Acknowledgment

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

We are committed to genuinely partner, and meaningfully engage, with Victoria’s Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.
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Introduction

In November 2019, the Department of Environment, Land, Water and Planning (the Department) released the draft *Melbourne Industrial and Commercial Land Use Plan* (draft MICLUP) for a two-month period of comment and feedback. Building on relevant state policy and actions from *Plan Melbourne 2017-2050* (Plan Melbourne), the draft MICLUP was developed to provide clarity and certainty around how industrial and commercial areas are planned to ensure they operate efficiently and remain viable. It establishes a planning framework to enable state and local governments to better plan for future employment and industry needs. This will help government identify which land should be retained or considered primarily for industrial or employment purposes, and which could be considered for alternative uses.

This report summarises what was heard through the engagement process.

The Department would like to thank all who provided feedback.

Engage Victoria questionnaire and submissions

The draft MICLUP was made available for public comment and feedback on the Engage Victoria web page for a two-month period from 1 November 2019 to 31 December 2019.

The public could participate in an online survey and upload written submissions. The survey consisted of four closed-answered questions (yes/no) with the option to provide detail if responding ‘no’ and two open-ended questions. The questionnaire closed on 31 December 2019.

Over the two-month period, the Engage Victoria web page was viewed a total of 9,216 times by 3,594 unique visitors.

A total of 107 submission have been received by the Department. Ninety submissions were lodged online through the Engage Victoria website during the public consultation period and an additional 17 submissions were received by direct email to the Department. Four duplicate submissions were received online and these have been removed.

The Department received submissions from four broad groups:

- Council
- Organisation (including industry groups, such as the Property Council Victoria, as well as some consultants providing comments on the plan without representing a land owner)
- Land Owner of industrial or commercial land (making a submission on their own behalf or through a consultant)
- Individual (members of the community who don’t fall into the land owner category)

Figure 1 shows the number and group for all participants making submissions.
The largest single group of submissions were made by or on behalf of land owners. Of these 41 were made in relation to specific sites or parcels of land, generally in relation to proposed designations of industrial land or seeking a change in zoning, such as a residential zone. A total of 30 submissions were made by councils, which was the second largest group of submitters.

Of the 90 online submissions made, 55 submitters responded to the survey questions either in part or in full. Of these submitters, 37 also attached additional information in support of their submission.
Questionnaire Results

Planning principles and strategies for employment land

Submitters were asked to identify if they thought the principles and strategies provided enough clarity and guidance to assist planning for industrial and commercial land. A total of 54 submitters responded to this question through the online survey. Figure 2 and Table 1 summarise the responses by respondent type.

Figure 2: Response to the proposed principles and strategies.

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Land owner</th>
<th>Local council</th>
<th>Organisation</th>
<th>Individual</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
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<td>4</td>
<td>6</td>
<td>5</td>
<td>20</td>
</tr>
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<td>17</td>
<td>6</td>
<td>5</td>
<td>6</td>
<td>34</td>
</tr>
</tbody>
</table>

Table 1: Response to the proposed principles and strategies

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Draft Melbourne Industrial & Commercial Land Use Plan
Summary of submissions
Criteria to identify regionally-significant industrial precincts

We received 55 responses to the question regarding the criteria developed to identify regionally significant industrial precincts. Figure 3 and Table 2 illustrates the breakdown of the survey results.

Figure 3: Response to criteria identifying regionally-significant industrial precincts

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

<table>
<thead>
<tr>
<th></th>
<th>Land owner</th>
<th>Local council</th>
<th>Organisation</th>
<th>Individual</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>8</td>
<td>7</td>
<td>7</td>
<td>9</td>
<td>31</td>
</tr>
<tr>
<td>No</td>
<td>14</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>24</td>
</tr>
</tbody>
</table>

Table 2: Response to criteria identifying regionally-significant industrial precincts
Purpose for regionally-significant industrial precincts and local industrial precincts

The draft MICLUP identifies a purpose for regionally-significant industrial precincts and local industrial precincts. A total of 54 responses were recorded. The results are illustrated in Figure 4 and Table 3.

Figure 4: Response to purpose developed for regionally significant and local industrial precincts

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

<table>
<thead>
<tr>
<th></th>
<th>Land owner</th>
<th>Local council</th>
<th>Organisation</th>
<th>Individual</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>9</td>
<td>8</td>
<td>6</td>
<td>8</td>
<td>31</td>
</tr>
<tr>
<td>No</td>
<td>12</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>23</td>
</tr>
</tbody>
</table>

Table 3: Response to purpose developed for regionally significant and local industrial precincts
Key Industrial and commercial areas

The draft MICLUP identifies and describes key industrial and commercial areas in each of the six metropolitan regions. The areas are mapped in the plan and one of the questions asked if the key industrial and commercial areas were adequately identified and described across the regions. There was a total of 51 responses to this question and the results from this question are shown in Figure 5 and Table 4.

Figure 5: Response to identification and description of key industrial and commercial areas

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

<table>
<thead>
<tr>
<th></th>
<th>Land owner</th>
<th>Local council</th>
<th>Organisation</th>
<th>Individual</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>No</td>
<td>16</td>
<td>6</td>
<td>5</td>
<td>6</td>
<td>33</td>
</tr>
</tbody>
</table>

Table 4: Response to identification and description of key industrial and commercial areas
Written submissions

The submission template invited the attachment of submissions dealing with the questions posed in the online questionnaire or any other matter. The comments are summarised and have been grouped into broad categories.

Comments specific to the questions posed in the questionnaire.
Some submitters made comments based on the questions in the online questionnaire. A range of comments were received, and these are summarised below.

Planning principles and strategies for employment land
- The principles and strategies are considered too restrictive.
- Require greater clarity on appropriate land uses.
- Require more data, such as consideration of supply and demand opportunities, and should be tailored to each region.
- Need to provide support for small manufacturers and creative industries.
- Identify integration between land use and freight and infrastructure projects.
- Provide stronger protection for existing and underutilised industrial areas (state, regional and local) while also facilitating transition to new technologies.
- Typical zones table (on page 35) are counter productive to the objective of protecting and retaining industrial land.

Criteria to identify regionally-significant industrial precincts
- Consider opportunities arising from Suburban Rail Loop planning, and existing or ongoing local strategic planning work.
- A mix of industries is an economic strength, as much as clustering dependent industries, should be considered as part of the criteria.
- Unused existing industrial sites are not addressed, and the criteria does not consider resilience or flexibility in land use change.
- Clarity around the reasons for difference between council activity centre boundaries and the boundaries for “Major Activity Centre” or “Other Commercial Land” identified in MICLUP.

Purpose for regionally-significant industrial precincts and local industrial precincts
- Local industrial precincts in inner and middle suburbs serve more than the local community and should not be overlooked.
- Purpose should clearly identify the level of government responsible for local and regionally significant industrial precincts.
- The distinction between industrial and commercial use should be made clear as is the need to protect existing industrial use from commercial encroachment.
There is not enough flexibility in regionally and locally significant industrial precincts which minimises opportunities for genuine mixed uses. Auxiliary business should be welcomed, and Commercial 3 Zone should be explored.

Regionally significant industrial precincts should be identified in agreement with local councils and state government, particularly where the precincts cross municipal boundaries.

Identification and description of key industrial and commercial areas

- Inclusion of an intermediate status (e.g. investigation area – employment) could assist in defining future state-significant industrial land.
- The description of land is based on current dominant industries; however, it should consider trends and opportunities moving forward and allow for flexibility in employment uses.
- Identification of mapping changes to align with policy or recent changes in zoning.
- Identify precincts affected by new state infrastructure and policies, such as the Suburban Rail Loop, Priority Precincts, National Employment and Innovation Clusters, etc.
- Exhausted extractive areas could be repurposed for industrial or employment land.
- Areas that are deemed unsafe for residential or unsuitable for farming could be identified for commercial use.

Developing local industrial land use strategies

- Recognition of the cumulative importance that Local Industrial Areas have for the location local jobs and services.
- Local industrial land use strategies should ensure that businesses requiring larger lots of land can be accommodated. Once land is subdivided, it is difficult to consolidate.
- A focus on developing specific opportunities to underpin wider growth and maximise efficiency of land use should also be considered.
- Local industrial precincts present the potential to delivery greater job and land use mix.
- Align the local industrial land use strategies and the principles of 20-minute neighbourhoods.
- The strategic analysis and identification of key issues in the guidance should consider infrastructure such as utility services location and capacity, and topography.
- Industrial uses change, so both existing and future industries need to be considered.
- Further clarity on who is responsible for planning for state-significant and regionally significant industrial precincts is required.
- A state monitoring framework associated with the local industrial land use strategies would allow councils to apply it in their local context.
- A monitoring and implementation plan should provide certainty in terms of timing and responsibility.
- The guidance developed in Appendix 2 of the draft MICLUP should form a planning practice note.
- Funding is needed to assist councils develop local industrial land use strategies as this is not often prioritised.
- Local industrial land use strategies may have limited applicability for municipalities with little industrial land.
- Clarification around timeframes for the development of Local industrial land use strategies.
• Clarification of the applicability of Industrial Land Use Strategies to local industrial areas in the growth areas.
• Protect and preserve industrial land to preserve space as economic activity changes rather than being based on current trends in employment.
• Consideration given to including the identification of existing industrial uses that may require buffers, contamination or environmental issues and waterways and habitats that require consideration or protection.

Other Comments
Submissions also made comment about a range of issues other than the questions in the online questionnaire. Submitters made comment on other parts of the draft MICLUP, policy outside the scope of the draft MICLUP as well as individual sites. Following is a summary of the additional key points and issues raised in submissions.

Other MICLUP specific comments
• Support for a program to continue monitoring commercial land.
• Difference between MICLUP’s strategic supply of industrial land and current perceived market supply.
• How MICLUP is to be implemented and the roles that the state government and local governments play.
• Consider reassessing the floorspace ratios used to calculate the commercial floorspace requirements.
• Align the term “growth area business precinct” used in MICLUP with the term “business with residential” used in the Growth Corridor Plans.
• Recognition of nominated creative neighbourhoods in MICLUP.
• Creative Victoria input into Local Industrial Land Use Strategies for nominated neighbourhood locations.
• The term “bulky goods” be replaced with “Large Format Retailing” in the MICLUP.
• Planning and funding for transport infrastructure to support the development of employment uses.
• Clarification of the role of the “Commercial Floorspace required” figures.
• Clarification of the role of the Commercial 3 zone and its application.
• Clarification of the role of current local government policies in relation to MICLUP.
• Proactively support, protect and enhance the viability of creative neighbourhoods across Victoria.
• Support for review of the current Commercial 1 Zone with regard to as of right residential development and use above the first floor.
• Support for a review of the role, use and operation of the Commercial 2 zone within industrial areas.
• Clearer linkage between MICLUP and other Plan Melbourne actions.
Other Issues outside of the scope of MICLUP

- The use of industrial land for permitted non-industrial uses limits supply for industrial uses.
- Promoting land supply in commercial areas, particularly the Central Business District.
- Suggested changes to amendment C270 to the Melbourne Planning Scheme.
- Greater elaboration of waste management services and its support towards a more circular economy.
- Potential pressure on agricultural land in rural council areas from former metropolitan based industrial users displaced by residential encroachment.
- Loss of industrial land in Manningham for the construction and operation of the North East Link.
- Interface issues between industrial areas and sensitive uses.
- Changing the urban growth boundary to allow for additional land for industrial purposes.
- Support for the application of Commercial 2 zone, which encourages “Restricted Retail Premises” in appropriate industrial precincts with arterial road frontages.
- Displacement of creative industries and practitioners as a result of the rezoning of industrial and commercial land.
- Review of the Employment Population Density Controls within Altona on land surrounding the petrochemical complexes.
- Clarification required to identify how much land should be retained for “port related” uses in Mornington Peninsula.

Comments on individual sites or areas

- A number of submissions from land owners requested changes for specific sites. These submissions generally sought to allow greater flexibility on industrial land, and in many cases, allow for mixed use and residential development.
- A number of submissions also sought changes to the urban growth boundary to provide additional land for industry. These were all from land owners or interests in the south east.
- Recognition of on-going pressure from developers seeking to convert employment land to facilitate residential development.