ESSENTIAL ECONOMICS

Latrobe Planning Studies

Economic Analysis

Prepared for

Latrobe City Council

by

Essential Economics Pty Ltd

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Authorship

Report stage	Author	Date	Review	Date
Preliminary draft report	John Noronha Jack O'Conner	3 December 2015		
Draft report	John Noronha Jack O'Conner	11 December 2015		
Final report	John Noronha Jack O'Conner	15 January 2016	John Henshall	15 December 2015

Disclaimer

Contact details

For further details please contact Essential Economics Pty Ltd at one of our offices:

96 Pelham Street
Carlton
Victoria 3053
Australia
PH +61 3 9347 5255
FAX +61 3 9347 5355

Level 26 / 44 Market Street
Sydney
New South Wales 2000
Australia
PH +61 2 9089 8654

EMAIL mail@essentialeconomics.com
WEB www.essentialeconomics.com

ABN 92 079 850 427

Our Reference: 15152

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INTRODUCTION

Background

Latrobe City Council is currently preparing the following three key strategies:

- Housing Strategy (including a set of Urban Design Guidelines)
- Industrial Land Use and Employment Strategy; and
- Rural Land Use Strategy.

As input to guiding the development of the strategies, Council has commissioned the consultant team comprising Meinhardt, Capire and Essential Economics Pty Ltd to prepare the following documents:

- Background Paper
- Policy Directions Paper.

The purpose of the Background Paper is to provide detailed information which will allow those participating in the engagement process to be sufficiently informed with all key statistical facts and relevant local, state and national policy positions. The themes will provide conversation starters for the engagement phase, which will be a key input to the preparation of the Policy Directions Paper.

The Policy Directions Paper will identify the overall position and role of Council relating to the areas of interest for the Project's strategies within Latrobe City in response to the themes and issues outlined in the Background Paper. It is envisaged that a single Policy Directions Paper will be developed to consider the areas of interest for the Project's strategies. This document will consider the policy and planning framework in Latrobe City, Council's role in the areas of interest, implications for Council arising from the issues presented in the Background Paper linked to the identified key strategic themes, Council's policy position with regard to the key strategic themes, and the strategic principles to guide the development of each strategy.

Approach

This report provides economic analysis to be included in the consultant team's Background Paper including:

- Population and demographic analysis
- Historic land use and property trends
- Supply and demand analysis
- Identification of 15-year residential and industrial land requirements
- Assessment of existing land uses in rural areas

This Report

This report contains the following chapters:

1 Housing Strategy Background Analysis

2 Industrial Land Use and Employment Strategy Background Analysis

3 Rural Land Use Strategy Background Analysis

4 Key Findings

1 HOUSING STRATEGY BACKGROUND ANALYSIS

This Chapter provides an overview of historical housing trends, identifies future demand considerations for residential land consumption, confirms the existing land supply situation, provides 15-year residential land requirements for the municipality and each township/district, and identifies opportunities and constraints relating to Latrobe's residential sector.

1.1 Historical Housing Trends

Residential Building Permit Trends

A review of ABS Building Approvals data for the City of Latrobe over a 10-year period from 2004/2005 to 2014/2015 highlights the following:

- Approximately 4,500 approvals were issued for all new dwellings in the City of Latrobe over the period at an average of 411 approvals pa. The mix of approvals comprises 89% for new standard houses and 11% for other residential dwellings (units, townhouses, apartments etc).
- Total new dwelling approvals declined from 467 approvals in 2004-2005 to 345 approvals in 2014/15, with significant variability over the period resulting in a high of 644 new dwelling approvals in 2009-10 and a low of 244 new dwelling approvals in 2012/2013.
- New house approvals have declined from 438 in 2004-05 to 306 in 2014-15 and averaged 363 approvals over the period.
- Approvals for other residential building increased from 29 approvals in 2004-2005 to 38 approvals in 2014/2015, and averaged 45 approvals over the period.
- While the composition of new dwellings has varied across the period, approvals for higher density dwellings have generally accounted for 10%-15% of total new dwellings on an annual basis.

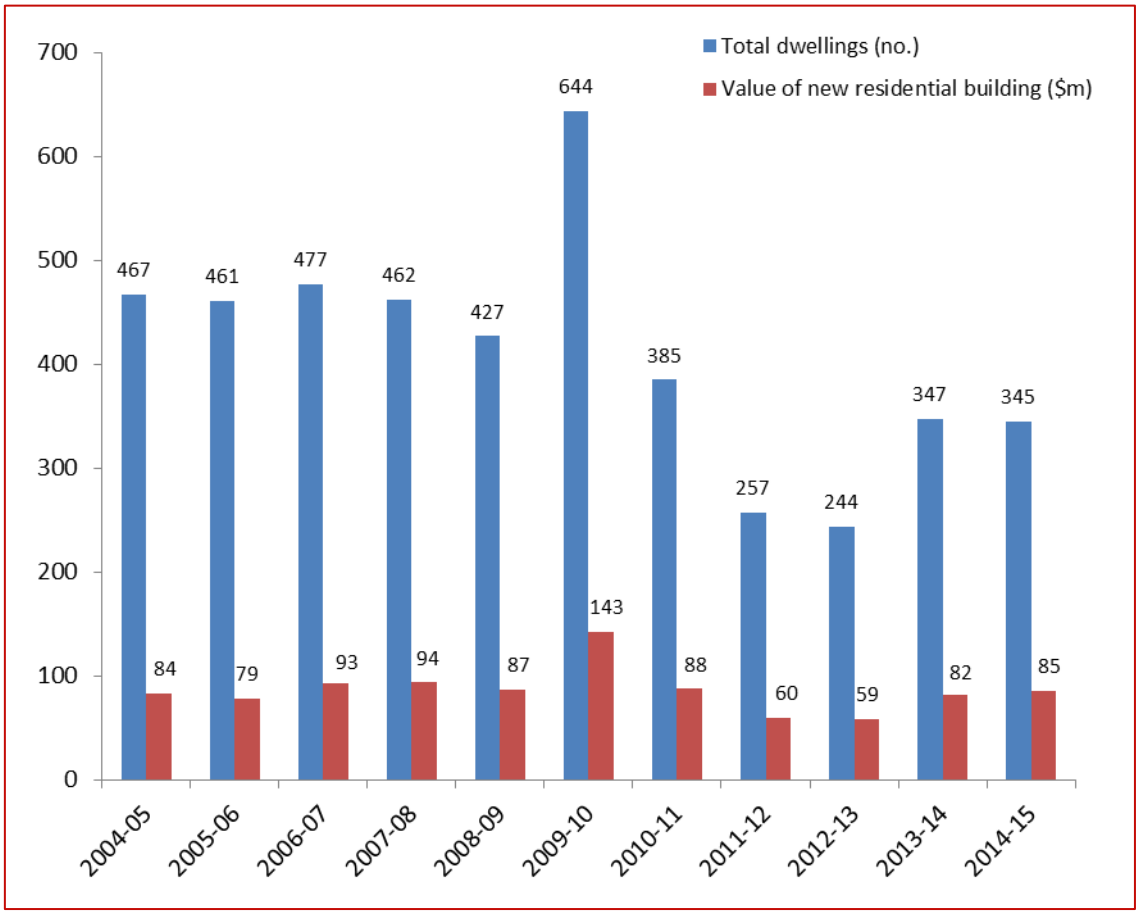
New dwelling approvals data is presented in Table 1.1. and Figure 1.1

Table 1.1: City of Latrobe – New Dwelling Approvals by Type (no.) and Value ($m), 2004-05 to 2014-15

Year Ended June 30th	New houses (no.)	New other residential building (no.)	Total dwellings (no.)	Value of new houses ($m)	Value of new other residential building ($m)	Value of new residential building ($m)
2004/05	438	29	467	79.6	4.1	83.7
2005/06	385	75	461	73.7	4.9	78.6
2006/07	432	39	477	87.8	4.6	92.5
2007/08	404	58	462	86.6	7.2	93.7
2008/09	380	47	427	80.4	6.9	87.4
2009/10	545	97	644	129.2	13.6	142.8
2010/11	362	23	385	84.1	3.6	87.7
2011/12	213	42	257	53.9	6.3	60.2
2012/13	215	21	244	55.5	3.0	58.5
2013/14	314	30	347	77.2	4.6	81.7
2014/15	306	38	345	79.4	6.0	85.4
Total 2004/05 to 2014/15	3,994	499	4,516	887	65	952
Average 2004/05 to 2014/15	363	45	411	81	6	87
Change 2004/05 to 2014/15	**-132**	**+9**	**-122**	**-0.2**	**+1.9**	**+1.7**
AAGR 2004/05 to 2014/15	**-3.5%**	**+2.7%**	**-3.0%**	**0.0%**	**+3.9%**	**+0.2%**

Source: ABS Building Approvals, Australia (various)

Figure 1.1: City of Latrobe – New Dwelling Approvals (No.) and Value ($m), 2004-05 to 2014-15



Source: ABS Building Approvals, Australia (various)

Detailed ABS building approvals data at a township/district is available from the period July 2012 to January 2015, and is included in Tables 1.2 to 1.5 and Figure 1.2.

The data shows that over the most recent 36-month period, new building approvals recorded for Churchill and Morwell have almost exclusively been for standard houses.

In contrast, Traralgon's dwelling mix has included 12% of approvals for units/townhouses (48 dwellings) and 3% of approvals for apartments (11 dwellings). Moe has recorded 16% of new dwelling approvals for unit/townhouse developments (18 dwellings), although no apartments approved over this period.

Table 1.2: New Building Approvals by Housing Type, Churchill – July 2012 to January 2015

	2012/13	2013/14	2014/15 (July to Jan ONLY)	Total July 2012 to Jan 2015	Share of Total
Houses (No.)	45	63	38	146	100%
Semi-detached, row or terrace houses, townhouses - One storey (No.)	0	0	0	0	0%
Flats units or apartments - In a one or two storey block (No.)	0	0	0	0	0%
Total Residential (No.)	**45**	**63**	**38**	**146**	**100%**

Source: ABS Building Approvals, Australia (various)

Table 1.3: New Building Approvals by Housing Type, Moe-Newborough – July 2012 to January 2015

	2012/13	2013/14	2014/15 (July to Jan ONLY)	Total July 2012 to Jan 2015	Share of Total
Houses (No.)	24	43	31	98	84%
Semi-detached, row or terrace houses, townhouses - One storey (No.)	5	7	6	18	16%
Flats units or apartments - In a one or two storey block (No.)	0	0	0	0	0%
Total Residential (No.)	**29**	**50**	**37**	**116**	**100%**

Source: ABS Building Approvals, Australia (various)

Table 1.4: New Building Approvals by Housing Type, Morwell – July 2012 to January 2015

	2012/13	2013/14	2014/15 (July to Jan ONLY)	Total July 2012 to Jan 2015	Share of Total
Houses (No.)	47	51	17	115	97%
Semi-detached, row or terrace houses, townhouses - One storey (No.)	0	3	0	3	3%
Flats units or apartments - In a one or two storey block (No.)	0	0	0	0	0%
Total Residential (No.)	**47**	**54**	**17**	**118**	**100%**

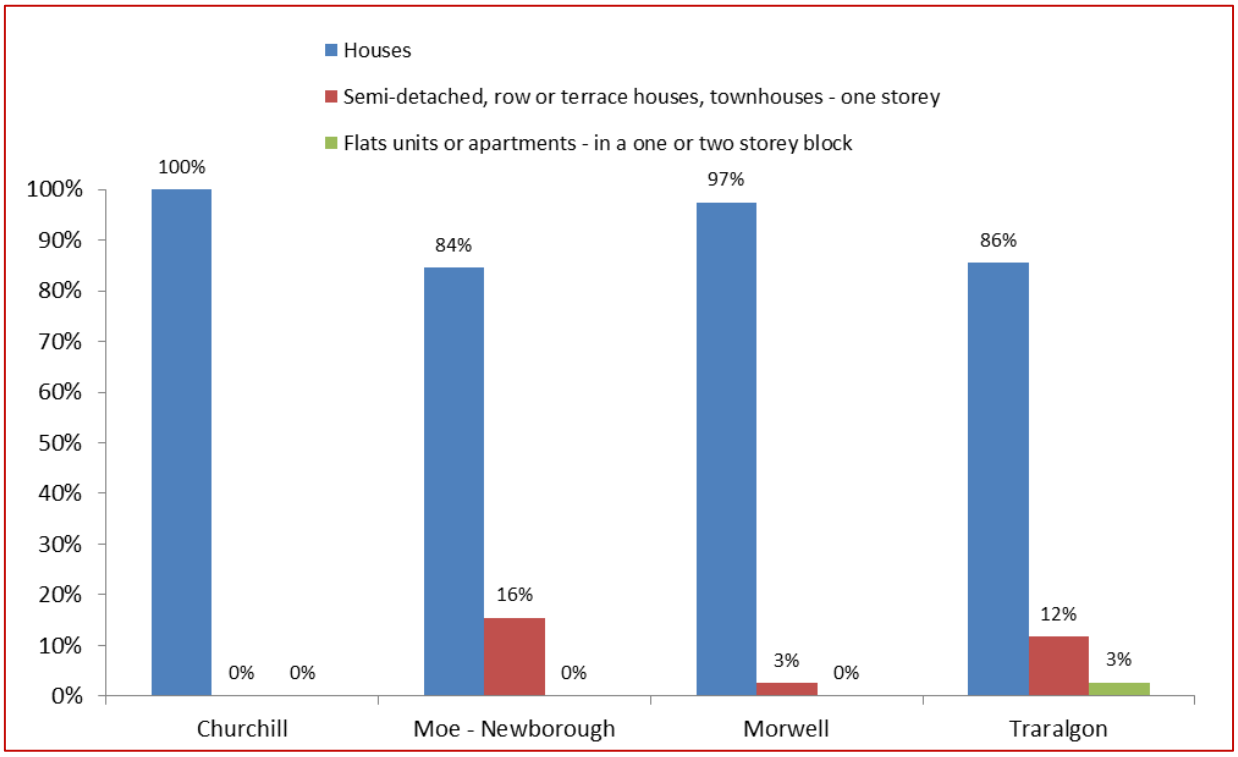
Source: ABS Building Approvals, Australia (various)

Table 1.5: New Building Approvals by Housing Type, Traralgon – July 2012 to January 2015

	2012/13	2013/14	2014/15 (July to Jan ONLY)	Total July 2012 to Jan 2015	Share of Total
Houses (No.)	85	144	120	349	86%
Semi-detached, row or terrace houses, townhouses - One storey (No.)	5	20	23	48	12%
Flats units or apartments - In a one or two storey block (No.)	11	0	0	11	3%
Total Residential (No.)	**101**	**164**	**143**	**408**	**100%**

Source: ABS Building Approvals, Australia (various)

Figure 1.2: Share of New Building Approvals by Housing Type – Latrobe Townships, July 2012 to January 2015



Source: ABS Building Approvals, Australia (various)

Residential House and Land Price Trends

Property and land price trends show the City of Latrobe has experience slightly higher price growth over the past decade compared to Regional Victoria (refer to Figure 1.3). For example, over the period 2004-14 median house process in the City of Latrobe increased by +5.2% pa compared to +4.6% for regional Victoria, while vacant land prices grew by 7.4% pa in the City of Latrobe compared to 6.0% for regional Victoria.

As Tables 1.6 to 1.8 show, property values in the City of Latrobe remain significantly below regional averages (by approximately 25% to 30%); however, average vacant land values are now very similar to those in regional Victoria.

Table 1.6: Median House Price Trends – Selected Locations, 2004-2014

Year	City of Latrobe	Regional Victoria	Metropolitan Melbourne	Victoria
2004	$131,000	$191,000	$308,100	$270,000
2014	$218,000	$299,310	$550,000	$460,000
Change 2004-2014	**+$87,000**	**+$108,310**	**+$241,900**	**+$190,000**
AAGR 2004-2014	**+5.2%**	**+4.6%**	**+6.0%**	**+5.5%**

Source: A Guide to Property Values, Department of Environment, Land, Water & Planning 2015
Note: AAGR – Average Annual Growth Rate

Table 1.7: Unit/Apartment Price Trends – Selected Locations, 2004-2014

Year	City of Latrobe	Regional Victoria	Metropolitan Melbourne	Victoria
2004	$115,000	$175,000	$275,000	$261,000
2014	$179,500	$241,390	$455,000	$432,500
Change 2004-2014	**+$131,000**	**+$189,090**	**+$391,000**	**+$370,500**
AAGR 2004-2014	**+4.6%**	**+3.3%**	**+5.2%**	**+5.2%**

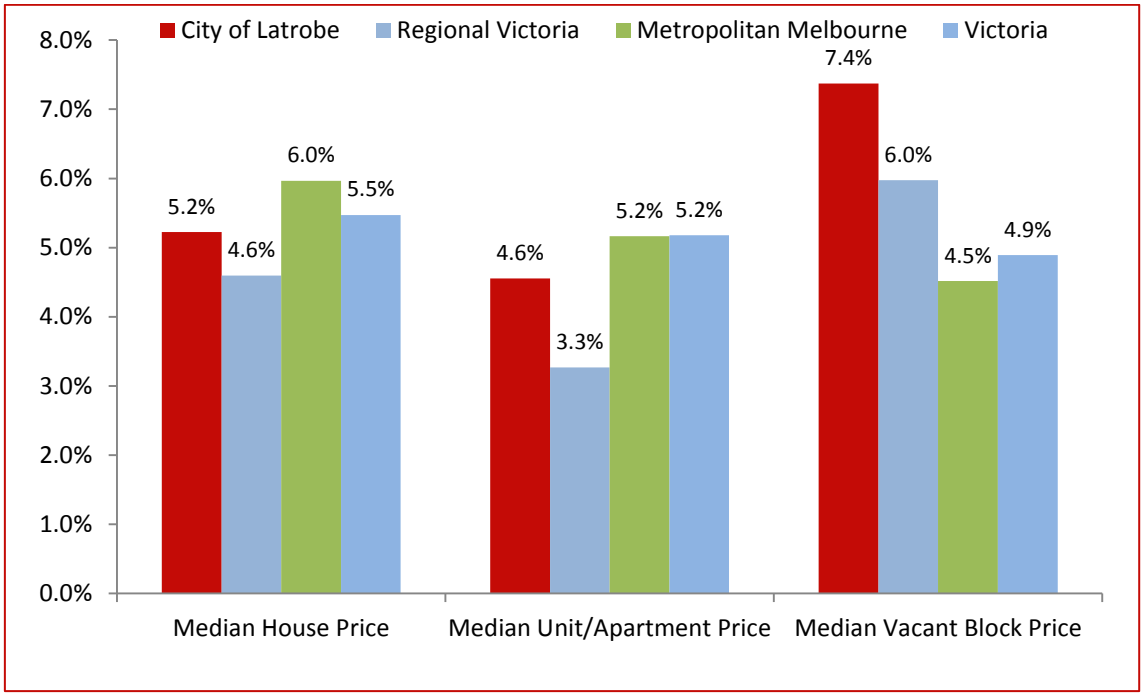
Source: A Guide to Property Values, Department of Environment, Land, Water & Planning 2015
Note: AAGR – Average Annual Growth Rate

Table 1.8: Vacant House Block Price Trends – Selected Locations, 2004-2014

Year	City of Latrobe	Regional Victoria	Metropolitan Melbourne	Victoria
2004	$65,000	$75,000	$135,000	$113,500
2014	$132,400	$134,000	$210,000	$183,000
Change 2004-2014	**+$67,400**	**+$59,000**	**+$75,000**	**+$69,500**
AAGR 2004-2014	**+7.4%**	**+6.0%**	**+4.5%**	**+4.9%**

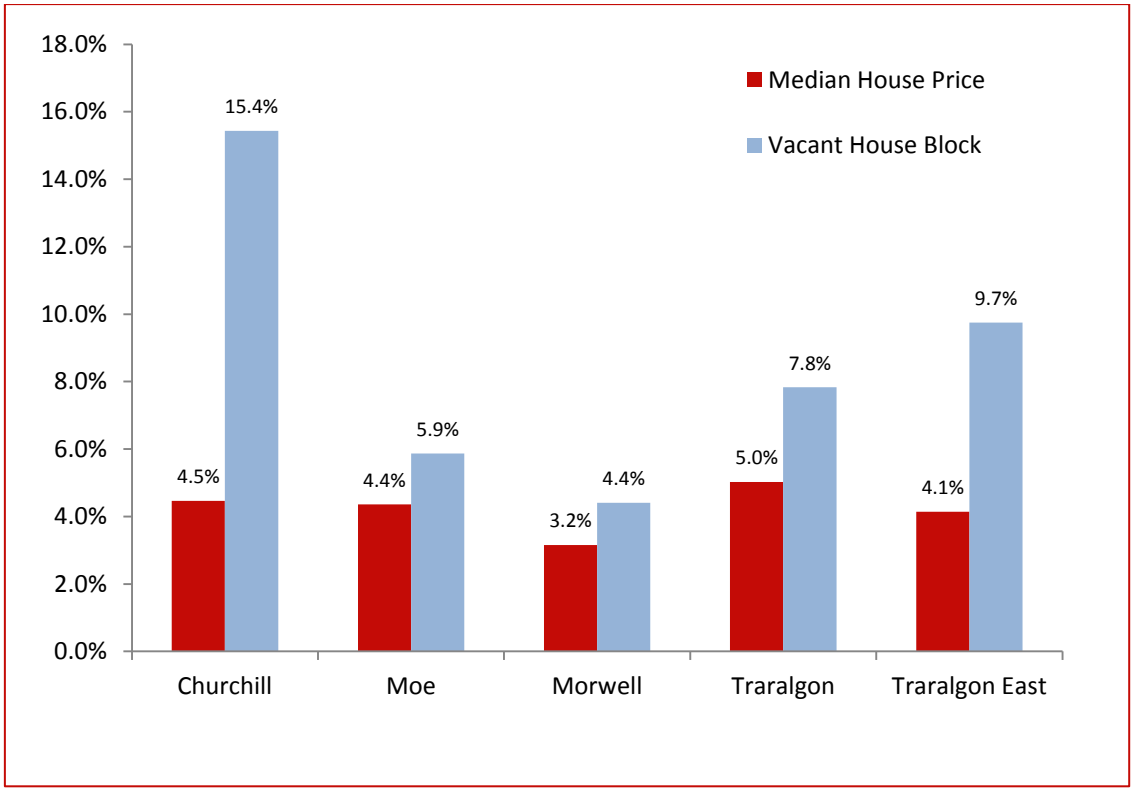
Source: A Guide to Property Values, Department of Environment, Land, Water & Planning 2015
Note: AAGR – Average Annual Growth Rate

Figure 1.3: Property Prices (Annual Average Growth Rate) – Selected Locations, 2004-2014



Source: A Guide to Property Values, Department of Environment, Land, Water & Planning 2015

Figure 1.4: Property Prices (Annual Average Growth Rate) – Latrobe Townships, 2004-2014



Source: A Guide to Property Values, Department of Environment, Land, Water & Planning 2015

Residential Sales Trends

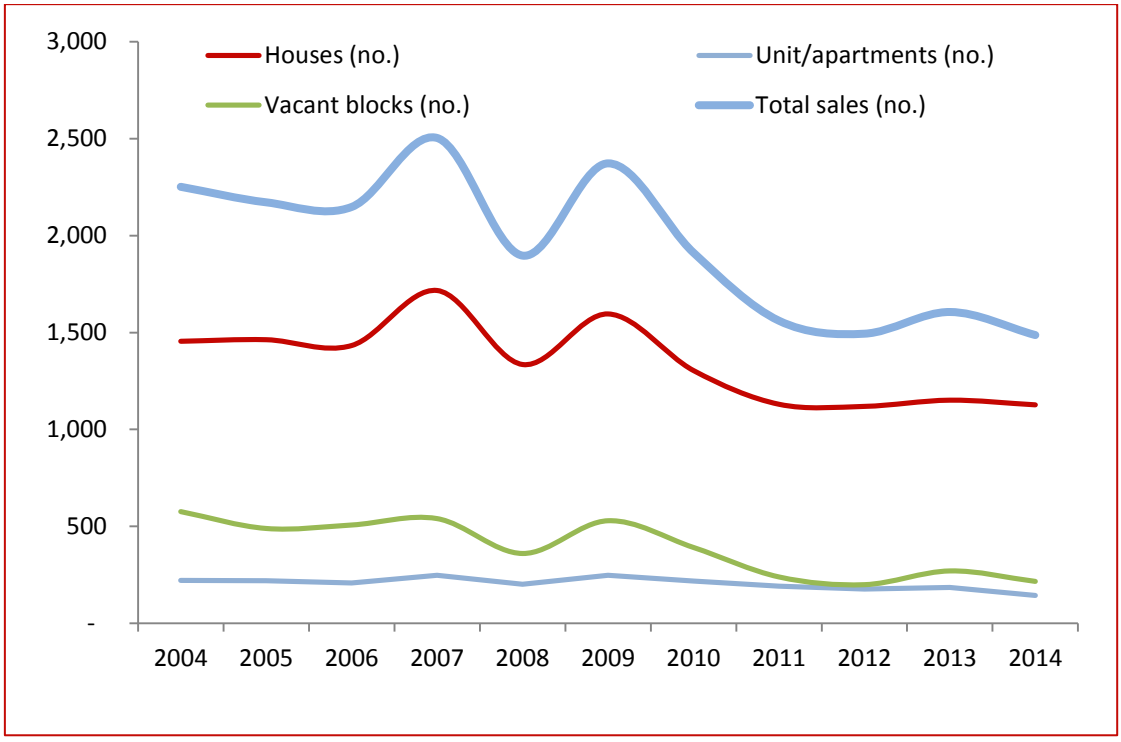
A review of residential sales data over the period 2004-2014 shows a general decline in transaction activity in recent years. For example, an average of 1,350 sales (including vacant lots) has been achieved over the period; however, sales have been below this average for each of the past five years (2010-2014), with only 1,130 sales recorded in 2014. The average number of vacant lot sales over the period is 390 sales, however, over the past four years (2011 to 2014) an average of 230 lot sales has been recorded, with just 216 lots sales transactions taking place in 2014. Residential sales data is included in Table 1.9 and Figure 1.5.

Table 1.9: Residential Sales Trends – City of Latrobe, 2004-2014

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2004-14 Total	2004-14 Change
Houses (no.)	1,455	1,463	1,433	1,717	1,335	1,596	1,304	1,130	1,119	1,151	1,127	14,830	+1,348
Unit/apartments (no.)	221	220	208	247	202	248	217	192	176	185	144	2,260	+205
Vacant blocks (no.)	576	489	507	540	360	529	391	239	199	270	216	4,316	+392
Total sales (no.)	**2,252**	**2,172**	**2,148**	**2,504**	**1,897**	**2,373**	**1,912**	**1,561**	**1,494**	**1,606**	**1,487**	**21,406**	**+1,946**

Source: A Guide to Property Values, Department of Environment, Land, Water & Planning 2015

Figure 1.5: Residential Sales Trends – City of Latrobe, 2004-2014



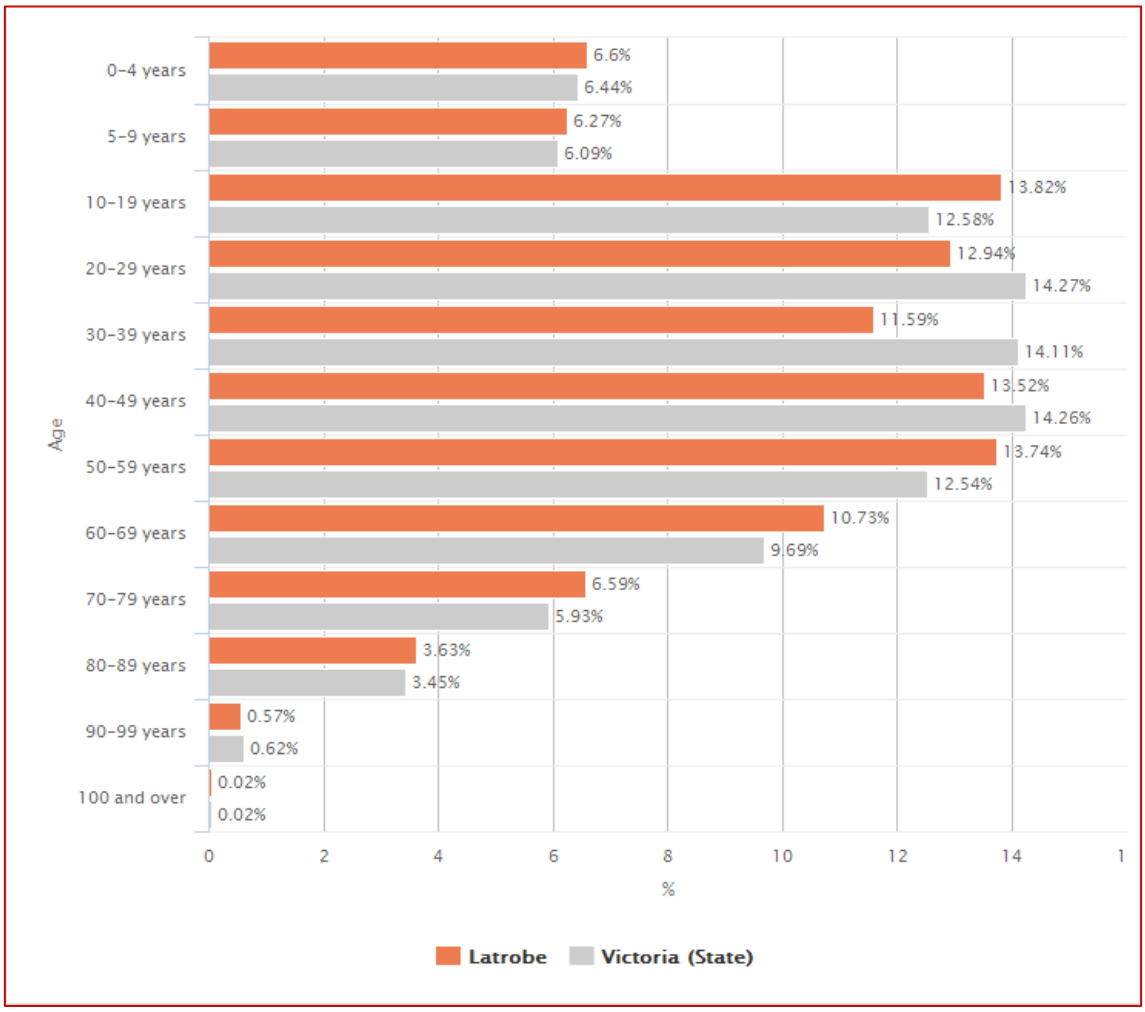
Source: A Guide to Property Values, Department of Environment, Land, Water & Planning 2015

1.2 Demand Analysis

Existing Population

The Estimated Resident Population of the City of Latrobe was 73,650 persons as of June 2015. As of 2011, the age-composition of the municipality's residents was broadly similar to State averages, albeit containing a slightly higher proportion of residents in the 50+ year age group (35.3% cf 32.3%).

Figure 1.6: Share of Population by Age Groups – City of Latrobe and Victoria, 2011



Source: Latrobe City Demographic Profile – REMPLAN

Population Projections

Latest population projections show that over the 15-year period 2016 to 2031 the City of Latrobe's population is expected to increase at a significantly lower rate (+0.7% pa) compared to the State average (+1.6% pa), according to *Victoria in Future 2015* (VIF 2015) prepared by the Department of Environment, Land Water and Planning).

The VIF 2015 projections indicate the City of Latrobe's population will increase by +8,560 persons over the 15 year period, expanding from an estimated level of 73,900 persons in 2016 to 82,460 persons in 2031. As Table 1.10 highlights, population growth in the municipality will be driven by Traralgon (VIFSA Traralgon Town) where population is expected to grow by +1.2% pa and will account for 61% of all population growth in the municipality between 2016 and 2031. Churchill (VIF Churchill District) is expected to account for 15% of population and Moe (VIFSA Moe Town) 14% of growth over the period, although this represents relatively modest annual growth rates of +0.7% and +0.5% respectively. Even lower annual growth rates are projected for Morwell (VIFSA Morwell Town) and Glengarry North Tyers (VIFSA Glengarry North-Tyers District) of 0.4% and 0.1% respectively, with Morwell's growth representing just 10% of municipal growth over the 15 year period, and Glengarry North Tyers only 1% of population growth over the coming 15 years.

Table 1.10: Population Projections – Selected Locations in the City of Latrobe, 2016-2031 (No. Persons)

	2016	2021	2026	2031	Change	AAGR
VIFSA Churchill District	11,660	12,040	12,550	12,910	+1,250	+0.7%
VIFSA Glengarry North-Tyers District	4,650	4,710	4,740	4,730	+80	+0.1%
VIFSA Moe Town	16,500	16,580	16,870	17,690	+1,190	+0.5%
VIFSA Morwell Town	14,100	14,270	14,560	14,950	+850	+0.4%
VIFSA Traralgon Town	26,990	28,720	30,440	32,170	+5,180	+1.2%
Latrobe (C)	**73,900**	**76,320**	**79,160**	**82,460**	**+8,560**	**+0.7%**
Victoria	**6,053,350**	**6,598,360**	**7,147,980**	**7,701,110**	**+1,647,760**	**+1.6%**

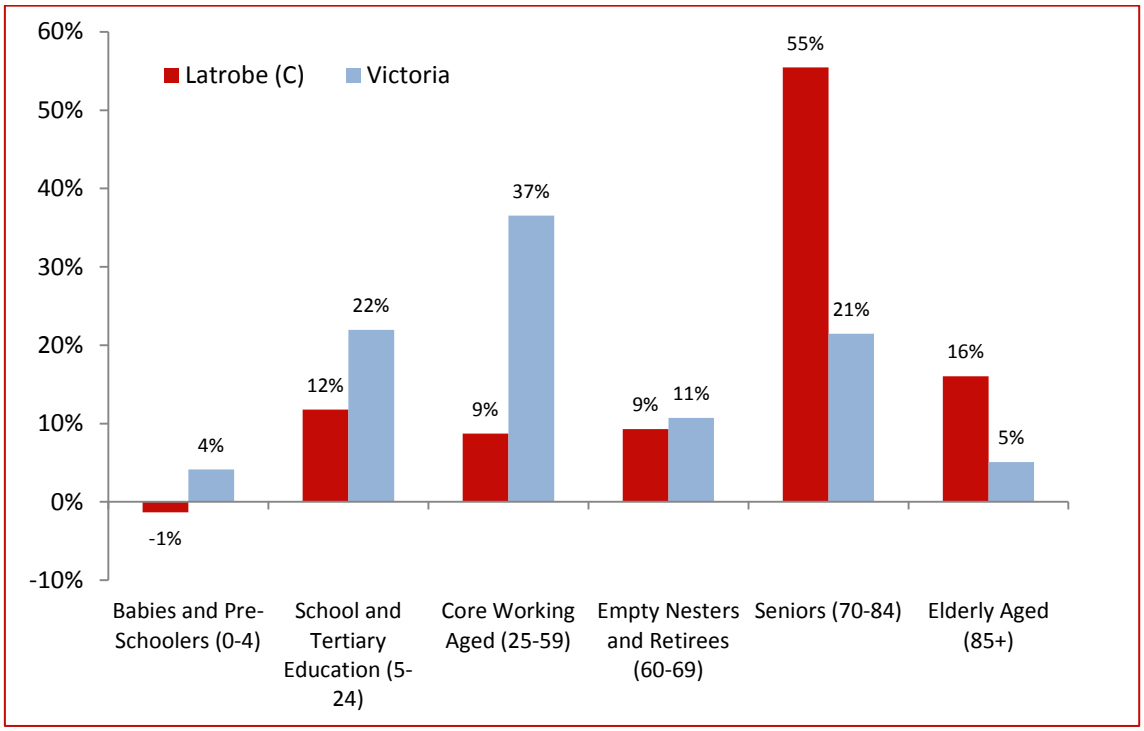
Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning
Note: AAGR – Average Annual Growth Rate

Age-Based Projections

VIF 2015 age-based population projections, which are included in Figure 1.7, highlight a significant aging of Latrobe's population over the coming 15 years. When the composition of future growth is considered, approximately 70% of Latrobe's growth is focused on seniors and elderly aged cohorts (70+ years) and this compares to just 26% growth in these cohorts across the State over the period. In contrast, just 9% of population growth is expected to occur in Latrobe's core working aged groups (25-59 years) compared to the State average of 37% over the period 2016-2031. Compared to State averages, Latrobe also has below-average growth predicted in infants and pre-schoolers (-1% cf 4%) and school and tertiary aged (12% cf 22%) populations.

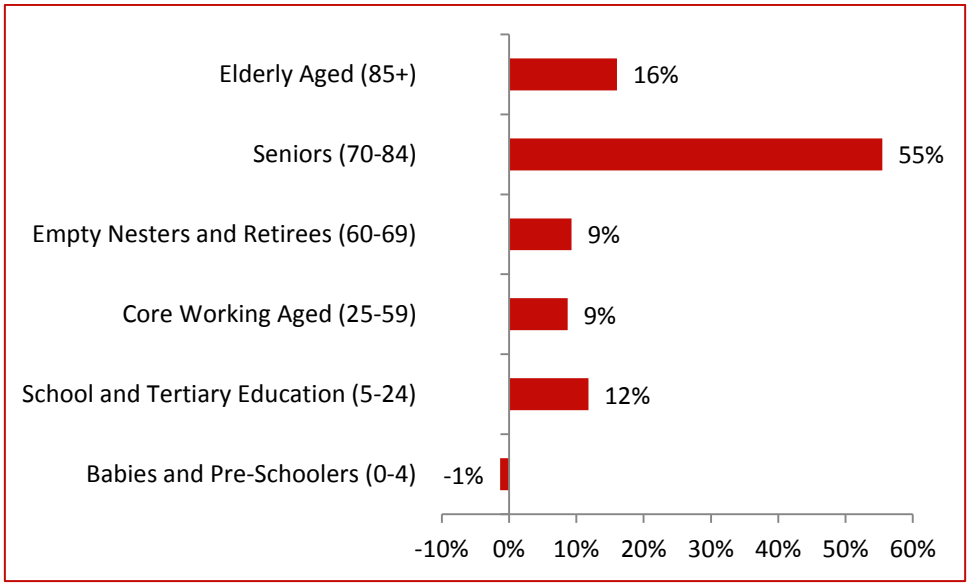
Aged-based population projections for each of Latrobe's main townships are provided in Figures 1.9 to 1.13. These projections show that while Traralgon is expected to have a relatively well balanced growth pattern (aligned more with State growth patterns), all other townships are heavily focused on growth across the seniors (70-84 years) and elderly aged (85+ years).

Figure 1.7: Share of Projected Population Growth by Age Cohort – Selected Locations, 2016-2031



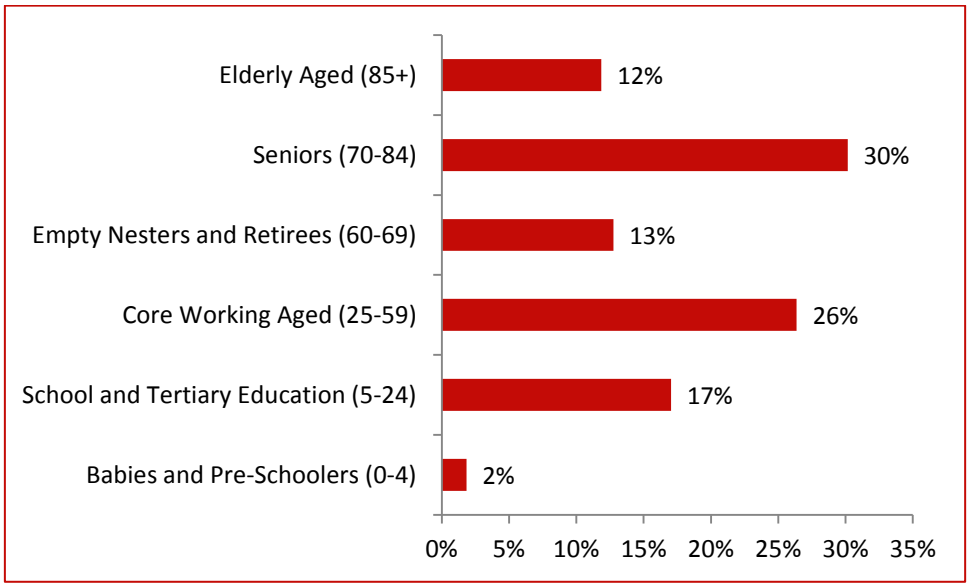
Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

Figure 1.8: Share of Projected Population Growth by Age Cohort – Latrobe (C), 2016-2031



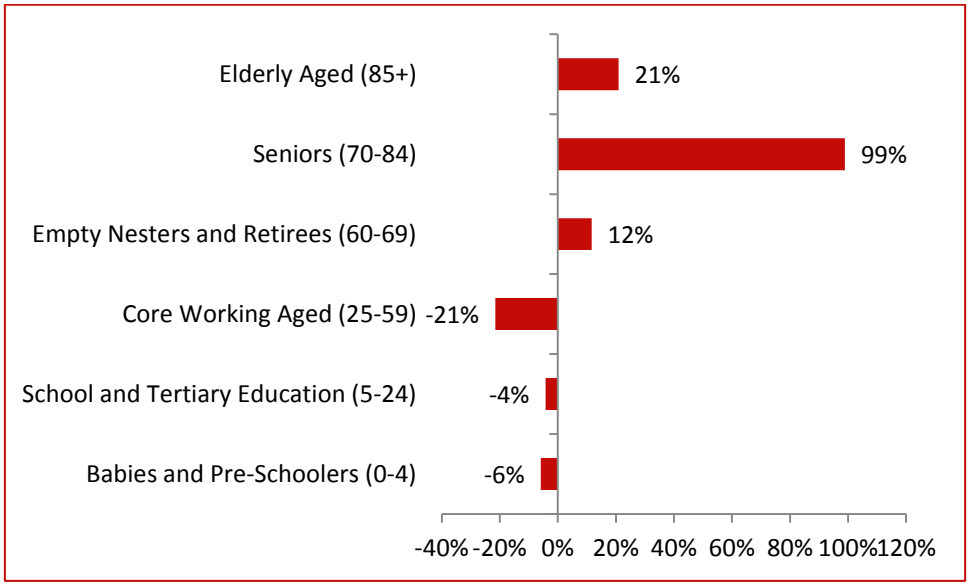
Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

Figure 1.9: Share of Projected Population Growth by Age Cohort – VIFSA Traralgon Town, 2016-2031



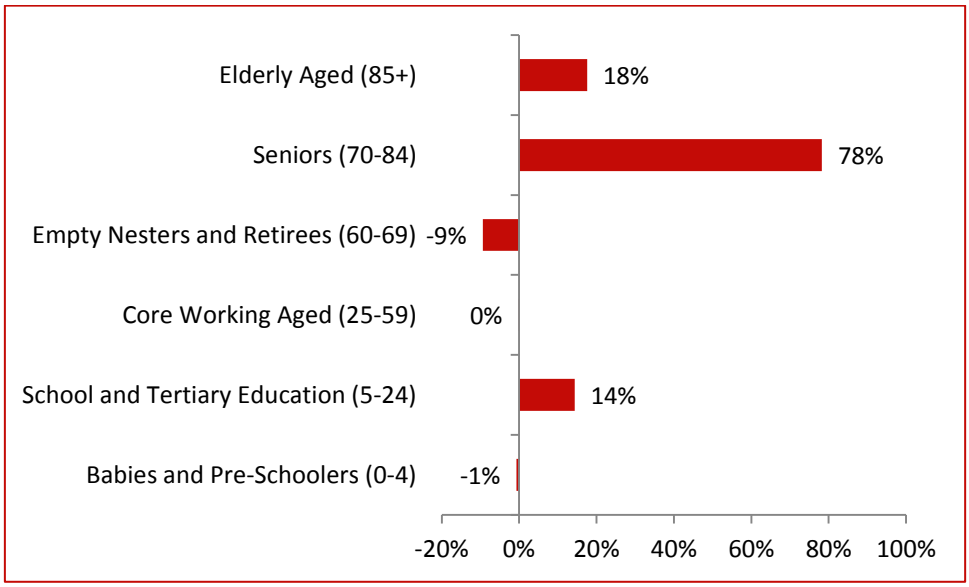
Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

Figure 1.10: Share of Projected Population Growth by Age Cohort – VIFSA Moe Town, 2016-2031



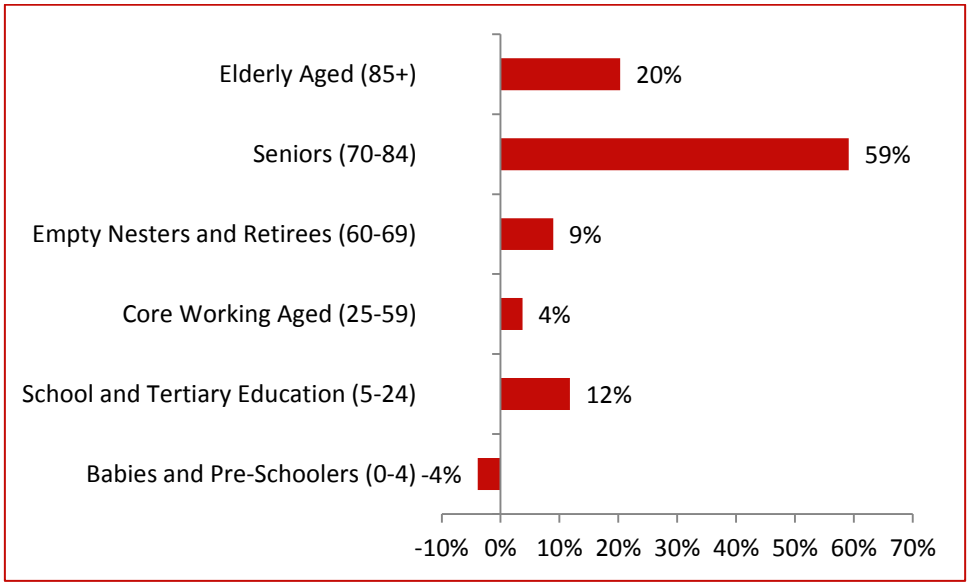
Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

Figure 1.11: Share of Projected Population Growth by Age Cohort – VIFSA Churchill District, 2016-2031



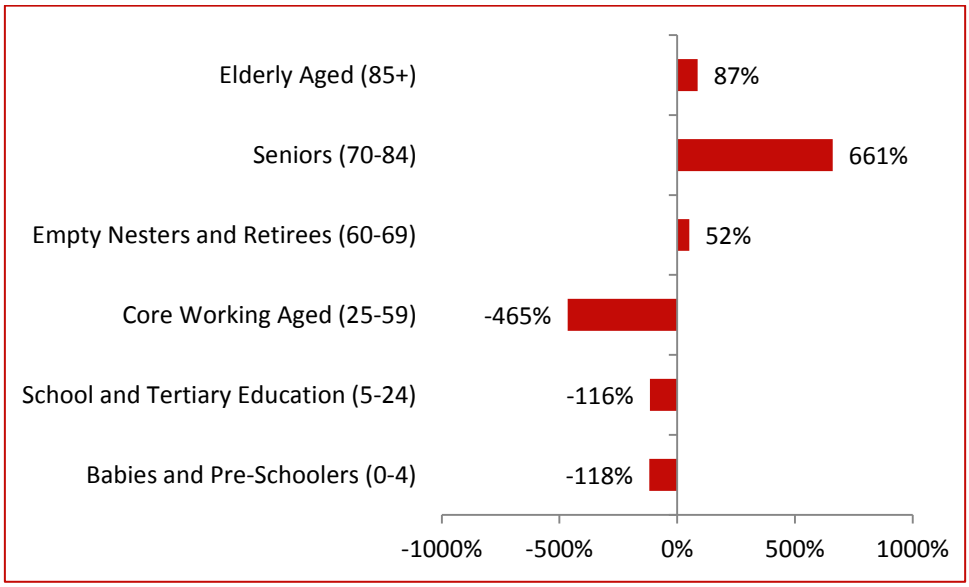
Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

Figure 1.12: Share of Projected Population Growth by Age Cohort – VIFSA Morwell Town, 2016-2031



Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

Figure 1.13: Share of Projected Population Growth by Age Cohort – VIFSA Glengarry North-Tyers District, 2016-2031



Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

Households and Dwelling Projections

Approximately 5,000 new dwellings will be required in the City of Latrobe over the period 2016 to 2031, according to VIF 2015 projections. This represents an average of approximately 330 new dwellings per year, which is below the long-term trend (approximately 410 new dwelling approvals) and reflects modest population growth projected in the municipality over the coming 15 years.

The VIF 2015 data, which is shown in Table 1.10, indicates the following:

- 54% of new dwellings will be required in VIFSA Traralgon
- 19% of new dwellings will be required in VIFSA Moe
- 14% of new dwellings will be required in VIFSA Churchill District
- 9% of new dwellings will be required in VIFSA Morwell
- 5% of new dwellings will be required in VIFSA Glengarry North-Tyers District

Detailed dwelling projections are presented in Table 1.11.

Table 1.11: Households and Dwelling Projections – Selected Locations in the City of Latrobe, 2016-2031

	Estimated Resident Population	Persons in Non-Private Dwellings	Persons in Occupied Private Dwellings	Occupied Private Dwellings	Average Household Size	Structural Private Dwellings	Occupancy Rate
2016							
VIFSA Churchill District	11,665	302	11,363	4,543	2.50	4,884	93%
VIFSA Glengarry North-Tyers District	4,650	2	4,648	1,915	2.43	1,992	96%
VIFSA Moe Town	16,498	287	16,211	7,424	2.18	8,160	91%
VIFSA Morwell Town	14,096	267	13,829	6,299	2.20	6,919	91%
VIFSA Traralgon Town	26,994	334	26,659	11,305	2.36	11,916	95%
Latrobe (C)	**73,903**	**1,192**	**72,710**	**31,485**	**2.31**	**33,870**	**93%**
Victoria	**6,053,352**	**93,105**	**5,960,247**	**2,380,634**	**2.50**	**2,563,303**	**93%**
2031							
VIFSA Churchill District	12,914	333	12,581	5,186	2.43	5,564	93%
VIFSA Glengarry North-Tyers District	4,733	3	4,730	2,134	2.22	2,227	96%
VIFSA Moe Town	17,688	419	17,269	8,261	2.09	9,091	91%
VIFSA Morwell Town	14,946	339	14,608	6,764	2.16	7,346	92%
VIFSA Traralgon Town	32,173	573	31,600	13,922	2.27	14,625	95%
Latrobe (C)	**82,455**	**1,667**	**80,788**	**36,267**	**2.23**	**38,854**	**93%**
Victoria	**7,701,109**	**139,519**	**7,561,590**	**3,079,819**	**2.46**	**3,299,023**	**93%**
Change 2016-2031							
VIFSA Churchill District	+1,250	+31	+1,218	+643	-0.08	+681	0%
VIFSA Glengarry North-Tyers District	+83	+1	+82	+219	-0.21	+235	0%
VIFSA Moe Town	+1,190	+132	+1,058	+838	-0.09	+932	0%
VIFSA Morwell Town	+850	+72	+778	+464	-0.04	+427	+1%
VIFSA Traralgon Town	+5,180	+238	+4,941	+2,618	-0.09	+2,709	0%
Latrobe (C)	**+8,552**	**+475**	**+8,078**	**+4,782**	**-0.08**	**+4,984**	**0%**
Victoria	**+1,647,757**	**+46,413**	**+1,601,343**	**+699,185**	**-0.05**	**+735,720**	**0%**

Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

When future dwelling type requirements are taken into account in terms of accommodating the City of Latrobe's population growth, VIF 2015 household formation data (refer to Table 1.12 and Figures 1.14 and 1.15) shows a significant shift towards lone person households and couples without children households, and this pattern is consistent with an ageing population.

These two groupings represent approximately 76% of all new household growth over the period 2016 to 2031, and indicate an increasing demand for smaller dwellings on smaller allotments (and other arrangements such as retirement villages) in future years. In contrast, couple with children household and group household represent just 13% of new households over the coming 15 years, and this contrasts with 28% at the State level.

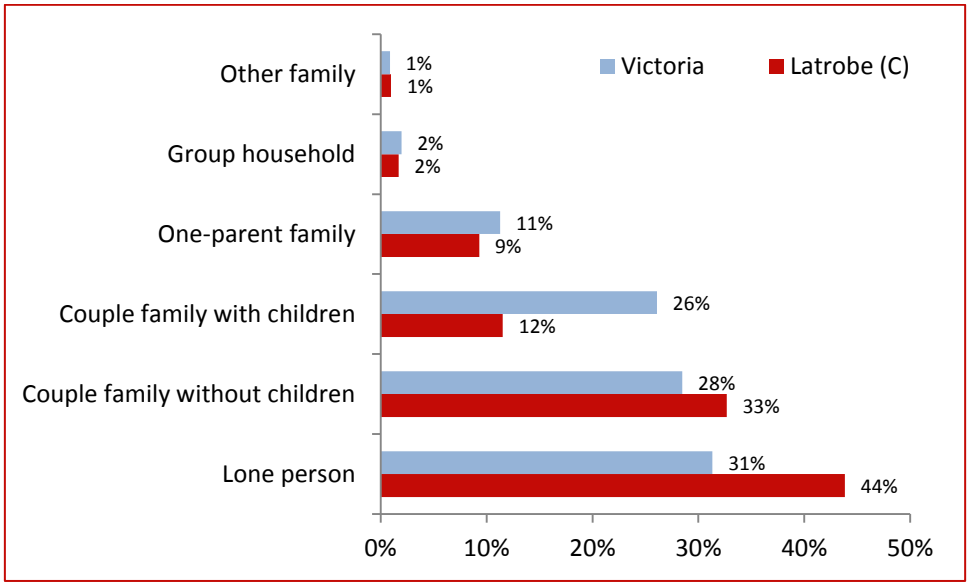
A summary of household composition by township/district are included in Figures 1.16 to 1.20.

Table 1.12: No. of Households by Household Type Projections – Selected Locations 2016-2031

	Couple family with children	Couple family without children	One-parent family	Other family	Group household	Lone person	All Household Types
2016							
VIFSA Churchill District	1,413	1,490	509	38	126	967	4,543
VIFSA Glengarry North-Tyers District	621	632	175	10	39	438	1,915
VIFSA Moe Town	1,615	1,931	1,004	78	169	2,627	7,424
VIFSA Morwell Town	1,262	1,589	951	80	240	2,177	6,299
VIFSA Traralgon Town	3,216	3,195	1,273	88	325	3,208	11,305
Latrobe (C)	**8,126**	**8,837**	**3,911**	**295**	**899**	**9,418**	**31,485**
Victoria	**753,969**	**630,014**	**253,218**	**33,502**	**107,207**	**602,725**	**2,380,634**
2031							
VIFSA Churchill District	1,504	1,681	588	46	131	1,236	5,186
VIFSA Glengarry North-Tyers District	557	732	187	19	41	597	2,134
VIFSA Moe Town	1,635	2,221	1,059	80	180	3,087	8,261
VIFSA Morwell Town	1,325	1,727	990	87	246	2,388	6,764
VIFSA Traralgon Town	3,657	4,036	1,532	109	381	4,207	13,922
Latrobe (C)	**8,678**	**10,399**	**4,356**	**341**	**980**	**11,514**	**36,267**
Victoria	**936,381**	**829,171**	**332,052**	**39,647**	**120,871**	**821,696**	**3,079,819**
2016-2031							
VIFSA Churchill District	+91	+192	+79	+8	+5	+268	+643
VIFSA Glengarry North-Tyers District	-64	+101	+13	+9	+2	+158	+219
VIFSA Moe Town	+20	+290	+55	+2	+11	+459	+838
VIFSA Morwell Town	+63	+138	+40	+6	+6	+211	+464
VIFSA Traralgon Town	+441	+842	+258	+21	+56	+999	+2,618
Latrobe (C)	**+552**	**+1,562**	**+445**	**+47**	**+81**	**+2,096**	**+4,782**
Victoria	**+182,412**	**+199,157**	**+78,834**	**+6,145**	**+13,665**	**+218,971**	**+699,185**

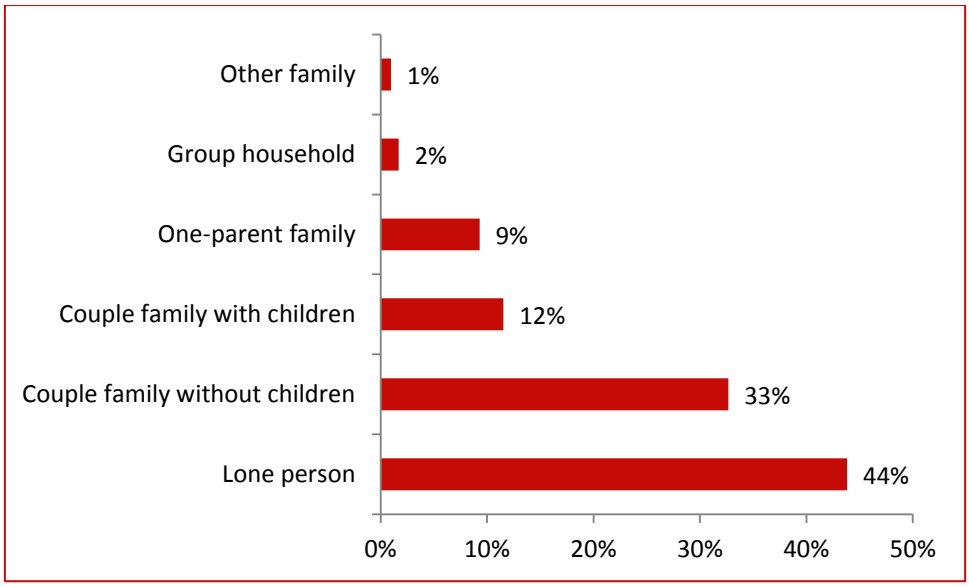
Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

Figure 1.14: Composition of Household Growth – Selected Locations, 2016-2031



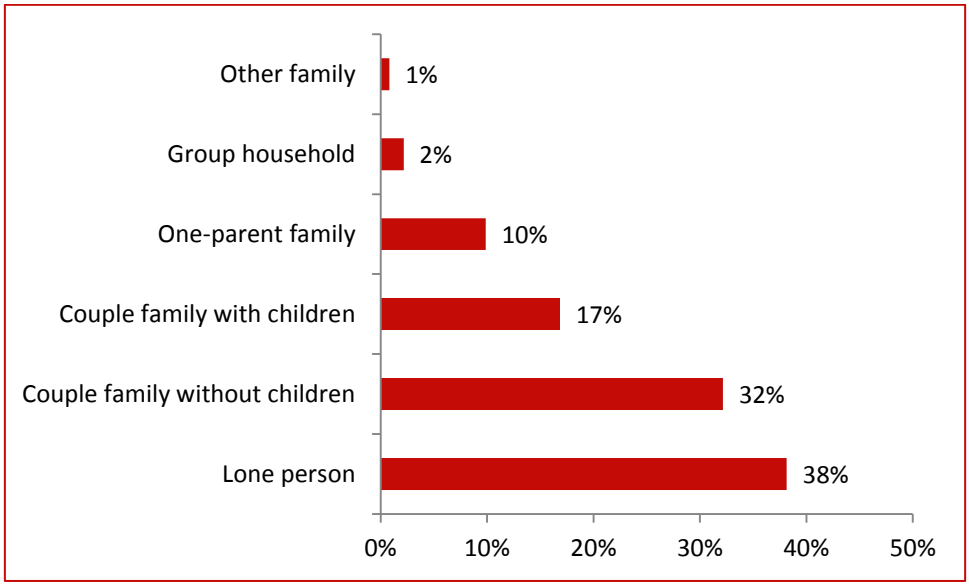
Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

Figure 1.15: Composition of Household Growth – Latrobe (C), 2016-2031



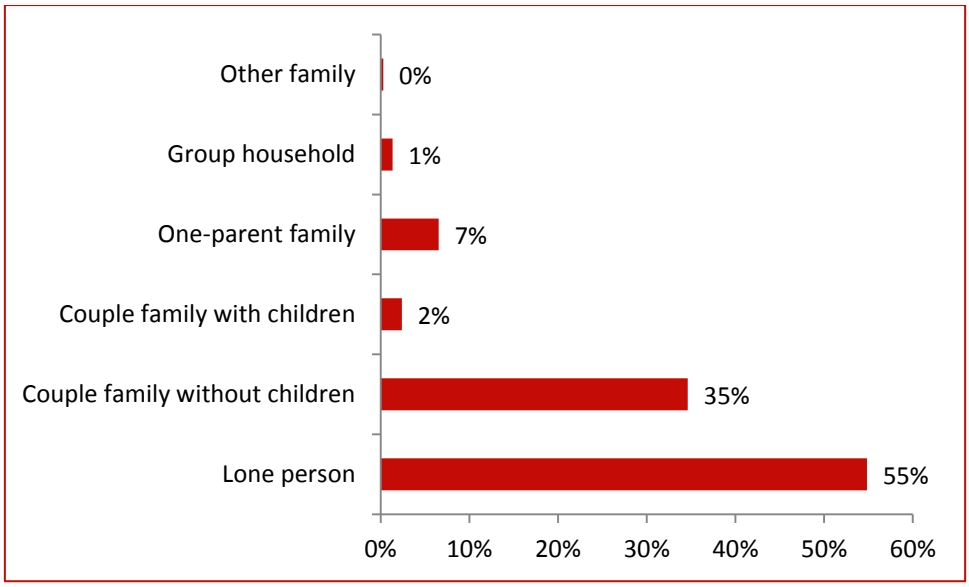
Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

Figure 1.16: Composition of Household Growth – VIFSA Traralgon Town, 2015-2031



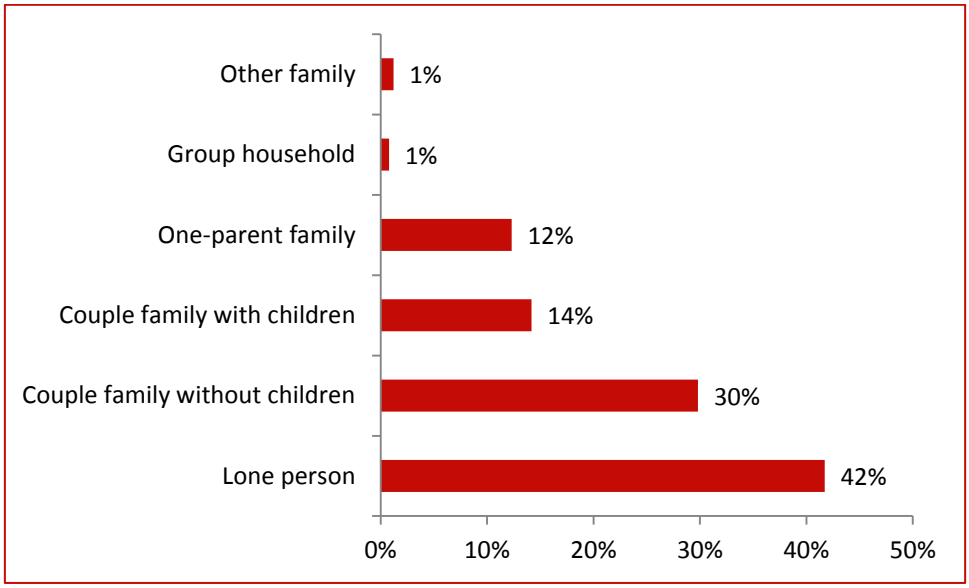
Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

Figure 1.17: Composition of Household Growth – VIFSA Moe Town, 2015-2031



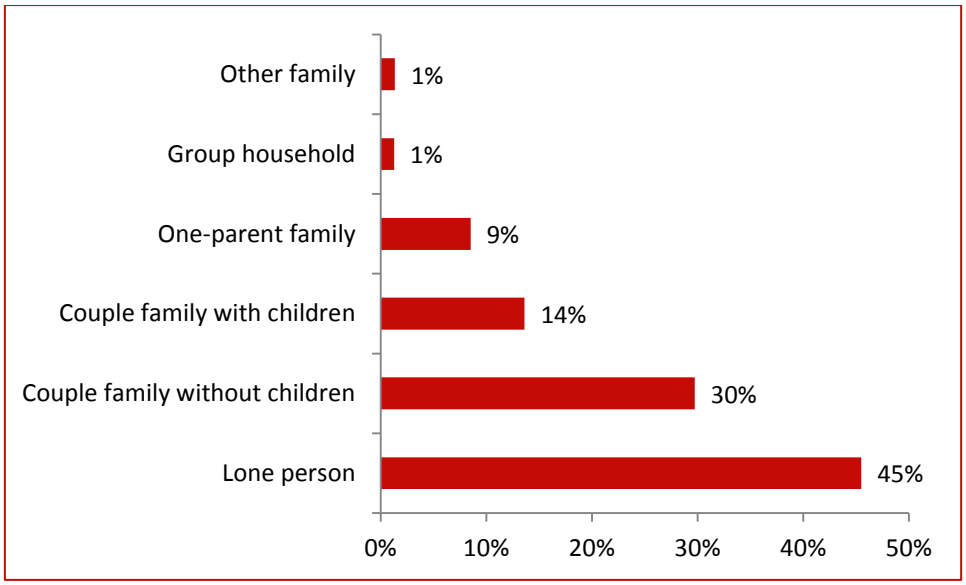
Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

Figure 1.18: Composition of Household Growth – VIFSA Churchill District, 2015-2031



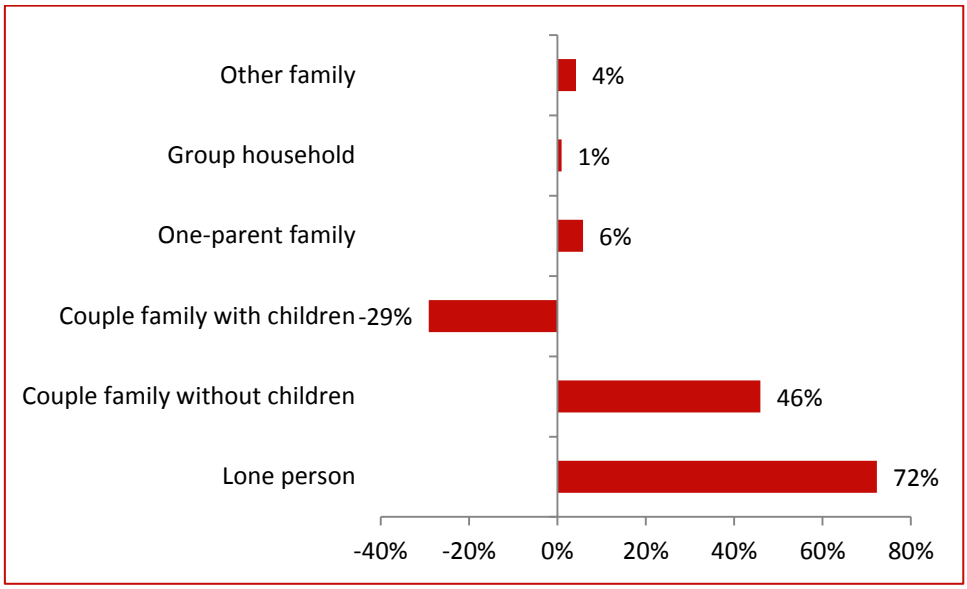
Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

Figure 1.19: Composition of Household Growth – VIFSA Morwell Town, 2015-2031



Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

Figure 1.20: Composition of Household Growth – VIFSA Glengarry North-Tyers District, 2015-2031



Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

1.3 Supply Analysis

Existing Supply

A high-level analysis using aerial mapping and indicates there are approximately 794ha of zoned vacant residential land available in the City of Latrobe's main urban areas. This figure relates to greenfield areas and other identifiable undeveloped land parcels, but excludes potential infill sites.

Identified vacant zoned land supply is distributed as follows:

- Traralgon 266ha
- Moe 208ha
- Morwell 90ha
- Churchill 230ha
- **Total** **794ha**

Potential Supply

When potential supply is considered (ie existing occupied land with the ability to be further subdivided in the future under the GRZ or NRZ1), a further 327ha of zoned residential land may become available in these main urban areas in the future. This analysis excludes infill potential.

Identified potential zoned land supply is distributed as follows:

- Traralgon 196ha
- Moe 20ha
- Morwell 109ha
- Churchill 2ha
- **Total 327ha**

Additionally, the recently gazetted Lake Narracan Precinct Structure Plan (PSP) provides for **338ha** of long-term land supply for Moe area under the Urban Growth Zone.

Table 1.13 provides a summary of existing and potential residential supply for Latrobe's main urban areas.

Table 1.13: Estimated Existing and Potential Residential Land Supply (Zoned) – City of Latrobe Main Urban Areas

	Traralgon	Moe	Morwell	Churchill	City of Latrobe Urban Areas
Existing Supply					
GRZ Vacant Parcels	39ha	5ha	9ha	22ha	75ha
GRZ Vacant Greenfields	155ha	145ha	81ha	178ha	559ha
NRZ1 Vacant Parcels	0ha	4ha	0ha	0ha	4ha
NRZ1 Vacant Greenfields	0ha	54ha	0ha	0ha	54ha
LDRZ Vacant Parcels	18ha	0ha	0ha	0ha	18ha
LDRZ Vacant Greenfields	54ha	0ha	0ha	30ha	84ha
Total Existing Supply	**266ha**	**208ha**	**90ha**	**230ha**	**794ha**
Potential Supply					
GRZ Occupied with Development Potential	186ha	16ha	109ha	2ha	313ha
NRZ1 Occupied with Development Potential	2ha	4ha	0ha	0ha	6ha
LDRZ Occupied with Development Potential	8ha	0ha	0ha	0ha	8ha
Total Potential Supply	**196ha**	**20ha**	**109ha**	**2ha**	**327ha**
Urban Growth Zone	-	338ha	-	-	338ha
Total Existing and Potential Supply	**462ha**	**566ha**	**199ha**	**232ha**	**1,459ha**

Source: Near Map; Essential Economics Pty Ltd
Note: Figures rounded to the nearest hectare

1.4 Adequacy of Residential Land Supply

Approximately 5,000 new dwellings will be required across the City of Latrobe over the coming 15-year period 2016 to 2031.

The amount of additional land required to accommodate this dwelling growth ranges from between +330ha (@15 dwellings per ha) to +450ha (@11 dwellings per ha). However, factors such as infill development, re-use of existing sites, and transition of non-residential land (eg agricultural, industrial) for residential purposes would reduce the amount of additional residential-zoned land required.

Future residential land requirements for each township/district are shown in Table 1.14.

Table 1.14: Estimated Residential Land Requirements – Selected Locations, 2016-2031

	Estimated New Dwellings Required	11 Dwellings Per ha	15 Dwellings Per ha
Change 2016-2031			
VIFSA Churchill District	+680	+62ha	+45ha
VIFSA Glengarry North-Tyers District	+235	+21ha	+16ha
VIFSA Moe Town	+930	+85ha	+62ha
VIFSA Morwell Town	+430	+39ha	+29ha
VIFSA Traralgon Town	+2,710	+246ha	+181ha
Latrobe (C)	**+4,985**	**+453ha**	**+333ha**

Source: Near Map; Essential Economics Pty Ltd
Note: Figures rounded

Based on the residential land supply analysis, sufficient land supply (vacant and potential) to cater for long-term residential growth appears to be available at both a municipal and township level.

However, when considering the adequacy of residential land stocks other factors need to be considered including:

- Demand for housing might exceed projections
- Township specific constraints or issues with land development
- Quality of land supply – what proportion of identified land stocks are realistically developable
- Landowner choice – how much land will eventuate to the market, as some landowners will hold onto land / choose not to develop
- Size of land parcels – do the mix of land parcels meet future demand trends, especially with regard to the ageing population and implications for smaller properties
- Access and serviceability of land stocks – are the costs of developing sites prohibitive
- Conflicts with surrounding uses – are sites/land constrained by surrounding non-residential uses

1.5 Summary of Findings

1 The City of Latrobe has averaged 410 new dwelling approvals pa over the past decade; however, an average of just 315 new dwelling approvals pa has been recorded over the most recent 5-year period.

2 Over the past decade new dwelling approvals for standard houses have comprised 85-90% of all new dwellings, with townhouses, units etc continuing to represent the balance.

3 The City of Latrobe has experience higher property price growth over the past decade compared to regional Victoria, especially with regard to vacant land. However, Latrobe's house and unit prices remain 25%-30% below regional Victoria averages, although vacant land prices are now similar to regional averages.

4 Latrobe's residential sales activity has declined over recent years, and this includes vacant lot sales which have averaged 230 transactions pa for the past four years, and this is well below the average for the decade of 390 lot sales pa.

5 Latest State Government forecasts show that over the coming 15 years the City of Latrobe's population is projected to grow at a significantly slower rate (+0.7% pa) compared to Victoria (+1.6% pa), with 60% of growth focused on Traralgon.

6 The State Government projects a requirement for an additional 5,000 new dwellings across the municipality between 2016-2031 (or an average of 330 new dwellings pa), with Traralgon requiring approximately 2,620 of these new dwellings over the period.

7 Consistent with Latrobe's ageing population, State Government household formation projections show a strong shift towards lone households and couples without children in the coming years – with these two household types accounting for over 75% of all household growth between 2016-2031. This household formation pattern will have implications on the types of housing required (smaller, higher density etc) and the amount of residential land consumed over the period.

8 Approximately 795ha of zoned residential supply exists in the City of Latrobe (urban areas), with a further 665ha of potential supply identified (including the Lake Narracan PSP). Moe has 565ha of existing and potential zoned supply, followed by Traralgon (460ha), Churchill (230ha) and Morwell (200ha).

9 Approximately 330ha (@15 dwellings per ha) to 450ha (@11 dwellings per ha) of residential land will be required to meet identified dwelling demand over the coming 15 years. Infill development, reuse of existing sites and transition of non-residential land for residential development would reduce the amount of additional residential zoned land required.

10 Based on the demand and supply analysis sufficient zoned supply (795ha) would appear to be available to meet long-term demand (450ha @ 11 dwellings per ha); with further potential supply available through subdivisions of existing occupied property in the GRZ, NRZ1 and LDRZ (330ha), residential supply within the Lake Narracan PSP (340ha), and through infill development. However, the Housing Strategy will need to examine a wide range of factors to ensure sufficient developable land stocks are available in appropriate locations in a timely manner to meet community need. These factors include, for example, available infrastructure and serviceability of land; locational attributes in terms of the residential market; proximity of land to retail, community and other services; and so on.

2 INDUSTRIAL LAND USE AND EMPLOYMENT STRATEGY BACKGROUND ANALYSIS

This Chapter provides an overview of Latrobe's industry and employment structure, and the municipality's historical trends in industrial building activity and land consumption; identifies future demand considerations; confirms the existing land supply situation; provides 15-year industrial land requirements for the municipality and each township/district; and identifies opportunities and constraints relating to Latrobe's industrial sector.

2.1 Industry Structure

Composition of Jobs Located in Latrobe

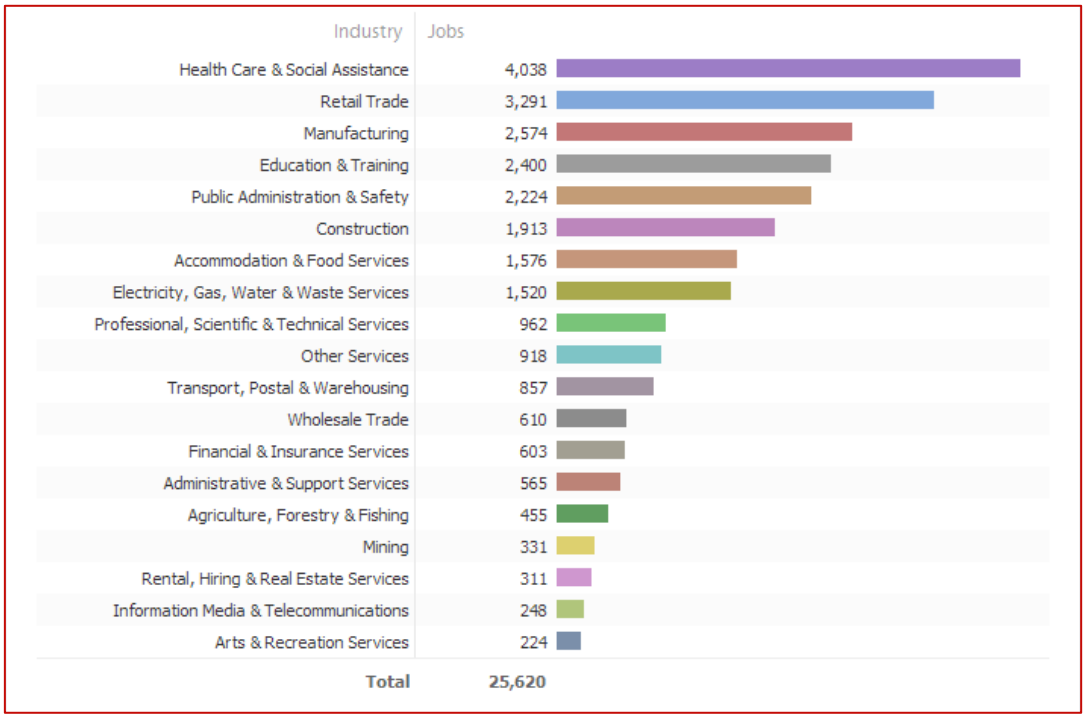
Latrobe's industry structure shows that compared to State averages the municipality has a higher proportion of jobs in the service sector including health care & social assistance (15.8% cf 11.9%, retail trade (12.9% cf 11.0%), education & training (9.4% cf 8.3%) and public administration & safety (8.7% cf 5.5%). This information is presented in Figures 2.1 and 2.2 and is sourced the ABS 2011 Census.

With the exception of electricity, gas, water & waste services (5.9% cf 1.1%) and mining (1.3 cf 0.3%), Latrobe has a slightly below average representation of jobs generally associated with industrial land consumption including manufacturing (10.1% cf 11.0%, construction (7.5% cf 8.3%), transport, postal & warehousing (3.4% cf 4.7%) and wholesale trade (2.4% cf 4.7%.)

Compared to state averages, Latrobe has significantly lower proportions of jobs in white collar and professional services including professional, scientific & technical services (3.8% cf 8.0%), financial & insurance services (2.4% cf 4.3%), and information, media & telecommunications (1.0% cf 2.1%).

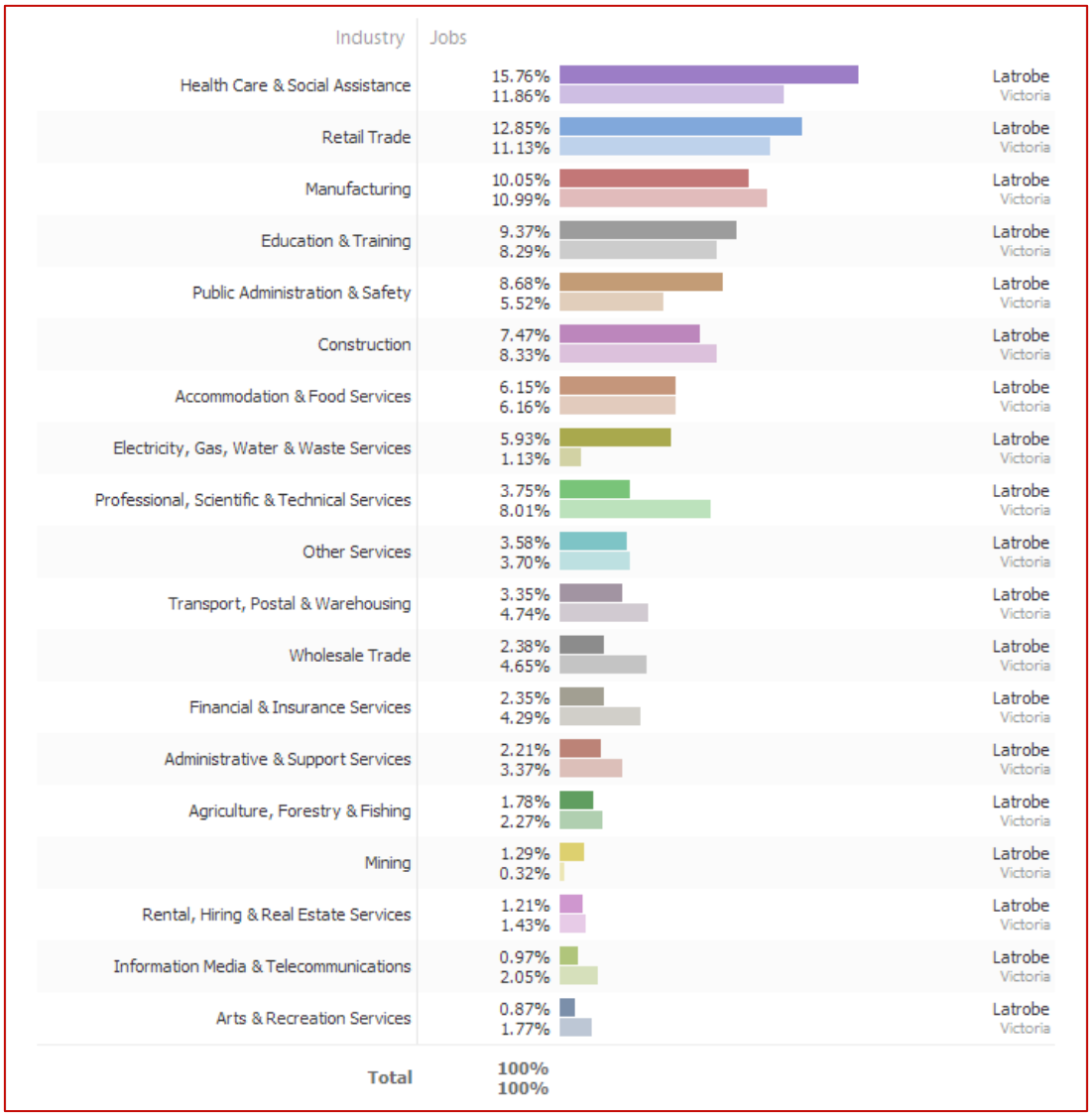
It is important to recognise the importance of Latrobe's electricity generation sector with the State Government's *Latrobe Valley Industry and Employment Roadmap* report (Department of Planning and Community Development, 2012) estimating that approximately one on three higher paid jobs located in the Latrobe Valley Statistical Subdivision are reliant on the sector. This is due to significant supply chain linkages and flow-on spending benefits across the regional economy. Regional modelling undertaken for the report shows estimates that each job in the Latrobe Valley energy sector generates an additional four to five local jobs in the broader regional economy. Many of these jobs are associated with local contractors, suppliers, professional services and transport firms but other jobs are supported across a wide range of sectors.

Figure 2.1: Latrobe (C) – Employment by Industry, 2011



Source: Latrobe City Economic Profile – REMPLAN

Figure 2.2: Comparison of Latrobe (C) and State Industry Structure, 2011



Source: Latrobe City Economic Profile – REMPLAN

Industry of Work for Latrobe Residents

The industry structure of Latrobe residents, which is shown in Table 2.1, broadly follows Latrobe's job provision profile. Industry structure refers to the industry in which residents are employed and this could include employment locations outside the City of Latrobe.

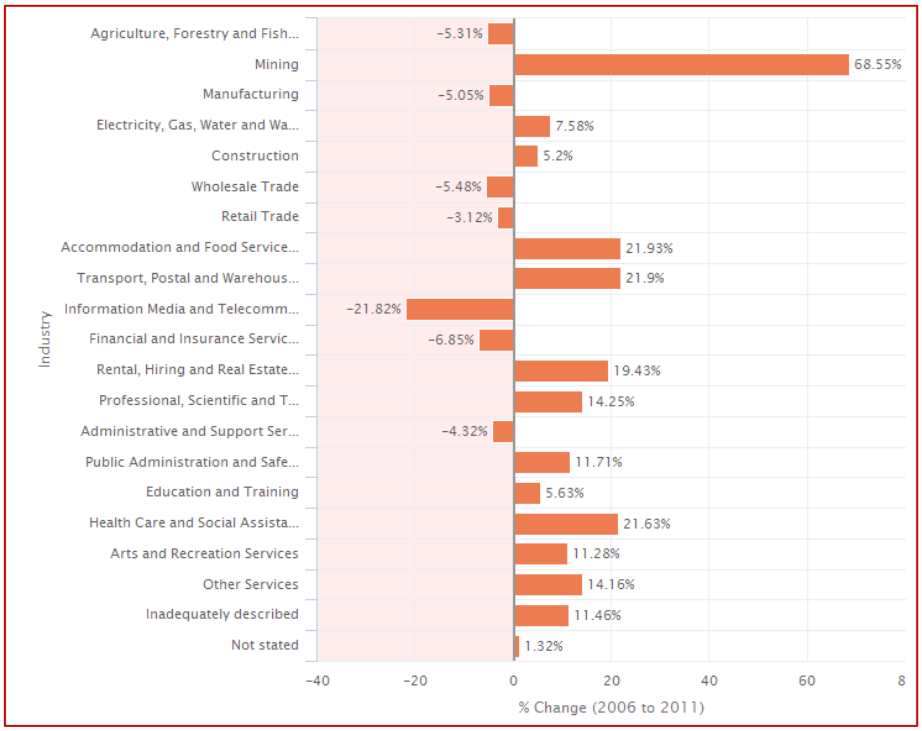
Figure 2.3 presents the trend between 2006 and 2011 for industries in which Latrobe residents work. The trend shows strong growth on service sector employment, including health care and social assistance (+22%), accommodation and food services (+22%), and rental, hiring and real estate (+20%). When industrial sectors are considered mining (+69%), and transport, postal and warehouse services (+22%) have experienced strong growth in resident workers. However, some industrial sectors have experienced a decline in the resident workforce including manufacturing (-5%) and wholesale trade (-5%).

Table 2.1: Industry of Employment – City of Latrobe Residents, 2011

Industry	No.	%
Agriculture, Forestry and Fishing	678	2.2%
Mining	536	1.8%
Manufacturing	2,933	9.7%
Electricity, Gas, Water and Waste Services	1,986	6.6%
Construction	2,973	9.8%
Wholesale Trade	673	2.2%
Retail Trade	3,825	12.6%
Accommodation and Food Services	1,907	6.3%
Transport, Postal and Warehousing	1,063	3.5%
Information Media and Telecommunications	301	1.0%
Financial and Insurance Services	612	2.0%
Rental, Hiring and Real Estate Services	338	1.1%
Professional, Scientific and Technical Services	1,034	3.4%
Administrative and Support Services	842	2.8%
Public Administration and Safety	2,242	7.4%
Education and Training	2,364	7.8%
Health Care and Social Assistance	3,885	12.8%
Arts and Recreation Services	286	0.9%
Other Services	1,080	3.6%
Inadequately described	321	1.1%
Not stated	384	1.3%
Total	**30,263**	**100.0%**

Source: Latrobe City Economic Profile – REMPLAN

Figure 2.3: Comparison of Latrobe (C) and State Industry Structure, 2011

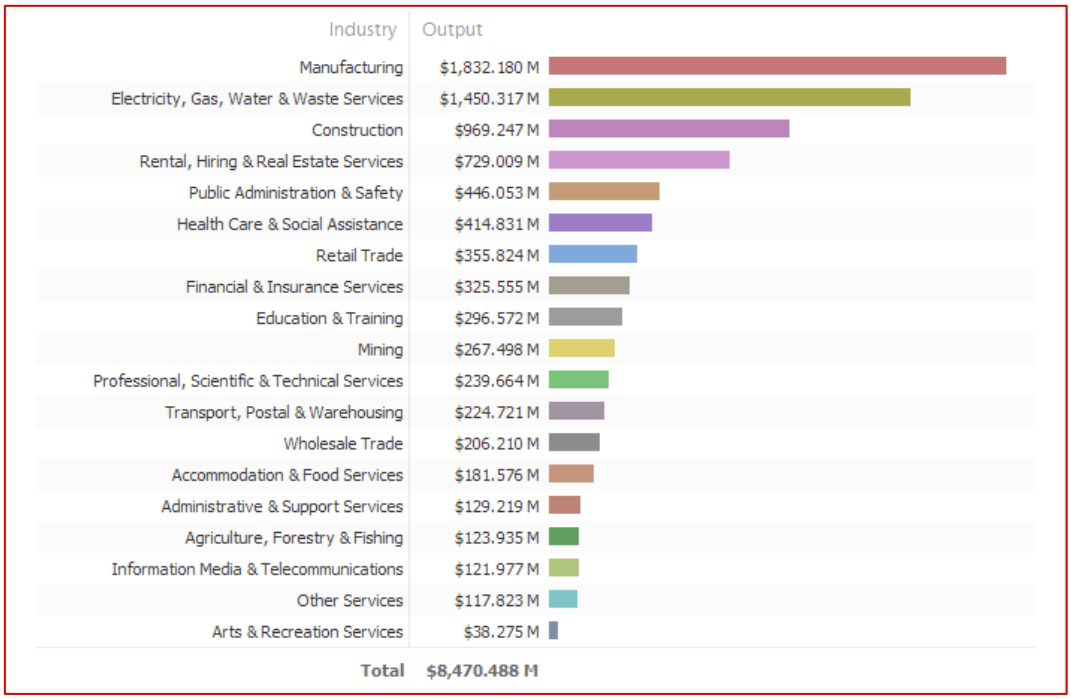


Source: Latrobe City Economic Profile – REMPLAN

Output by Industry

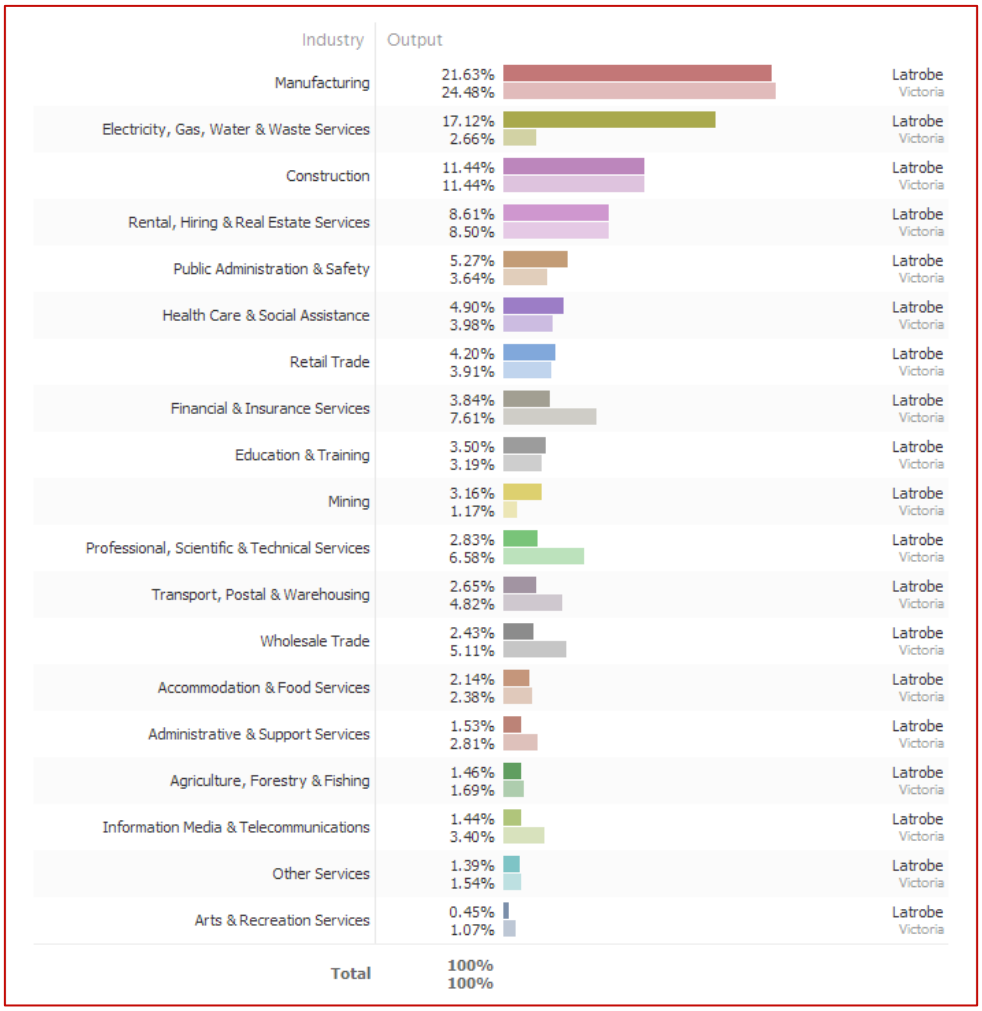
In terms of economic output (2012-2013), Latrobe's industrial-related activities are of significant importance with manufacturing, electricity, gas, water & waste services and construction representing 50% of total annual output for the municipality (or $4.25 billion out of $8.47 billion). These output figures, which are presented in Figures 2.4 and 2.5, highlight the need to protect industrial / employment land which supports these key sectors, including classification of 'core areas' to preserve sufficient and appropriately located land into the future. The importance of protecting employment land is emphasised by the significant inter-sector linkages and multipliers that exist in the local economy, including links with other businesses, training facilities and the like.

Figure 2.4: Latrobe (C) – Output by Industry, 2012-2013



Source: Latrobe City Economic Profile – REMPLAN

Figure 2.5: Comparison of Latrobe (C) and State Output by Industry, 2012-2013



Source: Latrobe City Economic Profile – REMPLAN

2.2 Historical Industrial Activity Trends

Industrial Building Permit Trends

Over the period 2004 to 2014, 112 permits were approved for new industrial buildings in the City of Latrobe which had a combined value of approximately $47million. On average this represents 10 new building approvals pa with an annual value of $4.3 million.

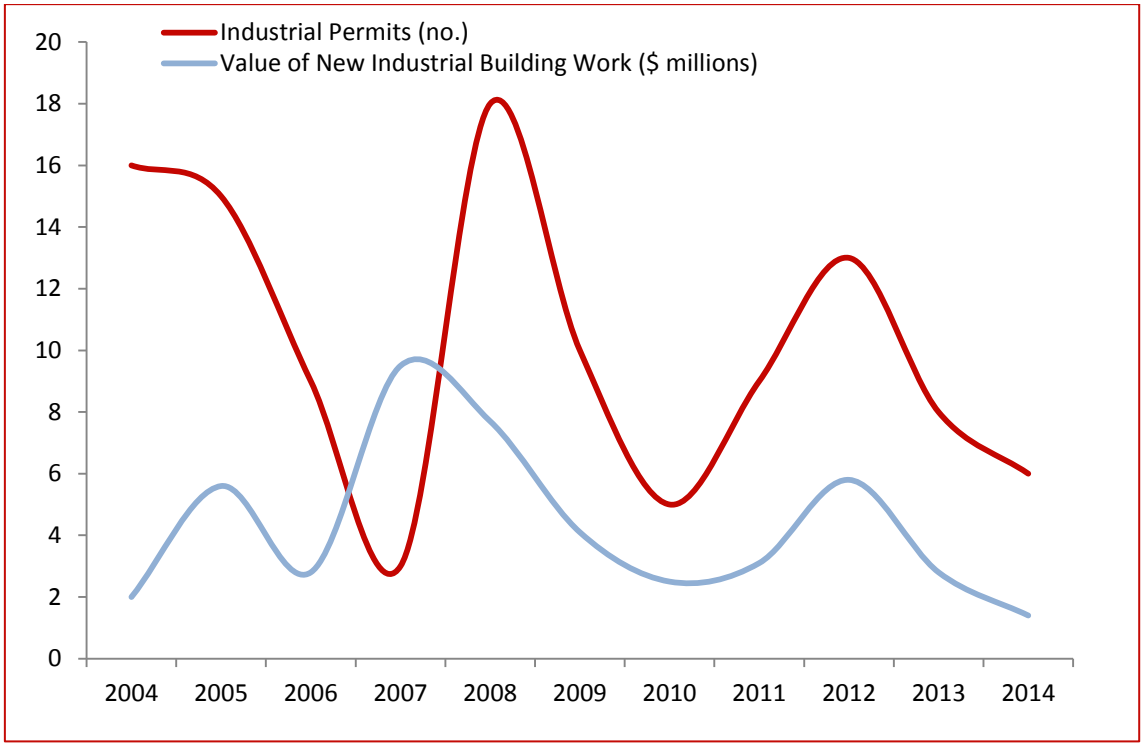
However, a noticeable decline in the number and value of new industrial building approvals has occurred since 2008 (or post-GFC period, which includes the introduction of the carbon tax). For example, in the period 2004-2009, an average of 12 permits with value of $5.5 million were issued pa, and this contrasts with an average of 9 permits with a value of $3.3 million over the 2009-2014 period.

Table 2.2: Industrial Building Permits (No.) and Value ($m), Latrobe 2004-2014

Year	Permits (no.)	Value of Building Work
2004	16	$2.0 million
2005	15	$5.6 million
2006	9	$2.8 million
2007	3	$9.5 million
2008	18	$7.7 million
2009	10	$4.1 million
2010	5	$2.5 million
2011	9	$3.1 million
2012	13	$5.8 million
2013	8	$2.8 million
2014	6	$1.4 million
Total 2004-2014	**112**	**$47.3 million**
Average 2004-2014	**10**	**$4.3 million**
Change 2004-2014	**-10**	**-$0.6 million**
AAGR 2004-2014	**-9%**	**-4%**

Source: Victorian Building Authority (unpublished)

Figure 2.6: Industrial Building Permits Trends, Latrobe 2004-2014



Source: Victorian Building Authority (unpublished)

Industrial Sales Trends

A review of industrial sales data over the past decade (2005-2014) shows a general decline in transaction activity in recent years. For example, total sales (including factories, warehouses,

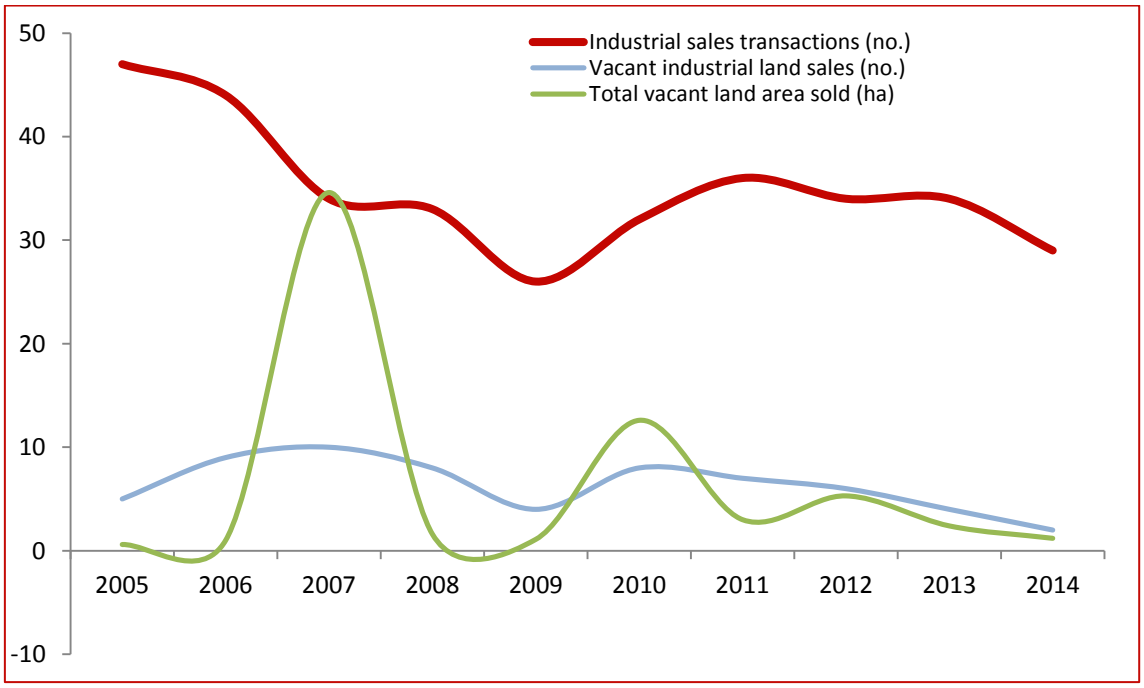
vacant lots etc) have averaged 35 sales pa over the period, with only 29 sales recorded in 2014. The average number of vacant lot sales over the period is six sales pa, but only four and two sales were recorded in 2013 and 2014 respectively. When land consumption is considered an average of 6.3ha of land was purchased pa between 2005-2014, but over the period 2010 to 2014, an average of 3.0ha pa in vacant land transactions was recorded.

Table 2.3: Industrial Sales Summary, Latrobe 2005-2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total 2005-10	Ave. 2005-10
Industrial sales transactions (no.)	47	44	34	33	26	32	36	34	34	29	349	35
Vacant industrial land sales (no.)	5	9	10	8	4	8	7	6	4	2	63	6
Total vacant land area sold (ha)	0.6	1.0	34.6	1.6	1.1	12.6	3.0	5.3	2.4	1.2	63.4	6.3

Source: A Guide to Property Values , Victorian STATE Government (various)

Figure 2.7: Industrial Sales, Latrobe 2005-2014



Source: A Guide to Property Values , Victorian State Government (various)

Industrial Land Consumption Trends

According to the Urban Development Program (UDP), Industrial land consumption in the City of Latrobe averaged 5.7ha pa over the period 2006 to 2009.

While the UDP has not been updated, estimates prepared by the consultant based on aerial photography of Latrobe's industrial areas between January 2012 and June 2015, indicate land consumption over this more recent period was approximately 7.7ha pa, comprising approximately 20ha of land across the municipality.

This data is broadly consistent with vacant land sales transactions shown in Table 2.3, recognising a lag between land purchase and development.

Over the past 2-3 years industrial land consumption has principally occurred in the following locations:

- Morwell: 15.4ha (or 77% or consumption)
- Traralgon: 3.7ha (or 19% or consumption)
- Moe: 0.4ha (or 2% of consumption)
- Churchill: 0.4ha (or 2% of consumption)

2.3 Industrial Land Demand Analysis

The industry structure and historical building trend data indicates only modest growth in industrial land consumption can be expected over the coming 15 years. Demand factors include:

- *Demographic projections* which show a decline in the size of Latrobe's working-age population, and this will have implications for the amount additional employment land required
- *Transition within Latrobe's energy sector* which may result in less demand for large-scale industrial activity in the sector and in supporting industries
- *Contraction in traditional manufacturing and a transition to higher-value manufacturing activities*, which generally requires less land area due to the use of advanced technologies
- *Ongoing growth in the transport and storage sector*
- *Continuing trend of Latrobe becoming more service sector focused* (eg retail, health, education, community services) and less reliant of traditional industry sectors to provide employment

When assessing future demand projections a range of other non-trend factors need to be considered such as:

- *Need for existing businesses to upgrade, modernise and/or expand their footprint*
- *Ensuring sufficient and well located land is available to capture large investment projects* or 'one off' major projects
- *Location specific issues* relating to township needs, conflicts with surrounding uses, buffers etc
- Improved and sustained macroeconomic / market conditions
- *Improved competitiveness of Latrobe* in terms of attracting a larger share of regional industrial investment.

Table 2.4 provides industrial land consumption forecasts under differing scenarios which reflect the above factors. For example, continuation of the long-term consumption trend (which aligns with modest growth) would generate demand for approximately 190ha of industrial land over 15 years, at an average consumption rate of approximately 13ha pa over the period. However, a more ambitious scenario which provides for consumption at 25% above the trend scenario would generate demand for approximately 240 ha over 15 years, at an average consumption rate of approximately 16ha over the period.

Table 2.4: Industrial Land Consumption Scenarios – City of Latrobe, 20016-2031

	2016	2021	2026	2031	Total	Average
Trend Consumption (2006-2015)	8.1 ha	10.3 ha	13.2 ha	16.8 ha	191.3 ha	12.8 ha
Trend Consumption +10% pa	8.9 ha	11.4 ha	14.5 ha	18.5 ha	210.4 ha	14.0 ha
Trend Consumption +20% pa	9.7 ha	12.4 ha	15.8 ha	20.2 ha	229.5 ha	15.3 ha
Trend Consumption +25% pa	10.1 ha	12.9 ha	16.5 ha	21.0 ha	239.1 ha	15.9 ha

Source: Urban Development Program; Essential Economics Pty Ltd

2.4 Industrial Land Supply Analysis

Existing Supply

As of 2015, 1,685ha the City of Latrobe has an estimated 1,685ha of zoned industrial land, of which approximately 770ha are occupied and 915ha are vacant. This equates to a vacancy rate of 54% across the municipality.

Supply by township is distributed as follows:

- Traralgon: 40ha
- Moe: 55ha
- Morwell: 625ha*
- Churchill: 10ha

A large area of industrial land north of Morwell and east of Traralgon is also vacant and this includes approximately 185 ha of land.

*With regard to Morwell, large stocks of vacant industrial land are located in the Morwell Specialised Industrial Area . The majority of this land is subject to various overlays and easements and the land is mainly reserved for uses associated with coal mining and electricity generation.

2.5 Adequacy of Industrial Land Supply

At a municipal level, sufficient stocks of industrial land appear to be available to meet future industry needs over the next 15 years.

Even allowing for a continual uplift in average land consumption – as shown in the Trend Consumption +25% pa scenario (an average of 16ha pa) – then 240ha would be required over

this time period and this is well within the 915ha of vacant land identified (even excluding the Morwell Specialised Industrial Area land).

However, when considering the adequacy of stocks many other factors need to be considered, including:

- *Core supply* – are adequate stocks available in key precincts to support Latrobe's energy sector and other major industries
- *Location of supply* – does sufficient supply exist in each township/district
- *Quality of land supply* – are land stocks realistically developable on all zoned land
- *Size of land parcels* – does the mix of land parcels available meet industry demand/consumption trends
- *Access and serviceability of land stocks* – are the costs of developing sites prohibitive (eg land clearing, roads, utilities)
- *Zoning of land supply* – are sufficient land stocks available under each zone to meet long-term industry needs
- *Conflicts with surrounding uses* – is the development of land/sites likely to impact on non-industrial uses in the surrounding community
- *Buffers* – do buffer requirements impact on land consumption.

However, when considering the adequacy of stocks many other factors need to be considered including:

- Core supply – are there adequate stocks available in key precincts to support Latrobe's energy sector and other major industries
- Location of supply – is there sufficient supply in each township/district
- Quality of land supply – are land stocks realistically developable on all zoned land
- Size of land parcels – do the mix of land parcels available meet industry demand/consumption trends
- Access and serviceability of land stocks – are the costs of developing sites prohibitive (eg land clearing, roads, utilities)
- Zoning of land supply – are there sufficient land stocks under each zone to meet long-term industry needs
- Conflicts with surrounding uses – is the development of land/sites likely to impact on non-industrial uses in the surrounding community
- Buffers – do buffer requirements impact on land consumption.

2.6 Future Growth Sectors

The State Government through its *Future Industry Fund* has identified the following priority sectors for investment and job creation into the future:

- **Food and Fibre** - Growing Victoria's market capability through rapid adoption of technologies
- **International Education** – Expanding Victoria's largest services export industry
- **Medical Technologies and Pharmaceutics** – Research and development, manufacturing, clinical trials and exports in our health sector
- **New Energy Technology** – Glean Energy Generation, Transforming Energy Supply, New Energy Services, New Energy Products
- **Professional Services** – Growing the state's professional service workforce and knowledge hubs
- **Defence Technology** - Building on Victoria's established capability across air, land and sea
- **Construction Technologies** – expansion of construction materials and technologies industries
- **Transport Technologies** – Building on established strengths in manufacturing, engineering and technical service.

Many of the identified sectors are of relevance to the City of Latrobe's future economy, and in this regard appropriate economic development and land-use responses will need to be considered to attract these types of opportunities to the region and to maintain and support those that already exist locally.

2.7 Summary of Findings

1 Compared to State averages, the City of Latrobe has a higher representation of jobs associated with electricity, gas, water & waste services (5.9% cf 1.1%) and mining (1.3 cf 0.3%), but slightly below average representation in employment associated with manufacturing (10.1% cf 11.0%), construction (7.5% cf 8.3%), transport, postal & warehousing (3.4% cf 4.7%) and wholesale trade (2.4% cf 4.7%).

2 The core industrial-related activities of electricity, gas, water & waste services, manufacturing and construction, are critical to Latrobe's economic output, with these three sectors accounting for 50% of the municipality's Gross Regional Product, although representing only 24% of Latrobe's jobs.

3 Over the past decade an average of 10 permits for new industrial buildings have been issued each year, however, the number and value of these permits has declined over the past 5 years or so.

4 Industrial land sales data also shows a decline in transactions in recent years, especially with regard to vacant industrial land sales which have fallen below the long-term average of 6 sales pa, to only 3 sales pa over the past couple of years.

5 In contrast, land consumption appears to have increased gradually over the past decade, with take-up increasing from 5.7ha pa over period 2006 to 2009 to 7.7ha pa between 2012 and 2015. Consumption has principally focused on the Morwell area (15.4ha) over the past 2-3 years; however, noticeable industrial land consumption has occurred in the Traralgon area (3.7ha) over this period.

6 An estimated 915ha of vacant industrial land has been identified across the municipality, with the majority of this land located in and around Morwell, but significant vacant stocks are also located in or close to other townships.

7 While the municipality appears to have sufficient long-term industrial land stocks – even when increased demand is factored in – the Industrial Land Strategy will need to examine a wide range of factors to ensure sufficient developable land stocks are available in appropriate locations to accommodate traditional and emerging industries, as well as confirming and preserving core industrial areas which underpin Latrobe's economy.

3 RURAL LAND USE STRATEGY BACKGROUND ANALYSIS

3.1 Rural Residential Land Use Overview

Existing Supply

A high-level analysis conducted by the consultants indicates there are approximately 243ha of zoned vacant residential land available in City of Latrobe's rural areas.

Identified vacant zoned land supply is distributed as follows:

- Yinnar 86ha
- Boolarra 50ha
- Tyers 45ha
- Glengarry 28ha
- Toongabbie 20ha
- Yallourn North 12ha
- Traralgon South 2ha
- **Total** **243ha**

Potential Supply

When potential supply is considered, that is existing occupied land with the ability to be further subdivided in the future under the GRZ or LDRZ, a further 35ha of zoned residential land may become available in the municipality's rural areas in the future.

Identified potential zoned land supply is distributed as follows:

- Yallourn North 18ha
- Glengarry 8ha
- Toongabbie 6ha
- Traralgon South 2ha
- Tyers 1ha
- **Total** **35ha**

Table 3.1 provides a summary of existing and potential residential supply for Latrobe's rural areas.

Table 3.1: Estimated Existing and Potential Residential Land Supply (Zoned) – City of Latrobe Rural Locations

	Yallourn North	Tyers	Glengarry	Toongabbie	Traralgon South	Yinnar	Boolarra	Total Rural
Existing Supply								
GRZ Vacant Parcels	12ha	0ha	3ha	11ha	0ha	5ha	3ha	34ha
GRZ Vacant Greenfields	0ha	0ha	25ha	8ha	0ha	80ha	0ha	113ha
LDRZ Vacant Parcels	0ha	2ha	0ha	0ha	0ha	0ha	15ha	17ha
LDRZ Vacant Greenfields	0ha	38ha	0ha	0ha	0ha	0ha	30ha	68ha
Township Zone Vacant Parcels	0ha	3ha	0ha	1ha	2ha	1ha	2ha	9ha
Township Zone Vacant Greenfields	0ha	2ha	0ha	0ha	0ha	0ha		2ha
Total Existing Supply	**12ha**	**45ha**	**28ha**	**20ha**	**2ha**	**86ha**	**50ha**	**243ha**
GRZ Occupied with Development Potential	18ha	0ha	8ha	6ha	0ha	0ha	0ha	32ha
LDRZ Occupied with Development Potential	0ha	1ha	0ha	0ha	0ha	0ha	0ha	1ha
Total Potential Supply	**18ha**	**1ha**	**8ha**	**6ha**	**2ha**	**0ha**	**0ha**	**35ha**
Total Existing and Potential Supply	**30ha**	**46ha**	**36ha**	**26ha**	**2ha**	**86ha**	**50ha**	**278ha**

Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning; Essential Economics Pty Ltd
Note: Figures rounded

Adequacy of Supply

No specific dwelling requirements for rural areas are provided in VIF 2015, with these requirements included in the broader forecasts included in Table 1.14.

The exception is with respect to VIFSA Glengarry North-Tyers District, where an estimated 235 additional dwellings will be required over the coming 15 years. This would require 21ha of land @ a density of 11 dwellings per ha. In this regard, Tyers/Glengarry has an estimated vacant supply of 73ha, with a further 10ha identified as future potential supply.

In total, the 243ha of identified vacant supply in Latrobe's rural areas could yield 2,670 new dwellings at 11 dwellings per ha, with 35ha of further supply potentially available.

The Housing Strategy will need to examine a wide range of factors relevant to rural areas and each township to ensure sufficient developable land stocks are available in appropriate locations in a timely manner to meet community need.

3.2 Agricultural Land Use Overview

Approximately 40,000 ha of land is used for agricultural production across the City of Latrobe, with 94% of land used for grazing (dairy cattle, meat cattle, sheep, pigs, poultry etc), 3% used for crops (hay and silage, cereal, vegetables, fruit and nuts, grapevines, herbs etc), 3% used for forestry plantations and a small amount of land (less than 1% used for other agricultural purposes).

This data is sourced from the ABS Agricultural Census 2011 and presented in Table 3.1, shows the breakdown of land use across the municipality is as follows:

- Grazing 36,700ha
- Crops 1,100ha
- Forestry plantation 1,041ha
- Other agricultural 300ha

In terms of land consumption the Churchill area (46%), Traralgon area (26%) and Yallourn North-Glengarry area (18%) are the main centres of agricultural activity, with only a small proposition of total agricultural land consumption associated with the Moe-Newborough area (6%) and the Morwell area (3%). Land consumption for each area is as follows:

- Churchill 18,410ha
- Traralgon 10,440ha
- Yallourn North-Glengarry 7,260ha
- Moe-Newborough 2,340ha
- Morwell 1,305ha

Approximately 350 businesses are associated with activities undertaken on agricultural land in the City of Latrobe with 190 of these businesses (or 55% of the total), located in the Churchill area, 77 businesses (or 22% of the total) located in the Yallourn-North-Glengarry area, 47 businesses (or 14% of the total) located in the Traralgon area, 24 businesses (or 7% of the total) located in the Moe-Newborough area and 11 businesses (or 3% of the total) located in the Morwell are.

Table 3.2: Agricultural Land Use – City of Latrobe, 2011

	Churchill		Moe-Newborough		Morwell		Traralgon		Yallourn North-Glengarry		City of Latrobe	
	Land (ha)	No. of businesses	Land (ha)	No. of businesses	Land (ha)	No. of businesses	Land (ha)	No. of businesses	Land (ha)	No. of businesses	Land (ha)	No. of businesses
Total area of holding (ha)	**18,410**	**190**	**2,341**	**24**	**1,304**	**11**	**10,437**	**47**	**7,258**	**77**	**39,750**	**349**
Land not used for agriculture – Set aside for conservation	764	63	36	7	0	0	114	11	118	25	1,032	106
Land not used for agriculture – Other areas not used for agricultural production	571	108	202	10	11	5	76	20	181	47	1,041	190
Land mainly used for agriculture – Crops	241	17	325	2	0	0	212	7	305	12	1,083	38
Land mainly used for agriculture – Total grazing	16,911	183	1,852	23	1,126	9	8,468	41	8,333	69	36,690	325
Land mainly used for agriculture – Grazing on improved pastures	14,979	170	1,661	19	916	7	7,880	36	7,637	63	33,073	295
Land mainly used for agriculture – Grazing on other land	1,932	40	191	4	210	3	588	9	696	17	3,617	73
Land mainly used for agriculture – Forestry plantation	94	15	0	0	0	0	842	6	5	1	1,041	22
Land mainly used for agriculture – Other agricultural purposes	218	16	37	2	0	1	0	1	3	5	258	25

Source: ABS Agricultural Census, 2011
Note: Total land area and total no. of businesses are not the sum of the sub-categories and multiple activities can occur on the same land.

3.3 Summary of Findings

1 Approximately 40,000ha of agricultural land is located in the City of Latrobe, of which 94% is used for grazing, with the remainder used for crops and timber plantations.

2 Consumption of agricultural land is most prominent in the Churchill area (18,410ha), followed by the Traralgon area (10,440ha) and Yallourn North –Glengarry (7,260ha).

3 Approximately 245ha of zoned residential supply exists in the City of Latrobe's rural areas, with a further 35ha of potential supply identified. Yinnar has 86ha of existing and potential zoned supply, followed by Boolarra (50ha), Tyers (46ha) and Glengarry (36ha).

4 This level of supply could yield over 2,600 dwellings (at 11 dwellings per ha). However, the Housing Strategy will need to examine a wide range of factors pertinent to rural areas and each township to ensure sufficient developable land stocks are available in appropriate locations in a timely manner to meet community need.

4 KEY FINDINGS

Housing Strategy Background Analysis

1 The City of Latrobe has averaged 410 new dwelling approvals pa over the past decade; however, an average of just 315 new dwelling approvals pa has been recorded over the most recent 5-year period.

2 Over the past decade new dwelling approvals for standard houses have comprised 85-90% of all new dwellings, with townhouses, units etc continuing to represent a relatively small share of the market.

3 The City of Latrobe has experience higher property price growth over the past decade compared to regional Victoria, especially with regard to vacant land. However, Latrobe's house and unit prices remain 25%-30% below regional Victoria averages, although vacant land prices are now similar to regional averages.

4 Latrobe's residential sales activity has declined over recent years, and this includes vacant lot sales which have average of 230 transactions pa for the past four years, which is well below the average for the decade of 390 lot sales pa.

5 Latest State Government forecasts show that over the coming 15 years the City of Latrobe's population is projected to grow at a significantly slower rate (+0.7% pa) compared to Victoria (+1.6% pa), with 60% of growth focused on Traralgon.

6 The State Government projects a requirement for an additional 5,000 new dwellings across the municipality between 2016-2031 (or an average of 330 new dwellings pa), with Traralgon requiring approximately 2,620 of these new dwellings over the period.

7 Consistent with Latrobe's ageing population, State Government household formation projections show a strong shift towards lone households and couples without children in the coming years – with these two household types accounting for over 75% of all household growth between 2016-2031. This household formation pattern will have implications on the types of housing required (smaller, higher density etc) and the amount of residential land consumed over the period.

8 Approximately 795ha of zoned residential supply exists in the City of Latrobe (urban areas), with a further 665ha of potential supply identified (including the Lake Narracan PSP). Moe has 565ha of existing and potential zoned supply, followed by Traralgon (460ha), Churchill (230ha) and Morwell (200ha).

9 Approximately 330ha (@15 dwellings per ha) to 450ha (@11 dwellings per ha) of residential land will be required to meet identified dwelling demand over the coming 15 years. Infill development, reuse of existing sites and transition of non-residential land for residential development would reduce the amount of additional residential zoned land required.

10 Based on the demand and supply analysis sufficient zoned supply (795ha) would appear to be available to meet long-term demand (450ha @ 11 dwellings per ha); with further potential supply available through subdivisions of existing occupied property in the GRZ, NRZ1 and LDRZ (330ha), residential supply within the Lake Narracan PSP (340ha), and

through infill development. However, the Housing Strategy will need to examine a wide range of factors to ensure sufficient developable land stocks are available in appropriate locations in a timely manner to meet community need. These factors include, for example, available infrastructure and serviceability of land; locational attributes in terms of the residential market; proximity of land to retail, community and other services; and so on.

Industrial Land Use and Employment Strategy Background Analysis

11 Compared to State averages, the City of Latrobe has a higher representation of jobs associated with electricity, gas, water & waste services (5.9% cf 1.1%) and mining (1.3 cf 0.3%), but slightly below average representation in employment associated with manufacturing (10.1% cf 11.0%), construction (7.5% cf 8.3%), transport, postal & warehousing (3.4% cf 4.7%) and wholesale trade (2.4% cf 4.7%).

12 The core industrial-related activities of electricity, gas, water & waste services, manufacturing and construction, are critical to Latrobe's economic output, with these three sectors accounting for 50% of the municipality's Gross Regional Product, although representing only 24% of Latrobe's jobs.

13 Over the past decade an average of 10 permits for new industrial buildings have been issued each year, however, the number and value of these permits has declined over the past 5 years or so.

14 Industrial land sales data also shows a decline in transactions in recent years, especially with regard to vacant industrial land sales which have fallen below the long-term average of 6 sales pa, to only 3 sales pa over the past couple of years.

15 In contrast, land consumption appears to have increased gradually over the past decade, with take-up increasing from 5.7ha pa over period 2006 to 2009 to 7.7ha pa between 2012 and 2015. Consumption has principally focused on the Morwell area (15.4ha) over the past 2-3 years; however, noticeable industrial land consumption has occurred in the Traralgon area (3.7ha) over this period.

16 An estimated 915ha of vacant industrial land has been identified across the municipality, with the majority of this land located in and around Morwell, but significant vacant stocks are also located in or close to other townships.

17 While the municipality appears to have sufficient long-term industrial land stocks – even when increased demand is factored in – the Industrial Land Strategy will need to examine a wide range of factors to ensure sufficient developable land stocks are available in appropriate locations to accommodate traditional and emerging industries, as well as confirming and preserving core industrial areas which underpin Latrobe's economy.

Rural Land Use Strategy Background Analysis

18 Approximately 40,000ha of agricultural land is located in the City of Latrobe, of which 94% is used for grazing, with the remainder used for crops and timber plantations.

19 Consumption of agricultural land is most prominent in the Churchill area (18,410ha), followed by the Traralgon area (10,440ha) and Yallourn North –Glengarry (7,260ha).

20 Approximately 245ha of zoned residential supply exists in the City of Latrobe's rural areas, with a further 35ha of potential supply identified. Yinnar has 86ha of existing and potential zoned supply, followed by Boolarra (50ha), Tyers (46ha) and Glengarry (36ha).

21 This level of supply could yield over 2,600 dwellings (at 11 dwellings per ha). However, the Housing Strategy will need to examine a wide range of factors pertinent to rural areas and each township to ensure sufficient developable land stocks are available in appropriate locations in a timely manner to meet community need.

APPENDIX 1 – URBAN RESIDENTIAL LAND SUPPLY MAPS

Table A1.1: Traralgon – Vacant and Potential Zoned Residential Land Supply

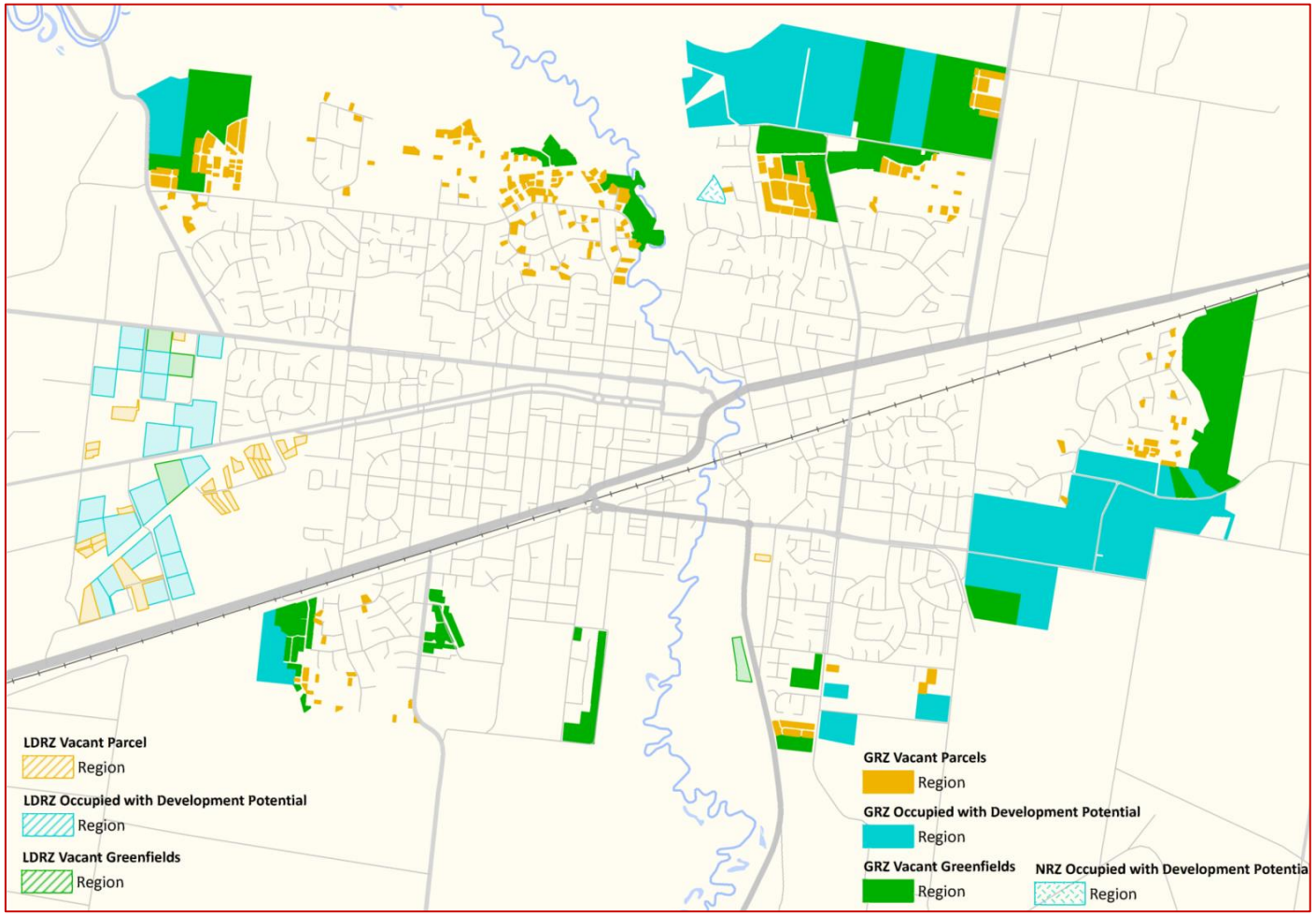


Table A1.2: Moe – Vacant and Potential Zoned Residential Land Supply

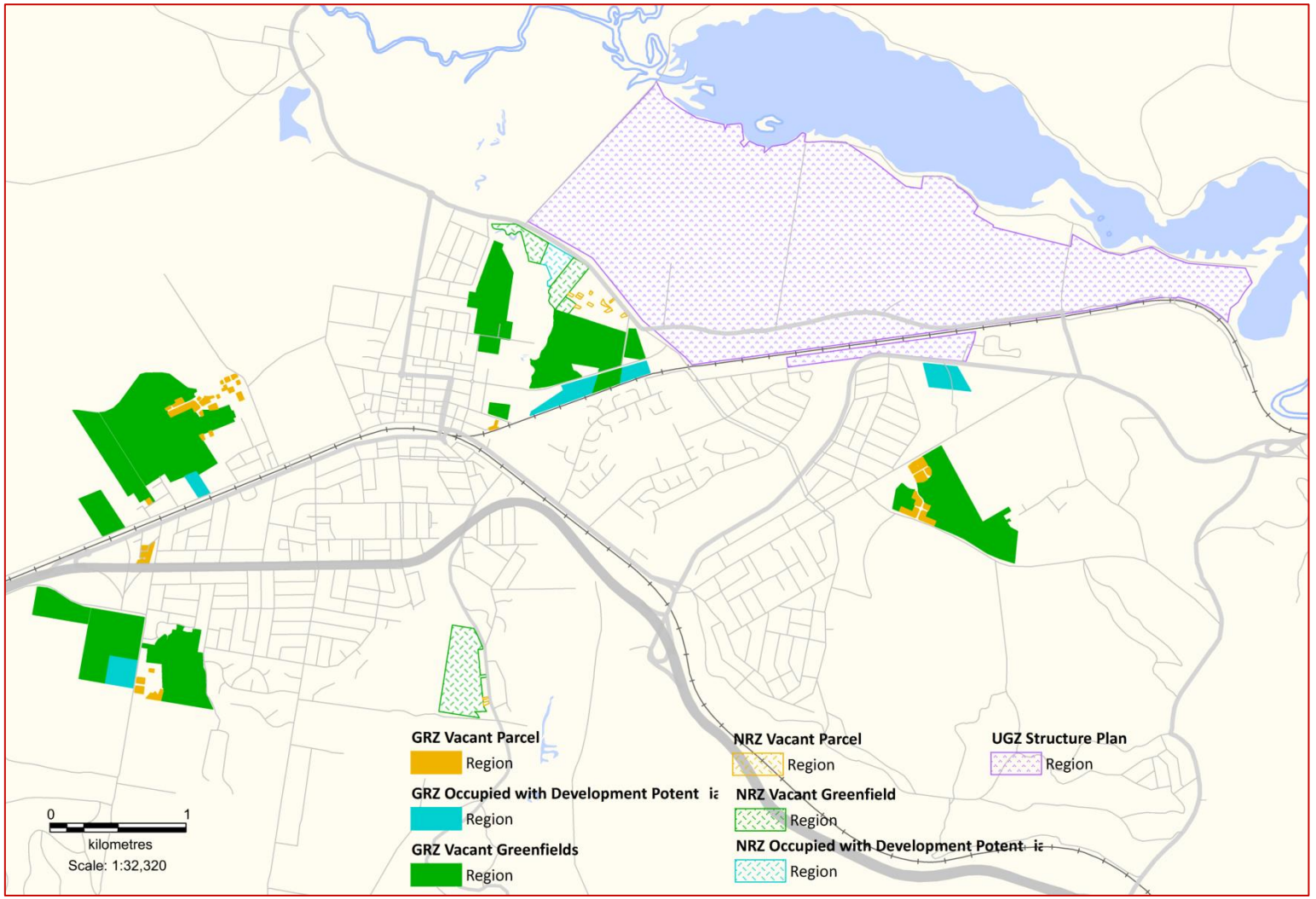


Table A1.3: Morwell – Vacant and Potential Zoned Residential Land Supply

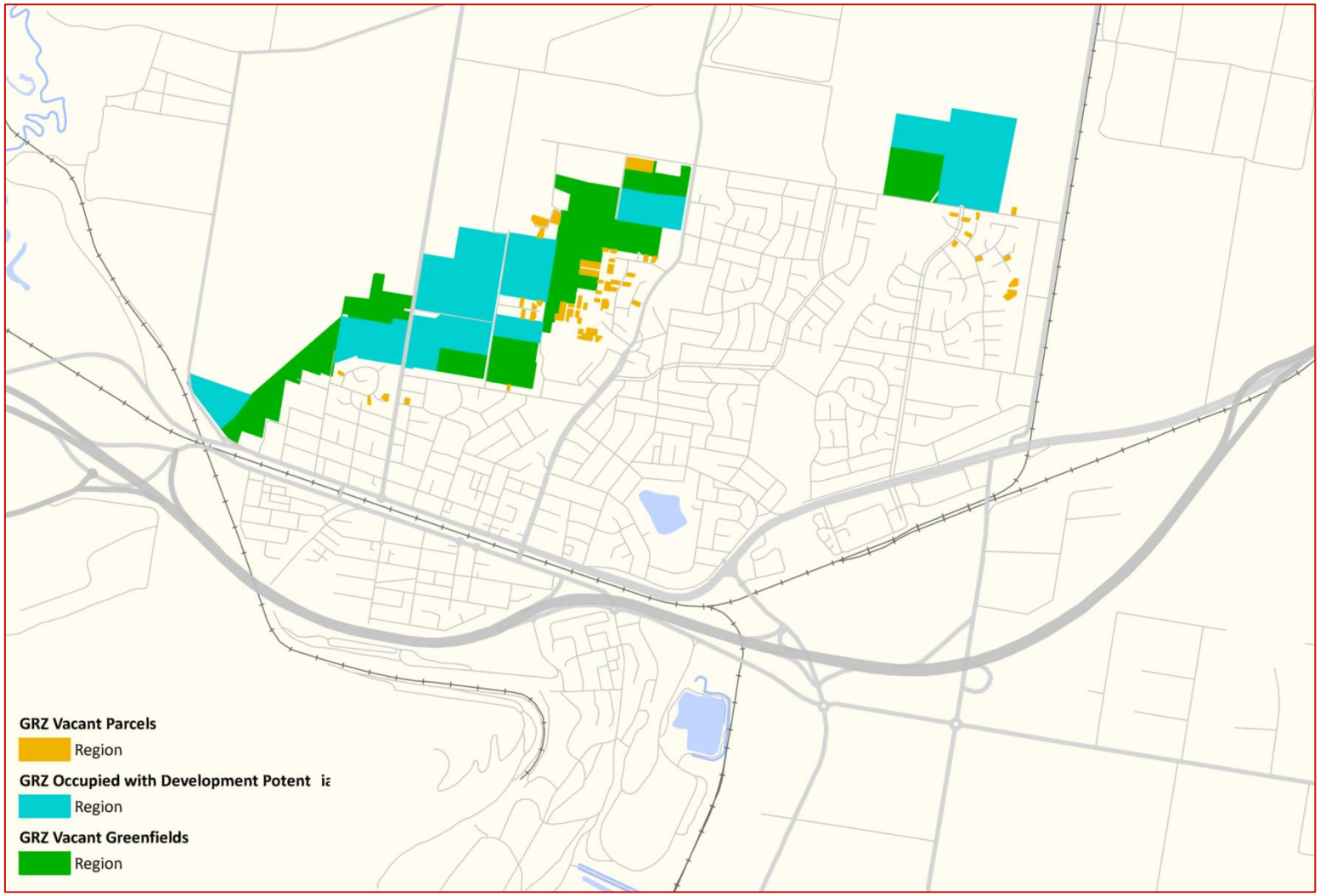
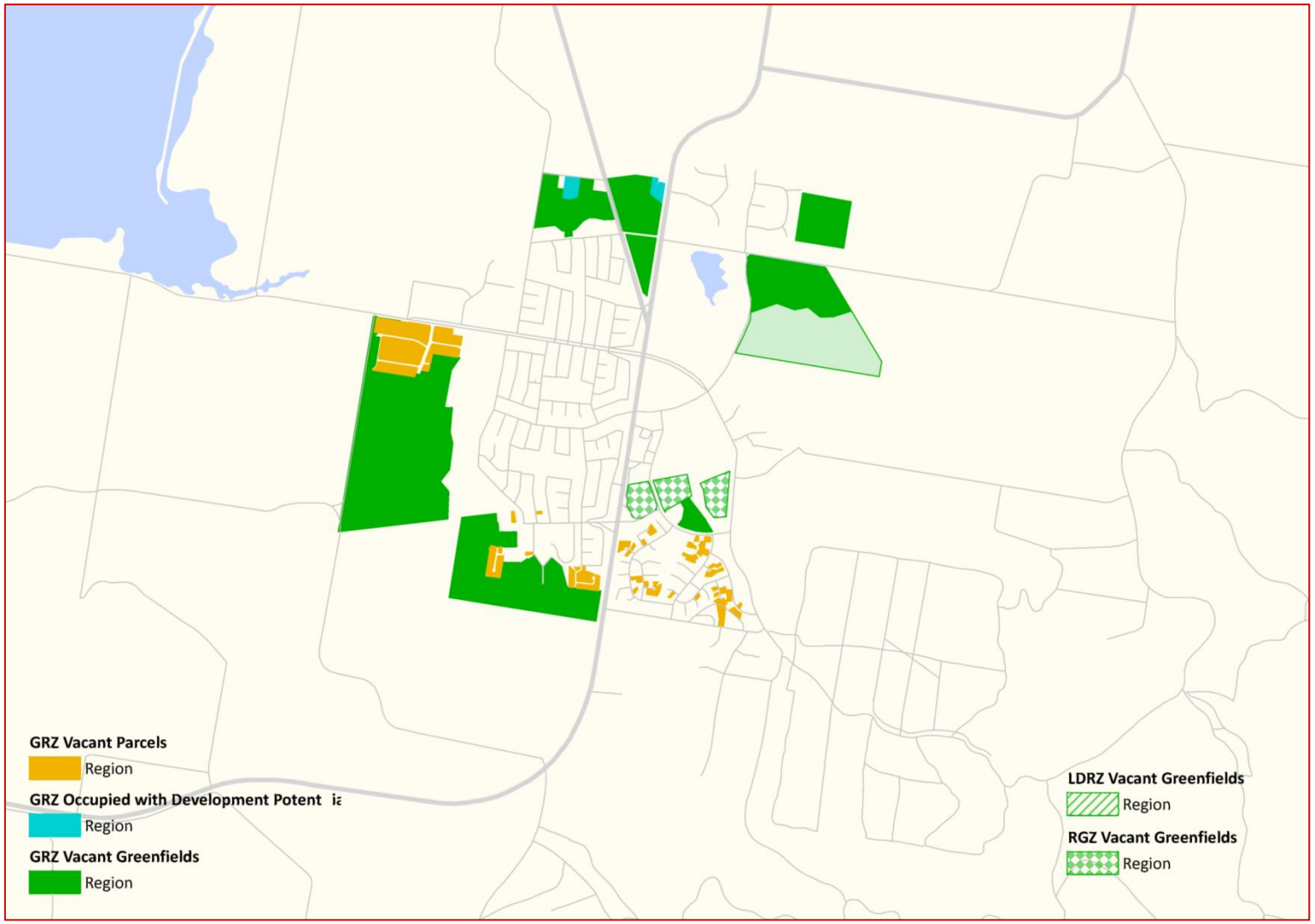


Table A1.4: Churchill – Vacant and Potential Zoned Residential Land Supply



APPENDIX 2 – INDUSTRIAL LAND SUPPLY MAPS

Table A2.1: Traralgon – Occupied and Vacant Industrial Land Supply

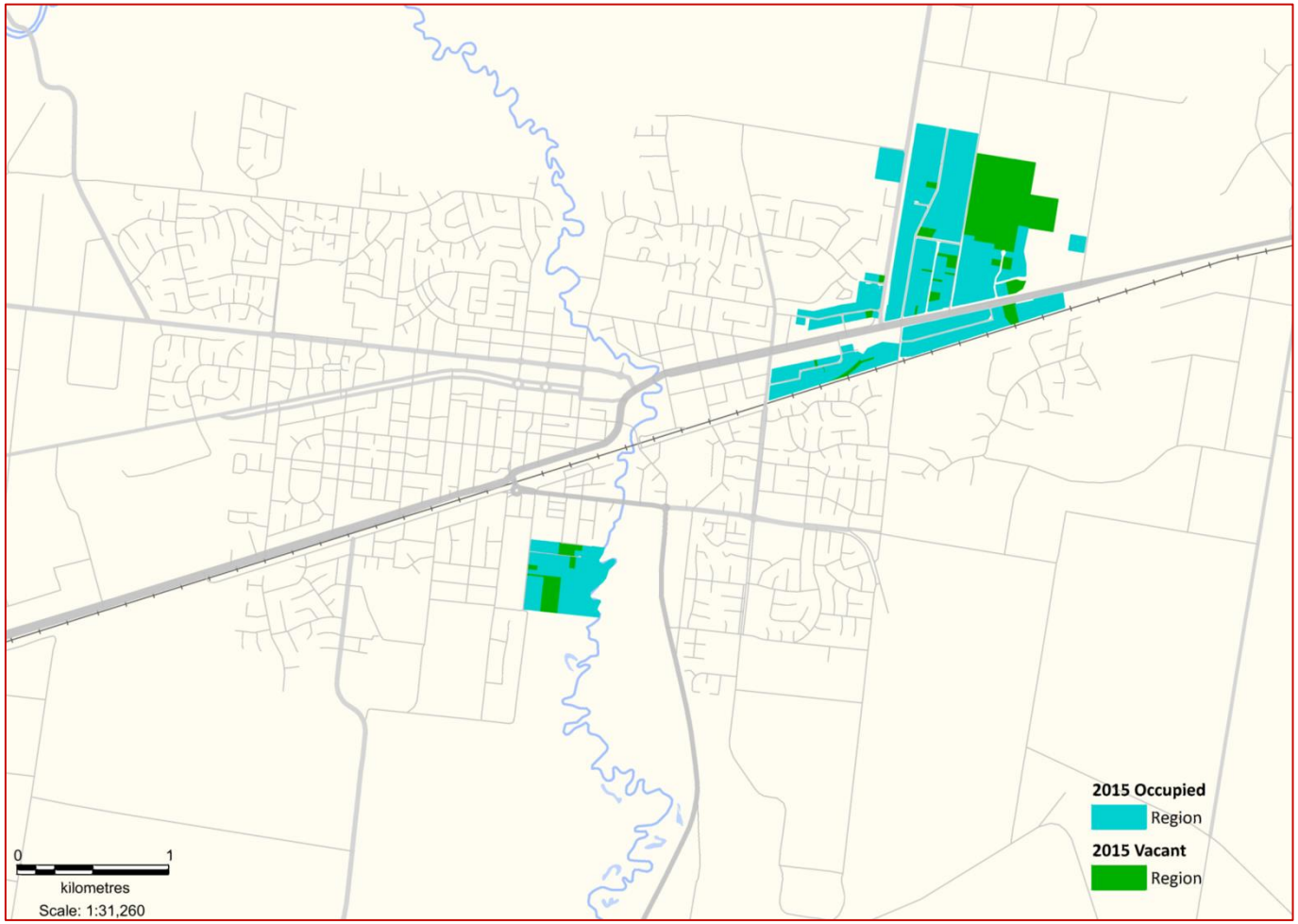


Table A2.2: Moe – Occupied and Vacant Industrial Land Supply

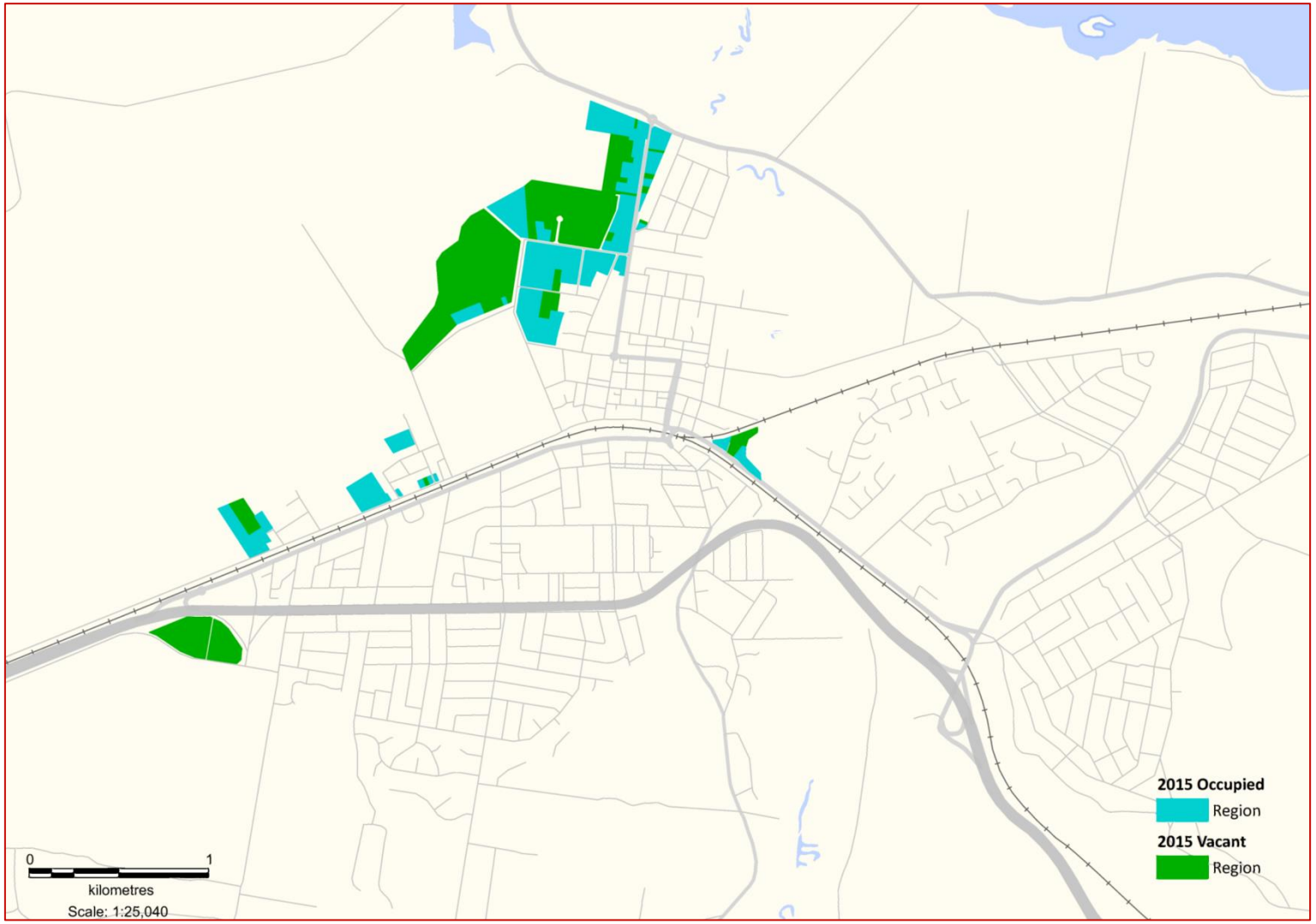


Table A2.3: Morwell – Occupied and Vacant Industrial Land Supply

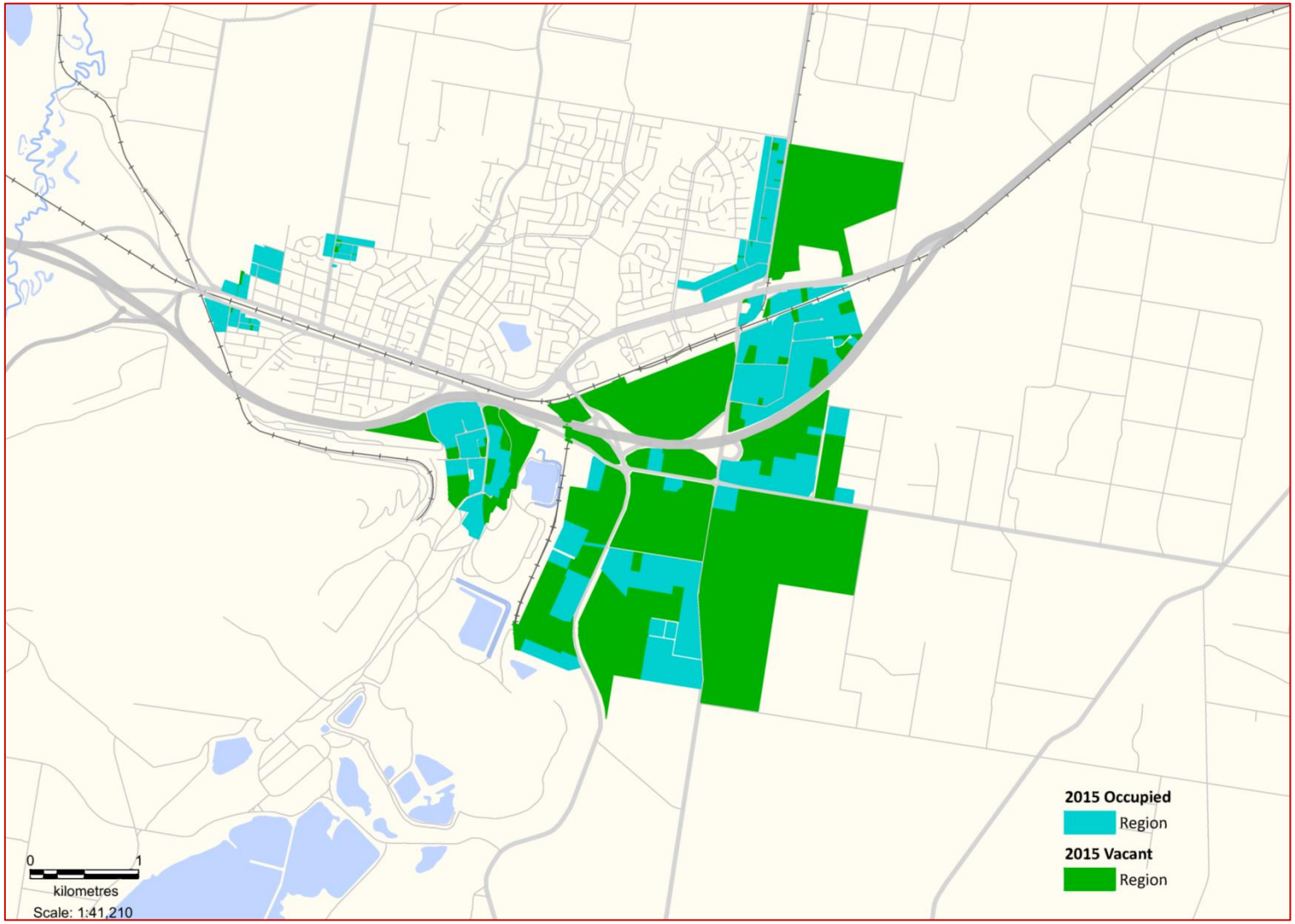


Table A2.4: Churchill – Occupied and Vacant Industrial Land Supply