Hi planning.implementation@delwp.vic.gov.au

There has been a submission on Planning for Melbourne’s Industrial and Commercial Land through Engage Victoria

A copy of the submission is provided as below:

Planning principles and strategies for employment land.

The draft Melbourne industrial and commercial land use plan includes principles and strategies to guide planning for industrial and commercial land. (page 32).

Do you think the principles and strategies provide enough clarity and guidance to assist planning for industrial and commercial land?

If no, please let us know why and how they could be improved.
Criteria to identify regionally-significant industrial precincts.

Plan Melbourne identifies state-significant industrial precincts. The draft Melbourne industrial and commercial land use plan identifies regionally-significant industrial precincts and includes criteria used as the basis to identify these locations (page 34).

Do you support the criteria developed to identify regionally-significant industrial precincts?

If no, please let us know why and how they could be improved.

Purpose for regionally-significant industrial precincts and local industrial precincts.

Plan Melbourne outlines a purpose for state-significant industrial precincts. The draft Melbourne industrial and commercial land use plan identifies a purpose for regionally-significant industrial precincts and local industrial precincts (page 35).

Do you support the purpose developed for regionally-significant industrial precincts and local industrial precincts?

If no, please let us know why and how they could be improved.

Developing local industrial land use strategies.
Appendix 2 of the draft Melbourne industrial and commercial land use plan proposes guidance for developing local industrial land use strategies.

Do you have any comments or suggestions to improve the guidance for developing local industrial land use strategies?

Key industrial and commercial areas.

The draft Melbourne industrial and commercial land use plan identifies and describes key industrial and commercial areas for each of the six metropolitan regions (refer to Part B of the plan).

Have the key industrial and commercial areas been adequately identified and described across the regions?

If no, please let us know which other area we should identify or how the areas can be better described.

Would you like to comment on any other aspects of the plan?

If you would like to upload a submission, please do so here.

I am making this submission:
on behalf of a land owner

Email address (Optional)

I agree to receive emails about my submission if required or project updates.
Yes

Privacy Statement - Draft Melbourne Industrial and Commercial Land Use Plan

What we will do with your submission

The Department of Environment, Land, Water and Planning (DELWP) is committed to protecting personal information provided by you in accordance with the principles of the Victorian privacy laws. The submission you provide to DELWP will be used to inform the finalisation of the Melbourne Industrial and Commercial Land Use Plan.

The information you provide will be made available to DELWP to develop a consultation report. This report will be uploaded to the Melbourne Industrial and Commercial Land Use Plan page on the DELWP website.

The contact information you provide may be used to contact you should we need to clarify your submission or to provide you with project updates.

The submission you provide will be published on the DELWP website. To protect individual privacy, DELWP will remove your name and address from your submission when we receive it.

If you do not wish to be identified, please ensure there is no other information in your submission that could identify you or other individuals.
If you are making comment as an organisation, then your comments may be published, including the name of your organisation.

De-identified submissions may be used by DELWP, or its contracted service providers under confidentiality agreements, in preparing its recommendations to government.

Please note, if you do not provide your name/email address we will not be able to identify your submission if you wish to access it, make a correction, or require technical support.

Should you need to correct the information you provided or gain access to your submission, please contact us via email at planning.implementation@delwp.vic.gov.au

I agree to the privacy statement
yes

To view all of the form's submissions, visit:


Regards,
The Engage Victoria Team

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Engage Victoria
Department of Environment, Land, Water & Planning
Via: online portal

To Whom It May Concern

Draft Melbourne Industrial and Commercial Land Use Plan (MICLUP)
Submission on behalf of Growland - [mask] and [mask] Lecky Road, Officer

1 Introduction

Tract Consultants Pty Ltd write on behalf of Growland with respect to the draft Melbourne Industrial and Commercial Land Use Plan (the ‘Plan’). Growland have contracted to unconditionally acquire land at [mask] Lecky Road, Officer (the ‘Site’) which is located within the Cardinia Road Employment Precinct Structure Plan (PSP).

The northern part of the Site is identified in the Plan as Existing State Significant Industrial Land, refer Figure 1 overleaf. This area is identified as Service Business in the PSP.

This submission seeks exclusion of the northern portion of the Site identified as State Significant Industrial Land (SSIL) from the Melbourne Industrial and Commercial Land Use Plan. This designation is not supported in Plan Melbourne or the current PSP and is inappropriate for several reasons, as explained in detail in this submission.

Exclusion of this land from the Plan also provides an opportunity to carefully review the future use of this land as part of a broader planned review of the Cardinia Road Employment PSP to ensure an outcome that best reflects the needs of this area.

This submission is supported by advice provided by Ethos Urban planning (Appendix 1 enclosed) which also considers it critical that the ‘Service Business’ land shown in the PSP is not identified by the MICLUP as part of the State Significant Industrial Precinct as this would compromise orderly local planning outcomes and alter the strategic direction of future local planning policies.

Appendix 2 is an analysis undertaken by Ethos Urban of demand indicators for the ‘SOHO’ product that Growland seek to deliver in the Service Business area.

Figure 1: Extract from MICLUP (SSIL on Growland Site circled)
Executive Summary

The designation of the northern extent of Growland’s Site as State Significant Industrial Land (SSIL) is not supported for the following reasons.

- Inclusion of this land as SSIL conflicts with existing planning policy framework.
  - It is not supported in Plan Melbourne which does not identify any part of the Growland site within a State Significant Industrial Precinct (SSIP), unlike other land located within the Southern Region. It is therefore, questioned as to why this land has been ‘singled out’ with no strategic basis for the designation.
  - It is not supported by the PSP which identifies the land for Service Business uses. Council’s PSP does not identify any part of the land for Industrial use (as would be expected for land identified SSIL). Inclusion of the land within the draft Plan as industrial land, let alone state-significant industrial land designation directly conflicts with Council’s vision for Service Business land uses and high-quality built-form to be accommodated along this strip of land fronting the Princes Freeway. It also conflicts with residential land designated by Council within the PSP to the south which would be undermined by the inclusion of a SSIP immediately to the north.

- The narrow area identified lacks the land mass, direct access to the Principal Freight Network (PFN) and sufficient separation from sensitive land uses to be able accommodate major industrial development and to meet the objective of delivering a ‘state-significant industrial precinct’. This is compounded by its isolation from other Existing and Future SSIL identified within the Southern Industrial Precinct which are substantially greater in size and have better access to the PFN.

- As identified in the analysis undertaken by Ethos Urban (Appendix 2), the designation land within Growland’s Site for Industrial would provide for 450 fewer jobs than its current designation for Service Business uses.

- Growland have undertaken preliminary investigations to review the land use outcomes for the Site in anticipation of a forthcoming review of the 2010 Precinct Structure Plan. Designation of this land for industrial use will fail to deliver the right type of jobs and residential mass needed, within the timeframe needed to deliver essential community services. There are several arguments in favour of including the balance of the Growland Site as residential or mixed-use (residential and commercial). Appendix 2 to this submission contains an analysis of demand indicators for a Residential SOHO/Mixed Use scenario undertaken by Ethos Urban in relation to the strip of land. This scenario is considered to deliver far greater outcomes in terms of employment generation and delivery of community infrastructure, more in line with local planning policy for the Precinct.

- Retention of an industrial designation within the Site unreasonably prejudices the outcomes of a future review of the Cardinia Road Employment PSP.

- Removal of the land’s designation as a SSIL would not undermine the ability of the draft Plan to identify long-term business and employment opportunities. Removal of this isolated strip of land from the estimated existing and future supply of industrial land supply would result in a negligible impact (0.70% of state-significant industrial land, 0.25% of total industrial land within the Southern Region).

2 The Land

2.1 Site Description

The Site within Growland’s ownership is known as Lecky Road, Officer. The Site is made up of eight (8) land parcels and comprises a total area of approximately 50.52 hectares (Figure 2 below). The Site has a northern boundary to the Princes Freeway, and a southern boundary to Lecky Road.

The Site is currently used for agricultural purposes and is dominated by pasture grasses. Two dwellings are located on the Site fronting Lecky Road. The abutting neighbouring properties to the east and west are farming properties. The land
to the north of Princes Freeway comprises residential subdivision of a conventional density as is the land south of Lecky Road.

Figure 2: Site Location
2.2 Strategic Context

The Site is located within the Cardinia Shire and is located approximately 54 kilometres south east of Melbourne’s Central Business District.

2.2.1 Plan Melbourne 2017-2050

Plan Melbourne identifies the Site as being located within the Southern Region. The Southern Region is expected to increase by an additional 310,000 dwellings by 2051, with 125,000 of these dwellings located within Greenfield areas.

2.2.2 South East Growth Corridor Plan

The Site is also situated within the Victorian Planning Authority’s (VPA) South East Growth Corridor Plan. Within the South East Growth Corridor Plan area number of Precinct Structure Plans have been approved and development is underway. Accordingly, the Site is proximate to a wide range of services and infrastructure provided in these PSP areas. As shown in Figure 3, the South East Growth Corridor Plan nominates the entirety of the Site as ‘Industrial’ and Lecky Road as part of the future Principal Public Transport Network.

Figure 3: South East Growth Corridor Plan, site shown indicatively
2.2.3 Cardinia Road Employment PSP

The Site is situated within the Cardinia Road Employment Precinct Structure Plan area which proposes to provide new retail and employment growth in the region.

The Cardinia Road Employment PSP sits within a broader network of PSPs within Cardinia (Figure 4 below). The ongoing delivery of development within the adjoining PSP areas has the potential to strongly influence the demand and supply of employment and residential land within the Cardinia Road Employment PSP.

Further detail of the Site’s inclusion within the PSP is provided in Section 3 below.

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Figure 4: Precinct Structure Plan Context

The Cardinia Road Employment PSP was approved by the Minister for Planning in October 2010. The PSP seeks to guide the development of a 595 hectare integrated business and industrial park, supported by a neighbourhood activity centre and a mix of conventional, medium and high density housing.

The PSP provides a high-level vision to guide the future development of the precinct and includes plans that detail how land will be used and developed. Plan 5 of the PSP (Future Urban Structure) provides the key land use designations and is reproduced at Figure 5 overleaf.

The PSP proposes a commercial precinct and activity centre located within the central-northern part of the plan area, immediately south of the Princes Freeway interchange. Land generally to the east of Cardinia Road is nominated as the core industrial area. ‘Service Business’ uses are proposed along the interface with the Princes Freeway. Cardinia Road south of the Commercial Area and adjacent to planned industrial areas within the precinct to provide for a transition between residential or commercial areas.
The PSP also envisages the development of an arterial road network within the Precinct that will enable a wider range of transport options to be provided, including bus services. Notably, a potential local bus route is proposed to run through the site.


Figure 5: Future Urban Structure and detail, site shown indicatively.
Employment Land

As noted, the PSP provides for ‘Service Business’ uses to front onto the Princes Freeway. The PSP describes Service Business uses generally as comprising “integrated factory/warehouse clusters, small lot industrial parks and industry clusters (e.g. automotive services/repairs), combining display areas and ‘back of house’ facilities in the one location”.

The role of the Service Business land on the Site (as per the PSP) is to encourage high-quality built-form standards and create a high-profile showroom edge to the precinct along the Princes Freeway frontage. Service Business uses are also sought to provide a transition between Residential or Commercial areas to Industrial areas within the Precinct. It is noted however, that the Service Business land located within the Site does not provide this role as it is not located adjacent to any land designated for Industrial uses. It is understood that historically, this strip of Service Business land may have been included to act as an acoustic buffer between future residential land to the south and the Princes Highway.

Residential Land

The PSP proposes a mix of residential densities including conventional, medium and higher density residential areas. In accordance with Figure 5, medium density residential land is to be provided adjacent to the Service Business land and road network to ‘provide a buffer that protects the amenity of lower-density residential areas’. Additionally, medium density residential land is proposed along the central north-south connector street, eastern encumbered open space reserve and along parts of Lecky Road. The PSP establishes a target density of at least 20 dwellings per net developable hectare in areas nominated for medium density.

As the land is within walking distance of the proposed Activity Centre under the PSP, High Density Residential 1 land is proposed to front the encumbered open space along the eastern boundary of the site. The PSP expects a density of at least 70 dwellings per net developable hectare in the high density residential 1 area.

Lastly, the conventional residential development is proposed to be located behind the medium and high-density areas. For conventional residential development, the PSP anticipates a density of 15 dwellings per net developable hectare.

Estimated Employment Generation and Land Budget

The PSP area covers an area of approximately 590 hectares, with a total developable area of approximately 440 hectares.

Table 1 of the PSP provides an estimate of employment generated by the various land uses identified within the Precinct area including Commercial, Service Business, Industrial land types and jobs within the planned Activity Centre. It is noted that a component of small office/home office (SOHO) development is contemplated within the planned Neighbourhood Activity Centre. However, the PSP does not contemplate the provision of SOHO development within residential land throughout the rest of the Precinct which is reflected in the employment figures within the PSP. Table 1 provides the following estimated employment figures:

- **18,735 total jobs** (FTE) across the entire Precinct area.
- **3,352 jobs** (FTE) generated by the Service Business land (comprising a GFA of 67.04ha at 50 jobs/ha).
- **1,678 jobs** (FTE) generated by Industrial land (comprising a GFA of 93.20ha at 18 jobs/ha).

The size of the Service Business land located within Growland’s site is 12.8ha gross with a net developable area (NDA) of 8.9ha1. Based on the ratios provided in Table 1 of the PSP, the land would generate an estimated **445 jobs** (FTE). This makes up approximately 13.3% of the estimated Service Business employment figures, and 2.4% of the total Precinct area.

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1 Appendix 2 - Assessment of SOHO Development Format for 70-100 Lecky Road, Officer, Ethos Urban (19 December 2019)
In accordance with Table 2 of the PSP, up to 2,034 dwellings are estimated to be delivered within the PSP area based upon the residential density mix outlined above. Table 5 of the PSP anticipates a population of up to 4,285 people to be accommodated.

3 Draft Melbourne Industrial and Commercial Land Use Plan

The draft Plan specifies that the southern region has approximately 3,510 hectares of vacant zoned and unzoned industrial land available for development. Of this land, approximately 1,280 hectares is located within the Officer-Pakenham State Significant Industrial Precinct (SSIP) which is located to the south-west of the Site. Land supply in other SSIPs is expected to become constrained in mid-2020s, and as such development is expected to progressively move to the Officer-Pakenham future SSIP as available land in these areas is exhausted.

Within the Cardinia Rd Employment PSP, the Plan identifies land to the south east of the Site as existing state significant industrial land. The Plan shows a strip of industrial land along the site’s northern boundary, as a buffer to the freeway (refer to inset plan within Figure 6).

With regard to commercial floor space, the draft Plan estimates that an additional 250,100 square metres of commercial floor space will be required in Cardinia between 2016 and 2031.

In terms of proposed planning frameworks, the draft Plan seeks to ensure planning for the region supports the development of growth area business precincts, such as the Cardinia Road Employment Precinct for predominately commercial development providing higher-order, knowledge-based jobs and businesses.
4 Justification for Removal of State Significant Industrial Land Designation

The land use designations identified in the Melbourne Industrial and Commercial Land Use Plan will inform the preparation of the future urban structure plans within the more detailed PSPs within the south-east corridor. The Plan will also inform the future review of the Cardinia Road Employment PSP. It seems however that in the case of Growland’s site, it is the Cardinia Road Employment PSP that has informed the designation of existing SSIL in the Melbourne Industrial and Commercial Land Use Plan. It is for this reason that this submission (although relating primarily to the Melbourne Industrial and Commercial Land Use Plan) refers to the perceived shortcomings of the current PSP in justifying the exclusion of the land as State Significant Industrial Land.

The following key matters have been identified in supporting removal of this designation:

1. Inappropriate allocation as State Significant Industrial Land.
2. Viability of industrial ‘strip’.
4. Impacts on the future Cardinia Rd PSP Community
5. Opportunity for greater job creation.

4.1 Inappropriate allocation as State Significant Industrial Land

Designation of the land as existing state-significant industrial land is incorrect and not reflective of Plan Melbourne or the Cardinia Road Employment PSP.

Plan Melbourne identifies state-significant industrial precincts (SSIP) including the Southern Industrial Precinct and Officer-Pakenham Industrial Precinct (refer to Figure 7). It is noted that Plan Melbourne does not identify any part of the Site within a SSIP.

The purpose of SSIPs (as defined within Plan Melbourne) are to provide strategically located land for major industrial development linked to the Principal Freight Network and transport gateways. The Site does not have the ability to accommodate major industrial development due to its size, lack of direct access to the Princes Freeway, and proximity to sensitive land uses. This is compounded by its isolation from other areas of SSIL identified in the Southern Industrial Precinct.

Plan Melbourne also states that SSIPs are to be protected from incompatible land uses to allow continual growth in freight, logistics and manufacturing investment. This conflicts with the PSP which identifies land immediately to the south for residential purposes. Notwithstanding this, the shortcomings of the land in delivering strategically important major industrial development (as outlined above), cannot facilitate the continual growth in freight, logistics and manufacturing investment by virtue of its size and location.
As noted, the PSP identifies the proposed SSIP on Growland’s site for Service Business uses. Inclusion of the land within the draft Plan as industrial land, let alone state-significant industrial land, is not commensurate with this role. It would not achieve the objective of the PSP that seeks to provide a showroom edge to the Precinct along the Princes Freeway, nor would it deliver high-quality built-form standards.

Service Business uses are also intended to provide a transition between residential or commercial areas and industrial areas within the Precinct. The location of industrial land within the PSP area has been carefully considered and located away from planned sensitive land uses (including residential). Identification of this land as SSIL within the draft Plan has the potential to unlock this land for industrial development (subject to changes to the PSP) which would severely constrain or detrimentally impact future residential land identified within the current PSP immediately to the south. For reasons
Outlined in Section 5.2 below, a reduction in the amount of planned residential land would be required to accommodate the buffers needed to support SSIL. This would be to the detriment of the PSP and lead to a poor planning outcome.

Inclusion of this land as SSIL within the draft Plan conflicts with existing and future local planning outcomes for the Precinct as per the PSP and should be excluded.

4.2 Viability of Industrial ‘Strip’

The size of the northern strip of land (12.8ha gross with NDA of 8.9ha\(^2\)) does not have the land mass to meet the objective of delivering a ‘state-significant industrial precinct’. Given the land’s isolation from other Existing and Future SSIL identified within the Plan, it does not have the opportunity to consolidate this land mass to deliver a true SSIP.

The configuration of the land (essentially a ‘strip’ fronting the Princes Freeway), with no direct access to the Freeway itself, reduces the flexibility for potential operators and makes it a less viable location for a successful state-significant industrial precinct.

Other SSIL located in Officer South and Pakenham are substantially greater in size and have better access to the Principal Freight Network. These will directly compete with land located within the Site, further reducing the potential for the SSIL within the Growland land to be viably developed for industrial purposes.

Proximity of the land designated for future residential within the PSP, combined with the lack of site area to accommodate sufficient amenity buffers (commensurate with industrial uses), further reduces the viability of this land to deliver a SSIP.

Industrial land typically relies upon the prior delivery of residential land in order to bring forward critical services and infrastructure. If retained as SSIL, this area would not be developable until the adjoining residential community nears completion, bringing into question its viability and deliverability as a small scale precinct.

Negligible Impact of Proposed Industrial Land

In contemplating removal of the SSIL from the Site, consideration must be given to the impact this may have on the ongoing supply of industrial land within the southern region.

The land included within the SSIL designation within the Site has a gross area of 12.8 hectares with the estimated ability to accommodate a net developable area of 8.9 hectares. Therefore, the removal of this land from the existing and future supply of industrial land equates to 0.70% of state-significant industrial land and 0.25% of the total industrial land located within the Southern Region. This loss of the land from the industrial land supply within the southern region would be negligible and would not undermine the ability of the draft Plan to identify long-term business and employment opportunities.

4.3 Impacts on the future Cardinia Rd PSP Community

A key deficiency of the Cardinia Road Employment PSP relates to social / community infrastructure. This issue is two-fold: whilst the PSP provides for around 2,000 new dwellings, a very small area is set aside adjacent to the Neighbourhood Activity Centre for a Business and Community Centre. There are no areas dedicated in the plan for schools, maternal health centres or other more substantial community facilities. As indicated at Table 10 of the PSP, community facilities

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\(^2\) Appendix 2 - Assessment of SOHO Development Format for 70-100 Lecky Road, Officer, Ethos Urban (19 December 2019)
located outside the PSP (within the Cardinia Road PSP) are relied upon to service the needs of future residents within the Employment PSP. This is a poor planning outcome for the future residents and community of the Cardinia Road Employment PSP.

Furthermore, with a land supply accommodating only 2,034 dwellings and an estimated population of up to 4,285 people, the residential mass required to deliver adequate community and social infrastructure is insufficient. The development of industrial land along Growland’s northern boundary would result in a poor amenity for the interfacing residential land, where medium density housing is proposed. This is inconsistent with good urban design practice that directs higher densities to locations that interface with activity centres, services or open space.

Furthermore, conversion of the land from industrial/business services to enable a residential or mixed-use outcome would make substantially better use of the encumbered open space land located to the north (adjacent to the Highway) and the west. Retaining the strip of SSIL land within Growland’s site compromises the opportunity to deliver a neighbourhood that is sleeved with a landscaped buffer.

4.4 Opportunity for Greater Job Creation

A key focus of the Cardinia Road Employment PSP is to ensure a sufficient supply of employment land for the future. As outlined above, designation of this land for industrial will fail to deliver the right type of jobs needed within the Shire of Cardinia, within the timeframe needed to deliver essential community services.

The land would generate an estimated 160 jobs (FTE) if this land were to be included as industrial within the PSP area. This represents a reduction in estimated employment generation of 285 jobs (FTE), or the provision of only approximately one-third (36%) of job numbers that could be provided if retained as Service Business land.

Growland has developed a flexible SOHO product that they intend to deliver within the area designated as Service Business on their land. The product allows for employment uses at ground level and separately accessed living at first floor. This product achieves a streetscape outcome that provides an appropriate interface with adjoining residential land whilst introducing a limited proportion of residential land use into the area. Delivering this product has the potential to bring forward the provision of the right type of employment needed in Cardinia.

An analysis of demand indicators for a Residential SOHO/Mixed Use scenario has been undertaken by Ethos Urban (Appendix 2 enclosed). This identifies the high proportion of small businesses within Cardinia’s economy (61.5% no employees, 30.5% 1-4 employees) which provides an indication of small business representation within key sectors relevant to the SOHO (construction, information media and telecommunications, professional, scientific and technical services).

Applying the ratios from the PSP (18 jobs per hectare), the proposed SSIL land would yield approximately 160 jobs if developed for Industrial uses. The analysis by Ethos Urban identifies that the area would yield 180 jobs if developed for traditional Service Businesses uses. Their analysis identifies that if the land would yield 610 jobs (3.5 times greater than Service Business uses) if developed for SOHO/Mixed Uses. Based on this, deletion of the SSIL designation is therefore anticipated to lead to an uplift of approximately 450 jobs within the Growland site. A residential outcome could potentially further promote employment by supporting the retailing and commercial activities within the planned activity centre.

This indicates the potential for a higher level of success in delivering jobs to the area, and at a higher density than what could be achieved under an Industrial land use designation.

As outlined above, the Site contains several physical characteristics that impact upon its viability to successfully establish as a SSIP. Within this context, designation of the land under the PSP for Service Business land uses is considered more suitable than industrial. However, residential land with a component of SOHO or mixed-use land is considered to make the most of the site’s size, location, accessibility, connectivity to the planned Activity Centre, and encumbered open space land located to the north (providing a buffer to the Freeway) and to the west.
Conclusion

The Melbourne Industrial and Commercial Land Use Plan is a critical document that underpins the future direction of development within the Cardinia Road Employment PSP, which is scheduled for review in 2020. It is therefore important for DELWP and Council to adequately consider the potential impact the strategic designation of land has on the future of the Site.

Growland is seeking a review of industrial-designated land as it relates to 70 and 100 Lecky Road, Officer. Inclusion of this land as State-Significant Industrial Land (SSIL) is not supported by Plan Melbourne and conflicts with existing and future local planning outcomes for the Precinct. Furthermore, due to its size and isolation from other identified SSIL/SSIP's, it does not fulfil the criteria of SSIL as defined in Plan Melbourne and the draft Plan.

The impact of removing of the Site’s inclusion within the SSIL supply for the Southern Region is shown to be negligible and a residential land use designation is considered to deliver far greater outcomes in terms of employment generation and delivery of community infrastructure. This is considered to be more in line with local planning policy for the Precinct.

The retention of an industrial designation within the Site unreasonably prejudices the outcomes of a future review of the Cardinia Road Employment PSP. It is critical that the SSIL designation is removed from the northern portion of the Site to provide the flexibility to consider a more appropriate land use or land use mix that will provide greater benefits to the Precinct and more broadly, Cardinia. Ideally, this would be an addition to the residential land supply to facilitate a true community, or mixed-use to provide a mixture of residential and employment.

We look forward to the Department’s consideration of this matter and would be happy to discuss our submission with you. Should you have any queries or require further information, please do not hesitate to contact the undersigned on

Yours Faithfully,

Associate Town Planner
Tract Consultants Pty Ltd

Appendix 1 - Advice for Lecky Road, Officer in relation to the Draft Melbourne Industrial and Commercial Land Use Plan, Ethos Urban (18 December 2019)

Appendix 2 - Assessment of SOHO Development Format for Lecky Road, Officer, Ethos Urban (18 December 2019)
19 December 2019

Development Director, Land Subdivision
Growland

RE: Advice for Lecky Road, Officer in relation to the Draft Melbourne Industrial and Commercial Land Use Plan

Ethos Urban is pleased to provide the following advice for your land located at Lecky Road, Officer in relation to the Draft Melbourne Industrial and Commercial Land Use Plan.

The Victorian Government has prepared the Draft Melbourne Industrial and Commercial Land Use Plan ("the MICLUP"). The MICLUP consolidates Plan Melbourne’s policies, strategies and actions for future employment and industry needs to provide a planning framework to better inform future strategic directions for industrial and commercial land. It includes the establishment of a classification system to enable land to be categorised as being either of local, regional or state significance to assist in the identification of when land should be retained for industrial and commercial purposes, and if this can be considered for alternative uses such as residential uses. For the implementation of this framework, the plan provides zoning recommendations for industrial land and follows the existing activity centre classification as a guide for commercial areas.

The site is currently vacant and is yet to develop. The land is part of the approved Cardinia Road Employment Precinct Structure Plan (PSP) and is currently designated as “residential” and “service business”. We understand that Growland is committed to delivering a residential community with a mixed-use live-work (SoHo) or residential outcome for that area designated as “service business”.

Site and Strategic Planning Context

The subject site is located at Lecky Road, Officer. The site has a total area of approximately 51-hectares. It is located approximately 3km from the Pakenham Central Business District, 20km from the Dandenong South Employment Precinct and 50km from Melbourne Central Business District.

The site is in the north-western portion of the Cardinia Road Employment Precinct, near its boundary with the Officer South Employment precinct. The site abuts the Princes Highway to its north but has no direct access to the highway. Access to the Princes Highway is via Lecky Road.
Figure 1. Subject site as part of the Cardinia Road Employment Precinct Structure Plan

**Cardinia Road Employment Precinct Structure Plan (PSP)**

The Cardinia Road Employment Precinct Structure Plan (PSP) was adopted by Cardinia Shire Council in September 2010. It is implemented through Schedule 2 of the Urban Growth Zone of the Cardinia Planning Scheme.

Figure 1 (above) shows the location of the site within Cardinia Road and the designated land uses for the precinct in the approved PSP. The precinct structure plan (PSP) has identified land uses in the site to be the following:

- Service Business
- Medium density Residential
- High density Residential 1
- Conventional Residential

A connector street running parallel to Lecky Road has also been identified by the PSP to provide access to the service business areas to the north of the precinct.

Development of the residential land immediately to the south of the site and Lecky Road has already commenced. The activity centre in the Cardinia Road Employment PSP is identified to be the future Kaduna Park Neighbourhood Activity Centre.

Implications of the Draft Melbourne Industrial and Commercial Land Use Plan

Designation of the “Service Business land” as industrial land

The approved Cardinia Road Employment Precinct Structure Plan (PSP) designates the northern part of your site as ‘service business’. The PSP provides the following definition for ‘service business’:

“Land used for combined office/warehouse (sales/admin/warehouse/distribution) and outlets servicing local needs including trade supplies, equipment hire, motor repairs, motor vehicle sales, boat or caravan sales.”

We note that the PSP provides a clear distinction between ‘service business’ and ‘industrial’ land in its framework and therefore the designation of this land as State Significant Industrial Land by the Draft MICLUP is erroneous and should not be considered as either industrial or state significant. We consider that this land use is better considered to be mixed use or residential and thereby more compatible with the residential uses immediately to the south. We also note that the background reports prepared by DELWP in association with the Southern Region for the MICLUP did not identify this area as Industrial land. We recommend that you provide a submission seeking the removal of the land’s designation as ‘state significant industrial land’ in the Draft MICLUP.

Interfaces, Connectivity, Scale and Adverse Amenity

In terms of land use planning, the location of the “Service Business” land at your site is ill conceived and will generate commercial traffic directly through residential areas in order to access the Principal Freight Network. This contradicts the criteria provided for State Significant Industrial Precincts (SSIPs) by both the draft MICLUP and Plan Melbourne. We believe that an industrial use of this scale with operating hours that may conflict with residential uses does not provide a favourable interface with the residential land uses across the road as it will have adverse impacts on the local residential amenity. Furthermore, the location of an industrial land use in proximity to sensitive uses requires adequate separation and buffer distances areas that will restrict its development yield and operations. We support the MICLUP when it suggests that:

“There is a need to plan for amenity and interface issues that may arise where sensitive uses locate close to or adjacent to industrial operations”

In addition, the subject site is separated from the larger Officer-Pakenham SSIP, which further limits its development potential for industrial uses. The “Service Business” land is a separate and distinct land use and cannot offer the same advantages that are afforded by the larger and consolidated landholding within the core Officer-Pakenham SSIP, namely: more direct access to the Principal Freight Network and the agglomeration and proximity to other major industrial development.

We believe that the scale of development and the uses permitted in the ‘service business’ designation are more appropriate to a local mixed use or residential outcome. Acknowledging a land use designation that is local and mixed use also allows for greater flexibility in a localised planning outcomes. Further statements made in the strategy support the need for the strategy to promote flexible outcomes. On page 31 of the document, it is stated that the following issues and matters will require consideration:

“The business needs of developers, land owners and end users and their operating environment need to be better understood to inform policy development”, and
“Planning frameworks need to enable new business models to be accommodated and employment areas to evolve over time.”

The strategy does not contain provisions for state-significant industrial land to transition to alternative employment generating uses, unlike those for areas identified as regionally- and locally significant industrial precincts. It is therefore recommended that the ‘future state significant industrial land’ designation be removed for the subject site in order to deliver a framework that supports the statements above.

**Industrial land supply in Officer and the Southern Region**

The subject site is located in Melbourne’s Southern Region, which contains Metropolitan Melbourne’s largest holdings of industrial land. It is estimated that the region has a total available supply of 3,552.50 hectares of industrial land, spread across several industrial precincts. Within proximity to the site, substantial areas of industrial land have been identified by the PSP for areas east of Cardinia Road and a similar area is expected within Officer South due to their designation in the Draft MICLUP as ‘state significant industrial land’.

Given the amount of substantial holdings available in the region, it is expected that the removal of the industrial land designation for the subject site in the strategy will not result in a significant loss of industrial land for the site’s immediate area and its region.

**Local Jobs, greater densities and increased quantum of employment**

The future consideration of residential with mixed use opportunities and outcomes in the form of Live-Work (SoHo) typologies in the “Service Business” land will provide for both a better interface to future residents and employment outcomes for the precinct that are greater in comparison to that currently envisaged by the approved PSP or the MICLUP. An economic assessment report is provided with our advice that provides direct evidence of the improved quantum of employment outcomes and reinforces the benefit of a flexible approach to delivering the PSP.

The Draft MICLUP’s industrial use designation for the land does not allow for the delivery of Growland’s proposed residential and mixed use outcomes. We suggest that the inflexibility of the Draft MICLUP strategy will compromise orderly local planning outcomes and that there is no reason for this strategy to considerably alter the strategic direction of approved local planning strategies.

We believe that justification has not been provided for the change in land use designation and a more flexible land use designation which allows for improved employment outcomes is more appropriate.

**Summary of Actions Required and Future Work**

Cardinia Shire Council and the VPA have both acknowledged the critical relationship between land use outcomes in the Cardinia Road and Officer South precincts. There remains the opportunity to reenvision the land use outcomes at the site and particularly the “service business” designation as part of this ongoing process, including the potential for a mixed-use or residential outcome. It is therefore critical that the “service business” land is not identified by the MICLUP as part of the State Significant Industrial Precinct to allow for Growland’s proposed residential with mixed use outcomes for the site.

Submissions should be made as soon as possible to ensure this is the case. Beyond this, submissions should also be made to request the review the Cardinia Road Employment PSP as part of the Officer South PSP preparation and also to ensure that the recommendations made by the MICLUP are considered in the initial stages of these structure planning processes.

Yours Sincerely,

[Signature]

Director
18 December 2019

Development Director, Land Subdivision
Growland

Dear,

Assessment of SOHO Development Format for Lecky Road, Officer

Growland is seeking advice on the potential for a small office/home office (SOHO/Mixed use) outcome for a site at Lecky Road, Officer (the Subject Site). The Subject Site forms part of the Cardinia Road Employment Precinct Structure Plan and is currently identified for Service Business.

It is understood that Growland believe that the attributes of the Subject Site are best suited to a residential land use, although the potential for Mixed Use development is also possible. A Mixed Use outcome for all, or part, of the Subject Site would potentially include SOHO development.

As such, advice is required in relation to matters including:

• The SOHO concept and its context for Melbourne
• An understanding of potential employment outcomes associated with SOHO at the Subject Site, and
• The implications for broader employment land in the surrounding region.

This Letter of Advice considers the above issues.

1 Project Background

Subject Site

Growland control a total of 51 hectares of land on the southern side of the Princes Freeway, approximately 3km from the Pakenham CBD, 20km from the Dandenong South Employment Precinct and 50km from the Melbourne CBD.

Located within the Cardinia Road Employment Precinct Structure Plan (PSP) area, the northern end of the Growland site is identified for ‘Service Business’ uses, as shown in Figure 1.1. This is the Subject Site of 12.8 hectares on which Growland is seeking to either develop for residential purposes, or for a Mixed Use outcome including Small Office/Home Office (SOHO) activities.

‘Service Business’ is defined in the PSP as:

“Land used for combined office/warehouse (sales/admin/warehouse/distribution) and outlets servicing local needs including trade supplies, equipment hire, motor repairs, motor vehicle sales, boat or caravan sales.”
The PSP indicates that the role of the ‘Service Business’ area, inclusive of the Subject Site, is to create high-quality design frontage towards the Princes Freeway supporting approximately 50 jobs per hectare.

Reconsideration of Appropriate Site Use

In considering detailed planning for the Subject Site, Growland have identified that the potential for intensive employment uses is compromised by:

- Poor accessibility
- Conflicts with adjacent residential land uses
- A relatively small site size creating a lack of ‘critical mass’ of employment activity
- A relatively isolated location from other employment uses.

As such, consideration is being given to alternative land uses which better reflect the locational context of the Subject Site. This potentially includes Residential, Mixed Use or a combination of both. Any Mixed Use component is likely to include SOHO as part of the development mix.

Figure 1.1: Subject Site and Cardinia Precinct Structure Plan Area

2 SOHO Concept

Defining the SOHO Concept

Small Office/Home Office (SOHO) developments are a style of mixed use development that supports home-based business that combine working and living space in a single building. Businesses operating from a SOHO are typically very small, with up to (approximately) 10 employees and generally include industries such as:

- Information media and telecommunications (web designers, software developers, etc.)
Construction and tradespersons (plumbers, electricians, etc.)

Professional, scientific and technical services (accountants, lawyers, engineers, etc.)

Education and training (high school/language tutors, professional trainers etc.)

Health care and social assistance (psychologists, acupuncture, etc.)

Arts and recreational services (artists, yoga instructors etc.)

SOHO businesses seek high-speed internet access and will often access local business support services such as business advisory services and involvement in local business networks.

Although a popular form of commercial property in Asia, North America and parts of Europe, in Australia the SOHO development format is less prominent. However, SOHO development has been successfully delivered in other states of Australia and locally within the South East Growth Corridor, as outlined in Section 3.

SOHO development in Australia is experiencing increased interest in greenfield urban development areas given the growth in the small business sector, the ‘gig’ economy and self-employed contractors. For many small businesses in outer urban growth areas, access to services such as co-working/shared spaces and community centre meeting rooms etc. is limited compared to established inner urban areas. As such, the SOHO model provides the ability to operate a small business efficiently and cost-effectively in a purpose built and functional space which is co-located with a residence.

Characteristics of SOHO Development

SOHO development in the Australian context typically comprises of small lot development including a combination of features including small office, lock up garage and/or storage, reception area and amenities. In outer-urban areas this will normally be delivered in a 2-storey semi-detached format, with the residence based on a townhouse or apartment style built form.

Effectively, the SOHO concept seeks to support the co-location of work and home. This is both for small start-up businesses seeking to manage costs, as well as professionals who have a ‘work to live’ attitude.

Features of SOHO Development from an economic perspective include:

- **Employment generation** – while not as employment intensive as pure commercial office development, SOHO employment density is comparable to and, in some cases more intensive than, light industrial, showroom and other low impact employment uses.

- **Increased productivity** – productivity and performance increased by 13% when employees are allowed to work from home, according to a 2015 study by academics from Harvard University. (Bloom et al., 2015)

- **Flexibility and risk mitigation** – SOHO developments provide a low cost/risk alternative to risk averse small and start-up businesses that would not otherwise be viable. Cost savings are created through the inherent cost savings of combining residential and commercial uses at a single location.

- **Reduced commuting** – operators of SOHO businesses do not need to travel to work, creating savings in transport costs, and contributes to reduced traffic congestion, and improved environmental outcomes.

- **Transitional/mixed land use for interface** – provides a transition between residential and commercial/industrial precincts that still delivers a positive employment outcome. SOHO businesses also have fewer environmental impacts such as noise pollution, odour and air quality.

- **Improved health and well-being outcomes** – working from home allows for more time with family members, pets and friends as well as providing flexibility in the hours of work.

In order to better understand the SOHO model in practical terms, three examples are provided.
Evans Park Business Village, Cranbourne West VIC

SOHO has recently been developed at Duo, part of Evans Park Business Village, on a 19ha site in Cranbourne West. Located off Evans Road, the site is approximately 3km from the Cranbourne CBD and was identified for Mixed Use activities in the Cranbourne West PSP.

A total of 47 lots include two SOHO/mixed use options:

- Home office above a rear loaded garage or front garage with a separate entry. Lot sizes of approximately 185m².
- Large garage of 3.5m high ceilings for 4-6 cars with an office. Upstairs living with office and garage to the full extent of ground floor.

Stage One of Duo featured lots sold at a price point between $401,500 and $522,000 with relatively strong levels of buyer interest.

Current businesses in the SOHO/Mixed use component of Duo include:

- Wedding Apparel (bride and groom)
- Custom Framing
- Dance Apparel
- Various tradespersons.

Source: Ethos Urban, Spectrum Real Estate

The City of Casey has also supported SOHO development opportunities in Cranbourne East.

In partnership with the City of Cardinia, City of Casey supports the Casey Cardinia website providing a central resource for people looking to start or grow their business in the region. SOHO development will directly support demand for these services.

The City of Casey also provides the following services of relevance to businesses located in the Duo development, as part of broader economic development and business support functions of Council:

- Face-to-face meetings to provide tailored business support
- Help to establish a new business or move an existing business to the City of Casey/Cardinia
- Advocacy on the businesses’ behalf on Council matters
• Training sessions, business development programs and networking events
• An up-to-date local business directory.

Quite clearly, the City of Casey has identified the opportunity for SOHO development as part of the employment mix in the growth area, and this is reflected in the successful delivery of Duo by Growland at Cranbourne West.

**The Nest, Fitzgibbon QLD**

Developed by Villa World, The Nest offers 12 freehold properties offering two level combined business and residential spaces. Located in the City of Brisbane and 15km from the Brisbane CBD, the site is in close proximity to Gympie Road and Carseldine Station which is on the Caboolture/Ipswich/Rosewood and Springfield/Redcliffe rail lines.

The dwellings consist of a ground floor professional suite and a contemporary 1 or 2 bedroom upper level. Total floor area ranges in size from 90m² to 139m² and prices start from $309,000. The lot size is approximately 100m² and the product is more suited to an office-based professional, and is less flexible to accommodate trade and other businesses more readily accommodated by the Duo development at Cranbourne West.

Buyer interest has been strong with 7 sold within 3-months. According to industry press, buyers noted the flexibility of the space was a major drawcard and the product provided an excellent platform for start-ups. The following professionals are identified as buyers:

• Solicitor
• Architect
• Bookkeeper
• Masseuse
• IT specialist

Note, adjacent to The Nest development, Urban Pure has also delivered 10 mixed-use residential and commercial buildings aimed at food-based small businesses such as cafés and restaurants etc.

The City of Brisbane provides resources and opportunities for business of varying levels of growth, including those within Soho developments. Council also has an initiative aimed at reducing the cost of starting/running small businesses and hosts a range of networking events.

**Sun Central, Maroochydore QLD**

Habitat Development Group is developing Sun Central, which includes 152 units across two residential towers and six SOHO townhouse offices. Located within the Maroochydore CBD the site is 90km from Brisbane, and construction has been approved for 2020.
Each SOHO will be three storeys, with non-residential space on the ground floor fronting the street that can be used as an office/shop front/retail or hospitality business. The first level can be used as an office or for storage space, with the top floor a residential apartment.

Habitat research suggests demand for SOHO developments is on the rise as more companies outsource workers, resulting in more people working as contractors.

Habitat Development Group is thought to have included the SOHO component in Sunshine Central due to the new undersea fibre optic cable that will connect the Sunshine Coast and Australia to the 9,600km Japan-Guam-Australia South (JGA-S) submarine cable, reflecting the importance of high-speed internet access to the success of SOHO developments.

The Sunshine Coast provides business development facilitators to help local businesses access relevant information and offer the tools needed to successfully manage and grow their business on the Sunshine Coast. Some programs include planning workshops, business systems workshops, supplier briefings, etc.

### 3 Demand Indicators for SOHO - Cardinia

As identified earlier, the main market for SOHO developments is in industries supporting a work-from-home model.

In particular, this is likely to include small businesses in the construction, information media and telecommunications and professional, scientific and technical services industries. To a lesser extent the education and training, health care and social assistance, and arts and recreational services industries also represent potential users of SOHO development.

Within the Cardinia Shire, strong growth is being experienced in the local labour force engaged in all sectors relevant to the SOHO model.

Construction, information media and telecommunications, professional, scientific and technical services represented 21.5% of the local labour force in 2016 and 25.3% of the total labour force growth over the 2011 to 2016 period, as shown in Table 3.1.
In total, the six sectors of relevance to the SOHO model identified in Table 3.1 experienced labour force growth of 31.5% between 2011 and 2016, which is well above total growth in the labour force of 20.2% over the same period. As a result, the SOHO model is increasingly appropriate for the emerging workforce in the Shire.

Table 3.1: Labour Force Trends, City of Cardinia, 2011 to 2016

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Sector</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture, Forestry &amp; Fishing</td>
<td>1,200</td>
<td>3.5%</td>
<td>1,280</td>
<td>3.1%</td>
<td>80</td>
</tr>
<tr>
<td>Mining</td>
<td>140</td>
<td>0.4%</td>
<td>180</td>
<td>0.4%</td>
<td>40</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>1,340</td>
<td>4.0%</td>
<td>1,460</td>
<td>3.6%</td>
<td>120</td>
</tr>
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<td><strong>Secondary Sector</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4,970</td>
<td>14.7%</td>
<td>4,600</td>
<td>11.3%</td>
<td>-370</td>
</tr>
<tr>
<td>Construction</td>
<td>4,920</td>
<td>14.5%</td>
<td>6,080</td>
<td>15.0%</td>
<td>1,160</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>9,890</td>
<td>29.2%</td>
<td>10,680</td>
<td>26.3%</td>
<td>790</td>
</tr>
<tr>
<td><strong>Tertiary Sector</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Producer Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity, Gas, Water &amp; Waste Services</td>
<td>450</td>
<td>1.3%</td>
<td>550</td>
<td>1.4%</td>
<td>100</td>
</tr>
<tr>
<td>Transport, Postal &amp; Warehousing</td>
<td>1,830</td>
<td>5.4%</td>
<td>2,280</td>
<td>5.6%</td>
<td>450</td>
</tr>
<tr>
<td>Information Media &amp; Telecommunications</td>
<td>460</td>
<td>1.4%</td>
<td>560</td>
<td>1.4%</td>
<td>100</td>
</tr>
<tr>
<td>Financial &amp; Insurance Services</td>
<td>790</td>
<td>2.3%</td>
<td>1,000</td>
<td>2.5%</td>
<td>210</td>
</tr>
<tr>
<td>Rental, Hiring &amp; Real Estate Services</td>
<td>490</td>
<td>1.4%</td>
<td>690</td>
<td>1.7%</td>
<td>200</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>2,200</td>
<td>6.5%</td>
<td>1,790</td>
<td>4.4%</td>
<td>-410</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>6,220</td>
<td>18.4%</td>
<td>6,870</td>
<td>16.9%</td>
<td>650</td>
</tr>
<tr>
<td><strong>Consumer Services</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Retail Trade</td>
<td>4,140</td>
<td>12.2%</td>
<td>4,930</td>
<td>12.1%</td>
<td>790</td>
</tr>
<tr>
<td>Accommodation &amp; Food Services</td>
<td>1,590</td>
<td>4.7%</td>
<td>2,260</td>
<td>5.6%</td>
<td>670</td>
</tr>
<tr>
<td>Arts &amp; Recreation Services</td>
<td>550</td>
<td>1.6%</td>
<td>710</td>
<td>1.7%</td>
<td>180</td>
</tr>
<tr>
<td>Administrative &amp; Support Services</td>
<td>1,010</td>
<td>3.0%</td>
<td>1,440</td>
<td>3.5%</td>
<td>430</td>
</tr>
<tr>
<td>Professional, Scientific &amp; Technical Services</td>
<td>1,050</td>
<td>4.9%</td>
<td>2,120</td>
<td>5.2%</td>
<td>470</td>
</tr>
<tr>
<td>Public Administration &amp; Safety</td>
<td>1,430</td>
<td>4.2%</td>
<td>1,790</td>
<td>4.4%</td>
<td>360</td>
</tr>
<tr>
<td>Education &amp; Training</td>
<td>2,570</td>
<td>7.6%</td>
<td>3,420</td>
<td>8.4%</td>
<td>850</td>
</tr>
<tr>
<td>Health Care &amp; Social Assistance</td>
<td>3,450</td>
<td>10.2%</td>
<td>4,970</td>
<td>12.2%</td>
<td>1,520</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>16,370</td>
<td>48.4%</td>
<td>21,640</td>
<td>53.2%</td>
<td>5,270</td>
</tr>
<tr>
<td>Sub-Total Tertiary Sector</td>
<td>22,590</td>
<td>66.8%</td>
<td>28,510</td>
<td>70.1%</td>
<td>5,920</td>
</tr>
<tr>
<td>Total</td>
<td>33,820</td>
<td>100.0%</td>
<td>40,650</td>
<td>100.0%</td>
<td>6,830</td>
</tr>
</tbody>
</table>

Source: ABS, Census of Population and Housing, 2011 and 2016, Ethos Urban

In 2018 a total of 8,260 businesses were identified by the ABS as located in the City of Cardinia. Importantly for the SOHO concept, 5,080 were non-employing businesses (sole traders or independent contractors) and 2,520 had one to four employees, as summarised in Table 3.2.

This indicates the importance of the small business sector to the economy of Cardinia, and the opportunity for an appropriately located SOHO development to accommodate and facilitate small business growth.
Table 3.2: Business Size in Cardinia Shire, 2018

<table>
<thead>
<tr>
<th>Employment Size</th>
<th>2018 no.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Employing</td>
<td>5,080</td>
<td>61.5%</td>
</tr>
<tr>
<td>1-4 Employees</td>
<td>2,520</td>
<td>30.5%</td>
</tr>
<tr>
<td>5-19 Employees</td>
<td>560</td>
<td>6.7%</td>
</tr>
<tr>
<td>20 or More</td>
<td>100</td>
<td>1.3%</td>
</tr>
<tr>
<td>Total</td>
<td>8,260</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Australian Bureau of Statistics, Counts of Australian Businesses, (Cat. 8165.0)

In terms of business size across the relevant sectors, ABS data only considers businesses between 0 and 19 employees and thus includes some businesses slightly larger than what is relevant to the SOHO model. However, the data is a good indicator of small business representation within the sectors relevant to SOHO.

As of 2018 in Cardinia Shire, 30% of Construction businesses have 0 to 19 employees, while 8.2% of professional, scientific and technical services are in that category.

In 2018, across all six sectors in 2018 are a total of over 3,500 small businesses of no more than 19 employees are located within Cardinia Shire.

Table 3.3: Businesses by Industry, City of Cardinia, 2018

<table>
<thead>
<tr>
<th>Industry</th>
<th>None</th>
<th>1-19</th>
<th>20-199</th>
<th>200+</th>
<th>Total</th>
<th>None to 19 Total</th>
<th>Proportion of None to 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry and Fishing</td>
<td>579</td>
<td>179</td>
<td>12</td>
<td>0</td>
<td>766</td>
<td>758</td>
<td>9.3%</td>
</tr>
<tr>
<td>Mining</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>167</td>
<td>163</td>
<td>16</td>
<td>3</td>
<td>350</td>
<td>330</td>
<td>4.0%</td>
</tr>
<tr>
<td>Electricity, Gas, Water and Waste Services</td>
<td>24</td>
<td>15</td>
<td>3</td>
<td>0</td>
<td>42</td>
<td>39</td>
<td>0.5%</td>
</tr>
<tr>
<td>Construction</td>
<td>1,326</td>
<td>1,089</td>
<td>12</td>
<td>0</td>
<td>2,426</td>
<td>2,415</td>
<td>29.6%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>131</td>
<td>100</td>
<td>6</td>
<td>0</td>
<td>241</td>
<td>231</td>
<td>2.8%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>143</td>
<td>201</td>
<td>9</td>
<td>0</td>
<td>350</td>
<td>344</td>
<td>4.2%</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>72</td>
<td>142</td>
<td>13</td>
<td>0</td>
<td>224</td>
<td>214</td>
<td>2.6%</td>
</tr>
<tr>
<td>Transport, Postal and Warehousing</td>
<td>596</td>
<td>235</td>
<td>3</td>
<td>0</td>
<td>836</td>
<td>831</td>
<td>10.2%</td>
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<tr>
<td>Information Media and Telecommunications</td>
<td>31</td>
<td>22</td>
<td>3</td>
<td>0</td>
<td>50</td>
<td>53</td>
<td>0.6%</td>
</tr>
<tr>
<td>Financial and Insurance Services</td>
<td>431</td>
<td>65</td>
<td>0</td>
<td>0</td>
<td>495</td>
<td>496</td>
<td>6.1%</td>
</tr>
<tr>
<td>Rental, Hiring and Real Estate Services</td>
<td>494</td>
<td>80</td>
<td>4</td>
<td>0</td>
<td>581</td>
<td>574</td>
<td>7.0%</td>
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<td>Professional, Scientific and Technical Services</td>
<td>397</td>
<td>275</td>
<td>4</td>
<td>0</td>
<td>675</td>
<td>672</td>
<td>8.2%</td>
</tr>
<tr>
<td>Administrative and Support Services</td>
<td>190</td>
<td>107</td>
<td>3</td>
<td>0</td>
<td>301</td>
<td>297</td>
<td>3.6%</td>
</tr>
<tr>
<td>Public Administration and Safety</td>
<td>15</td>
<td>15</td>
<td>3</td>
<td>0</td>
<td>32</td>
<td>30</td>
<td>0.4%</td>
</tr>
<tr>
<td>Education and Training</td>
<td>58</td>
<td>42</td>
<td>3</td>
<td>3</td>
<td>104</td>
<td>100</td>
<td>1.2%</td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>125</td>
<td>95</td>
<td>6</td>
<td>3</td>
<td>228</td>
<td>220</td>
<td>2.7%</td>
</tr>
<tr>
<td>Arts and Recreation Services</td>
<td>47</td>
<td>25</td>
<td>3</td>
<td>0</td>
<td>76</td>
<td>72</td>
<td>0.9%</td>
</tr>
<tr>
<td>Other Services</td>
<td>200</td>
<td>217</td>
<td>3</td>
<td>0</td>
<td>423</td>
<td>417</td>
<td>5.1%</td>
</tr>
<tr>
<td>Currently Unknown</td>
<td>65</td>
<td>13</td>
<td>0</td>
<td>0</td>
<td>81</td>
<td>78</td>
<td>1.0%</td>
</tr>
<tr>
<td>Total</td>
<td>5,082</td>
<td>3,072</td>
<td>98</td>
<td>5</td>
<td>8,262</td>
<td>8,154</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Australian Bureau of Statistics, Counts of Australian Businesses, (Cat. 8165.0)

Note: Small business refers to businesses with 0 to 19 employees.
Businesses with no employees are sole-operators or independent contractors.

Small businesses clearly play a significant role in the City of Cardinia economy, and a large proportion of these businesses make up the potential market for SOHO/Mixed use developments. The significance of these industries reflects the trends observed in greenfield areas and the emerging provision of SOHO/Mixed use development.
Opportunity for Cardinia Road Employment PSP and Subject Site

According to the Cardinia Road Employment PSP, the Subject Site is supported for Service Business activity. With a total gross site area of 12.8 hectares, the Subject Site could accommodate a net developable area of 8.9 hectares assuming 25% of land is required for roads and other common areas.

Development Potential of Subject Site

In considering the potential for employment uses to locate on the Subject Site, it is important to recognise that the PSP provides a locational context which includes:

- A relatively isolated location relative to other employment land
- Residential land uses immediately to the south
- Expectations of a relatively high level of visual amenity to the Princes Freeway
- The requirement that commercial traffic to the Subject must pass through residential streets.

As such, although the Subject Site represents an important opportunity for employment creation, in the context where:

- The Subject Site is less suited to, and less attractive for, light industrial uses likely to be developed elsewhere in the south and eastern parts of the PSP area, as well as industrial areas of State Significance around Pakenham and Officer
- The Subject Site must be developed for employment uses which are sensitive to adjacent residential uses and generate an appropriate level of visual amenity.

On this basis, the SOHO/Mixed Use model is an appropriate development model to deliver at the Subject Site from both a strategic land use and commercial perspective.

Industrial Land Development Expectations

A total of 367 hectares of zoned and vacant industrial land is identified in the City of Cardinia by the DELWP, Draft Melbourne Industrial and Commercial Land Use Plan 2019. The plan estimates a take up rate of 14.8ha per year thus indicating 24 years of supply in Cardinia at present.

Given the constraints associated with the Subject Site identified above, traditional light industrial development is unlikely until other more readily developable land supply in the region is absorbed. At such time, given that residential uses to the south of the Subject Site will be well-established, the potential to deliver a traditional light industrial product is likely to be problematic from a land use conflict perspective.

On the other hand, the demand metrics identified earlier in this letter suggest a SOHO/Mixed use development format could be delivered relatively early in the development phase for the Cardinia Road Employment PSP. This will deliver a much earlier positive employment contribution from this land and diversify the employment options available in region (particularly for small business).

Further, SOHO/Mixed Use development provides a superior transition between residential and commercial uses, as well as visual amenity, similar to how SOHO is being delivered around Cranbourne in the City of Casey.

Timing of Investment and Employment Creation

On a general basis, assuming a similar SOHO/Mixed Use development product to the DUO product at Cranbourne West is delivered at the Subject Site, up to approximately 300 SOHO lots could be delivered. The exact mix of SOHO and other development formats on the Subject Site has not been determined, and as such this is the upper limit of SOHO development based on the development capacity of the Subject Site only.
Even assuming that all of the Subject Site is developed for SOHO (which is not being specifically proposed) general expectations are that a sales rate of approximately 25 lots per annum is realistic, or full development in around 12-years (based on 300 SOHO lots). This is less than half 24-years of total industrial land supply identified in the Draft Melbourne Industrial and Commercial Land Use Plan 2019 and is a further indication of the early investment and employment which would be unlocked through delivery of SOHO at the Subject Site.

Employment Outcomes

SOHO/Mixed use development at the Subject Site can deliver employment outcomes that are at a minimum consistent with, and more likely exceed the PSP target – with this employment delivered in a much shorter time frame.

Assuming on average each SOHO business supports two jobs (including the business owner/resident) a hypothetical SOHO/Mixed use development across the Subject Site would deliver a total of 610 jobs compared to the employment assumed in the Cardinia Road PSP equivalent to 180 jobs. This is summarised in Table 4.1.

<table>
<thead>
<tr>
<th>Table 4.1: Potential Employment Outcomes – Subject Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Developable Area (ha)</td>
</tr>
<tr>
<td>Saleable Area Ratio</td>
</tr>
<tr>
<td>Net Saleable Area (ha)</td>
</tr>
<tr>
<td>Site Coverage</td>
</tr>
<tr>
<td>Gross Floor Area (ha)</td>
</tr>
<tr>
<td>Employment per ha¹</td>
</tr>
<tr>
<td>Direct Employment</td>
</tr>
</tbody>
</table>

Source: Growland, Tract, Ethos Urban

1. Of Gross Floorspace

The ability to deliver a SOHO development outcome on the Subject Site has the ability to significantly deliver local employment outcomes.

5 Summary and Conclusions

Overall, the analysis we have undertaken on the potential for SOHO development at the Subject Site has identified the following:

- The Subject Site of 12.8 hectares is identified for Service Business uses in the Cardinia Road Employment PSP with the need for a high quality interface with the adjacent Princes Freeway
- The SOHO development concept is emerging in Australia, including in growth areas of Melbourne, and supports small businesses, including those associated with the ‘gig’ economy and independent contractors
- The characteristics of the SOHO model support the co-location of work and home for small businesses seeking to manage costs, and professionals with a ‘live to work’ attitude
- Numerous examples of the SOHO model are being implemented in Australia, in many cases (including within the City of Casey) at locations where they can be considered an appropriate buffer or transitional land use
- In Cardinia Shire the workforce of economic sectors best suited to the SOHO model is growing rapidly
- The small business sector in Cardinia Shire is also an important component of the local economy and is specifically served by the SOHO model
- The Subject Site is identified in the PSP for a location which is relatively isolated from other employment land and which has frontage to the Princes Freeway in the north and residential uses in the south
• The features of the Subject are well-suited to development of SOHO as an appropriate buffer to the Princes Freeway and is more sensitive to the future residential development located immediately to the south

• Development of SOHO on the Subject Site is likely to facilitate more rapid investment and employment relative to more traditional light industrial and service business functions

• Total employment on the Subject Site is up to 3.5 times higher with a SOHO component (610 jobs approx.) than the expectations of the PSP for traditional service business uses (180 jobs approx.).

Overall, we consider that a SOHO development outcome at the Subject Site would be viable from a market perspective and assist in generating local employment. As such, SOHO could be considered as part of any Mixed Use development outcome at the Subject Site, acknowledging the limitations of the land for employment uses. We understand that Growland are considering residential development on the Subject Site given these limitations, and that this could be delivered without undermining broader strategic objectives related to employment and economic growth in the Pakenham urban growth corridor.

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I hope this letter addresses your requirements. Please call me on [redacted] should you wish to discuss any aspect.

Group Director - Economics