

Research Matters

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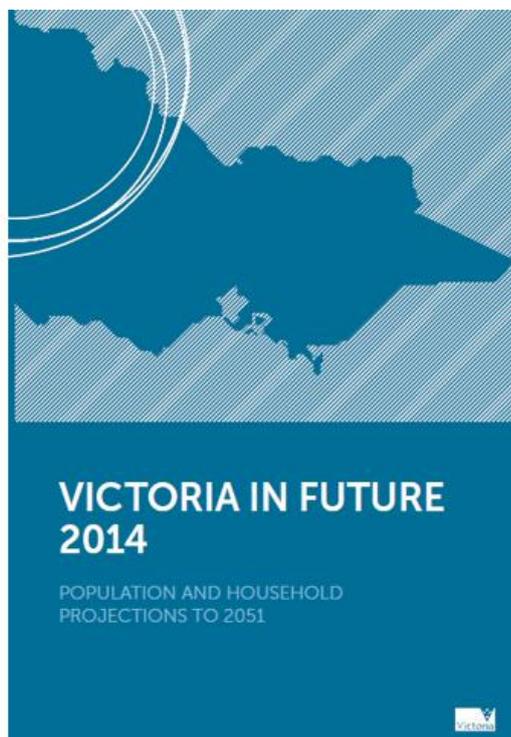
Victoria in Future 2014 **projections released**

The Department of Transport, Planning and Local Infrastructure (DTPLI) has released the new official state government projections of population and households – *Victoria in Future 2014* (VIF2014).

Produced by the team in Demographic and Spatial Research, these projections replace those released in 2012. Projections are based on the latest (30 June 2013) population estimates from the Australian Bureau of Statistics (ABS) and incorporate the results of the 2011 Census. For Victoria and major regions, the projections cover the period from 2011 to 2051. For Local Government Areas (LGAs), the projections extend to 2031. The results are driven by assumptions concerning demographic and land use trends.

Population projections are estimates of the future size, distribution and characteristics of the population. They are developed by applying mathematical models and expert knowledge of likely population trends to the base population. Projections provide information about population change over space and time, but they are not predictions of the future. They are not targets, nor do they reflect the expected effects of current or future policies.

VIF2014 makes assumptions of the future changes in the components of population change. Net overseas migration (NOM) and natural increase (more births than deaths) are expected to be the main drivers of growth. NOM to Australia is expected to be around 250,000 persons per annum for the first 20 years of the projections, then to rise in line with population growth to over 300,000 per annum by 2051. After decades of decline in the Total Fertility Rate (TFR), recent analysis of age-specific rates supports assumptions which result in a steady future TFR for Victoria of approximately 1.8 children over the lifetime of the average woman. Annual births in Victoria are expected to increase from around 80,000 in 2011 to nearly 120,000 in 2051.



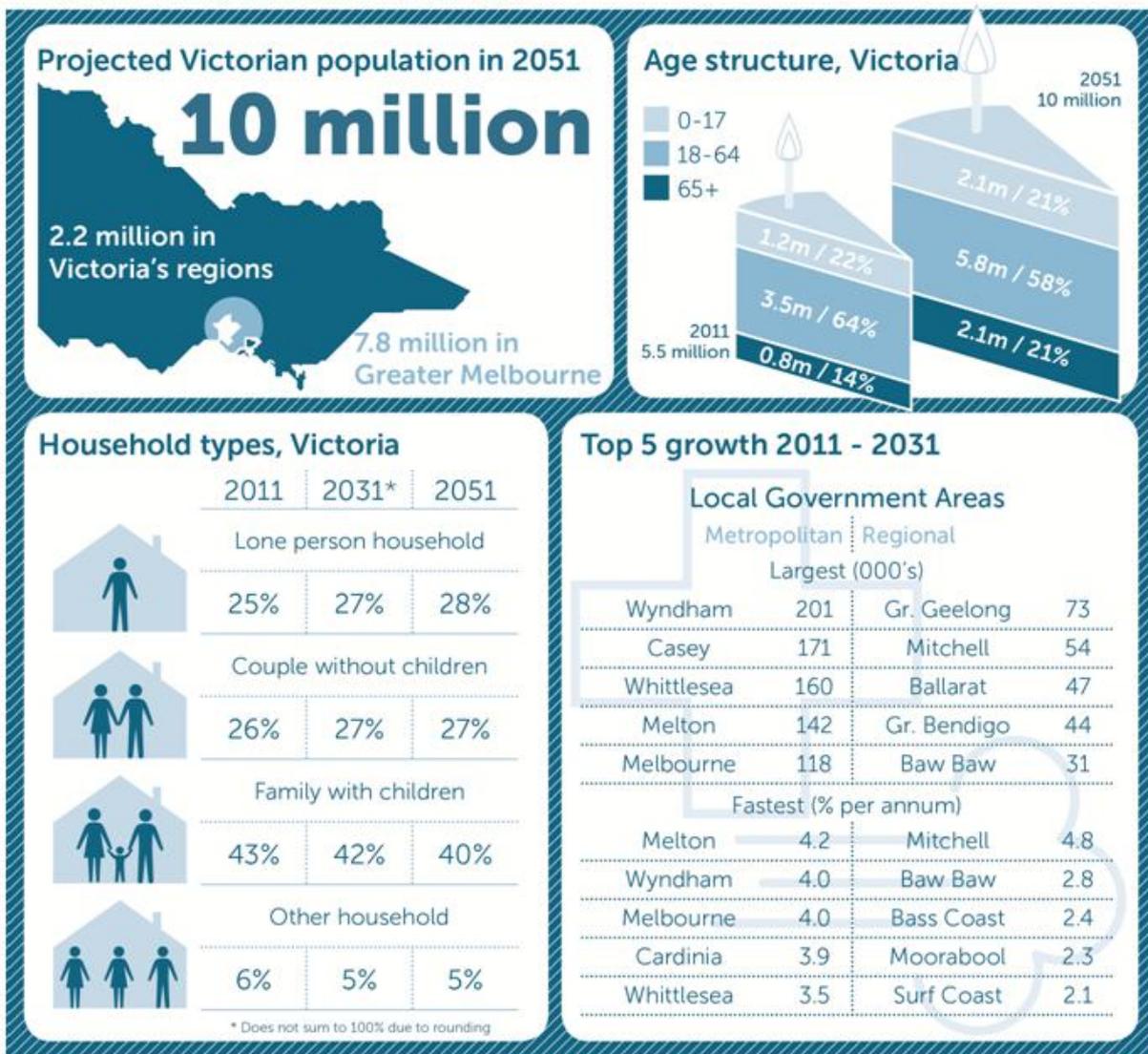
As at 30 June 2011, the Estimated Resident Population of Victoria was 5.5 million. By 2013 this had grown by approximately 200,000 to 5.7 million. From 2013 to 2031, the population is projected to grow by 2 million to 7.7 million, at an average rate of 1.6 per cent per annum.

As the contribution of NOM to population growth increases, Victoria is projected to add another 2.3 million people to reach a population of 10 million by 2051, growing over this period at an average rate of 1.3 per cent per annum.

The total projected growth in Victoria’s population of 4.5 million over the 40 years to 2051 is more than double the growth from the period 1971 to 2011 (1.9 million). Due to stronger projections of NOM and fertility, the VIF2014 projection for Victoria at 2051 is larger than the 9.4 million projected by the ABS in its most recent projections (published November 2013).

Further details, including projections by age, for households and dwellings and for Local Government Areas are available at www.dtpli.vic.gov.au/victoria-in-future-2014

Victoria in Future 2014 highlights



Changing patterns of housing in Melbourne's growth areas

The Urban Development Program provides detailed monitoring of land release patterns across Melbourne. Much of the information captured relates to the first stages of land development (i.e. 1-2 years after lots have been constructed). This period generally sees the first wave of house construction. Until recently, it was assumed that any remaining lots would be developed over subsequent years with similar types of houses upon them – typically single storey dwellings. However, a recent review of this 'second stage' of construction has revealed an unexpected pattern. Higher density dwellings such as two-storey townhouses seem to be built in this second stage, creating a higher dwelling density than was anticipated.

The aerial photos below illustrate this increase in density (Figure 1). Image A shows the land three years after subdivision with low density dwellings starting across the subdivision. Rather than continuing with this style of single storey development, the second and third image, taken 5 and 7 years after subdivision, shows striking changes in housing type with terraced buildings appearing around the parkland. Their location suggests that public open space may be substituted for private open space, creating low maintenance accommodation with amenity advantages of parkland. Higher density housing is also observed around town centres in these growth areas highlighting that service access is an important factor driving demand as much as open space amenity.



Figure 1: Sequence of development, 3, 5 and 7 years after subdivision showing low density (orange) and high density (blue) housing.

Higher density development seems to be being driven by both government policies and private developers. Regulatory requirements through precinct plans and the small lot housing code require a diversity of dwellings to be provided by developers. Planning policies also require the protection of native vegetation, thus creating open spaces which are then highly sought by home buyers. This creates the preconditions for small lot development.

In the past, some large scale developers built the standard single storey houses and contracted out the provision of other types of housing such as medium density. More recently though, large developers are taking on the role of building this new housing and are creating products such as townhouses and multi-unit apartment complexes.



Medium density housing in Melbourne's outer north (photo: Slavo Salomir 2011)

Changes in industrial land

Industrial land is significant within metropolitan Melbourne in terms of both the amount of supply and the level of development activity. The metropolitan planning strategy, *Plan Melbourne*, recognises the significance of industrial land to the metropolitan economy through Initiative 1.2.1: “Plan for industrial land in the right locations across Melbourne’s five subregions to support investment and employment.”

The total supply of industrial land is not static as some designated industrial land is subsequently rezoned for other uses (such as residential). Between 2000/01 and 2013/14, 5,173 hectares of land was zoned industrial while 1,450 hectares of industrial land was zoned to another type of use (chiefly residential). This is a net increase of 3,723 hectares of land zoned for industrial use across metropolitan Melbourne.

Most of this additional zoned land was added to the State Significant Industrial Precincts (SSIP): the Officer/Pakenham SSIP in Cardinia; the North SSIP in Hume and Whittlesea; the South SSIP in Greater Dandenong, and the West SSIP in Brimbank, Melton and Wyndham (Figure 3).

Between June 2013 and June 2014, 195 hectares of land was zoned industrial and 56 hectares of industrial land was rezoned to another use. This resulted in a net increase of 139 hectares of industrial land across metropolitan Melbourne.

In the established parts of Melbourne there has been a decrease in the area of industrial land. This has been particularly noticeable in Maribyrnong and Moreland, where many manufacturing firms closed down individual locations in the 1990s and 2000s (e.g. Modern Maid, National Forge, Olympic Tyres, Tontine, and Kodak) leaving a number of large sites.

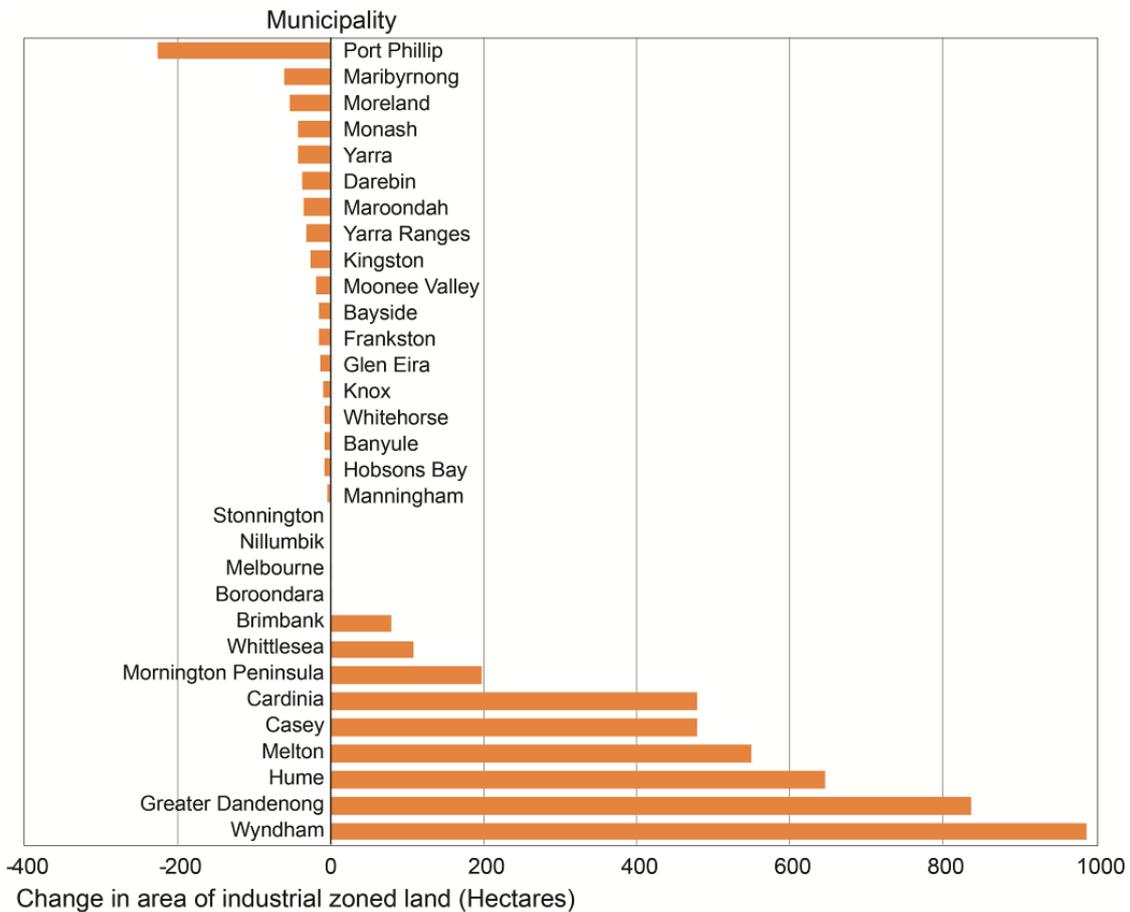


Figure 3: Net change of industrial zoned land by municipality, 2000/01 to 2013/14 (Source: Department of Transport, Planning and Local Infrastructure 2014)

In the year between June 2013 and June 2014, 56 hectares of industrial land across metropolitan Melbourne was zoned to a non-industrial use. Eighty per cent of this land has been zoned for residential purposes.

Over the longer term, from 2000/01 to 2103/14, 1,450 hectares of industrial land was rezoned from industrial to other uses. Over half has been zoned residential or mixed use (Figure 4). Some industrial land, mostly in the inner and middle parts of Melbourne, was rezoned to commercial uses to reflect the current character or intended future use of some locations. Some industrial land was also rezoned to provide land for transport infrastructure in this period, particularly in the outer suburbs and growth areas, and some industrial land has also been rezoned for conservation purposes, drainage reserves and other uses.

There are relatively few rezonings to industrial land although they tend to be very large in area. This can be seen in Figure 3 with major rezoning in the West, North, South and Officer/Pakenham SSIPs. Most of the land zoned to industrial between 2000/01 and 2013/14 was previously identified in strategic plans.

There have been a large number of zonings from industrial. However, they have tended to be small in area. Around 80 per cent of rezonings from industrial were between 100m² and five hectares. An exception to this was the zoning of 225 hectares of industrial land to create the Fishermans Bend urban renewal area in Port Phillip and the City of Melbourne.

The largest single rezoning to industrial land over the last year was for the industrial portions of the East Werribee Employment Precinct (specifically the Interchange Business Hub and the Enterprise Hub precincts) which added approximately 120 hectares to the stock of zoned industrial land. These areas are industrial in character and are planned to provide land for uses such as offices, office warehouses, research and development establishments, high tech industries and advanced, clean manufacturing and land-extensive uses.

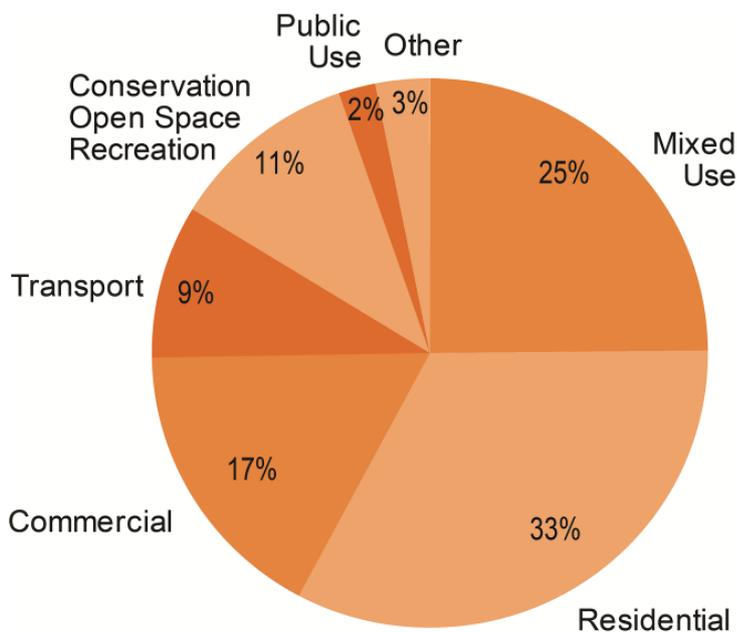


Figure 4: Percentage area of land by new zoning after being rezoned from industrial, metropolitan Melbourne, 2000/01 to 2013/14 (Source: Department of Transport, Planning and Local Infrastructure 2014)

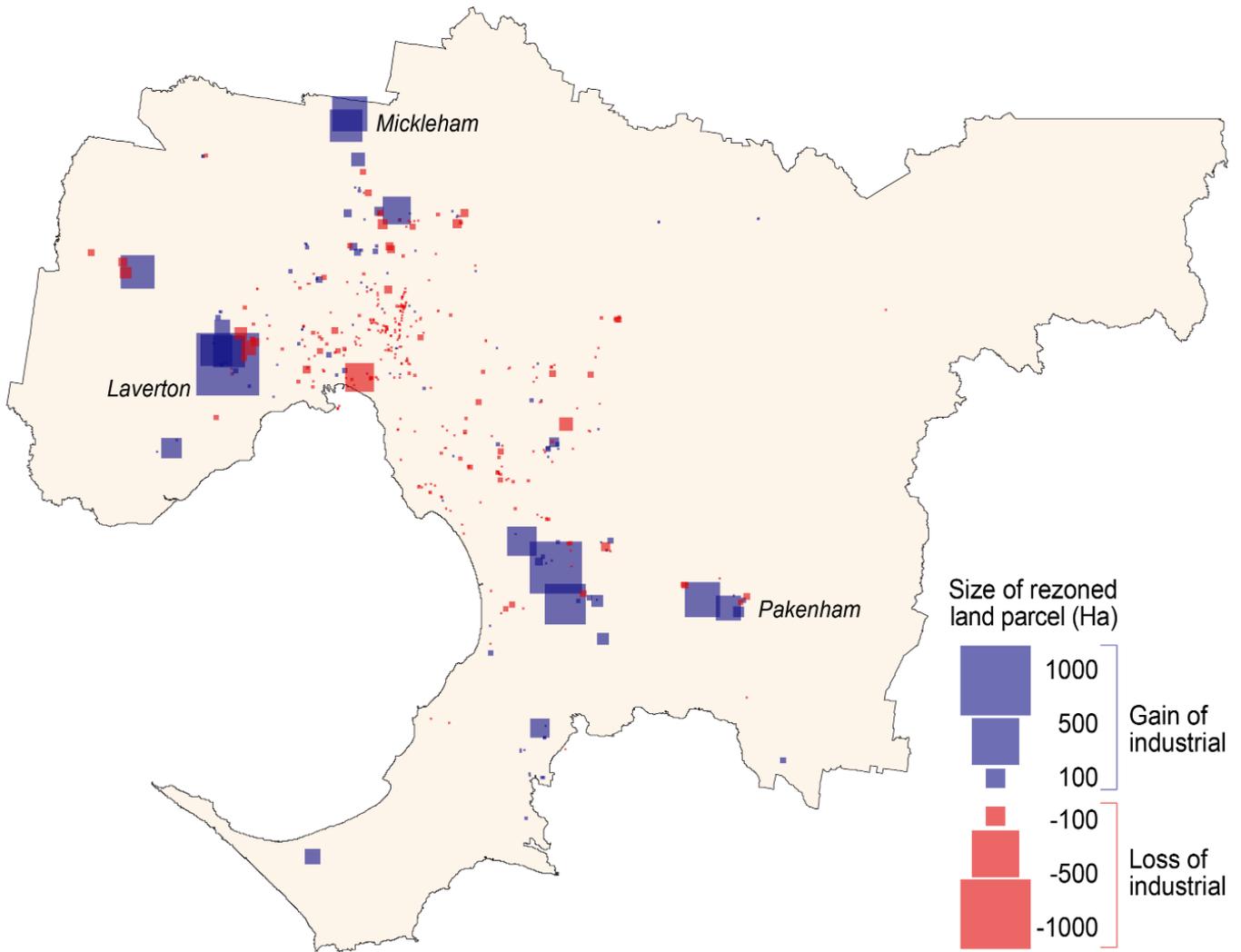


Figure 5: Gains and losses in industrial zoned land between 2000/01 and 2013/14 (Source: Department of Transport, Planning and Local Infrastructure 2014)

Note: Change from one type of industrial zone to another is not included.

What's new online?

A suite of **Victoria in Future** (VIF) products are now available online at the Urban and Regional Research website at

www.dtpli.vic.gov.au/victoria-in-future-2014

Research Matters now has its own URL so remember to bookmark

www.dtpli.vic.gov.au/research-matters

Regional Development Victoria has developed a **Regional Information Portal** which provides information on: the economy; human capital; population; housing; health; physical capital; socio-demographics, and; geography. The portal can be accessed at

www.rdv.vic.gov.au/information-portal

Key features of the portal include:

- regional snapshots via map or text search which provide key indicators, charts and tables for up to three chosen areas
- customised tables and charts for a user-selected area, topic and time series
- guided search option for data
- links to other online resources to support regional development, as well as definitions and descriptions of geographies and variables.

If you have any questions about the portal, please email the RDV Economic Policy Team at

rdv@rdv.vic.gov.au

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