New Form submission on Planning for Melbourne’s Industrial and Commercial Land

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?

No

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

We submit that the industrial land supply figures are overinflated - refer to letter.
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?
Yes

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
This submission has been prepared for the draft Melbourne Industrial and Commercial Land Use Plan (the Plan) on behalf of ISPT Pty Ltd, the owners of land at 744 Boundary Road, Truganina. The property is located in the Derrimut Fields Precinct Structure Plan (PSP) area, of which strategic planning work is dependent on the finalization of the business case for the Western Interstate Freight Terminal (WIFT).

The purpose of this submission is to highlight the inflated figures identified in the Plan for supply of suitably zoned land for industrial development in Melbourne, specifically in the west, and the importance of prioritizing the strategic planning work for the Derrimut Fields PSP.

Industrial Land Supply and Demand

The supply of land for industrial development in Melbourne has become increasingly scarce in recent years, with the Plan specifying an annual take up of 280 hectares per annum over the past three years (43 percent of which has occurred in the west). The result of this accelerating take up has resulted in land values increasing by circa 40 percent over the last year alone.

This trend is expected to continue with growing online retail trade proportions forecasted to double over the next seven years, placing further demand for warehousing. In addition to this, and as the Plan notes, pressure to rezone land for residential and other commercial uses is also a threat to industrial land supply.

The 2018 Urban Development Program (UDP), as referenced in the Plan, states there is 1,800 hectares of vacant suitably zoned land across western Melbourne. When comparing these to the 3-year average take up of circa 120 hectares, this equates to around 15 years of supply.

However, the report does not analyse practical matters such as ownership patterns, availability of reticulated services and infrastructure, or the programming of road or transport upgrades which have a significant impact on the real availability of both zoned and un-zoned land.

Investigation and analysis by the Property Council of Australia (PCA) and Urbis has found that, when adjustments are made to the baseline data, there is actually only 5.3 years (as at Q4 2018) of industrial land supply.
These adjustments account for where businesses have chosen to locate, timing of when sites can be developed (i.e. leases, mining, etc.), requirements of amalgamations, exclusions of constraints (such as retarding basins, easements, open space, etc.), and testing the UDP assumptions against case studies. These figures are also backed up by research by JLL, who estimated that there is a 5-7 year supply remaining for institutional-grade industrial sites (>4 hectares) as at April 2019.

Without further release of land for industrial purposes, job creation across western Melbourne is at risk of prospective businesses relocating warehouse and distribution centres out of the area and potentially interstate. It is imperative that strategic planning work commence as soon as possible to ensure supply is proactive, rather than reactive.

**Derrimut Fields PSP Area Summary**

The Derrimut Fields PSP area directly adjoins existing industrial development to the east (Robinsons Road Employment Area South) and industrial zoned land to the south (Truganina). The PSP area is identified in the Plan as *State Significant Industrial Precinct (SSIP) – Future* and is located to the east of the identified WIFT location (PSP area outlined in blue below).

![Derrimut Fields PSP Area Land Ownership](image)

The PSP area has circa 300-350 hectares of net developable area, which will allow approximately 2,000,000 square metres of industrial floor space and create 15,000-20,000 jobs. There are minimal agricultural practices occurring within the PSP area, with most properties essentially being used as large lot, rural residences.

The PSP area comprises 10 lots, with only six different landowners, including 744 Boundary Road, Truganina which is owned by ISPT Pty Ltd and managed by Aliro. All land holdings within the PSP area are in excess of 40 hectares each and do not rely on amalgamation for development. Avoiding the need for amalgamations, coupled with minimal infrastructure lead-in works required as all services are located within close proximity to the PSP area boundaries, will allow industrial development to occur in a timely matter and provide much needed short-term industrial land supply in the area.

Aliro has been actively engaging with other landowners within the PSP area and there is a united position that all parties are keen to progress the planning work to allow industrial development to occur as soon as possible.
The Derrimut Fields PSP area is a logical option to prioritise for rezoning for industrial purposes for the following reasons:

- The existing uses within the precinct do not provide significant agricultural or other rural benefits to the economy or food supply;
- Rezoning of the site for industrial purposes will not have a significant adverse impact on surrounding land uses;
- The precinct does not require substantial infrastructure lead in works, compared to other PSP areas, with all services at the doorstep of the precinct;
- The precinct does not require amalgamation of lots by different landowners to allow development to occur;
- There is a united position of all landowners for rezoning;
- The precinct will create circa 15,000-20,000 new jobs; and
- Planning work to progress the PSP can occur concurrently with the WIFT investigations without prejudice.

**Western Interstate Freight Terminal**

The potential Western Interstate Freight Terminal (WIFT) has been tentatively located on the western edge of the Derrimuts Fields PSP area. We understand that the business case for the WIFT has commenced. However, no timeframe for the completion of the business case has been made public.

While the decision on if the WIFT will go ahead or not, as well as it's location and size, is still under assessment, planning work for the Derrimut Fields PSP can occur at the same time so that the release of industrial land is not unnecessarily delayed.

**Summary**

Without the release of additional industrial land, land supply will run out in around 5-7 years. If no action is taken in the short term, there is a significant risk of potential jobs being lost interstate.

We submit that the Plan should be amended to advocate for an immediate decision on the location and future of the WIFT, confirm its land requirements and any associated road upgrades so that the future detailed planning proposed for new industrial land can commence immediately.

More generally, the Plan should be amended to take account of qualitative matters such as ownership, availability and staging of reticulated services and the timing of planned road network upgrades to ascertain a more accurate representation of both zoned and un-zoned industrial land availability.

We would welcome the opportunity to further discuss the progression of the planning work for the PSP area and how we can assist the Victorian Government in providing additional industrial development supply and jobs to the area.

We also confirm that we are open to discussing forward funding of the necessary technical investigations for precinct planning work for the Derrimut Fields PSP and understand that other landowners in the PSP area are also willing.
Yours Sincerely

Assistant Development Manager