

# Urban Development Program



2011

Regional  
Industrial  
Report

City of  
Warrnambool

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# EXECUTIVE SUMMARY

The Urban Development Program for Regional Victoria provides an analysis of supply and demand for residential and industrial land across parts of regional Victoria. The initial municipalities covered were Ballarat, Greater Bendigo, Latrobe and Wodonga. This round of land supply assessments is for the municipalities of Wangaratta, Greater Shepparton, Warrnambool, Horsham and Mildura. This report provides information on industrial supply and demand for the Warrnambool City Council.

The following industrial land supply assessment was undertaken by Spatial Economics Pty Ltd and commissioned by the Department of Planning and Community Development in conjunction with the Warrnambool City Council.

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

## SUPPLY OF INDUSTRIAL LAND

Within the Warrnambool LGA there was a total of 164.3 hectares of zoned industrial land as at July 2011. Of this land, 25.3 hectares was available for industrial development.

By zone type there was at July 2011 a total gross land area of:

- 16 hectares of B3 zoned land, of which 10.6 hectares is identified as supply (undeveloped) – a land vacancy rate of 66%;
- 103 hectares of IN1 zoned land, of which 9.8 hectares is identified as supply (undeveloped) – a land vacancy rate of 9%; and
- 44.8 hectares of IN3 zoned land, of which 4.8 hectares is identified as supply (undeveloped) – a land vacancy rate of 11%.

Across the City of Warrnambool a total of 69.7 gross hectares has been identified as designated future (unzoned) industrial stock, of which 4.7 hectares is located within the existing industrial precinct to the west of the urban area and 65 hectares in the Eastern Industrial Precinct (Horne Road) – to the east of the existing urban area.

As at July 2011, there were a total of 356 zoned industrial allotments within the City of Warrnambool, of which 47 lots were identified as available supply.

Of the industrial allotments located within the City of Warrnambool the majority are below 0.5 hectares (77%). There were 41 zoned lots sized from 0.5 to 1 hectare and 38 lots sized from 1 to 5 hectares. There were no zoned allotments sized above 10 hectares.

## RECENT ACTIVITY

There was an average of 11 industrial building approvals per year for the period 2005-2006 to 2010-2011 in City of Warrnambool. Of these approvals, 35 (52%) were for factory construction with the remaining 32 approvals were for warehouse construction. Over the same period, there was an estimated \$14.4 million or \$2.4 million per annum of construction value.

For the period 2005-2006 to 2010-2011 there were a total of 57 zoned industrial land subdivisions, 43 of which were located in the suburb of Warrnambool and 14 in Allansford. The number of industrial land subdivisions is closely correlated with the number of industrial building approvals. The majority (79%) of subdivisions resulted in industrial allotments sized less than 0.5 hectares. Of the 47 recently constructed industrial lots, 15 remain vacant as at July 2011.

## CONSUMPTION

The consumption of industrial land has been determined for the period 2004 to 2011 for the municipality of Warrnambool. Consumption of industrial land refers to the construction on or use of previously unutilised industrial land over time. On an average annual basis there has been 1.6 hectares per annum of industrial land consumed. The level of consumption by suburb is comprised of 1.3 hectares in Warrnambool (suburb) and 0.3 hectares per annum in Dennington.

## YEARS OF SUPPLY

The number of 'years of supply' is measured by dividing estimates of the net developable area by the average annual rate of industrial land consumption.

In total there is an estimated **13 years\*** of industrial zoned land across the whole of the municipality of Warrnambool. In terms of future (unzoned) industrial land stocks it is estimated that there is in excess of an additional **15+ years\*** of supply.

In terms of the estimated years of supply by zone type, there is:

- in excess of 15 years supply of B3 zoned land;
- 10 years supply of IN1 zoned land; and
- 8 years supply of IN3 zoned land.

Using sensitivity analysis to allow for increased demand for industrial land; two scenarios are given for a 25% increase and a 50% increase in historical demand. With increased land demand scenarios the adequacy of industrial land stocks result in:

- 25% increase in demand (2.0 hectares per annum)
  - Total zoned industrial land stocks – 10 years supply;
  - Zoned (B3Z) – 15+ years supply;
  - Zoned (IN1Z) – 8 years supply;
  - Zoned (IN3Z) – 6 years supply; and
  - Future (unzoned) – 15+ years supply.
- 50% increase in demand (2.4 hectares per annum)
  - Total zoned industrial land stocks – 9 years supply;
  - Zoned (B3Z) – 15+ years supply;
  - Zoned (IN1Z) – 6 years supply;
  - Zoned (IN3Z) – 5 years supply; and
  - Future (unzoned) – 15+ years supply.

**\*Note that since the preparation of this report, Amendment C72 to the City of Warrnambool Planning Scheme was approved; which rezoned around 70 hectares of land to an Industrial 1 and Industrial 3 Zone. 65 hectares of additional IN3 zoned land is provided in the Eastern Industrial Precinct, and 4.7 hectares of IN1 zoned land provided in the Warrnambool West Industrial Area. Overall, this provides additional zoned industrial land with the potential of over 15 years supply.**

### **Conclusion and Current Actions**

In summary there is an adequate stock of zoned industrial land stocks to meet trend and accelerated consumption rates across the City of Warrnambool following the approval of Amendment C72 (Home Road Industrial Precinct). Consumption of industrial land, however, should continue to be monitored to ensure there are sufficient land stocks to meet future demand.

No competition or land monopoly issues have been identified that could restrict the timely and competitive release of industrial land to meet market needs.

Similarly, no issues have been identified in terms of land development dependent infrastructure provision that would prevent the timely delivery of industrial land subdivision and associated industrial purpose capital construction.

Following the recent amendment which rezoned around 70 hectares of land for industrial purposes, this now provides sufficient land for longer term demand within Warrnambool.

# 1.0 INTRODUCTION

## 1.1 PURPOSE AND CONTEXT

The Urban Development Program was set up in 2003 to assist in managing the growth and development of metropolitan Melbourne and the Geelong region, and help ensure the continued sustainable growth of these areas in order to maintain their high levels of liveability.

The primary purpose of the Urban Development Program is to improve the management of urban growth by ensuring that government, councils, public utilities and the development industry have access to up-to-date and accurate information on residential and industrial land availability, development trends, new growth fronts, and their implications for planning and infrastructure investment.

To achieve the primary purpose the Urban Development Program provides accurate, consistent and updated intelligence on residential and industrial land supply, demand and consumption. This in turn assists decision-makers in:

- maintaining an adequate supply of residential and industrial land for future housing and employment purposes;
- providing information to underpin strategic planning in urban centres;
- linking land use with infrastructure and service planning and provision;
- taking early action to address potential land supply shortfalls and infrastructure constraints; and
- contributing to the containment of public sector costs by the planned, coordinated provision of infrastructure to service the staged release of land for urban development.

The information contained and reported within the Urban Development Program enables early action to be taken in areas where land shortfalls have been identified.

## 1.2 PROGRAM CONTEXT

During 2009, the Urban Development Program was expanded across key provincial areas across regional Victoria. Initially, this included the municipalities of Ballarat, Greater Bendigo, Latrobe and Wodonga. The next round of completed land supply assessments include the municipalities of Wangaratta, Shepparton, Warrnambool, Horsham and Mildura.

In addition, land supply assessments for the following municipalities are near completion, these include: Mount Alexander, Mitchell, Macedon, Moorabool, Baw Baw, Bass Coast, South Gippsland, Moyne, Murrindindi, Colac-Otway and Golden Plains.

The expanded Urban Development Program into regional Victoria will build local and regional data bases and, importantly, provide a platform for mapping and spatial analysis in each region. This will in turn allow councils and other key stakeholders in the planning and development sectors to make more informed decisions in the growth and investment of these key areas across regional Victoria.



The industrial and residential land supply assessments for the municipalities of Wangaratta, Greater Shepparton, Warrnambool, Horsham and Mildura were undertaken by Spatial Economics Pty Ltd, and commissioned by the Department of Planning and Community Development in conjunction with the associated councils.

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

### **1.3 URBAN DEVELOPMENT PROGRAM REPORTS 2011**

The 2011 Urban Development Program Reports for Wangaratta, Greater Shepparton, Warrnambool, Horsham and Mildura, as well as the 2011 Urban Development Program Report for metropolitan Melbourne, are available online at [www.dpcd.vic.gov.au/urbandevelopmentprogram](http://www.dpcd.vic.gov.au/urbandevelopmentprogram)

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

To access the Regional Urban Development Program MapsOnline visit [www.land.vic.gov.au/udp](http://www.land.vic.gov.au/udp)

For more information about the Urban Development Program, email the Department of Planning and Community Development at [urbandevelopment.program@dpcd.vic.gov.au](mailto:urbandevelopment.program@dpcd.vic.gov.au)

## 2.0 APPROACH AND METHODOLOGY

For the purposes of the Regional Urban Development Program, land is either zoned for industrial purposes or identified for future industrial use.

Industrial land identified by the Regional Urban Development Program includes land within the Industrial 1 Zone (IN1Z), Industrial 2 Zone (IN2Z), Industrial 3 Zone (IN3Z) and Business 3 Zone (B3Z) as well as land that have been identified for future industrial development by the relevant Council.

In addition, where appropriate land zoned Special Use (SUZ) has been included i.e. the specific purpose of the zone is to recognise or provide for the use and development of land to support industrial type uses.

The IN1Z is the most commonly used industrial zone. The Industrial 2 Zone is designed for heavy industrial uses.

The IN3Z is a specialised zone that focuses on the needs of light industry, while the B3Z is aimed at facilitating the needs of industries with a high office based component.

Assessments of land supply are dependant on the availability of aerial imagery. The most current imagery available for this assessment was taken during the summer of 2009/2010.

Note that for the purposes of this report the regional component of the expanded Urban Development Program is referred to as the 'Regional Urban Development Program'.

### METHODOLOGY FOR ASSESSING INDUSTRIAL LAND STOCKS

Industrial land data is collected and assessed using lot boundary, planning scheme information and aerial imagery. Additional information on the status of specific sites is gathered through stakeholder consultation, primarily discussions with relevant Council officers.

Industrial land supply and consumption data presented as part of the Regional Urban Development Program is based on aerial photography completed in mid 2009 and updated to July 2011 via the consultation process. Information relating to zoning, overlays and other planning matters relates to the same period.

### IDENTIFYING LAND STOCK

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

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

- **Supply** – zoned industrial land classified as available for industrial development. This includes land that is vacant, disused or assigned to marginal non-industrial uses with little capital value, such as farm sheds.
- **Unavailable** – zoned industrial land classified as unavailable for industrial development. This includes land already occupied by industrial uses, construction sites, major infrastructure, capital intensive farming operations, established residential premises or where it is known that the owner has strong intentions not to develop the land in the medium to long term.

In instances where industrial land was in the process of being approved for rezoning to another use (for example a Business, Residential or Mixed Use Zone) and, based on Council feedback, the land is identified as unavailable.

In several instances discrete parcels of land (within one title) have been created to demonstrate a high degree of availability for development on a particular site. For example, where there is a significant area of land with a specific use operating from a small portion of the land and it is understood the balance of the land is regarded as a potential development site, the title area has been split to show the occupied and vacant components of the land. This has been undertaken where these instances have been identified by the relevant Council officer.

## **ASSESSING THE STOCK OF INDUSTRIAL LAND**

For all industrial land, each individual parcel is recorded with its size and the applicable zone. This enables an assessment of the overall or gross stock of land either as unavailable or available as supply. Subsequently, a further assessment is conducted to determine a net measure of supply ('net developable area').

Using a net measure of industrial land supply provides a more accurate basis for determining adequacy, as it measures the likely area available for development after accounting for local roads, open space, infrastructure requirements and environmental considerations. This varies from locality to locality, depending on site and regional-specific issues.

During 2008, the Department of Sustainability and Environment released maps indicating the location and extent of significant native vegetation across Victoria utilising satellite imagery. These maps were used as part of the assessment in determining the estimated net developable area.

Where native vegetation mapping indicated a classification of 'high' or 'very high' against vacant zoned land or land identified for future industrial purposes, the area impacted was removed from the gross area of land supply.

Further higher level (or regional) take outs were removed from larger key parcels of vacant zoned land or from land identified for future industrial development. This was carried out in consultation with the relevant Council.

Finally, the total area of remaining vacant land was separated into parcels of differing gradients of size to allow for local discounts (specifically for local roads and open space). This was done through both consultation and by calculating typical take out rates for such factors from recently completed development.

Discount factors (at each level) differ between municipalities depending on a variety of factors, specifically local geography.

## **CALCULATING CONSUMPTION**

To determine consumption based trends, the Regional Urban Development Program has examined available aerial photography between specific periods. Given the limited availability of photography, for each municipality at least two prior periods (years) have been assessed using the methodology outlined above (i.e. assessing each lot as either 'unavailable or 'supply').

In comparing the extent to which consumption has occurred land has been 'back cast' against previous periods to ensure like for like areas have been compared. This has been done to ensure that the effect of the rezoning of new industrial land or the rezoning of industrial land to non-industrial uses does not distort the actual consumption that has occurred between periods.

Industrial land consumption for Warrnambool was calculated from aerial imagery capture dates at 2004 and 2009. Consumption of industrial land was updated to July 2011 via the consultation process.

## YEARS OF SUPPLY

The number of 'years of supply' is measured by dividing estimates of the net developable of both zoned and unzoned areas by the average annual rate of industrial land consumption.

## 3.0 OVERVIEW

Warrnambool is the largest centre within the Great South Coast region with an estimated population of approximately 33,000 in 2009. Warrnambool City is projected to accommodate approximately 50% of the Great South Coast region's resident population growth over the next 10-15 years.

This growth reflects the city's high level of service provision, employment options, good access by road and rail to Melbourne and its coastal location which is often favoured by people moving from intra-State areas.

Warrnambool's retail and commercial sector is the primary employer and is growing, and while the traditional manufacturing and wholesale trade base is stable, the health and community service and construction sectors are increasing<sup>1</sup>. Land will be required for industries and services to support the population growth.

Regional Victorian cities such as Warrnambool require an adequate supply of industrial land for jobs and services, such as manufacturing, service uses, logistics and warehousing to support continued economic development. The Urban Development Program for Regional Victoria provides the State Government and other stakeholders with a strategic overview of the supply and demand of industrial land across key regional Victorian cities.

The following industrial land supply assessment for City of Warrnambool is presented in a number of sections. These include:

- An assessment of industrial building approval activity by location (Statistical Local Area) in terms of both volume and value. This includes the breakdown of factory and warehouse building approvals from 2005-06 to 2010-11;
- Presentation of all net industrial land subdivision activity by resultant lot size distribution from 2005-06 to 2010-11;
- A detailed presentation of existing industrial land stocks in terms of:
  - Stock by zone type
  - Future (unzoned) stock
  - Lot size configuration and area
  - Supply/unavailable stock
  - Net developable area
- Summary of industrial land consumption i.e. built form construction on vacant industrial allotments from 2001 to 2011. This is expressed as average annual land consumption (hectares). This forms the basis of projecting future demand for industrial land and therefore the assessment of supply adequacy;
- An assessment of the years of supply of industrial land supply by zone type and location. This is also expressed in terms of accelerated growth assumptions of industrial land consumption; and
- Identification of any potential major impediments to the supply of industrial land to the market such as lack of competitive and provision of required infrastructure to develop the land.

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<sup>1</sup> The Great South Coast Regional Strategic Plan

## 4.0 BUILDING APPROVAL ACTIVITY

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

- the investment and business activity behaviour of the private sector;
- trends in the global and local economy;
- the availability of credit and borrowings for business decisions such as a decision to make a capital investment in property for a business;
- levels of land supply in the area;
- economic activity within the region; and
- the degree to which other regional centres compete for investment.

The following provides an overview of Industrial Building Approval activity within the City of Warrnambool from 2005-06 to 2010-11 in terms of volume and estimated value of industrial building approvals.

From 2005-06 to 2010-11 there was on an average annual basis eleven industrial building approvals. Of these industrial building approvals, 52% (35) were for factory construction and the remaining 32 approvals were for warehouse construction. Table 1, summarises the volume of total industrial building approval activity by year and SLA.

**Table 1: Total Number of Industrial Building Approvals by Year**

SLA/LGA	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Warrnambool LGA	11	17	15	10	10	4

Source: Australian Bureau of Statistics

Table 2 summarises the estimated construction value of industrial building approvals activity over the same period. In total there was an estimated total value of approximately \$14.4 million or an average of \$2.4 million per annum. Of this estimated construction value, 55% was for factory construction, the residual for warehouse construction.

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

SLA/LGA	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Warrnambool LGA	1,866,000	3,741,000	5,122,000	1,247,000	1,347,000	1,065,566

Source: Australian Bureau of Statistics

## 5.0 INDUSTRIAL SUBDIVISION ACTIVITY

Detailed analysis of the cadastral database across industrial zoned areas across Warrnambool was undertaken to establish the location, volume and resultant lot size of industrial subdivision activity. Table 3 summarises the results of this analysis.

From 2005-06 to 2010-11 there were a total of 57 zoned industrial land subdivisions. The number of industrial land subdivisions closely correlates to the number of industrial building approvals.

The majority (79%) of subdivisions resulted in industrial allotments sized less than 0.5 hectares.

Of the 57 recently constructed industrial lots, 15 remain vacant as at July 2011.

**Table 3: Number of Industrial Subdivisions by Lot Size, 2005-06 to 2010-11**

SLA/Suburb/LGA	Less than 0.1 ha	0.1 to 0.5 ha	0.5 to 1 ha	1 to 5 ha	5 to 10 ha	10+ ha	Total Lots
<b>Warrnambool (C)</b>	<b>18</b>	<b>27</b>	<b>3</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>57</b>
Allansford	0	12	0	2	0	0	<b>14</b>
Warrnambool	18	15	3	6	1	0	<b>43</b>
<b>Warrnambool LGA</b>	<b>18</b>	<b>27</b>	<b>3</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>57</b>

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

## 6.0 INDUSTRIAL LAND STOCKS

The following section of the report provides an overview of:

- existing zoned industrial land stocks;
- identified future (unzoned) industrial land stocks;
- stock of available (supply) and unavailable industrial land stocks;
- lot size distribution; and
- estimated net developable area.

The industrial land market across the City of Warrnambool is primarily located to the west of the urban area of Warrnambool. There are pockets of industrial areas dispersed throughout the urban area and in Allansford. The majority of historical activity in terms of subdivision, construction and existing industrial uses are located within the western edge of the existing urban area of Warrnambool.

### 6.1 INDUSTRIAL LAND STOCKS – AREA

As at July 2011, there was a total of 164.3 hectares of zoned industrial land stock, of which 25.3 hectares were assessed as available (supply) for industrial purpose development. This quantum of zoned industrial supply relative to unavailable industrial land stocks equates to a total land vacancy rate of 15%. This in relative terms is considered low, indicating an under-supply of undeveloped industrial land stocks.

Table 4 summarises the gross area of industrial land stocks by status across the City.

By zone type there was at July 2011 a total gross land area of:

- 16 hectares of B3 zoned land, of which 10.6 hectares is identified as supply (undeveloped) – a land vacancy rate of 66%;
- 103 hectares of IN1 zoned land, of which 9.8 hectares is identified as supply (undeveloped) – a land vacancy rate of 9%; and
- 44.8 hectares of IN3 zoned land, of which 4.8 hectares is identified as supply (undeveloped) – a land vacancy rate of 11%.

In terms of industrial land stocks by suburb the majority is located in the suburb of Warrnambool, specifically 145 hectares. In comparison there are 12.9 hectares in Dennington and 5.9 hectares in Allansford.



**Table 4: Gross Area (hectares) of Industrial Land Stocks, 2011**

SLA/Suburb/LGA	B3			IN1Z			IN3Z			Total Zoned Stocks			Future Unzoned
	Supply	Unavailable	Land Area Vacancy Rate %	Supply	Unavailable	Land Area Vacancy Rate %	Supply	Unavailable	Land Area Vacancy Rate %	Supply	Unavailable	Land Area Vacancy Rate %	
<b>Warrnambool (C)</b>	10.6	5.4	66%	9.8	93.6	9%	4.8	40.0	11%	25.3	139.0	15%	69.7
Allansford				2.6	3.3	44%				2.6	3.3	44%	
Dennington					7.7	0%	0.9	4.3	18%	0.9	12.0	7%	
Warrnambool	10.6	5.4	66%	7.2	82.6	8%	3.9	35.7	10%	21.8	123.7	15%	69.7
<b>Warrnambool LGA</b>	<b>10.6</b>	<b>5.4</b>	<b>66%</b>	<b>9.8</b>	<b>93.6</b>	<b>9%</b>	<b>4.8</b>	<b>40.0</b>	<b>11%</b>	<b>25.3</b>	<b>139.0</b>	<b>15%</b>	<b>69.7</b>

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

Across the City of Warrnambool a total of 69.7 gross hectares has been identified as designated future (unzoned) industrial stock, of which 5.3 hectares is located within the existing industrial precinct to the west of the urban area and 65 hectares in the Eastern Industrial Precinct (Horne Road) – to the east of the existing urban area.

## 6.2 INDUSTRIAL LAND STOCKS – LOT SIZE DISTRIBUTION

Table 5 below details the number of zoned industrial lots by selected lot size cohorts. As at July 2011, there was a total of 356 zoned industrial allotments, of which 47 lots were identified as available supply.

Of the industrial allotments located within City of Warrnambool the majority are below 0.5 hectares (77%). There were 41 zoned lots sized from 0.5 to 1 hectare and 38 lots sized from 1 to 5 hectares. There were no zoned allotments sized above 10 hectares. This indicates that the majority of demand for industrial allotments is at the smaller end.

**Table 5: Number of Industrial Allotments by Lot Size Cohort, 2011**

SLA/Suburb/LGA	Less than 0.1 hectares		0.1 to 0.5 hectares		0.5 to 1 hectares		1 to 5 hectares		5 to 10 hectares		10+ hectares		Total Lots	
	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable
<b>Warrnambool (C)</b>	<b>3</b>	<b>63</b>	<b>33</b>	<b>174</b>	<b>2</b>	<b>39</b>	<b>7</b>	<b>31</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>47</b>	<b>309</b>
Allansford	0	0	4	8	0	0	1	1	0	0	0	0	5	9
Dennington	0	2	6	4	0	4	0	0	0	1	0	0	6	11
Warrnambool	3	61	23	162	2	35	6	30	2	1	0	0	36	289
<b>Warrnambool LGA</b>	<b>3</b>	<b>63</b>	<b>33</b>	<b>174</b>	<b>2</b>	<b>39</b>	<b>7</b>	<b>31</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>47</b>	<b>309</b>

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

## 6.3 SUPPLY OF INDUSTRIAL LAND

As previously outlined there was, at July 2011, 25.3 gross hectares of zoned industrial land supply and 69.7 gross hectares of land identified for future industrial development (unzoned).

Of this identified supply, there will be a proportion of land not available for development. Such land development take-outs include, but not limited to include: local and regional roads, supporting infrastructure, open space requirements, native vegetation, excessive slope and other environmental constraints (water-ways). Land development take-outs vary by site and particularly the size of the allotment.

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

In total for zoned industrial land supply across the City there is approximately 21.1 net developable hectares. In terms of future identified industrial land stocks (unzoned) there is an estimated 56 net developable hectares.

The net developable area by zone type includes:

- 8.2 hectares for land zoned B3;
- 8.3 hectares for land zoned IN1; and
- 4.6 hectares for land zoned IN3.

**Table 6: Estimated Net Developable Industrial Land Stocks (hectares), 2011**

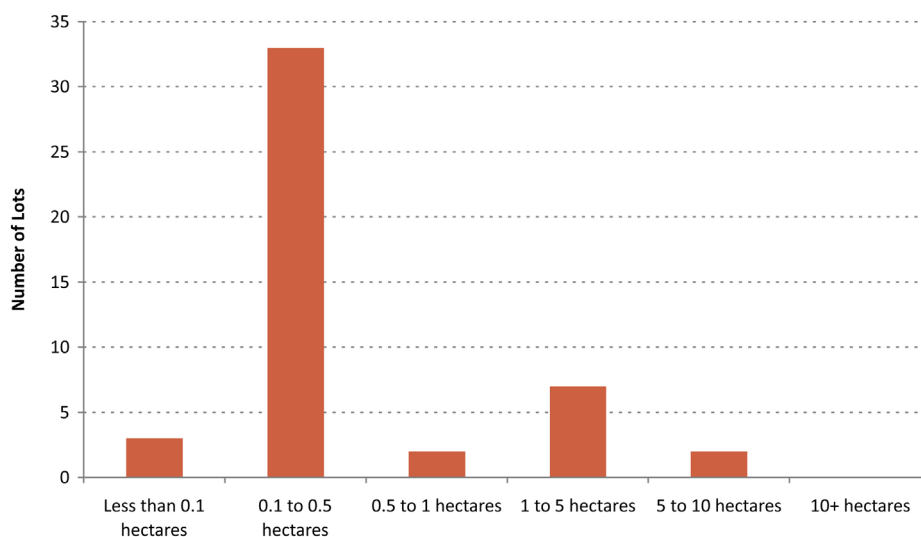
SLA/Suburb/LGA	B3Z	IN1Z	IN3Z	Total Zoned Area	Future (unzoned)
<b>Warrnambool (C)</b>	<b>8.2</b>	<b>8.3</b>	<b>4.6</b>	<b>21.1</b>	<b>56.0</b>
Allansford		2.1		<b>2.1</b>	
Dennington			0.9	<b>0.9</b>	
Warrnambool	8.2	6.2	3.7	<b>18.1</b>	56.0
<b>Warrnambool LGA</b>	<b>8.2</b>	<b>8.3</b>	<b>4.6</b>	<b>21.1</b>	<b>56.0</b>

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

The graph below illustrates the supply of industrial allotments by selected lot size cohort. In total it has been identified that there are only 47 zoned industrial lots identified as supply. The vast majority (70%) of the allotments identified as supply are sized from 0.1 to 0.5 hectares – 33 lots.

There are only three lots identified as vacant sized less than 0.1 hectares, two lots sized from 0.5 to 1 hectare, seven lots sized from 1 to 5 hectares and two lots sized from 1 to 5 hectares. There are no zoned vacant lots sized greater than ten hectares.

**Graph 1: Number of Industrial Lots (supply) by Lot Size Range, 2011**



Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

## 7.0 CONSUMPTION OF INDUSTRIAL LAND

Detailed analysis of existing and historic aerial imagery combined with zoning and cadastral information from 2004 to 2009 has been used to establish the consumption of industrial land. From 2009 to 2011, consumption of industrial land has been supplemented with 'intelligence' gathered from consultation with council and DPCD regional officers.

Consumption of industrial land refers to the construction on or use of previously unoccupied industrial land over-time.

From this assessment the consumption of industrial land can be established by location, lot size and zoning. Consumption of industrial land is used as the primary indicator of future demand for industrial land and therefore the years of supply can be established.

From 2004 to 2011 on an average annual basis, 1.6 hectares per annum of industrial land has been consumed. The level of consumption by suburb is comprised of 1.3 hectares in the suburb of Warrnambool and 0.3 hectares per annum in Dennington. Consumption of industrial land over the above period by zone type entails:

- 0.2 hectares per annum of B3 zoned land;
- 0.9 hectares per annum of IN1 zoned land; and
- 0.6 hectares per annum of IN3 zoned land.

## 8.0 YEARS OF SUPPLY – INDUSTRIAL LAND

The number of 'years of supply' is measured by dividing estimates of the net developable area by the average annual rate of industrial land consumption.

Table 7 below summarises the estimated years of supply by location and supply type.

Firstly, identifying the future location and amount of consumption of industrial land is an uncertain task. Current levels of consumption are used as an indication of the adequacy of industrial land supply. However, the level and location of future consumption may change due to:

- the investment and business activity behaviour of the private sector;
- trends in the global economy;
- propensity for certain activities to agglomerate;
- directions in technology;
- population/employment trends;
- environmental impacts and adaptation; and
- social attitudes.

In total, there is **13 years\*** industrial zoned land across the City of Warrnambool based on the average annual rate of land consumption in the period 2004 to 2011. In terms of future (unzoned) industrial land stocks it is estimated that there is in excess of an additional **15+ years\*** of supply.

**Table 7: Years of Supply of Industrial Land Stocks\***

SLA/Suburb/LGA	Years of Supply			Total Zoned Area	Future (unzoned)
	B3Z	IN1Z	IN3Z		
<b>Warrnambool (C)</b>	<b>15+</b>	<b>10</b>	<b>8</b>	<b>13</b>	<b>15+</b>
Allansford		15+		15+	
Dennington			4	4	
Warrnambool		7	11	13	
<b>Warrnambool LGA</b>	<b>15+</b>	<b>10</b>	<b>8</b>	<b>13</b>	<b>15+</b>

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

In terms of the estimated years of supply by zone type, there is:

- in excess of 15 years supply of B3 zoned land;
- 10 years supply of IN1 zoned land; and
- 8 years supply of IN3 zoned land.

However, it is expected that as a certain zone type is depleted and/or becomes scarce there would be a high degree of 'substitution' between both zone types and localities, where zoning regulations permit the actual industrial use and the locality has minimal influence on locational decisions.

Historical industrial land consumption is a sound base to assess future consumption of industrial land consumption. However, economic/employment activity can and will invariably change. Specifically, as local resident population increase so will the requirement for additional employment land to 'service' resident population needs. In addition, there is always the likelihood of 'export' related industry development that would require additional

industrial land. Due to this uncertainty relating to forecasting industrial land requirements two demand scenarios and related adequacies are presented, namely a 25% and 50% increase in the demand for industrial land.

With increased land demand scenarios the adequacy of industrial land stocks result in:

- 25% increase in demand (2.0 hectares per annum)
  - Total zoned industrial land stocks – 10 years supply;
  - Zoned (B3Z) – 15+ years supply;
  - Zoned (IN1Z) – 8 years supply;
  - Zoned (IN3Z) – 6 years supply; and
  - Future (unzoned) – 15+ years supply.
- 50% increase in demand (2.4 hectares per annum)
  - Total zoned industrial land stocks – 9 years supply;
  - Zoned (B3Z) – 15+ years supply;
  - Zoned (IN1Z) – 6 years supply;
  - Zoned (IN3Z) – 5 years supply; and
  - Future (unzoned) – 13 years supply.

Based on identified existing stocks of industrial land, there is an adequate stock of zoned and unzoned industrial land stocks to meet trend and accelerated consumption rates across the City of Warrnambool to meet short to medium requirements.

Overall, based on recent rates of industrial land consumption there is sufficient zoned stocks to meet approximately **13 years\*** of demand. However, if demand accelerated from recent historical averages there is sufficient zoned stock to satisfy 9 years (50% increase in consumption) and ten years (25% increase in consumption) of demand.

In terms of future (unzoned) identified industrial land stocks it is sufficient to meet at least **15 years\*** of demand based on a 50% increase rate of consumption relative to recent historical consumption rates.

**\*Note that since the preparation of this report, Amendment C72 to the City of Warrnambool Planning Scheme was approved; which rezoned around 70 hectares of land to an Industrial 1 and Industrial 3 Zone. 65 hectares of additional IN3 zoned land is provided in the Eastern Industrial Precinct, and 4.7 hectares of IN1 zoned land provided in the Warrnambool West Industrial Area. Overall, this provides additional zoned industrial land with the potential of over 15 years supply.**

# GLOSSARY OF TERMS

## **FUTURE INDUSTRIAL LAND**

Land identified by the relevant municipal authority for future industrial development and current zoning not supportive of industrial development. Land which has an 'Urban Growth Zone' applied, and where a precinct structure plan has not yet been approved, may also fall into this category.

## **GROSS INDUSTRIAL LAND AREA**

Measures the area of industrial land at a cadastral lot/parcel level.

## **LOCAL GOVERNMENT AREA (LGA)**

A geographical area that is administered by a local council.

## **LOT (INDUSTRIAL)**

Discrete area of land defined by a parcel boundary identified in the Vicmap Property Database. Each lot has an associated land title, and is either zoned for industrial purposes or identified for future industrial use.

## **MAPSONLINE**

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

## **NET INDUSTRIAL LAND SUPPLY**

Measures the estimated area available for industrial development after accounting for local roads, open space, infrastructure and environmental considerations.

## **PRECINCT STRUCTURE PLANS**

In the Urban Growth Zone (UGZ), the precinct structure plan (PSP) is the key document that triggers the conversion of non-urban land into urban land. A precinct structure plan is a long-term strategic plan that describes how a precinct or a series of sites will be developed.

## **STATISTICAL LOCAL AREA (SLA)**

A geographical area created by the Australian Bureau of Statistics for statistical purposes. Victoria is divided into 200 SLAs. SLAs may be the same as an LGA or in most cases several SLAs aggregate to form LGAs.

## **SUBURB (AUSTRALIAN BUREAU OF STATISTICS)**

This is a census-specific area where Collection Districts are aggregated to approximate suburbs.

## **SUPPLY (INDUSTRIAL LAND)**

Zoned industrial land classified as suitable for industrial development. This includes land that is vacant, disused or assigned to marginal non-industrial uses with little capital value, such as farm sheds or vehicle storage.

## **UNAVAILABLE (INDUSTRIAL LAND)**

Zoned industrial land classified as unavailable for industrial development. This includes land already occupied by industrial uses, construction sites, major infrastructure, intensive farming operations, established residential premises or where ownership development intentions indicate the land will not be developed in the foreseeable future.

