

Amendment C278GGEE Marshall Precinct Structure Plan

Economic Evidence

Sean Andrew Stephens B. Econ (Honours), GAICD

Submitted to Planning Panels Victoria
on behalf of Marshall Dev Co Pty Ltd



'Gura Bulga'

Liz Belanjee Cameron

'Gura Bulga' – translates to Warm Green Country. Representing New South Wales.



'Dagura Buumarri'

Liz Belanjee Cameron

'Dagura Buumarri' – translates to Cold Brown Country. Representing Victoria.



'Gadalung Djarri'

Liz Belanjee Cameron

'Gadalung Djarri' – translates to Hot Red Country. Representing Queensland.

Ethos Urban acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and culture.

We pay our respects to their Elders past, present and emerging.

In supporting the Uluru Statement from the Heart, we walk with Aboriginal and Torres Strait Islander people in a movement of the Australian people for a better future.

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1.0. Introduction

Professional Details

- 1.1. My name is Sean Andrew Stephens. I practice as a Group Director of Economics at Ethos Urban's Victorian office located at Level 8, 30 Collins Street, Melbourne VIC 3000.

Area of Expertise

- 1.2. I hold a degree in Economics with Honours from the University of Newcastle. A copy of my CV is attached to this statement.
- 1.3. My area of professional expertise is urban economics and the assessment of economic impacts on local and regional economies associated with urban development projects. An area of particular professional activity is retail and centres planning for policy makers and the private sector.
- 1.4. My opinions expressed herein are, to the context relevant, made by me in reliance upon my above expertise.

Instructions

- 1.5. I received my instructions from Maddocks lawyers acting on behalf of Marshall Dev Co Pty Ltd (a subsidiary of Ample Investments Group Pty Ltd) in relation to this matter.
- 1.6. My instructions were to:
 - i. Provide my expert opinion on Amendment C278GGEE in relation to economic matters relevant to the Marshall Dev Co Pty Ltd submission dated 30 May 2024
 - ii. Prepare this witness statement.
- 1.7. In following these instructions I have prepared this report on the following basis:
 - i. Review the relevant background material
 - ii. Describe the background to the Armstrong Creek Growth Area and the Marshall Precinct Structure Plan as relevant to my expertise
 - iii. Review the proposed Marshall Precinct Structure Plan as relates to centres planning
 - iv. Consider the latest information and data relevant to activity centres planning for the Marshall Precinct Structure Plan
 - v. Provide comment on key elements of the proposed Amendment C278GGEE as relevant to my expertise.

Preparation

- 1.8. In preparing this statement:
 - i. I have been instructed by Maddocks that, as a witness giving evidence (by report, or otherwise) in a proceeding as an expert, I have a duty to assist the planning panel and that this duty overrides any obligation that I may have to any party to the proceeding or to any person who is liable for my fee or expenses in this matter
 - ii. I have neither received nor accepted any instructions to adopt or reject any particular opinion in preparing my evidence

iii. I have made all the enquiries which I believe are desirable and appropriate and that no matters of significance which I regard as relevant have, to my knowledge, been withheld from the tribunal

iv. I have considered the relevant documents disclosed by the parties to this proceeding as well as the documents listed in this report.

1.9. Bernice Menenez an Urbanist at Ethos Urban has assisted me in preparing this statement.

2.0. Background

2.1. This Chapter of my witness statement considers the background to Amendment C278GGEE, and in particular matters relating to activity centres planning.

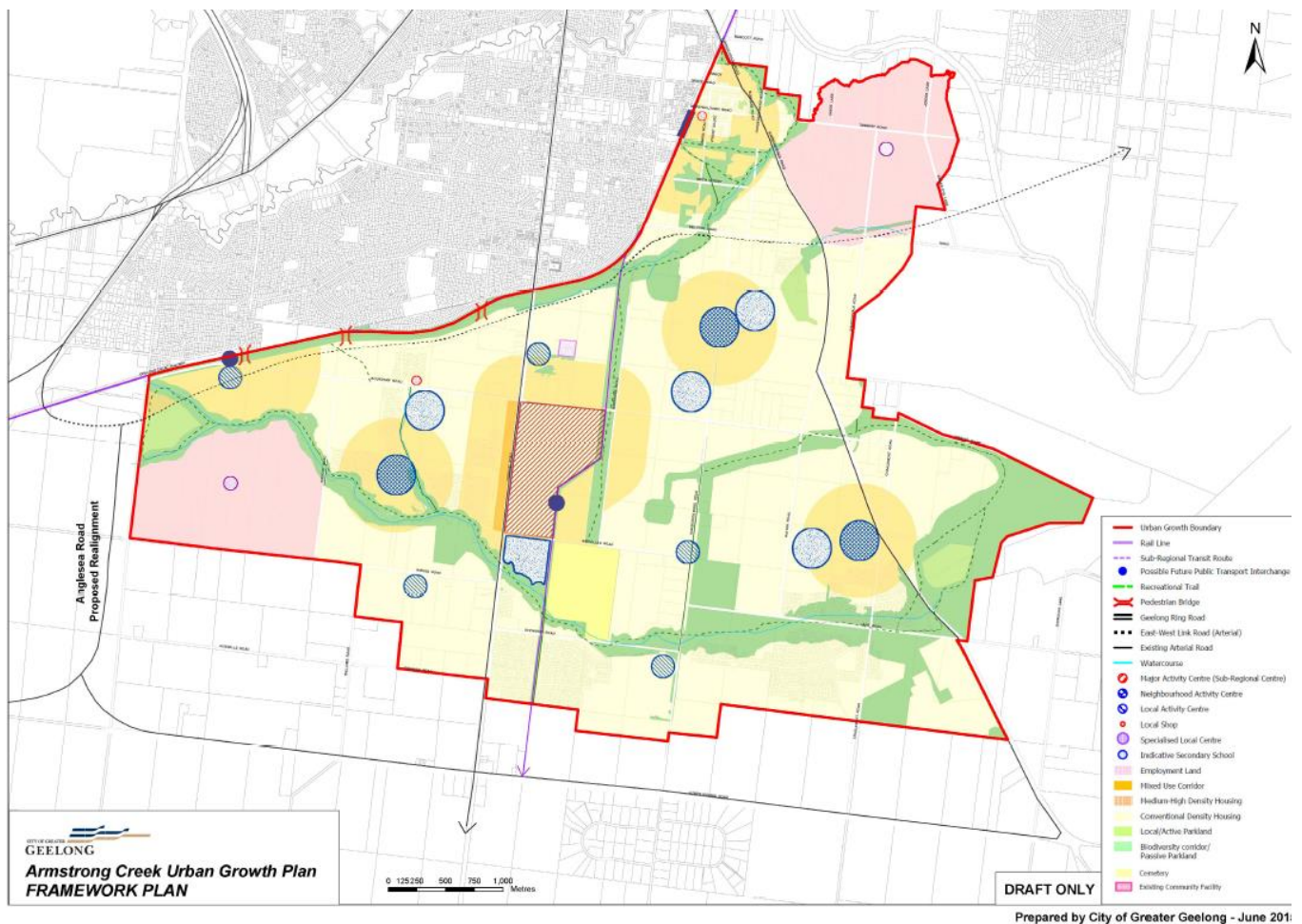
Armstrong Creek Urban Growth Plan

2.2. The Armstrong Creek Urban Growth Plan Framework Plan is an incorporated document in the Greater Geelong Planning Scheme which outlines the vision for the Armstrong Creek Urban Growth Area.

2.3. The Framework Plan includes a map (see Figure 1) which identifies an urban form for the Armstrong Creek Growth Area including:

- Residential (conventional and medium-high density), employment land, mixed use and open space land uses
- Existing and potential transport infrastructure
- A network of activity centres.

Figure 1 Armstrong Creek Urban Growth Plan Framework Plan



2.4. The network of activity centres identified in the Framework Plan includes:

- A Major activity centre located centrally to the growth area
- Three neighbourhood centres located in the north-east (Horseshoe Bend Precinct - Charlemont Rise estate), south-east (Armstrong Creek East Precinct - Warralily Estate) and west (Armstrong Creek West Precinct - Mt Duneed Estate).

- 2.5. In addition, the Framework Plan identifies Local Shop as a land use in the Armstrong Creek West precinct and in the Marshall precinct, adjacent to the Marshall railway station. A specialised activity centre is also identified within both the North East and Western industrial precincts.
- 2.6. The Framework Plan (2012) identifies that the Armstrong Creek growth area is anticipated to accommodate:
 - 54,000 people across 22,000 dwellings
 - A total of 22,000 jobs across industry and local business.
- 2.7. At the current time, the population of the Armstrong Creek Urban Growth Area is approximately 24,500 residents at June 2024. This is at an average household size of 2.8 persons per household according to 2021 ABS Census data which is well-above the 2.45 persons per household envisaged in the Framework Plan.
- 2.8. According to the five adopted PSPs and the Marshall PSP which is the subject of this hearing, the current expectation is for a minimum of approximately 23,600 overall dwellings to be delivered in the Armstrong Creek growth area.
- 2.9. The figure of 23,600 dwellings can be considered a minimum based on the identified land use schedules in each PSP. If an average household size for Armstrong Creek of 2.7 persons per household was achieved (lower than the current actual level), the population of the growth area would be approximately 63,700 persons or effectively in the order of 10,000 persons above the expectation identified in the Framework Plan.
- 2.10. It is my understanding significant scope for additional housing in the growth area exists subject to actual on-the ground development outcomes. This includes the potential for higher residential densities within and on the fringe of activity centres where PSPs have largely adopted indicative and potentially highly achievable long-term dwelling forecasts.
- 2.11. Further, smaller than originally expected housing lot sizes in conventional residential areas is also a factor. I note the reduction in average lot sizes in growth areas of Geelong identified by the Department of Transport and Planning in the Urban Development Program between 2015 and 2022 (www.tinyurl.com/ykw2h8f).
- 2.12. The Framework Plan is based on the findings of the Armstrong Creek Urban Growth Plan which is an overarching strategic document guiding the development of Armstrong Creek. Originally developed in 2008, the Plan has subsequently been updated (2010 and 2012) to reflect outcomes of PSPs.
- 2.13. The Urban Growth Plan identifies that (Page 49):

“Local centres should be developed in areas that have relatively poor access to the four primary centres, including at Marshall Station.”
- 2.14. The Urban Growth Plan subsequently describes Local Shops (the descriptor adopted in the Framework Plan for Marshall Station) as comprising (Page 53):

“up to approximately 1000 sqm of local convenience shops and services and other services considered desirable as part of Precinct Structure Planning.”

Geelong Retail Strategy

- 2.15. The Geelong Retail Strategy 2020-2036 was prepared by SGS and Council, and adopted by the City of Greater Geelong in August 2020. This subsequently formed the basis Amendment C393 to the Greater Geelong Planning Scheme. The report *“provides a technical analysis of Greater Geelong’s retail network, proposing changes to the Greater Geelong Planning Scheme to accommodate the findings”*. (Executive Summary)

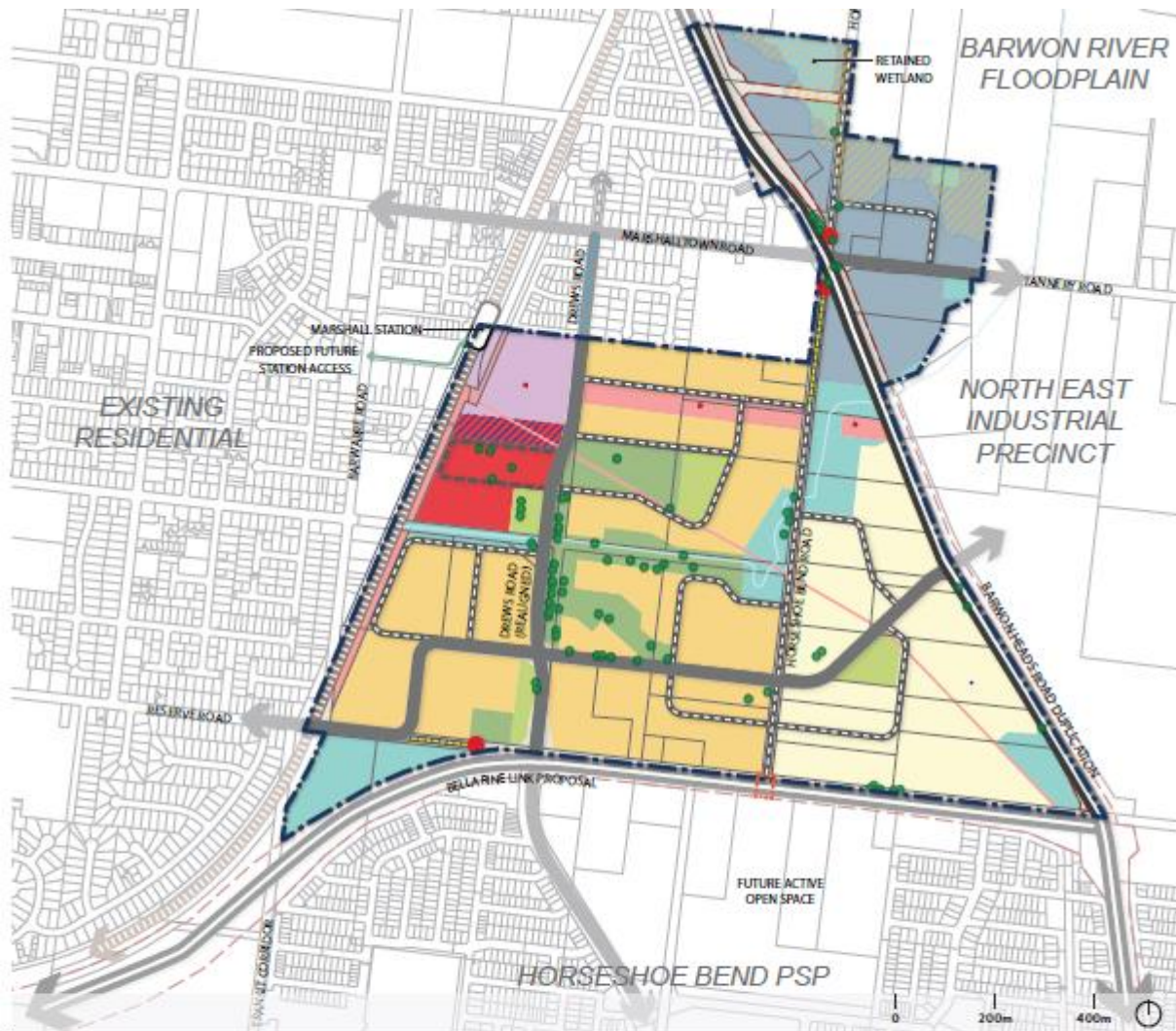
- 2.16. The latest version of the Geelong Retail Strategy follows on from previous versions prepared in 1998, 2001 and 2006. I was the principal author of the 2006 version.
- 2.17. At the time of preparing the Armstrong Creek Urban Growth Plan, the current version of the Retail Strategy was the 2001 version which was itself more of an update of the 1998 version.
- 2.18. At the time of preparing the 2006 Retail Strategy, the background planning for the then future Armstrong Creek Growth Area was underway. As is related to activity centre matters, the development of the Retail Strategy 2006 was, in practical terms, kept separate from the Armstrong Creek Growth Area planning process.
- 2.19. Subsequently, the Retail Strategy 2020-2036 also substantively accepts the outcomes of growth area planning for Armstrong Creek as part of a separate centres planning process.
- 2.20. As is typical for centres-based planning policies, the Retail Strategy 2020-2036 adopts a clear centres hierarchy framework. This includes Regional, Sub-regional, Specialised, Town Centre, Neighbourhood and Local Centre categories, with Restricted Retail precincts also identified.
- 2.21. Within Armstrong Creek, the Sub-regional classification is equivalent to the Armstrong Creek Town Centre while the Neighbourhood Centre classification is equivalent to the Armstrong Creek West, Warralily and Charlemont Rise centres.
- 2.22. A Local Centre is defined as *“a small group of shops serving a limited catchment and typically providing for the daily convenience needs of residents in the surrounding area”* (Page 27). An indicative retail floorspace range of up to 5,000m² is provided for Local Centres.
- 2.23. A Neighbourhood Centre is defined as *“a retail centre that serves the neighbourhood catchment and is anchored by one or more major supermarkets, plus specialty stores”* (Page 27). An indicative retail floorspace range of 2,000m² to 15,000m² is provided for Neighbourhood Centres.
- 2.24. In considering the operation of the hierarchy, the Retail Strategy 2020-2036 notes:
“There is often a strong link between centre policy and urban consolidation. Vibrant nodes of commercial, retail, entertainment, health and civic services provide a centre around which housing density can increase, helping to support the retail network”. (Page 24)
- 2.25. The Retail Strategy 2020-2036 provides guidance on how a proposed retail development requiring a planning permit application or rezoning request can be assessed. This is in the context of the following commentary (Page 58):
A revised planning policy aims to provide convenient access to retail services, by supporting the established retail centre hierarchy. Significant departures from the established hierarchy may be supported to address changes in development outcomes, trends in retail or supply opportunities, but only where there is clear merit and a net community benefit can be demonstrated”.
- 2.26. As such, the Retail Strategy 2020-2036 identifies the potential for actual centre development outcomes to depart from the framework laid down in the policy at the time of its implementation – where justified. In my own professional view this is a sensible and realistic policy position and generally reflects a continuation of the rationale applied in the preceding Geelong Retail Strategy 2006.
- 2.27. A summary of centres operating in the hierarchy is also provided in the Retail Strategy 2020-2036. The Surf Coast Highway, Grovedale centre located on the Surf Coast Highway includes an ALDI, nearby shops and is also noted to include a medium-sized IGA located in the Grovedale East Industrial Area. It is noted on Page 150 that:
“the centre may benefit from a wider residential catchment in the future with the development of the Marshall residential precinct further east”.

2.28. In my view, the above statement reflects the reality that the centres hierarchy in the Armstrong Creek Growth Area and in the balance of urban Geelong are inevitably linked. As such, consideration of centres planning within the Armstrong Creek urban growth area should also appropriately have regard for the wider urban context outside the growth area where this is relevant.

Marshall Precinct Structure Plan

2.29. The Marshall PSP has been prepared by Council and is subject to the proposed Amendment C278ggee to the Greater Geelong planning scheme. A future urban structure is identified within the PSP and summarised below in Figure 2.

Figure 2 Marshall PSP Future Urban Structure



KEY

The Future Urban Structure Plan sets out the land uses and primary street network of the precinct.

CONTEXT

- Precinct Boundary
- Existing trees to be retained
- Railway and Station
- Flood Overlay
- Electrical Transmission Tower
- Station Carpark - TRZ 1

LAND USE

- Conventional Residential
- Medium/High Density Residential
- Mixed Use - High Density Residential
- Mixed Use - High Density Residential (subject to DTP approval: may be required for transport purposes until further advised by DTP)
- Road Reserve
- Commercial/Bulky Goods
- Credited (Unencumbered) Open Space
- Conservation Reserve

MOVEMENT

- Arterial Road
- Connector Street
- Connector Street (Modified)
- Local Access Street
- Station Precinct Road (Refer to Concept Plan)
- Local Access Street (No through Road)
- Road Truncation
- Major Road Project
- Signaled Crossing

- 2.30. The potential population delivered by the Marshall PSP is estimated at between 3,000 and 5,000 residents (Marshall PSP Page 25). This does not include proposed changes, including reductions to the area identified for Commercial/ Bulky Goods which could increase housing and population outcomes (see also Point 3.14).
- 2.31. In relation to activity centres planning, the Marshall PSP identifies:
- A 'small scale convenience style Local Activity Centre for the Station precinct
 - An as-of-right maximum of 2,000m² of supermarket floorspace and 2,750m² of total retail floorspace (inclusive of the supermarket) is identified in the PSP
 - An application to exceed 2,750m² will require an Economic Impact Assessment as responds to *Clause 17.02-1L* of the Planning Scheme (Retail Expansion)
 - The need for an Economic Impact Assessment may be waived where the expansion of the centre above 2,750m² of retail floorspace does not include a supermarket in excess of 2,000m²
 - An additional 2,250m² of floorspace for non-retail uses (excluding residential) is as-of-right and could be expected to include uses such as child care, office, gym, medical etc.
 - A total floorspace maximum across retail and non-retail uses is applied.
- 2.32. The above controls in the Marshall PSP effectively enable the delivery of a Local Centre including a supermarket of no more than 2,000m² within a centre containing no more than 2,750m² of retail floorspace. This is consistent with 'preliminary commercial development advice' provided in a Memo by Deep End Services in October 2021 to Marshall Dev Co Pty Ltd in relation to a Local Centre at Marshall Station which was subsequently provided to Council in a submission by Tract dated August 2022.

Marshall Dev Co Submission and Response

- 2.33. Marshall Dev Co Pty Ltd controls land at 62-84 Drews Road, Marshall which forms the principal component of the Mixed Use area of the Marshall Precinct Structure Plan (PSP).
- 2.34. Marshall Dev Co Pty Ltd made a submission to Council in relation to the draft Marshall PSP dated 30 May 2024 which:
- Identified some uncertainty and inconsistency in how the proposed activity controls can be applied
 - Indicated that the provision of a 2,000m² supermarket at Marshall is insufficient to meet need and that the provision of a full-line supermarket with circa 3,500m² of floorspace can be considered
 - Supported the above assertion with a Letter of Support from Coles indicating a willingness to work with Marshall Dev Co Pty Ltd and Council to deliver a full-line supermarket in the Station Precinct.
- 2.35. Council provided a Delegate Report which responded to submissions from a number of parties. Of relevance to Marshall Dev Co Pty Ltd and the Station Precinct, the Delegate Report:
- Identifies land in the eastern part of the Marshall PSP (fronting Barwon heads Road and Tannery Road) for change from the Commercial/Bulky Goods to a mix of Conventional Residential and High Density Residential. A mock residential sub-division in the Delegate Report identifies the potential for 131 additional lots, or an additional 370 persons based on 2.8 persons per household.
 - Does not support any change to controls in relation to a supermarket within the Station Precinct
 - Identifies the presence of the Charlemont Rise Centre currently under-construction to the south which includes a full-line supermarket (Woolworths)

- Says that the provision of a full-line supermarket would increase the role of the Marshall Station Precinct to that of a Neighbourhood Centre in the retail hierarchy, rather than the current Local centre classification
- Identifies that the proposed floorspace provision in the draft PSP is in excess of the 1,000m² of retail originally envisaged in the Armstrong Creek Urban Growth Plan
- Indicates that *“minor increase in supermarket floor area may be acceptable, however would be subject to an economic impact assessment.”*

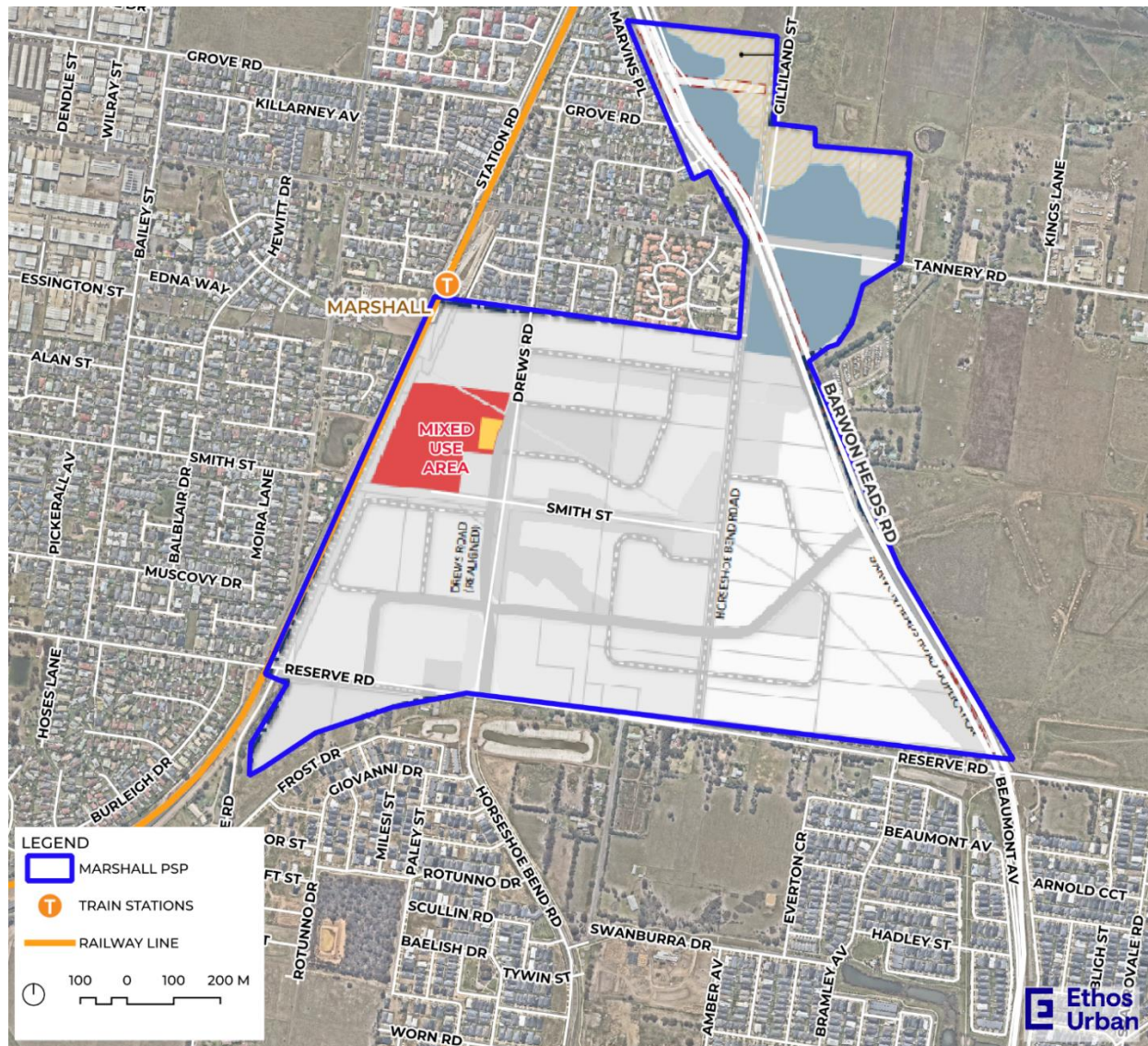
3.0. Centre Planning Considerations

3.1. This Chapter of my witness statement considers retail and centre planning considerations specifically relevant to the Marshall PSP and in particular the potential centre adjacent to Marshall Station.

Marshall Station Mixed Use Area

- 3.2. The Marshall Station mixed use area is located immediately south-east of the Marshall railway station.
- 3.3. Within the PSP the potential for retail and other uses, including high-density residential, is immediately south of commuter parking for Marshall Station, on the north-west corner of a future Smith Street (east-west) and Drews Road (north-south). These road connections pass through Grovedale East and to the Surf Coast Highway.
- 3.4. Access across the rail corridor to the west is provided via at-grade railway crossings at either Marshalltown Road in the north or Reserve Road in the south.
- 3.5. Access from the south is also provided via Drews Road. Reserve Road which is identified for a significant future upgrade is a key east-west connection in the south and forms the southern boundary of the Marshall PSP. This context is provided in Figure 3 below.

Figure 3 Marshall Station Mixed Use Area Location Context



- 3.6. The Marshall Station precinct is highly accessible to future residents of the Marshall PSP and the already established urban areas to the north. Access to the Station Precinct is enhanced by Drews Road as a key north-south connector road. A future upgrade to Reserve Road as part of an extension to the Geelong Ring Road will also enhance regional access to the station precinct.
- 3.7. Access across the rail corridor to the west is influenced by the presence of the rail corridor which provides an urban break. Nonetheless, the presence of two at-grade railway crossings provides 'permeability' of movement across the rail corridor to the Marshall Station mixed use area. Residents will be regularly crossing the rail corridor as part of their normal travel routines to either access the station or other day-to-day activities (particularly as development of the Armstrong Creek Growth Area proceeds further).
- 3.8. Marshall is one of two train stations serving the Armstrong Creek Growth Area, the other being Waurm Ponds 4.5km to the south-west.
- 3.9. At the current time, commuter patronage at Marshall Station is approximately 151,600 station entries per annum according to DoT data. This can be expected to increase consistently over coming years as continued population growth occurs in Armstrong Creek and as commuter services improve over time.
- 3.10. Importantly, access to Marshall Station is focussed on the eastern side of the rail corridor. This includes the car park, kiss and ride facilities, bus stop and station buildings. The implication is that a high share of commuter activity associated with the station will be on the eastern side of the rail corridor and adjacent to the Marshall Station mixed use area.
- 3.11. As such, the layout of Marshall Station and proposed mixed use precinct is suited to achieving transit-oriented development outcomes. The potential for the community to benefit from transit oriented development at Marshall Station will increase over time as the population of the growth area and usage of the station precinct increases.
- 3.12. A further consideration for the Marshall Station precinct is the potential for 'high density housing' of a minimum 50 dwellings/hectare within the mixed use area itself. This is equivalent to 224 dwellings-plus noting the clarification required from the Department of Transport and Planning in relation to the future use of part of that land (Marshall PSP Page 28). As a minimum dwelling density, this is a highly achievable housing development outcome which may be exceeded subject to actual future housing demand.
- 3.13. Further, the surrounding areas of the Marshall PSP include an approximate further 35 hectares of land identified for Medium/Higher density development. According to the Marshall PSP this can deliver 872 dwellings at net developable densities of 25 and 30 dwellings per hectare (ibid).
- 3.14. I note that Council is now proposing that an area formerly identified in the PSP for Commercial/Bulky Goods uses be allocated to conventional housing. Further, a small area of land formerly identified for conventional residential development is now proposed for medium/high density residential.
- 3.15. As a result of the above, the dwelling yield in the Marshall PSP will be above initial expectations. This reflects a trend for ongoing upward revision of housing and population expectations which I identify in Chapter 2 of this witness statement, and which is true for both the Armstrong Creek Growth Area and wider Greater Geelong region.

Interest from Coles in Full Line Supermarket

- 3.16. I am informed that in the course considering the opportunities for development of land in the Marshall Station mixed use area, Coles approached Marshall Dev Co Pty Ltd and indicated an interest in operating a full-line supermarket.

- 3.17. Subsequently, a letter dated 10 May 2024 was provided by Coles to Council expressing an interest in developing a full-line supermarket at the Marshall Station mixed use area. This letter was included in the Marshall Dev Co Pty Ltd submission to Council in relation to the draft Marshall PSP and is an appendix to this statement.
- 3.18. By full-line supermarket, Coles are indicating an interest in developing a store of sufficient scale to provide the full range of groceries typically offered by a supermarket.
- 3.19. Such a store is typically 3,000m² or larger in size, with many in the order of 3,500m², and includes a wider range of fresh food products than smaller limited range supermarkets.
- 3.20. For example, a typical full-line supermarket will include:
- i) Full range of fresh dairy produce
 - ii) Hot and cold chicken department
 - iii) Full service delicatessen
 - iv) Fresh seafood counter
 - v) Extensive meat counter
 - vi) Bakery
 - vii) Large fresh fruit and vegetable display and sales area.
- 3.21. A modern full-line supermarket is also typically characterised by:
- i) A mix of self-serve, express and staffed checkout counters
 - ii) Relatively wide aisles able to accommodate trolleys and large volumes of customers
 - iii) Staffed service counter
 - iv) Extensive product display areas
 - v) Dedicated online order fulfillment facility
 - vi) Dedicated click and collect parking bays (often weather protected).
- 3.22. Full-line supermarkets are a fundamental part of the retail sector supporting basic household and lifestyle needs for the overwhelming majority of the Australian population. As a result, the relative accessibility of the community to major supermarket shopping facilities is a key consideration of retail and centres policy including within the City of Greater Geelong.
- 3.23. Conveniently located essential food and grocery facilities, notably those provided by full-line supermarkets, were of critical importance during parts of the COVID-19 pandemic and delivered substantial social and economic benefit to the general community during this time.
- 3.24. As relates to economic need, typically in urban areas of Australia one full-line supermarket can be provided for every 8,000-10,000 persons.

Trade Area Analysis

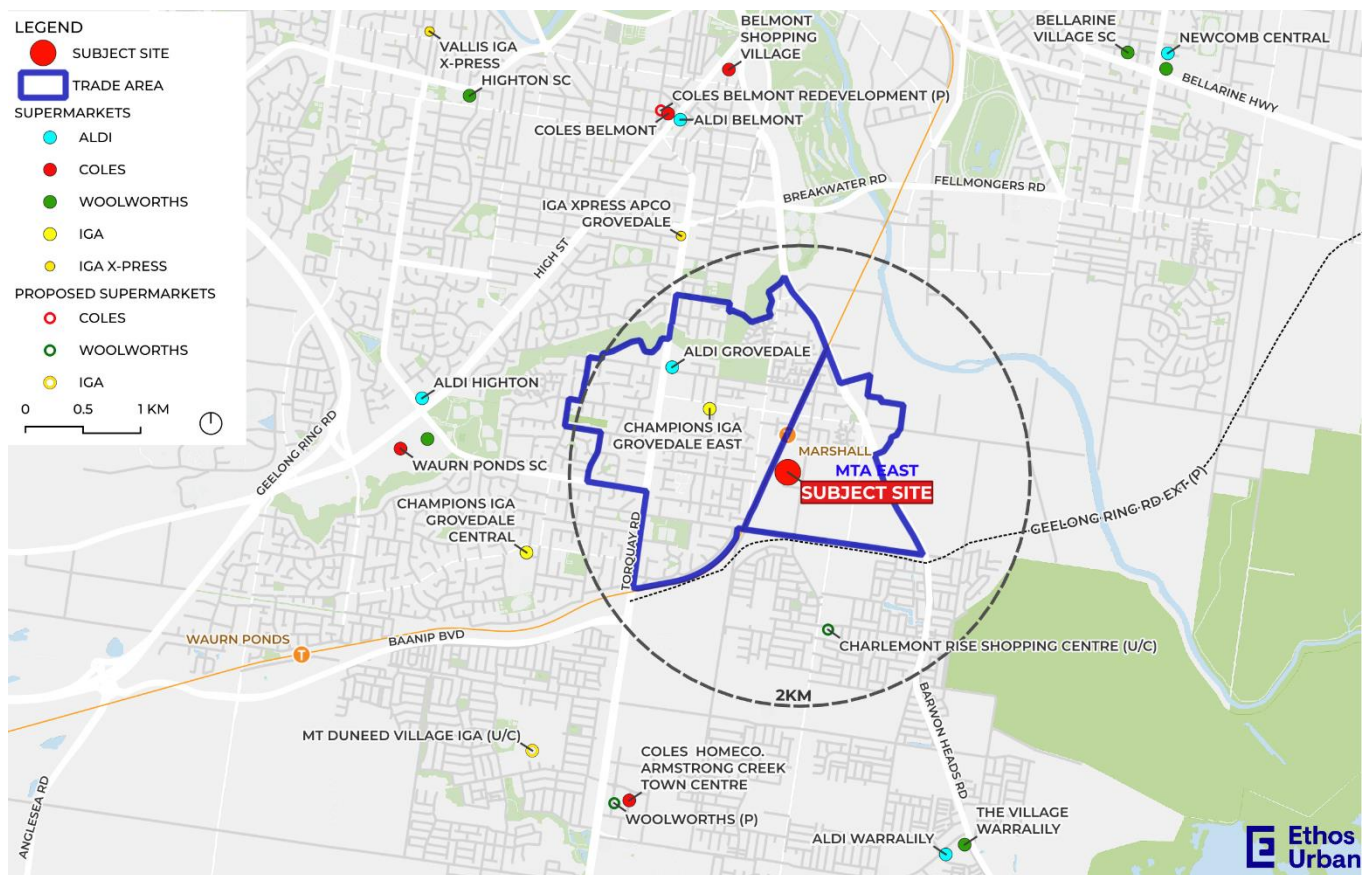
Trade Area Definition

- 3.25. In my professional view a trade area which would be served by a full-line supermarket at the Marshall mixed use area will include:
- A **Main Trade Area East (MTA-East)** including the Marshall PSP and existing urban areas of Marshall immediately to the north
 - A **Main Trade Area West (MTA-West)** to the west of the rail corridor including areas of Marshall and Grovedale East between the rail corridor and the Surf Coast Highway, as well

as some areas immediately west of the Surf Coast Highway for whom the Mixed Use area is highly accessible.

- 3.26. An overview of the trade area is shown in Figure 4 and reflects my expectation of the trading draw a full-line supermarket would be expected to generate consistent and significant sales from local residents.
- 3.27. In addition to the sales and visitation from residents of the trade area, a full-line supermarket at the Marshall Station mixed use precinct would generate a share of sales from people living beyond the trade area. This includes from commuters, and in the future visitors and workers to the nearby North East Industrial Precinct when it is delivered.
- 3.28. The extent of the trade area reflects:
- The delivery of a full-line supermarket at the Marshall Station mixed use area
 - The highly accessible location to all residents of the Marshall PSP and areas of Marshall outside the PSP area
 - The proximity and accessibility for residents of Grovedale and Grovedale East for whom a full-line supermarket at the Marshall mixed use area would be visited on a regular basis as part of meeting their grocery shopping, and in particular full-line supermarket, needs
 - The relative location and accessibility of major supermarkets at centres including Waurn Ponds, Belmont, Armstrong Creek Major Town Centre, Charlemont Rise and Warralily.

Figure 4 Main Trade Area – Full Line Supermarket Marshall Station Mixed Use Precinct



Population

- 3.29. The current population of the MTA-East is approximately 780 persons, with the MTA-West population approximately 8,170 persons. Thus, in total the trade area has a population of some 8,950 persons at the current time.
- 3.30. Future development of the Marshall PSP can be expected to deliver at least 4,400 additional persons in the MTA-East. This includes both an indicative 4,000 persons from the Marshall

PSP (noting the potential for up to 5,000 persons is also identified in the PSP), and a further indicative allowance for a total of 400 additional persons as a result of the transfer of Commercial/Bulky goods to residential land, and the increase in residential density, now proposed for the PSP (see my Point 3.14) . Only some very limited population growth can be anticipated for the MTA-West.

- 3.31. As a result, at full development of the Marshall PSP, the MTA for a full-line supermarket in the Marshall Station mixed use area would be approximately 13,430 persons. In my view, this can be considered a minimum or baseline population capacity with the potential for some additional population subject to actual development outcomes.

Table 1 Marshall Station Mixed Use Precinct - Main Trade Area Population

	Current Population	Population At Capacity (Indicative)
MTA-East	780	5,180
MTA-West	8,180	8,250
Total MTA	8,960	13,430

Source: ABS Estimated Resident Population, Marshall PSP and Sean Stephens estimates

- 3.32. The future timing of development for the Marshall PSP remains uncertain. It could be at least a decade from the initiation of urban development before the precinct approaches full population capacity.

Spending

- 3.33. Retail spending by residents of the MTA has been estimated with reference to the *CommBank IQ Spending Insights* model which uses actual transaction data from credit cards, with adjustments for cash and buy now pay later transactions.
- 3.34. CommBank IQ Spending Insights data is becoming the adopted basis for retail spending estimates by many retail-economists.
- 3.35. At the current time, spending by MTA residents at supermarkets is estimated at \$44.8 million (including GST).
- 3.36. With an MTA population of 13,430 persons at urban development capacity (and noting that this is a conservative expectation), total spending at supermarkets will increase to \$66.5 million adopting today's per capita spending levels.

Demographics

- 3.37. At present, the demographic profile of the MTA is largely defined by the established nature of the existing urban areas, which also includes a number of retirement and aged care communities, as well as predominantly conventional residential development.
- 3.38. Future development of the Marshall PSP is likely to deliver a much younger demographic including families, as well as young people and those attracted to a higher density urban precinct.
- 3.39. In my view, the demographic change which can be anticipated with the delivery of the Marshall PSP in no way changes the anticipated underlying demand for supermarket and other facilities.

Existing and Proposed Retail Facilities

3.40. Current and proposed retail facilities of relevance to the Marshall Station mixed use area are shown in Table 2 and summarised below:

Within Main Trade Area

- The **Champions IGA** of approximately 2,000m² is located centrally to the Grovedale East area between the railway corridor and Surf Coast Highway, 900 metres to the north-west of the mixed use area. The store is a mid-sized supermarket principally meeting basic grocery needs for local residents and workers. At a standalone location at the interface between industrial and residential areas, the store is not part of a wider activity centre.
- The **Surf Coast Highway Neighbourhood C** is located in the eastern side of the Surf Coast Highway at Grovedale approximately 1.3km north-west of the Marshall Station mixed use area. This includes an ALDI store (1,600m²) north of a small shopping strip including seven specialty shops and a KFC outlet. In total, the centre includes approximately 3,000m² of retail floorspace. This centre benefits from prominent exposure to Surf Coast Highway which allows for substantial passing trade, while the ALDI provides the limited range deep discount grocery offer typical of the brand.

Beyond Main Trade Area

- The **Charlemont Rise Centre** is currently under-construction approximately 1.2km south of the Marshall Station mixed use area. The project includes a full-line Woolworths store (4,000m²) as well as 24 specialty shops, future commercial elements are also proposed. The Stage 1 development of the centre will include approximately 6,700m² of floorspace. The Charlemont Rise centre will include the closest full-line supermarket to the Marshall Station mixed use area.
- Other centres of relevance include the Warralily Neighbourhood Centre (Woolworths and ALDI) 3.5km to the south-east, Armstrong Creek Town Centre (Coles and expecting future expansion including a Woolworths shortly) 3km to the south, Waurm Ponds Shopping Centre a sub-regional centre 3km to the west and High Street Belmont 3.5km to the north.
- Mt Duneed Village to include a Champions IGA of around 1,900m² is currently under construction in the Mt Duneed estate within the Armstrong Creek West precinct, although is not of any competitive relevance to the Marshall Station mixed use area.

Table 2 Current and Proposed Centres

Centre	Retail Floorspace (Shop Floorspace Cap)	Direct Distance from Mixed Use Area	Supermarkets
Within MTA			
Champions IGA Marshall	2,150m ² (#)	0.9km	Champions IGA (2,000m ²)
Surf Coast Highway, Grovedale	3,000m ²	1.3km	ALDI (1,600m ²)
Beyond MTA			
Charlemont Rise (under construction)	6,700m ² (7,000m ²)	1.2km	Woolworths (4,000m ²)
Armstrong Creek Town Centre	8,000m ² (40,000m ²)	3km	Coles (3,320m ²)
Waurm Ponds SC	33,050m ² (35,000m ²)	3km	Coles (6,866m ²), Woolworths (4,060m ²)
Warralily	9,000m ²	3.5km	Woolworths (3,430m ²)
Belmont	32,000m ²	3.5km	Coles (2,050m ²) (*), Coles (3,300m ²), ALDI (1,650m ²)

#. Includes bottle shop

* Coles proposed for expansion to 3,450m²

Supermarket Need and Demand

Demand

- 3.41. On a first-principles basis, a population of around 8,000 to 10,000 persons is required to support a full-line supermarket. With a long-term population of 13,430-plus persons at full development in the identified MTA, this suggests the potential for a full-line supermarket can be a seriously entertained proposition for the Marshall mixed use area.
- 3.42. With forecast total supermarket spending by MTA residents of at least \$66.5 million at full development of the Marshall PSP, a full-line supermarket at the Marshall Station mixed use area could expect to achieve total sales in the order of \$42 million at this time (expressed in 2024 dollars). This is an indicative although realistic estimate based on a 50% share of MTA supermarket spending and an allowance for 20% of sales from non-MTA residents, as shown in Table 3. In preparing this forecast I draw on my experience of over 20-years undertaking sales forecasts for major supermarket operators and developers.

Table 3 Marshall Station Mixed Use Area – Indicative Full-Line Supermarket Sales (Full Development)

	Supermarket Spending	Market Share	Sales
MTA	\$66.5m	50%	\$33.3m
Beyond		20%	\$8.3m
Total			\$41.6m

- 3.43. Sales at this level is sufficient to attract and support a strong performing full-line supermarket which is meeting a clear community need. I say this in the context that sales above \$35 million per annum will be attractive to a major supermarket operator.
- 3.44. This consideration of a potential full-line supermarket for the Marshall Station mixed use area is in the context that:
- The timing for urban development across the Marshall PSP area remains uncertain with the first new occupied housing likely to be in the order of at least 2-years away
 - The population capacity of over 13,000 persons in the MTA includes an MTA-West area that is located west of the rail corridor and which will contain over half of the MTA population (see Table 1) and is outside the Marshall PSP and Armstrong Creek Urban Growth Area
 - The MTA-West includes the Champions IGA and ALDI supermarkets which serve a different role and function to that of a full-line supermarket operated by a major operator such as Coles, while also contributing in their own way to the food and grocery needs of MTA residents and visitors
 - The presence of Charlemont Rise centre 1.2km to the south which, in the absence of a full-line supermarket at the Marshall Station mixed use area, will be the ‘full-line supermarket’ closest to the Marshall PSP once the Woolworths store of 4,000m² is completed in the near future.
- 3.45. As I identify in Points 3.20 to 3.23 of this witness statement, full-line supermarkets are a fundamental part of the retail sector serving urban areas of Australia, and have an important role in meeting the food and grocery needs of a high share of the population. No other retail format is visited more often by a higher share of population than supermarkets.
- 3.46. Indeed, at the current time the CommBank Spending IQ indicates that supermarket spending represents 28% of total spending on retail goods and services by residents of the MTA, and equivalent to 81% of all spending on food and groceries.
- 3.47. This makes supermarket spending easily the largest single major retail spending category by consumers. In practical terms, that is a demonstration of the importance of ensuring the community is provided with an appropriate choice of supermarkets in highly accessible locations.

- 3.48. In relation to the Marshall Station mixed use area, the issue of accessibility is heavily influenced by the presence of the Marshall railway station. As I have previously noted, over time the level of activity generated at and around the railway station will increase as the population of Armstrong Creek urban growth area, and the wider region, continues to increase.
- 3.49. In this respect, it is my view that the delivery of a full-line supermarket at the Marshall mixed use area would be an outcome which:
- Is to the benefit of Marshall station users including many living outside both the Marshall PSP and wider Armstrong Creek urban growth area
 - Is consistent with transit oriented development outcomes
 - Would deliver such a transit-oriented development outcome in a manner which is the exception rather than the normal for railway stations in the Greater Geelong (with only Lara providing any genuine comparable integration of rail and retail uses – and to a lesser degree than Marshall can deliver)
 - Would enhance opportunities for multi-purpose trips and reduced car usage.
- 3.50. From a location perspective, I also consider it beneficial that the Marshall PSP itself has a clear aspiration to incorporate a higher level of residential and housing density. As relates to my expertise, I strongly support this direction of the Marshall PSP for the following reasons:
- It delivers enhanced housing choice in a growth area which remains dominated by conventional housing development
 - Responds to the locational characteristics of the PSP in terms of integration with the Marshall railway station and access to transport
 - Allows for the creation of a high quality demonstration of a more dense urban form in a growth area setting which can be the catalyst and example for further such development (in both the Greater Geelong region and regional Victoria more generally)
 - Can support the efforts of Government (at all levels) to deliver additional housing supply which responds to the housing availability and affordability issues that are currently a top tier public policy issue.
- 3.51. On Page 14 of the Marshall PSP it is stated that:
- “The existing Marshall Station offers the uncommon opportunity of a station in a greenfield setting. To ensure value capture of this transport linkage, higher density minimums have been set in surrounding residential areas.”*
- 3.52. I would go further to say that this uncommon opportunity provided by Marshall Station also extends to potential delivery of a full-line supermarket in a highly transit-oriented location.
- 3.53. As a general comment, it is my view that were a reasonable opportunity to exist for a full-line supermarket to be delivered at the Marshall Station mixed use area within a higher density urban environment, the natural bias of strategic policy should be to enable it. This is a comment related to my expertise as a land use economist, and I defer to the town planning evidence of others as appropriate.
- 3.54. As a final comment in relation to housing density, the achievement of a highly liveable neighbourhood delivering higher density housing outcomes is enhanced by increasing the availability of local retail and other facilities. A full-line supermarket is the single most important retail format in terms of maximising to the basic day-to-day food and groceries required to support a contemporary lifestyle.
- 3.55. Another important consideration of the opportunity for a full-line supermarket at the Marshall Station mixed use area is the delivery of additional choice and convenience for supermarket shopping.

- 3.56. For residents of the MTA-West, a full-line supermarket at the Marshall Station mixed use area will provide a new and conveniently located alternative to existing options located at Waurn Ponds, Belmont and Armstrong Creek Town Centre.
- 3.57. In particular, residents of Grovedale East between the Surf Coast Highway and railway corridor will have significantly enhanced access to full-line supermarket shopping. A Marshall Station mixed use area full-line supermarket will be significantly closer and with a lower travel distance to other full-line supermarket shopping options. This also reflects the fact that the existing ALDI and Champions IGA do not provide a scale of products which replaces the need for most residents to regularly visit a full-line supermarket store.
- 3.58. Likewise, residents of the Marshall PSP will be provided with a highly accessible local full-line supermarket shopping option. This does not preclude residents also visiting other stores and centres in the wider Armstrong Creek urban growth area including Charlemont Rise and the Armstrong Creek Town Centre, noting that the Framework Plan specifically notes that these centres are not ideally located to serve residents of Marshall.
- 3.59. I also note the benefits to consumers associated with competition between operators, and reduced costs in terms of time and travel costs to access full-line supermarkets, a retail-format used regularly by a high share of the population.
- 3.60. An important aspect of growth area planning is enabling economic opportunity. In this respect, a full-line supermarket can be expected to support in the order of 150 to 180 jobs. This includes both full-time positions, as well as part-time and casual roles.
- 3.61. Within the Marshall PSP, the potential for 380 local jobs is identified (Page 77), including just 27 jobs in the 'Station Precinct Retail'. This represents a ratio of 1 job per 4.1 households based on the original PSP estimate of households of 1,555.
- 3.62. Council is supporting the re-allocation of land previously identified for Commercial/Bulky Goods to conventional residential. This will reduce the number of jobs provided within the PSP, while further increasing the number of households.
- 3.63. As such, the delivery of a full-line supermarket at the Marshall Station mixed use area would make a tangible contribution to enhancing the economic opportunity and engagement delivered in the Marshall PSP area.

Centres Hierarchy

- 3.64. A clear focus of centres policy in Greater Geelong is the use of the centre hierarchy as a means of distributing retail uses. As identified in Chapter 2 of this witness statement, a well-established hierarchy applies to both the Armstrong Creek urban growth area and the wider City of Greater Geelong.
- 3.65. Concerns around delivery of retail floorspace above the 2,750m² of retail, including 2,000m² of supermarket floorspace, identified in the Marshall PSP for the Marshall Station mixed use area will be principally related to implications for:
- Trading impacts on other centres, and
 - The role and function of other centres in the hierarchy.
- 3.66. These seem to be the basis for Council's response to the Marshall Dev Co submission in relation to the potential for a full-line supermarket at Marshall. I do acknowledge that Council indicate in their Part A submission that *"A minor increase in Supermarket floor area may be acceptable, however would be subject to an economic impact assessment."*
- 3.67. It is my view that a full-line supermarket at the Marshall Station mixed use area can be delivered in a manner which reflects and respects the operation of the currently identified centres hierarchy. This can be achieved through:

- A proportionate increase in the scale of retail in the Marshall mixed use area to include a full-line supermarket, while retaining an overall scale of development below that of the nearby Charlemont Rise Centre both in terms of the size of the supermarket (4,000m² at Charlemont Rise) and the overall scale of the centre (a Shop cap of 7,000m² applies at Charlemont Rise) .
 - Recognising that it will be some period of time before a full-line supermarket can be delivered at the Marshall Station mixed use area in both economic and practical terms, and that this provides a period in which ongoing population and demand (sales) growth will occur at existing centres and Charlemont Rise
 - Any appropriate planning policy settings, potentially including the requirement for an Economic Impact Assessment at the relevant time.
- 3.68. A future economic impact assessment for a potential full-line supermarket at the Marshall Station mixed use area will have the benefit of reflecting a more complete understanding of actual on-the-ground urban development outcomes at the Marshall PSP and wider Armstrong Creek urban growth area.
- 3.69. This, in my view is almost certain to reflect housing and population outcomes, and thus demand for retail and other facilities, in excess of that which is currently reflected in the Armstrong Creek Urban Growth Plan Framework Plan.
- 3.70. For example, the expectation of 54,000 residents in the growth area at full development identified in the Framework Plan appears to be a highly conservative assessment of likely actual outcomes.
- 3.71. It should also be recognised that any additional impacts associated with the delivery of a full-line supermarket are relative to the impacts which would otherwise be generated within the currently proposed controls. These already envisage up to a 2,000m² supermarket and an allowance for additional retail shops (up to an as-of-right cap of 2,750m²).
- 3.72. This is a more modest level of impact and thus concern from a centre policy perspective, than if a full-line supermarket development scheme was being delivered from an out-of-centre location otherwise not envisaged for any retail component at all.
- 3.73. Overall, it is my view that a strong economic justification exists for the Marshall PSP to at least recognise the potential exists for a future full-line supermarket at the Marshall Station mixed use area. I consider such an outcome has both economic and strategic merit and would be consistent with the achievement of a net community benefit, as relates to my own expertise.
- 3.74. Any concerns around implications for the centre hierarchy can, I expect be met through appropriate planning policy settings in the Marshall PSP. Although defer to town planners on the exact nature of those settings.

4.0. Comments on Amendment C278GEE

- 4.1. Overall, I make the following comments on the basis of my considerations outlined in the previous Chapters of this witness statement:
- i. The Armstrong Creek urban growth area is rapidly developing, and current planning and development trends indicate the strong likelihood, even expectation, of housing development and population growth well in excess of initial expectations as identified in the Armstrong Creek Urban Growth Plan - Framework Plan.
 - ii. Within the Framework Plan the potential for a Local Centre to be developed adjacent to Marshall Station is identified with the recognition that this an area of Armstrong Creek with relatively poor access to the wider hierarchy of centres in the growth area.
 - iii. Notwithstanding the adoption of a centres hierarchy as a key land use policy tool in both the Armstrong Creek growth area and wider Greater Geelong, the departure or adjustment to the hierarchy is envisaged in the Geelong Retail Strategy 2020-2036 where justified in terms merit and achievement of a net community benefit.
 - iv. The Marshall PSP seeks to deliver a relatively dense urban form with a focus on higher than conventional residential densities, including higher density residential development around Marshall Station. This reflects an overall aspiration for the delivery of a genuine transit-oriented development outcome, noting the uncommon opportunity this provides in a growth area setting.
 - v. The aspiration for a transit oriented development outcome at Marshall Station is at least partly reflected in the direction of the PSP to support a supermarket of up to 2,000m² within a retail component of up to 2,750m² on an as-of-right basis adjacent to the station. This is an increase on the centre of approximately 1,000m² identified on a nominal basis in the original Armstrong Creek Urban Growth Plan.
 - vi. In the course of considering opportunities for development of the Mixed Use Area, Coles approached Marshall Dev Co Pty Ltd expressing an interest in operating a full-line supermarket at the Marshall Station.
 - vii. In considering a full-line supermarket at the Marshall Station mixed use area it is important to recognise a trade area which reflects the trading draw of this retail format. This would include both the Marshall PSP area, as well as well-established urban areas including west of the rail corridor. A total population of 13,400 persons, on a conservative basis, will live in this Main Trade Area at development capacity. This is more than sufficient to support a successful trading full-line supermarket, and would significantly enhance the range and choice of grocery shopping available to Main Trade Area residents and visitors.
 - viii. The delivery of a full-line supermarket at the Marshall Station mixed use area would reflect an enhanced role and function to the current Local Centre status. A full-line supermarket could deliver an outcome equivalent to what might be considered a 'small' Neighbourhood Centre within the centres hierarchy subject to the overall level of retail floorspace provided. However, I consider this to be a response to an opportunity for Marshall Station which has economic justification, strategic merit and is consistent with a net community benefit as relates to my expertise.
 - ix. What I consider most important is that at the relevant time in the future, a suitably detailed Economic Impact Assessment can be prepared to support a full-line supermarket application at the Marshall mixed use area. This will ensure that the level

of economic demand is accurately assessed (on the basis of the contemporary information available at that future time), and for Council issues of impact and hierarchy arising from a full-line supermarket at the Marshall mixed use area can be appropriately assessed and managed.

- 4.2. In the context of my investigations in relation centre planning for the Marshall PSP, I strongly advocate for a policy framework which at least recognises the opportunity for a full-line supermarket at the Marshall mixed use area.
- 4.3. Further, such a policy framework could identify and enable a process by which a full-line supermarket can be delivered in due course.
- 4.4. I defer to town planning expertise in identifying exactly how such a policy framework may be defined in the Marshall PSP.

5.0. Conclusion

Declaration

- 5.1. I have made all the inquiries that I believe are desirable and appropriate and no matters of significance that I regard as relevant have to my knowledge been withheld.



Sean Andrew Stephens
Group Director
sstephens@ethosurban.com

29 October 2024

Appendix A Coles Letter

10 May 2024

Peter Schembri
Acting Coordinator
Strategic Implementation
City of Greater Geelong

Via email: amendments@geelongcity.vic.gov.au

Dear Peter,

Amendment C278gee – Marshall Precinct Structure Plan

Coles Group ('Coles') confirms its interest in the development of a full-line supermarket within the local town centre identified in the draft Marshall Precinct Structure Plan (the 'PSP').

Coles is aware of Ample's intent to submit to Amendment C278gee and wishes to support Ample with any way it can.

As one of Australia's leading retailers with an extensive footprint of retail outlets, Coles employs more than 120,000 team members and engages with more than 8,000 suppliers.

Coles are key tenants in several nearby centres including Armstrong Creek Town Centre, Waurm Ponds Shopping Centre, Belmont Village Shopping Centre and the Leopold Shopping Centre. As demonstrated by our presence within the region, we are acutely aware of the demand for supermarket retailers within Geelong's urban growth corridors.

We benefit from strong working relationships developers, industry, and the Greater Geelong region. Following the approval of PSP, we intend to work in partnership with Ample to secure use of a full-line supermarket because we have confidence that the market will support the provision of a full-line supermarket in this location.

We look forward to engaging with the City of Greater Geelong further in due course. Should you wish to discuss this matter further in the interim, please contact me on 0450 908 237.

Yours sincerely



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Coles Group Property
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colesgroup

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Appendix B Sean Stephens CV

Sean Stephens

Group Director, Economics — B.Econ (Hons)



Sean has over eighteen years' experience in undertaking economic assessments associated with urban development projects and economic development.

Sean has an Honours Degree in Economics from the University of Newcastle. He is a member of the Victorian Planning and Environmental Law Association (VPELA) and the District Council of the Urban Land Institute (ULI).

He has particular expertise in undertaking market assessments, location analysis and impact assessments for retail and commercial developments, and brings a detailed knowledge of the Australian property market to projects.

Sean is a property economist with experience working on a diverse range of projects across Australia for high profile clients. He has worked on market feasibility assessments for major retail developments and also provides strategic property advice to property owners, industry and government departments and agencies.

Sean's relaxed manner and extensive industry knowledge means that he is in demand as a conference speaker. He also delivers tailored presentations and workshops to large groups in the public and private sector.

As an experienced urban economist, Sean is regularly asked to appear in an expert witness capacity in planning and legal forums across Australia.

Jurisdictions in which Sean has provided expert witness services include:

- ACT Supreme Court
- Land and Environment Court (NSW)
- Planning and Environment Court (QLD)
- Planning Panels (VIC)
- VCAT (VIC)
- Environment, Resources, Development Court (SA)
- SA Licencing Court
- WA Liquor Commission
- Tasmanian Planning Commission
- Tasmanian Magistrates Court (Administrative Appeals Division).

Sean has also presented at numerous conferences and industry events across Australia and overseas.

A particular focus of Sean's work is providing client advice which adds value to decision-making and incorporates leading practice urban development principles. This capability has been developed through a genuine passion for urban economics and understanding the importance of taking a highly practical and tailored approach to analysis.