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?

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

Please see attached submission.
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.

Please see attached submission.

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.

Please see attached submission.
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?
Please see attached submission.

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.
Please see attached submission.

Would you like to comment on any other aspects of the plan?
Please see attached submission.
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 is not SPAM. You are receiving this message because you have submitted feedback or signed up to Engage Victoria. If you think you have been sent this by mistake please contact us at contact@engage.vic.gov.au.
To whom it may concern,

Draft Melbourne Industrial and Commercial Land Use Plan
Submission for Northern Highway, Wallan

Tract Consultants Pty Ltd acts on behalf of Conundrum Holdings Pty Ltd (Conundrum) and we are pleased to make this submission to the draft Melbourne Industrial and Commercial Land Use Plan (Plan).

The Plan is important to identify and promote key industrial and productive resource sites (quarries) that will provide jobs and materials to support the Victorian economy and its ongoing prosperity.

Conundrum is one of Victoria’s most experienced independent quarry operators shaped by four generations in the industry and with multiple sites under quarry at present.

They are also the lessee of land at Northern Highway, Wallan (the Site) which has a statutorily endorsed Work Authorisation to enable the extraction of basalt resources including:
- 12M tonnes of Class 3 and above (high quality); and
- 5M tonnes suitable for commercial use.

This resource is of vital importance to the State of Victoria which must accommodate a further 1.6M new homes by 2050 as well as deliver a current infrastructure project pipeline worth more than $40B (Joint Ministerial Statement Extractive Resources).

We note that since the Joint Ministerial Statement, the shortage of resources and labour continues to significantly add costs to projects such as $370M to new Monash Freeway upgrade (September 2019).

1 Submission

The Plan will strengthen industry to retain and create employment opportunities in support of population growth. The extraction industry is a significant piece of the employment puzzle, providing jobs in its own right, but also providing primary resources for the construction industry to deliver major infrastructure and development projects across Victoria.

In light of this we make the following submission:

1. Discourse within the draft MCLUP be updated to recognise the role of extractive resources in Melbourne’s employment narrative. Particularly as a key factor in facilitating infrastructure, employment, and the ongoing liveability of Melbourne’s growth areas through resource extraction. It is considered that this added discussion would provide greater connection between the existing statements about Melbourne’s extractive resources industry and Melbourne’s future industrial and commercial land use plans.
2. Update **Map 8: Northern Region future direction map – industrial land** to show both “Extractive Industries Works Authorities – approvals” and “Extractive Industries Work Authorities – statutorily endorsed”, including [redacted]. This map is currently not up to date and does not reflect the statement on page 70 that “the region also has large areas set aside with significant high-quality extractive resources for quarrying operations”.

3. Update **Map 8: Northern Region future direction map – industrial land** to identify land within EIias which does not yet have an approved PSP in order to signify the strategic importance of these areas in the context of Melbourne’s ongoing growth and development. This would ensure the statement “these operations need to be protected both now and into the future to secure adequate long-term supply of quality and competitively priced extractive resources...” is supported by action.

4. The Glossary of Terms at page 114 of the draft Plan be updated to more accurately define the treatment of the extractive industry and EIias (which are not subject to approved PSPs).

5. The section “Planning for the region should” (page 70) to include an additional dot point to read: Show Extractive Industry Investigations Areas where land is not already within an approved PSP on the future directions map for the region to demonstrate the location and size of such areas within Melbourne’s north and be transparent about how much of this land is available into the future.

It is considered that the above changes will better clarify the role of extractive resources in the wider employment and industrial land use context, particularly given the incremental sterilisation of EIias’s as a result of urban development.

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 [redacted]

Yours sincerely

[Signature]
Director
Tract
2 Context

Conundrum Holdings Pty Ltd wish to register their position both as a quarry operator within Melbourne’s north within the UGB, and more specifically as they pursue approvals in relation to the Site at Northern Highway, Wallan.

1.1 Landholdings

Conundrum currently operate a quarry at O’Heans Road, Epping. Recently an agreement has been reached between Conundrum and Vearings Land Pty Ltd regarding the proposed Vearings Road Employment Area Development Plan which is within proximity of the operational quarry [discussed further below].

Further, a planning permit is currently active with Mitchell Shire Council for a greenfield quarry at Northern Highway, Wallan. Conundrum Holdings Pty Ltd is a submitter to the Beveridge North West PSP (Amendment C106smith) which has omitted the location of the potential quarry from the Future Urban Structure plan within the PSP where it had been previously shown on prior iterations and other policy documents. The Panel Hearing for this Amendment will be taking place in 2020. Whilst the application has committed to 30-year duration with urban land use as part of the final rehabilitation objectives, it appears the Mitchell Shire Council’s preference is to exclude the quarry use and limit the Site to urban land uses.

2 Setting the scene

The development of quarries is becoming an increasing challenge as Melbourne’s population expands and demand grows for housing within growth areas. This is further exacerbated by the disconnection of Extractive Industry Interest Areas (EIIs) from the planning system in the State of Victoria as evidenced in the report commissioned by the DJPR and completed by Jacobs titled Strategic Extractive Resources Areas: Victoria’s Existing Planning System (October 2016).

As a result of these two factors, the land which was initially identified as Extractive Industry Interest Area 884011 (ElIA884011) within Melbourne’s north has been incrementally developed for urban land uses, to the point where more than a ninety per cent loss has occurred [DJPR, 2019]. More than ninety per cent of ElIA884011 is either no longer available (sterilised) for extractive resource industries or is at significant risk of sterilisation due to competing land uses [DJPR, 2019].

2.1 Role of extractive industries in Melbourne

The continued development of Melbourne’s northern growth area has required a huge amount of resources year on year. Some of these resources are obtained from quarrying activities both within Melbourne’s north, and within the State of Victoria more broadly. It is widely accepted that the State’s return on major road and rail infrastructure investment is maximised when quarry activities are within close proximity to development.

Quarrying activities have preceded development throughout the history of Melbourne’s development as a city with previous quarries being once located within the Melbourne Botanic Gardens, at Barkly Square Shopping Centre in Brunswick, and within the site now known as Highpoint Shopping Centre.

As Melbourne has developed, quarrying activities have moved to the periphery of urban development, and old quarries have been repurposed. Examples include the former basalt quarry on Duke Street in Sunshine North which is currently being developed for townhouses and a Neighbourhood Activity Centre.
2.2 Conundrum quarries

2.2.1 Northern Quarries

The existing Northern Quarries site in Epping offers a range of resources including concrete and drainage aggregates, commercial grade crushed rock, and Class 1.2 and 3 crushed rock in accordance with Department of Transport specifications.

This existing quarry in Epping has slowly been surrounded by development occurring within its periphery. Most recently, this has included the Yerarings Road Employment Area Development Plan which seeks to propose industrial land uses close to the blast buffer area.

Conundrum Holdings Pty Ltd support the coexistence of urban land uses (including industrial land) and quarries where urban development has expanded outwards from the city centre. They understand that their quarries have a limited lifespan and will one day be used for an entirely different purpose once their resources have been extracted.

In regard to the Northern Quarries site, Conundrum have worked extensively with Yerarings Land Pty Ltd and the relevant government agencies to produce a planning mechanism which not only enables the land in proximity of the quarry to be utilised for industrial purposes, but also ensures that use and development in this proximal land is appropriate and will not have adverse impacts on the quarry operations. This has included the following (among other controls):

• In the Purpose to the Development Plan Overlay (DPO) schedule the words “To ensure, manage and protect appropriate interface treatments to the quarry at O’Herrns Road (the Quarry), gas easement, transmission easement, Conservation Area 33 and Craigieburn Nature Conservation Area.”
• In the Conditions and Requirements for Permits section of the DPO schedule the requirement of a “Quarry Interface Assessment for applications to use or develop land within 200 metres of the Quarry”.
• In the Requirements for Development Plan section of the DPO schedule, the requirement for a Design Response Plan that includes “Includes Quarry Interface Guidelines for use and development of land within 200m and, for use of land, within 500m of the Quarry.”
• A separate agreement by the Proponent and Council registered on title to the Amendment Land within 500m of the Quarry pursuant to section 173 of the Planning and Environment Act 1987 (the Agreement), that provides notice of the Quarry which may affect the amenity of the Land.

The innovative policy solutions which have been created in response to this situation of encroaching development demonstrate the ability for extractive industry uses to coexist with urban land uses whilst extraction continues. Indeed, this example at Conundrum’s Northern Quarries and its interaction with its neighbours highlights that encroachment is part of the business-as-usual model.

Conundrum Holdings Pty Ltd acknowledges that given its location within Epping, which commenced as rural environment and is now considered an established suburb, the life of this quarry is somewhat constrained. Conundrum has planned to relocate to a new greenfield quarry within Melbourne’s north, in order to ensure continuity in resource extraction in order to support Victoria’s infrastructure aspirations.

Most recently, significant resources have been required for the State Governments infrastructure ‘blitz’. Such projects (recent past, current and future) which Conundrum has contributed to include:

• Metro Rail Tunnel.
• Mernda Rail Project.
• Melbourne Fruit Market.
• Craigieburn Bypass.
• Chandler Highway Upgrade.
• West Gate Tunnel.
• Level crossing removal projects State-wide.
• And various other developer-funded PSP infrastructure (roads, bridges, concrete slabs).

Quarry products contribute significantly to these projects, and to the continued support of development and liveability in Melbourne’s outer suburbs and the State of Victoria.

2.2.2 North Central Quarry

The proposed North Central Quarry (NCQ) site is at Northern Highway, Wallan and is within the northern section of the EIA884011. The Site has been contemplated since 2004, with the Work Plan statutorily endorsed under the Mineral Resources (Sustainable Development) Act (WA1473) in 2015. A planning permit application is currently being considered by Mitchell Shire Council (PLP268-19).

The NCQ will have access to high quality basalt which can be utilised for a variety of purposes including:
• Railways.
• Asphalt and road sealing.
• Concrete plants.
• Buildings.
• Agriculture.
• Land and infrastructure development.
• Major road and rail infrastructure as identified within the Northern Growth Corridor Plan including, but not limited to, Beveridge Interstate Freight Terminal and its rail corridor; and the Outer Metropolitan Ring Road (E6).

The resources obtained from this quarry would meaningfully contribute to the State Government’s infrastructure program for the coming years.

3 Extractive Industry Interest Areas and supply

3.1 EIIAs

It is important to recognise that quarries can only be located where a resource is present. They are not a land use which can be moved to another location. Further, once developed for urban purposes it is extremely unlikely that the resource will ever be recovered, thus, the extraction of key resources preceding urban development is particularly important.

In Victoria, resources of higher quality have been approximately mapped using a designation called Extract Industry Interest Areas (EIIAs). Although such areas were identified since the earliest settlement of Melbourne, these areas were first formally mapped in 1993 and have continued to be updated in response to land use changes, rezoning, planning reform processes, new resource and geological information, and consultation processes.

EIIAs are regarded as areas where extractive industry operations are more likely to be established, both for reasons of resource availability and limited planning constraints. This is why many of these areas are located on the periphery of urban areas.
The ELAs do not provide statutory protection for sand and stone resources, nor allow extractive industry as-of-right unless specified by planning schemes. However, they are a meaningful tool in providing a basis for longer term protection of sand and stone resources from sterilisation by inappropriate land uses and assist in considering extractive industry values in long term strategic planning and local strategic plans.

It is considered that the draft MCLUP is one such strategic plan within which providing ELA context would prove useful to the long-term planning for industrial areas.

### 3.2 Supply

DJPR commissioned PWC to undertake an extractive resources demand and supply study in 2015 to understand whether Victoria would have enough extractive resources, and in the right places, to meet future construction needs to 2050 (Helping Victoria Grow: Extractive Resources in Victoria, Demand and Supply Study, 2015-2050). The Works Authority Northern Highway was included within this study.

The Study summarises the top five critical resource locations. These include (in order) South Gippsland, Greater Geelong, Mitchell, Knox, and Cardinia. More specifically the study states:

Mitchell’s primary contribution to the State’s 2015 to 2050 extractive resource supply is in clay and clay shale, of which it supplies a relatively large share of total State supply. The LGA also possesses sizeable hard rock reserves along with some sand and gravel, which make Mitchell a key resource location for Victoria. (page 48)

Further, it reads:

Mitchell’s location in Central Victoria means that it is able to deliver resources to more regional locations in the State’s North. While the majority is provided to urban locations in Metropolitan Melbourne (at 69 per cent of 2050 supply), Mitchell is a strong supplier into the regional cities of Greater Bendigo (four per cent), Greater Geelong (three per cent) and Greater Shepparton (three per cent). While the majority of Mitchell’s resources are estimated to satisfy residential and commercial construction demand, these regional cities demand relatively large volumes of material in relation to engineering construction. Mitchell also satisfies some of its own demand, with seven per cent of 2050 supply staying within Mitchell. (page 48)

The supply study goes on to state:

If quarry developments in the above identified areas of critical supply are not supported, this could lead to the potential supply shortfalls being realised, in turn this will have flow on effects to the industries which rely heavily on these resources, including building construction (residential and non-residential) and engineering construction (transport, energy and utilities). (page vii)

Thus, recognising key assets in Melbourne’s north as potential extractive resources is highly significant in the context of Melbourne’s continued growth as a city.
4  The draft MCLUP

The draft MCLUP makes specific mention of Victoria’s State Significant Industrial Areas and the threat posed by land use decisions which have seen incremental removal of industrial land supply, particularly within Melbourne’s growth areas (page 24). The Plan states:

Between 2000-01 and 2017-18 a total of 2,423 hectares of industrial land was rezoned to allow for other uses. Of all the industrial land rezoned, approximately 50 per cent was for residential or mixed-use purposes. Once industrial land is rezoned for these types of uses, it is unlikely ever to be returned to an industrial or employment use.

As with industrial land, this type of rezoning has been similarly affecting Melbourne’s ELIA’s resulting in added pressure on existing quarrying activities which are unable to keep up with the demand for resources such as hard rock. In recent times this has resulted in a resource price rise as the land previously available for new quarrying opportunities has been rezoned and developed for urban uses.

The draft MCLUP acknowledges this by identifying the “significant high-quality extractive resources that are critical to support the development and ongoing functioning of the city” within the northern growth region (page 61).

It further notes that:

...large areas of land set aside with significant high-quality extractive resources for quarrying operations. A shortfall in extractive resources close to market means that the cost of construction will rise as these materials are sourced from further afield. These operations need to be protected both now and into the future to secure adequate long-term supply of quality and competitively priced extractive resources for growing Victoria’s population and economy, especially with demand for extractive resources expected to double between 2015 and 2050. (page 70)

The discussion within the draft MCLUP appears to include extractive resources within the broad term of “industrial land” as more of a non-traditional industry use. However, it is unclear within the Plan’s glossary of terms whether this is the intention.

The glossary refers to “...simple areas where planning has not yet commenced, but the land has been identified for employment purpose”. The intention of this wording seems to indicate areas where PSPs are not yet commenced/approved, which we support. However, the reference to ‘employment purpose’ is vague and not well defined, particularly when trying to understand how the draft Plan seeks to manage extractive industries. It is also acknowledged that some traditional industrial land uses are not significant employers. It is noted that a definition has been provided for ‘Employment land’ and ‘Primary industries’.

Whilst there is discussion within the draft Plan regarding the threats to extractive industries, Map 8: Northern Region future direction map – industrial land fails to identify land which is both not yet subject to an approved PSP and which is currently subject to the ELIA’s mapping.

It is considered that the lone identification of “Extractive Industries Work Authorities – Approved” is short-sighted and not in the spirit of the information sought to be provided on Map 8. That is, the land which should be protected into the future for industrial purposes, both traditional and non-traditional.

It is disappointing to see that whilst the draft MCLUP seems to recognise the impact of repeated patterns of incremental land use change on industrial land including extractive areas, little has been proposed to prevent this within the draft plan itself, nor to identify the areas which could be under threat into the future.

Our submission is made with the above in mind.