


Urban Development Program



Regional
Industrial
Report

City of Latrobe



If you would like to receive this publication in an accessible format, such as print, please telephone the Project Manager on 9637 9605, or email urbandevelopment.program@dpcd.vic.gov.au

This publication is also published in PDF and Word formats on www.dpcd.vic.gov.au

Published by the Victorian Government Department of Planning and Community Development, Melbourne, October 2010.

© The State of Victoria Department of Planning and Community Development 2010. This publication is copyright. No part may be reproduced by any process except in accordance with the provisions of the Copyright Act 1968.

Authorised by Justin Madden, 8 Nicholson Street, East Melbourne Vic 3002.

ISSN 1834-3988

For more information visit <http://www.dpcd.vic.gov.au/planning/>

Disclaimer

This publication may be of assistance to you but the State of Victoria and its employees do not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

Urban Development Program



2009

Regional
Industrial
Report

City of Latrobe

Contents

MINISTERS MESSAGE	1
EXECUTIVE SUMMARY	3
1.0 INTRODUCTION	7
1.1 Purpose and Context	7
1.2 Regional Context	7
1.3 2009 Urban Development Program Reports	7
2.0 APPROACH & METHODOLOGY	9
3.0 OVERVIEW	11
4.0 BUILDING ACTIVITY	13
5.0 INDUSTRIAL LAND SUPPLY	15
5.1 Overview	15
5.2 Zoned Industrial Land	15
5.3 Supply of Industrial Land	17
6.0 CONSUMPTION OF INDUSTRIAL LAND	21
7.0 ADEQUACY OF INDUSTRIAL LAND STOCKS	23
8.0 INDUSTRIAL MAPS	25
GLOSSARY OF TERMS	31
ACKNOWLEDGEMENTS	33

LIST OF TABLES

Table 5.1: Occupied and vacant (supply) industrial land stocks (gross ha), 2009	17
Table 5.2: Estimated stock of zoned vacant industrial land stocks (net developable area ha), 2009	18
Table 5.3: Number of zoned supply and unavailable industrial lots by lot size cohort, 2009	19
Table 6.1: Average Annual Consumption of Industrial Land (ha)	21
Table 6.2: Average Annual Industrial Land Consumption by Zone Type (ha), 2005 to 2009	21
Table 7.1: Adequacy of industrial land for Latrobe, 2009	23

LIST OF GRAPHS

Graph 4.1: Number of Industrial Building Approvals: City of Latrobe (2000-2008)	13
Graph 4.2: Value (Current Dollars) of Industrial Building Approvals: City of Latrobe (2000-2008)	14
Graph 5.1: Zoning of Industrial Land (Latrobe Total), 2009	16
Graph 5.2: Unavailable and Net Developable Supply (Latrobe), 2009	18

LIST OF MAPS

Overview Map: Latrobe Industrial Areas	4
Map 8.1: Industrial Development Status (Traralgon), 2009	26
Map 8.2: Industrial Development Status (Morwell), 2009	27
Map 8.3: Industrial Development Status (Moe), 2009	28
Map 8.4: Industrial Development Status (Churchill), 2009	29

Minister's message

In June 2010, the Victorian Government released *Ready for Tomorrow*, a Blueprint for Regional and Rural Victoria, which seeks to ensure that regional Victoria can continue to grow, remain prosperous and deliver investment and better liveability outcomes.

The Blueprint's long-term Regional Settlement Framework is for 'A State of Many Choices', which includes a settlement plan for regional Victoria that complements the *Melbourne @ 5 Million* policy, bringing together a comprehensive plan for the whole of the State.

This new approach helps to ensure that regional Victoria maintains its character, identity and sustainable way of life; that services and infrastructure keep pace with growth and economic development; and that growth is focused in places that have the capacity to accommodate and sustain higher populations.

The Urban Development Program has been identified as a key component in assisting to deliver the outcomes of this approach across regional Victoria.

The Urban Development Program is a Government initiative which was established as one of the main outcomes of Melbourne 2030. The Program aims to ensure there is sufficient residential and industrial land both in metropolitan Melbourne and other key areas across regional Victoria to meet expected population growth, ensure a competitive land market, and reduce pressure on housing affordability.

One of the primary objectives of the Urban Development Program is to provide accurate and up-to-date information to assist the Victorian Government, local councils, infrastructure and service providers, and other major stakeholders in making informed decisions to help ensure an ongoing provision of land supply and supporting infrastructure for housing and employment requirements.

The Government is also working with Councils to support planning for large scale growth in major regional areas such as the Ballarat West Growth Area and the Armstrong Creek Growth Area within Greater Geelong.

Additionally, the Regional Towns Development Program was introduced two years ago by Government to help expedite the delivery of land for housing and employment across a number of these major areas. To date this has delivered such outcomes as Township Plans for Huntly and Strathfieldsaye within Bendigo, a 'Residential Infill Opportunities' study for Ballarat, the Traralgon Inner South Masterplan within Latrobe, and the Leneva Valley Design Guidelines within Wodonga.

With Victoria's regional population growing at its highest rate since 1982, it is important to carefully plan for these future populations ensuring ongoing opportunities for sustained growth in housing and employment across major regional areas. Expansion of the Urban Development Program into regional Victoria will help ensure that rural settlements can continue to grow and deliver substantial investment and liveability outcomes.



JUSTIN MADDEN MLC
MINISTER FOR PLANNING



Executive summary

The 2009 Urban Development Program for Regional Victoria provides an analysis of supply and demand for residential and industrial land across parts of regional Victoria. Initially, this covers the municipalities of Ballarat, Greater Bendigo, Latrobe and Wodonga, but will cover other areas of regional Victoria in oncoming years. This component provides information on residential supply and demand for the municipality of Latrobe.

The following residential land supply assessment was undertaken by Spade Consultants Pty Ltd and commissioned by the Department of Planning and Community Development in conjunction with Regional Development Victoria and the Latrobe City Council.

It draws on important information and feedback obtained through a number of comprehensive consultations with key council officers, and Department of Planning and Community Development regional officers, undertaken through the course of the project.

Economic Profile and Activity

The City of Latrobe is located approximately 140 kilometres east of Melbourne in the Latrobe Valley and is the centre of Victoria's brown coal mining and power generation industry. The primary focus of urban activity is the Princes Highway. Along the Princes highway there are three principal urban areas, Moe, Morwell and Traralgon, each with a population of more than 10,000 residents. A fourth urban area, Churchill, is located to the south of Morwell.

Latrobe's industrial areas (shown in red on the Overview Map) are focused on the four main urban areas with Morwell being the dominant area of industrial activity.

Land identified by Council as 'future industrial' (shown in blue on the Overview Map) is distributed across Moe, Morwell and Traralgon.

The City of Latrobe is the location of a number of significant manufacturing facilities many of which are associated with the electricity generation industry and other ancillary coal mining activities. The timber industry is also a significant industry and employer.

Industrial Land Supply

There are approximately 1,180 hectares of zoned industrial land in the City of Latrobe which can be regarded as conventional industrial land. Of this total, 281 hectares has been identified as supply (or vacant) and of this 179 hectares has been identified as developable. This figure can be further broken down as follows:

- ▶ 7.5 hectares of net developable supply at Churchill (Churchill Urban Area);
- ▶ 19.5 hectares of net developable supply at Moe (Moe Urban Area);
- ▶ 130 hectares of net developable supply at Morwell (Morwell Urban Area; and
- ▶ 22 hectares of net developable at Traralgon (Traralgon Urban Area).

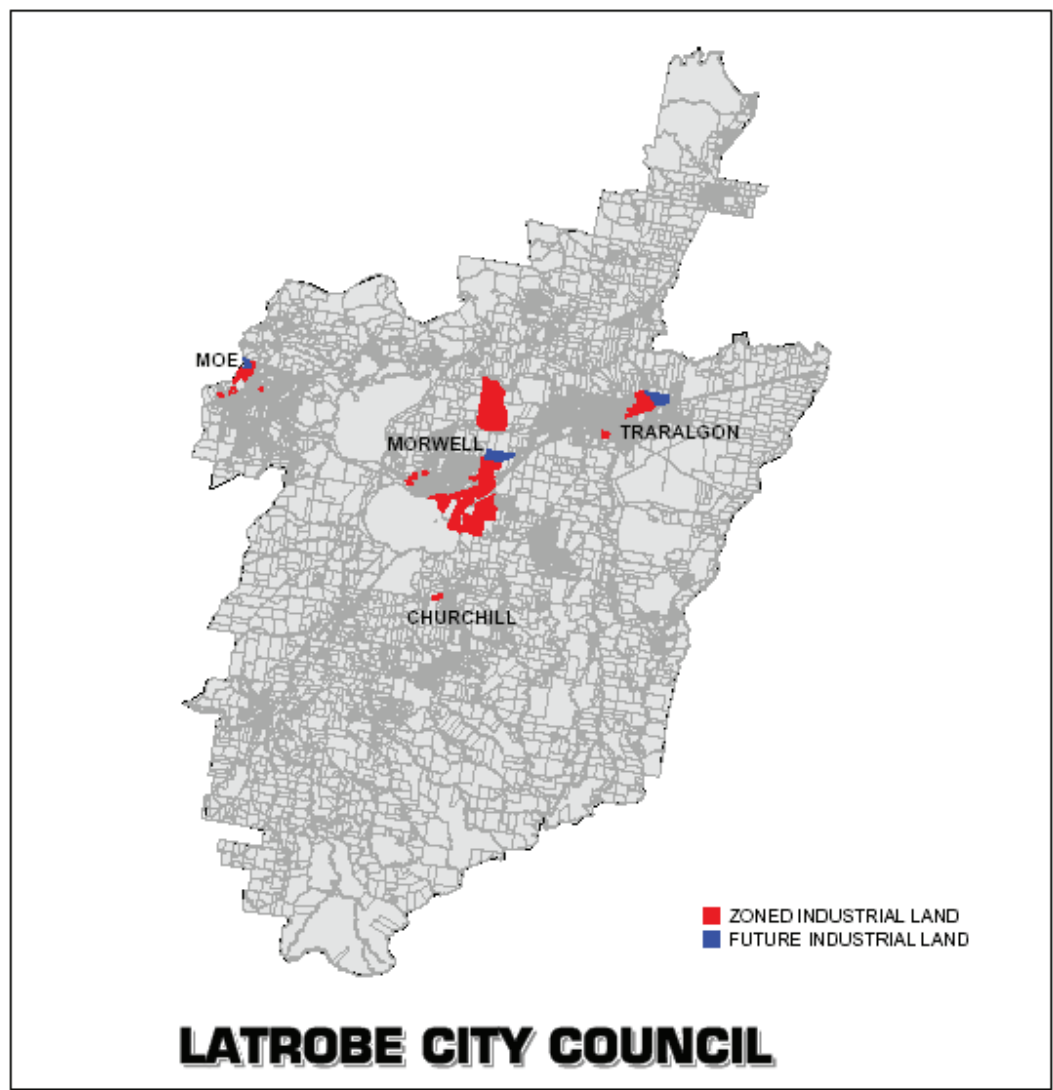
These four urban areas are referred to in the report as the Latrobe Urban Area Total.

Additionally, a specialised area of industrial supply (301 gross hectares) has been identified by Latrobe City Council in Morwell, south of the Princes Highway. While it is zoned Industrial 1, it is highly restricted in terms of its use and application. The majority of this land is subject to various overlays and easements which largely reserve the land's capability for uses associated with coal mining and electricity generation. In this assessment this land is referred to as the 'Morwell Specialised Industrial Area' and is reported separately to the Morwell Urban Area and the Latrobe Urban Area total.

Consumption

Based on analysis of aerial photography and stakeholder consultation, the consumption of land in the Latrobe Urban Area Total for industrial purposes has averaged 3.1 hectares per annum between 2006 and 2009. The majority of consumption has occurred in Morwell and Traralgon. Over the same period consumption in the Morwell Specialised Industrial Area and was 2.6 hectares per annum.

Overview Map: City of Latrobe Industrial Areas



Source: Spade Consultants Pty Ltd and Department of Planning and Community Development, 2009

Adequacy of Industrial Land Stocks

In total, there is in excess of 15 years of industrial zoned land within the municipality based on the average annual rate of land consumption in the period 2006 to 2009. However, this is not evenly distributed across the urban areas; with supply in Traralgon currently estimated at around 12 years.

This assessment however carries two key qualifications.

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 trends
- ▶ environmental impacts and adaptation
- ▶ social attitudes.

Secondly, that further large scale industrial investment, particularly with those associated with the coal mining, electricity generation and timber industries may result in a higher average rate of consumption in the longer term.

The Urban Development Program will continue to monitor and report on industrial land activity in the City of Latrobe.

Current Actions

The Latrobe City Council has previously adopted Structure Plans for Churchill, Moe/Newborough, Morwell and Traralgon. The Plans identify areas where land is earmarked for future expansion to allow for a range of new residential growth opportunities and industrial development over the next 30 years.

The Latrobe City Council has also identified the need to prepare an Industrial Land Strategy, which would provide further direction to industrial land supply across the municipality.

In total the City of Latrobe has in excess of 15 years supply of industrial land; consistent with Clause 11.02-1 of the State Planning Policy Framework which aims to ensure that sufficient land is available to meet forecast demand; and accommodate projected population growth over at least a 15 year period.

1.0 Introduction

1.1 Purpose and Context

The Urban Development Program has been one of the Victorian Government's major initiatives to support the strategic intent of its key planning document for metropolitan Melbourne, *Melbourne 2030*. 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.

The main purpose of the Urban Development Program is to provide 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
- ▶ 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 Regional Context

During 2009, the Urban Development Program was expanded across key provincial areas across regional Victoria. Initially, this covers the municipalities of Ballarat, Greater Bendigo, Latrobe and Wodonga, but will be expanded to other key areas in oncoming years.

An 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 land supply assessments for the municipalities of Ballarat, Greater Bendigo, Latrobe and Wodonga were undertaken by Spade Consultants Pty Ltd, and commissioned by the Department of Planning and Community Development in conjunction with Regional Development Victoria and the City Councils of Ballarat, Greater Bendigo, Latrobe and Wodonga.

These areas form the initial expansion of the Urban Development Program across regional Victoria. Other areas will be incorporated into the Urban Development Program in oncoming years.

1.3 2009 Urban Development Program Reports

The 2009 Urban Development Program Reports for Ballarat, Greater Bendigo, Latrobe and Wodonga, as well as the 2009 Urban Development Program Annual Report for metropolitan Melbourne and the Geelong region, are available online at www.dpcd.vic.gov.au/urbandevelopmentprogram

Interactive online maps are also available. MapsOnline enables users to search for specific projects, generate reports and print or download maps and statistical reports. It allows users to search for specific land supply areas by region or municipality, estate name, Melway reference, street address or lot number.

To access the Regional Urban Development Program MapsOnline visit www.land.vic.gov.au/udp

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, the Industrial 2 Zone, the Industrial 3 Zone and the Business 3 Zone as well as land that has been identified for future industrial development by the relevant Council.

The Industrial 1 Zone is the most commonly used industrial zone. More specialised zonings tend to be located in specific areas such as the Industrial 2 Zone. This zone provides an area for heavy industrial uses.

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

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 mid 2009. Information relating to zoning, overlays and other planning matters relates to the same period.

Identifying land supply

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

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

- ▶ **Vacant (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.
- ▶ **Occupied (Unavailable)** – zoned industrial land classified as unavailable for industrial development. This includes land already occupied by industrial uses, construction sites, major infrastructure, intensive farming operations or established residential premises.

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 a Council request, the land was deleted from the Industrial land database.

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 supply of industrial land

For all industrial land, each individual parcel is recorded with its size (hectare) and the applicable zone. This enables an assessment of the overall or gross supply of land either unavailable as supply (occupied) or available as supply (vacant or proposed major industrial area). Subsequently, a further assessment is conducted to determine a net measure of supply ('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 either greater than, or less than one hectare 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 with an emphasis on securing at least five years of data.

Due to the limited availability, and quality, of aerial photography this has not always been possible. Given the limited availability of photography, for each municipality at least two prior periods (years) have been assessed using the methodology outlined above (ie assessing each lot as either 'vacant' or 'occupied').

In comparing the extent to which consumption has occurred land has been 'backcast' 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.

Adequacy of industrial land supply

The adequacy of supply is calculated by dividing the total net supply of zoned and unzoned land (that identified for future industrial development) by the historic average annual rate of consumption. The result is a figure expressed in years.

3.0 Overview

The City of Latrobe is the principal city of the Gippsland region. It is not however a conventional city, but instead can be thought of as three small cities; Moe, Morwell and Traralgon.

A fourth urban area, Churchill, is located approximately 11 kilometres south of Morwell. A campus of Monash University is located at Churchill.

The city's population of approximately 75,000 has recently experienced a period of sustained growth following several decades during which the population was either stagnant or in decline.

Regional Victorian cities such as the City of Latrobe require an adequate supply of industrial land for jobs and services, such as manufacturing, service industrial, logistics and warehousing, to support continued economic development. The Regional Urban Development Program 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 Regional Urban Development Program monitors industrial land zoned as:

- ▶ Industrial 1 Zone
- ▶ Industrial 2 Zone
- ▶ Industrial 3 Zone
- ▶ Business 3 Zone

There have been a number of distinct development trends in the industrial development sector over recent decades some of which appear applicable to Latrobe. In particular there has been growth in the floor area of industrial premises and ultimately a larger floor area per employee.

The 2007 *Audit of Industrial Land in Provincial Victoria* indicated that about 75% to 85% of industrial land is occupied by industrial uses. The remainder is occupied by non-industrial uses such as residential, churches and car dealerships.

The Regional Urban Development Program employs the same methodology and a similar presentation style to the metropolitan Urban Development Program which assesses industrial land in greater Melbourne as well as Geelong.

The major difference is that of scale. Whereas the metropolitan Urban Development Program measures some 23,000 hectares of industrial land supply in metropolitan Melbourne, the Regional Urban Development Program (Latrobe Report) assesses around 1,600 hectares. In terms of consumption, metropolitan Melbourne has consumed in the order of 300 hectares of land per annum between 2000 and 2009, while the City of Ballarat has consumed around 6 hectares per annum from 2006 to 2009.

4.0 Building Activity

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

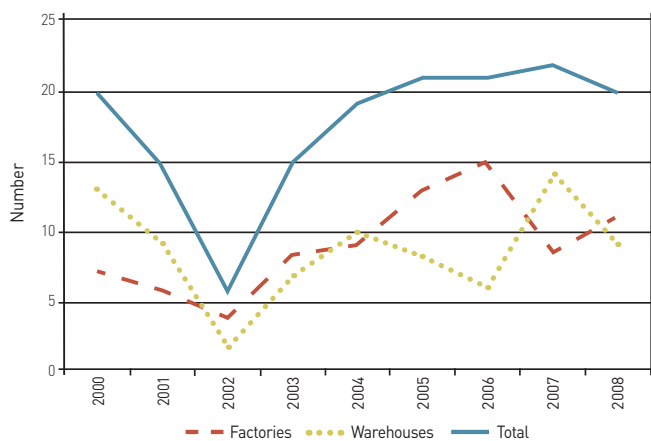
- ▶ The investment and business activity behaviour of the private sector
- ▶ Trends in the global and local economy
- ▶ The availability of credit and borrowings for business decisions such as a decision to make a capital investment in property for a business
- ▶ Levels of land supply in the area
- ▶ Economic activity within the region
- ▶ The degree to which other regional centres compete for investment

The industrial built form in the City of Latrobe varies between the different industrial areas.

In Churchill and Moe industry is primarily of a smaller scale service industry nature. In Traralgon there is also an emphasis on service industry though there are several larger industrial premises. Morwell represents the exception where there are a number of substantial industrial premises in both the Morwell Specialised Industrial Area and within the Morwell Urban Area. The majority of these are associated with the timber industry, the electricity generation industry or constitute the operations of engineering firms associated with the servicing of these industries.

The key indicator of building activity is the Australia Bureau of Statistics Building Approvals.

Graph 4.1: Number of Industrial Building Approvals: City of Latrobe (2000-2008)

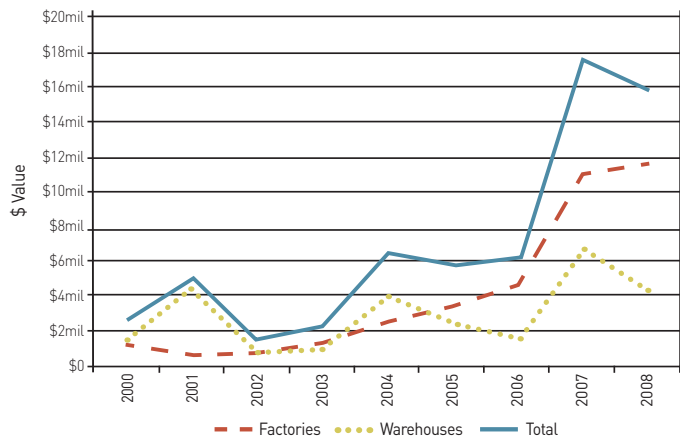


Source: Australian Bureau of Statistics

An analysis of the number of building approval data for warehouses and factories between 2000 and 2008 indicates a period of decline followed by an increase from 2002 to 2008. There was significant variation during this period with as few as six permits issued in 2002 and 22 in 2007.

The value of building approvals indicates an increase in recent building activity, with significant increase in factories for 2007 and 2008.

Graph 4.2: Value (Current Dollars) of Industrial Building Approvals: City of Latrobe (2000-2008)



Source: Australian Bureau of Statistics

Discussions with local real estate agents indicate that industrial land sale prices in Latrobe vary between the urban areas. Traralgon industrial land prices are in the order of \$80 to \$100 per square metre (of land). Rental costs for industrial premises are in the range of \$60 to \$75 per square metre of floorspace.

5.0 Industrial Land Supply

5.1 Overview

Industrial land supply within the City of Latrobe is located in the four discrete urban areas; Churchill, Moe, Morwell and Traralgon.

Three of the four areas, Churchill, Moe and Traralgon can be easily defined. In Moe, industrial land is located north of the Moe Central Business District (CBD), with a small amount of dispersed land also located in scattered pockets along the Moe-Glengarry Road.

In Churchill there is a small amount of industrial land located to the west of the township.

In Traralgon, the majority of industrial land is located to east of the Traralgon CBD adjacent to the Princes Highway. A smaller pocket is located to the south of the Traralgon CBD.

Industrial land in Morwell is divided between land identified for conventional industrial purposes, and land which has been identified by Council for purposes related to coal mining and electricity generation.

To the north of the Princes Freeway, there are a range of manufacturing and service industries located in several development areas. North of Morwell, on a 500 hectare industrial site, is the Maryvale Paper Mill.

A specialised type of industrial supply has been identified by Latrobe City Council to land south of the Princes Freeway in Morwell. While it is zoned Industrial 1, it is highly restricted in terms of its use and application. The majority of this land is subject to various overlays and easements which largely reserve the land's capability for uses associated with coal mining and electricity generation. In this assessment this land is referred to as the 'Morwell Specialised Industrial Area' and is reported separately to the Morwell Urban Area and the Latrobe Urban Area total.

Consequently, in assessing the Latrobe industrial land market four separate industrial areas have been identified:

- ▶ Churchill Urban Area (which includes all industrial land in the township of Churchill)
- ▶ Moe Urban Area (which includes industrial land in the urban area of Moe)
- ▶ Morwell Urban Area (which includes industrial land located in the urban area of Morwell including industrial land associated with the Maryvale Paper Mill but excluding industrial land defined in this report as the 'Morwell Special Industrial Area')
- ▶ Traralgon Urban Area (which includes all industrial land in the urban area of Traralgon)

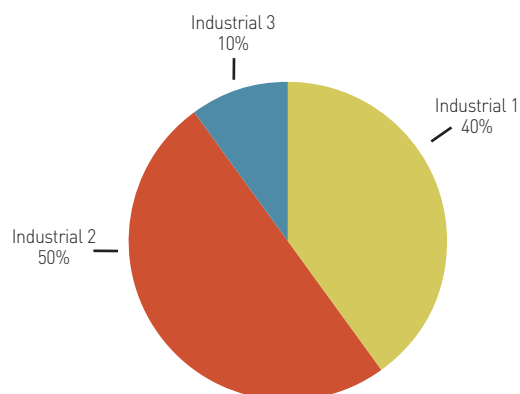
Where data is presented that combines the total of these four industrial areas it is referred to as the Latrobe Urban Area total.

While data is provided for the 'Morwell Specialised Industrial Area' in this report, it is presented separately from the Morwell Urban Area and the Latrobe Urban Area total.

5.2 Zoned Industrial Land

There are approximately 1,180 hectares of zoned industrial land in the Latrobe Urban Area total. Of this figure around 281 hectares has been identified as supply, which is defined as land that is available although portions of it will not be immediately developable.

Graph 5.1: Zoning of Industrial Land (Latrobe Urban Area Total), 2009



Source: Department of Planning and Community Development, 2009

Of the total stock of zoned land in the Latrobe Urban Area total, 50% or 596 hectares is in the Industrial 2 Zone, 40% or 470 hectares is in the Industrial 1 Zone and 10% or 115 hectares is in the Industrial 3 Zone.

Of the 596 hectares of land within the Industrial 2 Zone, more than 500 hectares is associated with the Maryvale Paper Mill located approximately 8 kilometres from the Morwell Central Business District (CBD).

Several areas have been identified in the City of Latrobe Planning Scheme for future industrial development including 19 hectares north of the Moe CBD, 94 hectares north-east of the Morwell CBD and 77 hectares east of the Traralgon CBD. In total 189 hectares of land has been identified for future industrial development.

Industrial land – rezoning activity

As well as 2009, two earlier periods – 2006 and 2007 – were assessed to identify trends in industrial land stocks, and changes to the consumption of industrial land over time in Latrobe.

During the period assessed, an additional 100 hectares on the western fringe of Morwell was zoned to Industrial 1.

An additional area of industrial land located on the western approach to Moe (south of the Princes Freeway) is currently in the process of being rezoned to a non-industrial use, and has therefore not been included as 'supply' within this assessment of industrial land.

Morwell Specialised Industrial Area

The Morwell Specialised Industrial Area has been identified by Latrobe City Council as that area south of the Princes Freeway at Morwell that is in the Industrial 1 Zone.

The Morwell Specialised Industrial Area contains a number of substantial facilities associated with the coal mining and power generation industries as well as other industrial uses including timber mulching, asbestos removal and pre-fabrication facilities.

Much of the land is constrained by planning scheme overlays, easements and the presence of coal in the vicinity.

Two specific overlays impact on much of the land; the State Resource Overlay and environmental Significance Overlay. Both restrict the type and nature of development that can occur on impacted sites.

5.3 Supply of Industrial Land

Table 5.1 sets out the distribution of zoned industrial land between the four urban areas as well as the Morwell Specialised Industrial Area. The table provides a breakdown of land categorised as either 'supply' (vacant) or 'unavailable' (occupied).

In total around 281 hectares in the Latrobe Urban Area Total has been identified as supply, which is defined as land that is available (already zoned) although portions of it will not be immediately developable. This comprises 8 hectares at Churchill, 26 hectares at Moe, 222 hectares at Morwell (including 100 hectares that was recently zoned industrial) and 25 hectares at Traralgon.

An additional 189 hectares has been identified by Council for future industrial development comprising 19 hectares at Moe, 94 hectares at Morwell and 77 hectares at Traralgon.

Approximately 300 hectares has been identified as supply in the Morwell Specialised Industrial Area.

The majority of supply is located in the Industrial 1 Zone.

Table 5.1: Occupied and vacant (supply) industrial land stocks (gross ha), 2009

Area	Ind 1 Zone		Ind 2 Zone		Ind 3 Zone		Bus 3 Zone		All Zoned Land		Unzoned Land	Total Zoned and Unzoned Land	
	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Supply	Unavailable
Churchill Urban Area	0.0	0.0	0.0	0.0	8.3	5.4	0.0	0.0	8.3	5.4	0.0	8.3	5.4
Moe Urban Area	19.4	30.8	0.0	0.0	6.6	30.2	0.0	0.0	26.0	61.0	18.9	44.9	61.0
Morwell Urban Area	196.2	90.5	23.5	572.4	2.0	42.7	0.0	0.0	221.7	705.6	93.5	315.2	705.6
Traralgon Urban Area	23.0	110.1	0.0	0.0	1.8	18.1	0.0	0.0	24.8	128.2	76.8	101.6	128.2
Latrobe Urban Area Total	238.6	231.4	23.5	572.4	18.7	96.4	0.0	0.0	280.8	900.2	189.3	470.0	900.2
Morwell Special Industrial Area	301.2	115.3	0.0	0.0	0.0	0.0	0.0	0.0	301.2	115.3	0.0	301.2	115.3

Source: Spade Consultants Pty Ltd and Department of Planning and Community Development, 2009

Net area differs from the gross area of supply by discounting the gross area to allow for factors such as native vegetation constraints as well as the provision regional and local roads and open space. Table 5.2 provides an estimate of net supply in each area.

In the Latrobe Urban Area Total, the gross area of zoned supply of 281 hectares has been estimated as providing 179 hectares of net supply. The major source of supply is the Morwell Urban Area where 130 hectares are estimated to be available.

Within the Morwell Specialised Industrial Area the gross area of 300 hectares has been estimated to provide around 150 hectares of developable land.

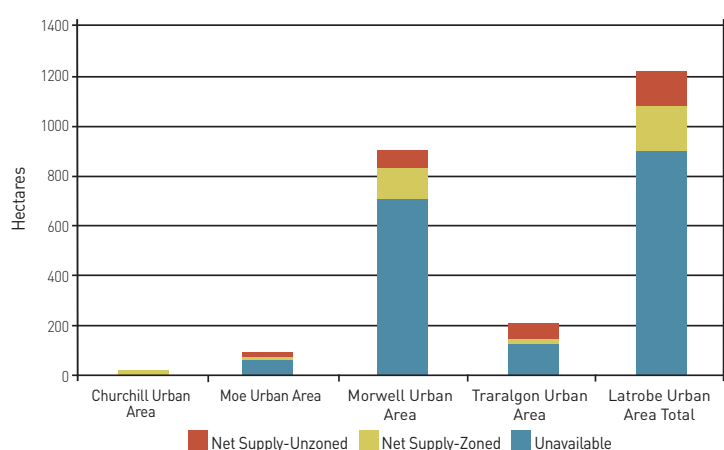
Table 5.2: Estimated stock of zoned vacant industrial land stocks (net developable area ha), 2009

Area	Ind 1 Zone	Ind 2 Zone	Ind 3 Zone	Bus 3 Zone	All zoned Land	Unzoned Land	Total Zoned and Unzoned Land
						Supply	Supply
Churchill Urban Area	0.0	0.0	7.5	0.0	7.5	0.0	7.5
Moe Urban Area	13.7	0.0	5.8	0.0	19.5	14.2	33.7
Morwell Urban Area	108.4	20.1	1.9	0.0	130.4	68.5	198.9
Traralgon Urban Area	20.3	0.0	1.6	0.0	21.9	57.6	79.5
Latrobe Urban Area Total	142.4	20.1	16.8	0.0	179.3	140.3	319.7
Morwell Specialised Industrial Area	150.5	0.0	0.0	0.0	150.5	0.0	150.5

Source: Spade Consultants Pty Ltd and Department of Planning and Community Development, 2009

Graph 5.2 highlights the relative size of the industrial areas as well as the amount of zoned net supply and unavailable (or occupied) land.

Graph 5.2: Unavailable and Net Developable Supply (Latrobe Urban Area Total), 2009



Source: Spade Consultants Pty Ltd and Department of Planning and Community Development, 2009

The majority of industrial land is located at Morwell. It should be noted that the Morwell figure includes 500 hectares of land associated with the Maryvale Paper Mill.

Net supply in Morwell Urban Area includes approximately 23 hectares of land south of the Princes Freeway in the Industrial 2 Zone which is located adjacent to, and within, the Morwell Specialised Industrial Area.

Table 5.3: Number of zoned supply and unavailable industrial lots by lot size cohort, 2009

Area	<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	
	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable
Churchill Urban Area	0	2	13	14	2	2	1	0	0	0	0	0	16	18
Moe Urban Area	1	24	6	92	0	11	4	9	2	0	0	1	13	137
Morwell Urban Area	6	159	17	278	10	32	9	40	1	3	3	2	46	514
Traralgon Urban Area	12	126	36	145	1	39	4	18	1	3	0	0	54	331
Latrobe Urban Area Total	19	311	72	529	13	84	18	67	4	6	3	3	129	1000
Morwell Special Industrial Area	0	1	5	7	3	9	8	27	4	7	7	0	27	51

Source: Spade Consultants Pty Ltd and Department of Planning and Community Development, 2009

Table 5.3 provides an analysis of the area of individual lots both occupied (unavailable) and vacant (supply) in Latrobe's Urban Areas. Currently there is a supply of 91 lots with an area less than 0.5 hectares. Lots of this size are largely consumed by single users and provide little scope for further subdivision.

Current identified supply of larger lots indicates a total of 4 lots between 5 and 10 hectares in size, and 3 lots of 10 hectares or above in size. These lots provide flexibility in land supply as they can be used in total for large users or can be further subdivided into smaller lots.

6.0 Consumption of Industrial Land

The Regional Urban Development Program has utilised aerial photography for Latrobe in order to undertake industrial land assessments for the years, 2006, 2007 and 2009. This time series data is used to establish trends over time and measure the uptake or consumption of industrial land.

Table 6.1 indicates average consumption of industrial land over the period of 3.1 hectares per annum in Latrobe Urban Area Total and 2.6 hectares per annum in the Morwell Specialised Industrial Area.

Table 6.1: Average Annual Consumption of Industrial Land (ha), 2006 to 2009

Area	2006 to 2007	2007 to 2009	Total Consumption 2006 to 2009	Average Annual Consumption
Consumption: Churchill Urban Area	0.0	0.0	0.0	0.0
Consumption: Moe Urban Area	0.7	-0.1	0.5	0.2
Consumption: Morwell Urban Area	3.2	0.1	3.4	1.1
Consumption: Traralgon Urban Area	1.3	2.0	5.3	1.8
Consumption: Latrobe Urban Area Total	5.2	2.0	9.2	3.1
Consumption: Morwell Specialised Industrial Area	2.8	2.5	7.8	2.6

Source: Spade Consultants Pty Ltd and Department of Planning and Community Development, 2009

Most consumption has occurred in the Morwell Urban Area and the Traralgon Urban Area. In the Traralgon Urban Area take up was focussed on the newer industrial areas to the east of the city centre, while in the Morwell Urban Area the majority of consumption over the period occurred in the 2006 to 2007 period.

No activity was recorded at Churchill over the 2006 to 2009 period, while at Moe consumption was recorded as 0.2 hectares per annum.

Table 6.2: Average Annual Industrial Land Consumption by Zone Type (ha), 2006 to 2009

Area	Industrial 1 Zone	Industrial 2 Zone	Industrial 3 Zone	Business 3 Zone	All Zoned Land
Consumption: Churchill Urban Area	0.0	0.0	0.0	0.0	0.0
Consumption: Moe Urban Area	0.0	0.0	0.2	0.0	0.2
Consumption: Morwell Urban Area	0.2	0.5	0.4	0.0	1.1
Consumption: Traralgon Urban Area	1.8	0.0	0.0	0.0	1.8
Consumption: Latrobe Urban Area Total	2.0	0.5	0.6	0.0	3.1
Consumption: Morwell Specialised Industrial Area	2.6	0.0	0.0	0.0	2.6

Source: Spade Consultants Pty Ltd and Department of Planning and Community Development, 2009

7.0 Adequacy of Industrial Land Stocks

The adequacy of supply is measured by dividing estimates of net supply (for both zoned and unzoned land) by the average annual rate of industrial land consumption from 2006 to 2009. The result is a measure of adequacy expressed in years.

Table 7.1: Adequacy of industrial land for City of Latrobe (2009)

Area	Estimated net developable area (ha) - zoned land	Estimated net developable area (ha) - unzoned land	Years of zoned supply	Years of supply zoned and unzoned supply
Churchill Urban Area	7.5	0.0	15+	15+
Moe Urban Area	19.5	14.2	15+	15+
Morwell Urban Area	130.4	68.5	15+	15+
Traralgon Urban Area	21.9	57.6	12.2	15+
Latrobe Urban Area Total	179.3	140.3	15+	15+
Morwell Specialised Industrial Area	145.8	0.0	15+	15+

Source: Spade Consultants Pty Ltd and Department of Planning and Community Development, 2009

In total, there is in excess of 15 years of industrial zoned land within the City of Latrobe based on the average annual rate of land consumption in the period 2006 to 2009. However, this is not evenly distributed across the urban areas; with supply in Traralgon currently estimated at around 12 years.

This assessment however carries two key qualifications.

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 trends
- ▶ environmental impacts and adaptation
- ▶ social attitudes.

Secondly, that further large scale industrial investment, particularly of the sort associated with the coal mining, electricity generation and timber industries may result in a higher average rate of consumption in the longer term.

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 a precinct structure plan has not yet been approved, may also fall into this category.

Gross industrial land supply

Measures the area of zoned industrial land identified by the Urban Development Program as suitable for industrial development. For more information, see Supply (industrial land).

Local Government Area (LGA)

A geographical area that is administered by a local council. Victoria has 79 LGAs.

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.

MapsOnline

An interactive online program that gives users the ability to search for specific projects, generate reports, and print or download maps and statistical reports. It also allows the user to search for specific land supply areas by region or LGA, estate name, Melway reference, street address or lot number, and contains mapping and statistical information sourced through the Urban Development Program. Registered users can also make site-specific feedback on-line.

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.

Supply (industrial Land)

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 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 or established residential premises.

Acknowledgements

This Urban Development Program report would not have been possible without the assistance and contribution of Spade Consultants Pty Ltd, the Latrobe City Council and Regional Development Victoria. The Department of Planning and Community Development would like to thank the representatives from these organisations for their valuable contributions.

