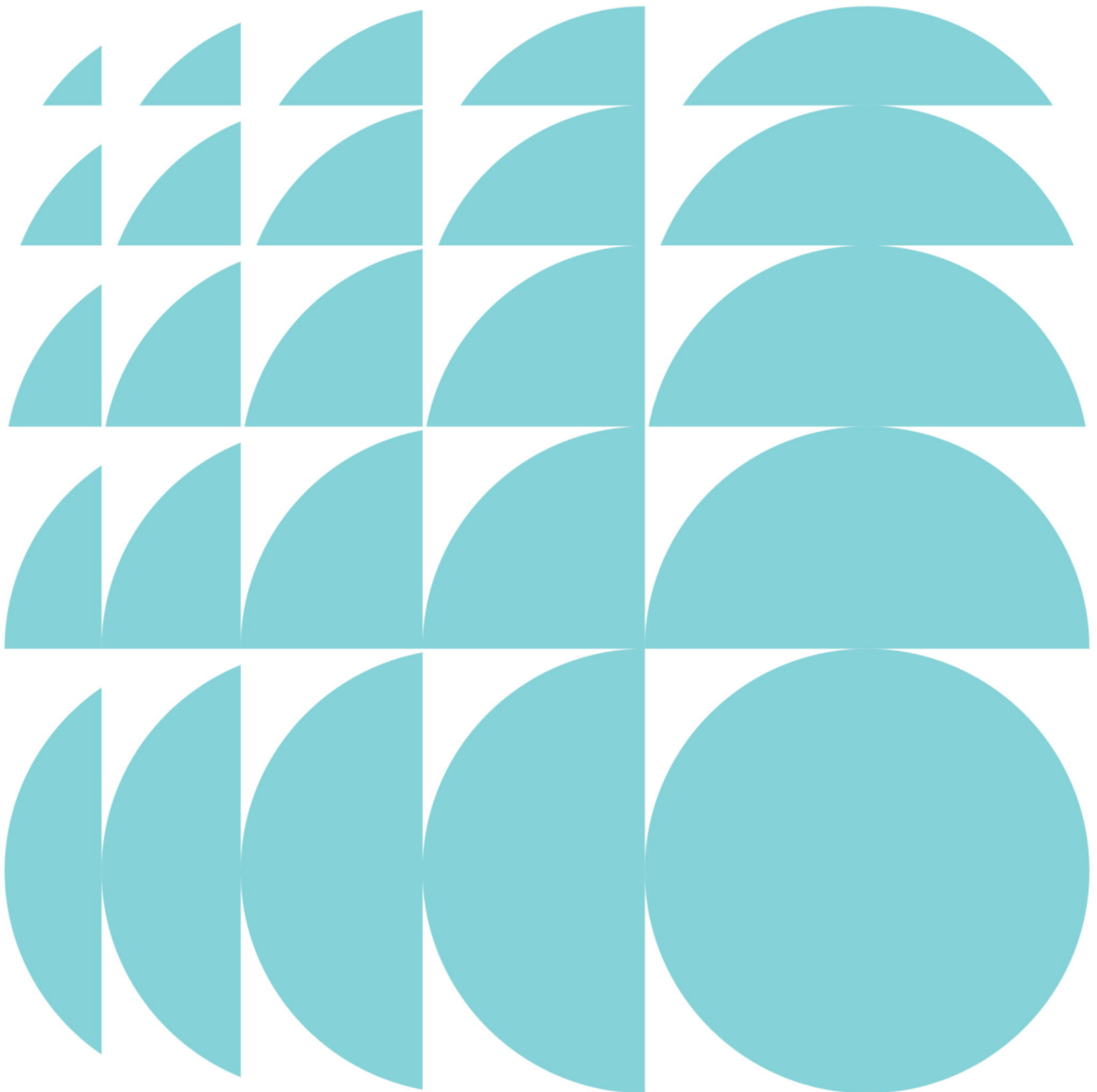


**Mount Evelyn  
Service Station Needs  
Assessment**

February 2022 | 3210088



### *Authorship*

<b>Report stage</b>	<b>Date</b>	<b>Date</b>
Draft report	11/02/2022	14/02/2022
Final report		14/02/2022

### *Disclaimer*

Every effort has been made to ensure the accuracy of the material and the integrity of the analysis presented in this report. However, I accept no liability for any actions taken on the basis of report contents.

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***Our Reference: 3210088***

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## Executive Summary

### Project Background

is proposing to develop an OTR service station with a convenience shop at 41 Monbulk Road, Mount Evelyn (the Subject Site). The proposed development is to include a petrol canopy, other associated vehicle/driver amenities, a car wash facility and a convenience shop with drive-through facility. The Subject Site has frontage, visibility and access from Monbulk Road, a key thoroughfare in the area that links Mount Evelyn with Monbulk and Belgrave to the south.

### Catchment Analysis

A study area has been defined for the proposed development which covers the Mount Evelyn suburb. In 2021, the population of the study area is estimated at approximately 10,290 persons, having increased from 10,080 persons at 2016. This equates to an average annual growth rate of +0.4% or +40 persons per annum over the period.

The resident population of the study area is expected to continue to grow at this marginal pace over the next 10 years and beyond, with the population forecast to reach 10,590 persons by 2031. This reflects a total increase of +300 persons on 2021 levels at an average annual rate of +0.3%. Further population growth is expected to result in the study area population approaching 10,740 residents by 2036.

### Service Station Needs Assessment and Impacts

Currently a single service station is located within the study area, a Fast Fuel outlet located within the Mount Evelyn Town Centre.

Based on the population of the area and the average provision of service stations in Victoria, Mount Evelyn is significantly undersupplied with service stations. There is an assessed current market demand for up to three to four service stations in the local area to serve the needs of the community.

A service station at the Subject Site would result in a range of benefits including serving the current need for a new service station in the study area; putting downward pressure on local fuel prices; increasing choice; and creating job opportunities.

Limited impacts are expected on the existing Fast Fuel outlet given the current gap in the market for service stations; that the existing outlet is well positioned to continue to serve the local community; and, though limited, there is positive population growth in the area. The existing service station will remain viable and will be able to continue to serve the fuel market generated by study area population and passing trade.

### Conclusion and Net Community Benefit

In summary, the proposed development will deliver services to the local community; complies with the Planning Scheme; caters to a demonstrated market need; and will not have any adverse impacts to the existing service station in the study area. Given these benefits, and the assessed minimal impacts, it is assessed that a net community benefit will result from the proposed development.

## Introduction

### Background

is proposing the development of an OTR branded service station and convenience shop at 41 Monbulk Road, Mount Evelyn. The proposed development is to include a petrol canopy, other associated vehicle/driver amenities, a car wash facility and a convenience shop with drive-through facility.

In late 2020, a planning application for the development was submitted to Yarra Ranges Council. Subsequently, an RFI was made by Council which, amongst other issues, requested a report to demonstrate the need for the proposed service station.

has been engaged to investigate the economic need for the proposed service station and assess the potential impacts and benefits that may arise from the development.

### Objective

To assess the economic need and implications of developing an OTR petrol and convenience retail outlet at 41 Monbulk Road, Mount Evelyn.

### This Report

This report contains the following chapters:

- Chapter 1:** Context Analysis
- Chapter 2:** Catchment Analysis
- Chapter 3:** Service Station Needs Assessment
- Chapter 4:** Conclusion and Net Community Benefit

# 1 Context Analysis

The context relevant to the proposed development is outlined in this Chapter including an overview of the Subject Site, the regional context, the proposed development and the planning context.

## 1.1 Subject Site and Regional Context

The Subject Site is located at 41 Monbulk Road, Mount Evelyn, approximately 35km (straight line) east of the Melbourne CBD (refer Figure 1.1). The site is situated within the Yarra Ranges Local Government Area.

Regional accessibility to the area is provided by the Maroondah Highway to the north, which is a major traffic route through the north-eastern suburbs of Melbourne and through regional Victoria. Canterbury Road to the west connects the outer eastern suburbs of Melbourne with central Melbourne, and Warburton Highway to the east provides access to the Yarra Valley through to Warburton. Monbulk Road is a key throughfare in the area and links Mount Evelyn with Monbulk and Belgrave to the south.

Figure 1.2 illustrates the local context, showing that the Subject Site has frontage with Monbulk Road. Adjacent to site to the north is a vehicle repairs outlet, while to the south is residential housing. The site is in the Industrial 3 Zone and is currently occupied by a garden and produce store.

The Mount Evelyn Town Centre is situated approximately 850m to the north of the Subject Site. The Town Centre generally extends along York Road and Wray Crescent and provides a range of retail and commercial uses. In terms of anchor retailers, a Supa IGA supermarket and a Bowens hardware store are located on York Road. The specialty shops are mostly focused on food and convenience, while a medical centre, a dental clinic, a Bendigo Bank branch and some financial services are also provided in the Town Centre.

Mount Evelyn has three pockets of industrial uses. The Subject Site is located on one of these pockets, which covers two properties totalling approximately 0.6ha, with the Subject Site occupying one property of approximately 0.43ha. Around 350m north of the Subject Site is the largest of the industrial zoned land areas. It is nearly 8ha in size and includes uses such as automotive parts and servicing, and small engineering firms. The area services the industrial needs of local residents and businesses. A third pocket of industrial uses, located in the Commercial 2 Zone, is provided within the Mount Evelyn Town Centre.

Just beyond Mount Evelyn is the Lilydale Regionally Significant Industrial Precinct, approximately 5km northwest of the Subject Site. This precinct serves the broader service industrial requirements of residents and businesses in the region.

**Subject Site**

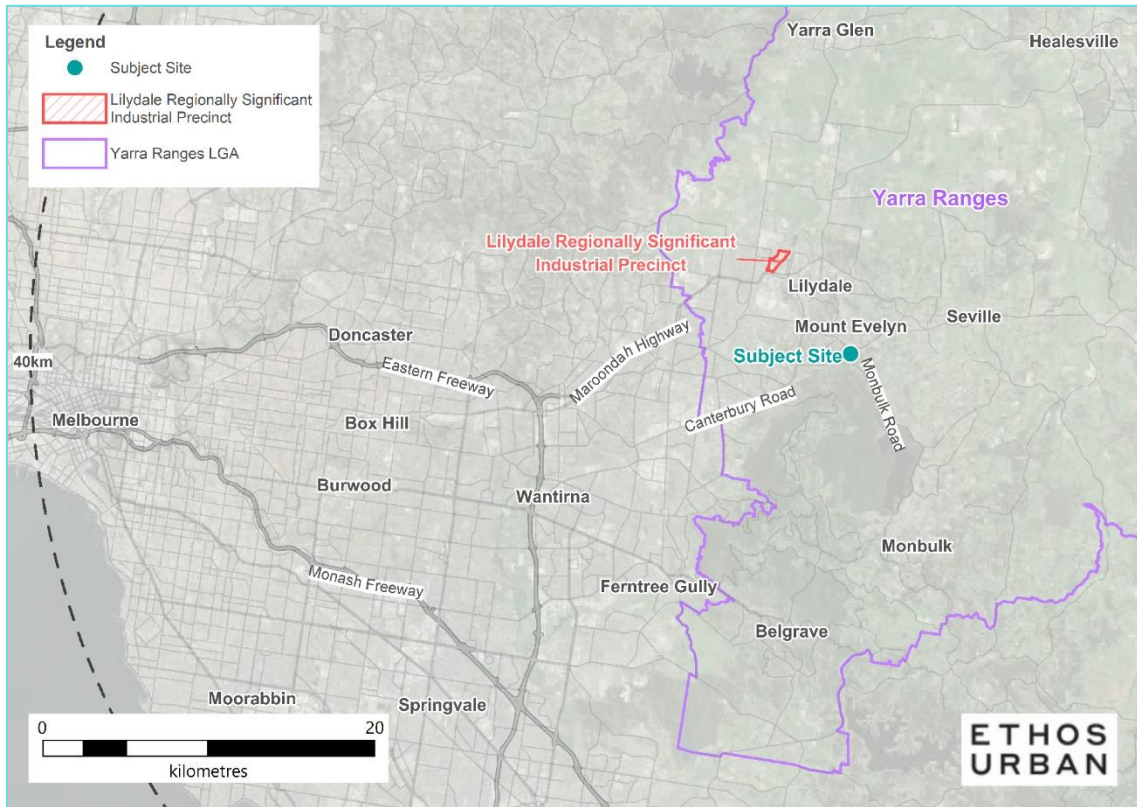


Source: Ethos Urban

**Traffic along Monbulk Road (Monday AM)**



Figure 1.1 Regional Context



Source: Ethos Urban

**Figure 1.2 Local Context**



Source: Ethos Urban

## 1.2 Proposed Development

The Site Plan for the proposed development is included as Figure 1.3. The development is to consist of a 250m<sup>2</sup> service station and convenience shop, together with a car wash and dog wash facility. Three filling stations are to be provided at the site.

The convenience shop will include a drive-through facility with a product range focused on coffee, juice, other beverages, some prepared foods and convenience grocery items. It is noted that the development will not include a fast-food outlet or similar at the site.

OTR is a South Australian based business operating over 170 petrol and convenience stores across South Australia, Victoria, Western Australia and New South Wales. OTR will shortly (March this year) open at store at Alphington and currently operators five outlets in regional Victoria. The expansion of OTR in Melbourne will increase consumer choice in the fuel retailing and convenience market.



Figure 1.3 Proposed Site Plan



Source: Peregrine Corporation

### 1.3 State Planning Policy Context

Development on the site is guided by the Yarra Ranges Planning Scheme (the Scheme). The Scheme outlines the land use and development controls that affect the site and provides a framework to assist decision making around the use and development of land in the municipality. As noted previously, the site is located in the Industrial 3 Zone (IN3Z). The Scheme states that the purpose of Industrial 3 Zone is:

*“To implement the Municipal Planning Strategy and the Planning Policy Framework.*

*To provide for industries and associated uses in specific areas where special consideration of the nature and impacts of industrial uses is required or to avoid inter-industry conflict.*

*To provide a buffer between the Industrial 1 Zone or Industrial 2 Zone and local communities, which allows for industries and associated uses compatible with the nearby community.*

*To allow limited retail opportunities including convenience shops, small scale supermarkets and associated shops in appropriate locations.*

*To ensure that uses do not affect the safety and amenity of adjacent, more sensitive land uses.”*

At Clause 33.03-1, the IN3Z outlines that a Convenience shop is Section 1 – Permit not required use, there are no conditions to the use. A Service station is also a Section 1 – No permit required use; however, there are conditions that the use must meet such as being at least 30 metres from land which is in a residential zone. If these conditions are not met the Service station use becomes a Section 2 – Permit required use.

At Clause 77.03 (Land Use Terms), the definition for Service station outlines that it may include the:

*“selling of food, drinks and other convenience goods”.*

The proposed development is consistent with the Scheme, in that it establishes a use anticipated in the IN3Z, namely a Service station with auxiliary convenience retailing, and is consistent with the stated Purpose of the zone.

## 2 Catchment Analysis

This Chapter provides analysis of the study area or catchment considered relevant for the proposed development.

### 2.1 Study Area Definition

The extent of a study area or catchment for any facility is shaped by a number of factors such as the following:

- The relative attraction of the facility in question as compared with alternative facilities including its scale and composition, as well as easy of access and provision of carparking at the subject facility.
- The surrounding competitive context, particularly the location, scale and quality of competing facilities.
- The available road network and public transport service and how they operate to effect ease of use and access to the site in question.
- Significant physical barriers which are difficult to cross, which can act to delineate the boundaries of a study area.

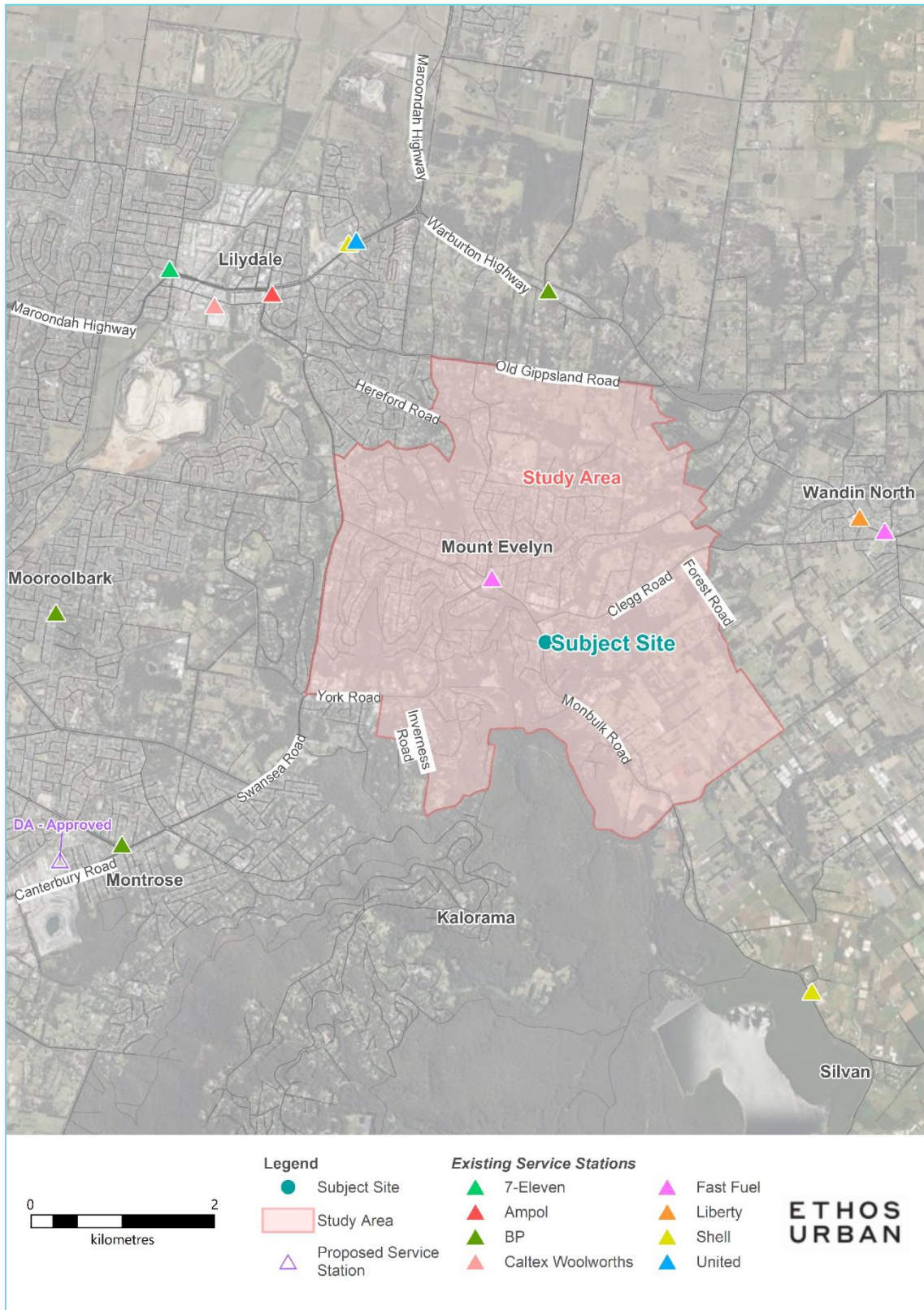
The extent of the study area for the proposed development is informed by the following:

- The proposed uses at the site are to include a service station and a convenience shop with drive-through facility. The scale of development is relatively small and will receive most of its trade from local residents and local workers as well as some from passing traffic.
- The Subject Site is located on a main road with moderate levels of traffic, situated a short distance from the Mount Evelyn Town Centre.

For the purposes of this assessment the study area has been defined as encompassing the Mount Evelyn Statistical Area Level 2 as defined by the Australian Bureau of Statistics (ABS) which also reflects the Mount Evelyn suburb boundary. The study area extends from Old Gippsland Road in the north to Inverness Road in the south and from Swansea Road in the west to Forrest Road in the east.

Figure 2.1 illustrates the extent of the study area.

Figure 2.1 Study Area



Source: Ethos Urban

## 2.2 Population Trends and Forecasts

Historic population levels for the study area have been estimated by using ABS estimated resident population (ERP) data, which is considered the most accurate and up-to-date population data available in Australia.

Population projections have been prepared based on official state projections published as Victoria in Future 2019; ABS data such as New Dwelling Approvals and Estimated Resident Population figures; and other research undertaken by this office.

Over the period 2016 to 2021, the study area's resident population is estimated to have grown by 0.4% per annum, or 40 persons per year, refer Table 2.1. This is below the growth observed in the broader Yarra Ranges Shire municipality (0.8% per year) over the same period, and reflects the low-density, established urban fringe characteristics of the Mount Evelyn area.

Similarly, limited population growth is expected to occur in the area, at 0.3% per year to 2036, compared to 0.9% per year for the municipality. While this does not indicate demand for fuel will significantly increase in the future, it does show that some growth will occur which will to some extent mitigate any potential impacts of the proposed development on existing service stations.

These forecasts allow for the impacts to population growth caused by the COVID-19 pandemic, though it is noted that such impacts would be negligible for this area.

**Table 2.1 Historical and Projected Population, Study Area, 2016 to 2036**

	2016	2021	2026	2031	2036	2021-2036
<b><u>Population</u></b>						
Study Area	10,080	10,290	10,460	10,590	10,740	450
Yarra Ranges (S)	155,230	161,230	168,200	175,740	183,510	22,280
<b><u>Average Annual Growth (no.)</u></b>						
Study Area		40	30	30	30	30
Yarra Ranges (S)		1,200	1,390	1,510	1,550	1,490
<b><u>Average Annual Growth (%)</u></b>						
Study Area		0.4%	0.3%	0.2%	0.3%	0.3%
Yarra Ranges (S)		0.8%	0.9%	0.9%	0.9%	0.9%

Source: DELWP, Victoria in Future 2019; ABS, Regional Growth; Ethos Urban 2022

## 2.3 Socio-economic Profile

The socio-economic profile of residents in the study area compared with Greater Melbourne is summarised in Table 2.2. Greater Melbourne is an area defined by the ABS and covers metropolitan Melbourne.

The main points drawn from the 2016 ABS Census analysis are as follows:

- **Higher incomes.** Household incomes in the study area (\$87,110) are significantly above the metropolitan Melbourne average (\$80,990).
- **Younger age profile.** The age profile of study area residents is in-line with metropolitan Melbourne, but substantially younger than the broader Yarra Ranges Shire.
- **Predominantly Australian-born.** The majority of study area residents are Australian-born, accounting for 88% of study area residents compared to 65% for Melbourne overall

- **Family-orientated household composition.** Family households comprise 81.5% of all households in the study area, compared with 72% for metropolitan Melbourne. Furthermore, the study area contains a much higher share of residents living in a family household with children (54.5%) compared with Melbourne (46%), which reflects the high number of young families in the area.
- **Car ownership.** Virtually all households in the study area have at least one car, while 74.3% of households in the study area own two or more cars. This is well above the average for Melbourne (55.1%), indicating fuel consumption in the study area is likely to be higher than the Melbourne average.
- **Occupation.** The occupations of study area residents are oriented towards trade/labourer professions. There are higher than average proportions of Technicians & Trades Workers, Machinery Operators & Drivers and Labourers in the study area compared with Melbourne.

**Table 2.2 Socio-economic Profile, Study Area, 2016**

Category	Study Area	Yarra Ranges	Greater Melbourne
<b><u>Age Structure</u></b>			
Median Age (years)	36.9	39.4	36.3
<b><u>Place of Birth</u></b>			
Australia	87.9%	82.7%	65.0%
Other Major English Speaking Countries	7.8%	9.2%	6.9%
Other Overseas Born	4.3%	8.1%	28.1%
<b><u>Household Income (weekly)</u></b>			
Median Annual Household Income	\$87,110	\$78,270	\$80,990
Variation from Greater Melbourne median	7.6%	-3.4%	na
% of Households earning \$2,500pw or more	23.8%	22.0%	25.6%
<b><u>Household Composition</u></b>			
<i>Couple family with no children</i>	26.1%	27.3%	24.3%
<i>Couple family with children</i>	43.1%	37.3%	35.5%
Couple family - Total	69.2%	64.6%	59.8%
One parent family	11.5%	11.6%	10.7%
Other families	0.8%	0.9%	1.3%
Family Households - Total	81.5%	77.1%	71.8%
Lone person household	17.5%	20.8%	23.3%
Group Household	1.1%	2.1%	4.9%
<b><u>Car Ownership per Dwelling</u></b>			
None	1.6%	3.0%	9.0%
One	24.1%	27.4%	35.9%
Two	42.6%	42.1%	37.8%
Three	18.0%	16.3%	11.4%
Four of more	13.7%	11.1%	5.9%
<b><u>Occupation (Employed persons aged 15 years and over )</u></b>			
Managers	11.9%	12.8%	13.2%
Professionals	16.2%	17.8%	25.0%
Technicians and trades workers	20.0%	18.6%	12.6%
Community and personal service workers	11.8%	11.4%	10.2%
Clerical and administrative workers	13.7%	13.5%	13.9%
Sales workers	9.6%	9.2%	9.7%
Machinery operators and drivers	5.9%	5.5%	5.6%
Labourers	9.1%	9.6%	8.1%
Inadequately described or not stated	1.7%	1.6%	1.7%

Source: ABS, Census of Housing and Population, 2016; Ethos Urban 2022

## 2.4 Travel to Work Patterns

Understanding the commuting patterns of study area residents is also a factor to consider when assessing how appropriate the proposed uses at the Subject Site are in serving the needs of the community.

Place of Work (POW) data from the 2016 ABS Census provides insights into commuting patterns.

The ABS POW data indicates that the majority of study area residents travel outside Mount Evelyn for work, with approximately 77% of residents working within Greater Melbourne and outside of Mount Evelyn, as shown in Table 2.3. Approximately 15% of employed residents work within Mount Evelyn, and the balance of 8% work elsewhere (i.e. Regional Victoria or interstate).

This indicates that many residents in the local area travel for work, and a majority travel to work by car (refer following Table 2.4). On this basis, the proposed service station would serve a share of the fuel retailing needs of persons in the area travelling for work.

**Table 2.3: Place of Work (POW) of Employed Study Area Residents, 2016**

Place of Work	Employed Residents
Mount Evelyn SA2	15%
Balance of Greater Melbourne	77%
Outside Greater Melbourne	8%
<b>Total</b>	<b>100%</b>

Source: ABS, Census of Housing and Population, 2016; Ethos Urban

Figure 2.2 illustrates the POW of employed residents in the study area as at 2016.

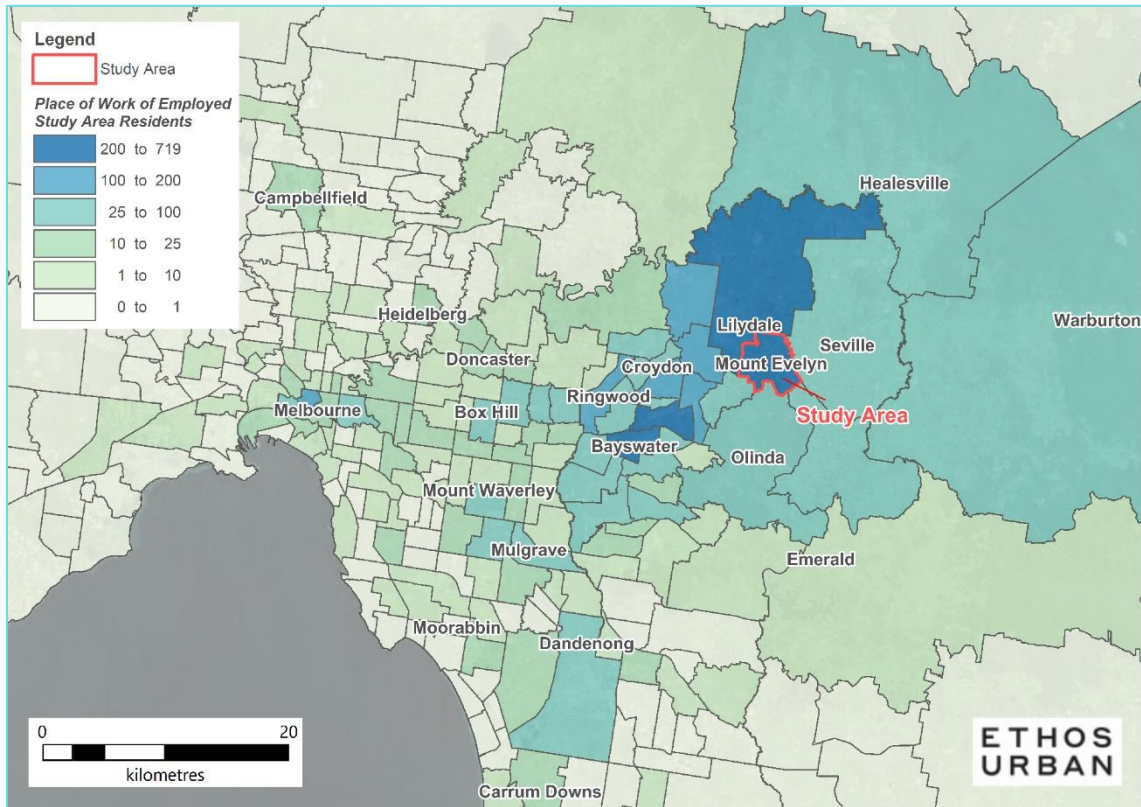
The Method of Travel for employed residents in the study area is shown in Table 2.4 and is sourced from the ABS 2016 Census. A significant share (79%) of residents in the area commute to work by car as a driver, compared with the Greater Melbourne average of 66%.

**Table 2.4: Method of Travel to Work Patters, Employed Study Area Residents, 2016**

Method of Travel	Study Area	Greater Melbourne
Car, as driver	78.8%	66.0%
Car, as passenger	4.5%	7.9%
Car and other method	3.2%	3.1%
Truck	1.7%	1.1%
Motorcycle	0.9%	1.4%
Train	2.4%	3.3%
Walked	1.1%	2.6%
Bus	0.8%	4.6%
Other	6.6%	10.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Source: ABS, Census of Housing and Population, 2016; Ethos Urban

Figure 2.2 Place of Work (POW) of Employed Study Area Residents, 2016



Source: ABS, Census of Housing and Population, 2016; Ethos Urban



### 3 Service Station Needs Assessment

This Chapter provides an assessment of the economic need and implications of a service station development at the Subject Site including an overview of the competitive environment and the key demand drivers.

#### 3.1 National Service Station Trends Overview

The following are some high-level observations in relation to the national service station industry:

- In recent years, before the COVID-19 pandemic, growth occurred in the number of vehicles and kilometres travelled throughout Australia. This growth is expected to continue for the foreseeable future, following the end of restrictions due to the COVID-19 pandemic. The size of the Australian motor vehicle fleet and the number of kilometres travelled are two key indicators of demand for fuel retailing and for service stations.
- Fuel consumption in Australia continues to increase, although a trend towards diesel-powered vehicles has driven stronger growth in diesel sales compared to petrol sales. Although continued growth in electric- and hybrid-powered cars in the future will impact fuel sales, these vehicles currently represent only a very small proportion of the market. It is expected that traditional diesel and petrol-powered cars will continue to comprise the majority of vehicles on the road for a significant number of years. Nevertheless, the industry is already adjusting to cater for these new modes of transport such as introducing charging stations at service stations.
- A consolidation of the number of service stations throughout Australia has been one of the major trends impacting the industry in recent decades, although in recent years this trend has reversed marginally. It is understood the number of service stations in Australia in the 1970s was in the order of 20,000 and this has declined to around 7,300 service stations at present. This trend has driven increased the need for service stations in highly accessible and visible locations.
- Profit margins on fuel sales are low, with service stations earning only a few cents of profit per litre of fuel sales. A large proportion of profit for service stations is derived from non-fuel sales associated with aligned convenience retailing, highlighting the importance of convenience retailing associated with fuel sale outlets.
- While the fuel retailing industry has been impacted by COVID-19, demand for fuel is expected to return to pre-COVID-19 levels as travel restrictions ease.

#### 3.2 Key Locational Criteria

The key locational criteria for service stations are as follows:

- Exposure to passing traffic. Service stations rely on direct exposure to high levels of passing vehicular traffic. The Subject Site has direct frontage to Monbulk Road, a main road that links up with Hereford Road and York Road, providing connectivity across the study area.
- Site size. A service station requires sufficient land to accommodate a range of uses such as a complementary convenience shop, petrol canopy, as well as sufficient space to allow for the circulation of vehicles including heavy vehicles and delivery trucks. The Subject Site is of a sufficient size to accommodate all relevant requirements.
- Catchment. The demand for a service station is partly determined by the geographic catchment that is served by the relevant location, including surrounding residents. For the

Subject Site, this will largely include residents in the surrounding area who can conveniently access the Subject Site.

- **Visibility and accessibility.** A key locational criteria for a service station is the ability to have a strong visual presence for passing traffic, and the ability for customers to access and exit quickly, safely and efficiently, with the Subject Site providing this attribute. The plan for direct ingress and egress from Monbulk Road ensures the proposed service station will have good accessibility for the annual 7,500 vehicle movements along Monbulk Road (source Department of Transport May 2020).

### 3.3 Supply of Service Stations

Only one service station is currently located within the study area, with further service stations located in the broader surrounding region.

The study area service station is a Fast Fuel outlet located to the north of the Subject Site on the eastern side of Monbulk Road. This service station provides a convenience shop, a car-wash and a cafe. The site is mostly in the Commercial 2 Zone, though a portion of the back of the site in the Neighbourhood Residential Zone 3.

A summary of details of the service station located in the study area is provided in Table 3.1 and the location is shown in the previous Figure 2.1. An image of the service station is provided below.

**Table 3.1: Existing Service Station within Study Area**

Service Station	Address	Distance by road from Subject Site	Additional Comments
Fast Fuel	1 Monbulk Road, Mount Evelyn	0.9km	Contains convenience shop, cafe and car wash

Source: Ethos Urban 2022

#### Fast Fuel Mount Evelyn



Source: Ethos Urban February 2022

In addition to the Fast Fuel service station in the study area, six service stations are located along Warburton Highway and Maroondah Highway in the north, two in Wandin to the east, three in Mooroolbark (BP on Cardigan Road, while two are located further afield in the Mooroolbark Town Centre), and one in each of the localities of Montrose and Silvan. The most relevant of these services stations are summarised in Table 3.2 and shown in the previous Figure 2.1.

**Table 3.2: Service Stations Beyond Study Area**

Service Station	Address	Distance by road from Subject Site
Liberty Fuel Wandin North	361 Warburton Hwy, Wandin North	4.2 km
Fast Fuel Wandin	389-391 Warburton Hwy, Wandin North	4.4 km
Shell Princi Motors	275-277 Monbulk Rd, Silvan	5.3 km
Ampol Foodary Lilydale	346 Main St, Lilydale, Lilydale	5.8 km
Shell Coles Express Lilydale	469 Maroondah Hwy & Nelson Rd, Lilydale	6.2 km
BP Montrose	893 Mt Dandenong Rd, Montrose	6.2 km
United Lilydale North	473 Maroondah Hwy & Nelson Rd, Lilydale	6.3 km
Caltex Woolworths	33 Hutchinson St, Lilydale	6.4 km
7-Eleven Lilydale	Cnr Maroondah Hwy & Cave Hill Rd, Lilydale	6.9 km
BP Lilydale	87/89 Warburton Hwy, Lilydale	7.2 km
BP Mooroolbark	103 Cardigan Rd & Pembroke Rd, Mooroolbark	7.9 km

Source: Ethos Urban 2022

### Proposed Service Stations

As at February 2022, there are no known proposed service stations in the study area (excluding the proposed development).

One service station is proposed beyond the study area, in Montrose to the south-west, as detailed in in Table 3.3.

**Table 3.3: Proposed Service Station Development**

Name	Address	Distance by road from Subject Site	Development Application Status
Canterbury Rd Commercial & Industrial Development	53-55 Canterbury Rd, Montrose	7.4 km	Approved

Source: Ethos Urban; Cordell Connect

### 3.4 Provision Benchmarks for Service Stations

There is no official source of the number or average provision of service stations in Victoria as there is with some other states. There are various businesses that track the number and provision of service stations throughout the nation. One such company that publishes the data publicly is LocationIQ through its Provision Benchmarks, the most recent of which was for 2020.

The Provision Benchmarks 2020 publication states that Victoria has an estimated service station provision rate of approximately 4,320 persons per station, refer Table 3.4. This is below the estimated national average of approximately 3,540 persons per station and partly reflects the state's smaller geography relative to Queensland, Western Australia and New South Wales and the implications for vehicle use.

**Table 3.4: Victorian and National Estimated Service Station Provision, 2021**

	Estimated No. Service Stations	Population, June 2021	Residents per Service Station	No. Service Stations per 10,000 Residents
VIC	1,540	6.65 million	4,320	2.4
AUST	7,270	25.74 million	3,540	2.8

Source: ABS, National, State and Territory Population; Location IQ, Provision Benchmarks 2020; Ethos Urban Research 2022

There is currently only one service station in the study area reflecting a provision equivalent to one service station per 10,290 residents at 2021. This is well below the state provision rate of one service station per 4,320 residents.

Adopting the average provision of service stations in Victoria indicates the potential for up to two additional service stations to support the fuel retailing needs of the local population.

Demand for new service stations in the local area will increase as the population within the area increases, albeit marginally. By 2031, based on a study area population of 10,590 persons and applying the Victorian benchmark for service stations, the demand will exist for an implied figure of 2.5 service stations in the study area (refer Table 3.5).

**Table 3.5: Estimated Service Station Requirements, Study Area, 2021 to 2036**

Study Area	Population	Estimated Service Station Requirement
2021	10,290	2.4
2026	10,460	2.4
2031	10,590	2.5
2036	10,740	2.5

Source: Ethos Urban

The nature of fuel retailing is more nuanced than simply applying population benchmarks. For example, people tend to buy fuel at a location when they need it, which may be close to home, work or any other location. In this context, accessibility and convenience is particularly important.

Nevertheless, the application of population provision benchmarks for this area does indicate that the study area is currently under-represented in service stations.

Having regard to this analysis, it is clear demand exists from the study area population for additional service stations. Furthermore, the Subject Site presents an appropriate location for a service station given its prominent position on a main traffic route that will be accessible and regularly passed by motorists living in the study area, and to some extent non-study area residents as well.

### 3.5 Forecast Fuel Demand

The ABS publishes information on motor vehicle use in Australia, with the most recent being the Survey of Motor Vehicle Use, Australia for the period ending June 2020. Using information from this publication, together with estimates on the number of vehicles in the study area, the total fuel requirements of vehicles in the study area can be calculated.

The estimated number of motor vehicles within the study area can be calculated using information from the 2016 ABS Census as well as projected population growth for the area, as previously detailed in Chapter 2.

Assuming the average household size and the average number of motor vehicles per household remain constant over the forecast period, the total number of vehicles in the study area is calculated to increase from 7,280 in 2021 to 7,610 in 2036 (refer Table 3.6).

The ABS published Survey of Motor Vehicle Use Australia, details that in the year ended June 2018 (pre-COVID) passenger vehicles in Victoria travelled an average of 14,100 km. The same publication details that passenger vehicles in Victoria used an average of 10.6 litres of fuel per 100 km travelled. Therefore, on average passenger vehicles in Victoria use 1,490 litres of fuel each year.

Electric cars will form a greater proportion of cars over time, however, at present the adoption of such vehicles in Australia is still relatively limited. To allow for the increase of electric cars, the following analysis assumes that the average fuel consumption per passenger vehicle declines over the forecast period. It is noted, however, that service stations will also service the electric vehicle market to some degree, such as providing rapid charging facilities.

Based on the above, it is estimated that the total fuel consumption of passenger vehicles in the study area was 10.8 million litres in 2021.

Commercial vehicles will also contribute to the demand for fuel at study area service stations, particularly for facilities located on Monbulk Road. According to the 2020 Traffic Census Data published by the Victorian Government, some 88.5% of vehicles that travel Monbulk Road are short 2-axle vehicles, with the remaining 11.5% of vehicles being mostly larger vehicles.

While a proportion of short 2-axle vehicles would be commercial vehicles, and that larger vehicles, such as trucks, would purchase a much larger volume of fuel per visit; for the purposes of this analysis, a conservative approach has been adopted and a 10% allowance has been made for of the total fuel purchased at study area service stations to be derived from commercial vehicles.

On this basis, the total passenger and commercial vehicle fuel consumption in the study area is estimated at 12.1 million litres in 2021, which may decline marginally to 11.6 million litres by 2036.

The volume of fuel sales per service station can vary considerably depending on the location and size of the facility, however, a moderate-sized service station typically achieves annual fuel sales in the order of three million litres to four million litres a year. This would be a reasonable expectation of average fuel sales for service stations in the study area.

Assuming the above average of fuel sales a year, this analysis finds that the study area can support three to four service stations in 2021 and across the forecast period.

**Table 3.6: Estimated Fuel Consumption, Study Area, 2021 to 2036**

	2021	2026	2031	2036
<u>Number vehicles</u>				
Resident population	10,290	10,460	10,590	10,740
Avg household size	2.9	2.9	2.9	2.9
Private dwelling occupancy rate	93.4%	93.4%	93.4%	93.4%
Est. dwellings	3,310	3,370	3,410	3,460
Avg vehicles per households	2.2	2.2	2.2	2.2
<b>Total est. passenger vehicles in study area</b>	<b>7,280</b>	<b>7,410</b>	<b>7,500</b>	<b>7,610</b>
<u>Fuel consumption (passenger vehicles)</u>				
VIC average travel distance (km)	14,100	14,100	14,100	14,100
VIC average fuel consumption (L per 100 km)	10.6	10.3	10	9.7
Average fuel usage per vehicle (L)	1,490	1,450	1,410	1,370
<b>Est. fuel consump'n passenger veh's in study area (ML)</b>	<b>10.8</b>	<b>10.7</b>	<b>10.6</b>	<b>10.4</b>
Allowance for commercial vehicles (10% of total)	1.2	1.2	1.2	1.2
<b>Total est. fuel consumption study area (ML)</b>	<b>12.1</b>	<b>11.9</b>	<b>11.8</b>	<b>11.6</b>

Source: ABS Census 2016; ABS Survey of Motor Vehicle Use 2020; Ethos Urban 2022

### 3.6 Economic and Community Implications

A range of economic and community benefits are likely to result from the proposed development of a service station at the Subject Site, including the following:

- **Serve the demand for additional service stations in the study area.** There is currently only one service station in the study area, below the estimated benchmark requirement of at least two service stations and the assessed market demand of three to four service stations. The proposed service station would support bridging the identified gap in service station provision.
- **Put downward pressure on price and increase choice.** This is an important consideration as higher fuel prices can impact on disposable incomes and economic growth in a region. Importantly, the proposed development will introduce OTR to the local market. This will provide more choice for surrounding residents, workers and passing trade, and will benefit the local community.
- **Create job opportunities and investment.** The proposed development will attract private sector investment at a time when the national economy is recovering from the COVID-19 pandemic. A new service station at the Subject Site will also create direct ongoing jobs, while further temporary jobs will be created during the construction period. Fuel retailers support an average of seven direct jobs according to IBISWorld (Fuel Retailing in Australia, November 2021).

A new service station at the Subject Site may have some trading implications for the existing service station, although any potential impacts are assessed to be minimal for a number of reasons:

- A current gap in the market exists for up to three to four service stations. Therefore, the proposed service station will serve a clear market gap, limiting the potential impact on the existing service station.
- The existing service station is well-located on the fringe of the Mount Evelyn Town Centre and at the junction three key roads serving the region (Monbulk Road, York Road and Hereford Road). A large proportion of Mount Evelyn residents will pass the existing service station on a daily basis; this will ensure the existing service station remains competitive.
- The development will introduce OTR to the market, which may mitigate the potential impact on the existing service station to some degree.

- Though limited, population growth will provide further mitigation of any potential impacts on the existing outlet.

Given the identified under provision of service stations in the study area, it is assessed that the viability of the existing service station will not be adversely impacted by the proposed development. It will remain viable and will be able to continue to serve the available fuel market generated by study area residents and passing trade.

### **3.7 Industrial 3 Zone implications**

Development of the proposed service station and convenience shop is consistent with the intentions of the IN3Z zone, as previously detailed in Section 1.3 of this report. It is also compatible with the surrounding uses.

The Subject Site itself (4,330m<sup>2</sup>) represents just 0.1% of the municipality's industrial land supply. Further, the Subject Site is not part of a significant industrial precinct and therefore would not result in a loss of potential agglomeration benefits of co-locating more service-related industrial uses.

If approved, the development would result in the loss of the garden centre currently located at the Subject Site. A review of the area reveals that local residents have access to a number of other garden centres within approximately 5km of the Subject Site.

Other local service industrial needs can be met by the 8ha industrial precinct located along Clancys Road a short distance to the north, with the Lilydale Regionally Significant Industrial Precinct serves the broader industrial needs of local residents and businesses.

Overall, the proposed development would have a negligible impact on the municipal-wide industrial land supply and local community access to service industrial requirements.

## 4 Conclusion and Net Community Benefit

The analysis in this report demonstrates that the proposed development of a service station with a convenience shop at the Subject Site is supported in the context of existing and forecast market demand for fuel retailing in the local area and there is a community need for proposed uses.

The Subject Site is considered to be well located for the proposed development, with the Subject Site having direct frontage to Monbulk Road, a key traffic route in the area. The development of an OTR outlet at the site will introduce a new brand to the area, increasing choice for the local community.

A range of community benefits have been identified that will arise from the proposed development such as catering to the current under provision of service stations in the area, increasing consumer choice, attracting investment to the local area and creating local jobs.

This report demonstrates that the proposed development will not have adverse effects on the existing service station in the study area. The main reason for this conclusion is that there is the currently the clear market demand for additional service stations locality.

The proposed development is consistent with the Yarra Ranges Planning Scheme as it establishes a use anticipated in the Industrial 3 Zone, namely a Service station with auxiliary convenience retailing, and is consistent with the stated Purpose of the zone.

In summary, the proposed development will deliver services to the local community; complies with the Planning Scheme; caters to a demonstrated market need; and will not impact the viability of the existing service station in the study area. Given these benefits, and the assessed minimal impacts, it is assessed that a net community benefit will result from the proposed development.