LIVE WORK LATROBE

INDUSTRIAL AND EMPLOYMENT STRATEGY

MAY 2019



LatrobeCity a new energy

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ACKNOWLEDGEMENTS

The Study Team recognises that the State of Victoria has an ancient and proud Aboriginal history and complex ownership and land stewardship systems stretching back many thousands of years. We would like to acknowledge the Traditional Owners of this land, and offer our respect to the past and present Elders, and through them to all Aboriginal and Torres Strait Islander People.

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LIVE WORK LATROBE

Latrobe City has a number of strategic advantages to underpin and facilitate its future growth, prosperity and liveability. The City is currently experiencing a period of economic restructuring. Live Work Latrobe provides a framework to re-frame and reconsider the City's assets, land use and development future.

Live Work Latrobe encompasses the development of three distinct, yet complementary strategies to guide the City's long term growth and development associated with housing, industry and employment, and rural land use. It provides an integrated municipal-wide approach to land use planning that forms the basis for statutory planning controls and a framework for growth that targets investment and collaborative action with businesses, community agencies and authorities.

The following summarises the key initiatives collectively facilitated by the Live Work Latrobe strategies.

GROWTH TO SUPPORT REGIONAL CITY ROLE

The Live Work Latrobe strategies supports the growth of Latrobe City to 100,000 residents to reinforce and fulfil its role as Gippsland's only regional city. The Strategies encourage Morwell and Traralgon to grow together to create a single regional city supported by Moe-Newborough and Churchill. Latrobe City will compete strongly with other regional cities to attract investment, youth and skilled labour, meaning that factors such as employment, education, lifestyle, amenity and transport will be fundamental in supporting future growth.

DIVERSIFY JOBS AND PROVIDE LONG TERM EMPLOYMENT

Latrobe City is currently experiencing a period of economic restructuring associated with the decline of traditional employment sectors such as manufacturing and power production. Industry diversification and employment generation are therefore major priorities of the Industrial and Employment strategy. These Strategies contain initiatives to strengthen Latrobe City's role as a regional services hub, realise the City's role as a food processing, manufacturing and distribution centre for the Gippsland food bowl, and builds on our strengths as the engineering capital and home to State-significant heavy industry.

ATTRACTIVE AND INCLUSIVE LIVING ENVIRONMENTS

Latrobe City contains a variety of residential settings, ranging from compact urban areas, conventional Australian suburbs to expansive rural acreages. The Live Work Latrobe strategies secure and encourage a range of residential opportunities across the City. It advocates that future growth is commensurate with access to services, infrastructure, transport, the protection of natural resources and mitigates environmental risks and hazards. The Housing strategy establishes a Settlement Hierarchy for Latrobe City and identifies residential areas for substantial, incremental, limited and minimal change.

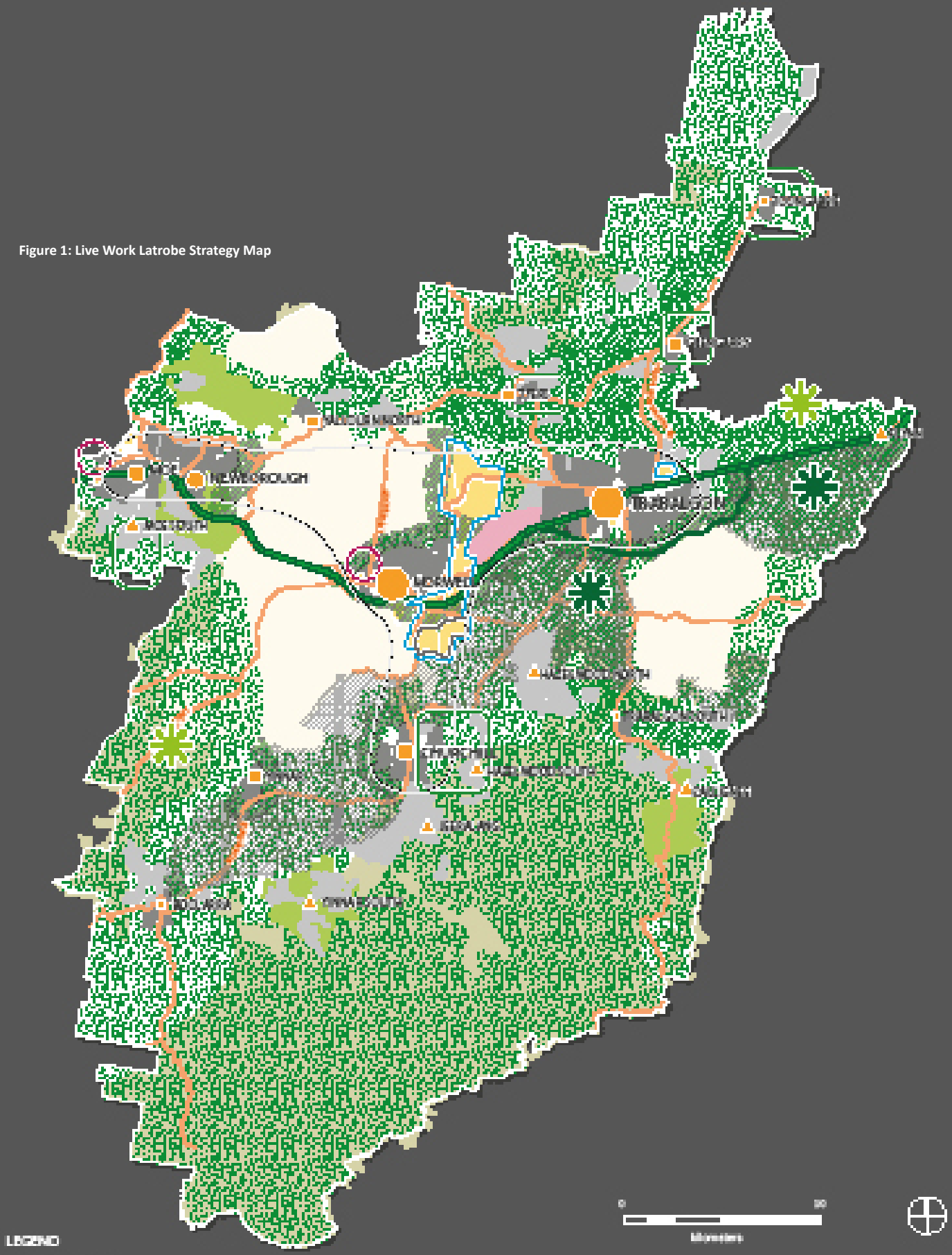
ENHANCE AGRICULTURAL OPPORTUNITIES

Gippsland contributes significantly to Victoria's overall food production. Agriculture is a relatively small, but vibrant element of the Latrobe City economy, containing areas of valuable or high class agricultural land. This, coupled with the possible expansion of irrigation, underpins the continued importance of agriculture to the local economy and landscape. Live Work Latrobe identifies locations where commercial scale agriculture, including intensive agriculture, can be sustained and protected as the primary land use in the future by protecting such areas from encroachment and fragmentation.

LEVERAGE NATURAL ASSETS

Latrobe City includes a number of important areas of biodiversity which are home to flora and fauna of national and State significance. Locally significant native habitat, waterways, lakes, forests and rural views and vistas to natural landscapes greatly add to the livability and amenity of Latrobe City . Additionally, environmental issues such as bushfire risk, mine fire risk and flooding are recognised as constraints in particular for future land uses and development in order to minimise any potential risk to life and property. Live Work Latrobe acknowledges the significance of environmental values and landscapes to the liveability and sustainability of Latrobe City.

Figure 1: Live Work Latrobe Strategy Map





1 INTRODUCTION

1.1 INTRODUCTION

Latrobe City is experiencing a period of economic restructuring related to the transition of traditional employment sectors such as manufacturing, mining and electricity production. The combined townships of Traralgon, Morwell, Churchill and Moe comprise Gippsland's regional city and are experiencing growth across service sectors, including primary health care, retail, social assistance, public administration, education and training.

Latrobe aspires to be the engineering capital of Victoria, underpinned by occupational specialisation within the City's labour force. This Industrial and Employment Strategy contains a spatial framework and policy tools to support the long-term growth, diversification and prosperity of the City.

THIS STRATEGY

This Industrial and Employment Strategy provides a framework to guide the growth and development of industrial areas in the City of Latrobe over the next twenty years.

It provides a short, medium and long term approach for the management of industrial land. In particular the Strategy seeks to:

Identify opportunities for the diversification of employment opportunities in Latrobe City

Identify critical infrastructure required to support existing and new industry investment.

Investigate land use options within the State Resource Overlays, heavy industry and mining buffers, recognising these matters are under State Government's control

Recognise the significance of industrial land uses through the Latrobe Planning Scheme.

STUDY AREA

Latrobe City is located approximately 100 kilometres east of Melbourne in the heart of the Gippsland Region. The City is located in the recently formed Economic Growth Zone, which encompasses the Shires of Baw Baw and Wellington.

The study area incorporates all industrially zoned land across the City. A description of the purpose of the different industrial zones is provided below. At present industrial land represents approximately 1% of all land in the municipality and is located in or adjoining the townships of Moe, Morwell, Traralgon and Churchill.

- Industrial 1- provides for manufacturing industry, the storage and distribution of goods and associated uses in a manner which does not affect the safety and amenity of local communities
- Industrial 2 – provides for heavy manufacturing Industries and storage facilities that require a substantial threshold distances from sensitive uses.
- Industrial 3 – provides a buffer between the Industrial 1 Zone or Industrial 2 Zone and local communities, which allows for industries and associated uses compatible with the nearby community. It provides for industries and associated uses in specific areas where special consideration of the nature and impacts of industrial uses is required or to avoid inter-industry conflict.

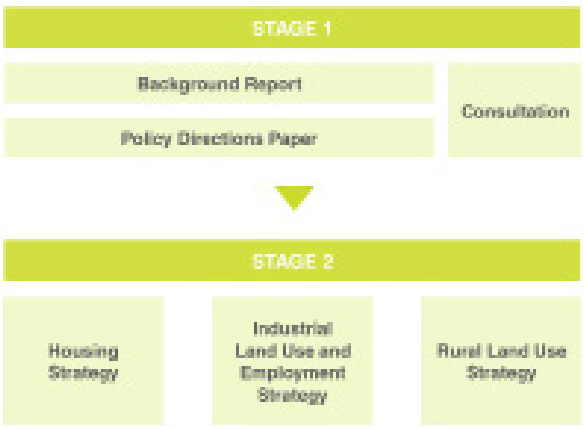
APPROACH

The Live Work Latrobe Project has been undertaken over two stages. Stage 1 which was completed in May 2016, included comprehensive community engagement and produced a Background Report, Consultation Report and Policy Directions Report.

Stage 2 has focused on the development of three strategies: Housing, Rural Land Use, and Industry and Employment. It has built on the Stage 1 documents and involved further research as well as stakeholder and industry engagement.

The following diagram represents the relationship between the Stage 1 and Stage 2 deliverables of the Live Work Latrobe Project.

Figure 2: Project Deliverables



STAGE ONE POLICY DIRECTIONS

The Policy Directions Report identifies the emerging principles and key directions from background analysis and community engagement. This document has informed the scope and approach adopted in developing the Housing Strategy, Industrial and Employment Strategy and Rural Land Use Strategy.

Overarching policy directions include:

1. Recognise the interconnected nature of a strong economy, cleaner and greener environment and healthy and connected community.

2. Develop the three Stage 2 strategies concurrently to ensure that common issues are comprehensively addressed across all three strategies.

3. Build upon the existing 'networked city' policy within the Latrobe Planning Scheme and strengthen the establishment of Latrobe City as a single urban system to secure its role as one of Victoria's four Major Regional Cities.

4. Land use and development constraints are to be recognised in the preparation of all three strategies. These constraints include:

- Biodiversity
- Environmental risks and extreme weather events (including Flooding, Bushfire)
- Geology
- Land capability
- Infrastructure access and serviceability
- State Resource and Environmental Significance Overlays
- Land use separation buffers (i.e. separation of major industry/mining from urban areas).

5. Seek the participation of the Victorian State Government, major industries, community and other key stakeholders to assist in the development of effective policy and strategy responses, particularly in relation to land affected by coal related policies.

Policy directions relevant to the Industrial and Employment Strategy include:

1. Diversification of employment opportunities is considered a priority for Latrobe City. Growing new markets for low emission energy resources and food production are considered opportunities.

2. Recognise the significance of industrial land uses through the planning scheme.

3. Capture identified economic opportunities (as relevant to land use planning) and incorporate relevant directions from the Economic Development Strategy (currently being prepared by council) into the Industrial Land Use and Employment Strategy.

4. Identify critical infrastructure required to support existing and new industry investment.

5. Identify the purpose, role and opportunities of the key industrial precincts in Latrobe City.

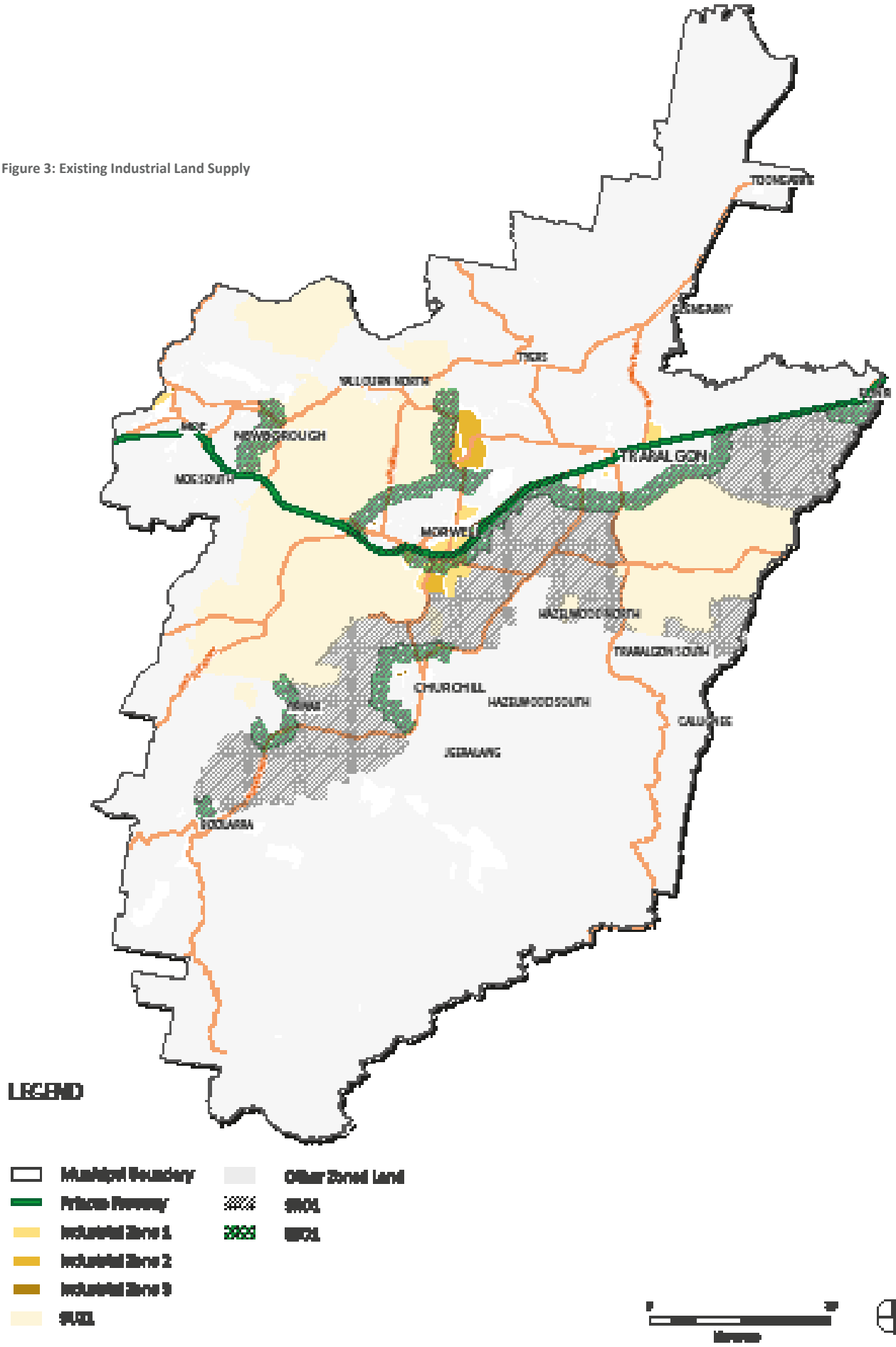
6. Provide a short, medium and long term approach to industrial land. This should specifically include exploration of land previously identified for a transition from/to industrial.

7. Investigate land use options within the State Resource Overlays, heavy industry and mining buffers, recognising these matters are under State Government control.

8. Recognise land use separation distances or threshold distances within the Latrobe Planning Scheme.

9. Provide design guidance for new industrial development.

Figure 3: Existing Industrial Land Supply



1.2 ENGAGEMENT

A wide range of stakeholders have been consulted as part of Live Work Latrobe. The input from these diverse groups has informed the development and refinement of the Housing, Industrial and Employment and Rural Land Use Strategies.

Engagement has occurred over two stages as described below.

STAGE 1 CONSULTATION

Live Work Latrobe Stage 1 was completed in January 2016 and included a comprehensive program of community and stakeholder consultation aimed at encouraging public discourse and capturing aspirations for the future around the themes of housing, industrial land use and employment and rural land use.

Over 370 people were involved in the engagement process which included a range of mechanisms to gain community input including listening posts, surveys, workshops and one-on-one interviews. Refer to the Live Work Latrobe Consultation Report (2016) for a full summary of the approach and consultation findings.

ASPIRATIONS FOR LATROBE

Key messages from the community regarding their aspirations for the City are:

- Reposition Latrobe's role as a thriving regional centre by attracting new industries that create more employment opportunities that go beyond the energy sector.
- Plan for a greener, cleaner future and celebrate the natural environmental features that make Latrobe an attractive place to live.

KEY MESSAGES FOR INDUSTRY AND EMPLOYMENT

Key messages from the community with regard to industry and employment include:

- Job security is a major concern. Build on the existing skills and resources in Latrobe to transition into new and more sustainable industries such as advanced manufacturing and renewable energy.
- Education and training is important to retain skills and young people in Latrobe and to support the growth of new industries.
- Encourage greater flexibility and diversity in the job market to ensure all residents have access to local employment opportunities.
- The general ageing of the population changes the profile of the workforce, but also generates opportunity to enhance the community and health services industry.

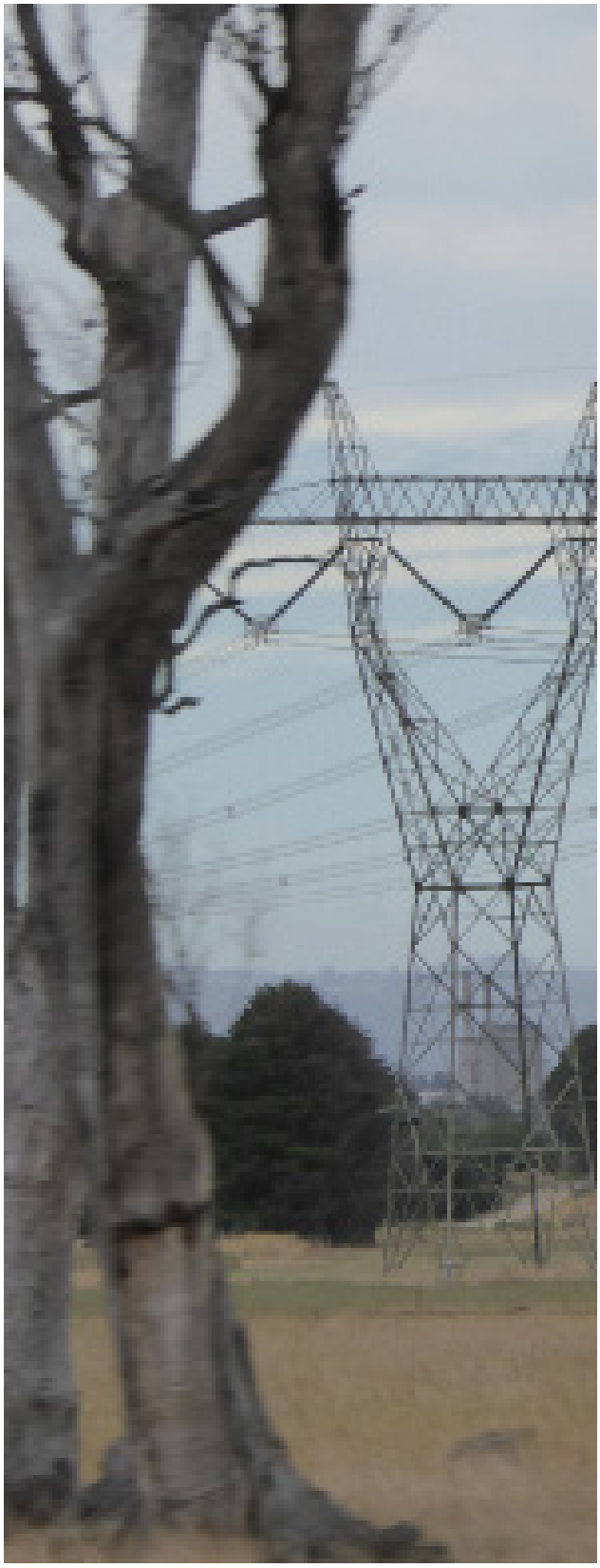
STAGE 2 CONSULTATION

Live Work Latrobe Stage 2 undertaken from October 2016 to July 2017 included extensive consultation with government stakeholders and industry representatives to gather further information, test emerging directions and refine the Strategies. Consultation was undertaken in the form of one-on-one meetings and workshops.

Live Work Latrobe Stage 2 was also overseen by a Key Stakeholder Reference Group which included representatives from the agencies and organisations listed below. The purpose of this group was to provide technical advice and direction to shape and test the Strategies:

- Department of Environment, Land, Water and Planning (DELWP)
- Department of Economic Development, Jobs, Transport and Resources (DEDJTR)
- Regional Development Victoria (RDV)
- Latrobe Valley Authority (LVA)
- Committee 4 Gippsland
- Agribusiness Gippsland
- Clean Coal Victoria
- Environmental Protection Authority Victoria
- West Gippsland Catchment Management Authority
- VicRoads
- Gippsland Water
- Latrobe City Council, including the following Departments:
    - Strategic Planning
    - Economic Development
    - Urban Growth
    - Statutory Planning

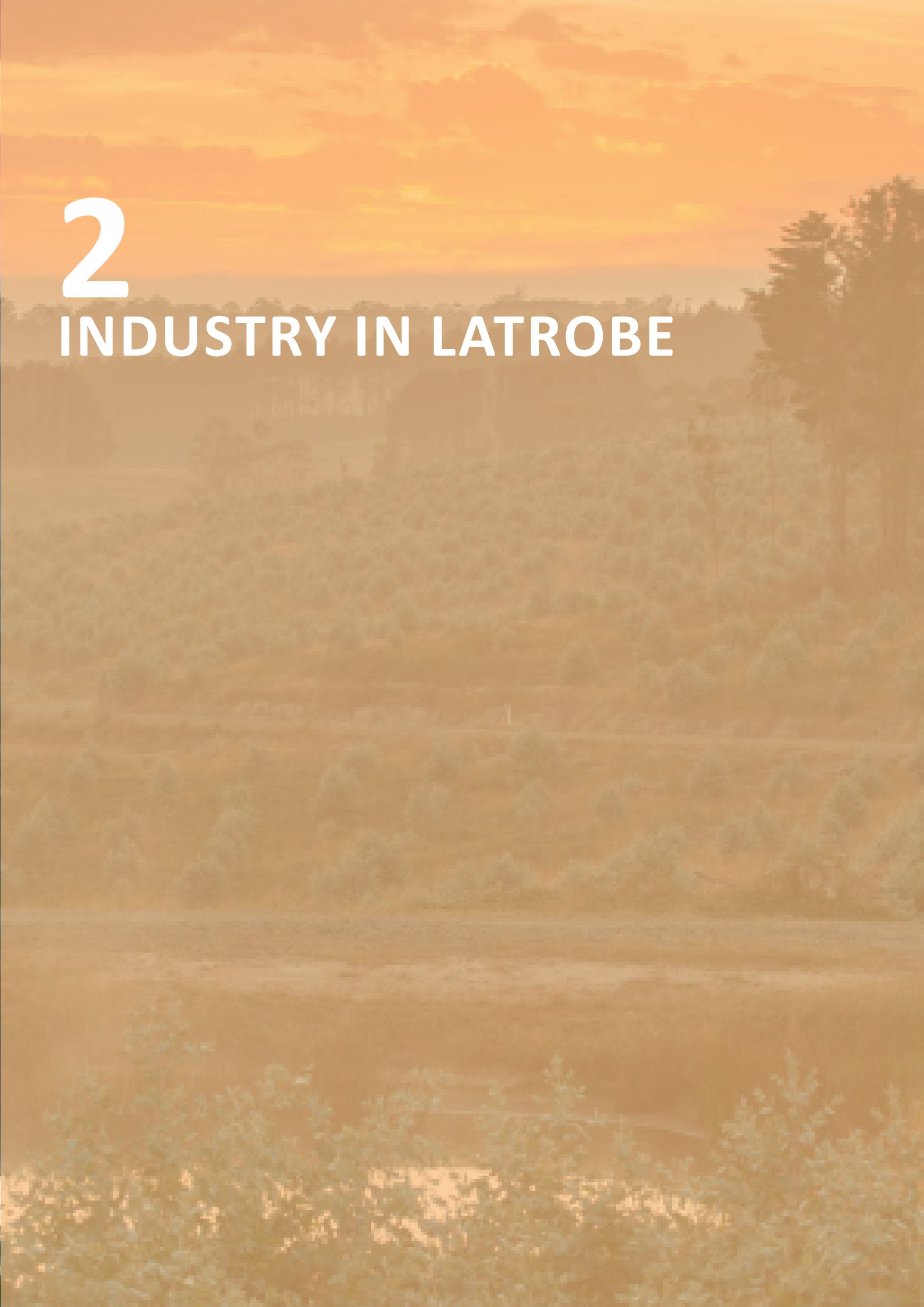
A number of these organisations have made written submissions which have been considered in the development of this Strategy.



1.3 POLICY CONTEXT

Table 1: Policy Context

RELEVANCE	POLICY
NATIONAL RELEVANCE	Australian Infrastructure Plan
	Energy White Paper
	Productivity Commission Public infrastructure: Inquiry report: Volume 1
	Productivity Commission Public infrastructure: Inquiry report: Volume 2
	Sustainable Australia: Sustainable communities
	Australian infrastructure statistics: Yearbook 2014
	Stronger farmers, stronger economy: Agricultural competitiveness white paper
	Electricity distribution network service providers: Annual benchmarking report: November 2014
	Electricity network regulation: Inquiry report
	Renewable energy- (Australian Government Department of the Prime Minister and Cabinet)
STATE RELEVANCE	Plan Melbourne
	Laying out the Foundation – 30 year Infrastructure Plan (2013)
	Victoria's Draft 30-year Infrastructure Strategy December (2016)
	The Victorian Freight and Logistics Plan (2013)
REGIONAL RELEVANCE	Gippsland Regional Growth Plan (Issues Paper / Background Report)
	Gippsland Regional Profile (RDV)
LOCAL RELEVANCE	Latrobe City Council Plan
	Latrobe Planning Scheme
	Gippsland (Morwell) Logistics Precinct
	Traralgon Growth Area Framework Plan
	Economic Sustainability Strategy
	Latrobe Regional Airport Master Plan
	Logistics Precinct Master Plan
	Gippsland Logistics Precinct Master Plan
	Events Strategy & Action Plan
	Asset Management Strategy



2
INDUSTRY IN LATROBE

2.1 BRIEF HISTORIC CONTEXT

Latrobe Valley has a well-documented history of economic and structural change involving the mining and energy sectors. The cumulative effects of industry reforms including the recent closure of Hazelwood are likely to be felt for many years to come.

However, a growing services sector in Latrobe Valley and a longer term transition towards renewable energy technologies represent opportunities for workforce re-alignment, economic diversification and sustainable growth in the future.

Past employment studies and industrial strategies have recognised the challenges and opportunities facing Latrobe City but have lacked a clear spatial framework and supporting policy to effectively plan for current and future industry requirements.

An Industrial Land Use Strategy prepared in 1981 by WD Scott Management Consultants clearly demonstrates that the issues faced by the region more than three decades ago are in some ways the same today:-

> *"General manufacturing industry is in decline in terms of employment generation and overall role in the regional economy. In this respect, manufacturers are following national trends with an overall decline in employment levels and a tendency to concentrate in metropolitan areas. However, the seriousness of this decline (both in terms of its magnitude and implications) is especially significant in respect of the Latrobe Valley. The population-related services industry is expected to expand in response to continuing population growth and the relatively high levels of employment and household income being generated in the region as a result of energy-based projects.*
>
> *In essence, it is concluded that having regard to relevant commercial considerations there is very little potential for the development of downstream industries within the Latrobe Valley despite the fact that coal conversion plants may be constructed within the region in the next two decades. Indeed it is possible to generalise this fundamental conclusion further vis; despite its abundant brown coal reserves the potential for industrial development within the Latrobe Valley in sectors which are not directly energy-related is, other things being equal, very limited."*
>
> *– WD Scott Management Consultants, 1981*

These earlier perspectives reinforce current views that it is difficult to attract new early-stage investment in developing sectors relating to mining and energy production within the region.

A renewed focus on attracting global and local investment and providing infrastructure to support regional employers, small business and the expansion of the region's growing services economy will underline growth in the future.

As recognised by Latrobe City Council's Economic Development Strategy, Latrobe's history and strength in engineering will also remain a key focus for industry development and attraction actions. There will be a holistic focus on engineering, including support and alignment of education, training and brand development as the *'Engineering Capital of Australia'*

2.2 CHANGING INDUSTRY STRUCTURE

The economic structure of Latrobe Valley is currently heavily focused on traditional industries, with manufacturing, electricity generation, construction, agriculture and forestry sectors accounting for large shares of regional production and output. Latrobe's largest economic sectors by output are manufacturing ($1.8b), electricity, gas and water services ($1.5b) and construction ($0.997b).

However, the services economy continues to grow as a share of regional output and employment, with health care services and retail trade being the largest employing sectors in the region followed by manufacturing. There are over 4,000 jobs in health care and social assistance and 2,400 jobs in education and training across the region.

- Latrobe Regional Hospital supports up to 1,800 FTE jobs continued investment in health related services has the potential to attract workers and encourage growth in specialised medical services and allied health services.
- Federation University at Churchill supports over 400 staff with 2,000 on-campus students and 5,000 off-campus students creating employment and economic opportunities in sectors such as education, retail, hospitality and business services.
- The Technology Park in Churchill contains approximately 1,350 jobs and includes tenants such as IBM, further highlighting opportunities to integrate specialised manufacturing and engineering skills with research and technology related activities within the region.
- The retail sector employs approximately 3,291 people across the municipality, consistent with Latrobe's role as Gippsland's Regional City.

As the economy progressively transitions from traditional industries towards a services economy there may also be opportunities for workforce re-alignment in the future This could involve sectors with demand for skilled, high-tech manufacturing, such as renewable energy, advanced mining or agricultural equipment and forestry processing products.

There is also potential to attract investment in new energy technologies to capitalise on extensive existing energy infrastructure networks in Latrobe City, including numerous large manufacturing assets established during the SEC era which are under-utilised and provide potential for renewal and reuse.

The driving philosophy underpinning Latrobe City Council's 2016 Economic Development Strategy is that viable, environmentally sustainable economic growth takes place through:

- The recognition, protection and promotion of the region's competitive advantages;
- Support of existing industries;
- Innovative approaches to diversification of the economy and the creation of new jobs; and
- Identification and encouragement of new economic opportunities.

The ultimate goal of the Economic Development Strategy is therefore to achieve lasting economic development across the municipality resulting in increased population and increased/improved services and facilities.

This objective aligns with a central objective of the Live Work Latrobe strategies to grow population and strengthen Latrobe City's role as a regional services hub.

FUTURE USES OF BROWN COAL

The Victorian State Government recently released its ***Statement on Future Uses of Brown Coal*** (2017). The statement acknowledges that the Latrobe Valley is home to the second largest brown coal resource in the world. Importantly, the statement commits to:

> ***Adopting an 'open for business' approach to supporting new investment and research opportunities in projects using coal. Projects will be considered on a case-by-case basis against other economic development opportunities underpinned by an evidence-based evaluation of economic, social and environmental factors.***

The Statement, and this Strategy, support the utilisation of the City's valuable coal resources to provide alternative high value, low emission products for domestic and international markets.

2.3 INDUSTRIAL LAND USE CONTEXT

In theory, Latrobe Valley appears to have more than sufficient zoned industrial land available to meet future needs. However, in reality, not all available zoned industrial land is attractive, suitable for development or investment-ready. This is generally due to infrastructure constraints and/or statutory planning considerations including overlays and buffers.

This section explores industrial land trends for the urban areas of Moe, Morwell, Traralgon and Churchill including available supply, recent consumption/take-up rates, development approvals and future land availability.

A high level benchmark assessment is provided looking at regional trends in industrial land supply and demand, building activity and forecast land availability across three comparable regional centres – South Gippsland, Wodonga and Mildura.

Refer to Appendix B and C for further discussion of industrial land trends in Latrobe City and other regional locations.

REGIONAL TRENDS & ISSUES

This section explores the current trends in industrial land use in Latrobe and their implications on future employment and industrial land use in Latrobe.

SUPPLY ANALYSIS

The following summarises the findings from supply analyses undertaken as part of the State Government's Urban Development Program in 2009 and a more recent analysis undertaken by Essential Economics in 2015.

SUPPLY ANALYSIS - URBAN DEVELOPMENT PROGRAM (2009)

According to the 2009 Urban Development Program (UDP) Regional Industrial Report for Latrobe, there was approximately 1,180 hectares of zoned industrial land in the Latrobe Urban Area.

The ***Morwell Specialised Industrial Area*** comprising 301 gross hectares of land zoned Industrial 1 Zone located south of the Princes Freeway was excluded from the total above.

Of the 1,180 hectares of industrially zoned land, 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

- Morwell – 130 hectares
- Traralgon – 22 hectares
- Moe – 19.5 hectares
- Churchill – 7.5 hectares.

Of the total reported stock of zoned industrial land in the Latrobe Urban Area:

- 40% or 470 hectares was Industrial 1 Zone
- 50% or 596 hectares was Industrial 2 Zone, and
- 10% or 115 hectares was Industrial 3 Zone.

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

In total 189 hectares of land was 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.

SUPPLY ANALYSIS – ESSENTIAL ECONOMICS (2016)

According to a report prepared by Essential Economics (January 2016) there was approximately 1,685 hectares of zoned industrial land in the Latrobe Urban Area in 2015. Of this figure, 915 hectares was identified as land available (already zoned) with the balance being occupied.

The higher vacant land supply figure includes the Morwell Specialised Industrial Area south of the Princes Freeway zoned Industrial 1 plus approximately 185 hectares vacant industrial land located north of Morwell and east of Traralgon, and the creation of additional industrial zoned land across each of the areas making up the Latrobe Urban Area.

The stock of available zoned industrial land in 2015 was located in the following areas:

- Morwell – 625 hectares including Morwell Specialised Industrial Area (68%)
- Moe – 55 hectares (6%)
- Traralgon – 40 hectares (4.3%)
- Churchill – 10 hectares (1%)

A visual assessment as of December 2016 of all industrial land stocks within each of the urban areas comprising the Latrobe Urban Area using NearMaps reveals there has been little change in the development of industrial land stocks since the preparation of the January 2016 report.

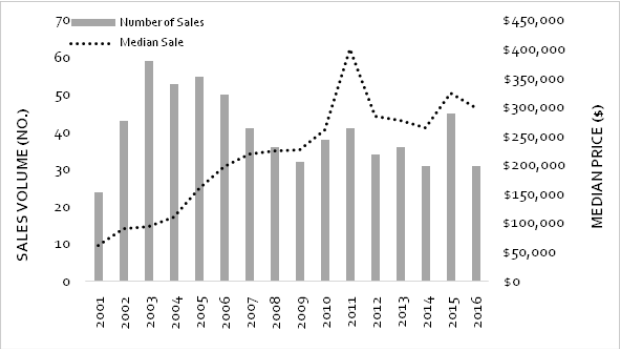
DEMAND ANALYSIS

There are a number of indicators of demand for industrial land including industrial sales volumes, average industrial transaction values and land consumption rates.

A review of industrial sales volumes (including factories, warehouses and vacant lots) and median industrial sales prices for the Latrobe Urban area is presented below.

Average annual industrial sales transactions have slowed from an average of around 50 between 2002-2006 to approximately 37 between 2006-2016, a reduction of around 30%.

Figure 4: Industrial Sales Volumes & Median Prices (Latrobe Urban Area)



Conversely, median sales prices for industrial properties have risen significantly with median sales prices increasing on average by approximately 4.2% per annum between 2006 and 2016.

According to the 2009 UDP, consumption of industrial land in the Latrobe Urban Area was reported to be approximately 3.1 hectares p.a. during the period 2006-2009. Of note:

- Consumption in the ***Morwell Specialised Industrial Area*** was 2.6 hectares p.a. during the same period.
- Most consumption occurred in the Morwell and Traralgon Urban Areas. In Traralgon take-up was focused on the newer industrial areas to the east of the city centre.
- Significant consumption was reported in the ***Morwell Specialised Industrial Area*** (7.8 hectares or 85% of total consumption in the Latrobe Urban Area) between 2006-2009.

According to Essential Economics (January 2016) consumption of industrial land in the Latrobe Urban Area may have increased substantially to as high as 7.7 hectares p.a. between 2012-2015 or around 20 hectares across the Latrobe Urban Area.

During this time industrial land consumption occurred in the following locations:

- Morwell – 15.4 hectares (77%)
- Moe – 0.4 hectares (2%)
- Traralgon – 3.7 hectares (19%)
- Churchill – 0.4 hectares (2%)

A large share of total consumption could be attributed to the ***Morwell Specialised Industrial Area*** which has historically accounted for around 45% of total annual industrial land consumption in Latrobe on average.

Overall, consumption of industrial land appears to have increased, which coincides with a long term reduction in transactions volumes and an increase in median sales volumes.

This outcome is likely to reflect an increase in the relative proportion of larger properties being transacted during this time, which may be reflected in lower transactions volumes and lead to an overall increase in median sales values.

This is an interesting observation when considered in the context of the total volume and mix of available zoned industrial land in the Latrobe Urban Area. Most of the available stocks of Industrial 1 land are relatively large blocks located in the north of Morwell, ***Morwell Specialised Industrial Area*** (located south of Firmins Lane) and east of Traralgon.

According to the 2009 UDP, there was in excess of 15 years of industrial land within the City of Latrobe based on historic rates of land consumption. This assessment was made subject to a number of qualifications relating to the level and location of future consumption, which may change over time.

According to Essential Economics, between 191 hectares and 240 hectares may be required within a period of 15 years from 2015, meaning this is well within the 915 hectares of vacant land identified, even excluding the Morwell Specialised Industrial Area.

Table 2 presents an estimate of total hypothetical supply reflecting available data.

Table 2: Hypothetical Land Supply

INDUSTRIAL LAND	AREA (HA)
Area Zoned Industrial (Latrobe Urban Area)	1,658ha
Occupied Industrial Land	743ha
Available Industrial Land Supply	915ha
Industrial 1 and 2 Zoned Land South of Princes Highway, Morwell^	Approx 500ha
Gippsland Logistics Precinct / Intermodal Freight Terminal (GIFT)	Approx 70ha
Transition land / otherwise unavailable in future (Latrobe Urban Area)~	Up to 100ha
Practical / Developable Industrial Land Supply (including the Industrial 1 and 2 zoned land south of the Princes Highway)	Approx 705ha
Forecast 15 year Industrial Zoned Land Requirement	191-240ha

^ This area includes land south of the Princes Freeway in Morwell zoned Industrial 1 and 2, which was recently removed from the State Resource Overlay – Schedule 1 (Coal). The majority of this land is now considered to be available and suited to large format and heavy industry uses, subject to provision and access to services and essential infrastructure (i.e. water, sewer, gas and electricity).

ADEQUACY OF INDUSTRIAL LAND STOCKS

Ongoing transition within the mining and energy sectors in Latrobe Valley is likely to have significant implications for future industrial consumption rates across the Latrobe Urban Area and the Morwell Specialised Industrial Area.

Furthermore a sustained shift towards a more services-based economy, as promoted by this Strategy, is likely to raise demand for commercial properties and may potentially reduce the reliance on more traditional sectors. They are large users of industrial land, with implications for the volume, location and mix of industrial land in future.

Table 2 indicates the supply of available industrial land. Access to supporting services and infrastructure (Gas, Water, Power etc) however influence the degree to which vacant zoned land is practically available for development and therefore investment ready. In particular results of this analysis as well as local stakeholder consultation indicate:

- A significant portion of land zoned Industrial 1 and 2 Zone is located south of Morwell. This precinct provides a significant opportunity for large format and heavy industry development following the recent removal of the State Resources Overlay (SRO1) by Amendment C111 to the Planning Scheme. The northern portion of the precinct is located within the Environmental Significance Overlay – Schedule 1
- The mix of available parcels within Moe and Traralgon and to some extent Morwell may not be in the right location to meet current or future industry demand / consumption trends and more appropriate locations, particularly along main road frontages might be considered.
- Most of the demand for industrial land is within the larger townships of Morwell and Traralgon meaning many of the larger parcels identified within Moe and Churchill are unlikely to be realistically developed for some years.
- There are a number of location-specific issues relating to buffers and conflicting uses in older industrial estates, which have the potential to reduce the adequacy of stocks at these locations and limit the capacity for residential development in neighbouring areas.

IMPLICATIONS FOR THIS STRATEGY

This Industrial and Employment Strategy seeks to refocus and rationalise industrial land across the City. It identifies new locations for industry to maximise the efficient use of resource and amenity buffers as well as access to physical and transport infrastructure. The Strategy also identifies locations where industry has become incompatible with surrounding sensitive land uses and transition is required.

The Strategy seeks to ensure that industrial land throughout Latrobe City is investment and development ready, that it realises its future role as a food processing and manufacturing hub for the Gippsland food bowl, a service centre for the surrounding region and to create a hub of State significance for heavy industry.

3
STRATEGIC FRAMEWORK



3.1 KEY OBJECTIVES

This Strategy is guided and structured around four key objectives:

OBJECTIVE 1 – ENCOURAGE A MIX OF DEVELOPMENT THAT WILL ACCELERATE REGIONAL EMPLOYMENT AND POPULATION GROWTH AND UNLOCK BENEFITS OF A SINGLE REGIONAL CITY FOCUS

Encourage the development of the Morwell and Traralgon corridor to create a major regional employment hub that provides for a range of development opportunities and will support the growth of Latrobe City to 100,000 people.

OBJECTIVE 2 – ACTIVELY ATTRACT BUSINESS INVESTMENT AND DEVELOPMENT, THROUGH MARKETING AND INFRASTRUCTURE IMPROVEMENTS

Create a network of highly integrated employment clusters connecting to major road and rail infrastructure and industry supply chains, capitalising on regional assets such as access to bulk energy and water resources, Gippsland Water Recycling Plant and Maryvale Paper Mill.

Attract local and international investors with a focus on innovation, research and new technologies aligned to the region's natural resources and Latrobe City's foundations in engineering to drive productivity and create new employment outcomes.

Related to this, the Housing and Rural Land Use Strategies which complement and support this Industrial and Employment Strategy also seek to promote and invest in the liveability attributes of the City including urban amenity, housing affordability, natural environment, recreation and education in order to attract and retain workers and investment in the area.

OBJECTIVE 3 – PROVIDE A LONG TERM DEDICATED LOCATION FOR HEAVY INDUSTRY

Create a dedicated home for heavy industry away from sensitive uses, by attracting new industries and relocating existing businesses in constrained locations.

The City contains large areas of undeveloped land within Industrial 2 Zone, which provides for heavy industry. These areas are a significant asset to Latrobe as well as the Gippsland region.

This Strategy seeks to remove barriers to the development of industrially zoned land and attract investment in the City.

OBJECTIVE 4 – IMPROVE OLDER/DECLINING ESTATES BY ENCOURAGING RELOCATION OF CONSTRAINED INDUSTRIES AND ENCOURAGING RESIDENTIAL DEVELOPMENT OF VACANT DERELICT LAND

Over time many of the existing industrial areas throughout the municipality have experienced residential encroachment. There are also examples of neglected industrial areas.

Where appropriate this Strategy seeks to encourage the transition of older, declining industrial estates over time through rezoning to allow urban renewal in areas close to community infrastructure and services. It identifies other actions to improve the appearance and amenity of the City's older industrial areas.

3.2 KEY PRINCIPLES

This Industrial and Employment Strategy is underpinned by the following commercial principles. These principles also reflect the results of stakeholder consultation undertaken in the preparation of this strategy.

AFFORDABILITY

- Industrial land prices should remain competitive over the course of time, supported by an orderly supply of quality industrial land stocks.
- The costs of developing land should not be prohibitive (e.g. trunk infrastructure, site remediation, trunk services, roads, site utilities).

QUANTITY

- There will be adequate industrial land stocks available to support Latrobe's existing energy sector and other major industries.
- An appropriate mix of land parcels will be available to meet industry demand/consumption trends.
- There are sufficient land stocks under each zone to meet long-term industry needs.
- Land stocks are developable on all zoned land within a realistic timeframe.

QUALITY

- There is well located land available near key centres within each township/district.
- The development of land/sites minimises impacts on non-industrial uses in the surrounding community.
- Buffer requirements have minimal impacts on land consumption.

GROWTH

- One regional city will be created through the orderly development of land stocks located between development of Traralgon and Morwell.
- Latrobe will comprise a sustainable services sector targeting health, education, retail and government administration.
- The City will have high quality road, rail and air freight capabilities with high connectivity to support local and regional supply chains and access to new markets.
- Business investment, research, innovation and new technologies and partnerships will be supported.



4
THE STRATEGY

4.1 OVERVIEW

This Industrial and Employment Strategy proposes a new spatial land use framework for industrial land; supported by policy and planning tools to unlock future investment and employment opportunities across Latrobe City.

This will require a coordinated approach involving inputs from planning, economic development and regional authorities including Regional Development Victoria and the Latrobe Valley Authority to implement actions aimed at investment attraction and retention across the region.

The framework outlines actions for addressing fragmented and inconsistent land uses which reflect past investments and development outcomes. It creates pathways for future investment in employment clusters within Morwell and Traralgon with a focus on creating a single regional city outcome for the long term benefit of the region.

This section defines the strategic objectives and key principles of the Industrial and Employment Strategy. It also presents the Industrial Framework Plan for Latrobe which spatially represents the key recommendations of this Strategy.

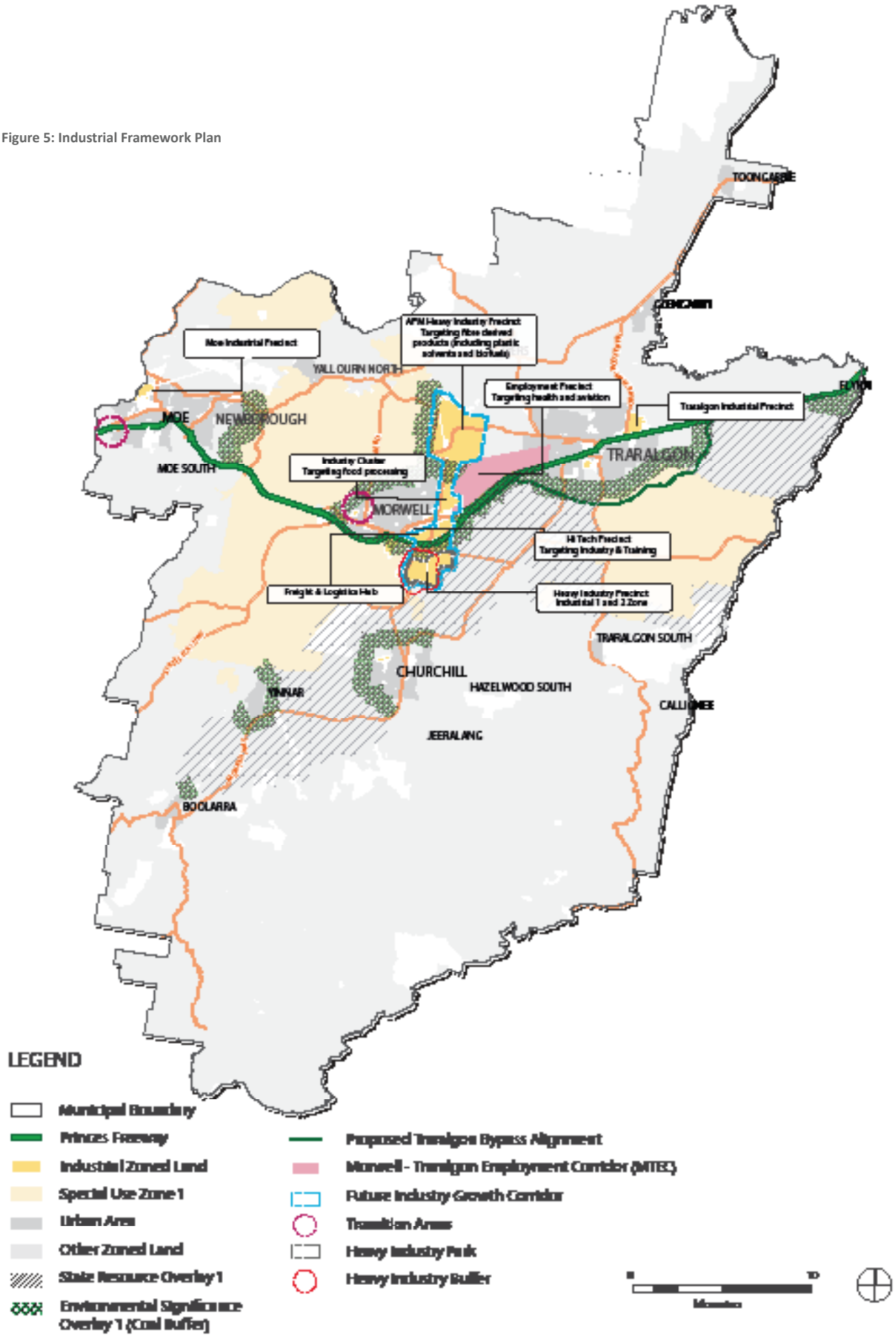
Figure 5 presents the overarching Industry Framework Plan for Latrobe City. This Plan spatially presents the objectives and key initiatives discussed in this section.

This chapter also presents an analysis and recommendations based around the four Key Objectives identified earlier for each individual industrial precinct in Latrobe by Township, it identifies:

- Issues
- Opportunities
- Policy / planning interventions
- Potential market interventions
- Risks
- Key actions (short, medium and long term)



Figure 5: Industrial Framework Plan



4.2 A SINGLE REGIONAL CITY GROWTH FOCUS

Together Traralgon, Morwell, Moe-Newborough and Churchill comprise a networked city, which is recognised as one of Victoria's four Major Regional Cities. However, there is a prevailing sense of separation between these townships, with fragmented residential and industrial settlements and distributed employment outcomes across each of the centres.

This Strategy advocates the pursuit of a single regional city growth focus for Traralgon and Morwell, which allows both townships to grow together over time. It is envisaged that this corridor will support a major regional employment corridor and facilitate the growth of Latrobe City to a population of 100,000 residents. This objective seeks to encourage the development of a diverse services sector to meet the changing needs of both the local and regional resident population.

Rapid growth in the services economy has the potential to attract new residents and jobs to the region and enable the broader Latrobe Valley to grow its population. This will help to attract and retain younger and working aged residents, reduce the region's reliance on traditional industries while also insulating the region from structural changes impacting the mining, energy and manufacturing sectors.

The emergence of health care and social assistance as a major employer in the region, supported by the Latrobe Regional Hospital also has the potential to create critical mass in the services economy and create demand for a range of specialised medical services and ancillary sectors throughout the region. An expanded health services sector will drive employment and population growth which will increase skills and wealth within the region.

The Traralgon Growth Area Framework Plan (2013) identifies the opportunity to develop the corridor between Morwell and Traralgon into a major mixed-use employment node supported by local and neighbourhood activity centres. The proposed Traralgon bypass has the potential to open opportunities for development of land on both sides of the Princes Highway linking the two towns. The Plan includes a high level concept plan for the area. However, a detailed Precinct Structure Plan or similar master plan with clear land use directions, planning and urban design principles and infrastructure investment is required to cohesively guide development and unlock new investment potential.

Key issues and opportunities for the Traralgon-Morwell Corridor Precinct Structure Plan to address include:

- Future long term development potential along both sides of the Princes Highway, depending on the alignment of the Traralgon By-pass and ability to utilise land within the urban buffer.
- Long term expansion plans of the Latrobe Airport – its current location imposes height restrictions on surrounding development. It may be necessary to consider a new long term future location for this important asset.
- Creating opportunities to establish a services employment cluster around the hospital/health services
- Establishment of a new railway station within the corridor
- Transform the Princes Highway (current orientation) into an attractive and engaging boulevard.

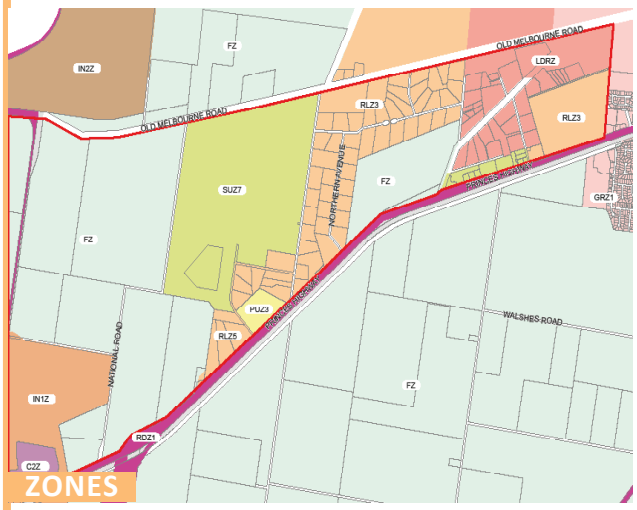
Table 3: Objectives & Actions

OBJECTIVE	**Encourage a mix of development in the Traralgon-Morwell corridor that will accelerate regional employment, population growth and create a single regional city.**
ACTIONS	Prepare a Precinct Structure Plan or similar master plan for the corridor between Morwell and Traralgon, building on the direction of this Strategy and the Traralgon Growth Area Framework Plan. Update the Municipal Strategic Statement to identify the future land use and development potential of the Traralgon-Morwell corridor Explore relocation / transition support options for existing industries into the Alexander's Road Precinct Detailed information and site specific actions are presented in the following pages

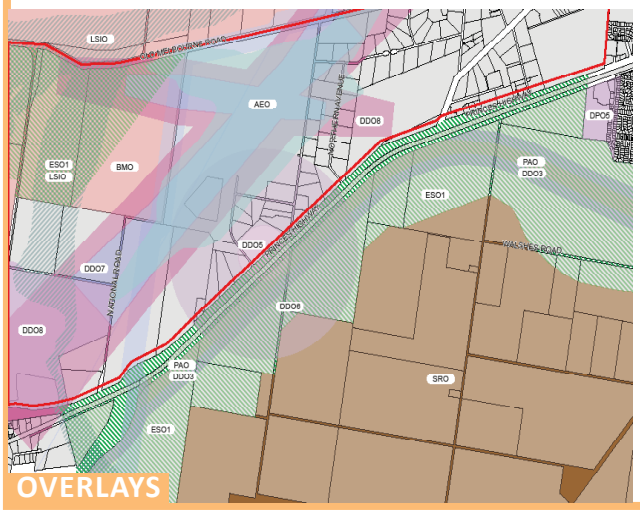
TRARALGON-MORWELL GROWTH AREA

Figure 6: Traralgon-Morwell Growth Area





ZONES



OVERLAYS

ISSUES

- Large parcels of Farming Zone land abutting Latrobe Regional Airport with longer term rezoning/development potential
- Farming Zone land located south of Princes Hwy affected by SRO1 limiting future development
- Direct access to M1 & Princes Hwy for trucks
- Advantage in being located away from neighbouring residential (west)
- Lack of municipal wide retail strategy to assist in exploration of cultural, social activities which occur in activity centres
- Latrobe Regional Airport limits heights/developments in neighbouring industrial, residential and public use zone areas.

OPPORTUNITIES

- Capacity to create a single regional city focus for Latrobe Valley by allowing orderly development between Morwell and Traralgon
- Capacity for major commercial developments with Princes Hwy frontages. This opportunity may be increased as a result of the Traralgon bypass
- Potential development of a new train station in precinct, as proposed by the Traralgon Growth Areas Review (2013)
- Potential integration / coordination of employment related development to integrate with surrounding precincts and developments (e.g. aviation, health, accommodation, tourism related activities and services)
- Capacity for secondary retail nodes supporting retail and residential developments through Neighbourhood and Local Centres
- Suitable for industrial uses requiring noise/amenity buffers (west)
- Large water body north of Hwy providing attractive vistas and open space / tourist traffic related investment opportunities

POLICY/PLANNING INTERVENTIONS

- Traralgon West Structure Plan identifies new investment, employment and land use development opportunities for the corridor
- Latrobe Regional Airport Master Plan 2016 – amendment to introduce recommendations currently being progressed

RISKS

- Complex array of overlays continue to restrict future investment and development within the area and the consolidation of the Morwell and Traralgon Townships

POTENTIAL MARKET INTERVENTIONS

- Work with key stakeholder to remove infrastructure barriers to immediate investments (e.g. sewer infrastructure and major intersection developments
- Undertake a site assessment to determine the most appropriate location for the Latrobe Regional Airport to protect the long term viability of the asset.

KEY ACTIONS

Short-term (Next 12-18 months)

- Agree and confirm timelines for Traralgon bypass with VicRoads
- Council/LVA to explore relocation / transition – support in relocating existing industry / tenant groups to the area supporting creation of a major Employment Precinct
- Complete Latrobe City Retail Strategy as recommended by the Traralgon Growth Areas Review (2013)
- Work with relevant agencies to explore suitable developments within the ESO area north of the proposed bypass

Medium-term (2-5 years)

- Relocation / transition support for existing light industries into Alexanders Road precinct

4.3 ATTRACT NEW BUSINESS & INVESTMENT

Latrobe City is experiencing a period of economic restructuring and transition related to a change in traditional employment sectors such as manufacturing and power production. Despite this, there is already a degree of occupational specialisation within the local labour force. In particular, strength in engineering presents opportunities to re-align the workforce to other sectors with demand for high-tech skilled manufacturing - such as manufacturing for renewable power, advanced mining or agricultural equipment and agricultural or forestry processing products.

The recent announcement of the Hi-Tech Precinct in Morwell which brings together the new Morwell Tech School, Federation University, Federation Training and Fujitsu is a significant step in both re-branding and reinvigorating Latrobe City's industry profile. Furthermore Australian Paper has recently announced plans to establish new 'waste to energy' developments and other products at their Maryvale site.

The planned major distribution hub at Hastings will have a positive impact on Latrobe City's industrial areas and strengthen the opportunity for the establishment of a Morwell Gippsland Intermodal Freight Terminal and new rail freight links along the Gippsland rail line. There is potential for future growth in the warehousing, distribution, freight and logistics sector due to its proximity to Melbourne and Regional City status within the Gippsland Region. As such land with access to main roads, inter-modal and air freight will be critical to facilitate future demand for large scale highly accessible land with close access to major freeways and supply chains.

The Rural Land Use Strategy also advocates that Latrobe City is well positioned to build on its industry strengths in agriculture and forestry and expand its role as a hub for processing of regional primary produce. This direction is reinforced by the recently released ***Victorian Agricultural Freight Flow Mapping (2017)*** produced by the Department of Economic Development, Jobs, Transport and Resources by advocating for the co-location of food precincts with intermodal hubs to reduce supply chain distances. This Strategy identifies a Regional Food Precinct at Maryvale/ Morwell, the area referred to as Alexanders Road East in this Strategy, as a high priority for future investigation.

Furthermore, Latrobe City possesses significant energy production and distribution industries and infrastructure. It is the geographical centre of the State's electricity grid and possesses connections to Tasmania, South Australia and New South Wales. These assets provide Latrobe City with significant opportunities to attract alternative and new energy technology investments, leveraging not only existing infrastructure but the extensive skill base within the community. This could include the potential establishment of an 'Energy Park' as advocated for in the past.

Some larger undeveloped industrial areas such as the Gippsland Logistics Precinct and Alexander's Road precinct (west) have lagged; with developer hold out partly due to a lack of local infrastructure and the need for major intersections and railway grade separation (Alexander's Road (east)) allowing appropriate site access.

It is acknowledged that some larger industrial estates still have vacant lots that remain undeveloped, despite possessing Freeway frontages and/or signage opportunities and good access for heavy vehicles. Anecdotally, prospective purchasers consider lot sizes too small, the asking price for industrial land to be too high in some newer estates and coupled with the associated costs of developing land it makes development prohibitive.

New estates with the potential to attract new investors by offering a mix of larger sites with main road frontages and accessibility to main roads and freeways include:

- Morwell, Alexanders Road East
- Morwell, Tramway Road
- Morwell, Gippsland Logistics Precinct
- Moe, Della Torre Road (north).

The following pages present a summary of key issues, opportunities and actions for each of the above listed sites.

There are also a number of large manufacturing assets that were established during the SEC era located south of Morwell and in Yallourn North which are underutilised and may provide the potential for re-development, re-purposing or use by manufacturing, agricultural storage, warehousing, distribution and logistics sectors.

The Traralgon Growth Areas Review (2013) identifies land south of Princes Highway to the east of Traralgon township for future industrial land use. It is recommended that the Framework Plan be amended to delete this reference. This Strategy advocates that industrial development is concentrated in the Morwell – Maryvale Corridor. This area possesses good road access away from sensitive land uses and will ensure the long-term viability of future development.

Figure 7: Morwell Land Recommendations

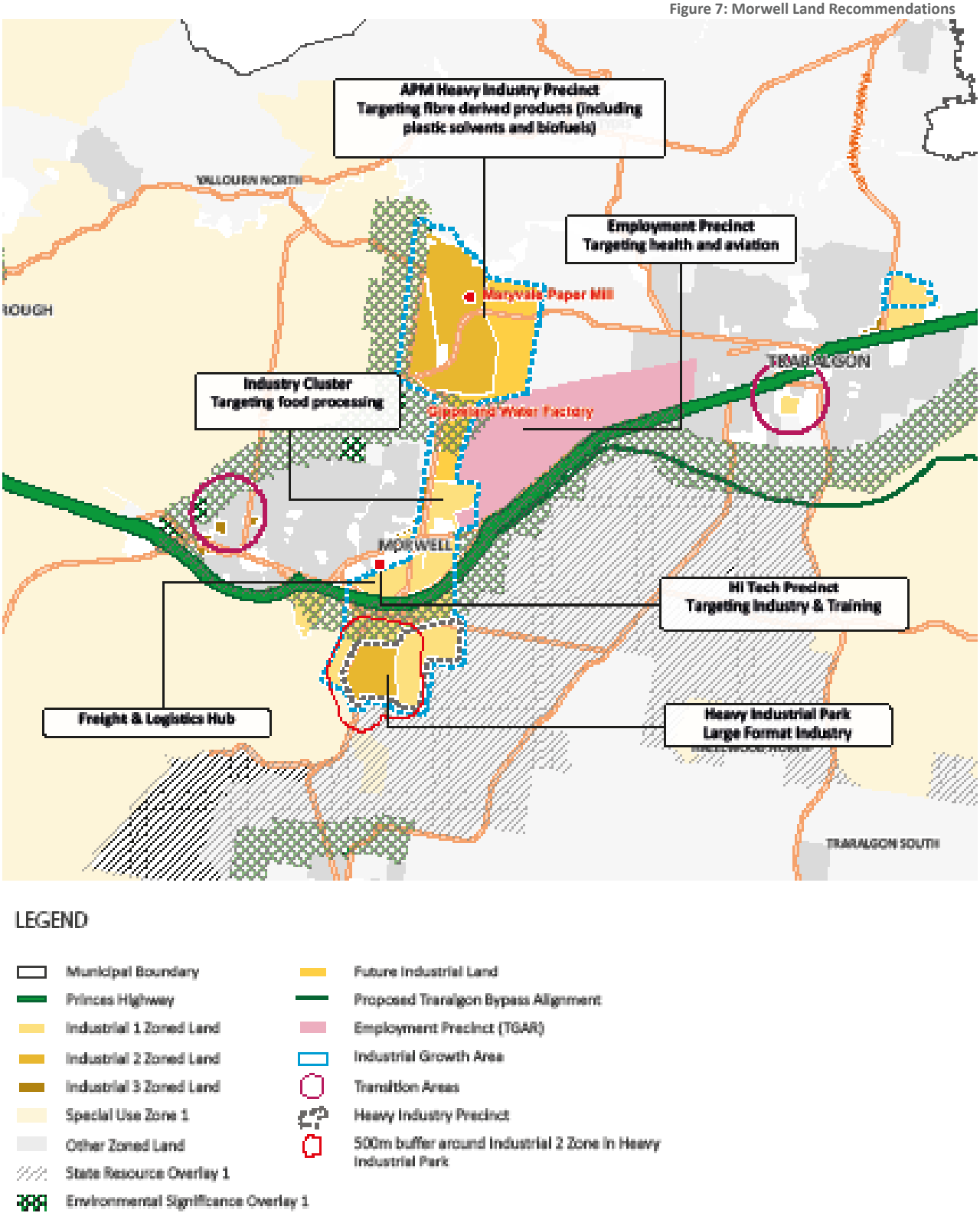


Table 4: Objectives & Actions

OBJECTIVE	Actively attract business investment and development, through marketing and infrastructure improvements.
ACTIONS	Amend the Municipal Strategic Statement to include the Industrial Framework Plan presented in this Strategy
	Prepare a Marketing / Rebranding Strategy in partnership with LVA and RDV to attract business and investment. The Strategy should promote the City's investment readiness as well as issues associated with liveability to attract future residents and workers.
	In partnership with RDV and LVA advocate for a detailed investigation to be undertaken of the Alexanders Road East Precinct (known as the Maryvale / Morwell Food Precinct) to support and attract investment at this precinct.
	Investigate with Gippsland Water potential to extend sewer infrastructure to service the Alexanders East site
	Prepare an Industry Transition Strategy in consultation with industry groups and representatives to: • Clarify local business intentions • Identify opportunities, timeframes and requirements (e.g. site contamination, potential remediation costs) • Identify need to apply the Environmental Audit Overlay • Assess net community benefits of transition This Strategy should be led by Latrobe's Economic Development Team in partnership with LVA and RDV.
	Develop partnerships with Federation University and key education providers to ensure that there is a nexus between education and training and employment opportunities.
	Support the exploration and establishment of new and alternative energy related jobs growth and investments within Latrobe City, leveraging the advantages of existing energy infrastructure and distribution networks.
	Continue to advocate for the balanced use of brown coal as an energy source and for other alternative uses, supporting researchers and government in the realisation of alternative, low emission coal resource investments.

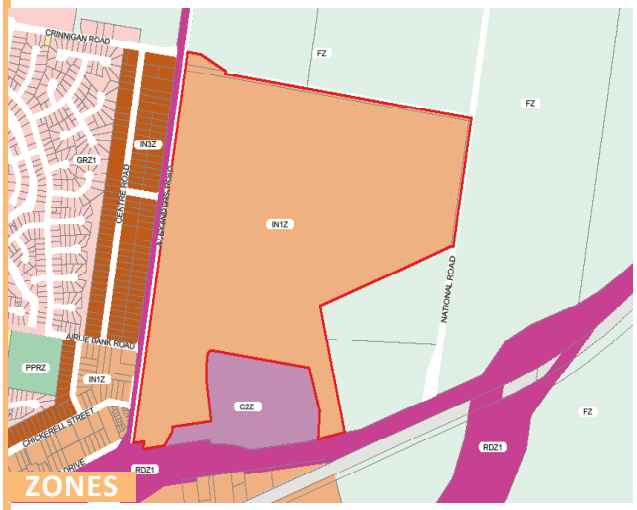
ALEXANDERS ROAD (EAST)

TOTAL INDUSTRIAL LAND: 89.2 HA

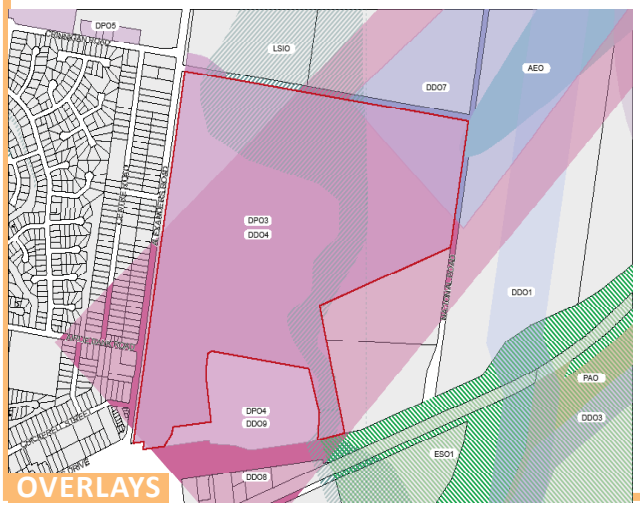
Figure 8: Alexanders Road East



AERIAL



ZONES



OVERLAYS

ISSUES

- Vacant land
- Major frontages to Princes Hwy
- Height restrictions associated with Latrobe Regional Airport
- Very close to Morwell and Princes Hwy/M1 Freeway
- Major potential for expansion of Morwell IN1Z land to secure the operations and future industry expansion opportunities
- Access north-south along Alexanders Road for heavy vehicles
- Likely to require significant upgrade to water infrastructure to service the area – particularly sewer.

OPPORTUNITIES

- Develop area into a food processing precinct, consistent with the Gippsland Regional Growth Plan, through targeted marketing and infrastructure provision.
- Benefits of being located away from residential areas
- Lots of available land for complementary industrial uses
- Suitable for a range of industrial uses with limited impacts of noise/amenity buffers
- Potential future use / connection to the heavy rail spur line running north-south adjacent to Alexanders Road
- Longer term potential to access the Gippsland Water Recycling Plant off Morwell-Maryvale Road
- Approved Development Plan Overlay applies to the land.

POLICY/PLANNING INTERVENTIONS

- Strategically identify this location in local policy as a potential food processing cluster

RISKS

- Lack of large scale business investment / attraction to the area generally

POTENTIAL MARKET INTERVENTIONS

- Business Partnerships – potential support from RDV/ LVA in identifying business partnering / clustering opportunities (e.g. food processing)
- Relocation / Transition – support in relocating some existing industry / tenant groups to the area

KEY ACTIONS

Short-term

- Council/RDV to explore relocation opportunities to the precinct with key groups
- Investigate with Gippsland Water potential to extend sewer main to service site
- Investigate potential funding arrangements for site access with Vic Roads

Medium-term (2-5 years)

- Partnering / business attraction support for larger industry targeting food processing industries

Long-term (5-10 years)

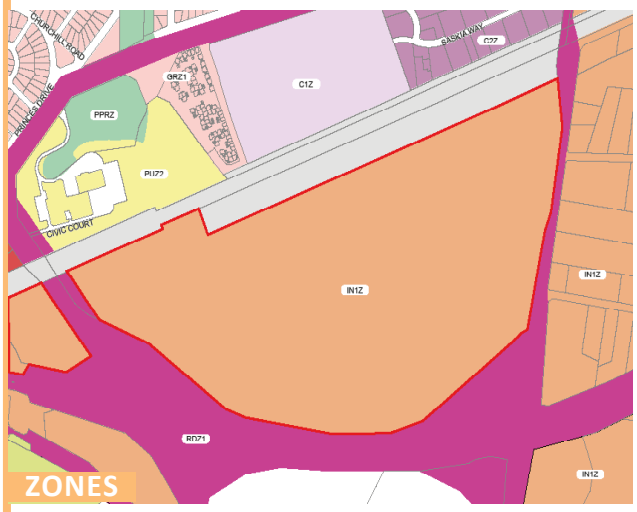
- Potential investment in north-south rail spur line for freight

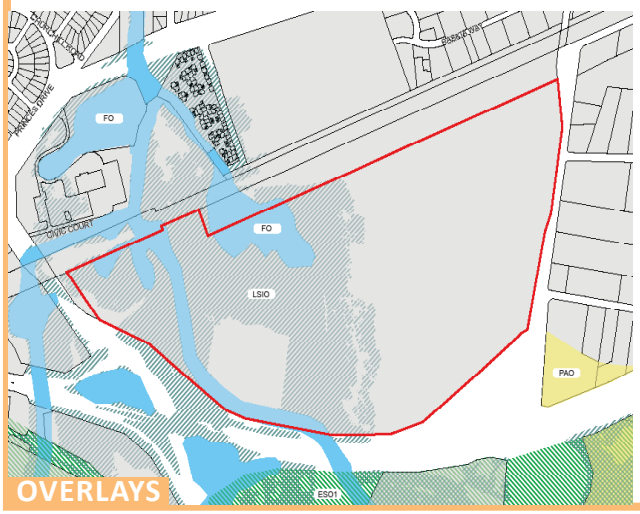
MORWELL LOGISTICS PRECINCT/ENTERPRISE DRIVE

TOTAL INDUSTRIAL LAND: 75 HA

Figure 9: Morwell Logistics







ISSUES

- Vacant land
- Very close to M1 & Princes Hwy for trucks
- Need to interface with neighbouring Tramway Road industrial precinct
- Flooding and Cultural heritage considerations
- Continued access required north-south along Tramway Road for heavy vehicles
- Single land use outcome intended by Council for freight and logistics limits opportunities for other industry to locate in precinct
- Large sized parcel – requiring further subdivision where multiple and complementary uses would be supported to locating onsite

OPPORTUNITIES

- Benefits of being located away from residential areas
- Suitable for industrial uses requiring noise/amenity buffers
- Potential to attract major investors / tenants with a freight and logistics focus for Latrobe Valley building a major regional freight hub
- Potential integration / coordination of development to integrate with neighbouring precincts and developments.
- Business Case has recently been developed to attract funding / investment in the precinct.

POLICY/PLANNING INTERVENTIONS

- N/A

RISKS

- Lack of large scale business investment / attraction to the area generally

POTENTIAL MARKET INTERVENTIONS

- Relocation / Transition – support where relevant

KEY ACTIONS

Short-term (Next 12-18 months)

- Complete relevant technical studies to facilitate development (e.g. Cultural Heritage Management Plan)
- Council/RDV to explore potential purchasers / partners

Medium-term (2-5 years)

- Relocation / transition support for existing logistics industries

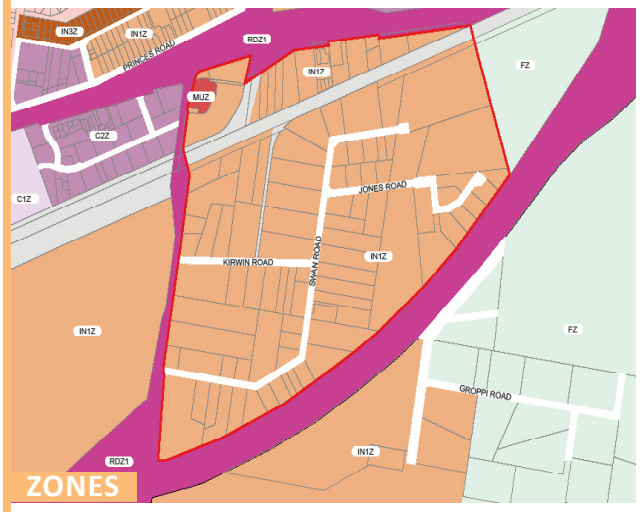
TRAMWAY ROAD

TOTAL INDUSTRIAL LAND: 99.6 HA

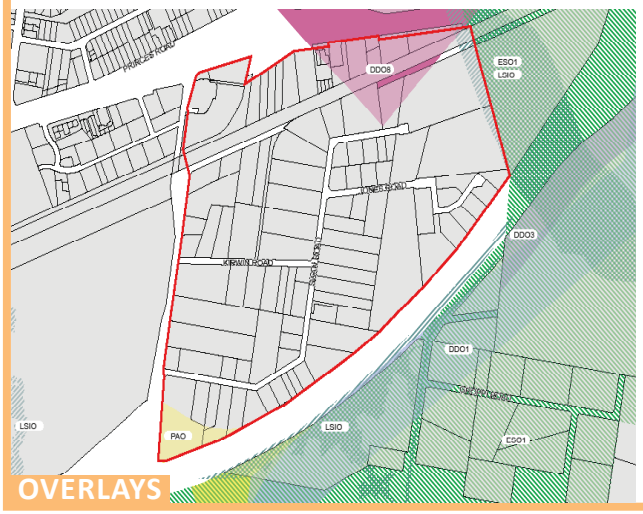
Figure 10: Tramway Road



AERIAL



ZONES



OVERLAYS

ISSUES

- Significant industrial area and employment
- Major contributor to Morwell industrial land stock
- Limit to expansion of the area due to M1/railway line
- Need to interface with neighbouring Tramway Road / Morwell Logistics Precinct
- Continued access required north-south along Tramway Road for heavy vehicles
- Advantage in being located away from neighbouring residential properties

OPPORTUNITIES

- Very close to M1 & Princes Hwy for trucks and visitors
- Relatively high level of vacancy / lots for sale, however these are commonly of a smaller size
- General clean-up required enforced by local laws
- Potential integration / coordination of development to integrate with future developments within Morwell Logistics Precinct
- Hwy frontage to south- opportunity for advertising
- Coordinate freight and logistics planning with Gippsland Logistics Master Plan

POLICY/PLANNING INTERVENTIONS

- Local Law – implement appropriate law requiring clean sites/frontages
- Design Guidelines – buildings and hard stand/storage to meet design guidelines

RISKS

- Buffers may limit future expansion of existing IN1Z supporting ongoing growth in the precinct
- Physical constraints on connecting to Gippsland Water Recycling Plant / heavy rail spur line

POTENTIAL MARKET INTERVENTIONS

- Differential rating system – 400% differential vacant derelict land
- Relocation / Transition – support in relocating existing industry / tenant groups to the area from older areas

KEY ACTIONS

Short-term (Next 12-18 months)

- Council/RDV to explore relocation opportunities with key groups from elsewhere within Morwell
- Explore opportunities with Vic Roads to increase site exposure fronting Princes Hwy
- Local Law – implement immediately
- Differential rating system – 400% differential vacant derelict land

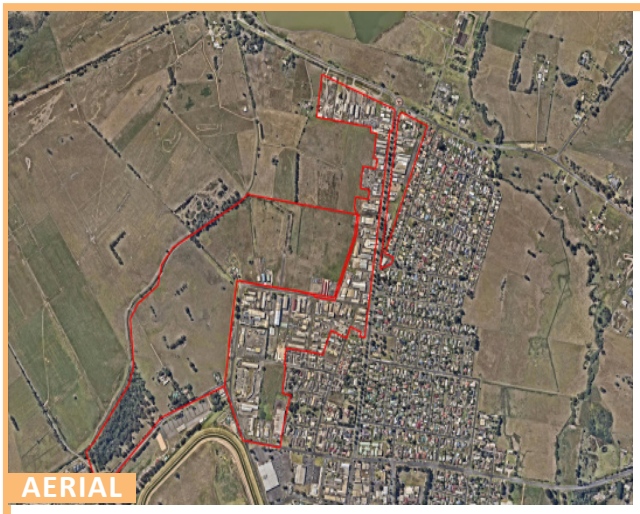
Medium-term (2-5 years)

- Relocation / transition support for existing light industries.

MOORE STREET/DELLA TORRE ROAD

TOTAL INDUSTRIAL LAND: 81.5 HA

Figure 11: Moore Street



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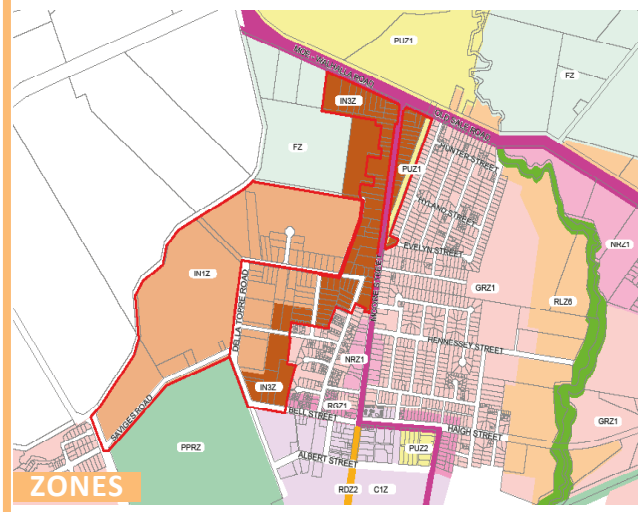

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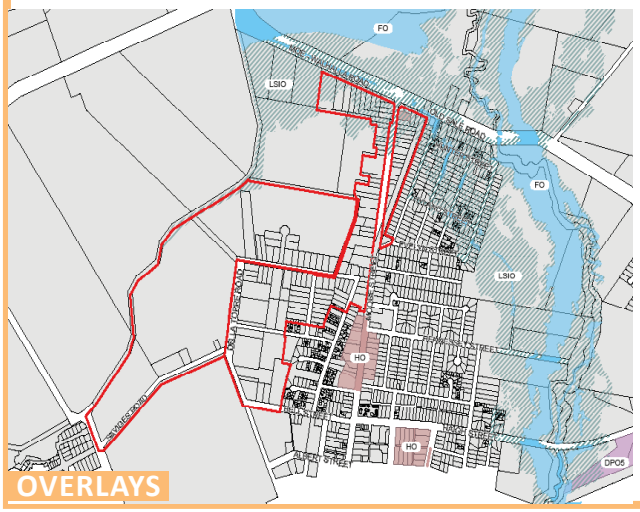


OVERLAYS

ISSUES

- Significant regional industrial area
- Major contributor to Moe industrial land stock
- Very close to Moe Activity Centre for visitors
- Industrial Zone 3 sites located close to residential and other sensitive uses with limited expansion due to abutments
- Residential dwellings located within industrial zones and visa versa
- Industrial 3 Zones to east of precinct
- Largely set-and-forget precinct with potential for local law/design guidelines to encourage clean up of the area

OPPORTUNITIES

- High degree of land use for storage / under-utilisation of sites
- Large area of constrained industrial zoned land, on large lots in west of precinct
- General clean-up required to be enforced by local laws
- Coordinate freight and logistics planning with Gippsland Logistics Master Plan

POLICY/PLANNING INTERVENTIONS

- Local Law – implement appropriate law requiring clean sites/frontages
- Design Guidelines – buildings and hard stand/storage to meet design guidelines

RISKS

- Buffers may limit future expansion of existing IN3Z supporting ongoing growth in the precinct
- Physical constraints on connecting to regional transport infrastructure and restricted heavy vehicle access may limit overall industrial area development and expansion

POTENTIAL MARKET INTERVENTIONS

- Differential rating system – 400% differential vacant derelict land
- Relocation / Transition – support in relocating existing industry / tenant groups to the area from older areas within Moe.

KEY ACTIONS

Short-term (Next 12-18 months)

- Local Law – implement immediately
- Design Guidelines – implement immediately
- Differential rating system – 400% differential vacant derelict land

Medium-term (2-5 years)

- Relocation / transition support for existing light industries

4.4 A LONG TERM LOCATION FOR HEAVY INDUSTRY

Latrobe City is one of the few places in Victoria that contains the Industrial 2 Zone. This zone supports heavy industry, being manufacturing activities and storage facilities that require a substantial threshold distance. This is a key strength of the City and indeed the wider Economic Growth Zone.

There are significant opportunities to leverage existing industrial land areas north and south of Morwell, utilising their associated buffers areas, to develop a long term and dedicated home for heavy industry. This could occur through the attraction of new industries and relocation of existing operations.

The Rural Land Use Strategy advocates that Latrobe City is well positioned to build on its industry strengths in agriculture and forestry and expand its role as a hub for processing of regional primary produce. A supply of suitably zoned and serviced land will be important in encouraging new investment in processing and manufacturing of agricultural and forestry produce.

MARYVALE PAPER MILL & SURROUNDS

The Maryvale Paper Mill, built in 1937, is located 8 kilometres north of Morwell and is the largest pulp and paper mill in Australia. A 5 kilometre adjusted amenity buffer applies from the main plant area totalling 170 hectares and up to 300 hectares of surrounding plantations. The Industrial 2 Zoned site may have the potential to accommodate a range of additional heavy industry uses which also require noise and amenity buffers, with long term potential expansion into FZ land located east and south of the plant.

It was recently announced that Australia Paper are teaming with CSIRO to prepare a business case for the production of biofuel for transportation, aviation and bioplastics from the Maryvale site. This project is expected to attract over $100 million in investment over two phases and create thousands of jobs in the City.

The north-south heavy rail line which runs adjacent to Alexanders Road may also provide potential future opportunities for heavy industry to use dedicated heavy rail freight infrastructure in the area.

GIPPSLAND WATER RECYCLING PLANT

The Gippsland Water Factory located north of Morwell treats 35 million litres of wastewater a day and can produce up to three billion litres of recycled water a year for use by Australian Paper, safeguarding central Gippsland's supply of domestic drinking water. Connected by 78 kilometres of new pipeline and eight new pump stations, the site is a major regional asset. This site could support a range of heavy industrial activities generating waste for recycling, or requiring large volumes of recycled water for production.

FIRMINS LANE HEAVY INDUSTRY PARK

There are large tracts of land located south of Morwell zoned Industrial 1 and Industrial 2 capable of supporting a range of heavy industrial activities. Its proximity and access to the Princes Highway and the quantum of land makes this area highly attractive for heavy industrial activities.

Recent Amendment C111 removed the State Resource Overlay – Schedule 1 from the industry precinct, which now enables approximately 460 hectares of Industrial 1 and 2 zoned land to be utilised for new non-coal related investment and development.

The northern portion of this precinct, south of the Princes Highway is affected by the Environmental Significance Overlay (ESO1), which represents the urban buffer from future coal resource locations. It is understood that the Department of Jobs, Precincts and Regions (DJPR) are currently undertaking a review of coal related provisions and policy, part of which will include the review of ESO1 including locations to which it is applied in the Firmins Lane precinct.

It is the recommendation of this strategy that a Master Plan be prepared for the precinct in order to drive coordinated infrastructure planning and secure the precinct for large format and heavy industry investment opportunities.

SIBELCO

The Sibelco Lime Plant is located approximately 700 metres south of the Traralgon commercial precinct, situated on a 7.7 hectare Industrial 1 Zoned land parcel.

Historical records indicate that the site was first established for cement production in the early 1950's, with this and similar uses continuing on the land under existing use rights since this time. Residential development to the north of the site was established prior to 1950, indicating that there has long been limited separation between the Janette Street industry precinct to nearby residential land.

Further housing growth occurred during 1980's, 90's and

again in 2004.

The buffer distance applicable to an industry such as

Sibelco under EPA guidelines and represented at Clause 53.10 of the Planning Scheme requires a distance of 500m (based on annual output and its equivalence to cement manufacturing). A variation in the separation distances is allowed for sites with high standards of emissions control and management which serve to reduce the likelihood of off-site residual air emissions and noise impacts.

Recognising Sibeco's current management practices, planning approved upgrades and the significance of lime products produced for the region (including for major industry such as the Australian Paper Mill at Maryvale), it is necessary to plan for the continued operation of the site for lime batching.

Accordingly this strategy recommends the exploration of policy and planning controls to allow the consideration for noise attenuation for new sensitive use developments occurring within the recommended 500 meter buffer to the Sibelco plant.

Secondly, it is recommended that policy and / or zone controls be applied which support light industrial and other compatible uses establishing within the precinct as a development buffer between the Sibelco plant and nearby residential and mixed uses. This may be achieved with the application of Industrial 3 Zone to land within the Janette Street Industrial Precinct surrounding the Sibelco plant, which would also serve to prevent new offensive industry uses being established that would detrimentally impact upon nearby sensitive uses (residential housing and schools).

Table 5: Objectives & Actions

OBJECTIVE	Provide a long term dedicated location for heavy industry.
ACTIONS	Discourage the establishment of new offensive uses locating in the Janette Street industrial area which may detrimentally affect the safety and amenity of sensitive land uses surrounding the precinct. Explore the application of Industrial 3 Zone to land within the Janette Street Industrial Precinct surrounding the existing lime batching plant (Traralgon Structure Plan Area 8a) in order to create a buffer to nearby sensitive uses. Investigate and apply permit trigger or policy to enable assessment and requirement for noise attenuation measures to be provided for new sensitive use developments within the 500 metre buffer area surrounding the Janette Street Industrial Precinct (Traralgon Structure Plan Area 8a). Investigate the application of an Environmental Audit Overlay being applied to land within the Janette Street precinct to ensure the appropriate management of the precinct into the future. Support the development of the areas around the Maryvale Paper Mill for heavy industrial uses, which may include considering rezoning SUZ1 land located to the west of the mill and/or Farming Zone land currently used for plantations and sand quarrying located east of the mill. Prepare an Industry Transition Strategy for the City. This should include opportunities to transition heavy industries to appropriate locations which provide appropriate buffers to sensitive land uses as well as good highway access. The Transition Strategy may also consider mechanisms to encourage light industrial and other uses to establish which are compatible nearby sensitive uses. Participate in the Department of Jobs, Precinct and Regions (DJPR) review of coal related policy and provisions included within the Planning Scheme, including the review of the ESO1. Update the Municipal Strategic Statement to strategically identify the future industry growth corridor south of Maryvale Paper Mill.

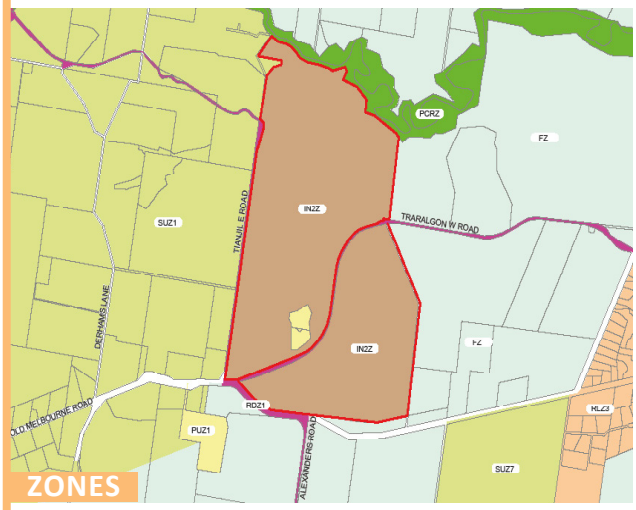
MARYVALE PAPER MILL

TOTAL INDUSTRIAL LAND: 525 HA

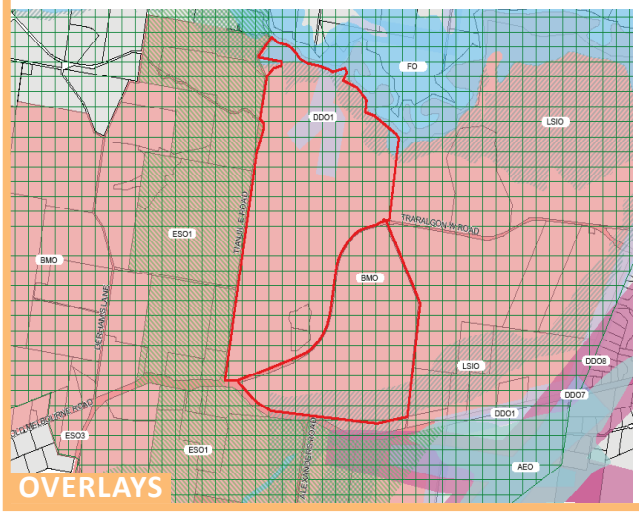
Figure 12: Maryvale Paper Mill



AERIAL



ZONES



OVERLAYS

ISSUES

- Significant employer
- Major contributor to regional gross value add
- Future access required north-south along Alexanders Road for heavy vehicles
- Ongoing need to secure the operations and future industrial expansion opportunities
- Ensuring surrounding and nearby developments are complimentary
- Coordinate freight and logistics planning with Gippsland Logistics Master Plan
- Bushfire Management Overlay applies across the site

OPPORTUNITIES

- Benefits of being located away from residential areas
- Extensive number of lots available land for complementary / heavy industry uses on land south of APM
- Suitable for heavy industrial uses requiring noise/amenity buffers
- Potential to access the Gippsland Water Recycling Plant off Morwell-Maryvale Road
- Potential to attract heavy industry / recycling uses
- Potential expansion into SUZ1 for heavy industrial uses (west); neighbouring FZ (east)
- Potential sand quarry partnering opportunities (south)
- Potential future use / connection to the heavy rail spur line running north-south adjacent to Alexanders Road
- Future development buffered from sensitive uses through the application of the ESO3

POLICY/PLANNING INTERVENTIONS

- Rezoning – possible rezoning of SUZ1 (west) and FZ (east)

RISKS

- Buffers may limit future expansion of existing IN2Z supporting ongoing growth in the precinct
- Physical constraints on connecting to Gippsland Water Recycling Plant / heavy rail spur line
- Future mining operations to the West of the site may result in land stability risk to adjoining industry infrastructure.

POTENTIAL MARKET INTERVENTIONS

- Business Partnerships – potential support from RDV/LVA in identifying business partnership opportunities
- Relocation / Transition – support in relocating some existing heavy industry / tenant groups to the area / infrastructure support

KEY ACTIONS

Short-term (Next 12-18 months)

- Explore IN2Z partnership opportunities (Australian Paper, Gippsland Water)
- Council/RDV to explore relocation opportunities with heavy industries to the precinct both locally and abroad

Medium-term (2-5 years)

- Infrastructure supporting heavy industry use of Gippsland Water Recycling Plant
- Relocation / transition support for new and existing heavy industries to locate at the site

Long-term (5-10 years)

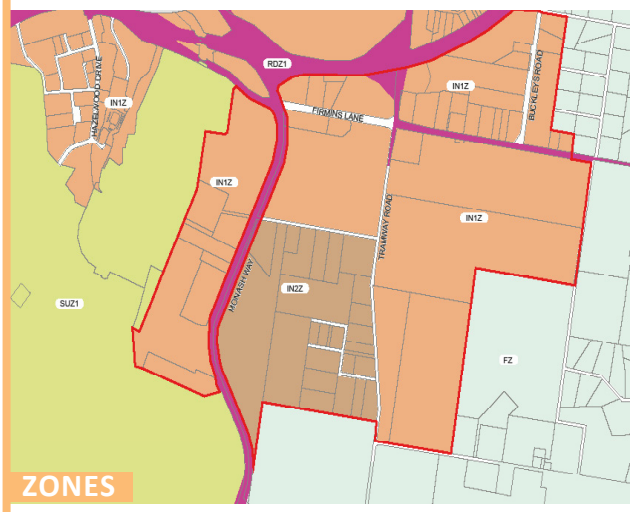
- Potential investment in north-south rail spur line for freight

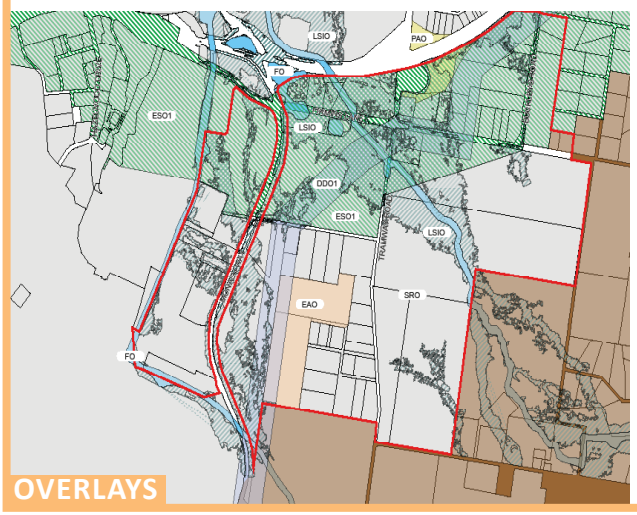
FIRMIN'S LANE & SURROUNDS

TOTAL INDUSTRIAL LAND: 472 HA

Figure 13: Firmins Lane







ISSUES

- Vacant land
- Very close to M1 & Princes Hwy for trucks
- Advantage in being located away from neighbouring residential
- Continued access required north-south along Tramway Road and Monash Way for heavy vehicles
- Residential development established within vicinity of area
- Coordinate freight and logistics planning with Gippsland Logistics Master Plan

OPPORTUNITIES

- Benefits of being located away from residential areas
- Suitable for industrial uses requiring noise/amenity buffers
- Potential to attract major investors / tenants with a freight and logistics focus for Latrobe Valley building a major regional freight hub
- Potential integration / coordination of development to integrate with neighbouring precincts supporting agricultural/food industry developments
- Gas, electricity, water and sewer infrastructure are present traversing parts of the precinct, west of Tramway Road.

POLICY/PLANNING INTERVENTIONS

- Participate in the Department of Jobs, Precinct and Regions (DJPR) review of coal related policy and provisions included within the Planning Scheme, including the review of the ESO1 over the northern section of the Firmins Lane precinct. Following the removal of the SRO1 from the precinct as part of Amendment C111, the retention of the Urban buffer in this location is now considered to be redundant.
- Explore policy or other planning interventions to secure the precinct for large format and heavy industry uses, whilst preserving the precincts large buffer areas.
- Prepare a Master Plan for the precinct in order to drive coordinated infrastructure planning and secure the precinct for large format and heavy industry investment opportunities.

RISKS

- Need for coordinated infrastructure and service planning across the industry zoned land (i.e. water ,sewer, gas, electricity etc).
- Risk that current zone provisions may not limit small scale subdivision and land fragmentation occurring.
- Sensitive uses locating or expanding within the precincts existing buffer areas.

POTENTIAL MARKET INTERVENTIONS

- Work with key landowners to understand expectations and planned investments within the precinct.

KEY ACTIONS

Short-term (Next 12-18 months)

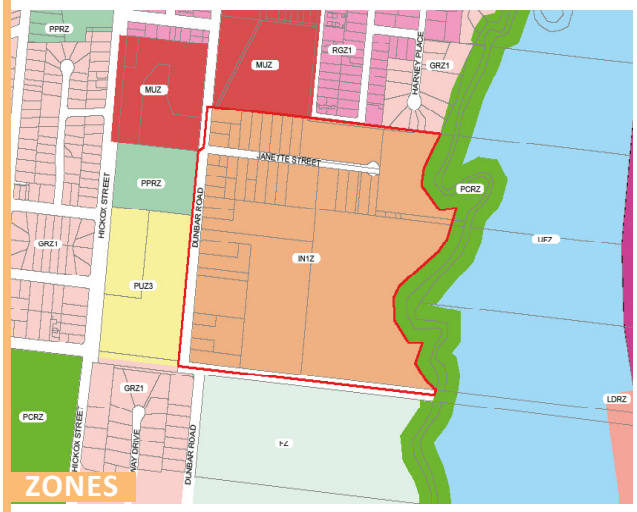
- Prepare a Master Plan for the precinct and investigate necessary planning response in order to drive coordinated infrastructure planning and preserve the precinct for large format and heavy industry investment opportunities.

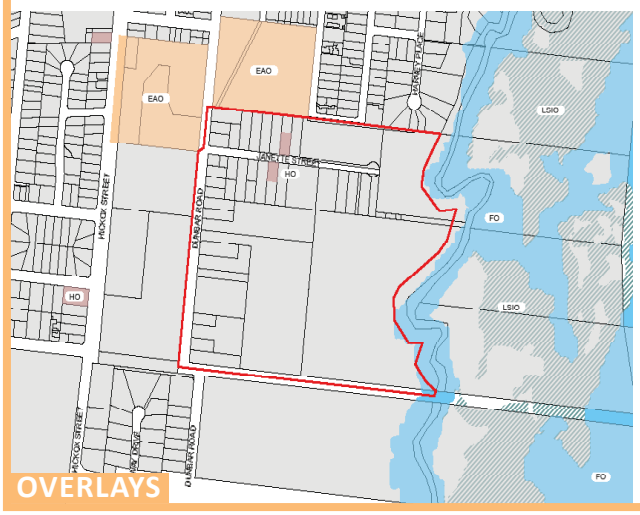
SIBELCO/JANETTE STREET

TOTAL INDUSTRIAL LAND: 20.2 HA

Figure 14: Sibelco/Janette Street







ISSUES

- Isolated industrial precinct containing fragmented land uses including residential dwellings within an industrial area
- Lack direct visibility and main road frontages
- Lime Plant located close to surrounding residential areas and other sensitive uses (i.e. schools, reserves, creek)
- Limit to residential expansion in the surrounding area (south) due to Sibelco Plant buffer

OPPORTUNITIES

- Potential to expand/transition east/south-east and create new frontages to Princes Hwy
- Potential to attract investors / tenant types requiring show-room, display and demonstration sites
- Encourage light industrial and other compatible uses establishing within the precinct as a development buffer between the Sibelco plant and nearby residential and mixed uses.

POLICY/PLANNING INTERVENTIONS

- Rezoning – possible selected rezoning of precinct to support uses that better leverage proximity to the Traralgon Activity Centre, including light industry, and mixed use developments
- Overlay application- potential to apply EAO to ensure site contamination is addressed as land transitions over time
- Local Law – implement appropriate law requiring clean sites/frontages for all sites
- Design Guidelines – buildings and hard stand/storage to meet design guidelines
- Local POlicy - Investigate and apply permit triggers or policy to enable assessment and requirement for noise attenuation measures to be provided for new sensitive use developments within the 500 metre buffer area surrounding the Janette Street Industrial Precinct (Traralgon Structure Plan Area 8a).

RISKS

- Physical constraints on connecting to major water recycling trunk mains requiring on-site treatment / storage and subsequent discharge
- Potential site contamination and high remediation costs
- Amenity implications to nearby residential land.

POTENTIAL MARKET INTERVENTIONS

- Differential rating system – 400% differential vacant derelict land
- Explore introduction of planning policy or land zoning response to prevent the establishment of new offensive uses locating within the precinct which may detrimentally affect the safety and amenity of sensitive land uses surrounding the precinct.

KEY ACTIONS

Short-term (Next 12-18 months)

- Local Law – implement immediately
- Design Guidelines – implement immediately
- Differential rating system – 400% differential vacant derelict land
- Explore introduction of planning policy or land zoning response to prevent the establishment of new offensive uses locating within the precinct which may detrimentally affect the safety and amenity of sensitive land uses surrounding the precinct.

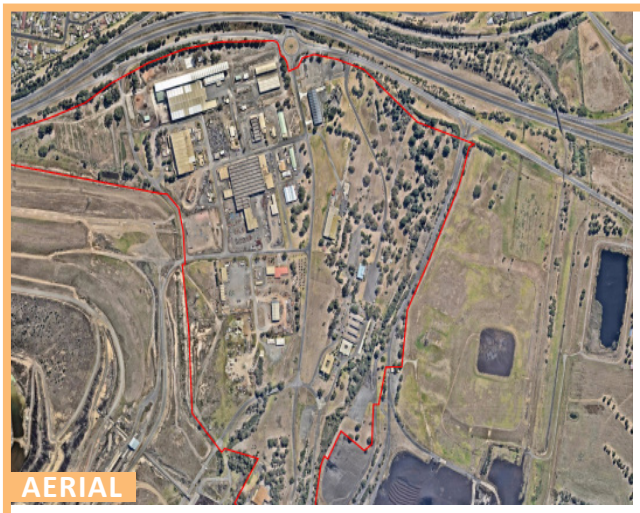
Medium-term (2-5 years)

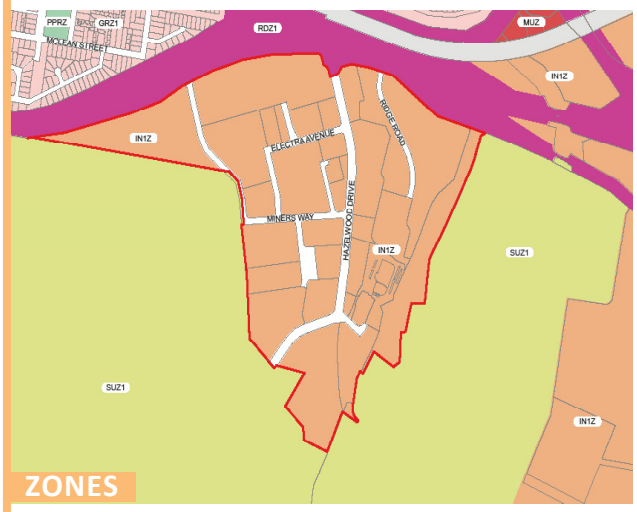
- Explore the application of Industrial 3 Zone to land within the Janette Street Industrial Precinct surrounding the existing lime batching plant (Traralgon Structure Plan Area 8a) in order to create a buffer to nearby sensitive uses.

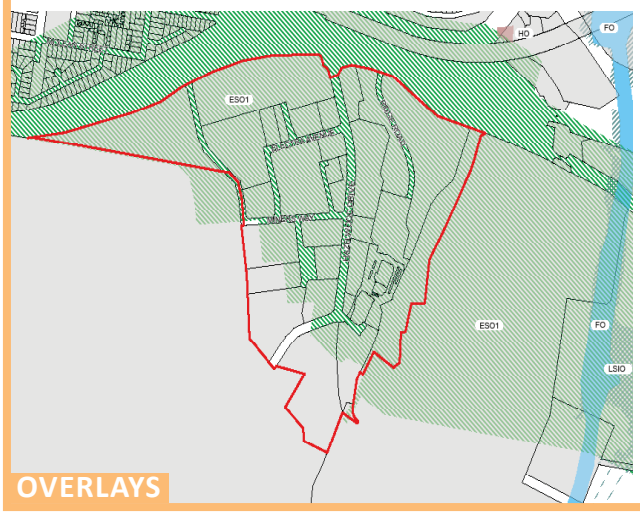
HAZELWOOD DRIVE

TOTAL INDUSTRIAL LAND: 80.2 HA

Figure 15: Hazelwood Drive







ISSUES

- Relatively old industrial precinct with direct links to Hazelwood Power Station
- Some areas within the precinct have been largely abandoned due to closure of mining operations at Hazelwood
- Precinct located in proximity of sensitive land uses (e.g. schools / residential)
- Parts of the precinct are subject to an Environmental Significance Overlay ESO1
- Easements traverse the area

OPPORTUNITIES

- Very close to M1 for trucks
- Benefits of being located away from residential areas
- Suitable for heavy industrial uses requiring noise/amenity buffers
- Potential to attract major investors / tenants with a freight and logistics focus
- Potential integration / coordination of development to integrate with surrounding precincts and developments.

POLICY/PLANNING INTERVENTIONS

- Advocate to State Government for greater flexibility in the type of land use and development to occur within ESO1
- Advocate for the removal of ESO1 as mine rehabilitation works are completed.

RISKS

- Overlays continue to restrict future investment and development
- Physical constraints on connecting to major water recycling trunk mains requiring on-site treatment / storage and subsequent discharge

POTENTIAL MARKET INTERVENTIONS

- N/A

KEY ACTIONS

Short-term (Next 12-18 months)

- Advocate to State Government for greater flexibility in the type of land use and development to occur within ESO1
- Advocate for the removal of ESO1 as mine rehabilitation works are completed.

4.5 IMPROVE DECLINING INDUSTRIAL ESTATES

There are a number of older and declining industrial estates located throughout Latrobe which contain large tracts of derelict and/or vacant land (see figure 16). Many of these areas do not appear to be serving current or future industrial land requirements and contain smaller lots, which have fallen into disrepair and need to be cleaned up or selectively rezoned to support progressive urban renewal opportunities.

Target areas are listed below and further details relating to each of these sites is presented in the next section.

- Morwell, Alexanders Road (west)
- Morwell, Davey Street, Madden Street, Latrobe Road, Driffield Road
- Morwell, Hazelwood Drive
- Traralgon, Janette Street (Sibelco)
- Traralgon, Traralgon-Maffra Road (east)
- Moe, Waterloo Road

There is a lack of information about existing businesses and their current and future investment and land use intentions, particularly future requirements to upgrade or expand facilities or downscale operations. This information gap may be addressed through a business intentions survey canvassing the area and supported by location specific industrial estate audits.

A survey of small, medium and large scale industrial land users and businesses in the area to ascertain short-term, medium and longer-term business intentions, to ascertain what business requirements are and to examine key barriers /inhibitors and/or facilitators of business investment in the region. This survey may extend to businesses outside Latrobe City.

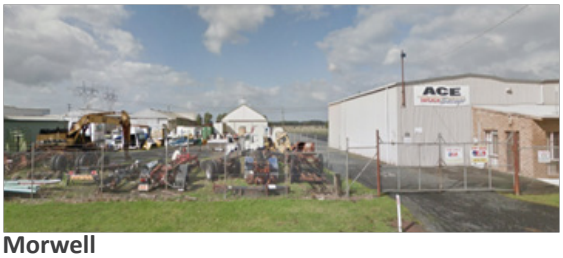
A sustained shift towards a services-based economy is likely to reduce the reliance on more traditional sectors which are large users of industrial land. This creates opportunities for residential urban renewal in and around older estates, which will, in turn, improve the volume, quality, location and mix of industrial land across the municipality in future.

Table 6: Objectives & Actions

OBJECTIVE	**Improve, rationalise and consolidate older and declining industrial estates.**
ACTIONS	Prepare an Industry Transition Strategy for the City.
	Implement local laws /design guidelines to improve the appearance of older industrial estates
	Consider applying differential rates for derelict vacant industrial land to encourage their improvement and/or sale.
	Selectively rezone vacant industrial land for residential development as industry transitions and changes
	Implement the draft Industrial Urban Design Guidelines to the Latrobe Planning scheme.
	Identify constrained industries and work with them to achieve a mutually satisfactory relocation.
	Undertake a survey of industrial land users and business to ascertain business intentions, business requirements and key barriers/inhibitors and/or facilitators of business investment in the region.

Figure 16: Industrial Precincts

Morwell



Morwell



Traralgon



Traralgon



Traralgon



Moe



Morwell



Morwell



Morwell



Morwell



Morwell



Moe

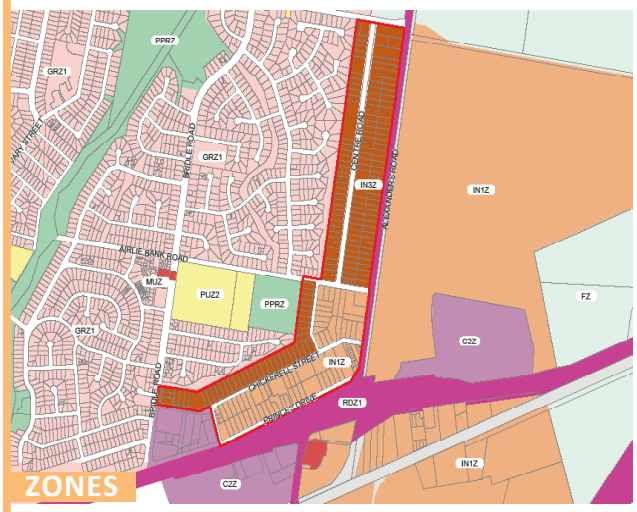


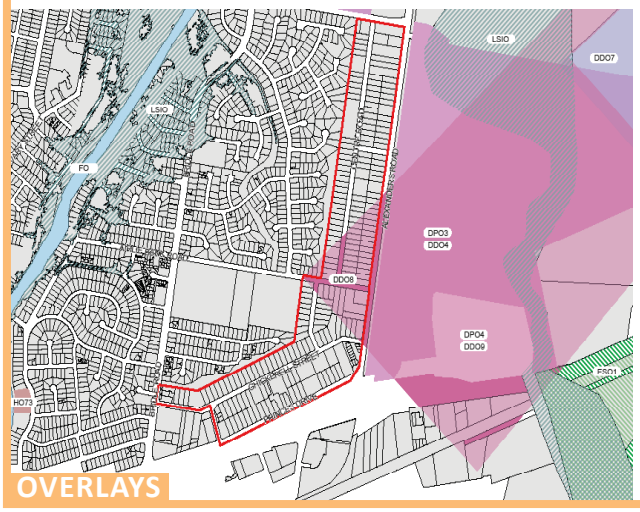
ALEXANDERS ROAD (WEST)

TOTAL INDUSTRIAL LAND: 39.4 HA

Figure 17: Alexanders Road West







ISSUES

- Major contributor to Morwell industrial land stock
- Very close to Morwell for trucks and visitors
- Located close to residential and other sensitive uses
- Limit to expansion of the area due to abutments
- Need to interface with neighbouring Alexanders Road industrial precinct and nearby developments including Gippsland Water Recycling Plant

OPPORTUNITIES

- Significant industrial area and employment
- Benefits of being located close to major neighbouring Alexanders Rd industrial precinct
- High degree of land use for storage / under-utilisation of sites
- General clean-up required enforced by local laws
- Potential future use / connection to the heavy rail spur line running north-south adjacent to Alexanders Road
- Coordinate freight and logistics planning with Gippsland Logistics Master Plan

POLICY/PLANNING INTERVENTIONS

- Local Law – implement appropriate law requiring clean sites/frontages
- Design Guidelines – buildings and hard stand/storage to meet design guidelines

RISKS

- Buffers may limit future expansion of existing IN3Z supporting ongoing growth in the precinct
- Physical constraints on connecting to Gippsland Water Recycling Plant / heavy rail spur line

POTENTIAL MARKET INTERVENTIONS

- Differential rating system – 400% differential vacant derelict land
- Relocation / Transition – support in relocating existing industry / tenant groups to the area from older areas.

KEY ACTIONS

Short-term (Next 12-18 months)

- Council/RDV to explore relocation opportunities with key groups from elsewhere within Morwell
- Local Law – implement immediately
- Design Guidelines – implement immediately
- Differential rating system – 400% differential vacant derelict land

Medium-term (2-5 years)

- Relocation / transition support for existing light industries

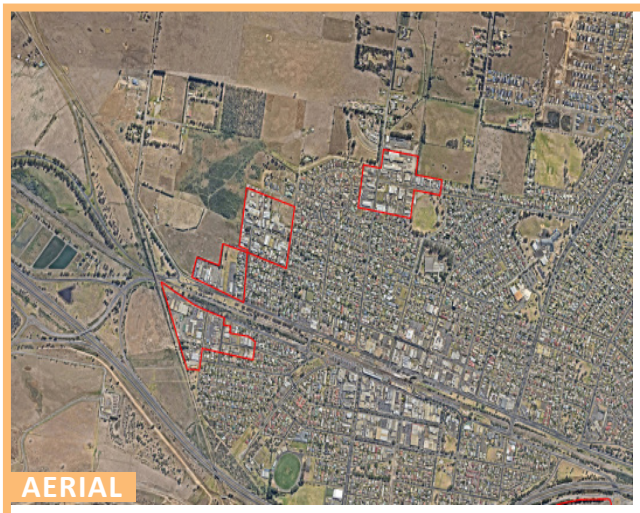
Long-term (5-10 years)

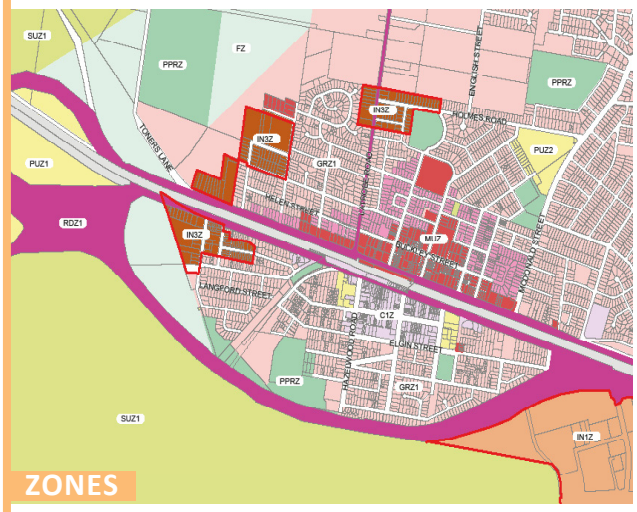
- Potential investment in north-south rail spur line for freight

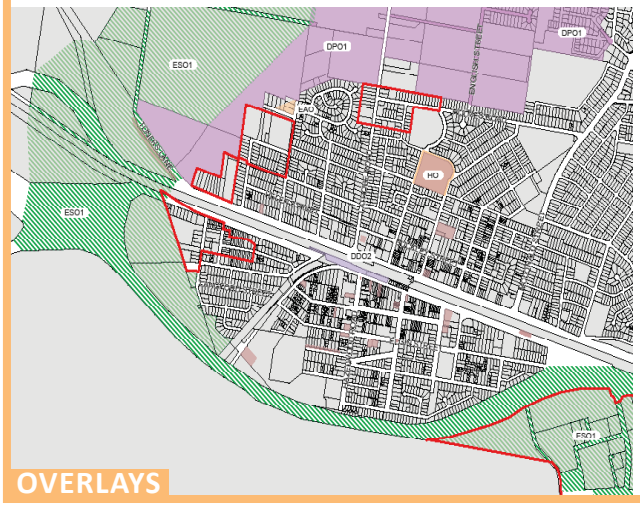
MORWELL OLDER INDUSTRIAL ESTATES (VARIOUS)

TOTAL INDUSTRIAL LAND: 30.4 HA

Figure 18: Morwell Older Industrial







ISSUES

- Older industrial areas much of which are unsightly and not utilised to full potential
- Issue of historic rezoning of industrial land to residential land and residential land to industrial land with legacy of inconsistent uses (residential abutting industrial) limiting the potential for urban renewal in the area
- Would benefit from relocation of a number of tenants / users to more modern estates within Morwell
- Area is potentially the subject of the proposed actions to improve older and declining industrial estates, such as selected rezoning and local laws to improve the appearance.
- Located within / close to residential and other sensitive uses with resulting noise complaints

OPPORTUNITIES

- General clean-up required enforced by local laws and design standards
- Potential to implement a 400% differential rate for vacant / derelict land
- High degree of land used for storage / under-utilisation of sites
- Relocate tenants who have reached lease term / owners looking to relocate to more modern estates / tenancies
- Rezone selected sites – possible rezoning of IN1Z to enable uses compatible with adjoining residential uses (i.e. IN3Z, C2Z or GRZ).

POLICY/PLANNING INTERVENTIONS

- Rezoning – possible rezoning of IN1Z to GRZ1 / C2Z
- Consider retaining existing Industrial 3 Zone considering adjoining land use and proximity to key entrances
- Local Law – implement appropriate law requiring clean sites/frontages
- Design Guidelines – buildings and hard stand/storage to meet design guidelines
- Risks
- Potential land contamination

POTENTIAL MARKET INTERVENTIONS

- Differential rating system – 400% differential vacant derelict land
- Relocation / Transition – support in relocating existing tenant groups to the area from older areas.

KEY ACTIONS

Short-term (Next 12-18 months)

- Council/RDV to explore relocation opportunities with key groups to elsewhere within Morwell (e.g. Maryvale-Morwell Corridor)

Local Law – implement immediately

- Differential rating system – 400% differential vacant derelict land

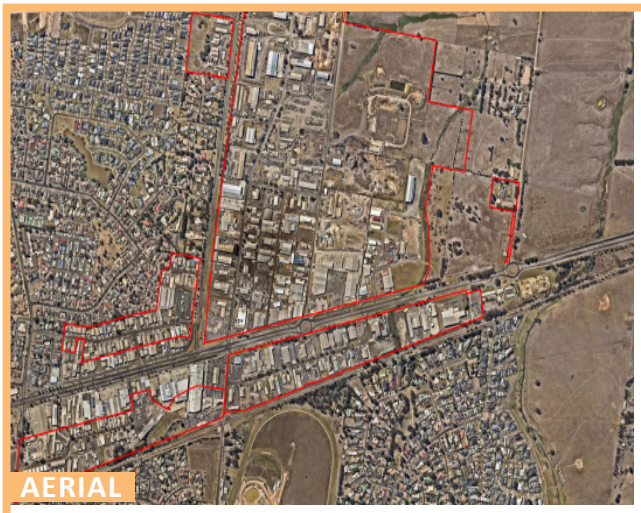
Medium-term (2-5 years)

- Relocation / transition support for existing industries

TRARALGON-MAFFRA ROAD

TOTAL INDUSTRIAL LAND: 1 34 HA

Figure 19: Traralgon Maffra Road



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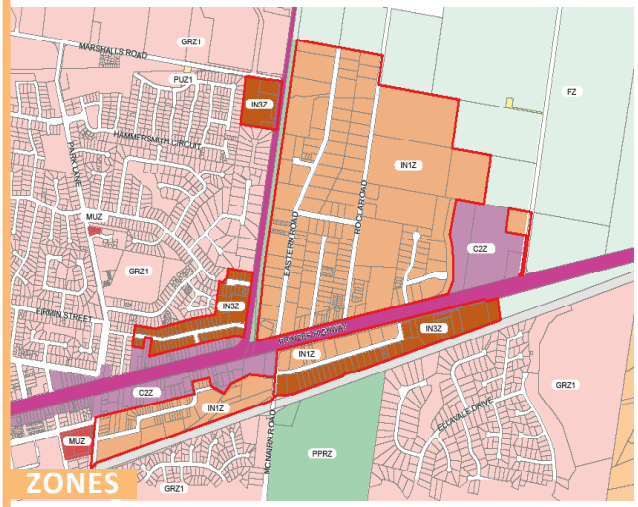
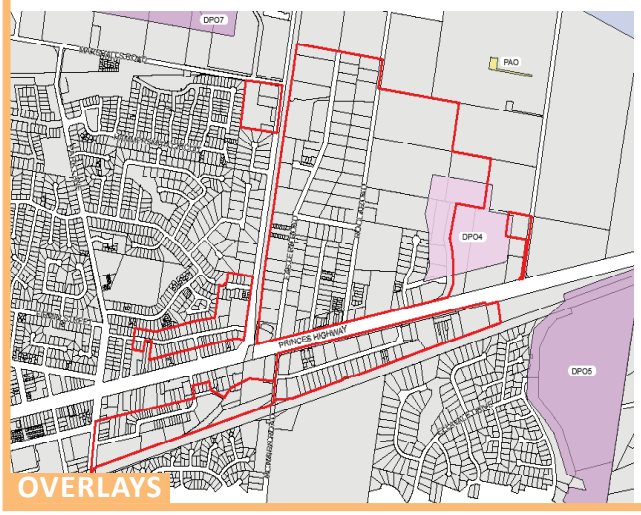


ZONES



OVERLAYS

ISSUES

- Significant industrial area and employment
- Major contributor to Traralgon's industrial land stock
- Located close to residential and other sensitive uses
- Limit to expansion of the area (west) due to abutments
- Incompatible uses (south-west) with industrial areas separated from residential areas by the railway line
- Areas south-east abutting the railway line lack direct visibility and main road frontages
- Need to interface with neighbouring Traralgon-Maffra Rd industrial precinct (east) and nearby developments
- Continued access required north-south along Traralgon Maffra Road for heavy vehicles

OPPORTUNITIES

- Potential to expand east / south-east and create new frontages to Princes Hwy
- Potential to attract investors / tenant types requiring show-room, display and demonstration sites
- Developments within the north-east of the precinct may accommodate a variety of industrial uses requiring buffers (e.g. concrete, recycling)
- Very close to Traralgon for trucks and visitors

POLICY/PLANNING INTERVENTIONS

- Retain and continue to support existing Industrial 3 Zone.
- Local Law – implement appropriate law requiring clean sites/frontages
- Design Guidelines – buildings and hard stand/storage to meet design guidelines

RISKS

- Buffers may limit future expansion of existing IN1Z and IN3Z supporting ongoing growth in the precinct
- Physical constraints on connecting to major water recycling trunk mains requiring on-site treatment / storage and subsequent discharge

POTENTIAL MARKET INTERVENTIONS

- Differential rating system – 400% differential vacant derelict land
- Relocation / Transition – support in relocating existing industry / tenant groups to the area from older areas.

KEY ACTIONS

Short-term (Next 12-18 months)

- Council/RDV to explore relocation opportunities to this precinct with key groups from elsewhere within Traralgon (such as groups located near Sibelco)
- Local Law – implement immediately
- Design Guidelines – implement immediately
- Differential rating system – 400% differential vacant derelict land

Medium-term (2-5 years)

- Relocation / transition support for existing light industries
- Rezoning land south-east fronting Princes Hwy

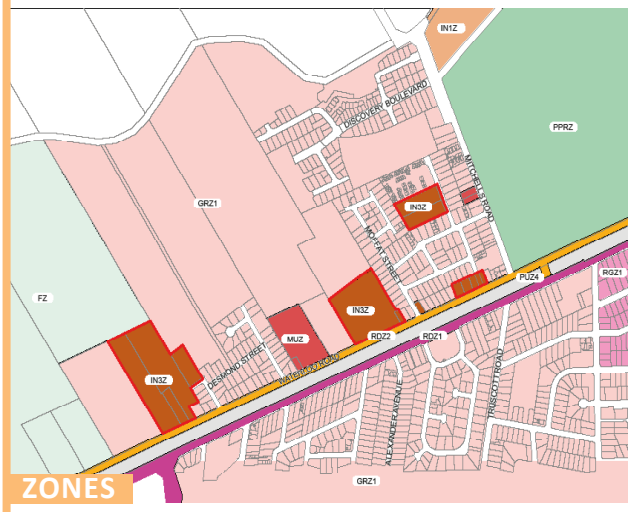
WATERLOO ROAD NORTH

TOTAL INDUSTRIAL LAND: 9.7 HA

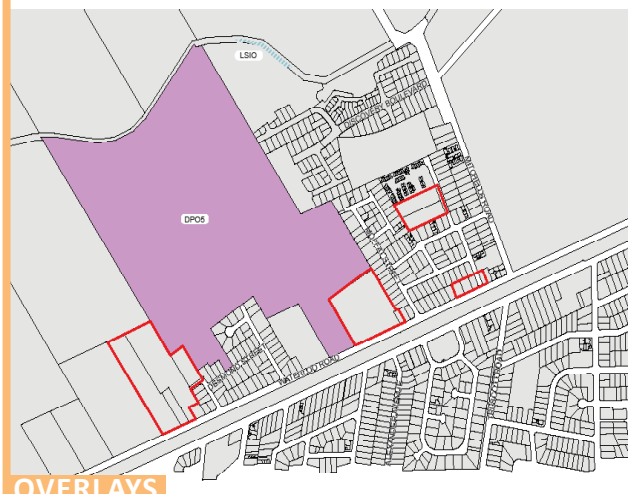
Figure 20: Waterloo Road North



AERIAL



ZONES



OVERLAYS

ISSUES

- Isolated industrial precinct containing fragmented land uses including residential dwellings within an industrial area
- Indirect road access and lack direct freeway access
- Approved residential development in area to the north. The Development Plan does discuss the need for buffers to industrial uses.

OPPORTUNITIES

- Potential to expand west and create new frontages to Waterloo Road subject to market needs
- General clean up required
- Potential to relocate some tenancies
- Longer-term potential to rezone some land

POLICY/PLANNING INTERVENTIONS

- Local Law – implement appropriate law requiring clean sites/frontages for all sites
- Design Guidelines – buildings and hard stand/storage to meet design guidelines
- Explore application of Environmental Audit Overlay on areas identified for transition

RISKS

- Physical constraints on connecting to regional infrastructure may limit overall industrial area expansion capacity
- Site contamination and remediation costs may limit potential for urban renewal of sites

POTENTIAL MARKET INTERVENTIONS

- Differential rating system – 400% differential vacant derelict land
- Relocation / Transition – support in relocating existing industry / tenant groups to the area from older areas.

KEY ACTIONS

Short-term (Next 12-18 months)

- Council / RDV to consider potential targeted relocation opportunities elsewhere within Moe
- Local Law – implement immediately
- Design Guidelines – implement immediately
- Differential rating system – 400% differential vacant derelict land

Medium-term (2-5 years)

- Relocation / transition support for existing light industries
- Selective rezoning of specific sites fronting Waterloo Road for urban use as appropriate (i.e. residential/ light commercial, large format retail)

WATERLOO ROAD SOUTH

TOTAL INDUSTRIAL LAND: 9.7 HA

Figure 21: Waterloo Road South







ISSUES

- Isolated, out-of-place industrial precinct with indirect Freeway access
- Lack of direct connections to surrounding industrial supply networks

OPPORTUNITIES

- Large irregular shaped site with approximately 50% native vegetation coverage
- Potential to accommodate larger floor plate tenancies
- Longer-term potential to rezone some land for alternative use

POLICY/PLANNING INTERVENTIONS

- Rezoning – possible selected rezoning of the site for urban uses
- Design Guidelines – buildings and hard stand/storage to meet design guidelines

RISKS

- Potential issues with positioning large blank walls / high fences / buildings at such a significant gateway entry to Moe
- Isolated / fragmented development outcomes likely

POTENTIAL MARKET INTERVENTIONS

- Differential rating system – 400% differential vacant derelict land

KEY ACTIONS

Short-term (Next 12-18 months)

- Design Guidelines – implement immediately
- Differential rating system – 400% differential vacant derelict land

Medium-term (2-5 years)

- Investigate rezoning to enable appropriate land use for gateway site

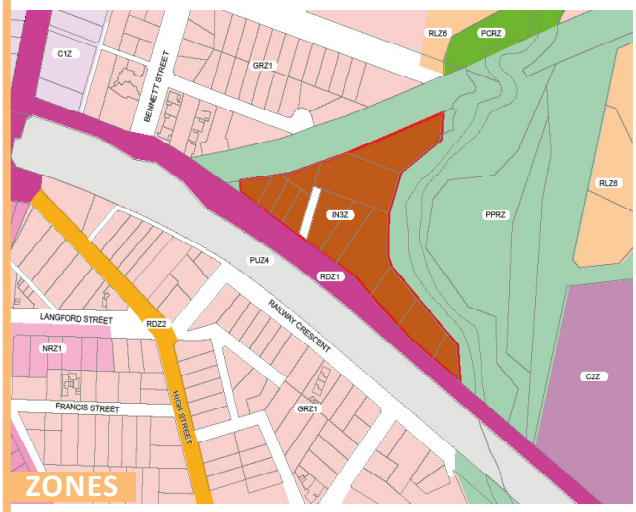
NARRACAN DRIVE

TOTAL INDUSTRIAL LAND: 2.4 HA

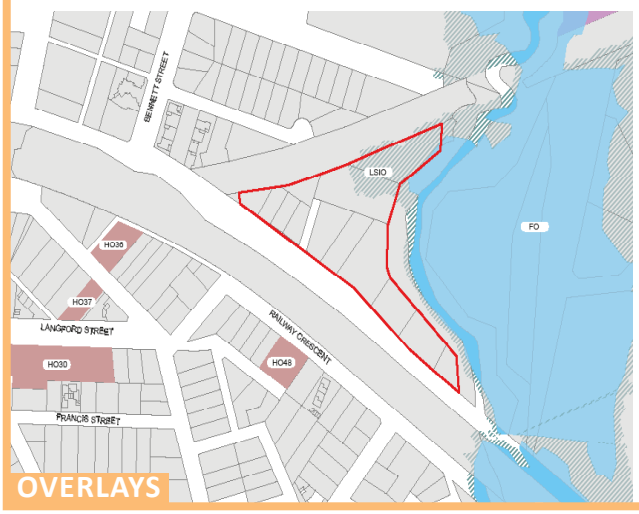
Figure 22: Narracan Drive



AERIAL



ZONES



OVERLAYS

ISSUES

- Largely underutilised estate and not clear the estate is best placed as a location for second hand car/boat sales.
- The car wash appears to be relatively new and is potentially the most appropriate use for the location.

OPPORTUNITIES

- Limited potential for certain types of industry not compatible with high amenity location surrounding the precinct
- Potential to accommodate highway/automotive related uses/refueling station
- Longer-term potential to rezone some land for open space

POLICY/PLANNING INTERVENTIONS

- Local Law – implement appropriate law requiring clean sites/frontages for all sites
- Design Guidelines – potential application of Design and Development Overlay in recognition of gateway location.

RISKS

- The land remains vacant/underutilised for some time
- Isolated / fragmented development outcomes likely

POTENTIAL MARKET INTERVENTIONS

- Differential rating system – 400% differential vacant derelict land

KEY ACTIONS

Short-term (Next 12-18 months)

- Local Law – implement appropriate law requiring clean sites/frontages for all sites
- Design Guidelines – implement immediately
- Explore selective rezoning of specific sites fronting Narracan Drive for urban use as appropriate (i.e. residential/light commercial, large format retail)

MCCORMICK STREET, CHURCHILL

TOTAL INDUSTRIAL LAND: 15.9 HA

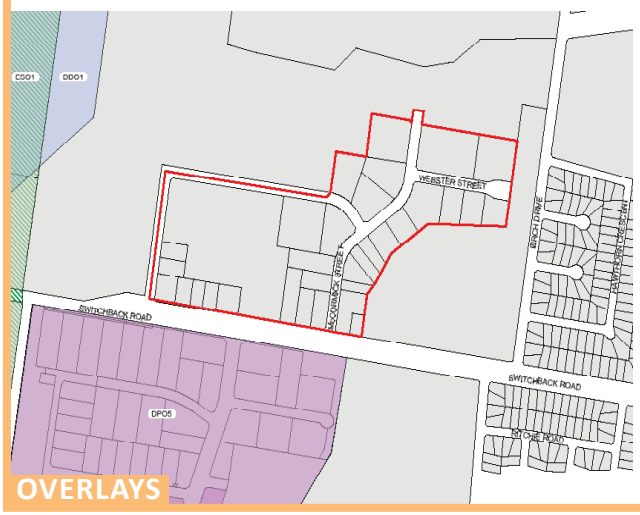
Figure 23: McCormick Street



AERIAL



ZONES



OVERLAYS

ISSUES

- Industrial zone 3 land
- Appearance/presentation of precinct varies
- Isolated industrial precinct with relatively large degree of vacant land
- Indirect road access and lack of direct Freeway access
- Limit to sensitive uses in the surrounding areas (north and west

OPPORTUNITIES

- Potential to expand west and create new frontages to Thompson Street and Switchback Road
- Potential to relocate some tenancies
- Longer-term potential to rezone some land
- Large site available

POLICY/PLANNING INTERVENTIONS

- Local Law – implement appropriate law requiring clean up
- Design Guidelines – buildings and hard stand/storage to meet design guidelines

RISKS

- Buffers may limit future expansion of existing IN3Z supporting ongoing growth in the precinct
- Physical constraints on connecting to regional infrastructure may limit overall industrial area expansion capacity

POTENTIAL MARKET INTERVENTIONS

- Differential rating system – 400% differential vacant derelict land
- Relocation / Transition – support in relocating existing industry / tenant groups to the area from other areas.

KEY ACTIONS

Short-term (Next 12-18 months)

- Local Law – implement as required
- Design Guidelines – implement as required
- Differential rating system – 400% differential vacant derelict land

Medium Term

- Explore selective rezoning of specific sites for urban use as appropriate (i.e. residential/light commercial, large format retail)

5

INDUSTRIAL & EMPLOYMENT

IMPLEMENTATION



5.1 IMPLEMENTATION

This section presents a consolidated Implementation Plan to realise the vision and objectives for the Latrobe Industrial and Employment Strategy. For each action the Implementation Plan indicates Council's role and the priority of the action.

COUNCIL'S ROLE

Latrobe City Council will play different roles in the implementation of this Strategy. These will vary between the roles of Planner, Provider, Advocate, Partner/Facilitator, Educator and Regulator. A description of these various roles is provided below.

Planner – in relation to its strategic planning responsibilities

Advocate – representing community needs and interests to Commonwealth and State Governments and the private sector

Partner / Facilitator – working closely with developers, investors, government department and agencies and peak bodies

Educator – provide information to prospective investors, residents and interest groups

Regulator – ensuring that rural land use meets town planning, building and public health regulations and expectations

PRIORITY

Actions have been prioritised into high, medium, low and ongoing to be completed over the lifetime of the strategy. Priorities should be periodically reviewed and reassessed in line with available budgets, resources and funding opportunities. The timeframe for completing prioritised actions is:

High – Action to occur over the next 1-2 years

Medium – Action to occur over the next 3-5years

Low – Action to occur over the next 6+ years

Ongoing – Action to be undertaken on an ongoing basis

PARTNER ORGANISATIONS

This Industrial and Employment Strategy identifies a number of actions which involve participation and collaboration with State, regional and local organisations to enable its realisation. This includes, but is not limited to the agencies listed below.

Many of these organisations were included in the Key Stakeholder Reference Group for the Live Work Latrobe project. It is recommended that this group continues to meet on a quarterly basis for the next two years to provide progress on the implementation of the plan and collaborate on the delivery of key initiatives.

- Department of Environment, Land, Water and Planning
- Department of Economic Development, Jobs, Transport and Resources
- Regional Development Victoria
- Latrobe Valley Authority
- Committee 4 Gippsland
- Agribusiness Gippsland
- Clean Coal Victoria
- Environmental Protection Authority Victoria (EPA)
- West Gippsland Catchment Management Authority
- VicRoads
- Gippsland Water
- Various Latrobe City Council departments
- Federation University and other education providers

Table 7: Actions Summary

ACTION	ROLE OF COUNCIL	LEAD ORG	PARTNER ORG	PRIORITY
OBJECTIVE: ENCOURAGE A MIX OF DEVELOPMENT IN THE TRARALGON – MORWELL CORRIDOR THAT WILL ACCELERATE REGIONAL EMPLOYMENT, POPULATION GROWTH AND CREATE A SINGLE REGIONAL CITY				
Prepare a Precinct Structure Plan or Master Plan for the corridor between Morwell and Traralgon, building on the direction of this Strategy and the Traralgon Growth Area Framework Plan.	Planner / Partner	LCC	VPA, DELWP, LVA, EPA	High
Update the Municipal Strategic Statement to identify the future land use and development potential of the Traralgon-Morwell corridor	Regulator	LCC	DELWP, Relevant agencies & authorities	High
Explore relocation / transition support options for existing industries into the Alexanders Road Precinct	Planner / Advocate	LCC	RDV, LVA, DELWP	Medium
OBJECTIVE : ACTIVELY ATTRACT BUSINESS INVESTMENT AND DEVELOPMENT, THROUGH MARKETING AND INFRASTRUCTURE IMPROVEMENTS				
Amend the Municipal Strategic Statement to include the Industrial Framework Plan presented in this Strategy	Regulator	LCC	DELWP	High
In partnership with RDV and LVA advocate for a detailed investigation to be undertaken of the Alexanders Road East Precinct (known as the Maryvale / Morwell Food Precinct) to support and attract investment at this precinct.	Partner	LCC	RDV, LVA, DELWP	Medium
Investigate with Gippsland Water potential to extend sewer infrastructure to service the Alexanders Road East site	Partner	Gippsland Water	LCC	Medium
Prepare a Marketing / Re-branding Strategy in partnership with LVA and RDV to attract business and investment. The Strategy should promote the City's investment readiness as well as issues associated with liveability to attract future residents and workers.	Advocate	LCC	RDV, LVA	High
Prepare an Industry Transition Strategy in consultation with industry groups and representatives to: • Clarify local business intentions • Identify opportunities, timeframes and requirements (e.g. site contamination, potential remediation costs) • Identify need to apply the Environmental Audit Overlay • Assess net community benefit of transition This Strategy should be led by Latrobe's Economic Development Team in partnership with LVA and RDV.	Planner	LCC (Economic Development)	RDV, LVA, EPA	High
Develop partnerships with Federation University and key education providers to ensure that there is a nexus between education and training and employment opportunities.	Partner	LCC		Ongoing
Support the exploration and establishment of new and alternative energy related jobs growth and investments within Latrobe City, leveraging the advantages of existing energy infrastructure and distribution networks.	Advocate	LCC	EPA	Ongoing
Continue to advocate for the balanced use of brown coal as an energy source and for other alternative uses, supporting researchers and government in the realisation of alternative, low emission coal resource investments.	Advocate	LCC		Ongoing

ACTION	ROLE OF COUNCIL	LEAD ORG	PARTNER ORG	PRIORITY
OBJECTIVE: PROVIDE A LONG TERM DEDICATED LOCATION FOR HEAVY INDUSTRY				
Seek the removal of the SRO1 applicable to the Firmins Lane area and/or seek guidance on sun-set arrangements to allow interim and permanent industrial uses to provide a longer term opportunity for industrial development supporting heavy industry uses and appropriate buffers.	Advocate	LCC	DEDJTR	High Completed (Am C111)
Support the development of the areas around the Maryvale Paper Mill for heavy industrial uses, which may include considering rezoning SUZ1 land located to the west of the Mill and/or land Farming Zone land currently used for plantations and sand quarrying located east of the Mill.	Planner	LCC	DEDJTR, RDV, LVA, Australian Paper, EPA	Medium
Participate in the Department of Jobs, Precinct and Regions (DJPR) review of coal related policy and provisions included within the Planning Scheme, including the review of the ESO1.	Regulator	LCC	DEDJTR	Medium
Prepare an Industry Transition Strategy for the City. This should include opportunities to transition heavy industries to appropriate locations which provide appropriate buffers to sensitive land uses as well as good highway access. The Transition Strategy may also consider mechanisms to encourage light industrial and other uses to establish which are compatible nearby sensitive uses.	Planner	LCC, LVA, RDV	EPA	High
Discourage the establishment of new offensive uses locating in the Janette Street industrial area which may detrimentally affect the safety and amenity of sensitive land uses surrounding the precinct.	Planner	LCC	EPA	High
Explore the application of Industrial 3 Zone to land within the Janette Street Industrial Precinct surrounding the existing lime batching plant (Traralgon Structure Plan Area 8a) in order to create a buffer to nearby sensitive uses.	Planner	LCC		High
Investigate and apply permit trigger or policy to enable assessment and requirement for noise attenuation measures to be provided for new sensitive use developments within the 500 metre buffer area surrounding the Janette Street Industrial Precinct (Traralgon Structure Plan Area 8a).	Planner	LCC		High
Investigate the application of an Environmental Audit Overlay being applied to land within the Janette Street precinct to ensure the appropriate management of the precinct into the future.	Planner	LCC	EPA	Medium

ACTION	ROLE OF COUNCIL	LEAD ORG	PARTNER ORG	PRIORITY
Update the Municipal Strategic Statement to strategically identify the future industry growth corridor south of Maryvale Paper Mill.	Regulator/ Planner	LCC	DELWP	High
OBJECTIVE: IMPROVE, RATIONALISE AND CONSOLIDATE OLDER AND DECLINING INDUSTRIAL ESTATES				
Undertake a business intentions survey to understand the current and future investment and land use intentions of industrial land.	Planner	LCC (Economic Development)		High
Undertake an audit of existing industrial estates	Planner	LCC (Economic Development)		High
Implement local laws /design guidelines to improve the appearance of older industrial estates	Regulator	LCC		Medium
Consider applying differential rates for derelict vacant industrial land to encourage their improvement and/or sale.	Regulator	LCC		Medium
Selectively rezone vacant industrial land for residential development in accordance with the recommendations of the Transition Strategy.	Regulator Planner	LCC	DELWP, EPA	Low

6
APPENDICES

APPENDIX A: POLICY CONTEXT

LATROBE PLANNING SCHEME

The Latrobe Planning Scheme presents strategic objectives in relation to the development of land for industrial purposes in the Towns of Moe, Morwell, Traralgon and Churchill and identifies specific policy and planning actions relating to the development of specific areas

Planning Scheme Objective 3 – Main Towns is of particular relevance:

- Prepare an industrial strategy to identify demand, supply and location needs of both service and larger scale industrial uses in Moe, Morwell, Traralgon and Churchill.
- Provide buffers between industrial and existing (and potential) sensitive use areas.

Actions within the Planning Scheme relating to specific industrial areas within each township are paraphrased below:

- Review and investigate the viability of industrial developments across all townships and prepare a detailed assessment of industrial land requirements for Traralgon as part of an industrial strategy.
- Protect industry from residential encroachment whilst also exploring potential for conversion to residential development in some older / declining estates.
- Extend infrastructure and roads to newer industrial estates and maintain entrances to older / declining estates.
- Implement buffers where required and investigate flooding impacts

GIPPSLAND (MORWELL) LOGISTICS PRECINCT

Council's goals for the 70 hectare Gippsland Logistics Precinct located south of Morwell are to:

- Develop the site as a key gateway to the region from a logistics perspective.
- Develop the site in a manner that maximises and increases freight being imported or exported on rail while recognising the importance of local and established road based logistics activities that will need to feed in and out of the site.
- Facilitate a range of logistics activities onto the site that are currently known to be looking for a site/ operation.
- Ensure the precinct delivers additional employment opportunities, both through the development phase and once fully operational.

Council and the Latrobe Valley Association (LVA) have committed significant resources and time in recent years in exploring commercial development arrangements for the site in partnership with others. This strategy outlines actions Council together with LVA may explore in seeking a development partner/purchaser and long term development outcome for the site.

TRARALGON GROWTH AREA FRAMEWORK PLAN

The Traralgon Growth Area represents a significant opportunity for the colocation of future housing and employment outcomes in a linear corridor between Traralgon and Morwell during the next 20 years. Key components of the strategy are outlined below:

- The corridor will provide for residential, commercial and industrial development as well as a strategic employment cluster focused around the Latrobe Regional Airport, Hospital and new industrial developments.
- The employment precinct will focus on opportunities related to health services, minor retail, hospitality and accommodation.
- Focus on unlocking infrastructure blockers to facilitate new industrial developments east of Alexanders Road and to support expansion of Lion Foods through land rezoning and infrastructure planning.
- Low density residential transition through subdivision and housing growth in areas west of Traralgon Township.
- Scope should be provided for additional commercial and employment generating uses associated with the Latrobe Regional Airport and Hospital to establish proximate to those developments, in line with Council's Economic Sustainability Strategy within the identified 'employment investigation area'.
- Consideration should be given to the requirements for commercial, employment generating uses associated with the Latrobe Regional Hospital and the Latrobe Regional Airport, and land that might be required in the Traralgon West Structure Plan.
- The airport and the development of the land around the airport should be considered in light of its designation as a "concentrated employment zone" and the opportunities for land use to support employment should be provided.
- A municipal industrial land use strategy should be prepared to confirm the adequacy of provision for industrial land in Traralgon, and to identify other locations for base manufacturing and industry within the municipality.
- Encourage industrial land within Traralgon to accommodate service and related industrial uses that primarily serve the needs of residents and businesses of Traralgon and the region. Larger scale base manufacturing and industrial enterprises associated with the mining and power generation industries are to be located in other industrial areas within the municipality.
- The longer term relocation of industrial uses from the Traralgon inner south is not to be pursued by Council as a strategic objective of this Strategy.
- Establish an area for future industrial development at the outer eastern extremity of Traralgon, to the south of the Highway and adjacent to the proposed Bypass, with appropriate buffers to residential areas. The land has an area of around 140 hectares, which provides for an area of land more than equal to that originally proposed under the Traralgon Structure Plan (2007)
- Bulky goods development should continue to be provided along the Argyle Street/ Princes Highway corridor to the east of the Traralgon CBD and in recently rezoned land to the east of both Morwell and Traralgon.
- Development of a commercial 'strip' along the Princes Highway should be discouraged between the existing urban areas of Traralgon and Morwell.

The strategy presented in this report encourages the development of existing industrial areas in Traralgon (e.g. Traralgon-Maffra Road) and Morwell (e.g. Alexanders Road) without the need for a new dedicated industrial precinct at the outer eastern extremity of Traralgon.

A diverse mix of uses is encouraged on both sides of the corridor along Princes Highway, where practical, with a design overlay and local laws providing guidance about design and preserving the appearance of the area as a main gateway to both Traralgon and Morwell.

Exploration of possible development opportunities to the south of the Princess Highway will need to be undertaken in close consultation with the State Government acknowledging the presence of coal resource and mine buffer overlays.

APPENDIX B: CURRENT INDUSTRIAL LAND USE CONTEXT

This section explores industrial land trends for the urban areas of Moe, Morwell, Traralgon and Churchill including available supply, recent consumption/take-up rates, development approvals and future land availability.

A high level benchmark assessment is provided looking at regional trends in industrial land supply and demand, building activity and forecast land availability across three regional centres – South Gippsland, Wodonga and Mildura

QUESTION: WHAT ARE THE CURRENT TRENDS IN INDUSTRIAL LAND USE IN LATROBE AND WHAT DO THEY MEAN FOR EMPLOYMENT AND INDUSTRIAL LAND USE IN LATROBE IN THE FUTURE?

SUPPLY OF INDUSTRIAL LAND (2009)

According to the 2009 ***Urban Development Program (UDP)*** Regional Industrial Report for Latrobe, there was approximately 1,180 hectares of zoned industrial land in the Latrobe Urban Area.

The ***Morwell Specialised Industrial Area*** comprising 115.3 (gross hectares) Industrial 1 Zone located south of the Princes Freeway was excluded from the Latrobe Urban area total above.

Of this figure around 281 hectares was identified as land that was available (already zoned) with the balance being occupied. The stock of available zoned land supply was located in the following areas:

- Morwell – 222 hectares (79%)
- Moe – 26 hectares (9.3%)
- Traralgon – 25 hectares (8.9%)
- Churchill – 8 hectares (2.8%)

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

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

In total, 189 hectares of land were 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.

SUPPLY OF INDUSTRIAL LAND (2015)

According to a report prepared by Essential Economics (January 2016) there was approximately 1,685 hectares of zoned industrial land in the Latrobe Urban Area in 2015. Of this figure, 915 hectares was identified as land available (already zoned) with the balance being occupied.

The higher vacant land supply figure includes the Morwell Specialised Industrial Area south of the Princes Freeway zoned Industrial 1 plus approximately 185 hectares vacant industrial land located north of Morwell and east of Traralgon and the creation of additional industrial zoned land across each of the areas making up the Latrobe Urban Area.

The stock of available zoned industrial land in 2015 was located in the following areas:

- Morwell – 625 hectares including Morwell Specialised Industrial Area (68%)
- Moe – 55 hectares (6%)
- Traralgon – 40 hectares (4.3%)
- Churchill – 10 hectares (1%)

A visual assessment as of December 2016 of all industrial land stocks within each of the urban areas comprising the Latrobe Urban Area using NearMaps reveals there has been little change in the development of industrial land stocks since the preparation of the January 2016 report.

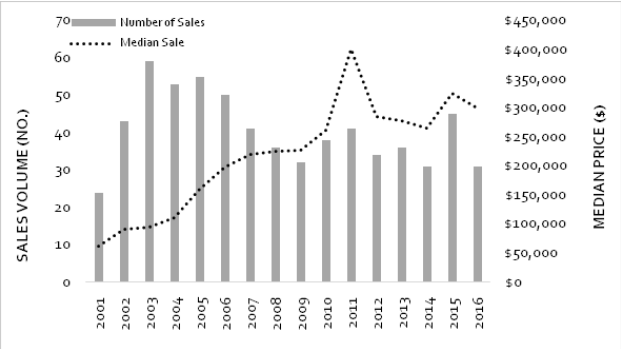
DEMAND – INDUSTRIAL LAND CONSUMPTION

There are a number of indicators of demand for industrial land including industrial sales volumes, average industrial transaction values and land consumption rates.

A review of industrial sales volumes (including factories, warehouses and vacant lots) and median industrial sales prices for the Latrobe Urban area is presented below.

Average annual industrial sales transactions have slowed from an average of around 50 between 2002-2006 to approximately 37 between 2006-2016, a reduction of around 30%.

Figure 24: Industrial Sales Volumes & Median Prices (Latrobe Urban Area)



Conversely, median sales prices for industrial properties have risen significantly with median sales prices increasing on average by approximately 4.2% per annum between 2006-2016.

According to the 2009 UDP, consumption of industrial land in the Latrobe Urban Area was reported to be approximately 3.1 hectares p.a. during the period 2006-2009. Consumption in the Morwell Specialised Industrial Area was 2.6 hectares p.a. during the same period.

- Most consumption occurred in the Morwell and Traralgon Urban Areas. In Traralgon take-up was focused on the newer industrial areas to the east of the city centre
- Significant consumption was reported in the Morwell Specialised Industrial Area (7.8 hectares or 85% of total consumption in the Latrobe Urban Area) between 2006-2009.

According to Essential Economics (January 2016) consumption of industrial land in the Latrobe Urban Area may have been as high as 7.7 hectares p.a. between 2012-2015 or around 20 hectares across the Latrobe Urban Area.

During this time industrial land consumption has occurred in the following locations:

- Morwell – 15.4 hectares (77%)
- Moe – 0.4 hectares (2%)
- Traralgon – 3.7 hectares (19%)
- Churchill – 0.4 hectares (2%)

A large share of total consumption might be attributed to the *Morwell Specialised Industrial Area* which has historically accounted for around 45% of total annual industrial land consumption in Latrobe on average.

Overall, consumption of industrial land appears to have increased, coinciding with a long term reduction in transactions volumes and an increase in median sales volumes.

This outcome is likely to reflect an increase in the relative proportion of larger properties being transacted during this time, which could be reflected in lower transactions volumes and lead to in an overall increase in median sales values.

This is an interesting observation when considered in the context of the total volume and mix of available zoned industrial land in the Latrobe Urban Area. Most of the available stocks of Industrial 1 and 2 zoned land are relatively large blocks located in the north of Morwell, Morwell Specialised Industrial Area and east of Traralgon.

ADEQUACY OF INDUSTRIAL LAND STOCKS

According to the 2009 UDP, there was in excess of 15 years of industrial land within the City of Latrobe based on historic rates of land consumption. This assessment was made subject to a number of qualifications relating to the level and location of future consumption, which may change over time.

According to Essential Economics, between 191 hectares and 240 hectares may be required within a period of 15 years from 2015, meaning this is well within the 915 vacant land identified, even excluding the Morwell Specialised Industrial Area.

Table 2 presents an estimate of total hypothetical supply reflecting available data.

Hypothetical Land Supply

INDUSTRIAL LAND	AREA (HA)
Area Zoned Industrial (Latrobe Urban Area)	1,658ha
Occupied Industrial Land	743ha
Available Industrial Land Supply	915ha
Industrial 1 and 2 Zoned Land South of Princes Highway, Morwell^	Approx 500ha
Gippsland Logistics Precinct / Intermodal Freight Terminal (GIFT)	Approx 70ha
Transition land / otherwise unavailable in future (Latrobe Urban Area)~	Up to 100ha
Practical / Developable Industrial Land Supply (including the Morwell Heavy Industry Precinct south of Princes Highway)	Approx 705ha
Forecast 15 year Industrial Zoned Land Requirement	191-240ha

^ This area includes land south of the Princes Freeway in Morwell zoned Industrial 1 and 2, which was recently removed from the State Resource Overlay – Schedule 1 (Coal). The majority of this land is now considered to be available and suited to large format and heavy industry uses, subject to provision and accewss to services and essential infrastructure (i.e. water, sewer, gas and electricity).

The answer may reflect the following themes below, which reflect anecdotal feedback and discussion themes during the stakeholder consultation process supporting this study:

- The mix of available parcels within Moe and Traralgon and to some extent Morwell may not be in the right location to meet current or future industry demand / consumption trends and more appropriate locations, particularly along main road frontages might be considered.
- Most of the demand for industrial land is within the larger townships of Morwell and Traralgon meaning many of the larger parcels identified within Moe and Churchill are unlikely to be realistically developed for some years.
- Many prospective purchasers consider the asking price for industrial land to be too high when coupled with the associated costs of developing sites, making development prohibitive.
- Ongoing transition within the mining and energy sectors in Latrobe Valley is likely to have significant implications for future industrial consumption rates across the Latrobe Urban Area and the Morwell Specialised Industrial Area.
- There appears to be a lack of information about existing businesses and their current and future requirements, particularly the need for some businesses to upgrade or expand their facilities or downscale their operations, with implications for their use of land.
- There is a lack of clarity or consistent information from the marketplace / land owners about the needs of prospective investors and businesses wishing to locate in the area, often resulting in the perception of a 'closed-door' to investors, which may be driving interest elsewhere.
- There may be potential for future growth in the warehousing, distribution, freight and logistics sector, meaning land with access to main roads, inter-modal and air freight will be critical, unlocking future demand for large scale highly accessible land with close access to major freeways and supply chains.
- A sustained shift towards a more services-based economy is likely to raise demand for commercial properties and may potentially reduce the reliance on more traditional sectors which are large users of industrial land, with implications for the volume, location and mix of industrial land in future.
- A significant portion of land zoned Industrial 1 located south of Morwell is affected by the State Resource Overlay which restricts the type and nature of development that can occur on impacted sites.
- There are a number of location-specific issues relating to buffers and conflicting uses which have the potential to reduce the adequacy of stocks and these factors need to be examined further.

APPENDIX C: REGIONAL BENCHMARKS

QUESTION: WHAT ARE THE REGIONAL TRENDS IN INDUSTRIAL LAND SUPPLY AND DEMAND, BUILDING ACTIVITY AND FORECAST LAND AVAILABILITY ACROSS OTHER REGIONAL CENTRES AND HOW MIGHT THIS INFLUENCE THE INTERPRETATION OF INDUSTRIAL LAND USE IN LATROBE NOW AND IN THE FUTURE?

OVERVIEW

The following regional areas were selected for use in a high level benchmark assessment: South Gippsland, Wodonga, Mildura and Glenelg. South Gippsland was selected to provide a comparison to surrounding municipal areas within Victoria's south east. Each of the other regional areas was selected to enable a broader comparison of industrial land use trends with Victoria's north east, north west and south west.

RECENT TREND IN CONSUMPTION, TRANSACTIONS VALUES & VOLUMES

An analysis of the UDP Regional Industrial Reports for each of the benchmark regions reveals that Wodonga and Glenelg reported higher average annual industrial land consumption rates compared with Mildura, South Gippsland and Latrobe, allowing for differences in reporting timeframes.

Both the cities of Wodonga and Portland (in Glenelg) form part of a national freight and logistics network, with Wodonga Logic and the Port of Portland both accounting for significant domestic and international freight movements. With dedicated inter-modal port (coastal and inland) handling capabilities and ready access to major road and rail networks, both areas have larger overall rates of industrial land consumption.

Figure 25: Annual Average Consumption of Industrial Land (Hectares) - Various Time Periods

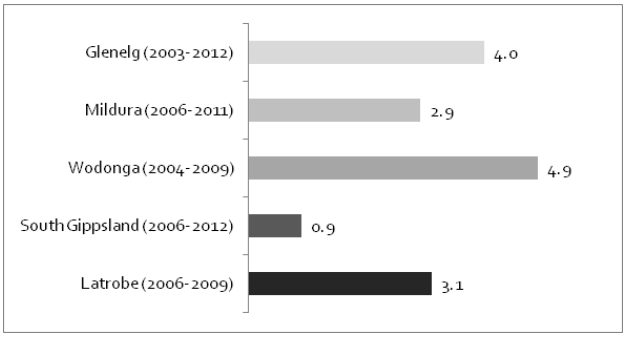
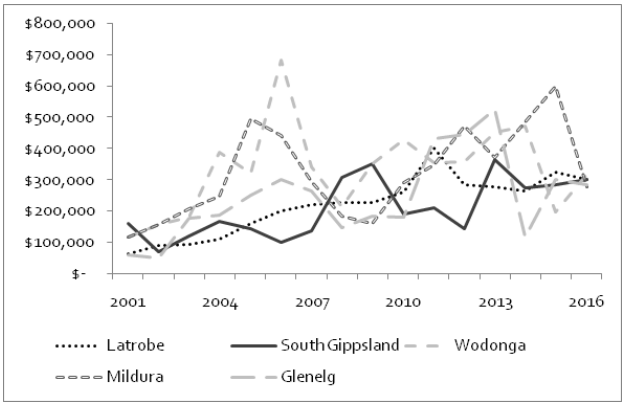


Figure 26: Median Transactions Sales Values 2001-2016 (Banchmark Areas)



The median value of transaction increased across all regional benchmark areas during the period 2001-2016, with the largest increases reported in Latrobe, south Gippsland and Glenelg during the period 2001-2016.

Wodonga and Mildura reported higher median transactions values on average than Glenelg, Latrobe and South Gippsland.

Figure 27: Median Transactions Sales Values 2001-2006, 2006-2016 (Benchmark Areas)

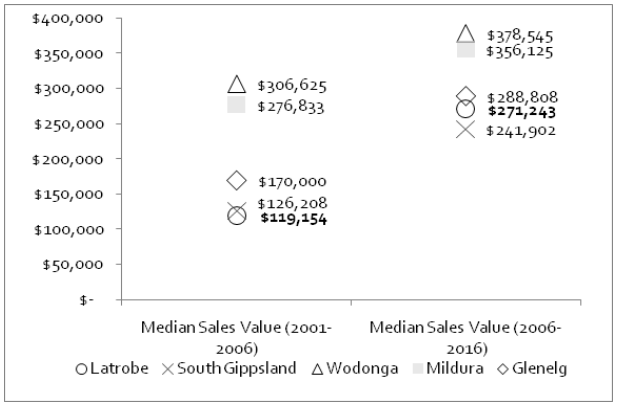
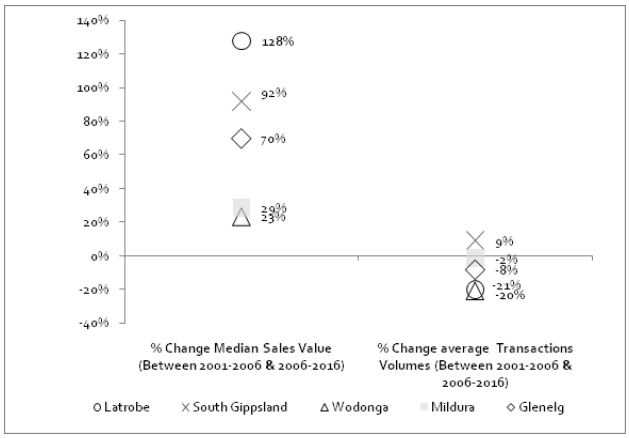
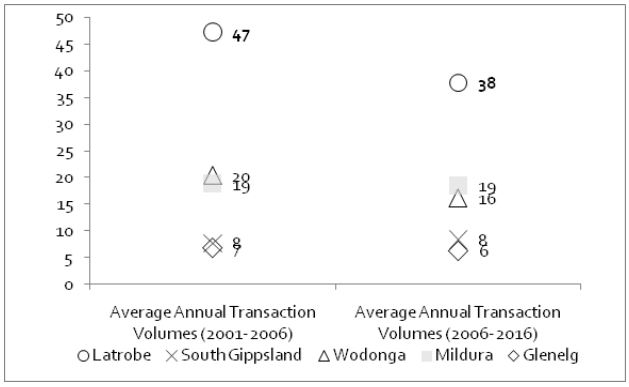


Figure 28: Median Transactions Sales Value 2001-2016 (Benchmark Areas)



The average annual volume of transactions declined the most in Latrobe – from 47 between 2001-2006 to 38 between 2006-2016, with a relatively moderate decline in transactions in Wodonga during the same time. All other benchmark regions remained relatively stable during the past decade.

Figure 29: Median Transactions Volumes 2001-2006, 2006-2016 (Benchmark Areas)



TRENDS IN INDUSTRIAL LAND SUPPLY

In 2015, Latrobe had approximately 1,685 hectares of zoned industrial land in the Latrobe Urban Area in 2015. Of this figure, 915 hectares was identified as land available (already zoned) with the balance being occupied.

Excluding South Gippsland, the remaining benchmark regional areas each have at least 1,000 hectares but no more than 1,200 hectares of zoned industrial land, with Latrobe recording the highest volume of zoned industrial land and highest stock of available industrial supply.

- In 2009, Wodonga reported approximately 1,049 hectares of zoned industrial land, all of which is in the Industrial 1 Zone. Around 605 hectares was identified as supply (or vacant), with more than 50% located in Wodonga Logic.
- In 2012, Glenelg reported a total of 1,272 hectares zoned industrial land stock, of which 571 hectares were assessed as available (supply) for industrial purpose development. Approximately 90% of all industrial is located within the Portland Urban Area, within easy access to the Port of Portland.
- In 2011, Mildura reported a total of 983 hectares of zoned industrial land, of 660 hectares was available for industrial development. In addition 70 hectares industrial land zoned Special Use were identified as supply.
- In 2012, South Gippsland reported a total of 762 hectares of zoned industrial land as at March 2012. Excluding Barry Beach (Toora North and Welshpool) totalling 567 hectares, this leaves a total of 196 hectares of zoned industrial land, of which 80 hectares were assessed as available for industrial purpose development.

According to the UDP Regional Industrial Reports for each region, all benchmark areas have in excess of 15 years industrial land supply available based on long term average consumption rates.

Latrobe has some differences when compared with the benchmark regions examined.

- Latrobe has at least 30% more industrial land than the nearest benchmark region (Glenelg) and more than eight times the industrial land stock available in South Gippsland.
- The increase in median sales prices between 2001-2006 and 2006-2016 was significantly higher than any of the other benchmark regions (128%) , followed by South Gippsland (92%).
- The decline in the volume of annual transactions between 2001-2006 and 2006-2016 was the highest in Latrobe and matched only by Wodonga in percentage terms.

Sustained price increases and falling transaction volumes in Latrobe may present challenges for long term attractiveness and business investment generally as the local economy continues to transition away from traditional sectors such as manufacturing and resources intensive activities towards health and other services.

This highlights a requirement to review industrial land stocks in light of current and future market requirements to provide a more accurate picture of real supply.