Planning Implementation (DELWP)

From: contact@engage.vic.gov.au
Sent: Tuesday, 31 December 2019 12:40 PM
To: Planning Implementation (DELWP)
Subject: New Form submission on Planning for Melbourne’s Industrial and Commercial Land

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

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

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

A copy of the submission is provided as below:

Planning principles and strategies for employment land.

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

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

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

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

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

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

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

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

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

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

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

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

**Key industrial and commercial areas.**

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

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

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

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

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

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

Email address (Optional)

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

Yes

Privacy Statement - Draft Melbourne Industrial and Commercial Land Use Plan

What we will do with your submission

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

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

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

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

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

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

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

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

I agree to the privacy statement

yes

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


Regards,
The Engage Victoria Team
31 December 2019

Engage Victoria
Department of Environment, Land, Water and Planning (DELWP)
PO Box 500
EAST MELBOURNE, VIC, 3002

Dear Sir/Madam,

Planning for Melbourne’s Industrial and Commercial Land
Submission to the Draft Melbourne Industrial and Commercial Land Use Plan (Draft MCLUP)

We refer to the above Draft Melbourne Industrial and Commercial Land Use Plan (the Draft MCLUP) currently on public exhibition until 31 December 2019.

This submission is made on behalf of 690 WPH Pty Ltd who is the owner of land located at Western Port Highway, Cranbourne West and Hall Road, Cranbourne West, under a contract of sale. The land is located within the Southern Metropolitan Region of the Draft MCLUP and is currently subject to Planning Scheme Amendment C219 to the Casey Planning Scheme for rezoning from industrial land use to residential.

690 WPH Pty Ltd has appointed Dacland Pty Ltd as development manager for the subject land to handle all matters associated with its planning and development. Dacland has prepared the following submission for consideration.

Overall, we generally support the intent of the proposed Draft MCLUP, however we are concerned that it does not appropriately align with Plan Melbourne, and has failed to take into consideration all available information, particularly as it relates to the Southern Metropolitan Region, and the findings of the Independent Planning Panel into Amendment C219 to the Casey Planning Scheme.

The key issues raised within our submission can be summarised as follows:

1. The proposed Draft MCLUP fails to take into consideration the findings of the Independent Planning Panel into Amendment C219 to the Casey Planning Scheme in that the subject land is not suitable for industrial development, and that the rezoning will result in only a minor reduction in available industrial land within the Southern Region.
2. The data relied upon for the Southern Region within the Draft MICLUP is incorrect and therefore fails to provide an accurate picture as to the availability and the rate of consumption of industrial land in the Region.

3. The proposed Draft MICLUP should be amended to remove the land subject to Amendment C219 from the existing and future industrial land supply as recommended by the Independent Planning Panel for C219 as adopted by Casey City Council.

4. In the event that DELWP have other data that has not been made publicly available or contradicts the findings of Amendment C219, the new data, along with the Draft MICLUP and Amendment C219, should be re-referred to the Independent Planning Panel responsible for C219 for consideration and testing of merits.

5. The draft MICLUP should be amended to align with the existing definitions and hierarchy for industrial and commercial land consistent with Plan Melbourne and existing State Planning Policy.

To further assist your consideration, we also append a review of the Draft MICLUP prepared by Urbis, who gave expert economic evidence at the Independent Planning Panel’s hearing on C219. Urbis’ findings support the above conclusions and recommend that the Draft MICLUP should be reconsidered. (Refer Appendix 1)

Background / Amendment C219 to Casey Planning Scheme

By way of background of our interest in the Draft MICLUP and Amendment C219, we provide the following summary for context.

In 2014, Leighton Properties (the proponent for Amendment C219) submitted a request for Casey City Council to amend the Cranbourne West Precinct Structure Plan (PSP), and rezone 200ha, including the 690 WPH Pty. Ltd. land (approx. 1230ha), to residential. This triggered Council’s 5-year review of the PSP focused on the interface between the existing residential and proposed employment areas. Subsequently, Council requested Authorisation from the Minister for Planning to prepare a Planning Scheme Amendment in late 2015. Authorisation was granted and the Amendment was exhibited in mid-2017.

Following exhibition of Amendment C219, the matter was referred to an Independent Planning Panel to consider the submissions, including the threshold issue of whether the subject land is required for employment uses, and whether it is suitable for the purpose in consideration of the physical and planning context. Substantial evidence was tendered to the Independent Planning Panel and tested by all parties on this issue, including representatives on behalf of State Government (including DELWP, DJPR, VPA, TFV). The
Independent Planning Panel concluded ‘there is sufficient medium to long term industrial land supply in the Southern region’ and that ‘the approval of the Amendment would have only a minor impact on the supply of industrial land in the Southern region’. We further explore the findings of the Panel later within this submission.

On 15 May 2018, the Casey City Council resolved to adopt Amendment C219 and subsequently referred the documentation to the Minister for Planning for final determination. The Amendment remains before the Minister for Planning at the time of writing this submission.

While Leighton’s is the proponent for Amendment C219, 690 WPH Pty Ltd formally sought to join as the co-proponent to the Amendment in early 2019 and are committed to the purchase of the land under contract, regardless of the outcome of the rezoning.

Discussion of Key Considerations of the Draft MICLUP

We provide the following discussion in response to the Draft MICLUP, in particular as it relates to the Southern Metropolitan Region, and taking into consideration the substantial background evidence and findings of the Independent Planning Panel in relation to Amendment C219:

- We understand the purpose of the Draft MICLUP is to respond directly to Plan Melbourne Implementation Action 8 (Significant Industrial Precincts) and Action 12 (Planning for Future Employment Growth). However, in our view the Draft MICLUP fails to align with Plan Melbourne and appears to establish a new framework of categorising industrial and commercial land that is inconsistent with the accepted definitions for employment generating land uses in the Victorian Planning Provisions (VPP’s).

For example, the Draft MICLUP proposes to classify industrial land as either ‘State Significant’, ‘Regionally Significant’ or ‘Locally Significant’. However, the accepted terminology contained within Plan Melbourne and State policy refers to ‘State Significant Industrial Precincts’ (SSIP) and National Employment and Innovation Clusters (NEIC). There is no formal or relevant categorisation for either ‘Regional’ or ‘Local’ industrial precincts. Similarly, the appropriate terminology for commercial land relates to Activity Centres. It is unclear why, or on what basis, the Draft MICLUP has invented a new terminology of significance, especially in the absence of any consultation with the Victorian Planning Authority, local government or other stakeholders.
In our view the proposition of ‘Regional’ or ‘Local’ industrial significance is a fabrication. Outside of identified SSIP’s, planning for industrial or employment land should be aligned with policy, but managed at the local level, or regionally through the Precinct Structure Planning process with the VPA. The City of Casey (with other municipalities in the Southern Region), have appropriately planned for the supply of industrial land through engagement with VPA, and ongoing local strategic planning and review. Unless it is proposed to amend State Policy and Plan Melbourne itself, it is our view that the Draft MCLUP should align with existing State policy.

- There does not appear to be any ‘strategic assessment’ of the existing land supply within the Draft MCLUP, rather it appears to simply adopt the existing identified industrial land. The recently released Urban Development Program (UDP) states that at a metropolitan scale this requirement is currently met with 23 years of existing zoned supply and 15 years of unzoned land supply.

The Draft MCLUP makes numerous references in relation to the impact of proposed rezoning on the availability of industrial land within the Southern Region, including that the approval of Amendment C219 will result in a ‘significant loss’ of industrial / commercial land in the region. The Draft MCLUP states that the Southern regional supply has ‘21 years of zoned industrial, plus a further 7 years of unzoned’ industrial land.

Evidence accepted by the C219 Independent Planning Panel, provided by Urbis, stated there was regional supply of 36–38 years of industrial land, and the approval of Amendment C219 land would likely reduce supply to 35–36 years – i.e. a reduction of just 1–2 years of supply. This is more than adequate under the UDP requirements.

Taking into consideration the data provided in the Draft MCLUP, Urbis has reassessed their figures, and found that the draft plan has mis-calculated the supply of unzoned land with the Region. Urbis estimated the region as having 11 years of future unzoned industrial land supply instead of 7 years; p.89 of draft MCLUP. Based on 2017–18 consumption levels, Urbis advises this equates to approximately 32 years of total supply, which is above the 30-year target set by Plan Melbourne. More specifically, Urbis estimate that there is currently 39 years of vacant zoned industrial land in the City of Casey and a total of 51 years (zoned and unzoned) even in the event Amendment C219 is adopted.
The revised calculations provide substantial evidence and support the Independent Planning Panel’s conclusion in relation to Amendment C219 that ‘there is sufficient medium to long term industrial supply in the southern region’ and the rezoning of the C219 Amendment area would ‘have only a minor impact on the supply of industrial land in the southern region’. The proposition that that the loss of land is ‘significant’ is misleading and all references should be removed from the Draft MICLUP.

- The Draft MICLUP does not appear to undertake any analysis of the suitability of existing industrial land, rather adopts the status quo. Not only have precincts which have been previously identified as unsuitable for industrial use been retained (e.g. Amendment C219 land), there does not appear to be any further consideration or recommendation for previously unidentified land to be investigated.

No spatial analysis of the actual land requirements (as assessed against the changing nature of the industrial and commercial land use) has been undertaken by the Draft MICLUP. The metropolitan analysis demonstrates a significant decline in manufacturing and an increase in service industry etc, yet there is no analysis of the actual land required, or how the existing land may be used efficiently. As a strategic land use plan the Draft MICLUP fails to adequately delve into the changing nature of industrial land in the context of the existing land supply regarding what is actually suitable to be developed for industrial purposes.

- As stated above the Draft MICLUP introduces new terminology for ‘Regionally Significant Industrial Precincts’ and proposes that the Cranbourne West area (including Amendment C219 land) be designated as a ‘Regionally Significant Precinct’. The Draft MICLUP states that the Southern SSIP will be ‘exhausted by mid–2020’ – demand transfer is likely to occur at the closest industrial area; likely direct future demand for large-format, regionally significant industrial uses into neighbouring areas such as Braeside and Cranbourne West; large contiguous tracts of vacant industrial land with main road access for large heavy vehicles and access to existing supply chains and distribution networks’.

The above is inconsistent with the findings of the Independent Planning Panel in relation to Amendment C219, and the advice of Council that the Amendment C219 land is unlikely to be developed for employment purposes other than small-scale development similar to that evident in the northern part of the Cranbourne West PSP, if at all. The Panel stated that ‘the Amendment area is more readily suited to use for residential purposes consistent with the development of the land
immediately south and east’ and that ‘the constraints on the land, particularly its proximity to residential land will make it difficult to attract some industrial uses’.

The Draft MICLUP does not take into consideration the above findings, nor does it attempt to assess the appropriateness of the land allocation or suitability given the development of surrounding land that has occurred since 2012 (Growth Area Framework Plan), in regional and metropolitan contexts. The report simply confirms that all land allocated for State or Regional significance should be retained and essentially local industrial land may be considered for alternate use or retention by Council.

Notwithstanding our comments regarding the proposed classification of Regionally Significant Industrial Precincts above, Cranbourne West does not appear to meet the criteria proposed within the Draft MICLUP. Urbis have undertaken an assessment of the Amendment C219 land against the draft criteria and have formed the view that it fails on all criteria to be suitably classified as Regionally Significant. Refer to Appendix 1 – Table 1 – Assessment of Amendment C219 Land Against Criteria of Regionally Significant Industrial Land within the Urbis report.

The assessment clearly demonstrates that the Amendment C219 land does not play a significant role in the Region and therefore the Draft MICLUP should adopt the findings of the Independent Planning Panel into Amendment C219, and remove the land from the proposed Plan and refer to Cranbourne West as a Local Industrial Precinct only at present.

**Recommendations**

Taking into consideration the matters contained within our submission, we respectfully request changes be made to the proposed MICLUP, including the following:

- Align the terminology of the MICLUP with Plan Melbourne and accepted strategic planning and definitions by removing references to ‘Regionally’ and ‘Locally’ significant Industrial areas. In the event that the references are maintained we recommend Cranbourne West be classified as a Local Industrial Precinct.

- Adopt the findings of the independent Planning Panel for Amendment C219 and the resolution of Casey City Council to adopt Amendment C219 and remove the land subject to Amendment C219 from the supply of industrial land in the Southern Region.
• Adopt the correct data analysis prepared by Urbis in Figure 2 of their report, attached, which shows rather than their being 28 years of supply of industrial land in the Southern Region there is actually 32 years, and more specifically, 39 years existing in the City of Casey given lower consumption rates.

• The MICLUP should be reconsidered to undertake a more detailed analysis of the suitability of industrial land supply to realistically determine industrial land requirements (in the same way as the Independent Planning Panel for Amendment C219 considered the impact on land supply and suitability of Cranbourne West) and make recommendations for future changes to be investigated.

• In the event that DELWP have other data that has not been made publicly available or contradicts the findings of the Independent Planning Panel for Amendment C219, the new data, along with the Draft MICLUP and Amendment C219 should be re-referred to the Independent Planning Panel responsible for Amendment C219 for its consideration.

We reserve the right to make further comment on the Draft MICLUP. Should you wish to discuss any of the matters contained within this submission we would be pleased to meet with you or provide further information as required.

Yours sincerely,
Dacland Pty. Ltd. on behalf of 690 WPH Pty. Ltd.

Managing Director
DRAFT MELBOURNE INDUSTRIAL AND COMMERCIAL LAND USE PLAN

REVIEW OF METHODOLOGY AND RECOMMENDATIONS

19 DECEMBER 2019
PREPARED FOR DA CLAND
URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:

Director
The purpose of this document is to provide a review of the Department of Environment, Land, Water and Planning’s (DELWP) Draft Melbourne Industrial and Commercial Land Use Plan (the Draft Plan). We have reviewed Parts A and B of the Draft Plan, along with background reports supplied. Consideration has been given to the general methodology employed and the findings and recommendations that emerge from the analysis presented.

While we have undertaken a broad review of the Draft Plan as it pertains to all of Metropolitan Melbourne, we provide a more detailed assessment of the Southern Region and the way in which Cranbourne West has been considered through this process given Dacland’s interest in land within that precinct.

Our focus is also on the way industrial land rather than commercial land is treated in the documents, given that Cranbourne West is nominated as an industrial precinct of significance.

The key findings of the assessment include:

- The Draft Plan appears to maintain the status quo, recognising land already zoned or nominated for employment use, but not considering the ability of that land to serve its intended use or the potential for other land to meet future employment needs.
- Cranbourne West is identified as a Regionally-Significant Industrial Precinct, despite an independent Panel finding that the land subject to Amendment C219 was not suitable for large-format industrial use as nominated.
- Cranbourne West does not meet the criteria outlined in the Draft Plan for a Regionally-Significant Precinct.
- The Southern Region appears to have an adequate supply of industrial land, based on the Draft Plan and confirmed previously by the C219 Panel. The removal of the Cranbourne West C219 land would have an immaterial impact on the length of time industrial land in the Southern Region will last.

**REVIEW OF THE DRAFT PLAN**

The issues identified through our review are summarised here, with specific reference to the Cranbourne West industrial area:

- **The Draft Plan provides a new framework for categorising industrial and commercial land, but it appears to be inconsistently applied.** Industrial land for example is now classified as either State-Significant, Regionally-Significant or Local. The State-Significant precincts are broadly consistent with the designation in Plan Melbourne, although the Regionally-Significant classification is new, with a set of criteria detailed to identify these precincts with the intention of protecting them from encroachment into the future. However, as discussed further below, some of the Regionally-Significant Industrial Precincts identified do not meet the criteria outlined.

- **The Draft Plan does not provide a strategic review of industrial land use for Melbourne.** It is a high-level document that accepts the status quo without challenge. Rather than clearly assessing the ability of sites and locations to serve their intended role under the new significance designations, the document has simply transposed existing zoned land and previously nominated future industrial or commercial land to represent the future land that must be quarantined over the next 30+ years. Not only have precincts which have been identified as unsuitable for industrial use been maintained, there has been no consideration of whether other previously unidentified land could be more appropriate.

- **There appears to be no assessment of, or justification for, the proposed industrial precincts, with the criteria for many Regionally-Significant Industrial Precincts seemingly ignored.** The exhibited designation of industrial precincts of regional significance still largely follows the direction set in previous strategic planning documents, such as the Growth Corridor Plans. There appears to be no assessment of the merits of individual areas as potential industrial land within their local context.
• No conclusion appears to have been provided as to whether industrial land supply is adequate across Melbourne or within each region. The Draft Plan identifies the need to maintain at least 15-years supply of zoned land, with a further 15-years of unzoned supply to meet demand over the long-term (30 years). According to the Urban Development Program (UDP), across Melbourne, this requirement is met with 23 years of zoned land and 15 years of unzoned. It is also met in the Southern Region (21 years zoned, 11 years unzoned) among other regions. However, across Melbourne and in each region, the conclusion appears to be to protect all previously nominated industrial land areas, regardless of the extent of the supply pipeline or whether that land is suitable.

• Recent consumption of industrial land is not necessarily an indicator of long-term demand. While historical industrial land consumption levels may provide an indication of potential demand in the short term, there is no quantitative analysis to identify longer term demand levels to support the proposed industrial land use framework, at either the metropolitan or the regional level. Furthermore, this consumption data is derived from the UDP which has been identified by industry to underestimate land supply in new release areas.

• Findings in the background study for the Southern Region that suggest a reducing role for the Southern Region as an industrial area have been ignored. We note curiously that the Southern Region was the only region where a background study on the current and future state of industrial sector development was undertaken (i.e. Southern Region Industrial Land Study - Stages 1 & 2 Reports). However, the extensive commentary, including the points below relating to the future role positioning of the Southern Region as an industrial area have not been reflected in the Draft Plan.

  Anecdotal feedback from large national industrial REITs such as Goodman, Investa, Charter Hall and Salta suggesting national head-office investment decisions will likely target Melbourne’s north and west in the future as these areas will be the focus for future infrastructure and distribution centre locations to service the largest share of Melbourne’s future population growth.

  With ready access to major supply routes and infrastructure across Melbourne’s western suburbs, including areas such as Geelong and regional Victoria, this location is clearly preferred for new large-scale industrial investors.

  Feedback from these groups and local real estate agents suggests large scale industrial REITs are less likely to make further investments beyond the Southern SSIP into areas as far east as Officer/Pakenham and are more likely to invest in Melbourne’s northern and western growth fronts.

  This shift in focus will have implications for future investment levels within the Southern Region, particularly considering forecast land availability within the Southern SSIP. (pg. 75)

• Even the background study gives cursory consideration to the merits of locations for industrial use. Given the reducing supply of industrial land in the Dandenong South area, the background study suggests demand will simply shift to the nearest industrial areas including Cranbourne West:

  The exhaustion of industrial land stocks 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 Cranbourne West and Braeside, where 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. (pg. 74)

This does not represent a sufficiently detailed consideration of the attributes of these areas to support the intended future role. We would contend, supported by the findings of the C219 Panel, that Cranbourne West does not have ideal road access with significant conflicts with surrounding residential areas. Although Dandenong South is filling up, it does not follow that demand will shift to an inferior location such as Cranbourne West simply because it is close.
• The entire Cranbourne West industrial area is designated as a Regionally-Significant Industrial Precinct, despite an independent Panel convened by the government concluding it was not suitable as a large-format industrial precinct. The Panel considering Amendment C219 to the City of Casey Planning Scheme agreed with the extensive evidence put forward that the subject land was not suitable for its intended purpose:

“The constraints on the land, particularly its proximity to residential land, will make it difficult to attract some industrial uses.”

(Am C219 Panel Report, January 2018, pg. 27)

Under these circumstances, the 133 hectare area that was the subject of C219 should not have been included in supply calculations, while the precinct should not have been classified as Regionally-Significant.

• The Amendment C219 area would be more suited as a local industrial precinct supporting local businesses and employment opportunities. Clearly, when assessed against the criteria the Draft Plan has identified, the Cranbourne West precinct does not qualify as a Regionally-Significant Industrial Precinct (refer Table 1 in the Appendix). It would be unable to compete with other much superior locations that do tick the boxes and is expected to continue to sit vacant unless rezoned. The demand in the northern parts of Cranbourne West has come from small format, local industrial tenants. This reflects the area’s role as Local Industrial Precinct, which typically require only 20-40 hectares. The Draft Plan at Page 75 confirms Cranbourne West as suitable for “smaller format industrial uses”.

• The exclusion of the C219 land in Cranbourne West from future supply calculations will not have a significant impact as implied by the Draft Plan. Despite indicating that a regional approach is needed when considering industrial land supply (also confirmed by the C219 Panel), the Draft Plan flags that the exclusion of the C219 land from existing supply would reduce available industrial land within the City of Casey by around 22% (pg. 86). However, it does not provide the necessary context – given low consumption of land in the City of Casey, the statistics presented in the Draft Plan imply the supply in the municipality will last 65 years with the C219 land, or still 51 years without it (refer Table 2 attached for detail).

At a regional level, the level at which the Draft Plan is expected to operate, the removal of the C219 land from the supply calculations has a minimal impact. The subject land only represents less than 4% of total supply, with its removal only reducing the supply of industrial land across the Region by one year, noting this is again based on the UDP data provided in the Draft Plan which may underestimate supply. As supported by the C219 Panel Report, this would have an immaterial impact on the ability of the Region to support industrial development.

• The Draft Plan has miscalculated the supply of unzoned industrial land supply in the Southern Region. The Region has an estimated 11 years of future unzoned supply, instead of 7 years identified by the Draft Plan (para. 3, pg. 89), based on consumption level observed in 2017-18 (refer Table 2). This indicates the Region has around 32 years of supply in total, above the 30-year supply target set out in the Draft Plan (Principle 1, pg. 32).

The attached Table 1 presents an assessment of the C219 Cranbourne West land against the criteria outlined in the Draft Plan, while Table 2 presents our calculations of land supply demonstrating the miscalculation of years of unzoned supply referred to in the Draft Plan.

CONCLUSION

Upon review of the Draft Plan, I have found that it has not taken a strategic approach to considering the future distribution of industrial and commercial land. It is has simply verified previously nominated locations without interrogating the need for land in sufficient detail, nor critically, the ability of nominated land to serve its intended purpose.

In relation to Cranbourne West, despite extensive evidence suggesting the land in not fit for purpose, that has been verified by an independent Panel, the Draft Plan maintains the C219 land as industrial, and in fact nominates the broader precinct as Regionally-Significant. On my assessment against the criteria established for these precincts, Cranbourne West should not be classified in this way.
TABLE 1 – ASSESSMENT OF AMENDMENT C219 LAND AGAINST CRITERIA OF REGIONALLY SIGNIFICANT INDUSTRIAL PRECINCTS

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<thead>
<tr>
<th>Criteria</th>
<th>Assessment</th>
<th>Tick the Box (Y/N)</th>
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<tbody>
<tr>
<td>Policy Alignment</td>
<td>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 Amendment C219 area is removed from either current or future major industrial precincts in the Southern Region, such as the South SSIP or the Pakenham/Officer SSIP. Nor is it anywhere close to any of the NEICs or key transport gateways. The South East Growth Corridor Plan (2012) identified the area covered by the Cranbourne West PSP for industrial use, surrounded by residential use. There had been industrial land nominated in earlier documents as well, although the size of land and separation from residential use varied greatly. For example, the precinct was originally nominated at around 250ha, but a further 200ha of large-format land was added without justification. In fact, at no stage has there been any strategic justification provided as to why this is an appropriate location for a large industrial precinct. The land does not have good road access and businesses serving markets beyond the local area have shown no interest in locating there. While the existing PSP has designated the area for industrial uses, development of the subject land for large-scale industrial purposes is a very long-term proposition, given the inferior locational and amenity attributes of Cranbourne West. This leads to the C219 Panel finding there were issues with the siting of the land and that the subject land to the south should not be retained for industrial use.</td>
<td>No Partially</td>
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<td>The area has been identified through growth area planning as a larger industrial estate offering good freeway and arterial road access and can provide for the industrial land requirements of firms that serve metropolitan wide, national or international markets.</td>
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<td>The area has been identified in council strategies as being a core or primary industrial area that should be retained, or that provides for significant employment opportunities by virtue of the size of the area.</td>
<td></td>
<td>No</td>
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<tr>
<td>Criteria</td>
<td>Assessment</td>
<td>Tick the Box (Y/N)</td>
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<td>Accessibility &amp; Business Clustering</td>
<td>The area or precinct can leverage off existing or proposed rail and road networks and infrastructure, including the Principal Freight Network (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. With the subject land currently being vacant and only occupying a secondary location relative to other major industrial precincts, it is highly unlikely that it would attract the large lot industrial users to fill the space allocated and that are able to generate some level of synergies in the foreseeable future. Areas such as this would be almost impossible to compete in a region where there is still significant industrial land supply in much superior locations, which in most cases would provide far better choices for developers or tenants, leaving the area either vacant or having a very low level of activity over an extended period of time.</td>
<td>Yes – but with major drawbacks</td>
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<td>While the subject industrial land has relatively convenient access to the South Gippsland Highway (PFN-Road), it provides limited benefit to future industrial users as the highway is and will be heavily used by local residents in the area. There would be major conflicts for road space in particular during peak hours. There is a distinction between an area being in close proximity to the PFN and being able to utilise or benefit from it. The area is extensively surrounded by residential land, with direct residential interface to the east and south. The land is also narrow, meaning buffers to residential areas squeeze developable land to a size that is too small for large-format users. Distinct from the Dandenong South precinct where industrial vehicles can easily access major highways, such as Monash Freeway and Eastlink which link directly do key transport hubs or regional markets without conflict with residential areas, the Amendment C219 area has no direct access to the Primary Freight Network without having to drive past residential areas. The intermingling of industrial and residential vehicles is to be ideally avoided, but it is inevitable at Cranbourne West.</td>
<td>No</td>
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<td>Current: No  Future: Unlikely</td>
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<td>Criteria</td>
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<td>Economic &amp; Employment Contribution</td>
<td>The area generates a relatively high and ongoing economic output contributing to the region and state’s economy</td>
<td>Current: No Future: Unlikely</td>
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<td></td>
<td>The area is a location of high levels of employment and/or capital goods, generating wider regional employment and economic benefits</td>
<td>No</td>
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<td></td>
<td>The modest size, the unfavourable site attributes and removal from larger employment precincts preclude the Amendment C219 area from having the capacity to attract larger, anchor industrial tenants and the ability to generate high and ongoing economic contributions to the region or the state more generally.</td>
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<tr>
<td></td>
<td>Again, the subject area is removed from locations that generate high levels of employment or producing high levels of capital goods (i.e. fixed assets such as machinery, equipment, vehicles, etc.) – the nearest precinct of such nature, Dandenong South, is almost 5km to the north. It should also be noted that large-lot industrial users often generate very low employment levels (e.g. a Woolworths Distribution Centre is heavily automated with extremely low job to area density), while large capital users are not attracted to the area.</td>
<td></td>
</tr>
</tbody>
</table>
## Estimated Years of Industrial Land Supply

### TABLE 2

<table>
<thead>
<tr>
<th>Geography</th>
<th>Calculation</th>
<th>Industrial Land Consumption (ha/year)</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
<th>3-Year Avg.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Region</td>
<td>(1)</td>
<td></td>
<td>102.0</td>
<td>109.3</td>
<td>110.2</td>
<td>107.2</td>
</tr>
<tr>
<td>Casey</td>
<td>(2)</td>
<td></td>
<td>4.1</td>
<td>7.8</td>
<td>9.4</td>
<td>7.1</td>
</tr>
</tbody>
</table>

### Industrial Land Supply (ha)

<table>
<thead>
<tr>
<th></th>
<th>Zoned Occupied</th>
<th>Zoned Vacant</th>
<th>Future Unzoned</th>
<th>Total Available Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Region</td>
<td>(3)</td>
<td>7,273.6</td>
<td>2,339.0</td>
<td>1,183.5</td>
</tr>
<tr>
<td>Casey</td>
<td>(4)</td>
<td>670.7</td>
<td>367.5</td>
<td>245.2</td>
</tr>
<tr>
<td>Amendment C219 Area</td>
<td>(5)</td>
<td>-</td>
<td>133.0</td>
<td>-</td>
</tr>
<tr>
<td>Hastings SSIP</td>
<td>(6)</td>
<td>814.1</td>
<td>980.0</td>
<td>-</td>
</tr>
</tbody>
</table>

### Est. Supply @ 2017-18 Consumption Level (years)

<table>
<thead>
<tr>
<th></th>
<th>Zoned Occupied</th>
<th>Zoned Vacant</th>
<th>Future Unzoned</th>
<th>Total Available Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Region excl. Hastings</td>
<td>N/A</td>
<td>21</td>
<td>11</td>
<td>32</td>
</tr>
<tr>
<td>Southern Region excl. Hastings &amp; C219</td>
<td>N/A</td>
<td>12</td>
<td>11</td>
<td>23</td>
</tr>
<tr>
<td>Casey</td>
<td>(10)=(4)+(2)</td>
<td>N/A</td>
<td>39</td>
<td>26</td>
</tr>
<tr>
<td>Casey excl. C219</td>
<td>(11)=(4)+(5)+(2)</td>
<td>N/A</td>
<td>25</td>
<td>26</td>
</tr>
</tbody>
</table>

Source: UDP 2018, Draft Melbourne Industrial & Commercial Land Use Plan, Urbis