

Planning Implementation (DELWP)

From: contact@engage.vic.gov.au
Sent: Wednesday, 18 December 2019 3:47 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 local council

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:

<https://engage.vic.gov.au/index.php/dashboard/reports/forms/viewDetail/2373>

Regards,

The Engage Victoria Team

This is not SPAM. You are receiving this message because you have submitted feedback or signed up to Engage Victoria. If you think you have been sent this by mistake please contact us at contact@engage.vic.gov.au.

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[REDACTED]

18 December 2019

[REDACTED]
Acting Executive Director
PO BOX 500
East Melbourne Vic 3000

[REDACTED]

Re: Draft Melbourne Industrial and Commercial Land Use Plan (MICALUP)

I refer to the Draft Melbourne Industrial and Commercial Land Use Plan released by the Department of Environment, Land, Water and Planning for public comment until the 31 December 2019.

Cardinia Shire Council submits the following submission to the draft land use plan/report and would like consideration given to the following matters detailed in this submission. Please note, this submission has been prepared by Council officers and has not been adopted by Council.

Council understands the purpose of the report is to provide an overview of current and future needs for industrial and commercial land across metropolitan Melbourne and seeks to put in place a planning framework that will enable state and local government to more effectively plan for future employment and industry needs and better inform strategic directions.

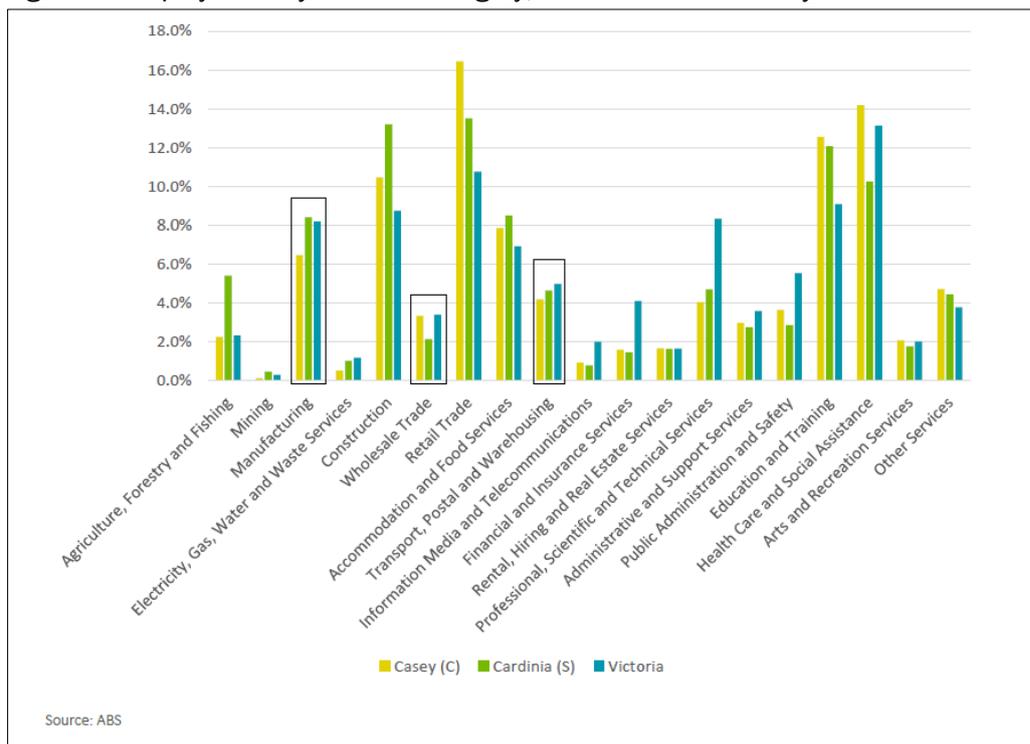
Cardinia Shire Council welcomes all State government efforts to enhance the protection of employment land, being industrial and/or commercial land. Economic development is an important issue for Cardinia Shire, in particular the creation of local jobs for local people which is interconnected with the liveability and sustainability of our community and environment. Regrettably, Council staff are concerned the draft report is a synopsis of existing trends (supply and demand) and reflects employment growth and industry changes that are broadly in line with that experienced to 2018, with limited information on population forecasts and potential future scenarios for industry and regional profiles to fully understand and appreciate strategic justification for any changes to industrial or commercial land use planning. Further explanation of this is summarised below:

A Changing Economy (page 5)

Cardinia Council staff agree our work, workforce and work places are changing.

Victoria presently demonstrates a diverse economy with a variety of jobs in manufacturing and industrial; retail and accommodation; construction, community services, business services and primary industry as shown in Figure 1.

Figure 1: Employment by ANZSIC Category, Cardinia versus Casey and Victorian Workforces 2016



Melbourne’s economy has changed driven by macroeconomic policy reforms that exposed established, formerly protected sectors (such as manufacturing and horticulture) to global competition; and created new opportunities for export driven growth of other sectors. The economy continues to be reshaped by a range of local and global factors, including population growth, technological advancement, changes in consumption patterns and global trade.

Structural changes in the economy have led to changes in the drivers of demand for employment land. It is likely that these will continue to evolve, leading to further changes in the role played by Melbourne’s employment precincts.

What is not clear in the draft report is how these drivers are influencing future land use planning and forecasting for employment land, specifically:

- What are the jobs of the future and what assumptions have been used? Trends in size, composition and structure of employment are important indicators of the demand for office, and industrial floor space in a given region. More specifically profiling persons employed in blue collar and white collar occupations can assist in determining the location of industrial land and the extent of demand for particular land use in a region. The report implies service sectors (based on data to 2018) is favoured over manufacturing and other industries. The report should instead encourage a diverse mix of employment opportunities with an emphasis on innovation and specialisation. What’s needed is business investment that will drive productivity improvements in the services sector, also value- added manufacturing and high tech exports. Creating and transforming knowledge of all industries is the driver and key to competitiveness. For example; the contribution of manufacturing to economic activity and employment has declined but this decline is expected to be slowed, with Australian manufacturing sector becoming increasingly focused on the production of goods that leverage Australia’s strengths in technology through smart city planning and a circular economy. These jobs will be less liable to offshoring with the need to be proximate to educated workers and knowledge generating institutions and networks. If there is a reduced need for land associated with manufacturing (based on factories being more than one storey) this will be offset by increased demand for land associated with warehousing, freight and logistics.

- The structural change of transitioning from an industrial economy based on manufacturing to an economy based on knowledge based services is not a new phenomenon but what are the implications and risks in the long term if Victoria is reliant on imports for the majority of our products? Is this what the Victorian Government supports?
- The growing horticulture region in Melbourne's south-east is building Victoria's reputation for high quality food and revolutionising the way vegetables are cultivated. With forecasted population growth, additional land (being rural or industrial farm sheds in employment precincts) will be required. The demand for food will require additional jobs, in comparison to what has been demonstrated in the report.
- The report does not discuss the assumptions used to justify on what influences employment land supply, type, quality, availability and location.
- There is no consideration or discussion of a circular economy framework and its influence on land use planning.
- There is limited discussion or consideration of a smart city land use framework which will influence land-use planning and increased productivity which encompasses the following topics
 - A smart environment
 - Smart Living
 - Smart mobility
 - Smart people
 - Smart economy
 - Smart governance
- There is limited discussion on if we are protecting enough employment land for now and into the future?
- Is there a proposed benchmark that needs to be met for employment self-sufficiency at the local and regional scale for the expected population growth and future planning of employment lands/precinct structure plans?
- Industrial employment zoned land has generally encompassed the following categorisations under industrial or commercial zonings:
 - Heavy/noxious/offensive industries (oil refinery, aluminium smelters)
 - Transport/warehouse/storage (manufacturing/component assembly and importing to outsourcing storage)
 - Light industrial & Trade Parks (light industry and small local mechanical businesses)
 - Service Business Parks/Technology parks (One stop shop for service business, manufacturing and warehousing (processing/packaging/distribution) in a high amenity location.

Clarification is sought that based on the transition to a knowledge based services as per the draft report, what is the expectation for the future planning of industrial precincts, is it more service business parks/technology parks over the traditional heavy/light industrial parks? Council staff understand that on page 31 that the following will be undertaken '*in consultation with key stakeholders, develop a more sophisticated approach to understanding business needs and land use requirements and assessing future demand for industrial land*' Council requests clarity who will be responsible to implement this work?

Supporting Melbourne and Victoria economic growth and development (page 10)

Freight and Logistics

Infrastructure is a key demand driver of industrial investment and is important to facilitate international trade in goods and services, from agricultural goods and manufactured goods to tourism and education services. This means that infrastructure will be needed that ensures good connections between Melbourne and the rest of the world including port infrastructure and airports. It also means increased demand for related transport infrastructure that allows freight and people to be efficiently moved around. Council staff request that long term infrastructure planning is demonstrated in the draft report and highlighted as long-term, medium term and short term in the report.

Plan Melbourne 2017-50, Policy 1.1.5 (Support major transport gateways as important locations for employment and economic activities) identifies the south-east airport as a possible state significant transport gateway. Cardinia Shire Council continues to advocate and liaise with DELWP, DEDJTR and the Federal government for the future south-east international airport to be located in the south-eastern portion of the municipality. Council has been undertaking the necessary background work to achieve the objectives and strategies set-out at Clause 21.06-5 (Airport) of the Cardinia Planning Scheme

The State government, through the Infrastructure Victoria Report 2016, and also through conversations with Cardinia Shire Council and DELWP, has put the airport investigations into its work plan as a medium term action to investigate and apply an overlay to a site by 2021.

Cardinia staff welcomes the draft report demonstrating the south-east airport as possible (indicative) on a variety of maps. Cardinia requests that the report also indicates the economic benefits of a south-east airport and the likely changing patterns of employment, freight and movement throughout the state if this scenario is implemented.

Industrial and commercial land across metropolitan Melbourne (page 21)

Council staff are encouraged to learn the Urban Development Program will begin monitoring of Commercial land. It is requested that the Urban Development Program distinguish Commercial 1 and Commercial 2 zoned land to assist understanding the influence and relationship with industrial land.

Council staff seek clarity on page 28, Plan 3 (Existing and future commercial land 2018) as the Cardinia Road Employment PSP (Amendment C130) does not appear to demonstrate commercial land proposed in this precinct structure plan.

Approach to planning for industrial and commercial land (page 31)

Some of the key challenges faced by Cardinia for employment land include:

- There is ongoing pressure from developers seeking to convert medium and long-term employment land to facilitate residential development
- GAIC rates on employment land in comparison to residential land
- The loss of employment land increases the inability to meet set job targets per household and the self-sufficiency of the region.
- Lack of strategic policies to protect and/or provide guidance on employment land to ensure short, medium and long term goals are met.
- Lack of infrastructure/transport not being delivered
- Land/employment areas that do not match future industry needs and growth in a changing environment

Council staff are encouraged that the draft report demonstrates the first steps in responding to many of the issues experienced by Cardinia and supports as specified on page 31 a framework to support planning for industrial and commercial land considerations.

Council staff provide the following comments in relationship to the proposed framework:

- Will DELWP be responsible for identifying industrial areas of state, regional and local significance? This is unclear in the report. Council is particularly interested to understand how local employment land will be assessed to quantify that it could be changed to residential.
- The classification of state, regional and local industrial significance has implications for Cardinia. At present Council staff understand employment land in Cardinia is identified as part of the five State significant industrial precincts (Western Industrial Precinct, Northern Industrial Precinct, Southern Industrial Precinct, Port of Hastings Industrial Precinct and Officer- Pakenham Industrial Precinct). In the draft MICLUP a State significant precinct has limited application of

Commercial Zoned land. At present we have an approved Cardinia Road Employment Precinct Structure Plan (Amendment C130) located within the Officer-Pakenham State Significant industrial precinct which has a variety of proposed land uses (Commercial 1 & 2 and Residential Development) that does not meet the criteria of the proposed State Significant classification within the Draft MICLUP.

The proposed State classification within the Draft MICLUP also has implications for the proposed Officer South Employment Precinct Structure Plan. The land comprising of Officer South Employment Precinct Structure Plan has been designated within the South East Growth Corridor Plan as “Business with Residential” and “Industrial”, while MICLUP identifies a section of land as only State Significant Industrial Land. This has led to some ambiguity of the alignment between the South East Growth Corridor Plan and MICLUP. Council is also concerned that no flexibility will be available in terms of the location of “business with residential” and “industrial” land based on the Draft MICLUP.

It appears that based on the state, regional and local significance classifications within the Draft MICLUP report, sections of the Officer-Pakenham employment corridor aligns more to a regional industrial classification, in comparison to the remaining industrial state significant areas located in the Officer- Pakenham Corridor. Is this the intended outcome?

- Council is encouraged that the Commercial Zones are proposed to be reviewed, with the role and purpose of the Commercial 2 Zone and how it applies and operates particularly in industrial locations. There is some ambiguity in the draft report over the inclusion of Commercial 2 Zone land within the industrial land definition. This inclusion could potentially create the impression of an inflated industrial land supply at the expense of commercial land supply, as Commercial 2 Zone land is often used for restricted retail, retail and office uses. This issue is partially addressed by the “Future commercial land” definition on page 109, which identifies future Commercial 2 Zone land in PSPs adjacent to Commercial 1 Zone land as “future commercial land.” However, this issue has led to some ambiguity over the classification of existing precinct structure plans, as well as the future Officer South Employment Precinct Structure Plan and review of the Cardinia Road Employment Precinct Structure Plan.
- Council supports the preparation and implementation of municipal wide industrial land use strategies and activity centre strategies to guide future development, although Council seeks clarity how this work will influence the State Planning Policy and vice versa.
- The alignment of the Victorian Planning Authority South East Economic and Economic Corridor Review is another layer of important work that also needs consideration, especially with implementation of a framework to support planning for industrial and commercial land considerations.

Other considerations

One issue that Council staff request further exploration of is an opportunity to modify the rules around how employment land is handled financially in comparison to residential land. There are fiscal policy opportunities that could be developed to create a different scale of encumbrance based on tax and contributions paid for employment land. For instance; GAIC and land tax could be significantly less than residential land, while GAIC for residential land could be increased slightly to enable no net loss to the State Government, but a more equal percentage of value left in employment land. This issue is prevalent in the outer growth corridors of Melbourne in comparison to existing areas.

Cardinia Council staff appreciate the opportunity to provide feedback on this important matter and welcome the opportunity to further discuss our submission. We reserve our right to change our submission based on the merits of future conversations with the Department of Environment, Land Water and Planning and relevant State Government departments regarding this matter.

If you have any enquiries regarding this letter please contact [REDACTED] (Growth Area Strategic Planner) on [REDACTED]

Yours sincerely

[REDACTED]

Manager of Growth Area Planning