of the Ocean Grove settlement boundary ultimately result in urban expansion, applications to increase ‘Shop’ uses above the proposed cap can be lodged and considered on their merits. Likewise, given that more than half of the Centre’s C1Z land remains vacant (being 5.7 hectares out of a total of 9.7 hectares), buildings & works applications may well be lodged now.*

*Any significant expansion west of Grubb Road would need to consider the provision of a new retail centre to serve local convenience needs.*

### 2.3 Post exhibition changes

<sup>15</sup> As directed, Council notified the Panel on 26 September 2019 of the following intended changes to the exhibited documents:

1. Day 1 version of Schedule to Commercial 1 Zone marked-up with Council proposed changes in response to submissions;
2. Day 1 version of Clause 21.19 marked-up with Council proposed changes in response to submissions;
3. Day 1 version of Clause 22.03 marked-up with Council proposed changes in response to submissions;
4. Day 1 table of Council proposed changes to the City of Greater Geelong Retail Strategy 2016-36 in response to submissions;

<sup>16</sup> These “Day 1” documents are included within this statement as Appendix F, Appendix G, Appendix H and Appendix I.

<sup>17</sup> Council’s Part A statement and the evidence statement of Council’s economic expert (and author of the Retail Strategy), Julian Szafraniec, were circulated on 14 October 2019.

<sup>18</sup> The following is noted within the Part A statement at page 27:

*93. Appendix 1 of Council's Delegated Authority Report 22 August 2019 provided revised policies; Clause 21.19, Clause 22.03 and Schedule to Clause 34.01 in response to submissions. This Part A Submission proposes some further revisions to the policies which are shown in Section D (Section D is a copy of the DAY 1 documents circulated on 26 September 2019 in response to Panel Directions 13a and 13b).*

*94. Council will also consider the evidence statement of Mr Szafraniec, particularly where changes to the exhibited Retail Strategy and planning provisions are recommended. Any additional changes will be presented on Day 1 of the Panel Hearing.*

<sup>19</sup> Mr Szafraniec's statement ("Szafraniec Statement") provides the following summary of recommended changes to the Retail Strategy and planning provisions at page 35:

#### **Retail Strategy**

- *Figure 1 labels do not align with actual subregions names used in the analysis.*
- *Table 3 in Section 2.4 should replace Table 1 on page 12 of the Retail Strategy. Alternatively, this table could be added to an Appendix.*
- *Figure 2, page 13 of the Retail Strategy should be amended to include the assumed population growth to 2036 in the NGGA and WGGA. Full build out capacity of growth areas could potentially also be identified on the map or in a footnote to highlight the need to consider additional growth beyond the strategy planning horizon of 2036.*
- *I have identified the following minor errors to the floorspace audit table on page 31 of the Retail Strategy. It is unclear if this is also reflected in Figure 7 on page 32*
  - *Waurn ponds double counted at bottom of table*
  - *Dispersed Restricted Retail should be 174,501, consistent with Table 5, page 59*
- *Update Figures 12 and 14 on pages 41-43 of the Retail Strategy with data from Table 19, Section 2.6. I also suggest removing Figure 13 as it replicates Figure 1.*
- *Correct Figure 17c, page 56 of the Retail Strategy as red bubble is missing for Drysdale.*
- *Update Table 5, page 57 of the Retail Strategy with Table 19 in Section 2.6. Consider also replace or removing Table 8, page 78 of the Retail Strategy as this presents the same information in a slightly different form.*
- *Minor correction on page 65 dot point 3, should reference page 62, not page 17.*
- *Updated Table 7 Proposed Floorspace Caps, page 76 of the Retail Strategy to be consistent with the finale schedule to C1Z (see below).*

### **Amendment**

- *Clause 21.19 - Strategies – Uses - dot point 2. Suggest the following wording*  
*“Encourage development that supports a diversity of retail forms across the hierarchy”*
- *Changes as recommended in the Delegated Authority Report, 22 August 2019. This includes corrections to the floorspace caps for Leopold and Warralily centres.*

- <sup>20</sup> I do not have the benefit of knowing which of these recommended changes – save for the very last point – will be considered appropriate by Council until Day 1 of the hearing.
- <sup>21</sup> However, as a general comment, I note that some of the suggested changes such as including more detailed population forecasts do provide additional visibility to the workings of the gravity model.
- <sup>22</sup> On the negative side, errors continue to be found within the Retail Strategy and this is disappointing given that it has been under development for five years. Tracking these changes is a difficult and messy exercise.
- <sup>23</sup> Most significantly, I take serious exception to the exercise which has taken place in developing Table 19 on page 27 and subsequent implications that this may have (or are intended to have).
- <sup>24</sup> Table 19 (not Table 20 as referred in paragraph 75) is a suggested “reframing” of Table 18 which sets out, for example, the continuing expectation that Ocean Grove is, and will be, significantly undersupplied with retail floorspace (a conundrum given that the Retail Strategy is concerned with ‘locking down’ the obvious location for retail floorspace growth within Ocean Grove which is the Kingston Downs NAC).
- <sup>25</sup> Table 19 has been generated on the basis of:
- A slightly different RTD to Table 18;
  - Incorporation of 55,967 sqm of vacant space within supply;
  - 2% population growth; and
  - Planned supply locations only.
- <sup>26</sup> It is the latter change which has a profound impact on the demand side within the data provided, with Ocean Grove as a result moving from undersupply of 50,371 sqm at 2036 in Table 18 to undersupply of just 5,989 sqm at 2036 in Table 19.
- <sup>27</sup> All other sub-regions experience similar reductions in demand, with the exception of Geelong (Central) where 2036 demand has been increased from 581,813 sqm in Table 18 to 914,606 sqm in Table 19 and Geelong (Corio Norlane) where the increase has been from 161,847 sqm to 249,331 sqm.
- <sup>28</sup> There is no plausible explanation for this other than this being perhaps an attempt to back cast the gravity model to, in some way, present data which appears more palatable to some.

# 3

## Greater Geelong Retail Strategy

**3.1 Introduction** <sup>29</sup> This section of my statement examines the evolution of the Retail Strategy which sits at the core of Am C393.

<sup>30</sup> Where appropriate, I have copied and referred to sections of the Retail Strategy and, equally important, the documents prepared prior to and post commencement of work on of the Retail Strategy.

<sup>31</sup> Many of these documents were provided by Council on 26 September as directed by the Panel and had not all, I believe, been previously publicly available. The relevant documents, as advised by Council, comprise:

*5. Ocean Grove Economic Analysis, April 2015;*

*6. Greater Geelong Retail Strategy, June 2016 by SGS;*

*7. Greater Geelong Retail Strategy, Issues and Options Report (and Appendices), September 2016, SGS;*

*8. Draft Greater Geelong Gravity Model Update by SGS, 24 May 2018;*

*9. Draft City of Greater Geelong Retail Strategy, 2017 by Council in association with SGS.*

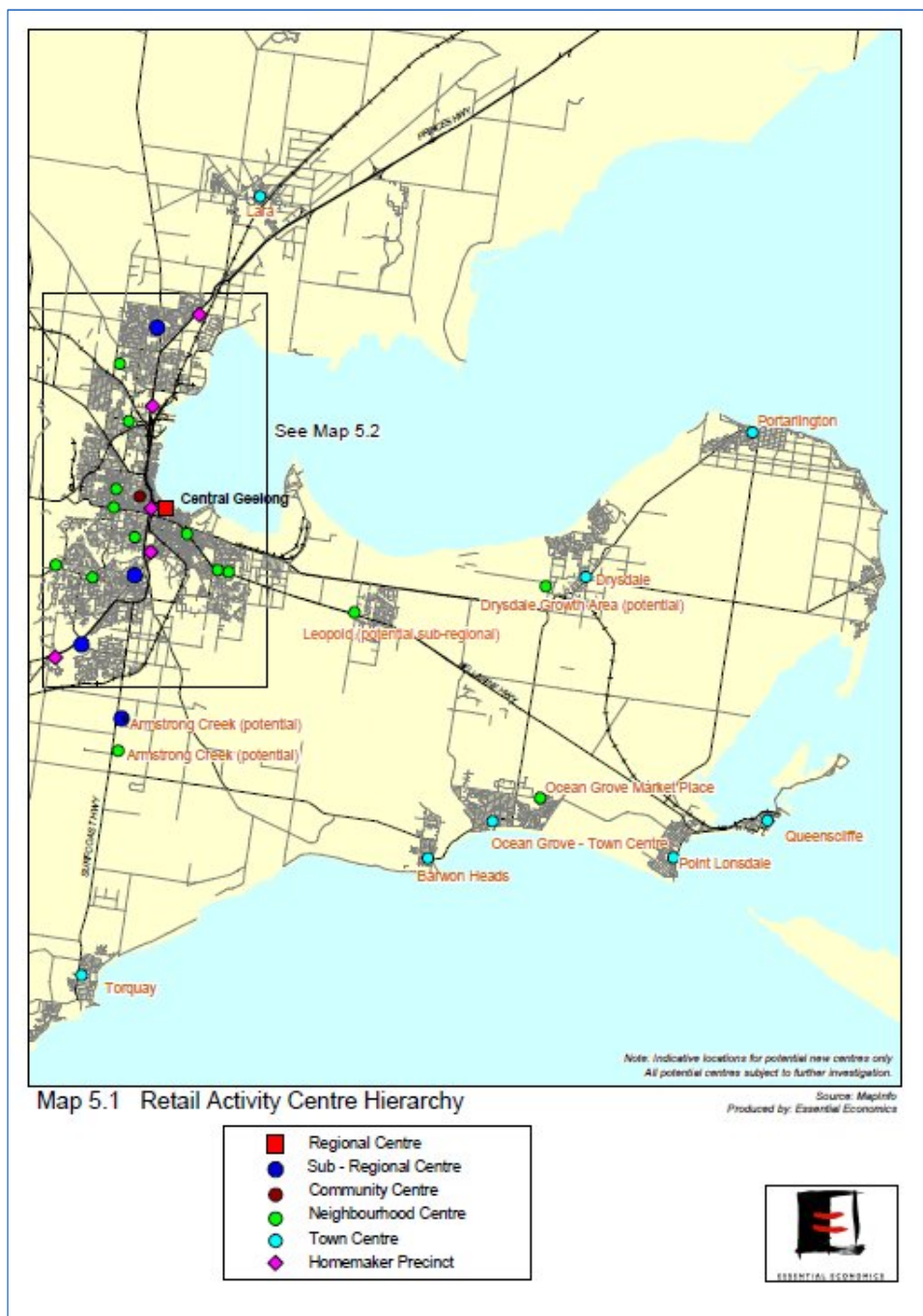
<sup>32</sup> I also provide at the end of the section a table which sets out how key floorspace figures, including floorspace caps, have evolved within Ocean Grove over time within the above documents and, subsequently, within the Retail Strategy, Part A submission and the Szafraniec Statement.

**3.2 2006 Retail Strategy** <sup>33</sup> Retail and activity centre planning within Greater Geelong is currently guided by the report *City of Greater Geelong Retail Strategy*, June 2006 prepared by Essential Economics and Hansen (“2006 Retail Strategy”). The report is included as a reference document at 21.07-7.

<sup>34</sup> The activity centre hierarchy contained within the 2006 Retail Strategy (page 30) is copied below at Figure 1.

**Figure 1—2006  
Greater Geelong  
Retail Activity  
Centre Hierarchy**

Source: 2006 Retail  
Strategy



<sup>35</sup> The 2006 Retail Strategy identified two activity centres within Ocean Grove:

- Ocean Grove Town Centre (with 9,830 sqm of retail floorspace and zero vacancy); and
- Ocean Grove Market Place (with 5,300 sqm of retail floorspace and zero vacancy). I note that low vacancy continues to be a feature of the Ocean Grove retail market.

<sup>36</sup> The Kingston Downs NAC was not identified at that time, nor was there mention of homemaker centre retailing within Ocean Grove.

<sup>37</sup> The 2006 Retail Strategy also set out criteria for the assessment of retail development proposals and these are incorporated into the Scheme at 22.03, with Economic Impact Assessments (“EIAs”) required for the following:

- *New major retail development involving 2,000m<sup>2</sup> or more in gross leasable floor area.*
- *Proposals involving a key major tenant such as a supermarket.*
- *Out-of-centre proposals.*
- *Applications relating to an increase in an existing floor space cap.*

<sup>38</sup> As I shall discuss later, SGS is critical of these criteria – suggesting that they are ‘light on’ – and also considers out of centre to be defined with respect to hierarchy and permissibility of use ‘as of right’ rather than the traditional approach adopted in the 2006 Retail Strategy which considers zoning (page 28 of the Retail Strategy).

### 3.3 Greater Geelong Amendment C129

<sup>39</sup> As set out in the Am C129 Panel Report of June 2008:

*Amendment C129 (‘the Amendment’) introduces a new Local Planning Policy Framework together with a range of zoning and overlay changes. The Amendment has been referred to as an ‘MSS and Local Policy review’ Amendment though it includes significant other changes, including rezonings.*

<sup>40</sup> The Ocean Grove North East Growth Area (which includes the Kingston Downs NAC) was one of the areas considered as part of Am C129.

<sup>41</sup> The Am C129 Panel Report includes the following at page 47:

#### **7.6 Potential centres**

##### ***What is the issue?***

*The issue is how to identify activity centres that are supported on a strategic basic but are not zoned to allow for development, or are in growth areas without services or surrounding development.*

##### ***Submissions***

*Council has proposed that this Clause be revised to include the location of ‘potential’ activity centres, including the north-eastern neighbourhood activity centre in Ocean Grove.*

##### ***Discussion***

*In our mind the zoning and designation on the retail strategy map should align. We agree with Council that until a site has been rezoned it is appropriate that it have a ‘potential’ designation. We also think that these potential centres need to be included in the scheme – otherwise the strategic work is lost.*

### Conclusion

We support the proposal for the retail hierarchy map to show 'potential' centres.

<sup>42</sup> Also included within the Am C129 Panel Report (page 188 and page 189) were the following recommendations:

12. In Clause 21.07-10 align the terminology of retail centres with Melbourne 2030 nomenclature.

13. In Clause 21.07-10 include indicative floorspace and example key tenants in the Retail Activity Centre Hierarchy Table.

14. In Clause 21.07-3 modify to the 7th strategy to read 'Ensure that new retail development is consistent with the role and function described in the Retail Activity Centre Hierarchy included in this Clause'.

<sup>43</sup> As a result, the scheme contains an updated retail hierarchy, indicative floorspace and tenants at 21.07-08 and copied below as Figure 2 and Figure 3.

Figure 2—City of Greater Geelong Retail Activity Centre Hierarchy

Source: Greater Geelong Planning Scheme

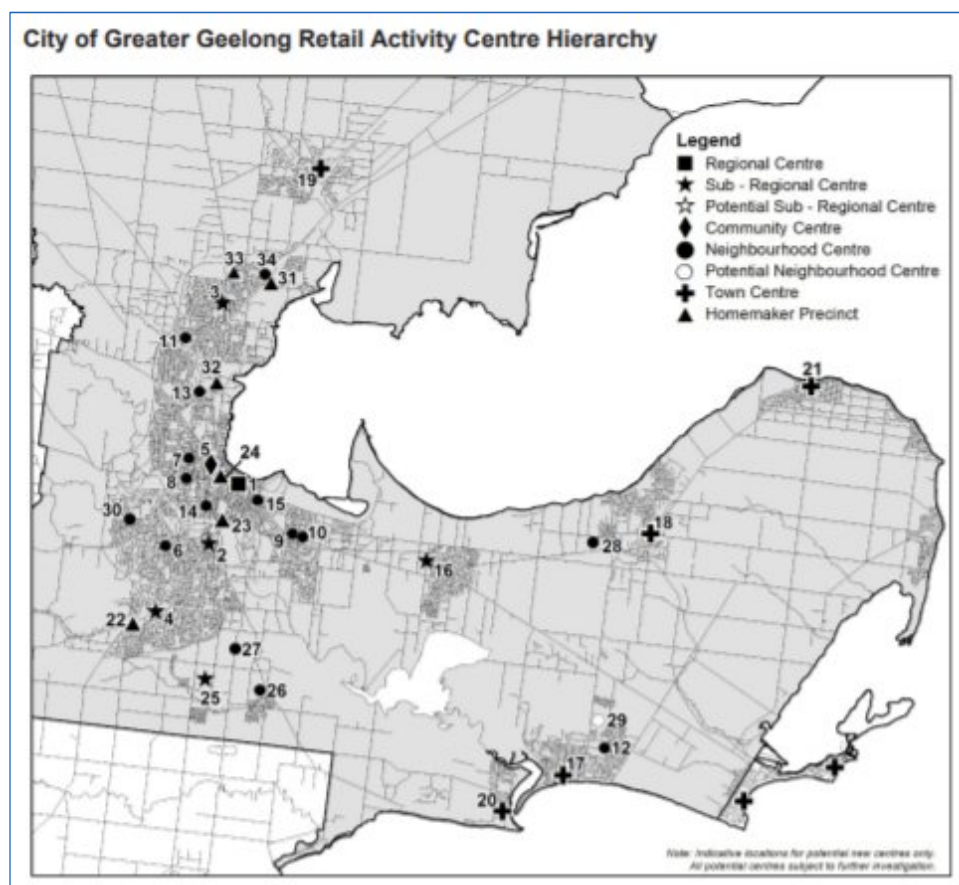


Figure 3— City of Greater Geelong Retail Activity Centres – Indicative Floorspace & Tenants

Source: Greater Geelong Planning Scheme

City of Greater Geelong Retail Activity Centre Hierarchy		
Level in Hierarchy	Identified Centres	Indicative floorspace and example key tenants
<b>Regional Centre</b>	Central Geelong (1)	More than 100,000 sqm Department store, discount store(s), mini major(s), supermarkets(s) and extensive range of specialities
<b>Sub-regional Centres</b>	Belmont (2), Corio Village (3), Waurn Ponds (4) Leopold (16)	15,000 sqm to 35,000 sqm Discount department store(s), mini major(s) supermarket(s) and specialities
	Armstrong Creek Town Centre (25)	40,000 sqm Discount department store(s), mini major(s), supermarket(s) and specialities

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**GREATER GEELONG PLANNING SCHEME**

City of Greater Geelong Retail Activity Centre Hierarchy		
Level in Hierarchy	Identified Centres	Indicative floorspace and example key tenants
<b>Community Centre</b>	Pakington Street (Geelong West) (5)	10,000 sqm to 25,000sqm Supermarket(s), mini major(s) and specialities
<b>Neighbourhood Centres</b>	Highton (6), Shannon Avenue (Geelong West) (7), Shannon Avenue (Newtown) (8), Bellarine Village (9), Newcomb Central (10), Bell Post (11), Ocean Grove marketplace (12), Separation Street (13), Pakington Street (Newtown) (14), Geelong East (15), Barrabool Hills Neighbourhood Shopping Centre (30), Rosewall (34), Armstrong Creek East (26), Armstrong Creek Horseshoe Bend Road (27), Jetty Road Growth Area (28)	2,500 sqm to 25,000 sqm Supermarket (small or full line), primarily convenience oriented specialities
<b>Town Centres</b>	Ocean Grove (Town Centre) (17), Drysdale (18), Lara (19), Barwon Heads (20), Portarlington (21)	1,500 sqm to 15,000 sqm Supermarket, mini major(s), specialities
<b>Homemaker Precincts</b>	Waurn Ponds (22), Moorabool/Fyans (23), Geelong West (24), Princes Highway (Corio) (31), North Geelong (32), Bacchus Marsh Road (Corio) (33)	5,000 sqm to 50,000 sqm Large restricted retail type tenants
<b>Potential Neighbourhood Centres</b>	Ocean Grove north east growth corridor (29)	

<sup>44</sup> I note:

- This is when the Kingston Downs NAC first ‘appears on the map’; and
- Neighbourhood Centres are indicated to have floorspace between 2,500 sqm and 25,000 sqm (although Council has indicated in its Part A submission that this is in error and should read ‘2,500 sqm to 10,000 sqm’ to be consistent with Table 5.1 of the 2006 Retail Strategy).

### 3.4 SGS Ocean Grove Report, April 2015

<sup>45</sup> The report *Ocean Grove Economic Analysis, Final Report* was prepared by SGS for the City of Greater Geelong in April 2015 (“SGS Ocean Grove Report”).

<sup>46</sup> I note, at the outset, that the SGS Ocean Grove Report was completed in April 2015 and well before the Kingston NAC Development Plan was approved by Council in October 2016 (refer Section 4.1 of my statement).

<sup>47</sup> The purpose of the SGS Ocean Grove Report is set out as follows on page 5:

#### 1.1 Background

*As part of the Structure Planning process for the township of Ocean Grove, the City of Greater Geelong seeks to understand the potential for establishing retail and other commercial floorspace in the north-east growth area at Grubb Road.*

<sup>48</sup> The study area for the SGS Ocean Grove Report is provided on page 6 as follows (and with Figure 1 copied at Figure 4):

#### 2.1 Study area

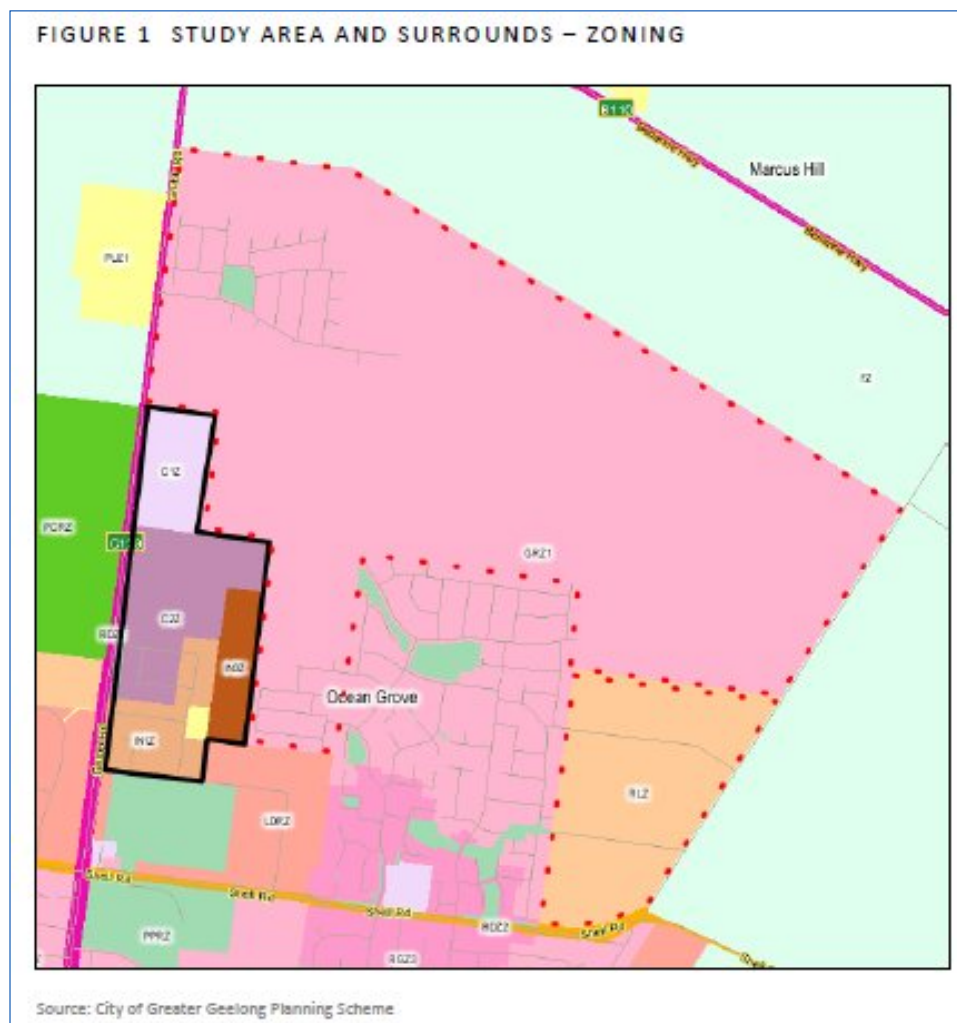
*Ocean Grove is the principal coastal town of the Bellarine Peninsula which is expected to accommodate significant residential growth in the future. The town is located approximately 20 kilometres from Geelong CBD and approximately 110 kilometres from metropolitan Melbourne.*

*Figure 1 below marks the study area (black line boundary) within the context of the surrounding area. For the purposes of the economic assessment, this report considers the broader Ocean Grove and Barwon Heads Townships – including all areas earmarked for future residential development.*

*It is expected that both the General Residential Zone 1 areas and the Rural Living Zone area (dotted red line boundary) are likely to develop over a 25 year timeframe out to 2041.*

Figure 4—SGS  
Ocean Grove  
Report Study Area

Source: SGS



- <sup>49</sup> The Study Area is therefore a combination of the Kingston Downs NAC, the southern (developed) portion of the Sinclair Street Restricted Retail Precinct, the Smithton Grove Dispersed Restricted Retail Precinct and the adjoining IN3Z land.
- <sup>50</sup> I note that the SGS Ocean Grove Report proceeded on the basis that the Ocean Grove North East Growth Area would not be developed until 2041 and that it would be confined to the area shown on Figure 4. I consider this a conservative assumption – both in terms of pace and scale of development – but will return to this later in my statement.
- <sup>51</sup> The key findings in relation to traditional retail floorspace are set out at page 53 of the SGS Ocean Grove Report as follows:

*The analysis in this section has demonstrated that a mid-sized supermarket is likely to suffice for this growth area by 2021, while a full line supermarket is not required until 2031 (see Figure 36). Should Council be concerned about the early delivery of supermarket floorspace and a potential impact on existing centres, it could enforce this outcome through the use of floorspace caps that gradually allow for an increase in floorspace provision in line with demand.*

*However, the impact analysis demonstrates that by 2021, a development on Grubb Road comprising one full line supermarket of 3,600sqm, one small supermarket of 1,500sqm plus one Discount Department Store of 5,500sqm, with 11,500sqm of ancillary development would not result in significant adverse impacts on the surrounding centres network. The analysis also demonstrates that a centre of this size is likely to under-trade, with the supermarkets not likely to trade at standard RTDs until after 2031, and the DDS not likely to trade at standard RTDs until after 2051.*

*From an 'impact basis' perspective, a Sub-Regional Centre on Grubb Road may still be appropriate providing there is sufficient policy justification underpinning such a large centre being developed in a growth area precinct and the need to compete with existing town centres in terms of built form.*

*Note that whilst there appears to be severe net impacts on Drysdale, most of this impact would not be due to retail development on Grubb Road<sup>28</sup> and is a result of competition between Coles, Aldi and Woolworths in that catchment.*

<sup>28</sup> Woolworths have also indicated that in 2014 (the base year of modelling) the Drysdale supermarket is trading at almost double the standard RTD for a full-line supermarket of its size.

<sup>52</sup> The key findings in relation to bulky goods floorspace are set out at page 53 of the SGS Ocean Grove Report as follows:

*The analysis demonstrates that there is a significant shortfall of bulky goods retail floorspace in the Bellarine Peninsula. This shortfall will be approximately 20,000sqm by 2021 – and should be a supportable quantum for the precinct on Grubb Road. By 2031, the shortfall grows to approximately 30,000sqm.*

*After 2031, demand is likely to grow significantly. It should be a policy decision thereafter that identifies the extent of appropriate bulky goods retail development on Grubb Road beyond existing supply. Note that it may be more appropriate to ensure that other Townships such as Drysdale accommodates its reasonable share of Bulky Retail floorspace – once the Regional supply shortfall exceeds 30,000sqm of floorspace.*

<sup>53</sup> The overall conclusions in terms of ultimate land requirements are set out at page 68 of the SGS Ocean Grove Report as follows:

### **7.1 Likely demand and impact**

#### *Demand*

*The likely demand for Activity Centre retail floorspace on Grubb Road by 2021 is approximately 2,000sqm (a small supermarket). By 2031, demand will be approximately 3,100sqm (a full line supermarket). Growth in demand will accelerate significantly after 2031 to the point where a 5,500sqm Discount Department Store would be economically viable by 2051 (along with two supermarkets plus ancillary retail floorspace).*

#### *Impact*

*The impact of retail development is limited due to the relatively isolated location of this centre. As a result, the impact analysis undertaken for this report suggests that a Sub-Regional Centre on Grubb Road will not significantly harm trading levels in any other centre in the retail network.*

*The development of a Sub-Regional Centre at Grubb Road could therefore be appropriate providing there is sufficient policy justification underpinning such a large centre being developed in a growth area precinct.*

### **7.2 Zoning mix and land requirement**

*If the maximum Activity Centre (Section 4 – full line supermarket (3,600 sq.m) small supermarket (1,500 sq.m) and Discount Department Store (5,500 sq.m)) and Bulky Goods (Section 5- 30,000 sq.m)) precinct scenarios are developed, the quantum of land required is summarised below. This land requirement would not change whether this quantum of floorspace is developed in 2021 or 2051.*

*Figure 91 includes consideration of the industrial land needs outlined in Section 6.*

### Figure 5—Ocean Grove Study Area Final Floorspace and Site Area Requirements

Source: SGS

<sup>54</sup> Figure 91 is copied below as Figure 5.

	Floorspace (sqm)	Typical Site Area (Ha)	Total Estate (Ha) Demand <sup>55</sup>	Total Estate (Ha) Supply
AC (C1Z)	22,100	5.5	6.8	9.7
Bulky Goods (C2Z)	30,000	7.5	9.2	15.5 <sup>56</sup>
Industrial (IN1Z, IN3Z)	30,767	5.1	6.3	18.8
<b>Total</b>	<b>82,867</b>	<b>18.1</b>	<b>22.3</b>	<b>44.0</b>

<sup>55</sup> Includes public domain allowances  
<sup>56</sup> Note that this excludes 5ha of C2Z land which is already occupied by existing uses

### 3.5 2016 Retail Strategy

<sup>55</sup> The report *Greater Geelong Retail Strategy* was prepared by SGS for the City of Greater Geelong in June 2016 (“2016 Retail Strategy”).

<sup>56</sup> This was one of the first tranche of reports prepared by SGS to assist in updating the Scheme with respect to activity centre and retail planning issues.

<sup>57</sup> The purpose of the 2016 Retail Strategy is set out on page 2 of the report as follows:

*The City of Greater Geelong commissioned SGS Economics & Planning Pty Ltd (SGS) to research, develop and finalise a Retail Strategy for all towns and centres across the City.*

*The specific focus of the strategy was to inform Activity Centre planning. Whilst economic development, Activity Centre design and non-retail floorspace were all relevant issues for consideration, the brief for the Strategy was primarily directed to the quantity of retail floorspace required across Greater Geelong until 2031.*

*The current document sets out the principles, objectives and decision criteria to guide future investment in retail floorspace in the City. This Strategy is based on a comprehensive analysis of issues and opportunities which is set out in a separate volume.*

*More specifically, this strategy outlines the vision for the future of retail development in Greater Geelong, defines the retail hierarchy and provides guidance for future development proponents including:*

- *Opportunities for improvement of the retail network*
- *The quantum of floorspace which each existing and planned centre should accommodate by 2031*
- *The areas in the network which will be underserved by supermarket, department store and bulky goods floorspace over time, and*

- *Council's expectations of development proponents in future investment propositions, whether these take the form of town planning permit applications or proposed rezonings/scheme amendments.*

<sup>58</sup> As described at paragraph 21 on page 8 of the Szafraniec Statement, the 2016 Retail Strategy was led by Marcus Spiller (with involvement from Mr Szafraniec and other staff).

<sup>59</sup> Whilst dated June 2016, the 2016 Retail Strategy was, according to the Szafraniec Statement, actually the second SGS report produced in the series. I will, therefore, now focus on the first report produced by SGS.

### 3.6 2016 Issues & Options Report

<sup>60</sup> The report *Greater Geelong Retail Strategy, Issues and Options Report* was prepared by SGS for the City of Greater Geelong in September 2016 ("Issues & Options Report"). This is a key report which sets out much of the methodology and philosophy which underpins the eventual Retail Strategy.

<sup>61</sup> A key plank to the approach suggested by SGS to control "shopping centres" and the "retail market" is set out on page 18 as per below (with my emphasis added):

*In commissioning a review of its retail strategy, the City of Greater Geelong wants to ensure that sufficient land and development opportunities are provided so that shopping centres can grow and adapt as the City's population grows and changes.*

*Some commentators suggest the market could be left to its own devices in meeting this outcome of supply and demand balance in retail floorspace provision. That is, developers could be left to propose expansion or initiation of shopping centres wherever or whenever they see an opportunity for viable investment. Typically, this laissez faire approach is not adopted in planning schemes because it is likely to generate several negative side effects in the process of meeting consumer demands. These side effects can include excessive impacts on existing shopping centres, adverse amenity effects for surrounding neighbourhoods and poor transport outcomes.*

*There is a need, therefore, to strike the right balance between flexibility for the market to respond to opportunities and the creation of neighbourhoods and places that work well from a broader community perspective.*

<sup>62</sup> Further commentary on this subject is provided on page 21:

*Notwithstanding that the hierarchy of centres forms the foundation of the City of Greater Geelong's planning policy for retail development in the municipality, it remains a contested principle outside urban planning circles. Indeed, there have been a range of high profile enquiries undertaken by Parliamentary Committees, the Commonwealth Treasury, the Productivity Commission and various industry bodies challenging the restrictive nature of centres hierarchies as the basis for planning controls*

*on retail investment. Several of these critics have claimed that such planning laws are stifling investment by retail innovators (with Aldi often being cited as a protagonist) thereby hampering competition to the detriment of the consumer.*

*In this environment, it is essential that the City of Greater Geelong spell out why adherence to a centres hierarchy is a good thing for the community.*

*Without a compelling articulation of the economic, social and environmental benefits offered by adherence to a centres hierarchy in retail planning, the City's revised strategy is likely to be forever vulnerable in planning review forums, such as Planning Panels Victoria and VCAT.*

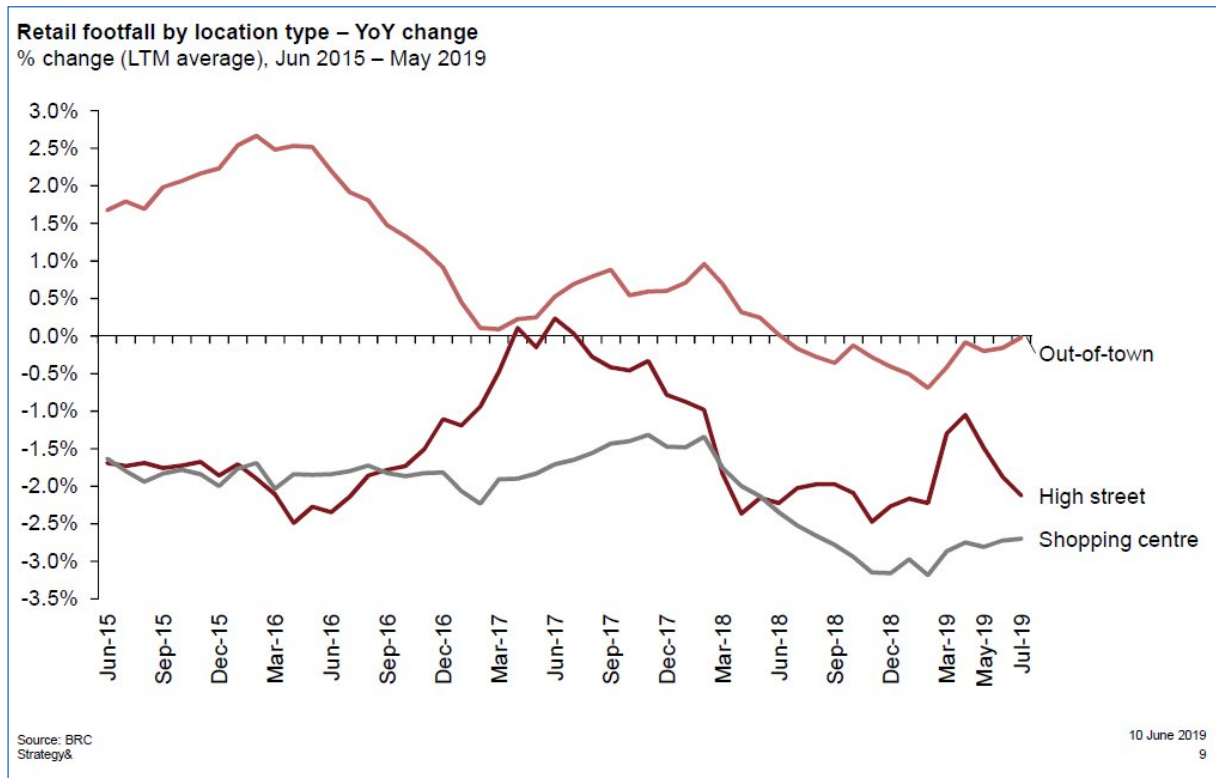
<sup>63</sup> In my opinion, it is indeed important that a balance be struck between what is described by SGS as the development community's desire for a "laissez fair approach" and what some may describe is a heavy-handed approach proposed to be implemented by SGS.

<sup>64</sup> The 2016 Options & Issues Report (page 22 and 23) prefers the UK retail policy model to the USA retail policy model (primarily on the basis of distances travelled in the two countries).

<sup>65</sup> Retail spending patterns are changing rapidly and it is apparent that many UK high streets are, as a result, struggling. On the other hand, out of town locations are generally performing well as such locations are more conveniently accessed for a wider range of shopping purposes.

<sup>66</sup> Figure 6 below provides recent data for different types of retail locations within the UK to illustrate my point:

Figure 6—UK retail footfall change, June 2015- May 2019



Source: British Retail Consortium; Strategy&

<sup>67</sup> Section 3.4, which starts on page 24 of the Issues & Options Report, sets out the SGS position on the net community benefit test as follows:

*The net community benefit test for out-of-centre proposals in Greater Geelong, as set out in the 2006 strategy, requires a review. More operational detail is required, and it is important to properly reflect impacts on travel sustainability as these are, after all, fundamental to having a hierarchy in the first place.*

*Guidance on how to renovate the net community benefit test provisions of the 2006 strategy is provided below.*

*Firstly, ‘net community benefit’ (or the interchangeable terms of ‘net societal benefit’, ‘net welfare effect’ or simply ‘net benefit’) needs to be defined in line with the standard practice in economics. Under this definition, the present value of the benefits generated by the proposal in question versus what would have happened in a business as usual scenario (or base case) is compared with the present value of the costs versus the base case.*

*This is the definition of net community benefit applied in Victoria's 'Regulatory Impact Statement (RIS)' process.*

*The 'net community benefit' test should cover the full spectrum of environmental, social and business impacts of the proposal at hand. Positive and negative effects are quantified and monetised as far as possible and then compared to arrive at a conclusion as to whether the proposal makes the community better off or worse off.*

*There are established disciplines, protocols and conventions for the preparation of these 'cost benefit analyses'. Victoria has formal guidelines for the appraisal and measurement of net community benefit through these analyses<sup>5</sup>.*

*Through the prism of cost benefit analysis, there are several common pitfalls in the current assessment of net community benefit in matters of planning regulation. One is to confuse 'economic impact' with 'economic benefit'. The former deals with the commercial flow on effects of an initiative or program (sales made, people employed, suppliers contracted etc.), while the latter relates to an improvement in community welfare.*

*Another pitfall is to construe construction and operational jobs as a 'benefit' of a proposal whereas they are typically factored into cost benefit analyses as a cost. This is because the labour in question has an opportunity cost – it could be deployed elsewhere to produce benefits for the community were it not for the project at hand. Employment is usually only counted as a benefit when the project creates jobs for people who would otherwise be permanently unemployed or underemployed.*

*Moreover, a net community benefit assessment should compare the out-of-centre proposal with a base case which could see the retail investment in question occurring elsewhere in line with the centres policy. In this case, the jobs created in the out-of-centre proposal are merely redistributed from elsewhere.*

*A third common misapplication of the net community benefit test in assessing out-of-centre proposals is to implicitly or explicitly confine the analysis to the local district or host region of the development in question. Again, in line with advice offered by DTF, the frame for assessing net community benefit should be set at the State jurisdiction level. To do otherwise runs the risk of patently illogical findings; that is, a net community benefit may be found for the local area, but this might be more than offset by transfers or external costs for neighbouring communities or the host metropolitan area or state.*

*Under the standard principles of cost benefit analysis, the assessment of whether a net community benefit would be generated by an out-of-centre shopping centre proposal should:*

- Identify costs and benefits which are marginal to a 'base case', that is a reasonable scenario of what would have happened anyway in the absence of the proposal at hand
- Take a national or Victoria wide community perspective
- Discount transfer effects – that is, where one party's benefit is at the direct expense of another party, and
- Consider both market transacted costs and benefits and external effects.

As noted, the 'base case' is a vital concept.

Generally speaking, it would be incorrect or dubious practice to compare the costs and benefits of a proposal against a 'zero base', that is, on the assumption that in the absence of the proposal in question going ahead in Greater Geelong, there would be *no* change in current conditions in the municipality in terms of retail investment of the type being contemplated.

Typically, there *will* be a trajectory of outcomes (shopping access, travel, competition etc.) in the absence of the proposal. The purpose of the net community benefit test is to appraise whether the changed trajectory of outcomes with the proposal will be superior to that without the change.

In the absence of good evidence to the contrary, it is reasonable to assume that planning for the development of the retail network in Geelong will have been done with due diligence and there is adequate opportunity for the designated activity centres within that network to grow and evolve in response to changing retail needs in the City. So the base case would be one that envisages ongoing policy compliant development.

The net community benefit test revolves around whether a diversion of retail investment which is compliant with current planning policies to the 'out-of-centre' location would deliver more community gains than losses, at the State or Territory-wide level.

The following table lists the principal 'marginal' or 'incremental' costs and benefits that might attach to an out-of-centre retail development versus a base case. Those that are shown in **bold** are either missing or not adequately referenced in the 2006 strategy.

FIGURE 13 NET COMMUNITY BENEFIT ANALYSIS OF AN OUT-OF-CENTRE PROJECT

Benefits versus the base case	Costs versus the base case
1. Improved amenity and place quality at the out-of-centre location achieved through retail development	1. Greater motorised travel externalities (air pollution and greenhouse gas emissions, accidents) congestion
2. (Potentially) earlier provision of expanded retail services for the district population	2. Reduced consumer surplus (shoppers will have to pay more in vehicle operating costs to achieve similar retail service outcomes)
	3. Foregone opportunities for more consolidated urban development in the district
	4. Potential blighting of seriously impacted competing centres within the planned hierarchy (persistent vacancies, vandalism etc.)
	5. Lack of co-location with community services

*Trade diversions from surrounding centres per se are not recorded as a cost. These are simply competition transfer effects which are ordinarily excluded from cost benefit analyses. They only become an issue when they are of a scale that they cause external effects (losses to parties other than the adversely affected traders). These external effects relate to local area blighting when it is subjected to heavy vacancies and under investment in shopping centres thereby reducing the attractiveness of the retail offer for consumers unable to travel to an out of centre location.*

*Also, additional competition and consumer choice are not listed as a benefit. This is because under the base case commensurate investment in retail services is assumed to occur albeit across the network of centres and potentially by different proponents. However, allowance can be made for the earlier provision of expanded retail services via approval of the out-of-centre project.*

*Employment creation is not listed as a benefit, because the out-of-centre project is simply redistributing jobs (from the pattern under the base case) rather than creating new jobs per se.*

*Most of the six marginal impacts shown in the table are capable of quantification and monetisation using standard cost benefit analysis techniques. Their application would result in a single measure of the scale and sign of the net community benefit associated with an out-of-centre retail development. That would get rid of a great deal of unnecessary disputation, or at least, considerably narrow the field of disputation in the development assessment process.*

<sup>68</sup> The Issues & Options Report then provides the following at page 29:

*Whilst new proposals for fast retailing (supermarkets, discount department stores, etc) almost always articulate their possible positive local employment benefits, the reality is that most jobs associated with this form of retailing are low income and/or casual employment, with new technologies such as electronic check-out machines increasingly reducing even the stated levels of employment. Furthermore fast retail stores are often stocked with the inexpensive goods available in the*

*global market, driving a preference for imported products over locally produced or manufactured products – thereby also eroding the market share of local manufacturers and primary producers. Ownership structures are also typically highly detached from the local community.*

*Slow retailers on the other hand, are often more likely to hire skilled full time employees on more reasonable wages, stock locally produced goods, and justify their higher price points by providing customer solutions and service. Typically they are owned and operated by local residents.*

*Cultural retailers also differentiate their products and service offerings – essential for attracting tourism as well as contributing to the overall ‘Geelong’ brand. They also tend to generate positive amenities in vibrant and attractive public spaces which in turn help to attract businesses engaged in higher order professional services – an industry sector which may well be the economic future of Geelong if a manufacturing revival is not forthcoming.*

<sup>69</sup> I make the following observations with respect to the proceeding material:

- I do not believe the 2006 Retail Strategy’s EIA guidelines have served the Geelong community badly, with no evidence of blight or inherently poor performance in activity centres;
- The SGS approach can be regarded as ‘heavy handed’, with the suggested controls appropriate only for significant projects or regulations which have a state or national impact;
- Assuming a base case where retail development can take place within policy compliant locations is, as I will discuss, already clearly not the case as laid bare within the Szafraniec Statement; and
- Philosophical statements about preferences for types of employment and ownership structures are unhelpful.

<sup>70</sup> The Issues & Options Report states the following at page 32 regarding retail modelling techniques:

*There are broadly three approaches to analysing retail systems which are commonly used in retail economics and planning studies. These are broadly defined as:*

- **Survey based** – where detailed customer and centre based surveys are conducted to understand where shoppers go and how much they spend at various locations. These are invariably very expensive to operate and often do not fully capture all behavioural aspects and/or are skewed by various forms of survey bias. They also provide very little means for predicting changes in the retail environment such as growth areas, or new shopping centres. However, they can be very effective at understanding one specific centre in detail.
- **Defined trade areas (or shift-share analysis)** – where distance catchments or judgment based trade areas (using natural/physical

barriers) are defined and ‘market shares’ are estimated for each area to determine how expenditure is captured by a centre. This is often coupled with in-centre/customer survey to refine market share estimates. However, this approach is generally not undertaken on a network wide approach and over simplifies the system around one/a few centres. It is also highly dependent on an individual’s personal judgment regarding how these trade areas are defined and the market shares. Typically it doesn’t capture non-home based expenditure or escape/capture of expenditure from workers, students, tourist and online.

- **Gravity modelling** – takes a whole of network approach and seeks to use mathematics to model human behaviour. As well as being less expensive, mathematical models are much more reliable when predicting future consequences from changes in the retail environment due to their ability to systematically adjust all catchments given changes in input data (such as extra retail floorspace or population growth). Gravity models are now typically considered best-practice in retail economics in most jurisdictions across the world.

<sup>71</sup> I disagree entirely with the statement that gravity models are considered best practice.

<sup>72</sup> Instead, it is my observation that gravity models are frequently exposed to “garbage in, garbage out” modelling outcomes.

<sup>73</sup> The SGS retail gravity model is then explained on pages 33-35, with critical elements of the discussion copied below:

*The SGS Retail Model is built upon this research as well as the extensive experience SGS has gained conducting many retail studies. The SGS retail model uses various aspects from the later work of Huff (1963), Lakshanan and Hansen (1965), and Bökemann (1982) among others. What makes the SGS retail model distinct from these other models is that the model modifies the above approach in the following way:*

$$\text{Propensity to shop at a centre} = \frac{\text{“Attractiveness” of centre} \times \text{Floorspace of shopping centre}}{\text{Travel time to the shopping centre}^2}$$

*The “attractiveness” of a shopping centre is a value that represents external attributes such as the centres appearance or design layout. Another important change is that time has replaced distance as a factor. This is to account for consumers going to alternative shopping centres that are based along major freeways or restricted to others based on natural barriers such as bays and rivers.*

*Unlike other gravitational models, the SGS model does not attempt to measure the effects of design layout or product mix in terms of attractiveness. Instead, it uses the shopping centre’s known current*

*turnover as a basis to find the “attractiveness” value at present time. This attractiveness value is then used to forecast how the shopping centre will perform in the future given an increase in floorspace. This technique has only become possible in recent years due to the advances in computer technology and optimisation theory that simply did not exist in the past.*

<sup>74</sup> However, the following is provided at page 37:

*Actual turnover data for every shop/centre across Geelong cannot be sourced directly. However, for a Strategic level study such as this, specific turnovers are not critical, rather an understanding of broader performance and associated supply/demand alignment. For this reason turnover by centre and store type is estimated for a base year (2011) based on typical floorspace and average Retail Turnover Densities (RTD). Where actual turnover information is available this is included for the centre. All centres across the network are then calibrated to the total expenditure pool from the previous step which provides the most accurate estimate of total expenditure/turnover across the entire system. This ensures average RTDs are adjusted to capture local expenditure behaviour.*

<sup>75</sup> This, in my opinion, is indicative of a retail gravity model which has all the hallmarks of being fed with questionable inputs. For a black box system, this can be fatal.

<sup>76</sup> By way of example, I jump to Figure 49 on page 79 of the Issues & Options Report.

<sup>77</sup> Within this figure, the Retail Turnover Density (“RTD”) of the Ocean Grove Marketplace is forecast as \$10,900 per sqm in 2021.

<sup>78</sup> Shopping Centre News recently released its annual Mini Guns publication.

<sup>79</sup> Within the publication, sales data is reported for 141 of Australia’s supermarket-based shopping centres, many of which are owned by A-REITs or other institutional investors.

<sup>80</sup> Ocean Grove Marketplace – owned by the Shopping Centres Australasia A-REIT – had a RTD of \$17,688 per sqm in 2018/19. This was the highest of any centre within the publication and already 62% higher than that assumed within the gravity model for 2021.

<sup>81</sup> It is also noted that the centre’s retail sales grew by 10.3% compared to the previous 12 months. The next highest growth rate for a top 10 centre was 5.3%.

<sup>82</sup> This confirms the Ocean Grove Marketplace is an exceptionally strong centre with sales growing at a rapid rate.

<sup>83</sup> Another key input to the model is retail expenditure and adjustments for tourism expenditure within coastal markets such as Ocean Grove are critical.

<sup>84</sup> The Issues & Options Report sets out the following at page 42:

*The final component of expenditure to be estimated is visitor expenditure. REMPLAN tourism data, provided by council, is used to estimate visitor numbers (incorporating domestic day, domestic overnight and international visitors) and expenditure patterns. Visitor projections are based on Victorian population growth, as the largest share of visitors are from within the state.*

*The total estimated tourism expenditure is distributed spatially based on arts, recreation and accommodation related employment as a proxy for tourism locations.*

<sup>85</sup> In my opinion, the proxy chosen is poor and will grossly underestimate visitor expenditure within Ocean Grove, where much of the accommodation is in the form of holiday homes and caravan parks, with little associated arts, recreation or accommodation related employment.

<sup>86</sup> Indeed, my experience is that turnover at retailers within coastal locations in striking distance of Melbourne will often be 5-10% higher than in comparable locations on non-peak weekends and 50-100% higher than in comparable locations during peak summer periods.

<sup>87</sup> I also note the following from Shopping Centres Australasia and, specifically, the comment that “the seasonal tourist trade has a notable impact, as the population increases with holidaymakers from Melbourne over the warmer months”:

**OCEAN GROVE**  
2-20 Kingston Downs Dr, Ocean Grove VIC

**SCA** Property Group

### Centre Overview

Located at the entrance of Kingston and 95km from Melbourne, Ocean Grove Marketplace includes a full line Woolworths supermarket, as well as over 18 specialty stores and two free standing pad sites occupied by KFC and Woolworths Petrol Plus. The centre has ample on grade parking. The centre's customers are predominantly local families, while the seasonal tourist trade has a notable impact, as the population increases with holidaymakers from Melbourne over the warmer months.

### Location details

Ocean Grove is a seaside town in Victoria, Australia, located on the Bellarine Peninsula. The area offers surf beaches, fishing, kayaking, canoeing, bushwalking and other outdoor activities. While tourism makes the largest contribution to the local economy in high season, in low season a larger proportion of local income is derived from orchards, fruit and vegetable growers, and the local wineries.

<sup>88</sup> The proposed new Greater Geelong retail hierarchy is introduced in Section 6.2 which starts on page 45 of the Issues & Options Report.

<sup>89</sup> The following is provided at page 46 (my emphasis added):

*Compared to the 2006 Retail Strategy a number of new centres have been established or elevated based on their current function or future requirements given revised development plans. SGS has also made some adjustments to the terminology and parameters in the previous 2006 strategy (shown in Section 3, Figure 8). These changes to the broad hierarchy definition include:*

*Removal of the 'Community Centre' level. This does not appear to be particularly relevant to Geelong. The only centre which was put in this category in the 2006 strategy was Pakington Street (Geelong West). It gained this designation purely because of its concentration of niche traders and its hospitality offer. In SGS's view these characteristics merely qualify the Pakington Street as a 'Specialised' centre and we have used this category label.*

*Lifting the size range for sub-regionals to 60,000 m<sup>2</sup>, to reflect the introduction of new retail formats since 2006. Leopold has also been defined as a (future) sub-regional centre and will act as the top of the Bellarine retail hierarchy.*

*Showing 'Town Centres' in the Greater Geelong context as a special form of Neighbourhood/Sub-regional Centre, featuring floorspace up to 20,000 m<sup>2</sup>. The Town Centres serve residential districts outside the main urban footprint of Geelong itself. They are genuine focal points for their respective hinterland settlement and, in this sense, can be differentiated from Neighbourhood/Sub-regional Centres which are typically embedded in the Geelong urban area.*

*Increasing the floorspace range for Neighbourhood Centres up to 15,000 m<sup>2</sup> (from 10,000 m<sup>2</sup>), reflecting the actual situation in many of Greater Geelong's centres in this category.*

*Recognising several additional Neighbourhood Centres to fill gaps amongst those listed in the 2006 Strategy.*

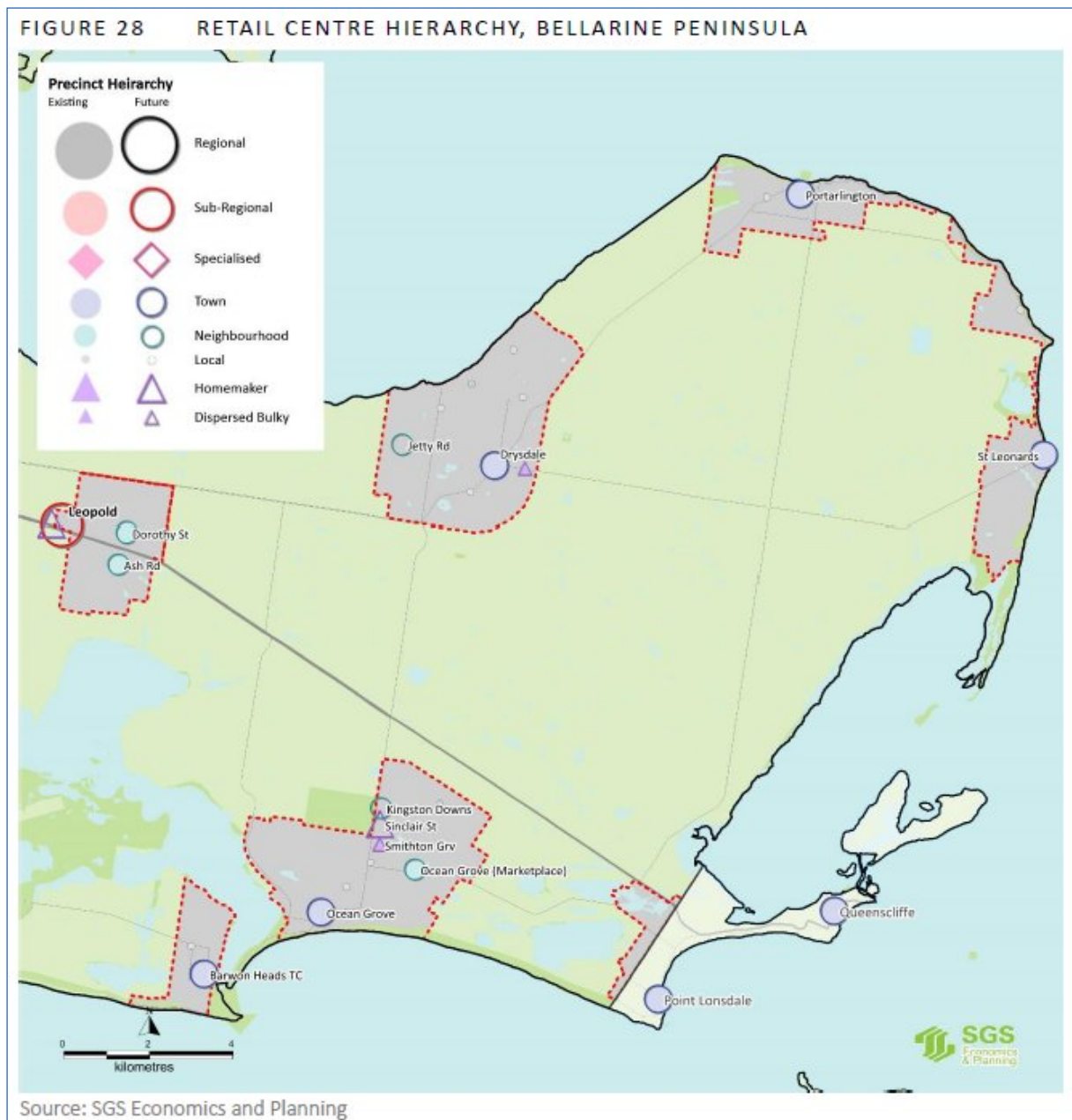
*Recognising several additional Homemaker Centres to reflect actual development since the 2006 Retail Strategy.*

*Acknowledging that incremental planning approvals have resulted in several collections of stores, or single stores, being established in distributed locations around the City, often in non-commercial zones, trading in lower density restricted retail commodities. In the hierarchy these are labelled 'Dispersed Bulky Goods locations'. To a large extent, these centres are unplanned or 'opportunistic'. Their identification within the hierarchy does not necessarily imply validation in policy terms. These centres may or may not be suitable for future expansion or renewal.*

<sup>90</sup> The proposed retail activity centre hierarchy for the Bellarine Peninsula is provided at Figure 28 and copied as Figure 7.

<sup>91</sup> This includes both the Kingston Downs Neighbourhood Centre and Sinclair Street Homemaker Centre.

Figure 7—Proposed Retail Center Hierarchy, Bellarine Peninsula



Source: SGS Issues & Options Report, 2016

- <sup>92</sup> The summary results of SGS’ audit of retail floorspace – a vital input to a retail gravity model – are provided on page 49 of the Issues & Options Report.
- <sup>93</sup> The headline figure is an estimate of approximately 1,000,000 sqm of retail floorspace being present within the City of Greater Geelong in 2014. The actual figure is 1,002,800 sqm as set out within Table 2 on pages 52-3.
- <sup>94</sup> Table 4 on page 63 then sets out the population estimate for Greater Geelong of 225,900 in 2014.
- <sup>95</sup> Taken together, this implies a retail floorspace provision of 4.44 sqm per person within the City of Greater Geelong.
- <sup>96</sup> My firm prepared a series of reports for the NSW Department of Planning & Environment in 2016 to assist with auditing retail floorspace for Sydney and planning for future needs.
- <sup>97</sup> Other capital cities were also examined and historical summary retail floorspace per capita provision rates determined as follows:

**Table 1—Retail floorspace provision rates, capital cities**

Source: Deep End Services; ABS; state retail databases

City	1991/92	2007	2008
Sydney	1.85 sqm per person	-	-
Melbourne	2.04 sqm per person	-	-
Brisbane	1.86 sqm per person	-	-
Adelaide	1.99 sqm per person	2.52 sqm per person	-
Pert	2.13 sqm per person	-	2.49 sqm per person

- <sup>98</sup> A detailed audit was then carried out of Sydney’s retail facilities with an overall estimate of provision of 2.35 sqm per capita as set out below in Figure 8.

**Figure 8—Retail floorspace provision rate, Sydney, 2015**

Source: Deep End Services

Retailer type	Floorspace ('000sqm)	Av. provision (sqm/cap)	Distribution (%)
Department stores	513.6	0.11	4.8%
Discount department stores	571.7	0.12	5.3%
Supermarkets (≥ 1,000sqm)	1,049.8	0.23	9.8%
Specialty stores	5,257.1	1.15	48.9%
Large format retail	2,907.4	0.63	27.0%
<b>Total centre-based</b>	<b>10,299.7</b>	<b>2.25</b>	<b>95.7%</b>
Non-centres	459.3	0.10	4.3%
<b>Total estimated floorspace</b>	<b>10,759.0</b>	<b>2.35</b>	<b>100.0%</b>

- <sup>99</sup> Excluding large format retail – or “bulky goods” – the Sydney provision rate is 1.72 sqm per person.
- <sup>100</sup> In my opinion, the floorspace audit carried out by SGS in 2014 (and subsequently updated in 2018) has grossly overestimated the existing supply of retail floorspace. This is another key flawed input to the gravity model.

- <sup>101</sup> Another critical input to the gravity model is population forecasts and these are set out within Table 4 on page 63.
- <sup>102</sup> The forecasts are largely based on .id forecasts.
- <sup>103</sup> I prepared a witness statement on behalf of Shell Road Development Pty Ltd for the Panel considering Amendment C346 to the Greater Geelong Scheme in April 2016.
- <sup>104</sup> Am C346 sought, amongst other things, to implement the findings of the Council-adopted *Ocean Grove Structure Plan (December 2015)* into the Scheme.
- <sup>105</sup> My role was primarily associated with the analysis of future residential land requirements within Ocean Grove and, more particularly, the North East Growth Area (“NEGA”) which includes the Kingston Downs Estate.
- <sup>106</sup> I was critical of the adoption of .id population forecasts by Council in Am C346 as they were largely predicated upon a combination of no movement in Ocean Grove’s settlement boundary and historical greenfield lot sales rates which had been constrained because of a lack of supply.
- <sup>107</sup> The Am C346 Panel Report endorsed my concerns and recommended a number of changes be made to the 2015 Ocean Grove Structure Plan before adoption by Council to enable the potential movement of the settlement boundary to the north-east.
- <sup>108</sup> Council chose to ignore many of the Panel’s recommendations.
- <sup>109</sup> Deliberations associated with Am C395 to the Scheme will now, no doubt, reconsider these issues.
- <sup>110</sup> In the meantime, I note:
- Dwelling approvals have accelerated rapidly - as I anticipated in my C346 statement – as follows for Ocean Grove:
    - 2013      88
    - 2014      185
    - 2015      197
    - 2016      211
    - 2017      245
    - 2018      285
  - The population of the Ocean Grove sub-region used by SGS – incorporating Ocean Grove and Barwon Heads – had already reached 20,198 in 2018 (growing at an average rate of 5.1% per annum since 2015) and therefore well in advance of the forecast of 20,000 for 2021 adopted by SGS in Table 4 on page 63 of the Issues & Options Report.
  - The population forecast provided for Ocean Grove at Table 3 on page 12 of the Szafraniec Statement is even lower at 19,636 in 2021 (and with the population only reaching 24,051 by 2036).

<sup>111</sup> Retail spend per capita rates are described starting on page 66 of the Issues & Options Report and use the reputable source MarketInfo as the base.

<sup>112</sup> The following is noted at page 66 (my emphasis added):

*From this it can be seen that Ocean Grove residents have the highest per capita spend while residents from the Corio Norlane sub-region have the lowest.*

<sup>113</sup> I also note the following at page 70 (my emphasis added):

*A somewhat similar pattern can be observed for Clothing and Personal Items. Expenditure for Clothing and Personal Items tend to either be directed towards Department Stores or Specialty Stores. Figure 42 demonstrates why Pakington Street and Central Geelong are the natural locations to accommodate specialty stores, although there is also some demand around Ocean Grove and Barwon Heads to capture the higher levels of per capita expenditure in their catchment.*

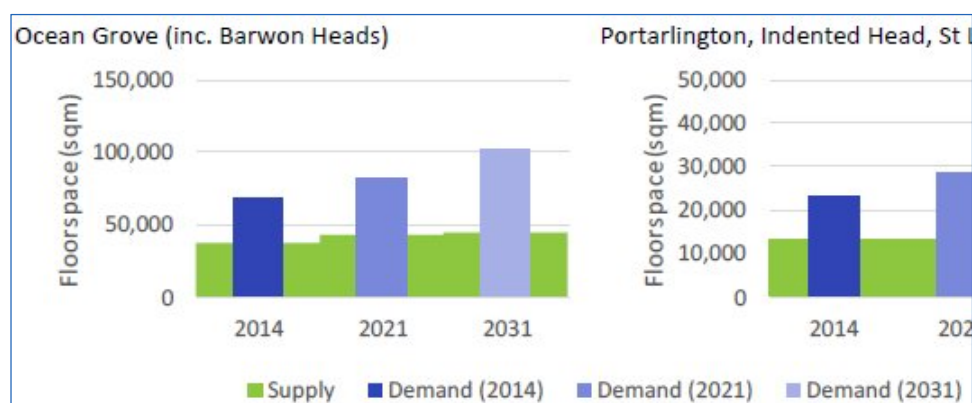
<sup>114</sup> Sections 8.1 and 8.2 of the Issues & Options Report provide the results of the gravity model in terms of supply/demand balances and a base case set of future RTDs.

<sup>115</sup> The first point is that the analysis highlights significant undersupply of floorspace in all parts of Greater Geelong except Geelong Central and Geelong – Corio Norlane.

<sup>116</sup> For Ocean Grove the undersupply is approximately 30,000 sqm in 2014, increasing to 35,000 sqm in 2021 and 55,000 sqm in 2031 as shown below in Figure 9 copied from Figure 47 on page 77 of the Issues & Options Report:

**Figure 9—Ocean Grove Floorspace Supply and Demand, 2014-2031**

Source: SGS Issues & Options Report, 2016



<sup>117</sup> I have previously discussed the RTD assumption for the Ocean Grove Marketplace in Figure 48 on page 79 of the Issues & Options Report.

<sup>118</sup> I also observe commercially unviable RTDs assessed within the same table of \$2,400 per sqm for Warralily (open and trading) and \$2,800 for Kingston Downs (opening soon). Such RTDs are simply unsustainable and well removed from the Little Guns median RTD of \$9,350 per sqm in 2019.

<sup>119</sup> In my opinion, these low modelled RTDs result from the adoption of primary catchments within the gravity model which are generally far too small and do not reflect reality.

- <sup>120</sup> The catchments are provided within the appendix to the report and the impact of their small size can be observed in the maps on pages 82-84 which, with the exception of some bulky goods opportunities, seem to indicate almost no new anchor tenants are required in Greater Geelong by 2031.
- <sup>121</sup> A key output of the process is the generation of Table 13 on pages 89-91 of the Issues & Options Report, as this table sets out the model-generated supportable floorspace by centre from 2014-2031.
- <sup>122</sup> I will not discuss this table at this stage but data from the table is summarised, along with data from subsequent iterations of the table, at Figure 13.
- <sup>123</sup> At page 95 of the Issues & Options Report is the following statement:

*Nonetheless, there is no pressing need for extra bulky retail floorspace in most areas. The exception may be in some parts of the Bellarine Peninsula, where residents need to travel significant distances to reach the nearest Homemaker Centre.*

- <sup>124</sup> I include this because a constant theme of the gravity model's outputs is only a modest expectation for bulky goods floorspace within Sinclair Street to 2031 (i.e. only an additional 1,300 sqm within this SGS report). In my opinion this grossly understates the need for restricted retail floorspace at Sinclair Street within the Kingston Downs NAC.
- <sup>125</sup> The remainder of the Issues & Options Report is largely dedicated to a return to the floorspace and other control principles espoused earlier in the report.
- <sup>126</sup> However, the following statements are of particular relevance:

- <sup>127</sup> Page 97-8:

*Arguably, CoGG has similar circumstances to metro Melbourne in terms of the general policy desire to boost competition, especially in the grocery trade. However, Geelong has the option of retaining floorspace caps which, if adopted, could play a part in managing out-of-centre development ...*

- <sup>128</sup> Page 98-9:

*It is also noteworthy that the 2013 Inquiry into the Regulatory Impact Statement (RIS) Process undertaken by the Legislative Council Environment and Planning Legislation Committee (Report No. 2, November 2013) concluded that the process for consideration of planning scheme amendments (and, by implication, development approvals) should be amended to require the preparation of **rigorous cost benefit analysis**, as occurs in the state's RIS system. More specifically, the Committee recommended that:*

*“That the Minister for Planning, in consultation with the Victorian Competition and Efficiency Commission, amend Ministerial Direction 11 (Strategic Assessment of Amendments) to require a cost-benefit analysis*

*for significant changes to planning schemes.” (Recommendation 13, page 60)*

*The findings and recommendations of the Legislative Council Environment and Planning Legislation Committee underscore the appropriateness of using cost benefit analysis to test the net community benefit merits of both overarching retail strategies, and incremental decisions regarding retail proposals in the context of those strategies.*

*This represents a strong endorsement of the assessment methodology set out in Section 3.4.*

<sup>129</sup> Page 101:

#### **Scope of statutory controls**

*In developing and implementing its retail strategy, Council must work within the VPPs. These place inherent limits on the extent to which Council might differentiate its approach to retail development management compared to other municipalities.*

*We have already discussed how the previous State Government moved to dilute the powers of Councils to direct retail investment by rationalizing the commercial and industrial zones in the VPP. These reforms removed floorspace caps in designated activity centres in the Melbourne metro area (but not in regional areas, including Geelong). They also enabled ‘as of right’ land use for smaller supermarkets in industrial and other non-activity centre locations under certain conditions. These latter changes also apply in CoGG.*

*In managing future retail investment in Geelong, Council can continue to apply floorspace caps in its designated activity centres (which we recommend), but must contend with the continuing possibility of scattered and opportunistic development of retail in commercial and industrial zones, which, as noted, would only be limited by the floorspace caps embedded in the VPP.*

*The State Government’s reform of the VPP has diminished the efficacy of floorspace caps in CoGG, but, in our view, has not rendered them redundant. Moreover, the net community benefit test remains valid within whatever scoping rules the State Government may wish to put in place.*

<sup>130</sup> Page 101-2:

#### **The imperative to protect the core retail hierarchy**

*As discussed in Sections 2 and 3, a strong retail hierarchy, particularly a strong CBD, together with robust Sub-regional (Belmont, Leopold, Waurn Ponds, Corio SC and Armstrong Crk TC) and Town Centres (Lara, Ocean Gve, Drysdale, Barwon Heads, Portarlinton and St Leonards), is essential to the compact development of the City as a whole. These*

*centres provide the nuclei for current and future concentrations of higher density housing and community facilities. Moreover, confining higher order stores, or combinations of stores, to these designated locations will ensure that residents, workers and visitors in CoGG enjoy excellent access to retail services at minimal transport cost both to shoppers and to the environment.*

*Any retail strategy should ensure that the retail hierarchy – particular in these higher order segments – is strengthened and maintained.*

*Protecting the retail hierarchy, particularly in the upper tiers which are so critical to compact urban development across the City, means the avoidance of outright out-of-centre development which directly competes with central Geelong, a sub-regional centre or a Town Centre. It also means avoiding growth in, say, a sub-regional centre to the point where it diverts significant trade and vitality from Central Geelong.*

*As we now explain, floorspace caps can play an important role in protecting the retail hierarchy.*

#### **Scope of statutory controls and the role of floorspace caps**

*Until now, CoGG's floorspace caps have been applied selectively and opportunistically. Current floorspace caps are typically based on the size of an existing centre or a Planning Scheme amendment proposal. This currently enables Council to require planning permits for a shop if a centre is wanting to expand. This gives some control over the size of a centre even where a re-zoning application is not proposed.*

*While current arrangements give some protection to the hierarchy in some locations, it is not consistent across the City. Our view is that floorspace caps should be used to make it clear to development proponents just what the role and function of a given centre is in the hierarchy. The floorspace caps would relate to the nominated ranges in the retail hierarchy, and could include, for example:*

*Geelong CBD; no cap (as additional investment could be accommodated without threat to the hierarchy).*

*Sub-regional and specialised; Waurin Ponds – 50,000 m<sup>2</sup>, Belmont-39,000 m<sup>2</sup>, Corio - 36,000 m<sup>2</sup>, Armstrong Creek - 36,000 m<sup>2</sup>, Pakington Street – 34,000 m<sup>2</sup> and Leopold – 19,000 m<sup>2</sup> (all excluding bulky goods and hospitality). This takes into account supportable floorspace for 'shops', that is, excluding hospitality and bulky goods (see Table 15 below) and our view that a centres beyond the nominated sizes will begin to challenge the dominance of the Geelong CBD. Note that for those centres with a largely 'High Street' format, such as Belmont, the proposed cap still applies. Whilst compliance with the cap would be monitored on an incremental basis with successive development applications, the primary purpose of the cap would be to prevent 'step changes' in the role of the centre. These would most likely be signified by*

*proposals to add substantial department stores and the like, not by a procession of small floorspace additions.*

*Town centres; no cap (as additional investment could be accommodated without threat to the hierarchy).*

*Neighbourhood Centres; between 2,000 m<sup>2</sup> and 13,000 m<sup>2</sup>, depending on the projected supportable floorspace demand for shops in the centre. The following table presents the recommended application of floorspace caps across the nominated Neighbourhood Centres. These are also based on supportable floorspace for shops as set out in Table 15.*

**TABLE 14 PROPOSED FLOORSPACE CAPS – NEIGHBOURHOOD CENTRES**

Neighbourhood Centre	Proposed floorspace cap for 'shops' as defined in the VPP (m <sup>2</sup> )
Shannon Ave (Geelong West)*	13,000
Ocean Grove (Marketplace)	11,000
Pakington St (Newtown)	6,000
Newcomb Central	9,000
Bellarine Village	8,000
Highton	8,000
Bell Post SC	7,000
Geelong East	7,000
Separation St	4,000
Shannon Ave (Newtown)	4,000
Fyansford	4,000
Barrabool Hills SC	5,000
Vines Rd	4,000
Horseshoe Bend NE	6,000
Jetty Rd	6,000
Warralily	6,000
Grovedale Central	3,000
Rosewall	3,000
Kingston Downs	5,000
Dorothy St	2,000
Ash Rd	2,000
Armstrong Creek W	3,000
Lara W	5,000

<sup>131</sup> Page 106-7:

*Nominating floorspace caps either as fixed limits or as guidelines might create an expectation amongst land owners that they can develop up to these quantum on an 'as of right basis'. We do not see this as problematic. Development up to these limits will not change the status of*

*any given centre in the hierarchy, and, in our view, it is in the community's interest to encourage investment in line with the hierarchy.*

*On the other hand, some centres may not be able to realise development up to their nominated caps, because they are 'land locked'. However, future land amalgamations and rezonings cannot be ruled out. In any case, it is not problematic if these centres do not achieve their nominated upper limit in size. Their 'unused' demand will, in many cases, spill over into other designated centres which will simply grow faster.*

*Some unused demand may spill over into out-of-centre locations but, it should be noted, this would be a function of land limitations in the nominated host centre not of the floorspace cap per se. In this latter scenario, the net community benefit test would be applied taking into account that in the Base Case there would not be accommodation of the proponent requested floorspace within the existing hierarchy.*

#### ***Flexibility at the Neighbourhood Centre level***

*While it is important that the overall integrity of the CoGG retail hierarchy is protected, it also needs to be recognised that the City's retail system must foster healthy competition for the day to day benefit of its residents, workers and visitors. Competition can come in the form of new centres or retail formats in locations not identified for these uses in the planning strategy ('out-of-centre developments').*

*By way of example, Aldi – the operators of a relatively novel retail format largely in the grocery and lower order household goods end of the market – has been actively exploring new market opportunities in several locations across the City.*

*Analysis shows that there is scope for further investment in neighbourhood level shopping facilities across the established parts of the City as households grow and their incomes increase. This additional demand is spread across broad geographies and, typically, is insufficient to support a modular increase in floorspace within existing neighbourhood centres. However, in combination, this demand may support a viable new facility in an out-of-centre location.*

*Whether such out-of-centre proposals at the neighbourhood level go ahead should be a matter of judging whether the benefits (principally improved retail competition and choice) outweigh the costs (additional travel and trade diversion from existing centres to the point where their viability is put at risk).*

*In our view, greater flexibility in the consideration of out-of-centre developments at the neighbourhood centre level is warranted on risk management terms. As these centres serve a local catchment, out-of-centre development is less likely to be damaging in terms of additional Vehicle Kilometres Travelled for retail services. Moreover, out-of-centre development at this level in the retail hierarchy may be less likely to cause*

*serious externalities in terms of foregone opportunities for compact urban development (see Section 3). On the other hand, unduly restricting out-of-centre development at the neighbourhood centre level could have serious adverse consequences for competition and choice in Geelong's retail services.*

*This risk management framework should not be taken as a presumption that out-of-centre development will create a net community benefit. This would have to be rigorously demonstrated.*

#### **Level of control required over bulky goods development**

*In our view, similar flexibility in the approval of bulky goods projects is warranted.*

*Again, we stress that the proposed flexibility with respect to bulky goods development should not be unfettered. The proposed site and development must demonstrably 'work' with respect to the usual precinct planning parameters, including compatibility with surrounding land uses, avoidance or mitigation of local traffic conflicts, provision of sufficient parking, due consideration to streetscape continuity and Council's place-making objectives etc. These matters must not be compromised in the development assessment process.*

*However, beyond such criteria, SGS sees no compelling reason to limit bulky goods development in any candidate location. Our reasoning reflects a high level application of the net community benefit test. As we have noted, the industrial land on which any new bulky goods outlet is likely to locate will have a low opportunity cost for employment uses, given the expected surplus of such land in the City with the down-scaling of manufacturing and supply activities in the region.*

*Broadly speaking, bulky goods outlets have limited synergies with activity centre retailing. That is, they are unlikely to add significantly to footfall in such centres; typically, they feature single purpose shopping trips rather than multi-purpose visits to activity centres.*

*This means that the footloose development of bulky goods outlets is unlikely to undermine the activity centres hierarchy in the City unless the outlets in question were to feature a heavy emphasis on merchandise such as compact electricals, IT equipment and bulk foods, including liquor. In this latter case, this propensity for competition with activity centre retailing can be taken into account in the assessment of the development proposal, along the lines of a net community benefit test.*

*Thus, notwithstanding that there is already substantial opportunity for bulky goods development in Geelong, and the City is already well served in this regard, we see no reason on current evidence to arbitrarily constrain market initiatives and innovation in this aspect of retailing. However, there may be a warrant to revisit this conclusion following a more comprehensive review of employment land in CoGG. This would*

*better gauge the costs that might attach to the infiltration of bulky goods retailing into such areas.*

<sup>132</sup> With respect to these comments it is my opinion that:

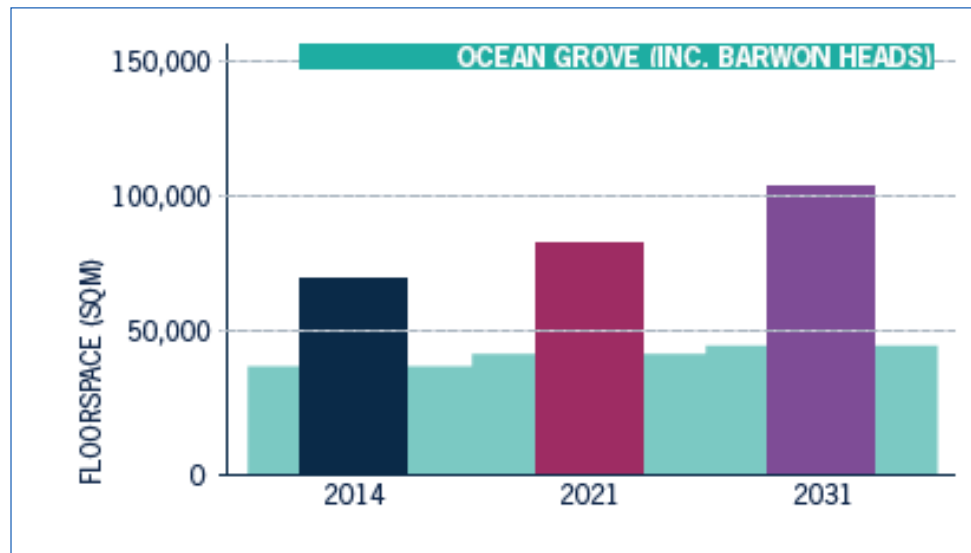
- Geelong is, in many ways, more similar to Melbourne than it is to smaller regional communities. The use of Shop floorspace caps within Geelong is, therefore, questionable and certainly within areas where land has already been rezoned as is the case at the Kingston Downs NAC.
- Removing the Shop floorspace cap as is proposed at the Ocean Grove Marketplace by the Retail Strategy is inconsistent with the policy direction suggested by SGS as it serves a growth area in much the same way that the Kingston Downs NAC does.
- A permit application which would currently trigger a requirement for an EIA under the scheme is not a significant change to a planning scheme and should not, therefore trigger the requirement for a “rigorous cost-benefit assessment”. Indeed, one asks why such an assessment has not been prepared for Am C393 itself.
- Confining higher-order uses to a Town Centre such as Ocean Grove may deny local residents convenient access to such uses if they cannot be provided to the scale required in a Town Centre which does not have expansion potential. I note that the recent departure of Target from the Ocean Grove Town Centre was, in part, due to the store being undersized.
- Flexibility for expansion of Neighbourhood Centres is supposedly encouraged but will be almost impossible to achieve given the SGS -suggested regulatory requirements.

**3.7 2017 Draft Retail Strategy**

- <sup>133</sup> The report *Draft City of Greater Geelong Retail Strategy, 2017* was prepared by the City in conjunction with SGS in September 2016 (“2017 Draft Retail Strategy”).
- <sup>134</sup> According to Council’s Part A Submission (page 5) this was the report that was used for “informal consultation” and was considered in a “stakeholder session”.
- <sup>135</sup> The report adopted many of the discussion points from the Issues & Options Report and combined these with the gravity model outputs.
- <sup>136</sup> For Ocean Grove, the floorspace undersupply determined by the gravity model is approximately 35,000 sqm in 2014, increasing to 40,000 sqm in 2021 and 50,000 sqm in 2031 as shown below in Figure 10 copied from Figure 14 on page 37 of the 2017 Draft Retail Strategy. These levels of undersupply are similar to those established in the previous SGS report.

**Figure 10—Ocean Grove Floorspace Supply & Demand, 2014-2031 (updated)**

Source: *Draft City of Greater Geelong Retail Strategy, 2017*



SUPPLY ■  
 DEMAND (2014) ■  
 DEMAND (2021) ■  
 DEMAND (2031) ■

Source: SGS Economics and Planning

<sup>137</sup> At pages 60-61 (within the section Floorspace caps and Floorspace guidelines) is the following discussion regarding the Kingston Downs NAC:

**Kingston Downs Neighbourhood Activity Centre – Currently no FSC**

*It is recommended that FSC be applied to the Kingston Downs Neighbourhood Centre located on Grubb Road, in the growth area of Ocean Grove. The Ocean Grove Structure Plan 2007 and subsequent Amendment C60 rezoned 9.7 hectares of land to commercial 1 (previously business 1) and 14.5 hectare to the commercial 2 zone (previously business 4). Recent planning scheme reform allows supermarket and shop uses to establish as of right within the Commercial 2 Zone land, this creates the capacity for a significant amount of retail floor space to establish without the need for a planning permit for use. There is potential for this centre to have trade impacts on the Ocean Grove Town Centre, Ocean Grove Market Place and Leopold Sub-regional Centre. The potential size of the centre could impact on the established retail hierarchy.*

*There is an approved development plan for the Kingston Downs Estate which shows the location of future land uses, road network and other details (Figure 20). A planning application (pp233/2016) has been lodged with Council to develop Stage 1 of the Kingston Downs Neighbourhood Centre. The Neighbourhood Centre is proposed to comprise a total of 12,260 square metres of floor space, comprising 9,752 square metres of floor space to the north of Coastal Boulevard (commercial 1 zone) and 2,882sqm of floor space to the south (commercial 2 zone). Key anchors of the centre would include Woolworths and Aldi supermarkets and a Dan Murphys liquor store.*

*The northern side of the centre (Commercial 1 Zone) consists of a 4200sqm Woolworths, 1446sqm Dan Murphys, 650sqm mini major, approximately 2700sqm of floor space is dedicated to specialty retail tenancies which will comprise a variety of uses including shops, cafes, takeaway food premises and other retail uses. A further 700sqm is dedicated to non retail uses (office, gym etc). Assuming 50% of the speciality retail stores are not used for shop uses it is considered that the centre located to the north of Coastal Boulevard will consist of approximately 7650sqm of shop uses.*

*Taking into consideration the existing planning application for Kingston Downs NAC and recognising that FSC do not apply to commercial 2 zoned land, it is recommended that a FSC of 7,650sqm be applied to the Kingston Downs NAC.*

*Allowing for 4700sqm of retail growth within the Kingston Downs NAC by 2021, SGS had forecast the need for approximately 6,000sqm of additional retail floor space for the whole township by 2031. The current*

*planning application seeks to develop approximately 10,500sqm of retail floor space, consuming all forecast growth for the township to 2031.*

*A FSC will give Council the opportunity to review the economic impact on nearby centres and on the existing retail hierarchy. The use of a FSC would give Council the opportunity to review the timing and/or need for additional retail uses within the Township.*

**3.8 Draft Greater Geelong Gravity Model Update**

<sup>138</sup> The report *Draft Greater Geelong Gravity Model Update* was prepared by SGS for the City of Greater Geelong on 24 May 2018 (“Draft Greater Geelong Gravity Model Update”).

<sup>139</sup> According to Council’s Part A Submission (page 5), “Gravity model updated in response to submissions, overall strategy updated to reflect model findings” in March 2018.

<sup>140</sup> It is difficult to ascertain what was changed in the Draft Greater Geelong Gravity Model Update as no text is provided but I do observe:

- Existing floorspace updated to “2016” – I believe it may actually have been “2018”
- Floorspace demand provided for 2016, 2026 and 2031 rather than 2014, 2021 and 2031
- Floorspace undersupply remains consistent with earlier reports for Ocean Grove
- The Shop floorspace cap for Kingston Downs NAC was reduced from 7,750 sqm to 6,000 sqm.

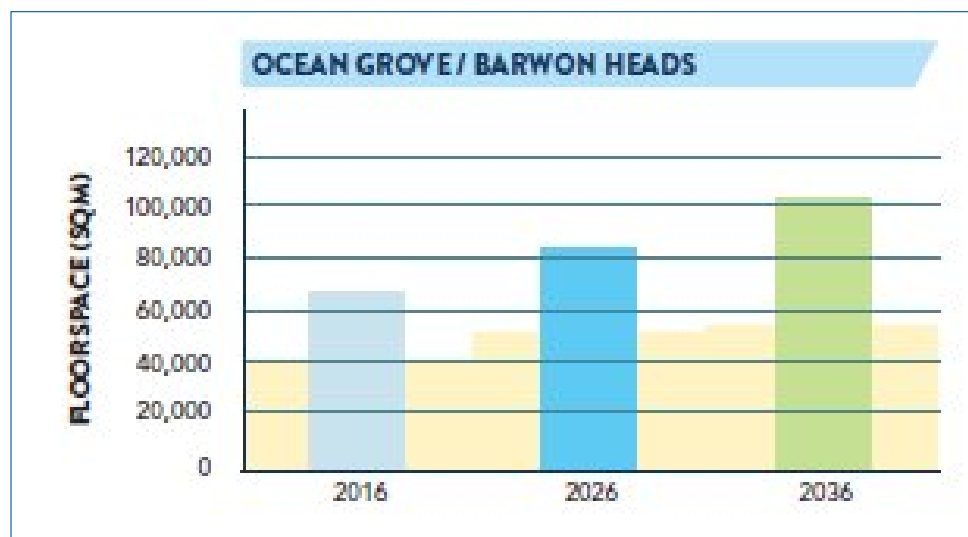
**3.9 Retail Strategy**

<sup>141</sup> The Retail Strategy is undated but appears to have been prepared at some time between 24 May 2018 and 14 November 2018 when, according to Council’s Part A Submission, “Letter sent to submitters via email, advising that the Retail Strategy was going to Council for a decision”.

<sup>142</sup> Again, it is difficult to ascertain the changes made as a result of the gravity model update but I do observe significant floorspace undersupply continues to be modelled for Ocean Grove, with Figure 11 below copied from Figure 14 at page 43 of the Retail Strategy below:

**Figure 11— Ocean Grove Floorspace Supply & Demand, 2014-2031 (revised)**

Source: *City of Greater Geelong Retail Strategy 2016-2036*, City of Greater Geelong and SGS



<sup>143</sup> In the Floorspace Caps and Guidelines section of the Retail Strategy, the following is found at pages 72-3:

***Kingston Downs Neighbourhood Activity Centre, Grubb Road, Ocean Grove***

***Planned retail floor space total: 12,260 square metres***

***Planned shop floor space: 10,500 square metres***

***Current floor space cap: No***

***Recommendation: Floor space cap of 7,650 square metres.***

*The Ocean Grove Structure Plan 2007, and subsequent Amendment C60, rezoned:*

- *9.7 hectares of land to Commercial 1 Zone (previously business 1) and*
- *14.5 hectare to the Commercial 2 Zone (previously business 4).*

*Recent planning scheme reform allows for supermarket and shop uses to establish, as of right, within the Commercial 2 Zone land. This means a significant amount of retail floor space could be established, without the need for a planning permit. This is of concern, given the potential trade impacts on the Ocean Grove Town Centre, Ocean Grove Market Place, Leopold sub-regional centre and the established retail hierarchy.*

*There is an approved development plan for the Kingston Downs Estate which shows the location of future land uses, road network and other details (see Figure 18). A planning application (PP233/2016) has been approved to develop stage 1 of the Kingston Downs Neighbourhood Centre.*

*The proposed neighbourhood centre would contain:*

- *A total of 12,2634 (sic) square metres of floor space, comprising:*
- *9,752 square metres of floor space to the north of Coastal Boulevard (Commercial 1 Zone); and*
- *2,882 square metres of floor space to the south (Commercial 2 Zone);*
- *key centre anchors including Woolworths and Aldi supermarkets, and a Dan Murphy's liquor store.*

*The northern side of the centre (Commercial 1 Zone) would consist of:*

- *a 4,200 square metre Woolworths;*
- *a 1,446 square metre Dan Murphy's;*
- *a 650 square metre mini major;*
- *approximately 2,700 square metres of floor space dedicated to specialty retail tenancies, which will comprise a variety of uses including shops, cafes, takeaway food premises and other retail uses;*

- approximately 700 square metres dedicated to non-retail uses, such as office spaces or gyms.

Assuming 50 per cent of the speciality retail stores are not used for shop uses, the north of Coastal Boulevard is expected to consist of approximately 7,650 square metres of shop uses.

Taking into consideration the existing planning application and that floor space caps do not apply to Commercial 2 Zone land, a floor space cap of 7,650 square metres should be applied to the Kingston Downs Neighbourhood Centre.

This is consistent with the planning permit on Commercial 1 Zone land. Under this cap, further development will then trigger an economic impact assessment and provide an opportunity to review the impact of further development on the retail hierarchy particularly the Ocean Grove Town Centre and Leopold Sub-regional Centre.

<sup>144</sup> I will comment on this further in the next section of my report but note that the 50 per cent non Shop assumption is not explained and has no basis.

### 3.10 Summary of floorspace figures provided with various reports

<sup>145</sup> In this section I have considered a number of reports prepared as the Retail Strategy has been developed since SGS was engaged for this purpose in 2014.

<sup>146</sup> It is apparent to me that key floorspace figures have moved significantly between different versions of reports. It is also apparent that this trend has continued within the Szafraniec Statement.

<sup>147</sup> To assist, I have summarised the key floorspace figures provided within the reports in the following tables for Ocean Grove centres.

Figure 12—Existing floorspace comparisons

Centre Name	Total floorspace (sqm)						Shop* floorspace (sqm)						
	Existing		Vacant		Planned new/additional		Total		Existing	Vacant	Planned	Total	
	2014 <sup>ABC</sup>	2016 <sup>DE</sup>	2014 <sup>ABC</sup>	2016 <sup>DE</sup>	2014 <sup>ABC</sup>	2016 <sup>DE</sup>	2014 <sup>ABC</sup>	2016 <sup>DE</sup>	2014 <sup>B</sup>	2014 <sup>B</sup>	2014 <sup>B</sup>	2014 <sup>B</sup>	
<b>Town Centre</b>													
Ocean Grove	15,000	16,300	1,100	400	0	0	16,100	16,700	12,200	1,100	0	13,300	
<b>Neighbourhood</b>													
Kingston Downs	0	0	0	0	4,700	11,200	4,700	11,200	0	0	4,400	4,400	
Ocean Grove (Marketplace)	5,700	5,700	0	100	1,500	0	7,200	5,800	4,800	0	1,300	6,100	
<b>Restricted Retail</b>													
Sinclair Street	3,200	4,100	0	0	0	0	3,200	4,100	2,400	0	0	2,400	
<b>Dispersed Restricted Retail</b>													
Smithton Grove	2,500	4,300	0	0	0	0	2,500	4,300	0	0	0	0	
<b>Total</b>	<b>26,400</b>	<b>30,400</b>	<b>1,100</b>	<b>500</b>	<b>6,200</b>	<b>11,200</b>	<b>33,700</b>	<b>42,100</b>	<b>19,400</b>	<b>1,100</b>	<b>5,700</b>	<b>26,200</b>	

\*Shop excludes Restricted Retail

SGS reports:

<sup>A</sup> Greater Geelong Retail Strategy, June 2016

<sup>B</sup> Greater Geelong Retail Strategy, Issues and Options Report, September 2016

<sup>C</sup> Draft City of Greater Geelong Retail Strategy, 2017

<sup>D</sup> Draft Greater Geelong Gravity Model Update, 24 May 2018

<sup>E</sup> The City of Greater Geelong Retail Strategy 2016-2036, 2018

Source: various

Figure 13—Supportable retail floorspace comparisons

Centre Name	Projected supportable floorspace demand (sqm)						Projected supportable shop* floorspace demand (sqm)				
	2014 <sup>ABC</sup>	2016 <sup>DE</sup>	2021 <sup>ABC</sup>	2026 <sup>DE</sup>	2031 <sup>ABC</sup>	2036 <sup>DE</sup>	2014 <sup>B</sup>	2021 <sup>B</sup>	2031 <sup>B</sup>	2031 <sup>C</sup>	2036 <sup>E</sup>
<b>Town Centre</b>											
Ocean Grove	13,000	16,100	13,300	17,800	15,100	20,200	10,800	10,900	12,400	-	-
<b>Neighbourhood</b>											
Kingston Downs	0	0	1,500	4,400	2,300	6,300	0	1,400	2,100	2,300	5,300
Ocean Grove (Marketplace)	5,200	5,000	11,200	5,800	13,200	6,900	4,500	9,000	10,700	-	-
<b>Restricted Retail</b>											
Sinclair Street	2,600	4,200	3,100	6,100	4,500	8,900	2,000	2,400	3,400	-	-
<b>Dispersed Restricted Retail</b>											
Smithton Grove	1,900	4,000	2,400	4,000	3,500	4,000	0	0	0	-	-
<b>Total</b>	<b>22,700</b>	<b>29,300</b>	<b>31,500</b>	<b>38,100</b>	<b>38,600</b>	<b>46,300</b>	<b>17,300</b>	<b>23,700</b>	<b>28,600</b>	<b>na</b>	<b>na</b>

\*Shop excludes Restricted Retail  
SGS reports:  
A Greater Geelong Retail Strategy, June 2016  
B Greater Geelong Retail Strategy, Issues and Options Report, September 2016  
C Draft City of Greater Geelong Retail Strategy, 2017  
D Draft Greater Geelong Gravity Model Update, 24 May 2018  
E The City of Greater Geelong Retail Strategy 2016-2036, 2018

Source: various

Figure 14—Supply less demand (total floorspace and Shop) comparisons

Centre Name	Supply less demand (Total) (sqm)						Supply less demand (Shop*) (sqm)			
	2014 <sup>ABC</sup>	2016 <sup>DE</sup>	2021 <sup>ABC</sup>	2026 <sup>DE</sup>	2031 <sup>ABC</sup>	2036 <sup>DE</sup>	2014 <sup>B</sup>	2021 <sup>B</sup>	2031 <sup>B</sup>	
<b>Town Centre</b>										
Ocean Grove	3,100	600	2,800	-1,100	1,000	-3,500	2,500	2,400	900	
<b>Neighbourhood</b>										
Kingston Downs	4,700	11,200	3,200	6,800	2,400	4,900	4,400	3,000	2,300	
Ocean Grove (Marketplace)	2,000	800	-4,000	0	-6,000	-1,100	1,600	-2,900	-4,600	
<b>Restricted Retail</b>										
Sinclair Street	600	-100	100	-2,000	-1,300	-4,800	400	0	-1,000	
<b>Dispersed Restricted Retail</b>										
Smithton Grove	600	300	100	300	-1,000	300	0	0	0	
<b>Total</b>	<b>11,000</b>	<b>12,800</b>	<b>2,200</b>	<b>4,000</b>	<b>-4,900</b>	<b>-4,200</b>	<b>8,900</b>	<b>2,500</b>	<b>-2,400</b>	

\*Shop excludes Restricted Retail  
SGS reports:  
A Greater Geelong Retail Strategy, June 2016  
B Greater Geelong Retail Strategy, Issues and Options Report, September 2016  
C Draft City of Greater Geelong Retail Strategy, 2017  
D Draft Greater Geelong Gravity Model Update, 24 May 2018  
E The City of Greater Geelong Retail Strategy 2016-2036, 2018

Source: various

Figure 15—Shop floorspace cap comparisons

Centre Name	Current	Shop* floorspace cap						
		A	B	C	D	E	F	G
<b>Town Centre</b>								
Ocean Grove	None	None	None	None	None	None	None	None
<b>Neighbourhood</b>								
Kingston Downs	None	5,000	5,000	7,650	6,000	7,650	7,650	7,650
Ocean Grove (Marketplace)	7,500	11,000	11,000	None	6,000	None	None	None
<b>Restricted Retail</b>								
Sinclair Street	na	na	na	na	na	na	na	na
<b>Dispersed Restricted Retail</b>								
Smithton Grove	na	na	na	na	na	na	na	na
*Shop excludes Restricted Retail								
<u>SGS reports:</u>								
<sup>A</sup> Greater Geelong Retail Strategy, June 2016								
<sup>B</sup> Greater Geelong Retail Strategy, Issues and Options Report, September 2016								
<sup>C</sup> Draft City of Greater Geelong Retail Strategy, 2017								
<sup>D</sup> Draft Greater Geelong Gravity Model Update, 24 May 2018								
<sup>E</sup> The City of Greater Geelong Retail Strategy 2016-2036, 2018								
<sup>F</sup> Council Day 1 changes as per Part A Submission								
<sup>G</sup> Witness statement of Julian Szafraniec, 14 October 2019								

Source: various

# 4

## Kingston Downs NAC

### 4.1 Planning controls

<sup>148</sup> The *Kingston Neighbourhood Activity Centre and Industrial Estate Development Plan, October 2016* (“Development Plan”) was prepared by Spiire on behalf of Shell Road Development Pty Ltd.

<sup>149</sup> Council approved the Development Plan on 7 October 2016, 17 months after the SGS Ocean Grove Report was prepared for Council to understand retail development potential at the Kingston Downs NAC.

<sup>150</sup> As stated in the Development Plan (page 4):

*The endorsed Kingston Downs Estate Development Plan (Bosco Jonson, 2011), prepared in accordance with the Development Plan Overlay, Schedule 22 of the Geelong Planning Scheme (‘DPO22’), sets the framework to guide the future development of this area. See Figure 1.*

*The design considerations of the Kingston Neighbourhood Activity Centre & Industrial Estate (‘Kingston NAC’) were deferred until greater planning certainty had been established for the Kingston (Downs) Estate.*

*This ‘planning certainty’ has now been realised, and this Development Plan has therefore been prepared to respond to requirements of DPO22, specifically the preparation of:*

*An **Activity Centre Urban Design plan** which provides for:*

- A conceptual design for the ultimate development of the Grubb Road Activity Centre.*
- Integration of community/recreational/open space facilities as and when required with future retail facilities.*

**A Restricted Retail and Industrial Area Urban Design plan which provides for:**

- Future road network and general subdivision layout including buffers to adjoining residential areas.
- Proposed measures to ensure the Grubb Road frontage creates an attractive entrance to the town.
- The siting of an electricity sub-station.

<sup>151</sup> Figure 1 from the Development Plan is copied at Figure 16 below, with the subject land – i.e. the Kingston Downs NAC plus adjoining IN3Z land – enclosed by the black boundary.

**Figure 16—Endorsed Kingston Downs Estate Development Plan**



**Figure 1- Endorsed Kingston Downs Estate Development Plan, outlining subject land shown in black.**

Source: Kingston Neighbourhood Activity Centre and Industrial Estate Development Plan, October 2016

<sup>152</sup> The following is stated at page 6 of the Development Plan under the heading of “Planning Controls”:

*The Geelong Planning Scheme presents the State and Local Planning Policy Frameworks which seek to ensure the ongoing provision of land and supporting infrastructure to support sustainable urban development, identifying key objectives and strategies for the municipality.*

*Policy seeks to provide activity centres as a focus for business, shopping, working, leisure and community facilities, connected by public transport and cycling networks and maximises choice.*

*Regional growth strategies seek optimisation of infrastructure, consolidation of growth and support diversity of the region’s economy. Policy envisages housing diversity, the provision of supporting infrastructure, access to services planned for long term sustainability; a strong and innovative economy, fostering growth and development, where the imperative is to reduce urban sprawl; and directing growth to identified urban growth areas.*

*Policy seeks a mix of commercial uses in activity centres (retail, office, cafés, entertainment, housing, education and community facilities) through high quality urban design, improved pedestrian and public transport accessibility, and reduced car dependence. It seeks to provide a diverse range of well serviced industrial land, minimising land use conflicts.*

*Ocean Grove is 1 of 3 development hubs on the Peninsula to which the bulk of residential growth and retail development is to be directed. Policy supports development of the Neighbourhood Activity Centre on Grubb Road to service the future population of the growth area.*

*Policy supports development of light industrial, commercial and associated business opportunities on Grubb Road.*

*Policy supports duplication of Grubb Road (preserving where possible significant roadside vegetation), the provision of an attractive town entry facilitating safety, pedestrian/cycle paths and the undergrounding of powerlines.*

*Within the intervening period since endorsement of the Kingston Downs Estate Development Plan 2011, planning policy has been subjected to reassessment and amendment. This Development Plan is prepared in light of the updated planning policy context.*

*Updates to the planning zones have applied the Commercial 1 and 2 Zones to the subject land. These zones are intended to create vibrant mixed use commercial centres for retail, office, business, entertainment and community uses, incorporating appropriate manufacturing and industry, bulky goods retailing uses and associated business and commercial services.*

*The Commercial 1 Zone now provides for residential uses complementary to the role and scale of the commercial centre. The Commercial 1 Zone will be referred to in this report as the **Retail Activity Area** (Refer to Figure 3: Land Uses Areas).*

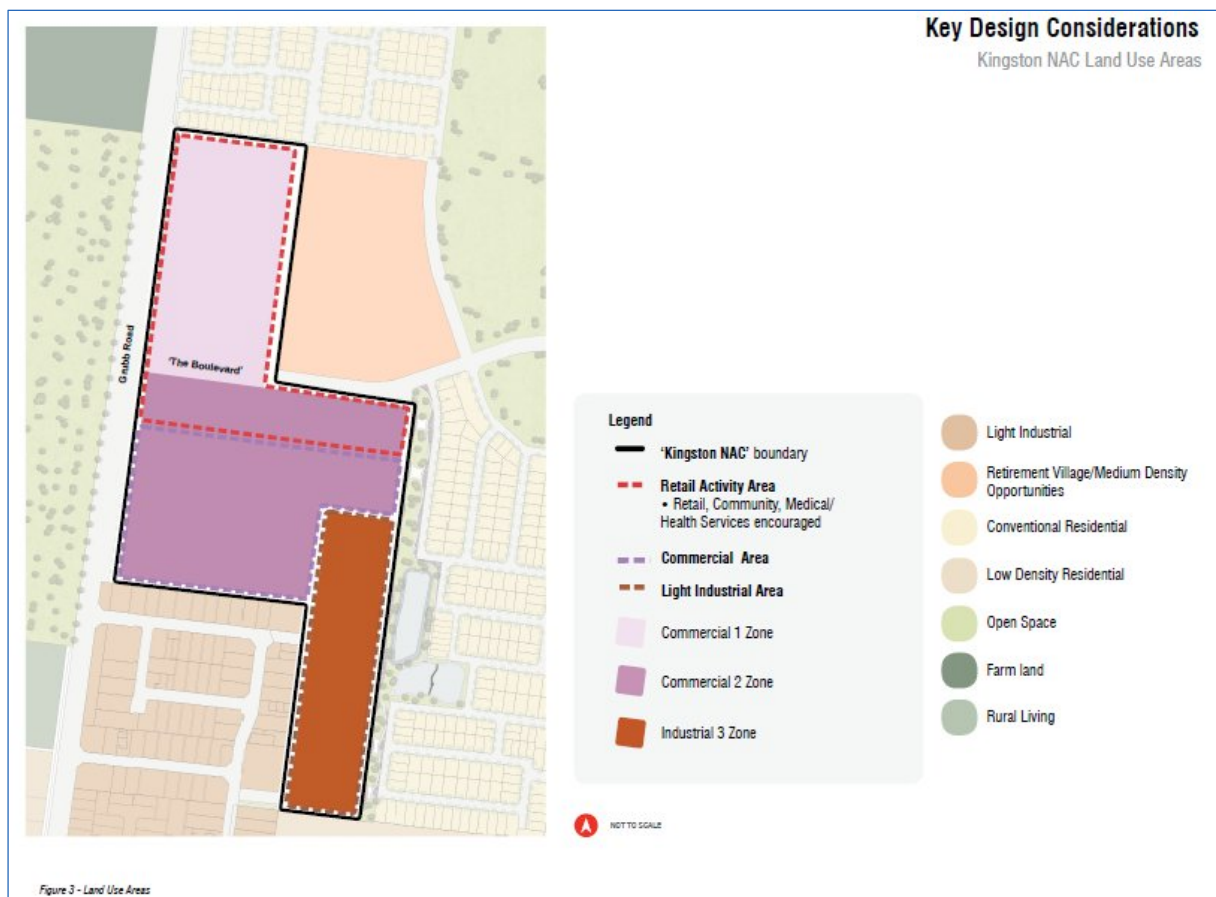
*The Commercial 2 Zone now provides for a number of retail and commercial uses that were previously restricted or prohibited, and therefore the term 'restricted retail' is now better described as 'commercial' land use. Where the Commercial 2 Zone abuts the 'The Boulevard' this land will also be referred to in this report as the **Retail Activity Area**, with the balance referred to in this report as the **Commercial Area**. (Refer to Figure 3: Land Uses Areas)*

*The Industrial 3 Zone continues to provide consideration of the nature and impacts of industries to avoid conflict, maintaining safety and amenity of more sensitive land uses. Limited retail opportunities for convenience shops, small scale supermarkets and associated shops would be available within such areas. This area is referred to as the **Light Industrial Area** in this report. (Refer to Figure 3: Land Uses Areas)*

*The Development Plan Overlay - Schedule 22: Ocean Grove Growth Area (DPO22) seeks to ensure development occurs generally in accordance with the Ocean Grove Structure Plan (2007). It seeks a sustainable sized community with a range of retail and commercial services and employment opportunities.*

<sup>153</sup> Figure 3 from the Development Plan is copied at Figure 17 below.

Figure 17—Kingston NAC Land Use Areas



Source: Kingston Neighbourhood Activity Centre and Industrial Estate Development Plan, October 2016

<sup>154</sup> I estimate the quantum of land within each of the zones within the area addressed by the Development Plan to be as follows:

- C1Z 9.7 ha (includes 1.3 ha for The Boulevard and Grubb Road access)
- C2Z 14.5 ha
- IN3Z 7.9 ha
- **Total 32.1 ha**

<sup>155</sup> I further estimate the land is allocated as follows between the precincts nominated within the Development Plan:

- Retail Activity Area 14.0 ha
- Commercial Area 10.2 ha
- Light Industrial Area 7.9 ha
- **Total 32.1 ha**

<sup>156</sup> The following is stated at page 16 of the Development Plan under the heading of “Land Use”:

*A key driver of the ‘Kingston NAC’ is to provide a pedestrian-focussed **Core Retail Area**.*

*The **Core Retail Area** will consist of anchor supermarket tenancies complemented by specialty retail. Smaller tenancies (specialty retail) will wrap around major anchor tenants, providing multiple units and entries, creating a vibrant hub.*

*Retail, office and mixed uses will be encouraged within the **Core Retail Area**. The **Core Retail Area** will extend immediately south of ‘The Boulevard’, shaping this key activity area, and establishing a ‘sense of place’.*

*The **Core Retail Area** will form part of a wider area, defined previously in this Development Plan as the **Retail Activity Area**.*

*As the ‘Kingston NAC’ develops, the balance of the commercial land, extending towards its southern boundary, will evolve with a combination of retail and bulky goods retail, and this land use area is referred to as the ‘**Commercial Area**’ in this Development Plan.*

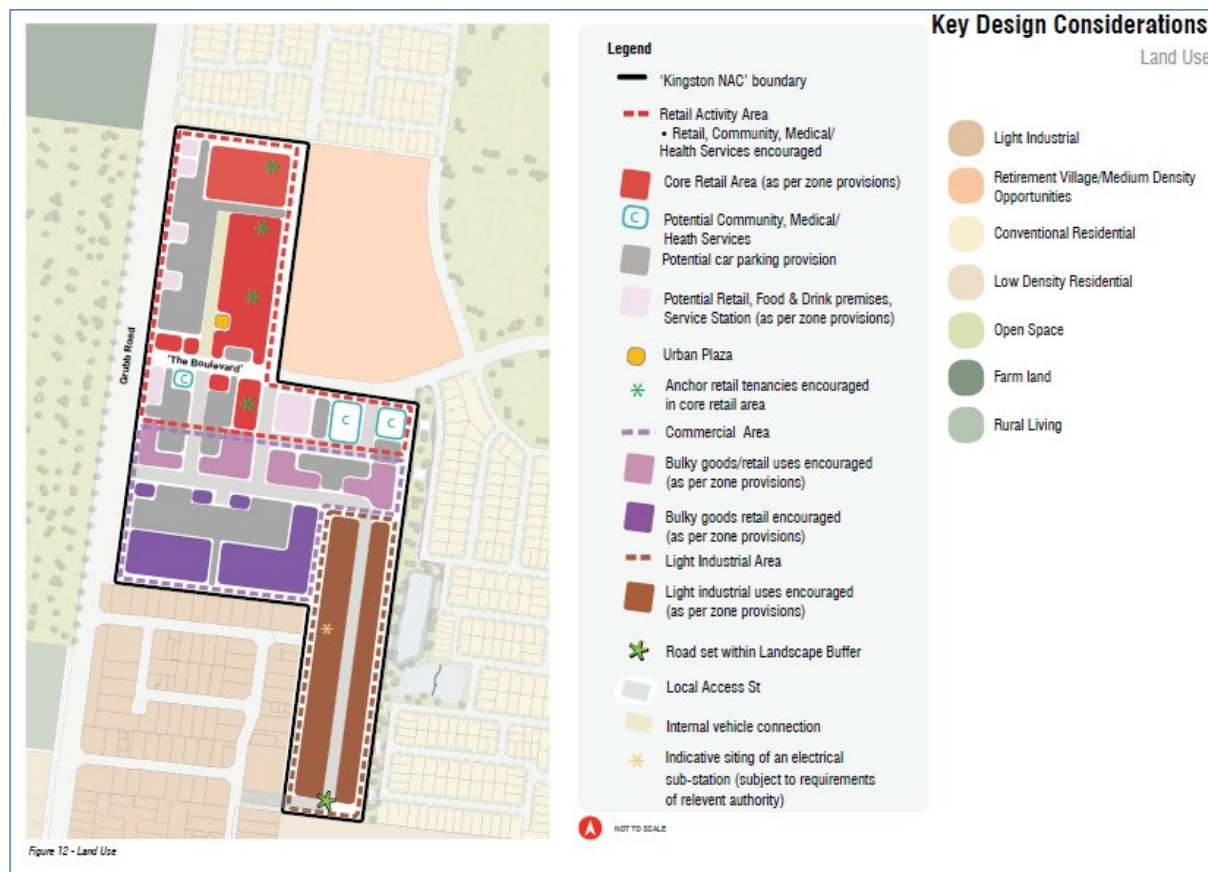
*This Development Plan report supports land use transition to more light industrial uses towards the southern boundary of the subject land (IN3Z), and is known as the ‘**Light Industrial Area**’ in this report.*

*Figure 12: Land Use contemplates overall land use consideration.*

Encouraged uses within specific zones (see also Figure 2)		
C1Z (‘Retail Activity Area’, including the Core Retail Area)	C2Z (‘Retail Activity Area’, including the Core Retail Area and ‘Commercial Area’)	IN3Z (‘Light Industrial Area’)
Accommodation	Childcare Centre	Convenience Shop
Childcare Centre	Cinema	Shop (subject to conditions)
Cinema	Food and Drink Premises	Industry
Office	Office	Office
Retail Premises	Restricted Retail Premises	Place of Assembly
Shop	Shop	Restricted Retail Premises
Leisure and Recreation Facility	Supermarket	Retail Premises
Place of Assembly	Trade Supplies	Warehouse
Community Uses (including health services)	Warehouse	
Supermarket	Leisure and Recreation	
Service station	Place of Assembly	
	Retail Premises	
	Community Uses (including health services)	

*Table 1: Table of Encouraged Uses within the Kingston NAC (NB. This list is not exhaustive)*

Figure 18—Kingston Downs NAC Land Use



Source: *Kingston Neighbourhood Activity Centre and Industrial Estate Development Plan, October 2016*

**4.2 Development** <sup>158</sup> The following planning permits have been issued for development within the Kingston Downs NAC:

- PP-233-2016 (2 May 2017) Woolworths, ALDI, Dan Murphy's, gym, medical, offices and specialty tenancies ("Kingston Village")
- PP-1324-2016 (7 July 2017) McDonald's
- PP-657-2017 (14 December 2017) Service station

<sup>159</sup> Earthworks commenced on the site in the second half of 2018, with buildings being erected from early 2019 and The Boulevard recently completed to Grubb Road.

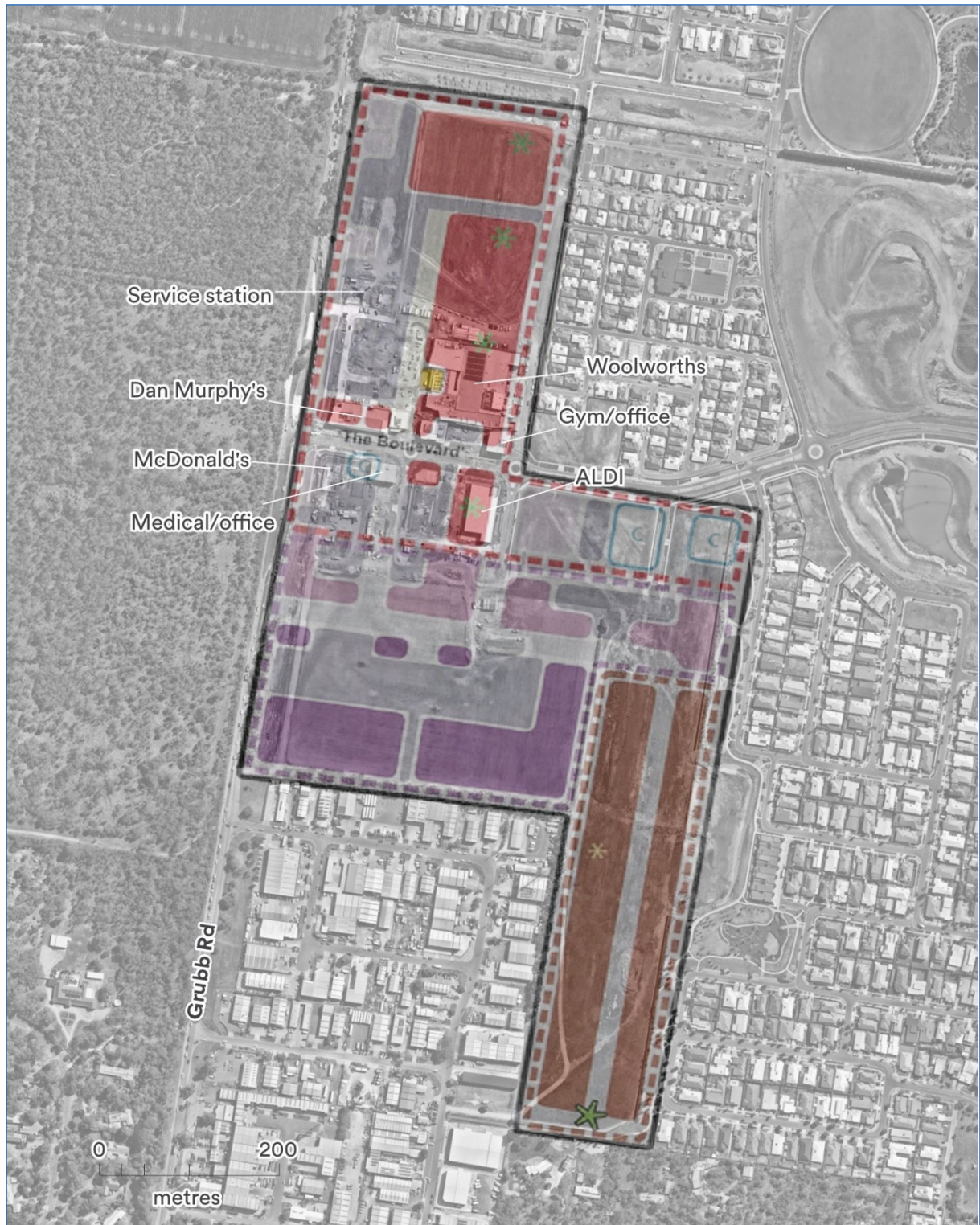
<sup>160</sup> Kingston Village is expected to be open by Christmas this year.

<sup>161</sup> A recent aerial photograph is overlaid on the Kingston Downs NAC Land Use Plan at Figure 19.

<sup>162</sup> It is apparent that the form of development is following closely the intent of the Development Plan, with Woolworths and ALDI located where two of the four anchor retail tenancies are to be positioned within the core retail area.

<sup>163</sup> The two other anchor retail tenancies are to be located north of Woolworths within the remaining C1Z land.

Figure 19—Kingston NAC – construction overlaid on Development Plan



Source: Deep End Services; Nearmap (image as at 2 October 2019)

<sup>164</sup> A key point of contention is the amount of Shop floorspace which could be operational at Kingston Downs NAC after completion of the permitted works which are currently underway.

<sup>165</sup> To help analyse the situation, I have prepared 4 scenarios regarding potential subsequent floorspace operation within the Kingston Downs NAC.

<sup>166</sup> The 4 scenarios are as follows, with details provided on subsequent pages:

- Scenario 1 All specialty floorspace is occupied by Shop tenancies (Table 2)
- Scenario 2 100 sqm of specialty shops occupied by Food & Drink tenants as per Lascorp email to Council of 12 August 2019 – assumed to be within the C1Z (Table 3)
- Scenario 3 50% of specialty shops occupied by non Shop tenants as per Council assumption for C1Z (i.e. 1,601 sqm, nominally allocated as Food & Drink) (Table 4)
- Scenario 4 750 sqm of specialty shops occupied by non Shop tenants (nominally allocated as 500 sqm of Food & Drink and 250 sqm as non retail based on my opinion of typical industry provisions) – with 650 sqm of these tenancies within the C1Z (Table 5).

<sup>167</sup> Resulting Shop floorspace occupation within the C1Z at Kingston Downs NAC would be as follows:

- Scenario 1 8,688 sqm
- Scenario 2 8,588 sqm
- Scenario 3 7,087 sqm
- Scenario 4 8,038 sqm.

<sup>168</sup> It is apparent that in all scenarios except Council's Scenario 3, the proposed Shop floorspace cap of 7,750 sqm will be exceeded once works are completed and tenancies occupied.

<sup>169</sup> Should a planning permit then be sought to replace an existing non-Shop tenant with a Shop tenant within the C1Z or a planning permit be sought to construct additional Shop floorspace, the Day 1 versions of the Retail Strategy and updated and new sections of the Scheme would, prior any further changes resulting from Council's consideration of the Szafraniec Statement), dictate that:

- The amount of Shop floorspace would exceed the limit of 7,750 sqm specified in the Schedule to the C1Z for the Kingston Downs NAC;
- The proposal would be deemed:
  - Low impact if the amount of Shop floorspace to be added was consistent with the role and function of the centre as described within the Retail Strategy; or
  - Otherwise high impact.
- A low impact application would require preparation of a full EIA as set out within 22.03. These requirements are significant for what could potentially be an insignificant amount of floorspace.

<sup>170</sup> I also note that the Retail Strategy is listed as a Reference Document at 21-03. There are a number of additional requirements sitting within the Retail Strategy which are not provided at 21-03, with one of the most onerous and unnecessarily restrictive being the following on page 65:

***2. Proposals consistent with the above will be deemed low impact and required to submit an economic impact assessment. This must demonstrate the following to gain support:***

*a. trade diversion impact of 10 per cent, or less, on any competing centre and*

*b. no significant direct competition, with similar offerings in designated regional, sub-regional and town centres, as identified in the retail hierarchy.*

<sup>171</sup> In my opinion, the choice of 10% is entirely arbitrary and has no foundation in good economic theory. In the case of the Ocean Grove Marketplace, for example, we know the centre is trading at an exceptionally high level and is more than capable of dealing with a 10% (or higher) impact.

<sup>172</sup> The second requirement would stifle competition and potentially deny residents access to the full range and scale of facilities they should expect.

<sup>173</sup> A high impact application must provide both an EIA and a net community benefit assessment.

<sup>174</sup> The requirements of the net community benefit assessment are set out in 21-03 in a somewhat confusing manner but with the genesis being the following at page 65 of the Retail Strategy:

***3. Proposals that are not consistent with the centre hierarchy and policy (see criteria in point 1) will be considered high impact (non-compliant proposals). These will be assessed using:***

*a. the objectives set for the retail system, as detailed on page 17*

*b. an economic impact assessment and*

*c. a net community benefit test.*

*The net community benefit test will measure marginal costs and benefits generated by the non-compliant proposal, versus the base case (see page 44). The (minimum) scope of the net community benefit test is shown in table 6.*

*Victorian Government guidance on how these costs and benefits may be measured can be found in the Department of Treasury and Finance's Victorian Guide to Regulation Toolkit 2: Cost benefit analysis (updated July 2014).*

*Planning applications that do not trigger a permit for use will need to demonstrate satisfactory traffic and/or urban amenity outcomes.*

- <sup>175</sup> I re-state my position that the net community benefit test requirements are inappropriate for a retail expansion application.
- <sup>176</sup> I also note the reference to the base case on page 44 of the Retail Strategy and reiterate the flawed nature of the gravity model and any subsequent reliance on outputs of the model.
- <sup>177</sup> Finally, it is important to contrast what is under development within the Kingston Downs NAC with what the Retail Strategy says is supportable within the centre.
- <sup>178</sup> This is best done by comparing Figure 13 with Table 5 within my statement, which illustrate for the Kingston Downs NAC:
- The Retail Strategy suggests that only 4,400 sqm of retail floorspace will be supportable by 2026 (and 6,300 sqm by 2036); and yet
  - An estimated 10,952 sqm of retail floorspace will be delivered by 2020.
- <sup>179</sup> This, in a nutshell, underlines the apparent disconnect between the gravity model – which sits at the heart of the Retail Strategy – and what actually is occurring on the ground today (let alone in 5 or 15 years' time).

Table 2—Kingston Downs NAC – permitted floorspace – Scenario 1

Use	Floorspace (sqm)				Total
	Shop	Food & Drink	Sub-total retail premises	Non retail premises	
<b><u>C1Z</u></b>					
Woolworths	3,895		3,895		3,895
Dan Murphy's	1,376		1,376		1,376
Specialty – T01-T14	2,267		2,267		2,267
Specialty – T17-T21	431		431		431
Specialty – T32/T32A	504		504		504
Sub-total specialty	3,202		3,202		3,202
Gym – T16				402	402
Office – T16A				312	312
<b>Sub-total</b>	<b>8,473</b>	<b>0</b>	<b>8,473</b>	<b>714</b>	<b>9,187</b>
Service station	215		215		215
<b>Sub-total C1Z</b>	<b>8,688</b>	<b>0</b>	<b>8,688</b>	<b>714</b>	<b>9,402</b>
<b><u>C2Z</u></b>					
ALDI	1,690		1,690		1,690
Specialty – T22-T24	279		279		279
Medical – T30				406	406
Office – T30A				450	450
<b>Sub-total</b>	<b>1,969</b>	<b>0</b>	<b>1,969</b>	<b>856</b>	<b>2,825</b>
McDonald's		545	545		545
<b>Sub-total C2Z</b>	<b>1,969</b>	<b>545</b>	<b>2,514</b>	<b>856</b>	<b>3,370</b>
<b>Total specialty</b>	<b>3,481</b>	<b>0</b>	<b>3,481</b>	<b>0</b>	<b>3,481</b>
<b>Total</b>	<b>10,657</b>	<b>545</b>	<b>11,202</b>	<b>1,570</b>	<b>12,772</b>

Source: Deep End Services; various permits

Table 3—Kingston Downs NAC – permitted floorspace – Scenario 2

Use	Floorspace (sqm)				Total
	Shop	Food & Drink	Sub-total retail premises	Non retail premises	
<b><u>C1Z</u></b>					
Woolworths	3,895		3,895		3,895
Dan Murphy's	1,376		1,376		1,376
Specialty – T01-T14	2,167	100	2,267		2,267
Specialty – T17-T21	431		431		431
Specialty – T32/T32A	504		504		504
Sub-total specialty	3,102	100	3,202		3,202
Gym – T16				402	402
Office – T16A				312	312
<b>Sub-total</b>	<b>8,373</b>	<b>100</b>	<b>8,473</b>	<b>714</b>	<b>9,187</b>
Service station	215		215		215
<b>Sub-total C1Z</b>	<b>8,588</b>	<b>100</b>	<b>8,688</b>	<b>714</b>	<b>9,402</b>
<b><u>C2Z</u></b>					
ALDI	1,690		1,690		1,690
Specialty – T22-T24	279		279		279
Medical – T30				406	406
Office – T30A				450	450
<b>Sub-total</b>	<b>1,969</b>	<b>0</b>	<b>1,969</b>	<b>856</b>	<b>2,825</b>
McDonald's		545	545		545
<b>Sub-total C2Z</b>	<b>1,969</b>	<b>545</b>	<b>2,514</b>	<b>856</b>	<b>3,370</b>
<b>Total specialty</b>	<b>3,381</b>	<b>100</b>	<b>3,481</b>	<b>0</b>	<b>3,481</b>
<b>Total</b>	<b>10,557</b>	<b>645</b>	<b>11,202</b>	<b>1,570</b>	<b>12,772</b>

Source: Deep End Services; various permits

Table 4—Kingston Downs NAC – permitted floorspace – Scenario 3

Use	Floorspace (sqm)				Total
	Shop	Food & Drink	Sub-total retail premises	Non retail premises	
<b><u>C1Z</u></b>					
Woolworths	3,895		3,895		3,895
Dan Murphy's	1,376		1,376		1,376
Specialty – T01-T14	1,134	1,133	2,267		2,267
Specialty – T17-T21	215	216	431		431
Specialty – T32/T32A	257	257	504		504
Sub-total specialty	1,601	1,601	3,202		3,202
Gym – T16				402	402
Office – T16A				312	312
<b>Sub-total</b>	<b>6,782</b>	<b>1,601</b>	<b>8,473</b>	<b>714</b>	<b>9,187</b>
Service station	215		215		215
<b>Sub-total C1Z</b>	<b>7,087</b>	<b>1,601</b>	<b>8,688</b>	<b>714</b>	<b>9,402</b>
<b><u>C2Z</u></b>					
ALDI	1,690		1,690		1,690
Specialty – T22-T24	140	139	279		279
Medical – T30				406	406
Office – T30A				450	450
<b>Sub-total</b>	<b>1,830</b>	<b>139</b>	<b>1,969</b>	<b>856</b>	<b>2,825</b>
McDonald's		545	545		545
<b>Sub-total C2Z</b>	<b>1,830</b>	<b>684</b>	<b>2,514</b>	<b>856</b>	<b>3,370</b>
<b>Total specialty</b>	<b>1,741</b>	<b>1,740</b>	<b>3,481</b>		<b>3,481</b>
<b>Total</b>	<b>8,917</b>	<b>2,285</b>	<b>11,202</b>	<b>1,570</b>	<b>12,772</b>

Source: Deep End Services; various permits

Table 5—Kingston Downs NAC – permitted floorspace – Scenario 4

Use	Floorspace (sqm)				Total
	Shop	Food & Drink	Sub-total retail premises	Non retail premises	
<b><u>C1Z</u></b>					
Woolworths	3,895		3,895		3,895
Dan Murphy's	1,376		1,376		1,376
Specialty – T01-T14	1,717	300	2,017	250	2,267
Specialty – T17-T21	331	100	431		431
Specialty – T32/T32A	504		504		504
Sub-total specialty	2,552	400	2,952	250	3,202
Gym – T16				402	402
Office – T16A				312	312
<b>Sub-total</b>	<b>7,823</b>	<b>400</b>	<b>8,223</b>	<b>964</b>	<b>9,187</b>
Service station	215		215		215
<b>Sub-total C1Z</b>	<b>8,038</b>	<b>400</b>	<b>8,438</b>	<b>964</b>	<b>9,402</b>
<b><u>C2Z</u></b>					
ALDI	1,690		1,690		1,690
Specialty – T22-T24	179	100	279		279
Medical – T30				406	406
Office – T30A				450	450
<b>Sub-total</b>	<b>1,869</b>	<b>100</b>	<b>1,969</b>	<b>856</b>	<b>2,825</b>
McDonald's		545	545		545
<b>Sub-total C2Z</b>	<b>1,869</b>	<b>645</b>	<b>2,514</b>	<b>856</b>	<b>3,370</b>
<b>Total specialty</b>	<b>2,731</b>	<b>500</b>	<b>3,231</b>	<b>250</b>	<b>3,481</b>
<b>Total</b>	<b>9,907</b>	<b>1,045</b>	<b>10,952</b>	<b>1,820</b>	<b>12,772</b>

Source: Deep End Services; various permits

# 5

## Conclusions and recommendations

<sup>180</sup> My conclusions are as follows:

- The retail gravity model prepared by SGS as the key input for the Retail Strategy is heavily flawed, with key inputs such as existing retail floorspace, centre RTDs, population forecasts, tourism spending contributions and catchment area definitions demonstrating, in many cases, significant departures from reality.
- The implications of the flawed nature of the gravity model are amplified at Ocean Grove, particularly with respect to population capacity and forecasts, the current overperformance of the Ocean Grove Marketplace, the small size of centre catchments and the underestimation of tourism contribution to local retail spending.
- Supportable floorspace projections contained within the Retail Strategy bear little resemblance to the actual market, particularly at the Kingston Downs NAC and Sinclair Street.
- Clause 22.03 is poorly drafted and based upon an onerous and unnecessarily restrictive set of guidelines provided within the Retail Strategy. The current 22.03 should be retained as it has served the City well.
- Kingston Downs NAC is being developed in line with the Development Plan approved by Council in October 2016, with Kingston Village due to open before the end of this year. Its development should be encouraged to continue in line with the Development Plan.
- Kingston Downs NAC does not currently have a floorspace cap and it is not appropriate that one be applied to the centre as a result of Am C393.

<sup>181</sup> In arriving at my conclusions, I have made all the inquiries that I believe are desirable and appropriate and no matters of significance which I regard as relevant have, to my knowledge, been withheld from the Panel.

A handwritten signature in black ink that reads "Justin Ganly". The signature is written in a cursive, flowing style.

**JUSTIN GANLY**  
**Managing Director, Deep End Services**  
**18 October 2019**

## Appendix A Curriculum vitae for Justin Ganly

<b>Current Position</b>	Managing Director, Deep End Services Pty Ltd
<b>Previous Positions</b>	<p>Associate Director, KMPG February 1999 – June 2003</p> <p>National Real Estate Analyst, Coles Myer January 1998 – February 1999</p> <p>Managing Consultant, Coopers &amp; Lybrand Consultants August 1993 – December 1997</p> <p>Senior Consultant, Andersen Consulting January 1990 – July 1993</p>
<b>Academic Qualifications</b>	<p>Graduate Diploma of Applied Finance and Investment Securities Institute of Australia, 2003</p> <p>Bachelor of Chemical Engineering (First Class Honours) University of Melbourne, 1989</p>
<b>Professional Affiliations:</b>	<p>Board Member, MAB Corporation Advisory Board</p> <p>Member, Property Council of Australia</p> <p>Associate Member, Large Format Retail Association</p> <p>Member, Victorian Planning &amp; Environmental Law Association</p>
<b>Skills / Attributes:</b>	<ul style="list-style-type: none"> <li>• Experienced economic expert</li> <li>• Well developed modelling and forecasting skills</li> <li>• Clear and thorough communicator in both written and verbal presentations</li> <li>• Experience in dealing with all major retailers in Australia and New Zealand</li> <li>• Detailed knowledge of all major property classes within Australia and New Zealand</li> <li>• Developing knowledge of markets in Asia, USA and the Middle East</li> <li>• Well known in the business community via involvement with clients and through commentary in newspapers and on television programs.</li> </ul>

Professional  
Experience:

Managing Director, Deep End Services (July 2003 – current)

- Justin established Deep End Services in July 2003 and now employs twelve staff based in Melbourne and one based in Sydney
- Deep assists clients with a common requirement - the need to quantify the effects of the location of their business or property on sales, profitability, growth and income. “DEEP” represents three core service areas:
  - Demand Evaluation
  - Economics
  - Planning
- Within each of these three areas, Deep End Services provides consulting advice to retailers, property owners, property developers and others such as financial institutions, infrastructure providers and industry associations. The products offered included:
  - Store network planning and sales forecasting
  - Acquisition due diligence
  - Feasibility analysis
  - Economic impact assessment
- Deep’s property clients include:
  - AMP, Aventus Property, Axiom Properties, Brookfield Multiplex, Cbus Property, Charter Hall Retail REIT, Dennis Family Corporation, Hamton, Harvey Norman, ISPT, Lend Lease, MAB Corporation, Macquarie Bank, Mirvac, Orica, Pellicano, Places Victoria, Stockland, Villawood, Walker Corporation and Westfield
- Deep’s retail clients include:
  - ALDI, Anaconda, Baby Bunting, Beacon Lighting, Clark Rubber, Coles, Costco, Gazal Group, Harris Scarfe, Noni B, Officeworks, Orotan, Petbarn, Pillow Talk, Spotlight, The Good Guys and Woolworths
- Deep’s other clients include:
  - Archer Capital, InterContinental Hotels Group, Development Victoria, Large Format Retail Association, Medibank, Melbourne Racing Club, Newcastle Permanent Building Society, NSW Department of Planning & Environment, Reading Entertainment and Victorian Planning Authority

Professional  
Experience Cont’:

Associate Director, KPMG (February 1999 - 2003)

- Based in Melbourne, but working on assignments throughout Australia and New Zealand, Justin worked closely with Bernard Salt, Australia’s leading business demographer, to provide consulting services to clients requiring independent assistance on retail, property, demand and/or demographic issues.
- Services and clients at KPMG and Coopers & Lybrand Consultants included:
  - Planning & litigation support (AMP, Coles, Myer, Macquarie CountryWide)
  - Shopping centre development (AMP, Gandel, Leda, Macquarie CountryWide)
  - New location feasibility studies (Bunnings, Melbourne Museum, Reading Cinemas)
  - Store location network strategies (Freedom Furniture, Barbeques Galore, Rebel Sport)
  - Demand analysis (Strandbags, Just Jeans, Jeans West)
  - Specialty store micro-siting (Australia Post, Terry White, Strandbags).

National Real Estate Analyst, Coles Myer (January 1998 - 1999)

- Employed as Coles Myers’ National Estate Analyst in a position within the Shared Services team based at Tooronga in Melbourne.
- The key responsibilities in this position were the development of store sales forecasting models for all major Coles Myer brands (including Myer Grace Bros, Kmart, Target, Coles and Bi-Lo) plus delivery of sales forecasts for proposed new or refurbished stores for use in capital allocation decisions.

Managing Consultant, Coopers & Lybrand Consultants (August 1993 - December 1997)

- Employed as a Managing Consultant in C&LC’s Property Group, which comprised up to 40 staff located in offices in Melbourne, Sydney, Brisbane, Adelaide and Canberra.
- The Melbourne operation was responsible for providing consulting advice to clients involved in retail, property ownership and property development in Australia, New Zealand and South East Asia. This group transferred to KPMG in early 1998.

Senior Consultant, Andersen Consulting (January 1990 - 1993)

Employed as a Senior Consultant in the Systems Integration Group in the Melbourne office and was involved in systems installation such as the design and installation of a retail property management system in Auckland.

## Appendix B Exhibited Amendment C393 Instruction Sheet and amended/new clauses

*Planning and Environment Act 1987*

**GREATER GEELONG PLANNING SCHEME**

**AMENDMENT C393**

**INSTRUCTION SHEET**

The planning authority for this amendment is Greater Geelong City Council.

The Greater Geelong Planning Scheme is amended as follows:

**Planning Scheme Ordinance**

The Planning Scheme Ordinance is amended as follows:

1. In Local Planning Policy Framework – replace Clause 21.07 with a new Clause 21.07 in the form of the attached document.
2. In Local Planning Policy Framework – insert a new Clause 21.19 in the form of the attached document.
3. In Local Planning Policy Framework – replace Clause 22.03 with a new Clause 22.03 in the form of the attached document.
4. In Zones – Clause 34.01, amend the Schedule in the form of the attached document.
5. In Operational Provisions – Clause 72.08, replace the Schedule with a new Schedule in the form of the attached document.

End of document

**21.07**

12/01/2017

C347

[Proposed C393](#)**ECONOMIC DEVELOPMENT AND EMPLOYMENT****21.07-1**

14/10/2010

C168

[Proposed C393](#)**Key issues and influences****Economic Role and Function**

Geelong is the largest regional city in Victoria and the primary service and employment hub for the G21 Geelong Region Alliance.

The City's infrastructure base includes Avalon Airport, the Geelong Port and major road and rail connections to Metropolitan Melbourne and Victoria's western regions.

The provision of high quality living, working and recreational environments is critical to attracting and retaining highly skilled people and the businesses in which they work.

**Industry**

There is a need to provide support for ongoing employment and economic development in the Geelong region.

There is a need to provide a diverse range of appropriately located, well serviced industrial land which meets the needs of a range of industry types and minimises land use conflicts.

Traditional manufacturing industries will continue to be key economic and employment drivers in the municipality, however at the same time the City's economy will need to focus on emerging industry sectors that underpin economic development, prosperity and employment growth in the new economy.

The changing nature of industrial development means that most industrial development now requires high amenity land that offers a high quality environment for workers and visitors.

There is a need to support industry through the maintenance and improvement of infrastructure including the road, rail, Avalon Airport, deep water port and associated facilities.

The extractive industry operations in the municipality make a vital contribution to the building and construction industries and are of major economic importance to the Geelong region.

**Retail**

~~The City of Greater Geelong Retail Activity Centre Hierarchy has been established to articulate the role and function fulfilled by centres of different sizes.~~

~~The retail hierarchy supports the primacy of Central Geelong as the focus of retail activity in the region.~~

~~There is a need to ensure a mix of commercial uses in activity centres.~~

~~The retail hierarchy will be enhanced through high quality urban design and improved pedestrian and public transport accessibility.~~

~~There is increasing development pressure for sites located away from activity centres, particularly for bulky goods and other large format retail development types that seek large sites with the capacity for significant car parking.~~

~~Greater Geelong exhibits a number of factors that contribute to an increased vulnerability to problem gambling which requires sensitive consideration of their location.~~

## Rural

Agricultural production is modest, but locally important and economically significant for landowners.

There is potential for growth in agricultural production, particularly aquaculture.

Farming activity and the rural landscape are very significant elements to the identity, image and liveability of the City of Greater Geelong.

Farming and rural landscapes form non urban breaks and are a critical element to the settlement strategy, tourism function and lifestyle of the region.

Farming and agriculture are important and valued activities in the northern area of the municipality, particularly in the Anakie area.

Rural land in a number of urban fringe areas accommodates a range of uses and developments which require buffers from residential areas.

The City's rural areas contain important environmental assets.

## Tourism

Tourism is a key part of the economy of the Geelong region. The region includes major tourism destinations such as the Bellarine Peninsula and the coast.

Tourism activities in rural and coastal areas must be carefully managed so as not to compromise the natural environment and/or agricultural activities.

### 21.07-2

19/07/2012  
G487  
[Proposed C393](#)

## Industry

### Objectives

- To provide an adequate supply of appropriately located industrial land that meets the needs of different industries.
- To direct different types of industrial development to appropriate locations.
- To facilitate well designed and serviced industrial development that provides a high level of amenity for workers and visitors.
- To minimise land use conflicts.

### Strategies

- Focus new industrial development around major transport routes and infrastructure assets.
- Protect existing and designated future industrial areas from encroachment by incompatible land uses.
- Support the development of a technology/business park in the South Western Armstrong Creek Employment Area.
- Encourage regional and national scale industrial businesses to locate in the southern part of the Geelong Ring Road Employment Precinct, and in appropriate locations in the future South Western Armstrong Creek Employment Area.
- Direct industries which require substantial buffer zones from sensitive land uses to the core of the Industrial 2 Zone in the Geelong Ring Road Employment Precinct.

- Ensure all industrial development incorporates best practice water sensitive urban design and waste management practices.
- Ensure all industrial development is appropriately serviced by road, drainage, water, sewerage and telecommunications infrastructure.
- Ensure all industrial development provides high quality urban design and landscaping.
- Ensure new development in the Geelong Ring Road Employment Precinct is configured to minimise the individual and societal risk levels attached to the Shell LPG Storage Facility.
- Protect identified stone resources for future extraction and potential extraction industry operations from the encroachment of incompatible land uses.
- Direct materials recycling industries to locations that minimise land use conflicts and impacts on the amenity of surrounding areas.
- Support the establishment of infrastructure that reduces costs for business and industry.
- Support an integrated Geelong Transport Strategy, ensuring that industrial areas are well connected to each other and the rail/freeway network.
- Provide sufficient industrial land to meet a range of industrial needs in Geelong, including small to medium sized industry.
- Develop the North East Industrial Precinct as a vibrant, new generation, master planned industry and business park that will attract a wide range of users and respond to the changing needs of industry sectors over time, as a key business address in the region and Victoria.

### **21.07-3 Retail**

14/10/2010  
C168

#### **Objectives**

- ~~To facilitate the development of vibrant and viable retail activity centres in accordance with the Geelong Retail Activity Centre Hierarchy included at Clause 21.07-8.~~
- ~~To ensure all major retail developments, and out of centre developments, provide a clear net community benefit.~~
- ~~To avoid the risk of exacerbating problem gambling.~~

#### **Strategies**

- ~~Ensure that new retail development is directed to activity centres and is consistent with the role and function described in the Retail Activity Centre Hierarchy included at Clause 21.07-8.~~
- ~~Ensure Central Geelong remains the primary retail activity centre in the G21 Region and the focus of retail activity in the G21 region.~~
- ~~Direct restricted retail (bulky goods) use and development to Central Geelong, the nominated homemaker precinct at Waurn Ponds, the Corio homemaker precinct subject to appropriate re-zoning and other homemaker precincts and activity centres as detailed in Clause 21.07-8.~~
- ~~Discourage restricted retail (bulky goods) development in industrial areas.~~
- ~~Encourage a mix of retail, office, cafes, entertainment, housing, education and community facilities to locate within activity centres.~~
- ~~Support accommodation uses above ground level floor space in activity centres subject to appropriate provision of parking and access requirements.~~

- ~~Require that applications for new centres establish the retail need for such use and development and demonstrate that there are no adverse impacts on the operation of the retail activity centres hierarchy.~~
- ~~Direct the location of gaming machines to venues that makes gaming accessible but not convenient as detailed in Clause 22.57.~~

**21.07-34**

28/01/2010  
C129(Part1)

**Economic growth sectors**

**Objective**

- To facilitate development in the City’s strategic economic growth sectors.

**Strategies**

- Support industry development in the following strategic growth sectors:
  - Knowledge, Innovation and Research.
  - Advanced Manufacturing.
  - Health.
  - Tourism.
  - Small, Micro and Home Based Business.
  - Food and Horticulture.
- Support the development of the Geelong Technology Precinct located at the Deakin University Waurn Ponds campus, particularly biotechnology industry.
- Support the development of seafood and aquaculture industries in appropriate locations, particularly in North Geelong, Portarlington and Avalon.
- Support the development of health and medical industries, particularly in the Medical Health Cluster in central Geelong (as identified on the Central Geelong Structure Plan Map at Clause 21.09), and around the Deakin University campus at Waurn Ponds.
- Support the development of food, horticulture and viticulture industries in appropriate locations, particularly on the Bellarine Peninsula.
- Support the development of aerospace industries within the confines of the Avalon Airport site.

**21.07-45**

12/01/2017  
C347

**Rural Areas**

**Objectives**

- To support the use of the northern, western and southern rural areas for productive agriculture.
- To ensure that rural areas provide an attractive setting through the preservation of the rural landscape character.
- To protect and enhance the Bellarine Peninsula as a productive rural area with highly significant landscapes based on farming and environmental features.

## Strategies

- Maintain rural land in large and productive parcels, in accordance with the schedules to the farming zones.
- Minimise non agricultural land uses in rural areas.
- Ensure that any non agricultural land uses will not compromise farming activity in the area.
- Ensure development in rural areas respects the rural landscape character, particularly significant landscapes identified through the Coastal Spaces Landscape Assessment Study.
- Ensure that new dwellings do not compromise the productive agricultural capacity of land and are associated with the productive agricultural use of the land.
- Encourage agricultural development with export potential and specifically encourage aquaculture and horticulture activities in the rural areas around Avalon Airport.

### 21.07-56

12/01/2017  
C347

## Tourism in rural areas

### Objectives

- To support tourism development in rural areas that respects the open rural landscape character of the area, and contributes to the economy.

### Strategies

- Within rural areas, support appropriately scaled, high quality, landscape responsive tourism uses that are complementary to their rural landscape character and environmental setting and are associated with agricultural activity on the land.
- Support a limited number of larger scale rural based tourism development within rural areas that require rezoning.
- Direct major accommodation facilities to urban areas.

### 21.07-67

12/01/2017  
C347

## Implementation

These strategies will be implemented by:

### Using policy and the exercise of discretion

Where appropriate, referring applications for the development of land in the Geelong Ring Road Employment Precinct to Worksafe.

Using the Discretionary Uses in Residential Areas Policy at Clause 22.01.

Using the Sexually Explicit Adult Entertainment Venues, Adult Sex Bookshops and Adult Cinemas Policy at Clause 22.02.

~~Using the Assessment Criteria for Retail Planning Applications Policy at Clause 22.03.~~

Using the Agriculture, Rural Dwellings and Subdivision Policy at Clause 22.05.

Using the Tourism, Accommodation and Function Centre Development in Rural Areas Policy at Clause 22.06.

Using the Racing Dog Keeping and Training Policy at Clause 22.07.

Using the Materials Recycling Policy at Clause 22.08.

~~Using the Gaming Policy at Clause 22.57.~~

### **Applying zones and overlays**

Applying the Rural Activity Zone to major tourism proposals in accordance with Clause 22.06 – Tourism Development in Rural Areas.

### **Further work**

Support the development of a masterplan for the Avalon Airport site.

As a priority, commence an investigation into the future residential and industrial land use needs for Geelong, as a basis for future growth area planning that would include:

- assessment of the environmental, resource, landscape, development pattern, access, servicing, land use, economic and social constraints and opportunities associated with possible growth areas around Geelong,
- identification of a preferred growth area or areas, and
- preparation of detailed growth area plans.

### **References**

*Heales Road Industrial Estate Framework Plan*, MacroPlan Australia and the City of Greater Geelong, 2007.

*Armstrong Creek Urban Growth Plan*, City of Greater Geelong, 2006.

~~*City of Greater Geelong Retail Strategy, Essential Economics and Hansen Partnership, 2006.*~~

*City of Greater Geelong Economic Development Strategy*, City of Greater Geelong, 2005.

*Geelong Seafood Industry Strategy*, City of Greater Geelong, 2003.

*City of Greater Geelong Rural Land Use Strategy*, City of Greater Geelong, 2007.

*Coastal Spaces Landscape Assessment Study*, Department of Sustainability and Environment, 2006.

*North East Industrial Precinct, Precinct Structure Plan*, May 2010.

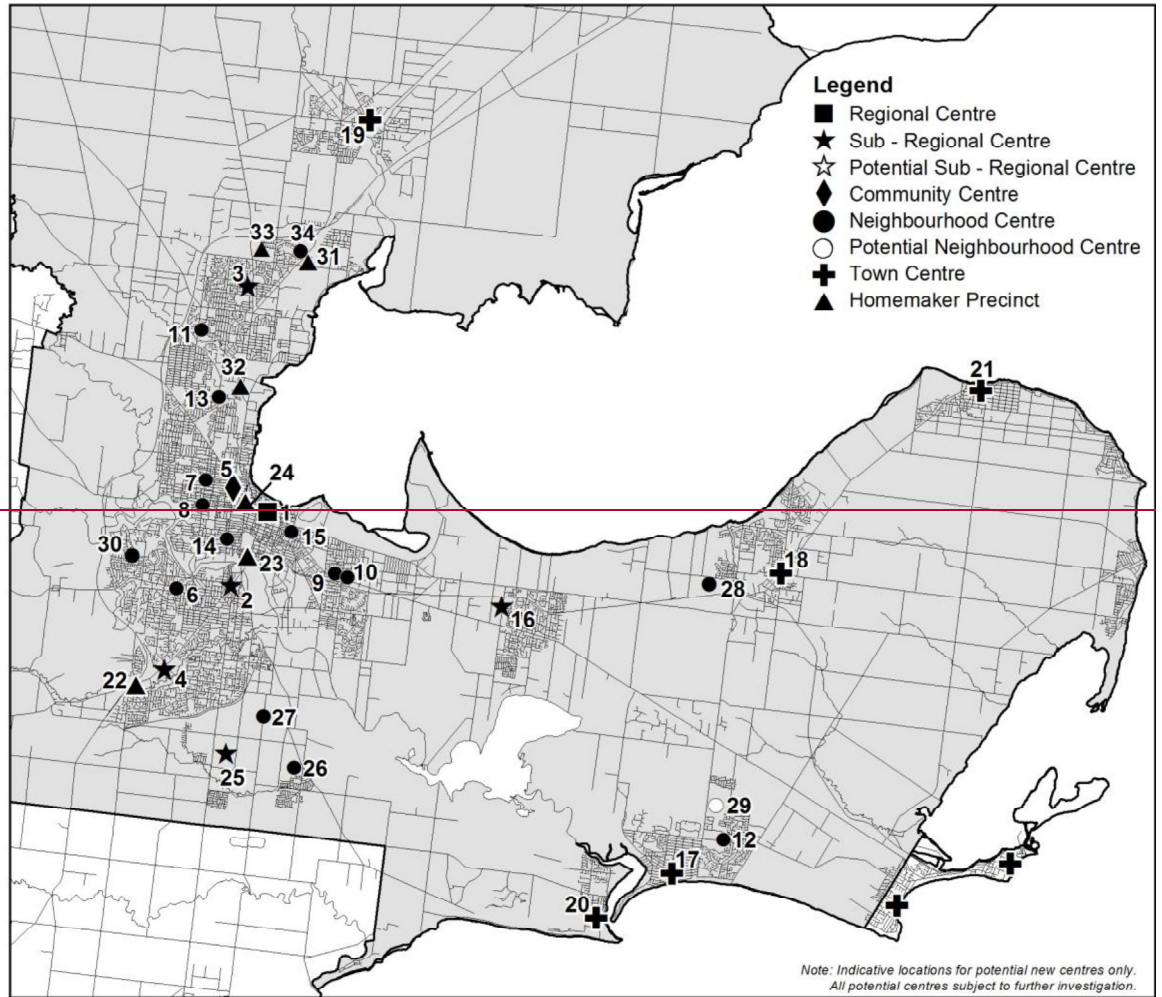
*North East Industrial Precinct, Development Contributions Plan*, May 2010

*Greater Geelong Gaming Policy Framework*, City of Greater Geelong, 2007.

*Armstrong Creek Town Centre, Precinct Structure Plan, March 2014*

21.07-8  
19/03/2015  
C323

**City of Greater Geelong Retail Activity Centre Hierarchy**



<b>City of Greater Geelong Retail Activity Centre Hierarchy</b>		
<b>Level in Hierarchy</b>	<b>Identified Centres</b>	<b>Indicative floorspace and example key tenants</b>
<b>Regional Centre</b>	Central Geelong (1)	More than 100,000 sqm Department store, discount store(s), mini major(s), supermarkets(s) and extensive range of specialties
<b>Sub-regional Centres</b>	Belmont (2), Corio Village (3), Waurn Ponds (4) Leopold (16)	15,000 sqm to 35,000 sqm Discount department store(s), mini major(s) supermarket(s) and specialties
	Armstrong Creek Town Centre (25)	40,000 sqm Discount department store(s), mini major(s), supermarket(s) and specialties
<b>Community Centre</b>	Pakington Street (Geelong West) (5)	10,000 sqm to 25,000sqm Supermarket(s), mini major(s) and specialties
<b>Neighbourhood Centres</b>	Highton (6), Shannon Avenue (Geelong West) (7), Shannon Avenue (Newtown) (8), Bellarine Village (9), Newcomb Central (10), Bell Post (11), Ocean Grove marketplace (12), Separation Street (13), Pakington Street (Newtown) (14), Geelong East (15), Barrabool Hills Neighbourhood Shopping Centre (30), Rosewall (34), Armstrong Creek East (26), Armstrong Creek Horseshoe Bend Road (27), Jetty Road Growth Area (28)	2,500 sqm to 25,000 sqm Supermarket (small or full line), primarily convenience oriented specialties
<b>Town Centres</b>	Ocean Grove (Town Centre) (17), Drysdale (18), Lara (19), Barwon Heads (20), Portarlington (21)	1,500 sqm to 15,000 sqm Supermarket, mini major(s), specialties
<b>Homemaker Precincts</b>	Waurn Ponds (22), Moorabool/Fyans (23), Geelong West (24), Princes Highway (Corio) (31), North Geelong (32), Bacchus Marsh Road (Corio) (33)	5,000 sqm to 50,000 sqm Large restricted retail type tenants
<b>Potential Neighbourhood Centres</b>	Ocean Grove north east growth corridor (29)	

21.07-89  
19/07/2012  
C187

Geelong Ring Road Employment Precinct Framework Plan map



## 22.03 Assessment Criteria for Retail Planning Applications

DD/MM/YYYY  
Proposed C393

This policy applies where a planning scheme amendment or planning permit is required for the use and/or development of land for a new or expanded provision of retail floorspace.

### Policy Basis

The City of Greater Geelong is forecast to experience significant population growth increasing the demand for new and expanded retail services. It is critical to ensure our community has access to every day services within a 20 minute drive from home. Our retail centres should be encouraged to grow and transition over time to activity centres extending their offer to include uses other than retail.

The Geelong Retail Centre Hierarchy has been established to articulate the role and function fulfilled by centres of different sizes. The retail centre hierarchy can be found at Clause 21.19.

Expanding our existing centres is encouraged over developing new centres in out of centre locations

The expansion of several existing centres in Greater Geelong are constrained particularly at the subregional and neighbourhood centre level. Expansion of these centres should consider opportunities to make better use of at grade car parking areas and expand in a vertical direction.

Supermarket based centres should be within a 400 metre distance to residential zoned land to limit car usage, encourage urban consolidation and better utilise existing infrastructure.

Growth should be directed to the locations identified in Clause 21.19. The amount of growth supportable within these locations will be determined by the application requirements identified within this clause.

A proposal which increases the floor area of an existing centre and remains consistent with the role and function of a centre identified in the Geelong retail centre hierarchy is considered a low impact proposal.

Out of centre development or development which alters the role and function of a centre identified in the Geelong retail centre hierarchy is considered to be a high impact proposal.

New development should provide high quality built form outcomes which are sympathetic to the character of the surrounding area and minimises amenity impacts on nearby sensitive land uses.

### Objectives

- To ensure that applications or rezoning requests for new and expanded centres establish a demand for such use and demonstrate that there are no adverse impacts on nearby centres or the operation of the retail centre hierarchy.
- To support the viability of centres identified in the retail hierarchy.
- To ensure all high impact proposals provides a net community benefit
- To guide consideration of applications involving an increase in a maximum leasable floor area identified in the schedule to the Commercial 1 Zone,
- To ensure the design and layout of new or expanding centres minimise amenity impacts on surrounding uses and contributes positively to the streetscape and surrounding area.

### Policy

#### Use applications

It is policy that an application demonstrate if the proposal is low or high impact, based on the following;

- a) Whether the proposal is considered to be in centre, edge of centre or out of centre.

- b) Whether the proposal conforms with the role and function identified in the Geelong Retail Centre Hierarchy as outlined in the table at Clause 21.19-5.

Proposals considered low impact should submit an economic impact assessment.

Proposals considered high impact must submit an economic impact assessment, including a net community benefit assessment.

### **Buildings and works applications**

It is policy to:

- Ensure blank walls and loading bays are not adjacent to sensitive land uses and key vehicle and pedestrian accessways to a centre.
- Ensure illuminated signage does not impact on sensitive land uses.
- Ensure new development provides visually interesting and active street frontages where buildings abut the street or a public space.
- Encourage car parking areas to be located to the side or rear of a centre.
- Ensure car parking areas do not visually dominate the front setback area of a centre by providing landscaping including canopy trees.
- Ensure there are safe and convenient pedestrian connections from car parking areas and the surrounding footpath network to the entrance(s) of a centre.

### **Application Requirements**

#### **Economic Impact Assessment**

The following issues and information are required to be addressed as part of an economic impact assessment:

##### General

- Amount of overall retail floorspace.
- Number of retail tenancies and their floor area.
- All proposed land uses.
- The location and amount of floor space dedicated to shop uses within the development if the centre is listed in the schedule to the Commercial 1 Zone.
- Assessment of any likely impact on existing, planned or approved retail facilities.
- Description of anticipated benefits to the community (whether or not these can be monetised).
- Estimated net employment benefits (if any).

##### Retail Supply

- The existing supply of retail floor space serving the catchment, by type, size, role and function.
- Details of any other proposals for new or expanded retail development in the catchment or beyond, which could have an effect on the proposal, existing centres or planned development.
- Demonstrate how the proposed retail floorspace would fit into the Geelong retail centre hierarchy as detailed in Clause 21.19.
- Demonstrate whether the existing supply of retail floorspace is adequate to meet existing and foreseeable demand levels over a 15 year period.
- Whether there are any existing retail gaps in merchandise/services which the proposal will fill.

##### Retail Demand

- The need or demand for new or expanded retail floorspace provision to serve the identified catchment, taking into consideration the objectives and strategies contained in Clause 21.19.
- The current catchment population, forecast population and retail spending growth rate for a 15 year period.
- The extent to which the proposal will draw trade from beyond the catchment, and from passing trade.
- Whether the proposed or expanded retail provision would mean an expansion in the size of the catchment of that centre.
- Impacts on the catchment of nearby centres and the effect this may have on centres within those catchments.

#### Escape Spending

- Estimates of existing levels of escape spending from the catchment.
- Estimates on the share of this escape spending that could reasonably be retained by the proposal.

#### Impact on Existing Retail Facilities

- Assessment of the expected trading effects on existing or planned retail facilities based on each of the following scenarios; where relevant:
  - The proposal did not go ahead and existing centres in the catchment continue to trade.
  - The proposal is located adjoining an existing nearby centre already identified in the retail hierarchy or
  - Where an out of centre development is proposed, if the centre was approved.
- Demonstration of the extent to which the proposal is expected to lead to an overall improvement in the provision of retail facilities to the catchment population, including the potential for retaining spending that would otherwise escape to other centres.
- Demonstrate that the proposal will improve access to services by reducing travel times for residents.
- Demonstrate that a proposal which results in a development exceeding the maximum floor area specified in the schedule to the Commercial 1 Zone, does not impact on the timing, delivery and viability of other retail centres including planned centres.
- High impact proposals must demonstrate a net community benefit. The assessment must:
  - Establish a realistic outlook of what the floor space growth may be in the catchment, in the absence of the proposal over the coming 15 years (base case).
  - For an out of centre proposal, consider what the costs and benefits to the community are, if the out of centre proposal was to proceed as proposed.
  - Compare the costs and benefits of the proposal against the costs and benefit of the established base case.
  - Quantify and monetise the costs and benefits of the proposal versus the base case
  - As a minimum, the following costs must be considered:
    - Greater motorised travel externalities (air pollution, greenhouse gas emissions, congestion)
    - Reduced consumer surplus (shoppers paying more in vehicle operating costs to achieve similar retail service outcomes).
    - Lost opportunities for more consolidated urban development.

- Potentially, impacting considerably on competing centres within the planned hierarchy (persistent vacancies, vandalism etc).
- Potential foregone opportunities for co-location of retail services with community uses.
- Potential loss of employment development through displacement of strategic commercial or industrial land.
- As a minimum, the following benefits must be considered:
  - Improved amenity and place quality at the out of centre location achieved through the development
  - Potentially, earlier provision of expanded retail services for the catchment population.

The Responsible Authority may waive any of the above requirements relating to an economic impact assessment.

#### **Out of centre applications**

An application for an out of centre development must demonstrate:

- Why the proposal cannot be accommodated within an existing centre identified in the retail hierarchy.
- Why the proposal cannot be accommodated on the edge of an existing centre identified in the retail hierarchy.
- That the proposal will not significantly impact on the character and amenity of the surrounding area.
- That the location of the centre will reduce travel times for the community when compared to nearby existing centres with a similar retail offer.
- That the centre has excellent connectivity to the surrounding residential area(s).
- That the proposal will not result in traffic and safety conflicts between cars, trucks and pedestrians external to the site.

#### **References**

City of Greater Geelong Retail Strategy 2016-36, November 2018

## 21.19 Activity Centres

DD/MM/YYYY  
Proposed C393

### 21.19-1 Key Issues and Influences

DD/MM/YYYY  
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The City of Greater Geelong is forecast to experience significant population growth increasing the demand for new and expanded retail services.

Retail centres should contribute to the vibrancy and attractiveness of suburbs and townships.

A retail centre is defined as:

Any place where retail transactions take place for goods and services and where one or more of the following conditions apply:

- The retail activity is lawful under all relevant statutes including the Planning and Environment Act
- The location accommodates at least one shop, and
- The total floor space of the shop(s) exceeds 500sqm.

A place can be a 'retail centre' without being an 'activity centre' which includes a range of other community facilities and services.

A centre which develops without the need for a planning permit for the use, is not automatically included within the Geelong Retail Centre Hierarchy at Clause 21.19-5.

The boundary of a 'retail centre' includes those contiguous land parcels into which the existing or planned uses might lawfully locate without the need for a Planning Scheme Amendment.

Retail centres should be easily accessible and conveniently located, minimising the need for, and length of, car trips.

Activity centres support a range of uses including retail, commercial, accommodation, community, cultural, education, social, entertainment, leisure and civic services.

The Geelong Retail Centre Hierarchy identifies the role and function fulfilled by centres of different sizes. The retail hierarchy supports the primacy of Central Geelong as the focus of retail and cultural activity in the region.

Successful shopping centre networks typically feature strong representation from across the 4 retail systems. These systems including fast retail (supermarkets, bottle shops), slow retail (café, deli's), cultural retail (museums and galleries) and restricted retail (hardware, furniture).

Analysis into current retail demand and supply trends in Greater Geelong finds the following:

- Pressure to approve new centres in out of centre locations is expected to continue.
- Demand for additional retail floor space will increase overtime in line with population growth.
- There is sufficient Commercial 2 Zoned land to accommodate future demand for restricted retail uses within Greater Geelong particularly on the Bellarine Peninsula.
- Supermarket and bottleshops dominate retail sales across Geelong.
- Townships on the Bellarine struggle to create a year round retail market relying heavily on the summer tourism period. Improvements in the slow and cultural retailing offer will be important for these locations.
- The 4 retail systems are currently not occurring in retail centres in Geelong particularly in Central Geelong,

Council has planned for the establishment of new activity centres within identified growth locations to meet the needs of future residents.

Increased residential densities in increased housing diversity areas will support the viability of existing retail centres improving walkability and limiting travel times required to access essential day to day services.

The retail hierarchy will be enhanced through high quality urban design and improved pedestrian and public transport accessibility.

Greater Geelong exhibits a number of factors that contribute to an increased vulnerability to problem gambling which requires sensitive consideration of their location.

## 21.19-2 Objectives

DD/MM/YYYY  
Proposed C393

- To consolidate and strengthen the established Geelong Retail Centre Hierarchy
- To facilitate the development of vibrant and viable retail centres
- To ensure that Central Geelong remains the primary activity centre in the municipality.
- To ensure that new retail development complies with the Geelong Retail Centre Hierarchy included at Clause 21.19-5, and failing this, provides a net community benefit.
- To encourage a competitive supply of goods and services.
- To encourage walkable access to retail and activity centres from residential areas.
- To distribute restricted retail activity across the retail hierarchy.
- To ensure there is a diversity of uses in all centres, particularly in Central Geelong, Town and Sub-regional Centres.
- To encourage retail centres to become activity centres over time.
- To support the expansion of existing centres.
- To ensure new retail centres have direct access to a major road and good access to public transport.
- To limit retail uses in industrial zones.
- To provide an appropriate forward land supply for retail and activity centre development to meet the current and anticipated demand in greenfield locations.
- To avoid the risk of exacerbating problem gambling.

## Strategies

### General

- Encourage a mix of retail, office, cafes, higher density housing, education and community facilities to locate within centres, but particularly Central Geelong, Sub-regional and Town Centres.
- Support accommodation uses above ground level floor space in retail and activity centres subject to appropriate provision of parking and access requirements.
- Direct entertainment and cultural activities to Central Geelong.

### Gaming

- Direct the location of gaming machines to venues that makes gaming accessible but not convenient as detailed in Clause 22.57.

### Retail Hierarchy

- Direct new retail development to existing centres, consistent with the role and function described in the Geelong Retail Centre Hierarchy included at Clause 21.19-5.
- Where a permit is required for use, support in centre or edge of centre development where it can be demonstrated that there are no adverse impacts on the operation of the Geelong Retail Centre Hierarchy.
- Support the development of new retail centres where it can be demonstrated that;
  - additional floor space cannot be delivered in the existing network of centres;
  - there is demand for additional floor space;
  - the economic impact on a nearby centre is less than 10 per cent; and
  - where a net community benefit can be achieved.

- Direct the location of discount department stores to Central Geelong and sub-regional centres.

#### **Planned Centres**

- Discourage planned centres in greenfield locations becoming larger than the maximum leasable floor area identified in the schedule to the Commercial 1 Zone, prior to all planned neighbourhood and sub-regional centres establishing, to ensure new communities have timely and convenient access to services.
- Ensure that the use and development of any planned centre is consistent with an approved Development Plan or Precinct Structure Plan.

#### **Uses**

- Encourage new supermarket developments to provide floorspace for other uses.
- Encourage development that supports different forms of fast, slow, cultural and restricted retailing systems within all retail centres, but particularly in Central Geelong.

#### **Commercial and industrial land**

- Discourage retail use and development in industrial areas unless associated with an industrial use occurring on the land or it can be demonstrated that it will meet the needs of people employed in the area.
- Where a planning application for use is required for a new or expanded supermarket based centre within the commercial 2 and industrial 3 zone, ensure;
  - that the development does not have a significant economic impact on a nearby centre(s) identified within the Geelong Retail Centre Hierarchy and
  - that the centre provides a net community benefit.

#### **Restricted Retail Uses**

- Direct restricted retail use and development to nominated restricted retail precincts as identified in the Geelong Retail Centre Hierarchy.
- Support the development of smaller scale, higher density restricted retail uses such as homewares within retail and activity centres in preference to identified homemaker precincts.

#### **Preferred Location**

- Locate new retail centres on sites that have existing or potential future access to public transport.
- New retail centres should have direct access to a category 1 or 2 road.
- Locate new centres within a 400 metre walking distance to residential zoned land, reducing car usage and encouraging walking.

#### **Design and Layout**

- Encourage the redevelopment of car parking areas for commercial and residential uses where adequate car parking requirements for existing and future development can be achieved.
- Support increased intensity and vertical growth of centres to encourage expansion and to reduce the need to develop new centres.

#### **Retail Demand**

- Support the use of maximum leasable floor areas in the schedule to the Commercial 1 Zone, for sub-regional centres, in greenfield locations and where;
  - the size of a centre needs to be restricted to protect the retail hierarchy, or
  - to encourage the timely delivery of a planned centre.
- Direct development to centres identified in table 1, where demand for floor space has been identified.

**Table 1 Supportable Retail Floor Space Guidelines to 2036\***

Centre Name	Total floor space including existing, vacant and planned floor space sqm 2016	Total floor space demand sqm 2036	Amount of supportable floor space sqm 2036 <sup>#</sup>
<b>Regional Centre</b>			
Central Geelong	213,300	315,400	+102,100
<b>Sub-regional Centre</b>			
Belmont	44,000	59,600	+15,600
Waurm Ponds	41,800	60,800	+19,000
Corio SC	27,500	42,100	+14,600
Leopold	20,600	34,500	+13,900
Armstrong Creek	40,000	46,700	+6,700
<b>Specialised Centre</b>			
Pakington St	43,100	58,000	+14,900
<b>Town Centre</b>			
Ocean Grove	16,700	19,400	+2,700
Drysdale	15,100	22,800	+7,700
Lara	15,100	20,500	+5,400
Barwon Heads	10,300	11,600	+1,300
Portarlington	7,200	9,600	+2,400
St Leonards	3,300	5,300	+2,000
<b>Neighbourhood Centres</b>			
Shannon Ave (Geelong West)	12,900	17,400	+4,500
Separation Street	6,000	9,100	+3,100
Pakington Street (Newtown)	9,500	13,900	+4,400
Highton	7,100	9,500	+2,400
Newcomb Central	7,400	9,500	+2,100
Geelong East	6,100	9,100	+3,000
Bellarine Village	6,900	9,100	+2,200
Bell Post SC	5,600	7,900	+2,300
Barrabool Hills Shopping Centre	4,200	5,500	+1,300
Shannon Ave (Newtown)	4,900	6,100	+1,200
Ocean Grove (Marketplace)	5,800	6,700	+900
Vines Road	3,200	4,700	+1,500
Fyansford	11,800	10,800	-1,000
Grovedale Central	2,700	3,200	+500
Dorothy Street	1,800	2,800	+1,000
Ash Road	1,800	3,100	+1,300
Rosewall	1,700	2,200	+500
Jetty Road	4,200	3,300	-900
Warralily	8,800	16,100	+7,300
Surf Coast Hwy			
Lara West	3,400	4,600	+1,200
Armstrong Creek West	4,700	800	-3,900
Horseshoe Bend North East	3,000	1,500	-1,500
Kingston Downs	7,000	4,300	-2,700
<b>Restricted Retail Centre<sup>^</sup></b>			
Drysdale	3,600	5,000	+1,400
Geelong Gateway	33,600	50,600	+17,000

Waurm Ponds	47,300	76,000	+28,700
Melbourne Rd (Norlane)	23,600	36,100	+12,300
Melbourne Rd (North Geelong)	14,300	22,200	+7,900
Sinclair St	4,100	7,800	+3,700
Leopold Central	12,300	20,400	+8,100
Armstrong Creek	25,000	24,400	-600

\*Supportable floor space is defined as all retail uses.

#Where the amount of supportable floor space includes a 'minus', the size of this centre already exceeds retail demand.

^Excludes dispersed Restricted Retail Centres.

## 21.19-4 Implementation

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These strategies will be implemented by:

### Using policy and the exercise of discretion

Using the Assessment Criteria for Retail Planning Applications Policy at Clause 22.03.

Using the Gaming Policy at Clause 22.57.

### Further work

- Prepare Structure Plans or Urban Design Frameworks for Belmont and Waurm Ponds Sub Regional Centres to guide the ongoing development of these centre.
- Prepare a Structure Plan for Pakington Street (Geelong West) and the Gordon Ave Homemaker Precinct. The plan should consider rezoning opportunities and review the role of the Gordon Ave Homemaker Precinct.
- Prepare a Structure Plan or Urban Design Framework for Separation Street Neighbourhood Centre to facilitate growth of the centre and streetscape improvements.

### References

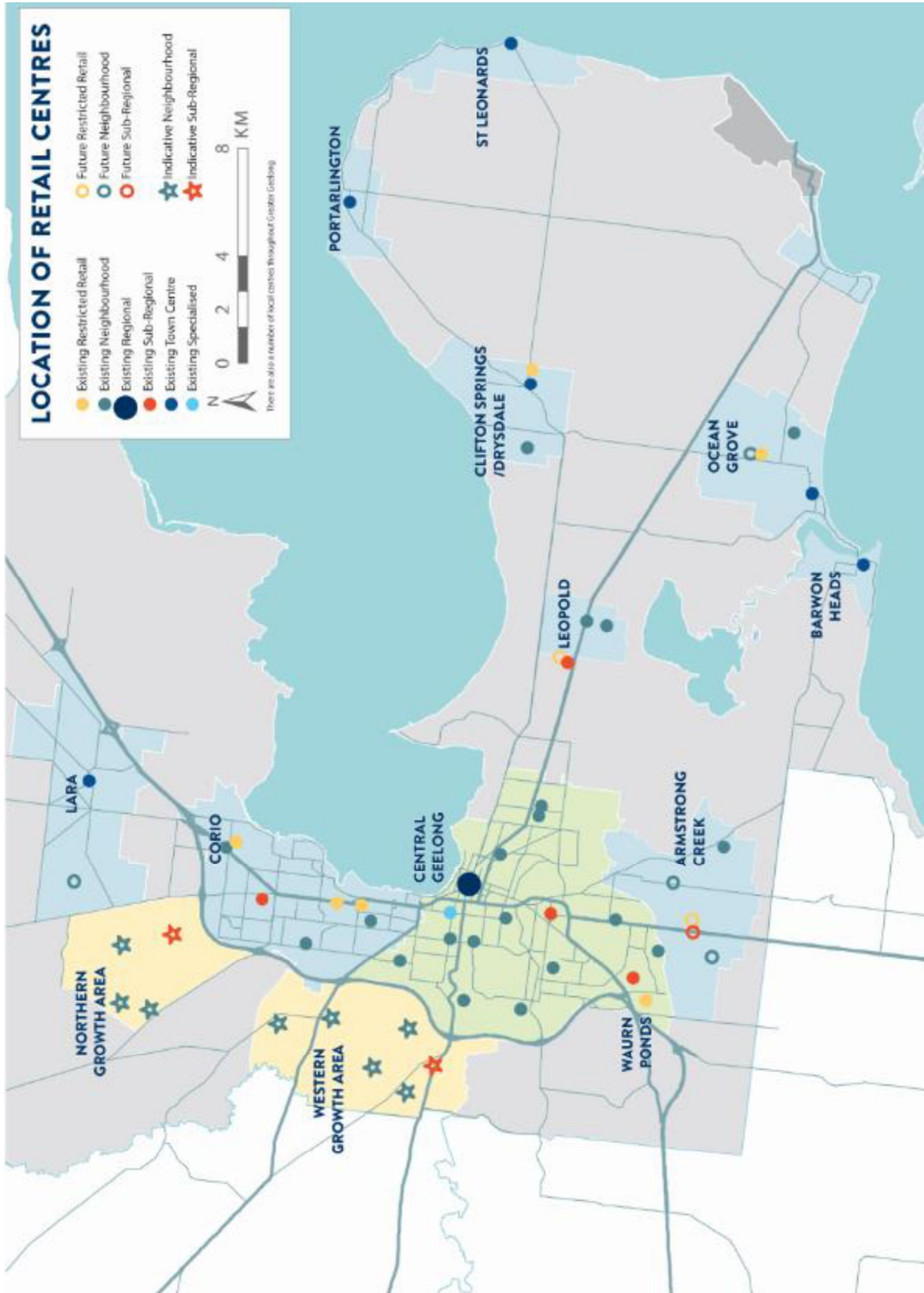
*Greater Geelong Gaming Policy Framework, City of Greater Geelong, 2007.*

*Armstrong Creek Town Centre, Precinct Structure Plan, March 2014*

*City of Greater Geelong Retail Strategy 2016-2036, November 2018*

21.19-5 Geelong Retail Centre Hierarchy

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Type of Centre	Level in Hierarchy	Indicative retail floorspace range	Centres
Regional	<p>A major retail centre that serves a wide catchment and is anchored by one or more department stores, discount department store(s), supermarket(s), mini major(s) and speciality stores.</p> <p>Often associated with bulky goods adjacent to or near the core retail centre. Provides a full range of retail needs and more successful when associated with entertainment and leisure activities such as cinemas and restaurants or niche retail precincts</p>	More than 100,000 sqm	Geelong CBD
Sub-Regional	<p>A major retail centre that serves a wide catchment (but smaller than a regional centre) and is anchored by one or more discount department stores, supermarket(s), mini major(s) and speciality stores.</p> <p>Because of their smaller size, they have less provision for higher-order activities including full-line department stores, and the range of specialty shopping is less extensive.</p>	15,000 to 60,000 sqm	Belmont, Waurn Ponds, Corio, Leopold, Armstrong Creek
Specialised	<p>More traditional major centres that have grown from strip shopping centres and which are typically located along main arterial routes and/or public transport nodes</p> <p>Tend to capture niche trade from wider catchments in addition to having an important community role as the focus for retail, civic, and community uses.</p>	15,000 to 60,000 sqm	Pakington Street (Geelong West)
Town Centre	<p>Major community shopping locations providing weekly grocery shopping for the local township in combination with specialty store shopping that also services visitors to the region</p>	2,000 to 20,000 sqm	Ocean Grove, Drysdale, Lara, Barwon Heads, Portarlington, St Leonards

Type of Centre	Level in Hierarchy	Indicative retail floorspace range	Centres
Neighbourhood	A retail centre that serves a neighbourhood catchment and is anchored by one or more supermarkets plus speciality stores	2,000 to 15,000 sqm	Shannon Ave (Geelong West), Separation St, Pakington St (Newtown), Highton, Newcomb Central, Geelong East, Bellarine Village, Bell Post SC, Barrabool Hills SC, Shannon Ave (Newtown), Ocean Grove (Marketplace), Vines Rd, Fyansford, Grovedale Central, Dorothy St, Ash Rd, Rosewall, Jetty Rd, Warralily, Lara West, Armstrong Creek West, Horseshoe Bend North East, Kingston Downs, Surf Coast Highway
Local	Small groups of shops serving a limited catchment, and typically providing for the daily convenience needs of residents in the surrounding area	Up to 5,000 sqm	Dispersed location across the municipality
Restricted Retail (Homemaker)	A collection of bulky goods stores, generally comprising furniture, white goods, electrical, floor and window coverings, lighting, hardware and related retail operations Can be adjacent to core retail centres or in stand-alone precincts	50,000+	Geelong Gateway, Geelong West, Waurn Ponds, Melbourne Rd (Norlane), Melbourne Rd (North Geelong), Sinclair St, Anakie Rd, Leopold Central, Armstrong Creek

27/11/2014  
C259  
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**SCHEDULE TO CLAUSE 34.01 COMMERCIAL 1 ZONE**

Land	Maximum leasable floor area (m2) for office	Maximum leasable floor area (m2) for shop (other than restricted retail premises)
Certificate of Title Vol. 9960 Fol. 950 and Lot 2, Certificate of Title Vol 10982 Fol 810 located at the corner of Princes Highway and Pioneer Road, Grovedale	None specified	<del>38,100</del> 35,000
<a href="#">Corio Shopping Centre, corner Purnell and Bacchus Marsh Road, Corio</a>	<a href="#">None specified</a>	<a href="#">27,400</a>
<del>Newcomb Shopping and Community Centre, Corner of Bellarine Highway and Wilsons Road, Newcomb</del>	<del>None specified</del>	<del>6,000</del>
<del>South west corner of Heyers Road and Burdees Drive, Grovedale.</del>	<del>None specified</del>	<del>2,650</del>
<del>Meadowvale shopping centre north of the leisure time centre Corio, east of Anakie Road, Corio.</del>	<del>None specified</del>	<del>5,500</del>
<del>2-20 Kingston Downs Drive and rear of 12-19 Ashwood Close, Ocean Grove (north eastern corner of Kingston downs Drive and Shell Road).</del>	<del>None specified</del>	<del>7,500</del>
Bellarine Gateway Plaza, 621-639 and 641-659 Bellarine Highway, Leopold.	None specified	<del>23,000</del> 30,000
<a href="#">Lara West Neighbourhood Activity Centre</a>	<a href="#">None specified</a>	<a href="#">5,000</a>
<a href="#">Kingston Downs Neighbourhood Activity Centre, Grubb Road, Ocean Grove</a>	<a href="#">None specified</a>	<a href="#">7,650</a>
Armstrong Creek East Precinct Neighbourhood Activity Centre	None specified	6,000
Armstrong Creek East Precinct Local Activity Centre	None specified	1,000
Jetty Road Neighbourhood Activity Centre, Drysdale	1,000	6,000
Armstrong Creek West Precinct Neighbourhood Activity Centre	None specified	3,000
Armstrong Creek West Precinct Whites Road Local Activity Centre	None specified	1,000
Armstrong Creek West Precinct Boundary Road Local Activity Centre	None specified	500
Armstrong Creek West Precinct Train Station Local Activity Centre	None specified	1,000
<del>Barrabool Hills Neighbourhood Shopping Centre (north eastern corner of Province Boulevard and Stoneleigh Crescent Highton)</del>	<del>None specified</del>	<del>3,895</del>

Land	Maximum leasable floor area (m2) for office	Maximum leasable floor area (m2) for shop (other than restricted retail premises)
Armstrong Creek Town Centre Precinct 1	None specified	40,000
Armstrong Creek Horseshoe Bend Precinct North East Neighbourhood Activity Centre	None specified	7,000
Armstrong Creek Horseshoe Bend Precinct Southern Local Activity Centre	None specified	1,000
Armstrong Creek Horseshoe Bend Precinct Western Local Activity Centre	None specified	1,000

31/07/2018  
VC148

## SCHEDULE TO CLAUSE 72.08 BACKGROUND DOCUMENTS

### 1.0 Background documents

31/07/2018  
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Name of background document	Amendment number - clause reference
<del>None specified</del> <a href="#">City of Greater Geelong Retail Strategy 2016-36, November 2018</a>	

Appendix C Submission regarding exhibited Am C393 by  
Minter Ellison on behalf of Shell Road Development Pty Ltd

# MinterEllison

20 May 2019

## BY EMAIL

Peter Schembri  
City of Greater Geelong  
[strategicplanning@geelongcity.vic.gov.au](mailto:strategicplanning@geelongcity.vic.gov.au)

Dear Peter

### Amendment C393 to the Greater Geelong Planning Scheme

We refer to the above matter and confirm we act for Shell Road Developments Pty Ltd, the landowner of 92-160 Grubb Road, Ocean Grove (**Property**). More generally, our client is the developer of the Kingston Downs residential and commercial estate.

We acknowledge notice of Amendment C393 to the Greater Geelong Planning Scheme (**Amendment**), which seeks to establish a new activity centre hierarchy for the municipality by way of incorporating the *City of Greater Geelong Retail Strategy 2016 – 2036* (**Retail Strategy**) and various changes to local policies relating to activity centre development.

We note the Kingston Downs Development Plan (**Development Plan**) has been approved for the Kingston Downs land pursuant to Development Plan Overlay – Schedule 22 (**DPO22**), which shows, among other matters:

- (a) a large area of approximately 7.6 hectares designated for "future neighbourhood activity" at the north-western corner of the Kingston Downs estate, fronting Grubb Road. This area is zoned Commercial 1 (**C1Z**), where uses such as Shop are **as-of-right**;
- (b) another large area of approximately 14.2 hectares designated for "future restricted retail". This portion of Kingston Downs estate is zoned Commercial 2.

Development around the proposed centre is based on the approved Development Plan. We note that the following planning permits apply to the Property, which are generally in accordance with the Development Plan (**Planning Permits**):

- (a) Planning Permit 643-2016, which generally permits the multi-lot subdivision of Kingston Downs to provide space for the development of a neighbourhood activity centre, amongst other things; and
- (b) Planning Permit 233-2016, which permits the development of the Kingston Village Neighbourhood Activity Centre, use of land as a gymnasium, sale of liquor and business identification signage. This planning permit effectively allows development of "Stage 1" of the proposed neighbourhood activity centre for the Kingston Downs estate;
- (c) Planning Permit 1324-2016, which permits the use and development of a convenience restaurant within the proposed neighbourhood activity centre for the Kingston Downs estate; and



- (d) Planning Permit 657-2017, which permits the use and development of a service station and associated signage, again as part of the proposed neighbourhood activity centre for the Kingston Downs estate.

The Property is otherwise affected by Design and Development Overlay – Schedule 39 (**DDO39**), which seeks to provide specific guidance around expected built form outcomes in the "Grubb Road Activity Centre and Restricted Retail Precinct".

Notwithstanding the substantial commercial offering endorsed within the Development Plan and the Planning Permits, which we note are currently under construction, the Amendment generally seeks to:

- (a) designate the "future neighbourhood activity" area as the Kingston Downs Neighbourhood Activity Centre (**Kingston Downs NAC**), classified as a "Neighbourhood Activity Centre" capable of accommodating between 2,000 – 15,000sqm of commercial floor space;
- (b) limit the as-of-right development of commercial floor space to a total of **7,650sqm** through proposed amendments to the Schedule to the C1Z. The Retail Strategy and supporting policy documents go further, and state expectations for demand of only **3,600sqm** of floor space at the Kingston Downs NAC by 2036; and
- (c) introduce prescriptive requirements for any application to exceed the commercial floor space limit set out in the Schedule to the C1Z.

Our client makes the following submissions in respect of the Amendment as currently exhibited:

1. The inclusion of the Kingston Downs NAC within the Schedule to the C1Z, and associated policy relating to the Retail Strategy, is unjustified. It is our client's position that the Kingston Downs NAC should be entirely excluded from the proposed amendments to the Schedule and the proposed policy. This is for the following reasons:
  - (a) the Kingston Downs NAC is, on any view, **not** an ad hoc or unplanned neighbourhood activity centre. Its development, at the scale proposed, aligns with the expectations of the Ocean Grove Structure Plan, the zoning of the Property and the DPO22 which applies to it;
  - (b) the location and scale of the Kingston Downs NAC has been tested through various Amendment processes, including numerous Panel hearings – for example, the rezoning of the Kingston Downs NAC and surrounding land to GRZ, C1Z and C2Z, and the application of the DPO22 and DDO39;
  - (c) the location, scale and composition of the centre is now reflected in the approved zonings, Development Plan and Planning Permits;
  - (d) our client and its partners have otherwise undertaken significant investment planning on the basis of those rezonings and approvals, accompanied by various representations to the new residential community regarding expectations for the Kingston Downs NAC;
  - (e) other nearby estates will have also undertaken their own planning with knowledge of the expected location, scale and composition of the Kingston Downs NAC;
  - (f) the development of the Kingston Downs NAC to the scale proposed is entirely appropriate, as it is intended to serve the significant greenfield population growth in Ocean Grove partially contributed to by Kingston Downs estate, and acknowledged by the Retail Strategy; and
  - (g) the development of the Kingston Downs NAC will not trigger disbenefit to other nearby commercial centres, e.g. Ocean Grove Marketplace, which is already at its capacity.

There is no need to activate the Schedule to the C1Z in relation to the Kingston Downs NAC where there is already a DPO in place. Permit applications must be generally in accordance with an approved development plan, as the Development Plan applying to the Property clearly is. Policy regarding activity centres and retail provision should not apply in such circumstances – this attempt to do so creates tension and potential inconsistencies between planning requirements.

2. In relation to the drafting of the Amendment, the proposed new policies at Clause 22.03 and 22.19 regarding the retail centre hierarchy and assessment of applications to provide retail space are otherwise extensive and unduly onerous. The "high impact" versus "low impact" assessment pathways are each significant and unwarranted when assessing various forms of proposed activity centres.

Our client welcomes the opportunity to undertake further consultation with Council in respect of the proposed Amendment. Failing resolution of our client's issues through any future consultation process, our client intends to participate in the Panel process relating to the Amendment.

Please contact Stephanie Mann on 8608 2279 with any queries.

Yours faithfully

**MinterEllison**

A handwritten signature in blue ink, appearing to read 'Minter Ellison', written over the printed name.

Contact: Stephanie Mann T: +61 3 8608 2279  
stephanie.mann@minterellison.com  
Partner: Phil Bisset T: +61 3 8608 2448  
OUR REF: PAXB SCG 1254183

Appendix D Submission regarding exhibited Am C393 by  
ERM on behalf of Lascorp Development Group (Aust) Pty  
Ltd

17 May 2019

The Coordinator  
Strategic Implementation Unit  
City of Greater Geelong  
PO Box 104  
GEELONG VIC 3220



Lodged online: [www.geelongaustralia.com.au/amendments](http://www.geelongaustralia.com.au/amendments)

Our Reference: 0136740L41

Dear Sir/Madam,

**RE: AMENDMENT C393 TO THE GREATER GEELONG PLANNING SCHEME  
SUBMISSION RE: KINGSTON DOWNS NAC**

Environmental Resources Management (Australia) Pty Ltd (ERM) acts on behalf of Lascorp Development Group (Aust) Pty Ltd (Lascorp) in relation to the above matter.

By way of background, Lascorp are currently developing the Kingston Village Neighbourhood Activity Centre (NAC) located on the eastern side of Grubb Road and along both sides of Coastal Boulevard in northern Ocean Grove. This centre comprises a full line supermarket ('Woolworths'), smaller supermarket ('Aldi'), medical centre, mini major, and speciality retail.

The adopted *City of Greater Geelong Retail Strategy 2016-2036* and associated proposed Schedule to the C1Z proposes a shop floor space cap for the Kingston Downs Neighbourhood Activity Centre of 7,650m<sup>2</sup>.

Given the location of the centre in an area experiencing significant population growth, Lascorp considers it premature to include a shop floor space cap in the Schedule to the C1Z. As such we request that it is removed.

We look forward to our continued involvement in this matter and reserve our right to update this submission or make further submissions if necessary, and appear at a panel hearing.

Should you have any queries please do not hesitate to contact Christine Hartley on 9696 8011 or via email at [Christine.Hartley@erm.com](mailto:Christine.Hartley@erm.com).

Yours sincerely,  
For ERM (Australia) Pty Ltd,

**Christine Hartley**  
**Principal, Impact Assessment & Planning**

## Appendix E Submission regarding exhibited Am C393 by Morgan & Griffin



16 May 2019

The Coordinator  
Strategic Implementation Unit  
City of Greater Geelong  
PO Box 104  
GEELONG VIC 3220

DOCUMENT MANAGEMENT SERVICES			
PATHWAY - STREET	PROP	APPLIC	393
- RFS / ANIMAL	IEA	LL	HLH
ILGAL / PRJ	EMI	IS	W'COV
SUBJ / BND	ASSI		AGED
WORKFLOW:		RESI	ATTENTION
Intrag - Strategic Implementation			
H/COPY	NOTES		CCFYI
RECORD #			

Dear Sir/Madam,

Re: Greater Geelong Planning Scheme Amendment C393 – Retail Strategy 2016-2036

We are the owners and developers of the Oakdene Estate at 162-240 Grubb Road, Ocean Grove and Oakdene West Estate at 231-299 Grubb Road, Wallington and we refer to Planning Scheme Amendment C393 which is currently on public exhibition until May 20<sup>th</sup>, 2019.

We do not support the proposed amendment as exhibited. In particular the proposed cap on retail floorspace at the Kingston Downs Neighbourhood Activity Centre in Ocean Grove. In this regard please find below our summary of key points and submission as follows:

- The Council continues to flout the recommendations of Amendment C346 Ocean Grove Structure Plan. In this regard we note that Amendment C346 Panel recommendations required the review/assessment of long-term growth options by 2020 was amended by Council to 2021 and the Panel's request to designate on the Structure Plan map "Protect long term growth potential" was not included. The retail strategy floor area caps for Ocean Grove based on a pre-determined settlement boundary perpetuates this ongoing trend.
- We do not support the proposed retail floorspace cap of 12,260 square metres (sqm) on the Kingston Downs Neighbourhood Activity centre which is significantly less than its current potential size of approximately 20,000 sqm;
- We submit that this amendment is inconsistent with the direction of Councils Municipal Strategic Statement (MSS), specifically the provisions of Clause 21.14 – The Bellarine Peninsula:
- Any potential restrictions on retail floor space in Ocean Grove should not be considered until after Council complete other current strategic planning projects, inclusive of:
  - The amendment for the Settlement Strategy;
  - The Logical Inclusions process to follow the Settlement Strategy;
  - The Ocean Grove Structure Plan review (due by no later than 2021 as per Clause 21.14-4); and
- It is premature to propose any retail floorspace restrictions prior to undertaking previously committed future growth area planning exercises for Ocean Grove, as these will determine the retail catchment and overall demand for the town.

### Councils MSS

Clause 21.14 – 'The Bellarine Peninsula' as contained within Councils MSS contains policy statements which are relevant to the future urban growth of Ocean Grove. These in turn would impact the future demand for future retail floorspace within the town. Relevant points from Clause 21.14 are outlined below:

Regarding the existing Ocean Grove structure plan Clause 21.14-2 states:

- *“Ensure land use and development proceeds generally in accordance with the relevant Structure Plan maps included in this Clause.*
- *Direct the bulk of residential growth and retail development to Ocean Grove, Drysdale/Clifton Springs and Leopold consistent with the relevant Structure Plan maps included in this clause.”*

Regarding the need to review the existing Ocean Grove Structure Plan, Clause 21.14-4 states:

- *“Review the Structure Plan including an assessment of long-term growth options (both infill and settlement expansion) for Ocean Grove by no later than 2021. The assessment should include consideration of:*
  - *land to the north, north-west and east of Ocean Grove;*
  - *the role of Ocean Grove as a district town; and*
  - *other planned growth on the Bellarine Peninsula.”*

#### **Current Strategic Planning Agenda**

Council are currently progressing, and are scheduled to commence, several strategic planning projects which will determine the future long-term settlement boundary and ultimate population for Ocean Grove and other areas of the municipality. We emphasise that these projects should be completed prior to determining whether any floorspace cap on the Kingston Downs Neighbourhood Activity centre is warranted or appropriate. A retail floorspace cap should not be undertaken in isolation.

#### **Ocean Grove Structure Plan**

We refer to the Ocean Grove Structure Plan (OGSP) as shown in Figure 1 below. As shown by the dotted line in Figure 1, the 2007 OGSP clearly identified a ‘Settlement Boundary Beyond 2020’. This was located to the north and west of the 2007 Settlement Boundary and was earmarked for future investigation. The OGSP was revised in 2015 with the updated Settlement Boundary also shown below. We note the 2015 boundary showed the removal of the future investigation area.

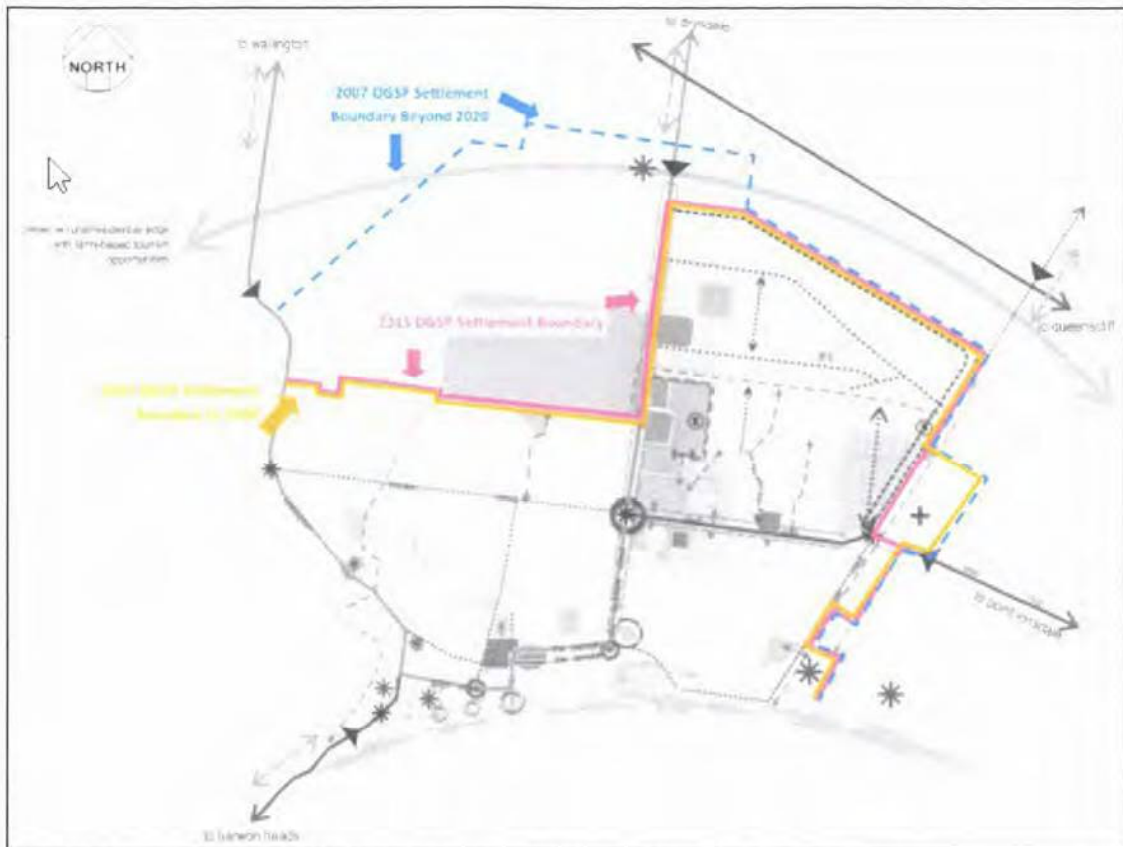


Figure 1: Comparison of 2007 and 2015 Ocean Grove Structure Plan boundaries.

As referenced above under Clause 21.14-4, the OGSP is again required to be reviewed, including an 'assessment of long-term growth options (both infill and settlement expansion) for Ocean Grove by no later than 2021'. It is considered that this review, which is yet to be commenced, will provide definitive direction to landowners as to the long-term settlement boundary, growth nodes and ultimate future population for Ocean Grove. This further review will in turn influence the size of the retail catchment for Ocean Grove and subsequent future demand for retail floorspace at the Kingston Downs Neighbourhood Activity centre. This is particularly relevant given this centres location on Grubb Road, adjacent to developing urban areas and potential future growth areas.

### Settlement Strategy

In addition to the MSS requiring Council to review the OGSP 'by no later than 2021', Council are also presently undertaking a planning scheme amendment for their Settlement Strategy document which was adopted by Council in October 2018. This amendment proposes to incorporate the adopted Settlement Strategy into the planning scheme along with additional MSS policy updates.

The adopted Settlement Strategy refers to the need to determine an ultimate settlement boundary for townships on the Bellarine, including Ocean Grove. We note that whilst the Settlement Strategy is adopted by Council, the planning scheme amendment to implement the strategy and additional MSS policy updates is yet to commence exhibition. We consider it premature to consider any potential retail floorspace restrictions prior to this amendment being completed. The amendment process is likely to result in changes to the Settlement Strategy document and potentially identify additional growth investigation areas for townships on the Bellarine, including Ocean Grove.

### Logical Inclusions Process

Level 16, 90 Collins Street Melbourne VIC 3000 PO Box 16057 Collins Street West VIC 8007  
 Telephone: (03) 9650 2516 Facsimile: (03) 9639 3077 DX393 Melbourne  
 ABN: 71 004 263 076

In addition to the above, Council are proposing to commence a 'logical inclusions process' upon completion of the Settlement Strategy amendment. This amendment, which is anticipated to commence in late 2019, will invite submissions from landowners and consider the future inclusion of their land within town settlement boundaries. This process continues on from the Settlement Strategy review. We understand this will run in parallel with the OGSP review due for completion in 2021.

We consider that any proposal to implement a retail floorspace cap on the Kingston Downs Neighbourhood Activity centre in Ocean Grove, or in any other location within the municipality, prior to completing these identified strategic planning projects is premature.

### Our Concerns

Noting the three key strategic planning exercises which are yet to be completed, our concern relates to the proposed cap on retail floorspace at the Kingston Downs Neighbourhood Activity Centre being contemplated by Council at this time.

Specifically, our issue is with Councils proposal to implement a floorspace cap and restrict and control future expansion of the retail centre based on a pre-determined 2036 ultimate population scenario for Ocean Grove. We contend this does not consider potential future population growth scenarios that current and proposed strategic planning exercises may deliver.

Without first completing the strategic planning exercises outlined above, it is not possible to accurately identify the future demand for retail floorspace for the Kingston Downs Neighbourhood Activity centre or Ocean Grove, unless the proposed floorspace cap is based on a pre-determined future growth scenario (i.e. a no growth or low growth scenario to match a pre-determined retail floorspace cap).

Our submission represents both our current interests as developers of the Oakdene Estate on the eastern side of Grubb Road, and our future land development aspirations for the land at 231-299 Grubb Road, Wallington which we refer to as 'Oakdene West'.

We understand there is no certainty that our landholdings at Oakdene West will be included in any future township boundary and rezoned for urban purposes. We consider however that Councils proposal to restrict the retail footprint of the Kingston Downs Neighbourhood Activity centre now, prior to undertaking the necessary investigations and long-term strategic planning exercises to determine an ultimate settlement boundary and retail catchment, is premature and inconsistent with sound planning practice. To do so now would unreasonably prejudice a range of potential development outcomes.

If future growth area reviews identify that further urban expansion of Ocean Grove is appropriate, this will increase the retail population and catchment area for the Kingston Downs Neighbourhood Activity centre thus requiring additional retail floorspace. This means it may be inappropriate to cap this retail floorspace at all, and it is certainly premature to do so now without having completed these strategic planning exercises.

### Request

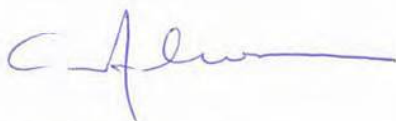
We request that Council remove the retail floorspace cap on the Kingston Down Neighbourhood Activity centre as proposed by Amendment C393 as we consider it is premature and prejudicial to proper strategic planning processes. As emphasised above, we suggest the key justification for removing the proposed cap is that the necessary growth investigation areas and ultimate long-term boundary for Ocean Grove having not yet been determined as these strategic planning exercises have not yet commenced.

Finally, we note that if the OGSP review is to be completed by 2021 as required by Councils MSS, and is yet to commence, Council may struggle to meet this objective given the lengthy timeframes associated with completing strategic planning projects.

We look forward to Council's acknowledgment of receipt and consideration of this submission to Amendment C393. We also look forward to being involved in any further community consultation.

For further information please do not hesitate to contact me.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Con Alevras', with a long horizontal flourish extending to the right.

Con Alevras  
Project Manager

## Appendix F Day 1 version of Schedule to Commercial 1 Zone

GREATER GEELONG PLANNING SCHEME

27/11/2014  
G259  
Proposed C393

**SCHEDULE TO CLAUSE 34.01 COMMERCIAL 1 ZONE**

Land	Maximum leasable floor area (m2) for office	Maximum leasable floor area (m2) for shop (other than restricted retail premises)
Certificate of Title Vol. 9960 Fol. 950 and Lot 2, Certificate of Title Vol 10982 Fol 810 located at the corner of Princes Highway and Pioneer Road, Grovedale <u>(Waurn Ponds Sub-Regional Activity Centre)</u>	None specified	<del>38,100</del> 35,000 <u>38,300</u>
<u>Corio Shopping Centre, corner Purnell and Bacchus Marsh Road, Corio</u>	<u>None specified</u>	<u>27,400</u>
<del>Newcomb Shopping and Community Centre, Corner of Bellarine Highway and Wilsons Road, Newcomb</del>	<del>None specified</del>	<del>6,000</del>
<del>South west corner of Heyers Road and Burdoo Drive, Grovedale.</del>	<del>None specified</del>	<del>2,650</del>
<del>Meadowvale shopping centre north of the leisure time centre Corio, east of Anakie Road, Corio.</del>	<del>None specified</del>	<del>5,500</del>
<del>2-20 Kingston Downs Drive and rear of 12-19 Ashwood Close, Ocean Grove (north eastern corner of Kingston downs Drive and Shell Road).</del>	<del>None specified</del>	<del>7,500</del>
Bellarine Gateway Plaza, 621-639 and 641-659 Bellarine Highway, Leopold <u>(Leopold Sub-Regional Activity Centre)</u>	None specified	<del>23,000</del> 30,000 <u>30,000</u>
<u>Lara West Neighbourhood Activity Centre</u>	<u>None specified</u>	<u>5,000</u>
<u>Kingston Downs Neighbourhood Activity Centre, Grubb Road, Ocean Grove</u>	<u>None specified</u>	<u>7,650</u>
Armstrong Creek East Precinct Neighbourhood Activity Centre <u>(Warralily)</u>	None specified	<u>7,700</u> <del>6,000</del>
Armstrong Creek East Precinct Local Activity Centre	None specified	1,000
Jetty Road Neighbourhood Activity Centre, Drysdale	1,000	6,000
Armstrong Creek West Precinct Neighbourhood Activity Centre	None specified	3,000
Armstrong Creek West Precinct Whites Road Local Activity Centre	None specified	1,000
Armstrong Creek West Precinct Boundary Road Local Activity Centre	None specified	500
Armstrong Creek West Precinct Train Station Local Activity Centre	None specified	1,000

**DAY 1 COUNCIL PROPOSED CHANGES IN RESPONSE TO SUBMISSIONS**  
**CHANGES SINCE COUNCIL DELEGATES REPORT HIGHLIGHTED IN YELLOW**

GREATER GEELONG PLANNING SCHEME

Land	Maximum leasable floor area (m2) for office	Maximum leasable floor area (m2) for shop (other than restricted retail premises)
<del>Barrabool Hills Neighbourhood Shopping Centre (north eastern corner of Province Boulevard and Stoneleigh Crescent Highton)</del>	None specified	3,895
Armstrong Creek Town Centre Precinct 1 <b>(Sub-Regional)</b>	None specified	40,000
Armstrong Creek Horseshoe Bend Precinct North East Neighbourhood Activity Centre	None specified	7,000
Armstrong Creek Horseshoe Bend Precinct Southern Local Activity Centre	None specified	1,000
Armstrong Creek Horseshoe Bend Precinct Western Local Activity Centre	None specified	1,000

## Appendix G Day 1 version of Clause 21.19 (Activity Centres)

## 21.19 Activity Centres

DD/MM/YYYY  
Proposed C393

### 21.19-1 Key Issues and Influences

DD/MM/YYYY  
Proposed C393

The City of Greater Geelong is forecast to experience significant population growth increasing the demand for new and expanded retail services.

Retail centres should contribute to the vibrancy and attractiveness of suburbs and townships.

*The City of Greater Geelong has a number of retail centres, but not all of these centres form part of the Geelong Retail Centre Hierarchy identified at Clause 21.19-5.*

A 'retail centre' is defined as:

Any place where retail transactions take place for household goods and services and where one or more of the following conditions apply:

- The retail activity is lawful under all relevant statutes including the Planning and Environment Act
- The location accommodates at least one shop, and
- The total floor space of the shop(s) exceeds 500sqm.

A place can be a 'retail centre' without being an 'activity centre' which includes a range of other community facilities and services.

A centre which develops without the need for a planning permit for the use, is not automatically included within the Geelong Retail Centre Hierarchy at Clause 21.19-5.

*The boundary of all retail centres included within the Geelong Retail Centre Hierarchy is as delineated in the City of Greater Geelong Retail Strategy 2016-2036, November 2018.*

*The boundary of all other retail centres includes is determined by those contiguous land parcels into which the existing or planned uses might may lawfully be used for the purpose of a 'shop' locate without the need for a Planning Scheme Amendment.*

*'Edge of centre retailing' means a proposal to use land directly adjoining a retail centre boundary for a 'shop/s'.*

*'Out of centre retailing' means a proposal to use land for a 'shop/s' where the land is neither in nor adjoining a retail centre and use of the land for a 'shop/s' is not as-of-right.*

Retail centres should be easily accessible and conveniently located, minimising the need for, and length of, car trips.

Activity centres support a range of uses including retail, commercial, accommodation, community, cultural, education, social, entertainment, leisure and civic services.

The Geelong Retail Centre Hierarchy identifies the role and function fulfilled by centres of different sizes. The retail hierarchy supports the primacy of Central Geelong as the focus of retail and cultural activity in the region.

Successful shopping centre networks typically feature strong representation from across the 4 retail systems. These systems including fast retail (supermarkets, bottle shops), slow retail (café, deli's), cultural retail (museums and galleries) and restricted retail (hardware, furniture).

Analysis into current retail demand and supply trends in Greater Geelong finds the following:

- Pressure to approve new centres in out of centre locations is expected to continue.
- Demand for additional retail floor space will increase overtime in line with population growth.
- There is sufficient Commercial 2 Zoned land to accommodate future demand for restricted retail uses within Greater Geelong particularly on the Bellarine Peninsula.
- Supermarket and bottleshops dominate retail sales across Geelong.

- Townships on the Bellarine struggle to create a year round retail market relying heavily on the summer tourism period. Improvements in the slow and cultural retailing offer will be important for these locations.
- The 4 retail systems are currently not occurring in retail centres in Geelong particularly in Central Geelong,

Council has planned for the establishment of new activity centres within identified growth locations to meet the needs of future residents.

Increased residential densities in increased housing diversity areas will support the viability of existing retail centres improving walkability and limiting travel times required to access essential day to day services.

The retail hierarchy will be enhanced through high quality urban design and improved pedestrian and public transport accessibility.

Greater Geelong exhibits a number of factors that contribute to an increased vulnerability to problem gambling which requires sensitive consideration of their location.

## 21.19-2 Objectives

DD/MM/YYYY  
Proposed C393

- To consolidate and strengthen the established Geelong Retail Centre Hierarchy
- To facilitate the development of vibrant and viable retail centres
- To ensure that Central Geelong remains the primary activity centre in the municipality.
- To ensure that new retail development complies with the Geelong Retail Centre Hierarchy included at Clause 21.19-5, and failing this, provides a net community benefit.
- To encourage a competitive supply of goods and services.
- To encourage walkable access to retail and activity centres from residential areas.
- To distribute restricted retail activity across the retail hierarchy.
- To ensure there is a diversity of uses in all centres, particularly in Central Geelong, Town and Sub-regional Centres.
- To encourage retail centres to become activity centres over time.
- To support the expansion of existing centres.
- To ensure new retail centres have direct access to a major road and good access to public transport.
- To limit retail uses in industrial zones.
- To provide ~~an appropriate~~ forward land supply for retail and activity centre development to meet the current and anticipated demand in greenfield locations.
- To avoid the risk of exacerbating problem gambling.

## 21.19-3 Strategies

### General

- Encourage a mix of retail, office, cafes, higher density housing, education and community facilities to locate within centres, but particularly Central Geelong, Sub-regional and Town Centres.
- Support accommodation uses above ground level floor space in retail and activity centres subject to appropriate provision of parking and access requirements.
- Direct entertainment and cultural activities to Central Geelong and support local events in other centres.

### Gaming

- Direct the location of gaming machines to venues that makes gaming accessible but not convenient as detailed in Clause 22.57.

### Retail Hierarchy

- Direct new retail development to existing centres, consistent with the role and function described in the Geelong Retail Centre Hierarchy included at Clause 21.19-5.
- Where a permit is required for use, sSupport in centre or edge of centre **retail** development where it can be demonstrated that there are no adverse impacts on the operation of the Geelong Retail Centre Hierarchy.
- Support the development of new retail centres where it can be demonstrated that;
  - additional floor space cannot be delivered in the existing network of centres;
  - there is demand for additional floor space;
  - the economic impact on a nearby centre is less than 10 per cent; and
  - where a net community benefit can be achieved.
- Direct the location of discount department stores to Central Geelong and sub-regional centres.

#### **Planned Centres**

- Discourage planned centres in greenfield locations becoming larger than the maximum leasable floor area identified in the schedule to the Commercial 1 Zone, prior to all planned neighbourhood and sub-regional centres establishing, to ensure new communities have timely and convenient access to services.
- Ensure that the use and development of any planned centre is consistent with an approved Development Plan or Precinct Structure Plan.

#### **Uses**

- Encourage diversity and competition between different sized supermarkets in sub-regional centres and neighbourhood activity centres.
- Encourage new supermarket developments to provide floorspace for other uses.
- Encourage development that supports different forms of fast, slow, cultural and restricted retailing systems within all retail centres, but particularly in Central Geelong.

#### **Residential Growth Zone land**

- Ensure that retail use and development on residential growth zoned land adjoining an existing centre:
  - can physically connect to the centre or provide new or upgraded infrastructure to provide safe and convenient connectivity to the centre; and
  - is designed and sized to operate without amenity impacts to neighbouring residents.

#### **Commercial and industrial land**

- Discourage retail use and development in industrial areas unless associated with an industrial use occurring on the land or it can be demonstrated that it will meet the needs of people employed in the area.
- Where a planning application for use is required for a new or expanded supermarket based centre within the commercial 2 and industrial 3 zone, ensure;
  - that the development does not have a significant economic impact on a nearby centre(s) identified within the Geelong Retail Centre Hierarchy and
  - that the centre provides a net community benefit.

#### **Restricted Retail Uses**

- Direct restricted retail use and development to nominated restricted retail precincts as identified in the Geelong Retail Centre Hierarchy.
- Support the development of smaller scale, higher density restricted retail uses such as homewares within retail and activity centres in preference to identified homemaker precincts.

#### **Preferred Location**

- Locate new retail centres on sites that have existing or potential future access to public transport.

- New retail centres should have direct access to a Category 1 or 2 zoned road.
- Locate new centres within an 4800 metre walking distance to residential zoned land, reducing car usage and encouraging walking.

#### Design and Layout

- Encourage the redevelopment of car parking areas for commercial and residential uses where adequate car parking requirements for existing and future development can be achieved.
- Support increased intensity and vertical growth of centres to encourage expansion and to reduce the need to develop new centres.

#### Retail Demand

- Support the use of maximum leasable floor areas in the Schedule to the Commercial 1 Zone, for sub-regional centres and in greenfield locations, and where;
  - the size of a centre needs to be restricted to protect the retail hierarchy, or
  - to encourage the timely delivery of a planned centre.
- ~~▪ Direct development to centres identified in table 1, where demand for floor space has been identified.~~

**Table 1 Supportable Retail Floor Space Guidelines to 2036\***

Centre Name	Total floor space including existing, vacant and planned floor space sqm 2016	Total floor space demand sqm 2036	Amount of supportable floor space sqm 2036 <sup>#</sup>
<b>Regional Centre</b>			
Central Geelong	213,300	315,400	+102,100
<b>Sub-regional Centre</b>			
Belmont	44,000	59,600	+15,600
Waurin Ponds	41,800	60,800	+19,000
Corio SC	27,500	42,100	+14,600
Leopold	20,600	34,500	+13,900
Armstrong Creek	40,000	46,700	+6,700
<b>Specialised Centre</b>			
Pakington St	43,100	58,000	+14,900
<b>Town Centre</b>			
Ocean Grove	16,700	19,400	+2,700
Drysdale	15,100	22,800	+7,700
Lara	15,100	20,500	+5,400
Barwon Heads	10,300	11,600	+1,300
Portarlington	7,200	9,600	+2,400
St Leonards	3,300	5,300	+2,000
<b>Neighbourhood Centres</b>			
Shannon Ave (Geelong West)	12,900	17,400	+4,500
Separation Street	6,000	9,100	+3,100
Pakington Street (Newtown)	9,500	13,900	+4,400
Highton	7,100	9,500	+2,400
Newcomb Central	7,400	9,500	+2,100
Geelong East	6,100	9,100	+3,000
Bellarine Village	6,900	9,100	+2,200
Bell Post SC	5,600	7,900	+2,300

Barrabool Hills Shopping Centre	4,200	5,500	+1,300
Shannon Ave (Newtown)	4,900	6,100	+1,200
Ocean Grove (Marketplace)	5,800	6,700	+900
Vines Road	3,200	4,700	+1,500
Eyansford	11,800	10,800	-1,000
Grovedale Central	2,700	3,200	+500
Dorothy Street	1,800	2,800	+1,000
Ash Road	1,800	3,100	+1,300
Rosewall	1,700	2,200	+500
Jetty Road	4,200	3,300	-900
Warralily	8,800	16,100	+7,300
Surf Coast Hwy			
Lara West	3,400	4,600	+1,200
Armstrong Creek West	4,700	800	-3,900
Horseshoe Bend North East	3,000	1,500	-1,500
Kingston Downs	7,000	4,300	-2,700
Restricted Retail Centre <sup>△</sup>			
Drysdale	3,600	5,000	+1,400
Geelong Gateway	33,600	50,600	+17,000
Wairn Ponds	47,300	76,000	+28,700
Melbourne Rd (Norlane)	23,600	36,100	+12,300
Melbourne Rd (North Geelong)	14,300	22,200	+7,900
Sinclair St	4,100	7,800	+3,700
Leopold Central	12,300	20,400	+8,100
Armstrong Creek	25,000	24,400	-600

\*Supportable floor space is defined as all retail uses.

#Where the amount of supportable floor space includes a 'minus', the size of this centre already exceeds retail demand.

△Excludes dispersed Restricted Retail Centres.

## 21.19-4 Implementation

DD/MM/YYYY  
Proposed C393

These strategies will be implemented by:

### Using policy and the exercise of discretion

Using the Assessment Criteria for Retail Planning Applications Policy at Clause 22.03.

Using the Gaming Policy at Clause 22.57.

### Further work

- Prepare Structure Plans or Urban Design Frameworks for Belmont and Wairn Ponds Sub Regional Centres to guide the ongoing development of these centre.
- Prepare a Structure Plan for Pakington Street (Geelong West) and the Gordon Ave Homemaker Precinct. The plan should consider rezoning opportunities and review the role of the Gordon Ave Homemaker Precinct.

- Prepare a Structure Plan or Urban Design Framework for Separation Street Neighbourhood Centre to facilitate growth of the centre and streetscape improvements.

### References

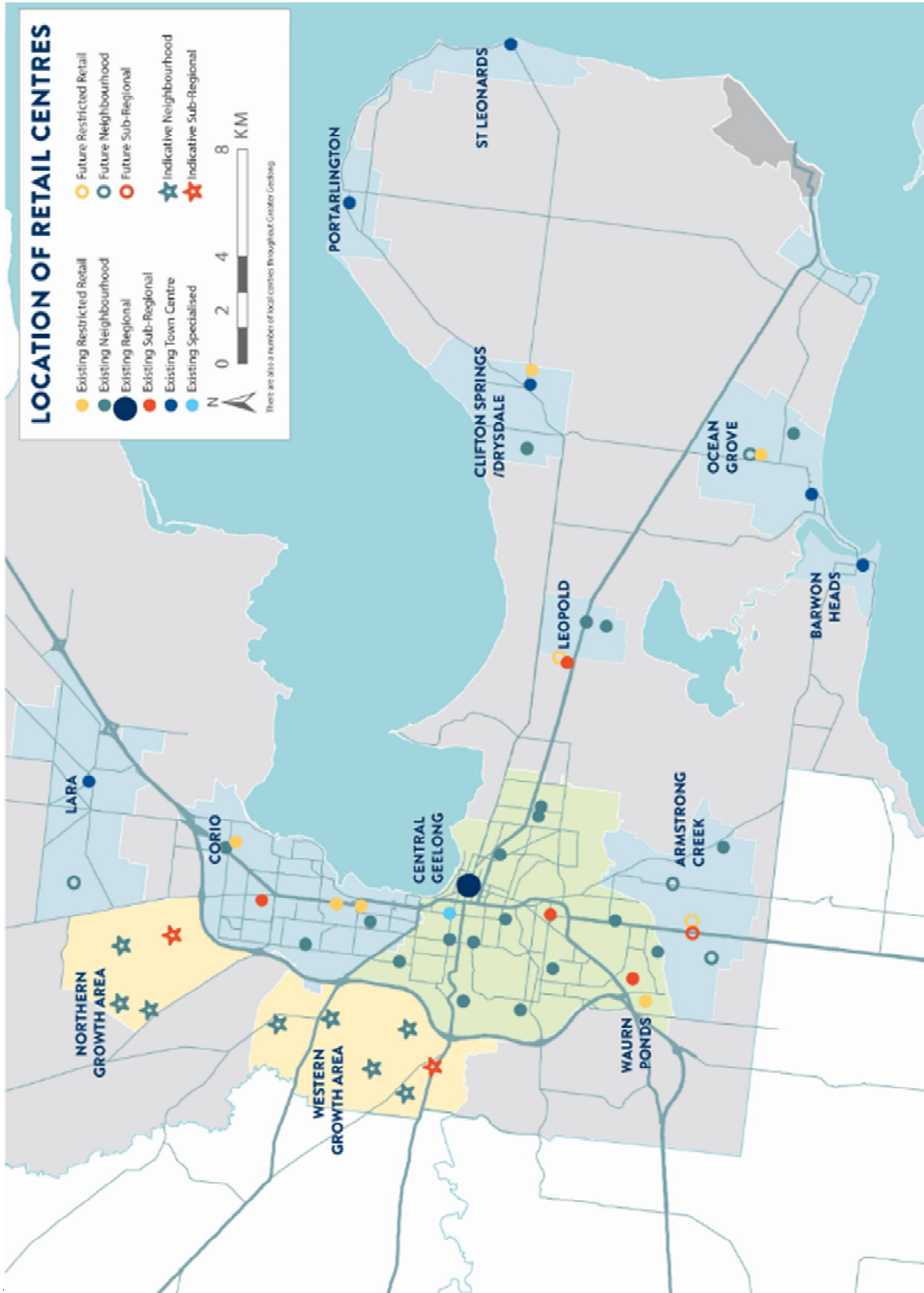
*Greater Geelong Gaming Policy Framework*, City of Greater Geelong, 2007.

*Armstrong Creek Town Centre, Precinct Structure Plan, March 2014*

*City of Greater Geelong Retail Strategy 2016-2036, November 2018*

## 21.19-5 Geelong Retail Centre Hierarchy

DD/MM/YYYY  
Proposed C393





Type of Centre	Level in Hierarchy	Indicative retail floorspace range	Centres
Regional	A major retail centre that serves a wide catchment and is anchored by one or more department stores, discount department store(s), supermarket(s), mini major(s) and speciality stores. Often associated with bulky goods adjacent to or near the core retail centre. Provides a full range of retail needs and more successful when associated with entertainment and leisure activities such as cinemas and restaurants or niche retail precincts	More than 100,000 sqm	Geelong CBD
Sub-Regional	A major retail centre that serves a wide catchment (but smaller than a regional centre) and is anchored by one or more discount department stores, supermarket(s), mini major(s) and speciality stores. Because of their smaller size, they have less provision for higher-order activities including full-line department stores, and the range of specialty shopping is less extensive.	15,000 to 60,000 sqm	Belmont, Waurn Ponds, Corio, Leopold, Armstrong Creek
Specialised	More traditional major centres that have grown from strip shopping centres and which are typically located along main arterial routes and/or public transport nodes Tend to capture niche trade from wider catchments in addition to having an important community role as the focus for retail, civic, and community uses.	15,000 to 60,000 sqm	Pakington Street (Geelong West)
Town Centre	Major community shopping locations providing weekly grocery shopping for the local township in combination with specialty store shopping that also services visitors to the region	2,000 to 20,000 sqm	Ocean Grove, Drysdale, Lara, Barwon Heads, Portarlington, St Leonards

**DAY 1 COUNCIL PROPOSED CHANGES IN RESPONSE TO SUBMISSIONS**  
**CHANGES SINCE COUNCIL DELEGATE REPORT HIGHLIGHTED IN YELLOW**

GREATER GEELONG PLANNING SCHEME

Type of Centre	Level in Hierarchy	Indicative retail floorspace range	Centres
Neighbourhood	A retail centre that serves a neighbourhood catchment and is anchored by one or more supermarkets plus speciality stores	2,000 to 15,000 sqm	Shannon Ave (Geelong West), Separation St, Pakington St (Newtown), Highton, Newcomb Central, Geelong East, Bellarine Village, Bell Post SC, Barrabool Hills SC, Shannon Ave (Newtown), Ocean Grove (Marketplace), Vines Rd, Fyansford, Grovedale Central, Dorothy St, Ash Rd, Rosewall, Jetty Rd, Warralily, Lara West, Armstrong Creek West, Horseshoe Bend North East, Kingston Downs, Surf Coast Highway
Local	Small groups of shops serving a limited catchment, and typically providing for the daily convenience needs of residents in the surrounding area	Up to 5,000 sqm	Dispersed location across the municipality
Restricted Retail (Homemaker)	A collection of bulky goods stores, generally comprising furniture, white goods, electrical, floor and window coverings, lighting, hardware and related retail operations Can be adjacent to core retail centres or in stand-alone precincts	50,000+	Geelong Gateway, Geelong West, Waurn Ponds, Melbourne Rd (Norlane), Melbourne Rd (North Geelong), Sinclair St, Anakie Rd, Leopold Central, Armstrong Creek

## Appendix H Day 1 version of Clause 22.03 (Assessment Criteria for Retail Planning Applications)

## 22.03 Assessment Criteria for Retail Planning Applications

DD/MM/YYYY  
Proposed C393

This policy applies where a planning scheme amendment or planning permit is required for the use and/or development of land for a new or expanded provision of retail floorspace.

### Policy Basis

The City of Greater Geelong is forecast to experience significant population growth increasing the demand for new and expanded retail services. It is critical to ensure our community has access to every day services within a 20 minute drive from home. Our retail centres should be encouraged to grow and transition over time to activity centres extending their offer to include uses other than retail.

The Geelong Retail Centre Hierarchy has been established to articulate the role and function fulfilled by centres of different sizes. The retail centre hierarchy can be found at Clause 21.19.

Expanding our existing centres is encouraged over developing new centres in out of centre locations

The expansion of several existing centres in Greater Geelong are constrained particularly at the subregional and neighbourhood centre level. Expansion of these centres should consider opportunities to make better use of at grade car parking areas and expand in a vertical direction.

~~Retail~~ ~~Supermarket based~~ centres should be within an ~~4800~~ metre walking distance to residential zoned land to limit car usage, encourage urban consolidation and better utilise existing infrastructure.

Growth should be directed to the locations identified in Clause 21.19. The amount of growth supportable within these locations will be determined by the application requirements identified within this clause.

A proposal which increases the floor area of an existing centre and remains consistent with the role and function of a centre identified in the Geelong retail centre hierarchy is considered a low impact proposal.

Out of centre development or development which alters the role and function of a centre identified in the Geelong retail centre hierarchy is considered to be a high impact proposal.

New development should provide high quality built form outcomes which are sympathetic to the character of the surrounding area and minimises amenity impacts on nearby sensitive land uses.

### Objectives

- To ensure that applications or rezoning requests for new and expanded centres establish a demand for such use and demonstrate that there are no adverse impacts on nearby centres or the operation of the retail centre hierarchy.
- To support the viability of centres identified in the retail hierarchy.
- To ensure all high impact proposals provides a net community benefit
- To guide consideration of applications involving an increase in a maximum leasable floor area identified in the schedule to the Commercial 1 Zone,
- To ensure the design and layout of new or expanding centres minimise amenity impacts on surrounding uses and contributes positively to the streetscape and surrounding area.

### Policy

#### Use applications

It is policy that an application demonstrate if the proposal is low or high impact, based on the following;

- a) Whether the proposal is considered to be in centre, edge of centre or out of centre.

- b) Whether the proposal conforms with the role and function identified in the Geelong Retail Centre Hierarchy as outlined in the table at Clause 21.19-5.

Proposals considered low impact ~~must~~should submit an economic impact assessment.

Proposals considered high impact must submit an economic impact assessment, including a net community benefit assessment.

### **Buildings and works applications**

It is policy to:

- Ensure blank walls and loading bays are not adjacent to sensitive land uses and key vehicle and pedestrian accessways to a centre.
- Ensure illuminated signage does not impact on sensitive land uses.
- Ensure new development provides visually interesting and active street frontages where buildings abut the street or a public space.
- Encourage car parking areas to be located to the side or rear of a centre.
- Ensure car parking areas do not visually dominate the front setback area of a centre by providing landscaping including canopy trees.
- Ensure there are safe and convenient pedestrian connections from car parking areas and the surrounding footpath network to the entrance(s) of a centre.

### **Application Requirements**

#### **Economic Impact Assessment**

The following issues and information are required to be addressed as part of an economic impact assessment:

##### General

- Amount of overall retail floorspace.
- Number of retail tenancies and their floor area.
- All proposed land uses.
- The location and amount of floor space dedicated to shop uses within the development if the centre is listed in the schedule to the Commercial 1 Zone.
- Assessment of any likely impact on existing, planned or approved retail facilities.
- Description of anticipated benefits to the community (whether or not these can be monetised).
- Estimated net employment benefits (if any).

##### Retail Supply

- The existing supply of retail floor space serving the catchment, by type, size, role and function.
- Details of any other proposals for new or expanded retail development in the catchment or beyond, which could have an effect on the proposal, existing centres or planned development.
- Demonstrate how the proposed retail floorspace would fit into the Geelong retail centre hierarchy as detailed in Clause 21.19.
- Demonstrate whether the existing supply of retail floorspace is adequate to meet existing and foreseeable demand levels over a 15 year period.
- Whether there are any existing retail gaps in merchandise/services which the proposal will fill.

##### Retail Demand

- The need or demand for new or expanded retail floorspace provision to serve the identified catchment, taking into consideration the objectives and strategies contained in Clause 21.19.
- The current catchment population, forecast population and retail spending growth rate for a 15 year period.
- The extent to which the proposal will draw trade from beyond the catchment, and from passing trade.
- Whether the proposed or expanded retail provision would mean an expansion in the size of the catchment of that centre.
- Impacts on the catchment of nearby centres and the effect this may have on centres within those catchments.

#### Escape Spending

- Estimates of existing levels of escape spending from the catchment.
- Estimates on the share of this escape spending that could reasonably be retained by the proposal.

#### Impact on Existing Retail Facilities

- Assessment of the expected trading effects on existing or planned retail facilities based on each of the following scenarios; where relevant:
  - The proposal did not go ahead and existing centres in the catchment continue to trade.
  - The proposal is located adjoining an existing nearby centre already identified in the retail hierarchy or
  - Where an out of centre development is proposed, if the centre was approved.
- Demonstration of the extent to which the proposal is expected to lead to an overall improvement in the provision of retail facilities to the catchment population, including the potential for retaining spending that would otherwise escape to other centres.
- Demonstrate that the proposal will improve access to services by reducing travel times for residents.
- Demonstrate that a proposal which results in a development exceeding the maximum floor area specified in the schedule to the Commercial 1 Zone, does not impact on the timing, delivery and viability of other retail centres including planned centres.
- High impact proposals must demonstrate a net community benefit. The assessment must:
  - Establish a realistic outlook of what the floor space growth may be in the catchment, in the absence of the proposal over the coming 15 years (base case).
  - For an out of centre proposal, consider what the costs and benefits to the community are, if the out of centre proposal was to proceed as proposed.
  - Compare the costs and benefits of the proposal against the costs and benefit of the established base case.
  - Quantify and monetise the costs and benefits of the proposal versus the base case
  - As a minimum, the following costs must be considered:
    - Greater motorised travel externalities (air pollution, greenhouse gas emissions, congestion)
    - Reduced consumer surplus (shoppers paying more in vehicle operating costs to achieve similar retail service outcomes).
    - Lost opportunities for more consolidated urban development.

- Potentially, impacting considerably on competing centres within the planned hierarchy (persistent vacancies, vandalism etc).
- Potential foregone opportunities for co-location of retail services with community uses.
- Potential loss of employment development through displacement of strategic commercial or industrial land.
- As a minimum, the following benefits must be considered:
  - Improved amenity and place quality at the out of centre location achieved through the development
  - Potentially, earlier provision of expanded retail services for the catchment population.

The Responsible Authority may waive any of the above requirements relating to an economic impact assessment.

#### **Out of centre applications**

An application for an out of centre development must demonstrate:

- Why the proposal cannot be accommodated within an existing centre identified in the retail hierarchy.
- Why the proposal cannot be accommodated on the edge of an existing centre identified in the retail hierarchy.
- That the proposal will not significantly impact on the character and amenity of the surrounding area.
- That the location of the centre will reduce travel times for the community when compared to nearby existing centres with a similar retail offer.
- That the centre has excellent connectivity to the surrounding residential area(s).
- That the proposal will not result in traffic and safety conflicts between cars, trucks and pedestrians external to the site.

#### **References**

City of Greater Geelong Retail Strategy 2016-36, November 2018

Appendix I Day 1 version of table of proposed changes to  
City of Greater Geelong Retail Strategy, 2016-2036

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PAGE/S	ACTION	REASON
1-6	No change	
7	Under the heading <i>Statutory Recommendations</i> delete last bullet point: “Use of floor space guidelines, contained within policy, to help direct development to locations where there is demand for more retail floor space”.	Ensure consistency with Council Delegated Authority Report p. 11 further consideration of Clause 21.19 drafting
8-24	No change	
25	Replace Figure 6 <i>Location of Retail Centre</i> with a new Figure 6 as shown in <b>Appendix 1</b>	Response to submissions to correct the location of retail centres in the NWGGA and to designate NWGGA centres as ‘indicative’ not ‘future’
26-27	No change	
28	<p>Under the heading <i>Future Retail Centres in the Northern and Western Geelong Growth Areas</i>:</p> <ul style="list-style-type: none"> <li>▪ Second paragraph last sentence: replace the word “six” with “seven”.</li> <li>▪ Amend second last paragraph to read: <i>The PSPs will consider the timing, location and scale of the proposed retail centres, particularly the sub regional centres, and any potential impacts on the existing centre network and will consider applying floor space caps.</i></li> </ul> <p>Under the heading <i>Definition of a Retail Centre</i>, replace this section with a new section as follows:</p> <p>“Greater Geelong has a number of retail centres, but not all of these centres will form part of the identified retail hierarchy. A retail centre is:</p> <p><i>Any place where retail transactions take place for household goods and services, and where one or more of the following conditions apply:</i></p> <p><i>The retail activity is lawful under all relevant statutes, including the Planning and Environment Act 1987.</i></p> <p><i>The location accommodates at least one shop, and the total floor space of the shop(s) exceeds 500 square metres (this is a nominal limit to signify a significant concentration of shops or sales activity).</i></p> <p><i>The boundary of <del>any such</del> all retail centres identified in <del>will be determined by</del> Figure 6 of this Strategy is as delineated in Appendix 1. The boundary of all other retail centres will be determined by those contiguous land parcels which may lawfully be used for the purpose of a ‘shop’ without the need for a planning scheme amendment.</i></p>	<p>Correct error and response to Submission no. 8</p> <p>Improve the definition of a retail centre by clarifying the boundary of a retail centre and including a definition for ‘edge of centre retailing’. This change is not the result of a submission or raised in the Delegated Authority Report</p>

PAGE/S	ACTION	REASON
	<p><i>'Edge of centre retailing'</i> means a proposal to use land for a 'shop/s' directly adjoining a centre boundary.</p> <p><i>'Out-of-centre retailing'</i> <del>is defined as</del> means a proposals to use land for a 'shop/s' <del>which are not consistent with the planned hierarchy of retail centres and which are not permissible 'as-of-right'</del> where the land is neither in nor adjoining a retail centre and the use of the land for a "shop/s" is not as-of-right.</p> <p>Based on the above definition, planning policy will primarily direct retail development to existing centres identified in the retail hierarchy in Table 2."</p>	
29	No change	
30-31	<p>In Table 3 <i>Retail Floor Space Audit 2018</i>, in the 'Restricted Retail' section:</p> <ul style="list-style-type: none"> <li>▪ Under the 'Supermarket' column, replace '2,156' with zero.</li> <li>▪ The 'Waurm Ponds' row has been repeated therefore remove one 'Waurm Ponds' row.</li> </ul>	Correct errors
32-53	No change	
54-56	Figure 17C to be corrected by officers as per Council Delegated Authority Report p.7	Response to Submission no. 2
57-59	Replace page 57 and Table 5 <i>Supportable Floor Space 201-2036</i> with a new page 57 and Table 5 as shown in <b>Appendix 2</b>	Response to submissions and correct errors and inconsistencies
60-64	No change	
65	Under criteria number 3a. replace "page 17" with "page 62".	Correct error
66-69	No change	
70	<p>Under the heading <i>Waurm Ponds sub-regional centre</i> replace 'Recommendation: 35,000' with 'Recommendation: 38,300' and re-word the paragraph as follows:</p> <p>"This centre has expanded in recent years to the current floor space of 41,800 square metres. The centre currently exceeds or is close to the current maximum floor space cap at 35,000 square metres. It is proposed to <del>retain</del> <del>adjust</del> the <del>existing</del> floor space cap <del>at 35,00</del> to 38,300 square metres. <del>By maintaining the cap at the current shop floor space,</del> Proposals to increase the size of the centre will require a planning permit enabling Council to consider the timing and impact of new development on the retail hierarchy."</p>	Correct inconsistencies following response to Submission no. 7
71	<p>Replace the heading <i>Neighbourhood Centres</i> with <i>Neighbourhood Centres (in existing urban areas)</i>.</p> <p>Replace the heading <i>Areas Experiencing Growth</i> with <i>Neighbourhood Centres (in areas experiencing greenfield growth)</i>.</p>	Clarify 'Neighbourhood Centre' headings. These changes are not the result of a submission or raised in the Council

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PAGE/S	ACTION	REASON
	Under the heading <i>Areas Experiencing Growth</i> , sub-heading <i>General</i> : in the recommendation replace “7,650 square metres” with “7,700 square metres”.	Delegated Authority Report  Correct inconsistencies
72-73	Under the heading <i>Kingston Downs Neighbourhood Activity Centre, Grubb Road, Ocean Grove</i> , replace this section with a new section as shown in <b>Appendix 3</b>	Response to submissions (no’s 7, 9 and 11)
74	Under the heading <i>Warralily Neighbourhood Activity Centre – Armstrong Creek East Precinct</i> , replace the recommendation with: “Adjust floor space cap from 6,000 to 7,700 square metres” and remove the last sentence of the last paragraph.	Response to submissions (no’s 1 and 3)
75	No change	
76	Replace Table 7 <i>Proposed Floor Space Caps</i> with a new Table 7 as shown in <b>Appendix 4</b>	Response to submissions and correction of inconsistencies
77	Replace the first paragraph with a new first paragraph as follows:  “Even though floor space caps have not been proposed for all centres, floor space guidelines for all centres within the retail hierarchy <del>should be included within the municipal strategic statement, as shown in Table 8</del> have been provided in Table 8.”	Council Delegated Authority Report p. 11 further consideration of clause drafting
78-79	Replace Table 8 <i>Supportable Retail Floor Space Guidelines to 2036</i> with a new Table 8 as shown in <b>Appendix 5</b>	Response to submissions and correct errors and inconsistencies
80	Remove the last bullet point.	Council Delegated Authority Report p. 11 further consideration of clause drafting
81-97	No change	
98-99	Page 99: Replace the maps with the correct maps for the Lara Town Centre.	Correct error
100-117	No change	
118-119	In the table <i>Zoning (sqm)</i> row, remove “158,470” from the C2Z column and insert “40,000” under the C1Z column. In the table <i>Growth opportunities</i> row, replace the figure “-900” with “1,400”.	Response to Submission no. 2 and correction of error
120-141	No change	
142-143	To be updated	Correct inconsistencies
144-157	No change	
158-9	Remove pages	NWGGA centres are not ‘planned centres’ such as centres in the

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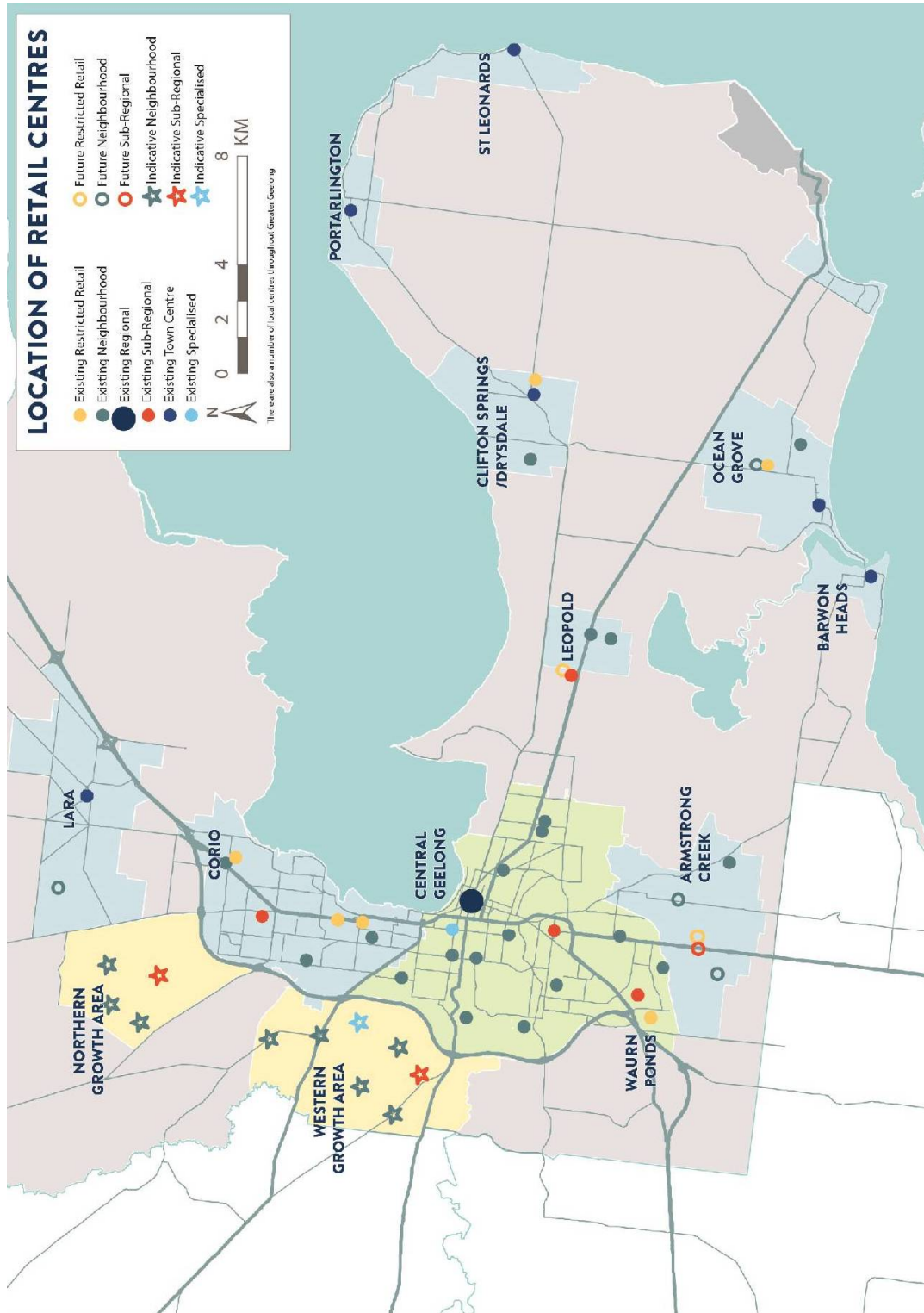
**Day 1 version CoGG response to Panel Direction 13.b.**

**Proposed changes to the *City of Greater Geelong Retail Strategy 2016-36* Adopted November 2018**

<b>PAGE/S</b>	<b>ACTION</b>	<b>REASON</b>
		Armstrong Creek Growth Area. Premature to be included in Appendix 1
160	No change	
161	To be updated	Correct inconsistencies
162	No change	
163-168	Remove pages	NWGGA centres are not 'planned centres' such as centres in the Armstrong Creek Growth Area. Premature to be included in Appendix 1
169-194	No change	

APPENDIX 1

FIGURE 6: LOCATION OF RETAIL CENTRE



There are also a number of local centres throughout Greater Geelong

## APPENDIX 2

# SUPPORTABLE FLOOR SPACE 2016–2036

Table 5 further distils this analysis by focusing on the commercially-supportable floor space at each centre as at 2036, taking into account projected population growth. Population growth increases the demand for additional retail floor space. By 2036 most centres in Greater Geelong are able to expand. Existing and approved floor space in some centres, is already in excess of what is expected to be supportable in 2036.

The calculations provided here are not intended to limit the growth of a centre beyond what has been indicated in this table. Indeed, some centres may never achieve the supportable floor space identified for a range of reasons, such as land constraints. This demand may then be taken up by a nearby centre or new centre. Planning policy contained in the Greater Geelong Planning Scheme should be used to determine whether growth of a centre should occur.

The time scale provided in the table is not intended to prevent centres expanding earlier than identified. If population growth rates were to increase above the projected 2% average annual growth rate, then it is likely that planning policy would support more retail floor space sooner.

Floor space has not been attributed to indicative centres in the Northern and Western Geelong Growth Areas. Detailed floor space assessments will be undertaken as part of the preparation of Precinct Structure Plans.

**TABLE 5: SUPPORTABLE FLOORSAPCE – ALL RETAIL**

Precinct	Floorspace supply				Projected Floorspace Demand				Total supply less demand		
	Existing Floorspace in 2016	Vacant Floorspace	Planned new/add floorspace	Total	2016	2026	2036	2016-36	2016	2026	2036
<b>Regional</b>	187,300	26,000	0	213,300	189,100	253,700	345,800	156,700	24,200	-40,400	-132,500
Central Geelong	187,300	26,000	0	213,300	189,100	253,700	345,800	156,700	24,200	-40,400	-132,500
<b>Sub-Regional</b>	132,500	1,400	40,000	173,900	125,800	180,600	259,400	133,600	48,100	-6,700	-85,500
Belmont	42,600	1,400	0	44,000	40,200	51,600	64,800	24,600	3,800	-7,600	-20,800
Waurrn Ponds	41,800	0	0	41,800	39,600	51,500	64,500	24,900	2,200	-9,700	-22,700
Corio SC	27,500	0	0	27,500	26,100	33,000	44,100	18,000	1,400	-5,500	-16,600
Leopold Gateway Plaza	20,600	0	0	20,600	19,900	26,900	36,400	16,500	700	-6,300	-15,800
Armstrong Creek Town Centre	0	0	40,000	40,000	0	17,600	49,600	49,600	40,000	22,400	-9,600
Sub-regional Centre - WGGGA	0	0	0	0	0	0	0	0	0	0	0
Sub-regional Centre - NGGA	0	0	0	0	0	0	0	0	0	0	0
Specialised	38,100	5,000	0	43,100	38,200	47,300	61,100	22,900	4,900	-4,200	-18,000
Pakington Street (Geelong West)	38,100	5,000	0	43,100	38,200	47,300	61,100	22,900	4,900	-4,200	-18,000
Specialised Centre - WGGGA	0	0	0	0	0	0	0	0	0	0	0
<b>Town</b>	64,500	2,700	500	67,700	61,100	74,700	94,200	30,100	6,600	-7,000	-26,500
Ocean Grove	16,300	400	0	16,700	16,100	17,800	20,200	4,100	600	-1,100	-3,500
Drysdale	14,900	200	0	15,100	13,400	18,000	23,200	9,800	1,700	-2,900	-8,100
Lara	15,000	100	0	15,100	13,200	16,400	20,800	7,600	1,900	-1,300	-5,700
Barwon Heads	8,700	1,100	500	10,300	9,100	10,400	11,900	2,800	1,200	-100	-1,600
Portarlinton	6,400	800	0	7,200	6,200	7,800	9,700	3,500	1,000	-600	-2,500
St Leonards (Murradoc Road)	3,200	100	0	3,300	3,100	4,300	5,400	2,300	200	-1,000	-2,100

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Neighbourhood	101,400	3,000	37,300	141,700	93,800	134,300	176,400	80,300	47,900	7,400	-34,700
Shannon Avenue (Geelong West)	12,900	0	0	12,900	12,200	14,600	18,100	5,900	700	-1,700	-5,200
Separation St	5,600	400	0	6,000	5,800	7,100	9,500	3,700	200	-1,100	-3,500
Pakington Street (Newtown)	9,200	300	0	9,500	9,700	12,000	14,800	5,100	-200	-2,500	-5,300
Highton	7,000	100	0	7,100	6,500	8,000	9,900	3,400	600	-900	-2,800
Newcomb Central	7,400	0	0	7,400	6,200	7,700	9,900	3,700	1,200	-300	-2,500
East Geelong	5,900	200	0	6,100	6,000	7,600	9,600	3,600	100	-1,500	-3,500
Bellarine Village	6,900	0	0	6,900	6,000	7,400	9,500	3,500	900	-500	-2,600
Bell Post SC	5,600	0	0	5,600	4,800	5,800	8,300	3,500	800	-200	-2,700
Barrabool Hills Neighbourhood Shopping Centre	4,200	0	0	4,200	3,500	4,500	5,600	2,100	700	-300	-1,400
Shannon Avenue (Newtown)	4,500	400	0	4,900	4,200	5,100	6,300	2,100	700	-200	-1,400
Ocean Grove (Marketplace)	5,700	100	0	5,800	5,000	5,800	6,900	1,900	800	0	-1,100
Vines Road	3,100	100	0	3,200	3,000	3,600	4,900	1,900	200	-400	-1,700
Fyansford	2,300	0	9,500	11,800	2,400	7,900	11,300	8,900	9,400	3,900	500
Grovedale Central	2,500	200	0	2,700	2,300	2,800	3,400	1,100	400	-100	-700
Dorothy Street	1,800	0	0	1,800	1,700	2,200	2,900	1,200	100	-400	-1,100
Ash Road	1,600	200	0	1,800	1,600	2,400	3,200	1,600	200	-600	-1,400
Rosewall	1,700	0	0	1,700	1,300	1,700	2,200	900	400	0	-500
Jetty Road	4,100	100	0	4,200	3,400	4,100	5,600	-100	800	100	-1,400
The Village Warrailily	6,000	900	1,900	8,800	5,200	11,100	16,600	11,400	3,600	-2,300	-7,800
Surf Coast Highway NAC	3,400	0	0	3,400	3,000	3,900	4,800	1,800	400	-500	-1,400
Kingston Downs	0	0	11,200	11,200	0	4,400	6,300	6,300	11,200	6,800	4,900
Lara West NAC	0	0	4,700	4,700	0	600	800	800	4,700	4,100	3,900
Armstrong Creek West NAC	0	0	3,000	3,000	0	1,100	1,600	1,600	3,000	1,900	1,400
Armstrong Creek Horseshoe Bend Precinct North East NAC	0	0	7,000	7,000	0	2,900	4,400	4,400	7,000	4,100	2,600
Elcho Rd East - NGGA	0	0	0	0	0	0	0	0	0	0	0
Elcho Rd West - NGGA	0	0	0	0	0	0	0	0	0	0	0
Heales Rd West - NGGA	0	0	0	0	0	0	0	0	0	0	0
Northern Centre - WGGA	0	0	0	0	0	0	0	0	0	0	0
Midland Hwy - WGGA	0	0	0	0	0	0	0	0	0	0	0
Lakeside West - WGGA	0	0	0	0	0	0	0	0	0	0	0
Lakeside South - WGGA	0	0	0	0	0	0	0	0	0	0	0
Western Centre - WGGA	0	0	0	0	0	0	0	0	0	0	0
<b>Local#</b>	<b>69,500</b>	<b>5,900</b>	<b>11,800</b>	<b>87,200</b>	<b>19,000</b>	<b>23,700</b>	<b>31,900</b>	<b>12,900</b>	<b>0</b>	<b>-4,700</b>	<b>-12,900</b>
<b>Restricted Retail</b>	<b>136,100</b>	<b>2,900</b>	<b>25,000</b>	<b>164,000</b>	<b>121,500</b>	<b>189,700</b>	<b>290,400</b>	<b>168,900</b>	<b>42,500</b>	<b>-25,700</b>	<b>-126,400</b>
Geelong Gateway Homemaker precinct	31,500	2,100	0	33,600	27,300	40,000	59,700	32,400	6,300	-6,400	-26,100
Waurin Ponds Homemaker Retail	47,000	300	0	47,300	42,900	64,600	90,900	48,000	4,400	-17,300	-43,600
Melbourne Road (Norlane)	23,700	100	0	23,800	20,600	29,800	43,500	22,900	3,200	-6,000	-19,700
Melbourne Road (North Geelong)	14,300	0	0	14,300	13,200	18,400	26,100	12,900	1,100	-4,100	-11,800
Sinclair Street	4,100	0	0	4,100	4,200	6,100	8,900	4,700	-100	-2,000	-4,800
Drysdale Homemaker	3,200	400	0	3,600	2,900	4,300	5,600	2,700	700	-700	-2,000
Leopold Homemaker	12,300	0	0	12,300	10,400	16,400	24,500	14,100	1,900	-4,100	-12,200
Armstrong Creek	0	0	25,000	25,000	0	10,100	31,200	31,200	25,000	14,900	-6,200
Central Restricted Retail Centre - WGGA	0	0	0	0	0	0	0	0	0	0	0
<b>Dispersed Restricted Retail*</b>	<b>174,500</b>	<b>9,100</b>	<b>0</b>	<b>183,600</b>	<b>154,800</b>	<b>154,800</b>	<b>154,800</b>	<b>0</b>	<b>28,800</b>	<b>28,800</b>	<b>28,800</b>
Bellarine Highway (Newcomb)	19,200	1,300	0	20,500	17,700	17,700	17,700	0	2,800	2,800	2,800
Settlement and Breakwater Road Belmont - Spotlight centre	33,000	200	0	33,200	28,200	28,200	28,200	0	5,000	5,000	5,000
Smithton Grove	4,300	0	0	4,300	4,000	4,000	4,000	0	300	300	300
North Geelong - Mackey Street	11,200	0	0	11,200	9,400	9,400	9,400	0	1,800	1,800	1,800
Sharon Court	10,500	0	0	10,500	8,800	8,800	8,800	0	1,700	1,700	1,700
Princess Hwy Auto Centre	300	0	0	300	200	200	200	0	100	100	100
Gordon Avenue Precinct (Geelong West)	20,300	1,800	0	22,100	17,900	17,900	17,900	0	4,200	4,200	4,200
Moorabool-Fyans Dispersed	42,500	3,100	0	45,600	38,100	38,100	38,100	0	7,500	7,500	7,500
Anakie Road	3,900	300	0	4,200	3,700	3,700	3,700	0	500	500	500
Gregory Avenue	2,500	0	0	2,500	2,300	2,300	2,300	0	200	200	200
West Fyans Street	13,300	400	0	13,700	12,400	12,400	12,400	0	1,300	1,300	1,300
Surf Coast Highway	13,500	2,000	0	15,500	12,100	12,100	12,100	0	3,400	3,400	3,400
Bacchus Marsh Road (Corio)	0	0	0	0	0	0	0	0	0	0	0
<b>Legend</b>											
Planned or indicative centre											
Total											
*Future floor space growth of dispersed centres has been restricted. Growth will be directed to centres identified in the retail hierarchy at table 2											
# Supportable floorspace was not calculated for local centres individually											
NGGA - Northern Geelong Growth Area											
WGGA - Western Geelong Growth Area											
Red bold indicates where change has been made											

### APPENDIX 3

#### Kingston Downs Neighbourhood Activity Centre, Grubb Road, Ocean Grove

**Planned retail floor space total:** 10,935 square metres

**Planned shop floor space:** 8,707 square metres

**Current floor space cap:** No

**Recommendation:** Floor space cap of 7,650 square metres.

The Ocean Grove Structure Plan 2007, and subsequent Amendment C60, rezoned:

- 9.7 hectares of land to Commercial 1 Zone (previously Business 1) and
- 14.5 hectare to the Commercial 2 Zone (previously Business 4).

Recent planning scheme reform allows for supermarket and shop uses to establish, as of right, within the Commercial 2 Zone land. This means a significant amount of retail floor space could be established, without the need for a planning permit. This is of concern, given the potential trade impacts on the Ocean Grove Town Centre, Ocean Grove Market Place, Leopold sub-regional centre and the established retail hierarchy.

There is an approved development plan for the Kingston Neighbourhood Activity Centre and Industrial Estate which shows the location of future land uses, road network and other details (see Figure 18). A planning application (PP233/2016) has been approved to develop stage 1 of the Kingston Neighbourhood Centre. Separate permits have been granted for Convenience restaurant and Service station. The Centre is under construction.

The proposed neighbourhood centre will contain:

A total of 10,935 square metres of retail floor space, comprising:

- 6,877 square metres of floor space to the north of Coastal Boulevard (Commercial 1 Zone); and
- 1,830 square metres of floor space to the south (Commercial 2 Zone);
- key centre anchors including Woolworths and Aldi supermarkets, a Dan Murphy's liquor store and McDonalds.

The northern side of the centre (Commercial 1 Zone) will consist of:

- a 3,895 square metre Woolworths;
- a 1,376 square metre Dan Murphy's;
- 3,212 square metres of floor space dedicated to specialty retail tenancies, which will comprise a variety of uses including shops, cafes, takeaway food premises and other retail uses; and
- 2,053 square metres dedicated to non-retail uses, such as office spaces and gym.

Assuming 50 per cent of the speciality retail stores are not used for shop uses, the north of Coastal Boulevard is expected to consist of approximately 6,877 square metres of shop uses.

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**Day 1 version CoGG response to Panel Direction 13.b.**

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Taking into consideration the existing planning permit and that floor space caps do not apply to Commercial 2 Zone land, a floor space cap of 7,650 square metres should be applied to the Kingston Downs Neighbourhood Centre.

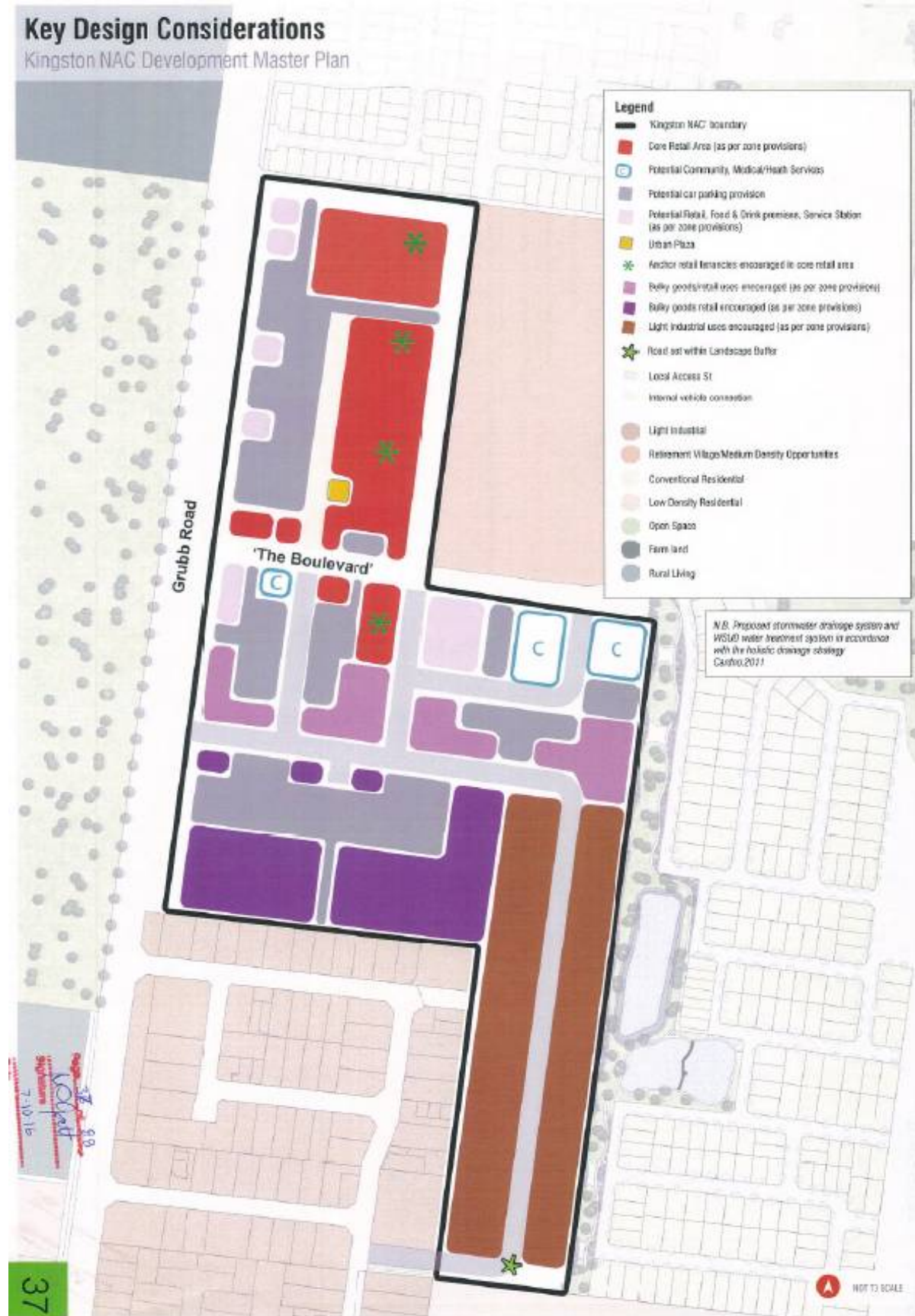
This is consistent with the planning permit on Commercial 1 Zone land (conservatively allowing for higher than 50% shop floor space). Under this cap, further development will then trigger an economic impact assessment and provide an opportunity to review the impact of further development on the retail hierarchy particularly the Ocean Grove Town Centre and Leopold Sub-regional Centre.

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**FIGURE 18: KINGSTON NEIGHBOURHOOD ACTIVITY CENTRE AND INDUSTRIAL ESTATE DEVELOPMENT PLAN, APPROVED OCTOBER 2016**



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**APPENDIX 4**

**TABLE 7: PROPOSED FLOOR SPACE CAPS**

NAME OF CENTRE	SIZE IN SQUARE METRES IN 2016 (SHOP)	OVERALL SQUARE METRES SUPPORTABLE FLOOR SPACE BY 2036 (SHOP)*	EXISTING FLOOR SPACE CAP IN SCHEME 2016	PROPOSED FLOOR SPACE CAP SQUARE METRES (SHOP ONLY)
<b>Sub-regional centres</b>				
Corio	26,400	42,400	-	27,400
Leopold	18,000	31,500	30,000	30,000
Waurin Ponds	38,300	59,200	35,000	38,300
<b>Growth Areas</b>				
Armstrong Creek Town Centre	0	42,700	40,000	40,000
Fyansford	0	4,800	-	4,800
Horseshoe Bend North East	0	3,600	7,000	7,000
Jetty Road	4,100	5,400	6,000	6,000
Warralily	7,700	13,000	6,000	7,700
Kingston Downs	0	5,300	-	7,650
Armstrong Creek West	0	1,600	3,000	3,000
Lara West	0	800	-	5,000
Armstrong Creek East Precinct Local Activity Centre <sup>^</sup>	0	N/A	1,000	1,000
Armstrong Creek West Precinct Whites Road Local Activity Centre <sup>^</sup>	0	N/A	1,000	1,000
Armstrong Creek West Precinct Boundary Road Local Activity Centre <sup>^</sup>	0	N/A	1,000	1,000
West Precinct Train Station Local Activity Centre <sup>^</sup>	0	N/A	1,000	1,000
Armstrong Creek Horseshoe Bend Precinct Southern Local Activity Centre <sup>^</sup>	0	N/A	1,000	1,000
Armstrong Creek Horseshoe Bend Precinct Western Local Activity Centre <sup>^</sup>	0	N/A	1,000	1,000
Yellow highlight indicates where change has been made				

Note: In some instances shop floor space already exceed existing caps. In most instances this occurs in an existing centre where changes of land use occur frequently but the overall floor space of the centre does not e.g. Waurin Ponds sub-regional centre.

## APPENDIX 5

TABLE 8: SUPPORTABLE RETAIL FLOOR SPACE GUIDELINES TO 2036\*

Centre Name	Total floor space including existing, vacant and planned floor space sqm 2016	Total floor space demand sqm 2036	Amount of supportable floor space sqm 2036 <sup>#</sup>
<b>Regional Centre</b>			
Central Geelong	213,300	345,800	+132,500
<b>Sub-regional Centre</b>			
Belmont	44,000	64,800	+20,800
Wauron Ponds	41,800	64,500	+22,700
Corio SC	27,500	44,100	+16,600
Leopold	20,600	36,400	+15,800
Armstrong Creek	40,000	49,600	+9,600
<b>Specialised Centre</b>			
Pakington St	43,100	61,100	+18,000
<b>Town Centre</b>			
Ocean Grove	16,700	20,200	+3,500
Drysdale	15,100	23,200	+8,100
Lara	15,100	20,800	+5,700
Barwon Heads	10,300	11,900	+1,600
Portarlington	7,200	9,700	+2,500
St Leonards	3,300	5,400	+2,100
<b>Neighbourhood Centres</b>			
Shannon Ave (Geelong West)	12,900	18,100	+5,200
Separation Street	6,000	9,500	+3,500
Pakington Street (Newtown)	9,500	14,800	+5,300
Highton	7,100	9,900	+2,800
Newcomb Central	7,400	9,900	+2,500
Geelong East	6,100	9,600	+3,500
Bellarine Village	6,900	9,500	+2,600
Bell Post SC	5,600	8,300	+2,700
Barrabool Hills Shopping Centre	4,200	5,600	+1,400
Shannon Ave (Newtown)	4,900	6,300	+1,400
Ocean Grove (Marketplace)	5,800	6,900	+1,100
Vines Road	3,200	4,900	+1,700
Fyansford	11,800	11,300	-500
Grovedale Central	2,700	3,400	+700
Dorothy Street	1,800	2,900	+1,100
Ash Road	1,800	3,200	+1,400
Rosewall	1,700	2,200	+500
<b>Jetty Road</b>	<b>4,200</b>	<b>5,600</b>	<b>+1,400</b>
Warralily	8,800	16,600	+7,800
Surf Coast Hwy	3,400	4,800	+1,400
Kingston Downs	7,000	6,300	-700
Lara West	3,400	800	-2,600

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Armstrong Creek West	4,700	1,600	-1,400
Horseshoe Bend North East	3,000	4,400	-2,600
<b>Restricted Retail Centre<sup>^</sup></b>			
Drysdale	3,600	5,600	+2000
Geelong Gateway	33,600	59,7600	+26,100
Waurm Ponds	47,300	90,900	+43,600
Melbourne Rd (Norlane)	23,600	43,500	+19,700
Melbourne Rd (North Geelong)	14,300	26,100	+11,800
Sinclair St	4,100	8,900	+4,800
Leopold Central	12,300	24,500	+12,200
Armstrong Creek	25,000	31,200	+6,200

\* Supportable floor space is defined as all retail uses.

# Where the amount of supportable floor space includes a 'minus', the size of this centre already exceeds retail demand.

<sup>^</sup> Excludes dispersed Restricted Retail Centres.

**Yellow highlight indicates where change has been made**