Urban Development Program

2013

Regional Industrial Report

Shire of Glenelg

State Government Victoria
Department of Transport, Planning and Local Infrastructure

ACKNOWLEDGEMENTS

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CONTENTS

LIST OF TABLES

LIST OF GRAPHS

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 Shire of Glenelg.

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 Shire of Glenelg.

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 1,272 hectares zoned industrial land stock, of which 571 hectares were assessed as available (supply) for industrial purpose development - a total land vacancy rate of 45%
The vast majority of industrial land in the municipality of Glenelg is zoned Industrial 2 (1,009 hectares) with 108 hectares zoned industrial 1 and 155 hectares zoned Industrial 3.

There are no sites identified as future (unzoned) industrial land.

In terms of the geographic spread of zoned industrial land stocks across the Shire of Glenelg the majority of land is in Portland with 1,145 hectares or 90% of the Shire's industrial land. There is 552 hectares in the main industrial precinct in Portland with 562 hectares of industrial land in the Alcoa precinct. The Port of Portland has 30 hectares of industrial land. The rest of the industrial land is shared between Casterton with 18 hectares and Heywood with 109 hectares.

RECENT ACTIVITY

From July 2006 to December 2012 there were a total of 27 zoned industrial land subdivisions, with the large percentage (85%) located in Portland urban area. However, within the Portland urban area, the majority of industrial subdivision activity was located in the Portland North industrial precinct (see locational map).

Of the 27 recently constructed industrial lots, 8 remain vacant as at December 2012.

From July 2006 to March 2012 there was an estimated total value of industrial building approval activity of approximately $19.9 million or an average of $3.3 million per annum. Of this estimated construction value, 87% was for warehouse construction, the residual for factory construction.

CONSUMPTION

From 2003 to 2012 on an average annual basis, 4 hectares per annum of industrial land has been consumed. The level of consumption by industrial area is:

- 0.0 hectares per annum – Heywood;
- 0.01 hectares per annum – Portland Port;
- 0.4 hectares per annum – Casterton;
- 0.9 hectares per annum – Portland North; and
- 2.7 hectares per annum – Portland Alcoa.

The Portland urban area on average consumed 3.56 hectares of industrial land per annum.

In terms of industrial land consumption by zone type:

- 0.1 hectares per annum – IN3Z;
- 1.1 hectares per annum – IN1Z; and
- 2.7 hectares per annum – IN2Z.

YEARS OF SUPPLY

In total, there is in excess of 15 years industrial zoned land across the Shire of Glenelg based on the average annual rate of land consumption in the period 2003 to 2012.

The only identified deficiency of industrial land is by zone type, namely IN1Z (the most commonly used industrial zone across Victoria), specifically within the township of Portland. Based on recent industrial land consumption trends for IN1Z land there is currently 8 years of supply to meet future demand.

Conclusion and Current Actions

In summary there is an adequate stock of zoned industrial land stocks to meet future demand across the Shire of Glenelg, based on recent consumption rates. Although there are currently no future (or unzoned) stocks identified, there are sufficient stocks of zoned land to meet longer term demand. Consumption of industrial land, however, should continue to be monitored to ensure there are sufficient land stocks to meet future demand.

Amendment C73, proposes to introduce the Glenelg Sustainable Settlement Strategy into the Glenelg Planning Scheme. The strategy identifies areas within and around the key settlements of Glenelg to be investigated for future residential and industrial development.

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 Programprovides 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 Transport, Planning and Local Infrastructure 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

For more information about the Urban Development Program, email the Department of Planning and Community Development at 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 Glenelg was calculated from aerial imagery capture dates at 2003 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

The economic profile of the Shire reveals a diverse industry base with significant involvement in manufacturing, community and health services, tourism, education, transport and retail. Nestled in Victoria's South West corner, the Glenelg Shire area is known as the Discovery Coast.

The region boasts rich maritime history, and inspiring natural attractions. The region's towns include historic Portland, scenic Cape Bridgewater, the quaint village of Nelson and the rural towns of Casterton, Heywood and Dartmoor.

Rolling hills and rich agricultural land to the north give way to a scenic and secluded river region to the west, pine plantations line the roads through the hinterland, while a huge expanse of coastal beaches and cliffs form the southern perimeter.[1]

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 municipality of Glenelg 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.

[1] Glenelg Shire 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 Shire of Glenelg from July 2006 to June 2011 for the number of industrial building approvals. The estimated value of Building Approval activity for Glenelg is from July 2006 to March 2012.

From 2006 to 2011 there was on an average annual basis five industrial building approvals, the majority (88%) of which were located within the Portland Statistical Local Area (SLA). Of these industrial building approvals, 60% (15) were for warehouse construction and the remaining 10 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
Glenelg (S) - Heywood	1	1	0	1	0
Glenelg (S) - North	0	0	0	0	0
Glenelg (S) - Portland	4	8	5	5	0
Glenelg	**5**	**9**	**5**	**6**	**0**

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 $19.9 million or an average of $3.3 million per annum. Of this estimated construction value, 87% was for warehouse construction, the residual for factory construction.

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

SLA/LGA	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Glenelg (S) - Heywood	370,000	0	1,400,000	0		
Glenelg (S) - North	0	0	0	0		
Glenelg (S) - Portland	6,249,000	7,717,000	433,000	1,050,000		
Glenelg	**6,619,000**	**7,717,000**	**1,833,000**	**1,050,000**	**0**	**2,660,000**

1*: Excludes June Quarter 2012*
Note: *From June 2010 the ABS only report industrial building approvals at an LGA level.*
Source: *Australian Bureau of Statistics*

5.0 INDUSTRIAL SUBDIVISION ACTIVITY

Detailed analysis of the cadastral database across industrial zoned areas across Glenelg 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 27 zoned industrial land subdivisions, with the large percentage (85%) located in Portland urban area. However, within the Portland urban area, the majority of industrial subdivision activity was located in the Portland North industrial precinct (see locational map).

The majority (52%) of subdivisions resulted in industrial allotments sized from 1 to 10 hectares, whilst 33% of subdivision activity resulted in lots sized less than 0.5 hectares. Of the 27 recently constructed industrial lots, 8 remain vacant as at December 2012.

Table 3: Number of Industrial Subdivisions by Lot Size, 2006 to 2012[1]

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
Casterton	0	1	0	3	0	0	**4**
Portland Alcoa	0	0	0	1	3	0	**4**
Portland North	1	3	1	3	4	3	**15**
Portland Port	2	2	0	0	0	0	**4**
Glenelg Total	**3**	**6**	**1**	**7**	**7**	**3**	**27**

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 Shire of Glenelg is primarily located in Portland. There are three industrial precincts identified in Portland; the large industrial area to the north of town, the Port of Portland and the industrial precinct that encompasses Alcoa located to the south of Portland. There is also industrial land in the towns of Casterton and Heywood.

6.1 INDUSTRIAL LAND STOCKS - AREA

As at December 2012, there was a total of 1,272 hectares zoned industrial land stock, of which 571 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 45%. Table 4 summarises the gross area of industrial land stocks by status across the Shire of Glenelg.

In terms of the geographic spread of zoned industrial land stocks across the Shire of Glenelg the majority of land is in Portland with 1,145 hectares or 90% of the Shire's industrial land. There is 552 hectares in the main industrial precinct in Portland with 562 hectares of industrial land in the Alcoa precinct. The Port of Portland has 30 hectares of industrial land. The rest of the industrial land is shared between Casterton with 18 hectares and Heywood with 109 hectares.

The land area vacancy rate varies across the industrial precincts ranging from 55% in the North Portland industrial precinct to 67% in Heywood and 35% in the Port industrial area.

The vast majority of industrial land in the municipality of Glenelg is zoned Industrial 2 (1,009 hectares) with 108 hectares zoned industrial 1 and 155 hectares zoned Industrial 3.

There are no sites identified as future (unzoned) industrial land.

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

Region/LGA	IN1Z			IN2Z			IN3Z			Total Zoned Stocks			SUZ	
	Unavailable	Supply	Land Area Vacancy Rate %	Unavailable	Supply	Land Area Vacancy Rate %	Unavailable	Supply	Land Area Vacancy Rate %	Unavailable	Supply	Land Area Vacancy Rate %	Unavailable	Supply
Casterton	8.0	10.2	56%	0	0	0%	0	0	0%	8.0	10.2	56%	0	0
Heywood	3.2	25.3	89%	0	0	0%	32.6	48.0	60%	35.8	73.3	67%	0	178.3
Portland Alcoa	0	0	0%	387.1	174.9	31%	0	0	0%	387.1	174.9	31%	0	0
Portland North	36.1	1.9	5%	170.0	277.1	62%	44.9	22.6	33%	251.0	301.5	55%	0	0
Portland Port	18.7	4.4	19%	0	0	0%	0.7	6.7	91%	19.4	11.1	36%	66.7	0
Glenelg Total	**66.0**	**41.8**	**39%**	**557.1**	**452.0**	**45%**	**78.2**	**77.3**	**50%**	**701.3**	**571.1**	**45%**	**66.7**	**178.3**

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 436 zoned industrial allotments, of which 81 lots were identified as available supply.

Portland North has 297 lots with 36 identified as supply. Of these 36 lots 8 are less than 1 hectare with 15 lots between 1 and 5 hectares. The Port precinct has 85 industrial allotments with 22 identified as supply. Of these 22 lots 16 are below 0.5 hectares. There are 13 lots in Casterton with 2 available as supply. Heywood has a total of 21 lots with 10 lots available as supply, Neither Heywood or Casterton have any lots below 1 hectare available as supply.

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

	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	
Region/LGA	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply
Casterton	0	0	8	0	1	0	2	1	0	1	0	0	**11**	**2**
Heywood	0	0	7	0	1	0	1	2	1	0	1	8	**11**	**10**
Portland Alcoa	0	0	0	0	0	1	1	1	4	3	4	6	**9**	**11**
Portland North	107	0	98	4	14	4	32	15	6	4	4	9	**261**	**36**
Portland Port	9	5	45	12	4	0	3	5	1	0	1	0	**63**	**22**
Glenelg Total	**116**	**5**	**158**	**16**	**20**	**5**	**39**	**24**	**12**	**8**	**10**	**23**	**355**	**81**

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, 571 gross hectares of zoned industrial land supply and no 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

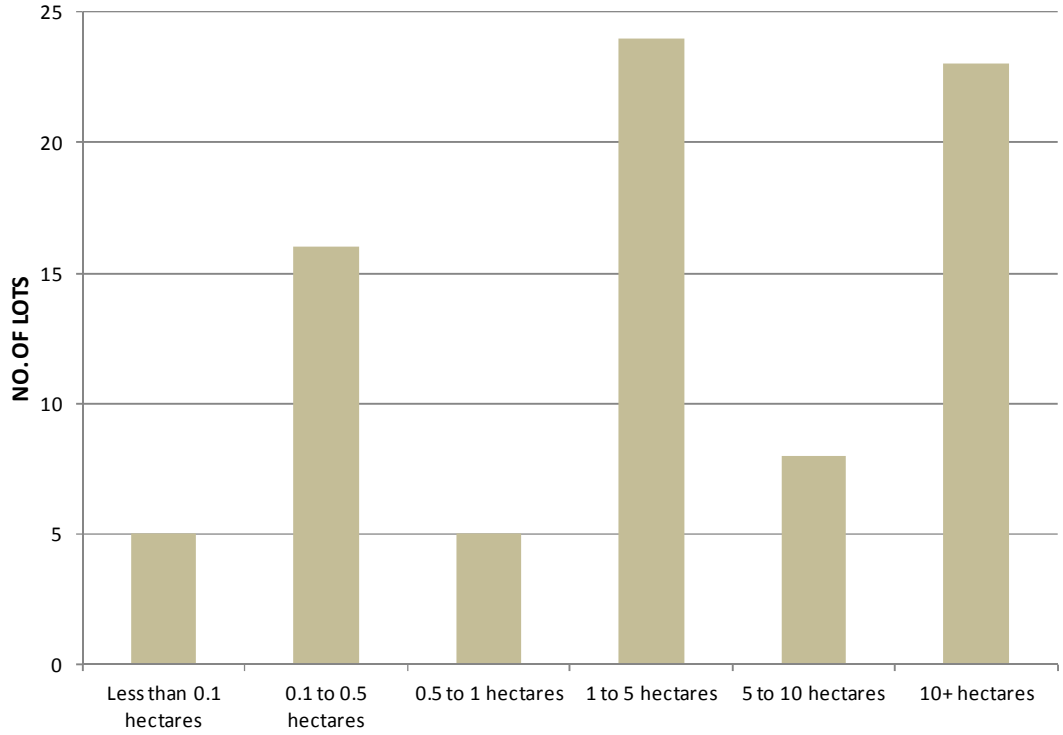
Specific land development take-outs have been assessed on a parcel by parcel basis and results in an estimate of the net developable area i.e. the area available for actual industrial site development.

In total for zoned industrial land supply across the municipal area there is approximately 416 net developable hectares.

The graph below illustrates the supply of industrial allotments by selected lot size cohort. Two thirds of the lots of the allotments identified as supply are greater than 1 hectare. This is in contrast to the distribution of recent consumption, subdivision and occupied industrial lot status across the municipality. For example the lots that are currently occupied (unavailable) below 1 hectare in the Shire of Glenelg account for 83% of total occupied lots.

There are 31 industrial lots identified as supply that are greater than five hectares. Given recent consumption rates this is sufficient for both the 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 was on an average annual basis five industrial building approvals, the majority (88%) of which were located within the Portland Statistical Local Area (SLA). Of these industrial building approvals, 60% (15) were for warehouse construction and the remaining 10 approvals were for factory construction.

From July 2006 to December 2012 there were a total of 27 zoned industrial land subdivisions, with the large percentage (85%) located in Portland urban area. However, within the Portland urban area, the majority of industrial subdivision activity was located in the Portland North industrial precinct. Of the 27 recently constructed industrial lots, 8 remain vacant as at December 2012.

As at December 2012, there was a total of 1,272 hectares zoned industrial land stock, of which 571 hectares were assessed as available (supply) for industrial purpose development - a total land vacancy rate of 45%.

In terms of the geographic spread of zoned industrial land stocks across the Shire of Glenelg the majority of land is in Portland with 1,145 hectares or 90% of the Shire's industrial land. There is 552 hectares in the main industrial precinct in Portland with 562 hectares of industrial land in the Alcoa precinct. The Port of Portland has 30 hectares of industrial land. The rest of the industrial land is shared between Casterton with 18 hectares and Heywood with 109 hectares.

Given the land area vacancy rates and the volume in terms of total area of zoned industrial land supply that across the municipal area of Glenelg there is no identified shortfall of industrial land.

There are no identified deficiencies in the supply stock of industrial demand across the municipality in terms of lot size configuration.

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, 4 hectares per annum of industrial land has been consumed. The level of consumption by industrial area is:

- 0.0 hectares per annum – Heywood;
- 0.01 hectares per annum – Portland Port;
- 0.4 hectares per annum – Casterton;
- 0.9 hectares per annum – Portland North; and
- 2.7 hectares per annum – Portland Alcoa.

The Portland urban area on average consumed 3.6 hectares of industrial land per annum.

In terms of industrial land consumption by zone type:

- 0.1 hectares per annum – IN3Z;
- 1.1 hectares per annum – IN1Z; and
- 2.7 hectares per annum – IN2Z.

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 Shire of Glenelg based on the average annual rate of land consumption in the period 2003 to 2012.

Table 6: Years of Supply of Industrial Land Stocks

	Estimated Net Developable Area (hectares)				Years of Supply			
Region/LGA	IN1Z	IN2Z	IN3Z	**Zoned Total**	IN1Z	IN2Z	IN3Z	**Zoned Total**
Casterton	8.7	0	0	**8.7**	15+			**15+**
Heywood	17.7	0	36.3	**54.0**	15+		15+	**15+**
Portland Alcoa	0	116.9	0	**116.9**		15+		**15+**
Portland North	1.9	202.8	21.3	**226.0**	3	15+	15+	**15+**
Portland Port	4.0	0	5.9	**9.9**	15+		15+	**15+**
Portland Township	***5.9***	***319.7***	***27.2***	***352.9***	***8***	***15+***	***15+***	***15+***
Total	**32.3**	**319.7**	**63.5**	**415.5**	**15+**	**15+**	**15+**	**15+**

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

The only identified deficiency of industrial land is by zone type, namely IN1Z (the most commonly used industrial zone across Victoria), specifically within the township of Portland. Based on recent industrial land consumption trends for IN1Z land there is currently eight years of supply to meet future demand, this decreases to seven years supply assuming 25% increase in future demand and six years supply with a 50% increase.

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 both zoned industrial land.

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 is 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.