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?

Yes

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?
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?
Yes

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?

Local industrial land use strategies should be more focused on developing specific opportunities that can underpin wider growth (i.e. advanced manufacturing, research hubs including wet/dry labs, educations institutions etc.). As the majority of Industrial land consumption is for freight and logistics uses, which do not provide high job density or high value, it is now more crucial than ever to develop precincts with concepts in mind or to encourage specific high value uses. This will maximise the efficiency of land use.

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?

Yes

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 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

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31 December 2019

DELWP
PO Box 500
East Melbourne VIC 3002

BY EMAIL: planning.implementation@delwp.vic.gov.au

Dear DELWP,

RE SUBMISSION TO THE MELBOURNE COMMERCIAL AND INDUSTRIAL LAND USE STUDY:
THE DANDENONG VALLEY HIGHWAY PRECINCT

The following document comprises a submission by Macroplan on behalf of Intrapac and Jayco to the Draft MICLUP process regarding land to the South of the Southern SSIP.

The submission calls for a review of the precinct to the southwest of the Southern SSIP bounded by Eastlink, the Dandenong Valley Highway, Harwood Road and the Eumemmerring Creek for non-sensitive uses.

We believe that given the historical context of the area, originally designated as special use zone (SUZ) and was changed to GWZ due to now-removed Melbourne water buffer requirements. Melbourne Water have since supported development on one of the sites on Harwood Road, which suggests that there is cause for the precinct to be subject to review.

Current stakeholders have secured commitments to develop sites on Harwood Road and the Dandenong Valley Highway that will provide hundreds of manufacturing jobs that require large format sites and will underpin the growth of the precinct.

Feel free to contact me to discuss.

Yours sincerely,

Executive Chairman
Supporting the Southern SSIP

Land Supply and Economic Assessment

Submission to the Melbourne Industrial and Commercial Land Use Plan

December 2019
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1. Most of the issues facing Melbourne’s South East are not unique to the region, however the significant lack of supply in key industrial areas is. The Southern SSIP does not have enough supply to last to 2030.

2. The Land to the southwest of the Southern SSIP bounded by Eastlink, the Dandenong Valley Highway, Harwood Road and the Eumemmerring Creek is GWZ bounded on all four sides by significantly more intensive land uses. These include industrial uses, residential uses (from the former caravan park now Mobile Home Village) and public utility services. None of these uses have logical buffers or tapered uses gradated towards the green wedge.

3. A continued shift towards a services-based economy supporting a growing and ageing population has increased the importance of job creation and industry development. In order to continue to provide medium term growth, the Southern SSIP requires state-level planning support, which should include a review of the land use within the precinct bounded by Harwood Road, Eastlink and the Frankston-Dandenong Road.

4. Across metropolitan Melbourne, the share of employment in industries typically requiring land for manufacturing related purposes has declined during the past decade, however the wholesale trade and transport, postal and warehousing sectors has offset and is expected to continue to drive demand for large, consolidated land holdings, strategically located in an area with high market accessibility, strong underlying demand fundamentals and that can be serviced in a coordinated and timely manner.

5. Going forward, it will become increasingly important to align land use planning with the forces shifting Melbourne’s economic geography.

6. The changes to the economic fabric of Melbourne, mean that large, connected sites such as the subject land, which meet the both the financial viability and key location criteria for new businesses, supporting the clustering of high value-add, fast growing economic activities can deliver significant economic benefits both locally and regionally.

7. The ability to achieve this hinge on providing opportunities for industrial and commercial development which matches demand in highly accessible locations while achieving an appropriate balance between increases in jobs and increases in residential population. From a land demand perspective, land requirements for manufacturing in particular will continue to be focused around centres with large skilled workforce and clusters of like industries.

8. The subject site responds to both business needs and land use requirements. At 81.56 ha, the site is large and is adjacent to existing Southern SSIP and Dandenong South Industrial Areas. Proposed tenants and industrial activities for the site, include new Jayco manufacturing facility and a new 73,600sq.m warehouse and distribution centre that will support a range of TIC Group’s core services.
9. For the TIC Group the new facility provides a strategic location to support the company’s expansion in Melbourne by being centrally located within Melbourne’s growing south western corridor, providing accessibility for retailers and suppliers as well as connectivity to existing freight and logistics networks and providers.

10. Jayco is a recreational vehicle manufacturer and is one of the largest manufacturers of RVs in Australia, with an existing 50-acre complex including 100,000sqm of manufacturing warehouse in Dandenong South. The proposed new facility will be located approximately 300 metres from the current complex to maintain a consolidation of manufacturing activities and therefore efficiencies in production activities and processes.

11. Research has shown that urban density has a multiplier effect on economic growth, with businesses and employees thriving when located close to one another. For every doubling of job density, there is up to a 13 per cent increase in labour productivity.1

12. Land within the Southern SSIP capable of supporting major clustering is becoming constrained. A constrained supply of industrial lands will result in a range of economic and community costs.

13. Updated analysis within the report and supported by the most recent draft Melbourne Industrial and Commercial Land Use Plan, indicates that the remaining vacant supply will be exhausted in the near term.

14. Based on recent take-up rates, there is an estimated 7-8 years’ supply remaining, with complete exhaustion of stock projected by 2027. However, this assumes that all remaining vacant zoned land is available to the market. There are a number of vacant land areas within the Southern SSIP that are not available to the market, either due to lack of development intent or some other form of constraint. This constraint on supply, as well as the frictional vacancy effect noted in the SGS report, demonstrates that the available supply may be exhausted in as little as 3-4 years’ time, with businesses seeking to establish within the precinct impacted by the limited choice in supply impacted well before then.

15. The current marketed vacant land is predominantly held within three active estates; Jayco, Power Park and Nexus Industrial Estate. While these estates provide supply that is currently available to the market and therefore capable of meeting immediate land supply needs, the remaining supply within each estate is limited and cannot accommodate the specific land supply needs of the proposed businesses.

16. The implications are that the quantum of industrial land currently zoned and nominated within the Southern SSIP is not sufficient to meet demand in the immediate future. In order to provide 10 years of zoned and serviced land for industrial land use, it is estimated that at a minimum, an addition of 132.7 ha of industrial land (on top of the identified supply of 502.6 ha) will be required within the Southern SSIP.

17. While in the medium to long term, future demand for large-format, regionally significant industrial uses will increasingly transfer to neighbouring areas, such as Cranbourne West and Officer-Pakenham, there are a number of significant limitations and constraints that implicate the potential for demand transfer to these

---

1 Industry Insights Flexibility and growth, Office of the Chief Economist, 1/2018
surrounding industrial precincts and ability to accommodate the short term needs of new and expanding businesses within the Southern region.

18. Facilitating current demand will drive a significant improved economic outcome, particularly when compared to current Agricultural land use outcome.

19. This relates to both the construction phase and operational phase benefits with the proposed development plan supporting a significantly higher rate of construction investment, construction employment, operational economic output and operational employment.

20. The direct investment, output and employment supported onsite will also have flow on effects throughout the broader economy.

21. The “business as usual” - Agricultural land use option, which assumes the land will be used for cattle grazing creates no construction related benefits and limited operational phase benefits of approximately $44,120 per annum and less than 1 FTE job.

22. In comparison, the proposed development plan is expected to create up to $242.4 million in direct construction investment which is estimated to support up to 753 FTE jobs per annum (including direct and indirect jobs) throughout a two-year construction period.

23. Once operational, the planned businesses onsite are estimated to generate up to $406.5 million in economic output which will support up to 2,487 FTE jobs (including direct and indirect jobs).

24. On the basis of this comparison, the proposed development plan clearly represents a significantly improved net community benefit on the basis of economic output and employment opportunities within the region.

25. While these implications are considered to provide strong support for the proposed development plan, there are a number of planning principles and policy statements throughout the Draft Melbourne Industrial and Commercial Land Use Plan that are also considered to highlight the need for additional land supply within the Southern SSIP and the suitability of the proposed development plan.

26. These planning principles and policies are presented in the table below with details of the relevance to the subject site and proposed development plan.
### Draft Melbourne Industrial and Commercial Land Use Plan – Planning Principles / Policy Statements

#### Approach to planning for industrial and commercial land (pg 31)
To support planning for industrial and commercial land, consideration should be given to the following:

In consultation with key stakeholders, develop a more sophisticated approach to understanding business needs and land use requirements and assessing future demand for industrial land.

<table>
<thead>
<tr>
<th>Macroplan response</th>
</tr>
</thead>
<tbody>
<tr>
<td>The proposed development plan is informed by the scale of the subject site and the specific location and site area requirements of the planned businesses onsite (Jayco and TIC Group).</td>
</tr>
<tr>
<td>The proposed development plan is a reflection of the business needs and land use requirements necessary to support the future business operations of these existing Victorian companies.</td>
</tr>
</tbody>
</table>

#### Principles and strategies to guide planning for industrial and commercial land (pg 32)
Principle 1: Planning for industrial and commercial land should ensure adequate long-term land supply is planned for and set aside to support future industry and business growth.

- Identify and outline how growth will be accommodated over the long term (at least 30 years).
- Provide an overarching land use planning framework for industrial and commercial areas.
- Provide a zoned supply of land to accommodate growth over at least a 15-year period, including sufficient stocks of large sites for strategic investment.

<table>
<thead>
<tr>
<th>Macroplan response</th>
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<tbody>
<tr>
<td>This report demonstrates that there is less than ten years zoned vacant supply and potentially less than five years available supply based on what is currently available to the market. This highlights the immediate need to identify and zone additional land supply within the Southern SSIP to meet market needs, which are currently for 63.5ha of land supply per annum.</td>
</tr>
<tr>
<td>The subject site provides an appropriate and strategic opportunity to increase land supply and act as a catalyst for strategic investment in the region.</td>
</tr>
</tbody>
</table>

#### Planning framework for industrial and commercial land (pg 34)
The following criteria has been used as a basis for identifying regionally-significant industrial precincts.

**Policy alignment**

- The area exhibits a strong relationship with or supports other places of state significance such as national employment and innovation clusters (NEICs) or transport gateways.
- The area or precinct can leverage off existing or proposed rail and road networks and infrastructure, including the PFN.
- The area provides for the clustering of industrial uses with limited or no residential intrusion and can be adequately buffered from sensitive uses.
- The precinct provides for contiguous areas of industry with similar, related or dependent industrial or commercial activities.
- Economic or employment contribution

<table>
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<tr>
<th>Macroplan response</th>
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</thead>
<tbody>
<tr>
<td><strong>Policy alignment</strong>: The subject site provides a direct expansion of the Dandenong NEIC as well as supports the growth of a major company existing within the NEIC.</td>
</tr>
<tr>
<td><strong>Accessibility and business clustering</strong>: The subject site will leverage off of existing roads and established freight and logistics networks within the Dandenong NEIC. The subject site will enhance the clustering of industrial uses within the Dandenong NEIC and will be buffered from residential and other sensitive uses. The subject site will support the expansion and continued consolidation of Jayco’s manufacturing operations within Dandenong. It will also support the freight and logistics and warehousing operations of the TIC Group (an existing Victorian company) that will leverage the existing freight and logistics networks established in Dandenong.</td>
</tr>
</tbody>
</table>
### Executive summary

- The area generates a relatively high and ongoing economic output contributing to the region and state’s economy.
- The area is a location of high levels of employment and/or capital goods, generating wider regional employment and economic benefits.

### Economic and employment contribution

The planned business operations onsite will create a range of employment opportunities and an estimated 1,200 direct jobs onsite. The subject site will further enhance the concentration of employment and economic activity in the local area and region, therefore creating a greater opportunity to retain and capture economic flow on effects and increase overall economic benefit.

### Supply and demand for industrial and commercial land across the region (pg 89)

It is estimated that land supply in the Southern SSIP will become significantly constrained in the early 2020s and be exhausted by the mid-2020s. When this occurs, demand transfer is likely to occur at the closest industrial areas.

The exhaustion of industrial land within the Southern SSIP within the next decade will likely direct future demand for large-format, regionally-significant industrial uses into neighbouring areas, such as Braeside and Cranbourne West. In these locations there are relatively large contiguous tracts of vacant industrial land with main road access for large heavy vehicles and access to existing supply chains and distribution networks. Development will progressively move to the Officer-Pakenham SSIP as land in these locations is exhausted and new major road connections, such as the North East Link, are delivered.

This report concurs that land supply within the Southern SSIP will be constrained in the early 2020s and will be exhausted by the mid-2020s. However, this report also highlights the constraints and limitations for demand transfer to effectively occur over the next five to ten years. Furthermore, the locational needs of those planned businesses at the subject site are demonstrated throughout this report which highlights the unlikeliness of demand transfer for at least these two businesses.

### Planning framework for industrial and commercial land across the region (pg 93)

The region’s significant industrial land holding is a key advantage. However, many established industrial areas such as those in Kingston around Moorabbin Airport, in Frankston around Carrum Downs and in Greater Dandenong in the Southern SSIP, will soon offer little or no opportunity for further expansion. These areas need to be protected and retained and opportunities to consolidate and recycle land should be considered in these locations. Crucial in supporting these areas will be new industrial areas that have been set aside. These can provide large areas of unfragmented land providing the required land area for freight, logistics, warehousing, transport, manufacturing and other larger format industrial uses once supply runs out in other locations.

The subject site aligns with the need for areas to be;

- protected and retained and opportunities to consolidate and recycle land should be considered in these locations. Crucial in supporting these areas will be new industrial areas that have been set aside. These can provide large areas of unfragmented land providing the required land area for freight, logistics, warehousing, transport, manufacturing and other larger format industrial uses once supply runs out in other locations.

The subject site will increase supply within the Southern SSIP and respond to the freight, logistics, warehousing and manufacturing needs highlighted above.
Introduction

This report has been prepared by Macroplan for Intrapac Property to inform a submission to the Melbourne Industrial and Commercial Land Use Plan.

This report presents an economic land use assessment and evaluation of commercial and industrial land supply within the Greater Dandenong region, specifically to demonstrate need for additional land supply and the net community benefit outcome for planned industrial development at the subject site. Our analysis indicates that

The subject site comprises two adjoining properties commonly known as Frankston-Dandenong Road, Bangholme and Harwood Road, Bangholme (respectively). The proposed land use for the subject site if for industrial activities including manufacturing and freight and logistics. These land use activities have been the subject of the net community benefit and assessed against alternative land use outcomes (i.e. continued use as agricultural grazing land).

This report demonstrates that there is a short term need (i.e. within the next 5-10 years) for additional commercial and industrial land supply within Greater Dandenong (and specifically within the Southern state significant industrial precinct) and that the proposed development plan for the subject site supports a significantly improved net community benefit outcome (compared to the current zoned land use).

The limitations that other SSIPs and future SSIPs have in the area is that they have limited attractive space for large format operators and other large employers to locate. The Southern SSIP on the other hand can expand further to the south into the area bounded by Dandenong Valley Road, Harwood road and Eastlink, to provide an area for low-environmental impact uses. This will allow for more efficient use of the land in the Southern SSIP and provide the area with another 5-10 years of supply, providing long term certainty for growth in Dandenong.

Additionally, the MICLUP provides an excellent opportunity to create formal buffers around emergent uses, such as the Willow Lodge Mobile Home Village and develop a logical and tapered (in terms of the intensity of land use) southern border to the Southern SSIP based on underutilised existing infrastructure (water, power and several major roads).

This would deliver a significant boost to Dandenong and support the wider objective of supporting SSIPs by providing the largest and fastest growing SSIP with a logical area to consolidate less-intensive uses that support the wider precinct. The firm developments proposed would form the basis of development in the precinct and underpin future growth in support and ancillary uses.
Section 1: Regional and Site Context

1.1 The Precinct

The Land to the south of the Southern SSIP is GWZ bounded on all four sides by significantly more intensive land uses. These include industrial uses, residential uses (from the former caravan park now Mobile Home Village) and public utility services. None of these uses have logical buffers or tapered uses graduated towards the green wedge and this is unlikely to change in the future. The area therefore meets few of the criteria of a green wedge location.

The site’s current designation came about primarily due to Melbourne Water, who argued that the land formed a buffer both for sensitive uses and satisfied their requirements for an odour buffer from its water treatment facility which is now on the other side of Eastlink from the precinct. The guidelines that caused Melbourne water to make their objections have since changed and more recently, Melbourne water has not objected to non-sensitive uses proposed within the precinct.

This report contends that there are two primary factors that require the precinct’s current land use be reviewed:

- That the area does not currently have a long-term plan to deliver logical protections (i.e. buffers) to the emergent residential use to protect the lifestyle and wellbeing of the residents there. Additionally, there is no formal buffer or gradation between the intensive uses of the Southern SSIP and the GWZ.

- That land demand in the Southern SSIP cannot be adequately replaced with land set aside in other areas (i.e. Cardinia) as there is significant distance between existing supply and the SSIP. This is in the context of a rapidly depleting stock of land in the Southern SSIP. In order to provide enough land for the Southern SSIP to provide supply to at least 2030, some additional supply must be provided. The logical location to do so given the shape of the SSIP and surrounding land use framework is to allow some closely monitored non-sensitive development within the subject precinct.

These factors combine with the goal in the MiCLUP to support SSIPs with the space required for large format uses and to seek ways to maximise the efficiency of the current SSIP by providing an alternative location for non-sensitive uses that is still close enough to interact with the largest operating industrial area in the State.

This precinct will provide an interim ‘overflow’ for the Southern SSIP maintaining local growth rates in the medium term which will not continue under the business as usual scenario. This will allow the SSIP to deliver on goals to create more jobs and develop deeper value chains creating greater economic multipliers.

This report examines sites within the precinct that are subject to commitments from high value, non-sensitive land uses that are within the precinct. These sites take maximum advantage of existing infrastructure and would provide hundreds of manufacturing jobs in addition to supporting a significant amount of supporting industry and jobs in the wider economy.
1.2 The Site

The subject site includes lots [redacted] commonly known as [redacted] Frankston-Dandenong Road, Bangholme and [redacted] Harwood Road, Bangholme (respectively). These sites directly neighbour the existing Southern SSIP (State Significant Industrial Precinct) in the east.

The subject site (Map 1.1) is located on and to the west of Dandenong Valley Highway, a major arterial road connecting Frankston to Dandenong. The site also has relatively direct access to the Eastlink providing connection to eastern suburbs of metro Melbourne.

The sites collectively represent 81.56 ha of land:
- [redacted] Frankston-Dandenong Road, Bangholme – 44.18 ha
- [redacted] Harwood Road, Bangholme – 37.38 ha

The sites are currently zoned Green Wedge (refer section 1.2) and are used for rural purposes. [redacted] Frankston-Dandenong Road occupies a small rural residential dwelling with sparse low-level vegetation. [redacted] Harwood Road occupies some derelict buildings and cattle grazing land with limited vegetation.

Map 1.1 The Site

Agriculture Victoria’s Land Capability Assessment of Melbourne’s Green Wedge and Peri-Urban Areas (2018) assessed the capability of green wedge land across Melbourne for intensive soil-based agriculture production. The land capability has been classified into five classes of which Classes 1, 2 and 3 are considered potentially suitable for future identification as ‘Strategic Agricultural Land’ (SAL). As the map below shows the subject site has been assessed as Class 4 and is not inherently capable of intensive soil-based agriculture. It is average quality
Executive summary

agricultural land capable of supporting non-soil utilisation activities such as grazing. This has formed the basis of economic analysis later in this report (Section 4).

Class 4: Land that is not as inherently capable for intensive soil-based agriculture. Extensive agriculture (including broadacre cropping with suitable land management practices) and non-soil utilisation activities are often most appropriate, and more intensive grazing is possible in some higher rainfall areas or where consistent water supplies are available.

Source: Agriculture Victoria - Land Capability Assessment of Melbourne’s Green Wedge and Peri-Urban Areas (October 2018)
1.3 Planning Controls

Located outside the Urban Growth Boundary (UGB), the planning controls under the Greater Dandenong Planning Scheme (the Scheme) on the sites known as Frankston-Dandenong Road, Bangholme and Harwood Road, Bangholme are as follows:

Green Wedge Zone

Both sites are located within the Green Wedge Zone. The purpose of this zone is:

- To implement the Municipal Planning Strategy and the Planning Policy Framework.
- To provide for the use of land for agriculture.
- To recognise, protect and conserve green wedge land for its agricultural, environmental, historic, landscape, recreational and tourism opportunities, and mineral and stone resources.
- To encourage use and development that is consistent with sustainable land management practices.
- To encourage sustainable farming activities and provide opportunity for a variety of productive agricultural uses.
- To protect, conserve and enhance the cultural heritage significance and the character of open rural and scenic non-urban landscapes.
- To protect and enhance the biodiversity of the area.

The permissible land uses under this zone are agriculture-related, with other uses such as residential hotel, function centres and restaurants also permissible subject to meeting a number of conditions. Further to this, the schedule to this zone contains minimum subdivision areas that applies to the zone.
Map 1.2 Zoning, the Site & Surrounds

Source: VicPlan (2019)
Environment Significance Overlay (Schedule 3 – Eastern Treatment Plant Buffer Area)
The Environment Significance Overlay (Schedule 3 – Eastern Treatment Plant Buffer Area) covers the entire subject site. The purpose of this overlay is:

The Eastern Treatment Plant provides sewage and wastewater treatment facilities for most of eastern Melbourne. The inappropriate establishment or siting of odour-sensitive uses could impact on the operation of the Treatment Plant.

The overlay contains a number of objectives:

- To ensure that the use and development of land around the Eastern Treatment Plant is compatible with the Plant’s operation;
- To regulate the establishment and siting of odour-sensitive uses so that the impact of any odour from the Eastern Treatment Plant is minimised; and
- To exclude uses that require the presence of a large number of people over an extended period of time.

Melbourne Water is identified as a determining authority and all proposals must be referred to Melbourne Water under Section 55 of the Planning and Environment Act 1987.

Map 1.3 Environment Significance Overlay

Vegetation Protection Overlay (Schedule 1 – Native Vegetation in the Main Portion of the Green Wedge)
This overlay covers both sites with the objectives of:

- To protect existing ecological values.
- To maintain the quality of the remaining fauna habitat in the Greater Dandenong Green Wedge and to create additional habitat and connectivity.
Executive summary

- To ensure that vegetation remains a significant part of the character and visual amenity of the Greater Dandenong Green Wedge.
- To promote the retention and establishment of vegetation.

The purpose of this clause is to protect native vegetation such as the River Red River from removal. The location of this native vegetation could be retained and potentially used as a landscape buffer if development was proposed in future.

Map 1.4 Vegetation Protection Overlay

Source: VicPlan, 2019
1.4 Planning History

Planning Scheme Amendment C143 – Greater Dandenong Green Wedge Management Plan 2014

The purpose of Planning Scheme Amendment C143 – Greater Dandenong Green Wedge Management Plan 2014 was to implement the recommendation of the City of Greater Dandenong Green Wedge Management Plan 2014. The Green Wedge area is divided into seven (7) precincts with both sites being located in Precinct 6 – Bangholme East.

The Planning Panel Report dated 01 December 2016 contains the following discussion relating to Precinct 6 - Bangholme:

While Council initially supported the rezoning of the Harwood Road North sub-precinct for industrial development and inclusion in the UGB, the Urban Growth Boundary Anomalies Advisory Committee ultimately found that it did not represent an anomaly and had more strategic considerations that should be considered further. The ICCD was completed after the preparation of the GWMP which was not ideal, however, this report has now found that there is sufficient industrial land to 2030. It is not the role of this Panel to reconsider the findings of the ICCD as this was not part of the exhibited Amendment.

The Panel, therefore, accepts the Council’s submission that there is sufficient industrial land in Dandenong South at present. This situation may change and the Panel notes that the GWMP is scheduled to be reviewed every 5 years.

The Panel concludes that it is not appropriate to change the Amendment to facilitate industrial development of the Harwood Road North sub-precinct.

This amendment was gazetted on 10 August 2017 and Precinct 6 – Bangholme was maintained as Green Wedge Zone.

Planning Permit Application PLN16/0072

Planning Permit Application PLN16/0072 proposed the use and development of the land known as Harwood Road, Bangholme for a market, rural industry, reduction to the car parking requirements of Clause 52.06 and alteration of access to a Road Zone, Category 1. As part of the process, the application was referred to Melbourne Water under Section 55 of the Planning and Environment Act 1987. Melbourne Water did not object to the proposal. However, the following conditions were required to be included if a permit were to be issued by Council:

- Prior to the development plans being endorsed and the commencement of works, amended plans must be submitted to Council and Melbourne Water addressing Melbourne Water's condition relating to the drainage strategy. Plans must be submitted with ground and floor levels to Australian Height Datum (AHD).
- Prior to the development plans being endorsed and the commencement of works, a drainage strategy must be prepared, detailing how the development will safely convey overland flows, and demonstrating that the buildings meet Melbourne Water's minimum floor level requirements. The drainage strategy will be subject to Melbourne Water review and approval.
Executive summary

- *Pollution and sediment laden runoff shall not be discharged directly or indirectly into Melbourne Water's drains or waterways.*

At the Council Meeting held on 26 June 2017, Council resolved that a Notice of Decision (NOD) to Grant a Planning Permit be issued subject to a number of permit conditions. During the NOD timeframe, Council’s decision was appealed at the Victorian Civil and Administrative Tribunal (VCAT) under Section 82 of the *Planning and Environment Act 1987*. The VCAT proceeding was called in by the Minister of Planning and an Advisory Committee was established.

The Advisory Committee released its report on 20 August 2018 and the following was stated in regard to Melbourne Water Eastern Treatment Plant:

- *The ESO3 objectives seek to protect the on-going operation of the Eastern Treatment Plant by ensuring that the proposed uses in the area are compatible with its operations, are not odour-sensitive and do not require the presence of a large number of people over an extended period of time.*

ESO3 does not define what is meant by ‘large number of people’ and ‘extend period of time’. The Committee considers the proposed 50 people over 12-hours and 350 people over four hours, five days each week to be a large number of people over an extended period of time. While 350 people present between 6am to 10am are only likely to be there over a short period of time, 50 staff would be there for an extended period of time. A considerable proportion of the market’s operation would be within buildings, however, each building’s loading doors would be open periodically throughout the day. The Committee considers that the proposal can meet the first two ESO3 objectives. It does this while acknowledging that the Environmental Significance Overlay controls development and does not enable a schedule to regulate land use.

In assessing the extent to which the large number of attendees may impact the acceptability of the proposal, the Committee has applied considerable weight to Melbourne Water’s response. As the primary beneficiary of ESO3 and a determining referral authority, Melbourne Water did not object to the proposed number or intensification of people over the proposed operating hours.

The Advisory Committee issued the following recommendation:

*Based on the reasons set out in this Report, the Committee recommends that Greater Dandenong Planning Permit PLN16/0072 should not be granted.*

This recommendation was based on:

- *The proposal will result in a loss of considerable agricultural land from one of the larger properties in the Green Wedge;*

- *The proposed development is contrary to the Green Wedge Policy vision of providing green spacious relief from surrounding urban development;*

- *The proposed development does not meet the siting and design guidelines in the Green Wedge Management Plan; and*
Executive summary

- The net community benefit of protecting green spacious relief for present and future generations outweighs any benefit resulting from a wholesale market operating on the subject land.

Based on the committee’s reasons and recommendation, Council was directed by the Minister of Planning not to issue a planning permit.

Planning Scheme Amendment C205 – Green Wedge Management Plan – Permanent Controls

Planning Scheme Amendment C205 - Green Wedge Management Plan – Permanent Controls introduced the Vegetation Protection Overlay (Schedule 1 – Native Vegetation in the Main Portion of the Green Wedge) to the Scheme. The introduction of this control to the Scheme is to replace the interim Vegetation Protection Overlay (Schedule 1) which expired on 31 December 2018. This overlay covers the sites bounded by the following roads located in the suburbs of Keysborough, Bangholme and Lyndhurst:

- Marriott Drive, Hutton Road and Glasscocks Road to the North;
- Perry Road, Frankston-Dandenong Road and Dandenong-Hasting Road/Westernport Highway to the east;
- Thompsons Road to the south; and
- Springvale Road and Mornington Peninsula Freeway to the west.

The purpose of this amendment was to implement one of the key recommendations from the City of Greater Dandenong Green Wedge Management Plan, 2017 and the City of Greater Dandenong Green Wedge Biodiversity Management Planning Controls: Advice for ongoing protection, 2018. The Planning Panel report dated 27 March 2017 stated that:

The permanent VPO is intended to provide ongoing protection for indigenous and native vegetation, particularly River Red Gums (Eucalyptus camaldulensis), and greater certainty for Council, green wedge residents and authorities regarding the long term vision and management of native vegetation in the area.

Amendment C205 was gazetted and introduced to the Scheme on 04 October 2019
Section 2: Proposed Development Plan

The proposed development plan for the subject site is for each of the two properties to be developed based on the business operational needs of the two intended companies. These companies include Jayco, that is planned as the future owner and occupier of Frankston-Dandenong Road, and TIC Group that is planned as the future owner and occupier of Harwood Road.

Details of the business operations and future intent for built form and activities across the subject site are presented for each of the companies below.

Jayco

Jayco is a recreational vehicle manufacturer that was established in 1975. The company is one of the largest manufacturers of RVs in Australia, with a 50-acre complex including 100,000sqm of manufacturing warehouse in Dandenong South.

The manufacturing activities of the company were previously dispersed across a number of locations prior to the business consolidating these activities in a single location (the current Dandenong South complex) in 2007. This consolidation has supported the growth of the business, however, this growth has consumed the current site capacity and additional capacity is required within the immediate surrounding area to support future business growth as well as maintain a consolidation of business activities at the current location.

The proposed new facility will be located approximately 300 metres from the current complex to maintain a consolidation of manufacturing activities and therefore efficiencies in production activities and processes. The new site will comprise manufacturing factories and warehouses across the 44.2 ha site area.

The continued consolidation of Jayco’s RV manufacturing activities within Dandenong South will further support and enhance the related supply chain that has already established in the surrounding area. This supply chain includes a range of businesses related to materials supply, manufacturing and fabrication as well as automotive design, servicing and parts. The planned new Jayco manufacturing facility will support growth within this broad sector and provide a greater opportunity for clustering of these related industries and businesses.

The proposed site provides the capacity for Jayco to continue to grow in Dandenong South, providing certainty that the overall manufacturing operations of the business will continue to be consolidated for the foreseeable future. An alternative location would spread the company’s manufacturing operations over multiple precincts, which would be contradictory to the consolidation and amalgamation efforts the company has undertaken since 2007.

TIC Group

The TIC Group was established in 1989 and is a solutions oriented company that provides inventory and supply chain services to retailers and suppliers. It has a range of core services that offer different solutions to retailers and suppliers, including the following:

- Retail accessories – provides reusable garment hangers and other accessories for the retail sector.
Executive summary

- Reverse logistics – this includes both software and logistical solutions that manage customer return items, clearance and end of line items for over 4,000 retailers and suppliers globally. This includes handling more than 15 million items per year.
- Marketing services – the business works within the retail industry to aggregate, consolidate and project manage the distribution of marketing requirements, fixtures and fittings and consumables.
- On demand warehousing – provides on demand and pay-as-you-go warehousing capacity for retailers and suppliers.
- Mattress recycling – a new service that breaks down and recycles discarded mattresses.
- Healthcare – a new service for the company focused on the supply and distribution of medical and surgical equipment.

Most of the TIC Group’s services involve the distribution (often reverse distribution) and/or warehousing of retail items and retail accessories. The capacity to provide these services is currently facilitated by two large warehouses located at Altona North and Tottenham. These warehouses collectively comprise more than 93,000sq.m of space. These existing facilities are located in Melbourne’s inner west, are well connected to freight and logistics networks and are well positioned to service the needs of retailers and suppliers throughout the established Central Melbourne region.

The planned facility at Dandenong South will establish a new 73,600sq.m warehouse and distribution centre that will support a range of TIC Group’s core services. The new facility provides a strategic location to support the company’s expansion in Melbourne by being centrally located within Melbourne’s growing south western corridor, providing accessibility for retailers and suppliers as well as connectivity to existing freight and logistics networks and providers.
The site at Dandenong South provides the necessary capacity to support the scale of facility required, as well as a location that facilitates the needs of the TIC Group’s business operations. A critical need is connectivity to their network of clients including retailers and supplier throughout the metropolitan region. An alternative site that is further removed from the existing metropolitan region is unlikely to be suitable for the TIC Group due to the increased cost of distribution and lack of convenient access for clients (such as warehouse on demand clients).
Section 3: Economic Case

3.1 Dandenong NEIC & Southern SSIP

Southern Region Context
The Southern Region has the largest share of population and the second largest share of jobs of all Metropolitan regions. The Southern Region also has the second highest rate of industrial land consumption in metro Melbourne.

There are two NEICs (i.e. Monash and Dandenong) and three SSIPs (i.e. Southern, Officer-Pakenham and Port of Hastings) located in the Southern Region, highlighting the relative importance of the Southern Region. The Southern SSIP forms part of the Dandenong NEIC and is the largest SSIP within the Southern Region. With limited industrial land supply and high consumption rate, it is estimated that the available industrial land in the Southern SSIP is likely to be exhausted in the next 7-8 years.

Map 3.1 Southern Region Context

<table>
<thead>
<tr>
<th>SOUTHERN SSIP</th>
<th>Officer-Pakenham SSIP</th>
<th>Greater Melbourne</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Land Stock</td>
<td>2,484.4 Ha</td>
<td>634.5 Ha</td>
</tr>
<tr>
<td>Vacancy Rate</td>
<td>17.9%</td>
<td>49.9%</td>
</tr>
<tr>
<td>Consumption*</td>
<td>63.5 Ha p.a.</td>
<td>13.9 Ha p.a.</td>
</tr>
<tr>
<td>Theoretical Exhaustion*</td>
<td>7.9 Years</td>
<td>22.7-90.0 Years</td>
</tr>
</tbody>
</table>

Note: * Consumption refers to average consumption rates during 2015-2018 p.a.

* The higher range includes proposed industrial land.

Source: UDIP (2018)

Greater Dandenong LGA
Greater Dandenong is one of the established municipalities in the Southern Region of Melbourne. Approximately 28% of the land in the Greater Dandenong LGA is zoned for residential uses, most of which is located in the northern portion of the municipality. Whilst the majority of the existing housing stock is detached houses, there has been increasing densification with mid-to-high density residential development particularly around activity centres.
There is relatively large stock of employment land in the Greater Dandenong LGA owing to the Dandenong NEIC and Southern SSIP located within the municipality. This includes approximately 2,612 hectares of land zoned Industrial Zone (including Schedule 1, 2 and 3), most of which are located within the Southern SSIP, 696 hectares of land zoned Commercial Zone (including Schedule 1 and 2) and 168 hectares of land zoned Special Use Zone (including Schedule 1, 2, 3, 4, 5 and 6).

Land area by zone within the municipality is presented in Table 3.1 and Map 3.2.

Table 3.1 Land Use by Zoning, Dandenong LGA

<table>
<thead>
<tr>
<th>Zone</th>
<th>Code</th>
<th>Land Area (ha)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial 1 Zone</td>
<td>C1Z</td>
<td>69.1</td>
<td>0.5%</td>
</tr>
<tr>
<td>Commercial 2 Zone</td>
<td>C2Z</td>
<td>625.6</td>
<td>4.8%</td>
</tr>
<tr>
<td>Comprehensive Development Zone - Schedule 1</td>
<td>CDZ1</td>
<td>25.5</td>
<td>0.2%</td>
</tr>
<tr>
<td>Comprehensive Development Zone - Schedule 2</td>
<td>CDZ2</td>
<td>68.8</td>
<td>0.5%</td>
</tr>
<tr>
<td>Farming Zone</td>
<td>FZ</td>
<td>11.9</td>
<td>0.1%</td>
</tr>
<tr>
<td>General Residential Zone - Schedule 1</td>
<td>GRZ1</td>
<td>2,046.9</td>
<td>15.8%</td>
</tr>
<tr>
<td>General Residential Zone - Schedule 2</td>
<td>GRZ2</td>
<td>365.8</td>
<td>2.8%</td>
</tr>
<tr>
<td>Green Wedge A Zone</td>
<td>GWAZ</td>
<td>546.8</td>
<td>4.2%</td>
</tr>
<tr>
<td>Green Wedge Zone</td>
<td>GWZ</td>
<td>1,816.8</td>
<td>14.0%</td>
</tr>
<tr>
<td>Industrial 1 Zone</td>
<td>IN1Z</td>
<td>2,135.2</td>
<td>16.5%</td>
</tr>
<tr>
<td>Industrial 2 Zone</td>
<td>IN2Z</td>
<td>289.7</td>
<td>2.2%</td>
</tr>
<tr>
<td>Industrial 3 Zone</td>
<td>IN3Z</td>
<td>187.3</td>
<td>1.4%</td>
</tr>
<tr>
<td>Mixed Use Zone</td>
<td>MUZ</td>
<td>34.6</td>
<td>0.3%</td>
</tr>
<tr>
<td>Neighbourhood Residential Zone - Schedule 1</td>
<td>NRZ1</td>
<td>1,026.6</td>
<td>7.9%</td>
</tr>
<tr>
<td>Public Conservation And Resource Zone</td>
<td>PCRZ</td>
<td>40.8</td>
<td>0.3%</td>
</tr>
<tr>
<td>Public Park And Recreation Zone</td>
<td>PPZR</td>
<td>346.2</td>
<td>2.7%</td>
</tr>
<tr>
<td>Public Use Zone - Service And Utility</td>
<td>PUZ1</td>
<td>1,024.5</td>
<td>7.9%</td>
</tr>
<tr>
<td>Public Use Zone - Education</td>
<td>PUZ2</td>
<td>122.3</td>
<td>0.9%</td>
</tr>
<tr>
<td>Public Use Zone - Health And Community</td>
<td>PUZ3</td>
<td>8.7</td>
<td>0.1%</td>
</tr>
<tr>
<td>Public Use Zone - Transport</td>
<td>PUZ4</td>
<td>88.0</td>
<td>0.7%</td>
</tr>
<tr>
<td>Public Use Zone - Cemetery/Crematorium</td>
<td>PUZ5</td>
<td>338.1</td>
<td>2.6%</td>
</tr>
<tr>
<td>Public Use Zone - Local Government</td>
<td>PUZ6</td>
<td>6.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Public Use Zone - Other Public Use</td>
<td>PUZ7</td>
<td>0.4</td>
<td>0.0%</td>
</tr>
<tr>
<td>Road Zone - Category 1</td>
<td>RDZ1</td>
<td>820.6</td>
<td>6.3%</td>
</tr>
<tr>
<td>Road Zone - Category 2</td>
<td>RDZ2</td>
<td>116.2</td>
<td>0.9%</td>
</tr>
<tr>
<td>Residential Growth Zone - Schedule 1</td>
<td>RGZ1</td>
<td>172.5</td>
<td>1.3%</td>
</tr>
<tr>
<td>Residential Growth Zone - Schedule 2</td>
<td>RGZ2</td>
<td>54.0</td>
<td>0.4%</td>
</tr>
<tr>
<td>Special Use Zone - Schedule 1</td>
<td>SUZ1</td>
<td>106.2</td>
<td>0.8%</td>
</tr>
<tr>
<td>Special Use Zone - Schedule 2</td>
<td>SUZ2</td>
<td>4.2</td>
<td>0.0%</td>
</tr>
<tr>
<td>Special Use Zone - Schedule 3</td>
<td>SUZ3</td>
<td>5.3</td>
<td>0.0%</td>
</tr>
<tr>
<td>Special Use Zone - Schedule 4</td>
<td>SUZ4</td>
<td>9.7</td>
<td>0.1%</td>
</tr>
<tr>
<td>Special Use Zone - Schedule 5</td>
<td>SUZ5</td>
<td>4.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Special Use Zone - Schedule 6</td>
<td>SUZ6</td>
<td>38.3</td>
<td>0.3%</td>
</tr>
<tr>
<td>Urban Floodway Zone</td>
<td>UFZ</td>
<td>386.3</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>12,942.0</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Source: DEEWR, Macroplan (2019)
Dandenong NEIC

Over three quarters of land located within the Dandenong NEIC is zoned for industrial uses, including 2,849 hectares of land zoned Industrial Zone (including Schedule 1, 2 and 3), 469.4 hectares of land zoned Commercial 2 Zone (C2Z) and 19.1 hectares of land zoned Special Use Zone (including Schedule 3, 4 and 5). This highlights the major industries of manufacturing, transport, postal services and warehousing within the Dandenong NEIC and particularly the Southern SSIP.

There is very limited residential zoned land within the NEIC, which are largely located in the fringe of the Dandenong Activity Centre in the north of the NEIC.

Land area by zone within the NEIC is presented in Table 3.2 and Map 3.3.

Table 3.2 Land Use by Zoning, Dandenong NEIC

<table>
<thead>
<tr>
<th>Zone</th>
<th>Code</th>
<th>Land Area (ha)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial 1 Zone</td>
<td>C1Z</td>
<td>1.9</td>
<td>0.0%</td>
</tr>
<tr>
<td>Commercial 2 Zone</td>
<td>C2Z</td>
<td>469.4</td>
<td>11.0%</td>
</tr>
<tr>
<td>Comprehensive Development Zone - Schedule 1</td>
<td>CDZ1</td>
<td>25.5</td>
<td>0.6%</td>
</tr>
<tr>
<td>Comprehensive Development Zone - Schedule 2</td>
<td>CDZ2</td>
<td>68.8</td>
<td>1.6%</td>
</tr>
<tr>
<td>Farming Zone</td>
<td>FZ</td>
<td>1.1</td>
<td>0.0%</td>
</tr>
<tr>
<td>General Residential Zone - Schedule 1</td>
<td>GRZ1</td>
<td>236.8</td>
<td>5.6%</td>
</tr>
<tr>
<td>General Residential Zone - Schedule 2</td>
<td>GRZ2</td>
<td>87.7</td>
<td>2.1%</td>
</tr>
<tr>
<td>Industrial 1 Zone</td>
<td>INTZ</td>
<td>2,371.9</td>
<td>55.7%</td>
</tr>
<tr>
<td>Industrial 2 Zone</td>
<td>INTZ</td>
<td>289.7</td>
<td>6.8%</td>
</tr>
<tr>
<td>Industrial 3 Zone</td>
<td>INTZ</td>
<td>187.3</td>
<td>4.4%</td>
</tr>
<tr>
<td>Public Conservation And Resource Zone</td>
<td>PRZ</td>
<td>21.2</td>
<td>0.5%</td>
</tr>
<tr>
<td>Public Park And Recreation Zone</td>
<td>PPRZ</td>
<td>79.6</td>
<td>1.9%</td>
</tr>
<tr>
<td>Public Use Zone - Cemetery/Crematorium</td>
<td>PUZ5</td>
<td>4.2</td>
<td>0.1%</td>
</tr>
<tr>
<td>Public Use Zone - Education</td>
<td>PUZ2</td>
<td>11.9</td>
<td>0.3%</td>
</tr>
<tr>
<td>Public Use Zone - Health And Community</td>
<td>PUZ3</td>
<td>7.5</td>
<td>0.2%</td>
</tr>
<tr>
<td>Public Use Zone - Local Government</td>
<td>PUZ6</td>
<td>0.4</td>
<td>0.0%</td>
</tr>
<tr>
<td>Public Use Zone - Service And Utility</td>
<td>PUZ1</td>
<td>119.2</td>
<td>2.8%</td>
</tr>
<tr>
<td>Public Use Zone - Transport</td>
<td>PUZ4</td>
<td>75.9</td>
<td>1.8%</td>
</tr>
<tr>
<td>Residential Growth Zone - Schedule 1</td>
<td>RGZ1</td>
<td>17.6</td>
<td>0.4%</td>
</tr>
<tr>
<td>Residential Growth Zone - Schedule 2</td>
<td>RGZ2</td>
<td>13.6</td>
<td>0.3%</td>
</tr>
<tr>
<td>Road Zone - Category 2</td>
<td>RDZ2</td>
<td>72.2</td>
<td>1.7%</td>
</tr>
<tr>
<td>Special Use Zone - Schedule 3</td>
<td>SUZ3</td>
<td>5.3</td>
<td>0.1%</td>
</tr>
<tr>
<td>Special Use Zone - Schedule 4</td>
<td>SUZ4</td>
<td>9.7</td>
<td>0.2%</td>
</tr>
<tr>
<td>Special Use Zone - Schedule 5</td>
<td>SUZ5</td>
<td>4.0</td>
<td>0.1%</td>
</tr>
<tr>
<td>Urban Floodway Zone</td>
<td>UFZ</td>
<td>73.6</td>
<td>1.7%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>4,266.0</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: DELWP, Macroplan (2019)
Southern SSIP - Land Availability & Exhaustion
The majority of zoned industrial land within the Southern SSIP is located in City of Greater Dandenong with a small portion located within City of Casey.

The Southern SSIP is the largest of the three within the Southern Region, totalling 2,957 hectares of zoned industrial land. Within the Southern SSIP, there are:

- Approx. 2,454 hectares are occupied with the majority (1,688 ha or 68.8%) being located within Industrial 1 zone (IN1Z).
- Approx. 502.6 hectares are available for industrial use with the majority (450 ha or 89.7%) being located within IN1Z.
- The majority of zoned industrial land stocks located along Greens Road, north of Abbots Road and along Frankston Dandenong Road and Dandenong Bypass are occupied.
- Most industrial land available for development is located in the south-east of the precinct (abutting the Green Wedge corridor) and north-western corner of the precinct at Dandenong Bypass.

There is no proposed industrial land in the Southern SSIP identified by UDP.

SGS Economic and Planning completed the Industrial and Commercial Change and Demand Final Strategy for the City of Greater Dandenong in May 2016. This report forecasts that demand for commercial and industrial zoned land will increase from 2,491.6 ha in 2011 to 3,581.3 ha in 2041, indicating an average consumption rate of 36.3 Ha per annum.

The SGS report concludes that on the basis of forecast demand, the remaining commercial and industrial land supply in Greater Dandenong will be consumed by 2036, but that due to frictional vacancy, additional supply will likely be required by 2029-30.

While the SGS report forecasts demand and consumption as an average of 36.3 ha per annum, UDP data demonstrates that actual commercial and industrial land consumption has been much higher in Greater Dandenong and specifically within the Southern SSIP.

Commercial and industrial land consumption has averaged 63.5 ha per annum within the Southern SSIP since 2016 and has a vacancy rate of 17%. This is the highest rate of consumption and lowest vacancy rate of all SSIPs within the Metropolitan Melbourne region.

The actual rate of consumption in the Southern SSIP has significant implications for those remaining supply forecasts presented in the SGS report. Rather than supply being exhausted by 2036, it is more likely that the remaining vacant supply will be exhausted in 7-8 years time, or potentially by around 2027.

However, this assumes that all remaining vacant zoned land is available to the market. There are a number of vacant land areas within the Southern SSIP that are not available to the market, either due to lack of development intent or some other form of constraint. This constraint on supply, as well as the frictional vacancy effect noted in the SGS report, demonstrates that the available supply may be exhausted in as little as 3-4 years time, with businesses seeking to establish within the precinct impacted by the limited choice in supply impacted well before then.
In order to provide 10 years of zoned and serviced land for industrial land use, it is estimated that at a minimum, an addition of **132.7 ha** of industrial land (on top of the identified supply of 502.6 ha) will be required within the Southern SSIP based on current consumption rate of 63.5 ha p.a.

**Table 3.3 Southern SSIP Industrial Land by Zoning, 2018**

<table>
<thead>
<tr>
<th>Southern SSIP</th>
<th>Occupied</th>
<th>Supply</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ha</td>
<td>%</td>
<td>Ha</td>
</tr>
<tr>
<td>C2Z</td>
<td>395.1</td>
<td>16.1%</td>
<td>16.7</td>
</tr>
<tr>
<td>IN1Z</td>
<td>1,688.0</td>
<td>68.8%</td>
<td>450.7</td>
</tr>
<tr>
<td>IN2Z</td>
<td>256.3</td>
<td>10.5%</td>
<td>10.5</td>
</tr>
<tr>
<td>IN3Z</td>
<td>113.6</td>
<td>4.6%</td>
<td>24.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,454.4</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>502.6</strong></td>
</tr>
</tbody>
</table>

Source: UDP (2018)
Executive summary

Map 3.5 Southern SSIP Aerial Map, October 2019

Source: NearMap (2019), Macroplan (2019)
The current marketed vacant land is predominantly held within three active estates; Jayco, Power Park and Nexus Industrial Estate. While these estates provide supply that is currently available to the market and therefore capable of meeting immediate land supply needs, the remaining supply within each estate is limited and may not accommodate the specific land supply needs of expanding or new businesses in the region. For example, the availability of large sites are becoming limited and therefore the opportunity to establish single large warehouses or consolidated complexes within the Southern SSIP is already becoming constrained.

Details of these estates are provided below.

**Jayco Industrial Park**
The Jayco Industrial Park is located in Dandenong South, with ready access to key freight routes including Eastlink, Western Port Highway and the South Gippsland Freeway located directly across the road from the subject site.

The estate is anchored by the Jayco headquarters, which includes a 20ha state of the art manufacturing complex with 100,000sqm under cover. Other major tenants include the 30,000sqm L'Oreal Distribution Centre.

The Jayco Industrial Estate is currently zoned Industrial 1, which provides for the manufacturing industry, the storage and distribution of goods and associated uses in a manner which does not affect the safety and amenity of local communities.

There are only three undeveloped sites left within the Jayco Park, totalling just 2 ha of vacant land.

**Power Park Industrial Estate**
Power Park Industrial Estate is a 50 ha business estate located south of the Jayco Industrial park. The park is currently accessible via a signalised intersection at Frankston-Dandenong Road and Jayco Drive, with an additional future access to be provided via a signalised intersection at Glasscocks Road.

Development within the park is to include clearance warehouses and office facilities across the 41 hectares of industrial land. Upon completion 30 businesses will be based in the estate.

Current tenants include ITW Proline, BJ Ball and UPM Rafiatac.

Stages 1–3 delivered in excess of 70,000 sqm of warehouse space and over 126,000 sqm of land sales.

Stage 4A is now fully developed with only four of the warehouses remaining for sale. Stage 4B represents the last of the undeveloped available land in the estate and equates to just 4.8 hectares.
Nexus Industrial Estate

Nexus Industrial, is located approximately 2km east of the subject site adjacent to the Western Port Highway.

This estate is being developed as a major freight and logistics park and is to include a 1.3km rail terminal, which will be directly connected to the Port of Melbourne and eventually the Port of Hastings and offers custom designed and built distribution centres and warehousing. As well as hard stand container holding and empty park storage and service facilities.

The 180ha estate is to provide provision for up to 60ha of purpose built warehousing / distribution centre facilities and a further 60ha of industrial-zoned land, allocated for business supporting the intermodal terminal.

Large volume warehousing and distribution are target tenants for Nexus. Future tenants will accompany Bunnings Distribution Centre, Woolworths Distribution Centre and Visa Global Logistics which are already existing onsite.

Based on the Nexus masterplan, stages 1-3 do not provide sufficient land capacity to support the proposed Jayco and TIC facilities. It is noted that stage 4 has 49 hectare of undeveloped land remaining, however the land use intent within the precinct based on connection to rail is likely to be unsuitable for the planned businesses at the subject site.

In addition to these active estates, there is only one zoned site within the SSPI, located at 265 Dandenong Hasting Road, directly south east of the Nexus Estate. This estate has a total site area of 62 ha however it is not an active estate and is not currently available on the market.
Executive summary

Potential Demand Transfer
The existing and planned commercial and industrial land supply at the Officer-Pakenham and Port of Hastings SSIPs provides significant capacity for future business and employment growth in the Southern region. This includes 319 ha of zoned industrial land and 918 ha proposed industrial land at Officer-Pakenham and 578 ha zoned industrial land at Port of Hastings.

However, there are a number of significant limitations and constraints that implicate the potential for demand transfer to these surrounding industrial precincts, which are outlined below.

- **Port of Hastings**
The Port of Hasting SSIP has significant limitations in relation to allowing industrial development as this SSIP and surrounding SUZ1 zoned land is reserved to port related uses. This significantly impacts the potential and opportunity for demand transfer, particularly for those specific industrial uses proposed at the subject site.

The extensive SUZ1 land within the Port of Hastings SSIP and Mornington Peninsula, while relatively abundant, are unable to readily accommodate this demand transfer due to the limitations of the zone for port purposes under current planning controls. The Port Development Strategy (2018) has identified approximately 150 ha land for general industrial uses (Map 19 overleaf). However, this land may be affected by the Tyabb Airport and pipelines. This land needs to be rezoned and only a portion of it is likely to be available for development.

Considering the physical distance and the lack of access to key supply chains / distribution networks and labour pools supporting business needs, and the inability of vacant land being suitable for general industrial uses it is limited without significant investment in infrastructure and changes to planning policies and controls.

- **Cranbourne West**
Amendment C219 proposes the conversion of approximately 133 hectares of land known as Hall Road, part of Western Port Highway and Western Port Highway, Cranbourne West from Commercial 2 Zone land to General Residential Zone. Council adopted the amendment in May 2018 and has been submitted to the Minister of Planning for consideration. The approval of this amendment will see the loss of 133 ha of industrial supply including 68 ha of vacant supply.

- **Officer–Pakenham SSIP**
Officer – Pakenham SSIP current includes 316.8 ha of vacant industrial supply. It is understood that a large proportion of this vacant supply is currently held by YourLand Developments and is undergoing assessment for alternative uses. While, there is a further 938ha of proposed industrial land within the Officer Packenham SSIP, this will likely contribute to the medium and long term supply of the region, as the Officer South Employment Precinct Structure Plan is still undergoing early stage planning. Further, the Victoria Freight Plan (2018) identifies the completion of the proposed North East Link within 5-10 years which is envisaged to support accessibility and further development in the Officer- Packenham SSIP.

- **Minta Farm**
It is noted that Minta Farm will support a small amount of light industry uses within its planned employment zone, however, this land is designed to support innovation and technology business uses including business
incubators and research and development, not traditional industrial uses such as manufacturing and freight and logistics.

While the exhaustion of industrial land stocks within the Southern SSIP will likely direct future demand for large-format, regionally significant industrial uses into neighbouring areas, such as Cranbourne West and Officer-Pakenham, those constraints outlined above will make this practically difficult and potentially impossible over the next 5-10 years. As such, there will strong emphasis on existing and/or new vacant capacity to accommodate the short term needs of new and expanding businesses within the Southern region.

Key Findings & Implications
The assessment indicates the following key findings and implications.

- The Southern Region has the largest share of population and the second largest share of jobs of all Metropolitan regions. The population within the Greater Dandenong LGA is forecast to grow steadily during 2016-31 and this will require approximately 21,000 jobs in order to accommodate the required employment outcomes of the region.

- The Southern SSIP is the largest SSIP in the Southern Region. There is limited available zoned industrial land supply for future uses within the Southern SSIP, with low vacancy rate, high consumption rate and no proposed future industrial land. Based on average consumption rate during recent years, it is estimated that the available industrial land in the Southern SSIP represents up to 7-8 years of supply, though available supply may be exhausted in less within the next 3-4 years.

- While there is vacant supply remaining throughout the Southern SSIP, this is quickly being absorbed and the limited supply that is left provides limited choice to meet the locational and site requirements for expanding or new businesses (i.e. site size, location, etc).

- As land supply tightens in the Southern SSIP, there will be pressure for demand transfer to surrounding precincts such as Cranbourne West, Port of Hastings, and Officer-Pakenham SSIP, however there are a number of significant limitations and constraints that limit the capacity and potential for this to occur over at least the next several years.

This indicates a requirement for additional residential land in the Greater Dandenong LGA and additional industrial land in and surrounding the Dandenong NEIC / Southern SSIP in order to meet market demand and needs over the next 5-10 years. Without additional industrial land supply, the opportunity for new and expanding businesses within the Southern region, such as the two businesses planned at the subject site, will be negatively impacted and will likely result in a negative impact on economic and employment growth within the region.

In order to provide 10 years of zoned and serviced land for industrial uses, it is estimated that at least an addition of 132.7 ha of industrial land (on top of the identified supply of 502.6 ha) will be required within the Southern SSIP based on current consumption rate of 63.5 ha p.a.
Section 4: Economic Evaluation

This section presents an economic evaluation of key impacts anticipated from the proposed land uses onsite and provides a comparison against the value of existing land use activities (agricultural grazing) to determine the net community benefit of the proposed development plan.

4.1 Land Use Options & Yield Assessment

Land Use Options

In order to conduct an economic evaluation of proposed development plan versus the existing land uses, the following land use options of the site have been assumed:

- **Business As Usual (BAU)** – do nothing scenario with the site remaining current zoning as GWZ and economic benefits are associated with the value of agricultural grazing activities across the site;

- **Proposed development plan** – industrial development onsite informed by the specific business needs of two separate companies.

Yield Assessment

The economic evaluation is based on the assumed future land use outcomes and the range of economic activity and impacts that these outcomes support. The following provides a summary of the assumed land use yields and activities supported under each of the two land use options.

**BAU**

- Development yield: N/A
- Economic activity: Agricultural production (i.e. cattle grazing).
- Employment: Limited direct employment supported (< 1 equivalent fulltime job)

The economic activity under the BAU scenario is assumed to be limited to specifically cattle grazing. This is informed by past assessments of the quality of the agricultural land onsite (referred to in the 2018 Bangholme Market Advisory Committee Report), which have determined the land as ‘average quality’ and suitable for grazing activities but not for cropping or other forms of agricultural production.

**Proposed development plan**

- Development yield: Jayco – 88,000sq.m GFA; TIC Group – 73,626sq.m GFA
- Economic activity: Jayco – industrial manufacturing activities; TIC Group – freight and logistics as well as business administration activities.
- Employment: Jayco – advised as 600 employees onsite; TIC Group – advised as 600 employees onsite.

The yield assessment for the proposed development plan is based on information received as well as assumptions. Macroplan has been advised of the general business activities that will be undertaken on each property as well as an estimate of 600 onsite employees at each property. The GFA of the planned TIC Group building has been informed by the current masterplan prepared for this site. The GFA of the planned Jayco building/s has been
assumed as 88,000sq.m by applying a similar rate of site cover to that anticipated on the TIC Group site (which is approximately 20%).

4.2 Economic Impact Assessment

The EIA will be based on the estimated theoretical yield of the site under each of the assumed scenarios and assess the following potential economic impacts:

- Construction phase impacts, including:
  - Estimated direct construction investment and construction induced economic output;
  - Direct and indirect construction related employment generated during construction phase.
- Operational phase impacts, including:
  - Operational employment generated;

4.2.1 BUA EIA Assessment

Assuming the continued use of the subject site for agricultural purposes, there will be no construction phase activities or benefit supported onsite.

The ongoing agricultural activities will support some level of economic output, based on the grazing activities that are supported. Macroplan has estimated this value by applying average stocking rates, production output and sales prices based on the site area and industry data relevant to the region. The following table provides a summary of the estimated output assessment, which indicates a value of $44,120 (per annum).

Table 4.1 Estimated Operational Impact – Production Output

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Site Area</td>
<td>82</td>
</tr>
<tr>
<td>Total Potential Stocking Rate (DSE)</td>
<td>2,221</td>
</tr>
<tr>
<td>Total Number Breeding Cow with calves</td>
<td>103</td>
</tr>
<tr>
<td>Beef production liveweight (kg/ha)</td>
<td>294</td>
</tr>
<tr>
<td>Production Output (Kg)</td>
<td>23,979</td>
</tr>
<tr>
<td>Average sale price liveweight ($/kg)</td>
<td>$1.84</td>
</tr>
<tr>
<td>Average Annual Revenue Potential</td>
<td>$44,120.70</td>
</tr>
</tbody>
</table>

Source: Evergraze.com.au, Meat & Livestock Australia, Macroplan

The $44,120 in economic output onsite is expected to support up to an additional $40,000 in related industry sectors as a result of economic multiplier effects.

The economic output onsite supports limited employment opportunities, with less than one fulltime equivalent (FTE) job supported.

4.2.2 Proposed Development Plan EIA Assessment

The proposed development plan will support construction phase impacts associated with the financial investment and employment related to the construction of planned factories and warehousing across the subject site. To assess the direct construction investment, the Rawlinsons Australian Construction Handbook (2018) has been
referred to and the following assumptions have been made in relation to average construction costs (at current terms):

- Industrial uses at approximately $1,500/sqm;

Based on these average construction costs, the total construction costs for the proposed development plan are estimated at:

- Jayco: $132.0 million for construction of 88,000 sqm GFA of industrial buildings;
- TIC Group: $110.4 million for construction of 73,626 sqm GFA of industrial buildings;
- Total construction investment: $242.4 million for construction of 161,626 sqm GFA of industrial buildings.

A total construction phase of 2 years has also been assumed.

All cost estimates reported here are preliminary and include construction works of the assumed buildings only. A number of items have been excluded from the construction cost estimates, listed as follows:

- Site works, i.e. demolition; decontamination, site remediation, bulky earthwork, servicing, etc;
- Internal and external roads;
- Infrastructure and engineering;
- Landscaping;
- Fit-out;
- Special equipment;
- Professional fees;
- PM / DM fees;
- Authority fees and charges;
- Finance costs;
- GST;
- Cost escalation;
- Project contingency.

More detailed cost estimates may need to be independently verified by a quantity surveyor.

All costs are in current terms.

Construction Phase Economic Growth
Initial construction investment will translate into a first round of benefits, realised as increased construction output and employment.

ABS Input-Output (I-O) tables have been used as a basis for calculating the economic benefits of this capital expenditure upon local and wider economy in the construction sector.

The ABS I-O multipliers indicate every $1 million of construction investment will generate another $1.3 million indirect economic output (production induced) during the construction phase.

Based on the ABS I-O multipliers, the overall impacts (including the initial construction investment) on Victorian economic outputs of the construction phase are estimated at:

- Jayco: $298.6 million;
Executive summary

- TIC Group: $249.7 million;
- Total construction benefit: $548.3 million.

Construction Phase Employment Growth

ABS I-O tables have been used as a basis for calculating employment generated in the construction sector during the construction phase.

The ABS I-O multipliers for the construction investment indicate an initial impact at approximately 2.4 direct construction related jobs created per $1 million of investment; plus another 3.8 indirect jobs (production induced) elsewhere in the economy during the construction phase. All jobs reported in the ABS I-O tables are measured as full time equivalent (FTE).

Based on the ABS I-O multipliers, the potential construction related employment generated at the site under the three scenarios during the 2-year construction phase is estimated at:

- **Jayco**: 159 direct FTE jobs per annum in the construction sector and 251 indirect FTE jobs per annum elsewhere in the economy, totalling 410 FTE jobs per annum during the construction phase;
- **TIC Group**: 133 direct FTE jobs per annum in the construction sector and 210 indirect FTE jobs per annum elsewhere in the economy, totalling 343 FTE jobs per annum during the construction phase;
- **Total**: 292 direct FTE jobs per annum in the construction sector and 462 indirect FTE jobs per annum elsewhere in the economy, totalling 753 FTE jobs per annum during the construction phase.

Operational Phase Impacts

As the development moves into the operational phase, more employment growth will potentially be generated from the operation of planned industrial uses onsite. The employment yields estimated for each site have been provided to Macroplan and have been used in estimating operational impacts for the overall subject site.

In addition to onsite employment, the manufacturing and freight and logistics activities will support additional offsite employment in related supply chain industries. These offsite employment impacts have been estimated using ABS I-O multipliers for each relevant industry sector.

The estimated onsite (direct) and offsite (indirect) employment for the subject site is outlined below.

- **Jayco**: 600 direct FTE jobs and 741 indirect FTE jobs elsewhere in the economy, totalling 1,341 FTE jobs during the operational phase;
- **TIC Group**: 600 direct FTE jobs and 546 indirect FTE jobs elsewhere in the economy, totalling 1,146 FTE jobs during the operational phase;
- **Total**: 1,200 direct FTE jobs and 1,287 indirect FTE jobs elsewhere in the economy, totalling 2,487 FTE jobs during the operational phase.

4.3 Economic Evaluation Comparison

The economic impact assessments presented for each of the two land use outcome scenarios clearly demonstrate that the proposed development plan supports a significant improved economic outcome. This relates to both the construction phase and operational phase benefits with the proposed development plan support a significantly higher rate of construction investment, construction employment, operational economic output and operational
employment. The direct investment, output and employment supported onsite will also have flow on effects throughout the broader economy.

The BAU land use option, which assumes the land will be used for cattle grazing creates no construction related benefits and limited operational phase benefits of approximately $44,120 per annum and less than 1 FTE job.

In comparison, the proposed development plan is expected to create up to $242.4 million in direct construction investment which is estimated to support up to 753 FTE jobs per annum (including direct and indirect jobs) throughout a two year construction period. Once operational, the planned businesses onsite are estimated to generate up to $406.5 million in economic output which will support up to 2,487 FTE jobs (including direct and indirect jobs).

On the basis of this comparison, the proposed development plan clearly represents a significantly improved net community benefit on the basis of economic output and employment opportunities within the region.
Section 5: Conclusion

The assessment presented throughout this report demonstrates that there is a short term need for additional industrial land supply within the Southern SSIP to meet market needs and that if additional supply is not provided, there may be negative impacts on economic and employment growth within the region.

This report also demonstrates that there is strong locational drivers and need for the proposed development plan and specifically for those planned businesses onsite. These businesses have locational requirements, based on the location of existing business operations and/or network of clients, that demonstrates why the subject site is a suitable and necessary location to accommodate their future industrial land and site needs.

Also, the economic impact analysis in this report demonstrates that the proposed development plan supports a significantly improved net community benefit, on the basis of economic output and employment opportunities, in comparison to the alternative agricultural use supported by the current land use zone onsite.

While these implications are considered to provide strong support for the proposed development plan, there are a number of planning principles and policy statements throughout the Draft Melbourne Industrial and Commercial Land Use Plan that are also considered to highlight the need for additional land supply within the Southern SSIP and the suitability of the proposed development plan.

These planning principles and policies are presented in the table below with details of the relevance to the subject site and proposed development plan.
### Draft Melbourne Industrial and Commercial Land Use Plan – Planning Principles / Policy Statements

<table>
<thead>
<tr>
<th>Draft Melbourne Industrial and Commercial Land Use Plan – Planning Principles / Policy Statements</th>
<th>Macroplan response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Approach to planning for industrial and commercial land (pg 31)</strong></td>
<td></td>
</tr>
</tbody>
</table>
| To support planning for industrial and commercial land, consideration should be given to the following:
  
  - In consultation with key stakeholders, develop a more sophisticated approach to understanding business needs and land use requirements and assessing future demand for industrial land. |
  
  The proposed development plan is informed by the scale of the subject site and the specific location and site area requirements of the planned businesses onsite (Jayco and TIC Group).  
  The proposed development plan is reflection of the business needs and land use requirement necessary to support the future business operations of these existing Victorian companies. |
| **Principles and strategies to guide planning for industrial and commercial land (pg 32)** |
| Principle 1: Planning for industrial and commercial land should ensure adequate long-term land supply is planned for and set aside to support future industry and business growth. |
  
  - Identify and outline how growth will be accommodated over the long term (at least 30 years)  
  - Provide an overarching land use planning framework for industrial and commercial areas.  
  - Provide a zoned supply of land to accommodate growth over at least a 15-year period, including sufficient stocks of large sites for strategic investment. |
  
  This report demonstrates that there is less than ten years zoned vacant supply and potentially less than five years available supply based on the what is currently available to the market. This highlights the immediate need to identify and zone additional land supply within the Southern SSIP to meet market needs, which are currently for 63.5ha of land supply per annum.  
  The subject site provides an appropriate and strategic opportunity to increase land supply and act as a catalyst for strategic investment in the region. |
| **Planning framework for industrial and commercial land (pg 34)** |
| The following criteria has been used as a basis for identifying regionally-significant industrial precincts. |
| **Policy alignment** |
| The area exhibits a strong relationship with or supports other places of state significance such as national employment and innovation clusters (NEICs) or transport gateways.  
  **Accessibility and business clustering** |
| The area or precinct can leverage off existing or proposed rail and road networks and infrastructure, including the PFN.  
  The area provides for the clustering of industrial uses with limited or no residential intrusion and can be adequately buffered from sensitive uses.  
  The precinct provides for contiguous areas of industry with similar, related or dependent industrial or commercial activities.  
  **Economic or employment contribution** |

**Policy alignment**: The subject site provides a direct expansion of the Dandenong NEIC as well as supports the growth of a major company existing within the NEIC.

**Accessibility and business clustering**: The subject site will leverage off of existing roads and established freight and logistics networks within the Dandenong NEIC. The subject site will enhance the clustering of industrial uses within the Dandenong NEIC and will be buffered from residential and other sensitive uses. The subject site will support the expansion and continued consolidation of Jayco’s manufacturing operations within Dandenong. It will also support the freight and logistics and warehousing operations of the TIC Group (an existing Victorian company) that will leverage the existing freight and logistics networks established in Dandenong.
Executive summary

• The area generates a relatively high and ongoing economic output contributing to the region and state’s economy.
• The area is a location of high levels of employment and/or capital goods, generating wider regional employment and economic benefits.

Economic and employment contribution: The planned business operations onsite will create a range of employment opportunities and an estimated 1,200 direct jobs onsite. The subject site will further enhance the concentration of employment and economic activity in the local area and region, therefore creating a greater opportunity to retain and capture economic flow on effects and increase overall economic benefit.

Supply and demand for industrial and commercial land across the region (pg 89)

It is estimated that land supply in the Southern SSIP will become significantly constrained in the early 2020s and be exhausted by the mid-2020s. When this occurs, demand transfer is likely to occur at the closest industrial areas.

The exhaustion of industrial land within the Southern SSIP within the next decade will likely direct future demand for large-format, regionally-significant industrial uses into neighbouring areas, such as Braeside and Cranbourne West. In these locations there are relatively large contiguous tracts of vacant industrial land with main road access for large heavy vehicles and access to existing supply chains and distribution networks. Development will progressively move to the Officer-Pakenham SSIP as land in these locations is exhausted and new major road connections, such as the North East Link, are delivered.

This report concurs that land supply within the Southern SSIP will be constrained in the early 2020s and will be exhausted by the mid-2020s. However, this report also highlights the constraints and limitations for demand transfer to effectively occur over the next five to ten years. Furthermore, the locational needs of those planned businesses at the subject site are demonstrated throughout this report which highlights the unlikeliness of demand transfer for at least these two businesses.

Planning framework for industrial and commercial land across the region (pg 93)

The region’s significant industrial land holding is a key advantage. However, many established industrial areas such as those in Kingston around Moorabbin Airport, in Frankston around Carrum Downs and in Greater Dandenong in the Southern SSIP, will soon offer little or no opportunity for further expansion. These areas need to be protected and retained and opportunities to consolidate and recycle land should be considered in these locations. Crucial in supporting these areas will be new industrial areas that have been set aside. These can provide large areas of unfragmented land providing the required land area for freight, logistics, warehousing, transport, manufacturing and other larger format industrial uses once supply runs out in other locations.

The subject site aligns with the need for areas to be; protected and retained and opportunities to consolidate and recycle land should be considered in these locations. Crucial in supporting these areas will be new industrial areas that have been set aside. These can provide large areas of unfragmented land providing the required land area for freight, logistics, warehousing, transport, manufacturing and other larger format industrial uses once supply runs out in other locations.

The subject site will increase supply within the Southern SSIP and respond to the freight, logistics, warehousing and manufacturing needs highlighted above.
In conclusion, there is considered strong economic justification for the proposed development plan and to support industrial land uses on the subject site. While the economic need and benefit implications outlined in this report provide strong support for the proposed development plan, there is also strong planning justification for the proposed development plan and rezoning of the subject site based on those planning principles and policy statements presented throughout the Draft Melbourne Industrial and Commercial Land Use Plan.
Section 6: Annexure

6.1 Regional Planning Overview

The following relevant literature and documents have been reviewed in preparing this report.

- Draft Melbourne Industrial and Commercial Land Use Plan (2019)
- Plan Melbourne 2017-2050 (2017)
- Growth Corridor Plans (2012)
- Infrastructure Victoria 30-Year Strategy (2016)
- State Planning Policy Framework (SPPF)
- Local Planning Policy Framework – City of Greater Dandenong

Draft Melbourne Industrial and Commercial Land Use Plan (2019)

Draft Melbourne Industrial and Commercial Land Use Plan (2019) establishes a planning framework that sets out the way industrial and commercial areas are planned to ensure that they operate efficiently while retaining long-term viability.

The site is adjacent to the Southern SSIP, which is Melbourne’s third largest SSIP, comprising 2,957 hectares of zoned land. This SSIP is a part of the Dandenong National Employment and Innovation Cluster (NEIC) and possesses an inherent competitive advantage through its strong transportation infrastructure, which comprises strong arterial road, freeway and fixed rail connections to the major transport and logistics gateways of the Port of Hastings and Moorabbin Airport.

Demand for industrial land within the Southern SSIP has been strong, with the average of consumption of industrial land hitting approximately 64.2 ha over the last three years. This demand is primarily driven by the manufacturing industry, which accounted for over 32% of workplaces in the Southern SSIP in 2016-17, and has caused knock-on growth in the freight, logistics and warehousing sectors which will work to support significant increases in the projected population of the region.

It is estimated that the industrial land supply of the Southern SSIP will face significant constraints as soon as early 2020 and will face exhaustion by mid 2020. This will result in demand transfer to other industrial areas that lie in a close proximity to the Southern SSIP.

The key to extending the long-term viability of this area therefore lies within unzoned areas that possess the aforementioned competitive advantages, but this is dependent on future planning for these areas.

Overall, the established industrial areas found in Greater Dandenong, namely the Southern SSIP, represents a major economic advantage for the wider region. In the future, there will be little opportunity for further expansion within the Southern SSIP, and this location should greatly consider the recycling of additional land in its immediate surrounds as well as the consolidation of existing industrial zones.
Executive summary

Through the careful planning, management and protection of industrial land, the region’s economy and employment prospects for the future will be greatly supported.

Map 6.1 Southern Region Future Direction Map - Industrial Land
Executive summary

**Plan Melbourne 2017-2050 (2017)**
Plan Melbourne anticipates Melbourne’s population will reach around 8.0 million residents by 2051 with Victoria’s population growing to over 10 million. This will generate the need for up to 1.5 million jobs during this period.

A combination of suburban employment clusters, health and education precincts and large scale industrial precincts will be required to support future population growth and create employment diversity through knowledge based industries that will drive economic growth.

Plan Melbourne foreshows the largest share of population and employment growth will take place in Melbourne’s north and west.

The Southern Region is forecast to generate around 105,000 jobs by 2031 (around 0.5% p.a.) compared with the Western and Northern Regions growing at approximately 1.5% p.a. and 2.3% p.a. respectively.

SSIPs will be the focus for major industrial developments linked to the Principal Freight Network and transport gateways.

- SSIPs will be protected from incompatible land uses to allow continual growth in freight, logistics and manufacturing investment and will be a key focus for investment and growth in future.
- Port of Hastings will be protected as a key gateway for moving freight and will enable future employment and economic development opportunities within the Southern Region.

The significance of the three SSIPs, in conjunction with the Port of Hastings and Bay West as well as the possible South-East Airport highlights the continued need for careful planning of infrastructure and the delivery of serviced industrial land within the Southern Region.
Map 6.2  Southern Region

Source: Department of Environment, Land, Water and Planning

Supporting the Southern SSIP
Land Supply and Economic Assessment
**Executive summary**

**Growth Corridor Plans (2012)**

The Growth Corridor Plans divides Melbourne into the following four growth corridor areas:

- West Growth Corridor;
- North Growth Corridor;
- South East Growth Corridor; and
- Sunbury / Diggers Rest Growth Corridor.

The growth corridor plan sets out the overall strategic vision for the future planning and development of each growth area and guides the Precinct Structure Plan (PSP) process.

The South East Growth Corridor Plan allocates approximately 2,370 hectares of land as industrial, approximately 1,290 hectares of land as commercial with approximately 60 hectares of additional land that could be potentially zoned as industrial or commercial during the PSP process.

Officer-Pakenham Industrial / Business Corridor (Officer Employment PSP, Cardinia Road PSP, Pakenham West Employment PSP, Pakenham South Employment PSP and Minta Farm PSP), Thompsons Road Business Corridor (Casey Central PSP and Thompsons Road PSP), Cranbourne West Employment Area (Cranbourne West PSP) and South Gippsland Highway Industrial Node (Cranbourne East PSP and Casey Field South PSP) have been identified within the South East Growth Corridor Plan as land allocated for industrial and commercial zoning.

The majority of the PSPs mentioned above have been completed and are generally in accordance with the South East Growth Corridor Plan.

**Map 6.3 South East Growth Corridor Plan**

*Source: South East Growth Corridor Plan, Victoria Planning Authority 2012*
Executive summary

**Victorian Freight Plan: Delivering the Goods (2018)**

The Victorian Government released a new freight plan Delivering the Goods – Victorian Freight Plan (2018) that provides for Victoria’s freight and logistics system that will have implications for employment land requirements as various industries revaluate the competitive strengths of geographic locations in the Southern Region.

Within this document under Priority 4: Plan for Victoria’s future port capacity, the Port of Hastings plays a less role as Bay West is recognised to be better placed in terms of existing and future infrastructure. This document is not incorporated into the planning scheme.

This is compared with the earlier 2013 Victoria the Freight State which anticipated a new freight terminal in Dandenong South to handle the transfer of freight from the Port of Melbourne, improved road connections along the Western Port Highway to Hastings including freeway upgrades and new rail freight links along the Dandenong rail line and in the longer term connections to the new Port Facilities.

The 2018 plan also highlights a number of current freight investments. This includes various level crossing removal projects along the principle rail freight network in the Southern Region, which is expected to boost freight efficiency within the region and connecting other regions. This also includes the proposed North East Link which is planned to complete in 5-10 years and is expected to improve accessibility to the Officer / Pakenham SSIP from the Northern Region and bypass the city.
Map 6.4 Victorian Freight Plan, 2018

LEGEND

- Major Investment (over $100 million)
- Significant investment
- Level Crossing removal
- Principal Freight Network – Rail
- Principal Freight Network – Road
- Major Roads

1. CityLink Widening
2. Mt Widening Stage 1 EastLink – Clyde Rd
3. M80 Upgrade (including bridge strengthening for HPFV)
4. Webb Dock access improvements
5. Bridge strengthening for HPFV – Shepherd Bridge
6. Bridge strengthening for HPFV – M1
7. Pavement strengthening for HPFV – Footscray Rd
8. Port Rail Shuttle Network
9. Steel handling terminal
10. Dyon Terminal upgrade
11. West Gate Tunnel
12. North East Link
13. Proposed interstate freight terminals
14. O’Herns Road interchange
15. Bridge rehabilitation – Dandenong Creek, Wantirna
16. Bridge rehabilitation – Yarra River, Richmond
17. Port of Melbourne Lease

Source: Delivering the Goods – Victorian Freight Plan (2018)
Infrastructure Victoria 30-Year Strategy (2016)

The Infrastructure Victoria 30-Year Strategy has made a range of recommendations for new and upgraded transport links, which are needed at different times and have different levels of certainty, but together provide a transport network to meet long-term growth.

Other than major rail capacity uplift relating to passenger rail services, there are no planned enabling infrastructure investments within the SSIPs located in the Southern Region or within the other industrial precincts in the study area.

Map 6.5  Key New and Upgraded Transport Links in Melbourne

<table>
<thead>
<tr>
<th>Number (not in priority order)</th>
<th>New and upgraded transport links</th>
<th>Recommendation number(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Train timetabling</td>
<td>10.4.2</td>
</tr>
<tr>
<td>2</td>
<td>Employment centre mass transit*</td>
<td>11.5.4</td>
</tr>
<tr>
<td>3</td>
<td>Fishermans Bend tram link</td>
<td>1.2.1, 10.8.1</td>
</tr>
<tr>
<td>4</td>
<td>Geelong/Werr bee/Wyndham rail</td>
<td>1.3.4, 10.8.2, 12.3.1</td>
</tr>
</tbody>
</table>
State Planning Policy Framework (SPPF)

The Planning Policy Framework (PPF) provides the overall strategic direction for the state. The following PPF facilities the strategic direction for industrial land uses:

**Clause 11.01-1S Settlement**

Objective: To promote the sustainable growth and development of Victoria and deliver choice and opportunity for all Victorians through a network of settlements.

**Clause 11.02-1S Supply of urban land**

Objective: To ensure a sufficient supply of land is available for residential, commercial, retail, industrial, recreational, institutional and other community uses.

**Clause 11.02-3S Sequencing of development**

Objective: To manage the sequence of development in areas of growth so that services are available from early in the life of new communities.

Strategy: Improve the coordination and timing of infrastructure and service delivery in areas of growth.

**Clause 17.01-2S Innovation and Research**

Objective: To create opportunities for innovation and the knowledge economy within existing and emerging industries, research and education.

Strategy: Support the development of business clusters. Promote a physical environment that is conductive to innovation and creative activities.

**Clause 17.03 Industry**

**Clause 17.03-1S Industrial land Development**

Objective: To ensure availability of land for industry.
**Executive summary**

Clause 17.03-3S State significant industrial land  
Objective: To protect industrial land of State significance.

Clause 18.03-1S Planning for ports  
Objective: To support the effective and competitive operation of Victoria’s commercial trading ports at local, national and international levels and to facilitate their ongoing sustainable operation and development.

Clause 18.03-2S Planning for port environs  
Objective: To plan for and manage land in the environs of commercial trading ports so that development and use are compatible with port operations and provide reasonable amenity expectations.

**Local Planning Policy Framework (LPPF) City of Greater Dandenong**

Clause 21.02-2 Regional context  
Dandenong IN2Z Industrial Area: Greater Dandenong is the only area in South East Melbourne that has a designated Industrial 2 Zone, reserved for heavy and / or offensive industries requiring extensive buffer zones.

Clause 21.02-3 Land use  
Industrial Industry ranges from small-scale light industries in older established areas, to newer, general industrial estates, with large allotments and purpose-built factories.

Key industries located in Greater Dandenong include advanced manufacturing in automotive, plastics and scientific equipment, as well as food processing and distribution, and metal fabrication. Greater Dandenong’s large industrial areas house some key national and international organisations. New ‘high tech’ industry is steadily replacing the traditional heavy industry upon which the region depended in the post-war period.

The Dandenong Industrial 2 Precinct provides for environmentally sensitive industries and is a resource of state significance as it is one of only three strategic locations within the State where industries, that require significant buffers from sensitive uses can operate. It includes a diverse range of industries, among them, food processing establishments licensed for export, as well as chemical and general industries.

Clause 21.03 A Vision for Greater Dandenong  
Council’s vision for Greater Dandenong is:  
A nationally and internationally competitive city; a pre-eminent industrial centre for Melbourne’s south-east with a significant high-tech/knowledge industrial component; a centre for government, multi-national investment and employment; vibrant commercial and retail sector and a state of the art inter-modal transport interchange for south eastern Victoria.

Clause 21.04 Land use  
Clause 21.04-3 Industrial  
While Greater Dandenong is home to the State significant Industrial 2 Zone, the challenge is to protect this zone for its intended purpose and to carefully manage the interface between this zone and other zones.

Industrial areas need to provide a safe environment and facilities for people to cycle or walk to their work place.
Industry also needs to manage the challenge of noise pollution, air pollution and reducing other adverse impacts on the environment – including ground water.

A prosperous local industrial economy not only provides local employment opportunities but also reduces the need for long journeys to work and transport pollution with positive ramifications for the environment.

Industry should be encouraged to develop best practice in regards to utilisation of energy and resources.

Economic issues – The Dandenong Industrial 2 Zone accommodates industries that require significant buffers from sensitive uses. This is one of only three Industrial 2 Zones within the State and is of State significance.

To ensure the availability of land in this strategic location for its primary purpose, the Industrial 2 Precinct needs to be protected against the encroachment of those industrial activities which do not require significant buffers from sensitive land uses.

Another key challenge for Greater Dandenong is the continued take up of industrial land for bulky goods retailing will jeopardise the municipality’s industrial development.

The lack of public transport accessibility to industrial areas has proved to be a significant barrier for young people accessing employment, it is important to ensure accessibility between industrial areas and other employment nodes to public transport.

Objective:

1. To provide development, employment and industrial opportunities, which cater for a broad range of industries.
2. To facilitate new investment, development and redevelopment.
3. To develop and exploit existing infrastructure and locational advantage of the City’s industrial areas.
4. To encourage the integration of commercial and industrial developments in existing Commercial 2 Zones.
5. To protect the strategically significant Industrial 2 Zone for its primary purpose
6. To protect industrial zones for industrial activity.
7. To improve the image of industrial areas in Greater Dandenong.
8. To ensure industrial uses do not impact adversely on the amenity and safety of surrounding land uses and the environment.

Implications

The review of planning policy, documents and context indicates the following key implications for Dandenong South, Dandenong NEIC and Southern SSIP.

- The Draft Melbourne Industrial and Commercial Land Use Plan indicates the Southern SSIP will face significant constraints as soon as early 2020 and exhaustion potentially by mid 2020. Whilst there will be a level of demand transfer toward other SSIPs, a review of the current SSIP boundaries as well as Urban Growth Boundary may be required as a matter of emergency in order to achieve the target set in Plan Melbourne.

- The Southern SSIP is the biggest cluster of uses for freight and logistics in Melbourne currently. However, this role and function may shift toward the west and/or north where Western and Beveridge Intermodal Freight Terminals are proposed to be located. In the absence of an intermodal freight terminal in the
Southern Region, this indicates a requirement of clustering more businesses within the region in order to retain a level of critical mass and relative competitiveness.

- It is also indicated that the Southern SSIP is the only major location in the Southern Region for freight and logistic uses, whilst the Officer-Pakenham SSIP is more likely to be dominated by regional and local community, health and education uses due to its geographic location, distance and access, and most land in Port of Hastings SSIP is reserved for port related uses at least until 2035.
- Dandenong is identified as a Metropolitan Activity Centre (MAC) and takes a significant role in the transit corridor. Given a relatively high unemployment rate at Dandenong, a level of critical mass of businesses will be required in the locality.
6.2 Regional Economic Context

Current Population & Jobs

Melbourne’s resident population was reported at 4.65 million at Census 2016, and it increased to almost 4.98 million in 2018. The Southern Region is home to over 1.08 million residents as at 2018, representing the largest share (22.2%) across all Metropolitan Melbourne regions.

There were a total of 2.03 million jobs across the Metropolitan Melbourne, of which around 350,311 jobs or 17% were located in the Southern Region. This highlights the relative importance of the Southern Region outside of the CBD and inner regions, particularly a number of NEICs and SSIPs as major focus of employment within this region.

Some current regional benchmarks / ratios for comparison purposes are presented in Table 6.1 below.

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inner Metro</td>
<td>77.8</td>
<td>381,682</td>
<td>49.19</td>
<td>563,788</td>
<td>76.52</td>
</tr>
<tr>
<td>Inner South East</td>
<td>161.8</td>
<td>557,072</td>
<td>34.43</td>
<td>133,056</td>
<td>11.93</td>
</tr>
<tr>
<td>Eastern</td>
<td>2,902.6</td>
<td>940,655</td>
<td>3.24</td>
<td>349,913</td>
<td>1.21</td>
</tr>
<tr>
<td>Northern</td>
<td>1,592.9</td>
<td>966,228</td>
<td>6.19</td>
<td>282,788</td>
<td>1.78</td>
</tr>
<tr>
<td>Southern</td>
<td>2,766.7</td>
<td>1,084,731</td>
<td>3.92</td>
<td>350,311</td>
<td>1.27</td>
</tr>
<tr>
<td>Western</td>
<td>1,331.5</td>
<td>936,489</td>
<td>7.03</td>
<td>261,365</td>
<td>1.96</td>
</tr>
<tr>
<td>Metropolitan</td>
<td>8,833.1</td>
<td>4,886,857</td>
<td>5.53</td>
<td>2,031,219</td>
<td>2.30</td>
</tr>
</tbody>
</table>

Note: * Jobs refer to jobs by usual place of work

Source: ABS Stat, Census 2016
Projected Population & Jobs
The most recent State Government official population projection Victoria in Future (VIF) 2019 forecasts the total residential population living in Metropolitan Melbourne will reach almost 6.74 million by 2036, with approximately 1.49 million within the Southern Region. This indicates a net increase of approximately 401,186 persons in the Southern Region during 2018-36, or an average annual growth rate of 1.8% p.a., in line with the overall Metropolitan Melbourne. Whilst the Western Region is projected to grow the fastest, the Southern Region is expected to continue to present the largest share of resident population across all regions.

Plan Melbourne (2017) indicates a total of additional 690,000 jobs will be required during 2015-31, with approximately 105,000 additional jobs (15.2% of the total) located in the Southern Region. Key industries in the Southern Region identified by Plan Melbourne include retail trade, manufacturing, healthcare and social assistance, education and training.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inner Metro</td>
<td>381,682</td>
<td>588,531</td>
<td>206,849</td>
<td>2.4%</td>
<td>75.84</td>
</tr>
<tr>
<td>Inner South East</td>
<td>557,072</td>
<td>671,647</td>
<td>114,575</td>
<td>1.0%</td>
<td>41.51</td>
</tr>
<tr>
<td>Eastern</td>
<td>940,655</td>
<td>1,136,731</td>
<td>196,076</td>
<td>1.1%</td>
<td>3.92</td>
</tr>
<tr>
<td>Northern</td>
<td>986,228</td>
<td>1,381,711</td>
<td>395,483</td>
<td>1.9%</td>
<td>8.67</td>
</tr>
<tr>
<td>Southern</td>
<td>1,084,731</td>
<td>1,485,917</td>
<td>401,186</td>
<td>1.8%</td>
<td>5.37</td>
</tr>
<tr>
<td>Western</td>
<td>936,489</td>
<td>1,471,608</td>
<td>535,119</td>
<td>2.5%</td>
<td>11.05</td>
</tr>
<tr>
<td>Metropolitan</td>
<td>4,886,857</td>
<td>6,736,146</td>
<td>1,849,289</td>
<td>1.8%</td>
<td>7.63</td>
</tr>
<tr>
<td>Melbourne</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Industrial Land Context

Melbourne currently has almost 26,100 hectares of land zoned for industrial purposes, of which around 6,291 hectares (24.1%) are vacant. In addition, 4,742.6 hectares of unzoned land has been identified and proposed for future industrial uses by UDP.

The Southern Region has the largest stock of zoned industrial land with approximately 9,420 hectares or 36.1% of the total, followed by the Western Region. The Southern Region also accounts for the largest share of occupied zoned industrial land (approx. 7,274 ha or 36.7%), whilst the Western Region represents the largest available supply of zoned industrial land (approx. 2,730 ha or 43.4%).

During the past three years, demand for new industrial land has averaged around 282 hectares a year, with demand mainly driven by freight, logistics, warehousing and manufacturing. The largest current contributors to industrial land consumption is the Western Regions (approx.133 ha p.a.) followed by the Southern Region (approx. 107 hectares p.a.).
Table 6.3  Melbourne Regions Industrial Land, 2018

<table>
<thead>
<tr>
<th>Region</th>
<th>Occupied (ha)</th>
<th>Vacant (ha)</th>
<th>Total Stock (ha)</th>
<th>Consumption* (ha p.a.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inner Metro</td>
<td>424.8</td>
<td>28.0</td>
<td>452.8</td>
<td>-7.1</td>
</tr>
<tr>
<td>Inner South East</td>
<td>140.7</td>
<td>2.3</td>
<td>143.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Eastern</td>
<td>2,437.0</td>
<td>135.6</td>
<td>2,572.6</td>
<td>11.3</td>
</tr>
<tr>
<td>Northern</td>
<td>3,712.6</td>
<td>1,248.5</td>
<td>4,961.1</td>
<td>37.2</td>
</tr>
<tr>
<td>Southern</td>
<td>7,273.6</td>
<td>2,146.4</td>
<td>9,420.0</td>
<td>107.2</td>
</tr>
<tr>
<td>Western</td>
<td>5,820.5</td>
<td>2,730.1</td>
<td>8,550.6</td>
<td>132.9</td>
</tr>
<tr>
<td>Metropolitan Melbourne</td>
<td>19,809.2</td>
<td>6,290.9</td>
<td>26,100.1</td>
<td>281.6</td>
</tr>
</tbody>
</table>

*Consumption refers to average consumption rates during 2015-2016 p.a.
Source: UDP (2018)

Map 6.8  Melbourne’s Regions Industrial Land Stock*, 2018

Note: Gross hectares

National Employment and Innovation Clusters
There are seven (7) National Employment and Innovation Clusters (NEICs) designated by Plan Melbourne:

- Dandenong NEIC (which involves the SouthernSSIP);
- Monash NEIC;
- Parkville NEIC;
- Fishermans Bend NEIC;
- La Trobe NEIC;
- Sunshine NEIC; and
- Werribee NEIC.
Executive summary

As indicated in Plan Melbourne, these NEICs are ‘to improve the growth and clustering of business activity of national significance, particularly in knowledge-based industries’ and ‘these areas are to be developed as places with a concentration of linked businesses and institutions providing a major contribution to the Victorian economy, with excellent transport links and potential to accommodate significant future growth in jobs and in some instances housing’.

An overview of all the NEICs including employment, role and functions is presented in Table 2.5.

**Table 6.4** **Melbourne’s NEICs**

<table>
<thead>
<tr>
<th>NEIC</th>
<th>Current Jobs</th>
<th>Projected Jobs</th>
<th>Major Industries</th>
<th>Key Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monash</td>
<td>75,000</td>
<td>Double in the next 30 years</td>
<td>Education, health, research and industry organisations</td>
<td>Monash University, Australian Synchrotron, Melbourne Centre for Nanofabrication, Monash Medical Centre, Monash Children’s Hospital, CSIRO and Monash Enterprise Centre</td>
</tr>
<tr>
<td>Parkville</td>
<td>40,100</td>
<td>N/A</td>
<td>Education, research, health, professional and technical industries</td>
<td>University of Melbourne, RMIT, Monash University’s Faculty of Pharmacy and Pharmaceutical Sciences, Walter and Eliza Hall Institute of Medical Research, CSL Limited, Royal Melbourne Hospital, Royal Children’s Hospital, Royal Women’s Hospital, Victorian Comprehensive Cancer Centre, Australian Medical Association and Bio21 Institute</td>
</tr>
<tr>
<td>Fishermans Bend</td>
<td>12,200</td>
<td>80,000 (2050)</td>
<td>Aerospace, defence research, manufacturing, transport and logistics</td>
<td>Boeing Aerostructures Australia, Defence Science and Technology Group, GM Holden, Toyota Australia, Future Automotive and Kraft Foods</td>
</tr>
<tr>
<td>Dandenong</td>
<td>66,300</td>
<td>86,000 (2050)</td>
<td>Manufacturing, health, education, wholesale trade, retail, transport, postal services and warehousing</td>
<td>LOGIS eco-industrial park, Hallam Business Park, Innovation Park, Key Industrial Park, Dandenong Hospital and Chisholm TAFE</td>
</tr>
<tr>
<td>La Trobe</td>
<td>28,700</td>
<td>N/A</td>
<td>Education, research, health and retail</td>
<td>La Trobe University, Northland Shopping Centre, Austin Biomedical Alliance Precinct</td>
</tr>
<tr>
<td>Sunshine</td>
<td>14,600</td>
<td>N/A</td>
<td>Potential for education, health-related training, health care, retail and professional services</td>
<td>Sunshine Hospital, Western Centre for Health, Research and Education, Victoria University, Joan Kirner Women’s and Children’s Hospital and the Sunshine Private Hospital (to be developed)</td>
</tr>
<tr>
<td>Werribee</td>
<td>8,400</td>
<td>50,000</td>
<td>Potential for health, education and high-tech research</td>
<td>University of Melbourne Veterinary Hospital, University of Notre Dame, Victoria University, Werribee Mercy Hospital, Wyndham Private Medical Centre, CSIRO, St Vincent’s Private Hospital (to be developed)</td>
</tr>
</tbody>
</table>

*Source: Plan Melbourne (2017)*
Map 6.9 Melbourne’s NIECs

Note. There are no defined boundaries for NIECs. The areas shown in the map reflect the footprint of the mix of core land uses within each of the NIECs as indicated in Plan Melbourne (2017). Source: Plan Melbourne (2017), Macroplan (2019)
State Significant Industrial Precincts

There are five (5) State Significant Industrial Precincts (SSIPs) designated by Plan Melbourne:

- Southern SSIP (which forms part of the Dandenong NEIC);
- Officer-Pakenham SSIP;
- Port of Hastings SSIP;
- Northern SSIP; and
- Western SSIP.

As indicated in Plan Melbourne, these SSIPs are 'to provide strategically located land for major industrial development linked to the Principal Freight Network and transport gateways' and 'they will be protected from incompatible land uses to allow continual growth in freight, logistics and manufacturing investment'.

Approximately 56% of the zoned industrial land stock in Metropolitan Melbourne is located within the SSIP, totalling 14,639 hectares. Of all zoned industrial land within SSIPs, approximately 1,793 hectares are vacant as at 2018, or 28.6%. In addition, there are also 2,666.7 hectares of unzoned land which has been identified and proposed for future industrial uses across all SSIPs.

Table 6.5  Melbourne’s SSIPs Industrial Land, 2018

<table>
<thead>
<tr>
<th>SSIP</th>
<th>Occupied (ha)</th>
<th>Vacant (ha)</th>
<th>Total Stock (ha)</th>
<th>Proposed (ha)</th>
<th>Consumption+ (ha p.a.)</th>
<th>Theoretical Exhaustion+ (years)</th>
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</thead>
<tbody>
<tr>
<td>Southern</td>
<td>2,454.4</td>
<td>502.6</td>
<td>2,957.0</td>
<td>0.0</td>
<td>63.5</td>
<td>7.9</td>
</tr>
<tr>
<td>Officer-Pakenham</td>
<td>317.7</td>
<td>316.8</td>
<td>634.5</td>
<td>937.7</td>
<td>13.9</td>
<td>22.7-90.0</td>
</tr>
<tr>
<td>Port of Hastings</td>
<td>814.1</td>
<td>578.1</td>
<td>1,392.2</td>
<td>0.0</td>
<td>-1.2</td>
<td>-</td>
</tr>
<tr>
<td>Northern</td>
<td>2,459.3</td>
<td>992.8</td>
<td>3,452.1</td>
<td>715.8</td>
<td>28.4</td>
<td>34.9-60.1</td>
</tr>
<tr>
<td>Western</td>
<td>4,410.6</td>
<td>1,793.0</td>
<td>6,203.6</td>
<td>1,033.2</td>
<td>120.6</td>
<td>14.9-23.4</td>
</tr>
</tbody>
</table>

Note: * Consumption refers to average consumption rates during 2015-2018 p.a.  ^ The higher range includes proposed industrial land.
Source: UDP (2018)

The Western SSIP has the largest stock of zoned industrial land (approx. 6,204 ha or 42.4%) across all SSIPs, including both occupied industrial land (4,411 ha) and vacant Industrial land supply (1,793 ha). The Western Region also has the highest average annual consumption of industrial land at around 121 hectares per annum during the recent years.

There are three SSIPs located within the Southern Region, namely the Southern SSIP, Officer-Pakenham SSIP and Port of Hastings SSIP.

The Southern SSIP is the largest of the three within the Southern Region, totalling 2,957 hectares of zoned industrial land. Major industries in the Southern SSIP is anchored by advanced manufacturing, freight and logistics.

The Southern SSIP has the lowest vacancy rate (17.0%) and relative high average consumption rate (63.5 ha p.a.). There is no proposed industrial land identified in the Southern SSIP. With limited industrial land supply and high consumption rate, it is estimated that the available industrial land in the Southern SSIP is likely to be exhausted in the next 7-8 years.

Both the Officer-Pakenham SSIP and the Port of Hastings SSIP appear to have sufficient existing and planned industrial land supply in the foreseeable future. However, it is unlikely that most advanced manufacturing, freight
Executive summary

and logistics would relocate to the Officer-Pakenham SSIP due to its geographic location, distance and access. The Port of Hastings SSIP and surrounding SUZ1 zoned land is reserved to port related uses based on current policy.