

Welcome to Issue 77 of *Research Matters*, the Department of Environment, Land, Water & Planning's quarterly planning research bulletin, featuring DELWP research and analysis, news about recently released data, and research from other sources. If you have any questions or comments, you can contact us at:

forwardpolicy.research@delwp.vic.gov.au

Contents

- p. 1 In this issue ...**
- p. 2 Release of the Urban Development Program (UDP) 2016**
- p. 4 A new addition to the Urban Development Program**
- p. 5 Latrobe Valley seminar provides information exchange**
- p. 6 Migration histories of professionals in Ballarat, Victoria**

In this issue ...

In this edition we present a number of key analysis and research outputs from the Land Use and Population Research team.

The release of the Urban Development Program (UDP) report has been an annual event since 2003, and the 2016 edition highlights the value of this ongoing monitoring program. With strong population growth in Melbourne, it is important to analyse existing and future land supply, both for residential and industrial uses. The first article in this edition of *Research Matters* presents the findings of the latest UDP report.

Following the UDP theme, the second article presents a new product which enables more detailed monitoring of industrial land supply and demand in the State Significant Industrial Precincts of Melbourne. This extended form of UDP monitoring provides valuable insights into the economic activities and needs of the industrial sector.

While the UDP gives a metropolitan focus, the third article in this edition turns to an industrial area of regional Victoria, the Latrobe Valley. The Land Use and Population Research team organised a seminar in partnership with RMIT University and Regional Development Victoria to discuss facts, figures and futures for this important Victorian region.

The final article in this edition of *Research Matters* provides a perspective on another part of regional Victoria. You may recall the survey of professionals in Bendigo which we undertook in late 2015 (reported on in December 2015 edition of *Research Matters*). We have now followed this up with a survey in Ballarat. The final article in this edition gives you a preview of research findings.

© The State of Victoria Department of Environment, Land, Water and Planning 2017



This work is licensed under a Creative Commons Attribution 3.0 Australia licence. You are free to re-use the work under that licence, on the condition that you credit the State of Victoria as author. The licence does not apply to any images, photographs or branding, including the Victorian Coat of Arms, the Victorian Government logo and the Department of Environment, Land, Water and Planning logo. To view a copy of this licence, visit <http://creativecommons.org/licenses/by/3.0/au/deed.en>

ISSN 1448-6881

Accessibility

If you would like to receive this publication in an alternative format, please telephone DELWP Customer Service Centre 136 186, email customer.service@delwp.vic.gov.au, via the National Relay Service on 133 677 www.relay.vic.gov.au. This document is also available on the internet at www.delwp.vic.gov.au

Disclaimer

This publication may be of assistance to you but the State of Victoria and its employees do not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

Release of the Urban Development Program (UDP) 2016

Residential Land

The recently released metropolitan planning strategy, *Plan Melbourne*, indicates that Melbourne’s population is expected to increase from 4.5 million in 2015 to nearly 8 million by 2051. This requires an additional 1.6 million homes to accommodate this growth.

The Urban Development Program provides a useful tool for monitoring progress by reporting on the location and stocks of land identified for residential development within the established areas of Melbourne and its growth areas. The program also monitors and reports on the supply and consumption of industrial land.

The 2016 version of the Urban Development Program (UDP) has been released. The UDP provides

an annual update on:

- the pipeline of major residential redevelopment projects in established areas;
- the supply of broadhectare residential land in Melbourne’s Growth Areas; and
- industrial land supply.

The major findings of this year’s update include:

Major Residential Redevelopment

There are 247,000 dwellings identified for future development in major residential redevelopment projects (sites yielding 10 dwellings or more). This is the highest number of dwellings planned for major redevelopment projects since comparable data became available in 2002-03 (figure 1).

No. dwellings anticipated over next 10 years ('000)

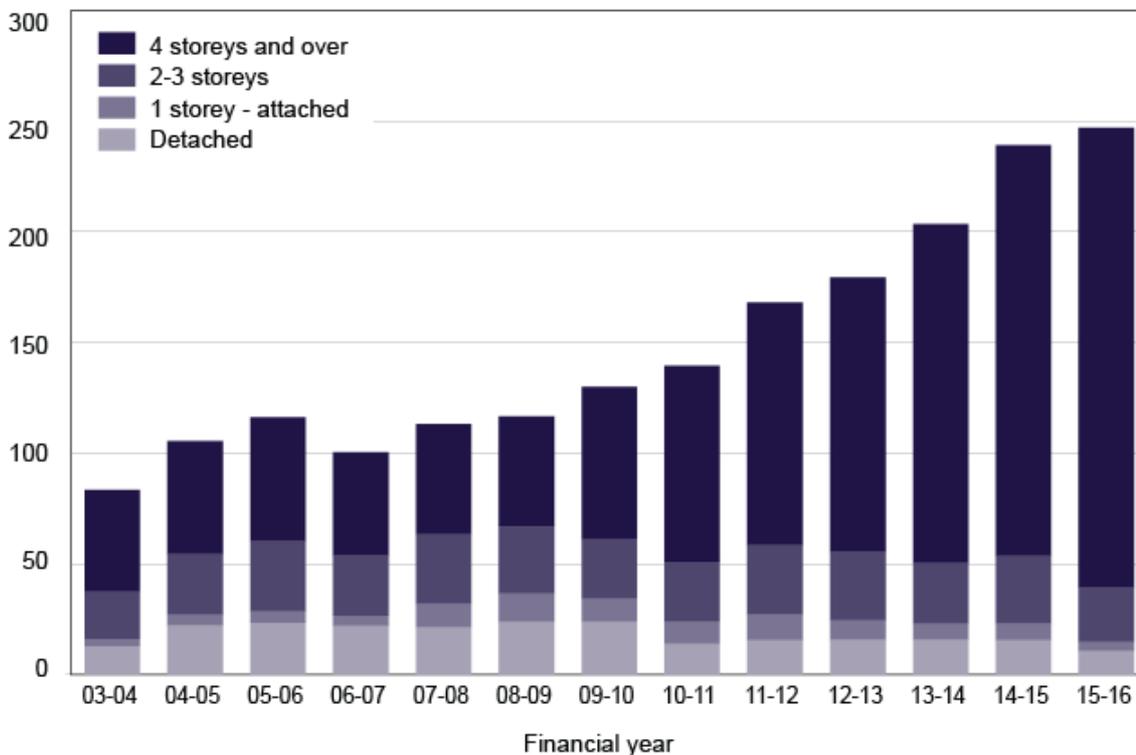


Figure 1: Annual major residential redevelopment pipeline of dwellings by built form

Source: Department of Environment, Land, Water and Planning 2016

Broadhectare Residential Development

There is a potential supply of 372,400 lots for future residential broadhectare development. Nearly all of these lots are in Melbourne’s growth areas.

Nearly 19,000 broadhectare lots were constructed in Melbourne's growth area municipalities (figure 2). This is the highest level of broadhectare lot construction recorded since comparable data became available in 2002-03. There were an additional 15,000 lots identified as 'under construction', indicating continued high levels of lot construction.

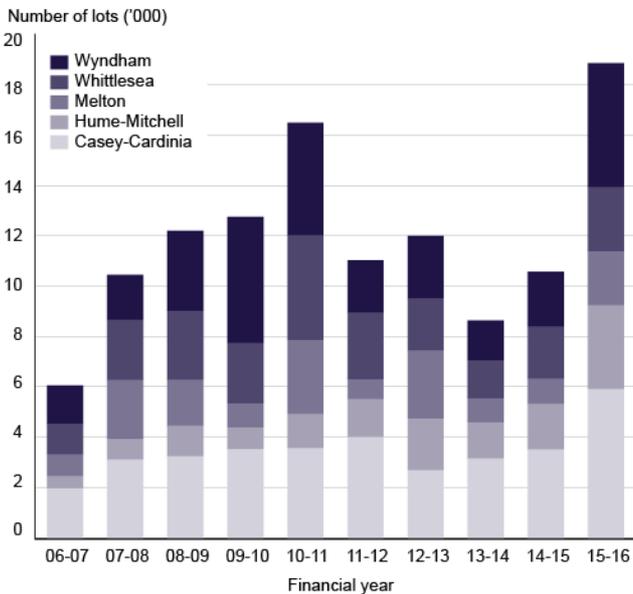


Figure 2: Broadhectare lot construction by growth area 2006-07 to 2015-16

Source: DELWP 2016

Industrial Land

There are 25,860 hectares of industrially zoned land across metropolitan Melbourne of which 6,870 hectares is vacant. Two thirds of the vacant industrial land (4,520 hectares) is located within State Significant Industrial Precincts (SSIP).

By comparing the amount of occupied land each year, the Urban Development Program can identify the amount of land that is consumed (ie. when vacant land is developed and becomes occupied by some industrial use). In 2015-16, consumption of industrial land in metropolitan Melbourne reached 298 hectares. This is the first time since the Global Financial Crisis (GFC) that industrial land consumption has reached the same levels (averaging 300 hectares per year) experienced prior to the GFC (figure 3).

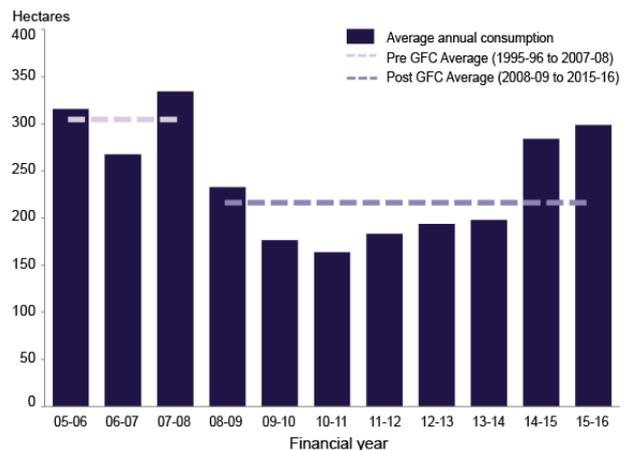


Figure 3: Annual consumption of industrial land, metropolitan Melbourne, 2005-06 to 2015-16

Source: DELWP 2016

The Urban Development Program will continue to report on the location and stocks of land identified for residential development, both within the established areas of Melbourne as well as its growth areas. The program will also continue to monitor and report on the supply and consumption of industrial land.

The report and data can be downloaded from:

www.planning.vic.gov.au/land-use-and-population-research/urban-development-program

A new addition to the Urban Development Program

State Significant Industrial Precincts

A new report that focuses on the State Significant Industrial Precincts (SSIP) has been released. This report takes a fresh look at the existing Urban Development Program data as well as using new and novel datasets to provide a detailed analysis of land use in the SSIPs including: land supply and consumption; building space; economic use of land; and, land supply projections. The major findings of the first report include:

Supply

There are 25,859 hectares of industrially zoned land across metropolitan Melbourne with 6,874 hectares of that being vacant. Two thirds of the vacant industrial land (4,520 ha) is located within the SSIPs.

Consumption

The West SSIP is the largest industrial land consumer and is the largest industrial area in the State. The West SSIP is the largest industrial land consumer and is the largest industrial area in the State. Over the last financial year, 82 hectares of industrial land was consumed in the West SSIP. Overall, the five SSIPs accounted for 243 hectares of industrial land consumption (figure 1).

Built space

Over the last year a net total of 1.3 million square metres of floorspace was developed within the SSIPs. The majority of this was constructed in in the West SSIP and the South SSIP.

Within the SSIPs there are 28 million square metres of industrial building space. The West SSIP – Western Subregion (10.4 million m²) has the largest amount of built space across the SSIPs.

West SSIP – Western Subregion is the location for just under half of the very large buildings (over 10,000m²) found across all of the SSIPs. Many of these buildings are used as distribution centres as this SSIP plays a significant role in national and regional distribution and logistic networks.

Economic uses

The three largest SSIPs have large amounts of traditional ‘industrial’ types of uses such as manufacturing, transport and wholesaling. The West SSIP – West Subregion has a greater share of transport and warehousing work places and fewer manufacturing workplaces compared to both the South and North SSIPs.

Exhaustion rates for vacant industrial land

The South SSIP is the most constrained SSIP in terms of vacant supply.

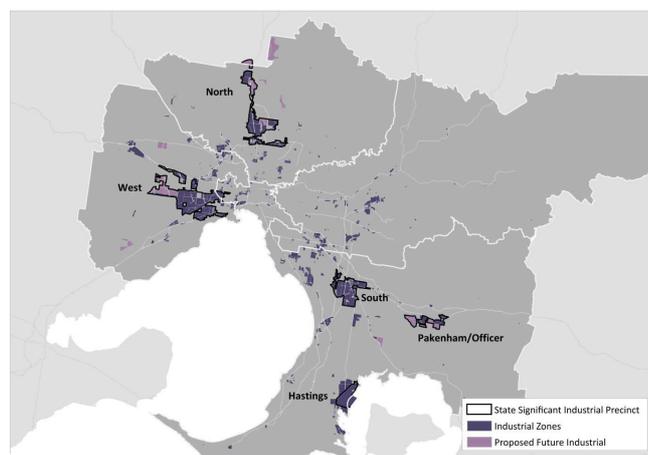


Figure 1: Zoned industrial land in Melbourne, 2016

Source: DELWP 2016 and *Plan Melbourne* 2014

The report can be downloaded from the new planning website: www.planning.vic.gov.au/land-use-and-population-research/urban-development-program



Latrobe Valley seminar provides information exchange

A seminar entitled: *The Latrobe Valley: an Information Exchange* was organised by the Land Use and Population Research team in partnership with RMIT. Held on February 20th, the seminar provided an opportunity to bring academics and government officers together to meet each other and share knowledge about the Latrobe region of Victoria.

The area has faced many changes in the past two decades and it was timely to review trends and discuss prospects for the region using a range of information sources.

The first speaker, **Fiona McKenzie**, from the DELWP Land Use & Population Research Team, presented information about population change, economic indicators, house price, land supply and demand and selected findings from recent research studies.

The presentation showed how Traralgon accounted for the majority of population growth in the region. Internal migration occurs from Moe and Morwell to Traralgon where housing demand, and house prices are higher. Since the major restructuring of the energy industry in the early 1990s, Moe and Morwell have experienced a major change in income distribution with a fall in proportions of high income earners and gain in low income earners. In contrast, income distribution in Traralgon is relatively close to the State average, and it has emerged as the growth centre of the Latrobe Valley.



Fiona McKenzie from the LU&PR team presented information on demographic and economic trends in the Latrobe Valley

Professor Peter Fairbrother, Professor of International Employment Relations and Deputy Director, Centre for People, Organisation and Work, RMIT, presented information from the project 'Transition and Transformation in City-Regions, which has a focus on the Latrobe Valley Sub-Region.

Professor Fairbrother contrasted two economic visions: the competitive economy involving the attraction of mobile resources and companies to a regional area; and, the foundational economy comprising the existing activities which provide basic services to the local community (eg. education, health care, retail). The argument was made that working from the foundational economy was important. He further argued that agencies needed to pull together on behalf of a region in order to effectively lead future economic success.

More than 30 attendees took part in the seminar, representing five universities, and four government agencies. It was great to see attendees discussing key issues and making new contacts across organisations. Fiona and Peter have been asked to give an encore performance at Federation University, Churchill, so the discussion will continue down in the Valley in late April.



Professor Peter Fairbrother from RMIT presented findings from work on regional economies undergoing structural change.

Migration Histories of Professionals in Ballarat, Victoria

In the December 2015 edition of *Research Matters*, we reported on a survey of professionals in Bendigo. During 2016, another survey was undertaken on the same topic in Ballarat. As with Bendigo, three workplaces were selected for the research sample: IBM, Ballarat Health Services and Ballarat Council.

A total of 537 respondents participated in the Ballarat survey. Overall, 58 percent of respondents were born in either Ballarat or another regional location.

For those that had moved to (or returned to) Ballarat at some point in their life, 27 percent had done so for family reasons. This included: following one’s spouse; wanting to raise children in a non-metropolitan area; or, returning to their region of birth. Employment reasons were also a significant factor in moving to Ballarat, either for general employment opportunities or for the current employment role. This latter reason was more important for those moving from Melbourne,

whereas those moving from other regional areas were more likely to have moved for general employment opportunities. Those from metropolitan backgrounds were also more likely to have moved for lifestyle and amenity or affordability reasons compared to those from regional areas (figure 1).

Whereas key drivers were found to be family and employment, these appeared less often in the list of advantages. The reported advantages of living in Ballarat included: short commuting times; proximity to Melbourne; housing affordability; lifestyle; good city size; and high quality services.

As in the earlier Bendigo study, there was a difference between the most important drivers of migration and the most commonly-reported advantages of living in Ballarat. This highlights the differences between why people move to, and why people like, a particular location.

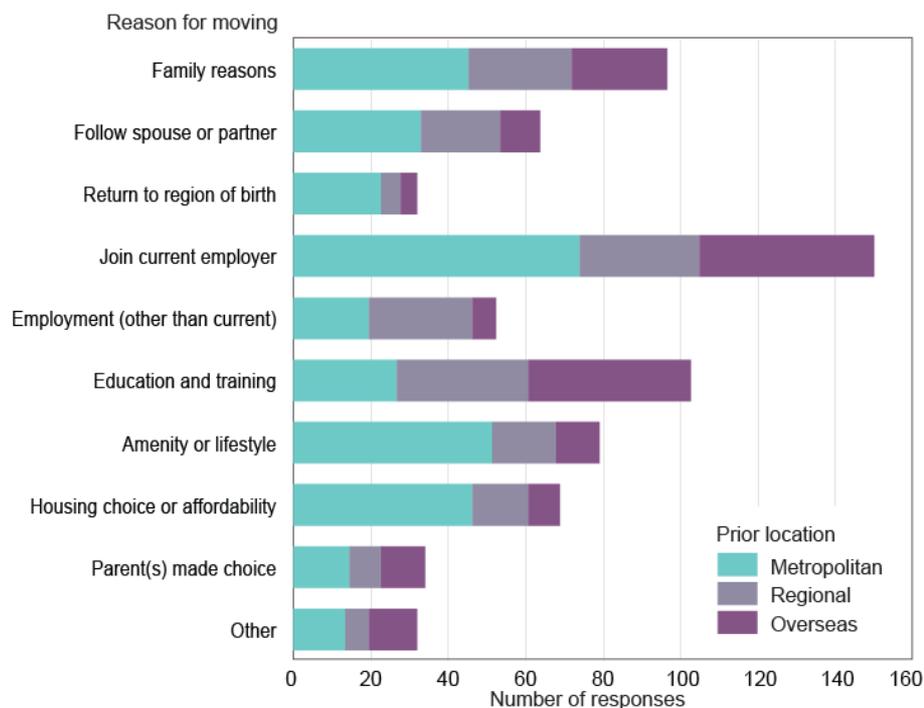


Figure 1: Reasons for moving to Ballarat by prior location, combined Ballarat sample

Sources: IBM, Ballarat Health Services and Ballarat Council Surveys 2016

In regards to those holding senior roles, many had undertaken education and training locally rather than in metropolitan areas. In the combined sample, 40 percent of those with management roles had gained their highest qualification in Ballarat. This suggests that regional universities and other training providers are contributing to the supply of local skilled workers.

The migration pathways of respondents were analysed with a location code of Ballarat (B); other regional (R); metropolitan (M); or, overseas (O) being assigned at four key life stages (birth, childhood, high school and higher education). Hence someone who had lived all their life in Ballarat would have the pathway code of 'BBBB' whereas someone who had lived overseas until moving to Ballarat for university would have the code 'OOOB'. Figure 2 depicts the 12 most common migration history patterns. Together, these represent 73 percent of the total sample.

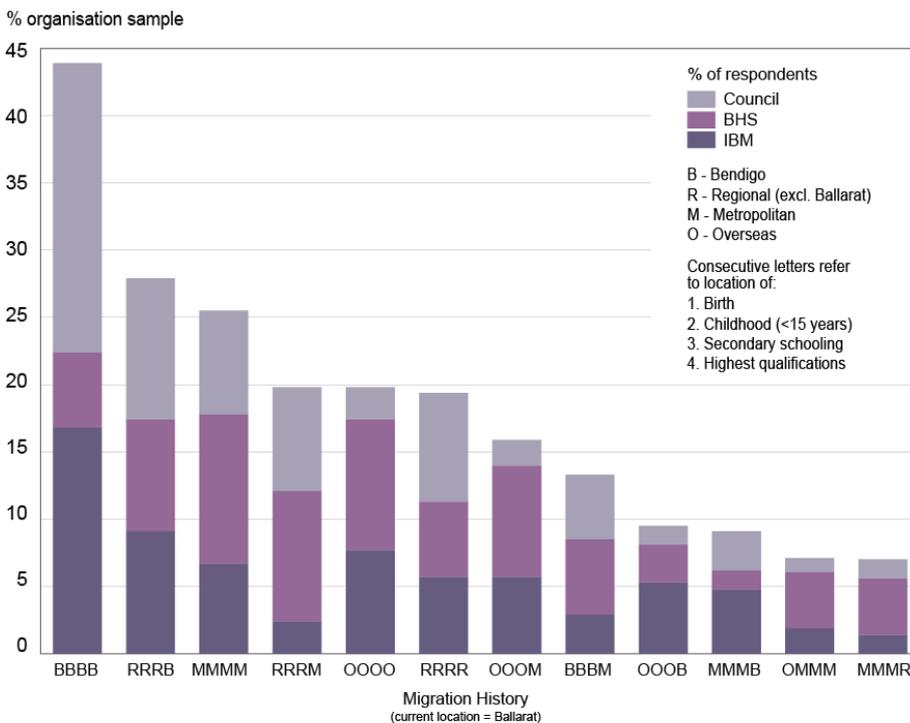
The Ballarat-based pattern of 'BBBB' formed the largest group, although it was much more

prominent for Council (22%) and IBM (17%). The most common migration pattern at Ballarat Health Services was the metropolitan-dominant 'MMMM'. IBM and Ballarat Health Services have high levels of overseas representation.

Sixty-two percent of respondents had no intention to move away from Ballarat in the near future. Those in younger age groups were more likely to move away from Ballarat with most considering a move to Melbourne.

The research provides valuable evidence upon which to develop attraction and retention strategies for regional areas. For example, targeting those who have previously lived in regional areas could form the basis of effective regional attraction strategies.

The full study entitled 'A Regional Career – Migration Histories of Professionals in Ballarat, Victoria'. will be released in the near future. The Bendigo study, released in July 2016 is available at: <https://www.planning.vic.gov.au/land-use-and-population-research/regional-insights>



NOTE: The migration histories sample includes 513 useable records comprising: 232 from IBM; 72 from Ballarat Health Services; and, 209 from Ballarat Council samples. Any migration sequence which accounted for more than 4% in any of the three samples was included in the chart.

Figure 2: Simplified migration histories, IBM, BHS and Ballarat Council samples
Sources: IBM, Ballarat Health Services and Ballarat Council Surveys 2016