

ADDENDUM

Project	Gisborne Futures – Economic Analysis
Client	Macedon Ranges Shire Council
Date	22 May 2023
Subject	Addendum to Economic And Employment Analysis

1. INTRODUCTION

ENGAGEMENT

Urban Enterprise was engaged by Macedon Ranges Shire Council (Council) to prepare an update of economic and employment analysis for the Gisborne township undertaken in 2018 and 2020 to inform the preparation of the Gisborne Structure Plan.

This update forms part of Council's Gisborne Futures Refresh project, which comprises further work and revision of draft plans to reflect outcomes of consultation and to update analysis to recent data and evidence. This analysis also considers the implications of the COVID pandemic for the Gisborne area in relation to economic activity, population and housing.

DATA AREAS

This memorandum refers to data for several spatial areas which vary based on the data source. The most commonly referenced data area is the **Gisborne District**, which utilises ABS data available for the Gisborne SA2. Some data is also available for the **Gisborne Township** using the Gisborne Urban Centre Locality (UCL) geography.

Sub-precincts of the Gisborne District have also been created by Urban Enterprise to enable analysis of local housing and retail issues. These sub-precincts are comprised of Statistical Area 1s (SA1s).

Maps of all data areas are provided in Appendix A.

2. POPULATION, HOUSING AND EMPLOYMENT

2.1. INTRODUCTION

This section provides an update to headline datasets on the topics of population growth, housing development and employment and business levels.

2.2. POPULATION

CURRENT POPULATION

In 2021, the Gisborne township had a Usual Resident Population (URP) of 10,999 residents, comprising 77% of the broader Gisborne District (SA2) population of 14,222 residents.

The township population increased at a rate of 2.3% per annum from 2016 to 2021, slower than the previous 5 year period of 4.0% per annum.

While the rate of population growth has slowed somewhat in the Gisborne area, the rate of growth has increased in the surrounding areas of Sunbury and Melbourne North-West, while the broader Macedon Ranges Shire has also experienced an increase in the annual rate of growth. By comparison, metropolitan Melbourne experienced a decrease in population in the year to June 2021 due to the impacts of the COVID-19 pandemic.

T1. GISBORNE POPULATION OVERVIEW (URP)

Area	2011	2016	2021	Change (2016-2021)	AAGR (2011-2016)	AAGR (2016-2021)
Gisborne (UCL)	8,057	9,822	10,999	1,177	4.0%	2.3%
Gisborne (SA2)	11,078	12,827	14,222	1,395	3.0%	2.1%
Sunbury (SA3)	36,852	39,368	45,064	5,696	1.3%	2.7%
Macedon Ranges (LGA)	41,860	46,103	51,458	5,355	1.9%	2.2%
Melbourne North West (SA4)	318,483	363,368	424,328	60,960	2.7%	3.2%
Regional Victoria	1,345,715	1,433,818	1,576,613	142,795	1.3%	1.9%

Source: ABS Census of Population & Housing 2011, 2016 & 2021. AAGR= average annual growth rate.

DEMOGRAPHICS

Comparison of headline demographic indicators of the Gisborne District community from the 2016 to 2021 Census¹ reveals the following key changes over the period:

- The median age increased slightly from 39 years to 40 years, due primarily to an increase in the proportion of residents aged over 65 years from 15.2% to 16.3%;
- Net population increase was driven primarily by increases in seniors (aged 70-84 years); parents and homebuilders (aged 35-49 years) and school aged children (aged 5-17 years).
- 24% of new residents to Gisborne were aged between 30 and 39 years, a major influx of younger adults compared to the incumbent age profile which is weighted towards older adults 50 years and above; and
- A significant increase in the proportion of residents with university qualifications occurred, from 22.7% to 26.1%, along with an increase in labour force participation of residents from 65.5% to 66.8%.

¹ Profile ID Social Atlas.

FORECAST POPULATION

Forecast ID and Victoria in Future project relatively strong growth of between 2% and 2.3% per annum for the Gisborne District from 2021 to 2036, which would result in the SA2 population reaching approximately 20,000 residents by 2036 (see Table 2).

Growth in Gisborne is projected to occur at a higher rate than the broader municipality, which is forecast to experience population growth of between 1.5% and 1.6% per annum.

T2. POPULATION PROJECTIONS

Forecast ID	2021	2026	2031	2036	AAGR (2021-2036)
Gisborne District (SA2)	14,335	15,608	17,373	20,170	2.3%
Macedon Ranges (LGA)	51,576	55,266	60,341	65,771	1.6%
Victoria in Future	2021	2026	2031	2036	AAGR (2021-2036)
Gisborne District (SA2)	15,097	16,783	18,489	20,272	2.0%
Macedon Ranges (LGA)	51,851	56,035	60,235	64,643	1.5%

Source: Forecast ID, 2023; Victoria in Future, DELWP 2019. AAGR= average annual growth rate.

The main age cohorts expected to experience growth in the Gisborne District (in absolute population terms) over the period 2021 to 2036 are parents and homebuilders (aged 35-49 years; 21% of net change) and children (28% of net change).

Both the number and proportion of residents in the 'tertiary education and independence' (18-24) and 'young workforce' (25-34) cohorts is expected to increase noticeably, with this group making up 18% of the projected population growth in Gisborne District.

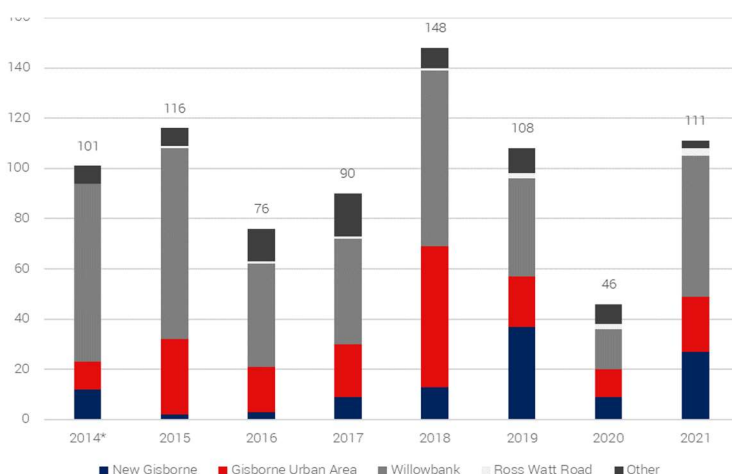
2.3. HOUSING

DWELLING APPROVALS

Figure 1 shows the number of dwellings approved for construction in the Gisborne District from 2014 to 2021. Dwelling approvals data has been analysed by sub-precinct to analyse historical housing growth at the local level.

An average of 100 dwellings were approved per year over the period, ranging from a low of 46 in 2020 (during the COVID pandemic) to a high of 148 approvals in 2018. The Willowbank sub-precinct in the southern part of the township accommodated more than half (52%) of all approvals in the period.

F1. DWELLING APPROVALS 2014 – 2021, GISBORNE DISTRICT AND SUB-PRECINCTS



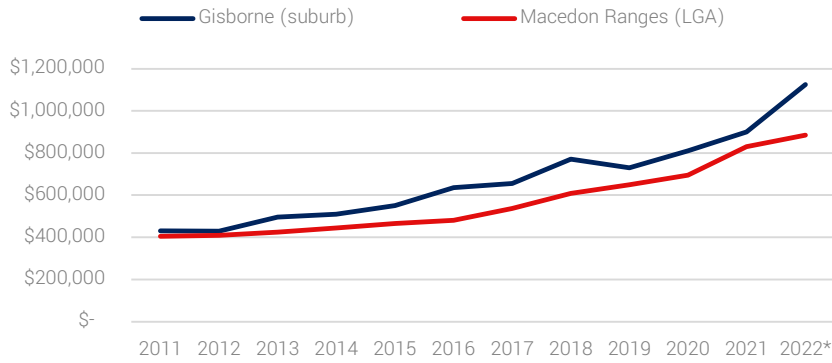
Source: ABS Dwelling Approvals, 2022, Urban Enterprise.

HOUSE PRICES

Figure 2 shows median house price trends in Gisborne (suburb) and Macedon Ranges Shire (LGA) between 2011 and 2022.

Both areas have experienced strong house price growth since 2011 (Gisborne +9.1% per annum, Macedon Ranges +7.4% per annum), with the Gisborne median in 2022 (\$1.1 million) now materially higher than that of Macedon Ranges overall (\$885,000).

F2. MEDIAN HOUSE PRICES – GISBORNE AND MACEDON RANGES



Source: Victorian Valuer General, A Guide to Property Values, 2022. * preliminary.

2.4. EMPLOYMENT

In 2021, the Census recorded 4,302 workers based in the Gisborne District, an increase of 723 compared with 2016, representing an average increase of 1.7% per annum. This excludes jobs where insufficient information was available to define the industry of employment, and the Census typically undercounts overall employment by at least 10%, indicating that the total number of people employed in the Gisborne District in 2021 was likely to be closer to 5,000.

The most prominent industries of employment for workers within the Gisborne SA2 in 2021 were Healthcare, Construction, Education and Retail Trade.

Although still a major employer in Gisborne, Retail Trade has continued to experience declining levels of employment since 2011. Both metropolitan Melbourne and Regional Victoria have experienced low rates of retail employment growth in recent years, due primarily to the increasing market share of online sales.

By comparison, health care and construction continued to register strong employment growth, along with education and training, accommodation and food services and professional, scientific and technical services.

T3. INDUSTRY OF EMPLOYMENT – GISBORNE SA2

Industry	2016	2021	Change
Health Care and Social Assistance	448	667	219
Construction	393	613	220
Education and Training	446	541	95
Retail Trade	479	463	-16
Accommodation and Food Services	312	396	84
Professional, Scientific and Technical Services	196	286	90
Financial and Insurance Services	298	223	-75
Public Administration and Safety	213	219	6
Other Services	176	215	39
Manufacturing	183	184	1
Administrative and Support Services	98	105	7
Transport, Postal and Warehousing	89	104	15
Arts and Recreation Services	77	74	-3
Wholesale Trade	52	62	10
Rental, Hiring and Real Estate Services	52	61	9
Agriculture, Forestry and Fishing	40	38	-2
Information Media and Telecommunications	11	30	19
Electricity, Gas, Water and Waste Services	11	21	10
Mining	5	0	-5
Total	3,579	4,302	723

Source: ABS Census of Place of Work, 2016 & 2021. Excludes not stated and inadequately described.

JOB CONTAINMENT

Table 4 shows that 29% of employed residents of the Gisborne SA2 also worked within the Gisborne SA2 in 2021. This is an increase in overall job containment from 27% in 2016.

T4. JOB CONTAINMENT, GISBORNE DISTRICT, 2021 AND 2016

Industry	Live and Work in Gisborne SA2	Live in the Gisborne SA2	Containment (2021)	Containment (2016)
Total workers	1,981	6,900	29%	27%

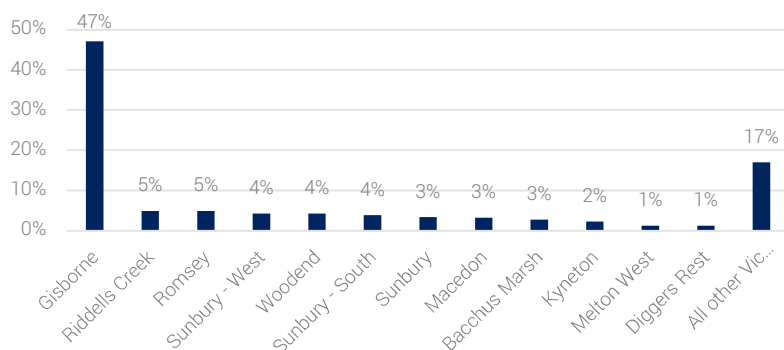
Source: ABS Census of Population & Housing & Place of Work 2021, 2016.

WORKERS PLACE OF RESIDENCE

The majority of workers in the Gisborne SA2 also live in the SA2 (47%). Secondary catchments include Riddells Creek, Romsey, Sunbury, Woodend and Macedon. This indicates that businesses primarily draw employment from Macedon Ranges and Sunbury (76% of all jobs in Gisborne are occupied by residents of this catchment).

The results are comparable to those of the 2016 Census results.

F3. WORKERS' PLACE OF RESIDENCE – GISBORNE - 2021



Source: ABS Census of Population & Housing & Place of Work 2021.

WORKING FROM HOME

In 2016, 6% of employed Gisborne residents worked from home on Census day. By comparison, in 2021, 27% of employed residents worked from home on Census day.

Although the 2021 Census took place during a period affected by the COVID pandemic and metropolitan Melbourne residents were subject to lockdown orders on Census day, the high proportion of residents who worked from home demonstrates that a significant proportion of Gisborne residents are employed in occupations that are capable of being performed at home. In the post-pandemic economy, home-based and remote work has increased substantially, a trend that is likely to result in greater demand for work space and related local services in areas previously characterised as commuter towns.

2.5. BUSINESSES

Table 5 shows counts of employing businesses in the Gisborne SA2. Over the four year period from 2017 to 2021, an additional 32 businesses were registered in the area, despite the economic challenges associated with the COVID pandemic in 2020 and 2021.

Construction (+15), Professional, Scientific and Technical Services (+15) and Accommodation and Food Services (+14) experienced the greatest increase in business numbers.

T5. COUNTS OF EMPLOYING BUSINESSES – GISBORNE SA2

Industry	2017	2021	Change (2017-21)
Construction	151	166	+15
Professional, Scientific and Technical Services	67	82	+15
Accommodation and Food Services	21	35	+14
Other Services	31	39	+8
Wholesale Trade	14	20	+6
Public Administration and Safety	0	3	+3
Arts and Recreation Services	9	10	+1
Rental, Hiring and Real Estate Services	12	13	+1
Transport, Postal and Warehousing	17	18	+1
Electricity, Gas, Water and Waste Services	3	3	0
Mining	0	0	0
Retail Trade	39	39	0
Education and Training	10	9	-1
Financial and Insurance Services	24	22	-2
Health Care and Social Assistance	27	24	-3
Administrative and Support Services	19	16	-3
Information Media and Telecommunications	3	0	-3
Currently Unknown	6	0	-6
Agriculture, Forestry and Fishing	18	12	-6
Manufacturing	36	28	-8
Total	507	539	+32

Source: ABS Counts of Australian Businesses, 2022.

2.6. KEY POINTS

The following updates to the previous analysis are noted:

- The Gisborne area has experienced ongoing population growth in recent years, including during the COVID pandemic which resulted in many metropolitan areas experiencing population loss.
- In recent years, the proportion of residents with university qualifications has increased noticeably, along with an increase in the labour force participation rate. The most common age cohort of new residents moving to Gisborne between 2016 and 2021 was adults in their 30s.
- Post-pandemic projections are for strong population growth to continue in Gisborne over the medium-long term, with a substantial proportion of the additional population expected to comprise young adults and children. This will require the ongoing creation of additional local training and employment opportunities to meet the needs of this cohort.
- The local housing market continues to demonstrate indications of strong housing demand, although the volume of new housing construction has been steady overall with some short term volatility.
- Local employment, employment retention rates and business numbers have increased in recent years, a sign of strong economic performance in the context of the economic disruption caused by the COVID pandemic. Jobs and business growth has been primarily driven by the health, education, food and accommodation, construction and professional services sectors.
- There have not been any major changes in terms of broad trends that would require changes to the findings of the previous assessment, although the strong economic indicators and high potential for local residents to work from home or remotely should be factored into planning for the future economic role of the town, along with the projections for strong growth in the younger adult age cohorts.

3. RETAIL

3.1. OVERVIEW

This section provides an update to the original assessment of demand for retail floorspace in Gisborne, as well as consideration of the optimum retail and activity centre hierarchy having regard to the locations and scale of anticipated population growth in the town.

3.2. EXISTING RETAIL FLOORSPACE

The 2020 Urban Enterprise report included a summary of existing retail floorspace in Gisborne based on Council's property database as at 2018. The floorspace levels and mix has been updated (Table 6) to take into account the approved construction of retail premises since 2019 based on Council's planning permit data.

The main addition to retail floorspace in Gisborne over the period is the approval and construction of a new Aldi supermarket. The current estimated occupied retail floorspace is in the order of 30,000sqm.

T6. GISBORNE TOWN CENTRE RETAIL FLOORSPACE (SQM, INDICATIVE), 2023

Land Use Type	2018	2023	Change
Food, Liquor & Groceries	7,500	9,000	+1,500
Food Catering	8,500	8,500	-
Apparel, Homewares & Leisure	5,000	5,000	-
Bulky Goods	500	2,000	+1,500
Retail Services	4,500	5,500	+1,000
Total Retail (Occupied)	26,000	30,000	+4,000

Source: Urban Enterprise, 2023.

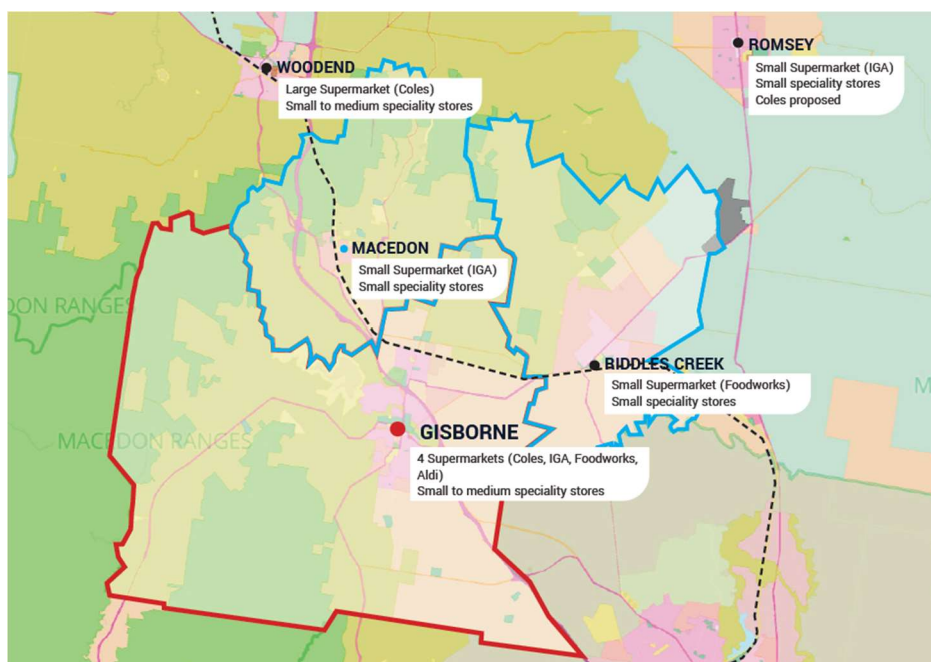
3.3. RETAIL TRADE AREA

The primary retail catchment adopted for the previous assessment was the Gisborne District and the secondary catchments included the Macedon and Riddells Creek SA2s (see Figure 4). Although some trade is drawn from outside these areas, the majority of retail spending which occurs in Gisborne was expected to be drawn from the primary and secondary trade catchments.

There have been no major retail developments approved or completed in the trade area since preparation of the previous assessment, however it is understood that a supermarket development in Romsey has recently received planning permission, and a supermarket and retail development in Riddells Creek is proposed but not permitted.

These proposed developments would have the effect of redirecting some supermarket and related convenience retail spending in Gisborne from the secondary catchment to other towns, however for the purposes of this assessment, the trade area is considered to remain suitable.

F4. RETAIL TRADE AREA



Source: Urban Enterprise.

3.4. POPULATION

Table 7 shows updated trade area population estimates from 2023 to 2051. A planning horizon of 2051 has been adopted to align with the original Gisborne Futures planning horizon of 30 years, commencing during 2020. Sources and assumptions adopted to prepare these estimates are outlined in Appendix B.

Under the adopted population scenario, the Gisborne District population would be approximately 27,000 residents by 2051, representing an average annual growth rate of 2.2% between 2023 and 2051. The secondary catchment would have a population of just over 14,000 by 2051, equating to population growth of 1.9% per annum (almost all population growth in the secondary catchment is expected to occur in Riddells Creek).

T7. POPULATION ESTIMATES RETAIL TRADE AREA – 2023 TO 2051

Area	2023	2031	2041	2051	Change (2023-2051)	AAGR (2023-2051)
Gisborne District	14,831	17,373	22,599	27,277	12,445	2.2%
<i>Primary catchment</i>	<i>14,831</i>	<i>17,373</i>	<i>22,599</i>	<i>27,277</i>	<i>12,445</i>	<i>2.2%</i>
Riddells Creek District	5,053	6,534	8,356	10,686	5,633	2.7%
Macedon and Mount Macedon District	3,496	3,438	3,525	3,613	117	0.1%
<i>Secondary catchment</i>	<i>8,549</i>	<i>9,972</i>	<i>11,880</i>	<i>14,299</i>	<i>5,750</i>	<i>1.9%</i>
Total Retail Trade Area	23,381	27,345	34,479	41,576	18,195	2.1%

Source: Forecast id, 2023 (base projections), applied and extrapolated by Urban Enterprise. AAGR = average annual growth rate.

3.5. RETAIL EXPENDITURE

Per capita retail expenditure within the trade area is summarised in Table 8. This information is estimated by Marketinfo and has been escalated by Urban Enterprise to reflect inflation.

The average annual retail expenditure for Gisborne residents is estimated at approximately \$17,800 per person, with a marginally lower expenditure in Riddells Creek of \$17,700 per person and slightly higher in Macedon (\$18,200).

It is noted that retail expenditure in all parts of the trade area is significantly higher on a per capita basis than the Victorian average (\$16,400).

T8. RETAIL EXPENDITURE PER CAPITA, 2023

Retail category	Gisborne SA2	Riddells Creek SA2	Macedon SA2	Victoria
Food, Liquor, Groceries	\$8,000	\$8,100	\$8,000	\$7,600
Apparel, Homewares, Leisure	\$2,200	\$2,200	\$2,200	\$2,200
Food Catering	\$4,800	\$4,600	\$4,900	\$4,300
Bulky Goods	\$2,100	\$2,200	\$2,300	\$1,800
Retail Services	\$600	\$600	\$700	\$600
Total	\$17,800	\$17,700	\$18,200	\$16,400

Source: Marketinfo; Urban Enterprise.

3.6. RETAIL DEMAND AND SUPPORTABLE FLOORSPACE

Projections of supportable floorspace in Gisborne have been updated based on the preceding analysis, as well as the following assumptions:

- Gisborne retailers will achieve an overall market share of approximately 40% from the Primary Catchment, which reduces marginally over time due to counter-acting trends of increased online spending but an improved retail offering in the town, and a secondary catchment market share which will decline from 20% to 18% due to the expectation that the retail offer in Riddells Creek will expand over time.
- Turnover densities will increase at a rate of 0.5% per annum over the projection period.

Table 9 shows supportable floorspace projections for all retail types to 2051, with an estimated increase in supportable floorspace of around 15,000 sqm over the period to 2051. These findings align to the previous analysis, albeit over a longer timeframe, with a slight increase in the projected supportable floorspace reflecting higher levels of forecast population.

T9. RETAIL EXPENDITURE, TURNOVER & SUPPORTABLE FLOORSPACE – 2023 TO 2051

Indicator	2023	2036	2051	Change
Catchment population	23,381	31,040	41,576	+18,195
Catchment retail expenditure	\$416.3M	\$552.2M	\$739.2M	+\$322.8M
Retail turnover				
Primary catchment turnover	\$109.0M	\$163.9M	\$197.8M	+\$88.8M
Secondary catchment turnover	\$31.2M	\$39.8M	\$45.1M	+\$13.9M
Other turnover	\$29.3M	\$42.3M	\$50.5M	+\$21.2M
Total turnover	\$169.5M	\$245.9M	\$293.4M	+\$123.9M
Average turnover density (\$/sqm)	\$5,650	\$6,241	\$6,549	+\$899
Supportable retail floorspace (sqm)	30,000	39,400	44,800	+14,800

Source: Urban Enterprise, 2023.

Given the substantial population and expenditure growth projected in the catchment and the increased certainty regarding the proposed location of urban growth areas in New Gisborne (based on the draft Structure Plan growth options), there is now an opportunity to consider the local distribution of population growth and whether other retail centres are needed.

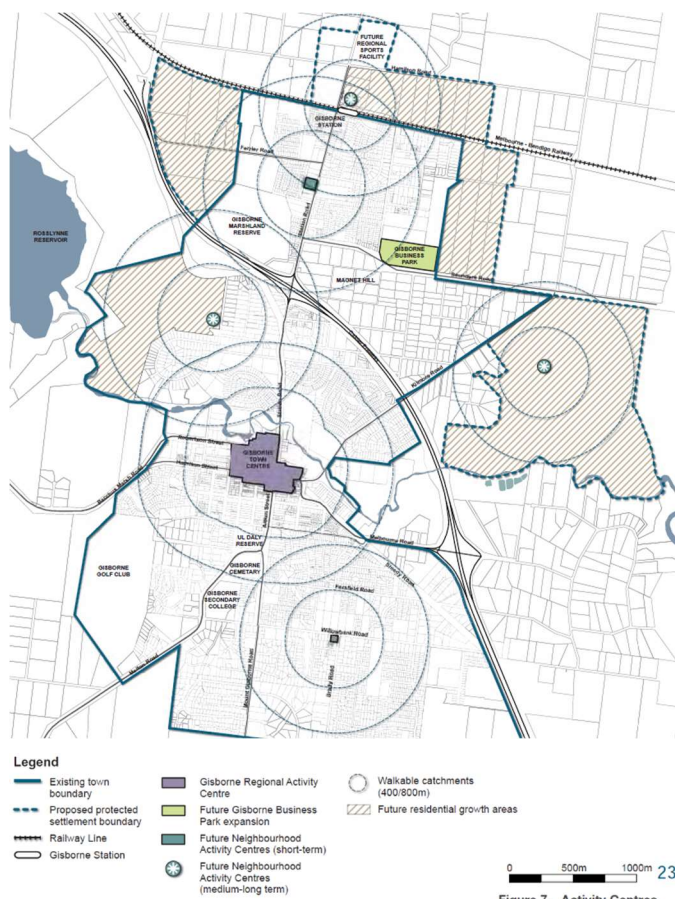
3.7. LOCAL RETAIL DEMAND CONSIDERATIONS

PROPOSED ACTIVITY CENTRE NETWORK

Figure 5 shows the proposed activity centre network for Gisborne as nominated by the draft Gisborne Futures Structure Plan (2020). The plan shows an 800m radius around each existing and planned centre, revealing substantial access gaps to the existing town centre from both the Willowbank area and New Gisborne.

Table 10 shows the proposed role of each centre and the current status, along with current planning applications.

F5. GISBORNE PROPOSED ACTIVITY CENTRE NETWORK & WALKABLE CATCHMENTS



Source: Gisborne Futures Structure Plan (Draft) 2020, Macedon Ranges Shire Council.

T10. PROPOSED RETAIL CENTRE HIERARCHY AND CURRENT DEVELOPMENT PROPOSALS

Activity Centre	Centre type	Key information	Status
Town Centre	Regional Activity Centre	Existing centre, 30,000sqm.	Developed
New Gisborne	NAC (medium-long term)	Role and scale to be determined.	Future centre, requires rezoning.
Station Street	NAC (short term)	7,000sqm site for a NAC, 1,500sqm retail and 600sqm non-retail space.	Development Plan approved 2015, no development application, vacant site, residential zone.
Ross Watt Road	NAC (medium-long term)	8,000sqm land for a NAC, no floorspace or retail mix details.	Development Plan submitted, VCAT proceedings underway.
Willowbank Road	NAC (short-term)	3,500sqm site designated for a NAC. Proposed mini mart (450sqm), medical (452sqm), commercial (300sqm) and cafes (170sqm).	Rezoning and permit application submitted, awaiting decision.

Source: 89 Ross Watt Road Development Plan 2023; Planning Scheme Amendment and concurrent Development Application for a Neighbourhood Activity Centre 101-105 Willowbank Road 2022; New Gisborne Development Plan 2015.

LOCAL POPULATION DISTRIBUTION

To inform planning for local retail centres, population estimates have been prepared at the sub-precinct level based on the existing population (2021 Census), Forecast ID projections for the Gisborne District and the existing and future land supply available across the town. Method details and assumptions are provided in Appendix B.

These estimates, while indicative, provide a guide as to the potential scale of population within each small area across Gisborne and therefore the locations that will ultimately be most suitable for local retail centres.

As shown in Table 11, almost 60% of the projected population growth in the Gisborne District is likely to occur in New Gisborne, which is projected to reach a population of approximately 10,000 residents by 2051 under the adopted scenario. There is also expected to be moderate population growth in the Willowbank and Ross Watt Road sub-catchments, while the Gisborne Urban Area and Other sub-catchments are forecast to experience low growth.

For context, the ultimate population of New Gisborne at the end of the planning period under the adopted scenario (approximately 10,000) could be similar to the population of the Gisborne township (UCL) in 2021 of approximately 11,000, subject to the ultimate planning controls that are established by the Gisborne Futures project.

T11. POPULATION ESTIMATES BY SUB CATCHMENT – GISBORNE DISTRICT

Sub-precinct	2023	2036	2051	Change (2023-2051)	AAGR (2023-2051)
Gisborne Urban Area	4,725	5,120	5,500	770	0.5%
New Gisborne	2,635	4,860	9,920	7,280	4.8%
Willowbank	3,940	5,570	6,490	2,550	1.8%
Ross Watt Road	646	1,540	2,010	1,360	4.1%
Other	2,885	3,090	3,350	460	0.5%
Total	14,831	20,170	27,280	12,450	2.2%

Source: Forecast id / Urban Enterprise, 2023. Note: timing is indicative only and based on a linear development assumption. 2051 provides an indication of 'full development' of existing and proposed major land supply.

Table 12 shows the expected retail expenditure growth by residents in each sub-catchment. It is estimated that an additional \$221m of retail expenditure could be generated by Gisborne District residents over the planning period, reaching approximately \$484m in 2051.

New Gisborne is expected to be the main driver of growth in retail expenditure in Gisborne, with an additional \$129 million expenditure forecast for the sub-catchment between 2023 and 2051.

T12. RETAIL EXPENDITURE BY SUB-PRECINCT

	2023	2036	2051	Change (2023-2051)
Gisborne Urban Area	\$83.9M	\$91.0M	\$97.7M	\$13.8M
New Gisborne	\$46.8M	\$86.3M	\$176.2M	\$129.4M
Willowbank	\$70.0M	\$98.9M	\$115.3M	\$45.3M
Other	\$51.3M	\$54.9M	\$59.5M	\$8.3M
Ross Watt Road	\$11.5M	\$27.4M	\$35.7M	\$24.2M
Total	\$263.5M	\$358.5M	\$484.4M	\$221.0M

Source: Marketinfo (indexed and rounded), Urban Enterprise, 2023.

IMPLICATIONS

From a planning perspective, the greatest need for retail and related goods and services will originate from the strong residential growth projected for New Gisborne. In this context, the proposed activity centre to the immediate north of the train line in New Gisborne would be the logical focus of planning for a second substantial Activity Centre in the Gisborne urban area.

The need for this spatial focus is heightened by the distance between the proposed New Gisborne growth areas and the town centre (generally more than 2-3km), barriers to movement between New Gisborne and the Gisborne Town Centre created by the train line and freeway, and the substantial topographic variation which makes access between New Gisborne and Gisborne difficult by active transport modes.

Other considerations include:

- Proximity of the New Gisborne site to the train station and broader rail network;
- Ability to set aside a substantial site which could accommodate neighbourhood scale retail businesses as well as a range of civic, community, employment and education uses that are encouraged to co-locate by planning policy;
- The relatively low land areas of proposed activity centres in Station Street (New Gisborne) and Willowbank Road which are more suited to smaller local convenience centres and could not readily accommodate a Neighbourhood Activity Centre;
- Less complicated access from the Willows area to the Gisborne town centre in terms of proximity, barriers to movement and topography than areas to the north; and
- The expected lower ultimate population levels of other local catchments in Ross Watt Road and the Willowbank area compared with New Gisborne.

3.8. NEW GISBORNE

Given the findings of the preceding section, an assessment of supportable floorspace for a Neighbourhood Activity Centre in New Gisborne has been undertaken, including an indication of the timing at which a NAC could be developed.

Table 13 summarises the results of retail expenditure modelling prepared to test whether and when the following would be supportable in New Gisborne:

- A Neighbourhood Activity Centre; and
- A full-line supermarket.

Appendix C summarises the key inputs to this model.

T13. NEW GISBORNE NAC AND SUPERMARKET SUPPORTABLE FLOORSPACE

Year	2023	2031	2041	2051
New Gisborne Population	2,640	3,440	6,540	9,920
Retail spending	\$46.8M	\$61.0M	\$116.1M	\$176.3M
Potential NAC Turnover	\$15.5M	\$20.2M	\$38.3M	\$58.2M
Supportable NAC Floorspace	2,300	2,880	5,220	7,530
Supermarket spending	\$15.8M	\$20.7M	\$39.3M	\$59.6M
Potential supermarket turnover	\$9.6M	\$12.5M	\$23.8M	\$36.1M

Source: Urban Enterprise.

Table 13 shows that a NAC (typically in the order of 5,000 - 6,000sqm of retail floorspace) is likely to be supportable by 2041, anchored by a full line supermarket of approximately 3,000sqm which could trade at \$8,000/sqm (i.e. \$24m total turnover). In the long term once New Gisborne approaches full development, further ancillary retail space could also be supportable. This indicates that the existing small NAC identified for Station Road New Gisborne could be retained in policy, although the role of that centre would need to be complimentary and not competitive with the NAC.²

The above is based on the assumption that 2,000 additional dwellings (and approximately 5,000-6,000 residents) will be accommodated in New Gisborne in addition to the full occupation of existing zoned land. From an economic perspective, planning to accommodate a total population of at least 8,000 residents in New Gisborne is recommended to create a sustainable catchment for neighbourhood level retail and other facilities.

² The centre could retain a focus on retail and non-retail commercial uses such as medical, office and smaller shopfront retailers, with supermarket development directed to locate in the NAC.

3.9. OTHER CENTRES

Other existing and proposed activity centre locations include the following:

- Willowbank, which is the subject of a current proposal to accommodate a retail development with a total of approximately 600sqm of retail space. This area is reasonably proximate to the Gisborne Town Centre and forms part of a logical catchment for the main retailers in the town, including the four supermarkets. Given the recent urban growth that has occurred in this area and the newly completed Primary School, policy should encourage local convenience and community services in this area, as opposed to any substantial activity centre role.
- Ross Watt Road, which is the subject of a proposal to incorporate a small NAC as part of the Development Plan for the area. The local catchment is defined by significant barriers to movement both to the north and south, including Jacksons Creek and steep land separating the area from the town centre, and the Calder Freeway separating the area from New Gisborne. The local population is projected to reach a total in the order of 2,000 residents at full development, a relatively low catchment in terms of activity centre retail. Further, the Development Plan area is not visible or directly accessible from Station Road, removing the presence of passing traffic or exposure for businesses. As a result, policy should encourage local convenience retail and community services, however a substantial activity centre role is not recommended.

In addition to 'core' retail-based activity centres, there is projected to be substantial growth in demand for bulky goods and restricted retail. As discussed in the 2020 Report, there is currently no dedicated location for larger format retailers to locate in Gisborne. Bulky goods expenditure of Gisborne residents is projected to increase from \$32m per annum in 2023 to \$59m per annum in 2051, a substantial increase. Most of this expenditure currently 'escapes' to metropolitan Melbourne (especially Watergardens) and Sunbury, whilst Council officers noted that Kyneton is currently experiencing development interest from larger format retailers.

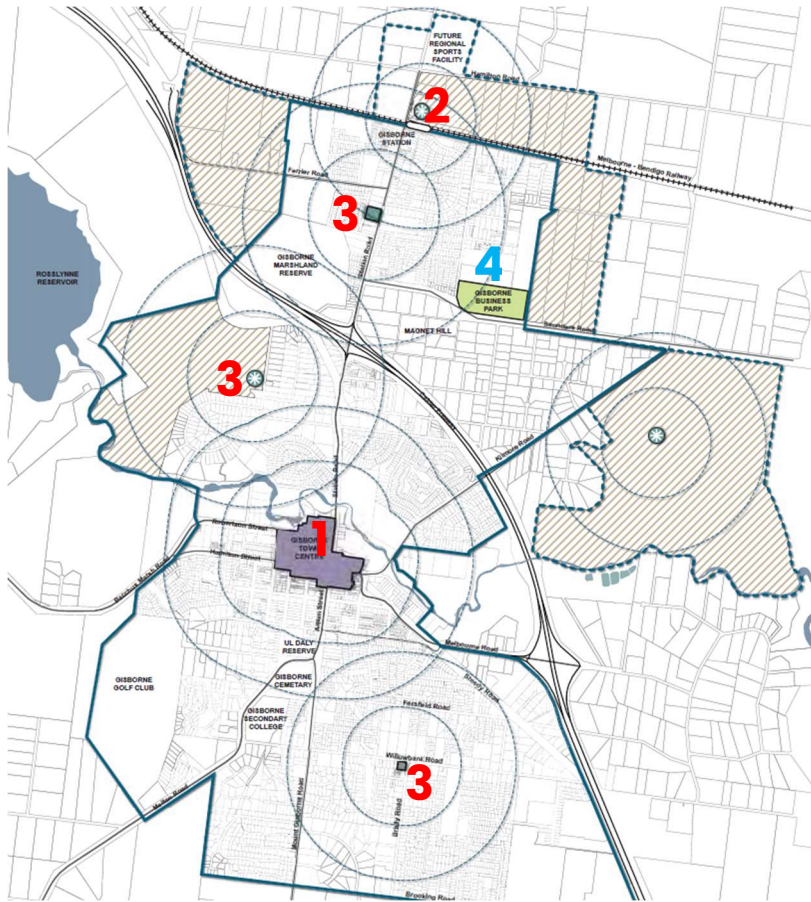
Notwithstanding these factors, it is recommended that a dedicated location for larger format showrooms and retail spaces is nominated in Gisborne to increase the convenience of access to local residents as the population grows. Examples could include hardware, building supplies, nurseries, pet supplies and so on.

An overview of the recommended activity centre hierarchy is summarised in Table 14 and Figure 6.

T14. ACTIVITY CENTRE HIERARCHY

No.	Centre Type	Locations
1	Regional Centre	Gisborne Town Centre
2	Neighbourhood Activity Centre	New Gisborne
3	Local Activity Centre	Willowbank, Ross Watt Road and Station Road
4	Larger format commercial	Gisborne Business Park (or adjacent to the New Gisborne NAC as an alternative)

F6. ACTIVITY CENTRE HIERARCHY



Source: Gisborne Futures Structure Plan (Draft) 2020, Macedon Ranges Shire Council.

3.10. KEY POINTS

- Population growth in Gisborne is projected to support an additional 15,000sqm of retail floorspace by 2051, a 50% increase on current levels.
- At present, the concentration of all main retail activity in the town centre results in significant accessibility gaps for residents of the Willowbank and New Gisborne areas, especially for active transport modes.
- From a planning perspective, the greatest need for retail and related goods and services will originate from the strong residential growth projected for New Gisborne. Almost 60% of the projected population growth in the Gisborne District is likely to occur in New Gisborne, which could reach a population of approximately 10,000 residents by 2051 under the adopted scenario. The ultimate population of New Gisborne (approximately 10,000) could be similar to the population of the Gisborne township (UCL) in 2021 of approximately 11,000.
- The proposed activity centre to the immediate north of the train line in New Gisborne would be the logical focus of planning for a second substantial Activity Centre in the Gisborne urban area. A Neighbourhood Activity Centre with a retail floorspace in the order of 6,000sqm will be supportable in New Gisborne, anchored by a full line supermarket.
- From an economic perspective, planning to accommodate a total population of at least 8,000 residents in New Gisborne is recommended to create a sustainable catchment for neighbourhood level retail and other facilities.
- It is recommended that a dedicated location for larger format showrooms and retail spaces is nominated in Gisborne, preferably adjacent to the Gisborne Business Park, and that all other activity centres are nominated in policy as Local Activity Centres.

4. BUSINESS PARK

4.1. OVERVIEW

This section of the report provides an update to the previous review of the Gisborne Business Park and consideration of the following issues:

- Whether the proposed Commercial 2 Zone could be internalised (i.e. not fronting a major road) from a commercial perspective, and whether any other zones warrant consideration (e.g. C3Z) in the precinct.
- Confirmation of the types of businesses that would be suitable to accommodate in the area.

4.2. BUSINESS MIX & PERFORMANCE

The following observations in relation to the Gisborne Business Park have been informed by a recent site visit, desktop research and consultation with MRSC:

- The business mix primarily comprises light industrial businesses servicing the construction industry (cabinet makers, concrete supply, timber supply, building materials and equipment) and population service businesses (auto-mechanics, self-storage, tyre supply, firewood supply, gymnastics, fitness centre, takeaway shop).
- There has been a noticeable increase in non-industrial businesses locating in the Business Park in recent years (e.g. recreation, gyms, a distillery and so on). As a result, the Business Park now accommodates a wide range of business types, many of which would be more accurately described as commercial than industrial in land use terms. Demand for commercial uses serving the local population is expected to continue to grow as Gisborne's population expands.
- The precinct has low land and premise vacancies and recent investment/upgrades have been undertaken to a number of properties. New businesses are being progressively accommodated. Lot sizes are relatively generally small for an industrial precinct and are well occupied. These circumstances indicate an economically successful precinct and a strong basis for future growth over the planning period.
- In 2021, the Precinct accommodated 566 jobs (based on ABS Census results), compared with 361 in 2016. This represents an average annual increase of 9% over a period that included the COVID pandemic. More than half of the jobs growth occurred in construction-related employment.

4.3. LAND CONSUMPTION AND REMAINING SUPPLY

Since the previous assessment was completed in 2020, approximately 2.4 hectares of land have been consumed within the precinct, an average consumption rate of 0.8 hectares per annum. The previous assessment identified a consumption rate of 0.9 hectares per annum between 2012 and 2020.

Over the medium term, population growth is expected to accelerate, which will result in both strong demand for local construction services to deliver new residential land and housing, and strong demand for local industrial, commercial and recreation services that require business land. Based on recent and previous land consumption rates and strong employment growth within the business park, the demand rates adopted for the 2020 assessment remain suitable (i.e. 0.9ha of net land per annum (1.1ha gross) as the base scenario, and a higher growth scenario of 1.6ha per annum net / 2ha per annum gross).

As shown in Table 15, there is currently 12.6 hectares of vacant industrial remaining, 6.2ha of which (net) is in the Business Park.

At a consumption rate of 0.9ha per annum (net), the existing business park would be fully occupied in the next 6-7 years. In order to accommodate demand over the 30 year planning period, a total of at least 25 hectares of gross land (and up to 46ha under the higher growth scenario) will be needed to accommodate business growth.

T15. INDUSTRIAL LAND CONSUMPTION 2020-2023

	Occupied (ha)	Vacant (ha)	Total (ha)
2020	32.1	15.0	47.1
2023	34.5	12.6*	47.1

Source: Urban Enterprise, 2023. * excluding land north of the railway line which is under consideration for alternative land uses as part of the Gisborne Futures project, the remaining net vacant lot area in the Business Park is 6.2ha.

F7. GISBORNE BUSINESS PARK – JANUARY 2023



Source: Nearmap, January 2023.

4.4. INVESTMENT ENQUIRIES

Council has provided information related to recent investment enquiries related to industrial land which is summarised below:

- A training provider has shown interest in establishing a site to run occasional training sessions; and
- Council is currently investigating the need for a waste transfer facility in the Gisborne area which will require approximately 1ha of industrial land.

As Gisborne grows, there will be a need to accommodate a wide range of these training, community and public use facilities in addition to the current private industrial and commercial uses. At present, there is no location where these uses can be accommodated and there is need to have a contingency area and general employment land allocated to accommodate these land use types in the future.

4.5. COMMERCIAL 2 ZONE

The original assessment recommended that the Commercial 2 Zone should be applied to part of the expanded Business Park to accommodate uses and businesses that are more commercial than industrial in nature. This could include smaller showrooms, recreation, restricted retailers and a range of other consumer focused businesses.

The need for this type of zoning has been re-confirmed by this assessment, including: strong recent and projected population growth, a recent increase in population service businesses and facilities locating in the Business Park, and the expected spatial focus on New Gisborne as the main location of population, services, retail and other activities outside the town centre.

A new C2Z could potentially attract both new businesses seeking affordable land and allow some businesses in the town centre to relocate, freeing up existing town centre sites for more valuable uses.

4.6. DISCUSSION

The following observations are relevant to Business Park expansion options and land use types to be accommodated (see Figure 8 for spatial depictions):

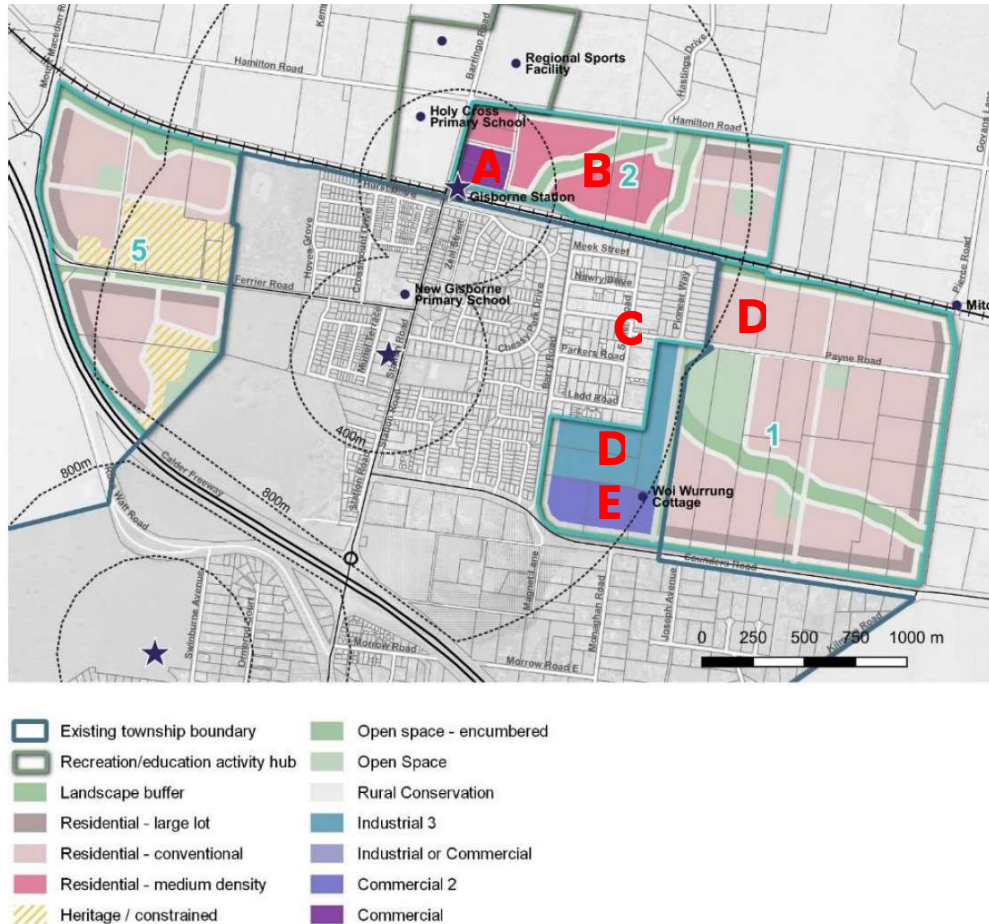
- The current business park is well set back from Saunders Road and is not visible to passing traffic.
- Expansion of the industrial precinct south toward Saunders Road and east (shown as “D” on Figure 8) remains the most logical extension of the existing industrial area. This would enable similar uses to be co-located, direct extension of existing infrastructure, and minimisation of land use conflicts.
- The prospect of future residential use to the east of the Business Park should be carefully managed. It is important that sufficient land for long term business needs is provided in locations that are not likely to result in land use conflict. Adequate buffers to sensitive land uses which restrict encroachment of residential growth in proximity to industrial land is critical to avoid the potential for residential uses to compromise the function of existing and future businesses within the industrial estate.
- Most commercial uses that are locating in the Business Park rely on ready access and parking for consumers, and to some extent on general awareness and visibility to consumers. Proximity, access and visibility to Saunders Road is of economic benefit to these business types, however incorporating a setback and landscaping from the road could be considered if needed from a landscape and character perspective. Planning controls can be used to manage town gateway sensitivities. Fully ‘internalising’ future commercial land is not recommended.
- Ultimately, the Business Park and related land will need to perform a wide range of functions, including accommodating:
 - Core / light industrial businesses, especially construction, small manufacturing, transport and storage businesses and activities;
 - Smaller production facilities which also serve a consumer role, such as distilleries, breweries, coffee roasters and so on.
 - Commercial uses meeting community needs, such as gyms, other recreation, swimming
 - Larger format showrooms and retailers; and
 - Public and institutional uses, such as training providers, depots, water transfer and so on.

Most of these uses do not require direct access to a main road, however it is important that a range of lot sizes, zones and location characteristics are available in the Business Park to cater to longer term growth and business diversity.

- If a NAC is ultimately established to the north of the railway line in New Gisborne, there is an opportunity to integrate mixed use development to the immediate east of the NAC (see “B” in Figure 8), which could accommodate office and related business types in addition to the core retail and community services that will seek to establish in the NAC. This approach would result in a land use / spatial connection from the NAC to the business park, and would also plan to accommodate the likely increase in remote working that is expected to occur post pandemic and business and labour demand generated by the increasing proportion of younger adult residents with tertiary qualifications in the area.
- If non-economic issues dictate that the Saunders Road is not an appropriate interface for employment land uses, then the introduction of a C2Z area adjacent to the future New Gisborne NAC could be a reasonable alternative, however it would be important to ensure that main road access and exposure is available (e.g. from Station or Hamilton) and that the broader area around the NAC is available for core activity centre uses and residential / mixed-use wherever possible. If this option was selected for the C2Z, then the Mixed Use

Zone could potentially be considered for the southern-most section of the business park extension (i.e. the Saunders Road interface, marked by “E” in Figure 8), subject to further assessment once the broader land use objectives, interfaces and other planning considerations are finalised. Although the Commercial 3 Zone presents a similar opportunity to the MUZ to accommodate a mix of employment and residential uses, the zone provisions are not directly suitable in this context.

F8. NEW GISBORNE EMPLOYMENT LAND OPTIONS

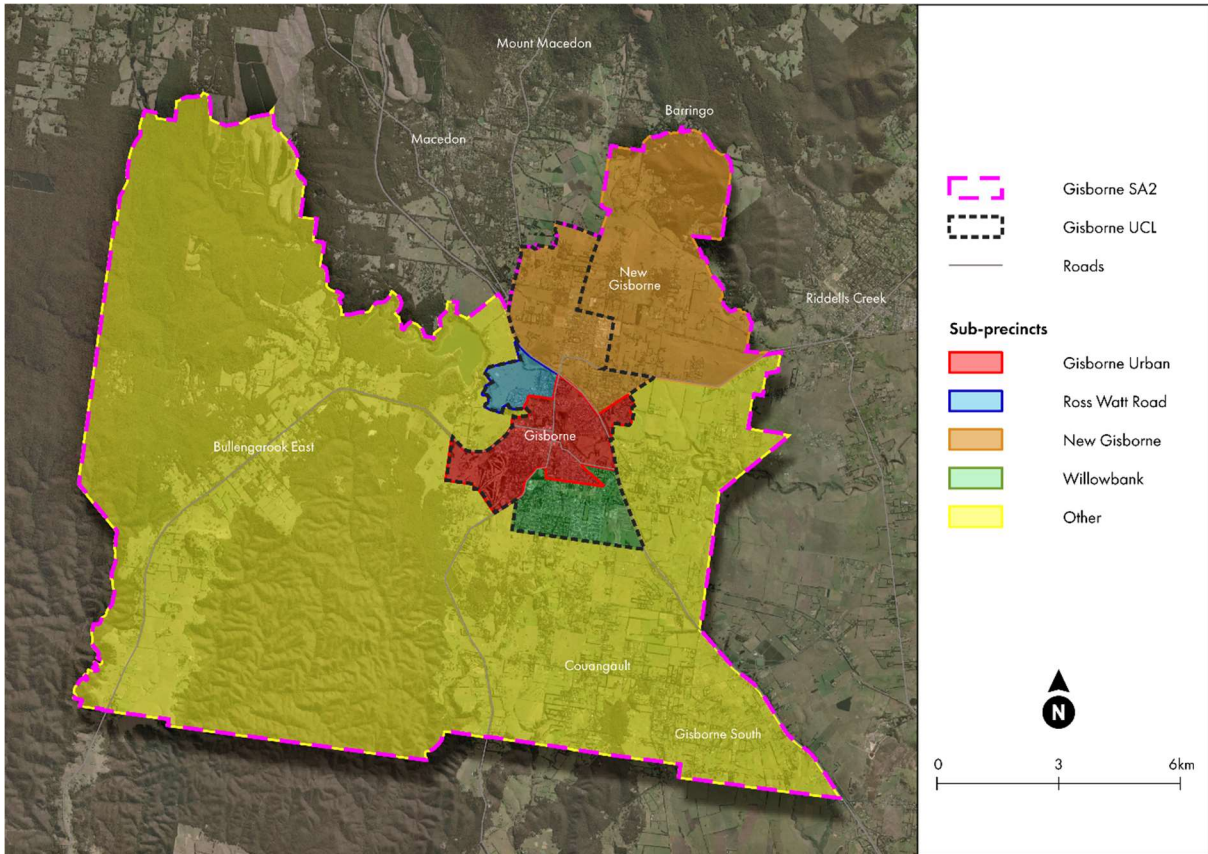


Source: Urban Enterprise. A = Neighbourhood Activity Centre, B = potential mixed use area, C = existing business park, D= preferred industrial expansion areas, E = preferred commercial expansion area.

4.7. KEY FINDINGS

- The Gisborne Business Park continues to perform an important economic and employment role for the broader district. Despite the economic disruption caused by COVID pandemic, Business Park land consumption has occurred at just under 1ha p.a. along with strong employment growth.
- The land use mix in the Business Park is diversifying, with commercial recreation and other population-focused businesses becoming more prevalent, along with food and beverage production. Training providers and public infrastructure managers have indicated interest in occupying industrial land in Gisborne.
- Demand for land a wide range of business types and land uses will need to be accommodated in an expanded Business Park over the planning period. At least 30 hectares of additional gross industrial/business land area should be planned to accommodate ‘business as usual’ demand, in addition to an allowance for Commercial 2 Zone land of approximately 5-10ha which should be accessible (if not necessarily adjacent to) main road access.
- Planning for the Neighbourhood Activity Centre and immediate surrounds should seek to accommodate fine-grain office and related employment types on the north of the railway line in New Gisborne.

APPENDIX A DATA AREAS



Source: ABS; Urban Enterprise. Sub-precincts are compiled based on multiple SA1s.

APPENDIX B POPULATION PROJECTIONS METHOD DETAIL

Forecast ID population projections are available for the Gisborne District for the period 2021 to 2036. Projections are not available for smaller areas (such as New Gisborne), or beyond this timeframe.

The Gisborne Futures project has a long planning horizon of 30 years, nominally until at least 2050. In order to estimate the potential ultimate town population at the end of this horizon, the projections to 2036 have been extended to 2051 by taking into account the proposed rezoning of approximately 2,000 lots in the New Gisborne investigation areas.

The methodology and assumptions outlined below have been applied to provide an indication of potential long term population levels in Gisborne and the sub-precincts within:

- Forecast id population projections for the Gisborne District from 2021 to 2036 are used as the basis for population growth.
- The population of each sub-precinct at 2021 was derived by reference to Census population results.
- Additional population within each year was converted into dwellings by reference to the projected average household size, and then distributed to each small area using the following rules:
 - 95% of dwelling growth to occur in the urban area of Gisborne and 5% in non-urban areas;
 - 90% of dwelling growth to take the form of separate dwellings, with the balance to occur via infill housing in established areas.
 - Separate dwelling growth is distributed according to the availability of land supply. 2021 supply levels are based on the Urban Development Program (UDP), with new supply in New Gisborne (2,000 lots, currently 'unzoned') expected to be available for development from 2028 onwards, allowing for Structure Plan completion, rezoning and development approvals.

The result is an indication (or scenario) of the potential population scale and distribution across Gisborne over the long term based on a series of assumptions, rather than a detailed forecast or projection.

It is noted that local area population estimates rely on individual site yields shown in the UDP. If these change, for example at the planning permit stage, then the ultimate populations of small areas will change accordingly.

APPENDIX C LOCAL RETAIL MODEL INPUTS

T16. NEW GISBORNE NAC

Topic	Input
Retail trade area	New Gisborne sub-catchment
Passing trade	10% of turnover
Market Share	30%
Floorspace	3,000 sqm
Average turnover density	\$6,700/sqm, increasing at 0.5% per annum

Source: Urban Enterprise.

T17. NEW GISBORNE FULL-LINE SUPERMARKET

Topic	Input
Retail trade area	New Gisborne sub-catchment
Passing trade	10% of turnover
Supermarket spending	75% of FLG expenditure
Floorspace	3,000 sqm
Average turnover density	\$9,000/sqm, increasing at 0.5% per annum

Source: Urban Enterprise.