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GISBORNE STRUCTURE PLAN AND URBAN DESIGN FRAMEWORK

ECONOMIC AND EMPLOYMENT ANALYSIS

DECEMBER 2018 [UPDATED MAY 2020]

FOR ETHOS URBAN ON BEHALF OF MACEDON RANGES SHIRE



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EXECUTIVE SUMMARY

INTRODUCTION

Urban Enterprise was engaged by Ethos Urban on behalf of Macedon Ranges Shire Council to prepare economic and employment analysis to inform the preparation of the Gisborne Structure Plan and Town Centre Urban Design Framework as part of the *Gisborne Futures Project*. Urban Enterprise completed this economic analysis in December 2018.

Subsequently, Urban Enterprise were reengaged by Macedon Ranges Shire in 2019 to review the land supply, economic and employment status of the Gisborne Business Park following the merging of the *Gisborne Business Park Development Plan* with the *Gisborne Futures Project*. Therefore, the analysis contained within this report relevant to the Gisborne Business Park was completed in early 2020, whilst all other analysis was completed as of December 2018.

POLICY CONTEXT

Gisborne is one of two designated regional towns within the Macedon Ranges Shire, alongside Kyneton. State, regional and local policy is supportive of Gisborne performing the role of a regional centre including supporting and managing population growth.

As a regional Centre, Gisborne will be required to provide for a large and diverse population beyond its own settlement boundary. This includes providing employment opportunities, housing, education, health, recreation and social opportunities.

Gisborne is located in the peri-urban area of Melbourne in Victoria's north west, bringing with it challenges and opportunities. Locational advantages include accessibility to transport (Calder Highway and rail corridor), relative proximity to Melbourne, housing affordability (relative to Melbourne) and established infrastructure and assets. A key challenge will be to appropriately manage population and economic growth to ensure that Gisborne continues to provide high amenity, infrastructure, employment and services to its population while expanding its economic role to that of a regional centre.

ECONOMY AND EMPLOYMENT

Gisborne's employment profile is typical of a large regional town, with a high proportion of employment in the Retail Trade, Health Care and Social Assistance, Education and Training, Construction, Accommodation and Food Services and Financial and Insurance Services industries.

As of 2016, Gisborne had a job containment rate¹ of 27%, a relatively low rate which is common for peri-urban towns with access to employment in nearby metropolitan areas.

Gisborne's regional employment catchment includes the town of Gisborne as well as other settlements in the region including Riddells Creek, Macedon, Woodend, Romsey and Sunbury.

There has been strong recent growth in employment in Gisborne, with an additional 455 people employed between 2011 and 2016, equating to an average annual growth rate of 2.8%. Growth in employment has largely been driven by service

¹ Proportion of Gisborne residents who also work in Gisborne.

sectors including health, education, public administration, food services and professional and administrative services.

It is important that local job provision keeps pace with population growth to maintain job containment and ensure that residents are able to access employment opportunities close to their place of residence.

Based on population projections and the objective of maintaining the current job containment rate, it is estimated that between 1,900 and 2,600 new jobs will be required in Gisborne over the period 2018 to 2036.

POPULATION GROWTH

Gisborne's population is growing quickly. The town's population increased at a rate of 3% per annum between 2011 and 2016, a higher rate than that experienced in Sunbury, Macedon Ranges Shire overall, Melbourne's North West and Regional Victoria.

The latest estimate of Gisborne's population (ABS, Estimated Resident Population, 2017) shows that the town currently has 13,668 residents. Strong population growth is forecast to continue, with projections prepared for Council (by Forecast ID) showing an expected population of 20,454 residents by 2036.

In recent years, Census data shows that the population growth has been driven primarily by an increase in young families, with increases in second home buyers and older residents including pre-retirees and retirees also significant.

The strong population growth in Gisborne (and surrounding areas such as Riddells Creek) will generate demand for new business and employment opportunities – it is important that the Structure Plan and Urban Design Framework plans to facilitate these opportunities to maintain a productive and sustainable local economy.

TOWN CENTRE

All land within the Town Centre is zoned Commercial 1 Zone (C1Z). There is currently approximately 50,000 sqm of floorspace in the Gisborne Town Centre,

26,000 sqm of which is retail floorspace and 18,000 sqm of commercial floorspace, with the balance of floorspace including other uses and vacant floorspace.

Residential use within the Town Centre is limited to a small number of existing detached dwellings on the periphery of the town centre.

There is limited night time dining and entertainment venues in the Gisborne Town Centre relative to daytime dining, indicating a potential growth opportunity.

The current floorspace vacancy rate is approximately 5%, indicating a good balance between floorspace demand and supply. The vacancy rate has decreased since 2009 (10%) due primarily to the gradual absorption of office floorspace within the Nexus Centre development.

The following graphic provides a high-level summary of retail and commercial uses in the town centre.

Retail	Commercial
<ul style="list-style-type: none">• High provision of food retail (3 supermarkets, cafes, take away food stores).• Proposed fourth supermarket (Aldi).• Small to medium specialty stores.• No department stores, discount department stores and limited large format retail.	<ul style="list-style-type: none">• High proportion of population driven commercial businesses including accountants, financial advisors, banks, real estate agents, allied health.• Predominately small businesses.• Nexus Centre example of larger commercial floorspace with larger businesses (AAMI, government tenants).

RETAIL AND COMMERCIAL

RETAIL

Retail is the largest industry of employment in Gisborne and the Town Centre accommodates a significant and diverse retail mix. Gisborne services a larger area than its direct township in the provision of retail goods and services, including Macedon and Riddles Creek.

The Gisborne Town Centre currently supports approximately 25,845 sqm of occupied retail floorspace, increasing by 2,575 sqm between 2009 and 2018. The current vacancy rate is 2% (excluding the Aldi site), indicating strong retail performance.

The Gisborne Town Centre supports a diversity of retailers, anchored by three supermarkets (Coles, IGA and Foodworks) and complemented by speciality stores.

The Town Centre retail profile generally reflects the retail offer of a large town or large neighbourhood centre, as opposed to that of a regional centre, given the absence of department stores, discount department stores, national brand specialities and large format retailers.

Food retail is Gisborne's strength, anchored by three supermarkets of differing offer (Coles, IGA and Foodworks) and complemented by food specialty stores, cafes, take away shops and restaurants. In addition to the traditional retailers, the monthly Gisborne Market is a feature of the retail offering of the town, drawing trade from across the region for a range of local produce, food stalls and hand-made items.

Food retail accounts for almost 62% of occupied retail floorspace in the Gisborne Town Centre. Conversely, there is a relative lack of non-food goods retailers, such as apparel, homewares and leisure, which would typically be more susceptible to externalities such as the rise in online retailing.

Demand for retail floorspace has been steady in recent years, with retail floorspace being absorbed at approximately 300 sqm per annum between 2009 and 2018. Low retail floorspace vacancies (2%), coupled with recent retail developments, a number

of refurbishments of existing shops and strong property sales results also indicate strong demand within the local retail sector.

There is opportunity for Gisborne to build on its well-established strength in food retail by addressing relevant gaps including night time dining, bars and entertainment, as well as complementary opportunities in arts, culture and tourism. Realising these opportunities could enhance the emerging brand of the town centre as a regional gathering place for food and trade in a village setting.

Gisborne is located in proximity to a number of competing centres which provide for large format retail including Sunbury, Melton, Essendon Fields and Highpoint. Although there is very limited large format or bulky goods retail in the town centre, Gisborne is unlikely to be suited to the provision of a significant sized precinct for large format retail (e.g. a homemaker centre) primarily due to the location and size of competing centres, land area and site requirements and the viability of establishing a new centre of this scale. However, the Structure Plan should consider opportunities to support peripheral retail/commercial uses south of the Gisborne Business Park area along Saunders Road to fill an existing gap in the commercial zones in Gisborne. A strategically located commercial precinct could also facilitate movement of remaining large format retailers away from the Town Centre.

Gisborne's retail trade area is forecast to experience significant growth in population to 2036, increasing by almost 9,000 residents over 18 years (equating to approximately 40% of the current retail trade area population). The majority of these new trade area residents will be located within the town of Gisborne itself, which will result in significant additional demand for retail goods and services in the town over the coming years.

Retail modelling prepared for the town projects that Gisborne could support in the order of an additional 11,000 sqm of retail floorspace over the period 2018 to 2036. This floorspace would generally require approximately 2.5 – 3 hectares of land within commercial zones.

COMMERCIAL

Gisborne's commercial employment role is relatively strong and caters to a sub-regional catchment that includes Gisborne, Sunbury South, Riddles Creek, Macedon

and Woodend. Gisborne is performing particularly well in sectors which cater to the resident population. These businesses include accountants, real estate, financial services and administrative support functions. Gisborne also performs a strong regional health role, including through provision of doctors and allied health services (e.g. chiropractors, physios, optometrists, podiatrists, gyms/yoga/pilates studios).

Employment grew between 2011 and 2016 at an average annual rate of 4.7% per annum (22 jobs per annum) in industry sectors typically occupying commercial floorspace in the Gisborne Town Centre.

There is approximately 18,265 sqm of occupied commercial floorspace in the Town Centre and over 1,100 sqm of vacant floorspace, resulting in a vacancy rate of 6%. The majority of floorspace is in office (13,256).

Since 2009, 4,795 sqm of commercial floorspace has been consumed, equating to an average of 533 sqm per annum.

The Nexus Centre (a multi-storey dedicated office building) accommodates a significant proportion of commercial floorspace in the town, however some major tenants are expected to vacate in the short term. In particular, the proposed relocation of the AAMI call centre from the municipality is expected to result in:

- A reduction in local employment provision (and likely job containment);
- A reduction of workers within the town centre, which currently support local businesses (e.g. cafes, retailers, health);
- A large commercial office space coming to market, increasing commercial floorspace vacancy; and
- The availability of a large floor-plate office space, which would likely require a new large tenant or for the space to be repurposed to cater to the needs of smaller tenants.

The Nexus Centre hosts the Gisborne Business Centre which is currently performing well, with a waitlist of around 9 businesses. This centre provides an important stepping stone for the establishment and growth of new businesses. Capitalisation of small business growth out of the Gisborne Business Centre should be explored and encouraged.

Commercial floorspace projections show that around 7,000 to 8,000 square metres of floorspace is likely required to 2036 to support the commercial sector, which would support in the order of 1 to 1.5 hectares of commercial land at traditional densities. The bulk of this demand should be catered for within the existing town centre, including through development of vacant sites, encouraging intensification of sites (including upper storey commercial tenancies).

The primary opportunities identified for the commercial sector in Gisborne is the ongoing growth of the small to medium business sector in the Town Centre. This opportunity stems on the following factors:

- The Town Centre provides all of the required services to support small commercial business, including convenience retail, cafes, accountants, banks, post office and other complementary businesses;
- The Gisborne Business Centre is completely occupied and has a waiting list of 9 businesses. This centre provides an important stepping stone for the establishment and growth of new businesses, many of which are likely to be experiencing growing local demand due to population growth; and
- Recent population and labour force growth, particularly focused on young families with adults in early labour force age groups.

Gisborne also has a small but emerging tourism and events role, with smaller scale accommodation and events spaces active, especially in New Gisborne. Although tourism has not been identified as an economic strength, the ongoing provision of land suitably zoned to accommodate events, hospitality and visitor accommodation should be made, especially as part of the emerging New Gisborne cluster of such uses and within the town centre.

There may also be opportunity for business growth from sectors currently underrepresented within the town centre, which could utilise Commercial 2 Zone land on the periphery of the town centre or in a new location with good access and exposure to passing traffic. This could include wholesalers and supply businesses (catering to the residential growth sector), tourism and entertainment uses (breweries, dance studios, gyms, art/craft studios), carwash, service stations, hire businesses etc. Currently, opportunity for these business types is limited in Gisborne, with some locating on the periphery of the town centre in the C1Z or in the industrial

precinct. The provision of C2Z land in a strategic location may provide opportunity for new business growth.

IMPLICATIONS FOR THE STRUCTURE PLAN (RETAIL AND COMMERCIAL)

The combined retail and commercial floorspace projections for Gisborne equates to need for around 18,000 to 19,000 sqm of floorspace by 2036.

There is limited vacant land in the Commercial 1 Zone (0.4ha), meaning that additional retail floorspace will primarily need to be delivered through redevelopment of existing sites in the town centre. This may result in greater development of commercial floorspace at upper levels, with ground levels primarily used for retail purposes.

In the medium to long term, opportunities in the existing Town Centre are likely to be limited, warranting consideration of rezoning new land to support retail and commercial development either at the fringe of the town centre or within a designated urban growth area (subject to more detailed economic assessment at the local level).

The retail and commercial implications for the preparation of the Structure Plan and Urban Design Framework include:

- The town centre is and remains the primary location for retail and commercial uses in Gisborne;
- The Structure Plan should identify potential suitable locations for new local retail floorspace which could support convenient growth area retail provision for new residents, thereby safeguarding this opportunity for the future;
- The need to ensure that ongoing increases to the commercial floorspace stock can be accommodated in the town centre, especially catering to smaller businesses;
- Planning should encourage built form which supports opportunities for night time dining, bars, entertainment, arts, cultural and tourism uses;
- Commercial floorspace at upper levels should be supported, especially given expected strong competition for remaining floorspace and sites in the Town Centre from retail and commercial uses over the planning period;

- Major expansion of the commercial role is not required given the expected availability of new floorspace within the Nexus Centre in the short term;
- Town Centre branding and infrastructure improvements should seek to complement the needs of small businesses and staff, including high amenity public places to meet, eat and do businesses, building on the village meeting place theme;
- Active transportation linkages within the town centre should be encouraged including to facilitate incidental retail patronage;
- The importance of small businesses and new businesses should be recognised, especially as an important opportunity of economic growth and change in the southern section of the municipality;
- The importance of community infrastructure (libraries, co-working spaces, open spaces) should be recognised for their ability to activate the Town Centre as well as complement small business growth and development;
- A commercial role should be considered for New Gisborne, particularly in proximity to the train station and existing hospitality uses;
- Public events and placemaking that activates the Town Centre should be explored and encouraged.

GISBORNE BUSINESS PARK (INDUSTRIAL AND EMPLOYMENT)

The Gisborne Business Park provides the only location within Gisborne with land zoned specifically for employment and business purposes other than the town centre. All land in the Gisborne Business Park is within the Industrial 1 Zone (IN1Z).

It is vital that the business and employment role of the Gisborne Business Park is protected and supported to increase local employment opportunities, provide services to the resident and business population, attract new business opportunities which align to growth sectors of the economy, reduce escape expenditure and reduce the need for residents to travel outside the Shire for goods and services that could be provided locally.

There are very limited remaining vacant lots within the main developed area of the Gisborne Business Park and supply may be at critical levels if new lots are not made available to the market through new subdivisions.

Through the Structure Planning process, Council has flagged the potential that industrial land north of the railway line on Hamilton Road could be rezoned away from industrial, to facilitate higher order land uses.

If industrial land north of the railway line on Hamilton Road is rezoned away from industrial, the Structure Plan should seek to accommodate an additional 17-28ha of land for the Business Park over the next 20-30 years.

This is considered as the minimum requirement for which the Structure Plan should plan for and could be considered a baseline assessment as it doesn't account for other factors that may increase demand over and above the forecast scenario, including opportunity for relocation of businesses from the town centre and elsewhere, historical constraints on land supply, lack of exposure and quality presentation of the business park and a mismatch between lot types and market demand, which may have historically restricted consumption.

Expansion of the industrial precinct south toward Saunders Road and east (as identified in the Urban Development Program), provides for the most logical extension of the existing industrial area.

Additional industrial land should aim to better align to market demand for industrial land, this includes through a greater provision of smaller lots. Improvements to the public realm (landscaping, footpaths etc) would also assist in business attraction.

The opportunity to expand the industrial precinct toward Saunders Road provides for the strategic opportunity to establish a niche Commercial 2 Zoned precinct in Gisborne, increasing the diversity of types of commercial land available in Gisborne and thus increasing the range of business types that can be accommodated (including for niche restricted retailers).

The provision of a C2Z precinct has the potential to provide for the following:

- Enable the attraction of businesses that require more affordable land (compared to town centre land), which require main road frontage, exposure and which align to economic growth opportunities of Gisborne. This includes:

- Auto sales and parts sales;
 - Building/furnishing supplies (plumbing, ceramics, tiles, flooring, lighting);
 - Service stations and car washes;
 - Pet food supplies / equestrian supplies;
 - Camping, outdoor and recreation goods;
 - Car rental;
 - Equipment hire;
 - Large format retailers and showrooms (niche business types);
 - Recreation (gyms, child play centres, rock climbing centre)
 - Breweries, distilleries, cideries and coffee roasters;
 - Hospitality industry suppliers (food catering, laundry services etc);
 - Specialised artisans/workshops; and
 - Self-Storage.
- Provide the opportunity for existing businesses in the town centre (that would typically occupy C2Z land) to relocate out of the town centre, unlocking land for redevelopment within the town centre for higher order uses (ie. commercial, retail, hospitality, residential) and support the maintenance of the 'village feel' and township character of the town centre.
 - Provides greater exposure and promotion for the Gisborne Business Park, increasing awareness of the business park, which would assist in attracting business investment and creating new employment opportunities.
 - Provide opportunity to create an improved interface between residential areas (potentially to the west and areas south along Saunders Road), when compared with a purely industrial interface.
 - Reduce escape expenditure to other municipalities (currently estimated at \$28 million in lost expenditure from the economy per annum), leading to better employment outcomes and supporting growth of the local economy. The Retail sector was the most significant employing industry sector in Gisborne in 2016 and Commercial 2 Zoned land would support the growth of this sector.

- Reduce the need for residents and business to travel outside of the municipality to access goods and services. This improves economic efficiencies and reduces environmental impacts (e.g. through reduced car travel).

Planning for the provision of a C2Z precinct appropriately sited within the Business Park Expansion Area may also offset some of the requirement for industrial land given the nature of some overlapping business opportunities.

There should also be consideration given to protecting the interfaces of the Business Park from residential encroachment in order to protect the economic role and function of the business park as well as provide for longer term expansion potential (ie. over 20-30+ years).

IMPLICATIONS FOR THE STRUCTURE PLAN (GISBORNE BUSINESS PARK)

The implications for the preparation of the Structure Plan and Urban Design Framework, based on the analysis of the Gisborne Business Park and opportunity for C2Z land include:

- Recognise the importance of industrial land to the local economy.
- Recognise that industrial land in Gisborne is also supporting some peripheral commercial land use given an absence of C2Z land.
- Plan for expansion of the business park to cater to forecast growth over the next 20-30 years, providing for an estimated additional 17-28ha of land (if areas north of the railway line are zoned away from industrial).
- Identify and protect locations and growth fronts for long term industrial growth, this includes protecting areas to the east of the Business Park from residential development.
- Maintain adequate buffers to sensitive land uses and restrict encroachment of residential growth in proximity to industrial land which could otherwise compromise the function of existing and future businesses within the industrial estate.
- Consider expansion of the business park towards Saunders Road, unlocking the potential for the establishment of a C2Z precinct.

- Plan for the potential to accommodate a C2Z precinct at key road frontages to the Business Park (primarily considering the Saunders Road frontage). Provision of a C2Z precinct along the road frontage would somewhat offset the land take requirement for additional industrial land.

1. INTRODUCTION

1.1. BACKGROUND

Urban Enterprise was engaged by Ethos Urban on behalf of Macedon Ranges Shire Council to prepare economic and employment analysis to inform the preparation of the Gisborne Structure Plan and Town Centre Urban Design Framework as part of the *Gisborne Futures Project*. Urban Enterprise completed this economic analysis in December 2018.

The primary aim of the **Gisborne Structure Plan** project is to set in place a strategic based structure plan that provides a **vision for how the town will grow over the next 20 – 30 years**.

The primary aim of the **Gisborne Town Centre Urban Design Framework** project is to engage with the community and commercial landowners of Gisborne to set in place a strategic based urban design framework that ensures that future streetscape works, movement and parking networks, commercial/retail and residential development and public realm projects throughout the town centre are delivered in a planned, efficient and orderly manner.

Urban Enterprise were subsequently reengaged by Macedon Ranges Shire in 2019 to review the land supply, economic and employment status of the Gisborne Business Park following the merging of the *Gisborne Business Park Development Plan* with the *Gisborne Futures Project*. Therefore, the analysis contained within this report relevant to the Gisborne Business Park was completed in early 2020, whilst all other analysis was completed as of December 2018.

1.2. ABOUT MACEDON RANGES

Macedon Ranges Shire is located approximately 60km north-west of Melbourne covering an area of 1,747 square kilometres. The Shire is a peri-urban municipality located at the interface of metropolitan Melbourne and regional Victoria.

Macedon Ranges Shire is located in the Loddon Campaspe Region. It contains key regional townships of Gisborne and Kyneton and district townships of Riddells Creek, Lancefield, Romsey and Woodend as well as a number of smaller towns.

The Calder Highway and Bendigo rail link and associated rail stations provide key infrastructure assets and connections from Melbourne to northern regional Victoria.

The regional towns of Gisborne and Kyneton, and to a lesser extent Riddells Creek, Romsey, Woodend and Lancefield are expected to accommodate most of the Shire's population growth.

1.3. ABOUT GISBORNE

Gisborne has an important role in Macedon Ranges Shire as a key regional centre within the Shire's southern region. It is situated just off the Calder Highway located between smaller townships of Riddells Creek and Macedon.

The town provides a range of community and commercial services for both local residents and those from the broader region living in nearby townships and rural areas.

Gisborne is located in close proximity to the growth areas of Sunbury within the City of Hume. Sunbury is a major centre which provides a higher order community, commercial and retail offer which services Gisborne residents. This, combined with the relatively close proximity to employment opportunities in Melbourne, results in a high level of commuting outside the township for these services and opportunities.

1.4. PROJECT OBJECTIVE

The project objective relevant to **employment and the Gisborne town centre** as stated in the project brief is as follows:

“Ensure that sufficient employment land is planned in appropriate locations to accommodate retail, service, commercial and employment needs of current and future populations.

The Gisborne Town Centre will be a distinct and a pleasant place to visit with a unique sense of place and character.”

1.5. STUDY AREA

The study area for this analysis is based on the outcomes of an Enquiry by Design (EBD) workshop.

The study area is shown in **Figure 1**, including the existing township and the investigation areas.

The two key precincts relevant to this assessment are:

- The Town Centre; and
- The Gisborne Industrial Precinct (Gisborne Business Park).

1.6. CONCURRENT WORK

Three projects are being undertaken concurrently to this project, including:

- The Gisborne Business Park Development Plan;
- The Gisborne Neighbourhood Character Study; and
- An assessment of residential land demand and supply.

None of these assessments have been completed or provided to Urban Enterprise at the time this report was prepared. These reports may have implications for some of the findings in this assessment, and vice versa.

2. REGIONAL CONTEXT

2.1. INTRODUCTION

This section provides an overview of the region as it relates to Gisborne. This includes an assessment of Gisborne’s geographic context including surrounding towns and regional centres, infrastructure, transport and natural assets.

2.2. POPULATION AND EMPLOYMENT CONTEXT

Figure 3 provides an overview of the regional context of Gisborne.

Gisborne is located on the Calder transport corridor which includes the Calder Highway and train line to Bendigo, providing a major transport connection to the Melbourne CBD and Bendigo and other settlements within the corridor including Sunbury, Kyneton, Macedon and Woodend. Gisborne’s train station provides a strategic transport asset, located north of the Town Centre in New Gisborne.

Gisborne is located approximately 55 kilometres or a one hour drive from Melbourne. The close proximity to Melbourne coupled with a strong transportation network (Calder Highway and regional rail) make Gisborne an attractive location for commuter residents.

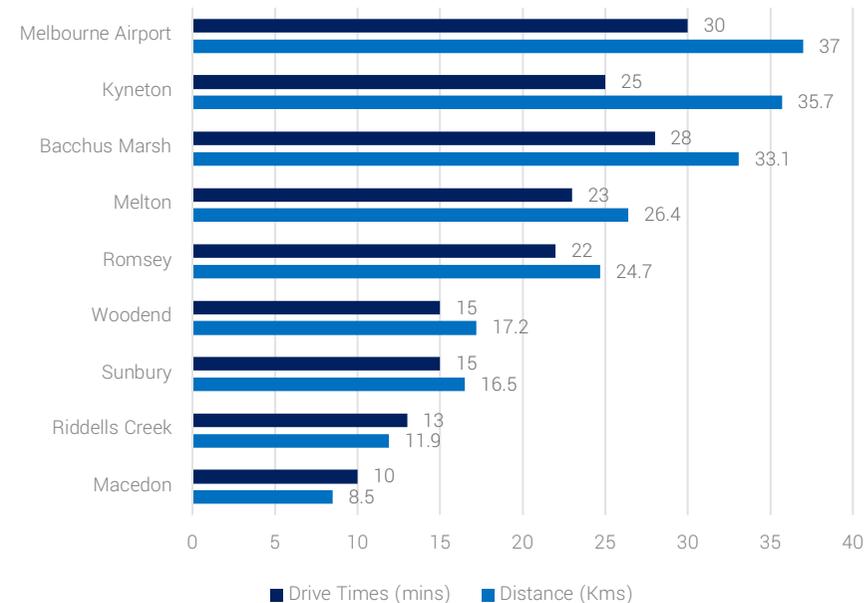
Bendigo is also located approximately one hour’s drive from Gisborne and is also an accessible location of employment for residents of Gisborne. Bendigo is also accessible via regional rail from Gisborne.

Sunbury is located 15 minutes to the south of Gisborne and is a regional centre of strategic importance to the economic, retail and employment role of Gisborne. Sunbury is a major growth area of Melbourne and includes a diverse retail offer including provision of large format retail, servicing residential populations to the north including Gisborne.

Other towns in the region designated as regional centres include Melton, Bacchus Marsh, Kyneton and Castlemaine. Sunbury and Melton are both located within Melbourne’s urban growth boundary and are designated for significant growth.

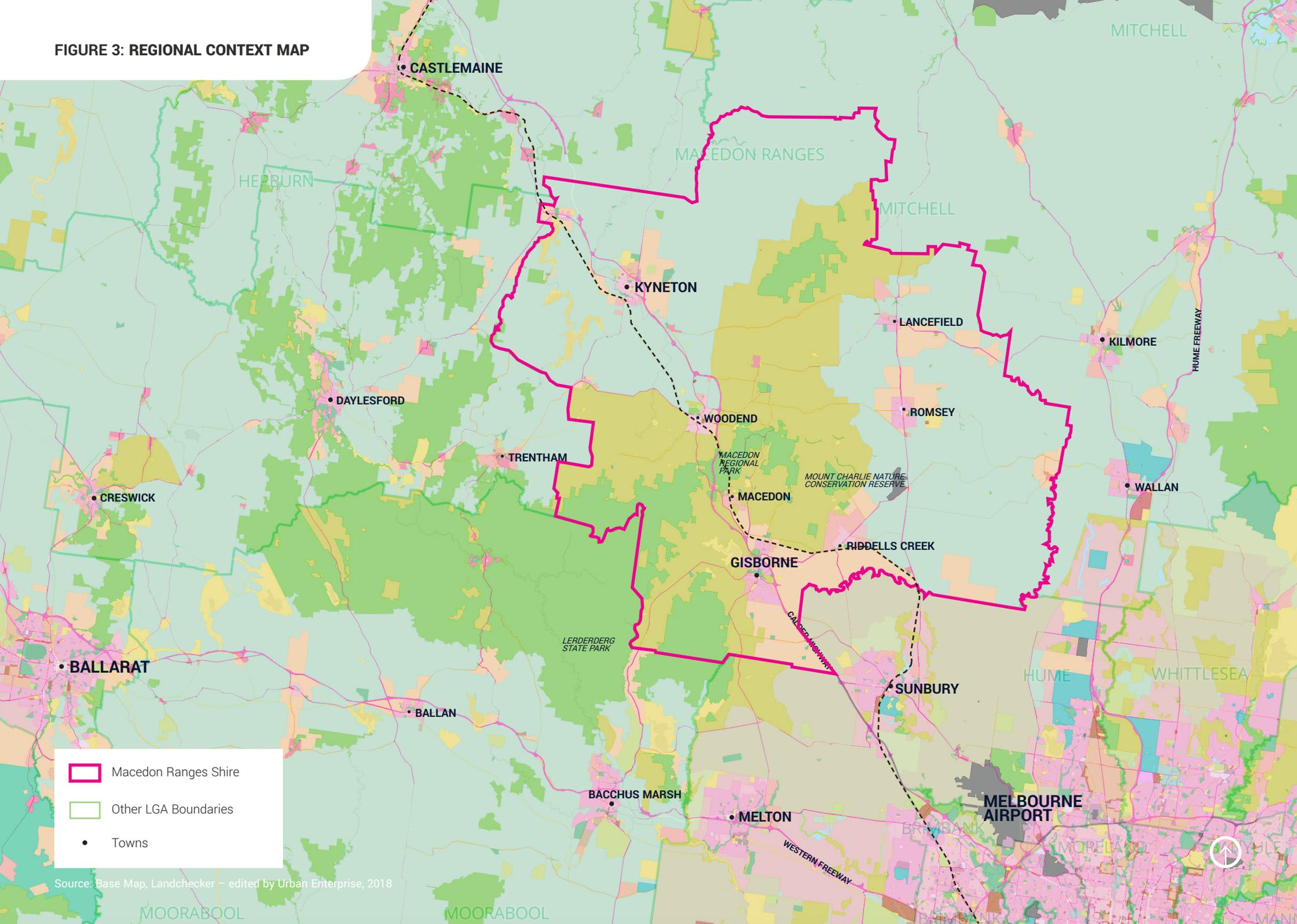
Melbourne Airport is located approximately 30 minutes’ drive from Gisborne and provides a significant employment node for the north-west region of Melbourne.

FIGURE 2 DRIVE TIMES AND DISTANCE FROM GISBORNE



Source: Google Maps, compiled by Urban Enterprise

FIGURE 3: REGIONAL CONTEXT MAP



Source: Base Map, Landchecker – edited by Urban Enterprise, 2018

REGIONAL POPULATION AND EMPLOYMENT HIERARCHY

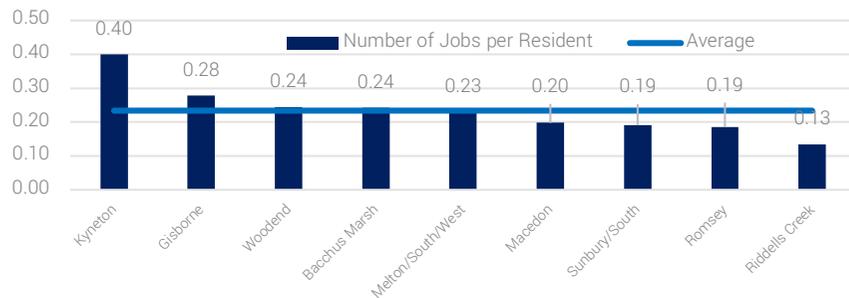
Gisborne is located within a diverse regional context in terms of employment and population centres. **Figure 5** shows that Melbourne Airport is the largest employment hub in the region with more than 15,000 jobs, followed by Melton (11,000 jobs including South and West Melton), Sunbury and Sunbury South (over 7,500 jobs), Bacchus Marsh (almost 5,000 jobs), Essendon Fields (over 4,000 jobs), Kyneton (almost 4,000 jobs) and Gisborne (over 3,500 jobs). Romsey and Woodend also provide over 1,500 jobs respectively (within the relevant Statistical Area 2).

Most of these areas have a similar ratio of jobs to residents, at or around the average of 0.23 jobs per resident. Gisborne had a higher ratio of 0.28 jobs per resident (see **Figure 4**), demonstrating that the town likely meets some of the employment needs of residents of nearby towns with lower ratios such as Romsey, Riddells Creek and Macedon.

In terms of population centres, Melton and Sunbury/Sunbury South have the largest population base at between 40,000-50,000 residents, followed by Bacchus Marsh (over 20,000 residents).

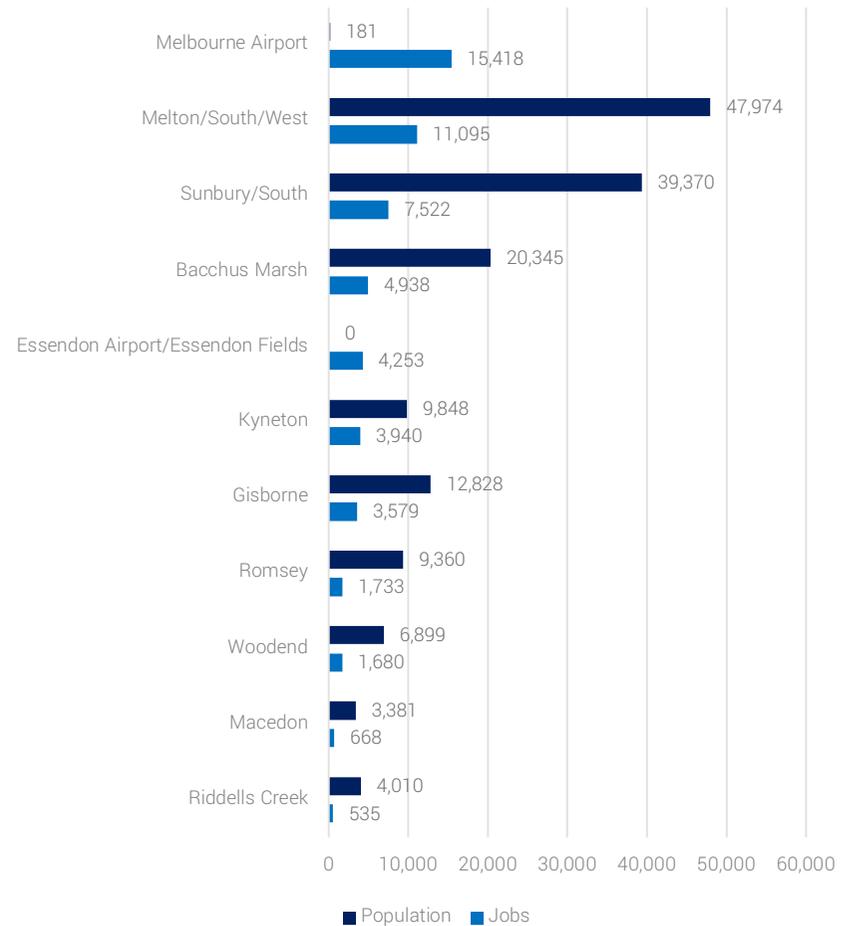
Gisborne is the fourth largest population centre in the region with almost 13,000 residents in the SA2, followed by Kyneton and Romsey (almost 10,000 residents).

FIGURE 4 NUMBER OF JOBS PER RESIDENT



Source: ABS, 2016 compiled by Urban Enterprise – note, excludes Melbourne Airport and Essendon Fields as these areas do not have any permanent population.

FIGURE 5 REGIONAL JOBS AND POPULATION HIERARCHY (2016)(SA2)



Source: ABS, 2016 compiled by Urban Enterprise.

3. STRATEGIC CONTEXT

3.1. INTRODUCTION

The following provides a summary of key strategic documents as they relate to the employment and economic analysis. Review of strategy has been categorised under state plans, regional plans, municipal plans and local plans. Relevant local planning policy is also summarised in this section.

3.2. STATE PLANS

PLAN MELBOURNE 2017-2050

Plan Melbourne is the long-term strategic planning document to guide Melbourne's growth to 2050. It includes consideration of Melbourne's peri-urban areas and regional Victoria. Gisborne is identified as a regional centre in Plan Melbourne. Other regional centres include Kyneton, Bacchus Marsh and Castlemaine.

Direction 4.5 of Plan Melbourne is to plan for Melbourne's green wedges and peri-urban areas. This includes to accommodate additional housing and employment in established towns that have capacity for growth.

The following desired planning outcomes are noted in Plan Melbourne for Melbourne's Green Wedges and peri-urban areas relating to employment:

- **Tourism:** Facilitate sustainable year-round tourism, and new tourism development (including diverse attractions, accommodation and eating establishments) that maintains the integrity of the natural environment, provides social benefits for communities and visitors and contributes to local economies.
- **Economy: Maintain a strong, dynamic economy and employment base** by building on the comparative advantages in agriculture, timber, transport, tourism, education, manufacturing, the service industry and commerce.

- **Population, settlements and local infrastructure:** Plan and manage sustainable urban growth that is concentrated in and around major towns within Melbourne's peri-urban area so as to **provide employment**, infrastructure, services and community facilities to **new and established urban areas in an equitable manner**.

Policy 7.1.2 of Plan Melbourne is to "Support planning for growing towns in peri-urban areas. The plan notes that a number of towns in peri-urban areas have capacity for more housing and employment-generating development without impacting on the economic and environmental roles that surrounding non-urban areas serve. Gisborne and Kyneton are identified as two such towns.

Peri-urban towns can provide an affordable and attractive alternative to metropolitan living. However, strategies need to be developed for the timely delivery of state and local infrastructure to support growth and protect their significant amenity.

The plan also notes development in peri-urban areas must also be in keeping with local character, attractiveness and amenity. Growth boundaries should be established for each town to avoid urban sprawl and protect agricultural land and environmental assets.

3.3. REGIONAL PLANS

LODDON MALLEE SOUTH REGIONAL GROWTH PLAN (2014)

The Loddon Mallee Regional Growth Plan (2014) is the strategic land use plan for the region to guide growth and change for 30 years.

The Loddon Mallee South region covers the municipalities of Central Goldfields, City of Greater Bendigo, Loddon Shire, Macedon Ranges Shire and Mount Alexander Shire. Gisborne is located in the far southeast area of the region. The Future Settlement Growth Directions Plan is shown in **Figure 6**.

FIGURE 6 LODDON MALLEE SOUTH FUTURE SETTLEMENT GROWTH DIRECTIONS PLAN



Source: Loddon Mallee South Regional Growth Plan, 2014

The Future Settlement Growth Directions Plan nominates Gisborne as a “regional centre”, where growth should be “managed and supported”, including ensuring consistency with structure plans, comprising infill and some targeted expansion. The Regional Growth Plan also references the first version of Plan Melbourne, which nominated Gisborne as a peri-urban town with potential to attract housing and population growth out of Melbourne. Kyneton, Castlemaine and Maryborough are also nominated as regional centres where growth should be managed and supported. Bendigo is nominated as the regional city within the region, where significant population growth should be supported.

Kyneton and Gisborne are the two nominated regional centres within the Macedon Ranges Shire and they service smaller towns within Macedon Ranges including Riddells Creek, Macedon, Lancefield, Woodend and Malmsbury. Riddells Creek, Macedon, Woodend and Romsey have a strategic locational relationship with Gisborne. The hierarchy of towns within Macedon Ranges as detailed in the Growth Plan is included in the table below.

TABLE 1 SUMMARY OF GROWTH PLAN FOR MACEDON RANGES

Town	Classification	Growth
Regional Centres – Diverse population with moderate employment base and good access to services.	Gisborne	Manage and support growth
	Kyneton	
Town / Rural Centre – Smaller population and employment base providing localised services to rural and commuter communities.	Riddells Creek, Macedon, Woodend, Romsey, Lancefield, Malmsbury	NA

Source: Loddon Mallee South Regional Growth Plan, 2014

The plan notes that peri-urban areas such as Gisborne are likely to experience challenges relating to growth. The peri-urban region has a particularly strong relationship to the Melbourne population, and Gisborne is no exception. Visitation, tourism and commuting patterns occur between these areas and recreation and amenity areas are frequented by hundreds of thousands of people during weekends and holiday periods.

Economic growth

The Plan notes that over the past decade, the region has outpaced the rest of regional Victoria in terms of economic growth. Key sectors contributing to this economic growth are financial, health and insurance services, manufacturing and mining. Population-driven sectors such as healthcare, construction, education and retail trade are also significant to the regional economy.

The desire for the regional city and settlements to grow and sustain viable populations also relies on attracting families to the region, which in turn depends on **offering a range of employment opportunities** and appropriate access to social infrastructure.

Strategic Assets

Strategic assets most relevant to Gisborne include:

- Significant tourism areas, such as the Goldfields region, the Macedon Ranges and Bendigo;
- The central location of the region within Victoria, making it highly accessible from other areas and a **strong location for business**; and
- The Calder transport corridor and other major transport networks, which provide easy access for both passenger and freight transport.

Drivers of Change

- The proximity to Melbourne and strong transport links of the Calder transport corridor, increasing the movement of people and goods and the interrelationship of employment and tourism.
- The relative affordability of housing compared to Melbourne, combined with the regional lifestyle, amenity and culture

- Changes in economic sectors, particularly agriculture and manufacturing, influencing employment and population movement within the region.

Challenges for Growth

- **Ensuring land supply for employment** and housing; and
- Supporting residential and commercial growth of centres throughout the region and access to employment, education and services, including from dispersed settlements.

Principles

Relevant principles and directions include:

1. Manage our population growth and settlements

- Target new growth to settlements including Bendigo, Maryborough, Castlemaine, Gisborne and Kyneton.
- Favour development proposals that maximise existing infrastructure and provide significant economic or community benefit.
- Manage settlement growth to limit the impact on agricultural productivity, natural resources and ecological values.

2. Strengthen our communities, especially in our small towns

- Build a skilled and adaptable workforce by attracting skilled workers and providing access to high quality education and training opportunities, which provide pathways to employment.

3. Strengthen and diversify our economy

- **Enable residents to work and participate in the region by continuing to expand the region's diverse economy.**
- Leverage greater employment and investment outcomes from growth sectors such as **health, education and professional services.**
- Develop employment areas that are located, serviced and sited to take advantage of water, infrastructure, transport and energy connections.
- Support and develop emerging and potential growth sectors such as tourism, renewable energy, resource recovery and other green industries.

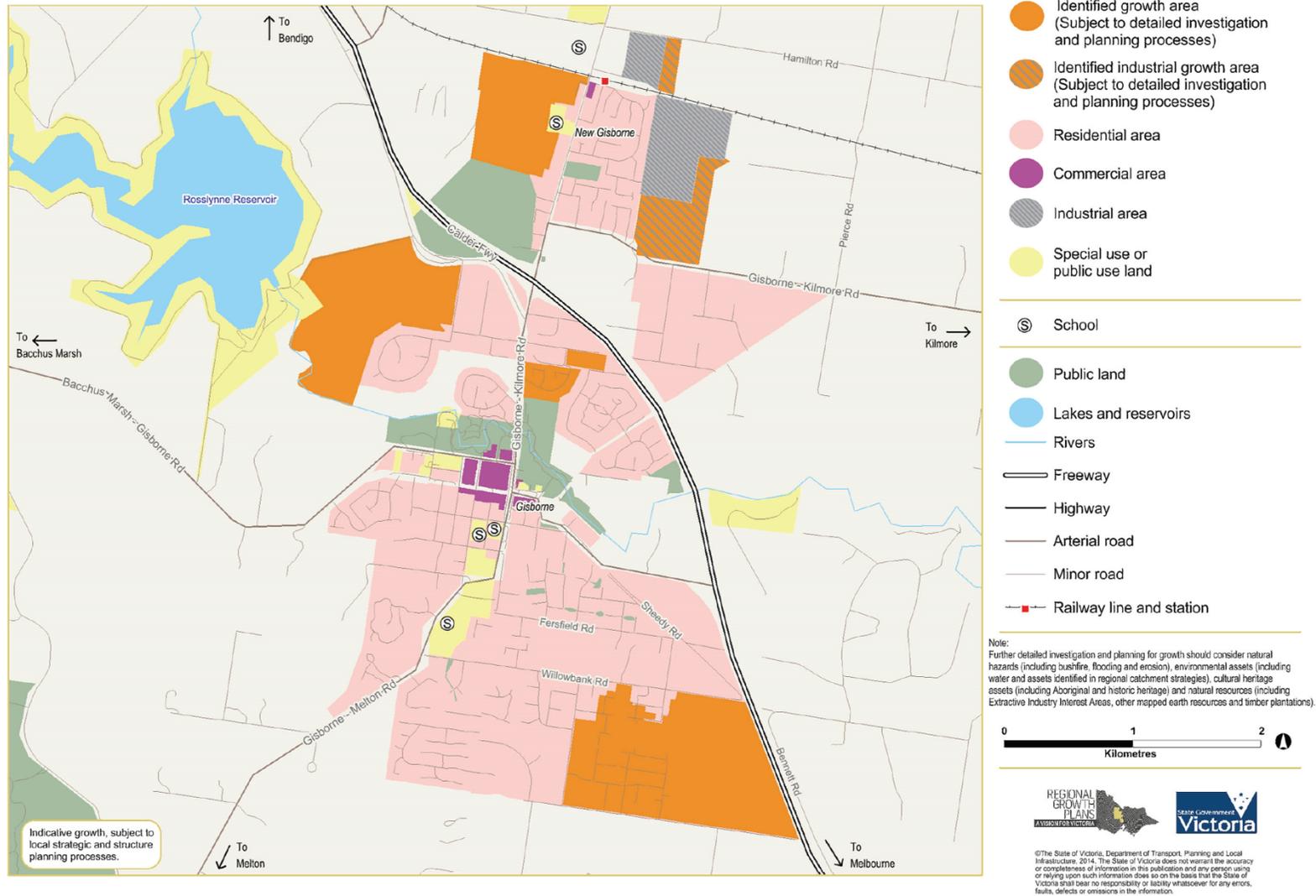
Gisborne Future Land Use and Directions

The plan notes the following in relation to Gisborne:

- Gisborne is experiencing strong population growth and recent strategic work has identified the potential for this town to grow to around 15,000 residents by 2036.
- Gisborne will develop its role as a **sub-regional employment and service centre.** It provides a range of services for its community and surrounding smaller settlements.
- Gisborne attracts new residents due to its proximity to Melbourne, its location on the Calder transport corridor, affordable land and housing (relative to Melbourne), and its existing and available infrastructure.
- The region's councils desire a reduction in dependence on commuting to Melbourne for work through increased choice of local and regional jobs and improved transport services to Bendigo.
- There is estimated existing land supply for approximately 17,000 people in the Gisborne.
- Planning for settlement growth will need to consider bushfire risk, bushfire planning provisions and potential flood hazards.

The future land use plan for Gisborne as included in the Loddon Mallee South Regional Growth Plan is included in **Figure 7**.

FIGURE 7 GISBORNE FUTURE DIRECTIONS PLAN



Source: Loddon-Mallee South Regional Growth Plan, 2014

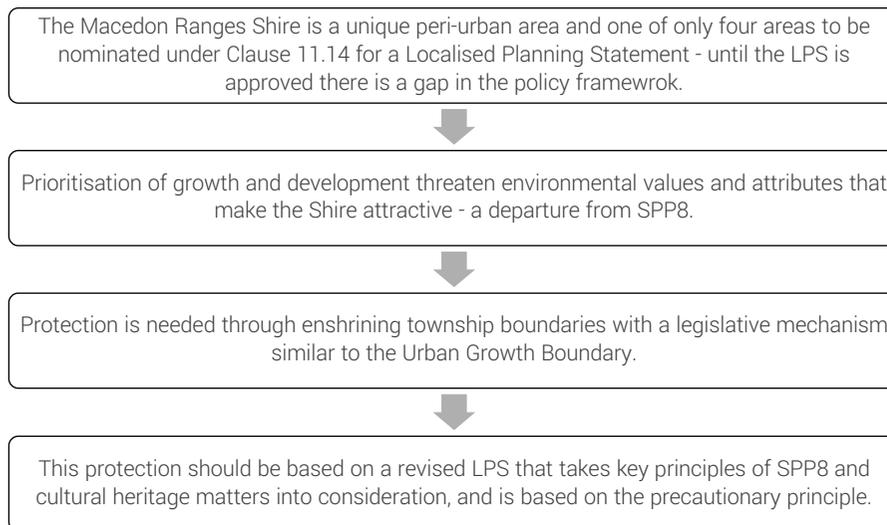
3.4. MUNICIPAL PLANS

MACEDON RANGES PROTECTION ADVISORY COMMITTEE FINAL REPORT (2016)

The Macedon Ranges Advisory Committee was appointed by the Minister for Planning to provide advice on appropriate policy to support changes to the legislative framework to achieve protection for the Macedon Ranges.

The Committee found that the Macedon Ranges is facing unique pressures from population growth and urban expansion. It is a peri-urban municipality, on the doorstep of metropolitan Melbourne, with declared growth areas to its immediate south.

The Committee recommended that special protection was required for the Macedon Ranges. The justification is outlined in the chart below:



Source: Macedon Ranges Protection Advisory Committee, Final Report 2016

Since this time, a draft Localised Planning Statement has been prepared. This is outlined further below.

MACEDON RANGES LOCALISED PLANNING STATEMENT (DRAFT)

This draft localised planning statement aims to ensure the state-significant landscapes and the environmental and cultural values of the Macedon Ranges are protected and enhanced for the benefit of current and future generations of residents and visitors to the region.

The Planning Statement includes a projected hierarchy of settlements to 2036, as shown in the table below. Gisborne and Kyneton are identified as the two regional centres in Macedon Ranges Shire, accommodating a population of over 10,000 people. Romsey is also projected to become a large district town. Riddells Creek is also forecast to be a district town by 2036.

TABLE 2 PROJECTED HIERARCHY OF SETTLEMENTS, 2036

Hierarchy designation (population)	Settlement
Regional centre (10,000+)	Gisborne, Kyneton
Large district town (10,000>)	Romsey
District town (6,000>)	Riddells Creek, Lancefield, Woodend
Small town (2,000>)	Bullengarook, Darraweit Guim, Malmsbury
Village (500>)	Beloch, Carlsruhe, Lauriston, Macedon, Mount Macedon, Newham, Tylden
Locality/hamlet (200>)	Ashbourne, Clarkefield, Monegetta-Bolinda

Source: Macedon Ranges Localised Planning Statement (Draft) 2017

A framework plan was prepared to implement the vision as set out in the Statement, this is shown in **Figure 8**.

The Framework Plan shows that long term settlement boundaries will be established for Gisborne, Kyneton, Romsey, Lancefield, Woodend and Riddells Creek.

Long-term settlement boundaries will be determined for Gisborne and Romsey as part of the review of the Gisborne / New Gisborne Structure Plan (this project) and Romsey Structure Plan.

FIGURE 8 LPS FRAMEWORK PLAN



Source: Macedon Ranges Localised Planning Statement (Draft) 2017

RETAIL STRATEGY

At the time of writing this report, there was no retail strategy available for the Macedon Ranges Shire.

MACEDON RANGES ECONOMIC DEVELOPMENT STRATEGY: THE WAY FORWARD 2009 TO 2019

The Economic Development Strategy aims to expand business growth, with a focus on the centralisation and concentration of economic development and population growth within the nine major townships and their urban growth boundaries. Although Macedon Ranges Shire Council has nine major townships, more than a third (36%) of residents live outside the township boundaries.

The strategy identifies Gisborne’s capacity for growth, as Gisborne has only 16% of the Macedon Ranges Shire population, despite being the largest town in the region. The Strategy also identifies Gisborne as having 24% (1,005) of the region’s businesses (as measured in 2009), and aims to increase local enterprise and entrepreneurship in Gisborne by investigating the “opportunities associated with the New Gisborne business incubator”.

3.5. LOCAL PLANS (GISBORNE)

GISBORNE / NEW GISBORNE OUTLINE DEVELOPMENT PLAN (ODP) (2009)

The Gisborne / New Gisborne Outline Development Plan was prepared in 2009 and provided a Structure Plan to guide the growth of Gisborne.

The ODP included the following key features relating to land for employment:

Industrial

- Approximately 42ha of additional industrial land was planned;

Commercial

- No new commercial/business zone land was provided in the ODP. However, the use of the B4Z (now C2Z) in the southern expansion of the Gisborne Industrial Estate could cater for some uses.
- There was a sufficient supply of commercial land within the towns. Additional land was likely to be required from 2021 onwards.
- Some infill opportunities existed within the Gisborne town centre and these should be further investigated prior to rezoning additional land.
- Opportunities may also exist to relocate some uses within the town centre to a B4Z precinct in the expanded Gisborne Industrial Estate. This required further targeted investigation.

Mixed Use

- The ODP identified a potential mixed-use precinct west of Station Road, incorporating the school and Whistle Stop Tavern. It is possible for this area, subject to further investigations, to be developed as a village centre for New Gisborne, reflecting the heritage and built form characteristics of Station Road, but also capitalising on its transit-oriented development aspects.

Local Neighbourhood Centres

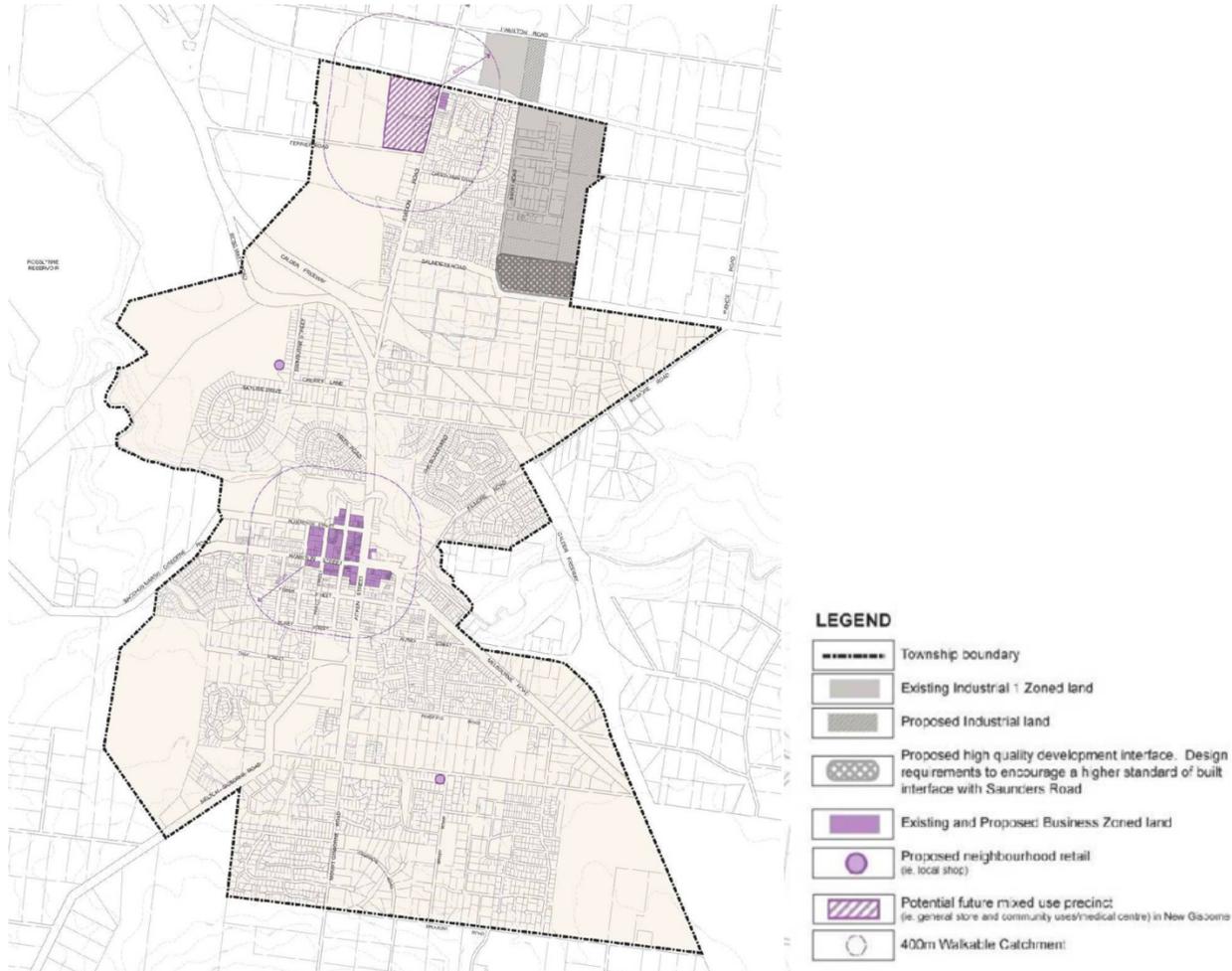
- Two neighbourhood centres were proposed in the ODP of 500sqm in floorspace in the south and west of Gisborne. The centre in the west is to be integrated with a large local park for active and passive use (minimum area of 2.5 ha) and the existing childcare facility on Swinburne Avenue.
- The local neighbourhood centre in the south is to be provided on the corner of Brady and Willowbank Roads.

Gisborne Town Centre

- Maintenance of the Gisborne town centre as the commercial and retail core.

These directions are reflected on the Retail, Mixed Use and Employment Plan shown in **Figure 9**.

FIGURE 9 GISBORNE /NEW GISBORNE ODP – RETAIL, MIXED USE AND EMPLOYMENT PLAN



Source: Gisborne / New Gisborne Outline Development Plan (2009)

GISBORNE MOVEMENT NETWORK STUDY (2016)

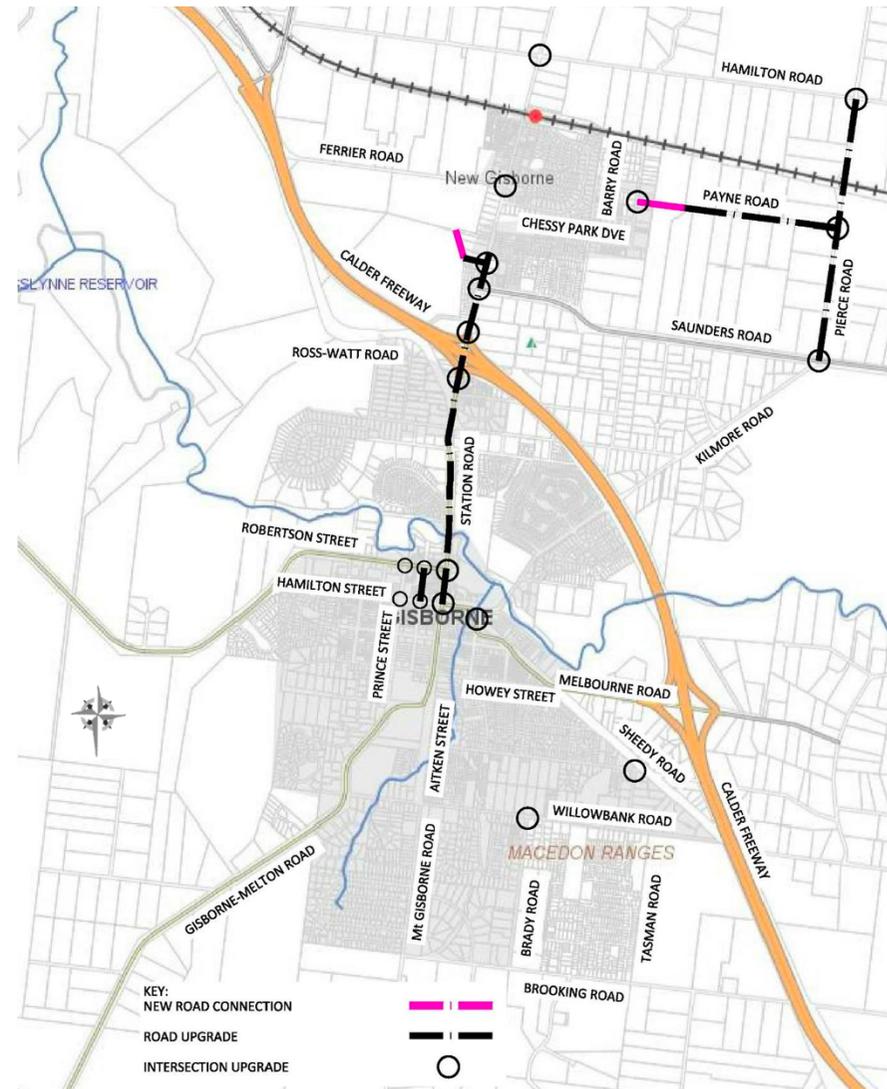
The Gisborne Movement Network Study (GMNS) (2016) is based on anticipated development yields from new growth areas contained within the ODP (2012).

Key recommendations include:

- Duplication of Station Road;
- Upgrade to Melbourne Road/Kilmore Road intersection;
- Upgrade to Willowbank Road/Fersfield Road;
- Upgrade to Brantome Street/Hamilton Street/Robertson Street intersection;
- Upgrade to Ferrier Road/Station Road intersection;
- Upgrade to Brady Road/Willowbank Road intersection;
- Upgrade to Sheedy Road/Fersfield Road/Bloomfield Road intersection;
- Upgrade Hamilton Road intersection.

The plan also recommended a number of other upgrades to existing roads. Recommended road infrastructure upgrades are shown in **Figure 10**.

FIGURE 10 GMNS RECOMMENDED ROAD INFRASTRUCTURE UPGRADES



Source: Gisborne Movement Network Study, 2016

3.6. LOCAL PLANNING POLICY

CLAUSE 21.02 – KEY ISSUES AND INFLUENCE:

Key issues and influences relating to economic development identified in the Clause include that retail trade is the largest employer by industrial sector and **the need for local employment to be created to reduce the number of residents commuting outside of the shire for work**. The Clause also identifies local industrial areas as an important source of employment in some towns.

Other issues relating to economic development identified include the:

- Potential to reduce escape expenditure through further retail development in the Shire to minimise the number of residents travelling elsewhere for goods; and
- Need to protect agricultural land.

CLAUSE 21.03 – VISION – STRATEGIC FRAMEWORK PLAN

Clause 21.03 identifies the overarching vision for the municipality.

A specific land use vision is also provided in the Clause and outlines that any proposed development within the municipality will be in appropriate locations, development and economic growth will be encouraged.

The Clause also identifies that Gisborne will be a regional centre within the municipality in 2036. This means Gisborne has been identified as the location to support a large, diverse population with a strong employment and housing base. All necessary services will be provided, including all levels of education, medical facilities including a hospital.

CLAUSE 21.04 – SETTLEMENT

Clause 21.04 of the Planning Scheme outlines local planning policy for settlement in Macedon Ranges and provides an overview of settlement in the municipality including issues as well as a number of objectives and strategies to guide development.

Key aspects of the Clause include the identification of Gisborne as transitioning from a Large District Town with under 10,000 residents to a Regional Centre with over 10,000 residents by 2036. To support this growth in Gisborne, the Clause identifies that the development of a large and diverse employment and housing base should be both encouraged and facilitated.

CLAUSE 21.10 – ECONOMIC DEVELOPMENT AND TOURISM

The Economic Development and Tourism clause of the Planning Scheme provides a series of objectives and strategies to support and facilitate the economic development of the Shire. Key strategies of the Clause relating to Gisborne include maintaining Gisborne as a main industrial centre within the Shire including through applying the industrial zone in appropriate areas.

CLAUSE 22.06 – DESIGN OF INDUSTRIAL AND COMMERCIAL DEVELOPMENT

Clause 22.06 of the Planning Scheme identifies the design outcomes to be achieved by industrial and commercial development within the municipality. These outcomes include ensuring minimal negative amenity impacts upon nearby rural and residential uses, ensuring that development provides an attractive workplace for workers and visitors, and to ensure that the required infrastructure is provided and the functional needs (including an appropriate layout, carparking and access) of an industrial and/or commercial development are accommodated.

PLANNING SCHEME AMENDMENTS (2009-PRESENT)

The following table provides a list of planning scheme amendments relevant to employment land in Gisborne since 2009 (the preparation of the ODP).

TABLE 3 KEY AMENDMENTS SINCE 2009

Amendment	Year	Description	Status
C008	2006	To implement the recommendations of the Residential & Industrial Land Review in relation to the townships of Gisborne Woodend Kyneton Riddells Creek Romsey and Lancefield Various amendments to the Municipal Strategic Statement Local Planning Policies and zone and Overlay provisions	Finished
C067PT1	2012	Implemented the recommendations of the Gisborne/New Gisborne Outline Development Plan, through changes to the Municipal Strategic Statement, deletion of Gisborne Township Local Policy, new schedules to the DDO and DPO, rezoning of various parcels of existing residential land to the Low Density Residential Zone, and a new schedule to the Low Density Residential Zone.	Finished
C067PT2	2013	Rezoned New Gisborne Growth Area to Residential 1 Zone, applied Development Plan Overlay to land and rezones Lot 1 Sauer Road, New Gisborne to Industrial 1 Zone to implement the Gisborne/New Gisborne Outline Development Plan.	Finished
C090	2013	Rezone 230 Hamilton Road, New Gisborne from Rural Living Zone Schedule 1 (RLZ1) to Industrial 1 Zone (IN1Z).	Finished

Key Amendments in respect of employment land were:

- Amendment C67 Part 2 (2013), which rezoned land adjacent to the New Gisborne Industrial Precinct to IN1Z; and
- Amendment C90 (2013), which rezoned 230 Hamilton Road, New Gisborne to IN1Z.

3.6.1. KEY FINDINGS

Gisborne and Kyneton are the only two regional centres within Macedon Ranges Shire, identified in the Loddon Mallee Regional Growth Plan and Plan Melbourne. Growth in these regional centres should be managed and supported. This includes utilising comparative advantages to leverage growth in the economy and employment.

Given the strategic designation of Kyneton and Gisborne as regional centres within Macedon Ranges, it will be important for these towns to provide higher order employment opportunities to residents from within the Shire to ensure local employment provision.

Retail trade is identified as the largest employer in Gisborne and there is a need to create local employment to reduce the number of residents commuting outside of the Shire for work.

Key advantages relevant to Gisborne include:

- Central location;
- Access (Calder Highway / train line);
- Proximity to Melbourne;
- Relative housing affordability compared to Melbourne;
- Existing infrastructure and proximity to tourism assets.

Key economic and employment objectives for the Loddon Mallee South region include:

- Build a skilled and adaptable workforce;
- Expand the region's economy;
- Leverage health, education and professional services as growth sectors;
- Support emerging sectors including tourism, renewable energy, resource recovery and green industries; and
- Reduce reliance on commuting to Melbourne for work.

Kyneton and Gisborne are identified in the Macedon Ranges Localised Planning Statement as the only two regional centres within the Macedon Ranges, projected to have populations in excess of 10,000 people.

Importantly, as a regional centre, Gisborne's role will be to provide for a large and diverse population, employment and housing base. Strategy is supportive of Gisborne providing higher order goods and services, education and health services and maintaining strong relationships with surrounding settlements.

Local strategy and policy identifies the following:

- The potential for Gisborne to grow to around 15,000 residents by 2036, as well as noting existing land supply that can accommodate approximately 17,000 residents.
- The ODP (2009) recommended an additional 42 hectares of industrial land be created in Gisborne. The plan also noted sufficient commercial land in the Town Centre, however, that additional land may be required from 2021. The Town Centre is to remain as the commercial and retail core.
- The ODP noted that some commercial land could be accommodated within the proposed expansion of the Gisborne Business Park estate to the south. The expansion of the industrial precinct to the south is yet to occur.
- The ODP also identified the potential for the introduction of a mixed-use precinct north of the Town Centre, west of the Gisborne train station, which could be developed as a village centre for New Gisborne. The introduction of a mixed use precinct in the north is yet to occur.
- The ODP proposed two neighbourhood centres. One in the west of Gisborne and one in the south of approximately 500 sqm of floorspace. Introduction of neither of these centres is yet to have occurred.
- Key recommendations of the Gisborne Movement Network Study (2016) relevant to the employment and town centre analysis included the duplication of Station Street, which is the key north south connection between New Gisborne and the Gisborne Town Centre and a new /upgraded road connection

between the Gisborne Business Park precinct and Pierce Road. This would better connect the existing industrial precinct.

- The Economic Development Strategy notes that Gisborne accounts for a modest proportion of population and businesses in Macedon Ranges Shire, even though it is the Shire's largest town. The Strategy notes that enterprise and entrepreneurship should be supported, which could occur through the New Gisborne Business Incubator.
- There is potential to increase retail development in Gisborne to reduce retail escape expenditure;
- Gisborne should be maintained as the key industrial centre in Macedon Ranges;
- Since 2009, there has been two rezonings of land to the IN1Z both in 2013. There has been no other industrial or commercial land created.

4. ECONOMY AND EMPLOYMENT

4.1. INTRODUCTION

The following section provides a high level economic profile of Gisborne. Data areas for the economic profile include the Gisborne SA2, the Gisborne UCL and Macedon Ranges Shire. Maps of these areas are provided in Appendix A.

4.2. BUSINESS

ALL BUSINESSES (EMPLOYING AND NON EMPLOYING)

Table 4 shows the counts of businesses with the Gisborne SA2 at 2012 and 2017. Sectors which recorded the greatest business growth between 2012 and 2017 included Rental, Hiring and Real Estate Services (+26), Health Care and Social Assistance (+25), Manufacturing (+19), Professional, Scientific and Technical Services (+18), Administrative and Support Services (+13) and Financial and Insurance Services (+11).

Sectors which showed a decline in businesses included Retail Trade (-10), Accommodation and Food Services (-7 businesses), Education and Training (-6 businesses) and Construction (-5 businesses).

TABLE 4 BUSINESS COUNTS GISBORNE SA2

Industry	2012	2017	Change 2012-17
Rental, Hiring and Real Estate Services	80	106	26
Health Care and Social Assistance	38	63	25
Manufacturing	41	60	19
Professional, Scientific and Technical Services	151	169	18
Administrative and Support Services	35	48	13
Financial and Insurance Services	95	106	11
Wholesale Trade	35	37	2
Unknown	17	19	2
Electricity, Gas, Water and Waste Services	3	4	1
Information Media and Telecommunications	10	11	1
Transport, Postal and Warehousing	59	59	0
Other Services	60	60	0
Agriculture, Forestry and Fishing	64	62	-2
Mining	3	0	-3
Arts and Recreation Services	21	17	-4
Public Administration and Safety	11	6	-5
Construction	295	289	-6
Education and Training	21	15	-6
Accommodation and Food Services	41	34	-7
Retail Trade	77	67	-10

Source: ABS Counts of Australian Businesses

EMPLOYING BUSINESSES

Table 5 shows the counts of employing businesses within the Gisborne SA2 at 2012 and 2017.

The top industry sectors with growth in employing businesses include Manufacturing (+17), Agriculture, Forestry and Fishing (+9), Professional; Scientific and Technical Services (+7), Financial and Insurance Services (+4) and Health Care and Social Assistance (+1).

Industry sectors with the highest decline in employing businesses include Accommodation and Food Services (-13), Construction (-11), Retail Trade (-9), Education and Training (-6) and Public Administration and Training (-6).

TABLE 5 COUNTS OF EMPLOYING BUSINESSES

Industry	2012	2017	Change 2012-17
Manufacturing	19	36	17
Agriculture, Forestry and Fishing	9	18	9
Professional, Scientific and Technical Services	60	67	7
Unknown	0	6	6
Financial and Insurance Services	20	24	4
Health Care and Social Assistance	26	27	1
Mining	0	0	0
Electricity, Gas, Water and Waste Services	3	3	0
Transport, Postal and Warehousing	17	17	0
Information Media and Telecommunications	3	3	0
Arts and Recreation Services	9	9	0
Wholesale Trade	15	14	-1
Rental, Hiring and Real Estate Services	13	12	-1
Administrative and Support Services	21	19	-2
Other Services	33	31	-2
Public Administration and Safety	6	0	-6
Education and Training	16	10	-6
Retail Trade	48	39	-9
Construction	162	151	-11
Accommodation and Food Services	34	21	-13

Source: ABS Counts of Australian Businesses

BUSINESS SIZE DISTRIBUTION

The majority of businesses in the Gisborne SA2 are non-employing businesses (i.e. sole traders). Employing businesses within the Gisborne SA2 are primarily small businesses employing between 1 and 4 people. These businesses are primarily from the construction, professional, scientific and technical services, retail trade, health and manufacturing sectors.

There are a limited amount of large employing businesses apart from in Information, Media and Telecommunications, Education and Training and Health Care.

TABLE 6 BUSINESS SIZE DISTRIBUTION 2017

	Non- Employing	1-4 Employ ees	5-19 Employ ees	20-199 Employ ees	200+ Employ ees
Agriculture, Forestry and Fishing	76%	19%	5%	5%	0%
Mining	NA	NA	NA	NA	NA
Manufacturing	50%	40%	15%	5%	0%
Electricity, Gas, Water and Waste Services	75%	0%	75%	0%	0%
Construction	47%	43%	8%	1%	0%
Wholesale Trade	62%	38%	0%	0%	0%
Retail Trade	46%	39%	15%	4%	0%
Accommodation and Food Services	35%	38%	24%	0%	0%
Transport, Postal and Warehousing	69%	24%	5%	0%	0%
Information Media and Telecommunications	55%	0%	0%	27%	0%
Financial and Insurance Services	76%	20%	3%	0%	0%
Rental, Hiring and Real Estate Services	86%	8%	3%	0%	0%
Professional, Scientific and Technical Services	60%	34%	6%	0%	0%
Administrative and Support Services	65%	27%	6%	0%	6%
Public Administration and Safety	100%	0%	0%	0%	0%
Education and Training	80%	27%	20%	20%	0%
Health Care and Social Assistance	52%	16%	19%	8%	0%
Arts and Recreation Services	41%	35%	18%	0%	0%
Other Services	42%	37%	15%	0%	0%
Unknown	84%	32%	0%	0%	0%

Source: ABS Counts of Australian Businesses

4.3. OUTPUT AND VALUE ADDED

ECONOMIC OUTPUT

The industry sectors with the highest economic output in Gisborne for both the SA2 and Urban Centre include Construction, Financial and Insurance Services, Rental Hiring and Real Estate Services, Manufacturing and Health Care and Social Assistance. The profile largely aligns to that of Macedon Ranges Shire.

TABLE 7 ECONOMIC OUTPUT BY INDUSTRY (\$M)

Industry	Gisborne (SA2) (\$M) / (%)		Gisborne (UCL) (\$M) / (%)		Macedon Ranges (LGA) (\$M) / (%)	
Construction	242.886	22%	205.162	21%	642.090	18%
Financial & Insurance Services	191.727	17%	189.852	20%	261.190	7%
Rental, Hiring & Real Estate Services	137.360	12%	109.917	11%	463.941	13%
Manufacturing	92.988	8%	69.851	7%	588.457	16%
Health Care & Social Assistance	59.473	5%	58.785	6%	189.528	5%
Retail Trade	55.025	5%	54.548	6%	154.691	4%
Professional, Scientific & Technical Services	52.717	5%	46.053	5%	195.746	5%
Education & Training	52.412	5%	38.877	4%	159.372	4%
Public Administration & Safety	42.299	4%	\$41.39	4%	164.450	5%
Accommodation & Food Services	38.875	4%	37.013	4%	140.456	4%
Transport, Postal & Warehousing	32.845	3%	24.602	3%	105.394	3%
Other Services	26.573	2%	\$24.99	3%	75.800	2%
Administrative & Support Services	26.224	2%	21.255	2%	90.197	2%
Wholesale Trade	18.501	2%	18.501	2%	72.268	2%
Arts & Recreation Services	13.921	1%	10.992	1%	45.727	1%
Electricity, Gas, Water & Waste Services	8.204	1%	4.068	0%	58.477	2%
Agriculture, Forestry & Fishing	6.996	1%	\$0.00	0%	173.493	5%
Mining	2.783	0.3%	\$2.51	0%	11.678	0%
Information Media & Telecommunications	2.491	0.2%	\$2.49	0%	35.127	1%
Total	1,104.298		\$960.851		\$3,628.082	

Source: Macedon Ranges Profile, REMPLAN, 2018.

VALUE ADDED

The industries with the highest value added in the Gisborne SA2 and urban centre include Rental, Hiring and Real Estate Services, Financial and Insurance Services, Construction, Health Care and Social Assistance, Education and Training and Retail Trade. These industry sectors are primarily reflected in the profile of the town centre which includes an abundance of real estate agents, financial advisors and accountants, medical and health practices and retail.

TABLE 8 ECONOMIC VALUE ADDED BY INDUSTRY (\$M)

Industry	Gisborne (SA2)		Gisborne (UCL)		Macedon Ranges (LGA)	
Rental, Hiring & Real Estate Services	\$96.669	18%	\$78.00	17%	\$328.262	19%
Financial & Insurance Services	\$84.733	16%	\$83.75	18%	\$127.476	8%
Construction	\$70.824	14%	\$59.32	13%	\$194.746	11%
Health Care & Social Assistance	\$43.398	8%	\$42.93	9%	\$141.182	8%
Education & Training	\$39.667	8%	\$29.39	6%	\$121.184	7%
Retail Trade	\$33.616	6%	\$33.32	7%	\$94.504	6%
Professional, Scientific & Technical Services	\$24.989	5%	\$21.89	5%	\$93.167	5%
Public Administration & Safety	\$24.178	5%	\$23.67	5%	\$97.222	6%
Manufacturing	\$22.214	4%	\$17.76	4%	\$115.258	7%
Accommodation & Food Services	\$17.981	3%	\$17.22	4%	\$62.442	4%
Transport, Postal & Warehousing	\$13.814	3%	\$10.64	2%	\$45.945	3%
Administrative & Support Services	\$13.650	3%	\$11.07	2%	\$46.643	3%
Other Services	\$12.810	2%	\$12.15	3%	\$36.645	2%
Wholesale Trade	\$9.208	2%	\$9.21	2%	\$35.968	2%
Arts & Recreation Services	\$5.279	1%	\$4.19	1%	\$18.182	1%
Agriculture, Forestry & Fishing	\$3.609	1%	\$0.00	0%	\$83.855	5%
Electricity, Gas, Water & Waste Services	\$3.483	1%	\$0.94	0%	\$30.069	2%
Mining	\$1.760	0%	\$1.59	0%	\$6.564	0%
Information Media & Telecommunications	\$0.687	0%	\$0.69	0%	\$14.774	1%
Total	\$522.569		\$457.713		\$1,694.089	

Source: Macedon Ranges Profile, REMPLAN, 2018.

4.4. WORKING POPULATION

EMPLOYMENT

3,132 people were employed within the Gisborne Urban Centre in 2016, which includes both the town centre and the Gisborne Business Park Precinct. The urban centre data boundary changed between 2011 and 2016. In 2011 the urban centre data boundary did not include the Gisborne Business Park precinct, therefore trend data between 2011 and 2016 is not a reliable indicator of the changing worker profile.

The UCL accounted for approximately 88% of the working population of the SA2 in 2016. There were 3,579 people employed in the SA2 in 2016. The SA2 data shows that the number of employed persons grew at a rate of 2.8% per annum between 2011 and 2016.

TABLE 9 GISBORNE PLACE OF WORK, 2011 AND 2016

Data Area	2011	2016	Change	AAGR
UCL	2,001	3,132	+1,131	9.4%
SA2	3,124	3,579	+455	2.8%
Proportion of Workers in UCL of SA2		88%		

*Based on total number of working population as calculated using age profile data

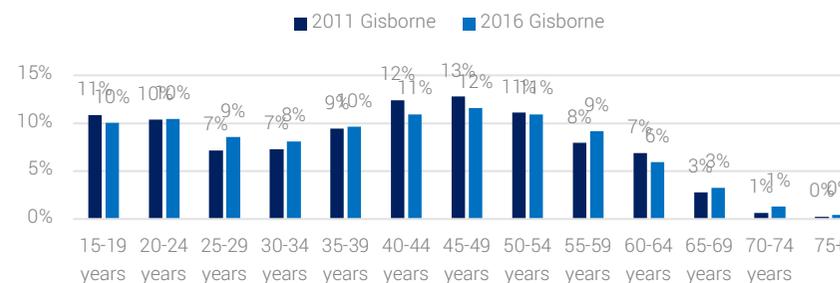
Source: ABS, Place of Work, 2011 & 2016

WORKER AGE PROFILE

The age profile of workers within the Gisborne SA2 show a higher proportion of workers aged between 15 to 24 and 40 to 54 years.

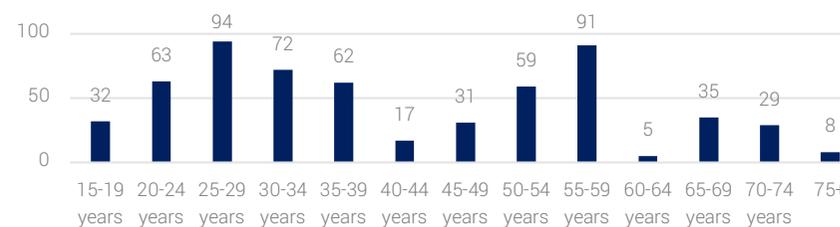
The age groups that showed the largest change in the number of workers included those aged 25-29 years (+94), 55-59 years (+91), 30-34 years (+72), 20-24 years (+63), 35-39 (+62) and 50-54 years (+59). Overall, there has been strong growth in the younger work force aged between 20 and 39 years.

FIGURE 11 GISBORNE WORKERS AGE PROFILE – 2011 AND 2016 (SA2)



Source: ABS, Place of Work, 2011 & 2016

FIGURE 12 GISBORNE WORKERS AGE PROFILE CHANGE 2011 TO 2016 (SA2)

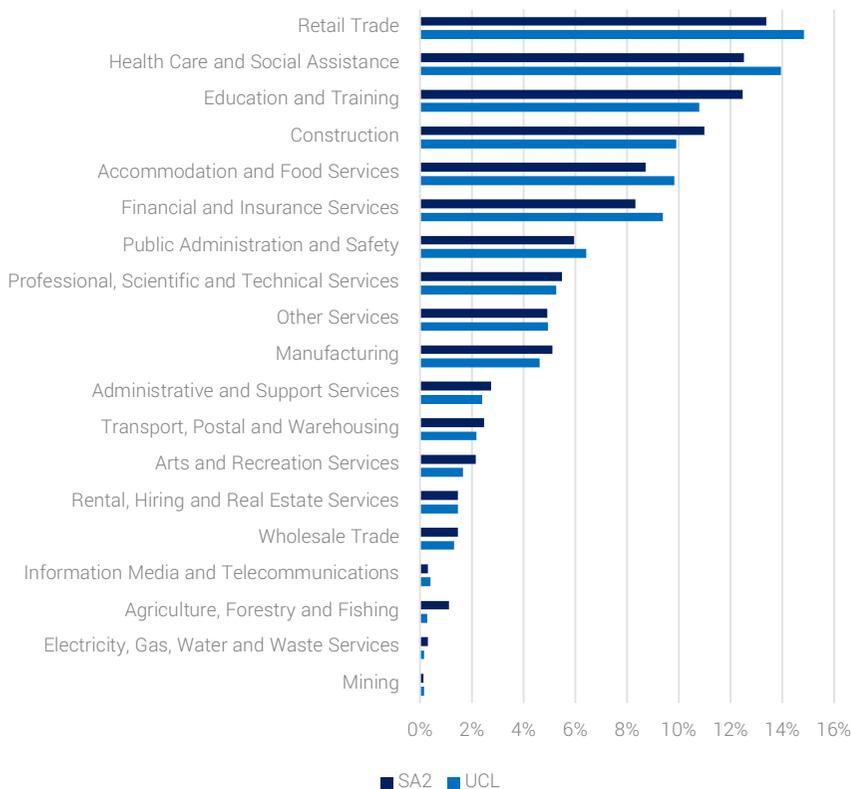


Source: ABS, Place of Work, 2011 & 2016

INDUSTRY OF EMPLOYMENT (SA2)

The most prominent industries of employment for workers within the Gisborne Urban Centre in 2016 included Retail Trade, Health Care and Social Assistance, Education and Training, Construction, Accommodation and Food Services and Financial and Insurance Services.

FIGURE 13 GISBORNE WORKERS – INDUSTRY OF EMPLOYMENT 2016 (SA2)



Source: ABS, Place of Work, 2016

INDUSTRY OF EMPLOYMENT (URBAN CENTRE)

Table 10 shows the proportion of jobs within the SA2 area that are provided within the SA2. Jobs that are most likely to be located in the urban centre include Retail Trade, Health Care and Social Assistance, Accommodation and Food Services, Financial and Insurance Services, Public Administration and Safety, Professional, Scientific and Technical Services, Other Services and Rental, Hiring and Real Estate Services.

TABLE 10 PROPORTION OF SA2 JOBS LOCATED IN THE URBAN CENTRE

	UCL	SA2	% of SA2 Jobs in UCL
Retail Trade	465	479	97%
Health Care and Social Assistance	437	448	98%
Education and Training	338	446	76%
Construction	310	393	79%
Accommodation and Food Services	308	312	99%
Financial and Insurance Services	294	298	99%
Public Administration and Safety	201	213	94%
Professional, Scientific and Technical Services	165	196	84%
Other Services	155	176	88%
Manufacturing	145	183	79%
Administrative and Support Services	75	98	77%
Transport, Postal and Warehousing	68	89	76%
Arts and Recreation Services	52	77	68%
Rental, Hiring and Real Estate Services	46	52	88%
Wholesale Trade	41	52	79%
Information Media and Telecommunications	13	11	118%*
Agriculture, Forestry and Fishing	9	40	23%
Electricity, Gas, Water and Waste Services	5	11	45%
Mining	5	5	100%
Total	3132	3579	88%

Source: ABS, Place of Work, 2016

*Note ABS reporting error

CHANGE IN EMPLOYMENT

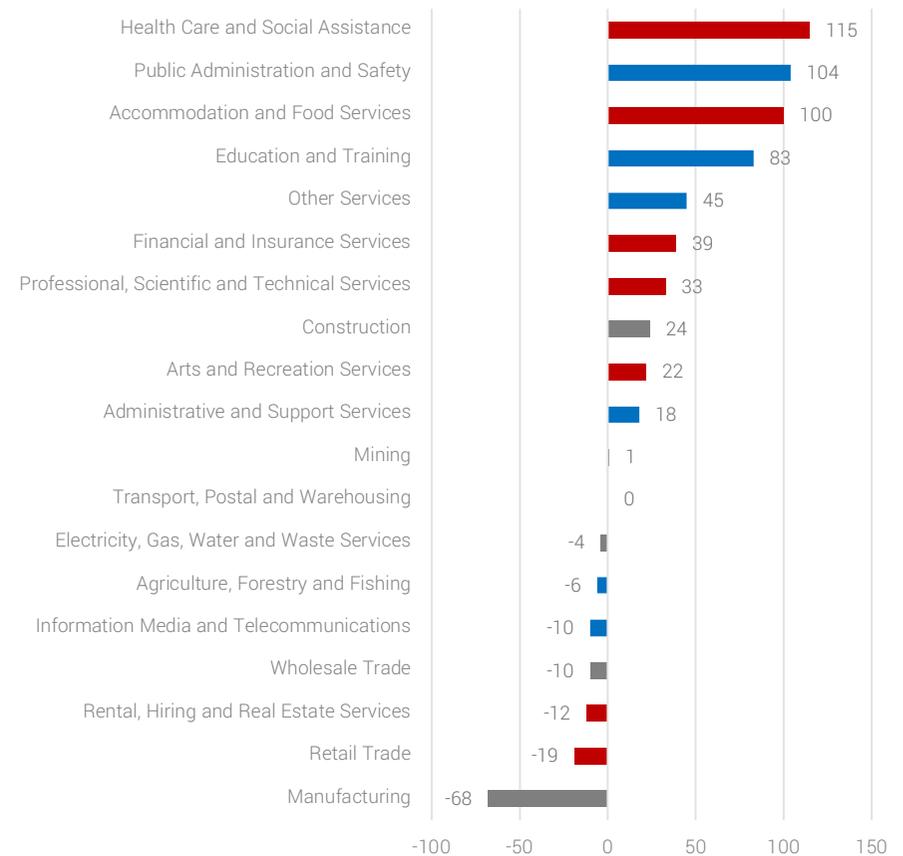
Industries that showed the greatest increase in employment in the Gisborne SA2 included Health Care and Social Assistance (+115 jobs), Public Administration and Safety (+104 jobs), Accommodation and Food Services (+100 jobs) and Education and Training (+83 jobs).

Industry sectors that showed a loss in employment included Manufacturing (-68 jobs), Retail Trade (-19 jobs) and Rental, Hiring and Real Estate (-12 jobs).

Industries that typically require commercial land are highlighted in red in the chart. There has been net growth of 278 jobs that typically require commercial land.

Industries that typically require industrial land include Manufacturing, Wholesale Trade, Construction and Electricity, Gas, Water and Waste Services, Mining, Transport, Postal and Warehousing, these industry sectors are highlighted in grey. These industries have reported a net loss of 57 jobs between 2011 and 2016. A proportion of Other Services may also utilise industrial land. If 50% of jobs in industrial services is accounted for, this would reduce the net loss to 35 jobs.

FIGURE 14 INDUSTRY OF EMPLOYMENT CHANGE 2011-2016 (SA2)



Source: ABS, Place of Work, 2011 & 2016

JOB CONTAINMENT

Table 11 shows that 27% of employed residents of the Gisborne SA2 also work within the Gisborne SA2 (i.e. a job containment rate of 27%). Although this job containment rate is relatively low, this is common for peri-urban areas where a large proportion of workers commute to larger employing areas such as the CBD or other employment hubs.

Job containment is highest (above total average) for Accommodation and Food Services (52%), Retail Trade (48%), Agriculture, Forestry and Fishing (42%), Other Services (38%), Administrative and Support Services (34%), Professional, Scientific and Technical Services (31%) and Arts and Recreation Services (31%). Job containment is low in Electricity, Gas, Water and Waste Services (5%), Public Administration and Safety (11%), Transport, Postal and Warehousing (11%), Information, Media and Telecommunications (10%) and Wholesale Trade (16%).

TABLE 11 JOB CONTAINMENT BY INDUSTRY SECTOR

	Live and Work in the Gisborne SA2	Live in the Gisborne SA2	Containment
Agriculture, Forestry and Fishing	25	59	42%
Mining	0	8	0%
Manufacturing	83	430	19%
Electricity, Gas, Water and Waste Services	3	64	5%
Construction	222	814	27%
Wholesale Trade	25	153	16%
Retail Trade	243	505	48%
Accommodation and Food Services	143	277	52%
Transport, Postal and Warehousing	50	457	11%
Information Media and Telecommunications	8	80	10%
Financial and Insurance Services	65	252	26%
Rental, Hiring and Real Estate Services	25	106	24%
Professional, Scientific and Technical Services	131	422	31%
Administrative and Support Services	75	223	34%
Public Administration and Safety	54	483	11%
Education and Training	175	639	27%
Health Care and Social Assistance	150	646	23%
Arts and Recreation Services	38	122	31%
Other Services	78	207	38%
Total	1,593	5,947	27%

Source: ABS, 2016

WORKERS PLACE OF RESIDENCE

The majority of workers in the Gisborne SA2 live in the Gisborne SA2 (46%). Secondary catchments include Sunbury South SA2 (9%), Riddells Creek (5%), Macedon (5%), Woodend (4%) and Romsey (4%). This suggests that Gisborne is an important employment hub for residents of Gisborne and its local regional catchment, however, provides a limited role in serving the employment needs of a wider regional catchment.

FIGURE 15 TOP 5 LOCATIONS OF WORKERS PLACE OF RESIDENCE



Source: ABS, Place of Work, 2011 & 2016

FORECAST GROWTH IN EMPLOYMENT

One way to project future employment growth is to utilise the historical growth rate in employment within the Gisborne SA2 between 2011 and 2016 (2.8% p.a.). Under this method, employment in the Gisborne SA2 would increase to 5,382 workers by 2031 and 6,165 workers by 2036. This would require an additional 1,803 jobs to be delivered by 2031 or an additional 2,586 to be delivered by 2036.

TABLE 12 FORECAST EMPLOYMENT GROWTH – HISTORICAL TREND

	Gisborne Employment
2016	3,579
2031	5,382
2036	6,165
Additional Jobs 2031	+1,803
Additional Jobs 2036	+2,586

Source: ABS, Place of Work – Urban Enterprise

Another method to forecast employment growth is to apply the current ratio of jobs to population. As of 2016, this equated to 27%. Forecast to 2036, an additional 1,943 jobs would need to be provided to meet population employment needs to maintain the current containment rate.

TABLE 13 JOBS AS A PROPORTION OF POPULATION

Year	Population	Jobs (Forecast)	Jobs: Population (%)
2016 (current)	12,828	3,579	27%
2021	14,716	3,973	27%
2026	16,297	4,400	27%
2031	17,850	4,819	27%
2036	20,454	5,522	27%
Additional Jobs 2031		+1,240	
Additional Jobs 2036		+1,943	

Source: ABS / .id- Urban Enterprise

4.4.1. KEY FINDINGS

The economic profile reveals the following key findings:

- Employment within Gisborne grew at a rate of approximately 3% per annum between 2011 and 2016.
- Key employing industry sectors in Gisborne include retail trade, Health Care and Social Assistance, Education and Training, Construction, Accommodation and Food Services and Financial and Insurance Services.
- The industries with the highest value added include Rental, Hiring and Real Estate Services, Financial and Insurance Services, Construction, Health Care and Social Assistance, Education and Training and Retail Trade, reflecting the profile of businesses in the town centre which includes an abundance of real estate agents, financial advisors and accountants, medical and health practices and retail.
- Employment growth has been driven primarily by service sector industries including Health Care and Social Assistance, Public Administration and Safety, Accommodation and Food Services, Education and Training, Financial and Insurance Services and Professional, Scientific and Technical Services. Employment grew in industry sectors typically requiring commercial land between 2011 and 2016, whilst employment declined in industry sectors, typically requiring industrial land.
- Job containment is relatively low at 27%, however, this is not uncommon for peri-urban towns. Job containment is highest for Retail Trade and Accommodation and Food Services.
- Growth in the working population was generally weighted towards younger age groups.
- The majority of workers within Gisborne live in the Macedon Ranges Shire, highlighting the importance of local job provision keeping pace with population growth.
- Using the planning horizon of 2016 to 2036, between 1,900 and 2,600 additional jobs are projected to be required within Gisborne under current conditions.

5. POPULATION, GROWTH AND DEVELOPMENT

5.1. INTRODUCTION

The following section provides a high level demographic profile of Gisborne. Data areas for the economic profile include the Gisborne SA2, the Gisborne UCL, Macedon Ranges Shire and Melbourne North West SA4. Maps for these areas can be seen in **Appendix A**.

This section also provides an overview of the development context of Gisborne based on site visits, analysis of data and consultation.

5.2. RESIDENT POPULATION

POPULATION

The population of Gisborne increased substantially between 2011 and 2016. The Gisborne SA2 grew at an average annual rate of 3%, which is in line with jobs growth over the same period.

Growth in the Gisborne SA2 outpaced growth in Sunbury (SA3), Melbourne North West (SA4), Macedon Ranges and Regional Victoria over the period.

TABLE 14 GISBORNE POPULATION

	2011	2016	Change	AAGR
Gisborne (UCL)	8,061	9,808	+1,747	4.0%
Gisborne (SA2)	11,082	12,828	+1,746	3.0%
Sunbury (SA3)	36,852	39,369	+2,517	1.3%
Macedon Ranges	41,860	46,100	4,240	1.9%
Melbourne North West (SA4)	318,478	363,372	+44,894	2.7%
Regional Victoria	1,345,720	1,433,826	+88,106	1.3%

Source: ABS, Usual Residence, 2011 and 2016

The latest ABS data release estimated a resident population of 13,668 residents in the Gisborne SA2 in 2017.

FORECAST POPULATION

Forecast .id prepare population forecasts for the Gisborne District (aligning to the SA2). **Table 15** provides the projected population results to 2036. The Gisborne SA2 population is forecast to grow to 20,454 people by 2036, at an average annual growth rate of 2.2%.

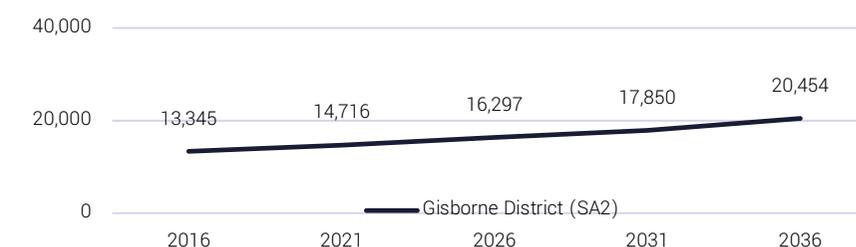
The Macedon Ranges Shire population is forecast to grow to 65,405 people by 2036, at a rate of 1.6% per annum.

TABLE 15 FORECAST POPULATION TO 2036

	2016	2021	2026	2031	2036	AAGR (2016-2036)
Gisborne District (SA2)	13,345	14,716	16,297	17,850	20,454	2.2%
Macedon Ranges LGA	47,519	51,020	55,662	60,362	65,405	1.6%

Source: .id

FIGURE 16 FORECAST POPULATION GISBORNE SA2



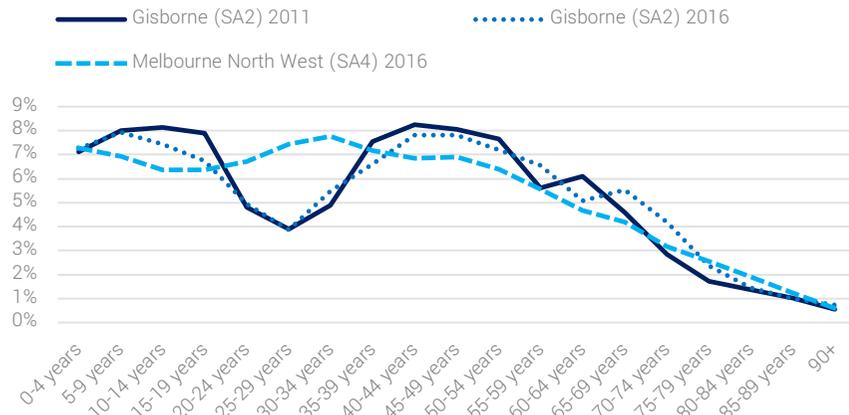
Source: .id

AGE PROFILE

Residents in the Gisborne SA2 are weighted towards families with young children and older residents (pre-retirees and retirees). There was growth in the number of residents aged under 9 years and over 40 years.

Benchmarked with the Melbourne North West SA4, there is a higher proportion of residents aged between 20 to 34 years, likely as a result of the SA4 incorporating metropolitan populations and younger residents.

FIGURE 17 AGE PROFILE 2011 AND 2016 (SA2)



Source: ABS, Usual Residence, 2011 and 2016

INDUSTRY OF EMPLOYMENT

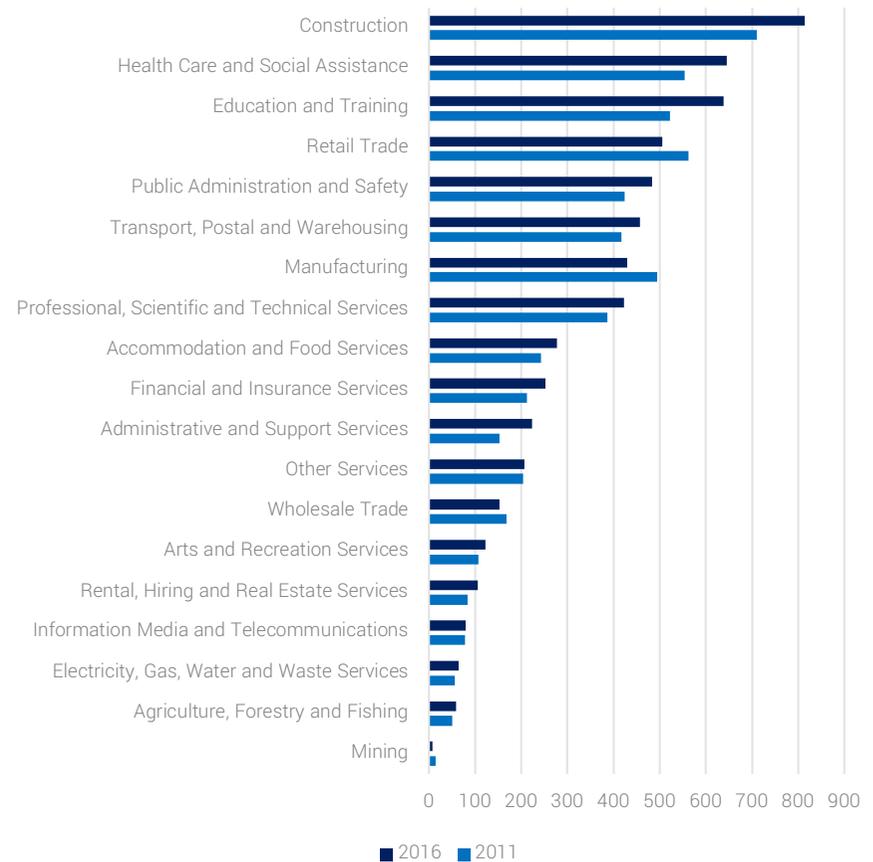
The key industry sectors in which Gisborne residents are employed include construction, health care and social assistance, education and training, retail trade, public administration and safety.

There was growth in residents employed in Construction, Health Care and Social Assistance, Education and Training, Public Administration and Safety, Transport,

Postal and Warehousing and Professional, Technical and Scientific Services between 2011 and 2016.

There was a reduction in residents employed in Retail Trade and Manufacturing over the same period.

FIGURE 18 INDUSTRY OF EMPLOYMENT – GISBORNE SA2

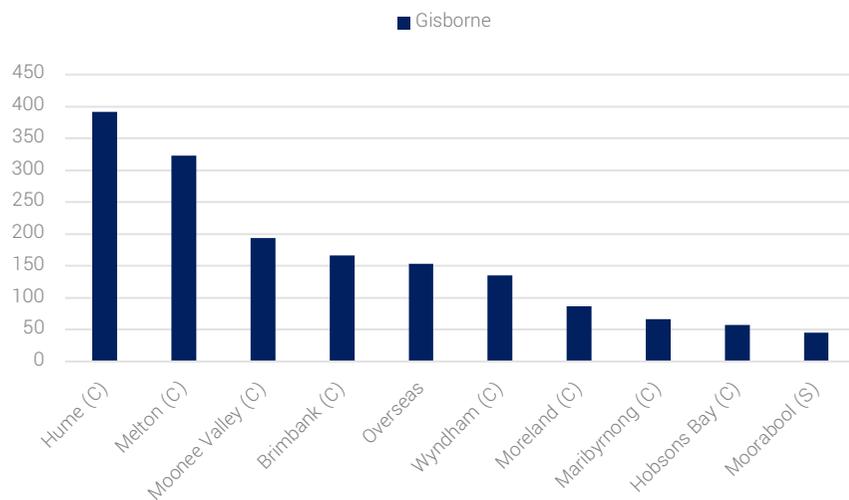


Source: ABS, Usual Residence, 2011 and 2016

MIGRATION

Excluding Macedon Ranges, the top areas where new residents to the Gisborne SA2 between 2011 and 2016 originated include the City of Hume and the City of Melton (i.e. new residents primarily moving from Melbourne’s North West Growth areas).

FIGURE 19 TOP 10 PLACE OF RESIDENCE 5 YEARS AGO



Source: ABS, Usual Residence, 2011 and 2016

COMPONENTS OF INCREASE

From 2016 to 2017, the ABS Estimated Resident population estimates that there was an additional 323 residents living in the Gisborne SA2, 52% of which was from internal migration, 33% from natural increase and 15% from overseas migrants. All migration types are increasing and at a higher rate than the Macedon Ranges Shire average (27%), which indicates a market for families.

LABOUR FORCE STATUS

Table 16 shows the status of those Gisborne residents in the labour force. In 2016, 57% of the those in the labour force worked full time, followed by 33% who worked part time. 4% of the labour force was unemployed looking for either full time or part time work. These proportions are consistent with Macedon Ranges Shire.

TABLE 16 LABOUR FORCE STATUS – GISBORNE SA2

Year	Gisborne SA2		Macedon Ranges Shire	
	2011	2016	2011	2016
Employed, worked full-time	58%	57%	57%	56%
Employed, worked part-time	33%	33%	33%	34%
Employed, away from work	6%	5%	6%	5%
Unemployed, looking for full-time work	1%	2%	2%	2%
Unemployed, looking for part-time work	2%	2%	2%	2%
Total	100%	100%	100%	100%

Source: ABS, Usual Residence, 2011 and 2016

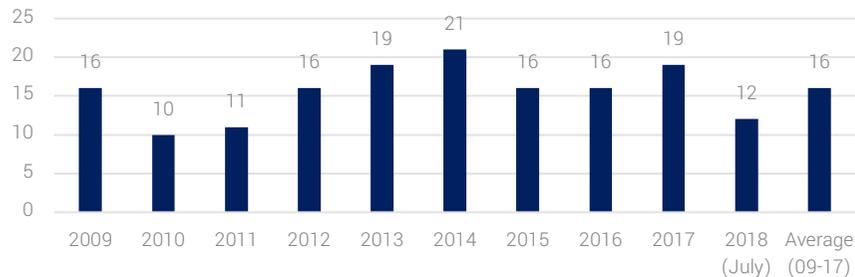
5.3. RETAIL, COMMERCIAL AND INDUSTRIAL BUILDING ACTIVITY

Building permit data for Gisborne and New Gisborne was sourced from the Victorian Building Authority (VBA) between 2009 and 2018 (July).

NUMBER OF PERMITS

Over the previous 10 years there has been a general slight upward trend in the number of retail, commercial and industrial building permits issued. Between 2009 and 2017, 16 permits were issued per year. As of July 2018, 12 permits had been issued for the year.

FIGURE 20 TOTAL PERMITS 2009-2018 (JULY)



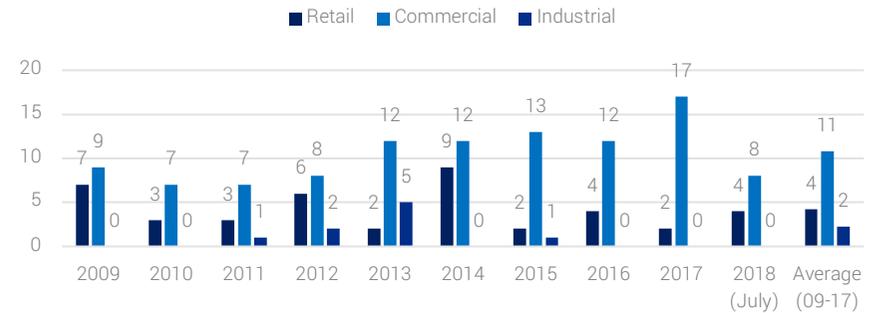
Source: VBA, 2018

Broken down into Retail, Commercial and Industrial permits, the data shows that commercial permits have been the largest driver of permit activity, accounting for an average of 67% of permits over the ten years.

In the last 9 years, there have been an average of 4 retail permits, 11 commercial permits and 2 industrial permits issued per year.

The number of commercial permits has also been trending upward. Retail permits were highest in 2014 (9 permits) and 2009 (7 permits).

FIGURE 21 PERMITS BY TYPE 2009-2018 (JULY)

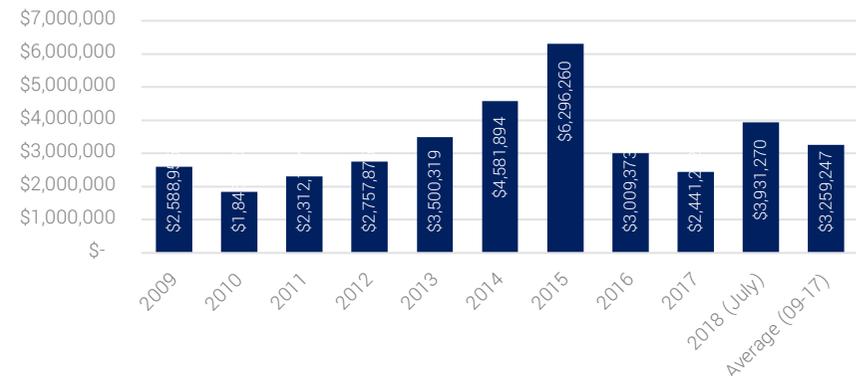


Source: VBA, 2018

VALUE OF PERMITS

Between 2009 and 2017, the average value of commercial, retail and industrial permits has been \$3.3 million per year. Years in which value was highest included 2015 (\$6.3 million), 2014 (\$4.6 million) and 2018 to July (\$3.9 million).

FIGURE 22 TOTAL VALUE OF PERMITS 2009-2018 (JULY)

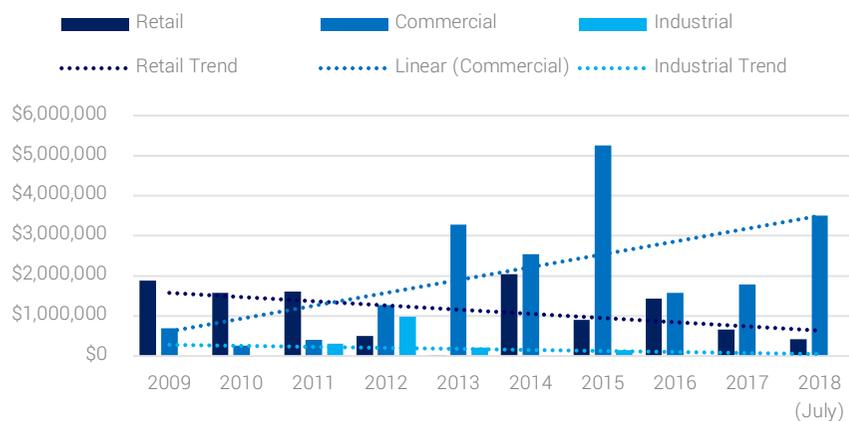


Source: VBA, 2018

Figure 23 shows the value of building permits by type. Commercial permits have generally accounted for the highest value of total permit value at an average of \$1.9m per year, followed by retail (\$1.2m per year) and industrial (\$400,000 per year).

The value of retail permits declined between 2009 and 2017, whilst commercial permits have shown more of an upward trend. Value of industrial permits has generally been low between 2009 and 2017.

FIGURE 23 TOTAL VALUE OF PERMITS BY TYPE 2009-2018 (JULY)



Source: VBA, 2018

PERMITS BY BUILDING CLASS

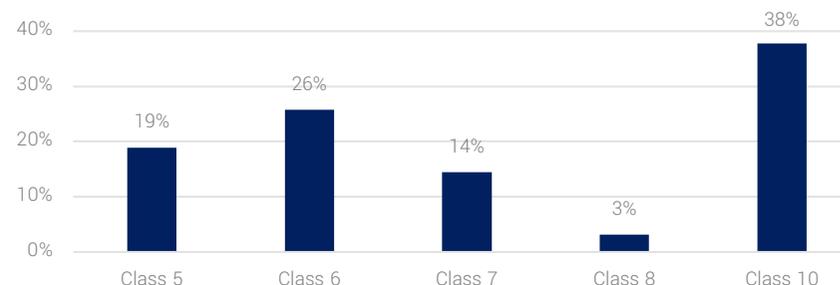
The BCA provides classification of the class of building type. Those relevant to commercial, industrial and retail permits include:

- **Class 5:** Offices for general medical practitioners, government organisations, architects, lawyers and accountants.
- **Class 6:** Hairdresser, public laundry, shopping centre, funeral parlour, showroom.
- **Class 7:** Carpark, warehouse, storage building.
- **Class 8:** Factory, mechanic's workshop.

- **Class 10:** Carport, private garage, shed, retaining wall.

38% of commercial, retail and industrial permits between 2009 and July 2018 were Class 10 buildings, being for the development of ancillary infrastructure (garage, sheds etc). Class 6 and Class 5 permits were the next most common type at 26% and 19% respectively. These include offices, retail, hairdressers etc.

FIGURE 24 PROPORTION OF PERMITS BY BUILDING CLASS

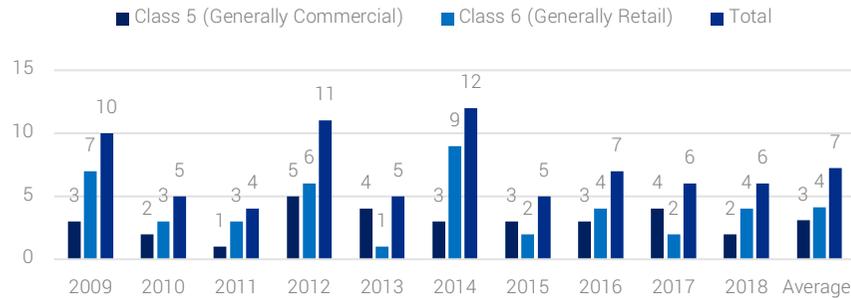


Source: VBA, 2018

Figure 25 shows Class 5 and 6 permits only. Class 5 (generally commercial uses) and Class 6 (generally retail uses) have been the key types of building permit class in Gisborne in recent years. Class 6 permits have averaged 4 per year, followed by Class 5 (average 3 permits per year).

Class 5 and 6 building permits were highest in 2014 (12 permits), followed by 2012 (11 permits) and 2009 (10 permits). Between 2009 and 2013, there were an average of 7 permits issued per year and this continued between 2014 and 2018, with also an average of 7 permits issued per year. This suggests that development and demand has generally been steady over the ten year period

FIGURE 25 BUILDING CLASS 2009-2018



Source: VBA, 2018

5.4. PLANNING PERMITS

Council provided planning permit data to inform this study. The data was then classified according to key types of development.

Planning permits were provided for the C1Z (Town Centre) and the IN1Z (Industrial Precinct). Some caution should be taken when interpreting this data given the need to sort and classify the data and the potential for omissions.

In total there were 26 planning permits issued for commercial/industrial development between 2009 and 2018 in Gisborne.

PLANNING PERMITS IN THE C1Z

In the C1Z area there were 9 planning permits issued, 5 planning permits were issued for development and 4 for alterations/refurbishment/change of use. Two permits were for office development at 45 Hamilton Street and 16 Prince Street. The permit for 16 Prince Street was issued in 2017 however has yet to commence construction. Other permits included a supermarket (Aldi), new service station and new restaurant (Collective).

Of all planning permits in the C1Z, 1 was issued between 2009 and 2013 and 8 were issued between 2014 and 2018. This could indicate an increase in demand for retail/commercial floorspace, however, it may also be a result of new retail and commercial floorspace from the Nexus centre taking some time to be absorbed into the market, limiting opportunity for new commercial and retail activity between 2009 and 2013.

TABLE 17 PLANNING PERMITS IN C1Z

Land Use	Planning Permits (2009-2018)
Office	1
Supermarket	1
Service Station	1
Office and Retail	1
Restaurant	1
Total Development	5
Permit for Alterations/Refurbishment/Change of Use	4
Total Development and Alterations	9

Source: Macedon Ranges Shire, 2018 – compiled by Urban Enterprise

PLANNING PERMITS IN THE IN1Z

There were 21 planning permits issued within the IN1Z between 2009 and 2018, the majority of which were for warehouse or warehouse and office development.

An average of 2.3 permits were issued per year.

5 of the 21 permits were issued in 2017, 4 of which were for warehouse or factory development, indicating recent demand for new industrial property.

13 (62%) of industrial permits were issued between 2009 and 2013 and the remaining 8 (38%) were issued between 2014 and 2018.

TABLE 18 PLANNING PERMITS FOR USE AND DEVELOPMENT IN IN1Z

	Number of Permits (2009-2018)
Warehouse and Office	8
Warehouse	5
Factory	3
Factory and Office	1
Gardening Supplies	1
Other	1
Self-Storage	1
Warehouse and Factory	1
Total	21

Source: Macedon Ranges Shire, 2018 – compiled by Urban Enterprise

5.5. PROPERTY SALES

5.5.1. RETAIL AND COMMERCIAL

LEASES

Table 19 shows the current commercial and retail leases in the town centre. Current properties listed for lease are priced at an average of \$251 per square metre with an average size of 168 sqm.

Four of the properties are shopfronts, three considered as office space and one property which is a residential house/vacant lot on commercial land.

TABLE 19 RETAIL/COMMERCIAL LEASES

Commercial/Retail	Listed Lease Price	Size (sqm)	Type	Rate PSM
Shop 7/29 Hamilton Street, Gisborne	NA	175	Shopfront	NA
Shop 9/43 Brantome Street, Gisborne	NA	60	Shopfront	NA
44 Hamilton Street, Gisborne	\$30,000	110	House/Office & Land	\$273
8/50 Aitken Street, Gisborne	\$30,000	180	Office	\$167
23A Hamilton Street, Gisborne	\$23,000	74	Shopfront	\$311
1/33 Brantome Street, Gisborne	\$59,500	174	Shopfront	\$342
13 Goode Street, Gisborne (Nexus Centre) - Shop 4	\$80,750	475	Office	\$170
14 Goode Street, Gisborne (Nexus Centre) - Shop 16	\$23,400	95	Office	\$246
Average Retail (includes Shopfronts)	\$41,250	121	Retail	\$326
Average Commercial	\$44,717	250	Office	\$194

Source: online sources, compiled by Urban Enterprise 2018

SALES

Table 20 shows recent commercial and retail sales. Recent major sales include the Foodworks Supermarket and the Cordial factory. Smaller property sales attracted rates of between \$3,700 and \$4,000 per square metre.

TABLE 20 RETAIL/COMMERCIAL SALES

	Price	Floorspace (sqm)	Rate PSM	Type	Date Sold
8/50 Aitken Street, Gisborne VIC	\$720,000	180	\$4,000	Office	Oct 2018
32 and 32A Aitken Street, Gisborne VIC (Cordial Factory)	\$1,860,000	410 (870 sqm land)	\$4,537	Retail	Sept 2018
26A Aitken Street, Gisborne VIC	\$700,000	189	\$3,704	Retail	Mar 2017
26 Hamilton Street, Gisborne VIC (Foodworks)	\$7,000,000	2,227	\$3,143	Retail (Supermarket)	June 2015
Average			\$3,846		

Source: online sources, compiled by Urban Enterprise 2018

5.5.2. INDUSTRIAL

LEASES

Table 21 shows current industrial properties listed for lease. Both properties listed are warehouse/office developments, which appear to be new or recently constructed. These properties are advertised at an average of \$117 per square metre or \$26,700 per annum.

TABLE 21 INDUSTRIAL LEASES

Industrial	Listed Lease Price	Size	Type	Rate PSM
Unit 2/11 Newry Drive, New Gisborne VIC 3438	\$26,400	226	Warehouse/Office	\$117
1 Newry Drive, New Gisborne VIC 3437	\$27,000	230	Warehouse/Office	\$117
Average	\$26,700	\$228		\$117

Source: online sources, compiled by Urban Enterprise 2018

INDUSTRIAL SALES

Four recent industrial sales have been published. Two sales have reported prices, including a sale in 2010 which attracted an average land rate of \$185 per square metre. The more recent sale from 2018 attracted a rate of \$223 per square metre.

TABLE 22 INDUSTRIAL SALES

	Price	Floorspace	Land	Type	Sold	Rate PSM (Land)
10 Parkers Road, New Gisborne	\$630,000	450	3,400	Industrial	Sep-10	\$185
1, 2 and 14 Parkers Road, New Gisborne	\$820,000	920	3,675	Industrial	May-18	\$223
12 Ladd Road, new Gisborne	NA	530	NA	Industrial	Jul-12	NA
Lot 4 Sauer Road, New Gisborne	NA	NA	3,043	Industrial - Vacant	Dec-11	NA

Source: online sources, compiled by Urban Enterprise 2018

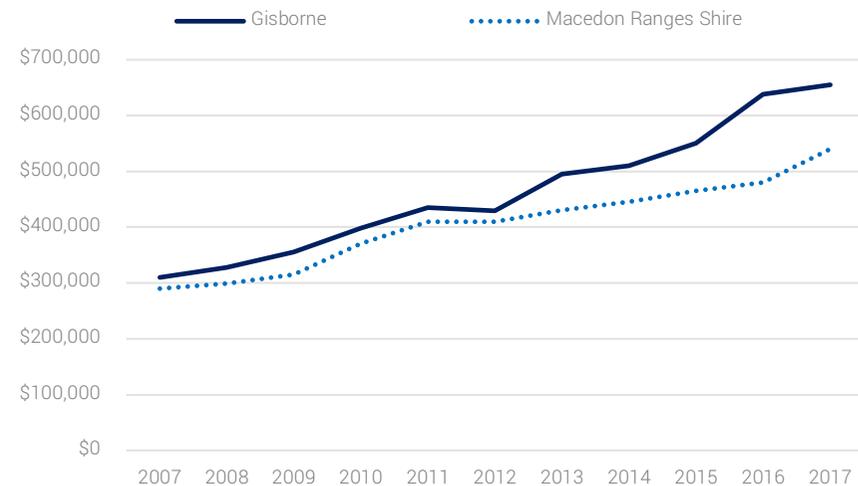
5.5.3. RESIDENTIAL MEDIAN PRICE GROWTH

Given limitations in datasets relating to commercial, retail and industrial sales, residential property sales have been sourced to determine the scale of price growth as an indicator of overall market performance.

There has been strong growth in the Gisborne median house price between 2007 and 2017, growing at an average rate of 7.04% per annum.

The median house price in Gisborne has historically been higher than the average across Macedon Ranges Shire and in more recent years (2013-2017), the gap in the house price has increased.

FIGURE 26 GISBORNE AND MACEDON RANGES MEDIAN HOUSE PRICE 2007-2017



Source: A Guide to Property Values, 2017

5.5.4. KEY FINDINGS

Gisborne experienced strong population growth between 2011 and 2016, growing at a rate of 3%, outpacing growth across Macedon Ranges and Regional Victoria.

The age profile suggests growth in young families/second home buyers and older residents including pre-retirees and retirees.

The key industry sectors in which Gisborne residents are employed include construction, health care and social assistance, education and training, retail trade, public administration and safety.

The majority of new residents in Gisborne have originated from adjoining municipalities including Hume and Melton.

Over half of residents in the workforce were employed full time (57%), followed by working part time (33%).

Commercial building activity has generally followed a cyclical pattern in the previous 10 years, although with a general upward trend. There was an increase in the total number of commercial/retail permits issued between 2009-2013 (1 permit) and 2014-2018 (8 permits). This may be a result of increasing demand within the commercial and retail sector resulting in increased development activity. However, it may also be a result of floorspace as part of the Nexus Centre development being absorbed into the market over a long period and limiting new development activity.

The commercial property development sector (i.e. non-retail or industrial) has been a key driver of non-residential building activity and investment in recent years.

Permits by building class which have generally been a driver of investment include shop front uses, offices, medical practitioners and retail spaces.

Key planning permits for new developments have included the Aldi supermarket, service station, Collective (restaurant) and office development on Hamilton Street.

Overall, commercial and retail development has generally performed well over the previous 10 years. Performance has likely improved in the previous 5 years due to growing demand and increasing limitations on supply, as floorspace as part of the Nexus centre has been absorbed into the market.

Industrial development also appears to be steady but not growing significantly, with generally a comparable number of planning and building permits issued between 2009-2013 and 2014-2018.

6. COMMERCIAL AND INDUSTRIAL LAND OVERVIEW

6.1. OVERVIEW

This section provides an overview of the retail, commercial and industrial land in Gisborne.

The land supply in Gisborne can be separated into two distinct portions of supply, being the town centre and the New Gisborne industrial estate (Gisborne Business Park) (these are shown in **Figure 27**).

There is also a small area of Commercial 1 Zone land (0.55ha) on Station Road near the Gisborne Train Station, however, there are no commercial uses occurring in this precinct. There is a commercial café, restaurant and events business (Baringo Food and Wine) located adjacent to the station within the General Residential Zone.

6.2. OBSERVATIONS

TOWN CENTRE

The following provides a summary of key observations relating to the growth and development of the Gisborne Town Centre and Business Park based on site visits in late 2018:

- **Recent Development** – Examples of recent development of commercial land include:
 - **McDonalds** – a large user of commercial land and is located on the periphery of Town and opposite the Nexus Centre.
 - **Gisborne Collective** – a new restaurant adjacent to the Coles.
 - **Office Development** - New office development in the south-west of town.
 - **Retail Development** – New retail space in the south-west of town.
 - **Service Station** – New service station adjacent to McDonalds.

- **Shop refurbishment / Renewal** – There were some examples of shops that had been or were in the process of being refurbished. The most notable of refurbishments were the IGA supermarket, located within the Gisborne Village Centre, and a number of food and beverage establishments, including restaurants, cafes and pubs.
- **Supermarkets** – There are three supermarkets in the Town Centre (Coles, IGA and Foodworks). Anecdotally, all have different product offerings. The Foodworks is said to have a wide catchment, attracting people from around the region for its unique product offering. Construction has not commenced on the new Aldi supermarket (former Mitre10).
- **Nexus Centre** – At the time of the previous commercial assessment (2009) construction of the Nexus Centre had only recently been completed. The Nexus Centre appears well occupied. Its major office tenants include AAMI, government tenants (DELWP, CFA), Westwind Energy and the Gisborne Business Centre. Retail/offices spaces on the ground floor also appear well occupied including medical, food and beverage and retail (carpet / office supplies).

Consultation with local real estate agents and Nexus Centre management in regard to the retail and commercial property market. Key findings include:

- There has been recent price growth in retail and commercial property sales.
- Sales prices in the retail sector have been performing well. Key recent major sales include the Cordial factory site and the Foodworks in 2015.
- Locals are supportive of shops in town. Some retail uses generally have a high tenancy turnover including food and beverage and clothing stores.
- Establishment of Aldi may impact on existing supermarkets, however, anecdotally existing Gisborne residents currently shop at Aldi in Sunbury so may bring sales back to Gisborne.

- The town is generally land locked, it is likely any significant new amounts of commercial land would need to be established in a new neighbourhood centre, however, there could be complexities in identifying appropriate locations.
- Larger format retail and discount department stores are not suited to Gisborne, partly because of land constraint issues.
- Sunbury currently provides larger format retail, servicing Gisborne. The market for retail space in Sunbury is also relatively subdued. One agent reported having a number of quality retail spaces available however pricing significantly impacts on the ability to move commercial floorspace.
- The Nexus Centre was developed in 2009 and was part of an initiative by Regional Development Victoria (RDV) to locate an AAMI call centre in town. Major tenants include AAMI, the Gisborne Business Centre and Government tenants. New vacant tenancies in the Nexus Centre will be coming to market in the next 6 to 12 months including 475sqm and 3,000sqm. The larger tenancy is likely suited to a government client or a call centre.
- Take up of retail floorspace in the Nexus Centre was slow, with full take up of all spaces taking almost ten years to occupy. Anecdotally, this was due to a number of factors including new competition in the market from Coles, retail development on Aitken Street and expanded IGA.
- The Gisborne Business Centre in the Nexus Centre is reportedly performing well. People can rent a small space within the centre, with their overheads and outgoings included. The Gisborne Business Centre provides an important stepping stone for new businesses to grow. There is currently a waiting list of 9 people for space within the Centre.
- It was noted that future demand for commercial office space is likely to be in line with the existing business profile including accountants, real estate agents, solicitors etc. (i.e. population driven demand), however, it was suggested that demand for office space in general is currently limited.
- Demand for office space in Gisborne generally aligns to Sunbury in terms of size, between 70 and 160 square metres.
- Agents reported receiving limited enquiries in regard to commercial land.

GISBORNE BUSINESS PARK (INDUSTRIAL)

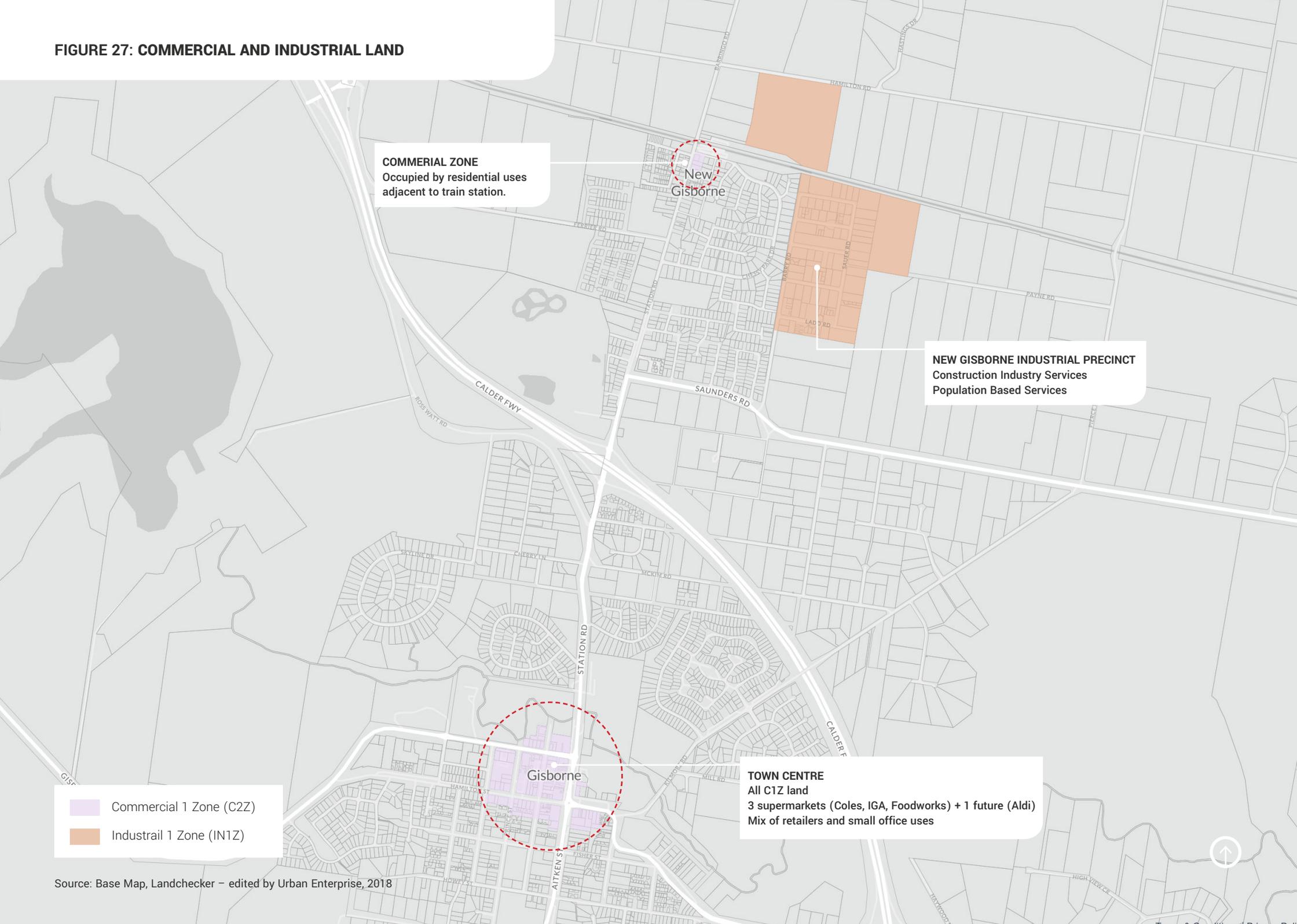
The Gisborne Business Park precinct is accessed via Saunders Road. The precinct has very limited exposure to passing traffic and is accessed via one road (Barry Road).

Most recent examples of industrial development appear to include warehouse and ancillary office developments.

The majority of newer development is located in the north of the precinct, which generally aligns with the location of land supply when the UDP was prepared in 2012.

The most recent additions to industrial land supply include the precinct to the east of the existing precinct and north of the rail line. Neither of these precincts have been developed. Therefore, all new industrial development that has occurred since the preparation of the UDP was within the land that was zoned at the time of the UDP. However, lots within the eastern industrial precinct are available for sale.

FIGURE 27: COMMERCIAL AND INDUSTRIAL LAND



COMMERCIAL ZONE
Occupied by residential uses
adjacent to train station.

New
Gisborne

NEW GISBORNE INDUSTRIAL PRECINCT
Construction Industry Services
Population Based Services

Commercial 1 Zone (C2Z)
Industrial 1 Zone (IN1Z)

Gisborne

TOWN CENTRE
All C1Z land
3 supermarkets (Coles, IGA, Foodworks) + 1 future (Aldi)
Mix of retailers and small office uses

Source: Base Map, Landchecker – edited by Urban Enterprise, 2018



6.3. OVERVIEW OF SUPPLY

6.3.1. TOWN CENTRE

LAND SUPPLY

Gisborne's town centre is zoned entirely Commercial 1 Zone (C1Z), with 11.5ha of land zoned. There is no Commercial 2 Zone (C2Z) or Mixed Use Zone (MUZ) land.

Review of Council's rates database, recent aerial photography and a site visit audit has identified that there are only 4 vacant properties (two sets of 2 adjacent properties), providing a total of 0.44 ha of vacant supply, resulting in a 3.8% land vacancy rate.

TABLE 23 RETAIL/COMMERCIAL LAND SUPPLY, TOWN CENTRE, 2018

	Land Area (ha)
Occupied Land	11.02
Vacant Supply	0.44
Total Zoned C1Z Area	11.46

Source: Macedon Ranges Shire Rate Database, Urban Enterprise 2018

FLOORSPACE SUPPLY

The following provides a summary of floorspace in the Gisborne Town Centre in 2018 and compares to the floorspace assessment completed in 2009 by Tim Nott. A more detailed analysis of floorspace is included in the retail and commercial assessments which follow.

There is currently a total of approximately 50,000 sqm of floorspace in the Gisborne Town Centre, 26,000 of which is retail floorspace and 18,000 commercial floorspace.

There is estimated to be an additional 3,118 sqm of built floorspace in the town centre since 2009. The majority of additional floorspace is in commercial uses (+4,795 sqm) and retail uses (+2,575 sqm).

There are also some minor industrial uses located in the town centre, including warehouse uses (automotive, smash repairs) (1,030sqm) and other industrial (car wash and petrol station) (248sqm).

Other uses, which are in the Commercial 1 Zone but are not commercial uses include the Gisborne Uniting Church, accounting for 396m² of floorspace.

The commercial area of the Town Centre is also surrounded by civic and recreation uses which are not in the Commercial Zone including an Aquatic Centre (PPRZ), Library and Community Centre (PUZ).

TABLE 24 TOWN CENTRE FLOORSPACE OVERVIEW

Land Use	Floorspace (2009)*	Floorspace (2018)	Change
Retail	23,270	25,845	2,575
Commercial	13,470	18,265	4,795
Industrial (C1Z)	2,200	1,278	-922
Non Commercial	3,280	2,184	-1,096
Sub-Total Occupied	42,220	47,572	+5,352
Vacant	4,710	2,477	-2,233
Total	46,930	50,048	3,118

Source: Macedon Ranges Shire Rate Database, Urban Enterprise 2018

2009 floorspace taken from Gisborne Commercial Assessment, Tim Nott, 2009

*Please note: floorspace categorisation from 2009 differs from Urban Enterprise methodology. Therefore some assumptions have been made in order to reclassify to align to land use types above. Some caution should therefore be taken when assessing trends for * land categories between 2009 and 2018.

VACANCY RATE

In total, there is estimated to be 46,587 sqm of retail and commercial floorspace in the town centre (occupied and vacant), of which 5.3% is vacant. The vacancy rate has improved substantially since the commercial assessment completed by Tim Nott in 2009, which was reported at 10% of floorspace. The high vacancy rate in 2009 was primarily as a result of new floorspace coming to market but yet to be occupied, including the Nexus Centre.

6.3.2. GISBORNE BUSINESS PARK

LAND SUPPLY

The current estimate of gross zoned land in the Gisborne Business Park is 54 hectares, 38 hectares of which is located between Saunders Road and the railway line, 16 hectares is located north of the railway line on Hamilton Road.

TABLE 25 GROSS INDUSTRIAL LAND SUPPLY

	Ha
Main Industrial Precinct	38
North of Railway Line	16
Gross Zoned Supply	54

Source: Urban Enterprise, 2020 – based on review of aerial photography

Figure 28 shows the vacant industrial lots in New Gisborne. The map shows that majority of supply is in the northern area of subdivided land and to the north-east of core Business Park.

FIGURE 28 VACANT INDUSTRIAL LAND SUPPLY (2020)



Source: Urban Enterprise, 2020

6.4. ZONING

COMMERCIAL AND INDUSTRIAL LAND

All of the commercial land in Gisborne is zoned C1Z, there is no C2Z or MUZ land in Gisborne. All of the industrial land in Gisborne is zoned IN1Z - there is no IN2Z or IN3Z land in Gisborne. The purpose and key uses supported by commercial and industrial zones is outlined below:

Available Commercial Zones	Purpose / Overview	Available in Gisborne
C1Z	To create vibrant mixed use commercial centres for retail, office, business, entertainment and community uses. To provide for residential uses at densities complementary to the role and scale of the commercial centre.	✓
C2Z	To encourage commercial areas for offices, appropriate manufacturing and industries, bulky goods retailing, other retail uses and associated business and commercial services.	✗
C3Z	The Commercial 3 Zone was recently introduced to the Victorian Planning Provisions. The purpose of the C3Z is to provide for a range of industrial, commercial, office and other employment generating uses which support the mixed-use employment function of the area. To promote collaborative and high-quality working environments which support the area through good urban design and high amenity, accessible and well connected places. To provide opportunities for limited retail uses which are complementary to the	✗

	role and scale of the area. To provide the option for limited residential uses that do not undermine the primary employment and economic development focus of the zone.	
MUZ	The MUZ is to provide for a range of residential, commercial, industrial and other uses which complement the mix- use function of the locality. To provide for housing at higher densities.	✗
IN1Z	To provide for the manufacturing industry, the storage and distribution of goods and associated uses. Key uses include light industrial and commercial uses.	✓
IN2Z	To provide for heavier manufacturing industry, the storage and distribution of goods and associated facilities, to promote manufacturing industries and storage facilities that require a substantial threshold distance within the core of the zone.	✗
IN3Z	To provide for industries and associated uses in specific areas where special consideration of the nature and impacts of industrial uses is required to avoid inter-industry conflict, to provide a buffer between the IN1Z and IN2Z and local communities, which allows for industries and associated uses compatible with the nearby community, to allow for limited retail opportunities including convenience shops, small scale supermarkets and associated shops in appropriate locations.	✗

Source: Planning Schemes Online

6.4.1. KEY FINDINGS

There are two main precincts that comprise the commercial, retail and industrial land requirements of Gisborne including the Town Centre (C1Z) and the Gisborne Business Park (IN1Z).

The Town Centre is comprised of almost 11.5ha of zoned land, 0.44ha of which is considered vacant.

There is estimated to be 54ha gross of zoned industrial land in the Gisborne Business Park.

There are a variety of commercial zones available to Council in delivering land to meet the commercial needs of the business market. Currently, Gisborne is only utilising Commercial 1 Zone (C1Z) land to facilitate commercial development. Commercial 1 Zone land is typically high value commercial land, in part due to its flexibility for a variety of uses (including residential development), as well as its location (typically located in core areas of town centres).

The Commercial 2 Zone (C2Z) is typically found on the periphery of town centres or in designated employment or retail precincts (i.e. bulky goods/showrooms/homemaker centres) with good exposure to passing traffic. Gisborne does not currently have any C2Z land. As a point of comparison, Kyneton has a significant supply of C2Z (29.5ha approx.), with a population of 9,848, approximately 3,000 residents less than Gisborne.

There is potential that the lack of diversity of commercial zoned land in Gisborne may be limiting the opportunities for a diversity of commercial uses and business types in Gisborne. This may also mean that high value C1Z land is being utilised for uses which would otherwise locate in a “lower value” zone as well as artificially constraining certain types of businesses from establishing in the Gisborne Town Centre. This in turn may be limiting economic and employment growth, and increasing escape expenditure to areas outside of Gisborne.

The Commercial 3 Zone (C3Z) was recently introduced to the VPP. Its relevance and potential in Gisborne may be currently limited. It generally promotes business uses, whilst also facilitating some residential development.

The Gisborne Business Park is zoned IN1Z. A range of commercial and industrial zones are available to Councils under the Victorian Planning Provisions, however most these are not applied in Gisborne at present.

7. RETAIL ASSESSMENT

7.1. INTRODUCTION

This section of the report provides an assessment of demand for retail and commercial floorspace and land in Gisborne.

7.1.1. DEFINITIONS

RETAIL ACTIVITY

Retail activity is defined as the Retail Trade industry division according to the industry classifications used by the Australian Bureau of Statistics (ABS) in the Australian and New Zealand Standard Industry Classification 2006. Some ABS 'retail' uses are excluded from this retail analysis, as these uses do not typically take place within activity centres: sale of motor vehicles and parts, marine equipment, garden supplies and non-store retailing (such as online, catalogue, etc).

RETAIL CATEGORIES

Retail businesses within Gisborne have been categorised into the following categories:

- **Food/Liquor/Groceries (FLG)** – includes supermarket, deli, bakery, convenience store, bottle shop and shops selling food that is not ready-to-eat.
- **Food Catering (FC)** – includes cafes, restaurants and takeaway food premises.
- **Apparel/Homewares/Leisure (AHL)** – includes clothing stores, shoes stores, gift stores, pharmacies, optometrists, homewares stores, sports and fitness stores, and outdoor living and camping stores.
- **Bulky Goods (BG)** – generally includes furniture, hardware stores, and whitegoods.

- **Retail Services (RS)** – generally includes services such as beauty salons, hairdressers and dry cleaning stores.

These categories (and variations on these) are commonly used to define the existing floorspace of a centre and to model demand for floorspace by retail floorspace type.

7.2. PREVIOUS ASSESSMENT

GISBORNE COMMERCIAL ASSESSMENT (2009)

A commercial assessment was undertaken for Gisborne by Tim Nott in 2009. The report provided an assessment of the retail and commercial land requirements to assist in the preparation of a structure plan.

The report identified that Gisborne had 46,900 sqm of commercial floorspace, of which 21,000 sqm was providing retail goods and services, with office, hotel and other commercial activities making up the remainder of floorspace.

The vacancy rate was estimated at 10% of all space in the centre. 13% of all shop space was considered as vacant.

The assessment estimated that the Gisborne retail trade area would be capable of supporting an additional 22,900 sqm of retail floorspace by 2031, 12,400 sqm of which was retail space.

The remaining 12,500 sqm would be required for non-retail activity space, resulting in a total land requirement of between 4 and 6 hectares.

7.3. RETAIL TRENDS

The retail sector has undergone significant changes since the 1990s with the rise of technology, improvements in supply chain logistics, online retail and social media. Key retail trends and changes relevant to the Gisborne context include:

- **Online Sales and direct to consumer:** The rise in direct to consumer retail via online sales has been a major trend in the retail landscape. Amazon has grown at exceptional scale and will continue to do so, taking a disproportionate share of retail sales. Amazon's influence on the Australian retail market is likely to continue to increase post its entry into the Australian market in 2017. There has also been a rise in the number of online retailers nationally, many offering next day delivery. This is leading to increased expectation within the Australian market for immediacy of products.
- **Rise in Online Food Retailing:** There has also been a rise in online food retailers, including meal packages from retailers such as Hello Fresh and Marley Spoon and grocery delivery from major retailers.
- **The Rise of Localism:** Somewhat at odds with online retailing, there has been a rise in consumer preferences to shop locally as people become engrained and attached to their local community.
- **Experiential shopping:** There has been an increase in the experiential and lifestyle side of retail to improve the shoppers experience. This is also related to the tenancy mix.
- **Large Format Retail (Bulky Goods):** Large format retail has performed strongly in the recent past. Partly, this is driven by a boom in residential growth and house renovations, driving demand for household goods. Large format retail centres are also becoming increasingly diversified to include a mix of retail (electrical, homewares, furniture, hardware), gyms, restaurants/cafes, bottle shops and pet supply businesses.
- **Discount Department Stores:** Discount department stores have generally performed well in recent years, led by retailers such as Kmart, offering cheaper product alternatives to value conscious customers. These stores are also increasingly reliant on establishing strong economies of scale to support viability.

7.4. TOWN CENTRE CONTEXT

The Gisborne Town Centre provides a diversity of good and services and appears to have healthy retail competition (i.e. multiple options for the same use). It provides services to the local and regional population but does not support higher order goods and services (e.g. Large Format Retail, Department Stores, Discount Department Stores or Entertainment (cinemas, bowling etc.)). The Town Centre is well occupied, with limited shop vacancies.

The Town Centre is anchored by three supermarkets. Two full line supermarkets include Coles and IGA, whilst Foodworks provides a smaller convenience based supermarket. A fourth supermarket (Aldi) was recently approved, however it is yet to be constructed. This supermarket will be located to the south of town on the periphery of the commercial area on Aitken Street on a former hardware store site.

The Town Centre generally accommodates a mix of retail and non-retail uses. Retail uses include supermarkets, bakeries, butcher, liquor stores, cafes, pubs, takeaway, restaurants, clothing, shoes, pharmacies, optometrists, homewares, beauty salons and hairdressers.

The Town Centre also hosts the monthly Gisborne market, which draws trade from across the region and is a feature and complementary product to the Gisborne retail offer, providing a range of local produce, food stalls and hand-made food items.

Non-retail commercial businesses include offices, real estate agents, banks, medical centres, gyms/fitness studios and other commercial uses.

There is very limited residential land use within the Town Centre. Some sites on the periphery of the town centre which are in the Commercial 1 Zone are utilised as dwellings. **Figure 29** shows the town centre layout and major uses.

There is a lack of night time dining and entertainment venues in the Gisborne Town Centre, including restaurants and bars, with a higher proportion of day time retailers and hospitality venues.

Table 26 provides a summary of the types of retailers within the Town Centre. The retail role of the Town Centre is heavily weighted toward supermarkets and small to

medium speciality stores. There are no department stores or discount department stores (Kmart, Big W, Target).

TABLE 26 GISBORNE RETAIL PROFILE SUMMARY

Type	Full Line Supermarkets	Small to medium speciality Stores	Department Stores	Discount Department Stores	Large Format Retail
Provided in Gisborne	✓	✓	✗	✗	✗
Key retailers	Coles	Bakeries			
	IGA	Liquor Stores			
	Food works	Takeaway	NA	NA	NA
	Aldi (Future)	Cafes			
		Clothing Homewares			

FIGURE 29: TOWN CENTRE CONTEXT



Commercial Zone 1 (C1Z)

7.5. RETAIL FLOORSPACE

SUPPLY

There is estimated to be approximately 27,000 sqm of occupied and vacant retail floorspace in the Town Centre, 5% of which is vacant. It should be noted that the vacancy rate includes floorspace which is intended to be redeveloped as part of the proposed Aldi development. If this site is excluded from the calculation, the vacancy rate reduces to 2%. There has been growth of 2,575 sqm of retail floorspace between 2009 and 2018 (+290 sqm per annum) across all retail categories.

Supermarkets and supporting Food, Liquor and Grocery (FLG) stores account for almost 7,300sqm of floorspace. Since 2009, there has been a small reduction in floorspace dedicated to FLG (-231 sqm), however, the future development of Aldi Supermarket will provide a substantial increase (1,654 sqm) to this retail floorspace category.

The most prevalent retail use is that of Food Catering (FC) (8,700sqm), which includes stores such as take-away and dine-in restaurants, cafes and pubs. Since 2009, floorspace dedicated to FC has increased by +1,752 sqm metres.

Retail Services has also seen a substantial increase since 2009 (+1,626 sqm).

There are very limited large format retail in the town centre: three stores have been classified under this category including a plumbing supplies, pet supplies and bathroom/kitchen supplies business. There are no noted entertainment facilities in the Town Centre.

TABLE 27 RETAIL FLOORSPACE

Land Use Type	Floorspace (sqm)(2009)	Floorspace (sqm) 2018	Change
Food, Liquor & Groceries (FLG)	7,510	7,279	-231
Food Catering (FC)	6,980	8,656	+1,752
Apparel, Homewares & Leisure (AHL)	5,340	4,844	-496
Large format retail (Bulky Goods)*	3,440	610	+1,626
Retail Services*		4,456	
Total Retail (Occupied)	23,270	25,845	+2,575
Vacant Retail	NA	1,371	NA
Total Occupied and Vacant		27,216	
Retail Vacancy Rate	NA	5%	NA

Source: Macedon Ranges Shire Rate Database, Urban Enterprise 2018

2009 floorspace taken from Gisborne Commercial Assessment, Tim Nott, 2009

*Note: floorspace categorisation from 2009 differs from Urban Enterprise methodology. Therefore some assumptions have been made in order to reclassify to align to land use types above. Some caution should therefore be taken when assessing trends for * land categories between 2009 and 2018.

7.6. REGIONAL RETAIL CONTEXT AND RETAIL TRADE AREA

The following provides an overview of the retail hierarchy context, supported by **Figure 30**.

The largest competing retail centres relevant to Gisborne include Sunbury and Watergardens.

Sunbury is the closest major centre to Gisborne and includes all major supermarket (Woolworths, Coles, Aldi), discount department stores and large format retailers.

Watergardens is located approximately 21 minutes south-east of Gisborne and includes supermarkets, major retailers, discount department stores and large format retailers.

Other centres include:

- Melton is located 23 minutes south of Gisborne, and includes all major supermarkets, discount department stores and large format retail.
- Highpoint is located 37 minutes from Gisborne and includes department stores and major retailers and international brands. Large format retailers are also located close to Highpoint.
- Essendon Fields is located 35 minutes from Gisborne and includes Coles and speciality supermarket LaMana, as well as DFO and large format retail.

North of Gisborne the retailing context changes. The nearest full line supermarket north of Gisborne is located in Woodend, where a new 3,500 sqm Coles and 200sqm liquor land has been recently constructed. The existing Coles supermarket building remains vacant and may be occupied by a second supermarket.

Kyneton is located north of Woodend and includes two supermarkets (Woolworths and IGA).

Smaller towns including Riddells Creek, Macedon and Romsey all have a single, smaller supermarket.

RETAIL TRADE AREA

As a sub-regional centre, Gisborne services an area larger than the township. The extent of the retail trade area of Gisborne is influenced mainly by the location of competing centres and access for residents.

Figure 30 shows the retail trade area for Gisborne including primary and secondary catchments. This catchment was defined by reference to the regional retail context as previously discussed. The primary catchment aligns to the Gisborne SA2 area, whilst the secondary catchments include Macedon SA2 and Riddells Creek SA2. Together, these areas make up the retail trade area for Gisborne.

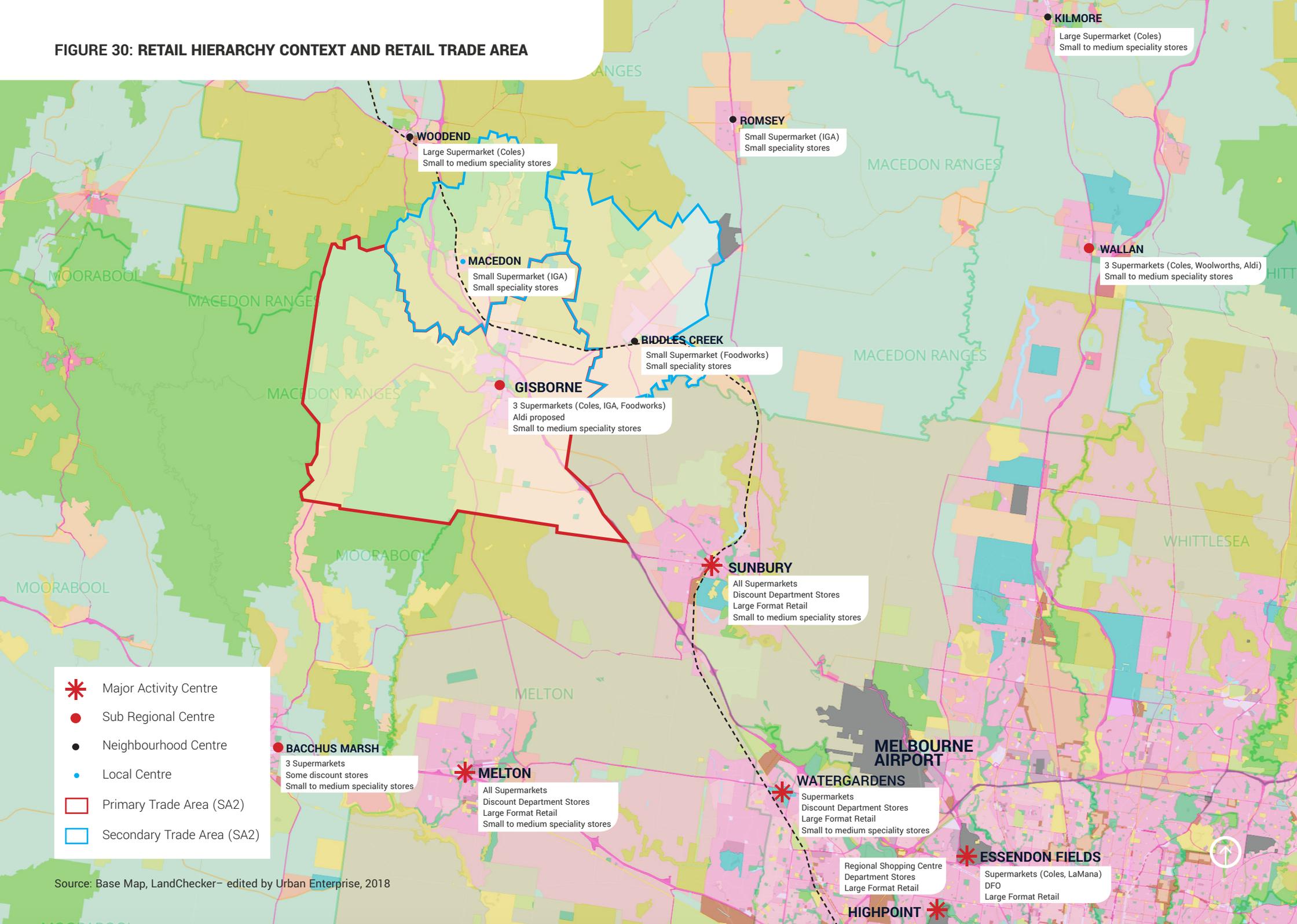
The secondary catchment includes the key towns of Macedon and Riddells Creek. Both of these towns have small supermarkets but would likely utilise Gisborne for higher order goods and services. Macedon is located at the midway point between Gisborne and Woodend. As there is only a small IGA supermarket in Macedon, these residents may choose to utilise either Gisborne or Woodend for higher order retail needs, however, for the purposes of this analysis it is assumed that residents of Macedon are more likely to utilise Gisborne than Woodend due to its greater size and diversity of retail offer.

Riddells Creek is located approximately 13 minutes' drive to the east of Gisborne. Riddells Creek has a small town centre and includes a Foodworks supermarket. Similar to Macedon, these residents are likely to draw on Gisborne for the provision of retail services that are not provided in the Riddells Creek town centre.

Romsey is located approximately half way between Gisborne (23 minutes by car) and Wallan (21 minutes by car) and is designated to grow to a large district town, which may result in delivery of a full line supermarket in the future. Given these considerations, Romsey has been excluded from the retail trade area. However, some retail demand from Romsey has been accounted for as part of passing trade from outside of the catchment area.

The retail trade area is shown in **Figure 30**. This retail trade area also aligns to the catchment set by Tim Nott in the previous commercial assessment (2009).

FIGURE 30: RETAIL HIERARCHY CONTEXT AND RETAIL TRADE AREA



Source: Base Map, LandChecker— edited by Urban Enterprise, 2018

7.7. DEMAND

This section includes analysis of retail floorspace demand indicators.

EMPLOYMENT (WORKERS)

Between 2011 and 2016, there was an additional 20 jobs in Retail Trade within the Destination Zone incorporating the Gisborne Town Centre, resulting in an average annual growth rate of 0.9% per annum.

TABLE 28 EMPLOYMENT IN RETAIL TRADE (GISBORNE DESTINATION ZONE)

	2011	2016	Change	AAGR
Retail Trade	421	441	+20	0.9%

Source: ABS Census, Place of Work 2011 & 2016

CONSUMPTION

Since 2009, an additional 2,575 sqm of retail floorspace has been consumed, resulting in an average consumption rate of 286 sqm per annum.

TABLE 29 CONSUMPTION OF COMMERCIAL FLOORSPACE

	Occupied Retail Floorspace (sqm)(2009)	Occupied Retail Floorspace (sqm) 2018	Change	Annual Average Consumption (2009-2018)
Total Retail (Occupied)	23,270	25,846	+2,575	286 sqm

Source: Council Rates Database, Tim Nott 2009, Urban Enterprise 2018

PLANNING AND BUILDING PERMITS

There was an average of 4 building permits issued per year relating to retail uses between 2009 and 2017 and 2 retail related planning permits issued between 2009 and 2018.

TABLE 30 HISTORIC PERMIT RATES

Building Permits	Average 4 per year 2009-2017
Planning Permits	2 permits issued between 2009-2018

FLOORSPACE PER CAPITA

The following shows the proportion of retail and commercial space provided per resident within the Retail Trade Area.

TABLE 31 RETAIL SPACE PER PERSON, 2018

	Floorspace	Retail Trade Area Catchment Population (2018)	Sqm/pp
Food/Liquor/Groceries	7,279	21,859	0.33
Food Catering	8,732		0.40
Apparel/Homeware/Leisure	4,844		0.22
Bulky Goods	610		0.03
Retail Services	4,456		0.20

CONSULTATION SUMMARY

Consultation with local real estate agents and Nexus Centre management was undertaken in regard to the retail property market. Key outcomes include:

- Sales prices in the retail sector have been performing well. Key recent major sales include the Cordial factory site (\$1.86 million in 2018) and the Foodworks (\$7 million in 2015).
- Locals are supportive of shops in town. Some retail uses generally have a higher turnover of property including food and beverage and clothing stores.
- Establishment of Aldi may impact on existing supermarkets, however, anecdotally existing Gisborne residents currently shop at Aldi in Sunbury so may bring sales back to Gisborne.
- The town is generally “land-locked”, with a lack of development sites. Any significant new amounts of commercial land would need to be established in a new neighbourhood centre, however, there could be complexities in identifying appropriate locations.
- Larger format retail and discount department stores are potentially not suited to Gisborne because of land constraint issues.
- Sunbury currently provides larger format retail to service Gisborne residents. It was noted that Gisborne does not want to turn into a Sunbury type town centre.

7.8. RETAIL TRADE AREA

POPULATION

Table 32 shows the trade area population in 2011 and 2016 and the average annual growth rate.

The primary catchment for Gisborne had a population of 13,345 people in 2016 and grew at a rate of 3.2% per annum between 2011 and 2016.

The secondary catchment had a population of 7,726 residents in 2016. The secondary trade area grew at a rate of 1.4% between 2011 and 2016.

The retail trade area had a population of 21,071 residents in 2016, which grew at an average annual rate of 2.6% between 2011 and 2016.

TABLE 32 TRADE AREA POPULATION, ERP

	Pop. 2011	Pop. 2016	AAGR % (2011-2016)
Gisborne SA2 (Primary Trade Area)	11,380	13,345	3.2%
Macedon SA2 (secondary)	3,308	3,541	1.4%
Riddells Creek SA2 (secondary)	3,882	4,185	1.5%
<i>Total: Primary Trade Area</i>	<i>11,380</i>	<i>13,345</i>	<i>3.2%</i>
<i>Total: Secondary Trade Area</i>	<i>7,190</i>	<i>7,726</i>	<i>1.4%</i>
Total: Retail Trade Area	18,570	21,071	2.6%

Source: ABS Regional Population Growth, 2017

FORECAST POPULATION

Forecast population is based on Forecast .id districts, on which Council’s population projections are based. The .id districts largely align to the ABS SA2 areas of the retail trade area, except for the Riddells Creek district, which extends further east. The id district boundaries can be found in Appendix A.

Forecast .id project that the population of the Gisborne SA2 will be 20,454 residents in 2036, equating to a forecast growth rate of 2.2% over the 20-year period. The secondary catchment is forecast to have a population of 10,863 people by 2036, equating to a forecast population growth rate of 1.5% per annum.

In total, the retail trade area is forecast to reach 31,317 people by 2036 equating to a growth rate of 1.9% over the 20-year period. This projects approximately an additional 10,000 residents in the trade area, 7,100 of which are located in the Primary Trade Area.

TABLE 33 FORECAST .ID POPULATION

Forecast ID Area	2016	2021	2026	2031	2036	CHANGE (#) 2016-36	AAGR 2016- 2036
Primary Trade Area							
Gisborne District	13,345	14,716	16,297	17,850	20,454	+7,109	2.2%
Secondary Trade Area							
Macedon and Mount Macedon District	3,541	3,476	3,472	3,452	3,446	-95	-0.1%
Riddells Creek District*	4,486	4,800	5,479	6,530	7,417	+2,931	2.5%
<i>Total: Primary Trade Area</i>	<i>13,345</i>	<i>14,716</i>	<i>16,297</i>	<i>17,850</i>	<i>20,454</i>	<i>+7,109</i>	<i>2.2%</i>
<i>Total: Secondary Trade Area</i>	<i>8,027</i>	<i>8,276</i>	<i>8,951</i>	<i>9,982</i>	<i>10,863</i>	<i>+2,836</i>	<i>1.5%</i>
Total: Retail Trade Area	21,372	22,992	25,248	27,832	31,317	+9,945	1.9%

Source: Forecast .id, 2018

*Note. Forecast .id area Riddles Creek District does not exactly align to ABS SA2 Riddles Creek.

POPULATION AND GROWTH RATE SUMMARY

Table 34 provides a summary of the key historical and forecast growth rates for the retail trade area for Gisborne.

TABLE 34 SUMMARY OF GROWTH RATES

	Historical 2011-2016	Forecast 2016-2036
Primary Trade Area	3.2%	2.2%
Secondary Trade Area	1.4%	1.5%
Retail Trade Area	2.6%	1.9%

Source: ABS Census, 2011, 2016; Forecast .id, 2018

7.8.1. TRADE AREA DEMOGRAPHICS

Table 35 provides a summary of the key relevant demographics of the retail trade area. Observations include:

- The retail trade area had a higher median weekly and personal income in 2016 when compared to Macedon Ranges Shire and Regional Vic;
- The median age in Gisborne was lower than that of Macedon and Riddells Creek; and
- Macedon had the highest median weekly personal income.

TABLE 35 RETAIL TRADE AREA KEY DEMOGRAPHICS

	Gisborne SA2	Macedon SA2	Riddells Creek SA2	Macedon Ranges Shire	Regional Vic.
Median Age	39	44	42	42	43
Median Weekly Household Income	\$1,869	\$1,932	\$1,830	\$1,638	\$1,124
Median Weekly Personal Income	\$749	\$796	\$750	\$702	\$576

Source: ABS Census. 2016

RETAIL EXPENDITURE

Retail expenditure of Gisborne residents is estimated by MarketInfo. The average annual retail expenditure of the Primary Catchment is estimated at \$14,446 per person, with a marginally higher expenditure in the secondary catchment of \$15,101 per person. **Table 36** shows the total expenditure of the catchment residents in 2018, estimated at \$321m per annum.

TABLE 36 RETAIL EXPENDITURE PER CAPITAL BY CATCHMENT, 2018

	Primary	Secondary	Victoria Avg
Food, Liquor and Groceries	\$6,574	\$6,848	\$6,360
Food Catering	\$1,746	\$1,826	\$1,768
Apparel, Homewares and Leisure	\$3,930	\$4,071	\$3,604
Bulky Goods	\$1,676	\$1,813	\$1,413
Retail Services	\$520	\$542	\$480
Total	\$14,446	\$15,101	\$13,626

Source: MarketInfo, 2014 escalated to 2018 values by Urban Enterprise

TABLE 37 ANNUAL RETAIL EXPENDITURE, GISBORNE MTA, 2018

Catchment Area	Population estimate (2018)	Expenditure per capita	Total Expenditure
Primary Catchment	13,927	\$14,446	\$201,200,000
Secondary Catchment	7,932	\$15,096	\$119,700,000
Main Trade Area	21,859	\$14,683	\$320,900,000

Source: MarketInfo, 2014 escalated to 2018 values by Urban Enterprise, ABS ERP, 2018, Forecast ID, 2018

GISBORNE MARKET SHARE

Based on estimated turnover densities, the annual retail turnover of existing Gisborne retailers is estimated at \$140.2m. This estimate of turnover takes into consideration the retail floorspace types and categories, with turnover densities applied according to these retail types and an allowance 20% of all turnover to be driven by non-residents.

The remaining turnover of \$112.2m per annum is drawn from the catchment residents, which have a combined expenditure of \$321m. Therefore, it is estimated that Gisborne has a retail market share of approximately 35% of expenditure within its catchment area, with a higher market share estimated for the Primary Catchment (42%) as shown in **Table 38**.

TABLE 38 ESTIMATED GISBORNE RETAIL MARKET SHARE,

Summary Table	Turnover	Expenditure	Market Share
Gisborne Retailers Annual Turnover	\$140,200,000		
Turnover drawn from outside the catchment	\$28,000,000		20%
Turnover drawn from catchment residents	\$112,200,000	\$320,900,000	35%
Primary Catchment	\$84,100,000	\$201,200,000	42%
Secondary Catchment	\$28,000,000	\$119,700,000	23%

Source: Urban Enterprise, 2018

POPULATION AND EXPENDITURE GROWTH

Projected population growth in the catchment is expected to be the major driver in additional demand for retail floorspace in Gisborne over the projection period. In addition, the amount spent by new and existing residents is expected to increase in real per capita terms, following long term trends of increasing expenditure per person.

An allowance for an average annual increase of 0.5% per annum in real per capital retail spending has been included in the model. This rate is lower than the long term average to reflect the declining rate of real growth in recent years, and to allow for an expected increase in the impact of online retail on store based retailers which is particularly relevant to peri-urban areas such as Gisborne and which is also supported by a decline in retail employment in the SA2 between 2011 and 2016.

Table 39 shows that the total retail expenditure of the catchment population is projected to increase from \$308m per annum in 2018 to \$473m per annum by 2036, an increase of \$165m per annum.

TABLE 39 PROJECTED CATCHMENT RETAIL EXPENDITURE GROWTH, 2018-2036

	2018	2026	2036	Change
Primary Catchment	\$201,189,000	\$248,381,000	\$323,227,000	+\$122,038,000
Secondary Catchment	\$119,741,000	\$138,751,000	\$169,379,000	+\$49,638,000
Total	\$320,931,000	\$387,131,000	\$492,606,000	+\$171,675,000

Source: MarketInfo, 2014 adapted by Urban Enterprise 2018, Forecast ID, 2018

7.9. LARGE FORMAT RETAIL

OVERVIEW

Large format or bulky goods retailers are traditionally large users of commercial land and generally require good access and exposure to passing traffic.

Large format retailers are typically found on the periphery of town centres or in light industrial precincts, on relatively inexpensive commercial land (particularly when compared to C1Z land).

Currently, there is a very low provision of large format retail in the Gisborne Town Centre and very limited opportunity for development of large format retail in or on the periphery of the town centre. As previously discussed, there is no Commercial 2 Zone land in Gisborne, which could accommodate bulky goods uses.

New Gisborne provides industrial land which could permit large format retail, however, this precinct has very limited exposure to passing traffic and is accessible via one road. The current characteristics of the precinct for establishment of large format retail are not favourable.

LOCATION OF LARGE FORMAT RETAIL

Key competing centres include:

- Sunbury: located 15 minutes south-east of Gisborne, Sunbury provides the nearest opportunity to Gisborne for residents to access large format retail. Key retailers include Bunnings Warehouse, the Good Guys, Godfreys, Petstock, Repco, Total Tools as well as other retailers. Further C2Z land is also likely to be delivered as part of current Precinct Structure Plans (PSP) including the Sunbury South PSP. As Sunbury continues to grow, it is expected the diversity of large format retailers will also increase.
- Watergardens (Taylors Lakes): located approximately 21 minutes south-east of Gisborne, Watergardens Shopping Centre includes Bunnings Warehouse, Dan Murphys, Harvey Norman, Big W, the Good Guys, Boating Camping Fishing, Spotlight etc,

- Essendon Fields: located approximately 35 minutes south-east of Gisborne, Essendon Fields DFO/Homemaker Centre includes anchor retailers including the Good Guys, Dan Murphy's, Freedom, Nick Scali, Spotlight, Adriatic Furniture, Snooze and JBHiFi.
- Highpoint: located 37 minutes south-east of Gisborne. Highpoint is a major regional shopping destination. In addition to the centre retailers, the Highpoint area also includes large format retail. Key businesses include Bunnings Warehouse, the Good Guys, JB HiFi, Petbarn, Barbeques Galore, Fantastic Furniture, Supercheap Auto, Baby Bunting and others.
- Melton: located 23 minutes south of Gisborne there are a number of large format retailers located in Melton including the Good Guys, Bunnings Warehouse, Supercheap Auto and Petstock. These uses however, are generally located in the IN1Z as there is no C2Z land in Melton.
- Kyneton: There is limited large format retail in Kyneton, however, Kyneton provides for large format retail through the provision of the Commercial 2 Zone in two locations on the periphery of the town. Land was rezoned from IN1Z to C2Z on the eastern periphery of town to facilitate showrooms and large format retailing as part of Amendment C99 in 2017. Types of businesses currently occupying C2Z land in Kyneton include a Toyota dealership, Motorcycle business and hire business.

ESCAPE EXPENDITURE

Given the limited supply of large format retail in the Gisborne, it is expected that there is a large amount of escape expenditure from the Trade Area for large format retail, with Sunbury providing the most convenient location for Gisborne residents to access large format retail.

It is estimated that the Gisborne Trade Area is currently losing approximately 94.5% or \$28 million in escape expenditure on large format retail, most of which is taking place outside the municipality. Gisborne is also well under the national average in terms of large format floorspace provision per resident, currently providing around 0.03 sqm per person.

The limited provision of large format retail floorspace and high escape expenditure means that the economic development and employment gains of providing local large format retail are lost to adjoining municipalities.

SUITABILITY OF LARGE FORMAT RETAIL IN GISBORNE

Gisborne is designated as one of two sub-regional centres in the Macedon Ranges Shire. The other regional centre being Kyneton, currently provides for some large format retail through the provision of C2Z land. However, Kyneton's regional context differs from Gisborne as Gisborne residents are only required to travel for 15 minutes to access large format retail in Sunbury, whilst this increases to around 35 minutes for Kyneton residents.

Discussions with local real estate agents and others suggest that provision of large format retail/homemaker centre type uses may not be an appropriate retail use for Gisborne due to the land requirements, constraints on land supply, location of competing centres and the implications for the role and function of Gisborne as a retail centre.

It is unlikely that Gisborne is suited to the provision of a significant quantity of land for large format retail/home maker centre in the short to medium term for the following reasons:

- The location and size of competing centres including Sunbury, Essendon Fields, Highpoint, Taylors Lakes and Melton;
- The required accessibility and exposure to passing traffic;
- Land and floorspace requirements for large homemaker businesses;
- Viability of supporting large format retail development given the location of competing centres;
- The need to provide for a critical mass of large format businesses to support the viability of the centre. Apart from a limited number of retailers (i.e. Bunnings Warehouse), which can generally succeed without being co-located with other large format retail businesses, they typically require co-location or the establishment of a critical mass to become viable.

Nonetheless, there are clearly limited opportunities for a business to establish in Gisborne that require more affordable land (when compared to land in the town centre), main road exposure to passing traffic and that cater to local population demand. This includes businesses such as gyms, child play centres, rock climbing centres, car washes, showrooms, offices and factoryettes, service stations, breweries, workshops and galleries. Therefore, there is likely potential for the establishment of a niche C2Z precinct to cater to these business opportunities rather than targeting the attraction of a large homemaker centre. This is explored further in Section 9.9.

7.10. SUPPORTABLE RETAIL FLOORSPACE PROJECTION

Projections of supportable floorspace in Gisborne have been prepared based on the preceding analysis, along with the following assumptions:

TABLE 40 RETAIL EXPENDITURE, TURNOVER AND SUPPORTABLE FLOORSPACE, GISBORNE, 2018-2036

	2018	2026	2036	Change	AAG
Population	21,859*	25,396	30,819	+8,960	1.7%
Catchment Retail Spending	\$320,900,000	\$387,100,000	\$492,600,000	+\$171,700,000	2.2%
Expenditure Captured by in store retailers					
Turnover from Primary Catchment	\$84,100,000	\$103,800,000	\$135,100,000	+\$51,000,000	2.4%
Turnover from Secondary Catchment	\$28,000,000	\$32,500,000	\$39,700,000	+\$11,600,000	1.8%
Turnover from outside catchment	\$28,000,000	\$34,100,000	\$43,700,000	+\$15,700,000	2.3%
Total Turnover	\$140,200,000	\$170,400,000	\$218,500,000	+\$78,300,000	2.2%
Average Turnover per sqm	\$5,410	\$5,630	\$5,920	+\$510	0.5%
Retail Floorspace	25,920	30,280	36,930	+11,010	1.8%

Source: Urban Enterprise, 2018

*Source: ABS ERP, 2018

- Gisborne will continue to attract a constant market share based on current estimates; and
- Turnover densities will increase at a rate of 0.5% per annum over the projection period.
- Retail trade area population in 2018 based on ABS Estimated Resident Population, escalated to 2036 utilising Forecast .Id growth rates.

Table 40 shows the supportable floorspace projections for all retail types to 2036, with an estimated increase in supportable floorspace of 11.000sqm over the next 18 years in Gisborne across all retail types.

It is expected that the development of the Aldi supermarket in the town centre will absorb 1,654 sqm of retail floorspace in the next few years, accounting for 15% of projected additional retail floorspace by 2036.

7.11. LAND REQUIREMENTS

Over the long term (to 2036), there is expected to be demand for an additional 11,000 sqm of floor space within Gisborne. At site coverage of 40%, approximately 2.7 hectares of land would be required. Approximately 0.44 ha of commercial land remains vacant within the Gisborne Town Centre.

There is limited vacant land in the Commercial 1 Zone (0.4ha), meaning that delivery of additional retail floorspace will primarily need to be delivered through redevelopment of existing sites in the town centre. This may result in greater development of commercial floorspace at upper levels, with ground levels primarily used for retail purposes.

In the medium to long term, opportunities in the existing Town Centre are likely to be limited, warranting consideration of rezoning new land to support retail development either at the fringe of the town centre or within a designated urban growth area (subject to more detailed economic assessment at the local level).

7.12. KEY FINDINGS

Retail is the largest industry of employment in Gisborne and the Town Centre accommodates a significant and diverse retail mix. Gisborne services a larger area than its direct township in the provision of retail goods and services, including Macedon and Riddles Creek.

The Gisborne Town Centre currently supports approximately 25,845 sqm of occupied retail floorspace, increasing by 2,575 sqm between 2009 and 2018. The current vacancy rate is 2% (excluding the Aldi site from the analysis), which is a healthy vacancy rate.

The Gisborne Town Centre supports a diversity of retailers, anchored by three supermarkets (Coles, IGA and Foodworks) and complemented by speciality stores.

The Town Centre retail profile generally reflects the retail offer of a large town or large neighbourhood centre, as opposed to that of a regional centre, given the

absence of department stores, discount department stores, national brand specialities and large format retailers.

Food retail is Gisborne's strength, supported by a high proportion of food retailing floorspace (including both Food, Liquor and Groceries (FLG) and Food Catering (FC)). Food retail accounts for almost 62% of occupied retail floorspace in the Gisborne Town Centre. This is further supported by the monthly Gisborne Market, drawing trade from across the region for a range of local produce, food stalls and hand made items. Conversely, there is a relative lack of non-food goods retailers, such as apparel, homewares and leisure, which would typically be more susceptible to externalities such as the rise in online retailing.

There is opportunity for Gisborne to build on its well-established strength in food retail by addressing relevant gaps including night time dining, bars and entertainment, as well as complementary opportunities in arts, culture and tourism. Realising these opportunities could enhance the emerging brand of the town centre as a regional gathering place for food and trade in a village setting.

Demand for retail floorspace has been steady in recent years, with retail floorspace being absorbed at approximately 300 sqm per annum between 2009 and 2018. Low retail floorspace vacancies (2%), coupled with recent retail developments, a number of refurbishments of existing shops and strong property sales results also indicate strong demand within the local retail sector.

Gisborne services a larger area than its direct township in the provision of retail needs. The retail trade area comprises the SA2s of Gisborne, Riddles Creek and Macedon. The retail trade area is forecast to experience significant growth in population to 2036, increasing by almost 9,000 residents over 18 years (equating to approximately 40% of the current retail trade area population). The majority of these new trade area residents will be located within the town of Gisborne itself, which will result in significant additional demand for retail goods and services in the town over the coming years.

Retail modelling prepared for the town projects that Gisborne could support in the order of an additional 11,000 sqm of retail floorspace over the period 2018 to 2036. This floorspace would generally require approximately 2.5 – 3 hectares of land within commercial zones.

There is limited vacant land in the Commercial 1 Zone (0.4ha), meaning that delivery of additional retail floorspace will primarily need to be delivered through redevelopment of existing sites in the town centre. This may result in greater development of commercial floorspace at upper levels, with ground levels primarily used for retail purposes.

In the medium to long term, opportunities in the existing Town Centre are likely to be limited, warranting consideration of rezoning new land to support retail development either at the fringe of the town centre or within a designated urban growth area (subject to more detailed economic assessment at the local level).

Gisborne is located in proximity to a number of competing centres which provide for large format retail including Sunbury, Watergardens, Melton, Essendon Fields and Highpoint. Although there is very limited large format or bulky goods retail in the town centre, Gisborne is unlikely to be suited to the provision of a significant sized precinct for large format retail (e.g, a homemaker centre) primarily due to the location and size of competing centres, land area and site requirements and the viability of establishing a new centre. The Structure Plan should, however, consider opportunities to support some peripheral retail/commercial uses south of the Gisborne Business Park along Saunders Road to fill an existing gap in the commercial zones (C2Z). This could also facilitate movement of remaining large format retailers away from the Town Centre (this is explored further in section 9).

8. COMMERCIAL ASSESSMENT

8.1. INTRODUCTION

This section of the report provides an overview of demand for commercial or non-retail floorspace in Gisborne.

8.1.1. DEFINITIONS

For the purposes of this report, commercial floorspace includes offices, real estate agents, banks, medical centres, professional services, consulting, gyms/fitness studios, entertainment premises and other commercial uses not classified as retail (excludes large scale commercial uses such as Council offices and community buildings).

8.2. FLOORSPACE SUPPLY

There is approximately 18,265 sqm of floorspace in the Town Centre which is used for commercial purposes. Occupied commercial floorspace in the Town Centre currently accounts for approximately 41% of occupied floorspace (commercial and retail) in the Gisborne Town Centre.

The vacancy rate for commercial floorspace is estimated at 6%. Since 2009 there has been consumption of an additional 4,795 sqm of floorspace in the town centre, 3,076 sqm of which is for office and +1,719 for bank, medical and other commercial. The majority of this commercial floorspace consumption was within the Nexus Centre.

Commercial floorspace is typically provided in either shopfronts or non-shopfront locations. Shopfront locations are uses which typically require exposure to the street, these uses include banks, real estate agents, accountants, financial advisors, medical practices and medical specialists (podiatry, optometry, osteopathy, psychology).

The profile of commercial uses in the Gisborne Town Centre generally aligns to industries generated by resident demand and as the population increases demand for these services is also expected to increase.

TABLE 41 COMMERCIAL FLOORSPACE

Land Use Type	Floorspace (2009)*	Floorspace (sqm)	Change
Office	10,180	13,256	+3,076
Bank		730	
Medical	3,290	3,185	+1,719
Other Commercial		1,094	
Total Occupied Commercial	13,470	18,265	+4,795
Vacant Commercial	NA	1,106	
Total Occupied and Vacant	NA	19,371	
Commercial Vacancy Rate	NA	6%	

Source: Macedon Ranges Shire Rate Database, Urban Enterprise 2018

2009 floorspace taken from Gisborne Commercial Assessment, Tim Nott, 2009

*Please note: floorspace categorisation from 2009 differs from Urban Enterprise methodology. Therefore some assumptions have been made in order to reclassify to align to land use types above. Some caution should therefore be taken when assessing trends for * land categories between 2009 and 2018.

NEXUS CENTRE

The Nexus Centre is the largest example of a commercial development in the Town Centre. Apart from the Nexus Centre, there are limited examples of other large scale offices or commercial space catering to the corporate or private business sector.

The Nexus Centre was developed in 2009 and was part of a push by Regional Development Victoria (RDV) to locate an AAMI call centre in town.

The Nexus Centre drives a large supply of non-retail floorspace in the Gisborne Town Centre, providing approximately 9,500 sqm of commercial floorspace. Key tenants include AAMI (call centre), Electoral Commission, CFA (Incident Control Centre), the Gisborne Business Centre and Department of Environment, Land, Water and Planning (DELWP). Other commercial uses include Osteopathy, Bendigo Bank, accounting and Financial Services, Podiatry Clinic, Allied Health alliance and Laser Therapy clinic. There is currently one shop available for rent.

As discussed earlier, discussions with management identified the following key points:

- that take up of floorspace was initially slow, with full take up of all spaces taking almost ten years to occupy.
- Rents in the Nexus Centre are generally kept relatively low to maintain business viability.
- AAMI will vacate the Nexus centre in 12 months time (i.e late 2019), bringing 3,000 sqm of floorspace to market.
- The Electoral Commission will vacate their premises in February 2019, bringing another 475 sqm of floorspace to market.
- The Gisborne Business Centre is performing well. There is currently a waiting list of 9 people for space within the Gisborne Business Centre.

The profile of non-retail tenants in the Nexus Centre primarily aligns with medical and allied health uses, government tenants and financial services, reflecting the

employment profile of Gisborne. Apart from the AAMI call centre, there are no other examples of larger scale corporate businesses requiring large office space.

8.3. REGIONAL COMPETITION

In order to more accurately determine the requirement for non-retail floorspace in the town centre, it is important to consider the role of competing centres in regard to commercial floorspace.

Gisborne's designation as a sub-regional centre means that it has a large employment catchment. The role as a sub-regional centre is supported by provision of commercial floorspace servicing businesses and workers within of smaller towns within the Macedon Ranges Shire.

8.3.1. MACEDON RANGES SHIRE

RIDDELLS CREEK, MACEDON, WOODEND AND ROMSEY

Towns in the immediate catchment of Gisborne include Riddells Creek, Macedon, Woodend and Romsey. These towns generally provide shopfront retail/ commercial floorspace to cater to local population demand, rather than servicing larger catchments. Gisborne is the closest location to these towns which provides higher order commercial floorspace and the associated employment opportunities.

KYNETON

Kyneton, located in the north of Macedon Ranges Shire is also designated as a sub-regional centre. A commercial assessment completed by Tim Nott in 2009, showed around 42% of floorspace² in Kyneton was commercial floorspace. Kyneton, however, does not provide dedicated large format commercial floorspace (i.e. office), rather non-retail floorspace appears to be largely contained within and above shopfronts.

² Excludes Civic, Government and Recreation

8.3.2. MAJOR ACTIVITY CENTRES

Sunbury and Melton are major metropolitan Activity Centres which provide competition to the commercial role and function of Gisborne. These two large metropolitan growth areas provide higher order goods and services associated with commercial floorspace.

MELTON

Melton is located approximately 23 minutes from Gisborne. The majority of non-retail floorspace in Melton is provided in shop fronts. However, there is a multi-storey (3 level) office development proposed in the Melton Town Centre, potentially indicating a changing commercial floorspace profile.

Like Gisborne, Melton does not have any C2Z land, with commercial floorspace being located in the C1Z and IN1Z land.

SUNBURY

Sunbury is located 15 minutes from Gisborne. A large proportion of commercial floorspace in Sunbury is also provided in shopfronts and small commercial developments as well as office and warehouse style developments in industrial areas (IN13), rather than larger scale multi-storey office buildings.

8.3.3. BUSINESS PARKS AND EMPLOYMENT PRECINCTS

Larger regional employment precincts relative to Gisborne include Essendon Fields and Melbourne Airport.

MELBOURNE AIRPORT

Melbourne Airport is located approximately 34 minutes south-east of Gisborne, accessed via the Calder Highway corridor. The airport precinct supports more than

20,600 full time equivalent jobs. Two thirds of employees live within seven surrounding municipalities. Employment within the airport is projected to increase to 35,000 jobs by 2038 if a third runway is built.³ Currently there are four main business precincts located within the Melbourne Airport land including the Forefront, the Hive, Melbourne Airport Business Park and Elite Park (previously known as the Gateway Site).

The Forefront is located near the entry to terminal. It is an 8.6 hectare precinct and includes Mercedes Benz, Childcare centre, Holiday Inn, BP, McDonalds and Ibis Hotel.

The Hive is a 2.3 hectare site providing 10,160 sqm of office floorspace, which includes primarily government tenants relating to the operation of the airport.

Melbourne Airport Business Park is approximately 312 hectares in size, of which 122 hectares (39%) is developed.⁴ The majority of facilities are large distribution warehouses supporting logistical operations. Key tenants include Toll Ipec, TNT, Bolllore, Porsche, World Couriers, Nippon Express and Gate Gourmet. The precinct also includes smaller facilities and a Quest serviced apartment hotel.

Elite Park is a 54.3 hectare site on the Tullamarine Freeway / Airport Drive. Key occupiers include the Qantas Joey Club Childcare Centre, Hanrob Pet Hotel and Essendon Football Club's training and community facility.

ESSENDON FIELDS

There are four business precincts within Essendon Fields as well as the aviation areas. There are 78 hectares of non-aviation development. Currently, there is estimated to be approximately 5,000 sqm of office floorspace in Essendon Fields.

There are around 200 businesses in the precinct, employing over 6,000 people. The long term employment capacity has been assessed at around 18,000 jobs.⁵

Essendon Fields includes both the provision of retail and commercial floorspace.

³ Melbourne Airport Masterplan Preliminary Draft, 2018

⁴ Melbourne Airport Masterplan Preliminary Draft, 2018

⁵ Essendon Airport Masterplan, 2013

8.4. DEMAND

ABSORPTION OF COMMERCIAL FLOORSPACE

Since 2009, an additional 4,795 sqm of commercial floorspace has been absorbed, equating to an average of 533 sqm per annum.

This level of absorption is partly driven by the occupation of vacant floorspace within the Nexus Centre, a large portion of which was vacant in 2009.

TABLE 42 CONSUMPTION OF COMMERCIAL FLOORSPACE

	Floorspace (sqm)(2009)	Floorspace (sqm) 2018	Change	Annual Average Absorbtion (2009-2018)
Total Commercial (Occupied)	13,470	18,265	+4,795	533 sqm

PLANNING AND BUILDING PERMITS

There were an average of 11 building permits issued per year relating to commercial uses between 2009 and 2017, however, only 3 of these were for Class 5 works (i.e. non-ancillary infrastructure such as sheds, garages etc) and 4 commercial related planning permits issued between 2009 and 2018.

Building Permits	Average 11 per year 2009-2017 (3 of which for commercial uses – Class 5 permits)
Planning Permits	4 permits issued between 2009-2018

BUSINESS CHANGE

Table 43 shows the number of employing businesses with the Gisborne SA2 between 2012 and 2017 that are typically associated with users of commercial floorspace.

There was net growth of three businesses over this period, with most growth in professional services (+7) and Finance and Insurance Services (+4).

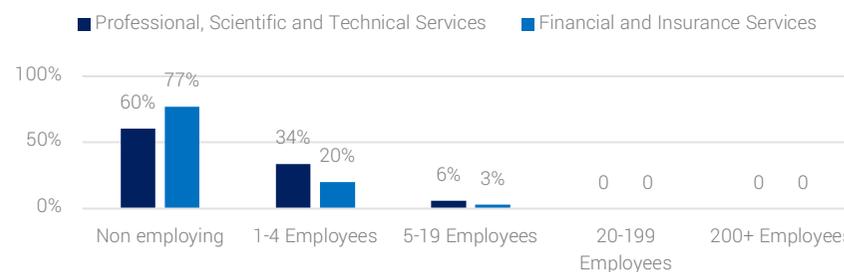
TABLE 43 COUNTS OF EMPLOYING COMMERCIAL BUSINESSES

Industry	2012	2017	Change 2012-17
Professional, Scientific and Technical Services	60	67	7
Financial and Insurance Services	20	24	4
Health Care and Social Assistance	26	27	1
Rental, Hiring and Real Estate Services	13	12	-1
Administrative and Support Services	21	19	-2
Public Administration and Safety	6	0	-6
Total	146	149	3

Source: ABS Counts of Australian Businesses

Employing business growth has occurred primarily in Professional, Scientific and Technical Services and Financial and Insurance Services. These businesses are typically small businesses, employing between 1-4 staff.

FIGURE 31 SIZE OF BUSINESSES



Source: ABS Counts of Australian Businesses

EMPLOYMENT (WORKERS)

Between 2011 and 2016, there was an additional 110 jobs in Industry sectors which typically utilise commercial floorspace within the Destination Zone (DZ) incorporating the Gisborne Town Centre.

Overall, employment in these industry sectors within the DZ grew at an average rate of 4.7%. Industry sectors with the highest average annual growth rate included Administrative and Support Services (8.8% p.a), Professional, Scientific and Technical Services (4.9% p.a.), Financial and Insurance Services (4.4% p.a).

Industry sectors including Public Administration and Safety and Health Care and Social Assistance can also utilise commercial floorspace, however, for the purposes of this analysis have been excluded as they primarily occupy non-commercial zoned areas including Public or Special Use Zone land.

Once the AAMI call centre closes, it is likely to result in a significant reduction in the number of professional services jobs in the Town Centre in the short-medium term.

TABLE 44 GISBORNE EMPLOYMENT – JOBS (DESTINATION ZONE)

	2011	2016	Change	AAG
Financial and Insurance Services	234	290	56	4.4%
Professional, Scientific and Technical Services	107	136	29	4.9%
Administrative and Support Services	42	64	22	8.8%
Rental, Hiring and Real Estate Services	46	49	3	1.3%
Total	429	539	110	4.7%

Source: ABS, Place of Work

ESTIMATE OF EMPLOYMENT ON COMMERCIAL FLOORSPACE

It is estimated that as of 2016, approximately 539 people were employed in industries where commercial floorspace could be utilised to conduct business. Based on the estimated commercial floorspace supply of 18,265 sqm, this results in a job density rate of 34 sqm per worker.

It is likely that this is slightly underestimated as there would be proportion of workers in Public Administration and Safety and Health Care and Social Assistance that work within the Town Centre in Commercial 1 Zone land.

CONSULTATION SUMMARY

Consultation with local real estate agents suggest that there has been recent price growth in commercial property sales, however demand is generally limited. It was noted that future demand for commercial office space is likely to be consistent with the existing business profile including accountants, real estate agents, solicitors etc. (i.e. population driven demand), however it was noted that the overall quantum of demand for office space is currently limited.

New tenancies becoming available in the Nexus Centre will provide in the order of 3,500 sqm of vacant office space in Gisborne.

8.5. LAND USE OPPORTUNITIES

Considering the existing commercial profile of the town centre and demand profile, future commercial land use opportunities are expected to align to population driven sectors including Health Care and Social Assistance, Public Administration and Safety, Financial and Insurance Services, Professional, Scientific and Technical Services and Administrative and Support Services. Businesses are likely to include:

- Health – doctors, specialists, allied health, holistic health;
- Professionals/Consultants – accountants, financial advisors, engineers, architects, draftsmen;
- Administrative and Finance – banks, real estate agents;
- Government tenants.

These land uses are likely to seek premises in the Commercial 1 Zoned land.

Tourism, arts and culture also performs a small but emerging role in Gisborne. Tourism opportunities including accommodation, functions and events, maker spaces/galleries and workshops could be supported through the Structure Plan by provision of land suitably zoned to accommodate these uses.

There may also be opportunity for business growth from sectors currently underrepresented within the town centre, which could utilise Commercial 2 Zone land on the periphery of the town centre or in a new location with good access and exposure to passing traffic. This could include wholesalers and supply businesses (catering to the residential growth sector), tourism and entertainment uses (breweries, dance studios, gyms, art/craft studios), carwash, service stations, hire businesses. Currently, opportunity for these types of businesses is limited in Gisborne, with some locating on the periphery of the town centre in the C1Z or in the industrial precinct. The provision of C2Z land in a strategic location may provide opportunity for new business growth.

8.6. FLOORSPACE PROJECTIONS

The scale of future demand for commercial floorspace has been assessed based on three different scenarios, including:

- Scenario 1: Forecast commercial floorspace requirement based on **employment growth**;
- Scenario 2: Forecast commercial floorspace requirement based on a **proportion of projected retail space requirement**; and
- Scenario 3: Forecast commercial floorspace requirement based on **historical consumption**.

For the purposes of this analysis, industry sector users of commercial floorspace typically include Health Care and Social Assistance, Public Administration and Safety, Financial and Insurance Services, Professional, Scientific and Technical Services, Administrative and Support Services and Rental, Hiring and Real Estate Services.

8.6.1. SCENARIO 1: EMPLOYMENT GROWTH

FORECAST COMMERCIAL FLOORSPACE REQUIREMENT

If growth in employment in industry sectors typically requiring commercial floorspace continues at the historical rate (4.7% per annum DZ), this would mean an additional 802 workers within the Gisborne SA2 utilising commercial floorspace by 2036. However, the impending closure of the AAMI call centre in 2019 will likely result in a loss of around 200 jobs from the Town Centre. The scenario has been adjusted to account for this loss, resulting in an adjusted jobs estimate of 370 by 2036.

At a conventional job density of 20 sqm per worker, these additional jobs will require an additional 7,391 sqm of commercial floorspace by 2036. Equating to approximately 40% of current floorspace provision.

TABLE 45 PROJECTED DEMAND FOR COMMERCIAL FLOORSPACE: SCENARIO 1

	Additional Jobs 2026	Additional Jobs 2036
Estimated Workers Utilising Commercial Floorspace	312	804
Projected Floorspace Requirement @ 20 sqm per job	6,237	16,082
AAMI Adjusted Scenario (Loss of 200 Jobs 2019)	37	370
Adjusted Projected Floorspace Requirement @ 20 sqm per job	731	7,391

Source: ABS Census, Place of Work 2016 – Urban Enterprise, 2018

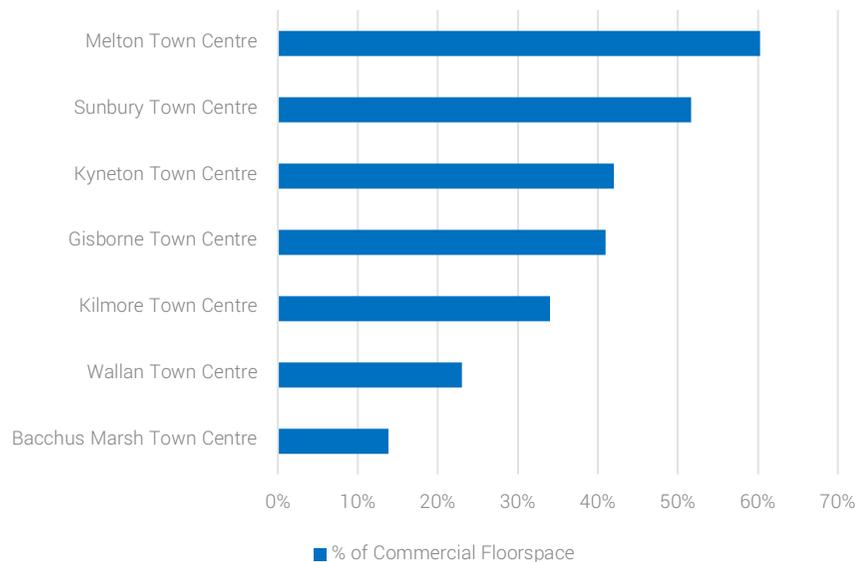
8.6.2. SCENARIO 2: PROPORTION OF RETAIL SPACE

BENCHMARKING LOCATIONS

Examples of commercial floorspace provision as a proportion of total commercial floorspace are provided below. The chart shows that Gisborne provides a similar proportion of commercial floorspace to Kyneton, with Melton and Sunbury providing a higher proportion of commercial floorspace relative to retail floorspace.

It is likely that the Nexus Centre is driving the higher proportion of commercial office space in Gisborne relative to total floorspace. If Gisborne is to be strengthened as a regional employment hub, adequate provision of commercial floorspace catering to the office market will be an important consideration.

FIGURE 32 BENCHMARKING LOCATIONS



Source: various sources including published reports. These estimates should be treated as indicative only. Estimates generally exclude civic and government floorspace.

FORECAST COMMERCIAL FLOORSPACE REQUIREMENT

This scenario assumes that Gisborne will continue to generate demand for commercial floorspace in line with population growth and as grow as a proportion of total occupied retail and commercial floorspace (i.e. remaining 41% of retail floorspace). The table below shows the projected floorspace requirement to 2036 based on this scenario.

This method results in demand for an estimated additional 6,708 square metres of additional commercial floorspace by 2036.

TABLE 46 PROJECTED DEMAND FOR COMMERCIAL FLOORSPACE: SCENARIO 2

Summary	2018	2026 (estimated)	2036 (estimated)
Occupied Retail Floorspace	25,920	30,280	36,930
Occupied Commercial Floorspace	18,265	21,337	26,023
Additional		3,072	7,758

8.6.3. SCENARIO 3: HISTORICAL ABSORPTION

ABSORPTION OF COMMERCIAL FLOORSPACE

Since 2009, an additional 4,795 sqm of commercial floorspace has been absorbed, equating to an average of 533 sqm per annum.

This level of absorption is partly driven by the consumption of vacant floorspace within the Nexus Centre, a large portion of which was vacant in 2009.

TABLE 47 ABSORPTION OF COMMERCIAL FLOORSPACE

	Floorspace (sqm)(2009)	Floorspace (sqm) 2018	Change	Annual Average Consumption (2009-2018)
Total Commercial (Occupied)	13,470	18,265	+4,795	532.8 sqm

Source: 2009 estimates from Tim Nott, Gisborne Commercial Assessment, Urban Enterprise, 2018

FORECAST COMMERCIAL FLOORSPACE REQUIREMENT

Table 48 shows the forecast commercial floorspace requirement based on the historical consumption rate of 533 sqm per annum. This scenario results in a projected estimated additional requirement of 9,590 sqm by 2036.

TABLE 48 PROJECTED DEMAND FOR COMMERCIAL FLOORSPACE: SCENARIO 3

	Consumption Rate @ 533 sqm p.a.
Additional Required Commercial Floorspace by 2026	4,262
Additional Required Commercial Floorspace by 2036	9,590

Source: Urban Enterprise, 2018

8.7. SUMMARY OF RESULTS

The outcomes of these assessments are shown in Table 49.

The three scenarios produce different results ranging from between 7,400 sqm to 9,600 sqm of additional commercial floorspace by 2036.

TABLE 49 COMMERCIAL FLOORSPACE PROJECTIONS SCENARIO RESULTS

	Additional Estimated Floorspace Requirement to 2036
Scenario 1: Employment Growth	7,400 sqm
Scenario 2: Proportion of Retail Space	7,800 sqm
Scenario 3: Historical Consumption	9,600 sqm

Source: Urban Enterprise, 2018

8.7.1. LAND REQUIREMENT

Based on the above scenarios the required land take to occupy additional commercial floorspace at 60% site coverage ranges between 1.3 and 1.6 hectares.

Commercial Floorspace	Scenario 1	Scenario 2	Scenario 3
2036	7,400	7,800	9,600
Vacancy @ 2%	148	156	192
Total	7,548	7,956	9,792
Land Requirement (60% Site Coverage) (ha)	1.3	1.3	1.6

Source: Urban Enterprise, 2018

With the impending closure of the AAMI call centre in the Nexus Centre, this will result in an additional 3,000 square metres of floorspace coming to market. This may reduce the overall floorspace and land requirement to 2036, however the floorspace is a large floorplate, likely only suitable to large businesses and may not necessarily align to local demand, unless reconfigured/refurbished.

8.7.2. KEY FINDINGS

Gisborne and Kyneton are the primary commercial centres in Macedon Ranges Shire and support not only the commercial floorspace requirements of the local population but also of a wider sub-regional catchment.

There are a number of competitive centres near Gisborne that provide for higher order office and commercial land needs including Sunbury and Melton, Melbourne Airport and Essendon Fields. Importantly, Melbourne Airport and Essendon Fields provide a significant quantity of commercial land and regional employment opportunities and these centres will continue to grow. Sunbury and Melton cater more to local population demand with a high number of residents leaving the town for work.

Gisborne's commercial employment role is quite strong catering to a sub-regional catchment that includes Gisborne, Sunbury South, Riddles Creek, Macedon and Woodend. Gisborne is performing particularly well in sectors which cater to the resident population. These businesses include accountants, real estate, financial services and administrative support functions. Gisborne also performs a strong regional health role, including through provision of doctors and allied health services (e.g. chiropractors, physios, optometrists, podiatrists, gyms/yoga/pilates studios).

As a Town Centre, Gisborne provides a diversified mix of services conducive to conducting business.

Employment grew between 2011 and 2016 at an average annual rate of 4.7% per annum (22 jobs per annum) in industry sectors typically occupying commercial floorspace in the Gisborne Town Centre.

Population service businesses are typically small businesses with the majority of employing businesses employing under four people.

It is likely that opportunities in the commercial sector in Gisborne will align to small to medium business growth. This opportunity stems on the following factors:

- The Town Centre provides all of the required services to support small commercial business, including convenience retail, cafes, accountants, banks, post office and other complementary businesses;
- The Gisborne Business Centre is completely occupied and has a waiting list of 9 businesses. This centre provides an important stepping stone for the establishment and growth of new businesses, many of which are likely to be experiencing growing local demand due to population growth; and
- Recent population and labour force growth, particularly focused on young families with adults in early labour force age groups.

Gisborne also has a small but emerging tourism and events role, with smaller scale accommodation and events spaces active, especially in New Gisborne. The ongoing provision of land suitably zoned to accommodate events, hospitality and visitor accommodation should be made, especially as part of the emerging New Gisborne cluster of such uses and within the town centre.

There is approximately 18,265 sqm of occupied commercial floorspace in the Town Centre and over 1,100 sqm of vacant floorspace, resulting in a vacancy rate of 6%. The majority of floorspace is in office (13,256).

Since 2009, 4,795 sqm of commercial floorspace has been absorbed, equating to an average of 533 sqm per annum. Absorption of commercial floorspace in the Nexus Centre was suggested to have accounted for a large amount of floorspace consumption.

The Nexus Centre (a multi-storey dedicated office building) accommodates a significant proportion of commercial floorspace in the town, however some major tenants are expected to vacate in the short term. In particular, the proposed relocation of the AAMI call centre from the municipality is expected to result in:

- A reduction in local employment provision (and likely job containment);
- A reduction of workers within the town centre, which currently support local businesses (e.g. cafes, retailers, health);
- A large commercial office space coming to market, increasing commercial floorspace vacancy; and

- The availability of a large floor-plate office space, which would likely require a new large tenant or for the space to be repurposed to cater to the needs of smaller tenants.

The Nexus Centre hosts the Gisborne Business Centre which is performing well, with a waitlist of around 9 businesses. This centre provides an important stepping stone for the establishment and growth of new businesses. Capitalise on local small business growth out of the Gisborne Business Centre should be explored and encouraged.

Commercial floorspace projections show that around 7,000 to 8,000 square metres of floorspace is likely required to 2036 to support the commercial sector, which would support in the order of 1 to 1.5 hectares of commercial land at traditional densities. The bulk of this demand should be catered for within the existing town centre, including through development of vacant sites, encouraging intensification of sites (including upper storey commercial tenancies).

9. GISBORNE BUSINESS PARK

9.1. INTRODUCTION

This section of the report provides an assessment of supply and demand for land within the Gisborne Business Park.

The Gisborne Business Park including land north of the railway line provides the only location within Gisborne with land zoned specifically for employment and business purposes other than the town centre. All industrial land in Gisborne is within the Industrial 1 Zone (IN1Z).

This assessment was originally completed in 2018, however was subsequently updated in 2020 when the *Gisborne Business Park Development Plan* and *Gisborne Futures* Projects were merged.

9.2. PREVIOUS ASSESSMENT

The following provides a review of reports/assessments that have been completed in regard to industrial land supply and demand in Gisborne.

GISBORNE INDUSTRIAL LAND ANALYSIS (2009)

An assessment of industrial land was completed for Gisborne by Urban Enterprise for Macedon Ranges Shire in 2009. The assessment found that:

- Gisborne is the primary focus for industrial activity within the south of Macedon Ranges Shire.
- Gisborne has the largest supply of industrial land in the south of the Shire with an employment catchment area covering Gisborne/New Gisborne, Riddells Creek, Macedon, Mt Macedon and approximately one quarter of the rural balance of the Shire.

- There is demand for industrial land in Gisborne/New Gisborne from local businesses and established businesses who are planning to expand or relocate to more appropriate areas.
- Demand for industrial land is likely to be generated by projected future population growth in Gisborne/New Gisborne and southern catchment (Riddells Creek, Macedon, Mt Macedon and approximately one quarter of the rural balance of the Shire).
- Lot consumption was around 8 lots per annum or 2.4 hectares per year in a supply constrained environment.
- Land identified for future industrial activity should have the following attributes:
 - Exposure to an arterial road for large format retail and wholesale uses;
 - High urban design attributes;
 - A range of lots sizes for a mix of uses including industrial service businesses, large format retail/wholesale, small manufacturing businesses and transport and storage;
 - Provide level and cleared development sites;
 - Access to electricity, reticulated water and sewer;
 - Roads to meet heavy transport requirements, allow for turning trucks and clear access to the highway;
 - Have appropriate buffers from existing and future residential development.

The report also noted that land south of the industrial precinct along Saunders road may be considered appropriate for showroom or large format retail uses and that this would assist in ensuring the township character of Gisborne is maintained, by providing appropriately zoned land for larger retail and business activities (bulky goods retail, showrooms etc).

Given the proximity of the industrial area to existing rural residential development, industrial uses which impact substantially on amenity are not suited to the precinct.

Based on this, expansion of the industrial precinct should be predominantly Industrial 1 Zone.

The report also noted that further consideration needs to be made in regard to longer term planning horizons, whereby land should not be encroached upon by residential activities and land is identified for a long-term industrial growth corridor (beyond 15 years) in Gisborne.

GISBORNE INDUSTRIAL LAND ANALYSIS UPDATE (2012)

Urban Enterprise completed an updated assessment of industrial land in Gisborne in 2012 in regard to the proposed rezoning of industrial land located on Hamilton Road in New Gisborne.

The analysis revealed that there was a requirement for an additional 24 to 29 hectares of industrial land to support local employment to 2027 and that industrial take up would likely range between 1.6ha to 1.8ha per annum.

At the time, anecdotal evidence suggested that demand for industrial land in Gisborne/New Gisborne would be generated primarily from local businesses and established businesses.

GISBORNE BUSINESS PARK ECONOMIC ASSESSMENT AND COMMERCIAL/INDUSTRIAL MARKET TESTING (2018)

Blair Warman Economics prepared an economic assessment and commercial/industrial market testing report to inform the Gisborne Business Park Development Plan. The following provides a summary of key findings from this document:

- Gisborne is a significant industrial location within the Shire of Macedon Ranges given its proximity to metropolitan Melbourne and its recent and projected future population growth, both of which support industrial related activity and demand for industrial land.
- Building and automotive related activities account for the majority of businesses within the Gisborne Business Park, which highlights the strong connection to a population growth within the surrounding area.

- As at the 2016 Census, the Shire's industrial job containment rate was 31% which is comparable to other peri-urban locations around Melbourne. As a result, future growth in industrial activity within the Shire is expected to generally increase in line with population growth.
- Population growth has been occurring at a faster rate than anticipated in the Gisborne / New Gisborne UDP, prepared in 2009. Gisborne expected to grow by over 7,131 people between 2016 and 2036 (357 people per annum).
- Gisborne Business Park has 38 ha of industrial land, with an additional 16 ha at the Hamilton Road industrial precinct.
- The provision of industrial land in Gisborne is 2.5 hectares per 1,000 people. This is less other Melbourne fringe locations of Warragul (3.7 ha), Drouin (4.2 ha) and Somerville (3.2 ha), however is comparable to Bacchus Marsh (2.68 ha) and more than Sunbury (1.62 ha).
- The Gisborne Business Park is dominated by larger lots compared to other peri-urban locations with a limited supply of lots under 1,000 m², which contributes to a perspective of industrial land being expensive. The lack of availability of smaller lots has likely resulted in reduced demand for industrial land.
- Discussions with real estate agents identified a number of issues that have impacted upon demand for industrial land within the Gisborne Business Park including:
 - The need for a wider range of lot sizes with a greater focus upon smaller lots to better meet the needs of potential businesses.
 - Strong competition from Sunbury for bulky goods and peripheral sales activities.
 - Existing design guidelines for industrial development acting as a disincentive to development and investment in new industrial facilities.
 - The need to improve the image and amenity of the park through providing kerbing and channelling in the old area of the park and better promoting it as a business location.
- Real estate agents noted population growth as being the key driver of demand for industrial land and envisaged that an incremental expansion of the business park would be supportable.

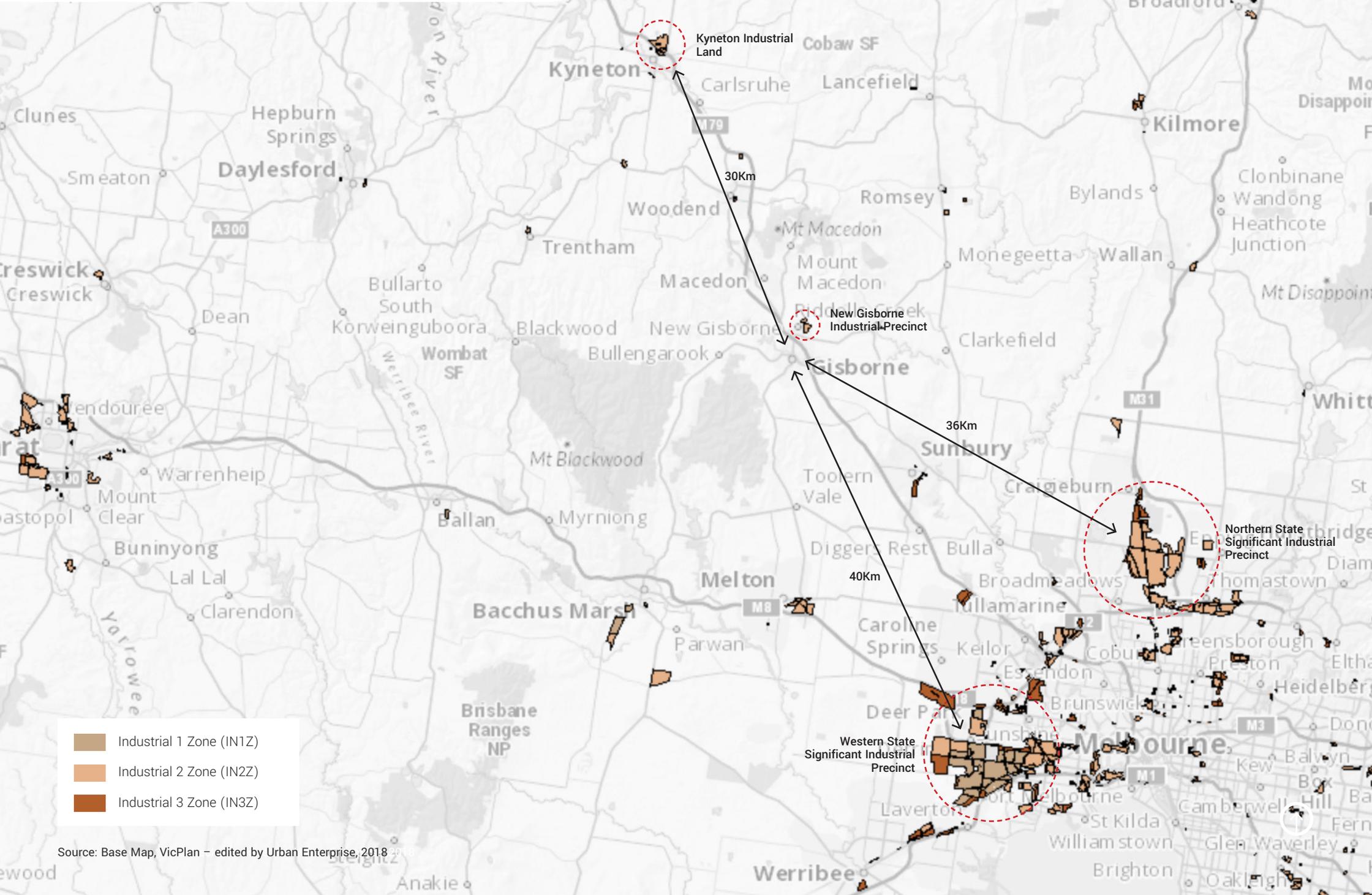
- The strategic direction for the business park includes:
 - Population growth has been occurring at a faster rate than anticipated in the Gisborne / New Gisborne UDP, prepared in 2009. Gisborne expected to grow by over 7,131 people between 2016 and 2036 (357 people per annum).
 - In order to cater for a diverse range of business needs, a wider range of lot sizes is required either through the reconfiguration of existing lots or through an expansion of the business park. Given the lack of subdivision activity that has occurred within the Gisborne Business Park it will be appropriate to focus upon the provision of smaller lots (600-1,200 sqm) at the initial subdivision stage.
 - Gisborne's smaller population base relative to that required to support a competitive homemaker centre or precinct to reduce escape expenditure from the region, together with the Gisborne's Business Park's limited exposure and accessibility, will continue to limit the opportunities for large format retailing. Gisborne also faces strong competition from not only Sunbury where there is Bunnings and a small homemaker centre, but more importantly the Watergardens Town Centre and Essendon Fields located approximately 20 minutes and 30 minutes' drive respectively along the Calder Freeway. Both centres offer a wide range of large format retailing include many national retailers which provides the opportunity for comparison shopping. There may however be the potential for some smaller scale or niche activities to be supported over time such as auto part retailing and trade supplies.
- In regard to business attraction, the report notes the following factors for consideration:
 - Ensure an appropriate mix of lot sizes.
 - Appropriate truck access, which in the case of the Gisborne Business Park will most likely be for semi-trailers rather than B doubles.
 - Landscaping at the frontage of properties where it will offer the greatest opportunity to improve amenity for the cost involved within the context of a more intensive level of industrial development.
 - Car parking provision on-site which reduces on-street congestion.

9.3. REGIONAL CONTEXT

Metropolitan Melbourne is comprised of five state significant industrial precincts including the Western Industrial Precinct, Northern Industrial Precinct, Southern Industrial Precinct, Office/Pakenham Industrial Precinct and the Port of Hastings Industrial Precinct. Gisborne is located outside the metropolitan area but within proximity to the Western and Northern State Significant Industrial Precincts.

Figure 33 on the following page provides an overview of the regional context.

FIGURE 33: REGIONAL INDUSTRIAL LAND SUPPLY CONTEXT



- Industrial 1 Zone (IN1Z)
- Industrial 2 Zone (IN2Z)
- Industrial 3 Zone (IN3Z)

Source: Base Map, VicPlan – edited by Urban Enterprise, 2018

The Urban Development Program (UDP), provided a report on the supply and consumption of industrial land in Macedon Ranges in 2012 as shown in **Table 50**.

Within the Macedon Ranges Shire, Kyneton has traditionally accounted for the largest supply of industrial land stocks, with 64% of industrial land stocks in 2012.⁶ Gisborne followed, containing 14% of Macedon Ranges industrial land stocks.

Kyneton had over 100ha of supply remaining in 2012, whilst Gisborne had 12.4ha of supply remaining. Other towns in Macedon Ranges Shire provide a very small proportion of industrial land, relative to Kyneton. Tylden, located 24 minutes north-west of Gisborne, provided the third highest amount of industrial land in 2012 with a total of 21ha.

Gisborne's peri-urban location means it does not service a significant regional catchment in provision of industrial land, rather providing industrial land to cater to local and sub-regional demand, including the southern areas of Macedon Ranges Shire.

TABLE 50 TOTAL ZONED LAND STOCKS MACEDON RANGES (2012)

SLA/Suburb/LGA	Unavailable	%	Supply	%	Total	%
Kyneton	70.3	50%	100.7	80%	171	64%
New Gisborne	24.8	18%	12.4	10%	37.2	14%
Tylden	21.1	15%	0	0%	21.1	8%
Romsey	6.9	5%	4.4	4%	11.3	4%
Woodend North	10.5	7%	0.3	0%	10.8	4%
Lancefield	0	0%	6.4	5%	6.4	2%
Woodend	5.3	4%	0.3	0%	5.6	2%
Riddells Creek	1.4	1%	0.7	1%	2.1	1%
Total	140.3	100%	125.2	100%	265.5	100%

Source: UDP, 2012

⁶ UDP, 2012

9.4. LOCAL CONTEXT

The Gisborne Business Park is the only location in Gisborne with industrial land. The Business Park has been divided into five precincts to assist with the analysis. Precincts are outlined below and are shown on the map on the following page:

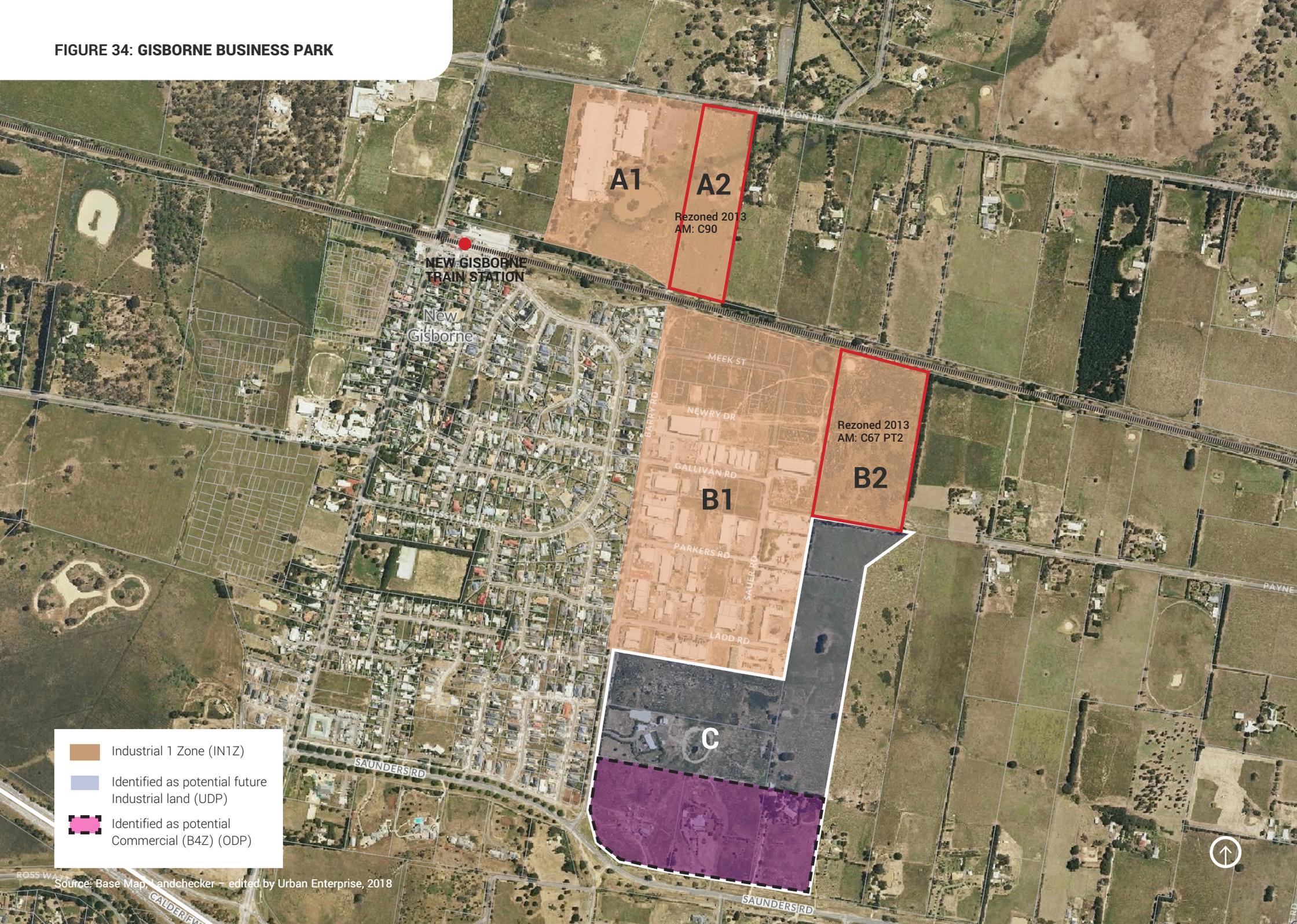
- **Precinct A1:** Located to the north of the rail line and accessed via Hamilton Road. This property includes two buildings, which appear to be utilised by three businesses.
- **Precinct A2:** Located north of the rail line and accessed via Hamilton Road, this parcel of land was rezoned in 2013 to IN1Z and is yet to be developed.
- **Precinct B1:** This is the existing core of Business Park. This precinct includes primarily **light industrial businesses** servicing the construction industry (cabinet makers, concrete supply, timber supply, building materials and equipment etc), **population driven service businesses** (auto-mechanics, self-storage, tyre supply, firewood supply, gymnastics, fitness centre, takeaway shop).
- **Precinct B2:** land adjacent to the core Business Park, rezoned to IN1Z in 2013.
- **Precinct C:** Land identified as potential future industrial land in previous assessments including the UDP (2012). The parcel of land fronting Saunders Road to the south of Precinct C was also identified in the Gisborne Industrial Land Analysis Report (2009) and Outline Development Plan (2009) as a possible location for the establishment of a Commercial 2 Zoned business precinct (C2Z).

The core Business Park is accessed via one road in and one road out (Barry Road).

Precinct A1 and A2 are located north of the main industrial precinct, separated by the rail line. Council has indicated the potential opportunity to rezone these parcels of land to facilitate higher order land uses.

A map of the Business Park and the sub precincts is provided on the following page.

FIGURE 34: GISBORNE BUSINESS PARK



-  Industrial 1 Zone (IN1Z)
-  Identified as potential future Industrial land (UDP)
-  Identified as potential Commercial (B4Z) (ODP)

Source: Base Map, Landchecker – edited by Urban Enterprise, 2018



9.4.1. BUSINESS PROFILE

A survey of businesses within the Gisborne Business Park undertaken by the Macedon Ranges Shire Council and published in the Blair Warman Economics report (2018) identified the various types of business by business type.

There were 65 businesses identified, with 'building and construction' related activities accounting for 40% of identified businesses. A further 15% of businesses were related to automotive services. The remaining 45% of identified businesses were spread across a range of activities with engineering (4 businesses), recreational (4 businesses), manufacturing (3 businesses) and nurseries/garden supplies (3 nursery/garden supplies) accounting for around half of these businesses.

The mix of activities is typical of many smaller industrial areas which primarily service the needs of local households and businesses.

There are limited examples of businesses that would be considered as 'heavy industry' or examples of showrooms, and tourism and hospitality related businesses.

TABLE 51 GISBORNE BUSINESS PARK BUSINESS SUMMARY

Activity	No. Businesses	% Identified Businesses
Building Supplies / Services	16	24.6%
Residential Construction	3	4.6%
Commercial Construction	2	3.1%
Construction Services	5	7.7%
Sub Total – Building and Construction	26	40.0%
Automotive Services	10	15.4%
Engineering	4	6.2%
Recreational	4	6.2%
Manufacturing	3	4.6%
Nursery / Garden Supplies	3	4.6%
Signwriters	2	3.1%
Bus Depot	1	1.5%
Café	1	1.5%
Caravan retailing	1	1.5%
Consultants	1	1.5%
Firewood Supplies	1	1.5%
Industrial Refrigeration	1	1.5%
Logistics Equipment Supply	1	1.5%
Self Storage	1	1.5%
Stockfeed	1	1.5%
Telecommunications Equipment	1	1.5%
Tools Retailing	1	1.5%
Beer Dispensing Equipment Installation	1	1.5%
Costume Manufacturing	1	1.5%
Total Identified Businesses	65	100.0%
Unidentified Business	12	
Vacant	16	
For Sale	6	
Total	99	

Source: Macedon Ranges Shire, published in Gisborne Business Park Master Plan Economic Assessment, Blair Warman, 2018

9.5. DEMAND DRIVERS

The following provides a summary of the future drivers of demand for land in the Gisborne Business Park:

POPULATION AND EMPLOYMENT GROWTH

Businesses in the Gisborne Business Park primarily services the needs of the local population. The trade area population of Gisborne is projected to undergo significant growth, reaching over 30,800 residents by 2036.

TABLE 52 FORECAST TRADE AREA POPULATION

	2018	2026	2036	Change
Gisborne Trade Area Population	21,859	25,396	30,819	+8,960

Source: Urban Enterprise, 2018

*Source: ABS ERP, 2018

Table 53 shows employment by industry in the Gisborne SA2 between 2011 and 2016. Industries that are typically associated with consumption of industrial land have been highlighted, this includes Manufacturing, Wholesale Trade, Construction and Electricity, Gas, Water and Waste Services, Mining, Transport, Postal and Warehousing and Other Services. Overall, there was a net loss of 12 jobs between 2011 and 2016 in industrial sectors. The majority of jobs losses were from manufacturing and wholesale trade (generally reflecting macroeconomic trends). Importantly, there was strong jobs growth in construction and other services, which reported a total increase of 69 jobs. The data confirms that the role of industrial land in Gisborne is primarily associated with servicing the needs of the local population and businesses.

As the population and employment grows, it is expected that demand for population and business services will also grow. Examples of these business types include:

- Construction/trades businesses;
- Auto related services;
- Light manufacturing;
- Offices and factoryettes; and
- Recreation (gyms, child play centres, rock climbing centre).

In addition to traditional industries that occupy industrial land, there are likely a number of other business development opportunities that could be catered for within the Gisborne Business Park if the right land and lot types were provided. There was strong growth in employment in the Accommodation and Food Services and Arts and Recreation Services between 2011 and 2016. Business opportunities aligning to these industry sectors should be supported and encouraged. Examples of business opportunities include:

- Breweries, distilleries, cideries and coffee roasters;
- Specialised artisans/workshops and gallery spaces;
- Showrooms and warehouses/offices;
- Hospitality industry suppliers (food catering, laundry services etc).

TABLE 53 EMPLOYMENT GISBORNE SA2

	2011	2016	Change 2011-2016
Health Care and Social Assistance	333	448	115
Public Administration and Safety	109	213	104
Accommodation and Food Services	212	312	100
Education and Training	363	446	83
Other Services	131	176	45
Financial and Insurance Services	259	298	39
Professional, Scientific and Technical Services	163	196	33
Construction	369	393	24
Arts and Recreation Services	55	77	22
Administrative and Support Services	80	98	18
Mining	4	5	1
Transport, Postal and Warehousing	89	89	0
Electricity, Gas, Water and Waste Services	15	11	-4
Agriculture, Forestry and Fishing	46	40	-6
Wholesale Trade	62	52	-10
Information Media and Telecommunications	21	11	-10
Rental, Hiring and Real Estate Services	64	52	-12
Retail Trade	498	479	-19
Manufacturing	251	183	-68
Total	3124	3579	455

Source: ABS, 2016

*note: Other Services has been included in this assessment as it includes repair and maintenance businesses, which include automotive businesses, machinery and equipment repair and other repair and maintenance businesses.

⁷ Gisborne Business Park Master Plan: Economic Assessment and Commercial/Industrial Market Testing, Blair Warman, 2018

⁸ As of February 2020, only two properties were listed for sale in the Gisborne Business Park precinct on commercialrealestate.com.au and realcommercial.com.au including a vacant site of 3,037sqm located on Meek Street

CONSULTATION SUMMARY

Consultation with local real estate agents undertaken as part of the assessment completed in 2018 suggested that at the time demand for industrial lots in Gisborne was relatively subdued, which was indicated by the following:

- Slow take up of lots as part of 30 Sauer Road;
- A number of industrial properties being available for lease for approximately 12 months;
- Limited exposure - anecdotally not all Gisborne residents would know about the industrial estate as it has no exposure to passing traffic.
- Pricing of industrial land is quite low;
- Limited enquiries from buyers/tenants in regard to industrial land.

However, the reporting of subdued demand as of 2018 was likely in part as a result of the following factors:

- Lot sizes not meeting market needs (lots are too large);
- A lack of design standard and presentation relating to the public realm;
- Limited exposure of the business park.⁷
- Soft economic conditions, including a downturn in the residential property market, affecting demand for trades services and construction related business.
- Limited availability of lots to market affecting consumption⁸.

As of 2020, further consultation was undertaken with WorkSpace Australia, which is located at 8 Sauer Road within the Gisborne Business Park. WorkSpace Australia operate a business incubator comprising of factoryettes and offices. They support and encourage the establishment and expansion of new micro and home-based businesses. They have provided the following comments as relevant to demand for land within the Gisborne Business Park:⁹

(with a planning permit for warehouse, showroom, workshop and office) and a Warehouse of 209sqm floorspace with a rear open yard storage area.

⁹ Based on consultation completed by Macedon Ranges Shire, Economic Development Unit, 2020

- All spaces are occupied and there is no capacity to take on new business;
- A number of new/expanding businesses have employees working from the facility.
- The businesses have a 3-year agreement and then (in most cases) must move on to their own larger premises.
- In most cases businesses outgrow the space allocated at WorkSpace (ie. approx. 90 sqm) and require space elsewhere. However, most of the available spaces/factories in the industrial area are too large.
- There is likely demand for more smaller factories in the industrial precinct of between 140-150 sqm.

These comments align with the finding that lot sizes and industrial building types may not be wholly meeting market demand, which can lead to reduced consumption of industrial land.

9.6. LAND SUPPLY

PREVIOUS ASSESSMENTS

Two previous assessments are available relating to land supply in the Gisborne Business Park, including:

- Gisborne Industrial Land Analysis, Urban Enterprise (2009);
- Urban Development Program Macedon Ranges Shire (2012).

These assessments utilised differing methodologies for estimating land supply. The assessment completed by Urban Enterprise in 2009 included roads within the zoned land profile, whilst the UDP excluded roads. No new land was rezoned to industrial between 2009 and 2012, meaning the total Industrial zoned land profile should be consistent between 2009 and 2012.

The current assessment of industrial land supply (as of 2020) is based on total zoned lots and excludes roads within the IN1Z and therefore aligns with the methodology adopted for the UDP (2012).

URBAN DEVELOPMENT PROGRAM (2012)

The UDP (2012) estimated that there was 24.8 hectares of occupied and 12.4 hectares of zoned and available industrial land in 2012, as well as 41.6 hectares of unzoned land.

At the time, the UDP estimated that there was 30+ years supply of industrial land.

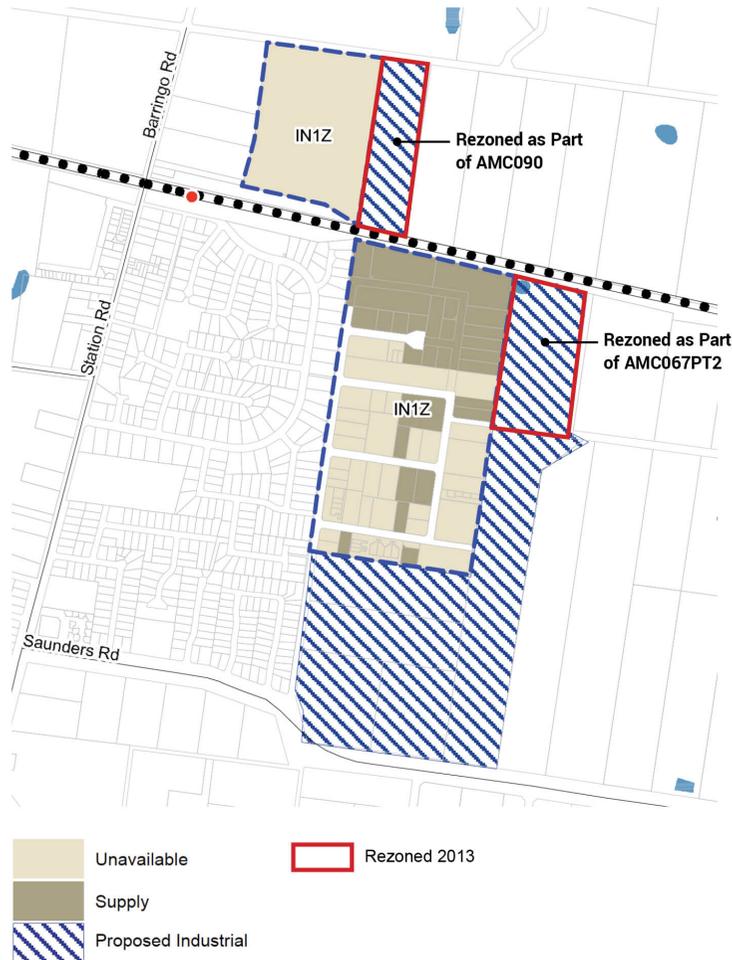
The majority of occupied lots were sized between 0.1 to 0.5 hectares (1,000 to 5,000 sqm) (54%). 5 occupied lots (10%) were sized between 0.5 – 1 hectares.

Figure 35 shows the UDP assessment of occupied and vacant land, as well as showing the parcels that were rezoned to IN1Z in 2013 as part of Amendments C90 and C67 (Part 2).

A large portion of proposed industrial land identified in the UDP to the south (fronting Saunders Road) and to the east of the existing industrial precinct remains unzoned.

This area equates to approximately 29 hectares of future 'unzoned' industrial land.

FIGURE 35 INDUSTRIAL LAND IN GISBORNE (UDP, 2012)



Source: UDP, 2012 (annotated Urban Enterprise, 2018)

LAND SUPPLY (2020)

Urban Enterprise has completed an estimate of industrial land supply based on a site audit (in 2018) and updated based on a review of aerial photography current as of January 2020 and a site audit completed by Council in 2020.

In order for a lot to be classified as occupied it is required to meet one or more of the following criteria:

- Be occupied by an existing business;
- In the process of being constructed;
- Utilised for materials or equipment storage;
- Evidence of business activities occurring on site.

This is consistent with the approach used in the Urban Development Program assessment of industrial land, where in order for a site to be considered occupied there needs to be some evidence of the use of land, this included buildings, hardstand storage areas, carparks etc. In order for the site to be considered vacant, there must be no use occurring on the land.¹⁰

Based on review of aerial photography gross industrial land supply is estimated at 54ha (including roads). This includes approximately 38ha of land south of the railway line and approximately 16ha north of the railway line.

TABLE 54 GROSS INDUSTRIAL LAND SUPPLY

	Ha
Main Industrial Precinct	38
North of Railway Line	16
Gross Zoned Supply	54

Source: Urban Enterprise, 2020 – based on review of aerial photography

Excluding roads and constrained land supply, approximately 32.1a of land is considered occupied and 15ha considered vacant. The site in the north-east corner

¹⁰ Urban Development Program, Metropolitan Melbourne Industrial, 2018 p. 23

of the main industrial precinct is Council owned and acts as a drainage reserve, it has therefore been excluded from being counted as supply.

TABLE 55 OCCUPIED AND VACANT INDUSTRIAL LAND

	Hectares
Occupied Land	32.1
Vacant Supply	15.0
Total Net Industrial Land*	47.1

Source: Urban Enterprise, 2020 | *Excludes roads and constrained zoned land - based on review of aerial photography

Figure 36 shows occupied and vacant industrial lots in New Gisborne as of January 2020.

FIGURE 36 INDUSTRIAL LAND SUPPLY



Source: Urban Enterprise, 2020

When compared to the land supply assessment published in the UDP in 2012, an additional 12.5 hectares of land has been rezoned to industrial, including a 5.1ha parcel of land north of the rail line on Hamilton Road and a 7.4ha parcel to the east of the existing Business Park.

Lots to the east of the existing industrial estate at 30 Sauer Road, New Gisborne (precinct B2) were being advertised for sale as of 2018. This site was subject to a plan showing 29 lots ranging from 1,952m² to 4,258m². As of February 2020, the site was no longer listed for sale on commercial real estate websites. Further, activities occurring at 36 Sauer Road appear to have expanded onto the site for vehicle and equipment storage (occupying an area of 0.2ha).

The development of this site presents the next natural progression for industrial development in Gisborne.

9.7. LAND CONSUMPTION

The UDP (March 2012) estimated that between 2004 and 2012 on average 3.4 hectares of industrial land was being consumed per annum across the municipality, with the level of consumption being highest in Kyneton. Consumption across key towns was estimated as follows:

- Kyneton: 2.5 hectares per annum;
- Romsey: 0.4 hectares per annum;
- New Gisborne: 0.3 hectares per annum.

Between March 2012 and January 2020, land has been consumed at an average rate of 0.9ha per annum.

As noted, previous assessments of net industrial land consumption have indicated consumption of between 1.6ha and 1.8ha.

TABLE 56 INDUSTRIAL LAND CONSUMPTION 2012-2020

	Occupied (ha)	Vacant (ha)	Total (ha)
2012 (UDP)	24.8	12.4	37.2
2020 (UE)	32.1	15.0	47.1
Industrial Land Consumed Since 2012	7.3	-	-
Average Annual Consumption (2012-2020)	0.9	-	-

Source: Macedon Ranges UDP, 2012 and Urban Enterprise, based on review of aerial photography.

9.8. REMAINING ZONED SUPPLY

The number of years of remaining zoned land supply is measured by dividing land consumption by net zoned land supply. The historical consumption rate of industrial land in Gisborne between 2012 and 2020 is estimated at 0.9ha hectare per annum, however, former assessments have indicated a consumption rate above 0.9ha per annum including in 2012, when consumption was estimated between 1.6ha and 1.8ha per annum.

It is prudent to adopt a land consumption range as it is likely that a number of factors may have been impacting the rate of land consumption in recent years. Factors include:

- Potential limited availability of lots to the market (e.g. due to ownership constraints).
- A potential historical mismatch in available lots and market need (ie. preference for smaller lots and factoryettes);
- The recent downturn in the residential property market, potentially impacting on business growth opportunities in services sectors, trades and construction;
- Generally poor presentation and amenity of the business park, which could be stifling some business investment;
- Limited exposure of the business park;

Therefore, two land consumption scenarios have been utilised to assess the remaining years of zoned land supply in order to provide a range, these include:

- Scenario 1: Lower consumption of 0.9ha per annum; and
- Scenario 2: Higher consumption of 1.6ha per annum.

The analysis is contained in **Table 58**, which breaks down remaining zoned supply by location, including:

- **Existing available lots within the Gisborne Business Park** Industrial precinct, which are readily developable and accessible;
- **Land in the east of Gisborne Business Park (precinct B2); and**
- **Land north of the rail line on Hamilton Road (A2).**

Based on the two land consumption scenarios, there is estimated to be between 8 and 14 years of remaining zoned industrial land.

The majority of remaining zoned land supply is within zoned land in precinct B2 to the east (between 3.7 and 6.4 years supply) and in existing vacant lots within the Gisborne Business Park (between 1.6 and 2.7 years). There is also potentially between 2.5 and 4.4 years of zoned supply north of the railway line (precinct A2).

It is evident that there is very limited available supply of vacant lots left within the existing subdivided area of the Business Park. There is also potential for land supply to be lower than what is estimated due to factors such as land ownership (ie. owners holding vacant land with no intention to develop). A review of property for sale on

realcommercial.com and commercialrealestate.com (February 2020), showed that only one vacant lot was currently advertised for sale.

If new lots are not brought to the market in a timely manner (ie. either to the east within Precinct B2 or north of the railway line within Precinct A2), land supply is likely to be at critical levels.

CONSIDERATION OF REZONING LAND NORTH OF THE RAILWAY LINE

Council has noted the potential opportunity to rezone industrial land north of the railway line to facilitate higher order residential land uses in this location proximate to the Gisborne Train Station. These industrial sites are separated from the main business park by the railway line. There is approximately 16ha of industrial zoned land north of the highway, of which 5.1ha is considered as supply (precinct A2).

If land to the north of the railway line is rezoned away from industrial this would reduce remaining vacant supply to between 5.3 and 9.1 years supply.

In addition, if Site A1 north of Hamilton Road is redeveloped for higher order uses, existing industrial land and any business activities on this site may seek alternative locations elsewhere in the business park. This site covers an area of 11ha, with business activities (buildings and car parking) accommodating approximately 4.6ha of the site.

If industrial businesses within site A1 were to relocate into the main industrial precinct, there may be a requirement for an additional minimum of 4.6ha of industrial land.

TABLE 57 YEARS OF INDUSTRIAL SUPPLY

Precinct	Current Supply (ha)	NDA (80%)(ha)	Years Remaining Zoned Land Supply	
			Scenario 1: Low Consumption at 0.9ha pa	Scenario 2: Medium Consumption at 1.6ha pa
Available lots within Gisborne Business Park	2.5	2.5	2.7	1.6
East of Gisborne Business Park (Precinct B2)	7.4	5.9	6.4	3.7
North of the railway line (Precinct A2)	5.1	4.1	4.4	2.5
Total	15.0	12.5	13.6	7.8

Source: Urban Enterprise, 2020 – note assessment of land supply is current as of 2018

9.9. FORECAST INDUSTRIAL LAND SUPPLY NEEDS

The following provides a forecast of future land supply needs based on the lower land consumption scenario (0.9ha per annum), which for the reasons as stated above is considered a conservative rate of consumption and therefore a conservative estimate of future demand. As this is a net consumption figure, an additional allowance of 0.2ha per ha has been included to account for items such as road reserves etc. Therefore, equating to a rate of gross land consumption of 1.1ha per annum.

The Gisborne Structure Plan seeks to plan for growth over the next 20-30 years. At consumption of 1.1ha per annum this would equate to demand for between 22.6ha and 33.9ha over the next 20-30 years.

Three future land supply need scenarios have been considered in this analysis:

- Scenario A: All remaining industrial zoned land supply remains;
- Scenario B: Site A2 is rezoned away from Industrial;
- Scenario C: Site A1 and A2 are rezoned away from Industrial.

If land north of the railway line is rezoned to facilitate residential uses, then it is likely that at a minimum an additional 28.6ha of land for the Business Park will be required over the next 30 years.

There is potentially around 29ha of land available to the south and east of the Gisborne Business Park that has been previously identified as a future expansion area for the park. **If land to the north of the railway line is rezoned, then this land should be considered for rezoning as part of the Business Park to meet business and employment needs over the next 20-30 years. Further, areas that are not rezoned should be protected for potential long-term future expansion including protecting the business park interfaces to the east from residential encroachment.**

The rezoning of land for expansion of the Business Park will also ensure there is adequate competition within the market place in regard to land supply.

TABLE 58 ADDITIONAL INDUSTRIAL LAND REQUIREMENT

	20 Years (ha)	30 years (ha)
Forecast Land Demand (ha)	22.6	33.9
Remaining Supply		
Scenario A: All remaining existing zoned supply	15.0	15.0
Scenario B: Site A2 is rezoned away from Industrial	9.9	9.9
Scenario C: Site A1 and A2 are rezoned away from Industrial	5.3	5.3
Forecast Required Additional Land Supply		
Scenario A: All remaining existing zoned supply	7.6	18.9
Scenario B: Site A2 is rezoned away from Industrial	12.7	24.0
Scenario C: Site A1 and A2 are rezoned away from Industrial	17.3	28.6

This is considered as the minimum requirement for which the Structure Plan should plan for and could be considered a baseline assessment as it doesn't account for other factors that may increase demand over and above the forecast scenario, including opportunity for relocation of businesses from the town centre and elsewhere, historical constraints on land supply, lack of exposure and quality presentation of the business park and a mismatch between lot types and market demand, which may have historically restricted consumption.

The opportunity to adequately plan for future employment land provision seldom arises. As a major long term planning project for Gisborne, it is prudent to adequately plan for future employment opportunities in order to protect local employment opportunities, reduce environmental impacts through reduced car travel and improve the function of the local economy.

VERIFICATION OF DEMAND

The population of the Gisborne SA2 is projected to grow to at a rate of 2.2% per annum. If the current rate of local jobs are to keep pace with population growth then an additional 2,000 to 3,500 jobs may be required to be provided in the Gisborne SA2 over the next 20-30 years. Approximately 25% of these jobs may be from sectors requiring industrial land, which equates to approximately 500 – 875 additional jobs which may be utilising industrial land. Assuming provision of 90 sqm of floorspace per job, this equates to a need of between 45,000 – 78,750 sqm of floorspace, which would equate to a gross land take (including roads etc) of between 20-36ha. This would require consumption of between 1-1.2ha of land per annum over the next 20-30 years. This supports the base line demand expected of 1.1ha of consumption per annum.

9.10. OPPORTUNITY FOR COMMERCIAL 2 LAND

As noted in previous assessments, areas south of the existing Business Park with frontage to Saunders Road provides the potential opportunity for establishment of a Commercial 2 Zone (C2Z) precinct to increase the diversity of business types that can be accommodated within the Gisborne Business Park.

Currently Gisborne only provides for two major types of land for business and employment including the Commercial 1 Zone (in the town centre) and the Industrial 1 Zone (the Gisborne Business Park).

The opportunity to provide for a strategically located precinct of C2Z land would increase the range of business types and therefore employment opportunities available within the Business Park.

The following provides an overview of drivers and business opportunities for a potential C2Z precinct in Gisborne.

9.10.1. DEMAND DRIVERS

LOST LOCAL EXPENDITURE AND EMPLOYMENT

Gisborne currently experiences significant escape expenditure to other municipalities in regard to large format retailing. It is estimated that only 4.2% of expenditure by residents on large format retail is captured within Gisborne. This significant loss of expenditure to other municipalities has implications on local employment opportunities and sustainability of the local economy.

Gisborne currently only provides an average of 0.03sqm of large format retail floorspace per resident, which is well below the national average.

Retail was the largest employing sector in Gisborne in 2016, showing the importance of this sector in providing local jobs for residents.

Currently opportunities for the establishment of a restricted retail type business or showroom business are highly limited in Gisborne. Generally, there is a lack of available sites in the town centre which is suited to these business types. Further, the

price of Commercial 1 Zone land in the town centre also restricts business establishment.

The existing IN1Z land as part of the Gisborne Business Park is also not suitable for these businesses due to the zoning and current lack of exposure to passing traffic.

Provision of C2Z land that provides for niche large format retail opportunities that align to the location and economic context of Gisborne would increase opportunities for local job creation and support the sustainability of the local economy.

RELOCATION OF EXISTING BUSINESSES FROM THE TOWN CENTRE

There are examples of large format retail or service industry related businesses located within the town centre that could potentially relocate to an appropriately located C2Z precinct if land were provided. There are 7 existing businesses (including trade supplies businesses, car wash etc) that could potentially relocate. Relocation of these businesses out of the town centre would provide for redevelopment opportunities within the town centre for higher order uses.

These businesses would typically seek more affordable land than C1Z land (if available). The historical lack of a C2Z precinct may be in part the reason why a number of these businesses have located in the town centre.

Providing the opportunity for relocation of these businesses out of the town centre would assist in facilitating development objectives for the town centre for new commercial and retail development. This would also support the maintenance of the 'village feel' and township character of the town centre.

IMPROVEMENT OF INTERFACES

The use of the C2Z could be considered along Saunders Road and Barry Road in areas south of the existing Business Park.

The C2Z would provide for an improved interface of the Business Park with residential areas to the west and south (as opposed to a purely industrial interface).

CASE STUDIES OF C2Z LAND

Three case study locations which provide for C2Z land have been provided below. Case studies have been selected which are relevant to Gisborne in terms of their locational attributes and population size. The purpose of the case studies is to assess the types of businesses which locate in C2Z precincts in peri-urban, outer metropolitan and regional areas.

Lilydale Commercial 2 Precinct



The Lilydale C2Z precinct as shown above is located on the eastern periphery of town and has an approximate zoned area of 11.2ha. There is also another C2Z precinct to the west of the town centre, which provides an additional 4.6ha of zoned land.

The population of the Lilydale-Coldstream SA2 was 18,721 residents in 2016.

The precinct shown above provides for a diversity of retail business types such as Supercheap Auto, car and vehicle sales (Toyota, Nissan, Isuzu), Coles express

(Service Station), Horseland, equipment/machinery hire, Beaumont Tiles and Petstock. The precinct also provides for trades and services businesses.

Located in close proximity to larger centres of Ringwood, Kilsyth, Croydon and Nunawading, C2Z land in Lilydale remains an important component of provision for appropriate opportunities for various business types that require main road access and exposure.

Healesville Commercial 2 Precinct



The Healesville C2Z precinct is located on the periphery of town and has a net zoned area of 2.03ha. The Healesville-Yarra Glen SA2 had a population of 13,710 residents in 2016.

The precinct includes a number of types of businesses that are encouraged in the C2Z. Businesses include Coles Express Service Station, Four Pillars Gin Distillery, Healesville Toyota, Thirsty Camel Bottle Shop, LePine Funerals and Car Servicing.

The context of Healesville is not dissimilar to Gisborne in that it is a peri-urban township, proximate to the larger urban centres of Ringwood and Lilydale that also provide C2Z land (including restricted retail, showrooms etc), yet the C2Z precinct in Healesville provides a niche role in supporting appropriate business investment to service the needs of the town and sub-regional catchment.

Warragul Commercial 2 Precincts



Warragul provides approximately 24ha of C2Z land across a number of precincts (excluding the saleyards site and undeveloped site to the east of the town). Commercial 2 precincts are adjacent to both industrial areas and Commercial 1 Zoned areas.

Warragul is located a 1-hour and 25-minute drive east of Melbourne and has a population of 18,758 people (SA2).

C2Z land in Warragul supports a range of business types including car and motorbike sales, car servicing, car hire, car parts and supplies, car tyre sales and service, equipment and office supplies, caravan sales, trades supplies, agricultural supply businesses, service stations, car wash, emergency services.

CASE STUDY KEY FINDINGS

As the case studies show C2Z precincts can provide for a range of different business types other than homemaker centres/large format retail. The C2Z can be useful in providing for a range of business types to support the local economy. These include:

- Auto sales/dealerships and parts sales;
- Auto servicing;
- Tourism businesses;
- Trades sales (plumbing, ceramics, tiles, flooring);
- Service stations and car washes;
- Pet food supplies;
- Emergency services;
- Car rental;
- Equipment hire;
- Agricultural supplies.

The existing Gisborne Business Park does not lend itself to the attraction of many of these business types in part due to its lack of exposure to passing traffic and industrial 1 zoning.

9.10.2. C2Z BUSINESS OPPORTUNITIES

As previously discussed the provision of C2Z land in Gisborne is unlikely to be suited to the provision of a large homemaker centre or other major retailers (e.g. JB-HiFi, the Good Guys, Officeworks etc) but rather niche restricted retail businesses and other population service, tourism, recreation and hospitality businesses that can often rely on main road exposure.

There are a number of potential business opportunities for Gisborne that would benefit from exposure to passing traffic and main road access and would therefore may be more suited to a C2Z precinct rather than the industrial zone, these business types include:

- Auto-retailers;
- Pet supplies;
- Trade supplies (plumbing/flooring/bathrooms etc.);
- Service stations;
- Car wash;
- Breweries, distilleries and cideries;
- Recreation (gyms, child play centres, rock climbing centre);
- Coffee roasters;
- Specialised artisans/workshops and gallery spaces; and
- Hospitality industry suppliers (food catering, laundry services etc).

The provision of a C2Z precinct may therefore offset the overall requirement for provision of additional industrial land.

9.11. BUSINESS PARK OPPORTUNITIES

Table 60 provides a summary of the potential business opportunities for the Gisborne Business Park, including an indication of their general suitability to industrial land within the Business Park or a Commercial 2 Zone precinct with road exposure within the precinct. This is not offered as an exhaustive list but rather an illustration of general business types.

The table shows that there a range of businesses that are suited to industrial land as well as a number of potential business types that would be suited to Commercial 2 land with exposure to passing traffic. There are also a number of businesses suited to both land types.

Planned expansion of the Business Park could therefore consider the strategic designation of C2Z precinct along the Saunders Road frontage. Consideration could also be given to the use of Barry Road for some C2Z land.

Due to overlapping business opportunities, provision of C2Z land would likely offset some of the requirement to provide additional industrial land.

TABLE 59 BUSINESS OPPORTUNITIES SUMMARY

Business Type	Industrial Land	C2Z Land with exposure
Construction/trades businesses	✓	
Warehousing	✓	
Auto related services	✓	
Manufacturing	✓	
Offices and factoryettes	✓	
Engineering business	✓	
Recreation (gyms, child play centres, rock climbing centre)	✓	✓
Coffee roasters	✓	✓
Breweries, distilleries and cideries	✓	✓
Hospitality industry suppliers (food catering, laundry services etc).	✓	✓
Specialised artisans/workshops and gallery spaces; and	✓	✓
Self-Storage	✓	✓
Large format retail and showrooms		✓
Auto sales and parts sales		✓
Building/furnishing supplies (plumbing, ceramics, tiles, flooring, lighting)		✓
Service stations and car washes		✓
Pet food supplies / equestrian supplies		✓
Camping, outdoor and recreation goods		✓
Car rental		✓
Equipment hire		✓

Source: Urban Enterprise, 2020

9.11.1. KEY FINDINGS

The Gisborne Business Park provides the only location within Gisborne with land zoned specifically for employment and business purposes other than the town centre.

It is vital that the business and employment role of the Gisborne Business Park is protected and supported to increase local employment opportunities, provide services to the resident and business population, attract new business opportunities aligning to growth sectors of the economy, reduce escape expenditure and reduce the need for residents to travel outside the Shire for goods and services that could be provided locally.

There are very limited remaining vacant lots within the main developed area of the Gisborne Business Park. Supply may be at critical levels if new lots are not made available to the market through new subdivisions. As a major long term strategic planning project for Gisborne and with opportunities seldom arising to adequately plan for future employment land needs, it is prudent for the structure plan to appropriately plan for opportunities for future employment,

If industrial land north of the railway line on Hamilton Road is rezoned away from industrial, the Structure Plan should plan to accommodate an additional 17-28ha of land for the Business Park over the next 20-30 years.

Expansion of the industrial precinct south toward Saunders Road and east (as identified in the UDP), provides for the most logical extension of the existing industrial area.

Additional industrial land should aim to better align to the drivers of demand for industrial land, this includes through a more diverse mix of lots, including smaller lots and an improved public realm (landscaping, footpaths etc) through better design standards.

The opportunity to expand the industrial precinct toward Saunders Road also provides for the strategic opportunity to establish a C2Z precinct in Gisborne. The provision of a C2Z precinct would provide for the following:

- Enable the attraction of businesses that require more affordable land (compared to town centre land), which require main road frontages, exposure and which align to the economic growth opportunities of Gisborne. This includes:
 - Auto sales and parts sales;
 - Building/furnishing supplies (plumbing, ceramics, tiles, flooring, lighting);
 - Service stations and car washes;
 - Pet food supplies / equestrian supplies;
 - Camping, outdoor and recreation goods;
 - Car rental;
 - Equipment hire;
 - Large format retailers and showrooms (niche business types);
 - Recreation (gyms, child play centres, rock climbing centre);
 - Breweries, distilleries, cideries and coffee roasters;
 - Hospitality industry suppliers (food catering, laundry services etc);
 - Specialised artisans/workshops; and
 - Self-Storage.
- Provide the opportunity for existing businesses in the town centre that would typically occupy C2Z land to relocate out of the town centre, providing for redevelopment opportunities within the town centre for higher order uses (ie. commercial, retail, hospitality, residential) and support the maintenance of the 'village feel' and township character of the town centre.
- Provides exposure and promotion for the Gisborne Business Park, increasing awareness of the business park, which would assist in attracting business investment and creating new employment opportunities.
- Provide opportunity to create a quality interface between residential areas (potentially to the west and areas south along Saunders Road).
- Reduce escape expenditure to other municipalities (currently estimated at 96% escape expenditure equating to \$28 million in lost expenditure from the

economy), leading to better employment outcomes and supporting growth of the local economy. The Retail sector was the most significant employing industry sector in Gisborne in 2016, C2Z land would support the growth of this sector.

- Reduce the need for residents and business to travel outside of the municipality to access goods and services, improving economic efficiencies and reducing environmental impacts (e.g. through reduced car travel).

Planning for the provision of a C2Z precinct appropriately sited within the Business Park expansion area may also likely offset some of the requirement for industrial land given the nature of some overlapping business opportunities.

The Structure Plan should also give consideration to protecting the interfaces of the Business Park from residential encroachment in order to protect the economic role and function of the business park as well as provide for longer term expansion potential (ie. over 20-30+ years).

10. IMPLICATIONS

10.1. INTRODUCTION

This section of the report provides implications for the preparation of the structure plan based on the economic and employment analysis.

10.2. RETAIL AND TOWN CENTRE

The implications for the preparation of the Structure Plan and Urban Design Framework based on the retail and commercial analysis include:

- The town centre is and remains the primary location for retail and commercial uses in Gisborne.
- The Structure Plan identifies potential suitable locations for new local retail floorspace which could support convenience growth area retail provision for new residents. Safeguarding this opportunity for the future.
- The need to ensure that ongoing increases to the commercial floorspace stock can be accommodated in the town centre, especially catering to smaller businesses.
- Planning in the town centre should encourage built form which supports opportunities for night time dining, bars, entertainment, arts, cultural and tourism uses.
- Commercial floorspace at upper levels should be supported, especially given expected strong competition for remaining floorspace and sites in the Town Centre from retail and commercial uses over the planning period.
- Major expansion of the commercial role is not required given the expected availability of new floorspace within the Nexus Centre in the short term.
- Town Centre branding and infrastructure improvements should seek to complement the needs of small businesses and staff, including high amenity

public places to meet, eat and do businesses, building on the village meeting place theme.

- Active transportation linkages within the town centre should be encouraged including to facilitate incidental retail patronage.
- The importance of small businesses and new businesses should be recognised, especially as an important opportunity of economic growth and change in the southern section of the municipality.
- The importance of community infrastructure (libraries, co-working spaces, open spaces) should be recognised for their ability to activate the Town Centre as well as complement small business growth and development.
- A commercial/retail role should be considered for New Gisborne, particularly in proximity to the train station and existing hospitality uses.
- Public events and placemaking that activates the Town Centre should be explored and encouraged.

10.3. GISBORNE BUSINESS PARK

The implications for the preparation of the Structure Plan and Urban Design Framework, based on the analysis of the Gisborne Business Park and opportunity for C2Z land include:

- Recognise the importance of industrial land to the local economy.
- Recognise that industrial land in Gisborne is also supporting some peripheral commercial land use given an absence of C2Z land.
- Plan for expansion of the business park to cater to forecast growth over the next 20-30 years, providing for an estimated additional 17-28ha of land (if areas north of the railway line are zoned away from industrial).

- Identify and protect locations and growth fronts for long term industrial growth, this includes protecting areas to the east of the Business Park from residential development.
- Maintain adequate buffers to sensitive land uses and restrict encroachment of residential growth in proximity to industrial land which could otherwise compromise the function of existing and future businesses within the industrial estate.
- Consider expansion of the business park towards Saunders Road, unlocking the potential for the establishment of a C2Z precinct.
- Plan for the potential to accommodate a C2Z precinct at key road frontages to the Business Park (primarily considering the Saunders Road frontage). Provision of a C2Z precinct along the road frontage would somewhat offset the land take requirement for additional industrial land.

APPENDICES

APPENDIX A DATA AREA MAPS

FIGURE 37 GISBORNE UCL

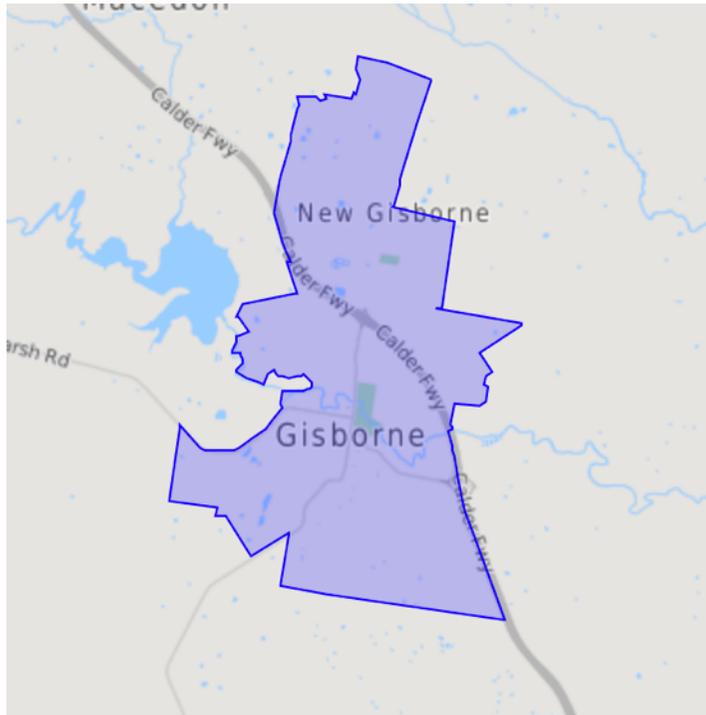


FIGURE 38 GISBORNE SA2 AND MACEDON RANGES LGA

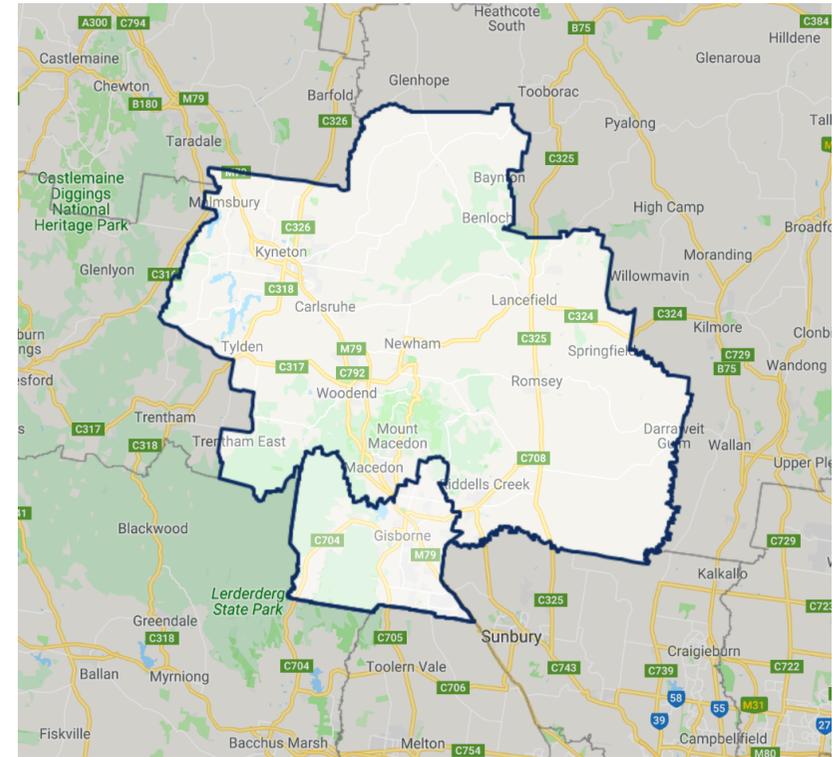
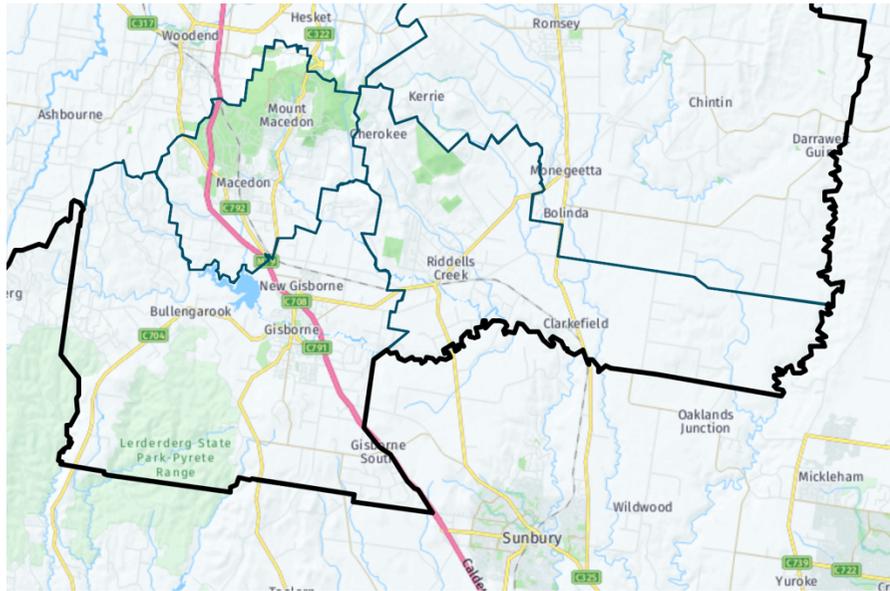


FIGURE 39 .ID POPULATION DISTRICTS



Source: .id

FIGURE 40 MELBOURNE NORTH WEST SA4

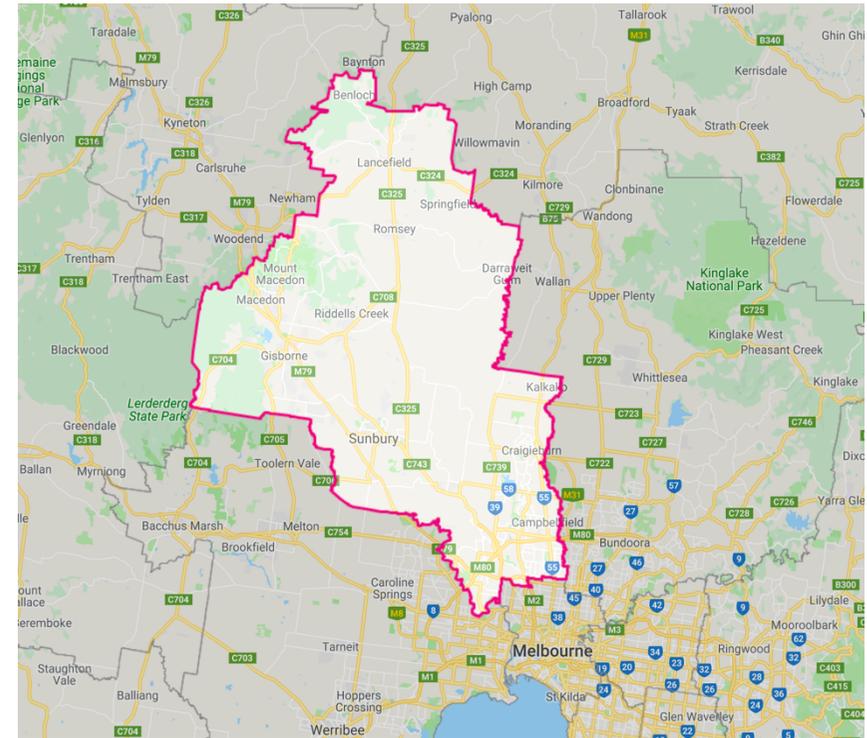
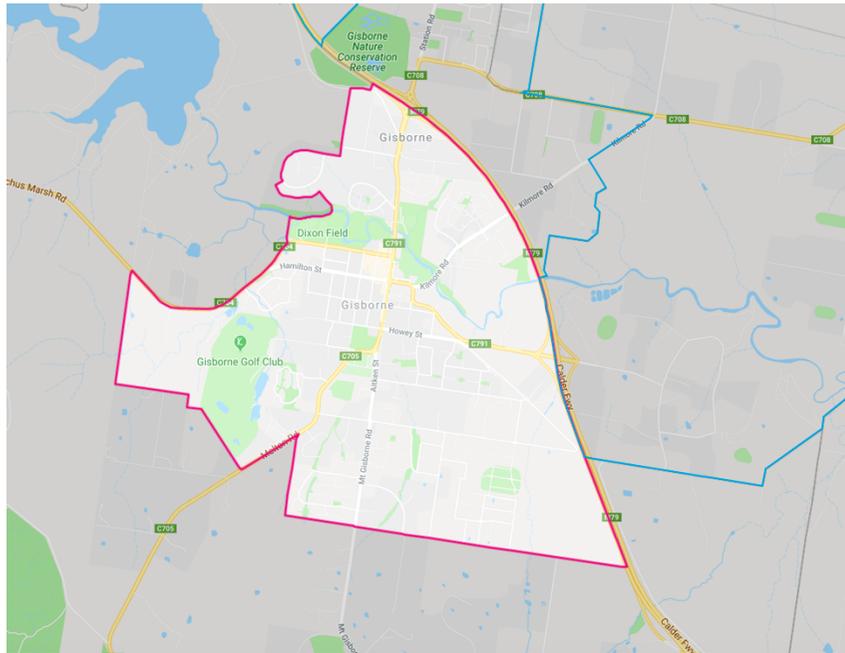


FIGURE 41 DESTINATION ZONE (212323536)



Source: Remplan, Map Builder



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