



ESSENTIAL ECONOMICS

Mildura Retail Strategy 2010

Prepared for

Rural City of Mildura

by

Essential Economics Pty Ltd

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

- 1 **Project background:** The Rural City of Mildura commissioned Essential Economics to prepare the *Mildura Retail Strategy 2010* to assess demand and supply trends for retailing in the urban Mildura area, and to provide a strategy to guide the future location of retail development over the period 2010 to 2025. In conjunction with this Retail Strategy, Council also commissioned Planisphere to Structure Plans and Urban Design Frameworks for the Fifteenth Street precinct and for Irymple. The Retail Strategy provides advice on future retail land requirements in each precinct as input to these studies.

The Study Area for the purpose of this strategy consists of the urban area of Mildura and the nearby towns of Merbein, Irymple and Red Cliffs.

- 2 **Regional Context:** Mildura, located on the Murray River in the north-west corner of Victoria, is the major service centre serving the needs of residents and visitors in north-western part of Victoria and adjoining areas in New South Wales (NSW) and South Australia (SA).

The facilities and services provided in Mildura to serve this wide catchment are extensive and include shopping, entertainment, professional and business services, health and education, civic and government services.

- 3 **Retail Context:** Retail floorspace provision in the Study Area is estimated at approximately 151,200m² as at February 2010. This level of retail floorspace is substantial in relation to the urban population and reflects the regional role Mildura performs along with its role in serving a visitor population.

- 4 **Existing Retail Hierarchy:** The retail hierarchy serving residents in the Study Area comprises the following:

- **Mildura CBD:** A regional centre which serves a variety of roles including retail, entertainment, business, community, civic and tourism. The CBD contains an estimated 63,100m² of retail floorspace.
- **Centro Mildura:** A sub-regional centre operated by Centro. Anchored by a Target and Woolworths supermarket, the centre contains approximately 18,800m² of retail floorspace.
- **Fifteenth Street Homemaker Precinct:** Fifteenth Street has developed into a significant homemaker precinct containing approximately 46,800m² of retail floorspace, including approximately 31,200m² of homemaker retail floorspace.
- **Neighbourhood Centres in Urban Mildura:** Urban Mildura contains only one small neighbourhood centre, located in Deakin Avenue.
- **Town Centres:** Town centres located in Merbein and Red Cliffs are both anchored by Supa IGA supermarkets. Red Cliffs also contains a small Foodworks supermarket. Irymple has a small collection of shops and a number of proposals exist for the development of a supermarket-based centre in the township.

- Local shops and stand-alone stores: A network of local centres containing up to around 10 shops in some cases and stand-alone stores are located throughout the urban Mildura area.
- Proposed retail development: Significant retail developments currently proposed in Mildura include a Big W and associated retailing adjacent to Centro Mildura, a Coles supermarket development located opposite Centro Mildura and two supermarket proposals in Irymple.

- 5 **Issues and Opportunities**: A number of issues and opportunities were raised throughout the project:

Issues

- Lack of private and public investment in the CBD.
- Retail competition between the CBD and the Fifteenth Street Precinct.
- Few available development sites in the CBD.
- Lack of neighbourhood shopping facilities.

Opportunities

- Capitalise on proposed tourism development to help integrate the CBD and the riverfront.
- Refurbish buildings in the CBD and intensify development of major sites.
- Significant interest from national-brand retailers seeking to locate in Mildura.
- Opportunity to improve the fresh food speciality retail offer.

- 6 **Retail Trade Area**: The trade area served by retail facilities in the Study Area comprises:

- Primary Trade Area (PTA), which includes all of urban Mildura and the nearby townships of Irymple, Merbein, Red Cliffs and Wentworth (in NSW). The PTA currently has a population of approximately 55,700 residents and is forecast to have between 58,400 and 66,500 residents by 2025.
- Secondary Trade Area (STA), which comprises the balance of Rural City of Mildura and the areas extending north towards Broken Hill (NSW) and west into the Riverland (SA). The STA currently has a population of approximately 44,600 residents and is forecast to decline slightly to 43,500 by 2025.

- 7 **Visitor contribution to retailing**: Retailers in Mildura also capture spending by visitors to the region, including transient workers. It is estimated that \$90-100 million of retail turnover in the Study Area is derived from visitors to the Mildura region.

- 8 **Retail Market Shares:** Retail spending by MTA residents in 2010 is estimated at approximately \$1.1 billion, and this is forecast to increase to between \$1.4 billion and \$1.5 billion by 2025. Retailers in the Study Area achieve the following market shares based on an analysis of retail turnover performance:
- 83% of retail spending by PTA residents
 - 26% of retail spending by STA residents
 - 58% of total retail spending throughout the whole of the MTA.
- 9 **Retail Development Opportunities:** Over the next 15 years, potential exists for retail development in the order of 48,000m² to 67,000m² of floorspace in the Study Area. This development potential provides support for the following:
- Consolidation of the sub-regional role currently being performed in the Centro Mildura precinct.
 - Consolidation of the homemaker precinct in Fifteenth Street.
 - Redevelopment of key CBD sites containing anchor tenants, with the potential to increase retail floorspace as part of these redevelopments.
 - Potential development of a town centre in Irymple.
 - Potential future development of neighbourhood centre facilities in the Mildura South growth area.
- 10 **Mildura Retail Strategy - Vision:** Part B of this report represents the Mildura Retail Strategy 2010 and includes the following Vision Statement which is intended to guide the ongoing development of the retail sector in Mildura:

"Mildura is a dynamic city serving a growing residential population and increasing numbers of tourists and other visitors. These customers will be served by a sophisticated retail sector that offers a full range of modern, well-designed and well-integrated shopping facilities that offer choice in product and services, and are in easily accessible locations."

- 11 **Mildura Retail Strategy 2010 – Objectives:** The following objectives underpin the Mildura Retail Strategy 2010:
- To support the viability of existing centres in Mildura, so they continue to perform their roles in the retail hierarchy.
 - To respond to future retail requirements of residents and visitors to the region, having regard for forecast population growth and potential growth in tourism.
 - To support the Mildura CBD as the primary activity centre in the Mildura, for a mix of activities including retail, business, entertainment, tourism, civic, health, education, medium-density residential development, etc.
 - To support the sub-regional shopping role of the Mildura Centro precinct.
 - To support Fifteenth Street as the principal location for homemaker retailing.

- To support development of accessible neighbourhood and town centres where there is an identified demand for such facilities and where such development will not lead to significant adverse impacts on established centres.
- To ensure activity centres in Mildura are places where people enjoy shopping, doing business, and taking part in community activities through the implementation of appropriate design guidelines.
- To ensure the Mildura Retail Strategy 2010 is reflected in the Mildura Planning Scheme.
- To ensure the Mildura Retail Strategy 2010 and Mildura Planning Scheme remain relevant and have regard for current retailing trends.

INTRODUCTION

INTRODUCTION

Background

The Rural City of Mildura commissioned Essential Economics to prepare the *Mildura Retail Strategy 2010* in order to assess demand and supply trends for retailing in urban Mildura area, and to provide a strategy which will guide the future location of retail development over the period 2010 to 2025.

A full retail strategy was last undertaken in 2000 and a major review was conducted in 2004. It is now opportune to prepare a new retail strategy having regard for the amount of retail development that has occurred since 2004, and current development pressure illustrated by retail development proposals for Fifteenth Street and Irymple.

In conjunction with this Retail Strategy, Council has also commissioned Planisphere to prepare Structure Plans and Urban Design Frameworks for the Fifteenth Street precinct and for Irymple. The Retail Strategy provides advice on future retail land requirements in each precinct as input to these studies.

Study Objectives

The main objectives of the Strategy are as follows:

- 1 To prepare updated estimates of current retail floorspace provision, by type and by location.
- 2 To prepare projections of future retail demand, by type, for the period 2010 to 2025, generated by residents, visitors and other contributors to retail demand.
- 3 To review the existing retail hierarchy operating in Mildura and confirm its relevance for the planning period.
- 4 To identify opportunities to expand existing centres or introduce new centres to ensure residents in the trade area are appropriately served in terms of retail provision.
- 5 To provide advice on retail development opportunities as input to the Structure Plans to be prepared for Deakin Avenue / Fifteenth Street and Irymple.

Report Format

This report is in two parts. **Part A** provides the background retail assessment, while **Part B** sets out the Retail Strategy.

Part A: Mildura Retail Assessment

Part A of this report presents detailed background analysis to inform the preparation of the Strategy and includes an assessment of future retail development opportunities in the Study Area. Part A is organised into the following chapters:

- Chapter 1: Introduction
- Chapter 2: Context Analysis
Summary of previous reports and description of relevant planning policy background.
- Chapter 3: Retailing in Mildura
Overview of the Mildura retail sector, including estimates of current floorspace and a description of the role of each centre.
- Chapter 4: Issues and Opportunities Assessment
Identification of the main issues for consideration in the Strategy, based on consultation with key stakeholders.
- Chapter 5: Retail Economic Analysis
Detailed analysis of current centre performance, and analysis of the potential for additional supportable retail floorspace, by type and location.
- Chapter 6: Assessment of Retail Development Potential
Identification of potential outcomes in each centre in the Study Area in terms of the quantum and type of floorspace likely to be developed.
- Chapter 7: Planning Implications
Summary of planning implications in terms of additional land that needs to be rezoned to accommodate the identified demand.
- Chapter 8: Summary of Key Findings
Summary of the outcomes of the retail economic analysis for consideration in preparing the Strategy.

Part B: Mildura Retail Strategy 2010

Part B of this report presents a Retail Strategy to guide future retail development in Mildura, based on the detailed analysis presented in the first part of this report. The Strategy is organised into the following components:

- Chapter 9: Introduction
- Chapter 10: Vision
- Chapter 11: Objectives
- Chapter 12: Actions and Implementation

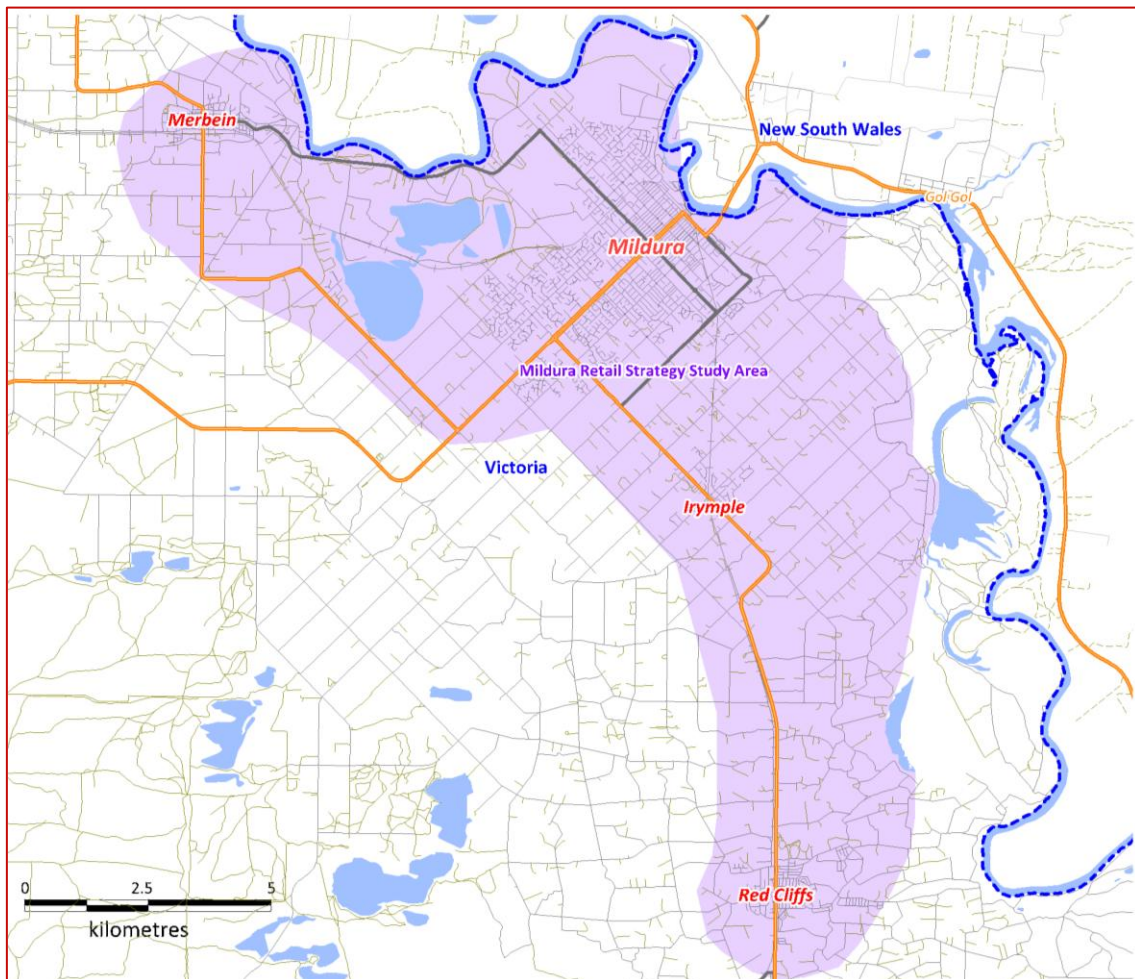
Chapter 13: Assessment Criteria

Chapter 14: Monitoring and Review

The Study Area

The Study Area for the purpose of the Strategy is shown in Figure 1 below and consists of the urban area of Mildura and the nearby towns of Merbein, Irymple and Red Cliffs.

Figure 1: Mildura Retail Strategy 2010 Study Area



Produced by Essential Economics using MapInfo and StreetPro

Terms and Definitions

Retail Activity

Retail activity is defined in this report according to the industry classifications used by the Australian Bureau of Statistics (ABS) in the preparation of the 1991/92 Retail and Services Census, but modified to exclude garden supplies, marine equipment and motor vehicle and related trade. The classification broadly follows the latest Australia and New Zealand Standard Industry Classification (ANZSIC) for 2006.

The definition used in this report is consistent with other approaches in undertaking retail-economic analysis in Australia.

It is important to note that a range of non-retail uses often operate in conjunction with and/or adjacent to many retail traders. These uses include cinemas, offices, travel agencies, lotto and gaming outlets, banks and other financial institutions, equipment hire and garden supplies, and so on. For the purposes of this Strategy, these non-retail functions are not explicitly assessed; however, their presence and association with the retail sector is recognised where appropriate in the analysis and recommendations.

Retail Categories

In the Strategy, retail floorspace and retail expenditure is divided into three broad product categories and a number of sub-categories. These categories and sub-categories are defined as follows:

- **Food retailing**, including the following sub-categories:
 - Food, liquor and groceries (FLG), which comprises household spending on take-home food, groceries and liquor. This type of spending is usually directed to retail stores including supermarkets, fresh food stores, bakeries, butchers, etc.
 - Food catering, which includes household spending at cafes, restaurants and take-away food outlets.
- **Non-food retailing**, including the following sub-categories:
 - Homemaker retailing, which comprises household spending on bulky merchandise and homewares, which are increasingly associated with large-format stores found in bulky goods precincts such as Fifteenth Street.
 - Other non-food, which comprises household spending on apparel, leisure and general merchandise.
- **Retail services**, which comprises household spending on services such as hair dressing, dry cleaning, video hire, and optometry.

Land Use Definitions

The main retail land use terms used in Victorian Planning Schemes to describe land uses for the purposes of zones, schedules to zones, overlays, etc are shown in the Table below.

Table 1: Land Use Definitions in Victorian Planning Schemes

Land use term	Definition
Retail	<p>Refers to land used to sell goods by retail, or by retail and wholesale, and land used to sell services or to hire goods.</p> <p>Includes activities such as <i>shops</i> (see below), food and drink premises and trade supplies, which are generally all included in the ANZSIC-based definition of <i>Retail</i>. Also includes land used for gambling premises, gardening supplies, manufacturing sales, motor vehicle, boat and caravan sales, market, post office and primary produce sales.</p> <p>The definition of retail land use in Victorian Planning Schemes is much wider than the definition of <i>Retail</i> used by the ABS, and that used in this report.</p>
Shop	<p>Refers to land used to sell goods and services by retail and to hire goods, but excluding other types of <i>Retail</i> land uses listed above.</p> <p>Includes <i>Restricted Retail Premises</i> (see below), as well as supermarkets, department stores, convenience shops, video shops, hairdressers and beauty salons, bottle shops and adult sex bookshops.</p> <p>Generally, all shop uses can be categorised as <i>Retail</i> in terms of the ABS classifications (see note below relating to restricted retail uses); however, there are other ABS <i>Retail</i> uses which are not included in the definition, such as food and drink premises, trade supplies, and so on.</p>
Restricted Retail	<p>This is a subset of <i>shop</i> use, and refers to land used to sell or hire auto parts and accessories, camping equipment, electric light fittings, equestrian supplies, furniture, furnishings and floor coverings, household appliances, party supplies and swimming pools.</p> <p>The term <i>Restricted retail</i> is commonly interchanged with “peripheral sales”, or “bulky goods”, which describes retail (ie ABS defined) uses which typically require large sites and which may seek to locate away from traditional shopping centres. However, the <i>restricted retail</i> definition includes uses not defined as retail for the purposes of this Strategy, including the sale of auto parts and accessories, and the sale of swimming pools.</p>
Source:	Mildura Planning Scheme

Planning Zones

Retail development is a permissible use in a number of land use zones in the *Mildura Planning Scheme*. These land use zones which are referred to in this Strategy are summarised in the table below:

Table 2: Victoria Planning Provisions – Purpose of Zones

Zone	Purpose	Status of Retail Use
Business 1 Zone (B1Z)	To encourage the intensive development of business centres for retailing and other complementary commercial, entertainment and community uses.	Most retail uses permissible as-of-right
Business 2 (B2Z)	To encourage the development of offices and associated commercial uses.	Retail development is permissible with a permit
Business 4 (B4Z)	To encourage the development of a mix of bulky goods retailing and manufacturing industry and their associated business services.	Restricted retail is permitted as-of-right, convenience retail with permit, and other shop uses are prohibited
Business 5 (B5Z)	To encourage the development of offices or multi-dwelling units with common access from the street.	Allows convenience retail/food and drink with permit, but other retail is prohibited
Mixed Use Zone (MUZ)	To provide for a range of residential, commercial, industrial and other uses which complement the mixed-use function of the locality. To encourage residential development that respects the neighbourhood character.	Shop uses are permitted with a permit
Special Use Zone 9 (SUZ9)	To ensure that design and development is in accordance with the Urban Design Guidelines – Mildura Urban Transition Area (April 2008). To reinforce Fifteenth Street as the ‘public face’ of the urban transition between Mildura and Irymple. To develop Fifteenth Street with smaller scale restricted retail and associated business services within a landscaped setting, well setback from the road.	Allows restricted retail development as-of-right, and convenience shop with permit; other retail uses are prohibited

Source: Mildura Planning Scheme

PART A: MILDURA RETAIL ASSESSMENT

1 INTRODUCTION

Part A comprises economic analysis which supports the policies for retail development that are presented in Part B of this report.

Part A includes the following components:

- Analysis of the context of the study, including the regional location of Mildura, the policy context and relevant retail trends.
- Overview of retailing in the Rural City of Mildura, including a summary of the retail hierarchy serving the municipality and a description of each of the centres.
- Identification of the issues and opportunities for retailing in Mildura, based on consultation with key stakeholders and responses to a community survey undertaken during preparation of the Fifteenth Street and Irymple Urban Design Frameworks.
- Retail economic analysis which presents:
 - Identification of the trade area served by retail facilities in urban Mildura
 - Forecasts of trade area population and retail spending
 - Assessment of the contribution of visitor spending to retailing in Mildura
 - Assessment of existing retail turnover and market share of retailers in Mildura.
- Examination of retail development potential arising from population and visitor spending growth in the Study Area.
- Identification of the implications for the Retail Strategy arising from the retail economic analysis.

2 CONTEXT ANALYSIS

This Chapter provides the context for the preparation of the retail assessment (Part A) and the retail strategy (Part B). Reference is made to locational aspects, policy matters and retail trends, all of which have a bearing on the future of retailing in Mildura.

2.1 Mildura Regional Context

Mildura, located on the Murray River in the north-west corner of Victoria, is the major service centre serving the needs of residents and visitors in the north-western part of Victoria and adjoining areas in New South Wales (NSW) and South Australia (SA).

The facilities and services provided in Mildura to serve this wide catchment are extensive and include shopping, entertainment, professional and business services, health and education, civic and government services, and so on.

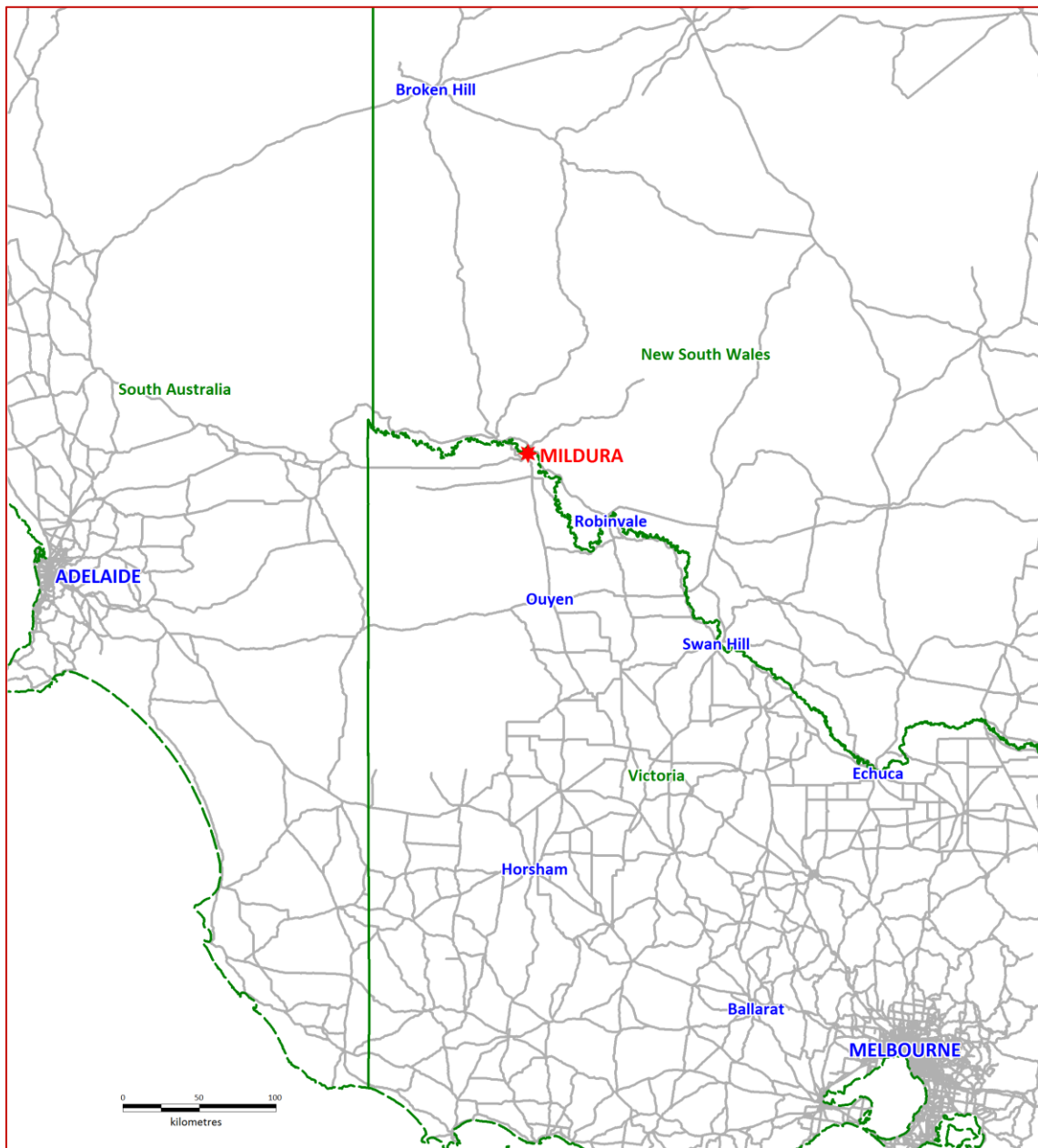
The Rural City of Mildura contains a resident population of approximately 53,100 persons (estimate for 2008) and has experienced population growth of 1.0% pa over the past seven years, slightly greater than the average for regional Victoria (0.9% pa). The majority of residential development and population growth has occurred in urban Mildura and particularly in the southern part of the urban area.

Of an estimated 25,800 jobs in the municipality in 2008 (AEC, *Mildura Region Economic Profile*), the retail industry was the largest employer and accounted for 4,100 jobs, or 16% of total employment; this illustrates the importance of retailing to the municipality. Mildura is also a significant region for agriculture, which generated an estimated 3,800 jobs in 2008.

Mildura's retail environment consists of the Central Business District (known as 'City Heart') which is located just south of the Murray River, and an expanding retail precinct on Fifteenth Street which comprises the Centro Mildura Shopping Centre and a bulky goods precinct extending eastwards towards Irymple.

Town centres are located in Merbein and Red Cliffs, while other local retail facilities are provided throughout the urban Mildura area and in small town centres such as Irymple.

Figure 2: Regional Location



Produced by Essential Economics using MapInfo and StreetPro

2.2 Policy Context

This section presents a broad review of planning policy with respect to retail development at activity centres in Mildura.

Mildura Retail Strategy 2000

Essential Economics prepared a Retail Strategy for the Mildura Rural City Council in 2000 with the purpose of guiding the on-going development of the retail sector in urban Mildura over the period 2000 to 2015.

The 2000 Strategy included a detailed analysis of the existing and future retail market in Mildura to inform the development of the Strategy. The key elements of the Strategy (2000) included the following:

- **Vision for Retailing in Mildura:** *“To ensure that the retail sector in Mildura develops in a manner which promotes the operation of a viable retail hierarchy, including support for the City Heart as the primary location for retail activity in the region and for visitors to Mildura. To actively support the operation of the retail hierarchy as a whole, including the regional role of City Heart, the sub-regional role of Centre Plaza, the 15th Street peripheral sales precinct, township centres, and neighbourhood and local centres.”*
- **Strategic Considerations:** The following are the strategic considerations upon which the 2000 Strategy was based:
 - Maintain an appropriate hierarchy of centres,
 - Retain the highest possible share of retail expenditure of residents and visitors,
 - Consolidate and rationalise the existing zones at City Heart,
 - Improve parking and accessibility,
 - Respond to Retail Industry trends,
 - Maintain the urban break between Mildura and Irymple,
 - To be aware of planned changes to the traffic network on the Calder Highway which may impact on the attractiveness of particular areas of land for commercial development,
 - Develop a process for assessing retail development applications,
 - Develop an implementation, monitoring and review process for the Strategy.
- **Policy Directions:** The key policy recommendations provided in the 2000 Strategy include the following:
 - Amount of future retail floorspace supportable: Opportunities will exist to accommodate an estimated 25,600m² of additional retail floorspace in Mildura over the period 2000 to 2015 to serve the needs of residents and visitors to the region.
 - Locations for future retail development: Potential locations for future retail development included Mildura City Heart, Centre Plaza, 15th Street and only a small requirement for new

neighbourhood centres to serve residential development areas. Population decline in the outlying areas may lead to a reduction in retail floorspace.

- Enhancing the role of City Heart: City Heart will be maintained and supported as the primary shopping and commercial centre serving the region.

The 2000 Strategy also provided recommendations regarding changes to the Mildura Rural City Council Planning Scheme and guidance to the development of processes for assessing retail development applications, monitoring and review of the Strategy and implementing the Strategy.

Review of the Mildura Retail Strategy (2004)

In 2004, Mildura Rural City Council commissioned Maunsell and Douglas March & Associates to conduct a review of the Mildura Retail Strategy (2000).

The Review presented updated estimates of future retail floorspace and land requirements in Mildura and identified potential for approximately 35,280m² to 58,070m² of additional retail floorspace over the period 2003 to 2021.

Other recommendations in the Review related to the need for ongoing management plans to guide development in locations such as City Heart and Fifteenth Street, and the need for coordinated delivery of supporting infrastructure.

The Strategy directed the majority of future retail development to the City Heart, Mildura Centre Plaza (now Centro Mildura) and Fifteenth Street, with new residential areas to be served by large corner stores rather than new local or neighbourhood centres.

Small changes were made to policy directions supporting City Heart as the primary retail and commercial centre, and Mildura Centre Plaza was supported as a sub-regional location with potential for expansion onto the adjoining land.

The Fifteenth Street precinct was identified as the focus for bulky goods retailing, and an expansion in the Business 4 zone of 15 to 20 hectares along the western side of Benetook Avenue north of the intersection with Fifteenth Street was supported.

Amendment C29

Amendment C29 (Part 2) to the *Mildura Planning Scheme* was presented at a Panel Hearing in 2005. The amendment sought to:

- Facilitate the development of retail activities throughout Mildura that serve the needs of residents and visitors by, among other things, ensuring that there is adequate capacity of appropriately zoned land, in appropriate locations to allow and encourage future retail expansion;
- Reinforce Mildura CBD as the primary activity centre in the region that provides a wide range of retail, commercial, financial, community service, recreation and entertainment opportunities for residents in a wide catchment, for tourists and other visitors;

- Reinforce and facilitate the development of the Mildura Centre Plaza Precinct as a fully integrated sub-regional centre which complements the function of the Mildura CBD;
- Reinforce and facilitate the regional concentration of bulky goods and other forms of peripheral retailing in the region along Fifteenth Street and Benetook Avenue (between Fourteenth and Fifteenth Streets);
- Maintain strategic support for convenience centres, including town centres, neighbourhood centres and local shops in their role of provision of limited but important retail facilities to residents; and
- Amend the Municipal Strategic Statement (MSS), the Local Planning Policy Framework (LPPF) and also involved changes to zoning, overlays and schedule changes.

The Panel's recommendations were informed by the Retail Strategy (2000), the Review (2004), analysis prepared by MacroPlan, and various submissions. Upon reviewing the amendment and the associated research and analysis, the Panel was satisfied that there was latent and forecast demand for additional retail floorspace.

Two of the key findings of the Panel were to support the additional provision of Business 1 Zone (B1Z) land surrounding the Mildura Centre Plaza, and additional Business 4 Zoned (B4Z) land in the vicinity of 15th Street and Benetook Avenue.

Mildura CBD Plan

The Mildura CBD Plan was prepared for the Mildura Rural City Council by Planisphere in 2007 in response to the findings of the Panel for Amendment C29 and the adoption of the Mildura Riverfront Master Plan. The Plan presents overall direction for the future planning of the CBD in regard to its activities, buildings, access and space, and specific directions for individual precincts in the CBD.

A summary of the elements of the CBD Plan that are relevant to the retail sector is presented below:

- **Vision for the CBD:** *"The Mildura CBD is the 'heart' of Mildura, a vibrant, attractive and safe outdoor experience for residents, workers and visitors. It is the regional retail, business and employment centre for a tri state catchment with a diverse range of shops, community facilities, restaurants and recreational opportunities. A stronger character and distinctive image created by shady vine covered streets, heritage buildings and interesting laneways and arcades, as well as strong links to the river front area, provides a unique and comfortable pedestrian environment and a renowned tourist destination. Deakin Avenue plays the role of integration, with key links to either side of the CBD, and outwards to the Chaffey Trail, river side and residential areas. The streets have places to stop and sit or meet other people and with a busy event schedule and resident population, the centre is lively during the daytime and into the evening, seven days a week."*
- **Six key priorities:** To achieve the Vision, six key priorities and a number of initiatives are identified for the Structure Plan. The six priorities are as follows:
 - Make the Mildura CBD a place people will 'want to experience'

- Make the CBD more environmentally sustainable
- Deliver real improvements in the short term
- Improve access to the CBD
- Start to link the CBD to the River
- Improve east-west links.
- **Potential initiatives relevant to retailing:** A number of example initiatives were identified with specific relevance to retailing in the CBD. These include:
 - Opportunities for outdoor cafes throughout the CBD.
 - A weekly market in the Langtree Mall.
 - Creating opportunities for residential developments in the CBD to generate activity and provide passive surveillance of public spaces.
 - Increase the intensity of activity in the CBD and encourage growth in pedestrian activity.
 - Provide up to 200 new car parking spaces along Pine Avenue.
 - A new vision for a built edge to the CBD along Seventh Street, taking advantage of the river and parkland views.

The Plan's objective in regard to retail is to "*consolidate the Mildura CBS as the pre-eminent retail centre in Mildura and the Region*" by adopting a number of strategies and actions, including the following:

- Undertake a review of the Mildura Retail Strategy.
- Develop consistent trading hours for retail businesses.
- Encourage new development on land in the Business 1 Zone to provide retail uses on the ground floor to encourage active frontages and pedestrian traffic.
- Explore opportunities for site consolidation and redevelopment for retail uses in the Business 1 Zone area.
- Promote the CBD retail offer in any marketing campaign for Mildura or the Region.

Mildura Planning Scheme

The Mildura Planning Scheme provides a policy basis for retail development in Mildura, and consists of strategic directions and policies contained in the State Planning Policy Framework (SPPF) and Local Planning Policy Framework (LPPF).

State Planning Policy Framework

Clauses 12 (Metropolitan Development) and Clause 17 (Economic Development) of the SPPF both have relevance to the retail sector in Mildura.

Clause 12 implements the policies identified in *Melbourne 2030* to the planning scheme. Although Clause 12 relates specifically to metropolitan Melbourne, the objectives and strategies also influence regional Victorian municipalities and should be taken into account where relevant. In particular, *Clause 12.01 A more compact city* relates to activity centre planning and promotes the consolidation of retail activity into identified activity centres where various other uses can also be provided.

Clause 17.01 *Activity Centres* relates to planning for activity centre and seeks to:

“encourage the concentration of major retail, commercial, administrative, entertainment and cultural developments into activity centres (including strip shopping centres) which provide a variety of land uses and are highly accessible to the community.”

Local Planning Policy Framework

The following aspects of the LPPF are relevant to retailing in Mildura:

- **Clause 21.01-3 Retail/Commercial**

Clause 21.01-3 describes the extent of business zoned land in Mildura and identifies land abutting Fifteenth Street between Benetook Avenue and Cowra Avenue as the preferred location for restricted retail expansion. This recommendation is supported by the *2006 Mildura-Irymple Interface Study* and the *2006 Industrial Land Strategy Update*. This land is currently zoned Special Use 9 (SUZ9) which seeks *“to develop Fifteenth Street with smaller scale restricted retail and associated business services within a landscaped setting, well setback from the road.”*

- **Clause 21.02-2 Key influences on the land use themes**

In relation to Economic Development, Clause 21.02-2 identifies that retail is a key economic driver for the municipality. Others include horticulture, agriculture, tourism, government services and commercial activities.

This Clause also summarises the main findings of the *Mildura Retail Strategy Review*, in particular demand for an additional 35,280m² to 58,070m² of retail floorspace in Mildura over the period 2003 to 2021.

Furthermore, Clause 21.02-2 recognises the community values placed on the many historical buildings and features located throughout the retail and commercial centres in Mildura.

- **Clause 21.03-1 The Vision for Mildura Rural City**

Key themes in support of the Development vision include:

- A Master Plan for the municipality which includes development and infrastructure needs for future generations;
- Local Town Plans for all of our individual communities;
- Access to best practice communications systems and development in all communities to improve links with each other and the world;
- Clear retail, industrial and residential precincts for the municipality; and

- Integration between the Mildura City and its river precinct with recognition of the Port of Mildura as a tourism icon.

Clause 21.03-1 also identifies the following specific visions relating to retailing in Mildura by 2030:

- Retail activities throughout Mildura will be sufficient to serve the needs of its residents and visitors.
- Mildura CBD will be the primary activity centre in the region providing a wide range of retail, commercial, financial, community service, recreation and entertainment opportunities for residents in a wide catchment, for tourists and other visitors.
- Mildura CBD will be better integrated with the riverfront and marina areas.
- The Mildura Centre Plaza Precinct will have developed as a fully integrated subregional centre which complements the function of the Mildura CBD.
- The expanded Fifteenth Street precinct from Benetook to Cowra Avenue will be developed as smaller scale restricted retailing within a landscaped setting.
- Convenience centres, including town centres, neighbourhood centres and local shops, will serve an important function in providing limited retail facilities to residents.

- **Clause 21.04-4 Economic Development**

Clause 21.04-4 identifies objectives and strategies which seek assist Mildura in obtaining the vision for economic development contained in Clause 21.03-1. The objectives and strategies in relation to retailing in Mildura comprises of the following:

Objective

“To achieve balanced and sustainable retailing facilities that serve the needs of, and are accessible to, residents and visitors.”

Strategies

- Sustain the Mildura CBD as the primary activity centre, encompassing strong retail, commercial, financial, community service, recreational and entertainment components.
- Support the sub-regional retailing role of the existing and expanded retail concentration in the vicinity of Mildura Centre Plaza, which complements the function of the Mildura CBD.
- Support the Fifteenth Street Precinct as a bulky goods location.
- Ensure that commercial development along Fifteenth Street between Benetook Avenue and Cowra Avenue is consistent with adopted urban design guidelines for the area.
- Support further commercial development within the existing commercial areas in Irymple, Merbein, Red Cliffs and Ouyen.
- Provide adequate retail capacity in anticipation of future growth.
- Support the development of large corner stores rather than new centres to serve the local retail needs of future residential development areas in Mildura.

2.3 Retail Trends

A number of important trends in retailing need to be considered in assessing the prospects for the retail sector in Mildura. These trends relate to the structure and size of the industry, demographic spending and behavioural patterns, the emergence of new retail formats that respond to these changes, and the advent of technological innovations which influence future retail activity.

Retail Industry Background

Retail is one of the most diverse of industries, with individual retailers ranging from single owner-operators to family businesses, medium-scale operations, national chains, large supermarket and department store corporations, big-box/bulky goods retailers, and the like.

It is this variety of retail offering that makes retailing a dynamic and exciting industry, and a profitable one for those who offer the right mix of goods and services to a market that demands them. A well-functioning and efficient retail sector which meets the needs of consumers can make a substantial contribution to an area's economic strength, in addition to enhancing the general lifestyle, interests and well-being of a community.

While the diversity of retailing is likely to continue, fundamental shifts are occurring in the structure of the retail industry which need to be taken into account. In particular, a trend over the past 20 years has been for smaller operators to lose market share to the retail 'giants' such as supermarket chains, department stores, national homemaker chains, and so on. These larger operations do not always seek locations in the traditional shopping strip – they often prefer an enclosed shopping centre or free-standing sites with good exposure.

There are signs, however, that traditional strip and town centre centres are recapturing some market share through re-focused and improved marketing, as well as a growing preference by consumers for 'main street' style shopping compared with enclosed shopping centres.

Consumer Behaviour and Demographics

The shopping public are continually redefining their demands for goods and services (in terms of types of goods and services demanded and the total level of expenditure on retail items), and their expectations of the way in which these are sold to them. New considerations are being applied to shopping 'decisions'; for example, competition for people's disposable income from an increasing range of activities and products (travel, dining-out, gambling, mobile phones, internet access and a whole range of other activities), and higher levels of personal debt which can make shoppers more price-conscious.

The types of retail goods and services purchased by shoppers are also constantly evolving. For example, since the mid-1990s a general shift has occurred in retailing which places increased focus on entertainment and leisure merchandise and services, rather than traditional household items, clothing and the like. Consumers are also being attracted to places where retail purchases can be made in a time-efficient manner.

Other examples of retail trends include the development of 'category killer' outlets and homemaker centres where a large range of particular types of merchandise are available for browsing in a single store or group of stores. This form of retail development has been occurring along Fifteenth Street in Mildura and has had a significant impact on the retailing landscape over the past decade.

More specific to Mildura are the competing forces of the traditional retail centre in the CBD and that of the rapidly developing Fifteenth Street Precinct which comprises an enclosed air-conditioned sub-regional shopping centre with ample parking, together with a string of homemaker developments.

New Forms of Retailing

New forms of retailing have become evident in Australia over the past decade, and these activities are of relevance in planning for retail development in Mildura. Of special interest is large format retailing and in particular "homemaker" retailing.

Homemaker retailers tend to seek large affordable sites which enjoy high exposure to main road traffic and which are conveniently located to serve large regional catchments; often (although not always), these sites are located outside existing centres. In the case of Mildura, homemaker development along Fifteenth Street has created a well defined homemaker precinct, where consumers can go to undertake a large share of the homemaker and leisure shopping.

These types of retail operations include a number of different forms, including superstores, category killers and homemaker (or bulky goods) retailers. In size, these retail outlets generally range from 500m² to 3,000m², although they can be even larger, particularly for major hardware outlets.

For the purpose of this report, these retailers are collectively described as 'homemaker retail' in order to reflect the fact that they tend to be largely involved in retail categories such as furniture, bedding, hardware, and other items which tend to require large display areas and also involve merchandise that, in general terms, can be difficult to carry home - hence the need for plentiful at-grade car parking located directly outside the retail store. These homemaker stores should not be confused with large-format retailers such as supermarkets and discount department stores which predominantly sell day-to-day retail products which are more appropriately represented in a traditional retail centre setting.

Homemaker retailers can locate in or adjoining existing centres as long as a suitable site is available in terms of affordability, size, convenient shopper access, good exposure, adequate car parking, etc. Often, these retailers enjoy co-locating with complementary activities; Fifteenth Street is a good example.

The high growth in retail spending on homemaker-type merchandise is supported by recent trends in housing construction which, in turn, are encouraged by historically-low interest rates (even taking into account recent interest rate increases) and by Federal and State Government stimulus policies. A trend towards lifestyle purchases has also contributed to the popularity of homemaker retailing. As a result, over the past 10 years the growth in spending on bulky merchandise and homewares categories has been well-above the growth experienced in other retail product categories and well-above long-term historical trends in retail spending growth.

Local Convenience Centres

Small local centres which traditionally provided a limited range of day-to-day convenience retailing to a local catchment have come under increased competition, and have been in decline over at least the past two decades. Across Australia, the viability of traditional, small convenience-based local strips in established suburban areas have in many instances been undermined by a combination of changing retail formats, consumer spending patterns and lifestyle trends.

Consumer preference for convenient multi-purpose trips and greater reliance on the motor vehicle has increased the popularity of modern convenience stores attached to petrol stations. Service stations continue to increase the breadth of in-store product, with chains such as Coles Express and BP introducing new store formats, sometimes including café and bakery sections. Customer loyalty programs with affiliated supermarkets and incentives of cheaper petrol contribute to the popularity of these stores. Furthermore, the level of convenience experienced at supermarkets has also increased, with the advent of express lanes, self-service check-out and convenient parking.

These trends have been to the detriment of local centres, with many struggling to be viable and attract the required amount of investment in order to present the centres to a satisfactory level.

Nonetheless, there remain examples where local shopping strips have successfully retained their convenience retail function and remain as vibrant focal points for local community activity.

The rollout of the Lucky 7 chain of convenience stores in local centres throughout Australia is bringing a new focus to these centres which has been lacking in recent years. Lucky 7 is a new convenience store retail brand owned by Metcash. One Lucky 7 convenience store is located in a small local centre in Mildura, at the intersection of San Mateo Avenue and Thirteenth Street. Lucky 7 provides convenience store owners with a brand name under which to operate, and Metcash provide advice on store design and layout, monthly promotional material, and improved supplier terms and discounts. In order to be eligible to join the Lucky 7 banner, the store owner must be supporting Metcash with purchases of \$20,000 of Campbells wholesale merchandise per month.

2.4 Need for a Retail Strategy

A review and update of the Mildura Retail Strategy is intended to provide overall guidance on retail development issues across the hierarchy of retail centres that operate in the Rural City of Mildura. The last full Retail Strategy was undertaken by Essential Economics in 2000, and a review was then conducted in 2004 by Maunsell in association with Doug March and Associates.

It is now opportune to prepare a new Retail Strategy which considers more recent industry trends and new development opportunities, and which responds to the Panel Report for Amendment C29 (Pt 2) which implemented the 2004 Retail Strategy Review. The updated Retail Strategy also has regard to the findings of the Mildura CBD Plan, prepared by Planisphere and adopted in 2007.

Urban Mildura and nearby towns have been under increased pressure to accommodate new retail development. A number of approved retail developments have the potential to affect the retail landscape in Mildura, including the development of a new discount department store adjacent to Centro

Mildura and a supermarket development in Irymple. In addition, further proposals exist for development in Irymple and along Fifteenth Street and there is significant interest in retail development from major retail operators in these areas.

Conversely, only limited interest and private retail development has been directed to the CBD in recent years. While a large share of private development in the retail sector is occurring in the Fifteenth Street Precinct, there is a need to secure the primacy and viability of the CBD as retail location. This issue is to be addressed in the Retail Strategy.

3 RETAILING IN MILDURA

This Chapter presents an overview of the existing provision of retail floorspace in the Study Area, including a description of the role and function of each centre in the retail hierarchy. Issues and opportunities for each of the centres have also been identified.

3.1 Retail Hierarchy Serving the Mildura Study Area

The retail hierarchy serving residents in the Study Area comprises the following components:

- **Mildura CBD:** This is the Regional centre which serves a variety of roles including retail, entertainment, business, community, civic and tourism. The CBD comprises an estimated 63,100m² of retail floorspace, with the main anchor tenants being Kmart discount department store (DDS) and Coles, Woolworths and Supa IGA supermarkets.
- **Centro Mildura:** A sub-regional centre operated by Centro. Anchored by a Target and Woolworths supermarket, the centre contains approximately 18,800m² of retail floorspace. Approved plans exist for the development of a Big W DDS on land immediately to the east of the Shopping Centre.
- **Fifteenth Street Homemaker Precinct:** Fifteenth Street has developed into a significant homemaker precinct containing approximately 46,800m² of retail floorspace, including approximately 31,200m² of homemaker retail floorspace. The precinct contains a number of national brand homemaker and leisure tenants and is the main location of homemaker retailing in the region.
- **Neighbourhood Centres in Urban Mildura:** Urban Mildura contains only one small neighbourhood centre, located in Deakin Avenue. The centre is anchored by a small Foodworks supermarket.
- **Town Centres:** Town centres located in Merbein and Red Cliffs are both anchored by Supa IGA supermarkets (Red Cliffs also contains a small Foodworks supermarket). Limited retailing also occurs in Irymple, and a number of proposals exist for the development of a supermarket based centre in the township.
- **Local shops and stand-alone stores:** A network of local centres containing up to around 10 shops in some cases and stand-alone stores are located throughout the urban Mildura area.

Retailing in the study area, particularly the urban area of Mildura, is dominated by higher order centres which serve a large regional catchment, namely the Mildura CBD, Centro Mildura and the homemaker precinct along Fifteenth Street. Together, these centres account for 92% of occupied retail floorspace in urban Mildura (refer Table 3.1 in the following Section).

Currently, there is a lack of neighbourhood shopping facilities which provide residents with convenient access to daily and weekly convenience shopping facilities. The CBD and Mildura Centro currently perform this role. As the population continues to increase and the urban area of Mildura expands, it is likely that potential will arise for the development of neighbourhood shopping facilities to serve the

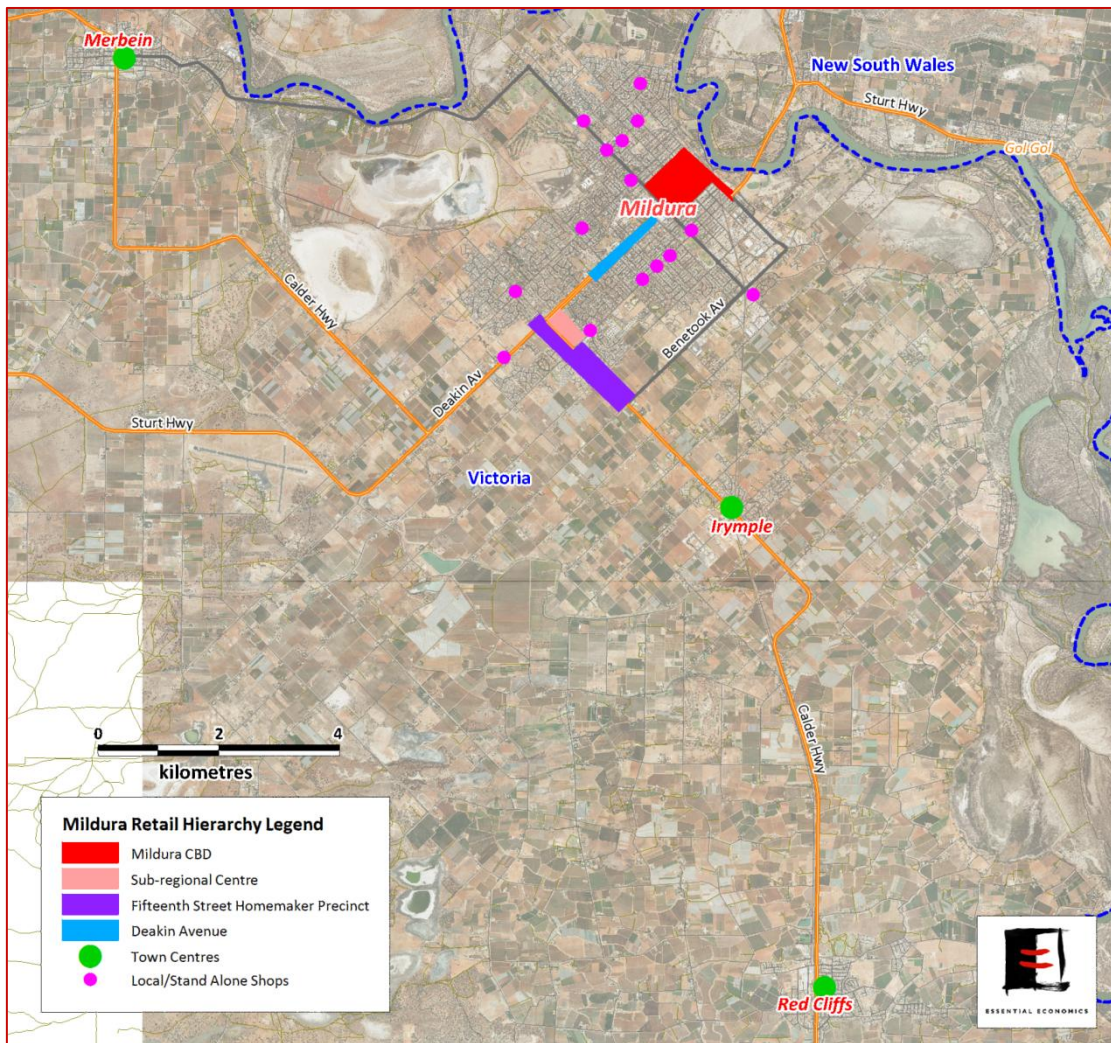
expanding areas of Mildura. This will have an impact on the future retail hierarchy serving Mildura, and will provide an additional level of facilities to the area which are not currently represented.

In addition to retail facilities located within the Study Area, Mildura residents and people living elsewhere in the trade area (refer Chapter 5.1) are also served by retail facilities located further afield, including:

- Regional centres at Swan Hill to the south-east and Broken Hill to the north;
- Small town centres in rural areas such as Ouyen; and
- Retailing in metropolitan Melbourne and Adelaide.

Figure 3 shows the retail hierarchy and the location of centres in the Study Area.

Figure 3: Mildura Study Area Retail Hierarchy, 2010



Produced by Essential Economics using MapInfo and StreetPro

3.2 Study Area Retail Provision

Retail floorspace provision in the Study Area is estimated at approximately 151,200m² at as February 2010, based on a retail floorspace survey undertaken by Essential Economics and other industry sources. Retail provision in Mildura is substantial in relation to the urban population, and this reflects the regional role Mildura performs along with need to serve a visitor population.

Table 3.1 presents a summary of retail floorspace provision in the Study Area by centre/precinct and shows that the main centres/precincts for retailing in the Study Area are:

- Mildura CBD: approximately 63,100m² of occupied retail floorspace;
- Fifteenth Street: approximately 46,800m² of occupied retail floorspace; and
- Centro Mildura: approximately 18,800m² of occupied retail floorspace.

Table 3.1: Retail Floorspace in Mildura Study Area, February 2010 (Sq Metres)

Centre / Precinct	FLG	Food Catering	Total Food	Home-maker	Other Non-food	Total Non-food	Services	Occupied Retail	Vacant - Retail	Total Retail Floorspace (inc vacant)	Vacancy Rate
Urban Mildura											
Mildura CBD	14,320	6,740	21,060	12,600	24,170	36,770	5,230	63,060	6,360	69,420	9.2%
Centro Mildura	4,040	720	4,760	3,160	9,670	12,830	1,180	18,770	0	18,770	0.0%
Fifteenth Street	1,250	880	2,130	31,180	12,320	43,500	1,120	46,750	2,250	49,000	4.6%
Deakin Avenue	600	2,710	3,310	20	700	720	200	4,230	50	4,280	1.2%
Local Shops	1,800	330	2,130	180	300	480	760	3,370	400	3,770	10.6%
Stand-Alone Shops	400	0	400	2,500	0	2,500	0	2,900	0	2,900	0.0%
Urban Mildura Total	22,410	11,380	33,790	49,640	47,160	96,800	8,490	139,080	9,060	148,140	6.1%
Nearby Towns											
Red Cliffs	3,860	540	4,400	290	1,500	1,790	770	6,960	720	7,680	9.4%
Merbein	2,020	430	2,450	260	740	1,000	370	3,820	70	3,890	1.8%
Irymple	500	270	770	0	420	420	120	1,310	140	1,450	9.7%
Total Study Area	28,790	12,620	41,410	50,190	49,820	100,010	9,750	151,170	9,990	161,160	6.2%

Source: Essential Economics Retail Floorspace Survey (February 2010); Australian Property Council, Victorian Shopping Centre Directory (2009); Centro Mildura

3.3 Mildura CBD

Mildura CBD Role and Description

The Mildura CBD is located on the southern bank of the Murray River, extending between Seventh and Eleventh Streets. A significant amount of retail and non-retail floorspace is spread across the commercially-zoned areas of the CBD. The majority of retail activity is concentrated in the vicinity of Langtree Avenue (including the Langtree Mall) and Lime Avenue.

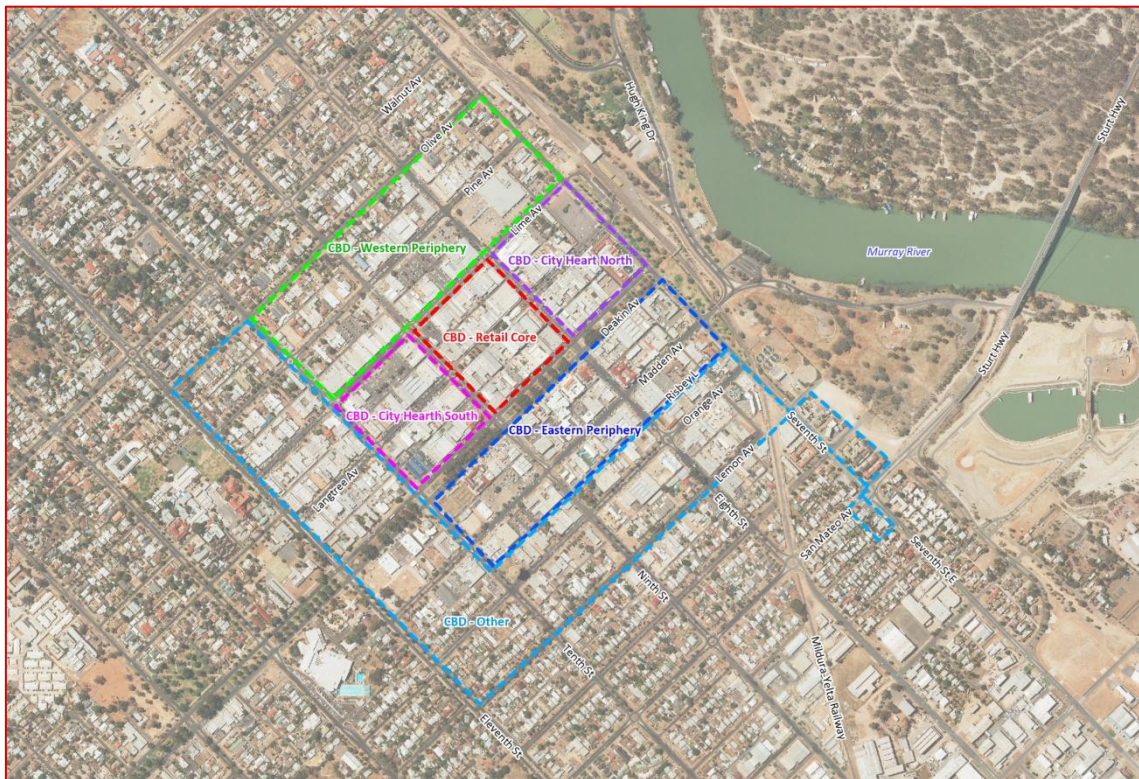
In total, the CBD comprises approximately 63,100m² of occupied retail floorspace, including 21,100m² of food retailing, 36,800m² of non-food retailing and 5,200m² of retail services. Major tenants include Kmart DDS, and Woolworths, Coles and Supa IGA supermarkets.

Like most central business districts in regional areas, Mildura CBD provides a range of services to a regional catchment, including retail shopping, business services, community services, civic and administrative functions, and the provision of entertainment and tourist activity.

For the purpose of this analysis, the CBD has been divided into six sub-precincts; each precinct performs slightly different roles. The precincts in the Mildura CBD are shown in Figure 4 and include:

- Retail Core
- City Heart North
- City Heart South
- Western Periphery
- Eastern Periphery
- CBD Other

Figure 4: Mildura CBD Precincts



Produced by Essential Economics using MapInfo and StreetPro

A description of retail uses in each of the individual precincts in the CBD is provided below.

Retail Core

Based around Langtree Mall, the Retail Core contains approximately 15,200m² of occupied retail floorspace, including approximately 10,200m² in other non-food merchandise. A large proportion of other non-food floorspace is in fashion shopping.

While 7.4% of retail floorspace is vacant, much of this is located on the periphery of the precinct where a number of arcades and older-style tenancies are to be found. Only a few vacancies are situated in the mall, most of which appear to be undergoing refits for new tenants.

Potential exists for improvements in the appearance of retail premises in this precinct.

City Heart North

City Heart North covers the two blocks between Seventh and Eighth Streets and is split either side of Langtree Avenue. In total, the precinct contains approximately 9,800m² of retail floorspace, including approximately 4,000m² in food catering.

This precinct has emerged as Mildura's entertainment and dining district, with 41% of floorspace in food catering, including 34% of floorspace in café and restaurant tenancies. The concentration of restaurants and cafes along Langtree Avenue, between Seventh and Eighth Streets, has become known as 'Feast Street' and is a developing feature of the CBD.

The car park opposite the Grand Hotel is the proposed site for the *Mildura Conference and Casino* development. An entertainment and tourism-based development at this under-utilised site would consolidate the strip's emergence as Mildura's entertainment hub.

Lime Avenue is at the western end of the potential development site and currently accommodates a Dick Smiths and Sam's Warehouse that interface with the Kmart across the road. Deakin Avenue has limited relevance for retail and is largely occupied by office and education facilities. A trend for non-retail uses to occupy tenancies along Deakin Avenue is in evidence.

City Heart South

The City Heart South precinct occupies two blocks between Ninth and Tenth Streets, separated by Langtree Avenue. Two supermarkets anchor retail activity in this precinct: the Woolworths on Langtree Avenue and Fisher's IGA on Deakin Avenue. FLG (Food, Liquor, Groceries) represents 54% of floorspace. Both supermarkets appear to be trading quite successfully, although potential exists for the redevelopment or refurbishment of these buildings.

The other retailers in the precinct are generally independent stores operating along Langtree Avenue as an extension of the Mall. The type of land uses changes from retail to office and non-retail uses as they extend southwards from the Mall. The IGA is the precinct's only retail use located on Deakin Avenue, with the Cinema and Mildura Club occupying the balance of the road frontage.

The City Heart South Precinct contains approximately 10,700m² of retail floorspace.

Western Periphery

The Western Periphery stretches from Seventh to Tenth Streets to the west of Lime Avenue, and is the extension of the three central retail precincts. The Western Periphery contains two major anchor tenants, a Kmart DDS and a Coles supermarket. In total, the Western Periphery contains approximately 20,300m² of retail floorspace, and is the largest of all CBD precincts.

Eastern Periphery

The Eastern Periphery mainly comprises land in the Business 2 Zoned (B2Z) to the east of Deakin Avenue. Less than 3,000m² of retail floorspace is located in the precinct, indicating a limited retail role. Retail tenancies are concentrated around Eighth Street which provides the best link with the Retail Core of CBD.

The major uses in this precinct are non-retail, such as the Mildura Council Offices, Law Courts and other training and office developments. A number of car yards also occupy prominent sites. The Deakin Avenue boulevard creates a significant barrier that reduces the viability of the precinct for retail tenants. Previous plans to redevelop the south-western corner of the Mildura Working Man's Club have not proceeded.

CBD Other

The CBD Other precinct incorporates all of the remaining B2Z zoned land in the CBD between Tenth and Eleventh Streets, together with the Mixed Use Zone (MUZ) to the East of the Eastern Periphery. The recent and ongoing developments to the south of the Working Man's club indicate renewed enthusiasm for commercial development in this area. For example, the sporting goods store on the corner of Eleventh Street and Deakin Avenue has relocated from the Retail Core precinct to a larger modern store. Officeworks and a Hogs Breath Cafe restaurant, both of which are national brands, have also been attracted by the potential for larger purpose-built stores on the periphery of the CBD.

This is a trend that is also shown in the pattern of office development in the area along Lime and Pine Avenues, where most newer-style offices are occupied, while numerous vacancies are to be found in older premises.

The Mixed Use areas have a number of small tenants servicing local workers and residents. Other than a few locally-focused retailers likely attracted by the cheaper rents, these areas are more suited to office, trade and light industrial tenancies.

Mildura CBD Issues and Opportunities

In general, the major issues facing retailing in the CBD include the following:

- Increasing competition from new retail development along Fifteenth Street, and development on the fringes of the CBD (eg new sports store located on Deakin Avenue).

- Limited opportunity for new retail development having regard for the established nature of the CBD.
- Lack of investment in existing retail premises. Based on observation of the CBD, it is evident a number of retail premises could benefit from refurbishment or redevelopment.
- An above-average vacancy rate of approximately 9%, indicating the centre as a whole could be under performing.
- The design of anchor tenants, namely Kmart, Coles and Woolworths, do not integrate well with the rest of the CBD – better integration would encourage increased levels of pedestrian traffic. For instance, the Kmart store is orientated away from the retail core of the CBD and both the Woolworth and Coles supermarkets contain largely inactive frontages along Langtree and Lime Avenues, with each of these streets being major connections within the CBD.

Despite these issues, a number of opportunities are evident:

- Tourism-related development, such as the proposed conference and casino development, has the potential to encourage investment in the CBD, particularly in locations surrounding these developments and in retail types that serve tourism markets (eg cafes and restaurants, boutique retailing, etc).
- Improving the integration of the CBD and the riverfront also has the potential to stimulate investment in the CBD.
- Redevelopment of major anchor tenancies. The major anchor tenancies in Kmart, Coles and Woolworths are all in need of a refurbishment. Any redevelopment of these sites would serve as a significant opportunity that would benefit all retailers and businesses in the CBD. To generate the greatest level of benefit, these sites would need to be reconfigured so that the major tenants are integrated with the rest of the centre to a greater extent than they are currently.
- Improvements to the appearance, amenity and streetscape of the Langtree Mall.
- Continue to develop the dining-out and entertainment role established along the northern part of Langtree Avenue, now referred to as 'Feast Street'.
- The development of higher-density residential development and the continued development of office land uses in and surrounding the CBD will generate additional demand for retailing in the CBD and should be encouraged.

3.4 Centro Mildura Precinct

Role and Description

Centro Mildura is a sub-regional shopping centre located at the intersection of Deakin Avenue and Fifteenth Street. The centre is managed by Centro Properties and contains approximately 18,770m² of retail floorspace, including a Target DDS and a Woolworths supermarket. The centre was redeveloped in December 2005.

The centre presents well and appears to be trading successfully, and this is reinforced by the following data contained in the *Shopping Centre News – Mini Guns Survey* for 2007 and 2009:

- Moving annual turnover (MAT) of \$135.4 million in 2009, which was ranked 1st of the 26 similar Victorian centres surveyed
- MAT had increased from \$123.5 million in 2007, representing growth of 4.7% pa;
- MAT/m² of \$7,030/m², which ranked 7th of the 26 similar Victorian centres surveyed.

Land adjoining the eastern boundary of the centre has been approved for the development of a Big W DDS and associated speciality retailing. It is understood there are current plans to incorporate a Dan Murphy's liquor store as part of the development, although these plans have not yet been approved. This development would serve to expand and consolidate the sub-regional role of this precinct.

In addition, a Coles supermarket development is mooted for the caravan park site on the southern side of Fifteenth Street.

Issues and Opportunities

The main issues likely to face Centro Mildura and the adjoining developments in the future are:

- The need to integrate the various proposed developments in the locality so that they perform as a single integrated retail centre.
- The impact of new developments such as a proposed supermarket development in Irymple and other unforeseen developments that may lead to an increased level of competition.

The proposed development of another DDS in the precinct represents a significant opportunity to strengthen the sub-regional role of the precinct. In addition, the proximity of the precinct to the nominated growth area in Mildura South also provides a future opportunity for the precinct.

3.5 Fifteenth Street Precinct

Role and Description

The Fifteenth Street precinct incorporates the business-zoned land fronting Fifteenth Street to the east of Deakin Avenue. The main zones applied to this land comprise Business 1 Zone (B1Z) and Business 4 Zone (B4Z).

Fifteenth Street is the main location for homemaker retailing in the Study Area and contains a total of approximately 46,800m² of retail floorspace, including approximately 31,200m² of homemaker floorspace. A further 12,300m² of floorspace is in other non-food retailing, mainly involving leisure/general retailing. A significant share of floorspace has been developed in recent years.

The precinct is characterised by large tenancies in excess of 1,000m² in floorspace, which derive benefits from exposure to passing traffic along Fifteenth Street and from being co-located with other similar

types of retailers. The precinct contains a variety of national brand retailers including Clarke Rubber, Carpet Choice, Bunnings, Harvey Norman, Spotlight, Good Guys, Nick Scali, Retravision, Fantastic Furniture, Dollar Curtain & Blinds, Lincraft, Bev Marks, and Rays Outdoor.

Issues and Opportunities

Issues regarding the future development of Fifteenth Street include the following:

- Development along Fifteenth Street has occurred in an *ad hoc* manner and has created a number of separate nodes, dispersed by vacant land or under-utilised land. This situation has impeded the integration of different developments along the Fifteenth Street and raises the issue of how to encourage development on infill sites.
- A significant amount of homemaker development has occurred on B4Z land in recent years, and analysis needs to be undertaken to assess whether the existing supply of vacant B4Z site is sufficient to accommodate forecast demand for this type of development. This issue is addressed later in this report and has implications for the Structure Plan and UDF currently being prepared for the precinct.
- The precinct contains a number of caravan parks that may or may not become available for retail development. Although these are occupied sites, significant potential exists for these sites to be redeveloped for homemaker retailing, having regard for the potential to generate a greater level of return from a retail development compared to a caravan park operation.

3.6 Deakin Avenue

Role and Description

Beginning south of Fifteenth Street and extending 3km north to Twelfth Street near the Mildura CBD, the Deakin Avenue Precinct covers Mildura's principal arterial road. Large sections of the avenue are zoned residential. However, two main areas of importance exist for retailing.

Firstly, the small strip of shops between Twelfth and Thirteenth Streets. This strip principally serves a local neighbourhood catchment, but would also attract passing trade from Deakin Avenue. The strip has a small Foodworks supermarket and an Asian Grocery store, in addition to other specialty retailers.

The second area of importance is the stretch of B4Z and B5Z zoned land on the western side of Deakin Avenue, near the intersection of Fifteenth Street. While there is little retail floorspace at present, and none on the B4Z land, a number of restaurants are located inside a number of motels. These restaurants are likely to draw the majority of trade from visitors to the Mildura region.

Issues and Opportunities

Deakin Avenue is not a major retailing location in the Mildura retail hierarchy. Only limited retail development should be encouraged in this precinct where a need or opportunity can be strictly identified.

3.7 Red Cliffs

Role and Description

Red Cliffs is a township located approximately 13 km south of Centro Mildura (by road) and contains a 2008 resident population of approximately 5,170 persons in the urban area and the immediate surrounding rural areas.

The weekly convenience shopping requirements of these residents are largely met by the Red Cliffs town centre, which comprises an estimated 6,960m² of occupied retail floorspace. Approximately 5,200m² of floorspace, or 74% of all occupied floorspace, is categorised as Food and Services, illustrating the local convenience role the centre performs.

The centre is orientated along Indi Avenue and Ilex Street and is anchored by a mid-sized Fisher's Supa IGA supermarket located on the corner of Ilex Street and Heystbury Avenue. The centre also contains a smaller Foodworks supermarket situated in Indi Avenue.

Issues and Opportunities

The major issues for the Red Cliff town centre include the following:

- Population decline in the township and immediate surrounding areas. The population has declined from approximately 5,420 residents in 2001 to approximately 5,170 residents in 2008.
- Potential for increased competition. New supermarket developments are proposed in Irymple, located approximately 9km to the north along the Calder Highway. Depending on the type and scale of development, these developments are likely to adversely affect the trading performance of retailers in the Red Cliffs town centre.
- The Red Cliffs town centre has a relatively high vacancy rate of 9.4%. Having regard for a decline in the local population, this may indicate an over-supply of retail and commercial floorspace in the town centre.

The Red Cliffs town centre comprises a significant amount of B1Z land, a large portion of which is unlikely to be used for retail or commercial uses in the future. The rezoning of this land to allow for residential development (for example a mixed-use zone or township zone) may encourage residential development close to the town centre, which would in turn benefit retailers and businesses in the centre.

3.8 Merbein

Role and Description

Merbein is a township located approximately 10 km west of the Mildura CBD (by road) and contains a 2008 resident population of approximately 4,080 persons in the urban area and the immediate surrounding rural areas.

The weekly convenience shopping requirements of these residents are largely met by the Merbein town centre, which comprises an estimated 3,820m² of occupied retail floorspace and is anchored by a mid-sized Fisher's Supa IGA supermarket. The majority of retail and commercial activity occurs along Commercial Street.

To supplement its local convenience role, the Merbein Street Market, which is held on the third Sunday of each month, is becoming a popular event for both locals and visitors to the region.

Issues and Opportunities

Overall, the centre appears to be trading satisfactorily and is performing a local convenience role. However, an issue facing the Merbein town centre, and many other rural towns, is the trend for a declining resident population. The population in the Merbein township and surrounding area has declined slightly from approximately 4,130 persons in 2001 to approximately 4,080 in 2008.

Together with serving a local convenience role, an opportunity exists for Merbein to continue to strengthen its niche market in regard to arts, crafts, antiques, second-hand shops and local produce, building on the products displayed at the monthly street markets.

3.9 Irymple

Role and Description

Irymple is located less than one kilometre from the eastern edge of the Fifteenth Street precinct. It is a township principally located around the intersection of Fifteenth Street and Koorlong Avenue, where the railway line also intersects. A number of small retail shops are located to the east of the railway, and these shops serve the local convenience needs of residents and passing motorists. Retail businesses include a newsagent, post office, hairdresser, op-shop, milk bar and a number of takeaway food shops.

Located approximately 600 metres to the north, at the intersection of Fifteenth Street and Karadoc Avenue, is a small group of tenancies and a hotel and bottle shop.

Neither of these retail locations serves as an effective town centre for the residents of Irymple, who are required to travel to larger centres in Mildura to undertake the majority of their retail shopping needs.

In total, it is estimated the centre contains approximately 1,300m² of retail floorspace.

The lack of a town centre in Irymple has attracted significant interest from developers. Two supermarket development proposals exist for different sites in Irymple, each of which is located away from the existing strip of retailing near the intersection of the railway line and Fifteenth Street.

An approved development comprises a mid-sized IGA supermarket, associated speciality retailing and the redevelopment of the hotel. This development has been approved since June 2005; it is not known when the development will proceed, if at all.

Another proposed development comprises a full-line Woolworths supermarket and speciality retailing on a greenfield site at the northern edge of town. The site is currently zoned B4Z and would require a rezoning to proceed.

Issues and Opportunities

The main issue for future retail development in Irymple is to identify the preferred location for a supermarket-based town centre, assuming that sufficient demand exists to warrant such a development. The potential for retail development in Irymple is analysed later in this report, while the preferred location for such a development is to be addressed in the structure planning process for the town, currently being undertaken in conjunction with this project.

3.10 Local Centres and Shops

Role and Description

A network of local shops that serve the day-to-day convenience needs of their immediate residential catchments is evident throughout urban Mildura (refer Figure 3). These centres/shops account for approximately 4,200m² of occupied retail floorspace, noting that the Dahlsens hardware store located at the intersection of Seventh Street and Benetook Avenue has been included as a Stand-Alone shop in Table 3.1.

The local centres typically comprise between one and seven stores, and include tenants such as general store/milk bar, takeaway food store and limited retail services such as hairdressers and laundromats.

Issues and Opportunities

Local centres are important to ensure convenient and accessible day-to-day retailing within a walking distance of their catchment. However, as discussed in Section 2.3, local centres operate in an increasingly competitive market place and a decline in the role of these centres is evident throughout metropolitan and regional centres in Australia.

3.11 Proposed Retail Developments in Mildura

The number of relatively significant (in terms of floorspace involved) retail development proposals indicates interest from developers in investing in the retail sector. Relevant proposals include:

- **Approved Big W DDS:** A Big W DDS and speciality retailing development has been approved for the vacant parcel of land adjoining the eastern edge of Centro Mildura. In total, the development will comprise approximately 10,600m² of retail floorspace. The proponents are currently seeking to alter the approved plans for the development to incorporate a Dan Murphy's liquor store.
- **Proposed Coles supermarket development:** A neighbourhood centre comprising a full-line Coles supermarket and limited speciality retailing is proposed for land opposite the proposed Big W site. The land has recently been cleared for development. Plans for this proposed development

are likely to be submitted to Council in the near future. This proposed development has not been approved, and would require an amendment to the planning scheme, given the site's current zoning (B4Z).

- **Marina development:** Approximately 3,000m² of retail floorspace has been approved as part of the Marina development.
- **Fishers IGA supermarket development, Irymple:** A supermarket development located on the corner of Fifteenth Street and Karadoc Avenue in Irymple has been approved. The proposed development will consist of a Fishers Supa IGA of approximately 2,060m², a number of speciality retail shop fronts, and the redevelopment of the Irymple hotel. In total, approximately 4,200m² of retail floorspace has been approved for the site.
- **Proposed Woolworths supermarket development, Irymple:** In addition to the approved supermarket development in Irymple, the Lascorp Development Group (Australia) Pty Ltd are proposing the construction of a neighbourhood centre comprising a full-line supermarket and specialty retailing. The proposed site is located at the intersection of Fifteenth Avenue and Sandilong Avenue and would require an amendment to the planning scheme, given the site's current zoning (B4Z).

The proposal is described in two stages: the first stage comprises a total of 5,300m² of retail floorspace, including a 3,600m² Woolworths supermarket, while the second stage comprises a further 2,140m² of retail floorspace. The development of limited non-retail and office floorspace and a tavern is also proposed.

4 ISSUES AND OPPORTUNITIES ASSESSMENT

This Chapter identifies the broader issues and opportunities for retailing in Mildura, as derived from consultation with key stakeholders and the general community. Issues and opportunities associated with individual centres have been identified in the previous Chapter.

Consultation for this project involved the following:

- Targeted consultation with key stakeholders in the Mildura retail sector, involving interviews with representatives of small and large business, centre managers, retail property developers and Council.
- A survey of persons attending the community workshop for the structure plans being prepared for Fifteenth Street and Irymple.

In addition, where specific information gaps were identified (such as the extent to which seasonal workers contribute to the retail sector in Mildura, and any future plans of major retailers), further consultation was undertaken in order to obtain the relevant information.

4.1 Issues

Broad issues identified during consultation are identified below, noting that these are not necessarily the opinions of the consultant:

- Lack of private and public investment in the CBD: A lack of investment in retail areas was identified as an issue, and this was particularly relevant in the CBD area. Lack of investment included public investment in the streetscape, and private investment by landlords.
- Impact of competition between the CBD and Fifteenth Street: The level of competition between the CBD and retailing along Fifteenth Street was raised as an issue, with the CBD being the location which has been negatively affected. This is particularly the case in the non-food retail sector, with a large proportion of surveyed respondents stating that they do the majority of their non-food shopping in Fifteenth Street for a variety of reasons, including car parking, air-conditioned shops and convenience.
- Lack of development sites in the CBD: The lack of development sites in the CBD is considered an issue and the reason why the majority of investment in the retail sector in Mildura is currently directed to the Fifteenth Street.
- Broader economic and environmental issues: Agriculture is a significant component of the region's economy. The level of success of this sector has implications on retailing and businesses in general in Mildura. In recent years, drought has adversely affected the agricultural industry in the region, and this has had a flow-on effect to businesses in Mildura.
- General lack of business acumen by local traders: A number of stakeholders identified the lack of modern business practices of local retailers as an issue for retailing in Mildura, particularly in the

CBD area. Specific issues range from store presentation, marketing, trading hours and general business operations.

- Car parking: The amount of car parking and the time limits of car parking spaces were raised as issues by a number of those consulted. However, others were of the view that car parking was not a major issue.

Other issues identified by the consultant include the following:

- Lack of neighbourhood shopping facilities in urban Mildura: Neighbourhood shopping facilities provide residents with convenient access to daily and weekly convenience shopping facilities. Currently, the CBD and Mildura Centro perform this role as urban area of Mildura lacks neighbourhood shopping facilities.

Although this may not be a major issue at present, as the population in Mildura continues to increase so will the demand for convenient locations to undertake daily and weekly grocery shopping. The level of convenience associated with shopping at the CBD and Centro Mildura will deteriorate if these centres continue to be the sole locations in urban Mildura for undertaking grocery shopping.

- Imbalance in investment between the CBD and Fifteenth Street: The majority of recent investment in the retail sector has been directed to the Fifteenth Street and this is likely to continue into the near future with a number of proposed retail developments in this location. In contrast, only limited investment in the retail sector has occurred in the CBD. If the CBD is to maintain its role as the primary activity centre serving the region, investment in the retail and other sectors will need to be attracted to the CBD.

4.2 Opportunities

Broad opportunities identified during consultation and by the consultant are identified below:

- Tourism-related retail development: Potential for retailers to benefit from tourist-related development, including the proposed Conference and Casino development and further integration of the river precinct and the CBD.
- Planned refurbishment of the Mall: Refurbishment of the Mall in the CBD would benefit retailers and other businesses located in this location. Improvement on the presentation of the Mall is required.
- Significant interest from national-brand retailers: Significant interest exists from national-brand retailers seeking to locate in Mildura. This is evident with a number of new retailers locating in the homemaker precinct along Fifteenth Street and proposals involving Big W, Dan Murphy's, Coles and Safeway.
- Improved fresh food offer: Opportunities exist to improve the specialty fresh food retail offer in Mildura. Currently only a limited supply of speciality shops such as fruit and vegetable stores, butchers, bakeries, etc exist.

5 RETAIL ECONOMIC ANALYSIS

This Chapter presents an economic analysis of the retail sector in the Rural City of Mildura, including identification of the trade area served by retail facilities in the Study Area, analysis of trade area population and retail spending forecasts, analysis of the contribution of visitor spending, and assessment of the turnover and market share achieved by the retail sector in the Study Area.

This analysis is used as a basis for identifying retail development opportunities which are later described in Chapter 6.

5.1 Identified Trade Area

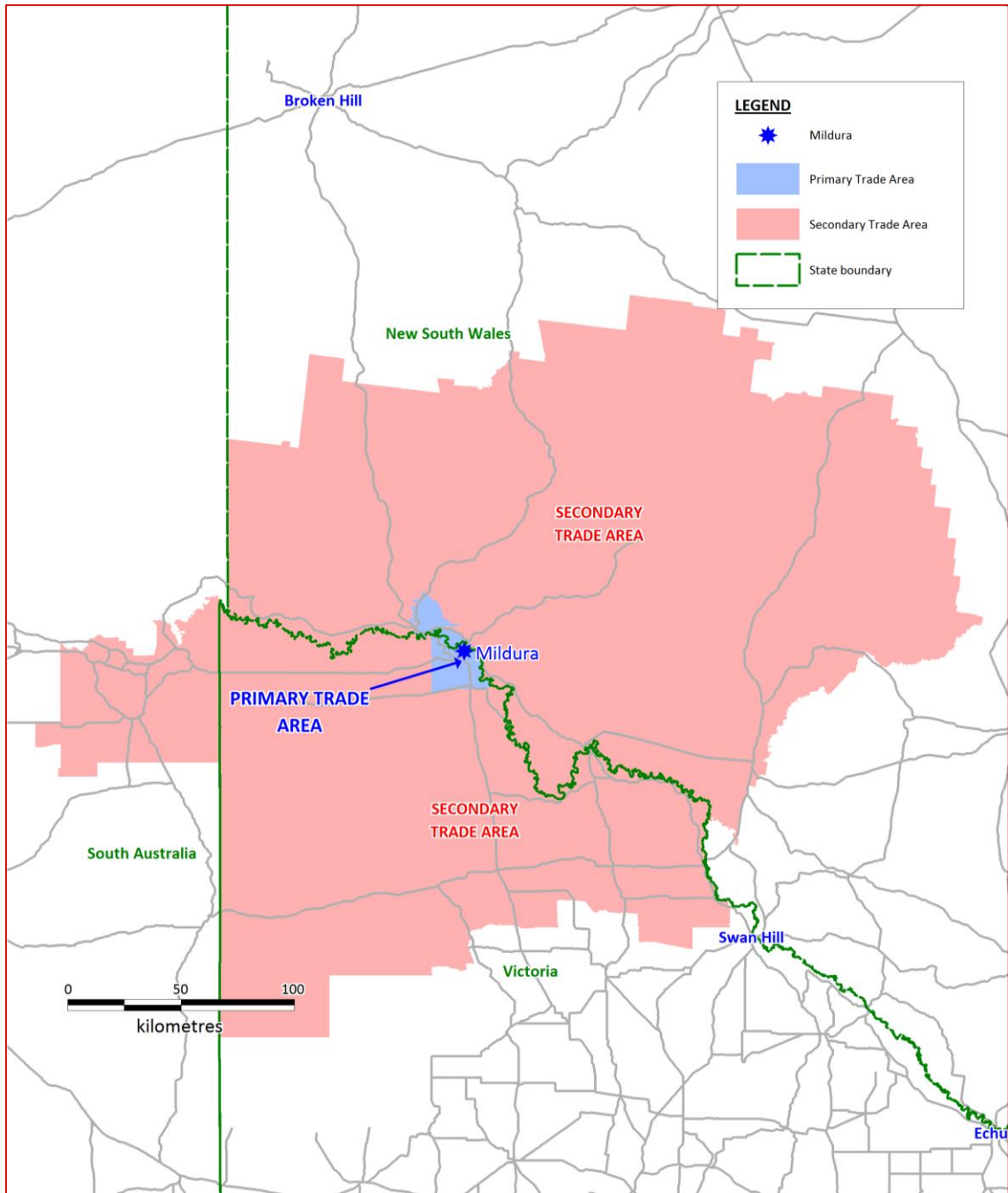
A trade area is the geographic region from which the majority of turnover is derived, and in which the retail sector has a strong influence in attracting shopping visits. For the purposes of this study, the trade area served by the retail sector in Mildura as a whole is mainly determined by the relevant trading patterns of the Mildura CBD and Centro Mildura/Fifteenth Street, as these centres have the most significant influence on shopping patterns in the wider region.

The Main Trade Area (MTA) for Mildura's retail sector is shown in Figure 5, and takes into consideration the regional role Mildura performs and the location of other regional centres, notably Broken Hill in NSW, Swan Hill and Horsham.

The MTA includes a Primary Trade Area and a Secondary Trade Area:

- Primary Trade Area (PTA), includes all of urban Mildura and the nearby townships of Irymple, Merbein, Red Cliffs and Wentworth (in NSW); and
- Secondary Trade Area (STA), which comprises the balance of the regional catchment, namely the balance of the Rural City of Mildura and the areas extending north towards Broken Hill (NSW) and into the Riverland (SA).

Figure 5: Mildura Retail Trade Area



Produced by Essential Economics using MapInfo and StreetPro

5.2 Trade Area Socio-economic Characteristics

The socio-economic characteristics of trade area residents are summarised below, based on information from the ABS 2006 Census.

- **Incomes:** Median individual and household incomes are similar to the median for regional Victoria. For instance, the median individual income of MTA residents was \$26,600 and this is -1% below the median for regional Victoria.
- **Household sizes:** The average household size in the MTA of 2.51 persons is similar to the average for regional Victoria of 2.47 persons.
- **Occupation:** The MTA, in particular the STA, have a higher share of residents employed as labourer & related workers. This is reflective of the itinerant workforce in the trade area associated with the production of fruit. Labourer & related workers account for 19% of employed MTA residents compared to an average of 13% for regional Victoria.
- **Housing costs** Housing costs, measured as the median housing loan repayment and median rent, in the PTA are similar to that of the regional Victoria. Housing costs in the STA are significantly lower and reflect the large rural area contained in the STA.

These features are presented in Table 5.1.

Table 5.1: Socio-economic Characteristics of Trade Area Population

Indicator	Primary Trade Area	Secondary Trade Area	Main Trade Area	Regional Victoria
<u>Income</u>				
Median individual income (annual)	\$20,400	\$20,900	\$20,600	\$20,800
Variation from Regional Victoria	-1.9%	+0.5%	-1.0%	-
Median household income (annual)	\$40,700	\$39,800	\$40,300	\$42,600
Variation from Regional Victoria	-4.5%	-6.6%	-5.4%	-
% of households earning \$2,000pw or more	8.1%	7.4%	7.8%	10.3%
Average household size	2.53	2.49	2.51	2.47
<u>Age Structure</u>				
0-14 years	22.3%	21.2%	21.8%	20.4%
15-24 years	12.8%	11.2%	12.1%	12.4%
25-44 years	25.8%	25.4%	25.6%	24.5%
45-64 years	24.5%	26.9%	25.6%	26.7%
65 years and over	14.6%	15.3%	14.9%	16.0%
Median age (years)	37	39	38	39
<u>Place of Birth</u>				
Australia	90.1%	88.8%	89.5%	89.4%
Other Major English Speaking Countries	3.3%	3.7%	3.5%	5.3%
Other overseas born	6.6%	7.4%	7.0%	5.3%
% English only spoken at home	91.5%	90.0%	90.8%	95.2%
<u>Occupied Private Dwellings</u>				
Detached	83.6%	87.3%	85.3%	89.0%
Semi-detached	5.8%	3.9%	4.9%	3.5%
Flat/unit or apartment	8.5%	4.9%	6.8%	6.2%
Other	2.1%	3.9%	3.0%	1.3%
<u>Home Ownership</u>				
Fully owned	34.5%	39.6%	36.8%	41.2%
Being purchased	35.7%	30.0%	33.1%	34.6%
Renting	29.1%	28.9%	29.0%	23.5%
<u>Housing Costs</u>				
Median housing loan repayment (monthly)	\$1,005	\$850	\$939	\$1,011
Variation from Regional Victoria	-0.6%	-15.9%	-7.1%	-
% with repayments above \$2,000 per month	6.8%	7.9%	7.3%	9.4%
Median rental payment (weekly)	\$148	\$114	\$130	\$146
Variation from Regional Victoria	+2.0%	-21.6%	-10.4%	-
<u>Employment Status</u>				
Unemployed/ looking for work	6.0%	4.6%	5.3%	5.6%
Labour force participation rate	62.3%	64.5%	63.3%	61.8%
<u>Occupation</u>				
Managers & professionals	29.9%	36.2%	32.9%	32.5%
Clerical & sales workers	32.1%	23.3%	28.0%	31.2%
Technicians & trades workers	14.7%	11.1%	13.0%	15.7%
Machinery operators & drivers	7.0%	7.3%	7.1%	7.2%
Labourers & related workers	16.3%	22.1%	19.0%	13.4%

Source: ABS Census of Population and Housing , 2006

5.3 Trade Area Population Trends and Forecasts

Trade Area Population Trends

The resident population in the MTA consisted of approximately 98,730 persons in 2008, including approximately 54,280 residents in the PTA and 44,510 residents in the STA.

The population in the PTA increased from 50,720 residents in 2001 to 54,280 residents in 2008. Over this period, population growth averaged +0.8% pa between 2001 and 2006, with a more accelerated rate of +1.5% pa occurring between 2006 to 2008.

The majority of population growth in the PTA has occurred on the urban fringes of Mildura which is experiencing strong rates of residential development. Figure 6 illustrates the population growth trends over the period 2006 to 2008 for individual Census Collection Districts (CCDs).

A slight population decline has occurred in the STA, from approximately 44,890 residents in 2001 to 44,510 residents in 2008, representing an average rate of -0.1% per annum. This reflects an ongoing trend of declining populations in rural areas.

Table 5.2 presents a summary of recent population trends in the MTA.

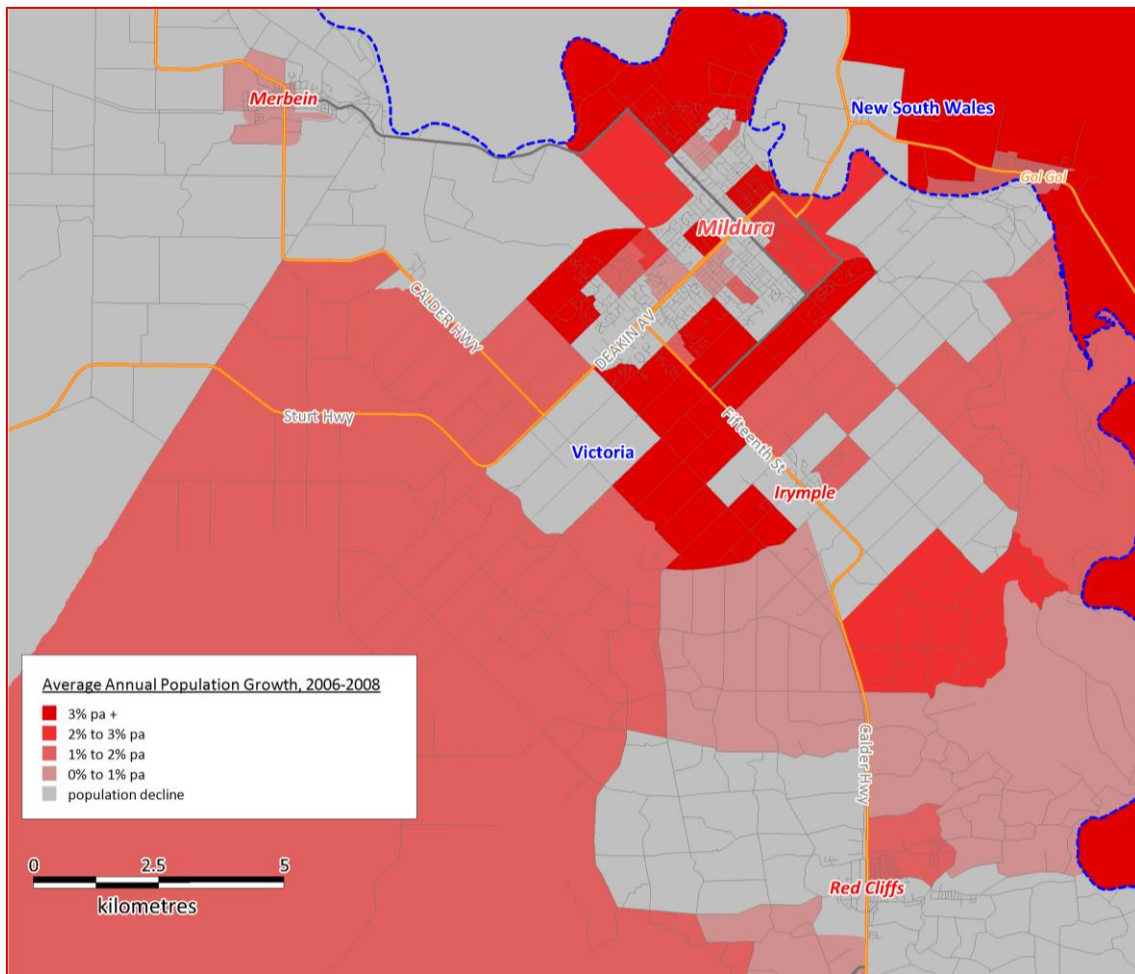
Table 5.2: Trade Area Population Trends

Trade Area	2001	2006	2008p	Average Annual Growth Rate		
	No. Persons	No. Persons	No. Persons	2001-2006	2006-2008	2001-2008
Primary Trade Area	50,720	52,720	54,280	0.8%	1.5%	1.0%
Secondary Trade Area	44,890	44,560	44,510	-0.1%	-0.1%	-0.1%
Main Trade Area	95,610	97,280	98,790	0.3%	0.8%	0.5%
<i>Regional Victoria</i>	<i>1,333,100</i>	<i>1,383,530</i>	<i>1,421,400</i>	<i>0.7%</i>	<i>1.4%</i>	<i>0.9%</i>

Source: ABS, Regional Population Growth, April 23 2009 (Cat No: 3218.0); ABS, Estimated Resident Population by Census Collection District; Essential Economics.

Note: 'p' denotes preliminary

Figure 6: Average Annual Population Growth by CCD, 2006-2008p



Produced by Essential Economics using MapInfo and ABS, Estimated Resident Population by Census Collection District

Trade Area Population Forecasts

Primary Trade Area

Three population growth scenarios have been prepared for the PTA in order to present a range of potential future retail development opportunities, depending on the rate of population growth that eventuates over the next 15 years.

The following paragraphs present a description of the basis for the three population growth scenarios:

- **Population growth, 2008-2010:** Population in the PTA is estimated to have increased by approximately 1,410 residents between 2008 and 2010, based on recent trends in population growth and dwelling approvals. This compares with an increase of 1,560 residents for the period 2006-2008 (refer Table 5.2).
- **Low Growth Scenario:** Under the Low Growth Scenario the population in the PTA is forecast to increase at an average rate of +0.3% per annum over the period 2010 to 2025, which represents

an average of approximately 170 additional residents per annum. This 0.3% per annum rate of population growth is well below the recent population growth rate experienced in the trade area of +1.0% per annum between 2001 and 2008.

The Low Growth Scenario is based on the population forecasts prepared by the Victorian Department of Planning and Community Development (DPCD) in *Victoria in Future 2008* which are considered to be conservative, and forecasts prepared by the NSW Department of Planning & Statewide Services Development Branch, NSW Health.

- **Medium Growth Scenario:** The Medium Growth Scenario reflects a more realistic population growth scenario and takes into consideration recent population growth trends and those forecast by DPCD and the NSW Government.

Under the Medium Growth Scenario, population in the PTA is forecast to increase at an average rate of +0.9% per annum, or approximately 520 persons per annum. This reflects the rate of population growth experienced in the PTA between 2001 and 2008 of +1.0% per annum, or approximately 510 persons per annum.

- **High Growth Scenario:** The High Growth Scenario reflects a situation whereby stronger-than-anticipated population growth is forecast in the PTA. Under this scenario, the population in the PTA is forecast to increase at an average rate of +1.2% per annum, or approximately 720 residents per annum.

In summary, the population in the PTA in 2025 is forecast to range between 58,300 persons and 66,500 persons. These population forecasts are summarised in Table 5.3.

Table 5.3: Primary Trade Area Population Forecasts, 2001-2025

Category	2001	2008	2010	2015	2020	2025
<u>Estimated Resident Population (no.)</u>						
Low Growth Scenario	50,720	54,280	55,690	56,640	57,480	58,350
Medium Growth Scenario	50,720	54,280	55,690	58,790	61,320	63,470
High Growth Scenario	50,720	54,280	55,690	59,380	63,000	66,540
<u>Average Annual Growth Rate (%)</u>						
Low Growth Scenario		1.0%	1.3%	0.3%	0.3%	0.3%
Medium Growth Scenario		1.0%	1.3%	1.1%	0.8%	0.7%
High Growth Scenario		1.0%	1.3%	1.3%	1.2%	1.1%
<u>Average Annual Growth Rate (no.)</u>						
Low Growth Scenario		510	710	190	170	170
Medium Growth Scenario		510	710	620	510	430
High Growth Scenario		510	710	740	720	710

Source: ABS, Regional Population Growth, April 23 2009 (Cat. No. 3218.0); ABS, Estimated Resident Population by Census Collection District; Department of Planning and Community Development, *Victoria in Future*, 2008; Department of Planning & Statewide Services Development Branch, NSW Health, *NSW Health Population Projection Series 1*, 2009; Essential Economics. Figures rounded

Secondary Trade Area

The STA has experienced slight population decline in recent years and this is forecast to continue in the future. The STA has an estimated population of approximately 44,620 residents in 2010 and the

population is expected to decline by approximately 1,150 residents by 2020 to 43,470 residents, reflecting an average rate of decline of -0.2% per annum (or approximately -80 residents per annum).

These forecasts of the STA population are made with reference to population forecasts prepared by the relevant planning authorities in Victoria, NSW and South Australia and have taken into consideration recent population trends.

Table 5.4: Secondary Trade Area Population Forecasts, 2001-2025

Category	2001	2008	2010	2015	2020	2025
Estimated Resident Population	44,890	44,510	44,620	44,430	43,980	43,470
Average Annual Growth Rate (%)		-0.1%	0.1%	-0.1%	-0.2%	-0.2%
Average Annual Growth Rate (no.)		-50	60	-40	-90	-100

Source: ABS, Regional Population Growth, April 23 2009 (Cat. No. 3218.0); ABS, Estimated Resident Population by Census Collection District; Department of Planning and Community Development, *Victoria in Future*, 2008; Department of Planning & Statewide Services Development Branch, NSW Health, *NSW Health Population Projection Series 1*, 2009; Department of Planning and Local Government, *Population Projections for South Australia 2001-2031*, 2007; Essential Economics. Figures rounded.

Main Trade Area

Based on the population forecasts shown in Table 5.3 and Table 5.4, the MTA's population is estimated to contain approximately 100,310 residents in 2010 and is forecast to increase to between 101,820 and 110,010 residents by 2025, depending on which population growth scenario prevails. These forecasts are summarised in Table 5.5.

Table 5.5: Main Trade Area Population Forecasts, 2001-2025

Category	2001	2008	2010	2015	2020	2025
<u>Estimated Resident Population (no.)</u>						
Low Scenario	95,610	98,790	100,310	101,070	101,460	101,820
Medium Scenario	95,610	98,790	100,310	103,220	105,300	106,940
High Scenario	95,610	98,790	100,310	103,810	106,980	110,010
<u>Average Annual Growth Rate (%)</u>						
Low Scenario		0.5%	0.8%	0.2%	0.1%	0.1%
Medium Scenario		0.5%	0.8%	0.6%	0.4%	0.3%
High Scenario		0.5%	0.8%	0.7%	0.6%	0.6%
<u>Average Annual Growth Rate (no.)</u>						
Low Scenario		450	760	150	80	70
Medium Scenario		450	760	580	420	330
High Scenario		450	760	700	630	610

Source: ABS, Regional Population Growth, April 23 2009 (Cat. No. 3218.0); ABS, Estimated Resident Population by Census Collection District; Department of Planning and Community Development, *Victoria in Future*, 2008; Department of Planning & Statewide Services Development Branch, NSW Health, *NSW Health Population Projection Series 1*, 2009; Department of Planning and Local Government, *Population Projections for South Australia 2001-2031*, 2007; Essential Economics.

5.4 Trade Area Retail Spending Forecasts

Average Per Capita Retail Spending

Estimates of average per capita retail spending by MTA residents have been prepared with reference to the *MarketInfo 2007* micro-simulation model; this model uses data from the ABS Household Expenditure Survey, ABS Population and Housing Census, and a range of other socio-economic indicators, and provides estimates of retail spending on a small area basis.

As shown in Table 5.6, average per capita retail spending by MTA residents is approximately -4% below the regional Victoria average.

For 2010 the average per capita retail spending of MTA is estimated to be approximately \$11,320 and comprises:

- Approximately \$5,960 on food merchandise;
- Approximately \$5,010 on non-food merchandise; and
- Approximately \$350 on retail services.

In comparison, the average per capita spending in regional Victoria is estimated at \$11,750.

Table 5.6 provides a detailed breakdown of the average per capita retail spending by PTA and STA residents for 2010.

Table 5.6: Average Per Capita Retail Spending by Trade Area Residents, 2010 (in 2009 dollars)

Retail Category	Primary Trade Area	Secondary Trade Area	Main Trade Area	Regional Victoria
<u>Per capita spending</u>				
Food, liquor and groceries	\$4,880	\$5,150	\$5,000	\$4,950
Food catering	\$930	\$1,000	\$960	\$970
Total Food	\$5,810	\$6,150	\$5,960	\$5,920
Homemaker type	\$2,210	\$2,070	\$2,150	\$2,380
Other non-food	\$2,910	\$2,800	\$2,860	\$3,080
Total Non-Food	\$5,120	\$4,870	\$5,010	\$5,460
Services	\$350	\$350	\$350	\$370
Total Retail	\$11,280	\$11,370	\$11,320	\$11,750
<u>Variation from Regional Victoria</u>				
Food, liquor and groceries	-1.4%	+4.0%	+1.0%	-
Food catering	-4.1%	+3.1%	-1.0%	-
Total Food	-1.9%	+3.9%	+0.7%	-
Homemaker type	-7.1%	-13.0%	-9.7%	-
Other non-food	-5.5%	-9.1%	-7.1%	-
Total Non-Food	-6.2%	-10.8%	-8.2%	-
Services	-5.4%	-5.4%	-5.4%	-
Total Retail	-4.0%	-3.2%	-3.7%	-

Source: MarketInfo 2007; Essential Economics. Figures rounded

Total Available Retail Spending 2010

MTA residents are estimated to spend (in round terms) \$1,135 million on retail merchandise in 2010 (expressed in constant 2009 dollars) and this includes \$598 million on food merchandise, \$503 million on non-food merchandise, and \$35 million on retail services.

Table 5.7 summarises total retail expenditure by PTA and STA residents for detailed retail categories.

Table 5.7: Total Spending by Trade Area Residents, 2010 (in 2009 dollars)

Retail Category	Primary Trade Area	Secondary Trade Area	Main Trade Area
Food, liquor and groceries	\$271.6m	\$230.0m	\$501.6m
Food catering	\$51.9m	\$44.4m	\$96.3m
Total Food	\$323.5m	\$274.4m	\$597.9m
Homemaker	\$123.1m	\$92.5m	\$215.6m
Other non-food	\$161.8m	\$125.1m	\$286.9m
Total Non-Food	\$284.9m	\$217.6m	\$502.5m
Services	\$19.4m	\$15.5m	\$34.9m
Total Retail	\$627.8m	\$507.5m	\$1,135.3m

Source: MarketInfo 2007; Essential Economics

Forecast Total Retail Spending

Total annual retail spending by MTA residents is forecast to increase under each of the population growth scenarios, as follows:

- Low growth scenario: Total annual retail spending is forecast to increase to \$1,407 million by 2025 at an average rate of 1.4% pa;
- Medium growth scenario: Total annual retail spending is forecast to increase to \$1,478 million by 2025 at an average rate of 1.8% pa; and
- High growth scenario: Total annual retail spending is forecast to increase to \$1,520 million by 2025 at an average rate of 2.0% pa.

These figures are expressed in constant 2009 dollars.

Forecast growth in the total retail spending by MTA residents will support an increase in turnover performance for existing traders, as well as providing opportunities for new retail development in the Study Area.

Table 5.8 summarises the forecast growth in retail spending growth by MTA residents by retail category, taking into account the population estimates prepared in Section 5.3 and the average per capita retail spending estimates shown in Table 5.6. An allowance has been made for real growth in per capita spending of approximately 1.3% per annum – this reflects long-term historical trends in Australia.

Table 5.8: Forecast Total Spending by MTA Residents, 2010 to 2025 (in constant 2009 dollars)

Growth Scenario	2010	2015	2020	2025	Average annual growth, 2010-2025
<u>Low Growth Scenario</u>					
Food, liquor and groceries	\$501.6m	\$509.1m	\$514.7m	\$520.3m	0.2%
Food catering	\$96.3m	\$103.7m	\$112.1m	\$121.1m	1.5%
Total Food	\$597.9m	\$612.8m	\$626.8m	\$641.4m	0.5%
Homemaker	\$215.6m	\$248.3m	\$289.1m	\$336.5m	3.0%
Other non-food	\$286.9m	\$314.4m	\$345.4m	\$380.5m	1.9%
Total Non-Food	\$502.5m	\$562.7m	\$634.5m	\$716.9m	2.4%
Services	\$34.9m	\$38.7m	\$43.4m	\$48.6m	2.2%
Total Retail	\$1,135.3m	\$1,214.2m	\$1,304.7m	\$1,407.0m	1.4%
<u>Medium Growth Scenario</u>					
Food, liquor and groceries	\$501.6m	\$519.7m	\$533.8m	\$545.9m	0.6%
Food catering	\$96.3m	\$105.8m	\$116.2m	\$127.0m	1.9%
Total Food	\$597.9m	\$625.5m	\$650.0m	\$672.9m	0.8%
Homemaker	\$215.6m	\$253.8m	\$300.3m	\$353.9m	3.4%
Other non-food	\$286.9m	\$321.2m	\$358.7m	\$399.9m	2.2%
Total Non-Food	\$502.5m	\$575.0m	\$659.1m	\$753.7m	2.7%
Services	\$34.9m	\$39.5m	\$45.0m	\$51.1m	2.6%
Total Retail	\$1,135.3m	\$1,239.9m	\$1,354.0m	\$1,477.7m	1.8%
<u>High Growth Scenario</u>					
Food, liquor and groceries	\$501.6m	\$522.6m	\$542.1m	\$561.2m	0.8%
Food catering	\$96.3m	\$106.4m	\$118.0m	\$130.6m	2.1%
Total Food	\$597.9m	\$629.0m	\$660.1m	\$691.8m	1.0%
Homemaker	\$215.6m	\$255.2m	\$305.3m	\$364.3m	3.6%
Other non-food	\$286.9m	\$323.1m	\$364.5m	\$411.5m	2.4%
Total Non-Food	\$502.5m	\$578.3m	\$669.8m	\$775.8m	2.9%
Services	\$34.9m	\$39.7m	\$45.7m	\$52.6m	2.8%
Total Retail	\$1,135.3m	\$1,247.0m	\$1,375.6m	\$1,520.1m	2.0%

Source: MarketInfo 2007; Essential Economics

5.5 Visitor Contribution to Retail Expenditure

Tourism is an important component of the Mildura economy and provides an important contribution to turnover achieved by retailers in the Study Area.

This section presents recent trends in visitation to the Mildura region and provides an analysis of the contribution of potential visitor spending to the Mildura retail sector.

This analysis presents an indicative estimate of visitor retail spending due to the difficulty in obtaining accurate tourism visitation and spending data that specifically reflects trends in the Study Area and with an appropriate accordance with retail spending categories as defined for this analysis. Another important consideration is that tourism data in Australia is derived from survey techniques, and may not be accurate when applied at the local level. Nevertheless, the analysis does provide an indication of the extent to which tourism contributes to the retail sector in the Study Area.

Trends in Visitation to Mildura Region

In the year ending September 2009, the Mildura Region – comprising Mildura Rural City Council and Wentworth Shire – attracted 419,000 overnight visitors, staying a total of 1.85 million visitor nights. Some 225,000 day visitors also visited the region.

Visitation levels for the year ending September 2009 show a significant increase compared with the previous year. This may be due to the effects of the Global Financial Crisis (GFC) during 2008 and the early parts of 2009, with growth in domestic travel rather than overseas travel. Between 2008 and 2009 (Year-ending September) visitor nights in the Mildura Region increased by 26%, while the number of day trippers also increased by 10%.

Table 5.9 summarises recent tourist visitation to the Mildura Region, showing that visitor numbers have fluctuated since 2005. For the period 2005 to 2009 average tourist visitor numbers to the Mildura region are as follows:

- Average annual domestic visitor nights: 1.53 million nights
- Average annual international visitor nights: 224,000 nights
- Average annual day visitors : 267,600 day visitors

Table 5.9: Tourist Visitation Trends to the Mildura Region, Year-ending September 2005-2009

Year end September	Visitors				Visitor Nights		
	Domestic Overnight	International	Domestic Day Visitors	Total	Domestic Overnight	International	Total
2005	562,000	17,000	268,000	847,000	1,696,000	219,000	1,915,000
2006	495,000	13,000	288,000	796,000	1,404,000	199,000	1,603,000
2007	476,000	17,000	375,000	868,000	1,644,000	301,000	1,945,000
2008	394,000	12,000	182,000	588,000	1,292,000	168,000	1,460,000
2009	406,000	13,000	225,000	644,000	1,613,000	233,000	1,846,000
Ave, 2005-2009	466,600	14,400	267,600	748,600	1,529,800	224,000	1,753,800
<u>Annual change</u>							
2005-2006	-11.9%	-23.5%	7.5%	-6.0%	-17.2%	-9.1%	-16.3%
2006-2007	-3.8%	30.8%	30.2%	9.0%	17.1%	51.3%	21.3%
2007-2008	-17.2%	-29.4%	-51.5%	-32.3%	-21.4%	-44.2%	-24.9%
2008-2009	3.0%	8.3%	23.6%	9.5%	24.8%	38.7%	26.4%

Source: Mildura Tourism, based on Tourism Research Australia International Visitors and National Visitors Surveys for the year ending September 2009

Note: Mildura Region comprises Mildura Rural City Council and Wentworth Shire

Seasonal Workers

Mildura is a popular place for seasonal workers, who typically stay for up three months. These seasonal workers are usually employed on farms as pickers and packers during the harvest period, which runs from around February to May.

Discussions with representatives from MADEC, who operate an employment services firm specialising in seasonal workers (among other occupations), indicate that each year there is a requirement for more than 6,000 seasonal workers over the main harvest period.

A large share of these workers comprises international Working Holiday Makers (WHM), supplementing their holiday with short-term employment. In addition, Australians are also involved in seasonal work and it is understood an increasing number of retirees travelling around Australia are seeking employment due to recent losses in superannuation resulting from declining economic conditions.

Analysis of Visitor Spending in the Study Area

It is difficult to accurately estimate total retail spending attributable to visitors that is directed to retailers in the Study Area for the following reasons:

- Tourism visitation and expenditure data is based on surveys which typically rely on relatively small sample sizes.
- Differences exist between the boundaries of the Study Area and the boundaries of the regions used for tourism data.
- Differences exist between the definitions of retail expenditure. The analysis presented in this study is based on the definition of 'retail' spending provided in the Introduction to this Strategy, and this is different from the definition used in tourism data.

Despite these difficulties, an estimate of visitors' retail spending directed to Study Area retailers is provided in Table 5.10, which shows that \$96 million per annum in visitor spending is directed to retail traders in the Study Area. This includes \$74 million from domestic overnight visitors, \$7 million from international overnight visitors (which includes WHM) and \$15 million from day visitors to Mildura.

Table 5.10: Tourist Visitation Trends to the Mildura Region, Year-ending September 2005-2009 (2009 dollars)

Category	Domestic Visitor Nights	International Visitor Nights	Total Nights	Day Visitors	Total
Average, 2005-2009 (no.)	1,529,800	224,000	1,753,800	267,600	
Average daily expenditure on retail items	\$60	\$39	\$58	\$69	
Total retail spending by visitors to Mildura Region	\$92.1m	\$8.8m	\$100.9m	\$18.5m	\$119.4m
Estimated share of retail spending directed to the Study Area	80%	80%	80%	80%	
Visitor retail spending directed to Study Area	\$73.7m	\$7.1m	\$80.7m	\$14.8m	\$95.5m

Source: Mildura Tourism, based on Tourism Research Australia International Visitors and National Visitors Surveys for the year ending September 2009; Monash University, *Long Term Tourists of Short Term Migrants? The Impact of International Working holiday Makers on the Tourism Economy of Mildura in Regional Victoria*, July 2009; TRA, Regional Tourism Profile for Mallee region, 2007; Essential Economics.

The analysis presented in Table 5.10 is based on the following inputs:

- Information sources: Data is from Mildura Tourism, MADEC and various Tourism Research Australia (TRA) documents. In addition, research undertaken by Monash University into the impact of WHM on the Mildura economy has also been used.
- Visitation levels: Due to the fluctuation in visitation to the Mildura Region, average visitation over the last five years has been used in this analysis. The estimates of visitation refer to the Mildura Region which includes the Rural City of Mildura and Wentworth Shire.
- Average retail spending per night/day: Average nightly/daily expenditure on retail goods and services is based on analysis of data from Tourism Research Australia, updated to 2009 dollars. An estimate of total expenditure on retail items is based on expenditure categories used in TRA data (ie shopping, and food and drink).
- Share of retail spending directed to Study Area retailers: An estimated 80% of retail spending by visitors to the Mildura Region is directed to retail facilities in the Study Area.
- Estimate of retail spending by seasonal workers: TRA data indicates that Working Holiday Makers (WHM) account for a significant share of international visitors. For example:
 - For the year ending June 2009, 76% of international visitors stayed in types of accommodation typically used by WHM (eg. backpackers [41%], homestays [19%] or caravan park/camping grounds [16%]).
 - The average length of stay of international visitors to Mildura (18 nights for the year-ending September 2009) is significantly higher than the average for regional Victoria (13 nights).
 - TRA data indicates that international visitors to Mildura have average daily expenditure which is approximately 60% less than the state average.

Implication for Retail Analysis

This analysis presents a broad indication of the level of retail turnover in the study area that would be expected to be derived from visitors to the Mildura region. On the basis of this analysis, an estimated \$90-100 million of retail turnover in the Study Area is derived from visitors to the Mildura region.

This analysis is used as input to the assessment of retail turnover presented in the following Section.

5.6 Retail Turnover and Market Share Analysis

Table 5.11 presents estimates of total turnover achieved by centres in the Study Area in 2010. These estimates are prepared with reference to estimates of retail provision (refer Chapter 3) and by applying appropriate estimates of average turnover.

Where possible, the turnover estimates are based on published sales data from Property Council of Australia, as well as industry sources including Shopping Centre News and information gathered from floorspace surveys and consultation conducted by the consultant. The figures presented in Table 5.11

should therefore be regarded as a fair and reasonable approximation of existing trading conditions in the Study Area.

Table 5.11 shows that retail facilities in the Study Area achieve total turnover in the order of \$761 million in 2010. This figure includes:

- Food turnover: \$331 million
- Non-food turnover: \$403 million
- Services: \$27 million

Table 5.11: Estimated Retail Turnover in Study Area, 2010 (2009 dollars)

Category	FLG	Food Catering	Total Food	Other Non-Food	Homemaker	Total Non-Food	Services	Total
Retail Floorspace (m ²)	28,790	12,610	41,400	49,820	50,200	100,020	9,750	151,170
Av turnover level (\$/m ²)	9,440	4,660	7,980	4,730	3,350	4,040	2,750	5,030
Total turnover (\$m)	271.7	58.8	330.5	235.3	167.8	403.1	26.8	761.0
Estimated share of turnover in retail turnover	100%	100%	100%	100%	91%	96%	100%	98%
Retail turnover (\$m)	271.7	58.8	330.5	235.3	153.2	388.4	26.8	746.3

Source: Essential Economics.

A share of total turnover at retail businesses in the study area is derived from non-household sources, and this is particularly the case in the homemaker retail sector (eg, a component of trade sales). Having regard for this element of business spending, total retail turnover derived from household expenditure is estimated at \$746 million, as shown in Table 5.11.

Table 5.12 presents an analysis of the retail market share achieved by Study Area retailers and is based on the following distribution of turnover by geographic location:

- \$522 million or 70% is derived from PTA residents;
- \$133 million or 18% is derived from STA residents; and
- \$92 million or 12% is derived from beyond the MTA including tourists.

Mildura is a relatively captive retail market as the nearest competing regional centre, Swan Hill, is located approximately 180 km away. In essence, residents in the MTA, particularly the PTA where the majority of retail sales are derived, have limited choice in shopping locations. This is illustrated by the Study Area retailers capturing an estimated 83% of available retail spending by PTA residents (refer Table 5.12). The balance of retail spending is captured by retailers located elsewhere in the trade area including Wentworth, which is located in the PTA, and locations further afield such as Melbourne and Adelaide, internet sales and places where residents travel.

The Study Area performs a lesser role for the STA residents, with lower market shares achieved in the FLG category, where retail facilities are provided closer to home. Comparably, higher market shares are

achieved in the non-food categories, as residents are required to travel to Mildura in order to undertake higher-order shopping or access higher-order services (eg medical specialists).

In total, the Study Area captures an estimated market share of 26% of retail spending by STA residents. The balance of spending is directed to local retailers in the STA, Broken Hill, Adelaide, Swan Hill and Melbourne.

Overall, retailers in the Study Area capture approximately 58% of available retail spending by residents in the MTA.

Estimates of market share are shown in Table 5.12 for individual retail categories.

Table 5.12: Estimated Retail Market Share of Study Area Retailers, 2010 (2009 dollars)

Category	FLG	Food Catering	Total Food	Other Non-Food	Homemaker	Total Non- Food	Services	Total
Estimated retail turnover (\$m)	271.7	58.8	330.5	235.3	153.2	388.4	26.8	746.3
<u>Share of turnover to:</u>								
PTA	78%	65%	76%	61%	71%	65%	69%	70%
STA	11%	10%	11%	25%	20%	23%	19%	18%
MTA	89%	75%	87%	87%	91%	88%	87%	88%
Beyond	11%	25%	13%	13%	9%	12%	13%	12%
Total	100%	100%	100%	100%	100%	100%	100%	100%
<u>Retail turnover (\$m) derived from:</u>								
PTA	212.1	38.0	250.2	144.1	108.5	252.6	18.4	521.5
STA	31.0	5.8	36.8	59.8	31.2	91.0	5.1	132.9
MTA	243.1	43.8	286.9	203.9	139.7	343.6	23.4	654.5
Beyond	28.6	14.9	43.5	31.4	13.4	44.9	3.4	91.8
Total	271.7	58.8	330.5	235.3	153.2	388.4	26.8	746.3
<u>Market share</u>								
PTA	78%	73%	77%	89%	88%	89%	95%	83%
STA	13%	13%	13%	48%	34%	42%	33%	26%
MTA	49%	46%	48%	71%	65%	68%	67%	58%

Source: Essential Economics

5.7 Conclusion

The main conclusions from the analysis presents in this Chapter are as follows:

- 1 Retailers in Mildura serve a large regional catchment in excess of 100,000 persons, and a significant tourism market comprising 480,000 overnight visitors and almost 270,000 day visitors. Population growth is forecast in the PTA over the next 15 years at a rate of between +0.3% and +1.2% per annum, while the population in the STA is forecast to decline slightly at a rate of -0.2% per annum.
- 2 Retail spending by MTA residents in 2010 is estimated at approximately \$1.1 billion, and this is forecast to increase to between \$1.4 billion and \$1.5 billion by 2025 (in constant 2009 prices).
- 3 Study Area retailers are estimated to achieve total turnover of approximately \$761 million in 2010, and achieve the following market shares:
 - 83% of retail spending by PTA residents;
 - 26% of retail spending by STA residents; and
 - 58% of total retail spending in the MTA.

6 ASSESSMENT OF RETAIL DEVELOPMENT POTENTIAL

This Chapter applies the information in Chapter 5 in order to present forecasts of sustainable retail development in the Study Area.

6.1 Methodology

Forecasts of retail development potential are based on the following approach:

- 1 Study Area retailers will continue to capture an appropriate market share of the forecast available trade area retail spending. In certain retail categories, potential may exist for Mildura retailers to achieve an increase in market share.
- 2 Study Area retailers also have potential to capture trade from people living beyond the MTA, including residents from beyond the region and tourists and others passing through.
- 3 Some retailers in the Study Area, particularly those in the homemaker retail category, also derive a share of their turnover from non-retail customers, such as other businesses or tradespeople.
- 4 An aggregation of these three sources of turnover provides an estimate of the total turnover for Study Area retailers. By applying an appropriate average turnover level (\$/m²), an indication of the total supportable retail floorspace is calculated.
- 5 An estimate of total retail development potential is made by comparing total supportable floorspace (from point 4 above) against existing floorspace provision.

This approach has been applied individually to each retail category, and the analysis is described in more detail in the following sections.

6.2 Forecast Market Shares

Retailers in the Study Area have potential to increase the market shares that they currently achieve (as shown in Table 5.12). This may occur either by improving the performance of existing retailers and/or through the addition of new retail traders. The potential to increase market shares for each retail category is discussed below:

- **FLG:** An opportunity exists to slightly improve market share performance in the FLG sector for PTA and STA residents. This may occur with new supermarket development and an improved fresh food speciality offer. Currently, despite being located in a significant agricultural food production region, Mildura does not offer a strong fresh food speciality offer.

It is estimated that the market share of FLG Study Area retailers has potential to increase from the existing level of 78% to 80% by 2025 in the PTA, and from 13% to 20% in the STA having regard for the potential for supermarket development.

- **Food catering:** An improved focus on entertainment and dining out has occurred in recent years in Mildura, particularly in the CBD in the precinct now referred to as 'Feast Street'. It is anticipated this market share performance will continue to increase.

The market share in the Food Catering sector has potential to increase from the existing level of 73% to 85% by 2025 in the PTA, and from 13% to 25% in the STA.

- **Other non-food:** Mildura currently achieves a relatively high market share of PTA retail spending on Other Non-food merchandise (89%), mainly due to the lack of competing centres within a reasonable proximity. A proportion of retail expenditure by MTA residents will always escape to other large, higher-order centres such as Melbourne, Adelaide, Broken Hill, etc. However, a small improvement in market shares from the STA would be likely to occur with the inclusion of a Big W DDS in Fifteenth Street, as this development will improve the retail offer in Mildura for STA residents in comparison to competing locations.

Market share in the Other Non-food sector is forecast to remain at approximately 90% until 2025 in the PTA, and has potential to increase from 48% in 2010 to 60% in the STA.

- **Homemaker:** Homemaker retailers achieve a relatively high market share of PTA retail spending. Potential exists for a slight increase in market share from the STA due to the additional homemaker development on potential development sites located in Fifteenth Street.

The market share in the Homemaker sector will remain at approximately 90% until 2025 in the PTA, and will increase from 34% in 2010 to 40% in the STA.

- **Retail services:** Retail services in the Study Area also achieve a relatively high market share of PTA spending, estimated at 95% in 2010. This is likely to remain the situation until 2025. Due to the local nature of spending on retail services (eg. haircuts, dry cleaning, video hire, etc), it is unlikely any significant increase in market shares will occur from the spending of STA residents. Market shares achieved in the STA are forecast to remain at approximately 35% by 2025.

Having regard for these potential changes to market share performance in 2025 for each retail sector, the effect on total retail market share is as follows:

- PTA, increase from 83% in 2010 to 86% by 2025.
- STA, increase from 26% in 2010 to 36% by 2025.
- MTA, increase from 58% in 2010 to approximately 66% by 2025.

6.3 Forecast Total Turnover 2010-2025

Total turnover of Study Area retailers is forecast to increase from approximately \$760 million in 2010 to \$1,050 million under the Low Growth Scenario or to \$1,150 million under the High Growth Scenario (expressed in constant 2009 prices).

This is equivalent to an increase of between approximately \$290 million and \$390 million per annum over this fifteen-year period. Turnover growth will be derived from an increase in the performance of existing retailers and as a result of new retail development.

These estimates of turnover growth are made on the following basis:

- Application of the estimated market shares (as described in section 6.2 above) to forecast retail spending levels (refer Table 5.8).
- Estimated increase in retail turnover derived from beyond the Study Area from approximately \$90 million in 2010 to approximately \$110 million in 2025. This represents growth of approximately 1.4% per annum. Potential may exist for even higher growth in turnover from beyond the Study Area if major new tourist developments are secured.
- A share of homemaker turnover will be derived from sales to non-retail customers, such as businesses and tradespeople. This is estimated at 91% in 2010 and is assumed to remain the case until 2025.

A summary of forecast retail turnover in the Study Area by retail category for 2025 is shown in Table 6.1.

Table 6.1: Forecast Turnover of Study Area Retailers, 2025 (\$m in constant 2009 dollars)

Category	FLG	Food Catering	Total Food	Other Non-Food	Homemaker	Total Non-Food	Services	Total
<u>Study Area Retail Turnover Retained from the MTA, 2025 (\$m)</u>								
Low Growth Scenario	278.7	70.7	349.5	294.7	233.6	528.3	33.8	911.5
Medium Growth Scenario	299.2	75.8	374.9	312.1	249.3	561.4	36.1	972.4
High Growth Scenario	311.4	78.8	390.2	322.6	258.6	581.2	37.5	1,008.9
Forecast Retail Turnover from Beyond	35.8	18.6	54.4	39.3	15.6	55.0	3.9	113.3
<u>Total Study Area Retail Turnover, 2025 (\$m)</u>								
Low Growth Scenario	314.5	89.4	403.9	334.0	249.3	583.3	37.7	1,024.8
Medium Growth Scenario	335.0	94.4	429.4	351.5	264.9	616.4	40.0	1,085.7
High Growth Scenario	347.2	97.4	444.6	362.0	274.3	636.2	41.4	1,122.2
<u>Forecast Total Turnover of Study Area Retailers, 2025 (including non-retail turnover), \$m</u>								
Low Growth Scenario	314.5	89.4	403.9	334.0	273.1	607.1	37.7	1,048.6
Medium Growth Scenario	335.0	94.4	429.4	351.5	290.2	641.7	40.0	1,111.0
High Growth Scenario	347.2	97.4	444.6	362.0	300.5	662.4	41.4	1,148.4

Source: Essential Economics

6.4 Retail Development Potential 2010-2025

The potential for retail development in the Study Area over the period 2010 to 2025 is estimated at approximately 49,000m² under the Low Growth Scenario, and approximately 68,000m² under the High Growth Scenario. Under the Moderate Growth Scenario, potential exists for approximately 61,000m² of additional retail floorspace.

Table 6.2 presents analysis of future retail development potential in the Study Area by retail category and for each growth scenario. These estimates are based on the forecast turnover levels of study area retailers as shown in Table 6.1, and with application of forecasts of average supportable retail turnover levels (\$/m²).

In all retail categories other than FLG, the average retail turnover level is forecast to increase at a rate of approximately 1% per annum compared with current levels (refer Table 5.11) in order to allow for growth in average retail performance for existing retailers.

Growth in average retail turnover performance has not been applied in the FLG sector. This is because existing supermarkets currently have above-average turnover levels, and potential exists for new supermarket development to increase competitive pressure and improve retail choice for residents in the study area (note that a detailed analysis of supermarket development potential is provided in Section 6.5). In this sector, average turnover is forecast to reduce from \$9,400/m² in 2010 to \$7,800/m² in 2025. Note that the average across Victoria in the FLG sector is in the order of \$7,500/m² (including supermarkets and other food specialty stores), and that the current estimate for FLG turnover performance incorporates an estimated average of over \$12,000/m² for supermarkets in Mildura.

Table 6.2: Retail Development Potential in the Study Area, 2010-2025

Category	FLG	Food Catering	Total Food	Other Non-Food	Home-maker	Total Non-Food	Services	Total
Existing Retail Floorspace, 2010 (m ²)	28,790	12,610	41,400	49,820	50,200	100,020	9,750	151,170
Supportable Average Retail Turnover Level, 2025 (\$/m ²)	7,800	5,400	7,100	5,500	3,900	4,600	3,200	5,300
<u>Supportable Study Area Retail Floorspace, 2025 (m2)</u>								
Low Growth Scenario	40,300	16,600	56,900	60,700	70,000	130,700	11,800	199,400
Medium Growth Scenario	42,900	17,500	60,400	63,900	74,400	138,300	12,500	211,200
High Growth Scenario	44,500	18,000	62,500	65,800	77,000	142,800	12,900	218,200
<u>Retail Floorspace Development Potential in the Study Area, 2010-2025 (m2)</u>								
Low Growth Scenario	11,510	3,990	15,500	10,880	19,800	30,680	2,050	48,230
Medium Growth Scenario	14,110	4,890	19,000	14,080	24,200	38,280	2,750	60,030
High Growth Scenario	15,710	5,390	21,100	15,980	26,800	42,780	3,150	67,030

Source: Essential Economics

6.5 Supermarket Development Potential

The Retail Strategy needs to consider the scale and location of future supermarket development potential in Mildura, in light of:

- Two proposed supermarket centres in Irymple, one of which is approved;
- An identified proposal for a new supermarket on Fifteenth Street;
- Continued pressure from major supermarket operators for additional stores in Mildura; and
- The over-trading of existing supermarkets in Mildura (with an average store performance estimated at \$12,000/m² in 2010).

This section presents an assessment of development potential for new supermarkets in the Study Area and includes analysis of FLG spending directed to supermarkets, the existing performance of Study Area supermarket in regard to turnover and market share, and the overall potential for new supermarket development.

FLG Spending Directed to Supermarkets (PTA)

Supermarkets are the dominant form of retailing in the FLG spending market throughout Australia and capture an estimated 65% to 75% of national FLG spending based on an analysis of ABS data. In regional areas, such as Mildura, supermarkets are generally even more dominant players in the market.

Based on the retail floorspace survey conducted as part of this study, it is evident that Mildura does not contain a significant range of speciality food retailers such as butchers, fruit and vegetable shops, and bakeries. Consequently, an estimated 70% to 75% of FLG spending by PTA residents is directed to supermarkets, both in Mildura and elsewhere in the region. Table 6.3 summarises the forecast retail spending of PTA residents at supermarkets on FLG merchandise, assuming that 72.5% of FLG spending is directed to supermarkets (ie, taking the mid-point).

Table 6.3: Spending at Supermarkets on FLG Merchandise, PTA, 2010-2025 (\$m)

Category	2010	2015	2020	2025
Low Scenario	196.9	201.8	206.7	211.1
Medium Scenario	196.9	209.5	220.1	229.6
High Scenario	196.9	211.6	226.2	240.7

Source: MarketInfo 2007; Essential Economics

Note: Figures are in constant 2009 dollars

Existing Supermarket Supply and Trading Performance (PTA)

Approximately 18,450m² of supermarket floorspace is located in the Study Area, including approximately 13,150m² located in urban Mildura, and comprising:

- Woolworths supermarkets at Centro Mildura (approximately 3,500m²) and the CBD (3,000m²)
- Coles supermarket in the CBD (3,400m²)
- Fisher's IGA in the CBD (2,700m²)
- A small Foodworks supermarket (600m²) in Deakin Avenue.

It is understood from consultation and observations undertaken during the field visit that these supermarkets are trading particularly well. The above-average trading levels are due to the large regional residential and visitor catchments they serve and the relatively limited competition.

In addition to these supermarkets in urban Mildura, mid-sized supermarkets are located in the smaller townships surrounding Mildura and these include Fisher's IGA supermarkets in Red Cliffs (2,000m²) and Merbein (2,000m²), and a Foodworks supermarket in Red Cliffs (1,300m²). These supermarkets largely serve the township in which they are located and appear to be performing their role satisfactorily.

Table 6.4 presents estimates of total turnover for the supermarkets in the Study Area, and shows that these supermarkets achieve total annual turnover estimated at approximately \$215 million, representing an average trading level of approximately \$12,000/m². This is significantly above the current industry benchmark of approximately \$8,000/m² or so for supermarkets in regional cities.

Table 6.4: Estimated Study Area Supermarket Turnover, 2010

Category	Value
Supermarket floorspace	18,450m ²
Estimated total supermarket turnover	\$222m
Average turnover level	\$12,000/m ²
Source:	Essential Economics
Note:	Figures are in constant 2009 dollars

The supermarkets located in the PTA achieve a market share in 2010 estimated at approximately 82% of the \$196.9 million in FLG spending of PTA residents which is directed to supermarkets. The balance of FLG supermarket spending is directed to supermarkets located elsewhere, including the IGA supermarket in Wentworth (NSW) which is located in the PTA.

This estimate of market share takes into consideration the following:

- Approximately 8% of supermarket turnover is derived from the sales of non-food merchandise
- An estimated 79% of turnover is derived from the PTA, with the balance derived from sales to STA residents and beyond (ie. visitors).

Table 6.5 summarises this analysis.

Table 6.5: Estimated Market Shares PTA Supermarket, 2010

Category	Value
Estimated total supermarket turnover	\$221.5m
Share of total turnover in FLG merchandise	92%
Estimated supermarket turnover in FLG merchandise	\$203.8m
Share of turnover in FLG merchandise from PTA	79%
Supermarket FLG turnover from the PTA	\$160.7m
Market share of PTA FLG spending at supermarkets	81.6%
Source:	Essential Economics
Note:	Figures are in constant 2009 dollars

Supermarket Development Potential in the Study Area

The potential for new supermarket development in the Study Area is derived from the capture of a slightly higher share of supermarket spending by PTA residents, and a decline in the average trading performance as a result of improved competition among existing supermarkets, resulting in average turnover levels which more closely reflect industry benchmarks.

An analysis of supermarket development potential is shown in Table 6.6, and shows potential for an additional 9,300m² of new supermarket floorspace over the period 2010-2025 under the Low Growth Scenario. Under the Medium Growth Scenario, potential exists for an additional 11,800m² of supermarket floorspace over the same period, while under the High Growth Scenario supermarket development potential is estimated at 13,200m².

This analysis provides support for proposed new supermarket developments to serve urban Mildura, with potential locations including the caravan site opposite the Big W site and in Irymple. In the longer-term, the balance of supermarket development could also be accommodated by one or more neighbourhood centres serving the growth areas in Mildura and/or additional floorspace associated with the expansion of existing supermarkets in the CBD.

The analysis presented in Table 6.6 is based on the following inputs:

- Spending at supermarkets on FLG merchandise by PTA residents is from Table 6.3.
- Study Area supermarkets could capture 82.5% of spending at supermarkets on FLG merchandise by PTA residents by 2025, with the balance going to supermarkets in Wentworth and elsewhere.
- An estimated 79% of turnover at Study Area supermarkets would be derived from the PTA, based on the analysis shown in Table 6.5.
- The supportable average retail turnover in 2025 would be in the order of \$8,600/m², which is based on industry information and the consultant's experience in undertaking assessments for supermarket development in regional Australia.

Table 6.6 is presented on the following page.

Table 6.6: Supermarket Development Potential in the Study Area, 2010-2025

Category	Value 2025
<u>Spending at Supermarkets on FLG Merchandise, PTA (\$m)</u>	
Low Growth Scenario	211.1
Medium Growth Scenario	229.6
High Growth Scenario	240.7
Supportable market share of Study Area supermarkets	83%
<u>Potential PTA Supermarket FLG Spending retained by Study Area supermarkets (\$m)</u>	
Low Growth Scenario	174.1
Medium Growth Scenario	189.4
High Growth Scenario	198.6
<u>Estimated total turnover derived from the PTA (\$m)</u> <u>(assuming 8% of turnover in non-food merchandise)</u>	
Low Growth Scenario	189.3
Medium Growth Scenario	205.9
High Growth Scenario	215.4
Share of total turnover derived from PTA	79%
<u>Supportable total supermarket turnover in the Study Area (\$m)</u>	
Low Growth Scenario	240.0
Medium Growth Scenario	261.1
High Growth Scenario	273.7
Supportable average turnover level (\$/m ²)	8,620
<u>Supportable supermarket floorspace (m²)</u>	
Low Growth Scenario	27,800
Medium Growth Scenario	30,300
High Growth Scenario	31,700
Existing Study Area supermarket floorspace (m ²)	18,450
<u>Supermarket development potential in the Study Area (m²)</u>	
Low Growth Scenario	+9,350
Medium Growth Scenario	+11,850
High Growth Scenario	+13,250

Source: Essential Economics

6.6 Homemaker Retail Development Potential

Significant new homemaker development has occurred in recent years in Mildura, particularly along Fifteenth Street which has developed into a 'homemaker and leisure retailing precinct' of some significance, comprising more than 30,000m² of homemaker floorspace. Potential for further homemaker retail development exists in the Study Area, the majority of which would seek a location in this established homemaker precinct along Fifteenth Street.

Table 6.7 shows that development potential of between approximately 20,000m² and 27,000m² of homemaker retail floorspace could be generated over the next 15 years. Not all of this potential additional floorspace would be located in a dedicated homemaker centre or precinct such as Fifteenth Street. For example, a share of new development would be in the form of traditional shopping locations like the proposed Big W, or associated with speciality stores that trade in homemaker merchandise (eg. music shops, computer shops, small electrical stores, haberdashery, etc).

It is estimated that approximately 60% of homemaker retail development potential (or approximately 12,000m² to 16,000m² of homemaker retail floorspace) could be directed to Fifteenth Street as the dedicated homemaker precinct in the Study Area.

In addition, homemaker centres also trade in other non-food retail merchandise including bicycles, camping equipment, sports equipment, leisure equipment, etc. Typically, the provision of these other types of retailing comprise approximately 20% of total retail floorspace. On this basis, total new retail floorspace potential at Fifteenth Street is estimated at 15,000m² - 20,000m².

Homemaker centres also have tenants that are not defined as retail for the purposes of this analysis. Examples include automotive parts stores (eg Super Cheap Auto), or shops selling building supplies (eg tiling shops, carpet installation, etc). These non-retail uses typically occupy approximately 20% of floorspace at a dedicated homemaker centre/precinct. On this basis, the potential demand for total floorspace that could be located in a dedicated homemaker centre or precinct is up to approximately 25,000m².

This analysis is summarised in Table 6.7.

Note that this analysis of homemaker centre development potential does not include the other non-retail uses that are also permissible in the Business 4 Zone. Examples of these uses include car sales, rural supplies, service stations, light manufacturing or industrial services (in some cases), caravan or boat sales, and so on. These are significant uses in terms of the total land area in Fifteenth Street, and the implications in terms of future land demand are presented in Chapter 7.

Table 6.7: Homemaker Development Potential, 2010-2025

Category	Low Growth Scenario	Medium Growth Scenario	High Growth Scenario
Forecast homemaker retail development potential, 2010-2025	20,000 m ²	24,000 m ²	27,000 m ²
Estimated share of homemaker retail development potential directed to homemaker centres	60%	60%	60%
Homemaker retail development potential met by dedicated homemaker centres	12,000 m ²	14,400 m ²	16,200 m ²
Plus homemaker centre development derived from other retail (ie leisure, general merchandise, etc)	20%	20%	20%
Other retail component of homemaker centre development potential	3,000 m ²	3,600 m ²	4,050 m ²
Total homemaker centre retail potential	15,000 m ²	18,000 m ²	20,250 m ²
Plus homemaker centre development potential from non-retail tenancies (eg. auto, building supplies, rural supplies etc)	20%	20%	20%
Non-retail floorspace demand at homemaker centres	3,800 m ²	4,500 m ²	5,050 m ²
Total homemaker centre development potential	18,800 m²	22,500 m²	25,300 m²

Source: Essential Economics

6.7 Retail Development Potential by Centre and Precinct

This section presents a discussion of the potential retail development outcomes in the main locations in the Study Area, comprising:

- Mildura CBD
- Fifteenth Street Precinct
- Neighbourhood and Town Centres
- Other locations.

Mildura CBD

Scope exists to improve the retail offer and function of the Mildura CBD. The existing high vacancy rate of 9% in the CBD and the poor presentation of a number of retail buildings indicate that actions are required to improve retail performance by accommodating new uses, redeveloping older buildings, and enhancing business practices and promotion. This is especially important in view of the increasing competition from retail development in Fifteenth Street.

The potential retail development opportunities in the CBD may include:

- **Investment in sites containing the large retail anchor tenants (eg. Kmart, Coles and Safeway).**
Anchor tenants such as the Coles, Safeway and Kmart are important as they attract customers to centres and provide exposure to other smaller retailers and businesses located nearby. This is particularly important in the Mildura CBD which will continue to face competition from retail development elsewhere in the region.

Although these anchor tenants appear to be trading reasonable well, improvements in their appearance and the way they are integrated with other nearby retailers could be improved. For example, the Kmart site – bordered by Pine Avenue, Lime Avenue, Gallagher Lane and Eighth Street – is an isolated development which does not provide good linkages to other retailers in the precinct. Furthermore, both the Coles and Woolworths supermarkets are designed in a way that prevents active frontages along major thoroughfares in the CBD.

Potential exists for these three significant sites to be redeveloped in a manner that improves their appearance and integration with surrounding uses.
- **Potential for limited additional supermarket floorspace in the CBD.** The analysis in Section 6.5 indicates that approximately 11,800m² of new supermarket floorspace could be supported in the Study Area under the Moderate Growth Scenario over the next 15 years. A share of this additional floorspace is likely to be accommodated by proposed developments in Irymple and in Fifteenth Street. The balance of approximately 4,000m² to 5,000m² (depending on the eventual size of the proposed developments) could be supported by potential supermarkets in neighbourhood centres serving the growth areas, or by additional floorspace associated with expansions of existing supermarkets in the CBD, or the construction of a new supermarket in the CBD if an appropriate site and tenant could be identified.

- **Continue to develop 'Feast Street' in Langtree Avenue.** The northern end of Langtree Avenue, now branded as *Feast Street*, is developing into a successful entertainment and dining precinct. Further development opportunities exist in the food catering retail sector which would continue to support this developing precinct.

Over the next 15 years, potential for approximately 5,000m² of new food catering floorspace has been identified (Moderate Growth Scenario). Having regard for the dominant role the Mildura CBD performs in entertainment and dining-out, a large share of this new floorspace should be directed to the CBD.

- **Speciality retail development and redevelopment opportunities in the CBD.** Potential exists for the redevelopment of older building stock containing speciality retailing and/or limited development of new specialty retail floorspace.

In summary, emphasis needs to be placed on reinvigorating the CBD through improvements in building presentation and improved integration, and in some instances in business presentation and promotion. Although this may involve an increase in retail floorspace, the emphasis needs to be on creating better retail spaces.

Fifteenth Street Precinct

Potential exists for additional retail development over the next 15 years that will support both the existing sub-regional role performed by Centro Mildura, and the homemaker retail role by retailers located further along Fifteenth Street.

Development opportunities for these two different types of retailing in the Fifteenth Precinct are described below.

Homemaker Retailing

Section 6.6 identifies development potential over the next 15 years for up to approximately 25,000m² of retail and non-retail floorspace in the Study Area which would typically locate in a homemaker precinct. Fifteenth Street is the dominant homemaker precinct in Mildura and it is likely future development of this type would occur in this location.

Sub-Regional Retailing

A Big W DDS and associated retailing containing approximately 10,600m² of retail floorspace has obtained planning approval for the vacant site adjacent to Centro Mildura, and negotiations are underway for the planned development to incorporate a Dan Murphy's store (which has not yet been approved). In addition, a proposal for a full-line supermarket and associated specialty retailing exists for a site on the southern side of Fifteenth Street, opposite the proposed Big W.

In total, these developments could comprise more than 15,000m² of retail floorspace that could be supported over the next 15 years based on the analysis presented in this report.

Potential may also exist for limited speciality retailing and fast food retail development, having regard for the sub-regional role this precinct performs and the level of exposure to passing traffic along Fifteenth Street.

In broad terms, over the next 15 years development potential for up to approximately 20,000m² of additional traditional-type retail floorspace could be supported. These types of uses are typically located in the Business 1 Zone.

Neighbourhood and Town Centre Locations

Irymple

Currently, interest is being expressed in the development of a neighbourhood shopping centre in Irymple, as evidenced by an approved proposal for an IGA supermarket based development, and another proposal for a centre anchored by a full-line Woolworths.

Having regard for the population in the surrounding area, and the supermarket development potential as assessed in Section 6.5, a supermarket-based development in Irymple is supportable over the next 15 years.

Such a development would present an accessible location for local residents in Irymple and the surrounding area to undertake their weekly grocery shopping requirements, and would reduce the need to travel to centres located further afield. It is also supported by policies seeking to provide a network of easily accessible centres that support local communities.

Having regard for the population in Irymple and the surrounding area, a neighbourhood centre containing in the order of 4,500m² to 6,000m² would be supportable, and would likely include a mid-sized to full-line supermarket and limited speciality retailing.

However, a development of this sort has potential to generate adverse trading impacts on centres and supermarkets located elsewhere, including those in Red Cliffs approximately 8km to the south. Any future planning application for a neighbourhood development at Irymple should adequately assess the potential negative trading impact on other centres and supermarkets prior to being approved.

Red Cliffs and Merbein

Both Red Cliffs and Merbein and the surrounding rural areas have experienced population decline since 2001, as illustrated by the following data sourced from the ABS:

- Red Cliffs and surrounding areas population declined from approximately 5,420 persons in 2001 to approximately 5,170 persons in 2008 (ABS, Estimated Resident Population by Census Collection District); and
- Merbein and surrounding areas population declined from approximately 4,130 persons in 2001 to approximately 4,080 persons in 2008 (ABS, Estimated Resident Population by Census Collection District).

Having regard for the trend of declining population in small rural townships experienced throughout Australia, it is unlikely any significant population growth will occur in these two townships over the next 15 years or so. Consequently, it is unlikely any significant demand for new retail floorspace in these town centres will be experienced over this period.

Growth Areas

The Mildura urban area is expanding to a point where demand may arise in the future for small neighbourhood shopping nodes to serve the weekly convenience shopping needs of local catchments. These types of small neighbourhood centres would typically comprise a supermarket and limited specialty retailing. Currently, the convenience shopping needs of residents in the Mildura urban area are largely met by higher-order centres in the CBD and Centro Mildura, and to a lesser extent a limited network of local shops.

Potential for a neighbour centre is likely to arise in Mildura South, which is a key residential growth area in Mildura. The *Mildura South Strategic Framework Plan - A Development Plan for the South West of Mildura* (October 2007) identifies the area to the south-west of Sixteenth Street as having potential to accommodate up to approximately 9,000 residents. Depending on the eventual layout and design of this area, this scale of residential catchment would support a neighbourhood centre containing a full-line supermarket, and potentially a network of well-located local shops/centres which provide for daily convenience retail needs of residents.

The consultant recommends that the provision of neighbourhood shopping facilities in the growth areas of Mildura and their potential impact on the wider retail hierarchy be investigated further as planning for Mildura South proceeds.

Other Locations

Other potential retail development opportunities in the Study Area include:

- **Marina development:** Potential for limited convenience retailing to serve residents at the Marina development and tourist-related retailing exists at the Marina development. This may comprise a general store, cafes, restaurants, takeaway food and tourist-related speciality retail. Approximately 3,000m² of retail floorspace has been approved at the Marina and this is considered to be sufficient to meet the needs of users at this locality.
- **Proposed conference venue and casino:** If the proposed Casino located at the northern end of the CBD near the riverfront is approved and generates additional levels of tourism activity, this outcome would provide an impetus for tourist-related retail development in the surrounding area, mainly involving food catering and specialty tourist-related shops.
- **Transport-related:** Plans exist to change the major trucking route through Mildura and this may generate some demand for highway-based food retailing associated with a potential truck stop along the new route.

6.8 Summary of Retail Development Potential in the Study Area

Under the Medium Growth Scenario, retail development potential over the next 15 years is estimated at approximately 60,000m² of retail floorspace, distributed as follows:

- Approximately 40,000m² in conventional retailing which would typically be located in traditional shopping centres, which in the case of Mildura would include the CBD, the Centro Mildura precinct, neighbourhood and town centres and local shops. Typically, the Business 1 Zone is applied to this type of retail land use, although it is recognised that traditional retailing (or shop) development can occur in other zones.
- Approximately 20,000m² in retail floorspace that would typically locate in a homemaker centre or precinct, ie along Fifteenth Street. Floorspace demand could increase to around 25,000m² when non-retail tenancies are included. The Business 4 Zone is appropriate to accommodate these land use types, noting that other uses also tend to locate in the B4Z such as car yards, rural supplies, trade supplies, etc.

6.9 Summary of Future Retail Hierarchy

A summary of the potential future development opportunities and their implications in terms of the operation of the retail hierarchy in Mildura is shown in Table 6.8.

Table 6.8: Summary of the Future Role and Development Opportunities in Study Area Centres

Centre	Future Role/Development Opportunities
<u>Regional and Sub-regional Centres</u>	
Mildura CBD	Consolidate its role as the primary activity centre through: <ul style="list-style-type: none"> • improved retail presentation and overall amenity • improved integration of major tenants and the balance of the centre • redevelopment of major sites containing existing anchor tenants • continued development of the tourism and entertainment role
Centro Mildura Precinct	Consolidate its sub-regional role with potential development of approximately 20,000m ² of additional retail floorspace, including a discount department store and a full-line supermarket.
<u>Neighbourhood Centres</u>	
Mildura South Growth Area	As residential development in this area continues, potential for a neighbourhood centre containing a full-line supermarket should be investigated.
Deakin Avenue (intersection with Thirteenth Street) Continue to serve its existing role.	
<u>Town Centres</u>	
Red Cliffs	Continue to serve its existing role.
Merbein	Continue to serve its existing role.
Irymple	Potential development of a town centre comprising a supermarket and specialty retailing.
<u>Homemaker Retailing</u>	
Fifteenth Street Homemaker Precinct	Consolidate its role at the major homemaker and leisure retail precinct in Mildura with potential for an additional 25,000m ² of retail and non-retail floorspace.
<u>Local Shops</u>	
Located throughout urban Mildura	Where viable, these shops will continue to perform their existing role.

Source: Essential Economics

7 PLANNING IMPLICATIONS

This Chapter identifies land use planning implications arising from the analysis presented earlier in this report for Mildura CBD, Fifteenth Street and Irymple.

7.1 Mildura CBD

Ongoing improvements in the retail performance of the CBD will need to be ensured through the consolidation of retail activity and by improving existing retail areas. This will assist in maintaining the CBD as primary activity centre for a variety of uses, including retail activities. Investment should be encouraged where this will improve the integration of retailing with other surrounding uses.

Opportunities may exist in the CBD for specific retail opportunities, such as tourism retailing associated with the development at the riverfront, and potentially associated with the proposed conference and casino development.

It is important that any new retail development in the CBD assists in consolidating retail activities. Significant retail development in the CBD on land zoned outside the Business 1 Zone should be discouraged.

7.2 Fifteenth Street

The land use planning implications for Fifteenth Street are considered separately in terms of the traditional retail role anchored by Centro Mildura (in the Business 1 Zone), and the homemaker retailing that occurs in the Business 4 Zone.

Business 1 Zoned Land for Conventional Retail

Additional land will need to be placed in the Business 1 Zone in the area surrounding Centro Mildura, having regard for the following:

- Demand for approximately an additional 40,000m² of new retail floorspace in conventional retail types across the Study Area, with a large share potentially located in the Fifteenth Street precinct to strengthen the sub-regional shopping role in this location.
- In broad terms, approximately 20,000m² of new conventional retail floorspace could be required in the B1Z in the Fifteenth Street precinct.
- Big W and associated retailing is already approved for the vacant site adjoining Centro Mildura, and consists of approximately 11,000m² of retail floorspace development.
- Analysis shows that a new full-line supermarket and specialty retailing could be supported in this locality.

Overall, this assessment indicates that approximately 9,000m² of additional conventional retail floorspace could be supported in Fifteenth Street in the area near Centro Mildura over and above that

which has already been approved. This level of retail floorspace development would require a land area of approximately 3 ha, based on a typical site coverage of around 30%. An additional land allocation may be required for small-scale commercial development (ie shop-front type uses such as real estate, insurance, travel agent and the like).

Business 4 Zoned Land for Homemaker Retail

Chapter 6 identifies potential for approximately an additional 25,000m² of homemaker type floorspace that would typically locate in the Business 4 Zone over the next 15 years. It would be reasonable to expect that all of this demand would be located in the Fifteenth Street Precinct. Assuming site coverage of approximately 30%, the land area requirement would be approximately 7.5 ha.

Additional land will also need to be identified to account for demand for other land uses which typically locate in the Business 4 Zone, including rural supplies, car yards, caravan sales, trade supplies, etc. These uses may account for approximately 5 ha of land over the next 15 years (on the basis of current land use patterns), and so the total land area requirement in the Business 4 Zone is estimated at around 12.5 ha.

The existing supply of land in Fifteenth Street that can accommodate restricted retail uses includes:

- Existing parcels of vacant Business 4 Zone land account for approximately 5.5 ha.
- Caravan parks in the Business 4 Zone, which could potentially be redeveloped for restricted retail, account for approximately 7.9 ha.
- Approximately 15 ha of land in the SUZ9 Zone located along Fifteenth Street between Benetook Avenue and Cowra Avenue. Restricted retailing is an as-of-right use in this zone.

Overall, approximately 20ha of vacant or easily-developable land (ie in the SUZ9 Zone) is available to accommodate restricted retail and other types of uses that require similar planning controls. On this basis, there is no requirement for additional Business 4 Zone land to be identified for the purpose of meeting the demand for such land over the next 15 years.

7.3 Irymple

Analysis presented in this report shows that a neighbourhood centre of approximately 4,500m² to 6,000m² could be supported to serve the community in Irymple and in the surrounding rural area. A neighbourhood centre would consist of a mid-sized to full-line supermarket and limited speciality retailing.

A number of issues are relevant in planning for the development of a centre of this type:

- A permit for the Fisher's IGA supermarket development on existing B1Z land was granted in June 2005, but has not been acted upon. It is unknown when this development will proceed, if at all. The permit expires in October 2012.
- A new proposal exists for a full-line supermarket development at the north-western edge of the town on B4Z land. A rezoning would be required to facilitate this development.

- Neither of these proposals is located in close proximity to the existing strip of retailing located near the intersection of Fifteenth Street and the railway line, and both advantages and disadvantages exist with each proposal in terms of creating a central, well-located and integrated town centre.
- Another potential site for a new town centre is the former industrial site located on the western side of the railway line, opposite the existing retailing strip in Irymple. This property is currently for sale. This site would need to be rezoned to enable its development as a retail centre; however, it has some advantages in terms of its location near the existing town centre, and its ability to integrate with other surrounding land uses.
- Any new centre is unlikely to lead to the closure of all of the existing shops in Irymple, as the existing shops are mainly small-scale in nature, and serve passing traffic. However, some businesses may move to a new centre or may close.

Guidance as to the preferred location for town centre development in Irymple is to be provided in the Structure Planning for the town currently being prepared.

7.4 Growth Areas

In the longer term, potential may arise for the creation of new neighbourhood retail centres serving growth areas on the outskirts of Mildura. The opportunity to identify land for these types of centres, which need to have a core residential catchment of approximately 7,000 people or more to support a supermarket-based development, should be investigated as structure planning proceeds in these areas.

8 SUMMARY OF KEY FINDINGS

The main findings from the analysis presented in Part A of this Strategy are as follows:

- 1 **The Study Area has an important role in providing retail services:** Total retail provision is approximately 150,000m², with a range of centres offering:
 - Regional shopping, serving the regional and homemaker retail shopping needs of a large catchment of approximately 100,000 residents.
 - Local convenience and grocery shopping, for approximately 56,000 persons who reside in the PTA.
 - Tourism retailing, to meet the needs of approximately 750,000 overnight and day visitors per annum to the Mildura Region.
- 2 **A large proportion of retailing is undertaken at higher-order centres:** The Mildura CBD, Centro Mildura and Fifteenth Street all serve the identified regional catchment. When combined, these centres account for 92% of total occupied retail floorspace in the urban area of Mildura (excluding Irymple, Red Cliffs and Merbein). The share of total retail provision is 88% in the FLG sector and 89% for Retail services; these categories are normally associated with day-to-day and weekly convenience shopping.
- 3 **Approximately an additional 60,000m² of retail floorspace is supportable over the period 2010 to 2025:** This development potential includes:
 - Approximately 40,000m² in conventional retailing which would typically be located in traditional shopping centres, which in the case of Mildura would include Mildura CBD, the Centro Mildura precinct, neighbourhood and town centres and local shops.
 - Approximately 20,000m² in retail floorspace that would typically locate in a homemaker centre or precinct (ie on Fifteenth Street). Total homemaker floorspace demand is estimated at approximately 25,000m² when non-retail uses are included.
 - Demand for new supermarket floorspace is estimated at approximately 11,800m², as part of the potential for conventional retail development.
- 4 **A number of locations in Mildura are candidates for future retail development:** Potential locations include:
 - The Mildura CBD, including the redevelopment of major land holdings currently containing large anchor tenants
 - The Centro Mildura and surrounding area for grocery and specialty retailing
 - Fifteenth Street for homemaker retailing
 - Tourist and limited retail development at the Marina
 - Town centre development at Irymple
 - Neighbourhood centre development in the growth areas of Mildura, which is to be investigated at the structure planning phase for these areas.

PART B: MILDURA RETAIL STRATEGY

9 INTRODUCTION

Part B presents the Rural City of Mildura Retail Strategy 2010 which provides guidelines for future retail development in Mildura and comprises:

- A **Vision** Statement
- **Objectives** for retail development in Mildura
- A set of **Actions** and associated **Implementation** plans
- A listing of **Assessment Criteria** against which retail development applications are to be assessed
- A **Monitoring and Review** process.

10 VISION

A Vision Statement has been prepared to guide the ongoing development of the retail sector in Mildura, and is intended to be the basis for the subsequent recommendations in the Retail Strategy.

The Vision Statement is as follows:

Mildura is a dynamic city serving a growing residential population and increasing numbers of tourists and other visitors. These customers will be served by a sophisticated retail sector that offers a full range of modern, well-designed and well-integrated shopping facilities that offer choice in product and service, and are in easily accessible locations.

11 OBJECTIVES

The Vision is supported by the following Objectives:

- 1 *To support the viability of existing centres in Mildura, so they continue to perform their roles in the retail hierarchy.*
- 2 *To respond to future retail requirements of residents and visitors to the region, having regard for forecast population growth and potential growth in tourism.*
- 3 *To support the Mildura CBD as the primary activity centre in the Mildura, for a mix of activities including retail, business, entertainment, tourism, civic, health, education, medium-density residential development, etc.*
- 4 *To support the sub-regional shopping role of the Mildura Centro precinct.*
- 5 *To support Fifteenth Street as the principal location for homemaker retailing.*
- 6 *To support development of accessible neighbourhood and town centres where there is an identified demand for such facilities and where such development will not lead to significant adverse impacts on established centres.*
- 7 *To ensure activity centres in Mildura are places where people enjoy shopping, doing business, and taking part in community activities through the implementation of appropriate design guidelines.*
- 8 *To ensure the Mildura Retail Strategy 2010 is reflected in the Mildura Planning Scheme.*
- 9 *To ensure the Mildura Retail Strategy 2010 and Mildura Planning Scheme remain relevant and have regard for current retailing trends.*

Individual actions that seek to achieve these objectives are described in the following Chapter, with additional guidance on implementation.

12 IMPLEMENTATION

This Chapter identifies a set of actions that are designed to implement this Retail Strategy. For each underlying objective, a supporting rationale is provided, and an implementation plan has been prepared to identify key roles and responsibilities.

Timeframes shown in the implementation plan are as follows:

- Short-term: Within 12 months
- Medium-term: Within 1 to 3 years
- Longer-term: Within 3 to 5 years or beyond

12.1 Support the Viability of Existing Centres

Objective

To support the viability of existing centres in Mildura so they continue to perform their roles in the retail hierarchy.

Significant investment has been directed over the years to the existing centres in Mildura and the surrounding townships, and these centres provide a valuable contribution to providing accessible retail facilities for residents and visitors to Mildura.

It is important that these centres continue to be viable and maintain their relevance in the wider retail hierarchy. In order to do this, existing centres should be encouraged to improve their performance by:

- Improving the amenity, appearance, design and integration of the centre;
- Improving the tenancy mix;
- Undertaking appropriate redevelopments and/or expansions; and
- Improving the operations of the centres and individual retailers.

Action Plan

- 1.1 Assist property owners, centre managers, retailers and traders associations in existing centres to improve their performance through appropriate redevelopment and refurbishment.
- 1.2 Facilitate redevelopments and expansions of existing centres providing they meet the objectives identified in this Strategy, contribute to a net community benefit, and do not adversely affect the operation of the retail hierarchy.

Implementation Plan

Action No.	Actions Required	Responsible Authority	Partnerships	Council's Role	Timeframe
1.1	Assist property owners, centre managers, retailers and traders associations in existing centres to improve their performance.	Council (Planning and Economic Development)	Property owners Developers Centre managers Traders associations Retailers	Encourage and assist Partners to be actively seeking ways to improve their centre.	Ongoing
1.2	Facilitate redevelopments and expansions of existing centres providing they meet the objectives identified in this Strategy, contribute to a net community benefit, and do not adversely affect the retail hierarchy.	Council (Planning)	Property owners Developers	Take lead role in discussions with property owners, developers and potential investors.	Short-term and Medium-term

12.2 Respond to Future Retail Requirements of Residents and Visitors

Objective

To respond to future retail requirements of residents and visitors to the region having regard for forecast population growth and potential for growth in tourism to the region.

As Mildura's population increases and as the needs and expectations of residents change over time, Mildura's retail sector needs to be able to adapt. This may be in the form of additional retail development, changes in the type of retailing, or changes in how retailing is presented.

In addition, potential exists to capture a share of the growth in the level of visitor spending in the Mildura region. This may arise via an increase in visitation and/or the ability of the region to attract higher-yielding visitors. The proposed conference and casino development is one project which may generate this outcome. The retail sector in Mildura, particularly in the CBD, needs to be able to respond to such changes in a way that will increase the level of spending retained from visitors.

Action Plan

- 2.1 Monitor residential growth in Mildura and retail and other trends (eg, tourism) which may be relevant to Mildura's retail sector.
- 2.2 Monitor tourism-related developments in Mildura and facilitate tourism-related retail development in the CBD in order to capture an increase in visitor spending in Mildura.

Implementation Plan

Action No.	Actions Required	Responsible Authority	Partnerships	Council's Role	Timeframe
2.1	Monitor residential growth in Mildura and retail and other trends which may be relevant to Mildura's retail sector.	Council (Planning)	Property owners Developers	Maintain an understanding of residential growth trends and retail trends relevant to Mildura.	Ongoing
2.2	Monitor tourism related developments in Mildura and facilitate tourism related retail development in the CBD should an increase in visitor spending be directed to Mildura.	Council (Planning and Economic development)	Property owners Developers	Take lead role in discussions with land owners, developers and potential investors.	Medium-term and Long-term

12.3 Support Mildura CBD

Objective

To support the Mildura CBD as the primary activity centre in the Mildura for a mix of activities including retail, business, entertainment, tourism, civic, health, education, medium-density residential development, etc.

The Mildura CBD is the primary activity centre in the region and it comprises a mix of retail, commercial, civic, entertainment, and tourism and community activities.

It is important that the CBD maintains this role and continues to attract residents from a regional catchment and from tourists and other visitors from further afield to undertake shopping and other activities. A significant amount of investment and employment is contained in the CBD, together with a wealth of community and historical values.

Opportunities to provide medium-density residential development in the CBD should be investigated.

Action Plan

- 3.1 Continue to implement recommendations from the Mildura CBD Plan.
- 3.2 Encourage the redevelopment of key retail sites in the CBD and ensure they are developed in a manner which will improve the operation of retailing in the CBD.
- 3.3 Encourage property owners to invest in the appearance and amenity of buildings.
- 3.4 Consolidate retail activities to the west of Deakin Avenue.
- 3.5 Encourage a mix of viable non-retail development in the CBD including office, tourism, community and civic activities, as well as a component of residential development, which will generate additional activity in the CBD, but in such a manner that does not adversely disrupt important retail frontages.

Implementation Plan

Action No.	Actions Required	Responsible Authority	Partnerships	Council's Role	Timeframe
3.1	Continue to implement recommendations from the Mildura CBD Plan.	Council (Planning)	Property owners Developers	Facilitate the implementation of the recommendations.	Short-term and Medium-term
3.2	Encourage the redevelopment of key retail sites in the CBD and ensure they are developed in a manner which will improve the operation of retailing in the CBD.	Council (Planning)	Property owners Developers	Engage in discussions with land owners and developers.	Long-term
3.3	Encourage land owners to invest in the appearance and amenity of buildings.	Council (Planning)	Property owners	Engage in discussions with land owners.	Ongoing
3.4	Consolidate retail activities to the west of Deakin Avenue.	Council (Planning)		Limit the approval of any significant retail developments in B2Z and MUZ in the CBD.	Ongoing
3.5	Encourage a mix of viable non-retail development in the CBD including office, tourism, community and civic activities, as well as medium-density residential, which will generate additional activity in the CBD.	Council (Planning and Economic Development)	Property owners Developers	Facilitate appropriate developments through the Planning Scheme mechanisms.	Medium-term and Long-term

12.4 Sub-Regional Shopping

Objective

To support the sub-regional shopping role of the Mildura Centro precinct.

Mildura Centro and the surrounding land including the proposed Big W development perform an important role in the retail hierarchy in Mildura. This precinct provides residents with a variety of convenience and comparison shopping in the one location.

The analysis presented in Part A of the Strategy indicates that further potential for retail development in this precinct exists, including an additional full-line supermarket and associated speciality retailing. Over the next 15 years, potential for up to an additional 9,000m² over and above exiting approved development on B1Z land exists. This equates to an additional requirement of up 3 ha of B1Z land.

Action Plan

- 4.1 Adopt and approve the recommendations in the Fifteenth Street UDF which relate to the provision of additional B1Z land to accommodate future retail development.
- 4.2 Ensure future retail development is integrated with the existing retailing at Centro Mildura.

Implementation Plan

Action No.	Actions Required	Responsible Authority	Partnerships	Council's Role	Timeframe
4.1	Adopt and approve the recommendations in the Fifteenth Street UDF which relate to the provision of additional B1Z land to accommodate future retail development.	Council (Planning)	Property owners Developers	Facilitate the implementation of the recommendations.	Short-term and Medium-term
4.2	Ensure future retail development is integrated with the existing retailing at Centro Mildura.	Council (Planning)	Property owners Developers	Engage in discussions with land owners and developers.	Medium-term and Long-term

12.5 Homemaker Retailing Role of Fifteenth Street.

Objective

To support Fifteenth Street as the principal location for homemaker retailing.

A significant amount of investment and development in homemaker and restricted retailing has occurred along Fifteenth Street in recent years. This development provides residents in the regional catchment with choice in retailing and has reduced the need for residents to undertake this form of shopping at other centres located further afield.

Action Plan

- 5.1 Ensure an adequate supply of land exists to accommodate future demand for homemaker and restricted retailing in future.
- 5.2 Encourage integrated and sequenced development along Fifteenth Street.

Implementation Plan

Action No.	Actions Required	Responsible Authority	Partnerships	Council's Role	Timeframe
5.1	Ensure an adequate supply of land exists to accommodate future demand for homemaker and restricted retailing in future.	Council (Planning)	Property owners Developers	Facilitate the implementation of the recommendations provided in the Fifteenth Street UDF.	Short-term and Medium-term
5.2	Encourage integrated and sequenced development along Fifteenth Street.	Council (Planning)	Property owners Developers	Engage in discussions with land owners and developers.	Medium-term and Long-term

12.6 Neighbourhood and Town Centres

Objective

To support neighbourhood and town centre development where there is an identified demand for such facilities and where such development will not lead to a significant adverse impact on established centres.

The Mildura urban area is expanding to a point where future demand is likely to arise for small neighbourhood shopping centres which serve the weekly convenience shopping needs of local catchments.

For example, Mildura South is one growth area which may experience the need for convenience retailing in the future. The *Mildura South Strategic Framework Plan - A Development Plan for the South West of Mildura* (October 2007) identifies the area to the south-west of Sixteenth Street as having the potential to accommodate up to approximately 9,000 residents. This level of population is sufficient to support a neighbourhood centre comprising a large supermarket and speciality retailing. Such a centre would provide easily accessible convenience (or day-to-day and weekly) retailing to its catchment.

The provision of neighbourhood shopping facilities in the growth areas of Mildura and their potential impact on the wider retail hierarchy should be further investigated at the Structure Planning phase for the growth areas.

Furthermore, potential for a town centre development in Irymple has been identified in this Strategy. It is opportune now, with the UDF for Irymple currently being prepared, to identify the preferred locations for a new town centre development in Irymple.

Action Plan

- 6.1 During the Structure planning phase for growth areas, investigate potential for neighbourhood and local centres to meet the convenience retailing requirements of new populations. Consider any other improvements of a non-retail nature which may also be important to these smaller centres.
- 6.2 Adopt and implement the UDF for Irymple which identifies the preferred location for a future town centre development.
- 6.3 Work with property owners and developers to ensure town centre facilities are provided in Irymple which contribute to a net community benefit and which do not lead to significant adverse impacts on established centres.

Implementation Plan

Action No.	Actions Required	Responsible Authority	Partnerships	Council's Role	Timeframe
6.1	During the Structure planning phase for growth areas, investigate potential for neighborhood and local centres to meet the convenience retailing requirements of new populations. Consider other non-retail needs that may also require attention in these centres.	Council (Planning)	Property owners Developers	Ensure a detailed assessment of the potential for neighborhood and local centre development is provided at the structure planning phase of growth areas.	Long-term
6.2	Adopt and implement the UDF for Irymple which identifies the preferred location for a future town centre development.	Council (Planning)		Monitor and provide input as required.	Short-term
6.3	Work with property owners and developers to ensure town centre facilities are provided in Irymple which contribute to a net community benefit and do not lead to significant adverse impacts on established centres.	Council (Planning)	Property owners Developers	Monitor and provide input as required.	Medium-term

12.7 Well-Designed Activity Centres

Objective

To ensure activity centres in Mildura are places where people enjoy shopping, doing business, and taking part in community activities through the implementation of appropriate design guidelines.

Amenity, appearance and ease of access are important characteristics of successful activity centres. These features encourage return visits from shoppers and other visitors to the centres and contribute to the level of in-centre activity, thus supporting the viability of centres and their activities.

Action Plan

- 7.1 Encourage retail developments (and other centre activities) to adopt design guidelines that contribute to the amenity, appearance and accessibility of centres.
- 7.2 Encourage improvements to the appearance and amenity of existing centres.

Implementation Plan

Action No.	Actions Required	Responsible Authority	Partnerships	Council's Role	Timeframe
7.1	Encourage retail developments that adopt design guidelines that will contribute to the amenity, appearance and access to centres.	Council (Planning)	Property owners Developers	Engage in discussions with land owners and developers to encourage appropriate design of new centres.	Ongoing
7.2	Work with Property owners and developers to ensure town centre facilities are provided in Irymple which contribute to a net community benefit and do not lead to significant adverse impacts on established centres.	Council (Planning)	Property owners	Engage in discussions with land owners.	Ongoing

12.8 Implement the Mildura Retail Strategy 2010

Objective

To ensure the Mildura Retail Strategy 2010 is reflected in the Mildura Planning Scheme.

The Mildura Planning Scheme will need to be reviewed to ensure that the Retail Strategy is implemented in terms of updated parts of the MSS and that appropriate changes to local planning policies are introduced to the Scheme. It is recommended that the Retail Assessment Criteria (refer Chapter 5 of this Retail Strategy Part B) are implemented as a local planning policy.

Action Plan

- 8.1 Adopt the Mildura Retail Strategy 2010 and ensure the Vision, Objectives and Actions are reflected in the Mildura Planning Scheme through changes to the MSS and local planning policy.

Implementation Plan

Action No.	Actions Required	Responsible Authority	Partnerships	Council's Role	Timeframe
8.1	Adopt the Mildura Retail Strategy 2010 and ensure the Vision, Objectives and Actions are reflected in the Mildura Planning Scheme through changes to the MSS and local planning policy.	Council (Planning)		Facilitate the adoption and implementation of the Mildura Retail Strategy 2010. Review MSS to ensure consistency.	Short-term

12.9 Review Process

Objective

To ensure the Retail Strategy and Mildura Planning Scheme remain relevant and have regard for current retailing trends.

The Retail Strategy has been prepared to guide development over a fifteen year period (2010-2025), but the dynamic nature of the retail industry means that the Strategy will need to be regularly reviewed to ensure it remains relevant to the needs of residents, visitors, businesses, property owners and the wider community. Other factors may also have an influence over the need for a more regular review cycle. For example, the State Government is expected to complete its Retail Policy Review, and this may need to be assessed in terms of any implications the State-wide policy may have for the implementation of retail policy at the local level in Mildura.

An appropriate review period is at least every five years; however, more regular monitoring will need to take place, as suggested in Chapter 6 of this Retail Strategy Part B.

Action Plan

9.1 Undertake a review of the Mildura Retail Strategy every five years.

Implementation Plan

Action No.	Actions Required	Responsible Authority	Partnerships	Council's Role	Timeframe
9.1	Undertake a review of the Mildura Retail Strategy every five years.	Council (Planning)		Take lead role in commissioning a review of the Retail Strategy.	Long-term

13 ASSESSMENT CRITERIA

Retail Planning Assessment Criteria have been prepared as a reference point for Council officers when assessing development proposals for new or expanded provision of retail floorspace. The Criteria can also be used by developers for guidance in terms of information they should provide to Council in order to facilitate the planning approvals process.

The Criteria consist of two components:

- A listing of information which an Applicant should provide to Council in order to facilitate the planning approvals process; and
- A checklist of issues associated with assessing need for a retail development.

In assessing a development proposal, reference should be made to the application of various other aspects of this Strategy.

13.1 Information Applicants must provide when Seeking Planning Approval for a Retail Proposal

- 1 Address of the subject site and Title particulars
- 2 Details of the proposed retail component
 - Amount of retail floorspace (in m²)
 - Number of retail tenancies and sizes
 - Type of retail floorspace (eg, supermarket; discount department store, specialty stores, etc)
 - Car parking (if applicable).
- 3 Details of any other (non-retail) component where applicable, including office floorspace, entertainment uses, residential component, etc.
- 4 An economic impact report is required for major new retail developments (at the discretion of Council, but generally comprising those proposals involving 5,000 m² or more of retail floorspace, or the provision of a key major tenant such as supermarket, etc). The report should provide the following information:
 - Supporting evidence of retail demand
 - Assessment of any potential impact on existing or planned (ie approved) retail facilities
 - Description of anticipated benefits to community (measurable and non measurable)
 - Estimated contribution to employment (in both construction and retail operation), and noting the indirect flows (although these generally accrue to a wide area, including the State and national economies)
 - Overall contribution to net community benefit.

- 5 Council will decide on the extent of supporting economic impact information required of the applicant on the basis of the size of the retail floorspace component for which approval is being sought. While a brief statement is sufficient for a development of up to 5,000 m² (and depending on the place in the hierarchy of centres and the main retail tenant), Council would require a more detailed feasibility assessment if the proposal involves the development of a major shopping facility. Prospective developers should discuss their proposals with Council officers prior to formal submission of a Planning Permit Application or rezoning request so that the extent of supporting information required by Council can be ascertained. Council reserves the right to request additional information on economic impact from the applicant, if required.
- 6 The proposal should be accompanied by an analysis of the development in the context of relevant planning policies, including State and local policies.

13.2 Considerations in the Assessment of Planning Applications for Retail Development

The following considerations are provided as guidance in assessing applications for retail development in Mildura. These considerations are provided also as guidance to proponents in terms of the level of information required to support major development applications.

Note that the level of information required to support an application will be at the discretion of Council.

Retail demand

- 1 The application/proposal must show a need or demand for new or expanded retail floorspace provision to serve the catchment.
- 2 A retail feasibility assessment is required for major development proposals, or those with a key tenant (such as new supermarket), as determined by Council.
- 3 The application or retail assessment must indicate the current trade area or catchment population level, and the current and forecast population and retail spending growth rate for the next 5 and 10 years.
- 4 The application/assessment must show the extent to which the proposal would be expected to draw trade from beyond the catchment, or from passing trade.
- 5 Indicate whether the new retail provision - if proposed for an existing centre - would mean an expansion in the size of the catchment served by that centre.

Retail supply

- 1 Indicate the existing supply of retail floorspace serving the catchment.
- 2 Give details of any other proposals for new or expanded retail development in the catchment or beyond, which could have an effect on the viability of what is presently proposed.

- 3 Indicate the main features of the existing hierarchy of retail centres which serve the catchment, and show where the proposed new or expanded retail provision would fit within this hierarchy.
- 4 Provide evidence as to whether the existing supply of retail floorspace is or is not adequate to meet existing and foreseeable demand levels (say, over the next 5 to 10 years).
- 5 Indicate whether any retail gaps exist in merchandise/services which the proposal will fill.
- 6 Provide details as to the existing level of vacant retail premises in the catchment and in any other affected centres, and assess whether these premises are suitable to accommodate modern retail needs.
- 7 Provide details as to alternative sites to that proposed, and show the extent to which the proposal represents a preferred site.

Escape spending

- 1 Indicate the amount of residents' spending that currently escapes to other, more distant shopping centres located beyond the catchment.
- 2 Show forecasts of the levels of escape spending if there is no increase in retail facilities to serve the catchment.
- 3 Provide details as to the retail categories that are featured in the escape spending, and indicate the share of this escape spending that could reasonably be retained by the proposed new or expanded retail facilities.

Impact on existing retail facilities

- 1 Prepare an analysis of the effect on total retail sales levels (expressed in dollars and as a percent of total) at existing retail facilities if the proposal for new retail floorspace is approved.
- 2 Show how the existing average level of retail sales in the existing facilities (expressed in terms of sales per square metre of retail floorspace) would be affected by the introduction of additional retail floorspace.
- 3 Show the extent to which the proposal is expected to lead to an overall improved provision of retail facilities to the catchment - and especially with consideration to any adverse trading impacts on existing centres.
- 4 Prepare an analysis of the employment impact of the proposed new or expanded retail facilities, including the potential loss in employment at centres negatively impacted by the proposal.

Urban design issues

- 1 The application must meet site planning and other requirements specified in the planning scheme or in other planning policy documents.

- 2 The planning application must include - where requested by Council - an assessment of the proposed development in the context of relevant urban design policies.

Net community benefit

- 1 The planning application must provide an indication of the development proposal's contribution to Net Community Benefit (NCB), in terms of:
 - Employment generation (or loss) during construction and operation
 - Impact on retail choice and availability
 - Impact on overall levels of vibrancy and sustainability
 - Contribution to levels of public transport use
 - Contribution to liveability, social interaction, and other community-related goals.
- 2 The application must specify how the proposed development contributes to NCB, including consideration of the following factors:
 - Potential positive factors, including: increased choice in retail goods and services available to the community; increased retail competition; retention of a share of escape spending; increased employment and multiplier effects; increased contributions to Council rates; etc, and
 - Potential negative factors, including: loss of sales at existing shops/centres; loss of employment; possible business closures; possible vacant shops; possible multiplier effects; etc.
- 3 For larger projects, as determined by Council, the proposal must also consider non retail impacts such as traffic circulation and parking demand, environmental effects on adjoining activities, local character and amenity impacts, and so on.

14 MONITORING AND REVIEW

An important part of the implementation process for the Mildura Retail Strategy is to ensure that the strategy remains relevant as circumstances change and as new opportunities arise.

Monitoring of progress in the implementation of the Strategy will be important, and this will allow proper assessment as to how the Strategy is performing and whether or not changes are warranted as a result of emerging trends.

Monitoring also enables the Council and the community to judge how well and how efficiently the plan is being implemented. It is important, however, that speed of implementation should not be the sole criterion for success. Most communities seek good quality planning outcomes and, with a little patience, will be pleased to see on-the-ground results that ensure viable retail (and other) activities and attractive, competitive shopping centres.

Council must ensure, therefore, that the Retail Strategy is monitored and reviewed on a regular basis, and this is likely to be at least every five years, and possibly sooner if important changes are identified in market and other conditions.

Suggested indicators for monitoring and review purposes would those listed in the Table on the following page. These indicators are based on readily available and relatively inexpensive data, including official data, Council planning approvals and commencements data, land use/floorspace surveys, and reference to consultant reports.

A number of programs are proposed as contribution to the monitoring process, including the following:

- Undertake a program of floorspace surveys throughout the municipality to establish current levels of retail floorspace provision, and to provide a basis for monitoring future changes in retail floorspace.
- Undertake, in cooperation with business associations, a series of short in-centre surveys of businesses and customers in each of the main centres on a regular (eg every two years) basis. The survey should cover issues such as changes in people's perception of the centre as a place to visit, competing centres they visit or compete with, issues they identify and actions that need doing, , trends in employment levels, etc. The surveys should be helpful reference points in assessing potential impacts of the initiatives contained in the Strategy.

Indicators for Monitoring Process

Indicator	Source	Comment
1. Retail floorspace	Floorspace surveys	Implement commercial floorspace survey in order to allow an up-to-date estimate of total retail floorspace.
2. Retail property development proposals and projects	Council records	Track development applications and proposals.
3. Retail trading performance	Consultant reports; Property Council	Especially track official sources of data
4. Increased floorspace provision for shops and services, as well as increased value of buildings and works	Council data for planning and building approvals, and building completions	This measure uses regular and up-to-date data, and therefore very useful. Can indicate change in use from shop to other use and vice-versa.
5. Vacancy rates for retail m ² (vacant retail m ² expressed as a % of total retail m ²)	Land use and floorspace surveys	Can be undertaken at any time. As a guideline, the average retail floorspace vacancy rates are around 4-6% of total retail floorspace for strip shopping centres. Planned under-cover modern shopping centres usually have zero vacancies due to good management of tenant mix. These measures provide a good indication of general health of a centre.
6. Changes in land use patterns (incl. retail, service, office, community, etc)	Regular land use surveys	Inexpensive means of monitoring land use and activity changes. Important to show new roles and functions served by centres.
7. Changes in property values and rates	Council rate records; data from Victorian Valuer-General (residential values)	Useful indicator, especially as a relative indicator (eg different rate valuations for between centres).
8. Viewpoints on health of centres as expressed in property industry, real estate and those in retail industry	Regular contact with real estate agents, property owners, developers retail industry, other businesses, and the wider community.	Quarterly forum organised by Council as a venue for information exchange between property and retail industry, local traders, Council and other stakeholders.

Source: Essential Economics Pty Ltd