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Prepared for

The Municipalities of Brimbank, Hobsons Bay, Maribyrnong, Melton and Wyndham and the Department of Sustainability and Environment (DSE)

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EXECUTIVE SUMMARY

The Western Region Employment and Industrial Development Strategy has been prepared by Ratio Consultants for a consortium of Western Region Councils and the Department of Sustainability and Environment. It presents a range of likely development scenarios and proposes a strategic framework to help inform the Western Region about how to provide sustainable growth and development opportunities for all its residents. As such, it is hoped that the Western Region Councils and the Department will use the report to foster a cohesive approach to urban development in the Western Region.

THE CHALLENGE

Melbourne's western region is experiencing a historic phase in its development and evolution. The current resident population (616,000 in 2005), is predicted to exceed 850,000 people by 2031. Current projections by the Department of Sustainability and the Environment (DSE) indicate that the region will be expected to accommodate more than 25% of metropolitan population growth over the next 25 years. There are two clear observations that may be drawn:-

- First, the region is in the early stages of what is likely to be a long-term, sustained boom in residential and urban development; and
- Second, the current and projected scale of the western suburban population that is being developed will rank the region among the most significant in the country. By comparison, the population of metropolitan Adelaide is currently 1.1 million, and is projected to grow to 1.3 million by 2031.

The western region's substantial population growth has occurred and will continue against a background of the significant transformation of the metropolitan economy from an industrial to a post-industrial base. This is a process that is being experienced across the western world, and in this city has been largely focused in Melbourne's inner and eastern suburbs. In these regions, knowledge-based sectors and enterprises are leading the growth of services and wealth generation, creating new sources of export income, investment and employment.

Melbourne's western region has entered a process of major new industrial development change, which accelerated with the development of the Westgate Bridge and the Western Ring Road. This has spurred a wave of investment in logistics-based industries, and led to the formation of the West Industrial Node, that is recognised in metropolitan policy as one of the three major industrial nodes in the Melbourne metropolitan region. The Strategy has recognised the significant role of new industrial investment in the region. However, the Strategy also recognises that logistics-based investment, while providing a significant source of new development, is generally space-extensive and will not lead to substantial sources of employment growth.

The key to addressing the region's employment needs, and reducing reliance on inner Melbourne, will be to respond to the need for a range of business, education, professional, health and hospitality services to be developed in the region, and to provide locations and an investment environment to develop a recognised core of sustainable employment and investment growth.

THE STRATEGY

The Western Region Employment and Industrial Development Strategy (WREIDS) seeks to achieve a sustainable economic future for Melbourne's west, through the following outcomes.

Regional Vision and Leadership

The Strategy recognises that an important prerequisite to deliver a sustainable economic future for the region will be a common commitment to a regional vision for integrated infrastructure, investment and land use development. To this end, the Strategy has recommended that its resolution and adoption be considered at a municipal, regional and State level. A regional forum process representing the region's Councils and key stakeholders has been recommended to facilitate the development of a common approach to future regional planning and development.

Strong employment growth

The Strategy seeks to maximise investment and employment growth potentials, through the identification of land use and development opportunities, and the presentation of the Strategy as a set of staged development initiatives. Importantly, each stage of the Strategy seeks to maximise opportunities for invesment and employment within a particular policy paradigm, and the likely order of modifications required to existing policy.

The first level of the Strategy (Scenario 1) seeks to build on existing and seriously entertained development projects. The second level of the Strategy (Scenario 2) is focused on realising identifiable land use and transport projects that will further consolidate land use change and the renascence of the inner western suburbs. The third level of the Strategy (Scenario 3), is centred on developing a suitable environment to accommodate a new focus for the region's manufacturing, engineering and construction industries, as part of a new activity centre and invesment hub for the region. The fourth level of the Strategy (Scenario 4) seeks to ensure that the long-term accessibility comparative advantages of the region are maintained, through the development of an outer western transport and freight corridor and other infrastructure initiatives.

Land use renascence and change

An important component of the Strategy is its focus on a series of projects to deliver the revitalisation of the region's inner and middle suburbs. It provides a framework for economic development, designed to link the region's existing activity centres in the inner and middle suburbs, by networks of intensified activity served by public transport. The effect of the initiative will be to reinforce many of the region's historic, transit-based and growing activity centres, and to ensure that future commercial, mixed-use and higher density residential development is located so as to maximise access to public transport networks and services. Importantly, the project recognises that the delivery of a diversified employment base embracing a wide range of services, requires that employment be considered as part of a wider urban environment that encompasses higher levels of amenity, improved access to public transport, and a wide range of working and living environments.

Transformation of the region's industrial base

The Strategy recognises the significance and centrality of manufacturing to the region's historic development and current economic structure. Research undertaken for the Strategy found that in terms of wealth generation (as distinct from direct employment creation), the manufacturing, transport and storage sector remains the most significant component of the region's economy. The region's manufacturing base encompasses a broad range of industries, of which the following observations have been made:-

 Most of the region's current industrial base has its foundation in the post-war period, particularly in the 1950s and 1960s;

- There are several industries that occupy a strategic role in the regional and national economy, and whose future will be determined by factors outside of this Strategy, eg the petrochemical and ancillary industries. Employment in these industries is stable;
- There are a number of sectors focussed on processing industries where there is likely to be some net growth in employment, for example in the food processing and paper products sectors;
- A significant component of the region's manufacturing base in 2001 was comprised of sectors that were highly exposed to international competition and the rise of low-cost manufacturing in east Asia and other regions. These sectors include textiles, clothing and footwear, and a range of engineering, metals and machinery manufacturing industries. Employment in these sectors has declined significantly over the past two decades, and further significant declines are likely, and acknowledged in the Strategy;
- A number of logistics-based industries and distribution facilities have developed in the region, particularly during the last decade. These are likely to continue to grow in the future, and will provide a modest contribution of net additional employment for the region.
- In summary, the region's industrial base contains a number of elements with a stable future (in employment terms), and several industries where some employment growth is likely. It also contains a number of industries where further significant employment declines are projected to continue for the foreseeable future. Considered as a whole, the western region's manufacturing, transport and storage industry base, while remaining the most significant contributor of wealth to the region, does not provide employment growth commensurate with regional population growth.

Importantly, the region does not contain a core area or sector of leading edge manufacturing or engineering linked to innovative product development, and recognised as a world-class productive cluster, that can serve as a sustainable industry core to drive regional investment and development.

As indicated in the Strategy (Section 3.2.3),

"The challenge for the western region is to transform its traditional manufacturing, engineering and construction trades base to a form of higher value, knowledge and innovation-led product development and a targeted, customised approach for local manufacturing, engineering and construction industry development. It is emphasised that the proposed industrial development model does not attempt to duplicate the knowledge-based initiatives that have successfully evolved in Melbourne's inner and eastern suburbs. It is recognised that the initiatives in central Melbourne and its eastern suburbs have built on particular niches and local skills and networks established in a range of services.

The proposed pathway for sustainable employment creation in Melbourne's western region is to build on its historic and recognised strengths and to interface these with innovation and marketing research to produce new world class products that address national and regional needs, and in so doing create niches of world class expertise and product development in Melbourne's western region."

The Strategy introduces a new initiative to help deliver this outcome. It proposes a Principal Activities Cluster (PAC), which is a concept designed to create the environment and critical mass to generate significant new investment in knowledge-based manufacturing, engineering and construction industry development in an attractive and highly accessible regional location. The proposed PAC is a key strategic initiative to substantially advance the process of transforming the western region's industrial base through the creation of a core of leading edge innovative manufacturing and engineering enterprises, linked to innovative product and design development, and the resultant creation of new higher-value skills and services. This is an important step for the western region to achieve new long-term and sustainable sources of wealth creation and employment generation.

Significantly, the proposed PAC is a comprehensive planning, environmental and transport concept targeted to deliver a range of services, employment, investment, livability, access and cultural benefits to the western region as a whole.

Transport and access

An important theme developed by the Strategy is the significant role of the region's transport system and linkages to the State's trade gateways, metropolitan Melbourne, and wider State and national markets. The region's commuter and freight movement requirements were identified in several transport studies undertaken for the west. This issue is recognised by the Strategy, and in particular it is clear that significant improvements and additions to the existing network and transport services will be required to enable regional growth and sustainable development to be delivered in the context of projected population growth requirements.

The Strategy proposes several projects and initiatives to improve regional access for general traffic, commuters and freight movements. These are:-

- Endorsement by the Strategy of a series of proposed improvements to arterial roads in the middle and outer western suburbs. These were recommended by the Outer Western Suburbs Transport Strategy (2001) and form part of the WREIDS Regional Economic Framework Plan;
- An identified route for new freight rail access to the West Industrial Node, together with a potential location for a new metropolitan inter-modal freight hub;
- Significant improvements to commuter services and the metropolitan Principal Public Transport Network (PPTN) throughout the region. The Strategy recognises that significant improvements to the public transport network and services will be facilitated by the PAC project;
- Endorsement by the Strategy of the likely long-term requirement for an outer western transport corridor to ensure that the western region's access and freight requirements are met, and that the region maintains its competitive accessibility advantage for freight and general access to the State's trade gateways, and to regional and interstate markets.

Industrial land requirements

The Strategy provides an assessment and framework for the release of industrial land to meet medium and longer term requirements. It has assessed land requirements to 2031, consistent with the principles and objectives of *Melbourne 2030*. This assessment has incorporated a 15-year rolling reserve as an integral component of the required land supply.

The need to provide for a base demand assessment to 2031 (ie a 25-year demand horizon), and to incorporate a 15-year rolling reserve, is to ensure that pre-emptory behaviour by developers (where in effect they accumulate their own medium and longer-term reserves) does not occur, or is minimised; in order to ensure an effective operation of the land demand-supply market, and importantly, to deliver an effective and efficient land release and development process. In the course of undertaking the Strategy, significant evidence was available of pre-emptory behaviour by developers acting on perceived shortages of currently available industrial land supply.

The Strategy identified that approximately 80% of future industrial land demand will occur in the West Industrial Node, contained in a north-south belt extending from Laverton North through Sunshine West, Deer Park, Derrimut, Ravenhall and through to Truganina. It found that:-

- For the period 2004 to 2021, there is an approximate projected deficit of 710ha in the West Industrial Node land market. In this period, there is a projected surplus of approximately 140ha in the Melton land market;
- For the period 2021 to 2031, the projected deficit in the West Industrial Node increases to 1,205ha, and the surplus in the Melton land market decreases to 100ha;
- In order to meet all of the long-term requirements, and maintain an effective investment momentum for the western region, the Strategy has recommended that reserve land identified in *Melbourne 2030* as part of the West Industrial Node area is prepared for staged release through environmental assessments, structure and development planning. The Strategy has provided guidelines for the future development of the Node to incorporate new specialised trades activity centres, and areas for freight access routes, and future industrial and business parks.
- It is the case that the land likely to be available at Truganina (subject to the identification of grasslands and other reserves and constraints), will be sufficient to meet the needs of the West Industrial Node for all of the first assessment period (that is, to 2021), and for part of the following period (to 2031). However, given the lead time required to identify, evaluate, plan and incorporate zoning changes followed by detailed planning and development, it is recommended that strategic evaluations to meet long-term industrial development requirements commence in 2007/08. It is further recommended that thorough consideration be given to the form of industrial and business development likely to be required to best meet long term needs, and in particular, future forms of industrial and business parks anticipated to be required. It is highly likely that these will vary significantly from the current patterns of logistics-based industrial estate planning.

Policy framework for industrial land conservation

The Strategy has recognised the critical resource value of productive industrial land in the western region. It has also recognised that an effective land management system must be fully cogniscent of likely major losses of industrial land to other uses, principally residential development. The Strategy has proposed policy guidelines, against which proposals for the use of current industrial land should be evaluated. The purpose of the guidelines is to ensure that the most productive and viable industrial land is conserved for current and future use, to maintain the region's industrial viability, and to minimise unnecessary pressures for new industrial land.

KEY RECOMMENDATIONS

Development of a joint position on the main elements and principles of the Strategy.

The key elements of the Strategy are based on regional principles, policies and development initiatives. These elements are set out in the Strategy Framework and comprise the following (refer Section 4):-

- Regional Context Statement
- Vision Statement
- Strategic Objectives
- Regional Economic Policy Framework
- Regional Economic Framework Plan

The above elements collectively provide a regional view and approach for the economic development of Melbourne's west. In order to implement the Strategy, it is recommended that:-

- the Strategy be reviewed by DSE and each of the participating Councils.
- Each of the participating Councils and DSE seek to establish a common position on the draft Strategy's objectives, principles, and intent, in order that the regional integrity of the Strategy be recognised and maintained.

Amendment to the Victoria Planning Provisions (VPPs)

Subject to the establishment of a joint position on the Strategy by DSE and the participating Councils, it is recommended that the Strategy be referenced at "Clause 12.09 - Geographic Strategies". The intent of this recommendation is that the Strategy be given formal recognition as a "reference document" of metropolitan significance that decision makers must have regard to.

Common position in relation to the proposed industrial conservation policy

It is proposed that a new Local Planning Policy: Guidelines to Evaluate Potential Rezonings of Industrial Areas, be jointly adopted by each of the participating Councils, in coordination with DSE. The purpose of the proposed Policy is to recognise the resource value of industrial land to Melbourne's west, and maintain the integrity of the region's significant industrial areas. The guidelines provide an extensive set of assessment criteria that potential applications for rezoning of existing industrial land should be required to address.

Municipal recommendations

It is recommended that each of the participating Councils prepare a municipal economic context statement as part of the cyclical review of their Municipal Strategic Statements (MSSs). The Strategy provides an initial framework for the preparation of these Statements.

It is recommended that each of the participating Councils review and determine a position on the specific projects recommended for each municipality.

It is recommended that each of the participating Councils review and determine a position in relation to a range of specific supporting policies and actions designed to underpin and reinforce the recommended Projects. The range of potential actions is detailed in the Strategy, and encompasses:-

- development and investment facilitation,
- industrial land renewal,
- industrial land supply and demand,
- marketing and monitoring,
- environment and amenity policies and guidelines,
- supportive policies for education and research development,
- land planning policies to support industrial innovation and development,
- freight and logistics policies,
- recommended policies to facilitate arterial road development,

supportive policies for public transport development.

PRIORITY ACTIONS

Councils determine a collective position

The Strategy is directed towards providing a regional approach to economic development and industrial and employment land use planning. The Regional Projects Framework delivers a series of localised projects to be undertaken at a municipal level, that together form part of an overall regional development Strategy. In order for the full benefits of this compartmentalised approach to regional development to be achieved, it is important that consensus is reached on the Strategy principles and that a measurable and staged implementation program is developed. It is thus recommended that each Council adopt a formal position on the Strategy, to be finalised in conjunction with the other western region Councils.

DSE determine a position

Similarly, a number of the initiatives proposed in the Strategy require the support of the State government, through the Department of Sustainability and the Environment. This support will ensure that broader State economic and development policy is congruent with the aims of the Strategy.

- Councils & DSE reach common position
- Establish forum.

The Strategy recognises the development of a regional governance forum as being important for the success of inter-municipal economic planning. Initiatives to develop mechanisms for regional governance are currently underway, namely in the Leadership For The West program supported by the Strategy. It is envisaged that the full development of this forum will complement and contribute to the cooperation of regional Councils in economic and land use planning.

Develop concise actions and a program to ensure they are implemented.

The Strategy comprises a new focus for regional economic planning, which is based upon the development of a series of Projects. Implementation of the Strategy will require further development of these projects, consisting of further planning including structure planning, economic planning, to be applied as required.

Western Region Employment & Industrial Development Strategy

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1 BACKGROUND

This report presents a Strategy for sustainable economic development and employment growth in Melbourne's western region. The Strategy is founded upon a comprehensive understanding of the regions historical and current socio-demographic, economic, and spatial attributes, with special regard for the linking of centres and employment nodes.

The report is presented in five main sections:-

- Section 1: Background describes the regional context in terms of its land-use and access patterns and their development over time, and the current regional development policy framework.
- Section 2: Analysis provides a detailed summary of the analysis undertaken to develop the Strategy. The regional system is analysed in terms of the relevant sociodemographic, economic, employment, and journey to work indicators. The section shows the current land supply and projected demand requirements.
- Section 3: Development Scenarios tests the implications of different qualitative approaches to development. Each of the four successive scenarios is defined by the policy approach required for its ultimate implementation.
- Section 4: Strategic Framework presents the evaluation framework that the recommended Strategy is drawn from. The section outlines principles for economic development and regional spatial planning in order to provide a platform for the final strategy formulation.
- Section 5: Policies and Recommendations delivers the required implementation strategies. Individual recommendations are provided for each municipality, as well as a regional spatial and economic development framework

1.1 NEED FOR THE REPORT

This report was commissioned by the Municipalities of Brimbank, Hobsons Bay, Maribyrnong, Melton, Moonee Valley and Wyndham, and the Department of Sustainability and the Environment. The purpose of the Strategy is to address the need for:-

- a regional employment, economic and accessibility strategy;
- a quantified understanding of regional industrial land availability and demand over time;
- a regional industrial land rezoning policy or strategy;
- guidelines for the ongoing economic development of industrial sites.

The Strategy complements *Melbourne 2030* in that it provides a regional strategic framework to implement the metropolitan strategy, with particular emphasis on Direction 4 - A More Prosperous City.

1.2 BROAD GOALS

The Strategy presents Melbourne's Western Region with a regional sustainable economic development framework. The framework plan is delivered through:-

- assessment of regional population growth and socio-economic characteristics to determine employment requirements;
- assessment of regional employment and economic trends to quantify the requirements for industrial and employment land;
- a policy framework to ensure that industrial and commercial land is protected and effectively utilised in the long-term;
- assessment of regional freight and commuter access requirements and their impacts on local amenity;
- an understanding of the principles of existing State and Municipal policy.

1.3 OBJECTIVES AND OUTCOMES

The Strategy produces a sustainable economic development framework for the western region. Attention has been given to the region as a whole, and also to localised or sub-regional differences. The Strategy has addressed the requirement for urban regeneration and jobs provision in a mixed-use context in the inner areas of the region, and also the need for large numbers of new jobs to service the outer growth corridors. A synthesis of the requirements for these distinct spatial-economic sub-regions is required in order to produce a sustainable, vibrant and dynamic outcome throughout the region.

The Strategy components that have been drawn together to fulfil this task are:-

- a spatial strategy and outline economic policy framework for future regional sustainable economic development;
- a quantified understanding of the regional land-use, demographic, and economic context;
- an understanding of the challenges to achieving sustainable economic prosperity;
- quantative analysis of potential economic futures;
- quantified requirements for employment land over time;
- effective regional land development policy;
- guidelines for the redevelopment of industrial sites as mixed use employment and activities nodes;
- a proposed regional Municipal Strategic Statement (MSS) to be adopted by all municipalities that outlines the nature of regional issues and provides a regional focus for strategic planning;
- guidelines for revitalising and encouraging private sector investment in activity centres.

The Strategy outcomes are presented in Section 5: Recommendations as recommended actions for a coordinated regional economic development policy, and a section that is to be adopted into the Municipal Strategic Statement of each regional Council.

1.4 POLICY CONTEXT

The Strategy is founded on the principles of existing State and Municipal policy in order that it may reflect broader strategic objectives and local requirements. A comprehensive review of existing policy revealed that:-

- infrastructure Development Contribution Plans are promoted throughout the region;
- there are no clear links between State and Municipal innovation and enterprise policy;
- the Urban Development Program is a working model for the implementation of Melbourne 2030 land development policy;
- there is no development program that links infrastructure and investment requirements for activity centres and employment precincts to the principles of Melbourne 2030 in a form that capable of progressive measurement, assessment and evaluation;
- Municipal Strategic Statements would form an effective policy mechanism for coordinated regional strategic planning.

These observations were derived from a review of the principal policy documents influencing regional strategic urban and economic policy. These documents and their relevant policies are outlined below:-

Melbourne 2030: Planning for Sustainable Growth (Department of Infrastructure, 2002)

Melbourne 2030 is the strategic plan for Metropolitan Melbourne. The plan proposes long-term sustainable growth for Melbourne based upon:-

- urban consolidation and densification, focussed on encouraging employment and other activities to locate in a hierarchy of designated "activity centres";
- enhanced public transport accessibility between activity centres and throughout Melbourne;
- social equity through services, housing and infrastructure provision;
- strategic land use planning to ensure future development needs are not compromised, and that conflicting land-uses are separated;
- improved procedures for decision-making in planning.

Urban Development Program (Department of Sustainability and Environment, 2005)

The Urban Development Program (UDP) implements Melbourne 2030 residential and industrial land requirements through an understanding of the actions required to overcome potential land supply and infrastructure deficiencies. This is achieved through analysis of:-

- land requirements for areas of current development activity;
- the availability of residential and industrial land;
- development driven infrastructure requirements.

Victorian Freight & Logistics Strategy (Department of Infrastructure, current);

The Victorian Freight & Logistics Strategy (VFLS) provides a long-term framework for freight and logistics movements in Victoria. The VFLS proposes the establishment of two new inter-modal freight hubs in Metropolitan Melbourne to complement existing facilities at the Port of Melbourne and Somerton. The new facilities are to be located in:-

- the Dandenong area;
- the Western Region.

Linking Melbourne (Department of Infrastructure, 2004)

Linking Melbourne is the transport plan for metropolitan Melbourne. Key principles of the Strategy are:-

- Provide better public transport to activity centres, in particular outer suburban centres;
- Increase efficiency of use of existing infrastructure;
- Improve freight and commercial traffic links, including to the Port of Melbourne and regional Victoria;
- Improve overall public transport provision, and promote public transport and nonmotorised travel;
- Improve travel safety.

Outer Western Suburbs Transport Strategy (Department of Infrastructure, VicRoads, Municipalities of Brimbank, Melton and Wyndham, 2001);

The Outer Western Suburbs Transport Strategy (OWSTS) provides a detailed roads and public transport infrastructure provision plan to meet long-term regional access requirements. Principal features of the plan are:-

- enhancements to freeways to improve commuter access to Inner Melbourne;
- enhancements to secondary roads to improve intra-regional car-based access;
- addition of train stations to improve commuter access to Inner Melbourne;
- enhancements to intra-regional bus services to provide base-level service to residential communities.

Leadership For The West (Western Region Municipalities, current)

Leadership For The West is an initiative to establish effective and ongoing mechanisms for decision-making on economic, environmental, social and development planning issues of regional significance. The initiative is supported by all western region municipalities, and is anticipated to become the principal body for regional development policy. The initiative is founded upon the basis that regional cooperation is essential for effective and ongoing regional development.

Municipal Strategic Statements (Municipalities of Brimbank, Hobsons Bay, Maribyrnong, Melton, Moonee Valley and Wyndham, 2005)

The Municipal Strategic Statements (MSSs) guide municipal strategic planning. The review of regional MSSs is an indicator of the strategic issues of municipal significance. Policy areas that received the most attention were:-

- environmental and amenity impact assessments;
- Development Contribution Plans (DCPs);
- roads, public transport, cycleway and pedestrian space planning;
- employment creation and diversification;

- promotion and development of specific industry sectors;
- activity centre structure planning;
- heritage conservation and tourism promotion.

Growth Area Authority

The Growth Area Authority (GAA) was recently appointed to make policy and manage funds for development in Melbourne's Growth Areas. The GAA will oversee the collection and spending of hypothecated funds raised through development contributions. Given the importance of growth areas to western region, in terms of residential and industrial expansion, the GAA is anticipated be play a significant role in regional employment and industrial development planning.

1.5 GEOGRAPHIC CONTEXT

Melbourne's western region consists of the Municipalities of Brimbank, Hobsons Bay, Maribyrnong, Melton, Moonee Valley, and Wyndham. Urban land-use in the region is characterised by large industrial areas and pockets of non-industrial activity. Regional land use may be considered to form several distinct functional areas. These functional areas (Figure 1.1) have formed the basis for macro regional spatial assessment, and are defined below:-

Industrial areas are primarily arranged in a large belt in the central area, extending northwards along the Western Ring Road. Several quarry sites lie beyond the Urban Growth Boundary to the west of Werribee and between Melton East and Melton Township. A pocket of industrial activity is located at Melton Township.

The **mixed use inner area** contains a mix of activity centres, residential areas and industrial sites. With the exception of certain employment belts (the Melbourne Airport corridor, Sydenham corridor, and core industrial areas), non-industrial activity is generally located in pockets, and does not generally form contiguous spines of activity as may be observed in Melbourne's east. This is exacerbated by poor transport links within the inner area (see Accessibility Context below).

In the inner western region, corridors of **concentrated commercial and retail activity** have formed, which reflect the process of economic evolution that is evident throughout inner Melbourne. These areas are concentrated along two principal axes:-

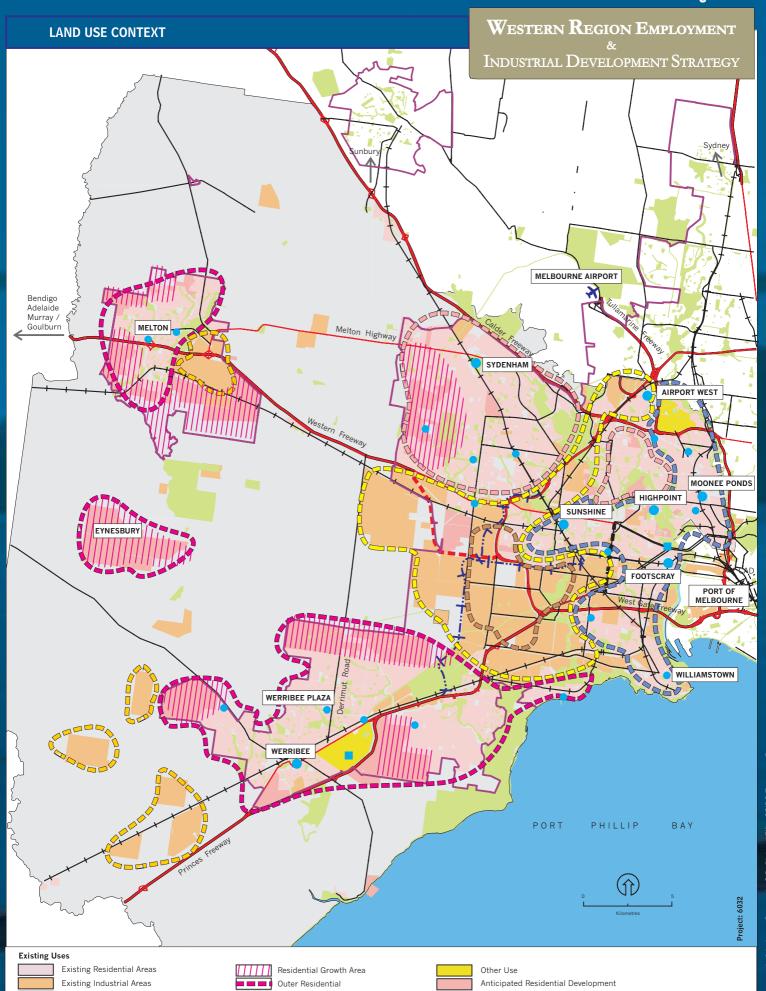
- an east-west axis between Sunshine and Moonee Ponds, incorporating the eastern half of Maribyrnong municipality, with particular concentrations in Highpoint and in and around Footscray.
- a north-south axis between Melbourne Airport and the CBD, incorporating Moonee Ponds and Essendon;

The **middle residential area** is largely uninterrupted by conflicting land uses, and will benefit from further development of the Watergardens/ Sydenham and Caroline Springs activity centres. The area does not contain strong sub-regional road links to inner parts of the region. New residential development to along the western edge of the middle area.

The **outer residential areas** are characterised by large quantities of new residential development located around an established urban core.

Further regional land use characteristics are:-

- the presence of large, flat subdivisions suitable for industrial uses;
- the regulation of outward growth by the Urban Growth Boundary;
- the clear link between access infrastructure and regional urban land use patterns.







Principal Activity Centre Major Activity Centre Specialised Activity Centre



Middle Residential Industrial West Industrial Node Mixed-use Inner Area



Proposed Rail Freeway (Existing & Proposed) Road (Existing & Proposed) Urban Growth Boundary

1.6 HISTORICAL CONTEXT

Land-use and economic development has been shaped by historical and geographical influences including early pastoral and industrial activities, ecological and climatic features, and the alignment of rivers and other geological features. The combined effects of these historical circumstances have led to the current state of the region, and have contributed to its distinction from other parts of Melbourne. This section places the region within a broad historical context in order that its present conditions may be understood.

Pastoral activities in the west during the 19th and early 20th century differed from those elsewhere around Melbourne, and the eastern suburbs in particular, primarily due to lower rainfall and the presence of expansive grasslands. The west was attractive to broadacre graziers occupying large lots, and little further initial subdivision occurred because more intensive land uses were not practical. With most grazing agriculture located to the west, livestock and wool processing activities settled in the inner west along the banks of the Maribyrnong River. At the turn of the 20th century the region was a principal producer of canned meats for the British Empire.

In the first half of the 20th century manufacturing activities requiring large land areas, and the possibility for noxious industries such as abattoirs, tanneries and chemical industries associated with Melbourne's industrial base expanded. The western region offered large lot sizes, sparse settlement and the possibility for uncontrolled discharge of effluent to the Maribyrnong, which together encouraged further noxious industries to locate in the inner west. This trend has continued until the present, notably in the location of large manufacturing operations and petrochemical processors in the west.

The ongoing presence of land-extensive activities, and constraints to access caused by transport infrastructure and the river itself, resulted in an overall pattern of non-contiguous urban development. Isolated developments reinforced regional through-routes and sub-regional local internal circulation rather than accessibility between significant activities focal points. Accessibility constraints were further compounded by the lack of available public land for major transport corridors, resulting from the early pattern of agricultural subdivisions, making significant access improvements prohibitively expensive.

Relatively cheap residential land and the demand for large quantities of semi-skilled labour for manufacturing and processing industries led to a socio-economic profile that is generally less advantaged than the average throughout Melbourne. The west has subsequently had fewer opportunities for up-skilling and lifted economic prospects because of a small number of tertiary educational institutions and perceptions that the west is an undesirable location new business activities.

During the past two decades relative economic revitalisation has lifted overall perceptions of the western region, principally based upon the following factors:-

- Construction of the Western Ring Road in the mid 1990's revitalised industrial and logistics activity in areas of increased accessibility along the road corridor;
- Industrial evolution and ongoing revitalisation have removed a number of noxious industries from the region;
- A number of high quality residential developments have been established in the region, providing a wider range of housing choice to residents;
- Access to inner Melbourne has improved, allowing significant commuter populations to settle in the region.

The combined effect of these and other economic changes have led to a steady turnaround in metropolitan importance, with the western region's share of household growth has risen from 11% in the 1960's to about 25% today (see Figure 1.2).

50% Percentage of Metropolitan Growth 40% 30% Inner West 20% South East North 10% 0% 1911-1933 954-1966 1976 1986 1996 1921 1947 1961 1971 1981 1991 2001 -10% Period

Dwelling Growth by Region (Melbourne, 1911 to 2005)

FIGURE 1.2: DWELLING GROWTH BY REGION 1911 TO 2005 (CITY OF WYNDHAM, 2006)

The majority of this growth is occurring in the Wyndham and Melton Growth corridors, which together accounted for 32% of metropolitan population growth in 2003 (ABS). This large population growth presents the western region with both an opportunity and a challenge, namely how to create suitable employment opportunities, and as a driver of economic growth, change and employment diversification.

The region's historical context has influenced the current observable patterns of settlement, economic, demographic, and infrastructure in the region. The task of this Strategy is to build upon the region's existing strengths to foster opportunities that will alleviate the structural disadvantages it faces.

1.7 ACCESS & INFRASTRUCTURE CONTEXT

ACCESSIBILITY

Major freight routes pass through the region, enhancing its competitive advantage in logistics-based industries, however accessibility within the region is distinctly limited. This encourages economic activity links to form outside the region, rather than between its various functional nodes and activity centres.

Accessibility within the region and to its distribution and employment markets is characterised by its good inter-regional links, but poor intra-regional connectivity (Figure 1.3). Further significant attributes of regional accessibility are:-

- Full freeway and substantial rail access to the Ports of Melbourne and Geelong, and Avalon and Tullamarine Airports.
- All major interstate freeway and rail lines pass through the region (South Australia, Goulburn Valley), or are easily accessible (New South Wales).
- Radial freeways and rail lines transect the region and discourage intra-regional circulation and economic activity.
- Poor intra-regional public transport services and infrastructure, particularly in newly developed areas.
- Major road access points to Inner Melbourne are limited to the Tullamarine freeway, Footscray Road, Dynon Road, Racecourse Road, and the Westgate Bridge. The small number of routes places the region at a high risk of being inaccessible to the Inner Region in the event of traffic accidents or unforeseen circumstances.
- Pending road upgrades to the Deer Park Bypass and the Western Highway will significantly improve access to Melton Township;
- The existing undeveloped grid road pattern extending westwards from the middle of the region may be enhanced to form the basis for improved intra-regional accessibility.

SUMMARY

The current state of the region is contextualised by an understanding of the economic and land use history. Past land-use activities have led to a large industrial presence in the region. The region faces a challenge to adapt to new forms of industrial and employment activities. Regional access characteristics have enhanced its competitive advantage for freight and logistics activities, however access routes within the region are often indirect and do not promote intra-regional economic links.

A thorough understanding of the discreet characteristics of the regional economic system and the factors that influence it will allow development of an informed Strategy to address the economic, land use and access challenges facing the region in the medium-term future. Section 2: Analysis will discuss the report's findings.

Rail Line

Highway

Main Road

Road Congestion

Poor Access

Area with potential for improved grid sub-arterial road network

Airport

Urban Growth Boundary

Adapted from the Outer Western Suburbs Transport Strategy Freeway

Port of Melbourne

Western Region Employment & Industrial Development Strategy

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2 ANALYSIS

The Strategy is based upon an assessment of the regional system. Several key components are identified as being particularly relevant to the employment and economic options available to the region. This section discusses the principal findings from each of these system elements. Where possible, projected data has been used to understand the direction the region is heading based on current trends. The main areas of analysis are:-

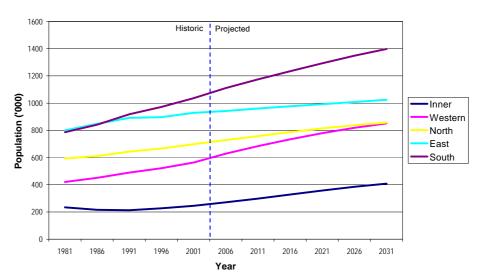
- socio-demographic analysis including the implications of substantial population growth and qualititave assessment of sub-regional characteristics;
- employment analysis for small areas (Travel Zones) and broad industry sectors, including employment projections to 2031;
- economic output analysis for Statistical Local Areas (SLAs) and broad industry sectors:
- accessibility analysis for small areas;
- journey to work analysis for SLAs and metropolitan regions;
- available land supply and required demand for small areas and broad land type, including land demand projections to 2031.

2.1 SOCIAL & DEMOGRAPHIC ANALYSIS

The Strategy provides a framework for employment, land use and infrastructure planning in response to significant regional population growth. Population growth projections used for this study are taken from Victoria In Future (DSE, 2004). The projections show that at current trends the region is expected to significantly increase its share of the metropolitan resident population from 16% in 2005 to 26% in 2031 (Figure 2.1). This increase will see the western region's resident population grow from 616,000 persons in 2005 to approximately 851,000 persons by 2031, or 38% (DSE, 2004). Demographic and policy analysis undertaken by the City of Wyndham suggests that the regional population is likely to exceed this level, however the VIF projections were used for the following reasons:-

- they nonetheless show a strong upward trend in population size;
- they have been developed for the whole metropolitan area, and as such are comparable with projections for other parts of Melbourne.

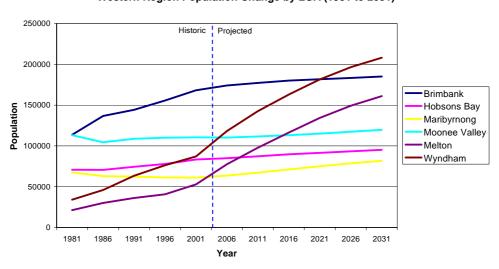
However, it is acknowledged that these figures probably understate the region's likely growth relative to the rest of Melbourne, given the trends shown in Figure 1.2.



MSD Population change by Region (1981 to 2031)

FIGURE 2.1: MSD POPULATION BY REGION 1981 TO 2031 (VICTORIA IN FUTURE, 2004)

The high projected regional growth provides historically significant opportunities for investment, development and strategic consolidation of the region. The opportunities presented by high population growth also highlight the requirements for locally based and relevant employment in the region. The population growth rate should ideally be matched by diverse, ongoing and dynamic regional employment growth.



Western Region Population Change by LGA (1981 to 2031)

FIGURE 2.2: WESTERN REGION POPULATION BY LGA 1981 TO 2031 (VICTORIA IN FUTURE, 2004)

Most regional growth will be focused in the designated Melton and Wyndham growth corridors (Figure 2.2). Other population growth will occur in and around activity centres, and at redeveloped industrial sites in the inner area.

Regional socio-demographic attributes determine the range of employment opportunities available to the workforce, and the propensity for businesses to locate their operations within the region, given the apparent skills base. Thus the regional socio-demographic attributes must be considered during the formulation of effective economic development policy. Census 2001 (ABS, 2001) revealed that the overall regional socio-demographic profile is characterised by an under-representation of:-

- people with university qualifications;
- people employed as managers, administrators and professionals;

These characteristics are reinforced by an over-representation of:-

- people employed as elementary skilled workers;
- people born in non-English speaking countries.

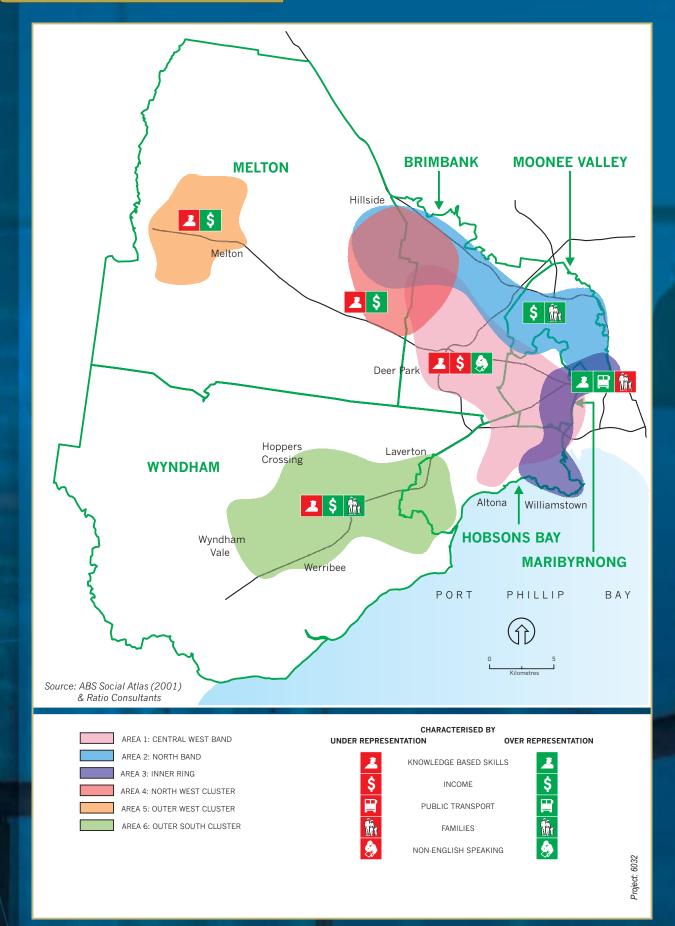
Thus the regional workforce is relatively low-skilled and does not generate the demand for higher order services to the same degree that is evident in the eastern region. Notwithstanding the overall profile, there are pockets within the region that show higher levels of qualified and professional workers, and varying income levels (Figure 2.3). However these sub-regional variations are loosely defined, and do not form a significant belt of economic prosperity or entrepreneurship that can act as a driver of economic growth.

2.2 ECONOMIC ANALYSIS

During the past decade the western region has enjoyed a period of employment and economic growth, largely driven by major infrastructure investments and population growth. Employment growth figures used in the study are derived from the Australian Census (ABS, 2001), and compiled for this study by Ratio Consultants. In 1981 there were 157,400 jobs in the region, a figure which grew to 177,400 in 2001. Trended employment projections produced by Ratio Consultants show that the region is projected to contain 260,332 jobs in 2031, an increase of 47% from 2001.

For the purposes of regional economic analysis throughout the study, industry sectors have been combined into nine industry "supergroups". The nine supergroups are collections of industry sectors that are understood to be similar in terms of their economic and land use functions. The supergroups are:-

- Retail Trade:
- Manufacturing, Transport & Storage;
- Wholesale Trade;
- Commercial Services;
- Hospitality Services;
- Construction;
- Community Services And Government;
- Education ;
- "Other", consisting mostly of employment in utilities and trades sectors.



The supergroup breakdown of regional employment for the period 1981 to 2031 is shown below (Figure 2.4).

Other 300000 Historic Projected ■ Education 250000 ■ Community Services & Government Number of Jobs 200000 ■ Construction ☐ Hospitality Services 150000 ■ Commercial Services 100000 ■Wholesale Trade 50000 ■ Manufacturing, Transport & Storage ■ Retail Trade 0 1981 1986 1991 1996 2001 2006 2011 2016 2021 2026 Year

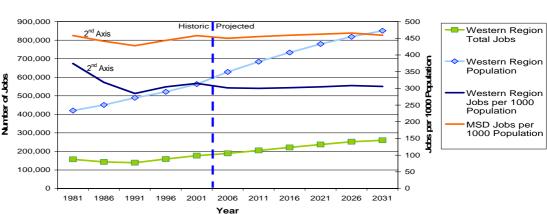
Total Jobs by Industry Supergroup with Development Scenarios - 1981 to 2031

FIGURE 2.4: WESTERN REGION JOBS BY SUPERGROUP 1981 TO 2031 (ABS 2001, RATIO CONSULTANTS 2006)

An important indicator of regional economic sustainability is the rate of jobs provided per 1,000 regional residents. Despite absolute jobs growth between 1981 and 2001, the current rate of jobs provision remains low (315 jobs/ 1,000 population) compared to the MSD average (458). Projections show this trend will continue to 2031 (Figure 2.5).

EMPLOYMENT GROWTH AND SIGNIFICANCE

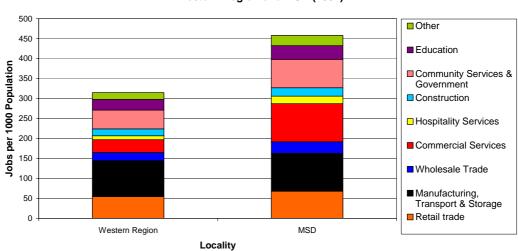
Absolute employment is projected to grow significantly over time; however the rate of jobs provision is projected to remain constant at a level well below the metropolitan average.



Western Region and MSD Total Jobs and Jobs per 1000 Population (1981 to 2031)

FIGURE 2.5: WESTERN REGION AND MSD JOBS PER 1,000 POPULATION 1981 TO 2031 (ABS 2001, VIF 2004)

Sectoral makeup of employment indicates the dominance of manufacturing, and absence of services industries in the region. The Manufacturing, Transport and Storage (MTS) supergroup employed a large proportion of workers (29%) compared to the MSD average (21%) at 2001. However, the region's supply of MTS jobs per 1,000 residents (90 jobs per 1,000) was below the MSD average (95 jobs per 1,000). Commercial Services supergroup was correspondingly under-represented in the west both in terms of the local share of total jobs (10% compared to 21%) and the number of jobs per 1,000 residents (32 compared to 95 jobs per 1,000) (Figure 2.6).



Jobs per 1,000 Population by Industry Sector Western Region and MSD (2001)

FIGURE 2.6: WESTERN REGION AND MSD JOBS PER 1,000 BY INDUSTRY SUPERGROUP 2001 (ABS, 2001)

THE MANUFACTURING SECTOR

Outputs from the manufacturing sector have increased since 1981; however employment in the sector has declined over the same period.

Manufacturing, Transport and Storage (MTS) employment has declined throughout the MSD, to be replaced by Commercial Services employment. The western region has undergone a decline in MTS employment to 2001 similar to the MSD average, but the Commercial Services sector is not projected to grow sufficiently to compensate for these jobs losses (Figure 2.7). The MTS sector has not demonstrated the adaptive or innovative capability needed to reverse this trend, and investment in Commercial Services activities in the west has not been sufficient to drive regional jobs growth in the sector.

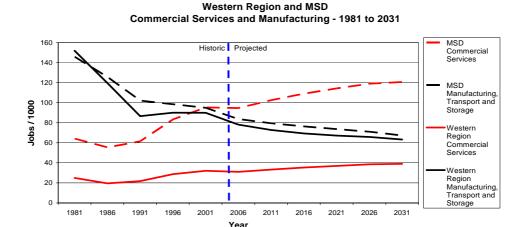


FIGURE 2.7: WESTERN REGION AND MSD COMMERCIAL SERVICES AND MANUFACTURING, TRANSPORT AND STORAGE 1981 TO 2031 (ABS, 2001, RATIO CONSULTANTS, 2006)

Regional economic output analysis for the study was undertaken by the National Institute for Economic and Industrial Research (WREIDS Technical Report, 2005). The analysis shows that regional economic output is dominated by the Manufacturing, Transport and Storage sector (2001), with marked intra-regional variation (Figure 2.8). The sector provides a strong and stable regional revenue base, though it remains vulnerable to global competition. The existing strengths of the sector will be of ongoing importance to regional economic prosperity.

ECONOMIC OUTPUT AND EMPLOYMENT

The manufacturing, transport and storage industry sectors provide a high proportion of regional revenue. However the sector does not possess a sufficiently dynamic or innovative leading edge to drive sustainable economic growth throughout the region.

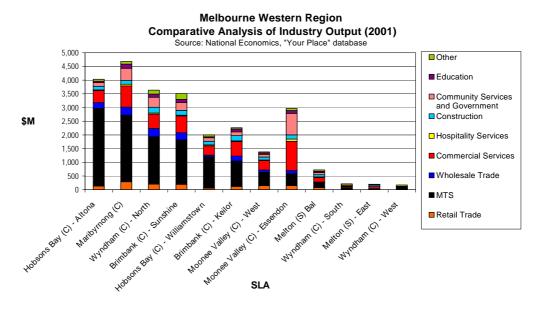


FIGURE 2.8: WESTERN REGION ECONOMIC OUTPUT BY SLA 2001 (NIEIR, 2001)

The economic output and employment analysis reveals that the regional economy should be assisted in undergoing diversification, without compromising the strong outputs of Manufacturing, Transport and Storage sectors. This requirement is particularly pertinent given the risk to the sectors from global manufacturing competition, and access constraints to the ports and interstate routes caused by commuter traffic congestion.

2.3 JOURNEY TO WORK

Analysis of the origins and destinations of regional Journey To Work trips and their industry supergroups has revealed characteristics of the regional labour force, employment provision, and infrastructure use. Journey To Work data is derived from the Australian Census (ABS, 2001), and is produced in the form of "origins" and "destinations" of individual work journeys.

JOURNEY TO WORK

Large numbers of commercial Services workers commute to the Inner Region, however managerial positions in the west are predominantly held by non-residents.

The Journey To Work analysis shows that 31% of workers living in the west journey to Inner Melbourne for work (Figure 2.9). Though this figure is above the metropolitan average (26%), geographical factors mean that it does not in itself signify a remarkable result. The Journey To Work figures are made significant by the limited number of access routes between the west and Inner Melbourne, the sectoral breakdown of the purpose of the journeys, and the low jobs per 1,000 population rate described above (Section 2.2, p27).

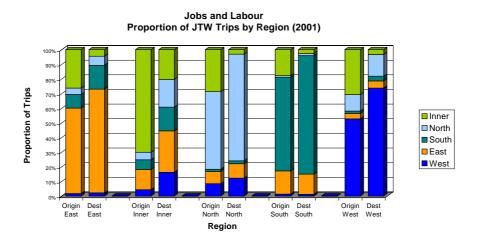
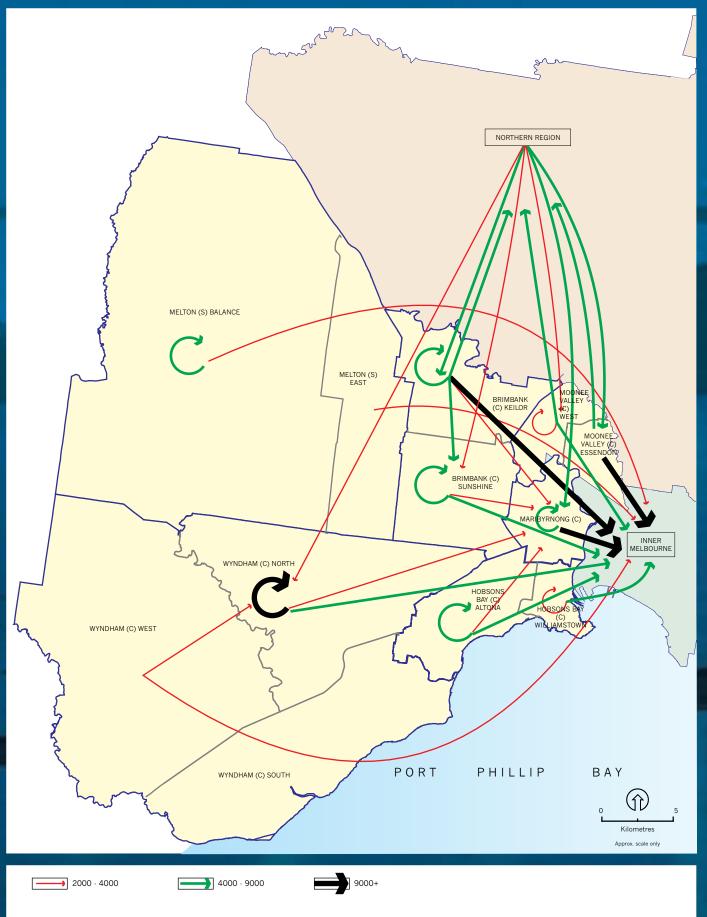


FIGURE 2.9: MSD PROPORTIONAL JOURNEY TO WORK TRIPS BY REGION 2001 (ABS, 2001)

The high employment dependence on inner Melbourne is evident upon examination of the origin and destination SLAs of journey to work trips (Figure 2.10). The map shows regional commuting patterns, the reciprocal employment relationship with the northern region is evident, as is the high employment containment at Wyndham (North).

Western Region Employment & Industrial Development Strategy

JOURNEY TO WORK TRIPS (2001)



The ratio of the resident labour force to total "destination" jobs is a measure of the extent that an area exports or imports labour, or alternatively a measure of the extent to which an area provides jobs for its resident population. Figure 2.13 shows that large sections of the west are exporters of labour, or adhere to the corollary of low local jobs provision. Specifically the SLAs of Melton, Brimbank (Keilor) and Wyndham (West) have very high labour force to jobs provision ratios. Maribyrnong is the only SLA in the west to have significantly more jobs than resident workers. The under-provision of jobs for the outer SLAs compels workers in those SLAs to commute to areas with large numbers of jobs, in particular to Inner Melbourne as shown above (Figure 2.9).

The implications of this workforce movement pattern is that, combined with the high level of car-based commuting and the limited number of access points to Inner Melbourne, interregional through routes are regularly congested, reducing the efficiency of freight movements that are vital to the western region economy.

LABOUR FORCE PARADOX

There are relatively few Commercial Services employment opportunities in the west because of perceptions of an under-skilled labour force. However, a larger number of Commercial Services workers who live in the western region work in the inner region than in the west itself.

The sectoral breakdown of western region workers employed outside the region shows that there are significant opportunities for jobs creation for Commercial Services sector within the region, based on the existing labour force. Figure 2.11 and Figure 2.12 show that a significantly larger number of Commercial Services workers who live in the western region travel to work in the Inner Region (27,400) than work in the west itself (13,000).

140000 Other ■ Education 120000 ■ Community Services 100000 & Government ■ Construction 80000 ☐ Hospitality Services Jobs 60000 ■ Commercial Services ■ Wholesale Trade 40000 ■ Manufacturing, Transport & Storage 20000 Retail Trade 0 Western North South East Inner Jobs Destination Region

Jobs by Supergroup with Origin Western Region (2001)

FIGURE 2.11: WESTERN REGION ORIGIN WORK JOURNEYS 2001 (ABS 2001)

140000 Other 120000 ■ Education ■ Community Services 100000 & Government ■ Construction 80000 □ Hospitality Services 60000 ■ Commercial Services 40000 ■Wholesale Trade ■ Manufacturing. 20000 Transport & Storage Retail Trade 0 Western North South Inner **Labour Force Origin Region**

Labour by Supergroup with Destination Western Region (2001)

FIGURE 2.12: WESTERN REGION DESTINATION WORK JOURNEYS 2001 (ABS 2001)

2.4 LAND SUPPLY AND DEMAND

LAND SUPPLY PARADOX

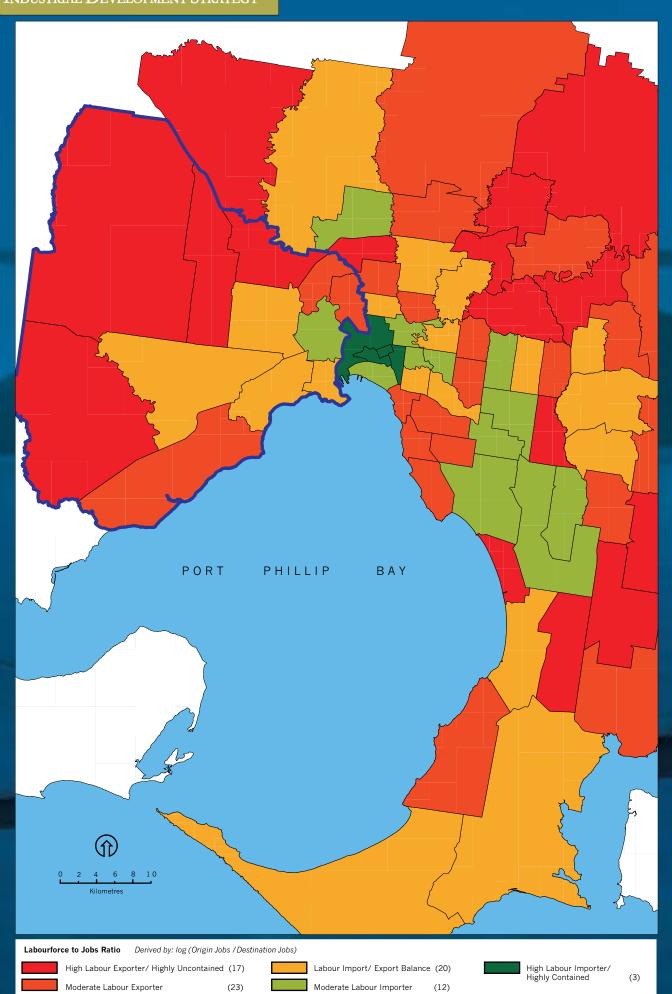
Large tracts of land throughout the region are undeveloped, and there is the perception that there is a large supply of industrial land available in the west. However this is not the case because large areas are unavailable for development due to environmental, public amenity or economic feasibility considerations.

This report is directed to determine the quantity of available industrial land in the western region, and show the current and future regional requirements for employment and industrial land. The need to maintain sufficient quantities of employment land in the region has become an important issue, as large amounts of employment land are rezoned to non-employment uses, potentially compromising the economic sustainability of the region.

To this end employment and industrial land demand and supply has been calculated for three broad categories:-

- greenfield activity centre land;
- industrial land:
- other employment land including education, research and mixed-use areas.

Industrial and "Other" land requirements were directly derived from employment projections and employee density rates derived from surveys undertaken by the Consultant (2004). Land requirements for activity centres have been determined for greenfield activity centre development only, as employment growth in established activity centres may occur through processes of successive land use intensification, and does not generally result in a proportional increase to land requirements.



The demand assessment was undertaken for the three 10-year periods between 2001 and 2031. Demand/ supply balances were calculated solely for Industrial land, because the successive supply of Activity Centre and Other land requirements are not readily derived from existing land vacancies, and there is little data from which trended projections may be produced.

Population and employment growth projections are used to quantify land demand. Regional employment growth projections, by industry sector, combined with locale and industry specific data for floorspace-to-hectare ratios, and employee-to-floorspace ratios, form the projected land requirements. These projected land demands are based upon trend-forecasted employment projections.

Calculation of required land for the period "current" to 2031 has factored in a five-year development lead time, and a fifteen-year "demand buffer" to prevent speculative land-banking, as has been observed within the region (refer Hugh, "The New Land Rush", 2005, in Appendix A) leaving two land balance periods:-

- current to 2021, and
- 2021 to 2031.

The results have been calculated for three contiguous sub-regional land belts (Figure 2.14):-

- the inner suburbs comprising Moonee Valley, Maribyrnong, and Hobsons Bay (Williamstown);
- the middle suburbs comprising Hobsons Bay (Altona), Brimbank, Melton (East), and selected parts of Wyndham (North) so as to form a contiguous urban belt;
- the outer suburbs in two separate sections, the Wyndham corridor and Melton township.

Analysis of industrial land investment and development market trends shows that due to sub-regional economic and locational factors, the region will not operate as a single land market. The inner suburbs, middle suburbs and Wyndham corridor act as a single market in that demand is transferred throughout the area to where land supply is available. However, under present circumstances the demand for industrial land is unlikely to transfer in its entirety to Melton township, in particular for a number of industrial sectors, thus creating a functional distinction between the inner/ middle land markets, and the Melton land market.

The Urban Development Program (2004, p.139) defines a potential 1,410ha industrial land reserve within the Urban Growth Boundary at Truganina/ Derrimut/ Ravenhall. To date (December 2005), 220ha of this land reserve is in advanced stages of rezoning to industrial land, 39ha has been set aside for non-industrial uses (e.g. special use zoned land), and Wyndham City has indicated that 130ha would be required for residential uses, leaving a total of 1,030ha potential industrial land. This land is currently zoned Rural Use Zone and does not form part of the industrial land market, and as such it has been excluded from the initial land supply calculations. It is acknowledged that a proportion of the land at Truganina/ Derrimut/ Ravenhall will not be available for development due to significant natural heritage onsite, such as remnant native grasslands. These potential ecological reserves may remove up to 15% of vacant industrial zoned land from the market, but have not been factored in to land supply calculations.

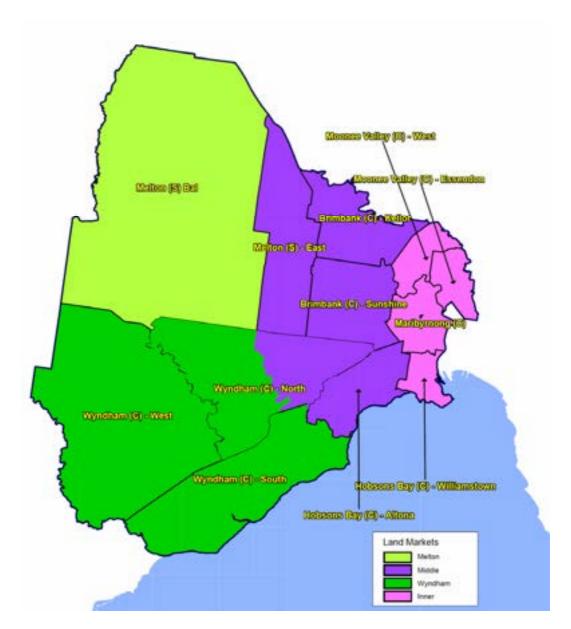


FIGURE 2.14: WESTERN REGION INDUSTRIAL LAND MARKETS

2.4.1 Land Demand/ Supply Results

Industrial land demand/ supply analysis shows that 80% of land demand occurs in the middle suburbs, in a north-south belt from Laverton North through Sunshine West, Deer Park and Derrimut. This area defines the core industrial land market in the west.

For the period 2004 to 2021, industrial land demand is as follows:-

- 710ha deficit in the inner/ middle land market, resulting from 1,490ha supply compared to 2,200ha demand. This supply figure has taken recent and imminent rezonings at Derrimut/ Ravenhall into account, but does not include a further 1,030ha potential long-term industrial land reserve at Derrimut/ Ravenhall/ Truganina;
- 140ha surplus in the Melton land market, resulting from 274ha supply compared to 130ha demand.

Projections to 2031 show:-

- the inner/ middle land market deficit increases to 1,210ha;
- the Melton market surplus decreases to 100ha.

These results incorporate the projected decline in industrial activity to 2031.

In conclusion, a 710ha industrial land supply deficit exists within the inner/ middle land market to 2021, increasing to 1,210ha to 2031.

Discussion of the impacts of varying levels of development upon land demand and supply are addressed in Section 3: Development Scenarios.

2.5 STRATEGIC EVALUATION

The regional strategic evaluation is a qualitative assessment congruent with the sustainability principles of *Melbourne 2030* that "a broad-based cost-benefit approach is preferable to a narrow fiscal view (Melbourne 2030: A More Prosperous City) in economic strategic analysis. Thus the assessment identifies:-

- current and emerging strengths;
- critical weaknesses and deficiencies;
- opportunities for change; and
- threats to sustainable employment, investment and development.

The evaluation framework consists of the following considerations:-

- The socio-economic system will evolve in time segments relevant to the community, rather than the economic system. Thus economic policy implementation timelines and performance indicators may be assessable over "generational" time periods, and may extend further into the social sphere than traditional economic analyses.
- Social, economic and environmental systems are equally important to regional prosperity, and as such should be regarded as a unified "regional system".
- Knowledge-led economic systems deliver greater returns in economic growth and employment diversity.
- Specific strategic industries provide the export revenue base for the region, and thus underpin regional prosperity.
- An economy with a diverse array of functions, services, activities and outputs will be well-positioned to respond to external uncertainties.
- Social and cultural sustainability and equity will contribute to the establishment of safe and responsible communities. Social and cultural sustainability is founded upon dynamic change in the social landscape that simultaneously upholds cultural heritage.
- Environmental sustainability of resource input-output systems is desirable both ethically and as a prerequisite for liveable communities.

The regional characteristics have been clustered into five categories, reflecting the constituent strategic foundations of the regional socio-economic system:-

- Social Ecology and Labour Force;
- Employment and Economic Outputs;

- Land Use Patterns and Natural Features;
- Accessibility and Urban Structure;
- Leadership and Governance.

A descriptive account of the kinds of outcomes that characterise the strengths, weaknesses, opportunities and threats in each of these categories is outlined below, to be followed by qualitative statements for each category, relevant to the regional system.

2.5.1 Social Ecology and Labour Force

The regional social ecology is drawn from a range of specific attributes. The social ecology underlies all economic, political and land use features of the region. Cultivation and maintenance of regional social well-being is a higher-order purpose that this report seeks to achieve through its economic development recommendations. To this end the labour force forms an important (and measurable) element of the social ecology.

A healthy social ecology is understood to be characterised by diversity, interaction, and to some degree a common sense of purpose. Barriers to social health are barriers to productive interactions such as a lack of educational opportunities, a lack of institutional representation of social needs, and a lack of employment opportunities.

2.5.2 Employment and Economic Outputs

Improved regional employment outcomes are a primary objective of the Strategy. The related factor of economic output is a key element of regional prosperity.

A positive regional employment outlook may be indicated by the presence of a diverse range of employment sectors active within the region, catering for a range of skills and providing a range of services. Employment opportunities should be reasonably suited to the skills of the resident workforce within the labour catchment. Sustainable economic output will be in part indicated the level of reinvestment of the outputs of resident workforce into the local economy.

Employment and economic opportunities available to the region will be enhanced by the emergence of new markets or development of new techniques of production, processing, administration or services. Education and research are instrumental in developing employment and economic output opportunities. Regional employment and economic output may be threatened by competing producers, other geographical areas that possess competitive advantages in areas that form part of the regional economic base, and potential inability of the regional economy to adapt to changing conditions.

2.5.3 Land Use Patterns and Natural Features

The observable spatial land use patterns and geographical features of the western region influence the economic activity that occurs within it. An understanding of the characteristics of these features will allow opportunities to be taken up that will improve the region's strategic economic outlook.

Favourable regional land use patterns are sympathetic to the natural environment, adaptive to new requirements such as population growth and access requirements, and will provide a range of settings for diverse economic, cultural and heritage uses. Land that is unable to be adapted to new uses, or that is unfavourable because of past uses or adjacent activities, indicates poor land use patterns and management.

2.5.4 Accessibility and Urban Structure

Accessibility and the spatial characteristics of the urban structure are vital components of the regional economic/ land use/ transport system. A highly accessible region with strong transport links will be in a position to foster a diversity of local economic links and will be well connected to external suppliers and distribution markets.

A strong regional access and infrastructure outlook would be characterised by multiple links within the region and to its markets and supply chains. Full public transport access should be available as a practical means of transport should be available to the vast majority of regional residents, and should link the region to the metropolitan transport network. The broad spatial settlement pattern will ideally be integrated with the transport network so as to allow ease of access between centres, and will allow belts of contiguous economic and social activity to form and continuously grow, diversify, refine and mutually reinforce each other. A robust network offering multiple route choices is desirable for strong intra- and inter-regional access.

Regional access that is weak will not allow a region to reach its full economic and social potential. Internal local areas of economic or social activity will be poorly linked if transport routes do not provide adequate capacity, direct travel or multiple route choices. Barriers formed by natural features or areas of offensive land use activities may require special attention in order to prevent their potential obstruction to the flow of goods, services and communal ties.

2.5.5 Leadership and Governance

The coordination of regional services, regional economic development policy, and regional marketing and investment policy will be promoted by the existence of healthy regional leadership and governance arrangements.

Indications of successful leadership and governance arrangements are understood to be the presence of a forum for regional planning and the discussion of regional issues, and the utilisation of regional policy mechanisms by relevant sub-regional bodies. The existence of regional policy and public regional leadership will serve to reinforce the identity of the region and promote integrated regional development.

In the absence of regional leadership, opportunities to coordinate policy and spatial and economic development initiatives are less likely to fully eventuate and lead to optimal regional prosperity.

2.5.6 Western Region Strategic Evaluation

The following two pages show the strategic evaluation framework applied to the western region. The summary tables present the regional characteristics that are relevant to understanding the regional system as a whole and that have informed the economic development strategy formulation process.

SUMMARY

The Analysis section has brought together the social, economic, and accessibility and land use elements of the regional system in order that their current and projected future status may be quantified and interpreted. Specific pieces of data have been used to demonstrate the measurable attributes of the regional system that are indicators of its qualititative nature.

The key findings of the socio-demographic, employment, industry output, accessibility, land demand and journey to work analysis are summarised below:-

- High projected population growth, presents the opportunity for economic growth, investment, and improved regional services, and reiterates the need for proportionate growth in regional employment.
- Large segments of the socio-economic landscape are characterised by an under-representation of highly skilled workers, which consequently indicates that the region does not possess a significant innovative and dynamic entrepreneurial base.
- Jobs growth projections to 2031 show that the jobs per 1000 population rate will not significantly increase during this period.
- Manufacturing, Transport and Storage is the dominant regional employer, and its share of employment compared to the MSD average is roughly the inverse of the Commercial Services share, although the rate of MTS jobs per 1,000 residents is below the MSD average.
- Employment in Manufacturing, Transport and Storage in the region is declining at roughly the same rate as the MSD average; however the rate of growth in the region's Commercial Services sector is well below average.
- Manufacturing, Transport and Storage is the dominant regional economic outputs generator.
- A large proportion of the regional workforce is employed in Inner Melbourne, exacerbating the strain on road transport links and compounding the need for improved public transport services.
- Roughly three times the number of Commercial Services workers who live in the western region work in Inner Melbourne than work in the western region itself.
- Demand for industrial land to 2031 will outstrip the available land supply, necessitating the need for most of the Truganina/ Derrimut/ Ravenhall industrial land reserve to be prepared for release.

Social Ecology and Labour Force

Strengths

Young demographic profile will make increasing numbers of people available to the labour force.

Diverse ethnic and cultural base from which to build community character and involvement in local activities

Weaknesses

Low and narrow skills base indicated by a below-average proportion of people with university or vocational qualifications

Limited range of educational institutions limits opportunities and prevalence of labour force up-skilling. The region is served by one large university and a small number of private secondary schools.

Limited extent of a significantly influential entrepreneurial class hinders local economic dynamism

Limited extent of a high income socioeconomic strata means that a range of specialised personal services will remain unavailable to the broader regional population

Large projected population growth to 2031 will create a range of opportunities for employment and economic growth, social diversification, urban redevelopment. infrastructure improvements, and consolidation of the regional land-use structure through large-scale development projects.

Opportunities

Threats

Delays to infrastructure investments and employment growth are

New development areas may lack

Employment and Economic Outputs

Strengths

Above average levels of elementary skilled workers make the region attractive to logistics, manufacturing and processing industries.

Strong Manufacturing, Transport and Storage sector activity provides a stable revenue base.

Ongoing population growth will continue to expand the regional market.

Weaknesses

Absence of a university-based "reference area" that attracts entrepreneurial, research, and innovative activities stunts economic dynamism.

Networking of services-based activities is inhibited by the paucity of access links between centres. Activity centres have developed in relative isolation from each other, and there is no regionally significant belt of highlevel complimentary services activity. The existing access network does not support the development of local economic links that are a prerequisite of cohesive industry specialisation and innovation.

Investment in green industries may be encouraged by the local relevance of water saving and pollution control

Geography and Natural Features

Strengths

The availability of flat, large. undeveloped land parcels characterises parts of the region.

Extensive open space and waterways **networks** are present in within the urban area.

Significant natural environmental resources such as grasslands, waterways and the coastline form focal points for recreational activity.

All Municipal Strategic Statements support sustainability and environmentally sensitive design principles.

Weaknesses

Numerous noxious industries have compromised environmental health and regional liveability.

potentially detrimental to the regional

vibrancy of urban character

Opportunities

Services sector growth to meet demand, exemplified by the large proportion of commuters that leave the region to work in Commercial Services, and large quantities of Commercial Services imports.

Ongoing large-scale logistics activities. Freight traffic through the Port of Melbourne is expected to triple in volume during the period to 2030. The West's interstate freight accessibility strengths contribute to its competitive advantage in logistics.

Development of innovation and research clusters to spearhead the existing manufacturing sector.

Threats

Ongoing logistics activities require large amounts of land but typically do not employ large numbers of people.

Global manufacturing competition threatens to undermine a large source of regional revenue. Manufacturing in the region has not demonstrated a capability to innovate and overcome this threat.

Opportunities

Projected declines in industrial activity present the opportunity to reduce environmentally harmful outputs and improve environmental health.

Promotion of existing natural environmental heritage and assets will enhance tourism and environmental appreciation.

Threats

Pressure on water catchments may result from regional population growth may place.

High levels of car-based commuting to Inner Melbourne continue to produce greenhouse gases.

New development projects should be regulated to ensure that environmentally sensitive design and construction principles are supported.

Development pressures will erode existing and potential amenity.

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Accessibility and Urban Structure

Strengths

Good access to interstate freight routes. The Adelaide/ Perth, Geelong, and Goulburn Valley freight routes pass through the region, and the Sydney/ Brisbane route is easily accessible.

Good access to major ports. The Ports of Melbourne and Geelong, and Melbourne, Avalon and Essendon airports are accessible to the region, driving logistics-based industrial activity.

Weaknesses

Poor accessibility within the region.
Public and car-based transport routes
do not provide a comprehensive
access network between employment
and activity centres and residential

access network between employmen and activity centres and residential areas within the region. Deficiencies in the secondary road network are most evident in the inner west (Hobsons Bay, Maribyrnong, Brimbank, Moonee Valley).

High levels of car-based commuting to Inner Melbourne continue to place strain on the regional road network, and produce greenhouse gases.

Few access points to Inner Melbourne increases the risk of delays to inter-regional freight and commuter traffic, both of which are crucial to the regional economy.

Leadership and Governance

Strengths

Broad consensus that cooperation between municipalities will promote regional prosperity through cohesive strategic planning.

Several regional initiatives have enjoyed support, including the WREDO, this WREID strategy, and the Leadership for the West project.

Weaknesses

No current regional vision or plan to promote coordinated development.

Lack of integrated regional policy and funding for economic, land use and transport planning.

Opportunities

Development of the existing grid road network structure extending northwest from Werribee.

Improved public transport services throughout the region, and to Inner Melbourne.

Threats

New freight and passenger rail opportunities are at risk of being lost due to insufficient planning and public acquisition of reserves.

The existing demarcation of the UGB may compromise the realisation of a robust regional access and land-use structure.

Road and rail infrastructure investment continues to fall behind demand.

Opportunities

Regional forum for policy formulation regarding issues of sustainable regional development

Integration of local programs and initiatives for economic development, accessibility, tourism, cultural activity, and environmental management.

Threats

Municipalities have experienced less support for regional development from the State government agencies (DSE, Dol, DIIRD) than the municipalities are prepared to offer.

A balance between regional and local interests should be struck in order to ensure that neither dominates development agendas.

3 DEVELOPMENT SCENARIOS

The Strategy development process employed four scenarios to test the effects of successive levels of intervention into the regional economic/ land-use/ transport system. The scenarios were used to evaluate changes to the regional system by means of quantitive analyses of:-

- economic output;
- employment;
- land requirements.

In addition, qualitative assessment was made of:-

- accessibility;
- locational character.

All four scenarios were based upon the assumption that:-

- regional population will grow to 851,000 by 2031;
- freight traffic through the Port of Melbourne will triple during the period to 2031;
- the industry mix will not alter beyond trended projections to 2031.

3.1 OVERVIEW

The principal interventions that define each Scenario are:-

Scenario 1 - The Base Case

- No significant strategic intervention into the region
- Underway and imminent projects will proceed, such as existing residential developments, employment areas at Toolern (Melton), and the Deer Park Bypass

Scenario 2 - Full development within the existing policy framework

- Potential regional developments that are not considered to be inevitable within the current development context, but nonetheless fall within current State development policy
- A regional governance body will be established to oversee economic development
- Municipal promotion and local improvements packages will facilitate a range of projects across the region, including mixed-use redevelopment projects
- Municipal assistance for economic development through rezonings, supportive policies and constraints on the reduction of employment zoned land.

Scenario 3 - Developments requiring change to current policy

All interventions from Scenario 2

- Introduction of a major new regional activities cluster to refocus employment, research and cultural activity, and the realignment of the Urban Growth Boundary in order to provide sufficient suitable land resources available for to make this cluster economically viable.
- Enhanced accessibility resulting from land uses that actively reinforce the existing grid road network
- Large-scale new employment in a range of sectors, made possible by the site economics present in the new centre
- Regional marketing and investment procurement programs will attract investment and entrepreneurial interest

Scenario 4 - long-term infrastructure developments

- Lends significant infrastructure support all three Scenarios
- Scenario 3 will effectively reduce demand for radial transport infrastructure implied by Scenarios 1 and 2, due to greater and more diverse regional employment and reduced employment dependence on Inner Melbourne
- Major long-term infrastructure investments, including an outer western ring road, Deer Park to Werribee rail corridor, extended electrification and new rail stations along the Geelong and Melton lines, and inter-modal freight terminals in Melton or Wyndham.

The Scenarios are successive in the sense that each may be implemented to full fruition without compromising the integrity of later scenarios. However provision should be made for later scenarios at an early stage, so as not to compromise their full potential benefits.

3.2 THE SCENARIOS IN DETAIL

The incremental jobs growth projections for Scenarios are shown at Figure 4.1 below:-

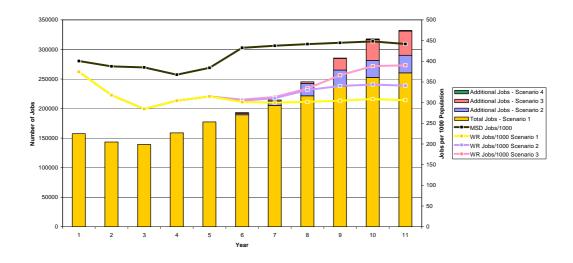


FIGURE 3.1: CUMULATIVE JOBS BY SCENARIO AND JOBS PER 1,000 POPULATION 1981 TO 2031 (ABS, 2001, RATIO CONSULTANTS, 2006)

TABLE 3.1: SCENARIO PROJECTION ASSUMPTIONS.

Scenario	Basis of employment projections	Projection Assumptions	Required Actions
Scenario 1 Western Region Base Projections	Scenario 1 is based upon available historical ABS employment data, and Victoria In Future population projections.	Observed and emerging trends in industry sector composition will continue into the foreseeable future. In addition, a minimum of 0.2% per annum growth rate is assumed for services sector employment within designated principal activity centres.	None. Scenario 1 assumes "business as usual" development and investment.
Scenario 2 Full execution of potential development and investment projects	Scenario 2 projections are based upon a survey of potential major developments and anticipated public and private investment. Scenario 2 assumes that new initiatives will change the environment for development and investment within the existing urban area.	Scenario 2 adds further growth to Scenario 1. Scenario 2 projections assume full development of identified potential development projects, and full market up-take of additional commercial floorspace made available by these projects. Scenario 2 assumes minimal employment growth of rates of 0.2% per annum in 2011, rising by 0.1% per 5-year period to 0.6% in 2031, for services sector employment in specific areas where extensive structure planning is anticipated.	Scenario 2 will require a range of public and private sector investment initiatives to be realised. Specific initiatives vary throughout the region, including: • site consolidation and preparation for development, • assessment of ecological and amenity considerations, • execution of effective structure planning, economic development planning, retail planning and infrastructure planning in specific centres, • targeted infrastructure and capital works investment linked to structure planning, • execution of effective place management strategies, • successful development of identified projects.
Scenario 3 Major regional industrial research initiative, and development of a regional activities cluster	Scenario 3 projections are based upon anticipated potential floorspace expansion resulting from the development of the proposed principal regional activities cluster	Scenario 3 adds further growth to Scenario 2. The employment projections assume the full development of the activities cluster.	Scenario 3 will require coordination of industry, industrial research, educational institutions and a range of business, legal and professional services to create a major regional employment focal point.
Scenario 4 Potential long-term infrastructure developments	No employment projections were made for Scenario 4, because the employment effects are indirect		

3.2.1 Scenario 1 - The Base Case

In the absence of coordinated intervention into the regional economic system, Scenario 1 demonstrates the most likely regional future. Economic trend modelling projections to 2031 reveal a continuation of current trends in all aspects of the regional economy, characterised by:-

- Continuing excessive demand for labour force access to Inner Melbourne. Despite absolute jobs growth to 2031, regional jobs per 1,000 population rate is projected to marginally decline. Thus following current trends the region become more dependent on Inner Melbourne for jobs and services.
- Increased road-based freight traffic and congestion. In the absence of increased rail-based freight capacity or large inter-modal facilities, road freight traffic is expected to grow significantly to 2031.
- Ongoing low skills base.
- Areas of projected absolute jobs growth form a belt through the middle suburbs, while the inner suburbs are projected to undergo jobs decline. The outer corridors show overall jobs growth reflecting the presence of the Werribee Technology Precinct, with the exception of central Werribee.
- The manufacturing sector remains the principal regional employer despite jobs decline, though it is vulnerable to global competition. Commercial services jobs do not rise above marginal growth rates, and fail to replace manufacturing jobs losses.
- Regional output is projected to be at \$38.1bn to 2031 (NIEIR, 2005).
- Ongoing services imports from Inner Melbourne.
- A potential land supply shortfall for residential land within the UGB of up to 2,000ha, in order to meet DSE household growth projections (Wyndham City, 2005).

The projected **industrial land supply deficit** of 1,103ha to 2031 is summarised below (see also Figure 3.2):-

TABLE 3.2 SCENARIO 1 INDUSTRIAL LAND BALANCE INCLUDING MAINTENANCE OF 15-YEAR SUPPLY

Scenario 1	2001 to 2021			2021 to 2031	
Scenario i	Demand	Supply	Balance	Demand	Balance
Inner Market	2,202	1,493	-709	496	-1,205
Melton Market	134	274	140	38	102
Total	2,336	1,767	-569	534	-1,103

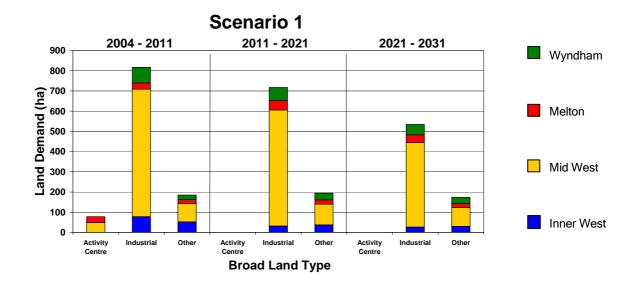
Summary - Scenario 1

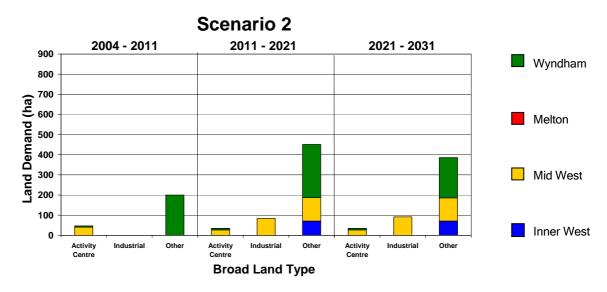
Interventions

- No significant strategic intervention
- Deer Park Bypass and some secondary road upgrades will proceed

Outcomes

- Excessive demand for labour force access to Inner Melbourne
- Increased road-based freight traffic
- Ongoing skills-base deficiencies
- Manufacturing and logistics-based economy threatened by global competition
- Manufacturing sector remains principal employer despite jobs decline
- Logistics sector continues to dominate take-up of industrially zoned land
- Ongoing services imports





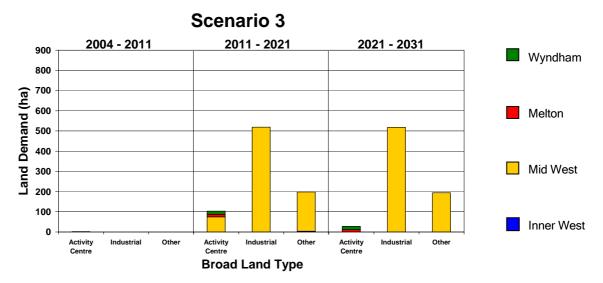


FIGURE 3.2: INDUSTRIAL LAND DEMAND (2004 TO 2031)

3.2.2 Scenario 2 - Potential Developments within the Existing Policy Framework

Scenario 2 builds on the projections of Scenario 1, taking into account further jobs growth that will potentially arise from the full redevelopment of appropriate sites, beyond the current development horizon. These sites are predominantly brownfield sites within the existing urban area. Combined with a range of initiatives to encourage investment in existing activity centres, the redevelopments will significantly lift regional jobs provision rates. Further, they will create attractive mixed-use employment and activities precincts that enhance amenity and perceptions of the region.

Laverton RAAF Base is a 275ha decommissioned defence site on the Princes Freeway and Geelong rail line. Redevelopment of the site is proposed to yield 2,500 dwellings, and a local activity centre holding up to 15,000m² retail and 35,000m² office floorspace. The proposed railway station at Point Cook will provide a high capacity public transport connection to the site.

The Strategy has identified a significant potential for activity centres within the inner western suburbs to be the location for employment growth. In order to effect change within existing centres, a positive approach to attracting investment is required. With appropriately directed investment and development, the identified activity centres will potentially become locations for improved regional economic activity, employment in higher order services sectors, and focal points for regional investment. Activity centres that fall within this category are Highpoint, Moonee Valley, Footscray, Sunshine, and Williamstown.

The proposed redevelopment at Essendon Airport will locate 500,000m² commercial floorspace at the 300ha site. This will be a large-scale mixed-use commercial, retail and entertainment precinct that will provide a new focal point for north-western Melbourne.

Revitalisation of sites and precincts within the existing urban area will require a considerable engagement of resources. The process will involve securing private sector investments, and significant intervention and development facilitation by municipal development authorities. Scenario 2 is intended to encapsulate the full range of employment and economic development initiatives within the western region, whose success is considered to require significant intervention from municipal development authorities.

High-profile examples of projects in Scenario 2 are the ongoing revitalisation of activity centres and employment precincts within the inner western subupotential redevelopments at Laverton RAAF Base, Newport Gardens Railyards, Essendon Airport, Highpoint activities precinct, Werribee Technology Precinct, Sunshine Activity Centre, and the Toolern Employment Node.

Defence Site Maribymong presents the opportunity for a major new development, connected to the successful Highpoint shopping centre.

The Defence Site can accommodate up to 2,000 dwellings, and significant employment growth resulting from the redevelopment of former defence buildings.

Several road and rail infrastructure improvements have been identified through Municipal recommendations, the Outer Western Suburbs Transport Strategy, and the Metropolitan Transport Strategy "Linking Melbourne". These provide enhanced access between activity centres, and will contribute to localised access improvements, and will improve accessibility between the western region and significant employment areas (ie Inner Melbourne).

Road and rail transport infrastructure improvements that form part of Scenario 2 are:-

- grade separations on the Sydenham line in Brimbank,
- the extension of Paramount road in Maribyrnong,
- and a series of north-south road connections within the existing urban area.
- rail stations on the Werribee line at Palmers Road, Werribee West and Derrimut Road:
- triplication of the Sunshine to North Melbourne rail line, in order to improve the operational viability of Regional Fast Rail, suburban commuter rail and freight rail;

Newport Gardens

Railvards redevelopment presents the opportunity for a large public transport based mixed-use precinct minutes from Williamstown. The site has many strengths, including rail access, its ample 66ha size, and rail sheds with the potential for refurbishment to add character to built form onsite. The site is adjacent to the Victoria University of **Technology Newport** campus.

- alterations to the Bunbury rail tunnel at West Footscray to increase its capacity.
- redevelopment of North Melbourne Station and optimising platform stopping patterns to improve the ability of passengers to transfer between loop and direct services.
- design and delivery of track and signalling improvements on the group of lines from the north and west including: the City Loop and Spencer Street Station approaches; the Footscray to Sunshine Line and the Werribee line;

A full summary of Scenario 2, including the implications of the full development of strip street-based activities linking existing activity centres in the inner western region, is shown at Table 3.3 below.

TABLE 3.3: SCENARIO 2 OUTCOMES

Principal Project	Objective	Description
Major Sites Redevelopments	Facilitate land use change and activities intensification in the inner western region through comprehensive redevelopment of selected large under-utilised sites as mixed-use activities precincts with links to existing centres	Selected sites ie Newport Railyard, Defence Site Maribyrnong, Essendon Airport.
Access Improvements	Facilitate links between centres to evolve through improvements to accessibility in the inner western region through upgrades to roads and public transport management	Upgrades to north-south and east-west roads in Brimbank and Maribyrnong. Track and signalling upgrades to improve rail connectivity to Inner Melbourne
Higher density housing	Encouragement of higher density housing along designated public transport access routes will reinforce networks of activities, increase public transport catchments, and extend catchments for existing activity centres.	Higher density housing along selected routes in the inner western region, at locations around railway stations, and within existing activity centres (sees Figure 3.5, 3.6 and 3.7)
Mutually reinforcing activities and links projects	Promote a network of activities between centres by encouraging development to occur along designated routes.	The Project will create corridors of activity along public transport accessible routes in and around Footscray, Highpoint, Williamstown, Moonee Ponds, and Sunshine (see Figures 3.5, 3.6. and 3.7).
Identification and redevelopment of smaller, isolated industrial sites	Improve the amenity of large parts of the inner western region residential and commercial activity areas by encouraging land use change on existing small isolated industrial sites.	Sites have been identified along the Maribyrnong river and throughout Maribyrnong LGA north of the Ballarat railway line (see Figure 3.5)
Investment programs at existing activity centres	Programs to improve amenity, public safety, business community representation, and public space management of existing activity centres will make them more attractive to investors	Street-based activity centres in the inner western region ie Activity centre investment initiatives to be undertaken at Footscray, Sunshine, Moonee Ponds.
Activity centre pedestrianisation	Activity centres will offer greater amenity and denser activities, a more dynamic investment environment and a more active street life if they are pedestrianised.	Improve public transport services and encourage patronage, improve pedestrian environments, increase housing densities around centres, and improve pedestrian access networks throughout the inner western region.

Improved regional coordination of public transport services is recommended, in order to improve feeder connections with rail services and to consolidate routes and timetabling for intra-regional services.

Scenario 2 would include more overt statutory support for employment growth through rezonings, supportive policies and constraints on losses of employment zones. Decision guidelines for employment land rezoning would require assessment against employment objectives, assessment of options that would include alternative employment types, and impacts on remaining industries.

The regional land demand/ supply imbalance will become slightly more pronounced, increasing to a 1,300ha deficit to 2031. Scenario 2 industrial land supply balance by land market is shown at Table 3.4 below.

TABLE 3.4: SCENARIO 2 INDUSTRIAL LAND BALANCE

	2001 to 2021			2021 to 2031		
Scenario 2	Incremental Demand *	Incremental Supply *	Overall Balance **	Incremental Demand *	Overall Balance **	
Inner Market	222	116	-815	92	-1,403	
Melton Market	0	0	140	0	102	
Total	222	116	-675	92	-1,302	

^{* (}Additional to Scenario 1)

In modelling undertaken for the Strategy by the National Institute for Economic and Industrial Research (NEIER, 2005), economic output is projected to increase to 49.2bn (29%) to 2031 under Scenario 2 development assumptions.

The full development of Scenario 2 projects is anticipated to result in the creation of 40,100 jobs in the region to 2031 (additional to those projected for Scenario 1). Scenario 2 is expected to have a significant impact upon employment in the western region, in particular in the inner western suburbs and in the Commercial Services, Personal Services, and Retail sectors.

Summary - Scenario 2

Interventions

- Establish regionally-coordinated public transport
- Grade separate rail crossings on the Sydenham line
- Consistent redevelopment planning for mixed-use employment and activities precincts
- · Rezone proposed industrial land in Laverton North

Outcomes

- Localised access improvements in middle areas
- Pockets of employment growth raise jobs provision rate
- Minor improvements to the import/ export balance
- Commercial Services employment growth in mixed-use developments

^{**} including Scenario 1

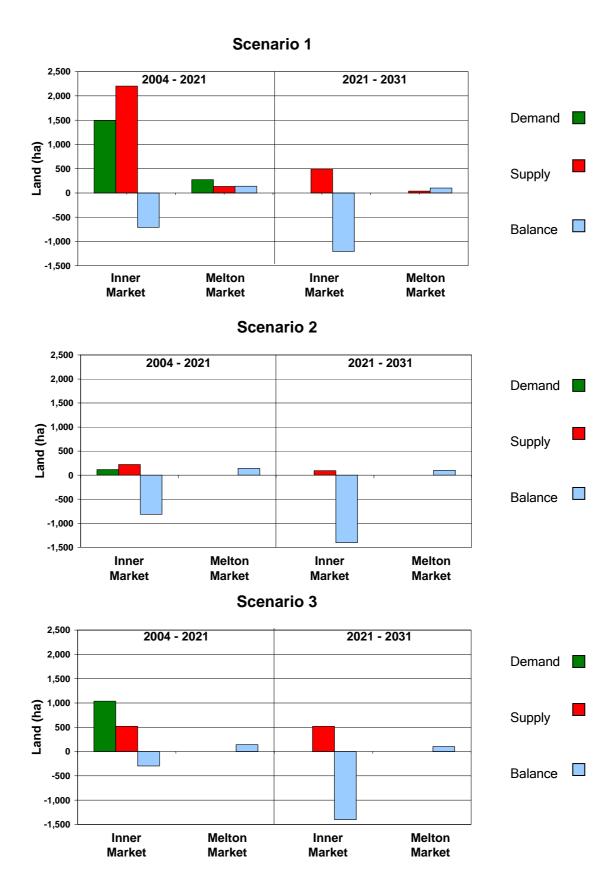


FIGURE 3.3: INDUSTRIAL LAND DEMAND/ SUPPLY BALANCE (2004 TO 2031)

3.2.3 Scenario 3 - Developments Requiring Change to Current Policy

The need for a sustainable industry initiative in Melbourne's western region

As indicated in previous sections, Scenario 2 will make a significant contribution to local employment growth in the western region, particularly in the inner western suburbs. However as shown in Figure 3.1, Scenario 2 does not appreciably lift the regional jobs per 1,000 population rate; that is, the region still retains a high dependency on Melbourne's inner region for its employment and prosperity.

The western region will exceed 850,000 people by 2031. It is important that other new major generators of sustainable regional employment are created in order to diversify the region's employment structure and fully utilise the knowledge-based potentials of the region. The transformation of western urban economies to a post-industrial services base has been most successful where new types of business, financial and diversified services replaced traditional manufacturing. This process is well underway in inner and eastern Melbourne.

The challenge for the western region is to transform its traditional manufacturing, engineering and construction trades base to a form of higher value, knowledge and innovation-led product development and a targeted, customised approach for local manufacturing, engineering and construction industry development. It is emphasised that the proposed industrial development model does not attempt to duplicate the knowledge-based initiatives that have successfully evolved in Melbourne's inner and eastern suburbs. It is recognised that the initiatives in central Melbourne and its eastern suburbs have built on particular niches and local skills and networks established in a range of services.

The proposed pathway for sustainable employment creation in Melbourne's western region is to build on its historic and recognised strengths and to interface these with innovation and marketing research to produce new world class products that address national and regional needs, and in so doing create niches of world class expertise and product development in the Melbourne's western region.

The concept of the Principal Activities Cluster (PAC)

The Principal Activities Cluster (PAC) is a concept and initiative designed to create the environment and critical mass to generate significant new investment in knowledge-based manufacturing, engineering and construction industry development in an attractive and highly accessible regional location. The concept comprises several key elements. These are:-

- Cooperative Research Centres (CRCs) focussed on specialised areas of technology and product development. The CRCs are a research and development initiative jointly funded by the Australian government and industry, and operated in conjunction with universities. The concept envisages a cluster of CRCs, linked to the major research and technological institutions and universities in the country. The preferred focus of these CRCs would be in new forms of engineering, building construction, food technology and agriculture, and manufacturing.
- The cluster of CRCs would be interfaced with both existing and new manufacturing and engineering establishments in the western region, and new developments in industry and business parks to be developed as part of the Principal Activities Cluster.

- An important component of the PAC is the development of a regional marketing and conferencing centre. This centre would be focussed on market intelligence and development, and on showcasing regional innovation and product development.
- A site would be provided for a new technical university campus. This component of the project could be undertaken in conjunction with existing universities and research organisations (eg CSIRO). The objective of this university would be to form a nexus between business, research and development, and high level skills and training in focussed areas of research.
- The PAC would provide a range of supporting legal, health, and business services. It is envisaged that an office precinct would form part of the PAC.

The PAC would be designed as a cohesive and integrated town centre, with designated activities precincts to accommodate the above functions. As a specialised town centre with a primary focus on industry and technology development, research and training, it would also require all of the attendant functions and activities of a major town centre, including:-

- open space and parkland areas;
- shopping facilities;
- entertainment facilities;
- health and social support services;
- sporting and recreation facilities;
- regional media production centre;
- a range of residential areas within and adjoining the PAC;
- high frequency public transport linkages to all parts of the western region and other major locations in Melbourne.

An indicative concept diagram has been prepared showing how the PAC could be structured to accommodate the above elements (refer Figure 4.9). It is important to recognise that optimally, a total land requirement in excess of 1,600 hectares will be required to accommodate the PAC in its entirety, including the industrial and business parks, (approx. 1,170ha), the research and conferencing facilities (255ha), and core activity centre land. Further details on the required land components of the PAC are set out in section 4.9.5: Principle Activities Cluster Project.

An important consideration in establishing a preferred location for the PAC will be the practicality and feasibility of connecting the Cluster to existing and developing suburbs in the western region and inner Melbourne, via the existing and future PPTN. It is recommended that the development of an effective regional public transport network linking the PAC be an integral consideration in the Cluster's planning and development.

It is further recognised that the successful development of the PAC as a regional town centre will require a broad diversity of land uses (as indicated above), and a range of residential areas and accommodation types. It is recommended that future detailed planning of the PAC demonstrate how residential diversity and access to existing and future residential areas will be achieved.

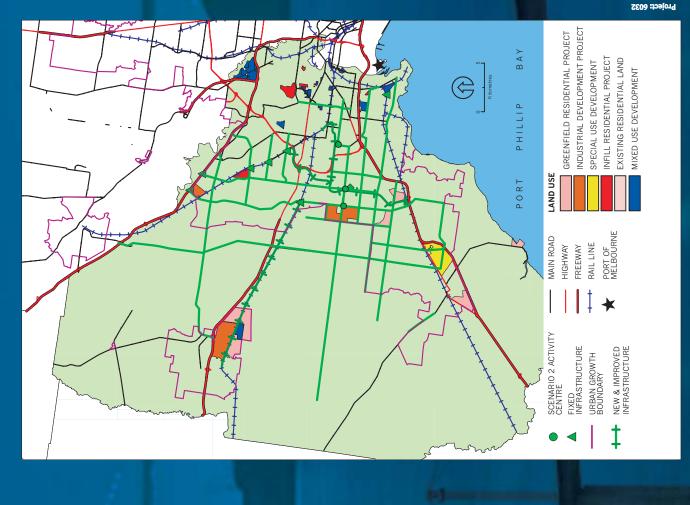
Locational Issues

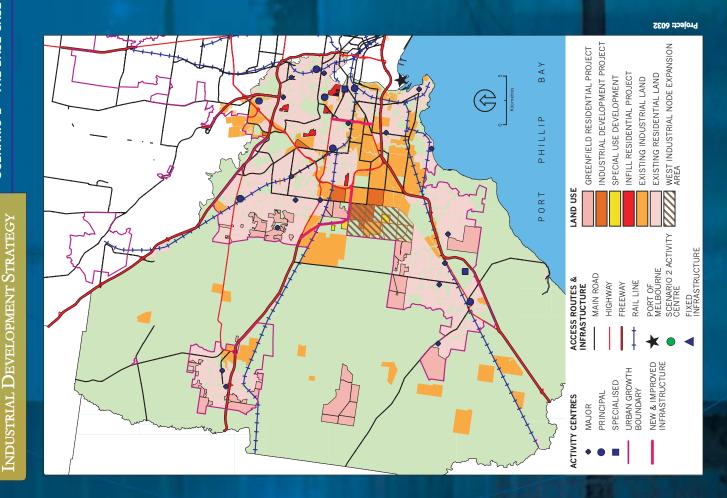
A specific location for the PAC has not been recommended, in order to allow the resolution of the concept to be completed free of development and speculative pressure, and so that potential siting options may be retained. It is nonetheless recognised that the delivery of the PAC, consistent with the concept proposed in this Strategy, will need to fulfil several locational and site-economic factors. These are:-

- Site economics and land area. The PAC as outlined above will require an extensive site area for the town centre, adjoining business and industry parks, and a range of supporting uses. The development of the PAC as a world-class working and living environment, will certainly require extensive areas to be developed for open parkland and recreational uses. In this context, the underlying value of land is a critical consideration to deliver the PAC as an integral economic and land use concept. This consideration would likely mitigate against an inner suburban location to develop this concept.
- Accessibility to the existing and future regional road network. The PAC and related
 road infrastructure developments and improvements should optimally contribute to
 improved levels of access throughout the western region, and the effective integration
 of the region as a coherent spatial and economic system.
- 3. Freight access. The Strategy has recognised the need to provide for future major freight access routes. It envisages further additions to the existing freight rail network, improved connections to the Port of Melbourne, and the development of one or more inter-modal freight hubs to serve the region, consistent with the strategy prepared by the Victorian Freight and Logistics Council. The location of the PAC and network improvements must provide for 24-hour high grade access to the proposed freight hub/s.
- 4. Public transport network connectivity. The location of the PAC should be planned and developed to reinforce and utilise the region's existing and potential public transport networks to existing and future residential areas.

The recent growth area reviews in Wyndham and Melton have assessed the future land needs for development in the two Municipalities. The specific location of the new centre will need to be defined as soon as is practical now that the growth area reviews are completed, to ensure that the required land and transport corridors for the centre are reserved. The growth area reviews have not incorporated the proposal, and therefore if the location of the site is to be wholly within the existing UGB, it's demarcation should be resolved with some urgency. The urgency would be somewhat reduced were the site to be located beyond the current UGB, because further structural planning of the site could be made within the context of a guarantee that the site would not be prematurely developed.

WESTERN REGION EMPLOYMENT





Ratio Consultants Pty Ltd in association with:

It is contended that the appropriation of land beyond the current UGB will be necessary for the proposed centre to achieve a broad regional focus. Available land and necessary access requirements for the scale and type of centre proposed are not found within the UGB.

The centre has the capacity to directly generate approximately 32,000 new jobs to 2031 (additional to those projected for Scenario 1 and 2),

Specific activities to be located in the centre are:-

- Leading edge industrial activities. These will be drawn from existing industrial strengths within the region, and will provide the platform for development of new manufacturing processes and product lines.
- Cooperative research activities. The manufacturing sector will be led by cooperation
 with research institutions that will provide additional technical input and apply
 dynamism to the manufacturing sector.
- Technical research institution. Industry will be provided with a research platform through a research institution. The institution will also provide greater opportunities for the local labour force to gain highly applicable skills.
- Commercial services. The centre will be the location for significant new commercial services, providing the region with a range of services that are currently imported from Inner Melbourne.
- Conference facilities. Major conference facilities, function rooms, and associated accommodation will be located in the centre, attracting a new range of business activity to the region, and serving start-up enterprises.
- Retail and hospitality. The centre's core will support department stores and specialty retail activities, as well as locally- and tourism- oriented dining and cultural functions.
- Recreation. Significant public open space will be integrated into the centre, providing highly accessible formal and informal recreation opportunities.
- Other government and judicial services. Provision will be made for the location of regionally significant community services, governmental and judicial activities within the centre.
- Higher education and health. More broadly based tertiary education and health services are required by the region, and would be suitably located within the Activities Cluster.

Scenario 3 employment will be driven by the release of 1,650 hectares of land for designated activities. A break-down of the land requirements is provided below:-

- 1,170ha for industrial land;
- 255ha for conference facilities, cooperative research centres, institutional and educational facilities;
- 132ha for core activity centre uses, including commercial services, retail, and hospitality activities.

The land release will have a zero net effect on industrial land demand to 2031 (Table 3.5: Scenario 3 Industrial Land Demand)

TABLE 3.5: SCENARIO 3 INDUSTRIAL LAND DEMAND

	2001 to 2021			2021 to 2031	
Scenario 3	Incremental Demand *	Incremental Supply *	Overall Balance **	Additional Demand *	Overall Balance **
Inner Market	519	1,037	-297	518	-1,403
Melton Market	0	0	140	0	102
Total	519	1,037	-157	518	-1,302

^{* (}Additional to Scenario 1)

Summary - Scenario 3

Interventions

All interventions of Scenario 2, and the following:-

- · Alter regional land-use and accessibility patterns to support sustainable economic development
- Realign Urban Growth Boundary to accommodate new regional structure
- · Refocus economic activity to a central location with grid-based access
- Establish new activities cluster with coordinated access and land-use planning
- · Establish industrial research and innovation precincts

Outcomes

All outcomes of Scenario 2, and the following:-

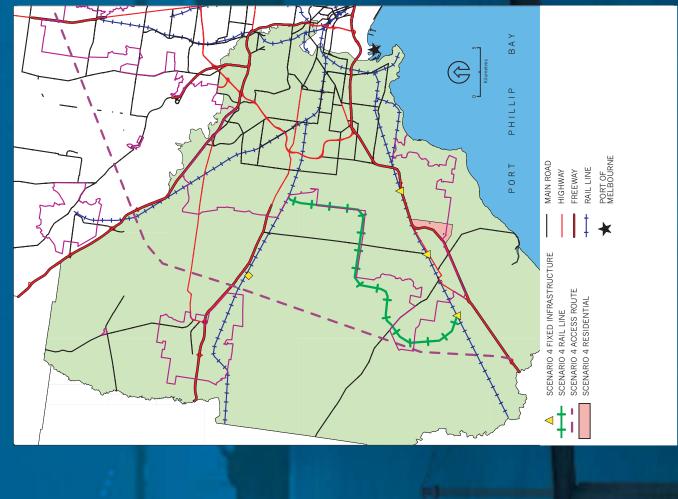
- Re-orientation of regional access system based on grid road network
- Provide or improve north-south and east-west public transport services, including radial connections with Melbourne CBD
- New regional university
- · Research- and innovation-based industrial employment growth
- New regional services replace imports and create employment
- Ongoing multiplier effects from shift in import/ export balance

3.2.4 Scenario 4 - Long-Term Infrastructure Developments

The purpose of Scenario 4 is to identify a set of long-term regional projects that are expected to have a significant impact on regional employment and structural competitive advantage, and to ensure that the eventual construction of these projects is not compromised by interim developments. The placement of these projects in Scenario 4 is due to a lack of funding or policy commitment within the immediate development horizon. Thus while these projects have significant potential for regional prosperity, their completion timelines are uncertain and long-term, and their impacts are not quantifiable within any reasonable margin of error.

^{**} including Scenario 1

SCENARIO 4 - LONG TERM INFRASTRUCTURE **DEVELOPMENTS**



ВАΥ PHILLIP INSET PORT OF MELBOURNE MAIN ROAD RAIL LINE PORT HIGHWAY FREEWAY TRUGANINA NORTH INDUSTRIAL RESERVE SCENARIO 3 ACTIVITY CENTRE SCENARIO 3 MAJOR ROAD SCENARIO 3 MINOR ROAD INDUSTRIAL (OCCUPIED) INDUSTRIAL (VACANT) RURAL ZONE OTHER USE

Project: 6032

Project: 6032

Ratio Consultants Pty Ltd in association with:

Though the development timeline for Scenario 4 projects is unclear, the regional economic and structural preconditions for the development are identifiable. In order for Scenario 4 projects to be viable investment propositions, the region must have reached a level of economic maturity that demands a large volume of intra-regional commercial and commuter trips. The level of development in eastern Melbourne that has led to the Scoresby transport corridor project demonstrates the regional preconditions that are deemed necessary for the Scenario 4 projects.

The Scenario 4 infrastructure projects are:-

- An Outer Western Ring Road, linking the Princes Freeway south-west of Werribee with the Western Freeway, Calder Freeway, Melbourne Airport and the Hume Freeway;
- a mass transit corridor reservation between Deer Park and Werribee West, to allow for public transport to adequately serve the growing population at Tarneit;
- an inter-modal freight terminal at Melton and/ or Truganina;
- rail stations on the Werribee line at Palmers Road, Werribee West and Derrimut Road;

The Scenario 4 projects will serve to enhance accessibility throughout the region by increasing public transport infrastructure and removing road-based heavy freight traffic from the inner region. The Outer Western Ring Road will also serve to improve the strategic location of Melton, increasing possibilities for its economic viability.

3.2.5 Employment Projections

The Strategy has drawn upon a sectoral analysis of employment. The sub-regional areas used for employment analysis correspond to those used for the land demand analysis (see Figure 2.14, p.38). The analysis shows distinct sectoral employment patterns in each of the sub-regional areas, which reflect their varying stages of economic evolution. Note that when comparing employment change in these sub-regions, it is important to consider the varying levels of historic and projected population growth that may be mediating or driving employment growth.

The inner western region (Figure 3.6) is the most advanced in terms of its evolution on the course of shifting employment from industrial to services sectors. Industrial employment has declined sharply from 1981 to 2001, a trend which is projected to continue. Conversely, at a sub-regional level, services sector employment has grown during this period, reversing the net downward trend in total employment seen in the 1980's.

The "Base Case" Scenario 1 projection shows total employment returning to 1981 levels towards 2031, and the full adoption of Scenario 2 projects is anticipated to raise the total employment significantly above 1981 levels.

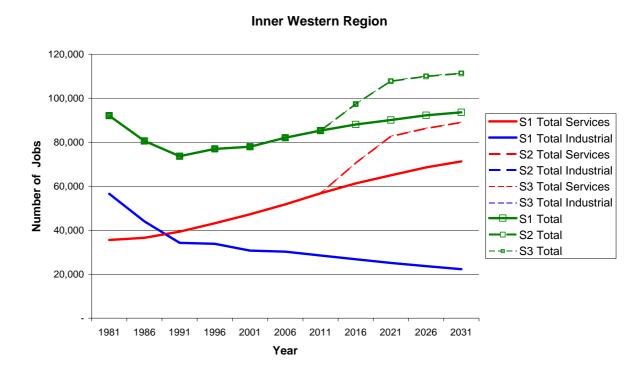


FIGURE 3.6. INNER WESTERN REGION TOTAL JOBS (ABS, 2001, RATIO CONSULTANTS, 2006)

The middle western region (Figure 3.7) shows significant historic and projected total employment growth. This overall employment growth comprises two components:-

- industrial growth associated with the West Industrial Node and increased accessibility since the completion of the Western Ring Road; and
- services sector growth, largely reflecting population growth in the middle and outer western region.

The introduction of Scenarios 2 and 3 is anticipated to add further significant employment growth to the middle western region.

180,000 160,000 140,000 S1 Total Services 120,000 Number of Jobs S1 Total Industria S2 Total Services 100,000 S2 Total Industrial S3 Total Services 80,000 S3 Total Industrial S1 Total S2 Total 60,000 = - S3 Total 40.000 20,000 1981 1986 1991 1996 2001 2006 2011 2016 2021 2026 2031 Year

Middle Western Region

FIGURE 3.7. MIDDLE WESTERN REGION TOTAL JOBS (ABS, 2001, RATIO CONSULTANTS, 2006)

The outer western region (Figure 3.8) displays a strong historic overall and projected growth for total employment, of which services sector employment is a large component. For the Base Case (Scenario 1), this employment growth is largely driven by population growth. Industrial employment does not show highly significant growth for the Base Case. Scenarios 2 and 3 add additional anticipated future employment, chiefly resulting from the Principal Activities Cluster, the Werribee Technology Precinct, the West Industrial Node, Toolern Activity Centre, and activity centre expansion throughout Werribee.

As a whole, the western region has experienced an increase in total jobs from 1981 to 2001 (Figure 3.9). This growth comprises growth in both the industrial and services sectors of the economy. Services sector growth is largely driven by the high regional population growth, while industrial sector growth stems from increased accessibility following the construction of the Western Ring Road, and ongoing greenfield industrial development.

Full implementation of Scenarios 2 and 3 will result in significant employment growth for the western region, above that which is projected for the "Base Case".

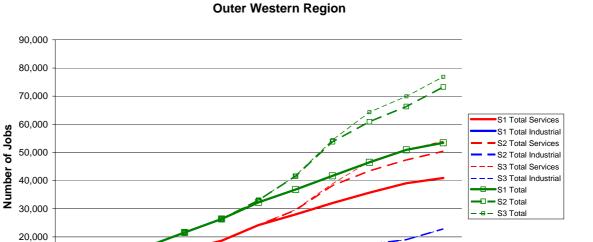


FIGURE 3.8. OUTER WESTERN REGION TOTAL JOBS (ABS, 2001, RATIO CONSULTANTS, 2006)

Year

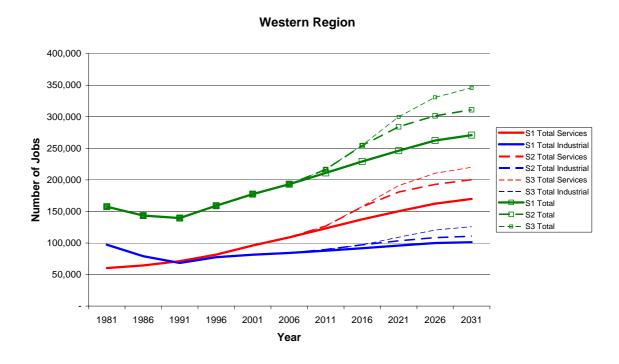


FIGURE 3.9. WESTERN REGION TOTAL JOBS (ABS, 2001, RATIO CONSULTANTS, 2006)

10,000

4 THE STRATEGY FRAMEWORK

The recommended Western Region Economic and Industrial Development Strategy (WREIDS) is presented in The Strategy Framework. The structure of the Framework is set out in Figure 4.1, and comprises the following elements:-

- A Regional Context Statement outlining the historical context of the region in terms of employment, demographics, infrastructure, land use, economic development and natural features. The Context Statement includes a local context summary for each Municipality;
- A Vision Statement that articulates a possible future for the region aspired to by the Strategy;
- Strategic Objectives for regional economic and land development policy;
- The **Regional Economic Policy Framework** that provides comprehensive regional economic and land development policy guidelines;
- The Regional Economic Framework Plan that presents the proposed regional spatial structure for economic and land use development;
- The Regional Projects Framework that outlines the proposed regional development and investment projects and their Strategic relevance;
- Structure and Development Planning Guidelines for high quality and strategically congruent development of industrial estates, business parks, and large mixed use sites;
- The Land Release Program for major industrial and employment land releases throughout the region for the period 2005 to 2031;
- Investment Principles for land development showing the considerations that should be made when evaluating investment proposals, and outlining principles for obtaining developer contributions;

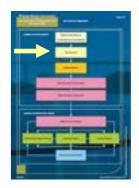
The Strategy Framework presents the strategy development as a sequential process encompassing information gathering, visioning, plan development, implementation packages and review. The Framework comprises an Economic Policy Framework Plan and a Spatial-Economic Structure Plan. Together these two components of the Strategy provide a spatial structure and urban management framework that address shortcomings in the region's long-term economic outlook. They respond to a strategic assessment of the observed regional context and projected future. The Strategy Framework forms the basis for a section in each of the region's Municipal Strategic Statements (MSSs) that will outline a vision for regional economic cooperation and development.

Industrial Development Strategy

4.1 REGIONAL CONTEXT STATEMENT

The purpose of the Regional Context Statement is to provide a clear overview of the strategic status, opportunities and challenges that must be addressed by the Development Strategy.

The WREIDS is directed to the provision of a framework and strategy for the sustainable prosperity and economic development of the region. The purpose of the Regional Context Statement is to provide a clear overview of the strategic position, opportunities and challenges for the Western Region that need to be addressed by the Development Strategy.



Melbourne's Western Region comprises the municipalities of Hobsons Bay, Brimbank, Maribyrnong, Melton, Moonee Valley and Wyndham. The resident population of the region (June 2005) is approximately 616,000 persons. It is projected to increase to approximately 851,000 persons by 2031 (*Victoria in Future*, Department of Sustainability and Environment, 2004), or by approximately 38% over the next 26 years. The Western Region is projected to accommodate a significant and increasing proportion of metropolitan growth. In 2005 the Western Region comprised approximately 16% of metropolitan population; however, the region is projected to accommodate approximately 26% of current and projected metropolitan population growth.

Work undertaken by Wyndham City Council has shown that this projection may underestimate the extent of future regional population growth. This finding signals that provision of services and infrastructure may need to be brought forward from the existing proposed implementation dates, and that there will be faster than expected growth in the regional market for higher order services.

The high levels of current and prospective growth for the region form an important context for the Development Strategy. On the one hand, they compound the difficulties for the region to develop a sufficient base of local and regional employment to meet future needs; however, they also provide historically significant opportunities for new investment, development and the strategic consolidation of the region.

Melbourne's Western Region occupies an important strategic position in metropolitan Melbourne. It is afforded excellent inter-regional access to the Port of Melbourne and the airports at Tullamarine and Avalon, and with rail and freeway links to other regions of metropolitan Melbourne, connecting them to regional and interstate markets. Paradoxically, access through the region is dependent on relatively few high capacity links, and the region's intra-regional accessibility is limited and relatively poor compared to other areas of metropolitan Melbourne.

The region has a well-recognised, stable and highly productive manufacturing sector. However, it does not at present provide sufficient opportunities for employment growth. Current industrial area development is substantially based on logistics requirements and facilities. This form of development has surged since the opening of the Western Ring Road. This market will continue to develop and attract major developer and institutional interest. However, this type of land use is characterised by land-extensive development and very low employment densities. Taking account of these new forms of development and likely long-term changes to regional employment, Development Strategy projections indicate that regional employment provision in relation to the resident population will continue to fall over the next 20 years and beyond, if market-based trends continue. In addition, the region's reliance on central Melbourne for employment is projected to continue to grow further, exacerbating the journey to work problems faced by the region.

There is a clear need for a higher level of jobs growth within the region and, more particularly, for significantly higher levels of commercial and professional services employment. The region currently imports approximately \$2 billion of services, principally from central Melbourne. There is a significant market potential for these services in the Western Region, and opportunities for additional regional employment and the retention of a wide range of benefits for the region including income, expenditure and investment multiplier benefits.

Fundamentally, the region lacks a sustainable employment base in the context of knowledge and innovation-based services and product development. The Western Region still provides employment in industries that developed in the 1950s, and as recently as 2001 continued to maintain relatively high concentrations of employment in industries that remain at risk of displacement by low-cost countries (for example, textiles, clothing and footwear). However, the region has significant resources and skills in a number of sectors, including engineering and metals manufacturing, that could be consolidated through knowledge and innovation-based product and service development, particularly focused on requirements and target markets that address regional and national needs, such as waste recycling, energy and water conservation, sustainable energy systems, dry land farming technologies and so forth.

The key to building a sustainable employment base for the region is through the development of world-class innovation and knowledge-based clusters targeted to provide products and services that address a diverse range of regional and national needs; and through this process provide leading edge skills and technological advances, a new generation of sustainable comparative advantage for the region and new sources of regional wealth and export earnings.

The Western Region Employment and Industrial Development Strategy (WREIDS) provides a framework for sustainable prosperity and liveability consistent with *Melbourne 2030* principles. It is directed to achieve a regional economic framework plan and implementation process that is focused to consolidate the region's strengths and address a number of important opportunities and challenges, including:

- Identifying the region's land requirements for employment and industrial development, together with locational, access and development guidelines to ensure that this resource is conserved and effectively managed.
- Proposed improvements to regional accessibility, particularly intra-regional connectivity, to facilitate growth and investment opportunities, and to ensure equitable access for the region's growing population.

- Facilitating a structure of employment areas and activity centres integrated with regional public and road transport systems linked to established and growing residential areas and encompassing a land use and development framework for new employment clusters.
- Identifying areas and projects for new employment opportunities as part of mixed-use development and urban consolidation in the region's established areas.
- Identifying potential locations for a new regional freight centre for Melbourne's west consistent with State and metropolitan requirements.
- Building an implementation framework that envisages a necessary and significant role for the private sector to plan, finance and implement new land use and infrastructure development in partnership with Government and municipal authorities.
- Providing a triple bottom line framework to monitor and assess new projects and their contribution to sustainable regional prosperity and liveability.

4.2 PRINCIPAL SUB-REGIONAL ECONOMIC PRECINCTS

The western region consists of several distinct sub-regional economic precincts, that are characterised by varying local economies, land availability, demographics, and accessibility. The Strategy has drawn upon the local characteristics of these precincts to inform the Regional Projects Framework (Section 0) that forms the basis of its employment land development component.

The principal sub-regional economic precincts are described below.

4.2.1 Inner west activity centres precinct

Municipalities: Maribyrnong, Moonee Valley, Brimbank

The inner western suburbs contain several activity centres, which are focal points of commercial and retail activity, and present the opportunity to develop stronger reciprocal economic links. The centres of Highpoint, Footscray, Sunshine, Moonee Ponds fall into this category. These existing centres are candidates for economic and employment sector evolution and growth.

The Principal Activity Centres that comprise the network are as follows:-

- Highpoint currently the largest and most active retail centre in the western region, the third largest in metropolitan Melbourne, with the sixth highest turnover of any standalone centre in Australia (Shopping Centre News, 2006, vol. 24, p. 36). Structure planning for Highpoint supports increased street-based retail activity and improved pedestrian around the centre. Highpoint is likely to remain the dominant retail centre in the western region into the foreseeable future.
- Footscray employment in Footscray is evolving from an industrial economy towards a services economy, following a trend that is apparent throughout inner suburbs in western cities. Planning initiatives for Footscray have supported intensified commercial and residential development within the centre.

- Sunshine the dominant employment sector in Sunshine is Community Services & Government, followed by Retail Trade. The decline in industrial sector jobs that the centre experienced during past two decades has halted, and has left the centre with the challenge of replacing these losses with services sector employment growth.
- Moonee Ponds the centre benefits from its location between Melbourne Airport and the CBD, which has spurred investment in commercial and high-rise residential premises during the past half-decade. Moonee Ponds is set to maintain a predominantly services-based employment profile.
- Williamstown well advanced in terms of its amenity and attraction as visitor destination, and transformation towards services-based employment. Williamstown will benefit from the in-centre initiatives of the project. Opportunities may arise to link Williamstown to nearby areas of increased activity, such as the Newport Railyards project.

The Strategy supports increased commercial and access links between these centres (Refer to Section 4.10.2 Inner Western Activity Centres Network)

4.2.2 North western suburbs precinct

Municipalities: Moonee Valley, Brimbank

The suburbs generally located between Keilor East and Sydenham form a large residential area characterised by above-average socio-economic indicators. High growth at Sydenham is driving economic growth in this area. Home-based businesses are likely to become a significant source of employment in this area. The area also contains a number of large sites that are candidates for redevelopment as mixed use and residential areas (Refer to Section 4.10.3 Major Land Use Renewal Projects).

4.2.3 Hobsons Bay precinct

Municipalities: Hobsons Bay

Once defined by its industry, Hobsons Bay is now enlarging its hospitality, retail and services sectors. Certain large industrial sites are likely to give way to residential development, and urban amenity around industrial areas is set to improve. Williamstown is the services sector focal point for Hobsons Bay, while it is recognised that industrial sector employment in chemicals processing and manufacturing will remain a significant employer in the area.

4.2.4 Melton township and Toolern Employment Node precinct

Municipalities: Melton

Melton township is the site of ongoing residential growth of regional significance. Significant industrial areas lie to the east of the township, forming the principal employment areas within the town. Toolern Employment Node is a proposed development that will bring new standards of residential growth to Melton, along with industrial and services sector employment. The Employment Node is also aimed address the large proportion of eastward-bound commuting from Melton.

4.2.5 Werribee and the Werribee Technology Precinct

Municipalities: Wyndham

This precinct is characterised by:-

- Residential growth of metropolitan significance
- Potential for the Werribee Technology Precinct to increase its role as an employment and industrial research location.
- Growth of Werribee town centre as a response to its emerging role as a sub-regional employment and services centre.

4.2.6 Truganina/ Derrimut/ Ravenhall Industrial Area and the West Industrial Node

Municipalities: Wyndham, Brimbank, Melton, Hobsons Bay

The West Industrial Node is one of three large-scale industrial areas in metropolitan Melbourne, which have been designated to account for the bulk of future industrial growth. Expansion of this area will occur to its west, into the Truganina/ Derrimut/ Ravenhall Industrial Area. This precinct is characterised by:-

- Industrial activity and employment of metropolitan significance;
- Large areas of land for industrial expansion;
- High inter-regional accessibility.

The area is expected to remain a regionally significant location of employment and investment into the foreseeable future.

4.3 MUNICIPAL CONTEXT STATEMENTS

The regional comprises several localised sub-regions that are characterised by specific historical, economic, social and land use attributes, and require a local approach to the regional Strategy. Further, the Strategy will be implemented by the western region municipalities, and as such a municipal focus to the regional context and Strategy recommendations is required. This section outlines the municipal economic context statements.

4.3.1 Brimbank

The following Strategy projects directly relate to the City of Brimbank:-

- Inner Western Activity Centres Network (Sunshine), Section 4.10.2, p. 104;
- Major Land Use Renewal Projects (Bob Jane Industrial Site, Solomon Heights), Section 4.10.3, p.115;
- Truganina/ Derrimut/ Ravenhall Industrial Area Project, Section 4.10.4, p. 121.

The City has been at the forefront of industrial land use change and residential and activity centre development, and has witnessed the catalytic effects of the Western Ring Road in generating a new wave of logistics based industrial and commercial development. Major land use changes involving former industrial and defence sites have facilitated new developments including:-

- significant retail and services development at Sunshine that has assisted in the consolidation of the Sunshine activity centre;
- major new residential, education and open space development at St Albans/ Cairnlea.

The northern part of the City contains an east-west belt of growth suburbs, which extend from Keilor East through to Sydenham. These suburbs are characterised by above-average household incomes, and form a residential link between two employment corridors, one which straddles the Sydenham Line, and the other which lies between Melbourne Airport and the CBD. Sydenham transit city, which encompasses the Water Gardens shopping centre, forms the major commercial and retail precinct within this belt. The precinct has been designated as a principal activity centre in *Melbourne 2030*, and is currently in a high-growth and investment phase.

The development of the Western Ring Road has spurred a generation of new industrial parks and opened the region to institutional interest and investment. Importantly, this in turn has provided a sustained focus of industrial investment and development in a north-south belt extending from Derrimut and Brimbank south to Laverton North and Truganina in the City of Wyndham.

The City has significant economic development potentials, including:-

- significant opportunities for the development of business precincts and higher density residential areas adjoining the Sunshine activity centre. These areas form part of the recommendations for the establishment of a planning framework to facilitate economic and residential change in the inner western suburbs (the proposed Inner Western Activity Centres Network project);
- long term investment opportunities for business and services development at the Sydenham transit city precinct arising from the extensive high growth residential areas that have emerged and continue to develop in the northern areas of the City;
- industrial park and estate development in the Brimbank and Derrimut areas that will be further accelerated with the development of the proposed Western Ring Road connection (Deer Park by-pass). It is recommended that these areas should be planned as part of the Truganina industrial investigation area;
- opportunities for residential development at Solomon Heights in the Sunshine North area;
- opportunities for motor industry related activities to locate at the Bob Jane industrial land at Calder Park. These activities will complement business and retail functions of Sydenham Transit City;
- other significant sites that may provide potentials for future residential and mixed use development (eg the National Broadcasting Agency site at Dalahey, north of Taylors Road, that may be available in the future).

4.3.2 Hobsons Bay

The following Strategy projects directly relate to the City of Hobsons Bay:-

- Inner Western Activity Centres Network (Sunshine), Section 4.10.2, p. 104;
- Major Land Use Renewal Projects (Newport Railyards, Blackshaws Road), Section 4.10.3, p.115.

Hobsons Bay forms part of Melbourne's inner-western suburbs and, in common with these districts, has experienced historic declines in manufacturing transport and storage jobs. The City's land use and employment precincts have provided the City with distinctive characteristics and potentials:-

- the Williamstown precinct has historically been the focus of an important ship building and engineering precinct. It has witnessed the growth of business, trades and hospitality services and a resurgence of residential development in adjoining precincts at the Rifle Range estate;
- the area is dominated by petro-chemical industries at Altona, Altona North and Spotswood. They continue to form an important part of the City and metropolitan economy and are an important consideration in future industrial planning in these local areas;
- the Altona North district is a focal area of distribution centres for automotive and food and beverages manufacturers and major retail groups. This district also contains engineering and transport establishments and several industrial parks;
- the City's bayside location and extensive coastal recreation and parkland areas are an important amenity for the region. This, together with a diversity of residential areas and activity centres, offer notable potentials for Hobsons Bay to further develop tourism, recreation and hospitality services to meet regional, metropolitan and wider needs.

Hobsons Bay has a number of important potential opportunities for economic development and investment. These include:-

- the Newport Gardens project. The extensive area occupied by the Newport Railway Workshops north of Champion Road is a major redevelopment site of regional and metropolitan significance. It offers potentials as a new mixed use precinct and activities node with opportunities for higher density residential development, business retail, hospitality and professional services. Advancement of this site will require the relocation of railway maintenance facilities, prior to development;
- a significant site in Altona North extending from Blackshaws Road through to the Westgate Freeway may have potential for residential/ mixed use redevelopment and the retention of some existing industry, subject to a review being undertaken by Council (Hobsons Bay Industrial Land Management Strategy);

proposed feasibility study for a commuter ferry service to run from the Port of Williamstown to Station Pier at Port Melbourne. This would provide an alternative means of commuting to the Central Melbourne Region and the Central Business District by public transport (utilising the light rail connection that runs from Station Pier to the CBD). At present, the connection from Williamstown and nearby districts by public transport to the Central Melbourne Region is circuitous, notwithstanding the geographic proximity of Williamstown to this region. This regular ferry service would also support tourism in the region.

A commuter ferry service offers the potential to provide a more direct public transport link from Williamstown to the Central Melbourne Region and CBD. It would also provide an alternate means of transport to the existing rail system and has the potential to reduce reliance on the Westgate Bridge. A successful service would then provide the opportunity to develop Williamstown as a transport node with connecting bus services to adjacent districts;

potentials for tourism and hospitality investment and employment growth at Williamstown and Altona. These precincts have undergone growth in these services and are recognised attractions in the region. A commuter ferry connection between Station Pier and the Port of Williamstown offers potentials to consolidate and further advance tourism, professional services and hospitality, investment, development and employment opportunities.

4.3.3 Maribyrnong

The following Strategy projects directly relate to the City of Maribyrnong:-

- Inner Western Activity Centres Network (Footscray, Highpoint), Section 4.10.2, p. 104;
- Major Land Use Renewal Projects (Defence Site Maribyrnong, Hampstead Road, Dunlop Site, Josephs Road), Section 4.10.3, p.115.

The inner suburbs in the eastern half of the municipality contain some of the most prominent employment areas in the region. It is anticipated that these inner suburbs will be the principal location within the western region for ongoing economic and employment structural change. Footscray and Highpoint activity centres form the employment focal points for these inner suburbs, with links extending to the nearby centres of Moonee Ponds and Sunshine. The significance of Highpoint as a retail and employment centre is seen to be a key factor in driving employment growth in Maribyrnong.

Economic renewal and growth in these suburbs will assist in their evolution as "inner" suburbs, characterised by high amenity, street-based retail and business activities, and employment predominantly based in services sectors. The Strategy addresses the opportunities presented by these activity centres in Section 4.10.2 Inner Western Activity Centres Network.

The City has a long industrial and manufacturing history as one of Melbourne's most important industrial areas. Many of Maribyrnong's historically-prominent industries are either in decline or in a relocation phase. These are outcomes of wider industrial-economic changes, including the rise of manufacturing in East and South Asia and impacts on Australian manufacturing. There have also been long-term economic forces at work, reflecting regional population growth and changes in land values.

Maribyrnong has important potentials for residential and economic renewal through landuse change. The most significant potentials focus on the interlinking of historic transitbased activity centres with regional retailing and bulky goods centres through a network of diversified business districts and higher-density residential areas.

The most important step the City can play in the WREID Strategy is to facilitate large-scale renascent change in Maribyrnong. This transformation will:-

- consolidate and extend the investment and development potentials in and around the City's principal and major activity centres;
- optimise opportunities for a range of higher-density residential areas designed to provide for a diversity of income and social groups in the City, and increase both the range of professional and business skills in the area's resident population and the City's household income base. In turn, this provides an essential element and driver to achieve business and services development in the district;
- enable the ongoing development of high quality pedestrian access to the scenic and open space resources of the Maribyrnong River valley;
- improve potentials for more effective public transport linkages and services, particularly for intra-regional transport by increasing residential densities and employment opportunities between activity centres. It will also provide the basis for inter-regional public transport improvements through the substantial consolidation of the market base for these services, and particularly for public transport connections to the Central Melbourne region;
- provide a range of business corridors and nodes that link the activity centres and expand opportunities for a wide range of services to meet current and growing needs (including professional and trades services, business and industry support services, education and training services, and hospitality services);
- lead to a closer employment and investment relationship between the Central Melbourne Region and parts of the inner Western Region, including Maribyrnong;
- intensify commercial development at Braybrook, particularly between Ballarat Road and the River;
- enable Maribyrnong to serve as an important focal district providing business and commercial services for sections of Melbourne's western suburbs;
- intensify where possible existing core industrial areas through a proactive design and business plan approach, concentrating initially on areas of high or potentially high exposure and accessibility.

4.3.4 Melton

The following Strategy projects directly relate to the Shire of Melton:-

- Truganina/ Derrimut/ Ravenhall Industrial Area Project, Section 4.10.4, p. 121;
- Toolern Employment Node, Section 4.10.8, p. 140.

Melton is a residentially based Shire encompassing several distinctive areas:-

- the growth suburbs of East Melton (including Caroline Springs, Taylors Hill and Burnside Heights). The East Melton area forms part of the contiguous western suburbs, and has developed as planned residential estates with provision for significant local and district activity centres that are in the process of being developed;
- the Melton township. This is a distinctive town with its own residential areas, railway station, university precinct, town centre and regional shopping centre was advanced as a new satellite town in the 1970's, together with Sunbury. The key economic issue for the Melton township is the extent to which the town can achieve a diversity of local employment and sustainable industrial, commercial and services investment and development. An underlying constraint has been the limited population growth and diversity of the township.
- extensive rural areas, which separate the township from the contiguous western suburbs. These surround the township and provide a range of pastoral and equine activities:
- the villages of Rockbank, Diggers Rest and Toolern Vale. A new village comprising the planned residential community of Eynesbury located south of the township, will widen the diversity of residential and lifestyle options for future residents.

A recent strategic review (late 2005) of the Melton township provided a framework and strategy to achieve sustainable prosperity and liveability for future generations. The recent reports of the Growth Area Reviews and Committees for Smart Growth (December 2005) recommended significant expansion of the Melton township's Urban Growth Boundary (UGB) in the Toolern and Melton South areas (refer Melton-Caroline Springs Growth Area Review Final Report, December 2005). This is a positive step and fully recognises the need to ensure that the township is placed on a pathway to sustainable investment and development and long-term liveability and prosperity;

Melton's current economic characteristics are strongly influenced by its residential and rural elements. The most significant aspects are:-

- local retail, education and business employment is provided in the activity centres and at the educational facilities in the Shire;
- the majority of the resident workforce is employed outside the Shire in neighbouring areas in the western suburbs and in the Central Melbourne Region;
- trades and industry nodes have developed at the Melton township (at the Melton Industrial Park and at the Toolern Employment Park). A number of bulky goods, trades and automotive services and retailers are located in Melton East and at the Melton township;
- there are several horse studs in the Shire and its vicinity. The township currently has a training track and there are potentials for an equine training and research facility to be developed;
- there is at present a high level of escape expenditure from the township to regional centres in the western suburbs, principally Highpoint and Sunshine. Significant further development of the township, now made possible through the recommended extension of the UGB, will ensure a substantially higher population base and provide a larger home market. This in turn is likely to facilitate the proposed extensions to the Woodgrove shopping centre in Melton West and proposed improvements to the Melton town centre;

- a more substantial Melton township will also provide the market and impetus to further develop education and training facilities and employment and support the long-term development of industry and research at the Toolern Employment Park;
- the potential for Melton to take part in and benefit from the full development of the Truganina/ Derrimut / Ravenhall area. Melton has recently rezoned land in this area to make it available for development, and there is the potential for future development to be integrated with a broader plan for the area, in conjunction with Brimbank and Wyndham Councils;
- investment and development opportunities in the Melton township will be strongly influenced by both public transport and road improvements in access. In this context the development of the Deer Park by-pass and improvements to passenger services on the Ballarat-Melton railway line will have positive effects on investment and employment potential. It is highly likely that demands for improved public transport will be a necessary consequence of the further growth of the Melton township.

Melton's economic potentials are related to three factors:-

- improvements in accessibility between Melton and the western suburbs will provide an impetus for both economic and residential growth (including the Deer Park by-pass and improvements to infrastructure and services on the Ballarat railway line). Longer term access improvements would include a proposed Outer-Western Ring Road which will provide extensive accessibility for the township and areas further west to Metropolitan Melbourne, Victorian regional and interstate markets.
- the planned consolidation of the Melton township, now made possible through the recommended extensions of the UGB. This will provide a larger and more diverse home market at the township and facilitate investment development and employment growth in a wide range of retail, commercial and business services, industry, trade services and education;
- an investment strategy for the Toolern Employment Node that will focus on achieving its acceptance by major institutions and developers as a viable market and employment area. In this context, the potential to now develop a railway station activity centre and residential area as part of the Toolern concept would be likely to achieve this objective. Once again, this forms part of the wider consideration of achieving a sustainable township at Melton.

4.3.5 Moonee Valley

The following Strategy projects directly relate to the City of Moonee Valley:-

- Inner Western Activity Centres Network (Moonee Ponds), Section 4.10.2, p. 104;
- Major Land Use Renewal Projects (Essendon Airport, Coles Myer and Reading sites), Section 4.10.3, p.115.

The City is the most advanced in the Western Region in terms of the growth of a range of commercial services. These have effectively replaced the decline of employment in manufacturing, transport and storage. In employment, investment and development terms, the City is functionally more closely related to the Central Melbourne region, rather than the Western Region. An employment belt which lies between Melbourne Airport and the CBD runs through Moonee Valley, encompassing the Moonee Ponds and Essendon activity centres.

There is an established process of land use change and intensification through new significant investment and development in and around the Moonee Ponds activity centre. The most significant potentials for further land use change, intensification, investment and economic development, include:-

- development of supporting diversified business districts and mixed use precincts, including higher density residential areas along the tramway routes leading to the centre: Mount Alexander Road and Ascot Vale south of the activity centre and Pascoe Vale Road north of the activity centre;
- \$120 Million renewal of major sites within the Moonee Ponds principal activity centre including the Coles Myer and Reading sites. The sites will be redeveloped for a retailing, offices, accommodation and entertainment uses;
- significant potential for new office development in the Moonee Ponds activity centre, which will raise the profile for office based employment in the region;
- investigation for higher density residential potentials along Mount Alexander Road, north of the Moonee Ponds activity centre;
- planning and development of the Essendon Airport renewal. This is a project of high significance with the potential to generate approximately 15,000 jobs. Planning should be required to investigate opportunities for a tramway, rail or light-rail connection to connect the airport precinct with Moonee Ponds and the Central Melbourne region, with further connections to Melbourne Airport at Tullamarine. This would result in high quality public transport connections from Melbourne Airport to the Central Melbourne region and in the inter-connection of several of the most significant employment nodes in metropolitan Melbourne (ie Melbourne Airport, Essendon Airport Precinct and the Moonee Ponds activity centre and related business precincts);
- the high public transport accessibility of the Moonee Ponds activity spine via train, tram and bus:
- the generally above-average education levels, and occurrence of educational institutions including private schools, within Moonee Valley;
- the availability of hospitality services within the City.

4.3.6 Wyndham

The following Strategy projects directly relate to the City of Wyndham:-

- Truganina/ Derrimut/ Ravenhall Industrial Area Project, Section 4.10.4, p. 121;
- Werribee Technology Precinct, Section 4.10.7, p. 135;
- Trades Activity Centres, Section 4.10.6, p. 134.

Wyndham is the most significant growth area in the Western Region. Current planning and metropolitan policy ensure that the City will remain the focus of major residential and employment growth for the foreseeable future. Current projections by DSE indicate that about half of the region's population growth over the next 25-30 years is forecast to occur at Wyndham.

Wyndham is strategically placed between the inner-western suburbs and the Geelong region and is readily accessible to the Port of Melbourne, Melbourne Airport and Avalon Airport. The City has a high reliance on relatively few high capacity links that afford it access to the inner-western suburbs and the Northern and Central Melbourne regions. The access conditions of the City are an important characteristic and current advantage that the municipality enjoys. An important challenge for the future residential and economical development of the City will be to maintain competitive levels of access to surrounding districts and, in particular, to the Central Melbourne region. This has implications for future public transport provision and arterial road planning, including staged development of an outer-western ring road.

Given the high population growth rates in Wyndham, it is important that access infrastructure is provided as required, in particular the possibility that infrastructure recommendations of the Outer Western Suburbs Transport Strategy may need to be brought forward to meet demand.

The City has established new and growing industrial areas at Laverton North. These are part of the region's major industrial node that has undergone significant investment and development as a consequence of the Western Ring Road. The area forms the major market for new industrial development and this is likely to continue for the foreseeable future extending westward to the Truganina/ Derrimut/ Ravenhall area. Together with Brimbank and Hobsons Bay, Wyndham has attracted the interest of major financial institutions and development companies and a number of industrial estates and logistics centres have been developed. The challenge for future industrial planning will be to facilitate more diversified business park investment and development. The future planning of the district will also require consideration for new forms of activity centres to provide business and trade services. It will also require planning for rail access and freight hub requirements to meet the growing needs of the district.

Wyndham's development has been generated by a number of residential estates. The City is an accepted and growing location for major institutions and developers. New residential developments represent some of the latest advances in amenity and sustainable development.

The City's activity centres and business precincts are important economic and social foci and provide retail, commercial, professional and hospitality services for a wide range of the area's local needs. The diversity of existing and planned activity centres provides an important base for further development and employment growth.

Wyndham has recognised recreational, sporting and tourism attractions and a diversity of open space and bayside resources. These provide important potentials for further investment, development and employment growth in a range of services including sports and recreation, tourism and hospitality.

The Werribee Technology Precinct is a major public asset in the Western Region. At present the precinct is a focus of food and agriculture technology and research and houses the industrial skills training centre of Victoria University and the Mercy Hospital. The area of approximately 1,000 hectares has great visibility and access to the Princes Freeway and is located adjacent to the Melbourne-Geelong railway line, affording public transport access to both Geelong and Central Melbourne. The significant potentials of the Precinct are yet to be realised and, with a future resident population of over 200,000 people predicted for the City of Wyndham by 2031, it is imperative that an agreed development and investment plan be put in place for the Precinct in order to provide an important source of employment for the City.

The region has a critical need to provide a framework and strategic process to develop a cluster of new forms of industry and business that link the knowledge based economy to the west's acknowledged strengths that encompass diversified manufacturing, engineering and construction. The proposed Regional Activities Cluster project is designed to provide a significant contribution to the development of a sustainable manufacturing base in Melbourne's Western Region. The project may potentially require in excess of 1,400 hectares to be fully realised. The most appropriate location for investigation would appear to lie within the City of Wyndham, immediately adjoining the Truganina/ Derrimut/ Ravenhall area. The project is capable of generating more than 30,000 jobs in the long term across a wide range of industrial, trades, research, education and professional services and offers the potential to provide a major investment focus for the region.

4.3.7 Regional Strategic Context Summary

- High projected population growth will bring the estimated resident population to approximately 851,000 persons by 2031 (VIF, 2004). This growth creates the need for local employment and presents an opportunity for new investment, development, and strategic consolidation of the region.
- Significance of manufacturing. The sector has long influenced land use patterns and the region's image. It employs 21% of the regional workforce, and provides 46% of regional economic output.
- Under-provision of services employment. The business, financial and professional services sector and hospitality services sector accounts for 13% of regional employed, compared to 25% metropolitan average.
- Reliance on Inner Melbourne for employment. Approximately 32% of the regional workforce was employed in Inner Melbourne at 2001. This is the highest level of regional dependence in Melbourne.
- Reliance on older and low employment industries. Within the manufacturing and transport sectors, regional employment is concentrated in older and low employment density sectors. Textile, clothing, footwear and leather manufacturing, petro-chemical manufacturing, and the transport and storage sector comprised 46% of regional employment at 2001, compared to 36% metropolitan average. Despite this relative dominance of industrial sectors, their rate of jobs per 1,000 population is marginally below the metropolitan average, signalling a shortage of jobs in other sectors.
- Growth of logistics-based industries as a consequence of improved access to the Port
 of Melbourne and interstate freight routes via the Western Ring Road.

Absence of a significant knowledge-based regional structure. In contrast with the Eastern, Northern and Inner Regions, the west does not have a spatial or economic structure that is conducive to the development of knowledge-based industries.

4.4 KEY INFLUENCES

Market-based trends indicate that the western region economy is projected to maintain the following characteristics:-

- Inability to generate jobs commensurate with population growth. The region is projected to provide approximately 300 jobs per 1,000 persons at 2031, while the metropolitan average will be approximately 450 jobs per 1,000. This is despite significant increases in absolute jobs numbers in the west.
- Lack of a dynamic and sustainable employment base. Regionally significant knowledge-based clusters are largely absent from the west, and current development trends provide no indication that these types of activities clusters will emerge to form a sustainable industry and services activities core in the foreseeable future. This synopsis includes knowledge- or innovation-based manufacturing activities.
- Dependence on Inner Melbourne for employment and services is projected to increase.
- Lack of services employment growth to compensate for the historic and projected decline in manufacturing employment. The west has shown significantly less ability to compliment manufacturing jobs losses with commercial services jobs growth than the Inner and Eastern Regions.
- Ongoing growth of logistics-based industries will create further demands for suitable land in the region. Growth of the sector will provide an important source of investment, however the sector typically offers low employment densities and will accommodate a minor component of regional employment needs.

4.5 CONSEQUENCES OF CURRENT AND EMERGING TRENDS

This report has undertaken a comprehensive review of the regional system, both in terms of qualitative characteristics and numerical data analysis, in order to present an understanding of the likely future state of the region in the absence of strategic intervention, and as a reference point for regional economic development policy formulation. Based upon the regional strategic evaluation above, the likely consequences of current market-based trends are:-

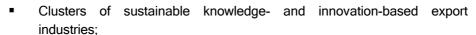
- Increases in travel to Inner Melbourne. Increased reliance on Inner Melbourne for employment, services and business activities will increase travel demands on the relatively few rail and road links between the regions. This will in turn accelerate a new set of problems of metropolitan- and state-significant infrastructure provision.
- Long-term under-investment in regional development. Current trends indicate that regional investment is focused on logistics-based industries, activity centre and residential developments. This relatively narrow investment base is not expected to extend to diversified commercial precincts and integrated industry, research and business parks.

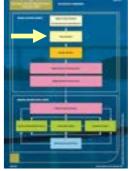
- Long-term under-provision of services. The region imports approximately \$2bn of services from Inner Melbourne. Current trends indicate that the volume of imported services will substantially increase and as such multiplier benefits will not be returned to the west.
- Loss of potential regional income. Under-provision of services and the lack of knowledge-based manufacturing will lead to a loss of potential regional income. The long-term consequences will be expressed as sub-optimal regional output and incomes.
- Continued reliance on high risk industries. Industries that are vulnerable to employment losses form a significant proportion of regional employment and revenue. The absence of knowledge and innovation-based industries from the region results in few alternative sources of employment growth to compensate for likely declines in industries subject to import competition such as textiles, clothing, footwear and leather manufacting.
- The region lacks a coordinated focus and spatial structure to facilitate sustainable clusters for employment and economic growth.
- The region lacks an effective intra-regional public transport system, and the spatial structure to easily create one.
- Declining competitiveness of freight infrastructure facilities. Medium-term demand for freight will exceed projected economic growth. Existing regional infrastructure and its current use will not cater to long-term demands.
- Insufficient zoned industrial and employment land. There is a deficiency of appropriately located and zoned industrial and employment land required to meet medium-term demands.
- Insufficient zoned land for office developments, and relatively few areas with a suitable environment to support them.

4.6 VISION - STRATEGIC FRAMEWORK

A sustainable economic system that provides for the long-term employment and investment requirements of the region

The Strategy envisages a prosperous regional economy that is characterised by:-





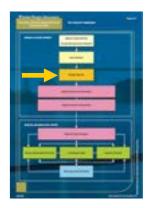
- A diversity of employment, business development and infrastructure investment opportunities that broaden the regional industrial and services base;
- Balanced local and regional employment opportunities, and reduced employment dependence on Inner Melbourne;
- A comprehensive range of commercial, professional, education, research, health and hospitality services to meet regional needs;

- Road and rail networks network that are capable of delivering effective public transport services:
- Efficient and competitive freight and logistics infrastructure that meets long-term requirements.

4.7 STRATEGIC OBJECTIVES

The Strategy Framework is a regional economic policy for sustainable development, with central themes of:-

- providing a framework for the coordination of regional economic and land development policy;
- support for investment business activities with a focus on industrial innovation and the provision of higher-order services.



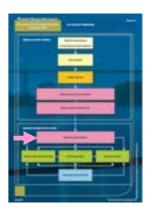
The policy framework is to be implemented in the context of a Regional Economic Framework Plan that provides a spatial structure and implementation strategy to achieve:-

- Accommodate and facilitate clusters of sustainable knowledge- and innovation-based export industries;
- Facilitate high-level interaction between research, education and industry;
- Ensure that the long-term services needs of a large and growing metropolitan region are provided within the region;
- Ensure that the land-use and transport system is fully integrated, with effective interand intra-regional road and public transport systems;
- Ensure there is a diversity of opportunities for business, industry and infrastructure development and investment;
- Provide opportunities for redevelopment and renewal to meet the region's employment, residential and other requirements;
- Ensure that there is a diversity of environments and locations to provide a wide range
 of work and lifestyle choices in activity centres and employment, and mixed-use
 precincts that are highly accessible by the public transport and roads systems;

4.8 REGIONAL ECONOMIC POLICY FRAMEWORK

A key element of the recommended Strategy Framework is the proposed Regional Economic Policy Framework. The purpose of the framework is to provide a consistent policy structure to guide the economic development of the region to achieve long-term prosperity within a sustainable framework. The framework provides strategic principles, objectives and indicator measures for several major policy areas that encompass: -

• governance and regional co-ordination;



- economic sustainability;
- social sustainability;
- environmental sustainability.

Table 4.1 overleaf sets out the recommended policy framework.

TABLE 4.1: REGIONAL ECONOMIC POLICY FRAMEWORK

MAJOR POLICY AREA	STRATEGIC PRINCIPLES	OBJECTIVES	INDICATOR MEASURES
GOVERNANCE A	AND REGIONAL COORDINATION.		
Regional vision and leadership	Net community benefit and progress to achieve regional objectives will best be achieved through an agreed regional vision and recognised leadership to advance the vision. A long-term comprehensive vision for the region will best be expressed through a clear regional framework plan that specifies major structural elements and relationships. The regional framework plan should be directed to deliver long term liveability and prosperity for the region that is economically, environmentally and socially sustainable.	Establish a structure and process to deliver effective regional leadership. Establish a vision and physical framework for the long-term management of the Western Region consistent with metropolitan objectives and sustainability principles.	Agreed vision and context statement for Melbourne's Western Region. Leadership structure and strategy to advance the vision. Agreed regional framework plan recognised by Government and adopted by the constituent municipalities of the region.
Development and implementation	Effective regional development to optimise net community benefit within sustainability principles will best be achieved, via the assessment of long-term land use transport requirements and the desired inter-relationships between these key elements. Effective regional development requires a strategic framework for the coordinated and staged implementation of land use transport infrastructure and development. Effective regional development is dependent on timely access to funding resources and an optimal approach to public/private partnerships to maximise opportunities for access to development funding.	Determine long-term employment land requirements and preferred relationships between employment and other land uses and the transport system. Identify employment land requirements by type and by small area location. Establish land requirements and land use and transport infrastructure needs for the staged implementation of the regional framework plan. Identify a funding and development strategy for the key land use transport and infrastructure elements, to be delivered on a staged basis. Establish policy framework and statutory mechanisms to facilitate required employment and transport infrastructure development.	Agreed specification of employment land requirements by major type and by location, recognised by Government and adopted by the constituent municipalities of the region. Agreed employment land staging plan for the region, linked to specified employment land requirements by major type and by location, adopted by the constituent municipalities of the region. Approved funding and development strategy for the staged implementation of the key land use transport infrastructure elements. Effective policy and statutory framework to ensure the timely development of employment land and transport infrastructure.
Monitoring and Review	Land use resources are most effectively managed when land release programs can be measured and monitored and adjusted to take account of the demand-supply balance for these resources in key sub-areas of the region. Planning authorities and the development industry can optimise the delivery of facilities and land use for employment through the regular monitoring of the evolving market response to land and development products in the region, considered in the context of metropolitan and wider industry patterns. The Western Region is in a highly competitive employment land market and the availability of well located and appropriately zoned and serviced employment land stocks may not be sufficient to ensure optimal take-up and development rates of land. The regional market for employment land will be assisted through marketing programs that are linked to a regional employment and land intelligence and monitoring system.	Establish a regional land use intelligence and monitoring system to regularly measure and report on ongoing changes in employment structure, land use and transport requirements in the region that is inter-linked to the Urban Development Program. Establish land marketing programs to assist, inform and promote the release, sale and development of employment land in the region.	Operational regional land and employment monitoring system will the full support and participation of the constituent Councils of the region. Agreed employment land release program for the region linked to, and informed by the operational land and employment monitoring system. Operational employment land marketing programs linked to the regional and employment monitoring system and supported by the constituent Councils of the region.
ECONOMIC SUS Building Sustainable Competitive	STAINABILITY The long term wealth and prosperity of a region is in large part dependent on the export value of goods, services and information relative to the gross domestic	Develop a Sustainable Industry Cluster Strategy for Melbourne's Western Region to identify potential target markets that address regional and	Agreed and operational Sustainable Industry Cluster Strategy, recognised by Government and adopted by each of the constituent Councils of the region.
Advantage	product of the region. Sustainable competitive advantage for the Western Region will be best ensured through knowledge-based industries that build on existing regional skills and address long term regional or national needs. Sustainable competitive advantage needs to be generated, consolidated and	national needs and build long term competitive advantage for the region. Ensure that the Sustainable Industry Cluster Strategy for the region is fully integrated with a physical framework plan for the long term management of the Western Region, consistent with metropolitan objectives and sustainability principles.	An adopted physical framework plan for the Western Region that fully integrates a Sustainable Industry Cluster Strategy for the region. The framework plan should be recognised by Government, form part of metropolitan strategy and policy and be reflected in the Municipal Strategic Statements of each of the constituent Councils of the region.

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MAJOR POLICY AREA	STRATEGIC PRINCIPLES	OBJECTIVES	INDICATOR MEASURES
ARLA	complementary and inter-dependent firms to create industry clusters. Industry clusters need to be supported and driven by world-class research and information systems linked to universities and scientific institutions.		
Building Regional Self Sufficiency in the Services Sector	A large metropolitan region such as Melbourne's Western Region, with a projected population in excess of 850,000 people by 2031, needs to achieve a level of service and industry provision to meet a wide range of local requirements. The local delivery of regionally consumed services and products will optimise expenditure and investment multiplier benefits that may be generated by these industries. Long term regional wealth and prosperity will be best assisted through the generation and retention of a diversity of services and products that concentrate multiplier benefits within the Western Region.	Ensure that the region achieves a degree of self-sufficiency in the production and delivery of a wide range of services and products. Ensure that the regional land use transport system is effectively structured to accommodate the activity centres, and employment precincts for the delivery of a diverse range of services and products to meet the needs of a large complex metropolitan region.	Proportion of regionally consumed services and products that are purchased in the Western Region. Proportion of the region's workforce engaged in commercial, education, health, hospitality and community services relative to metropolitan Melbourne.
Employment Land Provision	The optimal development of employment in the region needs to be supported through the staged provision of employment land, consistent with the activity centre and employment precinct requirements over the next 25 years and beyond.	Identify employment land requirements for industry, transport and services to meet the needs of the region over the next 25 years and beyond. Develop an employment land release strategy for the phased release of land that meet long term requirements and address strategic objectives for the region.	Identified and secured land supply for industrial, logistics and employment requirements for defined regional markets. The secured land supply should be for periods of not less than 15 years. The industrial, logistics and employment land supply provision should be defined net of requirements for grassland retention areas, creek and riverine areas and land likely to be required for other purposes.
Freight Transport System	A major function of industrial and employment areas is the movement of goods and services across the metropolitan area, to the Port of Melbourne, the airport and to regional and interstate markets. Freight traffic has grown differentially higher than either population or economic growth over the past decade, and these differential rates of growth will continue for the foreseeable future. Metropolitan freight movements and distribution will be optimally assisted through the development of three regional freight inter-modal hubs linked to the Port of Melbourne, generally located as follows: one in Melbourne's outer northern region; one in Melbourne's south-eastern region; one in Melbourne's Western Region.	Consistent with the requirements of the Victorian Freight and Logistics Council, identify potential locations for an inter-modal freight hub to be located in Melbourne's Western Region. The freight hub should be of no less than 100 hectares with access to the ARTC rail network and the arterial road network (taking account of the existing, approved and likely future networks). The location should provide for buffer distances of no less than 300 metres from the edge of the recommended freight hub location area to residential areas.	Agreed and secured location for an inter-modal freight hub for Melbourne's Western Region that meets the land requirements, locational and buffer requirements for this development. The location should be identified in the economic regional framework plan for the Western Region and referenced in regional and MSS policy statements.
Employment Transport System	The region requires an efficient and effective access system to meet journey to work and other access requirements. The access system will be comprised of arterial roads, together with rail and other public transport linkages and provide for: Iinkages between the region and central Melbourne; intra-regional linkages; Iinkages through the region to country Victoria. The current and future employment transport system must take account of the future likely population of the region, its spatial distribution, workforce and future employment areas.	Identify key priority and longer-term elements for western Melbourne's employment transport and access needs. Ensure that the provision and staging of these elements are sufficient to accommodate likely access needs of future populations and the regional workforce, together with the future demands of employment areas.	Agreed and adopted transport plan for Melbourne's Western Region, linked to a clear funding strategy. The transport plan should form an integral component of the regional economic framework plan and a necessary accompaniment for the future planning of settlement in the region to accommodate in excess of 850,000 people by 2031.
Utilities Infrastructure	The sustainable prosperity and planned growth of the region require the resolution of a long-term utilities infrastructure to support a regional population in excess of 850,000 people by 2031, and the identification of land requirements, linkages and modifications to the existing system.	Identify regional utilities infrastructure requirements to meet the needs of the region to 2031 and beyond. Identify reservations and linkages for long-term utility planning and regional requirements.	Agreed and adopted utilities infrastructure strategy for Melbourne's Western Region linked to a funding strategy. The infrastructure strategy should form an integral component of the regional economic framework plan and a necessary accompaniment for the future planning of settlement in the region to accommodate in excess of 850,000 people by 2031.

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and regional wellbeing will be assisted through the ng of an inclusive society with high regard to the region's sevolving social and cultural diversity.	Ensure that the planning of employment areas and activity centres pays full	
ng of an inclusive society with high regard to the region's	Ensure that the planning of employment areas and activity centres have full	
ng of an inclusive society with high regard to the region's	Ensure that the planning of employment areas and activity centres have full	
s evolving social and cultural diversity.	regard to the recognised society and culture of Melbourne's Western Region and its evolving ethnic and cultural diversity.	Extent to which employment areas and activity centres make sufficient provision for the needs of the region's culturally diverse populations.
evelopment of the region's social infrastructure, services and ncompassing:-	Ensure that the planning of employment areas and activity centres takes full account of the range of social infrastructure required to meet the needs of existing and future workforce, resident and visitor populations.	Extent to which planned employment areas and activity centres address the social infrastructure requirements of current and future workforce, resident and visitor populations.
ty and justice provision; ation activities;	Ensure that the social infrastructure requirements for employment areas and activity centres are appropriately staged consistent with the planned development of these areas, and that provision has been made for the funding and sustainable operation of the identified services and facilities.	
ole access opportunities to the region's current and future	Facilitate equitable access through the inter-linking of existing and future employment areas and activity centres to the current and planned Principal	Proportion of the region's current and future workforce and resident population within walking access to the PPTN.
ivity centres and significant places of education, nealth,	. , ,	Proportion of the region's employment areas and activity centres that are effectively accessible by foot or public transport.
	employment areas, activity centres and significant places of education, health, leisure and recreation.	Proportion of the region's health, education, community, recreational and leisure facilities that are effectively accessible by the region's current and future workforce and resident population, by foot or by public transport.
	Plan and promote the development of a diverse range of social, entertainment and recreational facilities and services to meet the current and future needs of the region's workforce and resident population.	The extent to which the region's current and future social, recreation and entertainment needs are met within the region.
	Plan and facilitate where possible the co-location of social, entertainment and recreational facilities and services, with significant employment areas and activity centres.	
	Plan and facilitate, where possible, the development of a diverse range of places and spaces for community focus and interaction, and to reflect the	The extent to which the region's current and future needs for community spaces and places will be met at any given point in time.
ng and development of employment areas and activity	resident population.	The extent to which the region's current and future needs for community and public spaces will be addressed at employment areas and activity centres.
	Plan and facilitate, where possible, the co-location of a diverse range of places and spaces for community focus and direction, with current and future employment areas and activity centres.	The extent to which the region's current and future public and community spaces and places are effectively maintained and kept up to date to meet changing community needs and standards.
other residential environments and supporting areas are	Plan and facilitate identified areas for future general and offensive industrial development, with clearly defined buffers separating these areas from existing and future residential areas.	Long term certainty for the planning and development of defined industrial areas (that is the extent to which designated industrial areas may be prejudiced through ineffective, inadequate or non-existent buffers).
sive industrial areas. This separation will also assist the	Identify suitable and compatible uses for industrial buffer areas that do not prejudice the long term planning and development of industrial areas, or the amenity and liveability of residential areas and other uses.	Recognised amenity and liveability of residential areas adjoining or adjacent to industrial areas.
eeriees 1 tkm treet 1	t and regional wellbeing will be assisted through the effective evelopment of the region's social infrastructure, services and encompassing:- re-school activities; stry and justice provision; station activities; services and facilities; If provision of the range of public space and amenity t, regional prosperity and wellbeing will be assisted through ble access opportunities to the region's current and future tivity centres and significant places of education, health, and wellbeing will be assisted through the provision of a runities that promote social interaction and minimise social and rise range of places and spaces for community focus and and development of employment areas and activity with a diverse range of places and spaces for community at and wellbeing will be assisted by ensuring that employment of the residential environments and supporting areas are eas of liveability and amenity. It and wellbeing will be assisted by ensuring that employment of the residential environments and supporting areas are eas of liveability and amenity. It and wellbeing will be assisted by ensuring that employment of the residential environments and supporting areas are eas of liveability and amenity. It will be assisted through the separation of residential areas is ive industrial areas. This separation will also assist the dimanagement of industrial areas.	account of the region's social infrastructure, services and account of the range of social infrastructure required to meet the needs of existing and future workforce, resident and has been made for the funding and sustainable operation of the identified services and facilities. Ensure that the social infrastructure requirements for employment areas and activity centres are appropriately staged consistent with the planned development of these areas, and that provine has been made for the funding and sustainable operation of the identified services and facilities. Facilitate equitable access through the inter-linking of existing and future employment areas and activity centres and significant places of education, health, leisure and recreation. Facilitate equitable access through the inter-linking of existing and future employment areas and activity centres to the current and planned Principal Public Transport Network (PPTN). Assist in the provision of equitable access through the colocation of employment areas, activity centres and significant places of education, health, leisure and recreational facilities and services to meet the current and future needs of the region's workforce and resident population. Plan and facilitate where possible the co-location of social, entertainment and recreational facilities and services to meet the current and future needs of the region's workforce and resident population. Plan and facilitate, where possible, the development of a diverse range of places and spaces for community focus and interaction, and to reflect the current and future needs of the region's workforce and resident population. Plan and facilitate, where possible, the development of a diverse range of places and spaces for community focus and interaction, and to reflect the current and future needs and characteristics of the region's workforce and resident population. Plan and facilitate where possible, the development of a diverse range of places and spaces for community focus and direction, with curren

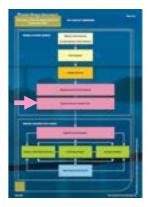
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MAJOR POLICY AREA	STRATEGIC PRINCIPLES	OBJECTIVES	INDICATOR MEASURES
ENVIRONMENTA	AL SUSTAINABILITY		
Environmental Quality	Environmental sustainability is fundamental for regional liveability. Long term liveability and net community benefit require that the environmental health of the region is maintained at recognised world standards.	Ensure that the environmental qualities of the region are maintained at recognised world standards.	Extent to which the region's environmental qualities meet world standards.
Areas of Significant Environmental Value	Environmental amenity and sustainability will be assisted through the identification, designation and reservation of areas of significant environmental value.	Ensure that the planning and development of employment areas and activity centres makes provision for the identification, designation and reservation of areas of environmental significance.	Extent to which the region's areas of environmental value have been identified, designated and protected for future generations.
Incorporation of Sustainability Principles and Practices	Environmental amenity and sustainability will be assisted through the adoption of sustainable principles and practices in land use transport planning and development.	Ensure that the planning and development of employment areas and activity centres incorporates world's best practice in the application of sustainable principles and practices in land use transport planning and implementation.	Extent to which the region's employment areas and activity centres have applied world's best practice in the application of sustainable principals and practices in land use transport planning and development.
Greening and Rehabilitation of Established Areas	Environmental amenity and sustainability, liveability and net community benefit will be assisted through the greening and rehabilitation of established employment areas, activity centres, residential and other areas.	Ensure that regional and municipal management and planning makes provision for the greening and rehabilitation of established employment areas and activity centres and of residential and other areas.	Extent to which the landscape and environmental amenity of the region's established employment areas, residential and other areas are improved over time.

4.9 REGIONAL ECONOMIC FRAMEWORK PLAN

The Regional Economic Framework Plan defines a regional spatial structure that will support economic diversification and ongoing prosperity. The Plan is structured upon several inter-dependent strategies:-

- Renascent land use, succession and change in the inner-region, achieved through:-
 - Major redevelopment projects residential and mixed use projects;
 - Investigation of identified isolated industrial areas for potential mixed use and redevelopment;



 Consolidation of activity centres and employment precincts to encourage comprehensive development areas that are accessible to the centres by foot or public transport.

These initiatives are proposed to provide an integrated coherent framework to facilitate the transformation of the inner western suburbs from mixed residential and industrial areas to high amenity, higher density, residential and services areas. They are directed to provide supportive environments for these activities and improved public transport networks and services and to reinforce the existing activity centres of the region.

- Facilitating a series of access improvements for the Western Region, including:-
 - A network of east-west and north-south road and public transport linkages that traverse existing and future employment and residential areas consistent with the recommendations of the Outer Western Suburbs Transport Strategy (OWSTS). These initiatives will significantly contribute to the improvement of intra-regional access in the western suburbs, important to residents, industry and other businesses.
 - The investigation and feasibility assessment of a potential commuter ferry link between Williamstown and Station Pier, connecting to the light rail line that runs to the Melbourne CBD. This initiative would provide improved public transport access between Williamstown and adjacent districts and the southern areas of the Central Melbourne region.
 - The investigation and feasibility assessment of a possible route for a potential outer-western ring road to meet the region's long term inter-regional access requirements. Melbourne's Western Region population is projected to grow by more than a quarter of a million people over the next 25 years and the west's population is likely to exceed 850,000 people by 2030. An outer western ring road should be considered as part of the long-term requirements for the region to maintain effective levels of access and reduce increasing stresses on existing major routes.

- Potential locations for inter-modal freight hubs and provision for upgrading rail freight access to the Port of Melbourne to meet the region's freight access and facilities requirements, consistent with the recommendations of the Victorian Freight and Logistics Council.
- A framework for the long-term development of the Werribee Technology Precinct as a world-class cluster of research, industry and lifestyle opportunities;
- Initiatives for the long-term development of the Toolern Employment Node as a high quality industry and business park linked to a new railway station, activity centre, health and education precinct;
- A framework and strategy for the Truganina/ Derrimut/ Ravenhall Industrial Area to meet a significant component of the region's industrial land requirements, through a land release strategy.
- The framework provides for new specialised activity centres (refer below) and the creation of an effective buffer to future approved and proposed residential areas, and principles for future road and rail access improvements;
- Opportunities for the development of specialised activity centres in industrial areas to meet requirements for transport and convenience services and provide locational options for trades and services to industry;
- A land release strategy to meet the region's industrial land requirements over the period 2001-2021. The recommended strategy will supply developable land to 2021, and maintain a notional 15-year strategic development land supply buffer;
- A principal regional activities cluster that is accessible by potential inter and intraregional public transport and road networks. This initiative has been proposed to develop a significant base of sustainable commercial, community and business services to support manufacturing and residents in the region. This will be achieved through the development of business parks that include research centres and a regional marketing centre focused on developing high value and new technology products and services.

The cluster will also provide a diversity of services to industry and a range of professional business and other services to meet district and regional needs. The proposed cluster will have a total land requirement in excess of 1,000 hectares. In order to facilitate the initiative, recommendations have been made in the Strategy that a Strategic Investigation Area (SIA) be established in close proximity to existing and planned industrial areas to ensure that an integral area of no less than 1,000 hectares should be comprehensively planned as a regional activities cluster. This initiative will make a major contribution to provide a sustainable industrial base for the region by linking industry, engineering and construction to the knowledge based economy through co-located research, education, marketing and networking centres, coupled with a suitable location for retail, business and social services for existing and future residential communities;



Existing Residential Areas

Existing Industrial Areas

Port of Melbourne

Isolated Industrial Land

Core Industrial Areas

Proposed Rail

Proposed Freight Hub

TABLE 4.2: REGIONAL PROJECTS FRAMEWORK

Regional Leadership

Regional Cooperation Forum --- Regional Visioning --- Regional Administrative Mechanisms

Development and Investment Facilitation

Public Private Partnerships raise the investment base for infrastructure and activity centre development

Development Contributions Plans provide leverage mechanisms for infrastructure and public amenity development

Industrial Land Renewal

Land use change for selected IN3Z and B3Z sites in the inner western region, and their incorporation in wider precinct planning

Large sites identified for their potential comprehensive redevelopment as high profile mixed use activities nodes

Industrial Land Supply & Demand

Demand for additional industrial land will continue into the foreseeable future and will necessitate industrial land provision

The Melton industrial land market operates independently from the rest of the region, ie surplus land in Melton will not necessarily be utilised by demand elsewhere in the region.

Potential industrial land is available at Truganina/ Derrimut/ Ravenhall, and should be undergo appropriate structure planning to ensure that it complements the broader regional objectives

Marketing & Monitoring

Regional industrial investment marketing agency to promote the region to industry, develop industry links and monitor the industrial investment market

Marketing program to promote regional industrial research and development activity

Activity centre marketing programs to promote individual activity centres and assess activity centre catchments, products and services demands, and linking

Environment & Amenity

Grasslands inventory to assess quantity of land to be reserved from development

Buffer zones policy to provide uniform guidelines for the location of a range of activities

Urban design guidelines should promote high standards of amenity for new industrial and employment land developments

Employment Precincts

Existing activity centres

- Footscray, Sunshine, Highpoint, Moonee Ponds, Werribee, Williamstown, Sydenham, Melton
- Altona, St Albans, Werribee Plaza

Major redevelopment sites

 Newport Railyard, Defence Site Maribyrnong, Essendon Airport, Solomon Heights, Hampstead Road, Blackshaws Road, Dunlop Site, Coles Myer and Reading Sites

Truganina/ Derrimut/ Ravenhall Industrial Area review site

 Structure planning for regional integration, accessibility, and contiguous compatible land use

Principal regional activities cluster

- Activity Centre (130ha)
- Associated conference, institutional, educational and research activities (260ha)
- Industrial land to form an economic base (1,200ha)
- Major public transport access routes
- Public recreation areas

Specialised trades centres

- Supporting trades industries
- Concentrating "out of centre" activities
- Servicing industrial/ trades precincts

Werribee technology precinct

- Research and industrial innovation precinct
- Biotech and medical research precinct
- Business and conferencing precinct and associated services
- Investment and development package

Toolern Employment Node

- Mixed use residential/ retail/ commercial/ industrial
- Links between Melton Township and the rail line

Education & Research

Regional qualifications assessment program to determine the demand for a range of qualifications throughout the labour force, both currently and in order to develop significant over-horizon industries

Establishment or adaptation of appropriate institutions to meet regional education and training requirements

Assessment of the research requirements of established industries

Assessment of the research requirements of over-horizon industries

Establishment of required research activities in the region

Industrial Innovation & Development

Determine appropriate sectors for industrial research

Establish research requirements for development of over-horizon industries

Encourage the development of industry clusters to provide mutually supportive lobbying, advocacy and economies of scale for associated services

Accessibility

Potential intermodal freight hubs at Rockbank and Laverton, and associated rail links

Freight capacity as an important driver of regional investment, however risk of adverse amenity impacts

North-south and east-west connections via Middle Rd, Boundary Rd, Doherty's Rd, Leakes Rd, Mt Derrimut Rd, Palmers Rd, Forsyth/ Christies Rd, Hopkins/ Derrimut Rd.

Improvements to Kings Rd, Taylors Rd, Main Rd, Furlong Rd

Upgrade to Paramount Rd-Ashley St

Bus routes providing a strong intra-regional public transport network

Timetabling for ease of legibility, efficient operation and convenient connections

Corridor reservations for future alignments, such as the Werribee-Sunshine rail link

Attractive and functional interfaces between public transport routes and activity centres

4.10 REGIONAL PROJECTS FRAMEWORK

The WREID Strategy is founded upon a series of employment land use projects and supporting initiatives, that respond to specific economic opportunities identified in local areas throughout the region. The region affords a large variation in economic land development opportunities, resulting from differing land availability, economic activity, accessibility, and other attributes.

The Regional Projects Framework delivers land development projects that apply to each of the economic sub-regions described in Section 4.2. In general, the projects address opportunities that are specific to each sub-region. The sub-regions and their corresponding projects are detailed below. Their spatial configuration is shown in Figure 4.2.

• Inner west activity centres precinct, incorporating Footscray, Highpoint, Moonee Ponds, Sunshine, and Williamstown. This area contains the retailing and commercial precincts of highest regional significance, and displays the potential to become a driver of regional economic growth and structural evolution. The ongoing process of land use evolution at numerous isolated industrial sites throughout this area poses a challenge in converting these sites to contemporary suitable uses.

The Strategy has addressed the needs of this area through the Inner Western Activity Centres Network Project, which seeks to reinforce links between these centres in order to create new areas of street-front retail and business activity (Refer to Section 4.10.2 Inner Western Activity Centres Network).

- North western suburbs precinct, extending from Keilor east through to Sydenham. Large potential redevelopment sites (ie Solomon Heights) and infrastructure improvements have been identified to facilitate growth in this precinct (Refer to Section 4.10.3 Major Land Use Renewal Projects).
- Hobsons Bay precinct, incorporating the residential areas of Williamstown and Altona. Redevelopment of specific large sites (ie Newport Railyards) has been identified as an economic development project for this area (Refer to Section 4.10.3 Major Land Use Renewal Projects).
- Melton township and Toolern Employment Node precinct. The full development of the Toolern Employment Node and proposed adjoining Toolern activity centre are anticipated to form the basis of significant economic and employment growth in Melton township. Mixed use development including residential, retail, commercial and industrial land uses are supported by the Toolern Employment Node project (Refer to Section 4.10.8 Toolern Employment Node).
- Werribee and the Werribee Technology Precinct. Full development of the Werribee Technology Precinct is identified as a project that will bring further employment and higher order services prospects to Werribee (Refer to Section 4.10.7 Werribee Technology Precinct).
- Truganina/ Derrimut/ Ravenhall Industrial Area and the West Industrial Node. Expansion of industrial activities at the West Industrial Node will provide ongoing economic and employment growth within the western region. The core expansion area for this Node is to its west, in what is described as the Truganina/ Derrimut/ Ravenhall Industrial Area.

Projects identified to assist in the sustainable economic development of this area include the Trades Activity Centres project, which proposes the development of clusters of non-offensive industrial and wholesale activities to support trades professions (Refer to Section 4.10.6 Trades Activity Centres).

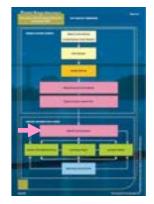
The Principal Activities Cluster is identified as a major employment and economic development project, of regional significance (Refer to Section 4.10.5 Principal Regional Activities Cluster Project). The Cluster will provide a new focal point for industrial and commercial activity in the region, combining the region's existing industrial and engineering skills with high accessibility and favourable site economics to deliver high value-adding industrial processes.

The Strategy envisages that the Cluster will include a range of activities that will support its development as a major centre for innovative industrial and technological development, such as market research for product development and distribution, legal and patenting services, major conference facilities. The location of the Cluster is yet to be determined.

4.10.1 Supporting Initiatives Strategic Principles

Regional Leadership

Regional leadership and the coordination of regional decision-making on economic, environmental, social and development planning issues is recognised as a key requirement for effectively enhancing regional prosperity. Regional leadership and governance, delivered through a forum recognised by all regional municipalities, is a key component of the Strategy. The establishment of a regional leadership forum will:-



- assist in the development of a common regional Vision, which forms the basis for regional strategic economic, land use and transport;
- provide a platform for regionally significant inter-municipal issues to be raised and addressed;
- provide the basis for a regional marketing program and the facilitation of investment in regional development.

Development and Investment Facilitation

Comprehensive regional development will be beyond the means or interest of public resources at municipal and State level, necessitating the development of new forms of financing for public infrastructure, and amenities. It is anticipated that public-private partnerships and other innovative investment arrangements will be an effective means of raising funds for a range of regional infrastructure and other development requirements that are beyond the means of public treasuries alone.

Industrial Land Renewal

A number of identified industrial sites within the inner area of the region are currently underutilised and are potentially well-suited to undergo significant land-use renewal and redevelopment, which will offer employment growth and activities intensification in the inner area consistent with the principles of *Melbourne 2030*. Factors that enhance the suitability of an individual site for comprehensive redevelopment are:-

- ownership and leasehold patterns that are conducive to site consolidation;
- large overall site area;
- site location relative to access and utilities infrastructure, and
- the nature of nearby land use activities.

Industrial Land Supply and Demand

Three key principles influence the regional industrial land supply and demand outlook:-

- The regional economy is heavily reliant on the continued supply of appropriately located and serviced industrial land. This supply must be maintained into the foreseeable future.
- Two distinct industrial land markets operate within the region one focussed in and around Melton town, and one operating throughout the balance of the region.
- Part of the identified industrial land investigation area at Truganina/ Derrimut/ Ravenhall will be required for industrial uses to 2031. The anticipated extent and location of this land should be determined as a priority, and alternative uses outlined for the balance of the Truganina/ Derrimut/ Ravenhall area.

Regional Marketing and Monitoring

Regional marketing initiatives will facilitate investment, foster positive perceptions of the region and encourage economic and land use transformation by:-

- creating a regional reference point for prospective investors;
- promoting a consistent and positive image of the region to its resident population and businesses, existing and potential markets and investors, and metropolitan Melbourne as a whole.

Local activity centre marketing initiatives will promote existing activity centres to dormant or potential catchments, define the character of existing centres, and encourage investment in centres over time.

The regional marketing package will require consistent monitoring and review of regional economic development, demographic trends including population forecasting, investment and industrial transformation, in order to emphasise regional strengths and opportunities, and to provide a framework for the ongoing identification and response to regional weaknesses and threats.

Environment and Amenity

Environmental assets and urban amenity are cornerstones of livable urban environments, and are instrumental in attracting innovative organisations and individuals to the region, through their contributions towards natural and cultural heritage, recreation focal points, neighbourhood and regional character, and ecological conservation.

Natural heritage features such as the regional waterways, remnant grasslands and other local ecosystems should be protected, managed and enhanced. The identification and demarcation of areas of environmental significance should be a regional development priority, in order to resolve potential land use conflicts and ensure the ongoing protection of regional ecological assets.

Urban development should maintain and enhance amenity, by ensuring that built forms, setbacks, and street plantings offer improvements to streetscapes and neighbourhoods. The path to economic development through ongoing improvements to the urban environment is indirect and gradual; however incremental and sustained improvements to the environment and amenity are necessary steps in improving perceptions of the region.

Education and Research

Development of a dynamic and innovative regional economy will stem from and create further demand for a highly skilled regional workforce. The required skills are anticipated to encompass:-

- Advanced technical and vocational skills:
- Engineering skills (e.g. research, production and process engineering);
- Research and development skills;

Creation of these skills within the region will encourage a specific range of innovative and research-oriented industrial activities to locate within the region, and serve as a basis for the transformation of existing regional industrial and manufacturing expertise, enterprises and infrastructure. Growth of innovation in the regional economy will create reciprocal demand for a pool of highly skilled labour within the region, in turn necessitating further development of advanced and specialised regional educational institutions.

Industrial transformation and the evolution of an innovative and sustainable regional industrial and manufacturing sector will require the corresponding development of effective research institutions. The fostering of strong links between industry and research is identified as a key component of the regional Strategy.

Educational opportunities are a significant factor in the choice of location for many households. In the case of managerial, entrepreneurial and senior professional workers this choice takes the full spectrum of educational facilities in to consideration, including State and private schools from primary to tertiary level. Thus the adequate provision of private schools within the region is a prerequisite of an increase in resident managerial workers, and should be encouraged by local and State planning policies.

Industrial innovation and development

The evolution of the regional industrial and manufacturing economy into a dynamic and innovative world class producer of over-horizon and high value-added commodities will have a transformative effect on regional economic prosperity, employment, educational opportunities and social diversity. Historic and projected employment and economic trends illustrate the significance of manufacturing and industry in the region, and the need for ongoing development of the industrial sector into a sustainable element of the regional economy.



FIGURE 4.3: NEW OVER-HORIZON INDUSTRY DEVELOPMENT

In the absence of industrial innovation and development, the region will face sub-optimal economic outcomes, and likely declines in jobs per population provision rates.

Figure 4.3 shows a conceptual diagram of the steps involved in bringing about the development of new over-horizon industry in the western region.

Accessibility

Freight and Logistics

The western region is currently recognised as serving a logistics handling function of metropolitan and state-wide significance. Further, the region has been identified by the Victorian Freight and Logistics Council as the preferred location of a future major intermodal freight handling facility. Existing regional competitive advantages in freight and logistics should be maintained in order that the region may capitalise on the flow-on effects of this logistics handling function, namely:-

- ease of access from regional enterprises to metropolitan, national and global markets;
- desirability of the region as a location for time critical manufacturing and processing operations;
- enhanced regional prominence in national and international trade.

In order for the benefits of growth in rail freight to be realised, adequate land reserves must be identified and maintained in order that infrastructure provision is not compromised by interim development.

Roads

Road based transport remains a premier mode of goods and commuter movement throughout the metropolitan area. The ongoing maintenance and enhancement of intra- and inter-regional road links is an important element of regional economic development. Principles for roads accessibility include:-

- the establishment and maintenance of effective links within the region will promote interaction between regional businesses and serve to develop reciprocal functions within an integrated, diverse and complex regional economy;
- a network structure that accommodates multiple route choices is desirable and less likely to cause system-wide delays in the event of localised traffic incidents;
- heavy traffic should be restricted or prevented from accessing routes through designated areas of high residential or urban amenity;
- high capacity routes to regional distribution markets will encourage the location of export-oriented industries within the region.

Public Transport

Public transport provides an effective and environmentally and land-use efficient means of transporting people throughout the urban system. Public transport is generally particularly well suited to urban land use patterns that are characterised by:-

- Areas of concentrated pedestrianised activity, such as the activity centre precincts proposed by the Strategy;
- Commuter catchments that encounter access bottlenecks, such as the Westgate Bridge, Footscray Road and the Calder Freeway as premier commuter access points between the western region and inner Melbourne;
- Areas of linear or corridor-oriented urban activity especially where there is a dependence on inner urban employment and services, such as the Melton and Wyndham corridors, which can be effectively served by well-operated trunk rail services and coordinated feeder buses.

Further, effective accessibility via public transport is a necessity for areas of low car ownership or below-average incomes, such as large sections of the middle and inner western region.

The provision of effective public transport throughout the region is a necessity to contribute to the resolution of enhanced urban amenity, road congestion, and broad-scale environmental considerations.

TABLE 4.3: PROJECTS AND INITIATIVES SUMMARY

Project/ Initiative	Key Elements	Regional Significance	Report Reference	Priority Actions
Regional Leadership	Establishment of a regional forum for decision- making and leadership on economic, environmental, social and development planning issues Involvement of a range of private sector and institutional "change agencies" in development and investment projects Regional economic development coordination Regional focus for industrial marketing and product development	High. Effective regional planning forum involving all regional Municipalities and providing a point of reference for regional development	Section 3.9.1 Supporting Initiatives Strategic Principles	Support the establishment of regional leadership initiatives such as Leadership For The West. Engage with other Municipalities to identify common goals and opportunities for regional cooperation.
Development and Investment Facilitation	Enable and encourage regional investment by packing investment projects so as to minimise investor risk Effective Developer Contributions policies that expedite and improve regional infrastructure The use of Public-Private Partnerships to fund regionally significant infrastructure and industry development projects	High. Localised development projects will cumulatively have a regional effect. The principal activities cluster and selected regional access projects are expected to be funded through PPP arrangements	Section 3.12 Investment Principles	Establish comprehensive development contribution guidelines
Industrial Land Supply and Demand	Industrial land releases at Truganina/ Derrimut/ Ravenhall and Melton (Toolern) Rezoning of selected isolated industrial areas in the inner west to other uses	High	Section 2.4 Land Supply and Demand Section 3.11 Land Release Program Section 4.2 Land Demand by Scenario	Prepare identified industrial land at Truganina/ Derrimut/ Ravenhall for release, including statutory, site master planning, site consolidation and ecological assessments. Assess priorities for rezoning of inner industrial sites, and commence site preparation and investment facilitation including feasibility studies, statutory amendments, site consolidation, site master planning, decontamination, and marketing.

Project/ Initiative	Key Elements	Regional Significance	Report Reference	Priority Actions
Marketing and Monitoring	Effective market research program to identify emerging global product markets Promotion of the region to industry, research and development investors Consistent regional branding Monitoring and review of the state of regional affairs as part of regional promotion program	High. The development of regional marketing and product development functions will contribute to the ongoing viability of regional industrial enterprise	Section 3.9.1 Supporting Initiatives Strategic Principles	Adopt a regional marketing policy and establish a regional marketing program
Environment and Amenity	Determine the extent of ecological reserves throughout the region, and in the proposed industrial and employment areas in particular. Policies for the consideration of urban amenity and buffer zones Enhancement of urban amenity and livability is a key consideration for attracting innovative industries and residents to the region	Medium. Grasslands and other ecological reserves will have significant local impacts. High. Improvements to regional amenity and livability will improve regional investment and attract an entrepreneurial workforce	Section 3.9.4 Truganina Industrial Area Section 3.10 Structure and Development Planning	Determine the extent of required ecological reserves at the Truganina/ Derrimut/ Ravenhall industrial area
Education & Research	Establishment of research and development institutions that operate in partnership with industry Technical training colleges that provide educational opportunities within the region to significantly upskill the regional workforce	High, over the long term.	Section 3.9.5 Principal Regional Activities Cluster	Establish partnerships with appropriate research, development and training institutions to gauge investment interest
Industrial Innovation and Development	Clusters of innovative industrial research activities integrated with existing and new manufacturing and process engineering enterprises	High. Significant broad and ongoing enhancements to regional employment capacity and diversity, and economic sustainability.	Section 3.9.1 Supporting Initiatives Strategic Principles	Establish partnerships with appropriate industrial and research enterprises, and facilitate investment and marketing of new industrial research projects.

Project/ Initiative	Key Elements	Regional Significance	Report Reference	Priority Actions
Accessibility (Freight, Roads, and Public Transport)	Establishment of one or more inter-modal freight handling facilities in the region Upgrade of rail-based freight capacity linking the region to the Port of Melbourne Upgrades to several north-south and east-west secondary roads throughout the region Construction of the Deer Park Bypass Transport corridor reservations for a future outer western ring road, and a rail line to serve residential development north of Werribee. Intensification of activity centres and development along principal access routes to enable effective public transport throughout the region Consistency of operation and utility of public transport throughout the region	High. Maintenance of the region's economic advantage as a premier freight handling location is a significant factor in regional investment and employment cultivation Intra-regional accessibility will enhance possibilities for economic relationships to develop within the region Public transport is viewed as a principal component of high amenity pedestrianised activity centres, and as a more ecologically and socially sensitive means of urban transport	Section 3.9.1 Supporting Initiatives Strategic Principles	Monitor the Victorian Freight and Logistics Councils determination of preferred locations for freight facilities, and promote the region as a potential location Establish priorities for roads upgrades and grade separations Create required road and rail corridor reservations to meet anticipated future requirements Establish effective public transport service protocols, standards and management arrangements required to support consistent and high quality public transport provision throughout the western region

4.10.2 Inner Western Activity Centres Network

Summary

Project Background

Activity centres in the inner western region are the optimal location for ongoing land use and economic revitalisation, delivering a diversified range of employment opportunities and services to the region. The Inner Western Activity Centres Network project will enhance the economic performance of a number of identified centres in the inner western region, thereby lifting regional employment provision and providing improved locations for business and personal services and other higher order economic activities.

Key Elements

Activity centres in the inner western region such as Footscray, Sunshine, Moonee Ponds, Highpoint, and Williamstown are well-suited to undergo a program of focused revitalisation and employment diversification. The principal objective is to develop higher intensity land use links between activity centres, in order to promote a network of activity throughout the inner western region. The desired intensification is proposed to be led by street-front retailing and business activities along designated streets connecting the principal activity centres. This will be delivered by:-

- promoting higher density residential and business activities along suitable transport corridors between existing activity centres;
- establishing an activities "reference area" as a focal point for activity centre development;
- improving public transport accessibility to activity centres:
- improving pedestrian amenity in and around activity centres;
- rezoning identified isolated industrial and associated land in the vicinity of activity centres to uses more conducive to high-amenity areas.

Other large activity centres such as Werribee, Sydenham and Melton are candidates for ongoing coordinated development plans.

Collectively, the activity centres of the inner western region have the potential to increase in significance as focal points as hubs of all kinds of urban activities. There is a clear potential for in-centre redevelopments and management programs to improve the economic, employment, and cultural profiles of these centres.

Recommended Actions

In order to fully promote the Activity Centres Networks Project, it is recommended that the relevant municipalities undertake an investment facilitation process for each of the identified centres.

A "feasibility and planning" phase will determine the level of interest for the Project from developers, business and community groups, and establish structure plans for major area redevelopments.

Statutory amendments for the full execution of the plans will follow.

Site consolidation will be undertaken or managed by the planning authority in order to ensure that sufficient appropriate land is available for development.

A tender process for major redevelopments will provide the required funding through a range of public-private partnership and developer contribution arrangements.

Project construction is the final stage of the development process. It is intended that construction be followed by an integrated site management plan.

ONGOING VIABILITY OF INDUSTRIAL AREAS WITHIN THE INNER URBAN AREA

The Strategy recognises the important role played by the region's inner suburban industrial areas. A number of former industrial areas have been redeveloped to other uses or are in a state of transition. It is important to emphasise that this is part of a historic process that has gathered pace over the past three decades.

There are three identifiable categories of industrial areas in the inner western suburbs:-

- Small, isolated, and sensitively located sites. This includes a number of sites that were not considered appropriate for ongoing industrial activity, given their impact on residential and environmental amenity. It was recommended that the future development of these areas be focused on mixed use outcomes, to included business, retail, commercial and residential development. It is important to note that the transformation of these sites to higher density residential and mixed use development is viewed as an important contribution to the long term social and economic transformation of the region.
- There are a number of strategic industries and key sites where future use patterns are not clear, but where outcomes lie well beyond the scope of this Strategy, eg the future of petrochemical refineries and installations.
- There is a category of significant older and active industrial sites in the inner and middle suburbs. Surveys undertaken for the Strategy indicated that these sites provide for a diversity of commercial, business, storage and industrial activities. The Strategy recognises the importance of these activities as ongoing sources of employment and business in the region.

The "market solution" for these areas in the past has been either to leave them in their current states of (dis)use, or to selectively redevelop preferred sites for higher order non-industrial uses. The Strategy recognises that there are inherent site economic, site ownership, and operational constraints that prevent the transformation of old industrial areas to high quality business and industry parks.

The strategic issue for these sites is to identify and achieve the best practical investment, industry and employment outcome for each site or precinct. This process will almost certainly need to be undertaken in large part or entirely by the private sector. The role of Councils and the State government will be to assist in the generation of innovative planning, development and investment options to attract private sector interest.

It is recommended that Business Plans be prepared for these areas, based on feasible and practical initiatives to maintain or improve business, land use and development outcomes. As a first initiative, it is recommended that pilot investment programs be undertaken for candidate sites/ precincts in each municipality. These should be focused on the resolution of site and location-specific issues, to identify the highest value and most sustainable business and industry outcomes for each site/ precinct.

Strategic Context

Melbourne 2030 provides a strategic framework for developing metropolitan Melbourne over the next 30 years. There are several important elements relevant to the economic development of Melbourne's west. These include:-

- The metropolitan strategy's focus on existing and future activity centres. These are recognised as important nodes of economic and social activity, and the concept of a network of activity centres is advanced;
- The strategy recognises the importance of services in economic development, and the need to provide attractive and diversified environments that are well-serviced by public transport to optimise opportunities for sustainable services development and investment;
- The Urban Growth Boundary (UGB) is an important dimension of *Melbourne 2030*. A clear priority of the strategy is for consolidating residential, commercial and other activities required for metropolitan Melbourne around public transport infrastructure and activity centres, consistent with the requirements of these activities.

A set of projects has been developed that focus on realising the Western Region activity centres' potentials, particularly those in the inner west, to more fully contribute to investment, liveability and employment development and diversification in the region.

This project is aimed to consolidate, extend and diversify the potentials offered by the inner west's existing activity centres, and to establish a network of business precincts and high density residential areas. It will create an integrated 'super-district' of established centres, business districts and diverse residential areas structured around public transport and open space networks linked to a range of health, education, research and other facilities.

Potential Regional Contribution

Certain activity centres in Melbourne's Western Region have recently, or are currently undergoing, significant investment, trade and employment growth and/or diversification. These include:-

- Highpoint,
- Sydenham,
- Moonee Ponds,
- Werribee Town Centre, and
- Werribee Plaza.

The region also has activity centres that, on the basis of recent and emerging trends, have limited employment, commercial investment and trade development prospects, yet occupy significant locations in the region and have unrealised potentials. These include:-

- Footscray,
- Sunshine,
- Williamstown, and
- Melton.

This project is focused to realise the significant potentials that Melbourne's inner west has for medium and high-density residential development and the creation of mixed-use business districts linked to public transport services and infrastructure through:-

- linking the growth centres of the region, particularly Highpoint, to the transit-based centres of Footscray and Sunshine;
- creating a 'super-district' of interlinked high-density residential precincts, business boulevards and mixed-use precincts, whilst retaining and reinforcing the activity centres as core precincts.

Activity centre investment and development frameworks are currently constrained by a limited view of activity centres, their potentials and relationships, and by a limited view of structure planning that does not extend through the investment and management process.

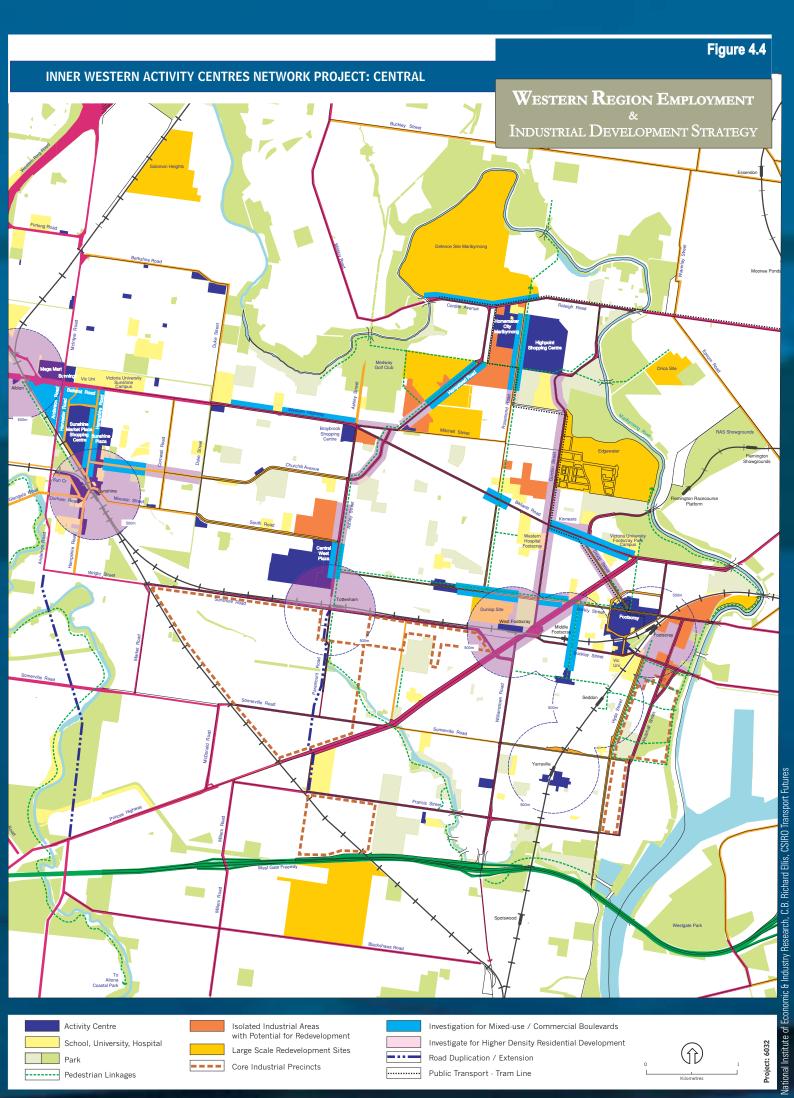
This Project seeks to adapt and extend the concept of Business Improvement Districts (BIDs) developed in North America and Western Europe to the inner-western suburbs. The concept seeks to utilise:-

- Potentials for higher value zoning to realise redevelopment opportunities;
- Market development pressures for public betterment;
- Potentials for new investments and identifying possible constraints limiting future investment;
- Potentials for Council/ private partnerships for redeveloping existing properties (e.g. on-grade car parks, other Council properties);

In summary, revitalising Melbourne's inner-western suburbs is based on the following principles:

- A diversified approach to place management extending beyond structure planning through to the investment, development and precinct management process;
- Joint public/ private master planning and shared investment responsibilities;
- Maintenance and security;
- Safety plans;
- Disabled access plans;
- Business recruitment and retention;
- Parking and transport management;
- Public space regulation (see also Appendix B, BIDS in Europe)

The BIDS concept asserts that activity centre investment and revitalisation programs should begin with a range of improvements to public amenity, accessibility, public safety, and general aesthetic quality of centres. Improvements to these activity centre attributes will encourage positive change in terms of business growth, residential growth, cultural activity, and street vibrancy. The Inner Western Activity Centres Network Project brings a number of elements of the BIDs concept to the region, as described in the following sub-sections.



Key Elements

Key elements of the Inner West Activity Centres Network project include:-

- A network of high-density, high-frequency and high-amenity public transport focused to interconnect the major activity centres within the region and beyond. The network should be focused on existing major and secondary roads, as shown in principle in Figure 4.4, Figure 4.5 and Figure 4.6;
- Establishing mixed-use commercial boulevards designed to extend to the public domain, professional and diversified business potentials generated by established regional shopping and bulky goods centres (e.g. Highpoint, Central West Plaza);
- Extending commercial boulevards along strategic routes linking the established regional and bulky goods centres to the inner west's transit-based activity centres at Footscray and Sunshine;
- Providing high-density residential strips along designated major public transport routes:
- Investigating a set of sites identified by the Study as being potentially suitable for higher-density, mixed-use and residential development. These sites are shown in Figure 4.4, and comprise industrial sites that are generally isolated from other major industrial areas.
- Surveys undertaken for the Study at selected industrial areas indicated that they tend
 to be used for a wide range of activities. The Study's view is that these sites will
 generate higher community benefits through mixed-use redevelopment than by
 retaining them as general industrial use sites;
- Extending and further developing a network of pedestrian and cycle-ways linking the inner west's activity centres new residential precincts and the proposed mixed-use commercial boulevards, together with the region's education, health and other resources, including major established recreational assets and the Maribyrnong River valley;
- Ensuring that road and public transport infrastructure reservations are delineated where required throughout the inner urban area, even where funding for actual infrastructure improvements is not immediately available in the short term.

In summary, the Inner West Activity Centres Network project seeks to provide a long-term framework for transforming this part of the region into a unified high-amenity district that is well-served and connected by public transport, and that provides a diversity of opportunities for residential living and commercial and business services development.

Recommended Actions

Feasibility/Planning Phase

Undertake a consultative review with development, business and public transport groups and other stakeholders to review the project's concept and intent, and to seek further ideas and input in order to refine and specify elements of the plan and options for joint public/private sector initiatives. Initial steps of this process are currently underway for principal activity centres and some major centres throughout the region.

Undertake structure plan/s for Inner West Activity Centres Network to incorporate investigation areas, public transport networks and pedestrian/ cycle-way systems, as indicated in Figure 4.4, Figure 4.5, and Figure 4.6. The structure plan/s should provide a long-term framework for transforming the inner west from an old industrial area with isolated activity centres to an integrated, highly-interactive residential and business district focused on public transport, high-density residential areas and mixed-used commercial boulevards.

Prepare an implementation and investment plan for the Inner West Activity Centre's Network project to:

- confirm location, scope and staging of sites and areas for redevelopment;
- define core activity centre precincts and intended place maintenance, investment and redevelopment strategies;
- define locations, scope and extent of high-density residential areas and mixed-use business/residential areas. Provide maintenance, investment and redevelopment strategies for these areas;
- establish a planning framework for infrastructure and development investment, and identify priorities for phasing and sites release. The phasing program should be oriented to favour consortia that provide strategies for effectively consolidating identified development areas.

Prepare management plan/s for the integrated place management of the activity centre core precincts, adjoining high-density residential and mixed-use commercial precincts and identified redevelopment sites. The management plan/s should encompass:

- marketing and area 'branding', incorporating business recruitment and retention
- security, safety and disabled access planning
- public space maintenance and management
- parking and transport management
- urban and landscape design and maintenance

The management plans should be phased to take over responsibilities for new precincts and strips as they are progressively developed.

Statutory Amendments

Prepare development overlay plans specifying the location, required form and extent of high-density residential areas and mixed-use business strips and precincts, including required relationships with public transport and pedestrian networks.

Prepare statutory amendments to facilitate redevelopment of sites and identified areas, consistent with the outcomes of the structure and feasibility planning in Phase 1.

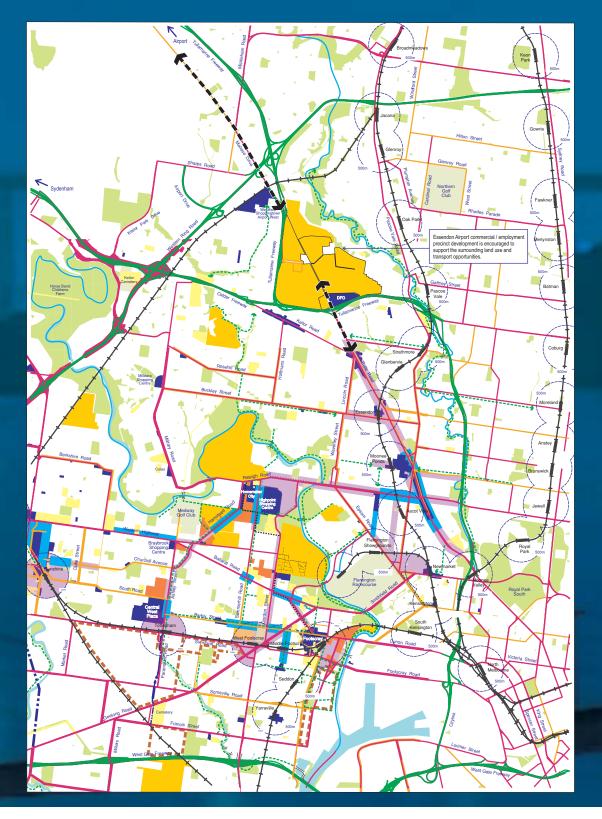
Consolidating and Preparing Sites

Implement site decontamination programs consistent with requirements identified in the planning and feasibility phase.

Prepare sites for redevelopment consistent with requirements identified in the planning and feasibility phase.

Western Region Employment &

Industrial Development Strateg



National Institute of Economic & Industry Research, C.B. Richard Ellis, CSIRO Transport Futures





Tender Process

The objective in the tender process phase is to ensure that the planning and investment framework identified for major development sites and precincts is achieved in the development process to the envisaged standard, and within an acceptable timetable. In this context, it is important that the formal tender documents fully incorporate required planning and design objectives and standards.

It is recommended that the participating Councils in the Inner West Activity Centres Network project investigate and review options for managing tender processes for developing major development sites and precincts. This may include:

- tendering Council properties for redevelopment
- joint management participation with Commonwealth or State agencies, depending on ownership interests (e.g. Defence Site Maribyrnong, Newport Railyard site)
- joint management participation with selected private consortia that may have participated in financing site consolidation programs.

Development Process

Implement development programs in accordance with requirements identified in the planning and statutory implementation phases.

Project Responsibilities

In the first instance, the responsibilities for activating and further developing and specifying the Inner Western Activity Centres Network project will rest with the participating Councils. It is emphasised that the Project's success will depend on the participation of the private sector and relevant Commonwealth and State agencies. However, the leading role of project generator and facilitator primarily rests with the participating Councils.

Project Success Factors

Factors to measure the success of the Inner Western Activity Centres Network project comprise the following:

<u>Investment</u>

Measurement factors include:

- annual investment trends in the project area by activity type (e.g. residential, retail, entertainment etc), categorised by development form (e.g. refurbishments, partial redevelopments, comprehensive redevelopments)
- annual investment trends in public open space and improvements

Public Transport Use

Measurement factors include:

- annual investment trends in public transport services and infrastructure in the project area
- annual ridership trends on public transport with categorisations for weekday and weekend patronage

- annual incident trends on public transport (recorded assaults, accidents)
- annual service level trends (e.g. frequency, capacity, reliability)

Housing

Measurement factors include:

 annual trends in housing unit approvals in the project area by type (e.g. townhouses, villas, apartments) and approvals in areas by usage type (e.g. residential precincts, mixed-use residential strips, activity centre areas)

Employment

Measurement factors include:

- annual or bi-annual surveys of employment by precinct and employment type in the project area
- CCD or transport zone analysis of employment by type in the project area at each successive census (i.e. 2006, 2011, 2016 etc)

Resident Satisfaction

Measurement factors include consumer satisfaction in the project area for an identified range of services, amenities and living conditions that may encompass:-

- changes in the availability and access of services (includes retail, professional, business, entertainment services)
- changes in access to education services and facilities
- housing quality
- perceptions of safety amenities and neighbourhood quality
- changes in access to employment opportunities
- changes in access to public open space and perceived safety of using space

Business Development and Trade

Measurement factors include:

- annual trends in the number of businesses in the project area by type and size
- collated published information on retail sales, at available centres
- estimated trends in retail sales based on in-home and in-centre surveys (triennial trends)





4.10.3 Major Land Use Renewal Projects

Summary

Project Background

Several large sites throughout the inner urban area of the western region are suitable for comprehensive redevelopment as mixed use and higher density residential areas. These sites will become areas of high quality urban design offering a location for employment, social, entertainment and residential activities.

Key elements

The Major Land Use Renewal Project involves the preparation of several identified development sites, and the encouragement of activities and transport links between these sites and existing activity centres. Land use renewal at these sites will provide additional high-value land to the region, and will result in a range of high-profile redevelopments.

Recommended Actions

Site preparation will require the development authority to undertake the following actions:-

- development feasibility assessment to establish the appropriate nature and scope of development;
- site contamination assessment;
- establish investor and private sector partnerships;
- site development planning, including public transport planning.

Strategic Context

Economic and land use evolution in the western region has resulted in a number of large industrial and public utilities sites becoming available for comprehensive redevelopment as mixed use employment areas. The strategic imperative to intensify activity within the existing urban area is supported by the proposed major land use renewal projects. Redevelopment of these sites will consolidate the existing urban form due to the following regional strategic elements:-

- the sites offer the possibility to incorporate diverse employment, business, services, and other activities and residential living environments within a dynamic mixed use precinct;
- the sites offer the potential to be linked to principal public transport routes and infrastructure;
- the sites are currently under-utilised and their redevelopment will intensify economic activity at each site;
- existing activity centres will be reinforced by the redevelopment of these sites and their incorporation in the emerging network of activities centres in the inner western region;
- the physical scale and site economics of the identified sites make them potentially attractive to investors and developers, following site planning and preparation by relevant authorities:

 several of the identified sites are under single ownership, thus removing the need for the relevant authorities to initiate land consolidation processes.

Potential Regional Contribution

Full redevelopment of the identified major land use renewal sites will result in a number of high quality mixed use developments that are significant focal points for regional economic and land use renewal. The insertion of significant mixed use precincts into the existing urban area will result in enhancements to the amenity, employment profile, and economic output of each area and the region. Land use renewal at major sites throughout the region will potentially influence regional economic development through a number of avenues:-

- development at identified large sites will spearhead an ongoing and broader cycle of land use evolution, leading to more effective land use activities and regional employment diversification;
- the identified sites will offer high quality master planned developments incorporating attractive urban design, good accessibility, and a complimentary range of land uses;
- the redevelopment projects offer the potential for direct jobs growth in a mix of services, business, retail and hospitality activities;
- full redevelopment of major project sites will raise perceptions of the region and potentially become a catalyst for further investment in the region, and the inner urban area in particular.

Key Elements

The major land use renewal projects are located at six sites in the inner urban area. A brief summary of the individual sites is presented below (Table 4.4).

The identified large sites present opportunities for redevelopment and land use change that are not readily available at smaller industrial sites or within existing activity centres. Redevelopment of smaller sites with multiple ownerships requires costly land consolidation initiatives and may involve lengthy compilation of land use history records for contamination assessments. The scale of development that is possible at large sites provides a sufficiently large catchment on-site for enhancing the provision of public transport and other utilities to the site and potentially its immediate surrounds.

Strategic location of the identified sites with respect to public transport and roads infrastructure, existing activity centres and recreational features such as waterways and large public open spaces is an important aspect of their relative attractiveness to investors and developers. The major land use renewal projects possess a range of strategic site attributes, prompting the future mix of land uses to vary between sites. Sites with high public transport accessibility and the potential to be actively linked to existing activity centres (eg Newport Gardens), are well suited for commercial services, retail, entertainment and high density residential uses.

The major redevelopment sites projects will bring new investment to the region and raise the profile of regional business, retail and residential clusters, and reinforce links between existing activity centres and the public transport network.

TABLE 4.4: MAJOR LAND USE RENEWAL PROJECTS

Project	Municipal ity	Current Zone	Description	Principal employment sectors
Essendon Airport	Moonee Valley	CA (Common- wealth Land)	The Essendon Airport site is to be redeveloped to incorporate approximately 500,000m² combined retail, commercial services, business and hospitality floorspace.	Metropolitan significance Commercial Services, Retail Trade
Coles Myer and Reading sites re- development	Moonee Valley	B1Z	Mixed retail, commercial, entertainment, accommodation developments	Sub-regional significance Commercial services, Retail Trade
Newport Railyards	Hobsons Bay	PUZ4 (Transport)	The well located and highly accessible site offers several large warehouses which may be suitably converted to retail, office or residential use.	Regional significance Commercial Services, Retail Trade
Blackshaws Road	Hobsons Bay	IN1Z	Future use of the site is subject to the current review of the Hobsons Bay Industrial Land Management Strategy. It is anticipated that the site will consist of residential, industrial and mixed use components.	Sub-regional significance Commercial Services, Retail Trade
Defence Site Maribyrnong	Maribyr- nong	CA	This large former munitions site (approx 130ha) is identified as having potential for residential and commercial development. The site contains sufficient land to accommodate up to 2,000 new dwellings and 2,000 jobs.	Regional significance Commercial Services
Hampstead Road	Maribyr- nong	IN3Z	Intensification and diversification of activities at the Hampstead Road site will reinforce links between the Highpoint and Central West precincts. The site will be predominantly residential, with a small mixed use component.	Regional significance Commercial Services, Retail Trade
Dunlop Site	Maribyr- nong	B3Z	Redevelopment at the former Dunlop site will reinforce the activities link along Barkly Street between the Footscray and Central West precincts.	Sub-regional significance Commercial Services, Retail Trade
Josephs Road	Maribyrn ong	SUZ	The Josephs Road site is located between Footscray centre and the Maribyrnong River, and is a potential forerunner of a series of riverfront redevelopments.	Sub-regional significance Commercial Services, Retail Trade
Bob Jane Industrial Site	Brimbank	IN3Z	Anticipated redevelopment of the Bob Jane Industrial Site will result in employment activities to complement the nearby Thunderdome/ Calder Park motorsport complex, and provide industrial activities to support retail and services growth at Sydenham/ Watergardens Transit City.	Regional significance Manufacturing, Transport and Storage, Wholesale Trade

Project	Municipal ity	Current Zone	Description	Principal employment sectors
Solomon Heights	Brimbank	IN3Z	Development at Solomon Heights will bring a new class of mixed-use precinct to Brimbank. The development will potentially be linked with Sunshine.	Sub-regional significance Commercial Services, Retail Trade

Recommended Actions (Project Tasks)

The full development of these project sites will require significant facilitation from the local authorities. Tasks to be undertaken by municipal authorities are, for each site:-

A range of development models will exist. Council will either undertake the master planning, and acquire developers for individual sites, or a consortia arrangement may be implemented, with a primary developer undertaking to master plan and sub-contract development of individual section.

Feasibility and Planning

- Undertake to assess the feasibility and nature of future development through consultation with current site owners, potential business and investor stakeholders, local community groups and public transport authorities.
- Assess the requirements of site decontamination and development preparation.
- Undertake a process to acquire developers, investors, and prospective business tenants for the site.
- Formulate comprehensive site development and use objectives in consultation with developer, investor and other stakeholders, and ensure that site master planning promotes the identified objectives.
- on-site buildings and services inventory,
- assess public transport provision to the site, and formulate plans to extend services to the levels required by anticipated future development,
- assess developer interest according to the identified site objectives,
- formulate a comprehensive site development plan incorporating developer feedback,
- engage developers to fulfil the site development objectives.

Project Responsibilities

The municipality should adopt the role of principle proponent for each of these developments. It will become the responsibility of the municipality to ensure that the above steps are carried out, and that ongoing development and investment is appropriate to the character and objectives of the site.

The municipal authority will adopt a development and investment facilitation role that will provide a common reference point for all stakeholders in the site and its future development and land use. This may involve coordination and interactions with developers, investors, public transport authorities, community groups, and any other stakeholders.

The municipal authority must ensure that the sites are developed according to the adopted site objectives, and that all development reinforces municipal strategic directions. The strategic development opportunities presented by the existence of these large sites must not be lost to the region.

Project Objectives and Success Factors

The potentials for regional investment and employment growth offered by the major site redevelopment projects will be more fully realised with the assistance of local authorities in preparing sites for redevelopment, obtaining investor interest, and facilitating the required statutory amendments. The principal objectives of the major site redevelopment initiatives are that the sites are developed in such a way as to:-

- generate investor interest in urban consolidation in the inner western region;
- generate diverse employment opportunities in the inner western region;
- deliver an optimal mix of commercial services, business, retail, hospitality, residential and other land use activities given the locational attributes and character of the site;
- reinforce the existing urban structure of the inner region, including links between existing activity centres and consolidation of existing activities precincts;
- support existing high-level public transport links or provide sufficient trip generators to prompt significant upgrades to low-level links;
- alter the land use profile of the inner western region by precipitating activities intensification at a series of large and generally under-utilised sites;

It is anticipated that the success with which these objectives are implemented will be determined as follows.

Investment

Measurement factors include:

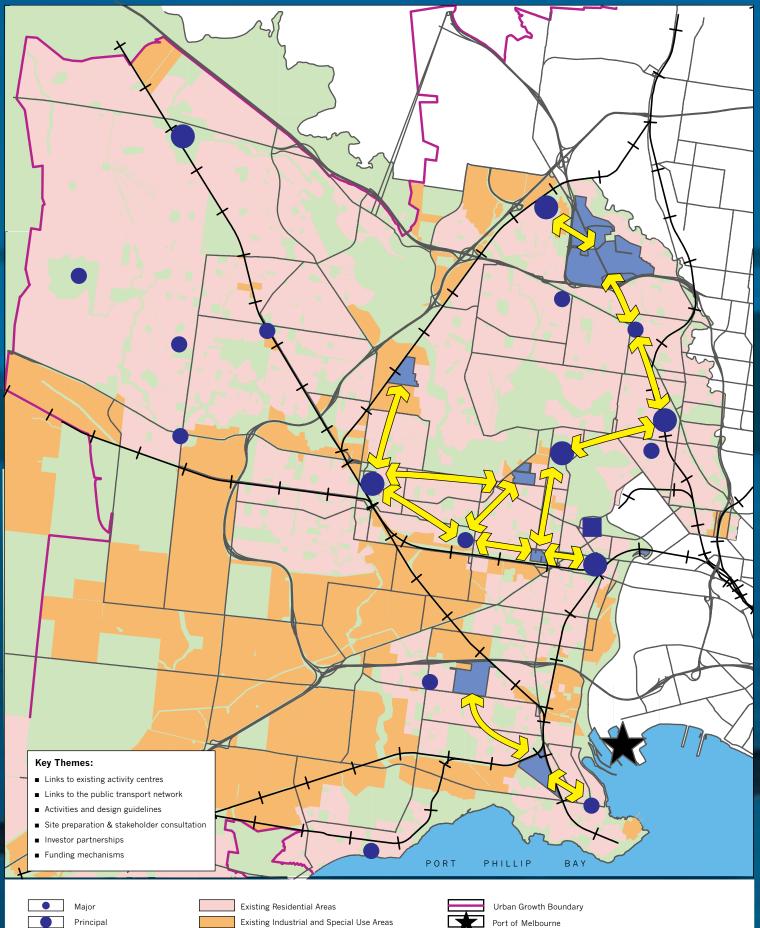
- Initial interest shown by potential investors in each major redevelopment site
- Annual investment trends at each site by activity type (e.g. residential, retail, commercial, entertainment etc)
- Development contributions raised from development at each site that may be reinvested in public infrastructure provision.

Public Transport

Measurement factors include:

- Annual surveys of public transport patronage for trips incorporating the project sites (volumes and as a proportion of all trips);
- Annual public transport service level trends (e.g. frequency, capacity, reliability);
- Annual incident trends on public transport (recorded passenger incidents, accidents);
- Annual investment in public transport services to the project sites.

Specialised



Major Mixed Use Projects

Housing

Measurement factors include dwelling approvals at each site by type (e.g. townhouse, single-purpose apartment, mixed-use apartment).

Employment

Measurement factors include:

 Annual or bi-annual surveys of employment at each site by type at successive census years (i.e. 2011, 2016, 2021 etc.)

Regional profile

Measurement factors include:

 Assessed regional marketing profile by survey of metropolitan real estate promotional material at successive census years

Business development and trade

Measurement factors include:

- Annual trends in the number of businesses in at each site type and size
- Collated published information on retail sales at each site
- Estimated trends in retail sales based on in-home and in-centre surveys (triennial trends)

4.10.4 Truganina/ Derrimut/ Ravenhall Industrial Area Project

Summary

Project Background

The Truganina/ Derrimut/ Ravenhall Industrial Area is a large area of predominantly rural land located centrally within the region, adjacent to the region's principal industrial land belt. The future regional requirements for industrial land will necessitate development of the Truganina/ Derrimut/ Ravenhall Industrial Area. The Truganina/ Derrimut/ Ravenhall Industrial Area Project will ensure that development of this land is consistent with a regional economic development Strategy and that it delivers sustainable employment opportunities for the region.

Key Elements

Optimal development of the Truganina/ Derrimut/ Ravenhall Industrial Area will involve several key elements:-

- establishment of a series of trades activity centres;
- light industrial areas that provide a buffer between residential areas adjacent to the Industrial Area and improve the amenity of the trades centres,
- very strong internal access links in the form of the existing grid road network;

- land that is not required for immediate development is to be reserved for a future high quality masterplanned development for industrial research and leading edge industrial activities;
- the possibility for large areas of land to be masterplanned as high quality industrial/ business park developments, with links to trades activity centres and future higher order services;

Recommended Actions

It is recommended that the responsible authorities prepare the identified parts of the Truganina/ Derrimut/ Ravenhall Industrial Area for immediate development as industrial and specialised activity centre uses, and reserve the areas identified for long-term development from any incremental development that does not form part of the development plan.

Preparation for short-term development will require:-

- identification of the extent of ecological and infrastructure reserves and other ongoing considerations for land development;
- ensure that development of the site can accommodate the future development of a major regional activities cluster at or adjacent to the site;
- establish land use and development guidelines for the site;
- facilitate marketing of the site to developers and investors;
- establish the location of trades activity centres, and undertake structure planning for their development;

Strategic Context

The western region economy is reliant upon industrial activities for employment and economic output. Current forms of industry in the region are typically land extensive and require buffer areas. The inner parts of the region are undergoing a process of land use change and succession that includes the closure of some older industries and the relocation of other activities to larger sites in new industrial estates further west.

Melbourne 2030 and the Urban Development Program have identified an industrial land reserve at Truganina/ Derrimut/ Ravenhall between the region's principal new industrial land district and the Urban Growth Boundary (UGB), to cater for future regional industrial land requirements. A number of development proposals are current for land adjacent to, or within, the Truganina/ Derrimut/ Ravenhall industrial area, (eg Boundary Road, Melton; Angliss Industrial Estate, Werribee and DB Industrial Estates, Wyndham; and Brimbank South Industrial area, Brimbank).

At December 2005, approximately 500ha of <u>zoned</u> industrial land is available for development in Truganina/ Derrimut/ Ravenhall, west of Mount Derrimut Road. However, at present rates of consumption, this zoned land would not meet the required demand. It will therefore need to be supplemented with land within the Truganina/ Derrimut/ Ravenhall area that is currently not zoned for urban use.

This Study has found that approximately **1,100ha will be required for industrial uses during the period to 2031** in the inner and middle western suburbs, in addition to existing vacant industrial zoned land, allowing for a 15-year rolling reserve. All of this demand will need to be accommodated in the Truganina/ Derrimut/ Ravenhall industrial area, an extensive reserve located between the existing and developing industrial areas at Derrimut and Laverton North and the UGB.

Approximately 910ha of future urban land (currently zoned Rural) is potentially available for rezoning to facilitate industrial development. However, it should be emphasised that this is a gross potential land supply estimate and has made no allowance for reductions for grasslands and other open space reserves, which would potentially result in a 10% reduction of land supply (reducing available land to 820ha). This assessment indicates that there are insufficient existing and potential industrial land reserves within the UGB to meet underlying base demands up to 2031 and allow for a 15-year rolling reserve. The analysis has found:-

- that approximately 620ha of additional industrial land will be required to be rezoned in the Truganina/ Derrimut/ Ravenhall industrial area to meet short and medium-term demands (2008-2021) and provide a 15-year rolling reserve. The Strategy recommends that a structure planning process commence in 2006 and be completed by 2007/08 and to be followed by a rezoning process, with a targeted completion for early 2009;
- that a further 290ha of industrial land will be required to be rezoned after 2021 to meet longer term demands (2021-2031) and maintain a rolling 15-year reserve. Current estimates indicate that there is not sufficient land within the Truganina/ Derrimut/ Ravenhall industrial area to meet all of these requirements. Therefore, investigations for future industrial land will need to commence in the short-term (2006-2008).
- The western half of the Truganina/ Derrimut/ Ravenhall industrial area and its extension west of the UGB, will need to be defined as a Strategic Investigation Area (SIA). Part of the requirements of the SIA will be to provide for additional industrial land to meet underlying base requirements for the 2021-2031 period that cannot be met in the Truganina/ Derrimut/ Ravenhall area;
- Additional land requirements should be investigated within the SIA to provide for a principal activities cluster, a project of metropolitan and state importance to provide an environment and infrastructure for a sustainable industry base in Melbourne's western region.

The Truganina/ Derrimut/ Ravenhall industrial area has been identified in earlier work undertaken as part of *Melbourne 2030*. The area has an excellent strategic location adjacent to the region's major industrial growth area, with the potential for substantially improved arterial road access and the provision of freight rail access to the district.

Activities Linkages

Industrial Development Sites Identified by Council

Activities and Trade Centres

Proposed Residential







Trade Clusters Interfaces

+I·H·I+ Railway Line Proposal



	Most Direct Option		
	Alternative Routes		
(Omits options that rely on creating a major new passenger route, further west.)			



Public Special Use Industrial 2 Zoned Land

Required Industrial Land to 2021



The demand and locational issues form the strategic context for the Truganina/ Derrimut/ Ravenhall Industrial Area Project. The district possesses clear strategic advantages that make it eminently suitable for logistics based industrial activities that are required to meet current, short and medium term demands, and to plan for the development of high quality business parks linked to trades centres and research centres and provide the first steps in achieving a sustainable industrial and employment base for the region.

Potential Regional Contribution

The Truganina/ Derrimut/ Ravenhall industrial area will make an important contribution to the Western Region's economic development and industrial transformation. The area has a critical role as the major district in the Western Region for future industrial development. It is required to meet immediate, short and medium term demands of the majority of the Western Region. The area will be required to provide for current and emerging logistics based industry land requirements, and future demands for industrial and business parks. These will be supported by proposed trades centres or specialised activity centres to accommodate businesses in trades servicing the manufacturing, engineering and construction industries and provide amenities and services for workers in the future industrial area.

In summary, the Truganina/ Derrimut/ Ravenhall industrial area will provide:-

- land to meet current emerging, short and medium-term industrial requirements that are principally focused on logistics based distribution and manufacturing activities;
- land and infrastructure for the region's future industry and business parks that will represent a new generation of industry development;
- strategic locations for new specialised activity trades centres that will service the industrial areas and be linked to business park developments. These centres will also provide locations for business, meeting and hospitality facilities and services (including convention and accommodation facilities) to meet the emerging and future needs of the district.

The vision for Truganina/ Derrimut/ Ravenhall is closely related and complementary to the proposed major regional activities cluster concept that is designed to take the region into a new level of industry sustainability. The regional significance of the Truganina/ Derrimut/ Ravenhall area in terms of employment and function requires that appropriate structure planning and development and investment management initiatives are undertaken, so as not to compromise the integrity of the area's economic and land use potential.

Key Elements

Key elements of the Truganina/ Derrimut/ Ravenhall Industrial Area Review Site project include:-

Accommodation of industrial activities within the Truganina/ Derrimut/ Ravenhall area, consistent with the directive of *Melbourne 2030* and regional industrial land requirements.

- Maintain and enhance the integrity of the existing grid road network. The grid road network is instrumental to transforming Truganina/ Derrimut/ Ravenhall into a highly inter-connected area. Road upgrades should be undertaken for all major grid-oriented roads. Development will be oriented so as to reinforce this grid road network. Reserves and funding arrangements for future major infrastructure (e.g. rail lines) should include the capacity for grade-separated crossings at all major roads.
- Formulation of development objectives for the site as a whole, with full consideration to the future requirements of industrial, logistics, research, education, business and other economic and land use elements of the western region.
- Formulation of comprehensive subdivision, development and land use guidelines for the area that support the identified overall and localised site development objectives.
- Adoption of the requirement to create two or more trades activity centres as focal points for a range of trades-related services such as wholesale trade, educational facilities, trades support services, and potentially trades association offices and related business activities. Structure planning for these centres should be undertaken to ensure that their establishment enhances the regional economy and local trades activities.
- Resolution of interface issues. The treatment of interfaces between industrial and residential land in the region, and around the remand centre and prisons located within the Truganina/ Derrimut/ Ravenhall area should be resolved. Interfaces should be aligned along major roads or other barriers, and softened by landscaping, tree planting, urban design guidelines and land use controls.
- Resolution of ecological reserve requirements. It is understood that an unknown quantity of land within the Truganina/ Derrimut/ Ravenhall area is ecologically sensitive and will be protected from development under the State Environment Act. Accurate determination of the extent and location of these areas, and their integration with development and land use objectives, is required prior to any release of land for development.

Given the significance of industrial activity in the western region, the objective of these controls should be to ensure that environments are created that offer high amenity and appeal to industries and business that provide a wider range of services and employment than is currently found within the region.

Recommended Actions (Project Tasks)

Recommended actions for the preparation of the Truganina/ Derrimut/ Ravenhall area for industrial development are:-

- Assess the extent of ecological reserves and other ongoing land use considerations.
- Resolve land use and development objectives for the site with regards to the requirement for a major regional activities cluster at or adjacent to the site.
- Formulate land use and development guidelines for the site, in line with the established land use and development objectives. Land use guidelines should extend to the designation of sub-areas for particular broad uses (e.g. logistics, manufacturing, wholesale trade, education).
- Establish procedures and or programs to market land at the site to developers, investors and appropriate potential tenants.

- Application of zones and overlays to support the adopted land use framework
- Designation of trades centres locations and structure planning principles and guidelines

Project Responsibilities

The Truganina/ Derrimut/ Ravenhall site area falls within the municipalities of Brimbank, Melton and Wyndham. The municipalities may need to coordinate the development of compatible and mutually reinforcing development plans. Investigation of the most suitable location for trades activity centres may reveal that access and amenity provision is best at locations which extend to areas within each of these three municipalities.

Subdivision and rezoning has begun to occur in portions of the site in all three municipalities. The largest area that is yet to undergo development planning is in Wyndham. In this area, it is anticipated that Council will take a leading role in establishing development objectives and monitoring the progress of activities growth. Thus far Wyndham has introduced interim development contributions requirements for roads and the proposed rail freight route in this area.

Project Objectives and Success Factors

Successful development of the Truganina/ Derrimut/ Ravenhall area will be determined by:-

- Adoption of development objectives and a development plan that upholds the principles of sustainable economic development, enhanced linkages within the area and to other parts of the region, establishment of clustered nodes of industry support activities, development of new industries that are innovation and research-led.
- The extent and form of land take-up within the area
- The adoption of development plans for the area, including designated activities promotion precincts and trades activities centres,
- Upgrades to identified sub-regional roads,
- Employment growth throughout the area, and industry sectors represented within the area.

4.10.5 Principal Regional Activities Cluster Project

Summary

Project Background

The Principal Regional Activities Cluster Project will provide a location for higher order services, business, educational, cultural and other activities not currently present in the region. The Activities Cluster will provide a location and land development basis for cooperation between innovation and research-oriented activities, and established logistics and manufacturing activities that are the foundation of the regional economy.

The Activities Cluster will draw upon the existing economic and structural strengths of the region and deliver diversified and specialised economic activities that will form the basis for sustainable regional economic development.

Key Elements

The Activities Cluster Project will allow a range of industrial and business activities to colocate in and be highly accessible to the regional catchment, thus providing a suitable location for mutually reinforcing regional-order activities.

The activities that will be established within the Activities Cluster are:-

- Industrial land to support industrial research activities and provide an economic foundation for the Cluster;
- Industrial research activities, with direct links to nearby industry and educational institutions;
- Educational institutions providing a range of tertiary training and research services and primary and secondary education;
- Legal services providing specialised support for industrial development such as patenting;
- Marketing services for global and domestic market research and product promotion;
- Business activities and services, initially with an industrial focus, and later diversifying to meet a range of regional business requirements;
- Conference and exhibition facilities to provide a premium location for trades shows and other events;
- Hospitality and accommodation to support business and recreational travel to the cluster, including requirements for large trades exhibitions;
- Sporting, cultural, and entertainment facilities to meet regional needs;
- Medium and higher-density housing to provide a primary retail and basic services catchment and promote an active street life within the Cluster;

The Cluster Project will incorporate the development of a high capacity regional public transport link, as well as a network of high-frequency bus routes to service intra-regional requirements.

Recommended Actions

Full development of the Cluster Project will require significant support from the responsible authorities, in particular the municipalities of Melton and Wyndham. The principal required actions for the Cluster Project are:-

- Master planning of the site to facilitate the optimal co-location of complementary activities and accessibility requirements;
- Land use guidelines to ensure that unsuitable land uses to not compromise the future development of the site;
- Statutory amendments to municipal planning schemes;
- Site consolidation where appropriate to ensure that sufficient appropriate land parcels are available at the scale required for the Project;
- Tendering process that effectively achieves private sector commitments to the success of the Project such as infrastructure development and high quality urban design;

A development phase that is anticipated to continue for 10 to 15 years.

Strategic Context

The regional economy is primarily supported by large-scale industrial activities, which are now undergoing a phase of relative employment decline. The services and retail oriented activity centres in the inner parts of the region are not providing sufficient employment growth to reverse the observed decline in regional jobs per 1,000 population. The region is under-serviced in a range of business and personal services, industrial research activities, and high end hospitality, conferencing, and trade show facilities. The introduction of these activities on a scale sufficiently large to precipitate significant regional employment growth and ongoing multiplier benefits will require large consolidated development areas with specific accessibility, amenity and locational attributes not found within the existing activity centres or elsewhere within the inner urban area.

It is thus proposed that the regional activities cluster be located upon undeveloped land that is central to the regional access structure, and lies at the periphery of the current urban area. The extent of activity that will be generated by the establishment of this centre will refocus regional services and activities into a mix of mutually reinforcing and complementary sites that are accessible to large areas of the region currently underserviced by employment opportunities.

Potential Regional Contribution

The proposed principal regional activities cluster will become a major regional centre offering high level services. The centre will be the preferred location for a range of activities that will lift the regional profile, increase regional employment provision, and provide an ongoing interface between research and industrial enterprises.

The proposed centre will make a range of contributions to regional prosperity:-

- road-based public transport links to the centre will be facilitated by its location on a grid network of suitable roads;
- a major additional public transport node and interchange;
- increased and diversified employment opportunities;
- a premier location for regional research-based industrial activities;
- a range of regional conference and trades convention facilities;
- recreation facilities and hospitality enterprises that enhance the cultural life of regional residents and visitors;
- arts facilities such as film production studios;
- a suitable location for other regionally significant activities.

Project: 6032

National Institute of Economic & Industry Research, C.B. Richard Ellis, CSIRO Transport Futures

Key Elements

The Regional Activities Cluster will comprise a diverse range of activities arranged around a central public transport based activities centre. In order to reach the critical mass of employment and other activities envisaged, the site selected for the Cluster will be required to feature the following elements:-

- land for a core activity centre area (130ha), consisting of retailing, entertainment, hospitality, business and personal services;
- land for supporting specialised mixed use area (250ha), consisting of conference and exhibition facilities, research facilities, educational and health facilities;
- land for supporting industrial areas (1,170ha), focussing on industrial activities linked to nearby complementary research activities;
- land for residential development to support and take advantage of the retail, entertainment, personal, education, health, transport and other services offered in the centre:
- strong access links to allow the efficient movement of freight and public transport to service the centre and supporting areas;
- large consolidated development sites offering site economics that will facilitate the establishment of appropriate activities;
- sufficient large areas free from amenity constraints created by proximity to major transport routes or offensive industrial activity.

The large land areas required for the full development of the Regional Activities Cluster is likely to require development beyond the current Urban Growth Boundary. The extent of this need will depend on the agreed location and context, and the degree to which any existing residential area and/ or activity centre may be harnessed as part of the project.

The Cluster project will have broad and significant impacts upon regional employment, economic and industrial development, accessibility and residential amenity. The combined improvements to regional liveability and economic sustainability will encourage further investment to the region. Principal regional benefits derived from the Activities Cluster project include:-

Employment. The proposed regional activities cluster will directly create approximately 30,000 new jobs for the region, significantly raising the regional jobs provision per 1,000 residents.

Resident-driven employment. High projected population growth rates in the growth corridors necessitate the creation of employment in the region. The intensification of existing activity centres and redevelopment of identified large sites (Scenarios 1 and 2) will not deliver employment that will adequately serve the growing regional population.

Retail employment. Retail services, employment and turnover are closely related to the populations served, and are thus largely a consequence of housing development. The proposed Cluster will contain higher order retailing activities that serve a regional catchment, thus providing a significant contribution to the economy and diversity of the Cluster.

Services employment creation. The proposed cluster will provide a suitable location for a range of high-level services not currently present within the region, such as legal services, financial services and creative industries.

Industrial research. The contribution of the new centre will be considerably enhanced if it provides an effective platform for industrial research. The centre will offer an interface between industry and research operations. The site attributes required for effective large scale research activities, and their productive interaction with equivalent industrial and manufacturing operations, will be available at the new centre. the centre will offer the required site economics for the co-location of commercial research, university-based research and industrial activities.

Facilities. The centre will offer a range of facilities not currently present within the region. For example conference and trades exhibition facilities need to be provided at the new centre. Business development facilities such as small-scale shared meeting rooms would be available. These have been found to be particularly useful to start-up businesses, which often have a high share of innovation-driven output.

Accessibility. New opportunities for access within the region will be created by the establishment of the proposed centre, due to its large and diverse array of functions, strong links to other parts of the region, and robust grid-oriented local road network. Local access in the immediate vicinity of the centre will be supported by multiple route options. The grid road network will make the provision of a network of road-based public transport routes easy to plan, manage and use. Structure planning for the Cluster should ensure that sufficient land is reserved for access routes to cater for long-term needs. This should include provision for in-centre access, adequate bypass routes, and trunk public transport access (ie a passenger rail corridor).

Residential. Medium density residential development will be provided for within and in the immediate vicinity of the centre. This residential growth will reduce pressure on more distant growth areas, which currently take on a high proportion of residential growth. Provision of medium density housing options within close proximity to public transport and retail/commercial activity centres is compatible with *Melbourne 2030* policy.

Thus the new centre will deliver a range of benefits to the region and will provide the region with a spatial focus that is not currently present, nor available to the same extent within the existing urban area.

It is anticipated that construction and establishment costs for infrastructure to serve the Cluster will be supported by Developer Contributions packages. Investment incentives schemes will also need to be considered, possibly employing models such as the approval of highly profitable elements of the centre (ie retail) conditional upon the provision of non-profit features such as parkland.

Recommended Actions (Project Tasks)

Full development of the Principal Regional Activities Cluster will require a 20-40 year phased development process. It is envisaged that the project will be managed by a principal municipal development authority. The development authority will be required to undertake the following actions:

Master planning. The industry-research-services interaction model proposed to underpin the economic feasibilty of the new centre require that appropriate and optimal interactions between key component economic sectors are facilitated by the spatial layout of the centre. This optimal interaction is best facilitated by high quality and comprehensive master planning of the site. Master planning should be undertaken and completed for the overall designated site, and for each local section as it is developed, to ensure that complementary activities are co-located, and that accessibility and urban amenity considerations are maintained.

Comprehensive planned development. The Clusters project is founded upon the principle that the site be developed as an integrated and interactive economic system. This requires that large sites are available for development for specific purposes, and that existing uses do not compromise the establishment of specific sensitive activities at the site. Thus, the Regional Activities Cluster Project requires that the entire proposed site area be reserved from any development until the required master planning, procurement of investor and developer interest, and definition of site objectives have been completed. The western region must not allow the opportunity for the development of a regional services and industrial development centre to be missed.

Statutory provisions. Statutory arrangements for the initial reservation of land for the new centre, adoption of development and investment objectives, and procurement of developer contracts are to be derived from existing statutory mechanisms. Suitable application of the Comprehensive Development Zone, and other standard industrial, business and mixed use zones and overlays can deliver the optimal zoning requirements for establishment of the centre, while preventing the development of activities which may compromise its optimal contribution to the regional economy. To further this objective, the site location should be clearly defined and all interim development at the site should be prevented or subjected to a detailed review.

Site consolidation & preparation. The site attributes required to accommodate the mix of uses and activities proposed for the new centre will almost certainly be found at a Greenfield location, thus reducing the potential for serious site contamination issues to arise. A considered and detailed approach to the land, access, development and statutory requirements of the project during the site planning and zoning phase will assist in efficient site preparation and development.

Tendering process. It is anticipated that the establishment of this centre will draw on private sector investment for a large proportion of overall development costs. Thus an effective tendering process may be essential to ensure that the site will be developed in accordance with the site development objectives.

Development. Development will need to be undertaken in stages and extend contiguously from the existing and proposed industrial areas at Truganina/ Derrimut/ Ravenhall, and other suitable urban nodes. Master planning will ensure that all reservations for future access and infrastructure corridors and facilities are provided for.

Project Responsibilities

The proposed centre is of regional significance. Its successful establishment will be to the benefit of all regional municipalities, and a range of regional non-governmental and business interests. The development site itself is anticipated to be in the municipalities of Wyndham and/ or Melton, and these municipalities will play a lead role in initiating planning and site development. However it may be appropriate for all regional municipalities to be involved in formulating site development objectives and statutory support for the centre as the principal regional services hub.

Project Objectives and Success Factors

The primary objective of the regional activities centre project is to develop a focal point for a wide range of services and activities required for the prosperity of a metropolitan region of approximately 850,000 residents (in 2031). The centre will be the preferred location for high-level financial, legal, business, retail, creative and personal services not currently offered within the region, and for the core retail service requirements for upwards of 60,000 people. Further, the centre will provide the setting for the co-location of specific complimentary research, education and training, industrial and services activities for the development of a dynamic and innovative industrial economy. The success of the major activity project will be determined by the quality of its conception, planning and construction, and the extent to which it serves its intended function as described above.

Measurable factors of success of the development and ongoing success of the Regional Activities Cluster project will be dependant upon the establishment of agreed site objectives, and will likely include:-

- the procurement of developer interest,
- the procurement of research organisation, university and industry interest,
- employment generated at the site,
- business establishment at the site,
- the ongoing regional prominence of the centre.

4.10.6 Trades Activity Centres

Project Background

The Trades Activity Centres project extends the metropolitan activity centres concept to areas of industrial and trades based activities, which are generally characterised by dispersed, low density employment. The project responds to three principal requirements of the region:-

- The significance of trades, construction and industrial sectors to the region, in terms of employment and revenue output;
- The proposed development of large areas of land for a range of industrial and construction activities, encompassing manufacturing, light industry, storage, and trades wholesalers;
- The need to appropriately locate a range of activities not well-suited to inner urban activity centres, such as trades supply stores.

In this context, the Trades Activity Centres project provides a spatial structure that recognises and supports the role of trades, construction and industrial sectors, in order that their future is addressed within an overall regional economic development framework. The current and projected significance of trades and industrial activities in the western region requires that their development is promoted as an integral part of the regional Strategy, and that they are not regarded as secondary activities in the region's economic development.

Key Elements

The Strategy envisages that Trades Activity Centres will be developed as integral parts of new and developing industrial areas, for example within the Truganina/ Derrimut/ Ravenhall area. These specialised activity centres will become the preferred location for a range of uses that are required within the industrial areas, and will benefit from co-location. The following activities are anticipated to be located within the Trades Activity Centres:-

- wholesale, non-offensive trades supply stores, such as plumbing, painting, and timber warehouse/ retailers, possibly incorporating a showroom component;
- offices, showrooms, meeting rooms and business services required by industrial and trades enterprises;
- daytime convenience food retailers, takeaway shops and restaurants, primarily servicing in-centre and surrounding daytime populations;
- uses that are not appropriate in urban activity centres, but that are well-suited to colocation with other activities.

The introduction of activities focal points into industrial areas will contribute to the optimal development of industrial areas and economic prosperity in the region.

Recommended Actions

The establishment of Trades Activity Centres in industrial areas in the western region will require the policy support of the State government and municipal Councils. In order to establish these centres, the Strategy recommends the following actions:-

- in-principle agreement on the utility of Trades Activity Centres in new and established industrial areas;
- preferred number and locations of Trades Activity Centres to be determined, in the context of future strategic planning in industrial areas;
- development requirements for the Trades Activity Centres to be incorporated into future structure planning documents;

Full establishment of the Trades Activity Centres will form part of the region's long-term strategic development.

4.10.7 Werribee Technology Precinct

Summary

Project Background

The Werribee Technology Precinct is a 600ha site identified as the preferred location for industrial research activities within Werribee, for development in the short to medium-term. The site is well located with respect to access and proximity to Werribee town centre, and a number of research activities currently exist on the site. Notwithstanding the existing development the site is currently underutilised, and the Project will advance development of the Werribee Technology Precinct to its full potential.

Key Elements

The strategic planning and development of the Werribee Technology Precinct will involve the following:-

- Formulation of planning and land use objectives for the site;
- Consultation with existing and potential developer and site occupant stakeholders to develop a full strategic evaluation of the site and its potential development and land uses;
- Assessment of the potential and likely role of the State Government in the development of the site;
- Resolution of an agreed strategic development and land use vision by the State Government, Wyndham Council and other stakeholders.

Recommended Actions

The Project will require the establishment of a body such as a Werribee Technology Precinct Development Board comprising all relevant stakeholders, to direct the project and site development.

Following the adoption of a preferred model for development, maintenance and management of the Precinct, a detailed project and work program should be adopted.

Strategic Context

The Werribee Technology Precinct comprises a 1,000ha site located on the Princes Freeway at Werribee. The site is located adjacent to the Hoppers Crossing railway station and within easy access of the Werribee town centre and railway station. The area has been designated as an agriculture and food technology precinct. The Precinct has metropolitan and state significance and is recognised in *Melbourne 2030* and previous strategic and industry planning.

A number of education, research, health and other activities have been developed at the precinct, including:-

- research and training facilities for the University of Melbourne and Victoria University;
- research laboratories and facilities operated by the Department of Primary Industries and CSIRO;
- the Veterinary Science Clinical Centre of the University of Melbourne;

- the Werribee Campus of Victoria University;
- Werribee Mercy Hospital;
- the Academy of Grain Technology;
- recreational and community facilities.

These facilities provide an important research and employment focus for Wyndham and the Western Region. However, the full investment and employment potential of the precinct has not been realised and there is a need for the project to be structured to advance the Precinct to its full potential.

Potential Regional Contribution

The Werribee Technology Precinct has a significant potential as an expanded research, training and technology precinct. It has the capacity and scope to provide a nationally significant high technology and research precinct and make a powerful contribution for the sustainable prosperity and development of the Western Region. The Precinct could serve as a major focus of high-level research and industrial development activities for agricultural and related sectors, including water conservation, bio-technology, and soil science and engineering.

The Precinct currently offers a significant regional contribution in the form of a range of research institutions, and employment of upwards of 1,000 people. Acceleration of development at the precinct will extend its existing contribution to include the following:-

- expansion and consolidation of some existing activities;
- diversification into a wider range of education, health, biotechnology and other research functions;
- incorporation of conference/ reception, visitor accommodation, dining and entertainment facilities to service the activities on and around the site;
- potentially, introduction of manufacturing onto suitable areas of the site, especially if associated with or adding to on-site research activity; and
- including a commercial office precinct, linked to the conference and related facilities, and close to the proposed Derrimut Station, or the existing Hoppers Crossing one, if possible.

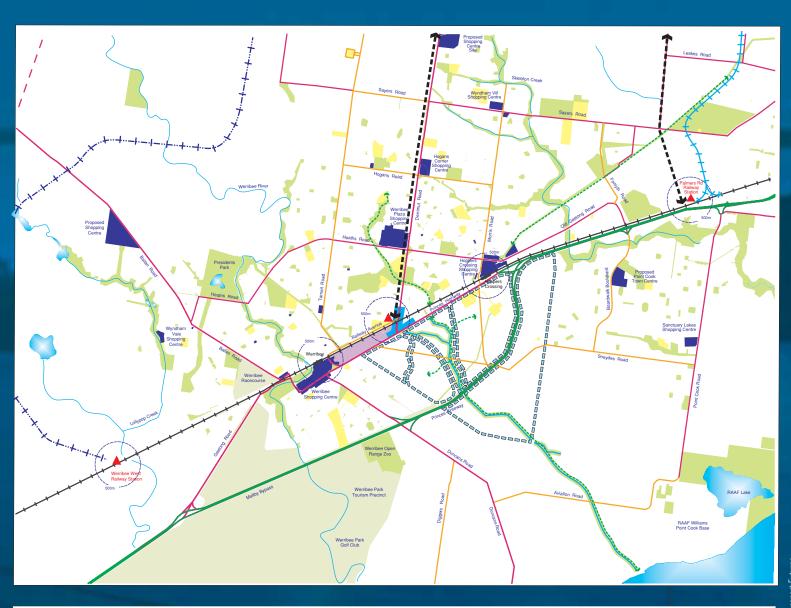
These elements would radically expand the Precinct's role as a regional contributor to education, research, business and employment growth in the region.

Key Elements

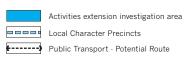
The strategic planning and development of the Werribee Technology Precinct should be formally linked to an investment and development program that accesses the nation's education, and institutional and private equity resources. Key elements of the project should encompass the following:-

- Formulation of broad activities and planning objectives for the full development of the Precinct, including:-
 - a community, research and economic vision for the Precinct;

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- a framework plan that provides guidelines and principles for the development of the Precinct:
- Establishment of an understanding of the financial and development opportunities, constraints and risks to realise the full potentials of the Precinct. This will need to be achieved in consultation with a wide cross-section of financial institutions and major development groups, in concert with existing and potential research, technology and manufacturing institutions and companies.
- Developing an understanding of the financial and land development options available to the Victorian Government for the full development of the Precinct. It is clear that the full development of the Precinct requires a major capital injection over a sustained period of time and that private sector participation would be required in some form. This should be determined by the Government in concert with Council and other stakeholders.
- Resolution of an agreed vision embraced by the Victorian Government, Wyndham Council and other stakeholders setting out strategic development and investment principles for the full development of the Precinct. It is important that the funding, investment, development, management and marketing requirements to achieve the full development and viable operation of the Precinct be recognised by all parties.

Resolution of the above issues forms part of work that is currently being undertaken to address the Precinct's future planning.

Recommended Actions (Project Tasks)

It is recommended that the Victorian Government and Council undertake the following actions:-

 Establishment of a Werribee Technology Precinct Development Board comprising representation from Council, the Victorian Government and other stakeholders and agencies as agreed.

The purpose of the Board would be to produce a vision for the full development of the Werribee Technology Precinct and a strategy for the effective funding of the development, project implementation and for the long-term management and marketing of the Precinct.

The Board will also be required to review optional models to realise the vision and undertake the strategy and to select a preferred model for submission to the Victorian Government and Council.

- Ensure that the Board has access to public or privately sourced funds required to upgrade key infrastructure and create a highly amenable environment comparable with leading technology and industrial/ business parks. The Board would need the ability to retain funds from sales and/ or leases to finance further stages of development, as long as is required for full development of the site;
- This is the first clear priority of actions that need to be undertaken, and within this first step a range of strategic planning, engineering and feasibility tasks will need to be undertaken.

It is recommended that, following the adoption of a preferred model for the development, maintenance and management of the Precinct, a detailed project and work program be developed.

Project Responsibilities

It is recommended that the formulation of a strategic, financial and development model for the Precinct be the joint responsibility of the Victorian Government and Council through a formal agreement that will establish the Werribee Technology Precinct Development Board. As indicated above, the Board should have representation from Council and the Victorian Government and other key agencies, companies and institutions as agreed.

The Board's proposed role is set out above.

Project Success Factors

Success factors for the project include the following:-

- Agreement between the Victorian Government, Council and other stakeholders on a vision and development model for the full development of the Precinct as a premium technology research and education centre with a full range of ancillary facilities that would be required to enable the Precinct be recognised and effectively function as part of the international network of world-class facilities;
- Selection of a preferred investment/ development/ management consortium/ consortia to undertake the project or its key components;
- Completion and sign-off of strategic planning and the full range of economic, engineering and environmental assessments for the development of the Precinct;
- Release of approved master plans and investment plans for the site;
- Progressive development of the Precinct;
- Progressive occupancy of completed facilities by new tenants;
- On-site construction employment statistics;
- Progressive on-site permanent employment by major employment category;
- Annual trends in infrastructure and facilities investment;
- Annual trends in patents developed and value of research at the Precinct.

4.10.8 Toolern Employment Node

Strategic Context

The Toolern Employment Node project seeks to capitalise on the potential strengths of Melton township, while at the same time addressing a number of strategic economic and residential development challenges. The Project will consist of initiatives that will improve the economic and structural integrity of Melton township, leading to greater employment diversity, more sustainable urban form, and new high quality residential and commercial development.

The specific improvements to Melton's economy and spatial structure anticipated to result from the Toolern project are the following:-

 More jobs will be provided within Melton township, resulting in less commuting and employment exports to the inner western region and inner Melbourne;

- The Toolern site will provide an active urban link between the Ballarat rail line and Melton town centre:
- The introduction of business employment to the site will result in more diversified employment in Melton township;
- A large proportion of the residential growth anticipated for Melton township will be absorbed within Toolern, in high quality and medium density developments that are supported in *Melbourne 2030* policy;
- Development of high quality transit-oriented residential and commercial projects at Toolern will improve the overall image of Melton township as an attractive place to live and work.

Potential Regional Contribution

Diverse local and accessible employment opportunities for Melton Township.

The following regional benefits are expected to result from the Toolern Employment Node project:-

- Reduced inbound commuting from Melton township, which currently places pressure on roads infrastructure at Deer Park and in the inner western region;
- A more sustainable economic outlook for Melton, bringing additional revenue and reinvesting existing revenue in the town;
- The introduction of further social diversity into Melton township, including aspirant groups with higher socio-economic profiles, seeking high quality urban development.

Key Elements

The Toolern precinct has been identified as a strategic location for a number of larger scale employment generating uses. Currently, the site is predominantly occupied by manufacturing and industrial activities. The Project will expand the scope of activities at the precinct to include institutional uses (medical, educational, community), manufacturing expansion, a range of business services, equine related industries, an activity centre, and higher density residential development.

The strategic basis for the Toolern activity centre and employment precinct development is to provide an activities link between the Ballarat rail line at Melton, and Melton Township activity centre.

Recommended Actions (Project Tasks)

Melton Shire Council is currently formulating a structure plan for the Toolern Employment Node, which will establish development and land use guidelines. This structure planning process is necessary to ensure that development at Toolern is congruent with municipal economic and land development objectives.

In order that the Toolern Employment Node may reach its full potential as an employment and activities focal point, the support of Melton Council will be required in the form of the following:-

- Ongoing support for the structure planning process;
- Investment in infrastructure and further consolidation of land;

Active marketing of land development packages to potential investors;

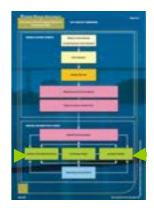
Project Success Factors

Successful development of the Toolern Employment Node will result in the following:-

- Employment growth in Toolern township, including increased employment diversity;
- Improved image for Melton township as an attractive place to live and work;
- Increased investment in Melton township.

4.11 STRUCTURE AND DEVELOPMENT PLANNING GUIDELINES

The Regional Economic Policy Framework and the Regional Economic Framework Plan will be implemented by Structure and Development Planning, an industrial Land Release Program, and Investment Principles for urban renewal.



A significant component of investment into the regional economy is anticipated to be in the form of "employment nodes", ie industrial estates, consolidated mixed-use precincts, or business parks. Consistent and high-quality structure planning of employment nodes will improve their functionality as regional employment generators, and raise the standard of urban design within them. This in turn will improve the attractiveness of western region employment node developments to investors currently underrepresented in the region by providing a land development "product" of high aesthetic standards and improved functionality as employment and research-oriented industrial activity nodes.

Sites identified as requiring extensive structure planning to optimise their development include:-

- Essendon Airport;
- proposed Industrial land at Truganina/ Derrimut/ Ravenhall;
- the proposed Principal Regional Activities Cluster;
- Newport Gardens Railyards;
- the Blackshaws Road Site:
- Toolern Employment Node;
- Werribee Technology Precinct.

Each of these sites should be developed in accordance with the Regional Economic Framework Plan.

Industrial estates and consolidated employment park developments are anticipated to be a significant driver of employment and private investment in the Western Region. A number of industrial estate developments are found in the west, for example the North Sunshine Industrial Estate, Gilbertsons Industrial Estate, Deutsche Estate, Translink, and Westpark. These "employment parks" of the west are predominantly industrial or logistics based, and do not hold significant amounts of services or office floor space, as seen in selected employment parks in Melbourne's east or southeast. Structure planning and development guidelines that raise the functional and aesthetic standards of employment parks in the west will contribute to improving the perceptions of the west, and increase local employment within the region.

Selected examples of high quality employment node structure plans from within the Melbourne metropolitan area are:-

- Cooper Street Employment Area (City of Whittlesea, 2004)
- West Park Industrial Estate Design Guidelines (City of Brimbank, 2004)
- North Sunshine Industrial Estate Development Guidelines (City of Brimbank, 2001)

Industrial estate developments should have a strategic justification congruent to the strategic plan for the region defined in the Strategy. The type of employment that is intended for the site will influence all levels of site planning and design. The selected primary use for the site, eg manufacturing/ logistics or increased services sector activities should form part of a strategic plan for employment in the region. It is understood that initially, new employment nodes will primarily host industrial activities. However employment nodes should allow for and encourage increased services sector activities where appropriate and in response to demand. Employment nodes should be located so as to reinforce the recommended regional access network structure and land-use patterns.

Buffer distance requirements and the location of existing uses within the region dictate that certain sections of available development land will best serve the regional strategic plan if they are reserved for specific uses.

Industrial and business park developments that are accompanied by comprehensive and high-quality structure and development plans will attract higher quality investment and result in optimal regional benefits from industrial and other lower density employment developments.

4.12 LAND RELEASE PROGRAM

The Land Release Program responds to the industrial land requirements identified in Section 2.4 (Land Supply, p.35). Current western region industrial land supply is 1,767ha (2005). Industrial land demand for the period to 2021 is 2,336ha, including provision for a 15-year demand buffer, indicating a 569ha deficit for this period. The presence of two distinct land markets in the region will exacerbate the industrial land supply deficit in the inner/ middle western region land market, resulting in an effective supply deficit of 709ha 2021.

In order to maintain sufficient industrial land supply, all available industrial land should be released for development as soon as possible.

The two principal industrial land sites are:-

the designated DSE industrial land at Truganina/ Derrimut/ Ravenhall; and

land at the Toolern Employment Node.

Ongoing economic activity in the region requires a supply of land for occupation and development for a range of industrial and consumer-oriented uses. Strategic management of land supply may be directed to ensure that economic growth is sustained and ultimately stimulated. Factors such as accessibility, proximity to reciprocal activities, the size of land parcels released, and economic trends determine the desirability of land. This section sets out principals for land supply and demand, a quantified analysis of land supply and demand in the region, and recommendations for ongoing supply of appropriate economic land.

4.12.1 Land Demand

Ongoing economic growth in the region requires a supply of land that is suitable for development and supports subsequent economic activity. The manufacturing and storage sectors are of particular importance to the western region economy, and have grown in the west in response to the availability of well-located and suitable land. The competitive advantage in these sectors currently enjoyed by the west relies on the continued supply of land.

Land demand in the region is dependent upon the requirements for ongoing economic growth identified by the Strategy. Economic growth objectives for the region determine the type and quantity of land that is required. Thus, quantitative land demand has been derived from economic trend forecasting.

Economic land demand is influenced by local factors of site location and accessibility, and off-site conditions such as infrastructure provision, labour force, and product distribution markets. Thus land throughout the region does not experience uniform demand. The suitability of land for economic activity is evaluated against these criteria by a process of market preference, and development moves to the most suitable land available, including land external to the region. As land prices rise, it is not guaranteed that development will continue within the region. Rather, development and investment may move out of the region. By implication, land demand within the region as a whole may peak before all land has been occupied or used to maximal efficiency. For example, areas such as Dandenong, Sunbury and the northern region may provide more attractive sites for manufacturing uses than sites within the West, should restricted land supply drive prices beyond acceptable thresholds.

A pragmatic response to market demand for economic land is necessary for the region to maintain its appeal as an attractor of economic activity.

Marked differences exist between industrial and activity centre land requirements. Activity centres tend to dynamically expand in response to or in order to facilitate economic growth. An ongoing process of subdivision and land use intensification in the areas surrounding activity centres maintains an activities core, while increasing land values displace unviable land uses.

Industrial development is characterised by its continual requirement for new sites, generally of a large area, low price and peripheral location. This combination of land criteria makes greenfield sites particularly suited to industrial development.

Therefore, economic growth objectives for the industrial-type sectors require large land reserves to be identified and made available as required, and the regeneration of existing activity centres does generally not rely on the supply of greenfield land.

4.12.2 Land supply

Provision of land for development and economic use is a precondition for the ongoing economic prosperity of the region. The regional supply of land with the potential for development is finite, and is constrained by:-

- The regulatory framework;
- existing land uses;
- land reservations:
- natural features;
- accessibility; and
- infrastructure servicing requirements.

Calculations of available land should state how much land is available, by development or use type, and under what economic conditions. Sensitive land such as grasslands and land within designated buffer distances to sensitive uses should be excluded from calculations. Development of a land parcel depends upon certain economic conditions so that although land may not be used for any other purpose, it will not necessarily become developed and used with an acceptable return within the current economic climate. The suitability of a land parcel for future economic activity is determined through evaluation of the full range of considerations.

Thus the quantum of unoccupied land in the region forms the upper limit of the effective regional land supply.

4.12.3 Purpose

The purpose of calculating and anticipating land demand and supply into the future is so that land may be set aside for specific uses. Future economic growth will require land, which should be reserved for the purpose of ensuring that the region's economic future is not compromised by unsuitable land development.

To this end, it is envisaged that a 15-year rolling supply should be identified in order to:-

- cater for the economic growth projected for the period;
- promote regional prosperity above projected growth levels; and
- maintain sufficient reserves for future needs.

The rolling supply requirement will necessitate further study when it is deemed that a 15-year land supply remains. Future economic growth will create demand for land. Given the finite availability of the land resource, growth will inevitably increase the value of land. However, high land prices are an inhibitor of economic growth, requiring the maintenance of sufficient supply resources to control land prices.

4.12.4 Market indicators

Several developers have acquired large tracts of land in the Region since the UGB was instated, increasing the market value of developable land. This is an indicator of the developer's reasoning that land supply is limited in the immediate future, considering current population and economic growth projections. Proper land demand analysis is thus required to ensure that ongoing land releases will encourage and facilitate the most appropriate use of land in the future.

Supply and demand inhibitors

Notable inhibitors that restrict the extent of land available for development in the region are:

- The Urban Growth Boundary has determined a finite geographical extent for land that may be rezoned for employment purposes.
- Existing uses may limit the extent of land that is available for development. Uses that have an adverse amenity impact potential will be restricted from locating in areas proximate to existing sensitive uses. Land supply and availability estimates for the region should factor in the adequate separation of uses.
- Services and infrastructure provision will cause land take-up to occur unevenly throughout the region and the metropolitan system. Differences in the market value of land, and its desirability for specific uses, will arise because of the location of the land in relation to access, services, labour markets, supply and distribution chains, proximate land uses, and infrastructure provision.
- Market conditions and the metropolitan economy will influence the land take-up process. In order that the region may continue to attract investment, recognition and enhancement of the specific conditions that make land desirable for development and investment is necessary. In the absence of ongoing response to market conditions, land take-up within the region will be slowed, will be restricted to low-value uses, or will simply relocate to other areas in the metropolitan system.
- Environmentally significant areas and open space provision requirements reduce the gross amount of land available for development. Calculations of net developable land area should not include land required important community assets such as the Wyndham and Melton grasslands.

4.12.5 Land Release Requirements by Development Scenario

Land demand projections for Scenario's 2, 3 and 4 were calculated by summing the total land required to complete the development projects identified under each of the scenarios. Thus the scenarios require the release of land additional to the base case, in order to raise the jobs per 1,000 resident population ratio to levels closer to the metropolitan average.

Western Region Land Supply and Demand show the total land demand and supply by SLA for each of the development scenarios. The recommended land release requirements for the western region, by development scenario, are discussed below.

Scenario 1

Land available to the region as a whole for industrial development will satisfy demand for base case employment projections.

Regional industrial land demand is projected to decline over time, corresponding with the projected decline in industrial sector employment in the region. In particular Brimbank - Keilor and Sunshine, Hobsons Bay - Altona, Wyndham - North are projected to experience significant demand reductions. Wyndham - West is the only SLA projected to require a significantly increased quantity of industrial land during the period. The SLAs with the highest absolute demand over this period are Wyndham - West (368ha) and North (343ha), and Brimbank - Keilor (292ha) and Sunshine (132ha). The total amount of land throughout the region required to sustain projected industrial sector jobs growth to 2031 is 1,513ha.

Calculations of total vacant industrial land throughout the region available under Scenario 1 assumptions yield 1,548ha, with an additional 1,370ha that may potentially be rezoned for industrial use. The SLAs with the largest land supply are Wyndham - North (1571ha), Melton - East (495ha) and Balance (274ha), and Brimbank - Sunshine (280ha).

As has been noted above, a regional demand/ supply *does not* imply that all vacant land will undergo development within the given timeframe. Demand may shift around the regional or be drawn out of the region, depending on competing land attributes.

Scenario 2

Scenario 2 land demand is calculated from the expected land areas needed to complete the identified development projects. Further to the requirements of Scenario 1, 1,100ha of industrial land, and 554ha of activity centre land, are required to complete the development projects identified in Scenario 2. The activity centre land is required for Greenfield activity centres and local shops, and mixed use redevelopments within the urban area.

There is sufficient vacant land within the UGB to satisfy the land requirements identified in Scenario 2. Development of the 1,370ha available in Wyndham - North and Melton - East is anticipated to have begun during the development of the Scenario 2 projects.

Scenario 3

Scenario 3 involves the release of 132ha activity centre, 1,170ha industrial, and 255ha "other" land, outside the Urban Growth Boundary. In addition, land for residential development would be released to support the commercial land uses. It is recommended that a system of dynamic response to demand for this land be implemented. Development of the region should be planned, staged and monitored in order to ensure that steps are in place to investigate the future land requirements of the region when cumulative land supply for all scenarios falls below the 15-year rolling supply period.

Scenario 4

Scenario 4 requires the reservation of land for road and mass transit corridors, and isolated industrial employment land (approx 50ha). Maintaining the integrity of identified transport corridors is crucial for Scenario 4.

4.13 INVESTMENT PRINCIPLES

Investment in the implementation of WREIDS will require a number of actions at different levels of government as well as the private sector. Part of the process of encouraging investment in the Western Region will be the development of a suitable environment that will be attractive to the inflow of capital. Two of the critical factors in the flow of capital are the level of certainty and the availability of information.

Superannuation funds have grown from \$70 million to \$600 million form 1983 to 2004. Over the past 10 years investment performance in Australian Industrial activities has consistently outstripped retail, office and CBD office development. Since the completion of the Western Ring Road, industrial floorspace construction has been well above the long term average. CB Richard Ellis estimates that this increase will continue well into 2010.

In effect there are a number of investment opportunities being identified in the Western Region as evidenced by the increasing number of larger property developers active in the region. Most of these developers hold the estates they create and consequently the region is increasingly being viewed as an opportunity for medium to long term investment.

Discussions with some of these property developers indicate that proximity to the Western Ring Road is a substantial locational advantage for industrial development. In addition the availability of large areas of vacant land isolated from residential areas is another sought after attribute. However, most of the larger developments tend to be occupied by transport and storage activities, which consume large areas of land, but provide little in the way of employment.

In developing an investment plan for the Western Region, the most significant aspect is to provide certainty to owners and development about the costs involved in acquiring, preparing and developing land. The following Table 4.5: Investment Framework identifies the main sources of uncertainty and recommends actions to be taken.

4.13.1 Funding Models

The WREID Strategy envisages that regional investment in commercial, residential, industrial and some infrastructure development projects will be principally derived from private sources. The challenge that municipal development authorities face is the need to harness private investment for specific projects and to create an investment environment wherein the market is able to effectively attract significant investor interest. Private investment in the west is currently slow because of uncertain long-term development futures, and high assessed investment risks. This section outlines the funding and investment model proposed to overcome this investment challenge.

An effective municipal investment plan will be derived from a clear understanding of investor objectives and expectations. The principal objectives of investors and developers are the following:-

- To minimise risk;
- to maximise return;
- to select projects that are clearly defined and are framed within a strategic development context.

In response to these investor objectives, a development and investment model is proposed whereby municipal development authorities identify strategic projects, while private funds form the principal investment base. The model involves the following arrangements:-

- Project identification, coordination and planning is to be undertaken by municipal or State development authorities;
- Project development involves a risk assessment procedure, whereby the apparent risk to investors is established;

- The project is prepared by public authorities to the point where it is deemed attractive to private sector investors or consortia;
- The project may then take the form of an established public/ private development arrangement, for example Build, Own, Operate and Transfer ("BOOT").

Specific project preparation tasks that may be undertaken by development authorities include strategic planning and associated guarantees of policy certainty, site consolidation, environmental assessments, transport and access improvements, infrastructure and services coordination, and public space management.

In summary, the purpose of this model is to attract private sector investment to strategic development projects, by minimising investor risk and providing a clear strategic context for development.

4.13.2 Developer Contributions

Developer contributions may provide a significant proportion of capital works funding for large-scale developments. As such it is important that the requirements for developer contributions, including specific works to be funded, the works budget, the proportion of funding supplied by developers, the staging and strategic justification of works is provided in detail.

Specific developer contribution arrangements will likely differ between employment areas, and may include schemes to receive construction works "in kind" from developers, and various ways of apportioning of construction costs to developers, and may differ in the extent or nature of infrastructure or development type that incurs the developer contribution levy.

Western Region Employment & Industrial Development Strategy

TABLE 4.5: INVESTMENT FRAMEWORK

Investment Area	Action	Contributors	Time Frame
Native Grasslands	Identify and map all native grassland areas that require protection and maintenance prior to any subdivision or development	Growth Area Authority, local government	Immediate
	Develop a linked network of native grassland and other conservation areas	Growth Area Authority	Short term
	Develop a regional native grassland management plan	Growth Area Authority	Short term
Land availability	Identify the future land requirements to accommodate employment and population growth in the Western Region over the next 10 -20 years.	Growth Area Authority, local government	Immediate
	Develop and locate a strategic framework for the growth of the western suburbs.	Growth Area Authority, local government	Immediate and Ongoing
	Zone land for business and industrial uses, as required, to meet the level of demand and maintain at least a 10 year supply.	Growth Area Authority, local government	Ongoing
	Ensure that designated employment land is not lost to or constrained by rezoning for other uses, unless there is a strategic basis for this and options to retain higher density forms of employment are examined.		
	Review the location of the urban growth boundary, particularly in the area between the Western and Geelong Freeways.	Growth Area Authority	Immediate
Industrial Zones	Ensure an appropriate mix of industrial zones to provide for a mix of uses.	Local government	Immediate and ongoing
	Maintain the integrity of the core of the Industrial 2 Zone.	Growth Area Authority, local government	Immediate
	Encourage transport and storage activities to locate in the Industrial 3 Zone.	Local government	Short to medium term
Developer Contributions	Prepare detailed and comprehensive development contributions plans to finance the provision of local and regional infrastructure.	Local government, Growth Area Authority	Immediate

Investment Area	Action	Contributors	Time Frame
Public/Private Sector Development	Investigate the opportunities for the relocation of state government activities to strategic locations in the western suburbs.	State government	Medium to long term
	Provide for the development of and relocation of private sector offices to the western suburbs.	Local government	Short to medium term
Transport network	Identify and develop a grid pattern arterial road network with designated main roads.	Local government, State government, VicRoads	Short to medium term
	Include the road network in the appropriate zones.	Local government	Short to medium term
	Identify and locate public transport corridors and include the land in an appropriate zone.	Local government, State government, VicRoads,	Short to medium term

The developer contributions plan should be congruent with existing municipal policies. Developer contributions are generally charged per hectare of developable land occupied by the developer.

The capacity of levy contributions for development has been the subject of a number of state government reviews. The most recent concluded in May 2003 resulted in the following changes to the Planning and Environment Act:-

- an increase the Community Infrastructure Levy cap to \$900 per dwelling;
- enabling State Agencies to directly collect and administer development contribution levies in addition to municipal councils;
- provision for the simpler preparation of a development contributions plan using a preset schedule of levies which are to be set under a Ministerial Direction; and
- clarification the use of planning permit conditions for the provision of, or payment for, works, services or facilities necessitated by a development proposal.

In addition to the legislative changes, detailed, revised guidelines have been prepared by DSE to assist in the preparation of a DCP. Part 3B of the Planning and Environment Act provides for development contributions to be levied for development infrastructure and community infrastructure.

In effect under the current DCP provisions, charges can be levied the provision of urban infrastructure such as roads, railways, drainage and open space as well as the cost of providing the infrastructure (buildings and facilities) for community facilities such as child health centres and schools. The main focus of the DCP is on new residential subdivisions. However there is nothing in the Act or the guidelines that would prevent a DCP being applied to a commercial, industrial or mixed-use development provided there is a nexus between the development and the infrastructure required. The use of a DCP levy for community infrastructure in a commercial, industrial or mixed-use development is more difficult. However, provided that a link can be made between the development and additional demand on community facilities then this levy can be included in the DCP.

There are three mechanisms by which development contributions can be sought. These are:-

- voluntary agreements;
- conditions on planning permits; and
- development contributions plans.

Voluntary developer contributions, for example for works not prescribed within the Act such as pedestrian circulation or public space improvements, present an investment challenge for municipal authorities. Though there is no clear mechanism by which municipal authorities can raise voluntary funds, presenting clearly defined works programs with quantified benefits to developers may be a means to encourage voluntary contributions.

For large, greenfield developments, the most effective mechanism for implementing these levies is by constructing a development contributions plan (DCP), which in turn is implemented by a Development Contributions Plan Overlay (DCPO). The DCP must:-

- specify an area to which it applies;
- detail what is to be funded through the plan;
- relate the needs for what is to be funded to the development;
- detail the costs and levies to be applied;
- detail the method of calculating the levies;
- identify the collecting and developing agencies; and
- provide for different levies for varying types of development.

The Act caps the levy for community infrastructure to a maximum of \$900 for each dwelling and 25% of the cost of other building work.

The Ministerial Direction issued in accordance with Section 46(M) states that the following works, services or facilities may be funded from a development infrastructure levy:-

- acquisition of land for:
 - a. Roads,
 - b. public transport corridors,
 - c. drainage,
 - d. public open space, and
 - e. community facilities (such as those listed below).
- construction of roads, including the construction of bicycle and footpaths, and traffic management and control devices;
- construction of public transport infrastructure, including fixed rail infrastructure, railway stations, bus stops and tram stops;
- basic improvements to public open space, including earthworks, landscaping, fencing, seating and playground equipment;
- drainage works;
- buildings and works for or associated with the construction of:
 - a. A maternal and child health care centre.
 - b. a child care centre,
 - c. a kindergarten, or
 - d. any centre which provides these facilities in combination.

DSE has detailed the steps to be undertaken in preparing a DCPO. Essentially these steps involve:-

- identifying the area to which the DCPO will apply;
- selecting an appropriate time frame;
- quantifying the development costs;

- analysing the area affected to identify:
 - a. catchment for the DCP,
 - b. external usage, and
 - c. future usage.
- quantifying the demand for the facility/service;
- calculating the amount of the levy; and
- identifying charge areas for the DCP.

The DCP is based on the user pays principle and the concept can be applied to large areas or individual sites. However the range of infrastructure attributable to a large or greenfield development is considerably greater than a smaller or localised development.

The implementation of WREIDS would be enhanced by the financing of:

- the construction/ upgrading of the arterial road network;
- provision of public transport corridors;
- the provision of open space for recreational and acquisition of land for conservation purposes; and
- the provision of regional community facilities.

WREIDS proposes a number of actions that will require investment/ expenditure on a regional scale. Many of the recommendations for facilities/ infrastructure upgrades and construction are not localised in impact of geographic extent. This raises a number of issues pertinent to the development of a DCP to provide for the WREIDS recommendations. These include:-

- the collection of levies by one municipality for infrastructure/ facilities that may be partially or totally located in another municipality;
- the provision of infrastructure/ facilities within a confined geographic location financed by regional levies;
- identification of the area to which the DCP would apply;
- calculation of cost apportionment across municipal boundaries; and
- selection of the most appropriate authority to collect, manage and spend the levies, including potential involvement of the State government.

In addition to private infrastructure funding mechanisms, the introduction of State development contributions to assist funding of regional infrastructure should be explored, especially in the form of major roads and public transport corridors.

These issues will require a regional perspective as well as a regional approach, cooperation and agreement between the affected councils and the oversight of the State government, through the proposed Growth Area Authority.

SUMMARY - THE STRATEGIC FRAMEWORK

The Strategy presents the region with a framework for sustainable economic development, through a package of initiatives:-

- A series of major development projects, encompassing:-
 - Revitalisation and interlinking of the existing inner western region activity centres;
 - A land use renewal at selected major development sites throughout the inner urban area:
 - A land release program and principles for the development of the Truganina industrial land reserve;
 - Provision for a major regional activities cluster to focus industrail innovation and regional economic and employment growth;
 - Investment principles for the development of the Werribee Technology Precinct;
- A series of supporting initiatives including:-
- a regional leadership forum;
- regional development and investment facilitation;
- industrial land renewal;
- industrial land release program based upon future industrial land supply and demand;
- regional marketing and monitoring initiatives;
- environment and urban amenity management
- education and industrial research;
- Industrial innovation and development;
- Accessibility including freight, roads, and public transport.

These developments and initiatives constitute the implementation of the Strategy, as outlined in the Regional Economic Policy Framework and Regional Economic Framework Plan.

Western Region Employment & Industrial Development Strategy

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5 RECOMMENDATIONS

5.1 INTRODUCTION

The draft Western Region Employment and Industrial Development Strategy (WREIDS) outlines a strategic framework and implementation pathway to provide sustainable investment, development and employment in Melbourne's west. The Strategy was developed within the context of State and metropolitan policy, the need to achieve triple bottom-line outcomes for the region, and the recognition that the Strategy should take full account of current and emerging trends relating to the wider economy, industry, trade and land economics issues.

The Strategy comprises a number of recommended policies and actions designed to achieve:-

- Land use change and renewal in the region's inner suburbs, to provide a network of attractive higher-density residential areas and mixed-use commercial and business precincts linked to the existing activity centres;
- The intensification of intra-regional public transport networks and services throughout the inner western suburbs and extending to the region's middle and outer areas; and improved public transport access to the Central Melbourne region. The Strategy has provided land use and development recommendations that reinforce existing and proposed improved public transport networks; and has identified potential linkages that will improve the region's public transport accessibility;
- A long-term adequate supply of suitably located land for current and future industrial development that is linked to existing and future road and freight-rail access routes. In this context, the Strategy has identified the need for regional inter-modal freight hubs consistent with the recommendations of the Victorian Freight and Logistics Council;
- Wider investment and development benefits to the region's existing activity centres. This will be achieved by applying the Business Improvement District (BID) approach, developed in North America and Western Europe. The approach adopts a place management model linked to marketing and investment facilitation. Its essential objective is to achieve management, investment and development outcomes beyond structure planning;
- A policy and land development framework for developing a nationally-significant cluster of sustainable industries that link the region's acknowledged manufacturing, engineering and construction skills to a targeted application of the knowledge-based economy by applying education, research and marketing to develop over-horizon industries. This framework will be delivered by providing business parks linked to new forms of activity centres that comprise research, education and marketing facilities and services, and a wide range of support businesses and professional services;

A wider diversity of commercial, legal and other professional services to meet the region's existing and growing domestic needs, and to transform the west's manufacturing, engineering and construction industries into fully-sustainable productive enterprises. These will be provided within existing activity centres, new business precincts that will be linked to existing activity centres and new activity centres structured to support industry clusters.

The Western Region comprises a diversity of functional districts and sub-regions with widely varied economic roles and underlying constraints and potentials. Therefore, the Strategy's application will result in complementary and varied types of actions in different parts of the region, contributing to a unified Strategy. The Strategy's key elements are set out in Section 4.8 and 4.9. The recommendations are set out in two groupings:

- Regional recommendations; and
- Municipal-specific recommendations.

5.2 REGIONAL RECOMMENDATIONS

5.2.1 The Importance of a Regional Perspective

The draft Western Region Employment and Industrial Development Strategy (WREIDS) is first and foremost a **regional** economic framework and strategy. Although the Strategy provides a framework for further detailed development at a municipal and local level, underlying policies and principles were conceived at a regional level, and the Strategy as a whole is designed to provide optimal long-term benefits at a regional level. Therefore, it is important that the draft WREID Strategy is first considered as a **regional document** intended to provide a spatial and policy framework for the west's long-term development.

A regional perspective is important because the opportunities and challenges facing the western suburbs can be more fully appreciated from a regional perspective. The actions required to be undertaken are likely to be more effective if developed within a regional framework. Furthermore, sustainable long-term benefits to the region will be best achieved through a concerted regional approach, which means that councils may be required to undertake varied and complementary actions that lead to more effective regional outcomes.

5.2.2 Regional Elements of the Strategy

There are three distinctive categories of regional recommendations. These are:-

- regional elements of the Strategy and their adoption;
- procedural actions that will need to be undertaken in order to give a "regional effect" to the Strategy. That is, actions focused on how to obtain a unified position and "common understanding" of the Strategy;
- statutory provisions that will need to be undertaken in order to give statutory effect to the regional elements of the Strategy.

The principal elements of the Strategy are based upon regional principles, policies and development initiatives. These elements are set out in the Strategy Framework and comprise the following (refer Section 4):-

- Regional Context Statement
- Vision Statement
- Strategic Objectives
- Regional Economic Policy Framework
- Regional Economic Framework Plan

The above elements collectively provide a regional view and approach for the economic development of Melbourne's west. It is understood that each of the participating Councils and DSE will seek to review the Strategy, and will form their views on the elements of the Strategy and the Strategy as a whole. In this context, it is recommended that the Strategy set out in Section 4 is received and reviewed by the Department of Sustainability and the Environment (DSE) and by each of the region's participating Councils. It is further recommended that the Department and participating Councils establish a common position on the draft Strategy's **objectives, principles and intent** in order that the regional integrity of the Strategy be recognised and maintained.

5.2.3 Regional Implementation

Procedural Actions

It is recommended that the participating Councils and DSE receive and conduct a review of the draft Strategy, and undertake to establish a Strategy statement that represents a common position of the parties.

Statutory Provisions

The Western Region Employment and Industrial Development Strategy proposes a series of regional strategic objectives and land use guidelines.

To give statutory effect to the Strategy, and to ensure it is considered in the decision making process for major projects and planning scheme amendments that may arise from these projects and related initiatives. It is recommended that the various amendments that may be required subject to resolution of the projects be made to the Victoria Planning Provisions (State and local sections).

Clause 12: Metropolitan Melbourne

Clause 12 applies to Metropolitan Melbourne. Clause 12 is considered to be the most appropriate section within the VPP's to reference documents, strategies or the like which impact upon defined regions within the Melbourne metropolitan area (i.e. - which go beyond individual municipal boundaries).

It is recommended that the Strategy be referenced at Clause 12.09 - "Geographic Strategies". This can be achieved by adding the following point at the end of Clause 12.09:

Western Region Employment and Industrial Development Strategy (2005).

The intent of this recommendation is that the Strategy be given formal statutory recognition as a "reference document" of metropolitan significance that decision makers must have regard to (as appropriate).

<u>Local Planning Policy: Guidelines to Evaluate Potential Rezonings of Industrial</u> Areas

Background

Over the past decade, the Western Region, and other regions in metropolitan Melbourne, have been subject to significant rezonings of industrial areas to facilitate other land uses. The Western Region's industrial areas form an important resource for the existing and future economy of the region and, while the Western Region Employment and Industrial Development Strategy (WREIDS) provides for industrial land change and redevelopment in the region's inner suburbs, there is a risk that the rezoning of areas without proper consideration of their industrial role and costs and benefits to the community could jeopardise the region's industrial development, long term investment and employment prospects. In addition, rezoning of existing and designated industrial areas to other uses further adds to the supply requirements of the region that would need to be identified, planned and approved.

Purpose

The purpose of the proposed local planning policy is to provide a consistent framework to evaluate proposals for the rezoning of industrial land in order to ensure that:-

- the region maintains a diverse stock of viable industrial areas and development opportunities;
- industrial land use change will realise a higher net benefit to existing and future communities;
- the region's future industrial land supply requirements are maintained within manageable limits.

Guidelines

It is recommended that applications for rezoning of existing and designated industrial areas be required to consider the following:-

- size and location of industrial areas. Preference for rezoning existing industrial areas should be given to sites and areas that are relatively small and isolated from major industrial areas. As an example, the Western Region Employment and Industrial Development Strategy (WREIDS) has recommended consideration for investigation and rezoning of a number of industrial sites that are generally less than five hectares in extent, and are isolated from major industrial areas and are surrounded, wholly or partially, by non-industrial uses;
- productivity of existing sites. Preference for rezoning existing industrial areas should be given to sites and areas that are vacant, or likely to become vacant in the foreseeable future;

- environmental contamination. Preference for rezoning existing industrial areas should given to sites and areas where it can be demonstrated that existing environmental contamination levels have been identified and measured and that the application for rezoning provides a strategy for the management or remediation of the site as may be required for the proposed uses;
- productivity of existing operations. Preference for rezoning existing industrial areas should be given to sites and areas that may become available for redevelopment in circumstances where existing establishments are being redeveloped at new locations in the region, facilitating the development of more modern, productive and competitive facilities;
- utility of sites for other uses. Preference for rezoning existing industrial areas should be given to sites and areas in circumstances where it can be demonstrated that the areas can be feasibly redeveloped to other uses for which there is existing or projected demand and which may contribute to the diversity of accommodation, retail, commercial, tourism, social, recreational, educational, research or professional services facilities in the district and region;
- access to public transport. Preference for rezoning existing industrial areas should be given to sites and areas that are located within walking distance of the existing principal public transport network (PPTN), or proposed public transport routes;
- improvements to residential amenity. Preference for rezoning existing industrial areas should be given to sites and areas where it can be demonstrated that the development of the subject sites, as proposed, will contribute to a significant improvement in the amenity of existing residential areas;
- industrial area conservation. Preference for rezoning existing industrial areas should be given to sites and areas where it can be demonstrated that the proposed development/s are not likely to prejudice other existing significant and viable industrial areas or other significant areas that are designated for future industrial use;
- boundary conditions. Preference for rezoning existing industrial areas should given to sites and areas where it can be demonstrated that the proposed development will be planned in a way that improve boundary conditions between industrial and nonindustrial land uses:
- buffer areas. Preference for rezoning existing industrial areas should given to sites
 and areas where it can be demonstrated that the proposed development does not
 compromise existing buffers in other established industrial areas;
- open space and pedestrian networks. Preference for rezoning existing industrial areas should given to sites and areas where it can be demonstrated that the proposed development either adds to the stock of open space and pedestrian networks in the local district, and/or connects to major open spaces and established pedestrian networks.

5.3 MUNICIPAL RECOMMENDATIONS

Recommendations were prepared for each of the participating Councils. Each set of recommendations is accompanied by a municipal-specific context statement providing a rationale and underlying strategy principles for the recommended policies and actions (refer Section 4.3 Municipal Context Statements and Table 4.2: Regional Projects Framework).

5.3.1 The Importance of a Municipal Perspective

Implementation of the draft Western Region Employment and Industrial Development Strategy (WREIDS) will require the cooperation, assistance and active participation of each of the councils in the region in order to achieve a successful outcome for the communities of Melbourne's west. In order to strengthen this process, it is important that the priorities and needs of local areas in the region are recognised and addressed as part of the draft Strategy.

5.3.2 Municipal Elements of the Strategy

The municipal elements of the Strategy are comprised as follows:-

- Municipal economic context statements. These are set out as sub-sections of the Regional Context Statement in the Strategy (refer section 4.3).
- Recommended projects. These are set out in the Regional Projects Framework, which is intended to implement the Regional Economic Framework Plan in the Strategy (refer Sections 4.9 and 4.10).
- Other related initiatives and policies. A range of supportive policies and actions designed to underpin and reinforce the recommended projects is set out in the Regional Projects Framework. These include:-
 - development and investment facilitation,
 - industrial land renewal,
 - industrial land supply and demand,
 - marketing and monitoring,
 - environment and amenity policies and guidelines,
 - supportive policies for education and research development,
 - land planning policies to support industrial innovation and development,
 - freight and logistics policies,
 - recommended policies to facilitate arterial road development,
 - supportive policies for public transport development.

Projects

The municipal parts of the Strategy recommendations have been formulated as a series of projects and related initiatives that are to be implemented at a municipal level. These projects and other actions are outlined in Section 4.10 Regional Projects Framework. A summary table of the projects that apply to each municipality is provided below (Table 5.1).

TABLE 5.1: MAJOR PROJECTS BY MUNICIPALITY

Municipality	Project
Brimbank	Truganina/ Derrimut/ Ravenhall Industrial Investigation Area
	Inner West Activity Centres Network (Sunshine)
	Major Site Redevelopments s (Solomon Heights)
Hobsons Bay	Major Site Redevelopments (Newport Gardens, Blackshaws Road)
	Gem Pier Ferry
Maribyrnong	Inner West Activity Centres Network (Footscray, Highpoint, Central West)
	Major Site Redevelopments (Dunlop Site)
Melton	Truganina/ Derrimut/ Ravenhall Industrial Investigation Area
	Toolern Employment Node
	Freight Handling Facilities
	Outer Western Ring Road
Moonee Valley	Inner West Activity Centres Network (Moonee Ponds)
	Major Site Redevelopments (Essendon Airport)
Wyndham	Truganina/ Derrimut/ Ravenhall Industrial Investigation Area
	Mass Transit Corridor
	Outer Western Ring Road
	Freight Handling Facilities
	Werribee Technology Precinct

5.3.3 Municipal Implementation

Procedural Actions

It is recommended that each of the participating Councils receive and review the draft Strategy. It is further recommended that each of the Councils determines a position that:-

- Recognises the imperatives and requirements for the region, and the need to achieve a regional vision for sustainable development and employment;
- Reflects municipal and local issues that need to be addressed in the final resolution and implementation of the Strategy.

Statutory Provisions

Subject to agreement by the participating Councils and DSE, a series of statutory amendments to the planning schemes would be required in order to give full effect to the Strategy. The scope and intent of potential provisions is set out below.

Clause 21: Municipal Strategic Statements

Introduction / Overview

As stated at Clause 20 of all VPP schemes:

"The Municipal Strategic Statement (MSS) is a concise statement of the key strategic planning, land use and development objectives for the municipality and the strategies and actions for achieving the objectives. It furthers the objectives of planning in Victoria to the extent that the State Planning Policy Framework is applicable to the municipality and local issues. It provides the strategic basis for the application of the zones, overlays and particular provisions in the planning scheme and decision making by the responsible authority."

Many (but not all) MSS's outline how the municipality sits in a State and regional context, and then outline a more local context for planning and development management.

The changes proposed to the MSS's of those Councils affected by the Strategy are two-fold:

1. Regional context and the regional Strategy, applicable to all Municipalities and framing the local role within the greater regional system.

The introduction of a broad regional context statement that outlines the key regional issues and recommendations outlined in the Strategy that are common to all affected municipalities. It is anticipated that this statement will be identical for all of the Councils, and that it will be inserted up-front in the various MSS's (in much the same way as Clause 21.03 of the Yarra Ranges Planning Scheme, which references the "The Upper Yarra Valley and Dandenong Ranges Regional Strategy Plan 1996").

It is recommended that this amendment be subject to a regional amendment process.

2. Local context and Strategies that are specific to each municipality and reflect localised applications and relevance of the Strategy.

Various other amendments to the affected Council's MSS's, giving more specific effect to the recommendations of the Strategy relative to individual municipalities. This will involve individual Council's examining their existing MSS's, and determining how best to incorporate the recommendations of the Strategy.

It is recommended that this amendment be subject to a municipal amendment process.

The above measures, which will also specifically reference the Strategy, will further strengthen the statutory weight of the document and provide a regional and local context for its recommendations.

Part 1 - Regional Context and the Regional Strategy

It is anticipated that the regional context component of the proposed MSS amendment will be essentially derived from the Regional Context Statement of the Strategy (Section 4.1, p.69). It is likely to include the following key paragraphs:

- The Western Region Employment and Industrial Development Strategy is the primary regional employment and industrial land strategy for the foreseeable future.
- The Municipal Strategic Statement shall regard the Western Region Employment and Industrial Development Strategy as a reference document.
- A summary statement of the key elements of the WREID Strategy will be required in this section (refer Section 4.9 that sets out the elements underlying the Regional Economic Framework Plan)

Part 2 - Local Contexts and Strategies

Municipal economic context statements have been prepared for each of the participating Councils. These form a sub-section of the Municipal Context Statements (refer Section 4.3).

It is recommended that these context statements be reviewed and revised according to reflect the full range of policies, strategic issues, and priorities of the participating Councils.

Clause 22: Local Planning Policies

Introduction / Overview

Also as stated at Clause 20 of all VPP schemes:

"Local Planning Policies are tools used to implement the objectives and strategies of the Municipal Strategic Statement.

A Local Planning Policy (LPP) is a policy statement of intent or expectation. It states what the responsible authority will do in specified circumstances or the responsible authority's expectation of what should happen. The LPP gives the responsible authority an opportunity to state its view of a planning issue and its intentions for an area. An LPP provides guidance to decision making on a day to day basis. It can help the community to understand how the responsible authority will consider a proposal. The consistent application of policy over time should achieve a desired outcome.

When preparing amendments to this scheme and before making decisions about permit applications, planning and responsible authorities must take the LPPs into account."

The Local Planning Policies provide an additional opportunity to introduce a statutory measure that identifies, and requires that consideration be given to, the Strategy.

It is recommended that a generic Local Planning Policy be developed, and that it be included at Clause 22 of all western region municipalities.

It is recommended that this amendment be subject to a municipal amendment process, and prepared concurrently with the MSS amendments.

Possible Format - Draft Policy

The following is a possible format for the proposed Local Planning Policy:

Clause 22.## Western Region Economic and Industrial Development Policy

Policy Basis

The Western Region will undergo economic and demographic changes in the medium term that will require a regional approach to planning and development management. The region serves a highly significant industrial and logistics function at a metropolitan and state level, which is currently in a process of dynamic change due to macro-economic forces. Localised responses to the challenges presented by these changes are contextualised by the Western Region Economic and Industrial Development Strategy.

Policy Objectives

To ensure planning scheme amendment and land use planning decisions have regard to the provisions and recommendations of the Western Region Economic and Industrial Development Strategy.

To facilitate consistent decision making and cooperation between western region municipalities in accordance with the provisions and recommendations of the Western Region Economic and Industrial Development Strategy.

To deliver a western region sustainable economic development and employment growth strategy that promotes:-

- sufficient industrial land supply for long-term regional requirements;
- a shift in the regional economic base from predominantly generic manufacturing to research-led industries that bring the region into the knowledge economy;
- renascent change in the inner western region to bring about land use intensification focused around existing activity centres, access networks, and under-utilised former industrial and public utilities sites;
- long term sustainable employment in industries that are appropriate to the region's geographic, demographic and economic contexts;
- intensification of land use in the inner western region in response to the observed economic trends that move away from manufacturing and industrial land uses, and the inner western region's proximity to Inner Melbourne.

Policy

It is policy that:

- Land use planning decisions involving regionally significant industrial and employment land have regard to the Western Region Economic and Industrial Development Strategy.
- Regard be given to the Western Region Economic and Industrial Development Strategy when considering development proposals for areas identified within the Strategy as potential sites for urban land use renewal, higher density residential development, roads and access requirements, and industrial land.

Policy References

The Western Region Economic and Industrial Development Strategy.

Foreshadowed Local Planning Scheme Amendments

Introduction

The following is a summary of the various local planning scheme amendments that may be required by individual municipalities subject to the outcomes the detailed resolution of the recommended projects and related initiatives.

Brimbank

Derrimut

- Prepare amendments for the application of appropriate industrial zones and overlays.
- Allow for adequate road reservations for the full potential required upgrades to Boundary Road, Robinsons Road, and Mount Derrimut Road (see also Section 4.10.5.
 Principal Regional Activities Cluster Project).

Sunshine

- Prepare amendments for the application of appropriate residential, commercial and mixed use zones.
- Define a local Sunshine business precinct in the planning scheme, in consultation with local businesses and other stakeholders.

Hobsons Bay

Newport Railyard Redevelopment Project

- Prepare amendments for the application of appropriate mixed use, residential and business zones and overlays.
- Adopt a structure plan for the site that incorporates land use and design guidelines.

Blackshaws Road

- Prepare amendments for the application of appropriate mixed use, residential and business zones and overlays, pending the completion of the Hobsons Bay Industrial Land Review.
- Adopt a structure plan for the site that incorporates land use and design guidelines.

Maribyrnong

Inner west Activity Centres

Prepare amendments for the application of appropriate mixed use, residential and business zones and overlays within and at designated locations around Highpoint, Footscray, and Central West activity centres. Define local business precincts in the planning scheme, in consultation with local businesses and other stakeholders, for Footscray, Highpoint and Central West activity centres.

Dunlop Site

- Prepare amendments for the application of appropriate mixed use, residential and business zones and overlays.
- Adopt a structure plan for the site that incorporates land use and design guidelines.

Core Industrial Areas

- Prepare business plans and design guidelines for all core industrial areas south of the Ballarat Railway.
- Prepare planning scheme amendments to implement the plans and guidelines.

Defence Site Maribyrnong

- Prepare amendments for the application of appropriate mixed use, residential and business zones and overlays.
- Adopt a structure plan for the site that incorporates land use and design guidelines.

Melton

Ravenhall

- Prepare amendments for the application of appropriate industrial zones and overlays.
- Allow for adequate road reservations for the full potential required upgrade to Clarke Road, Christies Road, Robinsons Road, Middle Road, and Boundary Road.

Toolern Employment Node

- Prepare amendments for the application of appropriate industrial, mixed use, commercial and residential zones and overlays.
- Adopt a structure plan for the site that incorporates land use and design guidelines.

Freight Handling Facilities

 Prepare amendments for the application of appropriate industrial zones and overlays for the site and required buffer areas.

Outer Western Ring Road

 Prepare amendments for the application of appropriate road zones and overlays for the required road reservation.

Moonee Valley

Inner West Activity Centres

- Prepare amendments for the application of appropriate mixed use, residential and business zones and overlays within and at designated locations around Moonee Ponds.
- Define a local business precinct for Moonee Ponds in the planning scheme, in consultation with local businesses and other stakeholders.

Essendon Airport

- Prepare amendments for the application of appropriate mixed use, residential and business zones and overlays, including provision for transport corridor reservations.
- Adopt a structure plan for the site that incorporates land use and design guidelines.

Wyndham

Truganina

- Prepare amendments for the application of appropriate industrial zones and overlays.
- Allow for adequate road reservations for the full potential required upgrade to Fitzgerald Road, Boundary Road, Dohertys Road, Leakes Road, and Sayers Road.

Mass Transit Corridor

 Prepare amendments for the application of appropriate public use zones and overlays for the required transit corridor reservation linking the Bendigo and Geelong lines.

Outer Western Ring Road

 Prepare amendments for the application of appropriate road zones and overlays for the required road reservation.

Freight Handling Facilities

Prepare amendments for the application of appropriate industrial zones and overlays for the site and required buffer areas.

Werribee Technology Precinct

 Prepare amendments for the application of appropriate special use, mixed use, industrial and business zones and overlays, including provision for transport corridor reservations.

Laverton Employment Area

Prepare amendments for the application of appropriate zones and overlays to discourage office development at Rose Grange, and protect existing and potential employment function of the Laverton RAAF site. Western Region Employment & Industrial Development Strategy

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6 Moving the Region Forward

The Western Region Employment and Industrial Development Project has presented the region with a strategy for regional economic development, urban revitalisation and effective use of available land.

The success of the Strategy would be strongly enhanced by the establishment of a regional governance and leadership forum as a platform for decision-making on regional development, in order to ensure that regionally significant development initiatives are discussed and supported by municipalities throughout the region.

Initiatives to establish a forum to meet this need are currently underway, and it is hoped that the regional nature of the development projects presented in this Strategy will provide further rationale for this process.

Western Region Employment & Industrial Development Strategy

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The new land rush

By **HUGH MARTIN**

ELBOURNE'S biggest property players are jockeying for position on the city's fringe as they rush to "land bank" decreasing supplies of serviceable, industrial-zoned land.

Australand, Deutsche, GPT, Investa, MAB, Macquarie Goodman and Salta Properties have been identified as Melbourne's largest and most aggressive land acquisitors, with their recent purchases

involving about 1000 hectares.

Melbourne's industrial land boom is identified in a market report from commercial estate agency Savills, which claims a virtual monopoly of industrial land by the group has given it domination over the rental pre-commitment market.

The pre-commitment market now lies in the hands of seven key players, the report

savs.

Larger pre-commitment requirements are generally competitively tendered, with big tenants seeking recognition of the benefit their covenant provides to the value of the asset and, in some instances, seeking openbook negotiations.

The report found pre-commitment competition was so strong, as the group aggressively sought tenants, that rental demand for secondary-grade stock had

softened significantly.

Savills valuations divisional director Shane Robb says contracting yields, flat rental growth, escalating land prices and fierce competition for stock has categorised Melbourne's industrial market this year, driving the land banking activity.

Consistent with other commercial property markets, the shortage of investmentgrade stock has meant that these institutions have become more resourceful in the way to populate their funds under management, Mr

Robb says.

Industrial land banking means that participants in this sector will delay the gridlocked position categorising the office and retail markets, where stock is simply not easily able to be acquired, he says.

According to the report, Australand's Dandenong South Park industrial estate will sell out within the next year, with almost 10

hectares sold so far this year.

It found that developers Pellicano, Lettieri and, most recently, Clough, had added to the list of those land banking in the southeast.

However, the size of parcels being land banked in the south-east is small compared to Melbourne's northern and western sectors, where supplies are expected to last for between 10 and 15 years.

The report found land prices had grown exponentially and regularly exceeded

expectations.

Defining this was the recent sale of 51 hectares of former Melbourne Fire Brigade land in Fairbairn Road, Sunshine, to Salta Properties, which paid \$51 per square metre. The expected price was \$38-\$43 per square metre.

This level of growth is considered unsupportable when construction costs are also rising, while rental growth remains

subdued, the report stated.

Mr Robb says industrial land is considered a particularly low-risk investment in Melbourne, which is regarded as Australia's

industrial capital.

Infrastructure development, particularly in the form of the Craigieburn Bypass, Eastern Freeway extension and Scoresby Freeway, is expected to see Melbourne maintain its attractive position to users of industrial space, Mr Robb says.

The plus for these users is that they are operating in a competitive environment keeping rental growth relatively flat, and consequently, keeping the city competitive over Sydney and Brisbane particularly.

He says rental levels in the northern capitals are expected to be significantly ' higher than in Melbourne for the long-term.

TAKING A PUNT

Developers land banking prime sites awaiting tenant precommitment

OWNER	SIZE (HA)	SUBURB	DESCRIPTION
Australand	300	Tullamarine	Melbourne Airport Business Park
	114	Derrimut	Land over two estates
	30	Dandenong Sth	
Deutsche	92.5	Laverton Nth	
Investa	194.5	Deer Park	Former Orica land
GPT	79	Somerton (Austrak Business Park
Leighton Properties	94	Deer Park	Westlink Business Park
Macquarie Goodman	10	Laverton Nth	Most land developed
Salta	51	Sunshine	Also holds other industrial land

Appendix B. Business Improvement Districts in Europe

EUROPE+ASIA

Born Again Real Estate

Modernising Turkey

BIDs for the Future

Indonesia Rebuilds

EMERGING EUROPEAN REAL ESTATE MARKETS ISSUE

owns and cities worldwide are operating in an
increasingly competitive
environment. A business improvement district (BID) is one way to provide additional services and activities
to meet the specific needs

of a local business

community, and to secure a commercial advantage. The majority of BIDs are in the United States and Canada.

The world's first BID originated in Toronto in 1971 at Bloor West Village, and it is estimated that there are now over 400 BIDs in each of

these countries.

JOHN RATCLIFFE AND PENNY KAY

Business improvement districts originated in the United States and Canada during the 1970s, but their sixe Lanie adoption elsewhere is taking place slowly. THRONE CO. SEC. INCIDENT PROPERTY SAME

Urban Land Europe + Asia Summer 2003 45

While the term "BID" is commonplace, the generic name used in the United States is "special-benefit district" of which "business improvement" is but a part. Other terms have been coined to describe the same concept—special improvement district, community improvement district, neighbourhood improvement district, and so on. The massive growth in BID formations in North America, and the ever-growing interest in their introduction elsewhere, reflects the recognition on behalf of owners and operators across Europe that the value of their property and the profitability of their business depend to a significant extent on the quality of the surrounding environment—both physical and functional.

Over 1,200 BIDs and BID-like organisations have been identified in more than 16 countries on four coninents. In Europe, it has been noted that Austria, Belgium, Denmark, France, Germany, Ireland, Netherlands, Norway, Portugal, Spain, Sweden, and the United Kingdom all now operate BID-like structures.

The BID Concept

BIDs share five essential characteristics, according to Lawrence O. Houstoun, principal of the U.S.-based Atlantic Group and a leading consultant in the field:



Sixty-six percent of businesses voted in favour of Kingston First. Street cleaning (above) is one important activity undertaken by the London suburb's BID.

Providing uniformed and trained community rangers (below) is another.



- M A BID is a system in which the owners of two or more private properties or businesses cooperate to share the costs of solving common problems or realising economic opportunities associated with their place.
- A BID has a sustainable funding system, making formulation of multiyear plans and budgets possible.
- M A BID is authorised by government through legislation that defines the organisational purpose, governing structure, functions, and limits.
- A BID is permitted to provide business- and property-related services within its geographic boundaries.
- A BID may be managed by an organisation that is either a nonprofit corporation or a quasi-public agency.

Although there is a long history of successful town centre management schemes in many countries, the BID concept is distinguished by its statutory basis and inclusive nature.

In the U.K., for example, BIDs are typically being set up as a partnership arrangement between a local authority and local business community, with the goal of providing additional services and improvements in a defined geographical area. These are funded by an extra levy on their rates bill—"rates" being the name for taxes levied by local authorities in the U.K. The types of services and improvements, and size of the levy, are agreed upon in advance by the businesses involved.

An interesting aspect common to the rise of BIDs is that normally tax-averse businesspeople voluntarily choose to be assessed for an extra mandatory charge to raise funds to enhance the management of a particular place.

While business leaders might be enticed into establishing a BID for a whole variety of reasons, the prime motive, according to research conducted in the United States, appears to be either fear or opportunity. Self-interest is arguably the most powerful force for innovation and action, and the fear of declining trade, the threat of competition, or the chance of capitalising on a special event or project can all help galvanise concerted effort by businesses to form a BID.

There are also the more macro-level driving forces of change, such as affordability, decentralisation, town centre decline, the threat posed by edge-of-city or out-of-town development, urban mobility, and civic safety and security. These influence the planning, perception, and performance of towns and cities across Europe, and create a climate conducive to the introduction of BIDs.

But the main benefit that property owners and businesses derive by establishing a BID, thereby imposing a compulsory levy on themselves, is that the expected commercial return will exceed their own personal contribution.

Business Involvement

The U.S. model shows that three key objectives need to be met in order to encourage more businesses in Europe to support the BID concept. Firstly, businesses must be convinced that the new services or improvements that they are paying for will be in addition to the services they already receive from the local authority and other civil agencies, Secondly, the BID levy must be seen as an investment in business, where the BID can deliver specific measurable benefits such as increased footfall, higher asset value, or lower security costs. And thirdly, businesses must be assured that the BID will deliver the objectives stated in the initial proposal. They must be convinced of

BIDs should provide some or all of the following functions:

- Maintenance—removing litter and graffiti, cleaning footpaths, etc.
- Security—hiring of supplementary security and street guides, buying and installing electronic security equipment, and working with the local ocline force.
- Consumer marketing—promoting festive's and events, coordinating sales promotions, taunching image enhancement and advertising compalens, etc.
- Business recruitment and retention—conducting market research, offering financial incentives to new and expanding businesses, and marketing to investors.
- Public space regulation—managing street performances, providing and maintaining street furniture, controlling vehicle loading and unloading, etc.
- Parking and transportation management—managing the public parking system and maintaining shelters and signage.
- Urban design—developing guidelines and managing facade improvement and design regulation schemes.
- Social services—creating or giving help to the nomeless, providing job training, and supplying youth services programmes with funding support.
- Visioning—developing a strategic plan to achieve a preferred future shared by all stakeholders
- Capital Improvements—installing pedestrian-scale lighting and street furniture, and planting and maintaining trees and flowers.
- Advocacy—enabling businesses to speak collectively, developing and promoting unified positions on matters that affect the local economy, etc.
- Cooperative enterprises—allowing businesses to engage in joint advertising and purchase of services and special needs common to many but not all businesses.
- Research and planning services—through these services, BIDs collect and analyse economic and demographic data, monitor progress, set and nevise goals, and develop multiyear programmes.

the other stakeholders' support and have confidence in the board and managerial team responsible for implementing the BID.

Likewise, local government must be assured that business will supply and support a plan for improvements that match existing objectives and proposals for local improvements. The government will also wish to ensure that these plans are of benefit to a wider community, including residents of the area. Property owners need to believe that the designation of a BID will enhance the local area, resulting in an increase in the value of their properties through higher rents, fewer voids, and lower management costs. Other participants can make a vital contribution to the success of BIDs. The police, for example, can play a significant role in orchestrating an effective safety and security policy.

Common Concerns

In the United States, a number of common concerns have been identified that need to be addressed if BIDs are to be successfully introduced in Europe. They are as follows:

A champion. Key to the successful formation of a BID is an effective "champion" to promote the concept, form a coalition of partners, guide the process, and implement it.

Size. The annual revenue of BIDs may range from €20,000 (US\$25,907) to €10 million (US\$12.95 million), but scale itself is no barrier to designation. Indeed, small BIDs and even micro-BIDs are increasing in number, bringing the benefits of sustainable local improvements to all kinds of places and sectors. Small BIDs tend to focus on marketing their districts and sharing some of the operating costs with the local authority. While limited resources constitute a difficulty for small BIDs, especially in the formation stage, they generally inspire their business sponsors to become more committed to the concept.

Relevance. The class of compulsory contributors to the BID levy is left to local discretion. This means, for instance, that where a BID's objectives are wholly or substantially retail based, liability for the additional BID levy can be restricted to retail businesses in the area.

Affordability. Local discretion also extends to determining the amount of the BID levy, which might be set at different levels for different types of contributors in the local area.

Additionality. For a BID to be successful, it must provide services that are additional to the existing statutory public sector provision, and a "baselining" agreement to maintain that level of service, or better, is a prerequisite for any BID.

Boundaries. Establishing the physical boundaries for a BID can be a sensitive exercise, but in essence the focus must be on defining the relevant business core in order to ensure viability.

Versatility. Funding for BIDs is not restricted to the amount that can be raised through the BID levy, but it can be supplemented by alternative sources of funding such as sponsorship, voluntary contributions, operating revenues, advertisements, events, concessions, car parking, and the like.

Reaching Decision Makers

Getting a BID off the ground is all about "partner engagement" rather than "partner consultation," according to Paul Rice, chief executive of Manchester City Centre Management Company. He is also a director of the Association of Town Centre Management and involved in the U.K. BIDs national pilot project (see box).

"People think if they invite businesses to meetings and 'tick the box,' that this is private sector engagement. It is not. You have to really engage with businesses and spend the time to find out what they want, and make sure their requirements are put in the business plan."

BIDs Become Operational in the U.K.

ast November, the first SiO in the U.K. got the go ahead in Ringstonupon Thames, southwest London, and became operational on 1. January. Sixty-six percent of businesses voted "yes" to Ringston First,
which will generate £4 million (US\$7.48 million) over five years through a 1
percent supplement on the rateoble value of properties, doubling the councils oursers spending on town centre services.

There are 23 national BID plot projects in the U.K. being run by the Association of Town Centre Management (ATCM). Their purpose is to guide locations through a structured process to set up a BID and to obtain the practical experience needed to run it.

Last March, retailers on three of London's world-famous shopping streets—Bond Street. Oxford Street, and Riggert Street—voted in favour of the New West End Company becoming a formal BID. Over the next three years, £18 million (US\$33.65 million) will be invested in London's West End through the BID to encourage more visitors to stay longer and spend more in the arra's shops, hotels, and restaurants.

Peter Still, managing director of the John Lewis department store on Oxford Street, says: "The West End is one of the best-known and most popular retail destinations in the world, but it is increasingly facing never and stronger competition. The BID will deliver significant improvements for the area and provide a real inform on investment for West End retailors."

The BID commenced operations on 4 April 2005 for an initial three-year period.

Getting the business plan right is fundamental, he says. "It must be easily communicated to the decision maker at the business that this is what they are going to get for their money. You have to be absolutely clear on what you are doing for them and how you are adding value to what is already there."

The challenge for many of those involved in setting up BIDs is finding the key decision makers, particularly within national businesses.

Matt Corrigan, city centre manager for Lincoln City Centre Partnership in the U.K., explains: "There are often no local decision makers within national businesses, and finding them and enthusing them about a particular location is a challenge. Do you need to speak to the store manager, regional manager, finance manager, or property manager? And do they have policies in place in terms of BIDs?"

"There aren't examples of BIDs that are up and running to show people. We invited Lucy Meade, director of business development at Richmond Renaissance in Virginia, to explain to businesses in Lincoln how it works."

Legal Framework

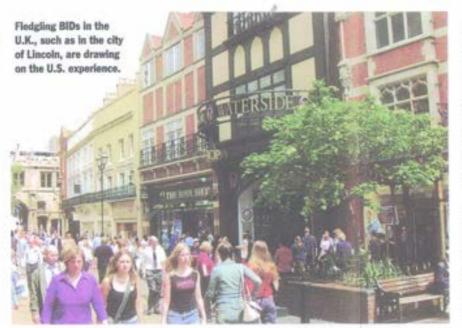
In most European countries, the authorisation for BIDs will be provided by national laws. In the United States, the statutory basis resides individually within each state, which gives rise to a variety of legal frameworks.

Perhaps the most important lesson to be learned from the North American experience is that the key to ensuring an effective legal framework is to keep the enabling legislation broad and simple, leaving local groups to prescribe their own detailed provisions.

Voting System

Once the enabling legislation is in place, there are three broad ways in which a BID can be authorised at local level.

- The local authority conducts a public hearing and subsequent vote for or against the BID plan. More than 50 percent have to vote "yes" in order for the BID to go ahead. This is generally thought to be the most desirable option.
- M A BID plan is adopted only if a percentage of the owners and businesses affected sign up for it. This petition system is considered to be the least desirable option.



■ Those affected by a proposed BID plan have to lodge a formal objection to it, and the BID is set aside if a given proportion-say, more than a third or a half-cast a negative vote. This is perhaps a workable compromise.

Voter apathy is an issue that should not be underestimated by those considering setting up BIDs in Europe. In the U.K., for example, two BIDs have recently failed to achieve more than a 50 percent vote in favour, although there was strong support for the BID plans. Not enough businesses voted on the ballot day.

Carl Speight, general manager of the recent Liverpool City Centre BID, explains: "Our business plan had really good feedback from the majority of businesses that we were able to speak to and we had over 120 businesses that had indicated to us they would be voting

in favour, representing £17 million of rateable value. Obviously not all of these actually voted in the ballot."

He continues: "This is similar to the 'no' result and reasons identified for the recent BID vote in Maidstone, Kent. Therefore, our key partners continue to believe that the BID represents the right way to enhance business performance and we will be seeking a repeat ballot finishing during May."

One of the biggest frustrations appears to be the voting procedure itself. Jacquie Reilly, National BID project director, says: "The complexity of the ballot sections of the BID regulations creates an additional burden for partnerships and, in fact, makes it more difficult for businesses to exercise their vote. Meeting these requirements generates a chain of paperwork but adds nothing to awareness and understanding or BID development."

Services and Improvements

In Europe, it needs to be recognised that the functions of BIDs will tend to grow and evolve over time. Naturally, these functions will vary according to the needs of the places that BIDs serve and from the perspectives of the people who plan, administer, and oversee

their workings (see box).

Small BIDs-i.e., those with revenues of €500,000 (US\$647,574) or less-tend to emphasise marketing services to attract customers and strengthen the mix of businesses. Larger BIDs usually spend most of their funds on three activities: uniformed, radio-equipped personnel patrolling the streets; footpath and publicspace cleaning; and promotion and marketing, Many BIDs also prepare plans for capital improvements and induce local authorities to pay for all or part of the costs.

The Way Forward

The challenge for many Europe-based BIDs will be how to manage expectations and measure success. Corrigan says: "People are going to want immediate results, but it will take a while before all the benefits emerge."

BIDs have been tried and tested over time in the United States and they will almost certainly

multiply, diversify, and innovate across Europe. In practice, BIDs have not produced the negative social effects that some feared, nor have they made any major public mistakes in recent years.

BIDs bring the wit, imagination, and entrepreneurial skills of private sector stakeholders to the provision of public services and civic amenity-"cooperative capitalism" at its best.

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