



Stawell's Urban Growth Area – Activity Centre Assessment

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Hansen Partnership and Northern Grampians Shire Council

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Report Data

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1 INTRODUCTION

This report examines the likely demand for an activity centre as part of the Urban Growth Area identified in the Stawell Structure Plan (Hansen Partnership et al, 2021). A review of the timing of such an activity centre is also provided.

The structure plan, approved by Council in April 2021, has identified a growth area as an extension of the urban area to the south-east of Stawell. The presence and location of a “neighbourhood activity centre” to service the growth area is identified in the structure plan as one of the issues for determination:

- *Determine an appropriate location for a neighbourhood activity centre to provide local retail and service needs. This is likely to be along Sloane Street near the corner of the Western Highway however consideration should be given to the Western Highway interface and how further commercial land in this area will impact on the main commercial core of the Western Highway Precinct at Seaby Street.*

(Hansen Partnership et al, Stawell Structure Plan, 2021)

The identified growth area is shown below.

Figure 1.1: Stawell Urban Growth Area



Source: Hansen Partnership, 2021

It is important to note that no assessment of likely demand for the activity centre was undertaken as part of the Structure Planning process. And that the designation “*Neighbourhood Activity Centre*” does not necessarily imply a centre of a particular size or function in the Northern Grampians hierarchy of activity centres. The designation is simply acknowledging that the residents of the Urban Growth Area will be some distance from the established activity centres – Stawell Town Centre and the Western Highway/Seaby Street service area – and that it would be preferable to provide access to some level of retail service nearby. Such services will add to the attractiveness of the Urban Growth Area.

To progress the planning of the Urban Growth Area, Northern Grampians Shire Council now requires a better understanding of the likely size and timing of the proposed activity centre. This report provides further information on these issues, looking at:

- The likely population of the Urban Growth Area and the trade area of the proposed activity centre
- The retail demand of that population
- The size of centre that would be supported
- The timing of retail provision
- Implications for a current rezoning proposal in the Urban Growth Area

A conclusion is provided at the end of the report and readers looking for an executive summary are directed there.

2 POPULATION

2.1 Urban Growth Area Population

There are currently only three houses in the Urban Growth Area and the population is estimated at approximately 10.

The ultimate growth area population will depend on the number of lots that are developed. There is a range of estimates of the capacity of the Urban Growth Area in work completed to date:

- Hansen Partnership estimates that the capacity of the Urban Growth Area is, “*approximately 800 to 1,200 new dwellings based on a high level yield assessment that assumes a residential Net Development Area (NDA) equal to 60% of the entire precinct and residential density of 10 to 15 dwellings per net hectare.*”
- Work undertaken for Council to estimate sewerage demand identifies potential for 1,563 lots.

Based on these lot numbers, the following table provides an estimate of the population of the Urban Growth Area at full development under high, medium and low development scenarios. Reasonable assumptions have been made regarding average household size and the occupancy rate of dwellings constructed.

Table 2-1: Population of the Urban Growth Area at full development

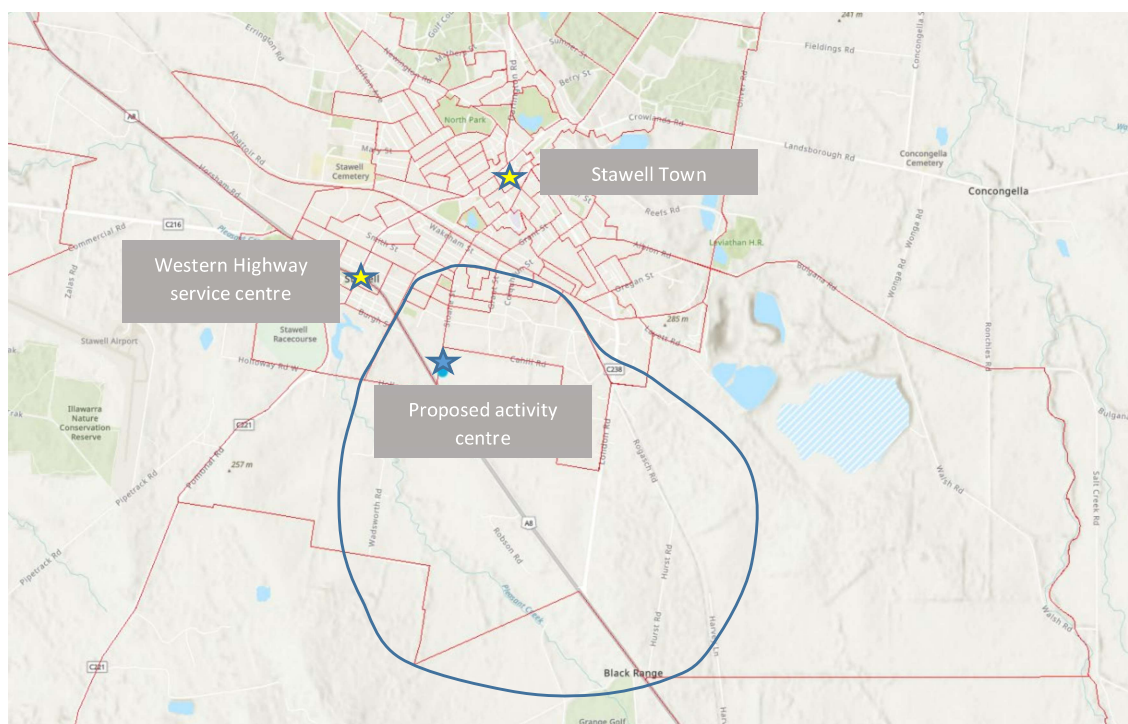
	Low	Medium	High	Notes
Area (ha)	135	135		
Developable area	60%	60%		
Lots per ha	10	15		
Dwellings	810	1,215	1,563	Data from Hansen Partnership
Household size	2.8	2.8	2.8	Average household size in Stawell was only 2.1 at the last Census, but 2.8 is closer to what is likely in a growth area
Occupancy rate	91%	91%	91%	A proportion of houses will be vacant – occupiers on long term holidays, between occupiers, holiday homes etc; 9% vacancy has been typical of Stawell to date.
Population	2,064	3,096	3,983	

2.2 Activity Centre Trade Area

Any activity centre in the Urban Growth Area is likely to service a trade area that extends beyond the immediate growth precinct. Following discussions with Council and the Hansen Partnership team, the location of any activity centre in the Urban Growth Area is assumed to be on Sloane Street, roughly midway between the junctions with Ararat Road and Cahill Road. A location on the Western Highway, as shown indicatively in the Structure Plan, would risk a significant adverse impact on the Stawell Town Centre and the activity node on the Western Highway at Seaby Street, capturing visitor spending and spending by many people in the southern part of the Stawell catchment. This would detract from the Town Centre's capacity to deliver a high level of service to the wider catchment.

The trade area for a centre with a significant grocery function – a supermarket, for example – would be defined in relation to the locations of other centres providing a similar service, particularly the Stawell Town Centre but also the Western Highway service node around the intersection with Seaby Street. The presumed trade area of the growth area activity centre is shown in the following map. The map also shows the boundaries of the mesh blocks, which are the smallest statistical areas used by the ABS to provide population information.

Figure 2.1: Potential trade area of proposed activity centre



Source: base map from ABS

The population in this trade area is estimated at 852 in 2021. This is based on the number of people counted in the mesh blocks at the 2016 Census and updated to account for growth in the Stawell SA2 between 2016 and 2021 and allowing for the slight under-counting that occurs during the Census.

Table 2-2 below calculates the population growth in the Urban Growth Area and the trade area of the potential activity centre. It also shows when the ultimate population of the growth area might be expected. It makes the following assumptions:

- The population growth for Stawell is as described in scenario 3 prepared for the economic background report for the Structure Plan; that is, overall growth of 0.45% per year and an additional 571 people by 2036. Scenario 3 is the only scenario prepared for the structure plan that shows significant growth. If the other scenarios eventuate, the Urban Growth Area is unlikely to be required.
- All the net additional population is housed in the Urban Growth Area and the net population change in the remainder of Stawell is zero.
- The average annual population growth rate in the trade area of the proposed centre is calculated at 3.5% per year between 2021 and 2036. This rate of growth is assumed to continue until the Urban Growth Area is completely taken up.

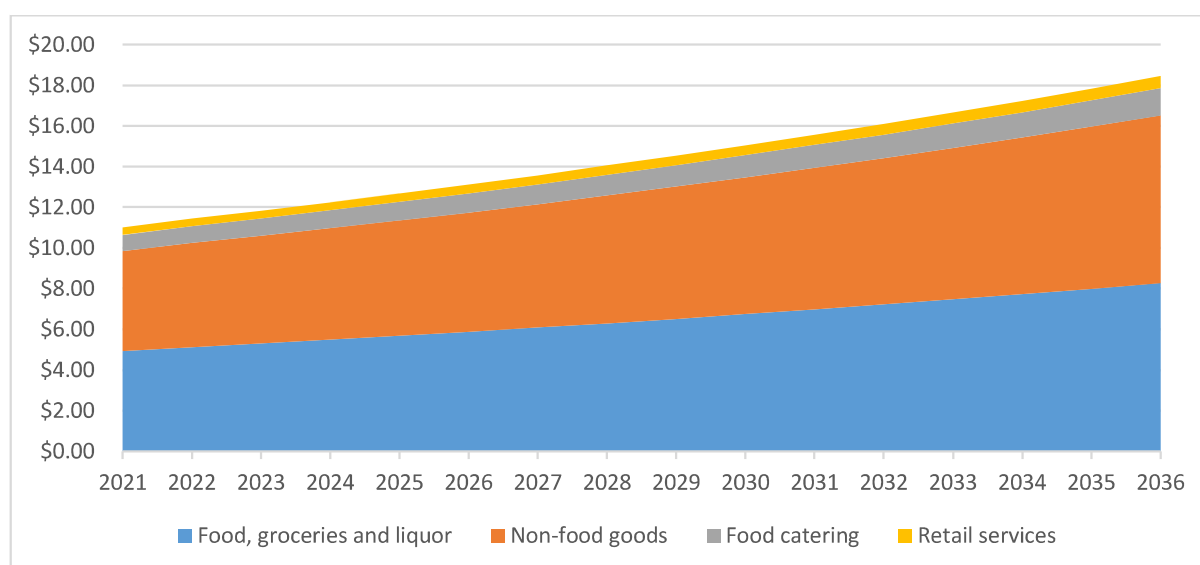
Table 2-2: Population growth in the trade area of the proposed activity centre

	Urban Growth Area	Remainder of trade area	Total	
2021	10	842	852	
2036	581	842	1,423	
Growth, 2021 to 2036	571	0	571	
Growth rate 2021 to 2036	31.1%	0.0%	3.5%	
Full development	Growth area	Remainder of trade area	Total	Indicative year of full development
Low	2,064	842	2,906	2057
Medium	3,096	842	3,938	2066
High	3,983	842	4,824	2072

The table shows that, under the assumptions outlined above, the ultimate population of the Urban Growth Area is between 2,100 and 4,000 and that in the trade area of the proposed centre is between 2,900 and 4,800. However, this ultimate population will not be achieved until beyond 2050, even at the relatively high growth rate assumed here.

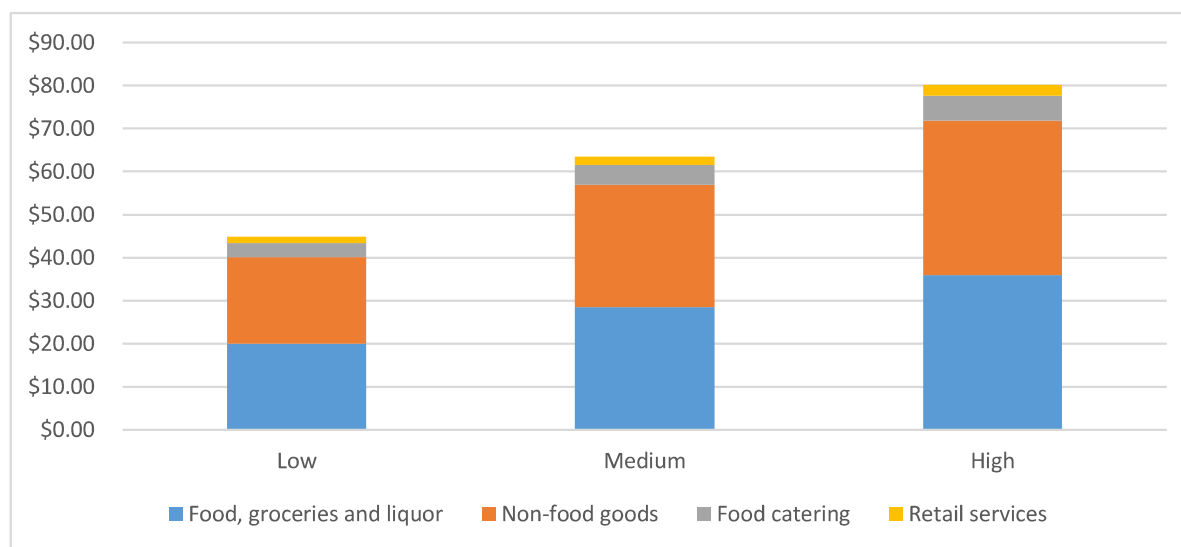
2.3 Retail Demand

The average annual retail spending per person in Stawell is approximately \$12,909 in 2021, which is an updated estimate of the figure provided in the economic background report for the Structure Plan (Nott, 2020). Allowing for real growth of 0.5% per year, typical of retail spending over the past 40 years as incomes have improved, the following figure shows the estimated retail spending by residents of the trade area over the period to 2036. Total retail spending under this scenario is expected to reach \$18.5 million by 2036.

Figure 2.2: Estimated growth in retail spending by trade area residents, 2021 to 2036

Total retail spending at full development is shown in the following figure.

Figure 2.3: Total retail spending by trade area residents at full development (low medium and high development scenarios)



Depending on the scale of the Urban Growth Area, the total annual retail spending in the Urban Growth Area will be between \$45 and \$80 million, although this level of spending will not be achieved until beyond the middle of the century given the population growth assumed here.

2.4 Type of Activity Centre Supported

The type of activity centre supported has not been specified precisely but given the scale of population growth and the existing hierarchy of centres in the area it would be a local or neighbourhood centre. The scale of population requirements for these types of centres are indicated in the table below.

Table 2-3: Typical urban activity centre characteristics

Centre	Characteristic store	Typical retail floorspace sqm	Typical annual turnover \$m	Typical trade area population no.
General store	General store	200	\$1	800
Local centre	General store	500	\$3	1,500
Small neighbourhood centre	Small supermarket	1,500 to 3,500	\$8 to \$25	3,000 to 7,000
Neighbourhood centre	Full line supermarket (3,000+ sqm)	5,000 to 7,000	\$30 to \$50	8,000 to 12,000

The typical trade area populations nominated in this table are those required to support the characteristic stores and the necessary level of retail floorspace in urban centres at that level in the hierarchy. This allows retail spending to flow from trade area residents to other levels in the hierarchy so that a robust network of activity centres is supported. For example, a small neighbourhood centre typically captures around 15%-20% of retail spending in its catchment. This is sufficient to support a small supermarket and a small collection of other stores providing day-to-day goods and services. The remaining spending flows mainly to larger centres – sub-regional and regional centres – where residents shop for clothing and furniture as well as day to day items. In the Stawell context, residents of the growth area would shop at Stawell Town Centre for some of these comparison goods as well as using the internet or travelling to the larger centres of Horsham, Ballarat and Melbourne.

Given the ultimate population of the growth area and surrounds (see Table 2-2), the activity centre on Sloane Street could be a small neighbourhood centre, comprising a small supermarket and complementary small stores – pharmacy, newsagent, take-away food etc. The notional size of such a centre is shown in the table below.

Table 2-4: Notional retail floorspace of small neighbourhood activity centre in the growth area at full development

	Food, groceries and liquor	Non-food goods	Food catering	Retail services	Total
Share of total floorspace captured	30%	8%	20%	40%	17%
Low	563	269	99	109	1,040
Medium	766	366	135	148	1,415
High	940	450	166	182	1,737

Source: Tim Nott

Note: The share of total floorspace captured is typical for small neighbourhood centres. This share has been applied to the floorspace generated at the time of full development, which is different for each scenario.

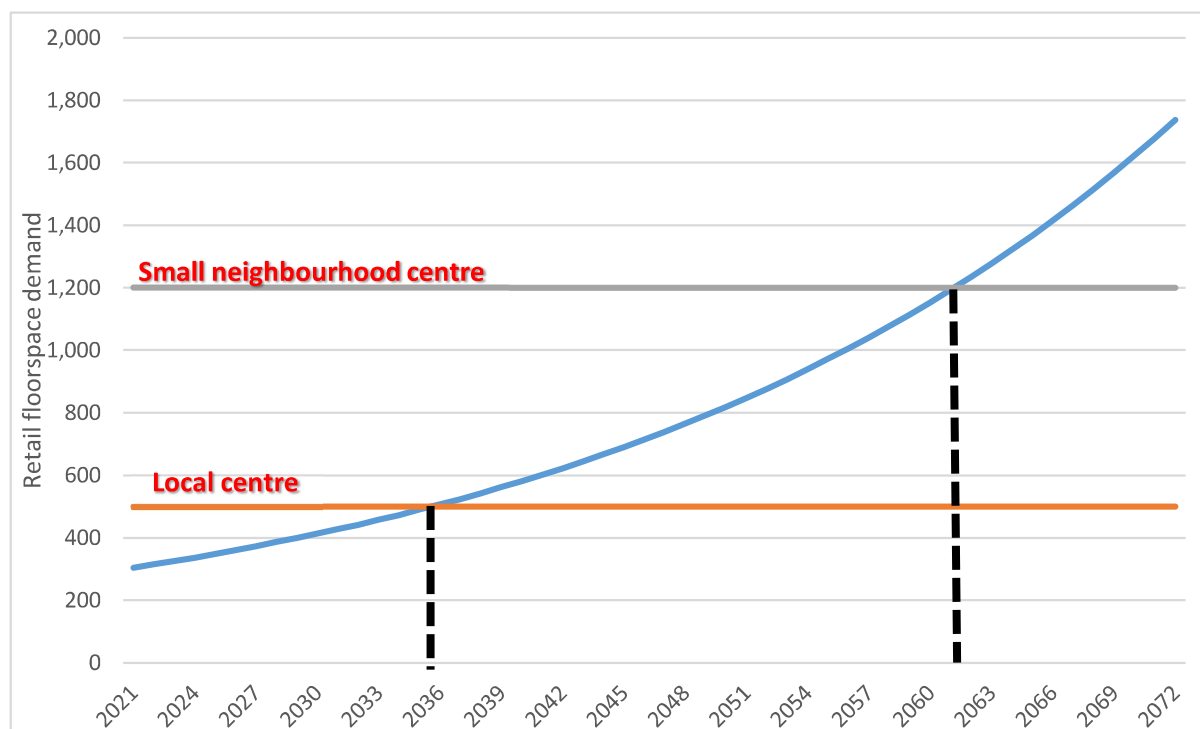
In association with this, there could be additional non-retail activities such as doctor's surgery, child-care or vet, for example. **In all, the ultimate size of the activity centre, including retail and non-retail elements, would likely be no more than 2,500 sqm under any scenario.** Allowing for car parking, landscaping and access, the activity centre footprint should be no more than 8,000 sqm.

This estimate is based on current standards of retail provision. By the time full development is achieved – after 2050 under the assumptions outlined here – these standards will undoubtedly have changed. New retail forms and business models will emerge; new products will become popular requiring different types of stores; evolving transport arrangements will alter patterns of access; and so on. However, all we can do at this stage is to identify what will be required under present conditions and monitor those conditions to ensure that recommendations keep pace with the current situation.

2.5 Activity Centre Timing

The rate and scale of population growth in the Urban Growth Area means that it will be some time before a small neighbourhood centre becomes viable. As the figure below illustrates, it will also be some time before a significant local centre will become viable.

Figure 2.4: Timing of activity centres for the Stawell Urban Growth Area



Source: Tim Nott

The figure shows, under the most rapid population growth scenario outlined in the structure plan:

- A local activity centre of 500sqm will be viable in 2036
- A small neighbourhood centre of 1,200 sqm would be viable in 2061

A smaller local centre would be viable prior to 2036; however, the retail services provided by a small local centre are currently provided by the existing service station and fast food outlet on the south side of the Western Highway close to the intersection with Sloane Street. A small local centre – a general store, for example – would need to compete with the highway uses and may struggle unless it has a strong, attractive offering. This could include provision of community facilities to serve the Urban Growth Area.

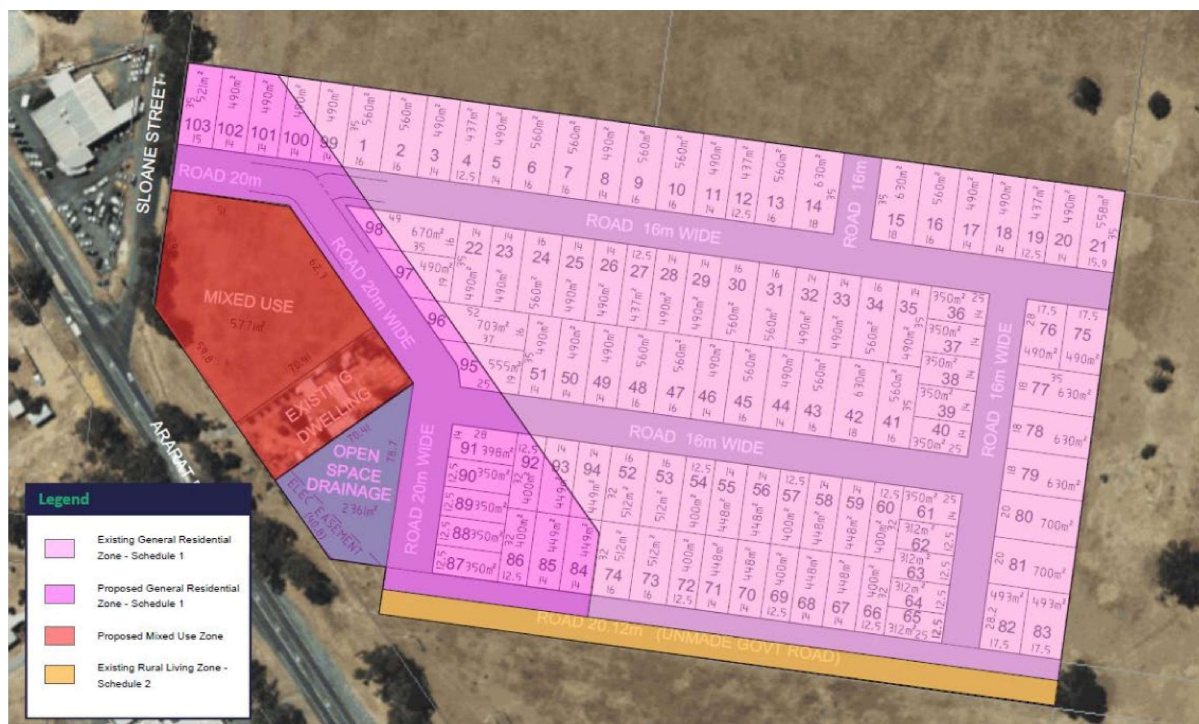
Once a local centre is established, there is potential for it to evolve progressively into a small neighbourhood centre as demand warrants.

In thinking about the location for such a centre, given that it is some years (or decades) in the future, it may be possible to shift the location from Sloane Street to a position that is more central to the Urban Growth Area; a location be more accessible to more of its residents. A centre location on a main collector road through the middle of the Urban Growth Area would allow the road and trail network in the Growth Area to be planned around it. This would mean that the initial developments on the western edge of the Growth Area would not need to make provision for a future centre that would be many years from being developed.

3 CURRENT PROPOSAL

A proposal to rezone land in the Urban Growth Area is currently before Council. The site is on the corner of Sloane Street and the Western Highway as shown in the diagram below.

Figure 3.1: Rezoning and development proposal, Stawell Urban Growth Area



Source: Northern Grampians Shire Council

Centre location

The proposal shows a Mixed Use precinct fronting the Highway. This is the notional location of the “neighbourhood activity centre” identified in the Structure Plan and, at around 9,000 sqm, is of an appropriate size to accommodate the ultimate scale of the proposed centre as determined by the demand assessment in this report.

However, as indicated in previous sections, there is the potential for a centre at this location to challenge the primacy of the Stawell Town Centre. Such a centre could serve the whole of the southern part of Stawell’s catchment area, capturing trade from visitors and residents. Such a centre would likely be viable earlier than one serving just the Urban Growth Area and its immediate surrounds. This would be advantageous for the residents of the Growth Area who would have more direct access to goods and services at an earlier date. However, it would take trade from Stawell Town Centre, reducing the viability of services there and restricting the ability of the Town Centre to generate the economies of scale that attract investment in higher order goods and services. In other words, the whole community would potentially suffer if the role of the Town Centre is diminished.

Highway services

The economic assessment for the structure plan (Nott, 2020) found that there was likely to be sufficient commercial land in the Western Highway precinct through Stawell for most future

demands given the quantity of vacant land (around 6 ha) and the presence of vacant Industrially zoned land in the west of the town.

The proposal for a Mixed Use Zone at this location is therefore not strictly necessary from a demand viewpoint. However, it does provide for an eastward continuation of the commercial activities that front the Highway through the town. To some extent, development here would mirror the commercial and industrial development on the west side of the Highway. However, if the aim is really to provide space for these activities, Commercial 2 would be a more appropriate zone. This would prevent housing encroaching on the commercial frontage of the Highway.

4 CONCLUSIONS

- 1) The Urban Growth Area identified in the Stawell Structure Plan will be required if the population of the town grows at the higher rates identified in the economic background report.
- 2) The ultimate population of the Urban Growth Area and surrounds will be sufficient, using current standards of service provision, to support a small neighbourhood centre, in the range 1,200 to 2,500 sqm of retail and non-retail floorspace. This would be sufficient for a small supermarket providing basic food and groceries as well as other premises providing a small selection of day-to-day goods and services. Such a centre would complement the Stawell Town Centre and provide residents of the Urban Growth Area with an accessible and convenient source of day-to-day goods and services. The viability of such a centre has been tested in this report, with a presumed location on Sloane Street, midway between the intersections with the Western Highway and Cahill Road.
- 3) Given population growth rates in Stawell at the higher end of expectations (0.45% per year), and assuming that all the net growth is channelled to the Urban Growth Area, it will still be many years before this kind of a centre is viable given the likely demand. In fact, the viability of the centre is so far in the future (beyond 2050) that there is a good chance that retail business models and standards of provision will have changed substantially. However, at this remove, it is impossible to say whether the demand for activity centre space will increase or decrease. It would therefore be prudent to plan on the basis of today's standards and reserve space for the future development of small neighbourhood centre. The land required should be no more than 8,000 sqm. Prior to development as an activity centre, the land could be used for open space, providing a village green for the new development.
- 4) A local centre of around 500 sqm of retail floorspace would be viable by around 2036. A smaller centre – a general store, for example – may be viable earlier than that but would need to provide a compelling offer. This could include the provision of community facilities for the Urban Growth Area. Until that time, the existing services on the Western Highway would likely be sufficient to provide convenience retail needs. A future local centre could form the nucleus of a small neighbourhood centre that would be developed later.
- 5) Given that the proposed activity centre would not be viable for many years, there is the potential to have it located in a position more central to the Urban Growth Area, providing better access and walkability for local residents. This would mean that the initial development on the western edge of the Urban Growth Area would not need to accommodate the centre. However, a more detailed plan for the Growth Area is required

to ensure that road and trail access to the proposed centre is provided from all parts of the precinct.

- 6) A current proposal before Council requests a rezoning to allow a Mixed Use precinct at the corner of the Western Highway and Sloane Street, opposite the existing car dealership. This site – around 9,000 sqm - would be large enough for the proposed activity centre. However, an activity centre here would draw on visitor and traveller spending as well as that of local residents. It would likely be viable earlier than a centre just serving the Urban Growth Area and immediate surrounds but this would be detrimental to the capacity of the Stawell Town Centre to provide higher order services, with adverse consequences for the whole community. Although not strictly necessary to satisfy demand, the site would be appropriate as an extension of the Western Highway Commercial precinct, suitable for automotive services, wholesale activities and agricultural supplies.

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