

# Urban Development Program



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Regional  
Industrial  
Report

Rural City  
of Swan Hill



Department of  
Transport, Planning and  
Local Infrastructure

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# CONTENTS

## **EXECUTIVE SUMMARY**

### **1.0 INTRODUCTION**

- 1.1 Purpose and Context
- 1.2 Program Context
- 1.3 Urban Development Program Reports

### **2.0 APPROACH AND METHODOLOGY**

### **3.0 OVERVIEW**

### **4.0 BUILDING APPROVAL ACTIVITY**

### **5.0 INDUSTRIAL SUBDIVISION ACTIVITY**

### **6.0 INDUSTRIAL LAND STOCKS**

- 6.1 Industrial Land Stocks - Area
- 6.2 Industrial Land Stocks – Lot Size Distribution
- 6.3 Supply of Industrial Land

### **7.0 CONSUMPTION OF INDUSTRIAL LAND**

### **8.0 YEARS OF SUPPLY - INDUSTRIAL LAND**

## **GLOSSARY OF TERMS**

### **LIST OF TABLES**

Table 1:	Total Number of Industrial Building Approvals by Year
Table 2:	Value (\$) of all Industrial Building Approvals by Year
Table 3:	Number of Industrial Subdivisions by Lot Size, 2006 to 2012
Table 4:	Gross Area (hectares) of Industrial Land Stocks, 2012
Table 5:	Number of Industrial Allotments by Lot Size Cohort, 2012
Table 6:	Years of supply of Industrial Land Stocks

### **LIST OF GRAPHS**

Graph 1:	Number of Industrial Lots (supply) by Lot Size Range, 2012
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## EXECUTIVE SUMMARY

The Urban Development Program for Regional Victoria provides an analysis of supply and demand for residential and industrial land across parts of regional Victoria. Assessments completed to date include the municipalities of Ballarat, Greater Bendigo, Latrobe and Wodonga, Wangaratta, Greater Shepparton, Warrnambool, Horsham and Mildura. Industrial land supply assessments for the G21 consortium of councils are available on the G21 Regional Growth Plan - Implementation Plan website.

Additional land supply assessments undertaken for the municipalities of Bass Coast, Baw Baw, Macedon Ranges, Mitchell, Moorabool, Mount Alexander, Moyne and South Gippsland are also near completion.

This round of land supply assessments include the municipal areas of: Wellington, Southern Grampians, Ararat, Swan Hill, Campaspe, East Gippsland, Glenelg and Benalla.

This component provides information on industrial supply and demand for the Rural City of Swan Hill.

The following industrial land supply assessment was undertaken by Spatial Economics Pty Ltd and commissioned by the Department of Transport, Planning and Local Infrastructure in conjunction with the Rural City of Swan Hill.

The report draws on information and feedback obtained through a number of comprehensive consultations with key council officers and Department of Transport, Planning and Local Infrastructure regional officers undertaken through the course of the project.

### SUPPLY OF INDUSTRIAL LAND

As at December 2012, there was a total of 240 hectares zoned industrial land stock, of which 147 hectares were assessed as available (supply) for industrial purpose development.

There is one site identified as future (unzoned) industrial land, located in Robinvale (9 hectares).

In terms of the geographic spread of zoned industrial land stocks across the Rural City of Swan Hill, the majority of land is in Swan Hill (settlement) with 154 hectares or 64% of the industrial land and Robinvale with 69 hectares of industrial land. There is one site in Lake Boga of 10 hectares and 3 hectares of industrial land in Nyah.

### RECENT ACTIVITY

From July 2006 to December 2012 there were a total of 32 zoned industrial land subdivisions, all of which were located within the urban area of Swan Hill. The majority (91%) of subdivisions resulted in industrial allotments sized less than 0.5 hectares.

From July 2006 to March 2012 there was a total estimated value of industrial building approval activity of approximately \$16.7 million or an average of \$2.8 million per annum. Of this estimated construction value, 50% was for warehouse construction, the residual for factory construction.

## CONSUMPTION

From 2003 to 2012 on an average annual basis, 0.4 hectares per annum of industrial land has been consumed. The level of industrial land consumption is totally located within the township of Swan Hill.

## YEARS OF SUPPLY

In total, there is in excess of 15 years industrial zoned land across the Rural City of Swan Hill based on the average annual rate of land consumption in the period 2003 to 2012. In terms of future (unzoned) industrial land stocks it is estimated that there is approximately an additional 15+ years of supply (the unzoned/future industrial land is all located in Robinvale).

However, at a township level there are deficiencies of zoned industrial land stocks in Nyah, where there is currently 3.3 hectares of occupied industrial land, but no zoned or future (unzoned) industrial land supply identified.

### Conclusion and Current Actions

In summary there is an adequate stock of zoned and unzoned (future) industrial land stocks to meet future demand across the Rural City of Swan Hill, based on recent consumption rates. Consumption of industrial land, however, should continue to be monitored to ensure there are sufficient land stocks to meet future demand.

Swan Hill (settlement) has adequate industrial land for long term demand requirements. The land is all currently zoned for industrial use. The 'Robinvale Land Use Strategy', which was prepared back in 2005, identifies 'future industrial' areas for longer term requirements; which have been reflected within the Urban Development Program.

# 1.0 INTRODUCTION

## 1.1 PURPOSE AND CONTEXT

The Urban Development Program was set up in 2003 to assist in managing the growth and development of metropolitan Melbourne and the Geelong region, and help ensure the continued sustainable growth of these areas in order to maintain their high levels of liveability.

The primary purpose of the Urban Development Program is to improve the management of urban growth by ensuring that government, councils, public utilities and the development industry have access to up-to-date and accurate information on residential and industrial land availability, development trends, new growth fronts, and their implications for planning and infrastructure investment.

To achieve the primary purpose the Urban Development Program provides accurate, consistent and updated intelligence on residential and industrial land supply, demand and consumption. This in turn assists decision-makers in:

- maintaining an adequate supply of residential and industrial land for future housing and employment purposes;
- providing information to underpin strategic planning in urban centres;
- linking land use with infrastructure and service planning and provision;
- taking early action to address potential land supply shortfalls and infrastructure constraints; and
- contributing to the containment of public sector costs by the planned, coordinated provision of infrastructure to service the staged release of land for urban development.

The information contained and reported within the Urban Development Program enables early action to be taken in areas where land shortfalls have been identified.

## 1.2 PROGRAM CONTEXT

During 2009-2010, the Urban Development Program was expanded across key provincial areas across regional Victoria, and is incrementally being rolled out across the State. Assessments completed to date include the municipalities of Ballarat, Greater Bendigo, Latrobe and Wodonga, Wangaratta, Greater Shepparton, Warrnambool, Horsham and Mildura. Industrial land supply assessments for the G21 consortium of councils are available on the G21 Regional Growth Plan - Implementation Plan website.

Additional land supply assessments undertaken for the municipalities of Bass Coast, Baw Baw, Macedon Ranges, Mitchell, Moorabool, Mount Alexander, Moyne and South Gippsland are also near completion.

This round of land supply assessments include the municipal areas of: Wellington, Southern Grampians, Ararat, Swan Hill, Campaspe, East Gippsland, Glenelg and Benalla.

The expanded Urban Development Program into regional Victoria will build local and regional data bases and, importantly, provide a platform for mapping and spatial analysis in each region. This will in turn allow councils and other key stakeholders in the planning and development sectors to make more informed decisions in the growth and investment of these key areas across regional Victoria.

The industrial and residential land supply assessments were undertaken by Spatial Economics Pty Ltd, and commissioned by the Department of Planning and Community Development in conjunction with the associated councils.

### **1.3 URBAN DEVELOPMENT PROGRAM REPORTS**

The 2013 Urban Development Program Reports for Wellington, Southern Grampians, Ararat, Swan Hill, Campaspe, East Gippsland, Glenelg and Benalla, as well as additional Regional Reports and the metropolitan Urban Development Program Annual Report, are available online at

[www.dpcd.vic.gov.au/urbandevelopmentprogram](http://www.dpcd.vic.gov.au/urbandevelopmentprogram)

For more information about the Urban Development Program, email the Department of Planning and Community Development at [urbandevelopment.program@dpcd.vic.gov.au](mailto:urbandevelopment.program@dpcd.vic.gov.au)



## 2.0 APPROACH & METHODOLOGY

For the purposes of the Regional Urban Development Program, land is either zoned for industrial purposes or identified for future industrial use.

Industrial land identified by the Regional Urban Development Program includes land within the Industrial 1 Zone (IN1Z), Industrial 2 Zone (IN2Z), Industrial 3 Zone (IN3Z) and Business 3 Zone (now Commercial 2 Zone) as well as land that have been identified for future industrial development by the relevant Council.

In addition, where appropriate land zoned Special Use (SUZ) has been included i.e. the specific purpose of the zone is to recognise or provide for the use and development of land to support industrial type uses.

The IN1Z is the most commonly used industrial zone. The Industrial 2 Zone is designed for heavy industrial uses.

The IN3Z is a specialised zone that focuses on the needs of light industry, while the Business 3 Zone (now Commercial 2 Zone) is aimed at facilitating the needs of industries with a high office based component.

Assessments of land supply are dependent on the availability of aerial imagery. The most current imagery available for this assessment was taken during the summer of 2009/2010.

Information is presented at both a Local Government Area (LGA) and major industrial regions (typically at a township level).

Note that for the purposes of this report the regional component of the expanded Urban Development Program is referred to as the 'Regional Urban Development Program'.

### METHODOLOGY FOR ASSESSING INDUSTRIAL LAND STOCKS

Industrial land data is collected and assessed using lot boundary, planning scheme information and aerial imagery. Additional information on the status of specific sites is gathered through stakeholder consultation, primarily discussions with relevant Council officers.

Industrial land supply and consumption data presented as part of the Regional Urban Development Program is based on aerial photography completed in 2009 and updated to December 2012 via the consultation process. Information relating to zoning, overlays and other planning matters relates to the same period.

### IDENTIFYING LAND STOCK

Industrial land stock includes all zoned industrial land within the municipality as well as land that have been identified by Council for future industrial development (unzoned stock).

In determining zoned land stock, each zoned industrial land parcel is assessed as either:

- *Supply* – zoned industrial land classified as available for industrial development. This includes land that is vacant, disused or assigned to marginal non-industrial uses with little capital value, such as farm sheds.
- *Unavailable* – zoned industrial land classified as unavailable for industrial development. This includes land already occupied by industrial uses, construction sites, major infrastructure, capital intensive farming operations, established

residential premises or where it is known that the owner has strong intentions not to develop the land in the medium to long term.

In instances where industrial land was in the process of being approved for rezoning to another use (for example a Business, Residential or Mixed Use Zone) and, based on Council feedback, the land is identified as unavailable.

In several instances discrete parcels of land (within one title) have been created to demonstrate a high degree of availability for development on a particular site. For example, where there is a significant area of land with a specific use operating from a small portion of the land and it is understood the balance of the land is regarded as a potential development site, the title area has been split to show the occupied and vacant components of the land. This has been undertaken where these instances have been identified by the relevant Council officer.

### **ASSESSING THE STOCK OF INDUSTRIAL LAND**

For all industrial land, each individual parcel is recorded with its size and the applicable zone. This enables an assessment of the overall or gross stock of land either as unavailable or available as supply. Subsequently, a further assessment is conducted to determine a net measure of supply ('net developable area').

Using a net measure of industrial land supply provides a more accurate basis for determining adequacy, as it measures the likely area available for development after accounting for local roads, open space, infrastructure requirements and environmental considerations. This varies from locality to locality, depending on site and regional-specific issues.

During 2008, the Department of Sustainability and Environment released maps indicating the location and extent of significant native vegetation across Victoria utilising satellite imagery. These maps were used as part of the assessment in determining the estimated net developable area.

Where native vegetation mapping indicated a classification of 'high' or 'very high' against vacant zoned land or land identified for future industrial purposes, the area impacted was removed from the gross area of land supply.

Further higher level (or regional) take outs were removed from larger key parcels of vacant zoned land or from land identified for future industrial development. This was carried out in consultation with the relevant Council.

Finally, the total area of remaining vacant land was separated into parcels of differing gradients of size to allow for local discounts (specifically for local roads and open space). This was done through both consultation and by calculating typical take out rates for such factors from recently completed development.

Discount factors (at each level) differ between municipalities depending on a variety of factors, specifically local geography.

### **CALCULATING CONSUMPTION**

To determine consumption based trends, the Regional Urban Development Program has examined available aerial photography between specific periods. Given the limited availability of photography, for each municipality at least two prior periods (years) have been assessed using the methodology outlined above (i.e. assessing each lot as either 'unavailable or 'supply').

In comparing the extent to which consumption has occurred land has been 'back cast' against previous periods to ensure like for like areas have been compared. This has been done to ensure that the effect of the rezoning of new industrial land or the rezoning of

industrial land to non-industrial uses does not distort the actual consumption that has occurred between periods.

Industrial land consumption for Campaspe was calculated from aerial imagery capture dates at 2006 and 2009. Consumption of industrial land was updated to December 2012 via the consultation process.

### **YEARS OF SUPPLY**

The number of 'years of supply' is measured by dividing estimates of the net developable of both zoned and unzoned areas by the average annual rate of industrial land consumption.

## 3.0 OVERVIEW

Swan Hill Rural City is principally an agricultural and horticultural region deriving its income from these industries and the businesses that service them.

The municipality is bordered by the Murray River, for over 300 kilometres and is highly dependent on it for irrigation, domestic and industrial water supplies as well as active and passive recreational pursuits.

Swan Hill and Robinvale are the two largest service centres in the municipality, however a number of smaller towns such as Lake Boga, Manangatang, Nyah, Nyah West, Piangil, Ultima and Woorinen South offer a variety of lifestyles.<sup>1</sup>

Regional Councils require an adequate supply of industrial land for jobs and services, such as manufacturing, service uses, logistics and warehousing to support continued economic development. The Urban Development Program for Regional Victoria provides the State Government and other stakeholders with a strategic overview of the supply and demand of industrial land across key regional Victorian cities.

The following industrial land supply assessment for the Rural City of Swan Hill is presented in a number of sections. These include:

- An assessment of industrial building approval activity by location (Statistical Local Area) in terms of both volume and value. This includes the breakdown of factory and warehouse building approvals from July 2006;
- Presentation of all net industrial land subdivision activity by resultant lot size distribution from July 2006 to December 2012;
- A detailed presentation of existing industrial land stocks in terms of:
  - Stock by zone type
  - Future (unzoned) stock
  - Lot size configuration and area
  - Supply/unavailable stock
  - Net developable area
- Summary of industrial land consumption i.e. built form construction on vacant industrial allotments from December 2003 to December 2012. This is expressed as average annual land consumption (hectares). This forms the basis of projecting future demand for industrial land and therefore the assessment of supply adequacy;
- An assessment of adequacy of industrial land supply, expressed in years of supply by zone type/future and location. This is also expressed in terms of accelerated growth assumptions of industrial land consumption. Concluding commentary regarding the adequacy of industrial stock by zone type and lot size is included;
- Concluding commentary regarding any major impediments to the supply of industrial land to the market i.e. anti-competitive behaviour, provision of land development dependent infrastructure; and
- Detailed maps of all industrial land stocks by status and zone type.

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<sup>1</sup>Swan Hill Rural City Council website.

## 4.0 BUILDING APPROVAL ACTIVITY

A variety of factors influence the level of industrial building activity. In regional locations the key factors include:

- the investment and business activity behaviour of the private sector;
- trends in the global and local economy;
- the availability of credit and borrowings for business decisions such as a decision to make a capital investment in property for a business;
- levels of land supply in the area;
- economic activity within the region; and
- the degree to which other regional centres compete for investment.

The following provides an overview of Industrial Building Approval activity within the Rural City of Swan Hill from July 2006 to June 2011 for the number of industrial building approvals. The estimated value of Building Approval activity for Swan Hill is from July 2006 to March 2012.

From 2006 to 2011 there were on an average annual basis eight industrial building approvals, 39% of which were located within the Swan Hill – Central Statistical Local Area (SLA) (the location of Swan Hill urban area) and 37% within the Robinvale SLA. Of these industrial building approvals, 71% (27) were for warehouse construction and the remaining 11 approvals were for factory construction. Table 1, summarises the volume of total industrial building approval activity by year and SLA.

**Table 1: Total Number of Industrial Building Approvals by Year**

SLA/LGA	2006-07	2007-08	2008-09	2009-10	2010-11
Swan Hill (RC) - Central	5	4	2	4	0
Swan Hill (RC) - Robinvale	7	3	3	1	0
Swan Hill (RC) Bal	1	2	1	2	0
<b>Swan Hill</b>	<b>13</b>	<b>9</b>	<b>6</b>	<b>7</b>	<b>3</b>

*Note: From June 2010 the ABS only report industrial building approvals at an LGA level.*

*Source: Australian Bureau of Statistics*

Table 2 summarises the estimated construction value of industrial building approvals activity. In total there was an estimated total value of approximately \$16.7 million or an average of \$2.8 million per annum. Of this estimated construction value, 50% was for warehouse construction, the residual for factory construction.

**Table 2: Value (\$) of all Industrial Building Approvals by Year**

SLA/LGA	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Swan Hill (RC) - Central	1,044,000	295,000	205,000	1,140,000		
Swan Hill (RC) - Robinvale	4,135,000	937,000	1,020,000	0		
Swan Hill (RC) Bal	58,000	468,000	3,100,000	260,000		
<b>Swan Hill</b>	<b>5,237,000</b>	<b>1,700,000</b>	<b>4,325,000</b>	<b>2,900,000</b>	<b>2,168,000</b>	<b>320,000</b>

*Note: From June 2010 the ABS only report industrial building approvals at an LGA level.*

*Source: Australian Bureau of Statistic*

## 5.0 INDUSTRIAL SUBDIVISION ACTIVITY

Detailed analysis of the cadastral database across industrial zoned areas across the Swan Hill municipality was undertaken to establish the location, volume and resultant lot size of industrial subdivision activity. Table 3 summarises the results of this analysis.

From July 2006 to December 2012 there were a total of 32 zoned industrial land subdivisions, all of which were located within the urban area of Swan Hill.

The majority (91%) of subdivisions resulted in industrial allotments sized less than 0.5 hectares. Of the 32 recently constructed industrial lots, 9 remain vacant as at December 2012.

**Table 3: Number of Industrial Subdivisions by Lot Size, 2006 to 2012<sup>1</sup>**

Region/LGA	Less than 0.1 ha	0.1 to 0.5 ha	0.5 to 1 ha	1 to 5 ha	5 to 10 ha	10+ ha	Total Lots
Swan Hill	0	29	2	1	0	0	<b>32</b>
<b>Swan Hill (RC) Total</b>	<b>0</b>	<b>29</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>32</b>

Source: Spatial Economics Pty Ltd and (former) Department of Planning and Community Development 2013  
1: Subdivision from July 2006 to December 2012

## 6.0 INDUSTRIAL LAND STOCKS

The following section of the report provides an overview of:

- existing zoned industrial land stocks;
- identified future (unzoned) industrial land stocks;
- stock of available (supply) and unavailable industrial land stocks;
- lot size distribution; and
- estimated net developable area.

The industrial land market across the Rural City of Swan Hill is located predominantly in Swan Hill and Robinvale. There is also small amounts industrial land in Lake Boga and Nyah with a couple of other small sites distributed across the municipality.

### 6.1 INDUSTRIAL LAND STOCKS - AREA

As at December 2012, there was a total of 240 hectares zoned industrial land stock, of which 147 hectares were assessed as available (supply) for industrial purpose development. This quantum of zoned industrial supply relative to unavailable industrial land stocks equates to a total land vacancy rate of 61%. Table 4 summarises the gross area of industrial land stocks by status across the Rural City of Swan Hill.

In terms of the geographic spread of zoned industrial land stocks across the Rural City of Swan Hill, the majority of land is in Swan Hill with 154 hectares or 64% of the industrial land and Robinvale with 69 hectares of industrial land. There is one site in Lake Boga of 10 hectares and 3 hectares of industrial land in Nyah.

The land area vacancy rate varies across the municipality ranging from 72% in Robinvale, 56% in Swan Hill to no vacant land in Nyah.

All of the industrial land in the Rural City of Swan Hill is zoned Industrial 1.

There is one site identified as future (unzoned) industrial land, located in Robinvale (9 hectares).

**Table 4: Gross Area (hectares) of Industrial Land Stocks, 2012**

Region/LGA	IN1Z			Total Zoned Stocks			Future (unzoned)	SUZ	
	Unavailable	Supply	Land Area Vacancy Rate %	Unavailable	Supply	Land Area Vacancy Rate %		Unavailable	Supply
Lake Boga	0	10.4	100%	0	10.4	100%	0	0	0
Nyah	3.3	0	0%	3.3	0	0%	0	2.8	0
Robinvale	19	50	72%	19	50	72%	9.3	0	0
Swan Hill	67.3	86.6	56%	67.3	86.6	56%	0	0	0
Remainder	3.3	0	0%	3.3	0	0%	0	104.1	0
<b>Swan Hill Total</b>	<b>92.9</b>	<b>147.0</b>	<b>61%</b>	<b>92.9</b>	<b>147.0</b>	<b>61%</b>	<b>9.3</b>	<b>106.9</b>	<b>0</b>

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2013

Note: Total zoned industrial stocks exclude SUZ land.



## 6.2 INDUSTRIAL LAND STOCKS – LOT SIZE DISTRIBUTION

Table 5 below details the number of zoned industrial lots by selected lot size cohorts. As at December 2012, there was a total of 224 zoned industrial allotments, of which 28 lots were identified as available supply.

Swan Hill has 176 industrial lots with 25 identified as supply. Of these 25 lots 14 are less than 0.5 hectares with 6 lots greater than five hectares. Robinvale has 35 industrial lots with two lots identified as available supply (sized 10+ hectares respectively). There is one lot at Lake Boga that is available whilst Nyah has a total of 6 lots with none available as supply.

**Table 5: Number of Industrial Allotments by Lot Size Cohort, 2012**

Region/LGA	Less than 0.1 hectares		0.1 to 0.5 hectares		0.5 to 1 hectares		1 to 5 hectares		5 to 10 hectares		10+ hectares		Total Lots	
	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply
Lake Boga	0	0	0	0	0	0	0	0	0	0	0	1	0	1
Nyah	0	0	2	0	1	0	3	0	0	0	0	0	6	0
Robinvale	0	0	24	0	6	0	3	0	0	0	0	2	33	2
Swan Hill	1	0	114	14	25	0	11	5	0	3	0	3	151	25
Remainder	0	0	1	0	0	0	2	0	0	0	3	0	6	0
<b>Swan Hill Total</b>	<b>1</b>	<b>0</b>	<b>141</b>	<b>14</b>	<b>32</b>	<b>0</b>	<b>19</b>	<b>5</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>196</b>	<b>28</b>

Source: Spatial Economics Pty Ltd and (former) Department of Planning and Community Development 2013

## 6.3 SUPPLY OF INDUSTRIAL LAND

As previously outlined there was, at December 2012, 147 gross hectares of zoned industrial land supply and 9 gross hectares of land identified for future industrial development (unzoned).

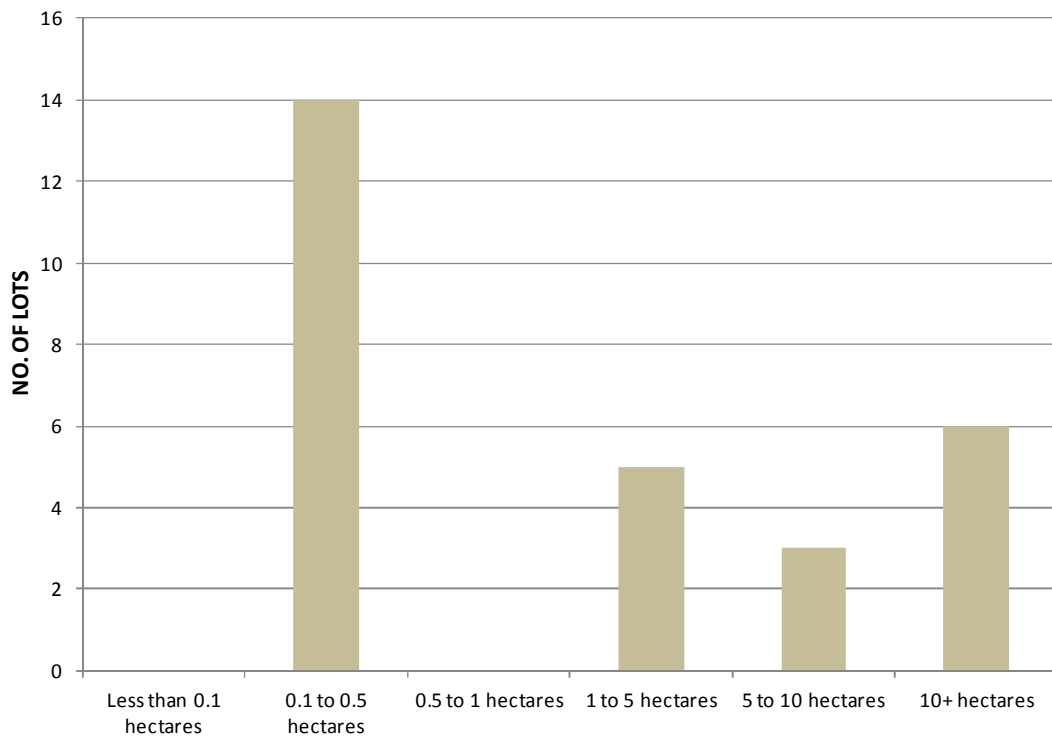
Of this identified supply, there will be a proportion of land not available for development. Such land development take-outs include, but not limited to include: local and regional roads, supporting infrastructure, open space requirements, native vegetation, excessive slope and other environmental constraints (water-ways). Land development take-outs vary by site and particularly the size of the allotment

Specific land development take-outs have been assessed on a parcel by parcel basis and results in an estimate of the net developable area i.e. the area available for actual industrial site development.

In total for zoned industrial land supply across the municipality there is approximately 104 net developable hectares. In terms of future identified industrial land stocks (unzoned) there is an estimated 8 net developable hectares.

The graph below illustrates the supply of industrial allotments by selected lot size cohort. The majority (50%) of the allotments identified as supply are between 0.1 and 0.5 hectares. The remaining lots are sized greater than 1 hectare, with 6 lots sized greater than 10 hectares. Combined with the future industrial land designated for Robinvale there is sufficient potential for large industrial land users and/or for further subdivision into smaller allotments.

**Graph 1: Number of Industrial Lots (Supply) by Lot Size Range, 2012**



Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2013

Note: Excludes SUZ land.

From 2006 to 2011 there were on an average annual basis eight industrial building approvals, 39% of which were located within the Swan Hill – Central Statistical Local Area (SLA) (the location of Swan Hill urban area) and 37% within the Robinvale SLA. Of these industrial building approvals, 71% (27) were for warehouse construction and the remaining 11 approvals were for factory construction.

From July 2006 to December 2012 there were a total of 32 zoned industrial land subdivisions, all of which were located within the urban area of Swan Hill. Of the 32 recently constructed industrial lots, 9 remain vacant as at December 2012.

As at December 2012, there was a total of 240 hectares zoned industrial land stock, of which 147 hectares were assessed as available (supply) for industrial purpose development - a total land vacancy rate of 61%.

The land area vacancy rate varies across the municipality ranging from 72% in Robinvale, 56% in Swan Hill to no vacant land in Nyah.

There is one site identified as future (unzoned) industrial land, located in Robinvale (9 hectares).

At a township level there are deficiencies of zoned industrial land stocks in Nyah, where there is currently 3.3 hectares of occupied industrial land, but no zoned or future (unzoned) industrial land supply identified.

## 7.0 CONSUMPTION OF INDUSTRIAL LAND

Detailed analysis of existing and historic aerial imagery combined with zoning and cadastral information from 2003 to 2009 has been used to establish the consumption of industrial land. From 2009 to 2012, consumption of industrial land has been supplemented with 'intelligence' gathered from consultation with council and DTPLI regional officers.

Consumption of industrial land refers to the construction on or use of previously unoccupied industrial land over-time.

From this assessment the consumption of industrial land can be established by location, lot size and zoning. Consumption of industrial land is used as the primary indicator of future demand for industrial land and therefore the number of years of supply can be established.

From 2003 to 2012 on an average annual basis, 0.4 hectares per annum of industrial land has been consumed. The level of industrial land consumption is totally located within the township of Swan Hill.

## 8.0 YEARS OF SUPPLY - INDUSTRIAL LAND

The number of 'years of supply' is measured by dividing estimates of the net developable area by the average annual rate of industrial land consumption.

Table 6 below summarises the estimated years of supply by location and supply type.

Firstly, identifying the future location and amount of consumption of industrial land is an uncertain task. Current levels of consumption are used as an indication of the adequacy of industrial land supply. However, the level and location of future consumption may change due to:

- the investment and business activity behaviour of the private sector;
- trends in the global economy;
- propensity for certain activities to agglomerate;
- directions in technology;
- population/employment trends;
- environmental impacts and adaptation; and
- social attitudes.

In total, there is in excess of 15 years industrial zoned land across the Rural City of Swan Hill based on the average annual rate of land consumption in the period 2003 to 2012. In terms of future (unzoned) industrial land stocks it is estimated that there is approximately an additional 15+ years of supply.

**Table 6: Years of Supply of Industrial Land Stocks**

Region/LGA	Estimated Net Developable Area (hectares)			Years of Supply		
	IN1Z	Zoned Total	Future (unzoned)	IN1Z	Zoned Total	Future (unzoned)
Lake Boga	8.3	<b>8.3</b>	0	15+	15+	0
Nyah	0	<b>0</b>	0	0	0	0
Robinvale	25	<b>25</b>	7.9	15+	15+	15+
Swan Hill	71.2	<b>71.2</b>	0	15+	15+	0
<b>Swan Hill LGA</b>	<b>104.5</b>	<b>104.5</b>	<b>7.9</b>	<b>15+</b>	<b>15+</b>	<b>15+</b>

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2013

At a township level the estimated years of industrial land supply based on historic consumption rates include:

- Lake Boga
  - Zoned (IN1Z) – 15+ years. There has been no recent subdivision activity or recent industrial land consumption.
- Nyah
  - Zoned (IN1Z) – 0 years. There is currently 3.3 hectares of occupied industrial land, no zoned industrial land supply stocks was identified.
- Robinvale
  - Zoned (IN1Z) – 15+ years and an estimated stock of unzoned (future industrial) land to satisfy over 15 years of demand.
- Swan Hill
  - Zoned (IN1Z) – 15+ years.

In summary, based on trend demand for industrial land consumption there are deficiencies of zoned industrial land stocks in Nyah.

Whilst overall there is sufficient zoned industrial land to meet the potential long-term demand requirements, the existing zoned industrial land supply is predominantly in 'relatively' large lot holdings. In addition there are currently limited small zoned vacant industrial allotments. As at December 2012, across the municipality there no vacant allotments sized less than 0.1 hectares and only 14 lots sized 0.1 to 0.5 hectares, of the recent subdivision activity 90% of lot construction was within this size cohort.

Historical industrial land consumption is a sound base to assess future consumption of industrial land consumption. However, economic/employment activity can and will invariably change. Specifically, as local resident population increases so will the requirement for additional employment land to 'service' the resident population needs. In addition, there is always the likelihood of 'export' related industry development that would require additional industrial land. Due to this uncertainty relating to forecasting industrial land requirements two demand scenarios and related adequacies are presented, namely a 25% and 50% increase in the demand for industrial land.

Using sensitivity analysis to allow for increased demand for industrial land; two scenarios are given for a 25% increase and a 50% increase in historical demand. Even with these increases in demand, there is still 15+ years of supply of zoned industrial land at the municipal level.

# GLOSSARY OF TERMS

## **FUTURE INDUSTRIAL LAND**

Land identified by the relevant municipal authority for future industrial development and current zoning not supportive of industrial development. Land which has an 'Urban Growth Zone' applied, and where a precinct structure plan has not yet been approved, may also fall into this category.

## **GROSS INDUSTRIAL LAND AREA**

Measures the area of industrial land at a cadastral lot/parcel level.

## **LOCAL GOVERNMENT AREA (LGA)**

A geographical area that is administered by a local council.

## **LOT (INDUSTRIAL)**

Discrete area of land defined by a parcel boundary identified in the Vicmap Property Database. Each lot has an associated land title, and is either zoned for industrial purposes or identified for future industrial use.

## **NET INDUSTRIAL LAND SUPPLY**

Measures the estimated area available for industrial development after accounting for local roads, open space, infrastructure and environmental considerations.

## **PRECINCT STRUCTURE PLANS**

In the Urban Growth Zone (UGZ), the precinct structure plan (PSP) is the key document that triggers the conversion of non-urban land into urban land. A precinct structure plan is a long-term strategic plan that describes how a precinct or a series of sites will be developed.

## **STATISTICAL LOCAL AREA (SLA)**

A geographical area created by the Australian Bureau of Statistics for statistical purposes. Victoria is divided into 200 SLAs. SLAs may be the same as an LGA or in most cases several SLAs aggregate to form LGAs.

## **SUBURB (AUSTRALIAN BUREAU OF STATISTICS)**

This is a census-specific area where Collection Districts are aggregated to approximate suburbs.

## **SUPPLY (INDUSTRIAL LAND)**

Zoned industrial land classified as suitable for industrial development. This includes land that is vacant, disused or assigned to marginal non-industrial uses with little capital value, such as farm sheds or vehicle storage.

## **UNAVAILABLE (INDUSTRIAL LAND)**

Zoned industrial land classified as unavailable for industrial development. This includes land already occupied by industrial uses, construction sites, major infrastructure, intensive farming operations, established residential premises or where ownership development intentions indicate the land will not be developed in the foreseeable future.

