April 2010

Development forecasts for Meeniyan

for South Gippsland Shire Council

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economic analysis + strategy

and

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Report Data

Version	Date	Approved By	Sent to
Draft	March 2010	TN	Ken Griffiths, South Gippsland SC
Final	1 April 2010	TN	Ken Griffiths, South Gippsland SC

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Please Note

The findings of this report have relied on professional judgement as well as on primary and secondary data sources. Whilst the author believes any assumptions contained in the report are reasonable, the reader should bear in mind that there is no certainty in prediction.

Contents

1 Introduction

1.1 About this Project

South Gippsland Shire Council is preparing structure plans for the townships of Loch, Meeniyan, Nyora and Poowong to guide future development. This planning process is required as a result of the impending introduction of reticulated sewerage services to the towns. The provision of sewerage is expected to enable the provision of urban sized allotments with a potential increase in the rate of population growth as a result. The rate of business investment in the towns may also be increased.

To assist the planning process, Council is keen to understand the supply and demand issues associated with housing, commercial and industrial activity in the townships over the next 15 years and beyond.

1.2 About this Report

This report has been prepared by Tim Nott and Matters More to assist Council in its preparation of a structure plan for **Meeniyan**. The report examines the key drivers of growth in the area and provides a number of scenarios for development.

The report is in several sections:

- Section 2 provides the development context of Meeniyan, including the current land-use, recent population and housing growth, and the external links of the population (chiefly their work destinations)
- Section 3 looks at the potential changes to land-use being contemplated in the structure planning process
- Section 4 provides several scenarios for population and housing growth in the future based on different assumptions about how the township will develop
- Section 5 uses the population scenarios to derive likely demand for retail and commercial facilities
- Section 6 provides an estimate of industrial development under each scenario, based on the existing activity and the forecasts for population growth
- Section 7 provides a summary and comparison of the various development scenarios

2 Development Context

2.1 Current Town Structure

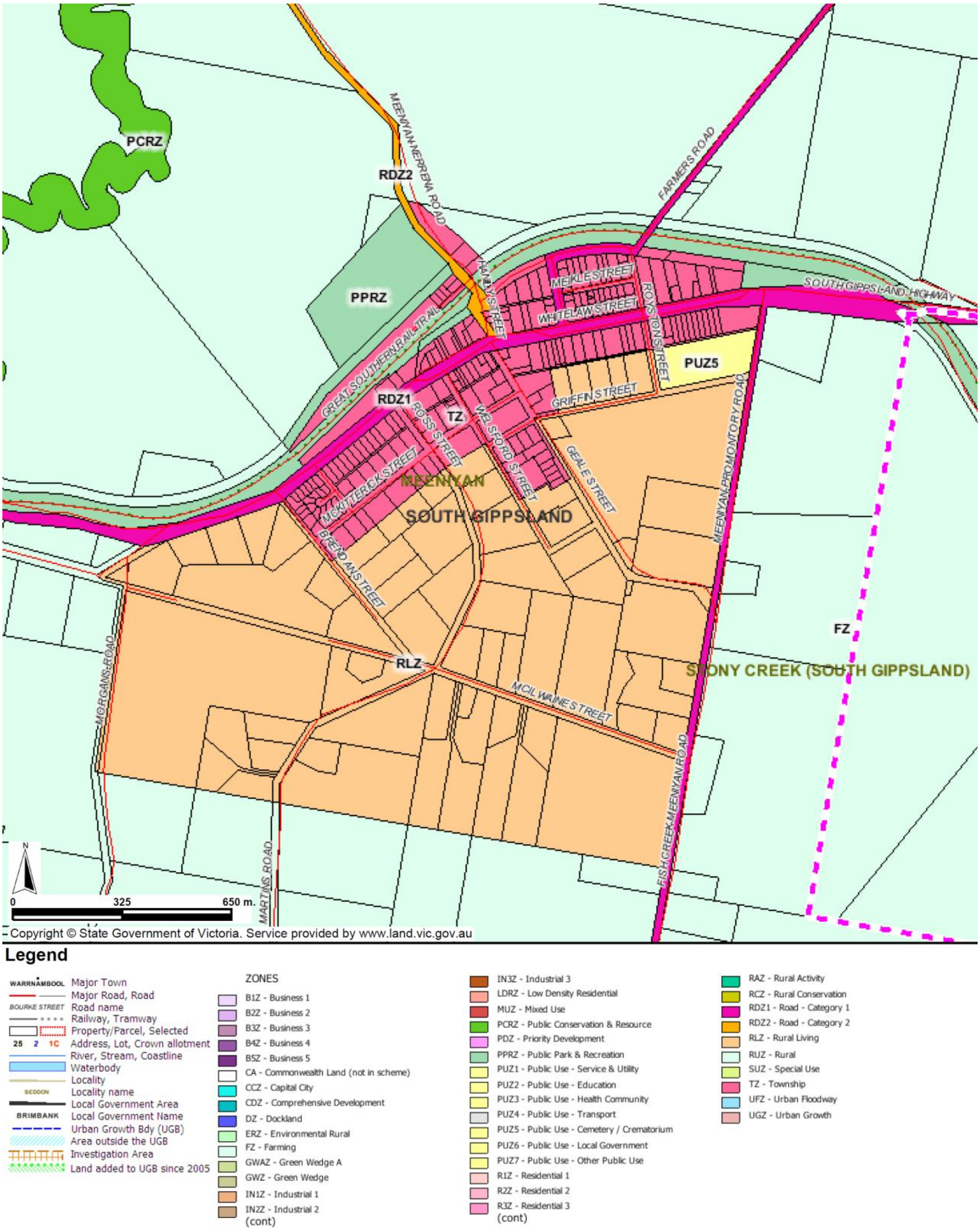
The Meeniyan township developed from around 1890 to service the surrounding farmland and travellers on the South Gippsland Highway. The town straddles the Highway between Leongatha and Foster and is located at a turn-off to Wilson's Promontory.

The Meeniyan railway station opened in 1892 and was closed in 1991, after which the line from Leongatha to Barry's Beach oil terminal was replaced with the Great Southern Rail Trail. Meeniyan has remained a small rural service town and has not been provided with sewerage which has limited urban development. Nevertheless, some recent rural residential development has taken place on the outskirts of the urban area.

The town has an attractive tree-lined commercial centre on the Highway as well as a small scale industrial area to the north of the railway line.

The following zoning plan illustrates the pattern of development to date.

Figure 1: Meeniyan – land-use zoning



Source: Land Channel, State Government of Victoria

The main township is restricted to the area marked TZ (Township Zone). This comprises lots in a range of sizes from 500 sq m to 9,000 sq m, although most lots are between 500 and 1,200 sq m. The township is surrounded to the south of the Highway by a Rural Living Zone on higher land that is largely developed.

Because of the lack of sewerage development in the Township Zone has previously been problematic; nowadays, lot sizes of 4,000 sq m are considered the minimum necessary to provide acceptable standards of environmental performance. Nevertheless, there is some evidence of new housing development at the western end of the township, likely in anticipation of reticulated sewerage.

The Rural Living area to the south of the township is generally the latest part of the town to develop and responds to environmental concerns. The majority of lots in this area have been developed.

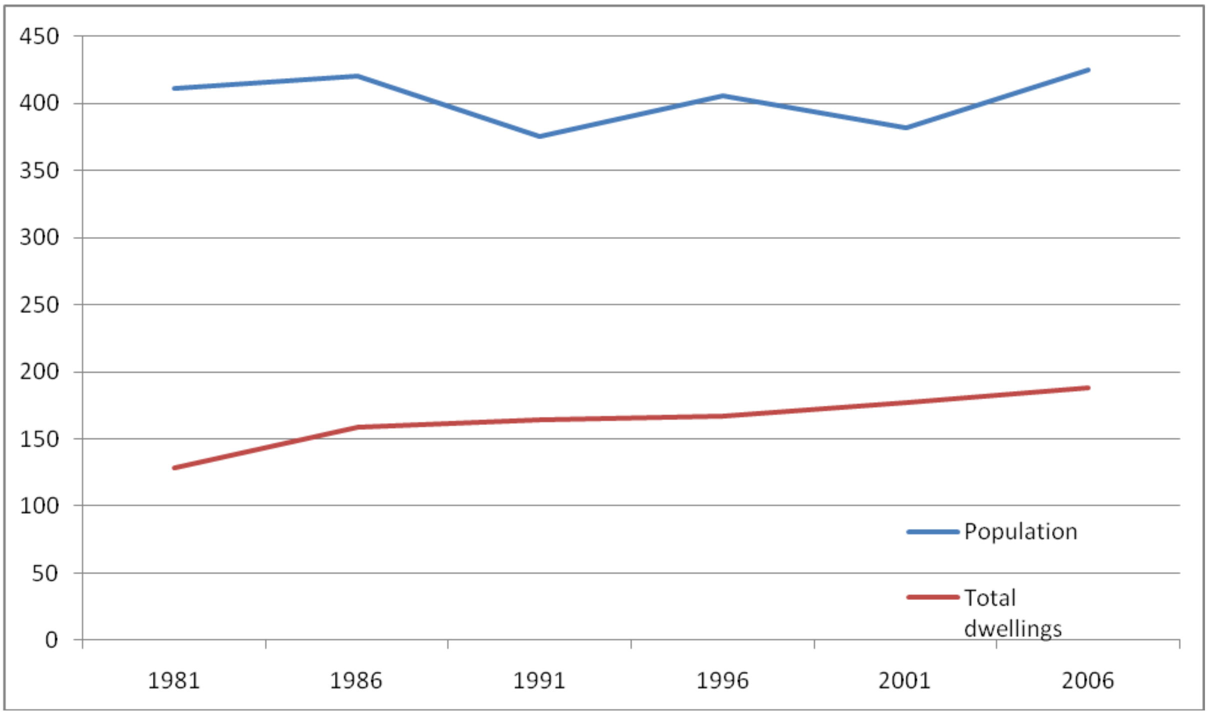
Overall, Meeniyan remains a rural service centre focused on the surrounding farming activity.

2.2 Recent Population and Housing Growth

In 2006, according to the last Census of Population and Housing, 425 residents were counted in Meeniyan. Between 2001 and 2006 the population increased by 35 people, which is an average annual population growth rate of 1.8% according to data from the Census of Population and Housing.

The figure below shows the trends in enumerated population size and number of dwellings from 1981 to 2006.

Figure 2: Change in population and housing, Meeniyan, 1981 to 2006



Source: Towns in Time, Department of Sustainability and Housing

The graph and associated calculations provide the following key points:

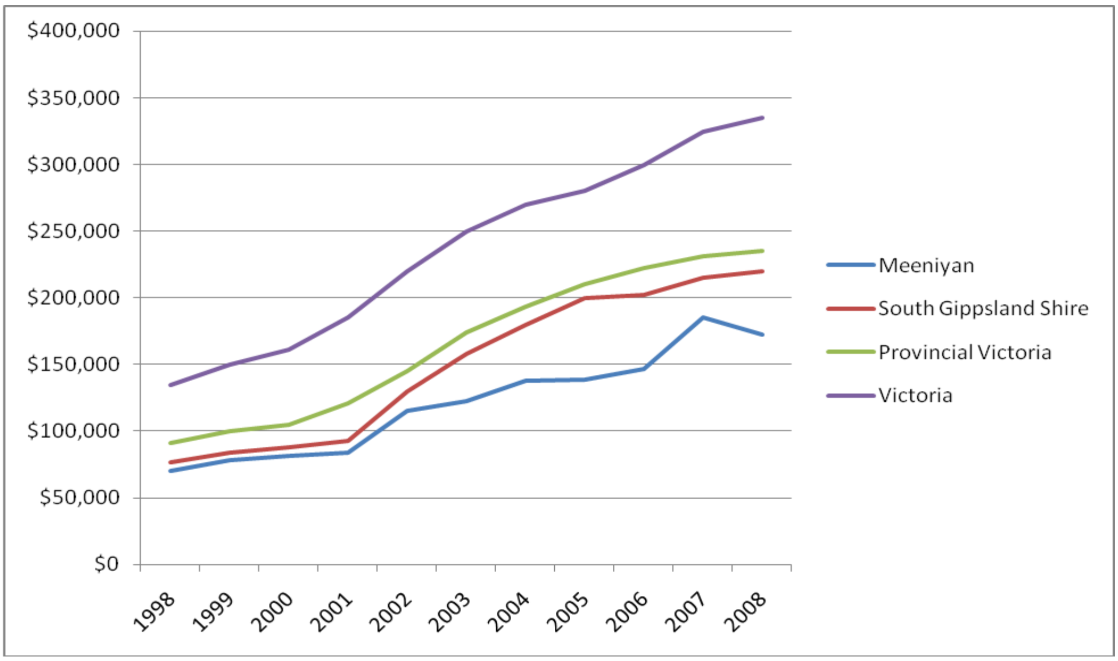
- The population has oscillated around 400 residents between 1981 and 2006, although in 2006 it was at its highest point of 425 (enumerated population)
- In the period from 2001 to 2006 the population increased by 35 which is an average yearly growth rate of 1.8%
- The total number of dwellings has increased steadily from 1981 to 2006, from 128 to 188 with an average of 2.4 new dwellings added each year
- Only 9% of dwellings are vacant, which is indicative of a community of permanent residents with only a minor weekender or holiday home component (approximately 5% of dwellings are typically vacant at any one time for example due to change in ownership or renovation).
- The average household size in Meeniyan is approximately 2.5 and has reduced gradually from 3.3 in 1981.
- Analysis of the age profile indicates that Meeniyan has both a higher than average proportion of school-age children and a higher than average proportion of people aged over 65 years. The median age is 41 years (compared with 37 in Victoria as a whole).

Assuming the 2001 to 2006 growth rate of 1.8% pa has persisted, and taking account of typical under-enumeration during the Census, **the estimated resident population in Meeniyan in 2010 is 470**.

2.3 House Prices

House prices in Meeniyan are below the median for South Gippsland Shire, Provincial Victoria and Victoria. They increased at a similar rate to these benchmarks over the period from 1998 to 2007, however then declined contrary to the general trends in 2008. These trends are shown in the chart on the following page.

Figure 3: Trends in median house prices, Meeniyan, South Gippsland Shire, Provincial Victoria and Victoria, 1998 to 2008



Source: Department of Sustainability and Environment, 2009

According to the Department of Sustainability and Environment (2010), the median price of a house in Meeniyan in 2008 was $172,500. This price had fallen from $185,000 in the previous year. The fall in prices is likely to be because the new houses being sold in Meeniyan that year were small homes on small blocks compared with the existing stock of homes on large allotments.

On large or small allotments, house prices in Meeniyan are very affordable compared with the larger towns of South Gippsland and the coastal and holiday areas.

2.4 External Linkages

In 2006, there were approximately 180 people in the labour force in Meeniyan. Labour force participation was 58% of the population aged 15 years and over.

Unemployment in 2006 was high at 8.2%. More recent unemployment data from the Department of Employment and Work Place Relations indicate that unemployment has since declined significantly and is now approximately 2.5%.

Between 2001 and 2006 the labour force increased by 9 people according to ABS Census data at an average growth rate of 2.2% per year between 2001 and 2006. Labour force participation has declined marginally between 2001 and 2006, down from a 60% participation rate in 2001 to the current participation rate of 58%.

The most common industries of employment were retailing – hardware, building & garden supplies (7%), school education (6%), dairy farming (5%), sheep or beef farming (4%) or work in hospitals (4%).

Information about the place of work is available for 152 employed residents in Meeniyan (custom data sourced from ABS Census 2001 and 2006). This information is shown in the following table.

The table shows that a large majority (87%) of the Meeniyan workers work locally within a 30 km radius in the South Gippsland – Central and East SLAs. Of these, 58 (38%) work in Meeniyan and surrounds, 55 (36%) work in Leongatha and 16 (11%) work in South Gippsland - East.

A few workers travel to Bass Coast, Wonthaggi, Inverloch or Phillip Island (9 workers in 2006), and to Traralgon located approximately 79kms from Meeniyan (5 workers in 2006). The number of people who work in metropolitan Melbourne is quite low – 6 of 152 in 2006 or 4%.

Movement for work, if not local, is generally north or west. Approximately 87% of Meeniyan workers work within South Gippsland Shire, which indicates that Meeniyan is town with mainly local connections and networks, and is not a commuter settlement.

Table 1: Location of work, Meeniyan work force, 2001 and 2006

Distance from Meeniyan		2001 Jobs per location	2001 %	2006 Jobs per location	2006 %
0 - 30km	South Gippsland- Central	117			
	- Meeniyan & surrounds			58	
	- Leongatha			55	
	- Mirboo North			3	
	South Gippsland - East	14		16	
	Subtotal	***131***	***80%***	***132***	***87%***
31 - 50km	South Gippsland - West	3		0	
	Bass Coast	9		5	
	Subtotal	***12***	***7%***	***5***	***3%***
51 -70km	Latrobe - Moe	3		0	
	Subtotal	***3***	***2%***	***0***	***0%***
71+ km	Latrobe - Traralgon	3		5	
	Casey	0		3	
	Yarra	3		0	
	Kingston	0		3	
	Goldfields	3		0	
	Towong	3		0	
	Subtotal	***12***	***7%***	***11***	***7%***
	Vic undefined	0		0	
	No fixed Address	5		4	
	Subtotal	***5***	***3%***	***4***	***3%***
	Total	**163**	**100%**	**152**	**100%**

Source: ABS, Census of Population and Housing, 2006 – custom data

3 Structure Planning

3.1 Key Issues

A new Structure Plan for Meeniyan is now being contemplated by Council. Key considerations in the development of the structure plan include:

1. **The township is to be sewered**. South Gippsland Water expects to complete the Meeniyan Sewerage Scheme by the end of 2010 at a cost of $5 million (South Gippsland Water, 2009). This will allow a more urban style development with smaller lot sizes. More urban-scale development will enable more people to live in the township at higher densities. This may change the existing socio-economic patterns in the township.
2. **Recent urban housing development demonstrates demand.** There is evidence of demand for new housing at urban densities in Meeniyan, including housing on lots as small as 500 sq m. There is also ongoing demand for rural residential development around the town.

3. **Meeniyan can provide rural/small town lifestyles for tree-changers**. Meeniyan has a range of small-town services including cultural and entertainment activities and is in reasonable proximity to higher order services at Leongatha and the attractions of Wilsons Promontory.
4. **More extensive urban development will require infrastructure services to be provided**. Sewerage is not the only additional infrastructure required for urban development. Extensions to reticulated water, storm water, roads, energy and telecommunications services may also be required. Fairly apportioning the cost of these services will be an issue.
5. **More residents will generate more demand for commercial and community services**. The level of service provided locally will depend on the number of additional people that move into the township and surrounds. The provision of new services – more shops, doctors, community services, etc – is triggered at various threshold populations, and will also depend on the location and quality of competing services. Services are generally best clustered in an activity centre; it is unclear to what extent the existing centre can accommodate growth.

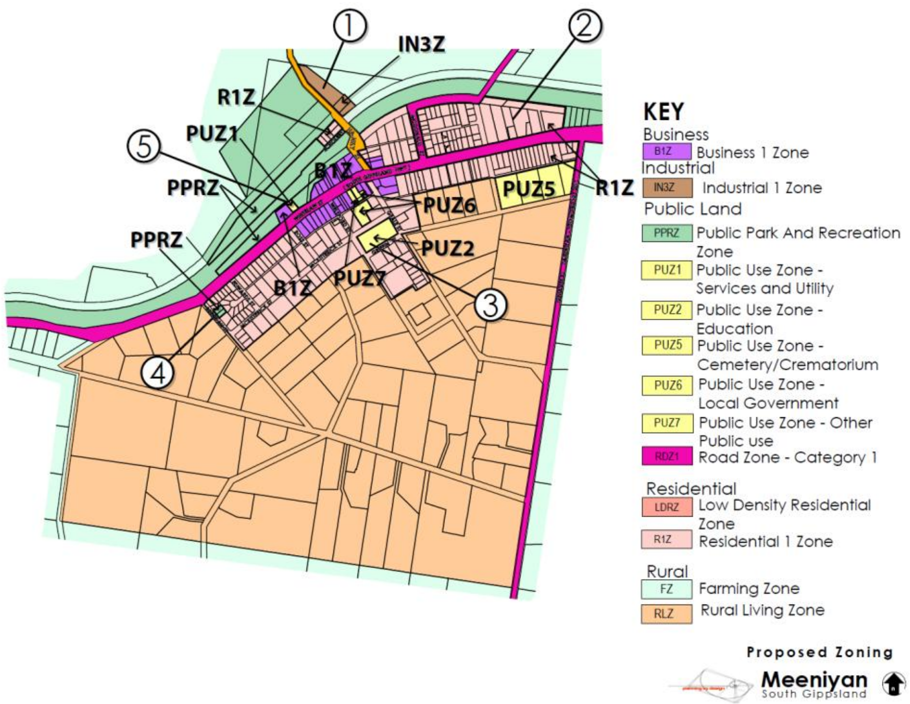
3.2 Option Being Considered

Council is considering introducing some short-term changes to the land-use zoning to translate the Township Zone to more functional Zones. However, longer term options for expansion are also being considered. These potential changes are considered in turn.

3.2.1 Rezoning likely in the near term

The following diagram illustrates the changes in zoning being considered in the short term by Council. **It should be stressed that this is a preliminary illustration prepared for discussion purposes only. No decision on the zoning of these areas has yet been taken.**

Figure 4: Short term rezoning being considered in Meeniyan



Source: South Gippsland Shire Council, unpublished 2010

The zoning changes proposed in the short term simply translate the Township Zone into more functional areas – Residential 1, Business 1, Industrial 3, Public Park and Recreation, and Public Use Zones.

No areas for expansion are proposed; rather, the change in zoning will allow an intensification of urban development, including subdivision of larger parcels of land to be zoned Residential 1.

Altogether, the existing vacant housing lots and lots created under the changes proposed amount to around 41 lots, as shown in the table below.

Table 2: Estimate of the number of vacant housing lots in Meeniyan following proposed changes to land-use zoning

	Urban lots	Rural living lots	Total
	no.	no.	no.
Existing vacant lots (less than 1,000 sq m)	5		5
Potential urban lots in large vacant parcels	25		25
Existing vacant rural living lots		11	11
Total	30	11	41

Source: Tim Nott, Matters More

Note: "Potential urban lots in large vacant parcels" has been calculated taking into account the shape of the existing block and road access, and allowing larger parcels to be subdivided into lots of approximately 800 to 1,000 sq m. There is some potential to achieve a higher yield from these larger lots; the figures here are a conservatively low estimate (although there is also the possibility that no further subdivision of larger lots will take place). There is also potential for re-subdivision of occupied lots in the proposed Residential 1 Zone, some of which are up to 0.9 ha in size.

The table below provides an estimate of the population that might be supported by those additional lots.

Table 3: Estimate of population enabled by additional lots in the short term

	Urban	Rural living	Total
Residential lots	30	11	41
Occupancy rate	91%	91%	91%
Occupied dwellings at full capacity	27	10	37
Average household size	2.3	2.7	2.4
Potential additional population	63	27	90

Source: Tim Nott, Matters More

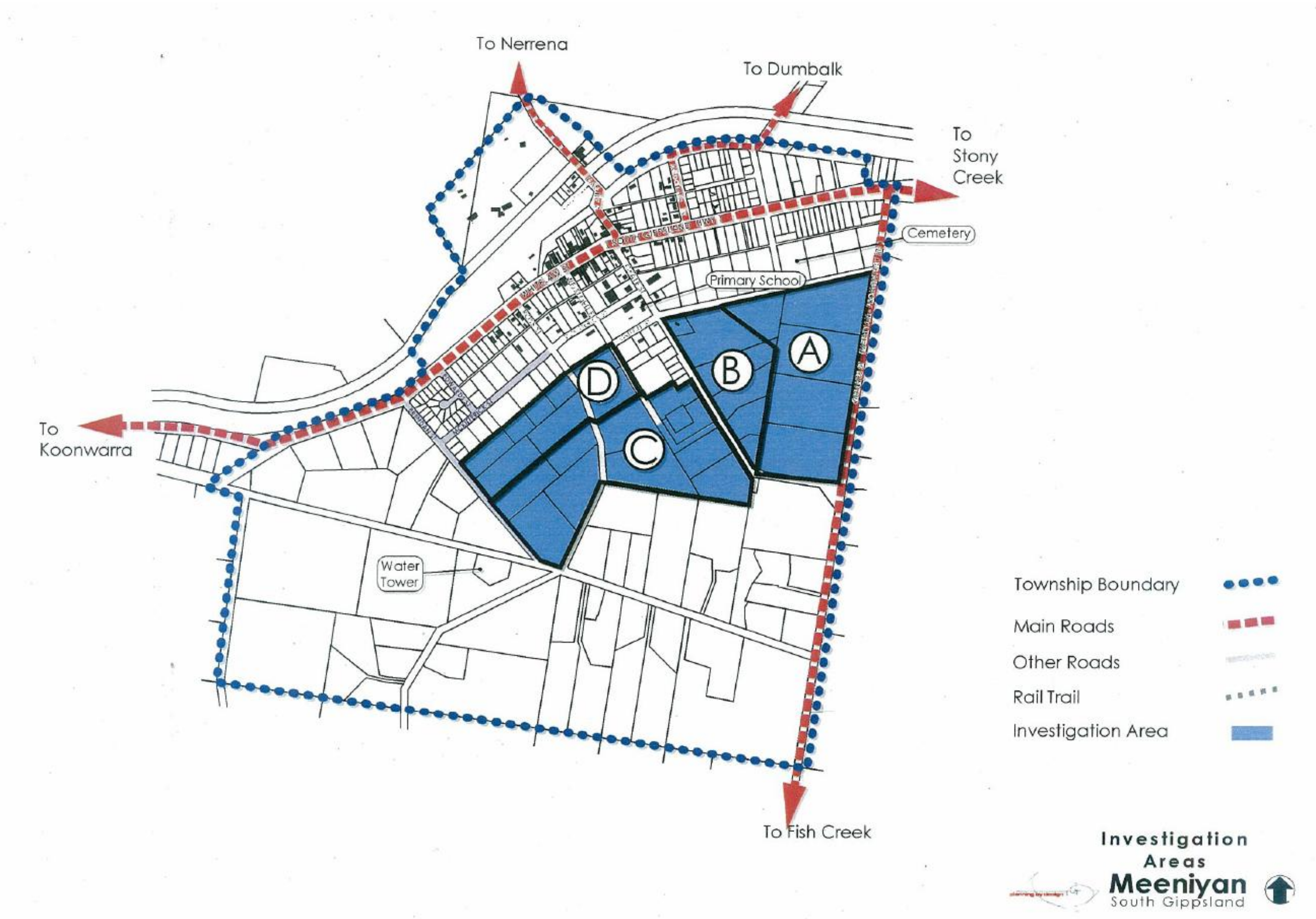
Potentially, the current vacant lots and the additional lots created by zoning changes could accommodate a further 90 people in Meeniyan. (This estimate is based on current household size and occupancy rates.)

If the lots were fully taken up by 2030, then the population of the town would be around 560, an average annual growth rate of 0.9% between 2010 and 2030.

3.2.2 Potential areas for urban expansion

Council is also considering areas for expansion of Meeniyan in the longer term. The map below illustrates a number of areas being investigated for future urban development. **It should be stressed that this is a preliminary illustration prepared for discussion purposes only. Consultation with the community and key stakeholders is required before the 'Investigation Areas' are finalised in terms of geographic area or potential development density.**

Figure 5: Potential areas for urban development in Meeniyan



Source: South Gippsland Shire

The candidate zones for the investigation areas are:

Area A – Rural Living Zone

Areas B and C – Low Density Residential Zone

Area D – Residential 1 Zone

The table below provides an estimate of the potential number of lots in these proposed development areas and the population that these could support.

Table 4: Potential lots, houses and population capacity in proposed expansion areas

Area (proposed zone)	Total area	Developable land	Lots per hectare	Potential lots	Occupied houses	Population capacity
	ha	ha	lots/ha	lots	houses	persons
Area A (Rural Living)	17.0	15.3	0.9	14	13	34
Area B (Low Density Residential)	8.9	8.0	2	16	15	39
Area C (Low Density Residential)	20.3	15.2	2	30	28	75
Area D (Residential 1)	8.0	6.0	12	72	65	150
Total	54.1	44		132	120	298

Source: Tim Nott, Matters More

Notes:

- Developable land assumed to be 90% of total area for Rural Living and Low Density Residential Zones and 75% of total area for Residential 1 Zone
- Occupied houses assumed to be 91% of available lots
- Population capacity calculated at 2.7 persons per household in rural residential areas and 2.3 persons per household in urban residential areas

The calculations in the table above assume that all the lots in the proposed development areas can be cleared and sub-divided. Such an outcome is only likely over the long term. It should be noted that the land in the proposed Investigation Areas is not flat and is, in some cases, steeply sloping and difficult to develop. As a result, subdivision design may not be able to create the number of lots proposed.

The total population capacity of the township, taking into account the proposed rezoning and the potential expansion of the residential zones as described above, is approximately 830 people. If this population were to be achieved over the period to 2030, the average annual population growth rate would be 2.9%.

4 Forecasting Urban Development

4.1 Development Scenarios

The previous section has examined the scale of potential development in Meeniyan and surrounds. This section provides evidence about the potential future rate of development. The rate of development is important since it is this that will determine if and when various infrastructure and community services will be required.

The rate of development cannot be known with any certainty since there are a multitude of variables, many of which are not within the control of local land-owners or Council. In order to assist the planning process, it is common practice in this situation to create a set of scenarios based on different policy directions or influences.

In this case, the scenarios are taken to 2030, 20 years from now.

There are three main scenarios:

4.1.1 Past growth continued

Between 2001 and 2006, Meeniyan's population increased by 1.8% per year. Forecasting this trend into the future will be a departure from the long term population trend in Meeniyan as the population has been relatively stable for the last 25 years or so. Nevertheless, Meeniyan is an attractive township with attributes, facilities and services that could bring many new residents to the area, and it is likely that there will be future growth that is a departure from the historic trend.

The resident population of Meeniyan in 2010 is estimated to be approximately 470 people. On this basis, a likely development scenario is that the town continues to experience a population growth of 1.8% yearly to 2030. Under this scenario the population consists mainly of full time residents and includes young adults, families with children, and retirees. It is assumed that there will only be a small weekender element, with 'vacant' dwellings remaining at the current rate of approximately 9% of the housing stock complemented with some commercial visitor accommodation to service tourists to the area:

- Total estimated population in 2030: 680 – an increase of 210 residents
- Population growth rate: 1.8%pa
- Average household size in 2030: 2.3 persons per household
- Total dwellings by 2030: 324 - an increase of 122 dwellings over the 20-year period
- Occupied dwellings by 2030: 295 - an increase of 112 dwellings over the 20 year period (assuming 9% unoccupied dwellings).

4.1.2 Growth forecast of State Government

Victorian State Government (DPCD) release population forecasts on a periodic basis for areas as small as Statistical Local Areas (SLAs) and these can be used to provide a forecast for smaller areas. The latest forecasts are Victoria in Future 2008 and go out to 2026 for SLAs.

The SLA containing Meeniyan – South Gippsland Central SLA – is forecast to grow at 0.8% per year between 2010 and 2026. (This is an increase compared with the rate of 0.5% per year experienced between 2001 and 2006).

This scenario assumes that Meeniyan will grow at the forecast rate of SLA, ie 0.8% per year over the period from 2010 to 2030.

It is assumed that by 2030 the average household size will be 2.3 and that the township will attract a mix of household types and age groups. Under this scenario it is assumed that Meeniyan will have a larger weekender or holiday home component with the dwelling vacancy rate assumed increased to 16%):

- Total estimated population in 2030: 560 – an increase of 90 residents
- Population growth rate: 0.8%pa
- Average household size in 2030: 2.3 persons per household
- Total dwellings by 2030: 288 - an increase of 86 dwellings over the 20 year period.
- Occupied dwellings by 2030: 242 - an increase of 59 dwellings (assuming a vacancy rate of 16%).

4.1.3 Strong growth

It is also possible that growth trends in Meeniyan will further strengthen and the town experience strong growth. This would arise from a combination of settlement by commuters and their families; tree-change movers; older people seeking a well-connected village lifestyle; weekenders and so on.

It is envisaged that development would comprise a mix of dwellings, including rural residential, urban density, and retirement units. Weekenders, holiday homes and other "vacant" dwellings are assumed to comprise 9% of all dwellings. Average household size is assumed to be 2.4 (2.3 in urban density dwellings and 2.7 in rural living dwellings).

- Total estimated population by 2030: 840 (increase of 370 residents over the period from 2010)
- Population growth rate: 2.9%pa
- Total dwellings by 2030: 385 which is an increase of 183 dwellings over the 20 year period
- Occupied dwellings by 2030: 350 houses, a growth of 167 over the period from 2010 (assuming a vacancy rate of 9%)

4.2 Comparison of growth scenarios

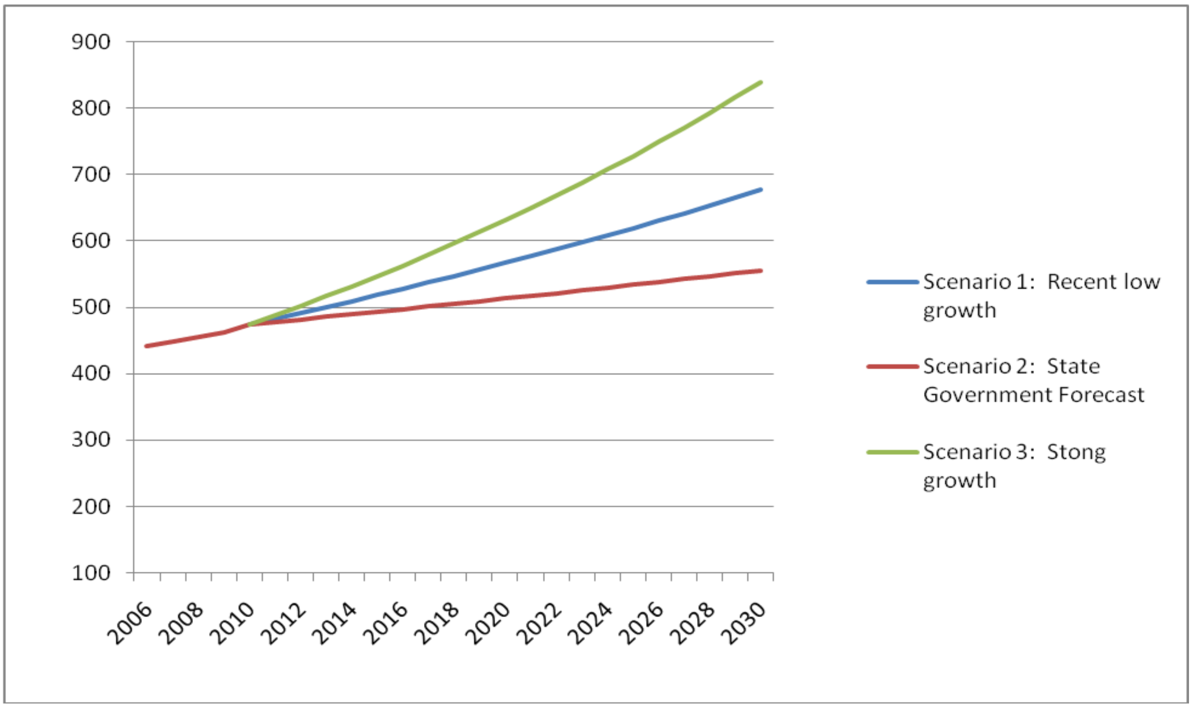
The following figure and table provide a comparison of the population and housing outcomes of the various scenarios.

Table 5: Comparison of growth scenarios for Meeniyan

Scenario	Past Growth Continued	State Government forecast	Strong growth
Description	Continuation of growth level experienced from 2001 to 2006	State government forecast growth rate of 0.8% in South Gippsland – Central also envisaged for Meeniyan	Continued growth of housing in existing vacant land and take up of some long term supply
Population			
Forecast annual growth rate	1.8%	0.8%	2.9%
ERP in 2010	470	470	470
ERP in 2030	680	560	840
Average household size in 2030	2.3	2.3	2.4
Net change 2010 to 2030	210	90	370
Dwellings			
Total dwellings, 2030	324	288	385
Net change in total dwellings, 2010 to 2030	122	86	183
% occupied dwellings	91%	84%	91%
Occupied dwellings, 2030	295	242	357
Net change in occupied dwellings, 2010 to 2030	112	59	167

Source: Tim Nott, Matters More

Figure 6: Population outcomes of three growth scenarios for Meeniyan, 2006 to 2030



Source: Tim Nott, Matters More

4.3 Considerations for the Structure Plan

The various growth scenarios have several implications for the Meeniyan structure plan:

- The State Government forecast scenario over the period to 2030 can be accommodated by a simple translation of the existing Township Zone to more functional zones (assuming that sub-division of larger residential parcels in the township can take place). Other scenarios would require more land to be zoned for urban purposes prior to 2030.
- Achieving growth in Meeniyan that is higher than the State Government forecast for the Statistical Local Area is reliant on land that is currently zoned for rural living purposes. Some of the land being considered as an extension to the urban area of the township is relatively steep and some is already occupied. The availability of this land for development may well be limited.

The following sections examine the impact of the scenarios on activity centres and industrial land.

5 Retail and Commercial Growth Forecast

5.1 Current Activity

Meeniyan town centre has an extensive range of commercial and community activities for a town of its size. These services include a well-attended music venue (the Town Hall) that attracts people from the wider district. The town centre extends to the south of the proposed Business 1 Zone to include a community precinct on Geale Street and McKitterick Street which comprises the churches, primary school and sports centre.

The relatively extensive commercial facilities are bolstered by the expenditure of travellers on the South Gippsland Highway and by residents of the rural districts surrounding the town.

The table below provides an estimate of the extent of the various activities. There is approximately 1,750 sq m of retail space which is 26% of all non-residential space in the centre. The small supermarket in the town was recently destroyed by fire but is currently in the process of being redeveloped. The supermarket development plans (IGA Supermarket) provide a retail floor area of approximately 400 sq m.

The largest proportion of activity space in the centre is taken up by the hotel and motel and the churches and community facilities.

The town centre contains several vacant shop premises and there are a number of houses interspersed between the non-residential activities.

Table 6: Estimate of non-residential activity in Meeniyan town centre

Activity	Premises	Floorspace	
	no.	sq m	%
Supermarket	1	400	
Newsagent	1	100	
Hardware	1	150	
Chemist	1	100	
Gifts/gallery/jewellery	2	200	
Antiques/second hand goods	2	220	
Cafe/take-away	4	520	
Hairdresser	1	60	
Total retail	13	1,750	26%
Garage/petrol station	1	220	3%
Bank	1	120	2%
Hotel/motel	2	1,400	20%
Rural supplies	1	300	4%
Professional services	2	200	3%
Sports centre	1	400	6%
Emergency services	1	250	4%
Community buildings	1	350	5%
Churches	3	1,050	15%
School	1	800	12%

Total activity	27	6,840	100%
Vacant premises	4	540	7%

Source: Tim Nott, Matters More

The presence of a supermarket, albeit small, marks this as a ***small neighbourhood centre*** in the hierarchy of activity centres serving the area. The following table provides an understanding of the hierarchy of activity centres operating in South Gippsland Shire. This hierarchy uses retail development as the key indicator; however, it is important to recognise that activity centres also contain a wide range of other functions such as tourism, professional and community services.

Table 7: Activity centre hierarchy in the South Gippsland region

Centre type	Retail role	Relevant example	Typical catchment size	Typical retail floorspace	Typical share of trade area retail spending
			persons	*sq m*	*%*
Capital City	High order comparison goods shopping with entertainment	Melbourne CBD	1 million +	300,000	5 to 10%
Regional Centre	Mainly comparison goods shopping	Dandenong CBD, Fountain Gate	100,000+	100,000	30%-40%
Sub-regional centre	Routine comparison goods and groceries	Mid-valley Wonthaggi	50,000+	15,000 to 50,000	15% to 25%
Community Centre	Groceries and some comparison goods	Leongatha	20,000+	10,000 to 25,000	30% to 40%
Neighbourhood Centre	Extensive food and groceries and local services	Korumburra Foster	8,000+	4,000 to 10,000	25% to 35%
Small Neighbourhood Centre	Food and groceries and local services	Meeniyan Poowong	1,500+	1,000 to 4,000	10% to 20%
Local Centre	Top-up groceries and local services	Loch Nyora	800+	up to 1,000	2-5%

Source: Tim Nott

The size of the catchment for the Meeniyan activity centre is around 1,200 people. This would not normally be large enough to support a small neighbourhood centre. However, Meeniyan is the largest centre in an extensive rural district and the qualifying supermarket is not much larger than a general store.

5.2 Retail Analysis

Retail analysis can be used to determine the scale of the activity centre likely to be required to service the needs of the population in each scenario. Here the current retail situation is used as a guide to the future.

Current situation

Data is available from a microsimulation model developed by MDS Market Data Systems (Market Info) to estimate retail spending in small areas. The following table provides an estimate of retail spending by Meeniyan residents.

Table 8: Estimated retail spending per person, Meeniyan and Victoria, 2010

	Food and groceries	Other retailing	Total retail spending
Meeniyan	$5,400	$5,700	$11,100
Victoria	$5,800	$7,300	$13,100
Meeniyan as % of Victoria	93%	78%	85%

Source: Market info, 2005/06 and ABS Retail Trade Australia, 2010

Based on a total catchment population of 1,180 and using the information from the table above, the following table provides an estimate of retail floorspace supported by each resident of Meeniyan. (And this retail floorspace is located in all the shops visited by residents, not just in Meeniyan.)

Table 9: Retail floorspace supported by residents of the Meeniyan catchment, 2010

	Annual retail spending by Meeniyan residents	Retail turnover density	Retail floorspace generated	Retail floorspace per person
	$m	$/sq m	sq m	sq m
Food and groceries	$6.4	$7,000	910	0.8
Other retailing	$6.7	$5,000	1,350	1.1
Total retail spending	$13.1	$5,800	2,260	1.9

Source: Tim Nott

The table shows that total retail spending by residents of the Meeniyan catchment is approximately $13 million and that this supports around 2,260 sq m of retail floorspace, a rate of 1.9 sq m per person.

Using the foregoing information it is possible to estimate, in broad terms, the share of resident spending that is captured by the shops in Meeniyan:

- Retail floorspace – 1,750 sq m
- Assume the retail turnover density in Meeniyan is $2,900 - 50% of the average (small centres with independent retailers typically have a much lower turnover that larger centres)
- Retail sales in Meeniyan are $5.1 million per year in 2010 ($2,900 times 1,750 sq m)
- Allow $1.0 million (20%) of sales to come from beyond the catchment area
- Sales to catchment residents are $4.1 million ($5.1 million minus $1.0 million)
- Total retail spending of residents is $13.1 million (from table above)

- Share of resident spending undertaken in Meeniyan is 31%

This share of spending is high for a small neighbourhood centre. It reflects the lack of other retail facilities in the wider district and the role of Meeniyan as a strong community focal point.

Future activity

Retail floorspace per person is likely to change over the period to 2030 as a result of a growth in spending per person (forecast here to be 1% per year, which is conservatively low compared with recent trends) and a growth in retail turnover density (forecast here to be 0.5% per year as retail space becomes more and more efficient). As a result, by 2030, the retail floorspace per person is forecast to be 2.1 sq m per person.

This information, together with the estimates of the retail hierarchy above, can be used to estimate the number of residents required to support various levels of activity centre. The following table provides an estimate of the minimum population catchment needed to support local, small neighbourhood and neighbourhood centres.

Table 10: Forecast of catchment required to support various activity centres in Meeniyan, 2030

Activity centre	A. Typical share of retail spending captured	B. Proportion of average turnover achieved in this centre	C. Retail floorspace per person at this level of the hierarchy	D. Minimum size of retail floorspace in centre	E. Minimum catchment size
	(from hierarchy table)	(adjustment factor)	(A/B times 2.1 sq m per person)	(from hierarchy table)	(D/C))
	%	%	sq m/person	sq m	persons
Local	3%	60%	0.1	100	900
Small neighbourhood	20%	60%	0.7	1,000	1,400
Neighbourhood	33%	90%	0.8	4,000	5,200

Source: Tim Nott (figures rounded)

Notes: A local centre usually contains a general store and possibly some other food and local services (take-away food, hair-dressing etc). From the hierarchy table, a local centre can take 2-5% of the sales generated in the catchment. Turnover per sq m is estimated at 60% of the average; operators can accept a lower turnover per sq m because their costs are lower.

A small neighbourhood centre usually contains a small supermarket and a small range of other food and grocery stores and local retail and other services. From the hierarchy table, a small neighbourhood centre typically captures 20% of the sales generated in the catchment. Turnover per sq m is estimated at 60% of the average; operators can accept a lower turnover per sq m because their costs are lower.

A neighbourhood centre is characterised by a medium to large supermarket (usually 2,000 to 4,000 sq m) and a broader range of convenience shopping as well as non-retail activity such as community, financial and professional services. From the hierarchy table, a neighbourhood centre typically captures 33% of the sales generated in the catchment. Turnover per sq m is estimated at 90% of the average; operators can accept a lower turnover per sq m because their costs are lower.

Not all communities are served by activity centres at every level of the retail hierarchy.

Usual minimum catchment size is the size used when planning thresholds for new activity centres. Existing centres may have smaller or larger catchments for a variety of historical reasons and depending on the nature of the other centres in the local network.

From this table, the minimum population size required to support a local activity centre in 2030 will be 900 people; a small neighbourhood centre will be 1,400 and a full neighbourhood centre will be 5,200. In practice there is likely to be some flexibility around these figures, depending on the aspirations of individual retailers and on the level of service provided by the local network of activity centres.

5.3 Implications of Growth Scenarios

The following table provides an estimate of the kind of retail activity centres that would be supported by the various levels of population growth predicted for Meeniyan under each scenario.

Table 11: Support for retail activity centres provided by the growth scenarios, Meeniyan, 2030

	Past growth continued	State Government forecast	Strong growth
Population in each scenario by 2030	680	560	840
People in surrounding rural areas	710	710	710
Total catchment population	1,390	1,270	1,550
Support for local centre	yes	yes	yes
Support for small neighbourhood centre	likely	likely	yes
Support for neighbourhood centre	no	no	no

Source: Tim Nott

The table shows that, by 2030, based on the population growth and the existing provision, a small neighbourhood activity centre will probably continue to be supported under each growth scenario. No scenario supports the provision of a full neighbourhood centre with a substantial supermarket.

5.4 Considerations for the Structure Plan

The population growth in Meeniyan and surrounds over the next 20 years is unlikely to warrant the development of a significantly larger activity centre. There is room to grow within the existing centre, with several vacant shops and some vacant land. Should an extension to the town centre be required, there may be the possibility of extending to the south, encompassing a parcel of vacant land beside the sports centre as well as the churches which can be considered town centre activities.

6 Industrial Growth Forecast

6.1 Current Activity

Meeniyan has several small scale industrial activities that provide local employment and incomes including the stockfeed batching plant on Meeniyan-Nerrena Road and a bus depot which operates from a residential block in McKitterick Street. An auto repair service also operates on the Highway, associated with one of the petrol stations. Between them, these various industrial activities are likely to employ less than 30 people.

The land accommodating the stockfeed plant is proposed to be zoned Industrial 3 (for light industrial purposes) as part of the short term zoning changes being considered by Council.

Council has provided figures on industrial building approvals for the four years to 2009. These show that there has been no recent industrial development in the township and surrounds.

6.2 Industrial Development Prospects

The prospects for future industrial development in Meeniyan are likely to rest on continuing population growth and the need for resident services. Larger scale industrial activity is likely to be directed to the larger centres of Leongatha, Korumburra and Foster.

6.3 Considerations for the Structure Plan

There may well be some demand for further industrial services for residents and local businesses (automotive repair, trade sales etc). These activities may desire a location on the main road, and there are several vacant blocks immediately adjacent to the town centre to the east which could accommodate business activity. These are proposed to be zoned Residential 1 but could form an extension of the town centre zone (although this would slightly reduce the potential population and housing capacity of the town).

Other industrial activities that do not require a main road location could potential be accommodated on the Meeniyan-Nerrena Road adjacent to the stockfeed plant. However, that may require further land to be zoned. This location may also provide the potential to move non-conforming uses (such as the bus depot on McKitterick Street) to more appropriately zoned land. Even if the land is not zoned in the short term, it could be identified in the Structure Plan as an industrial growth location.

7 Summary

This report has examined the key factors affecting growth and development in Meeniyan township and surrounds. The existing township and recent trends in its development has been described and a number of development scenarios have been prepared in order to help Council planners and decision-makers in the structure planning process for the township.

Key characteristics and outcomes of the various development scenarios are summarised below.

Table 12: Summary of development scenarios for Meeniyan

Scenario	Past Growth Continued	State Government forecast	Strong growth
Description	Continuation of growth level experienced from 2001 to 2006	State government forecast growth rate of 0.8% in South Gippsland – Central also envisaged for Meeniyan	Continued growth of housing in existing vacant land and take up of land in investigation areas
Population			
Forecast annual growth rate	1.8%	0.8%	2.9%
ERP in 2010	470	470	470
ERP in 2030	680	560	840
Average household size in 2030	2.3	2.3	2.4
Net change 2010 to 2030	210	90	370
Dwellings			
Total dwellings, 2030	324	288	385
Net change in total dwellings, 2010 to 2030	122	86	183
% occupied dwellings	91%	84%	91%
Occupied dwellings, 2030	295	242	357
Net change in occupied dwellings, 2010 to 2030	112	59	167
Activity Centre			
Largest activity centre required by 2030	Very small neighbourhood centre	Very small neighbourhood centre	Small neighbourhood centre
Industrial activity			
Additional industrial land required by 2030	limited	limited	limited

Source: Tim Nott, Matters More

8 References

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